

---

***Financial report 2021***  
Sustainalytics B.V.  
Amsterdam

23 December 2022

---

## Table of contents

	Page
<b>Management report</b>	
Management report	3
<b>Financial statements</b>	
Balance sheet as at 31 December 2021	5
Income statement for the year 2021	7
Notes to the financial statements	8
Notes to the balance sheet	14
Notes to the income statement	27
Other notes	31
<b>Other information</b>	
Reference to the auditor's opinion	34
Provisions of the Articles of Association relating to profit appropriation	34
Independent auditor's report	35

---

***Management report***

---

***Management report***

***Management report***

***Exemption and reference to location of availability of the management report***

The management report 2021 is available for inspection at the office of the legal entity.

---

## ***Financial statements***

---

## **Balance sheet as at 31 December 2021**

(After proposal appropriation of result)

### **Assets**

	<u>31 December 2021</u>		<u>31 December 2020</u>	
	EUR	EUR	EUR	EUR
<i>Fixed assets</i>				
<b>Intangible assets</b>	1	5,049,601		2,351,635
<b>Property, plant and equipment</b>	2	196,248		146,664
<b>Financial assets</b>	3	287,262		287,262
<i>Current assets</i>				
<b>Receivables</b>	4	3,576,878		1,597,060
<b>Cash at banks and in hand</b>	5	719,392		876,415
<b>Total assets</b>		<u>9,829,381</u>		<u>5,259,036</u>

---

**Equity and liabilities**

		<u>31 December 2021</u>		<u>31 December 2020</u>	
		EUR	EUR	EUR	EUR
<b>Shareholders' equity</b>	6				
Share capital paid called up		200,000		200,000	
Statutory reserves	7	5,049,601		2,351,636	
Other reserve	8	(13,907,859)		(8,930,422)	
			(8,658,258)		(6,378,786)
<b>Non-current liabilities</b>	9		6,213,509		0
<b>Current liabilities</b>	10		12,274,130		11,637,822
<b>Total equity and liabilities</b>			<u>9,829,381</u>		<u>5,259,036</u>

## ***Income statement for the year 2021***

		<u>2021</u>		<u>2020</u>
		EUR	EUR	EUR
<b><i>Net Turnover</i></b>	<i>11</i>		25,888,079	10,878,020
Expenses of employee benefits	<i>12</i>	9,166,725		7,012,179
Depreciation of intangible and tangible fixed assets	<i>13</i>	1,697,279		1,123,397
Impairment of current assets	<i>14</i>	150,602		0
Other operating expenses	<i>15</i>	16,861,107		4,093,617
<b><i>Total of sum of expenses</i></b>			<u>27,875,713</u>	<u>12,229,193</u>
<b><i>Total of operating result</i></b>			(1,987,634)	(1,351,173)
Financial income and expense	<i>16</i>		(291,838)	55,641
<b><i>Total of result before tax</i></b>			(2,279,472)	(1,295,532)
Income tax expense			0	0
<b><i>Total of result after tax</i></b>			<u>(2,279,472)</u>	<u>(1,295,532)</u>



---

## ***Notes to the financial statements***

### ***Entity information***

#### *Registered address and registration number trade register*

The registered and actual address of Sustainalytics B.V. is De Entree 35, 1101 BH in Amsterdam. Sustainalytics B.V. is registered at the Chamber of Commerce under number 30179673.

### ***General notes***

#### *The most important activities of the entity*

The activities of Sustainalytics B.V. consist mainly of: conducting research into the sustainability performance of companies, including ethical, social, environmental and/or governance performance, for the benefit of investors, investment institutions and other parties and purchasing the results of similar studies, as well as performing all actions and activities and the provision of all services related thereto or may be conducive thereto, as well as holding and financing companies.

#### *Disclosure of going concern*

Regarding the financial statements for 2021, the company has assessed that there was no material uncertainty, regarding the financial statements for 2021. Hereby the company has also assessed the events of the COVID-19 pandemic in recent times, as well as the current war between Ukraine and Russia, we do not believe that this has currently or will impact our business in the future.

The company has been acquired by Morningstar Inc, a listed company on the NASDAQ stock exchange in 2020. Since then, Morningstar Inc. is, and will be, providing financial support, if and when needed, to Sustainalytics in order to pay its debts as and when they fall due in order to fund Sustainalytics' normal business operations. The financial support shall be unconditional and irrevocable for at least a period of 12 months from the date of signing the 2021 Financial Report of Sustainalytics for the year ended December 31, 2021.

Sustainalytics continues to see attractive long-term market prospects in a market in which Responsible Investing and Sustainable Finance growth continues at a rapid pace, and ESG solutions are being adopted with increasing sophistication, expanding ESG use cases and the proliferation of sustainable investing products.

We are well positioned to take advantage of these trends due to our:

- Extensive Research Coverage
- Globally Diversified Sales
- History of Product Innovation
- Attractive Growth Profile
- Predictable Recurring Revenue Model
- High Client Retention

Management has concluded that the going concern assumption remains valid and there are no concerns about the entity's ability to continue as a going concern.

