

029 Group SE

Investment Companies - Germany



Buy (Initiation)

07.12.2022

EUR 14.20 (Initiation)

Feeling happy; Initiating with a BUY

As a listed German investment company, **029 Group purchases minority stakes in strongly growing companies during early funding rounds** (typically Seed or Series A) or **incubates its own ideas and brands** which are adopting already proven business models and go-to-market strategies.

029 aims to become a global hospitality and lifestyle investment holding and platform, which aims to **capitalize on new patterns of work, life and leisure**, which have brought forward thriving next-generation consumer brands, built on connection, experience and community.

The portfolio comprises **six companies** across **three segments**: Hospitality (79% of fair NAV), Enabling Technologies (4% of fair NAV) and Consumer Brands (17% of fair NAV). Going forward, **029 is expected to make three to five investments per year** across all three segments. 029 is typically looking for **high growth B2C business models, supported by emerging mega trends** (e.g. TRIP, which sells CBD infused drinks) with **attractive valuation entry points** and **significant network and synergy potential** (e.g. cross selling opportunities partially overlapping customer groups and marketing strategies).

Limestone Capital is the group's largest portfolio company accounting for 55% of 029's reported and 73% of our fair NAV. Limestone **operates a similar business as Soho House**, which is centered around high-end hospitality solutions in combination with a strong community.

In detail, Limestone is a **vertically integrated investment firm** focusing on identifying and **creating value within the high-end hospitality sector**. The aim is to find undervalued real estate to buy, turn-around, manage under its own brand (incl. membership club in certain locations) and sell them after a holding period of around five to eight years.

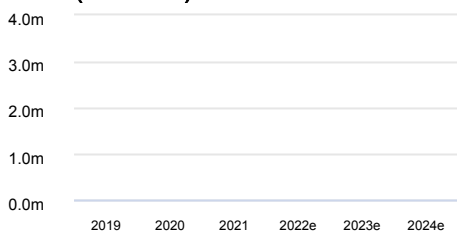
Positive newsflow should stem from upcoming funding rounds and exits by revealing upside to the last reported and our fair NAVs. This should be due to the long time since the last financing rounds and only little publicly available information on the companies' operational developments.

We **initiate our coverage with a BUY and a PT of € 14.2**, which is derived from a sum-of-the-parts valuation less a 5% holding discount. The individual portfolio companies' values are either derived from their last funding rounds, if it took place within the past six months, or our own fair value calculations.

Y/E 31.12 (EUR m)	2019	2020	2021	2022e	2023e	2024e
Sales	0.0	0.0	0.0	0.0	0.0	0.0
Sales growth	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA	-0.0	-0.0	-0.0	-0.5	-0.4	-0.6
Net debt (if net cash=0)	0.0	-0.2	-0.2	0.2	0.5	0.9
FCF	0.0	0.0	0.0	-0.3	-0.3	-0.4
Net Debt/EBITDA	0.0	0.0	0.0	-0.4	-1.2	-1.6
EPS pro forma	-0.03	-0.03	-0.09	-0.07	-0.06	-0.08
EBITDA margin	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
ROCE	-8.4%	-15.5%	-14.7%	-3.1%	-1.3%	-1.8%
EV/sales	0.0	0.0	0.0	0.0	0.0	0.0
EV/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0
PER	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted FCF yield	-0.5%	-0.9%	-0.7%	-1.1%	-0.9%	-1.2%

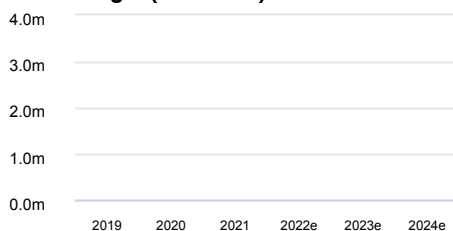
Source: Company data, NuWays, Close price as of 06.12.2022

Sales (2019-24e)



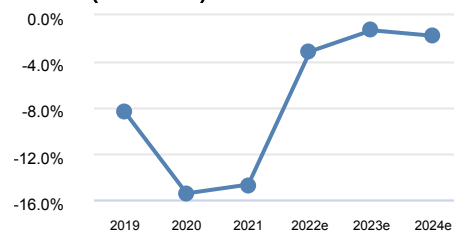
Source: NuWays Research

EBIT margin (2019-24e)



Source: NuWays Research

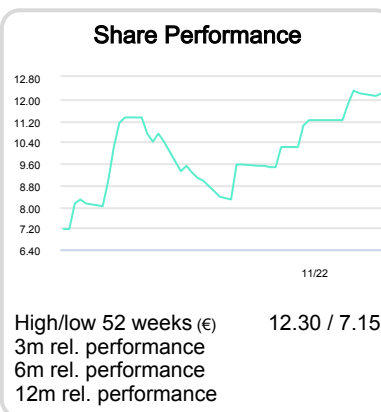
ROCE (2019-24e)



Source: NuWays Research

Company description

As a listed German investment company, 029 Group purchases minority stakes in strongly growing companies during early funding rounds (typically Seed or Series A) or incubates its own ideas and brands which are adopting already proven business models and go-to-market strategies.



Market data

Share price (in €)	12.20
Market cap (in € m)	61.0
Number of shares (in m pcs)	5.0
Enterprise value (in € m)	61.2
Ø trading volume (6 months)	1,140

Identifier

Bloomberg	Z29 GR
Reuters	Z29.DE
WKN	A2LQ2D
ISIN	DE000A2LQ2D0

Key shareholders

Apeiron	37.2%
Global Equities Impact Fund Management	18.0%
Black Mars Capital	15.0%
Free Float	9.0%
	20.0%

Estimates changes

	2022e	2023e	2024e
Sales	0.0	0.0	0.0
EBIT	0%	0%	0%
EPS	0%	0%	0%

Comment on changes

Guidance

- n.a.

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Introducing 029

- 029 is a German listed investment company focusing on early stage participations
- **Investment focus:** Category-defining brands aimed at making people's lives happier
- 029 is expected to make three to five investments per year through participating in Seed or Serious A financing rounds, follow-ons or incubating own ideas and brands

029 Group is a German listed investment company focusing on early stage participations or incubating own ideas/brands. The company aims to become a global hospitality and lifestyle investment holding and platform supporting its portfolio companies ranging from strategic advice over fundraising support to access to partnerships and other synergies.

Its name, which is derived from the happiness hormone serotonin, underpins the group's **investment focus: category-defining brands aimed at making people's lives happier** through a unique synthesis of luxury, innovation, and community. By doing so, 029 is trying to capitalize on new patterns of work, life and leisure, which have brought forward thriving next-generation consumer brands, built on connection, experience and community.

Portfolio structure



Hospitality		Enabling Technologies	Consumer Brands		
					
35.5% stake	5.2% stake	4.8% stake	6.4% stake	1.9% stake	50% stake
€ 16.7m NAV	€ 0.7m NAV	€ 0.5m NAV	€ 6.7m NAV	€ 1.1m NAV	€ 4.9m NAV

Source: Company data, NuWays

Currently, **029's portfolio comprises minority stakes in six non-listed companies**, which can be clustered into three segments: Hospitality (57% of reported NAV), Enabling Technologies (1.7% of reported NAV) and Consumer Brands (41% of reported NAV).

