

INTEGRATED REPORT

2023



TK TIKEHAU
CAPITAL

Level
up

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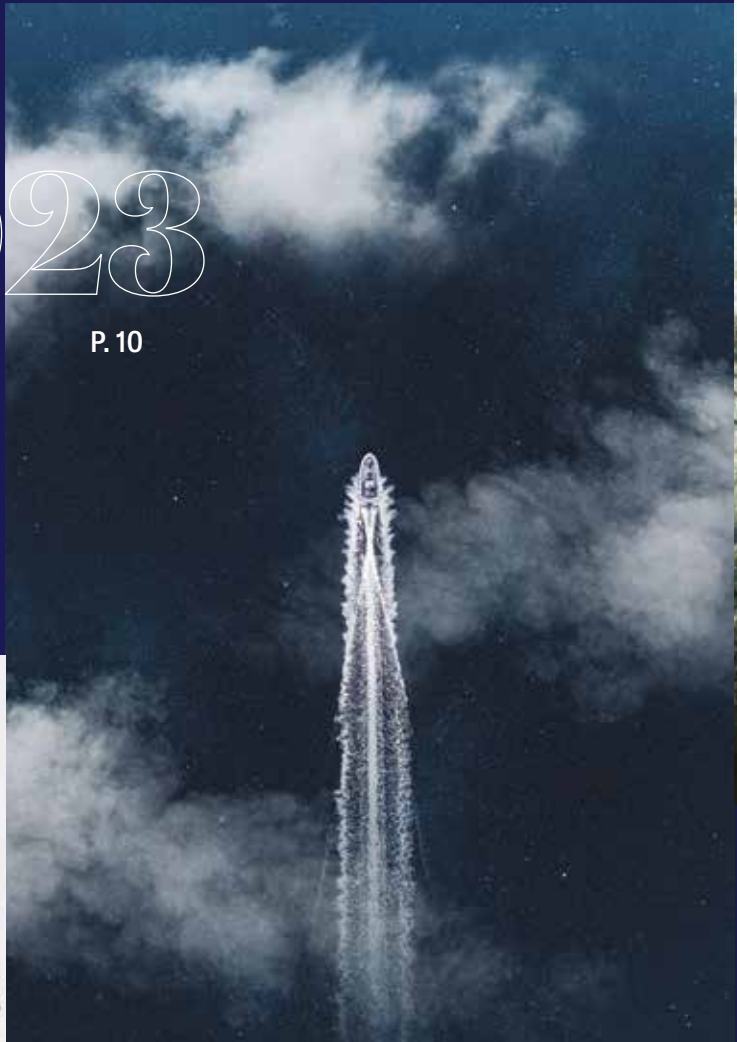
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EDITORIAL

BY ANTOINE FLAMARION
AND MATHIEU CHABRAN
CO-FOUNDERS,
TIKEHAU CAPITAL



“
**A solid balance
sheet, a distinctive
business model,
a powerful alignment
of interests and
strong convictions**

The importance of consistency

The past 20 years have seen major shifts and transitions in the global political, economic, and financial environment. Growth has accelerated and slowed, the international trade balance has shifted, monetary policies have been loose or tight, climate change has become a real emergency, and digital technology has taken centre stage in economies. Over these two decades, Tikehau Capital has grown, strengthened its organisation and expanded. With perseverance, our entrepreneurial adventure has been written chapter by chapter, brick by brick, humbly and patiently, driven by the desire to develop our model's differentiated strengths and offer pragmatic and innovative financing and savings solutions to as many people as possible. And 2023 was no exception. At the end of December, Prequin reported a 38% decrease in the number of successful fundraising campaigns over the first three quarters of

the year, while the total amount raised increased by 19% compared with the same period in 2022 (\$145.3 billion), reflecting the transformation and consolidation of private markets and sector players. At the same time, Tikehau Capital has continued to grow despite cyclical fluctuations (13% growth in assets under management in 2023 and 400% since our IPO), based on the same robust fundamentals that have characterised our development since the beginning: a solid balance sheet, a distinctive business model, a powerful alignment of interests and strong convictions.

Virtuous and innovative growth

At Tikehau Capital, investment discipline has always been paramount in every asset class and every country in which we operate. Our long-term vision drives our profitability. As our platform expands, we see the success of our model of focused investment themes and the way in which we are delivering on our ambition to offer our clients an attractive and sustainable risk/return profile. The road ahead will likely be challenging, with persistent inflation, tighter financing conditions and increasingly stringent regulation. The demands of this environment represent an opportunity for those who know how to meet them. For Tikehau Capital, the end of cheap money is timely given our position in private markets. Our entrepreneurial DNA, focused on aligning interests and our strong balance sheet supporting accelerated growth are more important than ever in setting us apart. Our global franchise now includes complementary investment strategies focused on secular megatrends such as the environmental transition and digital sovereignty. At 31 December 2023, assets under management for Tikehau Capital's sustainability-themed and impact platform dedicated to investment in companies stood at €4.3 billion, including €3 billion specifically allocated to climate and biodiversity, with the aim of implementing transition at scale. The fourth generation of our private equity strategy dedicated to cybersecurity has already surpassed the size of its predecessor. In addition, the sixth vintage of our flagship direct lending strategy and the second vintage of our private debt secondaries strategy are

both benefiting from favourable tailwinds. Our private equity regenerative agriculture strategy continues to progress in line with our objectives and has made its first investment.

A broader geographic footprint

Ten years ago, Tikehau Capital began to expand its geographic footprint by establishing offices in London and then Singapore. Ten years later, the Group continues to expand its international presence with the opening of its first office in the Gulf region in Abu Dhabi and an office in Switzerland, as well as the signing of strategic partnerships, notably with Whistler Capital Partners in the United States, Nikko Asset Management in Japan and, at the start of 2024, UOB-Kay Hian in Singapore. Our international expansion is also reflected in

the trust many new global institutional investors have placed in us. Our growth is driven by our capacity for innovation, which we put to work for the companies we finance and the investors who place their trust in us. An example of this is the strengthening of our position as a major player in the democratisation of private

markets through the private debt unit-linked products launched with MACSF, Société Générale Assurances and Suravenir.

Loyal partners

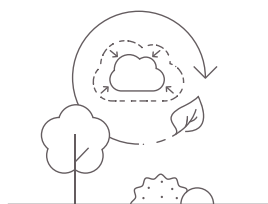
Alongside these new investors, we have welcomed new shareholders, many of whom are long-standing partners, to take part in the Tikehau Capital adventure. This loyalty is also reflected in our teams, which saw further growth in 2023 so as to continue meeting the same high standards. Our 758 employees (at 31 December 2023) across three continents, some of whom celebrated 10 years with us in 2023, nurture and pass on Tikehau Capital's DNA. In its most recent study, Bain & Company noted that "in addition to fundraising pressures, other factors such as asset class expansion, access to capital, geographic expansion, channel expansion and capacity enhancement are contributing to market consolidation", making Tikehau Capital one of the key market consolidators.

That's what we all want.

“THE DEMANDS OF THIS ENVIRONMENT REPRESENT AN OPPORTUNITY FOR THOSE WHO KNOW HOW TO MEET THEM.”

Highlights — 2023

NEW products



Launch of the second vintage of Tikehau Capital's private equity strategy dedicated to decarbonisation

Tikehau Capital once again partnered with TotalEnergies for the launch of the second vintage of its flagship private equity strategy dedicated to decarbonisation. This follows the successful investment period of the first Europe-focused vintage, launched in 2018 and which closed in Q1 2021 at €1.4 billion⁽¹⁾.

With a more global investment scope, the second vintage will invest in European and North American SMEs specialising in clean energy production, low-carbon mobility, and energy efficiency.

LAUNCH OF NEW INITIATIVES TO PROVIDE ACCESS TO PRIVATE MARKETS FOR INDIVIDUAL CLIENTS

Tikehau Capital and Société Générale Assurances launched a unit-linked product offering individual investors the opportunity to finance unlisted French and European companies while supporting the reduction of their greenhouse gas emissions. In addition, Suravenir, the life insurance and protection subsidiary of Crédit Mutuel Arkéa, integrated into its range of unlisted funds an FCPR managed by Tikehau Capital, which finances European SMEs and mid-cap companies committed to decarbonising their business model by setting targets to reduce their greenhouse gas emissions in line with the Paris Agreement.

Launch of the fourth vintage of Brienne, Tikehau Capital's private equity strategy dedicated to cybersecurity

Tikehau Capital launched the fourth vintage of its private equity cybersecurity strategy with €200 million raised for the first close, making it one of the largest investment vehicle dedicated to digital security in Europe. The previous vintage, launched in June 2019, raised €175 million in commitments and made strategic investments in 15 companies in the European cyber ecosystem.

LAUNCH OF TIKEHAU 2029, A NEW MATURITY FUND

Tikehau Capital launched Tikehau 2029, a 2029 fixed maturity product as part of its Capital Markets Strategies activity. Tikehau 2029 is the sixth maturity fund launched by Tikehau Capital since 2011 and aims to invest in bonds issued by issuers initially rated⁽²⁾ in the investment grade category. The fund will mainly invest in bonds maturing in 2029.

Launch of Tikehau European Sovereignty Fund⁽³⁾, a thematic equity fund dedicated to investing in European sovereignty

Tikehau Capital launched Tikehau European Sovereignty Fund, a thematic European listed equity fund anchored on the theme of European sovereignty as part of its Capital Markets Strategies activity. Tikehau Capital has invested in Europe since 2004 through several thematic strategies and supports small and medium-sized companies by financing their development. The five main themes that define Tikehau European Sovereignty's investment universe are industrial autonomy, digital competitiveness, health independence, defence, and ecological transition.

(1) Including co-investment vehicles. The threshold being 5% of the share capital or voting rights.

(2) The fund aims to invest 100% of its net assets in issuers initially rated in the investment grade category. In the event of a downgrade in the ratings of certain issuers already in the portfolio, the fund may be exposed to non-investment grade issuers up to a limit of 20% of its net assets.

(3) SICAV UCITS managed by Tikehau IM. The fund's main risks are capital loss, counterparty risk, liquidity risk and sustainability risk. For a description of all the risks, please refer to the Fund's prospectus. The materialisation of one of these risks could lead to a drop in the Fund's net asset value.

Advanced discussions for a strategic partnership in Asia with Nikko Asset Management

Tikehau Capital and Nikko Asset Management, one of Asia's largest asset managers, entered into advanced discussions to form a business and capital alliance. In this context, Tikehau Capital and Nikko Asset Management would sign distribution agreements in Japan and elsewhere in Asia.

This partnership would also result in the creation of a joint venture dedicated to Asian private market investment strategies.

It would also take the form of the acquisition by Nikko Asset Management of a stake in Tikehau Capital, through purchases of shares, which could increase over time, but which would remain below the first applicable statutory disclosure threshold.⁽⁴⁾

This collaboration should strengthen Tikehau Capital's presence in the dynamic Asian market, notably through Nikko Asset Management's extensive network and its well-established reputation.



TIKEHAU CAPITAL AND ALTAREA JOIN FORCES TO CREATE A EUROPEAN REAL ESTATE CREDIT PLATFORM

Tikehau Capital has partnered with Altarea to launch a real estate credit fund aimed at bridging an anticipated wide liquidity gap in the market. The fund targets a broad range of property types, including offices, retail, industrial, residential, logistics and hospitality. This platform leverages Tikehau Capital and Altarea's complementary expertise in real estate and private debt, and gives investors unique access to the groups' combined pipeline and strong networks to identify the most attractive investment opportunities.



Continued progress in sustainable development

Following its commitment set in 2021 to support the goal of achieving net zero greenhouse gas emissions by 2050 or sooner, in line with worldwide efforts to limit global warming to 1.5°C, Tikehau Capital finalised its commitments under the Net Zero Asset Managers initiative in March 2023. The firm has made an initial commitment to manage close to 40% of its AuM in line with this net zero goal. The proportion of AuM to be managed in line with net zero is intended to increase over time as new funds are launched with net zero strategies. Moreover, Tikehau Capital was recognised as a 2023 ESG Industry Top Rated company by Sustainalytics, thus for the third year in a row, and ranks 33 out of 910 companies in its industry group, placing the firm among the top 4% of best performers.

Successful placement of a new €300 million sustainable bond issue

Tikehau Capital successfully placed a new sustainable bond issue of €300 million maturing in March 2030 with a fixed annual coupon of 6.625%. The transaction is testament to Tikehau Capital's credit quality as evidenced by a strong investor response. Heavily oversubscribed, it was placed with a diversified base of more than 60 investors, 80% of whom are non-domestic investors.

Continued development of the international franchise

Tikehau Capital has expanded its international presence with the opening of its first office in the Gulf region, in Abu Dhabi. The Group now has 15 offices worldwide (as at 31 December 2023). In 2023, nearly 55% of inflows came from international investor-clients (i.e., investors outside France), demonstrating the Group's ability to internationalise its client base.

