

Tikehau Capital exceeds target with €34.3bn of AuM at 31 December 2021, up 20% in the last twelve months

Tikehau Capital exceeded its target in 2021 with total AuM of €34.3bn at 31 December, a +20.1% increase driven by a substantial acceleration in net new money for the Group's asset management business. Investment momentum stepped up sharply across the Group's strategies with continued discipline and selectivity. Tikehau Capital also continued to invest in its platform to strengthen its asset management footprint and expertise and support its growth journey.

- Record level of client demand with **€6.4bn¹ in net new money** in 2021 for the asset management business, marked by a particularly strong finish with net new money of €2.6bn recorded in the 4th quarter;
- **AuM of €33.0bn for the asset management business** (a +20.5% yoy growth and CAGR of +31.0% since 2016), driving total **Group AuM to €34.3bn** (a +20.1% yoy growth and CAGR of +28.0% since 2016), exceeding target of reaching above €33.5bn of AuM at end-December 2021;
- **Significant level of fund deployment with €5.5bn** invested by the Group's strategies² in 2021 (vs. €2.8bn in 2020), driven by a strong acceleration in the second half with **€3.7bn deployed in H2** (vs. €1.9bn in H1 2021), while maintaining a high level of discipline and selectivity and a robust pipeline ahead;
- **Investment portfolio of €2.7bn** at 31 December 2021 of which €2.0bn (i.e 75%) invested in the asset management strategies managed by Tikehau Capital, thus strongly aligning the Group's interests with its clients';
- **Continued investment in the firm's asset management platform** with the addition of new talent and experienced hires across geographies.

€6.4bn

Net new Money in 2021

+53%

Fundraising increase
vs 3-year average

+20%

growth in AuM in 2021

€5.5bn

Deployed by Group funds¹



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

"2021 was an exciting year for Tikehau Capital. Client demand for our investment solutions was particularly strong and has resulted in record levels of fundraising for the Group. This is a testament to our unique operating model combining continued innovation, high alignment of interests and sustained investment discipline across our platform, which keeps expanding. Looking ahead, our entrepreneurial profitable growth journey is set to continue, in particular thanks to our teams' outstanding talent and commitment."

¹ Difference with €6.3bn of fundraising released on 5 January 2022 is due to rounding purposes.

² Excluding capital markets strategies.

In €m	AuM at 31-Dec-2021		YoY change		QoQ change	
	Amount (€m)	Weight (%)	In %	In €m	In %	In €m
Private debt	11,709	34%	+25.3%	+2,366	+15.0%	+1,526
Real assets	11,989	35%	+16.0%	+1,656	+6.5%	+735
Capital markets strategies	5,124	15%	+22.5%	+940	+0.7%	+34
Private equity	4,139	12%	+18.6%	+648	+3.6%	+144
Asset Management	32,961	96%	+20.5%	+5,610	+8.0%	+2,440
Direct investment	1,304	4%	+10.5%	+124	+2.2%	+28
Total AuM	34,265	100%	+20.1%	+5,734	+7.8%	+2,468

1. STRONG MOMENTUM FOR THE ASSET MANAGEMENT BUSINESS

In 2021, Tikehau Capital's has demonstrated its ability to actively and selectively deploy capital across its asset classes in order to keep delivering strong and sustainable investment performance, which is a key driver for client demand.

As a result, **AuM for Tikehau Capital's asset management business grew by 20.5%** in 2021, reaching €33.0bn at end-December 2021. This strong growth is resulting from:

- **+€6.4bn of net new money**, reflecting the trust placed by investor-clients in the Group's disciplined investment approach.
- **+€0.6bn of positive market effects** recorded during the year, reflecting favourable value creation momentum across Tikehau Capital's funds.
- **€(1.4)bn of distributions**, mainly across private debt and real assets strategies.
- **+€49m in change in scope**, attributable to the integration of Foundation Private Equity, the Singapore-based private equity secondaries manager added to Tikehau Capital in 2021.