#### *Disclosure of group structure*

Sustainalytics B.V. is part of the Morningstar Group. Consisting of Morningstar Inc, and its global subsidiaries. The head of this group is Morningstar Inc. The financial statements of Sustainalytics B.V. are included in the consolidated financial statements of Morningstar Inc. Copies of the consolidated financial statements of Morningstar Inc. are publicly available at the website of Morningstar Inc. [<https://shareholders.morningstar.com/investor-relations/resources/annual-reports/default.aspx>]

---

### *Disclosure of estimates*

In applying the principles and policies for drawing up the financial statements, the directors of Sustainalytics B.V. make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

### *The exemption of consolidation in connection with the application of Section 2:408*

Consolidation of group companies has not taken place as Sustainalytics B.V. is exempt from this obligation pursuant to Article 408, sub 1 of book 2 of the Dutch of the Civil Code. The consolidated financial statements of Morningstar Inc. are filed at the Dutch Chamber of Commerce.

### **General accounting principles**

#### *The accounting standards used to prepare the financial statements*

The financial statements are drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

#### *Change in accounting policies*

The company changed its accounting policy during the reporting period. Previously the company valued the participating interests at net asset value. The company changed the valuation to cost price, including the comparative figures.

#### *The reason for change in accounting policies*

The reason for change of accounting policy is that the company applies for article 408 and wanted to bring the valuation in line with the valuation (of participations) within the group.

#### *The effect of the change in accounting policies on individual items*

For the previous year, the participating interest amounted EUR 2,154,877 before and EUR 224,226 after change of accounting policies. As per 31 December 2020, the currency translation reserve amounted EUR 29,284 before and EUR 0 after change of accounting policies. As a result of this change in accounting policy the equity as per 31 December 2020 decreased with an amount of EUR 1,901,368.

#### *Conversion of amounts denominated in foreign currency*

Items included in the financial statements of group companies are measured using the currency of the primary economic environment in which the respective group company operates (the functional currency). The consolidated financial statements are presented in euros, which is the functional and presentation currency of Sustainalytics B.V.

---

### *Basis of Conversion and Processing of Exchange Rate Differences Relating to Foreign Currency Transactions for the Balance Sheet*

Transactions in foreign currencies are stated in the financial statements at the exchange rate of the functional currency on the transaction date.

Monetary assets and liabilities in foreign currencies are converted to the closing rate of the functional currency on the balance sheet date. The translation differences resulting from settlement and conversion are credited or charged to the income statement, unless hedge-accounting is applied.

Non-monetary assets measured at historical cost in a foreign currency are converted at the exchange rate on the transaction date (historical rate).

Non-monetary assets valued at fair value in a foreign currency are converted at the exchange rate on the date on which the most recent fair value was determined.

Translation differences on intragroup long-term loans that effectively constitute an increase or decrease in net investments in a foreign operation are directly recognised in equity as a component of the legal reserve for translation differences.

Translation differences on foreign currency loans contracted to finance a net investment in a foreign operation are recognised in the legal reserve for currency translation differences if and when such loans effectively hedge the exchange rate exposure on that net investment in a foreign operation.

#### *Operating leases*

The company has lease contracts whereby a large part of the risks and rewards associated with ownership are not for the benefit of or incurred by the corporation. The lease contracts are recognised as operational leasing. Lease payments are recorded on a straight-line basis, taking into account reimbursements received from the lessor, in the income statement for the duration of the contract.

#### *Pension arrangements*

Sustainalytics B.V. has a number of pension schemes for employees; these are financed by payments to the pension administrator. The premium payable is recorded as an expense in the income statement.

Sustainalytics B.V. has a number of pension schemes to which the provisions of the Dutch Pension Act ('Pensioenwet') are applicable. Sustainalytics B.V. pays premiums based on (legal) requirements, a contractual or voluntary basis to pension funds and insurance companies. Premiums are recognised as employee cost when they are due. Prepaid contributions are recognised as deferred assets if these lead to a refund or reduction of future payments. Contributions that are due but have not yet been paid are presented as liabilities.

### ***Accounting principles***

#### *Intangible assets*

Intangible fixed assets are stated at historical cost less amortisation. Impairments are taken into consideration; this is relevant in the event that the carrying amount of the asset is higher than its realisable value.

#### *Development costs*

Expenditure on development projects are capitalised as part of the production cost if it is likely from both a commercial and technical perspective that the project will be successful (i.e.: if it is likely that economic benefits will be realised) and the cost can be determined reliably. A legal reserve has been recognised within equity with regard to the recognised development costs. The amortisation of capitalised development costs commences at the time when the commercial production starts and takes place over the expected future useful life of the asset.

---

### *Property, plant and equipment*

Property, plant and equipment are valued at acquisition costs or production costs plus additional costs less straight-line depreciation based on the expected life, unless stated otherwise. Impairments expected on the balance sheet date are taken into account.

If important components of property, plant and equipment can be distinguished from each other and differ in useful life or expected use pattern, these components are depreciated separately.