⁽⁴⁾ This threshold is 5% of the share capital or voting rights.

BUSINESS MODEL

Our key assets & RESOURCES

A MULTI-LOCAL PLATFORM

15 OFFICES ON
3 CONTINENTS

Assets under management
from a global base of
investor-clients and savers

€43.2_{bn}

IN GROUP ASSETS UNDER MANAGEMENT⁽¹⁾

Multi-local sourcing of
investment opportunities

OUR VALUES

Excellence,

DUAL EXPOSURE TO THE ALTERNATIVE ASSET MANAGEMENT MARKET

Our DIFFERENTIATING MODEL

OUR MISSION

We direct global savings
towards **innovative and
adapted financing solutions
that create sustainable value**
for all stakeholders and accelerate
positive change for society.

Asset management

4 asset classes
89% of assets under
management in
closed-end funds

Investment portfolio

€3.1bn invested
in Tikehau Capital
strategies

Creating SUSTAINABLE VALUE

SUSTAINABLE DEVELOPMENT AT THE HEART OF THE BUSINESS MODEL

66%

of assets under
management
in Article 8
and 9 funds

20%

of variable
compensation linked
to employee-related
and climate targets

78%

of the Group's
debt linked to
sustainability
criteria

Figures as at 31 December 2023.

(1) Including €0.3bn in assets under management for the Investment activity.

(2) BBB- rating with stable outlook assigned by Fitch Ratings, confirmed in July 2023, and by S&P Global Ratings, confirmed in June 2023.

DIVERSE AND EXPERIENCED TEAMS

758

employees

15

years of experience
on average

48

nationalities

44%

women

A ROBUST FINANCIAL STRUCTURE

€3.2_{bn}

Shareholders' equity,
Group share

€1.0_{bn}

Short-term financial
resources

**BBB-
STABLE**

Financial rating⁽²⁾

independence, commitment.

4 BUSINESS LINES AND CROSS-FUNCTIONAL EXPERTISE TO FINANCE THE ECONOMY

PRIVATE
DEBT

REAL
ASSETS

PRIVATE
EQUITY

CAPITAL
MARKETS
STRATEGIES

TACTICAL STRATEGIES

A UNIQUE ALIGNMENT OF INTERESTS AT THREE LEVELS

55% of the share capital
controlled by the **management**
and **employees** of Tikehau Capital

79% of Tikehau Capital's investment
portfolio invested in the Group's strategies,
alongside its **investor-clients**

>80% of the Asset
Management EBIT paid each year
to **shareholders**

SUSTAINABILITY-THEMED AND IMPACT PLATFORM

Decarbonisation

Cybersecurity

€4.3_{bn}
in funds
dedicated to
companies

Nature and
biodiversity

Resilience

€7.4_{bn}
in funds
dedicated to **real
estate assets**

Resilient
cities

A RECOGNISED COMMITMENT



Review of

STRONG
PERFORMANCE
DRIVEN BY GROWTH
AND INNOVATION

+14%

Compound Annual Growth Rate

€177_m

€72_m

2016 2023

NET INCOME
(Group share)

2023



INTERVIEW

THOMAS FRIEDBERGER

Deputy Chief Executive Officer, Tikehau Capital

What have you seen take place in 2023 from a macroeconomic perspective?

Two key factors had a significant impact on 2023. The first was the end of the cycle of rising interest rates, which has been the fastest in history. In 2024, we will probably see the beginning of a decline in interest rates. At the same time, two megatrends stood out during the year: the first was the significant increase in global capital allocation to the energy transition. The second was the emergence of artificial intelligence as a central investment theme. These trends are distinct in terms of the nature of investment: in terms of the energy transition, investment is mainly in mature technologies and profitable, high-growth companies. Artificial intelligence, on the other hand, is a very venture capital-oriented sector with high valuations and involving a big technological gamble.

Despite the likely end of the rate-hike cycle, you call for some caution in 2024. Why is that?

There are two reasons. First, valuations for both listed and unlisted equities remain very high. Secondly, global debt has reached staggering levels. Coupled with a slowdown in global growth, we have probably entered a liquidity crisis.

You also believe that inflation is structural...

Cyclical inflation has fallen in recent months, but there are structural factors that markets are currently ignoring. These include the ageing of the world's population, the energy transition, and the effects of de-globalisation: the relocation of production capacity to Europe, for example, is pushing up labour costs.

Looking beyond the macroeconomic context, what are the other risk factors to watch out for in 2024?

In 2024, voters in the United States, India and Indonesia – together representing a quarter of the world's population – will head to the polls. The optimistic scenario currently anticipated by the markets envisions not only growth and favourable interest rate trajectories, but also stability. However, stability is not guaranteed, especially in the United States, where a shift in political direction is possible. Geopolitical stability is also threatened by disruptions due to conflicts. We have already seen the impact of the Middle East crisis on maritime traffic in the Red Sea. Another significant risk at present is a possible military conflict over Taiwan. Such an event would have disastrous consequences for the markets, although we do not currently feel that this scenario is very likely.



“

WE ARE SCEPTICAL OF INVESTORS WHO BELIEVE THAT EXTRA-FINANCIAL PERFORMANCE COMES AT THE EXPENSE OF FINANCIAL PERFORMANCE: IN OUR VIEW, THE OPPOSITE IS TRUE.

Are there also non-financial risks?

This is a more diffuse risk, but the trend is clear: financing, capital and insurance costs are rising for companies that do not perform well in terms of sustainable development. Inevitably, the financial penalty for non-performance will increase significantly. We are sceptical of investors who believe that extra-financial performance comes at the expense of financial performance: in our view, the opposite is true.

What is the most plausible scenario for 2024, in your view?

We expect a scenario of dispersion, with a likely turnaround in the economic and monetary cycle. The risk of recession and the uncertainties surrounding the elections, and more generally the global geopolitical situation, are considerable. These factors are likely to increase volatility and dispersion.

Which segments are likely to benefit from this recovery?

With liquidity drying up, Tikehau Capital is well positioned to finance quality businesses and assets facing refinancing challenges through our special situations and real estate debt strategies. On the private debt side, acquisition finance to build European champions will continue to be a significant investment opportunity. Providing liquidity by purchasing portfolios in private debt secondaries has also been identified as an opportunity. Finally, on the private equity and real estate side, we are positioned on megatrends that should continue to grow strongly despite the slowdown in global growth. These megatrends include cybersecurity, the energy transition, regenerative agriculture, real estate asset transformation and infrastructure in the United States, five sectors that should benefit from massive investments aimed at strengthening the resilience of the global economic system. These are also strategic sovereignty sectors for governments.

INTERVIEW

HENRI MARCOUX

Deputy Chief Executive Officer, Tikehau Capital



14-15

“

THE CURRENT
ENVIRONMENT
HAS ALLOWED US
TO CONFIRM THE
SOLIDITY AND
EFFECTIVENESS OF
OUR MODEL.

What is your view of the current economic cycle?

In 2022, we entered a new economic cycle marked by the end of the free money and exuberance that characterised the previous decade. This paradigm shift is still affecting all players in our ecosystem: companies are feeling the impact of inflation and rising interest rates, some investors are finding their resources scarce and many of our peers are seeing a slowdown in the pace of fundraising. The machine has slowed, liquidity is decreasing, and equity financing is becoming less accessible. Against this backdrop, Tikehau Capital has continued to navigate with the philosophy it followed during the previous decade. Our model is based on high selectivity, a cautious and disciplined approach to investing, and a strong alignment of interests with those of our investor-clients.

Given this environment, what is your assessment of the 2023 financial year?

The current environment has allowed us to confirm the solidity and effectiveness of our model, as we maintained a sustained level of investment in 2023, with €5.9 billion deployed. In particular, given the scarcity of liquidity and private equity, we were very active in private debt, thanks to our positioning in very promising themes in this new cycle, such as cybersecurity, aerospace, and the energy transition. We



ACROSS ALL OUR ASSET CLASSES, WE CAN REACT QUICKLY AND TAKE ADVANTAGE OF OPPORTUNITIES REGARDLESS OF THE CYCLE.

took a more cautious approach to real assets while remaining alert to opportunities arising from market dislocations.

The year was also marked by value-creating exits, which amounted to €2.4 billion, representing a year-on-year increase of 33%. This performance demonstrates our agility in a slowing market and our positioning as a mid-market player in an environment where mid-sized transactions have held up better than larger transactions. In terms of fundraising, we raised €6.5 billion, 37% more than the average for 2017-22. This record figure demonstrates the strength of our asset management platform and the relevance of our investment strategies in the current environment.

What assets do you have that help you stand out from the crowd?

Across all our asset classes, we can react quickly and take advantage of opportunities, regardless of the cycle. For example, thanks to our multi-local platform across our 15 offices, we can identify growth areas (or sectors) that require more investment and deploy strategies very quickly. As an illustration, in 2023 we launched a real estate debt strategy in partnership with Altea, to which we and our partner each committed €100 million. The innovative strength and complementary nature of our asset classes allow us to continuously adapt our investment solutions and navigate any macroeconomic environment effectively. Our second strength is our successful internationalisation, with major achievements in 2023. In addition to opening our 15th office in Abu Dhabi, we were entrusted with the management

of a €200 million multi-asset mandate from a large Middle East sovereign wealth fund and we also welcomed our second Chinese investor to our private debt secondaries strategy for close to \$100 million. Finally, our distribution strength is another essential asset. Initially focused on institutional investors, we have since shown great agility and innovation in tapping into new sources of savings, notably through partnerships in France and abroad. At a time when some categories of investors are finding it difficult to deploy their funds, this ability to attract new types of clients is proving invaluable.

What are your expectations for 2024?

In 2024, we will start to reap the benefits of our investment efforts in countries such as the Netherlands and Switzerland. In terms of allocation, we believe this year will be very favourable for private debt. In particular, we recently launched the sixth vintage of our direct lending strategy.

Building on our leading position in Europe, we have raised more than €1 billion for this strategy since the closing of the previous generation. As in 2023, private equity and capital markets strategies should remain key focus areas.

In this new cycle, characterised by the drying up of capital and liquidity, our multi-local platform and robust balance sheet, which enable us to support our ability to innovate and accelerate growth, allow us to move forward confidently towards the ambitious goals we have set for 2026.

2023 IN A NUTSHELL

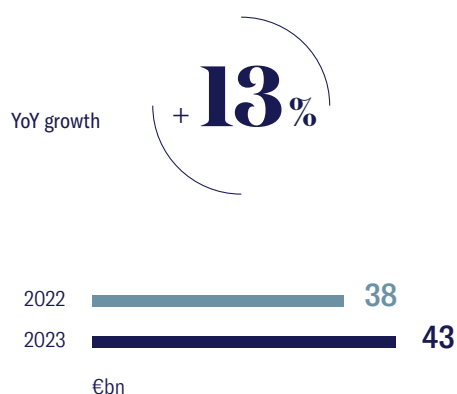
DELIVERING ON THE CORE PILLARS OF OUR STRATEGY



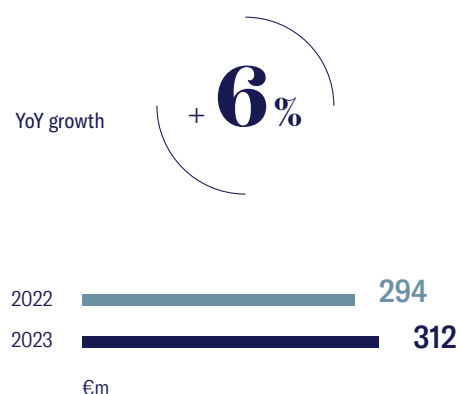
(1) Core FRE is a measure corresponding to fee-related earnings (FRE) excluding expenses related to share-based payment transactions (IFRS 2), but including employer social contributions due in respect of these transactions.

DELIVERING SOLID GROWTH IN 2023

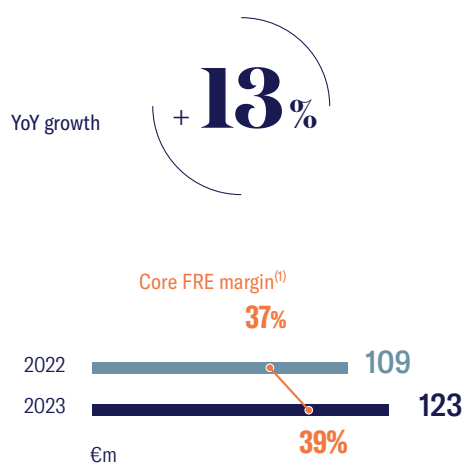
ASSET MANAGEMENT AUM



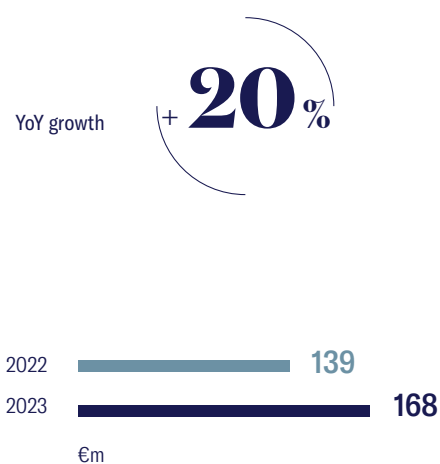
ASSET MANAGEMENT REVENUES



CORE FEE-RELATED EARNINGS⁽¹⁾



REALISED PORTFOLIO REVENUES FROM OUR STRATEGIES



⁽¹⁾ Core FRE is a measure corresponding to fee-related earnings (FRE) excluding expenses related to share-based payment transactions (IFRS 2), but including employer social contributions due in respect of these transactions.

