

## INVESTMENT MANAGER REPORT



# QUEST FOR GROWTH

## SEMI-ANNUAL REPORT JANUARY - JUNE 2021

The enclosed information constitutes regulated information as defined in the Royal Decree of 14 November 2007 regarding the duties of issuers of financial instruments which have been admitted for trading on a regulated market

### Results

Quest for Growth continued its strong start to the year in the second quarter: return on equity, taking into account the capital reduction of 0.40 euros per share paid out on 30 June 2021, was 16% in the first half year. This achievement was due to profits in listed as well as unlisted participations. Net profit in the first half year of 2021 was 24.6 million euros (1.47 euros per ordinary share), compared to a loss of 2.6 million euros (-0.15 euros per ordinary share) during the first half year of 2020.

Quest for Growth's share price increased by 17.2% during the first six months of 2021. Including the above-mentioned pay out, the performance of the share was approximately 23.5%. The discount of the price in relation to the net asset value decreased to 25.3%, from 28.9% on 31 December 2020.

### Market environment

European stock markets rose steadily during the first half of the year. The European stock market index STOXX Europe 600 Net Return rose by 15.2% in the first half of 2021, Small caps (STOXX Europe Small 200 Net Return) yielded an identical return. The increase was broadly based across all sectors. In particular the more cyclical sectors and those focussed on 'value', such as the automobile industry, banks and raw materials rose significantly. Defensive sectors such as real estate and insurance rose less strongly in relative terms. Only the utilities sector failed to make any progress.

### Investments in listed companies

Despite the sector trends which weren't very favourable, the portfolio of listed shares achieved a sound result with an estimated performance of about 18%. Pharmagest and the Swiss company Gurit each dropped 17% and were the portfolio's biggest declines in the first half of the year. Positive highlights were Steico (+86%), Accell (+75%) and CEWE (+43%). Accell profited from the strong growth in the market for bicycles and increased its revenue by 17% last year. Steico, too, saw its sales rise by 10% in the crisis year of 2020, and expects even stronger growth in 2021. CEWE surprised the market with an increase in operating profit of almost 40%, while analysts had expected a stable to lower result.

LPKF, one of the more volatile technology shares in the portfolio, was fully sold in January. Since its purchase in May of last year, the share has risen by approximately 40%, more than twice as much as the increase in the stock market indices during the same period. Partial profit-taking also took place on shares such as Nexus, Pharmagest, Steico and LEM. Melexis was purchased on the basis of price weakness, after the placement of shares by the majority shareholder.

### Investments in unlisted companies

Quest for Growth made a new investment of 1.5 million euros in REIN4CED, a company located in Leuven. This is a co-investment with the Capricorn Sustainable Chemistry Fund, a venture capital fund in which Quest for Growth also invests. Quest for Growth also made follow-up investments in NGData and Scaled Access co-investments with Capricorn ICT Arkiv.

Veracyte Inc. and the shareholders of HaliuDx, a Quest for Growth portfolio company, have negotiated an agreement for Veracyte to acquire 100% of the shares of HaliuDx. On the final completion of the acquisition, Veracyte would have paid around 260 million euros in total to the HaliuDx shareholders, subject to customary adjustments. To take into account the risks associated with the necessary approvals, Quest for Growth applies a discount to the acquisition price when calculating the net asset value. As a result of this transaction, the net asset value of Quest for Growth increased by approximately 5.6 million euros or 0.33 euro per share. Further adjustments will be made when the transaction is finalised.

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The Capricorn Health-tech Fund made a follow-up investment in Mainstay Medical. In February, Diagenode was acquired by the American Hologic for 130 million euros. Together with other positive trends in Capricorn Health-tech Fund, this had a positive impact on the results of Quest for Growth amounting to more than 1 million euros. As a result of the sale of Diagenode, Capricorn Health-tech Fund made a capital reduction, with Quest for Growth receiving around 1.6 million euros. Capricorn ICT Arkiv made several follow-up investments in current portfolio companies. In April of this year, the milestone payment from Noona Healthcare related to the exit in 2018 was also received.

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Black Bear Carbon ("BBC"), the Dutch technology supplier for upcycling rubber from discarded tyres into recovered Carbon Black and renewable petrochemicals, has successfully finalised an initial funding of 7.5 million euros.

Quest for Growth has committed to invest some 7.6 million euros in the Capricorn Fusion China Fund. The fund focuses on investments in companies which establish a link between the European and Chinese markets. The fund is looking for, on the one hand, innovative European companies which see a clear role for the Chinese market in their development (in sourcing, supply, production or commercialization). On the other hand, the fund will also invest in Chinese companies who want to enter the European market. The interim closing increased the fund's capital from 12,925,000 euros to 30,300,000 euros.

### Prospects

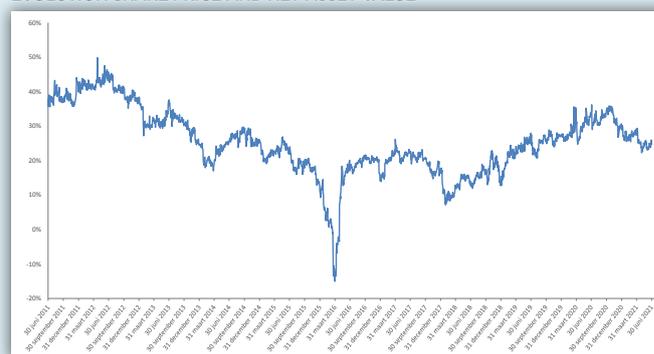
Equity market valuations remain on the high side, combined with high growth expectations in the short term. After payment of the capital reduction for a total value of 6.7 million euros, a cash amount of approximately 6% of the net asset value remains. The portfolio of unlisted investments will be further expanded, while the strategy which was adjusted several years ago starts to deliver positive results.

### VALUATION QUEST FOR GROWTH

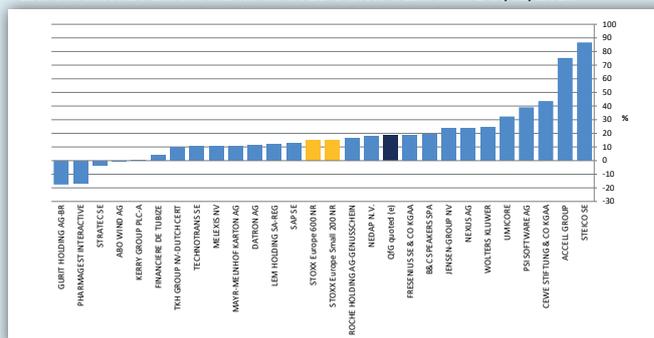
Stock Price	Net asset value/share		
	30/06/2021	31/03/2021	31/12/2020
7.62 EUR	10.20 EUR	9.88 EUR	9.14 EUR
Number of shares	16,774,226	16,774,226	16,774,226

Discount of the share price versus Net Asset Value: 25.32%  
Source: Estimate by Capricorn Partners NV

