# Consolidated financial statements as at 31 December 2021*

“

Sofina meets the conditions for Investment Entity status under IFRS 10, §27, which requires not to consolidate its investment subsidiaries and to record direct subsidiaries of a company that qualifies as an Investment Entity at fair value in the consolidated financial statements, including the fair value of their equity investments and their other assets and liabilities.

## CONSOLIDATED BALANCE SHEET

IN THOUSAND EUR

| ASSETS | NOTES | 31/12/2021 | 31/12/2020 |
|---|---|---|---|
| **Non-current assets** | | **10,395,475** | **7,877,485** |
| (In)tangible assets | | 9,602 | 10,591 |
| Investment portfolio | 3.1 | 10,385,873 | 7,866,894 |
| *Investments* | | *10,385,873* | *7,866,894* |
| *Receivables* | | *0* | *0* |
| Deferred tax assets | | 0 | 0 |
| **Current assets** | | **1,689,572** | **1,215,570** |
| Deposits and other current financial assets | 3.3 | 749,615 | 202,279 |
| Receivables from subsidiaries | 3.9 | 796,320 | 774,306 |
| Other current receivables | | 97 | 2,696 |
| Taxes | | 2,798 | 3,935 |
| Cash and cash equivalents | 3.4 | 140,742 | 232,354 |
| TOTAL ASSETS | | **12,085,047** | **9,093,055** |

IN THOUSAND EUR

| LIABILITIES | NOTES | 31/12/2021 | 31/12/2020 |
|---|---|---|---|
| **Shareholders' equity** | | **11,354,341** | **8,900,411** |
| Share capital | 3.5 | 79,735 | 79,735 |
| Share premium | | 4,420 | 4,420 |
| Reserves | | 11,270,186 | 8,816,256 |
| **Non-current liabilities** | | **700,763** | **7,919** |
| Provisions for pensions | 3.6 | 4,398 | 5,987 |
| Other provisions for risks and charges | | 289 | 0 |
| Non-current financial debts | 3.7 | 694,512 | 0 |
| Deferred tax liabilities | 3.14 | 1,564 | 1,932 |
| **Current liabilities** | | **29,943** | **184,725** |
| Current financial debts | 3.8 | 2,112 | 0 |
| Debts to subsidiaries | 3.9 | 943 | 161,585 |
| Trade and other current payables | 3.8 | 26,888 | 23,117 |
| Taxes | | 0 | 23 |
| TOTAL LIABILITIES | | **12,085,047** | **9,093,055** |

* This document is a free English translation of the Accounts and Notes (*"Comptes et Annexes"*) section contained in the Annual report 2021.

## CONSOLIDATED INCOME STATEMENT

IN THOUSAND EUR

| | NOTES | 2021 | 2020 |
|---|---|---|---|
| Dividend income | | 36,044 | 51,897 |
| Interest income | 3.10 | 5,494 | 6,401 |
| Interest expenses | 3.10 | -5,630 | -156 |
| Net revenue of the investment portfolio | 3.1 & 3.11 | 2,599,357 | 1,353,697 |
| *Investments* | | *2,599,357* | *1,353,681* |
| Gains | | 2,670,970 | 1,683,477 |
| Losses | | -71,613 | -329,796 |
| *Receivables* | | *0* | *16* |
| Gains | | 0 | 16 |
| Losses | | 0 | 0 |
| Other financial results | 3.12 | 11,039 | 2,094 |
| Other income | | 5,206 | 6,992 |
| Other expenses | 3.13 | -58,925 | -41,969 |
| | | | |
| RESULT BEFORE TAX | | **2,592,585** | **1,378,956** |
| Taxes | 3.14 | 846 | 105 |
| | | | |
| RESULT FOR THE YEAR | | **2,593,431** | **1,379,061** |
| | | | |
| SHARE OF THE GROUP IN THE RESULT | | **2,593,431** | **1,379,061** |
| *Earnings per share (EUR)* [1] | | *76.9932* | *40.9357* |
| *Diluted earnings per share (EUR)* [2] | | *75.9183* | *40.3808* |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

IN THOUSAND EUR

| | NOTES | 2021 | 2020 |
|---|---|---|---|
| RESULT FOR THE YEAR | | **2,593,431** | **1,379,061** |
| OTHER COMPREHENSIVE INCOME [3] | | | |
| Other items | | -27 | -100 |
| **Income and expenses recognised directly in shareholders' equity and subsequently reclassified in net revenue** | | **-27** | **-100** |
| Actuarial gains and losses on pension obligations | 3.6 | 2,113 | 1,586 |
| **Income and expenses recognised directly in shareholders' equity and subsequently reclassified to net revenue** | | **2,113** | **1,586** |
| TOTAL OTHER COMPREHENSIVE INCOME [3] | | **2,086** | **1,486** |
| TOTAL RECOGNISED INCOME AND EXPENSES (COMPREHENSIVE INCOME) | | **2,595,517** | **1,380,547** |
| Attributable to non-controlling interests | | 0 | 0 |
| Attributable to shareholders of the parent company | | 2,595,517 | 1,380,547 |

(1) Calculation based on the weighted average number of outstanding shares (33,683,906 shares as at 31 December 2021 and 33,688,424 shares as at 31 December 2020, i.e. a net change in treasury shares of -4,518).
(2) Calculation based on the weighted average number of outstanding shares diluted per share (34,160,806 shares as at 31 December 2021 and 34,151,374 shares as at 31 December 2020, i.e. a net change in treasury shares of +9,432).
(3) These items are presented net of taxes - see point 3.14 of the Notes to the consolidated financial statements.

## CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

IN THOUSAND EUR

| | NOTES | SHARE CAPITAL | SHARE PREMIUM | RESERVES | TREASURY SHARES | GROUP'S SHARE | *NON-CONTROLLING INTERESTS* | TOTAL |
|---|---|---|---|---|---|---|---|---|
| BALANCE AS AT 31/12/2019 | | **79,735** | **4,420** | **7,710,746** | **-166,202** | **7,628,699** | **0** | **7,628,699** |
| Result for the year | | | | 1,379,061 | | 1,379,061 | | 1,379,061 |
| Other comprehensive income | | | | 1,586 | | 1,586 | | 1,586 |
| Distribution of profit | | | | -99,325 | | -99,325 | | -99,325 |
| Movements in treasury shares | | | | 1,006 | -11,828 | -10,822 | | -10,822 |
| Other | | | | 1,212 | | 1,212 | | 1,212 |
| Movements in non-controlling interests | | | | | | 0 | | 0 |
| BALANCE AS AT 31/12/2020 | | **79,735** | **4,420** | **8,994,286** | **-178,030** | **8,900,411** | **0** | **8,900,411** |
| Result for the year | | | | 2,593,431 | | 2,593,431 | | 2,593,431 |
| Other comprehensive income | | | | 2,113 | | 2,113 | | 2,113 |
| Distribution of profit | 3.5 | | | -103,239 | | -103,239 | | -103,239 |
| Movements in treasury shares | | | | 171 | -41,647 | -41,476 | | -41,476 |
| Other | | | | 3,101 | | 3,101 | | 3,101 |
| Movements in non-controlling interests | | | | | | 0 | | 0 |
| BALANCE AS AT 31/12/2021 | | **79,735** | **4,420** | **11,489,863** | **-219,677** | **11,354,341** | **0** | **11,354,341** |

## CONSOLIDATED CASH FLOW STATEMENT

IN THOUSAND EUR

| | NOTES | 2021 | 2020 |
|---|---|---|---|
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | 3.4 | **232,354** | **266,934** |
| Dividend income | | 38,699 | 54,289 |
| Interest income | | 5,493 | 7,404 |
| Interest expenses | | -3,517 | -157 |
| Acquisitions of current financial assets (deposits with a maturity of more than 3 months) | | -100,000 | -25,000 |
| Disposals of current financial assets (deposits with a maturity of more than 3 months) | | 0 | 0 |
| Acquisitions of current financial assets (treasury investment portfolio) | | -498,233 | -125,000 |
| Disposals of current financial assets (treasury investment portfolio) | | 50,139 | 50,057 |
| Acquisitions of other current financial assets | | 0 | 0 |
| Disposals of other current financial assets | | 10,659 | 2,144 |
| Other current receipts | | 1,512 | 1,598 |
| Administrative expenses and miscellaneous | | -45,918 | -32,567 |
| Net taxes | | 485 | 4,079 |
| **Cash flow from operating activities** | | **-540,681** | **-63,153** |
| Disposals of (in)tangible assets | | -489 | -420 |
| Acquisitions of (in)tangible assets | | 0 | 9 |
| Disposals of consolidated companies | | 1,860 | 0 |
| Investments in portfolio | 3.1 | -131,996 | -473,794 |
| Divestments from portfolio | 3.1 & 3.11 | 211,845 | 407,061 |
| Movements in other non-current assets | | 0 | 0 |
| **Cash flow from investing activities** | | **81,220** | **-67,144** |
| Acquisitions of treasury shares | | -56,486 | -24,106 |
| Disposals of treasury shares | | 13,320 | 11,673 |
| Distribution of profit | 3.5 | -101,550 | -97,715 |
| Movements in receivables from subsidiaries | | -20,382 | 44,428 |
| Movements in debts to subsidiaries | | -161,565 | 161,437 |
| Receipts from financial debts | | 694,512 | 260,000 |
| Repayments of financial debts | | 0 | -260,000 |
| **Cash flow from financing activities** | | **367,849** | **95,717** |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 3.4 | **140,742** | **232,354** |

For Sofina, the first performance indicator is the evolution of the NAV (a non-monetary item that appears in the income statement but not in the consolidated cash flow statement) and the second one is the evolution of dividends received. In this context, cash flows related to investments and divestments from portfolio are considered as part of investing activities and not of operating activities, which are the main revenue generators.

As a reminder, the management cash flow statement (in transparency) is available in point 2.1 of the Notes to the consolidated financial statements.





# Notes to the consolidated financial statements

The notes to the consolidated financial statements are three in number and provide the following information:

1. **Statement of compliance and accounting policies -** includes the statement of compliance, accounting policies and significant changes.
2. **Key management information and segment reporting -** includes segment information and reconciliations to the financial statements as well as information on the portfolio in transparency (as if the group was applying the consolidation principles).
3. **Notes to the financial statements as an Investment Entity -** includes the notes to the consolidated financial statements of Sofina as an Investment Entity.

## 1. Statement of compliance and accounting principles

Sofina SA is a public limited liability company incorporated under Belgian law, with its registered office at rue de l'Industrie, 31, 1040 Brussels.

The consolidated financial statements of the Sofina group as at 31 December 2021 have been approved by the Board of Directors held on the 23 March 2022 and have been prepared in accordance with IFRS (International Financial Reporting Standards) as adopted in the European Union.

**Accounting principles**

The standards, amendments and interpretations published but not yet effective in 2021 have not been early adopted by the group (see point 3.21 below).

The valuation and consolidation principles, methods and techniques used in these consolidated financial statements are identical to those applied by the group in the preparation of the consolidated financial statements for the year ended 31 December 2020.

A summary of the main accounting policies is presented in point 3.21 below.

## 2. Key management information and segment reporting

### 2.1. Segment information - reconciliation with financial statements

IFRS 8 on operating segments requires Sofina to present segments on the basis of reports presented to management for the purpose of making decisions about resources to be allocated to each segment and assessing the performance of each segment.

We have identified three sectors or investment styles, also called pillars, which are:

- **The 1st pillar –** Long-term minority investments in sound companies with sustainable growth prospects alongside families or entrepreneurs who are significantly involved in their company;
- **The 2nd pillar** or Sofina Private Funds – Subscriptions in top-tier venture and growth capital funds managed by General Partners with whom Sofina has historical relationships;
- **The 3rd pillar** or Sofina Growth – Investments in fast-growing businesses that are less mature than those in the 1st pillar, made alongside trusted partners.

Sofina SA manages its portfolio on the basis of total investments held either directly or through investment subsidiaries. In preparing the financial statements as an Investment Entity, the fair value of the direct shareholdings (in investments or in investment subsidiaries) is recorded as an asset in the balance sheet. In contrast, segment management information (based on internal reporting) is prepared on the entire portfolio in transparency (i.e. on all portfolio investments held directly or indirectly through investment subsidiaries), and thus on the basis of the total fair value of each investment ultimately held (directly or indirectly through these subsidiaries). The presentation of dividends or cash flows follows the same logic.

To reconcile the items related to the group's total portfolio with the financial statements, the information is presented as follows:

- **Total –** which represents on the one hand the total of the investment portfolio (the total of the three pillars) and on the other hand the items not allocated to the pillars (i.e. expenses and income or other balance sheet items not monitored in a segmented way per investment style), whether they are recognised directly or indirectly in the subsidiaries of Sofina SA;
- **Reconciliation items with the financial statements –** which represent the adjustments necessary to reconcile the details per investment style (as used internally in the day-to-day management of the group) with the consolidated financial statements under Investment Entity status. These consist of reclassifications between both views of the portfolio (in transparency or not), as explained in point 2.3 hereafter;
- **Financial statements –** which represent the consolidated financial statements under the Investment Entity status.

The presentation of the comprehensive income and the balance sheet is aggregated as it appears in the reports to management. Definitions of terms can be found in the Glossary at the end of this Annual report.

IN THOUSAND EUR

| COMPREHENSIVE INCOME (2021) | 1ST PILLAR | 2ND PILLAR | 3RD PILLAR | TOTAL | *RECONCILING ITEMS* | FINANCIAL STATEMENTS |
|---|---|---|---|---|---|---|
| Dividends | 52,289 | 6,921 | 0 | 59,210 | *-23,166* | 36,044 |
| Net revenue of the investment portfolio | 153,202 | 1,973,383 | 494,377 | 2,620,962 | *-21,605* | 2,599,357 |
| Management expenses | | | | -83,017 | *24,092* | -58,925 |
| Other | | | | -1,638 | *20,679* | 19,041 |
| **Total comprehensive income** | | | | **2,595,517** | *0* | **2,595,517** |

IN THOUSAND EUR

| BALANCE SHEET (31/12/2021) | 1ST PILLAR | 2ND PILLAR | 3RD PILLAR | TOTAL | *RECONCILING ITEMS* | FINANCIAL STATEMENTS |
|---|---|---|---|---|---|---|
| Investment portfolio | 3,884,345 | 5,252,521 | 1,926,549 | 11,063,415 | *-677,542* | 10,385,873 |
| Net cash | | | | 319,082 | *-126,066* | 193,016 |
| *Gross cash* | | | | *1,048,594* | *-161,066* | *887,528* |
| *Financial debts* | | | | *-729,512* | *35,000* | *-694,512* |
| (In)tangible fixes assets | | | | 10,692 | *-1,090* | 9,602 |
| Other assets and liabilities | | | | -38,848 | *804,698* | 765,850 |
| **NAV** | | | | **11,354,341** | *0* | **11,354,341** |

The management cash flow statement below provides cash flow information in transparency for all group subsidiaries.

