



SACRIFICING RETURNS OR ENHANCING THEM?

OCTOBER 2024

50 shades of impact



Philanthropy



Impact investment



Pure financial

Main objective

Solving targeted problems with a partial or total compromise on financial performance

Addressing environmental and social challenges while generating competitive financial yields for investors

Focusing solely on financial targets

Investment approach

Environmental, social approach

Thematic approach around a sustainable goal

Non-thematic approach

Examples of projects financed



Reforestation



Fight hunger



Mangrove restoration



Low carbon energy



Electrification



Efficiency



Regenerative agriculture



Industrials



Transport



Intensive agriculture

(...)

Impact

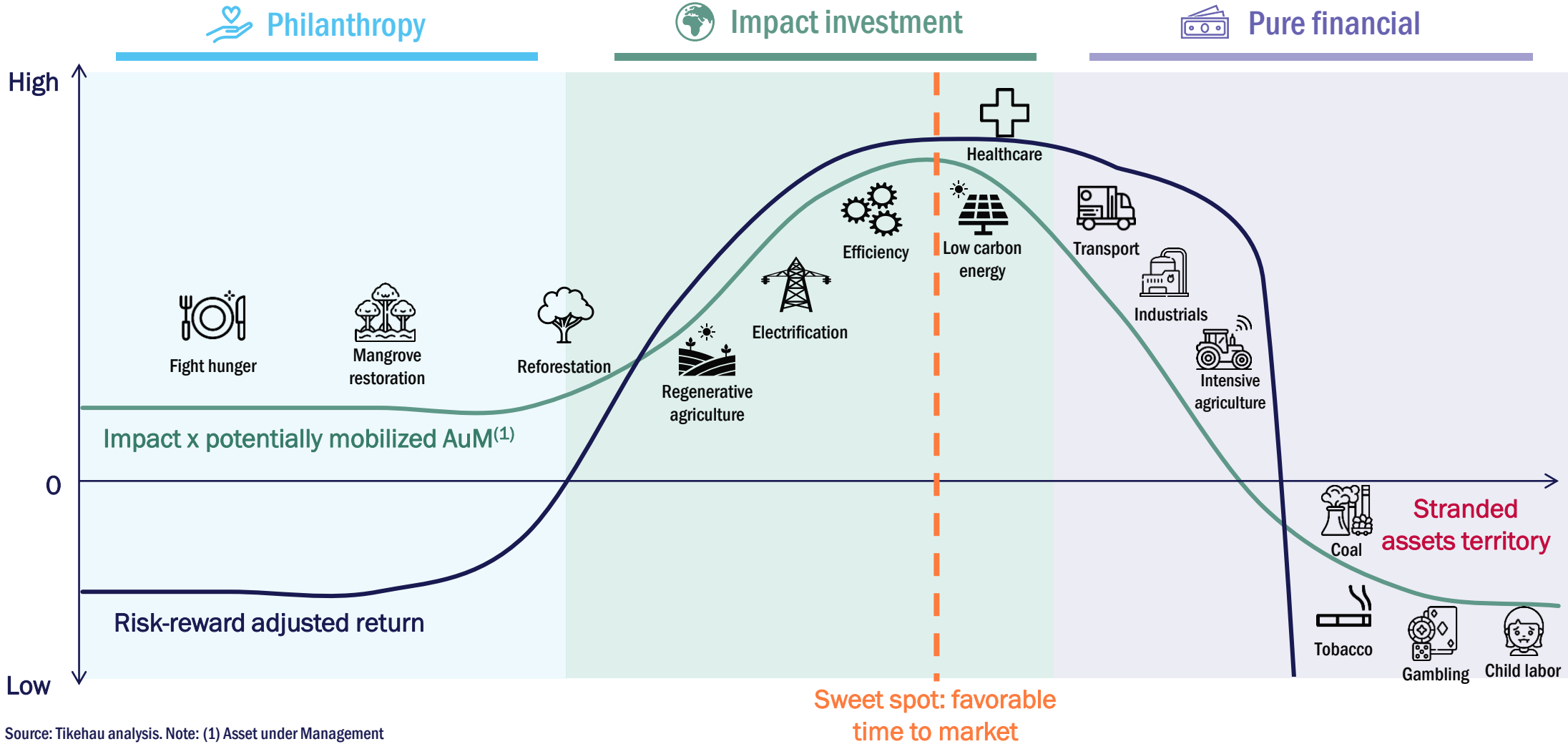
Key criteria, but potential lack of scalability

More or less depending on projects but key decision criteria

Potentially but not an investment criteria

Source: Tikehau analysis.

