



## **TIKEHAU CAPITAL**

Partnership limited by shares (*société en commandite par actions*) with  
share capital of €1,641,635,640

Registered office: 32, rue de Monceau – 75008 Paris, France  
477 599 104 RCS Paris

## HALF-YEAR FINANCIAL REPORT AS AT 30 JUNE 2020

# CONTENTS

- IMPORTANT INFORMATION 3
  
- 1. PRESENTATION OF THE GROUP AND ITS ACTIVITIES
  - 1.1. The legal structure of Tikehau Capital 5
  
- 2. HALF-YEAR FINANCIAL REPORT
  - 2.1. General overview of activities, results and financial position for the first half of 2020 6
  - 2.2. Comments on the 2020 condensed half-year consolidated financial statements 17
  - 2.3. Significant events since 30 June 2020 and outlook 24
  - 2.4. Other information 33
  
- 3. HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2020
  - 3.1. 2020 condensed half-year consolidated financial statements 34
  - 3.2. Statutory Auditors' report on the 2020 condensed half-year consolidated financial statements 69
  
- 4. INFORMATION ON THE COMPANY, ITS ARTICLES OF ASSOCIATION AND CAPITAL
  - 4.1. Shareholders of the Company as at 30 June 2020 71
  
- 5. DECLARATION BY THE PERSON RESPONSIBLE FOR THE HALF-YEAR FINANCIAL REPORT 73

# 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 Universal Registration Document can be found in the “Glossary” section of the 2019 universal registration document registered by the Autorité des Marchés Financiers on 14 April 2020 under number D.20-0290 (the “2019 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 2019 and 2020.

Some figures (including data expressed in thousands or millions) and percentages presented in this Universal Registration Document 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 programs of operations of each of the Group’s asset management companies.

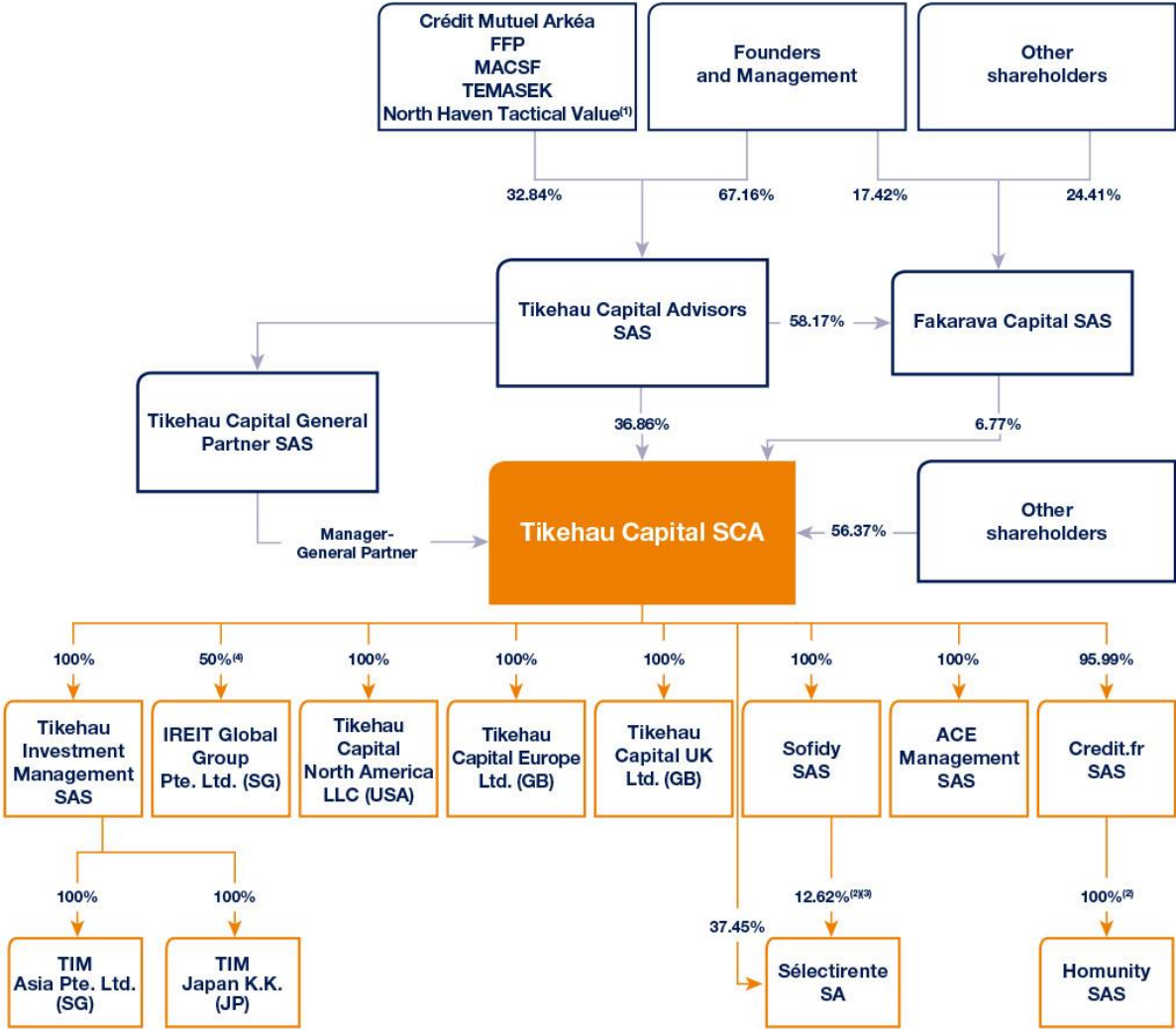
## **Risk factors**

Investors are urged to consider the risk factors described in Chapter 2 (Risk Factors) of the 2019 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

As at 30 June 2020, 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) Concert owns 52.05% (see Section 1.3.2.2(c) of the 2019 Universal Registration Document for more details).

(4) The Company holds 50.01% of the voting rights in 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 year 2020

#### (a) Key figures for the first half of 2020

Net result - Group share, for the first half of 2020 amounted to a loss of -€240.9 million compared to a profit of €97.2 million for the first half of 2019.

The result for the first half of 2020 is due on the one hand to the net result from Asset Management activity, which increased from €20.5m in the first half of 2019 to €28.6 million (which represents an increase of 39.5%), and on the other hand to the net result from Investment activity, which amounted to -€290.3 million (compared to €119.4 million in the first half of 2019). The decrease of the net result from Investment activity is the result of a negative change in fair value of -€119.6 million in the first half of 2020 (compared to €108.7 million in the first half of 2019) and revenues from the derivatives portfolio of -€165.4 million, which was partially offset by other portfolio revenues (dividends, coupons and distributions in particular), which amounted to €42.3 million in the first half of 2020 (compared to €49.0 million in the first half of 2019). Operating expenses for the Investment activity amounted to -€47.3 million in the first half of 2020 compared to -€37.5 million in the first half of 2019.

#### Key figures for the first half of 2020

(in millions of €)

	Items from the consolidated income statement	
	First half year 2020	First half year 2019
Net revenues from Asset Management activity <sup>(1)</sup>	88.3	75.9
Operating expenses from Asset Management activity <sup>(2)</sup>	(59.7)	(55.4)
<b>Net operating profit from Asset Management activity</b>	<b>28.6</b>	<b>20.5</b>
Revenues from Investment activity <sup>(3)</sup>	(77.2)	157.7
Operating expenses from Investment activity <sup>(2)</sup>	(47.3)	(37.5)
Other items <sup>(4)</sup>	(165.8)	(0.8)
<b>Net operating profit from Investment activity</b>	<b>(290.3)</b>	<b>119.4</b>
Financial result	(19.2)	(22.0)
Non-recurring free share allocation expense <sup>(5)</sup>	(1.3)	(3.1)
Corporate income tax	41.4	(17.6)
Non-controlling interests	-	(0.1)
<b>NET RESULT - GROUP SHARE</b>	<b>(240.9)</b>	<b>97.2</b>

<sup>(1)</sup> Net revenues from the Asset Management activity consist of management, subscription and arrangement fees, performance fees and carried interest.

<sup>(2)</sup> These operating expenses do not include the non-recurring free share allocation expense in respect of the "All Plan" and "One-Off Plan" of 1 December 2017 subsequent to the Company's listing for an amount of €1,284 thousand as at 30 June 2020. This restatement will be continued up to the definitive vesting date. Operating expenses for the Investment activity include the remuneration of the Manager.

<sup>(3)</sup> Revenues from the Investment activity consist of positive or negative changes in fair value, plus revenues from the Investment activity (dividends, interest, fees, etc.).

<sup>(4)</sup> At 30 June 2020, other items include revenues from the derivative portfolio for -€165,389 thousand and the share of net revenues from equity affiliates for -€384 thousand.

<sup>(5)</sup> Non-recurring free share allocation expense in respect of the "All Plan" and "One-Off Plan" of 1 December 2017 subsequent to the Company's listing for an amount of €1,284 thousand as at 30 June 2020.

**Consolidated balance sheet items**

*(in millions of €)*

	<b>30 June 2020</b>	<b>31 December 2019</b>
Total shareholders' equity	2,790.5	3,145.6
Shareholders' equity – Group share	2,783.9	3,138.8
Gross cash <sup>(1)</sup>	877.6	1,307.2
Gross debt <sup>(2)</sup>	1,007.2	997.2
<b>Gearing <sup>(3)</sup></b>	<b>36%</b>	<b>32%</b>

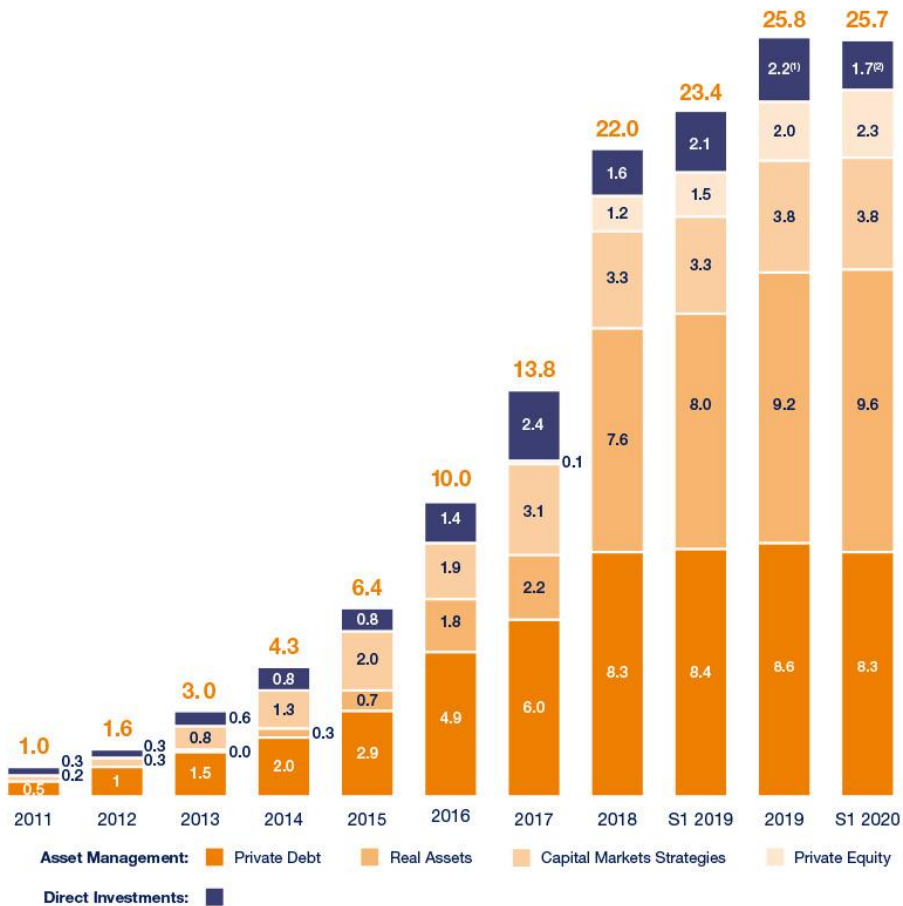
<sup>(1)</sup> Gross cash consists of the sum of cash, cash equivalents (mainly composed of marketable securities) and cash management financial assets for €767.3 million and security deposit and margin calls relating to the portfolio derivatives instruments for €110.2 million.

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

<sup>(3)</sup> Gearing ratio reflects gross debt on total consolidated shareholders' equity.

**Non-accounting information**

The following chart and table show the changes in the Group's assets under management (as defined below) since 2013 (in billions of euros):



<i>(in billions of €)</i>	2013	2014	2015	2016	2017	2018	H1 2019	2019	H1 2020
Assets under management (at year-end)	3.0	4.3	6.4	10.0	13.8	22.0	23.4	25.8 <sup>(1)</sup>	25.7 <sup>(2)</sup>
Change over the period (6 months) or the year (12 months)	1.4	1.4	2.0	3.6	3.8	8.2	1.4	3.8	-0.1
Net new money <sup>(a)</sup> over the period (6 months) or the year (12 months)	1.2	1.5	2.0	2.3	3.9	3.7	1.7	4.6	0.9

(a) This corresponds 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) Direct Investments of €2,173 million as at 31 December 2019 included goodwill (€371 million), intangible assets recognised following external acquisitions (€104 million), investments other than in funds managed by the Group (open to third-party investor-clients) for €1,035 million, cash and cash equivalents and cash management financial assets (€1,307 million), net of off-balance sheet commitments in funds managed by the Group (€653 million).

(3) Direct Investments of €1,683 million as at 30 June 2020 included goodwill (€371 million), intangible assets recognised following external acquisitions (€104 million), investments other than in funds managed by the Group (open to third-party investor-clients) for €952 million, cash and cash equivalents, cash management financial assets and margin calls (€878 million), net of off-balance sheet commitments in funds managed by the Group (€630 million).

The following charts show the breakdown of the Group's assets under management as at 30 June 2020 (€25.7 billion) and as at 31 December 2019 (€25.8 billion) between the Group's four Asset Management business lines: (i) Private Debt, (ii) Real Assets, (iii) Capital Markets Strategies, (iv) Private Equity and the Direct Investments activity:

**As at 30 June 2020**

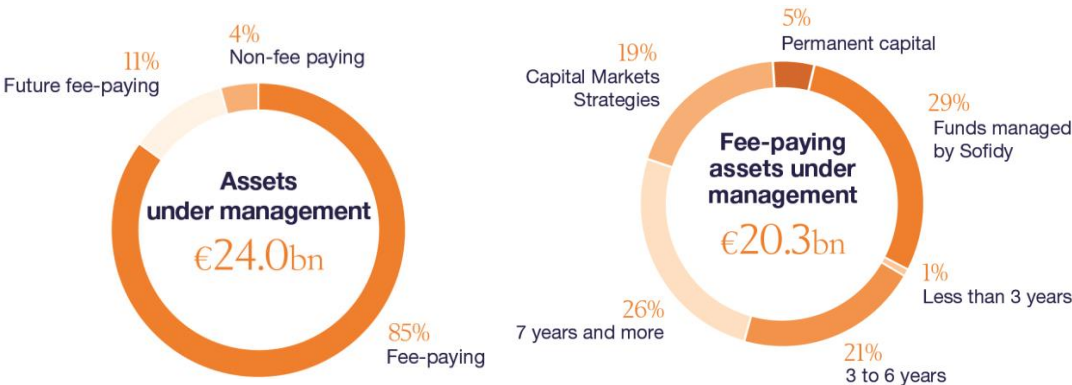


**As at 31 December 2019**





The following charts show (i) the breakdown of assets under management of the Group's Asset Management segment between the fee-paying, future fee-paying, and non-fee paying assets under management as at 30 June 2020 and; (ii) the anticipated duration of this generation of revenues among the €20.3 billion of fee-paying assets under management.



As at 30 June 2020, amounts available for investment in the funds managed by the Group (commonly referred to as “dry powder”) enabling the Group to seize any investment opportunities deriving from market dislocations amounted to approximately €4.7 billion (€5.2 billion at 31 December 2019). This aggregate mainly corresponds to (i) uncalled commitments in closed-ended funds managed by the Group and (ii) cash and cash equivalents in open-ended funds managed by the Group and funds managed by Sofidy.

**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 Tikehau Capital consolidated financial statements monitored by the Company have been slightly updated and 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 of the funds (net asset value of each unit by 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 (ii) 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);
- 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 portfolios during the period, (iii) the distributions made during the period, and (iv) the scope effect, i.e. when asset management companies are acquired or sold during a financial year but also when the holding rate changes such 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 periods of fundraising and investment, the net asset value of the funds, the commitments called, or 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: the acquisition cost or latest available appraisal value of the assets held by the funds (or, failing that, the historical cost of the assets) plus cash and the fund's other assets, if any;
- d) for Private Equity activity: on behalf of investor-clients 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 activity: mainly 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 the difference between (i) the most recent available appraisal value of the assets of the Real Assets 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;
- d) for Private Equity activity on behalf of the investor-clients of the Group's asset managers: unit classes, whether called or not, which by their nature, do not generate management fees and are not intended to do so.

**Average fee-paying assets under management** – This is the average between the amount of fee-paying assets under management as at 30 June of year N-1 and 30 June of year N (on a rolling 12-month basis).

**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 new money** – This corresponds 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.

## (b) Activities during the first half year 2020

As at 30 June 2020, Tikehau Capital's assets under management were stable compared to 31 December 2019 and amounted to €25.7 billion (compared to €25.8 billion as at 31 December 2019), an increase of 9.8% compared to 30 June 2020.

The first half of 2020 was marked by net inflows of €0.9 billion, after deductions of distributions of -€0.6 billion and negative market effects of -€0.5 billion.

In the first half of 2020, Asset Management activity were driven by growth in Real Assets strategies (+€0.4 billion) and Private Equity (+€0.3 billion), which accounted for nearly 90% of the Group's net inflows. Due to the absence of marketing of a flagship fund in the first half of the year, the Private Debt activity's assets under management declined by -€0.3 billion over the first half of 2020 as a result of distributions of -€0.3 billion and negative market effects of -€0.1 billion, which were partly offset by net inflows of €0.1 billion. Finally, Capital Markets Strategies' activity remained stable at €3.8 billion over the period, thanks principally to net inflows of €0.2 billion and negative market effects of €0.1 billion.

As at 30 June 2020, the Group's assets under management were divided between the Asset Management business (€24.0 billion) and the Direct Investments made from the Group's balance sheet (€1.7 billion) and were broken down as follows:

<i>(in billions of €)</i>	Assets under management as at 30 June 2020 <sup>(1)</sup>	Percentage of Group's assets under management	
		30 June 2020	31 December 2019
Private Debt	8.3	32%	33%
Real Assets	9.6	37%	36%
Capital Markets Strategies	3.8	15%	15%
Private Equity	2.3	9%	8%
<b>TOTAL ASSET MANAGEMENT</b>	<b>24.0</b>	<b>93%</b>	<b>92%</b>
<b>TOTAL DIRECT INVESTMENTS MADE FROM THE GROUP'S BALANCE SHEET</b>	<b>1.7</b>	<b>7%</b>	<b>8%</b>
<b>TOTAL</b>	<b>25.7</b>	<b>100%</b>	<b>100%</b>

(1) Figures provided have been rounded for presentation purposes, which could in certain cases create some rounding differences.

## Asset Management activity

As at 30 June 2020, Tikehau Capital's Asset Management activity represented assets of €24.0 billion and comprised:

- 85% of fee-paying assets under management (i.e. €20.3 billion at 30 June 2020 compared to €19.9 billion at 31 December 2019);
- 11% of future fee-paying assets under management (i.e. €2.7 billion at 30 June 2020 compared to €2.6 billion at 31 December 2019); and
- 4% of non-fee paying assets under management (i.e. €1.0 billion at 30 June 2020 compared to €1.1 billion at 31 December 2019).

During the first half of 2020, closed-end funds (namely all of the funds managed by the Group, excluding Capital Markets Strategies funds) invested a total amount of €0.8 billion (compared with €1.5 billion in the first half of 2019).

