TIKEHAU CAPITAL

Partnership limited by shares (*société en commandite par actions*) with
share capital of €2,103,820,128
Registered office: 32, rue de Monceau – 75008 Paris, France
477 599 104 RCS Paris

HALF-YEAR FINANCIAL REPORT
AS AT 30 JUNE 2021

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IMPORTANT INFORMATION

Defined terms

In this half-year financial report, the term "Company" means the company Tikehau Capital SCA, a *société en commandite par actions* (partnership limited by shares) whose registered office is located at 32, rue de Monceau, 75008 Paris, registered with the Paris Trade and Companies Register under number 477 599 104. The expressions "Tikehau Capital" and the "Group" mean the Company, its consolidated subsidiaries and branches in their entirety. A glossary of the main defined terms used in this half-year financial report can be found in the "Glossary" section of the 2020 Universal Registration Document registered by the *Autorité des marchés financiers* (AMF) on 1 April 2021 under ref. D.21-0246 (the "2020 Universal Registration Document").

Accounting and financial information

This half-year financial report presents the consolidated financial statements of Tikehau Capital prepared in accordance with IFRS *(*International Financial Reporting Standards*)* as adopted by the European Union ("IFRS") for the half-years ended 30 June 2020 and 2021.

Some figures (including data expressed in thousands or millions) and percentages presented in this half-year financial report have been rounded. If applicable, the totals presented in this half-year financial report may differ slightly from what would have been obtained by adding the exact (not rounded) values of these figures.

Forward-looking information

This half-year financial report contains statements on the outlook and development areas of Tikehau Capital. These statements are sometimes identified by the use of the future or conditional tense and words with prospective connotations such as "consider", "envisage", "think", "target", "expect", "intend", "should", "aim", "estimate", "believe", "hope", "could" or, where appropriate, the negative form of these terms, or any other variants or similar terms. This information does not constitute historical data and must not be interpreted as a guarantee that the facts and data mentioned will actually occur. This information is based on data, assumptions and estimates considered reasonable by the Company. They may change or be modified due to uncertainties related in particular to the economic, financial, competitive and regulatory environment. This information is mentioned in various sections of this half-year financial report and contains data relating to Tikehau Capital's intentions, estimates and targets concerning the market, strategy, growth, results, financial position and cash of Tikehau Capital. Forward-looking statements contained in this half-year financial report are presented only as at the date of this half-year financial report. Barring any applicable legal or regulatory obligation, the Company makes no commitment to publish updates of the forward-looking information contained in this half-year financial report to reflect any changes in targets or events, conditions or circumstances on which the forward-looking information contained in this half-year financial report is based. Tikehau Capital operates in a competitive and ever-changing environment, so it may not be able to anticipate all risks, uncertainties or other factors that may affect its business, their potential impact on its business or the extent to which a risk or combination of risks might lead to significantly different results from those in any forward-looking information, and it should be noted that such forward-looking statements do not constitute a guarantee of results.

The Group and the Group's asset management companies

This half-year financial report is in no circumstances a validation and/or updating of the programmes of operations of each of the Group's asset management companies.

Risk factors

Investors are urged to consider the risk factors described in Chapter 2 (Risk Factors) of the 2020 Universal Registration Document before making any investment decision. Should all or some of those risks actually occur, they would be likely to have a negative effect on Tikehau Capital's business, financial position, financial results or targets.

1. PRESENTATION OF THE GROUP AND ITS ACTIVITIES

1.1 The legal structure of Tikehau Capital

Reorganisation

On 20 May 2021, Tikehau Capital announced a planned Reorganisation of the Group's structure and its shareholding structure, aiming at simplifying its governance, ensure better legibility and reduce the preferred dividend due to the general partner and the remuneration paid to the Manager of Tikehau Capital management.

This planned Reorganisation was implemented by the completion, on 15 July 2021, of the following successive transactions, none of which was intended to be carried out without the others:

i. the appointment of a new general partner (*associé commandité*) and two new statutory Managers (*gérants*) of Tikehau Capital (the "**New Governance**"):

   a. the appointment of a newly incorporated company, Tikehau Capital Commandité, a wholly-owned subsidiary of Tikehau Capital Advisors ("**TCA**"), main shareholder of Tikehau Capital, as general partner of Tikehau Capital, and which benefits from a drastically reduced preferred dividend compared to Tikehau Capital General Partner, former sole general partner of Tikehau Capital ("**TCGP**"), equal to 1% of Tikehau Capital's statutory net result (as shown in Tikehau Capital's statutory financial statements at the end of each financial year), compared with a preferred dividend (*préciput*) of 12.5% of the statutory net result which is received prior to the Reorganisation by TCGP;

   b. the appointment of two companies, AF&Co Management whose chairman is Mr Antoine Flamarion and which is wholly owned by AF&Co, and MCH Management whose chairman is Mr Mathieu Chabran and which is wholly owned by MCH[1], as Managers of Tikehau Capital. Each of these two Managers are, as of 15 July 2021, fixed annual remuneration equal to €1,265,000 excluding taxes, plus the applicable VAT;

ii. the merger-absorption of TCGP (general partner of Tikehau Capital) by Tikehau Capital (the "**Merger**"). Following the Merger, TCC is the sole general partner of Tikehau Capital and receives a preferred dividend of 1% of the statutory net resultnet corporate result of Tikehau Capital provided in the context of its appointment and the Articles of Association have been amended to reflect this reduction in the remuneration paid to the general partners. The Merger was completed with retroactive effect from 1 January 2021;

iii. the contribution by TCA to Tikehau Capital of the assets and liabilities relating to the Group's central corporate functions (i.e. in particular, strategy, legal and regulatory department, communication and public affairs department, investor relations, finance department (including treasury and financing teams, statutory and consolidated accounting teams, financial control in particular), the human capital department, the ESG functions, the information systems department, the compliance and internal control department, the internal audit department, mergers and acquisitions advisory and general/support services (the "**Central Corporate Functions**") in the context of a partial contribution of assets subject to the legal regime governing spin-offs (the "**Contribution**" and, with the Merger, "**Transactions**"). The Contribution, under which 58 TCA employees were transferred, enabled the Central Corporate Functions to be brought in-house within Tikehau Capital so that Tikehau Capital now brings together all of the resources enabling it (and its

[1] AF&Co is controlled by Mr Antoine Flamarion who holds 95% of the share capital and voting rights and MCH is controlled by Mr Mathieu Chabran who holds 90% of the share capital and voting rights.

subsidiaries) to operate. The Contribution was completed with retroactive effect from 1 January 2021.

The New Governance, the Merger and the Contribution constitute a global transaction designated as the "**Reorganisation**".

The Company believes that the Reorganisation of the Group provides the following benefits:

- the Group is easier to understand due to the fact that the Central Corporate Functions have been brought in-house insofar as Tikehau Capital from now on brings together all the resources enabling the Group to operate, some financial analysts having highlighted the complexity of the structure and governance as well as unusual or difficult to understand for investors flows;

- a simplification of the structure and flows is likely to enhance the attractiveness of Tikehau Capital's shares, thus enabling Tikehau Capital to attract a wider range of investors (particularly foreign investors), to raise funds in order to continue to establish a strong base for its development or again to finance external growth transactions in securities;

- the reduction in the preferred dividend (*préciput*) due to the general partner and in the remuneration paid to the Managers[2] improves the financial attractiveness of the Company by leading to a strong single-digit accretive effect on the Company's 2021 net profit per share as calculated on the basis of the consensus earnings forecasts of the analysts covering Tikehau Capital shares and adjusted take the impacts of the Transactions into account;

- the alignment of the interests of the Group's control structures with the minority shareholders of Tikehau Capital now results mainly from their holding as shareholders of Tikehau Capital, most of the return on their capital now coming from the dividends attached to the ordinary shares; and

- the Reorganisation strengthens Tikehau Capital's credit profile by increasing the available cash flow (after tax) by more than €40 million per year from 2021.

The Managers

Consequently, as from 15 July 2021, the Management of the Company is exercised by two Managers, AF&Co Management and MCH Management.

Name, registered office, corporate form and number of Company shares held

AF&Co Management is a *société par actions simplifiée* (simplified joint stock company) incorporated on 17 December 2020, whose registered office is located at 32, rue de Monceau, 75008 Paris, France. AF&Co Management is wholly owned by AF&Co. AF&Co Management does not hold any shares in the Company. AF&Co Management is a company with a share capital of €1,000. AF&Co Management has no employees.

MCH Management is a *société par actions simplifiée* (simplified joint stock company) incorporated on 17 December 2020, whose registered office is located at 32, rue de Monceau, 75008 Paris, France. MCH Management is wholly owned by MCH. MCH Management does not hold any shares in the Company. MCH Management is a company with a share capital of €1,000. MCH Management has no employees.

Corporate officers

The Chairman of AF&Co Management is Mr Antoine Flamarion.

The Chairman of MCH Management is Mr Mathieu Chabran.

[2] The remuneration policy for the Managers of Tikehau Capital, as amended as a result of the Reorganisation, is available via the Company's website (www.tikehaucapital.com).

Date of expiry of the terms of office

The terms of office AF&Co Management and MCH Management, as Managers, are appointed for an unlimited period.

Main function within the Company and the Group

Managers of the Company AF&Co Management and MCH Management does not hold other position within the Group or outside the Group.

Main offices and positions held outside the Company and the Group during the last five years

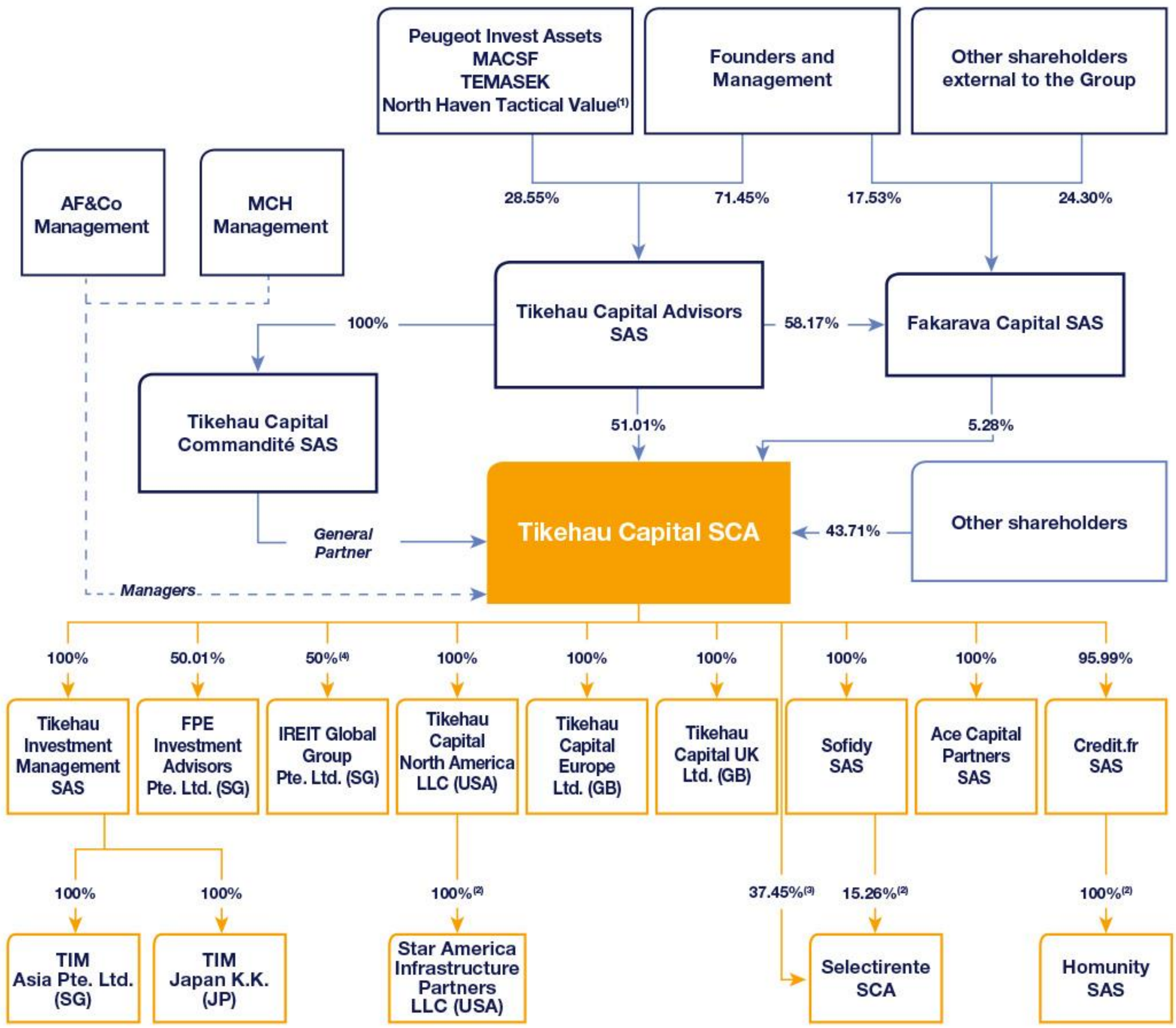
None. AF&Co Management and MCH Management had never conducted any other activities prior to assuming office as Manager of the Company.

The Supervisory Board

The composition of the Supervisory Board of Tikehau Capital described in section 3.1.2 “Presentation of the Supervisory Board” of the 2020 Universal Registration Document remains unchanged. However, on 24 August 2021, Crédit Mutuel Arkéa replaced Mrs Anne-Laure Navéos with Mrs Hélène Bernicot as its permanent representative on the Supervisory Board of Tikehau Capital.

A graduate of Sciences Po Paris and a chartered accountant, Mrs Hélène Bernicot began her career with eight years in financial audit at Mazars, where she led various assignments for major groups. She joined Crédit Mutuel Arkéa in 2004. She successively held various positions in the Finance Department and then in the Human Resources Department. In 2016, she joined the general coordination committee and in 2019, the group’s Executive Committee, in charge of the General Secretary and Corporate Communications Department. In 2020, she was appointed Chief Executive Officer of Crédit Mutuel Arkéa.

As at 15 July 2021, taking into account the effect of the Reorganisation, the Group's organisational chart is as follows:



(1) A North Haven Tactical Value investment vehicle managed by a Morgan Stanley Investment Management team.
(2) Directly or indirectly.
(3) Tikehau Capital jointly holds 54.69% of the share capital and voting rights of Selectirente with the companies Sofidy, GSA Immobilier, Sofidiane, Makemo Capital, AF&Co and Mr Antoine Flamarion and Mr Christian Flamarion.
(4) The Company holds 50.01% of the voting rights of IREIT Global Group Pte. Ltd.
NB: In this organisational chart, shareholding percentages are equivalent to voting rights percentages, unless otherwise stated. The companies are governed by French law unless otherwise stated.

2. HALF-YEAR FINANCIAL REPORT

2.1 GENERAL OVERVIEW OF THE ACTIVITIES, RESULTS AND FINANCIAL POSITION FOR THE FIRST HALF OF 2021 PRO FORMA

The figures presented in this section are said pro forma as they reflect the Reorganisation completed on 15 July 2021. Main impacts are listed and commented below.

	First half of 2021 consolidated accounts	Remuneration of the Manager	Transfer of TCA activities to TC	First half of 2021 pro forma
Net management, subscription and arrangement fees	121.1			121.1
Operating expenses from Asset Management activity	(76.6)			(76.6)
Fee-related earnings (FRE) [(1)]	**44.5**			**44.5**
Performance-related earnings (PRE) [(2)]	**1.1**			**1.1**
Net operating profit from the Asset Management activity	**45.6**			**45.6**
Realised investment revenues [(3)]	**78.1**			**78.1**
Changes in fair value (unrealised) of the Investment activity	174.1			174.1
Group corporate expenses	(44.1)	30.4	(6.7)	(20.4)
Other items of the Investment activity [(4)]	(72.2)			(72.2)
Financial result	(9.0)		(0.1)	(9.1)
Other non-recurring items [(5)]	-			-
Corporate income tax	(19.8)		(0.1)	(19.9)
Non-controlling interests	(0.2)			(0.2)
Net result, Group share	**152.6**	**30.4**	**(6.9)**	**176.1**

(1) "Fee-Related Earnings or FRE": corresponds to the net operating profit from the Asset Management activity excluding performance fees and carried interest.

(2) "Performance-Related Earnings or PRE": corresponds to performance fees and carried interest.

(3) Realised investment revenues comprise dividends, bond coupons, interests on receivables related to equity investments and positive or negative realised changes in fair value of current and non-current investment portfolios of the Group.

(4) In the first half of 2021 other items from the Investment activity include losses on the derivatives portfolio of -€71.9 million and the share of net result from equity affiliates for -€0.3 million.

(5) In the first half of 2020, other non-recurring items included in the particular the non-recurring item of the grant of free shares under the second tranche of the "One-Off Plan" of the 1 December 2017 following the listing of the Company, for an amount of -€1.3 million. The second tranche of the "One-Off Plan" of the 1 December 2017 having vested 1 December 2020, there is no longer any impact on the income statement for the first half of 2021.

These restatements mainly concern the Group corporate expenses, namely (i) the remuneration of the Manager (this was reduced to €2.5 million excluding taxes on an annual basis, i.e. €1.3 million excluding taxes in the first half of 2021) and (ii) the contribution by Tikehau Capital Advisors of assets and liabilities related to the central functions now held within Tikehau Capital. Thus, interim consolidated financial statements pro forma of the Reorganisation comprises Group corporate expenses for -€20.4 million in the first half of 2021 compared to -€44.1 million in consolidated accounts in the first half of 2021, income tax for -€19.9 million in the first half of 2021 compared to -€19.8 million in consolidated accounts in the first half of 2021; and a net result Group share of €176.1 million in the first half of 2021 compared to €152.6 million in consolidated accounts in the first half of 2021.

For more details regarding this reorganisation, please refer to Section 1.1 "The legal structure of Tikehau Capital", Section 5.4 "Significant events since 30 June 2021" and Note 28 "Subsequent events" of the half-year consolidated financial statements as of 30 June 2021 set out in Section 4.1.5 “Notes to the consolidated financial statements prepared in accordance with IFRS” of this Half-Year Financial Report.

2.1.1 Key figures for the first half of 2021 pro forma

Net result, Group share, amounts to €176.1 million in the first half of 2021 compared to a loss of -€219.5 million in the first half of 2020. In particular, the Group benefited from (i) a strong increase in income from the asset management activity, which reached €45.6 million, i.e. +59.4% compared to €28.6 million for the first half of 2020, (ii) growing realised revenues from the Investment activity, which amounted to €78.1 million compared to €66.1 million for the first half of 2020, (iii) a positive change in fair value (unrealised) on investments held in the portfolio of €174.1 million.

In addition, Tikehau Capital proceeded with the total unwinding of the derivative instruments taken as part of its risk management policy and which were open at 31 December 2020 (negative impact of -€71.9 million in the first half of 2021).

Key figures for the first half of 2021 pro forma

	Items from the consolidated income statement	
(in millions of €)	**First half of 2021 pro forma**	**First half of 2020 pro forma**
Net management, subscription and arrangement fees	121.1	87.1
Operating expenses from Asset Management activity	(76.6)	(59.7)
Fee-related earnings (FRE) (1)	**44.5**	**27.4**
Performance-related earnings (PRE) (2)	**1.1**	**1.2**
Net operating profit from the Asset Management activity	**45.6**	**28.6**
Realised investment revenues (3)	**78.1**	**66.1**
Changes in fair value (unrealised) of the Investment activity	174.1	(143.3)
Group corporate expenses	(20.4)	(20.9)
Other items of the Investment activity (4)	(72.2)	(165.8)
Financial result	(9.1)	(19.3)
Other non-recurring items (5)	-	(1.3)
Corporate income tax	(19.9)	36.5
Non-controlling interests	(0.2)	(0.0)
NET RESULT - GROUP SHARE	**176.1**	**(219.5)**

(1) “Fee-Related Earnings or FRE”: corresponds to the net operating profit from the Asset Management activity excluding performance fees and carried interest.

(2) “Performance-Related Earnings or PRE”: corresponds to performance fees and carried interest.

(3) Realised investment revenues comprise dividends, bond coupons, interests on receivables related to equity investments and positive or negative realised changes in fair value of current and non-current investment portfolios of the Group.

(4) In the first half of 2021, other items from the Investment activity include losses on the derivatives portfolio of -€71.9 million and the share of net result from equity affiliates for -€0.3 million.

(5) In the first half of 2020, other non-recurring items included in the particular the non-recurring item of the grant of free shares under the second tranche of the “One-Off Plan” of the 1 December 2017 following the listing of the Company, for an amount of -€1.3 million. The second tranche of the “One-Off Plan” of the 1 December 2017 having vested 1 December 2020, there is no longer any impact on the income statement for the first half of 2021.

(in millions of €)	**Consolidated balance sheet items** **30 June 2021 pro forma**	 **31 December 2020 pro forma**
Total shareholders' equity	2,905	2,799
Shareholders' equity – Group share	2,898	2,792
Gross cash [(1)]	964	748
Gross debt [(2)]	1,506	999
Gearing [(3)]	*52%*	*36%*

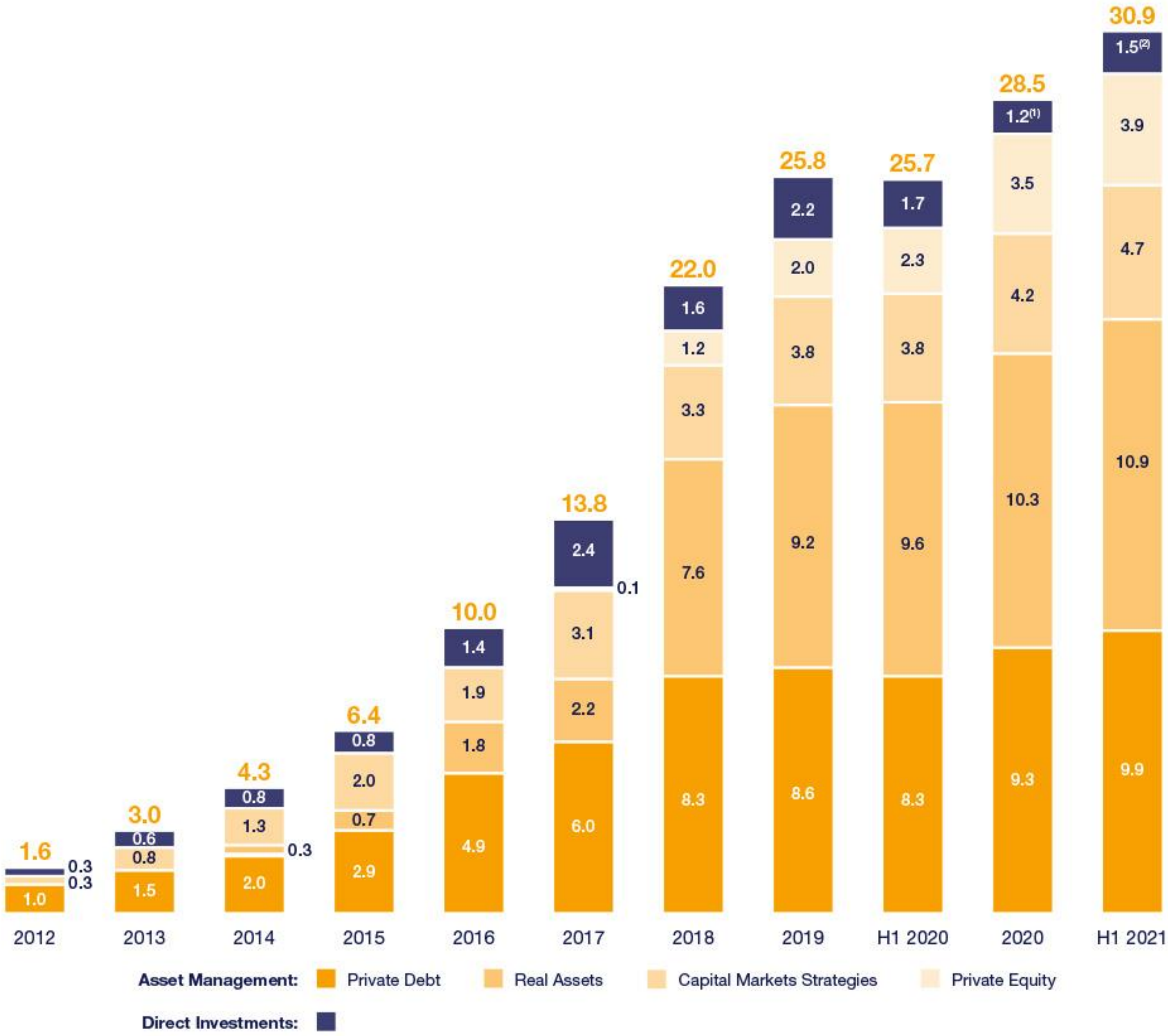
(1) Gross cash at 30 June 2021 consists of the total of the cash and cash equivalents items (consisting mainly of marketable securities) for €896 million and of cash management financial assets for €68 million.

(2) Gross debt consists of current and non-current borrowings and financial debt (including bank overdrafts).

(3) The gearing ratio reflects gross debt on total consolidated shareholders' equity.

Non-accounting information

Change in the Group's assets under management (as defined below) since 2012 (in billions of euros):



(in billions of €)	2017	2018	2019	H1 2020	2020	H1 2021
Assets under management (end of period)	13.8	22.0	25.8	25.7	28.5	30.9
Change over the period (6 months) or the year (12 months)	3.8	8.2	3.8	(0.1)	2.7	2.4
Net inflows [(3)] over the period (6 months) or the year (12 months)	3.9	3.7	4.6	0.9	3.6	2.7
of which net inflows from Asset Management activity	*3.1*	*4.3*	*4.1*	*1.1*	*4.2*	*2.4*

(1) Direct investments of €1,180 million as at 31 December 2020 mainly included goodwill for €422 million, intangible assets recognised following external acquisitions for €103 million, investments other than in funds managed by the Group (open to third-party investor-clients) for €834 million, cash and cash equivalents, cash management financial assets and margin calls on derivatives for €845 million, net of off-balance sheet commitments in funds managed by the Group for €1,028 million.

(2) Direct investments of €1,495 million as at 30 June 2021 mainly include goodwill for €418 million, intangible assets recognised following external acquisitions for €104 million, investments other than in funds managed by the Group (open to third-party investor-clients) for €1,015 million, cash and cash equivalents and cash management financial assets for €964 million, net of off-balance sheet commitments in funds managed by the Group for €1,012 million.

(3) Net inflows at Group level correspond to (i) total subscriptions, less redemptions of open-ended funds and (ii) acquisition costs of assets financed by debt (net of repayments) or the target leverage expected in the case of some leveraged funds. A positive flow means that the total amount of inflows (subscriptions net of redemptions) and share of acquisition costs of assets financed by debt are higher than recorded outflows. Conversely a negative flow means that total redemptions are higher than inflows from subscriptions and share of acquisition costs of assets financed by debt.

Breakdown of the Group's assets under management between the Asset Management activity, divided into four business lines (Private Debt, Real Assets, Capital Markets Strategies and Private Equity), and the Investment activity:

Details of the Group's assets under management as at 30 June 2021

Details of the Group's assets under management as at 31 December 2020

Distribution (i) of the Group's assets under management as at 30 June 2021, within the scope of asset management, based on the generation of management fees and (ii) the expected duration of this revenue generation within the €24.4 billion in assets under management generating management fees as of 30 June 2021.

As at 30 June 2021, the amounts available for investment at the level of the funds managed by the Group and its balance sheet (commonly referred as “dry powder”) represent around €7.8 billion (including €6.4 billion in funds). This aggregate mainly corresponds to (i) uncalled commitments in closed-ended funds, (ii) cash and cash equivalents in open-ended funds, (iii) the sum of cash and cash equivalents (consisting mainly of marketable securities) and cash management financial assets from the Group’s consolidated balance sheet, and lastly to (iv) confirmed and undrawn debt from the Group’s consolidated balance sheet.

Operational indicators reflected in the consolidated financial statements of Tikehau Capital

- **Gross revenues from Asset Management activity** – These comprise:
  - management and subscription fees which correspond to management fees collected or to be collected by asset managers, whether relating to the management of assets under management or to arranging or structuring portfolio transactions. Management fees are generally recognised as each service is rendered and are calculated based on the contractual documentation, usually by applying a percentage to the called assets under management, but they can also partially apply to the portion of assets under management committed but not called. Subscription fees are recognised when investors subscribe to the funds. Arrangement fees and structuring fees are usually recognised when the investment is made. The level of management fees depends both on the type of client and type of products;
  - performance fees or carried interest can be collected when performance thresholds are exceeded during the lifetime of the fund (open-ended funds managed under Capital Markets Strategies activity) or on the liquidation of the fund (closed funds managed under Private Debt, Real Assets or Private Equity activities). These revenues are paid by the funds directly to the beneficiaries and are recognised in the income statement only when this variable consideration can be accurately estimated and when it is highly likely that no reversal will be made. Such revenues are partially recognised by the asset management companies and/or Tikehau Capital, in accordance with the incentive allocation policy for outperformance (carried interest) which applies within the Group.

