QUEST FOR GROWTH

Business update 31 March 2022

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



MANAGER'S REPORT

VALUATION QUEST FOR GROWTH

Stock Price	Net asset value/share		
31/03/2022	31/03/2022	31/12/2021	31/12/2020
8.60 EUR	10.47 EUR	10.71 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: 17.87%
Source: Estimate by Capricorn Partners NV

Results

Quest for Growth closed the first quarter of its financial year with a loss of € 4,055,061. The return on equity was -2.2%. This relatively good performance, compared to European stock market indices, is due to the successful sale of the stake in the German biotech company c-LEcta. Quest for Growth's share price actually increased by 7.8% over the first three months of the year, reaching a closing price of € 8.60 on 31 March 2022. The discount of the share price in relation to the net asset value fell to 17.9% at the end of the quarter, compared to 25.5% at the end of 2021.

General meeting

On 31 March 2022, the general meeting approved a gross dividend payment of € 19,045,714. This equates to a gross dividend of € 1.02 (net: € 1.00) per ordinary share. The board of directors decided to give the shareholders the option to subscribe to a capital increase by means of the contribution of their net dividend claim via an optional dividend. The issue price was set at € 6.00 per new ordinary share. The dividend was paid on 21 April 2022, whereby 45% of the dividend rights (worth € 8,549,916) were converted into ordinary new shares.

Market environment

After an exceptional stock market year in 2021, the first three months of the new year proved to be volatile and challenging. The European stock market index STOXX Europe 600 Net Return fell by 6.0%. It is not unusual for the share prices of smaller companies to fall more sharply than their larger counterparts during a stock market correction. The same applies now, and the small cap index (STOXX Europe Small 200 Net Return) posted a bigger drop of 10.5%. The US stock exchanges managed to limit the damage to some extent. The S&P 500 in EUR fell a mere 2.0% thanks to the stronger dollar. The main cause of the turbulence on the world's stock exchanges is skyrocketing inflation. This historically high inflation is putting pressure on central banks across the world to accelerate the phasing out of their expansionary monetary policies. Increasing geopolitical tensions due to the war in Ukraine have exacerbated the situation. This conflict is putting pressure on the share prices of cyclical and energy-intensive European companies.

Investments in quoted equities

The estimated performance of quoted equities stands at about -7%, and so they have held up well on the European stock market indices. Standing out from the rest was Accell, which saw its share price increase by a further 20% after an excellent year on the stock exchange in 2020. Stateside private equity player KKR made an offer of € 58 per share. Jensen enjoyed a further recovery in the demand for industrial laundry systems. Their shares rose by 18%, mainly after publishing their better-than-expected annual figures. Ultimately, Umicore's share price managed to rise by 10%. After the sharp drop at the end of last year, investors were pleased with the annual results.

Among those suffering the most dramatic falls were Nexus (-24%), Stratec (-27%) and CEWE (-29%), three German companies that we could label so-called Covid winners.

During the first quarter, Quest for Growth bought one new position in EVS, and also withdrew from two companies, Fresenius and Technotrans. Fresenius, a German company, has seen its growth rate slow down in recent years, while its gearing ratio has remained high. We sold the stock after a strategic management exercise produced inconclusive results. We sold Technotrans after disappointing company results. On the other hand, Belgian company EVS combines a low valuation with good prospects for dividends and cash flows. The new management under the leadership of CEO Serge Van Herck also dares to use the extremely conservative balance sheet for acquisitions that may generate growth again in the long run.

Investments in venture and growth capital

German company c-LEcta GmbH was sold in the first quarter of 2022 to Kerry Group plc, a global provider of flavouring and nutrition solutions. c-LEcta GmbH ('c-LEcta') was a co-investment with Capricorn Sustainable Chemistry Fund, which had been part of the portfolio since 2018. OneWelcome acquired Scaled Access, as a co-investment with Capricorn ICT Arkiv. For the rest, Quest for Growth made a follow-on investment in Prolupin, a co-investment with Capricorn Sustainable Chemistry Fund.

