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SGT German Private Equity evaluates arising opportunities and is optimistic about the future

- Conversations about a cooperation with an artificial intelligence platform of renowned AI experts
- Publication of the 2023 Annual Report including the audited annual financial statements
- Evaluation of the opportunities of a reverse listing

Frankfurt/Main, 2 July 2024 – SGT German Private Equity ("SGF"), and designated 'German AI Group', a holding based in Frankfurt am Main, is in discussion about a close cooperation through to a significant equity stake in an AI strategy consulting company. This is to be founded in the near future by recognized German AI specialists who want to team up with SGF. The founders are renowned experts in their respective field and have seen a high and increasing demand for AI-related consultancy from companies, organizations, consulting firms as well as from politics, public administrations and universities for years.

They also have direct access to resources, i.e. young AI specialists, which is likely to gain critical importance in the emerging "war for talent" in the AI sector. In case of a collaboration, SGF will contribute its knowledge and experience as a leading German venture capital investor under the 'German Startups Group' brand (2012 - 2020) to jointly support, incubate and fund promising German AI start-ups from the seed stage onwards. SGF has developed two very promising concepts for US style AI start-ups based. Christoph Gerlinger: "Every single seed AI start-up can generate a company value within a few months that exceeds our current market capitalization."

Both parties are also exploring the possibility of jointly launching a Germany-centric AI VC fund under the name 'German AI Fund'. Christoph Gerlinger, founder and CEO of SGF and the designated German AI Group: "We can lean on the astonishing fact that Germany ranks second in the world in terms of the number of AI patents."

Annual report 2023 including audited annual financial statements published

SGF published its annual report together with the consolidated financial statements for 2023 on 30 June 2024 on its website. The book value of equity per outstanding share as a measure of the net asset value of the share has only decreased by EUR 0.38 from EUR 2.15 (31 December 2023) to EUR 1.77 per share despite the high one-off losses from the termination of the private equity asset management business of its subsidiary SGT Capital Pte. Ltd ("SGTPTE").

The losses and risks from the termination of the private equity asset management business of its subsidiary SGTPTE and its planned liquidation have already been fully recognized in the 2023 annual

financial statements. SGT PTE, which has been dormant since March 2024, is to be liquidated before end of 2024. Its net asset value of over EUR 4 million is to be transferred to SGF.

The auditor has issued a qualified audit opinion. Its qualification relates to the disclosure of the outstanding shares in the balance sheet, in which the management has already taken into account the gratuitous transfer of 36,714,800 shares to the company, which was not completed in rem until 26 February 2024, as at 31 December 2023 on the basis of commitments to this effect and in agreement with the Supervisory Board. It considers this presentation to be correct, as the return of shares forms an economic bundle with the discontinuation of the private equity business and the resulting mark-down of the goodwill and intangible assets capitalized in connection with SGT PTE. However, the auditor believes that the return of shares should only be taken into account from 26 February 2024. Hence this disagreement has already been resolved as of 26 February 2024, as from this date it is undisputed that only the number of outstanding shares, which has been reduced to 9,587,000, is to be reported.

Evaluation of the opportunities of a reverse listing

Additional opportunities arise for SGF from the possibility of using its stock exchange listing alternatively or cumulatively for a so-called reverse listing of a tech or other growth company. Discussions are currently taking place with two seemingly attractive candidates. In such a transaction, SGF would use its own shares, but at an applicable stock price that is a multiple of the current stock price. In the opinion of the management, the decisive factor for the price to be applied is the book value of the equity per SGF share, thus sort of a net asset value, of EUR 1.77 (as of 31.12.23) and other economic values not recognized in the balance sheet, such as certain know-how and the stock market listing.

According to the management's assessment, within a short amount of time, SGF has emerged from a difficult situation that arose surprisingly, caused by SGT Capital and announced on 13 March 2024, and is now back in a solid economic condition with good prospects.

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 focuses 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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