



Financial calendar

Press & analyst meeting	26 January 2024
general assembly	28 March 2024
update first quarter	25 April 2024

Slight loss for Quest for Growth in 2023

At 31 December 2023

- Net asset value per share: €7.51 (at 31 December 2022: €7.93)
- Share price: €5.00 (at 31 December 2022: €6.00)
- Discount of share price versus net asset value: 33.45% (at 31 December 2022: 24.31%)

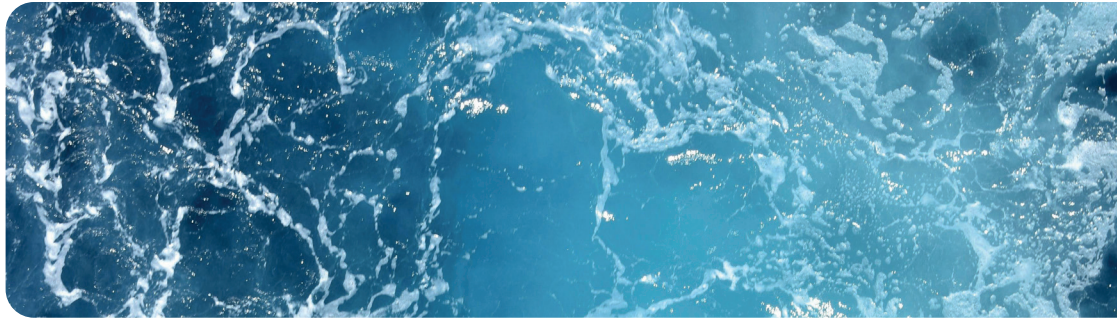
Financial year 2023

- Net loss for the financial year: - €3,524,260 (- €0.19 per ordinary share) against a loss of - €24,828,965 (- €1.40 per ordinary share) for financial year 2022
- Simplification of the shareholder structure by halving the number of preference shares to 500 and increasing the number of ordinary shares by 535,249 (2.86% dilution for each ordinary share)
- The excedent part of the dividend due to the preference shareholders will from now on only be payable after all shareholders have received a cumulative compensation of 6% per year, recoverable from 1 January 2023. The excedent preference dividend was also reduced from 20% to 10%.
- Reduction of the number of directors from 10 to 8, with new chairman
- New investment in the Belgian company VoxelSensors through Capricorn Digital Growth Fund
- SII and Kingspan included in the quoted equities portfolio with takeover bid for SII in December

Financial year 2024

- Ms Lieve Creten is nominated, subject to approval by the FSMA, as new director (and chairman) now that Ms Brigitte de Vet-Veithen is resigning from her position due to incompatibility with her appointment as CEO of Materialise.





Results

Quest for Growth closed the 2023 financial year with a net loss of -€3,524,260. The return on equity was -2.44%, this without taking into account an increase in the number of shares outstanding of about 2.9%. Quest for Growth shares saw their full-year share price decline by almost 16.7% to a closing price of €5.00 on 31 December 2023. The discount of the share price to net asset value increased to 33.4% at the end of the year from 24.3% at the end of 2022.

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 2023.

Market environment

The European stock market index STOXX Europe 600 Net Return rose almost 16%, the STOXX Europe Small 200 Net Return increased by 12%. While the first quarter was still characterised by problems in the banking sector and high volatility on the stock markets, the 'bulls' regained the upper hand from the second quarter onwards. The so-called 'Magnificent 7' in particular fired up the US stock markets. Big Tech companies are considered the big winners of the AI breakthrough. Towards the end of the year, the boom was more broad-based, with almost all sectors making a profit.

Quoted equities

The result of this segment of the portfolio was €5.4 million in 2023. The estimated gross performance of the quoted equities was therefore approximately +5%.

Among the outperformers are B&C Speakers, EVS Broadcast Equipment and the Jensen Group. These companies went through an extremely difficult period during the 2020 and 2021 lockdowns but they were able to rely on a rock-solid balance sheet during this exceptional period, as well as market leadership in a very specific niche and management with a strategic vision that looks beyond the next round of results reporting. It is these ingredients that form the basis for the strong results noted by these three companies over 2023.

In addition to this, Wolters Kluwer, one of the stable large caps in the portfolio, and newcomer SII also performed extremely well on the stock market.

