



## SEMI-ANNUAL PRESS RELEASE – FINANCIAL INFORMATION AS AT 30 JUNE 2020

(Regulated information – published on 3<sup>rd</sup> September 2020 at 5.45 p.m.)

- **Significant rebound in second-quarter results**
- **Shareholders' Equity as at 30 June 2020: € 81.38 per share**

### Half-yearly review

In its most recent interim statement, published on 7 May last, Brederode reported the first impact of the COVID-19 pandemic on its results as at 31 March 2020. On that date, the portfolio of Listed Securities had fallen by 12%, whereas the Private Equity portfolio was expected to be down 9%.

By the end of the second quarter, the situation had improved considerably for both the Private Equity and Listed Securities' portfolios. The first half-year ultimately ended with a result around break-even, since the rebound recorded during the second quarter has made it possible to recover almost the totality of the losses sustained during the first.

The slightly negative "contributions" of each of Brederode's two sectors can be accounted for as follows:

- *Private Equity*

Activity continued unabated despite the unprecedented public health crisis. Brederode once again observed, as experienced in previous crises, a slowdown in the pace of distributions, while cash calls remained stable. This indicates that fund managers have been able to take advantage of numerous occasions already available to make promising new investments. The results is a temporary tightening of cashflows that are likely to return to equilibrium in 2021. It is in this context that Brederode increased the total value of its confirmed credit lines. The level of uncalled commitments remained stable in relation to that of end 2019.

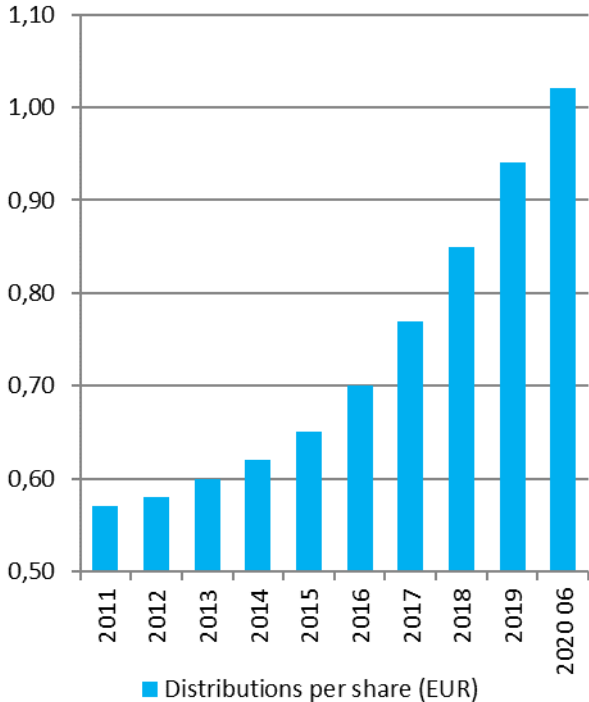
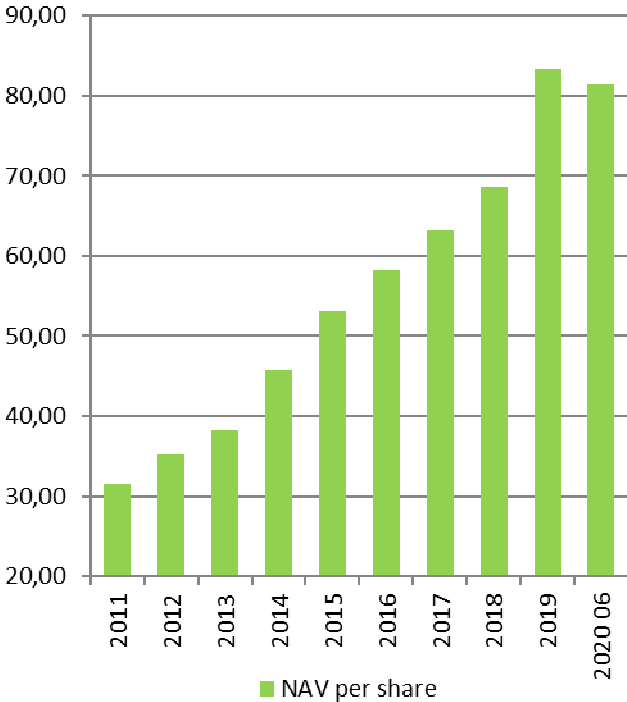
- *Listed securities*

During the crisis, this portfolio, constructed some time ago, confirmed the validity of the choices made. Few significant changes were thus made during the first half-year, as the quality of the portfolio in terms of strategic choices, the competence of the management, the balance sheet structures, its general liquidity and future prospects, have proven appropriate.

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As at 30 June 2020, shareholders' equity per share stood at € 81.38, close to the value six months earlier (€ 83.27). The return on equity at the end of the first half-year was thus limited to -1.1%.

**Long-term performance**



## KEY FIGURES OF BREDERODE'S INDIVIDUAL (NON-CONSOLIDATED) FINANCIAL STATEMENTS (IFRS)

(in € million)	30 June 2020	31 December 2019	30 June 2019
Shareholders' equity of Brederode	2,384.94	2,440.27	2,250.31
Profit for the period	-25.45	457.65	267.69
Amounts distributed to shareholders	29.89	27.55	27.55
<b>Adjusted figures per share (in €)</b>			
Shareholders' equity of Brederode	81.38	83.27	76.79
Profit for the period	-0.87	15.62	9.13
Amounts distributed to shareholders	1.02	0.94	0.94
Market price at the end of the period	74.30	74.60	60.80
<b>Ratios</b>			
Return on equity (1)	-1.1%	20.6%	13.0%
<b>Number of shares used in the profit</b>			
For shareholder equity and basic earnings	29,305,586	29,305,586	29,305,586

(1) Return on equity: Results for the financial year divided by the average shareholder equity. This ratio measures the internal profitability of a company.

## CONTRIBUTIONS TO THE INCOME FROM ASSETS HELD BY BREDERODE AND ITS SUBSIDIARIES

The following table provides details of the contribution of the main assets and liabilities of Brederode and its subsidiaries to the income as expressed in the separate Financial Statements of Brederode.

(in € million)		30 June 2020	31 December 2019	30 June 2019
Private Equity management result	(2)	-3.55	191.78	108.32
Listed Securities management result		-20.21	263.98	159.96
Other operating income and expenses	(3)	-2.49	-0.39	-1.30
<b>OPERATING RESULT</b>		<b>-26.25</b>	<b>455.37</b>	<b>266.98</b>
Net financial Income (expenses)		0.80	2.04	0.68
Taxes		0.00	0.23	0.02
<b>PROFIT FOR THE PERIOD</b>		<b>-25.45</b>	<b>457.65</b>	<b>267.69</b>

(2) This includes all management fees of Private Equity fund managers

(3) This includes all the general expenses specific to Brederode and its subsidiaries in the amount of € 1.7 million for the first half of 2020 (€ 2.5 million for 2019 and € 1.19 million for the first half of 2019), that is, an annualised 0.1% of the portfolio value.

## NET ASSETS HELD BY BREDERODE AND ITS SUBSIDIARIES

The following table provides details of the contribution of the main assets and liabilities of Brederode and its subsidiaries in shareholders' equity as expressed in Brederode's separate financial statements.

