

Dear friends and associates of InnovationFund,

Let me begin by welcoming our new shareholders: SRIB (Finance& Invest Brussels), essenscia and VUB who joined the fund in 2019. It is a pride and a pleasure to have them join our team.

Their contribution and the additional contribution of SFPI, Carmeuse, Sofipole, KULeuven and Innovation Fund feeder have raised our capital to 35 Mo€ and given us additional ammunition to address a very active market.

I thank them all for that.

This general assembly is certainly not the one we dreamed of.

We generally use our general assembly to meet our investors, to network with universities and colleagues, to listen to a distinguished guest and to put our start-ups in the limelight.

Not this time!

Social distancing forces us to be shorter and less entertaining but does not forbid promising to meet you in better circumstances next year.

We hope, in the meantime, to have entertained you with an exhaustive annual report.

The message, in summary, is that the fund is doing well and growing gently.

The corona virus episode will nevertheless affect us, like all businesses.

Clinical trials have been postponed, laboratories have been closed, suppliers and customers have temporarily disappeared. The development of our startups has been slowed, but none has been stopped.

Assessing the consolidated financial impact is, of course, impossible and we will, most probably, never be able to do it.

Luckily enough, we were well financed before the crisis hit, having invested only half of our capital. We further decided not to take additional commitments during the second quarter and will, probably evaluate new dossiers as from September.

The life of the Fund has remained promising, entertaining and challenging.

We have made 28 investments, 2 of which have been sold with capital gains and we have, so far, no casualty.

Investment stands at 18,5 Mo€, around 710k€ per start-up, for an average participation of 13%. Well within the business plan, with room to grow the investment and participating interest in our favourite companies: companies that innovate, receive our input and grow according to plan.

We have invested along our selected themes and currently hold 5 investments in material Science, 9 in process Technology, 3 in the Circular Economy, 7 in Biosciences and 2 in medical devices.

In Material Sciences, our biggest investment is Rein4ced, the producer of bicycle frames in carbon-steel alloys, followed by Blue Foot membrane, producer of PvdF filtration membranes for the water treatment and Zeopore, designer of mesoporous zeolite catalyst. They have been joined by an investment in Norimat, a company based in Toulouse, expert in conception and production of high-performance materials by Spark Plasma Sintering.

In process technology, our largest investment, Pharmafluidics, producer of microfluidics chips, for use as separation devices in chromatography, has been joined by two new investments in microfluidics : Fluigent, a spin-off of Institut Curie in Paris, which patented and produces pressure-driven flow control pumps and Secoya, which develops miniaturization technologies covering the key steps of drug production. We continued investing in Aloxy, which developed sensors and offers reliable industrial Internet of Things solutions for the chemical industry.

In Circular Economy, our largest investment is in Inopsys, which we support since the early days of the Fund. Inopsys designs, builds and operates treatment facilities for the process water of the pharmaceuticals industry.

In biosciences, the large investments in Fytekko and Univercells have been joined by investments in Graftys, Tools4patient and Apaxen. Graftys is a medtech company developing synthetic bone biomaterials. Tools4patients develops predictive algorithms to shorten clinical drug developments. Apaxen, currently in preclinical stage, has the ambition to develop a breakthrough therapy for patients in a wide range of therapeutic indications, with a primary focus in pulmonary arterial hypertension.

In Medical Devices, we reinvested in Dosevue, which develops technology for real-time radiation measurement in patients undergoing radiotherapy. And early, this year, we invested in Spentys ; Spentys has been founded in 2017 by two young entrepreneurs : they offer solutions based on 3D technologies to enable mass-customization of orthopaedic immobilization devices ; they address chronic and traumatic pathologies with clear objectives and international ambitions. Their success will probably reward extreme focus, dedication and organization.

According to our original objectives, we have kept a limited, but unconstrained geographic spread: we have made 10 investments in Flanders, 4 in Brussels, 9 in Wallonia, 2 in France (Paris and Toulouse) and one in Switzerland (Lausanne).

Our portfolio is, by design, early stage with only one investment making a profit in 2019.

Only 9 companies have sales in excess of 500k€, with a majority (14) having less than 100k€ of sales.

Our percentages of interest range from less than 3% in Lisam and Univercells to more than 20% in Inopsys, Fytekko and Dosevue.

The current capital, at this stage, is 35,1Mo€; investments, net of divestments, amount to 18 Mo€ and available cash amounts to 15 Mo€, probably the amount needed for investment in the coming two years.

The Corona virus has probably delayed the plan by one year making the 2021 and 2022 exits critical to keep the annual rhythm of investments and the continuity of the Fund's operations.

Our portfolio holds, at the moment, 8 « heavyweight » investments of more than 1 Mo€:

Rein4ced, which has now installed its fully automated line of production in Winksele and produces its first one thousand bicycle frames for a leader of the sector.

Tools4Patient, which employs 19 high level individuals, has been stopped in its serie C financing and in its clinical trials by the Corona virus. It is now evaluating its best options for the coming years.

Inopsys has now signed 3 contracts with Janssen Pharmaceutical and a 4th contract with Omnicem. It is considering opening offices in Dublin and Basel and is raising 4Mo€, partially from new investors.

BlueFoot membrane has started its first industrial production line and the products reach the expected quality norms; development of its sales is now critical.

Fytekko is undergoing numerous field tests which should confirm the potential of the product and received an European grant of 2Mo€ for its commercial launch.

Graftys, acquired by Enrico Bastianelli in 2017, has been rebased in Belgium and opened a new office in the United States. Sales of 1,4Mo€ in 2019, supposed to double in 2020, have been inhibited by the pandemic.

Fluigent is a recent investment, at a relatively high value, in a confirmed fluidics player which was a good fit with our investment in Secoya.

Univercells is the inventor of a break-through technology in vaccine production. It has been supported by the Bill&Melinda Gates foundation and has successfully developed its footprint. We invested 1Mo€ in the B serie on a post money of 40Mo€ to boost the company credibility and accompany their development. Univercells is now launching the serie C financing on a pre-money of 80Mo€ with a handful of new and significant investors. We will leave this round to the bigger guys and hope for the best, expecting

a multiple of our original investment from an IPO in 2023.

We should refinance Pharmafluidics for the last time in the coming months as the shareholders contemplate a trade sale by 2022.

We are currently negotiating the refinancing of Zeopore with the entry of a new investor at a pre-money valuation about twice our original investment.

We are expecting three profitable refunds in the coming twelve months:

Our investment in Millibeter became a new convertible loan to the acquirer, Agriprotein, renamed Insect Technology.

As the conditions linked to the conversion of our loan have not been met, we have required the refund of the loan which should generate a profit of 300k€.

We are at the end of the 5 year equity financing of Lisam, which will be refunded at a profit of 250k€.

And, finally, we expect the 300k€ refund of a seller guaranty from the buyer of TrendMiner.

Our level of activity has remained high and we are in good spirits.

The working environment is exceptional with a pipeline of high quality start-ups and a unique positioning, next to the universities, as an industrial and supportive seed money provider.

Before I close, let me thank all our shareholders for their generous contribution in time, money and expertise. We feel privileged to be assisted by them all.

Let me congratulate our entrepreneurs who spend days and nights materializing their dreams.

They are making a better world and we are proud to be associated with them.