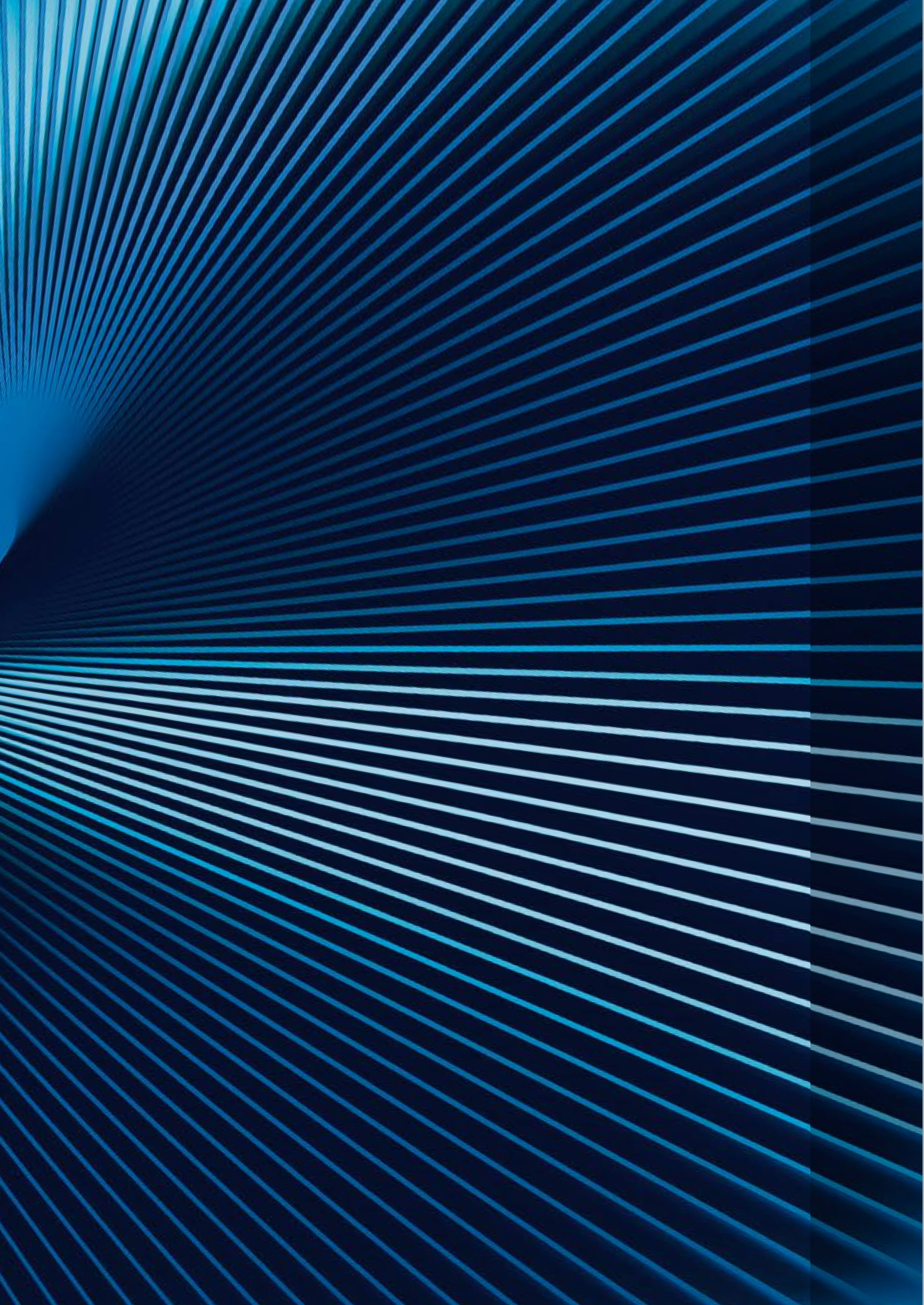
Annual Report 2023

# Partnering to build responsible prosperity for the long term

COBEPA



# Contents

# Who We Are

## Cobepa is an independent, privately held investment company with offices in Brussels, Munich and New York. Established in 1957, we are a well-recognized private equity investor, with over €4.7 bn Net Asset Value

Our success to date is built on the rigor and excellence of our international investment team, and its capacity to invest in solid and growing businesses. Thanks to its permanent capital base, Cobepa can accompany and support its investee companies with a flexible investment horizon.

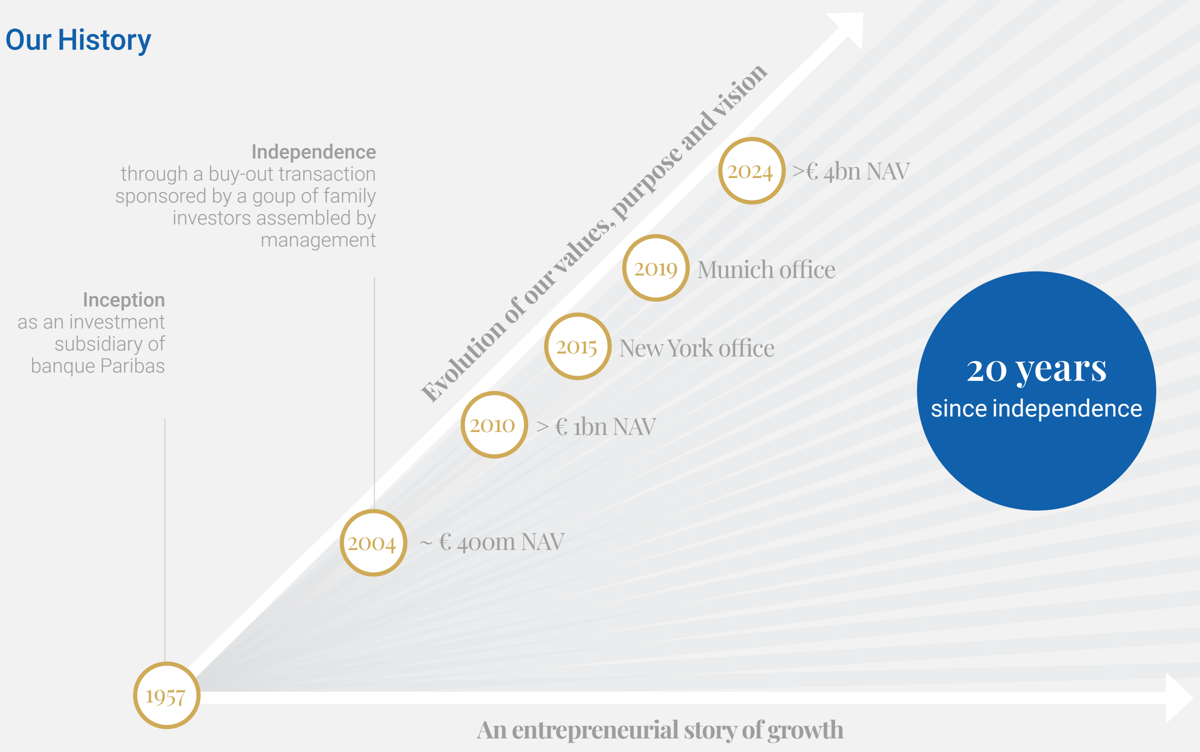
In cooperation with the management team of our portfolio companies and in partnership with our co-investors, we aim to enhance the growth perspectives of our investments as well as the sustainability of their business model.

Cobepa's business model consists in generating a growing and stable flow of dividends to its ultimate shareholders with capital gains generated by divestments being reinvested.

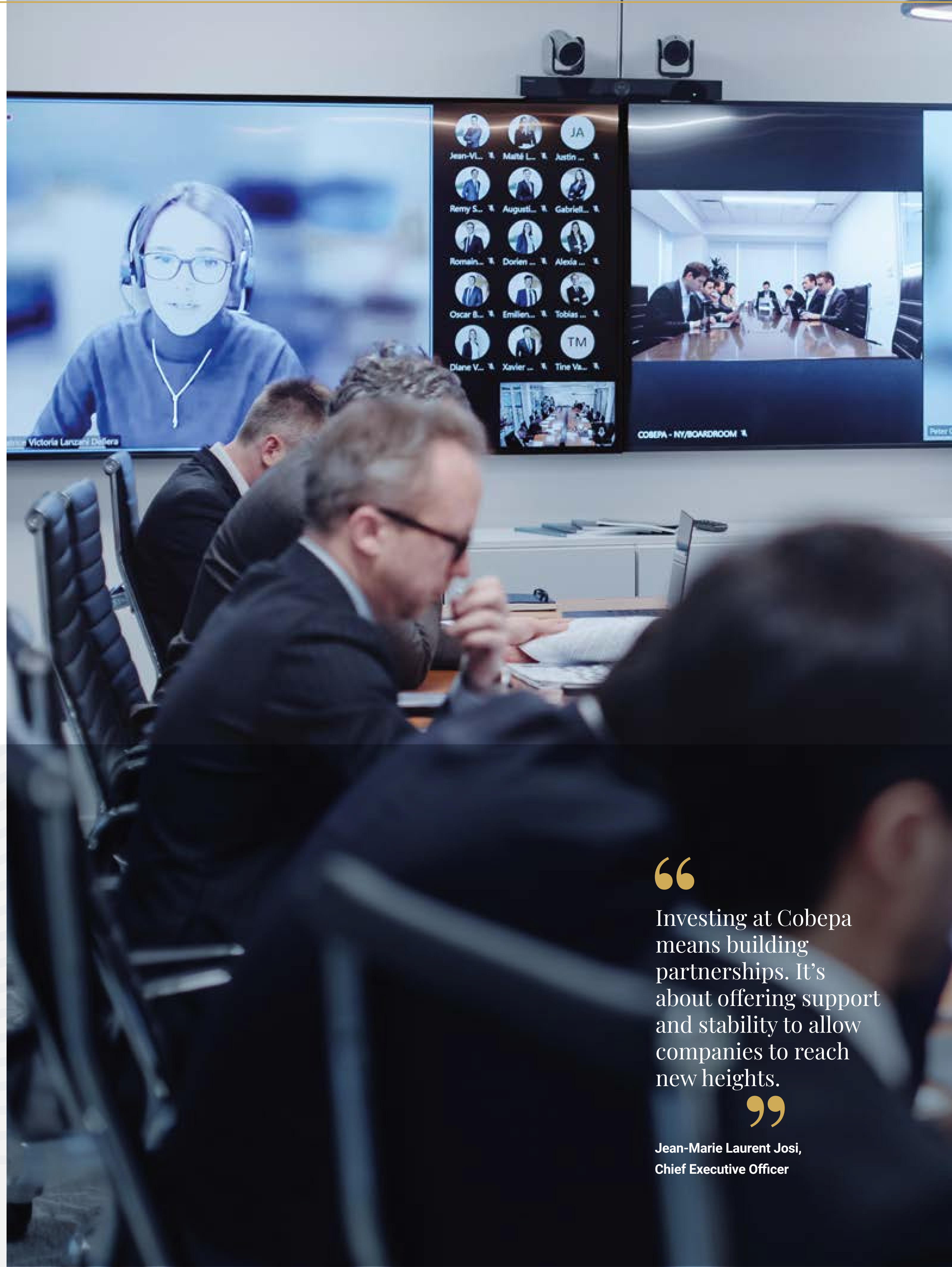
In developing its investment activity, Cobepa remains committed to the values of trust, respect for people, acting with integrity, and transparency.

Cobepa is built on a long, entrepreneurial history dating back 65 years. Our commitment to excellence has enabled us to grow our Net Asset Value tenfold in the last 20 years - a remarkable statement about our dynamic growth and powerful teamwork.

### Our History





“Investing at Cobepa means building partnerships. It's about offering support and stability to allow companies to reach new heights.”

**Jean-Marie Laurent Josi, Chief Executive Officer**

# Our Purpose

A purpose defines the overarching reason why we exist as a company. It serves as a guiding principles that shapes our corporate culture, promotes our values, informs our actions and decisions.

Our purpose conveys our strong family heritage and encapsulates our dedication to foster partnerships, build trust and offer stability to help businesses grow responsibly and for the long term.

We engage closely ('hands-with') with management and provide incisive insights to transform businesses and their industries.

We are active, dynamic investors who solidify companies' strong foundations, ambitions and goals.

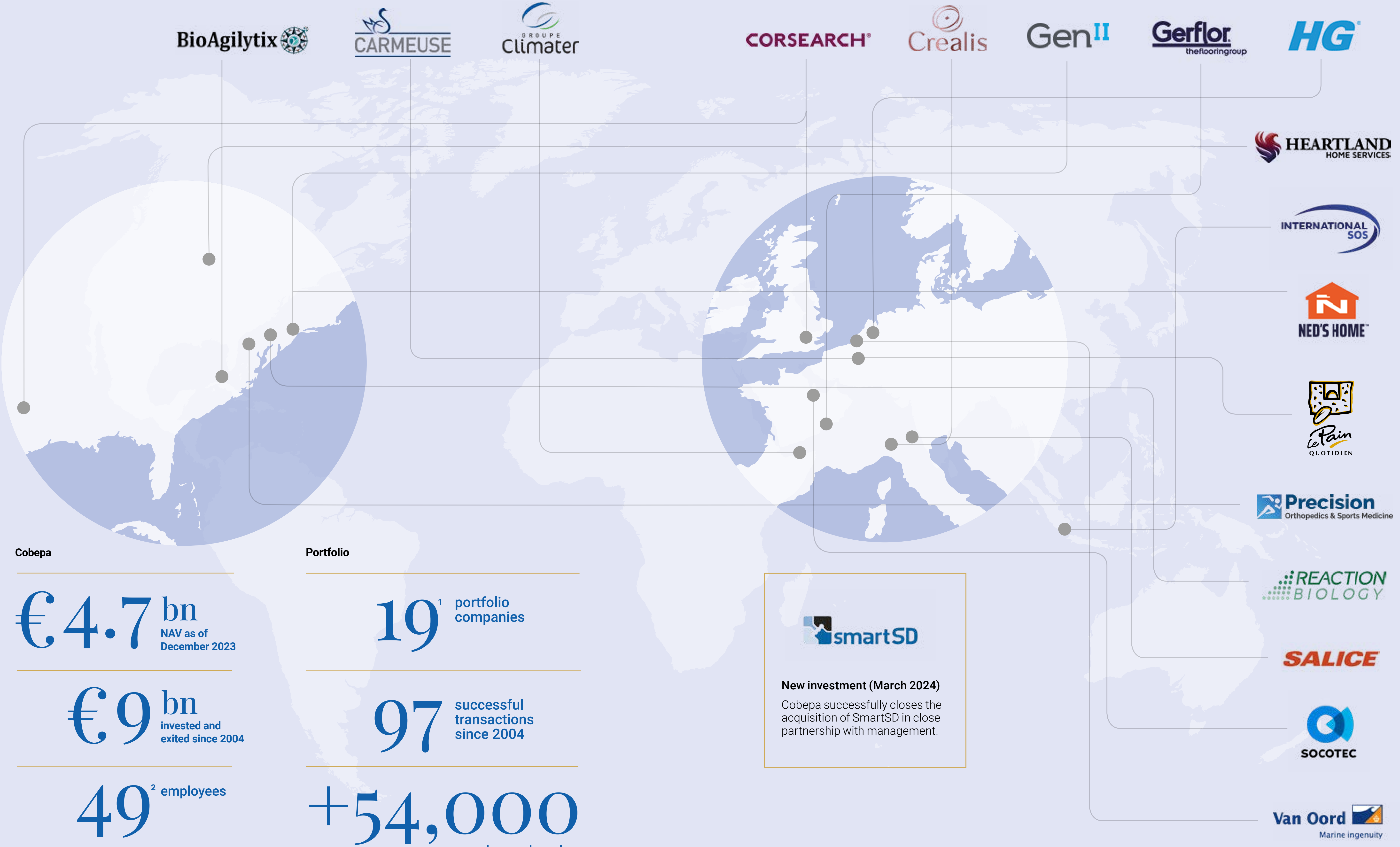
We offer a platform for growth, development, success, welfare and stability that permeates across businesses, industries and society.

Backed by families, we are mindful and thoughtful investors offering trust and security to make balanced decisions for sustainable growth and innovation.

We think in long term goals and growth, and we want to have a lasting impact on companies we invest in.



# At a Glance




**Cobepa**

€4.7 bn NAV as of December 2023

€9 bn invested and exited since 2004

49[2] employees

**Portfolio**

19[1] portfolio companies

97 successful transactions since 2004

+54,000 people employed across portfolio

smartSD

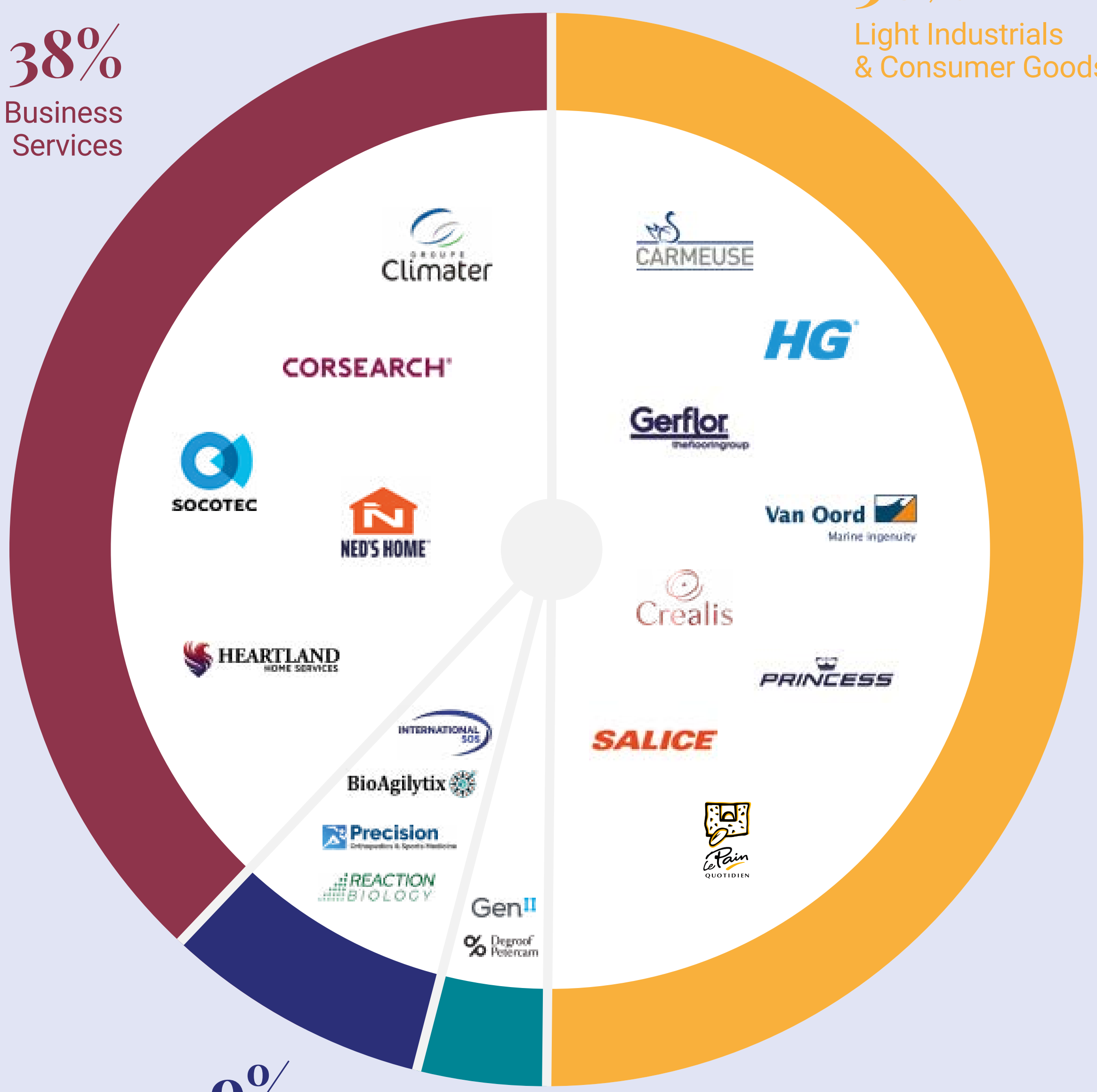
**New investment (March 2024)**

Cobepa successfully closes the acquisition of SmartSD in close partnership with management.

1 We count 19 portfolio companies in total, including Princess Yachts. Given our minority stake, we have chosen not to display it in our portfolio overview and sector breakdown on p8.