### EVOLUTION SHARE PRICE AND NET ASSET VALUE



### PERFORMANCE PER SHARE IN QUOTED PORTFOLIO SINCE 31/12/2020



# FINANCIAL ASSETS BREAKDOWN AT 30 JUNE 2021

## Shares quoted companies

Company	Sector / Market	Number of shares	Change since 31/12/2020	Currency	Share price	Valuation in €	in % of Net Asset Value
<b>Software &amp; Services</b>							
CEWE STIFTUNG	Deutsche Börse (Xetra)	62,251	-7,381	€	130.6000	8,129,981	4.75%
PSI SOFTWARE	Deutsche Börse (Xetra)	131,283	-12,500	€	33.6000	4,411,109	2.58%
SAP	Deutsche Börse (Xetra)	28,200	2,000	€	118.8400	3,351,288	1.96%
WOLTERS KLUWER	Euronext Amsterdam	54,000	0	€	84.7200	4,574,880	2.67%
<b>Technology Hardware</b>							
B&C SPEAKERS	Borsa Italiana	165,004	0	€	12.0500	1,988,298	1.16%
LEM HOLDING	SWX Swiss Exchange	1,796	-425	CHF	1.940.0000	3,173,260	1.85%
NEDAP	Euronext Amsterdam	93,148	-8,950	€	58.1000	5,411,899	3.16%
TKH GROUP	Euronext Amsterdam	160,070	0	€	42.5400	6,809,378	3.98%
<b>Semiconductors</b>							
MELEXIS	Euronext Brussels	36,289	6,000	€	87.5500	3,177,102	1.86%
<b>Healthcare Equipment &amp; Services</b>							
FRESENIUS	Deutsche Börse (Xetra)	86,000	0	€	43.9950	3,783,570	2.21%
NEXUS	Deutsche Börse (Xetra)	56,609	-22,155	€	62.8000	3,555,045	2.08%
PHARMAGEST INTERACTIVE	Euronext Paris	47,952	-1,000	€	92.9000	4,454,741	2.60%
STRATEC	Deutsche Börse (Xetra)	32,495	-1,000	€	117.8000	3,827,911	2.24%
<b>Pharma &amp; Biotech</b>							
ROCHE	Euronext Brussels	14,500	0	CHF	348.5500	4,602,892	2.69%
TUBIZE	Euronext Brussels	61,588	3,000	€	85.3000	5,253,456	3.07%
<b>Electrical &amp; Engineering</b>							
ABO WIND	Deutsche Börse (Xetra)	105,715	-4,285	€	45.7000	4,831,176	2.82%
ACCELL GROUP	Euronext Amsterdam	105,000	20,000	€	45.3000	4,756,500	2.78%
DATRON	Deutsche Börse (Xetra)	119,000	0	€	9.9500	1,184,050	0.69%
JENSEN GROUP	Euronext Brussels	152,876	0	€	29.6000	4,525,130	2.64%
TECHNOTRANS	Deutsche Börse (Xetra)	122,354	-16,392	€	27.3000	3,340,264	1.95%
<b>Materials</b>							
GURIT	SWX Swiss Exchange	2,031	-300	CHF	2.020.0000	3,736,448	2.18%
KERRY GROUP	Euronext Dublin	39,000	6,500	€	117.8000	4,594,200	2.68%
MAYR-MELNHOF KARTON	Deutsche Börse (Xetra)	15,000	0	€	179.6000	2,694,000	1.57%
STEICO	Deutsche Börse (Xetra)	75,022	-46,470	€	110.6000	8,297,433	4.85%
UMICORE	Euronext Brussels	65,000	-15,000	€	51.5000	3,347,500	1.96%
						<b>107,811,510</b>	<b>62.99%</b>

## Shares unquoted companies

Company	Sector / Market	Change since 31/12/2020	Currency	Valuation in €	in % of Net Asset Value
HALIODX	Pharma & Biotech		€	8,580,344	5.01%
MIRACOR	Healthcare Equipment & Services		€	2,849,932	1.67%
				<b>11,430,277</b>	<b>6.68%</b>

Co-investments Capricorn Funds	Change since 31/12/2020	Currency	Valuation in €	in % of Net Asset Value
C-LECTA		€	5,166,929	3.02%
ECLECTICIQ		€	2,000,000	1.17%
NGDATA	234,556	€	1,430,094	0.84%
PROLUPIN		€	2,048,544	1.20%
REIN4CED	1,499,997	€	1,499,997	0.88%
SCALED ACCESS		€	368,699	0.22%
SENSOLUS		€	690,939	0.40%
			<b>13,205,201</b>	<b>7.71%</b>



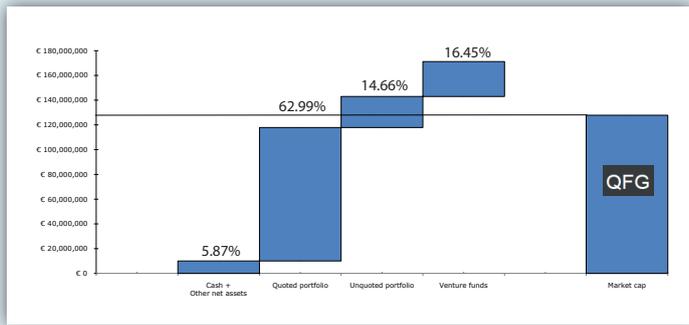
## Investments in Venture Funds

	Change since 31/12/2020	Currency	Last Valuation Date	Valuation in €	in % of Net Asset Value
<b>CAPRICORN PARTNERS</b>					
CAPRICORN CLEANTECH FUND		€	30/06/2021	1,510,931	0,88%
CAPRICORN DIGITAL GROWTH FUND		€	30/06/2021	3,099,272	1,81%
CAPRICORN FUSION CHINA FUND	1,893,750	€	30/06/2021	1,622,300	0,95%
CAPRICORN HEALTH-TECH FUND	-1,650,000	€	30/06/2021	7,078,813	4,14%
CAPRICORN ICT ARKIV		€	30/06/2021	5,048,322	2,95%
CAPRICORN SUSTAINABLE CHEMISTRY FUND	2,000,000	€	30/06/2021	8,550,976	5,00%
<b>THIRD PARTY FUNDS</b>					
CARLYLE EUROPE TECHNOLOGY PARTNERS II	-8,432	€	31/03/2021	65,642	0,04%
LIFE SCIENCES PARTNERS III		€	31/03/2021	325,000	0,19%
LIFE SCIENCES PARTNERS IV		€	31/03/2021	917,000	0,54%
				<b>28,218,256</b>	<b>16,49%</b>
<b>Total Financial Assets - Shares</b>		€		<b>160,665,243</b>	<b>93,87%</b>
Change in valuation in unquoted companies and venture funds		€		0	0,00%
<b>Total Financial Assets – Shares after depreciation</b>		€		<b>160,665,243</b>	<b>93,87%</b>

## Amounts receivable Companies

COMPANY	Face value in currency	Change since 31/12/2020	Last Valuation Date	Valuation in €	in % of Net Asset Value
<b>LOAN NOTES</b>					
SCALED ACCESS	458.000	358.000	€	458,000	0.27%
				<b>458,000</b>	<b>0.27%</b>
<b>Total Financial Assets - Amounts receivable</b>			€	<b>458,000</b>	<b>0.27%</b>
<b>Total Financial Assets</b>			€	<b>161,665,243</b>	<b>94.13%</b>
Cash			€	9,462,312	5.53%
Other Net Assets			€	578,573	0.34%
Quest for Growth - Ordinary shares			€	-	0.00%
<b>Total Net Asset Value</b>			€	<b>171,164,128</b>	<b>100.00%</b>

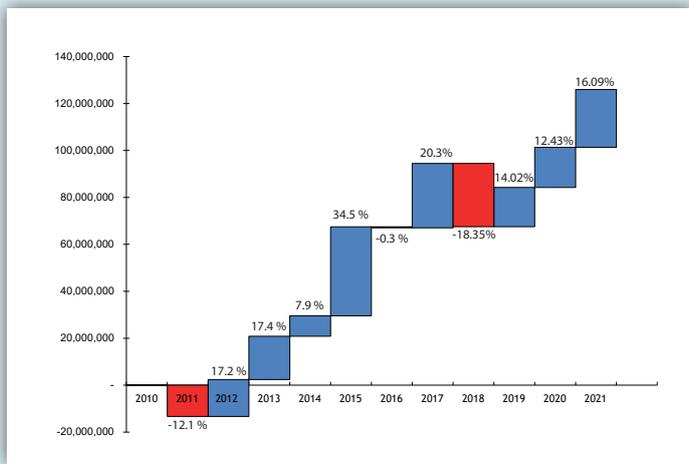
**PORTFOLIO COMPOSITION AND MARKET CAPITALISATION AT 30 JUNE 2021**



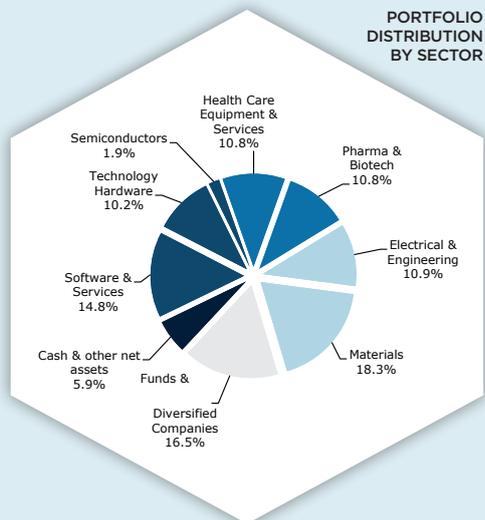
**TOTAL SHAREHOLDERS RETURN (SINCE 30/06/2011)**