Going forward, 029 is expected to **make three to five investments per year through participating in Seed or Serious A financing rounds** (investment of €250k-5m each) or follow-ons of fast-growing and disruptive companies or **incubating own ideas and brands** which are adopting already proven business models and go-to-market strategies.

As per its strategy, the company assumes that investments are typically held for five to ten years with exits through trade sales, IPOs or opportunistic secondaries.

During the **holding period**, 029 is expected to add value to its portfolio companies through (1) the breadth and depth of its management and supervisory board's extensive network, (2) access to strategic advice from a deep pool of management on operational experts, (3) support during funding rounds and (4) synergies (e.g. cross-selling) across the portfolio itself.

Investment strategy

- The **investment strategy** is built around backing audacious entrepreneurs or incubating own ideas and brands
- **Investment criteria:** High growth consumer brands supported by emerging mega trends, attractive valuation entry points, significant network and synergy potential

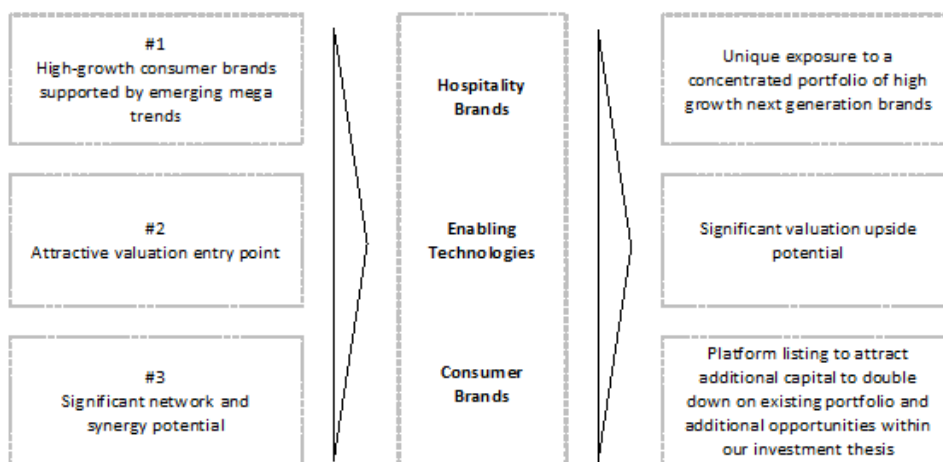
029's investment strategy is **built around either backing audacious entrepreneurs** with a focus on innovative, consumer centered products and services **or incubating own ideas and brands**.

In the short- to mid-term, **029 focuses on acquiring minority stakes** as majority stakes would require full consolidation of financials, which can be very challenging for earlier stage growth companies. This is due to the facts that those companies often do not have the infrastructure in place to produce public markets quality financials timely or at all and the often commercially sensitive nature of a young company's KPIs and key financial metrics.

The main benefit of this strategy is that investors can get exposure to a portfolio with high growth assets and significant return potential.

029 is **looking for early stage targets raising money during a Seed or Series A round** or **incubates its own ideas and brands**, which are adopting already proven business models and go-to-market strategies. However, the company would **also consider participating in follow-up financing rounds** of well-performing portfolio companies.

029' investment strategy



Source: Company data, NuWays

Investment criteria:

- **High growth consumer brands supported by emerging mega trends:** The prime example of such a company would be TRIP, which sells CBD infused drinks and has quickly been able to position itself as the go-to player in a still young market, which should support the planned internationalization and resulting strong growth going forward.
- **Attractive valuation entry point:** 029 typically targets early stage investments (seed or Series A). Incubating its own brands (e.g. Conscious Good) offers 029 particularly attractive entry points with initial investments ranging from € 0.5-1m. The company would also participate in follow-up financing rounds at later stages of well-performing portfolio companies.
- **Significant network and synergy potential:** 029 is targeting companies with partially overlapping customer groups, marketing strategies and brand values, which can support each other's' growth and brand awareness. For instance, aethos (the

hotel brand of Limestone Capital) is offering Brother's Bond bourbon throughout its locations. TRIP and Brother's Bond can provide know-how/learnings related to its direct-to-consumer marketing strategies to Conscious Good once its product line launches in H2 2023, eNW.

Sourcing/investment process

Unlike a typical investment team at a venture capital firm, which screens 100+ investment opportunities p.a. out of a dealflow of up to 1000 potential investment targets, 029 is seen to screen less than 50 investment opportunities annually, out of which three to five should make it into the portfolio, eNW.

The key reason behind this is seen to be the source of potential investment opportunities. Thanks to the **strong and complementary network of 029's management and supervisory board**, the company looks set to be able to identify **innovative ideas and promising founders at an early stage**, allowing them to operate with a lean team with limited overhead.

Financing the portfolio expansion

029 currently holds cash of around € 130k. Further, the company has **access to another € 1.2m through a so far undrawn loan facility** provided by Apeiron Investment Group with an interest rate of 5.5% and a maturity until the end of 2024. This should be sufficient to cover the company's recurring expenses of around € 400k p.a. and invest into one or two new portfolio companies.

Additional investments could be financed by **raising money through a capital increase**. In the mid-term, **proceeds from successful exits** looks set to partially be used to fill the company's "war chest".

Value creation

During the holding period, which typically spans across five to ten years, 029 is able to add value to its portfolio companies, mainly through:

- **Strategic advice:** Thanks to the vast experience across 029 and its key shareholders, the company is able to support younger companies with a deep pool of management and operational experts from the respective industries. Help can be provided throughout the entire business life cycle including sourcing for talent, legal advice, identifying and implementing strategies, fund raising, etc.
- **Synergies:** 029 is actively looking for investments that allow the group to lift synergies through cross selling opportunities (e.g. aethos is offering Brother's Bond bourbon), partially overlapping customer groups and marketing strategies (TRIP, Brother's Bond and Conscious Good with similar direct-to-consumer marketing strategy). Further, synergies look set to also be stemming from 029's and its key shareholders' extensive network across industries.

Exit options

Following an initial investment, 029 takes an active approach in supporting, developing and scaling its portfolio companies. After a holding period of five to ten years, 029 aims for an exit. Here we see two key options:

- **Trade sale:** Once appropriate return hurdles have been achieved and better (i.e. higher return profile) opportunities are available through redeploying capital in earlier stage companies, 029 could sell its holding in a certain portfolio company.
- **IPO:** Taking a portfolio company public would allow 029 to partially realize achieved valuation gains while still benefitting from the further operational development of such. Unlike with a non-public asset, 029 would also be able to quickly sell a potentially remaining stake if another attractive opportunity arises.


Investment portfolio



- 029 holds an **investment portfolio of six companies**
- Roughly 92% of the reported NAV stems from three portfolio companies: Limestone Capital (55% of NAV), TRIP (23% of NAV) and Conscious Good (16% of NAV)

029 holds an **investment portfolio of 6 companies**, which have a combined NAV of € 30.6m. Roughly 92% of the reported NAV stems from three portfolio companies: Limestone Capital (55% of NAV), TRIP (23% of NAV) and Conscious Good (16% of NAV).

In line with its business model/investment criteria, **all portfolio companies are private and rather younger companies**. Conscious Good is even still in incubation phase with a product launch planned for H2 2023.

