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QUEST FOR GROWTH

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

SCHEDULE FOR PUBLICATION

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24 January 2020:

11 AM press & analyst meeting,
Capricorn Partners NV, Lei 19,
3000 Leuven

QUEST FOR GROWTH ANNUAL RESULTS

- Return on equity in 2019: 14.02 %
- Net asset value per share at 31 December 2019: € 8.12 (31 December 2018: € 7.12)
- Net profit for the fiscal year: + € 16,741,026 (+ € 1.00 per ordinary share) against a loss of - € 26,929,776 (- € 1.65 per ordinary share) for the previous fiscal year
- Share price at 31 December 2019: € 5.90 (31 December 2018: € 6.02)
- Discount of share price versus net asset value: 27.33 % at 31 December 2019 (15.46 % at 31 December 2018)
- No dividend payment due to the remaining transferred losses
- IPO Sequana and exit EpiGaN in the unquoted portfolio
- New investment in the Capricorn Digital Growth Fund



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Results

Quest for Growth ended 2019 with a profit of 16.7 million euros (€ 1.00 per share). The net asset value per share on 31 December 2019 was € 8.12, compared with € 7.12 on 31 December 2018. The return on equity was +14 %, compared with -18 % in 2018 (taking into account the dividend and the capital increase in 2018). As the losses carried forward from 2018 could not be fully offset, no dividend can be paid.

The share price at the end of 2019 was € 5.64, compared with € 6.02 at the end of 2018. The price therefore fell by 2 %, contrary to the trend of rising net asset value. At the end of the year, the share price represented a discount of more than 27 % relative to the net asset value, compared with 15 % on 31 December 2018.

Market environment

The stock markets had a very strong year. The US stock market was again the strongest, with an increase in the S&P 500 index of 28.5 % in dollars (without dividends). Although the economic situation in Europe was less positive, the stock markets rose almost as strongly, with an increase of 26.9 % for the STOXX Europe 600 Net Return Index. The STOXX Europe Small 200 Net Return Index performed slightly better at 29.1 %. The stock market boom was mainly driven by large quality shares, for example in technology and defensive sectors such as pharmaceuticals, food and personal care products. The weakest performers were telecommunications and oil & gas.

Investments in quoted companies

Over the year as a whole, the estimated gross performance of the listed shares portfolio was approximately 21 %. Among the fallers in the portfolio were Aures (-15 %), Technotrans (-21 %), Aliaxis (-10 %) and Norma (-9 %). Exel Industries and Biocartis, neither of which were still in the portfolio at the end of the year, also made negative contributions to the result. On the other hand, there was a significant number of very positive price developments, with six stocks performing at more than 40 % over the year: CEWE, Akka, Kingspan, Steico, Nexus and SAP.

Three shares were removed from the portfolio in 2019: ForFarmers, Exel Industries and USU Software, because the basic performance was not as good as initially estimated. Four shares were added: Robertet, PSI Software, LEM and B&C Software. Robertet specialises in natural aromatic products for food and perfumes. Berlin-based software company PSI develops solutions for network infrastructure and production and logistical processes. Swiss technology company LEM produces components for measuring current and voltage. B&C Speakers from Florence is the global market leader in its niche of electro-acoustics for professional loudspeakers.

Investments in unquoted companies

Sequana Medical, one of the joint investments Quest for Growth made with Capricorn Health-tech Fund, raised 27.5 million euros in a successful IPO in February. The shares that Quest for Growth holds are subject to a 365-day lock-up and are valued in the portfolio as at 31 December with a discount of 3 %, which will be reduced by 1.5 % every month.

The second quarter of 2019 saw the successful exit from the Belgian company EpiGaN, a joint investment of Quest for Growth with Capricorn Cleantech Fund. EpiGaN had been part of the Quest for Growth portfolio since 2011, and was sold to Soitec. The exit had a positive impact on Quest for Growth's net asset value.

In the third quarter of 2019, Italmatch Chemicals Group announced a strategic partnership with FRX Polymers Inc. FRX Polymers Inc. is another joint investment with Capricorn Cleantech Fund. This operation had a positive impact on Quest for Growth's net asset value. Quest for Growth also undertook follow-up investments in NGDATA and Bluebee.

Venture capital funds

In addition to the sale of EpiGaN to Soitec, the rise in the price of Avantium and the strategic partnership of Italmatch Chemicals Group with FRX Polymers Inc. also had a positive impact on the valuation of Capricorn Cleantech Fund.



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In Capricorn Health-tech Fund, further falls in the price of Nexstim and Mainstay were largely offset by the positive valuation impact of the listing of Sequana Medical. The fund received a first milestone payment following the sale of Ogeda to Astellas Pharma in 2017. Capricorn Health-tech Fund made follow-up investments in Confo Therapeutics and iSTAR Medical.

