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QUEST FOR GROWTH

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

SCHEDULE FOR PUBLICATION

25 January 2018:
5.40 PM press release available at www.questforgrowth.com

26 January 2018:
11 AM press & analyst meeting, Capricorn Venture Partners NV, Lei 19, 3000 Leuven

ANNUAL RESULTS QUEST FOR GROWTH

QUEST FOR GROWTH ENDS 2017 WITH A PROFIT OF € 27MM SHAREHOLDERS WILL HAVE THE POSSIBILITY TO OPT FOR A STOCK DIVIDEND

- Return on equity per share: 20.3 % since 31 December 2016
- Net asset value per share at 31 December 2017: € 10.71 (31 December 2016: € 8.91)
- Net profit for the fiscal year: + € 27,389,776 (+ € 1.55 per ordinary per share) against a profit (based on IFRS) of + € 538,144 (+ € 0.04 per ordinary share) for the previous fiscal year
- Share price at 31 December 2017: € 8.811 (31 December 2016: € 7.649)
- Discount of the share price versus net asset value: 17.75 % at 31 December 2017 (14.11 % at 31 December 2016)
- Amendment investment policy allows direct investments in unlisted companies again
- New investments in unlisted companies: Sensolus, NGDATA, Bluebee and HaliODX
- The board of directors will propose a gross dividend of € 1.54 per ordinary share (€ 1.52 net) at the AGM
- Proposal to the extraordinary general assembly to issue a stock dividend. Shareholders will have the choice between a payment in cash, new ordinary shares of a combination of both, payment in cash or ordinary shares¹

¹ The capital increase regarding the stock option which will be proposed to the extraordinary general assembly is also subject to approval by the FSMA



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Results

In spite of a slight loss in the fourth quarter, 2017 was a very strong year for Quest for Growth, with a return on equity of 20.3% (compared to the net asset value at the end of the previous financial year). Net asset value per share stood at € 10.71, compared to € 8.91 on 31 December 2016. Quest for Growth booked earnings of € 27.4 million (€ 1.55 per ordinary share), which compares with a loss of € 0.5 million in 2016. The share price at the end of 2017 stood at € 8.81, against € 7.649 at the end of the previous year. At the end of the year, the share's price with discount stood at 18%, as against 14% on 31 December 2016.

Allocation of result

Quest for Growth's articles of association stipulate that at least 90% of its earnings have to be distributed. The board of directors proposes to the shareholders at their next annual general meeting that the € 27,164,704 of profit available for distribution should be paid out, representing a 99.7% of the profit for the year. This represents a dividend before tax on the ordinary shares in a sum of € 1.54 per share (net: € 1,52 per share). Once approved by the AGM, the dividend will be paid on 17 April 2018. The shareholders may opt to accept their dividends in the form of cash or equity.

Market environment

2017 was a good year on the stock markets, with European equities putting in a performance of 10.6% (STOXX Europe 600 Net Return Index). The STOXX Europe Small 200 Net Return Index achieved performance of approximately 18% since the beginning of 2017. The best-performing sectors in Europe were Technology and Basic Resources, whereas Telecommunication Services, Retail, Media and Oil & Gas were on a downturn.

Investments in listed companies

The performance of the listed equities portfolio in 2017 is estimated at well over 20%. Losses were run up on only a handful of shares in the portfolio, examples being Axway, EVS and Fresenius. Technotrans is something like 100% up on its price a year ago. In addition, Umicore, Tomra, TKH, Nexus, Kingspan and Norma Group attained returns of 40% or more. Six shares were removed from the portfolio in 2017: Kuka, Zetes, Kiadis, Ablynx, UDG Healthcare and Andritz. So as to continue focusing on shares with a market capitalisation under € 1.5 billion, all IPOs in 2017 fell within this category: Axway Software, Aures, CEWE, Stratec Biomedical, Accell Group, Exel Industries and Datron.

Investments in unlisted companies

In 2017, three new investments were embarked on in joint cooperation with Capricorn ICT Arkiv, two of which occurred in the fourth quarter: NGDATA (approximately € 840,000) and Bluebee (approximately € 500,000). To promote investments in unlisted companies, Quest for Growth's board of directors has decided to enable direct investments that are not joint investments. They have to fall within the existing competences

of the management company, Capricorn Venture Partners, but outside the active investment period or the specialisms of existing Capricorn venture capital funds. The search is on for companies that at least have returning, paying clientele or a proof of concept (in Health-tech). One of the first purchases to meet these criteria is HalioDX, a French diagnostic company in which Quest for Growth has invested € 1 million.

Investments in venture capital funds

In December, Quest for Growth was given an opportunity to acquire another investor's holding in Capricorn Cleantech Fund. Quest for Growth's own holding was comparatively small (around 2% of the fund), and its investment has now risen to over 10%.

As well as additional new investments by Capricorn ICT Arkiv in Arkite and Sensolus during 2017, Capricorn Sustainable Chemistry Fund completed its first investment with Virovet. All of the Capricorn venture capital funds have also been fully occupied in continuing to support their existing holdings.

