

The background of the entire page is a close-up photograph of a wood grain. The grain is composed of numerous concentric, wavy rings that create a hypnotic, tunnel-like effect. The colors range from deep, dark blues and purples to lighter, warm browns and tans, with the most intense colors concentrated in the center of the concentric rings.

# ANNUAL REPORT 2023

SOFINA

Purpose & Patience



Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

Glossary

Responsible person

# Contents

<b>Our mission</b>	<b>3</b>	<b>Year in review <sup>1</sup></b>	<b>26</b>	<b>Corporate governance <sup>1</sup></b>	<b>65</b>
<b>Message to shareholders</b>	<b>4</b>	Financial indicators .....	27	Corporate governance statement .....	66
<b>Sofina at a glance</b>	<b>6</b>	Portfolio indicators .....	29	Risk matrix .....	75
Highlights .....	7	Sustainability .....	38	Remuneration report .....	78
Who we are .....	8	Post-closing events .....	39	<b>Accounts and notes</b>	<b>86</b>
Purpose & Patience make us unique .....	9	<b>Investments overview</b>	<b>40</b>	Consolidated financial statements .....	87
Shared vision and values .....	10	Sofina Direct .....	41	Notes to the consolidated financial statements .....	91
Our leadership .....	11	Sofina Private Funds .....	54	Independent auditor's report .....	125
Our stakeholders .....	16	<b>Societal commitment</b>	<b>56</b>	Statutory financial statements .....	129
<b>Strategy</b>	<b>17</b>	ESG <sup>1</sup> .....	57	<b>Glossary</b>	<b>132</b>
Diversified .....	18	Our team in the community .....	62	<b>Responsible person <sup>1</sup></b>	<b>134</b>
Value creation model .....	20				
Sofina Direct and Sofina Private Funds .....	21				
Sustainability .....	23				

<sup>1</sup> Sections of the Management report.



## Our mission

[Message to shareholders](#)[Sofina at a glance](#)[Strategy](#)[Year in review](#)[Investments overview](#)[Societal commitment](#)[Corporate governance](#)[Accounts and notes](#)[Glossary](#)[Responsible person](#)

# Our mission

**We aspire to partner with leading entrepreneurs and families, backing them with patient capital and supportive advice to foster sustainable growth of their businesses.**



[Our mission](#)[Message to shareholders](#)[Sofina at a glance](#)[Strategy](#)[Year in review](#)[Investments overview](#)[Societal commitment](#)[Corporate governance](#)[Accounts and notes](#)[Glossary](#)[Responsible person](#)

# Message to shareholders



Dominique Lancksweert, Chairman  
Harold Boël, Chief Executive Officer

Dear shareholders,

2023 was a year when stability - or at least the certainty of uncertainty - returned. In this environment, our Net Asset Value (NAV), the true measure of our performance, was stable at EUR 9 billion, despite a volatile global economy. This is a clear demonstration of the resilience of our model. The alignment between a supportive and entrepreneurial family shareholder, other investors, our team, the founders, entrepreneurs and funds' managers at the centre of our operating model, combined with our focus sectors that benefit from tailwinds, allows value creation through cycles, which is our core objective.

In many ways, the past 10 years, with negative interest rates and low inflation, helped us build a solid platform, and the new normal should actually enable a company like ours to perform even better. We continue to believe our scaled diversification across company vintages, sectors and investment styles provides access to opportunities that are not readily available to our shareholders, providing solid, sometimes outsized, returns over time, whilst protecting from potential downside from single events.

We remain focused on our central value proposition. We look for the best companies to invest in, then help them grow. When opportune, we crystallise value to generate liquidity to fund the next investment and repeat the cycle of capital allocation and rotation in "the Sofina way", i.e. with Purpose & Patience.

**WE SEE AN  
ENCOURAGING  
INVESTMENT  
ENVIRONMENT. OUR  
CORE THEMES AND  
OUR DIVERSIFICATION  
ACROSS REGIONS AND  
SECTORS ARE MORE  
RELEVANT THAN EVER.**

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

Glossary

Responsible person

This was evident in our 2023 activity. The year still presented challenges for investors, with many assets sensitive to interest rates, but the more normalised valuation environment created promising opportunities for investing if the business model was smart and the strategy solid. We believe this environment plays to our strengths as a long-term investor with experience to help achieve profitable growth.

In 2023, we remained selective with opportunities. We were focused on our existing portfolio, supporting companies with both advice and resources where needed, as the operating performance of our portfolio is the key driver for our NAV. We were also on the lookout for the right new businesses, with valuations that reflect the current investment climate, and additive to our portfolio from thematic and sustainability standpoints.

A good example is our investment in EG A/S, a market-leading supplier of industry-specific software based in Denmark. It is our largest software investment so far, and our first big commitment in the Nordics.

Two other investments are worth highlighting, as they fit a new theme being explored by our investment team: Sustainable supply chains. We decided to dedicate attention and resources to companies whose activities directly contribute to improving the economy's environmental footprint. This is also an example of our ability as an organisation to seize opportunities and refresh our operating model. The first investment is in Biobest, a global leader in biological crop protection

and nutrition. That has a positive impact on biodiversity, CO<sub>2</sub> emissions and human health in the agri value chain. The second investment is GEO, Green E Origin, which focuses on manufacturing electrolyte and upstream raw materials going into lithium-ion batteries, core components of electric vehicles. The company aims at supporting the electrification of mobility in Europe, a key driver in the energy transition.

The volatile environment also means that we must be agile and focused to monetise some of our investments. We now fully exited Colruyt, a company we first invested in in 1976. We took advantage of the successful IPO of Honasa, a digital-first house of brands focused on beauty and personal care in India, mostly known for personal care online retailer Mamaearth, to sell part of our stake. We realised excellent returns, while continuing to be exposed to a top-quality asset.

We see the same core drivers going into 2024 and we look at the years ahead with confidence. We see an encouraging investment environment, and our core themes and diversification across regions and sectors are more relevant than ever. We have strength in our portfolio, liquidity to allow for flexibility and a strong, global team. Our ongoing and increased focus on sustainability is also a driver of value creation.

Our organisation has recently evolved. The leadership team's responsibilities have been redesigned around investments, portfolio and operations. This doesn't represent a change in strategy but is a move to continue

to develop our talent pool and create a stimulating work environment, to enhance execution capabilities for the next wave of growth and be more flexible and creative in our mandate to unlock and crystallise value.

The steadfast guidance of our board, the diverse views of its members and their experience have been invaluable for our executive team. The same applies to our reference shareholder, investors and stakeholders, whose constructive support allows us to pursue the opportunities we believe in and achieve long-term progress for the benefit of all.

Thank you,

Dominique Lancksweert,  
Chairman



**A NEW THEME  
EXPLORED BY OUR  
INVESTMENT TEAM IS  
SUSTAINABLE SUPPLY  
CHAINS. WE DECIDED TO  
DEDICATE ATTENTION  
AND RESOURCES  
TO COMPANIES  
WHOSE ACTIVITIES  
DIRECTLY CONTRIBUTE  
TO IMPROVING  
THE ECONOMY'S  
ENVIRONMENTAL  
FOOTPRINT. THIS IS  
ALSO AN EXAMPLE OF  
OUR ABILITY AS AN  
ORGANISATION TO  
SEIZE OPPORTUNITIES.**



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**Our mission**

---

**Message to shareholders**

---

**Sofina at a glance**

- Highlights
- Who we are
- Purpose & Patience make us unique
- Shared vision and values
- Our leadership
- Our stakeholders

---

**Strategy**

---

**Year in review**

---

**Investments overview**

---

**Societal commitment**

---

**Corporate governance**

---

**Accounts and notes**

---

**Glossary**

---

**Responsible person**

# Sofina at a glance

**Founded 125 years ago, Sofina is a family-run, global investment company, listed on Euronext Brussels. We back innovative entrepreneurs with patient growth capital and advice to build tomorrow's winners, with sustainability at their core.**



Our mission

Message to shareholders

Sofina at a glance

- Highlights
- Who we are
- Purpose & Patience make us unique
- Shared vision and values
- Our leadership
- Our stakeholders

Strategy

Year in review

Investments overview

Societal commitment

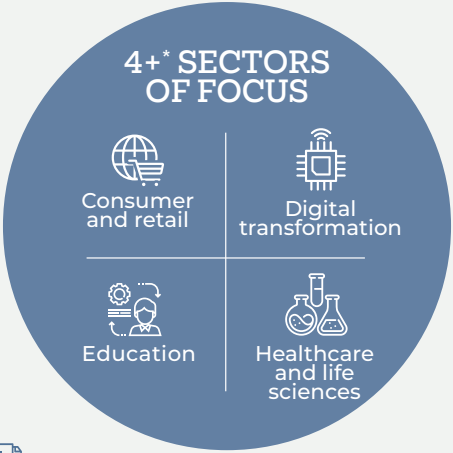
Corporate governance

Accounts and notes

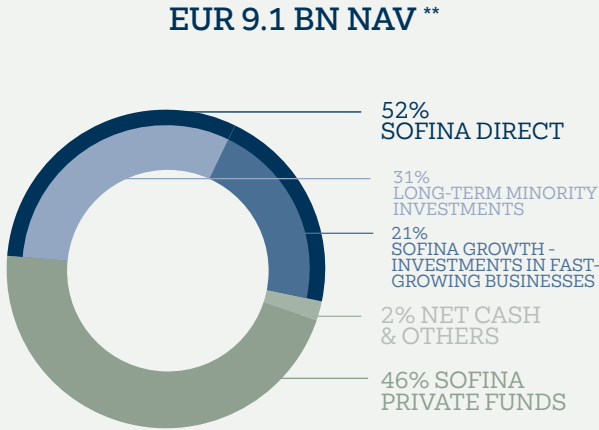
Glossary

Responsible person

# HIGHLIGHTS



\* Recent focus on Sustainable supply chains



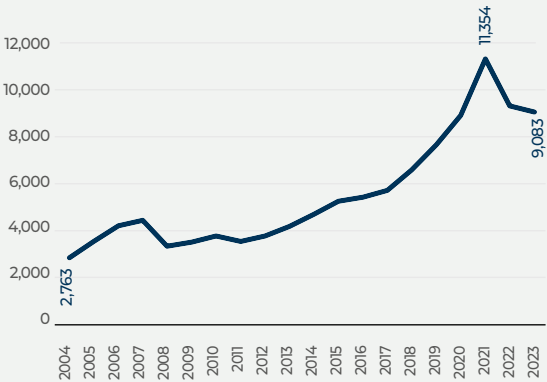
\*\* Split reported is a percentage of our Net Asset Value, based on the portfolio in transparency.



STRIVING TO BUILD A PORTFOLIO OF GROWING AND SUSTAINABLE BUSINESSES THAT HAVE A POSITIVE SOCIETAL AND ENVIRONMENTAL IMPACT



NAV EVOLUTION OVER 20 YEARS



Our mission

Message to shareholders

Sofina at a glance

- Highlights
- Who we are
- Purpose & Patience make us unique
- Shared vision and values
- Our leadership
- Our stakeholders

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

Glossary

Responsible person

WHO WE ARE

**Our goal is to create sustainable economic value by supporting owner-led and innovative growing businesses**

We believe the entrepreneurial spirit that characterises owners of many family businesses and growing companies is a source of economic and social progress. We intend to support these entrepreneurs and innovators in their quest for outstanding governance, sustainable growth and inclusive development.

**Our heritage and culture make us unique**

Relationships and alignment are at the heart of what we do. Our investments are stories of shared values, friendships, ambitious projects and healthy incentives gathering partners, entrepreneurs and their teams. By being faithful to our human-centric approach, we aspire to be the preferred investment partner of all like-minded stakeholders.

**We believe successful entrepreneurs need long-term, knowledgeable and well-connected partners to be competitive and responsible in a globalised market**

We provide patient capital, global networks and strong expertise and advice to support growing entrepreneurial and innovative companies as a reliable long-term partner. Few other equity providers can match our depth of connections and experience.



Our mission

Message to shareholders

Sofina at a glance

- Highlights
- Who we are
- Purpose & Patience make us unique
- Shared vision and values
- Our leadership
- Our stakeholders

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

Glossary

Responsible person

# PURPOSE & PATIENCE MAKE US UNIQUE

Reliable

We are a  
**family-run**  
investment company  
with +125 years history

We offer  
**patient capital,**  
making us a reliable partner through  
economic cycles

We are  
**diversified**  
across sectors, geographies and  
investment styles

We are  
**purpose-driven,**  
helping companies build sustainable businesses  
and embedding ESG in operations and investment  
decisions

We believe in  
**teamwork,**  
bringing together diverse talents with  
shared values and sector expertise

Dynamic

We are a  
**growth investor,**  
exploring all stages of a company's lifecycle  
to foster further growth

We pursue  
**active ownership,**  
offering supportive advice for  
portfolio companies

We look for  
**value creation,**  
delivering competitive  
long-term return

We offer shareholders  
**exposure**  
to top-tier private businesses

We are  
**agile**  
through our fast decision-making process



## Our mission

## Message to shareholders

## Sofina at a glance

- Highlights
- Who we are
- Purpose & Patience make us unique
- Shared vision and values
- Our leadership
- Our stakeholders

## Strategy

## Year in review

## Investments overview

## Societal commitment

## Corporate governance

## Accounts and notes

## Glossary

## Responsible person

# SHARED VISION AND VALUES

## Sofina's beliefs ...

### GROWTH AND INNOVATION

Belief that innovation drives economic and societal progress

### PURPOSE & PATIENCE

Belief that the full benefits of growth and innovation are achieved with a long-term investment horizon

### HOLISTIC VALUE CREATION

Belief that a business' long-term financial success is also tied to the societal value it creates

## ... aligned with its stakeholders

### SHAREHOLDERS

Our reference shareholder is a family with a multi-generational mindset and an entrepreneurial background

### TEAM

Purpose-driven "One team" incentivised on a common performance pool driving durable alignment

### INVESTMENT PARTNERS

Nurturing reliable relationships across cycles with trusted partners sharing similar beliefs

### PORTFOLIO COMPANIES

Supporting management and owners, who focus on the long-term endurance and sustainability of their businesses, in times good and bad



Our mission

Message to shareholders

Sofina at a glance

- Highlights
- Who we are
- Purpose & Patience make us unique
- Shared vision and values
- Our leadership
- Our stakeholders

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

Glossary

Responsible person

OUR LEADERSHIP<sup>1</sup>

A diverse, international, experienced board and leadership team safeguards our mission and culture, and guides our strategy and successful execution.

Board members



**DOMINIQUE LANCKSWEERT**

**Chair of the Board**

**Committees:** Nomination Committee

**Belgian**, born in 1956

**First appointed:** September 1997

**Expiry of current mandate:** Annual General Meeting of 2026

**Education & experience:**

- Senior advisor at Morgan Stanley-Institutional Securities Group and chair of the Fondation Saint-Luc
- Formerly vice-chair and managing director at Morgan Stanley-Institutional Securities Group
- Previous positions at First Chicago and Schroders
- Graduated from the University of Dallas (MBA Finance and Management)



**CHARLOTTE STRÖMBERG \***

**Vice-Chair of the Board**

**Committees:** Audit Committee and ESG Committee

**Swedish**, born in 1959

**First appointed:** May 2017

**Expiry of current mandate:** Annual General Meeting of 2024

**Education & experience:**

- Member of the board of Kinnevik AB, Clas Ohlson AB, Lindengruppen AB and Höganäs AB
- CEO of Accretiv AB and founding partner of DHS Ventures
- Member of the Swedish Securities Council and the Nasdaq Stockholm Listing Committee
- Formerly CEO of Jones Lang LaSalle (Nordic section)
- Graduated from the Stockholm School of Economics (MBA)



**HAROLD BOËL**

**Chief Executive Officer**

**Committees :** ESG Committee

**Belgian**, born in 1964

**First appointed:** May 2004

**Expiry of current mandate:** Annual General Meeting of 2025

**Education & experience:**

- Member of the board of bioMérieux, Mérieux NutriSciences, Cognita, Domanoy and Société de Participations Industrielles
- Previous positions at Usines Gustave Boël and at Corus
- Graduated from Brown University (Chemistry) and the École Polytechnique de Lausanne (Sciences Mat.)
- Certificate from the INSEAD (IDP-C<sup>2</sup>) and Executive Programme in Management and Philosophies from the Université libre de Bruxelles (Solvay)



**NICOLAS BOËL**

**Member of the Board**

**Committees:** ESG Committee and Nomination Committee

**Belgian**, born in 1962

**First appointed:** August 2007

**Expiry of current mandate:** Annual General Meeting of 2024

**Education & experience:**

- Chair of Samic, managing director at BMF Participation, member of the board of Domanoy, Fondation Saint-Luc, Cliniques Saint-Luc, Fondation Francqui, the International Solvay Institutes and the Cercle royal des Amis de Mariemont
- Previous positions at Solvay (Chair) and at Corus, Hoogovens and Usines Gustave Boël
- Graduated from the Université catholique de Louvain and the College of William and Mary, Virginia (MBA)



**LAURA CIOLI \***

**Member of the Board**

**Committees:** ESG Committee, Nomination Committee and Remuneration Committee

**Italian**, born in 1963

**First appointed:** May 2018

**Expiry of current mandate:** Annual General Meeting of 2024

**Education & experience:**

- Member of the board of Mediobanca
- CEO of Sirti S.p.A.
- Previous management positions at GEDI Gruppo Editoriale, Pirelli, RCS MediaGroup, CartaSi (Nexi), Sky Italia, ENI Gas & Power, Vodafone Italia and Bain & Company
- Graduated from the University of Bocconi, Milan (MBA) and the University of Bologna (Engineering)

\* Independent Director.

<sup>1</sup> For more information on our leadership, see the [Corporate governance](#) section of this Annual report.

<sup>2</sup> International Directors Programme - Certificate in Corporate Governance.



Our mission

Message to shareholders

Sofina at a glance

- Highlights
- Who we are
- Purpose & Patience make us unique
- Shared vision and values
- Our leadership
- Our stakeholders

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

Glossary

Responsible person



LAURENT DE MEEÛS  
D'ARGENTEUIL

Member of the Board

**Committees:** Remuneration Committee

**Belgian**, born in 1964

**First appointed:** May 2015

**Expiry of current mandate:** Annual General Meeting of 2024

**Education & experience:**

- Member of the board of Union Financière Boël, Franquénies and Pinnacle Pet Group
- Previous management positions at Egon Zehnder International, Booz-Allen & Hamilton, McKinsey & Company, Coopers & Lybrand and Société Générale de Belgique
- Graduated from the Université catholique de Louvain and the University of Chicago (MBA)



FELIX GOBLET D'ALVIELLA

Member of the Board

**Committees:** Audit Committee

**Belgian**, born in 1978

**First appointed:** May 2023

**Expiry of current mandate:** Annual General Meeting of 2026

**Education & experience:**

- Business development coordinator – asset management at Kois Invest
- Previously held multiple positions at GL events, private equity analyst at N+1 MERCAPITAL and economic journalist with AFA Press
- Graduated from the Université libre de Bruxelles (Business economics), the IESE Business School (MBA), INSEAD (EMC and IDP-C<sup>1</sup>) and EFFAS (Certified ESG Analyst)



ANJA LANGENBUCHER \*

Member of the Board

**Committees:** Audit Committee, ESG Committee (Chair) and Nomination Committee

**German**, born in 1972

**First appointed:** May 2018

**Expiry of current mandate:** Annual General Meeting of 2025

**Education & experience:**

- European Director of the Bill & Melinda Gates Foundation
- Member of the Advisory Council of the German Council on Foreign Relations and of the International Advisory Council of the European School of Management and Technology (ESMT)
- Previous management positions at the European Bank for Reconstruction and Development (EBRD) and the International Finance Corporation (IFC), previously guest lecturer at Sciences Po Paris
- Graduated from Ludwig Maximilians University, Munich and Ruprecht- Karls University, Heidelberg (master's degree and doctorate in economics)



MICHÈLE SIOEN \*

Member of the Board

**Committees:** Audit Committee (Chair)

**Belgian**, born in 1965

**First appointed:** November 2016

**Expiry of current mandate:** Annual General Meeting of 2026

**Education & experience:**

- CEO of Sioen Industries
- Member of the board of D'Ieteren, ImmoBel, Fedustria, Avieta, Vlerick Business School and the Concours Reine Elisabeth
- Honorary chair of the FEB
- Chair of the Kanal Foundation
- Graduated from the University of Antwerp (Economics) and took several management training courses, including at the Vlerick Management School

\* Independent Director.

<sup>1</sup> International Directors Programme – Certificate in Corporate Governance.

Our mission

Message to shareholders

Sofina at a glance

- Highlights
- Who we are
- Purpose & Patience make us unique
- Shared vision and values
- Our leadership
- Our stakeholders

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

Glossary

Responsible person



CATHERINE SOUBIE \*

Member of the Board

**Committees:** Nomination Committee and Remuneration Committee (Chair)

**French**, born in 1965

**First appointed:** May 2018

**Expiry of current mandate:** Annual General Meeting of 2025

**Education & experience:**

- Chair of Financière Verbateam and member of the board of Covivio and Korian
- CEO of Arfilia
- Previous management positions at Alixio, Taddeo, Barclays, Rallye and Morgan Stanley
- Graduated from the École supérieure de commerce de Paris



LESLIE TEO \*

Member of the Board

**Singaporean**, born in 1969

**First appointed:** May 2023

**Expiry of current mandate:** Annual General Meeting of 2026

**Education & experience:**

- Senior director at AI Singapore, Smart Nation Fellow for AI at the Government Technology Agency in Singapore, advisor to Sygnum AG and the Ministry of Finance of Singapore, and member of the board of Coinbase Singapore
- Previous management positions at Great Eastern Life Insurance, Grab Holdings, GIC, the International Monetary Fund and the Monetary Authority of Singapore, and member of the board at Lion Global Investors
- Graduated from the University of Chicago (Economics), the University of Rochester (Economics and Finance) and University of California (Master of Information and data science)



RAJEEV VASUDEVA \*

Member of the Board

**Indian**, born in 1959

**First appointed:** May 2023

**Expiry of current mandate:** Annual General Meeting of 2026

**Education & experience:**

- Member of the board of Brookfield Infrastructure Partners, Pidilite Industries Limited and Marico Limited
- Former CEO of Egon Zehnder International and chairman of Centum Learning Ltd. Management consulting experience with Touché Ross & Co., USA
- Fellow member of the Institute of Chartered Accountants of India
- Graduated from the University of Delhi (Bachelor of Laws) and the University of Michigan (MBA)



GWILL YORK \*

Member of the Board

**Committees:** Audit Committee and Remuneration Committee

**American**, born in 1957

**First appointed:** May 2018

**Expiry of current mandate:** Annual General Meeting of 2024

**Education & experience:**

- Co-founder and managing director of Lighthouse Capital Partners
- Chair of the Isabella Stewart Gardner Museum and vice-chair of Brigham Health, member of the board of Alto NeuroSciences, One Mind and Egal Health
- Graduated from Harvard University (Economics) and Harvard Business School (MBA)

\* Independent Director.



Our mission

Message to shareholders

Sofina at a glance

- Highlights
- Who we are
- Purpose & Patience make us unique
- Shared vision and values
- Our leadership
- Our stakeholders

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

Glossary

Responsible person

# Members of the Executive Committee <sup>1</sup>



**HAROLD BOËL**

**Chief Executive Officer**

Belgian, born in 1964  
Joined Sofina in 2004, CEO since 2008

**Education & experience**

- Member of the board of bioMérieux, Mérieux NutriSciences and Cognita
- Previous positions at Usines Gustave Boël and at Corus
- Graduated from Brown University (Chemistry), the École Polytechnique de Lausanne (Sciences Mat.) and INSEAD (IDP-C <sup>2</sup>)



**VICTOR CASIER**

**Member of the Executive Committee**

Belgian, born in 1974  
Joined Sofina in 2006

**Education & experience**

- Member of the board of Veepee and Drylock
- Formerly strategy consultant at Roland Berger, Transwide Ltd and Banco Urquijo
- Graduated from the Louvain School of Management, the University of Chicago (MBA) and INSEAD (IDP-C <sup>2</sup>)



**XAVIER COIRBAY**

**Member of the Executive Committee**

Belgian, born in 1965  
Joined Sofina in 1992

**Education & experience**

- Member of the board of Cambridge Associates and Luxempart and board observer at First Eagle
- Previous positions at the Générale de Banque
- Graduated from the Solvay Brussels School of Economics and Management (BS, MSc and Tax) and INSEAD (IDP-C <sup>2</sup>) and from Harvard Business School (General Manager Program and Corporate Director Certificate)



**WAUTHIER DE BASSOMPIERRE**

**Member of the Executive Committee**

Belgian, born in 1970  
Joined Sofina in 1999

**Education & experience**

- Formerly lawyer at CMS DeBacker
- Graduated from the Université catholique de Louvain (Law), ICHEC (Taxation), Vlekho (Business Communications), INSEAD (IDP-C <sup>2</sup>) and the Harvard Business School (Program in Leadership Development)

<sup>1</sup> At 31 December 2023. As mentioned in the [Corporate governance](#) section of this Annual report, the governance at executive management level was reviewed in January 2024 and as a result, it was decided to dissolve the Executive Committee. In addition, François Gillet retired with effective date 31 December 2023.

<sup>2</sup> International Directors Programme – Certificate in Corporate Governance.

Our mission

Message to shareholders

Sofina at a glance

- Highlights
- Who we are
- Purpose & Patience make us unique
- Shared vision and values
- Our leadership
- Our stakeholders

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

Glossary

Responsible person



FRANÇOIS GILLET

Member of the Executive Committee

Belgian, born in 1960  
Joined Sofina in 1988

Education & experience

- Chair of the board of Luxempart
- Member of the committee of the Fonds SofinaBoël
- Previous positions at Union Minière
- Graduated from the Louvain School of Management (BS and MSc) and INSEAD (IDP-C<sup>1</sup>)



EDWARD KOOPMAN

Member of the Executive Committee

Dutch, born in 1962  
Joined Sofina in 2015

Education & experience

- Member of the board of GL events, THG and NUXE
- Previously founding partner of Electra Partners Europe/ Cognetas, strategy consultant at Bain & Co and investment banker at BNPP and Barings
- Graduated from the EM Lyon Business School



MAXENCE TOMBEUR

Member of the Executive Committee

Belgian, born in 1982  
Joined Sofina in 2008

Education & experience

- Board observer at Practo, Hector Beverages, Pine Labs, Bira 91, Byju's and member of the board of Lemonilo
- Previous positions at ING
- Graduated from the Louvain School of Management



GIULIA VAN WAEYENBERGE

Member of the Executive Committee

Belgian, born in 1982  
Joined Sofina in 2010

Education & experience

- Member of the board of Collibra, GL events and board observer at Mérieux NutriSciences
- Previous positions at De Eik and Bank of America Merrill Lynch
- Graduated from the Catholic University of Leuven (Elec. Eng.), the Singapore Management University (Econ.) and INSEAD (IDP-C<sup>1</sup>)

1 International Directors Programme – Certificate in Corporate Governance



## Our mission

## Message to shareholders

## Sofina at a glance

- Highlights
- Who we are
- Purpose & Patience make us unique
- Shared vision and values
- Our leadership
- Our stakeholders

## Strategy

## Year in review

## Investments overview

## Societal commitment

## Corporate governance

## Accounts and notes

## Glossary

## Responsible person

# OUR STAKEHOLDERS

At Sofina, we recognise the importance of considering the interests, needs, and concerns of our stakeholders and strive to find a balance between the different groups presented below.



Engaging with our stakeholders on a regular basis allows us to understand their perspectives, answer their questions, gather their feedback, share information on our activities and strategy and take all necessary actions accordingly to build long-term relationships and create long-term value for them and the Company. Sofina's approach towards stakeholders' engagement is based on transparency, open communication and listening, bearing in mind that the manner we interact with our various stakeholders depends on the group they belong to:

- **Employees:** the limited size of the headcount allows an engagement made in the framework of day-to-day relationships, dialogues, meetings and team events (in wider or smaller groups);
- **Reference shareholder:** meetings of the Board of Directors and its Committees and interactions with the CEO and the Chair of the Board;
- **Shareholders, bondholders and investors:** shareholders' meetings, investor presentations (incl. on the annual and half-year results) including a Q&A session;
- **Financial partners and analysts:** meetings held after the issuance of the Annual report and Half-year report and ad hoc interactions, including with banks and other intermediaries;
- **Portfolio companies:** meetings of their decision-making organs, shareholders' meetings and interactions with their management;
- **Investment partners and General Partners:** business meetings, attendance at shareholders' meetings and ad hoc interactions;
- **Communities:** direct engagement through active participation in volunteering activities.

As further set out in the [ESG](#) section, we have launched a double materiality analysis. This exercise allowed us to engage with many of our stakeholders and to gather their views on important topics from an impact materiality and financial materiality perspective.

[Our mission](#)[Message to shareholders](#)[Sofina at a glance](#)[Strategy](#)

- Diversified
- Value creation model
- Sofina Direct and Sofina Private Funds
- Sustainability

[Year in review](#)[Investments overview](#)[Societal commitment](#)[Corporate governance](#)[Accounts and notes](#)[Glossary](#)[Responsible person](#)

# Strategy

**Our strong purpose and values, and our diverse, global team, support a track record of value creation, based on exposure to structural innovation trends and unique access to opportunities in hundreds of growing private businesses, across stages and vintages.**



Our mission

Message to shareholders

Sofina at a glance

Strategy

- Diversified
- Value creation model
- Sofina Direct and Sofina Private Funds
- Sustainability

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

Glossary

Responsible person

DIVERSIFIED

We believe diversification is the best guarantee for long-term, sustainable returns. Diversification manifests itself in different elements.

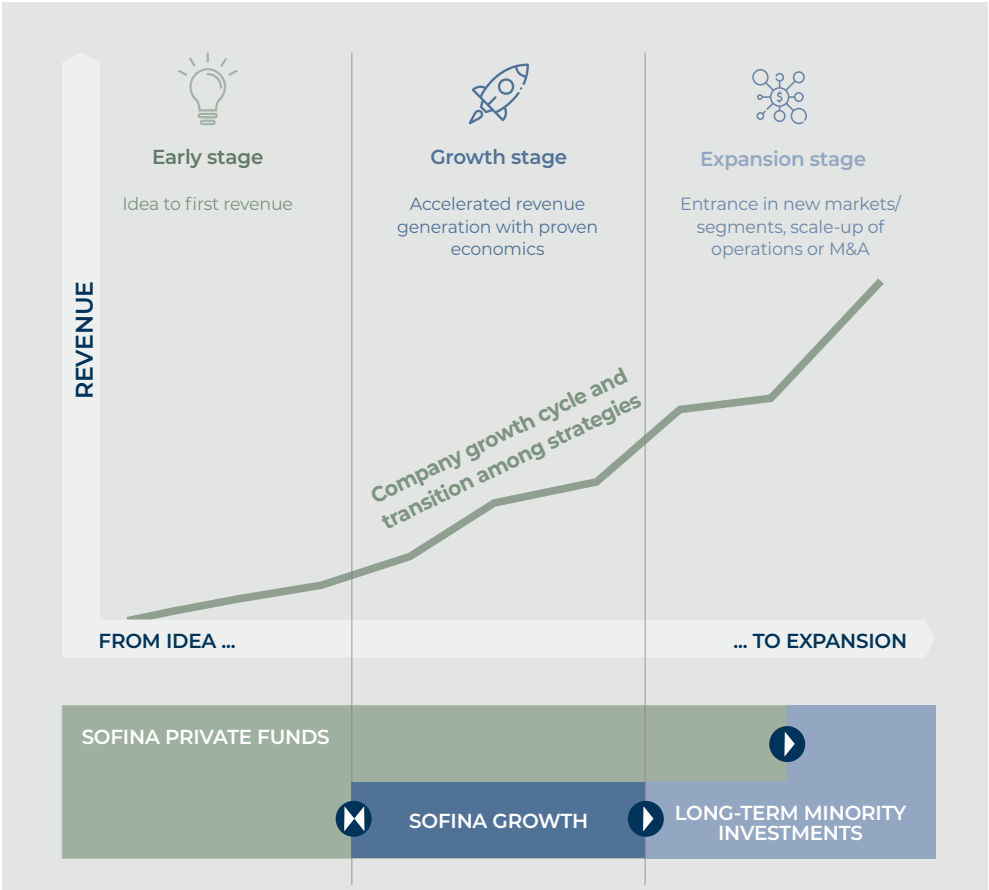
We invest in **core sectors of focus**: Consumer and retail, Digital transformation, Education, and Healthcare and life sciences. As mentioned in our Newsletter #13, we started in 2023 exploring opportunities in Sustainable supply chains' environment. Biobest and GEO are two examples of investments resulting from these new efforts towards Sustainable supply chains.

Diversity can also be found in our **three complementary investment styles**: Sofina Direct, with both long-term minority investments and Sofina Growth, and Sofina Private Funds.

We invest **across the world**, our main markets being (Western-Europe, the United States and Asia, primarily India, China and Indonesia.

In all of what we do, we aim to be a **Responsible investor** striving for positive societal and environmental impact.

To ensure growth across cycles, and preserve and create wealth across generations, we want to create a continuous, virtuous cycle, from early stage investing in start-ups, over supporting growing companies, to monetising long-term profitable corporations, allowing us to crystallise value and generate liquidity along the way to fuel new investments.



Our mission

Message to shareholders

Sofina at a glance

Strategy

- Diversified
- Value creation model
- Sofina Direct and Sofina Private Funds
- Sustainability

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

Glossary

Responsible person

# Impact

## DELIVERING VALUE ACROSS CYCLES

- **Track record** of value creation and recurring liquidity generation
- **Access to top-tier private businesses** through a global ecosystem of trusted relationships
- Exposure to **structural innovation trends with ESG at the core** of our investment strategy
- Experienced management team supported by a **well aligned and diverse talent pool**

## AGILITY TO NAVIGATE MARKET AND SUSTAIN RESPONSIBLE GROWTH

- **Resilient performance** in challenging market conditions
- **Growth investor** across all stages of the lifecycle
- Backing innovators driving **societal and economic progress**
- **Active ownership** supporting portfolio companies
- **Focus on ESG** contributing to long-term, sustainable outcomes



Our mission

Message to shareholders

Sofina at a glance

Strategy

- Diversified
- Value creation model
- Sofina Direct and Sofina Private Funds
- Sustainability

Year in review

Investments overview

Societal commitment

Corporate governance

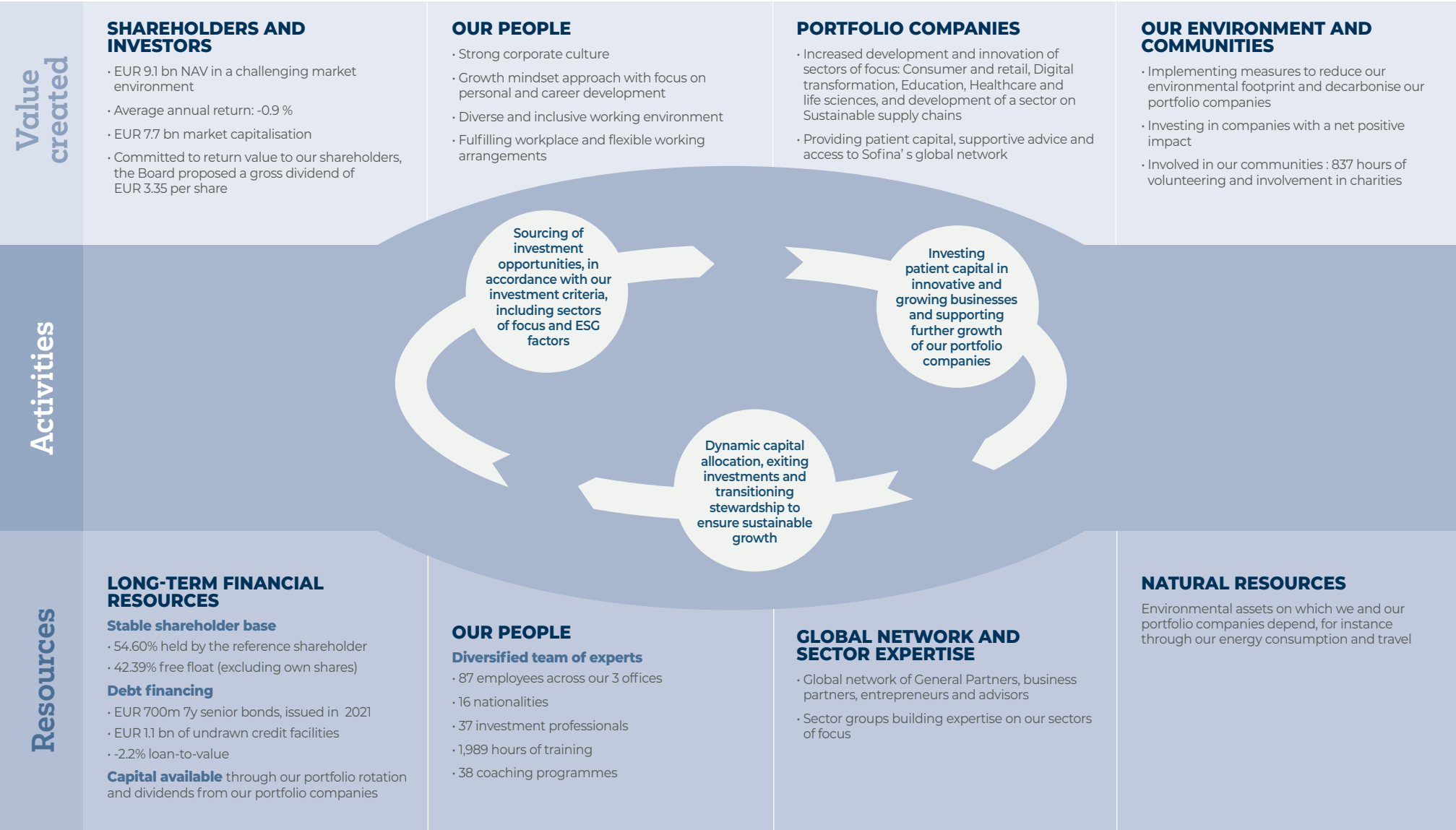
Accounts and notes

Glossary

Responsible person

# VALUE CREATION MODEL

Sustainability is embedded in our strategy. We are dedicated to generating value for our stakeholders by achieving results both on financial and non-financial metrics. In this table, we outline how we convert, through the implementation of our strategy, our different resources into sustainable value for our shareholders, business partners, employees, communities and other stakeholders.



