

## Foreword

Living through the pandemic is a marathon rather than a sprint, testing both our purpose and our patience. This has become evident as 2022 begins in the midst of the 4th or 5th wave, but it was less so at the beginning of 2021. The second half of 2021 has challenged the resilience of societies, communities, organisations and the economy. All have had to weather the impacts of the pandemic spreading through the population, but also the impacts of the sanitary measures taken on daily lives, travels and work organisations. Difficult as the conditions may have been, the economy and the markets showed great resilience, and, looking at specifically the areas of interest to Sofina, 2021 was a year of not only strong performance but also of intense activity.

In this context, Sofina's team took in its stride the challenges of the day and responded with energy and determination. Our investment team was busy, with 10 new investments in the last six months diversified across our focus sectors and geographies, and this despite the highly competitive investment environment. We also closed 12 follow-on investments in the portfolio, and saw a number of liquidity events continued with 6 full or partial exits. To capture the opportunities afforded by the markets, Sofina raised a €700 million 7-year bond contributing to optimize our capital structure.

Our ESG journey continued with the full review of the Environmental, Societal and Governance performance of our direct investments, and the formation of an ESG board committee to monitor and support our progress. We also completed the renovation of a wing of our Brussels office to ensure co-workers benefit from an attractive professional environment, when working from work. As Sofina grows, we have also recruited across each of our offices in Brussels, Luxembourg and Singapore, and I would like to extend a warm welcome to our new joiners.

In the second half of 2021, we have continued to see a strong performance for our investment portfolio, buoyed by rising valuations, though the last months have seen an increase in volatility in public markets in the growth and tech sectors.

The achievements and the performance further detailed in this Newsletter would not have been possible without the work and dedication of Sofina co-workers, the guidance and support of our Board of Directors, and the continuing trust of our shareholders. I am thankful to all and wish you the best for 2022.

**Harold Boël**  
Chief Executive Officer

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## Sofina's shareholders' equity

Based on data in our possession on 31 December 2021, we estimate that Sofina's shareholders' equity amounts to €11.1 Bn<sup>1</sup>, i.e. €330/share (preliminary and unaudited figures)<sup>2</sup>.

<sup>1</sup> Rounded amount. Since 1 January 2018, Sofina has adopted the status of investment entity in accordance with IFRS 10. 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. As highlighted in our previous Newsletter, please note that since our half year financial report 2021 Sofina's valuation methodology for the Sofina Private Funds portfolio has been adapted. Accordingly, the valuation of the Sofina Private Funds portfolio as at 31 December 2021 is currently based on statements at 30 September 2021 received from our General Partners and adjusted to take into account (i) the capital calls and distributions that took place after the last statement received and (ii) the evolution of the listed companies held by the funds and any other significant events (and finally converted at the closing foreign exchange rate). The valuation will be adapted in our year-end financial report 2021 by considering all new statements at 31 December 2021 received from our General Partners after 31 December until mid-March 2022. This means that

the fair value retained for the Sofina Private Funds portfolio and hence the shareholders' equity referred to in this Newsletter may differ from our year-end financial report 2021 since all new reports received from the General Partners until mid-March 2022 will be taken into account regardless of their materiality.

<sup>2</sup> Rounded amount. On the basis of 33,607,072 shares on 31 December 2021.

Long-term minority investments	Sofina Private Funds - Investments in venture and growth capital funds	Sofina Growth - Investments in fast-growing businesses
~35% of shareholders' equity*	~45% of shareholders' equity*	~17% of shareholders' equity*

\* Considering the portfolio in transparency as at 31 December 2021, based on preliminary and unaudited figures.

## Investment activity

### 1. Long-term minority investments

This investment style has continued to achieve good results during the second half of the financial year 2021. In line with what we could see since the start of the Covid crisis, the strong results of certain portfolio companies compensated other more affected holdings. We also remained in close contact with our portfolio companies impacted the most by the crisis, to provide them with support and advice, and extra capital to seize new opportunities.

