

Financial calendar

press & analyst meeting	31 January 2025
general assembly	27 March 2025
update first quarter	24 April 2025

QUEST FOR GROWTH CANNOT YET TURN THE TIDE IN 2024

At 31 December 2024

- Net asset value per share: € 7.17 (at 31 December 2023: € 7.51)
- Share price: € 3.98 (at 31 December 2023: € 5.00)
- Discount of share price versus net asset value: 44.5% (at 31 December 2022: 33.4%)

Financial year 2024

- Net loss for the financial year: € -6,338,360 (€ -0.34 per ordinary share) against a loss of € -3,524,260 (€ -0.19 per ordinary share) for financial year 2023
- Lieve Creten succeeds Brigitte de Vet-Veithen as chairwoman of the board of directors after approval by the general meeting
- New direct co-investments in the companies Confo Therapeutics and Gradyent, together with the Capricorn Healthtech and Capricorn Digital Growth funds, respectively.
- Through the Capricorn ICT Arkiv fund, the participation in FEops was sold to Materialise, while Thryve is a new indirect investment through the Capricorn Digital Growth fund.
- Quest for Growth acts as a cornerstone investor in the new Capricorn Healthtech II fund.
- Rotation in the listed shares through 2024: Stratec, Mayr-Melnhof and LEM out. Harvia, Virbac, Andritz, Robertet and Init in.

Financial year 2025

- A takeover bid for Nexus in early November with a premium of 44% on the then stock market price had a positive impact on the result of € 1.8 million euros in 2024. When the takeover is formally completed (subject to approval of the bid), the entire stake in Nexus will be sold in 2025.



Results

Quest for Growth closed the 2024 financial year with a net loss of € -6,338,360. The return on equity was -4.50%. Quest for Growth's share price fell by 20.4% to a closing price of € 3.98 on 31 December 2024. The discount of the share price to the net asset value increased sharply to 44.5% at the end of 2024 compared to 33.4% at the end of 2023.

Allocation of the result

Given the negative result combined with the previous year's carried forward loss, no dividend will be paid for the financial year 2024.

Market environment

The European stock market index STOXX Europe 600 Net Return rose by more than 8% over 2024. The STOXX Europe Small 200 Net Return rose by around 4%. The underlying drivers and trends for the stock markets remained more or less the same. From a thematic point of view, AI continues to support stock prices. Companies with exposure to the Cleantech theme, on the other hand, are lagging behind the general positive stock market trend.

Stocks with a higher market capitalisation continue to outperform smaller listed companies. Since the end of 2021, the difference has been very significant: over a three-year period, the STOXX Europe Small 200 Net Return index has achieved a negative return of around 11%, while the broader European market has risen by more than 12%!

Investments in quoted equities

The estimated gross performance of the listed stock portfolio was 2%. The outperformer in the portfolio this year was Tubize, the monoholding above the Belgian biopharmaceutical company UCB, with a total return of around 100%. UCB is benefiting from the successful launch in the US of Bimzelx, a medicine for psoriasis. Like UCB, Tubize also saw its share price rise to new record levels. Tubize is not only the stock with the best share price performance this year, it is also Quest for Growth's largest position.

Jensen Group, a global leader in the production of industrial washing systems, achieved a record year over 2024. The future also looks promising. Through cooperation with Japan's Miura, Jensen was able to significantly strengthen its position in the Japanese market. The acquisition of German company Maxi Press gives Jensen access to the interesting market for spare parts. So far, Jensen does not seem to be affected by the difficult economic conditions in Europe. Nevertheless, Jensen Group remains one of the cheapest stocks in our listed portfolio.

One of the five newcomers in the portfolio also did extremely well on the stock exchange: Harvia, the Finnish market leader in sauna products, is generating high margins and growing strongly thanks to increasing demand outside its Scandinavian home market. The United States and Japan in particular, two markets with huge potential and low penetration of saunas, are ready for a growth phase. In addition, the health benefits of sauna are becoming increasingly well-known and promoted. We bought this small cap at the beginning of February 2024 and since then the share has risen by 33%.