Net revenues from Asset Management activity are calculated by deducting retrocession of fees due from gross revenues from Asset Management activity.

These retrocession of fees mainly correspond to retrocession arrangement fees owed to the funds managed by the Group's asset managers and retrocessions contractually owed to distributors, generally based on a percentage of management fees on the funds collected by these distributors.

- **Realised investment revenues** - They consist of dividends, coupons on bonds, interest on receivables attached to equity investments as well as capital gains or losses on disposals from the Group's current and non-current portfolio.

- **Changes in fair value (unrealised) from the Investment activity** – These correspond to the unrealised positive or negative changes in fair value on Group's current and non-current portfolio.

- **Net revenues** – Net revenues correspond to the revenues from the Investment activity (see above) plus revenues from the Asset Management activity (see above); this aggregate contains elements affecting cash and others recorded in the accounts that have no impact on cash.

- **Fee-Related Earnings or FRE** – This item corresponds to the net operating profit from Asset Management activity excluding performance fees and carried interest, i.e. excluding Performance-Related earnings *(*PRE) as defined below.

- **Performance-Related Earnings or PRE** – This item corresponds to performance fees and carried interest.

- **Net result** – Net result corresponds to net operating profit from the Asset Management activity, plus revenues from the Investment activity, less Group corporate expenses, plus (or less) other non-current items, plus (or less) financial result and lastly less the charge (or plus the product) of current and deferred tax. Net result is then divided between the Group share and the minority interests.

Operational indicators not reflected in the consolidated financial statements of Tikehau Capital

In order to take into account certain specific features in the breakdown of assets under management, the definitions of the operating indicators not reflected in the consolidated financial statements of Tikehau Capital that the Company monitors (and intends to monitor) read as follows:

Assets under management – Depending on the different strategies, assets under management correspond mainly:

a) for Capital Markets Strategies activity: to the net asset value (net asset value of each unit of share class multiplied by the number of issued units);
b) for Private Debt activity: (i) to the commitments of subscribers and target expected leverage for certain leveraged funds or the net asset value plus uncalled commitments during the periods of fundraising and investment, (ii) to the higher of the net asset value of the funds or gross asset value for certain leveraged funds and the basis for determining management fees once the investment period has ended, (iii) to the assets of CLO vehicles (including cash), (iv) to subscribers' commitments less commitments allocated to other strategies and (v) to the capital outstanding for crowdfunding platforms;
c) for Real Assets activity: (i) during fundraising then investment periods, to the available appraisal value of the assets held by the funds (or, failing that, to the acquisition cost of the assets) plus uncalled commitments, cash and the fund's other assets, if any, or to the net asset value plus uncalled commitments and, once the investment period has ended, to the available appraisal value of the assets held by the funds (or, failing that, to the acquisition cost of the assets); but also (iii) to the commitments of subscribers called up or not called during the investment period and, once the investment period is over, to the capital invested by the funds;
d) for Private Equity activity: (i) during the fundraising then investment periods, to subscriber commitments or to called revalued commitments plus uncalled subscriber commitments, and (ii) once the investment period has ended, generally to the latest valuation of the fund assets.

The change in assets under management from one year to another can be explained by (i) the net new money effect (see below), (ii) the market effect, which is the sum of the positive and negative changes in the performance of the portfolio during the period, (iii) the distributions made during the period, and (iv) the scope effect, i.e. when asset managers are acquired or sold during a financial year but also when the holding rate changes so that the holding becomes majority or minority. In both cases, the assets under management are either added to (acquisition, increase to a majority holding) or deducted from (sale, change to a minority holding) Tikehau Capital's total assets as from the date of acquisition, sale, reduction or increase.

Fee-paying assets under management – Depending on the different business lines, fee-paying assets under management correspond mainly to:

a) for Capital Markets Strategies activity: (i) the net asset value of the funds, and (ii) for management mandates and certain dedicated funds, the valuation of the securities held in the portfolio minus investments in certain funds managed by the Group's asset managers and cash;
b) for Private Debt activity: (i) during the periods of fundraising and then investment, the net asset of the funds, the commitments called or the total commitments according to fund subscription terms, and (ii) once the investment period has ended, the net asset value of the funds or the uncalled unredeemed commitment;
c) for Real Assets activity: (i) to the acquisition costs or the available appraisal value of the assets held by the funds (or, failing that, to the historical cost of the assets) plus cash and the fund's other assets, if any, and (ii) to the commitments of the subscribers called or not called during the investment period and, once the investment period is over, to the capital invested by the funds;
d) for Private Equity activity on behalf of client investors of the Group's asset managers: (i) during periods of fundraising and investment, total commitments according to fund subscription terms or amounts invested and (ii) once the investment period has ended, the net asset value of the funds, the total commitment or the total commitment or amounts invested less acquisition costs of sold assets.

Future fee-paying assets under management – Depending on the business line, future fee-paying assets under management correspond to (i) either investor commitments which have not yet been called, (ii) or cash available to invest in certain funds (iii) or commitments or unit classes which do not yet generate management fees but will do so under certain conditions (e.g. after a given proportion of the commitments have been called or after a given unit holding period).

Non-fee-paying assets under management – Non-fee-paying assets under management correspond to the share of assets under management that, by their nature, do not generate management fees and are not intended to do so. Depending on the different business lines, these are mainly:

a) for Capital Markets Strategies activity: to investments in certain funds managed by the Group's asset managers and available cash;
b) for Private Debt and Private Equity activities: mainly to unit classes, whether called or not, which, by their nature do not generate management fees and are not intended to do so;
c) for Real Assets activity: mainly to the difference between (i) the most recent available appraisal value of the assets of the Real Estate funds in the portfolio and (ii) the acquisition cost of these assets in the case of certain funds and the acquisition cost of debt-financed assets in the case of some leveraged funds.

Average fee-paying assets under management – This is average between the amount of fee-paying assets under management as at 30 June of year N-1 and 30 June of year N.

Weighted average fee rate – This is the average fee rate weighted by the weight of each of the Group's four Asset Management business lines applied to fee-paying assets under management, i.e. the ratio, for each of the four business lines, between:

a) total management fees generated by the business line, based on the Group's consolidated financial statements; and
b) average fee-paying assets under management.

For the purposes of the definitions of the five operational indicators above, the term "management fees" covers the following concepts:

a) management fees, subscription fees (and assimilated fees);
b) other fees including waiver fees, agency fees, related fees and Real Assets asset fees; and
c) arrangement fees.

Net inflows – These correspond at Group level to (i) total subscriptions, less redemptions of open-ended funds and (ii) acquisition costs of assets financed by debt (net of repayments) or the target leverage expected in the case of some leveraged funds. A positive flow means that the total amount of inflows (subscriptions net of redemptions) and share of acquisition costs of assets financed by debt are higher than recorded outflows. Conversely a negative flow means that total redemptions are higher than inflows from subscriptions and share of acquisition costs of assets financed by debt.

2.1.2 Activities during the first half year 2021

As at 30 June 2021, Tikehau Capital's assets under management amounted to €30.9 billion (compared to €28.5 billion as at 31 December 2020), representing a growth of 8% over the first half of 2021.

This change was mainly due to a net inflows of €2.7 billion, distributions of -€0.6 billion and positive market effects of €0.3 billion. During the first half of 2021, all asset classes positively contributed to the Group's net inflows, in particular, Private Debt and Real Assets.

As at 30 June 2021, the Group's assets under management were divided between the Asset Management activity (€29.4 billion) and the Investment activity made from the Group's balance sheet (€1.5 billion) as the following breakdown:

(in billions of €)	**Assets under management as at 30 June 2021**	**In %**	**Assets under management as at 31 December 2020**	**In %**
Private Debt	9.9	32%	9.3	33%
Real Assets	10.9	35%	10.3	36%
Capital Markets Strategies	4.7	15%	4.2	15%
Private Equity	3.9	13%	3.5	12%
Total asset management	**29.4**	**95%**	**27.4**	**96%**
Total Direct investments made from the Group's balance sheet	**1.5**	**5%**	**1.2**	**4%**
Total assets under management	**30.9**	**100%**	**28.5**	**100%**

Asset Management activity

As at 30 June 2021, Tikehau Capital's asset management scope represented assets of €29.4 billion and comprised:

- 83% of fee-paying assets under management (i.e. €24.4 billion at the end of June 2021 compared to €23.2 billion at the end of December 2020);
- 12% of future fee-paying assets under management (i.e. €3.6 billion at the end of June 2021 compared with €3.0 billion at the end of December 2020); and
- 5% of assets under management not generating management fees (i.e. €1.4 billion at the end of June 2021 compared with €1.1 billion at the end of December 2020).

In the first half of 2021, closed-ended funds including funds managed by Sofidy (i.e. all funds managed by the Group excluding Capital Markets Strategies finds) invested a total amount of €1.9 billion, i.e an amount twice higher than the one recorded during the first half of 2020 (€0.8 billion).

Private Debt: €9.9 billion in assets under management as at 30 June 2021

The growth of €0.5 billion in assets under management during the first half of 2021 (i.e. growth of 5.6% compared to 31 December 2020) resulted from a net inflows of €0.9 billion partially offset by distributions of -€0.4 billion.

Private Debt was the main contributor to fundraising in the second quarter of 2021, thanks in particular to new commitments for the fifth generation of Tikehau Capital's flagship strategy in direct lending, with assets under management exceeding €1.0 billion as at 30 June 2021. In addition, the fundraising for the Group's other Private Debt strategies continued, including impact lending and secondary Private Debt strategies, both launched in the fourth quarter of 2020. The rate at which these funds are being raised is in line with the Group's expectations and reflects the interest of investors in innovative strategies with a positive impact.

Real Assets: €10.9 billion in assets under management as at 30 June 2021

The growth of €0.6 billion in assets under management during the first half of 2021 (i.e. growth of 5.8% compared to 31 December 2020) was due to a net inflow of €0.7 billion and a positive market effect of €0.1 billion, partly offset by distributions of -€0.1 billion.

Fundraising for Real Assets amounted to 0.5 billion on the second quarter of 2021, mainly thanks to the dynamism of inflows for Sofidy (assets under management of €7.0 billion at 30 June 2021, compared to €6.7 billion at 31 December 2020) as well as the acquisition of a portfolio of residential assets in the Iberian Peninsula through a dedicated joint investment fund, enabling investors in the Group's funds to supplement their allocations.

Capital Markets Strategies: €4.7 billion in assets under management as at 30 June 2021

The growth of €0.5 billion in assets under management during the first half-year 2021 (i.e. growth of 11.8% compared to 31 December 2020) resulted from a net inflows of €0.4 billion and a positive market effect of €0.1 billion.

The Capital Markets Strategies activity benefited from very robust demand from investor-clients. Total net inflows from this activity amounted to €0.4 billion in the second quarter of 2021, a level higher than that recorded for the full year in 2020, a result mainly driven by bond strategies; in particular, the Tikehau Short Duration bond fund (formerly called Tikehau Taux Variables), with a more diversified and more international investor base, reached €1.9 billion at 30 June 2021.

Private Equity: €3.9 billion in assets under management as at 30 June 2021

The growth of €0.4 billion in assets under management during the first half of 2021 (i.e. growth of 12.8% compared to 31 December 2020) resulted from net inflows of €0.4 billion.

Private equity contributed €0.2 billion to the Group's fundraising in the second quarter of 2021, after first quarter marked by the final closing of its energy transition strategy.

Fundraising in the second quarter of 2021 was boosted by the first closing of €0.1 billion by the aeronautics and defence fund in Spain. In addition, the Group recorded new commitments for its cybersecurity fund, the largest fund dedicated to this subject in Europe to date.

The Group also finalised the acquisition of Foundation Private Equity in Singapore which offers secondary solutions to fund managers and investor-clients across Asia.

The Tactical Strategies team successfully closed the second generation of the European strategy dedicated to special opportunities (Tikehau Special Opportunities II), with a total of €0.6 billion raised, exceeding the initial target of €0.5 billion and raising more than four times more than the previous generation of funds. This success demonstrates the relevance of Tikehau Capital's special situations strategy which develops opportunistic and flexible investment solutions in situations of market disruption with fewer financing possibilities.

Investment activity

As at 30 June 2021, investments made from the Tikehau Capital balance sheet represent €1.5 billion in assets (compared with €1.2 billion as at 31 December 2020). This increase of €0.3 billion over the first half of 2021 takes into account (i) the positive unrealised changes in fair value of €0.1 billion, (ii) the increase in the Group's consolidated cash position following the successful placement of a sustainable bond for €0.5 billion in the first half of 2021, partially offset by new net commitments by the Group in its funds for -€0.2 billion, the unwinding of the derivatives portfolio and the payment of a distribution to the Company's shareholders for -€0.1 billion.

During the first half of 2021, the Company continued the active rotation of its investment portfolio held on the balance sheet in its three strategic areas of allocation, namely (i) investments in funds managed by the Group and co-investments alongside these, (ii) investments in Group platforms and (iii) opportunistic investments.

As at 30 June 2021, 64% of the investment portfolio, i.e. €1.8 billion, was invested in the funds and strategies managed by the Group (vehicles managed by Tikehau IM, Tikehau Capital Europe, IREIT Global Group, Sofidy, Ace Capital Partners and Star America Infrastructure Partners).

Main investments and co-investments made by Tikehau Capital and its consolidated subsidiaries in the Group's strategies as at 30 June 2021:

(in millions of €)	**Amount called** [(1)]	**Amount uncalled**	**Total amount**
Tikehau Private Debt Secondaries	99.2	64.0	163.2
Tikehau Direct Lending IV	52.5	5.2	57.7
Tikehau Senior Loan III	50.2	0.0	50.2
Tikehau Direct Lending 4L	46.0	6.1	52.0
Tikehau CLO V	36.5	0.0	36.5
Tikehau CLO VI Warehouse	35.2	24.8	60.0
Tikehau CLO I	21.1	0.0	21.1
Tikehau CLO IV	19.7	0.0	19.7
Tikehau Direct Lending III	19.3	1.2	20.5
Tikehau CLO III	18.9	0.0	18.9
Other funds [(2)]	203.4	117.7	321.1
Total Private Debt	**602.1**	**219.0**	**821.0**
Selectirente	198.0	0.0	198.0
IREIT Global	110.7	0.0	110.7
Tikehau Real Estate Opportunity 2018	52.0	121.6	173.6
Tikehau Real Estate Investment Company	48.3	29.8	78.1
Tikehau Retail Properties III	34.6	0.0	34.6
Tikehau Real Estate II	23.6	0.0	23.6
Star America Infrastructure Fund II (Parallel) LP	17.2	23.9	41.1
Tikehau Retail Estate III	16.9	0.0	16.9
Tikehau Retail Properties II	15.6	0.0	15.6
Other funds [(2)]	59.8	0.1	59.9
Total Real Assets	**576.7**	**175.4**	**752.1**
Tikehau Global Credit	46.8	0.0	46.8
Tikehau Equity Selection	36.9	0.0	36.9
Tikehau Subordonnées Financières	34.5	0.0	34.5
Sofidy Sélection 1	29.3	0.0	29.3
Tikehau Global Short Duration	22.6	0.0	22.6
Sofidy Ytic	20.4	0.0	20.4
Other funds [(2)]	31.8	0.0	31.8
Total Capital Markets Strategies	**222.3**	**0.0**	**222.3**
Tikehau Growth Equity II	127.2	50.2	177.4
Tikehau Asia Opportunities	96.9	34.9	131.8
Tikehau Special Opportunities II	71.2	104.4	175.6
T2 Energy Transition Fund	47.7	81.9	129.6
Tikehau Growth Equity Secondary	25.8	3.9	29.7
Tikehau Special Opportunities	16.7	11.8	28.5
Brienne III	15.7	23.2	38.9
Other funds [(2)]	31.2	307.5	338.8
Total Private Equity	**432.4**	**617.9**	**1,050.3**
Total asset management – 30 June 2021	**1,833.5**	**1,012.3**	**2,845.8**
Total asset management – 31 December 2020	**1,586.5**	**1,028.3**	**2,614.8**

(1) Amount called adjusted at fair value

(2) Mainly funds whose called amount at fair value is lower than €15 million

The main investments made by the Company during the first half of 2021 consisted of the following:

Pegasus Europe – Tikehau Capital announced that its first SPAC[3], Pegasus Europe, has successfully raised €500 million through a private placement. Tikehau Capital has invested c.€25 million from its balance sheet into the private placement and agreed on a €50 million Forward Purchase Agreement that may be called at the time of a business combination.

Other investments – Tikehau Capital also invested €20 million in Judo Bank and €11 million in Brut company.

Lastly, Tikehau Capital disbursed €270 million from its balance sheet in its own strategies, including €90 million in the Tikehau Private Debt Secondaries fund and €25 million in the CLO VI fund.

Highlights of the first half of 2021

Investment Grade (BBB-, stable outlook) rating confirmed by the Fitch Ratings financial rating agency

On 22 January 2021, Tikehau Capital had its financial rating confirmed by the financial rating agency Fitch Ratings. Supported by a stable outlook, this Investment Grade rating (BBB-) confirms the strength of Tikehau Capital's financial profile. In its press release, Fitch underlines that Tikehau Capital's liquidity remains solid. Indeed, Tikehau Capital maintains a significant level of cash on the statement of financial position allowing it to flexibly finance the future growth of its Asset Management activity.

Tikehau Capital has partnered with Financière Agache, Jean-Pierre Mustier and Diego De Giorgi to sponsor a SPAC (Special Purpose Acquisition Company) dedicated to the European financial services sector

On 15 February 2021, Tikehau Capital announced its plan to sponsor a first SPAC (Special Purpose Acquisition Company) that will focus on the European financial services sector. Since its creation in 2004, Tikehau Capital has established a solid track record in supporting top-tier companies through equity or debt financing. Investment vehicles such as SPACs are a natural extension of Tikehau Capital's investment expertise. The Group aims to leverage its global network, origination capacity and strong statement of financial position to sponsor value-creating projects, starting with a first SPAC focused on the European financial services sector, whose main objective will be to identify platforms with strong growth potential. This initiative will draw on the recognised expertise of its four founding partners in the origination and execution of financial transactions. Jean-Pierre Mustier and Diego De Giorgi, two of Europe's most experienced bankers, will be the operational partners for this project. Financière Agache and Tikehau Capital, as strategic and financial sponsors, will bring meaningful resources and support to the company.

This investment vehicle will prioritise opportunities in four areas of the financial industry that are undergoing major transformation: traditional and alternative asset management platforms, innovative fintechs, players in the insurance and insurance-related services market, and diversified financial services companies with strong commercial proposals in attractive business segments.

The founders and investment teams of Financière Agache and Tikehau Capital have already collaborated on several projects in various sectors. An affiliate of Financière Agache has been a shareholder of Tikehau Capital for the last 15 years. Jean-Pierre Mustier was a partner at Tikehau Capital from January 2015 to July 2016 and worked closely with Diego De Giorgi on mergers and acquisitions and capital markets transactions for over ten years.

The four sponsors plan to collectively invest at least 10% of the amount initially raised and to commit a significant amount under a forward purchase agreement.

Capital increase of 18 February 2021

On 18 February 2021, Tikehau Capital carried out a capital increase for an amount of around €1.4 million through capitalisation of the issue premium and the issuance of 116,460 shares. The aim of this capital increase was to deliver free shares granted under the 2019 FSA Plan, the 2019 Performance Share

[3] Special Purpose Acquisition Company

Plan and the 2019 AIFM/UCITS Plan. As at 18 February 2021, the share capital of the Company amounted to €1,635,714,048 divided into 136,309,504 shares.

Tikehau Capital raises more than one billion euros for its Private Equity strategy dedicated to the energy transition

On 23 February 2021, Tikehau Capital announced that it had completed the fundraising of its Q2 investment strategy, launched in 2018 in partnership with Total and dedicated to the energy transition with a record amount of over one billion euros. The Tikehau Capital T2 fund is a unique platform in the world designed to accelerate the growth of European SMEs and mid-sized companies that provide a response to the climate emergency and contribute to the transition to a low-carbon economy. The investment strategy of T2 Energy Transition has already invested close to €440 million in SMEs and mid-sized companies operating in the sectors of clean energy production, low-carbon mobility and improved energy efficiency.

Buy and sell transaction on the portfolio derivative instruments

During the month of February and March 2021, Tikehau Capital proceeded with the disposal of all contracts related to purchase / sale operations on derivative instruments positions taken as part of its risk management policy. Those contracts were open on 31 December 2020.

These transactions saw a realised loss of -€88.9 million, which represents -€71.9 million decrease compared to the unrealised loss of -€17.4 million already recognised in the financial statements at 31 December 2020.

Opening of an office in Germany

On 9 March 2021, Tikehau Capital announced that it had strengthened its presence in Germany and extended its Private Debt platform with the opening of an office in Frankfurt. Dominik P. Felsmann has been appointed as Head of Germany. The opening of an office in Frankfurt is the twelfth establishment of Tikehau Capital in the world and strengthens the Group’s presence in Western Europe after Paris, London, Brussels, Milan, Madrid and more recently, Luxembourg and Amsterdam.

Bond issue

On 25 March 2021, Tikehau Capital has announced that it has successfully launched and priced an inaugural sustainable bond issue for a total amount of €500 million maturing in March 2029. This issue of senior sustainable unsecured bonds is associated with a fixed annual coupon of 1.625%, the lowest ever achieved by the Group.

This is the first ever public sustainable benchmark bond issued by an alternative asset manager in Euro. Tikehau Capital’s first sustainable bond is a key step to accelerate the Group’s impact strategy around its four pillars: climate change, social inclusion, healthcare, and innovation.

This sustainable bond is the first to rely on an innovative Sustainable Bond Framework that allows the Group to invest the proceeds into sustainable assets (green and social activities) and ESG funds aligned with the Group’s priority SDGs. Through this operation, Tikehau Capital extends its average debt’s maturity to 5.5 years. This issuance reinforces Tikehau Capital’s impact investment strategy, alongside its Private Equity energy transition platform and its Impact Lending fund, and supports the Group in its approach consisting of integrating the analysis of ESG criteria in each of its investment projects (the “ESG by-design” approach).

Tikehau Capital announces the upcoming launch of a Private Equity fund dedicated to decarbonisation in North America

On 22 April 2021, Tikehau Capital announced its intention to launch a Private Equity fund in North America dedicated to the transition to a low-carbon economy, with an initial commitment of US$300 million.

This new Tikehau Capital decarbonisation fund will aim to contribute to achieving the objectives of the 2015 Paris Agreement by providing equity capital to profitable companies committed to the fast-growing energy transition sector in North America. The mission of this fund will be to accelerate the paradigm shift towards a low-carbon economy. It will therefore aim to finance the growth of leading companies in the field of energy transition that are developing solutions aimed at reducing energy consumption, increasing the supply of renewable energies, developing low-carbon mobility and reducing greenhouse gas emissions.

This launch is a major milestone for Tikehau Capital's impact investing platform. It follows the record fundraising achieved by the Europe-focused T2 Energy Transition strategy which exceeded its initial fundraising targets with more than €1 billion raised. The T2 Energy Transition fund has already invested in six European SMEs operating in the sectors of clean energy production, low-carbon mobility and energy efficiency. The objective of the new dedicated decarbonisation Private Equity fund is to deploy this strategy in North America in line with the recent strengthening of the United States' commitment to combating climate change with the aim of achieving net zero carbon emissions by 2050.

Tikehau Capital and the multi-energy group Total have already made a commitment of US$300 million in initial capital. The fund also intends to raise capital from selected institutional investors actively looking to invest in decarbonising the economy.

The first SPAC sponsored by Tikehau Capital, Pegasus Europe, has successfully raised €500 million through a private placement.

Tikehau Capital announced on 29 April 2021 that its first SPAC (Special Purpose Acquisition Company), Pegasus Europe ("Pegasus"), had successfully raised €500 million through a private placement. Pegasus is currently the largest SPAC in Europe. Tikehau Capital launched this SPAC last February with Financière Agache, Jean Pierre Mustier and Diego De Giorgi as co-sponsors, the latter being operational partners. This initiative forms part of Tikehau Capital's overall strategy of developing its product offering by leveraging its network and its global presence. Pegasus, and SPACs in general, are a natural extension of Tikehau Capital's activities, in order to offer companies new ways to access capital on the one hand and enable investors to access differentiating investment vehicles on the other. Pegasus intends to leverage the recognised industry expertise and the research and execution capabilities of its four sponsors to partner with a financial services company operating in the investment management, insurance and diversified financial services sectors. The four sponsors have pledged to invest more than €165 million, including €55 million at the time of the IPO and €100 million as part of an unconditional "Forward Purchase Agreement", thereby underlining a strong alignment of interests with all shareholders. More specifically, Tikehau Capital invested €25 million from its balance sheet as part of the private placement and committed €50 million as part of the forward acquisition commitment, with the option to call on this amount at the moment of alignment with the selected company.

Legal Reorganisation of Tikehau Capital

On 20 May 2021, Tikehau Capital announced its intention to simplify its organisation, with this operational Reorganisation resulting in a significant improvement in its financial profile and allowing the implementation of a new distribution policy to increase value creation for shareholders.

For more details on this Reorganisation completed on 15 July 2021, please refer to Section 1.1 "The legal structure of Tikehau Capital", Section 2.4 "Significant events since 30 June 2021" and Note 28 "Subsequent events" of the half-year consolidated financial statements as of 30 June 2021 set out in Section 4.1.5 "Notes to the consolidated financial statements prepared in accordance with IFRS" of this Half-Year Financial Report.

2.2 COMMENTS ON THE 2021 HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS PRO FORMA

2.2.1 Comments on the 2021 consolidated half-year results and pro forma

2.2.1.1 Net operating profit from Asset Management activity

The Reorganisation does not have any impact on Asset Management activity. Thus, there is no difference on the net operating margin from the Asset Management activity between the interim consolidated accounts and the interim consolidated financial statements pro forma for 2020 and 2021.

In the first half of 2021, Fee-Related Earnings (FRE) amounted to €44.5 million, an increase of €17.0 million compared to the first half of 2020 (€27.4 million). Performance-Related Earnings (PRE) amounted to €1.1 million in the first half of 2021 compared to €1.2 million in the first half of 2020.

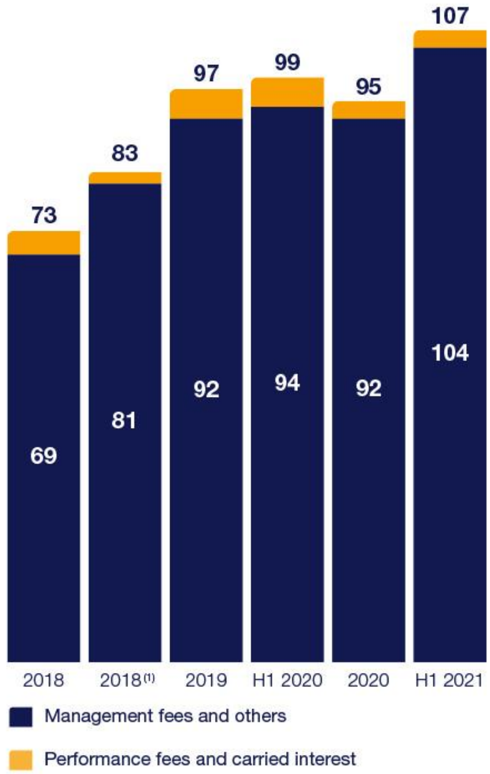
On this basis, the net operating profit from the asset management activity in the first half of 2021 amounted to €45.6 million, strongly up compared to the first half of 2020 (€28.6 million). The operating margin for this activity was 37.3% in the first half of 2021, significantly higher than in the first half of 2020 (32.4%) thanks to strong growth revenues of the asset management activity. In the first half of 2021, revenues from the asset management activity amounted to €122.2 million, i.e. growth of €34.0 million (+38.4%) compared to the first half of 2020 (€88.3 million).

These revenues mainly derived from management, subscription, arrangement and other fees received by the Group's asset management companies for an amount of €121.1 million, versus €87.1 million in the first half of 2020. These revenues are supplemented by performance fees and carried interest for an amount of €1.1 million (compared to €1.2 million in the first half of 2020).

