

EURAZEO CONTINUES ITS GROWTH MOMENTUM: 41% INCREASE IN ASSETS UNDER MANAGEMENT AND +31% IN PORTFOLIO TURNOVER IN Q1 2022

Paris, May 19, 2022
ADDENDUM 8:10

Asset management continues to grow in Q1 2022

- Assets Under Management (AUM): €32.2bn (+41.5% over LTM)
- Limited partner fundraising: €878m at end-March versus €785m in Q1 2021
- Management fees: €82m in Q1 2022, up 34%¹ on Q1 2021

Robust portfolio performance

- Portfolio economic revenue up 31% in Q1 2022 year-on-year at constant Eurazeo scope and exchange rates
- Revenue around 50% for Growth companies (not consolidated)

Successful deployment and asset rotation

- €1.7bn deployed (€1.1bn in Q1 2021), including €1.2bn in Private Equity and Real Assets, and €0.5bn in Private Debt
- Further asset realizations under good conditions (€0.4bn realized in Q1, plus signed transactions totaling €0.8bn to be completed in the near future)
- Significant financial leeway €4.7bn of Dry Powder and a strong balance sheet

Attractive shareholder return

- Payment on May 4, 2022 of a dividend of €3 per share voted by shareholders on April 28, 2022, representing a total dividend distribution of c. €230m
- Launch of a €100m share buyback program

Next steps toward net carbon neutrality

- Validation of the decarbonization pathway by SBTi at Group and portfolio level
- Strengthened management of portfolio company decarbonization plans

Virginie Morgon, Chairwoman of the Executive Board, stated: *"Eurazeo's continued growth in Q1 2022, in a particularly volatile context, reflects the strength of our model. It was achieved thanks to our diversification strategy, global platform, and innovation culture that position us in the most buoyant asset classes and sectors. Whether in healthcare, services, digital or the green economy, our investments are based on a sustainable growth momentum that also makes us highly attractive. Confident in the relevance of our strategy and the quality of our assets, we are today launching a share buyback program and we confirm our ambition to double our assets under management in the medium-term."*

¹ At constant scope and exchange rates. +38% on published data.

1. ASSET MANAGEMENT ACTIVITY

A. ASSETS UNDER MANAGEMENT

As of March 31, 2022, Eurazeo Group **Assets Under Management (AUM) totaled €32.2bn, up 41.5% over 12 months** and 4% on end-2021.

AUM comprise capital managed on behalf of limited partner (LP) of €22.7bn, up 42% on a 12-month rolling basis and 5% over three months, as well as the Group's permanent capital (Net Asset Value, NAV) of €9.4bn. It is recalled that, in line with our methodology, unlisted assets, which currently comprise all assets on the Group's balance sheet, are not revalued quarterly in NAV².

Assets Under Management (€m)	12/31 2021	03/31 2022	% change		% AUM
			LTM	Last 3M	
Private Equity	21,548	23,227	46.4%	7.8%	75%
Private Debt	5,968	6,018	37.4%	0.8%	19%
Real Assets	1,545	1,760	33.3%	13.9%	6%
Total asset management AUM	29,061	31,004	43.8%	6.7%	100%
Value of the asset management activity	1,954	1,964	36.4%	0.5%	
Cash and other items	(143)	(804)	n.m.	n.m.	
<i>of which gross cash and cash equivalents</i>	550	14	n.m.	n.m.	
Total Group AUM	30,872	32,164	41.5%	4.2%	
<i>of which limited partner AUM</i>	21,543	22,709	42.2%	5.4%	71%
<i>of which Net Asset Value</i>	9,329	9,454	39.9%	1.3%	29%

B. FUNDRAISING

Over the past 12 months, the Group has raised €5.3bn from limited partners, reflecting the appeal of the Group's fund offering in private markets. In Q1 2022, the fundraising was €878m (€785m in Q1 2021), with significant amounts raised in the Venture, Biotech and Buy-out sectors including the closing of MCH VI (c.€400m) and Rhône VI (€2.1bn). PME IV will close at c.€1bn in H1.