Portfolio structure




Hospitality		Enabling Technologies		Consumer Brands	
					
35.5% stake	5.2% stake	4.8% stake	6.4% stake	1.9% stake	50% stake
€ 16.7m NAV	€ 0.7m NAV	€ 0.5m NAV	€ 6.7m NAV	€ 1.1m NAV	€ 4.9m NAV

Source: Company data, NuWays

Limestone Capital AG

Snapshot



Year founded:	2018	029 stake:	35.5%
Headquarter:	Zug, Switzerland	NAV:	€ 16.7m
Employees:	55	Last funding round:	October 2022
Management:	Benjamin Habel, Managing Partner Jeff Coe, General Partner	Alexander Schütz, General Partner Christian Angermayer, General Partner	
Short description:	Limestone Capital acquires undervalued hospitality real estate, transforms them through management, technology and capital investments and then operates them under its own brand, aethos. 5 hotels are operational with 3 additional under development.		

Source: Company data, NuWays

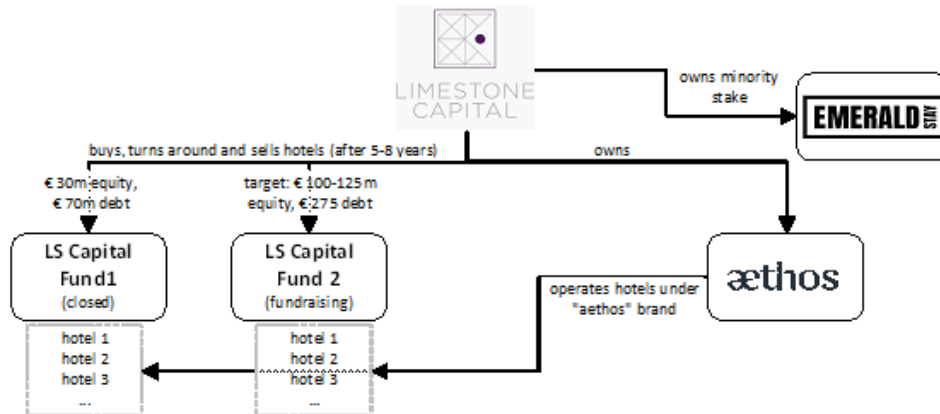
Limestone Capital is a vertically integrated investment firm focusing on identifying and creating value within the high-end hospitality sector. The aim is to find undervalued real estate to buy, turn-around, manage under its own brand and sell them after a holding period of round five to eight years. In detail:

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- **Sourcing:** Limestone is typically looking for neglected, undermanaged and/or undervalued real estate at attractive locations across Europe. So far, most assets are located in Portugal, Italy, Spain and France. The individual hotels are bought and held by its funds.
- **Transforming:** Once purchased, the hotels are being entirely transformed in order to meet today's high-end traveler's demand. This includes a modern room design, innovative pool and outdoor spaces, attractive community areas but also high-end service, catering and proper management.
- **Operating:** Once transformed, the hotels will be operated by Limestone's subsidiary aethos. Its current portfolio features five hotels (two additional hotels are under development).
- **Divestment:** Following a successful transformation and a holding period of five to eight years, individual hotels will be sold but may retain the aethos brand through a franchising agreement.

Limestone Capital business model & structure



Source: Public data, NuWays

The business model offers Limestone multiple revenue streams. Firstly, we estimate that the company earns a 2% management fee on its funds' AUMs from its outside investors. Further, Limestone is charging the individual properties developer and consulting fees (eNW 4.5%) during the transformation phase. In the case of an exit (planned holding period of five to eight years), Limestone should receive a 20% carried interest (industry average) on the additional value it has created, in our view. We expect that Limestone is able to fully consolidate aethos P&L.

aethos

aethos is Limestone's hospitality brand, which aims to not only operate the hotels following the transformation but also **offer high-end travelers a unique experience**. This also includes its own private membership club in selected locations, which features a variety of discounts, access to exclusive event, lounges, bars and amenities at aethos hotels but also creates a community with networking possibilities.

With this concept, aethos is **following the footsteps of already well-known brands such as Habitas** (recently raised \$50m and plans to have 10 locations by the end of 2021 and 20 by the end of 2023) **and Soho House**. The latter operates 42 houses with 160k members and FY 2022 revenues of ~1bn.

Business outlook

The global luxury hotel market recorded an unprecedented and staggering negative demand shock across all regions amid Covid-19. **In 2020, the market is estimated to have declined by 60-70% yoy to roughly \$ 94bn.**

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However, recent developments show a strong recovery since 2021 which is seen to last for the mid-term. As a result, the market is seen to **grow at a 10.4% CAGR, reaching a volume of \$ 239bn by 2028**. This looks set to be driven by several factors including a higher average spend per trip (vs. pre Covid-19), a strong growth of wealth among millennials, adoption of hybrid work/life concepts and strong trends towards personal health and well-being.

Limestone, with its hospitality brand aethos looks set to strongly benefit from this going forward. In fact, the company has already begun raising equity for its second fund in order to expand its hotel portfolio, which currently consist of 5 operational hotels and two under development.

While the **first fund has a volume of around € 100m** (€ 30m equity and € 70 debt, eNW), we would expect the **second one to be substantially larger with an equity target of € 100-125m** (total fund size of € 400m, in line with typical industry's average equity/debt ratio). This should allow the company to accelerate growth and **expand the portfolio to more than 30 locations during the next few years**, in our view.

As a result, Limestone looks set to increase holding sales from around € 2m in 2021 to around € 7.5m by 2024E. Including sales from aethos (hotel + membership), sales should exceed € 60m by 2024E, eNW.

Emerald Stay SA

Snapshot



Year founded:	2017	029 stake:	5.4%
Headquarter:	Geneva, Switzerland	NAV:	€ 0.7m
Employees:	25	Last funding round:	December 2019
Management:	Maxime Friess, Founder & CEO Laurent Lacourt, Founder & Co		
Short description:	Emerald Stay is the "AirBnB for luxury homes". As a hotel chain comprised of luxury homes, the company offers authentic and warm hospitality experiences while partnering with owners of premium properties in order to manage their assets like a hotel.		

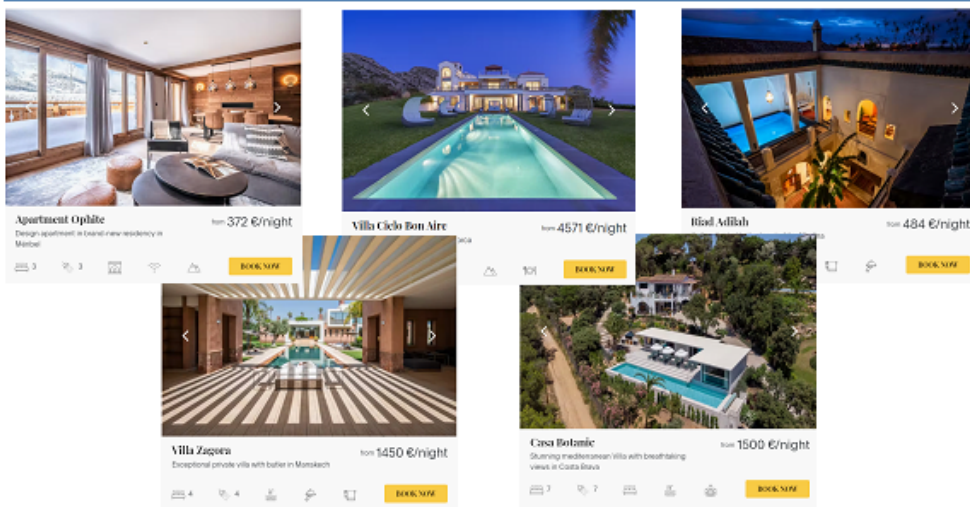
Source: Company data, NuWays

Emerald Stay, is a holiday homes rental management platform provider focused on exclusive properties and high-end holiday homes. Simply put, **the company is the ideal mix between an airbnb for luxury homes** (a platform that lets you market empty homes to travelers) **and a hotel chain** (owning and operating the underlying asset).