(in € million)	30 June 2020	31 December 2019	30 June 2019
<b>NON CURRENT ASSETS</b>	<b>2,451.39</b>	<b>2,492.65</b>	<b>2,283.43</b>
Intangible assets	11.39	12.21	10.03
Fixed assets	1.67	1.69	1.71
Non-current financial assets	2,428.02	2,468.35	2,260.85
- <i>Private Equity</i> Portfolio	1,374.26	1,299.70	1,171.48
- Listed Portfolio	1,053.76	1,168.66	1,089.38
Other non-current assets	10.31	10.39	10.84
<b>CURRENT ASSETS</b>	<b>29.15</b>	<b>25.49</b>	<b>36.56</b>
Cash and cash equivalents	21.47	17.36	32.55
Tax receivable	2.96	2.87	2.85
Receivables and other current assets	4.72	5.26	1.16
<b>TOTAL ASSETS</b>	<b>2,480.53</b>	<b>2,518.14</b>	<b>2,319.99</b>
<b>NON CURRENT LIABILITIES</b>	<b>-0.03</b>	<b>-0.03</b>	<b>-0.07</b>
<b>CURRENT LIABILITIES</b>	<b>-95.54</b>	<b>-77.81</b>	<b>-69.58</b>
Short term debt	-65.00	-70.00	-53.00
Debts arising from purchases of financial assets	-8.68	-2.41	-1.49
Tax due	-2.35	-2.36	-2.57
Other current liabilities	-19.51	-3.04	-12.52
<b>TOTAL LIABILITIES</b>	<b>-95.57</b>	<b>-77.84</b>	<b>-69.65</b>
<b>THIRD PARTY SHARE (minority shareholders)</b>	<b>-0.03</b>	<b>-0.03</b>	<b>-0.02</b>
<b>TOTAL NET ASSETS</b>	<b>2,384.94</b>	<b>2,440.27</b>	<b>2,250.31</b>

## PRIVATE EQUITY PORTFOLIO

The slight loss of € 3.6 million in Private Equity during the first half-year is to be compared to a profit of € 108.3 million recorded in the first half of 2019.

### Changes in the portfolio

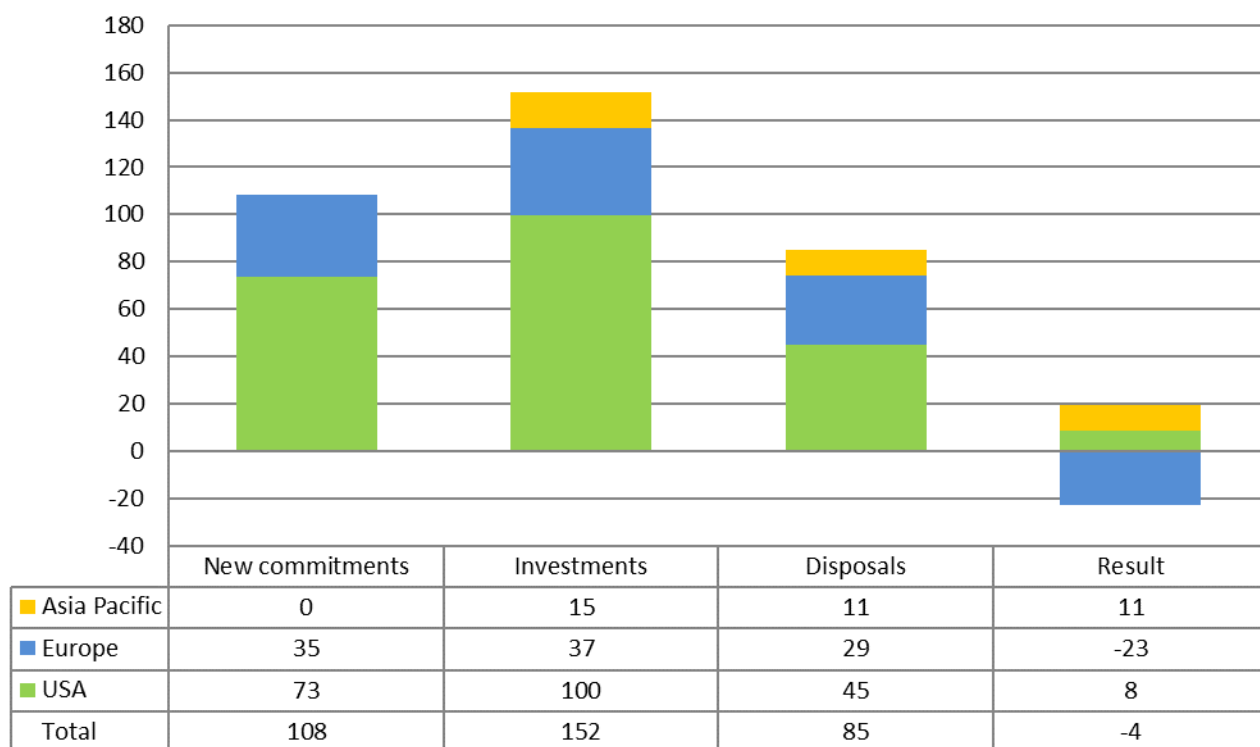
(in € million)	30 June 2020	31 December 2019	30 June 2019
<b>Private Equity portfolio at the beginning of the period</b>	<b>1,299.70</b>	<b>1,049.48</b>	<b>1,049.48</b>
Investments	151.73	297.53	138.89
Disposals	-85.22	-257.24	-135.39
Change in fair value	8.05	209.93	118.50
<b>Private Equity portfolio at the end of the period</b>	<b>1,374.26</b>	<b>1,299.70</b>	<b>1,171.48</b>

### Movements in uncalled commitments

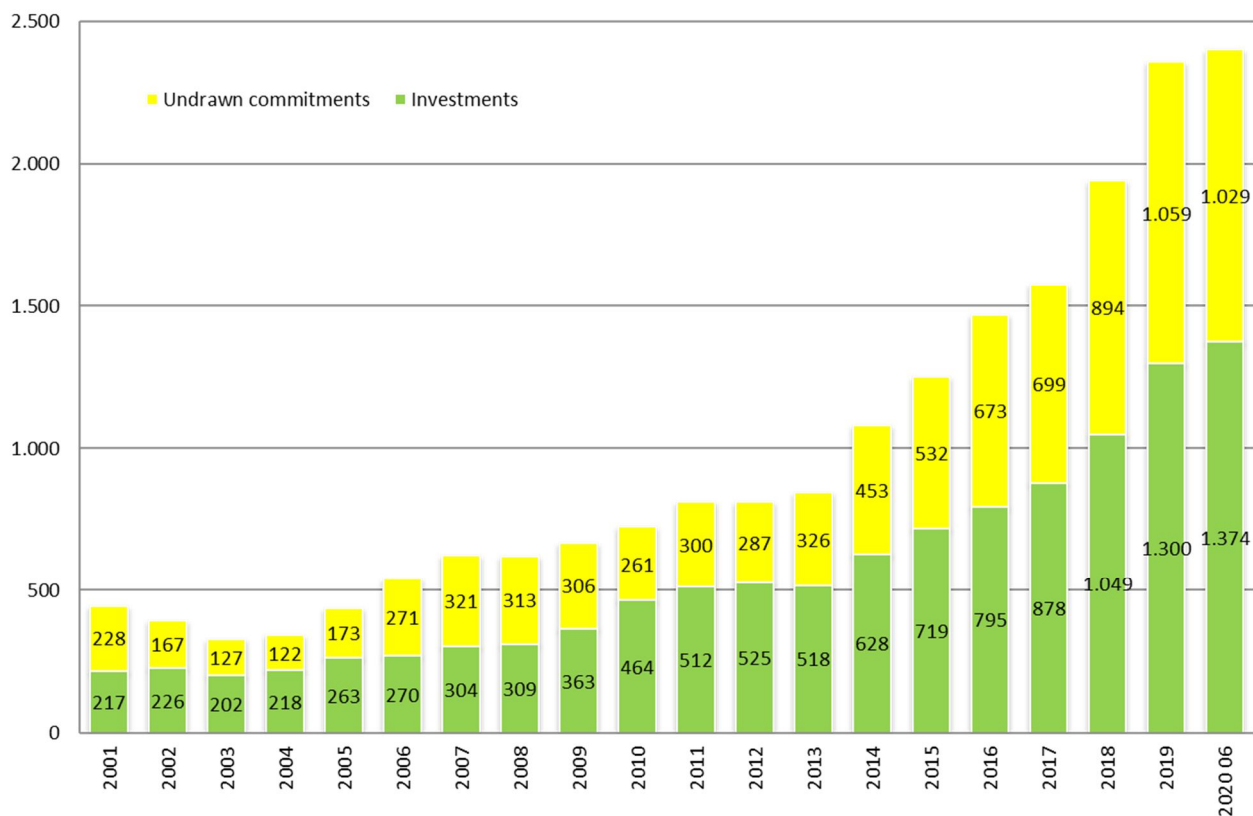
(in € million)	30 June 2020	31 December 2019	30 June 2019
<b>Commitments at the beginning of the period</b>	<b>1,059.13</b>	<b>893.71</b>	<b>893.71</b>
Variation in existing commitments	-138.91	-264.19	-124.58
New commitments (1)	108.47	429.61	211.21
<b>Commitments at the end of the period</b>	<b>1,028.69</b>	<b>1,059.13</b>	<b>980.35</b>

