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QUEST FOR GROWTH

Privak, public investment company with fixed capital pursuant to Belgian Law

SCHEDULE FOR PUBLICATION

on 26 January 2017:

5.40 PM press release available on www.questforgrowth.com

on 27 January 2017:

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

ANNUAL RESULTS QUEST FOR GROWTH

QUEST FOR GROWTH ENDS 2016 WITH A SMALL LOSS

Key facts:

- Return on equity per share: -0.30 % since 31 December 2015
- Net asset value per share at 31 December 2016: € 8.91 (31 December 2015: € 10.81)
- Net result for the fiscal year: -€ 425,236 (-€ 0.03 per share) against a profit of +€ 37,899,036 (+€ 3.29 per share) for the previous fiscal year
- Successful capital increase by issuance of 3,626,019 new ordinary shares at € 7.00 per ordinary share
- Issued capital increases with € 25,382,133 to € 135,130,875 (€ 8.9160 per share)
- Share price at 31 December 2016: € 7.649 (31 December 2015: € 11.40)
- Discount of the share price versus net asset value: 14.11 % at 31 December 2016 (11.04 % at 31 December 2015)
- The board proposes to the AGM to transfer the loss to the next fiscal year

Results

In 2016, Quest for Growth booked a slightly negative result with a loss of around 0.4 million euros. The net asset value per share on 31 December 2016 stood at 8.91 euros as against 9.54 euros (after profit distribution) on 31 December 2015. Thanks to a successful capital increase of over 25 million euros in spring, the total assets held by Quest for Growth rose to around 135 million euros.

The share price closed the year at 7.65 euros, compared to 11.40 euros at the end of the prior year. Bearing in mind the dividend and capital increase, the Quest for Growth share's overall performance during the past year was down by around 9%. The share price discount compared to net asset value was 14% on 31 December 2016, compared to 11% on 31 December 2015. Quest for Growth's market capitalisation stood at nearly 116 million euros at the end of the year.

Market environment

European equities underwent a volatile year. The Stoxx Europe 600 index fell slightly (-1.2%) but, when dividends are factored in, there was a small positive return (+1.7%). Small caps did a little worse than the broad market, with the Stoxx Europe Small 200 index falling by 1.6%. The best-performing sectors in Europe were materials and oil and gas. The health care sector proved one of the weakest, with a fall of around 10%. Markets in other regions of the world generally performed better than in Europe. In the US, the S&P 500 index climbed by 9.5% (+13.1% when converted to euros).

Investments in listed companies

The listed equities in Quest for Growth's portfolio again had a quite decent year. Estimated performance (before costs) of this portion of the portfolio is around 8%, significantly better than the European indices, yet again. However, the aforementioned tendencies on the market were less than favourable.

The good performance is thanks to a few high-performing shares in the portfolio, including Pharmagest (+68%) and Umicore (+44%) as absolute outliers. In addition, Saft Groupe (+33%) was acquired by Total and Panasonic launched a bid for Zetes (+40%) in December. Recent introductions such as Jensen (+28% since purchase) and Technotrans (+22%) climbed strongly. On the negative side were the biotech shares in the portfolio, with a fall of 31% for Kiadis Pharma and Ablynx, which went down since it was bought. Schaltbau also depressed performance in 2016 with a fall of over 30% between the start of the year and September, when the share was sold.

After the capital increase in May, five new shares were acquired for the portfolio: Jensen-Group (industrial washing machines, Belgium), Kingspan (insulation materials, Ireland), Corbion (bio-based products, The Netherlands), Ablynx (biotechnology, Belgium) and Norma (connection technology, Germany). In July, a small position was purchased in Kuka and, in December, a new purchase was made in the Belgian technology company EVS. Five shares disappeared from the portfolio in 2016: Init, Nibe, Saft Groupe, Kendrion and Schaltbau. Significant gains were realised on each of these equities.

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Investments in unlisted companies

After a record year in 2015, which included the successful sale of Prosonix and the Kiadis Pharma IPO, 2016 always promised to be a more difficult year. It was therefore a very eventful year for the unlisted investments in Quest for Growth's portfolio. The emphasis lay especially in further developing the pipeline of unlisted investments. Though no new investments were added, Quest for Growth was very active with supplementary investments in Avantium, FRX Polymers, Green Biologics and Sequana Medical. In the last two cases, the finance was necessary to ensure the company's continued existence. It goes without saying that an unforeseen capital round of this kind generally has a negative impact on a company's valuation. It therefore comes as no surprise that the results of the unlisted portfolio were on the disappointing side in 2016.

