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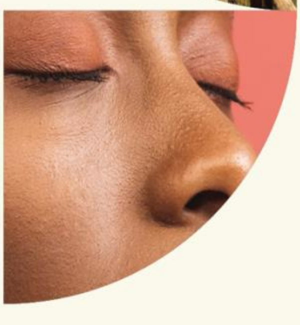
ANNUAL REPORT 2022

SUPPORTING NEXT-GENERATION EXPERIENCES, HOSPITALITY & HAPPINESS



Neue Schönhauserstr. 3-5
10178 Berlin
Germany

029 Group Annual Report 2022

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1. To Our Shareholders

A. 029 GROUP SE AT A GLANCE

We are a global hospitality and lifestyle platform blending luxury, technology and community to build and support category-defining brands aimed at making people's lives happier.

We believe that the next-generation of consumer brands will be built on **connection**, **experiences** and **community**.

- 6 Portfolio Companies
- Market Cap: EUR 87.5m as at 31 March 2023
- Capital Invested (reflecting historical cost basis of investment): EUR 4.2m[1]
- Preferred Investment Stage: Pre-Seed and Seed
- Companies incubated: 2

[1] Reflects approximate historical cost basis of the portfolio at an assumed FX rate of Sterling to Euro of 1.14; an assumed FX rate of USD to EUR of 1.02 and an assumed FX rate of CHF to EUR of 1.03.

B. LETTER TO OUR SHAREHOLDERS

Dear Shareholders,

2022 marked the beginning of an exciting new project: **029 Group SE**.

We believe that the next generation of category defining hospitality and consumer brands will be built on connection, experiences and inspiration. Our thesis is that in a post-pandemic world, new patterns of work, life & leisure are emerging and accelerating.

These trends create opportunities in hospitality and lifestyle for innovation-driven entrepreneurship with a strong community focus. We aspire to back the most audacious entrepreneurs with a hands-on investment approach, focusing on areas where we can add significant value through our platform, global network and company building expertise.

In August 2022, we completed a capital increase and witnessed the contribution of six promising assets that we see as a validation of our thesis with the support of our largest shareholder, Apeiron Investment Group Ltd. The asset contribution heralded a new beginning for 029 Group SE (former Mendarion SE).

To prepare us further for the future and to open up opportunities to develop a well-established shareholder base with the potential to tap deep and liquid capital markets, we subsequently completed an uplisting into the German regulated market (Xetra) in October 2022, and achieved a secondary listing on the Düsseldorf and Munich stock exchanges.

We were very pleased to receive a strong endorsement by the capital markets, with our stock trading up 123% since we completed our uplisting in the regulated market in October 2022.[2]

We were also pleased to receive positive feedback from the analyst community, with coverage initiation by Nu Ways and AlsterResearch.

At a macro level, 2022 was a year of challenges, with the dislocation in capital and private funding markets, mixed economic signals, contentious elections, and war in the Ukraine. The macroeconomic environment dominated the conversation with inflation, rate hikes, and economic fears driving sentiment and price action. According to the International Monetary Fund (IMF), global economic output increased by 3.4% in 2022. Despite the numerous challenges, the global economy was still able to develop solidly, albeit with significantly slower growth than in the previous year. According to the IMF, the euro zone grew by 3.5%. The German economy grew at a slightly slower rate of 1.9% in 2022. [3]

[2] As at 31 March 2023.
[3] IMF. World Economic Outlook, January 2023, p. 6.

Major indices recorded the worst performance since the financial crisis after reaching new record levels the prior year. The Nasdaq returned 26.6% in 2021, followed by its worst year since 2008, being down 15.1% in 2022.[4][5] Growth and technology sectors were hit particularly hard, as central banks' rate hikes triggered a broad reset in valuations from levels not seen in a long time. Global inflation in 2022 was driven by increased prices for energy and food, accelerated by the outbreak of war in Ukraine. According to the IMF, inflation in the advanced economies was 7.3% in 2022.[6]

The funding environment for public and private companies dried up to some extent, with significant valuation resets across the board. We also witnessed one of the longest closures of the IPO window in history, with a 31% drop in global IPOs, in stark contrast to 2021, which saw more deal volume than any other time in history.[7] Private market activity also slowed with a 37 % year-over-year decline in venture funding to USD 415.1 billion, with a particularly dramatic drop in the fourth quarter representing less than a third of deal volumes in the first quarter of 2022.[8] Unicorn financings (i.e. financing rounds of companies with a valuation in excess of USD 1 billion) dropped dramatically by 86%, and average venture deal sizes dropped by 32% to USD 16.8 million.[9] Early stage rounds continued to dominate with 66% share of all deal flow.[10]

The global luxury hotel market recovered strongly from the 60%-70% demand shock as a result of Covid and protracted lockdowns, and is expected to grow at a CAGR of 10.4% to USD 239 billion by 2028. We expect that key drivers of market demand are expected to include greater spending power across millennial consumers, hybrid work/life patterns (including remote working), and shifting consumer preferences towards health and wellness.

Despite these challenging headwinds, we saw strong operating performance from our portfolio companies across the board.

Limestone Capital completed the development of a new hotel in Ericeira, Portugal in August 2022 to much critical acclaim (with coverage from the Financial Times, Vogue, Harper's Bazaar & Monocle to name a few) as well as revamped openings in Milan and the acquisition of a new and highly exclusive property in the Italian Alps. Operational performance was excellent as strong demand from travelers returned in the aftermath of the pandemic. Limestone Capital AG also completed a capital increase in late 2022 at a significant uplift in valuation.

Emerald Stay, an integrated leisure property asset manager for high end holiday homes, also benefited from surging demand returning to the high-end travel sector with strong booking volumes across the portfolio and low churn levels validating its value proposition for holiday home owners while benefiting from its asset light model. It also generated strong

[4] Nasdaq, NDX Historical Data, https://www.nasdaq.com/market-activity/index/ndx/historical.
[5] Statista, Entwicklung des Nasdaq 100 Index in den Jahren von 1983 bis 2022. https://de.statista.com/statistik/daten/studie/248584/umfrage/entwicklung-des-nasdaq-100-index/.
[6] IMF. World Economic Outlook, January 2023, p. 5.
[7] CBInsights, the State of Venture, Global 2022 Recap, p. 7.
[8] CBInsights, the State of Venture, Global 2022 Recap, p. 7.
[9] CBInsights, the State of Venture, Global 2022 Recap, p. 7.
[10] CBInsights, the State of Venture, Global 2022 Recap, p. 28.

portfolio growth including the acquisition of a Mallorca based property manager, resulting in geographic expansion into the Balearics, bringing the total number of properties under exclusive management to over 120 properties. Emerald is also the first European vacation rentals manager to be B-Corp certified, reflecting its high environmental and social standards.

Hotelbird's performance was impacted by market conditions particularly in Germany where the hotel industry continued to be affected by the aftermath of the corona pandemic and by increasing energy costs. These challenges emphasized again that digitalization continues to be a highly relevant driver for the operational success of hotels. Hotelbird's leading check-in/out solutions empower hosts to increase efficiency, to reduce costs and to mitigate the impact of the significant shortage of skilled employees. Furthermore, Hotelbird enables hosts to offer their guests a modern seamless digital guest journey, which is becoming more and more the industry standard. The strongly increasing usage rates of Hotelbird's solutions in 2022 prove that the digital guest journey is increasingly accepted and valued by guests. In 2022 Hotelbird succeeded to conclude several new framework agreements with hotel chains as well as contracts with numerous individual hotels. Additionally, Hotelbird successfully established new strategic partnerships and further developed its product with the goal to continuously increase the product's value for its customers.

TRIP continued to go from strength to strength, generating a reported sales growth of over 500%. In the UK, TRIP is the undisputed market leader with 88% market share. In 2022, TRIP announced partnerships with key retailers and distributors such as Boots, Waitrose and Partners and Selfridges. TRIP also continued successfully on launching and expanding in new markets such as France (with a distribution deal with Carrefour in addition to existing distribution deals with Relay and Monoprix, amongst others) and various US states, including key markets such as California and New York. TRIP is now also the global exclusive CBD partner for the Soho House Group. TRIP also announced a round of USD 12million of fundraising at a significant valuation uplift in August 2022 to support its growth strategy.

Brother's Bond continued its strong marketing performance in the US, where it now the most followed spirits brand on Instagram with 1.86m followers (including 400,000 new followers added in 2022) and over 1 billion impressions on social media. Brother's Bond significantly expanded its geographical reach and is now sold in 42 States across the United States, where it is sold through various distribution channels, including liquor retailers (such as ABC and Liquor Barn), grocery retailers (such as Albertsons, Whole Foods and CVS), online retailers (such as Gopuff) and through online delivery (such as Instacart). As at 31 December 2022, Brothers Bond was sold across approximately 15,000 retail and approximately 2,700 on premise locations. It booked a depletion rate of 98% in FY22. Despite strong performance on demand and depletion rates, operational results were negatively impacted as a result of bottling and distribution issues throughout FY22 as a result of which revenues were below plan.

Conscious Good was incubated by 029 Group SE in the summer of 2022 as we recognized the opportunity presented in the nootropics space. Echoing strong cultural interest expressed by younger generations of consumers in progressive brain and mental health themes and nutrition as evidenced by the success of podcasts such as the Joe Rogan show, Huberman Lab and Tim Ferriss, and following the success of companies such as Athletic Greens, we decided to explore this further as an incubation opportunity. Conscious Good secured some initial seed funding in 2022, including from West Coast based Alumni Ventures, and assembled an initial team towards development of its first products.

OUTLOOK 2023

Consumer confidence has faced significant headwinds as a result of high inflation and the European energy crisis. However, we expect demand for the products and services offered by our portfolio companies to remain resilient given that we mainly target the luxury market and emerging younger consumer markets, where we have not yet seen any slowdowns in demand. The luxury goods market is expected to continue to benefit from steady growth, with a with a projected 3.47% CAGR from 2023-2027 and a target total market size of USD 354.80 billion in 2023.[11] Fundamentally, we maintain conviction in our thesis in the longer term – we believe that times like these do create significant opportunities.

We expect that funding markets (both public and private) will remain very volatile, and recent events such as the Silicon Valley Bank insolvency and banking crisis affecting Credit Suisse and smaller financial institutions in the USA have had a significant effect on private venture funding markets. Barring any macro economic surprises (such as better than expected inflation data or a resolution to the war in the Ukraine), we expect that funding markets remain very challenging in 2023, particularly as many venture funded companies with runway through 2023 or 2024 have deferred fundraising in the hopes of better macro conditions. We believe that in principle our portfolio companies are relatively well positioned on the demand side, but most of our portfolio companies will need to raise capital this year to execute on their growth plans, which may be challenging.

Managing burn rates remains a key focus for the years to come for our portfolio companies and is very high on our agenda in our discussions with our portfolio companies. The rising cost of capital is also a key consideration for us when we explore new opportunities, whether starting new incubation projects or evaluating new investments. Prudent capital allocation will very much be a key consideration

[11] https://www.statista.com/outlook/cmo/luxury-goods/worldwide.

this year. Any new investments will remain dependent on us raising more capital or exiting an investment from the existing portfolio.

We are excited about what's to come. We do see and expect opportunities to emerge. Innovation is a driving force, and we do expect consumer demand to remain resilient.

Lorin Van Nuland
Managing Director
Berlin, 25 April 2023

C. REPORT OF THE ADMINISTRATIVE BOARD

Dear Shareholders,

In the financial year 2022, the Administrative Board performed its duties incumbent upon it by law, the Rules of Procedure and the Articles of Association with due care and in full.

The Administrative Board managed the Company, determined the key lines of business operations and continuously monitored the work of the Managing Director, providing them with oral and written advice. The Administrative Board was informed in good time about all transactions of particular importance. Transactions requiring approval were duly submitted to the Administrative Board by the Managing Director in good time. The Administrative Board examined all reports and documents in detail. All transactions requiring approval were approved.

1. COMPOSITION OF THE ADMINISTRATIVE BOARD

In the reporting period, the Administrative Board consisted of the following members:

- Boris Dürr (until 20 June 2022)
- Christian Schild (until 20 June 2022)
- Herbert Munz (until 20 June 2022; also Managing Director during this period)
- Lorin Van Nuland (since 20 June 2022)
- Marc Weber (from 20 June 2022 to 23 September 2022)
- Vincent Wobbe (from 20 June 2022 to 23 September 2022)

- Juan Rodriguez (since 24 September 2022; Chairman)
- Thomas Hanke (since 24 September 2022; Deputy Chairman)

On 20 June 2022 Boris Dürr, Christian Schild and Herbert Munz resigned as members of the Administrative Board and, in case of Herbert Munz, as Managing Director. On 20 June 2022 Lorin Van Nuland, Marc Weber and Vincent Wobbe were elected by the Company's General Meeting as new members of the Administrative Board. On the same date, Lorin Van Nuland was appointed as Managing Director. Effective 23 September 2022 Marc Weber and Vincent Wobbe resigned as members of the Administrative Board. As of 24 September 2022, Juan Rodriguez and Thomas Hanke were appointed by court order as new members of the Administrative Board.

In accordance with § 7 para. 3 of the Articles of Association, the majority of the members of the Administrative Board are non-executive members, with Lorin Van Nuland being the sole executive member of the Administrative Board.

2. COMMITTEES OF THE ADMINISTRATIVE BOARD

Since the admission of the Company's shares to the regulated market on 6 October 2022, the Administrative Board concurrently functions as Audit Committee with identical personnel. No further committees of the Administrative Board have been established.

3. MEETINGS OF THE ADMINISTRATIVE BOARD

A total of 6 meetings of the Administrative Board were held in the financial year 2022 (1 meetings in person and 5 meetings by videoconference) at which all members of the Administrative Board and Managing Directors were present.

4. FOCUS OF THE DELIBERATIONS OF THE ADMINISTRATIVE BOARD

In addition to the regular statutory reporting, the Administrative Board focused its deliberations in its meetings, in particular, on the following topics:

Meeting on 20 June 2022:	Appointment of a managing director, chairman and deputy chairman
Meeting on 28 June 2022:	Resolution on the change of business address
Meeting on 09 August 2022:	Discussion and resolution on the capital increase and contribution in kind
Meeting on 18 August 2022:	Approval of Loan Facility Agreement between Apeiron and the Company

Meeting on 26 August 2022:	Resolution on the change of business address, conclusion of a managing director contract and approval of the uplisting
Meeting on 24 November 2022:	Q4 Board Meeting held in person with the Chairman and the Managing Director, with the Deputy Chairman attending via videoconference. Discussion on business updates, business plan and strategy following uplisting in the regulated market.

The Managing Directors informed the Administrative Board regularly and comprehensively about the Company's planning, the course of business and the current situation of the Company, and complied fully with their duties to provide information at all times. The Administrative Board also dealt in detail with the economic situation and the operational and strategic development and discussed the further development of the Company.