The main drop in the portfolio is Melexis (-35%). Melexis had a difficult second half of the year, due to its high exposure to the automotive sector. The French Equasens, producer of software for pharmacists and the German Datron also saw their share price fall significantly in 2024.



Investments and divestments

Throughout 2024, Quest for Growth invested in five new positions.

In February, Quest for Growth acquired shares in Finnish company Harvia, the global market leader in sauna products.

In the month of August, Quest for Growth bought shares of French family-owned Virbac, a specialist in animal medicines. Virbac has a broadly diversified portfolio, with limited risks of patent expiry. Virbac's portfolio is strongly oriented towards pet products and growth countries, two extremely interesting growth areas. Over time, Virbac aims to further increase its operating profit margin to 20% by 2030, mainly through economies of scale and improved productivity. Finally, even after two acquisitions in Japan and India, the balance sheet leaves ample room for external growth.

Shortly afterwards Quest for Growth invested in the Austrian company Andritz, the world leader in hydropower plant construction and also active in other clean technologies such as water treatment, biofuels, air purification and green hydrogen. A solid balance sheet, significant service revenues and a high order book contribute to the company's stability. Andritz has enjoyed average earnings growth of around 15% a year over the past five years, while its valuation remains low.

Finally, in December, Quest for Growth invested in two new companies: Robertet and Init.

French company Robertet specialises in the production of natural fragrances and aromas used in perfumes, food and beverages, among others. Robertet operates worldwide and is the reference for natural ingredients. Robertet is achieving nice growth figures thanks to changing needs among consumers, who attach more and more importance to sustainability and natural ingredients. Future growth offers Robertet the prospect of higher margins, with the help of previous investments in automation and economies of scale.

German technology company Init specialises in advanced IT systems for public transport. Init's products and services improve the efficiency and quality of public transport. Concrete examples include real-time travel information, efficient fleet vehicle management and maintenance, and ticketing. This year, Init secured a contract worth more than USD 100 million with the city of Atlanta to optimise their ticketing. In London, Init also won a nice contract worth £ 80 million. Both contracts also provide for a multi-year after-sales service, the value of which is not included in the amounts communicated.

Quest for Growth said goodbye to a total of four companies: SII, Mayr-Melnhof, Stratec and LEM. SII left the portfolio as well as the stock market after a successful bid by its main shareholder. Mayr-Melnhof saw its profitability decline due to overcapacity in the paper and cardboard market. German company Stratec is struggling with declining demand for medical analysis and diagnostics. Swiss LEM is experiencing difficulties in safeguarding its market share in the important Chinese market.

Investments in venture & growth capital

Quest for Growth made a new investment in the Dutch company Gradyent in the first quarter of 2024, a co-investment with the Capricorn Digital Growth Fund. Gradyent offers a solution to optimise the management of district heating networks using digital twins and artificial intelligence. Such networks are responsible for heating residential and industrial properties, using renewable energy sources or heat recovered from industrial processes, renewable energy or waste treatment. District heating networks are rapidly gaining popularity in many countries with consequently a growing need to manage their increasing complexity - both in terms of heat sources and customer needs - in a smart and sustainable way.

In the third quarter, Quest for Growth made a new investment in the Belgian company Confo Therapeutics, a co-investment with the Capricorn Healthtech Fund. Confo Therapeutics is a Ghent-based company that has designed a platform for drug development targeting G protein-coupled receptors (GPCRs). Quest for Growth joined a new € 60m funding round with a direct investment of € 1m. The proceeds will be used to advance two in-house developments through phase I clinical trials and to advance two additional programmes to IND approval, including molecules targeting GPR75 to fight obesity.