### Private Debt: €8.3 billion in assets under management as at 30 June 2020

The -€0.3 billion decrease in assets under management in the Private Debt activity during the first half of 2020 (down -3.5% over the first half of 2020) is the result of distributions of -€0.3 billion and negative market effects of -€0.1 billion offset by net inflows of €0.1 billion. The low inflow is explained by the absence of marketing of a flagship fund in the first half of 2020. During the first half of 2020, Tikehau Capital was selected to manage a new fund (Novo 2020) that supports French intermediate-sized companies over the long term by proposing tailored senior financing solutions. Under this initiative led by insurers under the aegis of the FFA (Fédération Française de l'Assurance) and the Caisse des Dépôts et Consignations, Tikehau Capital raised nearly €60 million during the first half of the year. Finally, in the first half of 2020, Tikehau Capital completed a second closing of over €40 million as part of the initiative launched in partnership with Fideuram in Italy to offer investment solutions in European private markets to Italian private banking clients.

### Real Assets: €9.6 billion in assets under management as at 30 June 2020

The €0.4 billion growth in assets under management in the real assets activity during 2019 (4.2% growth over the first half of 2020) was the result of net inflows of €0.5 billion partially offset by distributions of -€0.1 billion and negative market effects of -€0.1 billion, mainly related to Sofidy. This growth reflects the sales momentum of Sofidy, which posted net inflows of €0.4 billion over the period, and assets under management, which were up €0.1 billion for Tikehau Investment Management ("Tikehau IM") with the completion of the final closing of the Group's first pan-European discretionary real estate fund. This fund was launched in 2018 and raised a total of €560 million, finalised on 28 February 2020.

### Capital Markets Strategies: €3.8 billion in assets under management as at 30 June 2020

Assets under management in the Capital Markets Strategies activity remained stable over the first half of 2020 compared to 31 December 2019 at €3.8 billion. This was due to net inflows of €0.1 billion, which were offset by negative market effects of -€0.1 billion in the first half of 2020. The Capital Markets Strategies activity showed resilience in the first half of 2020 and the market rebound in the second quarter of 2020 helped to mitigate the negative market effects recorded in the first quarter of 2020.

### Private Equity: €2.3 billion in assets under management as at 30 June 2020

The €0.3 billion growth in assets under management in the first half of 2020 (14.0% growth over the first half of 2020) included particularly dynamic net inflows of €0.4 billion, which were partly offset by distributions of -€0.1 billion. This growth in Private Equity assets under management was driven in the first half of 2020 by the continued inflows to the dedicated energy transition fund launched in 2018 in partnership with Total SA, as well as the launch in April 2020 of the first European long-term investment fund (ELTIF) for Banca March's private customers in Spain. This fund, which raised €59 million during the first half of 2020 in a very deteriorated health and economic environment, will replicate the Group's fund dedicated to the energy transition. Tikehau Capital thus confirmed the relevance of its Private Equity strategy and positioning while continuing to broaden its investor-client base towards private clients.

## **Investment activity**

As at 30 June 2020, Direct Investments made from Tikehau Capital balance sheet amounted to €1.7 billion in assets (compared with €2.2 billion as at 31 December 2019). This €0.5 billion decrease over the period reflects -€0.2 billion in revenues from the derivatives portfolio set up by the Group as part of its risk management policy, the Group's new commitments in its funds for -€0.1 billion and the dividend payment for -€0.1 billion.

During the first half of 2020, 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 and co-investments alongside funds managed by the Group, (ii) investments in Group platforms and (iii) opportunistic investments.

The following table presents, as at 30 June 2020, the major investments and co-investments made by Tikehau Capital and its consolidated subsidiaries in the Group's strategies (vehicles managed by Tikehau IM, Tikehau Capital Europe, IREIT Global Group, Sofidy and ACE Management):

**Group's investments in its own strategies as at 30 June 2020**

<i>(in millions of €)</i>	<b>Amount called</b> <small>(1)</small>	<b>Amount un-called</b>	<b>Total amount</b>
Tikehau Direct Lending IV	43.0	8.2	51.2
Tikehau Direct Lending 4L	44.9	6.1	51.0
Tikehau Senior Loan III	47.9		47.9
Tikehau CLO V	37.5		37.5
Tikehau Direct Lending III	21.5	1.2	22.6
Tikehau CLO I	22.0		22.0
Tikehau CLO IV	20.5		20.5
Tikehau CLO III	19.5		19.5
Tikehau Senior Loan II	16.8		16.8
Other funds <sup>(2)</sup>	187.7	81.6	269.3
<b>Total Private Debt</b>	<b>461.3</b>	<b>97.0</b>	<b>558.3</b>
Sélectirente	165.1		165.1
IREIT Global	87.3		87.3
Tikehau Real Estate Investment Company	50.4	29.8	80.2
IREIT Global Holdings 5	47.2		47.2
Tikehau Retail Properties III	35.7		35.7
Tikehau Real Estate Opportunity 2018	28.9	139.2	168.1
Tikehau Retail Properties I	25.5		25.5
Tikehau Real Estate II	24.5		24.5
Tikehau Real Estate III	18.9		18.9
Other funds <sup>(2)</sup>	55.8		55.8
<b>Total Real Assets</b>	<b>539.2</b>	<b>169.0</b>	<b>708.3</b>
Tikehau Subordonnées Financières	49.2		49.2
Tikehau Global Credit	46.0		46.0
Tikehau Global Value	30.5		30.5
Tikehau Global Short Duration	25.7		25.7
Sofidy Sélection 1	24.6		24.6
Tikehau Income Cross Assets	22.9		22.9
Other funds <sup>(2)</sup>	31.2		31.2
<b>Total Capital markets strategies</b>	<b>230.1</b>		<b>230.1</b>
Tikehau Growth Equity II	108.2	77.5	185.7
Tikehau Special Opportunities II	45.4	104.9	150.2
Tikehau Fund of funds	58.6	57.4	116.1
T2 Energy Transition Fund	27.6	67.8	95.4
Tikehau Special Opportunities	31.9	13.3	45.2
Tikehau Growth Equity Secondary	24.2	4.3	28.6
Other funds <sup>(2)</sup>	22.3	38.8	61.1
<b>Total Private Equity</b>	<b>318.3</b>	<b>364.1</b>	<b>682.3</b>
<b>TOTAL ASSET MANAGEMENT – 30 JUNE 2020</b>	<b>1,548.8</b>	<b>630.1</b>	<b>2,178.9</b>
<b>TOTAL ASSET MANAGEMENT – 31 DECEMBER 2019</b>	<b>1,425.4</b>	<b>652.9</b>	<b>2,078.3</b>

<sup>(1)</sup> Amount called adjusted at fair value.

<sup>(2)</sup> For Private Debt, Real Assets and Capital Markets Strategies, other funds include all funds below €15.0 million of amount called adjusted at fair value.

**The main investments carried out by the Company during the first half of 2020 concern:**

**Eurazeo (€50.1 million)** – During the first half of 2020, Tikehau Capital acquired 1,132,737 Eurazeo shares for a total amount of €50.1 million, or an average unit price of €44.20 per share.

**IREIT Global (€25.6 million)** – Tikehau Capital increased its stake in the listed company through the acquisition of 80,959,298 shares for a total price of 39.7 million Singapore dollars (€25.6 million), representing an average unit price of 0.49 Singapore dollars per share (€0.32 per share).

**The main divestment carried out by the Company during the first half of 2020 concerns:**

**DWS (€65.6 million)** – Tikehau Capital sold 1,932,345 DWS shares for a total amount of €65.6 million, representing an average unit price of €33.96 per share. The capital gains on these sales amounted to €3.4 million.

**Highlights of the first half of 2020**

**Fitch Ratings confirmed Tikehau Capital's Investment Grade rating (BBB- with a stable outlook)** –

On 27 January 2020, during its annual review, Fitch Ratings confirmed Tikehau Capital's Investment Grade (BBB-) rating. Supported by a stable outlook, this rating confirms the strength of Tikehau Capital's financial profile. In its statement, Fitch Ratings highlighted the strength of Tikehau Capital's balance sheet and its trust in the Group's capacity to maintain financial ratios in line with an Investment Grade profile as it deploys its strategy.

**Capital increase of 31 March 2020** – On 31 March 2020, 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 120,722 shares. The aim of this capital increase was to deliver free shares granted under the 2018 FSA Plan and the 2018 Performance Share Plan.

As at 31 March 2020, the share capital of the Company amounts to €1,641,529,560 and is divided into 136,794,130 shares.

**Tikehau Capital increases its stake in IREIT Global** – On 6 April 2020, Tikehau Capital, together with City Developments Limited (CDL), a leading Singapore-listed real estate company, announced the increase of their respective stakes in IREIT Global<sup>1</sup>, a Singapore-listed real estate investment trust focused on the European real estate market, in which Tikehau Capital invested in November 2016.

The acquisition, alongside a subsidiary of AT Capital, a Singapore-based family office, of a 26.04% stake in IREIT Global, allowed Tikehau Capital and CDL to increase their investment in IREIT Global respectively from 16.64% to 29.20% and from 12.52% to 20.87% upon completion of the transaction. Together, Tikehau Capital and CDL hold more than half the share capital of IREIT Global. For Tikehau Capital, this acquisition represents a cash investment of approximately €25 million.

**In April 2020, Tikehau Capital launched its first European Long-Term Investment Fund (ELTIF) for the private clients of Banca March in Spain** – This ELTIF with a size of approximately €61 million is dedicated to the energy transition and aimed at Banca March's private clients, offering them access to Private Equity investment solutions focused on this theme. It will replicate Tikehau Capital's energy transition fund (created in 2018 with Total SA) whose distinctive strategy aims to offer high returns while accelerating the transition to a low-carbon economy.

**Tikehau Capital ranked No 2 in its category by Sustainalytics** – On 26 May 2020, Tikehau Capital was ranked second out of 246 global asset managers and custodians by Sustainalytics. This ranking, which was established by one of the world's leading ESG rating agencies, is further recognition of the Group's strong management of ESG issues.

**Tikehau Capital has been selected to manage Novo 2020** – In addition to its management of the Novo2, Novi1 and Novo 2018 funds, Tikehau Capital was selected during the second quarter of 2020 to manage a new fund (Novo 2020), which will support French intermediate-sized companies over the long term by offering tailored senior financing solutions against the backdrop of the health crisis. Under this initiative led by insurers under the aegis of the FFA (Fédération Française de l'Assurance) and the Caisse des Dépôts et Consignations, Tikehau Capital raised nearly €60 million during the first half of the year.

**Successful second closing of Fideuram** – In the first half of 2020, Tikehau Capital completed a second closing of over €40 million as part of the initiative launched in partnership with Fideuram in Italy.

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<sup>1</sup> Tikehau Capital and CDL co-own IREIT Global Group Pte. Ltd, the asset management company of IREIT Global.

This initiative offers investment solutions in the European private markets to the Italian private bank's individual clients.

**Start of exclusive negotiations for the acquisition of Star America Infrastructure Partners in the United States** – On 14 May 2020, Tikehau Capital announced that it had entered into exclusive negotiations to acquire Star America Infrastructure Partners, an independent US management company active in the development and management of medium-sized infrastructure projects in North America.

Founded in 2011 by two entrepreneurs, Star America Infrastructure Partners specialises in medium-sized infrastructure projects, through public-private partnerships especially, in four asset categories: transport (roads, bridges, tunnels, railways, etc.), social infrastructure (student housing, hospitals, etc.), the environment (water and waste management, energy efficiency) and communications (data centres, fibre optics). Star America Infrastructure Partners has approximately \$600 million (€535 million<sup>2</sup>) in assets under management, 70% of which comes from US investors, and has about 20 employees.

This acquisition enables Tikehau Capital to strengthen its expertise in infrastructures beyond its recognised know-how in real assets, to diversify its assets towards a promising new asset class and to reinforce its development strategy in North America by accelerating its openness to North American investor-clients. With a management fee rate significantly higher than the Group's average<sup>3</sup> applied to the capital committed by investor clients, this acquisition should also strengthen Tikehau Capital's revenue generation profile.

**Derivatives portfolio set up by the Group as part of its risk management policy** - As part of its risk management policy, the Group has built up a derivatives portfolio while the global economy was facing a major systemic risk. These instruments are intended to lessen the impact of any market correction that may affect the Group's investment portfolio, especially its investments in listed entities, given the high level of uncertainty regarding the future of the current health crisis and the effect it may have on the markets over the coming quarters.

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<sup>2</sup> Based on an exchange rate of \$1/€0.89 at 30 June 2020.

<sup>3</sup> The average management fee rate for Tikehau Capital's Asset Management activity was 92 bps for the 2019 financial year.



## 2.2. Comments on the 2020 condensed half-year consolidated financial statements

### (a) Comments on the 2020 condensed half-year consolidated financial results

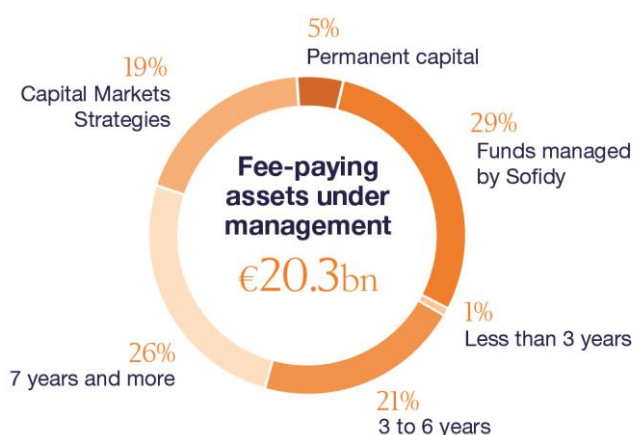
#### (i) Net operating profit from Asset Management activity

In the first half of 2020, net operating profit from Asset Management activity amounted to €28.6 million, up 39.5% compared to the first half of 2019 (€20.5 million). The operating margin for this activity was 32.4% as at 30 June 2020 versus 27.0% as at 30 June 2019.

Revenues from Asset Management activity in the first half of 2020 amounted to €88.3 million, an increase of €12.4 million (+16.3% compared to the first half of 2019).

These revenues mainly derived from management, subscription, arrangement and other fees received by the Group's Asset management companies for an amount of €87.1 million, versus €75.0 million in the first half of 2019. These revenues are supplemented by performance fees and carried interest for an amount of €1.2 million (compared to €0.9 million in the first half of 2019).

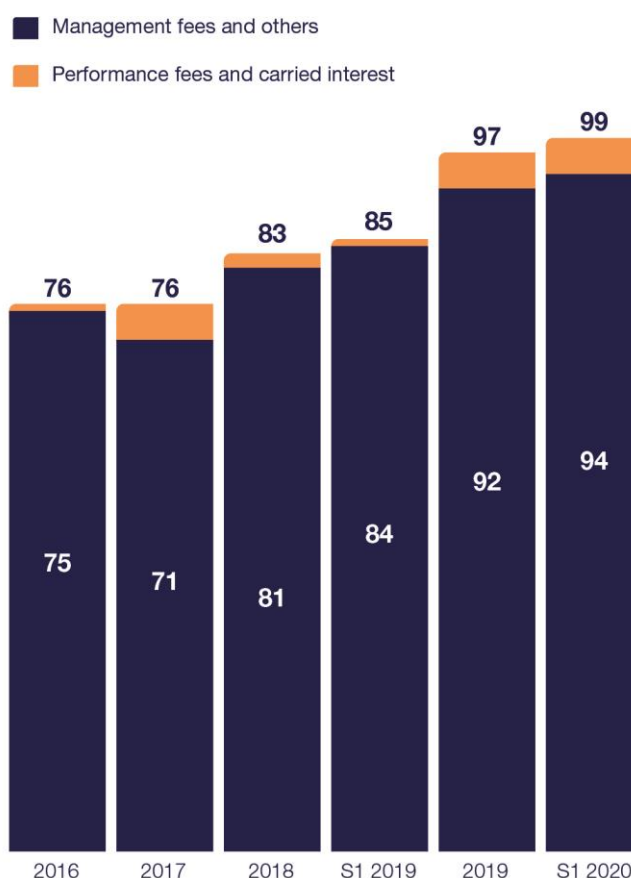
In the first half of 2020, fee-paying assets under management amounted to €20.3 billion and within these fee-paying assets, 98% of the assets of the closed-end funds generated revenues over a period of more than three years:



Average fee-paying assets under management<sup>4</sup> rose from €16.5 billion as at 30 June 2019 (over a 12-month rolling period) to €18.9 billion as at 30 June 2020 (an increase of 14.5% over a 12-month rolling period).

<sup>4</sup> Average assets under management as at 30 June 2020 is measured as the average of assets under management as at 30 June 2019 and as at 30 June 2020.

Based on this average amount, on management, subscription and arrangement fees collected as part of the Asset Management activity, the weighted average fee rate was 94 basis points for the first half of 2020 (over a 12-month rolling period), versus 84 basis points for the first half of 2019 (over a 12-month rolling period):



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

At 30 June 2020, the weighted average fee rates <sup>(1)</sup> for each of the Group's four Asset Management business lines are as follows:

	<b>Weighted average fee rate <sup>(1)</sup> as at 30 June 2020 (12-month rolling period)</b>	<b>Weighted average fee rate <sup>(1)</sup> as at 30 June 2019 (12-month roll- ing period)</b>
Private Debt	79 basis points	69 basis points
Real Assets	107 basis points	99 basis points
Capital Markets Strategies	62 basis points	53 basis points
Private Equity	More than 150 basis points	More than 150 basis points
<b>ASSET MANAGEMENT ACTIVITY</b>	<b>94 BASIS POINTS</b>	<b>84 BASIS POINTS</b>

<sup>(1)</sup> Excluding performance fees and carried interest

This assessment reflects a change in the Company's business mix thanks to sharp organic growth in the Private Equity activity and stronger Real Assets business following the strategic acquisition of Sofidy at the end of December 2018.

On this basis, the operating margin for the Asset Management activity was positive at 32.4% at 30 June 2020 compared to 27.0% at 30 June 2019.

<i>(in millions of €)</i>	<b>First half of 2020</b>	<b>First half of 2019</b>
Revenues from Asset Management activity	88.3	75.9
Operating expenses and others	(59.7)	(55.4)
<b>NET OPERATING MARGIN FROM ASSET MANAGEMENT ACTIVITY</b>	<b>28.6</b>	<b>20.5</b>
Net Operating margin from Asset Management activity (as a percentage of revenues)	+ 32.4%	+ 27.0%

(ii) Net operating profit from the Investment activity (after share of net results from equity affiliates)

For the first half of 2020, the net operating loss from the Investment activity (after share of net results from equity affiliates) was -€290.3 million compared to a profit of €119.4 million for the first half of 2019.

Revenues from the Company's investment portfolio amounted to -€77.2 million compared to €157.7 million for the first half of 2019. In the first half of 2020, these portfolio revenues included a negative change in fair value of -€119.6 million (compared to a positive change in fair value of €108.7 million in the first half of 2019) and other portfolio revenues of €42.3 million (compared to €49.0 million in the first half of 2019).

In the first half of 2020, the negative change in fair value of -€119.6 million was mainly the result of changes in the non-current portfolio for -€140.2 million, including -€61.1 million on listed investments (of which Eurazeo for -€60.5 million and Assystem for -€5.8 million, partially offset by DWS for €6.8 million) and -€79.1 million for non-current investments (including Sélectirente for -€24.0 million and investments related to Collateralised Loan Obligations for -€10.1 million), partially offset by €20.6 million from current investments.

Other portfolio revenues comprise dividends, coupons and distributions for €42.3 million for the first half year 2020, down €6.7 million compared to the first half year 2019.

Operating expenses from Investment activity increased to €47.3 million in the first half of 2020 (versus €37.5 million in the first half of 2019) and mainly include the remuneration of the Manager for €35.3 million.

Finally, during the first half of 2020, the Company recorded a loss of -€165.4 million on the derivatives portfolio related to the setup of a derivatives portfolio as part of its risk management policy at a time when the global economy was facing a major systemic risk.

(iii) Net operating profit from Asset Management and Investment activities (after share of net results from equity affiliates)

In the first half of 2020, the net operating loss from Asset Management and Investment activities after share of net results from equity affiliates was a loss of -€261.7 million (versus a profit of €139.9 million in the first half of 2019).