This significant growth in revenues reflects the growth in assets under management generating management fees (+20% over a 12-month rolling period) and the growing contribution of the Asset Management activity relating to Private Equity (+€15.1 million compared to the first half of 2020) and Real Assets (+€10.0 million compared to the first half of 2020). As at 30 June 2021, fee-paying assets under management amounted to €24.4 billion and, within these fee-paying assets under management, 95% of the assets of the closed-end funds generate revenues over a period of more than three years:

Average fee-paying assets under management rose from €18.9 billion as at 30 June 2020 (over a 12-month rolling period) to €22.4 billion as at 30 June 2021 (over a 12-month rolling period) i.e. an increase of 18.5%.

Based on this average amount and on the management and arrangement fees collected as part of the Asset Management activity, the weighted average fee rate was 104 basis points in the first half of 2021:



(1) Including the full year contribution of Sofidy and its subsidiaries as well as Ace Capital Partners.

The weighted average fee rate is an indicator that allows the Group to monitor the evolution of its net revenues in relation to the assets under management.

As at 30 June 2021, the weighted average fee rates[1] for each of the Group's four asset management business lines are as follows:

	Weighted average fee rate (1) as at 30 June 2021	**Weighted average fee rate (1) as at 30 June 2020**
Private Debt	85 basis points	79 basis points
Real Assets	105 basis points	107 basis points
Capital Markets Strategies	56 basis points	62 basis points
Private Equity	More than 150 basis points	More than 150 basis points
Asset Management	**104 BASIS POINTS**	**94 BASIS POINTS**

(1) Excluding performance fees and carried interest.

The increase in the Group's weighted average fee rate reflects a change in the Group's business mix thanks to the strong growth in Real Assets and Private Equity. The Private Debt activity is also more remunerative than previously with a profile more focused on direct lending, which offsets the decrease in the weighted average commission rate on Capital Markets Strategies especially in fixed income.

On this basis, Fee-Related Earnings (FRE) (i.e. the operating margin of the Asset Management activity excluding performance fees and carried interest) came out positively at €44.5 million (i.e. a margin rate of +36.7 %) as at 30 June 2021 compared with €27.4 million (i.e. a margin rate of +31.5%) as at 30 June 2020.

(in millions of €)	**First half of 2021**	**First half of 2020**
Management fees and others	121.1	87.1
Operating expenses	(76.6)	(59.7)
Fee-related earnings (FRE)	**44.5**	**27.4**
Fee-related earnings (as a percentage of management fees and others)	+36.7%	+31.5%

2.2.1.2 Revenues from the Investment activity

The Reorganisation does not have any impact on revenues from the Investment activity. Thus, there is no difference on the revenues from the Investment activity between the interim consolidated accounts and the interim consolidated financial statements pro forma for 2020 and 2021.

Revenues from the Company's portfolio amounted to €252.2 million in the first half of 2021 (compared with -€77.2 million in the first half of 2020). They comprise:

- Realised investment revenues in the first half of 2021 for €78.1 million, compared to €66.1 million in the first half of 2020. These portfolio revenues include in the first half of 2021 (i) dividends, bond coupons and interest on receivables attached to equity investments for an amount of €72.2 million (compared to €42.3 million in the first half of 2020), (ii) capital gains or losses on disposals for an amount of €5.9 million (compared to €23.8 million in the first half of 2020).
- Changes in fair value (unrealised) from the Investment activity in the first half of 2021 which amount to €174.1 million (compared to -€143.3 million in the first half of 2020).

2.2.1.3 Group corporate expenses

Main impacts on Group corporate expenses related to the Reorganisation are presented in the beginning of Section 2.1. "General overview of the activities, results and financial position in the first half of 2021 pro forma".

Group operating expenses, restated of the Reorganisation (for more details on this Reorganisation, please see Section 1.1 "The legal organisation of Tikehau Capital", Section 5.4 "Significant events since 30 June 2021" and Note 28 "Subsequent events" to the half-year consolidated financial statements as at 30 June 2021 set out in Section 4.1.5 "Notes to the consolidated financial statements prepared in accordance with IFRS" of this half-year financial report), amounted to -€20.4 million in the first half of 2021 (compared to -€20.9 million in the first half of 2020) and mainly include (i) personnel expenses (-€7.4 million compared to -€6.2 million in the first half of 2020) of the former employees of Tikehau Capital Advisors (58 employees) transferred to Tikehau Capital as part of the Reorganisation transaction and now employees of Tikehau Capital, (ii) other external expenses for -€11.7 million (compared to -€13.4 million in the first half of 2020) and (iii) the remuneration of the Manager which was reduced to a total amount of €2.5 million (excluding taxes) on an annual basis (i.e. €1.3 million excluding taxes in the first half of 2021).

2.2.1.4 Net result - Group share

Main impacts on net result – Group share related to the Reorganisation are presented in the beginning of Section 2.1. "General overview of the activities, results and financial position in the first half of 2021 pro forma".

Other items from the Investment activity in the first half of 2021 comprise (i) losses on derivatives instruments for -€71.9 million (all positions have been closed in March 2021) and (ii) net result from equity affiliates for -€0.3 million compared to -€0.4 million in the first half of 2020.

In the first half of 2021, the Company recorded a financial loss of -€9.1 million, a strong improvement compared to the first half of 2020 at -€19.3 million of which -€11.1 million of financial expenses (compared to -€19.4 million in the first half of 2020) and €2.0 million of financial income (compared to €0.1 million in the first half of 2020)

Financial expenses mainly include interests on bonds (-€12.1 million in the first half of 2021 compared to -€10.1 million in the first half of 2020, i.e. a change of -€2.0 million related to the bond issue of €500 million maturing in March 2029 issued in March 2021) and debt interests (-€3.7 million in the first half of 2021, compared to -€4.0 million in the first half of 2020, i.e. a decrease of €0.3 million). In addition to these financial interests, there was a positive change in the fair value on swap interests for €5.0 million (compared with a negative change in fair value of -€2.9 million in the first half of 2020).

In the first half of 2021, there is no longer any non-recurring items, whereas the first half of 2020 comprised -€1.3 million for the non-recurring charge of the allocation of free shares recorded under the second tranche of the "One Off Plan" of 1 December 2017 following the listing of the Company in 2017. Indeed, the rights attached to this plan having definitively vested on the 1 December 2020, there is no longer any corresponding expense in the income statement.

In the first half of 2021, current and deferred taxes correspond to a charge of -€19.9 million (compared to an income of €36.5 million in the first half of 2020) including -€12.7 million of deferred taxes and -€7.3 million of income tax on the first half of 2021.

On this basis, the net result - Group share, for the first half of 2021, amounts to a profit of €176.1 million, compared to a loss of -€219.5 million for the first half of 2020.

2.2.1.5 Net revenues - Segment information

Net revenues from Asset Management activity

In the first half of 2021, net revenues from the Asset Management activity were €122.2 million, up 39% over the period (€88.3 million for the first half of 2020).

The Company's net revenues are presented in accordance with the four business lines in its Asset Management activity, namely: Private Debt, Real Assets, Capital Markets Strategies and Private Equity.

	Net revenues from Asset Management activity as at 30 June 2021				
(in millions of €)	**Private Debt**	**Real Assets**	**Capital Markets Strategies**	**Private Equity**	**Total**
Net revenues	**32.0**	**46.4**	**13.3**	**30.6**	**122.2**
Management, subscription, arrangement and other fees	31.9	46.6	12.0	30.6	**121.1**
Performance fees and carried interest	0.1	(0.2)	1.3	-	**1.1**

	Net revenues from Asset Management activity as at 30 June 2020				
(in millions of €)	**Private Debt**	**Real Assets**	**Capital Markets Strategies**	**Private Equity**	**Total**
Net revenues	**24.0**	**36.4**	**12.3**	**15.5**	**88.3**
Management, subscription, arrangement and other fees	23.9	36.4	12.3	14.5	**87.1**
Performance fees and carried interest	0.1	-	-	1.0	**1.2**

Private Debt activity

In the first half of 2021, the Group's net revenues attributable to Private Debt activity totalled €32.0 million (compared to €24.0 million in the first half of 2020). These net revenues correspond to assets under management for an amount of €9.9 billion as at 30 June 2021 (compared to €8.3 billion as at 30 June 2020).

Net revenues from this activity mainly correspond to management fees of €31.9 million for the first half of 2021.

Real Assets activity

In the first half of 2021, the Group's net revenues attributable to Real Assets activity amounted to €46.4 million (compared to €36.4 million for the first half of 2020). These net revenues correspond to assets under management for an amount of €10.9 billion as at 30 June 2021 (compared to €9.6 billion as at 30 June 2020).

Net revenues from this activity correspond to management fees for an amount of €46.6 million, including €33.7 million from Sofidy.

Capital Markets Strategies activity

In the first half of 2021, the Group's net revenues attributable to Capital Markets Strategies activity amounted to €13.3 million (compared to €12.3 million in the first half of 2020). These net revenues correspond to assets under management for an amount of €4.7 billion as at 30 June 2021 (compared to €3.8 billion as at 30 June 2020).

Net revenues from this activity correspond to management fees of €12.0 million and performance fees for €1.3 million for the first half of 2021.

Private Equity activity

In the first half of 2021, Private Equity activity generated net revenues of €30.6 million (compared to €15.5 million in the first half of 2020). This strong growth in net revenues reflects the growth in assets under management, which reached an amount of €3.9 billion at 30 June 2021 (compared to €2.3 billion at 30 June 2020).

Net revenues from Investment activity

In the first half of 2021, the Group's net revenues attributable to the Investment activity amounted to €252.2 million (compared to -€77.2 million for the first half of 2020). In the first half of 2021, these portfolio revenues include (i) dividends, bond coupons and interests on receivables attached to equity investments for an amount of €72.2 million (compared to €42.3 million in the first half of 2020), (ii) capital gains or losses on disposals for an amount of €5.9 million (compared to €23.8 million in the first half of 2020) and finally (iii) positive unrealised changes in fair value for an amount of €174.1 million (compared to -€143.3 million in the first half of 2020).

2.2.2 Liquidity and capital resources in the first half of 2021

Change in financial debt in the first half of 2021

The Reorganisation does not have any impact on financial debt position of the Group. Thus, there is no difference on financial debt position of the Group between the interim consolidated accounts and the interim consolidated financial statements pro forma for 2020 and 2021.

As at 30 June 2021, the Group's gross nominal debt (excl. accrued interests) was €1,490.5 million compared with €995.1 million as at 31 December 2020. During the first half of 2021, the Company issued a sustainable bond of €500 million, maturing in March 2029. This issue of senior unsecured sustainable bonds is accompanied by a fixed annual coupon of 1.625%, the lowest ever achieved by the Group.

Capital resources

Tikehau Capital's gross debt totalled €1,506.0 million as at 30 June 2021, compared with €998.5 million as at 31 December 2020.

The table below summarises the distribution of the Company's gross debt:

Under IFRS standards *(in millions of €)*	**30 June 2021**	**31 December 2020**
Bonds	1,300.0	800.0
Bank debt (including accrued interest)	217.4	205.5
Bank loans	-	-
Amortisation of issuance costs on borrowings	(11.4)	(7.0)
GROSS DEBT	**1,506.0**	**998.5**

All of the Group's financing lines are contracted in euros.

The Company's debt, its maturities and their fixed/variable-rate portion as at 30 June 2021, are described in more detail in Note 13 "Borrowings and financial debt" to the half-year consolidated financial statements set out in Section 4 "Half-Year Consolidated Financial Statements as at 30 June 2021" of this Half-Year Financial Report.

Cash pro forma

As at 30 June 2021, the Company's cash holdings amounted to €964.4 million in cash and cash equivalents (€896.1 million compared with €671.5 million as at 31 December 2020) and cash management financial assets (€68.3 million compared with €76.2 million as at 31 December 2020). The Company also had a current investment portfolio[4] (consisting of bonds, marketable securities and UCITS) of €222.5 million (compared to €304.0 million as at 31 December 2020). This pro forma cash position included the amount of the financial receivable of Tikehau Capital towards Tikehau Capital Advisors following the partial contribution of assets by Tikehau Capital Advisors to Tikehau Capital, and the cash position of Tikehau Capital General Partner following its merger by Tikehau Capital.

The following table presents the available liquidity of the Group as at 30 June 2021 and at 31 December 2020 as well as the calculation of the Company's net cash equivalents, in each case, calculated as the sum of current and non-current borrowing and cash and cash equivalents plus the current investment portfolio:

Under IFRS standards *(in millions of €)*	**30 June 2021 pro forma**	**31 December 2020 pro forma**
Gross debt	(1,506.0)	(998.5)
Cash	1,186.9	1,051.7
of which: cash and cash equivalents	896.1	671.5
of which: cash management financial assets	68.3	76.2
of which: current investment portfolio[4]	222.5	304.0
NET CASH	**(319.1)**	**53.2**

2.2.3 Changes in shareholders' equity pro forma

Changes in shareholders' equity over the period are presented in the Section 4.1.3. Changes in shareholders' equity and are taken up and supplemented from the impacts of the Reorganisation in the note 3.4 "Interim consolidated financial statements pro forma as of 30 June 2021 for the legal reorganisation of the Group (non-audited)".

4 Including the initial guarantee deposit and margin calls (derivatives portfolio) for €115.1 million less the fair value of the derivatives portfolio for -€17.4 million as at 31 December 2020.

The Company's consolidated shareholders' equity – Group share amounted to €2.9 billion as at 30 June 2021, compared to €2.8 billion as at 31 December 2020 and broken down as follows:

Under IFRS standards *(in millions of €)*	**30 June 2021 pro forma**	**31 December 2020 pro forma**
Share capital	2,103.7	2,102.3
Premiums	1,526.4	1,820.4
Reserves and retained earnings	(907.8)	(962.2)
Net result for the year (Group share)	176.1	(168.6)
CONSOLIDATED SHAREHOLDERS' EQUITY (GROUP SHARE)	**2,898.4**	**2,791.9**

2.2.4 Carried interest

In some funds, carried interest can be paid if a fund exceeds a performance hurdle rate on liquidation. This mainly applies to Real Assets, Private Debt and Private Equity funds.

Since April 2014, carried interest is broken down as follows: 20% of the available carried interest is paid to a company that is a shareholder of Tikehau Capital Advisors comprising the senior corporate members of the Group; the remainder is distributed one-third each to Tikehau Capital, the relevant asset management company and Tikehau Capital Advisors.

Carried interest is paid by the funds directly to the beneficiaries and recognised in the income statement when this variable consideration can be accurately estimated and when it is highly likely that no reversal will be made.

Tikehau Capital and its fully-consolidated subsidiaries recognised a total of €1.1 million of carried interest for the first half-year 2021 (€1.2 million for the first half of 2020).

As at 30 June 2021, 90% of Private Debt assets under management (Direct lending and multi assets), Real Assets funds and Private Equity funds, are eligible for carried interest, in an amount totalling €12.5 billion.

Of this total, as at 30 June 2021, invested assets under management amounted to €7.1 billion, of which €3.9 billion (up 30% compared to 31 December 2020) were in a position of exceeding the target performance rate (hurdle rate, i.e. the rate of return above which the performance incentives is due).

(in millions of €)	**30 June 2021**	**31 December 2020**
Assets eligible for carried interest	**12,501**	**11,214**
Direct lending and multi-assets	4,869	4,256
Real Assets	3,738	3,502
Private Equity	3,894	3,456

2.3 Significant events since 30 June 2021 and outlook

(a) Significant events since 30 June 2021

- **<u>Press release of 12 July 2021</u>**

Tikehau Capital to launch Tikehau Impact Credit

- **Tikehau Capital launches high yield impact credit fund in latest addition to impact platform**
- **Fund will focus on lowering companies' carbon footprint to help facilitate the transition towards a net zero carbon economy**

Tikehau Capital, the global alternative asset management group today announces the launch of Tikehau Impact Credit ("TIC"), pioneering an impact approach in the high yield universe. The

fund's objective is to help expand impact investing in fixed income, a key step towards addressing climate change and contributing to reaching the goals laid out in the Paris Agreement. This new fund will sit alongside Tikehau Capital's private assets impact strategies, marking another major step forward for the Group's global impact platform.

The fund's mission is to finance and actively engage with companies across a diverse range of sectors which have the potential to enable the global shift towards a net zero carbon economy. Tikehau Capital will leverage its impact investment expertise to define "impact cases" for each investment and help issuers go down the path towards a more sustainable future.

TIC will focus on three buckets of investments and issuers: Green or Sustainability-linked bonds or climate pure-players already involved in the energy and ecological transition (bucket A); issuers who have signed an international pledge towards climate change (bucket B); and a sector-agnostic approach to companies with the potential to contribute positively to climate change mitigation or adaptation or to reduce other highly material environmental externalities (bucket C).

TIC will build on industry-recognised standards to set key impact goals including:

- a 30% carbon intensity reduction target compared to the High Yield ESG index (ICE Global High Yield ESG Tilt Index)
- a minimum 25% invested in issuers highly exposed to climate change which need to accelerate their transition and where impact can be meaningful (eg. manufacturing, agriculture, transportation)
- a contribution towards an annual 5% self-decarbonisation by sector as a best-effort

Tikehau Capital has developed a proactive ESG-by-design approach that is embedded in its portfolio management process and is at the heart of its investment philosophy. Active and continuous engagement with issuers will also be key to help these companies accelerate their transition toward a more sustainable future.

Consistent with its policy of strong alignment of interests, Tikehau Capital has committed €30 million of initial capital to this fund.

Raphaël Thuin, Head of Capital Markets Strategies for Tikehau Capital, *said:*

"We are thrilled to further expand our impact platform with the launch of our high yield impact credit fund. In 2020, commitments to reach net zero emissions from businesses have roughly doubled. The next step is now for impact investing to reach the shores of the fixed income market. We are committed to deploying an engagement strategy contributing to the global initiative for companies to achieve net zero emissions by 2050 or sooner and will seek to give our investors the opportunity to reach both ambitious financial and extra-financial goals through their fixed income allocation."

- **Press release of 15 July 2021**

Combined General Meeting of 15 July 2021 and finalisation of the reorganisation of Tikehau Capital

The Combined General Meeting of Tikehau Capital was held today under the chairmanship of Mr. Christian de Labriffe, Chairman of the Supervisory Board, and was broadcast live on the Company's website where a replay will also be available.

The quorum was 92.89% and all resolutions proposed by the Manager relative to the simplification of the Group's organisation, as announced on 20 May 2021[5], were adopted with an approval rate close to 100%.

[5] *See press release dated 20 May 2021.*

In particular, the General Meeting approved the following resolutions:

- Significant reduction in the preferred dividend and appointment of a new General Partner;
- Merger of Tikehau Capital General Partner into Tikehau Capital;
- Partial contribution of assets granted by Tikehau Capital Advisors to Tikehau Capital, allowing the transfer of the Group's central corporate functions to Tikehau Capital;
- Capital increase of Tikehau Capital in consideration of the merger and the contribution;
- Appointment of two new Managers and adoption, in accordance with the say-on-pay approach, of a new remuneration policy applicable to the Managers with a significantly reduced quantum compared to the previous policy.

All conditions precedent having been satisfied, the operational reorganisation announced by Tikehau Capital in its press release dated 20 May 2021 is effective as of today. Following the completion of the reorganisation, the number of shares and voting rights of Tikehau Capital now stands at 175,318,344[6].

The reorganisation, retroactive to 1 January 2021, results in a materially improved financial profile for Tikehau Capital and allows for a revised dividend policy to increase value for shareholders.

Important information

The detailed voting results of the General Meeting held today will be published on the Company's website at: www.tikehaucapital.com (section: Shareholders > GM > Combined General Meeting 15 July 2021).

The documents relating to the merger and contribution operations announced by the Company in its press release dated 20 May 2021 (and, in particular, the exemption document waiving the obligation to publish a prospectus prepared in connection with the merger and contribution operations) may be consulted and downloaded from the Company's website (www.tikehaucapital.com, section Shareholders > GM > Combined General Meeting 15 July 2021).

Upcoming release

- **29 July 2021** (after market close): Assets under management at 30 June 2021

- **Press release of 16 July 2021**

Cécile Cabanis joins Tikehau Capital as Deputy CEO

- Tikehau Capital implements a future-facing management organisation as it enters a new phase of growth and development
- Cécile Cabanis will oversee the Group's Human Capital, ESG/CSR, Communications and Brand Marketing functions

Tikehau Capital, the global alternative asset management group, today announces the appointment of Cécile Cabanis as Deputy Chief Executive Officer of the Group.

In this newly created position Cécile Cabanis will oversee the Human Capital, ESG/CSR, Communications and Brand Marketing functions of the Group. She will also coordinate the Group's efforts to develop Tikehau Capital's global network with corporates and further develop Tikehau Capital's franchise.

Cécile Cabanis will report to Antoine Flamarion and Mathieu Chabran, the co-founders of Tikehau Capital, and will work alongside Henri Marcoux, Deputy CEO of Tikehau Capital in charge of Finance and Risks, Technology and Transformation as well as Operations, and Thomas Friedberger, CEO of Tikehau IM, who, in his capacity as Co-Chief Investment Officer of the Group, will also take up the position of Deputy CEO of Tikehau Capital.

[6] *The number of shares and voting rights before the reorganisation stood at 136,318,344.*

The appointment of Cécile Cabanis aims to strengthen Tikehau Capital's managerial organisation and is fully in line with the Group's new growth and development phase following the approval of its future-facing and simplified organisation at the General Meeting of shareholders of 15 July 2021.

Cécile Cabanis will take up her position on 1 September 2021.

Cécile Cabanis joins Tikehau Capital from Danone Group where she was Executive Vice-President in charge of Finance, Strategy, Information Systems, Purchasing, Cycles and Sustainable Resource Development, a member of the Executive Committee and sponsor of inclusive diversity.

Cécile Cabanis began her career in 1995 at L'Oréal in South Africa before joining the mergers and acquisitions department of Orange in 2000. She joined Danone in 2004, where she held various key positions such as Corporate Finance Director, Development Director and then Finance Director of the Fresh Products entity within the Finance department.

Cécile, 49 years old, is an agricultural engineer and a graduate of the Institut National Agronomique Paris-Grignon.

Antoine Flamarion and Mathieu Chabran, co-founders of Tikehau Capital, *said:*

"We are delighted to welcome Cécile to Tikehau Capital. Her extensive experience in key positions at large international corporates, in addition to her in-depth knowledge of the economy and business issues, will prove invaluable to us at Tikehau Capital. We have been committed to deploying a pioneering approach to impact across all our asset classes for several years and Cécile's values and convictions in this area are perfectly aligned with those of the Group. Her vision of CSR issues will also be essential for the future development and success of Tikehau Capital."

- **Press release of 26 July 2021**

Tikehau Capital Surpasses Target with €617m Final Close for Second Vintage of European Special Opportunities Strategy

- Final close of Tikehau Special Opportunities Fund II reaches €617m, four times the amount raised by its predecessor.
- TSO II thus exceeds initial target by almost 25%, with 68% of re-up from TSO I's investors as well as new LPs.
- This success illustrates the relevance of Tikehau Capital's Special Opportunities strategy, managed by the Tactical Strategies team launched end-2019, which provides opportunistic and flexible capital in situations of market dislocation and funding scarcity, drawing on the expertise of the wider Tikehau Capital investment platform.
- Across its different vehicles, the Tactical Strategies team deployed c. €450m over the past 15 months across 18 proprietary, predominantly off-market transactions.

Tikehau Capital, the global alternative asset management group, today announces the final close of Tikehau Special Opportunities Fund II (TSO II) with total commitments of €617m. TSO II, which had an initial target of €500m, is the second vintage of Tikehau Capital's Special Opportunities strategy and is more than four times larger than its predecessor.

Launched in late 2019, TSO II has a flexible investment mandate, providing corporate and asset-backed capital solutions across primary and secondary credit markets in Europe. The strategy's opportunistic and multi-sector approach enables it to invest through market cycles and macro-economic environments. It is managed by a diverse and experienced team of 8 professionals and draws upon the expertise of the wider Tikehau Capital investment platform across private debt, private equity, real estate and capital markets.

To date, TSO II has deployed more than 50% of its commitments through closed and secured investments. The pace of deployment increased substantially in 2020 following the onset of the Covid-19 pandemic. More recently, the Tactical Strategies team has pivoted its focus towards private situations across real estate and corporate credit, demonstrating the agility of the strategy. Typical investments range from rescue corporate and asset backed loans, to bespoke capital solutions to support the expansion plans of companies with limited access to traditional capital markets and financing solutions.

Maxime Laurent-Bellue, Head of Tactical Strategies at Tikehau Capital, *said: "TSO II exceeded its fundraising target thanks to the support of existing and new LPs and partners, including insurance companies, pension funds and family offices across 16 countries. Our differentiated strategy is attractive to clients, and they value the expertise of our team and Tikehau Capital's track-record of delivering strong risk-adjusted returns. We have a very strong pipeline of opportunities, and we will continue to focus on the fund's deployment."*

Jean Odendall, Fund Manager of Tikehau Special Opportunities II, *added: "We will continue to follow the same disciplined patient and opportunistic strategy which is designed to help borrowers in Europe who are currently unable to access traditional funding solutions. Each situation is unique, and our priority is to provide bespoke, innovative and flexible capital solutions on a case-by-case basis to generate attractive risk-adjusted returns for our investors."*

- **Press release of 29 July 2021**

Tikehau Capital exceeds €30bn in assets under management at 30 June 2021, driven by record fundraising in Q2 2021

Tikehau Capital accelerated its growth during the first half of 2021, achieving record levels of fundraising in asset management as well as a strong step up in fund deployment, while maintaining a high level of selectivity and discipline. Driven by a strong corporate culture and entrepreneurial spirit, Tikehau Capital also strengthened its financial profile with the completion of its reorganisation and remains on track to deliver its 2022 targets.

- **Record high fundraising** over the last twelve months with **€5.5bn in net new money since 30 June 2020** for the asset management business, with:
  - **€2.4bn** in net new money for H1 2021, **twice the level of fundraising achieved during H1 2020**, with a positive contribution from all asset classes;
  - **Record quarterly fundraising in Q2 2021** with €1.9bn in net new money;
- **Group assets under management (AuM) at €30.9bn**[7] (a +20.3% yoy growth and CAGR of +28.6% since 2016), **exceeding the €30bn mark**, i.e. 3x the level at IPO, of which **€29.4bn of AuM for the asset management business** (a +22.5% yoy growth and CAGR of +31.6% since 2016);
- **Acceleration in fund deployment with €1.9bn** invested by the Group's closed-end funds since 31 December 2020 (vs €0.8bn in H1 2020), including €1.0bn invested during the second quarter, while maintaining a high level of discipline and selectivity, and a strong pipeline ahead;
- **Success of the Group's reorganisation**[8], finalized on 15 July 2021 and strongly supported by shareholders with close to 100% approval rate, and implementation of a **future-facing management organisation** for Tikehau Capital;
- **Further strengthening of the asset management platform** with the addition of new talents and experienced hires across all geographies;
- **Expansion of Tikehau Capital's impact platform** materialised across asset management strategies as well as Group's financing.

	AuM at 30-Jun-2021		YoY change		QoQ change	
In €m	Amount	Weight (%)	In %	In €m	In %	In €m
Private debt	9,865	32%	+18.4%	+1,536	+6.2%	+573
Real assets	10,934	35%	+14.4%	+1,374	+4.4%	+464
Capital markets strategies	4,679	15%	+22.0%	+843	+10.4%	+440
Private equity	3,936	13%	+71.5%	+1,641	+6.7%	+246

[7] The Group's assets under management are not included in the audit process. Figures have been rounded for presentation purposes, which in some cases may result in rounding differences.

[8] See press releases dated 20 May 2021 and 15 July 2021 for more information relating to the Group's operational reorganisation.

Asset Management	**29,415**	**95%**	**+22.5%**	**+5,394**	**+6.2%**	**+1,723**
Direct investment	1,495	5%	(11.2)%	(188)	(10.1)%	(168)
Total AuM	**30,909**	**100%**	**+20.3%**	**+5,205**	**+5.3%**	**+1,555**

ASSET MANAGEMENT BUSINESS: STRONG FUNDRAISING AND HEALTHLY DEPLOYMENT

Record quarter for asset management fundraising in Q2 2021

AuM for the asset management business stood at **€29.4bn** at 30 June 2021, up €5.4bn or 22.5% over the last twelve months. In Q2 2021, AuM increased by 6.2%, taking growth over the first half to 7.5%.

This increase was mainly driven by **€1.9bn** in net new money[9] in Q2 2021, the highest level ever achieved by Tikehau Capital in a quarter, reflecting the strong performance of the Group's strategies and the continued interest of investors in the asset classes in which the Group is positioned. This performance further demonstrates Tikehau Capital's ability to maintain strong fundraising momentum despite the continued travel disruptions linked to the Covid-19 pandemic.

