zero
two
nine

ANNUAL REPORT

2023

SUPPORTING NEXT-GENERATION EXPERIENCES, HOSPITALITY & HAPPINESS

Neue Schönhauserstr. 3-5
10178 Berlin
Germany

029 Group Annual Report 2023

Table of Contents

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**.

- 5 Portfolio Companies as of the date of this Report[1]
- Market Cap: EUR 79m as at 31 December 2023
- Preferred Investment Stage: Pre-Seed and Seed

[1] Reflects the liquidation of Conscious Good and the sale of our interest in Emerald Stay in FY 2024 disclosed in February 2024 outside of the reporting period included in this Annual Report.

B. LETTER TO OUR SHAREHOLDERS

Dear Shareholders,

As we reflect on the past year, it's clear that 2023 has unfolded as one of the most challenging periods for the venture markets globally. Our journey through these turbulent times has tested our resilience, adaptability, and strategic foresight. In this letter, I aim to share with you how 029 Group SE has navigated these challenges, the impact on our operations and portfolio companies, and our strategic outlook as we move forward.

The Venture Capital Landscape in 2023

The venture capital landscape in 2023 has been marked by unprecedented challenges. A confluence of macroeconomic pressures, including persistently high inflation rates, geopolitical tensions, and a tightening of monetary policies across major economies, has significantly impacted investor sentiment and funding dynamics. The ripple effects of these factors have been felt deeply across the venture ecosystem, leading to a more cautious investment approach, valuation adjustments across the industry, and an intensified focus on sustainability and profitability over growth at any cost.

Navigating the Storm

In response to these headwinds, 029 Group SE has taken proactive steps to fortify our position and ensure the continued success and resilience of our portfolio companies. Recognizing early the shift in market dynamics, we tightened our investment criteria, placing a greater emphasis on valuation, unit economics, cash flow management, and operational efficiencies. We have worked closely with our portfolio companies, assisting them with strategic advice on cost optimization strategies, diversification of revenue streams, management of burn rates and reinforcement of their value propositions. This focus ultimately resulted in the wind down of our investment in Conscious Good in February 2024.[2]

Despite the market downturn, we have seen pockets of opportunity as evidenced by our investment into fjör. Our focus on the hospitality and lifestyle sectors, areas where we believe long-term trends still favor innovation and new consumer experiences, has allowed us to identify and support ventures that align with evolving consumer behaviors and preferences.

Portfolio Performance and Strategic Wins

Our portfolio companies have shown resilience and adaptability in the face of these challenges. While some have faced headwinds, particularly those in the early stages of growth, others have capitalized on opportunities to strengthen their market positions, improve operational efficiencies, and pursue sustainable growth. We have also seen

[2] Disclosed in our Ad Hoc release published on 5 February 2024. The impact of our write-down falls outside of the reporting period of this Annual Report

successful strategic pivots and innovations that have allowed our companies to tap into new markets and consumer segments.

Some of the portfolio highlights are set out below.

Limestone Capital made significant strides in the European hospitality market. With the acquisition of the iconic Hotel Axel in Madrid in September 2023 and the addition of a luxurious resort in Costa Smeralda, Sardinia, set to open its doors in May 2024, Limestone's portfolio expansion is evident. The company's operational revenue from Aethos hotels have doubled since 2022, reflecting its effective management strategies. Looking forward, the construction of the Lisbon city center hotel is slated to commence in Q2 2024, while significant progress on the Mallorca construction is expected by the beginning of May. These developments underscore Limestone's commitment to growth and innovation in the European hospitality sector, positioning it as a key emerging player in the industry.

Emerald Stay, an integrated leisure property asset manager for high end holiday homes, continued its strong growth trajectory with the acquisition of a leading property manager in Verbier, Switzerland. This success of Emerald Stay culminated in our exit of our investment in February at a multiple on invested capital of 2.7X, as disclosed in our ad hoc release on 12 February 2024. Whereas this sale is not reflected in the reporting period covered by this Annual Report, our successful exit in extremely challenging markets shows our ability to generate value and supports our thesis. We wish the Emerald Stay continued success and retain indirect exposure through Limestone’s stake in Emerald Stay.

Hotelbird has remained at the forefront of digitalization, driving operational success and competitiveness for its clients. Despite challenging market conditions, particularly in Germany, Hotelbird's innovative solutions have continued to empower hotels to adapt and thrive. Collaborations with industry leaders such as SIHOT have further enhanced its offerings, enabling seamless automation and customization of the guest experience. Moreover, Hotelbird's strategic partnerships, such as with KIOSK Embedded Systems, have resulted in innovative solutions like the fully automated kiosk system, providing guests with contactless and flexible check-in/out experiences. Hotelbird's solutions empower hotels to reduce costs, mitigate the impact of staff shortages, and offer modern digital guest journeys. With a focus on excellence and innovation, Hotelbird continues to redefine the digital guest journey, adding significant value to its customers' businesses through new framework agreements, individual hotel contracts, and large-scale rollouts within leading hotel chains.

TRIP, the leading CBD beverage company, continued its exceptional growth trajectory, achieving significant milestones in 2023. Recognized as the 4th fastest-growing company in the UK and crowned Soft Drinks Brand of the Year at The Grocer Gold Awards, TRIP's continued its strong trajectory of operating performance. Its inclusion in the Sunday Times 100 list highlights its remarkable ascent in the industry. With a mission to alleviate stress for a billion people, TRIP's UK market leadership persists, while international expansion, particularly in France and the US, flourishes. Ultimately, TRIP moved to breakeven in Europe in Q4 2023, signaling continued growth prospects for 2024.

Brother's Bond bourbon navigated a challenging year in the spirits industry in the USA, which was reflected in challenging operating conditions. Despite these headwinds, Brother's Bond continued to have broad marketing appeal with over 1.9 million Instagram . Notably, in 2023, Brother's Bond introduced a new extension with its 90 Proof Rye winning a double gold medal in NYC, solidifying its reputation for high quality. Additionally, the brand made its debut in Canada, securing listings across all of the country's liquor boards and experiencing promising success in its first international market. Looking ahead to 2024, Brother's Bond plans to relocate its bottling process in Q2 to enhance operational efficiency and reduce costs, while also introducing a new regenerative grain bourbon. As the company enters its second phase of growth, it aims to target traditional whiskey drinkers through strategic marketing initiatives, including new advertising campaigns and grassroots PR efforts.

Fjör, a science-driven direct-to-consumer (D2C) skincare brand based in London, received a significant boost with a GBP 400,000 pre-seed investment round led by us. This investment aims to accelerate fjör's growth in new product development, team expansion, and targeted marketing campaigns. Fjör's flagship product, the world's first hydrolytic serum, offers anti-aging and deep hydration benefits, setting a new standard in skincare. Developed in collaboration with ZymIQ Technology, the serum's hydrolytic enzyme helps rebalance the skin's microbiome, catering to all skin types, including sensitive skin. The brand's success in 2023 includes two successful product launches and significant press mentions with a reach exceeding 32 million.

OUTLOOK 2024

As 029 Group SE looks ahead to 2024, we approach the year with a blend of caution and strategic optimism. The anticipated stabilization of inflation presents a potentially more predictable financial landscape, offering relief from the pressures that have challenged the global economy and the venture capital ecosystem. This shift is expected to gradually restore consumer confidence and spending power, particularly benefiting the luxury and lifestyle sectors where our portfolio is strategically positioned.

However, the persisting geopolitical volatility remains a significant concern, with its capacity to influence global trade and investment dynamics. Our response to such uncertainty is twofold: reinforcing the resilience of our portfolio companies through prudent management and focus on operational efficiency, and maintaining our agility to adapt to rapid market changes.

In 2024, 029 Group SE will continue to prioritize investments in line with our hospitality and lifestyle thesis, areas we believe will continue to drive long-term growth despite short-term uncertainties. Our commitment to supporting our portfolio companies with a hands-on approach will intensify, focusing on areas critical for thriving in a stabilizing yet unpredictable global environment.