Investments in venture and growth funds

At Capricorn ICT Arkiv, OneWelcome, the Dutch platform for identity and access management, acquired Scaled Access, a Leuven-based authorisation organisation. In the wake of this transaction, both Capricorn ICT Arkiv and Quest for Growth, which held stakes in Scaled Access, become shareholders in OneWelcome. With the acquisition of Scaled Access, OneWelcome is extending its range of services by offering detailed and policy-based access. Organisations can now manage and control the access that consumers, business partners and employees working remotely have to their online services and apps in even greater detail. Capricorn ICT Arkiv also made a follow-up investment in LindaCare.

In February 2022, Kerry Group plc announced that it had reached an agreement to acquire 92% of c-LEcta's share capital for € 137 million. The balance will remain in the hands of management. c-LEcta is a leading biotechnology company based in Leipzig, Germany. The company has established a reputation as an important player in the production of high-quality biotechnology products for regulated markets, either in-house or in close cooperation with the industry. c-LEcta's capacity for innovation delivers cost-effective and sustainable production processes, creating growth potential in existing and new markets. The agreement to acquire c-LEcta had a positive impact on the Quest for Growth's intrinsic value of around € 5.6 million, which equates to € 0.34 per share. This impact is a combination of the increase in value of the direct investment and the investment through Capricorn Sustainable Chemistry Fund. For the rest, Capricorn Sustainable Chemistry Fund made a follow-on investment in Prolupin.

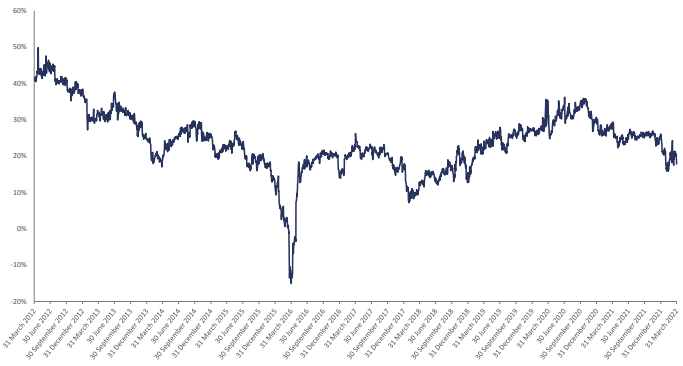
On 28 February 2022, Capricorn Digital Growth Fund successfully closed at € 84.5 million. New investors have joined the Capricorn Digital Growth Fund and some investors have increased their commitment. Existing investor Quest for Growth pledged a further € 5 million to the fund at final closing, bringing their total commitment to € 20 million.

Capricorn Fusion China Fund also had its final closing in the first quarter of 2022, increasing its capital to € 36.3 million in the process. A few new investors have joined the Capricorn Fusion China Fund, and some investors have increased their commitment. Existing investor Quest for Growth pledged an additional € 1.5 million to the fund at final closing, bringing their total commitment to € 9.075 million.

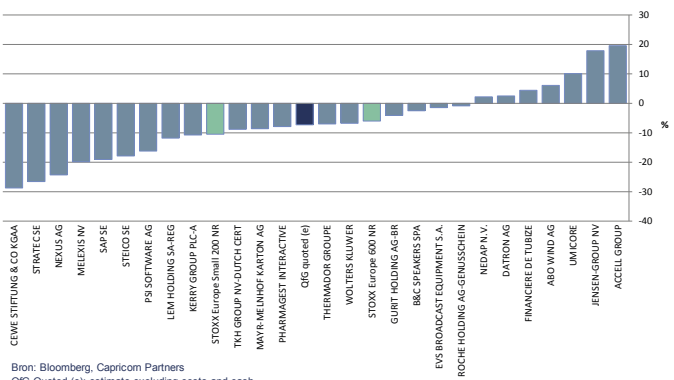
Prospects

Valuations have fallen slightly over the past three months. Risk factors such as rising inflation, globally disrupted supply chains and the accelerated reduction of expansionary monetary policies remain prominent in our opinion. The geopolitical tensions ratcheted up by the war in Ukraine are fuelling uncertainty. We believe that Quest for Growth's portfolio comprising European small caps offers excellent growth prospects at more acceptable valuations when compared with the wider European equity market. Under the current circumstances, shares also remain attractive in the long term compared to fixed-income investments.