### *Impairment of non-current assets*

On each balance sheet date, Sustainalytics B.V. assesses whether there are any indications that a fixed asset may be subject to impairment. If there are such indications, the recoverable amount of the asset is determined. If it is not possible to determine the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined. An impairment occurs when the carrying amount of an asset is higher than the recoverable amount; the recoverable amount is the higher of the realisable value and the value in use.

An impairment loss is directly recognised in the profit and loss account while the carrying amount of the asset concerned is concurrently reduced.

The realisable value is initially based on a binding sale agreement; if there is no such agreement, the realisable value is determined based on the active market, whereby usually the prevailing bid price is taken as market price. For the determination of the value in use, an estimate is made of the future net cash flows in the event of continued use of the asset / cash-generating unit; these cash flows are discounted.

If it is established that an impairment that was recognised in the past no longer exists or has reduced, the increased carrying amount of the asset concerned is set no higher than the carrying amount that would have been determined if no impairment value adjustment for the asset concerned had been reported. An impairment of goodwill is not reversed.

### *Receivables*

Receivables are initially valued at the fair value of the consideration to be received. Receivables are subsequently valued at the amortised cost price. If there is no premium or discount and there are no transaction costs, the amortised cost price equals the nominal value of the accounts receivable. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. Provisions for bad debts are deducted from the carrying amount of the receivable.

### *Cash and cash equivalents*

Cash and cash equivalents represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash and cash equivalents are valued at nominal value.

### *Non-current liabilities*

On initial recognition long-term debts are recognised at fair value. Transaction costs which can be directly attributed to the acquisition of the long-term debts are included in the initial recognition. After initial recognition long-term debts are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. In absence of account premiums or discounts and transactions costs the amortised cost equals the nominal value of the liability.

The difference between the carrying amount and the mature redemption value is accounted for as interest cost in the income statement on the basis of the effective interest rate during the estimated term of the long-term debts.

---

### *Current liabilities*

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

### *Accounting principles for determining the result*

The result is the difference between the realisable value of the services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

### *Net revenue*

Net turnover comprises the income from the supply of services after deduction of discounts and such like and of taxes levied on the turnover. Revenue from the sale of goods and the rendering of services is recognized if the amount or the result can be reliably determined.

### *Cost of sales*

Cost of sales represents the direct and indirect expenses attributable to revenue, purchase expenses related to the employee cost, depreciation charges for buildings and equipment, and other operating expenses that are attributable to cost of sales. Goodwill amortisation is also recognised within cost of sales.

### *Amortisation of intangible assets*

Intangible fixed assets, including goodwill are amortised from the date of initial use over the expected future economic life of the asset, while taking into account any applicable restrictions with respect to capitalised goodwill.

Future amortisation is adjusted if there is a change in estimated future useful life.

### *Depreciation of property, plant and equipment*

Tangible fixed assets are depreciated from the date of initial use over the expected future economic life of the asset, while taking into account any applicable restrictions with respect to other tangible fixed assets.

Future depreciation is adjusted if there is a change in estimated future useful life.

### *Other operating expenses*

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

### *Financial income and expenses*

Interest income and expenses are recognised on a pro rata basis, taking into account of the effective interest rate of the assets and liabilities to which they relate. The recognized transaction expenses for loans received are taken into consideration whilst accounting for interest expenses.

Exchange differences that arise from the settlement or translation of monetary items are recorded in the income statement in the period in which they occur, unless hedge-accounting is applied.

Declared dividends from participations and securities valued at historical cost are recognised as soon as Sustainalytics B.V. has acquired the right to them.

Changes in the value of financial instruments recognised at fair value are recorded in the income statement.

---

*Income tax expense*

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

*Cash flow statement*

In accordance with Dutch Accounting Standards 360.104, the cash flow statement of the Company is not presented separately, as the Company's financial data, including cash flow, are included in the consolidated financial statements of Morningstar, Inc., which have been filed with the U.S. Securities and Exchange Commission (SEC) located in Washington, D.C., United States.

---

## Notes to the balance sheet

### *1 Intangible assets*

	<u><b>31-12-2021</b></u>	<u><b>31-12-2020</b></u>
	EUR	EUR
Development costs	5,049,601	2,351,635

---

**Intangible assets**

	<b>Costs relating to the incorporation and issuance of shares</b>	<b>Development costs</b>
	EUR	EUR
<b>Balance as at 1 January 2021</b>		
Cost or manufacturing price	1,335	7,082,334
Accumulated amortization	(1,335)	(4,730,699)
	<hr/>	<hr/>
<b>Book value as at 1 January 2021</b>	0	2,351,635
	<hr/>	<hr/>
<b>Movements</b>		
Additions	0	4,302,065
Amortisation revaluations	0	(1,604,099)
Disposals	(1,335)	0
Amortization on disposals	1,335	0
	<hr/>	<hr/>
<b>Balance movements</b>	0	2,697,966
	<hr/>	<hr/>
<b>Balance as at 31 December 2021</b>		
Cost or manufacturing price	0	11,384,399
Accumulated amortization	0	(6,334,798)
	<hr/>	<hr/>
<b>Book value as at 31 December 2021</b>	0	5,049,601
	<hr/>	<hr/>