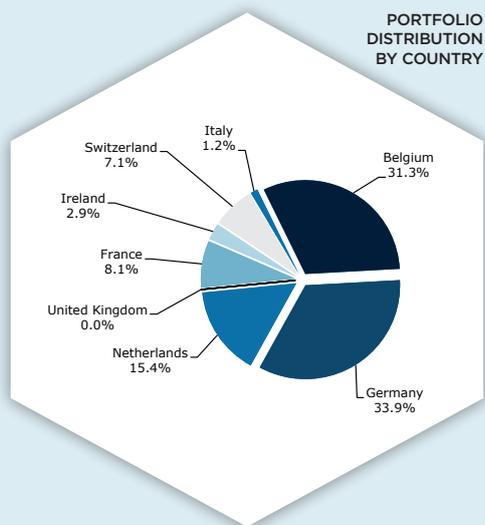
**QUEST FOR GROWTH RESULTS FROM 1 JANUARY 2011 UNTIL 30 JUNE 2021**



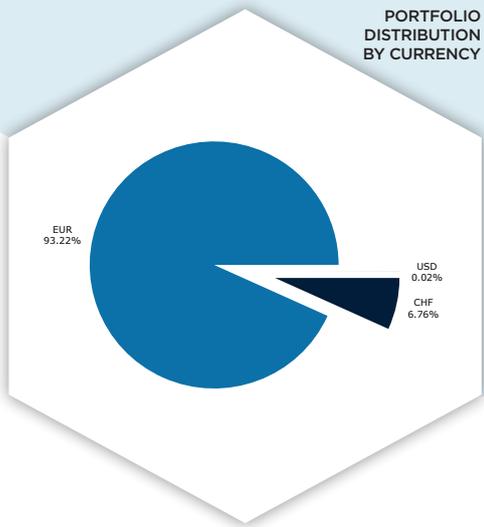
**PORTFOLIO DISTRIBUTION BY SECTOR**



**PORTFOLIO DISTRIBUTION BY COUNTRY**



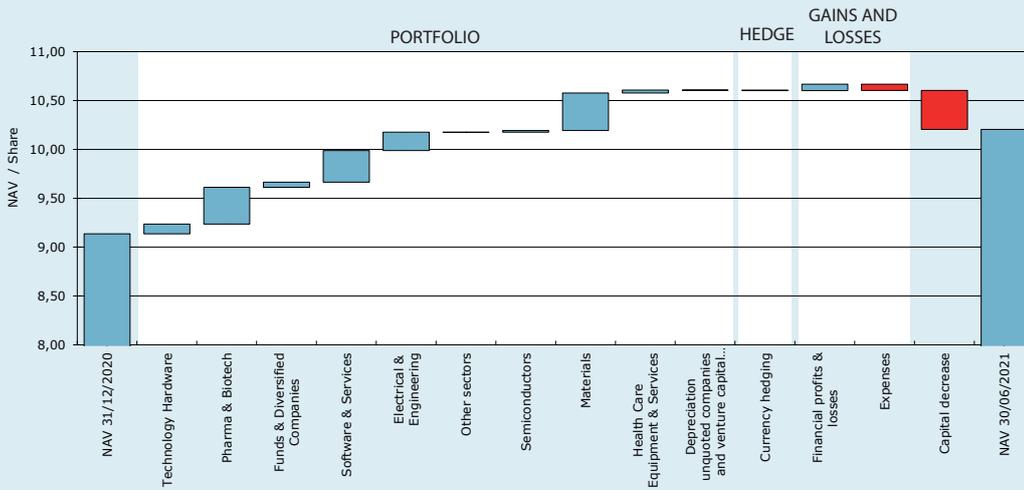
**PORTFOLIO DISTRIBUTION BY CURRENCY**



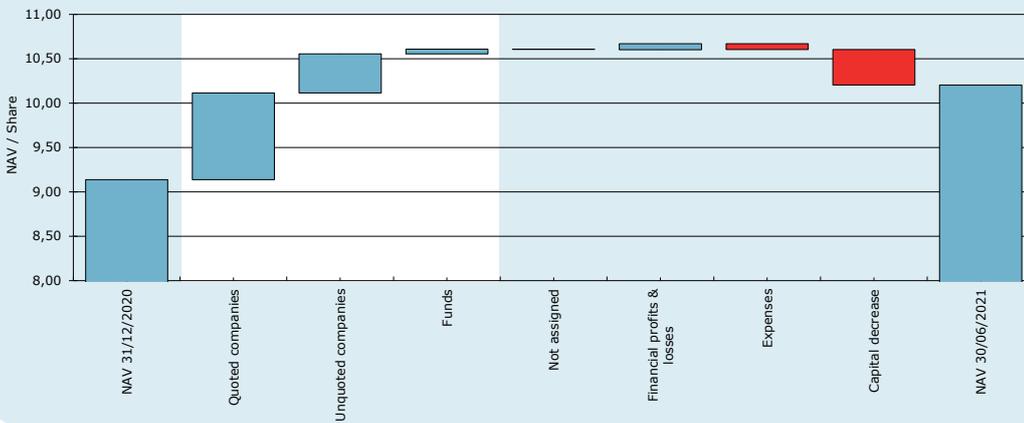
# ADDED VALUE PER SHARE

(January - June 2021)

## ADDED VALUE PER SECTOR PER SHARE



## ADDED VALUE PER SEGMENT PER SHARE



## PROFILE

QUEST FOR GROWTH, is a privak/pricaf, a public alternative investment fund (AIF) with fixed capital under Belgian law, managed by Capricorn Partners NV. The diversified portfolio of Quest for Growth is for the most part invested in growth companies listed on European stock exchanges, in European unquoted companies and in venture capital funds. Quest for Growth focuses on innovative companies in areas such as digital technologies (ICT), technologies for the health-care sector (Health-tech) and clean technology (Cleantech). Quest for Growth has been listed on Euronext Brussels since 23 September 1998.



## SUPPLEMENTARY INFORMATION

<b>Board of directors</b>	Mr Antoon De Proft, chairman and independent director
	Mr Michel Akkermans, director
	Mr René Avonts, director
	Mr Philippe de Vicq de Cumplich, director and executive officer
	Mr Jos Clijsters, director
	Dr Jos B. Peeters, director
	Ms Liesbet Peeters, director
	Prof. Regine Slagmulder, independent director
	Mr Paul Van Dun, independent director
	Ms Lieve Verplancke, independent director
	<b>Audit committee</b>
Mr René Avonts	
Mr Paul Van Dun	
Ms Lieve Verplancke	
<b>Executive officers</b>	Mr Philippe de Vicq de Cumplich, director
	Mr Yves Vaneerdewegh, member of the Executive Committee of Capricorn Partners
<b>Management company</b>	Capricorn Partners NV, Lei 19 box 1, B-3000 Leuven
<b>Statutory auditor</b>	Mr Philippe de Vicq de Cumplich, director Mr Yves Vaneerdewegh, member of the Executive Committee of Capricorn Partners
<b>Depository bank</b>	BELFIUS BANK BELGIË, Pachecolaan 44, B-1000 Brussels
<b>Incorporation</b>	9 June 1998
<b>Official listing</b>	23 September 1998 on Euronext Brussels
<b>Security number</b>	ISIN: BE0003730448
<b>Stock price</b>	Bloomberg: QFG BB Equity
	Reuters: QUFG,BR
	Telekurs: 950524
<b>Company reports</b>	published quarterly, the next quarterly report will be published on 28 Octobre 2021
<b>Estimated net asset value</b>	published every first Thursday of the month on the website <a href="http://www.questforgrowth.com">www.questforgrowth.com</a>

Closed-end private equity funds, submitted to the Royal Decree of 10 July 2016 on alternative institutions for collective investment in unquoted and growth companies, are an investment instrument designed to offer individual investors a suitable framework in which to invest in unquoted and growth undertakings.

