

## Financial calendar

press & analyst meeting	<b>27 January 2023</b>
general assembly	<b>30 March 2023</b>
update first quarter	<b>27 April 2023</b>

## Quest for Growth does not escape stock market malaise and suffers a € 25 million loss in 2022 following three robust years

### At 31 December 2022

- Net asset value per share: € 7.93 (at 31 December 2021: € 10.71)
- Share price: € 6.00 (at 31 December 2021: € 7.98)
- Discount of share price versus net asset value: 24.31% (at 31 December 2021: 25.5%)

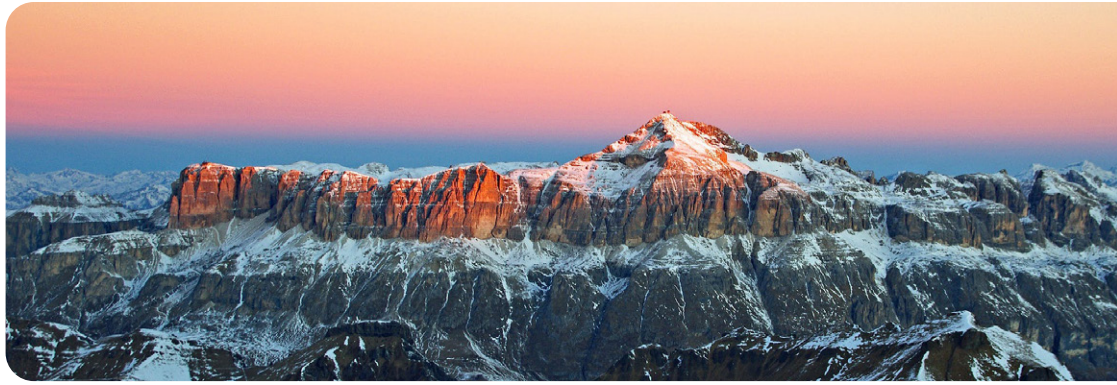
### Fiscal year 2022

- Net loss for the financial year: - € 24,828,965 (- € 1.40 per ordinary share) against a profit of € 33,140,999 (€ 1.98 per ordinary share) for fiscal year 2021
- Negative return on equity of 14.70%
- 45% of dividend rights converted into shares. Capital increase of € 8,549,916
- New investments in unquoted companies Finquest and fruitcore robotics
- Successful exits from c-LEcta and Accell

### Fiscal year 2023

- Proposal to simplify preference shares rights





## Results

Quest for Growth closed the financial year with a loss of € 24,828,965 and with a negative return on equity of 14.7% that takes into account the dividend paid of € 1.02 gross on 21 April 2022 and the capital increase following the optional dividend. This shows that Quest for Growth did not escape the global stock market malaise. However, the decline was limited by several successful exits in the portfolio. In the venture and growth capital segment, Quest for Growth sold its stake in the German biotech company c-Lecta to the Irish company Kerry. In the portfolio of listed stocks, the fund accepted KKR's bid for Dutch bicycle manufacturer Accell.

Quest for Growth shares saw their share price decline by 14.5% to a closing price of € 6.00 on 31 December 2022. This includes the dividend payment mentioned above. The discount of the share price in relation to the net asset value remained constant or decreased slightly to 24.3%, compared to 25.5% at the end of 2021.

## Allocation of the profit

As the net assets on 31 December 2022 are less than the paid-up capital, no dividend can be paid for the 2022 financial year. The non-disposable reserves equal to the balance of not realised capital gains / losses will be reduced.

## Market environment

While the 2021 stock market had a golden year, 2022 proved to be a stock market year of high volatility and a clear downward trend. In 2022, the European stock market index STOXX Europe 600 Net Return realised a loss of almost 11% and the STOXX Europe Small 200 Net Return realised a loss of 24%. Finally, the US S&P 500 index achieved a total return of -18% and due to a more expensive US dollar, it ended up losing 13% in euros. The main cause of turbulence in global stock markets has been stubbornly high inflation, rapidly rising interest rates, the growing fears of recession and the rising geopolitical tensions caused by the war in Ukraine.