OUR ENTREPRENEURIAL
BACKGROUND ENABLES US
TO ANTICIPATE TOMORROW'S
NEEDS AND DESIGN
RELEVANT FINANCING
SOLUTIONS TO ACCELERATE
POSITIVE SOCIETAL CHANGE.

Sustainability by

66% OF ASSETS
IN ARTICLE 8 AND 9 FUNDS⁽¹⁾

(1) As of 31 December 2023



Design



INTERVIEW

LAURE VILLEPELET

Head of ESG and CSR, Tikehau Capital



LINDEE WONG

Head of Climate & Biodiversity, Tikehau Capital

What are your key sustainability commitments for 2023?

Laure Villepelet: The year was marked by significant developments across the Group. In 2023, Tikehau Capital finalised its commitments under the Net Zero Asset Managers initiative. The sustainability-themed and impact platform saw further development, with assets under management in the decarbonisation, nature and biodiversity, cybersecurity and resilience themes reaching €4.3 billion at the end of the year. In addition, the platform was expanded to include a sustainable cities theme, with assets under management totalling more than €7 billion. Another notable development was the strengthening of our ESG capabilities by implementing an ESG data IT platform. Lastly, Tikehau Capital successfully placed a new €300 million sustainable bond issue during the year, which is due to mature in March 2030. At end-2023, 78% of the Group's financing had an ESG component.

Lindee Wong: Tikehau Capital's climate and biodiversity policy can be summarised in two main objectives: firstly, to direct financial flows towards solutions for decarbonisation and biodiversity protection, and secondly, to reduce the negative impact of its portfolios by setting decarbonisation targets in line with the goals of the Paris Agreement. In 2023, Tikehau Capital's Sustainability Strategy Orientation Committee validated an initial target of 39% of the Group's assets under "Reference base 2022", to be managed in line with the global goal to achieve net zero emissions by 2050. For 2024, the focus will be on (i) strengthening the climate transition plan in connection with the European Union's Corporate Sustainability Reporting Directive (CSRD) and (ii) biodiversity, which poses major challenges in terms of data collection. In 2023, a mapping procedure was developed in collaboration with AXA Climate to identify the sectors most affected by this issue. In 2024, priority will be given to the real estate assets and the portfolio companies of the regenerative agriculture strategy.

INVESTMENTS⁽¹⁾

Target of **39%** of assets under management to be net zero by 2050

66% of assets managed in funds are classified as Article 8 or 9 under the SFDR

The sustainability-themed and impact platform totalled **€4.3bn**, including **€3.0bn** dedicated to climate and biodiversity

€7.4bn in funds dedicated to resilient cities

COMMITMENT TO PORTFOLIO COMPANIES⁽¹⁾

66% of private debt⁽²⁾ financed with an ESG ratchet in 2023

38% of private equity investments with a sustainable development roadmap

42 private debt and private equity companies with commitments to or targets validated by the Science Based Targets initiative (SBTi)

How do these issues permeate all of the Group's activities?

LV: Today, the sustainability-themed and impact platform, representing almost a quarter of the Group's assets under management, informs approaches taken in all our activities. For example, the impact framework defined when the T2 Energy Transition fund was launched in 2018 has since served as the basis for two other strategies. Another example is the widespread use of sustainability-linked loans (or ESG ratchets), which were introduced in 2020 as part of a private debt impact strategy. At end-2023, these mechanisms were included in 66% of new private debt transactions (direct and corporate lending).

Apart from the environment, how do you address social issues?

LV: Social issues and diversity, in particular, are things we work on regularly with portfolio companies, taking a very granular approach depending on their specific characteristics. We pay particular attention to these issues in our private equity and private debt strategies, as well as in real estate, where some funds address issues such as social inclusion, regional regeneration, and access to housing.

(1) All data as at 31 December 2023.

(2) Direct and corporate lending (excluding CLOs).

GROUP

ALIGNMENT OF INTERESTS⁽¹⁾

79% of Tikehau Capital's balance sheet invested in its strategies

55% of capital controlled by the Group's managers and employees

65% of Tikehau Capital's employees are shareholders

INTEGRATION OF ESG OBJECTIVES AT ALL LEVELS⁽¹⁾

78% of the Group's financing has an ESG component

20% of employees' variable compensation is linked to ESG objectives

A proportion of carried interest is linked to ESG criteria for impact funds

DIVERSITY, PEOPLE AND COMMUNITY⁽¹⁾

48 nationalities

44% of permanent staff are women

24% of managing directors and executive directors are women

93% of employees attended at least one training course in 2023

Launch of the Tikehau Capital Foundation



79%
of AuM within
Yield strategies

21%
of AuM in value-add
strategies

• €18.2_{bn}
Private Debt

TARGET TO REACH
MORE THAN €65
BILLION IN ASSETS
UNDER MANAGEMENT
BY 2026

Asset

PRIVATE DEBT - REAL ASSETS - PRIVATE EQUITY
TACTICAL STRATEGIES - CAPITAL MARKETS STRATEGIES

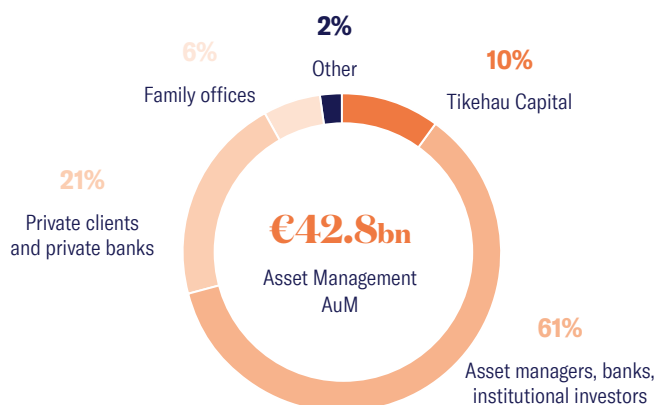


Management

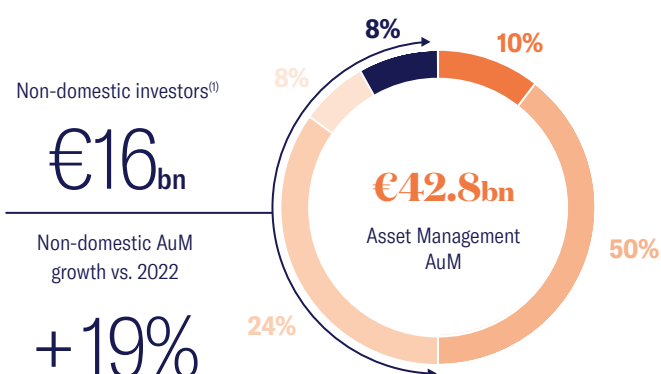


HIGHLY GRANULAR EXPOSURE, DIVERSIFIED BY SECTOR AND GEOGRAPHY

ASSET MANAGEMENT AUM BY INVESTOR-CLIENT TYPE AT 31 DECEMBER 2023



ASSET MANAGEMENT AUM BY INVESTOR-CLIENT NATIONALITY AT 31 DECEMBER 2023



MOST REPRESENTED NATIONALITIES IN AUM AT 31 DECEMBER 2023⁽²⁾

	Office opening year
1. United States	2018
2. Italy	2015
3. United Kingdom	2013
4. Spain	2017
5. Luxembourg	2019

39%

AuM from non-domestic
investors at 31 December
2023

54%

of 2023 third-party NNM
raised from non-domestic
investors⁽³⁾

● Tikehau Capital ● France ● Europe ● North America ● Asia & Middle East

(1) Non-domestic investors refer to non-French investors.
(2) Excluding French investors.
(3) Excluding Sofidy funds.

INTERVIEW

FRÉDÉRIC GIOVANSILI

Deputy Chief Executive Officer, Tikehau Capital



What were your expectations for the markets in 2023 and how did the year play out?

Overall, 2023 can be divided into two distinct periods. The first half was characterised by the impact of the rising interest rate cycle on the valuation of equities and bonds. The second half was a period of adjustment to this new environment and renewed optimism in the markets, which now expect interest rates to fall in 2024.

Against this backdrop, we continued to focus on growth megatrends such as cybersecurity, regenerative agriculture and the energy transition. In addition, in an environment where capital and liquidity are once again at a premium, our ability to deploy funds quickly was another key driver of performance, particularly in real estate debt, special situations and credit secondaries. Although the new cycle poses many challenges for investors after decades of free money, it has the virtue of forcing us to think more about the notion of sustainable performance.

How do you see the asset management business in this context?

The picture for public markets is very positive for listed equities and bonds. However, there is one point to bear in mind: although the indices have performed well overall since the end of 2023, they often hide very different realities, with winners and losers. This high degree of market dispersion makes our active management model, based on a high degree of selectivity, all the more relevant. Concerning private markets, the main issue in 2023 was the valuation of assets against a sharp slowdown in transactions, particularly in private equity and real estate. In private debt, performance was very positive across all segments, thanks to floating-rate financing, which benefited from the rise in interest rates. In a system that needs to transform itself, our ability to use our balance sheet to align our interests with those of our investor-clients has been a key factor in accelerating the scale-up of solutions.

Tikehau Capital has set itself the ambitious target of growing assets under management from €43.2 billion today to €65 billion by 2026.

How will you get there?

We are now on the right track and the question is how to maintain this growth momentum beyond €65 billion. The keys to this growth are already within our grasp and particularly evident in our ongoing international expansion. Over the past 18 months, we've successfully opened three new offices, in Tel Aviv, Abu Dhabi and Zurich, with plans to open two more in Montreal and Hong Kong in 2024.

Does this growth include targeting private individuals?

Today, half of the world's financial wealth is held by individuals, and the challenge is to make institutional-quality products accessible to them. In France, we have already launched a number of initiatives in this direction, notably unit-linked products in partnership with insurance companies. In the coming years, we intend to continue these efforts to democratise our products while ensuring we are very clear about the risks involved in investing in private assets.

What trends do you see for 2024?

We think the market is currently a little too optimistic about the path of the yield curve, not least because it underestimates the structural nature of inflation. Instead, we see a prolonged

period of high-interest rates and more moderate growth. This means that we must continue to be able to identify pockets of growth, for example, in the European mid-cap segment or in the megatrends I mentioned earlier.

For several years, Tikehau Capital has placed sustainability at the heart of its business model. How do you put this conviction into practice?

ESG now permeates everything we do. We systematically apply an ESG score to each investment, which can lead to the exclusion of certain issuers or the implementation of specific ESG objectives. But we go even further with our impact funds, which aim to accelerate the ecological and social transition. By the end of 2023, our sustainability-themed and impact funds represented €11 billion in assets.

From now on, Tikehau Capital's ambition is to develop this platform further, for example by launching the second generation of our decarbonisation strategy. The challenge is simple: if we don't make the transition to this world of finite resources, the machine will grind to a halt. We must reconcile profitability and sustainability in a new vision of performance.



WE MUST RECONCILE PROFITABILITY
AND SUSTAINABILITY IN A NEW VISION
OF PERFORMANCE.

Sustainability-themed and impact platform:

FIT TO ADDRESS TRANSITION AND RESILIENCE

Invested companies

DECARBONISATION

PRIVATE EQUITY

Decarbonisation
Green Assets

CAPITAL MARKETS STRATEGIES

Tikehau Impact Credit⁽²⁾

PRIVATE DEBT

Unit-linked product⁽¹⁾

Promoting solutions:
energy efficiency, renewable
and low-carbon mobility

Transition to a low-carbon
economy

NATURE & BIODIVERSITY

PRIVATE EQUITY

Regenerative Agriculture

Rebuild soil organic matter and
restore degraded soil biodiversity

Shift toward regenerative ingredients

Scale up technical
and digital solutions

Support the transition
to sustainable agrifood

RESILIENCE

PRIVATE EQUITY

Growth equity

PRIVATE DEBT

Belgian Recovery Fund⁽⁴⁾

Impact Lending

Drive the digital
and sustainable transition

Expand access to healthcare services
and improve their quality

€4.3_{bn}

IN FUNDS DEDICATED TO
CORPORATE ASSETS

At 31.12.2023

Real estate assets

RESILIENT CITIES

REAL ESTATE⁽³⁾

Efimmo 1

Immorente

Sofidy Europe Invest

Sofidy Pierre Europe

SoLiving

Sofimmo

S.YTIC

Value-add impact

Environmental progress:

Energy efficiency improvement,
renewable energy supply, biodiversity
preservation

Buildings with a positive
social impact

€7.4_{bn}

At 31.12.2023

IN FUNDS DEDICATED TO
REAL ESTATE ASSETS

At 31.12.2023

(1) Mutual investment funds (*fonds commun de placement à risque*, or FCPR) exclusively available through unit-linked products distributed by Société Générale Private Banking France.

