

2017 Registration Document

ANNUAL FINANCIAL REPORT

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2017 REGISTRATION DOCUMENT

Annual Financial Report



Pursuant to its General Regulation, and in particular to Article 212-13, the Autorité des marchés financiers (the "AMF") has registered this Registration Document on 26 April 2018 under number R.18-024. This document can be used to support a financial transaction only if it is accompanied by a securities note approved by the AMF. It has been prepared by the issuer and is binding on its signatories.

Its registration, in accordance with Article L.621.8.1-1 of the French Monetary and Financial Code, has been made after verification by the AMF that the document is complete and comprehensible, and that the information it contains is consistent. It does not imply certification by the AMF of the accounting and financial information presented.

Copies of this Registration Document (the "Registration Document") are available free of charge from Tikehau Capital, 32, rue de Monceau, 75008 Paris, France, as well as on the websites of Tikehau Capital (www.tikehaucapital.com) and the AMF (www.amf-france.org).

This is a free translation into English of the Tikehau Capital 2017 registration document issued in French and is solely provided for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.

IMPORTANT INFORMATION

Defined terms

In this Registration Document, the term “Company” means the company Tikehau Capital SCA. The expressions “Tikehau Capital” and the “Group” refer to Tikehau Capital SCA, its consolidated subsidiaries and branches taken together. A glossary of key defined terms used in this document is provided in Section X.5 (Glossary) of this Registration Document.

This Registration Document is a description of Tikehau Capital based on the Group’s structure as at the registration date of this Registration Document.

Accounting and financial information

This Registration Document presents the consolidated financial statements of Tikehau Capital prepared in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union (“IFRS”) for the year ended 31 December 2017. These financial statements may be found in Chapter V (Consolidated financial statements as at 31 December 2017) of this Registration Document.

Unless otherwise stated, the figures used in this Registration Document are extracted from the consolidated financial statements of the Company.

Some figures (including data expressed in thousands or millions) and percentages presented in this Registration Document have been rounded. If applicable, the totals presented in this Registration Document may differ slightly from what would have been obtained by adding the exact values (not rounded) of these figures.

Forward-looking information

This Registration Document contains statements on the outlook and development axes/areas of Tikehau Capital. These statements are sometimes identified by the use of the future or conditional tense and words with prospective connotations such as “consider”, “envisage”, “think”, “target”, “expect”, “intend”, “should”, “aim”, “estimate”, “believe”, “hope”, “could” or, where appropriate, the negative form of these terms, or any other variants or similar terms. This information does not constitute historical data and must not be interpreted as a guarantee that the facts and data mentioned will actually occur. This information is based on data, assumptions and estimates considered reasonable by the Company. They may change or be modified due to uncertainties related in particular to the economic, financial, competitive and regulatory environment. They are mentioned in various sections of this Registration Document and contain data relating to Tikehau Capital’s intentions, estimates and targets concerning the market, strategy, growth, results, financial position and cash of Tikehau Capital. Forward-looking statements contained in this Registration

Document are presented only as at the registration date of this Registration Document. Barring any applicable legal or regulatory obligation, the Company makes no commitment to publish updates of the forward-looking information contained in this Registration Document to reflect any changes in targets or events, conditions or circumstances on which the forward-looking information contained in this Registration Document is based. Tikehau Capital operates in a competitive and ever-changing environment, so it may not be able to anticipate all risks, uncertainties or other factors that may affect its business, their potential impact on its business or the extent to which a risk or combination of risks might lead to significantly different results from those in any forward-looking information, and it should be noted that such forward-looking statements do not constitute a guarantee of results.

Information about the market and competition

This Registration Document mainly contains information on the business segments in which Tikehau Capital operates and its competitive position (See Section I.5 (Tikehau Capital and its market) of this Registration Document). Certain information contained in this Registration Document is information publicly available that the Company believes to be reliable but which has not been verified by an independent expert. The Company cannot guarantee that a third party using different methods to gather, analyse and calculate data on these business segments would get the same results. Given the very rapid changes that characterize Tikehau Capital’s business sector, it is possible that these details may be incorrect or no longer up to date. Tikehau Capital’s activities could consequently evolve differently from how they are described in this Registration Document. Tikehau Capital makes no commitment to publish updates on this information, except as part of any legislative or regulatory obligation that may apply to it.

The Group and the Group’s asset management companies

This Registration Document is in no circumstances a validation and/or updating of the programs of operations of each of the Group’s asset management companies.

Risk Factors

Investors are urged to consider the risk factors described in Chapter III (Risk Factors) of this Registration Document before making any investment decision. Should all or some of those risks actually occur, they would be likely to have a negative effect on Tikehau Capital’s business, financial position, financial results or targets. In addition, other risks not yet identified or considered immaterial by the Company could have the same negative effect and investors may well lose all or part of their investment.

LETTER OF THE MANAGER

“Finance must be useful, efficient and manageable for all economic actors”



Antoine Flamarion and Mathieu Chabran,
co-founders of Tikehau Capital
Representatives of the General Manager

What philosophy and objectives have motivated you since the Company was founded in 2004?

Antoine Flamarion: We are convinced that finance is above all a tool, not an end in itself. We have designed and transformed Tikehau Capital in this spirit, to make finance useful, efficient and manageable for all economic actors, be they investors or in search of financing, which often causes us to break with entrenched thinking.

Mathieu Chabran: Our ambition has never changed and we are reaching our goals: to become a European leader in alternative asset management. We hold both a long-term vision of our strategy and a pioneering spirit in its execution. For example, to overcome the difficulty for corporates to access bank loans, we were among the first to offer alternative financing solutions. Thus, since 2008, we have positioned ourselves in the private debt market, to become one of the leading European companies in this line of business.

How is Tikehau Capital’s business model different from that of a traditional asset management company?

Mathieu Chabran: The originality of our business model lies in the two pillars on which it is based. The first, a pillar that is growing: asset management, where strong performance relies on a creative human community of 18 nationalities deployed across our eight offices worldwide, and on discipline in selecting the deals we handle. The other pillar is historical: investment management, which has enabled and continues to enable us to earn and maintain the trust of our clients and investors.

“Investing alongside our clients means making trust the core of our business”

Antoine Flamarion: Our personal capital exposure is driven by a desire for independence, flexibility and responsiveness. To be an entrepreneur is to accept exposing oneself to risk. Investing alongside our clients means making trust the core of our business, by fostering strong and lasting partnerships. We do indeed have a real partnership culture: it is because we have signed strategic partnerships with major players in the financial sector that we have been able to expand our distribution networks and increase the size of our financing.

Why did you choose to list yourself on the stock market, followed by a capital increase and then a bond issue in 2017?

Antoine Flamarion: Because we are listed on the stock market, we are an exception in Europe. Of course, it confirms the uniqueness of our business model, but it also demonstrates the rigour and reliability of our approach in carrying out our asset management and investment activities. This is a strength which supports our future development, enabling us to continue reinforcing the confidence of our investors and clients.

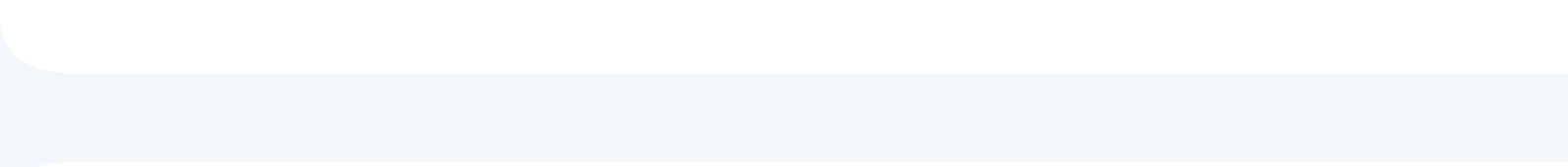
Mathieu Chabran: The listing has forced us to simplify the Group's structure by bringing all our activities under one brand and improving its readability. Thanks to the July 2017 capital increase and the November 2017 bond issue, we have the funds to pursue our development and strengthen our international footprint.

“We have the funds to pursue our development and strengthen our international footprint”

Indeed, and what developments do you envisage?

Antoine Flamarion: We have already boosted our international growth. We have opened three new offices in recent months: Madrid and Seoul in 2017, and New York in February 2018. Through our local presence we are able to seize the best investment opportunities. We are also working to internationalise our investor base: three years ago it was 100% French, and now 27% are foreign investors.

Mathieu Chabran: Our two watchwords are still prudence and agility. To complement our expertise and our geographic presence, we are also looking at external growth opportunities. However, any transaction must be meaningful because we are not an asset aggregator. We want to take advantage of the current trend towards consolidation in the asset management market and benefit from the “listing effect”: as a catalyst, it has changed how we are approached by our investor clients and partners – in a good way!



I . PRESENTATION OF THE GROUP AND ITS ACTIVITIES

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1. PROFILE AND HISTORY

(a) Profile of Tikehau Capital

General overview of Tikehau Capital

Tikehau Capital is an asset management and investment company which was set up in Paris in 2004, with shareholders' equity of €4 million, by Antoine Flamarion and Mathieu Chabran. Thirteen years later, Tikehau Capital directly or indirectly manages assets of €13.8 billion¹, with shareholders' equity of €2.5 billion. The Group has expanded dynamically through its four business lines: private debt, real estate, liquid strategies (bond management/diversified management and equities) and private equity. The Group provides its investors with alternative investment opportunities targeting long-term value creation.

Tikehau Capital's independent positioning has consolidated its value and reputation within the asset management industry year after year. Its independence has enabled the Group to develop a business model which makes it stand out from its competitors through its flexible approach, allocating capital primarily across all four business lines.

By deploying its shareholders' equity to support the Group's various investment strategies, Tikehau Capital creates the conditions for a clear alignment of interests between the Group's balance sheet and investments made by its investor clients. This approach is key to building a relationship of trust with its shareholders and investor clients. The Group is majority owned by its management, alongside leading institutional partners, which ensures that an alignment of interests is instilled in its culture. Since its creation, the Group has relentlessly focused on the core entrepreneurial values of dedication, quality and reliability, coupled with its recognised investment skills.

Across all of its strategies, Tikehau Capital's unique approach focuses primarily on fundamental analysis and highly selective investments. Furthermore Tikehau Capital has always focused on tailor-made solutions adapted to the needs of its investor clients.

Created in Paris, Tikehau Capital has continued its development abroad in recent years by opening offices in London, Brussels, Madrid, Milan, Seoul, Singapore and, more recently, New York. At the end of 2017, the Group's total workforce (including Tikehau Capital Advisors) amounted to 209 employees.

Tikehau Capital's business lines

The Group operates through four business lines:

- **Private debt** – Tikehau Capital is one of the pioneers of private debt transactions in Europe and France. The Group's private debt teams are involved in debt financing transactions (senior debt, unitranche, mezzanine, etc.) for a size between €10 million and €300 million, as arranger or financier. This business line also includes securitisation activities dedicated to CLO (Collateralized Loan Obligations), a specialised product consisting of debt securities backed by a portfolio of leveraged loans. As at 31 December 2017, assets under management in Tikehau Capital's private debt funds amounted to €6.0 billion, representing 43% of the Group's assets under management. (See Section I.4(b) (Private debt activities) of this Registration Document.)
- **Real estate** – Tikehau Capital's real estate investment activities mainly focus on commercial property, seeking particularly sale and lease-back transactions in which the Group's vehicles act as purchaser and involving quality counterparties (sellers, and subsequent to the transaction, tenants) with a yield-generating potential as well as a potential capital gain on resale. Tikehau Capital's real estate investment activity is undertaken through the establishment of dedicated acquisition vehicles for each transaction. As at 31 December 2017, assets under management in Tikehau Capital's real estate activity amounted to €2.2 billion, representing 16% of the Group's assets under management. (See I.4(c) (Real estate activities) of this Registration Document.)
- **Liquid strategies** – This business line comprises two activities: (i) fixed income management and (ii) diversified and equities management, and has the particular characteristic of being carried out through what are known as open-ended funds, that is, from which investors may decide to withdraw at any time by requesting redemption of their units. As part of its fixed income management activity, Tikehau Capital invests in bonds whether or not issued by private companies (corporate bonds), as well as investment grade securities (*i.e.*, corresponding to companies with a high rating) or high yield securities. As part of its diversified and equities management business, Tikehau Capital manages open-ended funds offering access to a flexible balanced management in the equity and credit markets. As at 31 December 2017, assets under management in Tikehau Capital's liquid strategies totalled €3.1 billion, *i.e.* 23% of the Group's assets under management. (See Section I.4(d) (Liquid strategies) of this Registration Document.)

¹ Assets under management as at 31 December 2017. See Section I.4(a)(ii) (Tikehau Capital's business model) of this Registration Document.

• **Private equity** – As part of this activity, the Group invests in the equity capital (equity and hybrid instruments giving access to equity) of listed and non-listed companies. At the registration date of this Registration Document, the Group's private equity activities are carried out essentially from the Group's own resources (shareholders' equity and debt). However, the Group's intention is to develop an asset management business on behalf of its investor clients and

as at 31 December 2017, managed €0.1 billion within this framework. This proportion is expected to increase over the coming years as new strategies are currently implemented. As at 31 December 2017, Tikehau Capital's private equity activity had assets under management amounting to €2.5 billion, *i.e.* 18% of the Group's total assets under management. (See Section I.4(e) (Private equity activities) of this Registration Document.)

The Group's business lines are summarised in the following diagram:

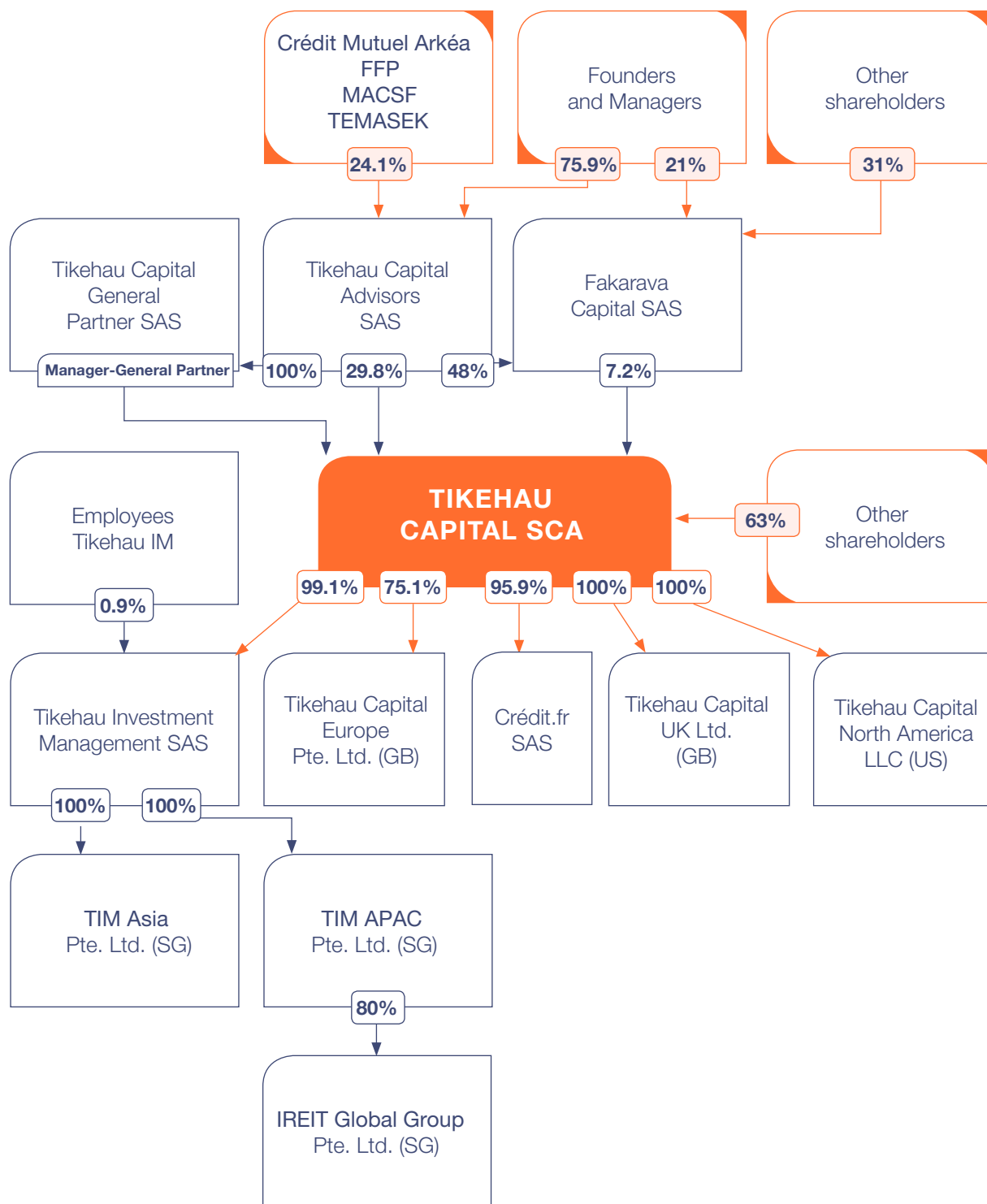
	Private debt	Real estate	Liquid strategies	Private equity
Assets under management¹	€6.0 billion (43.3% of Assets under management)	€2.2 billion (16.3% of Assets under management)	€3.1 billion (22.5% of Assets under management)	€2.5 billion (17.9% of Assets under management)
Employees¹	42 employees (including 6 in research)	17 employees	17 employees (including 7 in research)	11 employees
Investment universe	At all levels of capital structure Senior loans, stretched senior, unitranche, mezzanine, preferred equity Target companies Revenues (€100 m – €2 bn) Value (€100 m – €2 bn) All sectors in Europe	Shopping centres/ commercial real estate Offices Logistics parks	Credit High yield, IG corporate and subordinated instruments mainly European and Asian Equities Selection of "Value" stocks Special Situations	Minority investor Non-takeover situations Extensive sector and geographic coverage Strong origination capacity
Key differentiation factors	<ul style="list-style-type: none"> • A pioneer in alternative financing • Solid partnerships with banks and private equity funds • Capacity for flexible and innovative structuring 	<ul style="list-style-type: none"> • Flexible and innovative approach • Solid track record • Capacity for customised financing 	<ul style="list-style-type: none"> • Allocation and selection based on conviction management • Fundamental analysis top-down and bottom-up 	<ul style="list-style-type: none"> • An entrepreneurial spirit shared with companies in which we invest • Capacity for structuring ability and flexible investment

¹ As at 31 December 2017.

The performance of each of these business lines in 2017 is described in Section II.3(a) (Business during FY 2017) of this Registration Document.

Structure of the Group

At the registration date of this Registration Document, the Group's organisational chart is as follows:



NB: In this organisational chart, shareholding percentages are equivalent to voting rights percentages, unless otherwise stated. The companies are governed under French law unless otherwise stated.

The main entities of the Group, as shown in this chart, are as follows:

- **Tikehau Capital SCA** is the Group's parent company whose securities are listed on the regulated market of Euronext Paris. The Company's Manager and General Partner is Tikehau Capital General Partner. The purpose of the Company is to invest, directly or indirectly, in the Group's investment platforms to support their growth. It is also a major investor in the funds and vehicles managed by the Group or as a co-investor alongside them. Lastly, it may make opportunistic investments outside its platforms and its business lines to seek out the best sources of value creation.

- **Tikehau Investment Management** ("Tikehau IM") is the Group's main platform dedicated to asset management. Tikehau IM has been approved by the AMF as a portfolio asset management company since January 2007. As at 31 December 2017, Tikehau IM managed €10.2 billion, *i.e.* about 74% of Tikehau Capital's assets under management. (See Section I.4(a) (iv) (The legal structure of Tikehau Capital) of this Registration Document.)

- **Tikehau Capital Europe** is a UK subsidiary of the Group, which manages securitisation vehicles dedicated to CLOs (Collateralized Loan Obligations), a specialised product consisting of debt securities backed by a portfolio of leveraged loans. This activity comes under the Group's private debt activities. Tikehau Capital Europe was approved by the Financial Conduct Authority (the UK financial regulator) in 2015. As at 31 December 2017, Tikehau Capital Europe managed nearly €1.2 billion in assets. Tikehau Capital Europe is 75.1% owned by the Company with the remaining capital held by the Amundi group. (See Section I.4(b)(ii) (Senior debt (leveraged loans) activities) of this Registration Document.)

- **IREIT Global Group** ("IGG") is the Singapore asset management company of a real estate firm listed in Singapore: IREIT Global. The Group acquired an 80% interest in IGG in November 2016. IGG is approved as asset management company by the Monetary Authority of Singapore (MAS, the Singaporean financial regulator). IREIT Global was the first Singapore-listed property company whose strategy is to invest in real estate assets located in Europe. As at 31 December 2017, based on the annual report of IREIT Global, the value of the real estate assets

held by IREIT Global was €463.1 million. (See I.4(c) (Real estate activities) of this Registration Document.)

The main limited and unlimited liability partnerships in the Group are:

- **Tikehau Capital General Partner** is the Sole Manager and Sole General Partner of the Company (See Section IV.1(a) (The Managers) of this Registration Document). Its main business includes any provision of advice and assistance, particularly on financial and strategic matters. The Chairman of Tikehau Capital General Partner is AF&Co and its CEO is MCH. Information on AF&Co and MCH is provided respectively in Section IV.1(a)(i) (Information concerning AF&Co and Mr. Antoine Flamarion) and in Section IV.1(a)(ii) (Information concerning MCH and Mr. Mathieu Chabran) of this Registration Document. The shareholders' equity of Tikehau Capital General Partner is 100% owned by Tikehau Capital Advisors.

- **Tikehau Capital Advisors** is the principal shareholder of the Company which, at the registration date of this Registration Document, holds 29.8% of its capital and voting rights and the entire share capital and voting rights of its Manager-General Partner, Tikehau Capital General Partner. Tikehau Capital Advisors combines the central functions on which the Manager relies in the performance of its duties on behalf of the Company and the Group. Its main activity is the acquisition, holding and management of any type of equity interests and securities. The Chairman of Tikehau Capital Advisors is AF&Co and its CEO is MCH. Tikehau Capital Advisors' shareholders' equity is split between the managers and founders of Tikehau Capital, who together hold 75.9% of the shareholders' equity and voting rights of Tikehau Capital Advisors, and a group of institutional shareholders: Crédit Mutuel Arkéa, FFP, MACSF and Temasek, who together hold the remaining 24.1%.

- **Fakarava Capital**, whose main activity is providing services and advice in the financial and real estate fields, as well as the acquisition, holding and management of all equity interests and securities. The Chairman of Fakarava Capital is Makemo Capital (majority owned by AF&Co and MCH) and its CEOs are AF&Co and MCH. The shareholders' equity of Fakarava Capital is owned 48% by Tikehau Capital Advisors, 21.1% by the founders and management and 30.9% by shareholders external to the Group.

(b) History of Tikehau Capital

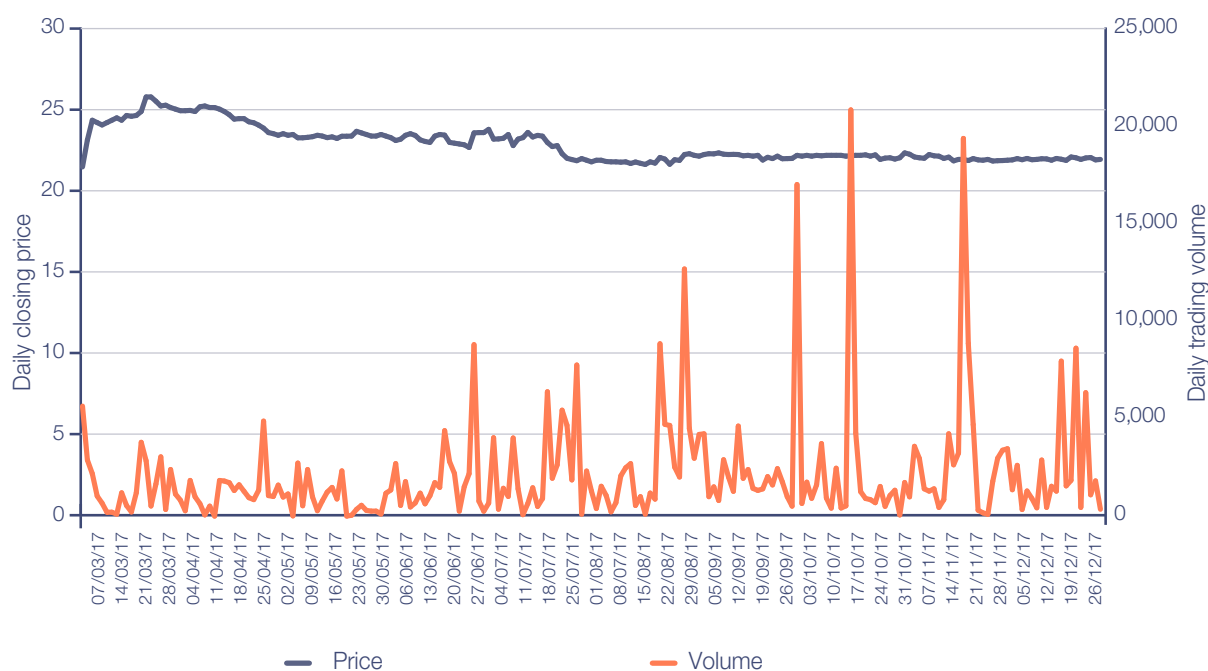
2004	Tikehau Capital is founded by Antoine Flamarion and Mathieu Chabran with the aim of developing a proprietary investment business.
2006	Tikehau Capital creates Tikehau Investment Management (" <u>Tikehau IM</u> "), an independent asset management company.
2009	Crédit Mutuel Arkéa acquires equity in the Company.
2010	Tikehau Capital enters into a strategic partnership with Crédit Mutuel Arkéa, which takes a 15% interest in Tikehau IM.
2011	Tikehau Capital enters into a strategic partnership with UniCredit.
2012	Tikehau IM and Macquarie Lending announce a partnership to offer financing solutions. Tikehau Capital acquires control of the listed holding company Salvepar from Société Générale and launches a tender offer for Salvepar's equity capital. This acquisition allows Tikehau Capital to develop a business dedicated to minority equity investment.
2013	Tikehau Capital continues to strengthen its shareholders' equity, notably with the support of the MACSF. The Group opens an office in London. Tikehau IM is selected to manage Novo, a <i>fonds de place</i> (fund sponsored by institutional investors), following a tender launched by the Caisse des Dépôts et Consignations (CDC), the French Insurance Federation (FFA) and 27 institutional investors.
2014	Amundi takes a stake in Tikehau IM. Tikehau Capital further strengthens its shareholders' equity and opens its first Asian office in Singapore as part of its international development strategy. The Group is a signatory to the United Nations Principles for Responsible Investment (UN PRI).
2015	Tikehau Capital continues its strategy of international growth and increases its presence in Europe with the opening of offices in Brussels and Milan. Tikehau Capital Europe launches its first Collateralized Loan Obligations (" <u>CLO</u> "). The Group issues convertible bonds for a total amount of €326 million. Tikehau Capital creates Tikehau Real Estate Investment Company (" <u>TREIC</u> "), a permanent capital real estate company dedicated to real estate investments.
2016	Tikehau Capital carries out a capital increase for an amount of €416 million and includes as its shareholders the Singaporean investment company Temasek, and the listed French investment company FFP. Tikehau Capital takes over management of Lyxor UK's European senior debt business (leveraged loans – about €700 million in assets under management). Tikehau Capital acquires an 80% stake in the asset management company IREIT Global, a Singapore-listed real estate investment vehicle (approx. €463 million in assets under management at end 2017). With a view to its IPO, the Company takes the name "Tikehau Capital", becomes a partnership limited by shares and benefits from the contribution of assets enabling it to become the Group's parent company.
2017	The Company launches a stock-for-stock and cash tender offer for the securities of its listed subsidiary Salvepar resulting in a capital increase of €151 million and carries out capital increases for a total amount of €200 million in anticipation of the Company's IPO and in connection with the investment by the Fonds Stratégique de Participations in the Company. On 7 March 2017, Tikehau Capital shares are listed on the regulated market of Euronext Paris. Tikehau Capital acquires approximately 96% of the capital of Crédit.fr, a French specialist in crowdfunding for small and medium-sized enterprises. Tikehau Capital completes a capital increase of €702 million and continues to increase its shareholder base. Tikehau Capital strengthens its financial resources by signing an unsecured syndicated 5-year loan of €1 billion and by making an inaugural issue of fixed-rate bonds for the amount of €300 million over six years.
2018	Total SA participates alongside Tikehau Capital in the creation of an investment fund dedicated to energy transition.

