

Zerezes - One Pager

Zerezes is a low-cost eyewear brand, with an emphasis on design and creating a quality multi-channel experience.

Zerezes – a Shift Alpha Investment

Summary of Shift's Investment Thesis

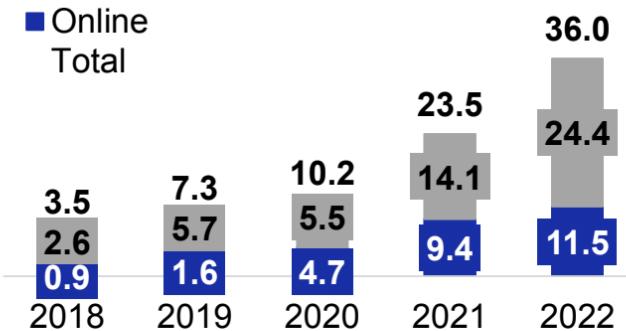
The Brazilian eyewear category is a +R\$ 20 billion market, being concentrated in a handful of players. These players sell through a lengthy distribution chain, with outdated customer experience, which makes the high-class products very expensive for final customers and discourages innovation in client experience.

Given this context, Zerezes built a direct-to-consumer eyewear brand, selling through online and offline (own stores, currently 7) proprietary channels. By bypassing intermediaries and owning the channels, it offers high-class designs for an affordable price. It also controls the experience, building trust, recurrence, and a stronger brand with customers.

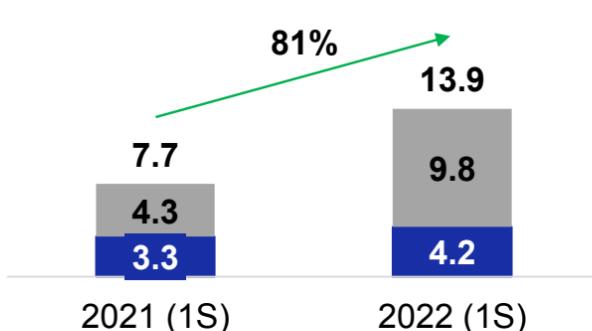
Rodrigo and Hugo, the founders, provide the ideal mix of business expertise and brand vision that Shift looks for in consumer cases. They have managed to create a strong brand with healthy financials, growing fast, and 100% bootstrapped thus far.

KPIs Highlights

Gross Revenue
R\$ M



Gross Revenue Comparison
R\$ M



- Gross Margin: +70%
- EBITDA 4-Wall (stores): +30%
- Contribution margin: +35%
- Average store payback: 1.4 Years

Deal Highlights

Shift Capital (leader), Order VC, Marcello Bastos (founder of the Farm brand)

Round Size	<ul style="list-style-type: none"> • R\$ 22.5M
Shift's Share	<ul style="list-style-type: none"> • 9.09%
Shift Allocation	<ul style="list-style-type: none"> • R\$ 12.5M
Shift's Governance	<ul style="list-style-type: none"> • 1 board seat
Pre-Money Valuation	<ul style="list-style-type: none"> • R\$ 127.5M
Pre-Money EV/22E Revenue	<ul style="list-style-type: none"> • 3.6x

Skelt Beauty Brands - One Pager

Skelt Beauty Brands is a Brazilian skincare house of brands, focused on developing and scaling disruptive brands in multiple beauty categories.

Skelt Beauty Brands – a Shift Alpha Investment

Summary of Shift's Investment Thesis

The Brazilian skincare industry boasts a market size exceeding R\$20 billion and exhibits strong liquidity both domestically and internationally. Even during periods of adverse market sentiment, the sector continues to witness numerous high-value M&As.