For the first half of 2020, the share of net results from equity affiliates was -€0.4 million compared to -€0.8 million for the first half year 2019.

Operating expenses for the first half of 2020 amounted to €107.0 million compared to €92.9 million for the first half of 2019. The increase in operating expenses was mainly due to the impact of the growth in headcount for the Group's asset management companies on a rolling 12-month basis, the Company's organic growth and the remuneration of the Manager.

#### (iv) Net result

For the first half of 2020, net income on cash equivalents amounted to €0.1 million compared to €0.3 million for the first half of 2019.

Financial result for the first half of 2020 were -€19.2 million, up compared to the first half of 2019 (-€22.0 million), notably due to the change in fair value of interest rate derivatives (-€2.9 million, compared to -€10.0 million in the first half of 2019), interest charges on interest rate derivatives (-€1.6 million, the same amount as in the first half of 2019) and expenses related to financial borrowings (-€14.1 million, compared to -€10.4 million in the first half of 2019).

In the first half of 2020, current and deferred tax corresponded to a profit of €41.4 million (compared to an expense of -€17.6 million for the first half of 2019) which includes a profit of €41.6 million in deferred tax, mainly related to the capitalisation of losses on financial instruments.

On this basis, the net result, Group share for the first half of 2020 amounts to a loss of -€240.9 million, compared to a profit of €97.2 million for the first half of 2019.

#### (v) Net revenues – Segment information

##### Net revenues from Asset Management activity

In the first half of 2020, net revenues from the Asset Management activity were €88.3 million, up 16.3% over the period (€75.9 million for the first half of 2019).

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.

<i>(in thousands of €)</i>	<b>Asset Management activity</b>				<b>Revenues from Asset Management activity as at 30 June 2020</b>
	<b>Private Debt</b>	<b>Real Assets</b>	<b>Capital Markets Strategies</b>	<b>Private Equity</b>	
<b>Net revenues</b>	<b>24,039</b>	<b>36,381</b>	<b>12,326</b>	<b>15,507</b>	<b>88,253</b>
Management, subscription, arrangement and other fees	23,956	36,381	12,281	14,478	87,096
Performance fees and carried interest	83		45	1,029	1,157

<i>(in thousands of €)</i>	<b>Asset Management activity</b>				<b>Revenues from Asset Management activity as at 30 June 2019</b>
	<b>Private Debt</b>	<b>Real Assets</b>	<b>Capital Markets Strategies</b>	<b>Private Equity</b>	
<b>Net revenues</b>	<b>20,431</b>	<b>35,308</b>	<b>9,105</b>	<b>11,103</b>	<b>75,947</b>
Management, subscription, arrangement and other fees	19,955	35,121	8,877	11,103	75,056
Performance fees and carried interest	476	187	228	-	891

##### Private Debt activity

For the first half year 2020, the Group's net revenues attributable to the Private Debt activity totalled €24.0 million (compared €20.4 million for first half year 2019). These revenues correspond to assets under management of €8.3 billion as at 30 June 2020 (versus €8.4 billion as at 30 June 2019). This 17.6% increase in revenues, which is higher than the increase in the amount of assets under management for that activity, is related to the investment of commitments called into the funds.

Net revenues from this activity correspond to management fees of €24.0 million and performance revenue of €0.1 million for the first half of 2020.

### Real Assets activity

In the first half of 2020, the Group's net revenues attributable to the real assets activity amounted to €36.4 million (compared to €35.3 million for the first half of 2019). These revenues correspond to assets under management of €9.6 billion as at 30 June 2020 (versus €8.0 billion as at 30 June 2019).

Net revenues from this activity mainly correspond to management fees of €36.4 million for the first half of 2020.

### Capital Markets Strategies activity

In the first half of 2020, the Group's net revenues attributable to the capital markets strategies activity amounted to €12.3 million (compared to €9.1 million in the first half of 2019). These revenues correspond to assets under management for an amount of €3.8 billion as at 30 June 2020 (against €3.3 billion as at 30 June 2019).

Net revenues from this activity mainly correspond to management fees of €12.3 million for the first half of 2020.

### Private Equity activity

For the first half of 2020, the Group's net revenues attributable to Private Equity activity totalled €15.5 million (compared to €11.1 million for the first half of 2019). These revenues correspond to assets under management for an amount of €2.3 billion as at 30 June 2020 (against €1.5 billion as at 30 June 2019).

Net revenues from this activity correspond to management fees of €14.5 million and performance revenue for €1.1 million for the first half of 2020.

### Net revenues from Investment activity

In the first half of 2020, the Group's net revenues attributable to the Investment activity amounted to -€77.2 million (compared to €157.7 million for the first half of 2019) and consist of:

- the negative change in fair value of -€119.6 million which was mainly the result of changes in the non-current portfolio for -€140.2 million, including -€61.1 million for listed investments (of which Eurazeo for -€60.5 million and Assystem for -€5.8 million, partially offset by DWS for €6.8 million) and -€79.1 million for non-current investments (including Sélectirente for -€24.0 million and investments related to Collateralised Loan Obligations for -€10.1 million), partially offset by €20.6 million from current investments.
- revenues from dividends, coupons and interests on receivables attached to these investments totalling €42.3 million (€49.0 million for the first half of 2019).

## (b) Liquidity and Capital Resources

### Capital resources

Tikehau Capital's gross debt totalled €1,007.2 million as at 30 June 2019, versus €997.2 million as at 31 December 2019 and €795.9 million as at 31 December 2018.

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

<b>Under IFRS standards (in millions of €)</b>	<b>30 June 2020</b>	<b>31 December 2019</b>	<b>31 December 2018</b>
Bonds	800.0	800.0	300.0
Bank debt (including accrued interest)	215.8	207.2	504.6
Amortisation of issuance costs on borrowings	(8.6)	(10.0)	(8.7)
<b>Gross debt</b>	<b>1,007.2</b>	<b>997.2</b>	<b>795.9</b>

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 2020 are described in more detail in Note 5.13 (Borrowings and financial debt) to the condensed half-yearly consolidated financial statements in Section 3.1 of this Half-Year Financial Report.

### Cash

As at 30 June 2020, the Company's cash holdings amounted to €767.4 million in cash and cash equivalents and cash management financial assets (compared with €1,307.2 million as at 31 December

2019). In addition, the Company had a current investment portfolio (consisting of bonds, marketable securities and UCITS and the margin deposit and margin calls relating to the financial instruments portfolio) amounting to €349.6 million, compared to €125.1 million as at 31 December 2019.

The following table presents the available liquidity of the Group as at 30 June 2020 and 31 December 2019 and 2018 and the Company's net debt, in each case, calculated as the sum of cash and cash equivalents, plus the current investment portfolio less current and non-current borrowings and financial debt:

<b>Under IFRS standards (in millions of €)</b>	<b>30 June 2020</b>	<b>31 December 2019</b>	<b>31 December 2018</b>
Gross debt	1,007.2	997.2	795.9
Cash	1,116.9	1,432.3	573.7
of which: cash and cash equivalents	685.5	1,175.4	436.3
of which: cash management financial assets	81.8	131.8	26.9
of which: current investment portfolio <sup>(1)</sup>	349.6	125.1	110.5
<b>NET DEBT (NET CASH)</b>	<b>-109.7</b>	<b>-435.1</b>	<b>222.2</b>

<sup>(1)</sup> Including the initial security deposit and margin calls (portfolio derivative instruments) for a total of €110.2 million as at 30 June 2020

### (c) Changes in shareholders' equity

Shareholders' equity - Group share amounted to €2.8 billion as at 30 June 2020, €3.1 billion as at 31 December 2019 and €2.3 billion as at 31 December 2018, and broke down as follows:

<b>Under IFRS standards (in millions of €)</b>	<b>30 June 2020</b>	<b>31 December 2019</b>	<b>31 December 2018</b>
Share capital	1,641.5	1,640.1	1,241.7
Premiums	1,157.2	1,158.7	849.3
Reserves and retained earnings	226.1	161.4	290.6
Net result for the year (Group share)	-240.9	178.7	(107.4)
<b>CONSOLIDATED SHAREHOLDERS' EQUITY - GROUP SHARE</b>	<b>2,783.9</b>	<b>3,138.8</b>	<b>2,274.3</b>

### (d) 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 employees of the Group (who exercise responsibilities in management or cross-functional activities of the Group and include AF&Co and MCH), and the remainder is distributed one-third each to Tikehau Capital, Tikehau IM 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 total carried interest of €1.2 million for the first half of 2020, compared to €0.9 million for the first half of 2019.

As at 30 June 2020, 90% of Private Debt assets under management (direct lending and multi-assets), Real Assets funds and Private Equity funds were eligible for carried interest, for an amount totalling €9.0 billion.

Of this total, as at 30 June 2020, invested assets under management amounted to €5.8 billion (up 14% compared to 31 December 2019), of which €2.7 billion (stable compared to 31 December 2019) exceeded the hurdle rate (i.e. the rate of return above which the performance incentive is due).

<i>(in millions of €)</i>	<b>30 June 2020</b>	<b>31 December 2019</b>
<b>Assets eligible for carried interest</b>	<b>8,981</b>	<b>8,641</b>
Direct lending and multi assets	3,589	3,709
Real Assets	3,096	2,958
Private Equity	2,296	1,973
<b>Assets under management invested</b>	<b>9,949</b>	<b>9,652</b>
Direct lending and multi assets	4,557	4,679
Real Assets	3,096	2,958
Private Equity	2,296	2,014

## 2.3. Significant events since 30 June 2020 and outlook

### (a) Significant events since 30 June 2020

- **Press release of 30 July 2020**

#### **Tikehau Capital in the first half of 2020**

- **Asset management net inflows of €1.1 billion**
  - **€25.7 billion in assets under management as at 30 June 2020**
  - **€1.6 billion of additional outstandings received in July 2020**
    - **Confirmation of objectives through to 2022**
- 
- The Group's outstandings at 30 June 2020 totalled €25.7 billion, up 9.8% over twelve months and +1.2% in the second quarter;
  - The Group's sales momentum remained good despite the difficult environment, with solid net inflows of €1.1 billion for the asset management activity during the first half of the year, raising said activity's outstandings to €24.0 billion at 30 June 2020 (+13.2% over twelve months and +2.6% over the second quarter);
  - All of Tikehau Capital's asset classes made a positive contribution to net inflows during the first half of the year, with real estate and private equity continuing to grow;
  - In private debt, Tikehau Capital was selected to manage Novo 2020, a new fund that offers financing solutions to French intermediate-sized companies;
  - The Group continues to actively manage its portfolio and took advantage of market conditions to dispose of 54% of its stake in DWS. The two groups remain fully committed to pursuing their strategic partnership;
  - During July 2020, Ace Management was selected to be the exclusive manager of the support fund for the aeronautics industry, with an initial closing of €630 million;
  - On 29 July 2020, the Group raised commitments of €220 million for the first closing of the fifth generation of its Direct Lending fund and finalised the acquisition of Star America Infrastructure Partners, a major step in the Group's expansion in North America.

Tikehau Capital's assets under management at 30 June 2020 totalled €25.7 billion, up 9.8%<sup>5</sup>, or €2.3 billion, over one year. In the second quarter of 2020, outstandings grew by 1.2% (€0.3 billion).

The Group's assets under management at the end of June 2020 were divided between €24.0 billion for the asset management activity and €1.7 billion for the investment activity.

**Antoine Flamarion**, co-founder of Tikehau Capital, said: *"During the second quarter of the year, Tikehau Capital demonstrated its ability to continue to grow at a steady pace despite an unprecedented situation due to the impact of the Covid-19 pandemic. The strength of our balance sheet and our entrepreneurial DNA have enabled us to launch and implement new initiatives despite the significant economic downturn. The unwavering commitment of our staff is currently reflected in inflows which remained at a high level during the first half of the year. Our global platform and the investment strategies we offer our institutional and retail clients are more relevant than ever in an uncertain economic environment. We continued our investments during the first half of the year and confirmed our role in financing medium- and intermediate-sized companies in France and Europe."*

**Mathieu Chabran**, co-founder of Tikehau Capital, added: *"The second half of the year will undoubtedly continue to be marked by economic uncertainty and volatility. The specific nature of our offering, our selective approach to investments and the agility of our teams will be key differentiating factors in this respect. Tikehau Capital is on track to achieve its targets for 2022, which include achieving over €35*

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<sup>5</sup> Figures provided have been rounded for presentation purposes, which could in certain cases create some rounding differences.



*billion in assets under management for the Group and generating over €100 million in operating profit from asset management activities.”*

### **Asset management activity: positive net inflow of €1.1 billion in the first half of 2020**

At 30 June 2020, Tikehau Capital's outstanding assets under management totalled €24.0 billion, up €2.8 billion over twelve months (+13.2%). In the second quarter of 2020, outstandings increased by 2.6%, or €600 million, raising their growth for the first half as a whole to +1.7% (€400 million), due to the following impacts:

- A **particularly strong net inflow** of €1,100 million, of which €580 million was raised in the second quarter. This very good performance, which was achieved despite a severely downgraded economic and health environment, reflects the interest shown by investors in the Group's business model and the investment strategies that it is developing. It also reflects the structurally buoyant trends enjoyed by the market segments in which the Group operates. The strong commercial performance during the first six months of the year was due in particular to the dynamism of the real estate and private equity activities, which accounted for around 80% of net inflows in the first half-year, thereby improving the Group's business mix and revenue generation.
- **Distributions** amounted to approximately -€500 million in the first half of the year, mainly for the private debt business.
- **Market effects** of -€200 million, against the backdrop of a sharp deterioration in the macroeconomic environment due to the Covid-19 pandemic. These effects were mainly recorded in the capital markets strategies activities.

At the end of June 2020, Tikehau Capital had a **dry powder** level of €4.7 billion within the funds it manages, enabling it to position itself alongside companies and seize investment opportunities that may arise.

### **Private debt: €8.3 billion in assets under management as at 30 June 2020**

Assets under management in the **private debt** activity amounted to €8.3 billion at the end of June 2020, compared to €8.4 billion a year earlier. For the second quarter of 2020, outstandings in this activity were stable, with net inflows of €100 million, which were offset by distributions of €150 million related in particular to direct lending activities. Market effects on private debt activities were positive at around +€70 million in the second quarter.

In addition to its management of the Novo2, Novi1 and Novo 2018 funds, Tikehau Capital was selected during the second quarter to manage a new fund (Novo 2020), which will support French intermediate-sized companies over the long term by offering tailored senior financing solutions against the backdrop of the health crisis. Under this initiative, which is led by insurers under the aegis of the FFA (Fédération Française de l'Assurance) and the Caisse des Dépôts et Consignations, Tikehau Capital raised around €60 million during the first half of the year and more than €110 million to date, anchoring its position as a key player in the financing of the real economy.

Tikehau Capital also successfully completed a second closing of over €40 million as part of the initiative launched in partnership with Fideuram in Italy to offer investment solutions in the European private markets to Italian private banking clients.

### **Real Estate: €9.6 billion in assets under management as at 30 June 2020**

The outstandings of Tikehau Capital's **real estate** activities recorded growth of 4.3% (+€400 million) over the first half of the year, reaching €9.6 billion at the end of June 2020. After a very dynamic first quarter, assets under management were stable in the second quarter (+0.3%, or +€27 million).

**Net inflows** amounted to around €520 million in the first half of the year, with momentum remaining strong for Sofidy and the final closing of the Group's first pan-European discretionary real estate fund launched in 2018, which raised a total of €560 million and was completed on 28 February 2020. **Distribution** and **market** effects totalled -€65 million and -€70 million respectively for the period and were related mainly to Sofidy.

On 6 April 2020, Tikehau Capital increased its stake in IREIT Global, a real estate company listed in Singapore that specialises in the European real estate market. This transaction was conducted under very good financial conditions for the Group, as IREIT Global's share price has risen by 51% since the transaction<sup>6</sup>.

#### Private equity: €2.3 billion in assets under management as at 30 June 2020

The Group continued its successful expansion into **private equity**, a buoyant asset class whose outstandings have increased by more than 53% over the last twelve months, reaching €2.3 billion at the end of June 2020. Assets under management increased by approximately €300 million compared to 31 December 2019 (+15.0%), and by €200 million in the second quarter (+9.5%).

As a major player in the financing of the European economy, Tikehau Capital is convinced that the alternative financing solutions it is developing, in equity especially, are now more than ever an essential vector for financing economic recovery and the energy transition.

As a result, **net inflows** were dynamic and amounted to +€350 million over the period (of which +€250 million in the second quarter), driven in particular by the successes of the second generation of special situations funds managed by the Tactical Strategies team created in the fourth quarter of 2019.

Inflows into the private equity fund for the **energy transition** continued during the first half of the year. This fund was launched in 2018 in partnership with Total and aims to offer high returns while accelerating the transition to a low-carbon economy. It reflects the Group's strong belief that equity investment is a particularly relevant and effective approach in the current environment, putting companies at the heart of the energy transition.

In addition, the French government, following the submission of a report by Philippe Tibi, launched an initiative at the end of 2019 aimed at **improving the financing of French technology companies**. Under this initiative, France's major institutional investors have pledged to dedicate more than €6 billion between now and 31 December 2022 to enable these companies to finance their growth. On 29 July 2020, Tikehau Capital's energy transition fund was declared eligible for this initiative, thus confirming the relevance of its positioning.

In April 2020, the Group also launched its first **European long-term investment fund (ELTIF)** for Banca March's private customers in Spain, which will replicate the Group's energy transition fund. Under this initiative, the Group raised €59 million during the first half of the year in a very deteriorated health and economic environment. Tikehau Capital thus confirmed the relevance of its private equity strategy and continues to broaden its investor-client base towards private clients.

Lastly, private equity inflows in the first half of the year also received an allocation from the multi-asset strategy launched at the end of 2019 in partnership with Fideuram.

**Distributions** had a -€120 million impact on private equity outstandings in the first half of the year, and **market effects** had no significant impact on assets under management over the period.

#### Capital markets strategies: €3.8 billion in outstandings at 30 June 2020

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<sup>6</sup> Based on an IREIT Global share price of SGD 0.74 at 29 July 2020.

In a particularly turbulent market environment during the first half of the year, the **capital markets strategies** activities showed resilience. Outstandings were up 0.7% (+€25 million) compared to 31 December 2019, of which 8.6% (€300 million) was during the second quarter.

**Net inflows** were positive at +€150 million for the first six months of the year, driven by a dynamic second quarter for both fixed income and flexible and equity strategies. **Market effects** were negative at -€120 million for the first half of the year, with the rebound in markets during the second quarter offsetting a large part of the negative effects recorded in the first quarter.

### **Investment activity: outstandings of €1.7 billion at the end of June 2020**

The assets under management for the **investment activity** amounted to €1.7 billion at the end of June 2020, compared to €2.2 billion at the end of December 2019.

The **€500 million** decrease recorded in the first half of the year was due mainly to the following factors:

- Tikehau Capital made commitments in its funds in line with its strategy of aligning interests for approximately **-€140 million**;
- The effects related to dividend distributions totalled approximately **-€80 million**;
- Negative market effects on the Group's portfolio of direct investments amounted to approximately **-€70 million** for the period (due mainly to listed investments), representing an impact of approximately -8%, of which -€170 million was recorded in the first quarter and +€100 million in the second quarter. The positive market effects recorded in the second quarter were offset by a negative impact of **-€165 million** related to financial instruments put in place by the Group as part of its risk management policy, at a time when the global economy was facing a major systemic risk. These instruments can be classified as hedging tools for the Group's investment portfolio, for its listed component in particular, given a level of uncertainty that remains very high as regards developments in the health crisis and the markets over the coming quarters. Costs relating to these instruments will have a negative impact on the Group's financial statements in the same proportions as its outstandings.

### **Active rotation of the investment portfolio during the first half of the year**

With a total of 210 investment lines at 30 June 2020, Tikehau Capital's **consolidated portfolio** benefits from a high level of diversity in terms of asset type, strong granularity and increasing exposure to its own asset management strategies.