Over the first half and in particular during the second quarter, all asset classes contributed positively to the Group's net new money. The fundraising mix since 31 December 2020 reflects the natural fundraising cycle across strategies and asset classes:

- **Private Debt** was the leading contributor of fundraising in Q2 2021 with net new money reaching €762m, largely driven by new commitments for the 5th vintage of Tikehau Capital's direct lending flagship strategy (with AuM at 30 June 2021 exceeding €1bn). In addition, fundraising continued for the firm's other private debt funds, in particular its impact lending and secondaries strategies, both launched in Q4 2020. Fundraising for these funds develops in line with the Group's expectations and reflects investors' interest for innovative and positive impact strategies.
- Net new money for **Real Assets** amounted to €504m in Q2 2021, mainly driven by a pickup in fundraising for Sofidy's strategies (AuM for Sofidy reached €7.0bn at 30 June 2021 vs. €6.7bn at 31 December 2020) as well as the acquisition of a residential portfolio in Iberia through a dedicated co-investment fund. This dedicated strategy allows investors in the Group's funds to co-invest and thus complete their allocations.
- The **Capital Markets Strategies** business benefited from very positive demand from investor-clients. Total net new money for the strategy totalled €392m in Q2 2021, i.e. more than full year 2020 level, mainly driven by the fixed income strategies. In particular, the Tikehau Short Duration fund (formerly called Tikehau Taux Variables) has exceeded the €2bn AuM mark to date with a more diversified and international investor base.
- **Private Equity** contributed €213m to the Group's net new money in Q2 2021, after a first quarter marked by the final closing of Tikehau Capital's flagship energy transition fund.
  - Net new money for the second quarter was driven by the €100m first closing of the Spain-focused aerospace and defence fund. In addition, the firm recorded further commitments for its venture and growth capital fund dedicated to cybersecurity, the largest to date in Europe.
  - In addition, the Group has recently finalised the acquisition of **Foundation Private Equity** in Singapore, focused on providing secondary solutions to GPs and LPs across Asia.
  - The **Tactical Strategies** team successfully closed the second vintage of the European Special Opportunities fund (TSO II)[10], with total commitments of €617m, exceeding the initial target of €500m and four times larger than the previous vintage. This success illustrates the relevance of Tikehau Capital's Special Opportunities strategy, which provides opportunistic and flexible capital in situations of market dislocation and funding scarcity.

Tikehau Capital has also expanded its **product range for individual investors** with the sequential launch of two innovative strategies through unit-linked products, one in private debt with MASCF Group, the leading insurer for health professionals, and the other in private equity with CNP Assurances, the leading player in the French personal insurance market. To date, these two initiatives have attracted significant demand from individual investors. By directing global savings

[9] *Total net new money raised from third party investors and Tikehau Capital's balance sheet.*

[10] *The TSO II Fund is no longer in its commercialisation phase, see the dedicated press release dated 26 July 2021.*

towards funding the real economy, Tikehau Capital's positioning efficiently addresses the growing demand from individual investors to access private markets. The Group intends to continue diversifying its offering in the short and medium-term.

Acceleration of disciplined and selective fund deployment, with a healthy pipeline ahead

Over Q2 2021, the closed-end funds managed by Tikehau Capital **deployed €1.0bn**, taking total deployment since 31 December 2020 to €1.9bn, more than twice the amount deployed over H1 2020 (€0.8bn).

The acceleration of fund deployment stems from Tikehau Capital's **multi-local platform**, leveraging its strong local presence and deal sourcing, alongside the firm's strong investment discipline and focus on ESG across asset classes. Deployment in H1 2021 was mainly driven by Private Debt funds, followed by Real Assets.

Looking ahead, the Group has a very healthy deployment pipeline across asset classes. At end-June 2021, Tikehau Capital had **dry powder of €6.4bn** within the funds it manages, enabling them to capture attractive investment opportunities. This compares to €5.9bn at 31 March 2021 and €6.2bn at 31 December 2020.

Tikehau Capital continues to strengthen and grow its asset management platform

Since the beginning of 2021, Tikehau Capital has continued to expand its teams with the **arrival of new talents and experienced hires** across all geographies. At 30 June 2021, the Group had 629 employees, up 5.9% compared to 31 December 2020.

For instance, Tikehau Capital has expanded its presence in **Germany** and its private debt platform through the opening of its Frankfurt office, led by Dominik P. Felsmann. The **Private Debt** team was reinforced by the appointment of Laura Scolan as Head of France and Chief Operating Officer as well as Christoph Zens as Head of CLO. The Group also reinforced its sales and marketing teams with experienced hires in the **UK** and **North America**.

These arrivals provide additional assets for Tikehau Capital to support the launch of new strategies, strengthen the Group's relationships with investor-clients and deepen the Group's range of expertise across asset classes.

INVESTMENT PORTFOLIO

During the first half, Tikehau Capital committed **€221m in its own strategies** further increasing its alignment of interests with those of its investor-clients.

The Group's investment portfolio came in at **€2.9bn** at 30 June 2021 (€2.4bn at 31 December 2020), of which €1.8bn invested in the funds and strategies developed and managed by Tikehau Capital, representing 64.0% of the portfolio.

In addition to the €1.8bn already invested in the asset management funds and strategies, Tikehau Capital has €1.0bn of additional commitments, which will be drawn as the funds deploy their capital. Therefore, Tikehau Capital has committed a total of **€2.8bn** (drawn and undrawn) to its asset management strategies at 30 June 2021.

In April 2021, Tikehau Capital's first sponsored SPAC, Pegasus Europe, successfully raised €500m in a private placement, becoming the **largest European SPAC to date**. Tikehau Capital has invested €25m from its balance sheet into the private placement and agreed on a €50m Forward Purchase Agreement that may be called at the time of the business combination.

In addition, Tikehau Capital has invested c.€22m in **IREIT Global's S$127m (c. €80m[11]) capital raise** on 21 July 2021 to finance the acquisition of a 27-property portfolio in France let to Decathlon.

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[11] *Base on a US$ / € exchange rate of 0.62 as at 21 July 2021.*

Tikehau Capital will continue to use its balance sheet, a differentiating asset and enabler of growth, to strengthen its platform by launching new families of products and vehicles while maintaining its alignment of interests strategy.

TIKEHAU CAPITAL IS READY FOR ITS NEW CHAPTER OF GROWTH

Finalisation of the operational reorganisation of Tikehau Capital and implementation of a future-facing management organisation

On 20 May 2021, Tikehau Capital announced its plan to simplify its organisation based on two key pillars: (i) **regrouping** all central corporate functions and related expertise under the listed perimeter and (ii) **resetting** financial flows between Tikehau Capital and its related parties. This reorganisation, which results in a materially improved financial profile and revised dividend policy for Tikehau Capital, has gained strong support from the firm's shareholders, with an approval rate of close to 100% during the Combined General Meeting held on 15 July 2021.

The Group also announced the implementation of a **future-facing management organisation** as it enters a new phase of growth and development. As a result, Cécile Cabanis was appointed Deputy CEO to oversee the Group's Human Capital, ESG/CSR, Communications and Brand Marketing functions. She will work alongside Henri Marcoux and Thomas Frieberger, Group Deputy CEOs.

Strengthening of Tikehau Capital's impact platform

Over the past years, the firm has successfully launched several **strategies focusing on addressing the climate emergency and decarbonising the economy**, across private equity, private debt and capital markets strategies. These dedicated funds benefit from strong momentum and Tikehau Capital has additional promising strategies in the pipeline to address such critical issues.

The firm has also been active during the first half so that its **ESG strategy can be reflected within its financing**, with:

- The successful issuance of a **€500m inaugural sustainable bond** in March 2021 with an 8-year maturity and a 1.625% coupon, the lowest ever achieved by the Group. This issue is the first ever public sustainable benchmark bond issued by an alternative asset manager in Euro;
- The **refinancing of the existing €700m bank loan facility** with the repayment of the €200m drawn term loan and the increase of the revolving credit facility from €0.5bn to €0.7bn. This confirmed revolving credit facility now includes ESG criteria linked to the margin with a maturity extended to 5 years with a 2-year extension option. Through this initiative, Tikehau Capital has also successfully diversified and internationalized its pool of banks with close to 50% of the financing coming from international banks.

- These financing allow Tikehau Capital to extend its average debt maturity to 5.6 years at 30 June 2021 (vs. 4.4 years at 31 December 2020) and to **increase ESG-linked debt to c. 60% of the Group's total debt** at end-June 2021.

SHARE BUYBACK PROGRAMME

Tikehau Capital extended under the same conditions to 15 September 2021 (included), date of the 2021 first half results release, the share buyback mandate, which was signed and announced on 19 March 2020 and extended on 18 March 2021 until today.

As of today, 3,097,714 shares were repurchased under the share buyback programme. The description of the share buyback programme (published in paragraph 8.3.4 of the Tikehau Capital Universal Registration Document filed with the French financial markets authority on 1 April 2021 under number D. 21-0246) is available on the company's website in the Regulatory Information section (https://www.tikehaucapital.com/en/finance/regulatory-information).

CALENDAR

15 September 2021	• 2021 first half results (after market close)
9 November 2021	Assets under management at 30 September 2021 (after market close)

- **<u>Press release of 2 September 2021</u>**

Tikehau Capital appointed by the Belgian federal government to manage the Belgian Recovery Fund

The fund aims to support local companies throughout post-Covid recovery

Tikehau Capital, the global alternative asset management group, present in Belgium since 2015, has been appointed by the Belgian federal authorities to manage the Belgian Recovery Fund, which will allocate up to €350 million to finance Belgian companies negatively impacted by the Covid-19 pandemic. This mandate confirms Tikehau Capital's active role to finance Europe's economic recovery.

Following a broad international consultation, the Federal Holding and Investment Company ("SFPI-FPIM") appointed Tikehau Investment Management, Tikehau Capital's asset management subsidiary, as manager of the Belgian Recovery Fund, to support the Belgian economy and businesses across the country.

The fund will grant subordinated and/or convertible loans over the next five years to companies active in Belgium. The SFPI-FPIM will commit €100 million in the fund, and up to €250 million will be raised from Belgian and international institutional investors.

This success is a recognition of the expertise of Tikehau Capital's local investment teams, led by Edouard Chatenoud, Head of Benelux, which have an established track record in financing Belgian companies.

Tikehau Capital is already involved in several similar initiatives in Europe and this success confirms its role as a key player in financing the economy and the post-Covid recovery.

Antoine Flamarion and Mathieu Chabran, co-founders of Tikehau Capital stated: "*Tikehau Capital is committed to playing a leading role in financing the economic recovery in Europe and we recognise the importance of this project for the Belgian economy and employment in the region. This initiative has a particular resonance for Tikehau Capital as Belgium is one of the first countries in which we established an on-the-ground presence, and we are delighted to receive the support of the Belgian government and the nation's federal institutions. It is an honour to offer the expertise of our pioneering private debt teams for this ambitious programme and share our experience in managing public funds through this public-private partnership to drive Belgium's economic recovery."*

According to Koen Van Loo, CEO, and Céline Vaessen, Chief Investment Officer, at SFPI-FPIM: "Since the beginning of the pandemic, SFPI-FPIM has injected more than €400 million to support several dozen Belgian companies in its historical investment sectors such as aeronautics and life sciences, which were strongly impacted by the health crisis. We have also continued to invest in the recovery, with new participations such as Univercells and ExeVir Bio, which are developing solutions related to vaccination and anti-Covid treatments. Following a market consultation, we are delighted to have chosen Tikehau Capital to manage the Belgian Recovery Fund, given its solid track record in Belgium and the expertise of their teams."

(b) Favourable outlook

Tikehau Capital has been delivering on all fronts during H1 2021, from top to bottom line, demonstrating the relevance of its differentiated growth model in the alternative asset management space.

Since its listing in 2017, Tikehau Capital has made significant progress in **growing its asset management platform** while **improving its profitability**. Furthermore, as evidenced by the Group's capital allocation policy and the recently-completed reorganization, **alignment of interests** stands at the core of Tikehau Capital's corporate culture. These developments have contributed to improving the firm's profile as a listed company. Going forward, in line with the feedback from existing and potential shareholders, Tikehau Capital believes that a larger free float and higher stock liquidity would help unlock value and further **improve its stock market profile**.

During the second half of 2021, the Group will maintain a solid pace of capital deployment with continued selectivity and discipline, expand its asset management platform and invest for future growth. As such, Tikehau Capital is planning on launching new initiatives, in particular sustainability-themed and impact strategies, and is targeting to reach at **least €33bn for Group AuM** at end-December 2021[12].

Tikehau Capital is in working order to exceed €35bn of Group AuM and €100m of fee-related earnings (FRE) by 2022, as per its organic guidance.

2.4. Other information

- **Capital increase of 4 July 2021**

On 4 July 2021, Tikehau Capital carried out a capital increase for a par amount of €106,800 by capitalisation of the share premium and by the issuance of 8,840 shares. The aim of this capital increase was to deliver free shares granted under the 2018 Credit.fr Plan.

As at 4 July 2021, the share capital of the Company amounted to €1,635,820,128, divided into 136,318,344 shares.

- **Related parties**

During the first half of 2021, there were no related-party transactions having a material impact on the financial statements for the first half year and there were no amendments affecting the related-party transactions described in the Company's 2020 Universal Registration Document that could have a material impact on the financial statements for the first half of 2021.

[12] *At constant AuM for the Capital Markets Strategies.*

3. PRESENTATION OF THE INTERIM PRO FORMA FINANCIAL INFORMATION FOR THE LEGAL REORGANISATION OF THE GROUP (NON-AUDITED)

3.1 Summary of the legal reorganisation

On 15 July 2021, the Combined General Meeting of Shareholders approved a legal reorganisation of the Tikehau Capital Group (the "Group"). The aim of this operation was to simplify the structure of the Group, as well as to reorganise the financial flows between Tikehau Capital and its related parties. This reorganisation is effective retroactively as of 1 January 2021.

This reorganisation was implemented through the following operations and transactions, none of which was intended to be carried out without the others:

- Tikehau Capital Commandité ("TCC"), a wholly-owned subsidiary of Tikehau Capital Advisors ("TCA"), was appointed as general partner of Tikehau Capital.
- Two new Managers of Tikehau Capital were also appointed; they are two companies respectively wholly-owned by AF&Co and MCH, the two holding companies of Tikehau Capital's founders. The total fixed annual compensation excluding taxes for each of these two Managers will amount to €1.265m.
- Tikehau Capital merged with Tikehau Capital General Partner ("TCGP"), Tikehau Capital current general partner (the "Merger"). TCA received, in consideration of its shares in TCGP, new shares in Tikehau Capital according to an exchange ratio determined on the basis of the fair values of the two companies. This Merger was placed under a tax neutrality regime. The general partner's rights held by TCGP and transferred to Tikehau Capital as a result of the Merger was cancelled upon completion of the Merger. Upon completion of the Merger, TCC is the sole general partner of Tikehau Capital, and will benefit from a preferred dividend (*préciput*) of 1% of Tikehau Capital's statutory net result.
- TCA contributed the assets and liabilities relating to Tikehau Capital's central corporate functions housed within TCA (including employment contracts, leasehold rights and physical assets) (the "Contribution") in consideration for new shares in Tikehau Capital according to an exchange ratio determined on the basis of the fair values of the two companies. As a result of the Contribution, the service agreement between TCGP and TCA have been extinguished. The Contribution has been placed under a tax neutrality regime.

As a consequence of the aforementioned Merger and Contribution, around 39 million new Tikehau Capital shares have been issued for the benefit of TCA. As at 15 July 2021, the Company's share capital amounted to €2,103,820,128 and was composed of 175,318,344 shares.

Details of this legal reorganisation are presented in section 1.1 "*The legal structure of Tikehau Capital*" of this half year financial report.

3.2 Impact of the operation in the interim consolidated financial statements

This reorganisation cannot be taken into account in the interim consolidated financial statements as of 30 June 2021 due to the application of IFRS accounting standards on events occurring after the closing date (IAS 10 "Events after the Reporting Period").

However, this transaction (approved by the Combined General Meeting of Shareholders on 15 July 2021) constitutes a structural change for the Group. Indeed, this legal reorganisation will have material impacts on the annual financial statements for the financial year 2021 and subsequent periods, and will significantly modify the organisation and financial flows of the Group.

The impacts of the transaction in Tikehau Capital's interim financial statements are therefore presented in this section in order to give the reader of the financial statements a full and fair view of the Group's situation at the date of publication.

3.3 Accounting treatment of the transaction

3.3.1 Accounting treatment in the statutory accounts

The annual accounts of Tikehau Capital SCA are prepared in accordance with French accounting regulations (Regulation ANC 2014-03 relating to the *Plan Comptable Général* (French generally accepted accounting principles)).

Since it is a reorganisation between entities under common control, the contributions should in principle be recorded on the basis of book values. However, if the net book value of the assets contributed is insufficient to release the capital, the transactions must be carried out on the basis of the actual values, in accordance with Article 743-3 of the *Plan Comptable Général*.

In this respect, the transactions will be recorded at their actual values as identified in the contribution and merger agreements. In particular, goodwill in the amount of €1.15 billion (including the contributions relating to TCGP and the TCA business line) will be recorded. This goodwill will not be amortised in accordance with the presumption of non-amortisation but will be subject to annual impairment testing, nor will it be adjusted for the cancellation of the general partners' rights.

3.3.2 Accounting treatment in the consolidated financial statements

The reorganisation described above is considered to be (i) an overall transaction, (ii) a business combination, (iii) under common control and outside the scope of application of IFRS 3. As such, it will be accounted for on the basis of historical values.

The Group has opted against the accounting policy for business combinations under common control, but instead has decided to apply the book values for the accounting of the transaction. When the "book values" or "pooling of interests" method is applied, the difference between the book value of the assets and liabilities received and the consideration transferred is recognised in equity.

Thus, at the date of application of the reorganisation, the effect on consolidated shareholders' equity is immaterial and the reorganisation and the general partners' rights have no impact on the consolidated income statement.

3.4 Pro forma of the legal reorganisation of the Group financial information as at 30 June 2021 (non-audited)

The non-audited pro forma financial information has been prepared on the basis of the historical financial information described below:

- Tikehau Capital's financial information derived from Tikehau Capital's consolidated financial statements for the periods ended 30 June 2020, 31 December 2020 and 30 June 2021 which were prepared in accordance with IFRS as adopted by the European Union.
- The financial information of Tikehau Capital Advisors relating to the full business line contributed for the periods ended 30 June 2020, 31 December 2020 and 30 June 2021. In addition, the financial information relating to the contributed business line was subsequently subject to certain adjustments, in application of the Group's consolidation standards and its accounting policies. No other adjustment or reclassification was made to these accounts for the purpose of preparing the non-audited pro forma consolidated financial information.
- The financial data of Tikehau Capital General Partner derived from the financial information included in the merger agreement signed on 1 June 2021. In addition, the financial information relating to the merger was subsequently subject to certain adjustments in application of the Group's consolidation standards and its accounting policies.

The non-audited pro forma financial information as at 30 June 2020 and 30 June 2021 were prepared on the same basis as the pro forma consolidated financial statements presented in the exemption document.

Thus, the main adjustments to the non-audited pro forma financial information relate notably to:

- Consolidated balance sheet:
  - The application of the "book values" or "pooling of interests" method. Under this method, the difference between the book value of the assets and liabilities received and the consideration transferred is recognised in equity;
  - The capitalisation of transaction-related costs.

- Consolidated statement of income:
  - The cancellation of the statutory preferred dividend (*préciput*) paid to Tikehau Capital General Partner;
  - The cancellation of the Manager's remuneration;
  - The recognition of expenses related to the contribution of central corporate functions by Tikehau Capital Advisors to Tikehau Capital;
  - The recognition of the preferred dividend (*préciput*) of the new general partner; and
  - The capitalisation of transaction-related costs.

As the transaction is retroactively effective from 1 January 2021, the six months of the first half of 2021 will be restated.

In addition, the Group has opted for a retrospective approach in the presentation of its financial statements for comparative periods. This means that the comparative financial information is restated as if all of the reorganisation transactions described above occurred on 1 January 2020.

Interim pro forma consolidated balance sheet as of 30 June 2021 (non-audited)

Assets ***(in thousands of €)***	**30 June 2021 pro forma (non-audited)**	**31 December 2020 pro forma (non-audited)**	**31 December 2020 published**
Non-current assets			
Tangible and intangible assets	577,365	585,153	580,058
Non-current investment portfolio	2,655,997	2,203,631	2,203,631
Investments in equity affiliates	6,704	7,499	7,499
Deferred tax asset	87,120	82,606	82,606
Non-current financial derivatives	4,536	-	-
Other non-current assets	4,219	4,039	3,724
Total non-current assets	**3,335,940**	**2,882,929**	**2,877,519**
Current assets			
Trade receivables and related accounts	70,589	65,183	64,844
Other receivables and financial assets	38,483	25,163	24,866
Current investment portfolio	222,462	303,966	303,966
Cash management financial assets	68,349	76,203	76,203
Cash and cash equivalents	896,147	671,532	671,052
Total current assets	**1,296,030**	**1,142,047**	**1,140,931**
TOTAL ASSETS	**4,631,970**	**4,024,975**	**4,018,449**

Liabilities ***(in thousands of €)***	**30 June 2021 pro forma (non-audited)**	**31 December 2020 pro forma (non-audited)**	**31 December 2020 published**
Share capital	2,103,714	2,102,317	1,634,317
Premiums	1,526,379	1,820,442	1,144,831
Reserves and retained earnings	(907,826)	(962,233)	224,489
Net result for the period	176,103	(168,584)	(206,601)
Shareholders' equity - Group share	**2,898,370**	**2,791,942**	**2,797,036**
Non-controlling interests	6,378	6,720	6,720
Shareholders' equity	**2,904,748**	**2,798,662**	**2,803,756**
Non-current liabilities			
Non-current provisions	2,891	1,717	1,432
Non-current borrowings and financial debt	1,493,612	997,491	997,491
Deferred tax liabilities	71,873	54,700	54,700
Non-current financial derivatives	-	467	467
Other non-current liabilities	24,422	27,747	23,918
Total non-current liabilities	**1,592,798**	**1,082,122**	**1,078,008**
Current liabilities			
Non-current provisions	174	-	-
Current borrowings and financial debt	12,433	1,048	1,048
Trade payables and related accounts	33,194	46,807	46,551
Tax and social security payables	49,239	50,338	45,008
Other current liabilities	39,383	45,998	44,078
Total current liabilities	**134,424**	**144,191**	**136,685**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**4,631,970**	**4,024,975**	**4,018,449**

Interim pro forma consolidated income statement as of 30 June 2021 (non-audited)

(in thousands of €)	**H1 2021 pro forma (6 months and non-audited)**	**H1 2020 pro forma (6 months and non-audited)**	**H1 2020 published (6 months)**
Net revenues from Asset Management activities	**122,247**	**88,253**	**88,253**
Change in fair value of the non-current investment portfolio	165,730	(140,163)	(140,163)
Change in fair value of the current investment portfolio	14,274	20,612	20,612
Change in fair value	**180,004**	**(119,551)**	**(119,551)**
Other revenues from non-current investment portfolio	71,759	39,940	39,940
Other revenues from current investment portfolio	450	2,405	2,405
Other revenues from investment portfolio	**72,209**	**42,345**	**42,345**
Revenues from the Investment activities	**252,213**	**(77,206)**	**(77,206)**
Derivative portfolio result	**(71,855)**	**(165,389)**	**(165,389)**
Purchases and external expenses	(28,384)	(23,344)	(55,791)
Personnel expenses	(59,919)	(46,905)	(42,389)
Other net operating expenses	(8,741)	(11,605)	(10,103)
Operating expenses	**(97,044)**	**(81,853)**	**(108,282)**
Net operating profit from Asset Management and Investment activities before share of net results from equity affiliates	**205,562**	**(236,195)**	**(262,624)**
Share of net results from equity affiliates	(264)	(384)	(384)
Net operating profit from Asset Management and Investment activities after share of net results from equity affiliates	**205,298**	**(236,579)**	**(263,008)**
Net income and expenses on cash equivalents	2,006	78	78
Financial expenses	(11,059)	(19,381)	(19,328)
Financial result	**(9,053)**	**(19,302)**	**(19,249)**
Result before tax	**196,244**	**(255,882)**	**(282,258)**
Corporate income tax	(19,937)	36,457	41,375
Net result	**176,307**	**(219,425)**	**(240,883)**
Non-controlling interests	204	46	46
Net result - Group share	**176,103**	**(219,471)**	**(240,929)**

Interim pro forma consolidated statement of comprehensive income as of 30 June 2021 (non-audited)

(in thousands of €)	**H1 2021 pro forma (6 months and non-audited)**	**H1 2020 pro forma (6 months and non-audited)**	**H1 2020 published (6 months)**
Net result	**176,307**	**(219,425)**	**(240,883)**
Currency translation adjustment[(1)]	1,647	(268)	(268)
Related taxes	-	-	-
Consolidated comprehensive income	**177,954**	**(219,693)**	**(241,151)**
Of which non-controlling interests	204	46	46
Of which Group share	177,750	(219,739)	(241,197)

(1) Item that can be recycled through the income statement.

Change in pro forma consolidated shareholders' equity (non-audited)

(in thousands of €)	Share capital	Premiums	Group reserves	Own shares	Translation differences (reserves)	Net result for the period	Shareholders' equity Group share	Non-controlling interests	Consolidated shareholders' equity
Situation as at 31 December 2019 (published)	**1,640,081**	**1,158,664**	**169,909**	**(8,809)**	**302**	**178,685**	**3,138,832**	**6,770**	**3,145,603**
Impact of legal reorganisation	468,000	675,612	(1,165,586)	-	-	21,458	(516)	-	(516)
Allocation of net result	-	-	95,259	-	-	(178,685)	(83,426)	(241)	(83,667)
Capital increase of 31 March 2020(1)	1,449	(1,449)	-	-	-	-	-	-	-
Share-based payment (IFRS 2)	-	-	3,642	-	-	-	3,642	8	3,650
Other movements in reserves	-	-	(547)	(33,357)	(268)	-	(34,172)	11	(34,161)
Net result for the period	-	-	-	-	-	(240,929)	(240,929)	46	(240,883)
Situation as at 30 June 2020 pro forma (non-audited)	**2,109,530**	**1,832,827**	**(897,323)**	**(42,166)**	**34**	**(219,471)**	**2,783,431**	**6,594**	**2,790,025**
Impact of legal reorganisation	-	-	(21,139)	-	-	16,559	(4,580)	-	(4,580)
Capital increase of 4 July 2020(2)	106	(106)	-	-	-	-	-	-	-
Capital increase of 1 December 2020(3)	3,743	(3,743)	-	-	-	-	-	-	-
Capital increase of 21 December 2020(4)	155	(155)	-	-	-	-	-	-	-
Capital reduction of 22 December 2020 (5)	(11,217)	(8,381)	-	19,598	-	-	-	-	-
Share-based payment (IFRS 2)	-	-	3,725	-	-	-	3,725	18	3,743
Other movements in reserves	-	-	13,903	(35,957)	(2,908)	-	(24,962)	(328)	(25,290)
Net result for the period	-	-	-	-	-	34,328	34,328	435	34,763
Situation as at 31 December 2020 pro forma (non-audited)	**2,102,317**	**1,820,442**	**(900,834)**	**(58,525)**	**(2,874)**	**(168,584)**	**2,791,942**	**6,720**	**2,798,662**
Impact of legal reorganisation(8)	-	304	(493)	-	-	-	(189)	-	(189)
Allocation of net result	-	-	(168,584)	-	-	168,584	-	(595)	(595)

Capital increase of 18 February 2021(6)	1,397	(1,397)	-	-	-	-	-	-	-
Share-based payment (IFRS 2)	-	-	3,941	-	-	-	3,941	28	3,969
Other movements in premiums(7)	-	(292,970)	226,304	-	-	-	(66,666)	-	(66,666)
Other movements in reserves	-	-	(158)	(8,250)	1,647	-	(6,761)	22	(6,739)
Net result for the period	-	-	-	-	-	176,103	176,103	204	176,307
SITUATION AS AT 30 JUNE 2021 PRO FORMA (NON-AUDITED)	**2,103,714**	**1,526,379**	**(839,825)**	**(66,775)**	**(1,227)**	**176,103**	**2,898,370**	**6,378**	**2,904,748**

(1) As part of the definitive grant of free shares under the "2018 FSA Plan" and the "2018 Performance Share Plan", Tikehau Capital carried out a capital increase on 31 March 2020 by capitalisation of the share premium for €1.4 million.