Evolution share price and net asset value



Performance per share in quoted portfolio since 31/12/2021

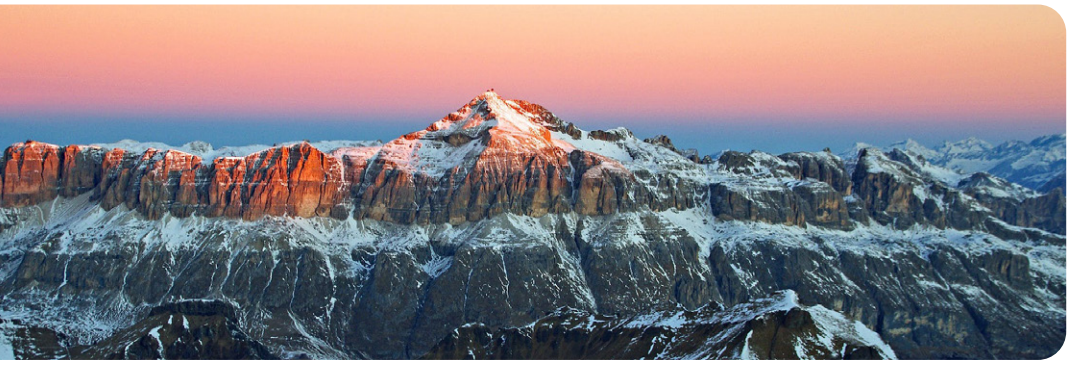


Bron: Bloomberg, Capricorn Partners
QfG Quoted (e): estimate excluding costs and cash

Financial assets breakdown at 31 March 2022

QUOTED EQUITIES

Company	Sector / Market	Number of shares	Change since 31/12/2021	Currency	Share price	Valuation in €	in % of Net Asset Value
	Digital						
B&C SPEAKERS	Borsa Italiana	165,004	0	€	13.5000	2,227,554	1.27%
CEWE STIFTUNG	Deutsche Börse (Xetra)	65,295	851	€	91.5000	5,974,493	3.40%
DATRON	Deutsche Börse (Xetra)	119,000	0	€	12.3000	1,463,700	0.83%
EVS	Euronext Brussels	95,000	95,000	€	20.4000	1,938,000	1.10%
LEM HOLDING	SWX Swiss Exchange	1,646	150	CHF	2.240.0000	3,591,156	2.04%
MELEXIS	Euronext Brussels	48,289	6,000	€	84.0000	4,056,276	2.31%
NEDAP	Euronext Amsterdam	93,148	0	€	64.0000	5,961,472	3.39%
PSI SOFTWARE	Deutsche Börse (Xetra)	93,783	-5,000	€	38.8000	3,638,780	2.07%
SAP	Deutsche Börse (Xetra)	34,700	2,500	€	101.1200	3,508,864	2.00%
TKH GROUP	Euronext Amsterdam	126,070	-5,000	€	50.6000	6,379,142	3.63%
WOLTERS KLUWER	Euronext Amsterdam	54,000	0	€	96.5800	5,215,320	2.97%
	Health						
NEXUS	Deutsche Börse (Xetra)	54,401	0	€	54.2000	2,948,534	1.68%
PHARMAGEST INTERACTIVE	Euronext Parijs	67,330	4,000	€	86.6000	5,830,778	3.32%
ROCHE	SWX Swiss Exchange	15,500	0	CHF	366.4500	5,532,264	3.15%
STRATEC	Deutsche Börse (Xetra)	36,003	3,508	€	101.2000	3,643,504	2.07%
TUBIZE	Euronext Brussels	61,588	0	€	94.3000	5,807,748	3.31%
	Cleantech						
ABO WIND	Deutsche Börse (Xetra)	74,199	-1,300	€	59.2000	4,392,581	2.50%
ACCELL GROUP	Euronext Amsterdam	135,000	0	€	57.4000	7,749,000	4.41%
GURIT	SWX Swiss Exchange	2,017	161	CHF	1.492.0000	2,931,104	1.67%
JENSEN GROUP	Euronext Brussels	152,876	0	€	31.7000	4,846,169	2.76%
KERRY GROUP	Euronext Dublin	41,500	0	€	101.1000	4,195,650	2.39%
MAYR-MELNHOF KARTON	Deutsche Börse (Xetra)	19,000	1,500	€	161.4000	3,066,600	1.75%
STEICO	Deutsche Börse (Xetra)	58,333	0	€	92.3000	5,384,136	3.07%
THERMADOR	Euronext Parijs	32,444	2,500	€	94.5000	3,065,958	1.75%
UMICORE	Euronext Brussels	75,000	0	€	39.3600	2,952,000	1.68%
						106,300,782	**60.52%**