5. ANNUAL AUDIT

At the Annual General Meeting on 20 June 2022 Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft ("**Mazars**" of the "**Auditor**") was elected as auditor of the Annual Financial Statements for the financial year 2022 at the proposal of the Administrative Board. Mazars completed the audit of the Annual Financial Statements and the Management Report for the financial year 2022 and issued an unqualified audit opinion which is included elsewhere in this Annual Report.

The draft financial statement documents, the draft audit report and the main points of the audit were discussed in detail with the Auditor at the Administrative Board meeting on 20 April 2023. The draft auditors reported on the main findings of their audit and were available to the Administrative Board to answer questions and provide additional information. On the 25 April 2023 another Administrative Board meeting took place where the financial statement documents, the audit report and the main points of the audit were approved.

The Annual Financial Statements and the Management Report as of 31 December 2022 have thus been prepared in full in accordance with the provisions of the German Commercial Code (*HGB*) and audited by Mazars. Following intensive discussion of the audit results, the Administrative Board approved the Annual Financial Statements and the Management Report for the financial year 2022. The Annual Financial Statements of 029 Group SE were thus adopted in accordance with § 47 para. 5 SEAG.

6. RELATIONSHIPS WITH AFFILIATED COMPANIES

In accordance with the requirements of § 314 AktG, the Administrative Board also discussed the report submitted to it by the Managing Director pursuant to § 312 AktG on the relationships of 029 Group SE with affiliated companies ("**Dependency Report**") for the financial year 2022. The Dependency Report was also audited by the auditor and provided with the following auditor's opinion:

"Based on our dutiful audit and assessment, we confirm that:

1. *the actual disclosures in the dependency report are correct,*
2. *the compensation paid to 029 Group SE for the legal transactions listed in the report was not unreasonably high*."

The auditor's report on the Dependency Report was available to all members of the Administrative Board. Upon its own examination and after discussion with the auditor the Administrative Board raised no objections. The Administrative Board approved the result of the audit of the Dependency Report by the auditors.

7. CORPORATE GOVERNANCE

In the past financial year, the Administrative Board continuously monitored the implementation of the provisions of the German Corporate Governance Code and the development of corporate governance standards.

The Corporate Governance Statement of 029 Group SE to be issued pursuant to Section 289f of the German Commercial Code (HGB), which includes in particular the Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act (AktG), disclosures on significant corporate governance practices, as well as a description of the working methods of the Managing Director and the Administrative Board, and the corporate governance report, can be accessed at the website:

German:
https://www.029-group.com/de/investor-relations

English:
https://www.029-group.com/investor-relations

Information on corporate governance in the Company and a detailed report on the amount and structure of the remuneration of the Managing Directors and the Administrative Board can be found in the Corporate Governance Statement and the Remuneration Report, respectively.

During the reporting period, no conflicts of interest arose among the individual members of the Administrative Board or the Managing Directors that are required to be disclosed to the Administrative Board and about which the Annual General Meeting must be informed.

On behalf of the Administrative Board, I would like to thank all of our shareholders for their continued support in the past financial year.

Berlin, 25 April 2023

For the Administrative Board:

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Juan Rodriguez, Chairman of the Administrative Board

D. ADMINISTRATIVE BOARD & MANAGEMENT BOARD

LORIN VAN NULAND (*1986)

Managing Director
& Member of the Administrative Board

Lorin is the Managing Director of 029 Group SE and a member of the Administrative Board. Lorin is a seasoned investment professional with extensive experience across the venture capital industry and capital markets. Lorin started his career in 2010 as an M&A lawyer with Cleary Gottlieb in New York City. In 2015, Lorin 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, Lorin joined Apeiron Investment Group Ltd., leading on a wide range of venture capital investments and IPOs. Lorin currently is a venture partner at Apeiron Investment Group and leads the wellness (including longevity), hospitality and consumer strategy, where he is responsible for generating new investment opportunities, capital raising and portfolio management.

In 2022, Lorin co-founded 029 Group SE alongside serial entrepreneur Christian Angermayer. Lorin currently sits on the boards of Limestone Capital AG, 029-001 Ltd., Cambrian Biopharma Inc. (observer) and 029 Group SE.

Lorin is a member of the Young Leaders Circle (YLC) of the Milken Institute.

JUAN RODRIGUEZ (*1976)

Chairman

Juan has been active in the venture scene for more than 20 years. He 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 Member of the Managing Board and CFO in 2013.

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.

Juan began his career in the areas of finance, accounting and treasury at a large corporate, where he worked for 8 years.

Alongside his office as the chairman of the Administrative Board of the Company, Juan sits on the several boards of venture companies.

THOMAS HANKE (*1985)

Deputy Chairman

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

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.

Alongside his office as deputy chairman of the Administrative Board of the Company, Thomas currently sits on the boards of Xpay Holding AG, Neodigital Versicherung AG and Synbiotic SE.

E. 2022 HIGHLIGHTS

10th August	Change of name to 029 Group SE, new orientation of business model and capital increase in kind
24th August	Portfolio Company TRIP raises $12m in financing round at a significantly higher valuation
5th October	BaFin approves 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
1st November	Portfolio company Limestone Capital AG completes capital increase and acquired eco-friendly luxurv camp in the Italian alps
16th November	Portfolio company TRIP mow listed with Waitrose & Partners in the UK and Carrefour in France following strong sales growth
7th December	NuWays by Hauck Aufhäuser Lampe starts coverage of 029 Group with 'buy recommendation and price target of €14. 20

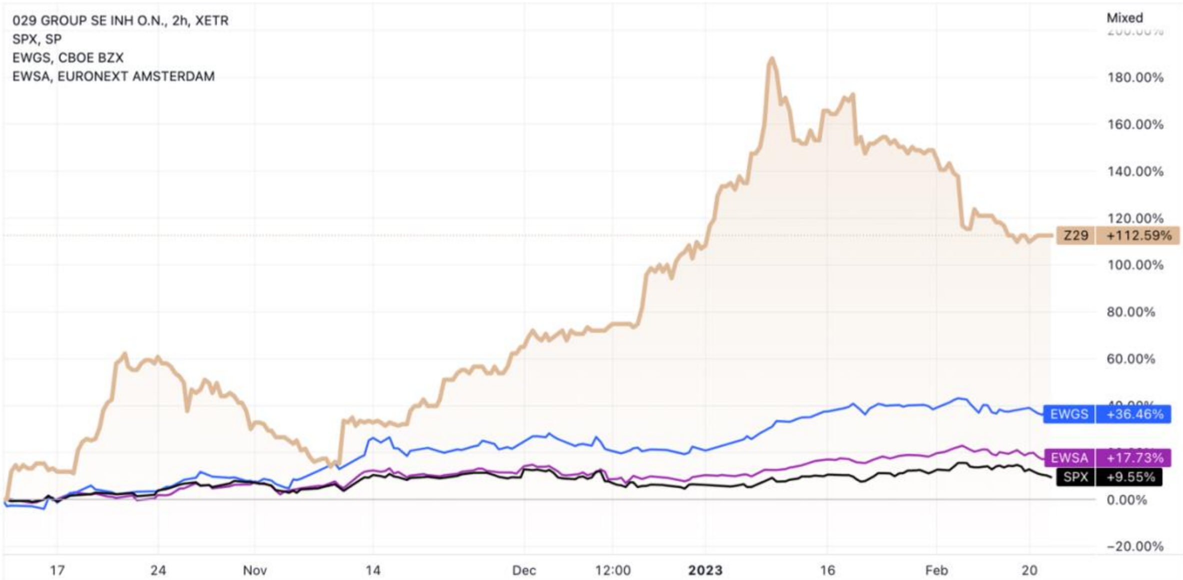
F. INVESTOR INFORMATION

SHARE PRICE DEVELOPMENT

Since the uplisting in the regulated market on 5 October 2022, 029 Group SE saw the value of its shares (ticker: Z29) increase by 110% in the remainder of the year, closing the year at EUR 14.80 per share. In 2023, the stock continued to trade up to EUR 20.60 on 9 January 2023, before retreating to EUR 15.70 on 31 March 2023.

BENCHMARK INDEX OUTPERFORMANCE

029 Group SE share price development in 2022 as from the uplisting into the regulated market (110% increase) outperformed all relevant benchmark indices as set out below.



ANALYST COVERAGE

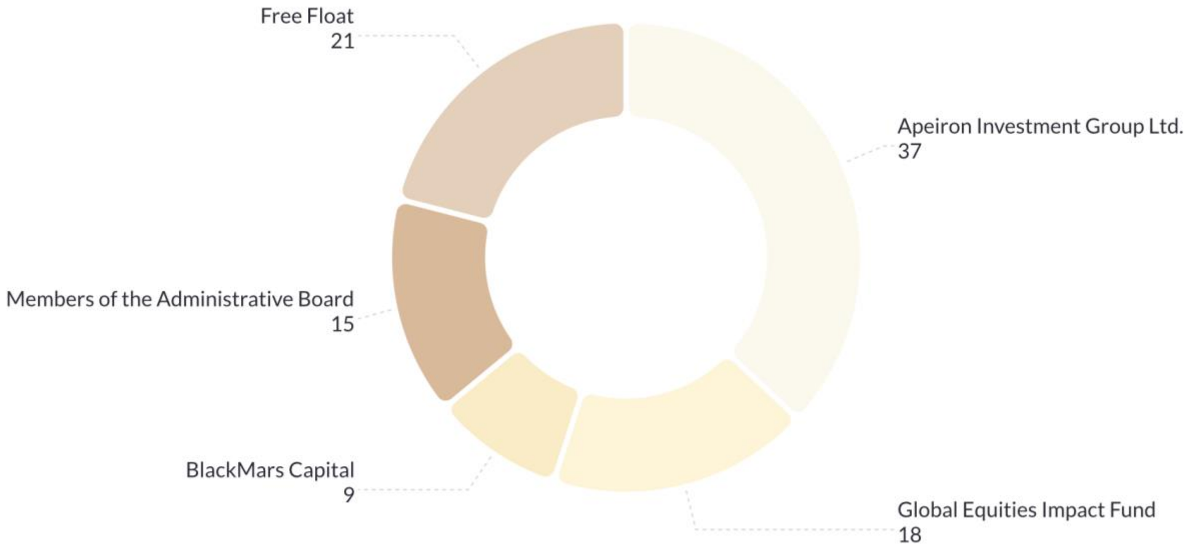
029 Group SE is currently covered by two analysts from two institutions: NuWays by Hauck Aufhäuser Lampe and AlsterResearch.

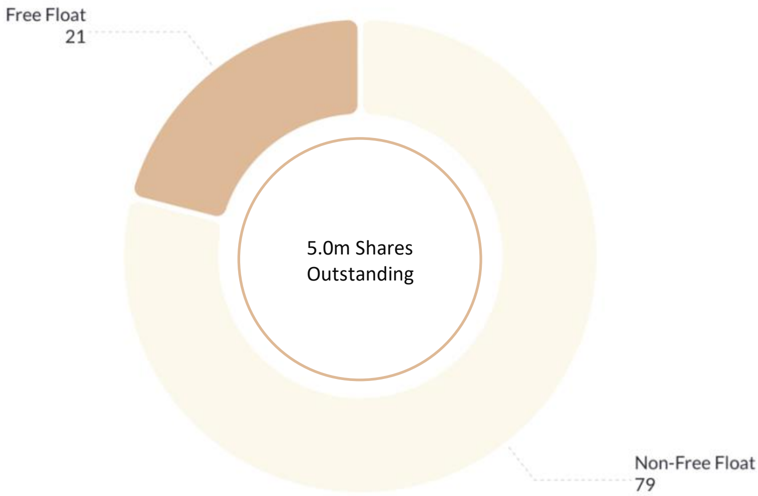
Broker	Analyst	Rating	Target price / Fair Value	Target Market Cap / FV Market Cap
NuWays by Hauck Aufhäuser Lampe	Christian Sandher	"Buy"	EUR 14.20	EUR 71.00m
AlsterResearch	Thomas Wissler	"Hold"	EUR 13.80	EUR 69.00m

OWNERSHIP STRUCTURE

As at 31 December 2022, the members of the Administrative Board jointly held approximately 14.97% of the Company's issued and outstanding capital and voting rights.

We have a free float of approximately 20.84%, with the remaining shares held by a number of institutional investors.





Our largest shareholder is Apeiron Investment Group Ltd. ("Apeiron"), holding approximately 37.19% of our issued and outstanding share capital.

2023 INVESTOR CALENDAR

25 April 2023	Publication of annual financial statements 2022
28 June 2023	Annual General Meeting 2023
27 September 2023	Publication of half-year report 2023

CONTACTS

INVESTOR RELATIONS

LEON SANDER
Head of Investor Relations
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LORIN VAN NULAND
Managing Director
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2. Management Report

A. FUNDAMENTAL INFORMATION ABOUT 029 GROUP SE

029 Group SE (the "Company" or "we") is a hospitality and lifestyle investment holding blending luxury, technology and community to build and support category-defining brands aimed at making people's lives happier. In our investments, we pursue a venture capital investment strategy targeting early-stage minority positions in high growth emerging companies.

The Company was incorporated on 9 March 2018 as a Societas Europaea („Europäische Gesellschaft, bzw. Europäische Aktiengesellschaft") and was registered with the Commercial Register of the local court (Amtsgericht) of Charlottenburg under registration number HRB 200678 B on 22 October 2018.

We are listed on the Regulated Market of the Düsseldorf Stock Exchange (*Börse Düsseldorf*) and of the Munich Stock Exchange (*Börse München*) under ISIN identification number DE000A2LQ2D0 (ticker symbol Z29) with a share capital of 5,000,000 ordinary bearer shares with no par value.

1. BUSINESS MODEL

We believe that the next-generation of category-defining consumer brands will be built on **connection**, **experiences** and **community**.

We back innovative entrepreneurs with a customer focus in their respective industries, with an investment approach focusing on businesses and brands where we expects to add significant value through our platform, global network of our founders, executives and their company building expertise.