(c) The Tikehau Capital share

General information

ISIN code	FR0013230612
Ticker (Reuters, Bloomberg)	TKO.FP
Compartment	A
Listing price on 7 March 2017	€21
Price as at 31 December 2017	€21.95
Highest (closing) price in 2017	€25.79
Lowest (closing) price in 2017	€21.49
Average daily volume (in number of shares) in 2017	2,099
Market capitalisation as at 31 December 2017 (in millions of €)	2,256.46

Change in the share price and the volume of shares traded



Source: Bloomberg/Euronext.

The share price may be found on Tikehau Capital's website (www.tikehaucapital.com) and on Euronext's website (www.euronext.com).

Stock indices

Tikehau Capital shares are included in the CAC All Shares and CAC Financials indices.

Institution servicing the securities

Société Générale Securities Services
 32, rue du Champ de Tir 44308 Nantes Cedex 03 France

2. KEY FIGURES

The following tables and charts show the key financial information for the Group. This information is the main financial information that the Company follows in its financial reporting.

Historical financial information

The following table presents the income statement items for the 2017 financial year, compared to data for financial year 2016 on a *pro forma* basis.

Pro forma financial information as at 31 December 2016 extracts of which are shown below are available in Section V.3 (Unaudited *pro forma* financial information as at 31 December 2016) of the 2016 Registration Document available on the website of the Company (www.tikehaucapital.com). They include details of the assumptions used in their preparation.

Under IFRS standards (in millions of €)	Items from the income statement	
	31 December 2017	31 December 2016 (<i>pro forma</i>)
Revenues from asset management activities	57.9	39.4
Operating expenses and others	(41.9)	(35.9)
Asset management net operating profit	16.0	3.5
Revenues from the investment activities ²	387.3	90.5
Operating expenses and others	(40.0)	(30.4)
Other items ³	(0.1)	59.1
Investments net operating profit	347.3	119.2
Net operating profit from investment and asset management activities	363.3	122.7
Net result - Group share	314.4	124.6

¹ Revenues from asset management activities consist of management and arrangement fees, performance fees and carried interest received by the management companies (Tikehau Investment Management and Tikehau Capital Europe).

² Revenues from the investment activities consist of the positive or negative change in fair value, supplemented by revenues from the investment activities such as dividends, interest, commissions, etc.

³ Other *pro forma* 2016 items consist of derivative portfolio revenue (-€62.2 million), results from equity affiliates (€0.3 million) and non-recurring items related to the reorganisation operations concerning in particular the takeover of Tikehau IM via in-kind contributions made on 21 December 2016 (€64.2 million) and the change in fair value of Salvepar shares (€56.7 million).

The following tables show Tikehau Capital's income statement and balance sheet items over the past three years:

Under IFRS standards (in millions of €)	Items from the income statement		
	31 December 2017	31 December 2016	31 December 2015
Revenues from asset management activities	57.9	2.4	-
Revenues from the investment activities	387.3	73.9	39.6
Operating expenses	(81.9)	(24.1)	(12.6)
Other items ¹	(0.1)	5.2	(21.0)
Net operating profit from investment and asset management activities	363.3	57.4	5.9
Net result - Group share	314.4	72.4	9.6

¹ Other items consist of the derivative portfolio revenue (€0.0 million in 2017, -€62.2 million in 2016 and -€21.0 million in 2015). Results from equity affiliates was not included in income from investment and asset management activities. The retrospective application of this classification in 2015 would have resulted in (i) "other items" amounting to -€20.4 million and (ii) "net operating profit from investment and asset management activities" amounting to €6.5 million.

Under IFRS standards (in millions of €)	Balance sheet items		
	31 December 2017	31 December 2016	31 December 2015
Total shareholders' equity	2,529.7	1,132.4	376.1
Shareholders' equity - Group share	2,499.5	1,129.7	376.1
Gross cash ¹	975.4	129.8	15.6
Gross debt ²	547.7	119.2	238.3

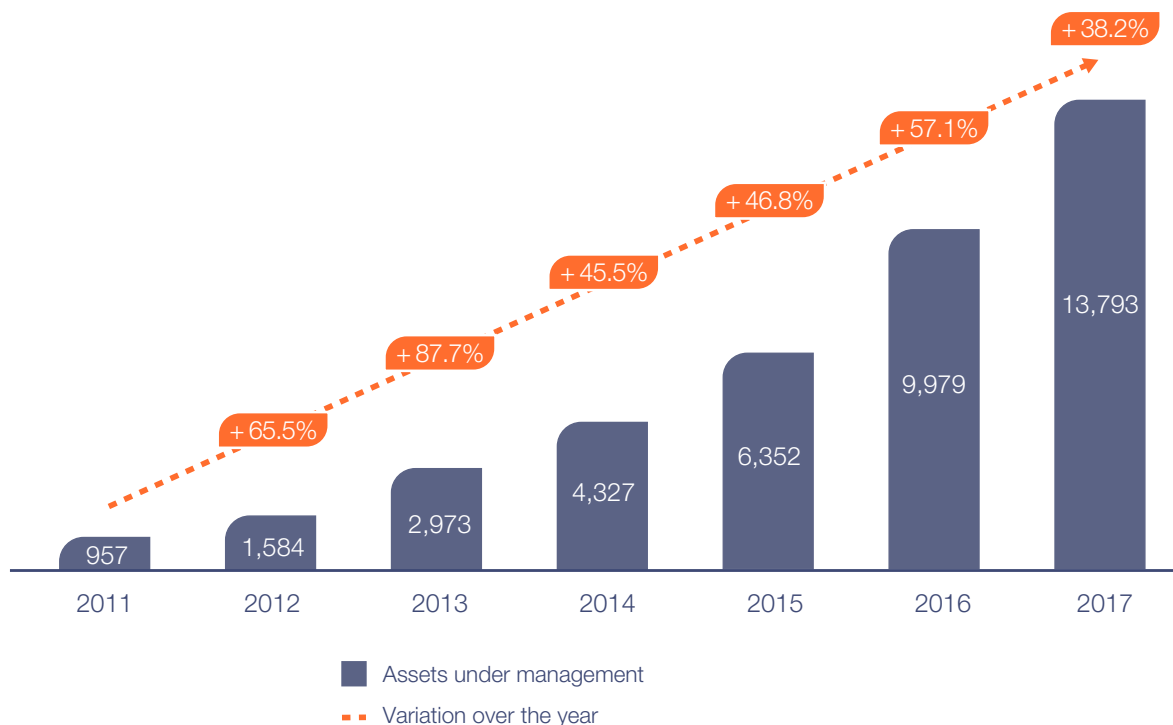
¹ Gross cash consists of cash and cash equivalents (consisting mainly of marketable securities, including financial assets from cash management).

² Gross debt consists of current and fixed borrowings and financial debt (including bank overdrafts).

The annual consolidated financial statements, extracts of which are shown above, can be found in Chapter V (Consolidated financial statements as at 31 December 2017) of this Registration Document.

Non-accounting information

The following chart and table show the evolution of the Group's assets under management¹ since 2011 and the resulting variation for each financial year:



(in billions of €)	2011	2012	2013	2014	2015	2016	2017
Assets under management (as at end of period) ¹	1.0	1.6	3.0	4.3	6.4	10.0	13.8
Variation over the year	-	0.6	1.4	1.4	2.0	3.6	3.8
Net inflows ² over the year					2.0	2.3	3.9

¹ See Section I.4(a)(ii) (Tikehau Capital's business model) of this Registration Document.

² Net inflows are the difference between the subscription and redemption amounts for the period.

The following charts show the breakdown of the Group's assets under management as at 31 December 2017 (€13.8 billion) and as at 31 December 2016 (€10.0 billion) between the Group's various business lines: (i) private debt,

(ii) real estate, (iii) liquid strategies and (iv) private equity, which are described in Sections I.4(b) to I.4(e) (Private debt activities), (Real estate activities), (Liquid strategies) and (Private equity) of this Registration Document²:

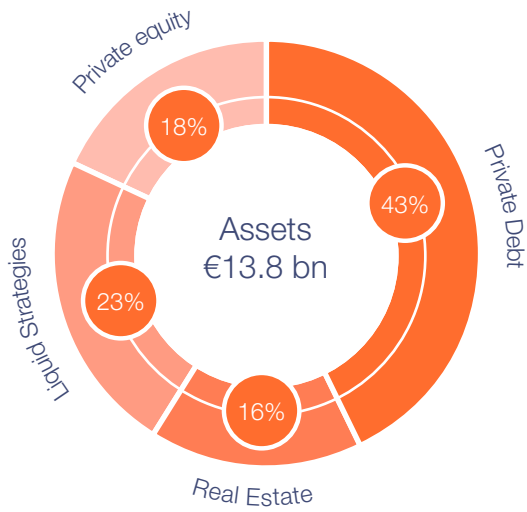
¹ The concept of assets under management is an indicator of operational activity that is not reflected in the consolidated financial statements of Tikehau Capital.

Depending on the different strategies, assets under management correspond mainly:

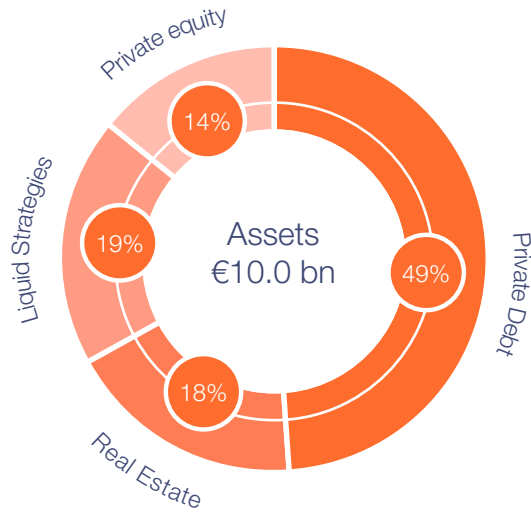
- a) for liquid strategies: to the net asset value of the funds (the net asset value of each type of unit in the fund is multiplied by the number of units outstanding) or to subscribers' commitment in the case of management mandates;
- b) for private debt activities: (i) to the commitments of subscribers during the periods of fundraising and investment, (ii) to the net asset value of the funds, once the investment period has ended, and (iii) to subscribers' commitments for CLO business;
- c) for real estate activities: (i) to the latest available appraisal value of the assets held by the funds (or, failing that, to the historical cost of the assets) plus cash and the fund's other assets, if any, and (ii) to commitments received from TREIC investors;
- d) for private equity activities: to the last available valuation of the assets including in particular investments in platforms (including goodwill) and available cash (i.e., net of uncalled commitments).

² Source: Company.

As at 31 December 2017

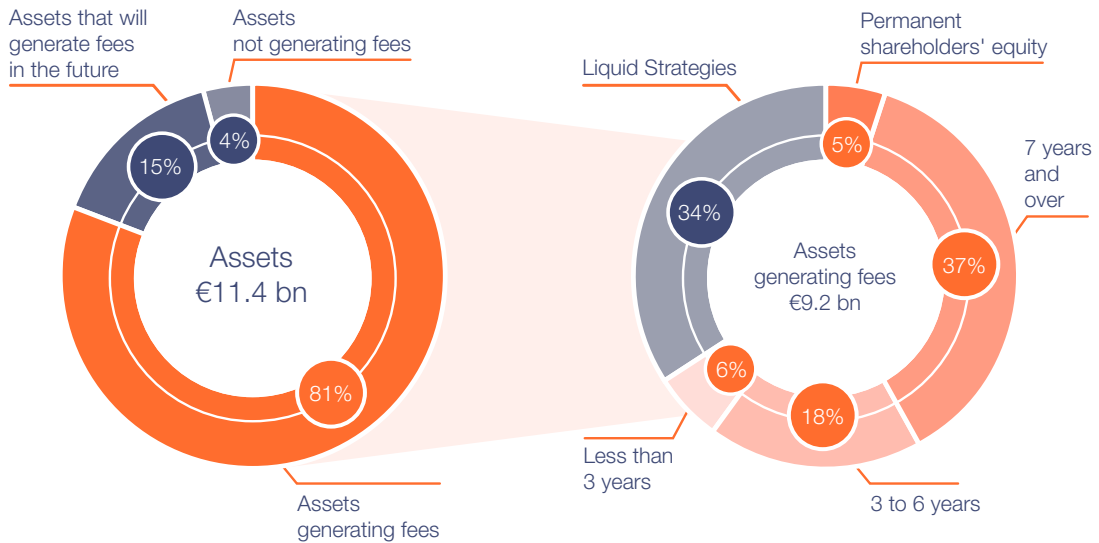


As at 31 December 2016



The following graphs show the distribution of assets under management of the Group's asset management business line between the fee-paying assets under management, future fee-paying assets under management in the future, and the non-fee paying assets under management

(see the definitions of these operational indicators in Section II.1 (Overview of activities, income and financial position) of this Registration Document) as at 31 December 2017 and in the €9.2 billion generating management fees, the duration of this generation of revenue .



A detailed presentation of the main indicators monitored by the Company is provided in Section II.1 (Overview of activities, results and financial position) of this Registration Document.

3. COMPETITIVE ADVANTAGES AND STRATEGY

(a) Competitive advantages

Ever since it was founded in 2004, Tikehau Capital has been distinguished by rapid growth in assets under management (see Section I.2 (Key figures) of this Registration Document). Through its presence in Europe, with offices in Paris, London, Brussels, Madrid and Milan, its Asian presence in Singapore and Seoul and, more recently, its establishment in North America, in New York, the Group has begun rapid international development.

Tikehau Capital intends to become one of the key alternative players in Europe and throughout the world, continuing to differentiate itself with its business model based on its ability to allocate its capital according to different investment strategies and to offer its investor clients high added value.

Tikehau Capital claims its independence through a selective investment strategy based on in-depth fundamental analysis, *i.e.*, the application of strict discipline in approaching and

carrying through investment operations, and the use of its ability to originate investments with optimal risk-reward ratios. This policy has enabled it to grow rapidly while maintaining strong revenues and economic sustainability in the long term.

(i) A business model reconciling growth and resilience

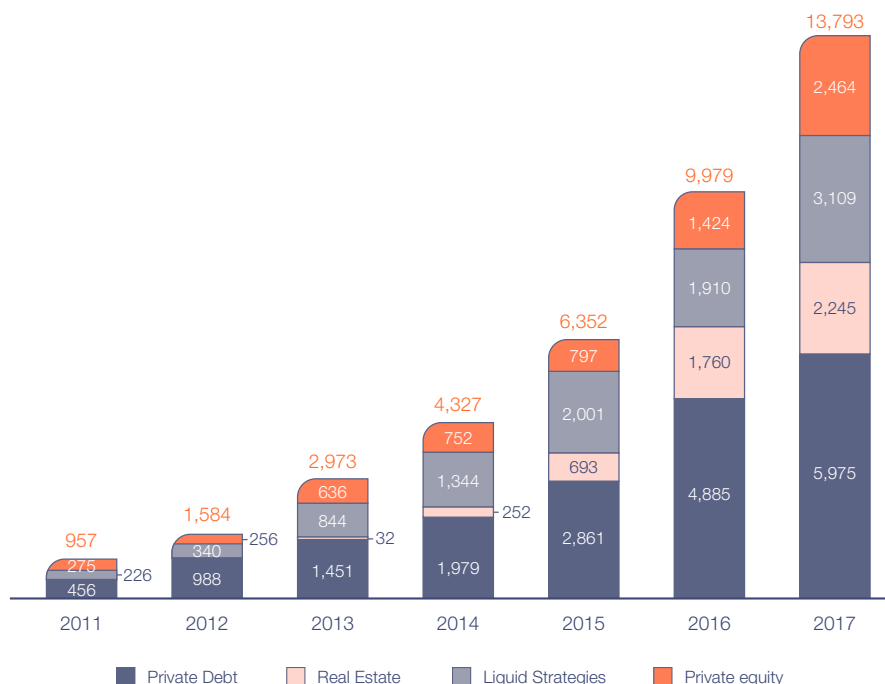
Strong growth potential with leading clients

Since its origins as a vehicle dedicated to proprietary investment, Tikehau Capital has undergone extremely rapid growth with its assets invested multiplying nearly nine times in five years¹. This development was made possible by a commercial approach based on the building of privileged relations with its investor clients and steady long-term performance, enabling the Group to position itself as a key player in the field of alternative asset management in Europe.

Evolution of the Group's assets under management since 2011

	2011	2012	2013	2014	2015	2016	2017
Assets under management ² (as at end of period, in millions of €)	957	1,584	2,973	4,327	6,352	9,979	13,793
Growth rate	–	66%	88%	46%	47%	57%	38%

² See Section I.4(a)(ii) (Tikehau Capital's business model) of this Registration Document.

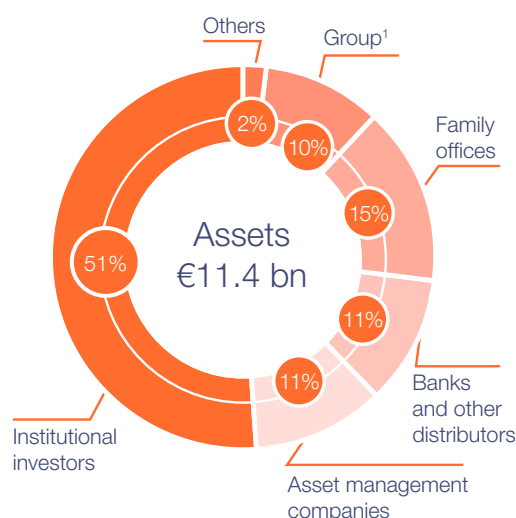


¹ Source: Company – See below the chart of the evolution of the Group's assets under management since 2011.

At first oriented towards opportunistic investment, Tikehau Capital's strategy and performance have enabled it to attract a growing number of investors in all categories (institutions, distributors, private investors and family offices) and to offer a variety of investment vehicles, both in terms of vehicle type (closed-end or open-end funds) and asset class (debt, real estate, private equity). From the outset, this diversification has allowed the Group to offer its investor clients a range of funds meeting all their needs.

Distribution of the Group's investor base as at 31 December 2017

(Asset management scope)



¹ Including the investments and commitments of Tikehau Capital and its subsidiaries through its balance sheet (€0.7 billion) and investments by Group-managed funds in Tikehau Capital's other asset management lines of business (€0.4 billion).

This ability to position itself as an independent, differentiating player is central to Tikehau Capital's strategy. It responds to the desire of investors to find alternative investment opportunities with an appropriate risk/reward ratio while ensuring a high-level relationship with the management teams.

The Group's approach is confirmed by the equity partnerships forged with some of its investors who wished to invest in the equity capital of several of the Group's entities, reflecting their confidence in the future performance of the Group. The Group's ability to attract long-term investors such as Crédit Mutuel Arkéa, MACSF, Temasek, FFP (the listed holding company of the Peugeot family) and the Fonds Stratégique de Participations (see Section II.3(a) (Business during FY 2017) of this Registration Document) reflects this ability to earn the trust of leading players in the investment world and is a guarantee of the relevance of the Group's business model. In addition, commercial partnerships can also be established in order to access a more extensive distribution network. By way of illustration,

in October 2017, Tikehau Capital announced that it had entered into an industrial and commercial partnership with Groupama AM. This partnership offers the possibility of management delegation, the creation of joint brand products and distribution agreements. This contract allows both groups to broaden their offer in terms of asset classes and to provide their clients with the expertise of each company. Most recently, in March 2018, Tikehau Capital acquired a 2.8% stake in DWS (Deutsche Bank's asset management subsidiary) as part of the IPO. This equity interest is intended to be supported by a partnership between the two groups concerning (i) shared opportunities for co-investment and deal flow on alternative strategies; and (ii) joint marketing initiatives. This partnership should allow Tikehau Capital to develop its presence in Germany with a leading partner. For DWS, the partnership forms part of its aim to continue the development of alternative management.

In addition, the Group has anticipated growth opportunities outside France by gradually establishing itself abroad, opening offices in London, Brussels, Madrid, Milan, Seoul, Singapore and, more recently, New York. This strategy responds to the Group's desire to be an international player present alongside its investors and shareholders, and to be closer to the assets in which its funds are invested.

By way of illustration, the opening of the Singapore office in 2014 was followed by the acquisition by Temasek of a stake in the Company and the 2016 purchase of IREIT Global Group, the asset management company IREIT Global, listed on the Singapore Stock Exchange (see Section I.4(c)(iii) (Real estate activities conducted through IREIT Global) of this Registration Document).

Ability to allocate the Group's capital, which is central to its strategy

Tikehau Capital's business model is structured around its expertise in capital allocation, enabling it to optimize the profitability of its shareholders' equity. With its investment history, the Group has developed recognised expertise in this field and separates it into three areas of investment. (See Section I.4(a)(ii) (Tikehau Capital's business model) of this Registration Document.)

• 1st area of capital allocation: Investment in the funds managed by the Group and co-investment alongside them

Tikehau Capital is also an investor in the vehicles managed by the Group or co-investor in the transactions that they carry out. Aware of the quality of investment vehicles offered by its asset management subsidiaries, the Group allocates a substantial share of its shareholders' equity to them. It also invests in new vehicles and products proposed for marketing to demonstrate its faith and to provide the seed capital customary in launching new vehicles and products. Thus, Tikehau Capital benefits from the performance of the vehicles managed by its asset management subsidiaries. In addition, this investment ensures the alignment of its interests with those of its investor clients, particularly as regards capital preservation.

I. PRESENTATION OF THE GROUP AND ITS ACTIVITIES

Competitive advantages and strategy

- **2nd area of capital allocation:** *Investment in Group platforms*

Tikehau Capital invests in the industrial resources constituted by its subsidiaries (Tikehau IM (directly and for the development of its branches), Tikehau Capital Europe, IREIT Global Group and Credit.fr) in order to accelerate their development, and acquires businesses that complement existing platforms or bring new skills. As shareholder and operator of these platforms, the Group benefits from the development of their revenue base (management, arrangement and performance fees) as well as carried interest.

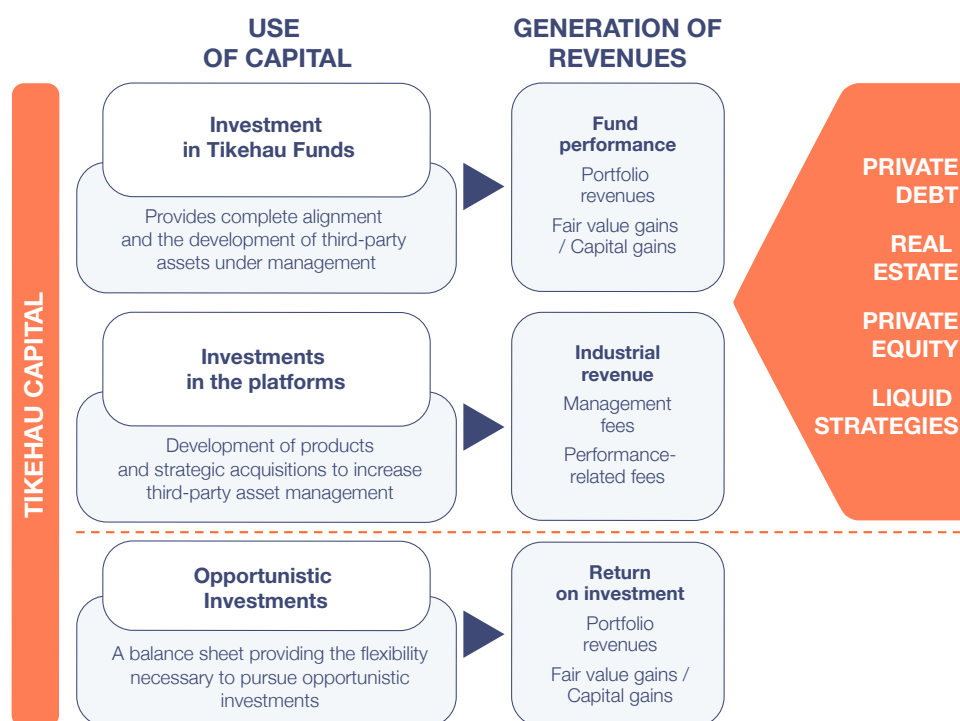
- **3rd area of capital allocation:** *Opportunistic investments*

Tikehau Capital is an opportunistic strategic investor in assets that could be of medium-term strategic interest

to the Group or that improve the return on the Group's shareholders' equity, particularly in strategies where the Group is not yet present. These investments, the expertise for which is related to Tikehau Capital's original business, allow it to derive benefit from distributions paid out by these investments and from the capital gains on exit.

The combination of these three areas allows the Group to benefit from three revenue sources whose diversified nature makes it possible to generate recurring revenue streams and therefore strengthen the Group's economic model.

The following chart summarises these three areas of capital allocation and the expected associated revenue:



Permanent shareholders' equity to support the growth strategy

With €2.5 billion in consolidated shareholders' equity as at 31 December 2017, guaranteeing its independence and leeway, the Group has substantial reserves of capital coupled with historically low leverage that can be deployed in the three areas previously described. Tikehau Capital believes that its shareholders' equity is a substantial component of an accelerated growth strategy, enabling it to rapidly deploy new funds, to accelerate investment in the Group's platforms, to make strategic or opportunistic acquisitions or, if necessary, to confront adverse market conditions.

Having the advantage of considerable shareholders' equity allows the Group to envisage a variety of transactions and, if applicable, of major size. This enhanced strategic

optionality thus increases the potential value creation for the Group's shareholders and investor clients. In a climate of increased competition, it plays a role in differentiating the Group's product offering. In this respect, the Group has already completed external, and in some cases significant, acquisitions such as that of Salvepar, in October 2012, the management of Lyxor's European leveraged loans business announced in October 2016, IREIT Global Group conducted in November 2016, or Credit.fr in June 2017.

The Group's financial solidity enabled it to conduct an inaugural fixed-rate bond issue in November 2017 for €300 million for a period of six years. This initial issue should facilitate the Group's future access to the bond markets and increase its leeway.