The companies posting the biggest fall were Stratec and ABO Wind. The German Stratec, a manufacturer of medical diagnostics equipment, bore the brunt of the sharp drop in demand for Covid tests. Another German company, ABO Wind, developer of renewable energy projects, saw its share price come under strong pressure, unlike the steep rise in its share price in recent years.

In February, Quest for Growth bought shares in French company SII (Société pour l'Informatique Industrielle), a specialist providing technology support and IT consultancy services to companies from various sectors. SII was in a position to present a good growth trajectory. Its valuation was attractive and the company had built up a considerable net cash position. At the beginning of December, the family of founder Bernard Huvé, together with management and private equity investor Blackstone, announced their intentions to privatize the company at a price of €70 per share, a premium of more than 30% on the last price before the offer.

Quest for Growth said goodbye to four companies all in all: Gurit, SAP, Steico and Umicore. The Swiss company Gurit, a supplier in the wind power sector, saw its profitability decline significantly over the past two years. After more than ten years in the portfolio, SAP was replaced by a smaller IT company, SII. Umicore witnessed a further drop in the price of precious metals, while investment pressure for its battery division is set to remain high for the foreseeable future. Finally, after a few good years, Steico saw growth and profitability decline in the wake of increased competition for wood fibre insulation in the domestic market in Germany. We took advantage of a temporary rebound in its share price to sell when the Irish Kingspan acquired a majority stake in Steico from its founder.

Quest for Growth bought shares in Kingspan at the beginning of November. Kingspan operates globally as a producer of insulation material for buildings. The company is a crucial player in the quest for energy-neutral buildings.



Venture & growth capital

The venture and growth capital segment achieved a result (income from investments before costs) of approximately - €1.8 million.

The Liège-based company Miracor Medical, specialising in interventional cardiology, was unable to attract new investors. The company has halted the pre-marketing of its PICSO device and let go some of its employees. The value of Miracor Medical was already fully written off at the end of the 2022 financial year.

Following the acquisition of HalioDx in 2021, part of the withheld sales price was received during the second quarter of 2023. The remaining part will be paid out later and is currently valued at a 10% discount.

Venture & growth funds

Venture and growth capital funds represent approximately 25% of QfG's net asset value as of 12/31/2023. The result of the venture and growth funds segment amounted to approximately - €5.4 million in 2023.

The Capricorn Health-tech Fund still holds three participations: Confo Therapeutics has been able to conclude two successful agreements with major pharmaceutical companies. iSTAR continues to conduct the study to obtain FDA approval for the developed eye implant and Mainstay Medical doubled its revenues compared to 2022. Following the sale of Ogeda to Astellas Pharma in 2017, a potential milestone payment is still outstanding in the Capricorn Health-tech Fund. Astellas Pharma published in 2023 that the application for the new drug fezolinetant was approved with by the US FDA. As a result, the milestone payment will normally be paid to the former Ogeda shareholders in the summer of 2024. As a result, the valuation has already been positively adjusted.

During the second quarter of 2023, Capricorn Digital Growth Fund invested in the Belgian company VoxelSensors. The company is developing a revolutionary 3D perception system for fusing physical and digital worlds. Their Switching Pixels™ system is a revolutionary sensor architecture designed for 3D perception based on laser beam scanning, and offers low latency at low power consumption, as is required for future extended reality applications.

Capricorn Cleantech Fund, in liquidation, sold its last shares in the Dutch company Avantium during the third quarter of 2023. This leaves the fund holding only one participation in FRX Innovations.

At the Capricorn Sustainable Chemistry Fund, the German company Prolupin GmbH was subject to insolvency proceedings and has since been declared bankrupt. The Dutch company Black Bear Carbon applied for a suspension of payments in the third quarter.

After the sale of OneWelcome to Thales in 2022, a co-investment with Capricorn ICT Arkiv, part of the withheld sales price was received. The remaining part will be paid out later and is currently valued at a 10% discount.

Outlook

From a historical perspective, European equities' valuation multiples remain low. The price/earnings ratio, based on earnings estimates for the next 12 months, stood at 13x at the end of December. The STOXX Europe Small 200, which unites companies with a relatively low market capitalisation, was also quoted at a P/E of around 13x at the end of December. Over the past two years, the traditional valuation premium of small caps over large caps evaporated completely. This is also reflected in the average valuation of the listed shares in Quest for Growth's portfolio.