The privak is under the supervision of the Financial Services and Market Authority (FSMA) and is subject to specific investment rules and obligations as regards the distribution of divide

### Investment rules

- 25% or more of the portfolio must be invested in unquoted companies;
- 70% or more of the portfolio (qualified investments) must be invested in
  - unquoted companies;
  - quoted growth companies with a market capitalisation of less than 1.5 billion euros;
  - other alternative investment funds with an investment policy similar to that of the private equity fund.

A private equity fund may not invest more than 20% of its portfolio in a single undertaking.



### QUEST FOR GROWTH NV

privak, public alternative investment fund with fixed capital pursuant to Belgian law

Lei 19 box 3 - B-3000 Leuven

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[www.questforgrowth.com](http://www.questforgrowth.com)

# CONDENSED INTERIM FINANCIAL STATEMENTS 30 JUNE 2021

LIMITED  
REVISION

## Statutory auditor's report on review of condensed interim financial information for the period ended 30 June 2021

### Introduction

We have reviewed the accompanying condensed interim financial information, consisting of the condensed balance sheet of Quest for Growth NV, Privak as of 30 June 2021 and the related condensed statement of profit or loss, the condensed statement of changes in equity, the condensed statement of cash flows for the six-month period then ended, as well as the explanatory notes to the condensed interim financial information (the "Interim Financial Information"). The board of directors is responsible for the preparation and presentation of the Interim Financial Information in accordance with IAS 34, as adopted by the European Union. Our responsibility is to express a conclusion on this Interim Financial Information based on our review.

### Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit

conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Interim Financial Information is not prepared, in all material respects, in accordance with IAS 34 as adopted by the European Union.

Sint-Stevens-Woluwe, 29 July 2021

The statutory auditor  
PwC Bedrijfsrevisoren BV  
Represented by

Gregory Joos  
Partner

## MANAGEMENT RESPONSIBILITY STATEMENT

The condensed interim financial statements have been prepared in accordance with the International Accounting Standard 34 ("IAS 34") Interim Financial Reporting, as approved by the European Commission.

The condensed interim financial statements should be read in conjunction with the financial statements for the year ended 31 December 2020 as they provide an update of previously reported information. If necessary, additional information is given in the condensed interim financial statements.

The Board of Directors approved the condensed interim financial statements for issue on 27 July 2021.

The undersigned state that to the best of their knowledge:

- a. The condensed interim financial statements give a true and fair view of the financial position, profit or loss, changes in equity and cash flows of Quest for Growth NV, taken as a whole as at and for the six months period ended 30 June 2021; and
- b. The interim management report includes a fair review of important events that have occurred during the six-month period ended 30 June 2021, and their impact on the condensed interim financial statements for such period, a description of the principal risks and uncertainties they face and the future prospects.

Leuven, 27 July 2021

**Regine Slagmulder**  
Director – Chairman  
of the Audit Committee

**Philippe de Vicq de Cumplich**  
Director – Effective leader

**Yves Vaneerdewegh**  
Effective leader

# SIGNIFICANT EVENTS AND TRANSACTIONS FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2021

## Results

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## Prospects

Equity market valuations remain on the high side, combined with high growth expectations in the short term. After payment of the capital reduction for a total value of 6.7 million euros, a cash amount of approximately 6% of the net asset value remains. The portfolio of unlisted investments will be further expanded, while the strategy which was adjusted several years ago starts to deliver positive results.



# CONDENSED INTERIM FINANCIAL STATEMENTS

## BALANCE SHEET

In EUR	Situation at	30 June 2021	31 December 2020
<b>ASSETS</b>	Notes		
Cash and cash equivalents	7.g	9,462,312	7,581,758
Short term debt securities	7.f	0	2,699,977
Trade and other receivables	15	198,200	192,002
Dividends receivable	7.f	429,005	328,430
Financial assets			
Financial assets at FVTPL – equity securities	6d	160,665,243	142,401,510
Financial assets at FVTPL – debt securities	6d	458,000	100,000
Other current assets		16,298	7,210
<b>Total assets</b>		<b>171,229,057</b>	<b>153,310,887</b>
<b>LIABILITIES AND EQUITY</b>			
Share capital	11	138,629,636	145,339,326
Unavailable reserves		7,929,733	
Accumulated result		0	-9,154,588
Net result for the period		24,604,759	17,084,320
<b>Total equity attributable to shareholders</b>		<b>171,164,128</b>	<b>153,269,059</b>
Balances due to brokers and other payables		23,101	
Current tax payable	12	9	9
Other liabilities		41,821	41,819
<b>Total liabilities</b>		<b>64,931</b>	<b>41,828</b>
<b>Total equity and liabilities</b>		<b>171,229,057</b>	<b>153,310,887</b>





## CONDENSED STATEMENT OF PROFIT OR LOSS

In EUR	For the period ended	30 June 2021	30 June 2020
	Notes		
Net realised gains / (losses) on financial assets	9	2,511,558	-2,857,319
Net unrealised gains / (losses) on financial assets	9	22,160,870	806,596
Dividends income		1,323,897	540,755
Interest income	10	-3,489	-2,649
Net realised foreign exchange gain / (loss)		-74,445	-31,961
Net unrealised foreign exchange gain / (loss)		-19,019	36,170
<b>Total revenues</b>		<b>25,899,372</b>	<b>-1,508,409</b>
Other operating income / (loss)		59,194	13,283
Other operating income / (profit)		0	0
<b>Total operating revenues</b>		<b>25,958,565</b>	<b>-1,495,126</b>
Fee Management Company	13	-712,120	-728,292
Custodian fees		-24,331	-18,813
Director's fees		-54,665	-75,955
Levy on investment funds		-141,774	-125,971
Other operating expenses		-199,486	-63,898
<b>Total operating expenses</b>		<b>-1,132,376</b>	<b>-1,012,929</b>
<b>Profit from operating activities</b>		<b>24,826,189</b>	<b>-2,508,054</b>
Net finance expenses		-4,602	-1,197
<b>Profit / (Loss) before income taxes</b>		<b>24,821,587</b>	<b>-2,509,251</b>
Withholding tax expenses		-216,828	-83,459
Other incomes taxes		0	0
<b>Profit / (Loss) for the period</b>		<b>24,604,759</b>	<b>-2,592,710</b>
<b>Earnings per share</b>			
Basic & diluted average number of shares outstanding	12	16,774,226	16,774,226
Basic & diluted EPS for ordinary shares		1.47	-0.15
Basic & diluted EPS for A and B shares		1.47	-0.15

# CONDENSED INTERIM FINANCIAL STATEMENTS

## CONDENSED STATEMENT OF CHANGES IN EQUITY

In EUR	Notes	Share Capital	Unavailable reserves	Retained profit/loss	Total Equity
Balance at 1 January 2021	11	145,339,326	0	7,929,733	153,269,059
Dividend distribution	12		7,929,733	-7,929,733	0
Capital reduction	11	-6,709,690			-6,709,690
Profit	12			24,604,759	24,604,759
Balance at 30 June 2021	11	145,339,326	7,929,733	24,604,759	171,164,128
Balance at 1 January 2020		145,339,326		-9,154,587	136,184,739
Dividends					
Issue of ordinary shares, after deduction of costs of capital increase					
Profit				-2,592,710	-2,592,710
Balance at 30 June 2020		145,339,326		-11,747,298	133,592,028