Looking forward with cautious optimism, we are prepared to leverage the expected economic conditions to foster sustainable growth and value creation for our shareholders. The journey ahead may have its challenges, but with a clear strategic focus and a resilient portfolio, we believe that we are well-equipped to navigate the future.

Lorin Van Nuland
Managing Director

Berlin, 24 April 2024

C. REPORT OF THE ADMINISTRATIVE BOARD

Dear Shareholders,

In the financial year 2023, 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:

- Lorin Van Nuland (since 20 June 2022; Managing Director)
- Juan Rodriguez (since 24 September 2022, re-elected on 28 June 2023; Chairman)
- Thomas Hanke (until 28 June 2023; Deputy Chairman)
- Dr. Martina Wimmer (since 28 June 2023; Deputy Chairman)

On 28 June 2023 Dr. Martina Wimmer was elected in the Company´s Annual General Meeting as new member of the Administrative Board and replaces Thomas Hanke which was appointed by court order until the next Annual General Meeting.

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 2023 (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 April 2023:	Q1 board meeting; discussion of the draft Annula Report with the Auditor; resolution on Annual Report related topics such as Remuneration Report and the Corporate Governance Statement.
Meeting on 25 April 2023:	Approval of Financial Statements, report of the Administrative Board, Dependency Report
Meeting on 28 June 2023:	Held in person. Appointment of Chirman and Deputy of the Chairman of the Administrative Board.
Meeting on 04 August 2023:	Approval of the FJOR Ltd. investment.
Meeting on 18 August 2023:	Approval of the Loan Facility increase under the Loan Facility Agreement between Apeiron and the Company.
Meeting on 05 December 2023:	Q4 Board Meeting with the Managing Director being present in the office of the Company and with the Chairman and the Deputy Chairman attending via videoconference. Discussion on business updates, business plan and strategy.

The Managing Director 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 28 June 2023 Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft ("**Mazars**" of the "**Auditor**") was elected as auditor of the Annual Financial Statements for the financial year 2023 at the proposal of the Administrative Board. Mazars completed the audit of the Annual Financial Statements and the Management Report for the financial year 2023 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 23 April 2024. 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.

The Annual Financial Statements and the Management Report as of 31 December 2023 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 2023. The Annual Financial Statements of 029 Group SE were thus adopted in accordance with § 47 para. 5 SEAG.

6. RELATIONSHIPS WITH AFFILIATED COMPANIES

The company was not subject to a relationship of dependency within the meaning of § 17 ABS 2 AKTG between 01 January and 31 December 2023.

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, 24 April 2024

For the Administrative Board:

____
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 , a private investment firm, leading on a wide range of venture capital investments and IPOs. As from April 2024, Lorin serves as Group CEO of Apeiron Investment Group.

In 2022, Lorin co-founded 029 Group SE alongside serial entrepreneur Christian Angermayer. Lorin currently sits on the boards of Limestone Capital AG, Cambrian Biopharma Inc. (observer), atai Life Sciences N.V. (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.

DR. MARTINA WIMMER (*1986)

Deputy Chairman

Martina is a highly experienced lawyer and has a strong corporate & business law, finance and investment background.

Over the last years, she worked as Senior Legal Counsel for a Family Office and held the role of COO for a regulated subsidiary of this Family Office. Amongst others, in her roles she leaded many financing rounds, oversaw a German IPO, supported on strategic investments of the family office, advised on relevant capital issuances and restructurings within the Family Office.

Before Martina joined the investment sector she worked for several years with the very renowned law firm “EY Law” in Vienna and accompanied several M&A transactions as well as domestic and cross-border mergers, demergers, spin-offs and other restructurings of international groups.

Martina graduated with a doctoral degree in Business Law from the well-known Law Faculty in Vienna and is a qualified lawyer in Austria.

E. 2023 HIGHLIGHTS

JANUARY	TRIP continues its momentum from the previous year, solidifying its position as the UK's leading premium CBD brand.
MARCH	Limestone Capital AG continues its expansion with the acquisition of a luxurious resort hotel in Costa Smeralda, Sardinia, marking a significant addition to its growing portfolio of hotels in Italy.
MAY	Brother's Bond Bourbon expands its product line, introducing a new rye whiskey and cask strength bourbon, while simultaneously extending its reach and success through garnering PR coverage, winning a double gold in NYC for its 90 Proof Rye, and successfully launching in Canada, thus maintaining its position as one of the fastest-selling bourbon brands.
	Hotelbird GmbH, in partnership with KIOSK Embedded Systems, launches a fully automated kiosk solution to improve digital check-in/out experiences, addressing staff shortages and prioritizing convenience for guests
JULY	TRIP receives several accolades, including being recognized as the 4th fastest growing company in the UK and winning Soft Drinks Brand of the Year at The Grocer Gold Awards.
	Hotelbird and SIHOT begin collaborating to enhance digital guest journey technology and services, aiming to streamline operations and improve guest experiences in the hotel industry.
AUGUST	Fjör secures a pre-seed investment round, led by 029 Group SE, to accelerate growth in new product development and marketing campaigns.
SEPTEMBER	Limestone Capital AG expands its European presence with the acquisition of Hotel Axel in Madrid, marking its second hotel acquisition in Spain and strengthening its position in the dynamic Spanish market.
NOVEMBER	Fjör experiences successful product launches, growing its Instagram following by 50% and earning 29 press mentions with a reach of over 32 million views.

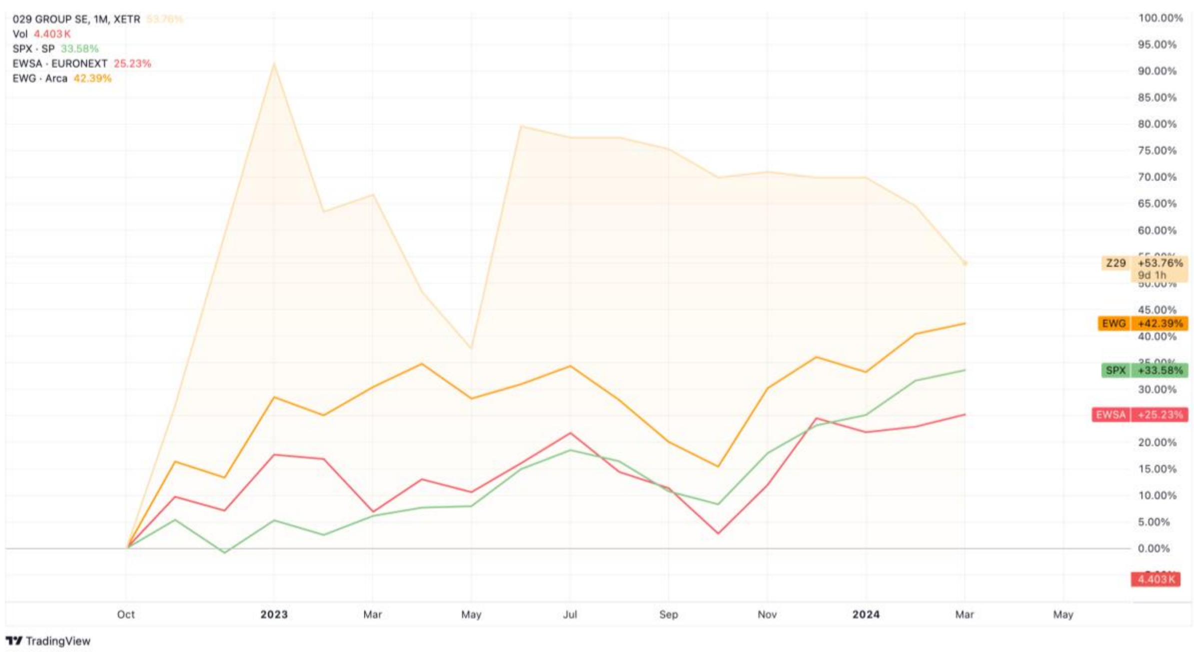
F. INVESTOR INFORMATION

SHARE PRICE DEVELOPMENT

029 Group SE's share (ticker: Z29) price experienced fluctuations following its uplisting on the regulated market on 5 October 2022. The value has increased by 124% as of 31 December 2023. Closing the year 2023 at EUR 15.80 represents a year-to-year increase of 6.8%.