Asset management AuM evolution in 2021

YoY (in €m)	AuM at 31-12-2020	Net new money	Distributions	Market effects	Change in scope	AuM at 31-12-2021	Change (%)	Change (€m)
Private debt	9,342	+3,203	(988)	+151	-	11,709	+25.3%	+2,366
Real assets	10,334	+1,740	(390)	+306	-	11,989	+16.0%	+1,656
Capital markets strategies	4,184	+822	(9)	+127	-	5,124	+22.5%	+940
Private equity	3,491	+600	(39)	+37	+49	4,139	+18.6%	+648
Total Asset Management	27,351	+6,365	(1,425)	+621	+49	32,961	+20.5%	+5,610

Significant level of fund deployment and strong performance from portfolio assets

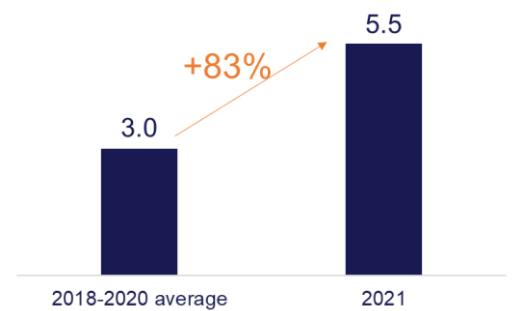
In 2021, the funds managed by Tikehau Capital **deployed €5.5bn³**, an 83% increase compared to the €3.0bn average yearly deployment level achieved over the past 3 years. Investment momentum was particularly robust in H2 with **€3.7bn invested** by the firm's closed-end funds, compared to €1.9bn invested in H1 2021.

The acceleration of investment activity stems from Tikehau Capital's **multi-local platform**, leveraging its strong local presence and deal sourcing, alongside the firm's strong investment discipline and focus on ESG across asset classes.

Private Debt funds were the main contributor to full-year deployment, accounting for 65% of total deployment, followed by Real Assets funds representing 24% of total deployment, and Private Equity for 11% of total.

In 2021, portfolio assets and companies posted strong levels of growth and value creation, as evidenced by the positive market effects recorded during the year, and the Group was able to seize attractive divestment opportunities, therefore crystallizing compelling performance for its clients.

Looking ahead, the Group has a very healthy deployment pipeline across asset classes. At 31 December 2021, Tikehau Capital had **dry powder of €6.2bn** within the funds it manages, enabling them to capture attractive investment opportunities. The level of dry powder remained stable compared to 31 December 2020 given the significant level of investment activity offsetting the inflows coming from the strong fundraising momentum over 2021.

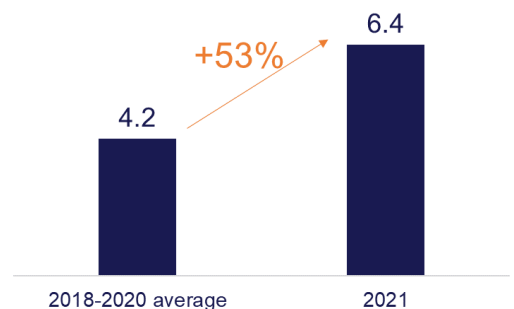


Substantial acceleration in asset management fundraising in 2021

The 20.5% increase in asset management AuM in 2021 was driven by **€6.4bn of net new money** for the Group's asset management activities for the full year, of which €2.6bn of net new money was recorded in the sole fourth quarter, a new quarterly fundraising record for Tikehau Capital.

This excellent fundraising performance was achieved across the Group's entire asset management platform. **Private Debt** accounted for 50% of 2021 net new money, driven by the firm's flagship strategy in direct lending as well as its newly launched impact lending and secondary private debt strategies. **Real Assets** represented c.25% of 2021 client demand while **Capital Markets Strategies and Private Equity** accounted for approximately 15% and 10% of the total.

The strong client demand across asset classes reflects the robust investment performance of the firm's strategies and once more validates the relevance of the Tikehau Capital's model, with high alignment of interests and constant innovation at its core.



Continued expansion of the client base and product offering

In 2021, the Group added over **€1.3bn** of assets under management in strategies dedicated to **private investors** through an enhanced dedicated product offering, with in particular the real estate strategies managed by Sofidy, the unit-linked products launched in 2021 in private debt and private equity, or its crowdfunding platforms with notably a continued strong momentum for Homunity. Tikehau Capital has built a strong position to capture the growing demand from private investors to access alternative assets.