The relatively low valuations, combined with the intrinsic qualities of our listed portfolio companies, makes us cautiously positive and creates opportunities to buy additional shares in the portfolio or to add additional shares to the portfolio.

The investment climate for venture and growth capital is expected to remain challenging, especially for those companies that require additional capital. ESG will become a key differentiator with much focus on the Article 8 and 9 funds under the EU Sustainable Finance Disclosure Regulation (SFDR). Sustainability is a prominent point of attention in investments.

The General Assembly will be held on 28 March 2024 at 11 AM.

You can access the Key Information Document on Quest for Growth's website: <https://priips-document.com/capricorn/BE0003730448/en/eu/>



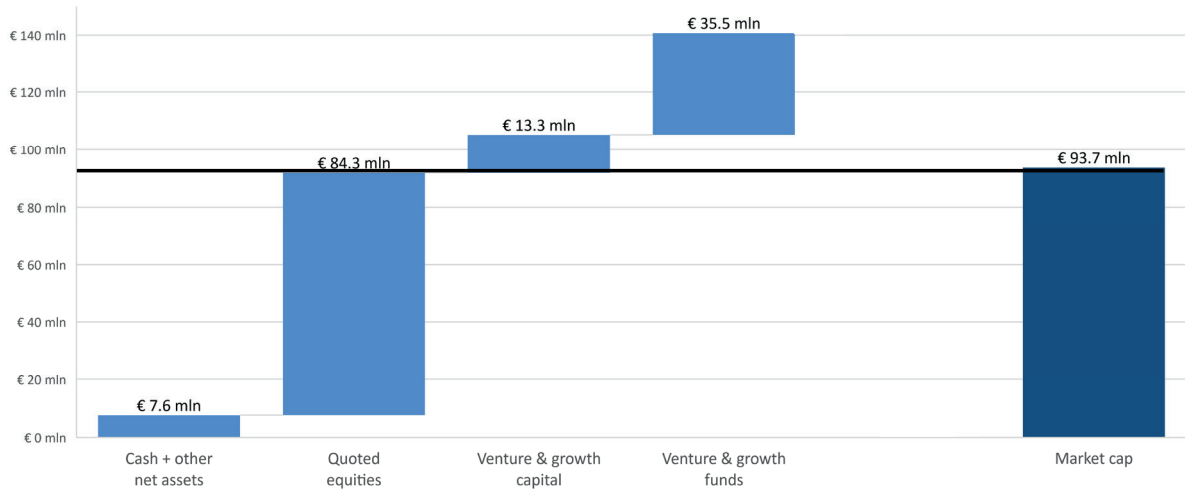
Total shareholders return (31/12/2013 – 31/12/2023)

Range 12/31/2013 - 12/29/2023 Period Daily No. of Period 3650 Day(s)

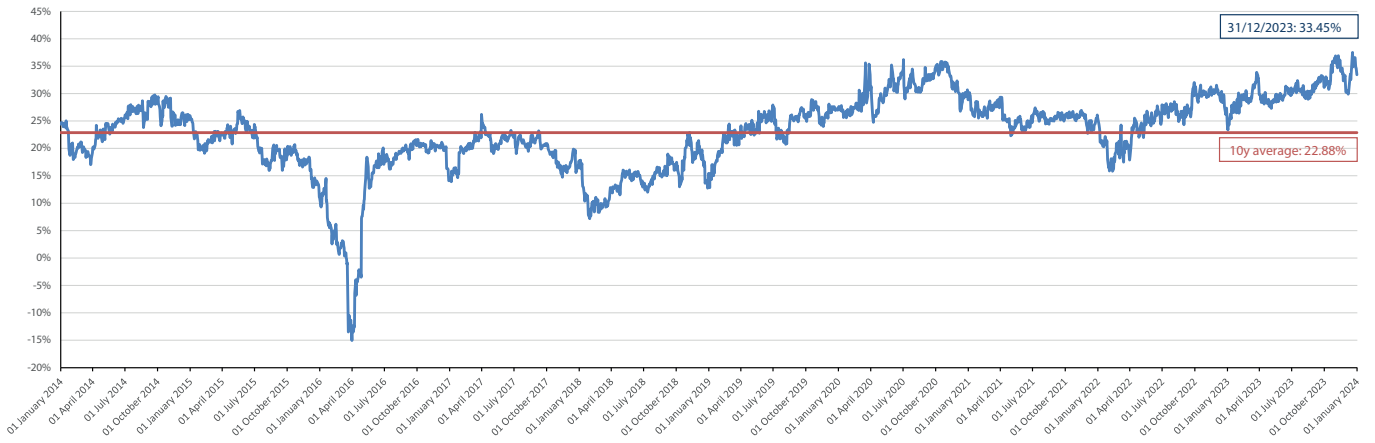
Security	Currency	Price Change	Total Return	Difference	Annual Eq
1) QFG BB Equity	EUR	-34.74%	47.04%	-42.44%	3.93%
2) SXXR Index	EUR	89.48%	89.48%	--	6.60%
3) SCXR Index	EUR	78.19%	78.19%	-11.29%	5.95%