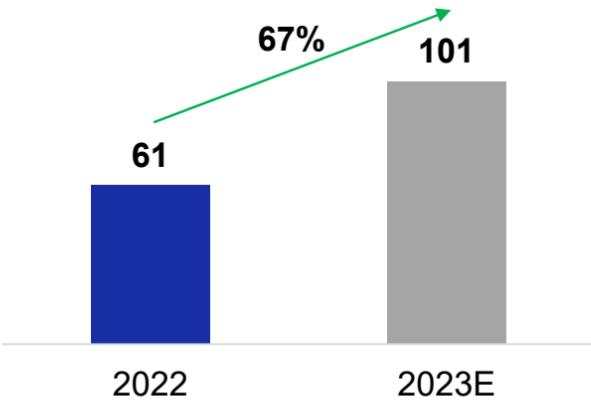
Skelt is a company with which Shift has cultivated a three-year partnership, witnessing its evolution from a single brand, exclusively present in the online channel, to a multi-brand enterprise encompassing Skelt, Creamy, and The Joy Lab, expanding its presence to include online platforms, wholesale distribution, proprietary retail outlets, and direct sales channels. The company has embarked on a strategic diversification journey, expanding its product offerings to cover all facets of skin care, including facial care, body care, and sun care, while venturing beyond into the hair care segment (2024E). Currently, the company operates across several channels and market segments, presenting numerous avenues for growth.

From a financial perspective, Skelt has achieved rapid growth both in terms of revenue and profitability, evidenced by its positive EBITDA on an LTM basis. It is anticipated to surpass the R\$100 million revenue milestone this year and over R\$150 million for 2024, compared to R\$61 million in 2022. Furthermore, operational leverage should lead margins to continue to improve, providing the company with additional capital for reinvestment.

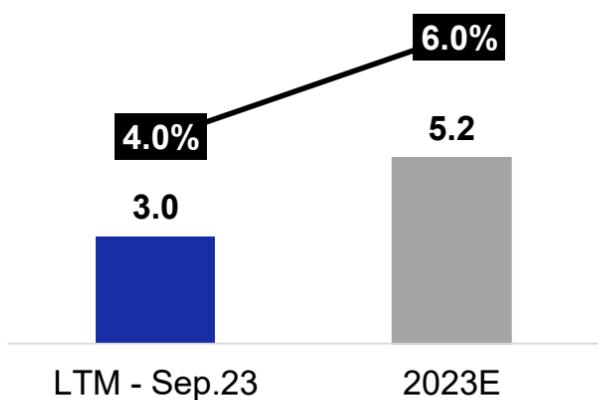
In summary, the combination of robust growth prospects, strong brands, diversified growth avenues, profitability, and an attractive entry valuation (at 1.8X 2023E Net Revenue) positions this investment opportunity as one of high confidence and high potential.

KPIs Highlights

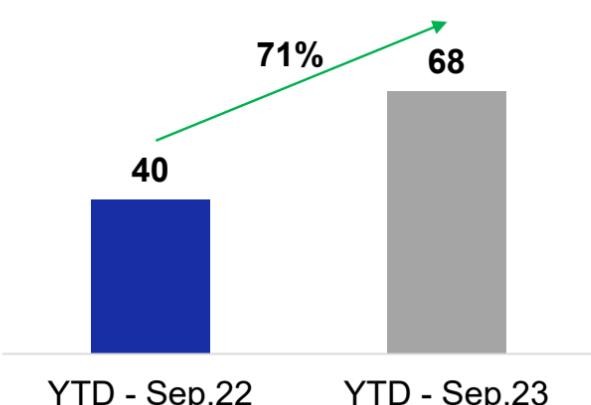
Gross Revenue
R\$ M



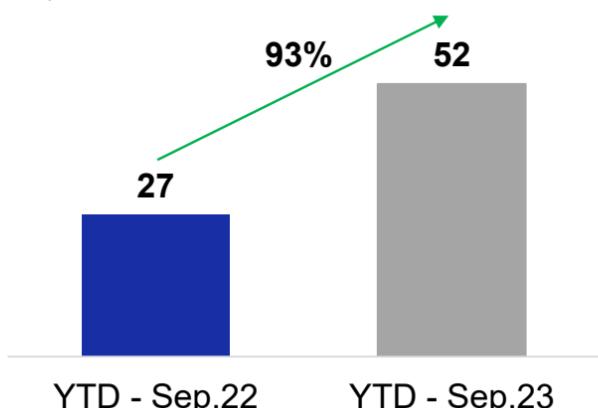
EBITDA & EBITDA Margin
R\$ M and %



YTD Gross Revenue
R\$ M



Creamy Gross Revenue
R\$ M and %



- Gross Revenue Growth 2023E vs 2022: 67% (CAGR 2018 - 2023 of 76%)
- Gross Revenue of R\$ 89 million on an LTM – Sep.23 basis
- EBITDA Margin 2023E of 6% vs -7% in 2022
- Gross Revenue Growth YTD: 71%
- Creamy Gross Revenue Growth YTD: 95%