2 As of April 2024

# Portfolio Overview & Sector Breakdown






# Cobepa's Key Figures

## Key figures

| In million € | 2004 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Net Asset Value | 527.5 | 1,296.3 | 1,551.3 | 1,662.1 | 1,813.1 | 1,963.5 | 2,135.7 | 2,609.5 | 2,733.3 | 2,839.9 | 4,200.7 | 4,404.9 | **4,719.7** |
| Normalised net current earnings* | 6.1 | 29.5 | 29.0 | 41.1 | 42.4 | 45.6 | 46.3 | 45.2 | 50.9 | 41.6 | 45.2 | 38.8 | **70.6** |
| Net earnings* | 22.8 | 51.2 | 64.0 | 83.3 | 57.3 | 206.6 | 199.2 | 261.8 | 115.4 | 190.7 | 922.6 | 505.5 | **20.6** |
| Gross dividend | - | 29.5 | 31.2 | 31.2 | 31.3 | 36.3 | 39.5 | 51.0 | 53.5 | 53.5 | 60.5 | 74.6 | **82.2** |

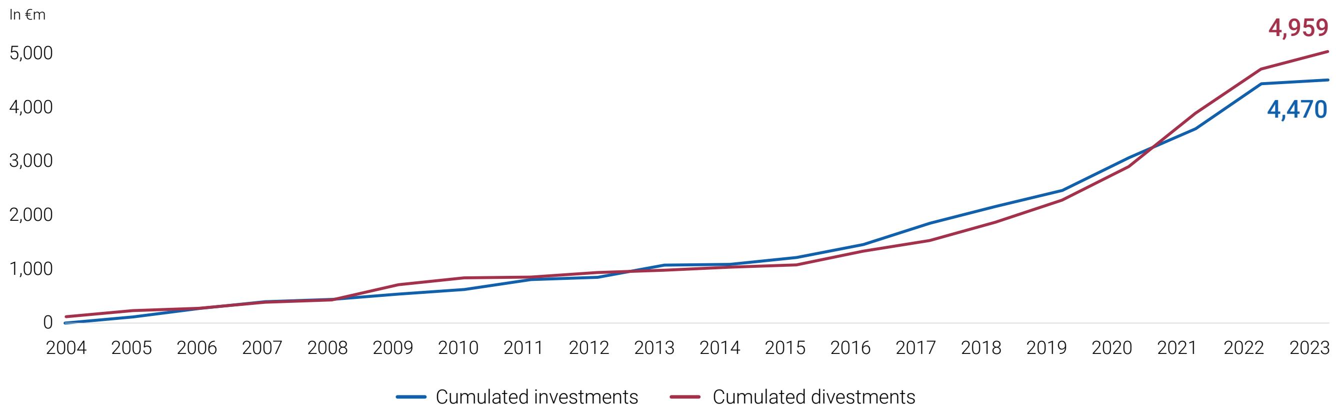
* Restricted consolidated results, Group's share.

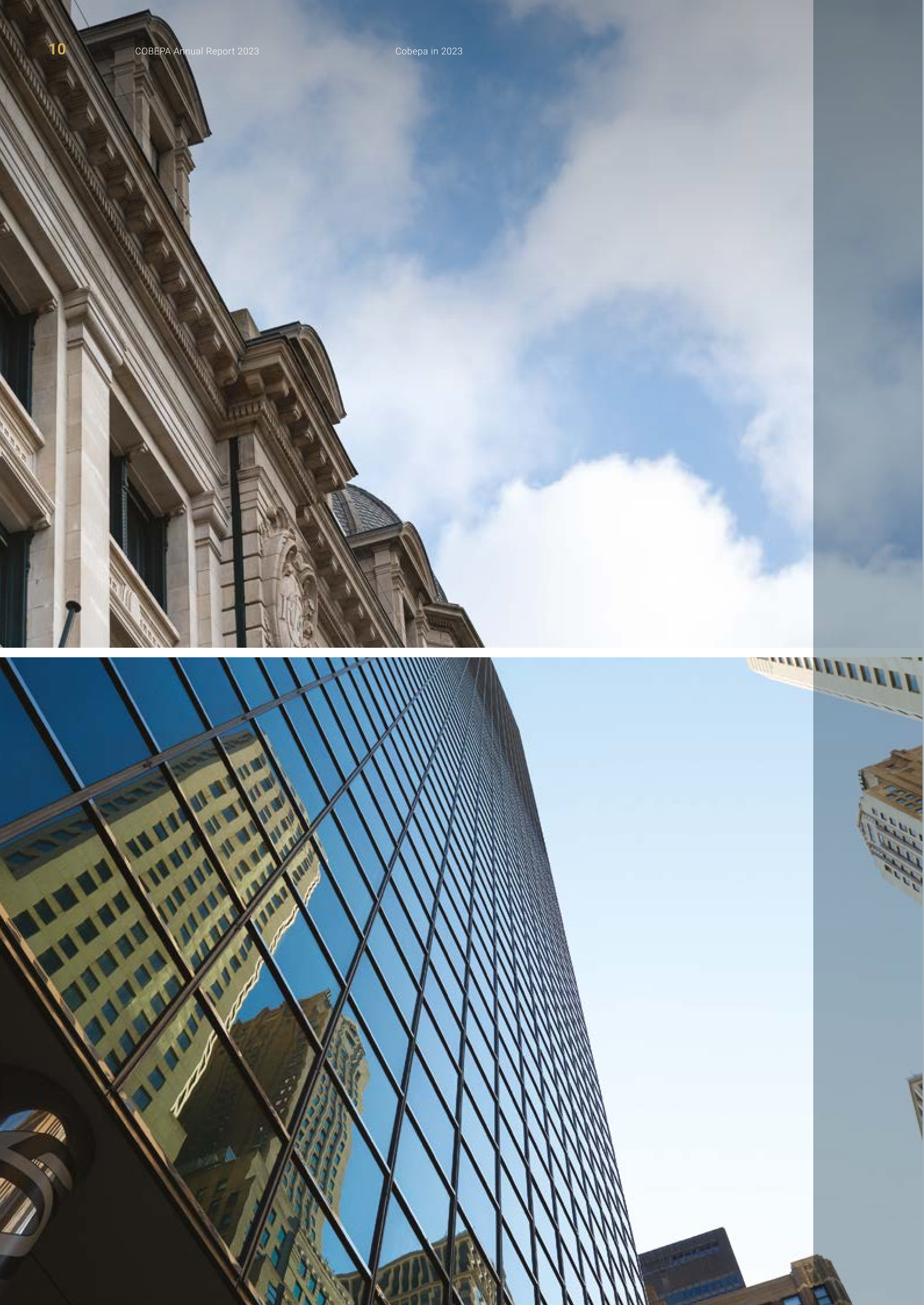
## Key figures per share

| In € | 2004 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Number of shares (in million) | 17.3 | 20.5 | 24.4 | 24.4 | 24.4 | 24.4 | 24.4 | 27.1 | 27.1 | 27.1 | 27.1 | 27.1 | **27.1** |
| Diluted Net Asset Value*1 | 28.47 | 60.58 | 62.61 | 67.08 | 73.18 | 79.24 | 86.22 | 96.15 | 100.71 | 104.63 | 154.77 | 162.3 | **173.89** |
| Normalised net current earnings*1 | 0.33 | 1.38 | 1.17 | 1.66 | 1.71 | 1.84 | 1.87 | 1.67 | 1.87 | 1.53 | 1.66 | 1.43 | **2.60** |
| Net earnings*1 | 1.23 | 2.39 | 2.58 | 3.36 | 2.31 | 8.34 | 8.04 | 9.65 | 4.24 | 7.06 | 33.99 | 18.62 | **0.76** |
| 1 Dilution factor | 93.4% | 95.7% | 98.5% | 98.5% | 98.5% | 98.5% | 98.5% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | **100.0%** |

* Restricted consolidated results, Group's share.

## Portfolio activity on a cumulative basis









# Cobepa in 2023

# Message to our Shareholders

## It was 20 years ago.

## In April 2004, a group of investors decided to buy Cobepa from BNP Paribas and support Cobepa's management. All of these shareholders were, and still are, families wishing to diversify their assets into private equity, but in a way that gives them greater proximity and connection to portfolio companies than an investment in more traditional 'blind pool' private equity funds.

Cobepa, for its part, chose to structure itself to provide the same execution and value-added capabilities as premier private equity funds. Our business model originated at the intersection of private equity funds and family offices, with the advantages of both, but without their limitations. Access to permanent capital allows Cobepa a more flexible investment horizon, although flexible doesn't mean without end. Lengthening a portfolio company investment period for optimizing value creation makes sense only if owners and management adopt an entrepreneurial mindset/approach, develop and execute a sound growth strategy that is truly independent of PE fundraising cycles and capitalize on stable ownership to compound wins year-by-year.

### Proud of the past, focused on the future

In recent years, this unique business model has become increasingly relevant. Some private equity funds have recognized this and, from time to time, seek to provide the same flexibility for their investment holding period by establishing dedicated follow-on funds.

We would like to thank our shareholders for their continued support. They have made these first 20 years possible, providing Cobepa with financial resources, stability and, above all, trust. In return, we have been pleased to offer them consistent value creation and dividends. Over the last 20 years, Cobepa's value has multiplied by 10.1x and dividends have returned 148 % of the initial investment made by our shareholders in 2004.

With the success of the last 20 years, Cobepa deserves to prepare for the next 20 years!

However, the future is always front of mind at Cobepa.

We have continued to strengthen our team and our skills in order to implement our strategy with energy and determination. To be clear, we do not expect fundamental changes to our strategy in the foreseeable future:

- Our focus will remain on private equity investments and we will not enter new asset classes.
- We will continue to invest in Europe and the US and do not intend to enter other regions directly in the short term.
- Equally important, while our purpose and values may be strengthened and clarified over time, they will not make us fundamentally different from what we are today and were yesterday: we will continue to act as thoughtful entrepreneurs to invest in leading businesses and support management teams to drive strong risk adjusted returns; in doing so, we will avoiding the strategy of many, evolving into an asset management model.

While our strategy and values will remain fundamentally unchanged, the way we do business will continue to evolve. Indeed, private equity returns are no longer fueled by low or even negative interest rates. As we have previously stated, private equity players who fail to adjust their valuation criteria and appetite for financial leverage will see deterioration in their risk-adjusted returns. While at times painful, it is essential to have a clear understanding of where our risk appetite starts and stops in order to continue to deliver the same consistent returns as in the past.

### Growth powered by people

Our disciplined approach is our North Star, but it is insufficient to take us to new heights. Indeed, being disciplined is always relative to what you know. The greater the expertise and competence of our team, the better we can assess risks. This aspect is fundamental because there is no investment opportunity without risk. That is why we must continue to develop and grow our talented team. Ultimately, our future growth will depend on our people... and a bit of luck.

Higher interest rates and some volatility in prices - after the high inflation period of 2022 - and volumes - due to the destocking effect or normalization of the business after the Covid years - have put pressure on the financial results and valuation multiples of some sectors and companies. We have remained reasonably cautious in our valuation approach by incorporating these effects, even if they may be temporary. In spite of this, Cobepa will generate a healthy return of 8.8% in 2023, resulting in a net asset value of €4,719.7 million, thanks to the solid performance of all our main investments. The dividend paid to our ultimate shareholders will follow the same trend, increasing by 6.35%.

Our consolidated net current income in 2023 will be 31.8 million higher compared with 2022. This positive trend is explained by the higher dividend from our portfolio, but also by the results achieved in treasury management.

Once again, we would like to express our sincere thanks to all the members of the Cobepa team for their commitment and dedication to preparing our journey for the next 20 years.

**Jean-Marie Laurent Josi**
*Chief Executive Officer*

**François Henrot**
*Chairman*

April 2024



**10.1x** NAV value increase since 2004

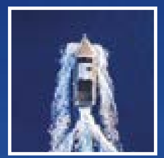
**148%** Dividend return since 2004

"We would like to thank our shareholders for their continued support. They have made these first 20 years possible, providing Cobepa with financial resources, stability, and above all, trust."

# Key Events 2023

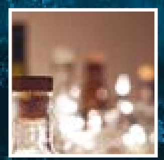
## FEB

Climater acquires Canadian Group "GR", establishing a strategic, international presence in Québec, Canada. This transaction is serving as a platform for further expansion in the Canadian market, solidified by the acquisition of Aéro Mécanique Turcotte in October 2023.

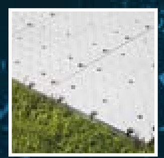


KPS Capital Partners announces it acquires a controlling ownership of Princess Yachts. Cobepa remains a minority shareholder.

## MAR



Crealis closes three acquisitions in Portugal, establishing a new industrial hub and broadening its product range with the addition of natural cork products.



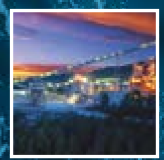
Gerflor acquires SnapLock, enhancing its high-value solutions in sports and events flooring and expanding its US footprint.

## APR

Cobepa publishes its first ESG report for its shareholders.

## MAY

BioAgilytix inaugurates laboratory facilities in Hamburg, Germany, serving as the company's European headquarters.

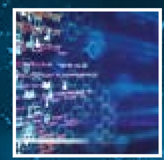


Carmeuse announces it is selected by the US Department of Energy for a Preliminary Front End Engineering and Design (pre-FEED) study on an advanced carbon capture system in Butler, Kentucky. The project aims to capture over 400,000 metric tonnes of $CO_2$ annually from lime manufacturing to safely inject for long term sequestration.

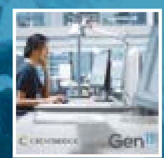
## JUN

Cobepa launches its first employee engagement survey in the EU and US offices.

## JUL



Cobepa completes the sale of Scalian to Wendel for an Enterprise Value of €965m.



Gen II announces the acquisition of Crestbridge, a leading European provider of private capital fund administration solutions, expanding its global footprint and increasing Gen II's assets under administration to more than $1 trillion.

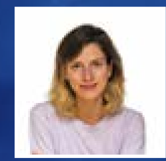
## AUG

Cobepa and a group of shareholders sign an agreement with a view to jointly selling majority of Degroof Petercam's shares to Indosuez Wealth Management.

## SEP

HG opens the HG Innovation Lab, a new state-of-the-art laboratory to develop innovative & sustainable products to meet clients' evolving needs.

## OCT



Cobepa welcomes Johanna Haerens as ESG Advisor to better support its ESG efforts both at company and portfolio-level.

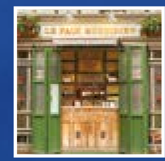
## NOV

Socotec completes strategic acquisitions in the UK (IETG, 40Seven, Hutton + Rostron) and the US (SLS Consulting) enhancing and expanding its service offerings into to fire safety, land and utility surveying and building control.


Van Oord participates to COP28 in Dubai, UAE applying their expertise and solutions in climate adaptation, biodiversity enhance and energy transition. It is third consecutive year Van Oord attends the COP.

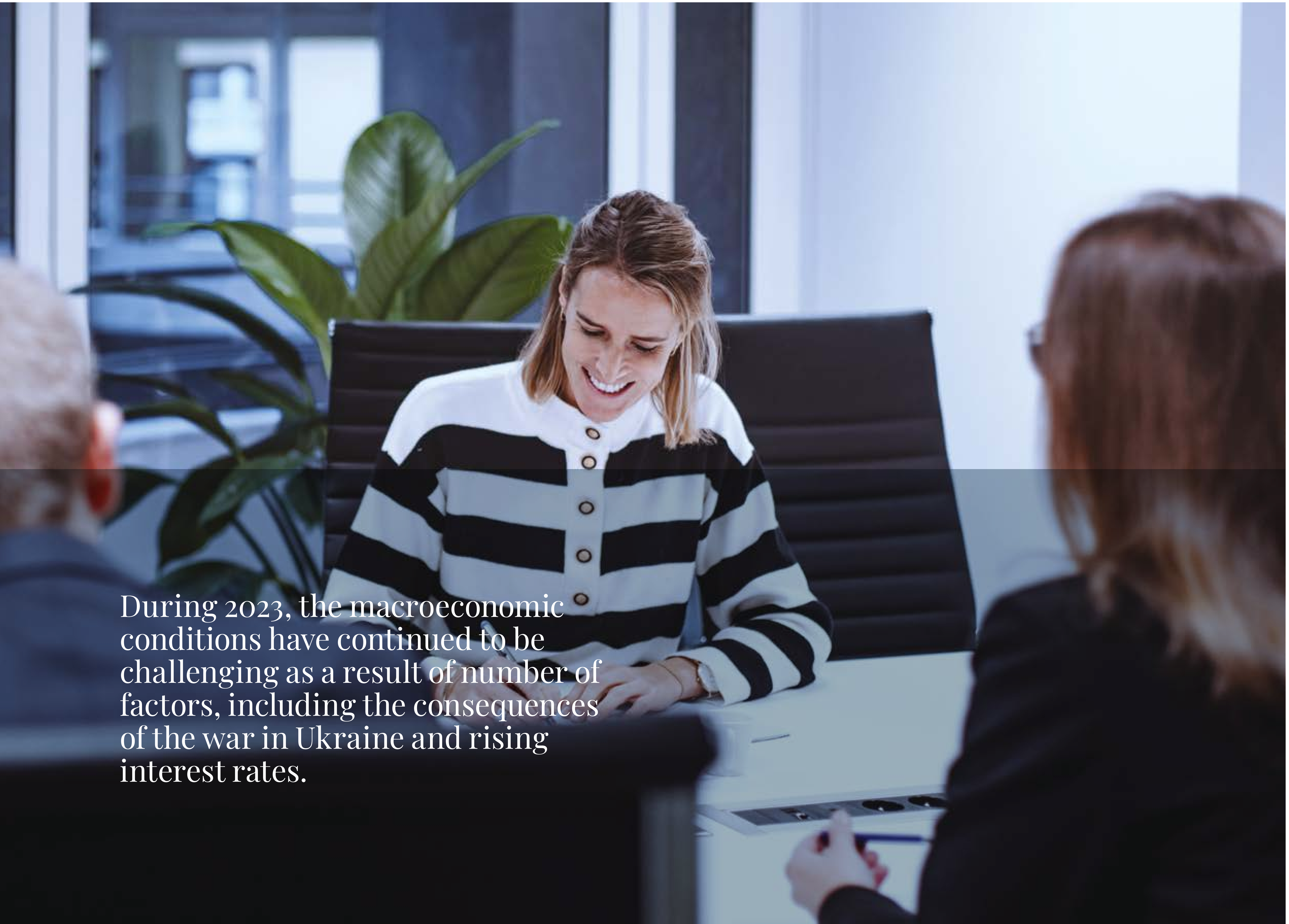
## DEC

Andrew Hollod, Managing Director at Cobepa's NYC office, joins the Executive Committee.



Le Pain Quotidien opens a store in Greece, making it the fourth new market entrance in 2023 following openings in Luxembourg, Urugay and Morocco.

# Management Report



During 2023, the macroeconomic conditions have continued to be challenging as a result of number of factors, including the consequences of the war in Ukraine and rising interest rates.

Despite falling faster than expected in some regions, global headline inflation remained high and is expected to only further fall from 6.8% in 2023 to 5.8% in 2024. Faster disinflation is expected in advanced economies, where inflation should fall from 4.6% in 2023 to 2.6% in 2024[1].

Elevated central bank policy rates to fight inflation, a withdrawal of fiscal support amid high debt weighing on economic activity and low underlying productivity growth are expected to weigh on growth in 2024. According to the projections of the International Monetary Fund (IMF), global growth, estimated at 3.1% in 2023, is projected to remain at the same level in 2024 before rising modestly to 3.2 percent in 2025, therefore remaining well below the historical (2000-29) average of 3.8%, despite the stronger than excepted growth in the second half of 2023 notably in the US and in several major emerging market and developing economies and despite the fiscal support in China. These forecasts are based on the assumption that, apart from interest rates, fuel and non-fuel commodity prices will decline in 2024 and 2025.

Also according to the IMF, the 2024 growth projections for the euro zone, the US and China are as follows:

- Growth in the euro area is projected to recover from its low rate of an estimated 0.5% in 2023, which reflected relatively high exposure to the war in Ukraine, to 0.9% in 2024 and 1.7% in 2025. Stronger household consumption as the effects of the shock to energy prices subside and inflation falls, supporting real income growth, is expected to drive the recovery.
- In the United States, growth is projected to fall from 2.5% in 2023 to 2.1% in 2024 and 1.7% in 2025, with the lagged effects of monetary policy tightening, gradual fiscal tightening, and a softening in labor markets slowing aggregate demand.
- Growth in China is projected at 4.6% in 2024 and 4.1 percent in 2025, with an upward revision of 0.4% point for 2024 since the last projections. The upgrade reflects carryover from stronger-than expected growth in 2023 and increased government spending on capacity building against natural disasters.

The results of the Cobepa Group and its portfolio companies should be assessed in this complex economic environment.

The various investments and divestments that have taken place in 2023 have led the Cobepa Group to generate EUR 237.36 million in cash and a capital result net of impairments of EUR -41.39 million in 2023.

Throughout the past ten years, the Cobepa Group measured the performance of the past financial year via two indicators.

[1] World economic outlook update, January 2024, International Monetary Fund.

The first indicator is the current net consolidated result which is obtained by deducting from the net result any non-recurrent items as well as the capital gains and losses.

The current net consolidated result amounts to EUR 70.59 million for 2023 (EUR 69.59 million after the allocation of EUR 1.0 million as profit premium) - compared to EUR 38.8 million in 2022, i.e. an increase of 79.3%.

