AlsterResearch

029 Group SE

Germany | Financial Services | MCap EUR 72.0m

3 March 2023

INITIATION

Don't worry, be happy with zero-to-nine

HOLD (INITIATION)

Target price	**EUR 13.80 (none)**
Current price	EUR 14.40
Up/downside	-4.2%

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What's it all about?

We initiate coverage of 029 Group SE with a HOLD recommendation and a PT of 13.80. While the name alludes to the happiness hormone serotonin, an investment in '029' has the potential to make investors 'happy' too, if they are prepared to commit capital over the typical 5-10 years period. Being an active and well-known player in the VC space, and having a highly committed and capable management team on board, clearly adds to the equity story. Positive news flow on potential up rounds as well as a well filled investment pipeline could soon boost the NAV of its six portfolio companies in the hospitality and lifestyle space targeting millennials and Gen Z.

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AlsterResearch

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Don't worry, be happy with zero-to-nine

029 Group SE "029" is a Berlin-based **investment holding** that invests in **the next generation of lifestyle consumer assets**. The company pursues minority investments in companies that - in the broadest sense - aim to make people's lives happier. With the name "029" referring to "serotonin", the hormone responsible for human happiness, the company invests in consumer brands that help to "**connect**" (e.g. hotel / restaurant brands) or facilitate "**well-being**" (e.g. CBD drinks, food supplements or whiskey brands) of a predominantly millennial and Gen Z target group.

As an offshoot of serial entrepreneur Christian Angermayer's Apeiron Investment Group, quality can be found in its **strong network**, which provides an "unfair" competitive advantage in terms of deal flow, access to financing, strategic advice and access to an entrepreneurial talent pool. A committed and **experienced management team** with significant **'skin in the game'** further supports the investment thesis. This is evidenced by a **strong track record** of investing, developing and ultimately growing a large number of lucrative assets in its portfolio with the potential for further exponential value creation in the future.

"029's" growth is based on a well-defined three-pillar strategy of **investing in attractive new ventures, doubling down on existing assets and incubating new ideas** around lucrative start-up opportunities. While incubating new ideas is an asset-light way of creating value, pursuing new investments and/or participating in up-rounds of existing assets could be relatively capital intensive. As such, future growth is likely to be accompanied by additional capital raisings. However, even with the existing portfolio, NAV growth could be driven by future financing rounds, which could ultimately increase the book value of the underlying assets.

Investing in "029" gives investors access to the **high-growth, high-risk/reward venture capital space** that is typically off-limits to equity-focused investment managers. The well-defined category within the venture space, i.e. consumer brands that still look reasonably valued, should add value for investors willing to commit to the typical ~5-10 years investment horizon. With **positive news flow** ahead we take up coverage of "029" with a HOLD-rating and price target of EUR 13.80.

029 Group SE	2019	2020	2021	2022E	2023E	2024E
Sales	0.0	0.0	0.0	0.0	0.0	0.0
Growth yoy	na	na	na	na	na	na
EBITDA	-0.0	-0.0	-0.0	-0.5	-0.5	-0.6
EBIT	-0.0	-0.0	-0.0	-0.5	-0.5	-0.6
Net profit	-0.0	-0.0	-0.0	-0.5	-0.5	-0.6
Net debt (net cash)	-0.0	-0.2	-0.2	0.6	1.0	1.6
Net debt/EBITDA	0.0x	17.0x	7.0x	-1.1x	-2.1x	-2.6x
EPS reported	-0.03	-0.03	-0.09	-0.10	-0.09	-0.11
DPS	0.00	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross profit margin	na	na	na	na	na	na
EBITDA margin	na	na	na	na	na	na
EBIT margin	na	na	na	na	na	na
ROCE	-8.0%	-5.8%	-14.1%	-2.5%	-2.3%	-2.9%
EV/EBITDA	na	na	na	-132.0x	-146.1x	-118.7x
EV/EBIT	na	na	na	-132.0x	-146.1x	-118.7x
PER	na	na	na	-141.5x	-158.4x	-126.4x
FCF yield	na	na	na	-0.7%	-0.6%	-0.8%

Source: Company data, AlsterResearch

Source: Company data, AlsterResearch

High/low 52 weeks	21.00 / 5.50
Price/Book Ratio	25.0x

Ticker / Symbols

ISIN	DE000A2LQ2D0
WKN	A2LQ2D
Bloomberg	Z29:GR

Changes in estimates

		Sales	EBIT	EPS
2022E	old	0.0	-0.5	-0.10
	Δ	0.0%	na%	na%
2023E	old	0.0	-0.5	-0.09
	Δ	0.0%	na%	na%
2024E	old	0.0	-0.6	-0.11
	Δ	0.0%	na%	na%

Key share data

Number of shares: (in m pcs)	5.00
Book value per share: (in EUR)	0.58
Ø trading volume: (12 months)	50

Major shareholders

Apeiron Investment Group Ltd	37.2%
Global Equities Impact Fund	18.0%
BlackMars Capital GmbH	9.0%
Free Float	20.8%

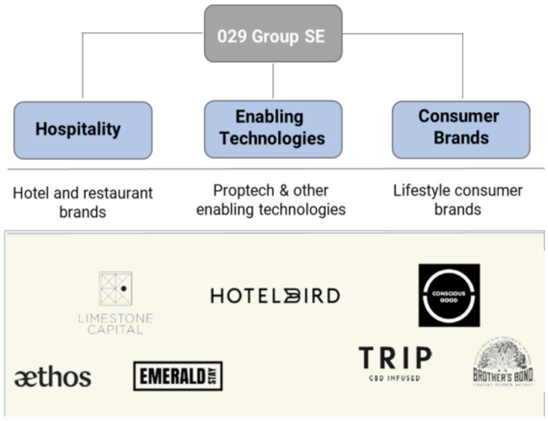
Company description

029 Group SE operates as an investment holding company. The company's vision is to become a global hospitality and lifestyle investment holding and platform that supports its portfolio companies from strategic advice and capital raising support to access to partnerships and other synergies.

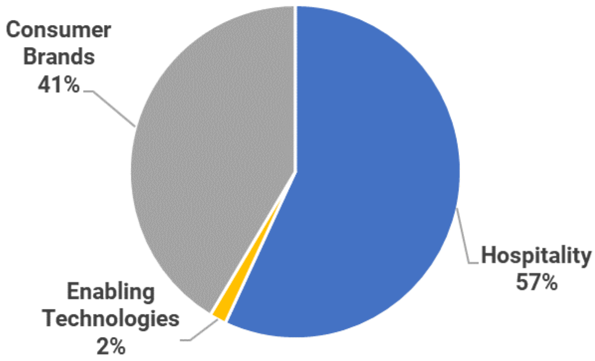
Investment case in six charts

Products & Services

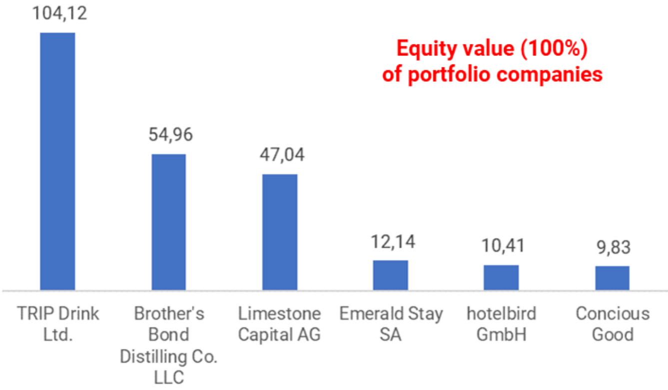
Company structure



Current NAV by segment in %



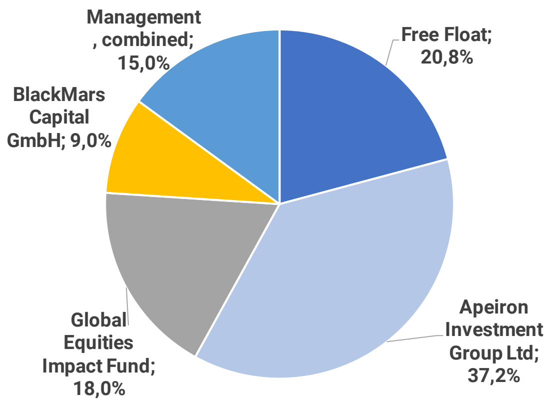
Portfolio companies sorted by size - in EURm



NAV per share in EURm

Company	Valuation base	Current value	per share	in% of TTL
Limestone Capital AG	own projections	58,54	11,71	75,9%
Emerald Stay SA	own projections	2,28	0,46	3,0%
hotelbird GmbH	own projections	3,67	0,73	4,8%
TRIP Drink Ltd.	book value	6,66	1,33	8,6%
Brother's Bond Distilling	book value	1,04	0,21	1,4%
Concious Good	book value	4,91	0,98	6,4%
	TTL equity investme	77,11		
Holding discount		-7,71	-1,54	
Net debt per 31.12.22 (eAR)		0,58	0,12	
	Fair value of assets	68,82		
	Number of shares	5,00		
	Fair NAV per share	**13,76**		
	Premium / Discount	**-4,4%**		

Major shareholders



Source: Company data; AlsterResearch

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Company background

Products & services

029 Group SE ("029") is a Berlin-based **investment holding company** that focuses on minority investments and incubations in the hospitality and lifestyle sectors.

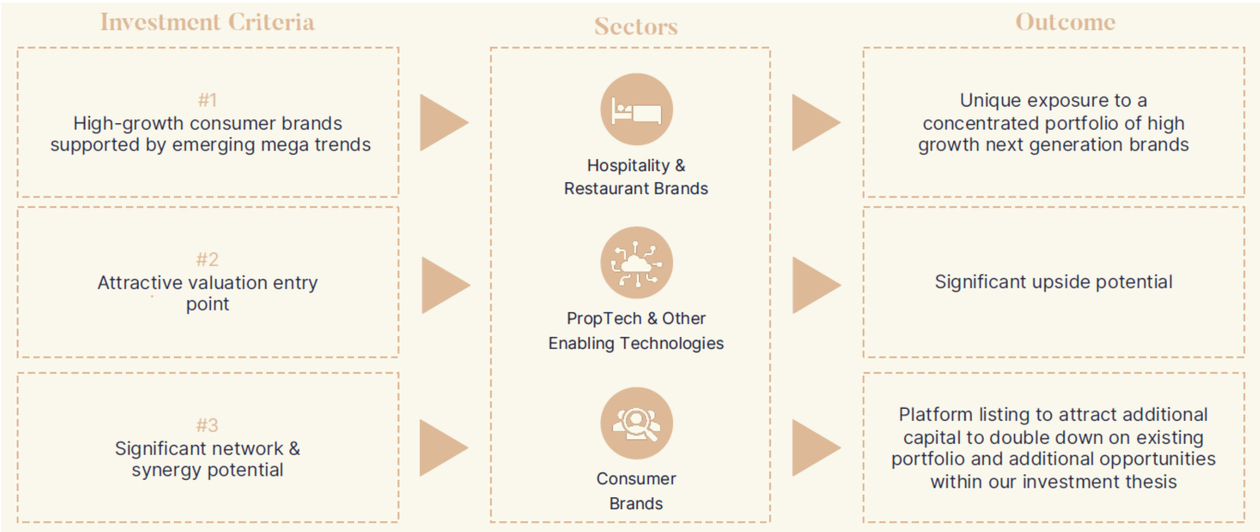
The name "029" ("zero-two-nine") references the happiness hormone **serotonin** and reflects the fact that the company invests in businesses that aim to make people's lives happier in the broadest sense. Consequently, "029" invests alongside consumer brands that help to "**connect**" (e.g. hotel and restaurant brands) or facilitate "**wellbeing**" (e.g. CBD drinks, food supplements or whiskey label) of a predominantly millennial and Gen Z target group.

Historically, the typical size of an investment has been between **EUR 250,000 and EUR 5m**. Within this size range, the firm's investment thesis is to invest in **early stage growth companies**. The company intends to opportunistically pursue an investment strategy that includes continued early stage investments and incubation opportunities as well as later stage investments.

029's long-term value creation is based on the premise that the investment process selects companies that will increase in value and can be sold at a capital gain. Due to the young age of the company and the early stage of the target companies (average portfolio maturity is approximately 2.5 years), "029" **has not yet exited any investments**. It is therefore too early to assess a track record - and will remain so for some time, given that a typical venture capital investment has a life of 5 to 10 years. As a result, "029" is most likely not going to generate any meaningful revenues during the forecast period (see section "Financials & Forecasts").