(1) At historical exchange rate.

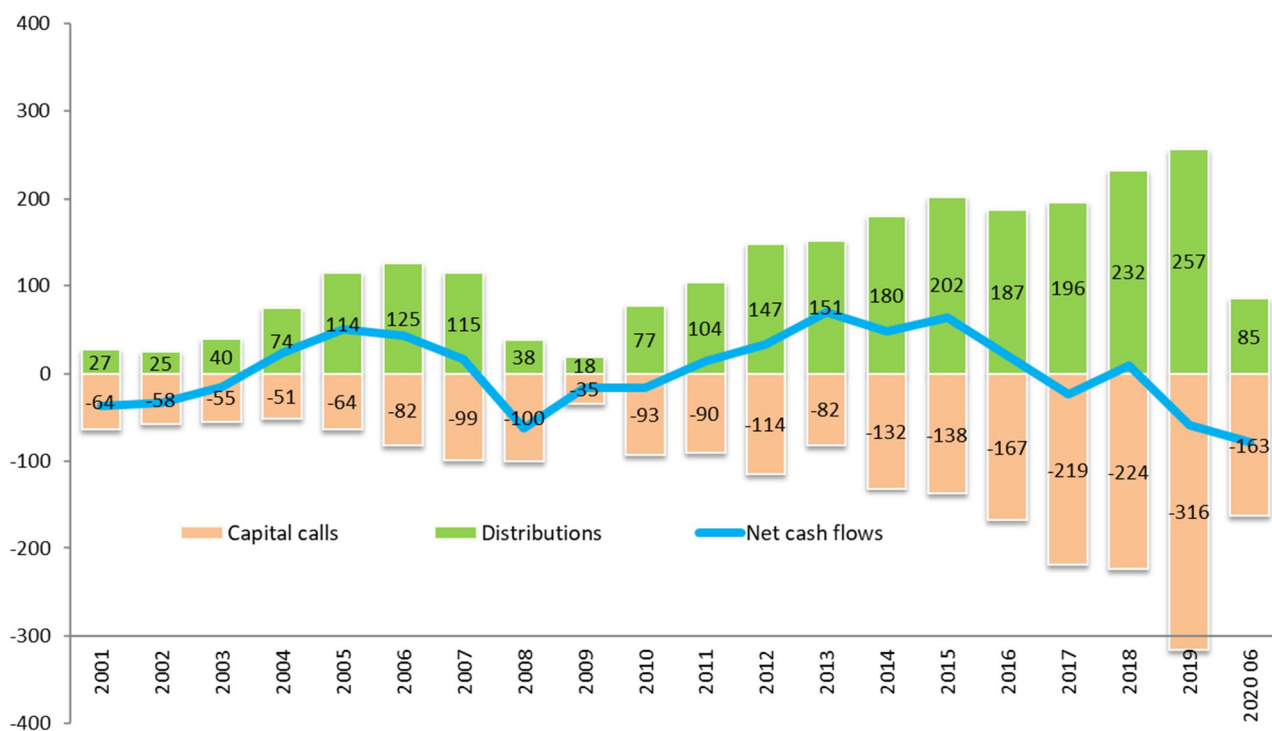
**Summary of *Private Equity* activities in the first semester 2020 (in € million)**