The film: risk/reward/impact adjusted return

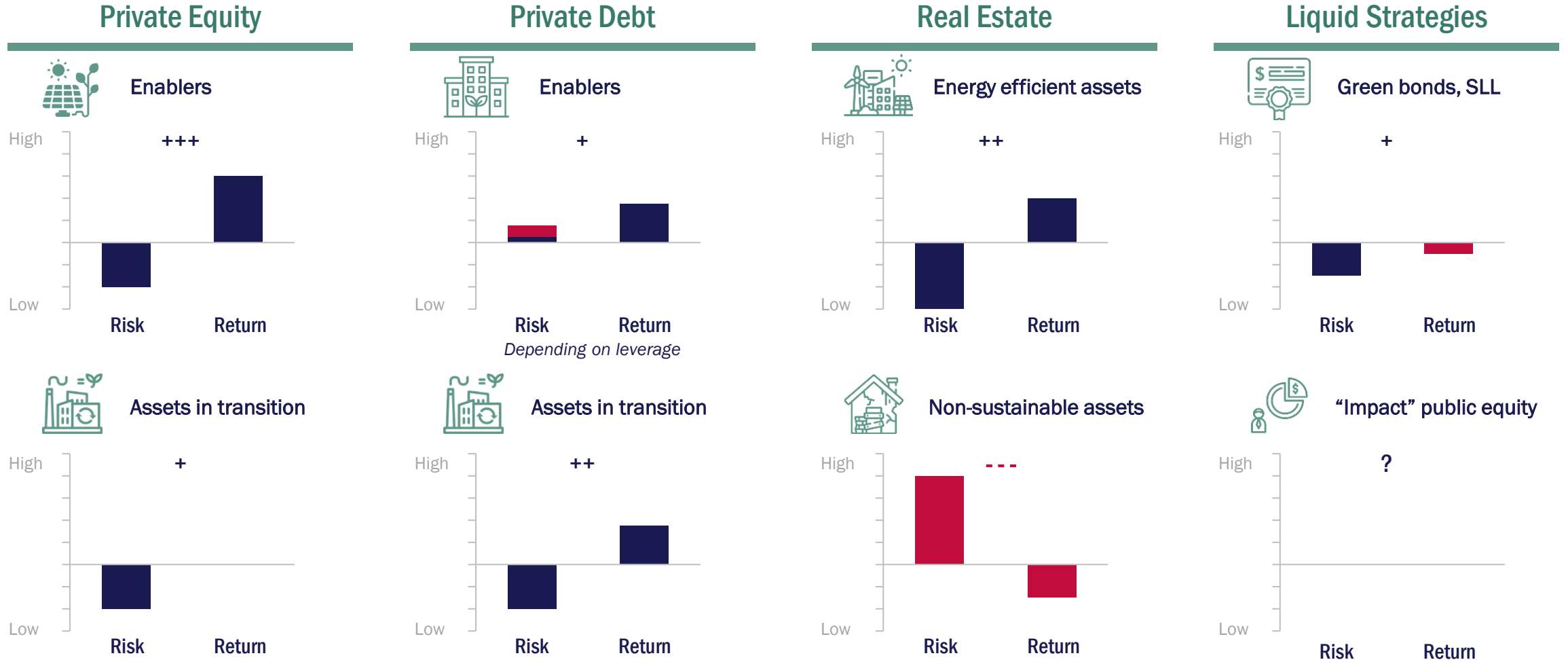


Source: Tikehau analysis. Note: (1) Asset under Management

Where impact maximizes return?