However, as with all VC investments, there is a **high probability that some portfolio companies will fail**, while **the payoff for the winners can be substantial**, even in the "unicorn" range, i.e. a private company valued at more than USD 1bn. To manage these risks, it seems crucial to build a portfolio that is well diversified, both in terms of the number of investments and qualitatively in terms of business models and industries. With six companies operating in its well-defined verticals, "029" is on track to build such a portfolio, and there appear to be a number of leads that could soon lead to additional transactions.

029's value proposition



Source: Company data; AlsterResearch

The company's vision is to become a global hospitality and lifestyle investment holding and platform that supports its portfolio companies with strategic advice, fundraising support, access to partnerships and other synergies. The company's current investment focus is on the hospitality and lifestyle sectors. Within these sectors, investments are grouped into the following three segments:

- **Hospitality**
- **Enabling Technologies and**
- **Consumer Brands**

Segments

Consumer Brands

Hospitality

Enabling Technologies

Source: Company data; AlsterResearch

The current investment portfolio comprises six companies, spread across the above segments:

Brand portfolio

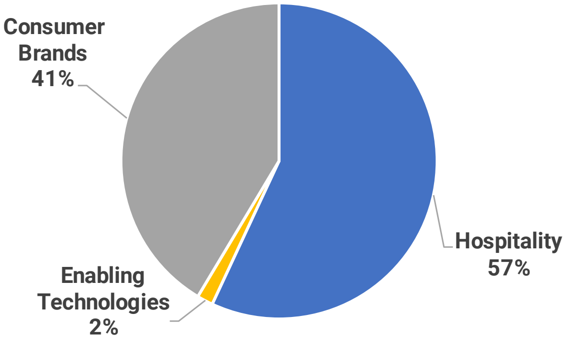
029 Group SE

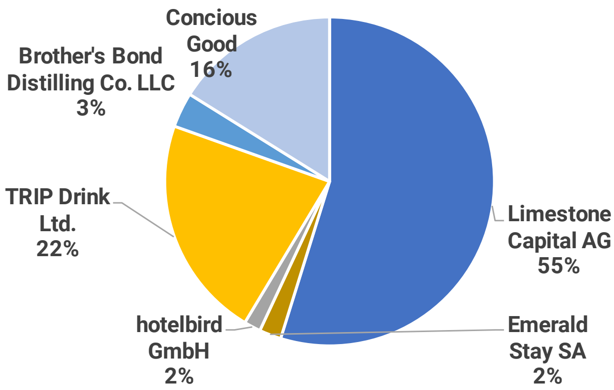
Hospitality	Enabling Technologies	Consumer Brands
Hotel and restaurant brands	Proptech & other enabling technologies	Lifestyle consumer brands

Source: Company data; AlsterResearch

The total book value of the existing portfolio amounts to EUR 30.5m (as per 30.06.22, incl. latest up round of Limestone) and is clustered around three distinct segments (left) and portfolio companies (right). Please refer to p. 28 for the book value treatment of any portfolio value changes - according to German GAAP

NAV per segment	NAV per portfolio company





Source: Company data; AlsterResearch, * in % of total NAV as per 30.06.2022, including latest up round in Limestone

Out of its portfolio, Limestone Capital and TRIP are by far the largest assets (in terms of book value contribution), accounting for c. 55% and 22% of total NAV respectively.

The following pages summarizes each of “029” major portfolio companies:

Limestone Capital AG, Switzerland

“Book value” after up round
EUR 16.7m
54.8% of total NAV
Seed financing

Limestone Capital is a vertically integrated investment firm committed to identifying and creating value in the hospitality sector. Limestone acquires undervalued hospitality assets and transforms them through management, capital investment and technology.

Founded by an experienced team of investors and operators, Limestone leverages technology, efficient asset management and trends in consumer behavior. With over EUR 100m in assets under management (of which we assume the equity tranche to be EUR 30m, with the reminder being debt financed), Limestone is focused on EU destinations where it finds, develops and operates unique hotels and membership clubs. Its current portfolio of hotels and planned hotels comprise real estate assets in Italy (Milan, Saragano and Champoluc), Portugal (Ericeira and Lisbon), France (Corsica) and Spain (Mallorca). After a typical holding period of 5-8 years, Limestone intends to sell these hotels generating additional income streams (exit proceeds) via a 20% carried interest. All of its hotels are operated by its majority owned (80%) high-end luxury brand “aethos”. Consequently, Limestone can build on the following revenue blocks:

Management fees – Limestone receives a management fee on AuMs, which typically is in the 2% range. Currently, Limestone operates one fund with AuMs of 30m (eAR YE 22E). We assume that these funds are leveraged with 70% debt, which would increase the fund size to EUR 100m. The management fee typically is generated on the equity portion of the fund only. Going forward, our understanding is that Limestone is in the process of raising additional capital in a second fund vehicle. The targeted fund size in 2024E (eAR) is EUR 400m – with an equity share between EUR 120m. Once successful, we anticipate further funds to be launched, increasing the AuM of Limestone beyond EUR 400m in 2025ff.

Transformation fee – In addition, Limestone receives fees on development and asset management services. In line with industry standards, management fees should amount to approx. 4-5%. We assume that the transformation fee is applicable on total assets, rather then only on the equity share.

Exit fees – Finally, Limestone is entitled to a performance fee (exit fee) in case of asset disposals. Limestone should received a 20% cut (carried interest) on any value creation, similar to exit fees private equity firms receive upon portfolio divestments. Still, given that the timing and size of any exit fee is virtually impossible to forecast, we do not apply any exit fees into our revenue forecast for Limestone. Hence, any exit fee should therefore be seen as an additional upside potential to investors.

Adding these building blocks together, Limestone Capital should be able to generate recurring asset management and transformation fees between EUR 5.1m in 2022E and EUR 20.4m in 2024E.

Limestone Capital		2022E	2023E	2024E	2025E
Asset Management revenues - in EURm					
AuM - equity portion		30	60	120	216
yoy increase in %		na	100%	100%	80%
Management fee	**2,0%**	**0,60**	**1,20**	**2,40**	**4,32**
AuM - debt & equity		100	200	400	720
yoy increase in %		na	100%	100%	80%
Transformation fee	**4,5%**	**4,50**	**9,00**	**18,00**	**32,40**
TTL revenues asset management		**5,10**	**10,20**	**20,40**	**36,72**

Source: Company data; AlsterResearch

Hotel operation via "aethos"

As already mentioned, all of Limestone's hotels are operated by its majority owned (80%) high-end luxury brand "aethos". "Activities include

- Branding and distributing hotels / hotel rooms via the brand "aethos"
- Management of the hotels
- Implementing and running of F&B concepts and other services
- "aethos" club membership

"aethos" should be able to generate sales (80%) between EUR 14m (2022E) and EUR 59m in 2024E, based on various assumptions such as:

- Ramp-up of new hotels (eAR 6 p.a.)
- Increase in the number of rooms per hotel from currently 30-35 to 60 by 2025
- Above average occupancy rates of 60%+
- Average daily rate EUR 263 / roomnight (net of tax), increasing by 5% p.a.
- Additional F&B and membership revenues

Limestone Capital		2022E	2023E	2024E	2025E
Hotel Operation revenues					
No of hotels		8	14	20	26
rooms per hotel		35	40	50	60
Available roomnights (000)		102,2	204,4	365,0	569,4
Sold roomnights (000)		62,3	128,8	233,6	364,4
Occupancy rate		*61%*	*63%*	*64%*	*64%*
average daily rate (in EUR)		250	263	276	289
Lodging revenues in EURm		**15,6**	**33,8**	**64,4**	**105,5**
F&B and other revenues in EURm		1,6	3,4	6,4	10,5
Membership revenues - in EURm		0,5	1,4	2,3	3,0
aethos hotel revenues in EURm	**4,60**	**17,64**	**38,58**	**73,12**	**119,01**
Limestone share (80%)	**3,68**	**14,12**	**30,87**	**58,50**	**95,21**
Total sales - Limestone in EURm		**19,22**	**41,07**	**78,90**	**131,93**

Source: Company data; AlsterResearch

Finally, Limestone also holds a stake of approx. 10% in the below mentioned portfolio company Emerald Stay. Limestone was founded in 2018 and represents the largest single assets of the Group (NAV after latest up round in Nov. 22: EUR 16.7m, or 54.8% of total NAV). "029" holds a 35.5% stake in Limestone.

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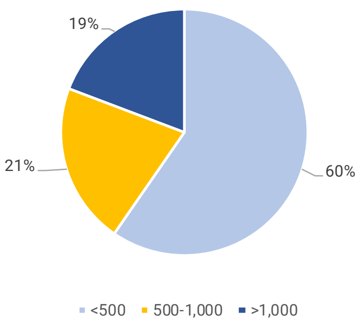
Emerald Stay SA, Switzerland

Book value EUR 0.66m
2.2% of total NAV
Seed financing

Emerald Stay is an asset light platform business that rents out high quality holiday apartments. Broadly speaking, Emerald is a luxury version of US non-listed Avantstay. The company partners with property owners and markets these luxury properties via its platform and others such as AirBnB. Emerald manages their assets like a virtual hotel, including branding / marketing, housekeeping, maintenance and billing. Consequently, it is important for Emerald to grow cluster-wise, i.e. to get a critical mass of properties in one area, which allows it to utilize own facility managers and other important service units.

Emerald earns a commission on the rental income, which typically is in the range of 30%. The reminder is kept by the owner of the property. Currently, Emerald has 104 (year end) properties in 5 different locations on its platform – French Alps, Pyrenees, Balearics, Costa Brava and Morocco. Minimum stay is 7 days. Daily rates starts at EUR 150/night and can go up to EUR 6,000/night. The median starting price per night is EUR 420. Approx. 20% of all properties are in the > EUR 1,000/night bracket.

Daily rental rate in EUR/night



Source. AlsterResearch, Emerald Stay website

In 2022, gross booking value should have been in the range of EUR 7-8m, which should have led to 2022 sales of approx. EUR 3m+ (eAR). In addition, Emerald Stay generates additional revenues with external services which could be cleaning, wellness offerings or inhouse dining services. We assume that external services should account for another 15% of a typical rental bill. As such, we assume that sales should continue to grow in the coming years, based on further expansion of its property portfolio, improving occupancy rates and slightly increasing average rates per night. Our estimates are as follows:

Emerald Stay		2021	2022E	2023E	2024E	2025E
Properties - average			80	120	168	235
yoy increase in %			*na*	*50%*	*40%*	*40%*
Sold propertynights (000)			13.140	21.900	33.726	47.216
Occupancy rate			*45%*	*50%*	*55%*	*55%*
average daily rate (in EUR), net of VAT*			567	567	567	567
Gross booking value in EURm			**7,5**	**12,4**	**19,1**	**26,8**
Property owners share in EURm	70%		5,2	8,7	13,4	18,7
Emerald's revenues in EURm			**2,2**	**3,7**	**5,7**	**8,0**
External Services in EURm	15%		1,1	1,9	2,9	4,0
TTL Revenues in EURm			**3,35**	**5,59**	**8,61**	**12,05**

Source: Company data; AlsterResearch, *assuming VAT of 19%

Emerald Stay was founded in 2017. "029" holds a 5.4% stake in this business which represents a NAV contribution of EUR 0.66m or 2.2% of total Group NAV.

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Hotelbird GmbH, Germany

Book value EUR 0.50m
1.6% of total NAV
Seed financing

Hotelbird provides the core technology for a seamless digital guest journey and empower hosts to increase their operational efficiencies.

Hotelbird has developed a hotel experience digitization mobile application designed to facilitate hotel booking and digital check-in and check-out. Other services include digital features such as providing digital registration forms, payment solutions or digital keys. The company offers its services via all relevant customer touchpoints, i.e. via an own developed App, web interfaces (own and third party providers such as booking.com) as well as self services terminals within the hotel premises.

Hotelbird has by far the largest market share in Germany and enjoys great trust in the hotel industry. According to the company's website, almost all leading German hotel chains rely on the Hotelbird Platform, including motel one, AMANO, Lindner, Best Western, but also several Leisure, business and luxury hotels.