IN THOUSAND EUR

| MANAGEMENT CASH FLOW STATEMENT (2021) | TOTAL GROSS CASH | FINANCIAL DEBTS | TOTAL NET CASH |
|---|---|---|---|
| **Net cash at the beginning of the year** | **586,620** | **0** | **586,620** |
| Dividends | 63,291 | | 63,291 |
| Management expenses | -67,563 | | -67,563 |
| Investments in portfolio | -1,283,645 | | -1,283,645 |
| Divestments from portfolio | 1,160,689 | | 1,160,689 |
| Distribution of profit | -101,550 | | -101,550 |
| Other items | -38,760 | | -38,760 |
| Receipts from financial debts | 729,512 | -729,512 | 0 |
| **Net cash at the end of the year** | **1,048,594** | **-729,512** | **319,082** |

IN THOUSAND EUR

| COMPREHENSIVE INCOME (2020) | 1ST PILLAR | 2ND PILLAR | 3RD PILLAR | TOTAL | *RECONCILING ITEMS* | FINANCIAL STATEMENTS |
|---|---|---|---|---|---|---|
| Dividends | 54,256 | 1,636 | 0 | 55,892 | *-3,995* | 51,897 |
| Net revenue of the investment portfolio | 248,812 | 1,001,285 | 132,379 | 1,382,476 | *-28,779* | 1,353,697 |
| Management expenses | | | | -54,880 | *12,911* | -41,969 |
| Other | | | | -2,941 | *19,863* | 16,922 |
| **Total comprehensive income** | | | | **1,380,547** | *0* | **1,380,547** |

IN THOUSAND EUR

| BALANCE SHEET (31/12/2020) | 1ST PILLAR | 2ND PILLAR | 3RD PILLAR | TOTAL | *RECONCILING ITEMS* | FINANCIAL STATEMENTS |
|---|---|---|---|---|---|---|
| Investment portfolio | 3,728,174 | 3,457,990 | 1,134,799 | 8,320,963 | *-454,069* | 7,866,894 |
| Net cash | | | | 586,620 | *-154,178* | 432,442 |
| (In)tangible assets | | | | 10,965 | *-374* | 10,591 |
| Other assets and liabilities | | | | -18,137 | *608,621* | 590,484 |
| **NAV** | | | | **8,900,411** | *0* | **8,900,411** |

IN THOUSAND EUR

| MANAGEMENT CASH FLOW STATEMENT (2020) | TOTAL NET CASH |
|---|---|
| **Net cash at the beginning of the year** | **455,343** |
| Dividends | 56,309 |
| Management expenses | -45,017 |
| Investments in portfolio | -752,004 |
| Divestments from portfolio | 985,284 |
| Distribution of profit | -97,715 |
| Other items | -15,580 |
| **Net cash at the end of the year** | **586,620** |

### 2.2. Comments on the evolution of the portfolio in transparency

The main movements in acquisitions and disposals in the year 2021 (with a fair value exceeding EUR 10 million) concern the following financial assets:

| | NUMBER OF SHARES | |
|---|---|---|
| | NET ACQUISITIONS | NET DISPOSALS |
| AppLovin | 518,167 | - |
| Atlantic Food Labs Co-Invest III (Gorillas) | 16,905,829 | - |
| Clover Health Investments | 1,819,361 | - |
| Collibra | 4,276,932 | - |
| Dreamplug Technologies (Cred) | 51,576 | - |
| emTransit (Dott) | 5,077,576 | - |
| FPCI Alven Ankorstore (Ankorstore) | 20,000 | - |
| Green Agrevolution (DeHaat) | 3,034 | - |
| Honasa Consumer (Mamaearth) | 2,264 | - |
| Lemonilo | 25,323 | - |
| Mérieux NutriSciences | 8,050 | - |
| Moody E-Commerce Group | 95,610 | - |
| MXP Prime Platform (SellerX) | 6,604 | - |
| Oviva | 101,207 | - |
| PETKIT Technology | 10,746,355 | - |
| Tessian | 3,637,815 | - |
| THG | 27,832,600 | - |
| Twin Health | 1,394,322 | - |
| Ver Se Innovation | 83,581 | - |
| Vinted | 332,011 | - |
| ZenCore (Cayman) (ZhenGe) | 6,438,337 | - |
| Zhangmen Education | 8,603,296 | - |
| Adjust | - | 7,381 |
| AppLovin | - | 518,167 |
| Clover Health Investments | - | 3,418,883 |
| Danone | - | 2,144,893 |
| Deceuninck | - | 9,461,513 |
| Pine Labs | - | 47,545 |
| Rapala Normark | - | 7,500,000 |
| Uperio | - | 23,743,750 |

The main net movements of more than EUR 10 million at 31 December 2021 relating to the Sofina Private Funds' portfolio (investments in venture and growth capital funds) concern the investments into the funds Iconiq, Sequoia and Thoma Bravo, and the partial disposals from the funds Andreessen Horowitz, General Atlantic, Highland, Iconiq, Institutional Venture Partners, Lightspeed, Multiples, Open-View, Sequoia, TA Associates and Venrock.

The main investments (with a fair value exceeding EUR 10 million) held directly by the group as at 31 December 2021 are as follows:

| | CORPORATE RIGHTS HELD | |
|---|---|---|
| | NUMBER OF SHARES | % OWNERSHIP |
| 1stdibs.com | 2,613,568 | 6.90% |
| B9 Beverages (Bira 91) | 3,784,140 | 7.74% |
| bioMérieux | 2,282,513 | 1.93% |
| Biotech Dental | 6,154,900 | 24.75% |
| Bright Lifecare (HealthKart) | 196,420 | 0.05% |
| Cambridge Associates | 24,242 | 22.19% |
| Carebridge Holdings | 15,347,479 | 4.17% |
| Collibra | 6,936,516 | 2.99% |
| Colruyt Group | 2,332,064 | 1.74% |
| Dreamplug Technologies (Cred) | 51,576 | 1.88% |
| Drylock Technologies | 150,000,000 | 25.64% |
| emTransit (Dott) | 5,077,576 | 12.83% |
| GL events | 4,768,057 | 15.90% |
| Grand Rounds (Included Health) | 11,358,956 | 1.88% |
| Graphcore | 11,131,375 | 2.71% |
| Green Agrevolution (DeHaat) | 3,034 | 8.20% |
| Groupe Petit Forestier | 1,244,172 | 43.16% |
| Hector Beverages | 3,373,619 | 24.43% |
| Hillebrand Group | 998,595 | 20.91% |
| Honasa Consumer (Mamaearth) | 2,264 | 9.89% |
| K12 Techno Services | 2,216,550 | 14.43% |
| Lemonilo | 25,323 | 6.02% |
| Luxempart | 1,257,500 | 6.07% |
| M.Chapoutier | 3,124 | 14.20% |
| M.M.C. (Chapoutier) | 15,256 | 19.83% |
| MedGenome | 6,440,948 | 15.50% |
| Mérieux NutriSciences | 43,278 | 15.43% |
| MissFresh | 12,786,327 | 1.81% |
| Moody E-Commerce Group | 95,610 | 3.63% |
| MXP Prime Platform (SellerX) | 6,604 | 8.19% |
| Nuxe International | 193,261,167 | 49.00% |
| Oviva | 101,207 | 11.44% |
| PETKIT Technology | 10,746,355 | 5.06% |
| Pine Labs | 285,838 | 3.82% |
| Polygone (GL events) | 221,076 | 20.96% |
| Salto Systems | 22,293 | 12.17% |
| SCR - Sibelco | 6,968 | 1.48% |
| Tessian | 3,637,815 | 4.77% |
| THG | 115,542,400 | 8.29% |
| Think & Learn (Byju's) | 230,902 | 5.24% |
| ThoughtSpot | 3,263,785 | 2.03% |
| Twin Health | 1,394,322 | 2.86% |
| Veepee | 3,756,786 | 5.58% |
| Ver Se Innovation | 348,032 | 6.69% |
| Vinted | 2,708,120 | 2.82% |
| Wonderful Stay (Qingzhu) | 48,174,768 | 10.72% |
| ZenCore (Cayman) (ZhenGe) | 6,438,337 | 4.12% |

The main investments (with a fair value exceeding EUR 10 million) held through a syndication vehicle gathering part of the shareholder base[4] as at 31 December 2021 are as follows:

| | CORPORATE RIGHTS HELD | |
|---|---|---|
| | NUMBER OF SHARES | % OWNERSHIP |
| Aevum Investments (Xinyu) | - | 100.00% |
| Africa Telecom Towers (IHS Towers) | 1,733,786,954 | 11.32% |
| Appalachian Mountains (Aohua) | 13,000 | 46.43% |
| Atlantic Food Labs Co-Invest II (Gorillas) | - | 47.62% |
| Atlantic Food Labs Co-Invest III (Gorillas) | - | 77.71% |
| Ergon opseo Long Term Value Fund | - | 8.82% |
| FPCI Alven Ankorstore (Ankorstore) | 20,000 | 97.49% |
| Lernen Midco 1 (Cognita) | 252,517,846 | 15.58% |
| GoldIron (First Eagle) | 21,721 | 70.68% |
| Iconiq Strategic Partners III Co-Invest (Series RV) | - | 7.15% |
| Kedaara Norfolk Holdings (Lenskart) | 158,355 | 50.00% |
| SC China Co-Investment 2016-A | - | 41.67% |
| TA Action Holdings (ACT) | - | 44.44% |
| TA Vogue Holdings (TCNS) | - | 48.72% |

The main firms that manage investment funds on our behalf, whose value individually exceeds EUR 10 million as at 31 December 2021, are Aberdeen Standard, Andreessen Horowitz, Archipelago, Astorg, Atomico, Bain, Battery, Bencis, Berkshire, Bessemer, Blossom, Bond, Chryscapital, Crescent Point, Draper Fisher Jurvetson, DST, Everstone, Falcon House, Felix, Formation 8, Founders Fund, Foundry, Francisco, General Atlantic, Genesis, GGV, GTCR, Guidepost, H.I.G., Harbourvest, Highland, Housatonic, Huaxing, Iconiq, Insight, Isola, IVP, Kedaara, Kleiner Perkins, Lightspeed, Local Globe, Loyal Valley, Lyfe, Mérieux, Mithril, Multiples, NEA, Northzone, Oak, OpenView, Polaris, Polychain, Redpoint, Rho, Sequoia, Serent, Silver Lake, Social+Capital, Sofindev, Source Code, Spark, Summit, TA Associates, TAEL, Thoma Bravo, Thrive, Tiger Global, Trustbridge and Venrock.

**2.3. Investment portfolio in transparency**

### Main valuation rules for the investment portfolio

The group uses a fair value hierarchy that reflects the significance of the data used for valuation purposes:

- **Level 1 –** Assets valued under level 1 are valued at the market price at the closing date;
- **Level 2 –** Assets valued under level 2 are valued based on observable data such as the market price of the main asset held by the company;
- **Level 3 –** Financial assets valued under level 3 are valued at fair value using principles derived from the International Private Equity and Venture Capital Valuation Guidelines ("IPEV" Valuation Guidelines of December 2018).

Unlisted securities are valued at each reporting date using a commonly accepted valuation method in these IPEV Valuation Guidelines, or at net asset value.

The different valuation methods are detailed in the table on the methods applied in accordance with IFRS 13 to determine the fair value of unlisted level 3 assets of the investment portfolio in transparency (1st, 2nd and 3rd pillars).

Note that the IPEV Valuation Guidelines no longer consider the recent transaction price as a default valuation technique but rather as a starting point for estimating fair value. Therefore, the recent transaction price as a valuation technique is only used when the recent transaction is sufficiently close to the balance sheet closing date (and meets the market and market participant criteria).

The principle of calibration, which consists of testing or calibrating the valuation techniques to be used at subsequent valuation dates, using valuation parameters derived from the initial transaction, is applied as appropriate to all our valuations of unlisted 1st and 3rd pillar investments, provided that the price of the initial transaction is representative of the fair value at the time of the transaction and can be calibrated. The calibration allows to derive from the entry price the discount or the premium compared to the group of comparable companies by comparing the rate of return expected by Sofina with the theoretical cost of capital for a given investment in the context of the implementation of the discounted cash flow method. And the calibration allows determining directly at the transaction date the discount or the premium against the group of comparable companies in the context of the implementation of the market multiples method. This technique explains the wide range of discounts, costs of capital or discount factors, as these are the result of the calibration.

This being said, Sofina may have to change the valuation technique depending on the circumstances from one valuation exercise to the other (e.g. due to a new type of data available, a new recent transaction), with the objective of maximising the use of observable data and minimising the use of non-observable data.

(4) This table shows the holding in the intermediary vehicle and not the holding in the underlying investment which is shown between brackets.



In this respect, the table below provides information on the methods applied in accordance with IFRS 13 – Fair Value Measurement – to determine the fair value of unquoted level 3 assets.

The current health and economic crisis caused by the Covid-19 pandemic increases the uncertainty of the future performance of the investments of Sofina. These uncertainties in the performance of these participations lead to a higher degree of subjectivity in the determination of level 3 fair values in the IFRS 13 hierarchy. This has led Sofina to be more vigilant in the application of its valuation methods. In particular, we can mention:

- A particular vigilance regarding the consistency between the estimates of the portfolio companies and the use of these estimates compared to the use of the multiples of comparable companies;
- A particular vigilance regarding the validation of the most recent transaction by ensuring that this recent transaction takes into account the current context of the Covid-19 pandemic (while respecting the other validation criteria of the most recent transaction such as being sufficiently close to the closing date);
- A particular vigilance regarding the financial situation of the portfolio companies.

We also took into account the IPEV Board Special Valuation Guidance of March 2020.