From an investment activity perspective, during the last semester, Sofina reinforced its presence in the capital of the following companies:

- **Mérieux NutriSciences**, a world player in food safety and quality, in a round led by the Institut Mérieux;
- **Collibra**, the Data Intelligence company, helps organizations to unlock the value of their data and turn it into a strategic, competitive asset. Sofina co-led the funding round with Sequoia Capital Global Equities; and
- **The Hut Group (THG)**, an international technology company focused on digital retail in the beauty and well-being sectors.

As was highlighted in our Half-year financial report, we also fully divested our investment in certain of our publicly listed portfolio companies as part of the rotation of our portfolio, such as **Danone** and **Deceuninck**, and an agreement was signed with Deutsche Post DHL Group for the sale of our stake in **Hillebrand**, a global leading service provider in the shipping, transportation and logistics of beverages and products that require special care, subject to customary closing conditions.

## 2. Sofina Private Funds - Investments in venture and growth capital funds

In line with the first half of the year, the third and fourth quarters saw favourable global market conditions in the venture and growth ecosystem driven by the acceleration of technology trends and continued post-pandemic optimism, even though supply chain disruptions, inflation, as well as a resurgence of Covid cases in the fourth quarter remained key challenges. Europe, in particular, has demonstrated in 2021 a strong and dynamic tech ecosystem by leveraging talent, capital, and know-how. In terms of venture capital specific trends, the increasing participation of deep-pocketed, less traditional venture capital investors (e.g., hedge funds, crossover funds, mutual funds) as well as accelerating fundraising activity have also contributed to the growth dynamic in the space. The robust deal and exit activity testify to the ability of private funds to continue deploying capital across geographies and stages at an accelerated pace while generating liquidity through IPOs or other exit routes.

Likewise, the strong IPO environment has been maintained, even if it slowed down in the second half of the year, with SPAC activity in particular being reduced. A key driving factor of IPO activity has been the public market sentiment, with a broadly sustained bull trend across the year, driven by favourable macroeconomic data and generally high demand levels across sectors, but which was beginning to see some weaknesses in the already richly valued technology growth stock space towards the end of the year.

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## 3. Sofina Growth - Investments in fast-growing businesses

Similar to our two other investment styles, Sofina Growth showed overall good performance during the second half of 2021, given the diversification of the portfolio companies across our focus sectors, geographies and end markets. In the last six months, we have invested across our key geographies into our focus sectors as follows:

- in Asia, six investments into new businesses were completed. Sofina Growth acquired stakes in **DeHaat**, an agtech player offering end-to-end solutions and services to the farming community in India, **Lemonilo**, a fast-growing Indonesian brand focused on providing healthier food alternatives to Indonesian consumers, **Moody**, an avant-garde coloured contact lenses brand based in China specialising in natural-looking everyday wear, **Petkit**, a fast-growing pet care company in China, **Twin Health**, a company active both in India and the US which developed an AI-powered Whole Body Digital Twin™ that provides individualized nutrition, sleep, activity and breathing guidance to patients and their healthcare providers, for the reversal and prevention of multiple chronic metabolic diseases, and **ZhenGe Biotech**, a biologics contract development and manufacturing organisation based in China providing one-stop shop solutions to help customers develop and manufacture biologics from concept to commercialization.
- in Europe, four new investments were completed, being **Ankorstore**, a marketplace that connects brands and creators with shops all over Europe, **Oviva**, a personalised, app-based diet and lifestyle coaching to help people lead healthier and happier lives based in Switzerland, **SellerX**, a German company focused on building a portfolio of the next generation of brands that are essential for people's lives, and **Tessian**, an email security software company based in the United Kingdom.

Sofina Growth also participated to capital increases in our existing portfolio companies, such as **Cred**, **Gorillas**, **Hector Beverages**, **Mamaearth**, **MedGenome** and **ThoughtSpot**.

On the divestment side, Sofina executed a partial sale of its stake in **Pine Labs**, a provider of innovative IT solutions for the payments ecosystem, and where Sofina has been an investor since 2015.

Finally, during the last six months two of our portfolio companies went public. We would like to congratulate **Aohua** and **IHS Towers** for their recent IPOs.