Hotelbird offers its services in a Software-as-a-services (SaaS) model. Net of tax, Hotelbird's software licence costs between EUR 2.50 and EUR 5.00 per room and months. Our back of the envelop calculation suggests that Hotelbird could generate sales of approx. EUR 10m by 2024, taking into account the following assumptions:

- 965K hotel rooms in Germany currently , growing by 2% p.a.
- Average price per software license of EUR 3,75, growing by 5% p.a.
- Market share in Germany of approx. 20% by 2024E
- European expansion not yet reflected – creates pure upside

Back of the envelope calculation		2024E	2025E
Number of hotel rooms Germany		1.000.000	1.020.000
Market share Hotelbird (rooms)	20%	200.000	204.000
Price per room (software licence)		4,13	4,34
Revenue potential in EURm		**9,91**	**10,62**

Source: Company data; AlsterResearch

This portfolio company is part of the "Enabling Technologies" segment of the group. Hotelbird was founded in 2015 and "029's" 4.8% stake in the company was valued at EUR 0.5m in the last Series A round. The total Group's NAV contribution is just over 1.6%.

TRIP Drink Ltd., UK

Book value EUR 6.66m
21.9% of total NAV
Series A

TRIP is a producer of beverages and oil created from CBD hemps and extracts from medicinal and recreational purposes.

TRIP is a UK-based consumer brand on a mission to help you find your calm amidst the chaos. Thanks to TRIP's commitment to using only the highest quality CBD available in the UK, the range of delicious CBD infused drinks and oils are loved by their customers and has cemented TRIP's position as a leading premium CBD brand.

TRIP managed to get important listings with international grocery stores recently. In Nov. 2022 for example, TRIP announced that it is now listed nationwide with Waitrose, Sainsbury's and Ocado in the UK and Carrefour in France. In January 2023, TRIP reported an 8-fold increased in sales, reflecting the ongoing demand for alcohol-free alternatives.

In addition, we expect the geographical expansion to continue. Currently TRIP is working on expanding its US footprint beyond its current locations at the East Coast, i.e. NY and Boston or in the Chicago area. We also assume that other European destinations will follow shortly. In our view, the latter could give the brand another push in terms of economics and brand awareness. We estimate TRIP to generate sales significantly in the double-digit-million-euro range this year, with still significant growth in the years to come.

On August 24, 2022, TRIP has announced the successful closing of a USD 12m round of fundraising in a significant upround, implying a >EUR 100m valuation. This latest round of funding will support the brand's continued growth in the United States and across the globe. TRIP is the second largest portfolio company of the Group worth EUR 6.66m or 21.9% of total Group's NAV. TRIP was founded in 2017.

Brother's Bond Distilling Co. LLC, US

Book value EUR 1.04m
3.4% of total NAV
Seed financing

Founded by the Vampire Diaries stars Ian Somerhalder and Paul Wesley, Brother's Bond produces and markets a premium hand-selected, bourbon spirit. The company was founded in 2020 and is the group's only US investment so far. The idea behind Brother's Bond Distilling is to use the fame and therefore reach of the two actors to promote and ultimately sell its premium bourbon whiskey brand directly to the consumers. The most prestigious example has been George Clooney's Tequila brand "Casamigos", which was the fastest-growing tequila brand in the US at the of 2022. Casamigos Tequila was founded by George Clooney, Rande Gerber and Mike Meldman in 2013. Just 4 years after inception, the top celebrities sold the brand to Diageo – the global leader in beverage alcohol – for USD 1bn. Similarly, Diageo acquired Aviation American Gin back in 2020 for USD 610m (upfront payment + earn out). Aviation American Gin was co-owned by the actor Ryan Reynolds, who also acted as a brand ambassador to the Aviation American Gin.

Brother's Bond Distilling is aiming to replicate this success story in the bourbon space and – according to its own statements – is one of the fastest growing bourbon whiskey brands in the US. During the last funding round mid 2022, the company was valued at c. EUR 55m, which implies that "029's" 1.9% shareholding should be worth EUR 1m representing just over 3% of total group's NAV. Hence, Brother's Bond Distilling is one of the smaller investments of "029".

Conscious Good, UK

Book value EUR 4.91m
16.1% of total NAV
Pre-Seed

Conscious Good focuses on nootropics. The company has been founded in March 2022 and is currently in an incubating status. According to the prospectus of "029" the company aims to launch the first batch of products in H2 23.

Much like the sports supplements market is built around achieving goals related to a physical state, Conscious Good is applying this concept to goals related to achieving a mental state, by offering functional nutritional supplements in powder form, liquids and gummies.

The aim is to position Conscious Good as a direct-to-consumer brand – similar to the above mentioned Brother's Bond Distilling.

Despite its young "age", the book value accounts for 16.1% of total NAV and stood as per 30.6.22 at EUR 4.91m.

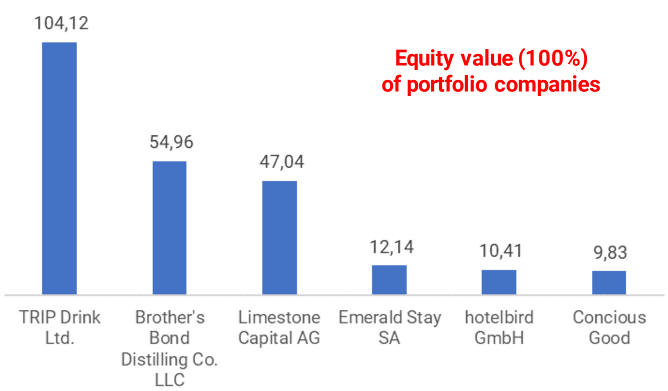
The following table displays a detailed overview about "029's" six key assets:

Asset	Country	Segment	Book value in EURm	in % of total	Financing round	Shareholding
Limestone Capital AG	CH	Hospitality	16,70	54,8%	Seed	35,5%
Emerald Stay SA	CH	Hospitality	0,66	2,2%	Seed	5,4%
hotelbird GmbH	GER	Enabling Technologies	0,50	1,6%	Seed	4,8%
TRIP Drink Ltd.	UK	Consumer	6,66	21,9%	Seed	6,4%
Brother's Bond Distilling Co. LLC	US	Consumer	1,04	3,4%	Seed	1,9%
Concious Good	UK	Consumer	4,91	16,1%	Pre-Seed	50,0%
Total			**30,48**			

Source: Company data, AlsterResearch

Looking at "029's" portfolio from a different angle, one realizes that TRIP is most likely the most mature company in the group's portfolio. The entire company has just been valued slightly above EUR 100m, whereas the next runner-up would be Brother's Bond worth EUR 55m. The third largest company in terms of 100% NAV computation would be Limestone, which has been valued at EUR 47.2m in the latest funding round. All other investments are valued in the ballpark of +/- EUR 10m.

Portfolio companies sorted by size in EURm



Source: Company data; AlsterResearch

Management

The following summarizes "029's" management team, which currently consists of three key people:

Management team

Lorin Van Nuland **Co-Founder & CEO**	**Juan Rodriguez** **Chairman**	**Thomas Hanke** **Deputy Chairman**

Source: Company data; AlsterResearch

Lorin van Nuland, born 1986, Co-Founder & CEO

Lorin has over 15 years of experience across venture capital, capital markets and M&A. Lorin is a venture partner at Apeiron Investment Group and holds a variety of board and observer positions. Lorin holds graduate degrees from New York University and Maastricht University.

Mr. Van Nuland started his career in 2010 as an M&A lawyer in New York City with Cleary Gottlieb advising a diverse range of international and domestic companies, financial institutions, private equity firms in large-scale mergers, acquisitions and other corporate transactions, advising clients on over USD 100bn of transactions. In 2015, Mr. Van Nuland joined Allen & Overy LLP in London where he advised on over 20 IPOs across Europe, Africa and the Middle East, resulting in billions of capital raised for companies. In 2020, Mr. Van Nuland joined Apeiron Investment Group, leading on a wide range of venture capital investments and IPOs.

Juan Rodriguez, born 1976, Chairman

Juan gained extensive experience in finance and sales controlling at a telecom startup before moving to the investor side in 2007 at FinLab AG, one of the first and largest fintech and blockchain investors in Europe. There, he developed deep expertise across investor relations and finance, eventually assuming the role of managing director and CFO in 2013. Since 2021, Juan is managing partner at C3 Venture Capital.

Juan has broad knowledge and experience in the financial sector and serves as a sparring partner for numerous startups across business development and strategic planning. He supports the further development of C3's ventures with his large network and as an advisor and supervisory board member.

Thomas Hanke, born 1985, Deputy Chairman

After studying business administration at the University of Würzburg, Thomas Hanke worked in various management positions in the areas of small & mid cap private equity and venture capital from 2009 on. In 2020, Thomas co-founded Elevat3 Capital, a European venture and growth capital investment fund.

Thomas has extensive transaction experience (private equity, venture capital, growth capital & PIPE transactions) and has, in addition to his work as an investor, also carried out various operational interim mandates within the scope of portfolio management. Furthermore, he holds several advisory board mandates at growth companies.

It is worth noticing that the combined management team holds a substantial part of the share capital in "029". In total, their combined stake accounts for c. 15%. Hence, the management team has significant **"skin in the game",** a clear positive as this aligns interests of the acting people with outside shareholders. According to the latest filing and the prospectus, the shareholdings were as follows:

Lorin Van Nuland, 149.500 shares (c. 3% of total outstanding shares)
Juan Rodriguez, 450.000 shares (9%)
Thomas Hanke, 149.000 shares (c. 3%)

History and major shareholders

The Company was founded in March 2018 under the company name "Mendarion SE" but did not engage in any business activities. In fact, Mendrion SE was a so-called shell company, in which - through a contribution in kind of six portfolio companies - Apeiron Investment Group Ltd. became the largest single shareholder. In return for the six portfolio companies, "Mendarion" issued 4.75m new shares. Subsequent to the aforementioned capital increase in kind, Apeiron sold shares to other investors. Together with the 250K legacy shares of Mendarion SE, the new company now has a total of 5m shares outstanding. **It is worth noticing that the company has not issued any stock options or issued any other dilutive instruments.**

On Aug. 10, 2022 the Extraordinary General Meeting of Mendarion SE resolved the change of name of Mendarion SE to 029 Group SE.

Number of shares	
Shares old	250.000
Contribution in kind	4.750.000
Total shares outstanding	5.000.000

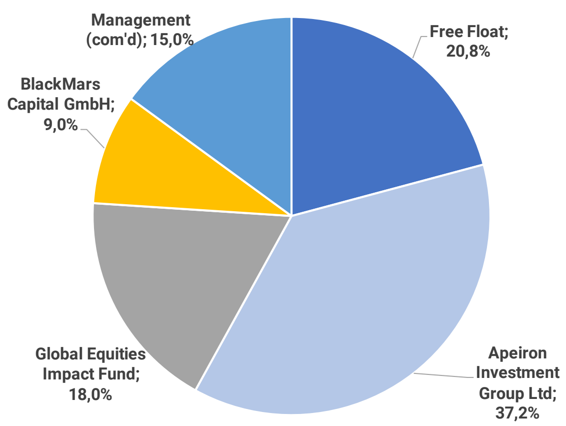
Source: Company data; AlsterResearch

As of today, **Apeiron Investment Group Ltd** (AIG) is the single largest shareholder of "029" holding nearly 1.86m shares or 37.2% of the share capital. Apeiron Investment Group is the family office and private investment firm of entrepreneur and investor Christian Angermayer. With more than USD 3bn under management and over 50 people across five international locations, Apeiron focuses on Life Sciences, FinTech & Crypto, FutureTech, and Experiences, Hospitality & Happiness. Besides others, Apeiron is a major shareholder of NASDAQ listed "atai Life Sciences", a clinical-stage biopharmaceutical company that engages in developing various treatments with the focus on various mental health disorders .

Besides two other major shareholders, **Global Equities Impact Fund** (18%) and **BlackMars Capital GmbH** (9%), it is worth noticing that the **management** team (combined) holds approx. 15% of the outstanding share capital, suggesting significant "skin-in-the-game" and hence aligned interest of the management team with outside shareholders.

With regards to Global Equity Impact Fund and BlackMars there is no other information available.

Major shareholder



Source: Company data; AlsterResearch

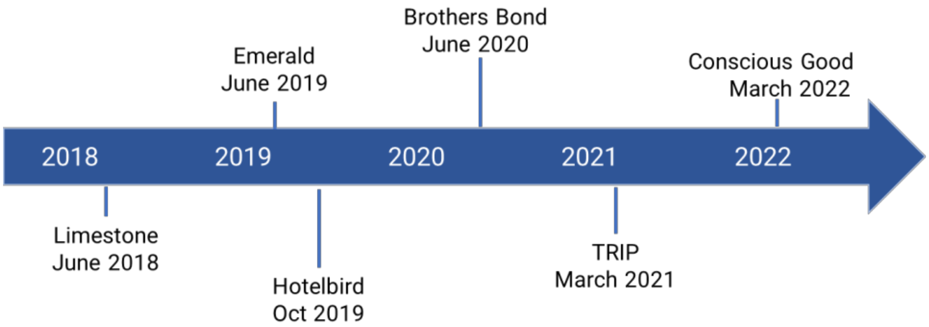
The shares of "029" have been listed in the over-the-counter market of the Düsseldorf and Munich Stock Exchange (Freiverkehr). Since Oct 6, 2022, "029" has been uplisted to the regulated market and since then is also tradable on the electronic trading system of Deutsche Börse – the XETRA market segment.