(2) As part of the definitive grant of free shares of the first tranche of the "2018 Credit.fr Plan", Tikehau Capital carried out a capital increase on 4 July 2020 by capitalisation of the share premium for €0.1 million.

(3) As part of the definitive grant of free shares in the second tranche of the "One Off Plan", Tikehau Capital carried out a capital increase on 1 December 2020 by capitalisation of the share premium for €3.7 million.

(4) As part of the definitive grant of free shares under the "2018 Sofidy Plan", Tikehau Capital carried out a capital increase on 21 December 2020 by capitalisation of the share premium for €0.2 million.

(5) On 22 December 2020, Tikehau Capital cancelled 934,720 own shares for an amount of -€11.2 million. The difference between the acquisition price of these own shares and the par value of the share was deducted as a share premium for an amount of -€8.4 million.

(6) As part of the definitive grant of free shares of the first tranche of the "2019 FSA Plan", the "2019 Performance Share Plan" and the "2019 AIFM/UCITS Plan", Tikehau Capital carried out a capital increase on 18 February 2021 by capitalisation of the share premium for €1.4 million.

(7) During the first half of 2021 and according to the decisions voted at the Ordinary General Meeting of 19 May 2021, Tikehau Capital distributed premiums to it shareholders for €66.7 million and cleared the retained earnings account in the amount of €226.3 million.

(8) The impact of the legal reorganisation corresponds to a distribution by Tikehau Capital General Partner during the first half of 2021.

Pro forma consolidated cash flow statement as of 30 June 2021 (non-audited)

(in thousands of €)	**H1 2021 pro forma (6 months and non-audited)**	**H1 2020 pro forma (6 months and non-audited)**	**H1 2020 published (6 months)**	**2020 published (12 months)**
Revenues from Asset Management activities	**116,237**	**100,896**	**100,896**	**199,425**
Non-current investment portfolio	**(214,836)**	**(17,987)**	**(17,987)**	**56,005**
Acquisitions	(338,659)	(204,572)	(204,572)	(434,323)
Disposals	57,575	145,969	145,969	386,828
Income	66,248	40,616	40,616	103,500
● Dividends	43,909	26,804	26,804	69,990
● Interest and other revenues	22,339	13,812	13,812	33,510
Current investment portfolio	**(1,506)**	**(91,318)**	**(91,318)**	**(37,827)**
Acquisitions	(20,494)	(437,926)	(437,926)	(465,387)
Disposals	18,538	344,205	344,205	425,094
Income	450	2,403	2,403	2,466
● Dividends	450	2,056	2,056	2,098
● Interest and other revenues	-	347	347	368
Derivatives portfolio(1)	**25,879**	**(275,583)**	**(275,583)**	**(384,223)**
Other investments in companies in the scope of consolidation(2)(3)	**(728)**	**(5,792)**	**(6,890)**	**(18,659)**
Portfolio payables, portfolio receivables and financial assets in the investment portfolio	**(169)**	**29,234**	**29,234**	**31,236**
Net income/expenses on cash equivalents	**88**	**77**	**77**	**988**
Operating expenses and change in working capital requirement(4)	**(114,918)**	**(178,432)**	**(183,667)**	**(285,491)**
Tax	**(2,857)**	**(5,198)**	**(5,151)**	**(5,852)**
Net cash flows from operating activities	**(192,809)**	**(444,103)**	**(450,389)**	**(444,397)**
Capital increases in cash	**-**	**-**	**-**	**-**
Dividends paid	**(66,651)**	**(83,667)**	**(83,667)**	**(83,966)**
Borrowings	**477,661**	**(5,723)**	**(5,723)**	**(31,543)**
Cash management financial assets	7,854	49,957	49,957	55,603
Other financial flows	130	-	-	572
Net cash flows from financing activities	**418,994**	**(39,433)**	**(39,433)**	**(59,334)**
Change in cash flow (excl. impact of foreign currency exchange rates)	**226,185**	**(483,537)**	**(489,823)**	**(503,731)**
Impact of foreign currency exchange rates	**(1,090)**	**(83)**	**(83)**	**(646)**
Cash and cash equivalents at the beginning of the period	671,052	1,175,429	1,175,429	1,175,429
Cash and cash equivalents at the end of the period	896,147	691,808	685,522	671,052
Change in cash flow	225,095	(483,621)	(489,907)	(504,377)

(1) During the first half of the 2021 financial year, cash flows relating to the derivatives portfolio included realised capital losses of -€88.9 million, the initial margin deposit and margin calls on derivatives amounting to €115.1 million.

(2) In 2020 (12 months), cash flow corresponds to the payment of the earn-out clause relating to the acquisition of Homunity for an amount of -€6.5 million, to the payment of the earn-out clause related to the acquisition of Ace Capital Partners (formerly ACE Management) for an amount of -€0.4 million and the acquisition of Star America Infrastructure Partners for -€11.6 million net of cash acquired for €1.9 million.

(3) During the first half of the 2021 financial year, cash flow corresponds mainly to the payment of the earn-out clause relating to the acquisition of Star America Infrastructure Partners for an amount of -€1.1 million and to the increase in its shareholdings in the equity affiliate Ring SAS for an amount of -€0.1 million.

(4) During the first half of the 2021 financial year, the increase in Operating expenses and the change in working capital requirement includes a net outflow of -€8.0 million relating to the acquisition and disposal of own shares (-€69.3 million in the 2020 financial year).

4. INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2021

4.1 INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2021

4.1.1. Consolidated balance sheet

Assets ***(in thousands of €)***	***Notes***	**30 June 2021**	**31 December 2020**
Non-current assets			
Tangible and intangible assets	6 & 26	572,707	580,058
Non-current investment portfolio	7	2,655,997	2,203,631
Investments in equity affiliates	8	6,704	7,499
Deferred tax asset	14	87,155	82,606
Non-current financial derivatives	15	4,536	-
Other non-current assets		3,904	3,724
Total non-current assets		**3,331,002**	**2,877,519**
Current assets			
Trade receivables and related accounts	9	70,585	64,844
Other receivables and financial assets	9	38,411	24,866
Current investment portfolio	10	222,462	303,966
Cash management financial assets	11	68,349	76,203
Cash and cash equivalents	11	868,971	671,052
Total current assets		**1,268,778**	**1,140,931**
TOTAL ASSETS		**4,599,781**	**4,018,449**

Liabilities ***(in thousands of €)***	***Notes***	**30 June 2021**	**31 December 2020**
Share capital	12	1,635,714	1,634,317
Premiums		850,464	1,144,831
Reserves and retained earnings		241,374	224,489
Net result for the period		152,627	(206,601)
Shareholders' equity - Group share		**2,880,179**	**2,797,036**
Non-controlling interests	17	6,378	6,720
Shareholders' equity		**2,886,557**	**2,803,756**
Non-current liabilities			
Non-current provisions		2,518	1,432
Non-current borrowings and financial debt	13	1,493,612	997,491
Deferred tax liabilities	14	71,732	54,700
Non-current financial derivatives	15	-	467
Other non-current liabilities	26	21,061	23,918
Total non-current liabilities		**1,588,923**	**1,078,008**
Current liabilities			
Current provisions		174	-
Current borrowings and financial debt	13	12,433	1,048
Trade payables and related accounts	9	29,420	46,551
Tax and social security payables	9	44,639	45,008
Other current liabilities	9 & 26	37,634	44,078
Total current liabilities		**124,301**	**136,685**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**4,599,781**	**4,018,449**

4.1.2. Consolidated statement of income

(in thousands of €)	*Notes*	H1 2021 (6 months)	H1 2020 (6 months)
Net revenues from Asset Management activities	18	**122,247**	**88,253**
Change in fair value of the non-current investment portfolio		165,730	(140,163)
Change in fair value of the current investment portfolio		14,274	20,612
Change in fair value	19	**180,004**	**(119,551)**
Other revenues from non-current investment portfolio		71,759	39,940
Other revenues from current investment portfolio		450	2,405
Other revenues from investment portfolio	20	**72,209**	**42,345**
Revenues from the Investment activities		**252,213**	**(77,206)**
Derivative portfolio result	21	**(71,855)**	**(165,389)**
Purchases and external expenses		(54,251)	(55,791)
Personnel expenses		(54,683)	(42,389)
Other net operating expenses		(11,808)	(10,103)
Operating expenses	22	**(120,742)**	**(108,282)**
Net operating profit from Asset Management and Investment activities before share of net results from equity affiliates		**181,864**	**(262,624)**
Share of net results from equity affiliates	8	(264)	(384)
Net operating profit from Asset Management and Investment activities after share of net results from equity affiliates		**181,600**	**(263,008)**
Net income and expenses on cash equivalents	23	2,006	78
Financial expenses	24	(11,013)	(19,328)
Financial result		**(9,007)**	**(19,249)**
Result before tax		**172,592**	**(282,258)**
Corporate income tax	14	(19,761)	41,375
Net result		**152,831**	**(240,883)**
Non-controlling interests	17	204	46
Net result - Group share		**152,627**	**(240,929)**
Weighted average number of outstanding ordinary shares		136,277,976	136,733,769
Earnings per share *(in €)*		€1.12	€(1.76)
Weighted average number of shares after dilution	12	139,238,489	139,315,801
Diluted earnings per share *(in €)*		€1.10	n/a

Consolidated statement of comprehensive income

(in thousands of €)	*Notes*	H1 2021 (6 months)	H1 2020 (6 months)
Net result		**152,831**	**(240,883)**
Currency translation adjustment(1)		1,647	(268)
Related taxes		-	-
Consolidated comprehensive income		**154,478**	**(241,151)**
Of which non-controlling interests		204	46
Of which Group share		154,274	(241,197)

(1) Item that can be recycled through the income statement.

4.1.3. Change in consolidated shareholders’ equity

(in thousands of €)	Share capital	Premiums	Group reserves	Own shares	Translation differences (reserves)	Net result for the period	Shareholders’ equity Group share	Non-controlling interests	Consolidated shareholders’ equity
Situation as at 31 December 2019	**1,640,081**	**1,158,664**	**169,909**	**(8,809)**	**302**	**178,685**	**3,138,832**	**6,770**	**3,145,603**
Allocation of net result	-	-	95,259	-	-	(178,685)	(83,426)	(241)	(83,667)
Capital increase of 31 March 2020[1]	1,449	(1,449)	-	-	-	-	-	-	-
Share-based payment (IFRS 2)	-	-	3,642	-	-	-	3,642	8	3,650
Other movements in reserves	-	-	(547)	(33,357)	(268)	-	(34,172)	11	(34,161)
Net result for the period	-	-	-	-	-	(240,929)	(240,929)	46	(240,883)
SITUATION AS AT 30 JUNE 2020	**1,641,530**	**1,157,215**	**268,263**	**(42,166)**	**34**	**(240,929)**	**2,783,948**	**6,595**	**2,790,543**
Allocation of net result	-	-	(4)	-	-	-	(4)	(297)	(301)
Capital increase of 4 July 2020[2]	106	(106)	-	-	-	-	-	-	-
Capital increase of 1 December 2020[3]	3,743	(3,743)	-	-	-	-	-	-	-
Capital increase of 21 December 2020[4]	155	(155)	-	-	-	-	-	-	-
Capital reduction of 22 December 2020 [5]	(11,217)	(8,381)	-	19,598	-	-	-	-	-
Share-based payment (IFRS 2)	-	-	3,725	-	-	-	3,725	18	3,743
Other movements in reserves	-	-	13,903	(35,957)	(2,908)	-	(24,962)	(31)	(24,993)
Net result for the period	-	-	-	-	-	34,328	34,328	435	34,763
Situation as at 31 December 2020	**1,634,317**	**1,144,830**	**285,887**	**(58,525)**	**(2,874)**	**(206,601)**	**2,797,036**	**6,720**	**2,803,756**
Allocation of net result	-	-	(206,601)	-	-	206,601	-	(595)	(595)
Capital increase of 18 February 2021[6]	1,397	(1,397)	-	-	-	-	-	-	-

Share-based payment (IFRS 2)	-	-	3,941	-	-	-	3,941	28	3,969
Other movements in premiums(7)	-	(292,970)	226,304	-	-	-	(66,666)	-	(66,666)
Other movements in reserves	-	-	(156)	(8,250)	1,647	-	(6,759)	22	(6,737)
Net result for the period	-	-	-	-	-	152,627	152,627	204	152,831
SITUATION AS AT 30 JUNE 2021	**1,635,714**	**850,464**	**309,375**	**(66,775)**	**(1,227)**	**152,627**	**2,880,179**	**6,378**	**2,886,557**

(1) As part of the definitive grant of free shares under the "2018 FSA Plan" and the "2018 Performance Share Plan", Tikehau Capital carried out a capital increase on 31 March 2020 by capitalisation of the share premium for €1.4 million.

(2) As part of the definitive grant of free shares of the first tranche of the "2018 Credit.fr Plan", Tikehau Capital carried out a capital increase on 4 July 2020 by capitalisation of the share premium for €0.1 million.

(3) As part of the definitive grant of free shares in the second tranche of the "One Off Plan", Tikehau Capital carried out a capital increase on 1 December 2020 by capitalisation of the share premium for €3.7 million.

(4) As part of the definitive grant of free shares under the "2018 Sofidy Plan", Tikehau Capital carried out a capital increase on 21 December 2020 by capitalisation of the share premium for €0.2 million.

(5) On 22 December 2020, Tikehau Capital cancelled 934,720 own shares for an amount of -€11.2 million. The difference between the acquisition price of these own shares and the par value of the share was deducted as a share premium for an amount of -€8.4 million.

(6) As part of the definitive grant of free shares of the first tranche of the "2019 FSA Plan", the "2019 Performance Share Plan" and the "2019 AIFM/UCITS Plan", Tikehau Capital carried out a capital increase on 18 February 2021 by capitalisation of the share premium for €1.4 million.

(7) During the first half of 2021 and according to the decisions voted at the Ordinary General Meeting of 19 May 2021, Tikehau Capital distributed premiums to it shareholders for €66.7 million and cleared the retained earnings account in the amount of €226.3 million.

4.1.4. Consolidated cash flow statement

(in thousands of €)	*Notes*	**H1 2021 (6 months)**	**H1 2020 (6 months)**	**2020 (12 months)**
Revenues from Asset Management activities		**116,237**	**100,896**	**199,425**
Non-current investment portfolio		**(214,836)**	**(17,987)**	**56,005**
Acquisitions	7	(338,659)	(204,572)	(434,323)
Disposals		57,575	145,969	386,828
Income		66,248	40,616	103,500
● Dividends		43,909	26,804	69,990
● Interest and other revenues		22,339	13,812	33,510
Current investment portfolio		**(1,506)**	**(91,318)**	**(37,827)**
Acquisitions	10	(20,494)	(437,926)	(465,387)
Disposals		18,538	344,205	425,094
Income		450	2,403	2,466
● Dividends		450	2,056	2,098
● Interest and other revenues		-	347	368
Derivatives portfolio[(1)]		**25,879**	**(275,583)**	**(384,223)**
Other investments in companies in the scope of consolidation[(2)(3)]		**(1,208)**	**(6,890)**	**(18,659)**
Portfolio payables, portfolio receivables and financial assets in the investment portfolio		**(169)**	**29,234**	**31,236**
Net income/expenses on cash equivalents		**88**	**77**	**988**
Operating expenses and change in working capital requirement[(4)]		**(141,802)**	**(183,667)**	**(285,491)**
Tax	14	**(2,858)**	**(5,151)**	**(5,852)**
Net cash flows from operating activities		**(220,174)**	**(450,389)**	**(444,397)**
Capital increases in cash		**-**	**-**	**-**
Dividends paid		**(66,462)**	**(83,667)**	**(83,966)**
Borrowings	13	**477,661**	**(5,723)**	**(31,543)**
Cash management financial assets		7,854	49,957	55,603
Other financial flows		130	-	572
Net cash flows from financing activities		**419,183**	**(39,433)**	**(59,334)**
Change in cash flow (excl. impact of foreign currency exchange rates)		**199,009**	**(489,823)**	**(503,731)**
Impact of foreign currency exchange rates		**(1,090)**	**(83)**	**(646)**
Cash and cash equivalents at the beginning of the period	11	671,052	1,175,429	1,175,429
Cash and cash equivalents at the end of the period	11	868,971	685,522	671,052
Change in cash flow		197,919	(489,907)	(504,377)

(1) During the first half of the 2021 financial year, cash flows relating to the derivatives portfolio included realised capital losses of -€88.9 million, the initial margin deposit and margin calls on derivatives amounting to €115.1 million.

(2) In 2020 (12 months), cash flow corresponds to the payment of the earn-out clause relating to the acquisition of Homunity for an amount of -€6.5 million, to the payment of the earn-out clause related to the acquisition of Ace Capital Partners (formerly ACE Management) for an amount of -€0.4 million and the acquisition of Star America Infrastructure Partners for -€11.6 million net of cash acquired for €1.9 million.

(3) During the first half of the 2021 financial year, cash flow corresponds mainly to the payment of the earn-out clause relating to the acquisition of Star America Infrastructure Partners for an amount of -€1.1 million and to the increase in its shareholdings in the equity affiliates Ring SAS for an amount of -€0.1 million.

(4) During the first half of the 2021 financial year, the increase in Operating expenses and the change in working capital requirement includes a net outflow of -€8.0 million relating to the acquisition and disposal of own shares (-€69.3 million in the 2020 financial year).

4.1.5. Notes to the consolidated financial statements prepared under IFRS

Note 1 Entity presenting the consolidated financial statements

Tikehau Capital SCA ("Tikehau Capital" or the "Company" or "TC") is a *société en commandite par actions* (partnership limited by shares) which has its registered office at 32, rue de Monceau, 75008 Paris (France).

Tikehau Capital is an asset management and investment group. It meets the definition of an "investment entity" under IFRS 10.

Its corporate purpose includes all forms of investment, with no specific restrictions or constraints in terms of the target asset classes, or their sector or geographic allocation. Accordingly, under the terms of its Articles of Association, Tikehau Capital's corporate purpose, in France and abroad is:

- "the direct or indirect acquisition of stakes, the arrangement and structuring of investment transactions in all sectors and involving all asset classes, the Real Estate sector, and small and mid-cap companies;
- the management, administration and disposal or liquidation of these stakes, under the best possible conditions;
- all of the above, directly or indirectly, on its behalf or on behalf of a third party, alone or with a third party, through the creation of new companies, contribution, partnership, subscription, purchase of securities or rights, merger, alliance, special partnership (*société en participation*), leasing or leasing out or the management of assets or other rights in France and abroad;
- and, generally, any financial, commercial, industrial, security or property transactions that may relate directly or indirectly to the above corporate purpose, or to any similar or related purposes, so as to promote its expansion and development".

The changes in scope in the consolidated group (the "Group") are detailed in note 3 "Scope of consolidation".

Tikehau Capital's interim consolidated financial statements for the period ended 30 June 2021 were approved by a Manager on 13 September 2021 and submitted for review by the Company's Supervisory Board on 14 September 2021.

Note 2 Basis of preparation

(a) Accounting standards and Declaration of compliance

In application of EC Regulation No. 1606/2002, Tikehau Capital's consolidated financial statements are drawn up in accordance with international financial reporting standards (IFRS) and IFRIC interpretations applicable as at 30 June 2021 and as adopted by the European Union.

The standards are available at the European Commission website:

http://ec.europa.eu/finance/company-reporting/standardsinterpretations/index_en.htm.

The accounting principles used as at 30 June 2021 are the same as those used for the consolidated financial statements as at 31 December 2020.

They have been supplemented by the provisions of the IFRS standards and interpretations as adopted by the European Union as at 30 June 2021 and for which application is mandatory for the first time for the financial year 2021.

These concern:

New standards, amendments and interpretations applicable from 1 January 2021

- Amendment to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: "Interest Rate Benchmark Reform". The application of this amendment has not had a significant impact.

Standards published by the IASB and adopted by the European Union as at 30 June 2021

The Group has applied no standard and/or interpretation that could concern it and for which application is not mandatory as at 1 January 2021.

(b) Basis for measurement

The consolidated financial statements include the financial statements of Tikehau Capital and its subsidiaries for each of the financial years presented. The financial statements of subsidiaries have been prepared over the same reference period as those of the parent company, on the basis of homogeneous accounting methods. The consolidated financial statements are expressed in thousands of euros, rounded off to the closest thousand euros. Rounding gaps may result in minor differences regarding certain totals in the tables presented in the financial statements.

Portfolio assets and financial derivatives are measured at fair value in accordance with IFRS 13. The methods used to measure fair value are identical to those presented in the annual financial statements. The other balance sheet items (in particular tangible and intangible assets, and loans and receivables) have been drawn up on the basis of historical cost.

(c) Functional and presentation currency, conversion of financial statements

The presentation currency of the consolidated financial statements is the euro, accounts of consolidated entities using a different functional currency are converted into euros:

- at the closing rate for balance sheet items;
- at the average rate of the period for income statement items.

Conversion differences resulting from the use of these exchange rates are recognised under shareholders' equity in "Translation differences (reserves)".

(d) Transactions in currencies other than the functional currency

Transactions by consolidated companies in currencies other than their functional currency are converted into their functional currency at the prevailing exchange rate on the date of the transactions.

Receivables and debts denominated in currencies other than the functional currency of the company concerned are converted at the prevailing exchange rate of these currencies on the closing date. Unrealised losses and gains resulting from this conversion are recognised on the income statement.

(e) Use of estimates and judgements

The preparation of the consolidated financial statements requires that assumptions and estimates that affect the reported amounts of assets and liabilities on the balance sheet and the reported amounts of revenues and expenses for the year being taken into consideration. The Management reviews their estimates and assessments on an ongoing basis, based on their previous experience, as well as on various other factors that they consider reasonable, which form the basis for their assessment of the book value of the assets and liabilities. Actual results may differ materially from these estimates depending on different assumptions or conditions.

Judgements made by the Management in preparing the consolidated financial statements mainly concern the estimated fair value of investments in unlisted portfolios, the estimated amounts of deferred tax assets recognised in tax loss carry forwards and the estimated valuation of indefinite-life intangible assets for impairment tests purposes.

(f) Specificities applicable to the preparation of interim financial statements

Revenues from investment activities, net operating profit from Investment activity and net operating profit from Asset Management activities, all operating indicators are characterised by a certain degree of seasonality (the dividend payment period in particular), the extent of which may vary. Accordingly, interim results as at 30 June 2021 and as at 30 June 2020 are not necessarily indicative of those that can be expected for the 2021 or 2020 financial years.

Meanwhile, the tax expenses for the period (both payable and deferred) are determined on the basis of the tax situation of Group companies as at 30 June 2021 and 30 June 2020. This principle is used, given the nature of the Company's business, which makes it complex to estimate a normative tax expense, due to the difficulty in anticipating changes in fair value.

Note 3 Scope of consolidation

(a) Method of consolidation

Tikehau Capital's consolidated financial statements have been prepared using the IFRS 10 exemption for investment entities.

The criteria used to classify a company as an investment entity under IFRS 10 are as follows:

- the entity is a company holding, inter alia, minority stakes in listed and non-listed companies. The entity benefits chiefly from funds from its shareholders to invest in a portfolio of equity interests and investments with significant sector diversification;
- the entity aims to build up a solid and balanced portfolio that includes sector and geographic diversification. The entity thus expects to generate from its investments (i) a capital gain, (ii) financial income, such as dividends, coupons, interest, etc., or both at the same time;
- the entity mainly measures and assesses the performance of its investments on the basis of the portfolio's fair value.

Given its activities, Tikehau Capital meets the definition of an "investment entity" under IFRS 10:

- Tikehau Capital is a company that invests directly or indirectly through other investment management companies. Among other activities, it invests its shareholders' funds in a broadly diversified portfolio of equity interests and investments;
- Tikehau Capital aims to build a portfolio that is diversified and thus aims to generate from its investment (i) a capital gain, (ii) financial income, such as dividends, coupons, interest, etc., or both at the same time;
- Tikehau Capital measures and assesses the performance of its investments on the basis of their fair value.

The subsidiaries in which Tikehau Capital exercises exclusive control, either directly or indirectly and either *de jure* or *de facto*, are fully consolidated, with the exception of interests held by investment entities under the IFRS 10 exemption. Subsidiaries that perform services related to these investment activities and that are not themselves investment management companies are therefore part of the consolidation perimeter.

The entities in which Tikehau Capital exercises significant influence are accounted for using the equity method with the exception of investments for which Tikehau Capital has opted for the IAS 28 exemption and that are accounted for on the basis of the fair value through profit or loss option.

Furthermore, for structured entities or *ad hoc* entities as defined by IFRS 10, the Group assesses the notion of control with regard to the following aspects, among others:

- whether it is able to control the entity's activity;
- whether it is paid variable revenues by this entity or is exposed to its risks;
- whether it is able to affect the entity's revenues or its risks.

This concerns, in particular, investments in investment funds classified under the current or non-current investment portfolio.

(b) Scope of consolidation

During the first half of 2021, changes in the scope of consolidation and percentage of ownership, compared with the consolidated financial statements as at 31 December 2020 were as follows (see Note 3 "Scope of consolidation"):

Fully consolidated subsidiaries or entities accounted for under the equity method

			% of interest	
Fully consolidated entities	**Form**	**Address**	**30 June 2021**	**31 Dec. 2020**
Sofidy Financement	SAS	303, Square des Champs Elysées, 91026 ÉVRY-COURCOURONNES, France	100.0%	n.a.
FPE Investment Advisors (Singapore) Pte.Ltd. (1)	Pte.Ltd.	8 Marina Boulevard #11-00 – Marina Bay Financial Centre Tower 1, SINGAPORE 018981	100.0%	n.a.

(1) Tikehau Capital acquired 50.1% of the shares through an acquisition in 2021, and 49.9% through the exercise of a call option within 2 years.

Entities consolidated using the equity method	Form	Address	% of interest 30 June 2021	31 Dec. 2020
Duke Street (via TC UK)	LLP	Nations House, 103 Wigmore Street W1U 1QS LONDON, England	32.7%	33.6%
Ring	SAS	11, bis rue Portalis, 75008 PARIS, France	30.0 %	25.0 %

Tikehau Capital subsidiaries meeting the conditions of the IFRS 10 exemption and affiliates meeting the IAS 28 exemption conditions estimated at fair value

During the first half of the 2021 financial year, the changes compared with the consolidated annual financial statements prepared as of 31 December 2020 were as follows:

Investment entities at fair value	Form	Address	% of interest 30 June 2021	31 Dec. 2020	Level of control
Bellerophon Financial Sponsor	SAS	32, rue de Monceau, 75008 PARIS, France	53.3%	n.a.	Control
Selectirente[1]	SA	303, Square des Champs Elysées, 91026 ÉVRY-COURCOURONNES	52.7%	50.1%	Significant influence
IREIT Global	Pte. Ltd	1 Wallich Street #15-03 – Guoco Tower SINGAPORE 078881	29.7%	29.4%	No control and no significant influence
Travecta Therapeutics	Pte. Ltd	79 Science Park Drive #06-01/08 Cintech IV, SINGAPORE 118264	18.6%	19.6%	No control and no significant influence

(1) Indirectly held through Sofidy SA and GSA Immobilier as at 31 December 2020. At 30 June 2021, Tikehau Capital held 37.45% of the share capital and 52.73% in concert with Sofidy SA and GSA Immobilier.

Non-consolidated subsidiaries

Non-consolidated entities	Form	Address	% of interest 30 June 2021	31 Dec. 2020
Homunity Conseil [1]	SAS	60, rue Jouffroy D'Abbans, 75017 PARIS, France	100.0 %	n.a.

(1) Homunity Conseil was created in 2021 and is owned by Homming.

The company Homunity Conseil is not consolidated, due to its insignificant nature.

Investments in funds managed by Group companies or third parties

Tikehau Capital and its subsidiaries may invest in funds managed by Tikehau Investment Management ("Tikehau IM"), Tikehau Capital Europe, Sofidy, Ace Capital Partners, Star America Infrastructure Partners, FPE Investment Advisors (Singapore) or companies outside the Group. Whether or not these funds should be consolidated is assessed on the basis of a number of criteria, and in particular, the IFRS 10 criteria applicable to *ad hoc* entities (see above).

Regarding fund units held by Group companies, the percentage of control of the funds in which the Company has invested is also assessed to determine whether a fund must be consolidated.

The analysis conducted by the Group on the funds managed by Tikehau IM, Tikehau Capital Europe (CLO), Sofidy, Ace Capital Partners, Star America Infrastructure Partners and those managed by FPE Investment Advisors (Singapore) confirms the absence of control with respect to the criteria of IFRS 10 or classification as an investment company leading to the non-consolidation of these funds.

