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11 AM press & analyst meeting (online)

QUEST FOR GROWTH

Privak/pricaf, public alternative investment fund (AIF) with fixed capital under Belgian law

QUEST FOR GROWTH ANNUAL RESULTS

- Return on equity in 2020: 12.5 %
- Net asset value per share at 31 December 2020: € 9.14 (31 December 2019: € 8.12)
- Net profit for the fiscal year: + € 17,084,320 (+ € 1.02 per ordinary share) against a profit of + € 16,741,026 (+ € 1.00 per ordinary share) for the previous fiscal year
- Share price at 31 December 2020: € 6.50 (31 December 2019: € 5.90)
- Discount of share price versus net asset value: 28.8 % at 31 December 2020 (27.3 % at 31 December 2019)
- New (co)investments in Prolupin and EclecticIQ
- Exit Bluebee
- The board of directors proposes to distribute € 0.40 per share in the form of a capital reduction



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Results

2020 has been an excellent year for Quest for Growth. Despite the corona crisis, the net asset value increased since the beginning of the year by 12.5% to € 9.14, compared with € 8.12 on 31 December 2019. A profit of € 17.1 million (€ 1.02 per ordinary share) was recorded in 2020, against a profit of € 16.7 million (€ 1.00 per ordinary share) in 2019.

The share price recovered partially at the end of the year, but by gaining 9% to € 6.50 it still lagged behind the appreciation of the underlying portfolio. The price discount compared to the net asset value increased to 28.8% at the end of 2020, compared with 27.3% at 31 December 31 2019.

Allocation of the profit and capital reduction

Of the profit for the financial year, an amount of € 9,154,587 is used to clear the losses carried forward. In accordance with the provisions on profit appropriation, as described in the Royal Decree of 10 July 2016 with regard to alternative institutions for collective investment in unlisted companies and in growth companies ("Privak KB"), the balance of 7,929,733 euros must be included in an unavailable reserve. After all, the PRIVAK RD determines as follows: "The positive balance of the fluctuations in the fair value of the assets is included in an unavailable reserve."

The board of directors proposes, subject to approval of the amendment to the articles of association by the FSMA, to convene an extraordinary general meeting that may decide to distribute 6,709,690.40 euros or 0.40 euros gross per share in the form of a capital reduction.

The capital reduction will not be accompanied by a cancellation of the existing shares of the Company, but will be borne by each existing share to the same extent and each share of the Company will continue to represent the same part of the new capital of the Company.

Market environment

The year ended in a rally sparked early by the announcements of coronavirus vaccines in November, but it was not enough to make up for the losses suffered by European stock markets since the start of the year. The European STOXX Europe 600 Net Return index closed the year with a loss of almost 2%. Thanks to a vigorous recovery in the second half of the year, European small caps were able to end the period with a positive result. US stocks held up better (S&P 500 Index + 16% in dollars, or + 6% in euros) thanks to the meteoric rise in a series of technology stocks. The NYSE FANG + Index, which contains stocks like Tesla, Apple and Amazon, rose more than 100% (in dollars) in 2020.

Investments in quoted companies

The estimated performance of the listed equity portfolio was around + 17% (excluding cash and before fees) in 2020, significantly higher than that of European indices. Victims of lockdowns and restrictive measures imposed on travelers, Akka Technologies (sold in April) and Jensen-Group (-30%) were the weakest stocks in the portfolio in 2020. The best performing stocks of the year were Steico (+ 118%), Pharmagest (+ 83%), Stratec (+ 86% since purchase) and ABO Wind (+ 175% since purchase).