### Evolution of *Private Equity* commitments (In € million)

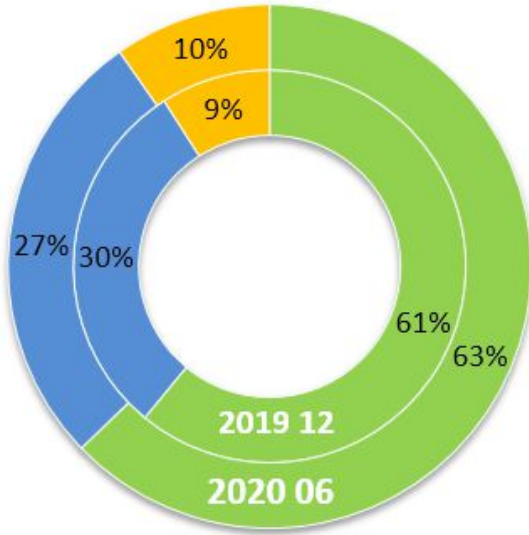


### Cash flow evolution (in € million)



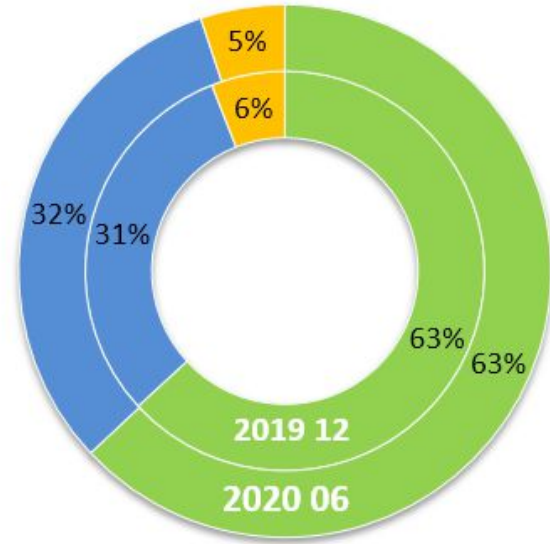
### Geographical breakdown

Current investments



■ USA ■ Europe ■ Asia Pacific

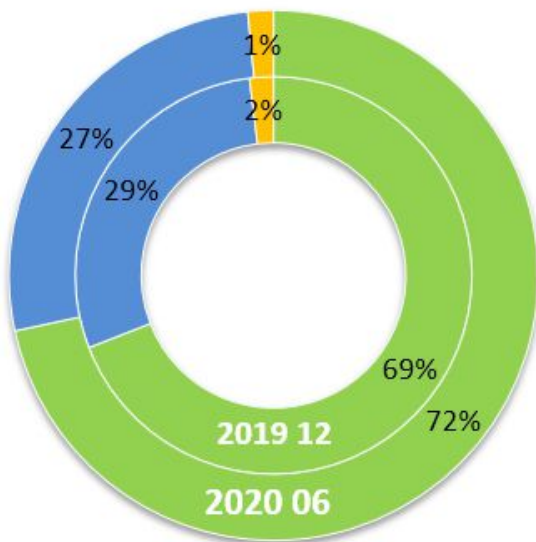
Uncalled commitments



■ USA ■ Europe ■ Asia Pacific

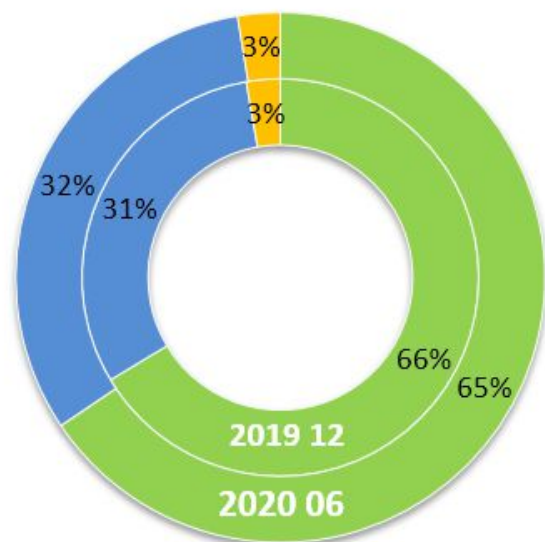
### Breakdown by currency

Current investments



■ USD ■ EUR ■ OTHERS

Uncalled commitments

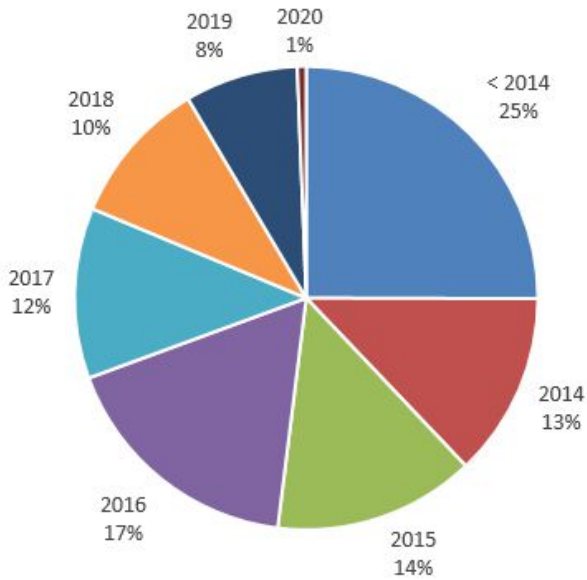


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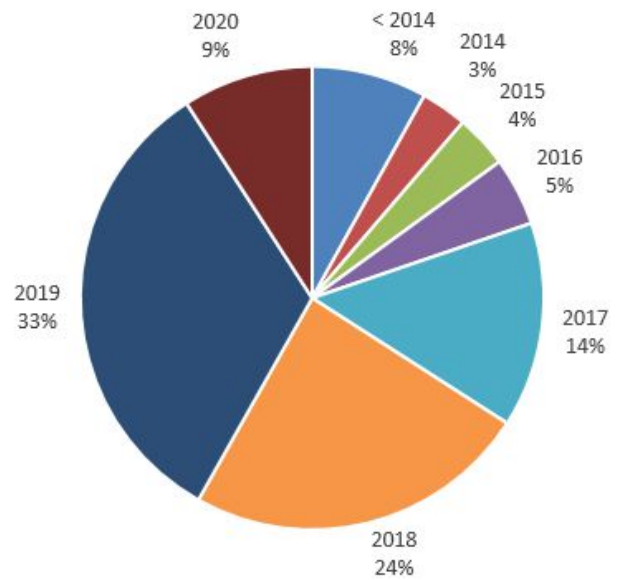


### Breakdown by Vintage (year of subscription)

**Current investments**

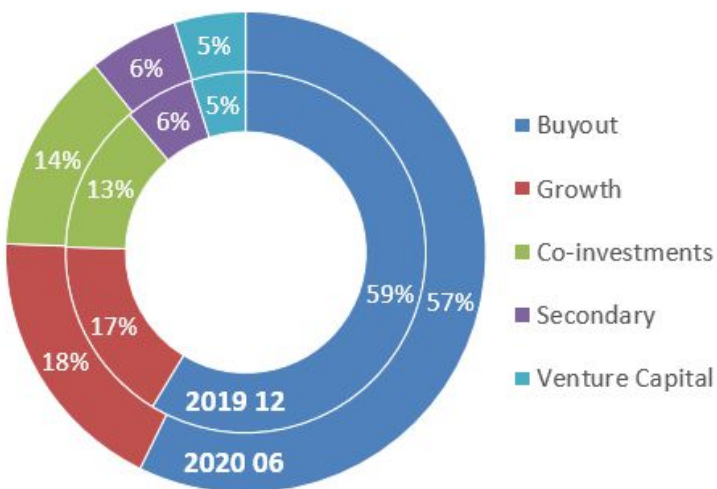


**Uncalled commitments**

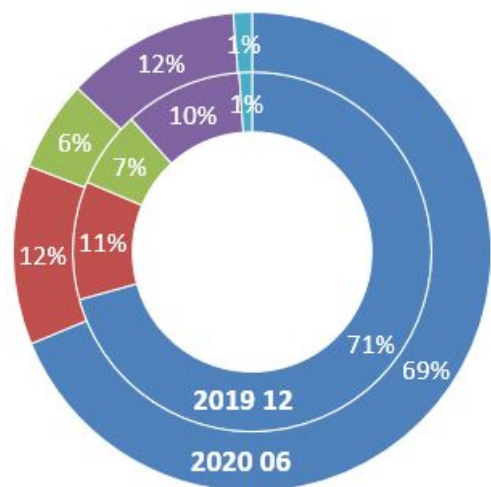


### Breakdown by style

**Current investments**



**Uncalled commitments**



**List of *Private Equity* General Partners**  
(in € million)

Managers	Investments at fair value	Uncalled commitments	Total commitments
ARDIAN	66.74	79.66	146.40
PROVIDENCE	73.36	68.46	141.81
CATTERTON	79.16	39.96	119.12
CARLYLE	54.71	59.52	114.23
HIG	37.37	64.22	101.59
BAIN	70.16	30.88	101.04
CAPITAL TODAY	91.41	7.20	98.62
VISTA	65.21	27.75	92.96
EQT	57.29	13.95	71.24
UPFRONT	50.84	12.33	63.16
GENSTAR	43.44	19.58	63.01
ASP	26.70	33.66	60.36
BC	55.48	4.29	59.77
APOLLO	34.40	22.49	56.89
HARVEST	33.35	17.99	51.34
CUBERA	23.29	27.10	50.39
ALPINVEST	19.59	29.75	49.35
TRITON	18.47	30.50	48.97
STONEPOINT	24.78	24.03	48.81
ARLINGTON	28.18	20.57	48.75
TRILANTIC	21.14	27.25	48.39
COMMITTED ADVISORS	18.63	27.21	45.84
MONTAGU	14.66	30.21	44.87
STIRLING SQUARE	28.20	15.32	43.51
BV	14.78	28.23	43.01
OTHERS	322.93	266.60	589.53
<b>TOTAL</b>	<b>1,374.26</b>	<b>1,028.69</b>	<b>2,402.95</b>

The top 25 General Partners included in this list represent 75% of the total commitments