The current net consolidated result is derived from the dividends and interest income less the operating charges. The strong growth achieved in 2023 is mainly due to the increase in interests on bank investments. Dividends received from portfolio companies amount to EUR 53.79 million and interests revenue amount to EUR 7.49 million. Compared to 2022, dividends received from portfolio companies and interest revenue have increased by 1.92%.

This current net consolidated result constitutes the first revenue source to ensure the payment of the dividend.

The second source comes from the capital gains realized on the divestments detailed below which amount to EUR 207.43 million in 2023.

In total, the net restricted consolidated result amounts to EUR 19.65 million, compared to EUR 504.46 million in 2022.

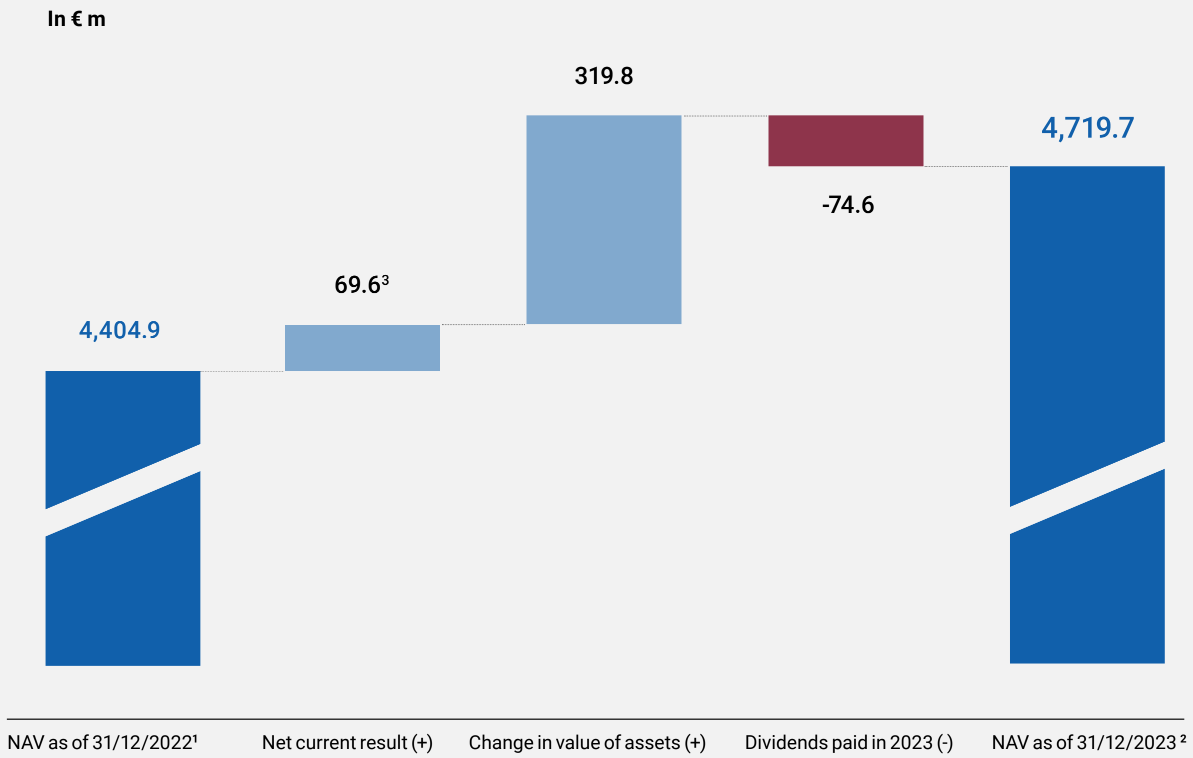
Following the transactions realised in 2023 and after payment of the dividend, the net treasury position of the Cobepa Group increased from EUR 636.13 million at the beginning of the financial year to EUR 857.83 million on 31 December 2023.

The second key indicator used by the Cobepa Group for measuring the performance realised over the past financial year is the evolution of the Net Asset Value (NAV) increased by the dividend paid. The NAV is not audited but is evaluated according to a constant and prudent methodology which is validated by the Audit Committee.

On 31 December 2023, the NAV amounts to EUR 4,719.7 million, i.e. an increase of 8.8% year-on-year, including dividend. This percentage reflects the overall return realised by our portfolio in 2023, also taking into account our net cash position. Although lower than our long-term objectives, this growth nevertheless reflects a good performance of our investment portfolio, which is outperforming the investment portfolios of many of our peers in a market which has been particularly challenging for private equity. Private equity as an asset class has ended the year underperforming compared to the return achieved by the financial markets, which are catching up after recovering from their significant negative result in 2022.

As per 31 December 2023, the financial fixed assets in the consolidated accounts amount to EUR 2,479.5 million, compared to EUR 2,776.3 million as per 31 December 2022. This evolution results from the investments and divestments completed in 2023 as well as from the write-downs and write-backs enacted in 2023.

As a reminder, Cobepa SA's accounts are drawn up in Belgian GAAP, which means that the accounts do not reflect the underlying market value of the portfolio companies of Cobepa SA, except in those cases where the market value is deemed to be, on a permanent basis, equal to or lower than the initial acquisition price.




[1] Before dividend payment in May 2023.
[2] Before dividend payment in May 2024.
[3] After allocation of EUR 1.0 million as profit premium.



# Transactions during the year

The investment team of the Cobepa Group analysed rigorously a large number of investment files based on the principles detailed below in the Investment Philosophy and Risks sections. This team consisted of 29 persons at the end of 2023, among which the Chief Executive Officer.

## Investments

In 2023, Cobepa contributed an amount of around EUR 39.8 million to the capital of Gerflor and an amount of USD 21.9 million to the capital of Ned's Home, in the context of capital increase completed for an add-on (A1 Exterminators).

Cobepa has also made available a loan to BioAgilytix in the amount of around USD 6 million.

## Divestments

In March 2023, in the context of the acquisition of a controlling interest by KPS Capital Partners in the Princess Yachts group, Cobepa sold its minority stake (in consideration of an earn-out) and reinvested an amount of £2.7m in the Princess Yachts group.

Cobepa also sold its majority stake in the Scalian group in July 2023 to Wendel, for an amount of approximately EUR 293.4 million.

Cobepa has also entered into a share purchase agreement in August 2023 with Indosuez Wealth Management Group (Credit Agricole Group) in relation to the sale of its stake in Banque Degroof Petercam. This transaction is subject to regulatory approvals and is expected to take place in 2024.

# Fees paid to the Statutory Auditor

The fees paid to the Auditor for his audit work at Cobepa SA amount to EUR 12,768 per year (excluding VAT).

Fees paid by the Cobepa Group to the Auditor and to affiliated offices of the Auditor outside Belgium for audit work of consolidated subsidiaries amount to EUR 24,970 (excluding VAT).

Moreover, the Cobepa Group paid fees in an amount of EUR 417,319 (excluding VAT) to affiliated offices of the Auditor for fiscal assistance assignments.

Finally, fees related to other missions outside the audit mission performed by the Auditor and by companies with which the Auditor is related amount to EUR 867,934 (excluding VAT and disbursements) for the Cobepa Group.

# Shares policy

No shares, parts or certificates of the company have been acquired, neither by the company itself, nor by any person acting in his/her own name but on behalf of the company.

# Investment philosophy

Since its inception in 1957, the Cobepa Group constitutes for its shareholders an evergreen vehicle through which they diversify their assets by having access to long-term investments.

The investment philosophy of the Cobepa Group is built on a partnership culture in which the interests of managers, shareholders and stakeholders, including environmental considerations, are taken into account.

In 2022, Cobepa reaffirmed this philosophy by defining its "Purpose" as follows: "Partnering to build responsible prosperity for the long term".

Thus, this philosophy consists in accompanying companies, either as a majority shareholder or through a significant minority, with a twofold objective:

- to become a stable shareholder of these companies in order to allow them to put in place the conditions necessary to achieve responsible and sustainable growth; and
- to participate in the determination of their business strategy through active participation in the various decision-making bodies (excluding the bodies in charge of the daily management).

Through these objectives, the Cobepa Group aims to contribute to the development of its portfolio companies.

The economic model of the Cobepa Group consists in generating a flow of stable, growing dividends towards the shareholders of Cobehold SA and to re-invest most of the capital gains realised on disposals when the Cobepa Group believes it has fulfilled its role and objectives as a shareholder.

# Risks

The company bears no particular risks other than those that are related to the daily management of the company. The evolution of those risks is communicated twice a year to the Audit Committee.

The company is bearing the risks to which the Cobepa Group is exposed.

The risks to which the Cobepa Group is exposed reflect, to a large extent, the risks to which the companies in which the Cobepa Group has an interest are exposed.

The rigorous analysis of each investment and the diversification of the portfolio to which the Cobepa Group is mindful are likely to mitigate these risks.


On 31 December 2023, the Cobepa Group's portfolio consists of 19 investments. This portfolio is diversified between several sectors. The vast majority of the portfolio companies hold leading positions in their respective markets.

**Following an in-depth analysis of a potential investment, the Cobepa Group decides to proceed with the investment after analysing the following elements:**

- the existence of favourable market dynamics, including a deep and growing market(s), addressable adjacent markets and a favourable industry structure (resilient and/or recession-proof markets, capacity to pass through price increases, no major threat of substitution, adoption rate for the products/services is increasing/structural for the foreseeable future);
- the presence of sustainable competitive leadership, with sizeable and growing market shares, higher margins than the competition, high barriers to entry, technological edges, high customer satisfaction, a compelling ESG policy and approach, a clear business purpose, efficient talents management and a presence at the center of an ecosystem (stable or growing position in the overall value chain);
- a strong management and governance, with an adequately seasoned and calibrated management team, being deeply financially committed, the ability to hire and fire top management, and adequate governance ensuring;
- attractive economics: high cash conversion capacity (including M&A investments if included in returns), structural operating leverage, attractive deleveraging profile, ability to pay dividends/interest/fees after some years and a fast de-risking profile in terms of EBITDA multiple; and
- the existence of multiple and enforceable levers for accelerated growth and a multi-path exit strategy, including possible and credible acceleration of value creation, an equity story supported by multiple drivers that can be activated by the company itself and are not dependent on external factors over which the company has no control, and the presence of true strategic value leading to no dependency on one exit route and offering downside protection.

The vast majority of the realised investments meets these characteristics.



**Furthermore, the Cobepa Group always ensures that its investments are adequately protected:**

- the Cobepa Group ensures that a clear joint project, which will create value and comply with all stakeholders' interests, is outlined and accepted;
- the Cobepa Group recognizes the necessity for management to have a strategic view which is in the interest of all stakeholders. Accordingly, the Cobepa Group invests in companies whose existing management is solid and encourages the implementation of long-term incentive schemes for the top executives, thereby ensuring a partnership that is beneficial for allstakeholders;
- the Cobepa Group systematically requests a seat on the board of directors of companies in which it invests. Furthermore, it defines certain subjects as being "key matters" for which it reserves the right to influence decisions, in order to protect its investment, especially when the Cobepa Group is a minority shareholder;
- the Cobepa Group always ensures that a thorough and complete due diligence has been performed before investing; the Cobepa Group requires regular reporting from the companies in which it invests;
- the Cobepa Group concludes shareholders' agreements which provide for specific liquidity clauses; and
- the Cobepa Group requires an annual yield for growth capital investments.

**In addition, investments are continuously monitored through:**

- the exercise of one or more board positions in most of the portfolio companies;
- the participation of the director designated by the Cobepa Group in the audit committee and remuneration committee in most portfolio companies; and
- the internal analysis carried out by the team dedicated to monitoring each portfolio company.

This monitoring should allow for any issues to be detected at an early stage and for the appropriate measures to be taken rapidly.

## ESG

In 2023, Cobepa continued implementing its ESG approach and refining its processes, training and tools to analyze ESG considerations in future and current investments. This strategy is applied in the pre-investment phase and during the ownership phase of the portfolio company (see below).

Furthermore, in April 2023, Cobepa issued the first ESG Report to its shareholders, outlining Cobepa's ESG approach and how it engages with its portfolio companies on ESG. The strategic addition of an ESG Advisor in October 2023 further supported Cobepa staff members in understanding and applying the ESG approach.

### ESG in the pre-investment phase

This approach focuses on the evaluation of potential new investments according to their ESG practices. This strategy is based on the due diligence tool, developed in-house, which is designed to assess potential acquisitions on their ESG approach and how they integrate ESG into their business model. The findings of this tool are incorporated into investment memoranda, which are analyzed and discussed by the Investment Committee.

### ESG in the ownership phase

This phase focuses on the management of ESG risks and opportunities in the portfolio companies. The Cobepa Group has developed a reporting tool that has been submitted to the portfolio companies in order to collect data and information on their ESG strategy, policies and ambitions, as well as on their key performance indicators. The information collected provides a useful assessment of the key priorities and issues within the portfolio companies, which will help Cobepa to support them in the implementation of their ESG ambitions, where appropriate.

## Personnel

On 31 December 2023, the Cobepa Group employed 47 persons.

## Comments on the accounts

For the accounting period ending on 31 December 2023, Cobepa SA drew up statutory accounts and restricted consolidated accounts. The accounts cover a period of twelve months.

As the accounts of Cobepa SA are integrated in the accounts published by Cobehold SA, the Annual Shareholders' Meeting exempted Cobepa SA from drawing up and publishing consolidated accounts for the financial year 2023.

## Number of shares eligible for dividends

**27,141,169**

Ordinary shares

## Profit appropriation

**Profit available for distribution:**

Profit carried forward on 31 December 2022

**2,237,309,996.57 EUR**

Profit of the year to be appropriated

**77,743,889.44 EUR**

= Amount available for appropriation

**2,315,053,886.01 EUR**

**The above data are derived from Cobepa SA's statutory accounts.**

## Proposed dividend

The Board of Directors proposes to the Annual Shareholders' Meeting to distribute a gross dividend of EUR 82,237,742.07, i.e. a gross dividend of EUR 3.03 per share.

## Payment

The dividend will be paid in cash on 22 May 2024.

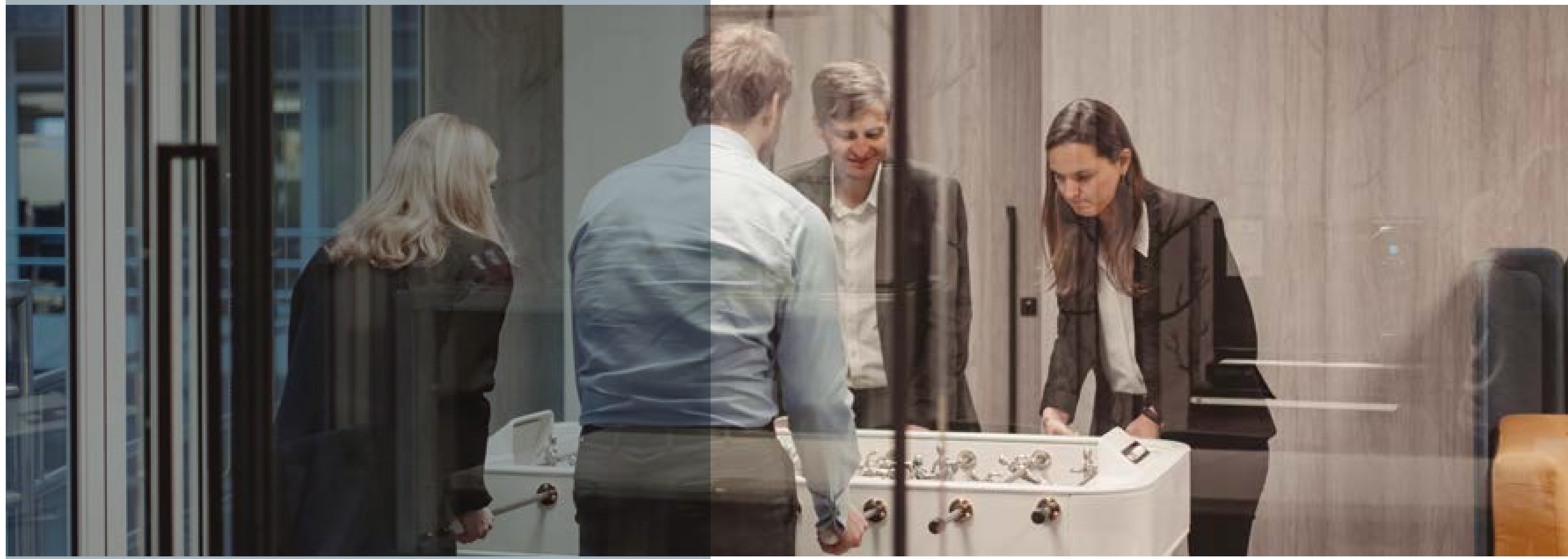
### Proposed dividend (EUR)

| PER SHARE | 2023 | 2022 |
|---|---|---|
| Gross dividend | 3.03 | 2.75 |
| Total gross distributed amount (€ million) | 82.24 | 74.64 |
| Number of existing shares | 27,141,169 | 27,141,169 |

### Profit appropriation (EUR)

| | 2023 | 2022 |
|---|---|---|
| **Profit available for appropriation** | | |
| Profit of the period available for appropriation | 77,743,889.44 | 357,817,580.86 |
| Profit carried forward of the previous period | 2,237,309,996.57 | 1,955,154,987.36 |
| **Total** | **2,315,053,886.01** | **2,312,972,568.22** |
| Appropriation to the legal reserve | 0.00 | 0.00 |
| Profit to be carried forward | 2,231,808,500.75 | 2,237,309,996.57 |
| Profit to be distributed | | |
| Dividends | 82,237,742.07 | 74,638,214.75 |
| Profit allocation | 1,007,643.19 | 1,024,356.90 |
| **TOTAL** | **2,315,053,886.01** | **2,312,972,568.22** |





## Post-closing events

On 26 January 2024, the Cobepa Group signed a share transfer agreement for the acquisition of a majority stake in SD 2 Holding B.V. (Smart SD Group). The European Commission's approval was obtained on 1 March 2024 and the transaction is expected to close on 28 March 2024.

There have been no other significant events since the closing of the accounts that might significantly affect the balance sheet and the income statement at 31 December 2023. There are no circumstances known to the management that could significantly impact the company's development.

## Other

The company has not undertaken any research and development activity.

The Directors indicate that no decision has been taken and no transaction has been decided upon that would

fall within the scope of article 7:96 of the Companies and Associations' Code.

The company does not have any branches.

The company uses derivative financial instruments to hedge the dollar risk.

During the financial year, the company did not acquire any rights or assume any obligations that materially affected the company's business, results and financial position.

# Decisions to be proposed to the shareholders by written resolutions

1. Examination of the management report of the Board of Directors relating to the financial year ending on 31 December 2023.
2. Examination of the Auditor's report relating to the financial year ending on 31 December 2023.
3. Examination and approval of the annual accounts relating to the financial year ending on 31 December 2023, showing a profit of EUR 77,743,889.44 and a total profit available for distribution of EUR 2,315,053,886.01.
4. Grant of a categorized profit premium.
5. Decision relating to the appropriation of the profit, as follows.

Legal reserve
€0.00

Profit carried forward
€2,231,808,500.75

Dividends
€82,237,742.07

Profit premium
€1,007,643.19

6. Discharge to the Directors in respect of their management and to the Auditor in respect of his audit assignment.
7. Exemption from drawing up consolidated financial statements and a management report on the consolidated financial statements.
8. Authority to carry out legal formalities.

**The Board of Directors**
20 March 2024

# Corporate Governance

## General principles

The principles of corporate governance aim to establish clear rules of operation and monitoring for companies and to verify whether their managers have the necessary means and capacity to manage the company for which they are responsible.

This management must be performed in the interests of the company and all the shareholders and with the aim of maximising the share value in the medium to long-term.

Cobepa is organized to abide by these essential principles. The same principles apply to Cobehold, the shareholder that holds directly and indirectly 100% of Cobepa and that brings together its ultimate shareholders. It is the role of Cobepa, as a professional shareholder, to ensure the enforcement of the principles of corporate governance in the companies of which it is a significant shareholder.

Transparency of information is an essential element of shareholding in today's world. That is the specific aim of this report. Up-to-date information is also always accessible on Cobepa's website (www.cobepa.com).

## Particular aspects relating to the company's organization

### Board of Directors

The composition and organization of the Board of Directors are governed by articles 9 to 15 of the articles of association of Cobepa.

The Board of Directors must consist of at least three members. The term of office of the Directors cannot exceed six years. Directors may be re-elected. The Board of Directors may duly deliberate and take a decision only if at least half of its members are present or represented, with at least two Directors being personally present. If provided in the convening notice, Directors may also deliberate by conference call. The Board of Directors may also take decisions in writing if they are adopted unanimously, except for any decisions which must be established by an authentic deed.

All decisions of the Board of Directors are taken by minimum an absolute majority of the voters.

The appointment of Directors and the renewal of their terms of office are conferred by a Shareholders' Meeting upon a proposal from the Board of Directors.

In addition to the Chairman, the Board of Directors is composed of 12 Directors of whom 11 are non-executive Directors related to the shareholders.

The Shareholders' Meeting cannot appoint more than half of the Directors from the candidates proposed by a single shareholder or one single group of shareholders.

Currently, the composition of the Board of Directors of Cobepa reflects that of the Board of Directors of Cobehold.