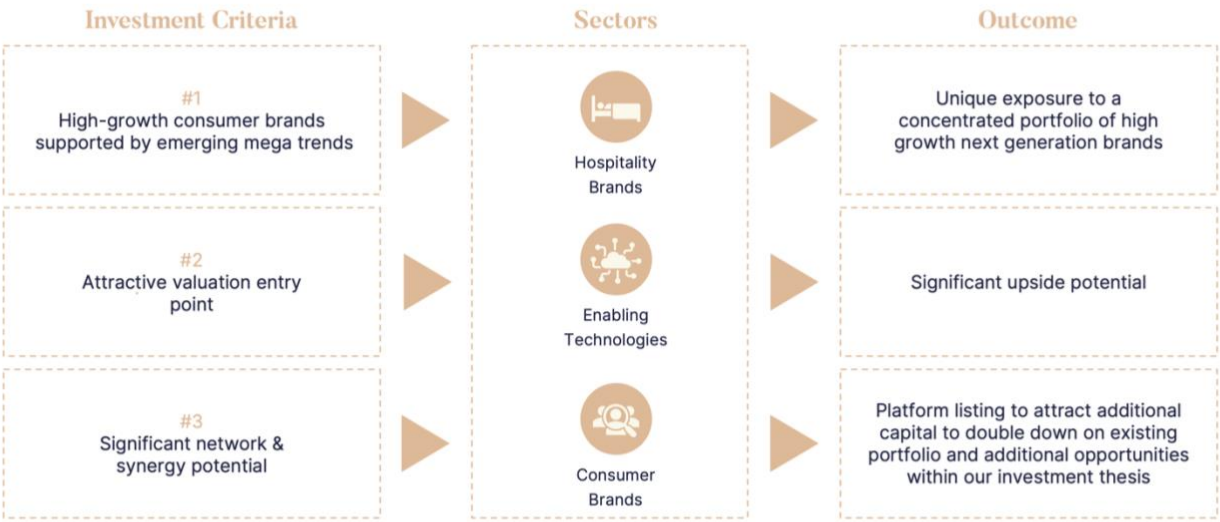
Currently, our investments focus on two business sectors: Hospitality and Lifestyle. Within these sectors, our investments are clustered into the following three segments:

- Hospitality
- Enabling Technologies
- Consumer Brands

We plan to expand our portfolio across our segments through both incubating innovative ideas and supporting promising founders which meet our corporate strategy and by continuing to invest in existing businesses or in new businesses at valuations and on investment terms that we consider an opportunity to drive value creation.

2. INVESTMENT PROCESS

In screening potential incubation and investment opportunities, we follow an investment process centred around a predefined set of investment criteria and sectors to achieve a range of desired outcomes as set out below:



We strategically allocate capital towards portfolio companies which we believe offer significant return potential. In our investment process, we mainly focus on the following three investment criteria:

High growth potential supporting by emerging megatrends	Our goal is to operate a platform to incubate and/or drive growth in the next generation of hospitality and lifestyle businesses and brands. We see new patterns of life, work and leisure emerging and accelerating from the pandemic and post-pandemic experience on individual, collective and technological fronts, creating new opportunities in hospitality and lifestyle for innovation-driven entrepreneurship with a strong community focus.
Attractive valuation entry pint	We typically target early-stage minority investments (Pre-Seed, Seed or Series A) or look to incubate our own companies with partners (as we have done with Limestone Capital AG and 029-001 Ltd. operating under the Conscious Good launch brand) to optimize the highest return potential. In addition, we also selectively participate in follow-on financing rounds of existing investments where we see further value creation opportunities.

Network and synergy potential	We target opportunities where we believe that we can generate significant added value, whether through our complementary skills, cross-selling opportunities across our platform, invest-and-build value creation and capital raising. The breadth and depth of our networks enable us to call upon a deep pool of management and operational experts in the hospitality and lifestyle sector to advise and help our portfolio brands on key events and mile-stones during the entire business life cycle, from sourcing talent and negotiating key employee compensation to tax and legal structure optimization, to identifying and introducing strategic business partners to transformative events such as public listing or private sale of the business.

3. SOURCING

We have a strong and complementary network and experience, which enables us to incubate and source opportunities in the hospitality and lifestyle sectors at what we believe are attractive valuation entry points. Given the depth of experience, track record and networks of our founders and management team, we believe that we have the ability to identify and source particularly innovative ideas and promising founders for new portfolio companies at an early stage and at particularly attractive valuations with significant upside potential. We believe that our networks provide a first strong filter on inbound deal flow, making our investment processes more efficient. We screen about 50-100 opportunities annually.

4. FINANCING & EXIT STRATEGY

We continuously evaluate our portfolio and typically aim to hold and promote portfolio companies until opportunities for an exit arise, through selected secondary transactions or an exit such as trade sale or IPO. In our portfolio model, we assume that investments would typically be held for 5 to 10 years on average as is customary within the venture capital industry. We strive for a diversified portfolio in the medium term.

We do not generate any cash flow from operations jet, and we have historically incurred, and expect to continue to incur in the near future, operating losses to finance our operating expenses and make new investments.

As at 31 December 2022, we had approximately EUR 300,000 of indebtedness under a EUR 1.2 million credit facility (the “Credit Facility”) with Apeiron, our largest shareholder. As of the same date, we had approximately EUR 900,000 of remaining capacity under the Credit Facility.

We expect to finance future investments through a potential capital increase (subject to market conditions) and/or proceeds from successful portfolio exits.

5. PERFORMANCE BASED MANAGEMENT

We manage our business on the basis of a steady, methodological approach. As an investment holding with a venture capital investment strategy, we mainly consider capital invested and NAV development as our most important performance indicators ("KPIs").

With respect to capital invested, we disclose the original cost basis of the investment as it was made at the time of subscription by Apeiron Investment Group Ltd., which subsequently contributed our assets into our business in August 2022.

With respect to NAV development, as a venture investment holding, we would typically benchmark our NAV to fair value, with fair value being calculated as the number of shares owned by us valued at the most recent valuation of the particular asset we are invested in. In the venture context, this means that we would internally book a valuation increase in the event of a subsequent round of financing after our investment at a higher pre-money valuation than our original investment, or a valuation decrease in the event of a subsequent round of financing at a flat or lower valuation than our initial investment.

We prepare our financial statements in accordance with the German Commercial Code (HGB), which does not permit NAV to be increased over its acquisition cost in the event of a subsequent financing round. Accordingly, the development of NAV as reported by us as a KPI is not an original measure of the financial statements, but an alternative performance measure within the meaning of the Guidelines on Alternative Performance Measures (APM) issued by the European Securities and Markets Authority (ESMA). We use this APM in planning, monitoring, and evaluating our performance. Nonetheless, this APM is supplemental information; its purpose is not to substitute German GAP measures. Furthermore, companies in our industry and others may calculate or use APMs differently, thus making them less useful for comparison purposes.

Although operational liquidity is an important indicator (particularly as we currently finance our working capital through the Credit Facility), we do not consider it a primary KPI for external reporting purposes as our long-term results are driven by the performance of our underlying portfolio companies.

Group budget planning is generally performed annually. It is updated on an ongoing basis and used to produced a rolling forecast that is reported to our Chairman on a monthly basis and to the Administrative Board on a quarterly basis. Our budget planning is continuously monitored and adjusted by controlling and management, in particular our Managing Director, who reports bi-weekly to our Chairman.

B. REPORT ON BUSINESS AND ECONOMIC POSITION

1. MACROECONOMIC AND INDUSTRY DEVELOPMENTS

At a macro level, 2022 was a year of challenges, with the dislocation in capital and private funding markets, mixed economic signals, contentious elections, and war in the Ukraine. The macroeconomic environment dominated the conversation with inflation, rate hikes, and economic fears driving sentiment and price action. According to the International Monetary Fund (IMF), global economic output increased by 3.4% in 2022. Despite the numerous challenges, the global economy was still able to develop solidly, albeit with significantly slower growth than in the previous year. According to the IMF, the euro zone grew by 3.5%. The German economy grew at a slightly slower rate of 1.9% in 2022. [12]

Major indices recorded the worst performance since the financial crisis after reaching new record levels the prior year. The Nasdaq returned 26.6% in 2021, followed by its worst year since 2008, being down 15.1% in 2022.[13,14] Growth and technology sectors were hit particularly hard, as central banks' rate hikes triggered a broad reset in valuations from levels not seen in a long time. Global inflation in 2022 was driven by increased prices for energy and food, accelerated by the outbreak of war in Ukraine. According to the IMF, inflation in the advanced economies was 7.3% in 2022.[15]

The funding environment for public and private companies has dried up to some extent, with significant valuation resets across the board. The public market for new issues was inactive. We have witnessed one of the longest closures of the IPO window in history, with a 31% drop in global IPOs.[16] In stark contrast to 2021, which saw more deal volume than any other time in history. Private market activity also slowed with a 37 % year-over-year decline in venture funding to USD 415.1 billion, with a particularly dramatic drop in the fourth quarter representing less than a third of deal volumes in the first quarter of 2022.[17] Unicorn (i.e. financing rounds of companies with a valuation in excess of USD 1 billion) dropped dramatically by 86%, and average venture deal sizes dropped by 32% to USD 16.8 million.[18] Early stage rounds continued to dominate with 66% share of all deal flow.[19]

According to the Federal Statistical Office in Germany (Destatis), the economic sectors in Germany developed strongly in 2022. Other service providers, including the creative and entertainment industries, benefited particularly, with growth of 6.3% as a result of the lifting of the COVID-19 protection measures and corresponding recovery effects. The hospitality sector grew by 45.4% year-on-year on a price-adjusted basis. The hotel sector in Germany even recorded a real increase in revenues of 63.8% compared with 2021.[20] According to *Destatis*, private consumer spending supported the economy on the demand side in 2022.

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[12] IMF. World Economic Outlook, January 2023, p. 6.
[13] Nasdaq, NDX Historical Data, https://www.nasdaq.com/market-activity/index/ndx/historical.
[14] Statista, Entwicklung des Nasdaq 100 Index in den Jahren von 1983 bis 2022, https://de.statista.com/statistik/daten/studie/248584/umfrage/entwicklung-des-nasdaq-100-index/.
[15] IMF. World Economic Outlook, January 2023, p. 5.
[16] CBInsights, the State of Venture, Global 2022 Recap, p. 7.
[17] CBInsights, the State of Venture, Global 2022 Recap, p. 7.
[18] CBInsights, the State of Venture, Global 2022 Recap, p. 7.
[19] CBInsights, the State of Venture, Global 2022 Recap, p. 28.
[20] Destatis, Gastgewerbeumsatz 2022 real 45,5% höher als 2021, aber 12,5% niedriger als vor Corona, https://www.destatis.de/DE/Presse/Pressemitteilungen/2023/02/PD23_066_45213.html.

Adjusted for prices, spending increased by 4.6% year-on-year and almost reached pre-pandemic levels. Household spending increased especially in the areas of accommodation and restaurant services, leisure, entertainment and culture.[21]

Despite the strong year as a whole, growth in the hotel and hospitality sector slowed significantly in the final months of the year due to financial uncertainties, according to Deloitte. Since the easing of the pandemic the industry experienced a strong and steady rebound. But there are new challenges for the sector like financial concerns due to inflation as well as rising climate change related issues and a labor shortage. Deloitte expects that while the impact of COVID-19 on business travel has declined, as it has for leisure travel, the number of business trips will still not recover to pre-pandemic levels. Business travel also faces cost-related challenges due to the overall economic outlook.[22]

The uncertainties also left traces in the hotel investment market. With a volume of EUR1.9 billion in 2022 the market in Germany remains at a low level. The previous year's figure was missed by about a quarter and the 10-year average by almost 45%, according to BNP Paribas.[23]

The global luxury hotel market recovered strongly from the 60%-70% demand shock as a result of COVID-19 and protracted lockdowns, and is expected to grow at a CAGR of 10.4% to USD 239 billion by 2028. We expect that key drivers of market demand are expected to include greater spending power across new consumer generations (particularly millennials), hybrid work/life patterns (including remote working), and shifting consumer preferences towards health, wellness and quality.

The functional beverage market in Europe is expected to grow by USD 13.95 billion from 2021 to 2026, progressing at a CAGR of 8.25% during the forecast period.[24] While energy drinks are a clear favourite among European functional beverage consumers, forecast growth is much higher for functional RTD coffees and teas (at 13.9%), functional waters (at 12.2%), and dairy alternatives (at 10.8%). Consumer trends in personalization and sustainability, along with a renewed focus on health due to COVID-19, are also shaping opportunity in the functional beverage market. [25]

2. PORTFOLIO REVIEW

Our portfolio is currently organized across three segments: Hospitality, Enabling Technologies and Consumer Brands. Our portfolio companies had a strong performance in 2022, with a number of publicly announced financing rounds at higher valuations at Limestone Capital AG and TRIP despite of challenging funding market conditions.

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[21] Destatis, Bruttoinlandsprodukt im Jahr 2022 um 1,9 % gestiegen, https://www.destatis.de/DE/Presse/Pressemitteilungen/2023/01/PD23_020_811.html.

[22] Deloitte, 2023 travel outlook industry, https://www2.deloitte.com/us/en/pages/consumer-business/articles/travel-hospitality-industry-outlook.html.

[23] BNP Paribas Real Estate, Hotel investment market Germany, https://www.realestate.bnpparibas.de/en/market-reports/hotel-investment-market/germany-at-a-glance

[24] Technavio, Functional Beverage Market in Europe by Product and Geography - Forecast and Analysis 2022-2026.

[25] https://www.glanbianutritionals.com/en-gb/nutri-knowledge-center/insights/exploring-functional-beverage-growth-opportunities-european-food#:~:text=The%20%E2%82%AC25%20billion%20functional,6.4%25%20between%202019%20and%202024.&text=Energy%20drinks%20lead%20the%20category,beverage%20market%20as%20a%20whole.

2.1 HOSPITALITY

Limestone Capital, a vertically integrated investment firm focusing on identifying and creating value within the high-end hospitality sector, had a strong year with the completion of the development of a hotel with 50 keys in Ericeira, Portugal to much critical acclaim (with coverage from the Financial Times, Vogue, Harper's Bazaar & Monocle amongst others) as well as revamped openings in Milan and the acquisition of Camp Zero, a highly exclusive 30 key property in Champoluc in the Italian Alps. It also announced the planned development of a new seaside property in Mallorca with beachside access and more than 50 keys. Operational performance was excellent as strong demand from travelers returned in the aftermath of the pandemic. As at 31 December 2022, Limestone Capital operated 5 hotels under its own Aethos luxury brand across destinations in Portugal, Spain and Italy. Limestone Capital AG also completed a capital increase in late 2022 at a significant valuation increase. Limestone Capital is currently our most significant asset in terms of NAV.

Emerald Stay, an integrated leisure property asset manager for high end holiday homes, also benefited from surging demand returning to the high-end travel sector with strong booking volumes across the portfolio and low churn levels validating its value proposition for holiday home owners while benefiting from its asset light model. It also generated strong portfolio growth including the acquisition of a Mallorca based property manager, resulting in geographic expansion into the Balearics, bringing the total number of properties under exclusive management to over 120 properties. Emerald is also the first European vacation rentals manager to be B-Corp certified, reflecting its high environmental and social standards

2.2 ENABLING TECHNOLOGIES

Hotelbird's performance was impacted by market conditions particularly in Germany where the hotel industry continued to be affected by the aftermath of the COVID19-pandemic and by increasing energy costs. These challenges emphasized again that digitalization continues to be a highly relevant driver for the operational success of hotels. Hotelbird's leading check-in/out solutions empower hosts to increase efficiency, to reduce costs and to mitigate the impact of the significant shortage of skilled employees. Furthermore, Hotelbird enables hosts to offer their guests a modern seamless digital guest journey, which is increasingly becoming the industry standard. The strongly increasing usage rates of Hotelbird's solutions in 2022 prove that the digital guest journey is increasingly accepted and valued by guests. In 2022 Hotelbird succeeded to conclude several new framework agreements with hotel chains as well as contracts with numerous individual hotels. Additionally, Hotelbird successfully established new strategic partnerships and further developed its product with the goal to continuously increase the product's value for its customers.

