

HALF YEARLY REPORT AND UNAUDITED INTERIM CONDENSED
FINANCIAL STATEMENTS

Boussard & Gavaudan Holding Limited

For the six months ended 30 June 2021

Boussard & Gavaudan Holding Limited
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For the six months ended 30 June 2021

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Boussard & Gavaudan Holding Limited
Management and Service Providers
For the six months ended 30 June 2021

Directors

Andrew Henton (Chairman)
Andrew Howat
Sylvie Sauton
Bruce James (Appointed on 4 March 2021)
(Directors are non-executive and independent for the purpose of LR15.2.12-A)

Investment Manager

Boussard & Gavaudan Investment Management LLP
One Vine Street
London, W1J 0AH
United Kingdom

Boussard & Gavaudan Holding Limited website

<https://www.bgholdingltd.com/index.php>

for the latest information

Legal Advisors

(English and United States law)
Herbert Smith Frechills LLP
Exchange House, Primrose Hill
London EC2A 2HS

Legal Advisors

(Dutch law)
Stibbe N.V.
Strawinskylaan 2001
1077 ZZ Amsterdam
The Netherlands

**Administrator, Corporate Secretary and
registered address**

JTC Fund Solutions (Guernsey) Limited
Ground Floor
Dorey Court
Admiral Park
St Peter Port
Guernsey GY1 2HT

Registrar and CREST Service Provider

JTC Registrars Limited, Ground Floor,
Dorey Court, Admiral Park,
St Peter Port
Guernsey GY1 2HT

Corporate Advisor

Winterflood Investment Trusts
The Atrium Building
Cannon Bridge House
25 Dowgate Hill
London EC4R 2GA

Legal Advisors

(Guernsey law)
Carey Olsen
Carey House
Les Banques, St Peter Port
Guernsey GY1 4BZ

Independent Auditor

Ernst & Young LLP
Royal Chambers
St Julian's Avenue
St. Peter Port
Guernsey GY1 4AF

Sub-Administrator

SS&C Financial Services LLC
One South Road, Harrison
NY 10528
USA

**Euroclear Nederland
Paying, Issuing, Transfer,
Proxy & Conversion Agent**
F. Van Lanschot Bankiers N.V

Listing Agent

Kempen & Co N.V.
Beethovenstraat 300
1077 WZ Amsterdam
The Netherlands

Custodian

BNP Paribas Securities Services
PO Box 158
Liberte House
19-23 La Motte Street, St Helier
Jersey JE4 5RL

Boussard & Gavaudan Holding Limited
Glossary of Terms
For the six months ended 30 June 2021

Described below are the legal entities underlying funds, management companies, as well as some other commonly used terms and their acronyms or defined terms used within this report.

Management companies

BGIM / Investment Manager Boussard & Gavaudan Investment Management LLP

Funds

BGHL / the Company Boussard & Gavaudan Holding Limited
 Umbrella Fund BG Umbrella Fund PLC
 BGF BG Fund (a sub-fund of the Umbrella Fund)
 Master Fund BG Master Fund ICAV
 The Dublin Fund BG Eire Fund ICAV

Commonly used terms

AIFMD The Alternative Investment Fund Managers Directive, Directive 2011/61/EU
 AIFM Alternative Investment Fund Manager for the purposes of the AIFMD
 AIF Alternative Investment Fund for the purposes of the AIFMD
 AIFMD Regulations The Alternative Investment Fund Managers Regulations 2013 made by H.M. Treasury in the United Kingdom
 Board The Board of Directors
 Code The UK Corporate Governance Code published by the UK's Financial Reporting Council in July, 2018
 Companies Law The Companies (Guernsey) Law, 2008, as amended
 Concert Party The Investment Manager, together with persons considered to be acting in concert with the Investment Manager
 EONIA Euro Overnight Index Average (Euro benchmark based on interbank lending)
 €STR The Euro Short Term Rate which is the risk-free rate of the Euro area
 Exane Exane BNP Paribas
 NAV Net asset value
 Period The six months ended 30 June 2021
 IFRS International Financial Reporting Standards (as adopted by the European Union)
 AFM Authority for the Financial Markets
 AUM Assets Under Management
 Financial Statements Unaudited Interim Condensed Financial Statements
 Panel The Panel of Takeovers and Mergers
 Takeover Code The City Code on Takeovers and Mergers

Boussard & Gavaudan Holding Limited
Chairman's Statement
For the six months ended 30 June 2021

Dear Shareholders,

I am pleased to present the half-yearly report and unaudited interim condensed financial statements of BGHL for the six months ended 30 June 2021.

From 1 January to 30 June 2021, BGHL's NAV increased by 4.43% for the Euro shares and 3.40% for the Sterling Shares whilst the associated market prices increased by 7.92% and nil respectively. As at 17 August 2021 (the last practicable date prior to publication of this report) the share price discount to NAV for the Euro shares stood at 19.99%.

The Board remains satisfied with the absolute performance of the Investment Manager as measured by NAV total return. The target rate of return on an annualised basis over the course of an economic cycle is EONIA+400bps - 600bps which has been achieved for the reporting period. NAV total return over the past five years for the Euro shares has exceeded capitalised EONIA by 4.83%.

Performance during the period reflects in part the impact of a number of event driven catalysts which generated value across both equity and credit strategies. Greater levels of corporate activity globally, but particularly in continental Europe, have rewarded several of the Investment Manager's conviction-based positions. The Investment Manager remains confident about the portfolio and of the unrealised value embedded in positions which remain open. The level of "equity at risk" within the Master Fund has remained within prudent margins and the five-year Beta correlation of NAV accretion and the STOXX 600 at 0.15. Both continue to reflect the defensive characteristics of the investment strategy.

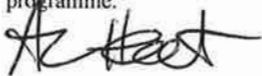
Over the course of the Period the discount at which the Euro shares have traded to NAV narrowed from 22.1 to 19.5%, and stood at 19.99% as at 17 August 2021. Whilst the Board is encouraged to have seen some narrowing of the discount, its level in absolute terms remains greater than the target of 15% which was set at the end of 2019. Efforts continue to be made to identify and attract new shareholders by highlighting the uncorrelated nature of the NAV returns which the company has historically generated. The share buyback programme remains the preferred mechanism for direct intervention, and in that regard, the Board intends to seek approval from Shareholders at the 2021 Annual General Meeting to renew its buyback authorities and for a "whitewash" to allow the programme to continue without triggering the mandatory offer provisions of the Takeover Code in respect of the holdings of the Investment Manager, together with such other persons considered to be acting in concert with the Investment Manager ("the Concert Party"). As at the end of the Period, the Concert Party owned 26.9% of the Company; and in the absence of the whitewash, the full implementation of the buyback programme would likely have had to be scaled back.

In relation to the governance of the Company, I shall be standing down as a director at the end of the calendar year. A search has been initiated for my successor and a new independent director will be appointed as I step down, thereby maintaining the size of the board at four.

With regard to the review of the business, performance, allocation and risk analysis, I refer you to the Investment Manager's Report and Financial Highlights. In addition, I refer you to the Directors' Report, which describes BGHL's corporate governance systems. As an investment company with no employees, the Board considers its core stakeholder constituency to be its Shareholders.

For your continuing information, BGHL publishes on its website (www.bgholdingltd.com) daily and monthly NAVs and monthly newsletters based on data provided to it by the Sub-Administrator and the Investment Manager.

On behalf of the Board, I would like to thank you once again for your continued support. The Board will liaise further with Shareholders over the course of the next six months as part of the ongoing discount management programme.



Andrew Henton
Chairman



27 August 2021

Boussard & Gavaudan Holding Limited

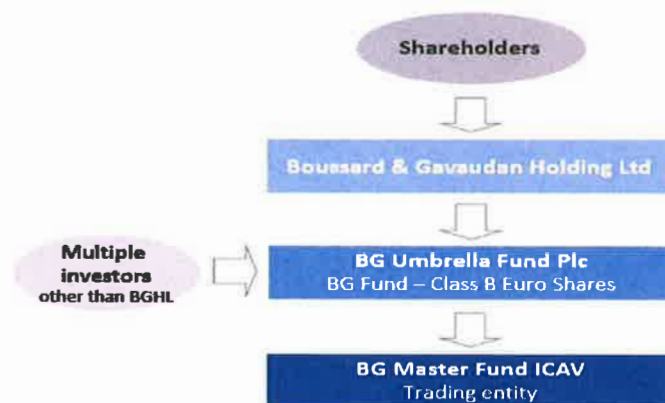
Investment Manager's Report and Financial Highlights

For the six months ended 30 June 2021

1. Background and Structure

Boussard & Gavaudan Investment Management LLP is the Investment Manager of BGHL, the Umbrella Fund and of the Master Fund.

The Umbrella Fund, BGF and the Master Fund structure.



BGHL invests in Class B Euro shares which are a separate Euro-denominated share class of BGF. BGF is a sub fund of the Umbrella Fund, predominantly owned by investors other than BGHL. BGHL is not subject to management fees and performance fees at BGF level in order to avoid multiple layering of fees. The Investment Manager receives management fees and performance fees in respect of its role as Investment Manager of BGHL.

The Umbrella Fund was incorporated under the laws of Ireland as a public company with limited liability on 16 November 2011 under the Companies Act 1990 with registration number 506116. The Umbrella Fund is authorised by the Central Bank of Ireland (the “Central Bank”) as a designated investment company pursuant to Part XIII of the Companies Act, 1990 and also as a qualifying investor alternative investment fund (QIAIF). The Umbrella Fund is structured as an umbrella fund with segregated liability between sub-funds. Each sub-fund of the Umbrella Fund maintains a single pool of assets subject to any allocations made to a class in accordance with the requirements of the Central Bank. The assets of each sub-fund are segregated from one another and are invested in accordance with the investment objectives and investment policies applicable to each such sub-fund and as set out in the relevant supplement to the Umbrella Fund’s prospectus.

BGF is a sub-fund of the Umbrella Fund, launched on 3 January 2012, which invests substantially all of its assets into the Master Fund. BGHL is therefore exposed to the strategies offered by the Master Fund.

The Master Fund is an open-ended Irish collective asset-management vehicle (ICAV) with variable capital incorporated under the laws of Ireland under the Irish Collective Asset-management Vehicles Act 2015 with registration number C154515. The Master Fund is also authorised by the Central Bank of Ireland as a QIAIF. The Master Fund, which is the trading entity, maintains a single pool of assets subject to any allocations made to a share class in accordance with the requirements of the Central Bank.

2 Investment policies

2.1 BGHL’s investment policy

BGHL invests its assets in order to deliver an exposure to multiple alternative investment strategies. The Investment Manager is responsible for the day-to-day management of BGHL’s investments. BGHL seeks to achieve its investment objective by investing the proceeds of fund raising, net of any amounts retained to be used for working capital requirements, into BGF. BGF in turn invests in the Master Fund and, by utilising its borrowing powers, makes leveraged investments. BGHL invests through a share class which will not be subject to management or performance fees at the level of the underlying hedge fund.

BGHL investments may include the acquisition of minority or majority interests in unlisted companies or listed companies. The Investment Manager may also make private equity investments through investing in funds that have a private equity investment focus.

When taken with the returns achieved from BGF, investments other than the investment in BGF as described above are intended to allow BGHL to achieve an attractive return. BGHL’s investments in assets other than BGF are expected to consist of investment opportunities that are identified by the Investment Manager but which are not pursued by BGF due to risk profiles or liquidity profiles inconsistent with those of BGF.

The full investment policy, which includes gearing and asset allocation is available on BGHL’s website.

Boussard & Gavaudan Holding Limited

Investment Manager's Report and Financial Highlights

For the six months ended 30 June 2021

2.2 The Master Fund's investment policy

The investment objective of the Master Fund, in which BGF is mainly invested, is to seek to achieve an attractive return on capital consistent with principles designed to manage risk of capital loss. The Master Fund arbitrages linear and non-linear instruments that can be exchange traded or traded over the counter. The Investment Manager may use derivative financial instruments for investment purposes or to hedge against fluctuations in the relative values of the Master Fund's portfolio positions. The investments are subject to normal market fluctuations and to the risks inherent to investment in securities. There can be no assurances that appreciation will occur. The value of financial instruments can increase as well as decrease and the Master Fund may not realise its initial investment on the disposal of its investments.

