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+++ Corporate News +++

for immediate publication

## German Startups Group to go public

- *German Startups Group, an investment company that specialises in young German Internet-based growth companies, is planning to go public on the Frankfurt Stock Exchange (Entry Standard)*
- *One of the most active venture capital investors in the tech sector in Germany*
- *IPO intended to enable investors to invest in German Internet startups*
- *Profitable since the first full financial year (IFRS)*
- *Gross return on average invested capital of +30.5% per year since it first started with its investment activity in mid-2012*

**Berlin, 15 June 2015:** German Startups Group Berlin GmbH & Co. KGaA ("German Startups Group"), an investment company based in Berlin that focuses on young, fast-growing companies, so-called startups, is planning to go public on the Entry Standard of the Frankfurt Stock Exchange. The envisaged issue proceeds are to be used mainly to purchase shares in startups over the next two years. The current shareholders will not be selling any shares unless the underwriting banks exercise their so-called greenshoe option. The transaction is being accompanied by COMMERZBANK AG as the sole Global Coordinator/Joint Bookrunner as well as Hauck & Aufhäuser Privatbankiers KGaA, BHF-BANK AG and quirin bank AG as Joint Bookrunner.

### Good basic conditions thanks to rise in company foundings in Germany

German Startups Group invests in startups in particular in the German-speaking region via majority and minority shareholdings, mainly by providing venture capital. Its focus is on companies whose products or business models represent a disruptive innovation and allow for a high degree of scalability to be expected. German Startups Group feels that successful exits and other positive market trends have resulted in more new companies being founded in recent years. Besides the relatively good general economic conditions in Germany, the company believes that the influx of more new founders and the presence of foreign investors have contributed to the development of the German venture capital market. Berlin ranks as one of the most important sites in Europe in terms of both the number of transactions and investment volume in startups, particularly in the areas of technology and digital media, and is therefore often referred to as the capital city of German founders. By going public, German Startups Group intends to provide access to the asset class "German Startups" for investors.



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## **German Startups Group - one of the most active VC investors in the tech sector in all of Germany with an attractive gross yield**

Only three years after it was founded, German Startups Group is already the second most active venture capital investor in the tech segment in Germany (Source: CB Insights, The 2014 European Tech Report). According to the company, this market position gives it a competitive advantage because founders of promising startups often prefer to work with leading investors. In addition, German Startups Group has an expansive network with relevant players in the German startup scene that include serial founders, business angels and other venture capital investors. German Startups Group has succeeded in continuously expanding its portfolio since 2012 and currently holds, either directly or indirectly, shareholdings in 40 operationally active companies (including two solely as convertible loans). The company has been profitable according to IFRS ever since its first full year of business and generated net income of k€1,435 in financial year 2014 (2013: k€176). From 1 July 2012, to 31 March 2015, the company achieved a gross annual return of 30.5% on its average invested capital and was already able to record two successful exits, the sale of shares in the AdTech company Fyber and in the online shop Amorelie (Sonoma Internet GmbH).

## **High degree of freedom with investment decisions**

Unlike typical VC funds with limited terms and investment periods, German Startups Group is capable of financing and accompanying its portfolio companies over the long-term. The investments of German Startups Group are made regardless of the stages of maturity of the companies; therefore its portfolio includes shares in companies from the Seed Stage (15%), the Early Stage (34%) and the Growth Stage (51%). The main focus is on shareholdings in companies with Internet-based business models.

One special characteristic, besides traditional shareholdings as part of financing rounds for startups, pertains to the acquisition of so-called secondary shares, in other words existing shares owned by the current shareholders of startups.

German Startups Group is convinced that its portfolio includes several very successful and well-known German startups such as, in the Growth Stage Delivery Hero, MisterSpex and SoundCloud, in the Early Stage, Book-a-Tiger, Junique and TV Smiles, and in the Seed Stage, CRX Markets, Rmerge, Scalable Capital and WunderCar.

## **Majority shareholding in the Exozet Group brings benefits for the portfolio companies**

On 10 June 2015, German Startups Group agreed to acquire a majority shareholding in Exozet Berlin GmbH ("Exozet" and together with its two subsidiaries the "Exozet Group") as part of a non-cash capital increase. Exozet will be fully consolidated starting with the entry of execution of the non-cash capital increase in the commercial register. This full consolidation of Exozet Group will have a significant impact on sales in German Startups Group's consolidated financial statements. Christoph Gerlinger, CEO of the general partner and founder, notes: "With the agreement to acquire further shares in Exozet, we will be acquiring our first majority shareholding, an important milestone in the history of German Startups Group. After all, this shareholding in Exozet Group increases our appeal as an investor for startups. "German Startups Group thus offers its shareholding companies access to a wide variety of relevant technologies and services such as conceptualisation, design, and programming of Internet sites and online



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shops, including iOS and Android apps, but also conceptualization and execution of online marketing campaigns, through its majority shareholding in Exozet Group.

## Continue with strategy, expand portfolio and add majority shareholdings

German Startups Group will continue to pursue its current successful investment strategy and acquire even more majority shareholdings in the future. In terms of turnover, majority shareholdings should even account for a greater share. Christoph Gerlinger feels the company is in a strong position: "Our team has proven expertise, a great deal of experience and a broad network in the startup scene. Besides capital, we are able to support our portfolio companies with developing strategies, with respect to financing rounds, restructuring necessities, M&A transactions or selling the company, including a possible IPO, among other topics. Thanks to our excellent market position, reputation and high profile as one of the most active venture capital investors in the tech sector in Germany, I firmly believe that a successful IPO will give us excellent opportunities to increase the shares we hold in selected portfolio companies and expand our portfolio to include attractive shareholdings. With this move, we also offer investors in Germany access to what we consider to be an extremely attractive market segment."

Further information on German Startups Group, its business model, and its management are available on the website [www.german-startups.com](http://www.german-startups.com).

Press information is available here <http://www.german-startups.com/index.php/presse>.

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## German Startups Group - We Love Startups!

German Startups Group is an 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 German startup scene. The geographical focus is on the German-speaking region. Since it commenced with operations in 2012, German Startups Group has managed to assemble what it considers to be a diversified portfolio of shares in young companies and grown to become the second most active venture capital investor in the tech segment in Germany (CB Insights, The 2014 European Tech Report). As of 31 March 2015, the company held shares in 40 operationally active companies (including two solely as convertible loans). According to the group, its investment portfolio reflects a cross-section of extremely promising German startups of



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various maturity stages ("Seed," "Early" and "Growth Stage," by the company's own definition) and includes some of the most successful and best-known German startups.

More information is available under <http://www.german-startups.com>

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