- Diversified
- Value creation model
- Sofina Direct and Sofina Private Funds
- Sustainability

# SOFINA DIRECT AND SOFINA PRIVATE FUNDS

## Sofina Direct

### Sofina Direct



We are minority investors in private and listed companies



We provide patient capital and are a reference shareholder with a long-term horizon to create sustainable value



We take into account Environmental, Social and Governance criteria in our investment decisions



We always take a flexible approach, seeking alignment with trusted partners

#### For our Long-term minority investments



The investment size is typically between EUR 100 and 300 million



Companies are mainly in Europe, with global exposure



We have been operating like this in partnership with entrepreneurs and families for over 60 years

#### For our Sofina Growth investments



The investments size is between EUR 20 and 100 million



We target high-growth sectors with an international approach



Our first investment dates from 2010

SOFINA

21

ANNUAL REPORT 2023



Our mission

Message to shareholders

Sofina at a glance

Strategy

- Diversified
- Value creation model
- Sofina Direct and Sofina Private Funds
- Sustainability

Year in review

Investments overview

Societal commitment

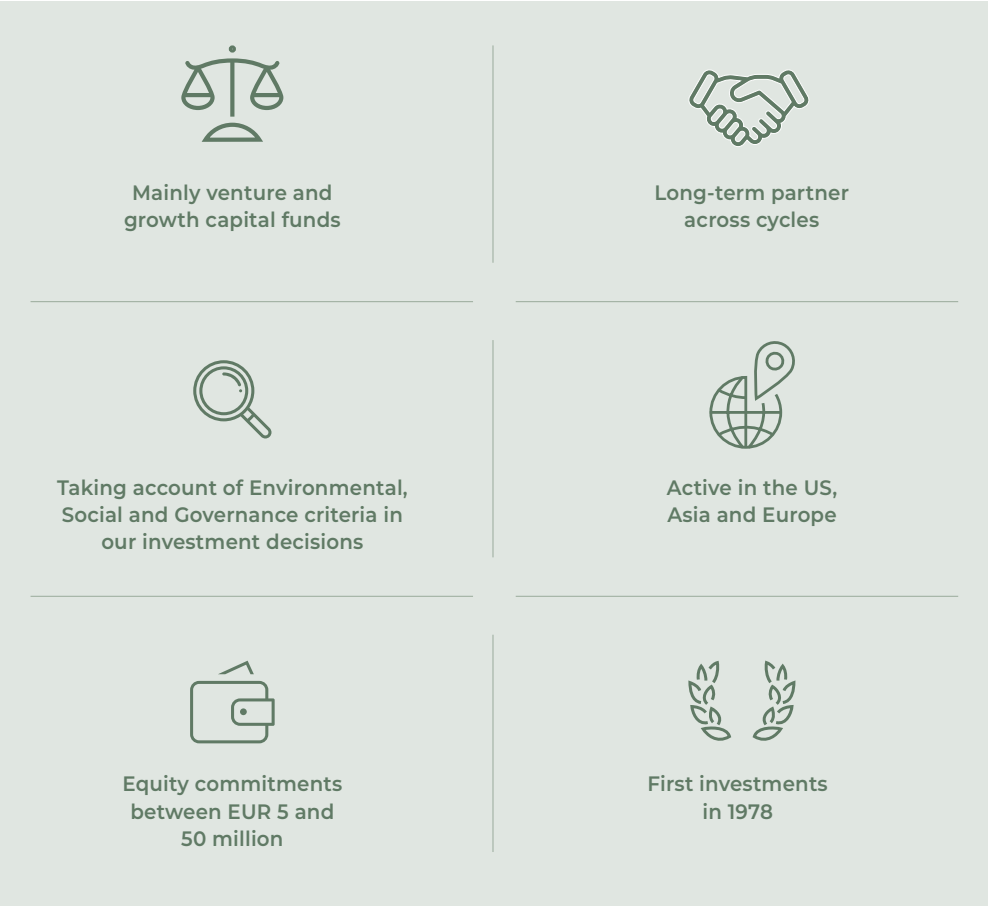
Corporate governance

Accounts and notes

Glossary

Responsible person

# Sofina Private Funds



Since the late 70's, Sofina has supported private funds Managers, focusing on venture capital and growth equity. In most cases, investments take the form of fixed-term partnerships of ten to 12 years that are managed by specialised teams (the "Managers", "General Partners" or "GPs"). The latter raise funds from professional investors such as Sofina, who undertake to fund them in capital for an amount defined at the time of subscription. Managers generally have a period of five or six years to find investments corresponding to their preferred strategy and progressively call the committed capital made available to them. Each time an investment is completed, the proceeds are distributed to investors and the Managers receive an incentive ("carried interest") when a capital gain is realised.

Sofina Private Funds has built longstanding relationships with top-tier Managers, and is now a formalised investment activity. Each year, new commitments are made in the funds raised by different Managers. The amount of the annual commitment has increased gradually to ensure vintage diversification through cycles and to reflect global market activity.

The activity is managed by an Investment team with experience in the field, with members in all of Sofina's offices and reinforced by support teams. The team seeks to build a balanced

portfolio by developing a proactive business approach to access the most exclusive funds. As with Sofina Direct, Environmental, Social and Governance criteria are taken into account in the decision-making process of Sofina Private Funds.

The rationale of launching and developing the Sofina Private Funds activity is now proven by the performance of the investment style. These performances are mainly driven by the growth of the underlying portfolio companies.

Access to the best performing Managers is one of the key portfolio success factors. These Managers are courted and the funds they raise are generally oversubscribed. Sofina's profile and long-term vision, the stability of our team and our commitment program, our experience in the sector, our network, and the credibility of our performance, are the key success factors in getting access to these renowned Managers.

However, Sofina is constantly reassessing these relationships. This applies both to the top Managers who might face challenges such as changes in the team, and to promising Managers gradually becoming references in their sectors. The team is also regularly in contact with emerging Managers to identify those early who will be able to outperform their peers in the future.

Our mission

Message to shareholders

Sofina at a glance

Strategy

- Diversified
- Value creation model
- Sofina Direct and Sofina Private Funds
- Sustainability

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

Glossary

Responsible person

# SUSTAINABILITY

## Our principles and beliefs

The basics underpinning sustainability have long been at the heart of Sofina’s strategy. We formalised them through six principles and beliefs (set out below) which constitute the compass of our sustainability journey.



### Sustainable growth

As a long-term shareholder and investor, our role is to foster sustainable growth. Assessing the effect of our actions and those of our portfolio companies on all dimensions of the environment, as well as positively impacting our communities, is the foundation of any sustainable value creation.



### Risk reduction and value creation

Sustainability presents risks and opportunities. We believe paying attention to sustainability reduces risk and creates value, while having a positive impact on society.



### For all stakeholders

We believe there is no trade-off between investment returns and responsible investment. To achieve sustainable returns, we need to grow the value our activities bring to all stakeholders.



### A process and a path

Maximising the positive impact of our business on our stakeholders is a continuous process, more than a destination. Our commitment is to follow the path and to progress. We therefore report our achievements towards positive change on a yearly basis.



### Recognition and respect of differences

As a global investor, we know that sustainability issues, though relevant globally, will not find the same expression in the regions and sectors in which we are active. Our approach recognises and respects these differences, whilst our commitment to progress remains the same.



### Inspiration for our portfolio

Our commitments on sustainability are also made by every one working at Sofina. We believe that Sofina must act on sustainability matters and be an inspiration for our portfolio companies.

## Our approach towards sustainability

Purpose & Patience, our two guiding principles in our investments, also apply to Sofina’s approach towards sustainability. As an investment company, we adopt a two-fold approach towards sustainability: as a responsible investor and in our operations.

### Responsible investor

As a long-term minority investor, we build relationships with partners who share our values and approach towards sustainability. We are committed to making continuous progress to move from mitigating ESG-related risks alone to making a net positive impact through our investments and our stewardship. At the level of Sofina Direct, we target companies having a net positive impact through their products and services and/or through the way they operate from an ESG perspective. At the level of Sofina Private Funds, we target General Partners that incorporate sustainability into their investment strategy and operations.

We further engage with our portfolio companies to encourage and support them in their journey to embed sustainability into their strategy, improve their ESG governance and performance and in developing products and services that could bring environmental or social benefits. This can include providing ESG expertise and guidance to the board and management, seeking new relevant business opportunities as well as advocating for the

adoption of the best ESG practices such as reducing their environmental impact, acting on their human capital and establishing sound governance principles.

### Sustainability in our operations

We tackle sustainability in our operations with a particular focus on each of the Environmental, Social and Governance aspects. On environmental aspects, we strive to reduce our footprint and raise awareness on environmental issues. On social, we actively promote diversity, equity and inclusion in the workplace, care for our employees, their well-being and personal development and support initiatives that foster cultural and social development. On governance, we apply the best governance practices and maintain high standards of compliance, ethics, and integrity. For more information, please refer to the [Societal commitment](#) section of this Annual report.



Our mission

Message to shareholders

Sofina at a glance

Strategy

- Diversified
- Value creation model
- Sofina Direct and Sofina Private Funds
- Sustainability

Year in review

Investments overview

Societal commitment

Corporate governance

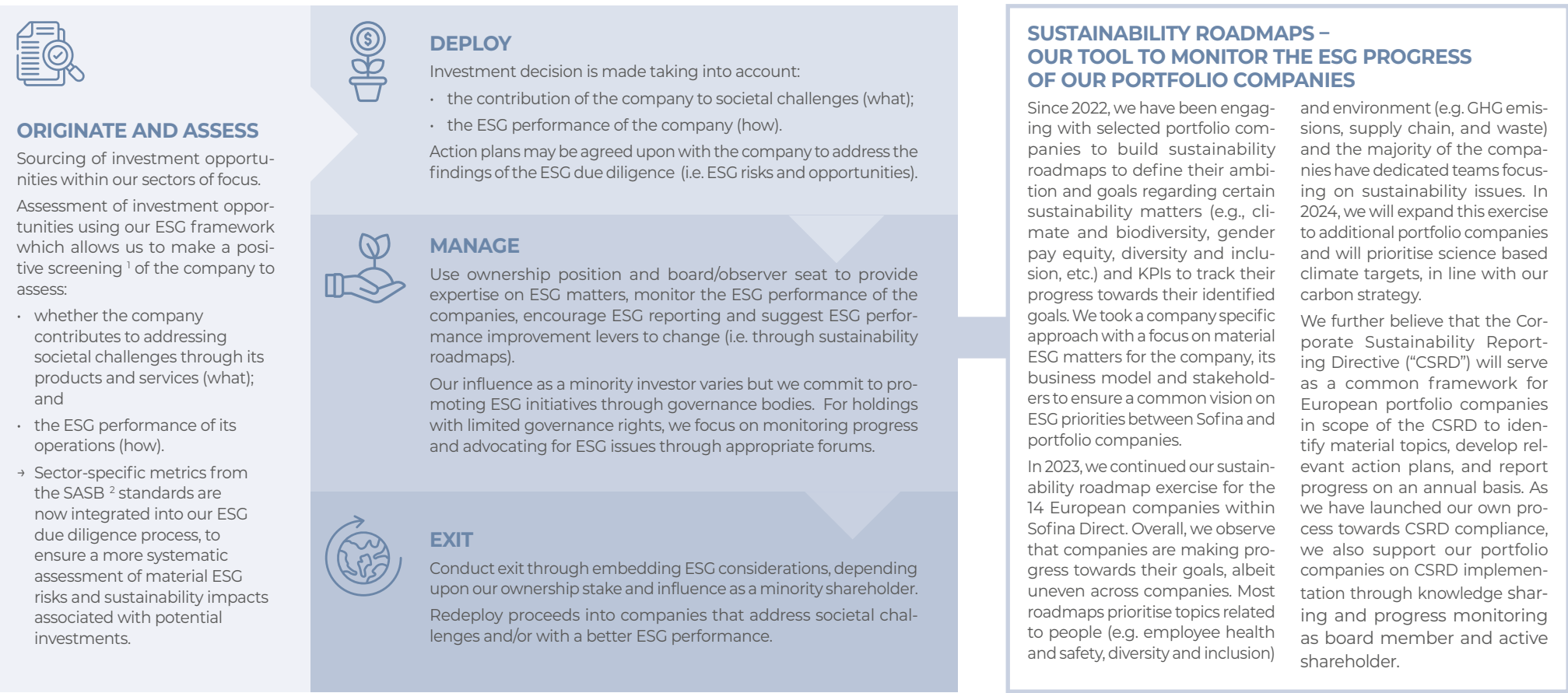
Accounts and notes

Glossary

Responsible person

As a UNPRI signatory since 2019 and to achieve our sustainability ambitions as a responsible investor, we incorporate ESG into our decision-making process. This has been formalised in a Responsible investment policy covering Sofina Direct and Sofina Private Funds as well as the different stages in the investment decision making.

SOFINA DIRECT – POLICY BY KEY STAGE OF THE INVESTMENT LIFECYCLE



<sup>1</sup> 'Positive screening' is further defined in PRI's [Introductory Guides to Responsible Investment](#).  
<sup>2</sup> SASB (Sustainability Accounting Standards Board) develops industry-based sustainability standards for 77 industries. These standards provide metrics and guidelines about sustainability-related risks and opportunities that could reasonably affect a company's cash flows, access to finance or cost of capital over the short, medium, or long term.

Our mission

Message to shareholders

Sofina at a glance

Strategy

- Diversified
- Value creation model
- Sofina Direct and Sofina Private Funds
- Sustainability

Year in review

Investments overview

Societal commitment

Corporate governance

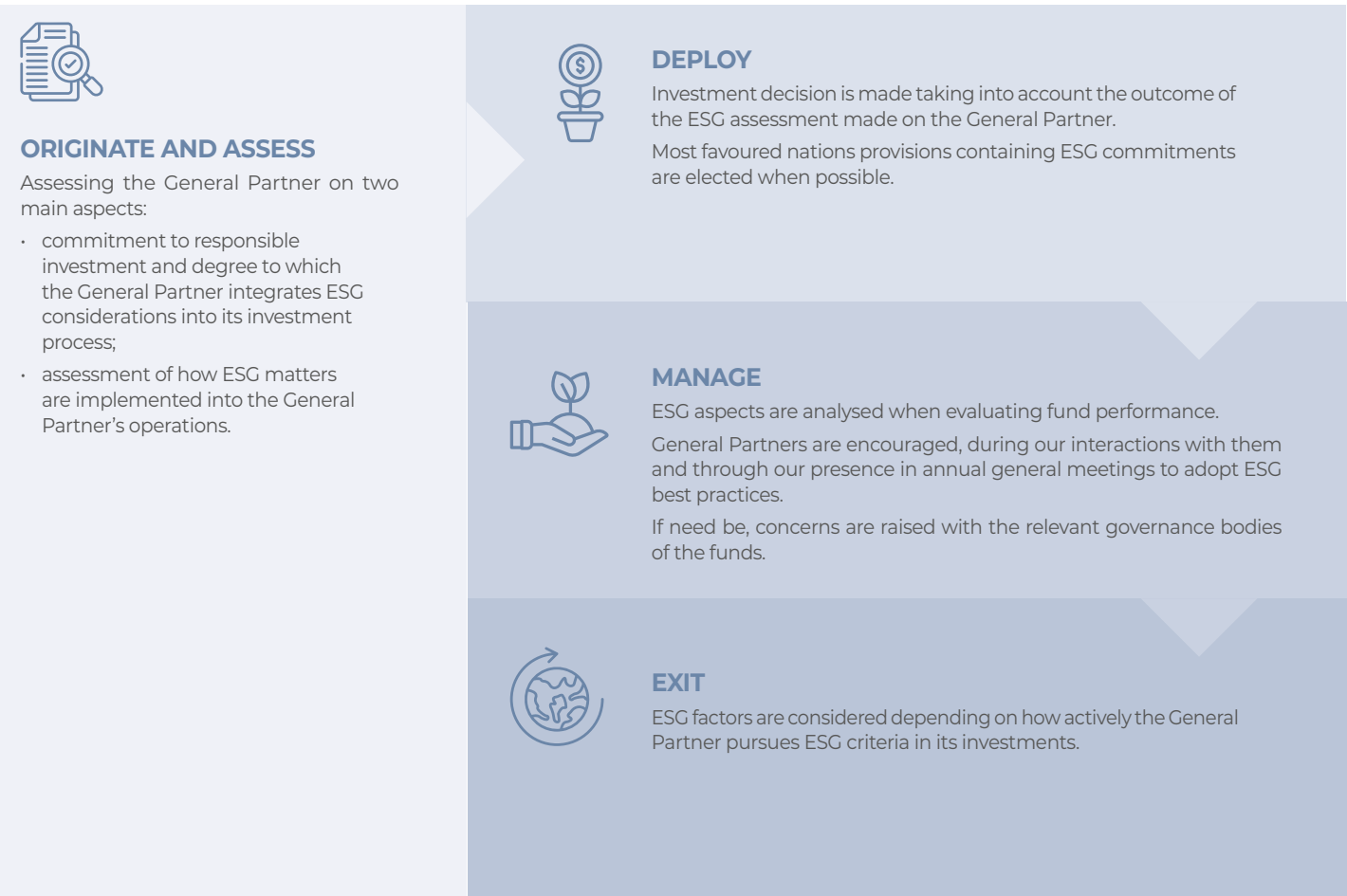
Accounts and notes

Glossary

Responsible person

SOFINA PRIVATE FUNDS – POLICY BY KEY STAGE OF THE INVESTMENT LIFECYCLE

Our approach towards Sofina Private Funds differs from Sofina Direct, as we have no decision-making power over the direct operations of the portfolio companies managed by our General Partners.





[Our mission](#)[Message to shareholders](#)[Sofina at a glance](#)[Strategy](#)[Year in review](#)

- Financial indicators
- Portfolio indicators
- Sustainability
- Post-closing events

[Investments overview](#)[Societal commitment](#)[Corporate governance](#)[Accounts and notes](#)[Glossary](#)[Responsible person](#)

# Year in review

**Our Net Asset Value of EUR 9.1 billion stems from direct investments as a minority partner of business owners in core growth sectors and indirect funds investments in partnership with an ecosystem of top-tier venture and growth Managers in Europe, the United States, and Asia.**

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

- Financial indicators
- Portfolio indicators
- Sustainability
- Post-closing events

Investments overview

Societal commitment

Corporate governance

Accounts and notes

Glossary

Responsible person

FINANCIAL INDICATORS

Sofina SA adopted the Investment Entity status 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<sup>1</sup>. In the present Annual report, the financial statements as an Investment Entity give the fair value of Sofina SA's direct investments (in portfolio investments or in investment subsidiaries). The Net Asset Value ("NAV") reported under the Investment Entity status or in transparency (i.e. considering all portfolio investments whether held by Sofina SA directly or indirectly through its investment subsidiaries) is the same.

Financial statements – Overview of the year<sup>2</sup>

	31/12/2023	31/12/2022
Total assets (in million EUR)	9,843	10,198
Net Asset Value (in million EUR)	9,083	9,313
Net Asset Value per share (in EUR) <sup>3</sup>	273.62	279.41
	31/12/2023	31/12/2022
Net result (share of the group) (in million EUR)	-104	-1,872
Net result (share of the group) per share (in EUR) <sup>4</sup>	-3.12	-55.85

It was resolved at the Annual General Meeting of 4 May 2023 that a gross dividend of EUR 3.24 per share would be paid.

1 For a definition of the different terms, see the Glossary.  
2 The consolidated financial statements are presented under the Investment Entity status in application of which direct subsidiaries of Sofina SA are stated at fair value, including the fair value of their equity investments and other assets and liabilities (mainly intra-group debts and receivables), through profit and loss. For further explanation, see the Glossary.  
3 Calculation based on the number of outstanding shares at closing date (33,197,072 shares at 31 December 2023 and 33,332,072 at 31 December 2022).  
4 Calculation based on the weighted average number of outstanding shares (33,370,558 shares at 31 December 2023 and 33,510,733 shares at 31 December 2022).  
5 Based on the portfolio in transparency (see point 2.1 of the Notes to the consolidated financial statements). For a definition of the different terms, see the Glossary.  
6 The small difference between the net result and the total comprehensive income comes from income and expenses recognised directly in the shareholders' equity and subsequently reclassified in the net result.

Financial figures in transparency<sup>5</sup> (in million EUR)

KEY FIGURES IN TRANSPARENCY	31/12/2023	31/12/2022
Net debt (+) / Net cash (-)	-197	-233
Investment portfolio	8,928	9,062
Loan-to-value (in %)	-2.2%	-2.6%
KEY COMPREHENSIVE INCOME FIGURES IN TRANSPARENCY	31/12/2023	31/12/2022
Dividends	44	53
Net result of the investment portfolio	-76	-1,828
Total comprehensive income <sup>6</sup>	-104	-1,869
KEY CASH FLOW STATEMENT FIGURES IN TRANSPARENCY	31/12/2023	31/12/2022
Investments in portfolio	-517	-1,013
Divestments from portfolio	590	1,174
BALANCE SHEET IN TRANSPARENCY	31/12/2023	31/12/2022
Investment portfolio	8,928	9,062
Sofina Direct	4,739	4,760
Long-term minority investments	2,847	2,797
Sofina Growth	1,892	1,962
Sofina Private Funds	4,189	4,302
Net cash	197	233
Gross cash	893	929
Financial liabilities	-696	-696
Other	-42	18
NAV	9,083	9,313



Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

- Financial indicators
- Portfolio indicators
- Sustainability
- Post-closing events

Investments overview

Societal commitment

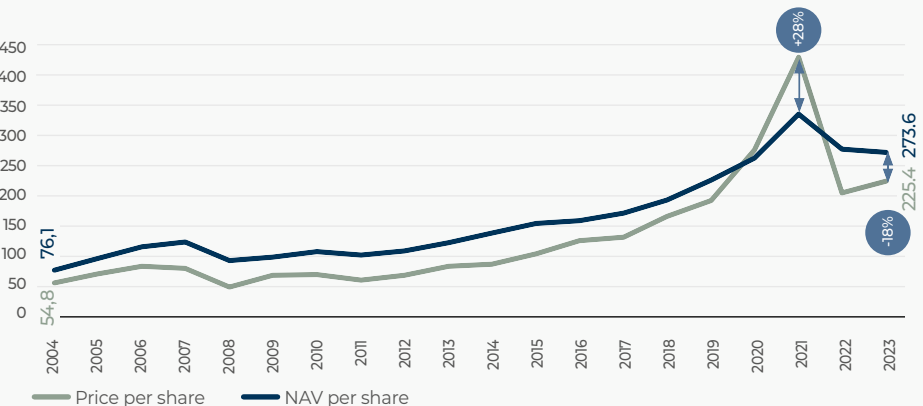
Corporate governance

Accounts and notes

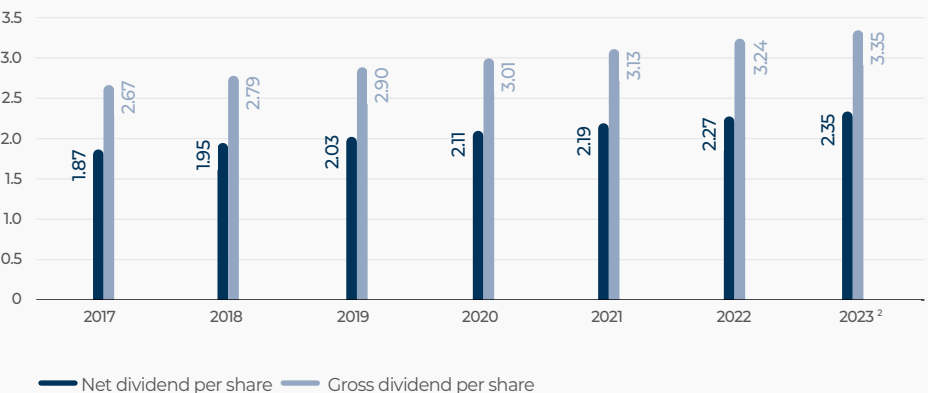
Glossary

Responsible person

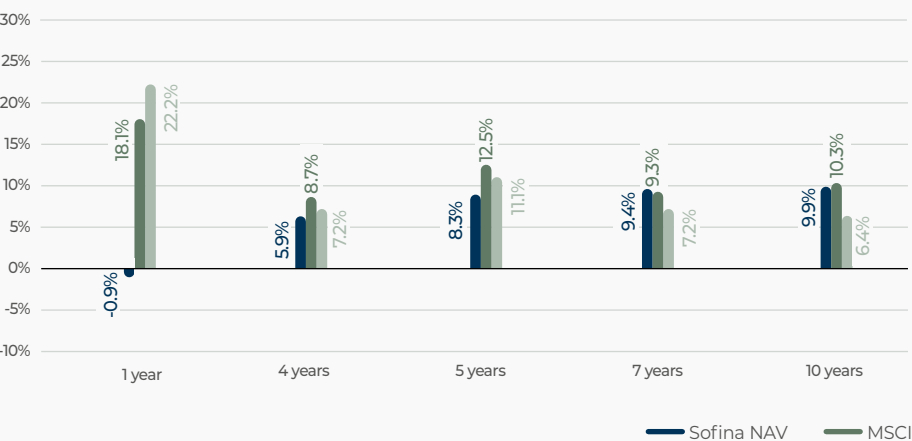
EVOLUTION OF THE SHARE PRICE AND  
THE NAV PER SHARE (IN EUR) <sup>1</sup>



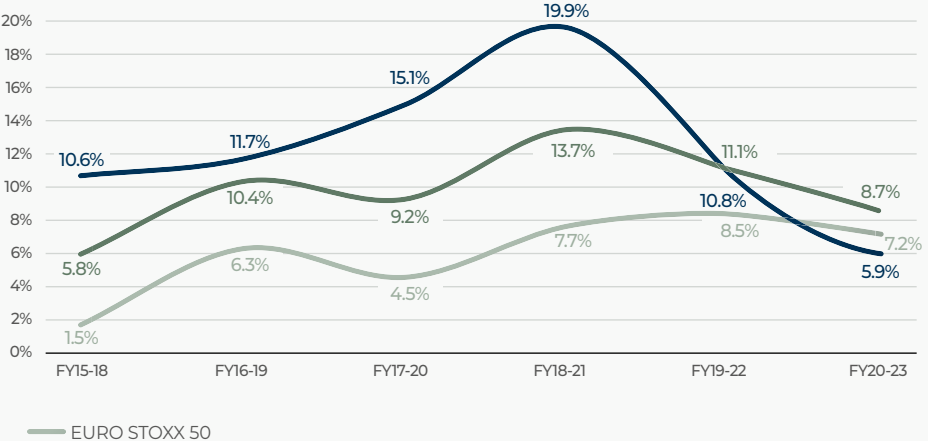
GROSS AND NET DIVIDEND  
PER SHARE (IN EUR)



AVERAGE ANNUAL RETURN (IN %) <sup>3</sup>



4 YEARS ROLLING PERFORMANCE (IN %) <sup>3</sup>



<sup>1</sup> The financial data at 31 December have been prepared under IFRS standards since the financial year ending 31 December 2004. Figures relating to 2016 and 2017 have been restated in accordance with IAS 28, §18 to ensure that the Net Asset Value for 2016 and 2017 can be compared with that of the following years as set up under the Investment Entity status.

<sup>2</sup> Subject to the approval by the shareholders of Sofina SA at the next Annual General Meeting.

<sup>3</sup> For a definition of the different terms, see the Glossary.

[Our mission](#)
[Message to shareholders](#)
[Sofina at a glance](#)
[Strategy](#)
[Year in review](#)

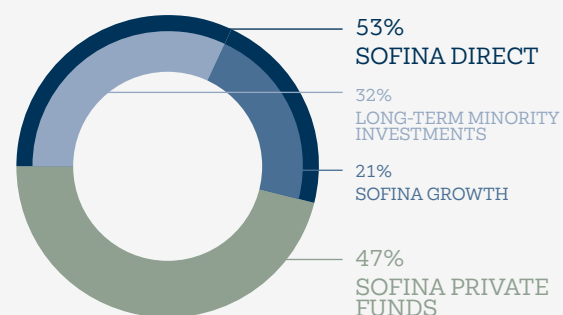
- Financial indicators
- Portfolio indicators
- Sustainability
- Post-closing events

[Investments overview](#)
[Societal commitment](#)
[Corporate governance](#)
[Accounts and notes](#)
[Glossary](#)
[Responsible person](#)

# PORTFOLIO INDICATORS

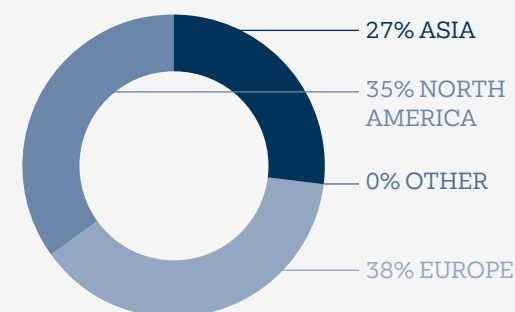
## Total portfolio overview <sup>1</sup>

### BY INVESTMENT STYLE



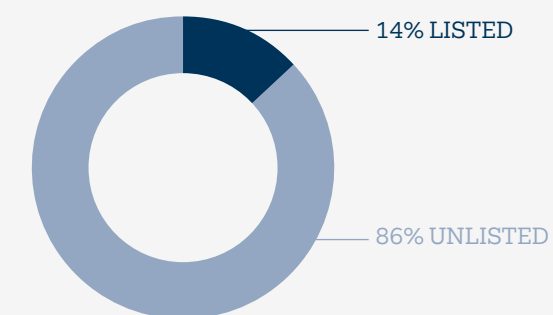
Our investments split between the Sofina Direct and Sofina Private Funds portfolios, capturing indirect early stage ventures to long-term minority holdings.

### BY GEOGRAPHIC REGION <sup>2</sup>



The geographic split reflects our diversification across regions, with investments in the United States heavily represented in Sofina Private Funds, and Europe more geared towards Sofina Direct. Asia is balanced across investment styles.

### SPLIT BETWEEN LISTED AND UNLISTED INVESTMENTS



As a result of our growth strategy, listed assets now only represent 14% of our total assets.

<sup>1</sup> Based on the portfolio in transparency.

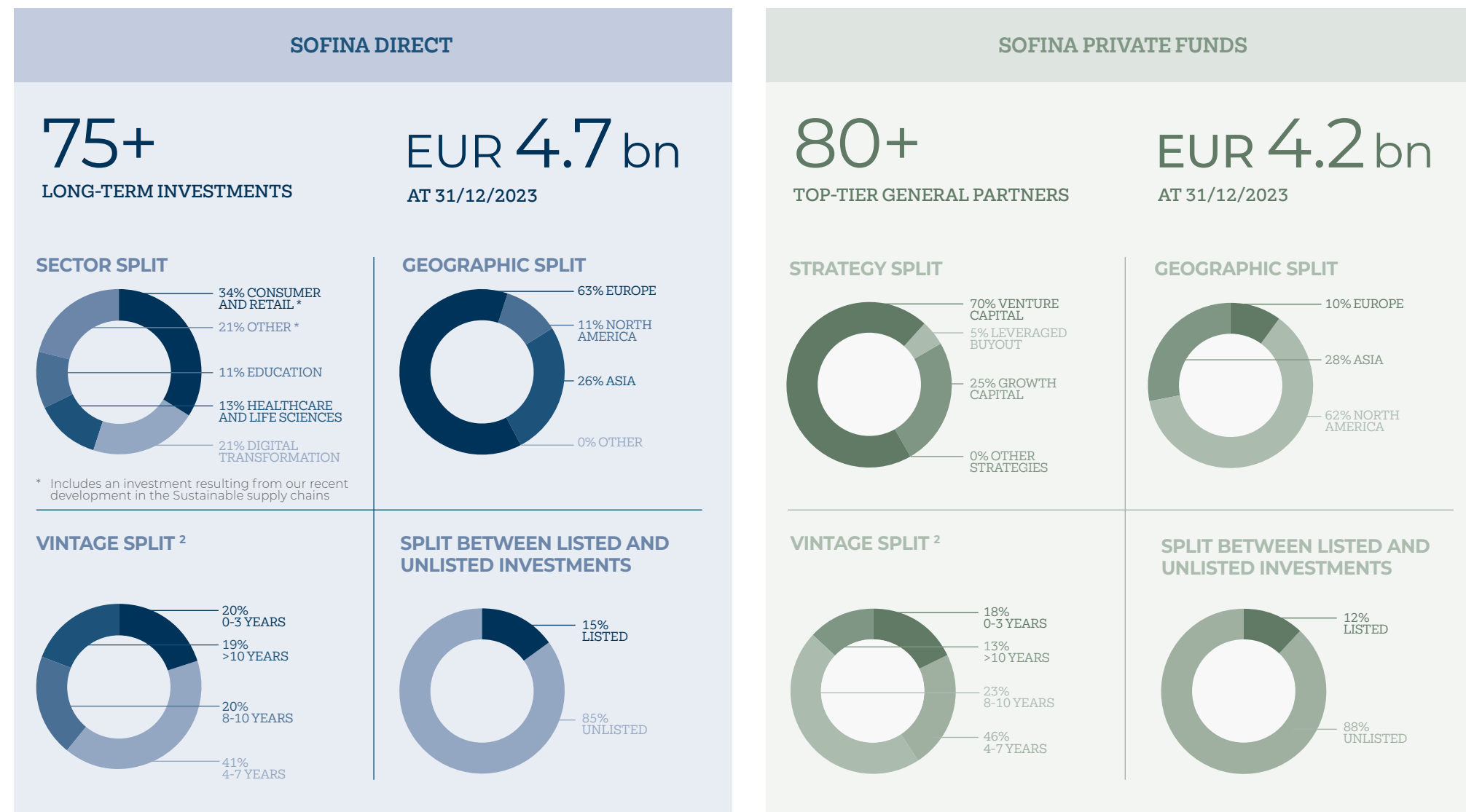
<sup>2</sup> Based on the portfolio in transparency considering the country of the main or historical headquarters of the investments as used in the management information (see point 2.6 of the Notes to the consolidated financial statements as well as in the [Investments overview](#) section).

[Our mission](#)
[Message to shareholders](#)
[Sofina at a glance](#)
[Strategy](#)
[Year in review](#)

- Financial indicators
- Portfolio indicators
- Sustainability
- Post-closing events

[Investments overview](#)
[Societal commitment](#)
[Corporate governance](#)
[Accounts and notes](#)
[Glossary](#)
[Responsible person](#)

# Portfolio by investment style<sup>1</sup>



<sup>1</sup> Based on the fair value of the Sofina group's investments at 31 December 2023 (portfolio in transparency). Our portfolio is further detailed in the [Investments overview](#) section of this Annual report.

<sup>2</sup> Vintage based on the date of first investment or capital call.



Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

- Financial indicators
- Portfolio indicators
- Sustainability
- Post-closing events

Investments overview

Societal commitment

Corporate governance

Accounts and notes

Glossary

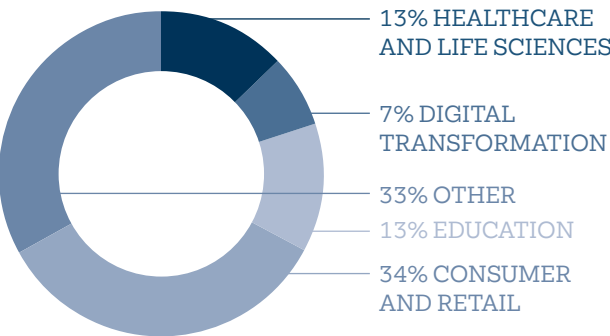
Responsible person

Sofina Direct

Our Long-term minority investments and Sofina Growth, our earlier stage direct investments, are grouped under Sofina Direct. This portfolio includes investments in a variety of sectors, business models and geographies at different stages of maturity.

Long-term minority investments

SPLIT OF THE PORTFOLIO<sup>1</sup> BY SECTOR

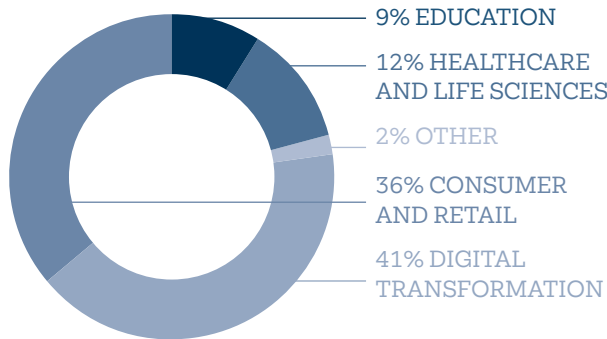


PORTFOLIO EVOLUTION

2023 ACTIVITY	IN M EUR	# COMPANIES
Investments (new and follow-on)	181	2
Divestments (partial and full)	291	3
Portfolio at 31/12/2023	2,847	25

Sofina Growth

SPLIT OF THE PORTFOLIO<sup>1</sup> BY SECTOR



PORTFOLIO EVOLUTION

2023 ACTIVITY	IN M EUR	# COMPANIES
Investments (new and follow-on)	137	11
Divestments (partial and full)	103	6
Portfolio at 31/12/2023	1,892	54

79

PORTFOLIO COMPANIES

<sup>1</sup> Based on the fair value of the Sofina group's investments at 31 December 2023 (portfolio in transparency).

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

- Financial indicators
- Portfolio indicators
- Sustainability
- Post-closing events

Investments overview

Societal commitment

Corporate governance

Accounts and notes

Glossary

Responsible person

Top 10 of Sofina Direct <sup>1</sup>

The top 10 Sofina Direct portfolio positions illustrate strength of Sofina's relationship with top-tier companies globally.

1	LERNEN MIDCO 1 (COGNITA)
2	SC CHINA CO-INVESTMENT 2016-A (BYTEDANCE)
3	GROUPE PETIT FORESTIER
4	DRYLOCK TECHNOLOGIES
5	NUXE INTERNATIONAL
6	BIOMÉRIEUX
7	CAMBRIDGE ASSOCIATES
8	BIOBEST GROUP <sup>2</sup>
9	MÉRIEUX NUTRISCIENCES
10	SALTO SYSTEMS

The 10 largest investments of Sofina Direct represent 27% of the fair value of the portfolio in transparency.

The 5 largest investments of Sofina Direct represent more than 15% but less than 20% of the portfolio in transparency whereas the 7 largest investments represent more than 20% of the portfolio in transparency. <sup>1</sup>

Out of the above-listed investments taken individually, when taking into account our combined holdings through Sofina Direct and Sofina Private Funds<sup>3</sup> when applicable, ByteDance is the sole asset representing more than 5% of the fair value of the portfolio in transparency. <sup>4</sup>

Market environment

In the **Consumer and retail** sector, entrepreneurs are progressing on their journey to improve unit economics and are growing in a more capital efficient way. As consumer confidence is still low, we continue to witness a shift towards affordability and affordable luxury as a response to the inflationary environment. In this context, we are sourcing deals that fit with our theme of "affordability", and two strong performers in our portfolio (Vinted, Too Good To Go) are both at the crossroad of affordability and sustainability. We remain long digitisation of consumer products, digital services, sustainability, and e-commerce (as a distribution channel and enablement tool). We expect consolidation activity to remain high in several consumer verticals with economies of scale and rigorous competition as highlighted by the recent events in the e-grocery, micromobility, and Amazon FBA aggregator spaces. We are working with portfolio companies such as Rohlik, Dott, and SellerX to play a leading role in those consolidation dynamics.

For investors in **Healthcare and life sciences**, 2023 was a challenging and yet transformative year. Digital health has continued to be confronted with decreasing funding and lower activity ever since 2021, while the intersection of AI and life sciences is attracting increasing (investor) interest. We expect the significant innovation potential in this segment to continue to materialise in the year ahead. In this context, we are looking for investment opportunities that will benefit from this innovation and contribute to better health outcomes, while continuing to support our portfolio companies.

In the **Digital transformation** sector, technology companies have continued to drive market performances, particularly those that have been able to maintain robust economics or that are riding the AI wave. Private market transactions have picked up around the end of 2023 and going into 2024 with more sensible

valuations, creating an attractive investment environment. In that context, Sofina committed to a large investment in Danish industry-specific software company EG A/S, which closed in February 2024. The sector team continues to review opportunities in segments that should benefit from the current trends, such as cybersecurity, data management, and financial technology.

In **Education**, transaction activity in the edtech sector has further corrected in the year following the 2022 decline, although listed edtechs performed better than the wider space. It is expected that generative AI will be incorporated into the next wave of edtech companies, and that it could materially change the learning experience and/or enhance productivity of educators. This is a lens we have employed in our sourcing activities. In the offline space, transaction activity – particularly in K12 schooling – continues to thrive, both by way of consolidation activity by large school groups and minority transactions at their holding companies. We continue to look at opportunities in adjacent spaces such as offline vocational and higher education.

In our work on **Sustainable supply chains**, we are analysing a number of new projects in agtech, plastics recycling, CO<sub>2</sub> capture, sustainable building materials, etc., both in Europe and Asia. The market is dynamic, driven by economy's decarbonisation and regulation, with mission-driven founders or management teams seizing the opportunity to build businesses targeting at lowering the environmental footprint of industrial supply chains. We are seeing a strong fit between our ability to provide patient capital and the long-term nature of those projects. Our reinvestment in Biobest to acquire the Brazilian company Biotrop, leading player in biopesticides and biostimulants in Brazil, and our investment in GEO, manufacturer of battery electrolytes for electrical vehicles, exemplify what we aim to achieve in that field.

<sup>1</sup> Largest investments in terms of representation in the fair value of the portfolio in transparency and following the valuation principles set in point 2.5 of the Notes to the consolidated financial statements. Listed in decreasing order of fair value at 31 December 2023. The ranking of our Sofina Direct investments does not take into consideration indirect holdings in these entities through certain investments of Sofina Private Funds.

<sup>2</sup> Biobest Group regroups Biobest SA and MxBEE, an investment vehicle whose sole asset is a shareholding in Biobest SA. For Biobest Group, the ranking therefore consists of the fair value in transparency of Biobest and MxBEE.

<sup>3</sup> The valuation of such investments through Sofina Private Funds is based either on a report at 31 December 2023 or on a report at 30 September 2023.

<sup>4</sup> Sofina values its holding in SC China Co-Investment 2016-A on the basis of the market multiples valuation method with an illiquidity discount. Its holding in ByteDance at Sofina Private Funds level is valued on the basis of the latest reports obtained from the General Partners until mid-March 2024. Additional information on this investment is provided in the section Investments overview.

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

- Financial indicators
- Portfolio indicators
- Sustainability
- Post-closing events

Investments overview

Societal commitment

Corporate governance













Accounts and notes

Glossary

Responsible person

Investments in 2023

Our main focus in 2023 was on supporting portfolio companies with both advice and follow-on capital where needed. Biobest is a good example of this approach. We also remained on the lookout for the right businesses, with valuations that reflect the current investment climate, additive to our portfolio from thematic and sustainability standpoints, for instance with GEO, Too Good To Go and Mistral AI.

