

**BELLON**

**Statutory Auditors' report on the financial statements**

**(For the year ended December 31, 2021)**

**PricewaterhouseCoopers Audit**  
63, rue de Villiers  
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**KPMG 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, 2021)**

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, 2021.

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, 2021 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, 2021 to the date of our report.

## **Justification of assessments**

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, 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 matters that, in our professional judgment, were the most significant in our audit of the financial statements .

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, 2021, 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, 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, April 13, 2022

The Statutory Auditors

PricewaterhouseCoopers Audit

KPMG Audit  
*Department of KPMG S.A.*

Agnès Hussherr

Hervé Chopin

# Financial statements BELLON SA as of December 31, 2021

## I INCOME STATEMENT

In thousands of euro	Year ended December 31	
	2021	2020
<b>REVENUES</b>	<b>3 170</b>	<b>1 984</b>
Other income	65	65
Employee costs	(5 499)	(4 644)
Other external charges	(10 525)	(9 180)
Taxes other than income taxes	(300)	(204)
Depreciation and amortization	(36)	(36)
<b>OPERATING PROFIT</b>	<b>(13 124)</b>	<b>(12 015)</b>
Financial income	126 251	180 746
Financial expense	(2 600)	(7 997)
<b>FINANCIAL RESULT</b>	<b>123 651</b>	<b>172 749</b>
Employee Profit- sharing		
Income taxes		
<b>NET INCOME</b>	<b>110 527</b>	<b>160 734</b>

## II BALANCE SHEET

<b>ASSETS</b> (in thousands of euro)	<b>As of Dec. 31, 2021</b>	<b>As of Dec. 31, 2020</b>
<b>NON-CURRENT ASSETS, NET</b>		
Property, plant and equipment	127	162
Financial investments	1 899 254	1 899 254
Rental Security deposit	34	34
• <b>Total non-current assets</b>	<b>1 899 415</b>	<b>1 899 450</b>
<b>CURRENT ASSETS</b>		
Accounts receivable		0
Other receivables	93	98
Cash	23 675	20 290
• <b>Total current assets</b>	<b>23 769</b>	<b>20 388</b>
<b>TOTAL ASSETS</b>	<b>1 923 184</b>	<b>1 919 838</b>
<b>LIABILITIES AND EQUITY</b> (in thousands of euro)		
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	388	388
Additional paid in capital	284 734	284 734
Reserves and retained earnings	1 408 737	1 311 666
• <b>Total Shareholders' equity</b>	<b>1 693 859</b>	<b>1 596 788</b>
• <b>Provisions for contingencies and losses</b>		-
<b>LIABILITIES</b>		
Borrowings	<b>227 339</b>	320 451
Accounts payable	631	333
Other liabilities	1 355	2 265
<b>Total liabilities</b>	<b>229 325</b>	<b>323 049</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1 923 184</b>	<b>1 919 838</b>

# Notes to the financial statements

## I SIGNIFICANT EVENTS

### Borrowings

During the year, Bellon SA has partially reimbursed for 100M€, the ELS borrowed from CA-CIB. The remaining balance of the loan amounts to 50M€.

### Charity

In the context of the COVID 19 pandemic and its social consequences, Bellon SA made an exceptional donation of 1,3 million euros to Stop Hunger Foundation in 2021.

## 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 2021 are the same as those used for 2020. 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 euro.

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, 2021	Increase	Decrease	Amounts as of December 31, 2021
<b>Property, plant and equipment</b>	<b>322</b>	<b>0</b>	<b>0</b>	<b>322</b>
<b>Financial investments</b>				
Sodexo	1 899 254	0	0	1 899 254
Other investments	-			
<b>Total financial investments</b>	<b>1 899 254</b>	<b>0</b>	<b>0</b>	<b>1 899 254</b>
<b>Total non-current assets (gross amount)</b>	<b>1 899 576</b>	<b>0</b>	<b>0</b>	<b>1 899 576</b>
<b>Depreciation</b>	(160)	(35)	0	(195)
<b>Total non-current assets (net)</b>	<b>1 899 416</b>	<b>0</b>	<b>0</b>	<b>1 899 381</b>
Rental security deposit	34	0	0	34
<b>Total non-current assets (net)</b>	<b>1 899 450</b>	<b>0</b>	<b>0</b>	<b>1 899 415</b>