The Master Fund includes the following strategies and sub-strategies:

Volatility strategies:

- mandatory convertible bond arbitrage
- convertible bond arbitrage
- volatility trading

Equity strategies:

- merger arbitrage & special situations
- long / short trading with short-term catalyst & value

Credit strategies:

- credit long / short
- capital structure arbitrage
- restructuring / distressed securities strategies

Trading strategies:

- Quantitative strategies involving the use of models and data analysis based on factors. Factors may include economic indicators, market data, fundamental, and valuation factors.

3. Highlights and review of the development of the business

The Investment Manager's role is to allocate BGHL's capital in accordance with its investment objective which is to produce long term appreciation of BGHL's assets. Except for its working capital, BGHL has fully invested its net assets.

The reduction in net assets is associated with the share buyback programme despite the positive performance of the investment portfolio.

BGHL (in Euro)	30 June 2021	31 Dec 2020	Variation %
Net assets	347,040,317	357,447,454	(2.91)%

The ongoing COVID-19 pandemic remains the most significant event affecting the Period. The business continuity plan remains enacted within the Investment Manager's London and Paris offices. During pandemic peaks, substantially all staff have been working from home. The dual location of systems and teams in Paris and London means that there is an embedded level of resilience and IT redundancy that provides a degree of additional risk mitigation. Systems are such that trade execution and position management have continued with no substantive procedural changes. Measures remain in place by which to monitor and oversee performance delivered by service providers notwithstanding requirements for remote working and social distancing.

The consequences of Brexit have had little to no impact on BGHL's licences and operations.

The Investment Manager is committed to maintaining an investment approach that incorporates ESG factors as well as responsible investment considerations to best serve its clients' interests. The Investment Manager is committed to playing its role in the transition to a lower carbon global economy, as it considers climate change a key issue for the future as well as a source of risks and opportunities.

Boussard & Gavaudan Holding Limited

Investment Manager's Report and Financial Highlights

For the six months ended 30 June 2021

The Investment Manager's ESG strategy is built on three key pillars:

1. Integration: The Investment Manager considers ESG factors as part of its investment decision making process, particularly where they are relevant to the specific investment thesis.

Integration of ESG principles within the investment process (1st pillar)

ESG is considered throughout the investment process, starting with initial consideration and screening of new products or companies, to idea generation, investment decision making and ongoing risk management. BGIM has contracted specialised third-party ESG data providers, primarily Sustainalytics, to help produce research that complements and assists the work of BGIM's analysts. As part of its investment and risk management process the Investment Committee spends time scrutinising companies perceived to have high ESG risk. The increasing importance of ESG considerations in financial markets creates new opportunities for catalyst-driven investment, creating opportunities that fit within BGIM's investment strategy. For example, whilst a company may be penalised by the market for perceived ESG risks within its business, a pathway to addressing those issues and improving its ESG profile will likely lead to a re-rating of its stock price.

2. Engagement: The Investment Manager seeks to obtain appropriate disclosure of ESG issues from investee companies. The Investment Manager engages with investee companies for which it has identified specific issues or concerns, including ESG, to obtain additional information and insight.

Engagement with companies (2nd pillar)

Engagement is an important part of the investment process and, as well as using third party data sources, the Investment Manager seeks to engage directly with, and obtain appropriate disclosure of ESG issues from investee companies. The Investment Manager engages with investee companies for which it has identified specific issues or concerns, including ESG, in order to obtain additional information, insights and to influence change. BGIM had approximately 65 management meetings or interactions with management during the Period and proactively votes in relation to material positions and issues within its portfolios.

3. Transparency: At portfolio level, the Investment Manager calculates exposure to a variety of ESG metrics to ensure that its funds are not overly exposed to ESG related risks.

Transparency (3rd pillar)

ESG metrics are monitored by the Risk Committee and ESG Committee so that both viewpoints are considered. These metrics are also used for client and regulatory reporting. The quality of reporting will improve as data from more investee companies becomes available. During 2021 BGIM has extended the scope of these metrics to cover energy, biodiversity, waste, water, social impact, human rights and corruption.

The Investment Manager's ESG policy has been updated and expanded to reflect recent progress.

The full text including updated policies on coal and Diversity & Inclusion can be found on BGIM's website: <https://www.boussard-gavaudan.com/en/p/24/esg-policy>.

Boussard & Gavaudan Holding Limited
Investment Manager's Report and Financial Highlights
For the six months ended 30 June 2021

4. Performance

BGHL's Euro and Sterling Share prices and NAV per Share performed as follows:

BGHL	Ticker Bloomberg	Price*		Performance	
		30 June 21	31 Dec 20	2021	5 years annualised
Euro share – Price	BGHL NA Equity	€21.80	€ 20.20	7.92%	4.61%
Euro share – NAV	-	€27.09	€ 25.94	4.43%	4.43%
Sterling share – Price	BGHS LN Equity	£18.00	£18.00	0.00%	3.92%
Sterling share – NAV	-	£23.54	£22.77	3.40%	4.28%

EONIA Capitalized	EONCAPL7 Index	137.99	138.32	(0.24)%	(0.40)%
€STR Capitalized	ESTRON Index	(0.581)	(0.583)	(0.57)%	-

Euro Index					
HFRX Equal Weighted Strategies Index	HFRXEWE Index	1145.27	1,112.71	2.93%	1.15%

US Dollar Index					
HFRX Equal Weighted Strategies Index	HFRXEW Index	1,390.03	1,344.47	3.39%	3.41%

*Price for all indexes except €ster where it is a yield.

BGHL's NAV is calculated by BGHL's Sub-Administrator, SS&C Financial Services LLC. BGHL's Euro and Sterling Share prices are provided by Euronext Amsterdam and the London Stock Exchange, respectively. Past performances are not indicative of future results.

The NAV appreciation of the Euro Share was 4.43% over the Period and 4.43% annualised over the past five years. The capitalized EONIA returned (0.40)% over the past five years, leading to an outperformance by the fund of 4.83%, in line with its long term objective. BGHL's investment objective is to deliver an annual return, net of fees, of 400 to 600 basis points above the "risk free rate" over the business cycle, irrespective of market performance. The risk free rate for these purposes is "capitalized EONIA". The €STR capitalized index, published since October 2019, will progressively replace the EONIA Index which is expected to cease being published on 3 January 2022.

BGHL has outperformed the Euro HFRX Equal Weighted Strategies Index over the past five years.

The Investment Manager's actions affect BGHL's performance and NAV per Share. Although the NAV per Share influences BGHL's Share price on the Amsterdam and London stock exchanges, the Investment Manager has little direct influence on the Share price and on the discount between the Share price and the NAV per Share. The performance of BGHL's Sterling NAV per share tracks the performance of BGHL's Euro NAV per share, plus/minus the impact of the EUR/GBP hedge compared to a perfect hedge.

5. Risk Management

Through a rigorous investment process, the Investment Manager identifies and assesses risks before investing.

5.1 Risk Management Organisation and Policy

The Investment Manager has established a Risk Management unit, segregated from the Portfolio Management unit, which reports to its Chief Executive Officer. Risks and responsibilities are split between the Quantitative Risk Management team which is in charge of market risk and the Qualitative Risk Management team which is in charge of counterparty and operational risk. A Risk Management Committee oversees the Risk Management unit. Exposures are calculated using a risk management system which is a third party proprietary software package provided by a leading risk and portfolio management solution provider. The system provides extensive real time information on the Master Fund's exposures and limits, generates sensitivity analyses and calculates stress-test scenarios. The open architecture of the system allows the Investment Manager to create specific in-house reports for risk management purposes.

5.2 Capital allocation process and Equity-at-Risk methodology.

The Investment Manager uses the "Equity-at-Risk" methodology as a key indicator to monitor the leverage and solvency of the Master Fund and to allocate capital across strategies. Within each strategy, the Equity-at-Risk allocated to each trade is used to calculate the return on equity which is the ratio used to assess the profitability of a trade. The Investment Manager secures the "Excess Margin" of the funds it manages by signing agreements which allow "Haircut" levels to be fixed over a pre-agreed period of time.

Boussard & Gavaudan Holding Limited
Investment Manager's Report and Financial Highlights
For the six months ended 30 June 2021

Equity-at-Risk and Excess Margin methodology

Prime brokers, when providing financing to hedge funds, take a risk that they assess using their own methodology. Even though each prime broker has its own methodology and risk measure, approaches tend to be broadly similar. Risk measures are achieved by the use of "Haircuts". Haircuts reflect the level of risk attributed by a prime broker to a position. The higher the level of haircut, the higher the risk is. These methodologies take into account, to a large extent, the benefits of hedging by applying specific haircut and netting effects to hedged positions. Under these methodologies, an amount of equity, considered at risk, is allocated through the use of haircuts to each position. Each prime broker calculates its risk exposure to the sole portion of the fund's portfolio it holds. Given that prime brokers are the main financing and leverage providers, their view of the risk is central to the Investment Manager and so is the consequence of any restriction they may impose. Their measure constitutes an independent risk measurement.

The Investment Manager replicates the methodology applied by prime brokers through a model, named "Equity-at-Risk". The model, applied to the entire portfolio, is a proxy for the calculations of the prime brokers. The difference between the assets under management and the Equity-at-Risk is the "Excess-Margin". The level of Excess-Margin is the level of spare risk to increase positions or enter into additional ones without having to raise additional cash. An Excess-Margin of 25%, which corresponds to a 75% level of Equity-at-Risk, means that the Master Fund can theoretically increase all of the positions in its portfolio by approximately 33% without having to raise further cash. The model provides an estimation of the fund's potential for additional leverage across its prime brokers. Equity-at-Risk calculations are run every night and compared to the prime broker's calculations.

6. Capital allocation, risk and risk adjusted returns:

6.1 BGHL exposure

BGHL's investments are diversified thanks to its exposure, through BGF, to the investment strategies of the Master Fund which is its main investment.

BGHL's assets were allocated as shown in the table below.

	Holding in % AUM		
	30 June 2021 Exposure	Minimum Period Exposure	Maximum Period Exposure
BGHL	100.99%	100.47%	102.83%
BGF Euro B Class – NAV	100.00%	100.00%	100.00%
BGF Euro B Class – Over exposure	0.70%	0.17%	2.54%
Other Investments	0.29%	0.30%	0.29%

Source: Boussard & Gavaudan Investment Management LLP

BGF Euro Class B's NAV is calculated by the Administrator, SS&C Financial Services LLC

During the reporting period, BGHL complied with its Investment Policy and has maintained its gross and commitment exposure, as required under AIFMD, within the limits established by the Investment Manager.

BGHL % AUM	AIFMD Commitment method		AIFMD Gross method	
	Exposure	Limit	Exposure	Limit
30 June 2021	100.9%	200.0%	101.2%	200.0%
31 December 2020	99.0%	200.0%	100.0	200.0%

6.2 The Master Fund exposure

The Master Fund's investments are diversified thanks to its exposure to its multiple investment strategies. The Investment Manager allocates the capital of the Master Fund according to the Equity-at-Risk methodology.