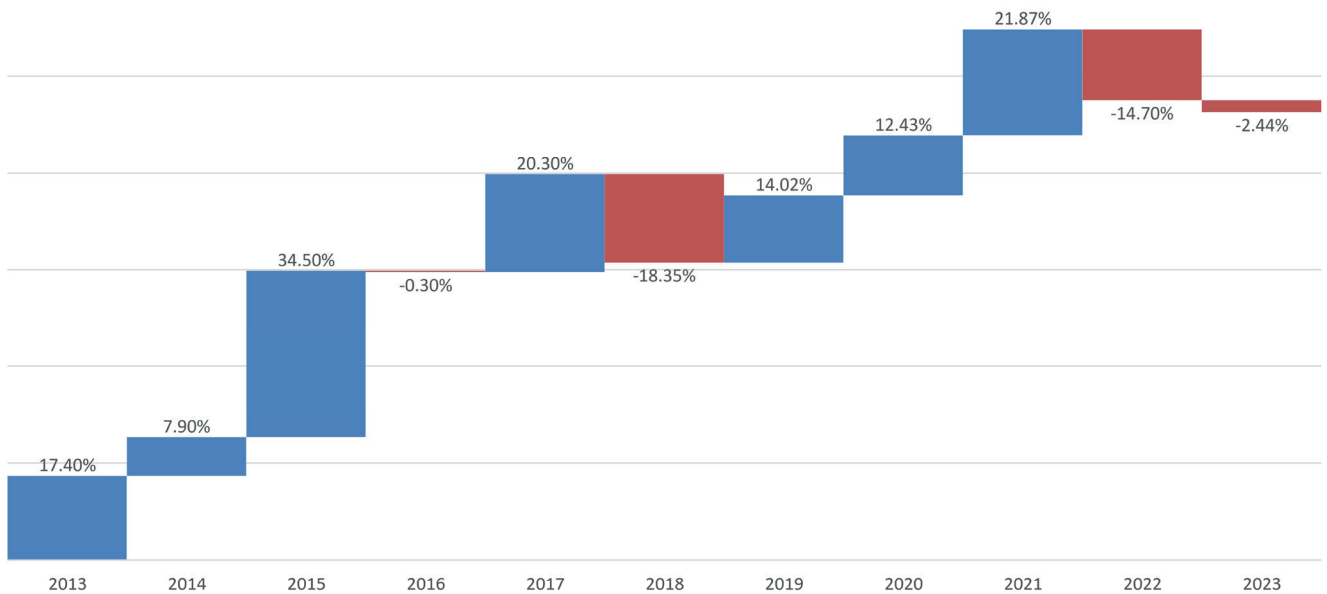
Portfolio composition and market capitalisation at 31/12/2023



Discount of the share price versus the net asset value (31/12/2013-31/12/2023)



Return on equity from 31/12/2013 to 31/12/2023 (*)



