

COMPANY INFORMATION

Q·Capital AG (www.qcapital.ch) is a listed Swiss holding company aiming to generate a sustainable long-term capital appreciation with a target return of 7-12 % p.a. It invests in private and public equity, bonds, loans, real estate, currencies and in other managers. It is not restricted by a defined investment strategy. Base currency is EUR. The shares are quoted on the Bern Stock Exchange (www.berne-x.com) under the ticker QCAP SW. Q·Capital is part of the Q-ADVISERS network (www.q-advisers.com).

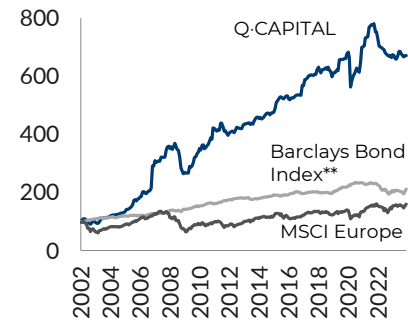
PRODUCT DETAILS

Domicile	Switzerland
External expenses	1.68% net
Success-based expenses (up to): 20% (HWM)	
Hurdle rate	3% Net-Min. Return
Investment Advisor	QINO Group Services
Website	www.qcapital.ch
ISIN	CH0017855088
WKN	1785508
SE Ticker	QCAP SW
NAV (31.12.23)	EUR 30.96
Annualized return	9.0%

TOP HOLDINGS

Informica Real Invest	21.7%
UCP Chemicals	9.1%
McWin Food Ecosystems Fund	5.7%

PERFORMANCE CHART



INTEREST RATES & F'CASTS

	Q4'23	Q2'24e	Q4'24e
US	5.38	5.12	4.38
Euro Area	4.00	3.75	3.00
UK	5.25	5.00	4.25
Japan	-0.10	0.00	0.25

Source: Morgan Stanley Research

PERFORMANCE SNAPSHOT

(See appendix for full track record)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2015	0.4	2.5	4.4	1.1	1.2	1.4	0.2	-1.0	-0.5	1.2	0.9	-0.2	12.04%
2016	-2.0	-0.5	1.3	0.1	0.0	1.0	0.5	0.4	0.0	0.0	-0.2	6.4	6.72%
2017	-0.3	3.8	0.1	0.7	1.1	0.4	0.4	-0.3	-0.1	0.7	0.1	2.4	9.39%
2018	1.6	-1.7	-1.4	1.8	0.0	0.6	0.4	-0.9	1.1	-1.7	-0.4	-2.9	-3.63%
2019	1.7	0.7	0.2	1.3	-0.6	6.0	0.3	-0.1	-0.1	0.6	0.0	2.1	12.84%
2020	1.2	-2.6	-15.4	3.8	2.6	1.4	1.4	1.8	-1.3	-0.9	5.1	8.6	3.60%
2021	0.2	0.6	3.8	0.2	0.3	4.5	0.6	0.5	-0.2	0.6	-3.6	0.0	7.51%
2022	-2.8	-3.7	-0.6	-0.3	-0.6	-0.6	-1.4	-0.7	-0.6	-0.5	0.5	-1.0	-11.60%
2023	1.4	-0.5	-1.6	-0.2	1.3	2.6	0.1	-1.2	-1.0	-0.7	0.7	0.2	1.04%

*Cash, cash equivalents and treasury shares | **Barclays Aggregate Bond Index (EUR) | NB: Monthly NAVs are calculated in EUR net of all fees

ADVISOR COMMENTARY

Q·Capital AG finished the year with a gain of net 1.0 %. The NAV stood at EUR 30.96 per share vs EUR 30.64 as per 31 December 2022. The bond market rose by 5.5% while equities advanced 11.2% as per the Barclays Aggregate Bond and MSCI Europe indices, respectively.

Market sentiment was very volatile bouncing from “strong recession worries” and “banking bankruptcies” in Q1 to “resilient economic growth and inflation” in Q2 and to “higher for longer interest rates” with “panic selling & tensions” in the Middle East in Q3. The year ended focused on strong future rate cuts: Falling inflation & dovish messages from the FED reversed the all-year-long worries and led to euphoria in overall growth equities for the last weeks of the year.