Pursuant to the company's internal rules, the age limit for Directors is set at 70 years. Exceptions are possible for a proportion that may not exceed one third of the total number of Directors of Cobepa.

The mandates of the Directors (including the Managing Director) and the Auditor expire at the Annual Shareholders' Meeting of 2025 (accounts 2024).

The Board of Directors meets whenever the interest of the company so requires and whenever two Directors so request. It deliberates on all matters within its legal competence, in particular the appointment of the Chief Executive Officer, the organization of the company's representation, the preparation of the annual accounts and the management report, the convening of Shareholders' Meetings and the drafting of the resolutions to be decided by the Shareholders' Meetings.

The decisions to make investments and divestments also fall within the competence of the Board of Directors.

The work of the Board of Directors is organized and systematically documented to allow it to monitor and supervise the day-to-day management and the development of the results, risks and value of the company.

The Auditor is invited to attend the meetings devoted to the half-yearly and annual accounts.

In 2023, the Board of Directors met six times.

### The Remuneration Committee

The Remuneration Committee is composed of Messrs Charles de Liedekerke (Chairman), Grégoire de Spoelberch, François Henrot and William Wyatt. The Chief Executive Officer attends the meetings of the Remuneration Committee for the part that does not concern him.

The Remuneration Committee makes recommendations to the Board of Directors on the following matters: fixed and variable remuneration of the Chief Executive Officer, terms and conditions of any long-term incentive plan granted to the Chief Executive Officer and the employees (both senior and junior). It also reviews the compensation proposals presented by the Chief Executive Officer for the employees.

The Remuneration Committee meets at least once a year. In 2023, the Remuneration Committee met once.

### The Audit Committee

The Audit Committee is composed of Messrs Charles de Liedekerke (Chairman), Olivier Davignon, Tom Leader (representing William Wyatt) and Martin Nuhn (representing Hubertus von Baumbach). It reviews the preparation of the accounts and the audit procedures and analyzes the risks facing the company.

Twice a year, the Audit Committee also determines Cobepa's Net Asset Value (NAV) and Cobepa's Estimated Transactional Value (ETV). The NAV and ETV are then submitted to the Board of Directors for approval.

In 2022, the methodology to calculate the NAV and the ETV (that was adopted in 2004) was slightly modified. The updated methodology was approved by the Board of Directors and was applied for the first time to calculate the NAV and the ETV as of 30 June 2022.

The methodology to assess Cobepa's NAV and ETV is based on the following key principles:

For the Net Asset Value:

The Net Asset Value of each investment will be estimated by applying the valuation methodology which appears the most adequate for assessing the Fair Market Value of the investment (i.e. the amount for which the investment should exchange on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after a proper marketing wherein the parties each acted knowledgeably, prudently and without compulsion).

- For quoted investments, the Net Asset Value is the stock price (average of closing price of the last 20 trading days preceding the date of the valuation).
- For unquoted investments, the generally accepted valuation methodologies can be used following a priority grid:
  - the acquisition price for investments having been acquired since less than 12 months, except in case of impairment. Additional investment in an existing investment (having been acquired since more than 12 months) will not be considered as a new investment;
  - value based on a predefined valuation formula agreed among the parties of a shareholder's agreement and used for assessing the value of the investment at exit or assessing the value in case of capital increases;
  - value of a relevant third-party transaction having taken place in the last 12 months before the date of the valuation;
  - value based on the entry multiples, which is revised at each exercise to progressively reach the anticipated exit multiples;
  - value based on market multiples (if relevant);
  - value based on the discounted cash flow; and
  - other valuation methodology.

For each investment, the retained valuation methodology will be applied as much as possible in a consistent way from one year to another.

For the Estimated Transactional Value:

To calculate the ETV, a discount will be applied to the NAV of each asset. The level of the discount depends upon the liquidity of the asset. Three categories of discount have been adopted: 5%, 15% and 25%.

In this report, we only mention the Net Asset Value of Cobepa. The Estimated Transactional Value is communicated only to our shareholders.

The Audit Committee meets at least twice a year. In 2023, the Audit Committee met two times. A meeting is valid only if at least half of the members are present.

### Day-to-day Management

Day-to-day management is entrusted to Jean-Marie Laurent Josi in his capacity as Chief Executive Officer.

## Relations with shareholders

The ultimate shareholders of Cobepa are the shareholders of Cobehold whose only significant asset is its direct and indirect holding in Cobepa.

Cobehold being an unlisted company, a mechanism has been put in place to ensure that all shareholders of Cobehold have regular access to quality information on the development of Cobepa and its investments.

In addition, the management of Cobepa informs the shareholders through the publication on its website, of significant events relating to Cobepa or its investments.

The Net Asset Value and the Estimated Transactional Value of Cobepa and Cobehold are communicated twice a year to the shareholders. This is communicated during two meetings, one of which coincides with the Annual Shareholders' Meeting of Cobehold. At these meetings, the shareholders receive information on the progress of the business and have the opportunity to ask questions about the situation of Cobepa or its investments. The accounts of Cobepa are approved by written resolutions of the shareholders.

The determination of the Estimated Transactional Value of Cobepa and Cobehold is also intended to facilitate the sale and purchase of Cobehold shares by its shareholders. To this end, a "trading round" is organized once a year among shareholders during which they may advertise, through Cobehold, their intention to sell or buy Cobehold shares.

This procedure is designed to facilitate the liquidity of the shares (without guaranteeing it). In 2023, one shareholder sold shares of Cobehold during the trading round organized after the Annual Shareholders' Meeting. A new trading round will take place following the Annual Shareholders' Meeting of 26 April 2024.

# Board of Directors

| | |
|---|---|
| **Chairman** | François Henrot |
| **Chief Executive Officer** | Jean-Marie Laurent Josi |
| **Directors** | Christophe d'Ansembourg<br>Saskia Bruysten<br>Olivier Davignon<br>Charles de Liedekerke[1]<br>Caroline de Spoelberch<br>Grégoire de Spoelberch<br>Olivier de Spoelberch<br>Hugo Ferreira<br>François Pauly<br>Hubertus von Baumbach<br>William Wyatt |

| | |
|---|---|
| **Audit Committee** | Charles de Liedekerke, Chairman<br>Olivier Davignon<br>Tom Leader[2]<br>Martin Nuhn[3] |
| **Remuneration Committee** | Charles de Liedekerke, Chairman<br>Grégoire de Spoelberch<br>François Henrot<br>William Wyatt |
| **Statutory Auditor** | PricewaterhouseCoopers<br>Réviseurs d'Entreprises SRL<br>represented by Romain Seffer |

The mandates of the Directors and the Auditor expire at the Annual Shareholders' Meeting of 2025 (accounts 2024).

[1] Representing Charisa SA
[2] Representing William Wyatt
[3] Representing Hubertus von Baumbach

# Our Team

## Executive Committee


Jean-Marie Laurent Josi
*Chief Executive Officer*


Peter Connolly
*Group Managing Director*


Aurélien Delavallée
*Managing Director*


Xavier de Walque
*Chief Financial Officer*


Felix Hauser
*Managing Director*


Andrew Hollod
*Managing Director*


Tom Matthijs
*Head of Legal & HR*

## Investment Committee


Konrad Grieger
*Director*



## Investment Team

Nicolas Beudin – *Principal, Europe*
Romain Boulanger – *Principal, Europe*
Oscar Bouscatel – *Associate, Europe*
William Bruschi – *Principal, USA*
Augustin Caprasse – *Senior Associate, Europe*
Alexia Decléty – *Associate, Europe*
Nate Edenfield – *Senior Associate, USA*
Steven Gitsin – *Associate, USA*
Sven Heylen – *Principal, USA*
Abraaz Khan – *Associate, USA*
Beatrice Victoria Lanzani Dellera – *Associate, Europe*
Lars Lapp – *Director, Europe*
Cory Lund – *Associate, USA*
Nesh Patel – *Senior Associate, USA*
Emilien Rougon – *Analyst, Europe*
Andrea Sartori – *Director, Europe*
Edward Sohn – *Director, USA*
Tine Van de Maele – *Senior Associate, Europe*
Filip Vanderschueren – *Director, Europe*
Cameron White – *Associate, USA*
Tobias Wurm – *Senior Associate, Europe*
Kristy Yeung – *Senior Associate, USA*

## Advisors

Johanna Haerens – *ESG Advisor*
Lorenzo Salieri – *Senior Advisor, Italy*

## Corporate Team

### Finance & Accounting

Fayzi Derven
Sylvain Fontaine
Jean-Victor Laurent
Laurent Ohn
Rémy Stamatiof[1]

### Legal Affairs

Gabrielle Viseur
Dorien Willemen

### IT

Sébastien Wouters

### Talent Management

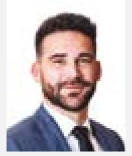
Diane Verhaegen

### Communication & Sustainability

Maïté Lefebvre

[1] CFO Cobepa North America

# New talents


*January 2023*
Sylvain Fontaine
*Accounting & Finance Specialist, Europe*


*May 2023*
Laurent Ohn
*Consolidation & Finance Manager, Europe*


*May 2023*
Rémy Stamatiof
*CFO Cobepa North America, USA*

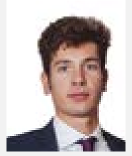
“As an evergreen investor, Cobepa is uniquely positioned to build long-term relationships and deliver growth in a demanding environment. It is an exciting privilege to be part of a hard-working team who contributes to develop our success story in the North American region as a trustworthy and high value-added partner to entrepreneurs and investors.”


*July 2023*
Cory Lund
*Associate, USA*


*August 2023*
Nate Edenfield
*Senior Associate, USA*


*October 2023*
Oscar Bouscatel
*Associate, Europe*


*October 2023*
Dorien Willemen
*Legal Counsel, Europe*


*October 2023*
Emilien Rougon
*Analyst, Europe*

“Joining the Cobepa team has been an enriching experience, filled with stimulating intellectual challenges and invaluable learning opportunities. I appreciate the great levels of support from the team and look forward to continuing to contribute to our collective success in fostering innovation and growth for and with leading companies.”


*November 2023*
Tine Van de Maele
*Senior Associate, Europe*

“As a new member to the investment team of Cobepa, it is great to be highly involved from the start in new investment opportunities as well as portfolio support. I'm grateful for the good learning opportunities, high variety and vibrant team environment. Embracing our entrepreneurial culture, I'm excited to contribute to driving long-term growth through a partnership-oriented approach with our portfolio companies and advisors.”



# ESG at Cobepa

# Our ESG Approach

## Our purpose of "partnering to build responsible prosperity for the long term", transcends across all operations including our ESG approach. We believe embracing ESG is about taking a broader, holistic view on a company's strategy and using ESG considerations as a critical lens to build businesses that are more resilient for the long term.

The responsible and effective ownership and management of a company can create benefits for all stakeholders: from employees to customers, suppliers to shareholders, and the wider community at large. Implementing best practice behaviours, mindset, culture and finally actions with respect to ESG factors contributes to both mitigating risks and capturing opportunities that enhance the long-term value of companies.

We see it as our responsibility as an investor to ensure that ESG is taken into consideration and have developed an approach that is deeply aligned with our purpose and philosophy.

Our **approach** to ESG as an investor translates into three main functions:

### ESG Integration:

We integrate ESG considerations across the deal cycle, leveraging ESG as a lens to identify risks and opportunities for businesses both in the due diligence and ownership phase using our various tools (see more on the tools we use on p37).

1

### ESG Evolution:

We understand, assess and support our companies in improving their ESG efforts, leveraging our influence at board-level, our in-house expertise and industry experience within the investment team.

2

### ESG Transparency:

We disclose our and our investments' ESG efforts to our shareholders.

3



# Our ESG Journey

November-December 2020
**Baseline assessment**
External audit of Cobepa's current approach to ESG

January-June 2021
**Formalization ESG approach**
- Definition ESG ambitions and actions
- Development ESG roadmap

August 2021
**Publication responsible investment policy**

From September 2021
**Implementation ESG approach pre-investment phase**

October 2021
**Training & launch due diligence tool**

From January 2022
**Implementation ESG approach in the ownership phase**

May-June 2022
**Training & launch reporting tool**

June-September 2022
**Kick-off & onboarding with portfolio companies**

September 2022
**ESG training investment team part 1**
(Theory)

November 2022
**ESG training investment team part 2**
(Business case)

November 2022
**Redefined purpose statement validated**

January 2023
**Establishment CSR working group**
Charged with developing CSR framework for social/environmental projects

January-March 2023
**Analysis results reporting tool**

April 2023
**Publication first ESG report**

May-September 2023
**Upgrade reporting tool**

October 2023
**Arrival ESG advisor**

December 2023
**Training on ESG legal landscape**

January-March 2024
**Development ESG hub**

April 2024
**Publication second ESG report**

December 2024
**Development ESG targets**

# Guiding Principles

Guiding us in our approach throughout the deal cycle are our three ESG dimensions. They give us the framework of what aspects of ESG should always be taken into consideration: ESG Compliance, ESG Awareness and ESG Opportunity.


The extent to which the company is currently **aware** of ESG and the (potential) positive impact (opportunities) and negative impact (risks) it has on its business and takes the necessary action accordingly.

The extent to which the company currently **controls** the **compliance aspects** of ESG (e.g., GDPR, non-discrimination, fraud, ethics and regulations).

The extent to which the company **integrates** ESG aspects in its business model **compared to its competitors.**

## Our ESG dimensions are aligned with the principle of materiality[1], determining which ESG areas present a risk or opportunity for a business based on their sector or activity.

For instance, for a manufacturing company, environmental materiality might focus on reducing pollution or improving energy efficiency, whereas for a financial institution, governance issues like anti-corruption measures might be more material.

Similarly, our ESG dimensions indicate what ESG aspects in a business are covered (compliance), integrated and managed (awareness) and/or leveraged as a business opportunity (opportunity). Reducing GHG emission can be an exercise of monitoring for a company in the services industry (ESG compliance), while it can present a business opportunity for a manufacturing company (ESG opportunity). This is not to say that GHG emissions are not relevant for business in the service industry, but rather that the impact they can have on this aspect is more limited than a company in the manufacturing or industrial industry.

ESG captures a wide range of underlying topics ranging from employee engagement and health, to anti-corruption and GHG emissions. Hence, these dimensions help us better understand where and how companies focus on certain ESG topics, most relevant to them.

More detail on our approach can be found in our Responsible Investment Policy, published on our website. It details the principles we strive to uphold and the processes we employ to incorporate these principles into our operations.

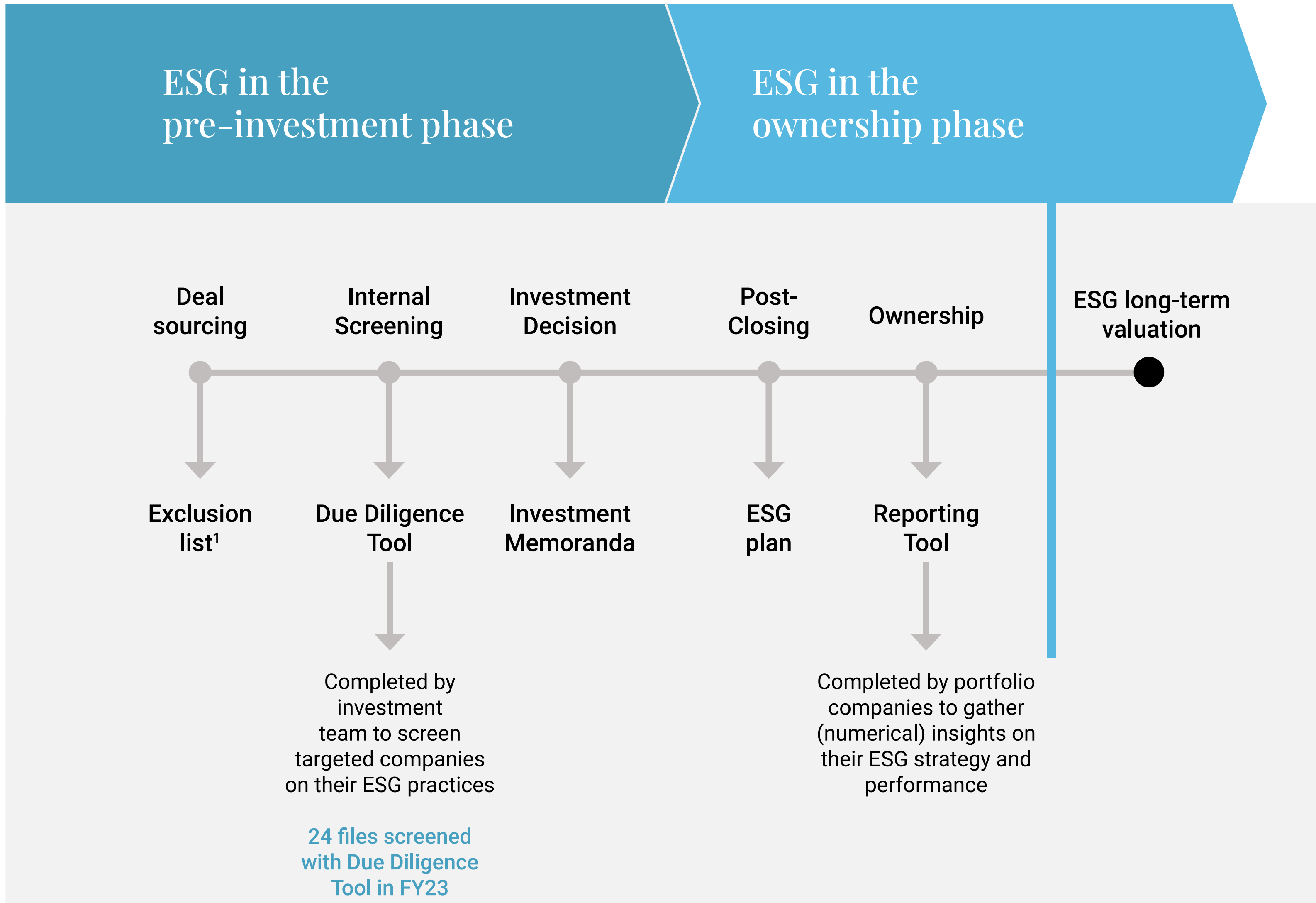
[1] See glossary for full definition.

[2] Exclusion list: the Cobepa Group excludes investments in companies that: - Have production or other activities that involve forced labour or child labour; - Manufacture, distribute or sell arms or ammunitions or are principally exposed to the defense industry; - Are principally engaged in the manufacturing of or trading in tobacco; - Manufacture or sell pornography; - Are principally engaged in activities related to gambling; - Of which the activities, products or services are deemed illegal under any applicable law, regulation or global convention in the relevant jurisdiction. - Of which the management teams' awareness and willingness to tackle ESG issues would be considered as too low or inadequate.



# Our ESG Tools

Supporting our ESG approach is our comprehensive set of tools, which are present throughout our investment cycle. From deal sourcing to exit, ESG considerations are closely analysed, monitored and challenged using different tools we developed in-house. During the process of developing these tools in-house, we gathered insights from industry experts and incorporated best practices where available.



# Our Governance

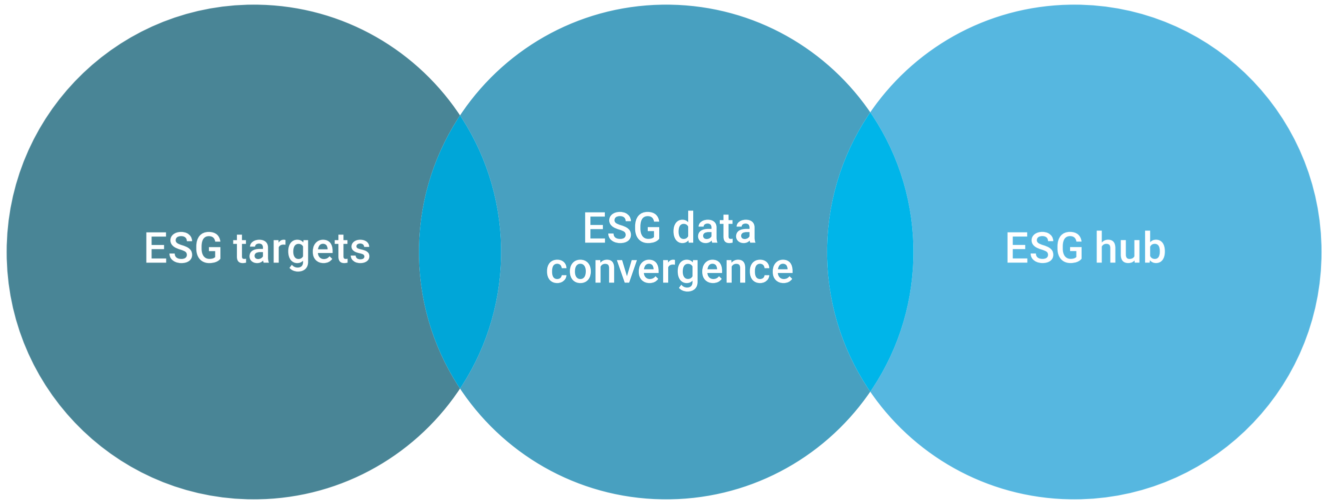

> The strategic addition of an ESG advisor to our team not only deepens our commitment to ESG, but also equips us with the expertise and knowledge to more intelligently support our investment team and the portfolio companies in building resilient and responsible businesses.