In the second quarter of 2019, Icometrix raised \$ 18 million in fresh capital through a consortium led by Forestay Capital and Optum Ventures. Capricorn ICT Arkiv participated as an existing investor. Capricorn ICT Arkiv made additional investments in Arkite, NGDATA, Bluebee and Indigo.

Capricorn Sustainable Chemistry Fund made an additional investment in DMC, which completed an \$ 11.3 million financing round in 2019.

LSP IV received a sizeable return on the investment in ArgenX.

Quest for Growth committed to invest € 15 million in the Capricorn Digital Growth Fund. Of that commitment, € 3.75 million has been invested at the establishment of the fund on June 28 and the remaining amount will be called over the lifetime of the fund. Capricorn Digital Growth Fund is the latest venture fund managed by Capricorn Partners and is the successor of the Capricorn ICT Arkiv. The fund is dedicated to

investing in data driven companies and will focus on the growing number of opportunities emerging from the trend of the conversion of data to actionable insights as well as from the emerging use of artificial intelligence and data science techniques. Within this scope, the investment team will mainly focus on applications in two verticals being Digital Health and Industry 4.0. Geographically Capricorn Digital Growth Fund will concentrate on investment opportunities in Europe. The fund will invest along the continuum from start-up to scale-up stage.

Management fee

At their first meeting of 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. In view of a conflict of interest in the Board of Directors, the decision was made in accordance with the applicable legal requirements, with the Board of Directors receiving advice from a committee of three independent directors assisted by an external expert.

Board of Directors

A proposal will be made to the General Meeting to extend the directorships of Michel Akkermans, René Avonts, Antoon De Proft, Philippe de Vicq de Cumplich, Bart Fransis, Jos Peeters, Liesbet Peeters and Regine Slagmulder for a period of three years.

Outlook

Share values have risen again. Despite this, low interest rates and the sharp rise in prices of other asset classes mean that shares can be seen as one of the few investment options from which an attractive long-term return can still be expected. Higher valuations on the stock exchange also make it harder to pick shares. However, the listed companies selected by Quest for Growth are strongly positioned, financially sound growth businesses with further long-term potential. The portfolio of unlisted companies and venture capital funds is being further expanded.

The General Meeting will be held in Leuven at 11 a.m. on 26 March 2020.

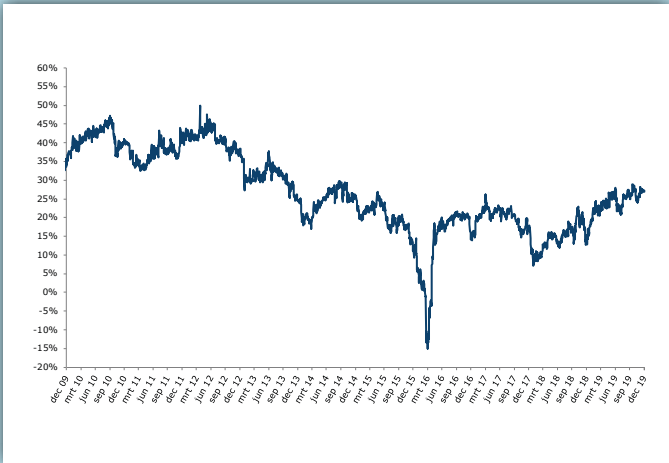




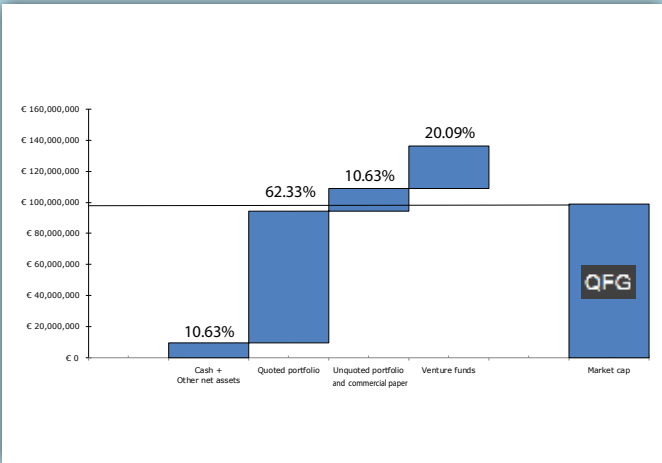
TOTAL SHAREHOLDERS RETURN (31/12/2009 - 31/12/2019)