For us performance 2023 has been very different in the various asset classes. While Venture Capital (VC), Real Estate Development (RED) and to some extent Private Equity (PE) went through a very difficult market environment, listed equities turned out to be a star-performer after a 35 % drop in 2022. Underneath however, 85% of the rally was generated by 7 Stocks (Apple, Google & Co). Bonds have been negative performers for a long time before turning positive in the last weeks of the year.

In total positive contributions from listed equities drove our 2023 performance into green territory, despite various write downs in Ventures Capital and to some extent also in Real Estate. The prospect of lower interest rates is now some light in the tunnel for PE, VC and RED.

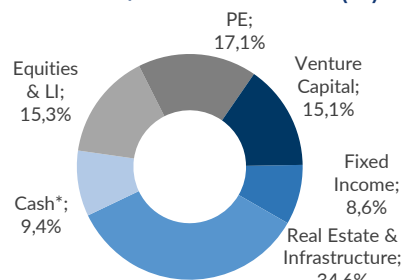
PORTFOLIO CHANGES / UPDATE FOR THE SECOND HALF OF THE YEAR / OUTLOOK

We increased the investment level in liquid equities (15.3%) with ETFs & Indices. Nonetheless, we acted market neutral for a long time, protecting downside through shorts and tactical hedging. We were mainly active in blue-chip technology shares and started to broaden equity on an expected value-led rebound. We trimmed some short-maturity bond exposure (8.6%).

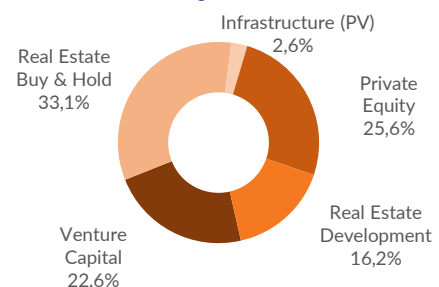
In Private Equity (17.1%) the sale of Vapiano has finally closed and we swapped the stake into shares of the buyer, the McWin Food Ecosystem Fund. Fritz is the chairman of the Advisory Board of this EUR 240m PE-Fund. UCP (7.3 % QCAP) will likely deliver another record net-income for 2023 followed by a dividend in 2024. The valuation at a PE of 2.5x (!) however reflects the political risk the long-term investment currently bears. In Venture Capital (15.1% incl. 1% Crypto Funds) we fulfilled our capital calls for the funds we are invested in, but there have been no new investments and some write-offs. (Page2).

In Real Estate & Infrastructure (34.6%) our large Slovenian Project “Bellevue” received the hand-over permit in September. This is a milestone: Per November Bellevue paid back bank loan and is debt free. We expect distributions in 2024. German Informica Real Invest (16.3% QCAP) is cash-positive, rent income went up, some developments stall, but the company is well financed. Our Austrian arm Q-REAL (25% QCAP) struggles with the slow market and workload of taking over management of projects from our JV-Partners, but there is no financing issue. SQ Energy's (25.1% QCAP) development has been very slow which we think has been an advantage in this rate environment. We finally expect PV-Projects to be built in 2024.

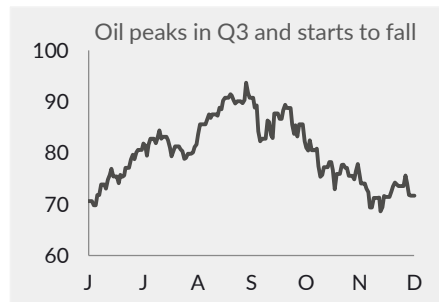
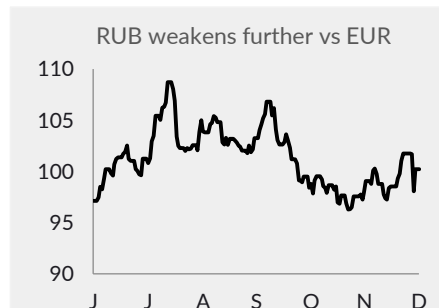
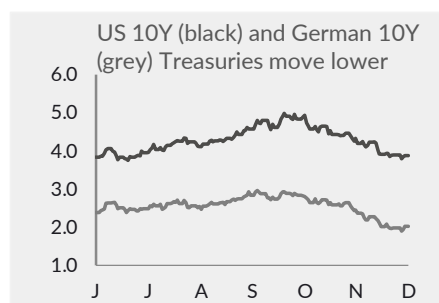
INVESTMENT / ASSET CLASS (%)