	<p>FOLLOW-ON LONG-TERM MINORITY BELGIUM CONSUMER AND RETAIL<sup>1</sup></p>		<p>FOLLOW-ON SOFINA GROWTH UNITED KINGDOM HEALTHCARE AND LIFE SCIENCES</p>		<p>FOLLOW-ON SOFINA GROWTH THE NETHERLANDS CONSUMER AND RETAIL</p>
	<p>NEW DEAL SOFINA GROWTH GERMANY OTHER<sup>1</sup></p>		<p>FOLLOW-ON SOFINA GROWTH INDIA EDUCATION</p>		<p>NEW DEAL SOFINA GROWTH CHINA CONSUMER AND RETAIL</p>
	<p>NEW DEAL &amp; FOLLOW-ON SOFINA GROWTH FRANCE DIGITAL TRANSFORMATION</p>		<p>FOLLOW-ON SOFINA GROWTH GERMANY CONSUMER AND RETAIL</p>		<p>FOLLOW-ON SOFINA GROWTH UNITED STATES HEALTHCARE AND LIFE SCIENCES</p>
	<p>NEW DEAL SOFINA GROWTH DENMARK CONSUMER AND RETAIL</p>		<p>FOLLOW-ON SOFINA GROWTH UNITED STATES HEALTHCARE AND LIFE SCIENCES</p>		<p>FOLLOW-ON SOFINA GROWTH LITHUANIA CONSUMER AND RETAIL</p>









<sup>1</sup> These investments show the recent development in the sector of Sustainable supply chains.



- Financial indicators
- Portfolio indicators
- Sustainability
- Post-closing events

Divestments in 2023

To seize growth or to realign our dynamic portfolio with market conditions, we look to harvest investments through partial or full exits, when circumstances, opportunities and valuations are right. The successful IPO of Honasa Consumer offers an excellent example.

	<p>PARTIAL EXIT<sup>1</sup></p> <p>SOFINA GROWTH</p> <p>CHINA</p> <p>HEALTHCARE AND LIFE SCIENCES</p>		<p>FULL EXIT</p> <p>LONG-TERM MINORITY</p> <p>FRANCE</p> <p>HEALTHCARE AND LIFE SCIENCES</p>
	<p>PARTIAL EXIT</p> <p>LONG-TERM MINORITY</p> <p>BELGIUM</p> <p>CONSUMER AND RETAIL</p>		<p>PARTIAL EXIT</p> <p>SOFINA GROWTH</p> <p>INDIA</p> <p>CONSUMER AND RETAIL</p>
	<p>PARTIAL EXIT<sup>1</sup></p> <p>SOFINA GROWTH</p> <p>INDIA</p> <p>CONSUMER AND RETAIL</p>		<p>PARTIAL EXIT</p> <p>LONG-TERM MINORITY</p> <p>FRANCE</p> <p>CONSUMER AND RETAIL</p>
	<p>PARTIAL EXIT<sup>1</sup></p> <p>SOFINA GROWTH</p> <p>INDIA</p> <p>CONSUMER AND RETAIL</p>		<p>FULL EXIT</p> <p>SOFINA GROWTH</p> <p>UNITED KINGDOM</p> <p>DIGITAL TRANSFORMATION</p>



<sup>1</sup> Sofina saw part of its indirect stake divested.

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

- Financial indicators
- Portfolio indicators
- Sustainability
- Post-closing events

Investments overview

Societal commitment

Corporate governance

Accounts and notes

Glossary

Responsible person

# Sofina Private Funds

Sofina Private Funds relies on building long-term partnerships with carefully selected General Partners managing mainly venture and growth capital funds.

SPLIT BY STRATEGY

Sofina Private Funds portfolio has always favoured venture capital and growth equity funds, mostly because of the risk-return profile of their strategy and their resonance with Sofina’s DNA. These funds are generally invested in companies where founders are still shareholders and present in management, unlike acquisition targets where financial investors take control of the company (“leveraged buyout” or “LBO”). This bias explains the current exposure of the Sofina Private Funds portfolio to those strategies<sup>1</sup>.

STRATEGY AT 31/12/2023 (IN M EUR)	PORTFOLIO FAIR VALUE <sup>2</sup>		RESIDUAL COMMITMENTS	
Venture capital	2,913	70%	769	59%
Growth equity	1,042	25%	465	36%
LBO	228	5%	58	4%
Other strategies	6	0%	8	1%
TOTAL	4,189	100%	1,300	100%

SPLIT BY GEOGRAPHIC REGION

The United States remain the most developed market for venture capital and growth equity funds, as reflected in Sofina Private Funds portfolio with a relatively high exposure to this region (62% in 2023).

To keep its geographic footprint diversified and capitalise on high-growth sectors and regions, Sofina Private Funds’ exposure to Asia has been steady in 2023. Sofina can thus benefit from the trends identified by its Managers in this region: growth of the middle class and rapid urbanisation.

The Sofina Private Funds portfolio continued to strengthen in European venture capital and growth equity funds, thus aligning with the group’s strategy.

In addition, by focusing on venture capital and growth equity funds as well as the geographical footprint of its portfolio, Sofina benefits from global exposure to its sectors of focus: Consumer and retail, Digital transformation, Education and Healthcare and life sciences.

GEOGRAPHIC REGION AT 31/12/2023 (IN M EUR)	PORTFOLIO FAIR VALUE <sup>2</sup>		RESIDUAL COMMITMENTS	
North America	2,608	62%	786	60%
Western Europe	419	10%	180	14%
Asia	1,162	28%	334	26%
TOTAL	4,189	100%	1,300	100%

CONCENTRATION BY MANAGER

Over the last decade, Sofina Private Funds portfolio concentration has decreased, even though the top 20 Managers still represent more than 50% of this portfolio. Moreover, while Sofina rigorously monitors the performance of its Managers, its policy is to maintain long-term relationships with them.

Currently, the main Managers are Andreessen Horowitz, Atomico, Bain, Battery, DST, General Atlantic, HongShan, Iconiq, Insight, Lightspeed, NEA, Peak XV, Sequoia, Source Code, Spark, TA Associates, Thoma Bravo, Thrive, Tiger Global, and Venrock.

PORTFOLIO EVOLUTION (IN M EUR) <sup>2</sup>	2023	2022
Fair value at 1 January	4,302	5,253
Investments (called capital)	291	445
Distributions <sup>3</sup>	-274	-788
Other fair value variation	-130	-608
Fair value as at 31 December	4,189	4,302

1 Definitions of the different private funds strategies :  
**Venture capital** is composed of investments in high-growth companies supporting entrepreneurial ventures, start-ups and scale-ups. It is divided into different stages, with Seed and Series A usually classified as early-stage (investments to build the company, launch products and find product-market fit), and Series B and beyond being classified as late-stage (capital to help the company scale).  
**Growth equity** generally refers to investments in middle-market businesses with high organic growth rates, more established business models and often positive cash flow. They have often reached this stage without institutional funding (i.e. bootstrapped).  
**Leveraged buyout** (LBO) refers to acquisitions of companies at different stages or maturities. Given the control element, buyout funds often make major operational adjustments to these companies to create value.

2 Based on the fair value of the Sofina group's investments at 31 December 2023 (portfolio in transparency).

3 Includes the proceeds from the secondary sale of a portion of non-core investments.

- Financial indicators
- Portfolio indicators
- Sustainability
- Post-closing events

# Top 10 of Sofina Private Funds <sup>1</sup>

The 10 largest General Partners of Sofina Private Funds represent 22% of the fair value of the portfolio in transparency. <sup>2</sup>

1	SEQUOIA
2	HONGSHAN
3	LIGHTSPEED
4	PEAK XV
5	INSIGHT
6	BATTERY
7	THOMA BRAVO
8	ICONIQ
9	TA ASSOCIATES
10	ANDREESSEN HOROWITZ

536

FUNDS

# Market environment

## MARKET OVERVIEW

The year 2023 witnessed a continued deceleration across all dimensions in the private markets: diminished commitments to new funds, reduced capital deployment in new investments, and lower distributions to the invetsors ("Limited Partners"). Combined deal activity reached the lowest levels observed since 2017. Despite a few high-profile venture-backed IPOs in the third quarter 2023, this failed to kick start a general opening of IPO markets, and exit opportunities remained subdued in the fourth quarter.

However, underlying portfolio companies persist in their growth trajectory, whilst the relentless pace of innovation shows no signs of abating. Pockets of growth and investor enthusiasm endure, with generative AI emerging as the most conspicuous focal point. Furthermore, the trend in venture capital-backed companies towards profitability has continued throughout the year.

## BY GEOGRAPHY

In the United States, AI is red-hot as the key companies are US-based (e.g. Open AI, Anthropic, Metropolis, Databricks). However, venture capital and growth firms are exposed to the global venture capital slowdown, and face Limited Partners' pressure in terms of liquidity. As a result, fundraising slowed, and rollover funds are increasingly used to provide liquidity to Limited Partners. For US buyouts, activity has contracted amidst higher

interest rates, but take private acquisitions of listed companies have reached a peak given low public valuations.

Europe continues to be exposed to geopolitics (e.g. Middle East volatility and Ukraine war) and macroeconomic uncertainty (Germany in recession). Despite the ensuing overall reduction in European venture capital and growth deal activity in 2023, AI (e.g. Aleph Alpha, Mistral) and Cleantech (e.g. Northvolt) are key bright points. Furthermore, early stage continues to account for a growing share of invested capital, showing the enduring development of entrepreneurship in Europe.

In Asia, the dynamics differ by country. China's venture capital investment has dropped to a seven-year low amidst political and economic uncertainty and lower IPO activity in Hong Kong. India on the other hand had a strong macro environment, even if venture capital investors remain cautious given the global context.

## SOFINA PRIVATE FUNDS ACTIVITY

Sofina Private Funds' activity has demonstrated its resilience amidst the prevailing market slowdown. Thanks to our mature portfolio and disciplined Managers, capital calls remained largely in line with distributions, with limited to no cash consumption. Sofina remains disciplined in its commitment approach, maintaining a stable pace across vintages and supporting its portfolio funds' Managers in a difficult fundraising environment.


















<sup>1</sup> Largest General Partners in terms of estimated representation of their funds in the fair value of Sofina's portfolio in transparency. Listed in decreasing order of fair value at 31 December 2023.

<sup>2</sup> Since 2023, the list of the 10 largest General Partners of Sofina Private Funds presents Sequoia as three different Managers following the recent split of the Chinese (HongShan) and Indian branches (Peak XV). The 10 largest GPs in 2022 assuming the same scope would have represented 23% of the portfolio in transparency instead of 25% before the split.



- Financial indicators
- Portfolio indicators
- Sustainability
- Post-closing events

Portfolio activity in 2023

NEW COMMITMENTS IN SELECTED EXISTING PORTFOLIO MANAGERS			NEW MANAGERS ADDED TO OUR PORTFOLIO	
				
				
				
				

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

- Financial indicators
- Portfolio indicators
- Sustainability
- Post-closing events

Investments overview

Societal commitment

Corporate governance

Accounts and notes

Glossary

Responsible person

# SUSTAINABILITY<sup>1</sup>

## Responsible investor

In accordance with our Responsible investment policy, we assess our investment opportunities against our ESG framework and target investments in companies that have a positive impact on sustainability. We further discuss sustainability roadmaps within selected portfolio companies within Sofina Direct and share our knowledge and insights on sustainability matters through our presence at the boards of our portfolio companies and during our interactions with management.

100%

INVESTMENT  
OPPORTUNITIES IN SOFINA  
DIRECT HAVE BEEN  
ASSESSED IN ACCORDANCE  
WITH THE ESG FRAMEWORK

33

PORTFOLIO  
COMPANIES IN  
WHICH WE HAVE  
A BOARD SEAT

8

PORTFOLIO COMPANIES  
HAVING SCIENCE  
BASED TARGETS

50%

OF SOFINA DIRECT  
WITH A SUSTAINABILITY  
ROADMAP

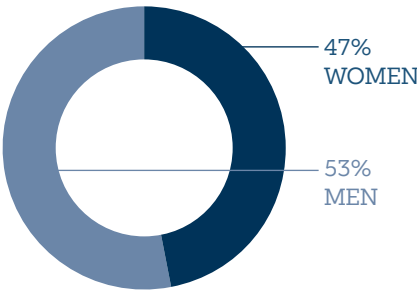
24

MANAGERS IN SOFINA  
PRIVATE FUNDS HAVING  
AN ESG POLICY

## Our operations

We tackle sustainability in our operations with a shared focus on the environmental, social and governance aspects. We strive to reduce our environmental footprint, we actively promote diversity, equity, and inclusion in the workplace as well as the well-being and personal development of our employees. We further apply the best governance practices and maintain high standards of compliance, ethics and integrity.

### WORKFORCE



16

NATIONALITIES

10.84 tCO<sub>2</sub>e

EMISSIONS OF SOFINA'S  
OPERATIONS PER FTE

100%

ATTENDANCE TO THE  
ANNUAL COMPLIANCE  
TRAINING

<sup>1</sup> Data at 31 December 2023.

- Financial indicators
- Portfolio indicators
- Sustainability
- Post-closing events

# POST-CLOSING EVENTS

Since the start of 2024, we have continued investing and divesting. Worth highlighting the investment in EG A/S, alongside longtime partner and software investment specialist Francisco Partners. Sofina led the EUR 400 million fundraising with LGT. EG is a market leading supplier of industry-specific software based in Denmark. It is our largest software investment so far and our first significant commitment in the Nordics. We sold the balance of our shares in Colruyt, a company where our first investment dates back to 1976. It has been a source of pride, and economic success, to be part of Colruyt's growth story from upstart, to challenger, to the leading food retailer in Belgium.

## Investments



NEW DEAL  
LONG-TERM MINORITY  
DENMARK  
DIGITAL  
TRANSFORMATION

EG A/S is a market leading vendor of industry-specific software in the Nordics in which Sofina took a minority stake as part of a capital increase and a secondary transaction that closed in February 2024.



FOLLOW-ON  
SOFINA GROWTH  
INDIA  
HEALTHCARE  
AND LIFE SCIENCES

Sofina participated in a secondary transaction that has been signed in February 2024.



FOLLOW-ON  
SOFINA GROWTH  
UNITED STATES  
HEALTHCARE  
AND LIFE SCIENCES

Sofina further increased its shareholding in Vizgen, a company that develops technologies to better understand diseases and develop novel therapies, by participating in the Series D round, which closed in February 2024.

## Divestments



FULL EXIT  
LONG-TERM MINORITY  
BELGIUM  
CONSUMER AND RETAIL

Sofina completed the sale of its remaining stake in Colruyt in January 2024.



PARTIAL EXIT  
LONG-TERM MINORITY  
FRANCE  
OTHER

In February 2024, Sofina sold part of its stake in GL events, a key player in major events markets. Sofina retains 7.9% of the company's share capital.



PARTIAL EXIT  
LONG-TERM MINORITY  
BELGIUM  
OTHER

In February 2024, Sofina participated in the public tender offer initiated by Sibelco and sold part of its stake, retaining 0.3% in the capital of the company.



[Our mission](#)[Message to shareholders](#)[Sofina at a glance](#)[Strategy](#)[Year in review](#)[Investments overview](#)

- Sofina Direct
- Sofina Private Funds

[Societal commitment](#)[Corporate governance](#)[Accounts and notes](#)[Glossary](#)[Responsible person](#)

# Investments overview

**Our total portfolio across sectors, stages and geographies highlights our diversity. These operating companies and private funds forming our portfolio are the showcase of entrepreneurship in action.**



Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

- Sofina Direct
- Sofina Private Funds

Societal commitment

Corporate governance

Accounts and notes

Glossary

Responsible person

SOFINA DIRECT

Sofina Direct – Long-term minority investments <sup>1</sup>



CONSUMER AND RETAIL \*\*

- Belgium
- 2022
- [www.biobestgroup.com](http://www.biobestgroup.com)

**Biobest\*** is a global leader in biological crop protection, nutrition and natural pollination.



DIGITAL TRANSFORMATION

- Belgium
- 2020
- [www.collibra.com](http://www.collibra.com)

**Collibra\***, “the” data intelligence company, helps organisations to unlock the value of their data and turn it into a strategic, competitive asset.



DIGITAL TRANSFORMATION

- Spain
- 2020
- [www.saltosystems.com](http://www.saltosystems.com)

**SALTO Systems\*** is a global leader in the development and production of leading-edge electronic access control solutions, particularly in sectors where security is critical.



CONSUMER AND RETAIL

- France
- 2019
- [www.nuxe.com](http://www.nuxe.com)

In 30 years, pioneering French brand **NUXE\*** became the reference player in natural cosmetology in France.



CONSUMER AND RETAIL

- Belgium
- 2019
- [www.drylocktechnologies.com](http://www.drylocktechnologies.com)

**Drylock Technologies\*** is a Belgian family company manufacturing personal hygiene products.



EDUCATION

- United Kingdom
- 2019
- [www.cognita.com](http://www.cognita.com)

**Cognita\*** is a global K-12 schools platform (from kindergarten to high school).



<sup>1</sup> Companies in which Sofina holds, directly or indirectly, a participating interest whose fair value exceeds EUR 10 million, or which are of strategic interest, are subject to a notice. The classification of the notices follows the chronological order of the date of the initial investment made by Sofina (from the most recent to the oldest). The country of the main or historical headquarters of each investment is indicated in the respective notice. The sector of focus in which each investment is classified is also mentioned in the notice.

\* Sofina is represented in the decision-making bodies of the company.

\*\* This investment shows the recent development in the sector of Sustainable supply chains.

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

- Sofina Direct
- Sofina Private Funds

Societal commitment

Corporate governance

Accounts and notes

Glossary

Responsible person



OTHER

- United States
- 2018
- [www.cambridgeassociates.com](http://www.cambridgeassociates.com)

**Cambridge Associates\*** is an investment firm helping its clients build custom portfolios.



OTHER

- United States
- 2016
- [www.firsteagle.com](http://www.firsteagle.com)

**First Eagle Investments °** acts as an independent investment management firm, providing investment advisory services.



CONSUMER AND RETAIL

- France
- 2016
- [www.veepee.fr](http://www.veepee.fr)

**Veepee\*** is the European leader in online event sales and the expert in clearance sales for major brands.



CONSUMER AND RETAIL

- United Kingdom
- 2016
- [www.thg.com](http://www.thg.com)

**THG\*Δ** is an international technology company focused on digital retail in the beauty and wellbeing sectors.



EDUCATION

- India
- 2016
- [www.byjus.com](http://www.byjus.com)

**Byju's °** is a provider of online educational content and an operator of tuition and test preparation centres.



OTHER

- United States
- 2014
- [www.merieuxnutrisciences.com](http://www.merieuxnutrisciences.com)

**Mérieux NutriSciences\*°** offers analysis and support services for the development of new products with the aim of preventing health risks related to food.



\* Sofina is represented in the decision-making bodies of the company.  
° Sofina has an observer seat in the decision-making bodies of the company.  
Δ Listed company.



Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

- Sofina Direct
- Sofina Private Funds

Societal commitment

Corporate governance

Accounts and notes

Glossary

Responsible person



OTHER

- France
- 2012
- [www.gl-events.com](http://www.gl-events.com)

**GL events**\*<sup>Δ</sup> is a key player in the three major events markets: congresses and conventions; cultural, sporting, institutional or political events; trade shows and exhibitions.



HEALTHCARE AND LIFE SCIENCES

- France
- 2009
- [www.biomerieux.com](http://www.biomerieux.com)

**bioMérieux**\*<sup>Δ</sup> is a global leader in in vitro diagnostics providing diagnostics solutions that improve patient health and ensure consumer safety.



OTHER

- France
- 2007
- [www.petitforestier.com](http://www.petitforestier.com)

**Groupe Petit Forestier**\* is the European leader in refrigeration rental, including vehicles, display units and containers.



CONSUMER AND RETAIL

- France
- 2007
- [www.chapoutier.com](http://www.chapoutier.com)

**Chapoutier**\* is one of the leading wine producers in the Rhône Valley with presence in other regions. The Maison Chapoutier is a leader in biodynamic viticulture.



OTHER

- Luxembourg
- 1992
- [www.luxempart.lu](http://www.luxempart.lu)

**Luxempart**\*<sup>Δ</sup> is an investment company listed on the Luxembourg Stock Exchange managing a portfolio of listed and non-listed holdings.



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Δ Listed company.

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

- Sofina Direct
- Sofina Private Funds

Societal commitment

Corporate governance

Accounts and notes

Glossary

Responsible person

Whatever the sector in which we invest, our approach is to leverage our privileged access to future-proof businesses, in alignment with our partners, and seek long-term performance and positive societal impact. Two examples from our portfolio bring this to life.



**Biobest** is one of the leading biological crop protection and nutrition players globally. We accessed to the investment opportunity through our network of prominent European family investment holdings, also facilitated by the presence of our longstanding partner Merieux Equity Partners as a shareholder. Within the global crop protection and nutrition market, the fast-growing biological segment has been taking market share from chemical intrants, driven by long-term secular tailwinds: consumer and retail demand for organic, zero-residue food; increased regulation; product innovation enlarging use-cases for biologicals, notably in open-field applications; and growing pest resistance. Biobest, active on five continents in macrobial and microbial solutions, differentiates from competition through its local network of technical advisors, decentralised production footprint and wide product portfolio. We share with Floridienne, Biobest's controlling shareholder, the vision of creating the leader in biological crop protection and nutrition, building it through organic growth as well as acquisitions, as the recent integration of the Brazilian company Biotrop illustrates.



**Cambridge Associates** is a global investment firm building customised investment portfolios to help clients maximise their impact on the world. After working with the alternative investment practice of Cambridge Associates for years, a close relationship with the leadership team presented an opportunity to become a well-aligned long-term shareholder. The outstanding brand and gatekeeper status in the fast-growing alternative investment segment, offer a unique opportunity to capitalise on the outsourcing trend in asset management, with impressive returns for all. A shared focus on organic growth, the appointment of an independent chair and the transition towards more institutionalised profile, allowed to deliver on objectives, increase dividend-returns and maintain sustainable growth.

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

- Sofina Direct
- Sofina Private Funds

Societal commitment

Corporate governance

Accounts and notes

Glossary

Responsible person

Sofina Direct – Sofina Growth <sup>1</sup>

laifen

CONSUMER AND RETAIL

- China
- 2023
- [www.laifentech.com](http://www.laifentech.com)

**Laifen\*** is a leading personal care appliance brand in China.



OTHER \*\*

- Germany
- 2023
- [www.geosi.com](http://www.geosi.com)

**Green E Origin (GEO)\*** is a European company active in electrolyte manufacturing aiming to serve the local Li-ion battery market for, among others, electric vehicles.



DIGITAL TRANSFORMATION

- France
- 2023
- [www.mistral.ai](http://www.mistral.ai)

**Mistral AI** is a European start-up with a global focus specialising in generative artificial intelligence.



CONSUMER AND RETAIL

- Denmark
- 2023
- [www.toogoodtogo.com](http://www.toogoodtogo.com)

**Too Good To Go** is a leading marketplace enabling retailers to sell discounted surplus food to consumers across 17 countries.



CONSUMER AND RETAIL

- Germany
- 2022
- [www.everdrop.de](http://www.everdrop.de)

**Everdrop\*** is a purpose-driven, eco-friendly household product and personal care brand enabling people to live a more sustainable lifestyle.



CONSUMER AND RETAIL

- Czech Republic
- 2022
- [www.rohlik.group](http://www.rohlik.group)

**Rohlik\*** is a leading online grocery business with the vision to elevate food quality and service standards in the grocery industry.



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Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

- Sofina Direct
- Sofina Private Funds

Societal commitment

Corporate governance

Accounts and notes

Glossary

Responsible person



EDUCATION

- Germany
- 2022
- [www.coachhub.com](http://www.coachhub.com)

**CoachHub**<sup>°</sup> is a B2B online platform designed to provide personalised business coaching globally for large enterprises and mid-market companies.



HEALTHCARE AND LIFE SCIENCES

- United Kingdom
- 2022
- [www.birdie.care](http://www.birdie.care)

**Birdie**<sup>\*</sup> is a home healthcare technology company that aims to reinvent care at home and radically improve the lives of millions of older adults.



EDUCATION

- India
- 2022
- [www.skillmaticsworld.com](http://www.skillmaticsworld.com)

**Skillmatics**<sup>\*</sup> is a global brand dedicated to developing learning and play experiences for children of all ages.



HEALTHCARE AND LIFE SCIENCES

- United States
- 2022
- [www.vizgen.com](http://www.vizgen.com)

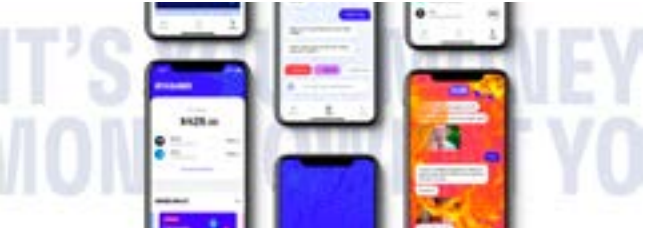
**Vizgen**<sup>°</sup> is a life science company that develops technologies able to map spatial genomic information at single-cell resolution to better understand diseases and develop novel therapies.



DIGITAL TRANSFORMATION

- United Kingdom
- 2022
- [www.meetcleo.com](http://www.meetcleo.com)

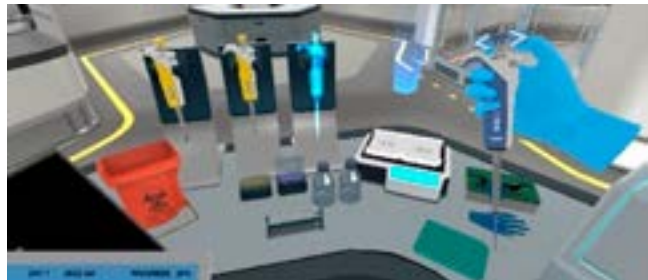
**Cleo**<sup>\*</sup> is an AI solution aiming at improving the financial health of its users at a global level.



EDUCATION

- Denmark
- 2022
- [www.labster.com](http://www.labster.com)

**Labster**<sup>°</sup> is the world's leading platform for virtual labs and science simulations.



<sup>\*</sup> Sofina is represented in the decision-making bodies of the company.  
<sup>°</sup> Sofina has an observer seat in the decision-making bodies of the company.

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

- Sofina Direct
- Sofina Private Funds

Societal commitment

Corporate governance

Accounts and notes

Glossary

Responsible person

Typeform

DIGITAL TRANSFORMATION

- Spain
- 2022
- [www.typeform.com](https://www.typeform.com)

**Typeform\*** is a form builder designed for the creators and the respondents.



HEALTHCARE AND LIFE SCIENCES

- China
- 2021
- [www.zencorebio.com](https://www.zencorebio.com)

**Zencore Biologics°** is a biologics contract development and manufacturing organisation supporting the development and manufacturing of drugs from the pre-clinical stage to commercial-stage manufacturing.



moody

CONSUMER AND RETAIL

- China
- 2021
- [www.moodylenses.com](https://www.moodylenses.com)

**Moody°** is a leading coloured contact lenses brand in China.



CONSUMER AND RETAIL

- India
- 2021
- [www.agrevolution.in](https://www.agrevolution.in)

**DeHaat\*\*** is an agtech player offering end-to-end solutions and services to the farming community in India.



CONSUMER AND RETAIL

- Germany
- 2021
- [www.sellerx.com](https://www.sellerx.com)

**SellerX\*** is building a portfolio of next generation brands that touch people's everyday lives.



HEALTHCARE AND LIFE SCIENCES

- Switzerland
- 2021
- [www.oviva.com](https://www.oviva.com)

**Oviva°** offers personalised, app-based diet and lifestyle coaching to help its users lead healthier and happier lives.



\* Sofina is represented in the decision-making bodies of the company.  
° Sofina has an observer seat in the decision-making bodies of the company.

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

- Sofina Direct
- Sofina Private Funds

Societal commitment

Corporate governance

Accounts and notes

Glossary

Responsible person



CONSUMER AND RETAIL

- China
- 2021
- [www.petkit.com](http://www.petkit.com)

**PETKIT\*** is a fast-growing pet care company in China.



HEALTHCARE AND LIFE SCIENCES

- United States
- 2021
- [www.twinhealth.com](http://www.twinhealth.com)

**Twin Health**<sup>o</sup> is the developer and provider of the AI-powered Whole Body Digital Twin™ which provides individualised nutrition, sleep, activity and breathing guidance for the reversal and prevention of chronic metabolic diseases.



HEALTHCARE AND LIFE SCIENCES

- China
- 2021
- [www.reetoo.com.cn](http://www.reetoo.com.cn)

**ReeToo** is an innovative China-based in vitro diagnostics company.



CONSUMER AND RETAIL

- The Netherlands
- 2021
- [www.ridedott.com](http://www.ridedott.com)

**Dott\*** is a micromobility company operating a fleet of shared e-scooters and e-bikes.



CONSUMER AND RETAIL

- India
- 2021
- [www.mamaearth.com.np](http://www.mamaearth.com.np)

**Honasa Consumer**<sup>A</sup> is a digital-first house of brands focused on beauty and personal care in India. Its portfolio of brands comprises Mamaearth, The Derma Co. and Aqualogica.



DIGITAL TRANSFORMATION

- India
- 2021
- [www.cred.club](http://www.cred.club)

**CRED** is a leading Indian fintech platform.



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Δ Listed company.



Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

- Sofina Direct
- Sofina Private Funds

Societal commitment

Corporate governance

Accounts and notes

Glossary

Responsible person



EDUCATION

- India
- 2020
- [www.k12technoservices.com](http://www.k12technoservices.com)

**K12 Techno Services**° is an educational services platform which provides a suite of services including academic support, administration, and technology solutions.



CONSUMER AND RETAIL

- Indonesia
- 2020
- [www.kopikenangan.com](http://www.kopikenangan.com)

**Kopi Kenangan** is a fast-growing Indonesian grab-and-go coffee chain which offers fresh affordable coffee to consumers.



CONSUMER AND RETAIL

- Lithuania
- 2019
- [www.vinted.com](http://www.vinted.com)

**Vinted** is Europe's largest online international C2C marketplace dedicated to second-hand fashion.



CONSUMER AND RETAIL

- India
- 2019
- [www.lenskart.com](http://www.lenskart.com)

**Lenskart** is a leading eyewear manufacturer and retailer in Asia.



DIGITAL TRANSFORMATION

- India
- 2018
- [www.verse.in](http://www.verse.in)

**VerSe Innovation**\* is a technology platform that delivers personalised content to users based on their preferences.



DIGITAL TRANSFORMATION

- United Kingdom
- 2018
- [www.graphcore.ai](http://www.graphcore.ai)

**Graphcore**° designs microprocessors for artificial intelligence applications.



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Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

- Sofina Direct
- Sofina Private Funds

Societal commitment

Corporate governance

Accounts and notes

Glossary

Responsible person



CONSUMER AND RETAIL

- China
- 2018
- [www.censh.com](http://www.censh.com)

**Xinyu** is the largest watch retailer and wholesaler in China.



HEALTHCARE AND LIFE SCIENCES

- China
- 2018
- [www.aohua.com](http://www.aohua.com)

**Aohua**<sup>Δ</sup> is one of the leading Chinese endoscopy equipment and consumables manufacturers.



CONSUMER AND RETAIL

- India
- 2018
- [www.bira91.com](http://www.bira91.com)

**Bira 91**<sup>°</sup> is an Indian beer brand.



HEALTHCARE AND LIFE SCIENCES

- United States
- 2018
- [www.includedhealth.com](http://www.includedhealth.com)

**Included Health** is a diversified healthcare platform which partners with employers across the US to provide care to employees and their families.



HEALTHCARE AND LIFE SCIENCES

- India
- 2017
- [www.research.medgenome.com](http://www.research.medgenome.com)

**MedGenome**<sup>°</sup> is a genomic-driven diagnostics and research company.



DIGITAL TRANSFORMATION

- United States
- 2017
- [www.thoughtspot.com](http://www.thoughtspot.com)

**ThoughtSpot** is a modern analytics cloud company.



<sup>°</sup> Sofina has an observer seat in the decision-making bodies of the company.  
<sup>Δ</sup> Listed company.

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

- Sofina Direct
- Sofina Private Funds

Societal commitment

Corporate governance

Accounts and notes

Glossary

Responsible person



HEALTHCARE AND LIFE SCIENCES

- Germany
- 2016
- [www.opseo-intensivpflege.de](http://www.opseo-intensivpflege.de)

**opseo Intensivpflege** is a company active in the ambulatory healthcare sector.



HEALTHCARE AND LIFE SCIENCES

- China
- 2016
- [www.jiahui.com](http://www.jiahui.com)

**Carebridge**° is an integrated healthcare services network which differentiated itself by the quality of its services and its impact in clinical care, clinical research, and professional training.



DIGITAL TRANSFORMATION

- China
- 2016
- [www.bytedance.com](http://www.bytedance.com)

**ByteDance** is a global internet and technology company with leading products in areas such as social networking, content distribution, enterprise software and gaming.



Source of the picture used in this notice : [ByteDance](http://ByteDance)



CONSUMER AND RETAIL

- India
- 2016
- [www.wforwoman.com](http://www.wforwoman.com)

**TCNS Clothing Company**△ is a leading women's apparel company in India.



DIGITAL TRANSFORMATION

- India
- 2016
- [www.actcorp.in](http://www.actcorp.in)

**ACT** is a broadband internet and cable TV provider in India.



DIGITAL TRANSFORMATION

- India
- 2015
- [www.pinelabs.com](http://www.pinelabs.com)

**Pine Labs**° is a provider of innovative IT solutions for the payments ecosystem.



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△ Listed company.



Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

- Sofina Direct
- Sofina Private Funds

Societal commitment

Corporate governance

Accounts and notes

Glossary

Responsible person



CONSUMER AND RETAIL

- United States
- 2015
- [www.1stdibs.com](http://www.1stdibs.com)

**1stdibs**<sup>Δ</sup> operates an online marketplace for luxury items.



CONSUMER AND RETAIL

- India
- 2015
- [www.paperboatfoods.com](http://www.paperboatfoods.com)

**Hector Beverages**<sup>°</sup> is a producer of traditional Indian beverages and foods.



DIGITAL TRANSFORMATION

- Nigeria
- 2014
- [www.ihstowers.com](http://www.ihstowers.com)

**IHS Towers**<sup>Δ</sup> is an owner, manager and independent operator of shared telecommunications infrastructure.



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<sup>Δ</sup> Listed company.

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

- Sofina Direct
- Sofina Private Funds

Societal commitment

Corporate governance

Accounts and notes

Glossary

Responsible person

Our "growth" investments in young and promising companies typically start with smaller cheques, but can offer high growth, in sectors with global appeal.



Founded in 2012 and headquartered in Beijing, **ByteDance**<sup>1</sup> is a global internet and technology company active in more than 150 countries. The company offers a portfolio of leading consumer apps including Douyin (short video platform in China), Toutiao (news aggregator and content discovery platform in China), Xigua Video (live streaming and video sharing platform in China), Lark (global digital collaboration product), and TikTok (short video platform outside of China). Initially focused on the Chinese market, its international expansion was accelerated from 2018 after merging its nascent product TikTok with Musical.ly (acquired in 2017). ByteDance currently also operates a diverse set of products across a number of business units in areas such as enterprise software and cloud services.

Driven by the success of Douyin and TikTok, ByteDance has grown at a rapid pace in recent years. According to public sources, 2022 and H1 2023 revenue reached USD 85 billion and USD 54 billion respectively. At the same time, the company's revenue base has diversified away from its traditional stronghold in digital advertising to e-commerce, live streaming and other new initiatives. Although ByteDance continues to enjoy attractive prospects, it also faces the impact of global macroeconomic conditions which have slowed the recent growth of other internet players.

Today, ByteDance operates globally with a growing international presence while China remains its largest market. It also continues to navigate the complex regulatory landscape in major markets including the United States and China.



**Honasa Consumer** is a digital-first house of brands focused on beauty and personal care in India which portfolio of brands comprises Mamaearth, The Derma Co. and Aqualogica. We first invested in the company through our close partnership with Peak XV (previously Sequoia India), leveraging our track-record in beauty and personal care and hygiene sectors. As a purpose-driven company offering natural and environmentally friendly products through a very accessible omnichannel distribution, we found a shared vision with the founders to develop brands that care for people and the earth. The fast-scaling growth, and outstanding financial performance, led then to become the youngest company to successfully IPO in India, generating excellent internal returns for us, and value for all stakeholders.




















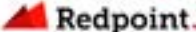








1. ByteDance represents more than 5% of the fair value of the portfolio in transparency as at 31 December 2023 (when taking into account our combined holdings through Sofina Direct and Sofina Private Funds).

- Sofina Direct
- Sofina Private Funds

# SOFINA PRIVATE FUNDS

## Investments in venture and growth capital funds

### Selected General Partners based in the United States or with global footprint

FOR OVER FOUR DECADES, BATTERY HAS SUPPORTED VISIONARY ENTREPRENEURS AND MANAGEMENT STEERING FAST-GROWING TECHNOLOGY FIRMS WITH THE AMBITION TO ACHIEVE LEADERSHIP STATUS IN THEIR RESPECTIVE CATEGORIES. SOFINA IS A PARTNER WITH WHOM WE SHARE COMMON VALUES AND STRONG ALIGNMENT. THROUGHOUT THE YEARS, WE HAVE VALUED THE QUALITY, RELIABILITY, AND PROFOUND ENGAGEMENT IN OUR EXCHANGES WITH SOFINA. WE LOOK FORWARD TO FURTHER STRENGTHENING OUR PARTNERSHIP IN THE YEARS TO COME.

Dharmesh Thakker,  
General Partner, Battery Ventures



Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

- Sofina Direct
- Sofina Private Funds

Societal commitment

Corporate governance

Accounts and notes

Glossary

Responsible person

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KEDAARA'S VISION IS TO BE AN UNMATCHED INVESTOR PARTNER, FOSTERING SUSTAINABLE MARKET-LEADING ENTERPRISES AND CONSISTENTLY CREATING VALUE FOR ALL STAKEHOLDERS. SOFINA HAS BEEN AN ESSENTIAL PART OF THIS JOURNEY FROM THE START.

IN ADDITION TO BEING AN INVESTOR IN EVERY KEDAARA FUND, THEY ARE NOW COLLABORATING DIRECTLY IN OUR DEALS LIKE LENS KART, WHERE SOFINA HAS NOT ONLY CO-INVESTED BUT PROVIDED VALUABLE INSIGHTS AND BENCHMARKS FROM MORE DEVELOPED MARKETS.











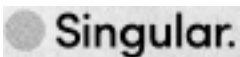

OUR RELATIONSHIP WITH SOFINA HAS EVOLVED SIGNIFICANTLY OVER THE YEARS, AND WE ARE COMMITTED TO STRENGTHENING IT FURTHER. RECOGNISING THE POTENTIAL THAT SOFINA BRINGS TO THE TABLE, WE LOOK FORWARD TO MANY MORE YEARS OF SHARED SUCCESS. “THANK YOU, SOFINA, FOR BEING NOT JUST A PARTNER BUT A VITAL AND INDISPENSABLE PART OF OUR JOURNEY.”

Manish Kejriwal, Founder and Managing Partner, Kedaara Capital

Selected General Partners based in Asia

Selected General Partners based in Europe

[Our mission](#)[Message to shareholders](#)[Sofina at a glance](#)[Strategy](#)[Year in review](#)[Investments overview](#)[Societal commitment](#)

- ESG
- Our team in the community

[Corporate governance](#)[Accounts and notes](#)[Glossary](#)[Responsible person](#)

# Societal commitment

**Sofina invests and operates within a societal context. We strive to reduce our environmental footprint, care for our employees, and are actively involved in our communities.**

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

- ESG
- Our team in the community

Corporate governance

Accounts and notes

Glossary

Responsible person

ESG

Environment

We understand that climate change and environmental degradation are causing a range of negative impacts on society and the economy. At Sofina, we attach great importance to reducing our negative impact on the environment as a company and at the level of our portfolio companies.

Reducing our environmental impact as a Responsible investor

As a Responsible investor, we aim to reduce the environmental footprint of our portfolio companies, through discussing their sustainability roadmaps with them and monitoring and encouraging them to develop greenhouse gas ("GHG") emissions reduction targets in line with the goals of the Paris Agreement. We refer to the Sustainability part of the [Strategy](#) section for further information of Sofina’s approach as a Responsible investor.

Reducing our environmental impact in our operations

We raise awareness of our employees on environmental issues such as climate change and waste management within the workplace through workshops and knowledge sharing, encourage soft mobility, use of electric cars and the reduction of business travel. We expect our people to be mindful of our environmental impact and take their share to contribute to reducing our environmental footprint.