## LISTED PORTFOLIO

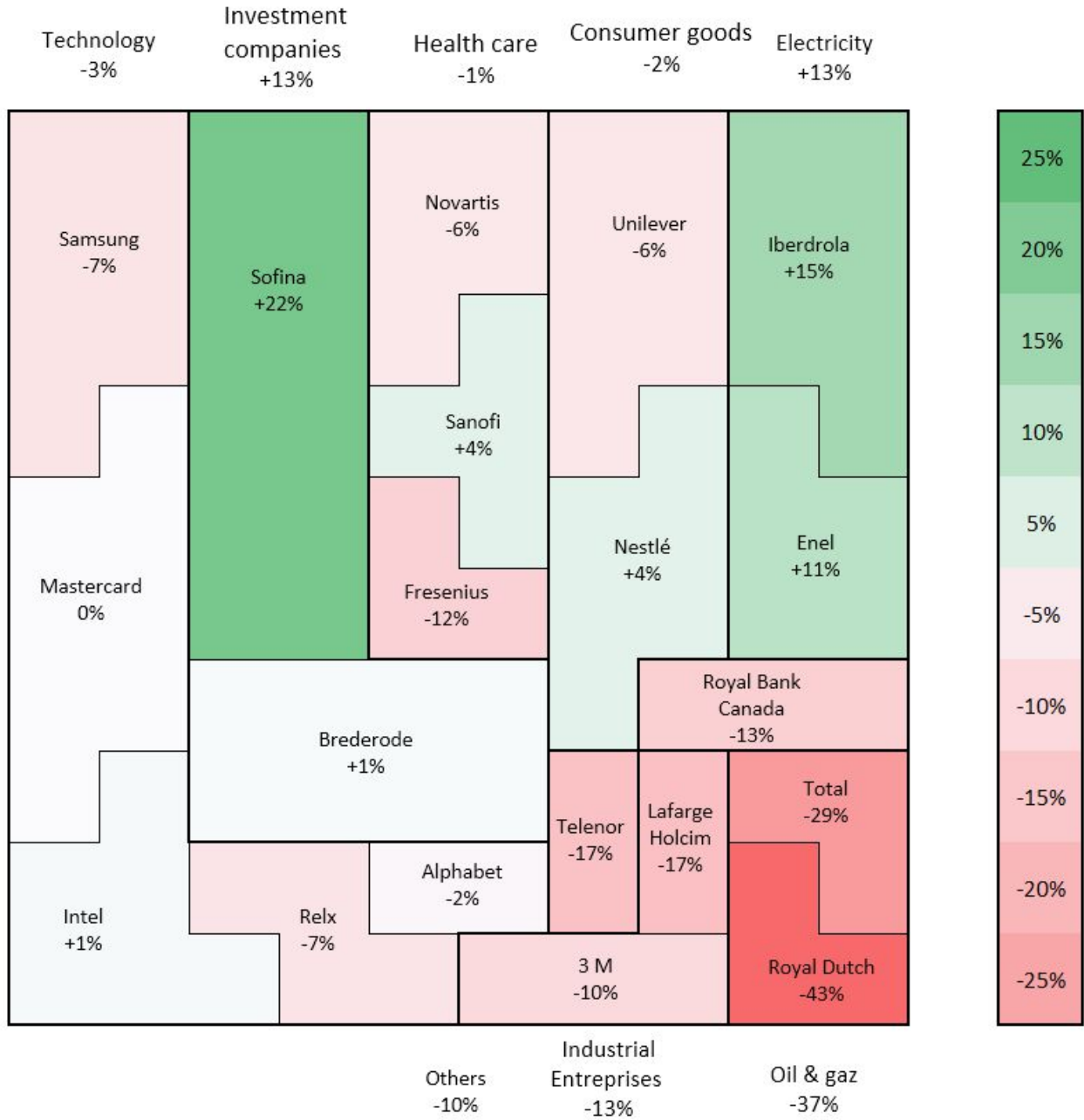
The contribution from the Listed Securities segment was € -20.2 million as at 30 June 2020, compared to € 160.0 million in the first half of 2019 (net dividends included).

During the first half-year, the holding in COLOPLAST was sold, while, for rebalancing purposes, those in SAMSUNG and SOFINA were reduced and a new shareholding in ALPHABET (Google) was acquired.

### Changes in the portfolio

(in € million)	30 June 2020	31 December 2019	30 June 2019
<b>Listed portfolio at the beginning of the period</b>	<b>1,168.66</b>	<b>961.59</b>	<b>961.59</b>
Investments	32.89	57.82	7.32
Disposals	-112.12	-88.15	-22.24
Change in fair value	-35.67	237.40	142.70
<b>Listed portfolio at the end of the period</b>	<b>1,053.76</b>	<b>1,168.66</b>	<b>1,089.38</b>

**Total performance in the first semester (including dividends)**



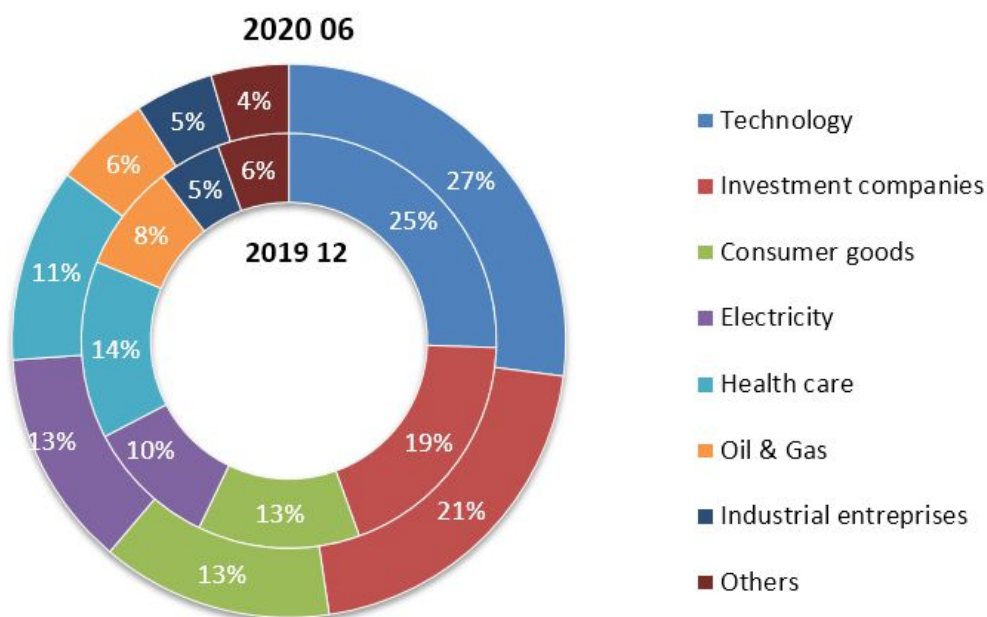
## Main holdings in the portfolio of listed securities