(2) Tikehau Impact Credit is a sub-fund of the Tikehau Fund SICAV UCITS managed by Tikehau IM. The fund's main risks are capital loss, counterparty risk, liquidity risk and sustainability risk. For a description of all the risks, please refer to the fund's prospectus. The materialisation of one of these risks could lead to a drop in the fund's net asset value.

(3) Funds classified under SFDR as article 8 hybrid or article 9 funds and with an objective of transitioning to more sustainable and resilient real assets. Real estate fund units are long-term investment vehicles and should be purchased with a view to diversifying your assets. The minimum recommended investment period is generally 8 years. Like any investment, real estate carries risks of zero return or loss of value, which can however be mitigated without guarantee through diversification of the fund's real estate and rental property portfolio. Certain real estate funds are reserved for investors based in France. The funds are managed by Sofidy except for the value-add impact strategy managed by Tikehau IM.

(4) Self-managed funds.

A pioneer

IN THE DEMOCRATISATION OF PRIVATE MARKETS

Since its creation, Tikehau Capital has distinguished itself for its agility and capacity for innovation, particularly in developing investment vehicles with different profiles to meet the diverse needs of its investor-clients. In recent years, the Group has focused on expanding its range of products available to individual investors, who are increasingly seeking access to alternative asset classes.

Today, Tikehau Capital offers tailor-made solutions for private clients across all its business lines. Over the last two years, for example, the Group has launched private debt and private equity unit-linked products in partnership with CNP Assurances, MACSF, Société Générale Assurances and Suravenir.

In terms of real assets, investors can take advantage of the range of UCITS, bond funds and SCPIs offered by Sofidy, which manages a portfolio of more than 5,000 real estate assets on behalf of more than 55,000 savers and many institutional investors. In 2019, Tikehau Capital also acquired Homunity. This real estate crowdfunding platform now offers a wide range of investment products, including participatory financing, property-specific life insurance, rental investments and investments in SCPIs.

In 2022, the Group launched Opale Capital, a digital platform offering financial advisors and their private clients simplified access to investment strategies in sectors with high growth and innovation potential, such as technology and healthcare. Since its inception, Opale Capital has raised over €80 million across various alternative strategies, including private equity, secondary strategies, and opportunistic credit.

For Tikehau Capital, democratising alternative asset classes is a key growth driver. In 2023, the Group raised €1.6 billion from private clients, representing 29% of net new money from third-party investors during the year. Tikehau Capital is approaching this clientele with ambition and caution by educating them, relying on solid distribution partners and keeping a close eye on the consistency between assets and liabilities and the associated risks within each of its funds.

KEY INNOVATIVE SOLUTIONS DEVELOPED SINCE 2019



KEY ACHIEVEMENTS IN 2023

SUCCESS OF OUR
PRIVATE
DEBT UNIT-LINKED
PRODUCTS

€1_{bn}

of commitments
since inception

SOLID MOMENTUM



€80_m

raised since
inception

PRIVATE INVESTORS
REPRESENTING

€1.6_{bn}

of net new money
in 2023 (29% of total
net new money)

A DIFFERENTIATED ECOSYSTEM OF **partners**

For Tikehau Capital, establishing strategic partnerships is a key lever for continuing its international expansion and developing investment solutions tailored to the diverse needs of investors, particularly private investors. In recent months, the Group has continued to forge collaborations with leading players and now has a unique ecosystem of partners.

For example, in July 2023, Tikehau Capital signed a partnership with Whistler Capital Partners, a Nashville-based private equity firm specialising in the healthcare industry and related tech-enabled services verticals in the US market. In December 2023, the Group also announced that it had entered into advanced discussions in Japan with Nikko Asset Management, one of the largest asset managers in Asia, to form a business and capital alliance.

More recently, Tikehau Capital signed a regional partnership with UOB-Kay Hian, Southeast Asia's largest securities dealer based in Singapore, to launch a new private debt strategy in the Asia-Pacific region.

These new strategic partnerships should enable Tikehau Capital to further expand its international presence, with 54% of net new money in 2023 coming from investors outside France⁽¹⁾. In 2023, the Group also opened its first office in the Gulf region, in

Abu Dhabi, strengthening its local presence in 15 countries worldwide. In recent years, Tikehau Capital has also continued to make progress in democratising private markets, notably through partnerships with private banks in Spain and Italy and the launch of private debt and private equity unit-linked products with CNP Assurances, MACSF, Société Générale Assurances and Suravenir. In 2022, the Group entered into a partnership with iCapital, a fintech and global platform promoting access to investment in private assets. Throughout its development, Tike-

hau Capital has focused on innovation and foresight. One of the Group's hallmarks is its ability to surround itself with industrial partners who support this innovation, in particular by investing financial resources in the Group's funds and providing skills and human resources for these strategies.

This approach has already been put into practice in a number of private equity funds, including TotalEnergies as a key partner on decarbonisation, with Airbus, Dassault Aviation, Thales and Safran for strategies dedicated to the aerospace industry, and AXA and Unilever, which have joined Tikehau Capital in its strategy dedicated to regenerative agriculture. In 2023, Tikehau Capital also teamed up with Altarea to launch a European real estate debt platform, leveraging the two groups' complementary expertise in real estate and private debt.

Today, Tikehau Capital's ability to work with industry partners who bring in-depth sector-specific skills and knowledge is a key differentiator.

(1) Net new money from third-party clients, excluding Sofidy.

Partnerships with major companies such as

TotalEnergies (decarbonisation strategy)
Unilever and AXA (regenerative agriculture strategy)
Altarea (real estate credit strategy)
Airbus, Safran, Dassault Aviation and Thales (aerospace strategy)

Partnerships with banks and insurance companies to enable their private clients to benefit from Tikehau Capital's expertise in the private markets

Banca March and Fideuram - Intesa Sanpaolo Private Banking
CNP Assurances, MACSF, Société Générale Assurances and Suravenir

Strategic partnerships



Distribution agreement under discussion
 Planned joint venture dedicated to investment strategies in Asian private markets
 Plans to acquire stake in Tikehau Capital



Launch of new private debt strategy in the Asia-Pacific region

STRATEGIC PARTNERSHIP WITH SFI

A stronger shareholder base for Tikehau Capital

SFI has invested €400 million in Tikehau Capital Advisors (TCA), forming a strategic partnership to support Tikehau Capital's long-term growth.

SFI is a strong shareholder with an entrepreneurial DNA, a solid track record, global reach and a multicultural approach.

The priorities of the partnership are international development, the identification of investment opportunities and franchise expansion.

Maximilien de Limburg Stirum, Executive Chairman of SFI, was appointed as a member of the Supervisory Board of Tikehau Capital. Alexandre Van Damme, Patrinvest's Chairman, has joined the TCA Board of Directors.

Simplified shareholder structure as of 31 December 2023

CO-FOUNDERS & MANAGEMENT

66%

STRATEGIC INVESTORS

34%

TIKEHAU CAPITAL ADVISORS

53%

OTHER SHAREHOLDERS

47%

TIKEHAU CAPITAL (TKO FP)



ASSET MANAGEMENT

Private Debt

As a pioneer in private debt in Europe and France, we partner with SMEs and mid-cap companies that are considered leaders in their fields and are looking to make acquisitions or expand their activities. We are particularly active in sectors where access to finance can be difficult but which are key to the European economy.

€18.2_{bn}

IN ASSETS UNDER MANAGEMENT

€3.8_{bn}

INVESTED IN OVER
100 COMPANIES IN 2023

42%

OF GROUP ASSETS
UNDER MANAGEMENT

All data as at 31 December 2023.

INTERVIEW

CÉCILE MAYER-LÉVI

Head of Private Debt Activity, Tikehau Capital

What was special about 2023 for the private debt market?

The year 2023 was characterised by the rapid rise in interest rates, which had a twofold impact on our asset class: on the one hand, for existing positions, increased pressure on companies' free cash flows and, on the other hand, for new transactions, a strengthening of the market position of debt funds at the expense of banks. As the cost of debt has risen, we have been more cautious in the deals we have done, with multiples on average lower than in previous years.

As a knock-on effect, the reduction in available financing has led to a mismatch between the price expectations of buyers and sellers when companies are sold, slowing down primary transactions such as mergers, acquisitions and transfers.

For our business, this situation has resulted in portfolio companies being held for longer periods and an increase in consolidation transactions, in which private debt funds are playing an increasing role.

What other achievements would you highlight for your business?

Our private debt funds showed strong momentum, accounting for 66% of Tikehau Capital's deployments in 2023, driven by the Group's CLO platform in Europe and the US, as well as its flagship direct lending and private debt secondaries strategies. Private debt also

accounted for 51% of the Group's divestments last year, of which 75% was in direct and corporate lending. The fourth quarter was marked by the repayment of approximately €90 million of unitranche financing provided to Neoapotek, an independent Italian chain of more than 130 pharmacies, to support its buy and build strategy. In terms of products, we have seen a significant acceleration in the unit-linked products launched with MACSF, Société Générale Assurances and Suravenir, which have raised a total of around €1 billion since their creation and around €450 million in 2023. Another highlight was the launch of the sixth vintage of our direct lending strategy, which has raised around €1 billion since the closing of the previous generation.

How do you see 2024 shaping up?

We are noting an acceleration in the number of new deals as the expectations of buyers and sellers converge. We believe that we have reached the peak of interest rate rises, with the first potential declines in 2024, which should stimulate the appetite for leveraged deals. We therefore anticipate a year of strong growth compared to 2023, with a decline in leverage. In terms of opportunities, we continue to see strong interest in unitranche and mezzanine debt. B2B services, IT and consulting are still among the sectors of choice. In France, another trend to watch will be the launch of Obligations Transition ("transition bonds") following on from the Obligations Relance



THE DEBT MARKET
SHOULD CONTINUE
TO GROW OVER
THE NEXT FEW YEARS,
PARTICULARLY IN THE
MID-MARKET SEGMENT
IN EUROPE.

(“relaunch bonds”). Another important development in 2024 should be the confirmation of the return of CLOs, which began at the end of 2023 and whose activity had slowed sharply since 2022. We are once again seeing strong traction, suggesting solid activity in the bank syndication market for large transactions in the coming months. By the end of 2023, the Group’s CLO activity had reached €6.3bn, representing growth of 40% year on year. The final major trend to watch is the rapid development of the private debt secondaries market, in which Tikehau Capital has been a pioneer. Last year, the Group launched the second vintage of its dedicated strategy, which had already attracted more than \$400 million in commitments at 31 December 2023. We have big ambitions for this segment, which is particularly relevant at a time when investors are seeking liquidity and actively managing their portfolios.

More generally, we believe that the debt market should continue to grow over the next few years, particularly in the mid-market segment in Europe.



TIKEHAU CAPITAL REFINANCES AN ENVIRONMENTAL CONSULTANCY COMPANY

Tikehau Capital provided £44.6m of funding to support WestBridge, an independent private equity firm, in the refinancing of APEM. APEM is a leading UK environmental consultancy, renowned for its technical and regulatory services. The funding will support APEM’s growth in the next phase of its development. Founded in 1987, APEM specialises in aerial and geospatial surveys, freshwater studies, ecological services, wildlife impact assessments and regulatory issues, supporting renewable energy and sustainable infrastructure projects worldwide. WestBridge had acquired APEM in 2019 in partnership with its management and employees.



VINCENT LEMAÎTRE

HEAD OF ESG FOR PRIVATE
DEBT AND TACTICAL
STRATEGIES, TIKEHAU CAPITAL

Through the prism of sustainability

How do you integrate ESG into the management of private debt?

Prior to any investment decision, our teams perform a negative screening to ensure compliance with Tikehau Capital's exclusion criteria. We also perform an ESG analysis using a scoring system adapted from S&P's Corporate Sustainability Assessment.

We also have a powerful lever in the form of commitments: through ESG ratchets, we set annual non-financial targets in companies' credit documentation. Depending on whether these targets are met, the credit margin is adjusted up or down. In 2023, 66% of new transactions have included this type of mechanism: for us, this is a way of pricing in non-financial risk through the cost of debt and accelerating the transition of portfolio companies.

Another form of commitment is to support companies by providing advice or sharing expertise. This applies to all our corporate and direct lending strategies. For impact funds, we go even further by focusing on companies whose business model has a positive impact on the ecological and social transition.

