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SGT German Private Equity acquires three internet payment service providers and becomes a listed, strongly growing and profitable FinTech company

- Acquisition of majority shareholdings for cash and transfer of treasury shares at a valuation of 2.40 EUR per SGT German Private Equity share
- The new group plans a transaction volume of 140 million EUR in 2025 and a revenue of some 15 million EUR
- Renaming into "The Payments Group Holding"
- Placement of treasury shares on the market with a volume of around 8 million EUR planned until end of 2024

Frankfurt/Main, 13 August 2024 – Founded in 2012, SGT German Private Equity ("SGF"), formerly German Startups Group ("GSG"), previously a private equity asset manager based in Frankfurt/Main and formerly a leading venture capital investor in Germany based in Berlin, seizes an attractive acquisition opportunity. It acquires majority stakes in Funanga AG, Berlin, Campamocha Ltd., Malta, and Surfer Rosa Ltd., Isle of Man. The acquisition is subject to various conditions, including the approval of the Financial Regulator in Malta, MFSA.

The three companies offer internet payment services and work successfully together. There are overlaps between the companies in terms of management and shareholders. The Gerlinger & Partner GmbH of the CEO and Founder of SGF, Christoph Gerlinger, will submit a counter-proposal at the Annual General Meeting of SGF on 14 August 2024, in connection with the transaction, to change the company's name to "The Payments Group Holding" instead of "German AI Group".

Through the acquisition, a listed FinTech group based in Germany with around 50 employees will be created. The transaction payment volume, which means the settled payment volume, planned for 2025 on a consolidated basis, is around 140 million EUR (2024 pro forma/cons some 70 million EUR), the planned net revenue for 2025 is around 15 million EUR (2024 pro forma/cons just under 10 million EUR). The acquired companies are profitable and cash flow positive. Annual sales growth is expected to be over 50% p.a. in the years from 2021 to 2025e. The SGF Group, respectively TPGH Group then, expects a net profit of 10 to 15 cents per SGF share in 2025. In addition, there is still the potential to generate income from SGF's assets of almost 20 million EUR. These are especially VC investments with a fair value of just under 10 million EUR according to the financial statements as of 31.12.23.

For the implementation of the transaction, SGF is acquiring 72.9% of Funanga AG and 75% of each of the other two target companies in a first step, 10% for 9.15 million EUR in cash and a further 62.9%, respectively 65% for transfer of 24.8 million SGF treasury shares, under exclusion of the subscription right of existing SGF shareholders. SGF already owns 2.1% of Funanga AG. The treasury shares will thus be acquired in full by the current shareholders of the three companies to be acquired at a

valuation of 2.40 EUR per SGF share. SGF intends to privately place further SGF treasury shares with institutional investors by the end of 2024, excluding subscription rights, in order to raise c. 8 million EUR required for the cash tranche. In addition, SGF will receive a call option until summer 2025 for the remaining 25% of the three target companies for 23.1 million EUR in cash.

For the 25 million SGF shares to be transferred and for the existing SGF shareholdings of Christoph Gerlinger, CEO and founder of SGT German Private Equity, and his Gerlinger & Partner GmbH, multi-year lock-ups were agreed.

With the transaction, SGF will be valued at 23.1 million EUR or 2.40 EUR per share based on its NAV less the present value of future administrative costs and the three target companies at a capitalized earnings value of 92.5 million EUR (DCF with 26 - 32% p.a. discount rate).

The general partner of SGF, German AI Group Management GmbH, will change its name to "The Payments Group Management GmbH" and sell a 50% stake from its sole shareholder, Gerlinger & Partner GmbH, to Seth Iorio's nous ventures GmbH, who will join the group's management as Chief Strategy Officer. He has been an internet entrepreneur for over 20 years. Already in 2011, he was Christoph Gerlinger's fellow board member at the listed Frogster Interactive Pictures AG in Berlin.

Christoph Gerlinger, CEO and Founder of SGT German Private Equity and designated The Payments Group Holding: "The opportunity to combine our two companies is a stroke of luck that should generate considerable added value for both sides. The approval of the Annual General Meeting for this transaction lays the foundation for the prosperous development of our company. I am looking forward to once again work as an entrepreneur as I did with Frogster Interactive, rather than just as an investor, and to work together with Seth in a spirit of mutual trust ."

Seth Iorio, CEO and Founder of The Payments Group and designated Chief Strategy Officer of the designated The Payments Group Holding: "The stock market listing opens up considerable additional growth prospects for our already rapidly growing group of companies. Christoph and I already complemented each other very well in 2010/11 for the benefit of our shareholders at that time."

The Payments Group Holding will hold the ticker symbol "PGH".

About SGT German Private Equity

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

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.

About The Payments Group

The Payments Group ("TPG") is a dynamically growing, vertically integrated e-money fintech company. TPG provides closed and open prepaid (emoney) payment services to numerous online merchants worldwide.

The company provides a scalable fintech platform. This platform enables online merchants to access previously untapped cash and prepaid markets and embedded financial products, expanding their Total Addressable Market (TAM) and increasing their revenues.

TPG operates internationally and works with a number of global leading online merchants across various industries . These clients leverage TPG's extensive network of over 550,000 European POS cash collection points and global online prepaid card fulfilment network to process cashless and cash online payments worldwide.

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