

BELLON

Statutory Auditors' report on the financial statements

(For the year ended December 31, 2022)

PricewaterhouseCoopers Audit
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This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

**Statutory Auditors' report on the financial statements
(For the year ended December 31, 2022)**

To the Shareholders,
BELLON S.A.
17/19, Place de la Résistance
92130 Issy-les-Moulineaux

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of BELLON S.A. for the year ended December 31, 2022.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

Basis for Opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie* for statutory auditors rules applicable to us, for the period from January 1, 2022 to the date of our report.

Justification of assessments

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the following key audit matters relating to risks of material misstatement that, in our professional judgment, were the most significant in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Valuation of equity investments

- The company's investment in Sodexo, whose net balance sheet amounted 1,899,254 thousands euros as at December 31, 2022, is assessed at acquisition cost and impaired based on its value in use described in the note 2.2 "Financial Assets" to the financial statements. Our work consisted in reviewing the data and assumptions used for the determination of this value in use and checking the calculations made by your company.

As part of our assessments, we have ensured that these estimates are reasonable.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to the Shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment terms, required under Article D.441-6 of the French Commercial Code (*Code de commerce*).

Report on corporate governance

We attest that the Supervisory Board's report on corporate governance sets out the information required by Article L.225-37-4 of the French Commercial Code.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The financial statements were approved by the Board of Directors.

Statutory auditors' responsibilities for the audit of the financial statements

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are 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 financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and,

BELLON S.A.

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based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Neuilly-sur-Seine and Paris La Défense, March 30, 2023

The Statutory Auditors,

PricewaterhouseCoopers Audit

KPMG S.A.

Agnès Hussherr

Grégoire Menou

Financial statements BELLON SA as of December 31, 2022

I INCOME STATEMENT

In thousands of euro	Year ended December 31	
	2022	2021
REVENUES	3 895	3 170
Other income	65	65
Employee costs	(6 569)	(5 499)
Other external charges	(5 335)	(10 525)
Taxes other than income taxes	(255)	(300)
Depreciation and amortization	(35)	(35)
OPERATING PROFIT	(8 234)	(13 124)
Financial income	152 134	126 251
Financial expense	(2 282)	(2 600)
FINANCIAL RESULT	149 852	123 651
Employee Profit-sharing		
Income taxes		
NET INCOME	141 618	110 527

II BALANCE SHEET

ASSETS (in thousands of euro)	As of Dec. 31, 2022	As of Dec. 31, 2021
NON-CURRENT ASSETS, NET		
Property, plant and equipment	93	127
Financial investments	1 899 254	1 899 254
Rental Security deposit	35	34
• Total non-current assets	1 899 382	1 899 415
CURRENT ASSETS		
Accounts receivable		
Other receivables	86	93
Cash	27 826	23 675
• Total current assets	27 912	23 769
TOTAL ASSETS	1 927 294	1 923 184
LIABILITIES AND EQUITY (in thousands of euro)		
	As of Dec. 31, 2022	As of Dec. 31, 2021
SHAREHOLDERS' EQUITY		
Share capital	388	388
Additional paid in capital	284 734	284 734
Reserves and retained earnings	1 534 657	1 408 737
• Total Shareholders' equity	1 819 779	1 693 859
• Provisions for contingencies and losses		
LIABILITIES		
Borrowings	105 299	227 339
Accounts payable	481	631
Other liabilities	1 735	1 355
Total liabilities	107 515	229 325
TOTAL LIABILITIES AND EQUITY	1 927 294	1 923 184

Notes to the financial statements

I SIGNIFICANT EVENTS

Borrowings

During the year, Bellon SA has borrowed 3 new ELS with Natixis, CA-CIB and BNP, for 100M€ each. These borrowings were not drawing in 2022.

II ACCOUNTING PRINCIPLES, RULES AND METHODS

The annual financial statements were prepared and presented in conformity with the principles, standards and accounting methods required by the general accounting plan of 1999 in compliance with Rule 2014-3 of the Accounting Regulatory Committee.

The accounting principles used in the preparation of the statutory financial statements for 2022 are the same as those used for 2021. The historical cost method was used in the preparation of these financial statements.

Unless otherwise mentioned, amounts included in tables in the footnotes are expressed in thousands of euros.

The amounts reported as exceptional income/expense represent those items which do not relate to current activities, as well as certain items considered exceptional by their nature, but which concern ordinary activities.