## Quoted equities

The decline in the portfolio of listed equities in 2022 was about 19% (excluding cash and before expenses) which was less severe than the fall in the Stoxx Europe 200 Small Net Return Index. However, relative to the Stoxx 600 Europe, returns lagged. Steico's (-64%) share price suffered from the weaker outlook for the construction sector in general, while Gurit (-42%) suffered from the ongoing problems in the wind power sector this year and Stratec (-42%), for its part, saw its share price fall due to lower volumes of C-19 testing. We note only three positive outliers in the portfolio. ABO Wind (+34%) saw its order book of onshore wind farms grow and was able to benefit from sharply risen fossil fuel prices. Newcomer EVS (+10%) was able to excel with some good contracts and a higher sales forecast for this year and finally, the sale of Accell yielded a gain of more than 100% compared with the prices at the end of 2020, when the stock was included in the portfolio.

Only one company, Belgium's EVS Broadcasting Systems, entered the portfolio as a newcomer. After several turbulent years, including in management, we are seeing improvement again in this world leader in slow-motion technology for live coverage. Under the leadership of CEO Serge Van Herck, EVS achieved growth in 2022.

We said goodbye to 4 companies. The Dutch company Accell left the portfolio after the takeover bid launched by the American company KKR was accepted at € 58 per share. In addition, the fund sold its entire position in Fresenius, Technotrans and PSI Software after disappointing operating results.



## Venture & growth capital

The sale of the German company c-LEcta GmbH, a co-investment with Capricorn Sustainable Chemistry Fund, was one of the most eye-catching events for Quest for Growth in 2022. The acquisition of c-LEcta had a positive impact on Quest for Growth's equity value.

Scaled Access, a co-investment with Capricorn ICT Arkiv, was acquired by OneWelcome. In the third quarter, OneWelcome was sold to Thales, a leading provider of cyber security solutions.

Given the uncertain funding environment combined with the high cost of continuing clinical trials within the acute myocardial infarction domain, we have decided to write down the value of our investment. We may reconsider this decision depending on further updates from Miracor.

Quest for Growth made two new co-investments with Capricorn Fusion China Fund in 2022. A USD 2 million investment in the Singapore company Finquest in the second quarter of 2022 and a € 2 million investment in the German company fruitcore robotics GmbH in the fourth quarter.

Quest for Growth also made follow-up co-investments in Sensolus, Prolupin and EclecticIQ in the fourth quarter of 2022.

## Venture & growth funds

Following the 2017 sale of Ogeda to Astellas Pharma in the Capricorn Health Tech Fund, a potential milestone payment is still outstanding. Astellas Pharma has announced that it has submitted an application to the US FDA for fezolinetant, a new drug, which has declared the application admissible. This increases the likelihood of the milestone payout resulting in a positive upward adjustment. In addition, iSTAR Medical and AbbVie have announced a strategic transaction to further develop and commercialise iSTAR Medical's MINject® device, a minimally invasive surgical (MIGS) device for patients with glaucoma. This had a positive impact on Quest for Growth's equity value.

In the fourth quarter of 2022, Capricorn Health tech Fund made a follow-on investment in Confo Therapeutics.

Capricorn ICT Arkiv made follow-on investments in FEops and Sensolus in the fourth quarter of 2022, while Capricorn Sustainable Chemistry Fund invested in deep-tech company Econic Technologies in 2022. The fund also made follow-on investments in Prolupin, Trilium and Black Bear in the fourth quarter.

On 28 February 2022, the fundraising of the Capricorn Digital Growth Fund was successfully closed with a total of € 84.5 million. Quest for Growth pledged a further € 5 million to the fund at final closing, bringing their total commitment to € 20 million.

The fund made seven new investments in 2022. An investment in the French company Zozio, the Ghent companies StoryChief and Tren-sition, the Antwerp companies Bingli and Minze, the German company neotiv and the Dutch company Chainels. The investments in neotiv, Minze and Chainels were made in the fourth quarter of 2022.

neotiv is a digital health company that offers a cognitive test that can diagnose patients with mild cognitive impairment (MCI), which is known as a precursor to diseases such as Alzheimer's or dementia.

Minze is a digital health company that provides a solution for diagnosing, monitoring and treating patients with lower urinary tract symptoms (LUTS) both inside and outside the hospital.

Chainels developed a tenant experience app tailored to the needs of mixed-use developments, retail developments, office and residential buildings. Their product is a property management portal and community platform that improves communication between all stakeholders.