The following table presents the list of closed-end funds in which Tikehau Capital or one of its subsidiaries own a share equal to or greater than 20% and in which the amount invested is equal to or in excess of €5 million. These funds also meet the conditions for the IFRS 10 exemption.

Investments in the funds as at 30 June 2021	Investing company	Business line	% holding 30 June 2021	31 Dec. 2020
TPDS (Delaware)	TCAH	Private debt	100%	100%
TPDS (Luxembourg)	TC	Private debt	50%	100%
MTDL	TC UK & TIM	Private debt	51%	51%
Tikehau Homunity Fund	TC	Private debt	46%	46%
Tikehau Credit.fr	TC	Private debt	41%	35%
TDL IV L	TC UK & TIM	Private debt	21%	21%
TIL	TC	Private debt	10%	21%
Tikehau Homunity Fund II	TC	Private debt	47%	n.a.
TREO	TC & TIM	Real assets	31%	31%
TRP II (Bercy 2)	TC	Real assets	31%	28%
TRE III feeder (Optimo 2)	TC UK	Real assets	28%	28%
TIRF I (I-Petali)	TC & TC UK & TIM	Real assets	26%	26%
Tikehau Asia Opportunities (ex Tikehau Fund of Funds)	TC UK	Private equity	91%	91%
TKS II	TC & TIM	Private equity	58%	57%
TGE II	TC & TIM	Private equity	54%	54%
Brienne III	TC & ACE	Private equity	33%	43%
TSO	TC UK & TIM	Private equity	36%	36%
Ace Aéro Partenaires	TC & ACE	Private equity	31%	32%
TSO II	TC UK	Private equity	25%	28%
Foundation Private Equity Fund I LP	FPE	Private equity	53%	n.a.
Aerofundo IV	ACE	Private equity	34%	n.a.

Collateralised Loan Obligation ("CLO") activities

Through its subsidiary Tikehau Capital Europe, Tikehau Capital entered the securitisation market in 2015 through the launch of securitisation vehicles dedicated to CLOs.

A company managing CLOs, such as Tikehau Capital Europe, has two types of revenues:

- it receives management fees like any asset management company, and performance fees;
- it has an obligation to invest up to 5% in the securitisation vehicle under applicable law (the principle of the retention piece). This investment can be made horizontally either in the highest risk tranche (subordinated tranche or equity), or vertically, by a retention of 5% of each of the tranches issued by the vehicle. The asset management company collects the coupons related to this tranche, if the other tranches have received the coupons they are owed. As at 30 June 2021 the Group has mainly invested in tranches E, F and subordinated notes.

The risks depend on the seniority of the tranche subscribed and their positioning in the coupon payment waterfall, the equity tranche being the last tranche served:

- the tranches are entitled to a defined return; the risk is borne by the equity whose payment comes last (profit or loss depending on the situation);
- upon liquidation of the fund, the residual profit attributable to the investment will accrue to the holders of ordinary shares.

As at 30 June 2021, Tikehau Capital's CLO vehicles were as follow:

Tikehau CLO I

Category of bonds issued	**Rating (Moody's/Fitch)**	**Nominal value at 30 June 2021** ***(in thousands of €)***	**Coupon**	**Floor rate**	**Final maturity**
A-1R.	Aaa/AAA	77,270	Euribor 3 months +0.60%	0 %	2028
A2	Aaa/AAA	19,197	Euribor 3 months +1.40%	0%	2028
B – R	Aaa/AA+	39,000	Euribor 3 months +1.07%	0 %	2028
C – R	Aa3/A+	28,000	Euribor 3 months +1.45%	0 %	2028
D – R	Baa1/BBB+	16,000	Euribor 3 months +2.35%	0 %	2028
E – R	Ba2/BB	21,200	Euribor 3 months +4.60%	0 %	2028
F – R	B2/B	7,800	Euribor 3 months +5.90%	0 %	2028
Subordinated notes	Unrated	41,700	n/a	n/a	2028
TOTAL		**250,167**			

(ii) Tikehau CLO II

Category of bonds issued	**Rating (Moody's/Fitch)**	**Nominal value at 30 June 2021** ***(in thousands of €)***	**Coupon**	**Floor rate**	**Final maturity**
A – R	Aaa/AAA	193,374	Euribor 3 months +0.88%	0 %	2029
B	Aa1/AA	46,000	Euribor 3 months +1.70%	0 %	2029
C – R	A1/A	23,000	Euribor 3 months +2.25%	0 %	2029
D – R	Baa1/BBB	18,000	Euribor 3 months +3.25%	0 %	2029
E	Ba2/BB	28,000	Euribor 3 months +6.25%	0 %	2029
F	Caa1/B-	10,500	Euribor 3 months +7.50%	0 %	2029
Subordinated notes	Unrated	44,700	n/a	n/a	2029
TOTAL		**363,574**			

(iii) Tikehau CLO III

Category of bonds issued	Rating (Moody's/S&P)	Nominal value at 30 June 2021 *(in thousands of €)*	Coupon	Floor rate	Final maturity
A	Aaa/AAA	244,700	Euribor 3 months +0.87%	0 %	2030
B	Aa2/AA	57,700	Euribor 3 months +1.40%	0 %	2030
C	A2/A	28,600	Euribor 3 months +1.85%	0 %	2030
D	Baa2/BBB	19,700	Euribor 3 months +2.70%	0 %	2030
E	Ba2/BB	26,250	Euribor 3 months +4.85%	0 %	2030
F	B2/B-	12,600	Euribor 3 months +6.55%	0 %	2030
Subordinated notes	Unrated	45,600	n. a.	n/a	2030
TOTAL		**435,150**			

(iv) Tikehau CLO IV

Category of bonds issued	Rating (Moody's/Fitch)	Nominal value at 30 June 2021 *(in thousands of €)*	Coupon	Floor rate	Final maturity
X	n.a.	-	Euribor 3 months +0.53%	0 %	2031
A1	Aaa/AAA	231,000	Euribor 3 months +0.90%	0 %	2031
A2 – FIXED	Aaa/AAA	15,000	1.75%	n/a	2031
B1	Aa2/AA	7,000	Euribor 3 months +1.65%	0 %	2031
B2 – FIXED	Aa2/AA	15,000	2.10%	n/a	2031
B3	Aa2/AA	22,000	Euribor 3 months +1.65%	0 %	2031
C1	A2/A	7,000	Euribor 3 months +2.15%	0 %	2031
C2	A2/A	19,000	Euribor 3 months +2.15%	0 %	2031
D	Baa2/BBB	21,000	Euribor 3 months +3.30%	0 %	2031
E	Ba2/BB	23,000	Euribor 3 months +5.33%	0 %	2031
F	B2/B-	12,000	Euribor 3 months +7.36%	0 %	2031
Subordinated notes	Unrated	38,300	n/a	n/a	2031
TOTAL		**410,300**			

(v) Tikehau CLO V

Category of bonds issued	Rating (Moody's/S&P)	Nominal value at 30 June 2021 *(in thousands of €)*	Coupon	Floor rate	Final maturity
X	Aaa/AAA	733	Euribor 3 months +0.50%	0 %	2032
A	Aaa/AAA	272,800	Euribor 3 months +1.10%	0 %	2032
B1	Aa2/AA	36,800	Euribor 3 months +1.80%	0 %	2032
B2 – FIXED	Aa2/AA	5,000	2.30%	n/a	2032
C1	A2/A	19,300	Euribor 3 months +2.45%	0 %	2032
C2	A2/A	7,100	Euribor 3 months +2.412%	n/a	2032
D1	Baa3/BBB	24,800	Euribor 3 months +3.90%	0 %	2032
D2	Baa3/BBB	6,000	Euribor 3 months +3.862%	n/a	2032
E	Ba3/BB	25,300	Euribor 3 months +5.82%	0 %	2032
F	B3/B-	12,100	Euribor 3 months +8.42%	0 %	2032
Subordinated notes	Unrated	39,800	n. a.	n/a	2032
TOTAL		**449,733**			

(vi) Tikehau CLO VI

The launch of the warehouse phase of the sixth CLO project was completed in the second half of 2020.

(c) Change in scope of consolidation

The main changes to the scope of consolidation in the course of the first half of 2021 included:

Acquisition of FPE Investment Advisors (Singapore) Pte. Ltd.

FPE Investment Advisors is a founder-operated private equity player that specialises in delivering innovative secondary solutions to General Partners (GPs) and Limited Partners (LPs) across Asia. The firm is headquartered in Singapore, with a presence in Beijing and Mumbai.

FPE Investment Advisors targets private equity secondaries in Asia, with a focus on China, India and South East Asia. It specialises in GP-led fund restructurings, purchase of limited partner (LP) interests in existing funds, and other bespoke liquidity solutions for LPs. FPE Investment Advisors seeks to partner with GPs in providing liquidity to their LPs and works alongside GPs to aim for optimal outcomes for portfolio companies.

In April 2021, Tikehau Capital has taken a majority equity stake in FPE Investment Advisors (50.1%) as part of the partnership arrangement, cementing the Group's expansion into the private equity secondaries business and broadening its investment capabilities in Asia.

This company has been consolidated since 30 April, 2021.

The following table presents the fair value of each component of the consideration transferred on 30 April 2021:

(in thousands of €)	*Notes*	30 April 2021
Cash and cash equivalents[1]		3,032
Earn-out clause		7,224
FAIR VALUE OF CONSIDERATION TRANSFERRED AT THE ACQUISITION DATE		**10,256**

(1) Including the consideration of cash and cash equivalents to acquire the remaining 49.9% of the subsidiary.

Tikehau Capital incurred fees and due diligence expenses directly related to the acquisition. These costs were immaterial and were booked under "Operating expenses".

The following table presents the identified assets and liabilities as at 30 April 2021 before the purchase price allocation:

(in thousands of €)	*Notes*	30 April 2021
Non-current assets		259
Current assets		2,614
Total identifiable assets		**2,873**
Non-current liabilities		-
Current liabilities		64
Total identifiable liabilities		**64**
TOTAL IDENTIFIABLE NET ASSETS AT THE ACQUISITION DATE		**2,809**

The acquisition of the new shares gave rise to the recognition of €7.4 million of provisional goodwill.

(in thousands of €)	*Notes*	30 April 2021
Consideration transferred		10,256
Fair value of identified net assets		(2,809)
GOODWILL		**7,447**

Provisional goodwill represents to the future economic benefits that the Group expects to gain from the acquisition of FPE Investment Advisors within the asset management CGU.

Creation of the subsidiary Sofidy Financement

The subsidiary Sofidy Financement was created in the first half of 2021. Its activity consists of putting people wishing to subscribe in Sofidy investment funds in touch with banks likely to finance their acquisition.

(d) Significant events during the period

Legal reorganisation of Tikehau Capital

On 20 May 2021, Tikehau Capital announced its intention to simplify its structure. This operational reorganisation will result in a significant improvement of its financial profile and will allow the implementation of a new distribution policy in order to increase the creation of value for shareholders.

This reorganisation, which was completed on 15 July 2021, is detailed below in Note 28 “Subsequent events”.

Investment Grade rating (BBB-, stable outlook) confirmed by the financial rating agency Fitch Ratings

On 22 January 2021, Tikehau Capital had its financial rating confirmed by the financial rating agency Fitch Ratings. Supported by a stable outlook, this Investment Grade rating (BBB-) confirms the strength of Tikehau Capital’s financial profile. In its statement, Fitch Ratings highlighted that Tikehau Capital's liquidity remains solid. Indeed, Tikehau Capital maintains a significant level of cash on the balance sheet allowing it to flexibly finance the future growth of its Asset Management activities.

Tikehau Capital partners with Financière Agache, Jean-Pierre Mustier and Diego De Giorgi to sponsor a SPAC (Special Purpose Acquisition Company) focused on the European financial services sector

On 15 February 2021, Tikehau Capital announced its intention to sponsor a first SPAC (Special Purpose Acquisition Company) which will focus on the European financial services sector.

Since its inception in 2004, Tikehau Capital has built a strong track-record of backing high-quality companies through equity or debt financing. Investment vehicles like SPACs are a natural extension of Tikehau Capital's investment expertise, and the Group aims to leverage its global network, origination capacity and strong equity base to sponsor value-creating projects, starting with a first SPAC that will focus on European financial services related businesses, with a primary focus on scalable platforms offering strong profit growth potential.

This initiative will leverage the recognized industry expertise, deal sourcing and execution capabilities of its four founding sponsors. Jean-Pierre Mustier and Diego De Giorgi, two of Europe’s most experienced bankers, will be the operating partners of the company. Financière Agache and Tikehau Capital will be strategic and financial sponsors.

Targets will be aligned to four financial services areas undergoing an accelerated transformation: traditional and alternative asset management platforms, innovative financial technology firms, insurance and insurance related services and diversified financial services companies with strong customer propositions in attractive segments.

Financière Agache and Tikehau Capital’s founders and investment teams have already collaborated on several deals across various strategies and sectors. An affiliate of Financière Agache has been a shareholder of Tikehau Capital for the last 15 years. Jean-Pierre Mustier was a partner of Tikehau Capital from January 2015 to July 2016 and has worked closely with Diego De Giorgi on mergers and acquisitions and capital markets transactions for over a decade.

On 29 April 2021, Tikehau Capital announced that its first SPAC Pegasus Europe has successfully raised €500m in a private placement.

The four sponsors have committed to invest in excess of €165 million, of which €55 million at the Initial Public Offering, and €100 million in an unconditional Forward Purchase Agreement, showing a strong alignment of interest with all shareholders.

More specifically, Tikehau Capital has invested €25 million from its balance sheet into the private placement and agreed on a €50 million Forward Purchase Agreement that may be called at the time of a business combination.

Capital increase of 18 February 2021

On 18 February 2021, Tikehau Capital carried out a capital increase for an amount of around €1.4 million by capitalisation of the issue premium and by issuance of 116,460 shares. The aim of this capital increase was to deliver free shares granted under the first tranches of the 2019 FSA Plan, the 2019 Performance Share Plan and the 2019 AIFM/UCITS Plan.

Buy and sell transaction on the portfolio derivative instruments

During the month of February and March 2021, Tikehau Capital proceeded with the disposal of all contracts related to purchase / sale operations on derivative instruments positions taken as part of its risk management policy. Those contracts were open on 31 December 2020.

Such operation reflects a realised loss of -€88.9 million, which represents an additional loss of -€71.5 million compared to the unrealised loss of -€17.4 million already booked in the financial statements at 31 December 2020.

Bond issue

On 25 March 2021, Tikehau Capital launched and priced an inaugural sustainable bond issue for a total amount of €500 million maturing in March 2029. Settlement took place on 31 March 2021. This issue of senior unsecured sustainable bond is associated with a fixed annual coupon of 1.625%.

This sustainable bond is the first to rely on an innovative Sustainable Bond Framework that allows the Group to invest the proceeds into sustainable assets (green and social activities) and ESG funds aligned with the Group's priority Sustainable Development Goals.

Through this operation, Tikehau Capital extends its average debt's maturity to 5.5 years.

The issue has been placed with a diversified base of more than one hundred investors and has been subscribed by more than 75% of international investors.

The bonds are rated BBB- by Fitch Ratings and listed on the Euronext Paris market.

Note 4 Main accounting methods

The interim financial statements are prepared in accordance with the same rules and methods used for the preparation of annual financial statements, with the exception of changes in the main accounting methods occurring during the first half of the 2021 financial year (see note 2 "Basis of preparation").

Note 5 Segment information

Segment information is presented on the same basis as internal reporting. It reproduces the internal segment information defined for the management and measurement of Tikehau Capital performance reviewed by the Group management. Operating profit and assets are allocated to each segment before restatements on consolidation and inter-segment adjustments. The share of personnel expenses relating to the Private Equity team, which managed Tikehau Capital's investment portfolio, and the Manager's remuneration are presented in the Investment activity segment.

The main aggregates of the H1 2021 segment income statement are as follows:

(in thousands of €)	**H1 2021 (6 months)**	**Asset Management activity [1]**	**Investment activity**
Net revenues from Asset Management activities	**122,247**	**122,247**	**-**
Revenues from the Investment activities	**252,213**	**-**	**252,213**
Derivative portfolio result	**(71,855)**	**-**	**(71,855)**
Operating expenses	(120,742)	(76,645)	(44,097)
Net operating profit from Asset Management and Investment activities before share of net results from equity affiliates and before non-recurring free share plan expense	**181,864**	**45,602**	**136,261**
Non-recurring free share plan expense	-	-	-
Other non-recurring income and expenses	-	-	-
Net operating profit from Asset Management and Investment activities before share of net results from equity affiliates	**181,864**	**45,602**	**136,261**
Share of net results from equity affiliates	(264)	(264)	-
Net operating profit from Asset Management and Investment activities after share of net results from equity affiliates	**181,600**	**45,339**	**136,261**
Financial result	**(9,007)**	**(441)**	**(8,566)**
Corporate income tax	(19,761)	(12,016)	(7,746)
NET RESULT	**152,831**	**32,881**	**119,949**

(1) Including FPE Investment Advisors (Singapore) Pte.Ltd.

The main aggregates of the H1 2020 segment income statement are as follows:

(in thousands of €)	**H1 2020 (6 months)**	**Asset Management activity**	**Investment activity**
Net revenues from Asset Management activities	**88,253**	**88,253**	**-**
Revenues from the Investment activities	**(77,206)**	**-**	**(77,206)**
Derivative portfolio result	**(165,389)**	**-**	**(165,389)**
Operating expenses[1]	(106,998)	(59,650)	(47,348)
Net operating profit from Asset Management and Investment activities before share of net results from equity affiliates and before non-recurring free share plan expense	**(261,340)**	**28,602**	**(289,942)**
Non-recurring free share plan expense	(1,284)	(1,048)	(236)
Net operating profit from Asset Management and Investment activities before share of net results from equity affiliates	**(262,624)**	**27,554**	**(290,178)**
Share of net results from equity affiliates	(384)	(129)	(255)
Net operating profit from Asset Management and Investment activities after share of net results from equity affiliates	**(263,008)**	**27,426**	**(290,434)**
Financial result	**(19,249)**	**(432)**	**(18,818)**
Corporate income tax	41,375	(9,055)	50,430
NET RESULT	**(240,883)**	**17,939**	**(258,821)**

(1) Excluding the non-recurring free share plans expense in respect of the second tranche of the "One Off Plan" of 1 December 2017 subsequent to the Company's initial public offering for an amount of -€1.2 million in the first semester of 2020.

Net revenues from Asset Management activities break down as follows:

(in thousands of €)	**H1 2021 (6 months)**	**H1 2020 (6 months)**
Net management, subscription and arrangement fees	117,589	83,937
Performance fees and carried interest	1,132	1,157
Other revenues (1)	3,526	3,159
NET REVENUES FROM ASSET MANAGEMENT ACTIVITIES	**122,247**	**88,253**

(1) "Other revenues" is primarily comprised of other income from Sofidy and its subsidiaries, and from Tikehau Investment Management.

The main aggregates of the segment balance sheet are as follows:

(in thousands of €)	**30 June 2021**	**Asset Management activity**	**Investment activity**
Total non-current assets	3,331,002	817,874	2,513,128
of which right-of-use assets	25,125	13,968	11,157
Total current assets	1,268,777	214,587	1,054,190

(in thousands of €)	**30 June 2021**	**Asset Management activity**	**Investment activity**
Total non-current liabilities	1,588,923	44,334	1,544,589
of which lease liabilities (IFRS 16)	21,053	11,043	10,009
Total current liabilities	124,302	92,724	31,578
of which lease liabilities (IFRS 16)	5,758	3,624	2,134

(in thousands of €)	**31 December 2020**	**Asset Management activity**	**Investment activity**
Total non-current assets	2,877,519	726,421	2,150,097
of which right-of-use assets	28,118	15,279	12,839
Total current assets	1,140,930	219,113	921,817

(in thousands of €)	**31 December 2020**	**Asset Management activity**	**Investment activity**
Total non-current liabilities	1,078,008	45,540	1,032,469
of which lease liabilities (IFRS 16)	23,894	12,436	11,458
Total current liabilities	136,685	112,274	24,412
of which lease liabilities (IFRS 16)	5,721	3,511	2,210

The operating cash flow by operating segment is as follows:

(in thousands of €)	**H1 2021 (6 months)**	**Asset Management activity**	**Investment activity**
Operating cash flow	(220,174)	20,958	(241,131)

(in thousands of €)	**H1 2020 (6 months)**	**Asset Management activity**	**Investment activity**
Operating cash flow	(450,389)	10,178	(460,568)

Note 6 Tangible and intangible assets

This item breaks down as follows:

(in thousands of €)	31 Dec. 2020	Change in scope	Other increases	Decreases	Foreign currency translation effect	30 June 2021
Goodwill	422,465	7,447	-	(13,621)	1,602	417,893
Management contracts	97,909	-	-	(165)	-	97,744
Brands	14,962	-	-	-	-	14,962
Other intangible assets	2,795	-	998	(663)	-	3,130
Total intangible fixed assets	**538,131**	**7,447**	**998**	**(14,449)**	**1,602**	**533,729**
Total tangible fixed assets	**41,927**	**2**	**1,236**	**(4,594)**	**407**	**38,978**
of which right-of-use assets(1)	**28,118**	**-**	**-**	**(3,352)**	**359**	**25,125**
TOTAL TANGIBLE AND INTANGIBLE FIXED ASSETS	**580,058**	**7,448**	**2,234**	**(19,043)**	**2,009**	**572,707**

(1) See Note 26 "IFRS 16 Leases".

(i) Goodwill

Goodwill amounted to €417.9 million as at 30 June 2021 compared to €422.5 million as at 31 December 2020. This change is notably due to an adjustment on the earn-out clause related to the acquisition in 2020 of Star America Infrastructure Partners of -€13.6 million and a foreign currency translation effect on the goodwill of €1.5 million. In addition the change is also due to the acquisition of FPE Investment Advisors (Singapore) Pte. Ltd with the recognition of a provisional goodwill of €7.4 million on the acquisition date and a foreign currency translation effect on the latter of €0.1 million.

The breakdown of goodwill, allocated to the Asset Management CGU is given below:

(in thousands of €)	31 June 2021	31 Dec. 2020
Tikehau Investment Management	286,214	286,214
Tikehau Capital Europe	11,415	11,415
Credit.fr	10,946	10,946
IREIT Global Group	9,895	9,895
Sofidy	34,384	34,384
Ace Capital Partners	6,130	6,130
Homunity	12,130	12,130
Star America Infrastructure Partners	39,209	51,352
FPE Investment Advisors	7,571	-
GOODWILL	**417,894**	**422,465**

(ii) Management contracts

The net value of management contracts totalled €97.8 million as at 30 June 2021 compared to €97.9 million as at 31 December 2020. They correspond, as part of the goodwill allocation of Sofidy and ACE Capital Partners, to the valuation of contracts between the asset management companies to the funds they managed. These represented €95.9 million for Sofidy as at 30 June 2021 (€95.9 million as at 31 December 2020) and €1.8 million for Ace Capital Partners as at 30 June 2021 (€2.0 million as at 31 December 2020).

Sofidy's management contracts are considered as indefinite-life assets and are not subject to amortisation. The Ace Capital Partner's management contracts are finite-life assets and are therefore subject to amortisation based on the remaining lifespan from the acquisition date (the amortisation period ranges between 2 and 9 years depending on the management contract).

(iii) Brand

The brand totalled €15.0 million as at 30 June 2021 (€15.0 million as at 31 December 2020). It comprises the Tikehau Capital brand which has been recognised at €10.7 million (€10.7 million as at 31 December 2020), the Sofidy brand for an amount of €2.2 million (€2.2 million as at 31 December 2020), the

Immorente brand (Sofidy fund) for an amount of €1.4 million (€1.4 million as at 31 December 2020), the Efimmo brand (Sofidy fund) for an amount of €0.5 million (€0.5 million as at 31 December 2020), and the ACE Management brand for an amount of €0.2 million (€0.2 million as at 31 December 2020).

(iv) Impairment tests

As at 30 June 2021, in the absence of impairment indicators on the goodwill and the brand, no impairment testing was carried out. The Group's commercial momentum in the Asset Management CGU remained good despite the difficult environment. The Group has confirmed its objectives for 2022.

(v) IT developments

Other intangible assets consist of the capitalisation of IT development costs totalling €0.7 million as at 30 June 2021 (€1.3 million as at 31 December 2020) for IT tools used by the Company and its subsidiaries, as well as by Tikehau Capital Advisors.

Note 7 Non-current investment portfolio

Changes in the non-current investment portfolio are as follows:

(in thousands of €)	Portfolio	Level 1	Level 2	Level 3	Non-consolidated(1)
Fair value as at 31 December 2020	**2,203,631**	**680,449**	**8,827**	**1,513,571**	**783**
Acquisition of securities	343,733	41,467	-	302,265	-
Disposals and repayments	(58,217)	(3,654)	(7)	(54,551)	(5)
Changes in receivables	2,026	-	2,330	6	(310)
Change in fair value	164,565	107,287	(102)	57,375	4
Change in scope	257	-	-	257	-
FAIR VALUE AS AT 30 JUNE 2021	**2,655,994**	**825,550**	**11,048**	**1,818,923**	**472**

(1) Non-consolidated securities are Level 3 securities.

The change in Level 1 securities notably comprises the acquisition of securities of the SPAC Pegasus Acquisition Company Europe (€25.0 million), Selectirente (€10.0 million), the SPAC DEE Tech (€5,0 million) and IREIT Global (€1.9 million). It also includes the disposal of Serge Ferrari shares (-€2.2 million) and IREIT Global shares (-€1.4 million).

The change in Level 2 securities corresponds in particular to the Group's investment in Bellerophon Financial Sponsor which is the sponsor of the SPAC Pegasus Acquisition Company Europe.

The change in Level 3 securities mainly includes investments in funds managed by the Group (€248.7 million) and in securities (€53.5 million). It also includes divestments and redemptions in funds managed by the Group (-€29.7 million) and in securities (-€24.8 million).

The changes in fair value recorded in during the first half of 2021 correspond to changes in the share price for Level 1 securities and the valuations used at 30 June 2021 for Level 3 securities (including in particular the effects of the economic crisis related to the Covid-19 pandemic).

The presentation of the acquisitions of securities in the non-current portfolio in the cash flow statement differs from the balance sheet presentation. The table below presents the reconciliation between the two aggregates:

Acquisition of securities – change in balance sheet	**343,733**
Change in accrued interests on portfolio assets	(7,380)
Changes in receivables related to portfolio assets	2,306
ACQUISITION OF INVESTMENT PORTFOLIO – STATEMENT OF CASH FLOWS	**338,659**

The acquisition value of the non-current portfolio is as follows:

(in thousands of €)	30 June 2021	31 December 2020
Historical value of the non-current portfolio	2,202,019	1,929,367
Value of related receivables	11,627	9,669

Outstanding commitments in the non-current investment portfolio are as follows and shown under off-balance sheet commitments (see Note 27 "Contingent liabilities and contingent assets"):

(in thousands of €)	**30 June 2021**	**31 December 2020**
Commitments on the non-current investment portfolio	1,088,495	1,115,210

Note 8 Investments in equity affiliates

This item breaks down as follows:

(in thousands of €)	**30 June 2021**	**31 December 2020**
Letus Private Office	517	380
Duke Street	5,010	5,523
Ring	525	556
Neocredit.ch	652	1,039
INVESTMENTS IN EQUITY AFFILIATES	**6,704**	**7,499**

The Group's share of net result from equity affiliates is broken down as follows:

(in thousands of €)	**30 June 2021**	**30 June 2020**
Letus Private Office	139	134
Duke Street	-	(255)
Ring	(31)	58
Neocredit.ch	(372)	(320)
SHARE OF NET RESULT IN EQUITY AFFILIATES	**(264)**	**(384)**

Note 9 Client receivables, other receivables and financial assets/Trade and other payables

This item breaks down as follows:

(in thousands of €)	**30 June 2021**	**31 December 2020**
Client receivables and related accounts	**70,585**	**64,844**
Financial assets	6,826	4,464
Other receivables	31,585	20,402
TOTAL OTHER RECEIVABLES AND FINANCIAL ASSETS	**38,411**	**24,866**

The item of "Other receivables" breaks down as follows:

(in thousands of €)	**30 June 2021**	**31 December 2020**
Corporate tax receivables (1)	3,990	4,328
Other receivables	27,595	16,073
TOTAL OTHER RECEIVABLES	**31,585**	**20,402**

(1) See Note 14 "Tax"

Financial assets are made up of revenues from the investment activities recorded in profit and loss accounts but not yet collected.

Client receivables and other receivables are not subject to any provision for non-recovery as of 30 June 2021.