Accordingly, at the end of June 2020, **65%** of Tikehau Capital's portfolio is exposed to its own funds under management (compared to 61% at the end of December 2019), in line with the Group's targets. For the Group, this approach has the dual advantage of aligning its interests with those of its client-investors and of having sources of income with a more recurring profile. In this respect, the effect of fair value adjustments to the Group's commitments in its funds was limited to around -3% over the first six months of the year, despite a particularly difficult and volatile market environment.

Since 1 January, Tikehau Capital has also actively pursued the rotation of its direct investment portfolio. The Group took advantage of market conditions to sell 54% of its stake in the German management company **DWS**, generating total proceeds of €110 million. Tikehau Capital and DWS are also continuing the deployment of their strategic partnership, the spirit and nature of which remain unchanged following this transaction, with several joint initiatives and projects currently under development.

In addition, the Group has been informed by **Conforama**, a major player in home furnishings in Europe, of the forthcoming repayment of the €115-million loan granted to the company at the beginning of 2018, to be borne in part by Tikehau Capital's balance sheet and in part by several funds managed by the Group.

## Outlook

**Tikehau Capital is on track to achieve its targets for 2022, which include achieving over €35 billion in assets under management for the Group and generating over €100 million in operating profit from asset management activities.**

In July 2020, Tikehau Capital continued to deliver on its strategy and achieved significant commercial successes, resulting in the recognition of €1.6 billion in additional outstandings since 30 June 2020, of which €1.1 billion were through organic growth, an amount equivalent to net inflows for the entire first half of the year, and €0.5 billion in external growth:

- In **private equity**, Ace Management, a private equity firm and subsidiary of Tikehau Capital specialising in the industrial and technological sectors, achieved a major success in July 2020. Following a call for tenders organised by the major players in the aeronautics industry (Airbus, Safran, Thales, Dassault Aviation) with the support of the French government notably through BPI France, Ace Management was selected to exclusively manage a fund designed to support the aeronautics industry. The purpose of this fund will be to strengthen the equity capital of all subcontractors critical to the sector and to facilitate the consolidation of this sector of French industrial excellence. An initial fund closing of €630 million has already taken place. Tikehau Capital participated in this initial closing by investing €230 million through its balance sheet, in line with its interest alignment policy.
- In **private debt**, the Group collected total commitments of €220 million as part of the first closing of the fifth generation of its Direct Lending fund. In line with its strategy of aligning interests with its investor-clients, Tikehau Capital contributed to this initial closing by committing €60 million via its own balance sheet. A pioneer in Europe in the private debt market, the Group benefits from expert positioning in the Direct Lending segment in Europe. The fourth generation of funds raised a total of €2.1 billion, over three times more than the previous generation. With this fifth generation of funds, Tikehau Capital and its investor-clients will have renewed resources to support European SMEs, offering them a wide range of tailor-made financing solutions.
- In addition, Tikehau Capital has also been entrusted by a French institutional investor with a €150-million management authorisation to invest in several strategies developed by the Group, mainly in **private debt**. This authorisation takes the form of an evergreen closed-end fund, i.e. a fund with an unlimited lifespan, a first for Tikehau Capital in private debt.
- Tikehau Capital also raised an additional €55 million for the **Novo 2020** fund, of which the Group was awarded management during the first half of the year.
- Finally, on 29 July 2020, the Group finalised the acquisition of 100% of the share capital of **Star America Infrastructure Partners**, an independent US management company active in the development and management of medium-sized infrastructure projects in North America, which has approximately \$600 million (€535 million<sup>7</sup>) of assets under management. This acquisition enables Tikehau Capital to diversify its assets under management towards a new and promising asset class and to strengthen its development strategy in North America. The purchase price was paid partly in cash and partly in equity. The terms of the transaction also provide for the potential payment of an earn-out in 2021.

In a global economic environment that is still strongly deteriorated and has a high level of uncertainty, Tikehau Capital remains very cautious about market developments over the coming quarters. The Group is of the opinion that current financial market levels do not fully reflect the profound consequences that the Covid-19 pandemic crisis will have on the real economy in the short and medium term. Uncertainty regarding the evolution of the pandemic remains high and the risks to developments in the

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<sup>7</sup> Based on a \$/€ exchange rate of 0.89 at 30 June 2020.

global economy and the health of businesses over the coming quarters remain significant.

In this context, Tikehau Capital relies on a **distinctive business model** based on significant equity capital that is primarily invested in its various asset management strategies alongside its investor-clients. In addition to ensuring an unparalleled alignment of interests between the Group and its investor-clients, this approach allows the Group to be well equipped to deal with adverse market conditions.

### **Share buyback program**

Tikehau Capital is extending until 17 September 2020 the authorisation given to an investment services provider for the repurchase of shares under its buyback programme authorised by the Annual General (Shareholders') Meeting of 19 May 2020. The repurchased shares are intended to be used as part of external growth transactions, mergers, spin-offs or contributions, up to a maximum of 5% of the share capital in accordance with the law.

The terms of the share buyback programme remain unchanged. The description of the share buyback programme (set out in paragraph 8.3.4 of the Tikehau Capital Registration Document filed by the Autorité des Marchés Financiers on 14 April 2020 under number D. 20-0290) is available on the company's website in the Regulated Information section.

<https://www.tikehaucapital.com/fr/shareholders/regulatory-information>

### **Calendar**

**17 September 2020** – 2020 half-year results

**5 November 2020** – Assets under management at end September 2020

**Details of changes in assets under management in the asset management activity<sup>8</sup>.**

<b>1<sup>st</sup> half of 2020 (€m)</b>	Net inflows *	Distributions	Market effects <sup>9</sup>	Changes in outstandings	<b>Outstandings at 30/06/2020 (€m)</b>
Private debt	+65	(307)	(62)	<b>(304)</b>	<b>8,329</b>
Real estate	+520	(67)	(70)	<b>+383</b>	<b>9,560</b>
Capital markets strategies	+153	(10)	(117)	<b>+25</b>	<b>3,836</b>
Private equity	+351	(120)	+50	<b>+281</b>	<b>2,296</b>
<b>Total asset management</b>	<b>+1,089</b>	<b>(504)</b>	<b>(200)</b>	<b>+386</b>	<b>24,021</b>

\* net inflows by business line take into account internal reallocations resulting from multi-asset strategies, in particular funds raised as part of the partnership with Fideuram initially recognised as private debt and gradually deployed in the Group's various asset classes. Accordingly, in the first half of the year, the impacts are as follows: -€91 million on net private debt inflows, +€45 million on real estate and +€46 million on private equity.

<b>2<sup>nd</sup> half of 2020 (€m)</b>	Net inflows *	Distributions	Market effects	Changes in outstandings	<b>Outstandings at 30/06/2020 (€m)</b>
Private debt	+103	(148)	+71	<b>+26</b>	<b>8,329</b>
Real estate	+81	(30)	(23)	<b>+27</b>	<b>9,560</b>
Capital markets strategies	+148	(9)	+182	<b>+321</b>	<b>3,836</b>
Private equity	+250	(120)	+76	<b>+206</b>	<b>2,296</b>
<b>Total asset management</b>	<b>+582</b>	<b>(306)</b>	<b>+306</b>	<b>+581</b>	<b>24,021</b>

\* net inflows by business line take into account internal reallocations resulting from multi-asset strategies, in particular funds raised as part of the partnership with Fideuram initially recognised as private debt and gradually deployed in the Group's various asset classes. Accordingly, in the first half of the year, the impacts are as follows: -€5 million on net private debt inflows and +€5 million on private equity.

<sup>8</sup> Figures provided are the Group's best estimates as at the end of June 2020 and as such can slightly change. They have been rounded for presentation purposes, which could in certain cases create some rounding differences.

<sup>9</sup> Including non-significant scope effects.

**Breakdown of assets under management as at 30 June 2020<sup>10</sup>**

	Asset under management at 30/06/2020		Change vs 30/06/2019		Change vs 31/12/2019	
	Amounts (€m)	Weight (%)	As a %	In €m	As a %	In €m
Private debt	8,329	32%	-1%	-80	-4%	-304
Real estate	9,560	37%	19%	1,511	4%	383
Capital markets strategies	3,836	15%	15%	506	1%	25
Private equity (a)	2,296	9%	58%	839	14%	281
<b>Asset management activity</b>	<b>24,021</b>	<b>93%</b>	<b>13%</b>	<b>2,775</b>	<b>2%</b>	<b>386</b>
<b>Investment activity* (b)</b>	<b>1,683</b>	<b>7%</b>	<b>-20%</b>	<b>-424</b>	<b>-23%</b>	<b>-490</b>
<b>Total assets under management</b>	<b>25,704</b>	<b>100%</b>	<b>10%</b>	<b>2,351</b>	<b>0%</b>	<b>-104</b>

Total private equity (a+b)	3,979	15%	12%	415	-5%	-209
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\* Balance sheet investments

- **Press release of 8 September 2020**

**Increase in funds allocated to the liquidity contract**

**Paris, 8 September 2020 – Tikehau Capital, the alternative asset management and investment group, is increasing funds for the liquidity contract**

The Tikehau Capital liquidity contract managed by Exane BNP Paribas received an additional contribution of €500,000 in cash.

This additional contribution will align the funds for the liquidity contract with the market capitalisation and the objective of promoting the share's liquidity and its ability to be traded.

As at 30 June 2020, the following funds were credited to the liquidity account:

- 48,275 Tikehau Capital shares
- €507,809 in cash.

In accordance with the authorisation granted by the General (Shareholders') Meeting of Tikehau Capital on 19 May 2020, the maximum unit purchase price per share under the liquidity contract is €40.

- **Buy and sell transaction on the portfolio derivative instruments**

On 15 September 2020, Tikehau Capital proceeded to a buy and sell transaction with a 3 months maturity on the portfolio derivative instruments set up by the Group as part of its risk management policy and were opened as of 30 June 2020. Such operation reflects a realized loss of €55.2 million, which represents €35.3 million increase compared to the unrealized loss of €19.9 million already booked in 2020 half-year financial statements.

<sup>10</sup> Figures provided are the Group's best estimates as at the end of June 2020 and as such can slightly change. They have been rounded for presentation purposes, which could in certain cases create some rounding differences.

## (b) Outlook

After the asset management division considerably expanded its contribution to the Group's earnings and profits during the first half of the year, Tikehau Capital will remain focused over the coming months to:

- Continue to grow its flagship funds, as they are being raised
- Expand its offer by developing new strategies
- Reinforce its asset management platform, in particular by leveraging acquisitions made over recent years

During the next few months, Tikehau Capital will continue to market its funds currently being raised in private equity (energy transition, growth equity, aerospace and medtech), private debt (direct lending, impact lending) and special situations. In capital markets strategies, the Group will continue to market its flexible and fixed income funds, in particular through the Tikehau 2027 fixed income fund launched in early June 2020.

Many successes have already been notched up in July 2020:

- Ace Management was entrusted with the exclusive management of a private equity fund designed to support the aerospace industry, following a call for tender organised by the leading aerospace players (Airbus, Safran, Thales and Dassault Aviation) with support from the French state. An initial closing has already been completed for €630 million, in which Tikehau Capital invested €230 million from its balance sheet, in accordance with its strategy to align interests. The fund is currently being actively marketed.
- Regarding private debt:
  - The initial closing for the fifth generation of its Direct Lending fund was completed for a total of €220 million, including €60 million from the balance sheet of Tikehau Capital. This fifth generation of funds will enable Tikehau Capital and its investor-clients to access fresh resources to support European SMEs by offering them a wide range of bespoke financing solutions, which is key in the context of the current crisis. A second closing for this fund is expected during the second half of 2020, primarily with international investors.
  - A €150 million evergreen mandate was granted by a French institutional investor to Tikehau Capital, to invest in several strategies developed by the Group, primarily in private debt.
  - An additional €55 million was raised through the Novo 2020 fund sponsored by institutional investors, which the Group was charged with managing during the first half of the year.

Tikehau Capital is also working to launch several strategies during the second half of the year, with in particular, in the private debt segment, an impact lending strategy as well as its first secondary private debt fund and, in the capital markets strategies, a long-term equity fund that is not subject to daily liquidity.

The Group will also continue to expand its asset management platform by integrating and growing the various acquisitions it has made over recent years:

- On 29 July 2020, Tikehau Capital finalised the acquisition of 100% of the capital of Star America Infrastructure Partners, an independent US-headquartered asset management firm operating to develop and manage mid-sized infrastructure projects in North America that has more than \$600 million (€535 million<sup>11</sup>) of assets under management. This acquisition enables Tikehau Capital to diversify its assets under management by taking on a new high-growth asset class and strengthen its growth strategy in North America. The integration of Star America

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<sup>11</sup> Using a \$/€ exchange rate of 0.89 as at 30 June 2020.



Infrastructure Partners into the Tikehau Capital platform is progressing rapidly, and the Group has already committed €50 million from its balance sheet to their second-generation fund, in accordance with its strategy to align interests. The assets under management of Star America Infrastructure Partners will now be recognised alongside the assets under management of the real estate division, under “Real Assets”.

- This year is also key for IREIT Global, a real estate investment trust listed in Singapore with €630m of assets at end-June 2020, which only invests in Europe. Since taking a stake in the company’s capital in 2016, Tikehau Capital has been very actively involved in supporting the growth of IREIT Global, restructuring its shareholder base but also financing and internationalising its future growth. In late 2019, IREIT Global announced its first investment in Spain by acquiring 40% of a real estate portfolio comprising four office buildings in Madrid and Barcelona with Tikehau Capital owning the remaining 60% stake. On 7 August 2020, IREIT Global announced its intention to exercise the call option on the stake held by Tikehau Capital, and to raise €90 million before the end of 2020 that will enable it to finance this operation and reimburse a shareholder loan granted by City Developments Limited (CDL). The three largest shareholders of IREIT Global (Tikehau Capital, CDL and AT Capital) announced their intention to take part in this capital increase. Since 6 April 2020, Tikehau Capital and CDL have held 29.2% and 20.9%, respectively, of the capital of IREIT Global.

The structurally positive tailwinds in favour of the market segments where the Group is positioned remain unchanged, therefore confirming investor-clients’ appetite and interest for the strategies developed by Tikehau Capital. In the shorter term, the environment remains uncertain, particularly with respect to the evolution of the health and economic crisis, and could lead to cyclical effects on the pace of fundraising.

Tikehau Capital has therefore set a target of reaching more than €27.5 billion of assets under management by end-2020<sup>12</sup>, and confirms its core objectives for 2022, aiming to reach over €35 billion of assets under management and generate over €100 million in operating profit from asset management.

## 2.4. Other information

- **Capital increase of 4 July 2020**

On 4 July 2020, Tikehau Capital carried out a capital increase for an amount of approximately €0.1 million 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 2020, the share capital of the Company amounted to €1,641,635,640 and is divided into 136,802,970 shares.

- **Related parties**

During the first half of 2020, there were no related-party transactions with a material impact on the financial statements for the period, and there were no amendments affecting the related-party transactions described in the Company’s 2019 Universal Registration Document that could have a material impact on the financial statements for the first half of 2020.

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<sup>12</sup> At constant assets under management in the Capital Markets Strategies business.

# 3. HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2020

## 3.1 2020 CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

### 1. Consolidated balance sheet

<b>Assets</b>			
<i>(in thousands of €)</i>	<i>Notes</i>	<b>30 June 2020</b>	<b>31 December 2019</b>
<b>Non-current assets</b>			
Tangible and intangible assets	5.6 & 5.27	530,987	535,046
Non-current investment portfolio	5.7	2,132,017	2,210,181
Investments in equity affiliates	5.8	8,291	9,261
Deferred tax assets	5.14	59,394	25,921
Other non-current assets		4,115	3,901
<b>Total non-current assets</b>		<b>2,734,804</b>	<b>2,784,309</b>
<b>Current assets</b>			
Trade receivables and related accounts	5.9	47,409	59,877
Other receivables and financial assets	5.9	60,839	64,730
Current investment portfolio	5.10	349,617	125,087
Cash management financial assets	5.11	81,849	131,806
Cash and cash equivalents	5.11	685,522	1,175,429
<b>Total current assets</b>		<b>1,225,237</b>	<b>1,556,930</b>
<b>TOTAL ASSETS</b>		<b>3,960,040</b>	<b>4,341,239</b>

<b>LIABILITIES</b>			
<i>(in thousands of €)</i>	<i>Notes</i>	<b>30 June 2020</b>	<b>31 December 2019</b>
Share capital	5.12	1,641,530	1,640,081
Premiums		1,157,215	1,158,664
Reserves and retained earnings		226,131	161,402
Net result for the period		(240,929)	178,685
<b>Shareholders' equity - Group share</b>		<b>2,783,948</b>	<b>3,138,833</b>
Non-controlling interests	5.17	6,595	6,770
<b>Shareholders' equity</b>	3.	<b>2,790,543</b>	<b>3,145,603</b>
<b>Non-current liabilities</b>			
Non-current provisions		2,139	2,390
Non-current borrowings and financial debt	5.13	996,031	993,338
Deferred tax liabilities	5.14	52,199	60,370
Non-current financial derivatives	5.15	15,790	12,896
Other non-current liabilities	5.27	24,719	26,507
<b>Total non-current liabilities</b>		<b>1,090,878</b>	<b>1,095,501</b>
<b>Current liabilities</b>			
Current borrowings and financial debt	5.13	11,211	3,851
Trade payables and related accounts	5.9	21,919	34,469
Tax and social security payables		25,214	39,373
Other current liabilities	5.9 & 5.27	20,275	22,443
<b>Total current liabilities</b>		<b>78,619</b>	<b>100,135</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>3,960,040</b>	<b>4,341,239</b>

## 2. Consolidated statement of income

<i>(in thousands of €)</i>	<i>Notes</i>	<b>2020</b> <b>(6 months)</b>	<b>2019</b> <b>(6 months)</b>
<b>Net revenues from Asset Management activity</b>	5.18	<b>88,253</b>	<b>75,947</b>
Change in fair value of the non-current investment portfolio		(140,163)	103,033
Change in fair value of the current investment portfolio		20,612	5,662
<b>Change in fair value</b>	5.19	<b>(119,551)</b>	<b>108,695</b>
Other revenues from the non-current investment portfolio		39,940	48,980
Other revenues from the current investment portfolio		2,405	31
<b>Other portfolio revenues from the investment activities</b>	5.20	<b>42,345</b>	<b>49,011</b>
<b>Revenues from Investment activity</b>		<b>(77,206)</b>	<b>157,705</b>
<b>Derivative portfolio revenue</b>	5.21	<b>(165,389)</b>	<b>-</b>
Purchases and external expenses		(55,791)	(48,954)
Personnel expenses		(42,389)	(40,620)
Other net operating expenses		(10,103)	(6,440)
<b>Operating expenses</b>	5.22	<b>(108,282)</b>	<b>(96,014)</b>
<b>Net operating profit from Asset Management and Investment activities before share of net results from equity affiliates</b>		<b>(262,624)</b>	<b>137,638</b>
Share of net results from equity affiliates		(384)	(783)
<b>Net operating profit from Asset Management and Investment activities after share of net results from equity affiliates</b>		<b>(263,008)</b>	<b>136,856</b>
Net income on cash equivalents	5.23	78	293
Financial expenses	5.24	(19,328)	(22,270)
<b>Financial result</b>		<b>(19,249)</b>	<b>(21,977)</b>
<b>Result before tax</b>		<b>(282,258)</b>	<b>114,879</b>
Corporate income tax	5.14	41,375	(17,627)
<b>Net result</b>		<b>(240,883)</b>	<b>97,252</b>
Non-controlling interests	5.17	46	56
<b>Net result - Group share</b>		<b>(240,929)</b>	<b>97,196</b>
Weighted average number of outstanding ordinary shares		136,733,769	104,016,273
Earnings per share <i>(in €)</i>		-€1.76	€0.93
Weighted average number of shares after dilution	5.12	139,315,801	106,745,643
Diluted earnings per share <i>(in €)</i>		n.a.	€0.91

## Consolidated statement of comprehensive income

<i>(in thousands of €)</i>	<i>Notes</i>	<b>2020</b> <b>(6 months)</b>	<b>2019</b> <b>(6 months)</b>
<b>Net result</b>		<b>(240,883)</b>	<b>97,252</b>
Currency translation adjustment <sup>(1)</sup>		(268)	(6)
Related taxes		-	-
<b>Consolidated comprehensive income</b>		<b>(241,151)</b>	<b>97,245</b>
Of which non-controlling interests		46	56
Of which Group share		(241,197)	97,190