Individual investors continue to favor the wealth management solutions offered by the Group, in particular the Entrepreneurs Club and Private Value Europe funds, with around €100 million raised from this clientele in the first quarter.

Fundraising ³ (€m)	Q1 2021	Q1 2022
Private Equity	644	764
Private Debt	140	114
Real Assets	-	-
Total	785	878

² The difference in NAV between 31 December 2021 and 31 March 2022 is due to value adjustments when certain transactions unwound

³ Excluding Eurazeo's commitments in the Group's programs

C. ASSET MANAGEMENT REVENUE

Management fees totaled **€82.3m** in Q1 2022, up **34%** at constant scope and exchange rates⁴:

- i) management activities for limited partners increased +45% to €62.9m, driven by the fundraising dynamic;
- ii) management fees calculated on Eurazeo's balance sheet totaled €19.4m, a limited increase (+7%) due to recent realizations.

Realized **performance fees** were negligible during the period in the absence of any major exits in the quarter. They will materialize over the year when the planned realizations are completed.

(€m)	Q1 2021 PF	Q1 2022	% change lfl	% change published
Management fees	62	82	+34%	+38%
<i>of which limited partners</i>	44	63	+45%	+52%
<i>of which calculated on the balance sheet</i>	18	19	+7%	+7%
Realized performance fees	1	0	n.m.	n.m.
<i>of which limited partners</i>	1	0	n.m.	n.m.
<i>of which calculated on the balance sheet</i>	0	0	n.m.	n.m.
Total fees	63	82	+31%	+36%

2. PORTFOLIO REVENUE

Portfolio economic revenue on the balance sheet **increased 31% in the first quarter 2022**, at constant Eurazeo scope and exchange rates. All of the Group's strategies reported growth in the quarter. Travel and leisure companies are experiencing a strong rebound in activity. Portfolio growth outside these sectors is very dynamic at +17%.

The Growth portfolio, not consolidated, reported weighted average revenue growth around 50% for the three-month period.

The good performance of the portfolio companies in the first quarter reflects the relevance of Eurazeo's sector choices. In a volatile economic environment, the Group benefits from a diversified, high-quality portfolio positioned in structurally buoyant segments such as healthcare, business services, digital, strong consumer brands and the energy transition.

⁴ +38% as reported with the first integration of Kurma Partners and the strengthening of the US dollar

REVENUE BY INVESTMENT DIVISION

in €m	1 st quarter		
	Q1 2021 PF	Q1 2022	% change (lfl)
Mid-large buyout	340	526	55%
Small-mid buyout	388	429	11%
Brands	60	73	22%
Real Assets	53	71	35%
Portfolio economic revenue	840	1,099	31%

N.B.: 2021 pro forma figures at constant Eurazeo scope. Like-for-like ("lfl") = at constant Eurazeo scope and exchange rates.

3. ASSET ROTATION

In Q1 2022, the Group deployed €1.7bn (including €0.6bn for Eurazeo's balance sheet) compared with €1.1bn in Q1 2021. Deployment focused on structurally buoyant sectors where Eurazeo has recognized expertise such as healthcare (Cranial, Horus Pharma), digital (DiliTrust, BackMarket), and sustainable infrastructure (Ikaros).

Realizations continued under good financial conditions, totaling €0.4bn for the quarter. They will be further strengthened in the coming months, notably with transactions already signed such as Reden Solar and Orolia of a combined amount of nearly €0.8bn, mainly for the Eurazeo balance sheet.

A breakdown of deployment and realizations is shown in Appendix 2

(€m)	Deployment		Realizations	
	Q1 2021	Q1 2022	Q1 2021	Q1 2022
Private Equity	661	1,094	209	261
Private Debt	389	498	75	165
Real Assets	79	143	2	7
Other	-	10	-	1
Total	1,129	1,745	286	433
<i>of which balance sheet</i>	222	612	243	26

The Group has substantial financial leeway to continue deployment:

- undrawn limited partner commitments (Dry Powder) of €4.7bn
- a strong Eurazeo balance sheet: the Group has limited net debt as of March 31, 2022 of €0.2bn, i.e. c. 2% of Net Asset Value. Restated for the divestment of Reden Solar and Orolia, the dividend paid and the share buyback program announced today, Group net cash would be c. €200m.
- a confirmed revolving credit facility (RCF) of €1.5bn.