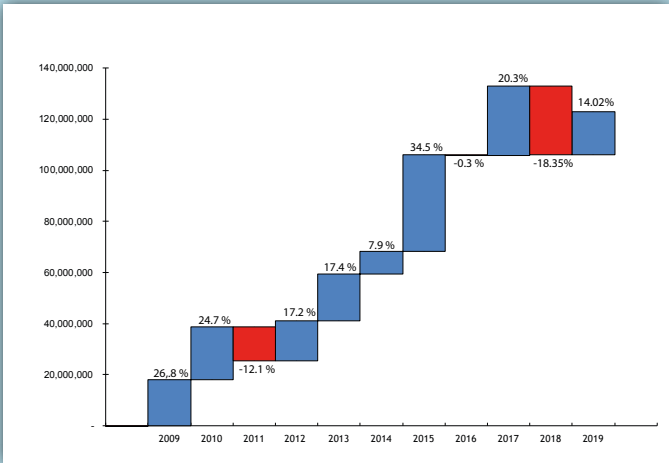
DISCOUNT OF THE SHARE PRICE VERSUS THE NET ASSET VALUE (31/12/2009-31/12/2019)



PORTFOLIO COMPOSITION AND MARKET CAPITALISATION AT 31/12/2019



RESULTS FROM 31/12/2009 UNTIL 31/12/2019(*)



(*) 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	Situation at	31 December 2019	31 December 2018	31 December 2017
ASSETS				
Cash and cash equivalents		8,878,626	7,197,869	11,672,050
Short term debt securities		5,199,955	5,199,781	7,699,511
Trade and other receivables		340,457	301,728	1,016,498
Dividends receivable		266,543	259,004	202,634
Financial assets				
Financial assets at FVTPL – equity securities		121,003,377	105,459,060	141,186,916
Financial assets at FVTPL – debt securities		530,741	626,011	616,925
Other current assets		7,240	442,210	7,223
Total assets		136,226,940	119,485,663	162,401,757
LIABILITIES AND EQUITY				
Share capital		145,339,326	145,339,326	134,167,495
Accumulated result		-25,895,613	1,028,214	801,619
Net result for the period		16,741,026	-26,923,827	27,389,776
Total equity attributable to shareholders				
		136,184,739	119,443,713	162,358,890
Balances due to brokers and other payables		0	0	0
Current tax payable		382	131	139
Other liabilities		41,819	41,819	42,728
Total liabilities		42,201	41,950	42,867
Total equity and liabilities		136,226,940	119,485,663	162,401,757

INCOME STATEMENT

in EUR	For the fiscal year ended	31 December 2019	31 December 2018	31 December 2017
Net realised gains / (losses) on financial assets				
		-2,172,109	-4,306,042	34,487,669
Net unrealised gains / (losses) on financial assets				
		19,431,515	-22,053,068	-6,708,309
Dividends income				
		1,780,882	2,015,201	1,952,142
Interest income				
		2,389	-1,251	7,695
Net realised foreign exchange gain / (loss)				
		-1,885	-26,390	-25,536
Net unrealised foreign exchange gain / (loss)				
		0	0	-36,464
Total revenues		19,040,793	-24,371,551	29,677,196
Other operation income				
		0	0	26,581
Other operating loss				
		-14,468	-177,326	0
Total operating revenues		19,026,326	-24,548,877	29,703,777
Fee Management Company				
		-1,464,587	-1,431,288	-1,350,333
Custodian fees				
		-39,319	-48,597	-37,785
Director's fees				
		-143,450	-137,310	-154,518
Levy on investment funds				
		-110,485	-150,182	-124,846
Other operating expenses				
		-221,820	-252,438	-298,308
Total operating expenses		-1,979,661	-2,019,815	-1,965,790
Profit from operating activities		17,046,664	-26,568,692	27,737,987
Net finance expense				
		-8,346	-8,319	-7,519
Profit / (Loss) before income taxes		17,038,319	-26,577,011	27,730,467
Withholding tax expenses				
		-296,726	-346,583	-340,553
Other incomes taxes				
		-567	-233	-139
Profit / (Loss) for the period		16,741,026	-26,923,827	27,389,776



STATEMENT OF CHANGES IN EQUITY

in EUR	Share capital	Retained earnings	Total equity
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
Balans at 1 January 2017	134,167,495	801,619	134,969,114
Profit		27,389,776	27,389,776
Issue of ordinary shares, after deduction costs capital increase			
Dividends			
Balance at 31 December 2017	134,167,495	28,191,395	162,358,890

Report of the statutory auditor

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.

Brussels, 22 January 2020

PwC Bedrijfsrevisoren / Réviseurs d'Entreprises
Represented by

Gregory Joos
Certified Public Auditor

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