2.3 CONSUMER BRANDS

TRIP, the UK's leading CBD brand, continued to go from strength to strength in 2022, generating a reported sales growth of over 500% compared to the prior year. In the UK, TRIP is the undisputed market leader with 88% market share in the CBD drinks and oils market. In 2022, TRIP announced partnerships in the UK with key retailers and distributors such as Boots, Waitrose and Partners, and Selfridges. TRIP also continued successfully on launching and expanding in new markets such as France (with a distribution deal with Carrefour in addition to existing distribution deals with Relay and Monoprix, amongst others) and various US states, including key markets such as California and New York. TRIP is now also the global exclusive CBD partner for the Soho House Group. TRIP also announced a round of USD 12 million of fundraising at a significant valuation uplift in August 2022 to fund its growth plans.

Brother's Bond continued its strong marketing performance in the US, where it now the most followed spirits brand on Instagram with 1.86m followers (including 400,000 new followers added in 2022) and over 1 billion impressions on social media. Brother's Bond significantly expanded its geographical reach and is now sold in 42 States across the United States, where it is sold through various distribution channels, including liquor retailers (such as ABC and Liquor Barn, grocery retailers (such as Albertsons, Whole Foods and CVS), online retailers (such as Gopuff) and through online delivery (such as Instacart). As at 31 December 2022, Brothers Bond was sold across approximately 15,000 retail and approximately 2,700 on premise locations. It booked a depletion rate of 98% in 2022. Despite strong performance on demand and depletion rates, operational results were negatively impacted as a result of bottling and distribution issues throughout FY22 as a result of which revenues were below plan.

Conscious Good was incubated by 029 Group SE in the summer of 2022 as we recognized the opportunity presented in the nootropics space. Echoing strong cultural interest expressed by younger generations of consumers in progressive brain and mental health themes and nutrition as evidenced by the success of podcasts such as the Joe Rogan show, Huberman Lab and Tim Ferriss, and following the success of companies such as Athletic Greens, we decided to explore this space further as an incubation opportunity. Conscious Good secured some initial seed funding in 2022, including from West Coast based Alumni Ventures, and assembled an initial team towards development of its first products which it expects to launch in the second half of 2023.

C. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

1. RESULTS OF OPERATIONS

The following table shows financial information taken from the Company´s Income Statement for the financial years ended 31 December 2021 and 31 December 2022:

	Year ended 31 December 2022 EUR	Year ended 31 December 2021 EUR
1. Personnel expenses		
a) Wages and salaries	24,000.00	0.00
b) Social security costs and expenses related to pension plans and for support	151.89	0.00
	24,151.89	0.00
2. Depreciation and amortization		
a) Of noncurrent intangible assets and property, plant and equipment	1,895.16	0.00
3. Other operating expenses		
a) Occupancy costs	9,076.87	2,365.95
b) Insurance premiums, fees and contributions	611.85	684.39
c) Cost of third-party repairs and maintenance	2,818.07	0.00
d) Advertising and travel expenses	152,991.67	0.00
e) Miscellaneous operating costs	470,090.45	18,623.93
	635,588.91	21,674.27
4. Income from other securities and long-term loans	2,068.89	0.00
5. Interest and similar expenses	2,701.11	0.00
6. Net loss for the financial year	-662,268.18	-21,674.27
7. Accumulated losses brought forward	-105,903.45	-84,229.18
8. Net loss	-768,171.63	-105,903.45

Revenue	The Company was founded in March 2018 and was a shell company that did not engage in any business activities until the contribution of our portfolio companies through a capital increase through a contribution in kind in the third quarter of 2022 (the "Contribution in Kind"). Therefore, the Company did not generate any material revenues in the year ended 31 December 2021 and through the third quarter of 2022. With the Contribution in Kind of the minority participations in portfolio companies in the third quarter of 2022, the Company started its business activities as an internationally operating investment company that invests in minority participations in the hospitality and lifestyle sectors. The Company aims to realize increases in value from its portfolio companies and did not generate any revenues in the fourth quarter of 2022.
Change in personnel expenses	Personnel expenses increased from EUR nil to EUR 24,000 in the year ended 31 December 2022, compared to the prior year period, as a result of expenses related to the employment of our Managing Director.
Changes in other operating expenses	Other operating expenses increased from EUR 21,674 in the year ended 31 December 2021 to EUR 635,588 in the year ended 31 December 2022. The increase mainly resulted from listing expenses incurred in connection with the Company's uplisting in the regulated market in October 2022 and operating expenses related to the new business model after the Contribution in Kind and office expenses.
Net Loss for the year	Our net loss for the financial year increased from EUR 21,674.27 in the year ended 31 December 2021 to EUR 662,268.18 in the year ended 31 December 2022 as a result of the factors described above.

2. ASSETS AND LIABILITIES

A. ASSETS

The following table provides an overview of the Company's current assets as of 31 December 2021 and 31 December 2022.

		As of 31 December 2022 EUR	As of 31 December 2021 EUR
A.	**Non-current Assets**		
I.	**Intangible fixed assets**		
1.	Purchased licenses, trademarks and similar rights and values as well as licenses to such rights and values	14,051.00	0.00
II.	**Long-term financial assets**		
1.	Other long-term equity investments	21,758,954.88	0.00
2.	Other loans	80,000.00	0.00
		21,838,954.88	0.00
B.	**Current Assets**		
I.	**Receivables and other Assets**		
1.	Other Assets - of which remaining term greater than 1 year EUR 2,068.89 (EUR 0.00)	6,403.89	1,057.37
II.	**Cash on hand, central bank balances, bank balances, and checks**	6,542.07	150,676.79
C.	**Prepaid Expenses**	22,550.51	1,783.75
		21,888,502.35	**153,535.91**

Changes in non-current assets

Non-current assets increased from EUR nil as of 31 December 2021 to EUR 21.8m as of 31 December 2022, reflecting the Contribution in Kind which resulted in a significant increase in our non-current assets. In the prior year, we were a shell company with no assets.

As an investment holding, we consider capital invested and NAV development as our most important KPIs. The following table sets forth our KPI development since we completed the Contribution in Kind.

Company name	Registered Seat	Field of activity (category) / current stage	Shareholding (%)	Capital Invested (EUR)*	Book Value ((EUR)(reported in German GAP)	NAV (EUR)**	Increase from reported book value (%) since uplisting
Limestone Capital AG	Zug, Switzerland	Hospitality / Series A	35.2	788,330	7,902,656	16,759,816	112%
Emerald Stay SA	Geneva, Switzerland	Hospitality / Seed	5.2	568,324	655,752	655,752	N/A
hotelbird GmbH	Munich, Germany	Enabling Technologies / Series A	4.8	499,867	499,867	499,867	N/A
TRIP Drink Ltd.	London, United Kingdom	Consumer / Series A	6.4	1,426,776	6,663,896	6,663,896	N/A
Brother's Bond Distilling Co. LLC	Camden, Delaware United States of America	Consumer / Series A	1.9	815,995	1,044,254	1,044,254	N/A
029-011 Ltd.	London, United Kingdom	Consumer / Pre-Seed	50.0	100,000	4,912,500	4,912,500	N/A

* Reflects historical cost basis of investment at the time of the investment. Reflects approximate historical cost basis of the portfolio at an assumed FX rate of Sterling to Euro of 1.14; an assumed FX rate of USD to EUR of 1.02 and an assumed FX rate of CHF to EUR of 1.03.

** NAV development is an APM and reflects book valuation adjustments as a result of subsequent rounds of financings. NAV development is not reported in line with German GAP.

Changes in current assets

Current assets decreased as of 31 December 2022 compared to the prior year period, mainly as a result of a decrease in cash on hand from EUR 150,676 as at 31 December 2021 to EUR 6,542 as at 31 December 2022, as a result of increased operating expenses, partially offset by an increase in prepaid expenses from EUR 1,783 to EUR 22,550.

B. EQUITY AND LIABILITIES

The following table provides an overview of the Company's equity, provisions and liabilities as of 31 December 2021 and 31 December 2022.

	As at 31 December 2022	**As at 31 December 2021**
	EUR	EUR
A. Equity		
I. Share capital	5,000,000.00	250,000.00
II. Capital reserves	17,048,925.00	0.00
III. Net loss	-768,171.63	-105,903.45
B. Provisions		
A. Other provisions	223,152.44	9,434.00
C. Liabilities		
I. Trade payables - of which remaining term up to 1 year EUR 70,367.27 (EUR 5.36)	70,367.27	5.36
II. Other liabilities - of which taxes EUR 1,840.63 (EUR 0.00) - of which remaining term up to 1 year EUR 314,229.27 (EUR 0.00)	314,229.27	0.00
	384,596.54	5.36
	21,888,502.35	**153,535.91**

Changes in equity	Our subscribed capital and capital reserves as at 31 December 2022 increased to EUR 5 million and EUR 17 million compared to EUR 250,000 and nil as at 31 December 2021, reflecting the capital increase and Contribution in Kind. Changes in equity were also impacted by an increase in net loss for the financial year to EUR 662,268 compared to EUR 21,674 in the prior year period.
Changes in provisions	Other provisions increased to EUR 223,152 as at 31 December 2022 from EUR 9,343 as at 31 December 2021, reflecting provisions related to certain expenses related to the Company's uplisting into the regulated market in October 2022.
Changes in Liabilities	Total liabilities as of 31 December 2022 were EUR 384,597, compared to EUR 5.36 as at 31 December 2021. These mainly reflect increases in trade payables and other liabilities incurred in connection with the uplisting into the regulated market in October 2022, more specifically indebtedness incurred under the Credit Facility provided by Apeiron Investment Group, Ltd.

3. FINANCIAL POSITION

The following table shows the Company´s cashflow statements for the financial year ended 31 December 2022.

			Year ended 31 December 2022	Year ended 31 December 2021
1.		Profit or loss for the period	-662,268.18	-21,674.27
2.	+	Depreciation, amortisation and write-downs of noncurrent assets	1,895.16	0.00
3.	+	Increase in provisions	213,718.44	1,564.00
4.	+	Increase in other assets not attributable to investing or financing activities	-26,754.15	770.20
5.	+	Increase in trade payables	70,361.91	-84.13
6.	+	Increase in other assets not attributable to investing or financing activities	12,187.03	0.00
7.	+	Interest income	632.22	0.00
		Cash flow from the operating activities	**-390,227.57**	**-19,424.20**
8.	-	Cash outflows from investment in intangible assets	-15,946.16	0.00
9.	-	Cash outflows from investment in financial assets	-80,029.88	0.00
10.	+	Interest received	2,068.89	0.00
		Cash flow from the investing activities	**-93,907.15**	**0.00**
11.	+	Cash inflows from equity injection or cash outflows to owners	40,000.00	0.00
12.	+	Cash inflows from issuance of bonds and from short- or long-term borrowings	300,000.00	0.00
		Cash flow from the financing activities	**340,000.00**	**0.00**
13.		Cash-effective changes of cash funds (total cash flows)	-144,134.72	-19,424.20
14.	+	Cash funds at beginning of period	150,676.79	170,100.99
		Cash funds at the end of the period	**6,542.07**	**150,676.79**

Changes in cash flows from operating activities	Cash flows from operating activities was EUR -390,227 in the year ended 31 December 2022. This mainly reflected an increase in operating expenses (including listing expenses related to the uplisting in the regulated market in October 2022) following the initiation of the new business model.
Changes in cash flows from investing activities	Cash flows from investing activities was EUR -93,907 in the year ended 31 December 2022, mainly related to an increase of cash outflows from investments in financial assets of EUR 80,029.
Changes in cash flows from financing activities	Cash flows from financing activities increased from nil to EUR 340,000, mainly as a result borrowings under the Credit Facility.
Cash at Period End	Cash at the end of the period decreased to EUR 6,542 in the year ended 31 December 2022, compared to EUR 150,677 in the prior year period, mainly as a result of higher operational expenses.

4. LIQUIDITY AND CAPITAL RESOURCES

The Company's financing policy is to secure sufficient liquidity to satisfy its operating and strategic financial needs for potential future investments at any point in time.

The Company expects to have sufficient funds available for its ongoing costs for the next years (during which no proceeds from the portfolio companies are currently expected), in particular remuneration for its Managing Director and administrative costs, through the Credit Facility. According to its planning as of the date of this Annual Report, the Company intends to meet its short term and longer term funding requirements – which may arise in case of new investments - through equity or debt funding and has no borrowing requirements.

As 31 December 2022, the Company had drawn approximately EUR 300,000 under the Credit Facility with Apeiron Investment Group Ltd. and had available capacity of approximately EUR 900,000. Whether or not the Company has drawn down the loan facility in full by 31 December 2024, it will only be possible to draw down further loans thereafter with the written consent of Apeiron. Each loan drawn bears interest of 5.5% per annum. Interest shall accrue annually but shall not be payable until the due date of the loan.

The loan shall be repayable upon three months' written notice. Apeiron shall have the right to terminate the Loan Facility Agreement in whole or in part and demand its immediate repayment if there is an important reason or the Company is in default and this could significantly affect the legal or economic position of Apeiron.

The Company is permitted to repay at any time partial amounts of the amount owed of at least EUR 1,000. The proceeds of any capital increase shall be used to repay the amount owed. If the Company incurs additional debts, these must first be used to repay the amount owed.

There are no restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the Company’s operations.

5. SUBSEQUENT EVENTS

There are no material investments of the Company that are in progress or for which firm commitments have already been made.

The Company further made drawdowns under the Credit Facility in the amount of EUR 155,000, with approximately EUR 745,000 of borrowing capacity remaining as of 31 March 2023.

D. FORECAST REPORT

1. ASSUMPTIONS REGARDING ECONOMIC DEVELOPMENT AND THE DEVELOPMENT OF CAPITAL MARKETS

In the next financial year, we expect significant volatility to remain and asset prices to continue to adjust, but we expect to see increasing clarity around the persistence of inflation and the magnitude of central banks' rate-hike cycles. The upcoming quarters will give us improved visibility about the state of the current economic cycle and the health of companies' earnings as well as balance sheets. These factors may drive conviction and boost a new cycle of capital formation. Having said that, any market recovery takes time, and we expect the funding environment to remain precarious as markets are adjusting to a higher cost of capital, which is likely to persist.

The war between Russia and Ukraine and the consequences of Western sanctions are likely to continue to have a negative impact on European and global economic development throughout 2023, particularly if energy and commodity price inflation as a result of the war will persist. In addition, inflation has proven significantly more persistent that expected, with annual target US inflation expected at 4.2% for FY23 and target annual EU inflation now expected at 5.3% as at 31 March 2023. As of that date, the FED base rate was set 5.00% and the EU Central Bank rate was set at 3.0%, far above levels seen over the last 15 years. However, market participants are now expecting inflation to taper off by the end of the year.