Many vacation homes are only used for several weeks during the owners' vacation and sit empty during the remainder of the year. Here, Emerald **offers an effortless way to monetize homes while they are being unused**.

Emerald's offering is simple. Typically, Emerald enters into agreements with the owners and takes care of the rest, which includes getting the places ready for commercial use, marketing the properties on their website as well as established platform such as AirBnB or booking.com, guest management, cleaning and upkeep.

Emerald Stay portfolio



Source: Company data, NuWays

For that, **Emerald earns commissions on rentals**, which include guest and service fees directly relating to the rental. There are generally split between Emerald (30-35%) and the owners (65-70%). The company **also earns on additional services** such as private transfers, catering, child care services, etc.

The company's **portfolio currently consists of more than 80 properties** across destinations in the French Alps, the Balearics, Marrakesh and Spain. As part of a crowd-funding round for a convertible note in March this year, Emerald reported sales of around € 1.1m during the first two months of the year. For the full year, Emerald should be able to generate some € 6m in sales, in our view.

Taking into account the thriving luxury hotel market as described under "Limestone Capital", the strong growth rates (last reported figures are Dec.'21-Feb.'22) of more than 200% yoy and its portfolio growth (~40 locations at the end of H1) **we expect sales to reach roughly € 28m by 2024E.**

hotelbird GmbH

Snapshot

HOTELBIRD

Year founded:	2015	029 stake:	4.8%
Headquarter:	Munich, Germany	NAV:	€ 0.5m
Employees:	31	Last funding round:	October 2019
Management:	Korbinian Hack, Founder & CTO Juan Sanmiguel, Founder & CEO		
Short description:	Leading provider of fully digital check-in/out solutions with more than 40 international hotel chains as customers. Currently, ~80k rooms are being managed by its saas solutions.		

Source: Company data, NuWays

Since its foundation in 2015, hotelbird has grown to be **Germany's leading solution provider for a seamless digital guest journey** within the hotel industry. Through its web, iOS and Android apps, integrated interface with booking.com as well as self-service terminals, hotelbird enables its customers to fully digitalize the check-in/out,

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the payment process including automatic billing, access control of the guests rooms (via smart phones) while integrating the data flow into the hotels' property management systems.

By using hotelbird's subscription-based soft- and hardware solutions, hotels are able to offer their guest a significant comfort increase. Instead of having to wait in line to check-in/out guest are able to do so with only a few clicks while for instance sitting in a taxi on the way to the hotel.

Moreover, it offers hotels a **cost effective way to relief their receptions without having to cut back on their guests' experience**. This has become particularly important during the past two years given a severe shortage of staff in the hospitality industry as a result of Covid (employees that were laid-off as a result of temporary closures found work in other industries).

Recent success validates the business model

After having equipped the first hotel in November 2015, hotelbird was able to **on-board more than 40 international hotel chains including IHG and Accor** (4th and 6th largest hotel chains globally) given the company's strong value proposition. In fact, hotelbird's solution costs between € 2.5 and € 5 per hotel room per month.

As a result, and supported by the Covid-triggered severe shortage of staff, the number of signed **hotel rooms grew from 30k at the end of 2020 to roughly 80k today**. Taking into account the sheer size of the hotel industry in hotelbird's home turf Germany (12.2k hotels with more than 1m rooms), the undoubtable benefits and affordability of hotelbird's solutions and blue chip customer base (e.g. Accor operates 362 hotels with ~50k rooms in Germany) **we expect the number of signed rooms to significantly increase during short- to mid-term**.

Customer overview



Source: Company data, NuWays

Taking into consideration that the last funding round took place almost three years ago (eNW € 10m valuation) as well as the company's strong operational performance and prospects, we expect a potentially upcoming founding round to reveal a significant valuation increase.

TRIP Drink Ltd.

Snapshot

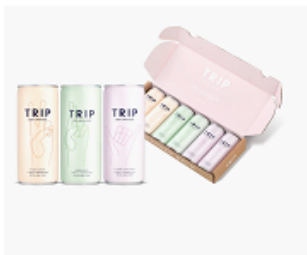


Year founded:	2017	029 stake:	6.4%
Headquarter:	London, UK	NAV:	€ 6.7m
Employees:	16	Last funding round:	June 2022
Management:	Dan Khoury, Founder Olivia Khoury, Founder		
Short description:	Producer of beverages and oils created from CBD hems and extracts from medicinal and recreational purposes. Its products are already widely available in the UK and just entered the retail markets in France, Spain and the US.		

Source: Company data, NuWays

TRIP is **UK's leading consumer brand for CBD infused drinks and oils** for medicinal and recreational purposes. The company positions itself as a challenger to the alcohol market, offering a safer way for people to "take the edge off in battling daily stress."

Product overview - TRIP



CBD infused drinks



CBD oils



Monthly subscription bundles

Source: Company data, NuWays

Background information on CBD

Cannabinoids such as CBD are compounds (or natural active ingredients) found in the hemp plant (*cannabis sativa*) and other plants like hops, cacao, etc. Cannabinoids increasingly receive a completely different meaning and perception than what has been commonly associated with cannabis.

There are more than 100 individual cannabinoids in the hemp plant. While most of them are still unstudied due to their small quantities in the hemp/cannabis plant, **the two most prominent cannabinoids are:**

- **Tetrahydrocannabinol (THC)** is the most notable cannabinoid responsible for psychotropic effects, such as an alteration in perception, mood, consciousness, cognition, or behavior (i.e. it makes people "high"). While yet under-researched, there is an increasing amount of evidence in support of THC's potential in medicine.
- **Cannabidiol (CBD)**, which is the cannabinoid of choice for TRIP, is the most widely available cannabinoid accounting for 40% of the hemp plant's extract. Unlike THC, it does not have a psychotropic effect but has a host of therapeutic benefits. Among others, CBD is shown to help with anxiety, depression, and seizures.

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Following the extraction, the **CBD extract is combined with other ingredients in order to create ready-to-sell products**, in the case of TRIP, drinks and oils.

Market growth is just beginning to take off...

On the back of the changing attitude towards Cannabis supported by plenty of anecdotal and early clinical evidence, cannabinoids are **increasingly being viewed as a legitimate therapeutic substance with strong potential**.

Various **regulatory changes during the coming years are likely to support stellar market growth**. For instance, German Health Minister Karl Lauterbach presented a cornerstone paper on the planned legalization of cannabis by 2024. This is extremely important given the sheer size of the German market; in 2021 roughly 4m people consumed cannabis, making it Europe's largest market followed by the UK.