Jean-Marie Laurent Josi,
CEO Cobepa



# Our ESG Initiatives & Milestones

Recognizing the dynamic environment of the ESG landscape, we are committed to continuously refine our ESG approach to ensure that our actions remain meaningful, relevant and impactful. Last year, we have set some directions we would like to progress towards both at portfolio level and in our own processes. These enable us to embody the role of an informed, experienced investor, equipped to support our portfolio on their ESG journeys. We persist in our active efforts to advance these initiatives, achieving notable milestones along the way:




## ESG Targets

**Develop ESG targets for portfolio companies and Cobepa to drive impact**

**Smart Reporting Tool**

In line with our goal of ESG Data Convergence, we developed a new reporting tool, upgrading our data gathering approach with more focus and relevancy. In contrast to our previous tool which relied heavily on open-ended questions, our new tool is built on a quantitative framework of yes/no questions, integrated with a dynamic questioning mechanism. The tool intelligently adapts to responses, deploying additional questions only when directly relevant. This ensures that the data we collect is not only more specific but also highly pertinent to each company's unique context. By streamlining the process and focusing on the most relevant information, we aim to enhance the accuracy and relevance of our ESG assessments, ultimately providing more aluable insights for the portfolio companies and other stakeholders.

## ESG Data Convergence

**Drive data convergence to extract better insights and actions**

**Consolidation Tool**

As part of our strategic efforts towards establishing a comprehensive ESG Hub and develop ESG Targets, we have taken an important step by developing a tool designed to enhance our data extraction capabilities across our portfolio. The "Consolidation Tool" enables us to aggregate and analyze data more efficiently. This tool helps us identify patterns and insights across our investments, enabling us to potentially share valuable knowledge and implement ESG best practices with greater effectiveness across our portfolio. Although still in its infancy, we intend to integrate this tool more formally into our processes, offering it as a key resource of cross-portfolio ESG insights for our investment team. This will also allow us to develop clearer targets for us and our portfolio companies.other stakeholders.

## ESG Hub

**Build internal knowledge-sharing platform to extract ESG best practices**

**ESG Legal Landscape Update**

We organized an insightful ESG Legal Landscape training session, aimed at equipping our investment team with the necessary knowledge to guide our portfolio companies through the complexities of evolving ESG regulations. This training provided a comprehensive overview of key legal developments impacting various business activities, including reporting, talent management, supply chain operations, marketing, and financing. This session was not just an informational exercise but also a strategic opportunity to assess the current readiness of our portfolio companies in complying with new upcoming regulations, particularly on reporting aspects.

# Key Figures from our Portfolio Companies

Based on our ESG data collection exercise, we notice a positive trend in the integration of ESG at our portfolio companies.

## Environmental

**76%** companies track one or more environmental KPIs

**80%** EU companies track renewable energy in their overall mix

## Social

**94%** companies measure the distribution of women in leadership positions

**65%** companies measure employee satisfaction or Employee Net Promotor[1] Score

## Governance

**90%** EU companies have performed a materiality assessment

**94%** companies have policies on anti-corruption, code of conduct, sustainable procurement or cybersecurity

[1] A metric that quantifies how likely employees are to recommend their company as a place to work, based on their responses to a standardized survey question.




# Portfolio 2023

# Portfolio Overview and Ownership as of 31 December 2023

BioAgilytix
16.4%

CARMEUSE
24.2%

Groupe Climater
53.7%

CORSEARCH
40.7%

Crealis
53.0%

Degroof Petercam
12.0%

GenII
12.6%

Gerflor theflooringroup
58.4%

HEARTLAND HOME SERVICES
20.9%

HG
77.4%

INTERNATIONAL SOS
14.6%

Pain Quotidien
28.9%

NED'S HOME
62.4%

Precision Orthopedics & Sports Medicine
58.1%

REACTION BIOLOGY
84.7%

SALICE
77.3%

SOCOTEC
64.8%

Van Oord Marine ingenuity
10.7%

Manufacturer of innovative, decorative and environmentally responsible solutions for flooring and interior finishes.

HQ
**Lyon, FR**

Investment
**2020**

Employees
**4,200**

Factories
**24**

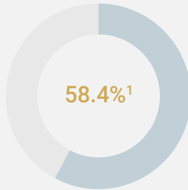
Subsidiaries
**30**

Gerflor theflooringgroup

## Performance 2023

Gerflor posted solid results in 2023, continuing to build on its strong momentum despite the slowdown in the residential segment. Growth was mainly driven by Gerflor's ability to increase prices in the current inflationary environment. Transport posted particularly strong results in light of the post Covid rebound. Gerflor also managed to increase its profitability in light of several productivity measures. Good cashflow management, especially in terms of inventory levels, kept the debt leverage at a healthy level and allowed Gerflor to pay out dividends as well as to close two strategic acquisitions (R-Tek and Snaplock) with their integration progressing well.

Cobepa ownership




## Key Achievements 2023

### March

Acquisition of Snaplock, a US based specialist of sport flooring.

### June

Acquisition of R-Tek, an Ireland-based specialist of interlocking tiles.

[1] Percentage owned by Cobepa and its co-investors.

International contractor active in dredging and marine service for onshore and offshore infrastructure development.

HQ
**Rotterdam, NL**

Investment
**2011**

Employees
**5,800**

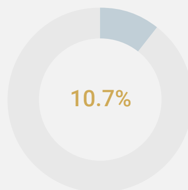
Projects worldwide
**186**

Van Oord Marine ingenuity

## Performance 2023

2023 proved to be an extremely busy year for Van Oord and one of substantial growth and recovery. Over the past 2 years, the Company nearly doubled its revenue and gradually increased its profitability. Following the challenges of 2022, markets are steadily stabilizing, alleviating some of the pressures experienced due to supply chain disruptions and price increases. Strong cashflow generation continues to keep the debt leverage at a very healthy level and enables the ongoing strategic strengthening of the fleet. Van Oord's perspectives for the next years remain promising as reflected by its strong order book and positive market outlook for all end-segments.

Cobepa ownership




### September

Inauguration of 3 new vessels using cutting-edge maritime technology in presence of Princess Alexia of the Netherlands.


Jointly with partners, Van Oord developed the world's first major charging station for high-capacity battery packs to power heavy electric construction equipment.

Bakery-restaurant chain known for its organic bread, simple wholesome food, and communal table dining experience.

HQ
**Brussels, BE**

Investment
**2016**

Stores
**200**

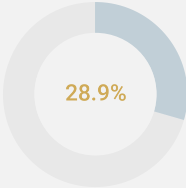
Countries
**15**

Employees
**5,000**

### Performance 2023

Le Pain Quotidien reported solid results in 2023 mostly driven by the successful international roll out of its franchise model (entering amongst others countries like Greece, Luxembourg, and Morocco). Within the own-store network, performance was especially strong in the Belgian home market with all stores reporting positive like-for-like. Outside Belgium, the company's own stores continue to be impacted by intense local competition and the lack of critical scale to support their local overhead. As a result of this, the company had to restructure its UK activities in the summer of 2023, bringing down the UK footprint to a single, profitable store in the St. Pancras International Station in London. With a much more focused and profitable own-store portfolio and a proven franchise model with a strong pipeline, the company is confident it can continue its good growth momentum into 2024 and beyond.

Cobepa ownership




## Key Achievements 2023

### March

Launch of new hemp-bread sourced locally and offering clients an innovate and more sustainable product alternative.

### December

Le Pain Quotidien entered 4 new markets, opening stores in Luxembourg, Urugay and Morroco and Athens.

Leading producer of premium functional components including hinges, sliding systems and accessories for the furniture industry.

HQ
**Novedrate, IT**

Investment
**2022**

Patents
**650**

Employees
**300**

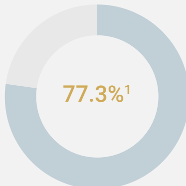
Subsidiaries
**11**

### Performance 2023

Salice underwent a significant management shift from family executives to its first external CEO, Andrea Marcellan. This transition marked a new phase of professionalization and organizational restructuring, aimed at enhancing efficiency, communication, and performance measurement.

Despite facing challenging market conditions in 2023 that negatively impacted the furniture industry, Salice effectively managed to maintain an EBITDA margin above 20%, with a cash conversion rate surpassing 100% of EBITDA.

Cobepa ownership




### March

**New CEO**

Andrea Marcellan joins Salice as new CEO, marking the transition from a family-executive to an externally-appointed CEO.

[1] Percentage owned by Cobepa and its co-investors.

Leading bioanalytical testing laboratory specializing in large molecule bioanalysis.

HQ
**Durham, USA**

Investment
**2018**
(partial exit in 2021)

Employees
**+1,000**

Locations
**6**

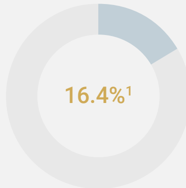


## BioAgilytix

### Performance 2023

In 2023, BioAgilytix continued to make progress on key strategic priorities such as deepening its relationships with large pharma clients and strengthening its organizational structure. Notably, Davide Molho joined the team as CEO in November 2023. Davide has a proven track record of leadership in life sciences, spending the majority of his career at Charles River Laboratories and most recently at Viroclinics Biosciences. Despite some softness in the end-markets where it plays, BioAgilytix remains positioned as a premium player with a leading reputation.

Cobepa ownership




### Key Achievements 2023

**May**
BioAgilytix announced the expansion of its facility in Hamburg. Germany. BioAgilytix's investment in an enhanced footprint and new technology will enable the company to better support clients throughout all phases of their drug development process.

[1] Percentage owned by Cobepa and its co-investors.

Designs, builds, maintains and operates heating, ventilation and air conditioning (HVAC) systems for the industry, healthcare, housing, commerce, offices and public facilities.

HQ
**Toulouse, FR**

Investment
**2022**

Employees
**1,500**

Regional agencies
**29**

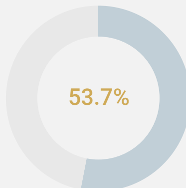
## Groupe Climater

### Performance 2023

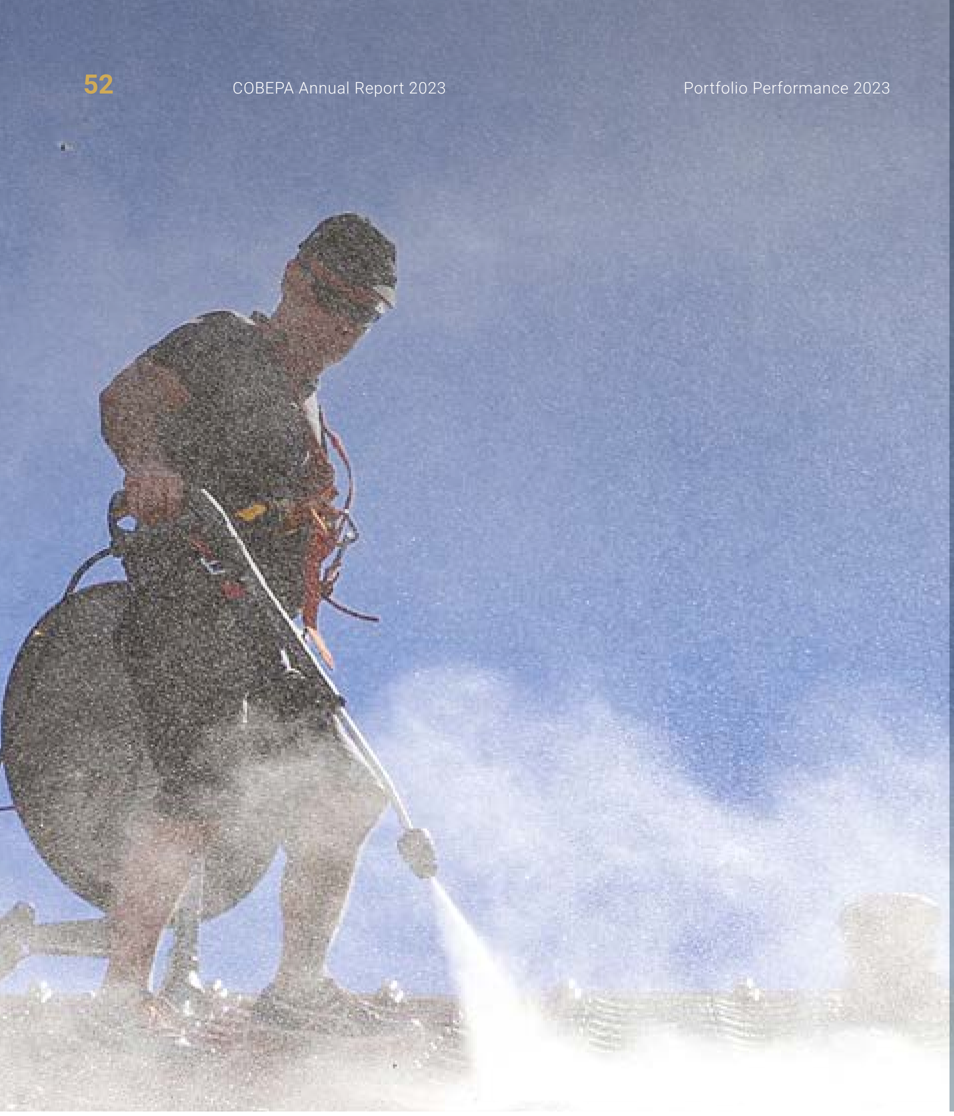
The Group, which closes its account in June, posted solid results in FY2022-23. These excellent organic results can be attributed to a high degree of project selectivity, careful monitoring of operating costs, a disciplined pricing policy (with Management being able to pass price increases on to customers in a context marked by inflationary pressures on material and personnel costs) and a high level of management-ownership within the Group.

On the M&A front, Climater made its first acquisition under Cobepa's ownership in February 2023: the Canada-based Groupe GR, which has the critical size of a local consolidating platform in a completely new geography for the Group. This was rapidly followed by a second acquisition in October 2023 (Aéro Mécanique Turcotte), confirming management's view of transforming Groupe GR in Climater's platform for consolidating the Canadian market.

Cobepa ownership




**February**
Climater enters the Canadian market with the transformational acquisition of Groupe GR in Québec, leadering consolidator and reference player. This transaction is serving as a platform for further expansion in the Canadian market, solidified by the acquisition of Aéro Mécanique Turcotte in October 2023.



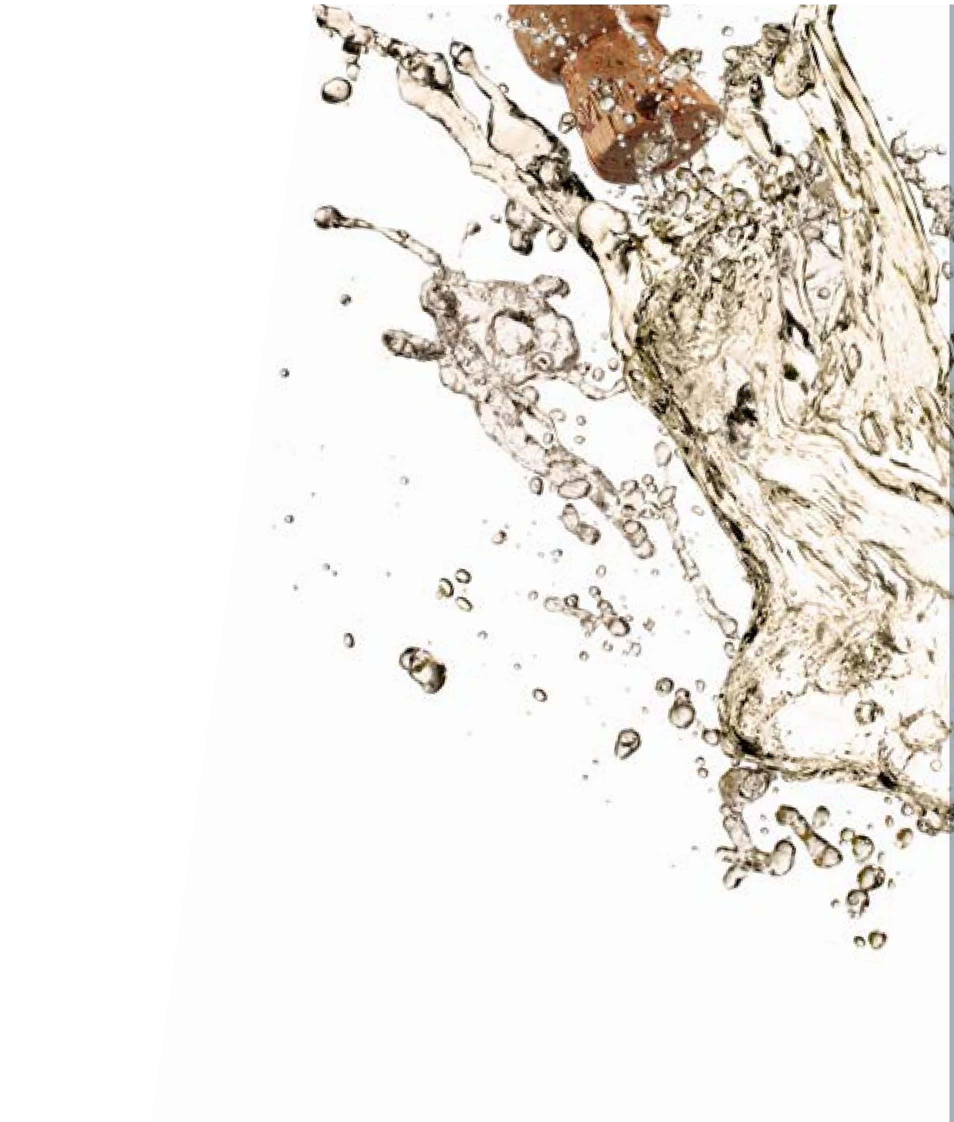
Provider of subscription-based exterior residential services, covering maintenance needs such as gutter cleaning, pest control, lawn care, power washing, window cleaning and dryer vent cleaning.

HQ
**Fairfield, USA**

Investment
**2022**

Customers
**150k**

Operates in
**20 states**



Manufacturer of capping and overcapping solutions for wine and spirits.

HQ
**Bodio Lomnago, IT**

Investment
**2019**

Employees
**2,000**

Units produced/year
**6bn**

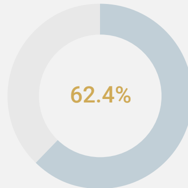
Production sites
**17**



## Performance 2023

Ned's Home demonstrated strong year-over-year pro forma organic revenue and EBITDA growth in Calendar Year 2023. The organic revenue growth was a result of both pricing and volume (growth in both number of customers and jobs per customer) as well as growth in ancillary services revenue. The Company also acquired six companies in 2023, including two transformative acquisitions; the first is Go Green Lawn Care and Pest Control, a Pennsylvania-based lawn care and pest control provider that has significant geographic overlap with Ned's Home. The second is A1 Exterminators, a Boston-based provider of pest control services that has significant geographic overlap with Ned's Home. The Management team intends to grow both the pest and lawn platforms in 2024 via organic growth and further M&A.

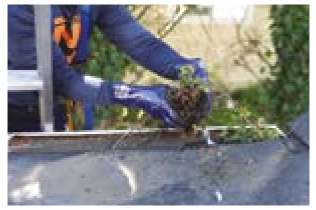
Cobepa ownership




## Key Achievements 2023

### December
6 add-on and platform acquisitions completed in 2023.

**ESG**
Implementation of paper bags (vs. plastic) to dispose of leaves and began initiative to use electric blowers (vs. gas).



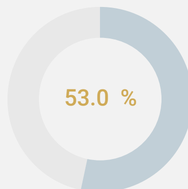
¹ Figures are only PF for acquisitions completed in year.

## Performance 2023

After two years of exceptional growth, in 2023 Crealis reference market suffered a slowdown mostly due to the normalization of inventory levels throughout the alcoholic beverages value chain. Crealis managed to maintain its performance at high levels thanks to favorable pricing dynamics, positive product mix and efficiencies in labor and overhead costs.

During the year, the company continued to execute its M&A strategy with the acquisition of 3 targets in Portugal specialized in premium closures for spirits (Jesus Couto, Woodcap, Firinho). These acquisitions complement the Bar-top division inaugurated in 2022 with the acquisitions of Supercap in Italy and Corchomex in Mexico and will provide Crealis with a specific know-how in handling natural cork, which is the main material used by spirits luxury brands (e.g., Don Julio and Tequila Patron).

Cobepa ownership




### March
Crealis completed 3 strategic acquisitions in Portugal, establishing a new industrial hub and complementing its Bar-Top product range division.

Provider of musculoskeletal care offering clinical and surgical treatments along with ancillary patient care.