	<i>Costs of goodwill acquired from third party</i>	<i>Other intangible assets</i>	<i>Total</i>
	EUR	EUR	EUR
<b>Balance as at 1 January 2021</b>			
Cost or manufacturing price	229,539	32,387	7,345,595
Accumulated amortization	(229,539)	(32,387)	(4,993,960)
<b>Book value as at 1 January 2021</b>			
	0	0	2,351,635
<b>Movements</b>			
Additions	0	0	4,302,065
Amortisation revaluations	0	0	(1,604,099)
Disposals	0	(32,387)	(33,722)
Amortization on disposals	0	32,387	33,722
<b>Balance movements</b>			
	0	0	2,697,966
<b>Balance as at 31 December 2021</b>			
Cost or manufacturing price	229,539	0	11,613,938
Accumulated amortization	(229,539)	0	(6,564,337)
<b>Book value as at 31 December 2021</b>			
	0	0	5,049,601

### **Intangible assets: Economic life**

	<i>Development costs</i>
Economic life (in months)	48
Amortisation rate	25.00

### **2 Property, plant and equipment**

	<u>31-12-2021</u>	<u>31-12-2020</u>
	EUR	EUR
Other fixed assets	196,248	146,664

---

**Property, plant and equipment**

	<b><u>Other fixed assets</u></b>
	EUR
<b>Balance as at 1 January 2021</b>	
Cost or manufacturing price	466,530
Accumulated depreciation	(319,866)
	<hr/>
<b>Book value as at 1 January 2021</b>	146,664
	<hr/>
<b>Movements</b>	
Additions	142,764
Depreciation revaluations	(79,253)
Disposals	(209,318)
Depreciation on disposals	195,391
	<hr/>
<b>Balance movements</b>	49,584
	<hr/>
<b>Balance as at 31 December 2021</b>	
Cost or manufacturing price	381,753
Accumulated depreciation	(185,505)
	<hr/>
<b>Book value as at 31 December 2021</b>	196,248
	<hr/>

**Property, plant and equipment: Economic life**

	<b><u>Other tan- gible assets</u></b>
Usefull life (in months)	60
Start of the range of the depreciation rate of property, plant and equipment	5.00
End of the range of the depreciation rate	33.33

### 3 Financial assets

	<u>31-12-2021</u>	<u>31-12-2020</u>
	EUR	EUR
Shares, certificates of shares and other types of participating interests in group companies	224,226	224,226
Other receivable	63,036	63,036
	<u>287,262</u>	<u>287,262</u>

#### **Disclosure of non-current other receivables**

Long-term receivables of EUR 63,036 (2020: EUR 63,036) relates to a bank deposit for rental of premise.

#### **Shares, certificates of shares and other types of participating interests in group companies**

	<u>31-12-2021</u>	<u>31-12-2020</u>
	EUR	EUR
Participation in group company Sustainalytics GmbH (100%)	214,000	214,000
Participation in group company Sustainalytics UK Limited (100%)	1	1
Participation in group company Sustainalytics S.A.R.L. (100%)	10,000	10,000
Participation in group company Sustainalytics S.R.L. (100%)	225	225
	<u>224,226</u>	<u>224,226</u>

The participation in group company Sustainalytics SA Spain (100%) is valued at nihil. This participation has been liquidated on 27 January 2022.

### 4 Receivables

	<u>31-12-2021</u>	<u>31-12-2020</u>
	EUR	EUR
Receivables from group companies	1,310,019	0
Receivables from associated companies	679,695	710,869
Trade receivables	897,826	552,063
Accruals and prepaid expenses	556,329	334,128
Taxes and social security charges	133,009	0
	<u>3,576,878</u>	<u>1,597,060</u>

#### **Disclosure of receivables**

Accounts receivable all have a remaining term to maturity of less than one year, unless stated otherwise. The fair value of the accounts receivable is close to the carrying amount, given the current nature of the accounts receivable and the fact that, where necessary, provisions for bad debt have been recognised.

---

**Trade receivables**

	<u>31-12-2021</u>	<u>31-12-2020</u>
	EUR	EUR
Trade receivables	927,826	578,683
Provision for doubtful debts	(30,000)	(26,620)
	<hr/>	<hr/>
	897,826	552,063
	<hr/>	<hr/>

**Receivables from group companies**

	<u>31-12-2021</u>	<u>31-12-2020</u>
	EUR	EUR
Receivable from Sustainalytics GmbH (100%)	618,867	0
Receivable from Sustainalytics UK Limited (100%)	93,086	0
Receivable from Sustainalytics S.A.R.L. (100%)	551,649	0
Receivable from Morningstar, Inc.	46,316	0
Receivable from Sustainalytics Holding B.V.	101	0
	<hr/>	<hr/>
	1,310,019	0
	<hr/>	<hr/>

There is no interest calculated on the outstanding balance. In respect of repayment and securities provided, no agreements have been made.