Sodexo shares are valued at historical cost. Market price as of the year end (share price at 77.06 €) would have been 4.858 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
<b>Shareholders' equity as of December 31, 2018</b>	<b>24 255</b>	<b>388</b>	<b>284 734</b>	<b>41</b>	<b>862 464</b>	<b>12 122</b>	<b>148 162</b>	<b>1 307 911</b>
Share redemption					(597)			(597)
Dividends paid					110 000	24 255	(148 162)	(13 907)
Net income for the year							153 861	153 861
<b>Shareholders' equity as of December 31, 2019</b>	<b>24 255</b>	<b>388</b>	<b>284 734</b>	<b>41</b>	<b>971 867</b>	<b>36 376</b>	<b>153 861</b>	<b>1 447 268</b>
Share redemption								
Dividends paid					106 000	36 648	(153 861)	(11 214)
Net income for the year							160 734	160 734
<b>Shareholders' equity as of December 31, 2020</b>	<b>24 255</b>	<b>388</b>	<b>284 734</b>	<b>41</b>	<b>1 077 867</b>	<b>73 024</b>	<b>160 734</b>	<b>1 596 788</b>
Share redemption								
Dividends paid					120 000	27 278	(160 734)	(13 456)
Net income for the year							110 527	110 527
<b>Shareholders' equity as of December 31, 2021</b>	<b>24 255</b>	<b>388</b>	<b>284 734</b>	<b>41</b>	<b>1 197 867</b>	<b>100 302</b>	<b>110 527</b>	<b>1 693 859</b>

## **V BORROWINGS**

	Amounts as of January 1, 2021	Increase	Decrease	Amounts as of December 31, 2021
<b>Bank borrowings</b>	<b>320 451</b>	<b>638 210</b>	<b>(731 323)</b>	<b>227 338</b>
<b>Overdraft</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total borrowings</b>	<b>320 451</b>	<b>638 210</b>	<b>(731 323)</b>	<b>227 338</b>

The ELS signed with CACIB and the swap agreements 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, 2021, 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	93	93	-
<b>TOTAL RECEIVABLES (NET)</b>		<b>93</b>	<b>93</b>	<b>-</b>

LIABILITIES		Amounts	Less than 1 year	1 to 5 years	More than 5 years
	Bank borrowings	227 339	127 339	100 000	-
	<b>Total Borrowings</b>	<b>227 339</b>	<b>127 339</b>	<b>100 000</b>	
	<b>Accounts payable</b>	<b>631</b>	<b>631</b>	-	-
	Employee related liabilities	523	523	-	-
	Social and tax liabilities	697	697	-	-
	Other	135	135	-	-
	<b>Total other liabilities</b>	<b>1 355</b>	<b>1 355</b>	-	-
<b>TOTAL LIABILITIES</b>		<b>229 325</b>	<b>129 325</b>	<b>100 000</b>	

## VII RELATED PARTY INFORMATION

		Amount	Related companies and associates	Companies with related investments
<b>ASSETS</b>				
	Financial investments (gross)	1 899 254	1 899 254	-
<b>LIABILITIES</b>				
	Accounts payable	62	62	-
	Deferred revenues	123	123	-
<b>INCOME STATEMENT</b>				
	Operating revenues	3 170	3 170	-
	Operating expenses	138	138	-
	Financial income	126 228	126 228	-

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 3 000 thousand euro (excluding VAT) for the year ended December 31, 2021, including deferred revenues for 123 thousand euro. The revenues recorded on the financial statement ended Dec 31, 2021 amount to 293 thousand euros.

## **VIII ACCRUED EXPENSES**

Accounts payable	335
Employee related liabilities	523
Social and fiscal liabilities	204
<b>Total</b>	<b>1 062</b>

## **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 3.170 thousand euro.

## **XI AUDIT FEES**

The statutory auditors' fee for the year ended December 31,2021 amounts to 60 thousand euros for the statutory audit of the financial statements.

## **XII FINANCIAL RESULT**

The financial result of 123.651 thousand euros comprises the following:

- Dividends from Sodexo for 126.228 thousand euros.
- Interest income on financial investments for 24 thousand euros.
- Interest expense amounting to 2.601 thousand euro related to the interest on the company's debt.

## **XIII INCOME TAXES**

The company recognized a tax loss of 2.687 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 Sodexho, 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 Sodexho 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, 2021, Bellon SA has accumulated tax losses of 528.935 thousand euros which can be carried forward indefinitely, representing a decrease in future taxes payable of 140.168 thousand euro, based on the current rate of 26,5%.

## **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, 2021
Less than 1 year	154
1 to 5 years	411
More than 5 years	<u>0</u>
Total	565

## **XVI PLEDGED SHARES**

For CACIB ELS subscribed in April 2020, a total of 923 727 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 783 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, 2021
CACIB	April 16, 2020	April 20, 2023	50 M€	(225 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	1 150 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, 2021, 7 executives and 2 employees 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	2 796	1 899	168	136	8/31/2021	126,2

## **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.

## **XXIII POST-CLOSING EVENT**

The war in Ukraine led to a marginal decrease of the stock markets. This decrease didn't have any impact to date on the financial statements of Bellon SA as of 31/12/2021.