Resilient and fast-growing revenues

The Group's revenue comes mainly from the activities of Tikehau IM, the main asset management company of the Group with approximately 74% of the Group's assets under management as at 31 December 2017. The Company foresees that its revenues from its asset management activities should see high growth in the coming years as a result of (i) the increase in assets under management, (ii) the marketing of funds with a more favourable fee structure, (iii) the actual investment of committed capital that will generate management fees (for closed-end funds where the remuneration increases as the capital committed by investor clients is actually invested – see Section II.3(b) (Analysis of consolidated results for the year 2017) of this Registration Document) and (iv) carried interest becoming payable. This carried interest allows additional remuneration to be received from the return generated by some closed-end funds (private debt funds, real estate funds and private equity funds) in excess of a minimum level of IRR (see Glossary in Section X.5) laid down in the fund documentation. They should start to come to fruition at the time of the maturity of the main closed-end funds currently managed by the Group. (See Section I.4(a)(ii) (Tikehau Capital's business model) of this Registration Document). These growth prospects are in addition to the characteristics inherent in the business model of alternative managers, who are better able to withstand economic downturns thanks to their ability to apply higher fees that reward the added value of their management and the lower risk of exit of investor clients. The Group intends to continue the successive launch of new funds to create a pool of assets under management at different stages of investment, in order to spread out the payment of management fees and performance-related revenues (performance fees and carried interest). This staggered launch will in the medium term also create recurrent management performance-related revenue. For example, the Group successfully launched and closed its third private debt fund in 2016 (TDL III), which enabled it to launch its fourth fund (TDL IV) in 2017, the final closing of which should take place at the end of 2018 or the beginning of 2019, and to continue rolling out successive vintages of its funds, while of course taking into account the market

cycle. (See Section I.4(b)(i) (Direct lending activities) of this Registration Document.) Equally, the Group is working on the launch of several funds in its private equity and real estate investment businesses.

Lastly, the Group invests a significant portion of its shareholders' equity in the funds it manages and therefore benefits from their performance. It is thus a source of additional revenue, of a different type, which increases its diversification and improves its durability.

(ii) A high added value business strategy aligned with investor clients

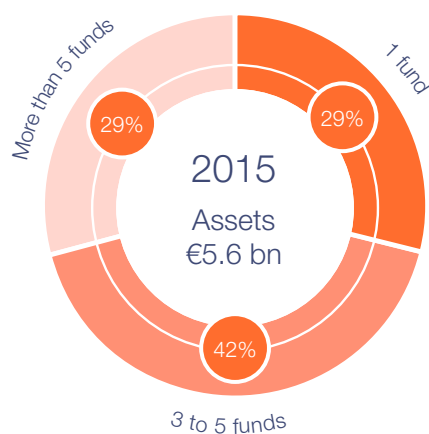
Diversification designed to support the Group's marketing strategy

Apart from the benefits that diversification of revenue sources brings to the Group's business model, Tikehau Capital has also established a multi-strategy approach that succeeds in distinguishing itself from the competition by providing investor clients with products that meet the majority of their needs in alternative asset classes.

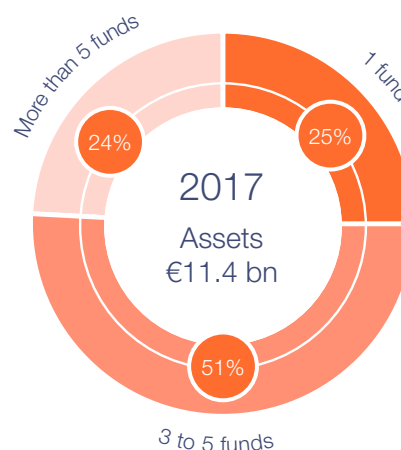
The Group has a presence in private debt, real estate and private equity (listed and non-listed) which are the asset classes currently favoured by investors (see Section I.5(c) (Alternative assets are attracting constantly-growing demand) of this Registration Document). The Group is also active in investing in what are known as "liquid" products, that is, with a large proportion of their exposure invested in securities tradable on regulated and organized markets; these strategies supplement the Group's offer in the asset classes mentioned above. Tikehau Capital is able to offer its investor clients a very comprehensive portfolio and knowledge of these sectors capable of providing added value for their allocation choices.

This diversification also broadens the range of types of targeted investors for the Group and creates synergies and cross-selling between the various strategies. At the end of 2017, 75% of the Group's investor clients made investments in more than one of the funds managed by Tikehau Capital, compared with 71% at the end of 2015:

Cross-selling as at 31 December 2015



Cross-selling as at 31 December 2017



Successful and cautious teams, guaranteeing a high quality client relationship

Since its foundation, Tikehau Capital has built top-level management and asset management teams. Strengthening these teams in recent years has attracted experienced professionals from diverse backgrounds who contribute a complementary perspective on the markets and their structural developments. In particular, the quality of the research team of some 12 specialists allows conviction-based, alpha-generating positions to be taken. These teams are all strongly imbued with the entrepreneurial values that have constituted the Group's culture since its creation: dedication, quality, and reliability. In addition, the excellent access of the management teams to ongoing operations in the private debt, real estate and private equity sectors guarantees their ability to make investments with the best risk/return profile. Tikehau Capital's activity in several segments of alternative asset classes (debt, equity, real estate, etc.) and its research team also offer the ability to combine complementary expertise that can be decisive in some investment proposals that call for multiple skills, such as the financing transaction for the Conforama group in January 2018 (see Section II.5(b) (Other significant events occurring between 31 December 2017 and the date of the financial statements) of this Registration Document).

The quality of the investment teams has been recognised by investors and observers through numerous prizes and awards, such as the Golden Trophy for the best SICAV range and European bond fund over three years in 2017 by *Le Revenu*, Private Debt Lender of the Year in 2018 for the fourth consecutive year by Private Equity Magazine,

Unitranche Lender of the Year in Europe in 2015 by Private Debt Investor, Best Financial Provider in the Small-Mid Cap Category in 2015 by Private Equity Magazine, Nominated Lender of the Year in 2014 by Private Debt Investor, etc. In general, added value from asset management allows for the application of a better fee scale and the retention of investor clients.

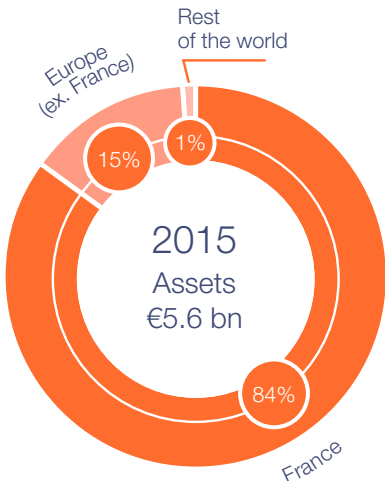
Finally, asset management performance results in the loyalty of investor clients and their frequently renewed commitment. The Group has a strong capacity to be entrusted with the management of dedicated funds on behalf of private clients and to raise closed-end funds of increasing size over the years. As a result, the Group has been able to attract new investors in Europe and the rest of the world.

A growing international presence serving the Group's business model

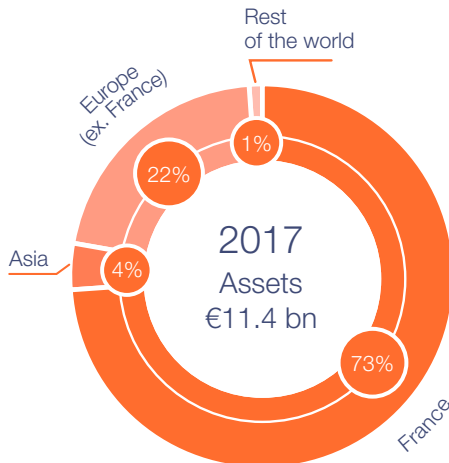
With its successes and the establishment of a robust network in its main market, the Group has embarked rapidly on an active international expansion strategy. The Group therefore opened an office in London as early as 2013, before opening an office in Singapore in 2014, followed by Milan and Brussels in 2015, Madrid and Seoul in 2017 and finally New York in 2018. This strategy of setting up branches is motivated by the desire to establish a presence at the very heart of the markets targeted by the Group. It creates a closer relationship between the Group and its investor clients and better access to investment opportunities. This approach is part of the Group's strategy to build a long-term relationship with its investor clients and to invest in assets with higher profitability.

Within the scope of its asset management activities at the end of 2017, 27% of the Group's assets under management came from international investor clients, compared to 16% at the end of 2015, representing an average annual growth rate of 84%:

2015



2017



This approach towards international investor clients and investments is guided by a strong desire to preserve the value of the relationship with investor clients and therefore judicious use of distribution networks, namely the networks of private banks, wealth management advisors, third party marketers, institutional networks or banks offering to distribute funds external to their group via their networks through distribution agreements. Thus, the added value of the distribution network is regularly assessed (in terms of placement volume, potential for diversification of investor clients base, and retrocession rates) to adjust the Group's strategy in this area (selection and remuneration of distribution networks, compatibility of marketing policy with client expectations, recruitment of salespeople to cover specific markets, etc.).

A managerial and shareholder structure guaranteeing controlled, long-term development

The Group has a management team recognized for its experience and ability to successfully lead a corporate project that has grown and created value in a few years. The founders of Tikehau Capital are therefore today its corporate officers and major shareholders. Moreover, the Group has put in place a structure that provides strong incentives for long-term value creation among its main executives, whose shareholdings in the Group represent a significant part of their own net worth. In contrast to a classic carried interest structure (that is, incentives for teams to achieve the outperformance only of the funds they themselves manage), the value of the shares held by the Group's corporate officers and senior executives fluctuates both upward and downward according to the value of the Group and is distributed across all the business lines within the Group, which creates true solidarity and cohesion between the Group's management teams (See Section I.4 (Presentation of the activities of Tikehau Capital) of this Registration Document). It follows that the Group's officers and executives have incentives to achieve high, profitable and cautious growth.

This model of aligning interests is reflected elsewhere among the Group's shareholders by the presence in its equity capital of long-term institutional shareholders, most of whom are also investors in the vehicles managed by the Group or co-investors alongside the vehicles managed by the Group.

This powerful convergence of interests between corporate officers, executives, shareholders and investor clients consequently creates a virtuous circle for all of those actively involved in the Group.

An in-house culture focused on performance

Tikehau Capital is distinguished by a culture highly focused on performance, resulting from its model that aligns interests between stakeholders and its entrepreneurial growth. Following the success of its growth strategy, the Group has succeeded in attracting and retaining persons from different backgrounds (banking and holding company executives, bankers and corporate lawyers, etc.) in order to build a team with a high level of expertise and entrepreneurial spirit.

The Group's teams display a strong penchant for innovation and initiative, servicing investor clients and the Group's strategy. The concern for rigorous fundamental analysis and the practice of critical thinking ensure the independence of mind of our employees. This independent spirit has forged an investment culture of conviction, sometimes going against market trends, in keeping with the desire of Tikehau Capital to provide enhanced added value for its investors.

Among the workforce of the Group and Tikehau Capital Advisors, around 40 senior corporate members of the Group (with responsibilities in the Group's management or joint functions) have joined together to invest in a joint company which owns an equity interest in Tikehau Capital Advisors and which receives 20% of the carried interest on the funds managed by the Group. The remaining 80% is split equally between Tikehau Capital, Tikehau IM and Tikehau Capital Advisors. This carried interest relates solely to certain closed-end funds (the performance fees on open-ended funds being received in full by Tikehau IM) and enables the collection of a portion of investor returns beyond a level of IRR (see Glossary in Section X.5) laid down in the fund documentation. (See Section I.4(a)(ii) (Tikehau Capital's business model) of this Registration Document.) This structure incentivises these employees to achieve performance for the Group and creates a solidarity across all business lines, avoiding any silo effect.

In addition, almost all employees are shareholders of the Group or are destined to become shareholders through the free shares plans put in place at the end of 2017 (see Section VIII.3(b)(ii) (Free shares plans) of this Registration Document).

(b) Strategy

Since its inception, Tikehau Capital has undergone rapid, steady and sustained growth. Tikehau Capital considers that this growth is based on a business model constituting a major competitive advantage in its industry (see Section I.3(a) (i) (A business model reconciling growth and resilience) of this Registration Document) and which is central to its strategy of rapid, value-creating growth. The Group therefore intends to pursue the strategic initiatives described below.

In general terms, in an alternative asset management industry that is consolidating around two player profiles, namely, the multi-strategy management companies and, secondly, the specialist "boutiques", the Group intends to:

- a) continue implementing its business model through a combination of balance sheet and asset management;
- b) pursue the organic growth of existing strategies and new strategies in order to achieve its target of €20 billion in assets under management by 2020;
- c) optimise the revenue and profitability from asset management activities; and
- d) capitalise on its critical size, visibility and credibility in its markets in order to further develop its platforms and accelerate external growth opportunities in existing strategies and geographical areas, but also in new strategies and geographical areas.

(i) Continue implementing the business model

Tikehau Capital intends to continue its development in order to position itself as a key alternative player with a business model based on its ability to allocate its capital. To this end, the Group's strategy is based on the establishment of a solid financial structure allowing it to deploy its capital flexibly depending on the expected structural or cyclical market developments and thus optimise the profitability of its shareholders' equity while ensuring the regular generation of revenue.

Thus, the successive capital increases carried out by the Company in mid-2016 (for a total amount of €416 million), at the end of 2016 (for a total amount of €269 million) and in 2017 (for a cumulative amount of €1.053 billion) (see Section VIII.3(a) (Historical information about the share capital over the last three financial years) of this Registration Document), as well as the setting up of new financing (see Section II.3(d) (Liquidity and Capital Resources) of this Registration Document) have given the Group substantial own resources enabling it to develop in the following three strategic areas:

- **1st area of capital allocation:** *Investment in the funds managed by the Group and co-investment alongside them*

The Group intends to continue to invest substantially in the vehicles it manages, to (i) ensure their launch and marketing, in particular to encourage an alignment of interests with those of its investor clients, and (ii) to benefit from the returns from these vehicles, thus forming a source of recurring revenue. The gradual and steady stream of new closed-end funds should strengthen the recurrence of Group revenues, particularly those related to outperformance. Convinced of the quality of the funds it manages, the Group believes that they are a particularly suitable use for its resources.

- **2nd area of capital allocation:** *Investment in Group platforms*

The Group intends to develop its management platforms (Tikehau IM (directly and through its branches), Tikehau Capital Europe, IREIT Global Group, and Credit.fr) by setting up and recruiting talented teams. It also intends to create new funds over the coming years in the strategies it considers create most value (private debt, real estate, liquid strategies and private equity), in particular taking into account investor appetite, the level of fees that can be charged on these products, and macroeconomic conditions. The organic growth of management platforms will be accompanied by targeted external growth initiatives allowing the size of the Group's existing activities to be increased and bringing in new skills to complement the product offer (in the manner of the acquisitions of IREIT Global Group and the Lyxor UK European leveraged loans asset management business at the end of 2016, or the acquisition of Credit.fr in 2017).

The Group thus intends to pursue the development of its recurring revenue base composed of management fees and revenue related to management outperformance (carried interest and performance fees).

- **3rd area of capital allocation:** *Opportunistic investments*

The Group, which was formed on the foundation of an independent and unconventional approach to its business lines, intends to uphold the values that have enabled its management and its teams to build the Group since its inception. Tikehau Capital therefore aims to pursue its opportunistic investment strategy, particularly where investment opportunities crop up outside the vehicles it manages and markets, or to build strategic positions with a view to future development. Tikehau Capital believes that these investments should encourage diversification, build partnerships and prepare a position for future acquisitions, but will also allow advantage to be derived from cyclical or market effects, based on the investment skills and expertise of the Group's teams. For example, the 25% stake in Ring Capital acquired in January 2018 (a private equity firm specialising in the financing of technology and digital companies) together with an investment in the first fund and the acquisition of an equity interest in DWS at the time of its IPO in March 2018 fall within this area of capital allocation.

The allocation of its capital should thus allow Tikehau Capital to pursue the development of several sources of revenue that will sustain the resilience of its activities and the return on equity.

In terms of timing, the actual pace of deployment and allocation of the Group's capital will depend on (i) the pace of investment and, in particular, the gradual marketing of new funds by the Group's asset management companies, based on the appetite of the Group's investor clients for each asset class proposed by the Group, (ii) the turnover rate of the assets in the portfolio and (iii) the investment opportunities received by the Company, something which is inherently an unknown and which will depend on various factors such as the macroeconomic environment or the attractiveness of each given asset class at any time. In the long term, the Company's objective is to allocate between 65% and 75% of its assets to the 1st area and 25% and 35% of its assets to the 2nd and 3rd areas.

(ii) Organic growth of assets under management

Building on its commercial success with a large institutional client base in France and Europe, the Group intends to pursue its expansion by venturing into new geographic areas, particularly North America and Asia. Moreover, at the heart of its strategy Tikehau Capital has placed the scale effect, that is, the use of operating leverage which allows, for a comparable level of resources, a greater volume of business to be handled – including investors, amounts invested and investments. Consequently, and bearing in mind its strategy and its development plans, the Group intends to be managing assets amounting to over €20 billion by 2020. This development strategy will include several initiatives that the Group has already undertaken or which it plans to launch shortly.

Accelerating international development abroad – The Group began its international expansion by opening an office in London in 2013. Today this office includes, among others, part of the team in charge of direct lending and leveraged loans, and the team in charge of the development and marketing of CLOs (See the Glossary in Section X.5). This opening was followed by offices in Singapore, Milan, Brussels, Seoul, Madrid and, finally, New York. With these establishments, the Group's aim is to ensure a close business relationship, to benefit from greater capacity for deal origination and to set up in some offices a centre of business expertise, all contributing to a greater expansion of the Group in each of its target regions. Thus, the opening of an office in Singapore was followed by the acquisition of an equity interest by the Temasek group, a Singapore investment company with about €170 billion in assets under management at the end of 2017, and the acquisition of IREIT Global Group. These two major deals have given the Group a secure foothold in the region, by adding strong local expertise in the business of real estate investment and the strategic support of a top-tier partner for the long term.

The Group's priority is to expand, mainly through its regional branches, the coverage of local clients in order to develop its investor client base outside France. Although the Group's main objective is to take advantage of its existing locations, the Group may consider opening further offices. Its business strategy is based on the Group's investment history and the success of recent fundraising that generate a virtuous circle. Tikehau Capital intends to capitalise on its experience and past performance in order to present investor clients in these regions with a differentiated investment offer. The Group also intends to benefit from the growing interest of investors in the European area. This growth will be supported by strengthening the teams in charge of development of each of these markets.

Regularly raising new funds to deploy its skills – Tikehau Capital has implemented a rapid growth strategy which has enabled it to attain in a few years sufficient size to build the foundations for the sustainable development of all its management platforms. By rapidly increasing the size of its assets, the Group also aims to obtain the resources to explore larger size investments that would improve the performance of its funds and to benefit from substantial economies of scale in its structural costs.

Thus, in private debt, the Group completed fundraising for Tikehau Direct Lending III (TDL III) for €610 million in 2016 and, in 2017, fundraising for the Tikehau Senior Loan II (TSL II) for an amount of €615 million. Tikehau Capital intends to continue developing its business by launching new funds based on its various strategies. For example, TDL IV, the successor to TDL III, was launched in 2017 and is expected to close at the end of 2018 or early 2019, and TSL III, which succeeds TSL II, is expected to be marketed from 2018. This deployment strategy will reinforce the generation of recurring management fees and performance-related revenue, and will benefit from the resulting size effect. In the same vein, Tikehau Capital has issued one CLO

per year since 2015 (for a cumulative amount of €1.2 billion as at 31 December 2017) and plans to carry out at least one issue in 2018.

In the field of real estate, the acquisition of IREIT Global Group (see Section I.4(c)(iii) (Real estate activities conducted through IREIT Global) of this Registration Document), whose portfolio at the end of 2017 had a net asset value of €463.1 million, also allows the Group to significantly increase the size of its assets under management in this strategy, taking advantage of an investment platform in Europe through a vehicle whose Singapore listing gives it particular visibility for Asian investors. With its experience in real estate investment, during 2018 the Group intends to initiate the raising of a so-called opportunistic real estate fund, targeting the highest returns.

In addition, Tikehau Capital intends to increase the proportion of private equity in its assets under management. This is reflected in the raising of a private equity fund dedicated to minority investment. This fund aims to build on the track record established by the Group on its balance sheet since its creation.

Extending the product offer – At the same time, the Group is constantly examining the development of new fund ranges or strategies based on needs identified for its clients and their availability to date. This approach is part of the Group's strategy to provide rapid, innovative and differentiating responses to the needs of its investor clients. So, in line with the initiatives announced in 2017 with Groupama AM and Sofiprotéol, Tikehau Capital announced in March 2018 that it had approached DWS and Total SA to set up industrial and commercial partnerships, the first complying with its aim of pursuing the development of alternative management, the second for the creation of an investment fund dedicated to the energy transition (see Section II.5 (Significant events occurring since 31 December 2017) of this Registration Document). In addition, the Group manages dedicated funds for specific clients who entrust it with the management of part of their assets.

Continuing the development of open-ended funds ("liquid strategies") – The Group considers that open-ended funds are a pillar of its growth, alongside the development of closed-end funds (see Section I.4(d) (Liquid Strategies) of this Registration Document). Indeed, they allow the inflow of substantial subscriptions when they outperform their benchmark markets and contribute to the diversification of the Group's sources of revenue. By way of illustration, in 2017, the assets in Tikehau Capital's liquid strategies increased 62.8% over the course of the financial year. The construction of the range of open-ended funds managed by the Group allows it to respond to any market situation, especially in anticipation of a downward trend. The Group is pursuing the commercial development of new funds, such as the Tikehau 2022 fund (a fund of high-yield debt instruments) and Tikehau Global Value (global and concentrated portfolio of value stocks), which was set up thanks to the performance achieved in these asset classes over recent years.

Supporting the development of the funds by investing in them – Pursuing an active policy of developing its new investment funds, the Group is investing and will continue to invest in the funds it manages in order to create a total alignment of interests with its investor clients, but also to take advantage of the returns of its management. This approach allows Tikehau Capital to speed up the marketing of its funds and to deploy new products rapidly, flexibly and in response to the needs of its clients, its perception of the market and changes in investment trends.

Continuing deployment of the Tikehau Capital brand – The Group brand is already well established in France and in the countries where it has set up local branches and is renowned for its corporate record ever since its foundation. The brand reflects a strong image of independence, excellence and innovation, and is a key asset in the Group's future development. Tikehau Capital intends to continue focusing its communication strategy on its brand to improve its renown and how it is perceived in the international markets which will drive the Group's growth in the coming years.

(iii) Optimising the revenue and profitability from asset management activities

Apart from its ability to rapidly grow its assets under management, Tikehau Capital has identified ways to maximise the revenue and profitability arising from them.

Continuing the investment process of the funds raised – The Group intends to increase profitability by increasing its assets under management, but also by the investment of funds raised. Thus, Tikehau Capital considers that the gradual investment of these funds should result in (i) an automatic increase in the asset base generating management fees (to the extent that, in closed-end funds, the management fee rate generally differs between amounts committed by investors and the amounts actually invested by the funds), then (ii) later, if applicable, by the triggering of performance fees and carried interest, which will provide significant additional revenue for the Group. As an example, as at 31 December 2017, 81% of the assets included in the scope of the Group's asset management generated fees and 15% of its assets under management will generate fees in the future, which leaves a significant margin for growth in revenues simply in light of the future increase in the percentage of fee-generating assets. Furthermore, within these revenue-generating assets at the end of 2017, more than 90% of closed-fund assets generate revenue over a period of more than three years.

Capitalising on the added value of asset management and client relations – Tikehau Capital places the quality of its research and its positioning that prioritises independent mindedness at the centre of its strategy. This enables it to provide alpha, greater added value in its management, consequently ensuring client loyalty and optimising the fees for its services. Tikehau Capital also believes that a strong responsiveness to requests from its investors and

prospective clients is a crucial part of the client relationship. Thus, the Group sees the establishment of product marketing and reporting tools as being central to its strategy and is developing a close relationship with its investors and prospective clients based on their specific needs through intensive coverage.

Tikehau Capital also aims to develop products that allow higher management and performance fees to be charged, by developing recognized, differentiating and, if possible, rare expertise and capitalising on the performance of the funds it already manages and the quality of the relationship with its clients. For example, the Group plans to implement this strategy in the area of private equity, in particular focusing on its existing expertise in minority private equity and international co-investments alongside leading external partners, with the private equity investment to date being made primarily from the Group's balance sheet. The Group's aim is to translate its expertise and the added value of its independence into new strategies developed on the basis of the needs expressed by its clients and its market expectations.

Increasing the marketing force – The Group intends to pursue its commercial expansion in order to sustain the growth of its assets under management. Its sales organisation, structured around an international sales force, distribution networks and placement agents (see Section I.4(a)(iii) (The operational organisation of Tikehau Capital – Distribution and marketing) of this Registration Document) is one of its major assets in rolling out its offer to institutional clients around the world, family offices, distribution networks and independent management consultants. The Group therefore intends to capitalise on this type of commercial leverage by, firstly, strengthening its teams in targeted geographic areas, and, secondly, by a controlled use of placement agents and adding to the number of differentiating commercial partnerships, where the Group is constantly considering new opportunities.

Controlling development costs – The Group believes that its growth and investment objectives must be undertaken without losing control of development costs and intends to monitor carefully the evolution of its cost/revenue ratio, so that this remains in line with the development of profitable growth. In this respect, in 2018 the Group announced its aim to secure a sustainable operating margin of over 25%. First and foremost, the scale effect discussed above (see paragraph (ii) above), resulting in a reduction of operating costs per unit under management and an increase in the asset base supporting the fee structure, should control the evolution of costs. Secondly, the Group aims to continue its efforts to streamline costs (especially overheads), as reflected in the reorganisation undertaken with a view to the Company's listing on Euronext Paris, which has simplified the legal and operational structure of the Group (see Section II.2 (Reminder of the reorganisation operations) of this Registration Document). These initiatives are complemented by a constant search for productivity gains.

(iv) Developing platforms to speed up the growth of assets

The Group intends to invest in its investment platforms the foremost of which are Tikehau IM and Tikehau Capital Europe to accompany the growth in its assets under management and further improve the performance of the investment funds it offers its investor clients, and in which it invests for the benefit of its shareholders.

Pursuing a policy of recruiting and retaining high calibre staff – The rapid growth of Tikehau Capital has attracted profiles from various leading institutions (banking and holding company executives, bankers and corporate lawyers, etc.) who all demonstrate a high level of expertise, entrepreneurial spirit and stringent standards (see Section I.4(a)(iii) (The operational organisation of Tikehau Capital) of this Registration Document). The motivation and commitment of this pool of talent is ensured by a policy of collaboration, shareholding and strong incentivisation that allows each employee to benefit from Tikehau Capital's creation of shareholder value. The Group recruited around 50 new employees in 2017 (see also Section VII.2(b) (Human Resources) of this Registration Document). The Group intends to continue recruiting new employees to accompany the growth of its assets.

In parallel, Tikehau Capital emphasizes the cohesion of its teams and cultivates the corporate culture and sense of community that it considers to be at the root of its success. Thus, the "Tikehau 360°" programme was set up, which allows all employees to share their experience, professional or not, all of which enriches Group life (see VII.2(b) (Human Resources) of this Registration Document). Tikehau Capital considers that the experience of each of its employees is a substantial factor for motivating teams, nurturing the Group's independence of mind and entrepreneurial spirit.

Finally, to support its development, the Group has a network of senior advisors and partners, which include many entrepreneurs, some of whom are shareholders in the Company. These advisors and partners provide expertise, ideas and networks to the Group.

Making selective acquisitions – The Group favours the organic growth of its business but may selectively carry out targeted acquisitions to complement its offer and to accelerate its development. The objectives pursued by these acquisitions are:

- a) to strengthen existing management platforms, as in the case of the acquisition of the management of Lyxor UK's European leveraged loans business in 2016;
- b) to acquire new tools and platforms, such as IREIT Global Group in 2016, which complemented the Group's real estate investment activities by adding a permanent listed vehicle targeting Asian investors, or Credit.fr in 2017, which enabled the Group to consolidate and broaden its economic development lending platform and extend its business financing offer to VSEs and SMEs.