**Receivables from associated companies**

	<u>31-12-2021</u>	<u>31-12-2020</u>
	EUR	EUR
Receivable from Sustainalytics U.S. Inc.	448,560	0
Receivable from Sustainalytics S.A. (Spain)	0	450,602
Receivable from GES International AB	113,899	0
Receivable from Sustainalytics Australia PTY. LTD.	90,910	0
Receivable from Sustainalytics Japan Inc.	25,161	0
Receivable from GES Poland S.P. (ZOO)	1,165	454
Receivable from Sustainalytics Pte. Ltd.	0	189,587
Receivable from GES Investment Services Switzerland GmbH	0	69,273
Receivable from GES Investments Services A/S	0	953
	<hr/>	<hr/>
	679,695	710,869
	<hr/>	<hr/>

There is no interest calculated on the outstanding balances. In respect of repayment and securities provided, no agreements have been made.

As per 31 December 2021 the company was in the process of liquidation of Sustainalytics S.A. and does not expect that the subsidiary will be able to settle this balance before or on liquidation date.

---

**Taxes and social security charges**

	<u>31-12-2021</u>	<u>31-12-2020</u>
	EUR	EUR
Value added tax	126,264	0
Other taxes	6,745	0
	<hr/>	<hr/>
	133,009	0
	<hr/>	<hr/>

**Accruals and prepaid expenses**

	<u>31-12-2021</u>	<u>31-12-2020</u>
	EUR	EUR
Prepayments	409,418	176,115
Accrued revenue	83,735	77,952
Other receivables	63,176	80,061
	<hr/>	<hr/>
	556,329	334,128
	<hr/>	<hr/>

**5 Cash at banks and in hand**

	<u>31-12-2021</u>	<u>31-12-2020</u>
	EUR	EUR
Rabobank	664,950	860,135
J.P. Morgan	38,299	0
Belfius	16,143	16,280
	<hr/>	<hr/>
	719,392	876,415
	<hr/>	<hr/>

**Disclosure of cash and cash equivalents**

Cash and cash equivalents are at free disposal of the company.

## 6 Shareholders' equity

Movements in equity were as follows:

	<i>Share capital paid called up</i>	<i>Statutory reserves</i>	<i>Other reserve</i>	<i>Total</i>
	EUR	EUR	EUR	EUR
<b>Balance as at 1 January 2021</b>	200,000	2,351,636	(8,930,422)	(6,378,786)
Appropriation of result	0	0	(2,279,472)	(2,279,472)
Addition in financial year	0	2,697,965	(2,697,965)	0
<b>Balance as at 31 December 2021</b>	<b>200,000</b>	<b>5,049,601</b>	<b>(13,907,859)</b>	<b>(8,658,258)</b>

### Statement of the proposed appropriation of the result

The management of the company proposes to appropriate the result as follows:

The loss for the year 2021 in the amount of EUR 2,279,472 will be deducted from the other reserves.

This proposal needs to be adopted by the General Meeting, but has already been processed in anticipation in the annual accounts 2021 of the company.

### Disclosure of share capital paid called up

The authorised share capital of Sustainalytics B.V. amounts to 2,000 ordinary shares with a nominal value of EUR 100. Issued and paid up are 2,000 shares.

### Disclosure of other legal reserves, distinguished by their nature

The legal reserves are maintained for an amount of EUR 5,049,601 (2020: EUR 2,351,636) for capitalised development costs.

## 7 Statutory reserves

	<u>31-12-2021</u>	<u>31-12-2020</u>
	EUR	EUR
Statutory reserve	5,049,601	2,351,636

## **Statutory reserve**

	<u>2021</u>	<u>2020</u>
	EUR	EUR
<b>Balance as at 1 January</b>	2,351,636	1,829,407
Addition in financial year	2,697,965	522,229
<b>Balance as at 31 December</b>	<u>5,049,601</u>	<u>2,351,636</u>

## **8 Other reserve**

	<u>2021</u>	<u>2020</u>
	EUR	EUR
<b>Balance as at 1 January</b>	(8,930,422)	(5,900,060)
Appropriation of result	(2,279,472)	(1,295,532)
Transfers	(2,697,965)	(1,734,830)
<b>Balance as at 31 December</b>	<u>(13,907,859)</u>	<u>(8,930,422)</u>

## **9 Non-current liabilities**

	<u>31-12-2021</u>	<u>31-12-2020</u>
	EUR	EUR
Liabilities to group companies	6,174,155	0
Other long-term liabilities	39,354	0
	<u>6,213,509</u>	<u>0</u>

## **Non-current liabilities**

	<b>Balance as at 31 December 2021</b>	<b>Repayment due</b>	<b>Remaining pay-back time &gt; 1 year</b>	<b>Remaining pay-back time &gt; 5 year</b>	<b>Interest percentage</b>
	EUR	EUR	EUR	EUR	%
Liabilities to group companies	6,174,155	0	6,174,155	0	0.20
Other long-term liabilities	39,354	0	39,354	0	0.00
<b>Total</b>	<u>6,213,509</u>	<u>0</u>	<u>6,213,509</u>	<u>0</u>	

## **Disclosure of non-current liabilities**

Repayment obligations within 12 months after the end of the financial year are not included in the above figures but in current liabilities. All liabilities are denominated in euros.