Magwel was the one company that disappeared from the unlisted portfolio in 2016. Quest for Growth's initial investment in this spin-off from Leuven's imec research centre dates from 2005, when it was still called Kimotion Technologies. At that time, the company had unique software offering a solution for complex challenges in designing semi-conductors. However, it quickly transpired that it would not be easy for the company to fully realise its international growth potential. Because Magwel's solutions now no longer have a broad area of application, Quest for Growth has decided to sell its shares to management. The sale did not yield the return that was hoped for but, because the value of the investment had already largely been adjusted to the changed market conditions in previous years, the transaction had little impact on Quest for Growth's net asset value in 2016.

Finally, owing to the new royal decree on public privaks (private equity open-end funds), which comes into force on 24 July 2016, Aliaxis is no longer regarded as part of the unlisted portfolio but is shifted to the listed portfolio.

Investments in venture capital funds

2016 closed with a positive note for investments in venture capital funds. On 16 December, Quest for Growth committed to an investment of 15 million euros in the Capricorn Sustainable Chemistry Fund (CSCF). 3.75 million euros of this commitment was invested directly. The remaining promised funds will be called over the lifetime of CSCF. The fund will invest in companies that have a sustainable product, process or business model. CSCF offers investors the opportunity to contribute to a sustainable future using new technologies based on renewable/non-fossil materials that are effective and valuable and, moreover, protect human health and the environment.

At Capricorn Cleantech Fund, part of the proceeds from the successful sale of Punch Powertrain was distributed to the shareholders. Further to the capital reduction, Quest for Growth received 1.5 million euros in cash.

In addition, Quest for Growth received further distributions from LSP III, Carlyle II, Vertex and Ventech. The distributions mean that the share of third-party funds in the portfolio of Quest for Growth is continually reducing. This trend will continue over the next few years given Quest for Growth's strategy of only allowing new investments in the Capricorn funds.

In 2016, the Capricorn Health-tech Fund suffered with the poor market performance of Nexstim, whose market price fell by 95% over the year. In addition, the disappointing sales at Sequana Medical forced the company to raise additional capital from its existing shareholders in order to assure its continued existence. Although Sequana Medical was thus able to fend off bankruptcy, the chance of a lucrative exit for the shareholders was well and truly augmented, which is reflected in the company's valuation. At the end of 2016, Capricorn ICT Arkiv added two companies to its portfolio. Noona Healthcare is a new, innovative software company focusing on after-care for cancer patients and Indigo Diabetes is a spin-off of the University of Ghent and imec, which develops technology for measuring blood glucose without the need to take samples.

Prospects

The economic outlook remains mixed. In Europe, equity valuations remain at a moderate level, with a price/earnings ratio of about 15 for the Stoxx Europe 600 index. Quality growth stocks like those in Quest for Growth's portfolio are generally more expensive, however. The falling trend in the interest rate ended but this appears, in the first instance, to be playing in the equity markets' favour owing to the rotation from bonds to shares.

After a difficult 2016, we hope for a better 2017 for the unlisted portfolio. Whereas 2016 was a question of survival for some companies, prospects are entirely bright again in 2017. The most serious crises seem to be under control and the finance is mostly secured.

The General Meeting will be held on 16 March 2017 at 11 am in Leuven.



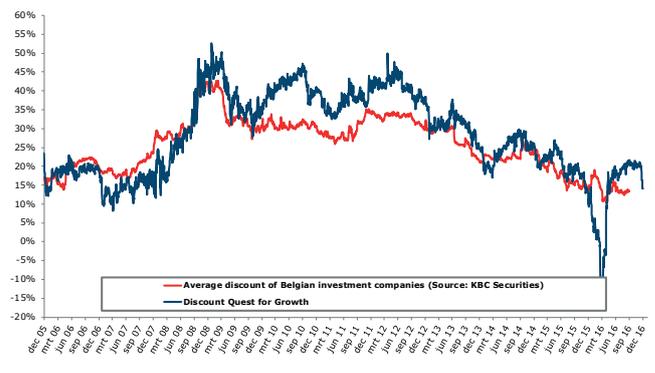
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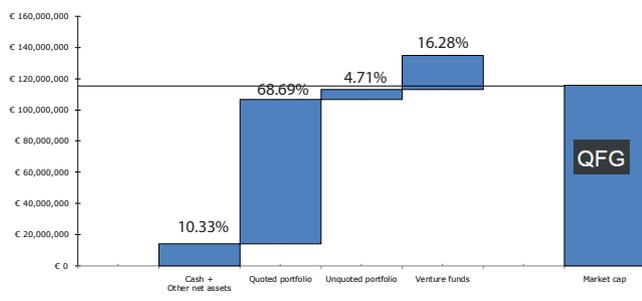
TOTAL SHAREHOLDERS RETURN (31/12/2013 – 31/12/2016)



