



SGT GERMAN PRIVATE EQUITY

+++ Press release +++

SGT German Private Equity: designated subsidiary

SGT Capital is making good progress in fundraising

Frankfurt/Main, 21 December 2020 - SGT Capital Pte. Ltd., a global alternative investment and private equity asset manager and future 100% subsidiary of SGT German Private Equity, receives broad investor interest for its new private equity fund. In September, it had appointed Cebile Capital in London, a leading global placement advisor, with a structured fundraising process. With this initiative started in October, SGT Capital is making very good progress. After going through a very extensive and intensive preparation process, SGT Capital has started approaching investors systematically within the last weeks and is already in concrete conversations with several institutional private equity investors from the USA, Europe, and Asia.

For the beginning of 2021, capital commitments in a three-digit million volume have been envisaged by investors to SGT Capital and amounts in an upper two-digit million volume have already been committed. The very experienced Senior Management Team of SGT Capital had invested 1.2 billion USD of private equity in companies in Europe, Israel, and the USA for its predecessor private equity firm within only two years and with that returned 2.2x Money on Money for its investors from 2015 until early 2020 and generated more than 1.4 billion USD in gross capital gains. This top quartile performance track record provides SGT Capital a good starting position for the acquisition of investors. Its management expects a so-called "first close" of its new private equity fund in the second quarter of 2021. At the first close, the Assets under Management (AuM) shall amount to 1 billion USD at least. Binding commitments have already been made for just under half of this amount, as well as so-called "soft commitments" for further amounts.

[The aforementioned binding commitments unfortunately turned out to be non-binding in February 2023]

The management of SGT Capital does, however, not expect the first private equity transaction for its private equity fund investors to take place before the end of the year. The planned acquisition of a medium-sized European company with a global market leader position in its product category, which had already been negotiated and prepared in detail, was postponed until 2021, due to the effects of the COVID-19 pandemic. The unforeseen, renewed hard lock-down in many countries across Europe has made the postponement necessary in order to provide more transparency on the extent and duration of the negative impact on the business from the pandemic prior to the acquisition, and how it will be overcome. In the context of the transaction, further capital commitments from investors were and continue to be expected, which, hence, are shifted accordingly.

Despite the delays in the fund's first private equity transaction and in its fundraising, both caused by the pandemic, SGT German Private Equity continues to expect a positive result for 2021. From 2022 onwards, it expects sustainable, predictable net profits from standard market asset management fees of EUR 0.20 - 0.80 p.a. per share, depending on the fund size, which shall primarily be used for dividends to shareholders or for share buybacks.



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