---

**Liabilities to group companies**

	<u>31-12-2021</u>	<u>31-12-2020</u>
	EUR	EUR
Liability to Morningstar, Inc.	6,174,155	0

The liability to Morningstar, Inc. with a principal amount of USD 7,000,000 bears an annual interest applies to the Principal Balance, 115% of the short-term Applicable Federal Rate (“AFR”) effective on the relevant Anniversary Date, unless otherwise stated. The initial term of this Agreement shall commence on the date hereof and continue in effect through December 31, 2021. Thereafter, this agreement will automatically renew for additional terms of one (1) year each, unless either party provides the other with written notice of non-renewal at least sixty (60) days prior to the expiry of the then-current term. In addition, Sustainalytics B.V. may terminate the Agreement at any time without penalty by repaying the Principal Balance, together with all interest accrued thereon, in U.S. Dollars (or other currency as agreed by the Lender).

**Liability to Morningstar, Inc.**

	<u>2021</u>
	EUR
<b>Balance as at 1 January</b>	0
<b>Movements</b>	
Increase	6,174,155
<b>Balance as at 31 December</b>	
Principal amount	6,174,155
<b>Balance as at 31 December</b>	6,174,155

**Other long-term liabilities**

	<u>31-12-2021</u>	<u>31-12-2020</u>
	EUR	EUR
Other long-term liabilities	39,354	0

The other long-term liability is related to a provision for sabbatical liability.



---

## **Other long-term liabilities**

	<b>Other long-term liability</b>
	<u>EUR</u>
<b>Movements</b>	
Increase	39,354
<b>Balance movements</b>	<u>39,354</u>
<b>Balance as at 31 December 2021</b>	
Principal amount	39,354
<b>Balance as at 31 December 2021</b>	<u>39,354</u>

## **10 Current liabilities**

	<b><u>31-12-2021</u></b>	<b><u>31-12-2020</u></b>
	EUR	EUR
Liabilities to group companies	5,574,466	6,630,539
Payables relating to taxes and social security contributions	335,571	384,417
Liabilities to other participations	318,373	0
Trade payables	212,517	27,642
Other liabilities and accrued expenses	5,833,203	4,595,224
	<u>12,274,130</u>	<u>11,637,822</u>

### **Disclosure of current liabilities**

The current liabilities have a remaining term of maturity of less than one year. The fair value of current liabilities approximates the carrying amount because of their short-term character.

---

**Liabilities to group companies**

	<u>31-12-2021</u>	<u>31-12-2020</u>
	EUR	EUR
Liability to Sustainalytics S.R.L. (100%)	2,476,918	300,000
Liability to Morningstar Holland B.V.	1,760,133	0
Liability to Jantzi Research Inc.	1,134,115	0
Liability to Morningstar Switzerland GmbH	79,722	0
Liability to Morningstar Brazil Financial Information Ltda	44,810	16,679
Liability to Morningstar Luxembourg	34,836	0
Liability to Morningstar Norge AS	25,751	0
Liability to Morningstar Holdco AB	18,181	0
Liability to Sustainalytics Holding B.V.	0	2,000,265
Liability to Sustainalytics UK Limited (100%)	0	1,769,514
Liability to Sustainalytics S.A.R.L. (100%)	0	1,212,751
Liability to Sustainalytics GmbH (100%)	0	694,067
Liability to Sustainalytics Australia PTY Ltd	0	637,263
	<hr/>	<hr/>
	5,574,466	6,630,539

There is no interest calculated on the outstanding balances. In respect of repayment and securities provided, no agreements have been made.

**Liabilities to other participations**

	<u>31-12-2021</u>	<u>31-12-2020</u>
	EUR	EUR
Liability to Sustainalytics Pte. Ltd.	318,373	0

**Payables relating to taxes and social security contributions**

	<u>31-12-2021</u>	<u>31-12-2020</u>
	EUR	EUR
Wage tax	335,571	242,750
Value added tax	0	141,667
	<hr/>	<hr/>
	335,571	384,417

---

## ***Other liabilities and accrued expenses***

	<b><u>31-12-2021</u></b>	<b><u>31-12-2020</u></b>
	EUR	EUR
Deferred revenue	4,686,495	3,520,806
Accrued bonuses and commission	946,237	377,042
Holiday accrual	121,048	96,435
Accrued expenses	67,450	145,951
Other interest	6,508	0
Net wages	546	0
Other amounts payable	4,919	454,990
	<hr/>	<hr/>
	5,833,203	4,595,224

## ***Contingent assets and liabilities***

### ***The off-balance sheet liabilities relating to the fiscal unity***

Sustainalytics B.V. forms an income tax group with Morningstar Holland B.V., Morningstar Europe B.V. and Sustainalytics Holding B.V. since 2 July 2020, with Morningstar Holland B.V. as head of the fiscal unity. Under the Tax Collection Act, the members of the tax group are jointly and severally liable for any taxes payable by the Group. The tax liability will be presented in Morningstar Holland B.V.