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

### 3. Change in consolidated shareholders' equity

<i>(in thousands of €)</i>	Share capital	Premiums	Group reserves	Own shares	Translation dif- ferences	Net result for the period	Shareholders' equity Non-controlling Group share interests	Consolidated shareholders' equity	
<b>Situation as at 31 December 2018</b>	<b>1,241,731</b>	<b>849,338</b>	<b>291,830</b>	<b>(1,166)</b>	<b>(64)</b>	<b>(107,362)</b>	<b>2,274,307</b>	<b>766</b>	<b>2,275,073</b>
Allocation of net result	-	-	(133,220)	-	-	107,362	(25,858)	(50)	(25,908)
Capital increase of 27 June 2019 <sup>(1)</sup>	390,000	317,676	-	-	-	-	707,676	-	707,676
Share-based payment (IFRS 2)	-	-	4,881	-	-	-	4,881	17	4,899
Other movements in reserves <sup>(2)</sup>	-	-	6,603	127	(6)	-	6,723	511	7,235
Net result for the period	-	-	-	-	-	97,196	97,196	56	97,252
<b>Situation as at 30 June 2019</b>	<b>1,631,731</b>	<b>1,167,014</b>	<b>170,095</b>	<b>(1,039)</b>	<b>(71)</b>	<b>97,196</b>	<b>3,064,925</b>	<b>1,301</b>	<b>3,066,226</b>
Allocation of net result	-	-	-	-	-	-	-	(35)	(35)
Capital increase as at 1 July 2019 <sup>(3)</sup>	3,954	(3,954)	-	-	-	-	-	-	-
Capital increase of 1 December 2019 <sup>(3)</sup>	4,396	(4,396)	-	-	-	-	-	-	-
Share-based payment (IFRS 2)	-	-	4,425	-	-	-	4,425	20	4,445
Other movements in reserves	-	-	(4,611)	(7,770)	372	-	(12,009)	4,991	(7,018)
Net result for the period	-	-	-	-	-	81,489	81,489	494	81,983
<b>Situation as at 31 December 2019</b>	<b>1,640,081</b>	<b>1,158,664</b>	<b>169,909</b>	<b>(8,809)</b>	<b>302</b>	<b>178,685</b>	<b>3,138,832</b>	<b>6,770</b>	<b>3,145,603</b>
Allocation of net result	-	-	95,259	-	-	(178,685)	(83,426)	(241)	(83,667)
Capital increase of 31 March 2020 <sup>(4)</sup>	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)
<b>SITUATION AS AT 30 JUNE 2020</b>	<b>1,641,530</b>	<b>1,157,215</b>	<b>268,263</b>	<b>(42,166)</b>	<b>34</b>	<b>(240,929)</b>	<b>(2,784,948)</b>	<b>6,595</b>	<b>2,790,543</b>

(1) Tikehau Capital carried out a capital increase of €715 million at a price of €22 per share, through the creation of 32.5 million new shares. Costs related to the capital increase were deducted from the issue premium for €7.3 million.

(2) The impact on "Consolidated reserves" of various transactions in 2019 relating to the IREIT Global Group share capital was €8.6 million.

(3) As part of the definitive grant of free shares under the "2016 TIM Replacement Plans", Tikehau Capital carried out a capital increase on 1 July 2019 by capitalisation of the share premium for €3.9 million. On 1 December 2019, for the definitive grant of free shares under the "All Plan" and the first tranche of the "One Off Plan", Tikehau Capital also carried out a capital increase by capitalisation of the issue premium for €4.4 million.

(4) 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.

## 4. Consolidated cash flow statement

<i>(in thousands of €)</i>	<i>Notes</i>	<b>H1 2020</b> <b>(6 months)</b>	<b>H1 2019</b> <b>(6 months)</b>	<b>2019</b> <b>(12 months)</b>
<b>Revenues from Asset Management activity</b>		<b>100,896</b>	<b>75,280</b>	<b>160,479</b>
<b>Non-current investment portfolio</b>		<b>(17,987)</b>	<b>(216,576)</b>	<b>23,948</b>
Acquisitions	5.7	(204,572)	(322,631)	(697,377)
Disposals		145,969	70,821	641,145
Income		40,616	35,235	80,180
• Dividends		26,804	17,217	56,204
• Interest and other revenues		13,812	18,018	23,976
<b>Current investment portfolio</b>		<b>(91,318)</b>	<b>1,731</b>	<b>(997)</b>
Acquisitions	5.10	(437,926)	-	(5,229)
Disposals		344,205	1,709	4,187
Income		2,403	22	45
• Dividends		2,056	-	28
• Interest and other revenues		347	22	17
<b>Derivatives portfolio <sup>(1)</sup></b>		<b>(275,583)</b>	<b>-</b>	<b>-</b>
<b>Other investments in companies in the scope of consolidation <sup>(2) (3)</sup></b>		<b>(6,890)</b>	<b>2,825</b>	<b>2,621</b>
<b>Portfolio payables, portfolio receivables and financial assets in the investment portfolio</b>	5.9	<b>29,234</b>	<b>(15,304)</b>	<b>(9,601)</b>
<b>Net income/expenses on cash equivalents</b>		<b>77</b>	<b>(551)</b>	<b>1,196</b>
<b>Operating expenses and change in working capital requirement</b>		<b>(183,667)</b>	<b>(80,727)</b>	<b>(194,580)</b>
<b>Tax</b>	5.14	<b>(5,151)</b>	<b>2,940</b>	<b>(2,463)</b>
<b>Net cash flows from operating activities</b>		<b>(450,389)</b>	<b>(230,380)</b>	<b>(19,397)</b>
<b>Capital increases in cash</b>		<b>-</b>	<b>707,676</b>	<b>707,676</b>
<b>Dividends paid</b>		<b>(83,667)</b>	<b>(25,908)</b>	<b>(25,943)</b>
<b>Borrowings</b>	5.13	<b>(5,723)</b>	<b>(6,373)</b>	<b>173,731</b>
<b>Bank overdrafts</b>		<b>-</b>	<b>104</b>	<b>-</b>
Cash management financial assets		49,957	188	(104,894)
Other financial flows		-	8,977	7,741
<b>Net cash flows from financing activities</b>		<b>(39,433)</b>	<b>684,664</b>	<b>758,310</b>
<b>Change in cash flow (excl. impact of foreign currency translation)</b>		<b>(489,823)</b>	<b>454,284</b>	<b>738,914</b>
<b>Impact of foreign currency translation</b>		<b>(83)</b>	<b>-</b>	<b>168</b>
Cash and cash equivalents at the beginning of the period		1,175,429	436,347	436,347
Cash and cash equivalents at the end of the period		685,522	890,631	1,175,429
<b>Change in cash-flow</b>		<b>(489,907)</b>	<b>454,284</b>	<b>739,082</b>

(1) During the first half of the 2020 financial year, cash flows relating to the derivatives portfolio included realised capital losses of €(145.4) million, the initial margin deposit and margin calls on derivatives amounting to €(130.1) million.

(2) In 2019 (12 months), cash flow mainly corresponded to the takeover of Homming and Homunity for an amount of €(3.6) million net of cash acquired of €0.4 million, to the exercise of the put option on the Sofidy SA shares for an amount of €(3.0) million, and to the acquisition and disposal of IREIT Global Group shares for a net amount of €8.3 million.

(3) During the first half of the 2020 financial year, cash flow corresponded to the payment of the earn-out clause relating to the acquisition of Homunity for €(6.5) million and the payment of the earn-out clause relating to the acquisition of ACE Management for €(0.4) million.

## 5. Notes to the consolidated financial statements prepared under IFRS

### 5.1 Entity presenting the consolidated financial statements

Tikehau Capital SCA (“Tikehau Capital” or the “Company”) 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 5.3 (Scope of consolidation).

The Tikehau Capital consolidated financial statements for the interim financial year ended 30 June 2020 were approved by the Company’s Manager on 16 September 2020.

### 5.2 Basis of preparation

#### (a) Accounting standards and Declaration of compliance

The condensed half-year consolidated financial statements of Tikehau Capital as at 30 June 2020 have been prepared in accordance with IAS 34 “Interim Financial Reporting”. Being condensed financial statements, they do not include all the information required by IFRS and should therefore be read in conjunction with Tikehau Capital’s annual consolidated financial statements prepared in accordance with IFRS as adopted by the European Union for the financial year ended 31 December 2019.

The accounting principles used for the preparation of consolidated financial statements are in accordance with IFRS standards and interpretations as adopted by the European Union as at 30 June 2020 and are available on the following website:

[http://ec.europa.eu/finance/company-reporting/standardsinterpretations/index\\_en.htm](http://ec.europa.eu/finance/company-reporting/standardsinterpretations/index_en.htm).

The standards and interpretations are identical to those used in the preparation of the annual consolidated financial statements for the financial year ended 31 December 2019 and described in the notes to the consolidated financial statements for the financial year ended 31 December 2019, with the exception of:

#### **New standards, amendments and interpretations applicable from 1 January 2020**

- amendments to the conceptual framework references in the IFRS Standards. The application of the amendment has not had a significant impact;
- amendment to IFRS 3 “Business Combinations”: definition of a business. Application of this amendment has not had a significant impact.
- amendment to IAS 1 “Presentation of Financial Statements” and IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”: definition of the word “significant”. Application of this amendment has not had a significant impact;
- amendments to IFRS 9 “Financial Instruments”, IAS 39 “Financial Instruments: Recognition and Measurement” and IFRS 7 “Financial Instruments: Disclosures”: reform of reference interest rates.

## **Standards published by the IASB and adopted by the European Union as at 30 June 2020**

The Group has applied no standard and/or interpretation that could concern it and for which application is not mandatory as at 1 January 2020.

### **(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 "Currency translation adjustment".

### **(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 and the estimated amounts of deferred tax assets recognised in tax loss carry forwards.

### **(f) Special features 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 activity, 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 2020 and as at 30 June 2019 are not necessarily indicative of those that can be expected for the 2020 or 2019 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 2020 and 30 June 2019. 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.

## 5.3 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 2020, changes in the scope of consolidation and percentage of ownership, compared with the consolidated financial statements as at 31 December 2019 were as follows (see Note 5.3.c "Change in scope of consolidation"):

#### Fully consolidated subsidiaries or entities accounted for under the equity method

Fully consolidated entities	Form	Address	% of interest	
			30 June 2020	31 Dec 2019
Tikehau Capital Americas Holdings	LLC	412W 15th St - 10011 New York, NY, United States of America	100.0%	n.a.



Entities consolidated using the equity method	Form	Address	% of interest	
			30 June 2020	31 Dec 2019
Duke Street (via TC UK)	LLP	Nations House, 103 Wigmore Street W1U 1QS LONDON, England	33.6 %	34.6 %

### Subsidiaries of Tikehau Capital 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 2020 financial year, the changes in percentage of ownership compared with the consolidated financial statements prepared as of 31 December 2019 were as follows:

Investment entities at fair value	Form	Address	% of interest		Level of control
			30 June 2020	31 Dec 2019	
IREIT Global	Pte. Ltd	8 Marina View #15-07A – Asia Square Tower 1 Singapore 018960, Singapore	29.4%	16.6%	No control and no significant influence

### Non-consolidated subsidiaries

During the first half of the 2020 financial year, there were no changes in the non-consolidated companies compared to the consolidated financial statements as at 31 December 2019.

### 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 Capital Europe, Sofidy or ACE Management or companies outside of 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 Investment Management and those managed by Tikehau Capital Europe (CLO), Sofidy and ACE Management 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 in excess of €5 million. These funds also meet the conditions for the IFRS 10 exemption.

Investments in the funds as at 30 June 2020	Investing company	Business line	% holding	
			30 June 2020	31 December 2019
Tikehau Brennus	TC	Private Debt	54%	54%
Tikehau Credit.fr	TC	Private Debt	35%	38%
TDL IV L	TC UK & TIM	Private Debt	21%	21%
Tikehau Homunity Fund	TC	Private Debt	49%	55%
MTDL	TC UK & TIM	Private Debt	51%	51%
TIRF I (I-Petali)	TC & TC UK & TIM	Real Estate	27%	27%
TRE III feeder (Optimo 2)	TC UK	Real Estate	28%	28%
TRP II (Bercy 2)	TC	Real Estate	28%	28%
TREO	TC & TIM	Real Estate	31%	37%
TSO	TC UK & TIM	Private Equity	36%	36%
TSO II	TC UK	Private Equity	35%	70%
TKS II	TC & TIM	Private Equity	57%	65%
TGE II	TC & TIM	Private Equity	55%	55%
Tikehau Green I	TC & TIM	Private Equity	0%	22%
Tikehau Fund of Funds	TC UK	Private Equity	92%	90%
Brienne III	TC & ACE	Private Equity	50%	50%

## 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;
- 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.

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 2020, Tikehau Capital's CLO vehicles were as follows:

### (i) Tikehau CLO I

Category of bonds issued	Rating (Moody's/Fitch)	Nominal value as at 30 June 2020			
		(in thousands of €)	Coupon	Floor rate	Final maturity
A-1R.	Aaa/AAA	157,762	Euribor 3 months + 0.60%	0%	2028
A2 – FIXED	Aaa/AAA	39,196	1.88%	n.a.	2028
B – R	Aa1/AA+	39,000	Euribor 3 months + 1.07%	0%	2028
C – R	A2/A+	28,000	Euribor 3 months + 1.45%	0%	2028
D – R	Baa2/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
<b>TOTAL</b>		<b>350,658</b>			

### (ii) Tikehau CLO II

Category of bonds issued	Rating (Moody's/Fitch)	Nominal value as at 30 June 2020			
		(in thousands of €)	Coupon	Floor rate	Final maturity
A – R	Aaa/AAA	244,000	Euribor 3 months + 0.88%	0%	2029
B	Aa2/AA	46,000	Euribor 3 months + 1.70%	0%	2029
C – R	A2/A	23,000	Euribor 3 months + 2.25%	0%	2029
D – R	Baa3/BBB	18,000	Euribor 3 months + 3.25%	0%	2029
E	Ba2/BB	28,000	Euribor 3 months + 6.25%	0%	2029
F	B2/B-	10,500	Euribor 3 months + 7.50%	0%	2029
Subordinated notes	Unrated	44,700	n.a.	n.a.	2029
<b>TOTAL</b>		<b>414,200</b>			

**(iii) Tikehau CLO III**

Category of bonds issued	Rating (Moody's/S&P)	Nominal value as at 30 June 2020		Coupon	Floor rate	Final maturity
		(in thousands of €)				
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
<b>TOTAL</b>		<b>435,150</b>				

**(iv) Tikehau CLO IV**

Category of bonds issued	Rating (Moody's/Fitch)	Nominal value as at 30 June 2020		Coupon	Floor rate	Final maturity
		(in thousands of €)				
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 + 1.70%	n.a.	2031
C1	A2/A	7,000		Euribor 3 months + 2.15%	0%	2031
C2	A2/A	19,000		Euribor 3 months + 2.20%	n.a.	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
<b>TOTAL</b>		<b>410,300</b>				

## (v) Tikehau CLO V

Category of bonds issued	Rating (Moody's/S&P)	Nominal value as at 30 June 2020		Coupon	Floor rate	Final maturity
		(in thousands of €)				
X	Aaa/AAA	2,200		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 + 2.73%	n.a.	2032
D1	Baa3/BBB	24,800		Euribor 3 months + 3.90%	0%	2032
D2	Baa3/BBB	6,000		Euribor 3 months + 4.18%	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		451,200				

## (c) Change in scope of consolidation

The main changes to the scope of consolidation during the first half of 2020 were as follows:

### Creation of the subsidiary Tikehau Capital Americas Holdings LLC

The subsidiary Tikehau Capital Americas Holdings was created in the first half of 2020. This subsidiary will support new asset management strategies that will be managed from North America.

### Liquidation of the subsidiary TIM APAC

TIM APAC was put into liquidation during the first half of 2020. The liquidation process was still in progress as at 30 June 2020.

## (d) Significant events during the period

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

On 27 January 2020, 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 the strength of Tikehau Capital's balance sheet and expressed its confidence in the Group's ability to keep financial ratios at levels consistent with an *Investment Grade* profile as Tikehau Capital pursues its strategy.

### **Capital increase of 31 March 2020**

On 31 March 2020, 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 120,722 shares. The aim of this capital increase was to deliver free shares granted under the 2018 FSA Plan and the 2018 Performance Share Plan.

As at 31 March 2020, the share capital of the Company amounts to €1,641,529,560 and is divided into 136,794,130 shares.

### **Increase in Tikehau Capital's investment in IREIT Global**

On 6 April 2020, Tikehau Capital, together with City Developments Limited (CDL), a leading Singapore-listed real estate company, announced the increase of their respective stakes in IREIT Global, a Singapore-listed real estate investment trust focused on the European real estate market, in which Tikehau Capital invested in November 2016.

The purchase, alongside an affiliate of AT Capital, a Singapore-based family office, of a 26.04% stake in IREIT Global, enables Tikehau Capital and CDL to increase their stake in IREIT Global respectively from 16.64% to 29.43% and from 12.52% to 20.87% upon completion of the transaction. Together, Tikehau Capital and CDL now own more than half of IREIT Global's capital. For Tikehau Capital, this acquisition represents a cash investment of circa €25 million.

The transaction reflects both Tikehau Capital and CDL's common long-term objectives of growing IREIT Global as well diversifying its portfolio. The reinforcement of this partnership with CDL is a positive step in the development of IREIT Global's activities will allow the tapping of each other's complementary strengths to fuel IREIT's growth. It will provide the company with a strong support for its development while leveraging the know-how and local knowledge of a major player in the Asian real estate sector in addition to the European outreach and expertise of Tikehau Capital.

### **Derivatives portfolio set up by the Group as part of its risk management policy**

As part of its risk management policy, the Group has built up a derivatives portfolio while the global economy was facing a major systemic risk. These instruments are intended to lessen the impact of any market correction that may affect the Group's investment portfolio, especially its investments in listed entities, given the high level of uncertainty regarding the future of the current health crisis and the effect it may have on the markets over the coming quarters.

## **5.4 Main accounting methods**

The half-year 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 2020 financial year.

## **5.5 Segment information**

Tikehau Capital carries out investment activities either by investing its capital directly in equity interest or by investing in funds managed by the Group's asset managers (Tikehau Investment Management, Tikehau Capital Europe, Sofidy and ACE Management). This activity is presented in the Investment activity segment.

Segment information levels are determined based on the elements of the consolidated contributory situations of each entity belonging to the sector segment considered, with the exception of Tikehau Capital North America. As such, the Asset Management activity corresponds to:

- the net consolidated contributions of Tikehau Investment Management and its subsidiaries TIM Asia, TIM APAC and TIM Japan, Tikehau Capital Europe, Sofidy and its subsidiaries, ACE Management, IREIT Global Group, Credit.fr and its subsidiaries Homming and Homunity; and
- the income and expenses directly attributable to the Asset Management activity of Tikehau Capital North America.

The Group therefore identified two cash generating units (CGUs), which are the Investment activity segment and the Asset Management activity segment.

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 2020 segment income statement are as follows:

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

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

The main aggregates of the H1 2019 segment income statement are as follows:

<i>(in thousands of €)</i>	<b>2019</b> <b>(6 months)</b>	<b>Asset manage- ment activity</b>	<b>Investment activity</b>
<b>Net revenues from Asset Management activity</b>	<b>75,947</b>	<b>75,947</b>	-
<b>Revenues from Investment activity</b>	<b>157,705</b>	-	<b>157,705</b>
<b>Derivative portfolio revenue</b>	-	-	-
Operating expenses <sup>(1)(2)</sup>	(92,942)	(55,417)	(37,524)
<b>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</b>	<b>140,711</b>	<b>20,529</b>	<b>120,181</b>
Non-recurring free share plan expense	(3,072)	(2,389)	(684)
<b>Net operating profit from Asset Management and Investment activities before share of net results from equity affiliates</b>	<b>137,638</b>	<b>18,141</b>	<b>119,498</b>
Share of net results from equity affiliates	(783)	-	(783)
<b>Net operating profit from Asset Management and Investment activities after share of net results from equity affiliates</b>	<b>136,856</b>	<b>18,141</b>	<b>118,715</b>
<b>Financial result</b>	<b>(21,977)</b>	<b>(163)</b>	<b>(21,813)</b>
Corporate income tax	(17,627)	(6,851)	(10,776)
<b>NET RESULT</b>	<b>97,252</b>	<b>11,127</b>	<b>86,125</b>

(1): Excluding the non-recurring free share plans expense in respect of the "All Plan" and "One Off Plan" of 1 December 2017 subsequent to the Company's initial public offering for an amount of €3.1 million during the first half of 2019.