Deal Highlights

Shift Capital (Leader)

Round Size	R\$ 16.0M (Total) <ul style="list-style-type: none"> • R\$ 10.0M (<i>Shift Alpha I</i>) • R\$ 6.0M (<i>Co-Investment</i>)
Shift's Share	<ul style="list-style-type: none"> • 10.76% - Round • 37.48% - Total
Shift Allocation	<ul style="list-style-type: none"> • R\$ 16M
Shift's Governance	<ul style="list-style-type: none"> • 1 board seat • 2x liquidity preference • Right to appoint CFO • Right to appoint a Co-CEO or COO if certain goals aren't met • Drag Along if certain goals aren't met • Right to make an organized sales process for Shift participation from 2025 onwards
Pre-Money Valuation	R\$ 135.2M
Pre-Money EV/23E Revenue	1.8x
Pre-Money EV/LTM Revenue	2.2x
Pre-Money EV/24E Revenue	1.2x

Regera - One Pager

Regera is a biogas and biomethane plants developer from organic agricultural waste.

Regera – a Shift Alpha Investment

Summary of Shift's Investment Thesis

In the last decade, the biogas and biomethane sector has consolidated in Europe and USA, initially from landfills, and more recently from agriculture organic waste. In Brazil, the sector has been evolving recently on the back of new regulations and incentives, with some solid players already positioned in the landfills, but very few in the agricultural sector.

In Brazil, Regera was the first mover to start building biogas plants for the agriculture sector providing a sustainable and decentralized source of energy or natural gas to farmers, while avoiding the emission of methane from the organic waste decomposition.

The company develops plants for itself and third parties, and also sells fertilizers produced from the solid output that is generated in the biodigestion process.

Proprietary Plants



SKT Plant – São Gotardo, MG
Treats manure of 2000 milk cows
Generates 240MWh of electricity



EDB Plant – Ouro Verde, PR
Treats waste of pork industry
Generates 160MWh of electricity

Deal Highlights

Shift Capital (co - leader)

Round Size	<ul style="list-style-type: none"> • R\$ 25.0M • R\$ 12.5M Shift Alpha I • R\$ 12.5M Riza Asset
Valuation	<ul style="list-style-type: none"> • 5x EBITDA 2026
Option for Future Investment	<ul style="list-style-type: none"> • R\$ 87.5M Shift • R\$ 87.5M Riza
Shift's Governance	<ul style="list-style-type: none"> • 1 board seat • 110% of CDI liquidity preference • Right to appoint CFO • Approval of leverage • Anti-dilution below R\$50m Equity Valuation • Tag-Along Right • Pro-rata right • Right to start an organized sales process from 2029 onwards;
Structure	Debenture Conversível

Acquion Foodtech - One Pager

Acquion Foodtech is a Brazilian collagen company positioned for a turnaround-growth thesis, with Shift leading the strategy. The business presents a strong potential for high returns.

Acquion Foodtech – a Shift Alpha Investment



Summary of Shift's Investment Thesis

Acquion Foodtech specializes in the production of innovative and technologically advanced collagens, serving diverse industries including the pharmaceutical, food, supplements, veterinary, cosmetics, and nutraceutical sectors. The company is known for delivering products with exceptional purity and a higher concentration of protein compared to the market standard. This competitive advantage stems from its cutting-edge production process and newly established manufacturing facility, placing Acquion at the forefront of collagen innovation.

Within its first year of operations, Acquion achieved gross revenues exceeding R\$ 30 million, underscoring the company's rapid market acceptance and ability to scale.