Sustainalytics B.V. forms an value added tax group with Sustainalytics Holding B.V. since 13 May 2020, with Sustainalytics Holding B.V. as head of the fiscal unity. Under the Tax Collection Act, the members of the tax group are jointly and severally liable for any taxes payable by the Group. The tax liability is processed in each entity separately.

### ***Disclosure of payments of operating leases***

The Company entered into a rental agreement for the office at Amsterdam. The annual commitment amounts to EUR 228,477. The rental agreement will expire on 28 February 2025. The remaining total obligation at year-end amounts to EUR 723,511, for which an amount of EUR 228,477 falls due within one year, EUR 495,034 between one and five years and EUR 0 after five years.

From March 2022, Sustainalytics BV will rent an additional office. The annual commitment amounts to EUR 382,275. The rental agreement will expire on 28 February 2025. The remaining total obligation at year-end amounts to EUR 1,210,538, for which an amount of EUR 382,275 falls due within one year, EUR 828,263 between one and five years and EUR 0 after five years.

---

## **Notes to the income statement**

### **11 Net Turnover**

	<u>2021</u>	<u>2020</u>
	EUR	EUR
Turnover	12,676,202	10,878,020
Transfer pricing turnover	13,211,877	0
	<u>25,888,079</u>	<u>10,878,020</u>

### **12 Expenses of employee benefits**

	<u>2021</u>	<u>2020</u>
	EUR	EUR
Salaries and wages	7,690,737	5,695,869
Social security charges	970,928	849,966
Pension contributions	505,060	466,344
	<u>9,166,725</u>	<u>7,012,179</u>

### **Salaries and wages**

	<u>2021</u>	<u>2020</u>
	EUR	EUR
Gross salaries	6,557,665	5,185,305
Bonuses	710,256	258,521
Commissions	358,849	200,171
Movement in holiday accrual	63,967	51,872
	<u>7,690,737</u>	<u>5,695,869</u>

### **13 Depreciation of intangible and tangible fixed assets**

	<u>2021</u>	<u>2020</u>
	EUR	EUR
Amortisation of intangible fixed assets	1,604,099	977,772
Depreciation of property, plant and equipment	93,180	145,625
	<u>1,697,279</u>	<u>1,123,397</u>

---

**Amortisation of intangible fixed assets**

	<u>2021</u>	<u>2020</u>
	EUR	EUR
Amortisation revaluation costs of development	1,604,099	977,772

**Depreciation of property, plant and equipment**

	<u>2021</u>	<u>2020</u>
	EUR	EUR
Other fixed assets	79,253	61,776
Book profit other fixed assets	13,927	83,849
	<u>93,180</u>	<u>145,625</u>

**14 Impairment of current assets**

	<u>2021</u>	<u>2020</u>
	EUR	EUR
Impairment of intra-group receivable	150,602	0

The impairment relates to the write-off of a receivable position of EUR 450.602 with Sustainalytics S.A. (Spain) and a liability position of EUR 300.00 with Sustainalytics S.R.L.

**15 Other operating expenses**

	<u>2021</u>	<u>2020</u>
	EUR	EUR
Other expenses of employee benefits	343,927	268,443
Housing expenses	253,996	270,864
Selling expenses	41,872	36,313
Office expenses	23,713	29,270
General expenses	868,794	1,095,996
Transfer pricing expenses	15,328,805	2,392,731
	<u>16,861,107</u>	<u>4,093,617</u>

**Other expenses of employee benefits**

	<u>2021</u>	<u>2020</u>
	EUR	EUR
Canteen expenses	3,315	10,055
Recruitment expenses	98,838	44,448
Other staff expenses	241,774	213,940
	<u>343,927</u>	<u>268,443</u>

---

**Housing expenses**

	<u>2021</u>	<u>2020</u>
	EUR	EUR
Rental expenses	226,170	243,704
Other housing expenses	27,826	27,160
	<u>253,996</u>	<u>270,864</u>

**Selling expenses**

	<u>2021</u>	<u>2020</u>
	EUR	EUR
Write off doubtful debtor	30,000	24,996
Advertising expenses	11,872	11,317
	<u>41,872</u>	<u>36,313</u>

**Office expenses**

	<u>2021</u>	<u>2020</u>
	EUR	EUR
Telephone and fax expenses	8,654	10,866
Postage expenses	8,625	6,787
Office supplies	3,545	5,903
Printed matters	2,889	5,714
	<u>23,713</u>	<u>29,270</u>

**General expenses**

	<u>2021</u>	<u>2020</u>
	EUR	EUR
Subscriptions	536,225	604,176
Audit costs, review of the annual accounts	127,502	104,000
Outsourced services	71,656	99,891
Additional VAT-collection	56,101	0
Insurance premium	32,769	47,127
Bank expenses	18,273	2,733
Travelling and hotel expenses	18,074	48,064
Litigation expenses	7,032	0
Merger expenses	1,131	188,811
Consultancy expenses	0	928
Other general expenses	31	266
	<u>868,794</u>	<u>1,095,996</u>