It should be noted that Sofina has engaged Kroll, an independent valuation firm, to assist in the valuation of the unlisted investments of the 1st pillar and of Sofina Growth (3rd pillar). The 2nd pillar is therefore not covered by Kroll's assistance. All these unlisted investments (1st and 3rd pillars) (the "Investments"), covered by Kroll's assistance, represent 44% of the fair value of the portfolio in transparency, as illustrated below [5].

| FAIR VALUE HIERARCHY | 1ST PILLAR | 2ND PILLAR | 3RD PILLAR | % OF KROLL COVERAGE ON TOTAL LEVEL |
|---|---|---|---|---|
| Level 1 | Not covered | Not applicable | Not applicable | 0% |
| Level 2 | Covered | Not applicable | Covered | 100% |
| Level 3 | Covered | Not covered | Covered | 47% |
| **Total portfolio in transparency** | | | | **44%** |

This assistance included various limited procedures that Sofina identified and requested Kroll to perform. In connection with and as a result of these limited procedures [6], Kroll concluded that the fair value of the "Investments", as determined by Sofina, was reasonable.

Sofina Private Funds' investments in venture and growth capital funds (2nd pillar) are valued on the basis of the latest reports obtained from the General Partners of these investment funds until mid-March and their valuation will therefore be based either on a report as at 31 December 2021 or on a report as at 30 September 2021. The values of the reports as at 30 September 2021 are adjusted to take into account (i) capital calls and distributions that have occurred since the date of issuance of the last report, (ii) changes in the stock market prices of the listed companies held by these funds and (iii) significant events that have occurred since this last valuation date and the closing date of 31 December 2021. The values as at 31 December 2021 are not adjusted as they reflect the fair value at the closing date. The retained values are finally converted into euro using the closing exchange rate. Previously, a procedure was implemented to ensure that the impact on the valuation of the 2nd pillar portfolio that would have resulted from taking into account information received after the closing date remained below the predetermined materiality threshold. If this impact exceeded the materiality threshold, the valuation was adjusted accordingly. Since this closing exercise, all the information obtained from the General Partners in their reports as at 31 December 2021 received until mid-March has been taken into account in the valuation.

(5) Covered: covered by Kroll's assistance; Not covered: not covered by Kroll's assistance; Not applicable: no value present at this level in the relevant pillar.
(6) Limited procedures are not an audit, review, compilation or other form of examination or certification in accordance with generally accepted auditing standards. In addition, the limited procedures were not performed in anticipation of or in connection with any investment made or contemplated by Sofina. Accordingly, any party contemplating an investment in these "Investments" or any party contemplating an investment directly in the capital of Sofina should not consider the performance of these limited procedures by Kroll to be sufficient in light of the aforementioned investments. The results of Kroll's analysis should not be construed as a fairness opinion on any transaction or as a statement of creditworthiness. The limited procedures performed by Kroll are in addition to the procedures that Sofina is required to perform to estimate the fair value of the "Investments". The result of the analyses conducted by Kroll was taken into account by Sofina in its assessment of the fair value of the "Investments".

Table on the methods applied in accordance with IFRS 13 to determine the fair value of unlisted level 3 assets in the investment portfolio in transparency (1st, 2nd and 3rd pillars)

| VALUATION TECHNIQUE | USE OF THE TECHNIQUE | SIGNIFICANT UNOBSERVABLE DATA | LINKS BETWEEN UNOBSERVABLE DATA AND FAIR VALUE |
|---|---|---|---|
| Value of the last recent transaction | Whenever a recent and significant transaction has taken place for the investment at the balance sheet date and provided that the transaction meets the market and market participant criteria.<br>Note that the IPEV Valuation Guidelines no longer consider the recent transaction price as a default valuation technique but rather as a starting point for estimating fair value. Therefore, the recent transaction price as a valuation technique is only used when the recent transaction is sufficiently close to the closing date (and meets the market and market participant criteria). | The fair value of the last transaction is considered unobservable data. | As the unobservable data increases, the fair value increases. |
| Discounted Cash Flow model | Applied for mature companies or for companies where sufficient information is available.<br>This method consists in discounting future expected cash flows. | Cost of capital from calibration. | The higher the cost of capital, the lower the fair value. |
| | | Terminal value based on a long-term growth rate. | The higher the long-term growth rate, the higher the fair value. |
| | | Terminal value based on an exit multiple. | The higher the exit multiple, the higher the fair value. |
| Market multiples - sales or EBITDA or earnings multiples or a mix of sales or EBITDA multiples (based on comparable listed companies) | In the absence of a recent transaction on the investment at the closing date and when the Discounted Cash Flow model is not applied. The calibration principle is used to determine the discount to the group of comparable listed companies. | Discount(7) resulting from the calibration against the group of comparable companies. | The higher the discount, the lower the fair value. |
| Probability-Weighted Expected Returns Model or Scenario Methods (PWERM) | Start-ups or "early stage" companies or certain companies for which significantly different scenarios remain possible, when other methods cannot be applied (recent transaction, Discounted Cash Flow model, market multiples), are valued according to scenarios.<br>Such companies are valued on the basis of different possible future scenarios (probability–weighted fair value of future outcomes). | Discount factor from the calibration. | The higher the discount factor, the lower the fair value. |
| | | Weights attributed to the different scenarios (generally 3 to 4 scenarios, from extremely pessimistic to optimistic). | The higher the weight of the pessimistic scenario, the lower the fair value. |
| | | Exit value based on an exit multiple. | The higher the exit multiple, the higher the fair value. |
| Milestones approach | This valuation method is applied to start-ups or "early-stage" companies or companies for which important milestones must be achieved and when other methods (i.e. recent transaction, discounted cash flow model, market multiples and PWERM) are not applicable.<br>Such companies are valued using the milestone approach. This method consists in assessing whether there is an indication of change in fair value based on a consideration of one or more milestones. One or several key milestones are commonly established in function of the stage of development of the company. Milestones can for example include financial measures, technical measures and marketing and sales measures. | Discount applied per level according to the predefined milestones. | A discount is applied per milestone. If a milestone is achieved, the more the unobservable data increases or decreases, the more the fair value increases or decreases. If the first milestone is not achieved, the more the unobservable data decreases, the more the fair value decreases. |
| Revalued net assets recognised at fair value | This valuation method is based on the latest available statements from the General Partners.<br>This method consists in using the reported net assets value of a fund interest which is adjusted for (i) the capital calls and distributions that took place after the last statement received and the measurement date, (ii) the evolution of the listed companies held by the funds and (iii) any other significant events. The underlying investments of the fund must be reported at fair value. | Fair value based on General Partners' reports is considered unobservable data. | As the unobservable data increases, the fair value increases. |
| Other | In exceptional cases, another methodology is considered to better reflect the fair value of the investment or a portion of the investment (e.g. an appraisal report on the value of land or property). | Fair value based on expert reports is considered unobservable data. | As the unobservable data increases, the fair value increases. |

(7) In some cases, a premium is applied against the group of comparable companies, also based on the calibration principle. In some exceptional cases, the discount is estimated on the basis of methods other than calibration.



**2.4. Fair value of the total investment portfolio in transparency**

IN THOUSAND EUR

| | TOTAL AT 31/12/2021 | LEVEL 1 | LEVEL 2 | LEVEL 3 |
|---|---|---|---|---|
| **Investment portfolio(8)** | **11,063,415** | **962,015** | **117,302** | **9,984,098** |
| 1st pillar | 3,884,345 | 911,845 | 0 | 2,972,500 |
| 2nd pillar | 5,252,521 | 0 | 0 | 5,252,521 |
| 3rd pillar | 1,926,549 | 50,170 | 117,302 | 1,759,077 |
| | **TOTAL AT 31/12/2020** | **LEVEL 1** | **LEVEL 2** | **LEVEL 3** |
| **Investment portfolio** | **8,320,963** | **748,848** | **678,162** | **6,893,953** |
| 1st pillar | 3,728,174 | 748,848 | 654,917 | 2,324,409 |
| 2nd pillar | 3,457,990 | 0 | 0 | 345,990 |
| 3rd pillar | 1,134,799 | 0 | 23,245 | 1,111,554 |

During the period, the investments in 1stdibs.com, MissFresh and Zhangmen Education were transferred from level 3 to level 1, the investments in Africa Telecom Towers (IHS Towers), Appalachian Mountains (Aohua) and Spartoo were transferred from level 3 to level 2 and part of the investment in THG was transferred from level 2 to level 1.

### Sensitivity analysis of level 3

Level 3 consists of unlisted securities subject to price risk, but this risk is mitigated by the wide variety of investments made by the Sofina group. The objective of long-term value creation pursued by the Sofina group contributes to mitigating this risk.

In the case of investments in venture and growth capital funds of Sofina Private Funds (2nd pillar), the General Partners may decide more quickly to modify a negative spread. Market risk may also have an indirect impact on unlisted securities compared to listed securities on stock markets.

Moreover, liquidity risk has a greater impact on unlisted securities than on listed stocks, which can make their value difficult to estimate. This risk may have an impact on the holding period of unlisted securities as well as on the exit price. It is difficult to quantify the influence of these risks on unlisted securities in level 3.

(8) Information on the investment portfolio in the balance sheet as at 31 December 2021 can be found under point 2.1 above.

Sensitivity analysis table for the level 3 investment portfolio in transparency (1st, 2nd and 3rd pillars) as at 31 December 2021

IN MILLION EUR

| VALUATION TECHNIQUE | FAIR VALUE | UNOBSERVABLE DATA (WEIGHTED AVERAGE) | SENSITIVITY | IMPACT VALUE | SENSITIVITY | IMPACT VALUE |
|---|---|---|---|---|---|---|
| Value of the last recent transaction | 956 | The fair value of the most recent transaction is considered unobservable data | +10% | 96 | -10% | -96 |
| Discounted Cash Flow model | 1,641 | Cost of capital from calibration between 6.2% and 16.3% (10.2%) | +10% | -238 | -10% | 300 |
| | | Perpetual growth rate of 1.5% and 3.0% (2.6%) | +10% | 36 | -10% | -34 |
| | | Output multiple between 5.0x and 15.8x (10.6x) | +10% | 111 | -10% | -111 |
| Market multiples | 1,823 | Discount resulting from calibration between 2% and 52%(9) (35.4%) | +10% | -87 | -10% | 88 |
| Probability-Weighted Expected Return Method (PWERM) | 0 | Discount from calibration | +10% | 0 | -10% | 0 |
| | | Weight assigned to negative scenarios | +10% | 0 | -10% | 0 |
| | | Exit multiple | +10% | 0 | -10% | 0 |
| Revalued net assets recognised at fair value(10) | 5,453 | The fair value based on General Partners' reports is considered unobservable data | +10% | 545 | -10% | -545 |
| Milestones approach | 18 | Discount of 15% per level (15%) | Upper level(11) | 0 | Lower level | -3 |
| Other | 93 | Fair value is considered unobservable data | +10% | 9 | -10% | -9 |
| **Total level 3 (in transparency)** | **9,984** | | | | | |
| Reconciling items | -102 | | | | | |
| **Total level 3 (financial statements)** | **9,882** | | | | | |

The reconciling items between the presentation in transparency and the balance sheet presentation are detailed, at all levels, in point 2.1 above.

(9) In some cases, a premium is applied against the group of comparable companies. The premiums applied range from 7% to 636% (weighted average of 222%). In certain exceptional cases, the discount is estimated on the basis of methods other than calibration.
(10) Mainly concerns the portfolio of Sofina Private Funds (2nd pillar) and to a limited extent investments of Sofina Growth (3rd pillar).
(11) No lower level was reached.



Sensitivity analysis table for the level 3 investment portfolio in transparency (1st, 2nd and 3rd pillars) as at 31 December 2020

IN MILLION EUR

| VALUATION TECHNIQUE | FAIR VALUE | UNOBSERVABLE DATA (WEIGHTED AVERAGE) | SENSITIVITY | IMPACT VALUE | SENSITIVITY | IMPACT VALUE |
|---|---|---|---|---|---|---|
| Value of the last recent transaction | 831 | The fair value of the most recent transaction is considered unobservable data. | +10% | 83 | -10% | -83 |
| Discounted Cash Flow model | 1,049 | Cost of capital from calibration between 6% and 26.1% (9.9%) | +10% | -118 | -10% | 148 |
| | | Perpetual growth rate between 1.5% and 3% (2.1%) | +10% | 19 | -10% | -17 |
| | | Exit multiple between 5.2x and 18x (12.4x) | +10% | 65 | -10% | -65 |
| Multiples of the market | 1,270 | Calibration discount between 0% and 48%(12) (17.9%) | +10% | -72 | -10% | 72 |
| Probability-Weighted Expected Return Method (PWERM) | 95 | Discount factor from the calibration between 27% and 35% (31.1%) | +10% | -6 | -10% | 6 |
| | | Weight assigned to the extreme negative scenario between 20% and 40% (27.0%) | +10% | -5 | -10% | 5 |
| | | Exit multiple between 4.6x and 10x (8.1x) | +10% | 9 | -10% | -9 |
| Revalued net assets recognised at fair value(13) | 3,580 | Fair value based on General Partners' reports is considered unobservable data. | +10% | 358 | -10% | -358 |
| Other | 69 | Fair value is considered unobservable data. | +10% | 7 | -10% | -7 |
| **Total level 3 (in transparency)** | **6,894** | | | | | |
| Reconciling items | 338 | | | | | |
| **Total level 3 (financial statements)** | **7,232** | | | | | |

The reconciling items between the transparency presentation and the balance sheet presentation are detailed, at all levels, in point 2.1 above.

(12) In some cases, a premium is applied against the group of comparable companies. The premiums applied range from 6% to 310% (weighted average of 67.9%). In certain exceptional cases, the discount is estimated on the basis of methods other than calibration.
(13) Mainly concerns the portfolio of Sofina Private Funds (2nd pillar) and to a limited extent investments of Sofina Growth (3rd pillar).