Tikehau Capital also aims to give priority to targets allowing it to reap swift benefit from the effects of scale, that the Group considers a major tool for accelerating its growth. The Company intends basically to make use of external growth projects for (i) asset management companies that would complement its offer, business lines, distribution capacity and/or geographic footprint, (ii) investment companies seeking to develop in asset management, and/or (iii) companies active in financial services that would present synergies with the services provided by the Group.

The approach taken on external growth is one of flexibility, depending on the opportunities received or perceived and according to the strategy set by the Management, seeking the greatest complementarity with the Group's existing activities. In each of its acquisitions, the Group is mindful of their potential for value creation in the medium term and especially of risk control in execution and integration. Fully aware of the importance of the human factor in its successful development, Tikehau Capital focuses on the integration of the teams into the culture of the Group organisation.

4. PRESENTATION OF THE ACTIVITIES OF TIKEHAU CAPITAL

(a) Overview

(i) Introduction

The Company is the parent company of a group dedicated to asset management and investment. The Group has been built up over the years to become a leading pan-European actor in alternative asset management.

At its inception in 2004, the Company was set up with a view to being an independent investment company whose purpose would be to invest in all types of asset classes without restrictions in terms of geographic region or holding period. As a result, over the years, the Company has built a diversified portfolio of investments favouring a wide variety of revenues. At the same time, the Company has developed or acquired asset management or specialist investment platforms in specific business sectors accommodated within its subsidiaries, which allow it to create added value and generate performance-linked revenue, from which the Company also benefits as sponsor (see Section I.4(a)(iv) (The legal structure of Tikehau Capital) of this Registration Document).

By funding the development of these platforms and acting as a sponsor for their strategies (either by investing in vehicles created by these platforms or by co-investing with these vehicles), the Company benefits from (i) the results produced by the Group's management and research

teams (through revenues from its management activities: management fees, performance fees, carried interest, etc.) and (ii) the performance of its investments in the underlying asset classes (in the form of distributions, interest and capital gains). The scope of investments on the Company's balance sheet has been reduced in line with the creation of these specialised platforms, in order to protect the Group against the risks of conflicts of interest between its various investment strategies and/or stakeholders.

With €13.8 billion in assets under management as at 31 December 2017¹, the activities of Tikehau Capital are structured around four business lines, belonging mainly to the universe of alternative management and intended for an essentially institutional and corporate client base:

- a) private debt (see Section I.4(b) (Private debt activities) of this Registration Document);
- b) real estate (see Section I.4(c) (Real estate activities) of this Registration Document);
- c) liquid strategies (fixed income management/balanced and equities management) (see Section I.4(d) (Liquid strategies) of this Registration Document); and
- d) private equity (see Section I.4(e) (Private equity activities) of this Registration Document).

¹ See Section I.4(a)(ii) (Tikehau Capital's Business Model) of this Registration Document.

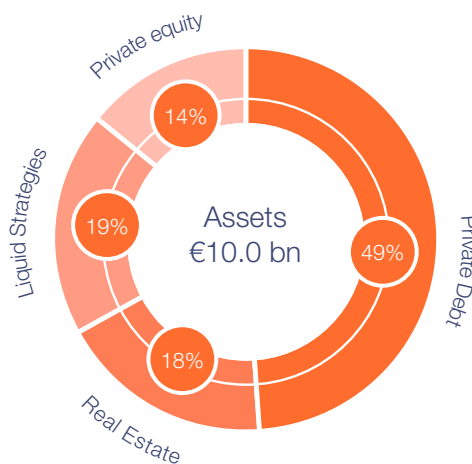
These business lines are summarised in the following diagram:

	Private debt	Real estate	Liquid strategies	Private equity
Assets under management¹	€6.0 billion (43.3% of Assets under management)	€2.2 billion (16.3% of Assets under management)	€3.1 billion (22.5% of Assets under management)	€2.5 billion (17.9% of Assets under management)
Employees¹	42 employees (including 6 in research)	17 employees	17 employees (including 7 in research)	11 employees
Investment universe	At all levels of capital structure <i>Senior loans, stretched senior, unitranche, mezzanine, preferred equity</i> Target companies Revenues (€100 m – €2 bn) Value (€100 m – €2 bn) All sectors in Europe	Shopping centres/ commercial real estate Offices Logistics parks	Credit High yield, IG corporate and subordinated instruments Mainly European and Asian Equities Selection of “Value” stocks Special Situations	Minority investor <i>Non-takeover situations</i> Extensive sector and geographic coverage Strong origination capacity
Key differentiation factors	<ul style="list-style-type: none"> • A pioneer in alternative financing • Solid partnerships with banks and private equity funds • Capacity for flexible and innovative structuring 	<ul style="list-style-type: none"> • Flexible and innovative approach • Solid track record • Capacity for customised financing 	<ul style="list-style-type: none"> • Allocation and selection based on conviction management • Fundamental analysis top-down and bottom-up 	<ul style="list-style-type: none"> • An entrepreneurial spirit shared with companies that are invested in • Capacity for structuring ability and flexible investment

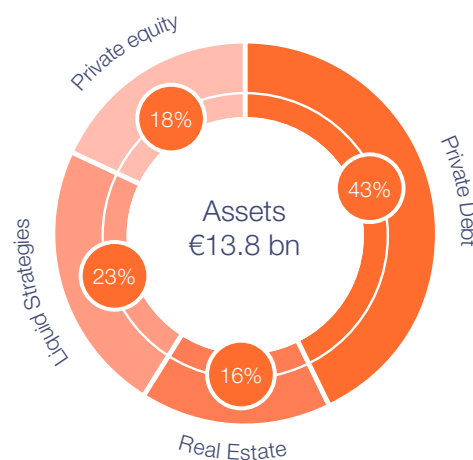
¹ As at 31 December 2017.

The distribution of assets under management between these business lines was as follows as at 31 December 2016 and 31 December 2017¹:

As at 31 December 2016



As at 31 December 2017



¹ Source: Company. See also Section I.4(a)(ii) (Tikehau Capital's Business Model) of this Registration Document.

I . PRESENTATION OF THE GROUP AND ITS ACTIVITIES

Presentation of the activities of Tikehau Capital

The following table shows the evolution of the Group's assets under management between 31 December 2016 and 31 December 2017:

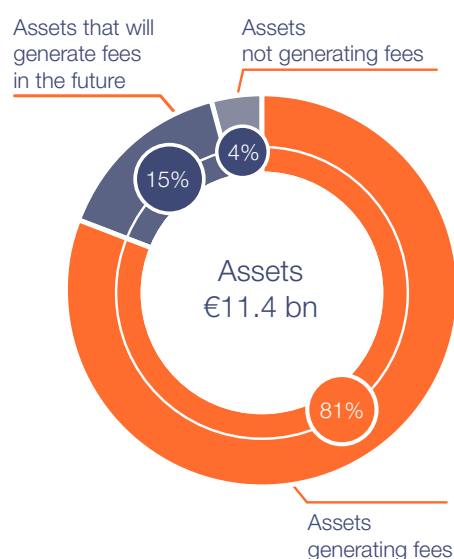
(in millions of €)	31 December 2017	31 December 2016	Annual growth rate
Private Debt	5,975	4,885	+22.3%
Real Estate	2,245	1,760	+27.6%
Liquid Strategies	3,109	1,910	+62.8%
Private Equity	2,464	1,425	+72.9%
TOTAL	13,793	9,979	+38.2%

As at 31 December 2017, the Group's assets under management were divided between the asset management activity (€11.4 billion)¹ and the investments made from the Group's balance sheet (€2.4 billion).

The Group's asset management activity is composed of (i) fee-paying assets under management, (ii) future fee-paying assets under management, and (iii) non-fee paying assets under management (see definitions in Section II.1 of this Registration Document), the breakdown of which is indicated below as at 31 December 2017:

Breakdown of assets by type of fees generated as at 31 December 2017

(Asset management activity)



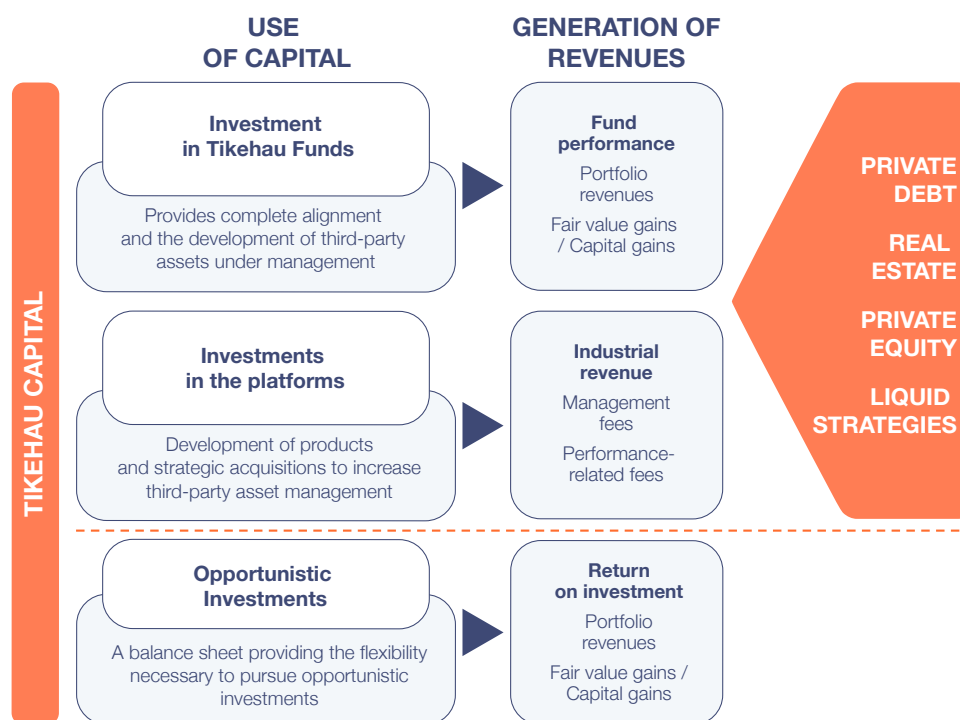
(ii) Tikehau Capital's business model

The Tikehau Capital model is based on a strong balance sheet, supported by €2.5 billion of shareholders' equity as at 31 December 2017. This supports its competitive advantage in asset management, enabling the Group:

- **Area 1:** to invest in funds and vehicles managed by Group platforms or to co-invest alongside them, which meets the double aim of sponsoring the Group's strategies and generating recurring revenue for the Company;
- **Area 2:** to finance the development of its investment platforms through organic or external growth, either through the development of existing platforms or by creating new platforms; and
- **Area 3:** to make opportunistic investments outside its platforms and its business lines to seek out the best sources of value creation.

¹ The investments made from the balance sheet in the Group's business lines are included in the asset management activity.

The following chart summarises these three areas of capital allocation and the expected associated revenues:



The Manager of the Company is able to allocate flexibly and optimally the Company's capital between these three areas so as to seek diversification and recurring revenue (see Section I.3(b)(i) (Continue implementing the business model) of this Registration Document).

The following table shows the distribution of Tikehau Capital's assets under management between the four business lines as at 31 December 2017:

(in millions of €)	Total assets under management	Assets under management from Tikehau Capital ¹	%	Third-party assets under management	%
Date	31/12/2017	31/12/2017		31/12/2017	
Private Debt	5,975	293	5%	5,682	95%
Real Estate	2,245	241	11%	2,004	89%
Liquid Strategies	3,109	104	3%	3,005	97%
Private equity	78	30	38%	48	62%
Total Asset Management	11,407	668	6%	10,739	94%
Direct investments	2,386				
TOTAL GROUP	13,793				

¹ Corresponding to the investment commitments undertaken by the Group in its business lines. The value of these investments (on the basis of called amounts) is set out below under "Investments and co-investments in and with Group vehicles".

Investments and co-investments in and with Group vehicles

Historically, the Group's shareholders' equity has helped initiate and/or sponsor certain strategies launched by the platforms through investments in such strategies, *i.e.*, by investing directly in funds and vehicles dedicated to these strategies. More recently, the Group has added to this approach more regular co-investment with these strategies, that is to say, favouring balance sheet investments within or alongside funds and vehicles managed by the Group directly in underlying assets. Indeed, the intention for the Group is to deploy its shareholders' equity in its investments that it considers profitable.

This co-investment allows a direct exposure to a particular deal that a vehicle might not wish or be unable to make in full and which it therefore offers to its investors or other third parties to make up in the form of co-investments. At the date of registration of this Registration Document, co-investment opportunities are arising mainly in direct lending and real estate activities. However, in the future, it is intended that co-investment should be increased in private equity business.

These approaches create the conditions for an alignment of interest between investment strategies on behalf of investor clients and the Company's balance sheet. They are also an attractive token of confidence for investors interested in Tikehau Capital's strategies, especially for its major clients. In this respect, the Company is managed in such a way as to preserve the desired alignment of interests and to prevent conflict of interest situations.

Thus, the Company's policy is to invest almost systematically in the new investment strategies or the new products launched by the Group. At the registration date of this Registration Document, this means primarily (i) underwriting commitments in new funds launched by Tikehau IM,

such as the commitments made by the Company in the funds TDL IV, TDL III, TSL II and TSO, or (ii) the financing of the retention piece in the various CLOs launched by Tikehau Capital Europe (that is, the retention rate of 5% of the securitised assets that is applied by law to the originating entities (see Section I.6(a)(iii) (Other significant regulations – "Capital requirements") of this Registration Document). In addition, barring exceptions (particularly in liquid strategies), the Company receives a percentage of the carried interest in the relevant funds and vehicles. The allocation policy for this outperformance-related carried interest which applies throughout the Group allows the Group to typically collect about 53% of this amount (*i.e.*, two-thirds of 80%), the balance being distributed between Tikehau Capital Advisors and a company grouping around 40 corporate members of the Group (see paragraph below "Tikehau Capital's sources of revenue").

This investment policy feeds the Company's revenue base in business lines and with teams whose quality it recognises, while creating the conditions for an alignment of interests that serves as a vector of trust for investor clients. These factors are considered attractive for Tikehau Capital's investor clients and seem to have contributed positively to the rapid growth of the Group's assets under management in the past. The Group also plans to make more frequent co-investments, enabling it to increase the scope of its opportunities, and the quality and diversification of its investment portfolio.

As at 31 December 2017, the value of investments and co-investments in the Group's strategies (excluding uncalled commitments) amounted to €512.3 million, or 33% of the value of Tikehau Capital's current and non-current investment portfolio (compared to €377.0 million as at 31 December 2016 on a *pro forma* basis and 40% of the portfolio as at 31 December 2016 on a *pro forma* basis).

I . PRESENTATION OF THE GROUP AND ITS ACTIVITIES
Presentation of the activities of Tikehau Capital

The following table presents, as at 31 December 2017 and 31 December 2016, the major investments and co-investments made by Tikehau Capital in the Group's strategies (vehicles managed by Tikehau IM and Tikehau Capital Europe), which are described in the sections below:

(in millions of €)	Investment value as at 31 December 2017	Investment value as at 31 December 2016 ¹
Tikehau CLO I	34.9	34.0
Tikehau Preferred Capital	27.4	26.8
Tikehau Direct Lending III	42.6	20.8
Tikehau CLO II	19.4	19.4
Tikehau CLO III	23.2	-
Tikehau Senior Loan II	18.6	7.2
Other funds	27.4	19.9
Total Private Debt	193.5	128.1
TRE II	22.0	45.6
TRP III	34.0	34.5
TRP I	25.9	31.5
TREIC	39.4	17.8
TRP II	15.4	16.5
TRE III	18.6	-
IREIT Global	9.9	6.3
Other funds	39.9	32.3
Total Real Estate	205.1	184.5
Tikehau Income Cross Assets	20.6	23.0
TSF	26.1	22.4
TGSD	25.0	-
Other funds	32.2	15.0
Total Liquid Strategies	103.9	60.4
Total Private equity²	9.8	4.1
Total Asset management	512.3	377.0

¹ The data differs from that presented in the Company's 2016 Registration Document due chiefly to the inclusion of IREIT Global and the reclassification of the TSO Fund (see note above).

² Including (i) the SPRIM Ventures Portfolio contributed to the TKS1 Fund and (ii) the TSO Fund which has been reclassified as private equity (previously considered as belonging to the private debt business).

Investments in the development of platforms

Since its creation, Tikehau Capital has built and developed specialised platforms dedicated to asset management or investment. The shareholders' equity of the Group has made it possible to make the necessary investments in costs and expenses to develop these platforms in France or abroad, illustrated by the organic growth experienced by Tikehau IM and Tikehau Capital Europe (see Section I.4(a)(iv) (The legal structure of Tikehau Capital) of this Registration Document).

The shareholders' equity of the Company has also helped finance acquisitions, the most significant being that of Salvepar in 2012 (see Section I.4(a)(iv) (The legal structure

of Tikehau Capital) of this Registration Document), the acquisition of the management of the Lyxor European leveraged loans business in 2016 (see Section I.4(b) (Private debt activities) of this Registration Document) and the acquisition of IREIT Global Group in 2016 (see Section I.4(c) (iii) (Real estate activities conducted through IREIT Global) of this Registration Document).

Tikehau Capital intends to continue to use its balance sheet for the development of its activities as part of its strategy in France and abroad, within and outside its current lines of business (see Section I.3(b) (Strategy) of this Registration Document).

Opportunistic investments

Apart from the Group strategies, Tikehau Capital intends to continue its opportunistic investments in search of returns in line with its objectives, to create diversification, build partnerships, to position itself for future acquisitions, but also to benefit from cyclical or market effects, all of this capitalising on the expertise and know-how of its investment teams (see Section I.3(b)(i) (Continue implementing the business model) of this Registration Document).

Tikehau Capital's sources of revenue

As a group dedicated to asset management and investment, the Group recognizes four kinds of revenue (in the consolidated financial statements according to IFRS):

- recurring revenues related to its asset management business, which take the form of management fees (see below) and, on an occasional basis when certain financing is put in place, arrangement fees (see below);
- non-recurring revenues related to its asset management business, which takes the form of performance fees and revenues associated with its carried interest (see below);
- recurring revenues related to balance sheet investments, corresponding, firstly, to dividends/distributions, coupons and interest received on investments carried on the balance sheet and, secondly, the result of accounting changes in fair value, *i.e.*, the adjustment of the fair value of portfolio investments recorded at each balance sheet date; and
- non-recurring revenues related to balance sheet investments, corresponding to capital gains and losses on disposals recognized at the time of each divestment of an asset carried on the balance sheet.

Revenues associated with the asset management business is further described below:

- **Management fees** – Management fees are levied recurrently by the relevant management company, generating a remuneration for the day-to-day management of the various funds. In general, they are calculated by applying a percentage to the assets managed. In particular, for closed-end funds, the management fee rate is applied either to the amounts actually invested by the asset management company or to the amounts committed by the investors, according to the business lines. Whereas for open-ended funds, these fees are based on the assets under management. In private debt activities, management fees also include commissions received as a placement agent, representative of the body of bondholders, etc.
- **Arrangement fees** – Arrangement fees are non-recurring commissions received during the structuring of certain investment deals. They are paid by the entity that benefits from the investment at the time when the latter is made and remunerate the preparatory work done by the asset management company to set up the deal (auditing, structuring, search for partners, negotiation of financial and legal terms, etc.). They are either retained by the asset management company, or acquired by the vehicles making the investment, or shared between the asset management company and the vehicles making the investment according

to the conditions laid down by the regulations of these vehicles.

- **Performance fees** – Performance fees, which relate to open-ended funds (fixed income and equities) are fees charged by the asset management company on the portion of the fund's performance that exceeds that of the fund's benchmark. All performance fees relating to open-ended funds are retained by the asset management company (and therefore the Group). These fees encourage the teams to generate better performance in their management of funds.

- **Carried interest** – Carried interest is the revenue received as a share of the outperformance of the funds. This mechanism, which is associated with closed-end funds, usually takes the form of securities (shares) subscribed for by the beneficiaries when the fund is set up, and confers the right to a remuneration should certain performance thresholds be exceeded when the fund is liquidated. The regulations of such funds lay down the conditions under which the remuneration is payable. It usually corresponds to a levy (a fixed percentage) on the distributions to investors when the return on their investment exceeds a level of IRR (see the Glossary in Section X.5) laid down in the fund documentation. These revenues are paid by the funds directly to beneficiaries. This mechanism encourages the teams to generate better performance in their management of the funds, and particularly to outperform the agreed level of IRR. The financial parameters of the carried interest depend on the nature of the asset class in question (private debt, real estate, private equity, etc.) and the fund's investment policy. The level of IRR (hurdle) is generally between 5% and 8% and the amount levied is usually between 10% and 20% of the funds' performance, if the IRR is exceeded. The Group has set an internal rule for the distribution of carried interest. The Group (through the Company and Tikehau IM) retains approximately 53% (that is, each entity receives one third of 80%) of the carried interest. The remainder is divided between Tikehau Capital Advisors (approximately 27%) and a shareholder structure of Tikehau Capital Advisors, which combines some 40 of the Group's senior corporate members (20%). This structure incentivises these employees to achieve performance for the Group and creates a solidarity across the business lines, avoiding any silo effect. Additional information is provided in note 5.24(a)(vii) (Performance fees) of the annual consolidated financial statements in Section V.1 (Annual consolidated financial statements as at 31 December 2017) of this Registration Document.

(iii) The operational organisation of Tikehau Capital

The organisation of Tikehau Capital is structured around four business lines dedicated to asset management and investment. Tikehau Capital operates through its own resources (management, research, sales and joint functions) which are accommodated within its main subsidiaries, as well as with the support of the Manager of the Company, Tikehau Capital General Partner, which itself relies on the resources and the teams of its 100% shareholder Tikehau Capital Advisors.

Business lines

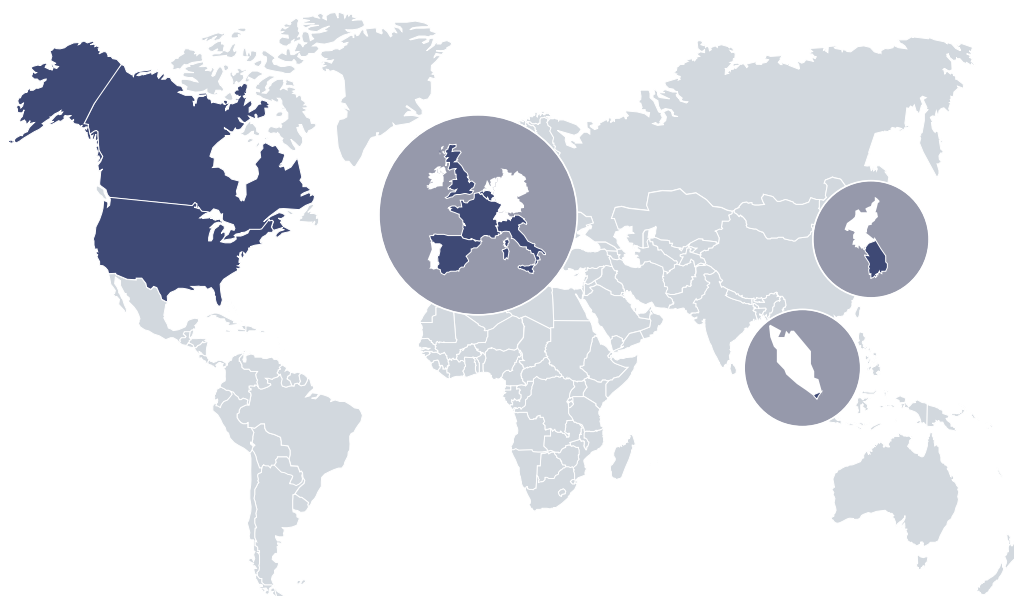
Tikehau Capital has organised its activities into four business lines:

- private debt;
- real estate;
- liquid strategies; and
- private equity.

These business lines are described respectively in Sections I.4(b) (Private debt activities), I.4(c) (Real estate activities), I.4(d) (Liquid strategies) and I.4(e) (Private equity activities) of this Registration Document.

Geographical presence

Over the years, the acceleration of Tikehau Capital's asset management and investment activities has been accompanied by an increase in its international presence with the opening of offices in London, UK (2013), in Singapore (2014), then in Brussels, Belgium and Milan, Italy (2015). In 2017, the Group continued to expand its international operations with the opening of offices in Madrid, Spain, and Seoul, South Korea and, in 2018, in New York, USA. At the registration date of this Registration Document, the Group has offices in eight countries.



■ Countries in the scope

Belgium, UK, Spain, Italy, USA, France, South Korea, Singapore

All of Tikehau Capital's offices, within the regulatory framework, are intended to coordinate the marketing of the Group's products, identify investment opportunities, analyse and carry out investment transactions and monitor them to maturity.

Tikehau Capital is established in the United Kingdom, Belgium, Italy and Spain through branches of Tikehau IM that have benefited from the passporting of Tikehau IM's authorisations, which falls under French regulation. The Group also has a presence in the United Kingdom through Tikehau Capital Europe which is supervised by the UK regulator. In Singapore, Tikehau Capital operates through a subsidiary owned 100% by Tikehau IM (Tikehau Investment Management Asia Pte. Ltd.), which was approved by the local financial supervisory authority (Monetary Authority Singapore, MAS) and, since November 2016, through the asset management company IREIT Global Group in which Tikehau IM has an indirect 80% holding. Lastly, since the end of 2017, the Group has had a presence in the United States through its subsidiary Tikehau Capital North America which is registered with the US regulator, the Securities Exchange Commission (SEC).

Distribution and marketing

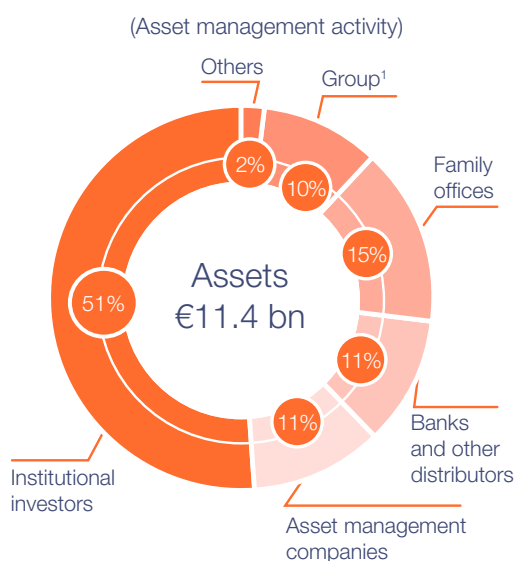
At the end of 2017, 21 people made up the Group's Sales, Marketing and Client Services Department, whose purpose is to support the growth of assets and the expansion of the investor client base. Tikehau Capital has significantly increased its client coverage over the last few years, particularly in geographic terms, in order to support the growth of its assets. In Europe, the Group thus has a sales force covering the territories that it has identified as the most receptive to its offer. Tikehau Capital has also begun to accelerate its commercial development outside Europe, particularly in priority countries in Asia, Oceania and North America. At the date of this Registration Document, Tikehau Capital has a sales force of 13 salespeople split among its various offices and covering institutional investors and distributors in Europe and Asia in more than 15 countries.

As at 31 December 2017, the investor client base of the Group's asset management activities consisted of 51% institutional investors (insurance companies, pension funds and sovereign funds), 11% distributors (private banks, networks of wealth management advisors, bank distribution networks, etc.), 11% management companies and 15% private investors and family offices.