Tikehau Capital also confirmed its position as partner of choice for **European governments** in managing funds dedicated to financing to the real economy and thus supporting the post-Covid recovery with material successes recorded in France, Spain and Belgium.

Tikehau Capital also demonstrated its **ability to expand its product offering**. For instance, the Group strengthened its CLO franchise with three successful transactions in Europe and the launch of its first CLO in North America, totalling over €1.5bn in CLO issuance and therefore making 2021 a landmark year for Tikehau Capital's CLO activity.

³ Excluding capital markets strategies.

2. TIKEHAU CAPITAL CONTINUES TO INVEST IN ITS PLATFORM

In 2021, Tikehau Capital added 89 people to its platform, notably strengthening Investment, Operations as well as Sales and Marketing teams, across geographies. By adding people across the Tikehau Capital platform, the firm invests ahead to support its growth journey and to have the right set up and resources to continue to drive investments and performance across asset classes. At 31 December 2021, the firm had a total of **683 employees**, up 15% compared to 31 December 2020.

- For instance, the firm's **Structured Credit and Private Debt teams** were reinforced in the UK, North America and in France. In addition, Tikehau Capital also grew its Sales and Marketing teams with experienced hires across geographies, with in particular the appointment of Vincent Archimbaud as Head of Wholesale Sales for Europe, in charge of accelerating the development of Tikehau Capital's client base of multi-family offices, asset managers as well as private banks.
- Tikehau Capital also expanded its **geographical presence** in 2021 with the opening of an office in **Frankfurt**, headed by Dominik P. Felsmann, who brings 15 years of experience in the leveraged finance industry and a deep knowledge of DACH region's investor base. Following this opening, Tikehau Capital now operates in 12 geographies across Europe, Americas and Asia.

Early 2022, Tikehau Capital reinforced its private equity franchise in with the appointment of two senior professionals to lead its **private equity decarbonization strategy in North America**:

- **Alex Bell** is joining as Head of North America Private Equity Climate Practice, based in New York. Prior to joining, Alex worked at Caisse de dépôt et placement du Québec (CDPQ), where he led the investment efforts of a C\$500m Innovation in Sustainable Investment (ISI) platform.
- **Cristian Norambuena** is joining as Director in the North America Private Equity Climate Practice. Prior to joining Tikehau Capital, Cristian worked as a Senior Investment Officer at New York City Comptroller's Office where he helped manage the \$30bn private equity portfolio of the NYC Retirement Systems.

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

3. INCREASED ALIGNMENT OF INTERESTS WITH INVESTOR-CLIENTS

Tikehau Capital's investment portfolio came in at **€2.7bn** at 31 December 2021, compared to €2.4bn at 31 December 2020. This €0.3bn increase results from:

- **+€0.7bn of investments** carried out over the full year, of which €0.6bn into the Group's own asset management strategies, in line with the Group's capital allocation strategy aiming to align its interest with its clients';
- **€(0.6)bn of exits**, reflecting the active and value-creating rotation of the Group's investment portfolio, with in particular the disposal of a number of listed investments (see below);
- **+€0.2bn of positive fair value changes**, reflecting the value appreciation across portfolio assets, mainly driven by the performance of Tikehau Capital funds as well as listed investments.

In more details, the firm's **€2.7bn investment portfolio at 31 December 2021** breaks down as follows:

- **€2.0bn** invested in the asset management strategies developed and managed by the firm (75% of total portfolio), a 26% increase compared to 31 December 2020. Tikehau Capital's balance sheet investments in its own strategies aims at supporting the development of its asset management platform while benefitting from returns generated by its funds and creating a clear alignment of interests with its investor-clients. In addition, Tikehau Capital has **€1.0bn** of undrawn commitments in its own funds, which will be progressively called as they deploy

capital. Therefore, the total of drawn and undrawn commitments from Tikehau Capital's balance sheet in its own funds and strategies amounted to **€3.0bn** at 31 December 2021, highlighting the firm's strong alignment with its investor-clients.

- **€0.7bn** invested in direct assets, mainly direct private equity investments, co-investments or investments in third-party funds (25% of total portfolio). The 17% decrease in direct assets compared to 31 December 2020 is linked to the Group's strategy to actively manage its investment portfolio. As such, in 2021, Tikehau Capital materially reduced its exposure to listed assets with the disposal of the Group's residual investments in Eurazeo, DWS (fully disposed during Q1 2022), Assystem and Serge Ferrari.