2.1 Property, plant and equipment

Fixed assets are valued at acquisition cost less depreciation. Cost includes expenditures directly incurred to acquire the asset. All other repair and maintenance costs are recognized as expenses during the period in which they are incurred.

Fixed assets are depreciated over the useful life of the asset and taking account of their residual value.

The principal depreciation rates used are the following:

General fixtures and fittings	9 years
Office equipment	9 years
Computer equipment	4 years

2.2 Financial assets

Shares in companies and other financial investments are carried at historical cost or contribution value. At each balance sheet date, an impairment write-down may be recognized if the value in use is less than the carrying amount.

2.3 Marketable securities

Marketable securities are recognized at their acquisition cost and are written down for unrealized losses.

2.4 Borrowings

Transaction costs on borrowings are expensed in « Commissions and expenses on loan issuance » in the period in which they are incurred.

III NON-CURRENT ASSETS

	Amounts as of January 1, 2022	Increase	Decrease	Amounts as of December 31, 2022
Property, plant and equipment	322	0	0	322
Financial investments				
Sodexo	1 899 254	0	0	1 899 254
Other investments				
Total financial investments	1 899 254	0	0	1 899 254
Total non-current assets (gross amount)	1 899 576	0	0	1 899 576
Depreciation	(195)	(35)	0	(230)
Total non-current assets (net)	1 899 381	(35)	0	1 899 346
Rental security deposit	34	1	0	35
Total non-current assets (net)	1 899 415	(33)	0	1 899 382

Sodexo shares are valued at historical cost. Market price as of the year end (share price at 89.48 €) would have been 5.641 million euros.

IV CHANGES IN SHAREHOLDERS' EQUITY

	Number of shares	Capital	Additional paid in capital	Legal reserve	Ordinary reserve	Retained earnings	Net income for the fiscal year	Shareholders equity
Shareholders' equity as of December 31, 2019	24 255	388	284 734	41	971 867	36 376	153 861	1 447 268
Share redemption								
Dividends paid					106 000	36 648	(153 861)	(11 214)
Net income for the year							160 734	160 734
Shareholders' equity as of December 31, 2020	24 255	388	284 734	41	1 077 867	73 024	160 734	1 596 788
Share redemption								
Dividends paid					120 000	27 278	(160 734)	(13 456)
Net income for the year							110 527	110 527
Shareholders' equity as of December 31, 2021	24 255	388	284 734	41	1 197 867	100 302	110 527	1 693 859
Share redemption								
Dividends paid					90 000	4 829	(110 527)	(15 698)
Net income for the year							141 618	141 618
Shareholders' equity as of December 31, 2022	24 255	388	284 734	41	1 287 867	105 131	141 618	1 819 779

V BORROWINGS

	Amounts as of January 1, 2022	Increase	Decrease	Amounts as of December 31, 2022
Bank borrowings	227 339	731 842	(853 882)	105 299
Overdraft	0	0	0	0
Total borrowings	227 339	731 842	(853 882)	105 299

The ELS signed with CACIB in April 2020 and the swap agreement contain terms that are customary for loans of this nature made to a holding company. These conditions mainly include the following:

- the level of Bellon SA's investment in Sodexo should not be less than 33.33% of capital and voting rights
- the ratio of revaluated assets to revaluated net financial debt must be higher than 2 as of August 31 and December 31 of each year

As of December 31, 2022, Bellon SA met its commitments.

VI MATURITIES OF RECEIVABLES AND PAYABLES

RECEIVABLES	Amounts	Less than 1 year	More than 1 year
Clients and account attached			
Other receivables	86	86	-
TOTAL RECEIVABLES (NET)	86	86	-

LIABILITIES	Amounts	Less than 1 year	1 to 5 years	More than 5 years
Bank borrowings	105 299	105 299		-
Total Borrowings	105 299	105 299		
Accounts payable	481	481	-	-
Employee related liabilities	673	673	-	-
Social and tax liabilities	1 062	1 062	-	-
Other			-	-
Total other liabilities	1 735	1 735	-	-
TOTAL LIABILITIES	107 515	107 515		

VII RELATED PARTY INFORMATION

	Amount	Related companies and associates	Companies with related investments
ASSETS			
Financial investments (gross)	1 899 254	1 899 254	-
LIABILITIES			
Accounts payable	124	124	-
Deferred revenues			-
INCOME STATEMENT			
Operating revenues	3 895	3 895	-
Operating expenses	139	139	-
Financial income	151 474	151 474	-

Transactions as stipulated by the regulation "ANC 2010-02" are presented below:

Related parties	Nature of transaction	Amount of transaction
Sodexo S.A.	Assistance and advisory services agreement between Bellon S.A. and Sodexo S.A.	The invoice issued by Bellon S.A. amounts to 3 772 thousand euro (excluding VAT) for the year ended December 31, 2022. The revenues recorded on the financial statement ended Dec 31, 2022, amount to 3 895 thousand euros, after write off of the prepaid revenues booked in 2021.