HQ
**Laurel, USA**

Investment
**2020**

Locations
**14**

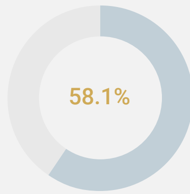
Employees
**~140**

Precision Orthopedics & Sports Medicine

## Performance 2023

Precision demonstrated strong growth in 2023, largely driven by increased surgical case volume at its surgery centers. The company also acquired a minority stake in a surgery center located near one of its highest-volume clinics. Precision made several operational improvements in 2023, which enhanced revenue cycle management (cash collection) capabilities, clinic workflows, and patient scheduling leading to higher throughput. In 2023, Precision established the groundwork to expand its ancillary service offering (e.g. Physical Therapy) at clinic sites where these services are either not offered or not optimized.

Cobepa ownership




## Key Achievements 2023

### July
Precision acquired a minority stake in an ASC located in Cumberland, MD.

Provider of non-discretionary, residential heating, ventilation and air conditioning (“HVAC”), plumbing, and electrical services in the Midwest United States.

HQ
**Grand Rapids, USA**

Investment
**2020**

Customers
**1 million**

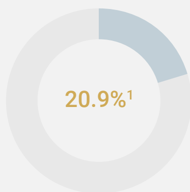
Employees
**1,700**

HEARTLAND HOME SERVICES

## Performance 2023

In 2023, Heartland continued to take market share and maintained its strong position in the Midwest of the US. Revenue grew slightly year-over-year with continued investments in key marketing and advertising initiatives, despite a more challenging environment. The Company enhanced the executive team by promoting Jim O’Malley to CEO in Q3 2023. Jim is a seasoned operator in the sector and joined the board of Heartland at closing. He joined the company as president in early 2023 and was later promoted to CEO as the company increased its focus on operational excellence and full integration of the platform. Heartland acquired three companies in 2023 and 44 in total since the beginning of 2021.

Cobepa ownership




### December
44 business acquired between January 2021 and December 2023.

[1] Percentage reflects seller rollover equity from acquired companies.

Contract research organization (CRO) providing a full suite of drug discovery services to biopharmaceutical customers worldwide.

HQ
**Malvern, USA**

Investment
**2022**

Customers
**1,800**

Client projects
**5,000**

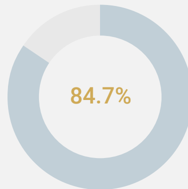
Facilities
**4**



## Performance 2023

After a strong 2022, Reaction Biology faced market headwinds stemming from a sector-wide downturn in funding (VC, IPO etc.) for biotech and pharmaceutical companies, leading to pressure on growth in net sales in 2023. During 2023, Reaction fully integrated the two acquisitions completed at the end of 2022 and upgraded the commercial team to better serve its clients with the Company's full suite of services. Initial commercial activity in 2024 indicates positive momentum in client engagement.
The Company is prioritizing commercial efforts in 2024 through a combination of improving marketing efforts as well as educating clients on its breadth of services.

Cobepa ownership




## Key Achievements 2023

### April
Reaction Biology attends AACR (American Associate for Cancer Research) Annual Meeting 2023 to present eleven abstracts highlighting advanced immuno-oncology drug discovery and development capabilities, with a focus on novel assay technologies and preclinical models.

Supplier of specialty cleaning and maintenance products boasting an extensive product portfolio, strong brand name and prominent space in retail and DIY channels.

HQ
**Almere, NL**

Investment
**2017**

Products
**300+**

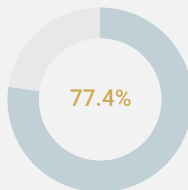
Customers
**2 million**

Market presence
**45 countries**

## Performance 2023

In 2023, HG has completed its business model transition with production and logistics outsourced to third party partners. While this outsourcing is the right strategy towards long-term, international scalability, the transition has put pressure on internal processes and controls. From a revenue point-of-view, the Company keeps on demonstrating the strength of its brand, with very strong performance across all key markets resulting in record market shares across the Netherlands, the UK and Belgium.

Cobepa ownership




### September
Opening of the HG Innovation Lab, a new state-of-the-art laboratory as the company strives to increase the number of innovations, with a focus on both sustainability and meeting the evolving needs of consumers.

Provider of testing, inspection, and certification for construction and infrastructure safety and compliance.

HQ

**Guyancourt, FR**

Investment

**2013**

Employees

**+11,000**

Countries

**26**

Customers

**+200,000**

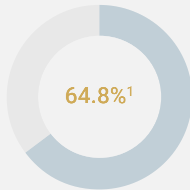


SOCOTEC

### Performance 2023

Socotec delivered a solid performance in 2023, with sales above budget and growth double digit year-on-year. Most regions contributed to this growth, thanks in particular to a very dynamic infrastructure market across Europe (especially in Italy and Germany) and several defensive growth initiatives in France. On the M&A front, Socotec's external growth again exceeded expectations, with 14 small and medium- sized add-on acquisitions contributing more than €60m of revenue in highly complementary niches and TIC specialties.

Cobepa ownership




## Key Achievements 2023

### November

The acquisition of SLS marked SOCOTEC's strategic entry into the fire safety segment and bolstered its US market presence, particularly in Florida.

### December

Green Trust Services, which supports clients in the energy transition, have grown to represent 31.4% of turnover, up from 10% in 2020.

GREEN TRUST BY SOCOTEC

[1] Percentage owned by Cobepa and its co-investors.

Provider of fund administration and technology solutions, specializing in private equity, real estate, and credit funds for institutional investors worldwide.

HQ

**New York, USA**

Investment

**2017**

(partial exit in 2020)

Assets under Administration

**$1 Trillion+**

Investors

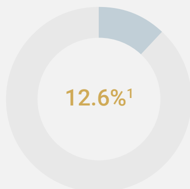
**50,000+**

Gen II

### Performance 2023

Gen II recorded strong organic growth in 2023, driven by gaining additional revenues from existing customers, winning new customers, and providing new services. Other important developments include signing of the Crestbridge acquisition (closed April 2024), onboarding a new CFO, improving employee retention metrics, and earning additional cybersecurity accreditations. With the addition of Crestbridge (UK based), Gen II significantly expanded its European footprint and its product suite and increased assets under administration to more than $1 trillion.

Cobepa ownership




### July

Gen II signed an agreement to acquire Crestbridge, a Jersey (UK)-based fund administrator primarily focused on real estate and private equity firms in Europe and the US. The acquisition is expected to close in early 2024, adding several new marquee clients and ~$100m in incremental revenue.

Gen II opened a new Denver office, representing its next large-scale client services hub. The office will also hold the Gen II Global Training Center of Excellence.

### December

Gen II announced a partnership with Canoe Intelligence to extract alternative investment intelligence and digitize data points from underlying communications from its clients.

[1] Percentage reflects partial exit in 2020 and seller rollover from acquired companies.

Global provider of brand establishment and brand protection services.

HQ

## New York, USA/ London, UK

Investment

## 2021

Clients

## 5,000

Employees

## 1,700

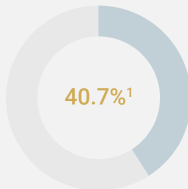


CORSEARCH®

### Performance 2023

Corsearch recorded organic growth in 2023, which was driven primarily by 10% organic revenue growth in the Online Brand Protection segment, a key value driver for the business. Online Brand Protection benefited from continued market growth underpinned by increased online counterfeiting and infringement activity. The senior executive team was revamped in 2023 to bring in expertise needed to scale the business through its next stage of growth; the company welcomed the following new roles: CFO, President Trademark division, Chief Revenue Officer. In 2024, Management is focused on executing key value creation activities such as launching innovative new product features, expanding and maturing the commercial engine, and executing on strategic M&A.

Cobepa ownership




### Key Achievements 2023

#### September

Corsearch introduced an AI-enabled name generator for brands and products, powered by TrademarkNow and ChatGPT. Customers can use the tool to generate unique, relevant product names which are screened for use in seconds, helping clients get their trademark into the market faster than ever before.


[1] Percentage owned by Cobepa and its co-investors.

Private bank offering wealth management, asset services, and investment banking solutions.

HQ

## Brussels, BE

Investment

## 2009

Divestment

## Signing August 2023

Employees

## 1,469

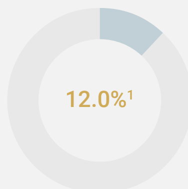
Degroof Petercam

### Performance 2023

Bank Degroof Petercam continued to demonstrate the resiliency of its business model in what in 2023 remained a challenging market environment for some of the bank's activities. Operating income landed at €575.6m, for a year-on-year increase of 8%. This has been primarily driven by the strong net interest income, which more than compensated lower commissions, fees and other banking income as the investment banking and asset management activities were exposed to a challenging market environment. While costs increased relative to 2022, they remained in line with expectations as increases were by and large driven by indexation.

In August 2023 it was announced that Cobepa and a group of family shareholders signed an agreement with a view to jointly selling a majority of Degroof Petercam's shares to Indosuez Wealth Management. The transaction is subject to approval by the relevant regulatory and competition authorities, with completion expected in 2024.

Cobepa ownership




#### August

Cobepa and group of family shareholders sign an agreement with a view to jointly selling majority of Degroof Petercam's shares to Indosuez Wealth Management.


[1] Excluding treasury shares.

Provider of medical, safety, emergency and security solutions for international workforce support.

HQ

**Singapore**

Investment

**2007**

Employees

**13,000**

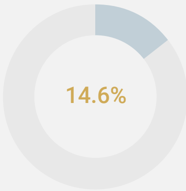
Worldwide presence

**1,000 locations**

## Performance 2023

International SOS' results notably reflect the continued rebound in international travel following the relaxation of Covid-19 prevention measures as well as substantial uncertainties around the war in Ukraine and the reshuffling of the humanitarian aid landscape following the Afghan refugee crisis. As a result, the Health And Security Subscription Services business has continued to exhibit strong momentum with significant increases in subscription invoiced sales. Similarly, the credit card concierge business Aspire has shown strong improvement. On the other hand, the performance on the Medical Services side remained more modest due to lack of major government contracts.

Cobepa ownership



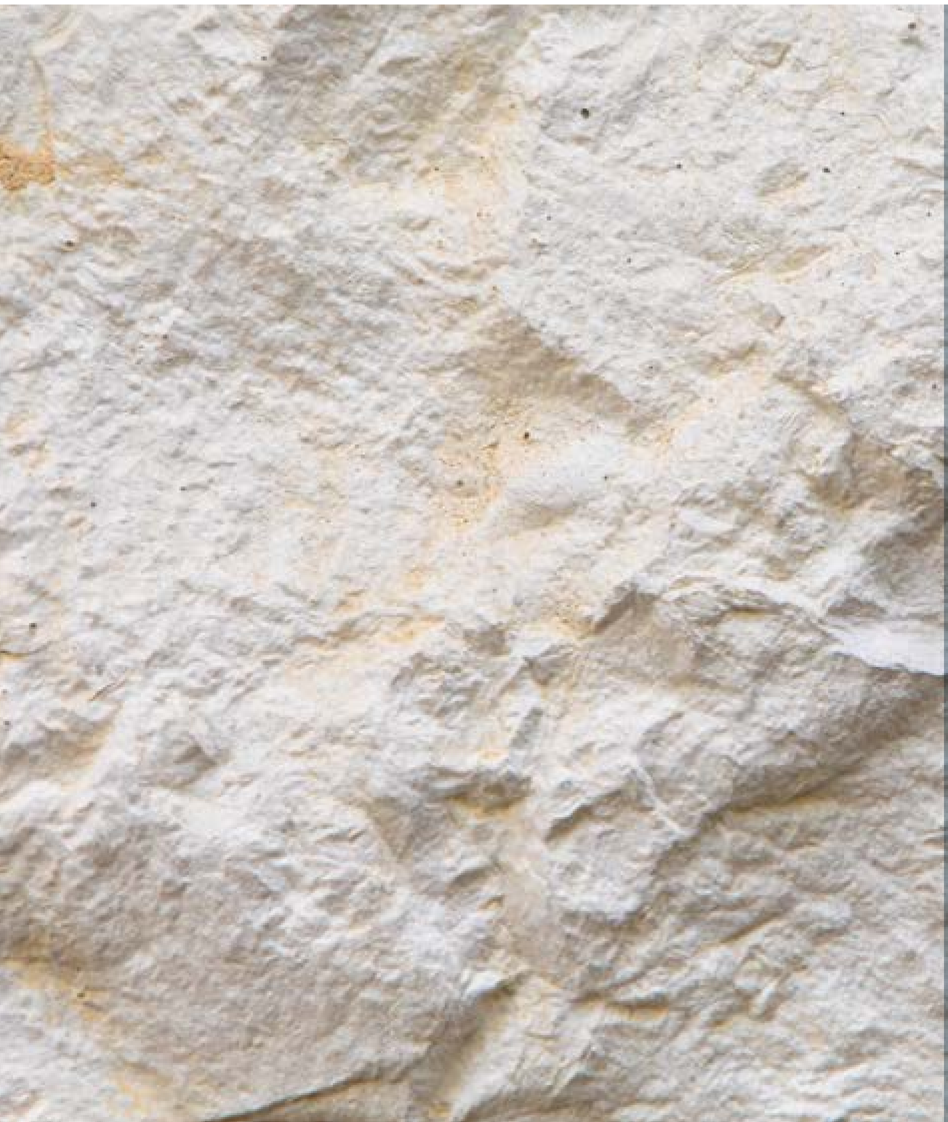

## Key Achievements 2023

### March

New partnership with Airbus Helicopters to launch LifeSave, a next generation emergency medical system improvement programme, which enhances healthcare systems to improve patient outcomes.

### November

Inauguration of Mauritius offices, serving as regional headquarters for Africa.



World's second-largest supplier of lime and limestone products.

HQ

**Louvain-la-Neuve, BE**

Investment

**2005**

Customers

**12,700**

Employees

**~5,000**

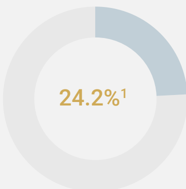
Production sites

**90**

## Performance 2023

Carmeuse sustained a robust operational performance throughout 2023, posting notably net sales of almost €2.0bn, marking a notable increase from the previous year. This growth was primarily driven by a combination of dynamic pricing strategies successfully implemented thanks to strong commercial efforts, combined with effective management of costs, leveraging the Group's industrial network and fuel flexibility options. In parallel, Carmeuse has continued its proactive in-house technological development, notably articulated around $CO_2$ footprint reduction initiatives.

Cobepa ownership



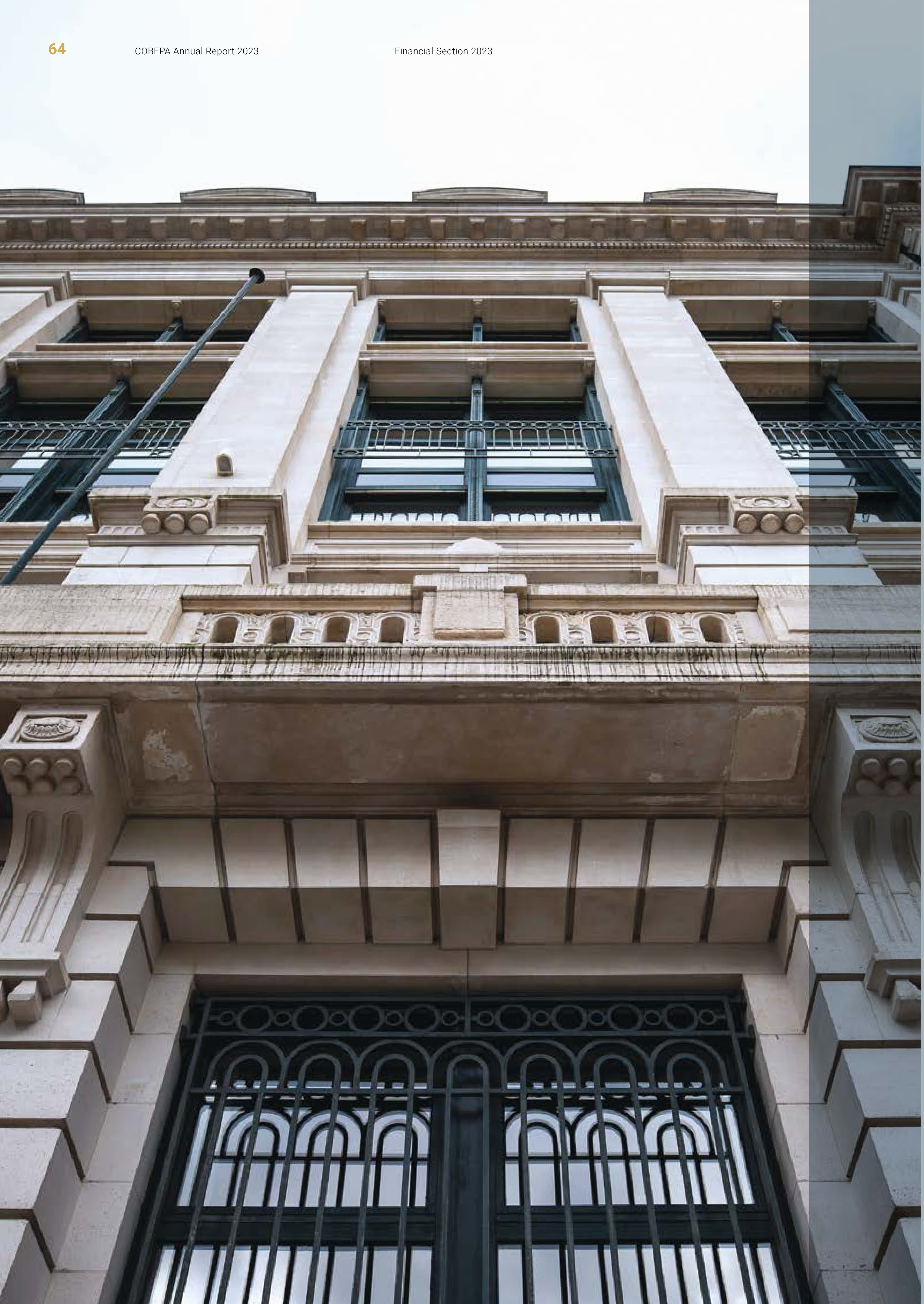

### March

Sébastien Dossogne is appointed CEO of the Groupe Carmeuse, succeeding Rodolphe Collinet. The latter remains chairman of the Board of Directors.

### May

Official inauguration of Carmeuse Senegal site by HRH Astrid de Belgique.

[1] Percentage owned by Cobepa and its co-investors.