In addition, the Capricorn Digital Growth Fund made another follow-on investment in EclecticIQ in the fourth quarter.

Capricorn Fusion China Fund had its final closing in the first quarter of 2022, increasing its capital to € 36.3 million in the process. 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.



During the second quarter of 2022, the fund invested in Singapore company Finquest. In addition, the fund made an investment in fruitcore robotics GmbH in the fourth quarter. Both investments are co-investments with Quest for Growth.

Fruitcore robotics GmbH enables manufacturing companies of all sizes, but especially small and medium-sized enterprises, to move towards automation in production and logistics processes. There is no doubt that HORST (Highly Optimised Robotic System Technology) robots remove all barriers to introduction with low capital expenditure, rapid implementation, intuitive programming and high productivity.

## Outlook

Rising interest rates put pressure on share valuations. At the end of 2022, the Stoxx Europe 600 was trading at a price-to-earnings ratio of 12x, based on estimated earnings for the next 12 months compared to 16x at the end of 2021. However, we observe major differences between different groups of shares. In our view, the valuation of stocks with relatively higher dividend yields and limited growth prospects seem to take the expected rise in interest rates better into account. In our view, the valuations of companies with longer investor payback periods still do not sufficiently take higher longer-term interest rates into account. We avoid the latter category in Quest for Growth's portfolio by focusing on profitable growth companies that are listed at reasonable valuation multiples. The companies in our portfolio also have a good buffer thanks to a conservative balance sheet with relatively low debt. Given the augmented uncertainty regarding the overall economic outlook, caution remains necessary in our view.

After several quarters of historic records, the venture capital market is also cooling. On the one hand, this is the result of the macroeconomic and geopolitical evolutions, but also a natural cooling down after the overheating of recent years. We therefore see a decrease in investment amounts and a delay in closing new financing rounds. Great price falls of listed securities raise questions about the valuation of private innovative companies. Consequently, exits have also become less interesting due to the fall in exit valuations in the venture capital market. For coming financing rounds, we expect a more conservative stance and lower valuation multiples. But no doubt it will provide interesting new investment opportunities.

## Proposal to simplify preference shares rights

Subject to approval by the FSMA, the board of directors wishes to propose to the general meeting of shareholders the following amendments to the rights attached to class A and B preference shares, in particular:

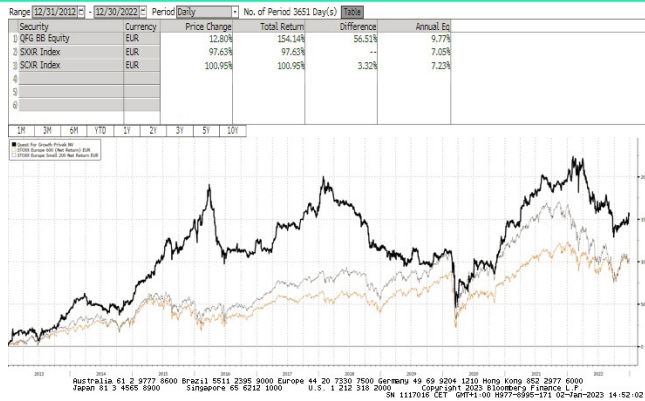
- 1/ the removal of the distinction between class A and B shares;
- 2/ the division of 500 of the existing 1,000 preference shares of historical and/or strategic shareholders based on a valuation by the independent valuation expert 8Advisory and this at a conversion ratio of 1,070.5 ordinary shares per preference share. After this, the remaining 500 preference shares would only be held by the management and staff members of the management company Capricorn Partners.
- 3/ to change (reduce) the calculation method of the preference dividend right by making the "hurdle rate" of 6% cumulative and recoverable for the previous years and to reduce the percentage that the preference shareholders receive from the profit above this 6% from 20 % to 10%;

All further information on this subject will be provided in the course of next week on the website [www.questforgrowth.com](http://www.questforgrowth.com).