Lock-up

Apeiron has entered into a lock-up agreement for a certain amount (c. 70%) of its shares. Under this agreement, Apeiron agreed to neither directly nor indirectly sell, transfer, assign or grant options to or otherwise dispose of the lock-up shares, for a period of up to six months after the date of the commencement of trading in the shares on the regulated market, i.e. until April 6, 2023.

The following chart displays a historic view on when “029” (or its predecessor) invested for the first time into the portfolio companies.

Investment history



Source: Company data; AlsterResearch

Our best estimate about the initial amount invested is that “029” has spend a cumulative amount of approx. EUR 4-5m. for its six portfolio companies. This would represent an appreciation in value of 4-5x money over money (MoM) – in-line with what one would expect for a VC investment in the last 3-4 years.

Deal structure

"029" has been created by a variety of financial transactions, which are summarized in abbreviated versions below:

- Apeiron agreed to acquire all outstanding shares (250K) in "Mendarion SE" an empty, stock listed shell company. "Mendarion" did not pursue any business activities

- The shares in "Mendarion" were tradable on the over-the-counter market of the Düsseldorf and Munich Stock Exchange (Freiverkehr)

- Against contribution in kind in the form of shareholdings in six portfolio companies, Apeiron received additional 4.75m newly issued shares

- Subsequent to the aforementioned capital increase in kind, Apeiron sold shares in a number of private secondary transactions to ensure it complied at all times with the free float requirements imposed by law and applicable stock exchange rules

- As a result of these sales, the number of shares held by Apeiron dropped to c. 1.86m shares, corresponding to a shareholding of 37.19%

- "Mendarion SE" had been renamed into "029 Group SE" and the company's business activity has been changed into "becoming a global hospitality and lifestyle investment holding"

- The company granted admission to trading on the regulated market of the Düsseldorf Stock Exchange on Oct. 6. 2022.

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Quality

The success of an investor in the venture capital ecosystem is based in particular on the following core competencies:

An **in-depth know-how** of the hospitality and lifestyle sectors and mechanics of the markets that can be developed or created with it,

Experience in evaluating business models and structuring transactions in this domain, as well as

Incubate and source attractive venture capital projects and startups.

The basis for "029's" success is the **team**, exhibiting **complementary skills, experience and networks**: The management team has gained extensive company building experience through their work at Apeiron, where they built transformative platform companies employing roll-up strategies with centralized services, leadership and business development, raising over USD 1bn of external capital for such companies.

Being an early stage growth investors, having an entrepreneurial investment approach through active support to its portfolio companies therefore is key. In addition, **access is facilitated for "029" as the company can offer more than just money**, e.g.

- reputation
- strategic advice
- expertise from other portfolio companies and investments
- external networks
- regulatory know-how
- expertise from the traditional finance industry and
- close relationships with high potential investors around the world

Finally, the quality of an investment company is measured by its **track record**, i.e. past investment successes. Despite the relatively short company history of "029", there are already some remarkable successes from their work at Apeiron. Selected platform companies of Apeiron include Atai Life Sciences N.V. (listed on NASDAQ), Cryptology Asset Group p.l.c. (listed on the German stock exchange), Synbiotic SE (listed on the German stock exchange), Cambrian Biopharma Inc. and Rejuveron Life Sciences AG.

Operating model

Source: Company data

Competition

As an investment company, „029“ does not have any direct competitors. From the point of view of the company, competition is relevant to the extent that it affects the company’s underlying portfolio companies. The main competitors of the portfolio companies are companies with a focus on hospitality, enabling technologies and consumer brands. Competition in these markets is intense and the portfolio companies face competition from large multinational companies as well as emerging technology-driven start-ups. Any of those current or potential competitors may with its activities have significant impact on the value of one or several of the portfolio companies, in a worst case scenario including that the participation in such portfolio company will have no further value for the issuer.

Customers / Suppliers

The company is not dependent on a limited number of suppliers and/or customers. Likewise, there are no assets required for business operations that are not owned by the company.

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SWOT analysis

Strengths

- Experienced and driven management team
- Access to deal flow
- Network into financing, and tapping skilled and entrepreneurial driven talents
- Ability to provide strategic advice
- With Christian Angermayer (via its investment vehicle Apeiron) strong and prestigious anchor investor
- Management with aligned interests due to large shareholding in the company

Weaknesses

- Comparably young company and hence…
- … still limited track record
- No exit so far
- With a time horizon of 5+ years, a value creating exit still far away (average maturity of its portfolio of c. 2.5 years)

Opportunities

- Targeting high growth corners of the market
- Multiples within the hospitality and consumer brand segment not inflated -> provides lucrative entry points
- Stock listing likely to help visibility and ultimately access to external financing

Threats

- Rising interest rates and market volatility might lead to lower investment activities
- Capital raise might be difficult given the unusual “conglomerate style” structure of the company
- Threat of “down rounds” of existing portfolio companies if multiple contractions continue

Risks

- Concentration risk with approx. 90% of NAV in the top three portfolio companies
- Low trading liquidity

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Growth

Three pillar growth strategy or “The direction of travel”

The company intends to further diversify and expand its portfolio in the medium term. In order doing so, “029” has established a well-defined three pillar growth strategy, namely

1) **Invest in new attractive venture companies,**
2) **Continue to invest in existing assets and**
3) **Incubate new ideas around lucrative start-up opportunities.**

Incubating new ideas (pillar 3) is an asset light way of creating value. In fact, “029” aims to use its broad market know-how, financing capabilities and access to visionary entrepreneurs and start-ups to invest in new business ideas. These investments typically are done in the pre-seed or seed phase. Incubating new ventures requires only little capital but the flipside is that the success rate often is relatively low at this stage. “029” however should be in a superior position to better assess the success rate of new ventures given its in-depth market know-how and understanding of the needs of a Millennials and Gen Z target group.

Pursuing **new investments and/or taking part in up rounds of existing assets** (pillar 1 & 2) on the other hand could be relatively capital intensive. Here, “029” will work down its investment funnel where the company screens, evaluates and finally invests in new companies. Similarly, “029” has to decide if and to what extent the company wants to participate in new financing rounds of existing portfolio assets. Additional funds employed depends on a large number of variables, such as implied valuation attached to the financing round, progression of the business plan and use of proceeds at the portfolio company.

For “029” new investments and/or taking part in up rounds (pillar 1 & 2) will most likely be accompanied by **additional capital increases** given the company’s low liquidity. However, even with its existing portfolio, NAV growth could be driven by future financing rounds even if “029” does not participate in these rounds. The reason is that each financing round will provide a new evaluation of the book value of the portfolio company and hence also a change in the book-value on group level.

Underlying market trends of existing portfolio companies

In the broadest sense, “029” invests in next generation life style consumer brands that are likely to experience significant growth in the future. Triggered by post-Covid pent-up demand, the hospitality sector is likely to experience a travel rebound as already witnessed this summer where hotel and flight bookings often where fully booked and by far exceeded pre-Corona levels. In addition, higher levels of associated consumer spending, as well as shifting tastes and preferences of the Millennials and Gen Z target group towards

- **experiences**
- **higher quality and**
- **health**

are likely to facilitate growth of “029’s” underlying assets.

Finally, the company’s portfolio consists of growth companies which are looking to expand their offerings and products to new markets, which, if successful, would result in further significant growth of the company’s portfolio value.

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"029's" investments are centered around three distinct investment themes

1. **Hospitality**
2. **Enabling technologies**
3. **Consumer brands**

Hospitality There are several market reports available measuring the size of the global luxury hotel market. However, these reports deviate quite significantly in terms of size which reflect difficulties in defining a homogeneous market. In fact, the global luxury market size in 2020 deviated between USD 95bn (LuxuryHotel.com) and USD 174.9bn (Mordor Intelligence). All reports have in common, that they anticipate the global luxury hotel market to experience significant growth. The long-term strong growth trend however was significantly disrupted by the COVID-19 pandemic, which resulted in a sharp reversal of the growth of the luxury hotel business, with the market recording a decline of 60.82% in 2020 and a value of USD 119.55bn in 2021 (according to Fortune Business Insights). **Going forward, depending on the starting point, compounded annual growth rates (CAGR) are between 4.3% (based on a pre-Covid base) and 10.7% p.a. starting from the subdued levels of the Corona years in 2021.**

Global luxury hotel market size in USDbn	**2020**	**2021**	**…**	**2026**	**2027**	**2028**	**…**	**2030**	**2031**	**CAGR**
IMARC Group		100			131,7					4,7%
Luxury Hotel.com	197,68				259,51					4,0%
Allied Market Research	95,11								160,481	4,9%
Mordor Intelligence	174,90			221,3						4,0%
Median										**4,3%**
Spherical Insights & Consulting		93,4						238,4		11,0%
Fortune Business Insights		119,55				238,49				10,4%
Median										**10,7%**

Source: IMARC Group. Luxury Hotel.com, Allied Market Research, Mordor Intelligence, Sherical Insights & Consulting, Fortune Business Insights

All these market reports therefore suggest that the market growth will make the luxury hotel industry a great place to invest money in, with the target group of "029's" portfolio companies such as Limestone Capital or Emerald Stay likely to experience even disproportionate revenue growth based on

- a post Covid-rebound
- Millenial travellers becoming #1 spenders
- new emerging consumer categories such as staycations, workcations, and long-stays
- trends towards shifting work/life concepts, health and as well as well-being trends

Enabling technologies The second investment topic aims to invest in technologies that support digitalization in hospitality. Hospitality technologies overlap to an extent with real estate technologies ("PropTech"). According to market research company "Future Market Insights", this is a multi-billion market space, exhibiting double digit growth rates over the years to come. In fact, the CAGR for the PropTech market is predicted to be at 16.8% from 2022 to 2032. It is anticipated that the size of the PropTech market would increase from USD 18.2bn in 2022 to USD 86.5bn by 2032.

PropTech market growth expectations

Attributes	Details
PropTech Market CAGR (2022-2032)	16.8%
PropTech Market Size (2022)	US$ 18.2 billion
PropTech Market Size (2032)	US$ 86.5 billion

Source: www. https://www.futuremarketinsights.com/reports/proptech-market

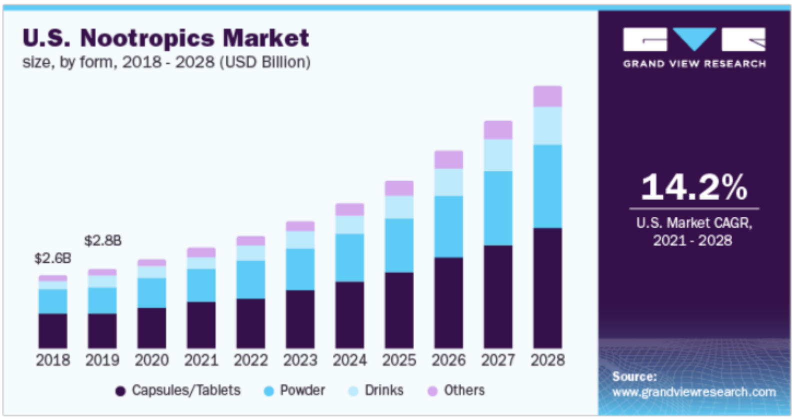
The main driver for these strong growth rates is a growing acceptance of several innovative technology-based solutions and services. Also, technology is used in order to automize processes, increase service offerings (i.e. reduce queuing at the check-in / check-out) or improve overall (cost-)efficiencies. With its portfolio company "hotelbird GmbH" "029" is already active in this lucrative market and is likely to be fully exposed to the double-digit growth rates. Given the attractiveness of this industry and potential cross-selling opportunities with the hospitality segment, "029" is likely to pursue (and even prioritize?) further investments in this space.

Consumer brands is the third and final leg, "029" has detected as a lucrative playing field. Consumer brands – and in particular "029's" targeted sub-segments – are experiencing significantly changing consumer behaviors.