The Master Fund's usage of Equity-at-Risk by strategy were as follows:

Master Fund (% AUM)	Equity-at-Risk	
	30 June 2021	31 December 2020
Volatility strategies	11.92%	8.51%
Equity strategies	28.10%	44.05%
Credit strategies	13.94%	13.04%
Trading	8.40%	5.31%
Others	0.75%	-
BGF Euro B Class – NAV	63.11%	70.91%
Excess Margin	36.89%	29.09%
Total Risk	100.00%	100.00%

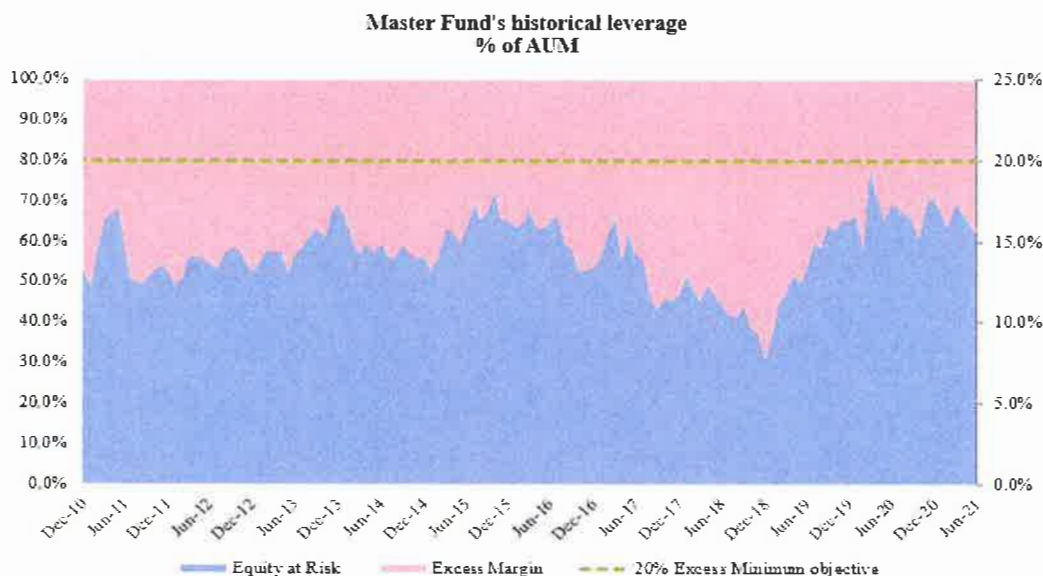
Source: Boussard & Gavaudan Investment Management LLP

Boussard & Gavaudan Holding Limited

Investment Manager's Report and Financial Highlights

For the six months ended 30 June 2021

Given the market environment, the Investment Manager took the decision to rebalance the equity portfolio away from "value" positions, with no immediately apparent catalysts for a revaluation, towards special situations where trigger events for asset repricing are more readily and immediately identifiable. More capital has also been deployed in volatility strategies, where the Investment Manager sees more opportunities. The Investment Manager remains very selective when deploying Equity-at-Risk and seeks to maintain, at the Master Fund level, a prudent Excess-Margin level at all times. The graph below illustrates the evolution of the Master Fund's leverage.



Source: Boussard & Gavaudan Investment Management LLP

During the Period, the Master Fund complied with its Investment Policy and has maintained the gross and commitment exposures, as required under AIFMD, within the limits established by the Investment Manager.

Master Fund %AUM	AIFMD Commitment method		AIFMD Gross method	
	Exposure	Limit	Exposure	Limit
30 June 2021	447.7%	700.0%	597.2%	2,000.0%
31 December 2020	563.6%	700.0%	723.6%	2,000.0%

Source: Boussard & Gavaudan Investment Management LLP

The Investment Manager monitors carefully the risk of the asset classes to which the Master Fund is sensitive. The main asset classes are the equity, credit and volatility asset classes whose sensitivities are shown and explained below.

Asset Class	Index	Ticker Bloomberg	30 June 2021		31 December 2020	
			Master Fund's beta vs Index (5 years)	Index volatility (5 years)	Master Fund's beta vs Index (5 years)	Index volatility (5 years)
Equity	Stoxx 600	SXXP index	0.15	16.07%	0.13	16.74%
Credit	Bbg Barclays Euro Aggregate Corporate TR	LECPTRU index	1.22	3.04%	1.17	3.09%
Interest rate	Bloomberg / EFFAS	BCFE1T Index	0.46	3.62%	0.41	3.64%

Source: Boussard & Gavaudan Investment Management LLP

Equity. A beta sensitivity of 0.10 versus an index means that if the index increases or decreases by 1%, the Master Fund is likely to increase or decrease by 0.1%. The "Stoxx 600" index is an equity market index which represents large, mid and small capitalisation companies across the main countries of the European region.

Credit. The "Bbg Barclays Euro Aggregate Corporate TR" index is a credit market index which includes Euro issues from corporate entities. The Investment Manager believes that these indices are the most relevant equity and credit indices to compare the Master Fund with.

Interest Rate. Given that interest rate risks are essentially hedged, the Master Fund has low beta sensitivity versus the "Bloomberg/EFFAS" index which is a government bond market index.

Boussard & Gavaudan Holding Limited
Investment Manager's Report and Financial Highlights
For the six months ended 30 June 2021

Asset Class	Master Fund's Vega
Volatility	17 basis point by volatility point

Source: Boussard & Gavaudan Investment Management LLP

Volatility. A vega sensitivity of 1 basis point means that an increase in volatility by 1 percentage point leads to a performance of 0.01% for the Master Fund. The Vega measures the sensitivity to volatility for a given instrument. For a given instrument, it is the derivative of its price with respect to the volatility of its underlying. The Investment Manager considers the Vega to be the best proxy of the Master Fund's sensitivity to volatility and believes there are no relevant indices to compare its volatility sensitivity against.

7. Performance analysis

7.1. Detailed allocation and performance analysis of BGHL

The Master Fund contributed 4.74% (4.78% NAV and (0.04)% Leveraged) to BGHL's performance during the Period.

BGHL's assets performed as shown in the table below.

	Euro Share	Sterling Share
BGHL - Performance 2021	4.43%	3.40%
BGF Euro B Class – NAV	4.78%	4.78%
BGF Euro B Class – Under exposure	(0.04)%	(0.04)%
Other Investments	-	-
Foreign Exchange	-	0.36%
Share buyback	1.62%	-
Fees, miscellaneous	(1.93)%	(1.70)%

7.2. Detailed allocation and performance analysis of the Master Fund

Master Fund (% AUM)	Performance 2021
Volatility strategies	1.58%
Equity strategies	0.85%
Credit strategies	2.20%
Trading	(0.08)%
Others	0.23%
BGF Euro B Class – NAV	4.78%

For the Period BG Fund (EUR B) was up 4.78%. For market context the Eurostoxx 50 total return was up 16.6% over the same period, with the VIX finishing the first semester 2021 at 18.18%, down from 23.4% and the iTraxx Crossover Generic ending at 232bps (10bps tighter).

Volatility strategies

Mandatory Convertible Bond Arbitrage

Mandatory convertible bonds contributed positively this Period. Performance was mainly due to a small repricing in the market, with limited liquidity. Towards the end of the Period we saw the welcome return of new primary market activity. The Investment Manager is hopeful that current levels of corporate and capital markets activity will lead to more new issues in due course.

Convertible Bond Arbitrage

Convertible bonds' contribution to the performance of the fund was also positive for the Period. Primary and secondary markets were relatively quiet overall with most of the primary issues coming from US issuers. Despite the quiet markets, the Investment Manager was able to add opportunistically to a number of existing holdings and initiate several new positions.

Volatility Trading

Volatility Trading contributed positively for the period. The trend for 2021 has been gradual falls in global volatility and the Investment Manager has seen implied volatility drifting steadily lower, with realised volatility significantly below that implied by the market. The fund's long gamma positions were consequently impacted by the lower volatility environment, although a significant part of the theta cost was offset by the Investment Manager through active trading around positions.

Boussard & Gavaudan Holding Limited

Investment Manager's Report and Financial Highlights

For the six months ended 30 June 2021

Warrant arbitrage

Warrant and Special Purpose Acquisition Company (SPAC) arbitrage contributed positively this period. The Investment Manager used the run-up in prices to take some profits and reduce existing positions while remaining very selective on buying new issues.

Equity Strategies

Equity strategies contributed positively for the period. Risk arbitrage and special situations delivered strong positive returns, while performance was dragged down by value-with catalyst strategies. The equity book has already been increasingly focussed on positions where identifiable but prospective future events (eg corporate acquisition) would be expected to catalyse value, with the Investment Manager further rebalancing the portfolio away from more generic value-with-catalyst situations. The Investment Manager is seeing more new opportunities emerging in this arena which offer better risk-adjusted returns.

Credit Strategies

Capital Structure Arbitrage

Capital structure arbitrage was flat at the end of the Period.

Credit Long / Short

Credit long/short made a positive contribution this period. Most of the positions have a strong special-situation component, and many of these are now well on the path to normalisation after restructuring and benefited from this favourable environment.

Credit Special Situations

Credit special situations performed well this period with all positions contributing positively.

Trading

Trading delivered a slightly net negative performance with Systematic Trend Following and Macro Trading posting a positive performance which was offset by Equity Quantitative Trading.

7.3. Detailed performance analysis of assets other than the Master Fund

In addition to its investment in the Master Fund, BGHL has an investment in Rasaland Investors plc ("RLI").

RLI is a Malta-based holding company structured as a private equity fund in terms of fees and organisation and is managed by BK Partners. RLI invests in land, hotels and high-end resort developments in Mexico. RLI's main asset is a majority interest in ACTUR, a private company owning land development assets. ACTUR's other shareholders are Mexican public institutions.

RLI's net asset value weighting in BGHL's portfolio and contribution for the Period were marginal.

The position continues to be valued at a significant discount to its net asset value, the Investment Manager believes further downside risk on this investment is limited.

8. Review of important events since the end of the Period

There have been no important events during the period as disclosed in note 15 of the Financial Statements.

9. Principal and Emerging Risks and Uncertainties

The principal risks and uncertainties are listed and described in the Directors' report. The Investment Manager views key risks to be as follows:

- the level of return generated relative to market returns, and the relative variability in those returns.
- the impact on NAV if sudden materially adverse movements occur in financial markets; and
- valuation or liquidation of assets (including assets held within the Master Fund on a look-through basis) which cannot be priced by reference to observable prices in a liquid market.

BGHL's main investment exposures, including the main risks to which the Master Fund is exposed, have been described in this report. The key market risks are equity price risk, interest rate risk, foreign currency risk, credit risk, volatility risk and liquidity risk. In addition, the Master Fund has exposure to a diversified range of idiosyncratic risks relating to individual corporate entities. The diversified nature of the investments within the Master Fund mitigates the apparent concentration risk within BGHL.

Boussard & Gavaudan Holding Limited
Investment Manager's Report and Financial Highlights
For the six months ended 30 June 2021

The Investment Manager aims to continue to perform in accordance with its long-term objective of delivering consistent NAV appreciation. The capital invested into the Master Fund is deployed into attractive investment opportunities that are identified. These investments are generally made with the addition of leverage at the Master Fund level.

In terms of headline risks to the Master Fund in 2021 and looking forward to 2022, the ongoing COVID-19 epidemic continues to have a material effect on global economic activity. Its potential impact is likely to persist throughout 2021 and thereafter. The pandemic is expected to have a continued impact on global gross domestic product along with concerns around temporary or persistent inflation by virtue of the disruption caused to supply chains, combined with sharply increased demand in certain industry sectors as Western economies re-open. While there are good signs of recovery for the global economy in 2021, the journey is likely to be an uncertain one with the risk of viral mutations and potential economic lockdowns particularly in regions where vaccination rates are low. The Investment Manager actively seeks to protect positions against systematic risks that may cause a macro sell-off due to some exogenous event. However, the sheer scale of the viral outbreak, and the measures that continue to be implemented by national governments to contain it remain relatively market distorting and, despite a positive trajectory in some countries, the global recovery is likely to be subject to significant uncertainty.

In addition to the COVID-19 pandemic, in terms of emerging risks, unprecedented fiscal and monetary stimulus has generated significant asset price inflation. This creates uncertainty around long term price stability particularly if stronger inflation emerges prompting central bank action. The formal exit of the UK from the European Union seems to have stabilised although bigger tensions in the geo-political environment such as US / China and between US/Europe and Russia may create further instability. The risks of climate change and damage to the environment becoming more apparent both for the corporate world and for society at large and will require wholesale change in behaviours in many sectors. The shifting landscape around this will create material risks and opportunities.