Last year, you launched the SG Tikehau Dette Privée Impact Fund. What are its characteristics?

The objective of this fund is to only finance companies committed to achieving decarbonisation in line with the goals of the Paris Agreement, based on the methodology developed by the Science Based Targets initiative. The aim was to capitalise on our expertise in decarbonisation, which remains the main challenge of the ecological transition. The other feature of this fund is that it is distributed to individual investors through life insurance products.

TIKEHAU CAPITAL HAS BEEN AT OUR SIDE SINCE 2015. THE LEBRONZE ALLOYS GROUP IS THE WORLD LEADER IN HIGH-PERFORMANCE COPPER-NICKEL ALLOYS, WITH SALES OF €300 MILLION. IN 2023, ESG INDEX-LINKED FINANCING WAS PUT IN PLACE WITH TIKEHAU CAPITAL AND OTHER FINANCIAL PARTNERS, ALLOWING US TO APPROACH THE NEXT STAGES OF GROWTH AND TRANSITION WITH CONFIDENCE.

Alexandra Dumont Nubery,
Chief Operating Officer, Lebronze Alloys SAS

Why is it important to integrate ESG into this asset class?

As an asset class, private debt has a number of characteristics that make it an ideal area for responsible investing, including long holding periods, close links with management and the ability to modulate the interest margin.

It is still very important for investors to consider these aspects, as ESG risks are fundamentally part of credit risk management. An asset manager that does not integrate ESG into its investment process has not performed a full credit risk analysis. Regardless of the sector, a company that does not make the transition is exposed to risks that could, for example, cause it to lose value or make it more difficult to obtain financing.

Highlights

— PRIVATE DEBT

Launch of the second vintage of the private debt secondaries strategy

In 2023, Tikehau Capital launched the second vintage of its private debt secondaries strategy. At 31 December 2023 it had already attracted over €200 million in commitments, capitalising on the success of the previous vintage and investor appetite for the asset class. This new vintage aims to raise €750 million, making it one of the largest private debt secondaries funds in the market.



Industry recognition

For the eighth consecutive year, Tikehau Capital won the Private Debt Lender Award in the Large Cap category of Private Equity Magazine's annual *Grands Prix* 2023.

Launch of the sixth vintage of the direct lending strategy

In 2023, Tikehau Capital launched the sixth vintage of its direct lending strategy, targeting between €4 billion and €5 billion in commitments. With a leading position in Europe and a solid track record, the strategy had attracted approximately €1 billion in commitments between the closing of the previous vintage and 31 December 2023. The strategy is managed using a net zero approach, based on the methodology of the Net Zero Asset Managers initiative.

€6.3bn

in assets under management on global CLO platform⁽¹⁾

The Group's Collateralised Loan Obligation (CLO) activity continued to show solid growth in 2023, with outstandings up 40% year on year.

⁽¹⁾ As of 31 December 2023.

NEW INITIATIVES LAUNCHED TO PROVIDE RETAIL ACCESS TO PRIVATE MARKETS

Tikehau Capital and Société Générale Assurances launched a unit-linked fund offering retail investors the opportunity to finance unlisted French and European companies while helping to reduce their greenhouse gas emissions. In addition, Suravenir, the life insurance and pension subsidiary of Crédit Mutuel Arkéa, has added to its range of unlisted funds an FCPR managed by Tikehau Capital that finances European SMEs and mid-cap companies committed to decarbonising their business model by following a path to reduce their greenhouse gas emissions in line with the Paris Agreement.

Successful divestments for the direct lending and corporate lending strategies

Over 75% of divestments in 2023 came from the Group's direct lending and corporate lending strategies, corresponding to loan repayments. In the fourth quarter, a unitranche loan of approximately €90 million was repaid by Neoapotek, an independent Italian chain of over 130 pharmacies.

Record net inflows for the Group's private debt platform

In 2023, Tikehau Capital's private debt platform saw a record level of net inflows at €4.2 billion, driven by strong demand for the Group's "yield" strategies.

ASSET MANAGEMENT

Real Assets

Real estate assets selected to generate long-term performance through:

- Tikehau Capital: a platform for investing in all types of real estate assets
- Sofidy: France's leading independent real estate investment manager
- Tikehau Star Infra: rebuilding infrastructure in North America
- IREIT Global: the first listed real estate company in Singapore

€13.5^{bn}

IN ASSETS UNDER MANAGEMENT

9,000

PROPERTIES IN THE PORTFOLIO

31%

OF GROUP ASSETS
UNDER MANAGEMENT

All data as at 31 December 2023.

INTERVIEW

FRÉDÉRIC JARIEL

Co-Head of Real Estate Activity, Tikehau Capital



GUILLAUME ARNAUD

Chairman of Sofidy

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Tikehau Capital has adopted a “cautious and focused” approach to investing in real estate. What is behind this strategic positioning?

Frédéric Jariel: Since mid-2022, the real estate market has been characterised by a number of strong structural trends: the lack of tenant interest in secondary offices, the growing importance of ESG, which requires sometimes costly investments to bring assets up to standard, and of course the rise in interest rates, which has led to a significant repricing of real estate assets, with a sharp slowdown in transactions in 2023. For an agile player like Tikehau Capital, this market environment offers many opportunities to acquire property at more attractive prices than in the previous decade.

Guillaume Arnaud: Overall, 2023 can be divided into two distinct phases: the first half of the year was quite buoyant, with significant inflows, while real estate continued to be perceived as a safe haven, thanks in part to rent indexation to inflation. In the second half of the year, however, the market slowed sharply against a backdrop of rising interest rates, which devalued real assets, and the emergence of alternatives to managed real estate investment vehicles, sometimes offering more attractive risk/return trade-offs. The combination of these two factors led to a sharp reduction in outflows in the second half of the year.



THIS MARKET ENVIRONMENT OFFERS MANY OPPORTUNITIES TO ACQUIRE PROPERTY AT MORE ATTRACTIVE PRICES THAN IN THE PREVIOUS DECADE.

How have you navigated this environment?

FJ: Due to this repricing, we were able to close some excellent deals in 2023, including the acquisition of the Hotel California in Paris in January at an attractive price. As part of our value-add strategy, we have also been particularly focused on the Spanish and Portuguese markets, notably in the residential and hospitality sectors. Overall, investments in real estate strategies accounted for 13% of the Group's total investments, distributed between the European sale and leaseback strategies, the European value-add strategy, and the granular investments of Sofidy and IREIT Global, the Group's listed real estate company based in Singapore.

In terms of divestments, our diversified positioning has paid off: while the largest assets have suffered from the drying up of liquidity in the market, we managed to dispose of almost €500 million of assets in 2023, mostly very granular assets. These transactions include the sale of two boutique hotels in Paris.

GA: In 2023, Sofidy maintained the caution and selectivity that have historically characterised its investment approach. In the first half of the year, we therefore limited the deployment of our high levels of new money, which allowed us to maintain a strong cash position to take advantage of the bargains offered by

market dislocation. At the end of the year, in order to seize these opportunities and benefit from the entry point offered by the new real estate cycle, we launched Sofidynamic, a high-yield SCPI with a resolutely offensive positioning targeting a high annual distribution rate of 7% gross of tax.

What will your focus be in 2024?

GA: In 2024, we will inevitably be paying close attention to the yield curve. At the moment, market forecasts predict a normalisation of the environment, which will provide a reassuring outlook for real estate.

At Sofidy, we are taking advantage of this context by refocusing at the heart of major cities, where risk premiums have rebounded after years of low interest rates. We are systematically targeting city centres, looking for centrality and undeniable location quality, in particular prime retail and office space, close to public transport and meeting the latest environmental standards. In the coming months, our ability to manage highly granular and liquid assets in an industrial manner should once again be our strength.

FJ: In 2024, diversification will remain our watchword, with a particular focus on Western and Southern Europe. In terms of asset types, we will continue to look at

hotels, residential properties and prime real estate. We are also keeping a close eye on the opportunities presented by secondary office conversions and changes of use, particularly to residential and last-mile logistics. These conversions will require major works and therefore a significant discount to the price of these assets. These more reasonable entry prices should also encourage ESG investment and the creation of more sustainable assets.

A SUSTAINABLE PROPERTY PORTFOLIO IN MADRID

Through the Green Centre project, Tikehau Capital is building a granular portfolio of residential assets in the urban centre of Madrid. Launched in the third quarter of 2023, the Group's property investment strategy aims to acquire around 400 assets over three years, with each asset undergoing a major refurbishment to achieve the highest energy standards and create attractive places to rent. The investment would be exited through the sale of a stabilised portfolio to an institutional investor. At 31 December 2023, 43 assets had been acquired.



FLORA ALTER

HEAD OF ESG FOR REAL ESTATE,
TIKEHAU CAPITAL
HEAD OF ESG, SOFIDY

Through the prism of sustainability

In 2023, Tikehau Capital added resilient cities to its sustainability-themed and impact platform. What does this mean for the offering?

To be included on the platform, a fund must meet strict criteria: it must be classified as an Article 8 or 9 fund under the SFDR, with at least 75% of its assets dedicated to a sustainability objective, or it must have obtained an SRI label for real estate or an SRI label with a resilient cities theme. ESG strategies in this area can be grouped into four families: funds focused on improving energy performance and/or promoting biodiversity, such as Immorente, Efimmo or Sofidy Europe Invest; funds with an ESG objective at the investment stage, such as SoLiving, which invests in assets meeting the strong demand for housing; value-add strategies that undertake major renovation or conversion projects; and the Actions Européennes S.ytic FCP, which invests in resilient city solutions.

“

DECARBONISING OUR PROPERTY PORTFOLIO IS AN ENVIRONMENTAL AND FINANCIAL PRIORITY TO MAXIMISE THE LONG-TERM VALUE OF OUR ASSETS. WE TAKE ACTION EVERY DAY TO IMPROVE BEHAVIOUR, REDUCE ENERGY CONSUMPTION BY OPTIMISING EQUIPMENT AND INTEGRATE ESG ISSUES INTO ALL OUR REDEVELOPMENT PROJECTS.

Anthony Clier,
Technical Director Sofidy

Urban regeneration offers many opportunities to revitalise areas and limit urban sprawl. Can you give some concrete examples?

One example is Sofidy's conversion of a former service station in Saint-Cloud: after a year of soil decontamination, the site will now house local businesses such as doctors' surgeries and pharmacies. This project incorporates a number of environmental features into its redevelopment, including the use of low-carbon concrete and the installation of a green roof. Another example is the Sky Center project in Gennevilliers, where a former office building is being converted into business premises for logistics companies and SMEs. This project, which strongly integrates the challenges of reducing greenhouse gas emissions, supporting biodiversity and promoting the circular economy, will be awarded the Low Carbon Building, Biodiversity and CircoLab labels.

While real estate is often viewed through the lens of carbon emissions, it also presents many social and biodiversity challenges. How do you address these issues?

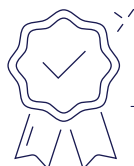
Social aspects are central to the DNA of Sofidy, a major player in local real estate investment in Europe, whose objective is to promote local consumption, the well-being of local residents and the development of SMEs, while encouraging active mobility and working toward the quarter-hour city.

In 2023, the Group carried out work on biodiversity which resulted in the mapping of the main environmental challenges for all our assets, the drafting of a charter dedicated to biodiversity in real estate and the implementation of action plans for each of our asset categories.

Highlights

— REAL ASSETS

Industry recognition



Tikehau Star Infra won the IJInvestor Restructure of the Year – North America award at IJGlobal's IJInvestor Awards Americas 2023 for the restructuring of Maryland's Purple Line PPP.

IREIT Global won the Platinum Award for Best Office REIT (Singapore) and the Gold Award for Best Investor Relations at the Asia Pacific Best of the Breeds REITs Awards 2023.

Sofidy won three awards at the 30th edition of the Palmarès des Fournisseurs⁽¹⁾ organised by Gestion de Fortune magazine, including "Company of the Year", awarded for the first time since its creation to an independent management company specialising in the real estate savings market.

1st
in the SCPI category
(assets over €1bn)

3rd
in the SCI category

Company of the Year award

(1) The "Palmarès des Fournisseurs" are drawn up each year by Gestion de Fortune magazine following a rigorous quantitative and qualitative survey of 4,000 IFAs (Independent Financial Advisers) throughout France, who rate the relevance of the product range, commercial availability, and quality of the back office of their preferred suppliers.

First investment for pan-European value-add impact real estate strategy

In February 2023, the second vintage of Tikehau Capital's pan-European value-add impact real estate strategy completed the acquisition of the Hotel California, a four-star property located in the eighth arrondissement of Paris. The acquisition of this 172-room hotel is part of a plan to renovate and reposition underutilised assets in line with the strategy's objective to contribute to the three themes of climate, biodiversity and inclusion through the diverse use of buildings.

The hotel will undergo a major refurbishment to reposition it, increase the number of rooms and improve its energy performance.

