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German Startups Group significantly expands its business model

- Launch of the secondaries market platform mid-2018
- Opening-up of the platform also for products of third-party asset managers
- Setup of novel German Tech Fund
- Transformation from asset owner to asset manager and online market place

Berlin, 11 April 2018 - German Startups Group, a leading venture capital provider in Germany and Berlin-based digital agency with 140 employees, expects to launch its previously announced online matchmaking platform for sellers and buyers of so-called secondary shares in German startups end of 2Q18. The wholly owned subsidiary German Startups Market GmbH (www.german-startups.market), founded in November 2017, will be bringing together potential sellers of secondary shares, i.e. shares held by founders, business angels, employees or venture capitalists, with qualified investors as potential buyers on an online platform in the near future under the trademark G|S Market™ and, therefore, creates liquidity for these so far illiquid assets. After successful accreditation as (semi-)professional investor, interested buyers can screen current investment opportunities and get in contact with the respective supplier on the platform. The company has extensively researched the market beforehand and also consulted numerous opinion leaders within the German startup and VC ecosystem in this context and predominantly received a very positive feedback.

German Startups Group will also open up the platform for further asset classes such as subscription and acquisition of shares in newly set up and already running VC funds, convertible loans, venture debt financings and complete angel/VC portfolios as well as pooled investments syndicated by German Startups Group. The new online platform is supposed to give qualified investors access to the entire spectrum of investment opportunities within the asset class <German Tech>, in fact already starting at investment amounts of 200k euros, whereas, direct investments and VC funds are mostly only accessible with seven-figure minimum tickets. Since the said assets usually cannot be transferred without a notarial deed and/or third-party approval the matchmaking will take place as “*invitatio ad offerandum*”. German Startups Group will pocket commissions which are likely to be around 5% on average. There are successful examples for such platforms in the US.

At the same time, German Startups Group intends to set up a passive VC fund with another subsidiary which it co-founded with 50% in the second half of the year named G|S Tech50™ which aims at being invested in as many of the Top50 of the highest valued German startups as possible and thereby enabling investors to participate in a whole number of leading German tech growth companies in just one single certificate.



German Startups Group therefore pursues a transformation from asset owner to asset manager and platform which brings together tech asset owners, VC asset managers and qualified investors, thereby expanding its current business model of realising value gains of shareholdings within its own balance sheet and to transaction-based commissions, management fees and carries from investments outside of its own balance sheet. The detachment from its own balance sheet introduces completely new growth perspectives since, due to the considerable discount on the NAV per share - incorporated per the actual share price in the eyes of its management - the company refrained from raising capital to avoid dilution of its shareholders and still does. There are various examples for German investment companies successfully transforming from asset owners to asset managers.

CEO Christoph Gerlinger: “The pace and the scope of digital disruption in all areas of life and value creation is accelerating. Technology investments will be increasingly important as an asset class also for German investors. Accordingly, we value the market potential of the scheduled offering of the online platform G|S Market™ and of further, partly novel VC funds such as our planned G|S Tech50™ to be high.”

Just like during the course of the last year, the existing portfolio of German Startups Group is supposed to be extended only moderately and focussed and sold over the next years to pocket the NAV incorporated therein and further capital gains and eventually giving back to the shareholders, for example by a share buyback program. Concerning the existing portfolio of shareholdings within the own balance sheet, shareholders are furthermore benefitting from the managing general partner waiving a percentage point of the variable part of the management fee it would be entitled to otherwise amounting to 2.5% of the individual balance sheet total (IFRS). By doing so, German Startups Group should be low-priced compared to the VC fund market.

On the occasion of the start of its new ventures the company furthermore updates its corporate logo and introduces the new logos -



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German Startups Group - We Love Startups!

German Startups Group is a listed investment company and digital agency 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. Its focus is on companies whose products or business models include 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. The geographical focus is on the German-speaking region. Since it commenced with operations in 2012, German Startups 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). 20 of the 37 minority stakeholdings in operationally active companies are of particular significance to German Startups Group and together comprise roughly 90% of the total value of all 37 active minority stakeholdings (per 31 December 2017). The 10 core holdings alone make up two thirds 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.