1

Science-based targets provide companies with a clearly-defined path to reduce emissions in line with the Paris Agreement goals. More than 4,000 businesses around the world are already working with the SBTi.

2

Emissions from our refrigerant losses were added for 2023.

3

A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data).

4

A market-based method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice). It derives emission factors from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy bundled with attributes about the energy generation, or for unbundled attribute claims.

5

The GHG emissions relating to 2022 was corrected after the publication of the Annual report 2022.

6

This comprises the following elements:

- scope 1: direct GHG emissions from heating (natural gas), company cars and refrigerants,

- scope 2: indirect GHG emissions related to electricity consumption,

- scope 3: indirect GHG emissions related to upstream emissions from scopes 1 and 2, business travel (air, rail and car), IT services and equipment, paper and waste.

Portfolio companies are excluded.

7

The emissions per FTE were corrected as a result of the review of the GHG emissions relating to 2022. For the purposes of this exercise, the notion FTE also includes the CEO.

ENVIRONMENTAL POLICY

We have adopted an environmental policy for our operations to:

- reduce electricity and gas consumption in our operations, using green electricity and purchasing green tariffs in our operations where available;
- ensure the renovation works of our buildings is undertaken in a sustainable manner and with the aim to improve energy efficiency;
- reduce our GHG emissions from business travels and commute through our travel and mobility policy by encouraging videoconferencing, travel by train for short business trips and promoting greener mobility solutions to our employees by favouring electric cars and mobility passports.

We also purchase carbon credits to offset our remaining GHG emissions and are looking at alternatives such as carbon capture.

PROGRESS TOWARDS FURTHER REDUCING OUR ENVIRONMENTAL IMPACT IN OUR OPERATIONS

We perform a review of the GHG emissions footprint of our operations (scope 1 and 2, and selected categories of scope 3) on an annual basis and use this data to track progress and implement actions to further reduce our emissions. In 2023, we further stepped up our ambitions, capabilities and plans to make substantial progress towards reducing

our environmental footprint. We hired a full-time ESG Associate to work amongst other things on the development of a carbon strategy at group level, which helped us understanding the main sources of our emissions and the level of ambition needed for our operational targets to be in line with a 1.5°C scenario. This exercise prompted us to evaluate our readiness to commit to the Science Based Targets initiative<sup>1</sup> (SBTi) and review of our travel and mobility policy.

OUR GHG EMISSIONS

	2023	2022
Gross scope 1 GHG emissions	216 tCO <sub>2</sub> e <sup>2</sup>	191 tCO <sub>2</sub> e
Gross location-based scope 2 GHG emissions <sup>3</sup>	55 tCO <sub>2</sub> e	67 tCO <sub>2</sub> e
Gross market-based GHG scope 2 GHG emissions <sup>4</sup>	19 tCO <sub>2</sub> e	13 tCO <sub>2</sub> e
Total energy consumption from fossil sources	930 MWh	972 MWh
% of renewable energy sources used in buildings	88.40%	94.17%
Gross scope 3 GHG emissions (excl. portfolio)	838 tCO <sub>2</sub> e	619 tCO <sub>2</sub> e
Gross scope 3 GHG emissions (business travel)	681 tCO <sub>2</sub> e	485 tCO <sub>2</sub> e <sup>5</sup>
Percentage of GHG scope 3 calculated using primary data	99.94%	99.62%
GHG emissions (scope 1, 2 & travel) per FTE <sup>6</sup>	10.84 tCO <sub>2</sub> e	8.71 tCO <sub>2</sub> e <sup>7</sup>



Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

- ESG
- Our team in the community

Corporate governance

Accounts and notes

Glossary

Responsible person

# Social

Human relationships are central to Sofina’s mission and our employees are key to the organisation. Sofina’s preferred access to attractive investment opportunities also relies considerably on our diverse teams representing the world in which we invest, key people and their business relationships. Our human approach and extensive business network is therefore at the core of our track record and success. As such, it is important for Sofina to ensure we are able to attract and retain qualified and diversified talents.

## Acting on social matters as a Responsible investor

As a Responsible investor, we are committed to enhancing social impact within our portfolio companies. We engage with our portfolio companies on these topics and monitor the progress made, through our presence at board meetings, involvement with management as well as in the framework of the sustainability roadmaps. For example, we encourage some portfolio companies to adopt a diversity policy, to provide us with their gender pay gap analysis, to adopt more inclusive and fairer practices, through the implementation of policies and assessment of their ratio of full time employees versus contractor workers. By fostering diversity and inclusion, promoting well-being in the workplace, and supporting community well-being, we contribute to a more equitable business environment.

## Social matters in our operations

### OUR PEOPLE

At Sofina, we have 87 headcounts spread over our three offices. Employees have an employment relationship with the respective local subsidiaries of Sofina (Sofina SA in Belgium, Sofina Partners SA and Sofina Capital SA in Luxembourg, and Sofina Asia Private Ltd. in Singapore).

	2023	2022
# of employees (headcount)	87	79
Employee turnover (by FTE but excluding retirements)	6%	8%

### GROWTH MINDSET AND PERSONAL DEVELOPMENT

Sofina employs agile and motivated people who are eager to learn and to evolve. We hold regular check-ins with our employees to understand their development needs, career aspirations and provide constructive feedback.

In 2023, we offered the opportunity to our employees to follow a wide range of trainings and organised an ESG training for the leadership and investment teams. The primary goal was to reinforce our ESG mindset, as well as the team's awareness and preparedness for our future ESG commitments. The programme ranged from a legal perspective, such as understanding the impact of Corporate Sustainability Reporting Directive ("CSRD") on Sofina and its portfolio companies, to a broader perspective such as upskilling our ESG analytical knowledge from an investor's and board member's point of view. Through the training, we explored the concept of double materiality in depth, and got a better understanding on how to develop a sustainable mindset and leadership capabilities (including diversity, equity, and inclusion).

Going forward, we will continue investing in various training programs and individual coaching sessions for our people.

### A DIVERSE WORKING ENVIRONMENT

#### Our approach

Diversity and inclusion are part of Sofina's DNA and relies on its One Team approach. Sofina recognises the positive correlation between a team's performance and a diverse and inclusive workforce. Diversity and inclusion boost an organisation's talent pool, drive innovation, enable different views and opinions and stimulate creative decision-making. Guided by its Code of Conduct, Sofina has an inclusive workplace free from discrimination and welcomes everyone regardless of their origin, race, sexual orientation, gender, ethnicity, educational and cultural background and professional experience. We believe that diversity and inclusion go hand in hand and must be integrated at an early stage within our people's career journey. A dedicated diversity and inclusion ("D&I") taskforce was launched in 2020 to boost diversity and inclusion across our offices while ensuring alignment with core values and business strategy and took many initiatives in 2023 including incorporating D&I in the onboarding process, ensuring a diverse talent pool in our selection and recruitment process, improving interview techniques of recruitment teams, as well as embedding D&I principles in the performance management cycle.

#### Nationality diversity

We employ people of 16 different nationalities in three offices. This diversity is mirrored at different levels of the organisation, as well as in the composition of the Board of Directors who includes 8 different nationalities.

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

- ESG
- Our team in the community

Corporate governance

Accounts and notes

Glossary

Responsible person



Gender diversity

Our Board of Directors is comprised of six women and seven men. We therefore comply with Article 7:86 of the Belgian Companies and Associations Code which provides that at least one third of the members of the Board of Directors must be of the opposite gender.

At the level of its Executive Committee, this diversity is reflected in the appointment of a woman in 2021 and the introduction of the Switch stock option plans described in the Remuneration report. These plans ensure a dynamic rotation among the members of the Executive Committee (also considering the fact that the term of office of the members of the Executive Committee benefiting from the Switch stock option plans is fixed).

We further adopt a retention, recruitment and promotion policy that aims to gradually generate more diversity, including gender diversity. As a result of this policy, 47% of our employees are female.

	2023	2022
% of women at the Executive Committee (by headcount)	13%	13%
% of women among the employees (by headcount)	47%	47%

Age diversity

We appreciate the variety of perspectives and experiences that an age-diverse workplace brings. Having different generations at the table can also ensure the constant transfer of industry wisdom and experience as well as fresh perspectives and technological expertise, which is key in a rapidly changing world. We aim to continuously improve this dimension of diversity across different seniority levels.

	2023	2022
% of employees (headcount) under 30 years old	20%	23%
% of employees (headcount) between 30 and 50 years old	57%	54%
% of employees (headcount) over 50 years old	23%	23%

FULFILLING WORKPLACE AND FAVOURABLE WORKING ENVIRONMENT

Well-being and team-building at work

At Sofina, we encourage our employees to take initiatives for well-being and team building. In 2023, we completed renovation works to enhance comfort and modernise our spaces, aiming to create even more pleasant and brighter offices.

Throughout the year, we remained committed to encouraging employees to participate in civic and volunteering initiatives. During our well-being week this year, stress management took the spotlight. We organised an art therapy workshop, a digital detox session, offered seated massages, and arranged activities like a forest walk coupled with a litter clean-up. Additionally, we hosted themed picnics, showcasing projects, celebrating humanitarian efforts, promoting workplace well-being and ergonomic practices, supporting anti-racism initiatives, fostering diversity and inclusion, contributing to medical research, advocating for cancer awareness, and simply nurturing informal colleague interactions to forge lasting memories and build a robust team spirit. We also continued our annual blood drive, collecting no less than 15 litres. Regular sporting events were also organised across our various offices

Work-life balance

We strive for balanced lives, promote autonomy and adopt a flexible working organisation. Employees have flexible work schedules and can choose to work from home up to two days a week.

Healthcare insurance

Our people benefit from extensive healthcare coverage, both for hospitalisation and for outpatient care.

Affected communities

Our business activities as such do not negatively affect the communities in which we operate. We take actions to have a positive impact on communities through many volunteering initiatives and donations to charities. More information on this can be found in [Our team in the community](#) section of this Annual report.

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

- ESG
- Our team in the community

Corporate governance

Accounts and notes

Glossary

Responsible person

# Governance

Applying the best governance practices and maintaining high standards of compliance, ethics and integrity is important for Sofina as a company and as a Responsible investor. It allows us to ensure our activities are conducted in an ethical and transparent manner, to build trust with our stakeholders and to increase accountability within the organisation. Compliance with ethical standards and good governance practices can enhance our brand and reputation as well as the brand and reputation of our portfolio companies. It will also help us to attract investors and talents. In addition, compliance with applicable laws and regulations is embedded in our DNA.

## ESG governance

As further described in the [Corporate governance statement](#), all decision-making bodies are entrusted with ESG matters, each at their level of competence. As such, the Board of Directors approves Sofina's sustainability strategy and monitors its effective implementation. The ESG Committee makes recommendations to the Board on sustainability matters, monitors the ESG performance of Sofina's operations and portfolio and discusses Sofina's approach towards ESG reporting. At management level, the Executive Committee ensured sustainability matters were reflected in the decision-making process and in our operations. In addition, an ESG Core team, led by a member of the Executive Committee monitored the ESG initiatives, the implementation of the ESG frameworks and brought ESG expertise to the teams. As indicated in the [Corporate governance statement](#), the Executive Committee has been dissolved as of 16 January 2024 and has been replaced by an Investment Table, a Portfolio Table and an Operations Table under the supervision of the Leadership Council. This new internal organisation will allow the respective bodies to be closely involved on ESG matters within their respective competences. For example, the Investment Table shall closely review the ESG due diligence performed by the teams as well as how the target company contributes to societal challenges or commits to improve on environmental and social matters while the Portfolio Table will follow up on the sustainability roadmaps and monitor the ESG performance and decarbonisation of the portfolio. The Operations Table will focus on ESG operational matters.

## Corporate culture and business conduct policies

We conduct our activities in accordance with our core values and comply with ethical rules, applicable laws and regulations. To this end, we have adopted a Blue Book which sets our values and operating principles and several instruments setting out our governance, values and the rules of conduct.

Our [Corporate Governance Charter](#) defines our governance structure and the role of our governance bodies. It demonstrates evidence that checks and balances are put in place.

The [Code of Conduct](#), as further described below, sets out the standards of conduct for Board members and employees.

We further ensure that the applicable rules of conduct are embedded in our corporate culture and business conduct, through several concrete actions such as setting the tone from the top on the importance of compliance and business ethics, setting up internal processes such anti-money laundering ("AML") reviews for our investments, compliance trainings to all newcomers and mandatory annual compliance trainings to all employees followed by a questionnaire, the presence of a compliance and legal team in each office, a whistleblowing channel and the availability of the compliance materials on our intranet.

	2023	2022
Participation rate in the annual compliance training	100%	100%
% of new investments subject to AML review	100%	100%

## CODE OF CONDUCT

We have adopted a Code of Conduct based on our core values. This document defines the way in which our Board members and employees must behave in the performance of their duties within the group. It is presented to employees during their onboarding and during the annual compliance training. The Compliance Officer takes all necessary actions for ensuring compliance with the Code of Conduct.

As indicated in the Code of Conduct, we support international conventions on human rights and labour. Hence, all employment relationships with the Sofina group are conducted in compliance with the applicable laws and collective labour agreements in which human rights are embedded.

The Code of Conduct requires all employees to ensure that transactions, business relations and agreements are concluded at arm's length terms in line with its ethical principles. To ensure the prevention and detection of corruption or bribery, the Code of Conduct requires employees to seek the approval of the Compliance Officer to accept gifts of a value exceeding EUR 200 and to notify any potential conflict of interest.

The Code of Conduct is included in the Company's Corporate Governance Charter as Appendix 7.

	2023	2022
# of notifications received under the conflict of interest and corruption prevention policy	21	26



Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

- ESG
- Our team in the community

Corporate governance

Accounts and notes

Glossary

Responsible person

DEALING CODE

Our [Dealing Code](#) aims at preventing insider trading, unlawful disclosure of inside information and market manipulation both at Sofina and at the level of the target listed companies and listed companies in our portfolio. It is included in our Corporate Governance Charter as Appendix 8.

PRIVACY POLICY AND PRIVACY CHARTER

We have drawn up a [Privacy Policy](#) and a Privacy Charter to ensure compliance with the data protection laws. The Privacy Policy is available on our website. It informs data subjects on how we collect, handle and process their personal data as well as about their rights in this respect. The Privacy Charter is an internal document detailing practical measures and instructions to employees on the collection and use of personal data.

	2023	2022
# of personal data breach incidents	3	0

In 2023, three data breaches were notified to the Compliance Officer. We assessed the severity of all three data breaches to be low. Hence none of these breaches had to be notified to the Data Protection Authority or the data subjects. All breaches were registered in our data breach register.

WHISTLEBLOWING POLICY

In 2023, we adopted a formal whistleblowing policy and implemented new internal reporting channels. Through these channels, all our employees can report breaches to our Code of Conduct (including the provisions regarding the prevention of bribery and corruption), internal policies, laws or regulations in a confidential manner outside of their normal management reporting lines while being protected against retaliation.

	2023	2022
# of reports received through the internal whistleblowing channel	0	0

Cyber security

In today's digital age, cybersecurity is of paramount importance to our organisation. We are committed to protecting the integrity, confidentiality, and availability of our information assets, including the personal data of our portfolio companies and employees.

Our cybersecurity framework is designed in accordance with international standards and best practices. We have implemented robust security measures to protect against unauthorised access, data breaches, and other cyber threats.

We conduct regular security audits and vulnerability assessments to identify and mitigate potential security risks. Our employees regularly receive cybersecurity training to ensure they remain aware of the latest threats and learn how to prevent them.

We acknowledge that cybersecurity is not a one-time effort, but a continuous process of improvement. We are thus committed to investing in the latest security technologies and adopting best practices to ensure the ongoing security of our information assets.

Please note that despite our best efforts, no security measures are perfect or impenetrable. We encourage our stakeholders to remain vigilant and take appropriate measures to protect their own personal information.

Political influence activities

As a global investment firm, we have memberships in a number of networking platforms, business and industry organisations. We however do not directly engage in political influence activities. Hence, no one within Sofina has been designated to oversee that type of activities. During the reporting period, we did not make any financial or in-kind political contributions and none of the group entities are registered in the transparency register.

Double materiality assessment

In accordance with CSRD, we launched a double materiality assessment to determine Sofina's material topics from both an impact materiality (inside-out) and a financial materiality (outside-in) perspective. In this process, we are actively engaging with our key stakeholders to understand their perspectives on these topics. We are further preparing the reporting of material topics in accordance with the European Sustainability Reporting Standards ("ESRS").

This exercise will not only guide our CSRD reporting but also the priorities of our sustainability strategy moving forward. While the double materiality exercise is ongoing, we started to act on topics that will likely be material to us, for example, climate change mitigation.

[Our mission](#)
[Message to shareholders](#)
[Sofina at a glance](#)
[Strategy](#)
[Year in review](#)
[Investments overview](#)
[Societal commitment](#)

- ESG
- Our team in the community

[Corporate governance](#)
[Accounts and notes](#)
[Glossary](#)
[Responsible person](#)

# OUR TEAM IN THE COMMUNITY

## Our team

As an investment firm with global exposure, we aspire to create a diverse work environment where talented professionals work together to achieve high-quality results and where the values that have guided us in the past carry us into the future. Fostering an entrepreneurial spirit of growth, agility and innovation is part of our DNA and allows our talents to thrive in a constantly changing environment.

### Create value with a human touch

#### WE ADOPT A PRINCIPLED APPROACH IN DELIVERING HIGH-QUALITY RESULTS WHILE FOSTERING SUSTAINABLE GROWTH

Our colleagues are ambassadors of Sofina and exercise discretion and their best judgment when interacting with our stakeholders, counterparts and portfolio companies. We work hard to achieve our financial goals but are uncompromising when it comes to our values and believe that meaningful returns should come along with a positive contribution to society.

#### WE ARE ONE TEAM WITH A COMMON GOAL, ACTING WITH INTEGRITY AND RESPECT IN OUR COLLABORATION WITH OUR PARTNERS

We need our people to be authentic, driven by a strong professional conscience, to take responsibility for Sofina in a respectful and collaborative manner with our business partners.

#### RESILIENCE

We seek out individuals with resilience and grit, who are not daunted by adversity and challenge. Turbulent times are a good opportunity to hone the resilience of our talents; this resilience keeps us moving forward, reinventing ourselves, exploring new ideas and adapting to a fast-changing environment.

#### WE NURTURE A GROWTH MINDSET, ENCOURAGING AND SUPPORTING CONTINUOUS DEVELOPMENT

Sofina fosters continuous learning and development amongst our colleagues to prepare for new trends and ensure that our business partners continue to turn to us for knowledge and support. Our talents see themselves as the architects of their career and are in the driver's seat when it comes to taking responsibility for their career and their education.

#### WE ARE AGILE IN THE FACE OF CHANGE AND PROMOTE DIVERSITY AND INCLUSION

We seek diversity of thought, experience and perspective in each of our recruitments. We believe that this ensures we are better prepared for uncertainty and more agile in the face of change, as we have a deeper resource of knowledge, skills and expertise to uncover new ideas and inspiration. We create an open and inclusive environment where different views are exchanged in a respectful and constructive manner.

### United around strong values

Our heritage, our culture and placing human relationships at the heart of our activities are what sets us apart. All our investments are stories of shared values, friendships and ambitious projects with talented entrepreneurs and their management teams. Our talents are the guardians of Sofina's reputation and are essential to achieving our mission: "to partner with leading entrepreneurs and families, backing them with patient capital and supportive advice to foster sustainable growth of their businesses".



**We are committed to delivering high-quality results**



**We are one team with a common goal**



**We foster a spirit of growth**



**We are agile in the face of change**

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

- ESG
- Our team in the community

Corporate governance

Accounts and notes

Glossary

Responsible person

# In the communities

As mentioned above in the [ESG](#) section, being an active member of the communities in which we work and live is an integral part of working at Sofina. This can take many forms.

Through our **matching gift programme**, we support initiatives and charities personally endorsed by the members of our personnel by matching their donations (up to a maximum of EUR 500 per year). This initiative resulted in donations to 14 charities. In the past year, we also added disaster relief efforts such as the Syria-Turkey emergency following the devastating earthquake that took place at the start of the year. As we already did in 2022, we hosted [WAPA \(War-Affected People's Association\)](#) in our offices in Brussels for their annual call for donations. WAPA is a Belgian non-governmental organisation fighting against the use of children in armed conflicts.

In 2020, Sofina set up the [Sofina Covid Solidarity Fund](#), a charitable fund managed by the King Baudouin Foundation to address the adverse consequence of the global Covid-19 pandemic. Through this EUR 20 million fund, Sofina committed to support non-profit initiatives and projects that fight the negative impact of the pandemic on healthcare systems and education, two of our sectors of focus. One of the projects selected is “Pratham Books/StoryWeaver”, an Indian digital content platform which Sofina’s grant helped editing 80 new online storybooks, in addition to many other educational materials. The aim was to support children from the age of 6 to 12 years in improving their reading and basic Science, Technology, Engineering and Mathematics (STEM) skills during and after the pandemic. One of Sofina’s funded titles, [When We are Home](#), written by Priyadarshini Gogoi and illustrated by Pankaj Saikia, won the best children’s picture book award at the recently concluded Atta Galatta-Bangalore Literature Festival. But more importantly, millions of children in several Indian states enjoy reading, listening to teachers and learning from books, many of them printed by the local Ministry of Education and distributed in schools.

As part of our commitment to the community, Sofina has set up various programmes enabling employees to devote part of their time to **charitable organisations**. Employees can spend **half a day per week for volunteering** and are encouraged to include volunteering opportunities as part of their team building activities.

In 2023, the teams collectively spent 837 hours volunteering for various charitable organisations, taking the form of individual commitments in personal projects or group activities. To name some, we supported Oxfam and [Farming for Climate](#) through sport activities in Belgium, spent time planting trees at the [Environmental Observatory](#) in Arlon and for the [One Million Trees Movement](#) which aims at restoring nature in Singapore. We cooked meals for [Willing Hearts](#), a soup kitchen in Singapore preparing and distributing 7.000 daily meals. Colleagues go there on a regular basis throughout the year. Other associations that benefited from our help include the Temple Garden Foundation, a charity in Cambodia supported by Sofina since 2020, and the [Cuistots Solidaires](#) which provides daily meals to refugees in Brussels. As in 2022, Sofina continued to support [BEforUkraine ASBL/VZW](#), one of whose initiatives is to procure ambulances, refurbish and equip them with medicines and medical equipment and then send them to Ukraine where they are used as mini-hospitals.

**Craftsmen** supported by the [SofinaBoël Fund for Education and Talent](#) exhibited in our offices in the margin of our Annual General Meeting held in May 2023. We also acquired some of their works of art for exhibition and distribution at a corporate event for portfolio companies and partners we organised in London end of November. More information on the SofinaBoël Fund for Education and Talent is provided further in this Annual report.

As in the past, we continued our annual blood donation in our offices, in partnership with Petercam Degroof, to the benefit of the Red Cross.





Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

- ESG
- Our team in the community

Corporate governance

Accounts and notes

Glossary

Responsible person



# SofinaBoël Fund for Education and Talent

Created by the descendants of Gustave Boël and Sofina 13 years ago, the [SofinaBoël Fund for Education and Talent](#) is committed to promoting talent through education. With an annual budget of more than EUR 1.3 million, the fund aims to discover and back talented young people by awarding grants and providing specific support.

The fund is supported by the King Baudouin Foundation. Its strategic direction and operational management are ensured by a monitoring committee chaired by Paul-Alain Foriers and includes family members, a representative of Sofina, and a representative of the King Baudouin Foundation.

The SofinaBoël Fund has surrounded itself with expert partners. They play a key role in identifying promising candidates. This synergy ensures effective support of emerging talents, underlining the fund's commitment to excellence and skills development.

## 10 YEARS OF BOOST

In 2023, the programme **Boost for Talent** has celebrated its 10<sup>th</sup> anniversary.

The results of the programme are encouraging for the future of young and dynamic pupils full of hope. An awards ceremony was punctuated by many testimonials. The SofinaBoël Fund took that opportunity to award the creativity prize to a young talent for his initiative to develop a student network during the Covid-19 crisis. "Dream big and work hard" is the motto of the Boost for Talents' programme for the next 10 years. The fund is proud to continue to co-construct Boost for Talents alongside this young and dynamic community.

## Three focus areas

The SofinaBoël Fund provides support in **three focus areas**:

- In its efforts to give access to **university education**, and with the help of its partners (the Belgian American Educational Foundation, the Fonds National de la Recherche Scientifique – Fonds Wetenschappelijk Onderzoek (FNRS-FWO) and the Fernand Lazard Foundation), the fund supported 17 students who receive a mobility grant to complete their education at renowned universities abroad.
- Every year, the community of **craftsmen** grows in quality and visibility. In 2023, the fund supported 48 craftsmen in various disciplines ranging from heritage restoration to the promotion of trades affected by labour shortage. In addition to providing financial support for training, the fund has also contributed to increasing the visibility of the work of those talented craftsmen through exhibitions, workshop visits and the purchase of equipment.
- Since its launch, the innovative **Boost for Talent** programme has evolved in an exceptional way, becoming a transformative force for talented pupils from disadvantaged backgrounds. One of the most important aspects of the programme is its significant impact on young people's lives. The success stories demonstrate that the programme has not only opened doors for them, but also instilled new confidence and a positive vision of the future. By setting an example, the programme cultivates inspirational role models among disadvantaged young people, showing that despite the obstacles, success is possible for every one of these talented individuals, with the right support. In 2023, 166 students were selected in Antwerp, Liège and La Louvière. This is the first time that the fund has supported an entire cohort of young people from La Louvière.

## Looking forward

In a world in constant transformation, the SofinaBoël Fund is resolutely oriented towards a future in which social innovation meets tradition, where generations forge the future while respecting family and entrepreneurial values.

It intends to continue its support for Belgian talent in fields aligned with important topics such as education and social inclusion. The aim is to encourage significant and lasting change, reflecting the desire to leave a positive legacy for future generations.

In addition to providing financial support, the fund aims to create a dynamic community among selected candidates. By encouraging opportunities to meet, mentor and collaborate, the fund wants to see this community prosper and flourish. These lasting relationships contribute to further increase the fund's positive impact.





[Our mission](#)

[Message to shareholders](#)

[Sofina at a glance](#)

[Strategy](#)

[Year in review](#)

[Investments overview](#)

[Societal commitment](#)

**[Corporate governance](#)**

- [Corporate governance statement](#)
- [Risk matrix](#)
- [Remuneration report](#)

[Accounts and notes](#)

[Glossary](#)

[Responsible person](#)

# Corporate governance

**Insights into our corporate governance practices, risk matrix and Remuneration report**



Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

- Corporate governance statement
- Risk matrix
- Remuneration report

Accounts and notes

Glossary

Responsible person

CORPORATE GOVERNANCE STATEMENT

This Corporate governance statement contains the information required by the Belgian Companies and Associations Code (the “BCAC”) and the [2020 Belgian Code on Corporate Governance](#) (the “2020 Code”)¹.

Sofina (the “Company”) has been using the 2020 Code as its benchmark since its entry into force and applies the 2020 Code in accordance with the “comply or explain” principle. The Corporate Governance Charter of the Company and the Internal rules of procedure of the Board and its Committees, its internal decision making bodies, as well as the Company’s Dealing Code and Code of Conduct are available for reference [on its website](#)².

1. Shares

1.1 SHARE IDENTIFICATION

The shares issued by the Company are in the registered or dematerialised form. The shares are listed on Euronext Brussels as ISIN BE0003717312 (SOF).

The Company is part of the following indices: BEL20, BEL ESG, STOXX Europe 600 and MSCI Europe.

1.2 VOTING RIGHTS

Each share gives right to one vote, except for shares held by Sofina SA, for which the voting rights are suspended. Moreover, the articles of association of the Company do not contain any different share classes or special controlling rights or a shareholding system for members of the personnel. There are no specific rules linked to the appointment or replacement of Directors which are not included in the Corporate Governance Charter of the Company.

1.3 SHARE TRADING

The average daily trading volume of Sofina’s shares on its main market (Euronext Brussels) was 20,599 shares in 2023. The volume peaked on 15 September 2023, when 143,519 shares were traded. On 31 December 2023, the Company had a market capitalisation of EUR 7.72 billion and a free float market capitalisation of EUR 3.27 billion. The free float represented 42.39% of the Company’s shares.

1.4 SHAREHOLDING AND NOTIFICATIONS

Communication by shareholders pursuant to Article 74 of the Law of 1 April 2007 on public takeover bids

The reference shareholder of the Company is a consortium within the meaning of Article 1:19 of the BCAC, formed by Union Financière Boël SA, Société de Participations Industrielles SA and Mobilière et Immobilière du Centre SA, which together own 54.60% of the shares of the Company (the “Reference Shareholder”)³. For purposes of the takeover bids legislation, each consortium company is, taking into account the shares in the Company owned by the other two consortium companies, considered to own 54.60% of the shares of the Company (excluding treasury shares owned by the Company). Furthermore, Union Financière Boël SA (acting on its own behalf and as agent for the other two consortium companies) continues to notify to the Company each year changes in the number of Company shares that the consortium companies own as part of the concert relationship it formed on 31 August 2007 with Société de Participations Industrielles SA (and which Mobilière et Immobilière du Centre SA joined on 1 July 2013).

Based on the latest communication made in accordance with Article 74 of the Law of 1 April 2007 on public takeover bids by the Reference Shareholder to the Company dated 23 August 2023, the consortium companies forming the Reference Shareholder held on 23 August 2023 shares in the Company as set out in the following table:

	Number of shares*	Holding percentage
Union Financière Boël SA	7,676,729	22.41%
Société de Participations Industrielles SA	8,486,320	24.78%
Mobilière et Immobilière du Centre SA	2,535,968	7.40%
<b>Sub-total of the Reference Shareholder</b>	<b>18,699,017</b>	<b>54.60%</b>
Sofina SA (own shares)**	957,928	2.80%
<b>TOTAL</b>	<b>19,656,945</b>	<b>57.40%</b>

\* At 31 December 2023, the Company’s share capital was represented by 34,250,000 shares.

\*\* Presumption of concerted action (Article 3, §2 of the Law of 1 April 2007 on public takeover bids). Own shares held by Sofina SA at 23 August 2023.

Transparency declarations by shareholders in accordance with the Law of 2 May 2007 on the disclosure of major shareholdings

Pursuant to the Law of 2 May 2007 on the disclosure of major shareholdings, a notification to the Company and to the FSMA is required by all natural persons and legal entities in the event certain thresholds are crossed. A notification will among others be required in each case where the percentage of voting rights attached to the shares held by a shareholder exceeds or falls below the legal threshold, set at 5% of the total voting rights, and in increments of 5% or, as the case may be, the additional thresholds provided in the company’s articles of association. The Company’s articles of association provide for a lower initial disclosure threshold of 3%.

In the framework of the share buyback programme launched by the Company on 25 September 2023 to partly cover the stock options plans issued for the benefit of its and its subsidiaries’ personnel, the Company crossed the statutory threshold of 3% on 23 October 2023. In accordance with article 6 of the Law

1 <https://corporategovernancecommittee.be/en/>

2 <https://www.sofinagroup.com/governance/corporate-governance/>

3 Based on the latest communication made in accordance with Article 74 of the Law of 1 April 2007 on public takeover bids by the Reference Shareholder to the Company on 23 August 2023.



Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

- Corporate governance statement
- Risk matrix
- Remuneration report

Accounts and notes

Glossary

Responsible person

of 2 May 2007 on the disclosure of major shareholdings, the Company and the Reference Shareholder made a transparency notification on 26 October 2023 which was published in a [press release](#) dated 27 October 2023<sup>1</sup>.

SHAREHOLDING OF THE REFERENCE SHAREHOLDER  
ON 23 OCTOBER 2023

	Number of shares*	Holding percentage
Union Financière Boël SA	7,676,729	22.41%
Société de Participations Industrielles SA	8,486,320	24.78%
Mobilière et Immobilière du Centre SA	2,535,968	7.40%
<b>Sub-total of the Reference Shareholder</b>	<b>18,699,017</b>	<b>54.60%</b>
Sofina SA (own shares)**	1,031,528	3.01%
<b>TOTAL</b>	<b>19,730,545</b>	<b>57.61%</b>

\* At 31 December 2023, the Company's share capital was represented by 34,250,000 shares.  
\*\* Presumption of concerted action (Article 3, §2 of the law of 1 April 2007 on public takeover bids). Own shares held by Sofina SA at 23 October 2023.

Aside from the Reference Shareholder and the Company, no other shareholder, either alone or in concert, reached the initial holding threshold of 3% requiring a transparency declaration in accordance with Article 42 of the Company's articles of association. The most recent transparency declarations are available [on the website of the Company](#)<sup>2</sup>.

2. Capital structure

At 31 December 2023, the Company's share capital amounted to EUR 79,734,940 and was represented by 34,250,000 shares without indication of nominal value.

2.1 AUTHORISED CAPITAL

At the Extraordinary General Meeting held on 4 May 2023, the Board of Directors of the Company has been authorised, for a period of five years, to increase the share capital of the Company.

This authorisation is granted for a maximum amount (excluding any issuance premium) of:

- EUR 7,973,494 for capital increases with cancellation or limitation of the preferential subscription right of shareholders (including in favour of one or more specific persons, other than members of the personnel of the Company or its subsidiaries);
- EUR 23,920,482 for capital increases without cancellation or limitation of the preferential subscription right of shareholders.

The aforementioned amounts correspond to 10% and 30% of the Company's share capital respectively.

In any event, the total amount up to which the Board of Directors may increase the share capital pursuant to this authorisation, through a combination of the capital increases mentioned above, is limited to EUR 23,920,482.

Any decision to implement the authorisation granted to the Board of Directors to increase the share capital must obtain a 4/5 majority (rounded down to the nearest unit) of favourable votes of directors present or represented.

2.2 SHARE BUYBACKS AND DISPOSALS OF OWN SHARES

In accordance with the BCAC, the articles of association allow the Company to acquire, on or outside the stock market, its own shares by resolution approved by the general meeting of

shareholders by at least 75% of the votes validly cast where at least 50% of the share capital is present or represented. Prior approval by the shareholders is not required if the Company purchases the shares in order to offer them to the Company's employees. The Annual General Meeting of 4 May 2023 renewed the authorisation to the Board of Directors to acquire or dispose of own shares with a maximum of 20% of the outstanding shares for a minimum price of EUR 1 and a maximum price of 15% above the average price of the Company's stock on Euronext Brussels during the ten trading days preceding the acquisition for a period of five years starting from 4 May 2023.

During the financial year 2023, Sofina bought back 150,000 own shares (it had bought back 296,550 own shares in 2022) and disposed of 15,000 own shares (it had disposed of 21,550 own shares in 2022). The own shares were acquired in the framework of two share buyback programmes conducted in accordance with the safe harbour regime provided for in the European Market Abuse Regulation. The share buybacks are carried out to cover the stock option plans issued for the benefit of some members of the personnel of the Sofina group and the disposals of own shares relate to the exercise of stock options, as further described in the Remuneration report. Further information relating to the share buybacks is available on the website of the Company<sup>3</sup>.

At 31 December 2023, Sofina held 1,052,928 own shares representing 3.07% of its share capital.

3. General meetings of shareholders in 2023

The Annual General Meeting was held on 4 May 2023 and appointed Leslie Teo and Rajeev Vasudeva as independent non-executive Directors and Felix Goblet d'Alviella as non-executive Director, for a term of three years up to and including the Annual General Meeting to be held in 2026.

1 <https://www.sofinagroup.com/wp-content/uploads/2023/10/Sofina-SA-Press-release-Transparency-statement-2023.10.27.pdf>  
2 [www.sofinagroup.com/governance/shareholding-structure](http://www.sofinagroup.com/governance/shareholding-structure)  
3 [www.sofinagroup.com/investor-relations/share-buy-back/](http://www.sofinagroup.com/investor-relations/share-buy-back/)

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

- Corporate governance statement
- Risk matrix
- Remuneration report

Accounts and notes

Glossary

Responsible person



An Extraordinary General Meeting was held on the same day to authorise the Board of Directors to increase the share capital as further described in paragraph 2.1 above and to change the date of the Annual General Meeting from the first Thursday of May to the second Thursday of May.

4. Stakeholder engagement

In accordance with Principle 8.7 of the 2020 Code, the Board has discussed whether the Company should enter into a relationship agreement with the Reference Shareholder. Further to this discussion and having consulted the Reference Shareholder, the Board considered that it was not necessary to conclude such a relationship agreement.

The Company hosts analyst meetings after the release of its annual and half-year results and answers questions raised by its shareholders. The Company follows up on specific concerns raised in the framework of questions received or votes cast at general meetings of shareholders.

Sofina also participated in several events and gave corporate presentations over the past year in the framework of its continuing efforts to enhance external reporting and communication, and to further engage with its stakeholders and market participants. Further information about Sofina's stakeholders is available in the [Our stakeholders](#) section of this Annual report.

5. Elements pertinent to a take-over bid

5.1 RESTRICTIONS ON THE TRANSFER OF SHARES OR THE EXERCISE OF VOTING RIGHTS

Sofina has no knowledge of any agreement between the companies forming the Reference Shareholder or any other shareholders which could lead to restrictions on the transfer of shares or the exercise of voting rights. Furthermore, neither the Law nor the articles of association provide for any more general restrictions on the exercise of voting rights.

5.2 CHANGE OF CONTROL CLAUSES

Sofina SA did not enter into any major commitment that may contain clauses linked to its own change of control, with the exception of a provision of the terms and conditions included in the information memorandum of 21 September 2021 relating to the issuance on 23 September 2021 of EUR

700,000,000 senior unsecured bonds with a 7-year maturity and 1.000% coupon. Moreover, there are also clauses linked to Sofina's change of control in the terms and conditions of the Performance Share Units ("PSU") in force since 1 January 2017 and in its credit agreements.

6. Board of Directors and its Committees

13

DIRECTORS

8

NATIONALITIES

12

NON-EXECUTIVE DIRECTORS

46%

WOMEN

3

NEW DIRECTORS APPOINTED OVER THE PAST 3 YEARS

8

MEETINGS

62%

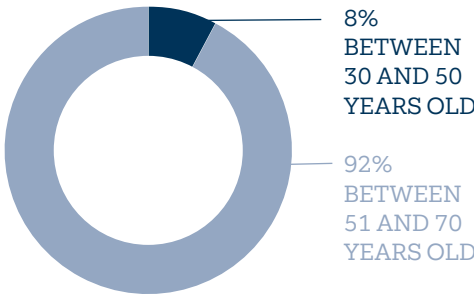
INDEPENDANT DIRECTORS

92%

ATTENDANCE RATE

VARIED AND COMPLEMENTARY PROFESSIONAL AND SECTORAL EXPERIENCE IN LINE WITH SOFINA'S DIVERSE PORTFOLIO

AGE DIVERSITY



59 YEARS

AGE AVERAGE

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

- Corporate governance statement
- Risk matrix
- Remuneration report

Accounts and notes

Glossary

Responsible person

6.1 BOARD OF DIRECTORS

The Company has opted for a one-tier governance structure. Therefore, the Board of Directors is responsible for the general running of the Company’s business and is accountable for its management in accordance with Articles 7:93 and 7:94 of the BCAC.

The Board of Directors determines the Company’s business direction and ensures that it is implemented. It has the power to perform all acts necessary or useful to achieve the Company’s corporate purpose, except for those reserved by Law to the general meeting of shareholders.

6.2 COMPOSITION OF THE BOARD OF DIRECTORS

As at 31 December 2023, the Board of Directors comprises 13 members and is composed as follows:

Name	First appointed	Expiry of current term
Harold Boël (CEO)	2004	2025
Nicolas Boël	2007	2024
Laura Cioli*	2018	2024
Laurent de Meeûs d'Argenteuil	2015	2024
Felix Goblet d'Alviella	2023	2026
Dominique Lancksweert (Chair)	1997	2026
Anja Langenbucher*	2018	2025
Michèle Sioen*	2016	2026
Catherine Soubie*	2018	2025
Charlotte Strömberg (Vice-Chair)*	2017	2024
Leslie Teo*	2023	2026
Rajeev Vasudeva*	2023	2026
Gwill York*	2018	2024

\* Independent Director.

All members of the Board are non-executive, with the exception of the Chief Executive Officer (the “CEO”). The Board members are appointed by the general meeting of shareholders upon proposal by the Board of Directors and recommendation of the Nomination Committee for a renewable period of maximum six years. Eight Board members qualify as independent directors within the meaning of Article 7:87, §1 of the BCAC and Principle 3.5 of the 2020 Code. The non-independent Directors are either executives, linked to the Reference Shareholder or have been Directors for more than twelve years. The Chair and the CEO are two separate individuals.