VENTURE AND GROWTH CAPITAL

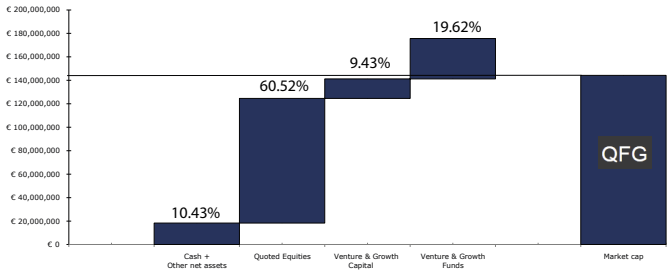
Equity		Change since 31/12/2021	Currency	Valuation in €	in % of Net Asset Value
DMC	Cleantech		$	1,549,409	0.88%
ECLECTICIQ	Digital		€	3,000,000	1.71%
MIRACOR	Health		€	2,849,932	1.62%
NGDATA	Digital		€	1,430,094	0.81%
ONEWELCOME	Digital	424,565	€	424,565	0.24%
PROLUPIN	Cleantech		€	1,999,998	1.14%
QPINCH	Cleantech		€	1,899,998	1.08%
REIN4CED	Cleantech		€	1,972,386	1.12%
SENSOLUS	Digital		€	766,369	0.44%
				15,892,752	**9.05%**

Debt		Face value in currency	Change since 31/12/2021	Currency	Valuation in €	in % of Net Asset Value
FRX POLYMERS	Cleantech	88,507		€	94,272	0.05%
PROLUPIN	Cleantech	485,714	485,714	€	485,714	0.28%
					579,986	**0.33%**

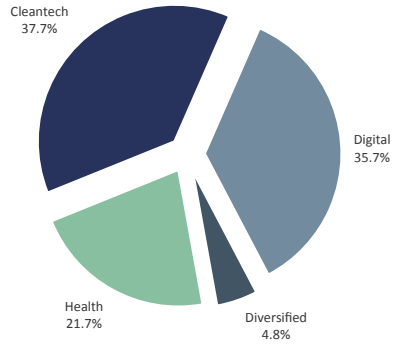
VENTURE AND GROWTH FUNDS

		Change since 31/12/2021	Currency	Last Valuation Date	Valuation in €	in % of Net Asset Value
Capricorn Partners						
CAPRICORN CLEANTECH FUND	Cleantech		€	31/03/2022	1,578,515	0.90%
CAPRICORN DIGITAL GROWTH FUND	Digital	1,250,000	€	31/03/2022	4,160,616	2.37%
CAPRICORN FUSION CHINA FUND	Diversified	375,000	€	31/03/2022	1,851,115	1.05%
CAPRICORN HEALTH-TECH FUND	Health		€	31/03/2022	7,782,649	4.43%
CAPRICORN ICT ARKIV	Digital		€	31/03/2022	4,602,881	2.62%
CAPRICORN SUSTAINABLE CHEMISTRY FUND	Cleantech		€	31/03/2022	13,329,790	7.59%
Third party funds						
CARLYLE EUROPE TECHNOLOGY PARTNERS II	Diversified		€	30/09/2021	64,964	0.04%
LIFE SCIENCES PARTNERS III	Health		€	31/12/2021	262,000	0.15%
LIFE SCIENCES PARTNERS IV	Health		€	31/12/2021	834,000	0.47%
					34,466,531	**19.62%**
Commercial paper						
ETEXCO		6,000,000	€		6,000,017	3.42%
					6,000,017	**3.42%**
Total Financial Assets before change in valuation			€		163,240,068	92.94%
Change in valuation in Venture and Growth capital			€		83,300	0.05%
Total Financial Assets after change in valulation			€		163,323,368	92.99%
Total Financial Assets			**€**		**163,323,368**	**92.99%**
Cash			**€**		**10,975,878**	**6.25%**
Other Net Assets			**€**		**1,346,060**	**0.77%**
Quest for Growth - Ordinary shares			**€**		**-**	**0.00%**
Total Net Asset Value			**€**		**175,645,306**	**100.00%**