The Investment Manager sees no other emerging risks during the Period.

The Investment Manager is comfortable that BGHL currently has enough liquidity to meet all expenses for the period ending 30 September 2022. The low fixed cost base of BGHL, with operating expenses representing less than 2% of its NAV, means that enough liquidity can be maintained to meet those predictable expenses. The Company is able to calculate and accurately predict how much cash is required to meet them. Performance fees are paid annually and are also highly predictable given the limited volatility of BGHL's performance. In order to generate the necessary liquidity to pay expenses, BGHL redeems shares in the Master Fund on a regular basis. BGHL's has a monthly redemption right with 60 calendar day prior notice to redeem those shares. A long-term liquidity gating at the Master Fund level would still allow BGHL to receive at least 10% of any redemption request and to meet its expenses.

Boussard & Gavaudan Investment Management LLP
Acting by its managing member,
Boussard & Gavaudan Partners Limited

27 August 2021

Boussard & Gavaudan Holding Limited

Directors' Report

For the six months ended 30 June 2021

The Directors present their half-yearly report and unaudited interim condensed financial statements for the Period.

Principal Activities

BGHL's investment objective is to deliver an annual return, net of fees, of 400 to 600 basis points above the "risk free rate" over the business cycle, irrespective of market performance. The risk free rate for these purposes is "capitalized EONIA".

During the Period, BGHL continued to invest substantially all of its net assets in BGF, a feeder fund fully invested in the Master Fund. The Master Fund implements diversified investment strategies, including volatility, equity and credit strategies. The overall investment objective of the Master Fund is to provide investors with consistent absolute returns primarily through investing and trading in the financial instruments of companies incorporated in, or whose principal operations are in Europe.

In addition to its investment in BGF and as described in BGHL's offering memorandum and investment policy, BGHL enters into other investments, including private equity investments.

Performance of Investment Manager and Continued Appointment

From 1 January to 30 June 2021, BGHL's NAVs for the Euro and Sterling shares increased by 4.43% and 3.40% respectively, whilst BGHL's market price increased by 7.92% and nil respectively.

BGHL's performance was at the lower end of its target range during the Period. In relative terms, BGHL outperformed the HFRX Equal Weighted Strategies Index during the Period. The Board continues to believe that the analytical discipline and hedging techniques employed by the Investment Manager will contribute to maintain the longer term track record of BGHL delivering uncorrelated NAV returns.

BGIM was appointed as Investment Manager and AIFM by BGHL, BGF and the Master Fund on 21 July 2014. The Investment Manager was registered on 5 November 2013 as a limited liability partnership or "LLP" in England and Wales for the purpose of complying with AIFMD Regulations, and the Investment Manager was authorised by the FCA on 11 July 2014 to perform the regulated activity of managing an AIF and remains so authorised.

The Board has reviewed the performance of the Investment Manager since the date of its appointment and is satisfied that the continued appointment of the Investment Manager on the terms agreed is in the interests of the shareholders. Please refer to the Investment Manager's Report for a review of the performance of BGHL over the Period. Please also refer to note 8 to the financial statements for further details on the terms of the investment management agreement.

Results for the Period and State of Affairs at 30 June 2021

The Condensed Statement of Financial Position and the Condensed Statement of Comprehensive Income for the Period are set out in the financial statements.

Directors

The Directors as at 30 June 2021 and as at the date of this report were:

- Andrew Henton, Chairman, independant;
- Andrew Howat, independent;
- Sylvie Sauton, independant; and
- Bruce James, independent.

Biographies for each director are published on the Company website.

BGHL's articles of incorporation require that all Directors who held office at the two preceding annual general meetings shall retire and, if willing, offer themselves for re-election. It is the Company's policy for all directors to offer themselves for re-election annually in order to comply with the Code.

Directors' interests in shares

As of 30 June 2021, Directors are invested in shares of BGHL as below:

Name	Number of shares
Andrew Henton	6,000
Sylvie Sauton	6,177
Andrew Howat	-
Bruce James	-

Boussard & Gavaudan Holding Limited
Directors' Report
For the six months ended 30 June 2021

Significant shareholders

As at 30 June 2021, to the best of the knowledge of the Directors, the following shareholders owned more than 3% of the Company:

Emmanuel Gavaudan	15.15%
Boussard & Gavaudan Gestion	5.67%
Premier Miton Group PLC	5.03%
Smith & Williamson	5.03%
M&G Plc	4.84%

The Concert Party owned 26.9% of the issued share capital as at 30 June 2021.

The information disclosed has been collected from the AFM Website as of 30 June 2021. The figures are those disclosed at the time of disclosure and may have varied with the cancellation or conversion of shares.

Share buy-back programme and Liquidity Enhancement Agreement

BGHL's shares are dual listed on the London Stock Exchange and Euronext Amsterdam.

Since its listing, BGHL has operated a share buyback programme approved at each annual general meeting by its shareholders. Historically, this programme has been the key methodology by which the Board has sought to reduce the discount to the prevailing NAV at which BGHL's shares are trading, and to improve liquidity in the shares. However, although the Board seeks to minimise its level, such discount is largely driven by market forces beyond BGHL's control. BGHL's share buy-back programme is financed by redemptions of BGF shares. BGF has monthly liquidity, which means that redemptions are payable once in every calendar month.

Any repurchases under the Share buy-back programme will be made at a discount to the prevailing NAV and will therefore be accretive to the NAV. They will therefore contribute to the different performance of BGHL's NAV relative to that of BGF.

BGHL is only allowed to acquire its own shares with the prior approval of its members in general meeting and that authority is limited to a maximum of 14.99% of its issued share capital. The Company will seek shareholder approval to renew its authority to make market purchases of its shares at the 2021 AGM.

During the Period, BGHL bought back the following number of Euro shares representing 7.52% of its issued share capital. No Sterling shares were repurchased.

Repurchase of own shares for the Period ended:	30 June 2021	31 December 2020
Treasury Shares	978,500	1,415,966
Average Gross Price	€20.96	€17.64
Net Amount Euro	€20,505,250	€24,985,417

The discounts of the shares with respect to their NAVs were as follows:

Discount to NAV	30 June 2021	31 Dec 2020
Euro Shares	(19.5)%	(22.1)%
Sterling Shares	(23.5)%	(20.9)%

Boussard & Gavaudan Holding Limited

Directors' Report

For the six months ended 30 June 2021

Below is a graph showing the discount to their NAV at which BGHL's Euro shares have traded and the Euro share buy-back activity since BGHL's inception.



The Board has committed to put forward a continuation vote in 2023 if the level of prevailing share price discount to NAV over the immediately preceding twelve months exceeds 15%.

Directors' Interests and Remuneration

Each Director is required to inform the Board of any potential or actual conflicts of interest prior to Board discussions. Save as disclosed in these financial statements, BGHL is not aware of any potential conflicts of interest between any duty owed to BGHL by any of the Directors and their respective private interests. Each Director is currently paid an annual fee of €30,000 other than the Chairman, who is entitled to receive €45,000 per annum, and the Chairman of the Audit Committee, who receives an additional fee of €7,500 per annum.

The Articles of the Company stipulate that fees paid to Directors shall not exceed €150,000 in aggregate without the approval of shareholders. Fees for Directors were reviewed and marked to market in 2020.

Due to the nature of their roles and in light of BGHL's stated investment objective and policy, no discretionary compensation payments are ordinarily made to the Directors. No Director has a contract for services and none of them is entitled to compensation in lieu of notice.

The Company's remuneration policy is designed to ensure that the remuneration of Directors is set at a reasonable level commensurate with the duties and responsibilities of each Director and the time commitment required to carry out their roles effectively. Remuneration is such that the Company is able to attract and retain Directors of appropriate experience and quality. The fees paid to Directors reflect the experience of the Board as a whole and take account of the responsibilities attaching to each role given the nature of the Company's interests, as well as the level of fees paid by comparable investment trusts and companies. Directors are reimbursed for travel and subsistence expenses incurred in attending meetings or in carrying out any other duties incumbent upon them as directors of the Company.

Directors' Duties and Responsibilities

The Directors' responsibilities are as follows:

- Statutory obligations and public disclosure; including the promotion of the success of the Company for the members as a whole;
- Strategic matters and financial reporting;
- Oversight of management and advisors' matters;
- Risk assessment and management, including reporting, monitoring, governance and control; and
- Other matters having a material effect on BGHL.

Boussard & Gavaudan Holding Limited

Directors' Report

For the six months ended 30 June 2021

Principal and Emerging Risks and Uncertainties

BGHL's business model involves identifying and taking positions on assets whose market price does not reflect the Investment Manager's assessment of intrinsic value. As market prices trend towards the Investment Manager's assessment of intrinsic value, profits are generated. In adopting this strategy, BGHL is deliberately and consciously exposed to various types of market risk which are described in the report of the Investment Manager. In this regard there has been no change to the investment strategy pursued by the Company. Additional risks are described in the notes to the accompanying financial statements.

The COVID-19 pandemic was identified as an emerging risk during 2020. Ensuring the continued effective administration of the Company, and monitoring the Investment Manager's operations in relation to the Master Fund, have been significant areas of focus for the Board. All service providers successfully implemented contingency and business continuity plans by which the disruption associated with "working from home" and social distancing have been mitigated. The impact of the pandemic on Level 3 assets valuations has been fully assessed. The pandemic remains a major risk whose long term impact on the Company cannot be predicted with any accuracy. Should the new variants of the virus spread more aggressively or become more virulent it may present risks to the operations of the Company, its Investment Manager and other major service providers. This could threaten both the ability of the Company to operate, the ability of investors to transact in the Company's securities and ultimately the ability of the Company to pursue its investment objective and purpose.

Environmental risk is considered to be a second emerging area of risk whereby positions are taken without a full recognition of climate change impacts, resulting in losses when the costs of any such exposures become apparent to markets. A secondary risk is that the Company fails adequately to report against emerging environmental disclosure standards, thereby attracting criticism and loss of favour amongst shareholders. The Investment Manager's approach to ESG is described in the Investment Manager Report above, and the Investment Manager believes it to be a source of competitive advantage when identifying opportunities for the Master Fund. The Board considers the Investment Manager to be fully engaged with the process of embedding ESG principles into its investment process, recognising the value thereof to Shareholders that this should deliver through NAV appreciation.

The most persistent risk identified by the Directors is lack of liquidity in BGHL's shares, exacerbating the discount to NAV at which they trade. This creates a potential arbitrage opportunity and threat to the long term future of the Company, notwithstanding the track record of NAV appreciation. The associated principal risk is that of the investment strategy pursued by the Master Fund no longer achieving its investment objectives, leading to non-achievement by BGHL of a long term appreciation in its asset value on a "per share" basis. This might be occasioned if the pricing relationships between and within different asset classes diverged materially from historical patterns, or the quality of investment analysis conducted within the Investment Manager was materially degraded. The next most significant risk is considered to be a significant systemic market event which cannot be anticipated in advance and is associated with geopolitical or other non-financial risk. COVID-19 would fall into this category.

The Investment Manager seeks to deliver risk adjusted returns which are attractive. The main information provided by the Investment Manager to the Board, and by which risk exposures are assessed, are as follows:

Relative performance analysis: NAV accretion or dilution is reported monthly, and broken down by attribution to each specific strategy pursued within the Master Fund. Individual and aggregated strategy performances are compared to relevant indices or benchmarks. This serves to highlight over and under performances, and also any divergence from historic trends.

Stress testing: The impact on NAV is modelled each month against a series of downside scenarios. These scenarios make allowance not just for market movements, but also for liquidity related events (for example "mid cap" stocks falling by a greater amount than the main index due to materially reduced trading volumes in smaller company stocks). Different scenarios are modelled both singly, and in combination so that "contagion" risks are considered. Portfolio construction is informed by the results of this modelling.

Pricing analysis: The Investment Manager shares with the Board of Directors analysis that is prepared by the administrator of the Master Fund. This highlights the percentage of NAV in the Master Fund which is based on prices that cannot be independently verified by reference to an independent or market source. The existence of instruments for which independent pricing is not available is deemed to be a risk factor, and any such instruments are subjected to additional ongoing scrutiny.