Composition of the Board of Directors

In March, the candidates nominated to the board were appointed by the shareholders general meeting. Further to the changes, the number of directorships falls from 11 to nine, a third of whom are women. Baron Bernard de Gerlache de Gomery, Euro Invest Management NV (represented by Prof. Philippe Haspesslagh) and Gengest BVBA (represented by Mr Rudi Mariën) declined to stand for re-election; the board of directors wishes to express its thanks for their many years of valued input.

Change in structure and IFRS

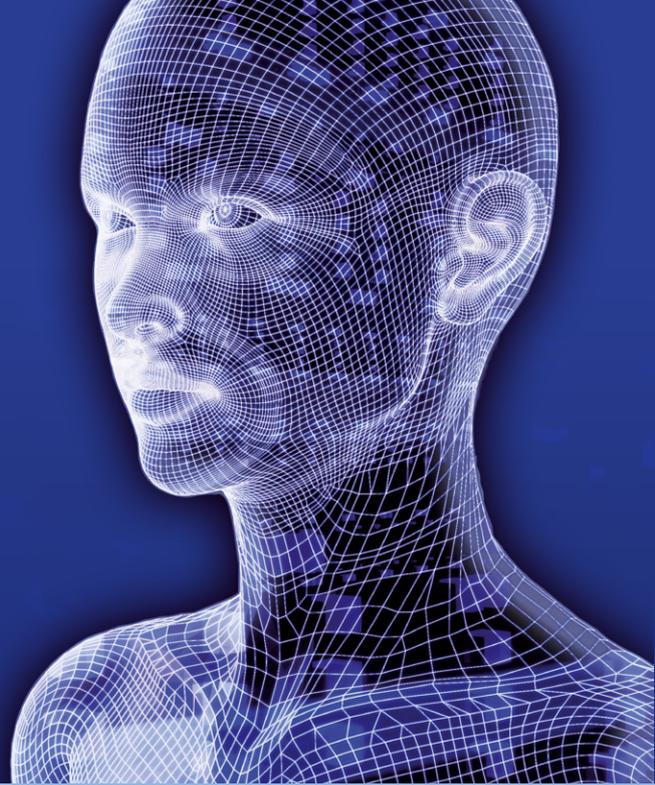
The shareholders decided in extraordinary general meeting on 25 April 2017 to incorporate the option of declaring an interim dividend into the articles of association. Capricorn Venture Partners was appointed as the management company of Quest for Growth. In addition, the management company's fee was fixed at 1% of the share capital (this currently corresponds to a fee of € 337,827 per quarter) from the second quarter of 2017. In accordance with the new PRIVAK/PRICAF legislation (Royal Decree of 10 July 2016), these results are presented in accordance with the IFRS rules.

Outlook

At this present time, the economic indicators paint a hopeful picture for the economy's development. Together with the rotation from bonds to equities, this is buoying the stock markets that bit higher. The higher share prices make the search for attractively priced companies more difficult. Within the investments held in unlisted companies and venture capital funds, the portfolio has been further extended.

The Annual General Assembly will be held on 29 March 2018 at 11 AM in Leuven.

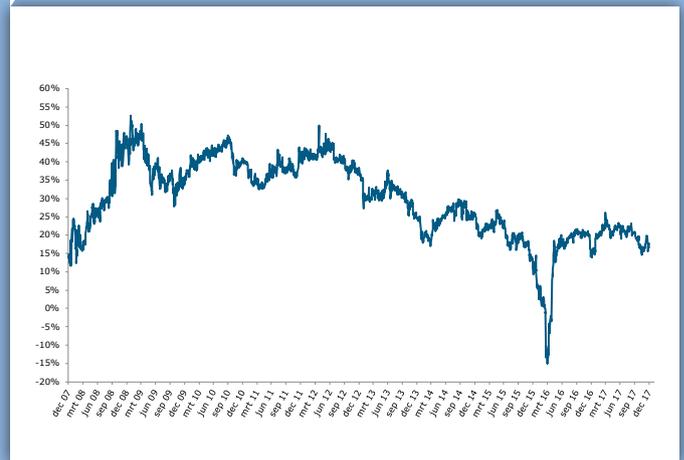




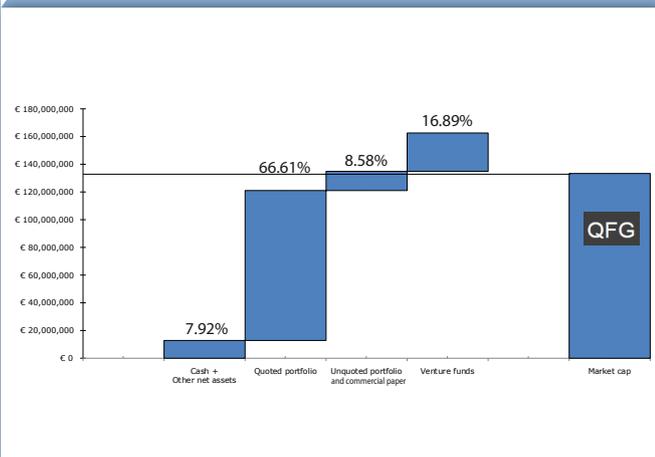
TOTAL SHAREHOLDERS RETURN (31/12/2007 – 31/12/2017)