(2): The application of IFRS 16 "Leases" has had a positive non-material impact on the operating expenses (€0.1 million as at 30 June 2019), as well as a non-material impact on the financial result (financial expenses of €0.4 million as at 30 June 2019).

Net revenues from Asset Management activity break down as follows:

<i>(in thousands of €)</i>	<b>2020</b> <b>(6 months)</b>	<b>2019</b> <b>(6 months)</b>
Net management, subscription and arrangement fees	83,937	71,268
Performance fees and carried interest	1,157	891
Other revenues <sup>(1)(2)</sup>	3,159	3,788
<b>NET REVENUES FROM ASSET MANAGEMENT ACTIVITY</b>	<b>88,253</b>	<b>75,947</b>

(1) In the first half of 2019, "Other revenues" consisted mainly of other revenues from Sofidy and its subsidiaries and from Humanity.

(2) In the first half of 2020, "Other revenues" consisted mainly of other revenues from Sofidy and its subsidiaries.

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

<i>(in thousands of €)</i>	30 June 2020	Asset Management activity	Investment activity
Total non-current assets	2,734,804	646,328	2,088,476
of which right-of-use assets	29,007	14,162	14,845
Total current assets	1,225,234	191,839	1,033,394

<i>(in thousands of €)</i>	30 June 2020	Asset Management activity	Investment activity
Total non-current liabilities	1,090,878	49,756	1,041,122
of which lease liabilities (IFRS 16)	24,669	11,390	13,279
Total current liabilities	78,619	59,569	19,050
of which lease liabilities (IFRS 16)	5,535	3,255	2,281

<i>(in thousands of €)</i>	31 December 2019	Asset Management activity	Investment activity
Total non-current assets	2,784,309	671,130	2,113,179
of which right-of-use assets	30,695	14,582	16,114
Total current assets	1,556,930	200,116	1,356,814

<i>(in thousands of €)</i>	31 December 2019	Asset Management activity	Investment activity
Total non-current liabilities	1,095,501	50,100	1,045,401
of which lease liabilities (IFRS 16)	26,442	12,041	14,401
Total current liabilities	100,134	80,035	20,098
of which lease liabilities (IFRS 16)	5,443	3,202	2,241

The operating cash flow by operating segment is as follows:

<i>(in thousands of €)</i>	2020 (6 months)	Asset Management activity	Investment activity
Operating cash flow	(450,389)	10,178	(460,568)

<i>(in thousands of €)</i>	2019 (6 months)	Asset Management activity	Investment activity
Operating cash flow	(232,770)	21,967	(254,737)

## 5.6 Tangible and intangible assets

This item breaks down as follows:

<i>(in thousands of €)</i>	31 Dec. 2019	Change in scope	Other in- creases	Decreases	30 June 2020
Goodwill	371,113	-	-	-	371,113
Management contracts	98,400	-	-	(244)	98,156
Brands	16,292	-	-	-	16,292
Other intangible fixed assets	3,014	-	478	(1,169)	2,323
<b>Total intangible fixed assets</b>	<b>488,819</b>	-	<b>478</b>	<b>(1,413)</b>	<b>487,884</b>
<b>Total tangible fixed assets</b>	<b>46,227</b>	-	<b>2,843</b>	<b>(5,967)</b>	<b>43,103</b>
<b>of which right-of-use assets <sup>(1)</sup></b>	<b>30,695</b>	-	<b>1,456</b>	<b>(3,144)</b>	<b>29,007</b>
<b>TOTAL TANGIBLE AND INTANGIBLE FIXED ASSETS</b>	<b>535,046</b>	-	<b>3,321</b>	<b>(7,380)</b>	<b>530,987</b>

(1) See Note 5.27 "IFRS 16 Leases"

### (i) Goodwill

Goodwill amounted to €371.1 million as at 30 June 2020, compared with €371.1 million as at 31 December 2019.

The breakdown of goodwill, allocated to the asset management CGU is given below:

<i>(in thousands of €)</i>	30 June 2020	31 Dec. 2019
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 Management	6,130	6,130
Homunity	12,130	12,130
<b>GOODWILL</b>	<b>371,113</b>	<b>371,113</b>

### (ii) Management contracts

The net value of management contracts totalled €98.2 million as at 30 June 2020 compared to €98.4 million as at 31 December 2019. They correspond, as part of the goodwill allocation of Sofidy and ACE Management, to the valuation of contracts between the asset management companies to the funds they managed. These represented €95.9 million for Sofidy (€95.9 million as at 31 December 2019) and €2.3 million for ACE Management as at 30 June 2020 (€2.5 million as at 31 December 2019).

Sofidy's management contracts are considered as indefinite-life assets and are not subject to amortisation. The ACE Management'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 €16.3 million as at 30 June 2020 (€16.3 million as at 31 December 2019). It comprises the Tikehau Capital brand which has been recognised at €10.7 million (€10.7 million as at 31 December 2019), the Credit.fr brand for an amount of €1.3 million (€1.3 million as at 31 December 2019), the Sofidy brand for an amount of €2.2 million (€2.2 million as at 31 December 2019), the Immorente brand (Sofidy fund) for an amount of €1.4 million (€1.4 million as at 31 December 2019), the Efimmo brand (Sofidy fund) for an amount of €0.5 million (€0.5 million as at 31 December 2019), and the ACE Management brand for an amount of €0.2 million (€0.2 million as at 31 December 2019).

### (iv) Other intangible assets

Other intangible assets consist of the capitalisation of IT development costs totalling €0.3 million in the first half of 2020 (€2.1 million in 2019) for IT tools used by the Company and its subsidiaries, as well as Tikehau Capital Advisors.

### (v) Impairment tests

As at 30 June 2020, in the absence of impairment indicators on the goodwill and the brand, no impairment test 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.

## 5.7 Non-current investment portfolio

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

<i>(in thousands of €)</i>	Portfolio	Level 1	Level 2	Level 3	Non-consolidated <sup>(1)</sup>
<b>Fair value as at 31 December 2019</b>	<b>2,210,181</b>	<b>739,933</b>	-	<b>1,469,484</b>	<b>765</b>
Acquisition of securities	207,502	76,910	-	130,592	-
Disposals and repayments	(134,652)	(66,031)	-	(68,619)	(2)
Changes in receivables	(11,496)	-	-	(11,496)	-
Change in fair value	(139,519)	(81,021)	-	(58,504)	5
Change in scope	-	-	-	-	-
Reclassification and other changes	-	-	-	-	-
<b>FAIR VALUE AS AT 30 JUNE 2020</b>	<b>2,132,017</b>	<b>669,792</b>	-	<b>1,461,457</b>	<b>768</b>

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



The change in Level 1 securities notably comprises the acquisition of securities of Eurazeo (€50.1 million) and IREIT Global (€26.8 million). It also includes the disposal of DWS securities (€65.6 million).

The change in Level 3 securities mainly includes investments in funds managed by the Group (€75.0 million) and in securities (€55.6 million). It also includes divestments and redemptions in funds managed by the Group (€34.0 million) and in securities (€34.6 million).

The changes in fair value recorded in the first half of 2020 correspond to changes in the share price for Level 1 securities and the valuations used at 30 June 2020 for Level 3 securities (including in particular the effects of COVID-19).

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:

<b>Acquisition of securities – change in balance sheet</b>	<b>207,502</b>
Change in accrued interests on portfolio assets	(3,335)
Changes in receivables related to portfolio assets	405
<b>ACQUISITION OF INVESTMENT PORTFOLIO – STATEMENT OF CASH FLOWS</b>	<b>204,572</b>

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

<i>(in thousands of €)</i>	<b>30 June 2020</b>	<b>31 December 2019</b>
Historical value of the non-current portfolio	2,191,901	2,112,763
Value of related receivables	834	13,262

Outstanding commitments in the non-current investment portfolio are as follows and shown under off-balance sheet commitments (see Note 5.26 “Contingent liabilities and contingent assets”):

<i>(in thousands of €)</i>	<b>30 June 2020</b>	<b>31 December 2019</b>
Commitments on the non-current investment portfolio	685,079	721,679

## 5.8 Investments in equity affiliates

This item breaks down as follows:

<i>(in thousands of €)</i>	<b>30 June 2020</b>	<b>31 December 2019</b>
Letus Private Office	380	246
Duke Street	5,900	6,775
Ring	541	483
Neocredit.ch	1,470	1,757
<b>INVESTMENTS IN EQUITY AFFILIATES</b>	<b>8,291</b>	<b>9,261</b>

## 5.9 Client receivables, other receivables and financial assets/Trade and other payables

This item breaks down as follows:

<i>(in thousands of €)</i>	<b>30 June 2020</b>	<b>31 December 2019</b>
<b>Client receivables and related accounts</b>	<b>47,409</b>	<b>59,877</b>
Financial assets	12,809	44,424
Other receivables	48,030	20,306
<b>TOTAL OTHER RECEIVABLES AND FINANCIAL ASSETS</b>	<b>60,839</b>	<b>64,730</b>

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.

<i>(in thousands of €)</i>	30 June 2020	31 December 2019
<b>Trade payables and related accounts</b>	<b>21,919</b>	<b>34,469</b>
Portfolio financial liabilities	1,465	8,850
Other liabilities	18,810	13,593
<b>TOTAL OTHER LIABILITIES</b>	<b>20,275</b>	<b>22,443</b>

The net change in portfolio financial assets and liabilities amounts to €24.2 million; a €31.6 million change in financial assets net of €(7.4) million in portfolio financial liabilities.

## 5.10 Current investment portfolio

Changes in the current investment portfolio are as follows:

<i>(in thousands of €)</i>	Portfolio	Level 1	Level 2	Level 3
<b>Fair value as at 31 December 2019</b>	<b>125,087</b>	<b>125,087</b>	-	-
Acquisition	548,126	548,126	-	-
Disposals and repayments	(344,208)	(344,208)	-	-
Changes in fair value	20,612	20,612	-	-
Change in scope	-	-	-	-
Reclassification and other changes	-	-	-	-
<b>FAIR VALUE AS AT 30 JUNE 2020</b>	<b>349,617</b>	<b>349,617</b>	-	-

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 in financial assets relating to the derivatives portfolio (such as initial margin deposits and margin calls).

The current investment portfolio breaks down as follows:

<i>(in thousands of €)</i>	30 June 2020	31 December 2019
Tactical current investment portfolio	239,423	125,087
Initial margin deposit and margin calls (derivatives portfolio)	110,194	-
<b>TOTAL</b>	<b>349,617</b>	<b>125,087</b>

As at 30 June 2020, the investment portfolio also includes the margin deposit and margin calls relating to the portfolio of financial instruments set up by the Group as part of its risk management policy for an amount of €130.2 million less the fair value of the derivatives portfolio for €(19.9) million as at 30 June 2020.

The acquisition value of the tactical current portfolio breaks down as follows:

<i>(in thousands of €)</i>	30 June 2020	31 December 2019
Historical value of the tactical current portfolio	241,996	126,461

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

<b>Acquisition of securities – change in balance sheet</b>	<b>548,126</b>
Change in accrued interests on portfolio assets	(6)
Effect of derivatives portfolio transactions	(110,194)
<b>ACQUISITION OF INVESTMENT PORTFOLIO – STATEMENT OF CASH FLOWS</b>	<b>437,926</b>

## 5.11 Cash and cash equivalents, cash management financial assets

This item breaks down as follows:

<i>(in thousands of €)</i>	30 June 2020	31 December 2019
Cash equivalents	309,781	578,698
Cash	375,741	596,731
<b>Cash and cash equivalents</b>	<b>685,522</b>	<b>1,175,429</b>
Cash management financial assets	81,849	131,806
<b>CASH AND CASH EQUIVALENTS, CASH MANAGEMENT FINANCIAL ASSETS</b>	<b>767,372</b>	<b>1,307,235</b>

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

## 5.12 Number of shares, share capital and dividends

Number of shares	30 June 2020	31 December 2019
Existing shares at the beginning of the period	136,673,408	103,477,599
Shares issued during the period	120,722	33,195,809
<b>EXISTING SHARES AT THE CLOSE OF THE PERIOD</b>	<b>136,794,130</b>	<b>136,673,408</b>

The number of shares after dilution is as follows:

	30 June 2020	31 December 2019
Potential shares to be issued in the event of full exercise of equity warrants (BSA)	1,416,558	1,416,558
Potential shares to be issued in remuneration for free shares being granted	1,374,945	749,772
<b>Weighted average number of shares after dilution <sup>(1)</sup></b>	<b>139,315,801</b>	<b>123,080,510</b>
<b>Shares after dilution at the close of the period</b>	<b>139,585,633</b>	<b>138,839,738</b>
Of which treasury shares	1,909,863	393,548

(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 <i>(in €)</i>	30 June 2020	31 December 2019
Par value at end of period	12	12
Share capital	1,641,529,560	1,640,080,896

The dividends per share paid on the following financial years came to:

<i>(in €)</i>	31 December 2019	31 December 2018	31 December 2017
Dividend per share Tikehau Capital	0.50	0.25	1.00

## 5.13 Borrowings and financial debt

<i>(in thousands of €)</i>	30 June 2020	31 December 2019
<b>Bonds</b>	<b>800,000</b>	<b>800,000</b>
Financial debt (including accrued interest)	215,846	207,168
Bank overdrafts	-	22
Amortisation of issuance costs on borrowings	(8,604)	(10,001)
<b>Borrowings and debt from credit institutions</b>	<b>207,242</b>	<b>197,189</b>
<b>TOTAL</b>	<b>1,007,242</b>	<b>997,189</b>
Of which current liabilities	11,211	3,851
Of which non-current liabilities	996,031	993,338

The financial debt is subject to interest rate hedging, the details of which are set out in Note 5.25(a) "Exposure to risks arising from bank debts".

Changes in borrowings and financial debt are as follows:

<i>(in thousands of €)</i>	Total	Bonds	Borrowings	Accrued in- terests	Issuance costs on borrowings	Others
<b>Debt as at 31 December 2019</b>	<b>997,189</b>	<b>800,000</b>	<b>203,344</b>	<b>3,824</b>	<b>(10,001)</b>	<b>22</b>
Change in scope	-	-	-	-	-	-
New loans subscribed	100,000	-	100,000	-	-	-
Loans reimbursed	(101,296)	-	(101,296)	-	-	-
Others	11,349	-	-	9,974	1,397	(22)
<b>DEBT AS AT 30 JUNE 2020</b>	<b>1,007,242</b>	<b>800,000</b>	<b>202,048</b>	<b>13,798</b>	<b>(8,604)</b>	<b>-</b>

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**

New loans subscribed	100,000
Loans reimbursed	(101,296)
Financial expenses disbursed	(4,400)
Other financial expenses	(5)
Bank overdrafts	(22)
<b>TOTAL</b>	<b>(5,723)</b>

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

<i>(in thousands of €)</i>	Due within one year	Due in one to five years	Due in more than five years	Total
<b>Situation as at 30 June 2020</b>				
Variable-rate bank borrowings	201	201,002	845	202,048
Amortisation of issuance costs on bor- rowings	(2,788)	(4,999)	(817)	(8,604)
Fixed-rate bond borrowing	-	300 000	500,000	800,000
Accrued interests	13,798	-	-	13,798
Bank overdrafts	-	-	-	-
<b>TOTAL</b>	<b>11,211</b>	<b>496,003</b>	<b>500,028</b>	<b>1,007,242</b>
Of which current liabilities	11,211	-	-	11,211
Of which non-current liabilities	-	496,003	500,028	996,031

<i>(in thousands of €)</i>	Due within one year	Due in one to five years	Due in more than five years	Total
<b>Situation as at 31 December 2019</b>				
Variable-rate bank borrowings	270	201,532	1,542	203,344
Amortisation of issuance costs on bor- rowings	(265)	(9,233)	(503)	(10,001)
Fixed-rate bond borrowing	-	300,000	500,000	800,000
Accrued interests	3,824	-	-	3,824
Bank overdrafts	22	-	-	22
<b>TOTAL</b>	<b>3,851</b>	<b>492,299</b>	<b>501,039</b>	<b>997,189</b>
Of which current liabilities	3,851	-	-	3,851
Of which non-current liabilities	-	492,299	501,039	993,338

#### **Information on covenants**

##### **Syndicated loan taken out on 23 November 2017 – €1 billion**

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<sup>13</sup> and (ii) the consolidated assets<sup>14</sup> less the amount of consolidated cash and cash equivalents;

- Tikehau Capital's Loan-to-Value 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 2020.

#### **Bond issuance of 27 November 2017 – €300 million**

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

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

## **5.14 Tax**

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

Tax breaks down as follows:

<b>Income / Expense</b> <i>(in thousands of €)</i>	<b>H1 2020</b> <b>(6 months)</b>	<b>H1 2019</b> <b>(6 months)</b>
Deferred tax	41,646	(12,873)
Current tax	(271)	(4,754)
<b>TOTAL</b>	<b>41,375</b>	<b>(17,627)</b>
Net result of consolidated companies	(240,883)	97,252
Result before tax	(282,258)	114,879
Application of the normal theoretical tax rate of 31.77% (31% for H1 2019)	89,673	(35,613)

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

<b>Income / Expense</b> <i>(in thousands of €)</i>	<b>H1 2020</b> <b>(6 months)</b>	<b>H1 2019</b> <b>(6 months)</b>
<b>Theoretical tax</b>	<b>89,673</b>	<b>(35,613)</b>
Deferred tax savings at reduced rate (unrealised portfolio gains or losses)	(25,072)	4,087
Current tax savings at reduced rate (realised portfolio gains or losses)	1,760	14,048
Non-activated tax losses	(1,675)	(584)
Result from equity method companies	28	(335)
Tax rate differential of foreign subsidiaries	748	3,127
Expected impact of lower tax rates	(11,925)	-
Tax credit	458	(117)
Impairment of deferred tax assets on tax losses	(11,849)	-
Others <sup>(1)</sup>	(771)	(2,241)
<b>ACTUAL TAX</b>	<b>41,375</b>	<b>(17,627)</b>

(1) In 2020, these other items consist mainly of the effect of the tax consolidation for €0.4 million. In 2019 these other items mainly comprised the non-taxation of the IFRS 2 expense for €2.7 million (€2.4 million in 2018) and the non-taxation of the neutralisation of the capital gains realised on the internal transfer of the IGG securities in the 2019 consolidated financial statements.

<sup>13</sup> 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.

<sup>14</sup> 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.

## (ii) Tax in balance sheet

Changes in deferred taxes are broken down as follows:

<b>Tax assets (+) or Tax liabilities (-)</b> <i>(in thousands of €)</i>	<b>31 Dec.</b> <b>2019</b>	<b>Increase</b>	<b>Decreases and Reversal</b>	<b>30 June 2020</b>
Tax losses that may be carried over	22,330	29,397	-	51,727
Evaluation of financial instruments	3,224	380	-	3,604
Other deferred tax assets	365	3,699	-	4,063
Compensation deferred taxes	-	-	-	-
<b>Total deferred tax assets</b>	<b>25,919</b>	<b>33,475</b>	-	<b>59,394</b>
Fair value of the portfolio	(32,809)	-	8,562	(24,248)
Goodwill allocation	(25,781)	-	120	(25,661)
Other deferred tax liabilities	(1,777)	(512)	-	(2,290)
Compensation deferred taxes	-	-	-	-
<b>Total deferred tax liabilities</b>	<b>(60,367)</b>	<b>(512)</b>	<b>8,682</b>	<b>(52,199)</b>
<b>TOTAL NET DEFERRED TAX</b>	<b>(34,448)</b>	<b>32,963</b>	<b>(8,682)</b>	<b>7,195</b>

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

<i>(in thousands of €)</i>	<b>30 June 2020</b>	<b>31 December 2019</b>
<b>Stock tax loss carried forward at local normal rate - Not activated</b>	<b>91,519</b>	<b>35,604</b>
<b>Stock tax loss carried forward at local normal rate - Activated</b>	<b>205,250</b>	<b>87,929</b>
Deferred tax assets on tax loss carried forward	51,729	22,330
<b>Stock tax loss carried forward at local reduced rate - Not activated</b>	<b>5,589</b>	<b>5,589</b>
<b>Stock tax loss carried forward at local reduced rate - Activated</b>	-	-
Deferred tax assets on tax loss carried forward	-	-

The recoverability of tax losses will depend on Tikehau Capital Group's ability to achieve the targets in the medium-term tax plan prepared by the Management and based on assumptions about the market and investment management.