### 2.5. Financial risks in transparency

#### Foreign exchange risk

The main foreign exchange risk relates to assets denominated in US dollars, British pounds and Indian rupees. For information purposes, a 10% increase or decrease in the exchange rate of these three currencies at 31 December 2021 would result in a variation in the fair value of the portfolio as shown in the table below:

IN MILLION EUR

| | USD | | | GBP | | | INR | | |
|---|---|---|---|---|---|---|---|---|---|
| Exchange rate sensitivity | -10% | 0% | +10% | -10% | 0% | +10% | -10% | 0% | +10% |
| Fair value | 7,472 | 6,725 | 6,114 | 731 | 658 | 598 | 1,266 | 1,139 | 1,036 |
| Impact on revenue | 747 | 0 | -611 | 73 | 0 | -60 | 127 | 0 | -103 |

#### Price risk

Price risk is defined as the risk that unfavourable changes in stock prices impact Sofina's portfolio. Sofina is exposed to market fluctuations in its portfolio.

The risk analysis of level 1 and level 2 investments is shown below. A variation interval of -10% and +10% has been applied to the valuation at 31 December 2021. This variance influences the result.

IN MILLION EUR

| | LEVEL 1 | | | LEVEL 2 | | |
|---|---|---|---|---|---|---|
| Stock price sensitivity | -10% | 0% | +10% | -10% | 0% | +10% |
| Fair value | 866 | 962 | 1,058 | 105 | 117 | 129 |
| Impact on revenue | -96 | 0 | 96 | -12 | 0 | 12 |

#### Interest rate risk and liquidity risk

Interest rate risk is the risk that the interest flow on the financial debt and the gross cash flow be adversely affected by an unfavourable change in interest rates. In the case at hand, the risk is limited as the financial debts of Sofina are mainly at fixed rates. Moreover, its net cash position is positive. However, Sofina has commitments to disburse funds in relation to the 2nd pillar investments, Sofina Private Funds (see point 2.6 below). Considering its positive net cash position, the existence of (mainly unused) bank credit lines, and the investments in equities listed on liquid markets and therefore easily realisable (in the 1st and 2nd pillars), the liquidity risk faced by Sofina is extremely moderate.

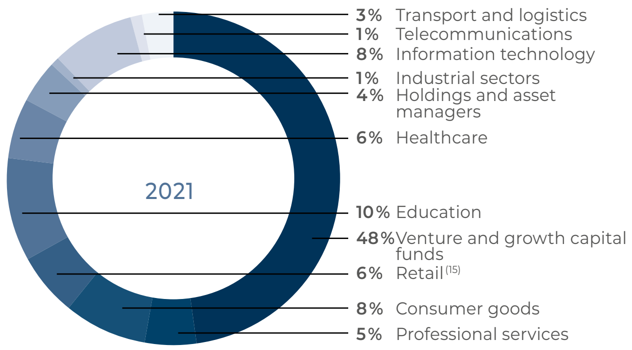
#### Credit risk

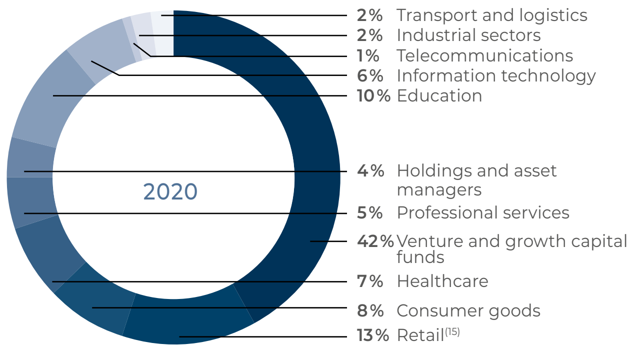
The credit risk is the counterparty risk on gross cash. It is limited a priori by the choice of reputable financial institutions.

### 2.6. Sectoral, geographical and strategy breakdown of the portfolio in transparency

The next charts show the sectoral breakdown of the total portfolio in transparency as at 31 December 2020 and 2021[14]:

**SECTORAL BREAKDOWN OF THE PORTFOLIO IN TRANSPARENCY [14]**




(14) Based on the fair value of the Sofina group participations as at 31 December 2021 and 2020 (portfolio in transparency – see point 2.4 above).
(15) Including e-commerce.



Sofina considers that a geographical breakdown is not relevant for the total portfolio in transparency (not relevant for the Long-term minority investments of the 1st pillar, e.g. for companies with global activities, and also less and less relevant for the portfolio of Sofina Growth (3rd pillar) whose past local activities have also extended globally).

However, we believe that the information is more relevant for Sofina Private Funds, and we provide below the information by geography and by strategy of the portfolio of this 2nd pillar in transparency.

#### Geographical breakdown of Sofina Private Funds (2nd pillar) in transparency

IN MILLION EUR

| GEOGRAPHY | 31/12/2021 | | | | 31/12/2020 | | | |
|---|---|---|---|---|---|---|---|---|
| | PORTFOLIO'S FAIR VALUE | | RESIDUAL COMMITMENTS[16] | | PORTFOLIO'S FAIR VALUE | | RESIDUAL COMMITMENTS | |
| North America | 3,618 | 69% | 589 | 60% | 2,254 | 65% | 602 | 65% |
| Western Europe | 457 | 9% | 132 | 14% | 284 | 8% | 101 | 11% |
| Asia | 1,178 | 22% | 255 | 26% | 920 | 27% | 229 | 25% |
| **Total[17]** | **5,253** | **100%** | **976** | **100%** | **3,458** | **100%** | **932** | **100%** |

#### Strategy breakdown of Sofina Private Funds (2nd pillar) in transparency

IN MILLION EUR

| STRATEGY | 31/12/2021 | | | | 31/12/2020 | | | |
|---|---|---|---|---|---|---|---|---|
| | PORTFOLIO'S FAIR VALUE | | RESIDUAL COMMITMENTS[16] | | PORTFOLIO'S FAIR VALUE | | RESIDUAL COMMITMENTS | |
| Venture capital | 3,504 | 67% | 420 | 43% | 2,189 | 63% | 425 | 46% |
| Growth equity | 1,101 | 21% | 358 | 37% | 740 | 21% | 257 | 28% |
| LBO | 535 | 10% | 126 | 13% | 432 | 13% | 182 | 19% |
| Other strategies | 113 | 2% | 72 | 7% | 97 | 3% | 68 | 7% |
| **Total[17]** | **5,253** | **100%** | **976** | **100%** | **3,458** | **100%** | **932** | **100%** |

(16) Sofina is committed to responding to capital calls by certain private funds (see point 3.16 below).
(17) Information on the 2nd pillar investment portfolio shown in the balance sheet as at 31 December 2021 can be found under point 2.1 above.

## 3. Notes to the financial statements as an Investment Entity

### 3.1. Investment portfolio

IN THOUSAND EUR

| | 2021 | 2020 |
|---|---|---|
| **Investments** | | |
| **Net value at the beginning of the year** | **7,866,894** | **6,460,877** |
| Acquisitions during the year | 131,997 | 448,794 |
| Disposals during the year | -169,932 | -379,752 |
| Changes in unrealised gains in the profit and loss | 2,628,265 | 1,654,730 |
| Changes in unrealised losses in the profit and loss | -71,351 | -317,755 |
| **Net value at the end of the year = 1** | **10,385,873** | **7,866,894** |
| | | |
| **Receivables** | | |
| **Net value at the beginning of the year** | **0** | **3,643** |
| Acquisitions during the year | 0 | 0 |
| Disposals during the year | 0 | -3,600 |
| Changes in unrealised gains in the profit and loss | 0 | 0 |
| Changes in unrealised losses in the profit and loss | 0 | 0 |
| Changes in accrued interest not yet due | 0 | -43 |
| **Net value at the end of the year = 2** | **0** | **0** |
| | | |
| Net value = 1+2 | 10,385,873 | 7,866,894 |

The difference between the amount of the disposals during the period (EUR -169,932 thousand) and the amount of the divestments shown in the consolidated cash flow statement (EUR 211,845 thousand) is mainly due to the capital gains and losses realised on these divestments for an amount of EUR 42,443 thousand. In addition, the realised capital gains and losses (EUR 42,443 thousand) combined with the changes in unrealised capital gains and losses (EUR 2,556,914 thousand) form the "Net revenue of the investment portfolio" (see point 3.11 below).

### 3.2. Classification of financial instruments

IN THOUSAND EUR

| | BOOK VALUE | | FAIR VALUE | | |
|---|---|---|---|---|---|
| | TOTAL AT 31/12/2021 | IFRS 9 CLASSIFICATION | LEVEL 1 | LEVEL 2 | LEVEL 3 |
| Investment portfolio | 10,385,873 | | 494,777 | 9,536 | 9,881,560 |
| *Investments* | *10,385,873* | *Fair value through profit and loss* | *494,777* | *9,536* | *9,881,560* |
| *Receivables* | *0* | *Designated at fair value through profit and loss* | *0* | *0* | *0* |
| Receivables from subsidiaries[18] | 796,320 | Designated at fair value through profit and loss | 0 | 796,320 | 0 |
| Deposits and other current financial assets | 749,615 | | 0 | 749,615 | 0 |
| *Deposits* | *746,786* | *Designated at fair value through profit and loss* | *0* | *746,786* | *0* |
| *Other current financial receivables* | *2,829* | *Designated at fair value through profit and loss* | *0* | *2,829* | *0* |
| Cash and cash equivalents | 140,742 | Designated at fair value through profit and loss | 0 | 140,742 | 0 |
| Non-current financial debts | 694,512 | Designated at fair value through profit and loss | 0 | 694,512 | 0 |
| Current financial debts | 2,112 | Designated at fair value through profit and loss | 0 | 2,112 | 0 |
| Other current receivables | 97 | At amortised cost | 0 | 97 | 0 |
| Debts to subsidiaries[18] | 943 | Designated at fair value through profit and loss | 0 | 943 | 0 |
| Trade and other current payables | 26,888 | At amortised cost | 0 | 26,888 | 0 |

IN THOUSAND EUR

| | BOOK VALUE | | FAIR VALUE | | |
|---|---|---|---|---|---|
| | TOTAL AT 31/12/2020 | IFRS 9 CLASSIFICATION | LEVEL 1 | LEVEL 2 | LEVEL 3 |
| Investment portfolio | 7,866,894 | | 634,749 | 0 | 7,732,145 |
| *Investments* | *7,866,894* | *Fair value through profit and loss* | *634,749* | *0* | *7,732,145* |
| *Receivables* | *0* | *Designated at fair value through profit or loss* | *0* | *0* | *0* |
| Receivables from subsidiaries[18] | 774,306 | Designated at fair value through profit and loss | 0 | 774,306 | 0 |
| Deposits and other current financial assets | 202,279 | | 0 | 202,279 | 0 |
| *Deposits* | *200,267* | *Designated at fair value through profit or loss* | | *200,267* | *0* |
| *Other current financial receivables* | *2,012* | *Designated at fair value through profit or loss* | *0* | *2,012* | *0* |
| Cash and cash equivalents | 232,354 | Designated at fair value through profit and loss | 0 | 232,354 | 0 |
| Other current receivables | 2,696 | At amortised cost | 0 | 2,696 | 0 |
| Debts to subsidiaries[18] | 161,585 | Designated at fair value through profit and loss | 0 | 161,585 | 0 |
| Trade and other current payables | 23,117 | At amortised cost | 0 | 23,117 | 0 |

(18) Receivables from and debts to subsidiaries are designated at fair value but as they are very short-term receivables and debts, there is no change in fair value to record.

### The fair value of the items of the investment portfolio can be prioritised as follows:

Assets valued under level 1 are valued at the stock market price at the balance sheet closing date. Level 2 data are data on the assets or liabilities other than quoted prices included in level 1 data which are observable either directly or indirectly. Level 3 data are unobservable data on the assets or liabilities.

Direct shareholdings in investment subsidiaries are considered level 3 and are valued based on the fair value of their own portfolio (level 1, 2 or 3) and the fair value of their other assets and liabilities. A detailed description of the valuation methods and the sensitivity of the fair value is given in points 2.3 and 2.4 above. The portfolio held in transparency is described under point 2.2 above.

### The fair value of the other financial instruments has been determined using the following methods:

- for short-term financial instruments, such as trade receivables and payables, the fair value is considered not to be significantly different from the carrying amount at amortised cost;
- for variable-rate loans and borrowings, such as deposits or receivables from or debts to subsidiaries, the fair value is considered not to be significantly different from the carrying amount at amortised cost;
- for foreign exchange rate or cash flow derivatives, fair value is determined on the basis of models that discount future cash flows based on future interest rate curves or foreign exchange rates or other forward prices.

### Financial risks

A description of the financial risks can be found in point 2.5 above.

### Details of movements for financial investments recognised at fair value in level 3

IN THOUSAND EUR

| | 2021 | 2020 |
|---|---|---|
| Investments | | |
| **Net value at the beginning of the year** | **7,232,145** | **5,370,281** |
| Acquisitions during the year | 131,997 | 448,794 |
| Disposals during the year | 0 | -26 |
| Changes in unrealised gains in the profit and loss | 2,567,217 | 1,555,742 |
| Changes in unrealised losses in the profit and loss | -38,021 | -205,088 |
| Transfer to level 3 | 0 | 62,442 |
| Transfer from level 3 | -11,778 | 0 |
| **Net value at the end of the year** | **9,881,560** | **7,232,145** |

During the year, the investment in Spartoo was transferred from level 3 to level 2.

### 3.3. Deposits and other current financial assets

IN THOUSAND EUR

| | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Deposits[19] | 225,000 | 125,000 |
| Current financial investments | 521,786 | 75,266 |
| Other receivables | 2,829 | 2,013 |
| **Deposits and other current financial assets** | **749,615** | **202,279** |

Current financial assets are measured at fair value through profit and loss.

(19) Deposits between three months and one year.

### 3.4. Cash and cash equivalents

IN THOUSAND EUR

| | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Bank and cash | 90,742 | 217,309 |
| Short-term investments | 50,000 | 15,045 |
| **Cash and cash equivalents** | **140,742** | **232,354** |

Cash and cash equivalents consist of bank balances, cash on hand and investments in money market instruments with a maximum term of three months.