The term of office of the independent Directors Charlotte Strömberg, Laura Cioli and Gwill York and the non-executive Directors Nicolas Boël and Laurent de Meeûs d'Argenteuil will expire at the Annual General Meeting to be held on 8 May 2024. The Board of Directors will propose to the Annual General Meeting to approve the renewal of the mandates of Nicolas Boël, Laurent de Meeûs d'Argenteuil and Gwill York for a period of three years up to and including the Annual General Meeting to be held in 2027, and to approve the renewal of the mandates of Charlotte Strömberg and Laura Cioli for a period of four years up to and including the Annual General Meeting to be held in 2028.

The detailed resumés of the Board members are available in the section on [Our leadership](#) of the Annual report.

6.3 HONORARY DIRECTORS

The Board of Directors may grant to a former Director the title of honorary director, honorary chair or honorary vice-chair. This title is reserved to Directors who have provided the Company with important services. Their mandate is not remunerated. The honorary Directors do not have any term of mandate. Comte Goblet d'Alviella is honorary Chairman and Vicomte Etienne Davignon is an honorary Director.

6.4 DIVERSITY AT THE LEVEL OF THE BOARD

In line with its ESG commitments, Sofina ensures diversity at the level of its Board of Directors. The Board includes representatives of many different nationalities and is composed of six women and seven men. This composition complies with the provisions

of Article 7:86 of the BCAC. The Company also strives to ensure that the profiles of its Board members are varied and complementary in terms of professional and sectoral experience in line with its diversified portfolio.

Further details about Sofina's diversity policy are available in the [ESG](#) section of this Annual report.

6.5 ROLE OF THE CHAIR OF THE BOARD

The tasks of the Chair of the Board are laid down in the Corporate Governance Charter of the Company.

The Charter also stipulates that the CEO is responsible for the management of the Company’s resources, its personnel and the day-to-day follow-up of the portfolio, while tasks relating to the organisation of the Board of Directors and general meetings, contacts with the Board members and communication on all matters likely to affect the brand and the reputation of the Company fall within the competence of the Chair. Notwithstanding the foregoing, there is in-depth and constant dialogue between the Chair and the CEO on all subject matters.

This same dialogue between the CEO and the Chair will prevail for decisions to be proposed to the Board or which concern important matters, such as the investment or divestment process as a whole, modifications to the portfolio, the main relations between the Company and its investment partners, or matters affecting its Executive Committee (appointment, remuneration and role).

6.6 ROLE AND COMPETENCIES OF THE BOARD OF DIRECTORS

The Board of Directors pursues sustainable value creation by the Company, by developing an inclusive approach that balances the legitimate interests and expectations of shareholders and other stakeholders. Further information about the role and functioning of the Board is available in the Corporate Governance Charter of the Company and in the Internal rules of procedure of the Board.

In addition to its competencies relating to the supervision of the tasks performed by the Committees, the Board of Directors



approves the annual and half-year accounts and the Management report, decides on the proposal for the appropriation of the result, the publication of financial and non-financial information, the strategy (including the ESG strategy), the investment policy and monitors the implementation of the capital allocation framework and the investments and divestments made by the Sofina group. It monitors the holdings of the Sofina group to assess the extent to which they are in line with the strategy it has adopted.

The items discussed and the decisions taken by the Board in 2023 primarily concerned the tasks listed above and those taken further to recommendations from the Committees described in point 6.8 below. In 2023, the Board also more specifically:

- reviewed the flow of investment and divestment opportunities as well as the implementation of the strategy of Sofina Direct and Sofina Private Funds and updates on their activities;
- discussed the capital allocation and cash planning;
- reviewed and discussed the Board effectiveness review conducted with the help of an external consultant;
- decided to convene an Extraordinary General Meeting to approve the introduction of authorised capital in the articles of association and to change the date of the Annual General Meeting of Shareholders;
- discussed Sofina's communication strategy;
- reviewed Sofina's strategy in China;
- reviewed Sofina's internal executive governance; and
- monitored Sofina's operating costs.

6.7 ATTENDANCE AND FUNCTIONING OF THE BOARD OF DIRECTORS

The Board of Directors meets at least four times a year. It is convened by its Chair who sets the agenda together with the CEO and the Company Secretary. The agenda of the Board meetings

indicates whether matters are presented for information purposes, for deliberation or for decision.

The Board of Directors met eight times in 2023. Four of the Board meetings were held physically (these are so-called statutory Board meetings). Four other Board meetings, held by videocall, were organised to enable the Board members to follow and participate in discussions on specific topics related to market trends, the sectors of focus or on general business updates (these are so-called ad hoc Board meetings). Such meetings are for information purposes. The average attendance rate of the eight Board meetings held in 2023 was 92% (compared to 98% last year).

6.8 BOARD COMMITTEES

The Board of Directors has set up four specialised committees which consist of members selected from its ranks: an Audit Committee, an ESG Committee, a Nomination Committee and a Remuneration Committee.

Each of these four Committees fulfilled its tasks in accordance with its Internal rules of procedure, which govern its missions and mode of operation. The Committees reported systematically to the Board of Directors on their meetings and submitted recommendations for approval. They can be assisted by external consultants to fulfil certain of their tasks.

Independency rate at the level of the Board committees*	
Audit Committee	80%
ESG Committee	60%
Nomination Committee	60%
Remuneration Committee	75%

\* At 31 December 2023.

Number of meetings and attendance rates in 2023	# of meetings	Attendance rate
Audit Committee	4	95%*
ESG Committee	4	85%
Nomination Committee	3	100%
Remuneration Committee	3	100%

\* The Statutory Auditor attended all meetings.

Audit Committee

In accordance Article 7:99 of the BCAC and of the 2020 Code, all the members of the Audit Committee are non-executive Directors. Moreover, 80% of them are independent Directors. The Audit Committee as a whole has the competencies required in terms of accounting, auditing and IFRS as well as investment thanks in particular to the experience of its members in financial and industrial companies.

The CEO is not a member of the Committee but is invited to attend its meetings. This allows essential interaction between the Board of Directors and the Executive Committee.

COMPOSITION OF THE AUDIT COMMITTEE<sup>1</sup>

Name	Expiry of current board mandate
Michèle Sioen* (Chair)	2026
Charlotte Strömberg*	2024
Anja Langenbucher*	2025
Gwill York*	2024
Felix Goblet d'Alviella	2026

\* Independent Director.

1 At 31 December 2023.

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

- Corporate governance statement
- Risk matrix
- Remuneration report

Accounts and notes

Glossary

Responsible person

The Audit Committee discussed and/or reviewed the following main topics in 2023:

- the preparation of the annual and half-year accounts, the drafting of the financial information, management reports and the external financial communication;
- the valuation of the unlisted portfolio carried out for the Annual and Half-year reports by management, based on Kroll's review, under the supervision of the Statutory Auditor;
- the implementation of the 2022 IPEV guidelines;
- the reports of the Statutory Auditor and the approval of its non-audit missions;
- the 2024 audit plan, and the outcome of the 2023 internal audit (review of the HR processes, the audit preparation for Sofina Asia in 2024, risk management framework, the follow-up of previous years audits (including security audits, the status of the ongoing cyber security projects and the update of the risk matrix)); and
- the insurance coverages, the cash management framework and the liquidity planning, the compliance report and the follow up of the implementation of internal reorganisation projects.

ESG Committee

The ESG Committee is made up of five Directors. With the exception of the CEO, all members of the ESG Committee are non-executive directors and three of them are independent directors. The ESG Committee as a whole has the appropriate knowledge, skills, experience, diversity and independence for it to fulfil its role and responsibilities.

COMPOSITION OF THE ESG COMMITTEE<sup>1</sup>

Name	Expiry of current board mandate
Anja Langenbucher* (Chair)	2025
Harold Boël	2025
Nicolas Boël	2024
Laura Cioli*	2024
Charlotte Strömberg*	2024

\* Independent Director.

The ESG Committee mainly discussed or reviewed the following main items in 2023:

- ambitions for 2023 and resources (including hire of an ESG associate);
- the ESG performance of the portfolio and ESG opportunities within and outside of our sectors of focus;
- the ESG framework applied to Sofina Private Funds;
- ESG in executive remuneration;
- monitoring of the ESG regulations, CSRD implementation and launch of the double materiality assessment;
- external ESG communication;
- the UNPRI report for 2023;
- the environmental audit 2022 and proposed Climate strategy (Sofina as a company and as an investor);
- the programme on ESG trainings;
- update on the sustainability roadmaps and next steps; and
- allocation of ESG matters between the different Board committees.

Nomination Committee

The Nomination Committee is made up of five non-executive Directors a majority of whom are independent in accordance with the 2020 Code.

COMPOSITION OF THE NOMINATION COMMITTEE<sup>1</sup>

Name	Expiry of current board mandate
Catherine Soubie* (Chair)	2025
Nicolas Boël	2024
Dominique Lancksweert	2026
Anja Langenbucher*	2025
Laura Cioli*	2024

\* Independent Director.

The Nomination Committee discussed the following main topics in 2023:

- composition of the Board and its Committees;
- renewal of the mandate of certain Directors and assessment of the contribution of such Directors;
- definition of the profile of new (independent) non-executive directors, monitoring of the search and recommendation to the Board on the nomination of two new independent non-executive directors and a non-executive director;
- completion of a Board effectiveness review;
- board and CEO succession planning; and
- Sofina's internal executive governance.

1 At 31 December 2023.

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

- Corporate governance statement
- Risk matrix
- Remuneration report

Accounts and notes

Glossary

Responsible person

Remuneration Committee

In accordance with the requirements of Article 7:100 of the BCAC, all members of the Remuneration Committee are non-executive Directors and three members are independent Directors.

COMPOSITION OF THE REMUNERATION COMMITTEE<sup>1</sup>

Name	Expiry of current board mandate
Catherine Soubie* (Chair)	2025
Laura Cioli*	2024
Laurent de Meeûs d'Argenteuil	2024
Gwill York*	2024

\* Independent Director.

The Remuneration Committee discussed or reviewed the following main items in 2023:

- Remuneration report 2022;
- benchmarking review of the remuneration of the members of the Executive Committee;
- recommendation on the allocation of the PSUs for the 2023-2026 cohort and the number of options to be granted under the Sofina stock options plans to the CEO, the other members of the Executive Committee, the Management Group<sup>2</sup> and other members of the personnel for the 2023 financial year; and
- review of Sofina's long term incentive plans (stock options and long term incentive plan).

6.9 DEROGATIONS FROM THE 2020 CODE CONCERNING THE BOARD OF DIRECTORS AND THE NON-EXECUTIVE DIRECTORS

The Company complied with the principles of the 2020 Code, except for those referred to below and in point 7.2.

Sofina has chosen to provide an average attendance rate for Directors at Board and Committee meetings, rather than an individual attendance rate. This is because Sofina considers that the functioning of a board of directors and its committees is governed by the principle of collegiality, and that the attendance rate should therefore not be individualised. Furthermore, the contribution of Board members is assessed on the basis of the quality of their contributions. The number of meetings attended does not therefore reflect all the added value brought by Board members. Equally important are the directors' availability for meetings with the Chair, CEO or management, and the proposals they regularly put forward. In the event of repeated absences, the Chair will take the necessary measures, but this has never been the case (Principle 3.9 of the 2020 Code).

Contrary to the recommendation of Principle 7.6 of the 2020 Code, the Company has chosen not to pay all or part of the remuneration of the non-executive Directors in the form of shares in the Company. However, on the recommendation of the Remuneration Committee, the Board has invited non-executive Directors to acquire, as of 2021, a number of Sofina shares representing the gross equivalent of one year of directors' fees. These shares should be kept for at least one year after the non-executive Director has left the Board and for at least three years after their acquisition. The Company believes that the introduction of this mechanism for acquiring Sofina shares on a voluntary basis meets the objective sought by the 2020 Code to align the financial interests of non-executive Directors with those of shareholders without, however, forcing them to do so. In addition, this avoids tax inequalities between different Directors on the basis of their country of residence. At 31 December 2023, half of the twelve non-executive Directors hold Sofina shares. The members of

the Board of Directors who did not respond positively to the invitation to acquire these shares indicated that this was justified either because they are related to the Reference Shareholder, or because they have been recently appointed or for reasons of internal compliance with regard to their professional occupations or external appointments.

6.10 BOARD ASSESSMENT

The Corporate Governance Charter defines the informal evaluation processes of the Board of Directors, the Board Committees and the Board members. These assessments are carried out at regular intervals. They concern the size, composition and performances of the Board of Directors and its Committees. The last Board assessment took place in February 2023.

Similarly, periodically or when a mandate is renewed, the contribution of each Director is assessed with a view, if necessary, to adapt the composition of the Board of Directors taking account of changes in circumstances. This assessment is undertaken in particular on the basis of the following criteria, which are also those adopted when appointing new Directors:

- professional competence and knowledge of the Company's market and sectors of focus in line with the current and future needs and activities of the Company;
- willingness and ability to be highly engaged, proactive and supportive;
- integrity, probity and good reputation;
- independent judgement;
- collegial spirit; and
- interest in the Company and its development.

Moreover, the Board monitors the performance of the Executive Committee and, at regular intervals, the implementation of the strategy in line with its risk appetite.

<sup>1</sup> At 31 December 2023.  
<sup>2</sup> The Management Group refers to the members of the Investment, Tax & Legal, Human Resources and Corporate Services teams, who qualify as managers in the Sofina group.



- [Corporate governance statement](#)
- [Risk matrix](#)
- [Remuneration report](#)

## 7. Executive Management

The Board of Directors has delegated daily management of the Company to the CEO. The CEO is assisted in his tasks by the other members of the Executive Committee. This is an advisory committee headed by the CEO and assisting the latter in the exercise of his tasks. The final decisions of the Executive Committee remain the exclusive prerogative of the CEO. Consequently, the members of the Executive Committee other than the CEO have no legal or statutory liability.

The CEO has subdelegated certain of its operational powers to the Operating Committee that has been created in 2022 to assist the CEO with the day-to-day management of the Company. ESG matters are streamlined by an ESG Core team reporting to the Executive Committee.

The governance at executive management level was reviewed in the beginning of 2024 to allow Sofina to scale, grow in scope and size, ensure an efficient decision-making whilst retaining agility and increasing accountability at senior management level. As a result, it was decided to dissolve the Executive Committee and to subdelegate certain decisions to an Investment Table, Portfolio Table and Operations Table under a clear delegation framework and under the supervision of a newly formed Leadership Council. The Investment Table decides on new investments and follow-on investments up to a certain investment amount whilst the Portfolio Table is responsible for portfolio monitoring and exits. The Operations Table, previously referred to as the Operating Committee, decides and gives direction on corporate, administrative and operational matters.

Strategic matters, matters of significant interest to Sofina, with a structural impact or involving a reputational risk, such as the proposal of the strategy to the Board of Directors and its implementation, the capital allocation framework and funds commitment programme, the coordination of the Tables, talent management and the supervision of transversal initiatives such as external communication, ESG and innovation remain within the remit of the CEO, assisted by the other members of the Leadership Council.

As this revised governance took effect in January 2024, this section reports on the Executive Committee still in place in 2023.

### 7.1 EXECUTIVE COMMITTEE

At 31 December 2023, the Executive Committee was composed of the eight following members, including the CEO. François Gillet retired with effect on 31 December 2023.

Name	Appointed at the Executive Committee
Harold Boël (CEO)	CEO since 2008 joined the Executive Committee since its creation in 2010
Victor Casier	2014
Xavier Coirbay	Since its creation in 2010
Wauthier de Bassompierre	Since its creation in 2010
François Gillet	Since its creation in 2010
Edward Koopman	2015
Maxence Tombeur	2021
Giulia Van Waeyenberge	2021

The members of the Executive Committee qualify as other managers within the meaning of the BCAC and individuals discharging managerial responsibilities within the meaning of the European Market Abuse Regulation.

The Board of Directors has entrusted the following main tasks to the CEO, with the assistance of members of the Executive Committee:

- the operational management of the Company and its day-to-day management;
- deciding upon and formulating recommendations on investment opportunities;
- overseeing the implementation of the Company's overall strategy and business plan;
- proposing changes to the Company's overall strategy and business plan;

- putting in place internal controls;
- preparing and presenting the financial statements of the Company;
- balanced and intelligible assessment of the financial situation of the Company; and
- providing the Board of Directors in a timely manner with all the information necessary for it to fulfil his duties.

The CEO reports to the Board of Directors on the fulfilment of his duties.

### 7.2 DEROGATIONS FROM THE 2020 CODE CONCERNING THE EXECUTIVE COMMITTEE

The Board of Directors, on the recommendation of the Remuneration Committee, has decided not to set a minimum amount of Company shares to be held by the CEO and the other members of the Executive Committee (Principle 7.9 of the 2020 Code). The Company considers they are sufficiently exposed to fluctuations in the Company's stock market price through the stock options offered to them, especially in view of the fact that the CEO and the other members of the Executive Committee are not contractually authorised to exercise these stock options during the first three years following the grant date and that, for Belgian residents, tax is payable on these options at the time of acceptance. The number of stock options held by members of the Executive Committee at the beginning and at the end of the financial year 2023 are set out in **point 3.2** of the Remuneration report.

The Company does not have the right to recover variable remuneration paid to members of the Executive Committee (Principle 7.12 of the 2020 Code). However, as indicated in the Remuneration policy, both the terms and conditions governing the PSUs and the Regulation relating to the stock options provide for the loss of future economic benefits in certain circumstances such as serious negligence or wilful or serious misconduct.

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

- Corporate governance statement
- Risk matrix
- Remuneration report

Accounts and notes

Glossary

Responsible person

## 8. Statutory conflicts of interest at the Board of Directors

In accordance with Articles 7:96 and 7:97 of the BCAC, Board members have a duty to avoid any act which may conflict with the interests of the Company and its shareholders. They are required to inform the Chair of the Board of Directors immediately of any possible occurrence of such a conflict of interest. The rules on preventing conflicts of interest are described in more detail in the Internal rules of procedure of the Board.

The Directors did not have to deal with any conflicts of interest during the past financial year. Consequently, Articles 7:96 and 7:97 of the BCAC have not been applied in 2023.

## 9. Conduct policies

Sofina conducts its activities in accordance with ethical rules and applicable laws and regulations. To this end, the Company has adopted several instruments setting out its governance and the rules of conduct such as:

- the [Corporate Governance Charter](#), which defines the governance structure of the Company and the role of its governance bodies;
- the [Code of Conduct](#), which sets out the standards of conduct for all employees and Board members of Sofina;
- the [Sofina Dealing Code](#), which aims at preventing insider dealing, unlawful disclosure of inside information and market manipulation at Sofina level and the level of its portfolio companies.

Sofina's conduct policies as well as their implementation are further set out in the [ESG](#) section of this Annual report.

## 10. Internal control and risk management

The way Sofina deals with internal control and risk management is defined by its corporate culture described hereabove. Sofina's corporate culture, as described above, is reflected in several instruments. The Corporate Governance Charter and the Code of Conduct are particularly relevant to understand the general approach taken towards internal control and risk management as these instruments define the role of the Company's governance bodies as well as the checks and balances put in place. The Code of Conduct further sets out the standards of conduct for all employees and Board members of Sofina and clearly highlights the importance for these addressees to act with integrity and apply the highest compliance standards.

The Audit Committee is responsible for monitoring the internal audit, the systems of internal control and risk management, and for establishing an independent internal audit function with resources and skills adapted to the Company's nature, size and complexity.

### 10.1 INTERNAL CONTROL ENVIRONMENT

The organisation of internal control and risk management function is adapted to the specific features of Sofina's investment activity, which is mainly aimed at acquiring long-term minority stakes in companies located in different geographical areas (mainly Europe, the United States and Asia) and operating in various sectors. Each of these companies has its own internal control and risk management policy. Sofina's internal control environment is based primarily on dialogue and the constant exchange of information between members of the personnel. As such, Sofina does not have a separate internal audit function, but appoints external consultants to carry out internal audit work on the basis of the internal audit programme drawn up on the recommendation of the Group Business Controller and approved by the Audit Committee. On the whole, the Board of Directors and the Audit Committee consider that this situation is appropriate to the nature, size of the Company and its employees, and to the degree of complexity of the organisation.

### 10.2 RISK MANAGEMENT

Sofina has implemented a risk management process that applies to all members of the personnel. This process, approved by the Board of Directors on the recommendation of the Audit Committee, aims to define the control environment and to identify risks, i.e. events that may affect the intrinsic value of the Company in the immediate or longer term.

This risk management process defines how these risks are managed in order to align the risk appetite with the Company's objectives in terms of strategy, operations, reliability of financial information or compliance with applicable laws and regulations, and how this process is monitored internally. This process has been extended in the form of a risk matrix which is presented hereinafter.

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

- Corporate governance statement
- Risk matrix
- Remuneration report

Accounts and notes

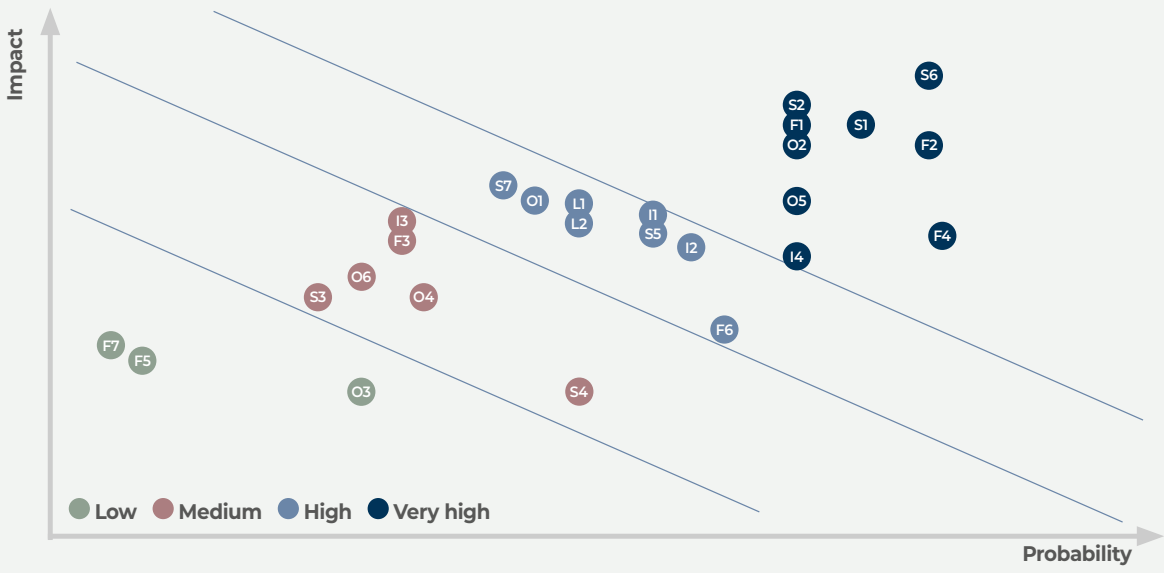
Glossary

Responsible person

RISK MATRIX

Sofina developed a risk matrix, in collaboration with the management and the Audit Committee and reviewed it in 2022. The risk matrix applies to all the sectors, investment styles and geographic regions in which Sofina operates. It identifies the main risks to which the Sofina group is exposed (strategic, investment, financial market, operational, regulatory, tax and legal risks) and assesses their impact (per sub-risk).

The outcome of the risk matrix is obtained by evaluating the risk factors and assigning numerical values, based on the perceived likelihood of their occurrence (probability) and the expected magnitude of their negative impact (impact). These values have then been classified according to their perceived level of importance, such as very high, high, medium, and low. One should bear in mind that such outcome is subjective and can vary between organisations. Different organisations may assign different values to the same risk factors depending on their unique circumstances and priorities.





Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

- Corporate governance statement
- Risk matrix
- Remuneration report

Accounts and notes

Glossary

Responsible person

## Strategic risk

Refers to risk factors that are related to Sofina's strategic decisions such as its positioning in its market, the construction of its diversified portfolio, as well as the conditions necessary to successfully implement its strategy.

### RISKS LINKED TO STRATEGIC CHOICES

<b>S1.</b> Risk of relevance of the strategy	Risk that the strategy is not relevant (i) with respect to flawed positioning in the market or choice of target sectors and geographies; (ii) as a result of unsuccessful efforts to accentuate Sofina's differentiating factors or an insufficiently diversified portfolio; or (iii) as a result of changes in the global geopolitical, economic and climatic context undermining the premise of Sofina's strategy.
<b>S2.</b> Risk of increased competition	Risk of increased competition in Sofina's core markets, leading to fewer accessible investment opportunities and/or Sofina having to accept higher valuations to secure transactions leading to lower returns on investment.
<b>S3.</b> Risk of differing strategic visions	Risk of misalignment between the different decision-making bodies of Sofina leading to deadlock, ineffective execution of the strategy and internal disorganisation.

### RISKS LINKED TO THE CONDITIONS NECESSARY FOR THE SUCCESS OF THE STRATEGY

<b>S4.</b> Risk of access to long-term capital	Risk of limited access to long-term capital, potentially instigating unplanned actions within the portfolio including premature divestments and/or reduced investment capacity.
<b>S5.</b> Risk linked to talent	Risk that Sofina fails to attract, hire and/or retain the necessary talent and build effective teams to implement its strategy.
<b>S6.</b> Reputational risk	Risk of damage to Sofina's reputation as a result of (i) inadequate communication, (ii) investments in controversial sectors or in businesses which are ignorant of the negative externalities they create, or (iii) direct or indirect activities of Sofina or its portfolio companies (including with respect to ESG matters) which impact Sofina's ability to raise capital, win opportunities and to implement its strategy.
<b>S7.</b> Risk of portfolio concentration	Risk that Sofina's portfolio is not sufficiently diversified in terms of sectors, geographies or asset classes. This could have a negative impact on investment returns if Sofina remains overexposed to underperforming sectors, geographies and asset classes, or if Sofina does not successfully identify growth opportunities and future trends.

## Investment risk

### RISK FACTORS THAT HAVE AN IMPACT ON THE EVOLUTION OF THE LONG-TERM VALUE OF SOFINA'S INVESTMENTS

<b>I1.</b> Risk related to the selection of an investment opportunity	Risk of flawed parameters being used to assess investment opportunities (strategic positioning, market growth, profitability, ESG factors, leadership assessment etc.) resulting in potential mispricing of investments or poor decision-making.
<b>I2.</b> Post-investment risk	Risk linked to specific events (internal or external) which were not identified in due diligence or which occurred only after Sofina's investment, which negatively affect the business and/or operations of a portfolio company giving rise to non-performance.
<b>I3.</b> Governance risk	Risk linked to the governance of an investment and more specifically to Sofina's ability to protect its investment as a minority shareholder.
<b>I4.</b> Divestment risk	Risk of not divesting an investment at the appropriate time resulting in Sofina failing to maximise profits or minimise losses in a given opportunity.

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

- Corporate governance statement
- Risk matrix
- Remuneration report

Accounts and notes

Glossary

Responsible person



## Financial market risk

### RISKS LINKED TO THE PREVAILING ECONOMIC AND FINANCIAL CONDITIONS HAVING AN IMPACT ON THE PORTFOLIO OF SOFINA OR ON ITS OWN FINANCIAL POSITION

<b>F1.</b>	Macro-economic risk	Risk linked to macroeconomic factors (such as inflation, growth rates, monetary policies, energy costs) impacting Sofina's investments and the valuation of Sofina's portfolio.
<b>F2.</b>	Stock market risk	Risk of stock market fluctuations impacting the valuation of Sofina's portfolio and leading to volatility in the cost of capital.
<b>F3.</b>	Climate change risk	Risk linked to the impact of climate change on the business model of Sofina's portfolio companies and their valuations.
<b>F4.</b>	Foreign exchange risk	Risk related to the fluctuations in currencies which Sofina is exposed to, which have an impact on the value of Sofina's investments and on Sofina's own cash holdings.
<b>F5.</b>	Counterparty risk	Risk linked to potential defaults by Sofina's counterparties or the counterparties of its portfolio companies such as debt providers.
<b>F6.</b>	Interest rate risk	Risk linked to changes in interest rates generating variability in the valuation of Sofina's portfolio or an increase of its own financing cost.
<b>F7.</b>	Risk of using derivative instruments	Risk related to cash flows due to an inappropriate use by Sofina of derivative instruments to cover certain risks.

## Operational risk

### RISKS THAT WOULD IMPAIR SOFINA'S ABILITY TO CARRY OUT ITS ACTIVITIES OR HAVE AN IMPACT ON THE VALUE OF ITS PORTFOLIO

<b>O1.</b>	Cash flow and liquidity risk	Risk of insufficient liquidity and/or inadequate cash planning which may lead to insufficient cash for investment activities, dividends distribution or day-to-day operations.
<b>O2.</b>	Risk linked to financial and non-financial information	Risk linked to the reporting process of financial and non-financial information (complete, reliable and relevant) and in particular the risk related to the valuation process.
<b>O3.</b>	Continuity risk	Risk resulting from Sofina's inability to respond to a force majeure event (e.g. pandemic, fire, climate event, earthquake), excluding cybersecurity risk.
<b>O4.</b>	Representation risk	Risk of non-compliance with the delegations of authority and signatory powers, leading to Sofina entering into invalid or unauthorised transactions.
<b>O5.</b>	Cybersecurity risk	Risk resulting from the occurrence of a cyberattack on Sofina's IT systems and infrastructure.
<b>O6.</b>	Risk of fraud	Risk of fraud or other actions by bad actors on Sofina.

## Regulatory, tax and legal risk

### RISKS RESULTING FROM THE REGULATORY, TAX AND LEGAL ENVIRONMENT AS WELL AS FROM OUR CONTRACTUAL OBLIGATIONS

<b>L1.</b>	Regulatory risk	Risk related to the changes in the regulatory, tax and legal framework (including ESG).
<b>L2.</b>	Risk of litigation and breach	Risk related to litigation or investigation resulting from non-compliance with laws and regulations or breach of contractual undertakings.

## Our mission

## Message to shareholders

## Sofina at a glance

## Strategy

## Year in review

## Investments overview

## Societal commitment

## Corporate governance

- Corporate governance statement
- Risk matrix
- Remuneration report

## Accounts and notes

## Glossary

## Responsible person

# REMUNERATION REPORT

This Remuneration report is provided in accordance with the provisions of the 2020 Belgian Code on Corporate Governance (the “2020 Code”) and Article 3:6, §3 of the Belgian Companies and Associations Code (the “BCAC”). It forms an integral part of the Corporate governance statement contained in this Annual report.

It provides an overview of the remuneration and benefits, regardless of their form, granted in respect of the financial year 2023 to each of the non-executive Directors, the CEO and the other members of the Executive Committee. It sets out the main principles of the current Remuneration policy<sup>1</sup> and how they have been applied during the year. There have been no deviations from the current Remuneration policy approved by the Annual General Meeting on 5 May 2022.

All monetary amounts in this Remuneration report are gross figures, i.e. they include any taxes or contributions borne by the beneficiaries of the remunerations, but not any taxes or contributions borne by the Company.

## 1. Year in overview

At 31 December 2023, Sofina's Net Asset Value, its key performance indicator, amounts to EUR 9.1 billion. It is 2.5% lower than at 31 December 2022. The Average annual return over the past four years amounts to 5.9% and underperforms the MSCI All Country World Index (the “MSCI ACWI”) in EUR over the same period by 2.8%.

During the financial year, Sofina's share price slightly increased whilst its NAV remained relatively stable despite a volatile economic environment. This is reflected in the fact that the share price shifted from a 26% discount to NAV at the end of 2022 to a 18% discount at the end of 2023.

For more information about the Company's overall performance and activities during 2023, please refer to the [Year in review](#) section of this Annual report. Comparative information on remuneration changes and the Company's performance is provided in the last section of this Remuneration report.

## 2. Remuneration of Board members

### 2.1 PRINCIPLES

The statutory remuneration of the non-executive Directors is determined, as a lump-sum fee, by reference to a percentage of the net dividends distributed for the period, set by the articles of association at 3% since 2011<sup>2</sup>. The remuneration of the non-executive Directors is therefore not directly linked to the performance of the Company.

Each Director is entitled to an equal share of the directors' fees, with the exception of the Chair and Vice-Chair who respectively receive a double fee and a one-and-a-half-time fee. The CEO is not entitled to a share in the directors' fees. The honorary Directors are not remunerated unless otherwise decided by the Board of Directors on the recommendation of the Remuneration Committee. No honorary Director has been granted any remuneration thus far.

The members of Committees of the Board (except the CEO) are entitled to attendance fees in addition to their directors' fees. These fees amount to EUR 3,500 per meeting for the chair of a Committee and EUR 2,500 per meeting for the other members of a Committee. The attendance fees allocated to the chair and members of the Committees are deducted first from the total amount of directors' fees to be allocated to the non-executive Directors.

The non-executive Directors do not receive any remuneration other than the directors' fees and the fees for attending the meetings of the Committees (as described above), except the Chair who receives an additional annual fixed remuneration of EUR 150,000. This amount has not been reviewed since it was introduced in 2014. Non-executive Directors may be reimbursed for expenses incurred for attending the meetings of the Board of Directors and its Committees. Non-executive Directors are not entitled to and do not receive any Sofina stock options.

As indicated in the Corporate governance statement, the Board of Directors has chosen not to pay all or part of the remuneration of the non-executive Directors in Company shares (Principle 7.6 of the 2020 Code). However, on the recommendation of the Remuneration Committee, the Board has invited the non-executive Directors to acquire, as of 2021, a number of Sofina shares representing the gross equivalent of one year of directors' fees. These shares should be kept for at least one year after the non-executive Director has left the Board and for at least three years after their acquisition. The Company believes that the introduction of this mechanism for acquiring Sofina shares on a voluntary basis meets the objective sought by the 2020 Code of aligning the financial interests of non-executive Directors with those of shareholders without, however, obliging them to do so. In addition, this avoids tax inequalities between different Directors on the basis of their country of residence. At 31 December 2023, half of the twelve non-executive Directors held Sofina shares. As indicated in the Corporate governance statement, the Directors who did not respond positively

<sup>1</sup> <https://www.sofinagroup.com/wp-content/uploads/2021/05/sofina-remuneration-policy-en.pdf>

<sup>2</sup> In accordance with Article 36, §3 of the articles of association of Sofina, section 3 of the Internal rules of procedure of the Board of Directors and the Remuneration policy.



SOFINA

Purpose & Patience

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

• Corporate governance statement

• Risk matrix

• Remuneration report

Accounts and notes

Glossary

Responsible person

to the invitation to acquire these shares indicated that this was justified either because they are related to the Reference Shareholder, because they have been recently appointed, or for reasons of internal compliance with regard to their professional occupations or external appointments.

2.2 REMUNERATION OF THE FINANCIAL YEAR

The amounts indicated in the following table relate to the directors’ fees and attendance fees attributed to Directors during the relevant financial year. These gross amounts are subject to social security charges and income tax. Since this remuneration is determined with reference to a percentage of the net dividends distributed for the period and this amount will be final on 17 May 2024 only, the amounts mentioned below for 2023 are subject to change (expected to be immaterial)<sup>1</sup>.

in EUR	2023	2022
Harold Boël (CEO)	-	-
Nicolas Boël	164,753	152,623
Laura Cioli	167,253	157,623
Laurent de Meeûs d’Argenteuil	157,253	147,623
Jacques Emsens*	52,965	152,623
Felix Goblet d’Alviella**	104,288	-
Dominique Lanckswert (Chair)***	307,005	292,747
Anja Langenbucher	176,253	164,123
Robert Peugeot*	53,965	153,124
Analjit Singh****	-	48,453
Michèle Sioen	163,753	153,124
Catherine Soubie	169,753	154,624
Charlotte Strömberg (Vice-Chair)	242,129	231,435
Leslie Teo**	99,288	-
Rajeev Vasudeva**	99,288	-
Guy Verhofstadt*	52,965	155,124
Gwill York	164,753	152,623
TOTAL	2,175,664	2,115,869

\* Until the Annual General Meeting held in May 2023.  
\*\* As from the Annual General Meeting held in May 2023.  
\*\*\* This remuneration does not include the Chair’s fixed annual remuneration of EUR 150,000.  
\*\*\*\* Until the Annual General Meeting held in May 2022.

<sup>1</sup> Since the treasury shares are not entitled to a dividend, the total dividends distributed depend on the number of treasury shares held by Sofina SA on 17 May 2024 (i.e. the trading day before the ex-date). As at that date, the Board of Directors will record the final amount of dividends distributed as well as the resulting changes to the director’s fees in the statutory financial statements. For the purposes of this Remuneration report, the table shows the gross remuneration considering the number of treasury shares held by Sofina SA at 31 December 2023.

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

- Corporate governance statement
- Risk matrix
- Remuneration report

Accounts and notes

Glossary

Responsible person

### 3. Remuneration of the CEO and the other members of the Executive Committee

#### 3.1 PRINCIPLES

In accordance with the Remuneration policy, the remuneration of the CEO and the other members of the Executive Committee is composed of a fixed remuneration, a variable remuneration and a pension commitment described in more details below.

##### Fixed remuneration

The **fixed remuneration** is composed of:

- **a base salary:** the base salary of the CEO is indexed annually on the basis of the consumer prices index and the base salary of the other members of the Executive Committee is indexed on the basis of the health index (moving average);
- **board fees** received by the CEO and other members of the Executive Committee in their capacity as board member of subsidiaries of the Company (if any); and
- **other benefits** which include contributions to death and disability insurance, hospitalisation and healthcare insurance, company car and mobility benefits, compensation for untaken leave, contributions to the cost of communication tools, as well as meal and gift vouchers (see point 2.2.4 of the Remuneration policy).

Members of the Executive Committee resident abroad also receive housing, education and transport allowances as appropriate.

##### Variable gross remuneration

The variable gross remuneration is composed of the Long-term incentive plan (the “LTIP”), stock options (“SOP”) and a collective bonus.

##### Long-term incentive plan

The LTIP is described in point 2.2.2. of the Remuneration policy. It currently applies to the CEO, the other members of the Executive Committee, the Management Group <sup>1</sup> and other members of the Sofina group personnel. It aims to share with its beneficiaries the creation of long-term value above and beyond the performance of the market indexes and thereby strengthen the alignment between its beneficiaries and the Company's shareholders.

Every year, PSUs having a four-year vesting period are offered to the CEO and the other members of the Executive Committee. The share of the CEO and the other members of the Executive Committee in the offered PSUs remains stable from one year to another. The number of PSUs offered is determined to ensure that the total cash pool that would be paid out in case of vesting of these

PSUs is approximately one quarter of 5% of the value created at the level of the NAV exceeding the performance of the MSCI ACWI.

Accepted PSUs shall fully vest provided that, according to the performance test carried out at the expiry of the relevant four-year period, the performance of the NAV per share (“NAVPS”) less an amount equal to two years' gross dividends (the ANAVPS, as defined in more detail in the Glossary) over the four-year cohort exceeds the performance of the MSCI ACWI by 4% on a yearly basis.

The number of PSUs vesting is determined at the end of the four-year period based on the result of a performance test carried out for the same period and further described in point 2.2.2 of the Remuneration policy. The cash consideration paid under the LTIP will depend on the number of PSUs that have been accepted and have vested.

The calculation method used to determine the cash consideration under the LTIP is described in point 2.2.2 of the Remuneration policy.

##### Stock option plan

Every year, a certain number of stock options are offered to the CEO and to the other members of the Executive Committee. Stock options can also be offered to the Management Group and to certain other members of the Sofina group personnel. The number of options offered remains stable from one year to the other. These options are allocated among all the beneficiaries of the stock options in line with their level of seniority in the organisation on the basis of a total theoretical envelope recommended by the Remuneration Committee. The aim of the stock options is to reward the beneficiaries for their contribution to the value creation of the Company in the long term and to strengthen the alignment between its beneficiaries and the Company's shareholders.

Under these stock option plans, stock options may be exercised as from 1 January of the 4<sup>th</sup> calendar year following the year of the offer until the day before the 5<sup>th</sup> anniversary of the day of the offer, with a possible extension until the day before of the 10<sup>th</sup> anniversary of the day of the offer, depending on the choice expressed by each beneficiary upon acceptance of the options. There is no additional performance criterium for these stock options to vest.

In 2021, the Board of Directors approved 'Switch' stock option plans under which a number of stock options were offered to certain members of the Executive Committee with a view to ensure a dynamic rotation at the level of the Executive Committee, given that the terms of office of these Executive Committee members are fixed. The Switch stock option plans are designed to ensure a smooth transition for these members of the Executive Committee after they have contributed to the Executive Committee for a certain period. These plans differ from the other stock option plans as regards the strike period, as indicated in the table below. The number of options offered under these plans vary depending on the year of appointment of the relevant member of the Executive Committee.