I. PRESENTATION OF THE GROUP AND ITS ACTIVITIES

Presentation of the activities of Tikehau Capital

Distribution of the Group's investor base as at 31 December 2017



¹ Including the investments and commitments from Tikehau Capital and from its subsidiaries through its balance sheet (€0.7 billion) and investments of funds managed by the Group in Tikehau Capital's other business lines (€0.4 billion).

In line with the development of its international presence, the Group is gradually extending and internationalising its investor clients base and, at the end of 2017, 27% of the Group's assets in the asset management activity came from an international client base (versus 16% at the end of 2015).

The distribution agreements entered into by Tikehau Capital with distributor networks have essentially two aims: (1) to provide access to the Group's products for closed networks (such as private banking or retail banking) for which a distribution partnership with payment of retrocessions is necessary; and (2) to develop the distribution of Tikehau Capital products in certain countries where the Group wishes to present its competitive advantages with a placement agent (third party marketer) before eventually recruiting a dedicated salesperson. The sales team regularly monitors the results of the Group's distribution partnerships and the impact (actual or potential) of retrocessions on profitability. To this end, the Group's revenues are analysed net of retrocessions to distributors.

The sales team is supported by a marketing department numbering half a dozen multilingual people in charge of the content of marketing documentation, the organisation of client events, competitive intelligence and the process for responding to tenders and due diligence. Added to this are two product specialists giving guidance to the sales team by providing expertise on the asset class in which they are specialists and a three-person "client service" team in charge of dedicated reporting and Know Your Customer ("KYC") processes, as well as the monitoring of the investments of each client in the Group.

Cross divisional functions

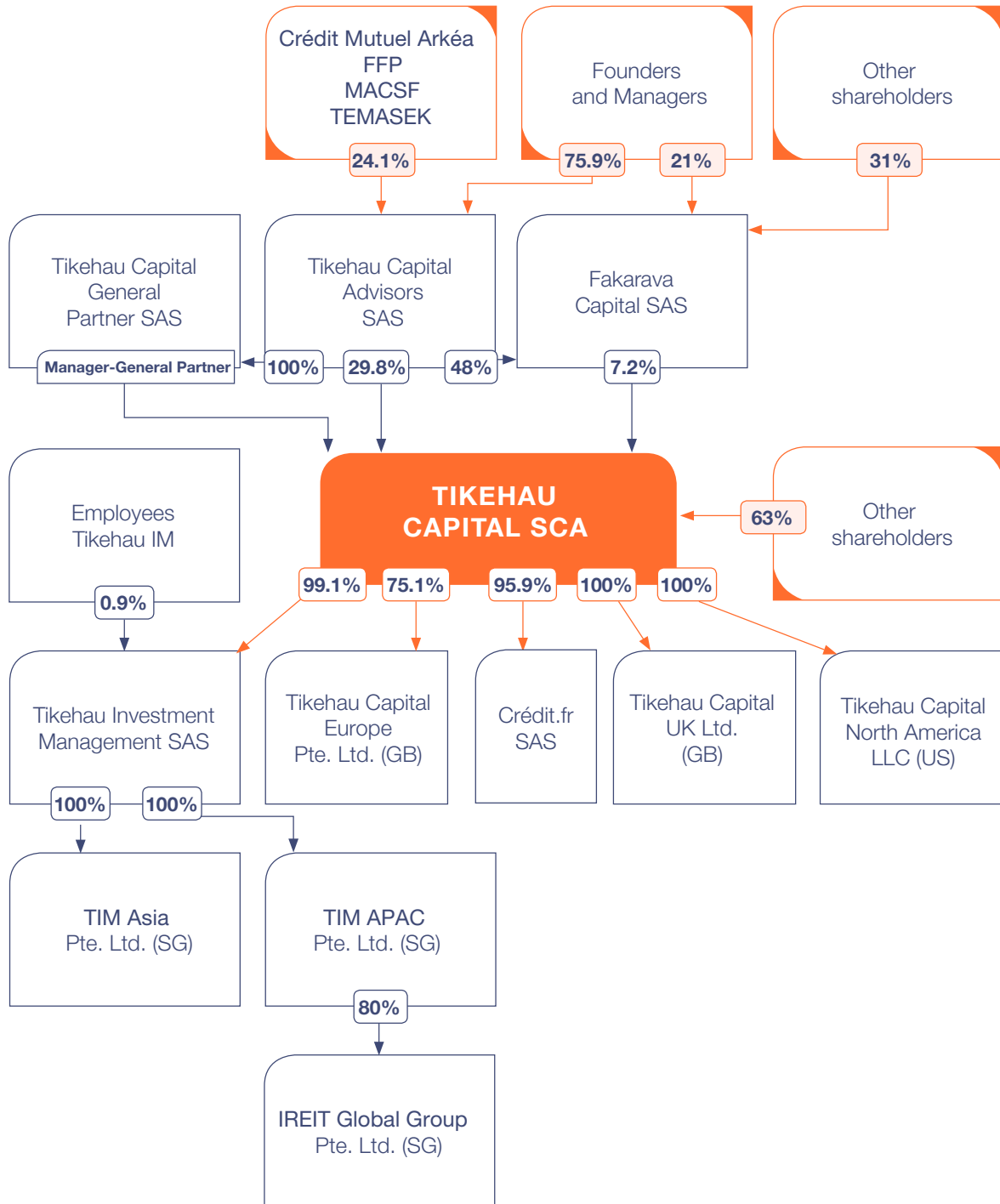
Group management and research activities are conducted with the support of joint functions: finance, treasury, tax and legal, compliance, middle office, audit, IT, human resources, communication and general services. These teams are accommodated within the subsidiaries (mainly Tikehau IM and Tikehau Capital Europe) in respect of the teams that are dedicated to specific business lines. The central functions are accommodated in Tikehau Capital Advisors, which supports the Manager of the Company in fulfilling its duties on behalf of the Company and the Group. The resources provided by Tikehau Capital Advisors are described in more detail in Section IV.5 (Related party transactions) of this Registration Document. These teams have been heavily reinforced in recent years to support the growth of the Group's assets under management.

The management team

As at 31 December 2017, the Group and Tikehau Capital Advisors had 209 employees. The key individuals who run the Group, its activities or support the Managers (see Section IV.1(a) (The Managers) of this Registration Document) in their role include:

- Carmen Alonso – Head of Iberia;
- Debra Anderson – Head of CLO business;
- Guillaume Arnaud – Chief Executive Officer of Tikehau Investment Management;
- Guillaume Benhamou – Co-Head of Private Equity;
- Nathalie Bleunven – Head of Corporate Lending;
- Luca Bucelli – Head of Italy;
- Rodolfo Caceres – Head of Credit Research;
- David Charlier – Chief Risk Officer;
- Edouard Chatenoud – Head of Benelux;
- Peter Cirenza – Head of the United Kingdom and Head of Private Equity;
- Emmanuelle Costa – Head of Human Capital;
- Jean-Marc Delfieux – Head of Fixed Income Investments;
- Dorothee Duron-Rivron – Head of Communication;
- Jean-Baptiste Feat – Private Debt activities and Co-Head of Asia;
- François Fillon – Senior partner;
- Thomas Friedberger – Co-Chief Investment Officer and Chief Executive Officer of Tikehau Investment Management;
- Etienne Gorgeon – Head of Liquid Strategies;
- Tim Grell – Head of the North American business;
- Frédéric Jariel – Head of Real Estate;
- Maxime Laurent-Bellue – Head of Senior Debt activities;
- Jérémy Le Jan – Chief Financial Officer;
- Anne Le Stanguennec – Head of Internal Audit;
- Henri Marcoux – Deputy CEO;
- Cécile Mayer-Lévi – Private Debt activities;
- Gen Oba – Co-Head of Sales and Marketing;
- Andrea Potsios – Co-Head of Sales and Marketing;
- Bruno de Pampelonne – Chairman of Tikehau Investment Management and Head of Asia;
- Geoffroy Renard – General Counsel.

(iv) The legal structure of Tikehau Capital



Tikehau Capital operates its asset management business through dedicated platforms accommodated in its main subsidiaries. For its investment activities, the Group operates

through the Company and one of its subsidiaries, with the support of its Manager and Tikehau Capital Advisors.

The companies dedicated to asset management

Tikehau Investment Management (Tikehau IM)

Set up by Tikehau Capital in late 2006, Tikehau IM is the main platform of Tikehau Capital dedicated to asset management. As at 31 December 2017, Tikehau IM was present in all four Tikehau Capital business lines: private debt, real estate, liquid strategies (fixed income management/balanced and equities management) as well as private equity, following the integration of the dedicated team from Tikehau Capital Advisors in early 2017 as part of the Group’s reorganisation. Tikehau IM has been approved by the AMF as a portfolio asset management company since January 2007 (under number GP-07000006).

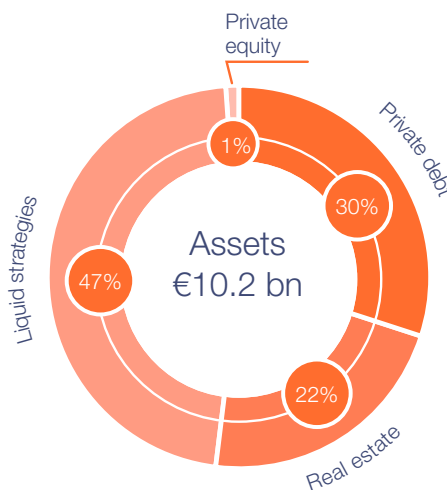
In France, Tikehau IM has become one of the leading players in specialised investment in the European debt markets, covering all products in this asset class. Thus, Tikehau IM has seen its performance rewarded with various prizes and awards that have validated its expertise and development, including the most recent: best asset management company in 2017 in the Global Invest Forum Awards organised by AGEFI, a Golden Trophy for the best SICAV range and European bond fund over three years in 2017 by *Le Revenu*, a Management Globe for Tikehau Income Cross Assets by *Gestion de Fortune* in 2017 (“Flexible” category), a Thomson Reuters Lipper fund Award for Tikehau Taux Variables in 2017 (Best fund over five years in the Bond Euro – Short Term category), a Management Globe for Tikehau Credit Plus by *Gestion de Fortune* in 2016 (“High Yield Bond” category), Private Debt Lender of the Year in 2018 for the fourth consecutive year by Private Equity Magazine, Unitranche Lender of the Year in Europe in 2015 by Private Debt Investor, The Best Financial Provider in the Small-Mid Cap Category in 2015 by Private Equity Magazine, Nominated Lender of the Year in 2014 by Private Debt Investor.

As Tikehau IM has grown, it has broadened the scope of its activities, expanding into new asset classes. Tikehau IM, which is the main asset management company of the Group, intends to continue its development in other asset classes. (See Section I.3(b) (Strategy) of this Registration Document.)

As at 31 December 2017, the Company held 96.7% of the capital of Tikehau IM. This stake was increased to 99.09% at the beginning of 2018 as a result of in-kind contributions of Tikehau IM preference shares by employees who had benefited from free shares plans. (See Section VIII.3(a) (Historical information about the share capital over the last three financial years) of this Registration Document.) The Company expects to increase its stake to 100% by the end of FY2018 through the acquisition of the outstanding Tikehau IM preference shares.

The authorisation granted to Tikehau IM by the AMF authorises it (i) to manage UCITS in accordance with Directive 2009/65/EC of 13 July 2009; (ii) to manage AIFs in accordance with Directive No. 2011/61/EU of 8 June 2011, regarding types of funds such as OPCI (French Real Estate Investment Vehicles), FCT (French Debt Securitisation Funds), and FPCI (French Professional Private Equity Funds) (see the Glossary in Section X.5); (iii) to market UCITS/AIFs managed by another asset manager; and (iv) to conduct an investment advisory activity.

Distribution of assets under management of Tikehau IM by asset class (as at 31 December 2017)



Through its various investment strategies, Tikehau IM intends to be able to offer the best risk/return profile to its investor clients, presenting a wide range of products in various formats and at every level of the capital structure.

This aim is based on the Group’s ability (i) to identify investment opportunities due to its knowledge of the markets and its network of relationships and (ii) to perform in-depth and independent analysis of the different issuers and identify the best risk/return ratios within each asset class considered. In all its business lines, Tikehau IM relies on a conviction-based management approach (that is, based on strong convictions regarding its investment projects) and seeks to be reactive and opportunistic for its investor clients, ensuring a cross-functional approach in its management through an operational platform and solid, in-house fundamental research. The Tikehau IM teams, staffed by professionals with varied and complementary profiles, aim to promote optimal execution and monitoring of investments, as well as the most efficient access possible to the market. These teams follow an investment universe that is characterized by great diversity in terms of size (including a large number of SMEs and intermediate-sized companies (see the Glossary in Section X.5)), business sector, financial performance (growth, profitability, debt, capital structure), geographic location, underlying market, type of instrument, maturity, legal structure, seniority, covenants, and guarantee or collateral.

In the area of credit, Tikehau IM favours a direct and flexible approach in financing solutions offered to companies, corresponding to the multidisciplinary expertise of its teams, able to initiate, execute and follow up and monitor different types of investments. Tikehau IM seeks to build portfolios and implement suitable financing adaptable to market trends and to the various tax, accounting or regulatory constraints of its investor clients. Aside from the direct, customised approach generally preferred by Tikehau Capital when investment conditions are appropriate, investments can also be made by Tikehau IM teams through market transactions, bank syndications and brokered private placements.

Over the years, the acceleration of Tikehau Capital's asset management activities has been accompanied by a significant increase in Tikehau IM's workforce, as well as an increased international presence, with the opening of offices in London, United Kingdom (2013), Singapore (2014), followed by Brussels, Belgium and Milan, Italy (2015), and more recently in Madrid, Spain and Seoul, South Korea (2017). Tikehau IM operates in the UK, Belgium, Italy and Spain through branches that have benefited from the passporting of Tikehau IM's authorisations. Tikehau IM operates in Singapore through a 100% owned subsidiary (Tikehau Investment Management Asia Pte. Ltd.), which was approved by the local financial supervisory authority (Monetary Authority Singapore, or MAS) and, since the end of 2016, through the asset management company IREIT Global Group in which Tikehau IM has an indirect 80% holding. (See Section I.4(c)(iii) (Real estate activities conducted through IREIT Global) of this Registration Document.) In Seoul, Tikehau IM has a representative office.

As at 31 December 2017, Tikehau IM managed €10.2 billion, or approximately 74% of the assets under management of Tikehau Capital (€13.8 billion)¹. Since its inception in 2006, Tikehau IM has enjoyed significant growth in its assets under management. The Tikehau IM client base continues to develop and become more international in line with the objective that was set at the time the international offices were opened. As part of its goals, Tikehau IM works continuously to adapt its product lines and improve its methods of distribution and its presence in each of its markets.

Tikehau IM's business model is based on the ability of its teams to raise, invest and manage funds that will generate different types of revenues, including management fees, particularly benefiting from the effect of scale. Tikehau IM's cost base is mainly composed of fixed costs (essentially personnel expenses). The variable costs relate chiefly to retrocessions paid by Tikehau IM to the distributors that Tikehau IM uses to distribute its funds.

Tikehau IM offers its investor clients a wide variety of funds, and manages both open-ended funds and closed-end funds, which are invested in different asset classes. Open-ended funds allow investors to enter and exit the fund at any time, while units in closed-end funds may only be subscribed to for a limited period of time (called the subscription period) and do not offer the possibility of being redeemed on demand. Therefore, the number of units of open-ended funds constantly changes during the life of the fund, and the volume of assets varies according to subscriptions and redemptions, but also according to fluctuations in the financial markets. Conversely, the liquidity of closed-end funds is lower and the number of units remains stable once the subscription period closes.

Closed-end funds guarantee revenues for the Group over the life of the fund, with these revenues generating mainly management fees at a level fixed at the time of fundraising, although the timing often depends on the rate at which they are invested. However, these funds have limited lifespans and consequently require regular phases of fundraising. Conversely, revenues from open-ended funds is more irregular because management fees are based on the net asset value of the fund, which is subject to the subscriptions and redemptions of investor clients and to fluctuations in the financial markets. However, the lifespan of an open-ended fund is not limited and new capital inflows can occur at any time. Finally, it should be noted that the closed-end debt funds allow Tikehau IM to make a more reliable assessment of the exit horizon and the potential IRR of the fund (see the Glossary in Section X.5). The same is true of the real estate funds since the buildings managed by Tikehau IM are mostly rented out on long-term leases. Once the funds are invested, the prospects of profitability and realization of carried interest in these fund categories are therefore fairly predictable.

Tikehau Capital Europe

Since 2007, Tikehau Capital has invested in the credit markets, in particular high-yield credit, as part of its liquid strategies and its private debt business, through Tikehau IM. On the strength of its expertise in these markets and against the background of renewed interest in this segment and a recovery of LBOs (see the Glossary in Section X.5) in Europe since 2013, the Group entered the debt securitisation market in 2015 by setting up securitisation vehicles dedicated to CLOs, a specialised product consisting of debt securities collateralized by a portfolio of leveraged loans.

Tikehau Capital's CLO vehicles are structured by Tikehau Capital Europe and placed under its management. In 2015, Tikehau Capital Europe was approved by the Financial Conduct Authority ("FCA") in the United Kingdom, mainly for investment advisory, arrangement of investment transactions and investment management. In line with Tikehau Capital's announced aim of settling permanently in the CLO market through Tikehau Capital Europe, the Group has carried out one CLO transaction per year since 2015 for a total amount of €1.2 billion as at 31 December 2017.

More information about Tikehau Capital Europe and the CLO transactions conducted by this subsidiary can be found in Section I.4(b)(ii) (Senior Debt (leveraged loans) activities) of this Registration Document.

IREIT Global Group

See Section I.4(c)(iii) (Real estate activities conducted through IREIT Global) of this Registration Document.

¹ See Section I.4(a)(ii) (Tikehau Capital's Business Model) of this Registration Document.

I. PRESENTATION OF THE GROUP AND ITS ACTIVITIES

Presentation of the activities of Tikehau Capital

Credit.fr

On 29 June 2017, the Company completed the acquisition of approximately 96% of Credit.fr, a French specialist in crowdfunding for small and medium-sized companies. This acquisition has enabled the Group to consolidate and expand its economic development lending platform and to extend its range of business financing to small and medium-sized companies. Through Credit.fr, Tikehau Capital is now able to offer its ecosystem of investors and partners the opportunity to broaden their investment policy, at present focused on mid-market and large companies, to smaller-sized players that are rigorously selected by the teams of Credit.fr.

Credit.fr has been registered with the French insurance broking association ORIAS as an intermediary in crowdfunding since 17 October 2014 and as a crowdfunding investment advisor since 21 April 2017.

The companies dedicated to investment

At the registration date of this Registration Document, Tikehau Capital conducts its investment activities directly or through holding companies. In this regard, the Group is supported by its Manager, Tikehau Capital General Partner, which in turn relies on the resources and teams of Tikehau Capital Advisors.

Tikehau Capital

Tikehau Capital SCA is the Group's parent company whose securities are listed on the regulated market of Euronext Paris. The Company's Manager and General Partner is Tikehau Capital General Partner (see below).

Historically, the Company was an independent investment company dedicated to investing in all types of asset classes. Although this investment mandate has been limited as dedicated platforms within the Group have been formed, the Company has focused on building a balanced portfolio of investments into which that of Salvepar was integrated at the end of November 2017 (see below).

The Company is also a major investor in the funds and vehicles managed by the Group or as a co-investor in the transactions carried out by these funds and vehicles. It also invests directly or indirectly in the Group's platforms in order to support their growth. Lastly, it may make opportunistic investments outside its platforms and business lines to seek the best sources of value creation (see Section I.3 (Competitive advantages and strategy) of this Registration Document).

Salvepar

The Company had taken control of Salvepar on 26 October 2012 through the purchase of the majority shareholding from Société Générale, following which the Company launched a mandatory public tender offer on the equity of Salvepar. Salvepar was a listed investment holding company making mainly minority investments in shares or financial securities giving access to the capital of listed or non-listed companies.

The reorganisation transactions undertaken by the Group at the end of 2016 resulted in the listing of the Company as part of a stock-for-stock and cash tender offer for the

ordinary shares and ORNANEs issued by Salvepar and not yet held by the Company. Following the completion of this bid, on 6 March 2017 the Company held 100% of Salvepar securities and Salvepar was delisted. As a continuation of these operations, the Company merged with Salvepar in order to fully integrate Salvepar's investment portfolio into the larger portfolio of the Company and to improve operational efficiency. This merger was carried out on 30 November 2017 with retroactive effect, from an accounting and tax point of view, to 1 January 2017. (See Section II.2 (Reminder of the reorganisation operations) of this Registration Document.)

Tikehau Capital General Partner

Tikehau Capital General Partner is responsible for the management of the Company and its purpose is the provision of advice and assistance, particularly in financial or strategic matters. In its capacity as Manager of the Company, Tikehau Capital General Partner determines and implements the Group's strategy and is able to allocate the Company's capital in a flexible and optimal manner, in line with the Group's objectives. (See Section I.3 (Competitive advantages and strategy) of this Registration Document.)

More information regarding Tikehau Capital General Partner is provided in Section IV.1(a) (The Managers) of this Registration Document.

Tikehau Capital Advisors

Tikehau Capital Advisors supports the Manager of the Company in the performance of its duties on behalf of the Company and the Group by providing, under the terms of service contracts, material and human resources, such as a dedicated team that brings together the central functions of the Group. This team enables the Company and the Group to carry out their investment activities under the best conditions and has been significantly strengthened in recent years. As at 31 January 2018, Tikehau Capital Advisors held 29.8% of the Company's capital and voting rights.

(b) Private debt activities

Tikehau Capital is one of the pioneers of private debt transactions in Europe and France. The Group's private debt teams are involved in debt financing deals of a size between €10 million and €300 million as arranger or funder.

In general, private debt refers to asset classes in the credit market that are usually in the form of loans and bonds. These financings are generally non-listed and not actively traded on organised exchanges. They are rather financing held to maturity ("buy and hold"), carried out under structured investment vehicles and consequently as long-term liabilities. On the syndicated loans market (*i.e.*, the most liquid segment of private debt), trades take place on over-the-counter markets characterised by high volumes and led by investment banks and other market players (market-makers and broker-dealers). Insofar as these funds are private, the documentation (prospectus, loan agreement, etc.) is not public and can only be accessed by lenders or potential investors after signing a confidentiality agreement.

Private debt activity has complemented conventional bank lending and has witnessed considerable growth in Europe generally and France in particular, which represents the second largest market in Europe (26%), after the United Kingdom (39%). (See Section I.5 (Tikehau Capital and its market) of this Registration Document). In this context of disintermediation, some asset managers have designed mechanisms and structured funds so as to be able to lend directly to corporates by offering them an alternative to traditional banking channels. Apart from “syndicated” loan funds arranged by banks, institutional investors are subscribing more and more to loan funds arranged by “direct” or “alternative” lenders such as Tikehau Capital, in order to channel an increasing portion of their savings into the real economy. Some of these investors may also make selective investments in specific co-financing deals alongside these lenders to increase the funding capacity and range of opportunities of the latter, as they gradually increase the resources that can be made available to businesses.

As part of this activity, Tikehau Capital offers businesses a range of tailor-made solutions in order to achieve the best possible alignment of the needs of companies, their management teams and shareholders with those of Tikehau Capital’s institutional investors (insurance companies, mutual funds, pension funds, sovereign wealth funds, etc.).

The same business can thus be funded by pure debt, debt securities, debt securities convertible into equity (bonds with equity warrants, convertible bonds, equity notes, etc.), by equity capital, or a combination of several of these instruments. These instruments can complement the borrower’s bank or non-bank financing and can benefit from guarantees equivalent to the latter. Their varied formats (loans and bonds, redeemable or repayable at maturity, at fixed or variable rates) can be employed to best meet the needs of business flexibility in financing. The Tikehau Capital teams have developed a recognized expertise in the industry to arrange, set up or invest in various financing transactions, in particular the following structures:

- **Senior Debt**, that is, prime financing with collateral, the repayment of which takes priority over the subordinated debt and equity (“Senior Debt”). Senior debt, with an average maturity of four to seven years, is generally accompanied by covenants (laid down by contract, mainly requiring the borrower to meet certain financial ratios) that enable the lenders to make regular checks on the evolution of the borrower’s financial situation. The characteristics of these funding structures enable the rate of default to be limited and offer creditors favourable prospects of recovery in the event that ratios are not respected. In general, the rates on senior debt are variable, consisting of a reference rate (Euribor or Libor, usually accompanied by a floor typically ranging between 0 and 1%) plus a margin (spread) which depends on the risk assessment of the borrower’s credit. Therefore, senior debt offers the holder a natural protection against interest rate risk;
- **Stretched Senior Debt**, that is, customised senior debt financing with a substantial in-fine component making such funding structurally riskier than senior debt (“Stretched Senior”), even though it is still senior debt, with collateral

and covenants, which allows any discrepancy against initial projections to be anticipated;

- **Unitranche Financing**, that is, financing that combines a senior debt component with subordinated/mezzanine debt in a single instrument to simplify the capital structure and its legal documentation, thus providing greater flexibility. This type of financing, which is fully interest-only, is a key element for the Company in pursuing its development, whether organic or through acquisitions, and its investment plans. Such unitranche financing, depending on geographic jurisdiction, is usually structured as bonds (“Unitranche”), also collateralised, senior and bound by a number of covenants;

- **Mezzanine Financing**, that is, subordinated debt financing backed by 2nd tier collateral, which ranks between senior debt and equity (“Mezzanine”), and which is also bound by covenants and governed by an intercreditor agreement of subordination to senior debt lenders.

The financing put in place is based mainly on the assessment of future cashflows generated and the preservation of the ensuing value of the company in question. The Tikehau Capital teams have also developed expertise in arranging customised financing offering a wide range of solutions in a context of business succession, reorganisation of shareholding structure or support for a company’s organic or external growth. (See Section I.4(b) (i) (Direct lending activities) of this Registration Document.)

In synergy with the rest of the private debt team (combining direct lending activities with those of Senior Debt (leveraged loans)) it is also worth underlining Tikehau Capital Europe teams’ expertise in its CLO business, taking part in the syndications of large European bank loans and in the bond markets. (See Section I.4(b)(ii) (Senior debt (leveraged loans) activities – “CLO Activities”) of this Registration Document.)

In 2006, having identified the development potential of the private debt business, Tikehau Capital specialised in primary and secondary market LBO acquisition financing (see the Glossary in Section X.5). Against the background of the market dislocation between 2007 and 2009, Tikehau was able to seize opportunities that allowed it to accelerate its development and thus take part in the emergence of alternative private debt financing, which in the early days was mainly spurred by the expansion of anglo-saxon asset managers in Europe and particularly in France. In order to follow market developments, particularly the increase in the size of financing, Tikehau Capital entered into a business alliance with among others, the Macquarie banking group in 2012, allowing it to structure significant financings (up to €200 million). Sanctioning Tikehau Capital’s expertise and infrastructure in the field of private debt, the industry initiative NOVO (a bond fund dedicated to SME and intermediate-sized companies (see the Glossary in Section X.5)), launched under the aegis of the Caisse des Dépôts et Consignations (CDC), the French Insurance Federation (FFA) and 27 European insurance companies as well as the Pension Reserve Fund (FRR), was entrusted in part to Tikehau Capital in October 2013 (see below). In 2015, a second industry initiative, NOVI, was also partly entrusted to Tikehau Capital (see below).