## CONDENSED STATEMENT OF CASH FLOWS

In EUR	For the period ended	30 June 2021	30 June 2020
<b>Cash flows from operating activities</b>	Notes		
Proceeds from sale of Financial Assets - equity securities		16,726,114	30,225,446
Proceeds from sale of Financial Assets – debt securities		2,703,906	3,030,719
Acquisition of Financial Assets - equity securities		-10,322,682	-29,082,766
Acquisition of Financial Assets - debt securities		-358,000	0
Net receipts / (payments) from derivative activities		-73,544	0
Cash movements from receivables		53,996	112,952
Dividends received		1,006,176	400,436
Interests received	10	141	232
Interests paid	10	-3,630	-2,881
Operating expenses paid		-1,142,565	-1,023,075
Income taxes paid			0
<b>Net cash from operating activities</b>		<b>8,589,912</b>	<b>3,661,072</b>
Proceeds from capital increase / Benefits capital reduction	11	-6,709,689	0
Dividends paid in cash to holders of preference shares		0	0
Dividends paid in cash to holders of ordinary shares		0	0
Withholding tax on dividends paid to shareholders		0	0
<b>Net cash from financing activities</b>		<b>-6,709,689</b>	<b>0</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>1,880,223</b>	<b>3,661,072</b>
Cash and cash equivalents at the beginning of the year		7,581,758	8,878,626
Effect of exchange rate on cash and cash equivalents		331	-108,949
Cash and cash equivalents at the end of the period		9,462,312	12,430,750

# CONDENSED INTERIM FINANCIAL STATEMENTS

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

### 1. Reporting entity

Quest for Growth NV PRIVAK (the "Company") is a public investment company with fixed capital under Belgian law, with registered office at Lei 19, PO Box 3, 3000 Leuven and with company number 0463.541.422.

The AIFM Directive, the AIFM Law and the Royal Decree mainly determine the legal status of the public privak.

The Company is a closed end investment company primarily involved in investing in a highly diversified portfolio of equity securities issued by companies listed on European stock exchanges, unlisted companies and unlisted investment companies, with the objective of providing shareholders with above-average returns over the medium to long term.

The Company is managed by Capricorn Partners (the "Management Company").

Quest for Growth is listed on Euronext Brussels.

### 2. Basis of preparation

The condensed interim Financial Statements for the period ended 30 June 2021 have been prepared in accordance with IAS 34 - Interim Financial Reporting.

They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

The accounting rules that have been applied and the preparation of the interim financial information are consistent with the rules that were used for the preparation of the financial statements as at 31 December 2020, with the exception of the introduction of new standards and interpretations in force from 1 January. The description can be found under heading 16 - New standards applied and not yet applied.

They were authorised for issue by the company's board of directors on 27 July 2021.

### 3. Foreign currencies

The financial statements are presented in euros, which is the company's functional currency.

Following exchange rates were used for translation into euros:

	30 June 2021	31 December 2020	30 June 2020	31 December 2019
USD	1.1884	1.2271	1.1198	1.1234
GBP	0.85805	0.89903	0.91243	0.8508
CHF	1.0980	1.0802	1.0651	1.0854
NOK	10.1717	10.4703	10.912	9.8638
SEK	10.1110	10.0343	10.4948	10.4468

### 4. Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses.

The actual results may differ from these estimates.

#### a. Judgements

##### Qualification as an investment entity

IFRS 10 lays down a compulsory exemption for companies that meet the definition of an investment entity from having to measure both its subsidiaries and its interests in associates and joint ventures at fair value with accounting of changes in value through profit or loss.

An investment entity is defined as an entity that:

- (1) obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- (2) commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both, and
- (3) measures and evaluates the performance of substantially all of its investments on a fair value basis.

In assessing whether it fulfils this definition, an entity must look into whether it possesses the following typical features for an investment entity:

- (1) it has more than one investment;
- (2) it has more than one investor;
- (3) it has investors that are not related parties of the entity; and
- (4) it has ownership interests in the form of equity or similar interests.

Quest for Growth possesses both the essential and the typical features and meets therefore the definition of an investment entity. Quest for Growth is a public investment company with close-ended capital for investment in unlisted companies and growth companies (called a "PRIVAK" (Dutch) or "PRICAF" (French)), regulated by the AIFM Directive, the AIFM Act and the public PRIVAKs/PRICAFs legislation (Royal Decree of 10 July 2016). The Issuer's diversified portfolio comprises for the most part investments in growth undertakings listed at stock exchanges, unlisted companies and venture capital funds. Quest for Growth is listed on Euronext Brussels and has a diversified range of shareholders. Quest for Growth's objects are collective investment in permitted financial instruments issued by unlisted companies and growth companies in order to thereby realise capital gains that are paid in the form of dividends to its shareholders. Quest for Growth measures all holdings at fair value with changes in value accounted through the income statement.

#### b. Estimates and assumptions

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment are outlined below. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

#### **Fair value of derivative financial instruments**

The Company may, from time to time, hold financial derivative instruments that are not quoted in active markets, such as over-the-counter derivatives. Fair values of such instruments are determined by using valuation techniques. Valuation techniques (for example, models) used to determine fair values, are validated and periodically reviewed.

#### **Fair value of private equity portfolio**

The private equity portfolio includes direct investments through equity, investment related investment loans and investments in other funds managed by the management company or in third party funds. These investments are stated at fair value on a case-by-case basis.

Fair value is estimated in compliance with the International Private Equity and Venture Capital Association (IPEV) Guidelines. These guidelines include valuation methods and techniques generally recognised as standard within the industry. The Company primarily uses price of recent transaction, earnings multiples and scenario analysis to estimate the fair value of an investment.

Although management uses its best judgement in estimation the fair value of investments, there are inherent limitations to every valuation methodology. Changes in assumptions could affect the reported fair value of financial instruments.

Valuation models use observable data, to the extent practicable. The determination of what constitutes "observable" requires significant judgement by the Company. The Company considers observable data to be market data that are readily available, regularly distributed or updated, reliable and verifiable and provided by independent sources that are actively involved in the relevant market.

## **5. Financial risk management**

Quest for Growth is exposed to a number of financial risks. The company's major risk factors during the last six months of the financial year do not diverge from those described on pages 96 to 100 of the annual report and the financial statements for the 2020 financial year.

However, these are not the only risks that the Company may be exposed to. Other risks that Quest for Growth may run can also have a negative impact on the Company's activities.

Quest for Growth is a fixed capital investment company and, unlike variable capital investment funds, does not have to buy back shares. No liquidity problems can arise in the short term.

Quest for Growth does invest in listed shares with limited liquidity and has entered into commitments with regard to a number of venture capital funds and non-listed companies. These investment commitments must be fully paid in, in accordance with the investments made by the companies during the investment period and thereafter. Quest for Growth has no authority or decision-making rights on this.

The table below provides an overview of the outstanding commitments on 30 June 2021 and 31 December 2020.

	<b>Currency</b>	<b>Commitment in € 30/06/2021</b>	<b>Commitment in € 31/12/2020</b>
Capricorn Digital Growth Fund	€	11,250,000	11,250,000
Capricorn Fusion China Fund	€	5,681,250	0
Capricorn Health-tech Company	€	1,800,000	1,800,000
Capricorn ICT ARKIV	€	2,046,925	2,046,925
Capricorn Sustainable Chemistry Fund	€	11,000,000	13,000,000
Carlyle Europe Technology Partners II	€	653,148	653,148
NGDATA	€	0	102,056
Sensolus	€	75,414	75,414
<b>Total</b>		<b>32,506,737</b>	<b>28,927,543</b>

## 6. Fair value of financial instruments

### a. Valuation models

Fair value is the price that would be received to sell an asset or that would be paid to transfer a liability in an orderly transaction between market participants at a measurement date.

#### **Financial assets and liabilities measured at fair value**

The fair value of financial assets and liabilities traded in active markets (such as listed securities and publicly traded derivatives) are based on quoted market prices at the close of trading at the measurement date. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Company uses the close price for both financial assets and financial liabilities. If a significant movement in fair value occurs subsequent to the close of trading at the end of the reporting date, valuation techniques will be applied to determine the fair value.

The fair value of financial assets and liabilities that are not traded in an active market are determined by using valuation techniques. The Company may use internally developed models, which are based on valuation methods and techniques generally recognised as standard within the industry (IPEV). Valuation models are used primarily to value unlisted equity, debt securities and other debt instruments for which markets were or have been inactive during the financial year. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, option-pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Company holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.

#### **Other financial assets and liabilities**

The carrying value less impairment provision of other financial assets and liabilities are assumed to approximate their fair values.