<sup>1</sup> The Management Group refers to the members of the Investment, Tax & Legal, Human Resources and Corporate Services teams, who qualify as (senior) managers within the Sofina group.

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

- Corporate governance statement
- Risk matrix
- Remuneration report

Accounts and notes

Glossary

Responsible person

Any acceptance or exercise of stock options by a member of the Executive Committee is reported in a declaration made by the relevant member of the Executive Committee to the FSMA, in application of the legal requirements regarding managers' transactions. The Executive Committee members themselves are responsible for making this declaration.

Collective bonus

The collective bonus was introduced in application of collective agreements 90 and 90bis and allocated to all employees upon attaining the collective goals. The CEO does not benefit from this bonus due to his self-employed status.

Pension commitments

Since 2019, the CEO, the other members of the Executive Committee, the Management Group and the majority of the personnel employed by the Company have benefited from a “cash balance” pension plan, the principles of which are set out in more detail in the Remuneration policy.

The Company had also subscribed to a defined contribution pension plan for several years. The savings built up under this plan are vested in the event of death or retirement.

In the event of the death of the CEO, other members of the Executive Committee or other members of the personnel before the maturity date of the insurance contract or, if applicable, before the early or deferred maturity date, their beneficiaries are entitled, among other things, to a capital amounting to the savings built up with, depending on the beneficiary, a minimum of three or four times the benchmark gross fixed annual remuneration of the deceased under the applicable plan. The group insurance also covers the risk of disability.

Severance allowances, possible departure and claw back

As indicated in the Remuneration policy, no severance allowance whatsoever, whether contractual or statutory, is provided for upon the expiry of the term of office of the non-executive Directors, the CEO or the other members of the Executive Committee at the end of their employment contract, whether this departure is voluntary, forced, premature or scheduled. The appropriate legal provisions will therefore apply where necessary.

Notwithstanding Principle 7.12 of the 2020 Code and as set out in the Corporate governance statement, the Company is not entitled to claw back the variable remuneration of the CEO and the other members of the Executive Committee. However, both the terms and conditions of the PSUs and the Regulation relating to the stock options provide for the loss of future economic profit in the event of dismissal for serious misconduct.

3.2 REMUNERATION OF THE FINANCIAL YEAR

Overview of the total remuneration granted

REMUNERATION GRANTED BY SOFINA AND/OR ITS LUXEMBOURG OR SINGAPORE SUBSIDIARIES TO THE CEO AND TO THE OTHER MEMBERS OF THE EXECUTIVE COMMITTEE

AMOUNTS (IN EUR)	CEO (INDIVIDUAL)		OTHER MEMBERS OF THE EXECUTIVE COMMITTEE (COLLECTIVE)	
	2023	2022	2023	2022
Base salary and board fees	604,649 *	604,649	3,327,242	2,881,441
Other benefits **	31,181	31,076	416,243	183,311
Total fixed gross remuneration	635,830	635,725	3,743,485	3,064,752
Long-term incentive plan (“LTIP”) ***	0	0	0	0
Value of the stock options ****	496,234	531,148	2,494,901	2,693,530
Collective bonus	0	0	26,634	24,146
Total variable gross remuneration	496,234	531,148	2,521,535	2,717,676
Pension commitments *****	108,511	107,083	514,271	463,976
TOTAL	1,240,575	1,273,956	6,779,291	6,246,403
Proportion of fixed ***** and variable	60.0% fixed / 40.0% variable	58.3% fixed / 41.7% variable	62.8% fixed / 37.2% variable	56.5% fixed / 43.5% variable

\* The CEO has waived indexation of his base salary for the financial year 2023.

\*\* This includes the departure holiday allowance of a retiring member of the Executive Committee.

\*\*\* Gross amount paid in cash to the CEO and the other members of the Executive Committee in the framework of the cohort 2020-2023 of the LTIP in respect of the financial year 2023 and the amount paid in the framework of the cohort 2019-2022 in respect of the financial year 2022, as well as the holiday bonus on the variable remuneration relating to these cohorts for the members of the Executive Committee based in Belgium, with the exception of the CEO.

\*\*\*\* Stock options are valued by applying their tax value as determined by Article 43 of the Law of 26 March 1999 on the 1998 Belgian action plan for employment. Subject to the application of the conditions laid down in the law, the tax value of a stock option is equal to 9% of its strike price (that is the lower of the closing rate of the stock on the day before the offer and the average closing price of the stock during the 30 days prior to the offer day) for an exercise period expiring the day before the 5<sup>th</sup> anniversary of the offer of the options. This percentage is increased by 0.5% for each year of extension of such exercise period (this period may not under any circumstances exceed ten years).

\*\*\*\*\* Corresponds to the premiums paid in the context of the pension commitments.

\*\*\*\*\* This includes the fixed gross remuneration as well as pension commitments.

The fixed and variable gross remunerations referred to above are subject to social security charges and income taxes.



Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

- Corporate governance statement
- Risk matrix
- Remuneration report

Accounts and notes

Glossary

Responsible person

Long-term incentive plan

Cohort 2020-2023

NUMBER OF PSU OFFERED TO THE CEO AND THE OTHER MEMBERS OF THE EXECUTIVE COMMITTEE AND ACCEPTED BY THEM FOR THE COHORT 2020-2023

MEMBER OF THE EXECUTIVE COMMITTEE	MAXIMUM NUMBER OF PSU *	TARGET NUMBER OF PSU**
Harold Boël	6,207	992
Victor Casier	5,517	882
Xavier Coirbay	5,517	882
Wauthier de Bassompierre	5,517	882
François Gillet	5,517	882
Edward Koopman	5,517	882
Maxence Tombeur	4,472	756
Giulia Van Waeyenberge	4,472	756

- \* Number of PSUs that can vest for a beneficiary if the performance of the ANAVPS exceeds the performance of the MSCI ACWI by 4% over the same four-year period.
- \*\* Approximately 15% of the Maximum Number of PSUs. If the performance of the ANAVPS exceeds the performance of the MSCI ACWI during the same period by between 0% and 4%, the number of PSUs vested for a beneficiary will vary on a linear basis between the Target Number of PSUs and the Maximum Number of PSUs allocated to this beneficiary.

PERFORMANCE TEST FOR THE COHORT 2020-2023<sup>1</sup>

YEAR	ANAVPS (T-1) (IN EUR)	GROSS DIVIDEND FOR THE FINANCIAL YEAR (IN EUR)	ANAVPS (T) (IN EUR)	PERFORMANCE OF THE ANAVPS	PERFORMANCE OF THE MSCI ACWI
2020	221.12	2.90	258.79	+18.4%	+6.6%
2021	258.56	3.01	331.83	+29.7%	+27.5%
2022	331.60	3.13	273.15	-16.8%	-13.0%
2023	272.93	3.24	266.93	-1.0%	+18.1%
ANNUALISED PERFORMANCE DURING THE PERIOD 2020-2023				6.1%	8.7%

<sup>1</sup> The performance test for the 2020-2023 cohort was carried out at the start of the financial year 2024 based on the performance of the ANAVPS over this reference period compared to the performance of the MSCI ACWI over the same period. As explained in more detail in the Remuneration policy, the Company's LTIP performance test was carried out against the evolution of the ANAVPS (i.e. NAV per share less an amount equal to two years' gross dividends) to reflect the impact of the applicable group policy of retaining an amount of cash on the balance sheet equal to two years' gross dividends.

As in the previous year, none of the PSUs allocated to the CEO and the other members of the Executive Committee for the 2020-2023 cohort vested. As indicated in the table under point 3.2, no remuneration was therefore paid to the CEO and the other members of the Executive Committee under the LTIP.

Cohort 2023-2026

NUMBER OF PSU OFFERED TO THE CEO AND THE OTHER MEMBERS OF THE EXECUTIVE COMMITTEE AND ACCEPTED BY THEM FOR THE COHORT 2023-2026

MEMBER OF THE EXECUTIVE COMMITTEE	MAXIMUM NUMBER OF PSU *	TARGET NUMBER OF PSU **	VESTING DATE
Harold Boël	5,569	836	31/12/2026
Victor Casier	4,950	743	31/12/2026
Xavier Coirbay	4,950	743	31/12/2026
Wauthier de Bassompierre	4,950	743	31/12/2026
François Gillet***	0	0	-
Edward Koopman	4,950	743	31/12/2026
Maxence Tombeur	4,950	743	31/12/2026
Giulia Van Waeyenberge	4,950	743	31/12/2026

- \* Number of PSUs that can vest for a beneficiary if the performance of the ANAVPS exceeds the performance of the MSCI ACWI by 4% over the same four-year period.
- \*\* Approximately 15% of the Maximum Number of PSUs. If the performance of the ANAVPS exceeds the performance of the MSCI ACWI during the same period by between 0% and 4%, the number of PSUs vested for a beneficiary will vary on a linear basis between the Target Number of PSUs and the Maximum Number of PSUs allocated to this beneficiary.
- \*\*\* No PSUs were offered to François Gillet for the cohort 2023-2026 since he retired on 31 December 2023.

The share of the CEO in the total PSUs for the 2023-2026 cohort amounts to 8.67%, while the share of all of the other members of the Executive Committee amounts to 46.21%. The remaining PSUs were (i) offered to the Management Group and to certain other members of personnel and (ii) reserved for promotions and new recruitments.

These PSUs will not vest prior to 31 December 2026 and will only give entitlement to a cash payment at the start of the financial year 2027 if the performance test on the cohort 2023-2026 is validated.

The Maximum Number of PSUs offered to the CEO and the other members of the Executive Committee with respect to the previous cohorts is as follows<sup>1</sup> :

- cohort 2021-2024: 31,863 PSUs (vesting upon validation of the performance test at 31 December 2024);
- cohort 2022-2025: 35,269 PSUs (vesting upon validation of the performance test at 31 December 2025).

Stock options

STOCK OPTIONS OF THE CEO AND OF THE OTHER MEMBERS OF THE EXECUTIVE COMMITTEE AT THE BEGINNING AND AT THE END OF THE FINANCIAL YEAR 2023

CHANGES DURING THE YEAR							SITUATION AT 31/12/2023**		
MEMBER OF THE EXECUTIVE COMMITTEE	BALANCE AT 31/12/2022	SOP 2022 (GRANTED IN 2023)*	EXERCISED IN 2023			EXPIRED IN 2023	VESTED	UNVESTED	TOTAL
			NUMBER	STRIKE DATE	STRIKE PRICE (IN EUR)				
Harold Boël	118,000	22,000	-	-	-	-	74,000	66,000	140,000
Victor Casier	44,000	11,000	-	-	-	-	22,000	33,000	55,000
Xavier Coirbay	44,000	11,000	-	-	-	-	22,000	33,000	55,000
Wauthier de Bassompierre	52,000	22,000	-	-	-	-	22,000	52,000	74,000
François Gillet	44,000	11,000	-	-	-	-	22,000	33,000	55,000
Edward Koopman	59,000	11,000	-	-	-	-	37,000	33,000	70,000
Maxence Tombeur	32,000	23,500	1,000	24/10/2023	128.95	-	3,500	51,000	54,500
Giulia Van Waeyenberge	37,000	23,500	-	-	-	-	9,500	51,000	60,500

\* This column refers to the stock options offered in November 2022 and accepted by the members of the Executive Committee by the end of the 60-day acceptance period, i.e. by 21 January 2023. The stock options accepted by that date are deemed granted on such date.

\*\* These columns refer to the stock options held by the members of the Executive Committee on 31 December 2023 and do not include the stock options offered in November 2023 since these options were deemed to have been definitively granted on 29 January 2024 (i.e. 60 days after the date of the offer), i.e. after the end of the financial year 2023. For more details on these stock options offered in November 2023 and deemed granted in January 2024, see below the table on the stock options offered to the members of the Executive Committee in 2023.

1 The PSUs offered to François Gillet have been deducted as these PSUs became void upon his retirement.

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

- Corporate governance statement
- Risk matrix
- Remuneration report

Accounts and notes

Glossary

Responsible person

Under the 2023 stock option plans, a total of 212,870 options were offered to members of the Executive Committee, other members of the Management Group and certain other members of the Sofina group personnel. These options were offered on 30 November 2023 and the 60-day period to accept them elapsed on 29 January 2024. The options accepted by the beneficiaries are deemed granted on 29 January 2024.

MEMBER OF THE EXECUTIVE COMMITTEE	NUMBER	OFFER DATE	1 <sup>ST</sup> STRIKE DATE	MATURITY DATE	STRIKE PRICE (IN EUR)
Harold Boël (CEO)	22,000	30/11/2023	01/01/2027	29/11/2033	196.14
Victor Casier	11,000*	30/11/2023	01/01/2027	29/11/2033	196.14
Xavier Coirbay	11,000	30/11/2023	01/01/2027	29/11/2033	196.14
Wauthier de Bassompierre	11,000	30/11/2023	01/01/2027	29/11/2030	196.14
	11,000*	30/11/2023	01/01/2027	29/11/2031	196.14
François Gillet	11,000	30/11/2023	01/01/2027	29/11/2033	196.14
Edward Koopman	11,000	30/11/2023	01/01/2027	29/11/2033	196.14
Maxence Tombeur	11,000	30/11/2023	01/01/2027	29/11/2033	196.14
	12,500*	30/11/2023	01/01/2032	29/11/2033	196.14
Giulia Van Waeyenberge	11,000	30/11/2023	01/01/2027	29/11/2033	196.14
	12,500*	30/11/2023	01/01/2032	29/11/2033	196.14

\* Stock options relating to the Switch stock option plans.

No member of the Executive Committee was offered stocks or rights to acquire stocks other than these Sofina stock options offered in application of the Law of 26 March 1999.

As shown in the table under point 3.2 above, the value of the stock options offered during the financial year 2023 is lower than the value of the options offered during the financial year 2022 as a result of the decrease of Sofina's share price in 2023, which determines the stock option strike price and therefore its tax value.

4. Comparative information on remuneration changes and the performance of the Company

	2019	2020	2021	2022	2023
REMUNERATION OF THE NON-EXECUTIVE DIRECTORS					
Average total remuneration (in EUR)	141,511	146,419	161,912	174,256	155,044
Annual variation vs. y-1	+11.6%	+3.5%	+10.6%	+7.6%	-11.0%
REMUNERATION OF THE CEO					
Total remuneration (in EUR)	2,134,348	3,218,878	4,092,716	1,273,956	1,240,575
Annual variation vs. y-1	-15.4%	+50.8%	+27.1%	-68.9%	-2.6%
REMUNERATION OF THE OTHER MEMBERS OF THE EXECUTIVE COMMITTEE					
Average total remuneration (in EUR)	1,904,907	2,778,635	3,733,756	892,343	968,470
Annual variation vs. y-1	-13.3%	+45.9%	+34.4%	-76.1%	+8.5%
SOFINA'S PERFORMANCE MEASURES					
NAVPS* (in EUR)	226.92	264.59	337.86	279.41	273.62
Average annual return	18.4%	18.0%	29.0%	-16.5%	-0.9%
AVERAGE REMUNERATION OF EMPLOYEES ON A FULL-TIME EQUIVALENT BASIS					
Average total remuneration (in EUR)	240,871	296,301	330,301	172,050	183,608
Annual variation vs. y-1	+13.9%	+23.0%	+11.5%	-47.9%	+6.7%

\* See Glossary at the end of the Annual report.

The total remuneration of the non-executive Directors is described in more detail in point 2.1. of this Remuneration report. It primarily consists of director's fees calculated by reference to the amount of the net dividend and of fees for attending the meetings of the Committees. It is therefore not directly linked to the performance of the Company. The changes in the average remuneration of the non-executive Directors from one year to another can also be explained by changes in the number of Directors.

The total remuneration of the CEO and the average total remuneration of the other members of the Executive Committee comprises the remuneration as set out in point 3.2 of this Remuneration report. It depends largely on the LTIP and on stock options valued at their tax value as indicated in point 3.2. The most recent variation can be explained in particular by the decrease in the Sofina's share price which determines the stock option strike price and the lower NAV performance over the reference period.



Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

- Corporate governance statement
- Risk matrix
- Remuneration report

Accounts and notes

Glossary

Responsible person

**The performance of the Sofina group** is assessed against the performance of its NAVPS and its Average annual return. This performance measurement is used in the context of the LTIP, ensuring that the development of the variable remuneration granted to the management is aligned with the development of the performance of the Sofina group.

Finally, the ratio between the highest remuneration of the Executive Committee on the one hand and the lowest remuneration among the other employees of the Company on a full-time equivalent basis is 1:20 for the financial year.

**The average remuneration of employees on a full-time equivalent basis** comprises the remuneration of the employees of the Company who are not members of the Executive Committee. It is composed of a base salary (indexed annually), pension commitments and other benefits. The variable remuneration of such employees also includes a discretionary annual bonus, any cash amount due under the LTIP for the reference period expiring in that year, and the tax value of the stock options offered during that year and granted<sup>1</sup>. A collective bonus may also be granted to all employees of the Company in application of collective agreements 90 and 90bis, as described in point 2.2.2. of the Remuneration policy.

The average total remuneration of the employees of the Company for a given year, the components of which are described in more detail in the paragraph above, is calculated based on the total remuneration given to these employees during that year.

This calculation takes account of the Company's employees apart from the CEO and the other members of the Executive Committee and does not include trainees. The time-credit systems and parental leaves are considered to be a full-time occupation, and part-time work is considered to be a part-time occupation. The total result is expressed in full-time equivalents.

As indicated above, the LTIP and the value of the stock options impact significantly the change of this average remuneration from year to year.

The highest remuneration of the Executive Committee is the remuneration of the CEO as described in point 3.2 of this Remuneration report. The lowest remuneration among the other employees of the Company on a full-time equivalent basis includes the remuneration components as described in this paragraph and is calculated using the same methodology.

In accordance with Article 7:149 of the BCAC, the Annual General Meeting to be held on 8 May 2024 will be invited to approve this Remuneration report in a separate vote.

The Remuneration policy was approved at the Annual General Meeting held on 5 May 2022 by a majority of 97.86% of the votes cast and the Remuneration report for the financial year 2022 was approved at the Annual General Meeting held on 4 May 2023 by a majority of 98.28% of the votes cast.

An amended version of the Remuneration policy reflecting adaptation proposals to the existing LTIP will be submitted for approval to the Annual General Meeting of 8 May 2024 in accordance with Principle 7.3 of the 2020 Code and article 7:89/1, §3 of the BCAC. The proposed changes to the LTIP consist in adding vesting criteria for part of the PSUs and providing for transition cohorts. The proposed amendments to the Remuneration policy will be made available on the Company's website prior to the Annual General Meeting.

<sup>1</sup> As from 2023, the pool of beneficiaries of stock options has been increased.

[Our mission](#)[Message to shareholders](#)[Sofina at a glance](#)[Strategy](#)[Year in review](#)[Investments overview](#)[Societal commitment](#)[Corporate governance](#)[Accounts and notes](#)

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor's report
- Statutory financial statements

[Glossary](#)[Responsible person](#)

# Accounts and notes



## Consolidated financial statements with notes and independent auditor's report

## Our mission

## Message to shareholders

## Sofina at a glance

## Strategy

## Year in review

## Investments overview

## Societal commitment

## Corporate governance

## Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor's report
- Statutory financial statements

## Glossary

## Responsible person

# CONSOLIDATED FINANCIAL STATEMENTS

## AS AT 31 DECEMBER 2023

Sofina meets the conditions for Investment Entity status under IFRS 10, §27, which requires that investment subsidiaries should not be consolidated and that direct subsidiaries of a company that qualifies as an Investment Entity should be recorded 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	31/12/2023	31/12/2022
<b>Non-current assets</b>		<b>8,619,370</b>	<b>8,549,094</b>
(In) tangible assets		8,926	9,111
Investment portfolio	3.1	8,610,444	8,539,983
<i>Investments</i>		8,548,378	8,538,603
<i>Receivables</i>		62,066	1,380
Deferred tax assets	3.14	0	0
<b>Current assets</b>		<b>1,223,563</b>	<b>1,648,741</b>
Deposits and other current financial assets	3.3	527,970	436,686
Receivables from subsidiaries	3.9	495,153	823,998
Other current receivables		101	97
Taxes		1,997	2,474
Cash and cash equivalents	3.4	198,342	385,486
<b>TOTAL ASSETS</b>		<b>9,842,933</b>	<b>10,197,835</b>

IN THOUSAND EUR			
LIABILITIES	NOTES	31/12/2023	31/12/2022
<b>Shareholders' equity</b>		<b>9,083,431</b>	<b>9,313,329</b>
Share capital	3.5	79,735	79,735
Share premium		4,420	4,420
Reserves		8,999,276	9,229,174
<b>Non-current liabilities</b>		<b>697,017</b>	<b>697,825</b>
Provisions for pensions	3.6	675	2,235
Other provisions		53	83
Non-current financial liabilities	3.7	696,289	695,507
Deferred tax liabilities	3.14	0	0
<b>Current liabilities</b>		<b>62,485</b>	<b>186,681</b>
Current financial liabilities	3.8	2,109	2,010
Payables to subsidiaries	3.9	55,980	175,634
Trade and other current payables	3.8	4,396	9,037
Taxes		0	0
<b>TOTAL LIABILITIES</b>		<b>9,842,933</b>	<b>10,197,835</b>



## Our mission

## Message to shareholders

## Sofina at a glance

## Strategy

## Year in review

## Investments overview

## Societal commitment

## Corporate governance

## Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor's report
- Statutory financial statements

## Glossary

## Responsible person

## Consolidated income statement

IN THOUSAND EUR			
	NOTES	2023	2022
Dividend income		377,457	48,138
Interest income	3.10	29,598	9,857
Interest expenses	3.10	-8,642	-8,183
Net result of the investment portfolio	3.1 & 3.11	-488,083	-1,878,051
<i>Investments</i>		-473,377	-1,878,051
Gains		277,825	97,153
Losses		-751,202	-1,975,204
<i>Receivables</i>		-14,706	0
Gains		0	0
Losses		-14,706	0
Other financial results	3.12	20,589	-6,246
Other income		5,432	6,669
Other expenses	3.13	-40,610	-45,266
<b>RESULT BEFORE TAX</b>		<b>-104,259</b>	<b>-1,873,082</b>
Taxes	3.14	-8	1,556
<b>RESULT FOR THE YEAR</b>		<b>-104,267</b>	<b>-1,871,526</b>
<b>SHARE OF THE GROUP IN THE RESULT</b>		<b>-104,267</b>	<b>-1,871,526</b>
<i>Net result per share (EUR) <sup>1</sup></i>		-3.1245	-55.8485
<i>Diluted net result per share (EUR) <sup>2</sup></i>		-3.0774	-55.3157

<sup>1</sup> Calculation based on the weighted average number of outstanding shares (33,370,558 shares as at 31 December 2023 and 33,510,733 shares as at 31 December 2022, i.e. a net change in treasury shares of -140,175).

<sup>2</sup> Calculation based on the weighted average number of outstanding shares diluted per share (33,881,858 shares as at 31 December 2023 and 33,833,533 shares as at 31 December 2022, i.e. a net change in treasury shares of +48,325).

<sup>3</sup> These items are presented net of taxes - see point 3.14 of the Notes to the consolidated financial statements.

## Consolidated statement of comprehensive income

IN THOUSAND EUR			
	NOTES	2023	2022
RESULT FOR THE YEAR		-104,267	-1,871,526
OTHER COMPREHENSIVE INCOME <sup>3</sup>			
Other items		0	0
Income and expenses recognised directly in shareholders' equity and subsequently reclassified to net revenue		0	0
Actuarial gains and losses on pension obligations	3.6	660	2,457
Income and expenses recognised directly in shareholders' equity and subsequently not reclassified to net revenue		660	2,457
TOTAL OTHER COMPREHENSIVE INCOME <sup>3</sup>		660	2,457
TOTAL RECOGNISED INCOME AND EXPENSES (COMPREHENSIVE INCOME)		-103,607	-1,869,069
Attributable to non-controlling interests		0	0
Attributable to shareholders of the parent company		-103,607	-1,869,069

## Our mission

## Message to shareholders

## Sofina at a glance

## Strategy

## Year in review

## Investments overview

## Societal commitment

## Corporate governance

## Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor's report
- Statutory financial statements

## Glossary

## Responsible person

# Changes in the consolidated shareholders' equity

IN THOUSAND EUR								
	NOTES	SHARE CAPITAL	SHARE PREMIUM	RESERVES	TREASURY SHARES	GROUP'S SHARE	NON-CONTROLLING INTEREST	TOTAL
BALANCE AS AT 31/12/2021		79,735	4,420	11,489,863	-219,677	11,354,341	0	11,354,341
Result for the year				-1,871,526		-1,871,526		-1,871,526
Other comprehensive income				2,457		2,457		2,457
Dividends				-107,154		-107,154		-107,154
Changes in treasury shares				2,028	-72,719	-70,691		-70,691
Other				5,902		5,902		5,902
Changes in non-controlling interests						0		0
BALANCE AS AT 31/12/2022		79,735	4,420	9,521,570	-292,396	9,313,329	0	9,313,329
Result for the year				-104,267		-104,267		-104,267
Other comprehensive income				660		660		660
Dividends	3.5			-108,023		-108,023		-108,023
Changes in treasury shares				-391	-26,221	-26,612		-26,612
Other				8,344		8,344		8,344
Changes in non-controlling interest						0		0
BALANCE AS AT 31/12/2023		79,735	4,420	9,317,893	-318,617	9,083,431	0	9,083,431

## Our mission

## Message to shareholders

## Sofina at a glance

## Strategy

## Year in review

## Investments overview

## Societal commitment

## Corporate governance

## Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor's report
- Statutory financial statements

## Glossary

## Responsible person

## Consolidated cash flow statement

		IN THOUSAND EUR	
	NOTES	2023	2022
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	3.4	<b>385,486</b>	<b>140,742</b>
Dividend income		223,722	37,702
Interest income		29,296	9,508
Interest expenses		-7,860	-7,188
Acquisitions of current financial assets (deposits of more than 3 months)		0	0
Disposals of current financial assets (deposits of more than 3 months)		0	225,000
Acquisitions of current financial assets (treasury investment portfolio)		-145,800	-325,000
Disposals of current financial assets (treasury investment portfolio)		85,008	406,222
Acquisitions of other current financial assets		-1,517	-1,169
Disposals of other current financial assets		0	0
Other current receipts		8,244	4,144
Administrative expenses and miscellaneous		-34,114	-55,058
Net taxes		-7	0
<b>Cash flow from operating activities</b>		<b>156,972</b>	<b>294,161</b>
Acquisitions of (in)tangible assets		-440	-129
Disposals of (in)tangible assets		6	0
Disposals of consolidated companies		0	0
Investments in portfolio	3.1	-719,268	-46,834
Divestments from portfolio	3.1 & 3.11	205,599	15,044
Movements in other non-current assets		0	0
<b>Cash flow from investing activities</b>		<b>-514,103</b>	<b>-31,919</b>
Acquisitions of treasury shares		-28,540	-76,069
Disposals of treasury shares		1,928	3,109
Dividends paid	3.5	-108,030	-104,885
Movements in receivables from subsidiaries		479,804	-14,828
Movements in payables to subsidiaries		-175,175	175,175
Receipts from financial liabilities		0	0
Repayments of financial liabilities		0	0
<b>Cash flow from financing activities</b>		<b>169,987</b>	<b>-17,498</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	3.4	<b>198,342</b>	<b>385,486</b>

For Sofina, the primary revenue generator is the evolution of the NAV (a non-monetary item that appears in the income statement but not in the consolidated cash flow statement). In this context, cash flows related to portfolio investments and divestments, which are not revenue generators, are considered to be part of investing activities and not of operating activities.

It should be remembered that the management cash flow statement (in transparency) is available in point 2.1 of the Notes to the consolidated financial statements.



Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor’s report
- Statutory financial statements

Glossary

Responsible person

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The notes to the consolidated financial statements are grouped in three sections, providing 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 were 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 2023 were approved by the Board of Directors held on 28 March 2024. They were 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 2023 have not been adopted in advance by the Sofina 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 Sofina group when preparing the consolidated financial statements for the year ended 31 December 2022.

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.

Sofina SA is the parent company of the Sofina group. The investments in portfolio managed by the group are held by the parent company, Sofina SA, either by owning shares directly in portfolio investments or by investing in them through its investment subsidiaries. When preparing the financial statements as an Investment Entity, the fair value of the shares held directly at the parent company level (in portfolio investments or in investment subsidiaries) is recorded as an asset in the balance sheet. By contrast, segment management information (based on internal reporting) is prepared on the entire portfolio in transparency (i.e. on all portfolio investments wherever they are held in the Sofina group legal structure), and thus on the basis of the total fair value of each portfolio investment ultimately held in companies or in funds. 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 the total of the investment portfolio (the total of the three investment styles covered by Sofina Direct and Sofina Private Funds) on the one hand and the items not allocated to the investment styles (i.e. expenses and income or other balance sheet items not monitored in a segmented way per investment style), whether they are recognised at the parent company level or in the Sofina SA subsidiaries, on the other;
- **Items for reconciliation 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 Sofina 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 below;
- **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.

## Our mission

## Message to shareholders

## Sofina at a glance

## Strategy

## Year in review

## Investments overview

## Societal commitment

## Corporate governance

## Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor's report
- Statutory financial statements

## Glossary

## Responsible person

## SITUATION AS AT 31 DECEMBER 2023

IN THOUSAND EUR					
COMPREHENSIVE INCOME (2023)	SOFINA DIRECT	SOFINA PRIVATE FUNDS	TOTAL	RECONCILING ITEMS	FINANCIAL STATEMENTS
Dividends	43,331	896	44,227	333,230	377,457
Long-term minority investments	43,331				
Sofina Growth	0				
Net result of the investment portfolio	55,531	-131,583	-76,052	-412,031	-488,083
Long-term minority investments	159,525				
Sofina Growth	-103,994				
Management expenses			-52,007	11,397	-40,610
Other <sup>1</sup>			-19,775	67,404	47,629
<b>Total comprehensive income</b>			<b>-103,607</b>	<b>0</b>	<b>-103,607</b>

IN THOUSAND EUR					
BALANCE SHEET (31/12/2023)	SOFINA DIRECT	SOFINA PRIVATE FUNDS	TOTAL	RECONCILING ITEMS	FINANCIAL STATEMENTS
Investment portfolio	4,739,235	4,189,006	8,928,241	-317,797	8,610,444
Long-term minority investments	2,846,919				
Sofina Growth	1,892,316				
Net cash			197,301	-180,991	16,310
Gross cash			893,590	-180,991	712,599
Financial liabilities			-696,289	0	-696,289
(In)tangible fixed assets			10,223	-1,297	8,926
Other assets and liabilities <sup>1</sup>			-52,334	500,085	447,751
<b>NAV</b>			<b>9,083,431</b>	<b>0</b>	<b>9,083,431</b>

<sup>1</sup> This includes the deferred tax liabilities (EUR 35.88 million in the comprehensive income representing a total amount of EUR 37.06 million in the liabilities) for the temporary tax differences recognised by some investment subsidiaries between the carrying amount and the tax base of portfolio investments impacting their fair value recognised in Sofina SA's investment portfolio. Moreover, there are accumulated profits within Sofina Private Funds which could become taxable at a 25% tax rate in the theoretical scenario where the relevant investment subsidiaries holding such portfolio were to be liquidated and profit repatriated to Sofina SA, which will however not materialise in the current going-concern context. Depending on the theoretical scenarios considered (such as a sale or a liquidation of Sofina Private Funds), 0% to 60% of the Net Asset Value of the investment subsidiaries holding Sofina Private Funds could become taxable at 25%. However, this hypothetical tax has not been recognised because the trigger events are under the control of Sofina SA, and moreover not probable. Furthermore, the investment subsidiaries of Sofina SA do not recognise deferred tax assets for tax losses carried forward because their recovery is not considered probable. Here also, since there is no deferred tax asset recognised by the investment subsidiaries in this respect, their fair value is not impacted.

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor’s report
- Statutory financial statements

Glossary

Responsible person

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

IN THOUSAND EUR					
MANAGEMENT CASH FLOW STATEMENT (2023)	SOFINA DIRECT	SOFINA PRIVATE FUNDS	TOTAL GROSS CASH	FINANCIAL LIABILITIES	TOTAL NET CASH
Net cash at the beginning of the year			928,558	-695,507	233,051
Dividends <sup>1</sup>	43,268	896	44,164	0	44,164
Management expenses <sup>2</sup>			-46,690	0	-46,690
Investments in portfolio	-223,259	-293,539	-516,798	0	-516,798
Divestments from portfolio	309,048	280,743	589,791	0	589,791
Dividends paid			-108,030	0	-108,030
Other items			2,595	-782	1,813
Repayment of financial liabilities			0	0	0
Net cash at the end of the year			893,590	-696,289	197,301

IN THOUSAND EUR									
INVESTMENT PORTFOLIO BRIDGE (2023)	FAIR VALUE AT 31/12/2022	INVESTMENTS <sup>3</sup>		DIVESTMENTS <sup>3</sup> AND REVENUES		MARKET IMPACT	FX IMPACT	FAIR VALUE AT 31/12/2023	VALUE CREATION % <sup>4</sup>
		CASH	NON-CASH <sup>5</sup>	CASH	NON-CASH <sup>5</sup>				
Sofina Direct	4,759,857	223,259	94,276	-349,005	-90,139	164,779	-63,792	4,739,235	2%
Sofina Private Funds	4,302,404	291,106	0	-260,521	-13,296	7,441	-138,128	4,189,006	-3%
Total Investment portfolio	9,062,261	514,365	94,276	-609,526	-103,435	172,220	-201,920	8,928,241	0%

1 Difference compared with the dividends presented in the comprehensive income is mainly due to cut-offs between declaration and payment periods or to withholding taxes.  
2 Difference compared with the management expenses presented in the comprehensive income is mainly due to the non-cash expenses of the stock option plans granted.  
3 Net of intragroup transfers.  
4 Fair value at the end of the year + Divestments and revenues of the year divided by Fair value at the beginning of the year + Investments of the year.  
5 Mainly composed of a non-cash re-investments of an exit proceed, escrows and cut-offs (i.e. differences when the realisation of a transaction and its cash impact occur in two different financial years).



## Our mission

## Message to shareholders

## Sofina at a glance

## Strategy

## Year in review

## Investments overview

## Societal commitment

## Corporate governance

## Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor's report
- Statutory financial statements

## Glossary

## Responsible person

## SITUATION AS AT 31 DECEMBER 2022

IN THOUSAND EUR					
COMPREHENSIVE INCOME (2022)	SOFINA DIRECT	SOFINA PRIVATE FUNDS	TOTAL	RECONCILING ITEMS	FINANCIAL STATEMENTS
Dividends	46,549	6,149	52,698	-4,560	48,138
Long-term minority investments	46,427				
Sofina Growth	122				
Net result of the investment portfolio	-1,214,478	-613,388	-1,827,866	-50,185	-1,878,051
Long-term minority investments	-835,315				
Sofina Growth	-379,163				
Management expenses			-73,433	28,167	-45,266
Other <sup>1</sup>			-20,468	26,578	6,110
<b>Total comprehensive income</b>			<b>-1,869,069</b>	<b>0</b>	<b>-1,869,069</b>

IN THOUSAND EUR					
BALANCE SHEET (31/12/2022)	SOFINA DIRECT	SOFINA PRIVATE FUNDS	TOTAL	RECONCILING ITEMS	FINANCIAL STATEMENTS
Investment portfolio	4,759,857	4,302,404	9,062,261	-522,278	8,539,983
Long-term minority investments	2,797,444				
Sofina Growth	1,962,413				
Net cash			233,051	-109,636	123,415
Gross cash			928,558	-109,636	818,922
Financial liabilities			-695,507	0	-695,507
(In) tangible fixed assets			9,773	-662	9,111
Other assets and liabilities <sup>1</sup>			8,244	632,576	640,820
<b>NAV</b>			<b>9,313,329</b>	<b>0</b>	<b>9,313,329</b>

<sup>1</sup> This includes the deferred tax liabilities (of EUR 1.18 million) for the temporary tax differences recognised by some investment subsidiaries between the carrying amount and the tax base of portfolio investments impacting their fair value recognised in Sofina SA's investment portfolio. Moreover, there are accumulated profits within Sofina Private Funds which could become taxable at a 25% tax rate in the theoretical scenario where the relevant investment subsidiaries holding such portfolio were to be liquidated and profit repatriated to Sofina SA, which will however not materialise in the current going-concern context. Depending on the theoretical scenarios considered (such as a sale or a liquidation of Sofina Private Funds), 0% to 60% of the Net Asset Value of the investment subsidiaries holding Sofina Private Funds could become taxable at 25%. However, this hypothetical tax has not been recognised because the trigger events are under the control of Sofina SA, and moreover not probable. Furthermore, the investment subsidiaries of Sofina SA do not recognise deferred tax assets for tax losses carried forward because their recovery is not considered probable. Here also, since there is no deferred tax asset recognised by the investment subsidiaries in this respect, their fair value is not impacted.

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor’s report
- Statutory financial statements

Glossary

Responsible person

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

					IN THOUSAND EUR	
MANAGEMENT CASH FLOW STATEMENT (2022)		SOFINA DIRECT	SOFINA PRIVATE FUNDS	TOTAL GROSS CASH	FINANCIAL LIABILITIES	TOTAL NET CASH
Net cash at the beginning for the year				1,048,594	-729,512	319,082
Dividends <sup>1</sup>		46,630	6,148	52,778		52,778
Management expenses <sup>2</sup>				-92,210		-92,210
Investments in portfolio		-570,705	-442,685	-1,013,390		-1,013,390
Divestments from portfolio		399,408	774,564	1,173,972		1,173,972
Dividends paid				-104,885		-104,885
Other items				-101,301	-995	-102,296
Repayment of financial liabilities				-35,000	35,000	0
Net cash at the end of the year				928,558	-695,507	233,051

									IN THOUSAND EUR	
INVESTMENT PORTFOLIO BRIDGE (2022)	FAIR VALUE AT 31/12/2021	INVESTMENTS <sup>3</sup>		DIVESTMENTS <sup>3</sup> AND REVENUES		MARKET IMPACT	FX IMPACT	FAIR VALUE AT 31/12/2022	VALUE CREATION % <sup>4</sup>	
		CASH	NON-CASH <sup>5</sup>	CASH	NON-CASH <sup>5</sup>					
Sofina Direct	5,810,894	570,705	1,093	-446,038	-9,671	-1,188,487	21,361	4,759,857	-18%	
Sofina Private Funds	5,252,521	442,685	2,512	-780,713	-7,362	-889,333	282,094	4,302,404	-11%	
Total Investment portfolio	11,063,415	1,013,390	3,605	-1,226,751	-17,033	-2,077,820	303,455	9,062,261	-15%	

1 Difference compared with the dividends presented in the comprehensive income is mainly due to cut-offs between declaration and payment periods or to withholding taxes.  
2 Difference compared with the management expenses presented in the comprehensive income is mainly due to the payment in the current year of the Long-Term Incentive Plan (LTIP) accrual of the previous year.  
3 Net of intragroup transfers.  
4 Fair value at the end of the year + Divestments and revenues of the year divided by Fair value at the beginning of the year + Investments of the year.  
5 Mainly composed of escrows and cut-offs (i.e. differences when the realisation of a transaction and its cash impact occur in two different financial years).

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor’s report
- Statutory financial statements

Glossary

Responsible person

2.2 COMMENTS ON THE EVOLUTION OF THE PORTFOLIO IN TRANSPARENCY

The main movements in acquisitions and disposals relating to the Sofina Direct portfolio in the year of 2023 (with a fair value in excess of EUR 10 million) concern the following financial assets:

	CORPORATE RIGHTS	
	% OWNERSHIP INVESTED <sup>1</sup>	% OWNERSHIP SOLD <sup>1</sup>
BA-K1 (Too Good To Go)	89.24%	
Biobest Group	8.59%	
Drylock Technologies	2.91%	
Green E Origin	24.51%	
SellerX	25.96%	
Vinted	0.61%	
Shenzhen Shuye Innovative Technology (Laifen)	4.07%	
Appalachian Mountains (Aohua)		0.00%
Biotech Dental		24.75%
Colruyt Group		1.53%
Groupe Petit Forestier		9.24%
Honasa Consumer (Mamaearth)		3.08%
Kedaara Norfolk Holdings (Lenskart)		0.00%
TA Vogue Holdings (TCNS)		0.00%

The main net movements of more than EUR 10 million relating to the Sofina Private Funds' portfolio in the year of 2023 concern investments in General Atlantic, Lightspeed and Sequoia funds, and partial disposals of Iconiq and Sequoia funds.