I . PRESENTATION OF THE GROUP AND ITS ACTIVITIES

Presentation of the activities of Tikehau Capital

In 2015, Tikehau Capital's Private Debt team won the award "Unitranche Lender of the Year" from Private Debt Investor, and the "Best Financial Provider in Small-Mid Cap Category" award from Private Equity Magazine. In 2017, the Tikehau Capital Private Debt team for the third year running won the award for "Private Debt Lender of the Year" from Private Equity Magazine.

As part of its private debt activities, Tikehau Capital invests mainly in France through mutual funds (FCP) or mutual securitisation funds (FCT). Dedicated co-investment vehicles can also be set up for specific transactions. The financings in which the Group invests are accommodated within these vehicles managed by Tikehau Capital through its subsidiaries Tikehau IM and Tikehau Capital Europe, which receive management and arrangement fees and revenues related to carried interest (see Section I.4(a)(iv) (The legal structure of Tikehau Capital) of this Registration Document).

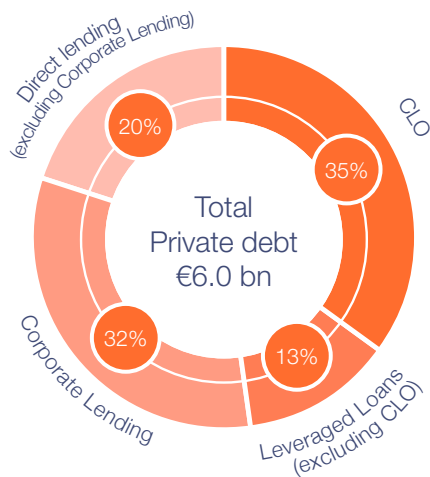
As at 31 December 2017, assets under management in Tikehau Capital's private debt funds amounted to

approximately €6.0 billion, representing 43% of the Group's assets under management.

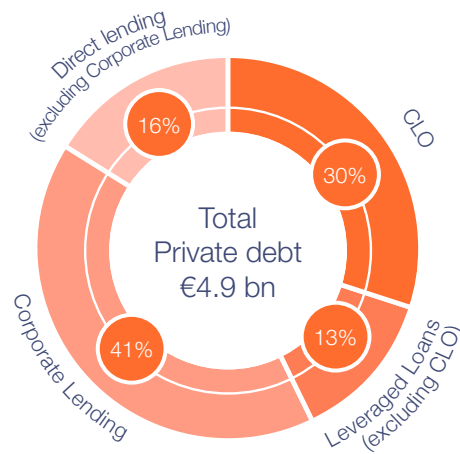
In October 2016, Tikehau Capital announced a draft agreement to ensure the delegated management of Lyxor UK's European leveraged loans business (asset management company belonging to the Société Générale group). This operation has enabled the Group to strengthen its senior debt activity, especially on LBO-type transactions (see the Glossary in Section X.5). Following this operation, Tikehau IM has replaced Lyxor UK to become the manager of four Lyxor European senior debt funds, representing a total of about €700 million in assets under management. Under this agreement, Lyxor UK's European senior debt operational team joined the Tikehau Capital staff based in London to strengthen Tikehau Capital's resources and to ensure the continuity of operations.

The following graphs show the breakdown of private debt assets under management by asset class as at 31 December 2017 and 31 December 2016 (in %):

31 December 2017



31 December 2016



The following table shows the distribution of assets under management between the main private debt funds managed by Tikehau Capital:

(in millions of €)	Assets under management as at 31 December 2017	Assets under management as at 31 December 2016
Tikehau Direct Lending III (TDL III)	610	610
Sofiprotéol Dette Privée	205	112
Tikehau Preferred Capital	117	124
Other funds/mandates	1,121	601
Direct lending (excluding Corporate Lending)	2,053	1,447
NOVI 1	290	290
NOVO 2	311	352
Other funds	191	-
Corporate Lending	792	642
TOTAL DIRECT LENDING	2,845	2,089
Tikehau Senior Loan II	615	522
Tikehau Corporate Leveraged Loan Fund	138	236
Lyxor	555	747
Other funds/mandates	619	523
Senior Debt (Leveraged Loans) (excluding CLO)	1,926	2,027
CLOs	1,204	769
TOTAL SENIOR DEBT (LEVERAGED LOANS)	3,130	2,796
TOTAL PRIVATE DEBT	5,975	4,885

Historically, as part of its balance sheet allocation policy, the Group has made investments in the funds and vehicles dedicated to private debt and managed by the Group as well as in co-investments in transactions carried out by these vehicles. The portfolio of investments and co-investments on the Group balance sheet in Tikehau Capital strategies dedicated to private debt reflects the history of the vehicles launched by Tikehau IM and Tikehau Capital Europe. This portfolio represented a total amount committed of €193.5 million as at 31 December 2017. Revenues generated by this portfolio mainly take the form of distributions made by vehicles and of interest earned on co-investments.

(i) Direct lending activities

The activity of direct lending enables Tikehau Capital to provide companies with flexible and tailor-made financing solutions based on a rigorous, disciplined investment process and a coherent risk management process, most often within the framework of LBO-type acquisition financing (see Glossary in Section X.5) for private equity funds.

The direct lending market is a sub-segment of the private debt market. Thanks to this activity, non-bank asset manager lenders, such as Tikehau Capital, have thus compensated

for the contraction of bank credit following the financial crisis of 2008. Increasingly, the most important transactions are in the form of “club deals” (i.e., involving several direct lenders, but sometimes banks in a partnership approach as well). The spectrum of instruments used in this business is broad: senior debt, stretched senior debt, unitranche and mezzanine financing. (See the definition of these terms in the introduction to this Section.)

The direct lending market is one in which a non-bank lender originates, arranges, and completes a financing for a corporate (in the form of bonds or loans, depending on regulatory constraints) then monitors it regularly. This means that the lender seeks out potential borrowers likely to carry out a financing transaction, produces a rigorous analysis of the credit quality of these borrowers, and determines the objective factors and conditions necessary so that these borrowers may be financed through a financial instrument in which a vehicle managed by the borrower might invest. In this regard, the work provided by the asset management company is different from what a portfolio asset management company might usually produce. Several stages in such transactions cannot be categorised as pure asset management functions but rather as a complementary arranger function: (i) the borrower auditing phase (financial,

I . PRESENTATION OF THE GROUP AND ITS ACTIVITIES

Presentation of the activities of Tikehau Capital

legal, operational, etc.); (ii) research in terms of structuring the transaction; (iii) the definition of the investment structure; (iv) the search for other potential financial partners according to the size and nature of the target and the deal; and (v) the negotiation of the legal and financial terms of the contractual documentation. This additional service is usually paid for by the borrower through the payment of an arrangement fee in consideration of the work done by the asset management

company which is in addition to the interest paid by the borrower for its financing.

As at 31 December 2017, Tikehau Capital's direct lending business represented total assets under management of €2.7 billion for approximately one hundred investments.

Tikehau Capital's main funds dedicated to direct lending are as follows:

TIKEHAU DIRECT LENDING III

Fund inception date	December 2014
Legal form	Luxembourg SICAV-SIF
Fund size (as at 31 December 2017)	€610 million

Launched by Tikehau IM in December 2014, Tikehau Direct Lending III ("TDL III") is the subfund of the fund structured in the form of a Luxembourg-based open-end investment company – specialised investment fund (SICAV-SIF) with multiple sub-funds designated as an Alternative Investment Fund ("AIF") approved by the Luxembourg regulatory supervisor (CSSF). TDL III is one of the main funds of the Group's platform dedicated to direct lending. TDL III offers alternative Stretched Senior, Senior Debt, Unitranche and Mezzanine financing in Europe, which are suitable for any situations: corporate finance or LBO acquisition financing (see the Glossary in Section X.5). The fund mainly targets investments in companies valued at between €50 and €500 million, belonging to various sectors and geographic areas.

As at 31 December 2017, TDL III had invested a total of approximately €561.4 million in nearly 30 companies established in France, Spain, Belgium and Norway. For

example, some recent investments include the unitranche financing of the acquisition of the company Alkan by the Chevillon group and IDI, and the acquisition of C&K Holdings by Sun Capital.

The TDL III Fund closed its investment period on 1 March 2018 and has called 96.7% of the amounts committed by investors.

Investors committed alongside Tikehau Capital in this fund are primarily insurance companies, pension funds, private banks and family offices based in France, Spain, Italy, Belgium, Canada, Hong Kong or Finland.

As at 31 December 2017, TDL III was over 75% invested, which enabled the launch of a new generation of funds dedicated to direct lending (TDL IV) which is currently being marketed and is expected to achieve a final closing at the end of 2018 or beginning of 2019. The fund matures in 2022 with an extension option of two times one year.

TIKEHAU PREFERRED CAPITAL

Fund inception date	June 2012
Legal form	French FPCI
Fund size (as at 31 December 2017)	€117 million

Tikehau Preferred Capital ("TPC") is a French FPCI (professional private equity fund, "FPCI") regulated by the AMF and set up by Tikehau IM in June 2012 to provide investors with exposure to the French and European unitranche financing, subordinated and mezzanine debt market. The fund specialises in transactions where the enterprise value is between €50 million and €500 million targeting LBOs (see the Glossary in Section X.5) or acquisition financing for companies with flexible and innovative structures.

With a flexible investment strategy, the fund makes use of various tools (bonds, bonds with equity warrants,

convertible bonds, etc.) to build financing structures tailored to the requirements of each situation and each company and their sponsors/private equity fund shareholders. TPC thus favours the following assets:

- unitranche financing;
- mezzanine financing; and
- PIK financing (see Glossary in Section X.5).

The TPC investment period expired on 30 June 2016. TPC has a lifespan set to mature in November 2023 with an extension option of one year.

NOVI 1

Fund inception date	July 2015
Legal form	French FPS

In 2015, Tikehau IM and La Financière de l'Échiquier, in partnership with CroissancePlus, were selected as the result of a tender launched by the Caisse des Dépôts et Consignations (CDC), the French Insurance Federation (FFA) and 21 French institutional investors to manage a fund to finance the growth and innovation of SMEs and intermediate-sized companies (see the Glossary in Section X.5). NOVI is a specialised professional fund ("FPS"), a French vehicle structured as a long term SICAV whose purpose is to fund organic, external growth, and the international development of French growth SMEs and intermediate-sized companies. This is the first industry vehicle allowing a joint investment in shareholders' equity and debt, and particularly meets the needs of high-growth French companies. After NOVO in 2013 (see below), this is the second industry mandate obtained by Tikehau Capital.

This specialised loan fund aims to invest in a broad range of assets, especially in equity capital (equity securities or

those convertible into equity) and senior debt (bonds or loans). 20% of the portfolio must be invested in companies listed on the Alternext and Euronext B and C markets, and 80% of the portfolio in non-listed companies. The fund has a lifespan of 21 years.

The investment universe of NOVI 1 focuses on growth companies based in France with revenues of between €30 and €200 million, in the industrial and services sectors (excluding financial and real estate firms and companies under LBO (see the Glossary in Section X.5)) for funding amounts of between €3 and €20 million. Investments in non-listed companies must prioritise sectors included in the "New Industrial France" support plan. For listed companies, the portfolio selection should be carried out according to essentially qualitative criteria, including corporate social and environmental responsibility (CSR), using a diversified portfolio approach.

NOVO 2

Fund inception date	October 2013
Legal form	French FCT

In 2013, Tikehau IM was selected as the result of a tender launched by the Caisse des Dépôts et Consignations (CDC), the French Insurance Federation (FFA) and 27 institutional investors to manage a *fonds de prêts à l'économie* ("FPE", economic development loan fund) intended for SMEs and intermediate-sized companies. This fund aims to provide loans to French mid-caps and SMEs by channelling available savings into the financing of growth companies.

This FPE manages an amount of €1.4 billion, made up of two separate subfunds, one of which is under the management of Tikehau IM (representing an amount of €0.3 billion at the end of December 2017). It is structured as a French Debt Securitisation Fund ("FCT") designated as an FPE, buying bonds and issuing units as investments are made during the first three years. The label "FPE" limits the investment period to three years which was thus concluded in November 2016. The lifespan of the fund is 10 years.

The investment universe of the NOVO 2 debt securitisation fund focuses on the financing of French companies pursuing a commercial, industrial or agricultural activity (excluding financial and real estate activities and LBOs (see the Glossary in Section X.5), of intermediate size. An entire development project can be funded for loan amounts of between €10 and €50 million. The investment philosophy of the NOVO 2 fund is conservative (a maximum of 10% in the same company and a maximum of 20% in the same sector) and focuses on growth companies.

Following the conclusion of the NOVI 1 and NOVO 2 investment periods in November 2016, a further fund consisting of two separate subfunds, one of which is under the management of Tikehau IM (NOVO 2018), was launched in 2017 and in early 2018 achieved a final closing of €212 million. The NOVO 2018 fund is structured in the form of a French FCT designated as an FPE and will follow an investment strategy similar to that of the NOVO 2 fund.

SOFIPROTÉOL DETTE PRIVÉE

Inception Date	June 2016
Legal form	French FCT
Fund size (as at 31 December 2017)	€205 million

Sofiprotéol Dette Privée is a debt securitisation fund ("FCT") designated as an economic development loan fund (FPE) created in June 2016 by Tikehau IM to finance the development of businesses of all sizes in the agro-industrial and agro-food sectors, by granting interest-only loans repayable on maturity or leveraged acquisition finance.

This FPE was created under the partnership between Tikehau IM and Sofiprotéol, a subsidiary of the Groupe Avril which has extensive knowledge in these sectors. The Groupe Avril is a major French industrial and financial group which operates in sectors as diverse as human nutrition, animal feed and animal sciences, renewable energy and chemistry. Initially financed by Sofiprotéol and Tikehau Capital with a group of leading investors,

the fund had close to €205 million in commitments as at 31 December 2017.

(ii) Senior Debt (leveraged loans) Activities

The activity of Senior Debts (leveraged loans) combines funds focused on investments in Senior Debts (*i.e.*, TSLII and TCLLF) with the CLO business. As at 31 December 2017, this activity represented total assets under management of €3.1 billion.

Loan funds

At the registration date of this Registration Document, the main Tikehau Capital loan funds are:

TIKEHAU SENIOR LOAN II

Inception date	November 2015
Legal form	French FCT
Fund size (as at 31 December 2017)	€615 million

Tikehau Senior Loan II ("TSL II") is a vehicle dedicated to the European senior debt strategy which was launched by Tikehau IM in November 2015. The aim of the fund is to build a diversified exposure to the European senior loan market (senior loans and senior secured bonds) in companies with an EBITDA of between €20 and €250 million, an enterprise value of between €100 million and €1.5 billion and maximum leverage set at 5.5x. The investment universe is primarily

European companies in the context of acquisition financing transactions (LBOs (see the Glossary in Section X.5) led by private equity funds). The approach combines participation in large European syndications and transactions originated by Tikehau IM. The marketing period for TSL II ended in 2017. The fund has a maturity set to 2025. As at 31 December 2017, TSL II had collected nearly €615 million in commitments.

TIKEHAU CORPORATE LEVERAGED LOANS FUND

Fund inception date	November 2013
Legal form	French FCT
Fund size (as at 31 December 2017)	€138 million

Tikehau Corporate Leveraged Loans Fund ("TCLLF") allows investors to access the market for bank loans in a regulatory framework that has been clarified (notably as part of the reform in summer 2013 of the French Insurance Code that permitted insurers to invest in debt securitisation funds (FCTs)) and benefit from attractive market conditions. The Fund's portfolio consists mainly of primary investments to focus on transactions including the negotiation of key terms,

to benefit from new market standards and help improve end returns through customised loans. TCLLF investments in the secondary market have been focused on post-2008 transactions offering higher margins and clean capital structures.

The entire portfolio targets instruments with a leverage of between 2x and 5x EBITDA. Diversification remains one of the cornerstones of the TCLLF investment strategy with

maximum exposure at 4% of the fund in any sector. The investment period has been completed and TCLLF matures in November 2023, subject to an extension period of one year.

To complete its portfolio in the field of leveraged loans, in late 2016 Tikehau Capital reached an agreement with Lyxor UK, a company in the Lyxor group (asset management company of the Société Générale group) dedicated to the management of European senior debts, to carry out the delegated management of this business. This deal enables the Group to strengthen its senior debt activity, especially on LBO-type transactions (see the Glossary in Section X.5). Following this deal, Tikehau IM replaced Lyxor UK to become the manager of four Lyxor European senior debt funds.

CLO Activities

Tikehau Capital entered the securitisation market in 2015 through the launch of securitisation vehicles dedicated to CLOs. The objective of Tikehau Capital is to become established permanently in the CLO market through Tikehau Capital Europe and to carry out one or two CLO transactions per year for approx. €300 to €500 million. In line with this objective, at the registration date of this Registration Document, Tikehau Capital has launched three CLO vehicles: Tikehau CLO I, Tikehau CLO II and Tikehau CLO III. Tikehau Capital's CLO vehicles are structured by and under the management of Tikehau Capital Europe (see Section I.4(a)(iv) (The legal structure of Tikehau Capital) of this Registration Document). In 2016, the Company entered into a partnership agreement with the Amundi group under which the Amundi group has held a 24.9% equity interest in Tikehau Capital Europe since March 2017, the balance (75.1%) being held by the Company.

To support the diversification of the Group's credit platform and to sustain the development of a debt securitisation business, Tikehau Capital has built a dedicated team of experienced employees which benefits from the complementary skills of the asset management, credit research and risk management teams and all of the Group's support services, including administration and compliance.

Following approval by the FCA, Tikehau Capital Europe structured the first securitisation vehicle ("Tikehau CLO I"), closed in July 2015 and then refinanced in December 2017 for an initial amount of approximately €355 million. In October 2016, Tikehau Capital Europe structured a second CLO vehicle ("Tikehau CLO II"), which closed in November 2016 for an amount of approximately €414 million. The third CLO vehicle structured by Tikehau Capital Europe ("Tikehau

CLO III") closed in November 2017 for an approximate amount of €435 million.

The bonds issued by each of the three vehicles are backed by a dynamic and diversified portfolio of syndicated loans and bond financing to all business sectors, principally located in Europe, in order to finance their growth or international development projects. The different issues of bonds made by Tikehau CLO I, Tikehau CLO II and Tikehau CLO III have been rated by the ratings agencies as shown below. These ratings reflect different levels of risk, allowing investors to target their investment in a given bond issue based on their risk and return objectives. In practice, as shown by the presentation below of the liabilities of these three vehicles, the higher the risk associated with a bond issue, the higher its coupon.

In more concrete terms, the banks who want to lighten their balance sheet to meet certain capital requirements imposed by the regulators, or to free more cash to finance other activities, may sell these debts on the market to securitisation vehicles. These vehicles finance the purchase of these debts by issuing new securities, divided into different tranches (senior, mezzanine, equity, etc.) according to the risk profile and yield. The tranche with the highest level of risk will be the subordinated or equity tranche. The vehicle receives the interest on its debt portfolio (asset side) then redistributes it to its investors (holding its liabilities), beginning with paying the most senior tranches, *i.e.*, those with the highest security and least risk. The most subordinated tranche (equity) thus receives the balance of coupons once the other tranches have received all of the coupons owing to them and is the tranche most at risk of corporate default.

A company managing CLOs, such as Tikehau Capital Europe, has two types of revenues:

- it receives management fees like any asset management company;
- it is obliged to invest up to 5% (called the retention rate) in the securitisation vehicle under the legislation in force (the principle of the retention piece). This investment can be made horizontally either in the highest risk tranche (subordinated or equity tranche), or vertically, through a retention of 5% of each of the tranches issued by the vehicle. The asset management company collects the coupons related to this tranche, if the other tranches have received the coupons they are owed.

As at 31 December 2017, Tikehau Capital Europe's assets under management amounted to approximately €1.2 billion.

At the registration date of this Registration Document, Tikehau Capital CLO vehicles include:

TIKEHAU CLO I

Initial Settlement date	July 2015
Vehicle size	€355 million

Tikehau CLO BV ("Tikehau CLO I") is the first bond securitisation vehicle backed by a portfolio of loans (Collateralized Loan Obligations, CLO) structured by Tikehau Capital in July 2015 for €354.7 million. The deal was carried out with Goldman Sachs as arranger and placement agent and the settlement date was 15 July 2015.

With repayment on maturity after 13 years, the portfolio of the vehicle is made up of over 90% variable rate senior secured loans granted in the form of leveraged loans or bonds.

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Presentation of the activities of Tikehau Capital

Tikehau Capital is exposed for 11.3% of the liabilities of Tikehau ICLO, that is, for a total nominal value of €32.3 million in the subordinated (equity) tranche and for €7.8 million in the F tranche as described below. This investment includes the retention piece, namely the retention rate of 5% of the securitised assets applied to the originating entity (in this case Tikehau Capital Europe) from a regulatory point of view (see Section I.6(a)(iii) (Other significant regulations – “Capital Requirements”) of this Registration Document).

In December 2017, Tikehau CLO I was refinanced via a hybrid financing set up by Goldman Sachs as arranger, mainly in order to reduce the costs of the liabilities incurred by the vehicle and to allow Tikehau Capital Europe to change its status from sponsor to originator under the terms of this regulation.

Characteristics of the securities issued by Tikehau CLO I¹:

Category of bonds issued	Rating (Moody's/Fitch)	Amount (in thousands of €)	Coupon	Final maturity post-refinancing
A-1R.	Aaa/AAA	161,000	Euribor 6m +0.60%	11 years
A-2	Aaa/AAA	40,000	1.88% during the fixed-rate period then Euribor 6m +1.40%	11 years
B	Aa2/AA+	39,000	Euribor 6m +1.07%	11 years
C	A2/A	28,000	Euribor 6m +1.45%	11 years
D	Baa2/BBB	16,000	Euribor 6m +2.35%	11 years
E	Ba2/BB	21,200	Euribor 6m +4.60%	11 years
F	B2/B-	7,800	Euribor 6m +5.90%	11 years
Subordinated	Unrated	41,700	n.a.	11 years
TOTAL		354,700		

TIKEHAU CLO II

Settlement date	November 2016
Vehicle size	€414 million

Tikehau CLO II BV (“Tikehau CLO II”) is a bond securitisation vehicle backed by a portfolio of loans (Collateralized Loan Obligation, CLO) structured by Tikehau Capital in October 2016 for an amount of €414.2 million. The deal was carried out with Citi as arranger and placement agent and the settlement date was 30 November 2016.

With repayment on maturity after 13 years, Tikehau CLO II is also made up of over 90% variable rate senior secured loans. The bonds issued by Tikehau CLO II were placed with around 20 institutional investors, mainly French and European.

Tikehau Capital is exposed for 5.2% of the liabilities of Tikehau II CLO, that is, for a total nominal amount of €21.6 million in the subordinated (equity) tranche as described below. This investment includes the retention piece, *i.e.*, the retention rate of 5% of the securitised assets which under the regulations is applied to the originating entity (in this case Tikehau Capital Europe). (See Section I.6(a)(iii) (Other significant regulations – “Capital Requirements”) of this Registration Document.)

¹ From December 2017 following the refinancing of Tikehau CLO I.

Characteristics of the securities issued by Tikehau CLO II:

Category of bonds issued	Rating (Moody's/Fitch)	Amount (in thousands of €)	Coupon	Final maturity
A	Aaa/AAA	244,000	Euribor 6m +1.06%	13 years
B	Aa2/AA	46,000	Euribor 6m +1.70%	13 years
C	A2/A	23,000	Euribor 6m +2.57%	13 years
D	Baa2/BBB	18,000	Euribor 6m +3.60%	13 years
E	Ba2/BB	28,000	Euribor 6m +6.25%	13 years
F	B2/B-	10,500	Euribor 6m +7.50%	13 years
Subordinated	Unrated	44,700	n.a.	13 years
TOTAL		414,200		

TIKEHAU CLO III

Settlement date	November 2017
Vehicle size	€435 million

Tikehau CLO III BV ("Tikehau CLO III") is the third bond securitisation fund backed by a portfolio of loans (Collateralized Loan Obligations, CLO) structured by Tikehau Capital in November 2017 for €435.2 million. The deal was carried out with Citi as arranger and placement agent and the settlement date was 9 November 2017.

With repayment on maturity after 13 years, Tikehau CLO III is also made up of over 90% variable rate senior secured loans. The bonds issued by Tikehau CLO III were placed with around 30 institutional investors, mainly French and European, half of whom had already invested in previous CLOs.

Tikehau Capital is exposed for 6.1% of the liabilities of Tikehau CLO III, that is, for a total nominal value of €22.9 million in the subordinated (equity) tranche and for €2.8 million in the F tranche as described below. This investment includes the retention piece, *i.e.*, the retention rate of 5% of the securitised assets which under the regulations is applied to the originating entity (in this case Tikehau Capital Europe). (See Section I.6(a)(iii) (Other significant regulations – "Capital Requirements") of this Registration Document.)

Characteristics of the securities issued by Tikehau CLO III:

Category of bonds issued	Rating (Moody's/Fitch)	Amount (in thousands of €)	Coupon	Final maturity
A	Aaa/AAA	244,700	Euribor 6m +0.87%	13 years
B	Aa2/AA	57,700	Euribor 6m +1.40%	13 years
C	A2/A	28,600	Euribor 6m +1.85%	13 years
D	Baa2/BBB	19,700	Euribor 6m +2.70%	13 years
E	Ba2/BB	26,250	Euribor 6m +4.85%	13 years
F	B2/B-	12,600	Euribor 6m +6.55%	13 years
Subordinated	Unrated	45,600	n.a.	13 years
TOTAL		435,150		

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(c) Real estate activities

As at 31 December 2017, assets under management in Tikehau Capital's real estate activity amounted to approximately €2.2 billion, representing 16% of the Group's assets under management.

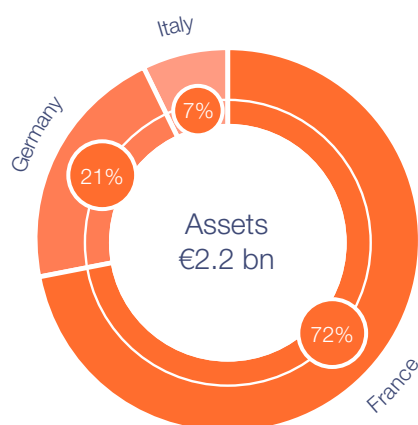
These assets consist of (i) real estate funds managed by Tikehau IM; (ii) a permanent capital real estate company dedicated to real estate co-investment (TREIC); and (iii) the assets of IREIT Global, a real estate trust listed in Singapore.

Since its creation in 2004, the Company has conducted investments in real estate. In 2014, the Group recruited a dedicated team to speed up the development of its real estate asset management activities. Tikehau Capital has

thus focused on developing a proper real estate platform, in order to be able to seize the opportunities offered by a property market distinguished by a healthy appetite amongst investors, especially in Western Europe. This real estate platform has been especially strengthened in recent years and at the registration date of this Registration Document has a dedicated team of 11 employees with solid expertise and recognized experience in property investment.

The assets managed, the principal ones of which are described below, are commercial assets (business parks, stores in commercial areas (21%) and shopping centres (4%)), offices (47%), mixed assets (offices and business premises) (13%), industrial assets (13%) and logistics parks (23%), located in France, Germany and Italy.