BENCHMARK INDEX OUTPERFORMANCE

The share price development of 029 Group SE during the period from January 1, 2023, to December 31, 2023, revealed a 6.8% increase. Although this growth rate falls below comparable benchmarks, an examination of the period spanning from the company's uplisting in the regulated market on October 5, 2022, through December 31, 2023, showcases a remarkable surge in 029 Group's share value, boasting a remarkable 124% increase. This performance distinctly outstrips all pertinent benchmark indices, as delineated below.



ANALYST COVERAGE

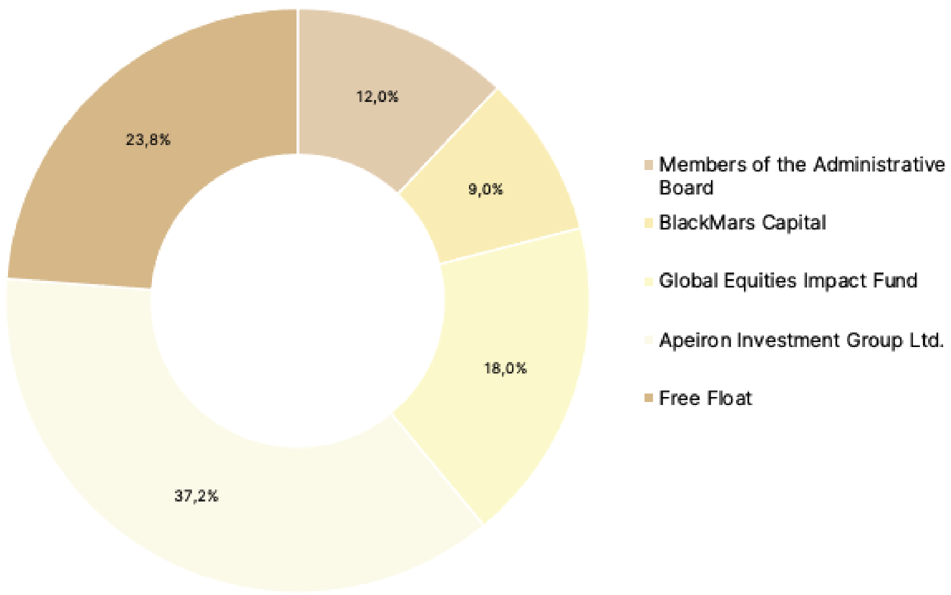
029 Group SE is currently covered by Christian Sandherr from NuWays by Hauck Aufhäuser Lampe.

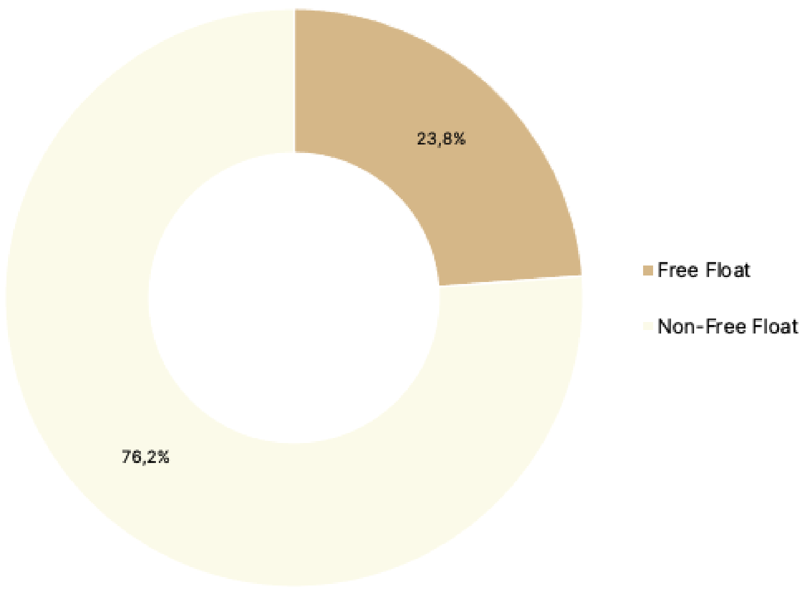
Broker	Analyst	Rating	Target price / Fair Value	Target Market Cap / FV Market Cap
NuWays by Hauck Aufhäuser Lampe	Christian Sandher	"Hold"	EUR 14	EUR 70m

OWNERSHIP STRUCTURE

As at the reported date, the members of the Administrative Board jointly held approximately 14.00% of the Company's issued and outstanding capital and voting rights.

We have a free float of approximately 23.81%, 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.

2024 INVESTOR CALENDAR

24 April 2024	Publication of annual financial statements 2023
10 June 2024	Annual General Meeting 2024
28 September 2024	Publication of half-year report 2024

CONTACTS

INVESTOR RELATIONS

LEON SANDER
Head of Investor Relations
Leon.sander@029-group.com

LORIN VAN NULAND
Managing Director
lorin@029-group.com

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.

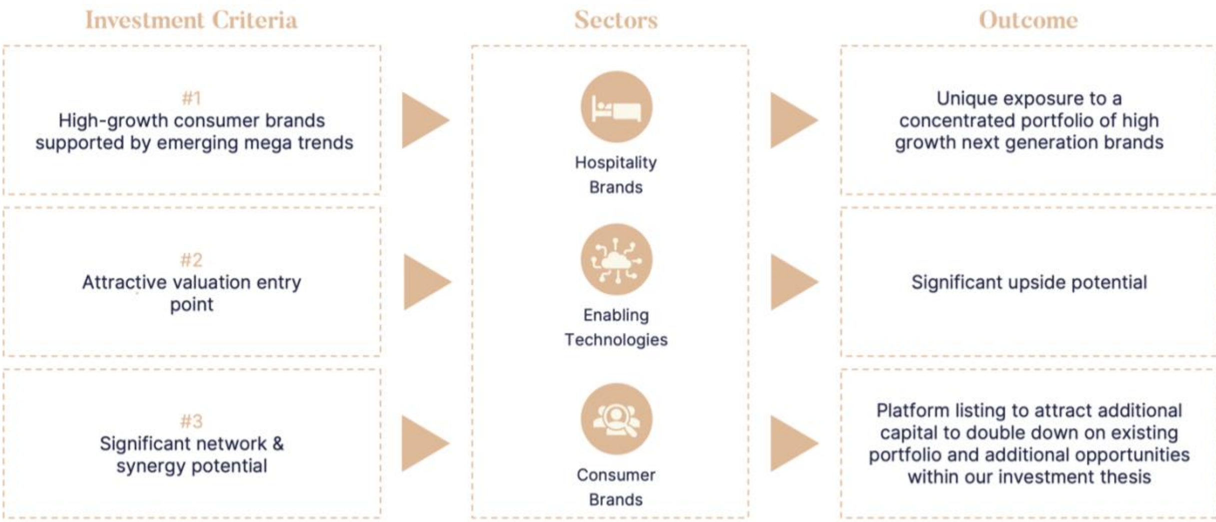
Currently, our investments focus on two business sectors: Hospitality and Lifestyle. Within these sectors, our investments are clustered into the following three segments:

- 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 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) 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.

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 2023, we had approximately EUR 1.3 milion of indebtedness under a credit facility (the “Credit Facility”) with Apeiron, our largest shareholder. Whereas not falling within the scope of the reporting period covered by this Annual Report, this balance was repaid in February 2024 using the proceeds of our stake in Emerald Stay as disclosed in our ad hoc release dated 12 February 2024.