Securities	31 December 2019	Acquisitions (Disposals)	Variations in fair value	30 June 2020	Performance (1)	Number of securities	Allocation
<b>(in € million)</b>							
<b>Technology</b>	<b>298.35</b>	<b>-0.19</b>	<b>-13.16</b>	<b>285.00</b>	<b>-3.4%</b>		<b>27,0%</b>
Mastercard	87.43		-0.57	86.86	-0.4%	328,950	8,2%
Samsung Electronics (GDR)	106.20	-25.22	-8.59	72.39	-7.0%	73,490	6,9%
Intel	60.04		0.17	60.21	1.2%	1,127,000	5,7%
Relx	44.68		-3.79	40.89	-6.9%	1,994,965	3,9%
Alphabet (C)		25.03	-0.38	24.65	-1.5%	19,525	2,3%
<b>Investment companies</b>	<b>221.63</b>	<b>-31.94</b>	<b>27.69</b>	<b>217.38</b>	<b>13.3%</b>		<b>20,6%</b>
Sofina	131.77	-30.71	26.83	127.88	21.6%	544,185	12,1%
Brederode	89.86	-1.23 <sup>(2)</sup>	0.87	89.50	1.0%	1,204,575	8,5%
<b>Consumer goods</b>	<b>147.72</b>		<b>-5.20</b>	<b>142.52</b>	<b>-1.8%</b>		<b>13,5%</b>
Unilever	82.57		-6.41	76.16	-6.4%	1,611,788	7,2%
Nestlé	65.15		1.22	66.37	4.1%	674,872	6,3%
<b>Electricity</b>	<b>119.47</b>	<b>1.24</b>	<b>13.02</b>	<b>133.73</b>	<b>12.9%</b>		<b>12,7%</b>
Iberdrola	67.80	1.24	8.59	77.63	14.5%	7,522,528	7,4%
Enel	51.67	0.00	4.43	56.10	10.8%	7,306,056	5,3%
<b>Health care</b>	<b>161.75</b>	<b>-37.77</b>	<b>-4.51</b>	<b>119.48</b>	<b>-1.1%</b>		<b>11,3%</b>
Novartis	52.92		-4.55	48.36	-5.8%	625,000	4,6%
Sanofi	42.12		0.48	42.61	4.1%	470,000	4,0%
Fresenius SE	32.43		-3.92	28.51	-12.1%	646,191	2,7%
Coloplast	34.29	-37.77	3.48		10.1%		
<b>Oil and gas</b>	<b>97.80</b>	<b>0.00</b>	<b>-38.26</b>	<b>59.55</b>	<b>-37.1%</b>		<b>5,7%</b>
Royal Dutch Shell	56.97	0.00	-25.62	31.35	-43.1%	2,177,439	3,0%
Total	40.83		-12.64	28.20	-28.6%	829,911	2,7%
<b>Industrial firms</b>	<b>56.90</b>	<b>-0.85</b>	<b>-7.80</b>	<b>48.25</b>	<b>-12.9%</b>		<b>4,6%</b>
3M	34.51		-3.90	30.61	-9.9%	219,722	2,9%
Lafarge-Holcim	22.40	-0.85 <sup>(2)</sup>	-3.90	17.64	-17.4%	452,713	1,7%
<b>Miscellaneous</b>	<b>65.03</b>	<b>-9.72</b>	<b>-7.46</b>	<b>47.84</b>	<b>-10.3%</b>		<b>4,5%</b>
Royal Bank of Canada	31.48		-4.60	26.88	-12.9%	447,200	2,6%
Telenor	22.67		-4.44	18.23	-17.0%	1,420,000	1,7%
Other holdings < € 10 MM	10.88	-9.72	1.57	2.73	11.1%	n.a.	0,3%
<b>TOTAL</b>	<b>1,168.66</b>	<b>-79.23</b>	<b>-35.67</b>	<b>1,053.76</b>	<b>-1.7%</b>		<b>100%</b>

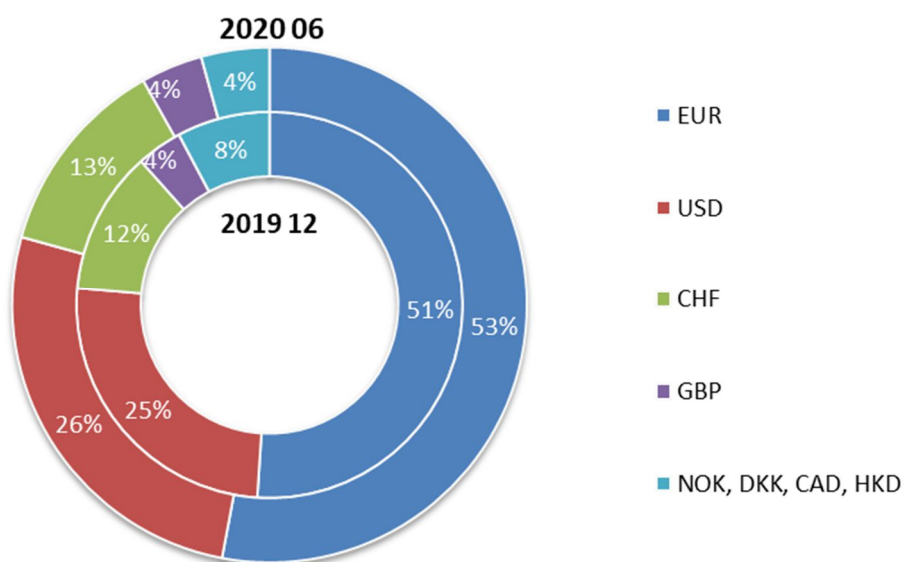
<sup>(1)</sup> Indicative performance taking into account the net dividends received

<sup>(2)</sup> Reimbursement of capital or equivalent

### Breakdown of the listed portfolio by industry



### Breakdown of the listed portfolio by currency



## **FINANCIAL STRUCTURE**

At the end of the financial year, BREDERODE and its subsidiaries had net financial debts of € 43.5 million (as compared to € 52.6 million at the end of 2019). They had confirmed credit lines totaling € 286 million (as compared to € 124 million as of December 2019).

## **MISCELLANEOUS**

There were no related party transactions in the reporting period that significantly influenced the financial position and the results of BREDERODE.

## **CHANGES DURING THE FINANCIAL YEAR**

The pandemic that has ravaged the global economy is far from over. Nor is it the sole challenge the world will have to face sooner or later. Despite the many uncertainties that will continue to affect its investments, Brederode deems that it is well prepared not only to face the present difficulties but also to take advantage of new opportunities that unavoidably accompany every major disruption.

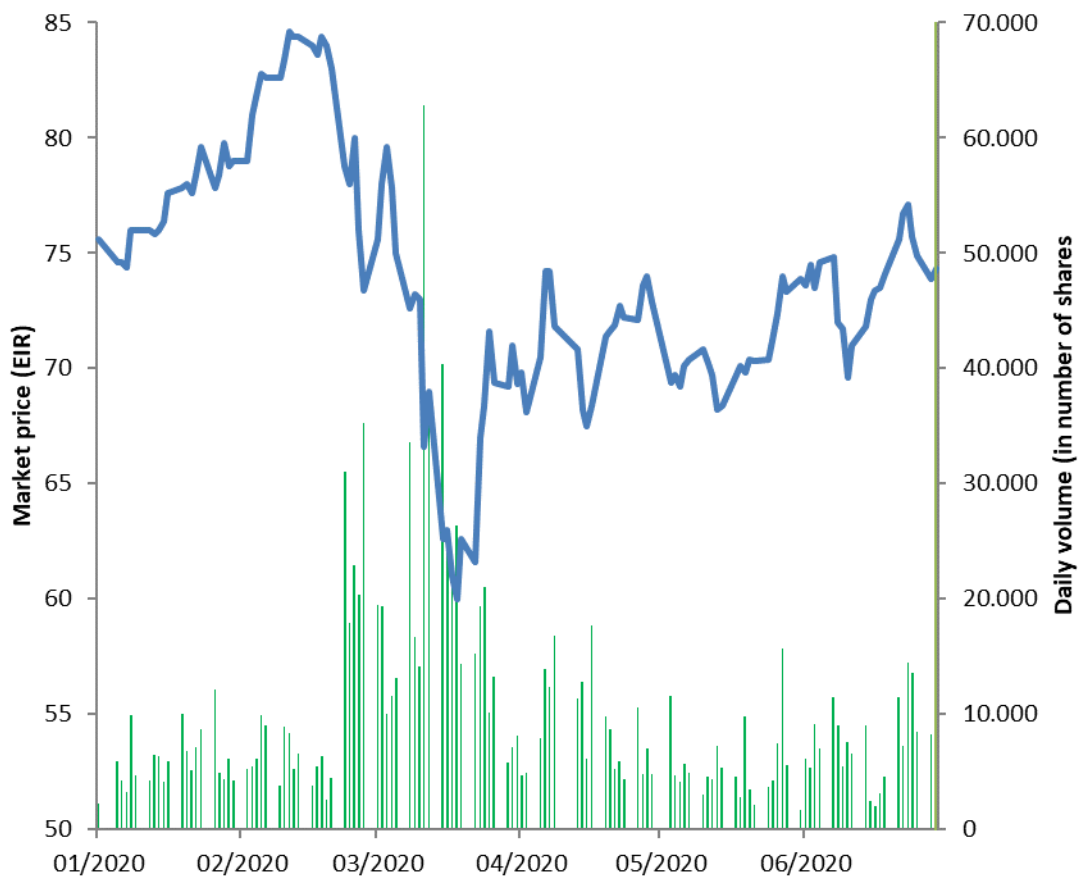
In this period of uncertainty, the Board of Directors of Brederode remains confident in the future, even though for now it is not in a position to be specific about developments over the short term.