### 3.5. Share capital

IN THOUSAND EUR

| | CAPITAL | | OWN SHARES | |
|---|---|---|---|---|
| | NUMBER OF SHARES | AMOUNT OF CAPITAL HELD | NUMBER OF SHARES | AMOUNT OF CAPITAL HELD |
| **Balances at 31/12/2019** | **34,250,000** | **79,735** | **631,728** | **1,471** |
| Changes during the year | 0 | 0 | -20,200 | -47 |
| **Balances at 31/12/2020** | **34,250,000** | **79,735** | **611,528** | **1,424** |
| Changes during the year | 0 | 0 | 31,400 | 73 |
| **Balances at 31/12/2021** | **34,250,000** | **79,735** | **642,928** | **1,497** |

The subscribed and fully paid-up capital consists of ordinary shares without nominal value. The owners of ordinary shares are entitled to receive dividends and are entitled to one vote per share at the Company's general meetings of shareholders.

The gross dividend for the financial year 2020, paid in 2021, was EUR 3.014286 per share, i.e. a gross amount of EUR 103,239 thousand. The difference between this amount and the amount shown in the consolidated cash flow statement (EUR -101,550 thousand) corresponds to the dividend on treasury shares of EUR 1,689 thousand.

The proposed gross dividend for the year 2021 is EUR 3.128571 per share.

### 3.6. Employee benefits

The Sofina group provides retirement and death benefits which are financed through group insurance contracts of the "defined benefit", "defined contributions" and "cash balance" types.

The benefits granted to employees in the cash balance pension plan are capitalised at a return of three percent. The pension plan is financed through a group insurance plan with collective capitalisation in branch 23, whose assets are mainly invested in investment funds. The assets of the pension plans are not invested in the Company's securities.

There are only three members continuing the "defined benefit" plan.

The "cash balance" and "defined contributions" plans are subject to a guaranteed minimum return and are therefore considered as "defined benefit" plans under IAS 19. They have been valued using the "Traditional Unit Credit" method without forecasting future premiums. The "defined benefit" plan has been valued on the basis of the "Projected Unit Credit" method (in application of IAS 19).

The pension plan at Sofina Partners in the Grand Duchy of Luxembourg is a "defined contributions" plan with no minimum return guaranteed by the employer. The related cost is not reflected directly in the result of Sofina as an Investment Entity, but in the result of the subsidiary, which is included in the accounts of Sofina at fair value.

IN THOUSAND EUR

| | 31/12/2021 | 31/12/2020 |
|---|---|---|
| **Amounts recognised in the balance sheet** | | |
| ***"Defined benefit" plan***[20] | | |
| Present value of the pension obligations | 9,859 | 10,192 |
| Fair value of the assets | -7,912 | -7,700 |
| **Net present value of the pension obligations** | **1,947** | **2,492** |
| ***"Defined contributions" plan*** | | |
| Present value of the pension obligations | 4,412 | 4,132 |
| Fair value of the assets | -3,719 | -3,304 |
| **Net present value of the pension obligations** | **693** | **828** |
| ***"Cash balance" plan*** | | |
| Present value of the pension obligations | 8,504 | 7,867 |
| Fair value of the assets | -6,746 | -5,200 |
| **Net present value of the pension obligations** | **1,758** | **2,667** |
| **Total of the plans** | | |
| Present value of the pension obligations | 22,775 | 22,191 |
| Fair value of the assets | -18,377 | -16,204 |
| **Net present value of the pension obligations** | **4,398** | **5,987** |
| | | |
| **Fair value of the assets** | | |
| Heritage collective investment fund | 6,746 | 5,200 |
| Assets managed by the insurer | 11,631 | 11,004 |
| **Fair value of the assets** | **18,377** | **16,204** |
| | | |
| **Movements of the liabilities during the year** | | |
| Net liabilities at the beginning of the year | 5,987 | 12,416 |
| Amount recognised in equity | -2,112 | -1,586 |
| Net income or expense recognised in the income statement | 1,715 | -3,729 |
| Contributions paid | -1,192 | -1,114 |
| **Amount recognised at the end of the year** | **4,398** | **5,987** |
| | | |
| **Pension cost recognised in the income statement** | | |
| Current service cost | -1,678 | -1,675 |
| Net interest on pension obligations | -27 | -52 |
| Administration costs | -10 | -9 |
| Reversal of past service costs | 0 | 5,465 |
| Recognised actuarial gains (-) / losses (+) | 0 | 0 |
| **Net expense** | **-1,715** | **3,729** |

Pension expenses are included in the "Other expenses" in the income statement.

(20) These amounts include the obligations and assets relating to the "defined benefit" pension plans for members who have chosen to continue their career in these plans, but also the obligations and historical assets of these same plans for all those who have chosen to move to the "cash balance" plan.



IN THOUSAND EUR

| | 31/12/2021 | 31/12/2020 |
|---|---|---|
| **Main actuarial assumptions at the end of the year** | | |
| ***Discount rate***[21] | | |
| "Defined benefit" plan | | |
| - Old plan | 0.60% | 0.30% |
| - New plan | 1.10% | 0.70% |
| "Defined contributions" plan | | |
| - Old plan | 0.60% | 0.30% |
| - New plan | 0.70% | 0.40% |
| "Cash balance" plan | 1.00% | 0.60% |
| ***Salary increase rate*** | ***4.80%*** | ***4.70%*** |
| ***Inflation rate*** | ***1.80%*** | ***1.70%*** |
| ***Mortality table*** | ***MR-3/FR-3*** | ***MR-3/FR-3*** |
| | | |
| **Change of the present value of pension benefits** | | |
| Present value of benefits at the beginning of the year | 22,191 | 27,390 |
| Service cost (employer) | 1,679 | 1,675 |
| Service cost (employee) | 100 | 99 |
| Interest cost | 101 | 118 |
| Benefits paid during the year | 0 | -125 |
| Taxes on contributions paid | -142 | -134 |
| Actuarial gain (-) / loss (+) for the year[22] | -1,154 | -1,367 |
| Past services cost (+) and reversal (-) | 0 | -5,465 |
| **Present value of promised benefits at the end of the year** | **22,775** | **22,191** |
| | | |
| **Change in fair value of the assets in the plans** | | |
| Fair value of the assets in the plans at the beginning of year | 16,204 | 14,974 |
| Benefits paid during the year | 0 | -125 |
| Contributions received during the year (employer) | 1,191 | 1,115 |
| Contributions received during the year (employee) | 100 | 99 |
| Interest income | 74 | 67 |
| Taxes on contributions paid | -142 | -134 |
| Administration costs | -9 | -9 |
| Return in excess of interest income | 840 | 96 |
| Actuarial gain (+) / loss (-) related to experience adjustments | 119 | 121 |
| **Present value of the assets in the plans at the end of the year** | **18,377** | **16,204** |
| | | |
| **Personnel costs** | **35,745** | **28,903** |
| | | |
| **Average number of employees** | | |
| The average number of employees of the companies included in the consolidation amounts to[23]: | | |
| Employees | 23 | 25 |
| Management staff | 23 | 30 |
| | **46** | **55** |

(21) A sensitivity analysis of + or -0.25% is applied to the discount rates, which would have an impact on the present value of EUR -808 thousand and EUR +764 thousand.
(22) Changes in demographic assumptions (EUR 0 thousand), changes in financial assumptions (EUR 1,001 thousand) and changes in experience assumptions (EUR 153 thousand).
(23) The decrease in the average number of employees is due to the removal of the subsidiary Sofina Asia Private Ltd. from the scope of consolidation.

### 3.7. Non-current financial debts

IN THOUSAND EUR

| | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Bonds issued | 694,512 | 0 |
| **Non-current financial debts** | **694,512** | **0** |

The non-current financial debts result from a bond issuance of an amount of EUR 700,000 thousand, maturing in 2028.

The bonds bear an annual interest rate of 1% payable annually on the maturity date.

### 3.8. Financial debts, trade and other current payables

IN THOUSAND EUR

| | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Bank loans | 0 | 0 |
| Debts to subsidiaries | 943 | 161,585 |
| Trade debts | 602 | 447 |
| Wage and social security debts | 25,033 | 20,213 |
| Current financial debts | 2,112 | 0 |
| Other miscellaneous debts | 223 | 1,002 |
| Dividends relating to previous years | 874 | 875 |
| Miscellaneous taxes | 156 | 603 |
| **Financial debts, trade and other current payables** | **29,943** | **184,725** |

### 3.9. Receivables from and debts to subsidiaries

IN THOUSAND EUR

| | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Receivables from subsidiaries | 796,320 | 774,306 |
| Debts to subsidiaries | -943 | -161,585 |
| **Receivables from and debts to subsidiaries** | **795,377** | **612,721** |

Since 1st January 2021, Sofina SA has updated the method of remuneration of the loans granted to its subsidiaries. It has signed revolving credit facility agreements with several of its subsidiaries. The loans granted by Sofina SA to these subsidiaries bear interest at Euribor +3 months plus a margin. A commitment fee is also charged on the amount not borrowed. In addition to these revolving credit facilities with commitment, Sofina SA has signed other revolving credit facilities agreements, which correspond to all other creditor positions between Sofina and its subsidiaries. These bear interest at Euribor +3 months plus a margin. Since the Euribor +3 months is currently negative, the remuneration corresponds to the applicable margin.

With regard to its debts (deposits made by subsidiaries), Sofina SA remunerates them at a rate derived from the Euribor +1 week rate plus a margin.

The decrease in debts to subsidiaries is mainly due to the fact that some subsidiaries needed liquidity to finance their activities and therefore reduced their deposit with Sofina SA.



### 3.10. Interest income and expenses

IN THOUSAND EUR

| | 2021 | 2020 |
|---|---|---|
| Interest received on non-current assets | 0 | 33 |
| Interest received on receivables from subsidiaries[24] | 5,022 | 5,088 |
| Interest received on current assets[25] | 471 | 1,280 |
| Interest paid on debts to subsidiaries | 0 | 0 |
| Interest accrued to banks | -17 | -156 |
| Interest paid on other debts[26] | -5,612 | 0 |
| **Interest income and expenses** | **-136** | **6,245** |

### 3.11. Net revenue of the investment portfolio

Realised capital gains are mainly due to the sale of shares in Colruyt, Deceuninck, Danone and Rapala. Realised capital losses are due to the sale of Spartoo shares.

Unrealised capital gains mainly come from our subsidiary Sofina Capital and to a lesser extent from other investments active in online education, healthcare, asset management and event industry.

Unrealised capital losses are mainly due to the decrease in the share price of Colruyt and one of our investments active in data management.

IN THOUSAND EUR

| | 2021 | 2020 |
|---|---|---|
| **Investments** | | |
| Results due to sales | 42,443 | 16,706 |
| *Realised capital gains* | *42,705* | *28,747* |
| *Realised capital losses* | *-262* | *-12,041* |
| Results not due to sales | 2,556,914 | 1,336,975 |
| *Unrealised capital gains* | *2,628,265* | *1,654,730* |
| *Unrealised capital losses* | *-71,351* | *-317,755* |
| **Total investments** | **2,599,357** | **1,353,681** |
| | | |
| **Receivables** | | |
| Results due to sales | 0 | 16 |
| *Realised capital gains* | *0* | *16* |
| *Realised capital losses* | *0* | *0* |
| Results not due to sales | 0 | 0 |
| *Unrealised capital gains* | *0* | *0* |
| *Unrealised capital losses* | *0* | *0* |
| **Total receivables** | **0** | **16** |
| | | |
| **Net revenue of the investment portfolio** | **2,599,357** | **1,353,697** |

(24) For details on interest rates, see point 3.9 above.
(25) This mainly concerns interest on arrears on the repayment of withholding taxes unduly levied on French-source dividends.
(26) These are costs related to the bond issuance (EUR 3,500 thousand) and accrued interest related to these bonds (EUR 2,112 thousand).

### 3.12. Other financial results

IN THOUSAND EUR

| | 2021 | 2020 |
|---|---|---|
| Foreign exchange results | 2,641 | 199 |
| Results on other current assets | 8,398 | 1,895 |
| **Other financial results** | **11,039** | **2,094** |

### 3.13. Other expenses

IN THOUSAND EUR

| | 2021 | 2020 |
|---|---|---|
| Other financial expenses | -1,846 | -1,641 |
| Services and other goods | -14,625 | -12,440 |
| Remuneration, social security charges and pensions | -35,745 | -28,903 |
| Miscellaneous | -6,709 | 1,015 |
| **Other expenses** | **-58,925** | **-41,969** |

Services and other goods mainly comprise consultancy services received and remuneration of the Directors.

### 3.14. Taxes

IN THOUSAND EUR

| | 2021 | 2020 |
|---|---|---|
| **Income taxes** | | |
| Current tax expenses (+) / income (-) | -478 | 57 |
| Deferred tax expenses (+) / income (-) | -368 | -162 |
| | **-846** | **-105** |
| | | |
| **Reconciliation between current tax expenses (+) / income (-) and accounting profit** | | |
| *Accounting profit before taxes* | *2,592,585* | *1,378,956* |
| Taxes calculated at 25% | 648,146 | 344,739 |
| Impact of different tax rates used in other countries | 0 | -26 |
| Impact of tax exemption/non-deductibility of capital gains/losses | -642,286 | -336,486 |
| Impact of the exemption of dividends received | -6,713 | -8,503 |
| Impact of tax adjustments relating to prior years | -486 | 2 |
| Other tax adjustments (disallowed expenses, miscellaneous) | 861 | 331 |
| Deferred tax expenses (+) / income (-) | -368 | -162 |
| **Income tax expenses (+) / income (-)** | **-846** | **-105** |
| | | |
| **Taxes on items recognised in equity** | | |
| Deferred tax expenses (+) / income (-) relating to the capital gain on the sale of the “Rue de Naples” building | -80 | -108 |

IN THOUSAND EUR

| DEFERRED TAX ASSETS AND LIABILITIES | ASSETS | | LIABILITIES | |
|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| Deferred tax assets and liabilities concern the following items: | | | | |
| Tangible fixed assets | 0 | 0 | 1,331 | 1,918 |
| Unrealised gains on financial fixed assets | 0 | 0 | 233 | 14 |
| **Deferred tax assets and liabilities from temporary differences** | **0** | **0** | **1,564** | **1,932** |

IN THOUSAND EUR

| | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Definitely taxed income deduction carried forward for which no deferred tax asset is recognised[27] | 18,588 | 12,539 |

IN THOUSAND EUR

| DEFERRED TAX INCOME AND EXPENSES | EXPENSES | | INCOME | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| Deferred tax recognised in the income statement concern the following items: | | | | |
| Tangible fixed assets | 0 | 0 | 587 | 108 |
| Unrealised gains on shares | 219 | 0 | 0 | 54 |
| **Deferred tax income and expenses** | **219** | **0** | **587** | **162** |

IN THOUSAND EUR

| OTHER TAXES | 2021 | 2020 |
|---|---|---|
| Various taxes related to tangible assets | 121 | 119 |
| Non-deductible VAT | 2,014 | 1,659 |
| Annual tax on securities accounts | 958 | 0 |
| Tax on stock exchange transactions | 37 | 136 |
| Other taxes | 12 | 0 |

### 3.15. Public aid

A subsidy of EUR 349,000 was granted in 2005 by the Brussels-Capital Region. This is a regional contribution to the costs of renovation work on the facades of the mansion where Sofina has its headquarters. The amount granted has been accounted for in the balance sheet as deferred income and is being depreciated at the same rate as the building of which the facades form part.