PRIVATE EQUITY HOLDINGS



We remain positive on listed Equities and Bonds for 2024 and believe the market rally will broaden/rotate from growth to value. This should be fuelled by further deflationary pressures and lower yield environment. PE, VC and Real Estate will have another difficult year whereas opportunities should outweigh threats over the year. Financing conditions will ease, 2024 is probable safe to buy real-estate. The caveat is of course no major negative geopolitical event.



UPDATE MAJOR HOLDINGS AND CHANGES IN H2 2023

Cash & equivalents (9.4% from 18.4%) We deployed some cash mainly into liquid equities and remain USD neutral. The treasury shares holding stands at our 3% limit and should be placed in 2024. We plan with 7-10 % cash reserves for committed capital calls.

Bonds & Private Loans (8.6% from 11.1%) We trimmed our bond exposure by selling short-dated paper (**DNO 2024**, **NDLB 2024**), took good profits on **Kernel 2027** and **Piraeus 2029** and added longer positions in **Lloyds** (8.2% yield) and **Banco Santander** (7.9% yield). On single country level, we added a sinkable bond of **Iraq 2028** (9.6% yield). Private loans were repaid.

Equities (15.3% from 7.2%) We increased our core **Technology** positions (Apple, Microsoft, Meta, Nvidia) and selectively invested into out-of-the-money call-options in "risk on" listed ETFs like ARKK. We tried to protect cash and used Futures and Options, maintained our winner holding in **DO & CO** and started to broaden the portfolio with positions in value names which underperformed growth by some great margin in 2023. The value basket includes **Pharma** (Roche, Merck), **Autos** (MBG, BMW) and **Renewables**. In listed liquid **Crypto** we entered a long **Bitcoin trade (+55%)**, which we believe will be a major performer in 2024.

Main Private Shareholdings

Private Equity / Venture Capital / Real Estate & Energy Infrastructure

This section has always been the main driver of the portfolio performance. We have either substantial holdings and/or strong board positions in the companies.

Venture Capital (15.1% incl. 1% Crypto funds) After the boom of the last years, the fast and steep rise in costs of capital created **tough times for VC** in the last months. There are hardly exits, **the IPO markets still looks closed** as (old) price expectations of owners and expectations of new investors still do not match yet. **No exits** means that many asset-managers get short term overexposed and so financing of new investment rounds or fund raising dried up. There are some green spots, but most of **capital currently is raised at lower prices**. On the other side mergers, share deals, acquisitions of disposed assets etc. look more and more attractive.

As our exposure is long term and mostly via good funds, we will see the final outcome in 3-5 years. Up to now funds have reported mostly only slightly lower NAVs for Q3. Despite this, we value them currently lower on average in our NAV calculation. We think illiquid assets currently have much deeper discounts, when forced sellers are pushed to sell. We recognise the option value of our holdings, where some still could rise to stars. We also think lower rates will lead to more risk-appetite, and the IPO market will finally open in 2024. On single ventures there have been some write offs of some of our smaller investments in Q3 and Q4. For a final view we need the Q4 reports of funds. We will then do an update.

UCP Chemicals AG (9.1%, board seat for Q-Capital AG, 7.3% of the company). The first 9 months of 2023 were characterised by higher margins (22% EBITDA) earned from smaller revenues (EUR 61.0m). As UCP maintains a strong position in the market and a track record as reliable producer of quality goods it is on the right path to deliver another year of EUR 10m bottom line and could pay a dividend in 2024. **McWin FEF (FS Board)** performs well.

Q-BELL (5.1%/board seat/10.0%) Our residential development is completed, and we finally received the usage permit allowing us to hand over the first keys to new owners during Q4 2023. Consequently, the company was able to return the mezzanine financing and is looking to distribute a substantial part of capital employed by end of H1 2024.