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## ESG Commitments

To strengthen and further our ESG commitments, we are finalising **the review of the ESG performance of our portfolio companies** with the help of an external consultant and continued to assess the ESG performance of our new investment opportunities.

These exercises allowed us to identify areas of improvement in which the portfolio companies can act with the support of Sofina and to improve our decision making from an ESG perspective. The assessment of the ESG performance of our portfolio and target companies is performed in accordance with our [Sofina Responsible Investment Policy](#) and on the basis of the ESG framework, a tool developed internally.

The Board of Directors decided to set up an **ESG Board Committee** to further support, develop and monitor the implementation of our initiatives. The Committee will be headed by Anja Langenbucher and include Harold Boël, Nicolas Boël, Laura Cioli, and Charlotte Strömberg.

As noted in our previous newsletters, the **Sofina Covid Solidarity Fund**, a €20+ million fund launched in June 2020 to address the adverse consequences of the global Covid-19 pandemic in Healthcare and Education has been fully allocated. In the second half of 2021, the team has kept in contact with the organisations that the Fund is supporting to monitor its contributions. Moreover the Fund finalised support agreements with two projects in India.

The first one, **Swasth** (Hindi word for “healthy”), is a non-profit collective of 100+ organizations which are building open-source digital health technologies and standards for public good in India. The platform supports the public effort of building the National Digital Health Mission, a digital health ecosystem, in bringing private health care ecosystem into the NDHM open interoperable network. The second one, **Trust Circle**, is an AI driven solution that focuses on prevention and early response to mental health particularly in children and young adults in India. It aims at enabling resilience through simple 3 minutes self-reflection, supported by a wider suite of journaling, visibility, assessment and response tools.

Members of the team have also volunteered with various organisations, such as **Maison’Elle**, which offers temporary accommodation, a safe environment, educational and social support, and access to activities to help women in difficulty build their skills and resources, **equi-Libres**, a non-profit association focused on helping people suffering from various psychiatric or psychological troubles through equitherapy and nature re-connection, **Une Main Tendue**, which helps households living in precarious situation, the **Cuistots Solidaires**, which aims at feeding daily more than 300 refugees, and **Le Home Saint Joseph**, a nursing home in the Marolles run by the congregation of **Les Petites Soeurs des Pauvres**. Collectively, the team spent a total of **568 hours** volunteering with various non-profit organisations over the year 2021, individually or in groups, by giving time, expertise and good will (refurbishing work, clothes & shoes collection, infrastructure & operational work, food preparation and services, etc.).

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## They recently joined Sofina

Sofina strengthened its teams in Singapore, Luxembourg and Brussels. We are pleased to welcome:

**Iason Bance** | Investment Associate

- Based in Singapore
- Previously at Alliance Bernstein in Hong Kong
- Graduated from Peking University (M Finance), Tsinghua University (MSc Mechanical Engineering), and Delft University of Technology (BSc Aerospace Engineering)

**Caroline De Wit** | Investment Associate

- Based in Brussels
- Previously at Cobepa, 3D Investors and We are Jane
- Graduated from Vlerick Business School (Master in Financial Management) and Katholieke Universiteit Leuven (Master in Business Administration)

**Constantin Jamar** | Investment Associate

- Based in Luxembourg
- Previously at Argos Wityu and Cube Infrastructure Managers
- Graduated from Louvain School of Management (MSc in Capital Markets) and Vlerick Business School (MSc in Financial Management)

**Kaylee Lawcock** | Investment Associate

- Based in Luxembourg
- Previously at Credit Suisse (Consumer & Retail Investment Banking)
- Graduated from HEC Paris (Master in Management) and Tufts University (BA Economics)

**Yanjing Shi** | Investment Associate

- Based in Brussels
- Previously at KPMG (Transaction Services) and Euronext (M&A)
- Graduated from ESCP Europe (Master in Management) and Tongji University (Master in Finance)

23 March 2022	5 May 2022	July 2022	6 September 2022	January 2023
Annual Report 2021	Annual General Meeting of Shareholders	<i>Sofina Newsletter #10</i>	Half-year financial report 2022	<i>Sofina Newsletter #11</i>

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We invite you to carefully read this 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.

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