(*) 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 ASSETS	Situation at	31 December	31 December	31 December
		2023	2022	2021
Cash and cash equivalents		6,800,567	6,177,462	9,313,614
Trade and other receivables		474,757	1,050,834	910,459
Dividends receivable		385,020	563,083	450,277
Financial assets				
Financial assets at FVTPL – equity securities		132,804,660	136,042,102	168,509,906
Financial assets at FVTPL – debt securities		312,613	468,595	549,016
Other current assets		7,191	7,210	7,210
Total assets		140,784,807	144,309,287	179,740,483
Liabilities and Equity				
Share capital		147,072,900	147,072,900	138,629,636
Reserves		0	21,918,727	7,929,733
Accumulated result		-2,803,948	106,290	
Net result for the period		-3,524,260	-24,828,966	33,140,999
Total equity attributable to shareholders		140,744,692	144,268,952	179,700,367
Balances due to brokers and other payables		0	219	3
Other liabilities		40,115	40,115	40,112
Total liabilities		40,115	40,335	40,115
Total equity and liabilities		140,784,807	144,309,287	179,740,483

Income statement

In EUR	For the financial year ended	31 December	31 December	31 December
		2023	2022	2021
Net realised gains / (losses) on financial assets		-6,191,828	6,764,147	18,841,630
Net unrealised gains / (losses) on financial assets		2,484,133	-31,245,241	15,198,088
Dividends income		1,824,290	1,984,901	1,549,620
Net interest income / (expenses)		78,021	-7,018	-14,121
Net realised foreign exchange gains / (losses)		-2,536	8,637	-128,103
Net unrealised foreign exchange gains / (losses)		5,603	4,114	-11,340
Total revenues		-1,802,318	-22,490,460	35,435,774
Other operation income / (losses)		860,320	101,156	29,066
Total operating revenues		-941,997	-22,389,304	35,464,840
Fee Management Company		-1,482,989	-1,456,988	-1,416,608
Custodian fees		-37,140	-45,688	-49,599
Director's fees		-177,551	-161,281	-170,330
Levy on investment funds		-133,449	-166,557	-141,774
Other operating expenses		-405,978	-272,972	-286,996
Total operating expenses		-2,237,107	-2,103,791	-2,065,307
Profit / (Loss) from operating activities		-3,179,105	-24,492,791	33,399,533
Net finance expenses		-1,501	-2,651	-5,658
Profit / (Loss) before income taxes		-3,180,605	-24,495,442	33,393,875
Withholding tax expenses		-316,085	-333,304	-252,870
Other incomes taxes		-27,570	-219	-5
Profit / (Loss) for the period		-3,524,260	-24,828,966	33,140,999
Earnings per share (EPS)				
Basic & diluted average number of shares outstanding		18,603,570	17,765,860	16,774,226
Basis & diluted EPS for ordinary shares		-0.19	-1.40	1.98
Basic & diluted EPS for preference shares		-0.19	/	/
Basic & diluted EPS for A and B shares		/	-1.40	1.98

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 2023	31 December 2022
Net realised gains / (losses) on financial assets		-2,884,842	573,633
Net unrealised gains / (losses) on financial assets		6,436,104	-25,573,059
Dividends income		1,824,290	1,984,901
Segment income from investments in quoted equities		5,375,552	-23,014,525
Net realised gains / (losses) on financial assets		-3,561,928	5,899,538
Net unrealised gains / (losses) on financial assets		1,743,524	-5,769,784
Dividends income		0	0
Segment income from investments in venture & growth capital		-1,818,405	129,754
Net realised gains / (losses) on financial assets		254,943	290,977
Net unrealised gains / (losses) on financial assets		-5,695,495	97,601
Dividends income		0	0
Segment income from investments in venture & growth capital funds		-5,440,552	388,577
Net interest income / (expenses)		78,021	-7,018
Net realised foreign exchange gains / (losses)		-2,536	8,637
Net unrealised foreign exchange gains / (losses)		5,603	4,114
Total income from investments		-1,802,318	-22,490,460
Other operating income / (losses)		860,320	101,156
Total operating income		-941,997	-22,389,304
Total operating expenses		-2,237,107	-2,103,487
Profit / (loss) from operating activities		-3,179,105	-24,492,791
Net finance expenses		-1,501	-2,651
Profit / (loss) before income taxes		-3,180,605	-24,495,442
Withholding taxes		-316,085	-333,304
Other income taxes		-27,570	-219
Profit / (loss) for the period		-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