Following a successful € 6 million capital round in April 2024 in which Quest for Growth and Capricorn Sustainable Chemistry Fund participated, the shareholders of Qpinch, a leading innovator in heat transformation, approved in December the plan for an alliance agreement with a reputable licensing firm in the chemical and petrochemical sector. This agreement was signed by all parties on 10 January 2025.



Investments in venture & growth funds

Related to the sale of Ogeda to Astellas Pharma in 2017, Capricorn Healthtech Fund received the final milestone payment in the second quarter of 2024. The fund subsequently proceeded with a capital reduction, which resulted in a distribution of € 1.6 million for Quest for Growth.

In the third quarter Capricorn Digital Growth Fund made a new investment in the German company Thryve, a specialised B2B health data integration and analytics company. The fund led a Series A funding round of € 4 million with an investment of € 2 million. Thryve's unified API allows health services around the world to map and understand an individual's health status 24/7 through hundreds of health trackers, providing a critical piece of infrastructure to deliver preventive, automated care anytime, anywhere.

Also in the third quarter Capricorn ICT Arkiv sold the Belgian company FEops to Materialise, a world leader in 3D printing software and services. FEops develops AI-driven simulation technology to improve the efficiency of procedures and clinical outcomes for structural cardiac interventions. The acquisition allows Materialise to expand its cardiovascular solutions with predictive simulation capabilities, promoting personalised treatment of patients with heart disease.

In the Capricorn Sustainable Chemistry Fund, there was good news at DMC. The specialist in bio-based chemicals not only made progress in their product development, but also completed two strategic projects in collaboration with two major companies in 2024 and attracted a new CEO with a lot of experience. Void also moved forward in 2024, after their innovative packaging became commercially available for the first time thanks to a partnership with pet food manufacturer Berry Global, accounting for more than one million packages now featuring 'Void Inside'.

At the end of 2024, the new Capricorn Healthtech Fund II launched with a first closing of € 51 million of committed capital. As a cornerstone investor, Quest for Growth stepped in with € 12.5 million, together with other investors such as AG Insurance/Ageas, PMV, Finance&Invest. Brussels, Invest-NL, KU Leuven R&D, Sensinnovat and the Centre for Digital Innovation Support (COI).

Following the sale of their stake in FRX Innovation by both Quest for Growth and the Capricorn Cleantech Fund, the latter fund and the feeder fund linked to it were liquidated at the end of 2024, as it was the last position.

Furthermore, follow-up investments in the form of internal funding rounds were realised in 2024 at various portfolio companies in the venture and growth capital funds.

Despite the positive developments in some portfolio companies, several investments also had to be written down for various reasons, such as failure to achieve milestones, failure to secure additional financing or the cancellation of planned deals, resulting in the unlisted portfolio, directly and indirectly via the venture capital funds, recording a loss of € 0.35 per share.

Outlook

The 2024 price increase pushes the valuation of the STOXX 600 Europe valuation slightly higher compared to the levels at the end of last year. However, from a historical perspective, valuation multiples of European equities remain low. The price-earnings ratio, based on the earnings estimates for the coming 12 months, stood at 13.3x at the end of December.

The STOXX Europe Small 200, which brings together companies with a relatively low market capitalisation, was listed at a P/E of 12.6x at the end of December. Over the past two years, the traditional valuation premium of small caps over large caps has completely evaporated. The higher growth outlook for small caps remains intact in the long term. The average valuation of the listed stocks in Quest for Growth's portfolio is also lower than the average of recent years. This creates opportunities to buy stocks already in the portfolio or to add new stocks to the portfolio.