### b. Fair value hierarchy

The company recognises transfers between levels of the fair value hierarchy as at the beginning of the reporting period.

The fair value hierarchy has the following levels:

**Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

**Level 2** inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

**Level 3** inputs that are unobservable. This category includes all instruments for which the valuation techniques includes inputs not based on observable data and whose unobservable inputs have significant effect on the instruments' valuation.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the company. The Company considers observable data to be that market data that is readily available regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities and exchange traded derivatives. The company does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include listed equities and over-the-counter derivatives. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently. Level 3 instruments include private equity and corporate debt securities. As observable prices are not available for these securities, the Company has used valuation techniques to derive the fair value.



### c. Valuation Framework

The company has established a control framework for the measurement of fair values. The management company that is responsible for developing the company's valuation processes and procedures oversees the valuation process. The management company reports to board of directors of the company.

The valuations and calculations are carried out by the management company at a frequency, which is appropriate to the specific character of the company. In practise, the management company reassesses the valuations of the non-quoted investments of the company at least once every quarter. The valuation could be reassessed in between valuation dates in case material events occur in the underlying investment.

The valuation is the responsibility of the valuation expert and the executive committee of the management company. The valuation role is functionally independent from the portfolio management activities and the valuation expert, though present in the team meetings is not a member of the investment committees. Other measures ensure that conflicts of interest are mitigated and that undue influence upon the employees is prevented. The valuation shall be performed with all due skill, care and diligence. The valuation expert has an experience in auditing or determining the valuation of financial instruments.

For the valuation of the unquoted investments, the valuation expert receives input of the dedicated investment managers on the fundamentals and the

prospects of the non-quoted investments. He/she attends the meetings of the investment teams. Valuation proposals can be discussed in the respective investment team meetings of the funds. The main responsibility of the valuation expert is to make sure that all valuations are done in accordance with the valuation rules of the company and that the assumptions at the basis of the valuation are sufficiently documented. He/she will also make sure that all factors that could be relevant in determining the value of the unquoted investments are taken into account in the assessment.

The valuation proposals are discussed at a quarterly valuation meeting that takes place close to the end of each quarter. Are present in this quarterly valuation meeting: the valuation expert, the members of the executive committee of Capricorn Partners and all Capricorn investment managers overseeing active non-quoted investments of the company. In the valuation meeting, the proposed valuations of an investment manager are discussed with all members present and the valuations may be amended to obtain a final valuation proposal.

The final valuation proposals are submitted for approval to the executive committee of Capricorn Partners. The ultimate responsibility for the approval of the valuations resides legally and contractually with the board of Quest for Growth. Changes in valuation rules will be submitted to and need approval of the board of directors.

### d. Fair value hierarchy – Financial instruments measured at fair value

The following table analyses financial instruments measured at fair value at the reporting date by the level in fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.

30 June 2021	Level 1	Level 1	Level 3	Total
Financial assets at fair value through profit or loss				
Equity securities, listed	107,811,510	0	0	107,811,510
Debt securities	0	0	458,000	458,000
Equity securities, unlisted	0	0	25,093,477	25,093,477
Venture Funds	0	0	28,128,256	28,128,733
<b>Total</b>	<b>107,811,510</b>	<b>0</b>	<b>53,311,733</b>	<b>161,123,244</b>

Derivative financial instruments				
Listed equity index options	0	0	0	0
Foreign currency forward contracts	0	0	19,601	19,601
<b>Total</b>	<b>0</b>	<b>0</b>	<b>19,601</b>	<b>19,601</b>

31 December 2020	Level 1	Level 1	Level 3	Total
Financial assets at fair value through profit or loss				
Equity securities, listed	101,758,264	0	0	101,758,264
Debt securities	0	0	100,000	100,000
Equity securities, unlisted	0	0	15,546,277	15,546,277
Venture Funds	0	0	25,096,969	25,096,969
<b>Total</b>	<b>101,758,264</b>	<b>0</b>	<b>40,743,246</b>	<b>142,501,510</b>

Derivative financial instruments				
Listed equity index options	0	0	0	0
Foreign currency forward contracts	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

During the first half year of 2021, no financial instruments were transferred from Level 2 to Level 1.

The following table shows a reconciliation from the opening balances to the closing balances for the fair value measurement in level 3 of the fair value hierarchy.

	Private equity investments	Venture Funds	Total
<b>Balance at 1 January 2020</b>	<b>9,310,536</b>	<b>29,161,612</b>	<b>38,472,149</b>
Purchases	2,765,426	1,000,000	3,765,426
Sales	-1,420,163	-697,104	-2,117,267
Transfers into level 3	0	0	0
Transfers out of level 3	0	0	0
Total gains or losses recognised in profit or loss	526,066	212,155	738,221
<b>Balance at 30 June 2020</b>	<b>11,150,239</b>	<b>27,879,637</b>	<b>39,029,876</b>
<b>Balance at 1 January 2021</b>	<b>15,646,277</b>	<b>25,096,969</b>	<b>40,743,246</b>
Purchases	2,092,552	3,893,750	5,986,302
Sales	-1,134,677	-1,650,097	-2,784,774
Transfers into level 3			
Transfers out of level 3			
Total gains or losses recognised in profit or loss	8,489,325	877,634	9,366,959
<b>Balance at 30 June 2021</b>	<b>25,093,477</b>	<b>28,218,256</b>	<b>53,311,733</b>

Measurement techniques used to determine fair value must encompass as many relevant observable inputs and as few non-observable inputs as possible. Level 3 inputs are non-observable as regards the assets. They are used to determine fair value to the extent that no relevant observable inputs are available. They reflect the assumptions on which market players should proceed when measuring the assets, including assumptions as to risks.

Risk assumptions include the risk inherent in a certain measurement technique that is used to determine fair value (such as a valuation model) and the risk inherent in the inputs for the measurement technique.

The table below shows the degree to which certain measurement techniques are used to value level 3 financial instruments on 30 June 2021:

	Multiples	Scenario analysis	Stock quotations	Cash	Other
Unlisted shares and debt securities	54.40%	45.60%			
Venture capital funds (underlying instruments)	8.44%	60.90%	4.85%	19.67%	6.14%



## e. Sensitivity analysis of financial instruments at fair value through profit and loss

The valuation of investments in non-quoted equity securities and venture capital funds depends on a number of market related factors.

The following market-related factors may be applied to the measurement methods.

### Multiples

The multiples used are preferably equity/earnings (company value/turnover) for companies with a sustainable turnover flow and equity/EBITDA (company value/profit for financial burdens, taxes and depreciation/amortisation) for companies with a sustainable EBITDA flow. The valuation is done on the basis of the most recent available information over 12 months, for instance the figures for the last four quarters or the figures for the last financial year.

The multiple is determined based on the median for comparable companies ("peer group"). The peer group is composed based on criteria such as: similar activities or industry, size, geographical spread. The peer group preferably encompasses a minimum of three and a maximum of ten companies. FactSet is used as the source of these data.

The market-based multiple of the peer group of quoted companies is corrected with differences between the peer group and the company to be valued ("discount" or "premium"). In this regard, account is taken of the difference in liquidity of the valued shares to be valued compared to that of quoted shares. Other grounds for correcting multiples might be: size, growth, diversity, nature of activities, differences between markets, competitive positioning, services performed by the company, recent transactions selling or financing comparable companies, exceptional or non-recurring expected decline in results, etc. Not applying premiums would have a negative impact of EUR 607,840 on the valuations as at 30 June 2021.

### Scenario analysis

In applying the probability-weighted model, account is taken of industry-specific information and available studies.

