



Music-Tech Start-up Groovecat acquires six-figure funding

Mannheim, 8 May 2018. The investment fund Wirtschaftsförderung Mannheim GmbH and Business Angel Dr. Andrea Kranzer are investing a six-figure sum in **Groovecat**. The music-tech spin-off from the Popakademie Baden-Wuerttemberg and participant of the worldwide unique Music WorX Accelerator develops the app for Music Moments. When users record a video in Groovecat, it is automatically underlaid with the music they are currently playing, thus creating the "Soundtrack of your Life".

With **Groovecat**, the founders Jakob Höflich, Markus Schwarzer and Joshua Weikert develop the platform for Music Moments with which they have won the *Music WorX Pitch*, the *CyberOne Special Prize of bigFM* and the *BW goes Mobile* award, among others. The app automatically combines any recorded video with the music currently playing on the streaming service or in the user's environment. In this way, those moments can be captured which only gain in importance through music and which are always associated with the piece of music from now on: Music Moments.

Groovecat strives to revolutionize the situational musical experience and develop a musician-friendly social media in which artists can directly monetize their followers.

"We bring the new technical possibilities of music streaming into a format that is fun on the one hand and beneficial to the music industry on the other - every shared Music Moment automatically generates plays for artists and labels," explains Markus Schwarzer, CEO of **Groovecat**.

The investment fund Wirtschaftsförderung Mannheim GmbH and Business Angel Dr. Andrea Kranzer invest a six-figure sum in **Groovecat**.

The innovative business model of **Groovecat** convinced the investors above all. For the first time, pieces of music can be emotionally categorized based on the user-generated content of Music Moments. The vision is to support music selection in the areas of advertising, film and video games via artificial intelligence that provides customers with the right music for an advertising or film situation within seconds.

*"The founding team has identified a clear problem in the B2B area that it solves using an innovative B2C approach. This clever combination of the new possibilities in the music streaming market convinced us to invest in **Groovecat**"*, says Mrs. Verena Eisenlohr, Managing Director of investment fund Wirtschaftsförderung Mannheim GmbH.

*"I am particularly pleased that **Groovecat** as an innovative startup has emerged from the synergy between creative industries and technology. This fits in with Mannheim as the 'UNESCO City of Music' and hotspot for startups in Baden-Wuerttemberg"*, adds Michael Grötsch, Economic Mayor and Chairman of the Investment Committee.



Background to Groovecat

Groovecat was founded in 2016 by Jakob Höflich, Markus Schwarzer and Joshua Weikert at the Popakademie Baden Wuerttemberg, from which several stars emerged such as Alice Merton, Joris and sock startup von Jungfeld. The founding team has already been on stage at the world's largest music fair, the South by Southwest (SXSW) in Austin and the Reeperbahn Festival in Hamburg. For the app launch, it is supported by bigFM, one of the largest private radio stations in Germany.

The idea for **Groovecat** came to the three founders in their Master's programme because, as music lovers, they always linked certain situations in life with music. But especially on her travels - at that time still equipped with digital camera and iPod - there was no possibility to capture these moments. When they found out that Markus' economics, Jakobs' communications and Joshuas' IT background complement each other perfectly, the foundation stone for the startup was laid.

Background to investment fund Wirtschaftsförderung Mannheim GmbH

The investment fund Wirtschaftsförderung Mannheim GmbH supports technology-oriented and creative start-ups with equity capital so that they can grow and increase their enterprise value. The portfolio includes *Opasca*, *CloudRail*, *Monomer* and *von Jungfeld*. For the first time, the investment fund Wirtschaftsförderung Mannheim GmbH sold its stake in a subsidised company - *OPAL Analytics GmbH* - at a profit and reinvested the proceeds generated in **Groovecat**, among others.

The investment fund Wirtschaftsförderung Mannheim GmbH was founded in December 2011 and has a total budget of 1.65 million Euro. Of this amount, 50 percent was made available by the European Union as part of its "Regional Competitiveness and Employment" funding programme - part of the ERDF in Baden-Wuerttemberg 2007-2013. The state of Baden-Wuerttemberg holds 17.5 percent and the city of Mannheim 32.5 percent.

Groovecat can already be downloaded from the App Store and is initially only accessible with an invitation code. In August Groovecat will be available for public download on both iOS and Android.

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