- **Generation Z and Millenials have distinct tastes and behavioral patterns**
- **Mega trends shift towards health, organic and premium**
- **Increasing popularity of functional food and performance drinks**

Not surprisingly, these markets experience strong growth rates, too. Taking nootropics as an example, The global market size looks set to grow to USD 29.2bn by 2028 and is expected to grow at a CAGR of 15.0% during the forecast period. The following chart displays the finding of "Grand View Research" with regards to the US nootropics market displaying the size, growth rate and form (i.e. capsules/tablets, powder, drinks or others).

US nootropics market in USDbn



Source: https://www.grandviewresearch.com/industry-analysis/nootropics-market

What are nootropics?

Self-optimization has two sides - one is physiological, the other cognitive. On the **physiological side** are muscle building, fat reduction and strength development; on the **cognitive side** are alertness, good memory, balance and maximum concentration. While most dietary supplements focus on the physiological side, there are also supplements that deal with the cognitive side. They are called "nootropics". Nootropics won't make anyone a mental high-flyer - but they can cause the brain to temporarily work more effectively.

To summarize, all relevant markets, “029” invests in, are likely to experience stellar growth going forward. This in turn will have a positive impact on the underlying value of its assets. The chart below summarizes the growth rates of the segments and sub-segments:

Hospitality	**Currency**	**Size**	**CAGR**	**Period**
Global luxury hotel market, basis pre-Covid	USD	119bn*	4,3%	'19 - '31
Global luxury hotel market, basis post-Covid	USD	119bn*	10,7%	'21 - '31
Enabling technologies				
PropTech	USD	33.9bn	16,8%	'22 - '32
Fintech Market	USD	14.3bn	22,4%	'22 - '32
IT Market in Real Estate:	USD	13.5bn	12,2%	'22 - '32
Consumer brands				
Global food and beverages	USD	5,817bn	9,7%	'20 - '26
Global nootropics	USD	9.6bn	15,0%	'21 - '28
Spirits	USD	525.9bn	5,3%	'22 - '25
Average			**12,1%**	

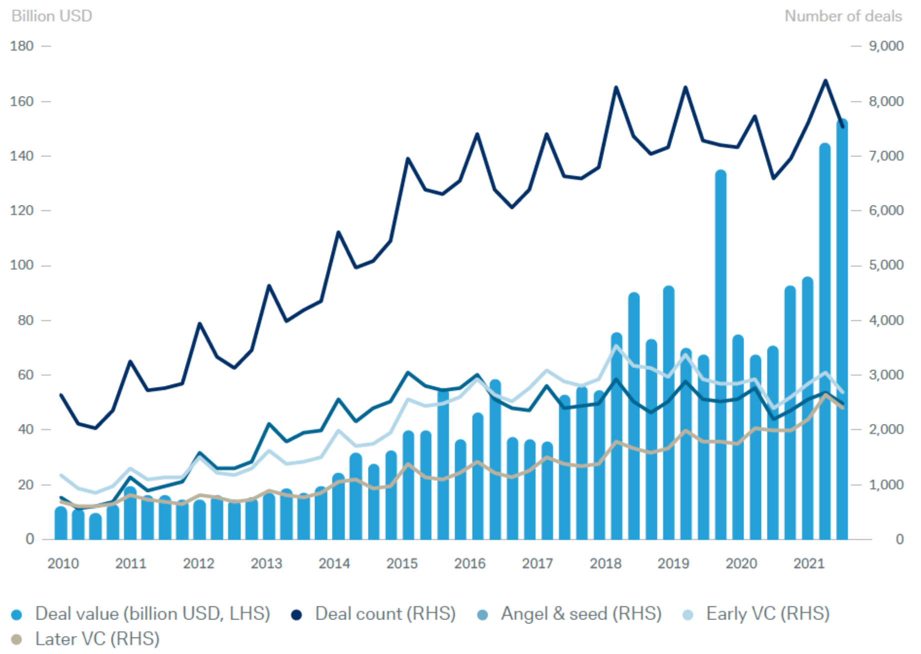
Source: 1) IMARC Group. Luxury Hotel.com, Allied Market Research, Mordor Intelligence, Sherical Insights & Consulting, Fortune Business Insights
2) www. https://www.futuremarketinsights.com/reports/proptech-market
3) https://www.grandviewresearch.com/industry-analysis/nootropics-market

Growth of the VC market

When talking about growth at „029”, it is important to distinguish between growth of its portfolio companies and the growth opportunities that arise from its VC activities. Whilst growth on the portfolio level should more or less reflect the above mentioned CAGR related growth rates (+/- a few percentage points) much more rewarding and more conclusive, is to identify the growth lever for “029’s” venture activities. For the latter, we have analyzed the development of the global VC market and Europe in particular.

Venture Capital is a dynamic investment field and has helped new business models to strive and even encourage innovation of entire industries. Between 2015 and 2020, global Venture Capital investment increased at a CAGR of 13.5% and reached a volume of USD 330bn. The Americas are still the biggest market, accounting for 52.8% of total deal value in 2020. Asia and Europe account for 31.0% or 15.7% of the global market, respectively – according to KPMG.

Global Venture Capital financing



Source: KPMG Private Enterprise

However, given the number of geopolitical and macroeconomic uncertainties and with it higher inflation and rising interest rates, the global VC market has peaked in Q3 2021. In fact, according to numbers of KPMG, VC investment globally dropped to a six quarter low in Q2'22. With no end in sight to the uncertainty, VC investment could remain somewhat soft in the short-term, also triggered by downward pressure on valuations, which in turn could lead to decreasing levels of investment.

Despite soft short-term outlook, medium expectations are bright

Over the medium term, the overall environment is likely to remain supportive for further growth of the Venture Capital market. Here, the main drivers should be

- Plenty of "dry powder" in the market
- competition for the top deals that support valuations and
- continuing low interest rates in comparison to the long-term average
- Reluctance of traditional banks to provide Financing

All of this should support VC activities in the mid-term and hence maintain investor interest in Venture Capital, in our view. The market research company IMARC forecasts global Venture Capital investment to grow at a CAGR of c. 16% between 2021 and 2026. This would represent even faster growth than over the last five years.

For "029" these expected growth rates are likely to provide significant tailwind and should support deal making activities going forward.

Financials & forecasts

Profit & loss

Being a venture capital investment holding, “029’s” financials are less meaningful in our view than for other companies. The most obvious discrepancy is the absence of any meaningful sales and income and hence notoriously loss making nature of the accounts. The major line items of “029’s” accounts are described below:

Sales

Within the forecast period, we are not anticipating any meaningful sales. Sales derive from asset disposals. These exits are planned after an average holding period of 5-10 years. With an average maturity of 2.5 years (eAR), the first meaningful exit is still some 5+ years in the future.

Costs

The cost base – in contrary – is relatively straight forward. A venture capital company is per se a capital light asset model as no money needs to be invested into properties plant or equipment and opex seem manageable. In total, we assume an annual “burn-rate” of c. EUR 400K of which 25% related to staff costs. Other costs are mainly running costs of being a stock listed company, book keeping and auditors fees.

In 2022, we assume slightly higher costs associated with the initial listing costs. According to the prospectus, these costs should amount to approx. EUR 460K in 2022 and include costs for e.g. the prospectus or for example “incidental acquisition costs” i.e. costs associated with acquiring the listed shell as mentioned in the pro forma H1 results of EUR 145K. After H1, “029” already incurred costs of EUR 83.5K for the listing process alone.

Balance sheet

Again, “029’s” balance sheet looks relatively straight forward, showing only four relevant line items.

Financial assets

With EUR 21.9m, financial assets are the only relevant assets the company owns, reflecting c. 99% of total assets. The amount has been created by the capital increase in kind of the six portfolio companies and reflect the book value of the companies according to the latest funding rounds.

For the future, irrespective of any future funding rounds, its carrying amount in the balance sheet can never exceed its acquisition or production cost. **Consequently, the value of financial assets in the balance sheet is a poor indicator of the actual value of these assets if they increase in value.**

Cash

We assume that “029” has virtually no cash reserves. Whilst future uprounds or new investments will most likely be financed by raising new cash, to pay for the relatively low opex, “029” will have to rely on existing debt facilities.

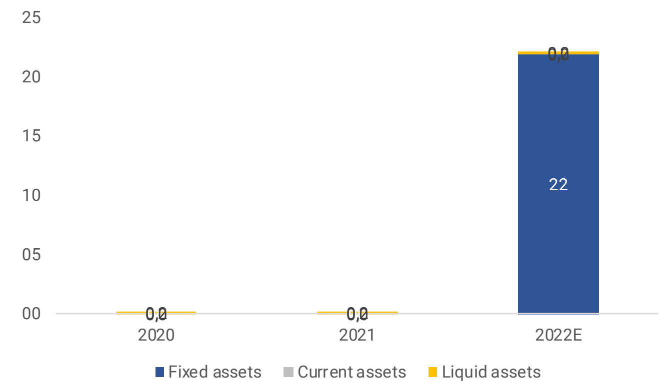
Shareholders' Equity

On the liability side, shareholders' equity mirrors the value of the assets contributed into the company in the course of the contribution in kind. Future capital increases are not reflected in our model. Also potential exits are not reflected in the forecast period. These "cash events" will be the only way of unlocking the value of an assets, as no mark-to-market valuation is permissible under German GAAP (HGB).

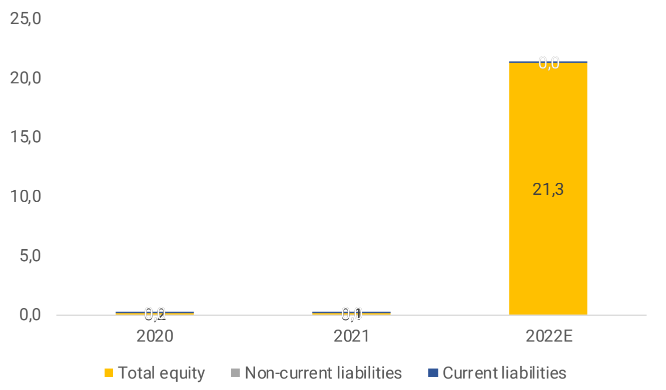
Debt and debt facilities

With no running income and no meaningful cash reserves, "029" will have to rely on debt financing. Major shareholder Apeiron has granted the company a loan facility of up to EUR 1.2m at an interest rate of 5.5% p.a. According to our cash burn calculation, this loan should cover at least the next two business years of the company.

Balance sheet - Assets in EURm



Balance sheet - Liabilities in EURm



Source: Company data; AlsterResearch

Theme

There are various thematic topics that might influence “029’s” share price in the future:

Trading at the regulated market. Since Oct. 6. 2022, shares in “029” are listed on the regulated market in Düsseldorf. With a free float of just over 20% and a market cap of EUR 72m (as of 03.03.23) the shares in “029” are freely tradable. In our view, this should be seen as the starting point of the company’s “real” stock listing.

Capital market communication. With its stock listing, the management of “029” also committed to detailed capital market communication. Besides commissioning a research report, the company also aims to communicate directly to capital market participants in the form of road shows, round tables and conference participations. Increased investors’ awareness and understanding of “029’s” business model is therefore most likely to influence the future share price performance.

Funding rounds of assets. The single most important short- to mid-term catalyst for “029’s” share price is likely to be future insights into the value of its underlying assets. As such, future funding rounds will provide further details about the progression of its businesses. Given that these funding rounds often derive at exponentially changing valuations, i.e. initial investments *X, the driver for the valuation of the group could be immense. In particular, investors’ should have a close look at future up (or down-) rounds of “029’s” major assets such as Limestone Capital, or TRIP. As a cautionary note, future funding rounds could obviously also derive at lower valuations, with the correspondingly negative impact on “029’s” share price.

New asset acquisitions or incubations. An integral part of “029’s” business model is to develop a well diversified portfolio of companies within its three well defined segments, hospitality, enabling technologies and consumer brands. Therefore, one can assume that the management will continue to identify and invest into new business ventures. This could be done via participations in future funding rounds but also incubating new business ideas on its own. In any case, progression in “029’s” company portfolio looks set to have an impact on the valuation of the company and market perception of the management’s deal making capabilities.

Capital increases. With little cash at hand, “029” will have to ask capital markets to inject fresh money, whenever an investment opportunity arises. Whilst the market reaction to new deals obviously depends on investors’ judgment of the new addition, the potential dilutive impact of any capital increase could additionally move “029’s” future share price.

Half year / FY reporting. Being a venture capital firm, financial reports are less meaningful and hence will have only limited impact on “029’s” share performance.