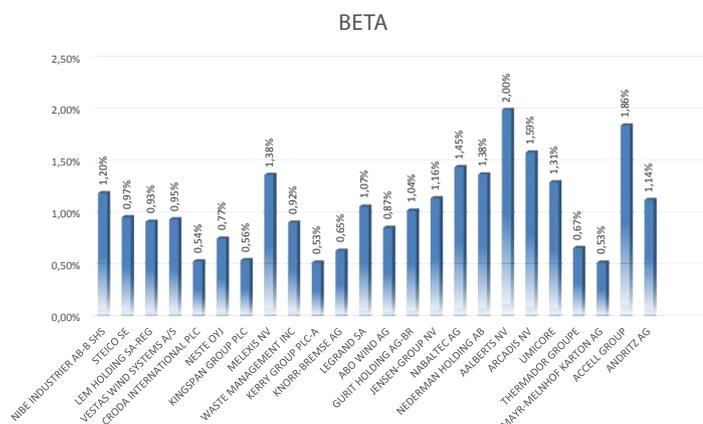
For the valuation of investments in unlisted shares in the venture capital funds managed by Capricorn, as at 30 June 2021, 23 participations were valued on the basis of scenario analysis and 3 participations were valued using the multiple method. Additionally, for the valuation of Quest for Growth's direct investments in unlisted companies, 7 participations were valued on the basis of scenario analysis and 4 participations were valued using the multiples method.

If the parameters in a scenario analysis undergo a 10% change, this means an increase (or decrease) in the value of the venture capital funds by an amount of 1,718,537 euros. For Quest for Growth's direct investments in unlisted companies with a scenario analysis this would mean an increase (or decrease) of 1,713,371 euros.

If the peer group multiple were to increase or decrease by 1 in the individual participations of the venture capital funds valued on the basis of multiples, this would result in a total increase of 1,135,631 euros or decrease of 1,132,613 euros. For Quest for Growth's direct investments in unlisted companies valued on the basis of multiples, an increase (or decrease) of the multiple of 1 in the individual participations would represent a total increase (or decrease) of 896,649 euros.

The quoted share portfolio is to a significant extent sensitive to fluctuations on the stock markets. The portfolio's betas, which measure the portfolio's sensitivity relative to the market, is 1.05 over 3 years. The betas have been calculated with Factset for the quoted share portfolio excluding cash against the STOXX Europe 600 index as at 30 June 2021. Taking account of these betas, calculated on the basis of historical data for the portfolio, a rise or fall of 10.5% can be expected upon a rise or fall of 10% in the STOXX Europe 600 index. Changes in the portfolio's composition and changes in the volatility of shares in the portfolio or of the market can give rise to fluctuations beyond the above range.

The graph below provides an overview of the betas of the listed shares in the portfolio over 3 years:



## 7. Operating segments

The Company has three reportable segments: Investments in quoted companies, investments in unquoted companies and investments in venture capital funds. Segment information is prepared on the same basis as that is used for the preparation of the Fund's financial statements

The different segments are described on page 108 of the annual report and the financial statements for the 2020 financial year.

The table below gives an overview of the assets per segment:

	Notes	30 June 2021	30 December 2020
Investments in quoted companies		107,811,510	101,758,264
Investments in unquoted companies		25,093,477	15,646,277
Investments in venture funds venture		28,218,256	25,096,969
<b>TOTAL</b>		<b>161,123,243</b>	<b>142,501,510</b>

### CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS PER SEGMENT

In EUR	Notes	30 June 2021	30 December 2020
Net realised gains / (losses) on financial assets		3,622,447	-6,844,739
Net unrealised gains / (losses) on financial assets		14,236,485	455,209
Dividends income		1,323,897	540,755
<b>Segment revenue from investments in quoted companies</b>		<b>19,182,829</b>	<b>-5,848,775</b>
Net realised gains / (losses) on financial assets		-1,119,224	3,030,480
Net unrealised gains / (losses) on financial assets		7,046,751	139,232
Dividends income		0	0
<b>Segment revenue from investments in unquoted companies</b>		<b>5,927,527</b>	<b>3,169,712</b>
Net realised gains / (losses) on financial assets		8,335	956,940
Net unrealised gains / (losses) on financial assets		877,634	212,155
Dividends income		0	0
<b>Segment revenue from investments in venture funds</b>		<b>885,969</b>	<b>1,169,095</b>
Interest income		-3,489	-2,649
Net realised foreign exchange gain / (loss)		-74,445	-31,961
Net unrealised foreign exchange gain / (loss)		-19,019	36,170
<b>Total revenues from investments</b>			<b>-1,508,409</b>
Other operating income / (loss)		59,194	13,283
<b>Total operating revenues</b>		<b>25,958,565</b>	<b>-1,495,126</b>
<b>Total operating expenses</b>		<b>-1,132,376</b>	<b>-1,012,929</b>
<b>Profit from operating activities</b>		<b>24,826,289</b>	<b>-2,508,054</b>
Net finance expense		-4,602	-1,197
<b>Profit / (Loss) before income taxes</b>		<b>24,821,587</b>	<b>-2,509,251</b>
Withholding tax expenses		-216,828	-83,459
Other incomes taxes		0	0
<b>Profit / (Loss) for the period</b>		<b>24,604,759</b>	<b>-2,592,710</b>

## 8. Earnings per share

	30 June 2021			30 June 2020		
	Ordinary shares	Class A shares	Class B shares	Ordinary shares	Class A shares	Class B shares
Basic and diluted average number of shares outstanding	16,773,226	750	250	16,773,226	750	250
Profit / (loss):	24,603,292	1,100	367	-2,592,555	-116	-39
Profit / (loss) basic and diluted earnings per share:	1,47	1,47	1,47	-0,15	-0,15	-0,15

(\*) average weighted number of shares outstanding for the period

The holders of the different share classes have different rights in the event of dividend distribution and liquidation of the company (see point 12 below)



## 9. Net gain from financial instruments at fair value through profit and loss

	30 June 2021	30 June 2020
<b>Net gain (loss) from financial instruments designated as at fair value through profit and loss</b>		
Shares	24,668,498	-2,050,723
Debt securities	3,930	0
Derivative financial instruments	-93,144	0
	<b>24,579,283</b>	<b>2,050,723</b>
<b>Net gain (loss) from financial instruments designated as at fair value through profit and loss</b>		
Realised	2,438,014	-2,857,319
Unrealised	22,141,269	806,594
	<b>24,579,283</b>	<b>2,050,723</b>

The realised gain from financial instruments at fair value through profit or loss represents the difference between the carrying amount of a financial instrument at the beginning of the reporting period, or the transaction price if it was purchased in the current period, and its sale or settlement price.

The unrealised gain represents the difference between the carrying amount of a financial instrument at the beginning of the period, or the transaction price if it was purchased in the current reporting period, and its carrying amount at the end of the period.



## 10. Interest income (loss)

	30 June 2021	30 June 2020
<b>Interest income on financial instruments not measured at fair value</b>		
Short term debt securities	140	230
Cash and cash equivalents	-3,629	-2,881

## 11. Equity / capital reduction

	30 June 2021	31 December 2020
<b>Authorised, issued an fully paid</b>		
Ordinary shares	16,773,226	16,773,226
Class A shares	750	750
Class B shares	250	250
<b>Share capital</b>	<b>139,749,029<sup>1</sup></b>	<b>€ 146,458,719</b>
Cost of capital increase	€ 1,119,393	€ 1,119,393
<b>Share capital after deduction costs capital increase</b>	<b>138,629,636</b>	<b>€ 145,339,326</b>

<sup>1</sup> Statutory

The Extraordinary General Meeting of Quest for Growth held on 14 April 2021, resolved to distribute EUR 6,709,690.40 to the shareholders in the form of a capital reduction. As a result, capital will be reduced from EUR 146,458,719.56 to EUR 139,749,029.16, without the cancellation of shares.

Considering that no withholding tax is owed, the dividend will amount to EUR 0.40 per share, gross or net. This corresponds to 6.15% of the share price on 31 December 2020 or 5.39% of the closing share price on 13 April 2021.

The dividend distribution took place on the following dates:

Ex-coupon date <sup>1</sup>	28 June 2021
DRegistration date (record date) <sup>2</sup>	29 June 2021
Payment (value date)	30 June 2021

<sup>1</sup> Date from which trading on the stock exchange occurs without entitlement to the forthcoming distribution  
<sup>2</sup> Date on which the positions are closed in order to identify the shareholders with rights

## 12. Dividend

### General

Quest for Growth is structured as *privak*, a public alternative undertaking for collective investment with fixed capital, and is subject to specific investment rules. Section 35 of the Royal Decree of 10 July 2016 provides that *privaks/pricafs* must pay out at least 80% of the net earnings for the year, less amounts corresponding to net reductions in the investment institution's liabilities during the year. However, Quest for Growth's articles of association provide that the company must distribute at least 90% of its income after deduction of pay, commissions and expenses.