In total, 10 stocks were removed from the portfolio in 2020: Sequana Medical, Robertet, CFE and Norma Group in the first quarter; EVS, Akka and Aliaxis in the second quarter; Cenit and Aures in the third quarter and Kingspan in October. The same number of new entries were made, including five small caps: the German medical technology company Stratec, the Swiss company Gurit which manufactures products for the wind energy sector, the German laser technology company LPKF, the German developer of renewable energy projects ABO Wind and the Dutch bicycle manufacturer Accell. In addition, the following five stocks with larger market capitalisations were also purchased: Tubize, the Belgian shareholder of UCB; Irish food ingredient supplier Kerry; Swiss pharmaceutical giant Roche; the Dutch information provider Wolters Kluwer and the Austrian cardboard factory Mayr-Melnhof.

Investments in unquoted companies

In the first quarter of 2020, Quest for Growth participated with an investment of € 2 million in a growth financing round of more than € 10 million in the company Prolupine GmbH. It is a co-investment with the Capricorn Sustainable Chemistry Fund, a venture capital fund in which Quest for Growth is also invested.

Illumina, Inc. announced in June the acquisition of BlueBee. This company has been included since March 2016 in the portfolio of Capricorn ICT Arkiv, in which Quest for Growth participates. Since December 2017, Quest for Growth was also a direct investor in BlueBee. The sale of BlueBee had a significant positive impact on Quest for Growth's net asset value.



During the third quarter of 2020, Quest for Growth made a new investment of € 2 million in the growing company EclecticIQ. It is a co-investment with the Capricorn Digital Growth Fund, a venture capital fund in which Quest for Growth is also invested. In addition, Quest for Growth made follow-on investments in Miracor Medical (a direct investment since 2018), Sensolus, Scaled Access and NGData. These last three stocks are co-investments with Capricorn ICT Arkiv.

Investments in venture capital funds

The rise in Avantium's stock price had a clear positive impact on the valuation of the Capricorn Cleantech Fund.

The Sequana Medical shares were distributed to shareholders of the Capricorn Health-tech Fund through a capital reduction in kind. The Sequana Medical shares that Quest for Growth received as part of this transaction were immediately sold. The term of the Capricorn Health-tech Fund has been extended by two years. Following the successful exit in 2017 of Ogeda, which has been part of the Capricorn Health-tech Fund since 2015, a second part of the deposit was reimbursed upon sale last May.

At Capricorn ICT Arkiv, the successful exit of BlueBee Holding took place in the second quarter of 2020. Following the exit from the investment in Cartagena in 2015 and that from Noona Healthcare in 2018, this transaction is the fund's third successful exit. Capricorn ICT Arkiv made a follow-up investment in Indigo Diabetes. This company has completed a € 38 million funding round to further develop its promising Multi-Biomarker Sensor for people suffering from diabetes. In September 2020, Sensolus, a Belgian company that enables companies to track non-motorized assets in supply chains and industrial production, completed a € 3.5 million funding round. The fund also made some follow-up investments in existing portfolio companies.

The Capricorn Sustainable Chemistry Fund made three new investments in 2020: Prolupin, Void Polymers and Zeopore Technologies. In the first quarter, the fund invested € 5 million in Prolupin, an innovative plant-based protein company based in Grimmen, Germany. VOID, a pioneering materials science company, is a spin-off from Kimberly-Clark to commercialize

VO + technology. Zeopore Technologies, a spin-off from KU Leuven, has developed patented mesoporation technology and extensive know-how to improve the efficiency of zeolites in refining and catalysis reactions and in other applications. The Capricorn Sustainable Chemistry Fund has also made follow-on investments in Virovet and DMC Technologies.

The Capricorn Digital Growth Fund made its first three investments in 2020. First in the Dutch AI company Gradyent, which has developed a cloud-based solution for managing and optimizing district heating networks. In the third quarter of 2020, the Capricorn Digital Growth Fund invested in Indigo Diabetes, a co-investment with Capricorn ICT Arkiv. In addition, the fund invested in EclecticIQ (a co-investment with Quest for Growth), a global cybersecurity technology provider. Finally, there were two intermediate closings of the Capricorn Digital Growth Fund, raising its capital to more than € 55 million.