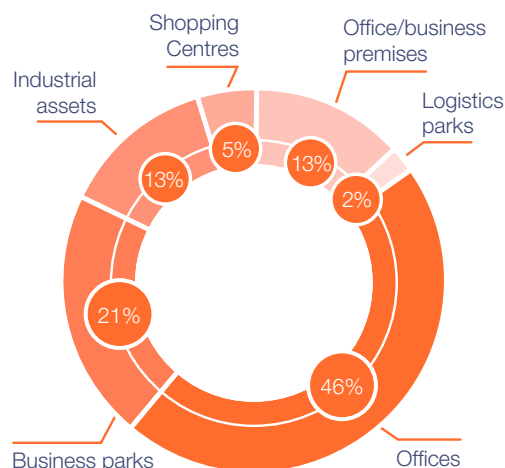
Breakdown by geographic area as at 31 December 2017



Tikehau Capital's real estate investment activity has been developed through the establishment of dedicated acquisition vehicles for each transaction, mainly structured in France in the form of real estate collective investment undertakings ("OPCI"). This structuring "tailored" to each investment transaction allows Tikehau Capital to maintain the agility and flexibility that characterises its investment strategy. Tikehau Capital manages these vehicles through its subsidiary Tikehau IM, which receives management and arrangement fees and revenues from carried interest. (See Section 1.4(a)(iv) (The legal structure of Tikehau Capital) of this Registration Document.)

Tikehau Capital's real estate investment activities focus primarily on commercial and office real estate, including

Breakdown by asset type as at 31 December 2017



sale and lease-back transactions. In these transactions, the Group's vehicles act as purchasers of portfolios sold by counterparties (who are the sellers and subsequently, after the deal, the tenants). The quality of these counterparties ensures a return potential during the term of the investment as well as a capital gain on resale. Tikehau Capital has focused on building a diversified real estate investment portfolio, which consists of over 422 real estate assets.

Tikehau Capital intends to increase the proportion of real estate in its assets under management. In real terms, this is reflected in the raising of an opportunistic real estate fund, targeting the highest returns, which aims to build on the track record established by the Group through the dedicated funds detailed below.

The following table presents the Group's main real estate investment vehicles as at 31 December 2017:

(in millions of €)	Assets under management as at 31 December 2017
Tikehau Real Estate I	108
Tikehau Real Estate II	280
Tikehau Real Estate III	353
Tikehau Retail Properties I	146
Tikehau Retail Properties II	82
Tikehau Retail Properties III	260
Tikehau Logistics Properties I	136
Tikehau Italy Retail Fund I	96
Tikehau Italy Retail Fund II	72
IREIT	463
TREIC	250
TOTAL	2,245

As part of its balance sheet allocation policy, the Group has in the past made investments in vehicles dedicated to real estate and managed by the Group. The portfolio of investments made on the Group's balance sheet in

Tikehau Capital's real estate strategies represented a total amount of €205.1 million as at 31 December 2017. Revenues generated by this portfolio mainly takes the form of distributions made by the vehicles.

(i) Real estate activities conducted through Tikehau IM

The main structured real estate transactions, carried out and managed by Tikehau IM include:

TIKEHAU REAL ESTATE I

Acquisition date	March 2014
Legal form	SPPICAV
Fund size (as at 31 December 2017)	€108 million

Tikehau Real Estate I ("TRE I") is a vehicle set up by Tikehau IM in early 2014. This transaction initially involved the sale and lease-back of 17 French fully-owned sites mainly used for industrial laundries, leased by the Elis group, European leader in the rental and cleaning of linen and professional clothing which is listed on Euronext Paris. In late June 2014, TRE I acquired five additional sites in

a second deal, bringing the total number of sites in the portfolio to 22. The objective is to sell the assets over time to the Elis group or to investors with a residual commitment of 10 years. The initial investment was secured by firm 15-year net investor leases signed with a quality counterparty, the Elis group. The investment that has been financed without borrowing has an estimated term of five to six years.

TIKEHAU REAL ESTATE II

Acquisition date	December 2016
Legal form	SPPICAV
Fund size (as at 31 December 2017)	€280 million

Tikehau Real Estate II (“TRE I”) was set up by Tikehau IM in December 2016 for the acquisition from the EDF group of a portfolio of 137 mixed assets consisting of office and business premises located in France. The portfolio is 93% occupied by affiliates of the EDF group and offers redevelopment opportunities on sites with residential

potential. The Company has invested mainly alongside institutional investors and TREIC, the Group’s real estate company dedicated to co-investments in real estate deals (see Section I.4(c)(ii) (Real estate activities through TREIC) of this Registration Document).

TIKEHAU REAL ESTATE III

Acquisition date	October 2017
Legal form	SPPICAV
Fund size (as at 31 December 2017)	€353 million

Tikehau Real Estate II (“TRE III”) was set up by Tikehau IM in October 2017 for the acquisition from the EDF group of a portfolio of approximately 200 mixed assets consisting of office and business premises located in France. The portfolio is 91% occupied by affiliates of the EDF group and

has a total surface area of approximately 390,000 m². This acquisition was made when the 2015-2020 overall plan of disposals announced by the EDF group was put into effect, and is a continuation of the transaction carried out in December 2016 through the TRE II fund.

TIKEHAU RETAIL PROPERTIES I

Acquisition date	December 2014
Legal form	SPPICAV
Fund size (as at 31 December 2017)	€146 million

Tikehau Retail Properties I (“TRP I”) was set up by Tikehau IM to acquire from ICADE a portfolio of real estate assets comprising 37 sites located in France and rented by the chains Mr. Bricolage and Gifi (one site). Mr. Bricolage is one of the leading French distributors of building, DIY and interior

design materials for individuals. The chain has about 800 stores in 14 countries, mainly in Europe. The acquisition was equity-financed without leverage. The investment has an estimated term of five to six years.

TIKEHAU RETAIL PROPERTIES II

Acquisition date	October 2015
Legal form	SPPICAV
Fund size (as at 31 December 2017)	€82 million

Tikehau Retail Properties II (“TRP II”) was set up by Tikehau IM in connection with the purchase from Hammerson and Darty of co-ownership units representing 61.5% of the area of the Bercy 2 shopping centre. The other co-owner is Carrefour Property. The acquisition was partially financed by bank borrowing. Located just outside Paris, the Bercy 2 shopping

centre, opened in 1990 and designed by Renzo Piano, has 70 stores and a total sales area of approximately 40,000 m². It consists of a Carrefour food anchor store and hypermarket, and a shopping mall with 70 shops including 6 medium-sized stores (Darty, H&M, Fitness Park, etc.). It also has 2,200 parking spaces. This shopping centre, refurbished in

stages between 2011 and 2013, has a catchment area of approx. 675,000 inhabitants. It lies in the territory opened for urban projects under the "Invent the Metropolis of Greater

Paris" call for projects and a Development of National Interest, both of which programmes are stimulating urban transformation in this currently isolated area.

TIKEHAU RETAIL PROPERTIES III

Acquisition date	October 2015
Legal form	SPPICAV
Fund size (as at 31 December 2017)	€260 million

Tikehau Retail Properties III ("TRP III") was set up by Tikehau IM for the purpose of acquiring 35 retail properties representing 100 rental units distributed all over France. The portfolio is geographically diversified and the assets are leased to over 40 different chains that are well established in their area and nationwide. The main tenant is the Babou chain. The Babou stores, French market leader in the discount textile/dime store sector, represent about 58% of rental income. Babou is also the top dime store chain in sales revenue per outlet.

As at 31 December 2017, the portfolio occupancy rate was about 92% for a total area of 199,900 m². The acquisition was partially financed by a bank loan. The strategy is based on optimising the current rent, either by replacing certain tenants in arrears or by renegotiating existing leases for longer terms. There is also a potential for the leasing of vacant sites and redevelopment of some sites. The investment has an estimated term of six years.

TIKEHAU LOGISTICS PROPERTIES I

Acquisition date	July 2016
Legal form	SPPICAV
Fund size (as at 31 December 2017)	€136 million

Tikehau Logistics Properties ("TLP I") was set up by Tikehau IM in July 2016 to acquire from the Compagnie du Parc de Bercy, a logistics asset located at Porte de Bercy in Charenton-le-Pont. This logistics asset, located close to the Bercy 2 shopping centre represents a built area of approximately 29,000 m² for a land area of about 44,000 m². It enjoys

excellent road access and meets "last mile logistics" criteria. It also lies in the territory opened for urban projects under the "Invent the Metropolis of Greater Paris" call for projects and a Development of National Interest, both of which programmes are stimulating urban transformation in this currently isolated area.

TIKEHAU ITALY RETAIL FUND I

Acquisition date	February 2016
Legal form	Luxembourg SCSp (special limited partnership)
Fund size (as at 31 December 2017)	€96 million

Opened in 2007, the shopping centre "I Petali", located in Reggio Emilia in northern Italy, now receives around 4 million visitors a year. The shopping centre covers an area of 27,900 m² distributed on two floors, which includes about 60 national and international brands, a multiplex cinema, a fitness centre and exterior parking for around 1,500 vehicles.

The asset was acquired from CBRE Global Investors by the fund Tikehau Italy Retail Fund I ("TIRE I"), a vehicle set up and managed by Tikehau IM, whose investors include the Company alongside leading institutional and private investors.

TIKEHAU ITALY RETAIL FUND II

Acquisition date	May 2017
Legal form	Luxembourg SCSp (special limited partnership)
Fund size (as at 31 December 2017)	€72 million

Tikehau Italy Retail Fund II (“TIRF II”) was formed by Tikehau IM in May 2017 for the acquisition of the Area12 Turin shopping centre, which was owned by the San Sisto consortium, controlled by Nordicad – who is the majority shareholder – CMB and Unieco. Nordicad, which has retained ownership of the shopping centre’s hypermarket, will work with Tikehau Capital to further develop the shopping centre. This deal was carried out by Tikehau IM,

with the participation of several major Italian and international institutional investors. Opened in October 2011, the Area12 shopping centre is part of a 21,000 m² complex located around the Juventus Stadium. This is the second real estate transaction carried out by Tikehau Capital in Italy, following the acquisition in 2016 of the I Petali shopping centre (see above).

(ii) Real estate activities through TREIC

TIKEHAU REAL ESTATE INVESTMENT COMPANY

Inception date	December 2015
Legal form	Société par Actions Simplifiée (simplified joint stock company)
Vehicle size	€250 million

As part of the development of its real estate platform, at the end of 2015 Tikehau Capital set up a real estate vehicle, Tikehau Real Estate Investment Company (“TREIC”), a permanent capital real estate company dedicated to co-investments in real estate transactions carried out and managed by Tikehau IM. TREIC is an opportunistic and multi-sector investment vehicle able to invest in all types of real estate assets (industrial, retail, residential, offices, health facilities, etc.) throughout Europe alongside local partners for investments abroad. This company, whose capital is approximately 30% owned by Tikehau Capital along with leading investors and the Group’s historical partners, has made four investments since it was set up, two of which were in 2017.

TREIC, which is destined to pursue its growth, benefits from the expertise of recognized professionals in the world of real estate and shareholder representatives who are the mainstay of its governance and are members of its Investment Committee. When TREIC invests in vehicles managed by the Group, it is intended that the former will receive 25% of the carried interest from the vehicles concerned. As at the registration date of this Registration Document, TREIC has committed a cumulative total of €121.3 million in investments, with an amount still to be called of €128.7 million.

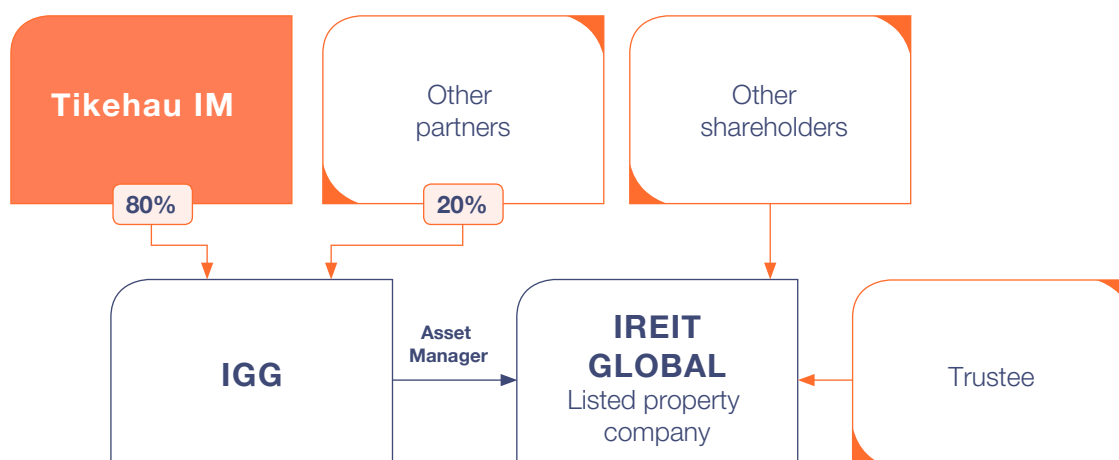
(iii) Real estate activities conducted through IREIT Global

IREIT

IREIT Global (“IREIT”) is a Singapore real estate company (structured as a trust) whose securities have been listed on the Singapore Stock Exchange (SGX) since 13 August 2014 (SGX ticker: UD1U). IREIT was the first Singapore-listed property company whose strategy is to invest solely in real estate assets located in Europe.

On 11 November 2016, Tikehau Capital made an indirect acquisition of an 80% equity interest in IREIT Global Group Pte. Ltd. (“IGG”), the asset management company of IREIT, the balance of IREIT stock being held by two specialists in real estate investment (Shanghai Changfeng Group Co. Ltd., which is based in China, and Dolphin Pte. Ltd., which is based in Singapore) who are also major shareholders of IREIT. When carrying out the transaction, Tikehau Capital also took a 2% equity interest in IREIT, which has since been raised to around 3.3%.

The simplified organisation of the IREIT group following the completion of the acquisition of the 80% stake in IGG is as follows:



The purpose of IREIT is to invest in an revenue-generating real estate portfolio in Europe, targeting primarily office buildings and other investments with real estate as the underlying asset. The trust is a fiduciary relationship in which the legal ownership of assets is undertaken by the trustee (in this case DBS Trustee Limited), which is responsible for holding it on behalf of the beneficial owners (in this case the holders of the listed shares in the trust). The trust assets are managed by IGG. The revenues of the trust are mainly the rental revenue generated by its properties plus any capital gains on disposals. This revenue is distributed to shareholders to generate a recurring return.

IREIT's portfolio currently consists of five fully-owned office buildings in Germany, strategically located in Berlin, Bonn, Darmstadt, Münster and Munich. The assets are 98.3% leased mainly to top-category tenants (such as the German telecommunications operator Deutsche Telekom). Leasable space within the portfolio on 31 December 2017 totalled over 200,000 m² including approximately 3,400 parking spaces.

As at 31 December 2017, based on the annual financial report of IREIT, the value of the real estate assets held by IREIT was €463 million. As at 31 December 2017, IREIT's market capitalisation was approximately SG \$485 million, *i.e.*, approximately €300 million.

Since the takeover of IGG by Tikehau Capital in late 2016, the Group manages the IREIT portfolio and ensures the continuity and development of its real estate investment activities, supported by the expertise of the operational teams and managers of the Group's real estate activity, whose numbers have been greatly increased in recent months owing to the growth in assets under management.

As such, the fund's investment strategy and the IREIT mandate have been revised to expand the scope of its investments to industrial and commercial assets and to reinforce its presence in other European countries, especially France.

More information about the activities, results and prospects of IREIT are included in the IREIT 2017 annual report which is available (in English) on IREIT's website: www.ireitglobal.com.

The acquisition of IGG has enabled Tikehau Capital to strengthen its positions in Asia from Singapore, where the Company has had an office since 2014, and to further increase its real estate investment capacities in Europe.

(d) Liquid strategies

As at 31 December 2017, assets under management in Tikehau Capital's liquid strategies totalled approximately €3.1 billion, *i.e.* 23% of the Group's assets under management.

These strategies are said to be "liquid" in that they are implemented through open-ended funds. For example, investor clients can decide at any time to invest in them by buying units of the funds or to withdraw from the fund by redeeming their units.

(i) Fixed income management

Tikehau Capital's fixed income management business is conducted through Tikehau IM and includes various open-ended fixed income funds, set up in the form of mutual funds ("FCP") or investment companies with variable capital ("SICAV") managed by Tikehau IM. In remuneration for its management of these vehicles, Tikehau Capital charges management fees and performance fees. (See Section I.4(a) (iv) (The legal structure of Tikehau Capital) of this Registration Document.)

As at 31 December 2017, total fixed income management represented nearly €2.8 billion of assets, or about 20.1% of Tikehau Capital's assets under management.

As part of its fixed income management activity, Tikehau Capital invests in bonds issued by private companies (corporate or financial bonds) and public entities, whether rated investment grade (*i.e.*, securities of companies with a high credit rating), high yield, or unrated; this allows the individual investment strategies to be adapted to investor clients' risk/return profiles.

I. PRESENTATION OF THE GROUP AND ITS ACTIVITIES

Presentation of the activities of Tikehau Capital

For each investment, the Tikehau Capital research and management teams perform an intensive due diligence that focuses on a constant interchange between their top-down view (directional market analysis leading to a sector screening) and their bottom-up view (fundamental analysis of each issuer leading to a selection of the securities to be held on portfolio). The combination of these two analyses allows a complete due diligence covering both the issuer and its own characteristics (financial factors, positioning and market dynamics, outlook, etc.) as well as macroeconomic data and external technical factors.

The management team relies on a thorough bottom-up analysis of issuers. Through the high yield and investment grade universes, Tikehau Capital's credit research team identifies issuers that may correspond to the investment strategies of the management teams, based on criteria such as issue size, maturity, sector or rating. Each new issuer is then studied by the analyst responsible for its sector who will issue a buy/sell recommendation based on the Company's fundamental credit quality, the bond documentation and the relative value. The analysts also assign a rating (called "bucket") which will be used for portfolio construction. For

this purpose, Tikehau Capital teams have a broad base of analytical and decision-support tools employed in the analysis process used as the basis for the proper selection of borrowers. Analysts also use external resources to assist them in their selection of securities (for example, services such as Capital Structure, Lucror Analytics and Covenant Review, as well as what is known as "sell-side" external research prepared by the banks and brokers). Each analyst follows approximately 40-45 issuers and they are responsible for monitoring news and results in their areas. They must also make sure that the recommendations are up to date. Portfolio reviews are also conducted regularly with the asset managers.

The expertise of the credit research and fixed income management teams is made available across the entire range of open-ended credit funds managed by Tikehau Capital. The fixed income management activity thus enjoys the services of a credit research team distributed between Paris, London and Singapore. This team also works on behalf of Tikehau Capital Europe, the Group's subsidiary dedicated to CLO business.

The following table shows the distribution of assets under management between the main fixed income funds managed by Tikehau Capital:

(in millions of €)	Assets under management as at 31 December 2017
Tikehau Taux Variables (TTV)	1,815
Tikehau Credit Plus (TC+)	381
Tikehau SubFin Fund (TSF)	138
Tikehau Court Terme (TCT)	216
Others (including mandates)	217
Total assets under management – Fixed income	2,766

The following table shows the past performance of the main funds in this business line:

	01/01/2017 – 31/12/2017	2016	Past three years	Since inception
Tikehau Taux Variables (TTV) A Unit	+1.97%	+1.63%	+5.20%	+27.36%
Tikehau Credit Plus (TC+) I Unit	+4.32%	+2.22%	+11.77%	+23.28%
Tikehau Subordonnées Financières (TSF) I Unit	+11.97%	+2.67%	+18.21%	+67.30%
Tikehau Short Term (TCT) A Unit	+0.87%	+1.07%	+3.04%	+5.21%

As at 31 December 2017, the Group balance sheet had invested in Tikehau Capital strategies dedicated to liquid fixed income management for a total amount of €103.9 million. Revenue relating to investments in the

Group's liquid strategies includes distributions (which can be capitalised) and an upward or downward change in the fair value of the shares depending on their net asset value.

The main funds in the Group's fixed income management activity include:

TIKEHAU TAUX VARIABLES

Inception date	November 2009
Legal form	French FCP
Fund size (as at 31 December 2017)	€1,815 million

Created in November 2009, Tikehau Taux Variables ("TTV") is a fixed income fund of the category "bonds and other debt securities denominated in euro" seeking to maximise the return on the short end of the European credit universe while limiting the non-investment grade portion to a maximum of 35% and minimising interest rate risk by using floating- and variable-rate bonds and fixed-rate bonds with short maturities.

TTV's investment strategy is to manage, on an active and discretionary basis, a diversified portfolio composed of bonds and other eligible debt securities issued by private or public entities, located mainly in countries of the euro zone, mainly of what is known as "Investment" category (*i.e.*, investment grade and with a rating equal to or above BBB- from Standard and Poor's/Fitch or Baa3 from Moody's) on which the interest rate risk will have been minimised by

the use of floating- and variable-rate bonds regardless of maturity, bonds with short maturities, interest rate hedging instruments (interest rate swaps or futures contracts), and inflation-linked bonds. TTV may also invest in high yield or unrated securities to a marginal extent. The high yield exposure must be limited to 35% of the fund's net assets.

The objective of this fund is to achieve an annualised gross return higher than 3-month Euribor plus a margin of 200 basis points.

In 2017, the TTV fund won a Thomson Reuters Lipper fund Award (best fund over five years in the Bond Euro – Short Term category) and a Golden Trophy for the best SICAV range and European bond funds over three years awarded by *Le Revenu*.

As at 31 December 2017, the TTV fund represented €1.8 billion in assets under management.

TIKEHAU CREDIT PLUS

Inception Date	June 2007
Legal form	French FCP
Fund size as at 31 December 2017	€381 million

Set up in June 2007, Tikehau Credit Plus ("TC+") is a fund that invests flexibly, without rating or benchmark constraints, in debt securities issued by private and public sector companies located primarily in Europe. The fund belongs to the "bonds and other international debt securities" category and has an investment horizon of over three years. The investment strategy of TC+ is to manage, on an active and discretionary basis, a diversified portfolio composed of bonds and other eligible debt securities issued by private or public entities, mainly of the category known as high yield (with a rating lower than BBB- from the rating agencies Standard and Poor's/Fitch and Baa3 from Moody's) located mainly in countries of the euro zone without restrictions on business sector. These bonds and debt securities are more speculative and incur a greater risk of default, but offer in return a higher yield.

As part of its strategy, TC+ may use financial contracts, in particular futures, options, forward contracts and credit derivatives. TC+ may invest up to 10% of its net assets in UCITS and may also have exposure to the equity markets of up to 10% of its net assets, either directly through shares in companies of all market capitalisations and all geographic areas, or through UCITS and derivatives.

In November 2016, the Tikehau IM management teams were awarded a Management Globe in the High Yield Bonds category from *Gestion de Fortune* magazine for their management of the TC+ fund.

The objective of this fund is to achieve an annualised gross return higher than 3-month Euribor plus a margin of 300 basis points.

TIKEHAU SUBFIN FUND

Inception date	February 2011
Legal form	Luxembourg SICAV
Fund size as at 31 December 2017	€138 million

Tikehau SubFin Fund (“TSF”, formerly Tikehau Subordonnées Financières) is a Luxembourg fixed income fund created by Tikehau IM in February 2011. TSF invests primarily in old and new generation subordinated debt securities (Tier 1, Upper or Lower Tier, etc.), issued mostly by European financial institutions (banks and insurance companies). A debt is known as subordinated when its repayment depends on other creditors (senior creditors, unsecured creditors) being repaid first. Thus, the subordinated creditor will be repaid after the ordinary creditors but before shareholders.

TSF favours investments in major financial groups in Western European countries. The TSF portfolio must have a minimum average rating of B+ (rated by Standard and Poor’s/Fitch or B1 by Moody’s). Nevertheless, Tikehau IM conducts its own analysis on the debt securities independently of the rating issued by the rating agencies.

To achieve its investment and asset hedging objective, the fund may use financial contracts, such as futures, options, forward contracts and credit derivatives. TSF may invest in UCITS up to a limit of 10% of its net assets. TSF may also have an exposure to the equity markets of up to 10% of its net assets, either directly by means of shares in companies of all market capitalisations and all geographic areas, or through UCITS or derivatives.

The Group’s management teams specialising in credit have won a Thomson Reuters Lipper Fund Award in the category “Euro Bond – Performance over 3 years” for the TSF fund.

The objective of this fund is to achieve an annualised gross return higher than the EuroMTS 3-5Y index plus a margin of 150 basis points.

TIKEHAU COURT TERME

Set up in June 2013, Tikehau Court Terme (“TCT”) belongs to the “bonds and other debt securities denominated in euro” fund category, the aim of which is to achieve an annualised performance net of fees higher than EONIA plus 0.3% over an investment horizon of over one year. TCT is invested in

bonds issued by private and public issuers located primarily in the euro zone and mainly in the investment grade category (i.e., with a rating above or equal to BBB- from S&P and Fitch and Baa3 from Moody’s).

Inception Date	June 2013
Legal form	French FCP
Fund size (as at 31 December 2017)	€216 million

(ii) **Balanced and equities management**

Since 2014, Tikehau Capital has pursued the diversification of its business with the development of “equities” management, recruiting teams dedicated to this business with the aim of rolling out a range of global, diversified equity funds.

This activity is mainly conducted by Tikehau IM through the investment company with variable capital (“SICAV”) Tikehau Income Cross Assets (“Tikehau InCA”), which was the first

fund in this range. In consideration for its management of the vehicles dedicated to this strategy, Tikehau IM charges management fees and performance fees. (See Section I.4(a) (iv) (The legal structure of Tikehau Capital) of this Registration Document.)

As at 31 December 2017 total balanced and equities management accounted for nearly €343 million in assets under management (versus €300 million at the end of 2016), representing 2.5% of Tikehau Capital’s assets under management.

TIKEHAU INCOME CROSS ASSETS

Legal form	SICAV
Fund size as at 31 December 2017	€326 million

The SICAV Tikehau InCA is managed on a discretionary basis with a reactive management approach in terms of asset allocation and stock selection, money market and

fixed income securities of all economic and geographic sectors.

The Tikehau InCA management strategy is based on specialised management of the equity component and the fixed income component (long-short, global macro) and portfolio diversification (asset classes, market capitalisation, issuers) to optimise the risk/return profile.

Tikehau InCA is a concentrated portfolio reflecting convictions on stocks and bonds, based on in-depth fundamental research on companies and business models carried out by Tikehau Capital's teams.

The fund seeks asymmetry between expected returns and the risks associated mainly from the selection of fixed income and equity securities based on criteria of valuation, quality of the business model, and capital allocation practised by the Company management.

The fund also uses financial contracts, including futures and options, for purposes of hedging and exposure, particularly to manage exposure to the equity and credit markets.

The strategic allocation of the portfolio is based primarily on an analysis of the business cycle, itself based on an analytical process applied to of monetary policies, market valuations and macroeconomic data.

The objective of this fund is to outperform the composite index¹ over a minimum investment period of five years.

In 2017, the Tikehau IM teams were awarded a "Management Globe" by *Gestion de Fortune* magazine ("Flexible" category) for their management of the Tikehau InCA fund.

The following table shows the performance of the fund over the recent period:

	01/01/2017 – 31/12/2017	2016	Past three years	Since inception
InCA, I Unit	4.38%	+0.07%	+9.14%	+11.48%

TIKEHAU GLOBAL VALUE

Inception date	December 2014
Legal form	French FCP
Fund size as at 31 December 2017	€17 million

Tikehau Global Value ("TGV") is a fund of the "international equity" category, the aim of which is to generate, over a minimum investment period of five years, a performance exceeding that of the benchmark (made up 50% of the S&P EUR 500 Hedged Net Total Return indicator and 50% of the Stoxx Europe 600 Net Total Return indicator).

