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Gimv, Qbic and SOFI finance growth of Ghent University software start-up CoScale

Gimv Arkiv Tech Fund II, Qbic Arkiv Fund and SOFI are each investing EUR 0.5 million in Ghent University start-up CoScale, a company offering software solutions for IT Operations Analytics. CoScale will use this financing to start commercialization of its software and to continue to invest in R&D and new product features.

CoScale (www.coscale.com), founded in 2013 as a spin-off from Ghent University, has developed patented software in the field of *IT Operations Analytics*. This technology gives organisations an insight into the performance of their web applications by automatically identifying and isolating disruptions, inefficiencies and failures. This is a critical aspect for major websites and web applications of organisations operating in areas such as e-commerce, online banking, online customer service, etc. CoScale's software gathers and correlates data from web applications as well as the underlying infrastructure. In this way, it can identify the cause of problems or inefficiencies quickly and effectively. This enables an organisation to optimise its infrastructure, generating both cost savings and shorter response times, increasing the satisfaction of users of its website and maximising the return on its online applications. This integrated approach is one of the main factors that distinguishes CoScale from other market players. Other advantages include simple installation, vendor independence, the possibility to plug the software into existing monitoring tools and a highly intuitive graphic interface.

Immoweb and Telenet are already using the technology. In this financing round, CoScale wants to focus on the further commercialization of its product while continuing to invest in R&D.

Stijn Hanssens, CEO of CoScale: *"Amazon once estimated that speeding up web pages by just one tenth of a second would generate 1% extra turnover because fewer surfers would leave the web store. Our software helps web businesses achieve this by bringing to light technical as well as investment-related or organisational problems and opportunities. All too often, these are buried under the large quantity of data. So, the return on decisions based on this is felt immediately."* He continues: *"As the world of web applications is becoming more and more complex, it is increasingly a question of converting the available data into usable knowledge. That's why research bureau Gartner has singled out IT Operations Analytics as the logical next step for monitoring. This analytical ability is the 'secret sauce' of our product, allowing sometimes highly complex analyses and events to be visualised in a usable way. Now that, in addition to our very strong team, we also have the finance covered thanks to our investors, we can push ahead with our growth."*



Ingrid Lieten, Vice minister-president of the Flemish Government and Flemish Minister for Innovation, Public Investment, Media and Poverty Reduction: *“We are very pleased with this first investment of the SOFI II-fund in a promising technology spin-off from the University of Ghent. After SOFI I, which focuses on spin-offs from strategic research institutions, SOFI II was launched to help spin-offs from university associations bridge the equity-gap. Financing innovative technology start-ups in Flanders will therefore be a lot easier.”*

Guy Huylebroeck, Investment Partner at Qbic Venture Partners: *“We strongly believe in the growing IT Operations Analytics market and in CoScale’s potential to play a leading role in this market. At Qbic, we have the necessary expertise and experience in house, together with our co-investors, to offer CoScale the hands-on support they need to grow into a global player.”*

Muriel Uytterhaegen, Principal at Gimv: *“In today’s economy, IT is becoming more and more prominent as a source of value creation within businesses, more than just a support activity. CoScale’s unique software capitalises on this and is well on the way to positioning itself as an excellent management tool in IT Operations Analytics. We look forward to guiding this promising start-up to the next phase together with the management team. Gimv and Gimv Arkiv Tech Fund II have also invested in Itineris and Luciad earlier this year. Gimv, from its international platform strategy, clearly underlines its ambition to remain the engine of innovation in and the further development of the Flemish technology sector.”*

Sidharta Gautama, Business Development i-KNOW Ghent University: *“The two young researchers behind CoScale’s patented technology have achieved impressive progress. As part of the prestigious European research programme of Prof. Lieven Eeckhout, they have incubated their idea and then expanded it into a marketable, patented product. Under the right conditions, strong research can lead to strong technology and with the current management team develop into a strong business. We are pleased that Gimv, PMV and Qbic all see the value of this spin-off and are taking the next step in academic innovation together with the team.”*

ABOUT GIMV

Gimv is a European investment company with over three decades' experience in private equity and venture capital. Gimv is listed on NYSE Euronext Brussels. Gimv currently manages around 1.8 billion EUR (including third party funds) of investments in 75 portfolio companies, which jointly realise a turnover of more than EUR 6 billion and employ over 26,000 professionals. As a recognized market leader in selected investment platforms, Gimv identifies entrepreneurial and innovative companies with high-growth potential and supports them in their transformation into market leaders. Gimv's four investment platforms are: Consumer 2020, Health & Care, Smart Industries and Sustainable Cities. Each of these platforms works with a skilled and dedicated team across Gimv's home markets of the Benelux, France and Germany and can count on an extended international network of experts. Gimv Arkiv Tech Fund II is a joint initiative with ARKImedes-Fonds II. More information on Gimv can be found on www.gimv.com.

ABOUT QBIC

Qbic is an inter-university seed capital fund that invests in spin-offs from the universities of Ghent, Brussels and Antwerp and their associated colleges and university hospitals. This initiative was started in May 2012 with initial capital of EUR 30.5 million and supports start-ups both financially and with hands-on guidance. Qbic ARKIV Fund is a joint initiative with ARKImedes-Fonds II. For more information about Qbic, visit www.qbic.be.

ABOUT GHENT UNIVERSITY

With over 41,000 students and 9,000 staff, Ghent University is one of the largest universities in the Dutch-speaking world. Through its 11 faculties, Ghent University offers high-quality, research-backed courses.

For more information, please contact:

Stijn Hanssens, CEO, CoScale

T +32 9 279 46 94 – stijn.hanssens@coscale.com

Muriel Uytterhaegen, Principal, Gimv

T +32 3 290 21 22 – muriel.uytterhaegen@gimv.com

Guy Huylebroeck, Investment Partner, Qbic

T +32 473 894 209 – guy.huylebroeck@qbic.be

Lot Wildemeersch, Woordvoerder, Kabinet van de Vlaamse minister van Innovatie, Overheidsinvesteringen, Media en Armoedebestrijding

T +32 2 552 70 00, lot.wildemeersch@vlaanderen.be