The main Sofina Direct level 1 <sup>2</sup> investments (with a fair value in excess of EUR 10 million) held by the Sofina group as at 31 December 2023 are as follows:

	YEAR OF THE 1 <sup>ST</sup> INVESTMENT	CORPORATE RIGHTS HELD		FAIR VALUE (IN THOUSAND EUR)
		NUMBER OF SHARES	% OWNERSHIP	
1stdibs.com	2015	2,613,568	6.71%	11,069
bioMérieux	2009	2,282,513	1.93%	229,621
Colruyt Group	1975	384,003	0.29%	15,667
GL events	2012	2,369,434	7.90%	46,488
IHS Holding	2014	3,467,574	1.05%	14,435
Luxempart	1992	1,257,500	6.07%	82,995
SCR - Sibelco	2005	6,968	1.48%	43,202
The Hut Group (THG)	2016	115,542,400	8.29%	113,222

1 Changes in undiluted ownership percentage as at 31 December 2023 due to new acquisitions and disposals during the year. In the case of Appalachian Mountains (Aohua), Kedaara Norfolk Holdings (Lenskart) and TA Vogue Holdings (TCNS), these movements are distributions that did not involve a sale of shares, and thus do not cause a change in the ownership percentage of the companies concerned.

2 For the definitions of levels, see point 2.3 below.



## Our mission

## Message to shareholders

## Sofina at a glance

## Strategy

## Year in review

## Investments overview

## Societal commitment

## Corporate governance

## Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor's report
- Statutory financial statements

## Glossary

## Responsible person

The main Sofina Direct level 2 and level 3<sup>1</sup> investments (with a fair value in excess of EUR 10 million) held by the Sofina group as at 31 December 2023 are as follows:

	YEAR OF THE 1ST INVESTMENT	CORPORATE RIGHTS HELD	
		NUMBER OF SHARES	% OWNERSHIP
B9 Beverages (Bira 91)	2018	3,784,140	6.42%
Biobest Group	2022	162,012	11.11%
Birdie Care Services	2022	3,924,379	15.46%
Cambridge Associates	2018	24,242	23.68%
Carebridge Holdings	2016	15,347,479	3.58%
Cleo AI	2022	4,237,499	12.50%
CoachHub	2022	15,089	9.32%
Collibra	2020	6,936,516	2.89%
Dreamplug Technologies (Cred)	2021	57,596	1.95%
Drylock Technologies	2019	169,782,750	25.00%
Everdrop	2022	5,669	10.11%
GL events	2012	2,398,623	8.00%
Grand Rounds (Included Health)	2018	11,358,956	1.86%
Graphcore	2018	11,131,375	2.73%
Grasper Global (Skillmatics)	2022	379,198	10.34%
Green Agrevolution (DeHaat)	2021	479,611	12.08%
Green E Origin	2023	279,851	24.51%
Groupe Petit Forestier	2007	976,838	33.62%
Hector Beverages	2015	3,576,234	18.10%
Honasa Consumer (Mamaearth)	2021	19,974,026	6.43%
K12 Techno Services	2020	3,886,480	20.11%
Labster Group	2022	2,870,989	4.47%
M.Chapoutier	2007	3,124	14.20%
MedGenome	2017	7,842,600	16.73%
Mérieux NutriSciences	2014	43,278	15.45%
Moody E-Commerce Group	2021	95,610	3.63%
Nuxe International	2019	193,261,167	49.00%
Petkit Technology	2021	10,746,355	5.06%
Pine Labs	2015	147,582	1.88%

Rohlik	2022	48,776	8.73%
Salto Systems	2020	22,293	12.17%
Shenzhen Shuye Innovative Technology (Laifen)	2023	320,449	4.07%
ThoughtSpot	2017	3,263,785	2.74%
Twin Health	2021	2,253,562	4.52%
Typeform	2022	69,208	6.93%
Veepee	2016	3,756,786	5.65%
Ver Se Innovation	2019	415,952	7.16%
Vinted	2019	3,462,528	3.61%

<sup>1</sup> For the definition of levels, see point 2.3 below.

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor’s report
- Statutory financial statements

Glossary

Responsible person

The main Sofina Direct level 2 and level 3<sup>1</sup> investments (with a fair value in excess of EUR 10 million) held through a (or several) syndication vehicle(s) gathering part of the shareholder base as at 31 December 2023 are as follows:

	YEAR OF THE 1 <sup>ST</sup> INVESTMENT	CORPORATE RIGHTS HELD		ESTIMATED ECONOMIC INTEREST IN THE UNDERLYING INVESTMENT
		NUMBER OF SHARES	% OWNERSHIP IN THE INTERMEDIARY VEHICLE	
Aevum Investments (Xinyu)	2018	-	100.00%	4.90%
Ergon opseo Long Term Value Fund (opseo)	2016	-	8.82%	7.47%
GoldIron (First Eagle)	2016	21,721	70.68%	4.01%
Iconiq Strategic Partners III Co-Invest (Series RV)	2018	-	7.15%	0.26%
Kedaara Norfolk Holdings (Lenskart)	2019	158,355	50.00%	0.72%
Lernen Midco 1 (Cognita)	2019	252,517,893	15.55%	13.76%
M.M.C. (Chapoutier)	2007	15,256	19.83%	15.33%
MxBEE (Biobest Group)	2022	7,820,093	26.64%	1.48%
Polygone (GL events)	2012	221,076	20.96%	11.86%
SC China Co-Investment 2016-A (ByteDance)	2016	-	41.67%	0.18%
TA Action Holdings (ACT)	2016	-	44.44%	3.65%
TA Vogue Holdings (TCNS)	2016	-	48.72%	7.62%

The General Partners that manage investment funds on our behalf, whose individual value exceeded EUR 10 million as at 31 December 2023 are Andreessen Horowitz, Archipelago, Ares Ascendent, Atlantic Labs, Atomico, Bain, Battery, Bessemer, Betaworks, Bling, Blossom, Bond, Chryscapital, DST, Falcon House, Felix, Formation 8, Founders Fund, Foundry, Francisco, General Atlantic, Genesis, GGV, Highland, HongShan, Iconiq, Insight, Institutional Venture Partners, InvAscent, Isola, Kedaara, Kleiner Perkins, Lightspeed, Local Globe, Lux Capital, Lyfe, Mérieux, Multiples, New Enterprise Associates, Northzone, OpenView, Peak XV, Qiming, Redpoint, Sequoia, Sofindev, Source Code, Spark, Summit, TA Associates, Thoma Bravo, Thrive, Tiger Global, Trustbridge and Venrock.

1 For the definition of levels, see point 2.3 below.

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor’s report
- Statutory financial statements

Glossary

Responsible person

2.3 INVESTMENT PORTFOLIO IN TRANSPARENCY

Main valuation rules for the investment portfolio

The Sofina 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** – 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 2022).

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 (Long-term minority investments, Sofina Growth and Sofina Private Funds).

Note that the IPEV Valuation Guidelines no longer consider the recent transaction price as a default valuation technique but rather a starting point for estimating fair value. The recent transaction price as a valuation technique is therefore only used when the recent transaction is sufficiently close to the balance sheet closing date (and meets the market and market participant criteria). It should also be noted that the context of the transaction is analysed and could therefore consider not only the primary components of a transaction but also the secondary components of the same transaction (e.g., retaining a blended price instead of the primary round price only).

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 or most recent transaction, is applied as appropriate to all our valuations of unlisted investments (Long-term minority investments and Sofina Growth), provided that the price of the initial or most recent transaction is representative of the fair value at the time of the transaction and can be calibrated. The calibration makes it possible to derive from the entry price the discount or the premium against 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. The calibration also makes it possible to determine, 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 another (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.

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

It should also be noted that Sofina uses the option pricing method (OPM) to allocate the estimated equity fair value to various classes of equity shares considering their rights and preferences (if applicable). This allocation approach may significantly reduce the valuation of earlier equity rounds with reduced rights and preferences compared to the latest round.

The current economic crisis increases the uncertainty of the future performance of the investments held by Sofina. These uncertainties regarding the performance of these investments lead to a higher degree of subjectivity in the determination of level 3 fair values in the IFRS 13 hierarchy. This has prompted Sofina to be more vigilant in the application of its valuation methods. The following are especially worth mentioning:

- 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;
- Particular vigilance regarding the validation of the most recent transaction by ensuring that this recent transaction takes into account the current context of the economic crisis (while respecting the other validation criteria of the most recent transaction such as being sufficiently close to the closing date) as well as ensuring that the context of the recent transaction is properly understood by considering both primary and secondary components (if applicable);
- Particular vigilance regarding the financial situation of the portfolio companies (e.g., cash burn estimates).

We also took into account the IPEV Board Special Valuation Guidance of December 2022.

It should be noted that Sofina has engaged Kroll, an independent valuation firm, to assist in the valuation of the unlisted investments by the Sofina Direct portfolio. The assistance provided by Kroll does not, therefore, cover Sofina Private Funds. All these unlisted investments (the “Investments”), covered by Kroll’s assistance, represent 47% of the fair value of the portfolio in transparency, as illustrated below <sup>1</sup>.

FAIR VALUE HIERARCHY	LONG-TERM MINORITY INVESTMENTS	SOFINA GROWTH	SOFINA PRIVATE FUNDS	% OF KROLL COVERAGE ON TOTAL LEVEL
Level 1	Not covered	Not covered	Not applicable	0%
Level 2	Covered	Covered	Not applicable	100%
Level 3	Covered	Covered	Not covered	49%
Total portfolio in transparency				47%

1 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 investment style.

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor’s report
- Statutory financial statements

Glossary

Responsible person

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<sup>1</sup>, 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 are valued on the basis of the latest reports obtained from the General Partners of these investment funds until mid-March and their valuation is therefore based either on a report as at 31 December 2023 or on a report as at 30 September 2023. The values of the reports as at 30 September 2023 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 2023. The values as at 31 December 2023 are not adjusted as they reflect the fair value at the closing date. Finally, the values retained are converted into euro using the closing exchange rate. The funds for which a purchase and sale agreement was signed as at the date of this Annual financial report are valued in accordance with the terms of the purchase and sale agreement. As at 31 December 2023, more than 68% of the Sofina Private Funds fair value is based either on reports as at 31 December 2023 or valuations based on market prices or transaction prices.

<sup>1</sup> 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”.



Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor’s report
- Statutory financial statements

Glossary

Responsible person

Methods applied in accordance with IFRS 13 to determine the fair value of unlisted level 3 assets in the investment portfolio in transparency

VALUATION TECHNIQUE	USE OF THE TECHNIQUE	SIGNIFICANT UNOBSERVABLE DATA	LINKS BETWEEN UNOBSERVABLE DATA AND FAIR VALUE
Price of the most recent investment (PORI)	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. Note that the IPEV Valuation Guidelines no longer consider the recent transaction price to be a default valuation technique but rather a starting point for estimating fair value. The recent transaction price as a valuation technique is therefore only used when the recent transaction is sufficiently close to the closing date (and meets the market and market participant criteria). Funds for which a purchase and sale agreement was signed as at the date of this Annual financial report are valued in accordance with the terms of the purchase and sale agreement and are therefore considered to be part of this valuation technique.	The fair value of the most recent 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. 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 <sup>(1)</sup> 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. 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. Such companies are valued using the milestone approach. This method consists of 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 accordance with function of the stage of development of the company. Milestones may include, for example, financial measures, technical measures and marketing and sales measures. Such companies are valued using the milestone approach. This method consists of 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 accordance with function of the stage of development of the company. Milestones may include, for example, 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.

1 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.

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor’s report
- Statutory financial statements

Glossary

Responsible person

Revalued net assets recognised at fair value	This valuation method is based on the latest available statements from the General Partners. This method consists of 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 to be unobservable data.	As the unobservable data increases, the fair value increases.
Other methods	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). The fair value of a debt investment, in the absence of actively traded prices, is generally derived from a yield analysis taking into account credit quality, coupon and term as well as applying the calibration principle (yield approach).	Fair value based on expert reports is considered to be unobservable data. For the yield approach for a debt investment, the yield is considered as unobservable data.	As the unobservable data increases, the fair value increases. For the yield approach, the higher the yield, the lower the fair value.

Method applied to allocate the estimated equity fair value to various classes of equity shares considering their respective rights and preferences

VALUATION TECHNIQUE	USE OF THE TECHNIQUE	SIGNIFICANT UNOBSERVABLE DATA	LINKS BETWEEN UNOBSERVABLE DATA AND FAIR VALUE
Option pricing model (OPM)	Applied for companies where rights and preferences may differ significantly between the classes of shares. Applied when applicable and relevant (e.g. Different rights and preferences exist per class of shares and market participant would consider those rights and preferences).	Volatility	An increase of the volatility can either increase or decrease the fair value depending on the classes of shares held
		Time to expiration (e.g. time of exit or liquidity event)	An increase of the time to expiration can either increase or decrease the fair value depending on the classes of shares held
		Interest rate in local currency	An increase of the interest rate can either increase or decrease the fair value depending on the classes of shares held

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor’s report
- Statutory financial statements

Glossary

Responsible person

2.4 FAIR VALUE OF THE TOTAL INVESTMENT PORTFOLIO IN TRANSPARENCY

IN THOUSAND EUR				
	TOTAL AS AT 31/12/2023	LEVEL 1	LEVEL 2	LEVEL 3
Investment portfolio <sup>1</sup>	8,928,241	566,192	155,962	8,206,087
Sofina Direct	4,739,235	566,192	155,962	4,017,081
Long-term minority investments	2,846,919	539,696	44,135	2,263,088
Sofina Growth	1,892,315	26,496	111,827	1,753,992
Sofina Private Funds	4,189,006	0	0	4,189,006
	TOTAL AS AT 31/12/2022	LEVEL 1	LEVEL 2	LEVEL 3
Investment portfolio	9,062,261	559,699	84,419	8,418,144
Sofina Direct	4,759,857	559,699	84,419	4,115,739
Long-term minority investments	2,797,444	545,544	0	2,251,900
Sofina Growth	1,962,413	14,155	84,419	1,863,839
Sofina Private Funds	4,302,404	0	0	4,302,404

The underlying portfolio of the funds held in Sofina Private Funds is composed of listed and unlisted assets. The listed assets fair value <sup>2</sup> is estimated at EUR 483,162 thousand as at 31/12/2023 and at EUR 489,644 thousand as at 31/12/2022.

During the year our investment in Honasa Consumer (Mamaearth) was transferred from level 3 to level 2, our investment in IHS Holding was transferred from level 2 to level 1 and a part of our investment in GL events was transferred from level 1 to level 2.

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 towards mitigating this risk.

In the case of investments in venture and growth capital funds of Sofina Private Funds, 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 securities listed on stock markets.

Moreover, liquidity risk has a greater impact on unlisted securities than on listed securities, 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.

1 Information on the investment portfolio in the balance sheet as at 31 December 2023 can be found under point 2.1 above.  
2 Estimated fair value based on available information provided by the General Partners.

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor’s report
- Statutory financial statements

Glossary

Responsible person

Sensitivity analysis for the level 3 investment portfolio in transparency as at 31 December 2023

IN MILLION EUR							
VALUATION TECHNIQUE	FAIR VALUE	OPM APPLIED?	UNOBSERVABLE DATA (WEIGHTED AVERAGE)	SENSITIVITY	IMPACT VALUE	SENSITIVITY	IMPACT VALUE
Price of the most recent investment (PORI)	153	No	The fair value of the most recent transaction is considered to be unobservable data	+10%	8	-10%	-8
Discounted Cash Flow model	1,876	No	Cost of capital from calibration between 7% and 17.7% (12.7%)	+10%	-250	-10%	325
			Perpetual growth rate of 2.5% and 3.5% (3.2%)	+10%	50	-10%	-42
			Output multiple between 5.4x and 17x (11.4x)	+10%	141	-10%	-141
			Median peers revenue multiple between 0.9x and 6.4x (2.8x)	+10%	57	-10%	-57
			Median peers gross profit multiple between 3.7x and 3.7x (3.7x)	+10%	0	-10%	-1
Market multiples	1,129	No	Median peers EBITDA multiple between 7.9x and 18.1x (16.1x)	+10%	29	-10%	-24
			Median peers earnings multiple between 13.3x and 20.6x (14.2x)	+10%	9	-10%	-9
			Discount resulting from calibration between 0% and 89.4% <sup>1</sup> (23.7%)	+10%	-13	-10%	17
			Median peers revenue multiple between 0.5x and 13.1x (5.4x)	+10%	45	-10%	-45
			Median peers gross profit multiple between 7.7x and 11.4x (7.7x)	+10%	3	-10%	-3
	745	Yes	Discount resulting from calibration between 23% and 57.6% <sup>2</sup> (39.5%)	+10%	-8	-10%	8
			Volatility between 22.8% and 88% (45.3%)	+10%	-5	-10%	4
			Time to expiration between 0.4 years and 7 years (3.7 years)	+10%	-5	-10%	5
			Interest rate between 0.8% and 7.1% (4.3%)	+10%	-3	-10%	3
Revalued net assets recognised at fair value <sup>3</sup>	4,233	No	The fair value based on General Partners' reports is considered to be unobservable data	+10%	423	-10%	-423
Milestone approach	0	No	Discount of 20% per level (20%)	Upper level <sup>4</sup>	0	Lower level	0
Other methods	70	No	Fair value is considered to be unobservable data. For the yield approach, the yield is considered as unobservable data (4,9%)	+10%	6	-10%	-6
Total level 3 (in transparency)	8,206						
Reconciling items	23						
Total level 3 (financial statements)	8,229						

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

1 In some cases, a premium is applied against the group of comparable companies. The premiums applied range from 13.2% to 626% (weighted average of 176.7%). In certain exceptional cases, the discount is estimated based on methods other than calibration.

2 In some cases, a premium is applied against the group of comparable companies. The premiums applied range from 0% to 652.2% (weighted average of 180.6%). In certain exceptional cases, the discount is estimated based on methods other than calibration.

3 Mainly concerns the portfolio of Sofina Private Funds and to a limited extent investments by Sofina Growth.

4 No upper level was reached.



Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor’s report
- Statutory financial statements

Glossary

Responsible person

Sensitivity analysis for the level 3 investment portfolio in transparency as at 31 December 2022

IN MILLION EUR							
VALUATION TECHNIQUE	FAIR VALUE	OPM APPLIED?	UNOBSERVABLE DATA (WEIGHTED AVERAGE)	SENSITIVITY	IMPACT VALUE	SENSITIVITY	IMPACT VALUE
Price of the most recent investment (PORI)	116	No	The fair value of the most recent transaction is considered to be unobservable data	+10%	12	-10%	-12
Discounted Cash Flow model	1,699	No	Cost of capital from calibration between 6.95% and 17.7% (11.9%)	+10%	-270	-10%	343
			Perpetual growth rate of 2.5% and 4.0% (3.1%)	+10%	48	-10%	-44
			Output multiple between 6.5x and 17.91x (13.07x)	+10%	126	-10%	-126
			Median peers revenue multiple between 0.9x and 13.2x (3.2x)	+10%	89	-10%	-89
			Median peers gross profit multiple between 0.0x and 0.0x (0.0x)	+10%	0	-10%	0
Market multiples	1,377	No	Median peers EBITDA multiple between 8.3x and 14.5x (11.9x)	+10%	28	-10%	-28
			Median peers earnings multiple between 17.2x and 17.2x (17.2x)	+10%	1	-10%	-1
			Discount resulting from calibration between 0.2% and 57.6% <sup>1</sup> (12.8%)	+10%	-39	-10%	39
			Median peers multiple between 0.5x and 22.3x (5.4x)	+10%	45	-10%	-44
			Median peers gross profit multiple between 5.2x and 6.2x (5.6x)	+10%	4	-10%	-4
	771	Yes	Discount resulting from calibration between 15.3% and 57.6% <sup>2</sup> (37.8%)	+10%	-30	-10%	29
			Volatility between 27.1% and 70.4% (44.3%)	+10%	-7	-10%	6
			Time to expiration between 1.0 years and 8.0 years (4.2 years)	+10%	-7	-10%	7
			Interest rate between 1.3% and 7.2% (4.5%)	+10%	-4	-10%	4
Revalued net assets recognised at fair value <sup>3</sup>	4,348	No	The fair value based on General Partners' reports is considered to be unobservable data	+10%	435	-10%	-435
Milestone approach	9	No	Discount of 20% per level (20%)	Upper level <sup>4</sup>	0	Lower level	-2
Other methods	98	No	Fair value is considered to be unobservable data	+10%	10	-10%	-10
<b>Total level 3 (in transparency)</b>	<b>8,418</b>						
Reconciling items	-267						
<b>Total level 3 (financial statements)</b>	<b>8,151</b>						

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

1 In some cases, a premium is applied against the group of comparable companies. The premiums applied range from 1.7% to 1,043% (weighted average of 319%). In certain exceptional cases, the discount is estimated based on methods other than calibration.

2 In some cases, a premium is applied against the group of comparable companies. The premiums applied range from 4% to 967% (weighted average of 282.4%). In certain exceptional cases, the discount is estimated based on methods other than calibration.

3 Mainly concerns the portfolio of Sofina Private Funds and to a limited extent investments by Sofina Growth.

4 No upper level was reached.

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor’s report
- Statutory financial statements

Glossary

Responsible person

2.5 FINANCIAL RISKS IN TRANSPARENCY

Foreign exchange risk

The investment portfolio is subject, among other things, to foreign exchange risks. The main foreign exchange risk relates to assets denominated in US dollars, British pounds, Indian rupees and Chinese yuan renminbi. For information purposes, a 10% increase or decrease in the exchange rate of these four currencies as at 31 December 2023 would result in a variation in the fair value of the portfolio as shown in the table below:

IN MILLION EUR												
	USD			GBP			INR			CNY		
Exchange rate sensitivity	-10%	0%	+10%	-10%	0%	+10%	-10%	0%	+10%	-10%	0%	+10%
Fair value	5,872	5,285	4,805	658	592	538	727	654	595	20	18	16
Impact on revenue	587	0	-480	66	0	-54	73	0	-59	2	0	-2

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 as at 31 December 2023. This variance influences the result.

IN MILLION EUR						
	LEVEL 1			LEVEL 2		
Stock price sensitivity	-10%	0%	+10%	-10%	0%	+10%
Fair value	510	566	623	140	156	171
Impact on revenue	-57	0	57	-16	0	16

Interest rate risk and liquidity risk

The interest rate risk is the risk that the interest flow on the financial debt and the gross cash flow may be adversely affected by an unfavourable change in interest rates. In the case at hand, the risk is limited as the financial liabilities are mainly at fixed rates. Moreover, Sofina's net cash position is positive. However, Sofina has commitments to disburse funds in relation to the Sofina Private Funds investments. Considering its positive Net cash position, the existence of bank credit lines (unused – please refer to point 3.16), the investments in shares listed on liquid markets and therefore easily realisable (in the Sofina Direct investments and Sofina Private Funds portfolios), and if need be the ability to transact on the secondary market for Sofina Private Funds, the liquidity risk faced by Sofina is extremely moderate.

1 Other mainly comprises recallable distributions, disposals and termination of funds with residual uncalled commitments.  
2 Additional residual commitments in relation to Sofina Direct investments of EUR 196 million as at 31 December 2023 and of EUR 7 million as at 31 December 2022 bring the total uncalled commitments to EUR 1,496 million and EUR 1,343 million respectively.  
3 Listed in decreasing order of fair value as at 31 December 2023 (portfolio in transparency). The ranking of our Sofina Direct investments does not take into consideration indirect exposures on these entities, held through some funds of Sofina Private Funds.

IN MILLION EUR

PRIVATE FUNDS RESIDUAL COMMITMENT BRIDGE	31/12/2023	31/12/2022
Beginning of the year	1,336	976
New Commitments	306	810
Investments	-291	-445
Other <sup>1</sup>	-25	-86
FX impact	-26	81
End of the year <sup>2</sup>	1,300	1,336

Credit risk

The credit risk is the counterparty risk on gross cash. It is mitigated by an adequate counterparty diversification (credit rating and duration, counterparty, issuer, sector limit exposure).

Concentration risk

The 10 largest investments of Sofina Direct represent 27% of the fair value of the portfolio in transparency<sup>3</sup>:

1	Lernen Midco 1 (Cognita)
2	SC China Co-Investment 2016-A (Bytedance)
3	Groupe Petit Forestier
4	Drylock Technologies
5	Nuxe International
6	bioMérieux
7	Cambridge Associates
8	Biobest Group
9	Mérieux NutriSciences
10	Salto Systems

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor’s report
- Statutory financial statements

Glossary

Responsible person

It should be noted that:

- the 5 largest investments of Sofina Direct represent more than 15% but less than 20% of the total portfolio in transparency<sup>1</sup>.
- the 7 largest investments of Sofina Direct represent more than 20% of the total portfolio in transparency<sup>1</sup>.
- ByteDance, a global internet and technology company active in more than 150 countries, is the sole holding representing more than 5% of the fair value of the portfolio in transparency (when taking into account our combined holdings through Sofina Direct and Sofina Private Funds)<sup>2</sup>. Sofina values its holding in SC China Co-Investment 2016-A (i.e. the vehicle holding Sofina direct’s investment in ByteDance) on the basis of the market multiples valuation method with an illiquid-ity discount. Its holding in ByteDance at Sofina Private Funds level is valued on the basis of the valuation provided by the General Partners of the relevant funds.

There are no dominant positions. The level 3 investments in the top 10 are valued according to the Discounted Cash Flow model, market multiples or the most recent transaction method as described in point 2.3 above.

The 10 largest General Partners of Sofina Private Funds represent 22%<sup>3</sup> of the fair value of the portfolio in transparency<sup>4</sup>:

1	Sequoia Capital
2	HongShan
3	Lightspeed
4	Peak XV
5	Insight Partners
6	Battery
7	Thoma Bravo
8	Iconiq Capital
9	TA Associates
10	Andreessen Horowitz

1 Largest investments in terms of representation in the fair value of the portfolio in transparency. Listed in decreasing order of fair value at 31 December 2023 (portfolio in transparency). The ranking of our Sofina Direct investments does not take into consideration indirect holdings in these entities through certain partnerships of Sofina Private Funds.

2 The holding in ByteDance through Sofina Private Funds is an estimate based on the information contained in the reports of the General Partners made available to us at the date of this Annual report.

3 Since 2023, the list of the 10 largest General Partners of Sofina Private Funds presents Sequoia as three different entities following the recent split of the Chinese (HongShan) and Indian branch (Peak XV). The 10 largest General Partners in 2022, assuming the same scope, would have represented 23% of the portfolio in transparency instead of 25% before the split.

4 Largest General Partners in terms of estimated representation of their funds in the fair value of Sofina’s portfolio in transparency. Listed in decreasing order of fair value at 31 December 2023.

War in Ukraine

As per [ESMA's recommendation of 14 March 2022](#) [Public Statement of 13 May 2022 on Implications of Russia's invasion of Ukraine on annual financial reports](#), and [Public Statement of 28 October 2022 on the European common enforcement priorities for 2022 annual financial reports](#), Sofina can confirm that it has very limited specific exposure to the Ukraine crisis, which has had no material direct impact on its activities. The group is not impacted by the economic sanctions enforced by the European Union. Sofina Direct portfolio companies with notable operations or exposure in Ukraine or Russia and Belarus represent less than 4% of total portfolio fair value in transparency as at 31 December 2023. Sofina Private Funds is marginally exposed to underlying companies with some presence in Ukraine or in Russia and Belarus which are estimated to represent a small proportion of total number of companies in the underlying portfolio. General Partners have investigated their potential Russian ties including tracing Russian money in their investors base and they have not reported any significant issue in this respect. The main potential economic consequences of the Ukraine crisis on the portfolio are not specific in nature as they relate to its impact on raw material prices including energy, potential supply chain disruptions, concerns about an increasing risk of cyber-attacks and more generally, the macro-economic impact on GDP growth, inflation and interest rates. A large number of portfolio companies and General Partners and their employees are engaged in a variety of initiatives to support Ukraine in line with that which Sofina has been doing.

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor's report
- Statutory financial statements

Glossary

Responsible person

2.6 GEOGRAPHICAL, SECTORAL AND STRATEGY SPLIT OF THE PORTFOLIO IN TRANSPARENCY

Portfolio split by geographic region <sup>1</sup>

GEOGRAPHIC REGION	IN MILLION EUR							
	31/12/2023				31/12/2022			
	PORTFOLIO FAIR VALUE	RESIDUAL COMMITMENTS <sup>2</sup>			PORTFOLIO FAIR VALUE	RESIDUAL COMMITMENTS		
<b>Sofina Direct</b>								
North America	538	11%	2	1%	516	11%	2	35%
Western Europe	2,960	63%	193	98%	2,610	55%	4	52%
Asia	1,227	26%	1	1%	1,616	34%	1	13%
Other	14	0%	0	0%	18	0%	0	0%
<b>Total Sofina Direct</b>	<b>4,739</b>	<b>100%</b>	<b>196</b>	<b>100%</b>	<b>4,760</b>	<b>100%</b>	<b>7</b>	<b>100%</b>
<b>Sofina Private Funds</b>								
North America	2,608	62%	785	60%	2,711	63%	778	58%
Western Europe	419	10%	191	14%	407	9%	191	14%
Asia	1,162	28%	367	26%	1,184	28%	367	28%
<b>Total Sofina Private Funds</b>	<b>4,189</b>	<b>100%</b>	<b>1,300</b>	<b>100%</b>	<b>4,302</b>	<b>100%</b>	<b>1,336</b>	<b>100%</b>
<b>TOTAL SOFINA DIRECT AND SOFINA PRIVATE FUNDS</b>								
North America	3,146	35%	787	53%	3,227	36%	780	58%
Western Europe	3,379	38%	374	25%	3,017	33%	195	15%
Asia	2,389	27%	335	22%	2,800	31%	368	27%
Other	14	0%	0	0%	18	0%	0	0%
<b>TOTAL OF THE PORTFOLIO<sup>3</sup></b>	<b>8,928</b>	<b>100%</b>	<b>1,496</b>	<b>100%</b>	<b>9,062</b>	<b>100%</b>	<b>1,343</b>	<b>100%</b>

<sup>1</sup> Based on the portfolio in transparency considering the country of the main or historical headquarters of the investment.

<sup>2</sup> These amounts come mainly from subscriptions to investments by Sofina Private Funds amounting to EUR 1,300 million (see point 3.16 below). These commitments are subscribed by Sofina SA or by its investment subsidiaries (seen in transparency).

<sup>3</sup> Based on the fair value of the Sofina group's investments as at 31 December 2023 and as at 31 December 2022 (portfolio in transparency – see point 2.4 above).

<sup>4</sup> Sofina is committed to responding to capital calls by certain private funds (see point 3.16 below).

<sup>5</sup> Information on the Sofina Private Funds portfolio shown in the balance sheet as at 31 December 2023 can be found under point 2.1 above.

Split of Sofina Direct by sector

The table below shows the sectoral breakdown of Sofina Direct as at 31 December 2023 and as at 31 December 2022<sup>3</sup>:

SECTOR	IN MILLION EUR			
	31/12/2023		31/12/2022	
	PORTFOLIO FAIR VALUE		PORTFOLIO FAIR VALUE	
Consumer and retail	1,640	34%	1,329	28%
Digital transformation	976	21%	987	21%
Education	526	11%	714	15%
Healthcare and life sciences	607	13%	740	15%
Other	990	21%	990	21%
<b>Total</b>	<b>4,739</b>	<b>100%</b>	<b>4,760</b>	<b>100%</b>

Split of Sofina Private Funds by strategy

STRATEGY	IN MILLION EUR							
	31/12/2023				31/12/2022			
	PORTFOLIO FAIR VALUE	RESIDUAL COMMITMENTS <sup>4</sup>			PORTFOLIO FAIR VALUE	RESIDUAL COMMITMENTS		
Venture capital	2,913	70%	769	59%	3,075	72%	830	62%
Growth equity	1,042	25%	465	36%	1,002	23%	422	32%
LBO	228	5%	58	4%	216	5%	72	5%
Other	6	0%	8	1%	9	0%	12	1%
<b>Total<sup>5</sup></b>	<b>4,189</b>	<b>100%</b>	<b>1,300</b>	<b>100%</b>	<b>4,302</b>	<b>100%</b>	<b>1,336</b>	<b>100%</b>



Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor’s report
- Statutory financial statements

Glossary

Responsible person

Portfolio split by vintage

VINTAGE	IN MILLION EUR							
	31/12/2023				31/12/2022			
	PORTFOLIO FAIR VALUE	RESIDUAL COMMITMENTS <sup>1</sup>			PORTFOLIO FAIR VALUE	RESIDUAL COMMITMENTS		
Sofina Direct								
0-3	950	20%	190	97%	1,051	22%	0	0%
4-7	1,931	41%	3	1%	2,459	52%	6	100%
8-10	950	20%	3	2%	266	5%	0	0%
>10	908	19%	0	0%	984	21%	0	0%
Total Sofina Direct	4,739	100%	196	100%	4,760	100%	6	100%
Sofina Private Funds								
0-3	768	18%	1,050	81%	1,011	23%	1,153	87%
4-7	1,927	46%	182	14%	1,937	45%	110	8%
8-10	984	24%	36	3%	859	20%	41	3%
>10	510	12%	32	2%	495	12%	32	2%
Total Sofina Private Funds	4,189	100%	1,300	100%	4,302	100%	1,336	100%
TOTAL SOFINA DIRECT AND SOFINA PRIVATE FUNDS								
0-3	1,718	19%	1,240	83%	2,062	23%	1,153	86%
4-7	3,858	43%	185	12%	4,396	49%	116	9%
8-10	1,934	22%	39	3%	1,125	12%	41	3%
>10	1,418	16%	32	2%	1,479	16%	32	2%
TOTAL OF THE PORTFOLIO <sup>2</sup>	8,928	100%	1,496	100%	9,062	100%	1,342	100%

1 Sofina is committed to responding to capital calls by certain private funds (see point 3.16 below).  
2 Information on the Sofina Private Funds portfolio shown in the balance sheet as at 31 December 2023 can be found under point 2.1 above.

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor’s report
- Statutory financial statements

Glossary

Responsible person

3. Notes to the financial statements as an Investment Entity

3.1 INVESTMENT PORTFOLIO

	IN THOUSAND EUR	
	2023	2022
Investments		
Net value at the beginning of the year	8,538,603	10,385,873
Acquisitions during the year	774,158	45,825
Disposals during the year	-223,245	-13,774
Changes in unrealised gains in profit and loss	209,934	95,883
Changes in unrealised losses in he profit and loss	-751,072	-1,975,204
Net value at the end of the year = 1	8,548,378	8,538,603
Receivables		
Net value at the beginning of the year	1,380	0
Acquisitions during the year	75,067	1,345
Disposals during the period	0	0
Changes in unrealised gains in profit and loss	0	0
Changes in unrealised losses in profit and loss	-14,706	0
Changes in accrued interest not yet due	325	35
Net value at the end of the year = 2	62,066	1,380
Net value = 1 + 2	8,610,444	8,539,983

The difference between the amount of acquisitions during the year (EUR 849,226 thousand) and the amount of portfolio investments in the consolidated statement of cash flows (EUR 719,268 thousand) is mainly due to a non-cash investment and a deferred payment of 2024 for a total amount of EUR -129,958 thousand. The difference between the amount of the disposals during the period (EUR 223,245 thousand) and the amount of the divestments shown in the consolidated cash flow statement (EUR 205,599 thousand) is mainly due to the capital gains and losses realised on these divestments amounting to EUR 67,762 thousand, and a non-cash divestment and a deferred cash payment of 2024 for a total of EUR -85,408 thousand. In addition, the capital gains and losses realised (EUR 67,762 thousand) combined with the changes in unrealised capital gains and losses (EUR -555,844 thousand) form the net result of the investment portfolio (see point 3.11 below).

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor’s report
- Statutory financial statements

Glossary

Responsible person

3.2 CLASSIFICATION OF FINANCIAL INSTRUMENTS

IN THOUSAND EUR									
		BOOK VALUE	FAIR VALUE			BOOK VALUE	FAIR VALUE		
IFRS 9 CLASSIFICATION		TOTAL AS AT 31/12/2023	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL AS AT 31/12/2022	LEVEL 1	LEVEL 2	LEVEL 3
Investment portfolio		8,610,444	337,441	44,135	8,228,868	8,539,983	389,095	0	8,150,888
Investments	Fair value through profit and loss	8,548,378	337,441	44,135	8,166,802	8,538,603	389,095	0	8,149,508
Receivables	Designated at fair value through profit or loss	62,066	0	0	62,066	1,380	0	0	1,380
Receivables from subsidiaries <sup>1</sup>	Designated at fair value through profit and loss	495,153	0	495,153	0	823,998	0	823,998	0
Deposits and other current financial assets		527,970	0	527,970	0	436,686	0	436,686	0
Deposits	Designated at fair value through profit and loss	0	0	0	0	0	0	0	0
Current financial investments	Fair value through profit and loss	514,257	0	514,257	0	433,436	0	433,436	0
Other receivables	Designated at fair value through profit and loss	13,713	0	13,713	0	3,250	0	3,250	0
Cash and cash equivalents	Designated at fair value through profit and loss	198,342	0	198,342	0	385,486	0	385,486	0
Non-current financial liabilities	At amortised cost	696,289	0	590,772	0	695,507	0	550,053	0
Current financial liabilities	At amortised cost	2,109	0	2,109	0	2,010	0	2,010	0
Other current receivables	At amortised cost	101	0	101	0	97	0	97	0
Payables to subsidiaries <sup>1</sup>	Designated at fair value through profit and loss	55,980	0	55,980	0	175,634	0	175,634	0
Trade and other current payables	At amortised cost	4,396	0	4,396	0	9,037	0	9,037	0

During the year a part of our investment in GL events was transferred from level 1 to level 2.

<sup>1</sup> Receivables from and payables to subsidiaries are designated at fair value but as they are very short-term receivables and payables, there is no change in fair value to record.

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor’s report
- Statutory financial statements

Glossary

Responsible person

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 listed 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 to be 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 short-term loans and borrowings, such as deposits or receivables from or payables to subsidiaries, the fair value is considered not to be significantly different from the carrying amount at amortised cost;
- for long-term loans, the fair value of a debt investment, in the absence of actively traded prices, is generally derived from a yield analysis taking into account credit quality, coupon and term as well as applying the calibration principle;
- for foreign exchange rate or interest rate derivatives, fair value is determined based on 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		
INVESTMENT PORTFOLIO	31/12/2023	31/12/2022
Net value at the beginning of the year	8,150,888	9,881,560
Acquisitions during the year	849,226	46,868
Disposals during the year	-181,751	-13,774
Changes in unrealised gains in profit and loss	174,873	95,778
Changes in unrealised losses in profit and loss	-764,692	-1,859,544
Changes in accrued interest not yet due	324	0
Transfer to level 3	0	0
Transfer from level 3	0	0
Net value at the end of the year	8,228,868	8,150,888

3.3 DEPOSITS AND OTHER CURRENT FINANCIAL ASSETS

IN THOUSAND EUR		
	31/12/2023	31/12/2022
Deposits <sup>1</sup>	0	0
Current financial investments	514,257	433,436
Other receivables	13,713	3,250
Deposits and other current financial assets	527,970	436,686

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

3.4 CASH AND CASH EQUIVALENTS

IN THOUSAND EUR		
	31/12/2023	31/12/2022
Bank and cash	112,908	140,304
Short-term investments and deposits	85,434	245,182
Cash and cash equivalents	198,342	385,486

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				
	SHARE CAPITAL		TREASURY SHARES	
	NUMBER OF SHARES	AMOUNT OF CAPITAL	NUMBER OF SHARES	AMOUNT OF CAPITAL HELD
Balances as at 31/12/2021	34,250,000	79,735	642,928	1,497
Changes during the year	0	0	275,000	640
Balances as at 31/12/2022	34,250,000	79,735	917,928	2,137
Changes during the year	0	0	135,000	314
Balances as at 31/12/2023	34,250,000	79,735	1,052,928	2,451

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 2022, paid in 2023, was EUR 3.24 per share, i.e. a total gross amount of EUR 108,023 thousand. The difference between this amount and the amount shown in the consolidated cash flow statement (EUR -108,030 thousand) corresponds to old coupons paid in 2023. As at 31 December 2023, Sofina SA held 1,052,928 own shares, compared with 917,928 own shares held as at 31 December 2022. During the year 2023, 150,000 own shares were acquired, and 15,000 own shares were disposed of. The proposed gross dividend for the year 2023 is EUR 3.35 per share.

1 Deposits between three months and one year.



Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor’s report
- Statutory financial statements

Glossary

Responsible person

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 Sofina 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 and Sofina Capital 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 these subsidiaries, which are included in the accounts of Sofina at fair value.

