

BELLON

Statutory Auditors' report on the financial statements

(For the year ended December 31, 2020)

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

**Statutory Auditors' report on the financial statements
(For the year ended December 31, 2020)**

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

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of BELLON S.A. for the year ended December 31, 2020.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2020 and of the results of its operations for the year then ended in accordance with French accounting principles.

Basis for Opinion

Audit framework

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

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

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie* for statutory auditors rules applicable to us, for the period from January 1, 2020 to the date of our report.

Justification of assessments

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

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the following matters that, in our professional judgment, were the most significant in our audit of the financial statements .

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

- The company's investment in Sodexo, whose net balance sheet amounted 1,899,254 thousands euros as at December 31, 2020, is assessed at acquisition cost and impaired based on its value in use described in the note 2.2 "Financial Assets" to the financial statements. Our work consisted in reviewing the data and assumptions used for the determination of this value in use and checking the calculations made by your company.

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

Specific verifications

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

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

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

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

Report on corporate governance

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

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

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

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

The financial statements were approved by the Board of Directors.

Statutory auditors' responsibilities for the audit of the financial statements

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

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

Neuilly-sur-Seine and Paris La Défense, April 20, 2021

The Statutory Auditors

PricewaterhouseCoopers Audit

KPMG Audit
Department of KPMG S.A.

Agnès Hussherr

Hervé Chopin

Financial statements BELLON SA as of December 31, 2020

In thousands of euro	Year ended December 31	
	2020	2019
REVENUES	1 964	3 052
Other income	65	65
Employee costs	(4 644)	(5 295)
Other external charges	(9 180)	(5 627)
Taxes other than income taxes	(204)	(221)
Depreciation and amortization	(36)	(37)
OPERATING PROFIT	(12 015)	(8 063)
Financial income	180 746	171 423
Financial expense	(7 997)	(9 494)
FINANCIAL RESULT	172 749	161 929
Employee Profit- sharing		(6)
Income taxes		
NET INCOME	160 734	153 861

II BALANCE SHEET

ASSETS (in thousands of euro)	As of Dec. 31, 2020	As of Dec. 31, 2019
NON-CURRENT ASSETS, NET		
Property, plant and equipment	162	198
Financial investments	1 899 254	1 832 502
Rental Security deposit	34	33
• Total non-current assets	1 899 450	1 832 733
CURRENT ASSETS		
Accounts receivable		0
Other receivables	98	19
Cash	20 290	30 188
• Total current assets	20 388	30 207
TOTAL ASSETS	1 919 838	1 862 941

LIABILITIES AND EQUITY (in thousands of euro)	As of Dec. 31, 2020	As of Dec. 31, 2019
SHAREHOLDERS' EQUITY		
Share capital	388	388
Additional paid in capital	284 734	284 734
Reserves and retained earnings	1 311 666	1 162 146
• Total Shareholders' equity	1 596 788	1 447 268
• Provisions for contingencies and losses		-
LIABILITIES		
Borrowings	320 451	413 021
Accounts payable	333	447
Other liabilities	2 265	2 206
Total liabilities	323 049	415 674
TOTAL LIABILITIES AND EQUITY	1 919 838	1 862 941

Notes to the financial statements

Sodexo shares

On March 2020, Bellon SA bought 789 878 Sodexo shares for an amount of 66.7 millions euros, i.e an average share price of 84.4€.

Borrowings

On April 2020, Bellon SA borrowed an ELS (Equity Linked Swap) of 200 million euros signed with CACIB and drawn for 150 million euros on December 31, 2020.

During the year, Bellon SA prepaid the outstanding amount of the USPP for 81.2 million euros.

Charity

In the context of the COVID 19 pandemic and its social consequences, Bellon SA made an exceptional donation of 3 million euros to Stop Hunger Foundation in 2020.

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

The accounting principles used in the preparation of the statutory financial statements for 2020 are the same as those used for 2019. The historical cost method was used in the preparation of these financial statements.

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

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

2.1 Property, plant and equipment

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

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

The principal depreciation rates used are the following: General fixtures and fittings 9 years

Office equipment 9 years

Computer equipment 4 years

2.2 Financial assets

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

2.3 Marketable securities

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

2.4 Borrowings

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

	Amounts as of January 1, 2020	Increase	Decrease	Amounts as of December 31, 2020
Property, plant and equipment	322	0	0	322
Financial investments				
Sodexo	1 832 502	66 752	0	1 899 254
Other investments	-			
Total financial investments	1 832 502	66 752	0	1 899 254
Total non-current assets (gross amount)	1 832 824	66 752	0	1 899 254
Depreciation	(123)	(36)	0	(160)
Total non-current assets (net)	1 832 701	66 716	0	1 899 416
Rental security deposit	33	1	0	34
Total non-current assets (net)	1 832 733	66 717	0	1 899 450

Sodexo shares are valued at historical cost. Market price as of the end of the year (share price at 69.22 €) would have been 4.363 million euro.