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.

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, 2023 was a year of uneven recovery from post-pandemic challenges, inflationary pressures, and significant monetary policy shifts. The macroeconomic environment was characterized by elevated inflation rates, central bank policy changes, geopolitical uncertainties, and concerns over global economic growth, all influencing market sentiment and actions. The International Monetary Fund (IMF) reported that the global economic growth decreased to 2.96% in 2023 from 3.48% in 2022[3]. Despite the aforementioned challenges, the global economic recovery proved more resilient than expected. Inflation fell faster than anticipated, with a smaller-than-expected toll on employment and activity, reflecting favourable supply side developments and central bank tightening. [4] In the Euro zone, the economy contracted by 0.66% from 3.33% in 2022, while the German economic growth decreased to a rate of -0.3% in 2023 from a 1.8 increase in 2022[5,6].

Despite widespread predictions of an ongoing bear market from 2022 and a potential recession, the U.S. stock market experienced an unexpectedly robust performance last year. The Nasdaq-100 recorded its best annual performance since 1999 with a 55.1% increase, and large-cap Growth significantly outperformed Value [7]. A major bank crisis in March led to a steep decline in the S&P Regional Banks ETF, but homebuilders saw substantial gains. The Federal Reserve ended its rate-hiking cycle, easing financial conditions significantly from late October. The 10-year US Yield ended the year unchanged, and inflation trends lowered, leading markets to anticipate rate cuts. Technology, Communications, and Discretionary sectors notably outperformed, while Utilities and Energy sectors underperformed. Overall, the market showed resilience amidst various economic challenges, ending the year on a high note [8]. Global inflation in 2023 was 6.8 percent (annual average) in 2023, down from 8.8 percent in 2022. Advanced economies saw a decline in inflation to 4.6 percent from 7.3 percent in 2022 [9].

In 2023, the funding landscape for both public and private companies has deteriorated significantly. the market for VC-backed IPOs remained mostly closed, with the number of venture capital-backed IPOs plunging to the lowest since 2013, totalling less than 200 globally[10]. Additionally, private market activity declined even more than in 2022, with venture funding dropping to $248.4 billion, the lowest since 2017, and global deal volume falling 30% year-over-year to a six-year low [11]. These declines spanned most major regions and sectors

[3] IMF. World Economic Outlook, January 2024
[4] IMF. World Economic Outlook, January 2024
[5] IMF. World Economic Outlook, January 2024
[6] Destatis, Gross domestic product down 0.3% in 2023, https://www.destatis.de/EN/Press/2024/01/PE24_019_811.html
[7] Nasdaq, 2023 Review & 2024 Outlook, https://www.nasdaq.com/articles/2023-review-2024-outlook
[8] Nasdaq, 2023 Review & 2024 Outlook, https://www.nasdaq.com/articles/2023-review-2024-outlook
[9] Statista, Global inflation rate from 2000 to 2022, with forecasts until 2028, https://www.statista.com/statistics/256598/global-inflation-rate-compared-to-previous-year/.
[10] CBInsights, the State of Venture, Global 2024
[11] CBInsights, the State of Venture, Global 2024

globally. The year also recorded only 71 new unicorns (i.e. financing rounds of companies with a valuation in excess of USD 1 billion), a 73% decrease from 2022 and the lowest in seven years[12]. Late-stage deal sizes have more than halved since 2021, as investors have become more cautious, favouring smaller, more selective investments with the median late-stage deal size now at $21 million, down from $50 million in 2021[13]. Early-stage rounds continued to dominate, accounting for 64% of all deals. Notably, generative AI and sustainability tech companies secured most of the top deals in Q4 2023, as investors are increasingly attracted to the long-term potential of the AI sector [14].

According to the Federal Statistical Office in Germany (Destatis), Germany slipped into recession in 2023, with a decline in economic output of – 0.3% [15]. The overall economic development in Germany stalled in 2023, still influenced by the ongoing crisis environment. The economic growth was dampened by persistently high prices across all economic stages despite recent declines. This was compounded by unfavorable financing conditions due to rising interest rates and reduced demand domestically and internationally.

In 2023, Germany's hospitality sector witnessed a moderate growth, with the real revenue (price-adjusted) increasing by 1.1% compared to 2022, a marked slowdown from the significant growth observed in the previous year and 11.3% lower than the pre-pandemic levels of 2019 [16]. The hotel sector, including hotels, inns, and guesthouses, experienced a more substantial real revenue growth of 5.2% compared to 2022, yet still remained 4.7% below the levels of 2019 [17].

These figures reflect the complex economic environment faced by the sector, marked by significant price increases throughout 2023, leading to disparities between nominal and real revenue growth. Despite the gradual recovery since 2021, the industry continues to grapple with challenges such as inflation, climate change-related issues, and labor shortages. The impact of these factors, along with the evolving nature of business and leisure travel post-COVID-19, continues to shape the sector's trajectory.

The German Hotel Investment Market in 2023 faced challenges, with a significant 29% decrease in investment volume compared to the previous year, falling short of the 10-year average by 60%[18]. Economic factors like inflation and interest rate hikes led to a cautious investment approach, resulting in the lowest investment volume in over a decade. However, there was notable activity in lower grade locations and smaller investment categories.

The global Luxury Hotel market in 2023 saw considerable growth driven by demands for luxurious stays and high-quality facilities. The global luxury hotel market size was valued at $140.28 billion in 2023 & is anticipated to grow from $154.32 billion in 2024 to $369.36 billion

[12] CBInsights, the State of Venture, Global 2024
[13] CBInsights, the State of Venture, Global 2024
[14] CBInsights, the State of Venture, Global 2024
[15] Destatis, Gross domestic product down 0.3% in 2023, https://www.destatis.de/EN/Press/2024/01/PE24_019_811.html
[16] Destatis, Gastgewerbeumsatz 2023 real 1,1 % höher als 2022, aber 11,3 % niedriger als im Vor-Corona-Jahr 2019, https://www.destatis.de/DE/Presse/Pressemitteilungen/2024/02/PD24_064_45213.html
[17] Destatis, Gastgewerbeumsatz 2023 real 1,1 % höher als 2022, aber 11,3 % niedriger als im Vor-Corona-Jahr 2019, https://www.destatis.de/DE/Presse/Pressemitteilungen/2024/02/PD24_064_45213.html
[18] BNP Paribas Real Estate, Hotel investment market Germany, https://www.realestate.bnpparibas.de/en/market-reports/hotel-investment-market/germany-at-a-glance

by 2032[19]. Factors driving this growth include the increasing demand for luxurious stays during family vacations and the provision of top-notch facilities for executives [20]. We also 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.[21] 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 [22].

2. PORTFOLIO REVIEW

In 2023, our portfolio, structured across three key segments—Hospitality, Enabling Technologies, and Consumer Brands—demonstrated notable resilience and adaptability. Despite facing various challenges, our portfolio companies delivered a strong performance overall. While some encountered obstacles, especially those in their early growth phases, others seized opportunities to enhance their market presence, refine operations, and pursue sustainable expansion strategies. Additionally, strategic pivots and innovative approaches enabled our companies to explore new markets and engage with different consumer segments effectively.

2.1 HOSPITALITY

Limestone Capital, made significant strides in the European hospitality market. With the acquisition of the iconic Hotel Axel in Madrid in September 2023 and the addition of a luxurious resort in Costa Smeralda, Sardinia, set to open its doors in May 2024, Limestone's portfolio expansion is evident. The company's operational revenue from Aethos hotels have doubled since 2022, reflecting its effective management strategies. Looking forward, the construction of the Lisbon city center hotel is slated to commence in Q2 2024, while significant progress on the Mallorca construction is expected by the beginning of May. These developments underscore Limestone's commitment to growth and innovation in the European hospitality sector, positioning it as a key emerging player in the industry.