## BREDERODE SHARE

Brederode's shares are traded on the regulated markets of EURONEXT Brussels and the LUXEMBOURG STOCK EXCHANGE.

The share price of Brederode rose 1% during the semester (taking into account the distribution of € 1.02 in May 2020) with a volume traded of 1.25mn shares (VS 0.67mn in the first semester 2019) i.e. an average daily volume of 9,958 shares (VS 5,510 in the first semester 2019).

**Evolution of the share price of Brederode (EUR)  
and daily volume (number of shares)  
since January 1st, 2020**





**SEPARATE (NON-CONSOLIDATED)  
FINANCIAL STATEMENTS FOR BREDERODE S.A.**

**(IAS 27)**

## SEPARATE (NON-CONSOLIDATED) STATEMENT OF FINANCIAL POSITION

(in € million)	Notes	30 June 2020	31 December 2019	30 June 2019
<b>NON-CURRENT ASSETS</b>		<b>2,384.79</b>	<b>2,440.09</b>	<b>2,250.07</b>
Subsidiaries at fair value	(1)	2,384.79	2,440.09	2,250.07
<b>CURRENT ASSETS</b>		<b>0.72</b>	<b>0.62</b>	<b>0.91</b>
Other current assets		0.64	0.42	
Cash and cash equivalents		0.08	0.20	0.91
<b>TOTAL ASSETS</b>		<b>2,385.51</b>	<b>2,440.71</b>	<b>2,250.98</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>2,384.94</b>	<b>2,440.27</b>	<b>2,250.31</b>
Issued share capital		182.71	182.71	182.71
Share premiums	(2)	629.58	659.47	659.47
Legal reserves		3.80	2.40	2.40
Profit carried forward		1,594.29	1,138.04	1,138.04
Profit for the period		-25.45	457.65	267.69
<b>NON-CURRENT LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>		<b>0.57</b>	<b>0.44</b>	<b>0.66</b>
Other current liabilities		0.57	0.44	0.66
<b>TOTAL LIABILITIES</b>		<b>2,385.51</b>	<b>2,440.71</b>	<b>2,250.98</b>

## SEPARATED (NON-CONSOLIDATED) INCOME STATEMENT (IFRS)

(in € million)	Notes	30 June 2020	31 December 2019	30 June 2019
Change in fair value of subsidiaries	(3)	-55.30	429.85	239.83
<b>Profit from management of investment entity</b>		<b>-55.30</b>	<b>429.85</b>	<b>239.83</b>
Other operating income and expenses		29.86	27.80	27.86
<b>Operating result</b>		<b>-25.44</b>	<b>457.65</b>	<b>267.69</b>
Net financial income (expenses)			0.00	0.00
Tax on the net result		0.00	0.00	0.00
<b>Profit for the period</b>		<b>-25.45</b>	<b>457.65</b>	<b>267.69</b>
<b>Profit per share</b>				
Weighted number of shares		29,305,586	29,305,586	29,305,586
Net profit per share (in €)		<b>-0.87</b>	<b>15.62</b>	<b>9.13</b>

## SEPARATE (NON-CONSOLIDATED) FINANCIAL STATEMENT OF CHANGES IN EQUITY

(in € million)	Notes	Capital	Share premium	Reserves	Reported results	Total
<b>Balance on 1st January 2019</b>		<b>182.71</b>	<b>687.02</b>	<b>1.15</b>	<b>1,139.29</b>	<b>2,010.18</b>
- distribution to shareholders	(2)		-27.55			-27.55
- allocation to statutory reserves				1.25	-1.25	
- profit for the period					267.69	267.69
<b>Balance on 30 June 2019</b>		<b>182.71</b>	<b>659.47</b>	<b>2.40</b>	<b>1,405.73</b>	<b>2,250.31</b>
<b>Balance on 1st January 2020</b>		<b>182.71</b>	<b>659.47</b>	<b>2.40</b>	<b>1,595.69</b>	<b>2,440.27</b>
- distribution to shareholders	(2)		-29.89			-29.89
- allocation to statutory reserves				1.40	-1.40	
- profit for the period					-25.45	-25.45
<b>Balance on 30 June 2020</b>		<b>182.71</b>	<b>629.58</b>	<b>3.80</b>	<b>1,568.84</b>	<b>2,384.94</b>

## SEPARATE (NON-CONSOLIDATED) STATEMENT OF CASH FLOWS

(in € million)	Notes	30 June 2020	31 December 2019	30 June 2019
<b>Operating activities</b>				
Pre-tax profit for the period		-25.45	457.65	267.69
Taxes for the period		0.00	0.00	0.00
Net profit for the period		-25.45	457.65	267.69
Change in fair value	(3)	55.30	-429.85	-239.83
<b>Gross cash-flow</b>		<b>29.85</b>	<b>27.79</b>	<b>27.86</b>
<b>Change in working capital requirements</b>		<b>-0.08</b>	<b>-0.96</b>	<b>-0.32</b>
<b>Cash flow resulting from operating activities</b>		<b>29.77</b>	<b>26.83</b>	<b>27.54</b>
<b>Investment activities</b>				
<b>Cash flow from investment activities</b>				
<b>Financing activities</b>				
Distribution to shareholders	(2)	-29.89	-27.55	-27.55
<b>Cash flow resulting from financing activities</b>		<b>-29.89</b>	<b>-27.55</b>	<b>-27.55</b>
<b>Net movement in cash in cash and cash equivalents</b>		<b>-0.12</b>	<b>-0.72</b>	<b>-0.01</b>
Cash and cash equivalents on 1st January		0,20	0.92	0.92
Cash and equivalents at the end of the period		0.08	0.20	0.91

## NOTES

### Accounting methods

In accordance with international accounting standard IAS 34, the group opted to publish a set of individual summary financial statements for an interim period and, in accordance with IFRS 9, to recognize financial assets at fair value through the profit and loss. In its organization, it identifies a single operational sector, which is its interest in its 100 % subsidiary Algol S.à r.l., which is itself an investment entity.

The half-year accounts as at 30 June 2020 have been prepared in accordance with IAS 34, Interim Financial Reporting, and, as such, do not include all the information required by the International Financial Reporting Standards, as published and adopted by the European Union, in force as at 30 June 2020.

The standards, amendments and interpretations that came into force on 1 January 2020 have had no significant impact on the presentation of the summary financial statements.

The standards, amendments and interpretations which have been published but which had not come into force as at 30 June 2020 have not been early adopted by the group.

Brederode is an investment entity since it meets the three criteria set out in paragraph 27 of IFRS 10, namely:

- (a) it obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;

- (b) it commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

- (c) it measures and evaluates the performance of substantially all of its investments on a fair value basis.

Brederode has therefore excluded from its statement of financial position the assets and liabilities of its subsidiaries, including the financial assets (*Private Equity* and listed securities) whose fair value is now included indirectly in the valuation of Algol S.à r.l., its sole direct holding which appears in the assets in its separate financial statements (IAS 27).