SOME EXAMPLES OF RISK-REWARD ADJUSTED RETURNS VS CONVENTIONAL INVESTMENT

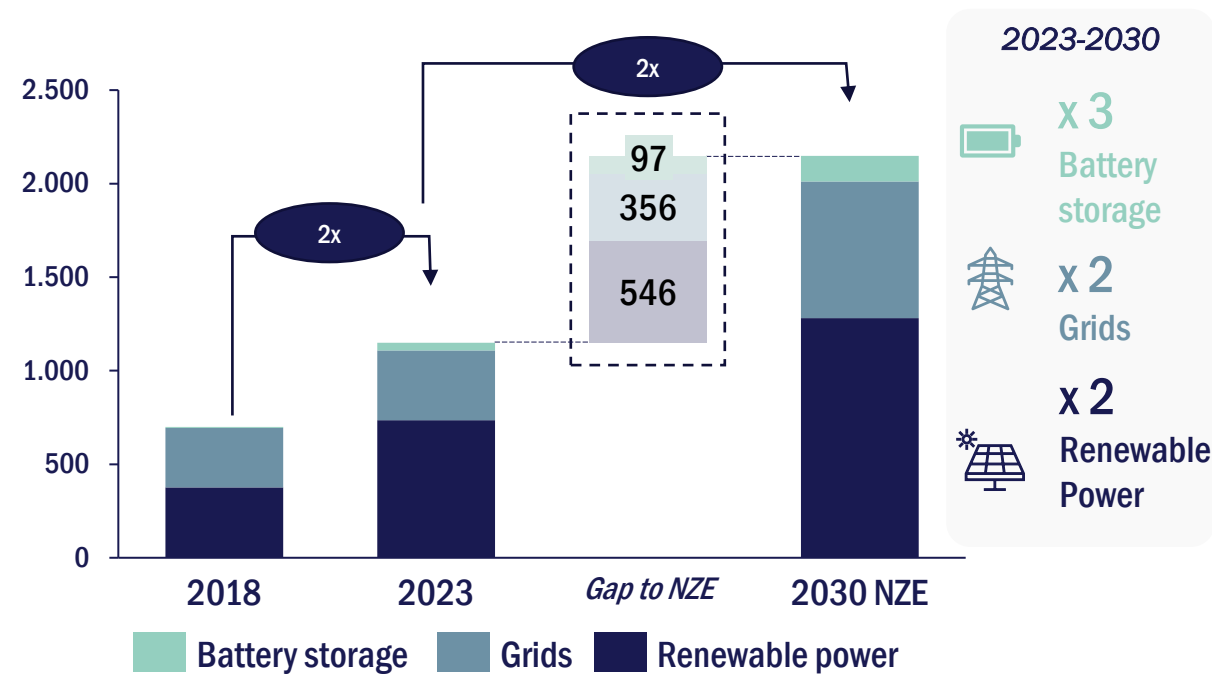
■ Positive impact
■ Negative impact



Case study: where impact drives returns

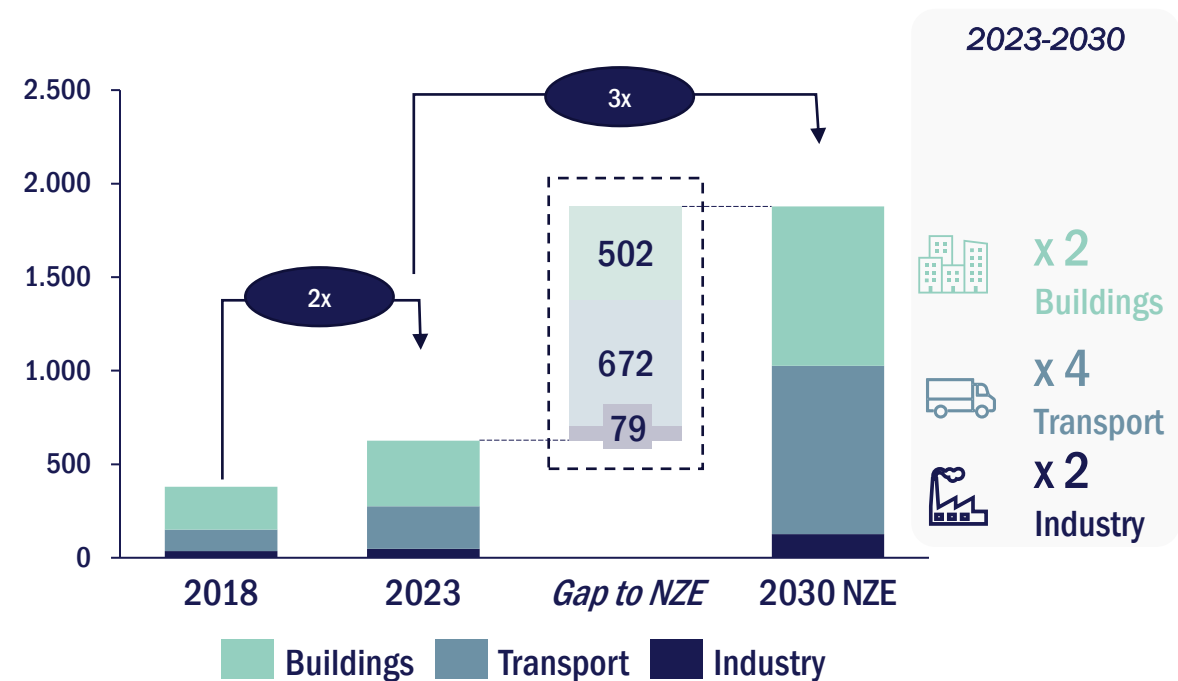
INVESTMENTS NEEDED TO REACH NET ZERO

INVESTMENTS IN RENEWABLES, GRIDS AND BATTERY STORAGE (BN USD)



→ Infra-like greenfield PE : c. 10-15% IRR