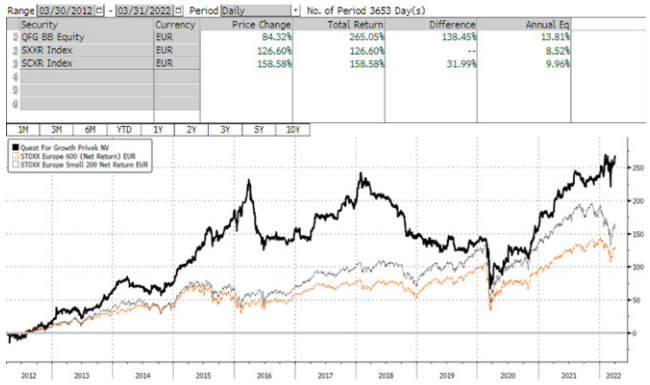
Portfolio composition and market capitalisation at 31 march 2022



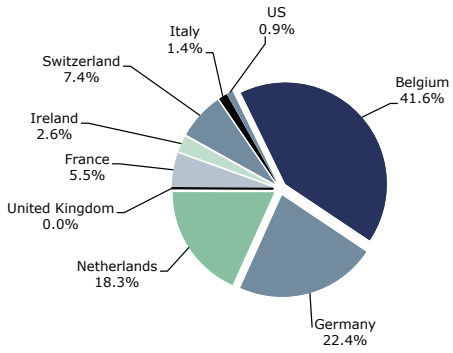
Portfolio distribution by sector



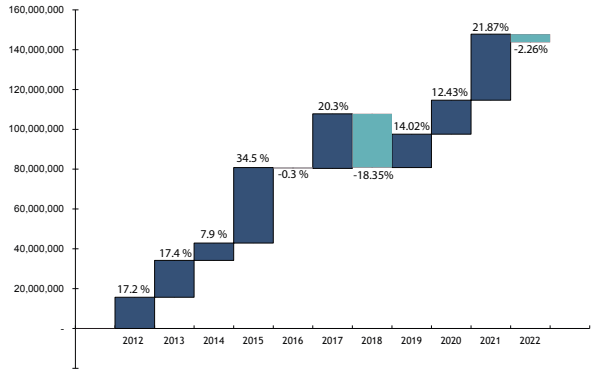
Total shareholders return (since 31/03/2012)