(in thousands of €)	**30 June 2021**	**31 December 2020**
Trade payables and related accounts	**29,420**	**46,551**
Corporate tax payables[1]	7,419	3,326
Other tax and social security payables	37,220	41,682
Tax and social security payables	**44,639**	**45,008**
Portfolio financial liabilities	19,813	26,635
Other liabilities	17,821	17,443
TOTAL OTHER LIABILITIES	**37,634**	**44,078**

(1) See Note 14 "Tax"

Note 10 Current investment portfolio

Changes in the current investment portfolio are as follows:

(in thousands of €)	**Portfolio**	**Level 1**	**Level 2**	**Level 3**
Fair value as at 31 December 2020	**303,966**	**303,966**	**-**	**-**
Acquisition of securities	20,494	20,494	-	-
Disposals and repayments[1]	(114,121)	(114,121)	-	-
Changes in fair value	12,123	12,123	-	-
FAIR VALUE AS AT 30 JUNE 2021	**222,462**	**222,462**	**-**	**-**

(1) Including the repayment to the Group of the initial margin deposit and margin calls related to the derivative portfolio

Depending on available cash, the timing of its investments and market conditions, the Group may make more tactical investments by building a portfolio of shorter-term holdings consisting of equities and bonds or fund units, as well as invest in financial assets relating to the derivatives portfolio (such as initial margin deposits and margin calls).

The current investment portfolio breaks down as follows:

(in thousands of €)	**30 June 2021**	**31 December 2020**
Tactical current investment portfolio	222,462	206,232
Initial margin deposit and margin calls (derivatives portfolio)	-	97,734
TOTAL	**222,462**	**303,966**

During the month of February and March 2021, Tikehau Capital proceeded with the disposal of all contracts related to purchase / sale operations on derivative instruments positions taken as part of its risk management policy. The initial margin deposit and margin calls was returned to the Group and took into account the related losses booked for an amount of -€71.9 million (including related fees and expenses).

The acquisition value of the tactical current portfolio is as follows:

(in thousands of €)	**30 June 2021**	**31 December 2020**
Historical value of the tactical current portfolio	195,443	193,158

Note 11 Cash and cash equivalents, cash management financial assets

This item breaks down as follows:

(in thousands of €)	**30 June 2021**	**31 December 2020**
Cash equivalents	360,031	309,001
Cash	508,940	362,051
Cash and cash equivalents	**868,971**	**671,052**
Cash management financial assets	68,349	76,203
CASH AND CASH EQUIVALENTS, CASH MANAGEMENT FINANCIAL ASSETS	**937,320**	**747,255**

Cash equivalents consist primarily of marketable securities, and cash management financial assets comprises term deposits of more than three months.

Note 12 Number of shares, share capital and dividends

Number of shares	30 June 2021	31 December 2020
Existing shares at the beginning of the period	136,193,044	136,673,408
Shares issued during the period	116,460	454,356
Shares cancelled during the period	-	(934,720)
EXISTING SHARES AT THE END OF THE PERIOD	**136,309,504**	**136,193,044**

The number of shares after dilution is as follows:

	30 June 2021	31 December 2020
Potential number of shares to be issued in the event of full exercise of equity warrants (BSA)	1,445,190	1,416,558
Potential number of shares to be issued in remuneration for free shares currently vesting	2,010,938	992,258
Weighted average number of shares after dilution(1)	**139,238,489**	**139,428,469**
Shares after dilution at the end of the period	**139,765 632**	**138,601,860**
Of which own shares	2,962,823	2,617,946

(1) The calculation of the weighted number of shares after dilution takes into account the effective dates for the different operations that impact the number of shares.

Share capital ***(in €)***	30 June 2021	31 December 2020
Par value at end of period	12	12
Share capital	1,635,714,048	1,634,316,528

Cash distribution and/or dividend per share paid on the following financial years came to:

(in €)	31 December 2020	31 December 2019	31 December 2018
Cash distribution and/or dividend per Tikehau Capital share	0.50	0.50	0.25

Note 13 Borrowings and financial debt

(in thousands of €)	30 June 2021	31 December 2020
Bonds	**1,300,000**	**800,000**
Bank loans (including accrued interests)	217,411	205,502
Bank overdrafts	-	-
Amortisation of issuance costs on borrowings	(11,366)	(6,963)
Borrowings and debt from credit institutions	**206,045**	**198,539**
TOTAL	**1,506,045**	**998,539**
Of which current liabilities	12,433	1,048
Of which non-current liabilities	1,493,612	997,491

Bank loans are subject to interest rate hedging, which is detailed in Note 25(a) “Exposure to risks arising from bank loans”.

Changes in borrowings and financial debt are as follows:

(in thousands of €)	Total	Bonds	Bank loans	Accrued interests	Issuance costs on borrowings	Others
Debt as at 31 December 2020	**998,539**	**800,000**	**202,057**	**3,445**	**(6,963)**	**-**
Change in scope	-	-	-	-	-	-
Loans subscribed	500,000	500,000	-	-	-	-
Loans reimbursed	(185)	-	(185)	-	-	-
Others	7,691	-	-	12,094	(4,403)	-
DEBT AS AT 30 JUNE 2021	**1,506,045**	**1,300,000**	**201,872**	**15,539**	**(11,366)**	**-**

The presentation of the change in borrowings and financial liabilities in the cash flow statement differs from the balance sheet presentation. The table below shows the details included in the "Borrowings" line in the cash flow statement:

Borrowings and financial debt - Cash flow statement	
Loans subscribed	500,000
Loans reimbursed	(185)
Financial expenses disbursed	(22,154)
TOTAL	**477,661**

Borrowings and financial debt can be broken down into the following maturities:

(in thousands of €)	Due within one year	Due in one to five years	Due in more than five years	Total
Situation as at 30 June 2021				
Variable-rate bank loans	124	201,254	494	201,872
Amortisation of issuance costs on borrowings	(3,230)	(5,889)	(2,247)	(11,366)
Fixed-rate bond borrowings	-	300,000	1,000,000	1,300,000
Accrued interests	15,539	-	-	15,539
TOTAL	**12,433**	**495,365**	**998,247**	**1,506,045**
Of which current liabilities	12,433	-	-	12,433
Of which non-current liabilities	-	495,365	998,247	1,493,612

(in thousands of €)	Due within one year	Due in one to five years	Due in more than five years	Total
Situation as at 31 December 2020				
Variable-rate bank loans	142	201,143	772	202,057
Amortisation of issuance costs on borrowings	(2,539)	(3,921)	(503)	(6,963)
Fixed-rate bond borrowings	-	300,000	500,000	800,000
Accrued interests	3,445	-	-	3,445
Bank overdrafts	-	-	-	-
TOTAL	**1,048**	**497,222**	**500,269**	**998,539**
Of which current liabilities	1,048	-	-	1,048
Of which non-current liabilities	-	497,222	500,269	997,491

Information on covenants

Syndicated loan signed on 23 November 2017 – €1 billion

The syndicated credit agreement entered into on 23 November 2017 ("the Syndicated Credit Agreement") had an initial maturity of five years and consists of two tranches: an A tranche of €500 million, in the form of a loan repayable over time, and a B tranche of €500 million in the form of a revolving credit facility.

The drawdowns are made in euros and bear interest at a rate equal to the sum (i) of a base rate determined by reference to Euribor (with a floor set at zero) and (ii) a margin that is revised half-yearly based on a Loan To Value ratio (as defined below). The Syndicated Credit Agreement provides for a non-utilisation fee equal to 35% of the above-mentioned margin applied to the undrawn portion.

Following two drawdowns of €250 million each on 28 December 2017 and 14 December 2018, all of the maximum amount committed under Tranche A of the Syndicated Credit Agreement had now been drawn.

The early repayment of €300 million on 29 November 2019 reduced the A tranche outstanding to €200 million all of which was drawn. The B tranche remains unchanged.

At the same time as the repayment, the lending banks unanimously agreed to extend the maturity of the Syndicated Credit Agreement (A and B tranches) from November 2022 to November 2024. The remaining A tranche will now be repaid in full at the final maturity.

The whole of the B tranche will be available until the maturity date, 25 November 2024, and can be drawn until one month before this date. No security has been furnished as guarantee for the Syndicated Credit Agreement.

For the duration of the contract, Tikehau Capital undertakes to respect the financial ratios:

- Tikehau Capital's Loan-to-Value ratio, tested semi-annually, must be less than or equal to 47.5% corresponding to the ratio between (i) the amount of the consolidated financial debt less the amount of consolidated cash and cash equivalents[13] and (ii) the consolidated[14] assets less the amount of consolidated cash and cash equivalents;
- Tikehau Capital's Minimum Liquidity ratio, tested semi-annually, must at any time be greater than or equal to €150 million, corresponding to the sum of consolidated cash and cash equivalents;
- limiting the Company's secured debt to 12.5% of total consolidated assets;
- limiting unsecured debt at the level of the Company's subsidiaries to 12.5% of total consolidated assets.

These financial commitments became applicable upon the signing of the Syndicated Credit Agreement, the Loan-to-Value ratio, the limitation of the Company's secured debt and the limitation of the unsecured debt at the level of the Company's subsidiaries. All of these financial commitments were met as at 30 June 2021.

Bond issuance of 27 November 2017 – €300 million

Until the maturity of the bond on 27 November 2023, Tikehau Capital undertakes to respect the following financial commitment:

- The value of the uncollateralised assets must not be less than the secured debt.

13 *Consolidated cash and cash equivalents correspond to the sum of (i) cash and cash equivalents, (ii) cash management financial assets, and (iii) the current investment portfolio.*

14 *Consolidated assets are the sum of (i) total non-current assets (excluding deferred tax assets and other non-current assets) and (ii) consolidated cash and cash equivalents.*

Note 14 Tax

(i) Tax in profit and loss accounts and tax proof

Tax breaks down as follows:

Income / Expense *(in thousands of €)*	**H1 2021 (6 months)**	**H1 2020 (6 months)**
Deferred tax	(12,478)	41,646
Current tax	(7,284)	(271)
TOTAL	**(19,761)**	**41,375**
Net result of consolidated companies	152,831	(240,883)
Result before tax	172,592	(282,258)
Application of the normal theoretical tax rate of 27.50% (31.77% for 2020)	(47,464)	89,673

In 2021 and 2020, deferred tax concerned mainly French fiscal entities.

In 2021, current tax concerned mainly UK fiscal entities for -€7.4 million. In 2020, current tax concerned mainly UK fiscal entities for -€2.2 million.

The reconciliation between the theoretical tax situation and the actual tax breaks down as follows:

Income / Expense *(in thousands of €)*	**H1 2021 (6 months)**	**H1 2020 (6 months)**
Theoretical tax	**(47,464)**	**89,673**
Deferred tax savings at reduced rate (unrealised portfolio gains or losses)	26,735	(25,072)
Current tax savings at reduced rate (realised portfolio gains or losses)	4,216	1,760
Non-activated tax losses	(7,933)	(1,675)
Result from equity method companies	(16)	28
Tax rate differential of foreign subsidiaries	5,076	748
Expected impact of lower tax rates	402	(11,925)
Tax credit	26	458
Impairment of deferred tax assets on tax losses	-	(11,849)
Others (1)	(803)	(771)
ACTUAL TAX	**(19,761)**	**41,375**

(1) In 2021, these other items consist mainly of the non-deductible expense related to IFRS 2 for €0.9 million. In the first semester of 2020, these other items mainly comprised the effect of the fiscal integration for €0.4 million.

(ii) Tax on the balance sheet

Changes in deferred taxes are broken down as follows:

Tax assets (+) or Tax liabilities (-) *(in thousands of €)*	**31 Dec. 2020**	**Increase**	**Decreases and Reversal**	**Others**	**30 June 2021**
Tax losses that may be carried over	76,044	-	-	-	76,044
Evaluation of financial instruments	117	-	(117)	-	-
Other deferred tax assets	6,446	4,667	-	-	11,113
Total deferred tax assets	**82,607**	**4,667**	**(117)**	**-**	**87,157**
Fair value of the portfolio	(26,161)	(16,919)	-	-	(43,080)
Goodwill allocation	(25,560)	-	235	-	(25,325)
Evaluation of financial instruments	-	(1,248)			(1,248)
Other deferred tax liabilities	(2,979)	-	904	(6)	(2,081)
Total deferred tax liabilities	**(54,700)**	**(18,167)**	**1,139**	**(6)**	**(71,734)**
TOTAL NET DEFERRED TAX	**27,907**	**(13,500)**	**1,022**	**(6)**	**15,423**

Deferred taxes related to tax losses that may be carried over are detailed below:

(in thousands of €)	**30 June 2021**	**31 December 2020**
Stock of tax loss carried forward at local normal rate - Not activated	**110,176**	**82,862**
Stock of tax loss carried forward at local normal rate - Activated	**302,120**	**302,120**
Deferred tax assets on tax losses carried forward at normal rate	76,044	76,044

(in thousands of €)	**30 June 2021**	**31 December 2020**
Stock of tax loss carried forward at local reduced rate - Not activated	**27,231**	**27,231**
Stock of tax loss carried forward at local reduced rate - Activated	**-**	**-**
Deferred tax assets on tax losses carried forward at reduced rate	-	-

The recoverability of tax losses will depend on Tikehau Capital Group's ability to achieve the targets in the medium-term tax plan (determined on a basis of a 4 years to 7 years forecasts) prepared by the Management and based on assumptions about the market and investment management. An unfavourable change in asset under management of circa 10% or a lower performance of the Investment activity segment have no material impact on the horizon of reversal of deferred tax asset on tax losses carried forward.

Changes in taxes on the balance sheet are as follows:

(in thousands of €)	**Tax assets (+) or Tax liabilities (-)**	**Of which deferred tax**	**Of which current tax**
Situation as at 31 December 2020	**28,908**	**27,906**	**1,002**
Current tax	(1,569)	-	(1,569)
Deferred tax	(12,478)	(12,478)	-
Change in currency rates	(10)	(4)	(6)
Tax Disbursement/Receipts	-	-	(2,858)
SITUATION AS AT 30 JUNE 2021	**11,994**	**15,423**	**(3,430)**

Note 15 Non-current financial derivatives

Non-current financial derivatives are exclusively composed of interest-rate swaps arranged to manage interest-rate risks on bank debt (see Note 25(a) "Exposure to risks arising from bank loans").

(in thousands of €)	**30 June 2021**	**31 December 2020**
Non-current financial derivative assets	4,536	-

(in thousands of €)	**30 June 2021**	**31 December 2020**
Non-current financial derivative liabilities	-	467

Note 16 Share-based payment (IFRS 2)

IFRS 2 "Share-based payment" requires valuation of share-based payment transactions and similar in the Company's income statement and balance sheet. This standard applies to transactions carried out with employees, and more precisely:

- to equity-settled share-based payment transactions;
- to cash-settled share-based payment transactions.

Tikehau Capital free share and performance share plans

Share-based payment plans concern only shares of Tikehau Capital.

These free share and performance share plans include a vesting period ranging from two to seven years depending on the plan. The advantage granted to employees is measured as the value of the share acquired as indicated in the plan.

The impact is recorded in payroll expenses and offset by an increase in “Consolidated reserves - Group share”. These expenses are based on the number of shares currently vesting on the closing date to which a standard staff turnover rate is applied as well as the impact of not achieving a performance index.

No amendments have been made to the share-based payment plans indicated in the 2020 Universal Registration Document (also presented in the section 8.3.2.2 “Free share and performance share plans” of the 2020 Universal Registration Document).

The new share-based payment plans granted during the first half of 2021 implemented at the level of Tikehau Capital are as follows:

Characteristics of the 2021 Free Share Plan (“2021 FSA Plan”)

Maximum number of shares granted: 251,808 shares

Grant date: 24 March 2021

Unit value of the share on the grant date: €22.14 corresponding to the share price on 24 March 2021 (€24.60) to which a 10% discount was applied to take into account the absence of dividend rights over the vesting period.

Vesting date:

- for 50% of the granted shares, after a period of 2 years, i.e. on 24 March 2023;
- for 50% of the granted shares, after a period of 3 years, i.e. on 24 March 2024.

The vesting of the shares granted under the 2021 FSA Plan is subject to the beneficiary retaining the status of employee within the Company or its related companies or groupings (“presence condition”), and is not subject to the fulfilment of any performance condition.

The shares granted under the 2021 FSA Plan are not subject to any retention period.

2021 TIM Performance Share Plan (“2021 TIM Performance Share Plan”)

Maximum number of shares granted: 812,741 shares

Grant date: 24 March 2021

Unit value of the share on the grant date: €21.16 corresponding to the share price on 24 March 2021 (€24.60) to which a 14% discount was applied to take into account the absence of dividend rights over the vesting period.

Vesting date:

The vesting of shares granted under the 2021 TIM Performance Share Plan will take place as follows:

- for 1/4 of the granted shares, after a period of 2 years, i.e. on 24 March 2023;
- for 1/4 of the granted shares, after a period of 3 years, i.e. on 24 March 2024;
- for 1/4 of the granted shares, after a period of 4 years, i.e. on 24 March 2025;
- for the remaining granted shares, after a period of 5 years, i.e. on 24 March 2026.

The vesting of the shares granted under the 2021 TIM Performance Share, as well as the number of vested shares granted definitively to each beneficiary at the end of the vesting period, will be subject to a performance condition determined using an index representing the performance of the various business lines of the asset management company Tikehau IM.

The vesting of the granted shares on each vesting date will be subject to the absence of misbehaviour or serious error relating to the applicable regulations as well as the policies and internal procedures applicable in terms of compliance, risk management and environmental, social and governance criteria (“ESG”) during the given vesting period.

The shares granted under the 2021 TIM Performance Share Plan are not subject to any retention period.

2021 Sofidy Performance Share Plan ("2021 Sofidy Performance Share Plan")

Maximum number of shares granted: 41,553 shares

Grant date: 24 March 2021

Unit value of the share on the grant date: €21.16 corresponding to the share price on 24 March 2021 (€24.60) to which a 14% discount was applied to take into account the absence of dividend rights over the vesting period.

Vesting date:

The vesting of shares granted under the 2021 Sofidy Performance Share Plan will take place as follows:

- for 1/4 of the granted shares, after a period of 2 years, i.e. on 24 March 2023;
- for 1/4 of the granted shares, after a period of 3 years, i.e. on 24 March 2024;
- for 1/4 of the granted shares, after a period of 4 years, i.e. on 24 March 2025;
- for the remaining granted shares, after a period of 5 years, i.e. on 24 March 2026.

The vesting of the shares granted under the 2021 Sofidy Performance Share, as well as the number of vested shares granted definitively to each beneficiary at the end of the vesting period, will be subject to a performance condition determined using an index representing the performance of strategies of the asset management company Sofidy.

The vesting of the granted shares on each vesting date will be subject to the absence of misbehaviour or serious error relating to the applicable regulations as well as the policies and internal procedures applicable in terms of compliance, risk management and ESG criteria during the given vesting period.

The shares granted under the 2021 Sofidy Performance Share Plan are not subject to any retention period.

2021 Ace Performance Share Plan ("2021 Ace Performance Share Plan")

Maximum number of shares granted: 57,442 shares

Grant date: 24 March 2021

Unit value of the share on the grant date: €21.16 corresponding to the share price on 24 March 2021 (€24.60) to which a 14% discount was applied to take into account the absence of dividend rights over the vesting period.

Vesting date:

The vesting of shares granted under the 2021 Ace Performance Share Plan will take place as follows:

- for 1/4 of the granted shares, after a period of 2 years, i.e. on 24 March 2023;
- for 1/4 of the granted shares, after a period of 3 years, i.e. on 24 March 2024;
- for 1/4 of the granted shares, after a period of 4 years, i.e. on 24 March 2025;
- for the remaining granted shares, after a period of 5 years, i.e. on 24 March 2026.

The vesting of the shares granted under the 2021 Ace Performance Share, as well as the number of vested shares granted definitively to each beneficiary at the end of the vesting period, will be subject to a performance condition determined using an index representative of the performance of the fund families of Ace Capital Partners.

The vesting of the granted shares on each vesting date will be subject to the absence of misbehaviour or serious error relating to the applicable regulations as well as the policies and internal procedures applicable in terms of compliance, risk management and ESG criteria during the given vesting period.

The shares granted under the 2021 Ace Performance Share Plan are not subject to any retention period.

The table below presents a summary of the Tikehau Capital plans being acquired during the first half of 2021:

	2018 Free Share Plan (“2018 Credit.fr Plan”)	2019 Free Share Plan (“2019 FSA Plan”)	2019 Performance Share Plan ("2019 Performance Share Plan")	2019 AIFM/UCITS Plan
Grant date	04/07/2018	18/02/2019	18/02/2019	18/02/2019
Maximum number of shares granted	26,180	134,669	108,816	30,825
Number of shares currently vesting as at 30/06/2021	8,840	58,760	43,039	10,275
Valuation on the grant date (in €)	636,174	2,545,244	2,056,622	582,593
Number of vested shares per period				
period ending 18/02/2021	-	59,797	36,113	20,550
period ending 04/07/2021	8,840	-	-	-
period ending 18/02/2022	-	58,760	43,039	10,275
period ending 10/03/2022	-	-	-	-
period ending 10/03/2023	-	-	-	-
period ending 24/03/2023	-	-	-	-
period ending 10/03/2024	-	-	-	-
period ending 24/03/2024	-	-	-	-
period ending 10/03/2025	-	-	-	-
period ending 24/03/2025	-	-	-	-
period ending 10/03/2026	-	-	-	-
period ending 24/03/2026	-	-	-	-
period ending 10/03/2027	-	-	-	-

	2020 Free Share Plan (“2020 FSA Plan”)	2020 Performance Share Plan ("2020 Performance Share Plan")	2020 AIFM/UCITS Sofidy Plan	2020 TIM 7-years Plan
Grant date	10/03/2020	10/03/2020	10/03/2020	10/03/2020
Maximum number of shares granted	223,774	78,603	9,956	383,629
Number of shares currently vesting as at 30/06/2021	205,572	63,759	9,956	378,149
Valuation on the grant date (in €)	4,209,189	1,478,522	187,272	7,112,983
Number of vested shares per period				
period ending 18/02/2021	-	-	-	-
period ending 04/07/2021	-	-	-	-
period ending 18/02/2022	-	-	-	-
period ending 10/03/2022	102,786	31,879	6,637	108,042
period ending 10/03/2023	102,786	31,880	3,319	54,021
period ending 24/03/2023	-	-	-	-
period ending 10/03/2024	-	-	-	54,021
period ending 24/03/2024	-	-	-	-
period ending 10/03/2025	-	-	-	54,021
period ending 24/03/2025	-	-	-	-
period ending 10/03/2026	-	-	-	54,021
period ending 24/03/2026	-	-	-	-
period ending 10/03/2027	-	-	-	54,023

	2020 Sofidy 7-years Plan	2020 ACE 7 year Plan	2021 Free Share Plan (“2021 FSA Plan”)	2021 TIM Performance Share Plan ("2021 TIM Performance Share Plan")
Grant date	10/03/2020	10/03/2020	24/03/2021	24/03/2021
Maximum number of shares granted	54,805	22,835	251,808	812,741
Number of shares currently vesting as at 30/06/2021	54,805	22,835	249,323	806,630
Valuation on the grant date (in €)	1,030,882	429,526	5,575,029	17,197,600
Number of vested shares per period				
period ending 18/02/2021	-	-	-	-
period ending 04/07/2021	-	-	-	-
period ending 18/02/2022	-	-	-	-
period ending 10/03/2022	15,658	6,524	-	-
period ending 10/03/2023	7,829	3,262	-	-
period ending 24/03/2023	-	-	124,661	201,657
period ending 10/03/2024	7,829	3,262	-	-
period ending 24/03/2024	-	-	124,662	201,657
period ending 10/03/2025	7,829	3,262	-	-
period ending 24/03/2025	-	-	-	201,657
period ending 10/03/2026	7,829	3,262	-	-
period ending 24/03/2026	-	-	-	201,659
period ending 10/03/2027	7,831	3,263	-	-

	2021 Sofidy Performance Share Plan ("2021 Sofidy Performance Share Plan")	2021 Ace Performance Share Plan ("2021 Ace Performance Share Plan")
Grant date	24/03/2021	24/03/2021
Maximum number of shares granted	41,553	57,442
Number of shares currently vesting as at 30/06/2021	41,553	57,442
Valuation on the grant date (in €)	879,261	1,215,473
Number of vested shares per period		
period ending 18/02/2021	-	-
period ending 04/07/2021	-	-
period ending 18/02/2022	-	-
period ending 10/03/2022	-	-
period ending 10/03/2023	-	-
period ending 24/03/2023	10,388	14,360
period ending 10/03/2024	-	-
period ending 24/03/2024	10,388	14,360
period ending 10/03/2025	-	-
period ending 24/03/2025	10,388	14,360
period ending 10/03/2026	-	-
period ending 24/03/2026	10,389	14,362
period ending 10/03/2027	-	-

Completion of vesting periods for Tikehau Capital plans during the first half of 2021

The 2019 free share plan, known as the "2019 FSA Plan", saw the vesting period of its first tranche representing 50% of the free shares granted on 18 February 2019 ended on 18 February 2021. The beneficiaries meeting the presence condition at the end of this vesting period were granted 59,797 shares under this plan. Tikehau Capital carried out a capital increase for an amount of approximately €0.7 million by capitalisation of the share premium and by the issuance of 59,797 new shares. IFRS 2 expenses related to this plan, concerning the vesting period of the first tranche, amount to approximately -€1.1 million.

The 2019 performance share plan, known as the "2019 Performance Share Plan", saw the vesting period of its first tranche representing 50% of the free shares granted on 18 February 2019 ended on 18 February 2021. At the end of this vesting period, beneficiaries meeting the presence condition were granted 25% of the shares initially granted subject only to the presence condition and 12.5% of the shares initially granted subject to the performance condition relating to the arithmetic average of the operating margins of the Group's asset management business as at 31 December 2019 and 31 December 2020 which was met. The performance condition relating to the cumulative net inflows achieved by the Group during the financial years 2019 and 2020 to which the definitive grant of 25% of the shares initially granted was subject was not met. The definitive number of free shares granted under the first tranche of this plan, at the end of the vesting period, was 36,113 shares. Tikehau Capital carried out a capital increase for an amount of approximately €0.4 million by capitalisation of the share premium and by the issuance of 36,113 new shares. IFRS 2 expenses related to this plan, concerning the vesting period of the first tranche, amount to approximately -€0.6 million.

The 2019 AIFM/UCITS performance share plan, known as the "2019 AIFM/UCITS Plan", saw the vesting period of its first tranche representing 2/3 of the free shares granted on 18 February 2019 ended on 18 February 2021. As the performance condition was met on both valuation dates, the first tranche "2019 AIFM/UCITS Plan" was definitively granted to beneficiaries meeting the condition of presence and did not committed any serious breach of the applicable regulations and internal rules and procedures relating to compliance and appropriate risk management during the relevant vesting period. The definitive number of free shares granted under the first tranche of this plan, at the end of the vesting period, was 20,550 shares. Tikehau Capital carried out a capital increase for an amount of approximately €0.2 million by capitalisation of the share premium and by the issuance of 20,550 new shares. IFRS 2 expenses related to the first tranche of this plan, concerning the whole vesting period, amount to approximately -€0.4 million.

Note 17 Non-controlling interests

Non-controlling interests can be broken down as follows:

- on the income statement:

(in thousands of €)	H1 2021 (6 months)	% of interest	H1 2020 (6 months)	% of interest
IREIT Global Group	139	50.0 %	(26)	50.0 %
Other companies	65		72	
TOTAL	**204**		**46**	

- in shareholders' equity:

(in thousands of €)	30 June 2021	% of interest	31 December 2020	% of interest
IREIT Global Group	5,850	50.0 %	6,112	50.0 %
Other companies	528		608	
TOTAL	**6,378**		**6,720**	

Note 18 Revenues from Asset Management activity

(in thousands of €)	H1 2021 (6 months)	H1 2020 (6 months)
Gross revenues from Asset Management activities	162,037	124,691
Retrocession of fees	(39,790)	(36,439)
TOTAL	**122,247**	**88,253**

Note 19 Change in fair value

(in thousands of €)	**H1 2021 (6 months)**	**H1 2020 (6 months)**
Non-current investment portfolio	165,730	(140,163)
Current investment portfolio	14,274	20,612
TOTAL	**180,004**	**(119,551)**

Note 20 Other portfolio revenues

(in thousands of €)	**H1 2021 (6 months)**	**H1 2020 (6 months)**
Dividends and other income from portfolio securities	45,242	26,580
Interests	13,512	13,360
Others	13,005	-
Other revenues from the non-current investment portfolio	**71,759**	**39,940**
Revenues from shares	450	2,056
Revenues from bonds	-	349
Other revenues from the current investment portfolio	**450**	**2,045**
TOTAL	**72,209**	**42,345**

Note 21 Derivative portfolio result

During 2021, Tikehau Capital purchased and sold European or US derivatives (futures and options) to cope with market fluctuations. As at 30 June 2021, these transactions resulted in a loss of -€71.9 million (-€165.3 million as at 30 June 2020).