Boussard & Gavaudan Holding Limited

Directors' Report

For the six months ended 30 June 2021

In addition to the various financial and market risks, the Board actively monitors operational and commercial risk. Key risks in this regard are the following:

Prevailing share price: BGHL's shares continue to trade at a discount to NAV. Albeit a function of supply and demand for BGHL's shares in the market that cannot be controlled by the Board, buy back activity during the Period was intended to mitigate – at least in part - the impact of supply side imbalance. The buy-back programme remains highly value accretive to shareholders at prevailing prices.

Scale of operations: The Board reviews the operational plans of the Investment Manager at least annually. In so doing it seeks assurances that adequate resources are available to maintain an effective and compliant operating infrastructure. Future business development plans, headcount, organisational structure and the experience of operational incidents (if any) are all taken into account.

Service providers: BGHL places reliance on the administrator, sub-administrator, depositary and sub-custodian of the Master Fund. To the extent that independent assurance statements or reports can be obtained in relation to these firms, the Board of Directors requests them. Oversight is also exercised via open market sources (credit ratings), direct enquiry of the Investment Manager and feedback from other independent advisers (including the auditor).

Cyber security: The threat posed by “hackers” to companies operating in the financial services sector, (the nature of whose activities involves the management of assets readily convertible into cash) is acknowledged by the Board of Directors. The measures in place to mitigate these risks (including those measures intended to identify and contain intrusions, should they occur) form part of the oversight regime directed at the Investment Manager and key service providers.

Emerging risks, along with all other risks the directors have identified the Company as being exposed to, are monitored via the Company's risk register. During the Period, as part of their regular review and assessment of risk, the Directors have also considered the impact of the emerging risk of climate change on the Company's business model and long term viability, but do not consider this to be a material new risk at this time.

Risk Management and Internal Control Systems

The Management Engagement Committee conducted a review of BGHL's system of internal controls in January 2021.

The Board is ultimately responsible for BGHL's system of internal controls and for reviewing its effectiveness. The Board has developed a framework that is designed to manage, rather than to eliminate the risk of failure to achieve BGHL's business objectives. The framework involves identifying sources of risk, the potential significance (financial and operational) of any risk impact(s), and the associated controls in place to identify, pre-empt and mitigate those potential impacts. This is documented in a Business Risk Assessment which is considered at least annually by the Board. The framework is discussed with the Investment Manager, and members of the Management Engagement Committee conduct a detailed meeting with the Investment Manager to review the effectiveness of controls and any breaches / errors that have occurred since the last inspection visit. Any such control failures are also recorded on an exceptions basis and reported at quarterly Board meetings or in real time if sufficiently significant. No significant failings or weaknesses were identified at the last inspection visit. These processes ensure an at least annual review of BGHL's system of internal controls, including financial, operational, compliance and risk management. The system can only provide reasonable and not absolute assurance against material misstatements.

The Board has delegated the management of BGHL's investment portfolio, the provision of custody services, the administration (including the independent calculation of BGHL's NAV), share registration, corporate secretarial functions and the production of the half-yearly and annual independently audited financial reports. The Board retains accountability for the functions it delegates. Formal contractual arrangements have been put in place between BGHL and the providers of these services.

Compliance reports are provided at each quarterly Board meeting. The Board considers that its internal control processes meet best practice as recommended in the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting published by the UK's Financial Reporting Council as an adjunct to the UK Corporate Governance Code.

Regulatory Compliance

BGHL keeps abreast of regulatory and statutory changes and responds as appropriate. Compliance reports are provided at each quarterly Board meeting by BGHL's Secretary. The Board continues to take advice on AIFMD from external professional advisers and to implement necessary measures to ensure compliance with relevant requirements of the AIFMD Regulations. The Chief Compliance Officer within the Investment Manager is also a resource relied upon by the Board in this regard. Although the majority of the obligations associated with

Boussard & Gavaudan Holding Limited

Directors' Report

For the six months ended 30 June 2021

AIFMD are applicable to the AIFM, the Board is satisfied that BGHL as an AIF complies fully with its relevant obligations under the UK's AIFMD and the AIFMD Regulations 2013. Key Information Documents ("KIDs") have been produced in accordance with the Packaged Retail and Insurance-based Investment Products ("PRIIPs") regulation and are available at <https://www.bgholdingltd.com/priips.php>.

BGHL fell within the scope of The EU General Data Protection Regulation ("GDPR"), The UK General Data Protection Regulation ("UK GDPR"), and The Data Protection (Bailiwick of Guernsey) Law, 2017 (whose provisions are substantially equivalent to GDPR) throughout the Period and had measures in place to ensure compliance with both. Policies have been enacted both to ensure ongoing compliance by BGHL, and also to oversee compliance by third party service providers who process or hold relevant data belonging to BGHL.

Going Concern

The Board conducts a rigorous and proportionate assessment of BGHL's operational and financial risks with reference to cash flow requirements, and the liquidity of investments on a quarterly basis. BGHL incurs ongoing fees and expenses associated with its day to day operations, provides cash collateral under currency hedging transactions and uses cash to repurchase its own shares.

The Directors regularly consider the financial solvency of BGHL and are required by the Companies Law to do so on every occasion that any distribution is to be declared, including, but not limited to, the redemption and conversion of shares, and repurchases by BGHL of its own shares. This is evidenced by a formal solvency statement. The Directors are confident that BGHL's assets exceed its liabilities and that BGHL has sufficient liquid assets to meet its liabilities as they fall due. Substantially all of the net assets of BGHL are currently invested in BGF shares. BGF shareholders have a monthly redemption right with 60 calendar day prior notice.

The Board is comfortable that BGHL currently has the ability to meet all expenses (including currently accrued performance fees) for the period ending 30 September 2022. BGHL's annual operating expenses (excluding any performance fees payable to the Manager) are relatively low at less than 2% of NAV. The predictable nature of those expenses means that the Company is able on a monthly basis to calculate and accurately predict how much cash is required to meet them. In order to generate the necessary liquidity to pay expenses, the Company redeems shares in the Master Fund on a regular basis. Should BGHL have insufficient cash to meet its expenses, BGHL expects that it would rapidly be able to realise sufficient investments to meet such expenses.

The Directors have also reviewed the possible impact of an excessive number of redemption requests at the Master Fund level caused by market turmoil, perhaps triggered by the ongoing COVID-19 pandemic. Whilst any long-term liquidity lock up would impact the cash reserves of BGHL and its ability to meet its obligations, to date there have been no suspensions of redemption requests at the Master Fund level. If a gate was to be imposed by the Master Fund, at least 10% of any redemption request would continue to be honoured. This would allow BGHL to realise sufficient liquidity to meet its operating costs. To date, the market and wider socio-economic impacts of the COVID-19 pandemic have not posed any significant stress either to BGHL or to the Master Fund.

After making enquiries, the Board has a reasonable expectation that BGHL has adequate resources to continue in operational existence for the period up to 30 September 2022. There could be a continuation vote after this date, which might result in a decision to wind the Company up or otherwise distribute assets to shareholders. This notwithstanding, the financial statements have been prepared on a going concern basis.

Relations with Shareholders

The Board engages with institutional shareholders directly, as do both the Investment Manager and the Corporate Advisor. Shareholders continue to be welcome to contact the Board of BGHL in writing via the Secretary, should they wish to have a dialogue and/or provide any feedback.

Furthermore, at a minimum, the Chairman of the Board and the Chairman of the Audit Committee attend BGHL's annual general meeting. Separate resolutions are proposed for each item at each general meeting of shareholders, including a vote on BGHL's annual financial report and the (re)appointment of directors. Forms of proxy issued by BGHL for use at each general meeting provide for three way voting – for, against or vote withheld. Notices of annual general meetings are sent at least 20 working days before the meeting and in accordance with the notice periods set out in the Companies Law.

After each general meeting, the results of the meeting are publicised and the announcement of results is also made available on the BGHL's website. As a matter of best practice, all resolutions are voted upon by a poll. If required, BGHL can also make available representatives of the Investment Manager to Shareholders.

While BGHL reports formally to its shareholders twice a year, it also maintains a website which contains comprehensive information (www.bgholdingltd.com). This includes historic communications, investment philosophy, risk management policies, Investment Manager's reports, statistical information and corporate governance guidelines.

Boussard & Gavaudan Holding Limited
Directors' Report
For the six months ended 30 June 2021

The Directors have continued to engage with shareholders remotely and discuss individual queries during the period. Due to the COVID-19 pandemic and measures introduced by governments worldwide to contain its spread it has not been possible to conduct physical meetings since the second calendar of quarter of 2020.

By order of the Board



Andrew Henton
Chairman

Andrew Howat
Director



27 August 2021

Boussard & Gavaudan Holding Limited
Interim Management Report
For the six months ended 30 June 2021

In accordance with the requirements of the Disclosure Guidance and Transparency Rules (UK Financial Conduct Authority Handbook) the Directors each confirm to the best of their knowledge that:

- (a) the interim condensed financial statements for the period ended 30 June 2021 have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union, and give a true and fair view of the assets, liabilities, financial position and loss of BGHL.
- (b) the condensed half yearly report includes a fair review of the development and performance of the business and the position of BGHL for the year to date, together with a description of the principal risks and uncertainties that BGHL faces for the remaining six months of the financial year.
- (c) Details of related parties are set out in note 6 to the financial statements and there are no changes in related party transactions described in the last annual report, that could have a material effect on the financial position of BGHL in the Period, other than as disclosed in the financial statements.

By order of the Board



Andrew Henton
Chairman



Andrew Howat
Director

27 August 2021

Boussard & Gavaudan Holding Limited

Independent Review Report

INDEPENDENT REVIEW REPORT TO BOUSSARD & GAVAUDAN HOLDING LIMITED ("the Company")

Conclusion

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2021 which comprises the Condensed Interim Statement of Financial Position, Condensed Interim Statement of Comprehensive Income, Condensed Interim Statement of Changes in Equity, Condensed Interim Statement of Cash Flows and related notes 1 to 16. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2021 is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union ("EU") and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2, the annual financial statements of the Company are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by EU.

Responsibilities of the directors

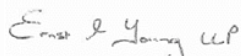
The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, is based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.



Ernst & Young LLP
Guernsey, Channel Islands
27 August 2021

Boussard & Gavaudan Holding Limited

Independent Review Report

Notes:

1. The maintenance and integrity of the Boussard & Gavaudan Holding Limited web site is the responsibility of the directors; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the unaudited interim condensed financial statements since they were initially presented on the web site.

2. Legislation in Guernsey governing the preparation and dissemination of unaudited interim condensed financial statements may differ from legislation in other jurisdictions.