Inflation is expected to slow down economic recovery, with the IMF estimating that global growth will fall to 2.9% in 2023, but to rise again to 3.1% in 2024.[26] Global inflation is expected to fall to 6.6% in 2023 and 4.3% in 2024, but still well avove pre-pandemic levels, and we expect that a return to inflationary levels below 2% is unlikely to occur in the near term.[27] For the Eurozone, the IMF expects real GDP growth of 0.7% for 2023, with the German economy barely avoiding a recession, with expected growth of 0.1%.[28]

Consumer confidence has faced significant headwinds as a result of high inflation and the European energy crisis. However, we expect demand for the products and services offered by our portfolio companies to remain resilient given that we mainly target the luxury market and emerging younger consumer markets, where we have not yet seen any material slowdowns in demand. The luxury goods market is expected to continue to benefit from steady growth, with a with a projected 3.47% CAGR from 2023-2027 and a target total market size of USD354.80bn in 2023.[29]

[26] https://www.imf.org/en/Publications/WEO/Issues/2023/01/31/world-economic-outlook-update-january-2023.
[27] https://www.imf.org/en/Publications/WEO/Issues/2023/01/31/world-economic-outlook-update-january-2023.
[28] https://www.imf.org/en/Publications/WEO/Issues/2023/01/31/world-economic-outlook-update-january-2023.
[29] https://www.statista.com/outlook/cmo/luxury-goods/worldwide.

We expect that funding markets (both public and private) will remain very volatile, and recent events such as the Silicon Valley Bank insolvency and banking crisis affecting Credit Suisse and smaller financial institutions in the USA have had a significant effect on private venture funding markets. Barring any macro economic surprises (such as better than expected inflation data or a resolution to the war in the Ukraine), we expect that funding markets remain very challenging in 2023, particularly as many venture funded companies with runway through 2023 or 2024 have deferred fundraising in the hopes of better macro conditions. We believe that our portfolio companies are relatively well positioned on the demand side, but most of our portfolio companies will need to raise capital this year to execute on their growth plans, which may be challenging (if available at all).

Managing burn rates remains a key focus for the years to come for our portfolio companies and is very high on our agenda in our discussions with our portfolio companies. The rising cost of capital is also a key consideration for us when we explore new opportunities, whether starting new incubation projects or evaluating new investments. Prudent capital allocation will very much be a key consideration this year. Any new investments in 2023 will remain dependent on us raising more capital or exiting an investment.

Our assumptions are based on publications government institutions such as the Federal Statistical Office, forecasts by economic research institutes and generally available market information.

2. DEVELOPMENT OF THE COMPANY AND ITS SEGMENTS

We operate as an investment holding focusing on minority investments in venture backed growth companies and therefore have a very limited impact on the day-to-day operations and operating performance of our portfolio companies. We also have historically not generated any operating income, and we expect this to continue in 2023.

As an investment holding, fundamentally our long term objective is to realize gains on our investments, which are impacted by the price at which we invest and the price at which we can sell positions. Both of these factors are influenced by macroeconomic conditions (in particular asset prices and WACC models), our ability to source opportunities and exit positions on attractive terms and underlying macro factors driving demand and pricing for the services and products offered by our portfolio companies. These factors are all difficult to plan and predict, and heavily reliant on changes in economic development and funding markets, over which we have no control.

As a minority investor, we disclose very limited financial and operating information with respect to our portfolio companies and we believe that no undue reliance should be placed on such information as a proxy for the overall success of 029 Group SE.

We also operate in an environment that is subject to constant change. In 2023, we expect to continue to assess on a case by case basis whether to allocate capital to high value potential opportunities. In order to take advantage of such opportunities, we will need to raise capital in the equity or debt markets, which requires a suitable stability and environment for us to raise in 2023, which may not be available to us.

This forecast report has been prepared alongside the Risk and Opportunities Report for a period of one year. This forecast report is subject to a high degree of uncertainty as a result of the factors described in the Risk and Opportunities Report, in particular as we invest into early stage growth companies, which are subject to a significant degree of risk and uncertainty.

HOSPITALITY SEGMENT

We expect Limestone and Emerald Stay to continue to benefit from continued strong demand in the high-end segment of the travel market, particularly as travel from the US and Asia rebounds in the direction of pre pandemic levels. This should result in strong occupancy rates and average daily rates rising in line with general inflation. Both Limestone and Emerald Stay are expected to raise growth capital in 2023 to support their growth plans, which may be challenging and not available on attractive terms, if at all.

ENABLING TECHNOLOGIES

We expect Hotelbird to continue to benefit from a resurgence of the hotel markets in central Europe, particularly Germany, and from the overall digitization process that is underway within hotel chains to optimize efficiency and reduce operational costs.

CONSUMER

We expect our consumer brands to continue to benefit from resilient consumer demand. In particular, we expect TRIP to continue its expansion into new geographical markets in the USA and Europe and Brother’s Bond to continue its US expansion into new States. We also expect Conscious Good to launch its first products in H2 of 2023.

3. OVERALL FORECAST

We believe that our portfolio companies are generally well positioned, even in the current market environment, to continue to execute on their growth plans, although their ability to raise capital and the associated terms will be a critical factor to their success and growth rates.

The individual performance of the investments as well as the sectors is difficult to forecast in terms of both amount and probability of occurrence over time. Accordingly, we use an average assumption and presents this in the Overall Forecast. A down round or a failure to raise capital would negatively impact our NAV forecast for the forecast period.

On a portfolio basis, we expect without unforeseeable market effects our NAV to grow by between 0% and +15% over the forecast period.

This forecast is based on the experience-based fluctuations in global and local economic development, stock prices and company valuations, which depend on a variety of factors as described in the Risk and Opportunities Report below.

For 029 Group SE we do not plan to generate any revenues or income from our current investments in 2023. We expect operational costs to be below the previous year's level and associated cash outflow to be covered by the existing Credit Facility.

E. RISK AND OPPORTUNITIES REPORT

1. INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT SYSTEM RELATED TO THE ACCOUNTING PROCESS

We are an investment holding pursuing a venture capital minority investment strategy. The valuation increases (or decreases) depend entirely on the management of our portfolio companies and their ability to execute on their growth strategy, over which we do not exert control. The hospitality and consumer industries (including supporting technology) are subject to a variety of external and internal risks and opportunities. We try to monitor and evaluate known and potential risks and opportunities with respect to our industries, portfolio companies and operations, and consider the probability of occurrence and the range of potential outcomes, with quantitative analysis where appropriate.

We use a number of different instruments to identify opportunities, risks and potential mitigating measures:

- We prepare an annual financial planning covering operating expenses as well as potential investment outlays, which are reviewed and reported to our Chairman on a monthly basis.

- Runway for working capital and available capacity under the Credit Facility is monitored and reported to our Chairman on a monthly basis.

- Where possible, we aim to take board seats on our portfolio companies. We currently have a board seat at Limestone Capital AG and 029-001 Ltd.

- We aim to check in monthly on operational progress with our portfolio companies through video or telephone conferences and periodically request operational and financial updates, subject to financial information rights that are available to us under the relevant terms of an investment in a portfolio company.

- The Administrative Board aims to meet at least once per quarter where the Managing Director presents an update to the Administrative Board on the matters above.

- The Company's accounting is performed externally by a tax consulting firm. The annual financial statements in accordance with commercial accounting principles are also prepared by this tax consulting firm.

- All information relevant to accounting is directly available to the managing director, as he is involved in the day-to-day business. The managing director actively monitors the effects on accounting through his involvement in day-to-day business. In this way, we can ensure with reasonable assurance that the annual financial statements are prepared in accordance with the statutory requirements.

2. RISKS RELATED TO THE COMPANY AND OUR OPERATIONS

This category includes the main risks associated with our business model and operating strategy. As an investment holding pursuing a minority investment strategy, our objective is to realize an increase in value of our investments from the time of the investment until a possible later sale of this investment. We are exposed to significant risks, in that our investment may perform poorly, as a result of which we may be required to exit investments at amounts lower than our initial investment or even may be required to completely write it off if the investment fails. Venture investments have a very high failure rate based on historical data sets and the risks outlined below should be evaluated from this basic premise.

BUSINESS MODEL & STRATEGY RISKS

We aim to create value by providing support to the long-term development of a profitable business of our portfolio companies which may enable them to distribute dividends. However, early stage companies such as the ones we invest typically do not generate profits or reinvest those in further growth so dividend distributions are highly unlikely to be a source of income for us in the near or medium term. Furthermore, we strategically aim to participate in new financing rounds of our existing portfolio companies and invest in or incubate new companies primarily financed by raising further capital or reinvesting dividends received from or gains realized on the sale of interests in portfolio companies. Accordingly, our success is significantly dependent on our ability to raise further capital from investors to execute our strategy as we do not generate any revenues until we are able to exit a position, which may not be available on attractive terms or at all.

The implementation of our strategy will have a significant effect on our success. While we believe that we will be in a position to identify and attract opportunities and investment in line with our strategy, there is no guarantee that such opportunities will present themselves or present themselves within adequate timeframes. Our inability to implement our strategy within envisaged timeframes might result e.g. from an insufficient number of investment opportunities being available at attractive terms due to market conditions, competition from other investors or other factors, or our failure to identify such investment opportunities.

MINORITY PARTICIPATION RISKS

As we pursue a minority investment strategy, we typically aim to secure appropriate shareholder rights pursuant to the terms of our investments (including anti-dilution protections such as pro rata rights, board (observer) rights, financial information rights and blocking and other protective governance measures). However, fundamentally we do not exert control over portfolio companies or are otherwise involved in the day-to-day management of these businesses. In addition, as a minority investor in privately held companies we are typically subject to limitations on sales (such as drags, tags and transfer restrictions) and other shareholders may outvote us on important decisions or even take decisions that our not in our interest. This may expose us to poor performance, which in turn may impede our ability to raise capital and execute on our strategy.

PORTFOLIO CONCENTRATION RISKS

We currently have a portfolio of six companies, and are therefore exposed to concentration risk, in particular with respect to our investment in Limestone Capital AG, which is the most significant investment in our portfolio. Poor performance of a specific portfolio company, and Limestone Capital AG in particular, may therefore have a significant impact on our results and prospects.

KEY PERSONNEL RISKS

Our ability to execute on our strategy and raise further capital is also dependent on the relationships, skills, expertise and experience of the members of its management team, in particular on the currently sole managing director of the Company (*Geschäftsführender Direktor*) ("Managing Director") and the members of the administrative board (*Verwaltungsrat*) ("Administrative Board"), in particular on the access to their networks. The loss of their services or the Company's inability to attract and retain additional key personnel could impair the Company's operations and growth.

DUE DILIGENCE RISKS

As an investment holding, we are exposed to due diligence risks. Whereas we aim to conduct due diligence which we deem reasonable and appropriate based on the facts and circumstances applicable to each investment and engage external advisors as appropriate, our due diligence processes may not uncover all relevant facts and circumstances related to a potential investment, which may result in adverse investment decisions.

RISKS RELATING TO LONG-TERM PORTFOLIO

We employ a venture capital investment strategy where we hold investments for longer time periods (typically between five and ten years). These longer time periods therefore require us to raise sufficient capital (whether debt or equity) to ensure that we have sufficient liquidity to cover our operational expenses and other liabilities.

INVESTMENT RISKS

We are also exposed to investment risk, in that we may not be able to generate profits on our investments and may lose part of all of our initial investment. We report our current capital invested as we believe this is helpful for investors to understand the value progression in our portfolio and may consider reporting on additional metrics in the future, but such measures should not be considered as a substitute for audited financial measures and no undue reliance should be placed on them. We calculate these measures based on valuations achieved at the latest financing rounds, and these valuations may fluctuate and not be necessarily indicative about the return we may realize on an exit. Our ability to generate profits is also significantly affected at the entry price levels at which we invest, which we may not assess accurately and are also significantly affected by asset pricing levels in private funding markets which fluctuate as a result of macroeconomic factors over which we have no control.

FINANCING RISKS

We are an investment company focused on long term illiquid investments held on our balance sheet until an exit occurs and we do currently not generate any operating income. Accordingly, in the past we generated a net loss from operations, meaning that there were only costs and no turnover or other form of income, and will continue to have operational costs with any incoming cash flows from exits being uncertain. We intend to finance operational costs by drawdowns under the Credit Facility. According to current planning, the Company's financing is secured beyond the next 12 months. The company assumes that it will be able to cover its capital requirements beyond this period until proceeds are generated from its existing investments by raising equity or debt capital. Should this not succeed, the further development of the company would be impaired and existing investments might have to be sold prematurely. The Company’s future profits will be significantly dependent on its ability to realize gains - mainly by an exit - and impairments on investments may have a material adverse impact on our reported net income.

LIMITED FINANCIAL INFORMATION RISKS

Our minority participations are not consolidated in our financial statements pursuant to applicable accounting rules and standards, predominantly German GAP. Therefore, the revenues and expenses of our portfolio companies are not and will not be reflected in our statement of comprehensive income, nor indirectly through the valuation of the investment in the balance sheet item “financial assets” of our financial statements. Accordingly, potential investors in our shares will effectively have no access to meaningful underlying financial information on our portfolio companies. Accordingly, the financial information on the Company’s portfolio companies may be limited or unreliable and not accurately reflect the results of operations, financial condition, and prospects of such portfolio companies.

3. RISK AND OPPORTUNITIES RELATING TO THE ECONOMIC DEVELOPMENT OF OUR PORTFOLIO COMPANIES

RISKS RELATING TO ECONOMIC SUCCESS OF OUR PORTFOLIO COMPANIES

As an investment company, our economic success depends entirely on the performance and success of our portfolio companies as we look to generate profits from selling participations at a profit relative to the price we invested in. We have only limited influence on these factors. The success of a portfolio company depends to a large extent on the competence of its management, which may not deliver as anticipated or may leave and may not be adequately replaced in a timely manner. In addition to factors specific to the respective portfolio company, external circumstances such as general economic developments, industry-specific factors, and the situation on the financial markets, as well as geopolitical events, also have a significant influence on price formation. The most important factor for price formation is likely to be the economic development of the Portfolio Companies in each case between entry and exit, over which we have very limited control.

EARLY STAGE COMPANIES RISKS

We typically invest in early stage companies which offer significant return potential but are also subject to specific risks. There is no guarantee that the portfolio companies will be successful with their respective strategies or that services and products offered will effectively establish themselves in the market or have sustainable economic success. In addition, companies at an early stage are often subject to the risk that the product idea cannot be turned into a functioning product. Furthermore, it is uncertain whether the market entrance of a functioning product can be implemented successfully. Even if a product is launched in a market, it is uncertain whether a sufficient market share can be achieved. In addition, competition for early stage companies and their products and/or services is usually intense and larger competitors with significantly larger resources, may use such resources to overtake services and products of the portfolio companies in or otherwise impair the services and products, in particular be substituting or completely squeezing them out of the market.

