



SGT GERMAN PRIVATE EQUITY

+++ Press release +++

## SGT German Private Equity on track

**Frankfurt/Main, 8 August 2021** - SGT German Private Equity in Frankfurt (SGF) continues to execute its strategy and is on track. SGT Capital Pte. Ltd. (SGTPTE), 100% subsidiary of SGT German Private Equity, confirms the target to accomplish the first close of its private equity fund in summer 2021 and to execute one to two private equity transactions in the second half of 2021.

The transformation of the business model of SGF initiated in 2020 has been successfully implemented and is performing. As a licensed private equity asset manager, the company now essentially acts as an asset management service provider through its subsidiary for its own private equity funds, which it launches specifically for institutional investors. For these funds, majority and 100% shareholdings of established, medium-sized companies worth between 200 and 800 million euros, primarily in Europe and Israel, are acquired, their growth and profitability enhanced and sold again after an increase in value has been generated.

The economic goal of the business model is to generate sustainable, predictable profitability for SGT German Private Equity with high quality of fixed-fee asset management services and to put it back on a growth track. With the development of its business model, SGT German Private Equity was able to build on the broad approval of its shareholders, which is reflected in the positive vote of the Annual General Meeting on August 7, 2020 about the transaction with SGT Capital Pte. Ltd. with 97 percent approval and at the same time with very high attendance. The increased market capitalization of SGF, which increased six-fold to around 100 million euros in the course of the transaction, also has a positive effect for shareholders, because "heavier" stocks tend to have higher trading liquidity.

Previously, SGF was one of the leading German venture capital providers under the name German Startups Group (GSG) and continues to own a VC portfolio of shareholdings. Most recently, SGF re-invested in its portfolio company AuctionTech, one of the most successful German PropTech startups based in Berlin, and sold part of its Mister Spex shares in July 2021 for almost seven-figure proceeds and two of its remaining investments in April 2021, also for low seven-figure proceeds each. With all three exits, GSG realized capital gains compared to both the balance sheet book values and the acquisition costs. GSG's portfolio companies include or included some of the most successful German startups such as Fyber, Delivery Hero, Amorelie, Scalable Capital, Chrono24, OneFootball, Fiagon, Lingoda and Mister Spex.

The basis for GSG's past success and SGF's future success is the team behind SGF, or now SGT Capital Pte. Ltd. which has merged with SGF. The latter has in the past more than doubled the equity invested by its investors at the time and paid out more than 2 billion USD to them after only less than five years. This represents a strongly above-average performance.



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SGT Capital's management also has a long, successful track record prior to this: its members have worked for a number of renowned companies, including BlackRock, JPMorgan, Permira and McKinsey.

"With the restructuring of our business model, we have shown our shareholders that we are not just waiting for better weather, but are making specific use of existing options for sustainable growth. Fact is, that the capital market did not honour the business model of the venture capital holding company, but, as in the case of a number of other listed holding companies, it applied significant discounts on the net asset value per share. At my previous listed companies, I managed to create substantial shareholder value, just as the SGT Capital team has done for its private equity investors. We are very confident that with the new, promising business model, we will finally succeed in doing the same at SGT German Private Equity," says Christoph Gerlinger, Managing Director of SGT German Private Equity.

In addition, Christoph Gerlinger emphasizes that the company has always openly communicated good news as well as bad news and also impending conflicts of interest in the past and will continue to count on complete transparency in the future. "This is the basis for the trust of our shareholders and business partners. It also includes the open and transparent presentation of our business model and its structures. We strive to create added value for our fund investors and our shareholders. Thereby, the alignment of interests between the third party shareholders and the management is ensured by the 82% indirect shareholding of SGF's management team in SGF and by a long-term lock-up".

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