During the month of February and March 2021, Tikehau Capital proceeded with the disposal of all contracts related to purchase / sale operations on derivative instruments positions taken as part of its risk management policy.

Exposure to market risks is detailed in Note 25 "Market risks".

Note 22 Operating expenses

(in thousands of €)	**H1 2021 (6 months)**	**H1 2020 (6 months)**
Purchases and external expenses	(16,056)	(12,029)
Other fees	(10,411)	(8,468)
Remuneration of the Manager	(27,783)	(35,294)
Purchases and external expenses	**(54,251)**	**(55,791)**
Personnel expenses	**(54,683)**	**(42,389)**
Taxes (other than income taxes)	(10,807)	(3,379)
Other net operating expenses	(1,001)	(6,724)
Other net operating expenses	**(11,808)**	**(10,103)**
TOTAL	**(120,742)**	**(108,282)**

Note 23 Net income on cash equivalents

(in thousands of €)	**H1 2021 (6 months)**	**H1 2020 (6 months)**
Change in fait value	-	(4)
Net gains/losses on marketable securities	280	604
Net gains/losses related to foreign exchange	1,726	(522)
Other revenues from marketable securities	-	-
TOTAL	**2,006**	**78**

Note 24 Financial expenses

(in thousands of €)	H1 2021 (6 months)	H1 2020 (6 months)
Expenses related to borrowings from credit institutions	(3,106)	(3,586)
Expenses related to lease liabilities	(389)	(453)
Expenses related to bonds	(12,718)	(10,543)
Expenses related to interest rate derivatives(1)	(11)	(1,642)
Change in fair value of interest rate derivatives(1)	5,003	(2,894)
Miscellaneous	208	(210)
TOTAL	**(11,013)**	**(19,328)**

(1) see Note 25 "Market risks".

In the first half of 2021, costs related to borrowings from credit institutions included the amortisation of issuance costs of loans repaid during the financial year for the amount of -€0.7 million (-€1.0 million in the first half of 2020).

Note 25 Market risks

The market risk exposure for Tikehau Capital is divided into two sub-sections:

- exposure of bank liabilities and to debt in foreign currency;
- exposure of the investment portfolio and to assets in foreign currency.

(a) Exposure to risks arising from bank loans

(i) Interest rate risk

As at 30 June 2021, Tikehau Capital was exposed to interest rate risk on its bank loans and related hedges for respective amounts of €201.9 million and €200.0 million, compared with respectively €202.0 million and €200.0 million as at 31 December 2020 (see note 13 "Borrowings and financial debt").

For the purpose of managing risks on its floating-rate exposure, Tikehau Capital has taken out interest-rate swaps with the following features at 30 June 2021:

(in millions of €)	Notional	Average fixed rate	Average maturity
As at 31 December 2020	200.0	0.01 %	10.0 years
AS AT 30 JUNE 2021	**200.0**	**0.01 %**	**9.5 YEARS**

(ii) Currency risk

As at 30 June 2021, the Group had no exposure to currency debt risk as its bank loans and bond issues had been taken out or issued in euros.

(b) Risk exposure of the investment portfolio

The risk exposure of the investment portfolio can be summarised as follows:

(in millions of €)	Currency risk	Listed equity markets	Unlisted equity markets	30 June 2021	31 December 2020
Tikehau Capital Funds (inc. Sofidy, Ace Capital Partners and Star America Infrastructure Partners)	√	√ Capital Markets Strategies	√	1,524.8	1,285.1
External funds & co-investments	√	n/a	√	258.6	226.5
Shares	√	√ Investment level 1 & 2	√ Investment level 3	1,039.4	849.0
Bonds	n/a	n/a	n/a	55.6	49.3
TOTAL				**2,878.5**	**2,409.9**

(i) Exposure to the risks arising from investment in the funds managed by the Group

- Capital Market Strategies: a change in the net asset value of the funds (€222.5 million as at 30 June 2021) of +/-10% would impact Tikehau Capital's exposure by €22.2 million;
- Private Debt and CLO: stress tests for interest rates are run on a quarterly basis. The test scenario is a +/-100 basis point shock to the risk-free rate curve.

  A change in interest rates of 100 basis points could impact Tikehau Capital's exposure by €11.4 million.
- Real Estate activities: stress tests are run on a quarterly basis. The stress scenario used is a price shock to unlisted Real Estate assets in each country: -32.9 % in France, -30.8 % in Italy, -31.2 % in Germany, -36.0 % in Belgium, -36.4 % in the Netherlands (economic shocks based on scenarios defined by the European Central Bank and the European Systemic Risk Board and used in the 2021 EU stress tests of commercial Real Estate assets, published on 29 January 2021).

  The impact on Tikehau Capital's exposure would be €381.1 million.

(ii) Exposure of investments in shares

Investments in shares or equity investments are classified according to the different levels (see note 5 "Determining fair value" of the annual consolidated financial statements of 2020):

(in millions of €)	**30 June 2021**	**31 December 2020**
Level 1(1)	825.5	680.4
Level 2	11.0	8.8
Level 3	202.8	159.7
TOTAL	**1,039.4**	**849.0**

(1) IREIT Global and Selectirente are classified as Level 1 Equity for analysis purposes, although they are Real Estate Investment Funds managed respectively by IREIT Global Group (subsidiary directly controlled by Tikehau Capital with 50.5% of the voting rights) and Sofidy (wholly-owned subsidiary of Tikehau Capital).

The portfolio of listed shares of Tikehau Capital is subject to continuous monitoring and daily assessment for the management of this risk.

Tikehau Capital may be affected by adverse changes in the market price of its publicly traded securities. A decline in the share price over a given period, especially at the end of the financial year, would be reflected in the financial statements as a fall in the net value of the portfolio and its shareholders' equity and could in particular affect the ability of the Group to pay dividends. Thus, a 10% decline in the fair value of listed shares as at 30 June 2021 would have resulted in an additional charge of -€82.6 million in the consolidated result before tax for 2021. A fall in the share price is also likely to impact the capital gain or loss on disposal realised at the time of any sales into the market by Tikehau Capital.

Furthermore, fluctuations in the equity markets may have an impact on the stock market comparable used as part of the multi-criteria valuation approach for non-listed equity securities. These fluctuations are likely to have a negative effect on the consolidated shareholders' equity and on the Group's result, without being able to establish an accurate correlation between the occurrence of these fluctuations and the valuation of said securities. As a result, sensitivity to this risk cannot be quantified. Finally, depending on the amount of credit that it has drawn down under certain financing agreements, and depending on the magnitude of any possible price decreases impacting assets used as collateral for such financing, Tikehau Capital may have to make temporary payments and/or contributions of liquid assets as collateral in order to support such financing agreements.

The Company performed a sensitivity test on the non-listed assets of its investment portfolio as at 30 June 2021 (fair value net of the related debt where applicable and excluding (i) non-listed bonds which are subject to a sensitivity test on interest rates and (ii) assets whose value is fixed because they are subject to a sale contract). The sensitivity test on non-listed shares was performed on the basis of the income or EBITDA multiples used to value the corresponding assets as at 30 June 2021 or, when a method other than valuation by multiples was used, by retaining an implicit multiple. Investment holdings or Real Estate assets are excluded from the analysis.

The sensitivity test thus covers 71.2% in value of investments in non-listed shares of its portfolio as at 30 June 2021. The sensitivity to a change of +/-10% in the income or EBITDA multiples of non-listed companies amounts to €21.6 million.

(iii) Exposure of investments in bonds

Investments in bonds are classified according to the different levels (see note 5 “Determining fair value” of the annual consolidated financial statements of 2020):

(in millions of €)	**30 June 2021**	**31 December 2020**
Level 1	0.1	0.2
Level 2	-	-
Level 3	55.5	49.1
TOTAL	**55.6**	**49.3**

The bonds in which Tikehau Capital has invested are issued at a fixed rate. The instantaneous variation of plus (or minus) 100 bps in rates would have resulted in a change in the value of the portfolio of minus (or plus) €1.8 million, given the average duration recorded on this portfolio (3.2 years).

(iv) Exposure of investments in external funds and co-investments

Most assets underlying the invested funds are in non-cyclical sectors. This reduces the likelihood of variations in returns. The risk of variations in returns is default risk and forecast-related risk.

(in millions of €)	**30 June 2021**	**31 December 2020**
Fair value	258.6	226.5
Number of funds	75	78
Average line of investment	3.4	2.9
Share of investments >€5m (in %)	79%	73%

The table below details the unobservable inputs used for the main Level 3 external investment funds:

Investment funds	**Valuation method**	**Unobservable data**	**Range**	**Fair value *(in millions of €)***
RADIOLOGY PARTNERS	Comparable listed companies	Multiple EBITDA	[8.5x – 40.8x]	65.8
UNIVISION	Recent acquisition price	n.a.	n.a.	25.0
RING CAPITAL	Comparable unlisted companies	Revenue multiple	[2.0x-5.0x]	25.0
JEFFERSON	Comparable listed companies	Multiple EBITDA P/E Multiple Discount rate	9.5x 7.8x 10%	17.7
VOYAGE CARE	Comparableontr listed companies (33%) Comparable transactions (67%)	Multiple EBITDA Multiple EBITDA Discount rate	10,5x 11.9x 15%	13.3
BNPP AGILITY FUND	Acquisition multiple Comparable transactions Comparable listed companies GPs net asset value	Multiple EBITDA	[5.9x-16.0x]	10.5
MIDOCEAN V	Comparable listed companies (Services) Comparable listed companies (Consumer industry) Option pricing model	Multiple EBITDA Multiple EBITDA Revenue multiple Industry volatility	[7.8x – 12.0x] 12.0x 1.0x 17.4%	7.9
NUVEEN CHURCHILL	Recent acquisition price	n.a.	n.a.	7.8
CRESCENT LILY	Spot price stock market price	N/A	N/A	7.5
JC FLOWER IV	Comparable listed companies	Multiple EBITDA P/E Multiple Net book value Goodwill/AUM Multiple net asset value Multiple excess capital Discount rate	[9.5x – 19.0x] [7.8x – 9.4x] [0.35x – 1.7x] 1.5x 0.35x [0.55x – 0.8x] [10.0% - 20.0%]	6.7
STONE POINT CAPITAL	Recent acquisition price Discounted cash flow method Comparable transactions Comparable listed companies	n.a. EBITDA Multiple Discount rate	n.a. [13.2x – 13.7x] [6.0% - 10.7%]	5.3
LES 2 MARMOTTES	Recent acquisition price	n.a.	n.a.	5.1
TOTAL INVESTMENT FUNDS > €5M				**204.0**

(c) Exposure to market risk on the derivatives portfolio

During the month of February and March 2021, Tikehau Capital proceeded with the disposal of all contracts related to purchase / sale operations on derivative instruments positions taken as part of its risk management policy. Those contracts were open on 31 December 2020.

Such operation reflects a realised loss of -€88.9 million, which represents an additional loss of -€71.5 million compared to the unrealised loss of -€17.4 million already booked in the financial statements at 31 December 2020.

(d) Exposure to currency risk

Tikehau Capital's exposure to currency risk relates to its investments in foreign currencies. As at 30 June 2021, Tikehau Capital had an exposure to currency risk on the pound sterling, the US dollar, the Singapore dollar and the Canadian dollar, as well as the Australian dollar, the Polish zloty, the Swiss franc, South Korean won and Japanese yen to a lesser extent. Tikehau Capital had no currency hedging as at 30 June 2021.

Exposure to currency risk increased by €159.5 million between 31 December 2020 and 30 June 2021.

The table below shows the impact in profit and loss accounts of a +/-10% change in these currencies against the euro and on the basis of the consolidated financial statements as at 30 June 2021 and 31 December 2020:

(in millions of €)	**Appreciation of 10% in the euro against the currency**	**Depreciation of 10% in the euro against the currency**
As at 30 June 2021		
Pound sterling	-17.0	+20.7
US dollar	-39.4	+48.1
Singapore dollar	-11.0	+13.5
Australian dollar	-2.0	+2.4
Canadian dollar	-0.0	+0.0
Polish zloty	-0.0	+0.0
Swiss franc	-0.0	+0.0
South Korean won	-0.0	+0.0
Japanese yen	-0.1	+0.1

(in millions of €)	**Appreciation of 10% in the euro against the currency**	**Depreciation of 10% in the euro against the currency**
As at 31 December 2020		
Pound sterling	-15.5	+19.0
US dollar	-26.9	+32.9
Singapore dollar	-10.7	+13.1
Canadian dollar	-1.7	+2.1
Australian dollar	-0.0	+0.0
Polish zloty	-0.0	+0.0
Swiss franc	-0.0	+0.0
South Korean won	-0.0	+0.0
Japanese yen	-0.1	+0.1

(e) Exposure to counterparty risk

To manage its counterparty risk related to cash and marketable securities, Tikehau Capital only works with banks selected in view of their credit rating and has recourse to investments whose horizon is suited to its projected needs. Cash investments are reviewed on a weekly basis particularly in terms of credit risk. The selection of investment vehicles and counterparties and the volatility of the instruments are also subject to regular review. It is based on prudential rules ensuring the diversification of custodians and account keepers as well as the variety of vehicles and risk/return profiles. In the first semester of 2021, Tikehau Capital was not exposed to any counterparty default.

(f) Exposure to liquidity risk

Tikehau Capital manages its liquidity risk by maintaining a level of available cash and liquid investments (the current portfolio) that is sufficient for covering its current debts.

As at 30 June 2021, the Group's cash and cash equivalents were approximately €869 million and its cash management financial assets were valued at around €68 million, compared to approximately €671 million and €76 million respectively as at 31 December 2020 (see note 11 "Cash and cash equivalents, cash management financial assets").

Note 26 IFRS 16 "Leases"

(a) Leases where the Group is a lessee

The Group leases mainly real estate assets. As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. In accordance with IFRS 16, the Group records a "right-of-use" asset and a lease liability for most of its leases and these are now presented on the balance sheet.

However, the Group has selected not to recognise "right-of-use" assets and lease liabilities for some leases of low-value assets (e.g. IT equipment). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. Short-term leases (<12 months) are recognised in lease expenses.

Changes in the right-of-use assets are as follows:

(in thousands of €)	**Buildings and Real Estate**
31 December 2020	**28,118**
New right-of-use assets	-
Effect of lease amendments (indexation)	(30)
Change in scope	-
Amortisation of right-of-use assets	(3,322)
Foreign currency translation effect	359
30 June 2021	**25,125**

Changes in lease liabilities are as follows:

(in thousands of €)	**Lease liabilities**
31 December 2020	**29,615**
New lease liabilities	-
Effect of lease amendments (indexation)	(30)
Change in scope	-
Interest expenses on lease liabilities	386
Payments	(3,546)
Foreign currency translation effect	386
30 June 2021	**26,811**
of which current lease liabilities	5,758
of which non-current lease liabilities	21,053

The following items have been recorded on the income statement:

(in thousands of €)	**H1 2021 (6 months)**	**H1 2020 (6 months)**
Amortisation of right-of-use assets	(3,039)	(3,144)
Interest expenses on lease liabilities	(386)	(452)
Lease expenses related to low-value assets	(726)	-
Impact of terminations of leases recognised on the balance sheet	-	-
TOTAL	**(4,151)**	**(3,596)**

(b) Leases where the Group is a lessor

The Group operates as a lessor with regard to its subsidiaries. The application of IFRS 16 concerning these leases has no impact on the consolidated financial statements.

Note 27 Contingent liabilities and contingent assets

(in thousands of €)	**Amount as at 30 June 2021**	**Amount as at 31 December 2020**
Description	**Value of the guarantee given**	**Value of the guarantee given**
Commitment of payment to current account	80	80
Capital subscription commitment in companies	79,841	29,841
Uncalled commitment by external funds	159,143	120,756
Uncalled commitment by Tikehau Capital funds	929,273	994,374
Pledge for first-demand guarantee	750	27,937
Sundry sureties and guarantees	2,859	2,859
TOTAL COMMITMENTS GIVEN	**1,171,946**	**1,175,848**

As at 31 December 2020, the pledge for first-demand guarantee corresponds mainly to a guarantee given as part of the buy-out bid for Selectirente shares for an amount of €27.2 million (this commitment was lifted on 25 February 2021).

The total amount of uncalled commitments by the Group's funds from investment entities exempt from consolidation (IFRS 10) was €3.5 million as at 30 June 2021 (€5.7 million at 31 December 2020).

(in thousands of €)	**Amount as at 30 June 2021**	**Amount as at 31 December 2020**
Description	**Value of the guarantee received**	**Value of the guarantee received**
Syndicated loan not drawn at close	500,000	500,000
Sundry sureties and guarantees	7,960	7,960
TOTAL COMMITMENT RECEIVED	**507,960**	**507,960**

Note 28 Subsequent events

Capital increase of 4 July 2021

On 4 July 2021, Tikehau Capital carried out a capital increase for an amount of approximately 0.1 million euros by capitalisation of the issue premium and by issuance of 8,840 shares. The aim of this capital increase was to deliver free shares granted under the "2018 Credit.fr Plan". As at 4 July 2021, the Company's share capital amounted to €1,635,820,128 and was composed of 136,318,344 shares.

Legal reorganisation of the group

On 15 July 2021, the Combined General Meeting of Shareholders approved a legal reorganisation of the Tikehau Capital Group (the "Group"). The aim of this operation was to simplify the structure of the Group, as well as to reorganise the financial flows between Tikehau Capital and its related parties. This reorganisation is effective retroactively as of 1 January 2021.

This reorganisation was implemented through the following operations and transactions, none of which was intended to be carried out without the others:

- Tikehau Capital Commandité ("TCC"), a wholly-owned subsidiary of Tikehau Capital Advisors ("TCA"), was appointed as general partner of Tikehau Capital.
- Two new Managers of Tikehau Capital were also appointed; they are two companies respectively wholly-owned by AF&Co and MCH, the two holding companies of Tikehau Capital's founders. The total fixed annual compensation excluding taxes for each of these two Managers will amount to €1.265m.
- Tikehau Capital merged with Tikehau Capital General Partner ("TCGP"), Tikehau Capital current general partner (the "Merger"). TCA received, in consideration of its shares in TCGP, new shares in Tikehau Capital according to an exchange ratio determined on the basis of the fair values of the two companies. This Merger was placed under a tax neutrality regime. The general partner's

rights held by TCGP and transferred to Tikehau Capital as a result of the Merger was cancelled upon completion of the Merger. Upon completion of the Merger, TCC is the sole general partner of Tikehau Capital, and will benefit from a preferred dividend of 1% of Tikehau Capital's statutory net result.

- TCA contributed the assets and liabilities relating to Tikehau Capital's central corporate functions housed within TCA (including employment contracts, leasehold rights and physical assets) (the "Contribution") in consideration for new shares in Tikehau Capital according to an exchange ratio determined on the basis of the fair values of the two companies. As a result of the Contribution, the service agreement between TCGP and TCA have been extinguished. The Contribution has been placed under a tax neutrality regime.

As a consequence of the aforementioned Merger and Contribution, around 39 million new Tikehau Capital shares have been issued for the benefit of TCA. As at 15 July 2021, the Company's share capital amounted to €2,103,820,128 and was composed of 175,318,344 shares.

This reorganisation cannot be taken into account in the interim consolidated financial statements as of 30 June 2021 due to the application of IFRS accounting standards on events occurring after the closing date (IAS 10 "Events after the Reporting Period").

In the annual financial statements as of 31 December 2021, this reorganisation will be considered as an overall transaction, a business combination under common control and therefore will not fall within the scope of IFRS 3.

The Group has opted against the accounting policy for business combinations under common control, but instead has decided to apply the book values for the accounting of the transaction. When the "book values" or "pooling of interests" method is applied, the difference between the book value of the assets and liabilities received and the consideration transferred is recognised in equity.

Thus, at the date of application of the reorganisation, the effect on consolidated shareholders' equity is immaterial and the reorganisation and the general partners' rights have no impact on the consolidated income statement.

New terms of the Group's syndicated loan agreement

The Company restructured the syndicated loan agreement (for more details on the Syndicated Loan Agreement, see Note 13 "Borrowings and financial debt"). The new terms of the Syndicated Loan Agreement came into effect on 15 July 2021 following the reorganisation of the Group, effective on that date. The amendments to these terms concern the following points:

- the repayment of the entire Term Loan (tranche A) of €200 million;
- the partial transfer of the bank commitments repaid under the Term Loan (tranche A) to the Revolving Credit Facility (tranche B) for a minimum of €198.5 million, thus bringing the total commitments under the Revolving Credit Facility to a minimum amount of €698.5 million. Tikehau Capital has the option to increase the commitments received at any time to €1.0 billion;
- a new maturity of the syndicated loan agreement of five years from 15 July 2021. Tikehau Capital will be able to extend the maturity of this facility to seven years through an additional two years which can be effective after year 1 and year 2, subject to the acceptance by the Lenders;
- the implementation of a Sustainability Linked Loan with margin rachet based on environmental, social and governance (ESG) criteria; and
- the following changes in financial commitments:
    - limiting the Group's secured financial indebtedness to 20% (previously 12.5%) of total consolidated asset value;
    - limiting the unsecured financial indebtedness incurred by the Group's subsidiaries to 20% (previously 12.5%) of total consolidated asset value.

The financing arranged during the first half of 2021 provide Tikehau Capital with significant financial flexibility and have enabled the Group to increase the average maturity of its debt to 5.6 years as at 30 June 2021 (compared to 4.4 years as at 31 December 2021) and to achieve 60% of its debt linked to ESG criteria.

4.2 REPORT OF THE STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS

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784 824 153 R.C.S. Nanterre
Commissaire aux comptes Membre de la compagnie régionale de Versailles

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438 476 913 R.C.S. Nanterre
Commissaire aux comptes Membre de la compagnie régionale de Versailles

This is a free translation into English of the statutory auditors' review report on the half-year financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-year management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Tikehau Capital

For the period from January 1 to June 30, 2021

Statutory auditors' review report on the half-year financial information

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meetings and in accordance with the requirements of article L. 451-1-2 III of the French monetary and financial code ("code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of Tikehau Capital, for the period from January 1 to June 30, 2021;
- the verification of the information presented in the half-year management report.

The global crisis related to the Covid-19 pandemic creates special conditions for the preparation and review of this year's financial statements. Indeed, this crisis and the exceptional measures taken in the context of the state of health emergency are having multiple consequences for businesses, particularly on their activity and financing, as well as increasing uncertainty about their future outlook. Some of these measures, such as travel restrictions and teleworking, have also had an impact on the internal organisation of companies and on the way reviews are carried out.

These condensed half-year consolidated financial statements are the responsibility of the Manager of the Company. Our role is to express a conclusion on these financial statements based on our review.

1. **Conclusion on the financial statements**

We conducted our review in accordance with professional standards applicable in France. 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 professional standards applicable in France 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.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information presented in the half-year management report on the condensed half-year consolidated financial statements subject to our review prepared on 13 September 2021.

We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Paris-La Défense and Paris-La Défense, 15 September 2021.

The Statutory Auditors

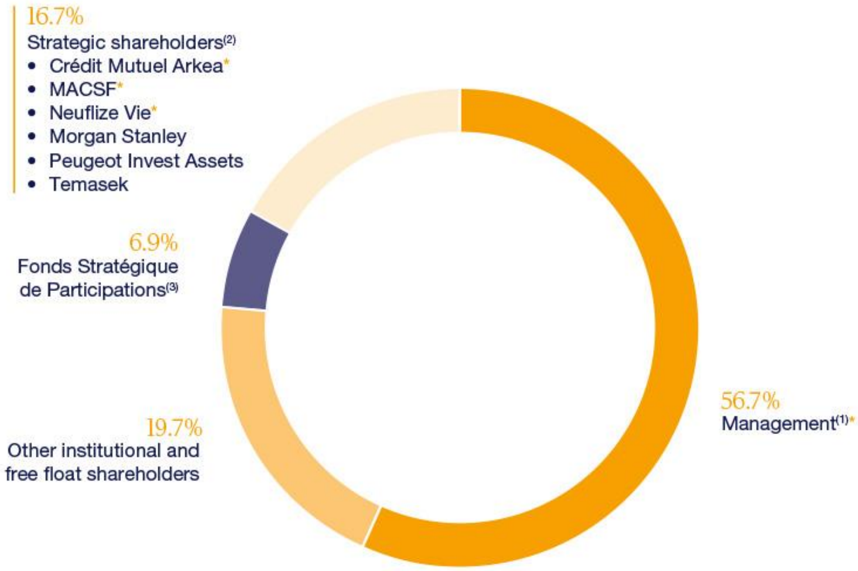
French original signed by

MAZARS	**ERNST & YOUNG et Autres**
Simon Beillevaire	Hassan Baaj

5. INFORMATION ON THE COMPANY AND ITS CAPITAL

5.1. Shareholders of the Company as at 15 July 2021

The following chart and table show the share capital ownership of the Company as at 15 July 2021 based on the number of issued shares:



(1) Including Fakarava Capital (5.3%) and Tikehau Capital Advisors (51.0%), which owns 100% of Tikehau Capital Commandité, the general partner of Tikehau Capital.

(2) Shareholders of Tikehau Capital Advisors and/or parties to the shareholders' agreement with the management.

(3) FSP's shareholders are CNP Assurances, Sogecap, Groupama, Natixis Assurance, Suravenir, BNP Paribas Cardif and Crédit Agricole Assurances.

* *Shareholders linked by a shareholders' agreement representing a total of 67.9% of the capital: companies controlled by AF&Co and MCH and management (56.7%), MACSF (7.0%), Crédit Mutuel Arkea (3.0%) and Neuflize Vie (1.3%).*

Shareholders	Number of shares	% of capital and voting rights
Tikehau Capital Advisors	89,427,094	51.0%
Fakarava Capital (1)	9,256,605	5.3%
Makemo Capital	571,909	0.3%
Tikehau Employee Fund 2018	125,000	0.1%
TOTAL COMPANIES CONTROLLED BY AF&CO AND MCH (2) AND MANAGEMENT (3)	**99,380,608**	**56.7%**
MACSF Épargne Retraite (3)	12,246,257	7.0%
Esta Investments (Temasek group)	5,551,949	3.2%
Crédit Mutuel Arkéa (3)	5,176,988	3.0%
Peugeot Invest Assets	3,107,147	1.8%
Neuflize Vie (3)	2,274,836	1.3%
MS Capital Partners Adviser (Morgan Stanley)	909,090	0.5%
STRATEGIC SHAREHOLDERS (4)	**29,266,267**	**16.7%**
Fonds Stratégique de Participations	12,113,782	6.9%
Other institutional shareholders (5) and free float shareholders	34,557,687	19.7%
TOTAL	**175,318,344**	**100%**

(1) Company jointly owned at 75.6% by Tikehau Capital Advisors and Group management.
(2) Mr Antoine Flamarion owns 95% of AF&Co and Mr Mathieu Chabran owns 90% of MCH.
(3) See the table below for the presentation of the shareholders' agreement and Section 8.1.2 "Control of the Group" of the 2020 Universal Registration Document.
(4) Shareholders of Tikehau Capital Advisors and/or parties to the shareholders' agreement with Group management.
(5) Including CARAC (2.5%), MACIF (1.9%) and SURAVENIR (1.6%).

Shareholders' agreement	Number of shares	% of capital and voting rights
Total companies controlled by AF&Co and MCH and the Management	99,380,608	56.7%
MACSF Épargne Retraite	12,246,257	7.0%
Crédit Mutuel Akéa	5,176,988	3.0%
Neuflize Vie	2,274,836	1.3%
TOTAL SHAREHOLDERS' AGREEMENT	**119,078,689**	**67.9%**

6. DECLARATION BY THE PERSON RESPONSIBLE FOR THE HALF-YEAR FINANCIAL REPORT

"We certify that, to the best of our knowledge, the condensed consolidated financial statements for the period ended have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the Company and all consolidated companies and that the attached interim business report provides a true and fair view of the significant events occurring in the first six months of the year, their impact on the financial statements, the main related-party transactions and a description of the main risks and uncertainties for the remaining six months of the financial year".

15 September 2021,

Managers of the Company

AF&Co Management,
represented by its Chairman,
Mr Antoine Flamarion

MCH Management,
represented by its Chairman,
Mr Mathieu Chabran