	Number of shares	Capital	Additional paid in capital	Legal reserve	Ordinary reserve	Retained earnings	Net income for the fiscal year	Shareholders equity
Shareholders' equity as of December 31, 2016	24 255	388	284 734	41	656 772	9 739	109 068	1 060 742
Share redemption					(231)			(231)
Dividends paid					96 000	1 764	(109 068)	(11 304)
Net income for the year							123 403	123 403
Shareholders' equity as of December 31, 2017	24 255	388	284 734	41	752 541	11 503	123 403	1 172 610
Share redemption					(77)			(77)
Dividends paid					110 000	619	(123 403)	(12 784)
Net income for the year							148 162	148 162
Shareholders' equity as of December 31, 2018	24 255	388	284 734	41	862 464	12 122	148 162	1 307 911
Share redemption					(597)			(597)
Dividends paid					110 000	24 255	(148 162)	(13 907)
Net income for the year							153 861	153 861
Shareholders' equity as of December 31, 2019	24 255	388	284 734	41	971 867	36 376	153 861	1 447 268
Share redemption								
Dividends paid					106 000	36 648	(153 861)	(11 214)
Net income for the year							160 734	160 734
Shareholders' equity as of December 31, 2020	24 255	388	284 734	41	1 077 867	73 024	160 734	1 596 788

V BORROWINGS

	Amounts as of January 1, 2020	Increase	Decrease	Amounts as of December 31, 2020
Bank borrowings	413 009	320 407	(412 965)	320 451
Overdraft	12		(12)	0
Total borrowings	413 021	320 407	(412 977)	320 451

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

- the level of Bellon SA's investment in Sodexo should not be less than 33.33% of capital and voting rights
- the ratio of revaluated assets to revaluated net financial debt must be higher than 2.5 as of August 31 and December 31 of each year

As of December 31, 2020, Bellon SA met its commitments.

RECEIVABLES		Amounts	Less than 1 year	More than 1 year
	Clients and account attached			
	Other receivables	98	98	-
TOTAL RECEIVABLES (NET)		98	98	-

LIABILITIES		Amounts	Less than 1 year	1 to 5 years	More than 5 years
	Bank borrowings	320 451	170 451	150 000	-
Total Borrowings		320 451	170 451	150 000	
	Accounts payable	333	333		-
	Employee related liabilities	984	984		-
	Social and tax liabilities	972	972		-
	Other	309	309		-
Total other liabilities		2 265	2 265		-
TOTAL LIABILITIES		323 049	173 049	150 000	-

VII RELATED PARTY INFORMATION

		Amount	Related companies and associates	Companies with related investments
ASSETS				
	Financial investments (gross)	1 899 254	1 899 254	-
LIABILITIES				
	Accounts payable	6	6	-
	Deferred revenues	293	293	-
INCOME STATEMENT				
	Operating revenues	1 984	1 984	-
	Operating expenses	105	105	-
	Financial income	180 740	180 740	-

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

Related parties	Nature of transaction	Amount of transaction
Sodexo S.A.	Assistance and advisory services agreement between Bellon S.A. and Sodexo S.A.	The invoice issued by Bellon S.A. amounts to 2.277 thousand euro (excluding VAT) for the year ended December 31, 2020, including deferred revenues for 293 thousand euro. Thus, the revenues recorded on the financial statement ended Dec 31, 2020 amount to 1.984 thousand euros.

Accounts payable	218
Employee related liabilities	984
Social and fiscal liabilities	451
Total	1 653

IX ISSUED CAPITAL

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

Revenues are related to services rendered in France and amount to 1.985 thousand euro.

The statutory auditors' fee for the year ended December 31, 2020 amounts to 61 thousand euro for the statutory audit of the financial statements.

The financial result of 172 749 thousand euro comprises the following:

- Dividends from Sodexo for 180 740 thousand euro.
- Interest income on financial investments for 6 thousand euro.
- Interest expense amounting to 7.997 thousand euro related to the interest on the company's debt.

The company recognized a tax loss of 2.531 thousand euro for the year. Consequently, the disclosures regarding income taxes are not applicable.

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

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

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

As of December 31, 2020, Bellon SA has accumulated tax losses of 525.248 thousand euro which can be carried forward indefinitely, representing a decrease in future taxes payable of 147.349 thousand euro, based on the current rate of 28%.

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

(in thousands of euro)

	As of December 31, 2020
Less than 1 year	154
1 to 5 years	565
More than 5 years	<u>0</u>
Total	719

For CACIB ELS subscribed in April 2020, a total of 3 611 594 Sodexo shares have been pledged.

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

The commitment, which is not recognized as a liability in the balance sheet, is estimated at 965 thousand euro.

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

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

Bank	Inception date	Expiry date	Notional amount	Market value of swaps December 31, 2020
CACIB	April 16, 2020	April 20, 2023	200 million \$	460 thousand €

• Total compensation paid to the members of the Board and non executive directors	1 100 thousand euro
• Advances and loans	None
• Amount paid to a defined benefit pension plan during the financial year	None

XX NUMBER OF EMPLOYEES

As of December 31, 2020, 9 executives and 2 employees were employed by the company.

	% interest in Capital	Capital (m€)	Shareholders' equity (m€)	Book value of investment (m€)	Revenues (m€)	Net income for recent fiscal year (m€)	Date	Dividends (m€)
Sodexo SA	42,75%	590	2 659	1 899	135	221	8/31/2020	0

XXII CONSOLIDATION

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