

Press release

econnext successfully exits its first portfolio company

- Successful completion of a significant capital increase at GoStudent, the fast growing edtech, in spite of difficult market environment
- As part of this transaction, econnext sells its shares in this portfolio company
- With this step, econnext credibly demonstrates the high return potential of its sustainable business model focused on addressing societal and environmental challenges
- Preparations for the First Closing of econnext's own 2020 financing round have been initiated

Frankfurt, 20/05/2020. In May 2020, econnext ("econnext") made the decision, as part of the strategic entry of new investors into GoStudent GmbH based in Vienna, to sell all shares in this successful portfolio company. With this first sale of shares in a portfolio company, econnext was able to achieve a highly attractive exit multiple from this early engagement.

With the remarkable capital increase in these difficult times, GoStudent now plans to accelerate their promising growth path by expanding its market position and accelerating entry into new markets. The capital increase was led by two well-known venture capital funds from the US and UK.

econnext was only the second investor in GoStudent shortly after the founding of econnext in 2016 and increased its share one year later in a further capital increase. At the time, the econnext founders decided to invest income from consulting fees in the young start-up GoStudent. This was done out of the conviction that digital education platforms and high-quality, affordable tutoring solutions form a convincing business model and at the same time make an important contribution to reducing social inequality in the education sector.

Unlike the other portfolio companies, econnext always held an unqualified minority stake in GoStudent. Since econnext increasingly focused on energy and circular economy-oriented young companies, econnext consciously decided not to increase the stake in GoStudent and is now consistently following the "best owner approach" when it comes to exits.

"We are pleased that we can now reap the rewards of an evidently correct investment decision. The combination of a promising business model with a positive contribution to society and a convincing team of founders was the basis for our decision back then. It was also the right decision at the time to support the team as a partner in a development phase that then led to an adjustment of the business model," says Jobst von Hoyningen-Huene, one of the two managing founding shareholders of econnext. He continues: "We firmly believe that the committed GoStudent team now has the opportunity to establish their successful business model in new markets and will further accelerate their growth path. We are pleased that we were able to initiate and accompany such a positive development with our investment".

econnext will now also initiate preparations for its own 2020 financing round. "More than ever, we are convinced that our econnext approach - as now demonstrated by GoStudent - can not only generate highly attractive returns but can also make a significant positive contribution to solving the most pressing social and environmental challenges".

With the conversion of econnext GmbH into econnext GmbH & Co. KGaA, which is now about to be registered, econnext has the opportunity to open up to semi-institutional and institutional investors in addition to other family offices, thereby further increasing the effectiveness of the econnext group.

About econnext

The econnext group was founded in 2016 and, in accordance with its articles of association, is dedicated exclusively to supporting subsidiaries that make a long-term profitable and scalable contribution to achieving the UN Sustainable Development Goals (SDGs). The shareholders of German-Dutch econnext are twelve relevant families or family entrepreneurs and the two founding shareholders.

Following the latest transaction, econnext holds a majority stake in ESG Screen17 GmbH in Frankfurt, autarq GmbH in Prenzlau, GRIPS Energy GmbH in Berlin, Lumenion GmbH in Berlin and Circular Carbon GmbH in Würzburg. In addition, econnext holds a qualified minority interest in FLAXTEC GmbH in Dresden, which is the sole shareholder of FLAXRES GmbH.

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