Future exits. In the long-run, pursuing an exit will be the most important value driver for “029’s” shareholders. Given that the average holding period is – on average – 5-10 years and given that the average maturity of its existing portfolio is “only” 2.5 years (eAR), the true value driver is still in some future distance.

Valuation

Introduction

The DCF and FCF return valuation methods commonly used at AlsterResearch are not applicable to an investment company like “029”. Instead, we use the most appropriate approach in this case, i.e. we create a **sum-of-the-parts valuation** by adding the value of the portfolio components, subtracting the net debt or adding the net liquidity and arrive at an estimated net asset value (NAV).

Since “029” prepares its financial statements in accordance with **German GAAP** (HGB), the lower of cost or market principle applies to the recognition of assets:

For **current assets**, i.e., among others, short-term financial assets, the **strict lower-of-cost-or-market principle** applies: valuation is at acquisition cost or at fair value (in this case, generally the market value) if lower.

For **non-current assets**, the **moderate lower-of-cost-or-market** principle applies: an impairment loss must be recognized if it is permanent; if an impairment loss is expected to be only temporary, there is an option to write it off.

Irrespective of whether an asset is classified as a non-current or current asset, its carrying amount in the balance sheet can never exceed its acquisition or production cost. **Consequently, the value of financial assets in the balance sheet is a poor indicator of the actual value of these assets if they increase in value.**

Sum-of-the-parts model (NAV)

The assets of “029” consist of (mainly minority) investments in companies. The investments in companies are via equity stakes or related instruments like convertible loans or simple agreements for future equity / SAFE (see below “Excursion into the VC’s world of funding rounds”).

As a rule of thumb, we would use the latest post-money valuation as the basis for valuing “029’s” portfolio companies. Particularly, if these funding rounds are recent (i.e. not older than 6-9 months), this post money valuation should give an accurate view about the value of the underlying assets.

For other assets where we see upside to the NAV calculation or where the available information are already outdated, we have made own assumptions regarding the future revenue potential. We then apply these estimates with suitable multiples of peer companies, which ultimately gives us a fair value indication for the particular asset.

<u>Health warning</u>: In any case, it should be noted that the portfolio companies are all non-listed companies for which the information base is very limited. Our estimates are therefore based primarily on information gathered from management meetings and our industry and competitive assessments. In particular, information on different capital structures (e.g. debt ratios of the companies) could not be taken into account in our analysis and therefore represent some degree of uncertainty.

With regards to “029’s” current portfolio, we have used historical NAV’s for valuing TRIP, Brother’s Bond and Conscious Good, whereas own fair value calculations have been used in valuing Limestone, Emerald Stay and Hotelbird.

Putting it all together

Now we have all building blocks to calculate the net asset value (NAV) of "029". The first part calculates the value of the investments in portfolio companies where we have conducted own estimates.

Limestone is currently valued (NAV) at EUR 16.70m (EUR 3.34 per share) as per the last funding round. However, we have opted using our own expectations on the development of AuM's and the management fees collected hereon. In addition, we have made some reasonable assumptions with regards to the operational performance of the hotel operator brand "aethos". The following table summarizes our estimates and the total sales expectations for Limestone:

Limestone Capital			2022E	2023E	2024E	2025E
Asset Management revenues - in EURm						
AuM - equity portion			30	60	120	216
yoy increase in %			na	100%	100%	80%
Management fee	**2,0%**		**0,60**	**1,20**	**2,40**	**4,32**
AuM - debt & equity			100	200	400	720
yoy increase in %			na	100%	100%	80%
Transformation fee	**4,5%**		**4,50**	**9,00**	**18,00**	**32,40**
TTL revenues asset management			**5,10**	**10,20**	**20,40**	**36,72**
Hotel Operation revenues						
No of hotels			8	14	20	26
rooms per hotel			35	40	50	60
Available roomnights (000)			102,2	204,4	365,0	569,4
Sold roomnights (000)			62,3	128,8	233,6	364,4
Occupancy rate			*61%*	*63%*	*64%*	*64%*
average daily rate (in EUR)			250	263	276	289
Lodging revenues in EURm			**15,6**	**33,8**	**64,4**	**105,5**
F&B and other revenues in EURm			1,6	3,4	6,4	10,5
Membership revenues - in EURm			0,5	1,4	2,3	3,0
aethos hotel revenues in EURm		**4,60**	**17,64**	**38,58**	**73,12**	**119,01**
Limestone share (80%)		**3,68**	**14,12**	**30,87**	**58,50**	**95,21**
Total sales - Limestone in EURm			**19,22**	**41,07**	**78,90**	**131,93**

Source: Company data; AlsterResearch

In sum, we expect Limestone to generate sales between EUR 79-132m (24E/25E). As the closest peer we have detected Membership Collective Group (MCG), a US listed peer that houses the Soho House brand. Current estimates value MCG at 1.25x EV/sales (2024E). Applying this multiple to the sales expectations of Limestone would yield a fair value of the company between EUR 99-165m (24/25E). Hence, "029's" 35.5% stake would be worth between EUR 7.00-11.71 per share.

Limestone Capital		2022E	2023E	2024E	2025E
Total sales - Limestone in EURm		**19,22**	**41,07**	**78,90**	**131,93**
Fair Multiple				1,25x	1,25x
Fair Value				98,62	164,91
Fair value share 029	35,5%			35,01	58,54
Nosh				5	5
Value per share in EUR				**7,00**	**11,71**

Source: Company data; AlsterResearch

Emerald Stay is currently valued (NAV) at EUR 0.66m (EUR 0.13 per share) as per the last funding round. Again, we have opted using our own expectations on the development of the business incl. number of available properties, occupancy rates as well as average daily rates. The following table summarizes our estimates and the total sales expectations for Emerald Stay:

Emerald Stay		2021	2022E	2023E	2024E	2025E
Properties - average			80	120	168	235
yoy increase in %			*na*	*50%*	*40%*	*40%*
Sold propertynights (000)			13.140	21.900	33.726	47.216
Occupancy rate			*45%*	*50%*	*55%*	*55%*
average daily rate (in EUR), net of VAT*			567	567	567	567
Gross booking value in EURm			**7,5**	**12,4**	**19,1**	**26,8**
Property owners share in EURm	70%		5,2	8,7	13,4	18,7
Emerald's revenues in EURm			**2,2**	**3,7**	**5,7**	**8,0**
External Services in EURm	15%		1,1	1,9	2,9	4,0
TTL Revenues in EURm			**3,35**	**5,59**	**8,61**	**12,05**

Source: Company data; AlsterResearch

Emerald stay should generate sales between EUR 8.6-12m (24E/25E). As the closest listed peers we have detected AirBnB (ABNB), the US listed peer that runs the largest online marketplace for short-term homestays and experiences as well as Germany-based Hometogo (HTG:GR). Current estimates value ABNB and HTG:GR on an average 3.5x EV/sales (2024E). Applying this multiple to the sales expectations of Emerald Stay would yield a fair value of the company between EUR 30-42m (24/25E). Hence, “029’s” 5.4% stake would be worth between EUR 0.33-0.46 per share.

Emerald Stay		2021	2022E	2023E	2024E	2025E
TTL Revenues in EURm			**3,35**	**5,59**	**8,61**	**12,05**
Fair Multiple					3,50x	3,50x
Fair Value					30,12	42,17
Fair value share 029	5,4%				1,63	2,28
Nosh					5	5
Value per share in EUR					**0,33**	**0,46**

Source: Company data; AlsterResearch

Hotelbird is currently valued (NAV) at EUR 0.5m (EUR 0.10 per share) as per the last funding round. Again, we have opted using our own expectations on the development of the business incl. market share on the Germany market and average selling prices. The following table summarizes our back-of-the-envelop calculation for Hotelbird:

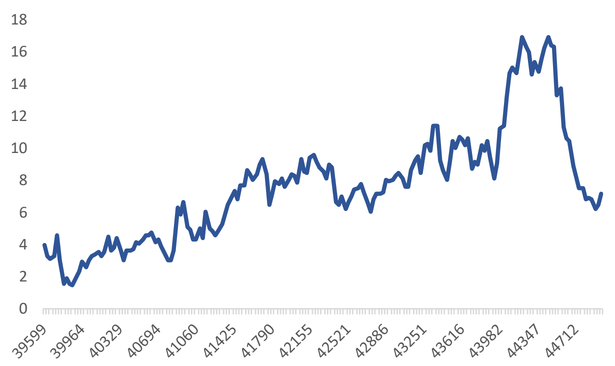
Back of the envelope calculation		2024E	2025E
Number of hotel rooms Germany		1.000.000	1.020.000
Market share Hotelbird (rooms)	20%	200.000	204.000
Price per room (software licence)		4,13	4,34
Revenue potential in EURm		**9,91**	**10,62**
Fair Multiple		7,20x	7,20x
Fair Value		71,4	76,5
Fair value share 029	4,8%	3,43	3,67
Nosh		5	5
Value per share in EUR		**0,69**	**0,73**

Source: Company data; AlsterResearch

Hotelbird should generate sales between EUR 10-11m (24E/25E). As a Software as a Services (SaaS) company, we have looked at similar business in this space. The best proxy in our view would therefore be the SaaS Capital Public Index (see below).

AlsterResearch

SaaS Capital Public Index



Source: SaaS Capital; AlsterResearch

Currently, the Saal Index values companies at 7.2x EV/sales. Applying this multiple to the sales expectations of Hotelbird would yield a fair value of the company between EUR 71-77m (24/25E). Hence, “029’s” 4.8% stake would be worth between EUR 0.69-0.73 per share.

For the portfolio companies, TRIP, Brother’s Bond and Conscious Good we are applying the reported NAV from the prospectus. For all three companies a recent funding round has been completed, suggesting that these funding rounds adequately reflect the fair values of these businesses.

Bringing it all together, we derive at a total equity value of “029’s” portfolio of just above EUR 77m. After applying a holding discount of c. 10% and after deducting a net debt position of c. EUR 0.6m by FY 22E, we come up with a fair value of assets of EUR c. 69m. Divided by the number of outstanding shares therefore **derives at a fair NAV per share of EUR 13.76.**

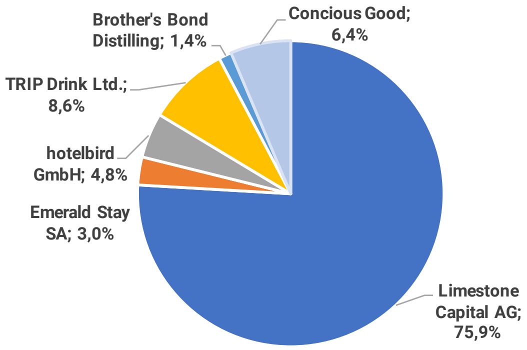
Porfolio "029 Group SE" in EURm

Company	Source	Initial investment	Valuation base	Current value	per share	in% of TTL
Limestone Capital AG	na	na	own projections	58,54	11,71	75,9%
Emerald Stay SA	na	na	own projections	2,28	0,46	3,0%
hotelbird GmbH	na	na	own projections	3,67	0,73	4,8%
TRIP Drink Ltd.	Seed	na	book value	6,66	1,33	8,6%
Brother's Bond Distilling	Seed	na	book value	1,04	0,21	1,4%
Concious Good	Pre-Seed	na	book value	4,91	0,98	6,4%
			TTL equity investme	**77,11**		
Holding discount	10%			-7,71	-1,54	
Net debt per 31.12.22 (eAR)				0,58	0,12	
			Fair value of assets	**68,82**		
			Number of shares	5,00		
			Fair NAV per share	**13,76**		
			Premium / Discount	**-4,4%**		

Source: Company data; AlsterResearch

In essence, roughly 3/4 of “029’s” fair value rests in its portfolio company Limestone Capital, with the remaining five portfolio companies accounting between 1-8% each.

%-share of fair NAV per share



Source: Company data; AlsterResearch

Excursion into the VC's world of funding rounds

Since most VC companies invest in private market assets (i.e. not listed on a stock exchange) and given that typical valuation methods cannot be applied because growth investments often produce losses over years, the valuation basis of the last funding round is commonly used as the best available basis for an approximate assessment of a (company) value.

The idea behind this is that the valuation / judgment of a professional VC investor comes closest to the fair value of an asset. Professional VC investors typically gain detailed insights into the strategy and business plan of a company and have the opportunity to better assess the people involved. Thus, and in the absence of any other meaningful assessment of the fair value, the value applied at the last funding round comes closest to a fair valuation of a company.

What is a Funding Round? (source: www.thebusinessprofessor.com)

Funding rounds, or alternatively series or venture funding rounds, is the attempt by companies - mostly start-ups - to grow their business by seeking external or third-party investment in exchange for equity.