[19] Fortune Business Insights, The global luxury hotel market size was valued at $128.54 billion in 2022 & is anticipated to grow from $140.28 billion in 2023 to $293.61 billion by 2030 https://www.fortunebusinessinsights.com/luxury-hotel-market-104408

[20] Fortune Business Insights, The global luxury hotel market size was valued at $128.54 billion in 2022 & is anticipated to grow from $140.28 billion in 2023 to $293.61 billion by 2030 https://www.fortunebusinessinsights.com/luxury-hotel-market-104408

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

[22]https://www.glanbianutritionals.com/en-gb/nutri-knowledge-center/insights/exploring-functional-beverage-growth-opportunities-european-food

Emerald Stay, an integrated leisure property asset manager for high end holiday homes, continued its strong growth trajectory with the acquisition of a leading property manager in Verbier, Switzerland. This success of Emerald Stay culminated in our exit of our investment in February at a multiple on invested capital of 2.7X, as disclosed in our ad hoc release on 12 February 2024. Whereas this sale is not reflected in the reporting period covered by this Annual Report, our successful exit in extremely challenging markets shows our ability to generate value and supports our thesis. We wish the Emerald Stay continued success and retain indirect exposure through Limestone's stake in Emerald Stay.

2.2 ENABLING TECHNOLOGIES

Hotelbird, amidst challenging market conditions, particularly in Germany, has continued to empower hotels to adapt and thrive with its innovative solutions, leading the forefront of the digital guest journey technology. Partnering with SIHOT, Hotelbird seamlessly integrated its platform into SIHOT.PMS, offering automation and configuration options like door-locking systems and new payment methods. Notable clients such as Achat, Brera, GSH Hotels Seminaris Hotels, and Motel One have all benefited from real-time data transfer, driving efficiencies and enhancing payment facilities. Additionally, Hotelbird's collaboration with KIOSK Embedded Systems resulted in the launch of a fully automated kiosk solution in July 2023, providing guests with contactless check-in/out options and addressing staff shortages while prioritizing simplicity and convenience. Hotelbird's solutions empower hotels to reduce costs, mitigate the impact of staff shortages, and offer modern digital guest journeys. With a focus on excellence and innovation, Hotelbird continues to redefine the digital guest journey, adding significant value to its customers' businesses through new framework agreements, individual hotel contracts, and large-scale rollouts within leading hotel chains.

2.3 CONSUMER BRANDS

TRIP, the leading CBD beverage company, continues its exceptional growth trajectory, achieving significant milestones in 2023. Recognized as the 4th fastest-growing company in the UK and crowned Soft Drinks Brand of the Year at The Grocer Gold Awards, TRIP's continued its ascent. Its inclusion in the Sunday Times 100 list highlights its remarkable ascent in the industry. With a mission to alleviate stress for a billion people, TRIP's UK market leadership persists, while international expansion, particularly in France and the US, flourishes. Ultimately, TRIP moved to breakeven in Europe in Q4 2023, signaling continued growth prospects for 2024.

Brother's Bond navigated a challenging year in the spirits industry in the USA, facing tough operating conditions that impacted its performance. Despite these significant headwinds, the brand managed to maintain broad market appeal, boasting over 1.9 million Instagram followers. In 2023, Brother's Bond introduced a new extension with its 90 Proof Rye, which garnered a double gold medal in NYC, solidifying its reputation for high quality. Venturing into the international market, the brand made its debut in Canada, securing listings across liquor boards, experiencing promising success in its first international market. Looking ahead to 2024, Brother's Bond plans to relocate its bottling process in Q2 to improve operational efficiency and reduce costs while also introducing a new regenerative grain bourbon. As the company enters its second phase of growth, it aims to target traditional whiskey drinkers through strategic marketing initiatives, including new advertising campaigns and grassroots PR efforts.

fjör, the science-driven direct-to-consumer (D2C) skincare brand based in London, received a significant boost with a GBP 400,000 pre-seed investment round led by us. This investment aims to accelerate fjör's growth in new product development, team expansion, and targeted marketing campaigns. Fjör's flagship product, the world's first hydrolytic serum, offers anti-aging and deep hydration benefits, setting a new standard in skincare. Developed in collaboration with ZymIQ Technology, the serum's hydrolytic enzyme helps rebalance the skin's microbiome, catering to all skin types, including sensitive skin. Fjör is truly inspired by Nordic simplicity, led by design and powered by science. The brand's success in 2023, including two successful product launches and significant press mentions with a reach exceeding 32 million, highlights its growing influence and recognition within the skincare industry. Fjör offers a differentiated take on the highly lucrative skincare market, which is heading towards a $175 billion value by 2030. With a gender-neutral appeal and emphasis on accessibility, fjör prioritizes education and holistic well-being for all skin types. Founded on three core pillars - simplicity, power, and accessibility - fjör strives to redefine skincare routines by empowering individuals to achieve healthier and more confident skin with fewer products and better ingredients. Led by founder Natalie's vision, fjör represents a brand that blends simplicity with efficacy, reflecting the essence of Nordic simplicity and scientific innovation.

Conscious Good, was founded in summer 2022 to recognize 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, Conscious Good aimed to build a industry-leading brand. However, due to the challenging market environment and recognizing early the shift in market dynamics, the company decided to cease operations and file for dissolution beginning of 2024. 029 Group SE has taken proactive steps to ensure the continue success and resilience of our portfolio companies, placing a greater emphasis on financial health. Therefore, 029 made the depreciation already in 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 2022 and 31 December 2023:

		31. December 2023 EUR	Previous Year EUR
1.	Other operating income	46,386.88	0.00
2.	Personnel expenses	96,639.00	24,151.89
3.	Depreciation and amortization of intangible assets	3,248.00	1,895.16
4.	Other operating expenses	558,424.12	635,588.91
5.	Income from other securities and long-term loans	5,600.00	2,068.89
6.	Depreciation and amortization of financial assets	4,977,285.55	0.00
7.	Interest and similar expenses	41,021.14	2,701.11
8.	**Net Loss**	**-5,624,630.93**	**-662,268.18**

Revenue	The company did not generate any material revenues in the year ended 31 December 2023. As of the date of this Annual Report, the company aims to realize increases in value from its portfolio companies.
Other Operating Income	Other operating income increased from EUR Nil to EUR 46,387 in year ended 31 December 2023, compared to the prior year period, as a result of income from reversal of provisions.
Change in personnel expenses	Personal expenses increased from EUR 24,152 to EUR 96,639 in year ended 31 December 2023. The expenses increases reflects the impact of the full-year employment of our Managing Director.
Changes in Depreciation and Amortization of financial assets	Depreciation and amortization of financial assets increased from nil to EUR 4,977,285.55. This increase is due to the full write-down of the “Conscious Goods” brand.
Changes in other operating expenses	Other operating expenses decreased from EUR 635,558 in the year ended December 2022 to EUR 558,424 in year ended December 2023. This reduction primarily stems from decreased expenditures in advertising and legal and consulting expenses, alongside diminished miscellaneous other operating expenses.

Net Loss for the year	Our net loss for the financial year increased from EUR 662,268.18 in the year ended 31 December 2022 to EUR 5,624,630.93 in year ended 31 December 2023. This increase in net loss can be attributed to the depreciation and amortization of our non-current intangible fixed assets.

2. ASSETS AND LIABILITIES

A. ASSETS

The following table provides an overview of the Company's current assets as of 31 December 2022 and 31 December 2023.