Leveraging on its balance sheet, the firm has successfully sponsored **two SPACs** in Europe in 2021 (Pegasus Europe and Pegasus Entrepreneurs) with a total of over €700m raised. Early 2022, Tikehau Capital announced the IPO of **Pegasus Asia**, the first SPAC to be listed in Singapore, with S\$170m raised (c.€111.2m⁴). These achievements reflect Tikehau Capital's commitment to constantly innovate and invest in its ecosystem to grow its platform⁵.

Tikehau Capital will continue to use its balance sheet, a differentiating factor and enabler of growth, to strengthen its platform by launching new families of products and vehicles, and also maintain a high level of alignment of interests with its shareholders and investor-clients.

4. CONTINUED COMMITMENT AND ACTIONS TO ADDRESS CLIMATE CHANGE

In 2021, Tikehau Capital made vast progress in strengthening its platform to address climate-related issues, both across its asset management strategies as well as Group financing level:

- Following the successful issuance of a **€500m inaugural sustainable bond** in March 2021, the firm has integrated **ESG criteria** to its €725m revolving credit facility,
- The firm launched a **Climate Action Center**, dedicated to harness financial innovation and focus on decarbonization, biodiversity, sustainable agriculture and food, the circular economy and sustainable consumption with an objective to **reach over €5bn in climate-dedicated AuM by 2025** (vs. €1.5bn at 31 December 2021),
- In addition, Tikehau Capital has announced its commitment to define **science-based targets (SBT)** for its private equity business in the next 24 months, being among the first alternative asset managers to have joined this initiative.

Tikehau Capital is well on track to deliver its short-term targets and will provide an updated mid-term outlook during its Capital Markets Day to take place on March 22nd, 2022.

⁴ Based on a S\$ / € exchange rate of 0.66 as at 20 January 2022.

⁵ The amounts raised by these SPACs are not included in the net new money nor in the assets under management.

CALENDAR

9 March 2022	2021 annual results (after market close)
22 March 2022	2022 Capital Markets Day
21 April 2022	Q1 2022 announcement (after market close)
28 July 2022	2022 first half results (after market close)

ABOUT TIKEHAU CAPITAL

Tikehau Capital is a global alternative asset management group with €34.3 billion of assets under management (as of 31 December 2021). Tikehau Capital has developed a wide range of expertise across four asset classes (private debt, real assets, private equity and capital markets strategies) as well as multi-asset and special opportunities strategies.

Tikehau Capital is a founder led team with a differentiated business model, a strong balance sheet, proprietary global deal flow and a track record of backing high quality companies and executives.

Deeply rooted in the real economy, Tikehau Capital provides bespoke and innovative alternative financing solutions to companies it invests in and seeks to create long-term value for its investors, while generating positive impacts on society. Leveraging its strong equity base (€2.9 billion of shareholders' equity as of 30 June 2021), the firm invests its own capital alongside its investor-clients within each of its strategies.

Controlled by its managers alongside leading institutional partners, Tikehau Capital is guided by a strong entrepreneurial spirit and DNA, shared by its 683 employees (as of 31 December 2021) across its 12 offices in Europe, Asia and North America. Tikehau Capital is listed in compartment A of the regulated Euronext Paris market (ISIN code: FR0013230612; Ticker: TKO.FP).

For more information, please visit: www.tikehaucapital.com

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APPENDIX

Q4 2021 (in €m)	AuM at 30-09-2021	Net new money	Distributions	Market effects	Change in scope	AuM at 31-12-2021	Change (%)	Change (€m)
Private debt	10,182	+1,767	(249)	+8	-	11,709	+15.0%	+1,526
Real assets	11,254	+641	(133)	+227	-	11,989	+6.5%	+735
Capital markets strategies	5,090	+20	(1)	+16	-	5,124	+0.7%	+34
Private equity	3,995	+165	(6)	(15)	-	4,139	+3.6%	+144
Total Asset Management	30,521	+2,593	(389)	+236	-	32,961	+8.0%	+2,440