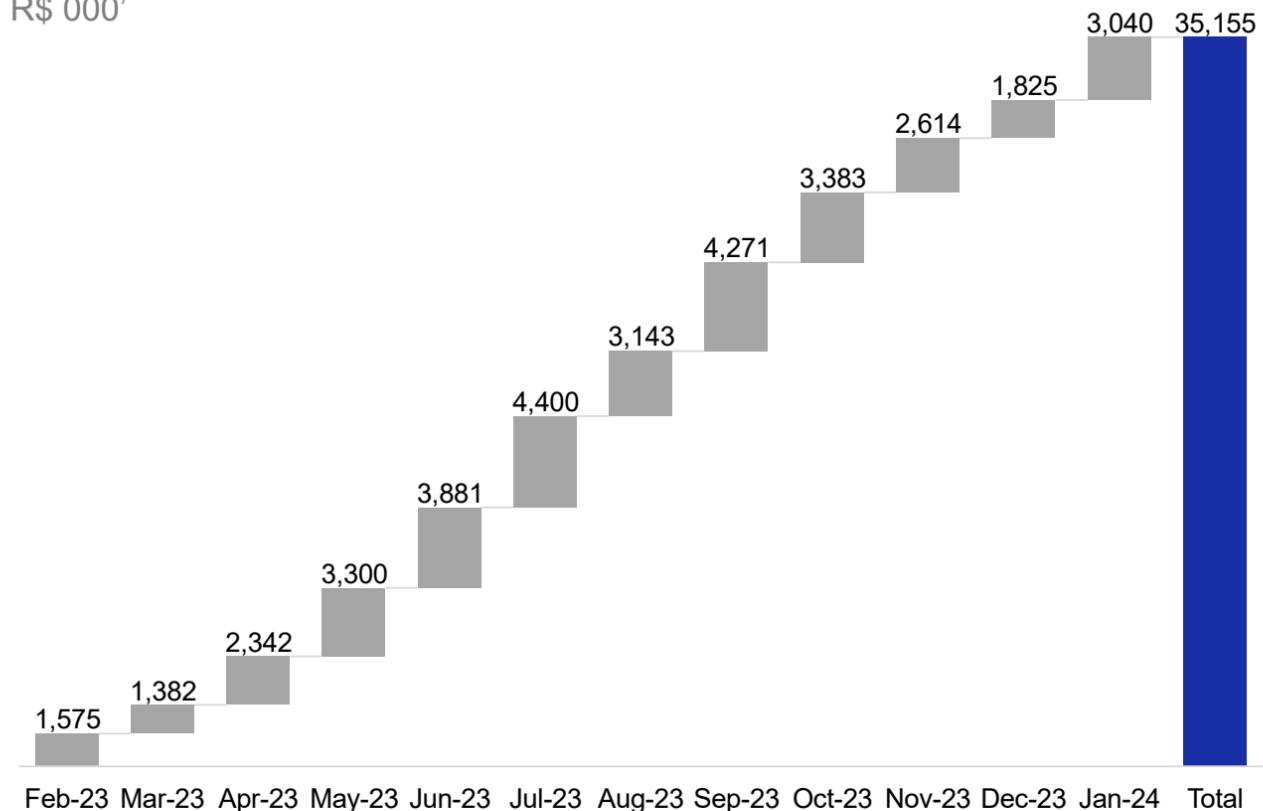
With a proven track record and validated Product-Market Fit (PMF), the company operates in a rapidly growing and highly profitable industry. The global collagen market is driven by increasing demand across health, wellness, and beauty sectors, and typically operates at a ~30% EBITDA margin. Acquion's focus on product quality and technological advancement enables it to fully capitalize on this trend, positioning the company for sustained success.

Despite its strong potential, the company faced financial difficulties due to a high level of leverage, which led to financial distress. Shift Capital, in partnership with Order VC, led by Gilberto Zancopé, acquired the business at an enterprise value (EV) of R\$ 50 million. Together, we aim to execute a comprehensive turnaround strategy, using our combined expertise to stabilize operations, manage debt, and unlock growth potential in the global collagen market.

KPIs Highlights

Gross Revenue – 1st Year of Operations

R\$ 000'



Deal Highlights

Shift Capital & Order VC (Shared Control of Acqion)

Round Size	<ul style="list-style-type: none"> Upwards to R\$ 25.0M
Shift's Share	<ul style="list-style-type: none"> TBD
Shift Allocation	<ul style="list-style-type: none"> Upwards to R\$ 12.5M
Shift's Governance	<ul style="list-style-type: none"> 2 board seats Right to appoint CFO Drag Along Tag Along Right to make an organized sales process for Shift participation from 2028 onwards;
Valuation (EV)	R\$ 50.0M
EV/25e EBITDA	~3.2x
5y Expect. CoC	5.0x
5y Expect. IRR	36.4%