While the global market for CBD infused drinks is still relatively small (\$ 0.9-3.4bn, depending on research report), growth expectations for the next 5-10 years clearly underpin its attractiveness. Here, **CAGRs range from around 20% to almost 50%**.

... and TRIP is likely to be a key beneficiary of it

Since the product launch in 2019, TRIP has become the brand associated with CBD infused drinks in the UK. Its products are **now available across 11k retail stores across** (up 67% vs April 2022) incl. large chains such as Sainsbury's, Waitrose, Boots, Holland and Barrett, Liberty and Selfridges, resulting in a 88% market share.

Further, **TRIP has already begun expanding**. In the US, the company entered into strategic partnerships with Soho House (exclusive CBD provider globally) and LA-based retailer Erewhon. We expect additional partnerships and listings at retail stores in the near future, supported by funds from the recent financing round. In Europe, TRIP already secured listings at retail stores in France (Carrefour, Monoprix and Relay) and Spain, with additional market entries likely to follow in due course.

During the last funding round, which took place in June 2022, **TRIP was able to raise \$ 12m at an implied \$ 105m valuation**, eNW. With sales growth likely to remain strong going forward (H1 2022: +500% yoy), driven by (1) extremely favorable market conditions, particularly in light of easing regulations such as the imminent legalization of cannabis in Germany, (2) the company's strong brand and (3) plans to roll-out its products across Europe, we expect a significant valuation increase for the next rounds of fund raising.

Brother's Bond Distilling Co. LLC

Snapshot



Year founded:	2020	029 stake:	1.9%
Headquarter:	Fort Worth, USA	NAV:	€ 1.1m
Employees:	10	Last funding round:	May 2022
Management:	Paul Wesley, Founder Ian Somerhalder, Founder	Vincent Hanna, CEO	

Short description: Producer of premium bourbon whiskeys. Brother's Bond is extremely successful in monetizing its social media reach of > 1.7m followers by focusing direct-to-consumer marketing. During the first 4 months after launch, some 50k cases were shipped.

Source: Company data, NuWays

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Founded by the Vampire Diaries stars Ian Somerhalder and Pail Wesley, Brother's Bond focuses on the production and sale of its own, of **premium hand-selected, distilled and matured bourbon whiskeys**.

Brother's Bond is extremely successful in monetizing its founders' fame with a combined follower-base of 36m. **The brand has built a social media reach of more than 1.7m followers**, making it the most followed alcohol brand on Instagram followed by Hennessy (680k), Johnnie Walker (480k), Grey Goose (370k) and Absolut Vodka (320k).

Product overview - Brother's Bond



Source: Company data, NuWays

Having such a strong follower-base allows the company to engage directly with its customers, so called direct-to-consumer marketing, which has proven to be incredibly successful, for consumer staples, in particular, alcohol.

During recent years, there have been plenty of celebrities, who launched an alcohol brand incl. Conor McGregor (Proper No. Twelve), Kendall Jenner (818 Tequila) and Ryan Reynolds (Aviation Gin). Yet, **the prime example for successful direct-to-consumer marketing is George Clooney with his Tequila brand Casamigos**:

Within only four years after being founded in 2013, **Casamigos managed to grow sales volumes to 100k 9-litre cases**. Assuming an average price per litre of around \$ 100, this would imply some \$ 90m sales. What's even more impressive, **Diageo bought the brand in the same year for \$ 700m cash** (+ \$ 300m earn outs) and grew sales volumes to around 2.2m 9-litre cases by 2021.

Brother's Bond seems well on track to be the next success story. While the company has launched its product only 1.5 years ago, it has managed to already sell over 100k cases across 35 US states (\$25-30m sales, eNW), making it **one of the fastest growing bourbon brands in 2022**.

During its last funding round, which took place in May 2022, **the company was valued at roughly € 58m** (eNW). Taking into account the anticipated continued strong growth momentum carried by a planned internationalization and new product launches, **we expect a significant valuation increase during a next funding round or a potential exit**. Mind you, **Casamigos was sold for 7.7x sales** roughly five years ago.

029-011 Ltd./Conscious Good

Snapshot



Year founded:	2022	029 stake:	50%
Headquarter:	London, UK	NAV:	€ 4.9m
Employees:	1	Last funding round:	July 2022
Management:	Kendra Kuppin, Founder & CEO Liam Payne, Advisor		
Short description:	The company aims to offer consumers functional supplements that help them to achieve desired mental outcomes: focus, de-stress, and sleep. Product launch is expected for H1 2023 with a similar marketing strategy as Brother's Bond (direct-to-consumer).		

Source: Company data, NuWays

029-011 Ltd., which is expected to operate under the brand “Conscious Good” is still in incubation stage with aim target to launch a first product in H2 2023.

Once launched, Conscious Good will promote itself as new kind of performance brand by offering consumers a variety of products such as drinks, edibles and powders, which are infused with nootropics, commonly known as cognitive enhancers.

Nootropics are a wide range of natural or synthetic supplements or drugs that can boost cognitive function or promote relaxation. Nootropics can be divided into prescription and nonprescription substances. While prescription nootropics such as Ritalin or Adderall are generally used to counteract medical conditions such as ADHD, narcolepsy or Alzheimer's, nonprescription substances are used to boost mental performance.

The most common nonprescription nootropics include caffeine, l-theanine, which can be found in green tea, omega-3 (from fish oil, krill oil or algal oil), racetams, a synthetic compound that stimulates neurotransmitters in the brain and creatine.

Importantly, Conscious Good is focusing on nonprescription supplements that have already been approved for human consumption, i.e. the development of new drugs is outside of the scope of the business for now. Still, the company plans to organize smaller scale trials in order to demonstrate the efficacy of its final products.

Having the right marketing strategy will be the key to success...

When it comes to marketing, **Conscious Good looks set to follow a similar marketing strategy to the one that has proven successful by TRIP and Brother's Bond.** Targeting the UK and the USA first, the company is seen to initially utilize one of its co-founders' fame to engage in **direct-to-consumer marketing**. Mind you, Liam Payne has currently some 25m followers on Instagram and we would also not rule out Conscious Good bringing on another celebrity with outstanding reach. This would be followed by a strategic retail approach. Building on its initial direct-to-consumer success, TRIP managed to become listed at more than 11k retail stores in the UK only 2.5 years after its launch.

...in a thriving end market

Demand for nootropic varieties is seen to strongly increase going forward. Depending on the study, it is expected that the **global nootropic market will grow by 15-25% annually to \$ 6-8bn by 2026.**

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This appears to reflect consumers taking a more active approach to their health and well-being as a consequence of evolving lifestyle choices, increased health awareness and a shift toward a preventive healthcare paradigm.

Nootropics have also established a wide and cross-generational appeal as individuals seek to “biohack” their cognitive function with supplements and functional foods. For instance, competitive gamers and eSports professionals are increasingly using nootropics to improve gaming performance. This can also be seen with team sports requiring swift decision making, motor control, coordination and timing. Nootropic sports drinks formulated with herbal nootropics for instance already exist and are marketed as helping improve focus, as well as energy levels.

Another driver behind the expected market growth should be that nootropics are becoming more convenient and appetizing to consume. Nootropic supplements are readily available in the form of drinks, chewable gummies, coffee blends and snack bars.