	31. December 2023 EUR	Previous Year EUR
A. Non-current Asset	**17,264,822.50**	**21,853,005.88**
I. Intangible fixed assets	14,961.84	14,051.00
II. Long-term financial assets	17,249,860.66	21,838,954.88
B. Current Assets	**22,822.91**	**12,945.96**
I. Receivables and other Assets	12,003.89	6,403.89
II. Cash on hand, central bank balances, and checks	10,819.02	6,542.07
C. Prepaid Expenses	**50,191.30**	**22,550.51**
	17,337,836.71	**21,888,502.35**

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. Due to the write-off of Conscious Good and the sale of our stake in Emerald Stay, both companies are not included.

Company name	HQ	Category / Current Stage	Share-holding (%)	Invested Capital (EUR)*	Book Value (EUR) (in German GAP)	Net Asset Value (EUR)**	Increase from reported book value (%)
Limestone Capital AG	Zug, Schweiz	Hospitality / Series A	35.7%	788,330	8,006,872	16,047,000.00	+100.4%

Hotelbird GmbH	München, Deutschland	Innovative Technologien / Series A	4.8%	499,867	426,465	499.867	+0.0%
TRIP Drink Ltd.	London, Vereinigtes Königreich	Consumer Brands / Series A	5.6%	1,426,776	6,751,780	6,713,088.00	-0.7%
Brother's Bond Distilling Co. LLC	Camden, Delaware Vereinigte Staaten von Amerika	Consumer Brands / Series A	1.9%	815,995	1,058,029	1,051,963.00	-0.6%
Fjor	London, Vereinigtes Königreich	Consumer Brands / Pre-Seed	11.3%	264,000	262,320.31	262,320.31	0.0%

* 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.

There were no significant reported NAV changes in 2023. Apart from TRIP, there are only minimal changes due to changes in exchange rates. In the case of TRIP Drink Ltd., our shareholding decreased from 6.4% to 5.6% due to the exercise of options by other investors, resulting in a dilution effect and a lower NAV.

Changes in non-current assets

Non-current assets decreased from EUR 21.9m as of 31 December 2022 to EUR 17.3m as of 31 December 2023. This change can be attributed to the liquidation of our position in the "Conscious Goods" brand and the investment in fjor Ltd.

Changes in current assets

Current assets increased from EUR 12,946 as of 31 December 2022 to EUR 22,823 as of 31 December 2023. This increase can be attributed to a modest rise in cash reserves and other assets when compared to the year ended 31 December 2022.

B. EQUITY AND LIABILITIES

The following table provides an overview of the Company's equity, provisions and liabilities as of 31 December 2022 and 31 December 2023.

	31. December 2023 EUR	Previous Year EUR

A. Equity		**15,656,122.44**	**21.280,753.37**
I.	Share capital	5,000,000.00	5,000,000.00
II.	Capital reserves	17,048,925.00	17,048,925.00
III.	Accumulated losses brought forward	-768,171.63	-105,903.00
IV.	Nett loss for the financial year	5,624,630.93	662,268.18
B. Provisions		**115,220.86**	**223,152.44**
I.	Other provisions	115,220.86	223,152.44
C. Liabilities		**1,566,493.41**	**384,596.54**
I.	Trade payables	278,922.55	70,367.27
II.	Other liabilities	1,287,570.86	314,229.27
		17,337,836.71	21,888,502.35

Changes in equity	Our subscribed capital and capital reserves as of 31 December 2023 remained stable at EUR 5 million and EUR 17 million, respectively. However, the overall total equity decreased from EUR 21.3 million as of 31 December 2022 to EUR 15.7 million as of 31 December 2023. This decline was primarily influenced by the increase in net loss, amounting to EUR 4.9 million compared to the previous year period.
Changes in provisions	Other provisions decreased to EUR 115,221 as at 31 December 2023 from EUR 223,152 as at 31 December 2022.
Changes in Liabilities	Total liabilities as of 31 December 2023 amounted to EUR 1,566,493.41, marking an increase from EUR 384,597 recorded as of 31 December 2022. This rise primarily reflects increases in trade payables and other liabilities resulting from the augmentation of a loan from Aperion Investment Group, with the balance escalating by EUR 971,021 compared to the previous year-end on 31 December 2022.

3. FINANCIAL POSITION

The following table shows the Company´s cashflow statements for the financial year ended 31 December 2023.

	31. December 2023 EUR	Previous Year EUR
Cash flow from the operating activities	-538,972.88	-390,227.57

Cash flow from the investing activities	-386,750.17	-93,907.15
Cash flow from the financing activities	930,000	340.000
Cash funds at the beginning of the period	6,542.07	150,676.79
Cash-effective changes of cash funds	4,276.96	-144,134.72
Cash funds at end of the period	**10,819.02**	**6,542.07**

Changes in cash flows from operating activities	Cash flows from operating activities decreased from EUR -390,228 in the fiscal year ending 31 December 2022 to EUR -538,973 in the fiscal year ending 31 December 2023. This decrease is primarily attributable to the increase in net loss compared to the year ending 31 December 2022. However, it is mostly offset by the increase in depreciation and amortization when compared to the year ending 31 December 2022.
Changes in cash flows from investing activities	Cash flows from investing activities decreased from EUR -93,907 in the fiscal year ending 31 December 2022 to EUR -386,750. This decrease can be primarily attributed to the our write-downs of fixed assets, which is partially offset by our liquidation in our position in the "Conscious Goods" brand.
Changes in cash flows from financing activities	Cash flows from financing activities increased from EUR 340,000 to EUR 930,000. This is mainly attributable to the increase of 971,021.14 in the loan from Aperion Investment Group Ltd. It is worth noting that this increase is partially offset by the repayment of EUR 41,021.14 in interest on short-term debt.
Cash at Period End	Cash at the end of the period increased to EUR 10,819 in the year ended 31 December 2022, compared to EUR 6,542.

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 of 31 December 2023, the Company had drawn approximately EUR 1.3 million under the Credit Facility with Apeiron Investment Group Ltd. The total capacity available under the Credit Facility amounted to EUR 2.0 million, meaning that EUR 700,000 of capacity was available as at 31 December 2023. 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 pay-able 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

On 5 February 2024, the Company announced that its portfolio company Conscious Good ceased operations, following which the Company decided to write off its position in full.

On 12 February 2024, the Company announced the successful exit of its stake in Emerald Stay. The transaction was structured as a secondary share sale and generated approx. EUR 1.6 million of gross proceeds, reflecting a realized multiple on FY 2023 book value of around 2.3X (2.7X on invested capital). The Company used the net proceeds to pay down the balance of principal and accrued and unpaid interest under the Credit Facility with Apeiron Investment Group Ltd., resulting in a payment of EUR 1,371,688.08 million.

D. FORECAST REPORT

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

Entering 2024, 029 Group SE bases its strategic planning on cautiously optimistic economic forecasts. We expect inflation, a central focus of global economic discourse, to trend towards stabilization. This is anticipated to ease cost pressures that have strained the economy, allowing for a measured restoration of consumer and investor confidence, particularly crucial for our hospitality and lifestyle investment sectors.

However, the landscape is not devoid of challenges, notably geopolitical volatility. Tensions and conflicts continue to inject a degree of uncertainty into capital markets, impacting both liquidity and investor sentiment. Our strategic assumption is that these factors will persist, necessitating caution and flexibility in our investment approach.

Capital markets are projected to reflect this mix of stability and volatility. While traditional investment havens may see a resurgence of interest, venture capital markets are expected to retain a cautious stance. Investors will likely favor ventures demonstrating robust fundamentals, clear pathways to profitability, and agility in operations.

Adapting to this multifaceted environment, 029 Group SE remains committed to diligent market analysis and prudent investment. We anticipate leveraging periods of market stability to consolidate our positions and will remain nimble to pivot in response to the unpredictable shifts that characterize current geopolitical dynamics.

Inflation is expected to slow down economic recovery, the IMF is estimating that global growth will rise to 3.1% in 2024, and rise again slighty to 3.2% in 2025.[23] Global inflation is expected to fall to 5.8% in 2024 and 4.4% in 2025[24], but still well above pre-pandemic levels, and we expect that a return to inflationary levels below 2% is unlikely to occur in the near term. For the Eurozone, the IMF expects real GDP growth of 0.9% for 2024[25], with the German economy projected to grow by 0.5%.