Changes in taxes on the balance sheet are as follows:

<i>(in thousands of €)</i>	<b>Tax assets (+) or Tax liabilities (-)</b>	<b>Of which de-ferred tax</b>	<b>Of which current tax</b>
<b>Situation as at 31 December 2019</b>	<b>(35,951)</b>	<b>(34,449)</b>	<b>(1,502)</b>
Current tax	10,477	-	10,477
Deferred tax	41,646	41,646	-
Change in currency rates	6	(1)	7
Tax Disbursement/Receipts	(5,151)	-	(5,151)
<b>SITUATION AS AT 30 JUNE 2020</b>	<b>11,027</b>	<b>7,195</b>	<b>3,832</b>

## 5.15 Non-current financial derivatives

Non-current financial derivatives are exclusively composed of interest rate swaps arranged to manage interest-rate risk on bank debt (see Note 5.25(a) "Exposure to risks arising from bank debts").

<i>(in thousands of €)</i>	<b>30 June 2020</b>	<b>31 December 2019</b>
Non-current financial derivative liabilities	15,790	12,896

## 5.16 Share-based payments (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 Plans

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

These 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 being vested on the closing date to which a standard staff turnover rate is applied.

No amendments have been made to the share-based payment plans indicated in the 2019 Universal Registration Document for 2019 (also presented in Chapter 8 “Information concerning the Company, its Articles of Association and capital” in the 2019 Universal Registration Document).

The new share-based payment plans allocated during the first half of 2020 are as follows:

#### **Characteristics of the 2020 free share plan (“2020 FSA Plan”) set up at Tikehau Capital SCA**

Maximum number of shares to grant: 223,774 shares

Grant date: 10 March 2020

Unit value of the share on the grant date: €18.81 corresponding to the share price on 10 March 2020 (€20.90) to which a 10% discount was applied to take into account the absence of dividend rights over the vesting period.

Definitive vesting date:

- for 50% of the granted shares, after a period of 2 years, i.e. on 10 March 2022;
- for 50% of the granted shares, after a period of 3 years, i.e. on 10 March 2023.

The vesting of the shares granted under the 2020 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 2020 FSA Plan are not subject to any retention period.

#### **Characteristics of the “2020 Performance Share Plan” implemented at Tikehau Capital SCA**

Maximum number of shares to grant: 78,603 shares

Grant date: 10 March 2020

Unit value of the share on the grant date: €18.81 corresponding to the share price on 10 March 2020 (€20.90) to which a 10% discount was applied to take into account the absence of dividend rights over the vesting period.

Definitive Vesting date:

The vesting of shares granted under the 2020 Performance Share Plan will take place as follows:

- for 50% of the granted shares, after a period of 2 years, i.e. 10 March 2022, and subject to:
  - for 25% of the granted shares, the sole condition of presence within the Group,
  - for 12.5% of the granted shares, a performance condition relating to the Group’s cumulated net new money in 2020 and 2021,
  - for 12.5% of the granted shares, a performance condition relating to the arithmetic average of the operating margins achieved on the Group’s Asset Management activity as set out in the consolidated financial statements as at 31 December 2020 and 31 December 2021;
- for 50% of the granted shares, after a period of 3 years, i.e. 10 March 2023, and subject to:
  - for 25% of the shares, the sole condition of presence within the Group,

- for 12.5% of the granted shares, a performance condition relating to the Group's cumulated net new money in 2022,
- for 12.5% of the granted shares, a performance condition relating to the operating margin on the Group's Asset Management activity as set out in the consolidated financial statements as at 31 December 2022.

The shares granted under the 2020 Performance Share Plan are not subject to any retention period.

**Characteristics of the free share plan for certain Sofidy employees covered by the employee remuneration requirements of the AIFM/UCITS Directive 2020 ("Sofidy 2020 AIFM/UCITS Plan") implemented by Tikehau Capital SCA**

Maximum number of shares to grant: 9,956 shares

Grant date: 10 March 2020

Unit value of the share on the grant date: €18.81 corresponding to the share price on 10 March 2020 (€20.90) to which a 10% discount was applied to take into account the absence of dividend rights over the vesting period.

Definitive Vesting date:

The vesting of shares granted under the 2020 AIFM/UCITS Sofidy Plan will take place as follows:

- for 2/3 of the granted shares, after a period of 2 years, i.e. on 10 March 2022;
- for 1/3 of the granted shares, after a period of 3 years, i.e. on 10 March 2023.

The vesting of the shares granted under the 2020 AIFM/UCITS Sofidy Plan, 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 on the basis of an index representing the performance strategies of the asset management company Sofidy.

The vesting of the shares under these tranches will be conditional upon the beneficiary's presence within the Group and the absence of any serious breach of applicable regulations or internal rules and procedures concerning compliance and the appropriate management of risks during the vesting period.

The shares granted under the 2020 AIFM/UCITS Sofidy Plan are not subject to any retention period.

**Characteristics of the free share plan granted over 7 years to certain corporate officers and employees of Tikehau Investment Management and to certain employees of Tikehau Capital Advisors ("TIM 2020 7-years Plan") implemented by Tikehau Capital SCA**

Maximum number of shares to grant: 383,629 shares

Grant date: 10 March 2020

Unit value of the share on the grant date: €18.81 corresponding to the share price on 10 March 2020 (€20.90) to which a 10% discount was applied to take into account the absence of dividend rights over the vesting period.

Definitive vesting date:

The vesting of shares granted under the TIM 2020 7-years Plan will occur at the expiration of the following vesting periods:

- for 2/7 of the granted shares, after a period of 2 years, i.e. on 10 March 2022;
- for 1/7 of the granted shares, after a period of 3 years, i.e. on 10 March 2023;
- for 1/7 of the granted shares, after a period of 4 years, i.e. on 10 March 2024;
- for 1/7 of the granted shares, after a period of 5 years, i.e. on 10 March 2025;
- for 1/7 of the granted shares, after a period of 6 years, i.e. on 10 March 2026;
- for the remaining granted shares, after a period of 7 years, i.e. on 10 March 2027.

The vesting of the shares granted under the TIM 2020 7-years Plan, 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 Investment Management.

The vesting of the shares under these tranches will be conditional upon the beneficiary's presence within the Group and the absence of any serious breach of applicable regulations or internal rules and procedures concerning compliance and the appropriate management of risks during the vesting period.

The shares granted under the TIM 2020 7-years Plan are not subject to any retention period.



**Characteristics of the free share plan granted over 7 years to certain corporate officers and employees of Sofidy (“Sofidy 2020 7-years Plan”) implemented by Tikehau Capital SCA**

Maximum number of shares to grant: 54,805 shares

Grant date: 10 March 2020

Unit value of the share on the grant date: €18.81 corresponding to the share price on 10 March 2020 (€20.90) to which a 10% discount was applied to take into account the absence of dividend rights over the vesting period.

Definitive vesting date:

The vesting of shares granted under the SOFIDY 2020 7-years Plan will occur at the expiration of the following vesting periods:

- for 2/7 of the granted shares, after a period of 2 years, i.e. on 10 March 2022;
- for 1/7 of the granted shares, after a period of 3 years, i.e. on 10 March 2023;
- for 1/7 of the granted shares, after a period of 4 years, i.e. on 10 March 2024;
- for 1/7 of the granted shares, after a period of 5 years, i.e. on 10 March 2025;
- for 1/7 of the granted shares, after a period of 6 years, i.e. on 10 March 2026;
- for the remaining granted shares, after a period of 7 years, i.e. on 10 March 2027.

The vesting of the shares granted under the SOFIDY 2020 7-years Plan, 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 shares under these tranches will be conditional upon the beneficiary’s presence within the Group and the absence of any serious breach of applicable regulations or internal rules and procedures concerning compliance and the appropriate management of risks during the vesting period.

The shares granted under the SOFIDY 2020 7-years Plan are not subject to any retention period.

**Characteristics of the free share plan granted over 7 years to certain corporate officers and employees of ACE Management (“ACE 2020 7-years Plan”) implemented by Tikehau Capital SCA**

Maximum number of shares to grant: 22,835 shares

Grant date: 10 March 2020

Unit value of the share on the grant date: €18.81 corresponding to the share price on 10 March 2020 (€20.90) to which a 10% discount was applied to take into account the absence of dividend rights over the vesting period.

Definitive vesting date:

The vesting of shares granted under the ACE 2020 7-years Plan will occur at the expiration of the following vesting periods:

- for 2/7 of the granted shares, after a period of 2 years, i.e. on 10 March 2022;
- for 1/7 of the granted shares, after a period of 3 years, i.e. on 10 March 2023;
- for 1/7 of the granted shares, after a period of 4 years, i.e. on 10 March 2024;
- for 1/7 of the granted shares, after a period of 5 years, i.e. on 10 March 2025;
- for 1/7 of the granted shares, after a period of 6 years, i.e. on 10 March 2026;
- for the remaining granted shares, after a period of 7 years, i.e. on 10 March 2027.

The vesting of the shares granted under the ACE 2020 7-years Plan, as well as the number of vested shares granted definitively to each beneficiary at the end of each vesting period will be subject to a performance condition based on an index representative of the performance of the ACE Management fund families.

The vesting of the shares under these tranches will be conditional upon the beneficiary’s presence within the Group and the absence of any serious breach of applicable regulations or internal rules and procedures concerning compliance and the appropriate management of risks during the vesting period.

The shares granted under the ACE 2020 7-years Plan are not subject to any retention period.

The table below presents a summary of the Tikehau Capital SCA plans being acquired during the first half of 2020:

	<b>2017 Individual Free Share Plan ("One Off Plan")</b>	<b>2018 General Free Share Plan ("2018 FSA Plan")</b>	<b>2018 General Performance Share Plan ("2018 Performance Share Plan")</b>	<b>2018 Individual Free Share Plan ("2018 Credit.fr Plan")</b>
Grant date	01/12/2017	30/03/2018	30/03/2018	04/07/2018
Maximum number of shares to grant on the grant date	690,426	54,629	72,185	26,180
Number of shares being vested as at 30/06/2020	321,304	-	-	17,680
Valuation on the grant date	15,634,127	1,461,986	1,983,356	636,174
Number of shares vested per period				
period ending 30/11/2019	321,910	-	-	-
period ending 31/12/2019	-	-	-	-
period ending 30/03/2020	-	52,547	68,175	-
period ending 31/07/2020	-	-	-	8,840
period ending 30/11/2020	321,304	-	-	-
period ending 31/12/2020	-	-	-	-
period ending 28/02/2021	-	-	-	-
period ending 31/07/2021	-	-	-	8,840
period ending 28/02/2022	-	-	-	-
period ending 10/03/2022	-	-	-	-
period ending 10/03/2023	-	-	-	-
period ending 10/03/2024	-	-	-	-
period ending 10/03/2025	-	-	-	-
period ending 10/03/2026	-	-	-	-
period ending 10/03/2027	-	-	-	-

	<b>2018 Individual Free Share Plan ("2018 Sofidy Plan")</b>	<b>2019 Free Share Plan ("2019 FSA Plan")</b>	<b>2019 General Performance Share Plan ("2019 Performance Share Plan")</b>	<b>2019 AIFM/UCITS Plan</b>
Grant date	21/12/2018	18/02/2019	18/02/2019	18/02/2019
Maximum number of shares to grant on the grant date	14,800	134,669	108,816	30,825
Number of shares being vested as at 30/06/2020	13,400	129,092	101,623	30,825
Valuation on the grant date	265,512	2,545,244	2,056,622	582,593
Number of shares vested per period				
period ending 30/11/2019	-	-	-	-
period ending 31/12/2019	-	-	-	-
period ending 30/03/2020	-	-	-	-
period ending 31/07/2020	-	-	-	-
period ending 30/11/2020	-	-	-	-
period ending 31/12/2020	13,400	-	-	-
period ending 28/02/2021	-	64,546	50,811	20,550
period ending 31/07/2021	-	-	-	-
period ending 28/02/2022	-	64,546	50,812	10,275
period ending 10/03/2022	-	-	-	-
period ending 10/03/2023	-	-	-	-
period ending 10/03/2024	-	-	-	-
period ending 10/03/2025	-	-	-	-
period ending 10/03/2026	-	-	-	-
period ending 10/03/2027	-	-	-	-

	<b>2020 General Performance Share Plan</b>			
	<b>2020 General Free Share Plan ("2020 FSA Plan")</b>	<b>("2020 Performance Share Plan")</b>	<b>2020 AIFM/UCITS Sofidy Plan</b>	<b>2020 TIM 7-years Plan</b>
Grant date	10/03/2020	10/03/2020	10/03/2020	10/03/2020
Maximum number of shares to grant on the grant date	223,774	78,603	9,956	383,629
Number of shares being vested as at 30/06/2020	218,043	77,233	9,956	378,149
Valuation on the grant date	4,209,189	1,478,522	187,272	7,112,983
Number of shares vested per period				
period ending 30/11/2019	-	-	-	-
period ending 31/12/2019	-	-	-	-
period ending 30/03/2020	-	-	-	-
period ending 31/07/2020	-	-	-	-
period ending 30/11/2020	-	-	-	-
period ending 31/12/2020	-	-	-	-
period ending 28/02/2021	-	-	-	-
period ending 31/07/2021	-	-	-	-
period ending 28/02/2022	-	-	-	-
period ending 10/03/2022	109,021	38,616	6,637	108,042
period ending 10/03/2023	109,022	38,617	3,319	54,021
period ending 10/03/2024	-	-	-	54,021
period ending 10/03/2025	-	-	-	54,021
period ending 10/03/2026	-	-	-	54,021
period ending 10/03/2027	-	-	-	54,023

	<b>2020 Sofidy 7- years Plan</b>		<b>2020 ACE Management 7-years Plan</b>	
Grant date	10/03/2020		10/03/2020	
Maximum number of shares to grant on the grant date	54,805		22,835	
Number of shares being vested as at 30/06/2020	54,805		22,835	
Valuation on the grant date	1,030,882		429,526	
Number of shares vested per period				
period ending 30/11/2019	-		-	
period ending 31/12/2019	-		-	
period ending 30/03/2020	-		-	
period ending 31/07/2020	-		-	
period ending 30/11/2020	-		-	
period ending 31/12/2020	-		-	
period ending 28/02/2021	-		-	
period ending 31/07/2021	-		-	
period ending 28/02/2022	-		-	
period ending 10/03/2022	15,658		6,524	
period ending 10/03/2023	7,829		3,262	
period ending 10/03/2024	7,829		3,262	
period ending 10/03/2025	7,829		3,262	
period ending 10/03/2026	7,829		3,262	
period ending 10/03/2027	7,831		3,263	

## Completion of vesting periods for Tikehau Capital plans in the first half of 2020

The vesting period for the 2018 General Free Share Plan, known as the “2018 FSA Plan”, ended on 30 March 2020. The definitive number of free shares granted under this plan to employees who satisfied the condition of presence at the end of the vesting period was 52,547 shares. Tikehau Capital carried out a capital increase for an amount of approximately €0.6 million by capitalisation of the share premium and by the issuance of 52,547 shares. IFRS 2 expenses related to this plan, concerning the whole vesting period, amount to approximately €1.2 million.

The vesting period for the 2018 General Performance Share Plan, known as the “2018 Performance Share Plan”, ended on 30 March 2020. As the performance conditions had been met, the 2018 Performance Share Plan was definitively granted to beneficiaries who met the condition of presence. The definitive number of free shares granted under this plan, at the end of the vesting period, was 68,175 shares. Tikehau Capital carried out a capital increase for an amount of approximately €0.8 million by capitalisation of the share premium and by the issuance of 68,175 shares. IFRS 2 expenses related to this plan, concerning the whole vesting period, amount to approximately €1.6 million.

## 5.17 Non-controlling interests

The non-controlling interests can be broken down as follows:

- on the income statement:

<i>(in thousands of €)</i>	H1 2020 (6 months)	% of interest	H1 2019 (6 months)	% of interest
IREIT Global Group	(26)	50.0%	67	50.0%
Other companies	72		(11)	
<b>TOTAL</b>	<b>46</b>		<b>56</b>	

- in shareholders' equity:

<i>(in thousands of €)</i>	30 June 2020	% of interest	31 December 2019	% of interest
IREIT Global Group	5,996	50.0%	6,047	50.0%
Other companies	600		723	
<b>TOTAL</b>	<b>6,595</b>		<b>6,770</b>	

## 5.18 Revenues from Asset Management activity

<i>(in thousands of €)</i>	H1 2020 (6 months)	H1 2019 (6 months)
Gross revenues from Asset Management activity	124,691	112,918
Retrocession of fees	(36,439)	(36,971)
<b>TOTAL</b>	<b>88,253</b>	<b>75,947</b>

## 5.19 Change in fair value

<i>(in thousands of €)</i>	H1 2020 (6 months)	H1 2019 (6 months)
Non-current investment portfolio	(140,163)	103,033
Current investment portfolio	20,612	5,662
<b>TOTAL</b>	<b>(119,551)</b>	<b>108,695</b>

## 5.20 Other portfolio revenues

<i>(in thousands of €)</i>	H1 2020 (6 months)	H1 2019 (6 months)
Dividends and other income from portfolio securities	26,580	37,575
Interests	13,360	11,385
Others	-	21
<b>Other revenues from the non-current investment portfolio</b>	<b>39,940</b>	<b>48,980</b>
Income from shares	2,056	-
Revenues from bonds	349	31
<b>Other revenues from the current investment portfolio</b>	<b>2,405</b>	<b>31</b>
<b>TOTAL</b>	<b>42,345</b>	<b>49,011</b>

## 5.21 Derivative portfolio revenue

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

Exposure to market risks is detailed in Note 5.25 “Market risks”.

## 5.22 Operating expenses

<i>(in thousands of €)</i>	<b>H1 2020</b>	<b>H1 2019</b>
	<b>(6 months)</b>	<b>(6 months)</b>
Purchases and external expenses	(12,029)	(14,700)
Other fees	(8,468)	(8,045)
Remuneration of the Manager	(35,294)	(26,209)
<b>Purchases and external expenses</b>	<b>(55,791)</b>	<b>(48,954)</b>
<b>Personnel expenses</b>	<b>(42,389)</b>	<b>(40,620)</b>
Taxes other than income taxes	(3,379)	(4,328)
Other net operating expenses	(6,724)	(2,111)
<b>Other net operating expenses</b>	<b>(10,103)</b>	<b>(6,440)</b>
<b>TOTAL</b>	<b>(108,282)</b>	<b>(96,014)</b>

The methods for determining the remuneration of the Manager-General Partner of Tikehau Capital are detailed in Note 5.25(a) “Scope of related parties” to the annual financial statements.