Valuation

- Based on a sum-of-the-parts analysis, we derive a **fair NAV for 029 of € 14.2 per share**

The **valuation of 029 is based on a sum-of-the-parts analysis**. The individual **portfolio companies' values are either derived from their last funding rounds**, if it took place within the past six months, **or our own fair value calculations**, which are based on public information, industry and peer analysis, discussions with management and our forward looking estimates as shown below.

Given that **holding companies typically trade at a discount to their fair NAV** reflecting holding costs as well as associated risks such as the illiquid nature of non-listed portfolio companies. While this discount typically stands at around 20%, **we only apply a 5% accounting for 029's lean structure** with annual expenses of currently around € 400k (excl. transaction related expenses).

Based on this, we derive a **fair NAV for 029 of € 14.2 per share**, implying 17% upside to the current share price.

029 valuation

	Implied FV (in € m)	029 share	Implied fair NAV (in €m)	Implied fair NAV/share
Limestone Capital	154.3	35.5%	54.8	11.0
Emerald	84.8	5.2%	4.4	0.9
hotelbird	57.5	4.8%	2.8	0.6
TRIP	104.7	6.4%	6.7	1.3
Brother's Bond	57.9	1.9%	1.1	0.2
Conscious Good	9.8	50.0%	4.9	1.0
Sum			74.7	14.9
Other assets and liabilities			0.2	0.0
Cash & equivalents			0.0	0.0
Total fair NAV			74.9	15.0
Holding discount (5%)			3.7	0.7
Fair value			71.2	14.2
Upside potential				17%

Source: Company data, NuWays

Limestone Capital valuation

Limestone Capital	2021	2022E	2023E	2024E
Locations	4	7	17	27
AUM (€ m)	40	100	180	250
Management fee, 2% (€ m)	0.4	1.4	2.8	4.3
Transformation fee, 4.5% (€ m)	1.8	2.7	3.6	3.2
Holding sales	€ 2.2m	€ 4.1m	€ 6.4m	€ 7.5m
aethos hotel sales (€ m)	4.6	10.5	29.8	51.9
aethos membership sales (€ m)	0.0	0.5	1.4	2.3
aethos members	0	250	800	1,300
Total sales	€ 6.8m	€ 15.1m	€ 37.6m	€ 61.7m
Total fair value	€ 17.0m	€ 37.7m	€ 94.1m	€ 154.3m

Source: Company data, NuWays

The **valuation of Limestone Capital is based on three pillars**. The operating performance of the financial holding and its subsidiary aethos.

The financial holding

The financial holding, which sources, buys and transforms distressed real estate, **earns a fixed 2% management fee (eNW) on its funds'** (currently one closed with a second one currently raising money) AUMs, which we expect to increase from roughly € 100m at the end of 2022E to € 250m as the number of locations grows

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from 8 to 32. As a result, management fees are seen to grow from € 0.4m in 2021 to € 4.3m (eNW).

On top, the company receives a **transformation fee, which we estimate to be around 4.5% of an asset's purchase price**. In the event of an exit of either a hotel portfolio or a single hotel, we would expect the company to receive a 20% carried interest on the created value. Yet, as this is not plannable, we don't reflect any contributions in our estimates at this time.

In sum, we expect **sales from the financial holding to strongly increase from around € 2m in 2021 to roughly € 7.5m in 2024E**.

aethos

aethos' top-line is carried by two revenue streams, direct hotel revenues and membership fees, similar to its key peer Soho House.

Aethos hotel sales are derived from the financial holding's number of properties under management (no divestments assumed), an increasing average number of rooms per location (28-34), an average nightly price of € 250 and utilization rates of 55-60%. Thanks to the strongly growing number of operational hotels (4 in 2021 to 27 in 2024E) hotel sales are seen to grow from € 4.6m to almost € 52m during the same time.

On top, aethos is seen to grow its membership base from roughly 250 in 2022 to 1.3k in 2024E. With an annual membership fee of € 1.8k, related sales are seen to reach some € 2.3m by 2024E.

aethos' total sales should reach € 52m for FY 2024E.

Our derived **fair value for Limestone Capital is based on our 2024E sales estimate of € 62m and a fair EV/sales multiple of 2.5x**, which its closest listed peer Membership Collective Group (Soho House) is currently trading on.

029's 35.5% stake in Limestone Capital, should be worth € 11 per share.

Emerald Stay valuation

Emerald Stay	2021	2022E	2023E	2024E
Properties	30	90	149	245
Avg. price per night	600	625	638	651
Avg. nights per year	128	164	183	201
Property utilization	35%	45%	50%	55%
Gross sales	€ 2.3m	€ 6.2m	€ 13.9m	€ 25.7m
Additional fees (10% of travelers bill)	0.2	0.6	1.4	2.6
Total sales	€ 2.5m	€ 6.8m	€ 15.3m	€ 28.3m
Fair value	€ 7.6m	€ 20.3m	€ 45.8m	€ 84.8m

Source: Company data, NuWays

Emerald's last funding round took place in December 2019, during which the company was valued at around € 13m (eNW). Since then, the company managed to notably grow its portfolio of managed properties to around 85.

Given the scalability of Emerald's business model, we expect the **amount of properties under management to grow to 245 by the end of 2024E**. At the same time we expect a **slight increase of the avg. price per night from € 600 to € 651 (3% p.a.)**. Most importantly, **utilization rates** of managed properties are seen to gradually **improve towards the industry's average of 50%** thanks to a rising brand awareness. On top, we expect Emerald to be able to earn 10% of a traveler's bill on top from selling additional services such as private transfers, catering and child care services.

We derive a **fair value for Emerald of € 85m**, which is based on our sales estimate of € 25.7m for 2024E and a fair EV/sales multiple of 3x. The latter is stemming from current median trading multiples of listed peers providing booking solutions (airbnb, Booking.com and Expedia).

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Interestingly, **limehome**, which fully digitally manages small apartments and rents them out to business and leisure travelers, **just raised € 45m based on a € 200-300m valuation** (eNW) while sales are expected to come in at around € 35m this year.

029 owns a 5.2% stake in Emerald, which should be worth € 0.9 per share.

hotelbird valuation

hotelbird	2020	2022E	2023E	2024E
Signed hotel rooms (m)	0.03	0.11	0.17	0.26
Price per room per month	3.25	4.00	4.20	4.41
Total sales	€ 1.2m	€ 3.4m	€ 7.1m	€ 11.5m
Fair value	€ 10.5m	€ 20.2m	€ 35.3m	€ 57.5m

Source: Company data, NuWays

hotelbird's last funding round took place roughly three years ago, during which the company was value at € 10.4m (eNW). Since then, growth of customers and signed hotel rooms significantly accelerated. The latter grew from 20k two months after the funding round to now more than 80k.

Taking into account hotelbird's blue chip customer base (e.g. Accor operates 362 hotels with ~50k rooms in Germany alone), **we expect the amount of signed hotel rooms to grow 40% p.a., reaching 260k by the end of 2024E.**

According to the company's website, the **pricing per room and month ranges between € 2.5 and € 5** based on the amount of features (e.g. digital check out or a digital room key) and third party software solutions (e.g. property management software) a customer incorporates in its package. We hence assume an average price per room and month of € 4, which is the company's mid-priced package.