Despite significant headwinds such as high inflation and the European energy crisis impacting consumer confidence, we maintain optimism regarding the resilience of demand for the products and services offered by our portfolio companies. Primarily targeting the luxury market and emerging younger consumer demographics, we have yet to witness any substantial slowdowns in demand. The overall 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. The German luxury goods market specifically is forecasted to sustain steady growth, with a projected 3.58% CAGR from 2024-2028, culminating in a target total market size of USD18.51 billion in 2028.[26]

---

[23] https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024
[24] https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024
[25] https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024
[26] https://www.statista.com/outlook/cmo/luxury-goods/germany

Furthermore, as we look towards the horizon of 2024, there are promising signs for venture funding to regain momentum. With inflation subsiding and demand for new housing remaining robust, there are indications of a strong economic foundation that could fuel growth opportunities for venture funding in related sectors.

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 2024.

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 2024, 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 2024, 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 to continue to benefit from continued strong demand in the high-end segment of the travel market, despite lower market segments growth slowing. This should result in strong occupancy rates and average daily rates rising in line with general inflation. Limestone is expected to raise growth capital in 2024 to support its growth plans and expand its assets under management, 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 BRANDS

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. We also expect fjör to benefit from strong demand for skincare products.

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 2024. We expect operational costs to be below the previous year's level and associated cash outflow to be covered by the existing Credit Facility, although we will look to establish sources of operating income.

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.

- 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 five 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 well as our estimated NAV 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, 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 FACTOR

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 and other geopolitical events - 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 in-vestments 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 Gaza conflict, 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

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

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 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 December 2023 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.

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 2023 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 2023 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. In 2023 the Administrative Board did not make any use of the Authorized Capital 2022 and therefore the authorized amount of EUR 2,500,000 is available in full.

As of 31 December 2023 the Company had no contingent capital.

As of 31 December 2023 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 2023 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 DIRECTORS OR WITH EMPLOYEES BEING TRIGGERED IN CASE OF A TAKEOVER BID (§ 289A SENTENCE 1 NO. 9 HGB)

As of 31 December 2023 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 was not subject to a relationship of dependency within the meaning of § 17 Abs 2 AktG between 01 January and 31 December 2023.

Berlin, 24 April 2024

029 Group SE
Managing Director

Lorin Van Nuland

3. Financial Statements

3.1 INCOME STATEMENT FOR 1 JANUARY - 31 DECEMBER 2023

		31. December 2023 EUR	Previous Year EUR
1.	Other operating income	46,386.88	0.00
2.	Personnel expenses	96,639.00	24,151.89
I.	Wages and Salaries	96,000.00	24,000.00
II.	Social security costs and expenses related to pension plans and for support	639.00	151.89
3.	Depreciation and amortization of intangible assets	3,248.00	1,895.16
4.	Other operating expenses	558,424.12	635,588.91
5.	Depreciation and amortization of financial assets	4,977,285.55	0.00
6.	Income from other securities and long-term loans	5,600.00	2,068.89
7.	Interest and similar expenses	41,021.14	2,701.11
8.	Net result after taxes	-5,624,630.93	-662,268.18
9.	**Net loss for the financial year**	**5,624,630.93**	**662,268.18**

3.2 BALANCE SHEET AS AT 31 DECEMBER 2023

ASSETS

		31.December 2023 EUR	Previous Year EUR
A.	Non-current assets		
I.	Purchased licences, trademarks and similar rights and values as well as licenses to such rights and values	14,961.84	14,051.00
II.	Long-term financial assets	17,264,822.50	21,853,005.88
	a) Other long-term equity investments	17,169,860.66	21,758,954.88
	b) Other loans	80,000.00	80,000.00
B.	Current Assets		
I.	Receivables and other assets		
	a) Other Assets (of which remaining term greater than 1 year EUR 12,003.89	12,003.89	6,403.89
II.	Cash on hand, central bank balances, bank balances, and checks	10,819.02	6,542.07
C.	Prepaid Expenses	50,191.30	22,550.51
		17,337,836.71	**21,888,502.35**

TOTAL EQUITY AND LIABILITIES

		31. December 2023 EUR	Previous Year EUR
A.	Equity	15,656,122.44	21,280,753.37
I.	Share Capital	5,000,000.00	5,000,000.00
II.	Capital reserves	17,048,925.00	17,048,925.00
III.	Accumulated losses brough forward	-768,171.63	-105,903.45
IV.	Net loss for the financial year	5,624,630.93	662,268.18
B.	Provisions	115,220.86	223,152.44
I.	Other provisions	115,220.86	223,152.44
C.	Liabilities	1,566,493.41	384,596.54
I.	Trade payable (which remaining term up to 1 year EUR 236,813.01)	278,922.55	70,367.27
II.	Other payable a) of which taxes EUR 1,840.63 b) of which remaining term up to 1 year EUR 1,285,730.23	1,287,570.86	314,229.27
		17,337,836.71	**21,888,502.35**

3.3 CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

			31. December 2023	Previous Year
			EUR	EUR
1.		Profit or loss for the period	-5,624,630.93	-662,268.18
2.	+/-	Depreciation, amortization and write-downs of nun-current assets	4,980,533.55	1,895.16
3.	+/-	Increase in provisions	-107,931.58	213,718.44
5.	-/+	Increase in other assets not attributable to investing or financing activities	-33,240.79	-26,754.15
6.	+/-	Increase in trade payables	208,555.28	70,361.91
7.	-/+	Increase in other assets not attributable to investing or financing activities	2,320.45	12,187.03
8.	+/-	Interest income	35,421.14	2,068.89
		Cash flow from the operating activities	-538,972.88	-390,227.57
9.	-	Cash outflows from investment in intangible assets	-4,158.84	-15,946.16
10.	-	Cash outflows from investment in financial assets	388,191.33	-80,029.88
11.	+	Interest received	5,600.00	2,068.89
		Cash flow from the investing activities	-386,750.17	-93,907.15
12.	+	Cash inflows from equity injection or cash outflows to owners	0.00	40,000.00
13.	+	Cash inflows from issuance of bonds and from short- or long-term borrowings	971,021.14	300,000.00
14.	-	Interest paid	-41,021.14	0.00
		Cash flow from the financing activities	930,000.00	340,000.00
15.		Cash-effective changes of cash funds (total cash flows)	4,276.95	-144,134.72
16.	+	Cahs funds at the beginning of the period	6,542.07	150,676.79
		Cash funds at the end of the period	**10,819.02**	**6,542.07**

3.4 EQUITY SCHEDULE AS AT 31 DECEMBER 2023

	Share Capital Commong Stock	Additional paid-in Capital	Net Loss	Total Equity
	EUR	EUR	EUR	EUR
Balance at Januar 1, 2022	250,000		-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**
Balance at Januar 1, 2023	5,000,000	17,048,925	-768,172	21,280,753
Net loss for the financial year	0	0	5,624,631	-5,624,631
Balance at December 31, 2023	**5,000,000**	**17,048,925**	**6,392,803**	**15,656,122**

3.5 NOTES TO THE FINANCIAL STATEMENTS AS AT 31. DECEMBER 2023

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 amortization 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.
Deferred taxes	Deferred taxes are not recognised in the balance sheet in accordance with the option under Section 274 HGB. 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 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 2023