Portfolio distribution by country



Quest for growth results from 1 january 2012 until 31 march 2022

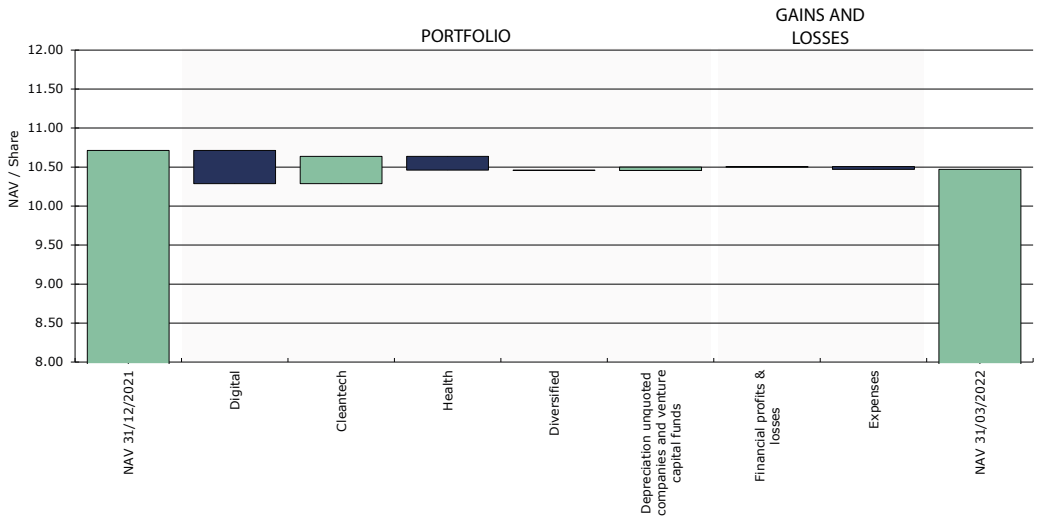


Portfolio distribution by currency

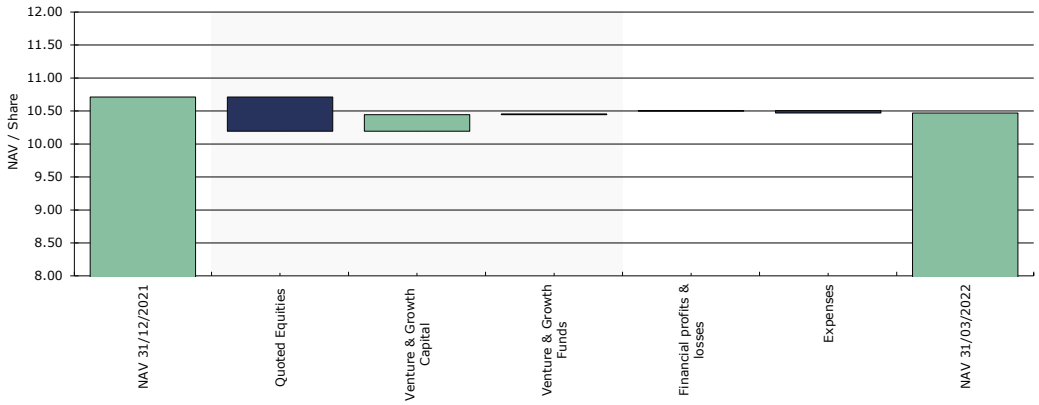


Added value per share
(JANUARY – MARCH 2022)

Added value per sector per share



Added value per segment per share



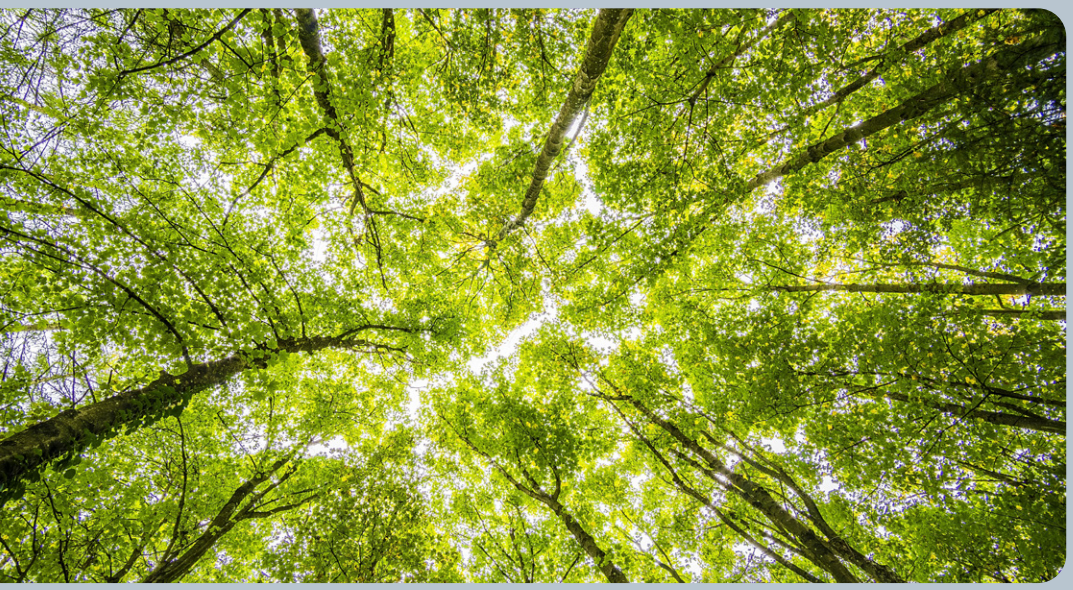
PROFILE

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 mostly invested in growth companies listed on European stock exchanges, in venture & growth capital and in venture & growth funds. Quest for Growth focuses on innovative companies in areas such as digital, health and clean technologies. We have been listed on Euronext Brussels since 23 September 1998.