Q-REAL (4.9%/board seat/25%) Completion of the Luxury Chalet „Place to see“ in Kirchberg is planned in June and the goal is to sell in Q4 2024. Apartment sales of „Marina Arvid“ at the Wörthersee in Carinthia look promising despite the very difficult market environment (3 binding offers signed). Construction starts in March 2024. The building permit for our residential project in Brunn am Gebirge near Vienna was granted in December and should become irrevocable in January. The building permit for the residential property in „Dellach-Millstätter See“ in Carinthia is expected in Q2 2024.

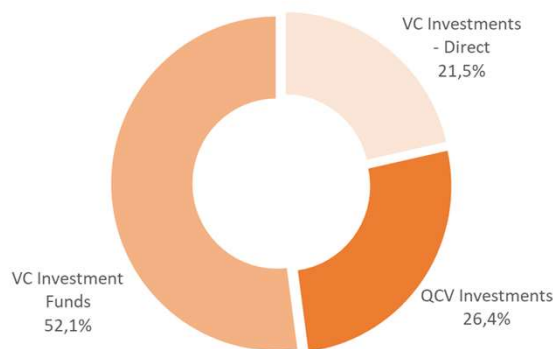
Informica Real Invest AG (21.7%/board seat/16.3%) As the German real estate market remains inactive in terms of deals, the company focus is on renting and current project developments. As we just sell on ready to build developed projects there is limited risk, but also no big income when the market stalls. The residential portfolio runs smoothly (507 residential units, totalling 46,245 m² of rented space). 2022 NAV stood at EUR 5.14 (x7 since 2010) and we adjust it with ca 15% discount for 2023. The company is well financed.

SQ Energy (1.7%/board seat/25.1%) has been pursuing several cash producing PV projects in Italy, but it has taken more time than anticipated to secure projects, which are "Ready-to-build". One project has a building permit since late October 2023 and provided the 120-day objection period lapses without an appeal it could be acquired in Q1 2024. Other projects are still at earlier stages. Q-Capital holds 25.1% of SQ Energy and has also provided some smaller loans. Our Joint Venture partner is Austrian Selina, a market leader in Photovoltaic.

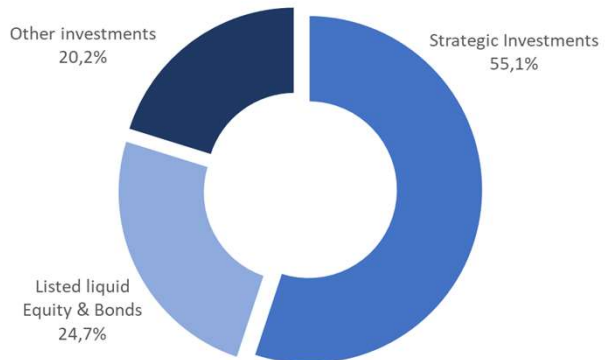
APPENDIX: FULL Q·CAPITAL PERFORMANCE TRACK RECORD