A subsidy of EUR 56,000 was granted in 2013 by the Brussels-Capital Region. This is a regional contribution to the costs of renovation work on the facade of our building on Boulevard d’Anvers. The amount granted has been accounted for the balance sheet as deferred income and is being depreciated at the same rate as the building of which the facades form part.

A subsidy of EUR 60,000 was granted in 2016 by the Brussels-Capital Region. This is a regional contribution to the costs of renovation work on the facades of the mansion where Sofina has its headquarters. The amount granted has been accounted for in the balance sheet as deferred income and is being depreciated at the same rate as the building of which the facades form part.

(27) There is no time limit for the use of these definitely taxed income deductions carried forward.

### 3.16. Off-balance sheet rights and commitments

IN THOUSAND EUR

| | | 31/12/2021 | | 31/12/2020 | |
|---|---|---|---|---|---|
| | | CURRENCY | EUR | CURRENCY | EUR |
| Investment portfolio, uncalled committed amounts[28] | EUR | | 83,143 | | 75,013 |
| | CAD | 329 | 228 | 733 | 469 |
| | USD | 1,014,168 | 895,434 | 1,054,785 | 859,576 |
| | GBP | 8,159 | 9,710 | 3,824 | 4,253 |
| | | | **988,515** | | **939,311** |
| Obtained but unused credit lines | | | 750,000 | | 865,000 |

As a reminder, Sofina has pre-emptive or preferential subscription rights in certain investments of its portfolio (considered in transparency) and these are conditional to an increase in the capital of the portfolio company concerned or to the sale by a shareholder of its shares in the company. The other rights obtained relate essentially to the possibility for Sofina and its investment subsidiaries to follow a shareholder who sells all or part of its investment (tag-along right). The commitments given by Sofina and its investment subsidiaries are related to follow-on obligations (transfer of shares) in the event of the disposal by certain shareholders of their shares (drag-along right). The total fair value of the investments concerned by these commitments amounts to EUR 4,589,397 thousand.

### 3.17. Related party transactions

IN THOUSAND EUR

| | 31/12/2021 | 31/12/2020 |
|---|---|---|
| **Assets and liabilities** | | |
| Long-term receivables from non-consolidated related companies | 0 | 0 |
| Short-term receivables from non-consolidated related companies | 796,320 | 774,306 |
| Payables to non-consolidated related companies | -943 | -161,585 |
| | | |
| **Results from related party transactions** | | |
| Dividends received from non-consolidated related companies | 17,062 | 23,597 |
| Dividends received from associated companies | 0 | 5,288 |
| Interest received from non-consolidated related companies | 5,022 | 5,089 |
| Interest paid to non-consolidated related companies | 0 | 0 |
| Services provided to non-consolidated related companies | 3,971 | 6,131 |
| Services received from non-consolidated related companies | -1,425 | -256 |
| | **24,630** | **39,849** |
| | | |
| Compensation of key executives[29] | | |
| Gross fixed compensation | 2,559 | 2,136 |
| Gross variable compensation | 14,843 | 10,138 |
| Director's fees | 2,117 | 2,046 |
| Group insurance, hospitalisation and healthcare | 603 | 558 |
| Share-based payment expenses | 2,043 | 836 |
| | | |
| Data related to significant off-market transactions between related parties | Nihil | Nihil |

(28) These amounts come mainly from subscriptions to investments of Sofina Private Funds for an amount of EUR 976 million (see point 2.6 of the Notes to the consolidated financial statements). These commitments are subscribed by Sofina SA or by its investment subsidiaries (seen in transparency).
(29) These are members of the Executive Committee (including the CEO) and non-Executive Directors.



The receivables from and debts to non-consolidated related companies consist mainly of loans and deposits between Sofina and its subsidiaries. Their remuneration methods are detailed in point 3.9 above.

The services provided mainly include investment services and investment advisory services relating to investment opportunities and investments held by the service recipient.

The services received consist mainly of cash management services.

Sofina is the guarantor of the commitments of its non-consolidated related companies (i.e. its subsidiaries).

#### Shareholding structure

The latest declaration concerning the shareholding structure of the Union Financière Boël SA, Société de Participations Industrielles SA and Mobilière et Immobilière du Centre SA, the first of them acting as agent for these companies, dates from August 2021 and was made in the context of their concerted action under the law of 1st April 2007 on public takeover bids.

It appears from this declaration that on 24 August 2021 these companies held shares in Sofina SA in the following proportions:

| | NUMBER OF SHARES | % OWNERSHIP |
|---|---|---|
| Union Financière Boël SA | 7,642,729 | 22.31% |
| Société de Participations Industrielles SA | 8,486,320 | 24.78% |
| Mobilière et Immobilière du Centre SA | 2,535,968 | 7.40% |
| *Subtotal* | *18,665,017* | *54.50%* |
| Sofina SA (treasury shares) | 525,476 | 1.53% |
| **Total** | **19,190,493** | **56.03%** |

As at 31 December 2021 Sofina held 642,928 treasury shares representing 1.88% of its share capital.

#### Auditors fee

IN THOUSAND EUR

| | 2021 | 2020 | |
|---|---|---|---|
| | EY | EY | DELOITTE |
| Audit services performed by the Auditors | 81 | 81 | 0 |
| Other audit services performed by the Auditors | 62 | 11 | 20 |
| Other non-audit services performed by the Auditors' network | 96 | 0 | 0 |
| Audit services performed by the Auditors' network | 204 | 239 | 7 |
| Tax advisory services | 0 | 7 | 0 |

### 3.18. Employee stock option plan

Nature and scope of the agreements

The Sofina group offers its executives[30] stock option plans on Sofina shares. These options are exercisable at the earliest on 1st January of the fourth calendar year following the year in which the offer was made, and at the latest until the end of the tenth calendar year following the year in which the offer was made.

The option plans are settled exclusively in existing Sofina shares.

The Company ensures that it holds the necessary number of own shares at all times to cover the various option plans.

| OPTIONS GRANTED | NUMBER | WEIGHTED AVERAGE EXERCISE PRICE (IN EUR) |
|---|---|---|
| *Exercisable as at 01/01/2021* | *117,700* | *101.03* |
| **Outstanding as at 01/01/2021** | **462,950** | **151.79** |
| Granted[31] during the year | 132,550 | 242.57 |
| Exercised during the year | 118,600 | 112.32 |
| Renounced during the year | 0 | 0.00 |
| Expired during the year | 0 | 0.00 |
| **Outstanding as at 31/12/2021** | **476,900** | **186.84** |
| *Exercisable as at 31/12/2021* | *104,100* | *116.72* |

The range of exercise prices of the 476,900 options outstanding at 31 December 2021 is EUR 81.73 to EUR 242.57 (see table below) and the weighted average remaining contractual life is seven years with a range of zero to nine years to exercise the options.

| RANGE OF EXERCISE PRICE OF THE OPTIONS GRANTED | NUMBER | WEIGHTED AVERAGE EXERCISE PRICE (IN EUR) |
|---|---|---|
| 50 EUR to 100 EUR | 20,900 | 81.73 |
| 101 EUR to 150 EUR | 84,200 | 125.61 |
| 151 EUR to 200 EUR | 239,250 | 186.69 |
| 200 EUR to 250 EUR | 132,550 | 242.57 |
| Options outstanding as at 31/12/2021 | 476,900 | |

Calculation of the value

Weighted average price of options granted[31] in 2021: EUR 48.31. The valuation model used is the Black-Scholes model.

The weighted averages of the main parameters used for the calculations are:

| YEAR | UNDERLYING SHARE PRICE (IN EUR) | DIVIDEND YIELD | RISK-FREE INTEREST RATE | EXPECTED VOLATILITY |
|---|---|---|---|---|
| **2021** | 274.50 | 1.10% | -0.57% | 19.53% |

Volatility has been calculated on the basis of historical movements in the Sofina share price.

Effect on the result

The 2021 expense related to the stock option plans amounts to EUR 3,128 thousand (EUR 1,312 thousand in 2020).

### 3.19. Post-closing date events

Events after the end of the financial year are listed in the "Key highlights" section, which forms an integral part of the Management report.

(30) Employees and Chief Executive Officer
(31) Grant date on the last day of the sixty-days acceptance period.



### 3.20. List of subsidiaries and associated companiess

| NAME AND HEADQUARTERS | LINK | CORPORATE RIGHTS HELD NUMBER OF SHARES | CORPORATE RIGHTS HELD % OWNERSHIP AS AT 31/12/2021 | CORPORATE RIGHTS HELD NUMBER OF SHARES | CORPORATE RIGHTS HELD % OWNERSHIP AS AT 31/12/2020 |
|---|---|---|---|---|---|
| **A. SUBSIDIARY PROVIDING SERVICES - FULLY CONSOLIDATED** | | | | | |
| **Sofina Asia Private Ltd.** 108 Amoy Street # 03-01 - SG-069928 Singapore | Direct | 0 | 0 | 10,000 | 100 |
| **B. INVESTMENT SUBSIDIARIES - AT FAIR VALUE** | | | | | |
| **Sofina Ventures SA** 29, rue de l'Industrie - B-1040 Brussels Company number 0423 386 786 | Indirect | 11,709 | 100 | 11,709 | 100 |
| **Sofina Capital SA** 12, rue Léon Laval - LU-3372 Leudelange | Direct | 5,872,576 | 100 | 5,872,576 | 100 |
| **Sofina Partners SA** 12, rue Léon Laval - LU-3372 Leudelange | Indirect | 46,668,777 | 100 | 46,668,777 | 100 |
| **Sofina Private Equity SA SICAR** 12, rue Léon Laval - LU-3372 Leudelange | Indirect | 5,910,000 | 100 | 5,910,000 | 100 |
| **Global Education Holding SA** 12, rue Léon Laval - LU-3372 Leudelange | Indirect | 277,262 | 82.01 | 245,072 | 81.69 |
| **Global Beauty Holding SA** 12, rue Léon Laval - LU-3372 Leudelange | Indirect | 300,000 | 100 | 300,000 | 100 |
| **Sofina US, LLC** 160 Federal Street, 9th floor - MA 02110 Boston - USA | Direct | 802,000 | 100 | 802,000 | 100 |
| **Sofina Asia Private Ltd.** 108 Amoy Street # 03-01 - SG-069928 Singapore | Indirect | 375,000 | 100 | 0 | 0 |
| **C. ASSOCIATED COMPANIES** | | | | | |
| **Sofindev III** 5D, Lambroekstraat - B-1831 Machelen Company number 0885 543 088 | Indirect | 54,790 | 27.40 | 54,790 | 27.40 |
| **Groupe Petit Forestier** 11, route de Tremblay - 93420 Villepinte - France | Direct | 1,244,172 | 43.16 | 1,244,172 | 43.16 |
| **Hillebrand Group** 6, Carl-Zeiss-Straße - 55129 Mainz-Hechtsheim - Germany | Indirect | 998,595 | 20.91 | 998,595 | 20.91 |
| **Biotech Dental** 305, Allées de Craponne - 13300 Salon-de-Provence - France | Direct | 6,154,900 | 24.75 | 6,154,900 | 24.75 |
| **Cambridge Associates** 125 High Street - MA 02110 Boston - USA | Indirect | 24,242 | 22.19 | 24,242 | 22.35 |
| **Drylock Technologies** Spinnerijstraat 12 - B-9240 Zele Company number 0479 766 057 | Direct | 150,000,000 | 25.64 | 150,000,000 | 25.64 |
| **Polygone** 59, Quai Rambaud - 69002 Lyon - France | Direct | 221,076 | 20.96 | 221,076 | 20.96 |
| **Nuxe International** 3, rue du Colonel Moll - 75017 Paris - France | Indirect | 193,261,167 | 49.00 | 193,261,167 | 49.00 |

During the fourth quarter, the subsidiary Sofina Asia Private Ltd. was sold to another subsidiary of the Sofina group. Further to the evolution in its activities, it also became an investment entity in the fourth quarter as it meets the requirements of IFRS 10, §27. As a result, as at 31 December 2021, it is no longer fully consolidated.

Considering Sofina's compliance with the conditions set forth in Article 70 of the Luxembourg law of 19 December 2002, Luxembourg subsidiaries (except Sofina Private Equity SA SICAR) may be exempted from certain provisions relating to the publication of their statutory annual accounts.

**3.21. Summary of significant accounting policies**

The following new standards and interpretations became effective in 2021:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - benchmark Interest Rate Reform - Phase 2;
- Amendment to IFRS 16 - Leases: COVID-19 related rent concessions (applicable for annual periods beginning on or after 1st June 2020); and
- Amendment to IFRS 4 – Insurance contracts: extension of the temporary exemption from applying IFRS 9 to 1st January 2023 (applicable for annual periods beginning on or after 1st January 2021).

The application of these standards and interpretations does however not have any material impact on the financial statements of Sofina.