ACQUISITION OF A PORTFOLIO OF SUPERMARKETS IN ITALY FOR €37 MILLION

In November 2023, Tikehau Capital completed the acquisition of a portfolio of five properties consisting of supermarkets strategically located in tourist destinations in north-west Italy. Valued at €37 million, the transaction was structured as a sale and leaseback with supermarket operator Unicoop Tirreno, one of the largest cooperatives in Italy under the Coop Italia banner and the market leader on the Tuscan coast.

Tikehau Capital is focused on improving these assets, particularly from an ESG perspective, to make them more attractive to end users.

Acquisition of O'Parinor shopping centre

O'Parinor, one of the largest shopping centres in the Île-de-France region, has been added to the portfolio. Sofidy, a leader in property management and Klépierre, an expert in shopping centres, have joined forces in a long-term partnership structure (75% Sofidy, 25% Klépierre). The operation, a club deal, mobilised French institutional investors and generated a double-digit return in its first year.

IREIT Global, a Singapore-listed real estate company and subsidiary of Tikehau Capital, had a dynamic year:

- Acquisition of 17 retail properties in France for a total investment of €76.8 million
- Disposal of IHumina, an office building in Spain, for a sale price of €24.5 million, an increase of 6.1% over the independent valuation carried out at 31 December 2023
- Signing of a major 15-year lease with a German government agency, representing 25% occupancy of its Darmstadt campus
- Negotiation of an early lease extension with the main tenant of the Berlin campus, providing stability until 31 December 2024

ASSET MANAGEMENT

Private Equity

44-45

We partner with entrepreneurs and management teams of mid-cap companies with revenues between €20 million and €1 billion, taking minority or majority stakes.

€6.5_{bn}
IN ASSETS UNDER MANAGEMENT

15%
OF GROUP ASSETS
UNDER MANAGEMENT

All data as at 31 December 2023.

INTERVIEW

EMMANUEL LAILLIER

Head of Private Equity Activity, Tikehau Capital

How did the private equity industry perform in 2023?

2023 was a complex year in many ways. From a macroeconomic perspective, the ongoing rise in interest rates continued to impact valuations and the number of deals. At the same time, conflicts, particularly in the Middle East, were a major source of uncertainty for future geopolitical stability in the coming years. Private equity is a sector that needs visibility, and these various factors created an environment of caution and wait-and-see, leading investors to postpone their investment decisions or factor these uncertainties into valuations.

How would you assess your activity in this environment?

Against this backdrop, our activity continued to show solid momentum throughout the year, notably with the sale of four of our companies and strong performance of our funds. These included the sale by the first vintage of our growth capital strategy of its stake in Total Eren to TotalEnergies and the partial sale by the second vintage of our growth capital strategy of its stake in the Italian company Ecopol to SK Capital. Another highlight was the successful IPO of EuroGroup Laminations, an investment of our first decarbonisation fund. We were also able to convince our clients to continue investing, with fundraising reaching a new record in 2023, with more than €1 billion raised across our private equity strategies. Valuations were also resilient, with a significant

increase in the valuations of portfolio companies within the decarbonisation strategy.

How do you explain this resilience?

Our strategies are very well aligned with the needs of the real economy, targeting companies that are solidly positioned in areas that can continue to generate growth in a post-Covid world: cybersecurity, the energy transition, regenerative agriculture and the aerospace industry. The cybersecurity sector has been particularly stimulated by the Ukrainian conflict, US-China tensions and growing concerns about data security. Decarbonisation has also emerged as a major investment theme in recent years, supported by numerous public and private initiatives. We have been at the forefront of this in Europe with our T2 Energy Transition fund, which aims to accelerate the growth of European SMEs and mid-caps that are responding to the climate change emergency and contributing to the transition to a low-carbon economy. Against a backdrop of profound changes in our consumption and production habits, regenerative agriculture is emerging as a powerful theme for the future and has been the focus of a dedicated strategy since last year. Finally, the aerospace industry is enjoying very positive momentum, particularly in Europe, where it is one of the main export sectors. It is also an industry that is strongly committed to reducing its CO₂ emissions,



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WE ARE CONFIDENT THAT
OUR POSITIONING IN
INDUSTRIES WITH STRONG
STRUCTURAL GROWTH WILL
CONTINUE TO PROVE ITS
RELEVANCE.

leading to numerous innovations in areas such as the use of alternative fuels and route optimisation. These four issues are also crucial to European sovereignty.

What are your expectations and ambitions for 2024?

Overall, the first half of 2024 is likely to remain challenging as the risks we faced last year persist. Uncertainties include the real path of interest rates and inflation, developments in the armed conflicts in Ukraine and the Red Sea and the outcome of the US presidential election.

In this context, we are confident that our positioning in industries with strong structural growth will continue to prove its relevance. At the same time, we will seek to accelerate our international expansion, with a focus on Europe, where we will look to strengthen our presence in countries such as Germany and the UK as well as the US, where we intend to make our first investments.

ACQUISITION OF MAJORITY STAKE IN CROWD

Tikehau Capital has acquired a majority stake in CROWD, a leading supplier of cycling infrastructure and street furniture in Europe (with a presence in Germany, the Benelux countries, the UK and the Nordic countries), through the first vintage of its private equity strategy dedicated to decarbonisation (T2 Energy Transition). CROWD's strategy is based on sustainable development, upholding the principle of “maintain, reuse, refurbish and recycle”. The company provides high quality, durable and safe products for low-carbon mobility, facilitating the transition to greener spaces and healthier lifestyles, in line with the investment thesis of Tikehau Capital's decarbonisation strategy.



NATHALIA MILLAN

HEAD OF ESG FOR PRIVATE
EQUITY, TIKEHAU CAPITAL

Through the prism of sustainability

What do you offer in terms of sustainable strategies in private equity?

Today, our private equity activities cover all the themes of Tikehau Capital's sustainability-themed and impact platform. Historically, our impact approach started with the T2 Energy Transition fund and expanded with the launch of a strategy focused on regenerative agriculture, which made its first investment at the end of 2023. Our impact funds are based on the five pillars: intentionality, additionality, measurability, alignment of interests and external verification. To be eligible, each transaction must demonstrate a positive contribution to the fund's impact thesis, and the company must measure its impact during the holding period. In parallel, we offer thematic strategies on cybersecurity (Brienne) and resilience (growth equity strategy). More generally, all our private equity portfolios incorporate an ESG approach, which allows for a more granular analysis of companies.

How do you support companies in their transformation beyond financing?

Additionality is key in private equity and we integrate ESG into the value creation process of our investments. For each deal, we identify companies that face material ESG challenges and have the resources to consider an action plan. If this is the case, we can establish a tailored commitment process with an appropriate roadmap. This commitment takes the form of monthly monitoring and the provision of benchmarking tools, contacts, etc. to support companies in their progress, in close collaboration with the investment teams, which reinforces the relevance of our approach. A concrete example is Egis, an engineering company that designs and operates smart buildings and infrastructure, which we support in the implementation of its CSR and decarbonisation strategy, in particular the monitoring of its contributed revenue and its commitment to the Science Based Targets initiative (SBTi).

How do you measure the ESG performance of your strategies?

Each year we publish a report that provides an overview of our portfolios, using general indicators such as energy consumption and job creation, as well as more specific metrics depending on the fund's investment thesis. The aim of these reports is to provide investors with full transparency on the successes and challenges of each strategy, while providing companies with a basis for integrating this information into their business model.

EGIS DESIGNS SMART INFRASTRUCTURE AND BUILDINGS TO MEET THE CHALLENGES OF CLIMATE CHANGE. OUR "IMPACT THE FUTURE" PROJECT AIMS TO IMPROVE LIVING ENVIRONMENTS. ALONGSIDE OUR LONG-STANDING INVESTORS, TIKEHAU CAPITAL IS PROVIDING US WITH THE RESOURCES TO ACCELERATE OUR GROWTH AND DEVELOP INNOVATIVE SOLUTIONS.

Laurent Germain,
Chief Executive Officer, Egis

Highlights

— PRIVATE EQUITY

Launch of the second vintage of the decarbonisation strategy

Tikehau Capital has once again partnered with TotalEnergies to launch the second vintage of its flagship decarbonisation-focused private equity strategy. This follows the successful investment period of the first European-focused vintage, launched in 2018 and closed in the first quarter of 2021 at €1.4 billion. With a more global investment scope, the second vintage will invest in European and North American SMEs specialising in clean energy production, low-carbon mobility and energy efficiency.

Partnership with Whistler Capital Partners

In July 2023, Tikehau Capital announced a strategic partnership with Whistler Capital Partners, a Nashville-based private equity firm specialising in the healthcare industry and related tech-enabled services verticals in the US market. In January 2024, Whistler Capital Partners successfully completed the first investment of its latest strategy by investing in an innovative multi-service veterinary care platform for pets focused on modernising their healthcare experience.



Environmental Finance IMPACT Awards 2023

Tikehau Capital was named Asset Manager of the Year in the "Large" category.

In addition, the Group's private equity regenerative agriculture strategy received the award for Impact Project / Investment of the Year in the "Agriculture and Sustainable Land Use" category.

ESG Investment Awards 2024

Tikehau Capital was named Best ESG Investment Fund: Energy Transition for the first vintage of its private equity strategy dedicated to decarbonisation.

PEI Awards 2023

Tikehau Capital was awarded second place in the category "EMEA Firm of the Year in Italy".

FIRST INVESTMENT FOR IMPACT STRATEGY DEDICATED TO REGENERATIVE AGRICULTURE

In September 2023, the private equity impact strategy dedicated to regenerative agriculture (RegenAg) made its first investment of €120 million in BioFirst, a Belgian company and global leader in biocontrol and pollination solutions.

LAUNCH OF THE FOURTH VINTAGE OF BRIENNE, TIKEHAU CAPITAL'S CYBERSECURITY STRATEGY

Tikehau Capital launched the fourth vintage of its private equity cybersecurity strategy with €200 million raised for the first close, making it the largest investment vehicle dedicated to digital security in Europe. The previous vintage, launched in June 2019, raised €175 million in commitments, and made strategic investments in 15 companies in the European cyber ecosystem.

10 NEW INVESTMENTS IN 2023

In 2023, Tikehau Capital's private equity team successfully completed 10 new investments through its strategies dedicated to decarbonisation, the aerospace industry, cybersecurity and regenerative agriculture.

The Group also reinvested in two existing portfolio companies to support their growth and development.

Six successful partial exits

In 2023, the Private Equity activity completed successful partial exits from six portfolio companies, including the sale of Total Eren (a world leader in renewable energy) to TotalEnergies and the IPO of the Italian company EuroGroup Laminations SpA, a major player in the electric motors market.

ASSET MANAGEMENT

Tactical Strategies

Flexible solutions for asymmetric risk/return profiles. We finance companies in both the private and public markets, across the entire capital structure, addressing both outperformance and underperformance situations.

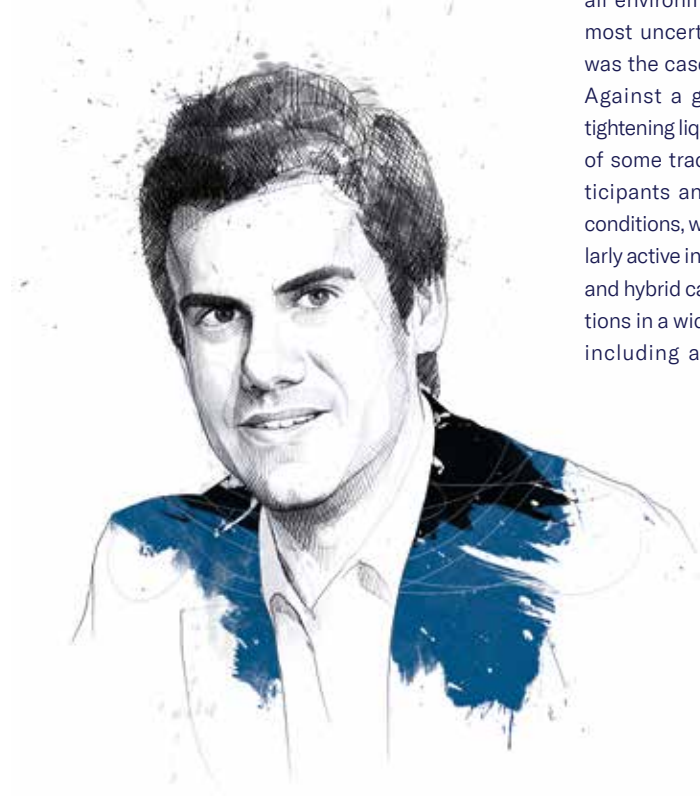
€1.4_{bn}

IN ASSETS UNDER MANAGEMENT
(SPECIAL OPPORTUNITIES)

€0.8_{bn}

IN ASSETS UNDER MANAGEMENT
(MULTI-ASSET SOLUTIONS)

Assets under management included in private equity activities.
All data as at 31 December 2023.