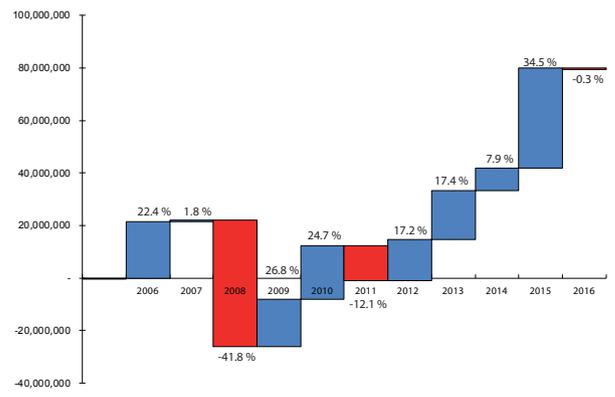
DISCOUNT OF THE SHARE PRICE VERSUS THE NET ASSET VALUE UNTIL 31 DECEMBER 2016



PORTFOLIO COMPOSITION AND MARKET CAPITALISATION AT 31/12/2016



RESULTS FROM 31/12/2005 UNTIL 31/12/2016



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1. Balance sheet

	2016 31 December	2015 31 December	2014 31 December	2013 31 December	2012 31 December
ASSETS					
Fixed assets	121,029,377	127,605,558	110,414,970	120,264,108	104,265,373
Formation expenses	0	0	0	0	0
Financial assets	121,029,377	127,605,558	110,414,970	120,264,108	104,265,373
<i>Shares</i>	<i>120,158,826</i>	<i>112,654,890</i>	<i>98,488,620</i>	<i>106,950,253</i>	<i>100,625,585</i>
<i>Loans to portfolio companies</i>	<i>870,551</i>	<i>14,950,668</i>	<i>11,926,350</i>	<i>13,313,854</i>	<i>3,639,788</i>
Current assets	13,985,703	20,278,986	8,229,318	5,083,517	2,632,925
Amounts receivable in more than one year	489,917	2,448,120	1,399,479	666,305	0
<i>Trade receivables</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Other receivables</i>	<i>489,917</i>	<i>2,448,120</i>	<i>1,399,479</i>	<i>666,305</i>	<i>0</i>
Amounts receivable within one year	124,635	4,533,187	150,425	70,187	689,618
<i>Trade receivables</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Other receivables</i>	<i>124,635</i>	<i>4,533,187</i>	<i>150,425</i>	<i>70,187</i>	<i>689,618</i>
Short term investments	0	0	0	0	0
<i>Own shares</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Term deposits</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Cash at bank and in hand	13,363,928	13,284,643	6,670,317	4,280,362	1,867,036
Deferred charges and accrued income	7,223	13,036	15,192	66,662	76,271
TOTAL ASSETS	135,015,080	147,884,544	118,650,383	125,347,624	106,898,298
LIABILITIES					
Capital and reserves	134,969,114	110,012,217	109,848,623	109,837,261	106,803,118
Issued capital	135,130,875	109,748,742	109,748,742	109,748,742	109,748,742
Reserves	0	0	0	0	656,423
<i>Reserves not available for distribution</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Reserves available for distribution</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>656,423</i>
Profit carried forward		263,475	99,881	88,518	0
Loss carried forward	(161,761)	0	0	0	(3,602,048)
Amount payable	45,966	37,872,327	8,801,760	15,510,364	95,180
Amounts payable within one year	45,966	37,780,621	8,745,601	15,478,430	43,405
<i>Financial debts</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Trade debts</i>	<i>1,513</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>4,971</i>
<i>Taxes</i>	<i>312</i>	<i>191</i>	<i>162</i>	<i>346</i>	<i>447</i>
<i>Dividends to be paid for the fiscal year</i>	<i>0</i>	<i>37,735,442</i>	<i>8,700,784</i>	<i>15,440,141</i>	<i>0</i>
<i>Other amounts payable</i>	<i>44,141</i>	<i>44,988</i>	<i>44,655</i>	<i>37,944</i>	<i>37,987</i>
Accrued charges and deferred income	0	91,705	56,159	31,933	51,775
TOTAL LIABILITIES	135,015,080	147,884,544	118,650,383	125,347,624	106,898,298