Interim financial statements

BALANCE SHEET

In EUR ASSETS	Situation at	31 March 2022	31 December 2021
Cash and cash equivalents		10,975,878	9,313,614
Short term debt securities		6,000,017	0
Trade and other receivables		910,459	910,459
Dividends receivable		472,950	450,277
Financial assets			
Financial assets at FVTPL – equity securities		156,743,367	168,509,906
Financial assets at FVTPL – debt securities		579,986	549,016
Other current assets		2,766	7,210
Total assets		**175,685,422**	**179,740,483**
LIABILITIES AND EQUITY			
Share capital		138,629,636	138,629,636
Unavailable reserve		21,918,727	7,929,733
Accumulated result		19,152,005	
Net result for the period		-4,055,061	33,140,999
Total equity attributable to shareholders		**175,645,306**	**179,700,367**
Current tax payable		3	3
Other liabilities		40,112	40,112
Total liabilities		**40,115**	**40,115**
Total equity and liabilities		**175,685,422**	**179,740,483**



Interim financial statements

INCOME STATEMENT

In EUR — For the period ended	31 March 2022	31 March 2021
Net realised gains / (losses) on financial assets	2,217,992	2,193,179
Net unrealised gains / (losses) on financial assets	-5,810,942	10,606,964
Dividends income	139,464	120,107
Interest income	19,191	-1,902
Net realised foreign exchange gains / (losses)	-1,243	-1,297
Net unrealised foreign exchange gains / (losses)	-1,191	673
Total revenues	**-3,436,728**	**12,917,726**
Other operating income	0	0
Other operating loss	0	0
Total operating revenues	**-3,436,728**	**12,917,726**
Fee Management Company	-344,587	-361,131
Custodian fees	-13,329	-12,201
Director's fees	-17,773	-27,650
Levy on investment funds	-166,223	0
Other operating expenses	-54,800	-101,825
Total operating expenses	**-596,711**	**-502,708**
Profit from operating activities	**-4,033,439**	**12,415,018**
Net finance expense	-702	-18,016
Profit / (Loss) before income taxes	**-4,034,141**	**12,396,527**
Withholding tax expenses	-20,920	0
Other incomes taxes	0	0
Profit / (Loss) for the period	**-4,055,061**	**12,396,527**

Earnings per share (EPS)		
Basic & diluted average number of shares outstanding	16,774,226	16,774,226
Basis & diluted EPS for ordinary shares	-0.24	0.74
Basic & diluted EPS for A and B shares	-0.24	0.74

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

SUPPLEMENTARY INFORMATION

Board of directors	**Mr Antoon De Proft**, chairman and independent director
	Mr Michel Akkermans, director
	Mr René Avonts, director
	Mr Philippe de Vicq de Cumptich, 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 Brigitte de Vet, independent director
Audit committee	**Prof. Regine Slagmulder**, chairman
	Mr heer René Avonts
	Mr heer Paul Van Dun
Executive officers	**Mr Philippe de Vicq de Cumptich**, director
	Mr Yves Vaneerdewegh, member of the Executive Committee of Capricorn Partners
Management company	Capricorn Partners NV, Lei 19 box 1, B-3000 Leuven
Statutory auditor	PwC Bedrijfsrevisoren LTD, represented by Mr Gregory Joos, Culliganlaan 5, 1831 Machelen
Depository bank	BELFIUS BANK BELGIË, Pachecolaan 44, B-1000 Brussels
Incorporation	9 June 1998
Official listing	23 September 1998 on Euronext Brussels
Security number	ISIN: BE0003730448
Stock price	Bloomberg: QFG BB Equity
	Reuters: QUFG,BR
	Telekurs: 950524
Company reports	published quarterly, the annual report will be published in July 2022
Estimated net asset value	published every first Thursday of the month on the website www.questforgrowth.com

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 venture and growth capital and venture and growth funds.

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 dividends.

Investment rules

- 25% or more of the portfolio must be invested in venture and growth capital;
- 70% or more of the portfolio (qualified investments) must be invested in
  - venture and growth capital;
  - 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.