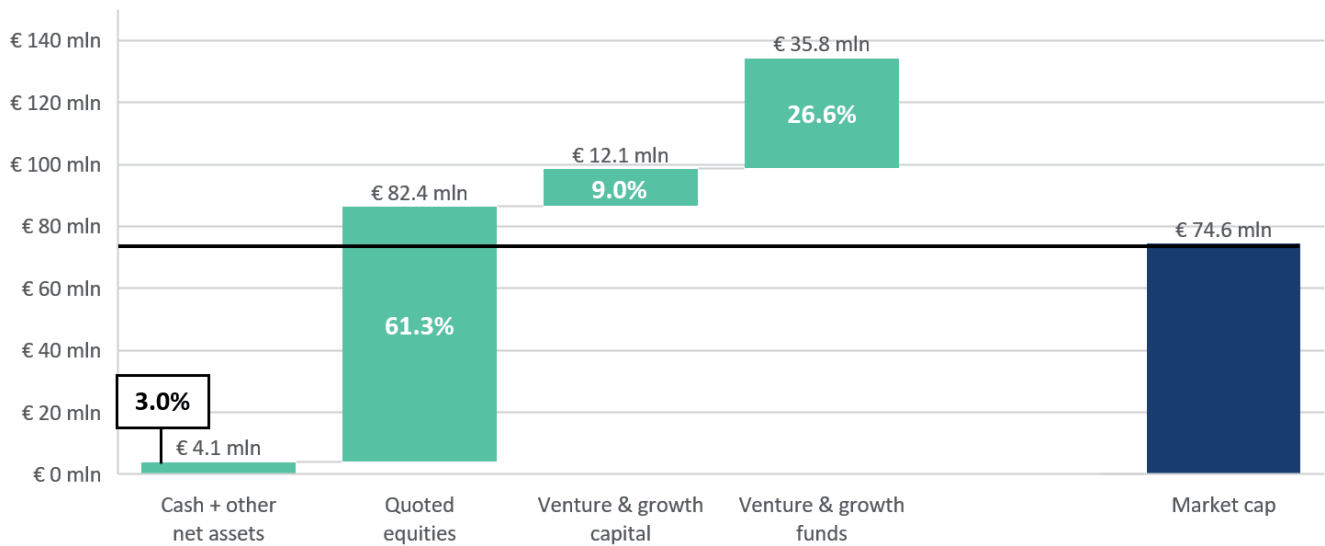
We expect to further expand the portfolio of investments in venture and growth capital and venture and growth capital funds in 2025.



Total shareholders return (31/12/2014 – 31/12/2024)



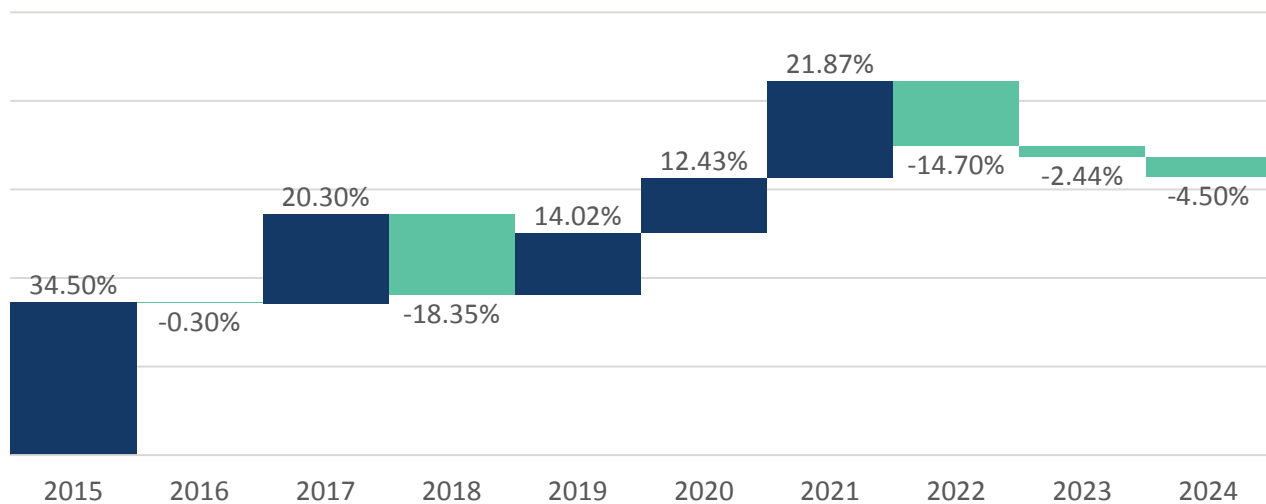
Portfolio composition and market capitalisation at 31/12/2024