There are several stages or rounds in which a company may require an injection of capital, with each funding round having a distinct identity. Some of the funding rounds may include

- **Pre-Seed Funding**
- **Seed funding**
- **Series A financing**
- **Series B financing**
- **Series C financing**

Each designated round provides venture capitalists and other institutional investors with information on the level of risk and growth, with each round involving different company valuations.

Types of Funding Rounds

Pre-Seed Funding This is the idea stage with no working prototype, just a vision. The start-up idea is launched with the personal savings of the founder(s). This is the earliest round of funding, and as the idea crystallizes and there is a working prototype, the entrepreneur or founders will typically seek additional funding from family members and close associates.

Seed funding Seed capital is the first injection of outside capital into a business. This is the official first round of equity investment. It is common for risk-taking angel investors to provide modest sums, typically close to a million dollars, at this stage. Seed funding is a crucial stage that kick-starts the process of turning a prototype into an actual concept capable of generating revenue for the startup.

Series A financing At this stage, there is a proof of concept which demonstrates that the business idea is viable and has generated both revenue and profit. This is the second round of equity funding. However, it is the first major round of business funding from private equity or venture capital firms.

With A round funding, the company is typically looking to expand operations or production due to increased demand. Funding from a private equity or venture capital firm can easily exceed a million dollars. Securing funding at this stage is an early sign of confidence that the business is on the right track and that the business concept is worth pursuing. But with big investment comes big demand.

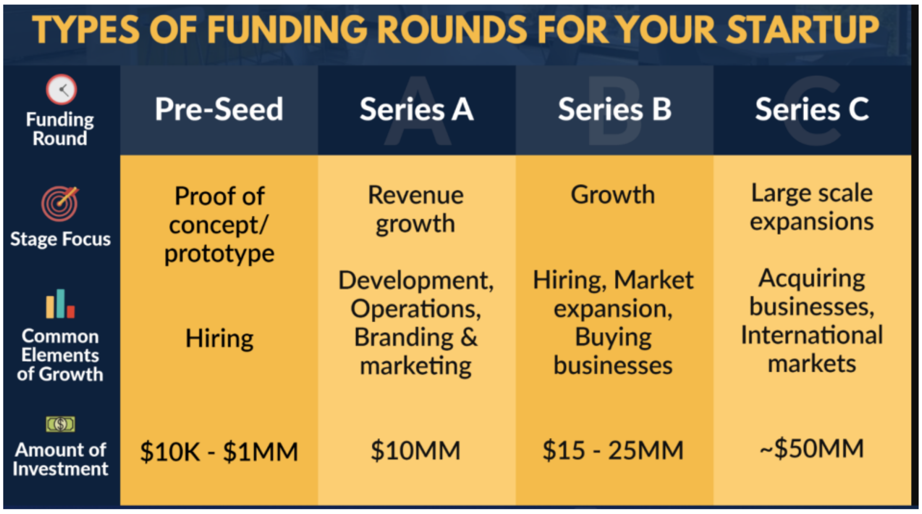
Series B financing At this stage, the company is considered to be beyond the start-up or development stage and additional funding is deliberately sought to take the company to the next level. Companies that have gone through Seed and Series A funding rounds have typically achieved a significant market share and have met milestones set by investors and are ready to move to a larger scale.

This is where the B-series comes in, seeking capital to build a strong marketing approach, attract additional quality talent, create good customer support and acquire the latest technology.

Series C financing At this stage, the company is highly successful and has demonstrated good business acumen in selling its products in a specific geographic market. Companies that have reached this funding stage have typically established a strong customer base, revenue streams and demonstrated steady growth.

Business research as well as well-crafted business plans give existing investors confidence that the company should enter new markets, develop new products or even acquire other companies to gain competitive advantage. To achieve the set goal, the business needs another third round of equity funding; Series C funding.

VC funding rounds



TYPES OF FUNDING ROUNDS FOR YOUR STARTUP

Funding Round	Pre-Seed	Series A	Series B	Series C
Stage Focus	Proof of concept/ prototype	Revenue growth	Growth	Large scale expansions
Common Elements of Growth	Hiring	Development, Operations, Branding & marketing	Hiring, Market expansion, Buying businesses	Acquiring businesses, International markets
Amount of Investment	$10K - $1MM	$10MM	$15 - 25MM	~$50MM

Source: University Lab Partners

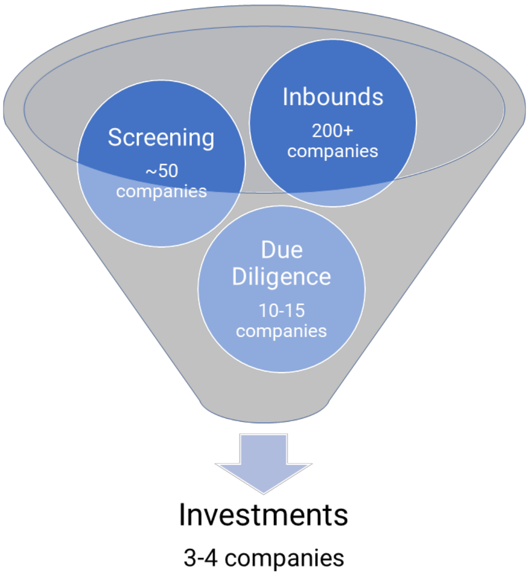
The investment funnel

Lacking a track record of exits, we can rely on other indications to judge the quality of the business model. In "029's" stage, the key to future success is built on the ability to **identify promising targets and to invest into these targets**. Thus it hinges on the performance of the target selection process, also called the **investment funnel**:

Step 1: Inbounds

The challenge in this step is to get promising leads. These leads can be generated either through **inbounds** which include LinkedIn connects, Email Introductions or Website forms, or **outbounds** where "029" actively reaches out to a company either directly or through a reference or industry event. In case of "029" inbounds are the most likely way of generating leads, not least due to its strong network to incubators, accelerators and other potential co-investors, which the company and its management team has gained through Apeiron, its mother company. Apeiron is a veritable name in the venture scene and access to its networks is therefore a crucial element in sourcing new leads. For example, we estimate that "029" is looking at 200+ potential targets annually, most of which we assume are inbound leads rather than outbounds.

Investment funnel



Source: Company data, AlsterResearch

Step 2: Screening

Out of these 200+ leads, about 50 companies make it into the initial screening process. At this point a potential target is deemed worth putting in the resources for a detailed check. This involves a **full assessment of the target company**, including the business model, the team, the market and the strategic fit into the portfolio, including potential synergies. Due to the early stage investment, due diligence is less about analyzing financial statements and more about evaluating the competence of the team and the potential of the idea.

Step 3: Due Diligence

Each investment candidate that has passed the screening stage will go into a two stage due diligence process. At "029" these will usually be 10-15 companies, which will then be pitched to the internal Investment Committee (IC). This step consists of **a final check on the economic and legal terms of the transaction**, and an approval has to be unanimous. The Committee Pitch is an important part in keeping up with a strict compliance framework in the investment process.

Step 4: Investment

Once a company has successfully passed though all stages of the funnel, an investment by "029" can be made. As of today, the company has made six investments. Going forward, "029" aims at 3-4 investments p.a.

The type of investment varies and could be in the form of equity, convertible notes or SAFE:

Funding types

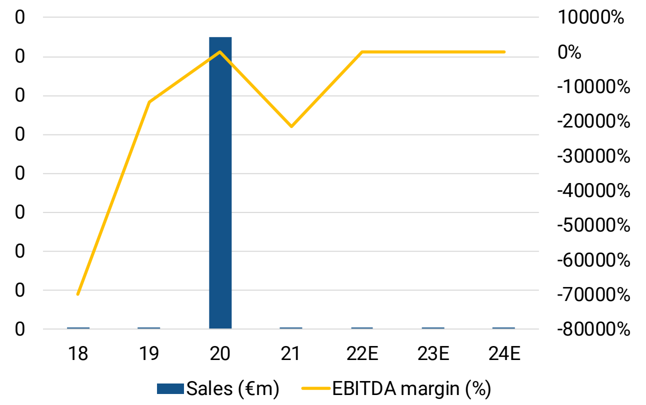
Equity: For startups, investors' vehicle of choice often is *preferred equity*, which typically has a higher claim on the assets of a company than common equity, for example in bankruptcy proceedings, and additional rights. Founders and employees often hold *common stock* with fewer rights.

Convertible notes: One of the most contentious issues in an equity funding round is the valuation. A convertible note can delay this problem by structuring it as a loan that only at a later stage can be converted into equity at the valuation of a later funding round.

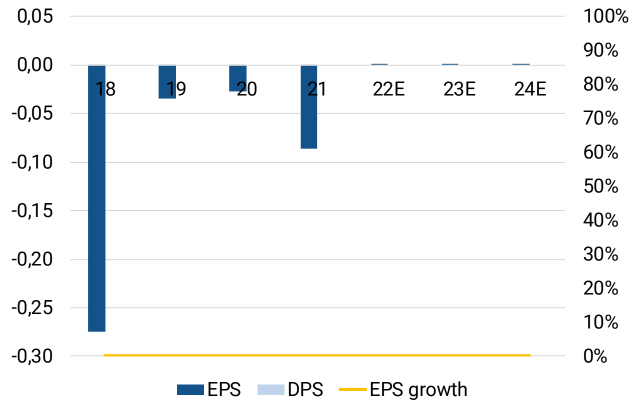
SAFE (simple agreement for future equity): In a SAFE, an investor provides funding to a company in return for th”e right to invest into equity in the future when certain events occur. Usually the trigger is a future sale of shares of the company. Like a convertible note, the SAFE also postpones the difficult task of valuation to a later time. Unlike a convertible note, there is no interest and no maturity and the SAFE thus does not qualify as debt. This lowers the complexity and transaction costs compared to convertibles.

Financials in six charts

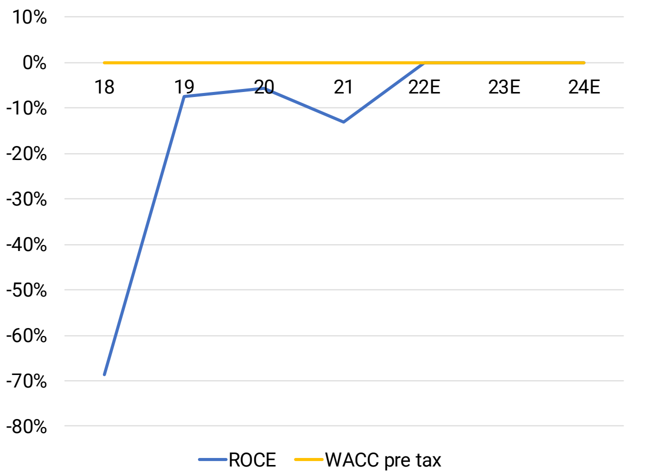
Sales vs. EBITDA margin development



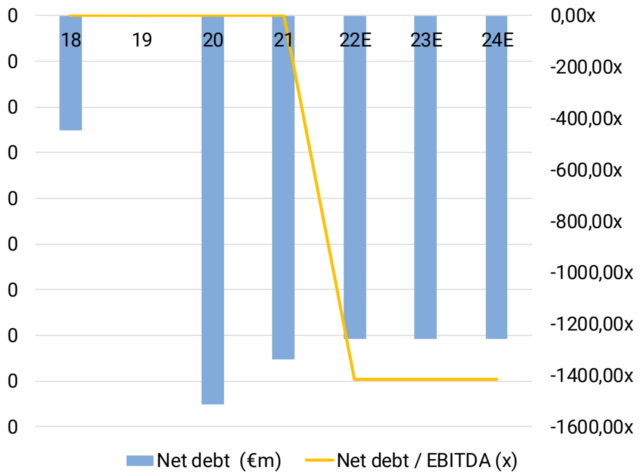
EPS, DPS in EUR & yoy EPS growth



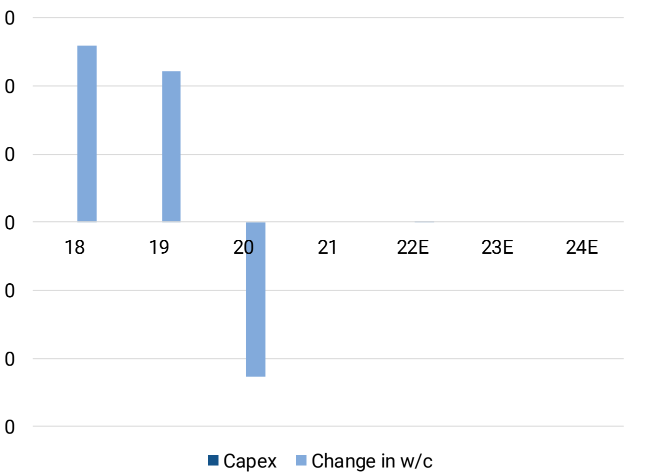
ROCE vs. WACC (pre tax)