The General Assembly decides, on the proposal of the Board of Directors, on the use of the balance, taking into account the statutory provisions on profit distribution. For example, the articles of association provide that the holders of the shares A and the shares B receive a preference dividend. This preference dividend is paid for the part exceeding the net profit<sup>1</sup> that is necessary to pay the shareholders an amount that is equal to the nominal amount of 6% on an annual basis, calculated on the basis of the equity as expressed on the balance sheet after deduction of the dividend paid in the course of the financial year, and if necessary to be increased by an amount equal to the amount the company would have missed out on due to deductions for profit sharing paid in the same year by funds managed by Capricorn Partners NV in which it is a shareholder.

Twenty percent (20%) of the excess amount will be paid to the holders of A and B shares as a preference dividend. The remaining eighty percent (80%) will be divided equally among all shareholders.

In the event of a capital increase in the course of the year, the newly contributed capital will be taken into account for the calculation on a *pro rata temporis* basis.

### Specific

Despite a positive result of 16,741,026 euros in the financial year 2019, no dividend could be paid to the shareholders because the company still had a loss carried forward of 9,154,587 euros after the result was recognised.

An amount of 9,154,587 euros was used of the profit for the financial year 2020 to clear the losses carried forward. In accordance with the provisions on profit appropriation, as set out in the Royal Decree of 10 July 2016 on the alternative institutions for collective investment in unlisted companies and growth businesses ("*Privak KB*"), the balance of 7,929,733 euros had to be included in an unavailable reserve. After all, the *Privak RD* provides as follows: "The positive balance of the fluctuations in the fair value of the assets shall be recognised in an unavailable reserve."

As compensation for the shareholders, the board of directors proposed to convene an extraordinary general meeting to decide on the payment of 6,709,690.40 euros or 0.40 euros gross per share in the form of a capital reduction. (see point 11 above).

The profit for the first half of 2021 amounts to 24,604,759 euros, of which 22,141,269 euros are net unrealised gain/(losses) on financial instruments. On 30 June 2021, the balance of unrealised gains/(losses) amounted to 28,881,508 euros.

In accordance with the provisions of Article 35 of the Royal Decree of 10 July 2016, an unavailable reserve must be created up to the amount of any positive balance of the changes in the fair value of the assets and the profit cannot / may not (provisionally) be paid out. If the unrealised gains on financial instruments were to be realised before the year-end, based on the figures of the first half year, a dividend of 21,522,488 euros could be paid to holders of ordinary shares  $((153,269,059 * 6\% * 16,773,226 / 16,774,226) + 80\% * 15,408,616 * 16,773,226 / 16,774,226)$ . The holders of preference shares will then receive 3,083,006 euros  $((153,269,059 * 6\% * 1,000 / 16,774,226) + 80\% * 15,408,616 * 1,000 / 16,774,226 + 20\% * 15,408,616)$ .

## 13. Related parties and key contacts

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

### (a) Management fee

The Company is managed by Capricorn Partners (the 'Management Company'), an alternative investment fund manager incorporated in Belgium.

Under the terms of the new management agreement dated 1 April 2017, whereby the Company appointed Capricorn Partners as Management Company to manage Quest for Growth, the management company's fee is set at 1% of the Company's share capital, increased by a flat-rate reimbursement for research costs. In 2020, that management agreement has been adjusted and the fixed fee for research costs will no longer be charged. The fee in 2020 amounted to 1,464,587 euros per year.

The total management fee received by Capricorn Partners for services rendered for the six-month period ended 30 June 2021 was € 712,120. For the same period ended 30 June 2020 the total management fee paid was € 728,292.

## 14. Subsequent events

The board of directors has no knowledge of events occurring after the balance sheet date that might have an effect on the result for the half year.

<sup>1</sup> Net profit is defined as the dividend for the financial year.



## 15. Compulsory disclosures under the Royal Decree of 10 July 2016 on alternative funds for collective investment in unlisted companies and growth undertakings

- The statutory debt ratio of the PRIVAK/PRICAF may not exceed 10% of the statutory assets.

Quest for Growth's statutory debt ratio is 0.04%.

- The sum of the PRIVAK/PRICAF's statutory debt ratio multiplied by the total uncalled amounts upon acquisition by the PRIVAK/PRICAF of financial instruments that are not fully paid up may not exceed 35% of the PRIVAK/PRICAF's statutory assets.

The product of Quest for Growth's debt ratio multiplied by the total uncalled amount upon acquisition by the PRIVAK/PRICAF of financial instruments that are not fully paid up amounts to 19.03%.

- A detailed list of the transactions in listed companies that have been carried out over the past financial year may be inspected free of charge at the company's registered office.

- For investments in unquoted companies, the Royal Decree of 10 July 2016 requires the Company to publish more detailed information of transactions closed during the reporting period. Detailed information regarding these transactions however are often submitted to non-disclosure agreements preventing the company to make this information public.

- Portfolio composition, distribution per sector, per country and per currency and sector performance are detailed on pages 2, 3 and 4 of the semi-annual report preceding these condensed interim financial statements.

- Annex B of the Royal Decree of 10 July 2016:

For investments in quoted companies, a detailed list of the transactions carried out during the past six months can be consulted free of charge at the Privak

For investments in unquoted companies, you will find below more information about the transactions made during the past six months:

	Acquisition value	Valuation value
<b>Unquoted companies</b>		
<b>Investments</b>		
Rein4ced	1,499,997	1,499,997
Scaled Access	358,000	358,000
NGDATA	234,556	234,556
<b>Divestments</b>		
Phytera	1,134,677	
<b>Venture capital funds</b>		
<b>Investments</b>		
Capricorn Sustainable Chemistry Fund	2,000,000	2,000,000
Capricorn Fusion China Fund	1,893,750	1,893,750
<b>Divestments</b>		
Capricorn Health-tech Fund	1,650,000	

## 16. New standards applied and not yet applied

The accounting rules applied for the condensed interim financial statements are consistent with those used in the preparation of the financial statements for the year ending 31 December 2020, with the exception of the adoption of new standards and interpretations effective as of 1 January 2021 .

The following amendments to existing standards will apply for the first time from 2021:

- IFRS 9, IAS 39 and IFRS 7, IFRS 4 and IFRS 16 – Amendments - fase 2 - interest rate benchmark reform
- Amendments to IFRS 16 Leases: Rental concessions related to COVID-19 (applicable for financial years from 1 June 2020)

These amendments have no effect on the results, reporting or financial statements of Quest for Growth:

The following standards and amendments to standards have been published but are not yet mandatory for the first time for the financial year beginning 1 January 2021 and have been endorsed by the EU:

- Amendment to IFRS 4 Insurance contracts – postponement of IFRS 9 (applicable for financial years from 1 January 2023)

The following standards and amendments to standards have been published but are not yet mandatory for the first time for the financial year beginning 1 January 2021 and have not yet been endorsed by the EU:

- Annual improvements 2018–2020 (applicable for financial years from 1 January 2022)
- Amendments to IAS 1, Explanation of fundamentals of financial reporting (from 1 January 2023)
- Amendments to IAS 1, Presentation of financial statements: classification of liabilities as current or non-current (from 1 January 2023)
- Amendments to IFRS 3 Business combinations (from 1 January 2022)
- Amendments to IAS 8, Accounting policies, changes in accounting estimates and errors: Definition of estimates (from 1 January 2023)
- Amendments to IAS 12, Income taxes: Deferred taxes on assets and liabilities arising from a single transaction (from 1 January 2023)
- Amendments to IAS 16 Tangible fixed assets: income obtained before its intended use (from 1 January 2022)
- IFRS 17 Insurance contracts (from 1 January 2023)
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: loss-making contracts – cost to fulfill the contract (from 1 January 2022)

Quest for Growth has not previously adopted any standard, interpretation or amendment that has been issued but not yet in force.