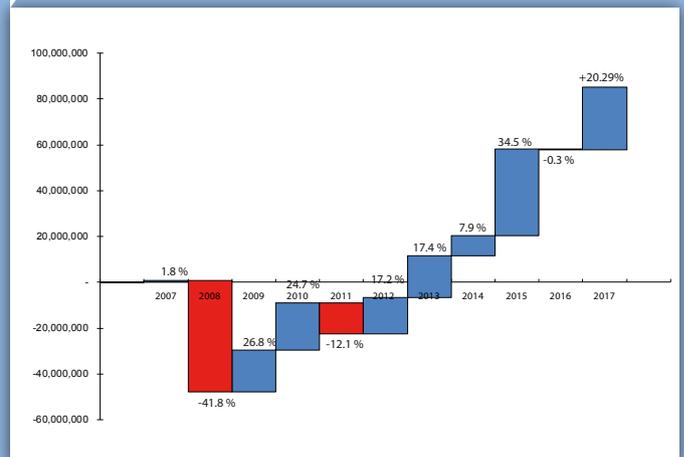
DISCOUNT OF THE SHARE PRICE VERSUS THE NET ASSET VALUE (31/12/2007-31/12/2017)



PORTFOLIO COMPOSITION AND MARKET CAPITALISATION AT 31/12/2017



RESULTS FROM 31/12/2006 UNTIL 31/12/2017



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Balance sheet

Situation at in EUR	31 December 2017	31 December 2016	1 January 2016
ASSETS			
Cash and cash equivalents	11,672,511	13,363,928	13,284,643
Short term debt securities	7,699,511		14,249,420
Trade and other receivables	1,016,498	489,917	6,850,997
Dividends receivable	202,634	124,635	130,310
Financial assets			
Financial assets at FVTPL – equity securities	141,418,301	120,158,826	112,654,890
Financial assets at FVTPL – debt securities	385,540	870,551	701,248
Other current assets	7,223	7,223	13,036
Total assets	162,401,757	135,015,080	147,884,544
LIABILITIES AND EQUITY			
Share capital	134,167,495	134,167,495	109,748,742
Accumulated result	801,619	263,475	99,881
Net result for the period	27,389,776	538,144	37,899,036
<i>of which proposed dividend distribution: € 27,164,704</i>			
Total equity attributable to shareholders	162,358,890	134,969,114	147,747,659
Balances due to brokers and other payables	0	1,513	91,705
Current tax payable	139	313	191
Other liabilities	42,728	44,141	44,988
Total liabilities	42,866	45,966	136,884
Total equity and liabilities	162,401,756	135,015,080	147,884,543

Income statement

For the fiscal year ended In EUR	31 December 2017	31 December 2016
Net realised gains / (losses) on financial assets	31,487,669	-579,196
Net unrealised gains / (losses) on financial assets	-6,708,309	-1,117,350
Dividends income	1,952,142	1,391,220
Interest income	7,695	9,373
Net realised foreign exchange gain / (loss)	-25,536	811,069
Net unrealised foreign exchange gain / (loss)	-36,464	-366,335
Total revenues	29,677,196	2,383,482
Other operation income	26,581	505,869
Other operating loss		-20,000
Total operating revenues	29,703,777	2,869,351
Fee Management Company	-1,350,333	-1,494,212
Custodian fees	-37,785	-46,370
Director's fees	-154,518	-194,815
Levy on investment funds	-124,846	-101,761
Other operating expenses	-298,308	-206,893
Total operating expenses	-1,965,790	-2,044,051
Profit from operating activities	22,737,987	825,300
Net finance expense	-7,519	-10,843
Profit / (Loss) before income taxes	27,730,467	814,457
Withholding tax expenses	-340,553	-275,999
Other incomes taxes	-139	-312
Profit / (Loss) for the period	27,389,776	538,145



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Statement of changes in equity

In EUR	Share capital	Retained earnings	Total equity
Balance at 1 Januari 2017	134,167,495	801,619	134,969,114
Profit for the period		27,389,776	27,389,776
Dividends			
Balance at 31 december 2017	134,167,495	22,906,503	162,358,890
Balance at 1 January 2016	109,748,742	37,998,917	147,747,659
Profit for the period		538,144	538,144
Issue of ordinary shares, net of costs of capital increase	24,418,753		24,433,253
Dividends		-37,735,442	-37,735,442
Balance at 31 December 2016	134,167,495	801,619	134,969,114

Report of the statutory auditor

The statutory auditor, KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises, represented by Peter Coox, has confirmed that the audit procedures, which have been substantially completed, have not revealed any material misstatement in the accounting information included in the Company's annual announcement. The annual announcement is attached to this document.

Antwerp, 23th January 2018

KPMG Bedrijfsrevisoren / Réviseurs d'Entreprises
Represented by

Peter Coox
Certified Public Auditor

QUEST FOR GROWTH NV

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