VIII ACCRUED EXPENSES

Accounts payable	326
Employee related liabilities	673
Social and fiscal liabilities	383
Total	1 382

IX ISSUED CAPITAL

Total capital is 388 080 euro divided into 24 255 shares of 16 euros each, all fully paid.

X ANALYSIS OF REVENUES

Revenues are related to services rendered in France and amount to 3.895 thousand euro.

XI AUDIT FEES

The statutory auditors' fee for the year ended December 31,2022 amounts to 62 thousand euros for the statutory audit of the financial statements.

XII FINANCIAL RESULT

The financial result of 149.852 thousand euros comprises the following:

- Dividends from Sodexo for 151.474 thousand euros.
- Interest income on financial investments for 661 thousand euros.
- Interest expense amounting to 2.282 thousand euro related to the interest on the company's debt.

XIII INCOME TAXES

The company recognized a tax loss of 1.279 thousand euros for the year.
Consequently, the disclosures regarding income taxes are not applicable.

XIV UNREALISED TAX GAINS AND LOSSES

Following the September 1997 merger with Financière Sodexo, Bellon SA committed to calculating, in the future, any unrealized gains on the 3 306 684 Sodexo contributed shares as compared to the tax value recognized by Sodexo Financiere, which was 201 271 thousand euro.

Following the April 1998 grant of three new shares for each previously held share and the 4 for 1 stock split in March 2001, the number of Sodexo shares held through the merger was multiplied by 16.

As of December 31, 2008, total Sodexo shares resulting from the merger were 46 726 226 with a tax value of 168 588 thousand euro.

As of December 31, 2022, Bellon SA has accumulated tax losses of 530.214 thousand euros which can be carried forward indefinitely, representing a decrease in future taxes payable of 132.554 thousand euro, based on the current rate of 25%.

XV OPERATING LEASE COMMITMENTS

Outstanding commitments arising in respect of operating leases relating to the rental of offices are as follows:
(in thousands of euro)

	As of December 31, 2022
Less than 1 year	154
1 to 5 years	257
More than 5 years	<u>0</u>
Total	411

XVI PLEDGED SHARES

For CACIB ELS subscribed in April 2020, a total of 863 558 727 Sodexo shares have been pledged.

For CACIB, Natixis, and BNP ELS subscribed in November 2022, a total of 3 Sodexo shares have been pledged.

XVII RETIREMENT BENEFIT COMMITMENTS

Bellon SA is required to pay benefits to retiring employees under the terms stipulated in the Sodexo collective agreement.

The commitment, which is not recognized as a liability in the balance sheet, is estimated at 513 thousand euro.

XVIII FINANCIAL INSTRUMENT COMMITMENTS

The company uses derivative financial instruments in order to manage its exposure to volatility in interest and currency exchange rates.

During the year, the company contracted six financial instrument commitments.

Bank	Inception date	Expiry date	Notional amount	Market value of swaps December 31, 2022
CACIB	April 16, 2020	April 20, 2023	50 M€	(1 814 K€)

XIX COMPENSATION, ADVANCES AND COMMITMENTS WITH RESPECT TO PENSIONS AND INDEMNITIES PAID TO THE MEMBERS OF THE SUPERVISORY BOARD AND NON-EXECUTIVE DIRECTORS

• Total compensation paid to the members of the Board and non executive directors	1 180 Keuro
• Advances and loans	None
• Amount paid to a defined benefit pension plan during the financial year	None

XX NUMBER OF EMPLOYEES

As of December 31, 2022, 8 executives and 1 employee were employed by the company.

XXI LIST OF SUBSIDIARIES

	% interest in Capital	Capital (m€)	Shareholders' equity (m€)	Book value of investment (m€)	Revenues (m€)	Net income for recent fiscal year (m€)	Date	Dividends (m€)
Sodexo SA	42,75%	590	2 822	1 899	202	321	8/31/2022	151,474

XXII CONSOLIDATION

Under IFRS standards, Bellon SA prepares consolidated financial statements as of August 31st. The scope of consolidation includes Bellon SA et Sodexo Group.