4. SHAREHOLDER RETURN

The Shareholders' Meeting of April 28 confirmed the Executive Board's proposed payment of a dividend of **€3 per share**, (i.e. an ordinary dividend of €1.75, an increase of 17%, plus a special dividend of €1.25), representing a total distribution of c. €230m.

The Executive Board decided to **launch today a €100m share buyback program**, with cancellation of the shares repurchased. This program is a sign of management's confidence in the Group's prospects and the assets' value, and will be accretive for shareholders. In addition, the Group will buy back shares to cover the Long Term Incentive Plans (LTIP).

5. ESG COMMITMENT

Validation of the decarbonization trajectory by SBTi

Building on nearly 20 years' experience in sustainable development, Eurazeo was the first Private Equity player in Europe to commit, as of 2020, to defining its decarbonization trajectory in line with scientific recommendations to achieve the Paris Agreement objective. **The Group's carbon reduction targets were validated in early 2022 by the Science Based Target initiative (SBTi) and reflect the following ambitions:**

- At Group level: 55% reduction in greenhouse gas (GHG) emissions by 2030 (from a 2017 base year)⁵
- At portfolio level: 100% of eligible portfolio companies setting SBTi-validated decarbonization targets by 2030 and 25% by 2025⁶

Eurazeo is developing a range of services and a network of partners in different fields (procurement, green energy suppliers, dedicated training courses, etc.) to support portfolio companies in their decarbonization approach.

Enhanced carbon reporting

Eurazeo has also created an innovative carbon module to help strengthen carbon reporting by portfolio companies comprising:

- A carbon footprint assessment covering scopes 1, 2 and 3 for 100% of portfolio companies⁷
- A decarbonization pathway simulation tool aligned with the Paris Agreement objective

An estimate of the potential carbon cost associated with this trajectory in the event the company is exposed to regulatory carbon pricing.

⁵ Scope: Eurazeo direct sources of emissions (Scopes 1 and 2).

⁶ Scope: Eurazeo indirect sources of emissions making a significant contribution to GHG emissions (Scope 3). For eligible investment activities: Private Equity and Real Estate.

⁷ Excluding Private Funds Group.

6. OUTLOOK

Eurazeo has reported a good quarter across all aspects of its business: fundraising, management fees, asset rotation and portfolio performance, despite a volatile and uncertain economic environment. This performance confirms the Group's growth momentum, the relevance of its allocation choices and its solidity.

Strengthened by its position in the alternative investment sector which continues to be driven by favorable structural trends, Eurazeo confirms the outlook announced on March 10, 2022, upon presentation of its annual results and notably the doubling of assets under management, which could reach €60bn in 5 to 7 years, and an increase in the FRE margin in the medium-term to 35-40% from around 30% in 2021.

7. SUBSEQUENT EVENTS

At the end of April, Eurazeo announced the completion of a minority investment in **Gisou**, a high-growth premium brand offering an authentic bee-based approach to beauty alongside its co-founders, who remain majority owners, and Vaultier7, the current minority shareholder.

Eurazeo announced that its **Eurazeo Sustainable Maritime Infrastructure** (ESMI) fund has already secured €200m, more than half of the target fund size, and has completed its first transaction by financing a jack-up vessel.

Eurazeo launched the European **Real Estate II ELTIF⁸ fund**. Whilst the unlisted real-estate market has typically been reserved for institutional investors, II ELTIF facilitates the investment opportunity for individual investors. The fund's strategy is at the crossroad of private equity and real estate. We carry out high-value-added real-estate transactions in Europe and provide funding to companies that own and operate their own real estate assets.

⁸ Fund managed by EFML.