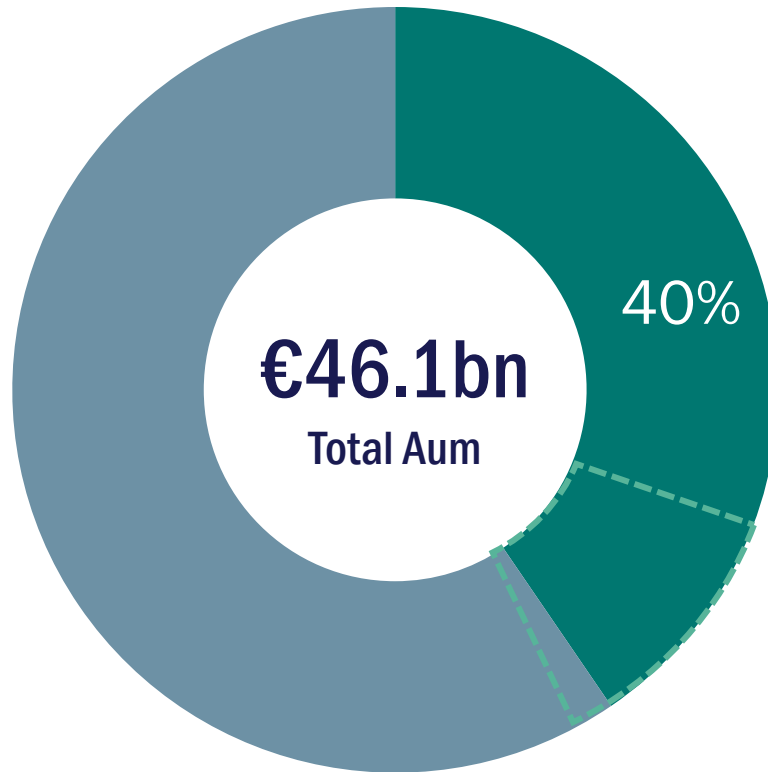
INVESTMENTS IN END-USE SECTORS (BN USD)



→ "Traditional" brownfield PE: c. 25% IRR

Source: IEA - World Energy Investment 2023 & 2024

Overview of climate action at Tikehau Capital



€18.4bn
AuM managed in line with net zero trajectory (NZAM) ⁽¹⁾

Assets managed in line with achieving net zero by 2050, with intermediate targets set for 2030