# Financial Section 2023

# Restricted Consolidated Accounts 2023

## Consolidated earnings - summary (in million €)

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Dividends and interests from financial fixed assets | 61.3 | 60.1 |
| Financial income from current assets | 34.3 | (0.4) |
| **Recurring financial income** | **95.6** | 59.7 |
| Income from services and management | 0.1 | 0.6 |
| Operating costs | (25.0) | (21.5) |
| **Recurring net operating costs** | **(25.0)** | (20.9) |
| Recurring net operating income | 70.6 | 38.8 |
| Capital gains or losses & Impairments | (41.4) | 463.5 |
| Other extraordinary earnings | (4.5) | 3.8 |
| Net income before taxes | 24.7 | 506.1 |
| Taxes | (4.5) | (0.6) |
| Minority interests | 0.4 | |
| Net income attributable to shareholders | 20.6 | 505.5 |

| | | |
|---|---|---|
| *Recurring income per share* | *2.60* | *1.43* |
| *Net income per share* | *0.76* | *18.62* |
| *Weighted average number of shares (in million)* | *27.10* | *27.10* |



## Consolidated balance sheet after appropriation (in thousand €)

| ASSETS | 31.12.2023 | 31.12.2022 |
|---|---|---|
| **Fixed assets** | **2,481,156** | 2,777,117 |
| II. Intangible assets | 161 | 229 |
| IV. Tangible assets | 1,494 | 1,471 |
| V. Financial assets | 2,479,501 | 2,775,417 |
| B. Other enterprises | 2,479,501 | 2,775,417 |
| 1. Shares | 2,296,335 | 2,620,701 |
| 2. Amounts receivable | 183,166 | 154,716 |
| **Current assets** | **905,640** | 668,448 |
| VI. Amounts receivable after one year | 328 | 10,101 |
| B. Other amounts receivable | 328 | 10,101 |
| VIII. Amounts receivable within one year | 37,010 | 14,955 |
| A. Trade debtors | 82 | 40 |
| B. Other amounts receivable | 36,928 | 14,914 |
| IX. Short-term investments | 832,733 | 576,834 |
| B. Other investments and cash deposits | 832,733 | 576,834 |
| X. Cash | 25,096 | 59,377 |
| XI. Deferred charges and accrued income | 10,472 | 7,182 |
| TOTAL ASSETS | 3,386,796 | 3,445,565 |

| LIABILITIES | 31.12.2023 | 31.12.2022 |
|---|---|---|
| **Capital and reserves** | **3,271,227** | 3,344,894 |
| I. Capital | 603,543 | 603,543 |
| II. Share premium account | 51,175 | 51,175 |
| IV. Reserves | 2,616,145 | 2,677,778 |
| V. Consolidation adjustments | 448 | 448 |
| VI. Foreign currency translation adjustments +/(-) | (84) | 11,951 |
| **Minority interests** | **5,166** | 931 |
| **Provisions and deferred taxes** | **1,021** | 1,099 |
| IX. A. Provisions for liabilities and charges | 1,021 | 1,099 |
| 1. Pensions and similar obligations | 242 | 242 |
| 4. Other liabilities and charges | 779 | 858 |
| **Creditors** | **109,381** | 98,640 |
| X. Amounts payable after more than one year | 79 | - |
| A. Financial debts | 79 | - |
| 4. Credit institutions | 79 | - |
| XI. Amounts payable within one year | 109,025 | 98,415 |
| B. Financial debts | 13,800 | 13,959 |
| 2. Other loans | 13,800 | 13,959 |
| C. Trade debts | 2,406 | 1,644 |
| E. Taxes, remuneration and social security | 7,200 | 3,743 |
| F. Other amounts payable | 85,619 | 79,069 |
| XII. Accrued charges and deferred income | 277 | 225 |
| TOTAL LIABILITIES | 3,386,796 | 3,445,565 |

## Consolidated income statement (in thousand €)

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| **I. Sales and services rendered** | **2,377** | 17,594 |
| A. Turnover | 1,928 | 11,768 |
| D. Other operating income | 71 | 5,393 |
| E. Non-recurring operating income | 377 | 434 |
| **II. Costs of sales and services rendered** | **35,896** | 48,886 |
| B. Services and other goods | 15,524 | 29,887 |
| C. Remuneration, social security costs and pensions | 16,135 | 12,839 |
| D. Depreciation of and amounts written off formation expenses, intangible and tangible fixed assets | 467 | 550 |
| G. Other operating charges | 357 | 182 |
| J. Non-recurring operating charges | 3,413 | 5,428 |
| **III. Operating profit / (loss)** | **(33,519)** | (31,292) |
| **IV. Financial income** | **347,621** | 721,574 |
| A. Recurring financial income | 101,247 | 71,988 |
| 1. Income from financial fixed assets | 66,247 | 60,736 |
| 2. Income from current assets | 22,498 | 1,724 |
| 3. Other financial income | 12,502 | 9,528 |
| B. Non-recurring financial income | 246,374 | 649,587 |
| **V. Financial charges** | **289,899** | 184,478 |
| A. Recurring financial charges | 657 | 11,426 |
| 1. Debt charges | 1,222 | 3,296 |
| 3. Amounts written off current assets other than inventory | (310) | 351 |
| 4. Other financial charges | (256) | 7,780 |
| B. Non-recurring financial charges | 289,243 | 173,053 |
| **VI. Profit/ (Loss) before taxes** | **24,203** | 505,804 |
| **VIII. Income taxes** | **(3,995)** | (334) |
| A. Income taxes | (3,995) | (334) |
| B. Adjustments of income taxes and write-backs of tax | | - |
| **IX. Profit of the year (+) Loss of the year (-)** | **20,208** | 505,470 |
| **X. Share in earning (loss) of companies accounted for by equity method** | **-** | - |
| A. Profit / (Loss) | - | - |
| **XI. Minority share in the profit of the year** | **(430)** | (7) |
| **XII. Share of the group in the profit of the year** | **20,638** | 505,477 |



## Sources and applications of funds (in thousand €)

| | Period 2023 | Period 2022 |
|---|---|---|
| **Net result** | **20,638** | 505,477 |
| Interest income from participations | (7,491) | (9,708) |
| Dividends received from participations | (53,791) | (50,418) |
| Fees, commissions & other proceeds from participations | (74) | (548) |
| Gains on disposal of investments | (207,109) | (635,238) |
| Gains on disposal of fixed assets | (58) | (20) |
| Impairment losses / reversal of impairment on participations | 248,548 | 172,011 |
| Forex revaluations on participations | 276 | (236) |
| Financing & other items related to participations | (662) | (10,447) |
| Mintorities | (430) | 0 |
| Depreciation and amortization | 467 | 555 |
| Increase (decrease) in provisions | (79) | 78 |
| Employees | (1,008) | (1,024) |
| **Total** | **(21,411)** | (534,996) |
| **Change in working capital** | **(2,153)** | 570 |
| **NET CASH-FLOW FROM OPERATING ACTIVITIES (1)** | **(2,926)** | **28,949** |
| Purchase of property, plant and equipment | (484) | (753) |
| Purchase of intangible assets | 0 | (82) |
| Proceeds from disposal of property, plant and equipment | 97 | 20 |
| **Total** | **(387)** | (815) |
| Investment in participations | (59,715) | (766,269) |
| Loans granted | (21,762) | (73,006) |
| Debts towards participations | 0 | (6,941) |
| Proceeds from disposal of financial assets | 318,841 | 827,020 |
| Of which: short- or long-term receivables | 0 | (14,430) |
| Reimbursement of loans granted to participations | 0 | 2,283 |
| Decrease in accrued interests related to participations | (477) | (2,311) |
| Interests received from participations | 7,491 | 9,708 |
| Dividends and fees received from participations | 53,791 | 50,418 |
| Of which: short-term receivables | (117) | (225) |
| Fees, commissions & other proceeds from participations | 74 | 548 |
| Of which: short-term receivables | 0 | (40) |
| Financing & other items related to participations | 662 | 10,447 |
| **Total** | **298,787** | **37,203** |
| **NET CASH-FLOW FROM INVESTING ACTIVITIES (2)** | **298,400** | **36,388** |
| **Net transfer to or from the current accounts of the shareholders** | **(3,800)** | 3,068 |
| **Minorities** | **4,667** | |
| **NET CASH-FLOW FROM FINANCING ACTIVITIES (3)** | **867** | **3,068** |
| **Dividends paid (4)** | **(74,638)** | **(60,525)** |
| **NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (1+2+3+4)** | **221,703** | **(50,018)** |
| *Cash and cash equivalent at beginning of period* | 636,126 | *686,144* |
| *Cash and cash equivalent at end of period* | 857,829 | *636,126* |

# Notes to the Accounts

## I. Restricted consolidation criteria

1. In accordance with article 3:26 of the Belgian Code on Companies and Associations, Cobepa has been exempted from the requirement to draw up or submit consolidated accounts. However, for the sake of completeness, the company is submitting restricted consolidated accounts, which are not drawn up according to Book III, Title II, Chapter II of the Royal Decree of 29 April 2019 on consolidated financial statements. These restricted consolidated accounts include in the consolidation scope only the subsidiaries operating in the same field as Cobepa and in which Cobepa's participation exceeds 50%. To date, according to this definition, the consolidation scope includes only the companies that belong to the internal structure of the Cobepa group and not the companies operating in other fields. The Board of Directors has consequently decided to refer to these accounts as "restricted consolidated accounts", since the decision has been made not to apply the equity method or proportional consolidation. The reason for this approach is that, given the diversity of the sectors covered by the companies in the Cobepa's portfolio, the Board of Directors believes that consolidation of the results of these companies would be inappropriate in terms of information and would reveal little in economic terms.
2. Full consolidation entails aggregating on a line-by-line basis the individual balance sheets and income statements of consolidated subsidiaries, after making adjusting entries to bring them into line with group valuation rules and accounting practices, and after eliminating intra-group balances and intra-group transactions.
3. As a general rule, special purpose vehicles are not consolidated when they are created to finance investments according to a funding agreement without recourse. On the contrary, occasionally, special vehicles may be set-up to pool instruments used to finance our investments and owned by the Cobepa group and co-investors. By way of exception these vehicles will be consolidated with the equity method, their contribution through the caption "net result of companies at equity" being aimed at replacing the income from financial assets that should have been booked, if those instruments had been directly held.



## II. Subsidiaries

### A. Restricted consolidation scope

| Name and Registered Office | Company number | Percentage in capital (in % of interest) |
|---|---|---|
| **COBE HL BLOCKER CORP**<br>1209 Orange Street, Wilmington, County of New Castle, Delaware 19801, USA | | 100.0 |
| **COBE HL INVESTORS LLC**<br>1209 Orange Street, Wilmington, County of New Castle, Delaware 19801, USA | | 99.3 |
| **COBEPA NORTH AMERICA**<br>108 West 13th Street, Wilmington, County of New Castle, Delaware 19801, USA | | 100.0 |
| **COBEPA-P.O. LLC**<br>1209 Orange Street, Wilmington, County of New Castle, Delaware 19801, USA | | 99.6 |
| **COBEPA-P.O. BLOCKER CORP**<br>1209 Orange Street, Wilmington, County of New Castle, Delaware 19801, USA | | 100.0 |
| **COBID SA**<br>Rue de la Chancellerie 2, bte 1, 1000 Bruxelles, Belgique | 414.248.396 | 100.0 |
| **COBIE SA**<br>Rue de la Chancellerie 2, bte1, 1000 Bruxelles, Belgique | 696.647.070 | 100.0 |
| **CCI ATHENA 2023 SC**<br>Rue de la Chancellerie 2, bte 1, 1000 Bruxelles, Belgique | 798.326.529 | 90,1 |
| **FINANCIERE CRONOS SA**<br>Boulevard Prince Henri 9b, 1724 Luxembourg, Luxembourg | | 100.0 |
| **IBEL NV**<br>Rue de la Chancellerie 2, bte 3, 1000 Bruxelles, Belgique | 457.983.223 | 100.0 |
| **IBEL Beteiligungsberatung GmbH**<br>Theresienstrasse 1, 80333 München, Germany | | 100.0 |
| **MASCAGNA SA**<br>Boulevard Prince Henri 9b, 1724 Luxembourg, Luxembourg | | 100.0 |
| **MOSANE SA**<br>Rue de la Chancellerie 2, bte 2, 1000 Bruxelles, Belgique | 401.638.002 | 100.0 |
| **RODEO Blocker Corporation**<br>1209 Orange Street, Wilmington, County of New Castle, Delaware 19801, USA | | 100.0 |
| **RODEO Splitter LLC**<br>1209 Orange Street, Wilmington, County of New Castle, Delaware 19801, USA | | 99.7 |
| **ULRAN SA**<br>Boulevard Prince Henri 9b, 1724 Luxembourg, Luxembourg | | 100.0 |

### B. Subsidiaries excluded from the restricted consolidation

| Name and Registered Office | Percentage in capital | Reason for the exclusion[1] |
|---|---|---|
| **BRANDBLOCK GLOBAL BV**<br>Damsluisweg 70, 1332 EJ Almere, The Netherlands | 93.2 | a |
| **CLIMATER HOLDCO SAS.**<br>Chemin des 7 Deniers 78, 31200 Toulouse, France | 53.3 | a |
| **CREALIS S.P.A.**<br>Via Marsala 36, 21013 Gallarate (VA), Italy | 53.0 | a |
| **FOREIGNER SARL**<br>Rue Albert Broschette 2, 1246 Luxembourg, Luxembourg | 33.2 | a |
| **NED TOPCO INC. (owned through NED Holdings SCSp and NED Cobepa SCSp)**<br>1209 Orange Street, Wilmington, County of New Castle, Delaware 19801, USA | 62.1 | a |
| **PRECISION ORTHOPEDICS HOLDINGS LLC**<br>221 American Way,Oxon Hill, MD 20745-1597, USA | 57.9 | b |
| **REACTION BIOLOGY CORP**<br>1 Great Valley Parkway, Suite 2, Malvern, PA 19355, USA | 84.5 | b |
| **SOPHINVEST SA**<br>Boulevard Prince Henri 9b, 1724 Luxembourg, Luxembourg | 59.2 | a |
| **WILLOW HOLDING SPA**<br>Via Monte di Piea 15, 20121 Milano, Italy | 59.8 | a |

[1] Reason for the exclusion:
a. Special purpose vehicles
b. Subsidiaries for which the application of the equity method would affect the true and fair view of the accounts

## III. Associated companies not accounted for using the equity method

| Name and Registered Office | Company number | Percentage in capital (in % of interest) |
|---|---|---|
| **BRUNCHCO 21 SA**<br>Rue de la Victoire 1, 1060 Saint-Gilles, Belgique | 747.485.166 | 28.9 |
| **CARMEUSE HOLDING SA**<br>Avenue Guillaume 9, 1651 Luxembourg, Luxembourg | | 20.1 |
| **HESTIAFLOOR 1 SA**<br>1 Place Giovanni de Verrazzano, 69009 Lyon, France | | 30.2 |
| **HELIOS TOPCO**<br>251 Little Falls Drive, Wilmington, County of New Castle, Delaware 19801, USA | | 20.7 |
| **HOLDCO FLOOR**<br>1 Place Giovanni de Verrazzano, 69009 Lyon, France | | 45.0 |

## IV. Other companies

List of companies other than those referred to in notes II and III, in which the companies included in the restricted consolidation and those which are excluded from it, hold at least 10% of the capital, either directly or through parties acting in their own names but on behalf of these companies.

| Name and Registered Office | Company number | Percentage in capital |
|---|---|---|
| **ASIA EMERGENCY ASSISTANCE INTERNATIONAL HOLDINGS PTE.** LTD. 8 Changi Business Park Ave 1<br>#07-53 ESR Biz Park @ Changi (South Tower), Singapore 486018 | 200816407W | 14.6 |
| **BANK DEGROOF PETERCAM**<br>Rue de l'Industrie 44, 1040 Bruxelles, Belgique | 403.212.172 | 12.0[1] |
| **CCBLUE HOLDCO Inc.**, (owned through Cobepa Bluesky Splitter SCSp, Cobepa Bluesky Aggregator SCSp et Bluesky BidCo SCSp), Tower 49, East 49th Street, 34th Floor, New York, NY 10017, USA | | 14.2 |
| **ELLIS PARENT** (held via Ellis G20 and Ellis Aggregator UK) 1209 Orange Street, Wilmington, County of New Castle, Delaware 19801, USA | | 12.5 |
| **VAN OORD**<br>Schaardijk 211, 3063 NH Rotterdam, The Netherlands | | 10.7 |

[1] Excluding treasury shares

The investments kept in the portfolio are valued at cost except in case of impairment or significant third-party transaction.



## V. Summary of accounting policies

### Tangible fixed assets

A corporate expense will be accounted for as a tangible fixed asset if its purchase price, aggregated with any directly related expenditure of accessories, exceeds €1,000. If the amount is lower, the expense will not be considered a tangible fixed asset, but will instead be accounted for as an operating cost item.

Tangible fixed assets are valued at acquisition cost includ- ing ancillary expenses incurred at the time of acquisition. Depreciation rates are as follows:

- 20% for office equipment;
- 10% for furniture;
- 20% for vehicles;
- 0% for works of art.

These rates may, however, be brought up to levels allowed by the Ministry of Finance in respect of ancillary costs as well as in the context of the regulations permitting use of the declining balance method.

Where appropriate, exceptional depreciation will be applied to bring the net book value of a tangible fixed asset down to the lower of its economic value and book value.

### Financial fixed assets

Investments and other securities held in portfolio are booked at their acquisition cost including the commissions paid to intermediaries. At the balance sheet date, the acquisition cost of each investment or security held in portfolio is compared to its estimated realisable value in accordance with the evaluation method set out below. If the estimated realizable value is lower than the acquisition cost, write-downs are recorded in the income statement to the extent that the impairment in value is deemed to be permanent. Appropriate write-backs are recorded in respect of write-downs on securities on which capital gains are subsequently realised. More specifically, a position may be "hedged" by the purchase of put options, covering the risk of share price going down.
The paid premiums are booked on the assets side of the balance sheet in treasury investments. If the shares covered by these options are sold at due date, the premiums will be booked against the sale proceeds. If they are not sold, the premiums will be booked as a cost. Received premiums (sale Restricted Consolidated Accounts of put or call options) are booked on the liabilities' side of the balance sheet in "deferred charges and accrued income" until due date of the operations after which they will be booked in revenue. At closing date of each period, the global position (all share option contracts and shares covered) will be examined to determine the possible adjustment to be booked.

### Investments

Investments are valued on the basis of the underlying net asset value (i.e. net asset value corrected for gains and losses prudently estimated on the basis of the financial position, profitability or prospects of the enterprise concerned). The book value is taken from the most recent balance sheet or the last known financial position.

### Other securities held in portfolio

Quoted or publicly traded shares are generally valued at the closing rate on the balance sheet date, provided that the market in the shares is active. Unquoted shares and shares where the market is not considered to be active are valued by reference to their net asset value as defined above. If their net asset value cannot be calculated, shares are valued by reference to their net book value.

### Other financial fixed assets – amounts receivable

They are recorded at nominal value, adjusted, where appro- priate, in respect of amounts receivable bearing no interest or granted at exceptionally low interest rates. Where recover- ability is considered to be unlikely, notably in the light of the financial position of the debtor, an appropriate write-down is recorded.

### Short-term trading securities portfolio

Trading securities are valued using the same principles set out above for other securities held in portfolio. Appropriate write-downs are recorded in respect of unrealised losses, which are written back, where securities are subsequently realised for a gain.

### Other amounts receivable, short-term investments and cash at bank and in hand

Other amounts receivable, short-term investments and cash at bank and in hand are stated at acquisition cost or nominal value. Write-offs and write-backs are recorded on the basis of the criteria applied to other financial fixed assets – amounts receivable above.

## Provisions for liabilities and charges

At the close of each financial year, the Board of Directors examines prudently, sincerely and in good faith the provisions required to cover anticipated liabilities and possible charges which have arisen in the course of the year under review and previous financial years. The provisions which relate to previous financial years are subject to continuous reappraisal and released to the income statement where they are found to be no longer justified.

## Amounts payable after one year and within one year

Such liabilities are recorded at their nominal value, adjusted, where appropriate, in respect of non-interest bearing long- term debts or debts bearing an abnormally low rate of interest.

## Deferred charges, accrued income, accrued charges and deferred income

Accrued and deferred income, and deferred and accrued charges are calculated at the balance sheet date and stated in the appropriate accounts on the assets and liabilities sides of the balance sheet.

As a general rule, all amounts payable and receivable are shown in the accounts at the middle free market price quoted on the balance sheet date. Disparities over and against historical value are grouped by currency. Where the net difference by currency shows an unrealised loss, it is recorded as a charge in the income statement.

Unrealised exchange gains are recorded in the balance sheet account "accrued charges and deferred income". Where the financing of an investment is hedged in the same currency as the investment, the exchange rate of the financing is maintained at its historical rate.

## Foreign currency translation

Balance sheet accounts which are not in Euro are translated into Euro at the exchange rate end of the year.

The annual mean exchange rate is used for income state- ments. Shareholders' equity is translated at historical rates. The difference thus created by using the year end rate is booked under the caption "Foreign currency translation adjustment" in the equity caption.

The difference between applying the mean and year end exchange rate for income statements is recorded under the same caption.

## Impact of intra-group asset sales

### Earnings impact:

- profits are eliminated in Group's share;
- losses are accounted for, but shown as write-downs.

### Balance sheet impact:

The cost of the asset is maintained and adjusted, where appropriate, for that part of the profit or loss which relates to the minority interests in the companies concerned. Prior to 1989, and only in respect of unconsolidated companies, the sales price is the carrying value but:

- gains on sale of fixed assets are shown under the caption "Revaluation surpluses" on the liabilities side of the balance sheet;
- subsequent losses are first applied against the revaluation surpluses.

## Consolidation adjustments

Any difference between the acquisition price of shares in a consolidated company and the corresponding prorated share in that company's net assets on the date of acquisition must be adjusted to fair value to the extent possible.

Where the acquisition price is in excess of the adjusted net assets, the difference is amortised in accordance with the principles described below. Positive differences between the acquisition cost and adjusted net assets (goodwill) are capitalised and amortised over a period of maximum 20 years depending on the nature of the goodwill. Exceptional amortisation will be recorded where the estimated value of the investment no longer warrants the carrying of goodwill amounts at their current net amounts.

Negative differences between acquisition cost and adjusted net assets are carried on the liabilities' side of the balance sheet, where it remains as long as the investment remains.

## Consolidation principles for commitments

In the case of the companies included in the restricted consolidation, all commitments are recorded after proportional elimination of intra-group commitments or double recording. The minorities' share of commitments represents only their share in the commitments undertaken by subsidiaries.

These same rules will apply in the foreseeable future. The valuation rules will, however, be modified in cases where continued application of one or more of the rules is no longer appropriate; reasons for any changes in valuation rules will be explained and justified in the notes to the accounts as well as the impact of the change on the financial statements.



