

16 July 2013

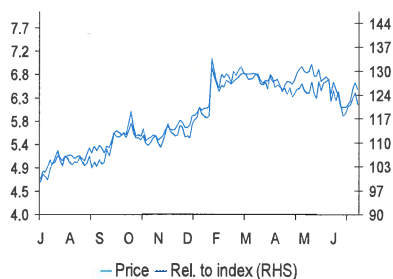
## QUEST FOR GROWTH

### Syntaxin-sale transforms 2007 investment into cash

EQUITY INVESTMENT INSTRUMENTS  
BELGIUM

CURRENT PRICE € 6.45  
TARGET PRICE € 7.30

**ACCUMULATE**  
RATING UNCHANGED



Source: Thomson Reuters Datastream

Bloomberg QFG BB  
Reuters QUFG.BR  
[www.questforgrowth.com](http://www.questforgrowth.com)

Market Cap € 76.0m  
Shares outst. 11.8m  
Volume (daily) € 34,707  
Free float 90.6%

Next corporate event

Results 1H13: 25 July 2013

(€ m)	2010	2011	2012
Net result	20.6	-13.3	15.7
Adj. net result	20.6	-13.3	0.0
Basic EPS (€)	1.74	-1.15	1.36
ROE	24.1%	-12.6%	17.2%
Adj. eq. value	8.99	7.88	9.26
Premium/disc.	42.9%	39.7%	38.4%
DPS (€)	0.00	0.00	0.00
Dividend yield	0.0%	0.0%	0.0%

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#### Summary:

Ipsen has announced that it is acquiring Syntaxin, a UK-based private life sciences company specialized in botulinum toxin engineering. Ipsen will pay € 28m upfront as well as € 130m or more in potential milestones. The impact on NAV is – according to the press release – negligible.

#### News:

Syntaxin's shareholders will receive the greater part of additional downstream payments related to the company's most advanced asset, currently in Phase II clinical trials. Prior to the transaction, Ipsen owned c.10% of Syntaxin's capital on a fully diluted basis. Quest for Growth is one of the selling shareholders. The participation of Quest for Growth in Syntaxin was valued at approximately € 2.3m, representing 2.1% of the net asset value at 30 June 2013. The transaction does not have any material impact on the net asset value of Quest for Growth.

#### Our View:

We welcome the sale of the Syntaxin participation, which Quest acquired on 30 October 2007. At the time, Quest invested £ 1.5m as part of a total funding of £ 16 million in the UK-based drug development company. Quest for Growth in doing so joined founding investor Abingworth and Life Science Partners, SR-One and Johnson & Johnson.

Our NAV-model carried the Syntaxin stake at € 2.34m, which is in line with the official carrying value in Quest's books. This equals 2.09% of NAV, based on yesterday's closing prices. Since the press release does not convey exact details, the divestment's impact on NAV is that it switches a financial asset for cash but doesn't generate a capital gain. We'll touch base with management to find out to which extent the timing and the potential height of the potential milestones could positively affect NAV.

#### Conclusion:

Based on yesterday's closing prices, we estimated adjusted equity value per share at € 9.60, which sets the discount versus the stock price at a robust 32.8%. We stick to our € 7.3 TP, which leaves 13.2% upside potential and which implies a rough 24% discount.