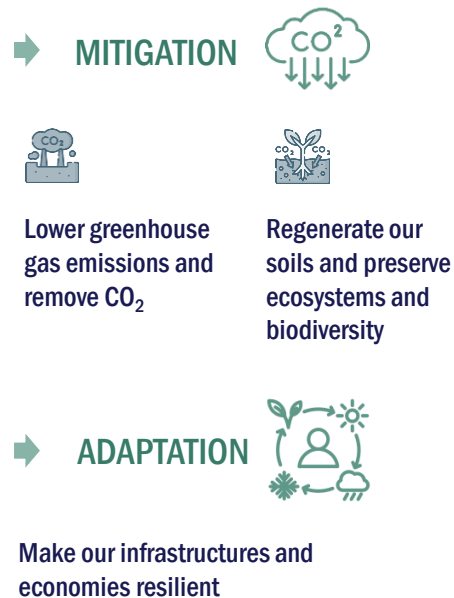
o/w **€5.1bn**
of climate investment solutions ⁽²⁾

Assets that are enablers or in transition to achieve Net Zero

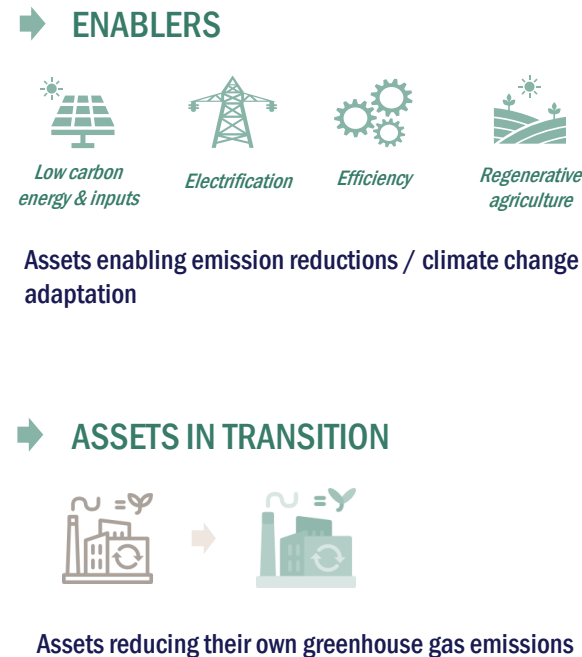
Source: Tikehau Investment Management as of 30th June 2024. Notes: CLO and infrastructure funds are currently not covered. (1) As of 30th June 2024. (2) Climate investment solutions AUM, includes assets not within the NZAM Scope, is the sum of: (i) Dedicated Funds (as of 30th June 2024), and (ii) Individual Paris-Aligned Assets (AUM of Portfolio Companies with validated Science Based Targets as of 30th June 2024, and Real Estate Assets with EPC A as of 31st December 2023). Currently no methodology is available.

ClimateInvest: Tikehau Capital's climate investment solutions

WHAT ARE THE CLIMATE SOLUTIONS?



WHERE SHOULD WE INVEST ?





ClimateInvest - €5.1BN AUM ⁽¹⁾⁽²⁾

DEDICATED FUNDS - €3.3bn

- Private Equity
 - ✓ Decarbonization (2 funds)
 - ✓ Regenerative Agriculture
- Infrastructure
 - ✓ Green Assets
- Private Debt
 - ✓ Direct lending including SBTi ratchet criteria (2 funds)
- Liquid Strategies
 - ✓ Tikehau Impact Credit

INDIVIDUAL PARIS-ALIGNED INVESTMENTS - €1.8bn ⁽¹⁾⁽²⁾

- Portfolio companies with validated Science Based Targets
 
- Real estate assets with EPC A
 

Source: Tikehau Investment Management as of 30th June 2024. Notes: CLO and infrastructure funds are currently not covered. (1) As of 30th June 2024. (2) Climate investment solutions AUM, includes assets not within the NZAM Scope, is the sum of: (i) Dedicated Funds (as of 30th June 2024), and (ii) Individual Paris-Aligned Assets (AUM of Portfolio Companies with validated Science Based Targets as of 30th June 2024, and Real Estate Assets with EPC A as of 31st December 2023. Currently no methodology is available.