## 5.23 Net income on cash equivalents

<i>(in thousands of €)</i>	<b>H1 2020</b>	<b>H1 2019</b>
	<b>(6 months)</b>	<b>(6 months)</b>
Change in fair value	(4)	199
Net gains/losses on marketable securities	604	(46)
Net gains/losses related to foreign exchange	(522)	(371)
Other revenues from marketable securities	-	511
<b>TOTAL</b>	<b>78</b>	<b>293</b>

## 5.24 Financial expenses

<i>(in thousands of €)</i>	<b>H1 2020</b>	<b>H1 2019</b>
	<b>(6 months)</b>	<b>(6 months)</b>
Expenses related to borrowings from credit institutions	(3,586)	(5,698)
Expenses related to bonds	(10,543)	(4,622)
Expenses related to interest rate derivatives	(1,642)	(1,563)
Change in fair value of interest rate derivatives	(2,894)	(9,975)
Expenses related to lease liabilities	(453)	(374)
Currency translation adjustment of receivables and bank accounts in currency	-	-
Miscellaneous	(210)	(37)
<b>TOTAL</b>	<b>(19,328)</b>	<b>(22,270)</b>

During the first half of 2020, costs related to borrowings from credit institutions included the amortisation of issuance costs of loans repaid during the financial year for €1.0 million (versus €1.0 million for H1 2019).

## 5.25 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 debts

#### (i) Interest rate risk

As at 30 June 2020, Tikehau Capital was exposed to interest rate risk on its bank loans and related hedges for respective amounts of €202.0 million and €368.1 million, compared with €203.3 million and €403.1 million respectively as at 31 December 2019 (see Note 5.13 “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:

<i>(in millions of €)</i>	Notional	Average fixed rate	Average maturity
As at 31 December 2019	403.1	0.50%	4.4 years
<b>AS AT 30 JUNE 2020</b>	<b>368.1</b>	<b>0.42%</b>	<b>4.3 YEARS</b>

#### (ii) Currency risk

As at 30 June 2020, 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:

<i>(in millions of €)</i>	Currency risk	Listed equity mar- kets	Unlisted equity markets	30 June 2020	31 December 2019
Tikehau funds (including Sofidy and ACE Management)	√	Liquid Strategies	√	1,296.3	1,179.7
External funds & co-investments	√	n.a.	√	188.7	186.9
Shares	√	Investment level 1	Investment level 3	838.0	915.5
Bonds	n.a.	n.a.	n.a.	49.2	53.8
<b>TOTAL</b>				<b>2,372.2</b>	<b>2,336.0</b>

#### (i) Exposure to risks arising from investment in the Tikehau funds

- Liquid Strategies: a change in the net asset value of the funds (€230.1 million as at 30 June 2020) of +/-10% would impact Tikehau Capital's exposure by €23.0 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 €17.3 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: -19.7% in France, -12.3% in Italy, -20.6% in Germany, -31.1% in Belgium, -23.9% in the Netherlands (economic shocks based on scenarios defined by the European Central Bank and the European Systemic Risk Board and used in the 2020 EU stress tests of commercial Real Estate assets, published on 31 January 2020).

The impact on Tikehau Capital's exposure would be €91.1 million.

## (ii) Exposure of investments in shares

Investments in shares or equity investments are classified according to the different levels (see Note 5.5 “Determining fair value” to the annual financial statements):

<i>(in millions of €)</i>	30 June 2020	31 December 2019
Level 1 <sup>(1)</sup>	678.3	739.9
Level 2	-	-
Level 3	159.7	175.6
<b>TOTAL</b>	<b>838.0</b>	<b>915.5</b>

*(1) IREIT Global and Sélectirente 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 equities as at 30 June 2020 would have resulted in an additional charge of €66.9 million in the consolidated result before tax for the first half of 2020. 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. Depending on the extent of its funding and the magnitude of any price declines, Tikehau Capital could be required to make temporary payments to support its funding.

The Company performed a sensitivity test on the non-listed assets of its investment portfolio as at 30 June 2020 (fair value net of the corresponding debt, if any, and excluding (i) non-listed bonds that are subject to a sensitivity test on interest rates and (ii) assets whose value is fixed because they are subject to a sales 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 2020 or, where 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 60.4% of the value of investments in non-listed shares of its portfolio as at 30 June 2020. The sensitivity to a change of +/-10% in the income or EBITDA multiples of non-listed companies amounts to €15.7 million.

## (iii) Exposure of investments in bonds

Investments in bonds are classified according to the different levels (see Note 5.5 “Determining fair value” to the annual financial statements):

<i>(in millions of €)</i>	30 June 2020	31 December 2019
Level 1	0.9	1.1
Level 2	-	-
Level 3	48.3	52.7
<b>TOTAL</b>	<b>49.2</b>	<b>53.8</b>

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) €1.7 million, given the average duration recorded on this portfolio (2.9 years).

To date, no default has occurred in the Group's bond investments.

#### (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.

<i>(in millions of €)</i>	30 June 2020	31 December 2019
Fair value	188.7	186.9
Number of funds	77	79
Average line of investment	2.5	2.4
Share of investments >€5m (in%)	62%	59%

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

Investment fund	Valuation method	Unobservable data	Range	Fair value <i>(in millions of €)</i>
Radiology Partners	Recent acquisition price	n.a.	n.a.	35.7
Fairstone	Comparable listed companies	2020 P/E multiple 2021 P/E multiple Net book value Discount rate	13.0x 7.2x 1.9x 5%	18.5
Ring Capital	Comparable unlisted companies	Revenue	[2.0x – 3.0x]	17.8
Jefferson	Comparable listed companies	Multiple EBITDA P/E multiple Discount rate	8.7x 4.1x 10%	11.5
Voyage Care	Comparable listed companies (33%) Comparable transactions (67%) Input multiple	Multiple EBITDA Multiple EBITDA Discount rate	7.8x 12.2x 15%	9.8
BNPP Agility Fund	Comparable listed companies GP Navs	Multiple EBITDA	[8.2x – 15.3x]	9.2
P2 Brasil – Hidrovias	Discounted cash flow	Discount rate (WACC)	[7.5% – 8.8%]	8.1
Crescent Lily	Comparable listed companies	Multiple EBITDA Multiple EBIT P/E multiple	[17.1x – 43.5x] [18.3x – 79.6x] [23.0x – 84.8x]	5.8
<b>TOTAL INVESTMENT FUNDS &gt;€5M</b>				<b>116.4</b>

#### (c) Exposure to market risk on the derivatives portfolio

Tikehau Capital is exposed to market risk on its portfolio of derivatives set up as part of its market risk management policy. As at 30 June 2020, this portfolio consisted of 34,000 futures contracts on the EuroStoxx 50 index with a maturity of less than 3 months and a leverage of 10.

As at 30 June 2020, the margin deposit and margin calls on future contracts amounted to €130 million. This margin deposit and margin calls are recognised as current investment portfolio net of unrealised capital losses of €(19.9) million.

The sensitivity of derivative instruments to a variation of plus or minus 1 point in the Eurostoxx 50 index is reflected in the following table:

<i>(in millions of €)</i>	EuroStoxx50	
	Change of +1 point	Change of -1 point
Sensitivity to income	-0.3	0.3
Sensitivity to shareholders' equity (excluding income)	-	-



#### (d) Exposure to currency risk

Tikehau Capital's exposure to currency risk relates to its investments in foreign currencies. As at 30 June 2020, 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. There was no currency hedging in place as at 30 June 2020.

Exposure to currency risk increased by €150.4 million between 31 December 2019 and 30 June 2020.

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 2020 and 31 December 2019:

<i>(in millions of €)</i>	Appreciation of 10% in the euro against the currency	Depreciation of 10% in the euro against the currency
<b>As at 30 June 2020</b>		
Pound sterling	-14.1	+17.3
US dollar	-24.2	+29.6
Singapore dollar	-8.2	+10.0
Canadian dollar	-1.7	+2.1
Australian dollar	-0.0	+0.1
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

<i>(in millions of €)</i>	Appreciation of 10% in the euro against the currency	Depreciation of 10% in the euro against the currency
<b>As at 31 December 2019</b>		
Pound sterling	-12.4	+15.2
US dollar	-15.4	+18.9
Singapore dollar	-5.4	+6.6
Canadian dollar	-1.3	+1,6
Australian dollar	-0.0	+0.1
Polish zloty	-0.1	+0.1
Swiss franc	-0.0	+0.0
South Korean won	-0.0	+0.0
Japanese yen	-0.0	+0.0

#### (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. During the first half of 2020, Tikehau Capital had no counterparty default.

#### (f) Exposure to liquidity risk

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

As at 30 June 2020, the Group's cash and cash equivalents were approximately €686 million and its cash management financial assets were valued at around €82 million, compared to approximately €1,175 million and €132 million respectively as at 31 December 2019 (see Note 5.11 "Cash and cash equivalents, cash management financial assets").

## 5.26 Contingent liabilities and contingent assets

<i>(in thousands of €)</i>	Amount as at 30 June 2020	Amount as at 31 December 2019
Description	Value of the commitment given	Value of the commitment given
Commitment of payment to current account	80	118
Capital subscription commitment in companies	29,922	29,841
Uncalled commitment by external funds	89,895	104,040
Uncalled commitment by Tikehau funds	595,023	617,639
Pledge of shares as loan guarantee and authorised overdrafts	-	-
Pledge of bank accounts as loan guarantee and authorised overdrafts	-	-
First-demand guarantee in favour of LPS 2 (Asten Protocol)	750	750
Sundry sureties and guarantees	2,809	4,304
<b>TOTAL COMMITMENTS GIVEN</b>	<b>718,479</b>	<b>756,692</b>

The total amount of uncalled commitments by the Group's funds from investment entities exempt from consolidation (IFRS 10) was €5.7 million as at 30 June 2020 (€6.4 million as at 30 June 2019).

<i>(in thousands of €)</i>	Amount as at 30 June 2020	Amount as at 31 December 2019
Description	Value of the commitment re- ceived	Value of the commitment re- ceived
Syndicated loan not drawn at close	500,000	500,000
Sundry sureties and guarantees	7,370	6,770
<b>TOTAL COMMITMENT RECEIVED</b>	<b>507,370</b>	<b>506,770</b>

As at 30 June 2020, as part of the activity of the subsidiary Alma Property, sale agreements concerning assets held by the subsidiary were signed for an amount of approximately €0.8 million.

## 5.27 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:

<i>(in thousands of €)</i>	Buildings and Real Es- tate
<b>31 December 2019</b>	<b>30,695</b>
New right-of-use assets	189
Effect of lease amendments (duration)	1,014
Amortisation of right-of-use assets	(3,144)
Foreign currency translation effect	253
<b>30 June 2020</b>	<b>29,007</b>

Changes in lease liabilities are as follows:

<i>(in thousands of €)</i>	<b>Lease liabilities</b>
<b>31 December 2019</b>	<b>31,885</b>
New lease liabilities	189
Effect of lease amendments (duration)	1,014
Interest expenses on lease liabilities	452
Payments	(3,351)
Foreign currency translation effect	15
<b>30 June 2020</b>	<b>30,204</b>
of which current lease liabilities	5,535
of which non-current lease liabilities	24,669

The following items have been recorded on the income statement:

<i>(in thousands of €)</i>	<b>H1 2020</b>	<b>H1 2019</b>
	<b>(6 months)</b>	<b>(6 months)</b>
Amortisation of right-of-use assets	(3,144)	(2,444)
Interest expenses on lease liabilities	(452)	(374)
<b>TOTAL</b>	<b>(3,596)</b>	<b>(2,818)</b>

## **(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.

## **5.28 Subsequent events**

### **Capital increase of 4 July 2020**

On 4 July 2020, Tikehau Capital carried out a capital increase for an amount of approximately €0.1 million 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 2020, the share capital of the Company amounted to €1,641,635,640 and is divided into 136,802,970 shares.

### **Acquisition of Star America Infrastructure Partners**

On 29 July 2020, the Group finalised the acquisition of 100% of the share capital of Star America Infrastructure Partners, an independent US management company which develops and manages medium-sized infrastructure projects in North America, which has approximately US\$600 million of assets under management (approximately €535 million on the basis of an exchange rate of \$1/€0.89 as at 30 June 2020). This acquisition enables Tikehau Capital to diversify its assets under management towards a new and promising asset class and boost its strategy to expand in North America. The acquisition price has been paid partly in cash and partly in shares. The terms of the transaction also include the payment of a potential earn-out in 2021.

### **Commitment of Tikehau Capital in the new *Ace Aero Partners* fund**

ACE Management, a private equity investor specialising in strategic industries and technologies, has been selected to manage the fund that supports and strengthens the aeronautics industry, *Ace Aéro Partenaires*. After an initial closing with total commitments of €630 million, the fund aims to reach a size of €1 billion.

This vehicle reflects the will of the aeronautics industry's major players, with the support of the French State, to support the transformation and consolidation of the supply chain.

Airbus, Safran, Dassault, and Thalès have jointly committed a total of €200 million to this fund. The French State confirms its investment of €200 million, of which €50 million from Bpifrance.

Tikehau Capital invests €230 million from its own funds in *Ace Aero Partenaires*, in line with its strategy to invest significantly in the funds managed by the Group in order to maximize the alignment of interests with its investors.

**Buy and sell transaction on the portfolio derivative instruments**

On 15 September 2020, Tikehau Capital proceeded to a buy and sell transaction with a 3 months maturity on the portfolio derivative instruments set up by the Group as part of its risk management policy and were opened as of 30 June 2020. Such operation reflects a realized loss of €55.2 million, which represents €35.3 million increase compared to the unrealized loss of €19.9 million already booked in 2020 half-year financial statements.

## 3.2 REPORT OF THE STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS

### MAZARS

61 rue Henri Regnault  
92037 Paris-La Défense  
S.A. à directoire et Conseil de surveillance  
au capital de € 8 320 000  
784 824 153 R.C.S. Nanterre

Commissaire aux Comptes  
Membre de la compagnie  
régionale de Versailles

### ERNST & YOUNG et Autres

Tour First  
TSA 14444  
92037 Paris-La Défense cedex  
S.A.S. à capital variable  
438 476 913 R.C.S. Nanterre

Commissaire aux Comptes  
Membre de la compagnie  
régionale de Versailles

### Tikehau Capital

For the period from January 1 to June 30, 2020

### Statutory Auditors' Review Report on the Half-yearly 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-yearly consolidated financial statements of Tikehau Capital, for the period from January 1 to June 30, 2020,
- the verification of the information presented in the half-yearly management report.

These (condensed) half-yearly consolidated financial statements were prepared under the responsibility of the management on September 16, 2020 on the basis of the information available at that date in the evolving context of the crisis related to Covid-19 and of difficulties in assessing its impact and future prospects. 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-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRS as adopted by the European Union applicable to interim financial information.

## 2. Specific verification

We have also verified the information presented in the half-yearly management report on the (condensed) half-yearly consolidated financial statements subject to our review prepared on September 16, 2020.

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

Paris-La Défense, September 17, 2020

The Statutory Auditors

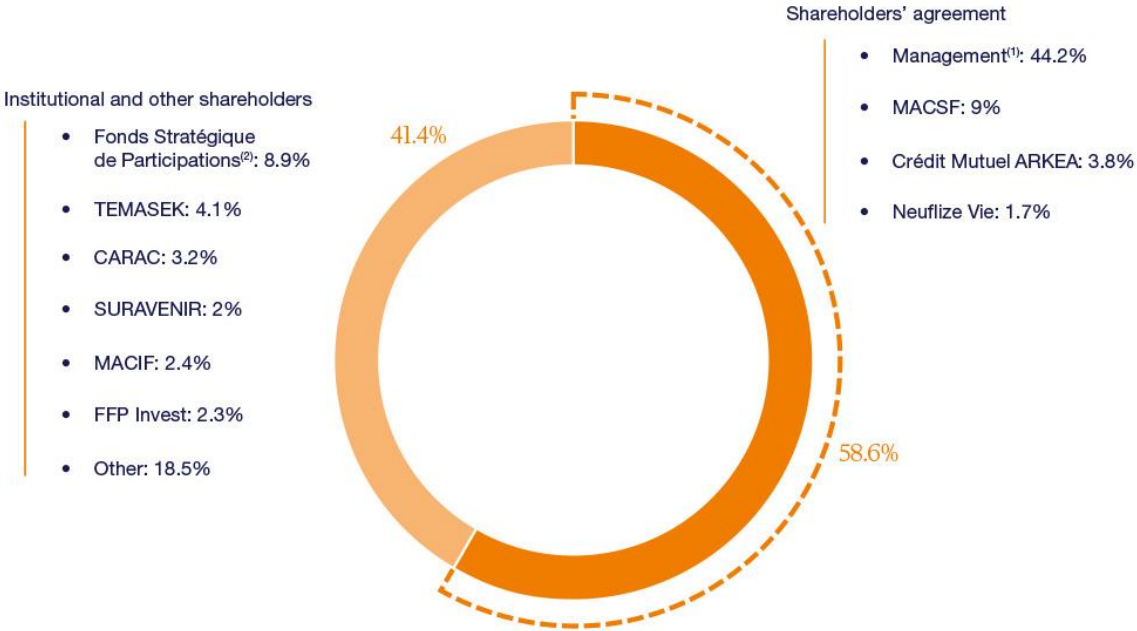
*French original signed by*

<b>MAZARS</b>  Simon Beillevaire	<b>ERNST &amp; YOUNG et Autres</b>  Hassan Baaj
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# 4. INFORMATION ON THE COMPANY, ITS ARTICLES OF ASSOCIATION AND CAPITAL

## 4.1. Shareholders of the Company as at 30 June 2020

The following chart shows the shareholding structure of the Company as at 30 June 2020 based on the number of shares issued:



(1) Including Tikehau Capital Advisors, Fakarava Capital and employees.  
 (2) FSP's shareholders are CNP Assurances, SOGECAP, Groupama, Natixis Assurances, Suravenir, BNP Paribas Cardif and Crédit Agricole Assurances.

<b>Shareholders</b>	<b>Number of shares</b>	<b>% of capital and voting rights</b>
Tikehau Capital Advisors	50,427,094	36.9 %
Fakarava Capital <sup>(1)</sup>	9,256,605	6.8 %
Makemo Capital	531,234	0.4 %
Tikehau Employee Fund 2018	125,000	0.1 %
<i>Total companies controlled by AF&amp;Co <sup>(2)</sup> and MCH <sup>(3)</sup></i>	<i>60,339,933</i>	<i>44.1 %</i>
MACSF Épargne Retraite	12,246,257	9.0 %
Crédit Mutuel Arkéa	5,176,988	3.8 %
Neuflyze Vie	2,274,836	1.7 %
<b>TOTAL SHAREHOLDERS' AGREEMENT <sup>(4)</sup></b>	<b>80,038,014</b>	<b>58.5 %</b>
Fonds Stratégique de Participations	12,113,782	8.9 %
<b>TOTAL – SHAREHOLDERS HOLDING AN INTEREST OF MORE THAN 5% OR PARTY TO THE SHAREHOLDERS' AGREEMENT</b>	<b>92,151,796</b>	<b>67.4 %</b>
Esta Investments (Temasek group)	5,551,949	4.1 %
MACIF	3,348,280	2.4 %
CARAC	4,418,477	3.2 %
FFP Invest (FFP group)	3,107,147	2.3 %
Suravenir	2,769,589	2.0 %
Others	25,446,892	18.6 %
<b>TOTAL – SHAREHOLDERS HOLDING AN INTEREST OF LESS THAN 5% OR NOT MEMBER OF THE CONCERT</b>	<b>44,642,334</b>	<b>32.6 %</b>
<b>TOTAL</b>	<b>136,794,130</b>	<b>100 %</b>

(1) 75.6 % of the capital of this company is held jointly by Tikehau Capital Advisors and Group management as at 30 June 2020.

(2) AF&Co is a simplified joint stock company whose registered office is located at 32, rue de Monceau, 75008 Paris, France, registered with the Paris Trade and Companies Register under number 444 427 298 and whose share capital and voting rights are 95% held by Mr Antoine Flamarion, one of the founders of Tikehau Capital.

(3) MCH is a simplified joint stock company whose registered office is located at 32, rue de Monceau, 75008 Paris, France, registered with the Paris Trade and Companies Register under number 480 619 337 and whose share capital and voting rights are 90% held by Mr Mathieu Chabran, one of the founders of Tikehau Capital.

(3) See Section 8.1.2 (Control of the Group) of the 2019 Universal Registration Document.



# 5. 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."

17 September 2020

Tikehau Capital General Partner, Manager of the Company  
represented by:

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

its Chief Executive Officer, MCH,  
represented by its Chairman,  
Mr Mathieu Chabran