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German Startups Group realises capital gains and opens up for partnerships

- *Capital gains through sale of shares in two portfolio companies and book profits through third-party objectivisation of higher share prices*
- *Management sees increasingly strong interest of corporates in the booming German startup ecosystem*
- *Consulted major shareholders of German Startups Group declined to sell their shares at an inquired price of 2.40 euros per share*

Berlin, 07 April 2017 - German Startups Group, the most active private venture capital investor in Germany since 2012 (CB Insights 2015, PitchBook 2016), will sell its shares in a holding of particular significance to the company to two financial investors and thus realise proceeds of just under one million euros. In the course of this, German Startups Group will realise a multiple of the capital invested of 2.5x as well as an internal rate of return (IRR) of 60% p.a. and capital gains of 550k euros. Through a partial sale of shares in a further holding of particular significance to the company, German Startups Group will realise capital gains against the book value of 60k euros. In the course of an investment by a financial investor in the portfolio company, German Startups Group will sell half of its shares and thus realise a cash inflow of more than 350k euros. German Startups Group holds on to its remaining shares since there are concrete prospects of further value gains. The remaining shares are to be appreciated due to the third-party objectivisation of the share price in the course of the transaction and bring about a book profit of 60k euros. The two respective portfolio companies will be named after the completion of the formalities of the transactions.

Furthermore, German Startups Group generates a small book profit in another portfolio company due to higher shares prices in a financing round after which the shares held by German Startups Group are now worth twice as much as before.

In total, the company generates a positive earnings effect of more than 700k euros or 0.06 euros per share through the above-mentioned events (IFRS). A positive effect on the net asset value (NAV) per share occurs to almost the same extent. German Startups Group already realised proceeds of 800k euros through the sale of two shareholdings at the end of January.

German Startups Group currently sees further positive developments in its investment portfolio and at the same time opens up to, among others, partnerships with other players of the VC and M&A scene in the German startup ecosystem and new investors there in order to meet its growth goals. The company would hence be able to make better use of its good market position and its established resources as well as have more significance in the VC and capital markets. In the VC



market, this would allow German Startups Group to continue its active investment activity in existing and new portfolio companies. In the capital market, this usually leads to more liquidity in the trading of one's own share.

In March, German Startups Group reached a preliminary agreement with a potential buyer of a majority stakeholding over a partnership in which the potential buyer would have intended to subscribe to a capital increase of just under 10% and to acquire further shares at a price of 2.40 euros from existing shareholders. This has become obsolete in the meantime since major shareholders of German Startups Group consulted under non-disclosure agreements were not willing to sell their shares at this price.

Christoph Gerlinger, CEO of German Startups Group comments, „German Startups Group and its managing general partner headed by me are now also open to talks on cooperations, mergers, and acquisitions. In the past five years, we have acquired a privilege of access to those investment opportunities that are generated by successful serial entrepreneurs, so-called high-quality, organic deal flow. It would be easy for us to bring significantly more capital to work within a very short amount of time for the creation of value in the highly attractive, booming German startup ecosystem. By now, apart from media and telecommunications companies also finance and other industrial companies show increasing appetite for investments in tech startups from Germany.

Press contact

German Startups Group

Theo Bonick

Tel: +49 30 6098890 84

Mail: presse@german-startups.com

German Startups Group - We love Startups!

German Startups Group is a listed investment company based in Berlin that focuses on young, fast-growing companies, so-called startups. The company acquires majority and minority shareholdings mainly by providing venture capital. The portfolio companies that German Startups Group holds also stand to benefit from German Startups Group's expertise, experience and network with respect to strategy development, financing rounds, restructuring necessities, M&A transactions or selling the company, including a possible IPO. According to its own assessment, German Startups Group provides startups with so-called "smart money" by acquiring a shareholding. Its focus is on companies whose products or business models represent a disruptive innovation, allow for a high degree of scalability to be expected, and in which it has a great deal of trust in the entrepreneurial abilities of the founders to whom it feels that it obtains early access to due to its close relationships to relevant players in the startup scene. The geographical focus is on the German-speaking region. Since it commenced with operations in 2012, German Startups



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Group has in its opinion built up a diversified portfolio of investments in young companies and become the most active private venture capital investor in Germany since 2012 (CB Insights 2015, PitchBook 2016). 24 of the 43 minority stakeholdings in operationally active companies are of particular significance to German Startups Group and together comprise 91% of the total value of all 43 active minority stakeholdings. The ten core holdings alone make up 62% of the value of all active minority stakeholdings. According to German Startups Group, its investment portfolio reflects a cross-section of promising German startups of various maturity stages ("Seed," "Early" and "Growth Stage," by German Startups Group's own definition) and includes some of the most successful and best known German startups.

More information is available on our website at www.german-startups.com.