Early stage companies often have difficulties to source and/or retain appropriately skilled personnel, in particular because they may not have the financial resources to compete with the salary and other incentivization packages offered by their competitors.

There is no certainty that any of our portfolio companies will generate any, or any significant, returns for their shareholders (including for us) or that we will be able to secure a profitable exit

FUNDING MARKET RISKS

Early stage companies are also heavily dependent on funding markets to execute on their growth strategies as they typically have significant and often short-term capital requirements to finance their growth and expansion. Particularly in early stages, start-up companies have limited financial resources. If any necessary (follow-up) financing is not successful, the portfolio company could become insolvent, even within a relatively short period of time. There is a risk that a portfolio company might require more funding than expected to realize its respective business model or to successfully launch new products or services on the market. The Company could be forced to undertake unplanned additional financing of the respective portfolio company in order to preserve the value of its investment. In order to curb the significant rise in inflation rates which has occurred in the second quarter of 2022 in numerous countries worldwide, in particular as a consequence of the economic impact of the armed conflict between Russia and Ukraine as a result of the Russian invasion of Ukraine on 24 February 2022 (“Ukraine War”) and the COVID-19 pandemic, numerous central banks, such as the European Central Bank and the U.S. Federal Reserve (FED) have recently raised their benchmark interest rates. These raises as well market expectations of further raises resulted in an increase of the cost of capital and significant asset price adjustments in both public and private markets and made private funding markets contract significantly.

Accordingly, funding may not be available on acceptable terms or at all to our portfolio companies, which would have an adverse impact on their ability to execute on their growth strategy.

COMPETITION RISKS

The main competitors of our portfolio companies are companies with a focus on hospitality, enabling technologies and consumer brands. Competition in these markets is intense and our 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 our portfolio companies.

4. RISKS RELATING TO MACRO FACTORS

DISRUPTIONS AND OTHER DECLINES IMPACTING THE TRAVEL AND HOSPITALITY SECTOR

The economic development our portfolio companies which are active in the hospitality sector depends to a significant extent on the strength of the travel and hospitality industries. Over the last three years the outbreak of COVID-19 has caused many governments to implement quarantines and significant restrictions on travel, which has had a particularly negative impact on cross-border travel. In addition, most airlines suspended or significantly reduced their flights during this period, further decreasing travel options. This has led to an unprecedented decrease in bookings and an increase in cancellations in the travel and hospitality industry during this period. The extent and duration of future outbreaks remains uncertain and is dependent on future developments that cannot be accurately predicted at this time.

Other events beyond the control, such as unusual or extreme weather or natural disasters, and travel-related health concerns including pandemics and epidemics, restrictions related to travel, trade or immigration policies, wars, terrorist attacks, sources of political uncertainty, protests, foreign policy changes, regional hostilities, imposition of taxes or surcharges by regulatory authorities, changes in regulations, policies, or conditions related to sustainability, including climate change, work stoppages, labor unrest or travel-related accidents can disrupt travel globally or otherwise result in declines in travel and hospitality demand.

DISCRETIONARY CONSUMER SPENDING RISKS

Our portfolio companies focus on the hospitality and lifestyle sectors, which depends to a significant extent on the levels of discretionary consumer spending. Some of the factors that have an impact on discretionary consumer spending include general economic conditions, global or regional recessions, unemployment, consumer debt, inflation - as currently observed around the world as a result of the Ukraine War - fluctuations in exchange rates, taxation, energy prices, interest rates, consumer confidence and other macroeconomic factors. Consumer preferences tend to shift to lower-cost alternatives during recessionary periods and other periods in which disposable income is adversely affected, which could lead to a decline in the demand for the products and services offered by our portfolio companies, and thus result in lower revenue, which might result in declines or even insolvencies of individual or several of the Portfolio Companies.

ECONOMIC RISKS

The economic success of the Company is primarily dependent on the price at which it can invest in portfolio companies, the positive development of the portfolio companies and the sales proceeds that can be achieved in the event of an exit. The purchase price is determined to a considerable extent by the respective economic environment and the financial market environment. In general boom phases, there is a risk that investments are made at a price that only allows for a limited or no increase in value. In a weak environment, on the other hand, the opportunities to sell the investments may be limited. Furthermore, in such an environment, our ability to raise further equity or debt capital may not be possible or may be limited. Thus, our economic success is highly dependent on the general economic development, the development of the industries in which the company's portfolio companies are active, the development of the financial markets, but also, in particular, on the specific development risks of growth companies in general and our portfolio companies specifically.

The economic environment and the state of the investment and venture capital market as well as the capital markets at the time of the sale of a portfolio company have a significant influence on the time chosen for the sale and the possible proceeds from the sale. In addition to company-specific factors, external circumstances such as the general economic development, industry-specific factors and the condition of the financial markets have a significant impact on the pricing. Weak capital markets and a negative economic environment can have a negative impact on the achievable proceeds from the sale of investments. In particular due to the Ukraine War and the ongoing effects of the COVID-19-pandemic, inflation increases and currently there is the risk of a recession in the global economy and the European and German economies.

5. COMPLIANCE & RISKS RELATED TO OUR SHAREHOLDING STRUCTURE

RISKS RELATING TO OUR INTERNAL CONTROLS

Under German corporate law, the management of a stock company (*Aktiengesellschaft*) is responsible for maintaining adequate internal controls, among other things, over financial reporting. As a *societas europae*, the Company is subject to most of the regulations of the German Stock Corporation Act (*Aktiengesetz* – “AktG”), including the aforementioned responsibility. In line with this requirement, we are required to implement an internal control system and risk management system that is appropriate and effective in view of the scope of the Company's business activities and its risk exposure in order to enable us to identify and manage material and legal risks at an early stage and to mitigate risks as much as possible. If we fail to implement effective controls, we may be required to enhance our control framework which would expose us to significant compliance costs. We may also not be able to identify all risks associated with a particular operation; management may also misinterpret the results of the risk management and reporting system. This could result in the presentation of inaccurate financial information, which may expose the

Company to legal, regulatory and civil costs or penalties as well as reputational harm.

REGULATORY RISKS

On 8 June 2011, the Directive on Alternative Investment Fund Managers (so-called AIFM) was adopted by the European Parliament and the European Council. The Directive has been implemented into national law on 22 July 2013 in the form of the so-called *Kapitalanlagegesetzbuch* (“KAGB”).

The Company is an investment company for minority shareholdings. As such, it does not qualify as an investment fund within the meaning of the KAGB according to the administrative practice of BaFin which exempts companies whose shares are listed on a stock exchange from the scope of the law to the knowledge of the Company.

The introduction of new supervisory and regulatory obligations as well as the further tightening of existing regulatory provisions or the adoption of a possibly existing regulatory obligation by the competent supervisory authorities, for example as a result of a change in the administrative practice or European or German law, might result in the Company’s business activities requiring a license or otherwise becoming regulated pursuant to applicable law. This would result in increased costs of the Company or might lead to a partial or complete restriction of the Company's business activities.

OWNERSHIP CONCENTRATION RISK

On 14 May 2022 Apeiron acquired 250,000 shares in the Company which corresponded to 100% of the issued shares of the Company.

On 2 September 2022 Apeiron's shareholding in the Company fell below 50% by sale of shares.

Apeiron currently owns approx. 37.19% of the Company’s share capital and voting rights and therefore has significant influence over the Company. The interests of Apeiron may deviate from the Company’s interests or those of other shareholders of the Company. In light of expected attendance at the Company’s shareholders’ meeting, the size of Apeiron’s stake may result in a position of Apeiron to pass shareholder resolutions, e.g. to determine the allocation of profit and therefore the Company’s dividend policy and also adopt certain resolutions on other significant matters, such as amendments to the Company's articles of association, the election of members of the Administrative Board of the Company or capital measures. The stake of Apeiron may have the effect of making certain transactions more difficult or impossible without its support and may have the effect of delaying, postponing or preventing certain major corporate actions, including a change of control in the Company, and could thus prevent mergers, consolidations, acquisitions or other forms of combination that might be advantageous for investors**.**

6. OPPORTUNITIES

We continue to so see opportunities for a new generation of founders and entrepreneurs aiming to build the next generation of hospitality and lifestyle businesses and brands. We see new patterns of life, work and leisure emerging and accelerating from the pandemic and post-pandemic experience on individual, collective and technological fronts, creating new opportunities in hospitality and lifestyle for innovation-driven entrepreneurship with a strong community focus. We believe that this trend will continue as a new generation of consumers across millennials and Generation Z continues to emerge and constitute and increasing proportion of total consumer spending.

Challenging macro economic conditions can also provide opportunities for emerging companies as incumbents reduce investment capex or face issues with existing financing overhang, providing opportunities for nimble competitors to emerge and step in.

In addition, challenging funding markets may also provide opportunities for us to invest on attractive valuation entry points, which in the long term can result in better returns provided we are able to exit on attractive terms.

7. CONCLUSION

Our main risks are that we do not generate any operating income and are dependent on funding markets to raise more capital to execute on our business plan. In addition, we depend on credit financing provided by Apeiron to fund our operating expenses until we raise additional capital. Any insolvency or inability of Apeiron to pay would have a material impact on our ability to fund our operating expenses. As an investment holding focusing on minority investments in growth companies, we have limited control over the operations of our portfolio companies and our portfolio companies are heavily dependent on the availability of funding in private markets, which may not be available on attractive terms or at all. Macroeconomic factors may also affect our ability to exit investment on attractive terms or at all.

These risks are in part offset by the continuing opportunities that we see for emerging entrepreneurs building next generation businesses and the opportunities that are created by more challenging macro conditions as well as to allow us to invest at more attractive valuations on new opportunities that we identify.

F. CORPORATE GOVERNANCE STATEMENT PURSUANT TO § 289F GERMAN COMMERCIAL CODE (HGB)

The Corporate Governance Statement of 029 Group SE to be issued pursuant to Section 289f of the German Commercial Code (HGB), which includes in particular the Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act (AktG), disclosures on significant corporate governance practices, as well as a description of the working methods of the Managing Director and the Administrative Board, and the corporate governance report, can be accessed at:

German:
https://www.029-group.com/de/investor-relations

English:
https://www.029-group.com/investor-relations

G. TAKEOVER STATEMENT DISCLOSURES IN ACCORDANCE WITH § 289A OF THE GERMAN COMMERCIAL CODE (*HGB*)

As a listed company whose voting shares are listed on an organized market within the meaning of § 2 para. 7 of the German Securities Acquisition and Takeover Act (*WpÜG*), namely on the Regulated Market (*regulierter Markt*) of the Düsseldorf Stock Exchange (*Börse Düsseldorf*) and of the Munich Stock Exchange (*Börse München*) the Company is obliged to disclose the information specified in § 289a para. 1 HGB in the Management Report.

1 . COMPOSITION OF THE SUBSCRIBED CAPITAL (§ 289A SENTENCE 1 NO. 1 HGB)

As of 31 December2022 the subscribed capital of 029 Group SE amounted to EUR 5,000,000, divided into 5,000,000 no-par value bearer shares with a pro rata amount of the Company's share capital of EUR 1.00 each. There are no different classes of shares. The shares each carry full dividend rights.

2. RESTRICTIONS AFFECTING VOTING RIGHTS OR THE TRANSFER OF SHARES (§ 289A SENTENCE 1 NO. 2 HGB)

The shareholders of the Company are not restricted in their decision to acquire or sell shares either by German law or by the Company's Articles of Association. The acquisition and sale of shares do not require the approval of the Company's corporate bodies in order to be effective. The Company is not aware of any restrictions relating to the transferability of shares other than the contractual lock-up entered into by Apeiron in connection with the uplisting in the regulated market.

Each share grants one vote at the General Meeting. Shareholders' voting rights are not subject to any restrictions either by law or under the Company's Articles of Association. Voting rights are not limited to a specific number of shares or a specific number of votes. All shareholders who have registered in good time for the General Meeting and provided evidence of their right to attend the General Meeting and to exercise their voting rights are entitled to cast votes from all the shares they hold and have registered. Only the statutory prohibitions on voting rights apply (e.g., § 136 AktG).

3. SHAREHOLDINGS EXCEEDING TEN (10) PERCENT OF VOTING RIGHTS (§ 289A SENTENCE 1 NO. 3 HGB)

To the knowledge of the Company, as of 31 December 2022 the following direct and indirect shareholdings in the capital of 029 Group SE exceeded the threshold of 10.00 percent of the voting rights:

- Christian Angermayer, indirectly through Apeiron Investment Group Ltd., Sliema, Malta as direct shareholder.
- Pierre Maliczak, indirectly through Springwell Holding Limited, Mosta*,* Malta, Altarius Holdings Limited, Mosta*,* Malta, Altarius Asset Management Limited, Mosta*,* Malta, and, as direct shareholder, ALTA-GATEWAY SICAV PLC - Global Equities Impact Fund, Mosta*,* Malta.

4. HOLDERS OF SHARES WITH SPECIAL RIGHTS CONFERRING POWERS OF CONTROL (§ 289A SENTENCE 1 NO. 4 HGB)

As of 31 December 2022 no shares with special rights conferring powers of control had been issued.

5. VOTING RIGHTS CONTROL FOR EMPLOYEE SHAREHOLDINGS (§ 289A SENTENCE 1 NO. 5 HGB)

No control of voting rights is provided for in case that employees participate in the capital of the Company and do not directly exercise their rights of control.

6. STATUTORY PROVISIONS AND PROVISIONS OF THE ARTICLES OF ASSOCIATION CONCERNING THE APPOINTMENT AND DISMISSAL OF MANAGING DIRECTORS AND CONCERNING AMENDMENTS TO THE ARTICLES OF ASSOCIATION (§ 289A SENTENCE 1 NO. 6 HGB)

Pursuant to the Articles of Association the Company has one or more Managing Directors. Members of the Administrative Board may be appointed as Managing Directors, provided that the majority of the Administrative Board continues to consist of non-executive members. Managing Directors may be dismissed at any time by decision of the Administrative Board.

Unless mandatory legal provisions require otherwise, amendments to the Articles of Association require a two-thirds majority of the votes cast or - if at least half of the share capital is represented - a simple majority of the votes cast. If the law requires a capital majority in addition to the voting majority for resolutions of the General Meeting, a simple majority of the share capital represented at the passing of the resolution shall suffice, if legally permitted.

7. AUTHORIZATIONS OF THE ADMINISTRATIVE BOARD, IN PARTICULAR WITH REGARD TO THE POSSIBILITY OF ISSUING OR REPURCHASING SHARES (§ 289A SENTENCE 1 NO. 7 HGB)

The Administrative Board is authorized until 17 August 2027 to increase the share capital of the Company once or several times up to a total of EUR 2,500,000 for cash and/or contributions in kind by issuing new no-par bearer shares (Authorized Capital 2022). The Administrative Board is authorized to exclude the statutory subscription right of shareholders in certain cases. The corresponding amendment of the Articles of Association was registered with the Commercial Register on 17 August 2022.