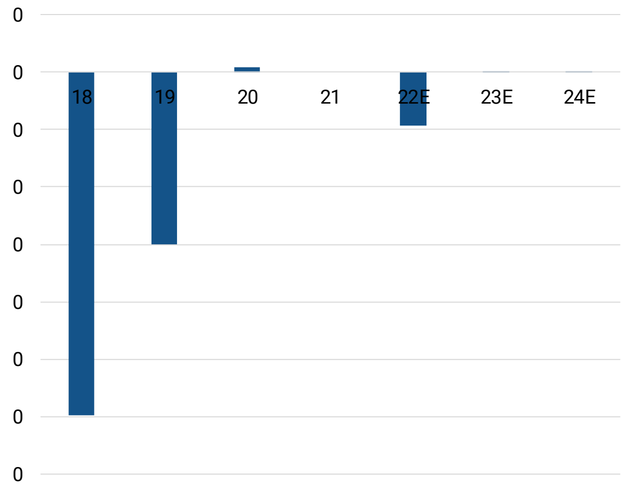
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data; AlsterResearch

AlsterResearch

Financials

Profit and loss (EURm)	2019	2020	2021	2022E	2023E	2024E
Net sales	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Sales growth	na	na	na	na	na	na
Change in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Material expenses	0.0	0.0	0.0	0.0	0.0	0.0
Gross profit	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Other operating income	0.0	0.0	0.0	0.0	0.0	0.0
Personnel expenses	0.0	0.0	0.0	0.1	0.1	0.2
Other operating expenses	0.0	0.0	0.0	0.5	0.4	0.4
EBITDA	**-0.0**	**-0.0**	**-0.0**	**-0.5**	**-0.5**	**-0.6**
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0
EBITA	-0.0	-0.0	-0.0	-0.5	-0.5	-0.6
Amortisation of goodwill and intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	**-0.0**	**-0.0**	**-0.0**	**-0.5**	**-0.5**	**-0.6**
Financial result	0.0	0.0	0.0	0.0	0.0	0.1
Recurring pretax income from continuing operations	-0.0	-0.0	-0.0	-0.5	-0.5	-0.6
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-0.0	-0.0	-0.0	-0.5	-0.5	-0.6
Taxes	0.0	0.0	0.0	0.0	0.0	0.0
Net income from continuing operations	-0.0	-0.0	-0.0	-0.5	-0.5	-0.6
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	**-0.0**	**-0.0**	**-0.0**	**-0.5**	**-0.5**	**-0.6**
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	-0.0	-0.0	-0.0	-0.5	-0.5	-0.6
Average number of shares	0.25	0.25	0.25	5.00	5.00	5.00
EPS reported	**-0.03**	**-0.03**	**-0.09**	**-0.10**	**-0.09**	**-0.11**

Profit and loss (common size)	2019	2020	2021	2022E	2023E	2024E
Net sales	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Change in finished goods and work-in-process	0%	0%	0%	0%	0%	0%
Total sales	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Material expenses	0%	0%	0%	0%	0%	0%
Gross profit	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Other operating income	5,209%	13%	0%	0%	0%	0%
Personnel expenses	0%	0%	0%	50,000%	100,000%	200,000%
Other operating expenses	19,712%	180%	21,674%	500,000%	400,000%	420,000%
EBITDA	**-14,403%**	**-67%**	**-21,574%**	**-549,900%**	**-499,900%**	**-619,900%**
Depreciation	0%	0%	0%	0%	0%	0%
EBITA	-14,403%	-67%	-21,574%	-549,900%	-499,900%	-619,900%
Amortisation of goodwill and intangible assets	0%	0%	0%	0%	0%	0%
EBIT	**-14,403%**	**-67%**	**-21,574%**	**-549,900%**	**-499,900%**	**-619,900%**
Financial result	5,877%	21%	0%	41,000%	45,250%	50,250%
Recurring pretax income from continuing operations	-8,526%	-45%	-21,574%	-508,900%	-454,650%	-569,650%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	-8,526%	-45%	-21,574%	-508,900%	-454,650%	-569,650%
Taxes	0%	0%	0%	0%	0%	0%
Net income from continuing operations	-8,526%	-45%	-21,574%	-508,900%	-454,650%	-569,650%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	**-8,526%**	**-45%**	**-21,574%**	**-508,900%**	**-454,650%**	**-569,650%**
Minority interest	0%	0%	0%	0%	0%	0%
Net profit (reported)	**-8,526%**	**-45%**	**-21,574%**	**-508,900%**	**-454,650%**	**-569,650%**

Source: Company data; AlsterResearch

AlsterResearch

Balance sheet (EURm)	2019	2020	2021	2022E	2023E	2024E
Intangible assets (exl. Goodwill)	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	0.0	0.0	0.0	21.9	21.9	21.9
FIXED ASSETS	**0.0**	**0.0**	**0.0**	**21.9**	**21.9**	**21.9**
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	0.0	0.0	0.0	0.0	0.0	0.0
Other current assets	0.2	0.0	0.0	0.0	0.0	0.0
Liquid assets	0.0	0.2	0.2	0.2	-0.1	-0.6
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	**0.2**	**0.2**	**0.2**	**0.2**	**-0.1**	**-0.6**
TOTAL ASSETS	**0.2**	**0.2**	**0.2**	**22.1**	**21.8**	**21.3**
SHAREHOLDERS EQUITY	**0.2**	**0.2**	**0.1**	**21.3**	**20.9**	**20.3**
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	0.0	0.0	0.0	0.8	0.9	1.0
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	0.0	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**0.0**	**0.0**	**0.0**	**0.8**	**0.9**	**1.0**
short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	0.0	0.0	0.0	0.0	0.0	0.0
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	0.0	0.0	0.0	0.0	0.0	0.0
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**0.2**	**0.2**	**0.2**	**22.1**	**21.8**	**21.3**

Balance sheet (common size)	2019	2020	2021	2022E	2023E	2024E
Intangible assets (excl. Goodwill)	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
Goodwill	0%	0%	0%	0%	0%	0%
Property, plant and equipment	0%	0%	0%	0%	0%	0%
Financial assets	0%	0%	0%	99%	101%	103%
FIXED ASSETS	**0%**	**0%**	**0%**	**99%**	**101%**	**103%**
Inventories	0%	0%	0%	0%	0%	0%
Accounts receivable	0%	0%	0%	0%	0%	0%
Other current assets	100%	2%	2%	0%	0%	0%
Liquid assets	0%	98%	98%	1%	-1%	-3%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	0%	0%	0%	0%	0%	0%
CURRENT ASSETS	**100%**	**100%**	**100%**	**1%**	**-1%**	**-3%**
TOTAL ASSETS	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
SHAREHOLDERS EQUITY	**94%**	**95%**	**94%**	**96%**	**96%**	**95%**
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	0%	0%	0%	4%	4%	5%
Provisions for pensions and similar obligations	3%	5%	6%	0%	0%	0%
Other provisions	0%	0%	0%	0%	0%	0%
Non-current liabilities	**3%**	**5%**	**6%**	**4%**	**4%**	**5%**
short-term liabilities to banks	0%	0%	0%	0%	0%	0%
Accounts payable	2%	0%	0%	0%	0%	0%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	1%	0%	0%	0%	0%	0%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred income	0%	0%	0%	0%	0%	0%
Current liabilities	**3%**	**0%**	**0%**	**0%**	**0%**	**0%**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Company data; AlsterResearch

Cash flow statement (EURm)	2019	2020	2021	2022E	2023E	2024E
Net profit/loss	-0.0	-0.0	0.0	-0.5	-0.5	-0.6
Depreciation of fixed assets (incl. leases)	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Others	-0.0	-0.0	0.0	0.0	0.0	0.0
Cash flow from operations before changes in w/c	-0.0	-0.0	0.0	-0.5	-0.5	-0.6
Increase/decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	-0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts payable	0.0	0.0	0.0	-0.0	0.0	0.0
Increase/decrease in other w/c positions	-0.0	-0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	-0.0	0.0	0.0	-0.0	0.0	0.0
Cash flow from operating activities	**-0.0**	**0.0**	**0.0**	**-0.5**	**-0.5**	**-0.6**
CAPEX	0.0	0.0	0.0	0.0	0.0	0.0
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	-0.0	0.2	0.0	21.9	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	**-0.0**	**0.2**	**0.0**	**21.9**	**0.0**	**0.0**
Cash flow before financing	-0.1	0.2	0.0	21.4	-0.5	-0.6
Increase/decrease in debt position	0.0	0.0	0.0	0.8	0.1	0.1
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	-0.2	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	**0.0**	**0.0**	**0.0**	**0.6**	**0.1**	**0.1**
Increase/decrease in liquid assets	-0.1	0.2	0.0	0.1	-0.4	-0.5
Liquid assets at end of period	**0.0**	**0.2**	**0.0**	**0.1**	**-0.3**	**-0.8**

Source: Company data; AlsterResearch

Regional sales split (EURm)	2019	2020	2021	2022E	2023E	2024E
Domestic	0.0	0.0	0.0	0.0	0.0	0.0
Europe (ex domestic)	0.0	0.0	0.0	0.0	0.0	0.0
The Americas	0.0	0.0	0.0	0.0	0.0	0.0
Asia	0.0	0.0	0.0	0.0	0.0	0.0
Rest of World	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Regional sales split (common size)	2019	2020	2021	2022E	2023E	2024E
Domestic	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Europe (ex domestic)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
The Americas	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Asia	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rest of World	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total sales	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Company data; AlsterResearch

Ratios	2019	2020	2021	2022E	2023E	2024E
Per share data						
Earnings per share reported	-0.03	-0.03	-0.09	-0.10	-0.09	-0.11
Cash flow per share	-0.12	0.00	0.00	-0.10	-0.09	-0.11
Book value per share	0.69	0.66	0.58	4.26	4.17	4.06
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
Valuation						
P/E	na	na	na	-141.5x	-158.4x	-126.4x
P/CF	na	na	na	-141.5x	-158.4x	-126.4x
P/BV	na	na	na	3.4x	3.5x	3.5x
Dividend yield (%)	na	na	na	0.0%	0.0%	0.0%
FCF yield (%)	na	na	na	-0.7%	-0.6%	-0.8%
EV/Sales	na	na	na	na	na	na
EV/EBITDA	na	na	na	-132.0x	-146.1x	-118.7x
EV/EBIT	na	na	na	-132.0x	-146.1x	-118.7x
Income statement (EURm)						
Sales	0.0	0.0	0.0	0.0	0.0	0.0
yoy chg in %	na	na	na	na	na	na
Gross profit	0.0	0.0	0.0	0.0	0.0	0.0
Gross margin in %	na	na	na	na	na	na
EBITDA	-0.0	-0.0	-0.0	-0.5	-0.5	-0.6
EBITDA margin in %	na	na	na	na	na	na
EBIT	-0.0	-0.0	-0.0	-0.5	-0.5	-0.6
EBIT margin in %	na	na	na	na	na	na
Net profit	-0.0	-0.0	-0.0	-0.5	-0.5	-0.6
Cash flow statement (EURm)						
CF from operations	-0.0	0.0	0.0	-0.5	-0.5	-0.6
Capex	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance Capex	0.0	0.0	0.0	0.0	0.0	0.0
Free cash flow	-0.0	0.0	0.0	-0.5	-0.5	-0.6
Balance sheet (EURm)						
Intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Tangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Shareholders' equity	0.2	0.2	0.1	21.3	20.9	20.3
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities and provisions	0.0	0.0	0.0	0.8	0.9	1.0
Net financial debt	-0.0	-0.2	-0.2	0.6	1.0	1.6
w/c requirements	-0.0	-0.0	-0.0	0.0	0.0	0.0
Ratios						
ROE	-4.9%	-4.1%	-15.0%	-2.4%	-2.2%	-2.8%
ROCE	-8.0%	-5.8%	-14.1%	-2.5%	-2.3%	-2.9%
Net gearing	-0.1%	-102.6%	-104.6%	2.7%	5.0%	7.9%
Net debt / EBITDA	0.0x	17.0x	7.0x	-1.1x	-2.1x	-2.6x

Source: Company data; AlsterResearch

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