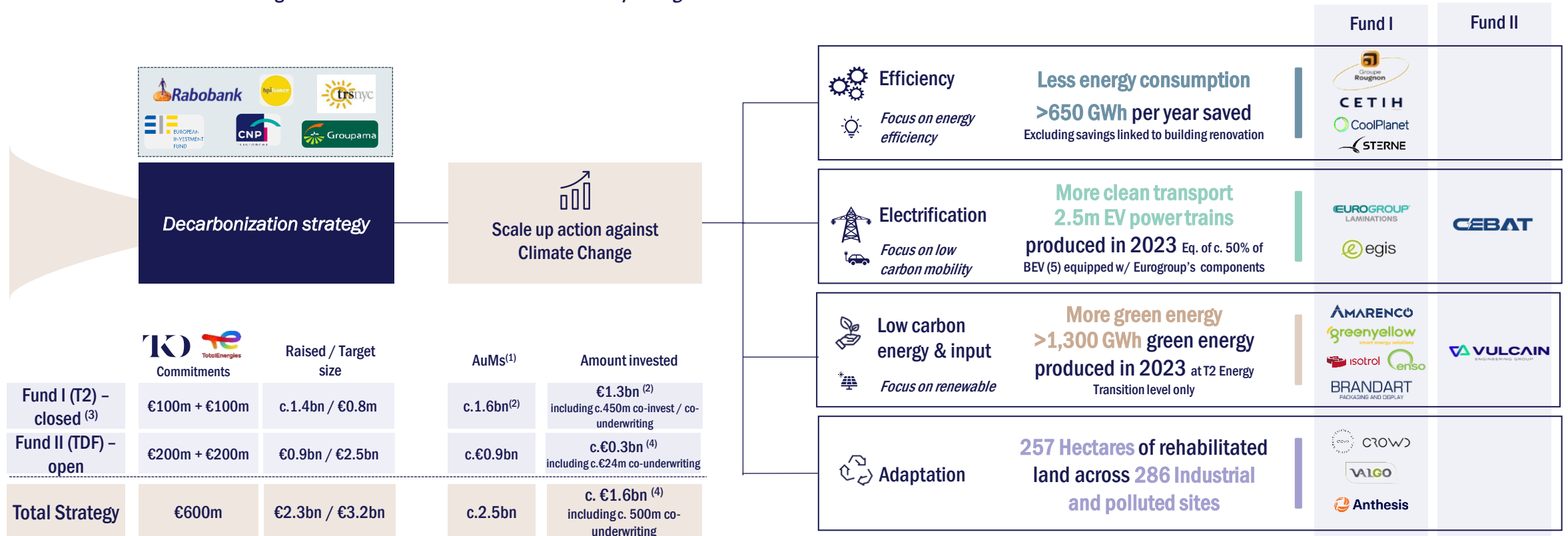
Decarbonization strategy invested c.€1.6bn to tackle climate change

AIM TO SCALE UP ACTION AGAINST CLIMATE CHANGE

Our PE Decarbonization strategies

... created to accelerate the paradigm shift...

... towards a decarbonized economy⁽⁴⁾



Source: Tikehau Investment Management as of 30th June 2024. Notes: 1) as of 30th June 2024; 2) Includes T2 Energy Transition and T2 ELTIF Energy Transition invested amount, co-investments and co-underwritings as of 30th June 2024; 3) Closed-fund, no longer open to commercialization and subscription; 4) T2 Energy Transition is mainly acting in Europe.