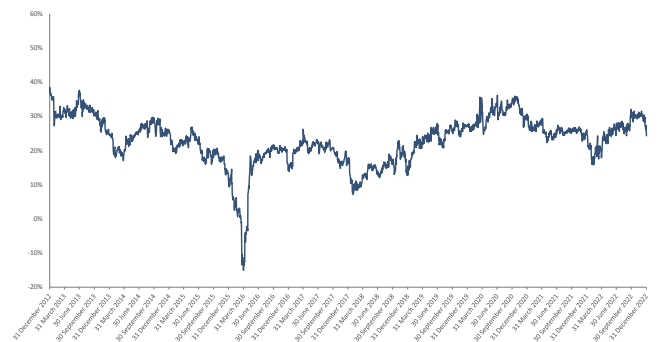
The General Assembly will be held on 30 March 2023 at 11 am.



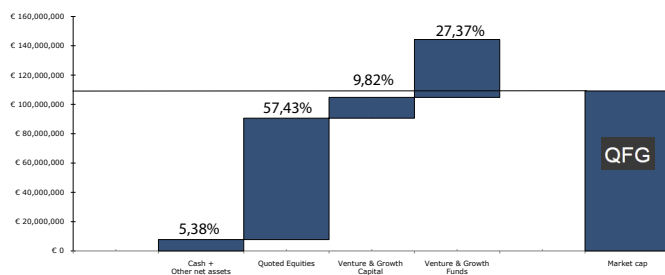
### Total shareholders return ( 31/12/2012 – 31/12/2022)



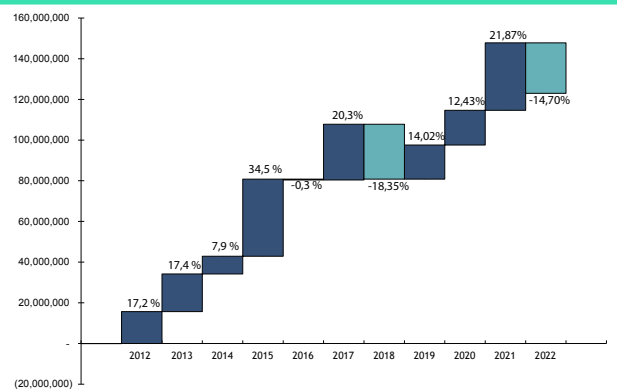
### Discount of the share price versus the net asset value (31/12/2012-31/12/2022)



### Portfolio composition and market capitalisation at 31/12/2022



### Results from 31/12/2012 until 31/12/2022(\*)



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



## Balance sheet

In EUR		31 December 2022	31 December 2021	31 December 2020
ASSETS	Situation at			
Cash and cash equivalents		6,177,462	9,313,614	7,581,758
Short term debt securities		0	0	2,699,977
Trade and other receivables		1,050,834	910,459	192,002
Dividends receivable		563,083	450,277	328,430
Financial assets				
Financial assets at FVTPL – equity securities		136,042,102	168,509,906	142,401,510
Financial assets at FVTPL – debt securities		468,595	549,016	100,000
Other current assets		7,210	7,210	7,210
<b>Total assets</b>		<b>144,309,287</b>	<b>179,740,483</b>	<b>153,310,887</b>
<b>Liabilities and Equity</b>				
Share capital		147,072,900	138,629,636	145,339,326
Reserves		21,918,727	7,929,733	
Accumulated result		106,290		-9,154,588
Net result for the period		-24,828,966	33,140,999	17,084,320
<b>Total equity attributable to shareholders</b>		<b>144,268,952</b>	<b>179,700,367</b>	<b>153,269,059</b>
Balances due to brokers and other payables		219	3	9
Other liabilities		40,115	40,112	41,819
<b>Total liabilities</b>		<b>40,335</b>	<b>40,115</b>	<b>41,828</b>
<b>Total equity and liabilities</b>		<b>144,309,287</b>	<b>179,740,483</b>	<b>153,310,887</b>