As of 31 December 2022 the Company had no contingent capital.

As of 31 December 2022 no authorization for the Administrative Board to acquire treasury shares was in place.

8. SIGNIFICANT AGREEMENTS OF THE COMPANY WHICH ARE SUBJECT TO THE CONDITION OF A CHANGE OF CONTROL AS A RESULT OF A TAKEOVER BID, AND THE EFFECTS RESULTING THEREFROM (§ 289A SENTENCE 1 NO. 8 HGB)

As of 31 December 2022 no significant agreements of the Company which are subject to the condition of a change of control had been concluded.

9. COMPENSATION AGREEMENTS WITH MEMBERS OF THE ADMINISTRATIVE BOARD, MANAGING ABH#NGOIDIRECTORS OR WITH EMPLOYEES BEING TRIGGERED IN CASE OF A TAKEOVER BID (§ 289A SENTENCE 1 NO. 9 HGB)

As of 31 December 2022 no compensation agreements with members of the Administrative Board, managing directors or with employees being triggered in case of a takeover bid had been concluded.

H. DEPENDENCY REPORT

The Company was a dependent company within the meaning of § 17 Abs 2 AktG of Apeiron Investment Group Ltd., Sliema, Malta, from 14 May 2022 (start of dependency) to 2 September 2022 (end of dependency). The report of the Managing Director on relations with affiliated companies pursuant to Article 9 (1) lit. c) ii) SE Regulation in conjunction with § 312 AktG for the financial year 2022 which has been submitted closes with the following statement:

> *In the legal transactions and measures listed in this report on relations with affiliated companies, the Company received appropriate consideration for each legal transaction according to the circumstances known to the Managing Directors at the time the legal transactions were carried out or the measures were taken or omitted, and has not been disadvantaged by the fact that measures were taken or omitted.*

Berlin, 25 April 2023

029 Group SE
Managing Director

Lorin Van Nuland

3. Financial Statements

3.1 INCOME STATEMENT FOR 1 JANUARY - 31 DECEMBER 2022

	Year ended 31 December 2022	Year ended 31 December 2021
	EUR	EUR
1. Personnel expenses		
a) Wages and salaries	24,000.00	0.00
b) Social security costs and expenses related to pension plans and for support	151.89	0.00
	24,151.89	0.00
2. Depreciation and amortization		
a) Of noncurrent intangible assets and property, plant and equipment	1,895.16	0.00
3. Other operating expenses		
a) Occupancy costs	9,076.87	2,365.95
b) Insurance premiums, fees and contributions	611.85	684.39
c) Cost of third-party repairs and maintenance	2,818.07	0.00
d) Advertising and travel expenses	152,991.67	0.00
e) Miscellaneous operating costs	470,090.45	18,623.93
	635,588.91	21,674.27
4. Income from other securities and long-term loans	2,068.89	0.00
5. Interest and similar expenses	2,701.11	0.00
7. Net loss for the financial year	-662,268.18	-21,674.27
8. Accumulated losses brought forward	-105,903.45	-84,229.18
9. Net loss	**-768,171.63**	**-105,903.45**

3.2 BALANCE SHEET AS AT 31 DECEMBER 2022

ASSETS

	Financial Year EUR	Prior Year EUR
A. Noncurrent assets		
I. Intangible fixed assets		
1. Purchased licences, trademarks and similar rights and values as well as licenses to such rights and values	14,051.00	0.00
II. Long-term financial assets		
1. Other long-term equity investments	21,758,954.88	0.00
2. Other loans	80,000.00	0.00
	21,838,954.88	0.00
B. Current assets		
I. Receivables and other assets		
1. Other assets - of which remaining term greater than 1 year EUR 2,068.89 (EUR 0.00)	6,403.89	1,075.37
II. Cash on hand, central bank balances, bank balances, and checks	6,542.07	150,676.79
C. Prepaid expenses	22,550.51	1,783.75
	21,888,502.35	**153,535.91**

TOTAL EQUITY AND LIABILITIES

	As at 31 December 2022 EUR	As at 31 December 2021 EUR
A. Equity		
I. Share capital	5,000,000.00	250,000.00
II. Capital reserves	17,048,925.00	0.00
III. Net loss	-768,171.63	-105,903.45
B. Provisions		
I. Other provisions	223,152.44	9,434.00
C. Liabilities		
I. Trade payables - of which remaining term up to 1 year EUR 70,367.27 (EUR 5.36)	70,367.27	5.36
II. Other liabilities - of which taxes EUR 1,840.63 (EUR 0.00) - of which remaining term up to 1 year EUR 314,229.27 (EUR 0.00)	314,229.27	0.00
	384,596.54	5.36
	21,888,502.35	**153,535.91**

3.3 CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

			Year ended 31 December 2022	Year ended 31 December 2021
			EUR	EUR
1.		Profit or loss for the period	-662,268.18	-21,674.27
2.	+	Depreciation, amortisation and write-downs of noncurrent assets	1,895.16	0.00
3.	+	Increase in provisions	213,718.44	1,564.00
4.	+	Increase in other assets not attributable to investing or financing activities	-26,754.15	770.20
5.	+	Increase in trade payables	70,361.91	-84.13
6.	+	Increase in other assets not attributable to investing or financing activities	12,187.03	0.00
7.	+	Interest income	632.22	0.00
		Cash flow from the operating activities	**-390,227.57**	**-19,424.20**
8.	-	Cash outflows from investment in intangible assets	-15,946.16	0.00
9.	-	Cash outflows from investment in financial assets	-80,029.88	0.00
10.	+	Interest received	2,068.89	0.00
		Cash flow from the investing activities	**-93,907.15**	**0.00**
11.	+	Cash inflows from equity injection or cash outflows to owners	40,000.00	0.00
12.	+	Cash inflows from issuance of bonds and from short- or long-term borrowings	300,000.00	0.00
		Cash flow from the financing activities	**340,000.00**	**0.00**
13.		Cash-effective changes of cash funds (total cash flows)	-144,134.72	-19,424.20
14.	+	Cash funds at beginning of period	150,676.79	170,100.99
		Cash funds at the end of the period	**6,542.07**	**150,676.79**

3.4 EQUITY SCHEDULE AS AT 31 DECEMBER 2022

	Share Capital Common Stock	Additional Paid-in Capital	Net loss	Total Equity
	EUR	EUR	EUR	EUR
Balance at January 1, 2021	**250,000**	**0**	**-84,229**	**165,771**
Net loss for the year	0	0	-21,674	-21,674
Balance at December 31, 2021	**250,000**	**0**	**-105,903**	**144,097**
Balance at January 1, 2022	**250,000**	**0**	**-105,903**	**144,097**
Capital increase	4,750,000	17,048,925	0	21,798,925
Net loss for the year	0	0	-662,269	-662,269
Balance at December 31, 2022	**5,000,000**	**17,048,925**	**-768,172**	**21,280,753**

3.5 NOTES TO THE FINANCIAL STATEMENTS AS AT 31. DECEMBER 2022

GENERAL INFORMATION ON THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements of 029 Group SE was prepared based on the accounting rules of the German Commercial Code (Handelsgesetzbuch, HGB).

The provisions of the German Stock Corporation Act (AktG) and the SE-Implementation Act (SEAG) also had to be observed in addition to the above regulations.

Information that can be given either on the balance sheet, in the income statement or in the notes to the financial statements is mostly given in the notes.

For the income statement, the total cost method according to Section 275 para. 2 of the German Commercial Code was chosen.

According to the size categories stated in Section 267 para. 3 sent. 2 of the German Commercial Code, the company is a large corporation.

The annual financial statements of the company were prepared in German and EURO in accordance with Section 244 of the German Commercial Code.

GENERAL INFORMATION ABOUT THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements were prepared in accordance with the provisions of Sections 242 ff. of the German Commercial Code in compliance with the supplementary provisions for large corporations.

INFORMATION IDENTIFYING THE COMPANY ACCORDING TO THE REGISTRY COURT

Company name according to registry court:	029 Group SE
Registered company seat according to registry court:	Berlin
Registry entry:	Handelsregister
Registry court:	Berlin (Charlottenburg)
Registry court number:	HRB 200678 B

DISCLOSURES ON ACCOUNTING POLICIES

ASSETS

Noncurrent assets

Purchased intangible assets were recognized at cost; finite-lived intangible assets are amortised.

Depreciation and amortisation is charged using the straight line on the basis of the expected useful life of the assets.

In the case of a permanent asset impairment, extraordinary write-downs are made.

Investments are recognized at the acquisition cost or at the lower fair value.

Other loans are recognized at the nominal value or at the lower fair value.

Current assets

Other assets are stated at the nominal value or at the lower fair value at the balance sheet date. Receivables for which there is a significant risk of uncollectibility are written down on a case-by-case basis, while uncollectible receivables are written off. Liquid assets are recognized at nominal value.

Deferred expenses include expenses that represent expenses after the reporting date.

Deferred tax assets are not reported, making use of the option under Section 274 of the German Commercial Code. The deferred tax assets result from the tax loss carryforward.

TOTAL EQUITY AND LIABILITIES

Equity	The subscribed capital and the capital reserve pursuant to Section 272 para. 2 of the German Commercial Code are stated at nominal value.
Provisions	Other provisions take into account all identifiable risks and contingent liabilities and are recognized at the settlement amount in accordance with prudent business judgment.
Liabilities	Liabilities are recognized at their settlement amount.

ACCOUNTING POLICIES

Accounting policies that have changed as against the prior year	For the annual financial statement the previously applied accounting policies were essentially adopted.

BALANCE SHEET DISCLOSURES

STATEMENT OF CHANGES IN FIXED ASSETS FOR INDIVIDUAL ITEMS OF FIXED ASSETS

The development of the individual fixed assets is shown in the following fixed assets schedule:

Fixed Asset Schedule as at 31 December 2022

		acquisition-, production- cost 01/01/2022 EUR	additions EUR	disposals EUR	transfers EUR	acquisition-, production- cost 31/12/2022 EUR	accumulated depreciations 01/01/2022 EUR	depreciations financial year EUR	depreciation EUR	transfers EUR	accumulated depreciations 31/12/2022 EUR	write-ups financial EUR	book value 31/12/2022 EUR
A.	Noncurrent assets												
I.	Intangible fixed assets												
1.	Purchased licences, trademarks and similar rights and values as well as licenses to such rights and values	0.00	15,946.16			15,946.16	0.00	1,895.16			1,895.16		14,051.00
	Total intangible fixed assets	**0.00**	**15,946.16**			**15,946.16**	**0.00**	**1,895.16**			**1,895.16**		**14,051.00**
II.	Long-term financial assets												
1.	Other long-term equity investments	0.00	21,758,954.88			21,758,954.88	0.00				0.00		21,758,954.88
2.	Other loans	0.00	80,000.00			80,000.00	0.00				0.00		80,000.00
	Total financial assets	**0.00**	**21,838,954.88**			**21,838,954.88**	**0.00**				**0.00**		**21,838,954.88**

Other assets

Other assets relate to recognized interest on loans as of the reporting date in the amount of EUR 2,068.89 (previous year: EUR 0.00), which will be due at the end of the term on 30 September 2027. In addition, a security deposit of EUR 4,335.00 (previous year: EUR 0.00) in connection with an office lease in Berlin is recognized.

Other assets have a remaining term of more than one year (security deposit) or a remaining term of more than 5 years (interest).

DISCLOSURES ON SHARE CLASSES

Share capital

The share capital of 029 Group SE amounts to EUR 5,000,000.00 as of 31 December 2022 (previous year: EUR 250,000.00) and is divided into 5,000,000 no-par value bearer shares with a notional share in the share capital of EUR 1.00 per share. By resolution of the General Meeting on 10 August 2022, the share capital was increased by EUR 4,750,000 by issuing new no-par value bearer shares with a notional share in the share capital of EUR 1.00 each and with profit entitlement from the beginning of the financial year in which the capital increase was registered. The shareholders' statutory subscription rights were excluded. The contribution obligation was fulfilled by a contribution in kind of an investment portfolio.

Disclosures on authorised capital

By resolution of the General Meeting on 10 August 2022, the Board of Directors is authorized to increase the share capital of the company once or several times by a total up to EUR 2.500.000.00 against cash contributions and/or contributions in kind until 17 August 2027. (Authorized Capital 2022/I.)

Disclosures on authorised capital

By resolution of the General Meeting on 10 August 2022, the Board of Directors is authorized to increase the share capital of the company once or several times by a total up to EUR 2.500.000.00 against cash contributions and/or contributions in kind until 17 August 2027. (Authorized Capital 2022/I.)

Change in capital reserves	The capital increase in the total amount of EUR 17,048,925.00 was provided as follows: Insofar as the contribution value of the contributed investment portfolio exceeded the issue amount of the new shares granted in return as part of the resolved capital increase of EUR 4,750,000.00 this difference of EUR 17,008,925.00 was transferred to the capital reserve. Furthermore, an additional payment of EUR 40,000.00 was made to the capital reserve.
Disclosures on and explanations of provisions	Other provisions mainly relate to the preparation of the annual financial statements and audit costs as well as financial accounting costs and have a remaining term of up to one year.
Disclosures on and explanations of liabilities	Liabilities mainly consist of trade accounts payables in the amount of EUR 70,367.27 (previous year: EUR 5.36) and other liabilities in the amount of EUR 314,229.27 (previous year: EUR 0.00), each with a remaining term of up to one year. The other liabilities consist of a loan to Apeiron Investment Group Ltd. in the amount of EUR 302,701.11 (previous year: EUR 0.00) under a EUR 1,200,000.00 creditor facility, which bears interest at a rate of 5.5% per annum based on the nominal amount of the loan funds provided, and a clearing account in the amount of EUR 9,687.53 (previous year: EUR 0.00). In addition, there are liabilities to the tax office from VAT payable in the amount of EUR 1,840.63 (previous year: EUR 0.00).

INCOME STATEMENT DISCLOSURES

Classification of sales	No sales were generated in the reporting period.
Other operating expenses	Other operating expenses mainly consist of advertising expenses of EUR 151,303.56 (previous year: EUR 0.00) for the promotion of the shares resulting from the uplisting in the regulated market as well as legal and consulting expenses in the amount of EUR 259,860.98 (previous year: EUR 0.00) and mainly related to the uplisting in the regulated market.
Income from loans held as financial assets	Interest income mainly results from the interest on the convertible bond of 7.00% per annum, based on the nominal amount of the loan funds provided, whereby the interest is calculated on a daily basis according to the 30/360 interest rate method.

Interest and similar expenses	Interest expenses mainly result from interest expenses for the loan from Apeiron Investment Group Ltd., whereby the individual amounts drawn down bear interest at 5.50% per annum based on the nominal amount.