ABOUT EURAZEO

- Eurazeo is a leading global investment group, with a diversified portfolio of €32 billion in Assets Under Management, including €23.2 billion from third parties, invested in over 530 companies. With its considerable private equity, real estate and private debt expertise, Eurazeo accompanies companies of all sizes, supporting their development through the commitment of its 360 professionals and by offering deep sector expertise, a gateway to global markets, and a responsible and stable foothold for transformational growth. Its solid institutional and family shareholder base, robust financial structure free of structural debt, and flexible investment horizon enable Eurazeo to support its companies over the long term.
- Eurazeo has offices in Paris, New York, London, Frankfurt, Berlin, Milan, Madrid, Luxembourg, Shanghai, Seoul, Singapore and Sao Paulo.
- Eurazeo is listed on Euronext Paris.
- ISIN : FR0000121121 - Bloomberg : RF FP - Reuters : EURA.PA.

ISIN: FR0000121121 - BLOOMBERG: RF FP - REUTERS: EURA.PA EURAZEO FINANCIAL TIMETABLE

July 27, 2022	H1 2022 results
November 8, 2022	Q3 2022 revenue

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APPENDIX 1: DEPLOYMENT ACTIVITY

A. PRIVATE EQUITY

Deployment

Private Equity deployment activity was sustained in the first three months of the year, totaling €1.1bn (including a Eurazeo balance sheet share of €0.5bn):

- **Mid-large buyout:** The Group acquired a majority stake in **Cranial** (the market leader in treating infant plagiocephaly) and supported **Questel** in its development through an external growth transaction.
- **Small-mid buyout:** The Group announced the signature of an exclusivity agreement with a view to investing in **DiliTrust** (a unified and secure platform, composed of different modules to meet growing management digitalization needs). The Group also continued to support its portfolio companies (**2 ride, Group Premium, Vitaprotech and Altaïr**) and completed four external growth transactions.
- **Growth:** In January, the Group acquired a stake in **Fever** (events and attractions platform) and **Descartes** (a provider of parametric insurance to cover against natural disaster risks). In February, the Group invested in **Alma** (a platform for paying in several installments for e-merchants).
- **Venture:** In January and February, the Group made three new investments in Pretto, Fintecture and Ondorse.
- **Nov Santé:** completed its fourth transaction and finalized its investment in **Horus Pharma**, a French pharmaceutical laboratory specializing in ophthalmology.

Realizations

The Group realized €261m of Private Equity assets in the first three months of 2022, including €16m on the balance sheet.

Several realizations have been signed and/or completed since the beginning of the year:

- **Small-mid buyout:** Signature of an agreement with a view to the sale of its majority stake in **Orolia** (world leader in R-PNT solutions and applications). This transaction will generate a cash-on-cash multiple of 3.6x and an Internal Rate of Return (IRR) of around 25% for Eurazeo.
- **Growth:** Sale of **Tink** (European open banking platform) generating an IRR of 100%.
- **Venture:** realization of **Frichti, Tanker** and **Cardiologs**

B. PRIVATE DEBT

Deployment and realizations

Deployment during the three months totaled €498m and realizations totaled €165m.

C. REAL ASSETS

Deployment

In the first quarter of 2022, the Group acquired stakes in light industrial assets near London, in six commercial complexes in Berlin, as well as in a Hotel in Bordeaux. Eurazeo Real Assets also concluded its first investment in joint-venture with PSP Investments: FST Hotels, a Spanish hotel group with 5 hotels mainly based in Madrid and Barcelona. The Group also completed two external growth transactions to accompany **Reden Solar** (currently being sold) and **Dazeo** (investment in a group of hotels in Spain).

Realizations

In Q1, Eurazeo has reached an agreement to sell its stake in **Reden Solar**. Based on a €2.5bn Enterprise Value, the sale would generate for Eurazeo proceeds of €632M, or a 4.3x Cash-on-cash multiple and an IRR of c.42%.

APPENDIX 2: STRATEGIC PARTNERSHIPS

iM Global Partner (AUM not consolidated)

It is recalled that, iM Global partners assets are not included in assets under management published by Eurazeo.

