



+++ Press release +++

German Startups Group co-founds the FinTech startup German Crypto Tech GmbH

- Tokenisation surge of assets lies ahead for capital markets
- Disruption of certificates and ETFs and even fixed deposits and savings accounts

Berlin, 8 May 2019 - German Startups Group, a leading venture capital provider in Germany and Berlin-based digital agency with 150 employees, participates with 10% at face value in the co-founding of Frankfurt-based FinTech startup German Crypto Tech GmbH. Its CEO Christoph Gerlinger and Dr. Ralf Wandmacher, professor for finance and entrepreneurship at accadis university in Bad Homburg, Germany, crypto expert and longtime former investment banker at Deutsche Bank and Goldman Sachs amongst others, are co-founders of the new company.

German Startups Group also receives a call option to subscribe up to 10% of shares and take over the lead investor role as well as other pre-emption rights. The investment is part of the company's strategy defined late 2017 to selectively engage in a more active role and with higher stakes under the claim "Digital Disruption Company Building" if it sees particular opportunities. The partly or full exercise of the option rights will be decided by German Startups Group's advisory board to avoid conflicts of interest.

By this, German Startups Group participates with little capital commitment in the market opportunities which arise from the tokenization surge of assets of all sorts forecasted for capital markets.

As Christoph Gerlinger recently explained in a guest commentary for Börsen Zeitung the blockchain enables as new basic technology on the internet to tokenize assets and to digitally store them safely - http://www.german-startups.com/wp-content/uploads/2019/03/Börsen-Zeitung-Gastbeitrag_20190326.pdf. These created tokens have many advantages over physical assets and securities - their depository through sole storage on digital media causes no cost, their transfer can be executed in real-time and at no cost, too, and is not bound to any geographic barriers - tokens are kind of "free money" and also accessible to a large number of people in third world countries which are still "unbanked" or in which ownership, capital movement or foreign exchange restrictions do apply. When transferred no value added or transport taxes nor notary costs occur other than with some underlying assets, they are arbitrarily divisible into the smallest fractal, they are permanently traded when intrinsic value is given and they are protected against governmental and fiscal access which constitutes a huge advantage for people of the third world.



Therefore, tokens represent a more efficient, more liquid and smaller divisible type of financial assets of all sorts, be it shares, bonds, currencies, precious metals, commodities, real estate, machines, patents, art objects, antiques, intellectual property, etc. After the securitization surge of assets in the 90's, the certificates surge of the 2000's and the subsequent ETF surge investment banks have made splendid profits with for decades the tokenization surge now lies ahead of the financial markets.

German Crypto Tech GmbH (currently being set up) positions itself as early mover in the arising huge market. Besides one-off commissions, sustainable ongoing fees depending on the value of tokenized assets can be realized.

German Crypto Tech aims to launch one of the first German property-backed tokens already still in 2019 jointly with German Property Berlin AG under the protected trademark German Property Token™ and, therefore, make it accessible and easily tradable to the broad public. It thereby wants to offer a token depository solution which does not rely on complicated to use wallets and private keys. The first token planned by German Crypto Tech will tokenize a Berlin apartment building so that token holders possess fractional shares in fully transparent rent surpluses and the value increase of the property, can trade such without noteworthy transaction cost and digitally transfer them to other users. Such token would be an asset-backed, widely crisis-proof, inflation-proof and sustainable income generating store of value and means of exchange. In the prevailing zero-interest era for secure investments such product could attract a broad circle of investors and even cause a disruption of the German's "favourite child", its fixed deposits and savings deposits.

The private placement of the German Property Token™ will be facilitated via German Startups Group's own platform G|S Market™.

German Startups Group is founding member of the International Token Standardization Association (ITSA) and the Global Digital Asset Class Standards (GDACS) consortium.

Investor Relations Contact
German Startups Group
Marcel Doeppes
ir@german-startups.com
www.german-startups.com



German Startups Group - We Love Startups!

The German Startups Group, a publicly traded company comprises one of the leading VC providers in Germany with a digital agency employing 150 staff in Berlin. With a focus on Germany's young, fast growing companies - so called startups - the company acquires majority and minority shareholdings by providing venture capital. The core investment focus is on those tech companies whose products or business models include disruptive innovation, allow for a high degree of scalability and are run by strong entrepreneurial management teams. Since it commenced operations in 2012, German Startups Group has built a diversified portfolio of stakes in such companies and has become the most active private venture capital investor in Germany (CB Insights 2015, Pitchbook 2016). With the launch of G|S Market™ via a wholly owned subsidiary German Startups Market GmbH, the company operates a secondary market platform for tech assets <German Startups | VC | Tech> since June 2018. Its majority holding, German Startups Asset Management GmbH, will launch its own novel type VC funds in the future and provide SPVs for G|S Market™ on the acquirer side in order to enable several investors to acquire larger investment opportunities through pooled investments.

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