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2. Income statement	Fiscal year 2016	Fiscal year 2015	Fiscal year 2014	Fiscal year 2013	Fiscal year 2012
Operating income and charges					
Gross operating income	1,429,442	38,786,773	9,605,175	18,769,640	16,549,688
<i>Realised gains/losses on shares</i>	(579,196)	40,994,100	11,254,192	15,008,104	822,772
<i>Unrealised gains/losses on shares</i>	1,117,350	(782,358)	(876,639)	3,468,769	15,799,482
<i>Result from option transactions</i>	0	(542,109)	14,000	80,840	46,758
<i>Realised results from Forward currency rate agreements</i>	891,288	(791,155)	(739,794)	236,355	(76,147)
<i>Unrealised results from Forward currency rate agreements</i>	0	(91,705)	(46,584)	(24,428)	(43,177)
Other operating charges	(3,007,432)	(1,899,414)	(1,930,404)	(1,994,093)	(1,988,074)
<i>Management fee</i>	(1,494,212)	(1,419,126)	(1,432,944)	(1,464,878)	(1,473,230)
<i>Custodian fee</i>	(46,370)	(56,909)	(53,264)	(52,926)	(44,011)
<i>Statutory Auditors fee</i>	(15,983)	(12,428)	(12,464)	(12,270)	(9,767)
<i>Printing and publication costs</i>	(88,398)	(57,554)	(62,662)	(75,552)	(101,118)
<i>Annual tax on Collective Investment schemes</i>	(101,761)	(101,610)	(101,599)	(103,065)	(72,881)
<i>Directors fees</i>	(194,815)	(190,010)	(188,750)	(207,550)	(204,770)
<i>Advisory fees</i>	0	0	(17,252)	(7,049)	(19,645)
<i>Others</i>	(1,065,893)	(61,776)	(61,468)	(70,803)	(62,652)
Operating Profit/ (Loss)	(1,577,989)	36,887,359	7,674,771	16,775,548	14,561,614
Financial income	1,961,088	1,359,659	1,234,652	1,648,886	1,646,024
Financial charges	(808,022)	(274,183)	(197,246)	49,749	(505,741)
<i>Amounts written off own shares</i>	(0)	(0)	(0)	(0)	(0)
<i>Amounts written off other current assets</i>	(20,000)	73,608	(74,695)	254,103	(383,871)
<i>Others</i>	(788,022)	(347,791)	(122,552)	(204,354)	(121,868)
Profit/Loss on ordinary activities, before taxes	(424,923)	37,899,226	8,712,176	18,474,183	15,701,897
Income taxes	(312)	(191)	(29)	(101)	(86)
Profit/Loss for the period	(425,236)	37,899,036	8,712,147	18,474,284	15,701,811
Profit / Loss for the period, after taxes, per share	(0.03)	3.29	0.76	1.60	1.36

3. Profit distribution	Fiscal year 2016	Fiscal year 2015	Fiscal year 2014	Fiscal year 2013	Fiscal year 2012
Profit to be appropriated	(161,761)	37,998,917	8,800,665	14,872,236	
Loss to be appropriated					(3,602,048)
Profit to be appropriated for the period		37,899,036	8,712,147	18,474,284	15,701,811
Loss to be appropriated for the period	(425,236)				
Profit/loss brought forward	263,475	99,881	88,518	(3,602,048)	(19,303,859)
Transfers from capital and reserves		0	0	656,423	
From reserves		0	0	656,423	
Transfers to capital and reserves					
To other reserves					
Profit/loss to be carried forward	(161,761)	263,475	99,881	88,518	(3,602,048)
Profit to be carried forward	(161,761)	263,475	99,881	88,518	
Loss to be carried forward					(3,602,048)
Distribution of profit		37,735,442	8,700,784	15,440,141	
Dividends		37,735,442	8,700,784	15,440,141	

4. Report of the statutory auditor

The statutory auditor, KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises, represented by Erik Clinck, has issued an unqualified opinion on the financial statements and has confirmed that the accounting information included in this annual announcement does not include any material inconsistencies with the financial statements.



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