

SOFINA

Sofina Newsletter #4

Foreword

As in previous editions of this Newsletter, we present a short review of our investment activities and key internal developments during the first half of 2019, ahead of our Half Year Financial Report, which will be issued on 5 September 2019.

During the last six months, we focused on the implementation of our group strategy as reviewed by the Board in 2018. We pursued and accelerated our development activities in growth sectors and regions, with a focus on Asia and increased attention to our four target sectors, in which Sofina group is determined over time to increase its relevance: consumer and retail, digital transformation, education and healthcare.

We also took further steps in the framework of our Corporate Social Responsibility undertakings, illustrated by our adherence to the UNPRI and internal initiatives described in this Newsletter.

We are grateful for the continued dedication of our growing teams to the success of the Sofina group. The individual motivation and the multiplicity of views harboured within our team, the cohesion between the three different offices and the alignment with our shareholders are essential contributors to our long term success.

Harold Boël
Chief Executive Officer

Sofina's shareholders' equity







As at 30 June 2019, based on preliminary and unaudited data, we estimate that Sofina's shareholders' equity amounts to EUR 7.00bn¹, i.e. EUR 208/share².

¹Since 1 January 2018, Sofina has adopted the status of investment entity in accordance with IFRS 10 and IAS 28. As from then, its shareholders' equity, also referred to as net asset value, is equal to the fair value of its portfolio companies, direct subsidiaries and their portfolio companies and other assets and liabilities.

² On the basis of 33,677,297 shares on 30 June 2019.

Investment activity

1. Long term minority investments







 ~ 43% of shareholders' equity	 Investment size between EUR 75m and EUR 300m	 Minority stakes in privately owned and listed companies
 Mainly European-based with a global exposure	 Companies with an enterprise value between EUR 250m and EUR 4.5bn	 Patient capital Long-term reference shareholders

* As at 30 June 2019, shareholders' equity based on preliminary and unaudited data.

As mentioned in the last edition of our Annual Report, Sofina completed a new investment in **Cognita**, an independent UK-based schools platform geared toward students in the K-12 segment (from kindergarten to 12th grade). Its international network includes 74 schools spread over nine countries. Sofina entered the cap table of Cognita through a capital increase and a secondary transaction. Following this transaction, Sofina became a minority shareholder in Cognita along with BDT Capital Partners, while the majority ownership remains with Jacobs Holdings.

Further to this, Sofina reduced its shareholding in certain portfolio companies, such as **Colruyt, Danone, SES, Orpea, Mersen** and **IPSOS** in the framework of the rotation of its portfolio.

2. Investments in venture and growth capital funds

 ~ 31% of shareholders' equity	 Equity Commitment between EUR 15m and EUR 40m	 Mainly venture and growth capital funds
 Active in the US, Asia and Europe	 ~ 60 General Partners	 First investments 1978

* As at 30 June 2019, shareholders' equity based on preliminary and unaudited data.

In the beginning of 2019, various early-stage venture capital managers within Sofina's portfolio raised late-stage funds next to their flagship strategies. This observation corresponds to the trend of companies staying private longer, thus creating a market opportunity for larger and more late-stage funds. Sofina continues to balance the twin objectives of being a supportive LP and managing its exposure to strategies, GPs and vintage years.

3. Sofina Growth - Investments in fast-growing businesses

		
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~ 19% of shareholders' equity*	Investment size between EUR 15m and EUR 50m	High growth sectors and/or markets
		
Global footprint	In partnership with trusted partners	Transparent and fast investment process

* As at 30 June 2019, shareholders' equity based on preliminary and unaudited data.

During the last six months, Sofina completed two new investments in India. It acquired a stake in **Dailyhunt**, a leading local language news aggregator in India, which offers its users high quality personalised content in 14+ languages and in **Healthkart**, an omnichannel platform of sports nutrition and health supplements brands (own and third party brands).

Sofina also continued to invest in Europe and in the US where it took a position in the capital of **Adjust**, a Berlin-based industry leader in mobile attribution software and fraud prevention and in **Giphy**, a leading online database and search engine for GIFs based in New York.

Finally, we divested our stake in **F&B Asia**, a pan-Asian food and beverage platform and in **Knewton**, an adaptive learning company.

Corporate Social Responsibility

The first half of 2019 also saw the implementation of the company's Corporate Social Responsibility policy, illustrated by the adherence of Sofina to the **United Nations Principles for Responsible Investment (UNPRI)**. A global network of investors has adhered to these principles and thereby committed to integrating environmental, social and governance (ESG) factors into their investment practices.

In this framework, Sofina will continue to focus on CSR/ESG aspects when analysing new investment opportunities and monitoring its portfolio companies. Sofina also **launched several new initiatives** aiming at a better contribution of Sofina and its employees to the communities in which they are active and at a reduction of its environmental impact. This included the matching by Sofina of donations from our employees to charity, encouraging their involvement in volunteering programmes and the setup of a collective objective linked to the reduction of its carbon footprint. Sofina also reviewed its internal 'Blue Book' which explains the value and key role of all the teams within Sofina.

CSR will create value for the Sofina group, and our efforts in this area will reinforce the link between all those involved in our development, including the families and founders we are proud to accompany and the talents we continue to attract every year.

Our investments

Our people

Our communities

Our environment

They recently joined Sofina

Sofina strengthened its investment and legal teams in Singapore. We are pleased to welcome:



Yizhen Lim | Investment Associate

- Based in Singapore
- Previously at Venturecraft & Ark Bio Holdings, KPMG and Singapore Economic Development Board
- Graduated from the Peking University (Economics)



Christopher Kang | Legal Counsel

- Based in Singapore
- Previously at CMS Holborn Asia (Singapore)
- Graduated from the National University of Singapore

Financial calendar

22 July 2019	5 September 2019	January 2020	26 March 2020	7 May 2020
<i>Sofina Newsletter #4</i>	Half Year Financial Report 2019	<i>Sofina Newsletter #5</i>	Annual Report 2019	Annual General Meeting of Shareholders

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We invite you to carefully read this General Privacy Policy, which sets out in more detail in which context we are processing your personal data and explains your rights (including a right of access, rectification and objection to direct marketing as well as, in certain circumstances, a right of erasure, restriction of processing, data portability and a right to object to other forms of processing) and our obligations in that respect.