Management fee

During its first meeting in 2020, the board of directors evaluated the management fee for Capricorn Partners (the management company) and maintained it at 1% of the company's capital. Given a conflict of interest within the board of directors, this decision was taken in accordance with the applicable legal requirements, whereby the board was advised by a committee of three independent directors, assisted by an external expert.

Outlook

Valuations in some segments of the equity market, such as certain US technology stocks, predict growth well into the future. In Quest for Growth's portfolio, focused on European small caps, valuations are more acceptable. Equities also remain attractive compared to fixed-return investments. As for the unlisted investments, further efforts are being made to expand the portfolio in sustainable chemicals and digital technologies, while the successful exit of BlueBee shows that existing participations can contain potentially attractive capital gains.

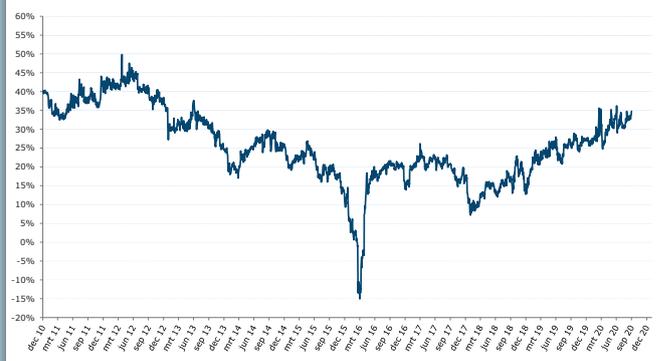
The General Meeting will be held in Leuven at 11 a.m. on 25 March 2021. It will be possible to attend digitally.



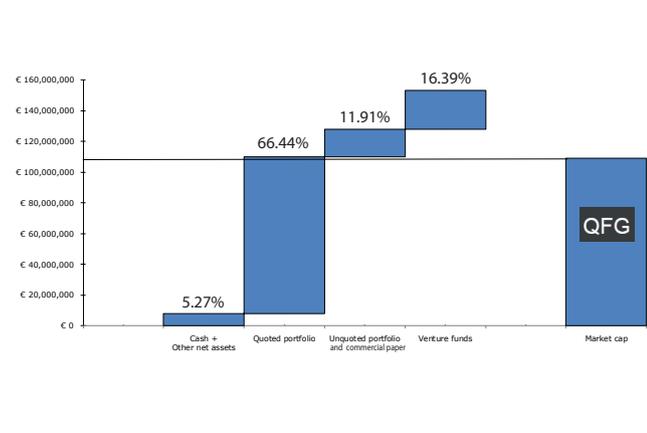
TOTAL SHAREHOLDERS RETURN (31/12/2010 - 31/12/2020)



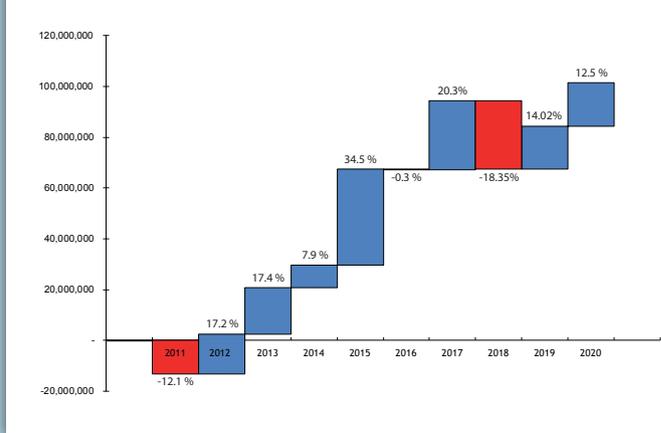
DISCOUNT OF THE SHARE PRICE VERSUS THE NET ASSET VALUE (31/12/2010-31/12/2020)



PORTFOLIO COMPOSITION AND MARKET CAPITALISATION AT 31/12/2020



RESULTS FROM 31/12/2010 UNTIL 31/12/2020(*)



(*) Result compared to equity at the start of the financial year taking into account the dividend paid and the impact of the capital increase. These are returns from the past. These are not a reliable indicator of future returns.