Discount of the share price versus the net asset value (31/12/2014-31/12/2024)



Return on equity from 31/12/2014 to 31/12/2024 (*)



(*) result compared to equity at the start of the financial year taking into account the dividend paid and the impact of the capital increase.



Balance sheet

in EUR		31 December 2024	31 December 2023	31 December 2022
ASSETS	Situation at			
Cash and cash equivalents		3,382,341	6,800,567	6,177,462
Trade and other receivables		239,562	474,757	1,050,834
Dividends receivable		416,639	385,020	563,083
Financial assets				
Financial assets at FVTPL – equity securities		130,240,976	132,804,660	136,042,102
Financial assets at FVTPL – debt securities		105,155	312,613	468,595
Other current assets		7,161	7,191	7,210
Accruals		66,677	0	0
Total assets		134,458,512	140,784,807	144,309,287

LIABILITIES AND EQUITY

Share capital	147,072,900	147,072,900	147,072,900
Reserves	0	0	21,918,727
Accumulated result	-6,328,208	-2,803,948	106,290
Net result for the period	-6,338,360	-3,524,260	-24,828,966
Total equity attributable to shareholders	134,406,331	140,744,692	144,268,952
Current tax payable	0	0	219
Other liabilities	52,180	40,115	40,115
Total liabilities	52,180	40,115	40,335
Total equity and liabilities	134,458,512	140,784,807	144,309,287

Income statement

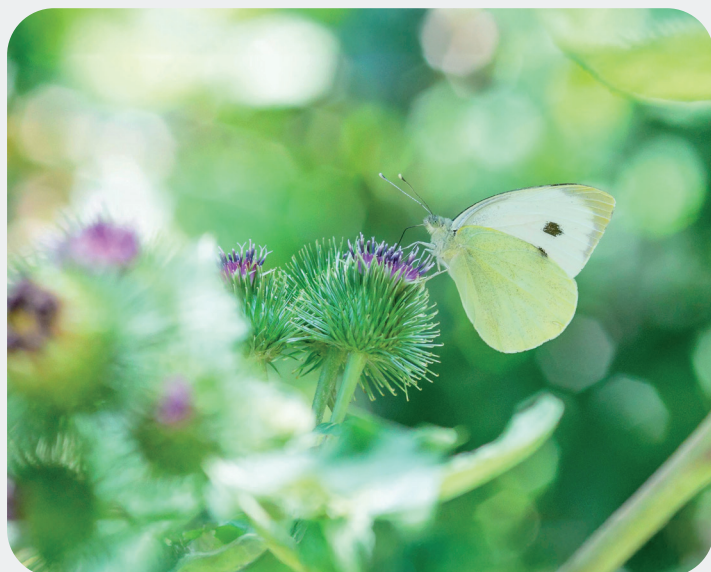
in EUR	For the financial year ended	31 December 2024	31 December 2023	31 December 2022
Net realised gains / (losses) on financial assets		-5,774,263	-6,191,828	6,764,147
Net unrealised gains / (losses) on financial assets		-277,739	2,484,133	-31,245,241
Dividends income		2,164,517	1,824,290	1,984,901
Net interest income / (expenses)		137,369	78,021	-7,018
Net realised foreign exchange gains / (losses)		-3,765	-2,536	8,637
Net unrealised foreign exchange gains / (losses)		0	5,603	4,114
Total income from investments		-3,753,882	-1,802,318	-22,490,460
Other operation income / (losses)		-158,639	860,320	101,156
Total operating income / (losses)		-3,912,520	-941,997	-22,389,304
Fee management company		-1,482,989	-1,482,989	-1,456,988
Custodian fees		-28,922	-37,140	-45,688
Directors' fees		-157,161	-177,551	-161,281
Levy on investment funds		-130,189	-133,449	-166,557
Other management expenses		-177,647	-405,978	-272,972
Total operating expenses		-1,976,908	-2,237,107	-2,103,791
Profit / (Loss) from operating activities		-5,889,428	-3,179,105	-24,492,791
Net finance expenses		-1,762	-1,501	-2,651
Profit / (Loss) before income taxes		-5,891,191	-3,180,605	-24,495,442
Withholding tax expenses		-415,021	-316,085	-333,304
Other incomes taxes		-32,149	-27,570	-219
Profit / (Loss) for the period		-6,338,360	-3,524,260	-24,828,966
Earnings per share (EPS)				
Basic & diluted average number of shares outstanding		18,733,961	18,603,570	17,765,860
Basic & diluted EPS for ordinary shares		-0.34	-0.19	-1.40
Basic & diluted EPS for preference shares		-0.34	-0.19	/
Basic & diluted EPS for A and B shares		/	/	-1.40