---

## **16 Financial income and expense**

	<u>2021</u>	<u>2020</u>
	EUR	EUR
Interest and similar income	0	68,370
Interest and similar expenses	(10,097)	0
Currency translation differences	(281,741)	(12,729)
	<u>(291,838)</u>	<u>55,641</u>

### ***Interest and similar income***

	<u>2021</u>	<u>2020</u>
	EUR	EUR
Interest of receivables from group companies	0	68,370

### ***Interest and similar expenses***

	<u>2021</u>	<u>2020</u>
	EUR	EUR
Interest liabilities to group companies	3,589	0
Other interest expenses	6,508	0
	<u>10,097</u>	<u>0</u>

### ***Interest liabilities to group companies***

	<u>2021</u>	<u>2020</u>
	EUR	EUR
Interest liabilities to Morningstar, Inc.	3,589	0

### ***Other interest expenses***

	<u>2021</u>	<u>2020</u>
	EUR	EUR
Interest Tax Authorities	6,508	0

### ***Disclosure of income tax expense***

Due to the loss position nominal and effective income tax rate are 0.

---

## ***Other notes***

### ***Average number of employees***

	<u><b>2021</b></u>	<u><b>2020</b></u>
Average number of employees over the period working in the Netherlands	97.00	78.00
Average number of employees over the period working outside the Netherlands	3.00	1.00
	<u>100.00</u>	<u>79.00</u>

#### *Average number of employees during the period, segments*

##### Research Products

	<u><b>2021</b></u>	<u><b>2020</b></u>
Average number of employees over the period	46.00	27.00

#### *Average number of employees during the period, segments*

##### Client Relations

	<u><b>2021</b></u>	<u><b>2020</b></u>
Average number of employees over the period	26.00	21.00

#### *Average number of employees during the period, segments*

##### Talent & Culture, Facilities

	<u><b>2021</b></u>	<u><b>2020</b></u>
Average number of employees over the period	8.00	6.00

#### *Average number of employees during the period, segments*

##### Product Strategy and Development

	<u><b>2021</b></u>	<u><b>2020</b></u>
Average number of employees over the period	6.00	10.00



---

*Average number of employees during the period, segments*

ICT

	<u>2021</u>	<u>2020</u>
Average number of employees over the period	6.00	6.00

*Average number of employees during the period, segments*

Other

	<u>2021</u>	<u>2020</u>
Average number of employees over the period	8.00	9.00

### ***Remuneration of managing and supervisory directors***

*Disclosure of remuneration of managing and supervisory directors*

The board of directors will not receive any compensation.

### ***Subsequent events***

*Disclosure of subsequent events*

There are no subsequent events other than the earlier mentioned liquidation on Sustainalytics S.A. (Spain) on 27 January 2022 & the company entering into a second rental agreement for an additional office location per 1 March 2022.

Amsterdam, 23 December 2022  
Sustainalytics B.V.

Kapoor, K.  
Director A

Timmer, Diederik  
Director A

van de Schraaf, Tim  
Director B

van Spall, Gerard  
Director B

---

***Other information***

---

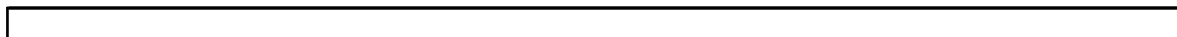
***Other information******Reference to the auditor's opinion***

The independent auditor's report is included on the following pages.

***Provisions of the Articles of Association relating to profit appropriation***

The art. 23 of the articles of association states the following regarding profit appropriation:

The articles of association show , that the annual profit obtained is at the free disposal of the general meeting. The holders of preference shares are entitled to a dividend distribution of 0% on the shares held by them, if and insofar as the annual profit is adequate.



**RSM Netherlands Accountants N.V.**

Mt. Lincolnweg 40  
P.O. Box 36310  
1020 MH Amsterdam  
The Netherlands  
T +31(0)20 635 20 00  
www.rsmnl.com

## **INDEPENDENT AUDITOR'S REPORT**

To: The shareholder of Sustainalytics B.V.,

### **Report on the audit of the financial statements 2021 included in the annual report**

#### **Our opinion**

We have audited the financial statements 2021 of Sustainalytics B.V. based in Amsterdam.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Sustainalytics B.V. as at 31 December 2021 and of its result for 2021 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the balance sheet as at 31 December 2021;
2. the profit and loss account for 2021; and
3. the notes comprising of a summary of the accounting policies and other explanatory information.

#### **Basis for our opinion**

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Sustainalytics B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

### **Report on the other information included in the annual report**

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

### **Description of responsibilities regarding the financial statements**

#### **Responsibilities of management for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the company or to cease operations or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

#### **Our responsibilities for the audit of the financial statements**

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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;
- obtaining 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 entity's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on 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. 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 financial statements 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 a company to cease to continue as a going concern.
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amsterdam, 23 December 2022

RSM Netherlands Accountants N.V.

M. Buiteman RA