We derive a **fair value for hotelbird of € 58m**, which is based on our sales estimate of € 11.5m for 2024E and a fair EV/sales multiple of 5x. The latter is stemming from current median trading multiples of listed and strongly growing software peers.

029 owns a 4.8% stake in hotelbird, which should be worth € 0.6 per share.

Others

We **value the remaining portfolio companies** consisting of TRIP, Brother's Bond and Conscious Good **based on the NAV recorded in 029's prospectus**. All three companies completed a funding round shortly before the publication of the prospectus: TRIP (June), Brother's Bond (May), Conscious Good (July). We hence expect the **achieved valuations to adequately reflect their current fair values.**

Theme

- Upcoming funding rounds/exits to serve as **potential share price catalysts**
- **Incubator poses high return potential** on initial investments

Upcoming funding rounds/exits to serve as potential share price catalysts

Given the nature of the venture capital business model, **in most cases there is an unavailability of information on the current operational developments** of portfolio companies. In some cases, the last funding round took place several years ago. Therefore, there are no current market prices for the assets and only little available information to derive their current fair price.

As a result, upcoming funding rounds and exits have the potential to reveal significant upside to the last reported NAV and our fair NAV calculations. For instance, during Limestone Capital's last funding round, the company raised money at double the valuation compared to the previous round.

In the case of hotelbird, the last funding round took place three years ago, since which the company has likely significantly accelerated sales growth based on announced customer wins and the amount of onboarded rooms. Yet, no reliable growth figures are publicly available. **A potentially upcoming funding round should reveal notable upside to the last reported NAV, eNW.**

As 029's holding portfolio is relatively young (i.e. most stakes have been bought within the past two to three years) and the targeted holding period is five to ten years, **we don't expect any near-term exits.** However, **a potential exit event could reveal significant upside to the market's expected fair value as recently witnessed with 3U Holding.** The company announced the sales of one of its participations, weclapp, to a strategic buyer, which resulted in a cash inflow of around € 4.5 per share while shares were trading at € 2.5 at the time of the announcement.

Incubator poses high return potential on initial investments

As part of its investment strategy, 029 is also incubating own ideas and brands which are adopting already proven business models and go-to-market strategies. **With initial investment requirements of some € 0.5-1m (eNW)** to fund the first year of operations, these projects can offer particularly high return potentials.

Besides the already announced Conscious Good (products such as drinks, edibles and powders, which are infused with nootropics, commonly known as cognitive enhancers), **we expect 029 to already be working on incubating its second company.** Here, the company is seen to announce additional information over the course of Q1 2023E, in our view.

Company Background

- Recently admitted to trading on the regulated market of the Düsseldorf and Munich stock exchanges
- Experienced management and Administrative Board

History

The company was founded as a shelf company under the name “Mendarion SE” in 2018. On August 10th 2022, the extraordinary meeting of shareholders resolved a capital increase in kind by issuing 4.75m new shares. Apeiron Investment Group was admitted to subscribe to the entire shares against the contribution in kind of the company’s current investment portfolio.

On October 4th, the BaFin approved the securities prospectus for the admission of the shares of 029 Group SE to trading on the regulated market of the Düsseldorf and Munich stock exchanges.

Business model

029 aims to become a **global hospitality and lifestyle investment holding and platform**, which targets to capitalize on new patterns of work, life and leisure, which have brought forward thriving next-generation consumer brands, built on connection, experience and community.

The company is expected to **strongly expand its holding portfolio**, which currently comprises six minority stakes across three related sectors **through participating in Seed or Series A financing rounds** (investment of €250k-5m each) of fast-growing and disruptive companies or **incubating own ideas and brands** which are adopting already proven business models and go-to-market strategies.

During the **holding period, which typically spans five to ten years**, 029 is expected to add value to its portfolio companies through (1) the breadth and depth of its management and supervisory board’s extensive network, (2) access to strategic advice from a deep pool of management and operational experts, (3) support during funding rounds and (4) synergies (e.g. cross-selling) across the portfolio itself.

029 holds and promotes its portfolio companies until **exit opportunities such as trade sales or IPOs arise**.

Management

Lorin Van Nuland - Co-Founder & CEO

Lorin has over 15 years of experience in venture capital, capital markets and M&A. In 2010, he started his career as an M&A lawyer in New York with Cleary Gottlieb advising deals of all sizes with an aggregated transaction volume of more than \$ 100bn. After a position at Allen & Overy LLP in London (advised on over 20 IPOs across Europe, Africa and the Middle East), Lorin joined Apeiron Investment Group in 2020, where he is currently active as a Venture Partner. In addition to his activity at 029, Lorin is also member of the boards of Limestone Capital, Conscious Good and Cambrian Biopharma.

Lorin holds graduate degrees from New York University in law and business and an LL.B. and LL.M. in European law from Maastricht University.

Juan Rodriguez - Chairman of the Administrative Board

Juan began his career in the areas of finance, accounting and treasury at a large corporate, where he gained a lot of experience. In 2007 he moved to the investor

side at FinLab AG, one of the first and largest fintech and blockchain investors in Europe. There, he gained a broad ranging expertise across the fields of 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.

Thomas Hanke - Deputy Chairman of the Administrative Board

Since 2009, Thomas worked in various management positions in the areas of Small & Mid Cap Private Equity and Venture Capital. In 2020, Thomas co-founded Elevat3 Capital, a European venture and growth capital investment fund. He can rely on extensive transaction experience and, in addition to his activities as an investor, has also held various interim operational mandates in the context of portfolio management. In addition, he holds several advisory board mandates at growth companies.

Thomas studied business administration at the University of Würzburg.

Shareholder structure

029 Group has currently 5m shares outstanding and is listed in the Regulated Market of the Düsseldorf and Munich Stock Exchange. The company has a relatively concentrated investor base with free float accounting for some 21%. Key shareholders include:

- **Apeiron Investment Group (37.2%)**: Family office and asset management business of Christian Angermayer
- **Global Equities Impact Fund (18%)**
- **Management & Administrative Board (15%)**: Holdings are split between Juan Rodriguez, Chairman of the Administrative Board (9%), Thomas Hanke, Deputy Chairman of the Administrative Board (3%) and Lorin van Nuland, the CEO (3%).
- **Black Mars Capital (9%)**

Investment risks

As with any investment, there are certain risks associated with investing in 029 Group. The key investment risks, in our view, are:

- **Share price volatility**: Disruptions on the capital market could come with notable share price movements, which can be unrelated to the operational performance of the company. Limited liquidity can also cause additional volatility during eventful times.
- **Operational risks**: While the operational risks at holding level seem rather low, in our view, operational risks at the individual portfolio companies do exist, particularly in light of their often early-stage nature.
- **Cluster risk**: Currently, the majority of 029's NAV is based on only two holdings, implying a certain cluster risk. Any unexpected negative development at either one of these assets would have a significant impact on the overall group. This however looks set to diminish as 029 is seen to continuously invest into new companies.
- **Financing risk**: Most of 029's portfolio companies depend on a significant amount of growth capital given the early stage nature of their businesses. During difficult times with rising interest rates, access to sufficient fresh capital can be a limiting factor.