OTHER DISCLOSURES

OTHER FINANCIAL OBLIGATIONS PURSUANT TO SECTION 285 NO. 3A HGB

The other financial obligations, which are not shown in the balance sheet and are also not contingent liabilities within the meaning of Section 251 of the German Commercial Code that are of significance for assessing the situation of the company, consisted at the following at the closing date:

Other financial obligations	Amount of total obligations	Explanations
Rental agreements	EUR 20,118.75	Rent office space

AVERAGE NUMBER OF EMPLOYEES DURING THE FINANCIAL YEAR

The following employee groups were employed in the company during the financial year:

Employee groups	Number
Salaried employees	0.00
The total number of average employees was thus	0.00
Employees	0.00

NAMES OF MEMBERS OF THE ADMINISTRATIVE BOARD AND THE MANAGING DIRECTOR

The following persons were managing directors in the reporting period:

Herbert Munz (until 20 June 2022)	Occupation:	Business Graduate
Lorin Van Nuland (from 21 June 2022)	Occupation:	Managing Director, 029 Group SE; Venture Partner, Apeiron Investment Group Ltd.

The managing director Herbert Munz received no remuneration for his activities in the reporting period. The managing director Lorin Van Nuland received a remuneration of EUR 24,000.00 for his activities in the reporting period. He did not receive any variable or performance-related remuneration in the reporting period.

The following persons were members of the administrative board until 20 June 2022:

Boris Dürr	Chairman	Occupation:	Attorney at law
Christian Schild	Vice-Chairman	Occupation:	Attorney at law
Herbert Munz	Member	Occupation:	Business Graduate

The following persons were members of the administrative board from 21 June 2022 until 8 September 2022:

Vincent Wobbe	Chairman	Occupation:	Head of Equity Capital Markets, Apeiron Investment Group
Marc Weber	Vice-Chairman	Occupation:	Chief Financial Officer, Apeiron Investment Group
Lorin Van Nuland	Member	Occupation:	Managing Director, 029 Group SE Venture Partner, Apeiron Investment Group Ltd.

The following persons were members of the administrative board from 9 September 2022:

Juan Rodriguez	Chairman	Occupation:	Managing Partner, C3 Capital
Thomas Hanke	Vice-Chairman	Occupation:	Founding Partner, Elevat3 Capital
Lorin Van Nuland	Member	Occupation:	Managing Director, 029 Group SE Venture Partner, Apeiron Investment Group Ltd.

The members of the administrative board did not receive any remuneration for their activities in the reporting period.

The members of the Administrative Board served on the supervisory board or other supervisory bodies of the following other companies in fiscal year 2022:

Juan Rodriguez

- C3 Management GmbH, Frankfurt am Main, Managing Director
  (since January 2017)
- Apeiron GmbH, Frankfurt am Main, Managing Director
  (since February 2013)
- Apeiron Germany GmbH, Frankfurt am Main, Managing Director
  (since August 2021)
- Consortia AG, Köln, Member of the Supervisory Board
  (since June 2020)
- Nextmarkets AG, Köln, Member of the Supervisory Board
  (since June 2022)

Thomas Hanke

- XPay Holding AG, München, Member of the Supervisory Board
  (since December 2019)
- Neodigital Versicherung AG, Neunkirchen, Member of the Supervisory Board
  (since November 2021)
- SynBiotic SE, München, Member of the Board of Directors
  (since November 2020)

Lorin Van Nuland

- 0029-001 Ltd., London, UK, Member of the Board
  (since April 2022)
- Carabineiro A5 Ltd., London, UK, Member of the Board
  (from October 2021 until April 2022)
- Limestone Capital AG, Zug, Switzerland, Member of the Board
  (since September 2022)

DISCLOSURES ON INVESTMENTS IN OTHER COMPANIES OF AT LEAST 20 PER CENT OF THE SHARES

Information on investments in the following companies in accordance with Section 285 no. 11 of the German Commercial Code:

Name/registered address	Equity interest	Net income/net loss for the financial year	Equity
		EUR	EUR
029-001 Ltd., London, UK	50.00 %	- 133,177.00	99,964.06
Limestone Capital AG, Zug, Switzerland*	35.66 %	410,749.60	3,078,774.98

* Prior-year figures as of 31.12.2021 for net income for the financial year and equity

DISCLOSURE OF INVESTMENTS IN LARGE CORPORATIONS THAT EXCEED FIVE PER CENT OF THE VOTING RIGHTS

Information on investments in the following companies in accordance with Section 285 no. 11b of the German Commercial Code:

Name/registered address	Equity interest	Net income/net loss for the financial year	Equity
		EUR	EUR
TRIP Drink Ltd., London, UK	6.44%	- 1,677,580.00	2,587,359.00

MEMBERSHIP OF GROUP

There is no group affiliation as of 31 December 2022.

AUDITOR'S FEE

The fees for the auditor Mazars GmbH & Co. KG, Berlin, are as follows:

Audit services:	EUR 31,500.00
Other services:	EUR 68,216.20

Other services relate to services in connection with the capital measures carried out in the reporting period.

DISCLOSURES ON THE EXISTENCE OF AN INVESTMENT IN THE COMPANY THAT HAS BEEN NOTIFIED TO THE COMPANY IN ACCORDANCE WITH SECTION 20(1) OR (4) OF THE AKTG

Apeiron Investment Group Ltd. holds more than 25 per cent of the reporting entity's share capital.

DECLARATION ON THE CORPORATE GOVERNANCE CODE

The declaration of compliance with the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (AktG) was issued by the Board of Directors and made permanently available on the website of 029 Group SE (https://www.029-group.com/_files/ugd/8dd1a3_9bc5f2e68c174c55b915fa1e3569c2dc.pdf).

PROPOSAL OR RESOLUTION ON THE APPROPRIATION OF NET PROFIT

The following appropriation of earnings is proposed for the year 2022:

The net loss for the year amounts to EUR 662,268.18.

The net loss for the year of EUR 662,268.18 will be carried forward together with the loss carried forward from previous years.

SIGNATURE OF MANAGING DIRECTOR

Berlin, 25 April 2023
Place, date

Lorin Van Nuland

4. Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Company, and the management report of 029 Group SE includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Berlin, 25 April 2023

029 Group SE
The Managing Director

Lorin Van Nuland

5. Independent auditor’s report

To 029 Group SE, Berlin

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT

AUDIT OPINIONS

We have audited the annual financial statements of 029 Group SE, Berlin, – which comprise the balance sheet as of 31 December 2022, der income statement, the cash flow statement and the statement of changes in equity, for the financial year from 1 January 2022 to 31 December 2022 and notes to the annual financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of 029 Group SE, Berlin, for the financial year from 1 January 2022 to 31 December 2022. In accordance with German legal requirements, we have not audited the content of the parts of the management report listed in the section "Other information" of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as of 31 December 2022 and of its financial performance for the financial year from 1 January 2022 to 31 December 2022, and

- the accompanying management report as a whole provides an appropriate view of the Company’s position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of the parts of the management report listed in the section “Other information”.

Pursuant to § 322 (3) sent. 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institute of Public Auditors in Germany (IDW) [Institut der Wirtschaftsprüfer in Deutschland]. Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the annual financial statements and of the management report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

KEY AUDIT MATTERS IN THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from 1 January 2022 to 31 December 2022. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon, we do not provide a separate audit opinion on these matters.

VALUATION OF THE INVESTMENTS

RELATED INFORMATION IN THE FINANCIAL STATEMENTS AND MANAGEMENT REPORT

For information on the accounting and valuation methods applied to the participations, please refer to the notes in the section "Disclosures on accounting policies, noncurrent assets". Regarding the development of financial assets, we refer to the information in the notes in the section " Balance sheet disclosures, Statement of changes in fixed assets for individual items of fixed assets". For the comments in the management report, please refer to the sections "B.2 Portfolio Review", "C.2 2. Assets and Liabilities, Assets" and "D. Forecast Report".

FACTS AND RISK FOR THE AUDIT

In the annual financial statements of 029 Group SE, six minority interests in start-up companies totalling k€ 21.759 are reported under the balance sheet item "Long-term financial assets", which together account for around 99.4% of the balance sheet total and exceed the company's balance sheet equity by k€ 478. The investments are subjected to an annual impairment test by the Company in order to determine a possible need for write-downs or write-ups. The result of these valuations is highly dependent on how the legal representatives assess the future developments of the investments and derive the planning assumptions. Against the background of the underlying complexity of the valuation as well as the discretionary scope available in the context of the valuation, the valuableness of the participations is a particularly important audit matter in the context of our audit.

AUDIT APPROACH AND FINDINGS

As part of our audit, we analysed the process implemented by the legal representatives of 029 Group SE as well as the specifications for determining the fair values of the investments and possible risks of error and obtained an understanding of the individual stages of the process and the internal controls implemented. We assessed the Company's approach to deriving future profits and valuation parameters for consistency with commercial law and professional pronouncements.

We analysed the business plans underlying the value tests. We understood the key assumptions regarding the growth, planned business development and future profitability of the investments. We discussed the plans with the legal representatives of 029 Group SE. On this basis, we assessed their appropriateness.

We examined the appropriateness of the other significant valuation assumptions on the basis of an analysis of market indicators. We analysed the parameters used with regard to their appropriate derivation and traced their calculation in compliance with the requirements of commercial law. We used sensitivity analyses to assess impairment risks in the event of changes in significant valuation assumptions.

Based on our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the legal representatives with regard to the recoverability of the investments are well-founded and balanced.

OTHER INFORMATION

The legal representatives or the supervisory board are responsible for the other information. The other information comprises the following parts of the management report which have not been audited in terms of content:

- ▪ the corporate governance statement pursuant to § 289f HGB, to which reference is made in the management report.

The other information also includes:

- the assurances pursuant to § 264 (2) sent. 3 and § 289 (1) sent. 5 HGB on the annual financial statements and the management report, and

- the report of the supervisory board as well as

- the other parts of the annual report, with the exception of the audited annual financial statements and the audited management report as well as our audit opinion.

The supervisory board is responsible for the report of the supervisory board. The legal representatives are responsible for the other information.

Our opinions on the annual financial statements and the management report do not cover the other information and, accordingly, we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information:

- is materially inconsistent with the annual financial statements, the management report or our knowledge obtained in the audit; or

- is otherwise materially misstated.

RESPONSIBILITIES OF THE LEGAL REPRESENTATIVES AND THE SUPERVISORY BOARD FOR THE ANNUAL FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT

The legal representatives are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the legal representatives are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the legal representatives are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the legal representatives are responsible for the preparation of the management report that, as a whole, provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the legal representatives are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institute of Public Auditors (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.

- Evaluate the appropriateness of accounting policies used by the legal representatives and the reasonableness of estimates made by the legal representatives and related disclosures.

- Conclude on the appropriateness of the legal representatives' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

REPORT ON THE AUDIT ON THE ELECTRONIC RENDERING, OF THE ANNUAL FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT, PREPARED FOR PUBLICATION PURPOSES IN ACCORDANCE WITH § 317 ABS. 3A HGB

AUDIT OPINION

We have performed audit work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the annual financial statements and the management report (hereinafter the "ESEF documents") contained in the attached electronic file 894500HTWHCWL0NSS150-2022-12-31-de (2).zip (MD5-Hashwert: 7a13a26b9cb050d29ee3c17c8578c582) and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this audit work extends only to the conversion of the information contained in the annual financial statements and the management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the annual financial statements and the management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this audit opinion and our audit opinion on the accompanying annual financial statements and the accompanying management report for the financial year from 1 January 2022 to 31 December 2022 contained in the "Report on the audit of the annual financial statements and the management report" above, we do not express any audit opinion on the information contained within these renderings or on the other information contained in the file identified above.

BASIS FOR THE AUDIT OPINION

We conducted our audit work on the rendering, of the annual financial statements and the management report, contained in the file identified above in accordance with § 317 (3a) HGB and the IDW Audit Standard: Audit on the electronic rendering of financial statements and management reports, prepared for publication purposes in accordance with § 317 (3a) HGB (IDW PS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility thereafter is further described in the section "Auditor's responsibility for the audit of the ESEF documents". Our audit practice has applied the requirements for the quality assurance system of the IDW Quality Assurance Standard: Requirements for Quality Assurance in the Audit Practice (IDW QS 1).

RESPONSIBILITY OF THE LEGAL REPRESENTATIVES AND THE SUPERVISORY BOARD FOR THE ESEF DOCUMENTS

The legal representatives of the Company are responsible for the preparation of the ESEF documents with the electronic rendering of the annual financial statements and the management report in accordance with § 328 Abs. 1 Satz 4 Nr. 1 HGB.

In addition, the legal representatives of the Company are responsible for such internal controls that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB for the electronic reporting format.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE ESEF DOCUMENTS

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.

- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this electronic file.

- Evaluate whether the ESEF documents enable an XHTML rendering with content equivalent to the audited annual financial statements and of the audited management report.

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as auditors by the general meeting on 20 June 2022. We were appointed by the supervisory board on 6 February 2023. We have served as auditors of 029 Group SE without interruption since the financial year 2021. 029 Group SE has been capital market oriented within the meaning of § 264d HGB since the financial year 2022.

We declare that the audit opinions contained in this audit opinion are consistent with the additional report to the audit committee pursuant to Article 11 EU-APrVO (audit report).

OTHER MATTER – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited annual financial statements and the audited management report as well as the assured ESEF documents. The annual financial statements and the management report converted to the ESEF format – including the versions to be published in the Federal Gazette – are merely electronic renderings of the audited annual financial statements and the audited management report and do not take their place. In particular, the ESEF report and our audit opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

RESPONSIBLE AUDITOR

The auditor responsible for the audit is David Reinhard.

Berlin, 25 April 2023

Mazars GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Udo Heckeler Wirtschaftsprüfer	David Reinhard Wirtschaftsprüfer

6. Disclaimer / Contact

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements that reflect the management's current views in respect of future developments. Such statements are subject to risks and uncertainties that are beyond the ability of 029 Group SE to control or estimate precisely. Such statements may include future market conditions and economic environment, the behavior of other market participants, the successful acquisition or sale of portfolio companies or interests and the actions of government bodies. Should any of the above stated risks or other risks and uncertainties occur, or should the assumptions underlying any of these statements prove incorrect, then the actual results may differ significantly from those expressed or implied by such statements. 029 Group SE neither intends nor assumes any obligation to update any forward-looking statements to reflect events or developments that take place after the date of this report.

DEVIATIONS RESULTING FROM TECHNICAL GROUNDS

For technical reasons (e.g. resulting from the conversion of electronic formats) deviations may arise between the accounting documents contained in this Annual Report and those submitted to the electronic Federal Gazette in Germany. In this case the version submitted to the electronic Federal Gazette shall be considered the binding version.

This English version of the Annual Report is a translation of the original German version; in the event of any deviation, the German version of the Annual Report shall take precedence over the English version.

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