Boussard & Gavaudan Holding Limited
Condensed Interim Statement of Financial Position
As at 30 June 2021

	Note	UNAUDITED As at 30 June 2021 €	AUDITED As at 31 Dec 2020 €
Assets			
Investments at fair value through profit or loss			
Cost €184,020,124 (2020: €198,740,566)	3	350,507,008	365,610,630
Unrealized gain on forward derivatives contracts	3	56,236	197,195
Due from brokers	13	540,000	530,000
Other Assets		26,858	-
Cash and cash equivalents		1,123,177	2,615,428
Total assets		352,253,279	368,953,253
Liabilities			
Unrealized loss on forward derivatives contracts	3	15,972	-
Due to brokers	13	216	1,225,051
Performance fees payable	8	3,769,329	8,788,664
Management fees payable	8	1,328,894	1,312,323
Other liabilities		98,551	179,761
Total liabilities		5,212,962	11,505,799
Equity			
Share capital		199,707,957	199,708,055
Treasury shares		(4,261,280)	(5,444,132)
Retained earnings		151,593,640	163,183,531
Total equity		347,040,317	357,447,454
Total equity and liabilities		352,253,279	368,953,253
Net asset value per share:			
Class A EURO shares outstanding 12,514,769 (2020: 13,493,269)		€ 27.0851	€25.9356
Class A GBP shares outstanding 294,494 (2020: 294,494)		£23.5415	£22.7685

The financial statements on pages 24 to 38 were approved by the Board of Directors on 27 August 2021 and signed on its behalf by:


Andrew Henton
Chairman


Andrew Howat
Director

The accompanying notes on pages 28 to 38 form an integral part of these financial statements

Boussard & Gavaudan Holding Limited
Condensed Interim Statement of Comprehensive Income
For the six months ended 30 June 2021

	Note	UNAUDITED For six months ended 30 June 2021 €	UNAUDITED For six months ended 30 June 2020 €
Income			
Net realised gain on financial assets and liabilities at fair value through profit or loss		17,334,080	6,906,467
Change in unrealised loss on financial instruments at fair value through profit or loss		(540,109)	(5,463,753)
Net gain on financial assets at fair value through profit or loss		16,793,971	1,442,714
Other realised and unrealised foreign currency gain		9,020	22,873
Total income		16,802,991	1,465,587
Expenses			
Interest expense on cash equivalents		1,456	2,259
Performance fees	8	3,769,329	681
Management fees	8	2,659,310	2,535,806
Administrative fees	7	78,641	60,587
Directors fees	6	57,000	45,278
Professional fees		267	80,067
Audit fees		37,945	32,492
Other expenses		100,930	113,865
Total expenses		6,704,878	2,871,035
Net profit/(loss) before tax		10,098,113	(1,405,448)
Taxation			
Withholding tax		-	-
Net profit/(loss) and total comprehensive income profit/(loss)		10,098,113	(1,405,448)
Basic and diluted earnings per share			
Class A EURO € 9,513,115 Profit / 12,862,936 shares (2020: €586,950 Loss /14,406,661 shares)		€ 0.7396	-€0.0407
Class A GBP £ 515,270 Profit / 294,494 shares, (2020: £739,233 Loss /350,039 shares)		£1.7497	-£2.1119

There is no statement of Other Comprehensive Income presented as there was no other comprehensive income during the Period.

All activities are of a continuing nature.

The accompanying notes on pages 28 to 38 form an integral part of these financial statements

Boussard & Gavaudan Holding Limited
Condensed Interim Statement of Changes in Equity
For the six months ended 30 June 2021

	Share Capital €	Distributable Reserve €	Treasury Shares €	Retained Earnings €	Total Equity €
2021- UNAUDITED					
Balance as at 1 January 2021	199,708,055	-	(5,444,132)	163,183,531	357,447,454
Total comprehensive income	-	-	-	10,098,113	10,098,113
Treasury shares acquired	-	-	(20,505,250)	-	(20,505,250)
Treasury shares cancelled	(98)	(21,688,004)	21,688,102	-	-
Transfer to retained earnings	-	21,688,004	-	(21,688,004)	-
Balance as at 30 June 2021	199,707,957	-	(4,261,280)	151,593,640	347,040,317
2020- UNAUDITED					
Balance as at 1 January 2020	199,708,196	-	(5,266,580)	154,283,208	348,724,824
Total comprehensive loss	-	-	-	(1,405,448)	(1,405,448)
Treasury shares acquired	-	-	(11,084,567)	-	(11,084,567)
Treasury shares cancelled	(64)	(15,172,472)	15,172,536	-	-
Transfer to retained earnings	-	15,172,472	-	(15,172,472)	-
Balance as at 30 June 2020	199,708,132	-	(1,178,611)	137,705,288	336,234,809

The accompanying notes on pages 28 to 38 form an integral part of these financial statements

Boussard & Gavaudan Holding Limited
Condensed Interim Statement of Cash Flows
For the six months ended 30 June 2021

	UNAUDITED For six months ended 30 June 2021	UNAUDITED For six months ended 30 June 2020
Note	€	€
<u>Cash flows from operating activities</u>		
Net profit/(loss) and total comprehensive income	10,098,113	(1,405,448)
Adjustments to reconcile net profit/(loss) to net cash used in operating activities:		
Unrealised loss on financial instruments at fair value through profit and loss	540,109	5,463,753
Realised gain on financial instruments at fair value through profit and loss	(17,334,080)	(6,906,467)
Increase in other assets	(26,858)	(34,147)
Increase in due from brokers	(10,000)	(140,000)
Increase in due to brokers	-	61,790
(Decrease)/increase in performance fee payable	(5,019,335)	681
Increase/(decrease) in management fee payable	16,571	(483,978)
(Decrease)/increase in other liabilities	(81,210)	11,029
Net cash used in operating activities	(11,816,690)	(3,432,787)
<u>Cash flows from investing activities</u>		
Sale of investments at fair value through profit or loss	31,600,000	17,150,000
Net cash provided by investing activities	31,600,000	17,150,000
<u>Cash flows from financing activities</u>		
Treasury shares acquired	(21,730,085)	(11,084,567)
Net sales/(purchases) of foreign exchange forward derivative contracts	454,524	(602,637)
Net cash used in financing activities	(21,275,561)	(11,687,204)
Cash and cash equivalents		
Beginning of the period	2,615,428	1,041,187
Net movement in cash and cash equivalents	(1,492,251)	2,030,009
Cash and cash equivalents at 30 June 2021	1,123,177	3,071,196
Supplementary information		
Interest paid	(1,456)	(2,259)

The accompanying notes on pages 28 to 38 form an integral part of these financial statements

Boussard & Gavaudan Holding Limited

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2021

1. General information

1.1 BGHL

BGHL is a limited liability closed-ended investment company incorporated in Guernsey on 3 October 2006 with registration number 45582.

BGHL was admitted to the Eurolist Market operated by Euronext Amsterdam on 3 November 2006. As a result of listing and trading of the shares on Euronext Amsterdam, BGHL is subject to Dutch securities regulations and to supervision by the relevant Dutch authorities. BGHL is registered with the Dutch Authority for the Financial Markets as a collective investment scheme.

On 28 July 2008, BGHL's shares were also admitted to the Official List of the UK Listing Authority and to trading on the London Stock Exchange Plc's main market for listed securities. As a result of admission to the Official List of the UK Listing Authority, BGHL is subject to the UK Listing Authority's Listing, Prospectus, Disclosure Guidance and Transparency Rules, save where Dutch securities regulations take precedence. BGHL's share issue costs were borne by the Investment Manager.

At the time of this dual listing, BGHL created a class of shares denominated in Sterling (the "Sterling Shares") through the conversion of existing Euro shares into new Sterling shares at the prevailing NAV per Euro share as at 30 June 2008. From that date, shareholders have been able to convert their existing holding of shares in BGHL from one class into another class. Conversions, from one class to another, are effected once a year on the last business day of November in compliance with the procedure published on BGHL's website. There were no share conversions during the Period.

1.2 The Investment Manager

Boussard & Gavaudan Investment Management LLP is the Investment Manager of BGHL. The Investment Manager is an English limited liability partnership. The Investment Manager is authorised by the United Kingdom's Financial Conduct Authority to perform the activity of managing alternative investment funds.

The Investment Manager also manages BGF and the Master Fund.

The Administrator arranges for the monthly publication of the NAV of BGHL as at the end of the previous month and the Investment Manager provides daily estimates.

Neither of BGHL and BGF have or have ever had any employees or own or has ever owned any facilities.

2. Accounting policies

Basis of preparation and statement of compliance

The financial statements have been prepared on a historical cost basis except for financial assets and liabilities held at fair value through profit or loss that have been measured at fair value.

The financial statements are prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" as adopted by the European Union and with legislation and rules pertaining to Amsterdam Euronext and London Stock Exchange for listed companies, as well as in accordance with the Companies Law.

The financial statements do not include all the information and disclosures required in annual financial statements, and should be read in conjunction with BGHL's annual financial statements for the year ended 31 December 2020, which are prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

The accounting policies have been applied consistently by BGHL and are consistent with those used in the previous. Major accounting policies are described below.

Going Concern

As set out in the Directors' Report, the Board has a reasonable expectation that BGHL has adequate resources to continue in operational existence for the period ending 30 September 2022. The Investment Manager is comfortable that BGHL currently has enough liquidity to meet all expenses over the coming 12 months. Performance fees are paid annually and are also highly predictable given the limited volatility of BGHL's performance. In order to generate the necessary liquidity to pay expenses, BGHL redeems shares in the Master Fund on a regular basis. BGHL's has a monthly redemption right with 60 calendar day prior notice to redeem those shares. A long-term liquidity gating at the Master Fund level would still allow BGHL to receive at least 10% of any redemption request and to meet its expenses. Therefore, the financial statements have been prepared on a going concern basis.

Boussard & Gavaudan Holding Limited
Notes to the Condensed Interim Financial Statements
For the six months ended 30 June 2021

New standards, amendments and interpretations issued but not effective for the financial Period beginning 1 January 2021 and not early adopted by BGHL

IAS 1 'Presentation of financial statements' Classification of Liabilities as Current or Non-current. The International Accounting Standards Board issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The effective date is for annual periods beginning on or after 1 January 2023. The standard is not expected to have a material impact on the financial statements or performance of BGHL.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant or material impact on BGHL.

New standards, amendments and interpretations effective for the Period beginning 1 January 2021 and adopted by BGHL

There are no standards, amendments to standards or interpretations that are effective for periods beginning on 1 January 2021 that have a material effect on the financial statements of BGHL.

Significant accounting judgements, estimates and assumptions

The preparation of BGHL's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements and disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying BGHL's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Fair Value

Carrying value of all financial assets and liabilities are reasonable approximation of the fair values. When the fair value of financial assets cannot be derived from active markets, their fair value is determined using valuation techniques that may include the use of valuation models. BGHL applies judgement when selecting the method of valuation.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. BGHL based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of BGHL. Such changes are reflected in the assumptions when they occur.

Fair Value

The inputs to the valuation models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. The estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility.

Changes in assumptions about these factors could affect the reported fair value of financial instruments in the statement of financial position and the level where the instruments are disclosed in the fair value hierarchy.

The models are tested for validity by calibration against prices from any observable current market transactions in the same instrument (without modification or repackaging) when available. To assess the significance of a particular input to the entire measurement, BGHL performs sensitivity analysis or stress testing techniques.

BGHL may invest in private equity funds, which are not quoted in an active market and which may be subject to restrictions on redemptions such as lock up periods, redemption gates and side pockets.

The Investment Manager considers the valuation techniques and inputs used in valuing these investments as part of its due diligence prior to investing, to ensure they are reasonable and appropriate and therefore the NAV of these funds may be used as an input into measuring their fair value. In measuring this fair value, the NAV of the funds is adjusted, as necessary, to reflect restrictions on redemptions, future commitments, and other specific factors of the fund and fund manager. In measuring fair value, consideration is also paid to any transactions in the shares of the fund.

Boussard & Gavaudan Holding Limited
Notes to the Condensed Interim Financial Statements
For the six months ended 30 June 2021

When assessing the fair value of the RLI position, BGHL made an estimation of the level of discount to the valuation reported by RLI reflecting the value currently realisable by BGHL.

For a description of estimates and assumptions used in assessing fair value of financial assets, please refer to Note 3. Management believes that the estimates utilised in preparing its financial statements and management judgements applied are reasonable. However, actual results could differ from these estimates.

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which BGHL operates ('the functional currency'). The functional currency is Euro, which reflects BGHL's primary activity of investing in Euro denominated securities. BGHL has adopted the Euro as its presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Financial assets and liabilities at fair value through profit or loss

A financial asset is measured at fair value through profit or loss if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- (c) At initial recognition, it is irrevocably designated as measured at fair value through profit or loss when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Included within this category are:

- Investments in equity instruments;
- Investments in debt instruments that are held under a business model to manage them on a fair value basis for investment income and fair value gains; and
- Derivative forward contracts that are in an asset position.

Investments in equity are initially recognised at fair value excluding attributable purchase costs. For equity and debt instruments that are listed they are subsequently valued by using quoted prices, whereas non-listed equities are determined by using the NAV determined by independent administrator as its basis or by using valuation models. The valuation methodology is discussed in note 3.