Financials

Profit and loss (EUR m)	2019	2020	2021	2022e	2023e	2024e
Net sales	0.0	0.0	0.0	0.0	0.0	0.0
<i>Sales growth</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>
Increase/decrease 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
Other operating income	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
Personnel expenses	0.0	0.0	0.0	0.0	0.1	0.2
Other operating expenses	0.0	0.0	0.0	0.4	0.3	0.4
Total operating expenses	0.0	0.0	0.0	0.5	0.4	0.6
EBITDA	-0.0	-0.0	-0.0	-0.5	-0.4	-0.6
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0
EBITA	-0.0	-0.0	-0.0	-0.5	-0.4	-0.6
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
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	-0.0	-0.0	-0.0	-0.5	-0.4	-0.6
Interest income	0.0	0.0	0.0	0.0	0.0	0.0
Interest expenses	0.0	0.0	0.0	0.0	0.0	0.0
Investment income	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	0.0	0.0	0.0	0.0	-0.0	-0.0
Recurring pretax income from continuing operations	-0.0	-0.0	-0.0	-0.5	-0.4	-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	-0.4	-0.6
Income tax expense	0.0	0.0	0.0	-0.1	-0.1	-0.2
Net income from continuing operations	-0.0	-0.0	-0.0	-0.3	-0.3	-0.4
Income 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	-0.3	-0.3	-0.4
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	-0.0	-0.0	-0.0	-0.3	-0.3	-0.4
Average number of shares	0.2	0.2	0.2	5.0	5.0	5.0
EPS reported	-0.03	-0.03	-0.09	-0.07	-0.06	-0.08

Profit and loss (common size)	2019	2020	2021	2022e	2023e	2024e
Net sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<i>Sales growth</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>
Increase/decrease in finished goods and work-in-process	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other operating income	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Material expenses	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Personnel expenses	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other operating expenses	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total operating expenses	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Depreciation	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Amortisation of goodwill	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Amortisation of intangible assets	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Impairment charges	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBIT (inc revaluation net)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Interest income	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Interest expenses	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Investment income	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Financial result	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Recurring pretax income from continuing operations	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Extraordinary income/loss	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Earnings before taxes	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Income tax expense	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net income from continuing operations	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Income from discontinued operations (net of tax)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net income	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Minority interest	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net profit (reported)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Source: Company data, NuWays

Balance sheet (EUR m)	2019	2020	2021	2022e	2023e	2024e
Intangible assets	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	30.7	30.7	30.7
FIXED ASSETS	0.0	0.0	0.0	30.7	30.7	30.7
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 assets and short-term financial assets	0.2	0.0	0.0	0.0	0.0	0.0
Liquid assets	0.0	0.2	0.2	0.0	0.5	0.1
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	0.0	0.6	0.1
TOTAL ASSETS	0.2	0.2	0.2	30.8	31.3	30.9
SHAREHOLDERS EQUITY	0.2	0.2	0.1	30.5	30.2	29.8
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions and accrued liabilities	0.0	0.0	0.0	0.0	0.0	0.0
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
Accounts receivable	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	30.7	31.3	30.8
Balance sheet (common size)	2019	2020	2021	2022e	2023e	2024e
Intangible assets	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%	99.9%	98.2%	99.5%
FIXED ASSETS	0.0%	0.0%	0.0%	99.9%	98.2%	99.5%
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 assets and short-term financial assets	98.0%	0.3%	0.7%	0.0%	0.0%	0.0%
Liquid assets	0.0%	97.9%	98.1%	0.1%	1.8%	0.5%
Deferred taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred charges and prepaid expenses	2.0%	1.7%	1.2%	0.0%	0.0%	0.0%
CURRENT ASSETS	100.0%	100.0%	100.0%	0.1%	1.8%	0.5%
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
SHAREHOLDERS EQUITY	93.8%	86.7%	93.6%	99.3%	96.7%	96.7%
MINORITY INTEREST	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Provisions for pensions and similar obligations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other provisions and accrued liabilities	3.5%	3.9%	6.1%	0.0%	0.0%	0.0%
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%
Accounts receivable	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	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Company data, NuWays

Cash flow statement (EUR m)	2019	2020	2021	2022e	2023e	2024e
Net profit/loss	-0.0	-0.0	-0.0	-0.3	-0.3	-0.4
Depreciation of fixed assets (incl. leases)	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of goodwill & 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 operating activities	0.0	0.0	0.0	-0.3	-0.3	-0.4
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 working capital 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	-0.3	-0.3	-0.4
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	0.0	0.0	0.0	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	0.0	0.0	0.0	0.0	0.0
Cash flow before financing	-0.1	0.2	0.0	-0.3	-0.3	-0.4
Increase/decrease in debt position	0.0	0.0	0.0	0.2	0.8	0.0
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	0.0	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	0.2	0.8	0.0
Increase/decrease in liquid assets	-0.1	0.2	0.0	-0.1	0.5	-0.4
Liquid assets at end of period	0.0	0.2	0.2	0.0	0.5	0.1

Key ratios (EUR m)	2019	2020	2021	2022e	2023e	2024e
P&L growth analysis						
Sales growth	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA growth	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBIT growth	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EPS growth	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Efficiency						
Sales per employee	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA per employee	0.0	0.0	0.0	0.0	0.0	0.0
No. employees (average)	1	1	1	1	2	2
Balance sheet analysis						
Avg. working capital / sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Inventory turnover (sales/inventory)	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable turnover	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable turnover	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow analysis						
Free cash flow	0.0	0.0	0.0	-0.3	-0.3	-0.4
Free cash flow/sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCF / net profit	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%
Capex / sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Solvency						
Net debt	0.0	-0.2	-0.2	0.2	0.5	0.9
Net Debt/EBITDA	0.0	0.0	0.0	-0.4	-1.2	-1.6
Dividend payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest paid / avg. debt	0.0%	n.a.	n.a.	0.0%	0.7%	4.9%
Returns						
ROCE	-8.4%	-15.5%	-14.7%	-3.1%	-1.3%	-1.8%
ROE	-5.0%	-14.5%	-15.0%	-1.1%	-0.9%	-1.4%
Adjusted FCF yield	-0.5%	-0.9%	-0.7%	-1.1%	-0.9%	-1.2%
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
DPS	0.0	0.0	0.0	0.0	0.0	0.0
EPS reported	-0.03	-0.03	-0.09	-0.07	-0.06	-0.08
Average number of shares	0.2	0.2	0.2	5.0	5.0	5.0
Valuation ratios						
P/BV	17.7	20.2	21.2	2.0	2.0	2.0
EV/sales	0.0	0.0	0.0	0.0	0.0	0.0
EV/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0
EV/EBIT	0.0	0.0	0.0	0.0	0.0	0.0

Source: Company data, NuWays

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Company	Disclosures
029 Group SE	2

Historical target price and rating changes for 029 Group SE

Company	Date	Analyst	Rating	Target Price	Close
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Contacts

NuWays AG

Mittelweg 16-17
20148 Hamburg
Germany

info@nuways-ag.com
www.nuways-ag.com



Christian Sandherr

Co-CEO/Analyst

christian.sandherr@nuways-ag.com



Frederik Jarchow

Co-CEO/Analyst

frederik.jarchow@nuways-ag.com



Philipp Sennewald

Analyst

philipp.sennewald@nuways-ag.com



Vaishnavi Khare

Analyst

vaishnavi.khare@nuways-ag.com



Henry Wendisch

Analyst

henry.wendisch@nuways-ag.com

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