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### **SGT German Private Equity – Strategic Focus on Artificial Intelligence**

- Renaming to ‘German AI Group’
- Change of the guidance for 2023 due to the delayed closing of a PE transaction
- Repurchase of 36.7 million SGF-Shares

**Frankfurt/Main, 13 March 2024** – SGT German Private Equity ("SGF"), a holding based in Frankfurt am Main, is now focusing entirely on artificial intelligence. In future, it will operate under the name ‘German AI Group’.

Christoph Gerlinger, founder and CEO of SGF: "Many experts consider artificial intelligence to be a new technology whose disruptive and transformative power is on a par with both the internet and the smartphone. This promises much better earnings prospects than the traditional private equity business, which after many good years has recently generally encountered more difficult market conditions". The profitability of SGF's Singapore-based subsidiary, SGT Capital Pte. Ltd ("SGTPTE"), has also been weaker than expected at the time of its acquisition in 2021.

SGF previously operated successfully as a leading venture capital provider in Germany between 2012 and 2020 under the German Startups Group brand and held stakes in companies such as Delivery Hero, MisterSpex, Chrono24 and Scalable Capital. Christoph Gerlinger: "With artificial intelligence, a transformational tsunami is rolling towards all our lives and the companies. I am looking forward to using the knowledge I have acquired as a tech entrepreneur and tech investor over many years, our network and the extensive experience we have gained, for the benefit of our shareholders in the field of AI. This new enabling technology will create more wealth in the coming years than any other innovation cycle before. German tech companies will play a significant part in this." Details of the new alignment will be announced in the second quarter of 2024.

Following unexpectedly significant delays in the closing of a private equity transaction agreed in May 2023 and the fact that it is no longer expected to be completed soon, SGTPTE's operating activities will be discontinued at the same time. Termination agreements have been concluded with managing directors, employees and service providers that will not result in a financial burden for the Group.

On this occasion, SGF repurchased a further 36,714,800 SGF shares in two tranches from its (former) major shareholder, SGT Capital LLC, without consideration. It had contributed SGTPTE to SGF in kind in 2021 in return for the issue of 50 million shares and had already transferred a total of 10,509,500 shares back to SGF in 2022 and tendered shares in a buyback offer in line with its stake. The proportion of the total SGF shares retransferred corresponds to the proportion of 79.3% granted to it through the share issue in 2021.

This significantly reduces the number of shares outstanding from 46,301,800 to 9,587,000 and increases the free float to 75%. The value per outstanding share is condensed by the reduction in the number of shares and increases by a factor of 4.8x ceteris paribus.

At the same time, the (former) managing director Carsten Geyer is leaving the company by mutual agreement. Company founder Christoph Gerlinger is therefore once again the sole managing director of the managing general partner. With the above measures, he draws consequences from the clouded earnings prospects of SGT PTE, which was unprofitable and burning cash in 2023, and concludes SGF's three-year private equity engagement with a bottom line net profit of just under 10 million EUR.

For the 2023 financial year, SGF now expects, instead of the forecasted net profit of 10 cents per share, for the first time after two very profitable years, an operating loss of 7 cents per share (IFRS consolidated, preliminary and unaudited). This is due to the fact that, as a result of the aforementioned absence of the closing of the PE transaction from May 2023, certain revenue expectations of SGT PTE, which the management of SGT PTE had assumed up until now would be realized in December 2023, are not to be regarded as realized after all and, in addition, sales of 3 million EUR booked in the first half of 2023 are to be cancelled. Furthermore, as of 31 December 2023, there was an extraordinary, one-off need to mark down the goodwill of 72.3 million EUR and the residual carrying amount of an intangible asset in connection with a joint venture with an Asian financial services provider of 2.2 million EUR both recognized in the consolidated balance sheet in connection with the acquisition of SGT PTE. German Startups Group VC GmbH, another subsidiary of SGF, also expects mark-downs of 3.6 million EUR in its VC portfolio following a general decline in VC investment valuations in 2023. The book value of SGF's equity as of 31 December 2023 would, considering these losses and devaluations and the number of outstanding shares de facto already reduced per 31.12.23, decrease slightly from 2.15 EUR to about 1.95 EUR per share.

### **About SGT German Private Equity**

SGT German Private Equity is a listed investment holding based in Frankfurt am Main.

From mid-March 2024, the company will focus entirely on artificial intelligence and change its name to 'German AI Group'.

From its origin as a leading German venture capital provider under the former name German Startups Group, SGT German Private Equity holds a heritage portfolio of minority stakes in some promising German Tech Startups.

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