## Income statement

In EUR	For the fiscal year ended	31 December 2022	31 December 2021	31 December 2020
<b>Net realised gains / (losses) on financial assets</b>		6,764,147	18,841,630	9,328,136
Net unrealised gains / (losses) on financial assets		-31,245,241	15,198,088	8,765,979
Dividends income		1,984,901	1,549,620	1,115,320
Interest income		-7,018	-14,121	-5,451
Net realised foreign exchange gain / (loss)		8,637	-128,103	-32,526
Net unrealised foreign exchange gain / (loss)		4,114	-11,340	25,769
<b>Total revenues</b>		<b>-22,490,460</b>	<b>35,435,774</b>	<b>19,197,227</b>
Other operation income		101,156	29,066	35,752
Other operating loss				-54,356
Total operating revenues		-22,389,304	35,464,840	19,178,623
Fee Management Company		-1,456,988	-1,416,608	-1,464,587
Custodian fees		-45,688	-49,599	-38,477
Director's fees		-161,281	-170,330	-163,845
Levy on investment funds		-166,557	-141,774	-125,971
Other operating expenses		-272,972	-286,996	-134,692
<b>Total operating expenses</b>		<b>-2,103,791</b>	<b>-2,065,307</b>	<b>-1,927,572</b>
<b>Profit from operating activities</b>		<b>-24,492,791</b>	<b>33,399,533</b>	<b>17,251,051</b>
Net finance expense		-2,651	-5,658	-3,743
<b>Profit / (Loss) before income taxes</b>		<b>-24,495,442</b>	<b>33,393,875</b>	<b>17,247,308</b>
Withholding tax expenses		-333,304	-252,870	-162,945
Other incomes taxes		-219	-5	-42
<b>Profit / (Loss) for the period</b>		<b>-24,828,966</b>	<b>33,140,999</b>	<b>17,084,320</b>
<b>Earnings per share (EPS)</b>				
Basic & diluted average number of shares outstanding		17,765,860	16,774,226	16,774,226
Basis & diluted EPS for ordinary shares		-1.40	1.98	1.02
Basic & diluted EPS for A and B shares		-1.40	1.98	1.02

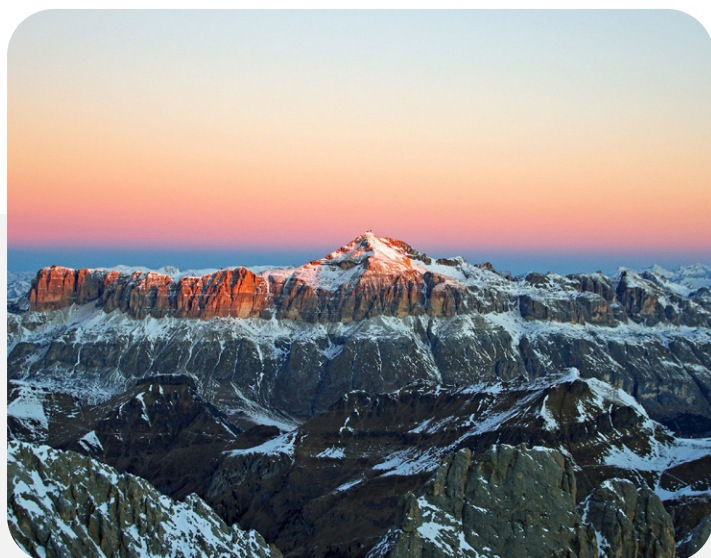
Holders of different classes of shares have different rights in case of payment of dividends and in case of liquidation of the company





## Statement of changes in equity

In EUR	Share capital	Share capital	Retained earnings	Total equity
Balance at 1 January 2022	138,629,636	7,929,733	33,140,999	179,700,368
Retained earnings		13,988,994	-13,988,994	0
Profit / (loss) for the period			-24,828,966	-24,828,966
Capital reduction				
Issue of ordinary shares, after deduction costs capital increase	8,443,264			8,443,264
Dividends			-19,045,714	-19,045,714
Balance at 31 December 2022	147,072,900	21,918,727	-24,722,675	144,268,952
Balance at 1 January 2021	145,339,326		7,929,733	153,269,059
Retained earnings		7,929,733	-7,929,733	0
Profit / (loss) for the period			33,140,999	33,140,999
Capital reduction	-6,709,690			-6,709,690
Issue of ordinary shares, after deduction costs capital increase				
Dividends				
Balance at 31 December 2022	138,629,636	7,929,733	33,140,999	179,700,368
Balance at 1 January 2020	145,339,326		-9,154,587	136,184,739
Profit / (loss) for the period			17,084,320	17,084,320
Issue of ordinary shares, after deduction costs capital increase				
Dividends				
Balance at 31 December 2020	145,339,326		7,929,733	153,269,059



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.

PwC Bedrijfsrevisoren / Réviseurs d'Entreprises  
Represented by

**Gregory Joos**  
Certified Public Auditor