The valuation procedure follows the order of ownership of the assets in ascending order, starting with the assets and liabilities held by the subsidiaries at the bottom of the ownership chain. The subsidiary's net asset value per share is then used to determine the fair value of that holding in the accounts of the group company that owns it. The procedure continues up to the valuation of the assets and liabilities held directly by Brederode S.A. The direct holding in such subsidiary, however, is recorded at fair value through the net income in accordance with IFRS 9.

Calculating the fair value of the indirectly held investments

The fair value of the listed securities held through Brederode's subsidiaries is based on the stock price at the end of the period.

The fair value measurement of each *Private Equity* investment is based on the reports received from the General Partners on the date on which the company's accounts are closed. The reports, commonly referred to as Capital Account Statements, provide information on the following points:

- Revalued opening and closing net assets
- Movements during the period (contributions, distributions and net gains)
- Remaining uncalled obligations
- Management report providing detailed information on the companies in the portfolio

In the absence of this report, the measurement is based on the report relating to the previous quarter, adjusted to take account of the investments and disinvestments realised during the quarter. This measurement may be adjusted to take account of any change in situation between the date of the last official measurement provided by the specific fund manager and the account closure date.

As at 30 June 2020, 88.86% of the unlisted investments were valued based on measurement reports as at 30 June 2020.

The valuation techniques used by the *Private Equity* managers follow the recommendations set out in the International *Private Equity* and Venture Capital Valuation (IPEV) Guidelines, the most recent version of which is dated December 2018.

The measurer must use one or more of the following measurement techniques, taking into account the assumptions of the market participants regarding the way in which the value is determined:

A. Market approach (Multiples, Industry measurement references, Market prices available);

B. Income approach (Discounted cash flow);

C. Replacement cost approach (Net asset).

From reading the management reports provided by the General Partners on the funds in which Brederode is invested, it is clear that the "Market approach" technique, and more specifically the "Multiples" technique, and the "Income approach" technique, are the most widely used.

As part of the control system implemented by Brederode and its management to review and ensure the relevance of the measurements, these measurements are subject to a triple internal verification procedure, including identifying and explaining any significant discrepancies between two successive measurements. A further verification is then carried out based on the final measurement reports and the audited accounts for the Funds. In Brederode's experience, the discrepancies between the valuations used for the purpose of drawing up the IRFS financial statements and the final valuations have never been significant.

## **(1) Subsidiaries**

As at 1 January 2020, Brederode S.A. owned 100% of Algol S.à r.l., which in turn owned 100 % of Geyser S.A., which in turn owned 100% of Greenhill S.A., 100% of Brederode International S.à r.l. SICAR and 100% of Athanor Ltd. During the first six months, no changes were made to the subsidiaries' holding structure.

As a reminder, the direct and indirect subsidiaries stopped being consolidated as of January 1<sup>st</sup>, 2016. Since that date, the fair value of the assets and liabilities of those subsidiaries, including the *Private Equity* and listed securities portfolios, is included indirectly in the valuation of its direct subsidiary, which appears on the asset side of Brederode S.A.'s separate financial statements, in accordance with IAS 27. The changes in fair value of that direct subsidiary are recognised in net income, in accordance with IFRS 9.

Fair value hierarchy of the directly held investments

The fair value measurements are distributed according to a hierarchy comprising three levels: level 1 is for fully observable data; level 2 applies to data that are only indirectly observable and may require adjustments to be taken into account; level 3 relates to unobservable data.

Since accounting for the subsidiary Algol relies on unobservable data, fair value measurement of this asset, which constitutes more than 99 % of Brederode's total assets, has been classified as level 3. As far as the statements for the 2019 financial year are concerned, there has been no transfer to levels 1 or 2 during the period.

## Fair value hierarchy of the indirectly held investments

The fair value of the listed securities held through Brederode's subsidiaries is based on directly observable data, namely the stock price at year end, and are therefore categorised as level 1.

The fair value of the *Private Equity* investments uses the latest financial information received from the General Partners. Since the movements recorded in the meantime and any changes in situation that have arisen pending the definitive valuations constitute unobservable data within the meaning of IFRS 13, the fair values of such investments are categorised as level 3.

In case of a company IPO, the General Partners have the option of making distributions in kind of the newly listed shares. As soon as these shares are received and available for sale, their fair values are transferred from level 3 to level 1. This practice remains very marginal for Brederode, since only 0.5% of the *Private Equity* investments were transferred between the fair value hierarchy levels in this way during the first semester 2020.

## Transactions with related companies

There were no related party transactions in the reporting period that could have significantly influenced the financial position or the results of Brederode or its subsidiaries. As at 30 June 2020, Brederode S.A.'s parent company, Holdicam S.A., had a claim on a subsidiary of Brederode S.A. for an amount of €17.39 million.

## (2) Share premiums

The general meeting of shareholders held on 13 May 2020 approved the partial reimbursement of the share premium, for an amount of €29.89 million, or €1.02 gross per share. It was paid out on 20 May 2020.

## (3) Fair value variations in the subsidiaries

This affects the only subsidiary directly held by Brederode S.A., namely, Algol S.à r.l. The change in fair value in indirectly held subsidiaries and of the assets and liabilities they hold are accounted for in the change in fair value of Algol.

## (4) Off-balance sheet rights and commitments

The investment entity Brederode S.A. has no off-balance sheet rights or commitments. Through its subsidiaries, Brederode has a committed credit facility of up to €286 million (compared with €124 million at the end of 2019) as part of a securities lending contract (€160million of loaned securities, compared with €226 million as at 31 December 2019), guaranteed in its favour by a pledge of other securities with a countervalue of €121 million and of liquidities totalling €65 million. Furthermore, the subsidiary Brederode International S.à r.l. SICAR records uncalled commitments totalling €1.029 million (compared with €1.059 million as at 31 December 2019) linked to its *Private Equity* portfolio.

## (5) Contingent liabilities

None

## (6) Subsequent events

The directors confirm that, to the best of their knowledge, there have been no subsequent events which have had a significant impact on the financial statements.

## DECLARATION BY EXECUTIVE MANAGEMENT

*In the name and on behalf of Brederode, we hereby confirm that, to the best of our knowledge:*

- a) This set of separate summary financial statements, drawn up in accordance with the applicable body of accounting standards, gives a true and fair view of the assets and liabilities, the financial position and the profits or losses of Brederode;*
- b) The interim management report contains a faithful presentation of important events and the principal related party transactions during the first six months of the financial year as well as their effect on the set of separate financial statements, as well as a description of the principal risks and uncertainties for the remaining six months of the financial year.*

Luxembourg, 3 September 2020

A. van der Mersch  
Managing Director

L. Santambrogio  
Managing Director

*The semi-annual report in French is the original text.  
Dutch and English translations are available.  
In case of discrepancies, the French text shall prevail.*

**REPORT OF THE REVISEUR D'ENTREPRISES  
ON INTERIM FINANCIAL INFORMATION**

**TO THE SHAREHOLDERS OF BREDERODE S.A.**

*Introduction*

We have reviewed the statement of financial position of **Brederode S.A.** as of 30 June 2020, and the related statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and the explanatory notes related thereto.

The Board of Directors is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 "Interim financial reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

*Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not present fairly, in all material respects, the statement of financial position of **Brederode S.A.** as of 30 June 2020, and the statements of comprehensive income, changes in equity and cash flows for the six-month period then ended in accordance with IAS 34 as adopted by the European Union.

Luxembourg, 3<sup>rd</sup> September 2020

Pour MAZARS LUXEMBOURG, Cabinet de révision agréé  
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Amir CHAKROUN  
Réviseur d'entreprises agréé