BALANCE SHEET

in EUR	Situation at	31 December 2020	31 December 2019	31 December 2018
ASSETS				
Cash and cash equivalents		7,581,758	8,878,626	7,197,869
Short term debt securities		2,699,977	5,199,955	5,199,781
Trade and other receivables		192,002	340,457	301,728
Dividends receivable		328,430	266,543	259,004
Financial assets				
Financial assets at FVTPL – equity securities		142,401,510	121,003,377	105,459,060
Financial assets at FVTPL – debt securities		100,000	530,741	626,011
Other current assets		7,210	7,240	442,210
Total assets		153,310,887	136,226,940	119,485,663
LIABILITIES AND EQUITY				
Share capital		145,339,326	145,339,326	145,339,326
Accumulated result		-9,154,588	-25,895,613	1,028,214
Net result for the period		17,084,320	16,741,026	-26,923,827
Total equity attributable to shareholders		153,269,059	136,184,739	119,443,713
Balances due to brokers and other payables		0	0	0
Current tax payable		9	382	131
Other liabilities		41,819	41,819	41,819
Total liabilities		41,828	42,201	41,950
Total equity and liabilities		153,310,887	136,226,940	119,485,663

INCOME STATEMENT

In EUR	For the fiscal year ended	31 December 2020	31 December 2019	31 December 2018
Net realised gains / (losses) on financial assets		9,328,136	-2,172,109	-4,306,042
Net unrealised gains / (losses) on financial assets		8,765,979	19,431,515	-22,053,068
Dividends income		1,115,320	1,780,882	2,015,201
Interest income		-5,451	2,389	-1,251
Net realised foreign exchange gain / (loss)		-32,526	-1,885	-26,390
Net unrealised foreign exchange gain / (loss)		25,769	0	0
Total revenues		19,197,227	19,040,793	-24,371,551
Other operation income		35,752	0	0
Other operating loss		-54,356	-14,468	-177,326
Total operating revenues		19,178,623	19,026,326	-24,548,877
Fee Management Company		-1,464,587	-1,464,587	-1,431,288
Custodian fees		-38,477	-39,319	-48,597
Director's fees		-163,845	-143,450	-137,310
Levy on investment funds		-125,971	-110,485	-150,182
Other operating expenses		-134,692	-221,820	-252,438
Total operating expenses		-1,927,572	-1,979,661	-2,019,815
Profit from operating activities		17,251,051	17,046,664	-26,568,692
Net finance expense		-3,743	-8,346	-8,319
Profit / (Loss) before income taxes		17,247,308	17,038,319	-26,577,011
Withholding tax expenses		-162,945	-296,726	-346,583
Other incomes taxes		-42	-567	-233
Profit / (Loss) for the period		17,084,320	16,741,026	-26,923,827



STATEMENT OF CHANGES IN EQUITY

in EUR	Share capital	Retained earnings	Total equity
Balance at 1 January 2020	145,339,326	-9,154,587	136,184,739
Profit		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
Balance at 1 January 2019	145,339,326	-25,895,613	119,443,713
Profit		16,741,026	16,741,026
Issue of ordinary shares, after deduction costs capital increase			
Dividends			
Balance at 31 December 2019	145,339,326	-9,154,587	136,184,739
Balance at 1 January 2018	134,167,495	28,191,395	162,358,890
Loss		-26,923,827	-26,923,827
Issue of ordinary shares, after deduction costs capital increase	11,171,831		11,171,831
Dividends		-27,163,181	-27,163,181
Balance at 31 December 2018	145,339,326	-25,895,613	119,443,713

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

QUEST FOR GROWTH NV

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