Sofina has not anticipated the application of the new and amended standards and interpretations not yet applicable for the annual period beginning on or after 1st January 2021:

- IFRS 17 - Insurance contracts (applicable for annual periods beginning on or after 1st January 2023, but not yet adopted at European level);
- Amendments to IAS 1 - Presentation of financial statements: classification of liabilities as current or non-current (applicable for accounting years beginning on or after 1st January 2023, but not yet adopted at the European level);
- Amendments to IAS 16 - Property, plant and equipment: proceeds before intended use (applicable for accounting years beginning on or after 1st January 2022, but not yet adopted at the European level);
- Amendment to IFRS 16 - Leases: COVID-19 related rent concessions beyond 30 June 2021 (applicable for annual periods beginning on or after 1st April 2021);
- Amendments to IAS 37 - Provisions, contingent liabilities and contingent assets: onerous contracts - cost of fulfilling a contract (applicable for accounting years beginning on or after 1st January 2022, but not yet adopted at the European level);
- Amendments to IFRS 3 - Business combinations: reference to the conceptual framework (applicable for accounting years beginning on or after 1st January 2022, but not yet adopted by the European Union);
- Annual improvements 2018-2020 to IFRS (applicable for accounting years beginning on or after 1st January 2022, but not yet adopted at European level);
- Amendments to IAS 1 - Presentation of financial statements and to the statement of Practice in IFRS 2: disclosure of accounting policies (effective for annual periods beginning on or after 1st January 2023, but not yet adopted at the European level);
- Amendments to IAS 8 - accounting policies, changes in accounting estimates and errors: definition of accounting estimates (effective for annual periods beginning on or after 1st January 2023, but not yet adopted at the European level); and
- Amendments to IAS 12 - Income taxes: deferred taxes on assets and liabilities arising from the same transaction (applicable for accounting years beginning on or after 1st January 2023, but not yet adopted at the European level).

The future application of these new standards and interpretations is not expected to have a significant impact on Sofina.

### Basis of evaluation

The IFRS consolidated financial statements are prepared on the basis of fair value through profit and loss except for trade and employee receivables and debts, which are measured at amortised cost.

In order to reflect the significance of the data used in fair value measurements, the group classifies these measurements into a hierarchy consisting of the following levels:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2:** data other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- **Level 3:** data for the asset or liability that are not based on observable market data (unobservable data).

### Consolidation principles

In accordance with its status as an Investment Entity, Sofina does not consolidate its subsidiaries and does not apply IFRS 3 when it acquires control of another entity.

An exception to this treatment is made for subsidiaries that only provide services related to Sofina's investment activities. These subsidiaries are fully consolidated.

Investments in other subsidiaries, which do not exclusively provide services related to Sofina's investment activities, are also measured at fair value through profit and loss in accordance with IFRS 9.

Investments in which Sofina exercises significant influence are also measured at fair value through profit and loss in accordance with IAS 28, §18 and IFRS 9.

The list of subsidiaries and associated companies is presented above under point 3.20. This list does not include companies in which Sofina holds more than 20% of the capital without exercising significant influence, because, for example, it has neither representation mandate at the board of directors nor veto rights (other than the usual protective rights, for reorganisations, capital increases, etc.).

### Transactions in foreign currencies

Transactions in foreign currencies are accounted for at the exchange rate prevailing at the date of the transaction.

The impact of foreign exchange is recognised in the income statement under "Other financial income and expenses".

Monetary assets and liabilities denominated in foreign currencies are translated at closing rates. Exchange differences arising from these transactions, as well as exchange differences arising from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing on the transaction date.

The financial statements of foreign companies included in the consolidation are translated into euro at the closing rate for balance sheet accounts and at the average exchange rate for the year for income statement accounts. The difference resulting from the use of these two different rates is recorded in the consolidated balance sheet under reserves.

Main foreign exchange rates:

| | 31/12/2021 | 31/12/2020 |
|---|---|---|
| **Closing rate** | | |
| USD | 1.1326 | 1.2271 |
| GBP | 0.8403 | 0.899 |
| CHF | 1.0331 | 1.0802 |
| SGD | 1.5279 | 1.6218 |
| CAD | 1.4393 | 1.5633 |

| | 2021 | 2020 |
|---|---|---|
| **Average rate** | | |
| SGD | 1.5860 | 1.5778 |

### (In)tangible fixed assets

(In)tangible fixed assets are recorded on the assets side of the balance sheet at their acquisition or production cost, less accumulated depreciation and any impairment losses. (In)tangible fixed assets are depreciated over their estimated useful life using the straight-line method.

- Buildings: 30 years
- Equipment and furniture: 3 to 10 years
- Rolling stock: 5 years
- Licenses: 5 years

### Investments and receivables

Investments at fair value are recorded at the transaction date and are measured at fair value.

Equity investments at fair value consist of securities that are acquired with the aim of obtaining returns in the form of capital gains and/or investment income. They are measured at fair value at each balance sheet date. Unrealised gains and losses are recognised directly in the income statement. In the event of disposal, the difference between the net sale proceeds and the carrying amount is charged or credited to the income statement.

### Deposits and other current financial assets

Trade receivables are measured at amortised cost. IFRS 9 requires the recognition of credit losses on all debt instruments, loans and trade receivables on the basis of their useful life. This impairment model under IFRS 9 is based on the anticipation of losses and does not have a significant impact on the measurement of impairment of financial assets.

Deposits are designated at fair value through the income statement.

Receivables from subsidiaries are designated at fair value through the income statement.

Cash and cash equivalents comprise cash and term deposits with a maturity of less than three months.

### Treasury shares

Purchases and sales of treasury shares are deducted from and added to equity respectively. Changes during the period are explained in the statement of changes in equity. No result is recorded on these changes.

### Employee benefits

The group's employees benefit from "defined benefit", "defined contribution" and "cash balance" pension plans. These pension plans are financed by contributions from group companies employing staff and by contributions from the staff.

For pension plans, the cost of pension obligations is determined using the "Projected Unit Credit" actuarial method for "defined benefit" plan and "Traditional Unit Credit" method for "defined contribution" and "cash balance" plans in accordance with the principles of IAS 19. A calculation is made of the present value of the promised benefits. This calculated present value is then compared with the existing funding and generates, if necessary, an accounting provision. The costs established by the actuaries are themselves compared with the premiums or contributions paid by the employer to the funding organisation and generate, if necessary, an additional expense in the consolidated income statement.

The amount recognised in the balance sheet corresponds to the present value of the pension obligations less the fair value of pension plan assets, in accordance with the principles of IAS 19. Actuarial differences, differences between the actual return on assets and the normative return on assets, as well as the effect of the asset ceiling (excluding the interest effect) are recognised in full in equity, without subsequent reclassification to the income statement.

Incentive plans granted are accounted for in accordance with IFRS 2. Under this standard, the fair value of the options at the grant date is recognised in the income statement over the vesting period. Options are valued using a generally accepted valuation model based on market conditions prevailing at the time of grant.

### Financial liabilities

Derivative financial instruments are initially recorded at fair value and revalued at each balance sheet date. Changes in fair value are recognised in the income statement.

Trade payables, loans and bank overdrafts are initially measured at fair value less transaction costs directly attributable to their acquisition or issue and subsequently measured at amortised cost.

Debts to subsidiaries are designated at fair value through the income statement.

IFRS 16 - Leases: when a lease is entered into (if it is not a short-term lease or concerns a low-value asset), a liability is recognised for the related commitment, valued at amortised cost, and the related asset is recognised as property, plant and equipment.

### Provisions

A provision is recognised when a legal or constructive obligation exists at the balance sheet date as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, the amount of which can be reliably estimated.

### Taxes

Taxes include income taxes and deferred taxes. Deferred taxes are recognised in the income statement except when they relate to items that have been recognised directly in equity, in which case they are also recognised directly in this item.

Income taxes consist of taxes payable on taxable income for the year, together with any adjustments relating to previous years.

Deferred taxes consist of income taxes payable or recoverable in future years in respect of temporary differences between the carrying amount of assets and liabilities and their tax base and in respect of unused tax loss carry forwards.

Deferred tax is not recognised on temporary differences arising from goodwill that is not deductible for tax purposes, from the initial recognition of assets or liabilities in a transaction that is not a business combination and affects neither accounting nor taxable profit at the time of the transaction, or from investments in subsidiaries, provided it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred taxes on unused tax losses are recognised only to the extent that taxable profits are likely to be realised, thereby enabling the losses to be utilised.

Taxes are calculated at the tax rates that have been enacted.

### Income and expenses

Income and expenses are recognised as follows:

- Dividends and other income are recognised in the income statement at the date of allocation;
- Interest income is recognised when earned;
- Interest expense is recorded as incurred;
- Gains and losses on non-current assets and gains and losses on current assets are recognised at the date of the transaction that generated them;
- Other income and expenses are recognised at the time of the transaction;
- Sofina SA provides investment management services to non-consolidated subsidiaries. Each resulting service obligation is covered by a service contract and the related revenue is recognised as the service obligation is fulfilled (over the term of the contract). Services provided by non-consolidated subsidiaries to Sofina SA are treated in the same way;
- Income and capital gains of non-consolidated foreign investments are recognised net of foreign taxes.

### Significant accounting judgments and sources of uncertainty in accounting estimates

The main accounting estimates relate to the valuation of the investment portfolio: the significant assumptions and judgments are discussed in the notes on the fair value of the portfolio under point 2.4 above.

The significant judgments made by Sofina in determining its status as an Investment Entity relate to the assessment of the existence of a divestment strategy on portfolio investments, as well as the assessment of this divestment strategy on investments held by subsidiaries rather than on direct investments in these subsidiaries.

The current health and economic crisis caused by the Covid-19 pandemic increases the uncertainty of the future performance of the investments of Sofina. These uncertainties in the performance of our investments lead to a higher degree of subjectivity in the determination of the fair values of level 3 in the IFRS 13 hierarchy (see point 2.3 and 3.11 above).





# Independent auditor's report

## INDEPENDENT AUDITOR'S REPORT TO THE GENERAL MEETING OF SOFINA SA FOR THE YEAR ENDED 31 DECEMBER 2021

As required by law and the Company's articles of association, we report to you as statutory auditor of Sofina SA (the "Company") and its subsidiaries (together the "Group"). This report includes our opinion on consolidated statement of financial position as at 31 December 2021, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year ended 31 December 2021 and the disclosures (all elements together the "Consolidated Financial Statements") as well as our report on other legal and regulatory requirements. These two reports are considered one report and are inseparable.

We have been appointed as statutory auditor by the shareholders' meeting of 7 May 2020, in accordance with the proposition by the Board of Directors following recommendation of the Audit Committee. Our mandate expires at the shareholders' meeting that will deliberate on the Consolidated Financial Statements for the year ending 31 December 2022. We performed the audit of the Consolidated Financial Statements of the Group during 2 consecutive years.

**Report on the audit of the Consolidated Financial Statements**

### Unqualified opinion

We have audited the Consolidated Financial Statements of Sofina SA, that comprise of consolidated statement of financial position on 31 December 2021, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement of the year and the disclosures, which show a consolidated balance sheet total of € 12.085.047 thousand and of which the consolidated income statement shows a profit for the year of € 2.593.431 thousand.

In our opinion, the Consolidated Financial Statements give a true and fair view of the consolidated net equity and financial position as at 31 December 2021, and of its consolidated results for the year then ended, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") and with applicable legal and regulatory requirements in Belgium.

### Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the Consolidated Financial Statements" section of our report.

We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect to independence.

We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current reporting period.

These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and consequently we do not provide a separate opinion on these matters.

### Valuation of unlisted investments

#### Description of the key audit matter

As described in note 2.4 (Fair Value of the total investment portfolio in transparency) of the Consolidated Financial Statements, the Group holds, in its portfolios P1 and P3, investments in unlisted companies for a total of EUR 4.848.879 thousand, which represents 40% of the total assets.

These investments are classified as « financial assets » within the definition of IFRS 9 – Financial Instruments, which should be measured at fair value. The Group applies the « International Private Equity and Venture Capital Valuation » (« IPEV ») guidelines in the valuation of these assets.

The determination of the fair value of these unlisted « financial assets », for which limited public data is available, is a key audit matter as it depends on significant estimates and/or judgements from the management, such as the choice of the valuation method used and the underlying assumptions used. This fair value therefore falls under the level 3 of the fair value hierarchy according to IFRS 13 - Fair Value Measurement.

#### Summary of the procedures performed

We have analyzed the valuation process of unlisted « financial assets » as well as the internal controls related hereon, in particular the use of an independent specialist to confirm the fair values estimated internally and management's review controls of these fair values. We have verified the design and the operational effectiveness of these internal controls.

We have tested, on the basis of a sampling, the valuation of these assets focusing on the choice of methods used as well as on the underlying assumptions. In particular, for this sample:

- We have reconciled the data used in the valuation models with relevant and available external sources. These data used, include the transaction multiples used, the published results or information coming directly from the management of the companies in which a participation is held;
- We verified the mathematical accuracy of the valuation models;
- We verified the extent to which consequences of the Covid-19 pandemic have been taken into account in these valuations.

We have verified the retrospective review of the assumptions used in the past valuation exercises to validate their accuracy.

We have verified that the impact of the fair value of the investments on the Consolidated Financial Statements has been appropriately recognised in the income statement.

Lastly, we have verified that the content of the note 2.4 of the Consolidated Financial Statements complied with the requirements of the relevant IFRS standards.

### Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with IFRS and with applicable legal and regulatory requirements in Belgium and for such internal controls relevant to the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern, The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

### Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, and to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

In performing our audit, we comply with the legal, regulatory and normative framework that applies to the audit of the Consolidated Financial Statements in Belgium. However, a statutory audit does not provide assurance about the future viability of the Company and the Group, nor about the efficiency or effectiveness with which the board of directors has taken or will undertake the Company's and the Group's business operations. Our responsibilities with regards to the going concern assumption used by the board of directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also perform the following tasks:

- identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements resulting from fraud is higher than when such misstatements result from errors, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going-concern;
- evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and evaluating whether the Consolidated Financial Statements reflect a true and fair view of the underlying transactions and events.

We communicate with the Audit Committee within the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

We provide the Audit Committee within the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee within the Board of Directors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our report, unless the law or regulations prohibit this.

## Report on other legal and regulatory requirements

### Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and the content of the Board of Directors' report on the Consolidated Financial Statements, and other information included in the annual report.

### Responsibilities of the auditor

In the context of our mandate and in accordance with the additional standard to the ISAs applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Directors' report on the Consolidated Financial Statements, and other information included in the annual report, as well as to report on these matters.

### Aspects relating to Board of Directors' report and other information included in the annual report

In our opinion, after carrying out specific procedures on the Board of Directors' report, the Board of Directors' report is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 3:32 of the Code of companies and associations.

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Directors' report and other information included in the annual report, being the key figures (on page 6 of the annual report), contain any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, there are no material inconsistencies to be reported.

### Independence matters

Our audit firm and our network have not performed any services that are not compatible with the audit of the Consolidated Financial Statements and have remained independent of the Company during the course of our mandate.