INTERVIEW

MAXIME LAURENT-BELLUE

Head of Tactical Strategies, Tikehau Capital

What is your assessment of the Tactical Strategies activity in 2023?

2023 has been an extremely active and buoyant year for our business, as evidenced by the record amounts of capital raised and deployed by the third vintage of our special opportunities strategy. This dynamism can be explained by a number of factors, most notably the versatility and flexibility of our investment spectrum, which enables us to provide tailored financing solutions in all environments, including the most uncertain and volatile, as was the case last year.

Against a global backdrop of tightening liquidity, the withdrawal of some traditional market participants and tighter financing conditions, we have been particularly active in providing traditional and hybrid capital financing solutions in a wide range of contexts, including acquisition, growth

and capex financing, as well as complex refinancing. Despite the high pace of deployment, our strategy remained particularly selective and prudent in a macroeconomic environment that remains highly uncertain. In 2023, we focused in particular on sectors considered defensive or benefiting from secular trends, such as business services, data centres, defence and prime real estate. Most of the transactions we completed in 2023 optimised the risk/return trade-off as much as possible, in particular through the protective structures we put in place: safe instruments and low entry leverage.

What are your expectations for 2024?

In recent months there has been renewed optimism that interest rates will ease or even fall. We are more cautious: it would be a mistake to think that it is normal to have zero or even negative rates for so long. This could lead to complications for borrowers, issuers and asset owners whose capital structures are no longer adapted to this new environment. This trend is already evident in the real estate sector, where difficulties can arise quickly. We will pay particular attention to refinancing situations involving companies that are performing

Highlights

— TACTICAL STRATEGIES

well but for which certain characteristics (sector of activity, level of debt, etc.) may deter more traditional financiers. This type of opportunity allows us to optimise the terms of the contract in terms of pricing or leverage. Another area to keep an eye on is real estate credit. We launched a dedicated strategy last year, with an outstanding volume of almost €200 million by the end of 2023. Although the environment appears to be normalising somewhat, we believe that the coming years will be characterised by periods of stress, volatility and probably a rise in defaults in Europe. Our opportunistic and flexible positioning will remain a prudent way to navigate this environment.

SUPPORT FOR METREA'S GLOBAL EXPANSION PROJECT

Tikehau Capital has arranged \$200 million in financing via its dedicated special opportunities strategy to support Metrea's growth plan across North America and Europe. Founded in 2015, Metrea is a provider of integrated defence solutions to the US government and its allies. Metrea provides intelligence, surveillance, and reconnaissance, air-to-air refueling and services in growth areas such as electronic warfare and secure communications.

TIKEHAU CAPITAL SUPPORTS EPSA'S GROWTH

Tikehau Capital, through its dedicated special situations strategy, led a €170 million hybrid financing round to support Epsa's external growth and fund its strategic acquisition of AB&C in the Netherlands. Majority owned by its founder and management team, Epsa is a European consulting firm specialising in the transformation and optimisation of business performance.

Successful exits for the Group's special situations strategy

Tikehau Capital's special situations strategy saw successful exits in 2023, notably for the financing of Shaftesbury Asset Management, a European leader in real estate asset management, and Best Secret, a leading online fashion retailer.

€200 million multi-asset mandate for a major sovereign wealth fund in the Middle East

Tikehau Capital has been awarded a €200 million multi-asset mandate by a leading sovereign wealth fund in the Middle East. The objective of this mandate is to co-invest in private asset classes alongside Tikehau Capital's core funds. This success confirms the solid progress of the internationalisation of Tikehau Capital's asset management franchise, following the announcement at the beginning of July of the opening of the Group's 15th office in Abu Dhabi.

ASSET MANAGEMENT

Capital Markets Strategies

Our investment philosophy is one of conviction-driven, long-term management built on fundamental financial and non-financial analysis. Selectivity is our watchword.

We invest in a limited number of companies and issuers that we believe to be of high quality. Our range includes bond funds, equity funds and a flexible fund.

€4.6_{bn}

IN ASSETS UNDER MANAGEMENT

11%

OF GROUP ASSETS
UNDER MANAGEMENT

All data as of 31 December 2023

INTERVIEW

RAPHAËL THUIN

Head of Capital Markets Strategies, Tikehau Capital

How do you reflect on 2023?

In terms of Capital Markets Strategies, 2023 was a very positive year for investors with remarkable absolute performance in both equities and bonds. This rally was fuelled by two strong trends. Firstly, the disinflation cycle allowed interest rates to loosen their grip, thus suggesting a possible pivot by central banks towards more accommodative monetary policies.

The second factor was the resilience of the economy, and more specifically of companies, and their ability to generate profits. In particular, companies have been able to hold their own thanks to their pricing power and the robustness of consumer spending.

How would you sum up your activity in 2023?

Capital Markets Strategies had a historic year in terms of performance relative to our benchmarks and our peers. This overall outperformance demonstrates that our active management, our convictions and the expertise of our teams create value for our clients. In an environment characterised by uncertainties around inflation, the risk of an economic slowdown and conflicts in Ukraine and the Middle East, we have chosen to remain invested with a disciplined, nimble approach and a bias towards quality issuers. We expect this quality bias to be a driver of performance again in 2024. From an allocation perspective,

2023 saw a number of market reversals, particularly in the relative value of bonds and equities. Having suffered heavily from the rising interest rate cycle, bonds have become attractive to investors again and now appear to offer a better return on risk than equities on average. This analysis is reflected in the management of our Tikehau International Cross Assets allocation fund, which reflects our core market beliefs. This positioning has not prevented us from continuing to invest in equities, but with a much more cautious and selective approach in a context where valuations, in particular, still seem to us to be stretched.

What trends do you expect to see in 2024?

At the moment, we are seeing a fairly encouraging alignment of the planets for investors: relatively high interest rates that seem to have reached their turning point, a disinflationary cycle well under way, and the start of a new economic growth cycle. In our view, this environment is once again conducive to investment. However, these optimistic factors should not overshadow the need for caution in an environment where many uncertainties remain. Today, cyclical inflation has receded and the market expects a return to the central bank's medium-term target of 2%. However, structural inflation will persist, fuelled by profound societal changes such as de-glo-

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CAPITAL MARKETS
STRATEGIES HAD A
HISTORIC YEAR IN TERMS
OF PERFORMANCE
RELATIVE TO OUR
BENCHMARKS AND
OUR PEERS.



balisation, the ageing of the world population and the energy transition. At the same time, earnings growth forecasts remain highly optimistic, despite the slowdown in the European economies, a possible slowdown in consumer spending and the likely first effects of successive interest rate hikes on the real economy. Other risk factors include geopolitical uncertainties related to the situation in Ukraine and the Middle East, the outcome of elections to be held this year and liquidity risk.

What is your approach in this context?

The market is very aggressively positioned for a rebound, while we expect a normalisation. Against this backdrop, our approach will again be one of discipline and caution. In 2024, we will continue to favour bonds, and in particular the investment grade segment, where risk premiums currently appear attractive. We are also paying particular but selective attention to financials at a time when banks are showing reassuring balance sheet strength and encouraging profitability increases.

While we still believe that overall equity valuations are stretched, some sectors offer opportunities to pick cheap, high-quality companies, particularly in defensive sectors.

TIKEHAU CREDIT PLUS IS RENAMED TIKEHAU EUROPEAN HIGH YIELD TO BETTER REFLECT OUR CONVICTIONS RELATING TO THE EUROPEAN HIGH YIELD SEGMENT

Against a backdrop of record yields in the bond market and in a market where stock selection takes precedence over allocation, we believe that Tikehau European High Yield is well positioned to benefit from market re-rating. Tikehau European High Yield invests in the European high yield segment through conviction-driven management based on a rigorous investment process.

The fund focuses on market inefficiencies, in particular issuers that are poorly covered by the market, mainly due to their complexity. The fund does not aim to replicate an index and is exposed to financial underperformance through investments mainly in high-yield corporate bonds.



AMÉLIE PICHON

HEAD OF ESG FOR CAPITAL
MARKETS STRATEGIES,
TIKEHAU CAPITAL

Through the prism of sustainability

Why is it important to integrate ESG into the Capital Markets Strategies activity?

ESG is an integral part of our strategies for two main reasons. First, because the consideration of non-financial factors is necessary for the profitability of our clients' investments. In recent years, a number of studies have shown a positive correlation between companies' sustainability performance and their stock market performance. Second, as asset allocators, we have a responsibility to direct financial flows towards investments that help solve environmental and social challenges, such as the transition to a low-carbon economy.

What is your approach to these issues?

In our day-to-day investment activities, ESG is directly integrated into our fundamental research, using a rating tool that was enhanced in 2023 to provide a more granular analysis of companies. We also apply strict exclusion criteria, for example on fossil fuels. Our approach is also characterised by an individual and collective commitment to the companies in our portfolios and by the use of strategies that respond to specific societal issues. In addition to the impact fund, Tikehau Impact Credit, this year we launched an equity fund dedicated to investing in European sovereignty. Lastly, we have undertaken a strategic commitment to align our portfolios with the achievement of net zero greenhouse gas emissions.

Could you describe the approach put in place for Tikehau Impact Credit?

Tikehau Impact Credit is an innovative solution that applies our impact expertise developed in private equity and private debt to the bond market. The aim of the fund is to support the high yield segment in its transition to a low-carbon and circular economy. A rigorous selection process, based on an analysis of the impact of companies' products and services and their commitment to decarbonisation and waste management, ensures that investments are aligned with this impact objective.

The fund's additionality is based on long-term holdings and a commitment to issuers, which allows us to both challenge and support them in meeting these challenges. For example, in 2023 we supported Reno de Medici, an Italian manufacturer of cardboard made from recycled fibres, by providing advice and benchmarks to strengthen its carbon emission reduction targets for Scopes 1, 2 and 3. To provide transparency to our investors, we publish annual reports that include impact indicators and are audited by third parties.

TIKEHAU CAPITAL HELPS US TO DEFINE TARGETS IN LINE WITH THE CRITERIA OF THE SCIENCE BASED TARGETS INITIATIVE (SBTI). THEIR TEAMS PROVIDE US WITH INFORMATION ON IMPACT INVESTOR EXPECTATIONS AND SECTOR-SPECIFIC DECARBONISATION PRACTICES TO OPTIMISE OUR REFINANCING TERMS.

Krzysztof Krajewski
Head of Sustainability & Innovation, Reno de Medici

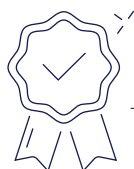
Highlights

CAPITAL MARKETS STRATEGIES

Strong long-term performance

In 2023, all funds in Tikehau Capital's Capital Markets Strategies range outperformed their benchmarks, demonstrating outstanding long-term performance relative to the market average.

Industry recognition



TIKEHAU SHORT DURATION

Best Fund over 10 Years – EUR Short- Term Bonds

Refinitiv Lipper Fund Awards,
2023 Winner, Europe

Launch of Tikehau European Sovereignty Fund, a thematic equity fund dedicated to investing in European sovereignty

Tikehau Capital launched Tikehau European Sovereignty Fund, a thematic European listed equity fund anchored on the theme of European sovereignty as part of its Capital Markets Strategies activity. Tikehau Capital has invested in Europe since 2004 through several thematic strategies, and supports small and medium-sized companies by financing their development. The five main themes defining Tikehau European Sovereignty Fund's investment universe are industrial autonomy, digital competitiveness, healthcare autonomy, defence and the ecological transition.

LAUNCH OF TIKEHAU 2029, A PREDOMINANTLY INVESTMENT-GRADE MATURITY FUND

At the end of 2023, as part of its Capital Markets Strategies activities, Tikehau Capital launched Tikehau 2029, a new fund that will run until 2029.

Tikehau 2029 is the sixth maturity fund launched by Tikehau Capital since 2011 and aims to invest in bonds issued by issuers⁽¹⁾ initially rated in the investment grade category. The fund will invest mainly in bonds maturing in 2029.

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(1) The fund aims to invest 100% of its net assets in issuers that are initially rated in the investment grade category.

In the event of a downgrade in the ratings of certain issuers already in the portfolio, the fund may be exposed to non-investment grade issuers up to a limit of 20% of its net assets.

Increased demand for fixed- income and dated funds

2023 was characterised by increased demand for the Group's bond and dated funds, which performed well. Following the launch in November 2023 of Tikehau 2029, a new dated fund composed of investment grade issuers, the Group's assets under management dedicated to this type of strategy exceeded €1 billion at 31 December 2023.

48 NATIONALITIES

44% WOMEN

DIVERSITY,
ATTRACTING AND
RETAINING TALENT

Human

All data as at 31 December 2023.



Capital



INTERVIEW

EMMANUELLE COSTA

Head of Human Capital, Tikehau Capital



By the end of 2023, Tikehau Capital's workforce had grown to almost 760 employees, of whom around 25% were based outside of France. How do you integrate this diversity of new profiles?