		Anschaffungs-,und Herstellungskosten	Disposals and Additions	Transfers	Accumulated depreciations	Financial Write-ups	Book Value	Book Value
		01.01.2023			31.12.2023	31.12.2023	31.12.2023	Vorjahr
		EUR	EUR	EUR	EUR	EUR	EUR	EUR
A.	**Non-current Assets**							
I.	Intangible financial assets	15,946.16	4,158.84		5,143.16	3,248.00	14,961.84	14,051.00
1.	Purchased licences, trademarks and similar rights and values as well as licenses to such rights and values	15.946,16	4.158,84		5.143,16	3.248,00	14.961,84	14.051,00
II.	Long-term financial assets	21.838.954,88	388.191,33		4.977.285,55	4.977.285,55	17.249.860,66	21.838.954,88
1.	Other long-term equity investments	21.758.954,88	388.191,33		4.977.285,55	4.977.285,55	17.169.860,66	21.758.954,88
2.	Other loans	80.000,00			0,00		80.000,00	80.000,00
	Total financial assets	**21.854.901,04**	**392.350,17**		**4.982.428,71**	**4.980.533,55**	**17.264.822,50**	**21.853.005,88**

Other assets

Other assets relate to recognized interest on loans as of the reporting date in the amount of EUR 5,600.00 (previous year: EUR 2,068.89), 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 4,335.00) 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 2023 (previous year: EUR 5,000,000.00) and is divided into 5,000,000.00 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.)
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, 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 on 01 July, 2022.
Disclosures on and explanations of provisions	Other provisions mainly relate to the preparation of the annual financial statements, audit costs and financial accounting costs as well as for the remuneration of the Administrative Board 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 278,922.55 (previous year: EUR 70,367.27) and other liabilities in the amount of EUR 1,287,570.86 (previous year: EUR 314,229.27), 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 1,273,722.25 (previous year: EUR 302,701.11) 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 12,007.98 (previous year: EUR 9,687.53). In addition, there are liabilities to the tax office from VAT payable in the amount of EUR 1,840.63 (previous year: EUR 1,840.63).

INCOME STATEMENT DISCLOSURES

Classification of sales	No sales were generated in the reporting period.
Other operating income	Other operating income mainly consists of the reversal of provisions formed in the previous year in the amount of EUR 46,209.00 (previous year: EUR 0.00).
Amortization	The amortization consists of the impairment of long-term financial assets in the amount of EUR 4,977,285.55 (previous year: EUR 0.00) resulting from the discontinuation of the active business operations of an associated company in the reporting year. The amount of possible liquidation proceeds from the associated company cannot yet be determined at the time of preparing the annual financial statements, but is expected to amount to EUR zero.
Miscellaneous operating costs	Miscellaneous operating expenses mainly consist of rental expenses for immovable assets in the amount of EUR 38,230.58 (previous year: EUR 6,442.74), insurance expenses of EUR 26,562.26 (previous year: EUR 0.00), advertising expenses of EUR 35,700.00 (previous year: EUR 151,303.56) for advertising the shares, legal and consulting costs of EUR 187,032.45 (previous year: EUR 259,860.98), mainly in connection with the IPO, as well as costs for the financial statements and audit amounting to EUR 146,216.88 (previous year: EUR 20,686.97), mainly in connection with the Annual General Meetings, the preparation of the annual financial statements and tax returns and the audit of the annual financial statements.
Expenses relating to other periods	Expenses relating to other periods mainly consists of expenses for notarizations and legal and consulting costs in the amount of EUR 33,544.22 (previous year: EUR 0.00) in connection with the contribution of an investment portfolio in 2022.
Income from other securities and loans held as financial assets	Interest income in the amount of EUR 5,600.00 (previous year: EUR 2,068.89) 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 in the amount of EUR 41,021.14 (previous year: EUR 2,701.11) 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 8,049.45	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:

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

The managing director Lorin Van Nuland received a remuneration of EUR 96,000.00 for his activities in the reporting period. The managing director did not receive any variable or performance-related remuneration in the reporting period.

The following persons were members of the administrative board until 28 June 2023:

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 Group CEO, Apeiron Investment Group

The following persons were members of the administrative board from 29 June 2023:

Juan Rodriguez	Chairman	Occupation:	Managing Partner, C3 Capital
Dr. Martina Wimmer	Vice-Chairman	Occupation:	Legal Counsel
Lorin Van Nuland	Member	Occupation:	Managing Director, 029 Group SE Group CEO, Apeiron Investment Group

The members of the administrative board receive no remuneration in the amount 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 until March 2023) • Neodigital Versicherung AG, Neunkirchen, Member of the Supervisory Board (since November 2021) • SynBiotic SE, München, Member of the Board of Directors (since November 2020 until September 2023) • Formo Bio GmbH, Berlin, Member of the Board of Directors (since February 2023) • Tiakis Biotech AG, Kiel, Member of the Board of Directors (since March 2022) • Scaleup Holding GmbH, Osnabrück, Member of the Supervisory Board (since June 2021) • Sutura Therapeutics Limited, Macclesfield (UK), Member of the Supervisory Board (since October 2021)
Lorin Van Nuland	• 0029-001 Ltd., London, UK, Member of the Board (since 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%	-133.117,00	99.964,06
Limestone Capital AG, Zug, Switzerland*	35.66 %	410,749.60	3,078,774,98

*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**	5.6%	- 1,677,580.00	2,587,359.00
Fjor Ltd., London, UK****	11.25%	153,837.78	244,684.52

*Disclosure of the figures as at 31.12.2021 for the annual result and equity
**Disclosure of the figures as at 28.02.2022 for the annual result and equity
***Disclosure of the figures as at 31.12.2022 for the annual result and equity
****Disclosure of the figures as at 31.12.2023 for the annual result and equity

MEMBERSHIP OF GROUP

There is no group affiliation as of 31 December 2023.

AUDITOR'S FEE

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

Audit services as at 12/31/2023:	EUR 34,600.00 (Accrual)
Other services as at 12/31/2023:	EUR 4,760.00 (Accrual)

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 2023:

The net loss for the year amounts to EUR 5,624,630.93.

The net loss for the year of EUR 5,624,630.93 will be carried forward together with the loss carried forward from previous years.

SIGNATURE OF MANAGING DIRECTOR

Berlin, 24 April 2024	
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, 24 April 2024

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 2023, der income statement, the cash flow statement and the statement of changes in equity, for the financial year from 1 January 2023 to 31 December 2023 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 2023 to 31 December 2023. 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 2023 and of its financial performance for the financial year from 1 January 2023 to 31 December 2023, 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 2023 to 31 December 2023. 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 investments, 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" and in the section "Income statement disclosures, amortisation". For the comments in the management report, please refer to the sections "B.2 Portfolio Review", "C.2 2. Assets and Liabilities" and "D. Forecast Report".

FACTS AND RISK FOR THE AUDIT

In the annual financial statements of 029 Group SE, seven minority investments in start-up companies totalling k€ 17.170 are reported under the balance sheet item " Long-term financial assets", which together account for around 99.0% of the balance sheet total and exceed the company's balance sheet equity by k€ 1.472. The investments are subjected to an annual impairment test by the company in order to determine any need for write-downs or write-ups. The result of these valuations is highly dependent on how the legal representatives assess the future development of the investments and derive the planning assumptions. One of the minority interests ceased its business operations in February 2024. The carrying amount of € 4,949 thousand was fully impaired in the reporting year. In view of the complexity underlying the valuation and the scope for judgement involved in the valuation, the recoverability of the investments is a key 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 administrative 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 administrative 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 administrative board is responsible for the report of the administrative 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 administrative 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 JA (1).zip (MD5-Hashcode: 9261187c55621a6083bc442499167c9f) 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 2023 to 31 December 2023 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 International Standard on Quality Management (ISQM 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 administrative 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 28 June 2023. We were appointed by the administrative board on 31 January 2024. 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, 23 April 2024

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.

This Annual Report was published on 24 April 2024.

CONTACT DETAILS / PUBLISHER

029 Group SE

Neue Schönhauserstr. 3-5
10178 Berlin
Germany

Telephone +49 30 21782259

ir@029-group.com

https://www.029-group.com/

District Court: Charlottenburg
HRB number: 200678 B