Regenerative agriculture strategy towards a sustainable agri-food sector

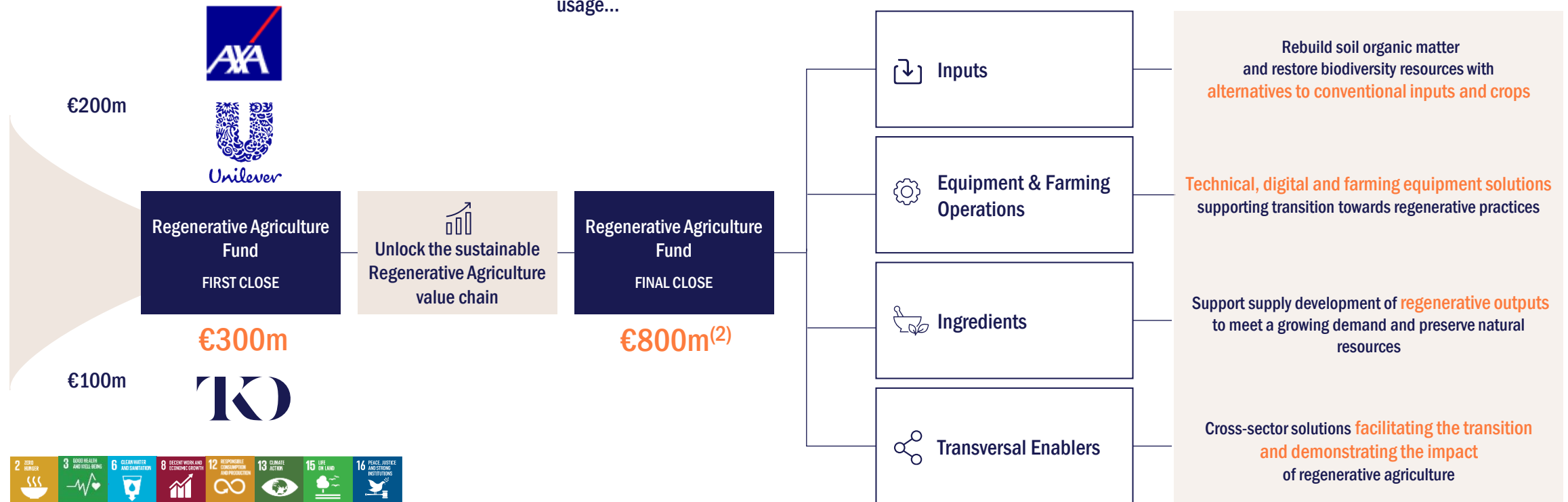
AIM TO UNLOCK THE SUSTAINABLE REGENERATIVE AGRICULTURE VALUE CHAIN

The Regenerative Agriculture Fund...

... we believe is one of the first large scale⁽¹⁾ funds to support soil health protection, improve biodiversity, reduce water usage...

...to accelerate the paradigm shift...

...towards a resilient and sustainable agri-food sector.



Our portfolio companies' activities in the Netherlands

PE strategy	egis		STERNE		CROWD		BioFirst	
Key highlights	Decarbonization		Decarbonization		Decarbonization		Regenerative Agriculture	
								
	Egis has been responsible for the operation of Amsterdam's on-street parking services, reducing urban pollution through better traffic management in urban areas.		A leader in low-carbon premium logistics in Europe , Sterne offers a range of urgent services, planned or on demand.		Crowd delivered the world largest bicycle parking facility with a 12,500 bicycles capacity around the busiest railway in the Netherlands		Biofirst offers specialty crop protection and nutrition products mainly using soybean and corn. For instance, Biofirst helps growers track the presence of the tomato looper pest in the Netherlands.	
Key metrics	c. €34m	€250m	c. €27m	c. 80	c. €18m	c. 100	10 years	c. 30
	FY23A NL revenue	Collected for the city of Amsterdam	FY23A NL revenue	Employees in the Netherlands	FY23A NL revenue	Employees in the Netherlands	Operating in the Netherlands	Employees in the Netherlands

Conclusions: sacrificing returns or enhancing them?

- ✓ IMPACT INVESTING CAN BE DONE WITHOUT SACRIFICING RETURNS...
- ✓ A CLOSER LOOK AT IMPACT CAN EVEN ENHANCE RETURNS...
- ✓ THERE IS NO TIME TO WASTE; JUST START AND ACT NOW ... !

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Regenerative Agriculture