The Assets Under Management of iM Global Partner (IMG share) total US\$37.0bn at the end of March 2022, up 83% on March 2021. This growth is due to the outperformance of its affiliates, steady high fundraising momentum and the acquisition of 100% of Litman Gregory, as well as deals to acquire 45% of Richard Bernstein Advisors and 42% of Asset Preservation Advisors and the acquisition by its partner, Polen Capital, of DDJ Capital. Assets Under Management are down 4.8% on the end of 2021 in the current uncertain macro-economic environment. In comparison, total US mutual fund assets decreased by 6.1% over the same period (source: Refinitiv Lipper), highlighting the resilience of the iM Global Partner model in this environment. iM Global Partner assets under management are not included in Eurazeo Group published AUM.

Rhone Group (8% of AUM)

During the quarter, Rhône closed Fund VI with €2.1 billion in total commitments, including €240 million in committed co-investment capital.

MCH Private Equity (1% of AUM)

During the first quarter of 2022, the MCH fund portfolio did not complete any deployments or realizations.

APPENDIX 3: FEE PAYING AUM

Q1 2022 (M€)	Eurazeo limited partners ¹	Rhône (30%)	MCH (25%)	Eurazeo balance sheet	Total 31/03/22	% change 31/12/21	% change 31/03/21
Private Equity	8,780	1,233	203	4,384	14,600	+7.6%	+30.1%
Private Debt	4,373	0	0	137	4,510	+2.6%	+35.0%
Real Assets	66	7	0	620	692	-17.9%	-17.7%
Total	13,219	1,240	203	5,140	19,802	+5.3%	+28.5%

¹ including funds raised by Eurazeo and Idinvest with limited partners

APPENDIX 4: ASSETS UNDER MANAGEMENT

€m	12/31/2021			03/31/2022			Change (%)	
	NAV	LP AUM	Total AUM	NAV	LP AUM	Total AUM	vs. LTM	vs. 12/31/2021
Private Equity	6,192	12,677	18,869	6,731	13,279	20,010	44%	6%
<i>Mid-large buyout</i>	3,056	1,818	4,874	3,267	1,842	5,109	29%	5%
<i>Small-mid buyout</i>	760	1,110	1,870	753	1,153	1,906	59%	2%
<i>Growth</i>	1,606	2,596	4,203	1,915	2,646	4,561	119%	9%
<i>Brands</i>	718	-	718	736	-	736	73%	2%
<i>Healthcare (Nov'Santé)</i>	-	413	413	-	409	409	-2%	-1%
<i>Venture</i>	47	3,086	3,133	47	3,350	3,397	29%	8%
<i>Private funds</i>	5	3,654	3,659	13	3,880	3,893	24%	6%
Private Debt	83	5,886	5,968	111	5,907	6,018	37%	1%
Real Assets	1,244	221	1,464	1,420	230	1,650	43%	13%
Rhône (30%)	-	2,097	2,097	-	2,541	2,541	38%	21%
MCH Private Equity (25%)	-	280	280	30	285	315	43%	13%
Kurma Partners (100%)	-	383	383	4	467	471	n.m.	23%
Total Portfolio	7,502	21,543	29,061	8,295	22,709	31,004	44%	7%
Asset management activity	1,954	-	1,954	1,964	-	1,964	36%	0%
Net cash and other items	(143)	-	(143)	(800)	-	(804)	n.m.	n.m.
<i>Cash and cash equivalents</i>	550		550	14	-	14	n.m.	n.m.
<i>Other securities and assets/liabilities¹</i>	(617)		(617)	(742)	-	(742)	n.m.	n.m.
<i>Tax on unrealized capital gains</i>	(148)		(148)	(147)	-	(147)	n.m.	n.m.
<i>Treasury shares</i>	72		72	70	-	70	n.m.	n.m.
Total	9,329	21,543	30,872	9,454	22,755	32,164	41%	4%

¹ including assets invested outside of the group as LP