Derivative forward contract

A forward contract is a contract which obliges one party to the contract to buy, and the other party to sell, the asset that is the subject of the contract for a fixed price at a future date. Forward contracts are initially recorded at fair value. A forward currency contract involves an obligation to purchase or sell a specific currency at a future date, at a price set at the time the contract is made. Forward foreign exchange contracts are subsequently valued by reference to the forward price at which a new forward contract of the same size and maturity could be undertaken at the valuation date. The unrealised gain or loss on open forward currency contracts is calculated as the difference between the contract rate and this forward price, and is recognised in the Statement of Financial Position.

Changes in the fair value of investments are recorded in the Statement of Comprehensive Income in net unrealised gain/loss on financial assets at fair value through profit or loss.

BGHL's policy is to determine that any transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting Period.

Financial liabilities at fair value through profit or loss

A financial derivative liability is required to be measured at fair value through profit or loss. Included within this category are:

- Derivative forward contracts that are in a liability position.

The accounting policy for forward contracts in liability position is the same as described in financial assets at fair value through profit or loss.

Boussard & Gavaudan Holding Limited
Notes to the Condensed Interim Financial Statements
For the six months ended 30 June 2021

Recognition/derecognition of financial assets and liabilities at fair value

Purchases and sales of financial assets and liabilities at fair value are recognised on the trade date - the date on which BGHL commits to purchase or sell the investment. Financial assets and liabilities are derecognised when the rights to receive cash flows from the investments have expired or BGHL has transferred substantially all risks and rewards of ownership.

Due from and due to brokers

Amounts due from and to brokers represent deposits held with brokers, receivables for securities sold, payables or payments for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively, and cash pledged as collateral on derivative contracts. Amounts due from brokers is initially measured at fair value plus transaction costs and subsequently measured at cost less impairment. Amounts due to brokers is initially measured at fair value less transaction costs and subsequently measured at amortised cost.

Impairment of financial assets

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the expected credit loss ("ECL") is negligible. Investments held at fair value through profit or loss are not subject to IFRS 9 impairment requirements.

For due from brokers the Company uses a 12 month expected loss allowance. The Company has completed some high-level analysis and forward looking qualitative and quantitative information, to determine if the receivables are low credit risk.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term investments in an active market with original maturities of three months or less and bank overdrafts.

Taxation

Current income tax assets and liabilities for the current Period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where BGHL directly and through the Master Fund, operates and generates taxable income.

BGHL invests in foreign countries which may levy withholding tax at source on revenues derived by non-residents. Where such tax is withheld at source by the broker or another party BGHL records the revenue on a gross basis in Statement of Comprehensive Income (the revenue is grossed up and offset against an expense representing the tax withheld at source).

Expenses

Expenses are accounted for as they occur on an accrual basis. Expenses are charged to the Statement of Comprehensive Income.

Interest income and expense

Interest income, arising on due from brokers and interest expense on due to broker and short term loans are recognised in the Statement of Comprehensive Income within interest income and interest expense.

Dividend income

Dividend income is recognised on ex-dividend date.

Boussard & Gavaudan Holding Limited
Notes to the Condensed Interim Financial Statements
For the six months ended 30 June 2021

Investment entity

BGHL has unrelated investors and holds multiple investments. Ownership interests in BGHL are in the form of equity shares which are exposed to variable returns from changes in the fair value of BGHL's assets and liabilities. BGHL has been deemed to meet the definition of an investment entity per IFRS 10 as the following conditions exist:

- (a) BGHL has obtained funds for the purpose of providing investors with investment management services.
- (b) BGHL's business purpose, which was communicated directly to investors, is investing solely for returns from capital appreciation and investment income, through investments.
- (c) The performance of investments is measured and evaluated on a fair value basis.

BGHL's exit strategy with respect to its investment in BGF is that BGHL may redeem its shares in BGF on a monthly basis and does not have any special or preferential rights in BGF. Redemptions and subscriptions in BGF are made in order to manage BGHL's exposure in accordance with BGHL's investment policy.

Basic and diluted earnings per share, and NAV per share

Basic earnings per share are calculated by dividing the net income by the weighted average number of registered shares in issue, during the Period. There is no difference between the basic and diluted earnings per share.

NAV per share is calculated by dividing the net assets at the Statement of Financial Position date by the number of shares outstanding at the Statement of Financial Position date.

Treasury shares

When BGHL purchases its own equity instruments (treasury shares), they are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of BGHL's own equity instruments.

3. Fair value of financial instruments

The following tables analyse BGHL's net assets between the three levels of the fair value hierarchy:

30 June 2021	Level 1	Level 2	Level 3	Total Fair Value	Total Cost
Financial assets at fair value €:					
BG Fund	-	349,465,708	-	349,465,708	181,360,635
Private equity investments	-	-	1,041,300	1,041,300	2,659,489
Sub-Total €	-	349,465,708	1,041,300	350,507,008	184,020,124
Derivatives					
Forward foreign exchange contracts	-	56,236	-	56,236	-
Total €	-	349,521,944	1,041,300	350,563,244	184,020,124
Financial liabilities at fair value €:					
Derivatives					
Forward foreign exchange contracts	-	(15,972)	-	(15,972)	-
Total €	-	349,505,972	1,041,300	350,547,272	184,020,124
31 December 2020	Level 1	Level 2	Level 3	Total Fair Value	Total Cost
Financial assets at fair value €:					
BG Fund	-	364,601,372	-	364,601,372	196,081,077
Private equity investments	-	-	1,009,258	1,009,258	2,659,489
Sub-Total €	-	364,601,372	1,009,258	365,610,630	198,740,566
Derivatives					
Forward foreign exchange contracts	-	197,195	-	197,195	-
Total €		364,798,567	1,009,258	365,807,825	198,740,566

Other short term operating assets and liabilities are excluded from the table due to their nature.

In accordance with IFRS, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the "exit price") in an orderly transaction between market participants. The above tables analyse BGHL's investment into the three levels of fair value hierarchy in accordance with IFRS 13 as described below:

Level 1 – quoted prices in active markets for identical investments that BGHL has the ability to access.

Level 2 – valuations based on other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment spreads, credit risk, etc.) or quoted prices from inactive exchanges. Forward contracts are valued primarily based on market observable inputs such as a share price or forward foreign currency curves at the balance sheet date.

Boussard & Gavaudan Holding Limited
Notes to the Condensed Interim Financial Statements
For the six months ended 30 June 2021

Level 3 – valuations based on significant unobservable inputs (including BGHL’s own assumptions in determining the fair value of investments)

3.1 Level 3 investments

Financial assets €	30 June 2021	31 December 2020
Opening Balance	1,009,258	4,472,406
Unrealised gain/(loss)	32,042	(3,463,148)
Closing Balance	1,041,300	1,009,258

The above tables present the movements in Level 3 investments. There were no transfers between levels for the Period.

Rasaland Investors Plc (“RLI”)

RLI is classified as a Level 3 asset for valuation purposes.

RLI is administered by Francis J. Vassallo & Associates, a Maltese company. RLI management value the net assets of the company using a documented valuation procedure. The key significant unobservable input used in this process is land values in Mexico sourced from independent professional advisers, Cushman & Wakefield. These “area based” land values are applied without adjustment to individual properties, the existence and ownership of which is also independently verified by law firm Baker & Mackenzie. The administrator Francis J. Vassallo & Associates, performs an annual valuation each 31 December. In addition, on an annual basis RLI commissions PricewaterhouseCoopers to undertake an agreed upon procedure to verify the consistency and accurate application of various aspects of the agreed valuation methodology.

BGHL’s valuation committee values RLI at a significant discount to the administrator’s NAV.

In June 2020, RLI’s life term was extended until January 2027. In 2020, the Investment Manager has received a strong indication that it is going to be at least another 10 years until RLI realizes its remaining assets. BGHL’s exit is likely to be on the secondary market, at a material discount to the net asset value. The life extension is one of the drivers of the Investment Manager’s application of a significant discount to carrying value, and motivator for looking to the secondary market for an exit.

In July 2020, RLI made a tender share buyback offer for a fixed price per share of US\$0.12270. 11.71% of the shareholders participated in the offer.

In 2020, given the significance of the transaction and RLI’s medium term horizon, the Investment Manager’s valuation committee has decided to use the tender price to fair value its RLI position.

In 2021, no material information or event has required a change to the decision and the position continues to be valued at the tender price.

This valuation results in a circa 80% illiquidity discount to the Net Asset Value released by RLI’s administrator.

RLI	NAV per share \$ as of 30 June 2021	BGHL Valuation	Discount %
Price post distribution	0.58667	0.12270	(79.85)%

	NAV per share \$ as of 31 Dec 2020	BGHL Valuation	Discount %
RLI price	0.58667	0.12270	(79.85)%

As of 30 June 2021, a 25% increase or decrease in the NAV after the applied discount rate would result in an increase/decrease of profits of €260,325 (31 December 2020: €252,314).

3.2 Level 2 investments

The significant majority of BGHL’s gross assets are invested in the Master Fund. Notwithstanding the significance of BGHL as a material investor in the Umbrella Fund, BGHL does not enjoy any special or particular rights in relation to the management of the Master Fund because of the voting rights attached to its investment. Specifically, it receives no information from the Umbrella Fund that is not communicated simultaneously to other investors, has no right to appoint a Director or attend board meetings, and has no influence on investment and operational decisions. Therefore, BGHL has no control over the Umbrella Fund nor, in the opinion of the Directors, could it exercise significant influence as described in IAS 28.

BGHL’s investment in BGF is classified as Level 2 in the fair value hierarchy because the only inputs to valuation are number of shares and the quoted observable market price of those shares. The quoted price is published on the Irish Stock Exchange. BGHL classifies the interest in BGF as Level 2 because there is not a continuous active market

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Notes to the Condensed Interim Financial Statements
For the six months ended 30 June 2021

in BGF's shares. The market is active only once a month when investors can transact in BGF shares at the published price which is calculated by the administrator of BGF based on its NAV.

The underlying investments of BGF, which are principally held by the Master Fund, are predominantly classified as Level 1 and Level 2 in the fair value hierarchy.

The proportion of Level 3 direct and indirect investments of the Master Fund is disclosed in the tables below including the proportion of the investments which are fair valued by the Investment Manager using a variety of techniques including discounted cash flows and public/private company comparable. Indirect investments refer to the proportion of Level 3 investments of the BG Select Investments (Ireland) Limited, a subsidiary fully owned by the Master Fund.

Master Fund % AUM (*)	30 June 2021	31 Dec 2020	Variation %
Level 3	15.67%	7.21%	8.46%
of which Investment Manager's Valuation	0.48%	0.87%	(0.39)%

Source: Administrator, SS&C Financial Services LLC

BG Select Investments %AUM of Master fund (*)	30 June 2021	31 Dec 2020	Variation %
Level 3	5.85%	7.31%	(1.45)%
of which Investment Manager's Valuation	2.06%	1.73%	0.33%

Source: Administrator, SS&C Financial Services LLC

Total exposure in % AUM (*)	30 June 2021	31 Dec 2020	Variation %
Level 3	21.52%	14.52%	7.01%
of which Investment Manager's Valuation	2.54%	2.60%	(0.06)%

Source: Administrator, SS&C Financial Services LLC

(*) Profit & Loss of the FX to hedge investors is included in the AUM of the Master Fund.

Instruments held by the Master Fund are valued in the risk management system which is fed by real time market data in order to price the portfolio. Some instruments such as, but not limited to, derivatives are priced by using in-house developed models.

The system calculates profits and losses as well as net asset values. Inputs are used in applying the various valuation techniques and broadly based on the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, spot and volatility prices, interest rate, credit and foreign exchange levels, default probabilities, liquidity factors as well as other data.