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2003	-3.5	-2.8	0.3	2.9	9.1	4.2	0.9	1.4	-0.5	1.5	-0.4	2.6	16.26%
2004	2.8	1.4	1.2	-0.0	0.1	1.0	0.4	-0.3	2.8	0.6	0.5	1.8	13.10%
2005	2.3	4.7	1.0	0.5	2.4	2.6	4.5	9.7	1.5	-2.6	3.2	2.0	36.26%
2006	2.4	1.4	8.3	0.6	-3.0	-0.5	2.7	1.7	0.6	4.4	35.4	0.1	62.20%
2007	6.1	-1.8	1.0	0.6	-0.2	4.6	-0.2	0.0	0.3	7.5	2.6	1.1	23.16%
2008	-2.1	1.5	-2.2	2.6	3.1	-2.3	-3.4	-0.8	-6.9	-11.4	-4.0	-3.2	-26.24%
2009	1.5	-0.8	0.2	5.1	3.2	-0.9	1.8	4.2	5.0	1.4	2.6	1.8	27.77%
2010	4.0	-1.7	4.9	0.3	-3.6	1.0	1.6	1.4	3.0	3.1	-1.1	10.0	24.68%
2011	-0.6	-0.9	-1.2	1.3	-0.3	5.9	-0.1	-3.3	-3.2	0.4	-2.2	-1.5	-5.95%
2012	2.2	0.4	0.8	0.0	-1.2	1.8	2.6	-0.3	-0.3	-0.4	0.1	2.1	8.12%
2013	1.5	-0.0	0.3	0.3	0.2	-1.1	1.0	-0.7	1.8	2.1	1.0	0.4	7.15%
2014	-1.1	0.8	-1.2	0.5	0.9	1.7	1.1	0.5	-0.6	-0.9	1.3	0.2	3.31%
2015	-0.4	2.5	4.4	1.1	1.2	1.4	0.2	-1.0	-0.5	1.2	0.9	-0.2	12.04%
2016	-2.0	-0.5	1.3	0.1	0.0	1.0	0.5	0.4	0.0	0.0	-0.2	6.4	6.72%
2017	-0.3	3.8	0.1	0.7	1.1	0.4	0.4	-0.3	-0.1	0.7	0.1	2.4	9.39%
2018	1.6	-1.7	-1.4	1.8	0.0	0.6	0.4	-0.9	1.1	-1.7	-0.4	-2.9	-3.63%
2019	1.7	0.7	0.2	1.3	-0.6	6.0	0.3	-0.1	-0.1	0.6	0.0	2.1	12.84%
2020	1.2	-2.6	-15.4	3.8	2.6	1.4	1.4	1.8	-1.3	-0.9	5.1	8.6	3.60%
2021	0.2	0.6	3.8	0.2	0.3	4.5	0.6	0.5	-0.2	0.6	-3.6	0.0	7.51%
2022	-2.8	-3.7	-0.6	-0.3	-0.6	-0.6	-1.4	-0.7	-0.6	-0.5	0.5	-1.0	-11.60%
2023	1.4	-0.5	-1.6	-0.2	1.3	2.6	0.1	-1.2	-1.0	-0.7	0.7	0.2	1.04%

APPENDIX: VC HOLDINGS



APPENDIX: STRATEGIC HOLDINGS



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Investment	% of Q Capital	Q Capital stake	Board Seat	Short comment
Informica Real Invest AG	21,7%	16,3%	yes	Informica is based in Würzburg and primarily involved in managing and renting out real estate assets in Germany (Leipzig, Berlin, Würzburg). The rental portfolio is predominantly residential (70%) with ca 30% rented out to high quality retail clients. The company is also developing residential projects in Germany which are sold once the building permit has been granted. The company has a lean structure with a management consisting of a CEO & CFO) which in in weekly exchange with the board, consisting of Harry Wengust, Markus Rezny and Fritz Schweiger.
UCP Chemicals AG	9,1%	7,3%	yes	UCP Chemicals AG is a holding company with assets in the specialty chemicals sector as producers of synthetic resins.
McWin Food Ecosystem Fund	5,7%	0,9%*	yes	The McWin Food Ecosystem Fund is a 240mn EUR Private Equity Fund set up by the entrepreneurs Henry McGovern and Steven Winegar. The fund is investing into leading food services brands as well as innovative food tech companies.
Q-BELL	5,1%	10,0%	yes	The company is a special purpose vehicle for the financing of the mixed use (residential/retail/office) development Bellevue Living in the city centre of Ljubljana, Slovenia. The project partners – Austrians based locally – are responsible for the operational management
Q Real GmbH	4,9%	25,0%	yes	Q Real GmbH is investing mainly into high-end on real estate development projects in Austria with live projects in Tyrol, Carinthia, Lower Austria and Styria. The company is actively involved in the project management, fulfills controlling functions and is deeply involved in financing negotiations.
SQ Energy GmbH	1,7%	25,1%	yes	SQ Energy is a JV with the entrepreneur Thomas Bogdanowicz and Selina Photovoltaic, the market leader in Austria for planning, contracting and operating large scale PV projects. The aim of SQ Energy is to acquire, develop, build and operate PV projects in northern Italy.
QCV Main GmbH & Co KG	1,7%	25,0%	yes	QCV Main is the Special Purpose Vehicle held jointly with several investment partners housing early-stage Venture investments since 2017.

* Including Q Capital shareholders