	IN THOUSAND EUR	
	31/12/2023	31/12/2022
Amounts recognised in the balance sheet		
“Defined benefit” plan <sup>1</sup>		
Present value of the pension obligations	8,639	9,468
Amount not recognised as asset	0	0
Fair value of the assets	-8,075	-7,744
Net present value of the pension obligations	564	1,724
“Defined contributions” plan		
Present value of the pension obligations	4,728	4,195
Amount not recognised as asset	0	0
Fair value of the assets	-4,617	-4,103
Net present value of the pension obligations	111	92
“Cash balance” plan		
Present value of the pension obligations	8,495	7,335
Amount not recognised as asset	181	0
Fair value of the assets	-8,676	-6,916
Net present value of the pension obligations	0	419

<sup>1</sup> 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.

Total of the plans		
Present value of the pension obligations	21,862	20,998
Amount not recognised as asset	181	0
Fair value of the assets	-21,368	-18,763
Net present value of the pension obligations	675	2,235
Fair value of the assets	0	0
Heritage collective investment fund	10,022	8,234
Assets managed by the insurer	11,346	10,529
Fair value of the assets	21,368	18,763
Movements of the liabilities during the year		
Net liabilities at the beginning of the year	2,235	4,398
Amount recognised in equity	-661	-2,457
Net income or expense recognised in the income statement	1,380	1,646
Contributions paid	-2,279	-1,352
Amount recognised at the end of the year	675	2,235
Pension cost recognised in the income statement		
Current service cost	-1,314	-1,603
Net interest on pension obligations	-52	-32
Interest income	0	0
Administration costs	-14	-11
Reversal of past service costs	0	0
Recognised actuarial gains (-) / losses (+)	0	0
Net expense	-1,380	-1,646

## Our mission

## Message to shareholders

## Sofina at a glance

## Strategy

## Year in review

## Investments overview

## Societal commitment

## Corporate governance

## Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor's report
- Statutory financial statements

## Glossary

## Responsible person

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

	IN THOUSAND EUR	
	31/12/2023	31/12/2022
<b>Main actuarial assumptions at the end of the year</b>		
<b>Discount rate<sup>1</sup></b>		
"Defined benefit" plans		
- Old plan	4.10%	3.65%
- New plan	4.25%	3.70%
"Defined contributions" plans		
- Old plan	4.10%	3.65%
- New plan	4.15%	3.65%
"Cash balance" plan	4.25%	3.75%
<b>Salary increase rate</b>	<b>5.10%</b>	<b>5.20%</b>
<b>Inflation rate</b>	<b>2.10%</b>	<b>2.20%</b>
<b>Mortality table</b>	<b>MR-5/FR-5</b>	<b>MR-5/FR-5</b>
<b>Change of the present value of pension benefits</b>		
Present value of benefits at the beginning of the year	20,998	22,775
Service cost (employer)	1,314	1,603
Service cost (employee)	111	97
Interest cost	769	184
Benefits paid during the year	0	-622
Taxes on contributions paid	-270	-161
Actuarial gain (-) / loss (+) for the year <sup>2</sup>	-1,060	-2,878
Past services cost (+) and reversal (-)	0	0
<b>Present value of promised benefits at the end of the year</b>	<b>21,862</b>	<b>20,998</b>
<b>Change in fair value of the assets in the plans</b>		
Fair value of the assets in the plans at the beginning of year	18,763	18,377
Benefits paid during the year	0	-622
Contributions received during the year (employer)	2,281	1,352
Contributions received during the year (employee)	111	97
Interest income	717	152
Taxes on contributions paid	-270	-161

<sup>1</sup> A sensitivity analysis of + or - 0.25% is applied to the discount rates, which would have an impact on the present value of EUR -184 thousand and EUR +190 thousand.

<sup>2</sup> Changes in demographic assumptions (EUR 0 thousand), changes in financial assumptions (EUR 490 thousand) and changes in experience assumptions (EUR 570 thousand).

<sup>3</sup> Composed of accrued interest related to the bonds (see point 3.7 above).

Administration costs	-13	-11
Return in excess of interest income	-160	-560
Actuarial gain (+) / loss (-) related to experience adjustments	-61	139
<b>Present value of the assets in the plans at the end of the year</b>	<b>21,368</b>	<b>18,763</b>
<b>Personnel costs</b>	<b>21,184</b>	<b>21,866</b>
<b>Average number of employees</b>		
Employees	22	21
Management staff	27	26
	<b>49</b>	<b>47</b>

## 3.7 NON-CURRENT FINANCIAL LIABILITIES

	IN THOUSAND EUR	
	31/12/2023	31/12/2022
Bonds issued	696,289	695,507
<b>Non-current financial liabilities</b>	<b>696,289</b>	<b>695,507</b>

The non-current financial liabilities result from a bond issuance amounting to EUR 700,000 thousand, maturing in 2028. The bonds bear an annual interest rate of 1% payable annually on the coupon due date.

## 3.8 FINANCIAL LIABILITIES, TRADE AND OTHER CURRENT PAYABLES

	IN THOUSAND EUR	
	31/12/2023	31/12/2022
Bank loans	0	-
Payables to subsidiaries	55,980	175,634
Trade payables	1,398	1,373
Wage and social security payables	1,646	5,328
Current financial liabilities <sup>3</sup>	2,109	2,010
Other miscellaneous liabilities	162	687
Dividends relating to previous years	868	875
Miscellaneous taxes	322	774
<b>Financial liabilities, trade and other current payables</b>	<b>62,485</b>	<b>186,681</b>

## Our mission

## Message to shareholders

## Sofina at a glance

## Strategy

## Year in review

## Investments overview

## Societal commitment

## Corporate governance

## Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor's report
- Statutory financial statements

## Glossary

## Responsible person

### 3.9 RECEIVABLES FROM AND PAYABLES TO SUBSIDIARIES

	IN THOUSAND EUR	
	31/12/2023	31/12/2022
Receivables from subsidiaries <sup>1</sup>	495,153	823,998
Debts to subsidiaries <sup>2</sup>	-55,980	-175,634
<b>Receivables from and debts to subsidiaries</b>	<b>439,173</b>	<b>648,364</b>

Sofina SA has signed revolving credit facilities agreements with commitment with several of its subsidiaries. The loans thereby granted by Sofina SA to these subsidiaries bear interest at Euribor +3 months plus a margin.

With regard to its payables (deposits made by subsidiaries), Sofina SA remunerates them at a deposit rate that is reviewed regularly.

### 3.10 INTEREST INCOME AND EXPENSES

	IN THOUSAND EUR	
	2023	2022
Interest on non-current assets	392	35
Interest on receivables from subsidiaries <sup>3</sup>	23,533	8,588
Interest on current assets	5,673	1,234
Interest on debts to subsidiaries	-850	-174
Interest to banks	-10	-226
Interest on other liabilities <sup>4</sup>	-7,782	-7,783
<b>Interest income and expenses</b>	<b>20,956</b>	<b>1,674</b>

### 3.11 NET REVENUE OF THE INVESTMENT PORTFOLIO

Realised capital gains on investments come mainly from Colruyt shares sales and from a partial sale of an investment active in the rental of refrigerated vehicles.

Unrealised capital gains on investments mainly come from investments active in the fields of personal hygiene products, biological crop protection, asset management and food hygiene.

Unrealised capital losses on investments are mainly due to our subsidiaries Sofina Capital, Sofina US and other investments active in online education and the rental of refrigerated vehicles.

Unrealised capital losses on receivables come mainly from a loan granted to one of our investments active in the rental of refrigerated vehicles.

	IN THOUSAND EUR	
	2023	2022
<b>Investments</b>		
Results realised upon transfers	67,761	1,270
Capital gains	67,891	1,270
Capital losses	-130	0
Unrealised results	-541,138	-1,879,321
Capital gains	209,934	95,883
Capital losses	-751,072	-1,975,204
<b>Total investments</b>	<b>-473,377</b>	<b>-1,878,051</b>
<b>Receivables</b>		
Results realised upon transfers	0	0
Capital gains	0	0
Capital losses	0	0
Unrealised results	-14,706	0
Capital gains	0	0
Capital losses	-14,706	0
<b>Total receivables</b>	<b>-14,706</b>	<b>0</b>
<b>Net result of the investment portfolio</b>	<b>-488,083</b>	<b>-1,878,051</b>

<sup>1</sup> The amount for 2023 consists of revolving credit facilities contracts for EUR 327,877 thousand, a dividend receivable from a subsidiary for an amount of EUR 163,851 thousand, as well as trade receivables from subsidiaries for an amount of EUR 3,425 thousand.

<sup>2</sup> The amount for 2023 consists mainly of a current debt to a subsidiary for an amount of EUR 54,890 thousand, accrued interest on this debt for an amount of EUR 850 thousand, and trade payables to subsidiaries for an amount of EUR 240 thousand.

<sup>3</sup> For details, see point 3.9 above.

<sup>4</sup> Composed of accrued interest related to the bonds (see point 3.7 above).

## Our mission

## Message to shareholders

## Sofina at a glance

## Strategy

## Year in review

## Investments overview

## Societal commitment

## Corporate governance

## Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor's report
- Statutory financial statements

## Glossary

## Responsible person

## 3.12 OTHER FINANCIAL RESULTS

	IN THOUSAND EUR	
	2023	2022
Foreign exchange results	141	550
Results on other current assets	20,448	-6,796
<b>Other financial results</b>	<b>20,589</b>	<b>-6,246</b>

## 3.13 OTHER EXPENSES

	IN THOUSAND EUR	
	2023	2022
Other financial expenses	-2,358	-2,025
Services and other goods	-11,652	-14,359
Remuneration, social security charges and pensions	-21,184	-21,868
Miscellaneous	-5,416	-7,014
<b>Other expenses</b>	<b>-40,610</b>	<b>-45,266</b>

Services and other goods mainly comprise consultancy services received.

## 3.14 TAXES

	IN THOUSAND EUR	
INCOME TAXES	2023	2022
Current tax expense (+) / income (-)	8	8
Deferred tax expense (+) / income (-)	0	-1,564
	<b>8</b>	<b>-1,556</b>
<b>Reconciliation between current tax expense (+) / income (-) and accounting profit</b>		
<b>Accounting profit before taxes</b>	<b>-104,259</b>	<b>-1,873,082</b>
Taxes calculated at 25%	0	0
Impact of different tax rates used in other countries	0	0
Impact of tax exemption of net unrealized capital gains on the portfolio under Investment Entity status	79,472	-59,381
Impact of tax exemption of capital gains and reversals of impairments and non-deductibility of capital losses and impairments on investments	13,972	64,078
Impact of the exemption of dividends received	-93,855	-5,830
Impact of tax adjustments relating to prior years	0	0
Other tax adjustments (disallowed expenses)	419	1,141
Deferred tax expense (+) / income (-)	0	-1,564
<b>Income tax expense (+) / income (-)</b>	<b>8</b>	<b>-1,556</b>
<b>Taxes on items recognised in equity</b>	<b>0</b>	<b>0</b>
Deferred tax expense (+) / income (-) relating to the capital gain on the sale of the "Rue de Naples" building	0	-1,331



Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor’s report
- Statutory financial statements

Glossary

Responsible person

As a holding company, Sofina is fully exempt from tax on most of its income (dividends and capital gains). This tax regime applicable to holding companies was introduced notably in Belgium and in Luxembourg in order to avoid double taxation, a principle guided by the European Parent-Subsidiary Directive. No deferred tax liability is therefore recognised for unrealised capital gains on investments. However, there are a few investments for which a tax on capital gain in the country of residence of the investee company can apply in specific situations encountered by some of Sofina’s investment subsidiaries. The impact of the deferred tax liabilities for the temporary tax differences recognised by such investment subsidiaries between the carrying amount and the tax base of such portfolio investments is reflected in their fair value. At 31 December 2023, this impact amounts to a total of EUR 37.06 million. Furthermore, Sofina does not meet the conditions to fall within the scope of the Council Directive (EU) 2022/2523 of 14 December 2022 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the European Union, introducing the so-called Pillar Two rules. Such rules apply to multinational groups whose ultimate parent entity reports an annual consolidated revenue of EUR 750 million or more in at least two of the four preceding fiscal years immediately preceding the tested fiscal year. Under the Investment Entity status and applicable consolidation method, Sofina does not meet the required criteria to fall in scope of such Pillar Two rules. There is therefore no deferred taxes to recognise in this respect.

The reserves of Sofina SA include temporary differences arising from tax-exempt income prior to 1990 and tax rules applicable at that time. No deferred tax liability is recognised because Sofina SA is able to control the timing of the reversal of such temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future. In this respect, at 31 December 2023, the deferred tax liabilities not recognised amount to EUR 56.50 million (EUR 57.63 million in 2022).

Sofina SA does not recognise deferred tax assets for tax losses (and dividend-received-deduction) carried forward for an unlimited time because their recovery is deemed uncertain in the foreseeable future. At 31 December 2023, these deferred tax assets not recognised amount to EUR 6.80 million (EUR 6.07 million in 2022).

As explained in point 2.1 above, there is also some accumulated profit within Luxembourg investment subsidiaries holding Sofina Private Funds which could all become taxable (at a 25% tax rate) in some very unlikely scenarios (and, moreover, scenarios over which Sofina SA has the control). Accordingly, no deferred tax liability is recognised for these amounts.

IN THOUSAND EUR				
ASSETS		LIABILITIES		
DEFERRED TAX ASSETS AND LIABILITIES	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Tangible fixed assets	0	0	0	0
Unrealised gains on financial fixed assets	0	0	0	0
Deferred tax assets and liabilities	0	0	0	0

IN THOUSAND EUR				
EXPENSES		INCOME		
DEFERRED TAXES RECOGNISED IN THE INCOME STATEMENT	2023	2022	2023	2022
Tangible fixed assets	0	0	0	1,331
Unrealised gains on shares	0	0	0	233
Deferred tax income and expenses	0	0	0	1,564

IN THOUSAND EUR		
OTHER TAXES	2023	2022
Various taxes related to tangible assets	201	94
Non-deductible VAT	1,886	2,016
Annual tax on securities accounts	378	691
Tax on stock exchange transactions	19	14
Other taxes	93	141

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor’s report
- Statutory financial statements

Glossary

Responsible person

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.

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.

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.

3.16 OFF-BALANCE SHEET RIGHTS AND COMMITMENTS

IN THOUSAND EUR					
		31/12/2023		31/12/2022	
		FOREIGN CURRENCY	EUR	FOREIGN CURRENCY	EUR
Investment portfolio, uncalled committed amounts <sup>1</sup>	EUR		121,520		91,499
	CAD	154	105	190	132
	USD	1,333,461	1,206,753	1,315,795	1,233,635
	GBP	15,703	18,069	15,300	17,250
	DKK	1,119,487	150,208	0	0
			<b>1,496,655</b>		<b>1,342,516</b>
Obtained credit lines			1,125,000		925,000
Used amount			0		0
Unused amount			1,125,000		925,000
Credit lines granted to the investment subsidiaries			965,000		765,000
Used amount			266,549		420,537
Unused amount			698,451		344,463

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 3,498,057 thousand.

<sup>1</sup> These amounts come mainly from subscriptions to investments by Sofina Private Funds amounting to EUR 1,300 million (see point 2.6 above). These commitments are subscribed by Sofina SA or by its investment subsidiaries (view in transparency).

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor’s report
- Statutory financial statements

Glossary

Responsible person

3.17 RELATED PARTY TRANSACTIONS

IN THOUSAND EUR		
ASSETS AND LIABILITIES	31/12/2023	31/12/2022
Long-term receivables from non-consolidated related companies	0	0
Short-term receivables from non-consolidated related companies	495,153	823,998
Payables to non-consolidated related companies	-55,980	-175,634
RESULTS FROM RELATED PARTY TRANSACTIONS	2023	2022
Dividends received from non-consolidated related companies	360,000	30,242
Dividends received from associated companies	8,686	6,621
Interest received from non-consolidated related companies	23,533	8,588
Interest paid to non-consolidated related companies	-850	-175
Services provided to non-consolidated related companies	2,792	5,416
Services received from non-consolidated related companies	-641	-845
Compensation of key executives <sup>1</sup>		
Gross fixed compensation	3,271	2,908
Gross variable compensation	27	24
Director's fees	2,176	2,115
Group insurance, hospitalisation and healthcare	784	709
Share-based payment expenses	5,296	3,797
Data related to significant off-market transactions between related parties	Nihil	Nihil

The receivables from and payables 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

Union Financière Boël SA, Société de Participations Industrielles SA and Mobilière et Immobilière du Centre SA form a consortium within the meaning of Article 1:19 of the BCAC (together the “Reference Shareholder”).

Based on the latest communication by the Reference Shareholder to the Company dated 23 August 2023, made in accordance with Article 74 of the Law of 1 April 2007 on public takeover bids, the companies forming the Reference Shareholder held on 23 August 2023 shares in the Company as set out in the table below:

	NUMBER OF SHARES	% OWNERSHIP
Union Financière Boël SA	7,676,729	22.41%
Société de Participations Industrielles SA	8,486,320	24.78%
Mobilière et Immobilière du Centre SA	2,535,968	7.40%
<b>Sub-total of the reference Shareholder</b>	<b>18,699,017</b>	<b>54.60%</b>
Sofina SA (treasury shares)	957,928	2.80%
<b>Total</b>	<b>19,656,945</b>	<b>57.40%</b>

As at 31 December 2023 Sofina held 1,052,928 treasury shares representing 3.07% of its share capital.

1 These are members of the Executive Committee (including the CEO) and non-Executive Directors.

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor’s report
- Statutory financial statements

Glossary

Responsible person

Auditors fee

IN THOUSAND EUR		
	2023	2022
Audit services performed by the Auditors	114	91
Other audit services performed by the Auditors	16	39
Other non-audit services performed by the Auditors' network	0	125
Audit services performed by the Auditors' network	367	319
Tax advisory services	0	0

3.18 EMPLOYEE STOCK OPTION PLANS

Nature and scope of the agreements

Sofina offers stock option plans on Sofina shares to members of the Sofina group personnel <sup>1</sup>. 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)
<i>Exercisable as at 31/12/2022</i>	<i>198,050</i>	<i>147.89</i>
<b>Outstanding as at 01/01/2023</b>	<b>651,900</b>	<b>248.11</b>
Granted 1 during the year	203,500	209.94
Exercised during the year	-15,000	128.55
Renounced during the year	0	0.00
Expired during the year	0	0.00
<b>Outstanding as at 31/12/2023</b>	<b>840,400</b>	<b>241.00</b>
<i>Exercisable as at 31/12/2023</i>	<i>307,800</i>	<i>168.65</i>

The weighted average share price at the exercise date of options exercised during the year was EUR 210.50.

1 Employees and Chief Executive Officer.  
2 Grant date on the last day of the sixty-days acceptance period.

The range of exercise prices of the 840,400 options outstanding as at 31 December 2023 is EUR 85.96 to EUR 385.40 (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	11,600	85.96
101 EUR to 150 EUR	72,950	125.79
151 EUR to 200 EUR	223,250	186.96
200 EUR to 250 EUR	336,050	222.81
350 EUR to 400 EUR	196,550	385.40
<b>Options outstanding as at 31/12/2023</b>	<b>840,400</b>	

Calculation of the value

Weighted average value of options granted <sup>2</sup> in 2023: EUR 50.08. 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	TIME TO MATURITY (IN YEARS)
2023	209.94	1.54%	2.44%	25.21%	6.5

Volatility has been calculated on the basis of historical movements in the Sofina share price over the past 6,5 years (corresponding to the average time maturity of the plans).

Effect on the result

The 2023 expense related to the stock option plans amounts to EUR 8,344 thousand (EUR 5,902 thousand in 2022).

3.19 POST-CLOSING DATE EVENTS

Events after the end of the financial year are listed in the [Year in review](#) section, which forms an integral part of the Management report.



Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor’s report
- Statutory financial statements

Glossary

Responsible person

3.20 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES

NAME AND HEADQUARTERS	LINK	CORPORATE RIGHTS HELD		CORPORATE RIGHTS HELD	
		NUMBER OF SHARES	% OWNERSHIP AS AT 31/12/2023	NUMBER OF SHARES	% OWNERSHIP AS AT 31/12/2022
A. INVESTMENT SUBSIDIARIES - AT FAIR VALUE					
Global Education Holding SA 12, rue Léon Laval - LU-3372 Leudelange	Indirect	277,262	82.01	277,262	82.01
Sofina Asia Private Ltd. 108 Amoy Street # 03-01 - SG-069928 Singapore	Direct	615,000	100	375,000	100
Sofina Capital SA 12, rue Léon Laval - LU-3372 Leudelange	Direct	5,872,576	100	5,872,576	100
Sofina Global SA SIF 12, rue Léon Laval - LU-3372 Leudelange	Indirect	17,500,000	100	17,500,000	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
Sofina US, LLC 160 Federal Street, 9th floor - MA 02110 Boston - USA	Direct	802,000	100	802,000	100
Sofina Ventures SA 29, rue de l'Industrie - 1040 Brussels Company number 0423 386 786	Direct	11,709	100	11,709	100
B. ASSOCIATED COMPANIES - AT FAIR VALUE					
Biotech Dental 305, Allées de Craponne - 13300 Salon-de-Provence - France	Direct	0	0.00	6,154,900	24.75
Cambridge Associates 125 High Street - MA 02110 Boston - USA	Indirect	24,242	23.68	24,242	23.64
Drylock Technologies Spinnerijstraat 12- 9240 Zele Company number 0479 766 057	Direct	169,782,750	25.00	150,000,000	25.64
Green E Origin 4, rue du Fort Wallis - LU-2714 Luxembourg	Indirect	279,851	24.51	0	0.00
Groupe Petit Forestier 11, route de Tremblay - 93420 Villepinte - France	Direct	976,838	33.62	1,244,172	43.39
MXP Prime Platform (SellerX) Jägerstraße 41 - 10117 Berlin - Germany	Indirect	1,284,209	26.09	6,604	7.89
Nuxe International 127, rue d'Aguesseau - 92100 Boulogne-Billancourt - France	Indirect	193,261,167	49.00	193,261,167	49.00
Polygone 59, Quai Rambaud - 69002 Lyon - France	Direct	221,076	20.96	221,076	20.96

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

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor’s report
- Statutory financial statements

Glossary

Responsible person

3.21 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The following new standards and interpretations became effective in 2023:

- IFRS 17 - Insurance Contracts (applicable for the annual period beginning on or after 1<sup>st</sup> January 2023);
- Amendments to IFRS 17 - Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (applicable for the annual period beginning on or after 1<sup>st</sup> January 2023);
- Amendments to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (applicable for the annual period beginning on or after 1<sup>st</sup> January 2023);
- Amendments to IAS 8 - Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (applicable for annual periods beginning on or after 1<sup>st</sup> January 2023);
- Amendments to IAS 12 - Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (applicable for annual periods beginning on or after 1<sup>st</sup> January 2023); and
- Amendments to IAS 12 - Income taxes: International Tax Reform – Pillar Two Model Rules (effective immediately but not yet endorsed in the EU – disclosures are required for annual periods beginning on or after 1<sup>st</sup> January 2023).

The application of these standards and interpretations does not, however, 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 1<sup>st</sup> January 2023:

- Amendments to IAS 1 - Presentation of Financial Statements: Classification of Liabilities as Current or Non-current Liabilities with Covenants (applicable for annual periods beginning on or after 1<sup>st</sup> January 2024);
- Amendments to IFRS 16 - Leases: Lease Liability in a Sale and Leaseback (applicable for annual periods beginning on or after 1<sup>st</sup> January 2024);
- Amendments to IAS 7 - Statement of Cash Flows and IFRS 7 - Financial Instruments: Disclosures: Supplier Finance Arrangements (applicable for annual periods beginning on or after 1<sup>st</sup> January 2024, but not yet endorsed in the European Union); and
- Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (applicable for annual periods beginning on or after 1<sup>st</sup> January 2025, but not yet endorsed in the EU).

The future application of these new standards and interpretations is not expected to have a significant impact on the consolidated financial statements.

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 payables, which are measured at amortised cost.

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

- **Level 1:** listed prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2:** data other than listed 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 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 a representative mandate on 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 in force on 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 in force on the transaction date.

The financial statements of foreign companies included in the consolidation are translated into euros 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.

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor’s report
- Statutory financial statements

Glossary

Responsible person

Main foreign exchange rates

	31/12/2023	31/12/2022
Closing rate	1 EUR =	1 EUR =
USD	1.1050	1.0666
GBP	0.8691	0.8869
CHF	0.9260	0.9847
SGD	1.4591	1.4300
CAD	1.4642	1.4440
INR	91.9045	88.1710
CNY	7.8509	n/a
DKK	7.4529	n/a

(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 Sofina group's employees benefit from “defined benefit”, “defined contribution” and “cash balance” pension plans. These pension plans are financed by contributions from Sofina group companies and subsidiaries 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” plans and the “Traditional Unit Credit” method for “defined contribution” and “cash balance” plans in accordance with the principles of IAS 19. The present value of the promised benefits is calculated. This calculated present value is then compared with the existing funding and, if necessary, generates 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, if necessary, generate 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.

Share based 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 granting.

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.

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

IFRS 16 – Leases: when a lease is entered into (unless it is 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.

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor’s report
- Statutory financial statements

Glossary

Responsible person

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 be reversed 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 at the closing date.

Income and expenses

Income and expenses are recognised as follows:

- The gross amounts of dividends 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;
- The gross amount of income and capital gains of non-consolidated foreign investments are recognised in the income statement.

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 when 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.



[Our mission](#)[Message to shareholders](#)[Sofina at a glance](#)[Strategy](#)[Year in review](#)[Investments overview](#)[Societal commitment](#)[Corporate governance](#)[Accounts and notes](#)

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor's report
- Statutory financial statements

[Glossary](#)[Responsible person](#)

Free translation of the French original

# INDEPENDENT AUDITOR'S REPORT TO THE GENERAL MEETING OF SOFINA SA FOR THE YEAR ENDED 31 DECEMBER 2023

In the context of the statutory audit of the Consolidated Financial Statements) of Sofina SA (the “Company”) and its subsidiaries (together the “Group”), we report to you as statutory auditor. This report includes our opinion on consolidated balance sheet as at 31 December 2023, the consolidated income statement, the consolidated statement of comprehensive income, the changes in consolidated shareholders’ equity and the consolidated cash flow statement for the year ended 31 December 2023 and the disclosures including material accounting policy information (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 4 May 2023, 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 2025. We performed the audit of the Consolidated Financial Statements of the Group during 4 consecutive years.

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor’s report
- Statutory financial statements

Glossary

Responsible person



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 balance sheet on 31 December 2023, the consolidated income statement, the consolidated statement of comprehensive income, the changes in consolidated shareholders’ equity and the consolidated cash flow statement of the year and the disclosures, including material accounting policy information, which show a consolidated balance sheet total of € 9.842.933 thousand and of which the consolidated income statement shows a loss for the year of € 104.267 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 2023, 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 (“ISA’s”) applicable in Belgium. In addition, we have applied the ISA’s approved by the International Auditing and Assurance Standards Board (“IAASB”) that apply at the current year-end date and have not yet been approved at national level. 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 « Sofina Direct », investments in unlisted companies for a total of € 4.017.081 thousand, which represents 41 % 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 company uses an independent valuation specialist to confirm that the fair values estimated internally by the Company are appropriate and within the specialist’s own valuation range.

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 judgments 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 participations as well as the internal controls related thereto, 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 by:

- . Evaluating the independence, competence and capabilities of the management’s valuation specialist;

- . Reviewing the quality of the management’s valuation specialist memorandum prepared twice a year;

For all unlisted participations, we investigated any change in the valuation methodology applied by Sofina, and we performed an analytical review by comparing the fair value change in the current year with the performance of a relevant sectorial share price index. Differences outside a reasonable expected range were investigated and explained.

We have tested, on the basis of a sampling, the valuation by Sofina of these participations focusing on the choice of methods used as well as on the underlying assumptions. In particular, for each selected participation in this sample:

- . We obtained and reviewed the valuation memorandum prepared by Sofina;
- . We challenged the consistency and the appropriateness of the valuation basis selected by reviewing the valuation methodology and valuation model adopted in accordance with IFRS and IPEV;
- . We reconciled the data used in the valuation models with relevant and available external sources. These data 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 challenged the key assumptions affecting these valuations (multiples, peers benchmarks, discount factor,...) ;
- . We checked the reliability of the management accounts / business plan by reviewing the back testing performed by Sofina, in order to assess the quality of the documentation received from the investee in the prior valuation exercises;
- . We verified the mathematical accuracy of the valuation models;
- . We developed our own fair value estimation in accordance with ISA 540 by performing a sensitivity analysis on key estimates and compared our results with Sofina’s valuation;
- . We ensured that the percentages of ownership were correctly used in the valuation through direct confirmation.
- . We obtained and reviewed the year-end analysis report of the management’s valuation specialist and verified that Sofina’s

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor’s report
- Statutory financial statements

Glossary

Responsible person



fair values were within the range deemed acceptable by the specialist.

When available, we compared valuations with recent at arm’s length transactions and assessed whether these transactions (including subsequent to year-end) should imply a change in the fair value.

We discussed with the management regarding any subsequent events which would significantly affect participations in the “Sofina Direct” portfolio, and assessed whether such subsequent events were adjusting or not.

We have verified that the change in fair value of the participations 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 relating to these unlisted participations 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 ISA’s 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 ISA’s, 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.

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor’s report
- Statutory financial statements

Glossary

Responsible person

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 ISA’s 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 Financial indicators (on page 27 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

1. Acting on behalf of a BV/SRL

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/fr/stori>) 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 of Sofina SA per 31 December 2023 included in the annual financial report available on the portal of the FSMA (<https://www.fsma.be/fr/stori>) in the official French language 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, 28 March 2024

EY Bedrijfsrevisoren BV  
Statutory auditor  
Represented by

Jean-François Hubin<sup>1</sup>  
Partner



## Our mission

## Message to shareholders

## Sofina at a glance

## Strategy

## Year in review

## Investments overview

## Societal commitment

## Corporate governance

## Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor's report
- Statutory financial statements

## Glossary

## Responsible person

# STATUTORY FINANCIAL STATEMENTS OF SOFINA SA AND APPROPRIATION OF RESULT

## Accounts as at 31 December 2023 (after appropriation of result)

IN MILLION EUR		
ASSETS	31/12/2023	31/12/2022
<b>Fixed assets</b>	<b>2,141</b>	<b>1,649</b>
(In)Tangible fixed assets	9	9
Financial fixed assets	2,132	1,640
<i>Related companies</i>	<i>1,140</i>	<i>475</i>
<i>Other companies linked with participating interest</i>	<i>667</i>	<i>638</i>
<i>Other financial fixed assets</i>	<i>325</i>	<i>528</i>
<b>Current assets</b>	<b>1,404</b>	<b>1,811</b>
Amounts receivable within one year	510	829
Cash investments	779	841
Cash and cash equivalents	113	140
Deferred charges and accrued income	2	1
<b>TOTAL ASSETS</b>	<b>3,545</b>	<b>3,460</b>

IN MILLION EUR		
LIABILITIES	31/12/2023	31/12/2022
<b>Shareholders' equity</b>	<b>2,668</b>	<b>2,464</b>
Share capital	80	80
Share premium	4	4
Reserves	1,771	1,712
Retained earnings	813	668
<b>Provisions and deferred taxes</b>	<b>2</b>	<b>4</b>
Amounts payable	875	992
Amounts payable after one year	696	695
Amounts payable within one year	177	294
Accrued charges and deferred income	2	3
<b>TOTAL LIABILITIES</b>	<b>3,545</b>	<b>3,460</b>

IN ACCORDANCE WITH ARTICLE 3:17 OF THE BCAC, 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 SOFINA'S REGISTERED OFFICE AND ON ITS WEBSITE. THE AUDITOR'S OPINION ON THE FINANCIAL STATEMENTS IS UNQUALIFIED.

## Our mission

## Message to shareholders

## Sofina at a glance

## Strategy

## Year in review

## Investments overview

## Societal commitment

## Corporate governance

## Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor's report
- Statutory financial statements

## Glossary

## Responsible person

## Income statement

	IN MILLION EUR	
	2023	2022
<b>Sales and services</b>	<b>10</b>	<b>16</b>
Turnover	3	6
Other operating income	7	10
Non-recurring operating income	0	0
<b>Cost of sales and services</b>	<b>32</b>	<b>42</b>
Services and other goods	13	14
Remuneration, social security and pensions	14	24
Provisions for liabilities and charges	-1	-2
Other operating charges	6	6
	0	0
<b>Operating profit (+) / loss (-)</b>	<b>-22</b>	<b>-26</b>
<b>Financial income</b>	<b>629</b>	<b>101</b>
Recurring financial income	410	78
Income from financial assets	378	48
Income from current assets	28	9
Other financial income	4	21
Non-recurring financial income	219	23
<b>Financial charges</b>	<b>286</b>	<b>356</b>
Recurring financial charges	2	83
Debt charges	9	8
Other financial charges	-7	75
Non-recurring financial charges	284	273
<b>Profit (+) / Loss (-) of the year before taxes</b>	<b>321</b>	<b>-281</b>
Taxes	0	0
<b>Profit (+) / Loss (-) of the year</b>	<b>321</b>	<b>-281</b>
<b>Transfers from (+) / Transfers to (-) untaxed reserves</b>	<b>5</b>	<b>24</b>
<b>Profit (+) / Loss (-) of the year available for appropriation</b>	<b>326</b>	<b>-257</b>

## Appropriation account

	IN MILLION EUR	
	2023	2022
<b>Profit (+) / Loss (-) to be appropriated</b>	<b>994</b>	<b>779</b>
Profit (+) / Loss (-) of the year to be appropriated	326	-257
Profit (+) / Loss (-) brought forward from the preceding year	668	1,036
<b>Transfers from shareholders' equity</b>	<b>0</b>	<b>0</b>
From reserves	0	0
<b>Appropriation to shareholders' equity</b>	<b>64</b>	<b>0</b>
To other reserves	64	0
<b>Profit (+) / Loss (-) to be brought forward</b>	<b>813</b>	<b>668</b>
Profit to be brought forward	813	668
<b>Profit to be distributed</b>	<b>117</b>	<b>110</b>
Return on capital	115	108
Directors	2	2

Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

- Consolidated financial statements
- Notes to the consolidated financial statements
- Independent auditor’s report
- Statutory financial statements

Glossary

Responsible person

Result appropriation

It is proposed to the Annual General Meeting of Sofina SA which will be held on 8 May 2024 to proceed with the appropriation of the result of EUR 994,078 thousand as follows:

	IN THOUSAND EUR
Net dividend of EUR 2.345	80,316
Withholding tax on the dividend	34,421
Directors	2,409
Available reserves	63,661
Profit carried forward	813,271
	<b>994,078</b>

The appropriation of the result includes the distribution of a gross dividend of EUR 3.35 per share, representing a net dividend of EUR 2.345, an increase of EUR 0.08 compared with the previous year.

Since the treasury shares are not entitled to a dividend in accordance with Article 7:217, §3 of the BCAC, the total dividend amount depends on the number of treasury shares held by Sofina SA on 19 May 2024 at 11.59 pm Belgian time (i.e. the trading day before the ex-date). Accordingly, the Board of Directors proposes to authorise the CEO to record the final total dividend amount (and the resulting changes to the director’s fees and result appropriation) in the statutory financial statements.

The maximum total amount of gross dividend proposed is EUR 114,738 thousand (34,250,000 x EUR 3.35), including a withholding tax of EUR 34,421 thousand.

If the Annual General Meeting approves this proposal, a dividend of EUR 2.345<sup>1</sup> net of withholding tax will be paid to each share as from 22 May 2024 (ex-date: 20 May 2024 and record date: 21 May 2024) upon detachment of coupon nr. 26.

Payments will be made in Belgium by Euroclear Belgium.

<sup>1</sup> The beneficiaries referred to in Art. 264, para. 1, 1° and 264/1 of the ITC, 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 RD/ITC and Art. 266, para. 4 of the ITC may receive the gross amount of coupon nr. 26, i.e. EUR 3.35, provided that they submit the required certificates no later than 31 May 2024. Beneficiaries of a double tax treaty may benefit from a withholding tax reduction under the conditions set in said treaties.

# Glossary

- **2020 Code:** 2020 Belgian Code on Corporate Governance.
- **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 period ending on 31 December 2023, 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 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)	PERFOR- MANCE (IN %)
2023	279.41	3.24	273.62	-0.90%

It should be noted that the comparison of Sofina's average annual return against a benchmark index is made on the basis of identical periods.

Since 2016, the Company measures its long-term performance by comparing the evolution of its NAV per share against 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.

- **BCAC:** Belgian Companies and Associations Code.
- **Cash – Non-cash:** Defines whether a portfolio transaction generated a cash inflow or outflow (Cash) or not (Non-cash).
- **Company:** Sofina SA.
- **ESG:** Refers to Environmental, Social and Governance factors, as set out in Sofina's Responsible investment policy.
- **Euro Stoxx 50 Net Return Index EUR ("Euro Stoxx 50"):** Ticker used by Bloomberg (SX5T Index). This index is also presented because of its wide use in the financial markets.
- **General Partners ("GPs" or "Managers"):** Specialised teams managing private equity investment funds, focusing on venture and growth capital funds.
- **Gross cash:** Net cash plus financial debts, in transparency.
- **Investment Entity:** Status adopted by Sofina SA since 1st January 2018 in application of IFRS 10, §27, which provides that, as long as it meets the definition of an Investment Entity, a company 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 1<sup>st</sup> January 2018, when it met all the criteria of an Investment Entity, 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).

- **Listed:** Level 1 and 2 investments as per the fair value hierarchy defined in point 2.3 of the Notes to the consolidated financial statements.
- **Loan-to-value (%):** Ratio between (i) Net debt (or if negative, corresponds to Net cash) and (ii) the total value of the portfolio in transparency.
- **LTIP:** Long-term incentive plan organised within Sofina.
- **MSCI ACWI Net Total Return Index ("MSCI ACWI"):** Ticker used by Bloomberg (NDEEWNR Index). This index is the benchmark used by Sofina. This benchmark is considered to be 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 ultimately guided the choice of the euro-denominated index.



Our mission

Message to shareholders

Sofina at a glance

Strategy

Year in review

Investments overview

Societal commitment

Corporate governance

Accounts and notes

Glossary

Responsible person

- **Net Asset Value (“NAV”):** Net assets or shareholder’s equity. NAV per share (“NAVPS”) corresponds to the net assets per share or equity per share (calculation based on the number of outstanding shares at the end of the period). It should be remembered that since 1<sup>st</sup> 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, in transparency, 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 assets side), “Other current financial assets”, “Receivables from subsidiaries”, “Other current debtors” and “Taxes” (on the assets side), less “Non-current provisions”, “Non-current financial liabilities”, “Deferred taxes” (on the liabilities side), “Payables 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 Sofina 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 the total investments held either directly or through investment subsidiaries. When preparing the financial statements as an Investment Entity, the fair value of its direct investments (in portfolio investments or in investment subsidiaries) is recognised as an asset in the balance sheet. By contrast, segment management information (based on internal reporting) is prepared on the entire portfolio in transparency (i.e. on all portfolio investments whether 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. The presentation of dividends or cash follows the same logic.
- **PSU:** Performance Share Units offered to beneficiaries under the LTIP.
- **Shareholders’ equity:** Net Asset Value (as defined herein).
- **Sofina Direct:** Denomination combining Long-term minority investments and Sofina Growth as a result of some of their similar features, as opposed to Sofina Private Funds.
- **Unlisted:** Level 3 investments as per the fair value hierarchy defined in point 2.3 of the Notes to the consolidated financial statements.
- **UNPRI:** Principles for Responsible Investment developed by the United Nations ([www.unpri.org](http://www.unpri.org)).

[Our mission](#)[Message to shareholders](#)[Sofina at a glance](#)[Strategy](#)[Year in review](#)[Investments overview](#)[Societal commitment](#)[Corporate governance](#)[Accounts and notes](#)[Glossary](#)[Responsible person](#)

# Responsible person

In accordance with Article 12, §2, 3° of the Royal Decree of 14 November 2007, Harold Boël, Chief Executive Officer, certifies in the name and on behalf of the Board of Directors that, to the best of his knowledge:

- the financial statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and of the fair value of its investment subsidiaries;
- the Management report contains a fair review of the development of the business, the results and the position of the Company and its investment subsidiaries, as well as a description of the principal risks and uncertainties they face.

The official ESEF version of the Annual report in French is available on Sofina's website. The ESEF version of the Annual report in English and Dutch will be available on Sofina's website at the latest on 15 April 2024. <sup>1</sup>

1. [www.sofinagroup.com/investor-relations/financial-reporting/annual-reports/](http://www.sofinagroup.com/investor-relations/financial-reporting/annual-reports/)

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