## VI. Schedule of intangible fixed assets (in thousand €)

| | |
|---|---|
| **a) Acquisition cost** | |
| At the beginning of the year | 349 |
| Movements during the period | |
| • Investments | |
| • Disposals and retirements | (10) |
| **At the end of the year** | **339** |
| **b) Depreciation and amortisation** | |
| At the beginning of the year | (120) |
| Movements during the period | |
| • Depreciation | (66) |
| • Disposals and retirements | 8 |
| **At the end of the year** | **178** |

## VII. Schedule of tangible fixed assets (in thousand €)

| | Land and buildings | Equipment and machinery | Furniture and vehicles |
|---|---|---|---|
| **a) Acquisition cost** | | | |
| At the beginning of the year | 13 | 1,730 | 1,733 |
| Movements during the period | | | |
| • Investments, included fixed assets own production | - | 78 | 406 |
| • Disposals and retirements | (13) | (169) | (285) |
| • Foreign currency translation adjustments and other | - | (6) | (8) |
| **At the end of the year** | **0** | **1,633** | **1,846** |
| **c) Depreciation and amortisation** | | | |
| At the beginning of the year | - | (1,151) | (854) |
| Movements during the period | | | |
| • Depreciation and amortisation | - | (141) | (311) |
| • Disposals and retirements | - | 165 | 299 |
| • Foreign currency translation adjustments and other | - | 5 | 3 |
| **At the end of the year** | **-** | **(1,122)** | **(863)** |
| **d) Net book value at the end of the year** | 0 | 511 | 983 |
| Net book value at the end of the year N-1 (as of 31/12/2022) | 13 | 579 | 879 |

## VIII. Statement of financial fixed assets (in thousand €)

| | |
|---|---|
| **B. 1. PARTICIPATING INTERESTS AND SHARES** | |
| **a) Acquisition cost** | |
| At the beginning of the year | 2,833,897 |
| Movements during the period | |
| • Investments | 61,340 |
| • Disposals and retirements | (118,975) |
| • Foreign exchange adjustments | (12,690) |
| • Transfer between categories | - |
| • Other | - |
| **At the end of the year** | **2,763,545** |
| **b) Amounts written down** | |
| At the beginning of the year | 213,196 |
| Movements during the period | |
| • Impairment | 287,539 |
| • Reversal of impairment | (30,841) |
| • Disposals and retirements | (871) |
| • Transfer between categories | |
| • Foreign exchange adjustments | (1,813) |
| **At the end of the year** | **467,210** |
| **NET BOOK VALUE AT THE END OF THE YEAR** | **2,296,335** |

| | |
|---|---|
| **B. 2. AMOUNTS RECEIVABLE** | |
| Carrying value at the beginning of the year | 154,593 |
| Movements during the period | |
| • Investments | 30,302 |
| • Reimbursements | (35,853) |
| • Write-downs | (1,309) |
| • Write-backs due to excess | 35,983 |
| • Foreign exchange adjustments | (550) |
| • Transfer between categories | - |
| • Other | - |
| **Net book value at the end of the year** | **183,166** |
| **ACCUMULATED AMOUNTS WRITTEN DOWN AT THE END OF THE YEAR ON AMOUNTS RECEIVABLES** | **1,309** |

## IX. Schedule of consolidated reserves (in thousand €)

| | Amount |
|---|---|
| At the beginning of the year | 2,677,778 |
| Results of the year | 20,638 |
| Dividends of the year | (82,238) |
| Employees | (1,008) |
| Other | 976 |
| **At the end of the year** | **2,616,145** |

## X. Schedule of consolidation adjustments (in thousand €)

| | Amount |
|---|---|
| At the beginning of the year | 448 |
| Movements during the period | - |
| • Due to an decrease in percentage holdings | - |
| • Amortisation and amounts written down | - |
| **At the end of the year** | **448** |

# XII. Results for the period and the preceding period (in thousand €, except B1)

| | Period | Preceding period |
|---|---|---|
| **A. Net turnover** | **1,928** | **11,768** |
| **B. Average number of persons employed and personnel charges** | | |
| B.1. Average number of persons employed | 42 | 39 |
| • Employees | 37 | 34 |
| • Managers | 5 | 5 |
| • In Belgium | 28 | 30 |
| B.2. Personnel charges | 16,131 | 12,835 |
| • Pensions | 4 | 4 |
| B.3. Provisions for pensions | - | - |
| • Charge-offs and write-backs | - | - |
| **C. Non-recurring income** | | |
| Non-recurring operating income | | |
| • Capital gains on disposal of tangible assets | 68 | 18 |
| • Other | 309 | 450 |
| Non-recurring financial income | | |
| • Reversals of impairments on financial assets | 31,266 | - |
| • Capital gains on disposal of financial assets | 211,845 | 649,552 |
| • Other costs linked to participations | - | - |
| • Other | 3,263 | - |
| **D. Non-recurring charges** | | |
| Non-recurring operating charges | | |
| • Exceptional staff costs | - | - |
| • Capital losses on disposal of tangible assets | - | - |
| • Other costs linked to participations | 3,397 | 5,379 |
| • Other | 16 | 44 |
| Non-recurring financial charges | | |
| • Amounts written off on financial assets | 289,078 | 172,921 |
| • Provisions linked to participations | - | - |
| • Capital losses on disposal of financial assets | 165 | 131 |
| • Other | - | - |



# XIII. Off-balance sheet rights and commitments (in thousand €)

| | Period | Preceding period |
|---|---|---|
| A. 1. Amount of personal guarantees, given or irrevocably promised by consolidated enterprises as security | - | - |
| 2. Commitments related to shares | | |
| a) Commitments to buy fixed assets | - | - |
| b) Commitments to sell fixed assets | - | - |
| c) Guarantees given to banks in relation with participations | 144,174 | 144,174 |
| d) Guarantees given following the disposal of shares | 2,500 | 2,500 |
| 3. a) Rights from transactions relating to interest rates | | |
| b) Commitments from transactions relating to interest rates | - | - |
| c) Commitments from operations relating to currencies | - | 177,450 |
| d) Rights from operations relating to currencies | - | 119,048 |

# XIV. Relationship with affiliated enterprises and other enterprises linked by participation interests not included in the restricted consolidation (in thousand €)

| | Period | Preceding period |
|---|---|---|
| 1. Financial fixed assets | | |
| • Participations consolidated under equity method | - | - |
| • Participating interests | 2,286,557 | 2,612,875 |
| • Amounts receivable | 182,209 | 153,927 |
| 2. Amounts receivable | | |
| • After more than one year | - | - |
| • Within one year | 5,378 | 1,462 |
| 3. Short-term payables | | |
| • Deposits | 6,183 | 6,068 |
| 7. Financial results | | |
| a) income from financial fixed assets | 52,544 | 55,500 |
| b) income from current assets | 121 | 17 |
| c) interest and other debt charges | 236 | 56 |

**AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF THE COMPANY COBEPA SA ON THE RESTRICTED CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023**

In accordance with our engagement letter dated 29 November 2023, we report to you on the performance of our audit on the restricted consolidated accounts of Cobepa SA (the "Company") and its subsidiaries (jointly "the Group").

**Report on the audit of the restricted consolidated accounts**

**Unqualified opinion**

We have performed the audit of the restricted consolidated accounts of the Group, which comprise the Consolidated balance sheet after appropriation and the Consolidated earnings as at 31 December 2023, the Consolidated income statement and the Sources and applications of funds for the year then ended, and the Notes to the accounts, characterised by a consolidated balance sheet total of EUR (000) 3,386,796 and a Share of the group in the profit of the year of EUR (000) 20,638.

In our opinion, the restricted consolidated accounts set forth on pages 66 to 79 have been prepared, in all material respects, in accordance with the basis set out in Notes I and V, which describe the restricted consolidation criteria and the summary of accounting policies applied.

**Basis for unqualified opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Furthermore, we have applied the International Standards on Auditing as approved by the IAASB which are applicable to the year-end and which are not yet approved at the national level. Our responsibilities under those standards are further described in the "*Registered auditor's responsibilities for the audit of the consolidated accounts"* section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to our audit of the consolidated accounts in Belgium, including the requirements related to independence.

We have obtained from the board of directors and Company officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of the board of directors for the restricted consolidated accounts**

The board of directors is responsible for the preparation and fair presentation of restricted consolidated accounts in accordance with the restricted consolidated criteria and accounting policies set out in Notes I and V, and for such internal control as the board of directors determines is necessary to enable the preparation of restricted consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the restricted consolidated accounts, the board of directors is responsible for assessing the Group'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 the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

**Registered auditor's responsibilities for the audit of the restricted consolidated accounts**

Our objectives are to obtain reasonable assurance about whether the restricted consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 restricted consolidated accounts.

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Our responsibilities in respect of the use of the going concern basis of accounting by the board of directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the restricted consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our 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.
- Obtain 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made 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 a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 restricted consolidated accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the restricted consolidated accounts, including the disclosures, and whether the restricted consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the restricted consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors and with the audit committee 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.

**Other matter – limitation of use**

This report is intended solely for the use of the Board of Directors and should not be used for any other purpose.

Diegem, 12 April 2024

The statutory auditor
PwC Bedrijfsrevisoren BV/PwC Reviseurs d'Entreprises SRL
Represented by

Romain Seffer

Romain Seffer*
Réviseur d'Entreprises

*Acting on behalf of Romain Seffer SRL

# Statutory Accounts 2023

### Disclaimer

In accordance with article 3:17 of the Belgian Code of Companies and Associations, the statutory accounts are a condensed version and do not contain all notes of information required by law nor do they contain the Report of the Auditor, who has certified and given an unqualified opinion on these accounts. The complete version will be deposited at the National Bank of Belgium.

### Balance sheet after appropriation (in thousand €)

| ASSETS | 31.12.2023 | 31.12.2022 |
|---|---|---|
| **Fixed assets** | **2,483,228** | 2,691,532 |
| II. Intangible fixed assets | 161 | 229 |
| III. Tangible fixed assets | 1,340 | 1,250 |
| B. Plant, machinery and equipment | 492 | 554 |
| C. Furniture and vehicles | 849 | 696 |
| IV. Financial fixed assets | 2,481,727 | 2,690,054 |
| A. Affiliated enterprises | 1,701,094 | 1,924,649 |
| 1. Participating Interests | 1,477,100 | 1,699,640 |
| 2. Amounts receivable | 223,994 | 225,009 |
| B. Other enterprises linked by participating interests | 773,490 | 758,114 |
| 1. Participating Interests | 694,511 | 697,377 |
| 2. Amounts receivable | 78,979 | 60,737 |
| C. Other financial fixed assets | 7,143 | 7,291 |
| 1. Shares | 6,272 | 6,515 |
| 2. Amounts receivable and cash guarantees | 870 | 776 |
| **Current assets** | **910,386** | 685,544 |
| V. Amounts receivable after more than one year | 12,000 | 22,100 |
| B. Other amounts receivable | 12,000 | 22,100 |
| VII. Amounts receivable within one year | 35,579 | 25,767 |
| A. Trade debtors | 121 | 85 |
| B. Other amounts receivable | 35,458 | 25,682 |
| VIII. Current investments | 829,862 | 576,785 |
| B. Other investments | 829,862 | 576,785 |
| IX. Cash at bank and in hand | 22,582 | 53,860 |
| X. Accruals and deferred income | 10,363 | 7,032 |
| **TOTAL ASSETS** | **3,393,614** | 3,377,077 |

### Balance sheet after appropriation (in thousand €)

| LIABILITIES | 31.12.2023 | 31.12.2022 |
|---|---|---|
| **Equity** | **3,173,638** | 3,179,139 |
| I. Contributions | 654,717 | 654,717 |
| A. Capital | 603,543 | 603,543 |
| 1. Issued capital | 603,543 | 603,543 |
| B. Beyond capital | 51,174 | 51,174 |
| 1. Share premium account | 51,174 | 51,174 |
| III. Reserves | 287,112 | 287,112 |
| A. Reserve not available | 60,914 | 60,914 |
| 1. Legal reserve | 60,354 | 60,354 |
| 2. Reserves not available statutorily | - | - |
| 5. Other | 560 | 560 |
| B. Untaxed reserves | 156,607 | 156,607 |
| C. Available reserves | 69,591 | 69,591 |
| IV. Accumulated profits (losses) | 2,231,809 | 2,237,310 |
| **Provisions and deferred taxes** | **13,021** | 13,100 |
| VII. Provisions for liabilities and charges | 13,021 | 13,100 |
| A. Pensions and similar obligations | 242 | 242 |
| E. Other liabilities and charges | 12,779 | 12,858 |
| **Creditors** | **206,956** | 184,838 |
| IX. Amounts payable after more than one year | 60,079 | 60,000 |
| A. Financial debts | 60,079 | 60,000 |
| 4. Credit institutions | 79 | - |
| 5. Other loans | 60,000 | 60,000 |
| X. Amounts payable within one year | 146,618 | 124,635 |
| A. Current portion of amounts payable after more than one year failing due within one year | - | - |
| B. Financial debts | 57,485 | 43,616 |
| 2. Other loans | 57,485 | 43,616 |
| C. Trade debts | 2,104 | 723 |
| 1. Suppliers | 2,104 | 723 |
| E. Taxes, remuneration and social security | 2,635 | 2,468 |
| 1. Taxes | 322 | 371 |
| 2. Remuneration and social security | 2,313 | 2,097 |
| F. Other amounts payable | 84,394 | 77,828 |
| XI. Accruals and deferred income | 259 | 203 |
| **TOTAL LIABILITIES** | **3,393,614** | 3,377,077 |

## Income statement (in thousand €)

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| **I. Operating income** | **296** | 10,621 |
| A. Turnover | 159 | 4,944 |
| D. Other operating income | 71 | 5,391 |
| E. Non-recurring operating income | 66 | 286 |
| **II. Operating charges** | **22,794** | 35,271 |
| B. Services and other goods | 10,687 | 24,649 |
| C. Remuneration, social security costs and pensions | 9,348 | 7,611 |
| D. Depreciations of and other amounts written down on formation expenses, intangible and tangible fixed assets | 405 | 397 |
| G. Other operating charges | 317 | 148 |
| I. Non-recurring operating charges | 2,036 | 2,466 |
| 1. Non-recurring amortization and impairment of facility costs | - | 5 |
| 3. Losses on disposal of intangible and tangible fixed assets | 11 | - |
| 4. Other non-recurring operating charges | 2,026 | 2,461 |
| **III. Operating profit (Loss)** | **(22,498)** | (24,650) |
| **IV. Financial income** | **315,703** | 548,405 |
| A. Recurring financial income | 70,090 | 48,044 |
| 1. Income from financial fixed assets | 34,558 | 36,706 |
| 2. Income from current assets | 23,087 | 1,866 |
| 3. Other financial income | 12,445 | 9,472 |
| B. Non-recurring financial income | 245,613 | 500,361 |
| 1. Write-back of amounts written down financial fixed assets | 31,241 | 143 |
| 3. Gains on disposal of financial assets | 214,372 | 500,218 |
| **V. Financial charges** | **211,152** | 165,673 |
| A. Recurring financial charges | 3,864 | 10,623 |
| 1. Debt charges | 3,142 | 3,831 |
| 2. Amounts written down on current assets other than stocks, contracts in progress and trade debtors: additions (write-backs) | - | 16 |
| 3. Other financial charges | 722 | 6,776 |
| B. Non-recurring financial charges | 207,288 | 155,050 |
| 1. Amounts written off financial fixed assets | 207,123 | 154,918 |
| 3. Losses on disposal of financial assets | 165 | 132 |
| **VI. Profit (Loss) of the period before taxes** | **82,053** | 358,082 |
| **IX. Income taxes on the result** | **4,310** | 264 |
| A. Taxes | 4,310 | 264 |
| **X. Profit (Loss) of the period** | **77,744** | 357,818 |
| **XIII. Profit (Loss) of the period available for appropriation** | **77,744** | 357,818 |



## Profit appropriation (in thousand €)

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| **A. Profit available for appropriation** | **2,315,054** | 2,312,973 |
| 1. Profit (Loss) of the period available for appropriation | 77,744 | 357,818 |
| 2. Profit (Loss) of the preceding period brought forward | 2,237,310 | 1,955,155 |
| **C. Appropriation to equity** | **-** | - |
| 2. To legal reserve | - | - |
| **D. Profit (loss) to be carried forward** | **2,231,809** | 2,237,310 |
| **F. Profit to be distributed** | **83,245** | 75,663 |
| 1. Compensation for contributions: Dividends | 82,238 | 74,638 |
| 3. Employees | 1,008 | 1,025 |

## Capital

| | Amounts in thousand € | Number of shares |
|---|---|---|
| **A. Issued capital** | | |
| 1. Subscribed capital | | |
| At the beginning of the year | 603,543 | 27,141,169 |
| At the end of the year | 603,543 | 27,141,169 |
| 2. Capital structure | | |
| 2.1. Share categories | | |
| Ordinary shares | - | 27,141,169 |
| 2.2. Registered or bearer shares | | |
| Registered | - | 27,141,169 |

# Accounting Policies

## Formation expenses

These are entered in the assets and depreciated at a minimum of 20% or expensed in the accounting period during which they are incurred.

## Tangible fixed assets

A corporate expense will be accounted for as a tangible fixed asset if its purchase price, aggregated with any directly related expenditure of accessories, exceeds €2,000. If the amount is lower, the expense will not be considered a tangible fixed asset, but will instead be accounted for as an operating cost item.

At the time of their acquisition, tangible fixed assets are valued at the purchase price including ancillary expenses.

Depreciation rates are as follows at balance sheet date:

- 20% for equipment and machinery;
- 10% for furniture;
- 20% for vehicles;
- 0% for works of art;
- 3% for constructions; the duration of the rental agreement for installations in the rented buildings;
- annual depreciation based on the likely duration of between 2 and 5 years depending on the nature of the hardware for computer equipment.

However, these rates can be brought up to the levels allowed by the Ministry of Finance for the ancillary expenses and within the framework of the regulations allowing declining balance depreciations. Exceptional depreciations will be applied if necessary to bring the net book value of a tangible asset to its economic value if it is lower.

## Financial fixed assets

### Investments and other securities held in portfolio

At the time of their acquisition, investments and other securities held in portfolio are valued at acquisition cost. Ancillary costs are charged to the income statement during the period in which they are incurred. At the balance sheet date, the acquisition cost of each investment or security held in portfolio is compared to its estimated realisable value in accordance with the evaluation method set out below.

If the estimated realisable value is lower than the acquisition cost, write-downs are recorded in the income statement to the extent that the impairment in value is deemed to be durable. Appropriate write-backs are recorded in respect of writedowns on securities on which capital gains are subsequently determined.

More particularly, if a hedging strategy is applied through the purchase of "put" options covering the value reduction of the shares and financed by the sale of "call" options, the premiums paid will be booked on the assets' side of the balance sheet as short-term investments. At maturity, if the securities they cover are sold, the premiums reduce the gain or loss on disposal; otherwise they are expenses.

As for the premiums received, they are accounted on the liabilities' side under "Accrued charges and deferred income" until the maturity of the operation, at which time they are switched to profits. At the balance sheet date, it is the overall position (options contracts and securities hedged) that is examined to decide on a possible value adjustment.

**Investments:**

These fixed assets are valued on the basis of their net asset value (i.e. book value corrected for gains and losses prudently estimated on the basis of the position, profitability or prospects of the company). The book value is taken from the last balance sheet or the last known financial position.

**Other securities held in portfolio:**

Listed or publicly-traded shares are in principle valued at the closing rate on the balance sheet date, provided that the market in the shares is active. Unlisted shares and listed shares where the market is not considered to be active are valued by reference to their net asset value as defined above. If their net asset value cannot be calculated, the shares are valued by reference to the book value.

### Other financial fixed assets - Amounts receivable

They are recorded at their face value, adjusted, where appropriate, for long-term amounts receivable bearing no interest or granted at low interest rates. If their recoverability is considered to be unlikely, in particular in the light of the financial position of the debtor, an appropriate write-down is recorded.

## Short-term trading securities portfolio

Trading securities are valued using the same principles set out above for the other securities held in portfolio. Appropriate write-downs are recorded in respect of unrealised losses. If gains are determined on securities that have previously undergone write-downs, appropriate value adjustments will be entered.

## Other amounts receivable, short-term investments and cash at bank and in hand

Other amounts receivable, short-term investments and cash at bank and in hand are stated at acquisition cost or nominal value. Write-offs and write-backs are recorded according to the assessment criteria set out above for "other financial fixed assets - amounts receivable".

## Provisions for liabilities and charges

At the end of each accounting period, the Board of Directors examines prudently, sincerely and in good faith the provisions required to cover anticipated liabilities and possible charges which have arisen during the year and previous years. The provisions relating to previous years are regularly reviewed and released to the income statement if they no longer apply.

## Amounts payable after one year and within one year

Such liabilities are recorded at their nominal value, adjusted, where appropriate, for long-term debts without interest or at a low interest rate.

## Deferred charges, accrued income, accrued charges and deferred income

Accrued and deferred income, and deferred and accrued charges are calculated at the balance sheet date and stated in the appropriate accounts on the assets and liabilities' sides of the balance sheet.

## Foreign currencies

As a general rule, all amounts payable and receivable are shown in the balance sheet at the currency average rate on the balance sheet date. Variations against the historical value are grouped by currency. If the net difference for a currency shows an unrealised loss, it is recorded as a cost in the income statement. Unrealised exchange gains are added in the balance sheet on the liability side under accrued charges and deferred income. If the foreign currency financing is designed to hedge investments in the same currency, the historical value of this financing transaction is maintained. In accordance with the provisions of Royal decree of 29 April 2019, these same rules will also apply in the future. If, however, the use of one or more of these rules is no longer appropriate, any changes deemed to be necessary would be made, and the reasons for the changes and the effect on the accounts would be mentioned in the notes to the annual accounts.

# Calendar

**26 April 2024**
Approval of annual accounts

**22 May 2024**
Payment of dividend

**25 April 2025**
Approval of annual accounts

# Address of the Group


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