Holders of different classes of shares have different rights in case of payment of dividends and in case of liquidation of the company



Overview of profit or loss by segment

in EUR	For the period up to	31 December 2024	31 December 2023	31 December 2022
Net realised gains / (losses) on financial assets		-3,573,269	-2,884,842	573,633
Net unrealised gains / (losses) on financial assets		3,971,310	6,436,104	-25,573,059
Dividends income		2,164,517	1,824,290	1,984,901
Income from investments in quoted equities		2,562,559	5,375,552	-23,014,525
Net realised gains / (losses) on financial assets		-248,735	-3,561,928	5,899,538
Net unrealised gains / (losses) on financial assets		-3,290,540	1,743,524	-5,769,784
Dividends income		0	0	0
Income from investments in venture & growth capital		-3,539,275	-1,818,405	129,754
Net realised gains / (losses) on financial assets		-1,952,259	254,943	290,977
Net unrealised gains / (losses) on financial assets		-958,509	-5,695,495	97,601
Dividends income		0	0	0
Income from investments in venture & growth capital funds		-2,910,769	-5,440,552	388,577
Net interest income / (expenses)		137,369	78,021	-7,018
Net realised foreign exchange gains / (losses)		-3,765	-2,536	8,637
Net unrealised foreign exchange gains / (losses)		0	5,603	4,114
Total income from investments		-3,753,882	-1,802,318	-22,490,460
Other operating income / (losses)		-158,639	860,320	101,156
Total operating income / (losses)		-3,912,520	-941,997	-22,389,304
Fee management company		-1,482,989	-1,482,989	-1,456,988
Other management expenses		-493,919	-754,118	-646,499
Profit / (loss) from operating activities		-5,889,428	-3,179,105	-24,492,791
Net finance expenses		-1,762	-1,501	-2,651
Profit / (loss) before income taxes		-5,891,191	-3,180,605	-24,495,442
Withholding taxes		-415,021	-316,085	-333,304
Other income taxes		-32,149	-27,570	-219
Profit / (loss) for the period		-6,338,360	-3,524,260	-24,828,966



The statutory auditor, PwC Bedrijfsrevisoren bv, represented by Gregory Joos has confirmed that the audit, which is substantially complete, has not to date revealed any material misstatement in the draft balance sheet and income statement, and that the accounting data reported in the press release is consistent, in all material respects, with the draft balance sheet and income statement from which it has been derived.

The statutory auditor
PwC Bedrijfsrevisoren / Réviseurs d'Entreprises
Represented by

Gregory Joos*
Certified Public Auditor

*acting on behalf of Gregory Joos BV