BGHL does not have access to the detail of the underlying valuations nor to the sensitivities and strategies of the Umbrella Fund, BGF and the Master Fund other than as explained in the Investment Manager's Report. BGHL does not have the ability nor the responsibility to direct or to implement the Master Fund's investment objective and policy. As a consequence, BGHL does not consider that it is appropriate to seek to disclose in the notes of the financial statements all quantitative information relating to the underlying investments held by the Master Fund in its financial statements. General information about the Master Fund's exposure can be found in the Investment Manager's Report.

Umbrella Fund

BGHL's holding of voting shares in the Umbrella Fund is disclosed in the table below:

BGHL's holdings	30 June 2021	31 Dec 2020
Voting shares - Umbrella Fund	17.10%	18.31%

The investment in the Umbrella Fund is measured at fair value through profit or loss.

Investment by BGHL into BGF in €	30 June 2021	31 Dec 2020
Subscriptions	-	-
Redemptions	(31,600,000)	(29,100,000)
Change in holding	(31,600,000)	(29,100,000)

As at 30 June 2021 and 31 December 2020 there were no capital commitment obligations and no amounts due to BGF for unsettled purchases.

Boussard & Gavaudan Holding Limited
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For the six months ended 30 June 2021

4. Financial instruments and associated risks

BGHL's objective in managing risk is the creation and protection of shareholder value. Risk is inherent in BGHL's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to BGHL's continuing profitability. BGHL is exposed to market risk (which includes currency risk, interest rate risk and price risk), credit risk and liquidity risk arising from the financial instruments it holds.

Risk management structure

The Investment Manager is responsible for identifying and controlling risks. The Board of Directors supervises the Investment Manager and is ultimately responsible for the overall risk management of BGHL.

The unaudited interim condensed financial statements do not include financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with BGHL's annual financial statements as at 31 December 2020.

There have been no changes in the risk management department or in any risk management policies since the year end and it is envisaged that the principal risks and uncertainties expected by the Investment Manager and Board of Directors in the next 6 months will be similar to the last 6 months and will be managed in the same way.

Liquidity risk

BGHL manages its liquidity risk by combining the unencumbered cash held for working capital purposes and the redemptions in BGF. BGHL invests into BGF by subscribing redeemable participating shares. BGHL may redeem its shares in BGF on a monthly basis with a 60-day notification and does not have any special or preferential rights in BGF.

The Investment Manager of the Master Fund monitors the liquidity adequacy between assets and liabilities on an ongoing basis. As part of this monitoring, attention is paid to the liquidity and the maturity of the assets in the portfolio.

Compared to year end, there was no material change in the contractual undiscounted cash outflows for financial liabilities.

However, as noted in note 3.1, a circa 80% liquidity discount to net asset value per share has been applied to the latest RLI NAV received by the Investment Manager representing a liquidity risk associated with the asset.

Credit risk

BGHL's credit risk is assessed as low since its exposure to brokers/dealers is with reputable broker/dealers, all securities transactions of BGHL are cleared by major securities firms pursuant to customer agreements, BGHL's appointed Custodian is a large financial institution having investment grade ratings from the major rating agencies and all of BGHL's exposures to counterparties are with reputable financial institutions.

While cash and cash equivalents and balances due from brokers are also subject to the impairment requirements of IFRS 9, there has been no impairment loss identified. Investments held at fair value through profit or loss is not subject to IFRS 9 impairment requirements.

For receivables the Company uses a 12 month expected loss allowance. The Company has completed some high-level analysis and forward looking qualitative and quantitative information, to determine if the receivables are low credit risk. Based on this analysis the expected credit loss ("ECL") on receivables is not material and therefore no impairment adjustments were accounted for.

5. Capital management

BGHL is not subject to any externally imposed capital requirements. When managing the capital of BGHL as detailed below, the Investment Manager seeks to provide consistent absolute returns in accordance with BGHL's investment objectives and policies, for example those related to gearing.

BGHL operated a share buy-back programme designed to reduce its capital, which has had the favourable effect of increasing the NAV per Share since the Shares were repurchased at a discount to their NAV. Transactions under the programme are disclosed in note 10.

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6. Related Party transactions

The relationship between BGHL and the Investment Manager and the fees earned are disclosed in note 8.

The Chairman is currently entitled to an annual fee of €45,000 (2020: €38,000) and each Director to an annual fee of €30,000 (2020: €20,000). The Chairman of the audit committee is entitled to receive an additional fee of €7,500 (2020: €7,500) per annum.

A review of fees was conducted during 2020 and following an analysis of amounts paid to Directors of similar listed companies the Chairman's annual fee was increased to €45,000 from April 2021, and fees to other Directors increased to €30,000. The Chair of the Audit Committee continued to receive an additional fee of €7,500.

As of 30 June 2021, Directors Sylvie Sauton and Andrew Henton are invested respectively for 6,177 and 6,000 (31 December 2020: 6,177 and 6,000) in shares of BGHL.

The issued share capital of BGHL is owned by numerous parties and therefore in the opinion of the Directors, there is no ultimate and immediate controlling party as no BGHL investors hold more than 50% of total shares in issue.

7. Administration fees

JTC Fund Solutions (Guernsey) Limited, the Administrator, is entitled to an annual fee. In addition, the Administrator outsources the accounting to SS&C Financial Services LLC for an annual service fee payable monthly. As of 30 June 2021 the administration expenses during the Period was € 78,641 (30 June 2020: € 60,587) and payable at the end of the Period was € 27,430 (31 December 2020: €29,741). From 1 January 2021, the amount of fee for administration services increased, the fee payable to JTC Fund Solutions are subject to a minimum of £94,250 per annum.

8. Management fees and Performance fees

Under the Investment Management Agreement, the Investment Manager has been given responsibility for the day-to-day discretionary management of BGHL's assets in accordance with BGHL's investment objective and policy, subject to the overall supervision of the Directors. The Investment Management Agreement is terminable by either party giving to the other not less than twelve months notice in writing, except in certain circumstances where, inter alia, the Investment Manager ceases to have all necessary regulatory permissions, becomes insolvent or is in material breach of the Investment Management Agreement, in which case the Investment Management Agreement may be terminated forthwith. If the Investment Management Agreement is terminated before 31 December in any period, the performance fee in respect of the then current calculation period is calculated and paid as though the date of termination were the end of the relevant calculation period.

The Investment Manager receives a management fee, accrued monthly and payable quarterly, calculated at the annual rate of 1.5 percent of the NAV.

The Investment Manager is also entitled to receive a performance fee. The performance fee is calculated in respect of each calculation period. The performance fee is deemed to accrue on a monthly basis as at each valuation day and is paid annually. For each calculation period, the performance fee is equal to 20 percent of the appreciation in the NAV per share during that calculation period above the previous high NAV per Share of the relevant class (the "Base NAV per Share"). The Base NAV per Share is the highest NAV per Share achieved as at the end of any previous calculation period (if any).

For the Period the Management fees and the Performance fees were as follows:

	Expense during the Period	Payable at the end of the Period	Expense during the period ended 30 Jun 2020	Payable at 31 Dec 2020
Management Fees in €	2,659,310	1,328,894	2,535,806	1,312,323
Performance Fees in €	3,769,329	3,769,329	681	8,788,663

9. Expense Ratio

Expense ratios are as below. Performance fees are not taken into account in the expense ratio.

Period ended	AUM € Period Average	Management Fees	Administration & Depository Fees	Other Fees	Expense Ratio
30 June 2021	351,015,738	1.52%	0.04%	0.11%	1.67%
30 June 2020	337,680,335	1.50%	0.04%	0.16%	1.70%

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10. Share Capital and Treasury Shares

Authorised share Capital

The authorised share capital of BGHL is €1,010,000 divided into 5,100,000,000 ordinary shares of €0.0001 each and 5,000,000,000 C Shares of €0.0001 each. During the Period there was no class C shares in issue.

Allotted, issued and fully paid

The share capital detail as of 30 June 2021 is as follows:

Class A Shares	Euro Shares			% Treasury Shares (*)	Sterling Shares	
	Share balances	Issued and fully paid	Treasury Shares			Outstanding Shares
At 1 January 2020		15,104,678	(300,000)	14,804,678	1.99%	398,542
Repurchase of own shares(*)		-	(1,415,966)	(1,415,966)	-	-
Share Cancelled		(1,429,532)	1,429,532	-	-	-
Share conversions		104,557		104,557	-	(104,048)
At 31 December 2020		13,779,703	(286,434)	13,493,269	2.08%	294,494
Repurchase of own shares(*)		-	(978,500)	(978,500)		-
Share Cancelled		(1,064,934)	1,064,934			-
Share conversions						-
At 30 June 2021		12,714,769	(200,000)	12,514,769	1.57%	294,494

(*) Under the Companies Law and the listing rules of EuroNext Amsterdam and the UK Listing Authority, BGHL is only allowed to acquire its own shares with the prior approval of its members in general meeting and that authority is limited to a maximum of 14.99% of its issued share capital on the date that the members' resolution is passed. Authority to repurchase 8% of the issued share capital was sought and granted at the last annual general meeting held on 29 July 2020. The date of the next meeting will take place soon, however the date is not yet fixed. All shares held in treasury are cancelled after each month end and BGHL seeks renewal of its authority to repurchase its own shares at each annual general meeting.

Voting

The shareholders are entitled to receive notice of and to attend and vote at general meetings of BGHL and each holder of shares being present in person or by proxy or corporate representative at a meeting shall upon a show of hands have one vote and upon a poll each such holder present in person or by proxy or by corporate representative shall have one vote in respect of each share held by him or her.

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in BGHL may be issued with such preferred, deferred or other special rights or restrictions whether as to dividend, voting, return of capital or otherwise as BGHL at any time by ordinary resolution may determine and subject to and in default of such determination as the Board may determine. Subject to the provisions of the Companies Law, the terms and rights attaching to any class of shares, the Articles and any guidelines established from time to time by the Directors, BGHL may from time to time, purchase or enter into a contract, under which it will or may purchase any of its own shares.

If at any time the share capital is divided into further classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue) may whether or not BGHL is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution of the holders of the shares of that class. On a winding-up, the shareholders are entitled to the surplus assets remaining after payment of all the creditors of BGHL.

11. Segment information

For management purposes, BGHL is engaged in one main operating segment, which invests in financial instruments. All of BGHL's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon analysis of BGHL as one segment. The financial results from this segment are equivalent to the financial statements of BGHL as a whole.

The following table analyses BGHL's total income per geographical location. The basis for attributing the total income is the place of incorporation of the instrument's counterparty.

In EURO	30 June 2021	30 June 2020
Ireland	16,464,338	2,118,807
United Kingdom	293,188	(674,108)
Rest of the world	45,465	20,888
Total	16,802,991	1,465,587

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The following table analyses BGHL's operating income per investment type.

In EURO	30 June 2021	30 June 2020
Equity securities	16,496,380	2,116,219
Derivative financial instruments	297,591	(673,505)
Foreign exchange gains on financial instruments not at fair value through profit or loss	9,020	22,873
Total	16,802,991	1,465,587

12. Taxation

BGHL has been granted exemption under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 from Guernsey Income Tax, and is charged the annual fee of £1,200 (2020: £1,200). As a result, no provision for income tax has been made in the financial statements.

BGHL invests in foreign countries which may levy withholding tax at source on revenues derived by non-residents. Where such tax is withheld at source by the broker or another party BGHL records the revenue on a gross basis in Statement of Comprehensive Income (the revenue is grossed up and offset against an expense representing the tax withheld at source).

13. Due from brokers and due to brokers

Amount due from brokers include €540,000 (31 December 2020: €530,000) of cash pledged as collateral on forward foreign exchange contracts. Amount due to brokers include €216 (31 December 2020: €1,225,051) on forward foreign exchange contracts.

14. Comparatives

Comparative information for the condensed interim statement of comprehensive income, statement of changes in equity and statement of cash flows has been provided for the six months from 1 January 2020 to 30 June 2020, whereas comparative information for the condensed interim statement of financial position has been presented as at 31 December 2020.

15. Post balance sheet events

There were no material post balance sheet events since the period-end.

16. Approval of financial statements

The financial statements were approved and authorized for issue by the Board on 27 August 2021, at which date these financial statements were considered final.