The constant integration of new profiles within a group determined to keep its human scale is a key issue. Tikehau Capital values a very strong entrepreneurial culture and is looking for versatile, high-potential individuals who have the capacity to make their way within a group that is constantly growing and whose needs are therefore constantly evolving.

Secondly, there's the question of integration, which is at the heart of our corporate culture, through which we promote exchanges and team cohesion. As soon as they arrive, new employees are encouraged to meet with teams in the Group's various business lines to gain a full understanding of our activities and our identity. We also organise induction days for all new employees at Group level, across all

geographies and departments.

These are opportunities to meet, talk and immerse themselves in the Group's culture, business model and values. Above all, we are careful not to box new recruits into silos, as agility, curiosity and adaptability are key values in our teams.

Sustainability is an important part of Tikehau Capital's philosophy. How do the related issues permeate all your business lines?

At Tikehau Capital, we believe that ESG should not be seen as a separate activity, but rather as something that is fully integrated into all our businesses. We currently have around ten ESG experts, who also have strong financial expertise, working directly in our various investment departments. Our aim is to foster a closer link between financial and non-financial expertise. Furthermore, amid a constantly evolving regulatory environment, it is crucial to be



IT'S IMPORTANT TO STAY TRUE
TO OUR VALUES AND CULTIVATE
OUR DIFFERENTIATED APPROACH
BASED ON INDEPENDENCE,
ENTREPRENEURSHIP AND AGILITY.

able to explain all these issues in layman's terms and to promote understanding across the Group. Another very concrete initiative was the launch in 2021 of Tikehau Sustainability University, a platform now used by all Group employees to update their knowledge on these issues. The idea is to provide a continuous flow of information, awareness-raising and explanation in order to integrate reflexes and a common understanding of these key issues. This approach is truly pervasive throughout the company.

You also pay particular attention to issues of profile diversity. What are you focusing on in this area?

Diversity is a key issue that we have been addressing for a number of years, in particular to ensure that we have enough women in our teams, some of which may not be gender diverse. Thanks to this policy, which promotes gender diversity at all levels of Tikehau Capital, as at 31 December 2023, 44% of our employees are women. In 2023, we also focused our efforts on the issue of disability by organising awareness-raising campaigns and sponsoring events and disabled athletes, such as the swimmer Théo Curin. We pay particular attention to their representation in all our business lines and we firmly believe that the diversity we foster today

creates value. Diversity also means diversity of experiences and the Group is strongly committed to recruiting from leading international schools and universities, as well as from other academic and professional backgrounds. This proactive policy promotes the diversity of our employees, who enrich our teams with different perspectives.

What are your ambitions for the next few years?

Our aim is to step up our efforts to strengthen the diversity of profiles within the Group and, more generally, to continue our international growth, particularly in regions such as the United States, the Middle East and Asia. In an extremely competitive market in which we have managed to establish a real identity, it's important to stay true to our values and cultivate our differentiated approach based on independence, entrepreneurship and agility.

Excellence, independence, commitment

**WE ARE
ON THE BALL**

**We raise
the standards**

**WE MAKE IT
HAPPEN**

**WE ARE
CONTRARIAN**

**WE WALK
THE TALK**

**We think
BIG**

**We connect
the dots**

**We get out of
our comfort
zone**

**WE CREATE,
RATHER THAN
COMPETE**

**WE KEEP
THINGS SIMPLE**



DARIA KOLUPAEVA

HUMAN CAPITAL SPECIALIST,
TIKEHAU CAPITAL

In the eyes of

Every year since 2021, Tikehau Capital has held its Tikehau Capital University event. What is it exactly?

Tikehau Capital University is an annual week-long event created three years ago that brings together about 40 young employees from across the Group with between three and four years of permanent experience. Its main objective is to offer an in-depth perspective on Tikehau Capital's culture and its various activities, while encouraging exchange, collaboration and networking. The event features technical presentations, interactive workshops and practical case studies in an atmosphere conducive to sharing and learning. Team-building workshops are also organised each year. In 2023, we introduced a boot camp that promotes values such as helping others, constantly raising one's game and strengthening team spirit. It's always rewarding to observe how the relationships and skills cultivated throughout the week prove beneficial not only in the current exercise, but also in the long term within a professional context.

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THE MAIN OBJECTIVE IS TO OFFER AN IN-DEPTH PERSPECTIVE ON TIKEHAU CAPITAL'S CULTURE AND ITS VARIOUS ACTIVITIES, WHILE ENCOURAGING SHARING, COLLABORATION AND NETWORKING.

What else will you remember about 2023?

The 2023 edition of Tikehau Capital University brought together around 40 participants from eight offices, representing all of our business lines and cross-functional departments. In 2023 we had a record number of speakers from our international offices, a very positive development given that 25% of our workforce is now based overseas. In the future, we will continue to increase the diversity of speakers, professions and perspectives to fully reflect the richness and internationalisation of the Group. Overall, this year's event was a great success, both in terms of the activities on offer and the feedback from participants, who regularly praise the quality of the training and the opportunity to network.

This helps to strengthen the commitment and sense of belonging within the Group. Those seeking to join the next intake are looking forward to living the same experience!

How important is sustainability to Tikehau Capital University?

Sustainability is an important topic as it is part of Tikehau Capital's DNA. In order to understand the Group's culture and business model, we are keen to sensitise all participants to these issues, which today cut across all our business lines. Tikehau Capital University always includes workshops on topics such as climate change or raising awareness of diversity and inclusion issues. At the same time, we actively encourage participants to share their experiences on these topics.

Partnerships &

SUPPORTING
IMPORTANT CAUSES
AND PROJECTS
THAT ALIGN WITH
OUR VALUES



Sponsorship

€612,000 —
IN DONATIONS
IN 2023

16 — ASSOCIATIONS
SUPPORTED

Through its partnership and sponsorship policy, Tikehau Capital actively supports initiatives and projects that are in line with its values or respond to pressing issues.



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In 2023, Tikehau Capital inaugurated its first endowment fund, which is primarily intended to finance actions in the field of education and social integration and to increase the impact of solidarity actions that have been under way for several years. Tikehau Capital aims to accompany and support projects that highlight the importance of education for young people. Education is a key factor in personal development and also plays a crucial role in social integration, acting as a catalyst for large-scale change.

The endowment fund's Board of Directors is made up of seven members, including six senior Group executives (Antoine Flamarion, Mathieu Chabran, Bruno de Pamponne, Emmanuelle Costa, Geoffroy Renard and Daniel Cruise) and one external member (Pierre de Bousquet de Florian). Strategic management and sponsorship activities are overseen by a dedicated staff member.



IN THE FIELD OF youth

Since 2019, Tikehau Capital has been supporting the Institut de l'Engagement, which offers young people involved in voluntary work or volunteering the opportunity to strengthen their civic commitment and develop a project for the future through personalised support. As part of this partnership, Tikehau Capital's teams are involved in the selection of future winners, reviewing applications and conducting individual interviews. In addition, the Group encourages the involvement of candidates from the Institut de l'Engagement in the recruitment of interns.

Since 2019, Tikehau Capital has also been supporting **Sport dans la Ville**, which guides young people from priority neighbourhoods towards success through sport, teaching them values that are important for their personal development and professional integration.

In addition, Tikehau Capital has maintained its commitment to two organisations in Spain: **Fundación Exit**, which works to reduce early school leaving rates among socially vulnerable youth, and **Junior Achievement**, which provides local training programmes to help young people succeed and find their way.

Since 2021, Tikehau Capital has contributed to the development of **Espérance Banlieues** by participating in the construction of new premises for Cours Charlemagne, a school operated by this educational network in Argenteuil, north of Paris.

Espérance Banlieues addresses the educational challenges of French suburbs, with a focus on preventing early school leaving and promoting the social and cultural integration of young people. The network's philosophy is centred around individual monitoring of pupils, small class sizes and an educational approach that focuses on the basics (reading, writing and arithmetic), while closely involving parents in the educational process.

In 2022 and 2023, Tikehau Capital increased its support for **Life Project 4 Youth**, a federation of 17 organisations in 13 countries that promote the professional and social integration of young people aged 17 to 24 from extremely disadvantaged backgrounds and facing social exclusion in 13 countries in Asia, the Middle East, Europe and the Americas.

In addition, in January 2023, Tikehau Capital made a multi-year commitment to **Alliance pour l'Éducation**, a member of United Way Worldwide. The aim of this initiative is to mobilise companies, non-profit organisations, schools, philanthropists and public institutions to take collective action in favour of students at middle schools in the REP and REP+ priority education networks throughout France.

After launching its commitment to Covid-19 research in March 2020 with a significant donation to Assistance Publique-Hôpitaux de Paris (AP-HP), Tikehau Capital became a Grand Mécène of the **AP-HP Foundation** in 2021 to support innovation in healthcare, support the teams of the 39 AP-HP hospitals and promote access to healthcare for all. This partnership was extended until 2023.

The Group's commitment to healthcare is also demonstrated by its support to ensure autonomy for the most vulnerable members of society through **Carac**, a mutual insurer engaged in providing savings, protection and pension services in France. Since June 2011, Tikehau Capital and Carac have been working together to create a socially responsible savings product through the bond fund Tikehau Entraid'Épargne Carac (TEEC).

Finally, Tikehau Capital has decided to support a hospital-academic project, **the Chair of Philosophy in Hospitals**, for the period 2022-2024. This programme combines teaching and research with the aim of integrating theory into practice, working with health professionals, patients, students, health system stakeholders and the general public.



IN THE healthcare sector

At the beginning of 2021, Tikehau Capital entered into a five-year partnership with **Océan Polaire**, a non-profit organisation founded by the explorer Jean-Louis Étienne as part of his Polar Pod project, which runs educational and scientific expeditions and missions to the polar regions. While awaiting the construction of the Polar Pod, the expedition sailing vessel *Persévérance* was commissioned to carry out a preliminary measurement campaign during the Arctic season, in particular in the areas of Svalbard, north-east Greenland and Scoresby Sund. Since November 2023, the ship has been in Antarctica to carry out field surveys. In addition to the scientific team on board, the ship also welcomes passengers who contribute to the cost of its operation. Details of the voyages are available at www.bateauperseverance.com.



ON climate & biodiversity



Presentation of the Group and its activities⁽¹⁾

FINANCING THE REAL ECONOMY ACROSS FOUR ASSET CLASSES

Asset Management

	Private Debt	Real Assets
Assets under management	€18.2_{bn} (42 % of assets under management)	€13.5_{bn} (31% of assets under management, including 20% from Sofidy and 2% from Tikehau Capital North America)
	YIELD STRATEGY	YIELD OR VALUE-ADD STRATEGY
Office coverage	Europe Middle East North America Asia-Pacific	Europe North America Asia-Pacific
Investment universe	At all capital structure levels <i>Senior loans, stretched senior, unitranche, mezzanine, preferred equity</i> Target companies Revenues (€30m - €2bn) Value (€50m - €2bn) All sectors in Europe	All real estate asset classes (offices, retail, logistics, hospitality, residential), either existing or to be redeveloped as part of core, core+ or value-add strategies Social, telecommunications, environmental and transport infrastructure
Types of investor-clients	Institutional and private investors	Institutional and private investors
Key differentiation factors	A pioneer in alternative finance Strong partnerships with banks and private equity funds Flexible and innovative structuring capabilities	Flexible and innovative approach Solid track record Tailor-made financing capabilities Cross-sourcing, local sourcing and European platform

(1) All data is as at 31 December 2023.

Capital Markets Strategies	Private Equity	Investment Activities
<p>€4.6_{bn} (11% of assets under management)</p> <p>YIELD OR VALUE-ADD STRATEGY</p> <p>Europe North America Asia</p> <p>Credit High yield, investment grade corporate and subordinated instruments, mainly European and Asian</p> <p>Equities “Value” stock selection</p>	<p>€6.5_{bn} (i.e. 15% of assets under management)</p> <p>VALUE-ADD STRATEGY</p> <p>Europe North America Asia-Pacific</p> <p>Minority or majority investor Takeover or non-takeover situations in a broad range of sectors and geographies with limited leverage</p> <p>Special situations</p>	<p>€0.3_{bn} (1% of assets under management)</p> <p>Investments across a broad range of sectors and geographies</p>
Institutional and private investors	Institutional and private investors	
<p>Conviction-driven allocation and selection</p> <p>Top-down and bottom-up fundamental analysis</p>	<p>Entrepreneurial spirit shared with portfolio companies</p> <p>Flexible structuring and investment capabilities</p> <p>High origination capacity</p>	<p>Strong origination capabilities linked to the ecosystem</p>

For further information:

TCFD and SASB correspondence tables: <https://www.tikehaucapital.com/~media/Files/T/Tikehau-Capital/publications/2023/tikehau-capital-rdd-2022-en.pdf>

See our sustainable development policy at <https://www.tikehaucapital.com/en/our-group/sustainability/publications>

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