The fees related to additional services which are compatible with the audit of the Consolidated Financial Statements as referred to in article 3:65 of the Code of companies and associations were duly itemized and valued in the notes to the Consolidated Financial Statements.

### European single electronic format ("ESEF")

In accordance with the standard on the audit of the conformity of the financial statements with the European single electronic format (hereinafter "ESEF"), we have carried out the audit of the compliance of the ESEF format with the regulatory technical standards set by the European Delegated Regulation No 2019/815 of 17 December 2018 (hereinafter: "Delegated Regulation").

The board of directors is responsible for the preparation, in accordance with the ESEF requirements, of the consolidated financial statements in the form of an electronic file in ESEF format in the official French language (hereinafter 'the digital consolidated financial statements') included in the annual financial report available on the portal of the FSMA (https://www.fsma.be/en/data-portal) in the official French language.

It is our responsibility to obtain sufficient and appropriate supporting evidence to conclude that the format and markup language of the digital consolidated financial statements comply in all material respects with the ESEF requirements under the Delegated Regulation.

Based on the work performed by us, we conclude that the format and tagging of information in the digital consolidated financial statements included in the annual financial report available on the portal of the FSMA (https://www.fsma.be/en/data-portal) in the official French language of Sofina SA per 31 December 2021 are, in all material respects, in accordance with the ESEF requirements under the Delegated Regulation.

### Other communications

This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Brussels, 24 March 2022

EY Réviseurs d'Entreprises SRL

Statutory auditor

Represented by Jean-François Hubin [1]
Partner

(1) Acting on behalf of an SRL.
22JFH0106

# Financial statements of Sofina SA on a stand-alone basis and appropriation of result

In accordance with Article 3:17 of the Companies and Associations Code, the accounts presented below are an abridged version of the annual accounts. The full version, including the balance sheet, will be filed with the National Bank of Belgium and is also available at the Company's registered office and on its website. The auditor's opinion on the financial statements is unqualified.

## ACCOUNTS AS AT 31 DECEMBER 2021 (AFTER APPROPRIATION OF RESULT)

IN MILLION EUR

| ASSETS | 2021 | | 2020 | |
|---|---|---|---|---|
| **Fixed assets** | | **1,869** | | **1,853** |
| Tangible fixed assets | | 10 | | 10 |
| Financial fixed assets | | 1,859 | | 1,843 |
| Related companies | 490 | | 488 | |
| Other companies linked with participating interest | 631 | | 610 | |
| Other financial fixed assets | 738 | | 745 | |
| **Current assets** | | **1,824** | | **1,306** |
| Amounts receivable within one year | | 801 | | 780 |
| Cash investments | | 931 | | 308 |
| Cash and cash equivalents | | 91 | | 217 |
| Deferred charges and accrued income | | 1 | | 1 |
| TOTAL ASSETS | | 3,693 | | 3,159 |

IN MILLION EUR

| LIABILITIES | 2021 | 2020 |
|---|---|---|
| **Shareholders' equity** | **2,849** | **2,858** |
| Share capital | 80 | 80 |
| Share premium | 4 | 4 |
| Reserves | 1,736 | 1,612 |
| Retained earnings | 1,029 | 1,162 |
| **Provisions and deferred taxes** | **6** | **8** |
| **Debts** | **838** | **293** |
| Amounts payable after one year | 695 | 0 |
| Amounts payable within one year | 141 | 293 |
| Accrued charges and deferred income | 2 | 0 |
| TOTAL LIABILITIES | 3,693 | 3,159 |

## INCOME STATEMENT

IN MILLION EUR

| | 2021 | 2021 | 2020 | 2020 |
|---|---|---|---|---|
| **Sales and services** | | **11** | | **7** |
| Turnover | | 3 | | 3 |
| Other operating income | | 6 | | 3 |
| Non-recurring operating income | | 2 | | 1 |
| | | | | |
| **Cost of sales and services** | | **54** | | **34** |
| Services and other goods | | 14 | | 11 |
| Remuneration, social security and pensions | | 36 | | 26 |
| Provisions for liabilities and charges | | -1 | | -6 |
| Other operating charges | | 5 | | 3 |
| | | | | |
| **Operating profit (+) / loss (-)** | | **-42** | | **-27** |
| | | | | |
| **Financial income** | | **185** | | **272** |
| Recurring financial income | | 54 | | 59 |
| Income from financial assets | 36 | | 52 | |
| Income from current assets | 5 | | 6 | |
| Other financial income | 13 | | 1 | |
| Non-recurring financial income | | 131 | | 213 |
| | | | | |
| **Financial charges** | | **44** | | **107** |
| Recurring financial charges | | 11 | | 1 |
| Debt charges | 6 | | 0 | |
| Other financial charges | 5 | | 1 | |
| Non-recurring financial charges | | 33 | | 106 |
| | | | | |
| **Profit of the year before taxes** | | **99** | | **138** |
| | | | | |
| **Taxes** | | **1** | | **0** |
| | | | | |
| **Profit of the year** | | **100** | | **138** |
| | | | | |
| **Transfers from (+) / Transfers to (-) untaxed reserves** | | **18** | | **0** |
| | | | | |
| **Profit of the year available for appropriation** | | **118** | | **138** |

## PROFIT APPROPRIATION

IN MILLION EUR

| | 2021 | 2021 | 2020 | 2020 |
|---|---|---|---|---|
| **Profit to be appropriated** | | **1,280** | | **1,380** |
| Profit of the year to be appropriated | 118 | | 138 | |
| Profit from the preceding period brought forward | 1,162 | | 1,242 | |
| **Transfers from shareholders' equity** | | | | |
| From reserves | | | | |
| | | | | |
| **Appropriation to shareholders' equity** | | **142** | | **113** |
| To other reserves | 142 | | 113 | |
| | | | | |
| **Result to be brought forward** | | **1,029** | | **1,162** |
| Profit to be brought forward | 1,029 | | 1,162 | |
| | | | | |
| **Profit to be distributed** | | **109** | | **105** |
| Return on capital | 107 | | 103 | |
| Directors | 2 | | 2 | |

## PROFIT APPROPRIATION

It is proposed to the Annual Shareholders Meeting of Sofina SA which will be held on 5 May 2022 to proceed with the appropriation of the result of EUR 1,279,824 thousand as follows:

| | IN THOUSAND EUR |
|---|---|
| Net dividend of EUR 2.19 | 75,008 |
| Withholding tax on the dividend | 32,146 |
| Directors | 2,250 |
| Available reserves | 141,647 |
| Retained earnings | 1,028,773 |
| | **1,279,824** |

The appropriation of the profit includes the distribution to 34,250,000 shares of a net dividend of EUR 2.19 per share, an increase of EUR 0.08 EUR compared with the preceding year.

The total gross dividend amounts to EUR 107,154 thousand, including a withholding tax of EUR 32,146 thousand.

If this proposal is approved, a dividend of EUR 2.19 net of withholding tax [1] will be paid to each share as from 17 May 2022 ("ex-date": 13 May 2022 and "record date": 16 May 2022) upon detachment of coupon nr. 24.

Payments will be made in Belgium by Euroclear Belgium.

(1) The beneficiaries referred to in Art. 264, para. 1, 1° and 264/1 of the I.T.C. 92, as well as foreign pension funds and approved pension savings funds and holders of a qualifying individual savings account referred to in Art. 106, para. 2, Art. 115, para. 1 and para. 2, Art. 117, para. 2 of the R.D./I.T.C. 92 and Art. 266, para. 4 of the C.I.R. 92 may receive the gross amount of coupon nr. 24, i.e. EUR 3.128571, provided that they submit the required certificates no later than 26 May 2022. Beneficiaries of double tax treaties may benefit from a withholding tax reduction under the conditions set in said treaties.

# Glossary

- **ANAVPS:** A concept used in the calculation of the LTIP performance test. This is the adjusted NAVPS. The ANAVPS at the beginning of each year of the cohort (four-year reference period) is based on Sofina's audited NAVPS as at 31 December of the previous year, minus an amount equal to twice the gross dividend distributed in the year in question. The ANAVPS at the end of each year of the cohort must be based on the audited NAVPS as at 31 December of that year, reduced by an amount equal to twice the dividend distributed in that year, multiplied by a rate equal to a maximum of (x) 0% and (y) the 12-month Euribor rate as published on 31 December of the previous year.
- **Average annual return:** Average annual growth rate calculated on the basis of the change in equity per share (NAVPS) during the reporting period ending on 31 December 2020, taking into account the gross dividend(s) per share of Sofina. It is expressed on an annualised basis. As an example, the average annual return (or TSR) over one year is calculated as follows and is based on the "XIRR" formula in Excel.

| YEAR | NAVPS (T-1) | GROSS DIVIDEND PAID (IN EUR) | NAVPS (T) | PERFORMANCE (IN%) |
|---|---|---|---|---|
| 2021 | 264.59 | 3.01 | 337.86 | 29.03% |

It should be noted that the comparison of Sofina's TSR to a benchmark index is made on the basis of identical periods.

Since 2016, the Company measures its performance over the long term by comparing the evolution of its equity per share to a benchmark, the MSCI ACWI Net Total Return EUR Index. Sofina's NAVPS is used instead of its share price in order to better reflect management performance and to better align with LTIP concepts.

- **Company:** Sofina SA.
- **Equity:** Equity or Net Asset Value (as defined below).
- **ESG:** Refers to Environmental, Social and Governance factors, as set out in Sofina's Responsible Investment Policy Responsible Investment Policy of Sofina.
- **Euro Stoxx 50 Net Return Index EUR ("EUR Stoxx 50"):** Ticker used by Bloomberg (SX5T Index). This index is also presented because of its wide use in the financial markets.
- **General Partners:** Specialised teams managing investment funds in unlisted companies, focusing on venture and growth capital funds.
- **Gross cash:** Net cash plus financial debts.
- **Investment Entity:** Status adopted by Sofina SA since 1st January 2018 in application of IFRS 10, §27, which provides that a company, as long as it meets the definition of an Investment Entity, does not consolidate its subsidiaries (except for subsidiaries exclusively providing services related to investment activities). Direct subsidiaries are recorded at fair value in the consolidated financial statements, including the fair value of their equity investments and other assets and liabilities (mainly intra-group debts and receivables).

The direct subsidiaries of Sofina SA are stated at fair value through profit and loss in accordance with IFRS 9.

As required by IFRS 10, §B101, Sofina applied this accounting treatment as of 1st January 2018, when it met all the criteria of an Investment Entity.

Indeed, Sofina has determined that it is an Investment Entity within the meaning of IFRS 10 because it meets the three criteria set by the standard. In fact, Sofina:

- uses the funds of its investors (who are shareholders of the listed company) to provide them with investment management services;
- makes investments with the aim of obtaining returns in the form of capital gains and/or investment income;
- monitors the performance of its investments by measuring them at fair value.

In addition, Sofina has all the typical characteristics of an Investment Entity as defined by IFRS 10:

- it has more than one investment;
- it has more than one investor;
- it has investors who are not related parties;
- it has ownership rights in the form of equity securities or similar interests.

As mentioned above, Sofina SA does not consolidate its subsidiaries (IFRS 10, §27). An exception to this treatment exists for a subsidiary providing services related to Sofina's investment activities.

- **Loan to value (%):** Ratio between (i) Net debt (or if negative, corresponds to Net cash) and (ii) the total value of the portfolio under transparency.
- **LTIP:** Long-term incentive plan organised within Sofina.
- **Management Group:** Members of the Investment, Tax & Legal, Corporate Services and Human Resources teams, who qualify as executives within the Sofina Group.
- **MSCI ACWI Net Total Return EUR Index ("MSCI ACWI"):** Ticker used by Bloomberg (NDEEWNR Index). This index is the benchmark used by Sofina.

This benchmark is considered the most appropriate because of (i) Sofina's global investment strategy (which called for a reference to a World Index ("WI") for developed markets) and (ii) the Sofina group's investments in Asia and the rest of the world (which justified the choice of the All Countries ("AC") index for emerging markets). The Company's essentially European shareholder base and its listing on Euronext Brussels finally guided the choice of the euro-denominated index.

- **Net Asset Value ("NAV"):** Net assets or equity. NAV per share ("NAVPS") corresponds to the net assets per share or equity per share (calculations based on the number of shares outstanding at the end of the financial year).

As a reminder, since 1st January 2018, Sofina has adopted the status of Investment Entity according to IFRS 10. Since then, its equity, or NAV in the context of this Annual Report, corresponds to the fair value of its investments as well as of its direct subsidiaries and their investments and other assets and liabilities.

- **Net cash (or Net debt if negative):** Sum of "Cash and cash equivalents", "Deposits" and "Cash investments", less "Financial debts" of current and non-current liabilities. "Receivables from subsidiaries" and "Debts to subsidiaries" are not included in Net cash. The term is used in the key management information (see point 2.1. of the Notes to the consolidated financial statements).
- **Other assets and liabilities:** Sum of "Deferred taxes" (on the asset side), "Other current financial assets", "Receivables from subsidiaries", "Other current debtors" and "Taxes" (on the asset side), less "Non-current provisions", "Other current liabilities" and "Other current assets" "Non-current provisions", "Non-current financial liabilities", "Deferred taxes" (on the liabilities side), "Amounts owed to subsidiaries", "Current trade and other payables" and "Taxes" (on the liabilities side). These are not shown as separate lines in the internal information used for the management of the group and have therefore been grouped together to reflect this information (see point 2.1. of the Notes to the consolidated financial statements).
- **Portfolio in transparency:** Sofina SA manages its portfolio on the basis of total investments held either directly or through investment subsidiaries. In preparing the financial statements as an Investment Entity, the fair value of direct investments (in investments or in investment subsidiaries) is capitalised. In contrast, segment management information (based on internal reporting) is prepared on the entire portfolio in transparency (i.e. on all portfolio investments held by Sofina SA directly or indirectly through its investment subsidiaries), and thus on the basis of the total fair value of each investment ultimately held (directly or indirectly through these subsidiaries). The presentation of dividends or cash follows the same logic.
- **PSU:** Performance Share Units offered to beneficiaries under the LTIP.
- **Total Shareholder Return ("TSR"):** Average annual return (as defined above).
- **UNPRI:** Principles for Responsible Investment developed by the United Nations (www.unpri.org)