TGV's investment strategy consists of the active and discretionary management of a balanced portfolio of equities from all economic and geographic sectors (a fund known as "long only").

TGV is a concentrated portfolio reflecting convictions on stocks and bonds, based on in-depth fundamental research on companies and business models conducted by the Tikehau Capital analysis teams.

Stock selection is based on criteria of valuation, quality of the business model, and capital allocation practised by the Company management.

Over recent years, the TGV fund has achieved the following performance:

	01/01/2017 – 31/12/2017	2016	Past three years	Since inception
TGV, P Unit	14.6%	+3.66%	+22.59%	+23.76%

(e) Private equity

(i) Overview of private equity activities

As part of its private equity activities, the Group invests in listed and non-listed companies. These investments generally take the form of investments in shares or hybrid

instruments giving access to equity, but can also be made in bonds, which reflects Tikehau Capital's flexible approach. At the registration date of this Registration Document, the Group's private equity activities are carried out exclusively

¹ The composite index consists 50% of the EuroStoxx 50 NR, 25% of capitalised EONIA, 25% of the BoA ML Euro HY Constrained Index DNR, and 25% of the BoA ML Euro Corporate Index DNR.

I. PRESENTATION OF THE GROUP AND ITS ACTIVITIES

Presentation of the activities of Tikehau Capital

from the Group's balance sheet (*i.e.*, own resources, shareholders' equity and debt). However, the Group's intention is to develop the asset management business on behalf of its investor clients and as at 31 December 2017, managed €0.1 billion in this segment. This proportion is expected to increase over the coming years as new strategies are gradually implemented.

As at 31 December 2017, the Group's private equity activity represented an amount of €2.5 billion of assets. This amount was broken down into an investment portfolio of €1.6 billion (of which €1.3 billion invested in companies outside the Group and €0.3 billion invested in companies carrying Tikehau Capital platforms), €0.8 billion available in cash for future investments and €0.1 billion in assets under management for investor clients¹.

Before 2013, private equity investments were carried out by the Company. Since control of Salvepar was acquired in October 2012, most private equity investments were

conducted through this vehicle specialising in minority investment and international co-investments. Through its listed subsidiary Salvepar, Tikehau Capital has created a private equity portfolio diversified in terms of sector and geography, which is solid (consisting in particular of companies with little debt) and balanced, with a focus on transactions that allow a partnership approach to be developed. As a continuation of the Group's reorganisation operations and the delisting of Salvepar, the latter's portfolio was fully integrated with that of the Company as part of Salvepar's merger with the Company, which took place on 30 November 2017 (see Section II.2 (Reminder of reorganisation operations) of this Registration Document).

As at 31 December 2017, Tikehau Capital's private equity portfolio consisted of 55% non-listed securities and 45% listed securities². The private equity portfolio consists 95% of assets with registered offices in Europe and 5% in the rest of the world. It is broadly diversified.

The following table shows Tikehau Capital's main direct investments as at 31 December 2017:

(in millions of €)	Investment value as at 31 December 2017	Investment value as at 31 December 2016 (<i>pro forma</i>)
INVESTMENTS IN NON-LISTED COMPANIES		
DRT	-	40.2
Claranet	84.5	-
Altrad	49.4	-
Total Eren	34.3	16.2
Neoness	27.4	25.6
Spie Batignolles	21.0	19.4
Oodrive	17.0	-
INVESTMENTS IN LISTED COMPANIES		
Eurazeo	444.4	-
HDL Development/Assystem ¹	60.3	53.9
Latécoère	28.6	21.0
Naturex	28.1	25.5

¹ The Company holds an indirect interest in the listed company Assystem through its stake in HDL Development.

The recent sale of the Company's interest in the DRT group is a testament to the performance of the Group's private equity business. Specialised in plant chemistry, since 1932, the DRT group has developed rosin and turpentine extracted from pine resin. The DRT group supplies its range of high value-added products to over 20 leading industries from, among others, perfume, adhesive, rubber, chewing gum and food supplements, etc., with more than 250 end-products used daily by consumers around the world.

In November 2016, DRT completed the acquisition of the US company Pinova Inc. from the German group Symrise. Pinova Inc., which has almost 200 employees, manufactures derivatives from pine stumps and other natural resources intended for industrial applications for its customers in more than 100 countries. This acquisition completed the investment recently made by DRT to distil turpentine in the United States.

¹ The above amounts exclude investments made in funds and vehicles managed by the platforms dedicated to the Group's other asset management activities (see Section I.3 (Competitive advantages and strategy) of this Registration Document).

² Included in the listed securities is the Company's indirect interest in the listed company Assystem through its stake in HDL Development.

At the end of November 2017, the investment firm Ardian announced that it had entered into exclusive negotiations with certain shareholder families and Tikehau Capital in order to acquire a majority stake in DRT. This transaction was signed at the end of December and was completed on 10 April 2018. The purpose of this change of control is to give the DRT group the means to actively pursue its organic and external growth strategy. This deal, which enabled Ardian to acquire nearly 100% of DRT's capital, was supported by DRT's management. Tikehau Capital decided, along with family shareholders, to participate in this new stage of DRT's growth plans by reinvesting €30 million in the transaction alongside Ardian. Under this sale transaction, the Company realised a gain on the sale of €160 million, for an investment multiple of 5.0x the amount invested and an IRR of 128%. (See Section II.3(a) (Business during FY 2017) of this Registration Document.)

(ii) Balance sheet private equity activity

Balance sheet private equity investment strategy

Since its inception, Tikehau Capital has developed an expertise in the field of private equity. This expertise is implemented by a dedicated team of 11 Tikehau IM employees based mainly in Paris and London. This team also benefits from the support of teams located in Singapore, Brussels, Milan and New York.

The investments are generally minority interests and are made in non-listed or listed companies, with a broad investment mandate, usually with a view to a medium- to long-term holding, according to a plan of value creation identified from the beginning of the investment. The team maintains regular contact with the management teams of the companies in which it invests and is often involved on the governance bodies of the portfolio companies.

The investment scope is worldwide, given that in the regions where the team has no presence or experience, investments are carried out as co-investments with local investors known to Tikehau Capital. This co-investment strategy allows the Group to increase the spectrum of its opportunities and the quality and diversification of its investment portfolio.

This investment portfolio allows the Company to supplement its recurring revenue base, to which are added the one-off profits from asset disposals (for example in the form of capital gains). This portfolio is highly diversified and consists of assets with attractive return potential or more defensive assets that provide recurring revenue or diversification.

Unlike other business lines, at the registration date of this Registration Document, the Group's private equity activities are carried out mainly from the Group's own resources (shareholders' equity and debt) and not as part of asset management activities on behalf of investor clients. The investments made by the Company since its creation have made it possible to establish a solid track record which is an essential prerequisite for fundraising from third parties. On the strength of its track record and cumulative experience in this business line, through its subsidiary Tikehau IM, Tikehau Capital is launching private equity-dedicated vehicles managed on behalf of investor clients. These vehicles focus particularly on the Group's expertise in minority private equity investment and international co-investments alongside leading partners. This is a further illustration of the Group's ability to evolve its strategies from a model of balance sheet investment to an asset management model.

Main non-listed investments on portfolio

At the date of this Registration Document, the Group's most significant non-listed investments in terms of value include:

ALTRAD

Initial investment date	August 2017
Total amount invested	€49.4 million
Value of equity interest as at 31 December 2017	€49.4 million
Location of registered offices	France
Percentage holding as at 31 December 2017	2.4%

Description of the asset

Founded in 1985, Altrad is a leading player in the field of equipment and services for industry, construction and public works. The group employs approximately 39,000 people and is present in more than 100 countries.

Altrad offers its customers:

- a complete offer of services to industry (access, insulation, anticorrosion solutions, engineering and installation of mechanical systems, etc.) (82% of sales revenue in 2016/2017); and
- a wide range of construction equipment, through sale and rental (18% of sales revenue 2016/2017).

Investment history

In August 2017, the Company acquired an equity interest in Altrad for €49.4 million.

Tikehau Capital has one observer (non-member) on the Altrad Board of Directors.

Current situation and future outlook

During the financial year ended 31 August 2017, Altrad achieved consolidated sales revenue of €2.2 billion (versus €2.2 billion as at 31 August 2016). Consolidated Net result - Group share for the year amounted to a profit of €138 million (compared with €127 million as at 31 August 2016).

I . PRESENTATION OF THE GROUP AND ITS ACTIVITIES

Presentation of the activities of Tikehau Capital

Initially specialising in the manufacture of construction equipment, Altrad then expanded into the rental sector, while scaling up.

In July 2017, Altrad announced that it had lodged a tender offer for Cape group, one of the largest suppliers of services to industry, mainly in the energy sector. Following approval by the UK's merger control authorities, the bid was finalised on 8 September 2017 and Cape has since been wholly owned by Altrad. This acquisition was made following on

from Altrad's acquisitions of Hertel in 2015 and Prezioso in 2016, in line with the group's strategy to become a worldwide leader in the services to industry sector.

Including the Cape acquisition on a *pro forma* basis, consolidated sales amounted to €3.4 billion and consolidated net result - Group share for the year was a profit of €111 million.

More information about the group is available on the Altrad website: www.altrad.com.

CLARANET

Initial investment date	May 2017
Total amount invested	£75 million
Value of equity interest as at 31 December 2017	€84.5 million
Location of registered offices	United Kingdom
Percentage holding as at 31 December 2017	17.8%

Description of the asset

Founded in 1996, Claranet is a leading European company in hosting and outsourcing services for critical applications. Claranet has developed in several European countries over the last ten years in an organic way and through an ambitious acquisition strategy. With over 1,300 employees, the group is based in London and serves more than 6,000 clients in the UK, France, Germany, Spain, Portugal, Italy, the Netherlands and Brazil.

Investment history

In May 2017, the Company signed an agreement to acquire a minority stake in Claranet alongside existing shareholders. Attracted by the growth profile of Claranet, its pan-European scope, its track record on integration of acquisitions and the quality of its management team, the Company entered

into an agreement to support the group's development. The Company has invested £75 million in ordinary and preference shares alongside existing shareholders.

Tikehau Capital is a Director on the Board of Directors of Claranet International Limited, parent company of the Claranet group and Director on the Board of Directors of Claranet Group Limited, Claranet group's operating company.

Current situation and future outlook

In May 2017, Claranet announced the acquisition of three IT service providers: Oxalide (France), Sec-1 (United Kingdom), and Iten (Portugal). It has thus significantly increased its revenues and strengthened its scope of services.

More information about the group is available on the Claranet website: www.claranet.fr.

NEONESS

Initial investment date	December 2015
Total amount invested	€24.8 million
Value of equity interest as at 31 December 2017	€27.4 million
Location of registered offices	France
Percentage holding as at 31 December 2017	24.5%

Description of the asset

Founded in 2007 by Céline Wisselink and Marie-Anne Teissier, NeoneSS develops and operates a network of fitness centres mainly located in Paris and the Paris suburbs. The brand has quickly become a leader in fitness in France, offering its members simple and clear packages at attractive

prices (from €10 per month) while maintaining a high-quality level of services and infrastructure: spacious and colourful gyms measuring between 1,000 and 2,000 m², Precor machines (one of the most reputable manufacturers in the market), group lessons with Les Mills and Zumba licensed trainers, etc.

Investment history

To support the development of the chain, Tikehau Capital has invested €24.8 million in shares and convertible bonds, alongside the two founders who retain control. Tikehau Capital is a member of the Company's Strategic Committee (with one representative) and has signed a shareholders' agreement.

Tikehau Capital is a member of the Neoneess Strategic Committee.

Current situation and future outlook

Thanks to the success of its approach, the Neoneess group in 2017 continued to open new gyms, now numbering 30, with 140,000 clients. To carry the growth of the Neoneess group further, the two founders have launched Episod, a new concept for enjoying intense sports experiences. In 2017, the Women's Equity Awards honoured the two Neoneess founders with the Best Economic Performance award from among more than 4,700 women-led SMEs.

More information about the group is available on the Neoneess website: www.neoneess-forme.com.

OODRIVE

Initial investment date	March 2017
Total amount invested	€25 million ¹
Value of equity interest as at 31 December 2017	€17.0 million
Location of registered offices	France
Percentage holding as at 31 December 2017	10.0%

¹ Total amount invested in the balance sheet (€16.3 million) and in its private debt business on behalf of its investor clients (€8.7 million).

Description of the asset

Created in 2000, the French group Oodrive has quickly established itself as one of the leaders in the market for the management of sensitive data with its cloud solutions which allow for the electronic sharing, protection and signing of documents.

Investment history

At the end of March 2017, Tikehau Capital announced that it was the lead investor in a fundraising operation of up to €65 million for the Oodrive group. The total maximum amount invested by the Group in Oodrive amounts to €43 million, including €28 million for the Company, €16.3 million having already been called. This equity interest is an illustration of possible co-investment situations between the Group's balance sheet and the strategies proposed to investor clients in the framework of its asset management activities.

Tikehau Capital is a member of the Oodrive Supervisory Board.

Current situation and future outlook

The growing need for enterprise collaboration solutions in increasingly mobile, confidential and secure environments has generated a strong surge in demand for Oodrive solutions. In addition, the evolution of national and European regulatory frameworks on the protection of personal and corporate data reinforces the need for professionals to equip themselves with solutions enabling them to meet these new obligations. Oodrive wishes to seize these opportunities and its last fundraising is intended to allow the group to strengthen its product offering and become the key trusted partner of its customers in France and abroad, as well as to seize acquisition opportunities.

More information about the group is available on the Oodrive website: www.oodrive.fr.

SPIE BATIGNOLLES

Initial investment date	May 2010
Total amount invested	€10.3 million
Value of equity interest as at 31 December 2017	€21.0 million
Location of registered offices	France
Percentage holding as at 31 December 2017	7.2% ¹

¹ On the basis of an 8% interest held by the Company in Financière Spie Batignolles, the majority shareholder of Spie Batignolles.

Description of the asset

Spie Batignolles operates worldwide in the construction and public works sectors. Spie Batignolles has 6,500 employees and operates in 140 establishments in France and 9 international locations, particularly in the Middle East and Africa. The Company operates in the following major areas of expertise:

- construction: private buildings (offices, clinics, shopping centres, industrial buildings, etc.) and public buildings (schools, hospitals, etc.);
- public works: earthworks, road works, grid works, etc.
- civil engineering and special foundations: underground works, special foundations, industrial construction, etc. ;
- energy and development: electrical installation, multi-technical maintenance, painting, interior design, façades;
- concessions and real estate: car-park and swimming pool concessions and real estate projects such as the creation or renovation of neighbourhoods, shopping centres, the construction or rehabilitation of premises for use as offices, shops or hotels.

Investment history

In 2010 Salvepar bought the shares of executives wishing to sell their equity in Spie Batignolles. In 2015, the Group

slightly increased its holding in Spie Batignolles, raising its interest from 6.7% to 8%.

Tikehau Capital is a member of the Supervisory Board of Financière Spie Batignolles, the majority shareholder of Spie Batignolles, and a member of the Supervisory Board of Spie Batignolles.

Current situation and future outlook

Spie Batignolles achieved sales revenue of €1.80 billion in 2017, compared with €1.55 billion in 2016. The group completed several acquisition transactions during the year 2017:

- HPB, a company involved in structural work and general contracting in all types of construction projects in the Greater Toulouse area for leading operators;
- Sesar, a group specialising in technical construction equipment; and
- Abscis Bertin, a group specialising in the construction and renovation of housing, tertiary and industrial buildings as a general contractor, for both core and shell structures.

In March 2018, the Spie Batignolles group announced that it had finalised the acquisition of the assets of Patricola, a company specialising in technical building equipment.

More information about the group is available on the Spie Batignolles website: www.spiebatignolles.fr.

TOTAL EREN

Initial investment date	October 2015
Total amount invested	€32 million
Value of equity interest as at 31 December 2017	€34.3 million
Location of registered offices	France
Percentage holding as at 31 December 2017	5.1%

Description of the asset

Founded in 2012 by Messrs. Pâris Mouratoglou and David Corchia, and based in Paris, EREN Renewable Energy (EREN RE) is recognised for its know-how and unique expertise in the renewable energy sector. Together with local partners, the Company is positioned in emerging markets with high potential, in geographic areas with significant wind or solar resources and that face growing energy

needs. Since its creation, EREN RE has put together a substantial and diversified set of assets representing more than 910 MW of wind, solar and hydro assets in operation or under construction (at the end of December 2017). EREN RE is also developing numerous projects in Asia, Africa and Latin America and has a portfolio of more than 1.5 GW of assets under development, with the objective of achieving a net installed capacity of at least 2 GW by 2020.

Investment history

In October 2015 Tikehau Capital participated for an amount of €32 million in EREN RE's €195 million fundraising. The second and last tranche of this fundraising event was called by EREN RE in December 2016. Tikehau Capital's investment is made through a joint venture with FFP Invest (a listed company of the FFP group) owned 53% by the Company and 47% by FFP Invest.

Tikehau Capital is a member of Total Eren's Board of Directors.

Current situation and future outlook

The management team of EREN RE continues its strategy of deployment in several geographic regions (India, Greece, China, Africa, Latin America, and Canada). In September 2017, the Total group announced that it had signed an agreement with EREN RE to acquire a 23% interest in EREN RE, with the aim of enabling it to speed up its growth in renewable energy production. The acquisition was completed in December 2017, and subsequently EREN RE has been renamed Total Eren. This agreement envisages that Total may take control of the Company after a period of five years.

More information about the group is available on the EREN RE website: www.eren-groupe.com.

Main listed investments on portfolio

ASSYSTEM/HDL DEVELOPMENT

Initial investment date	December 2013
Amount invested	€40 million ¹
Value of equity interest as at 31 December 2017	€60.3 million
Market capitalisation as at 31 December 2017	€664.8 million
Location of registered offices	France
Percentage of HDL Development held as at 31 December 2017	14.2% ²

¹ Overall amount invested by the Group, including €35 million for the Company and €5 million via a vehicle managed by Tikehau IM.

² Based on a 23.1% equity interest in HDL Development, the majority shareholder of Assystem.

Description of the asset

Assystem is a company whose shares are listed on Euronext Paris (compartment B). Assystem is one of the foremost French outsourced engineering and innovation consultancy groups.

The group's activity is divided into three areas:

- *Energy & Infrastructure* (86.4% of revenue in 2017);
- *Staffing* (11.4% of revenue in 2017);
- *Miscellaneous* (2.2% of revenue in 2017).

As at 31 December 2017, Assystem had over 12,500 employees worldwide. The Company is active in the following sectors: aerospace, automotive and transportation, the nuclear industry, energy and defence.

Investment history

At the end of 2013, Dominique Louis, founding President and key shareholder of the Assystem group, announced a tender offer for the shares of Assystem. Tikehau Capital participated in the financing of this bid for €40 million, investing alongside Mr. Dominique Louis. In December 2017, Tikehau Capital became a direct shareholder in HDL Development with a 23.1% interest. HDL Development holds 61.34% of Assystem's equity.

Tikehau Capital has two members on the Board of Directors of HDL Development, Assystem's controlling company, and one representative on Assystem's Board of Directors.

Current situation and future outlook

Historically, Assystem's business was divided into four areas: Global Product Solutions, Energy & Infrastructure, Staffing and Miscellaneous. In May 2017, Assystem announced that it had entered into a memorandum of understanding with investment firm Ardian to sell 60% of its outsourced research and development division Global Product Solutions (GPS). This deal took place on 28 September 2017 with the sale of the GPS division to the acquisition company Assystem Technologies, 60% owned by Ardian and 40% by Assystem, which thus remains associated with the potential for growth and value creation of the new entity. This sale was completed in September 2017.

In May 2017, Assystem also announced that it was seeking to take part in the reconfiguration of French nuclear sector players and had made Areva and EDF a bid for a 5% interest in New Areva NP (a wholly-owned subsidiary Areva NP), in keeping with its aim of accelerating the development of its Energy & Infrastructure division. This bid resulted in Assystem's acquisition of 5% of the equity of New Areva NP on 31 December 2017 from Areva NP.

In 2017, Assystem achieved consolidated sales revenue of €395.2 million, representing an entirely organic growth of 4.0%.

Breakdown of shareholders of Assystem as at 31 December 2017

• HDL Development	61.3%
• Treasury shares	2.0%
• Free float ¹	35.4%

Detailed information about the group can be found on the Assystem website:

www.assystem.com.

EURAZEO

Initial investment date	Beginning of 2017
Total amount invested	€443 million
Value of equity interest as at 31 December 2017	€444.5 million
Market capitalisation of the Company as at 31 December 2017	€5,558.3 million
Location of registered offices	France
Percentage holding as at 31 December 2017	7.98%

Description of the asset

Eurazeo is a company whose shares are listed on Euronext Paris (compartment A).

Eurazeo is one of the foremost listed investment companies in Europe, with more than €15 billion in diversified assets under management (including €9.7 billion on behalf of third parties) as at 31 December 2017 (with Idinvest and Rhône on a *pro forma* basis – see below). It operates in almost all private equity segments through its five business areas: Eurazeo Capital, Eurazeo Patrimoine, Eurazeo PME, Eurazeo Croissance and Eurazeo Brands. As at 31 December 2017, Eurazeo's portfolio consisted of approximately 40 companies of all sizes and sectors, and of which it is most often the majority or reference shareholder. Eurazeo has developed an active presence in Shanghai and Sao Paulo to promote the internationalisation of its portfolio companies as well as a network of partners around the world. More recently, the Eurazeo group has set up in the United States.

Investment history

Tikehau Capital began investing in Eurazeo in early 2017, in order to develop its exposure to majority private equity, following on from similar transactions carried out by the Company in the past.

Tikehau Capital does not have representation on Eurazeo's governing bodies.

Current situation and future outlook

As at 31 December 2017, Eurazeo's total revenues (including consolidated revenue and the proportionate share of revenue from equity method companies) came to €4.95 billion, representing an increase of 16.4% on 2016. Net result - Group share amounted to €441 million as at 31 December 2017 (vs €520 million as at 31 December 2016). Eurazeo's

net asset value per share as at 31 December 2017 amounted to €78.2 per share, up 13.5% adjusted for the free allocation of shares in 2017 and up 15.2% adjusted for the same allocation and the dividend paid in 2017. In 2017, Eurazeo was marked by several changes in the group's business, shareholder base and governance.

In November 2017, Eurazeo announced that it had entered into a strategic partnership with Rhône, an international private equity firm based in London and New York managing more than €5 billion in assets. The partnership, which will take effect in the first half of 2018, relates to the acquisition by Eurazeo of a 30% interest in Rhône's equity for \$105 million in cash and 2 million newly issued Eurazeo shares.

In April 2018, Eurazeo announced that it had completed the acquisition of 70% of the equity of Idinvest Partners. The IDI (Institut de Développement Industriel), an investment company listed on Euronext Paris, has sold to Eurazeo its entire stake in Idinvest, representing 51% of the equity. Idinvest manages nearly €7 billion in assets for insurance companies and large institutional investors, as well as individuals. The alliance of Idinvest and Eurazeo creates a group managing more than €15 billion in assets under management, with a presence on three continents.

Breakdown of shareholders as at 31 December 2017

• JCDecaux Holding	16.4%
• Concert	16.5%
• Tikehau Capital	7.98%
• Richardson Family	3.0%
• Free float	56.1%

More information about the group is available on the Eurazeo website: www.eurazeo.com.

¹ Including 0.22% owned by HDL.

LATÉCOÈRE

Initial investment date	June 2005
Total amount invested	€28.5 million
Value of equity interest as at 31 December 2017	€28.6 million
Market capitalisation of the Company as at 31 December 2017	€539.0 million
Location of registered offices	France
Percentage holding as at 31 December 2017	5.3%

Description of the asset

Latécoère, whose shares are listed on Euronext Paris (compartment B), specialises in the manufacturing, sale and marketing of structures for the aerospace industry. Founded in 1917, the Company is now a supplier to Airbus, Embraer, Dassault, Boeing and Bombardier. With its international network of subsidiaries, associates and subcontractors, the group is now able to provide a comprehensive solution to its clients in a globalised market.

Its activity is divided into two areas:

- Aerostructures: sections of fuselage and doors (61% of 2017 revenue); and
- Interconnection systems: wiring, electrical furniture and embedded systems (39% of 2017 revenue).

Investment history

Prior to its takeover by the Company, Salvepar had invested in Latécoère in 2005. In 2015 Salvepar chose to increase its interest as part of the restructuring of Latécoère's balance sheet.

Tikehau Capital does not have representation on Latécoère's governing bodies.

Breakdown of shareholders as at 31 December 2017:

- Apollo 14.9%
- Monarch 10.4%
- Tikehau Capital 5.3%
- Employees 2.2%
- Free float 67.2%

Current situation and future outlook

For the 2017 financial year, Latécoère group's sales revenue amounted to €652.5 million, a stable level compared to 2016 (-0.4% according to reported figures and -0.1% at constant exchange rate). The results of the 4th quarter (up 0.6% on a reported basis) enabled the year to close on a slightly more favourable volume than the trends forecast in 2017.

In 2016, Latécoère had announced a plan of cost savings through industrial restructuring and the replacement of the head of the group by Yannick Aswad, who joined Latécoère in November 2016. Groupe Latécoère has announced that it has set in motion most of the actions serving as groundwork for its Transformation 2020 plan. In addition to the negotiation and validation of the Employment Protection Plan (PSE) agreements and the implementation of the associated voluntary redundancy scheme, the group has undertaken a number of key actions within the framework of the transformation of its industrial model. As part of this Transformation 2020 plan, Latécoère announced the reception of the "Factory of the Future" site in Toulouse-Montredon at the end of January 2018 as well as the establishment of a new production site in Bulgaria to develop its Aerostructures branch and to provide closer support for its customer Airbus; its industrial launch is scheduled for March 2018.

The Latécoère group is confident in its prospects for winning contracts from new customers in 2018 due to sustained commercial activity; the group has recently won contracts for Boeing 777 platforms (Interconnection Systems Division) and Bombardier Global 7000 (Aerostructures Division).

Detailed information about the group can be found on the Latécoère website: www.latecoere-group.com.

NATUREX

Initial investment date	January 2013
Total amount invested	€18.2 million
Value of equity interest as at 31 December 2017	€28.1 million
Market capitalisation of the Company as at 31 December 2017	€821.9 million
Location of registered offices	France
Percentage holding as at 31 December 2017	2.4%

Description of the asset

Naturex, whose shares are listed on Euronext Paris (compartment B) is a worldwide leader in natural specialty botanical ingredients for the agro-food, nutraceutical, pharmaceutical and cosmetic industries. The Company controls all stages of the development process, from raw materials to final ingredients.

Naturex's activity is structured around two strategic platforms: *My Natural Food* (53% of 2017 sales revenue) and *My Natural Selfcare* (33% of 2017 sales revenue), in addition to the group's other activities (14% of 2017 sales revenue).

Based in Avignon, the Company employs approximately 1,700 people internationally, has 16 production units and generates 35% of its 2017 sales revenue in Europe, Africa and the Middle East, 42% in North America, 16% in Asia/Oceania and 8% in South America. Innovation (5% of 2017 sales revenue is invested in R&D) and sustainable development are two cornerstones of the Naturex business model. Naturex has developed a sales network benefiting from global reach to strengthen its leading position.

Investment history

In 2013 and 2015, Tikehau Capital invested in shares and in bonds convertible or exchangeable into new or existing ordinary shares (OCEANEs) issued by Naturex for a total amount of €18.2 million. In December 2017, the group elected to convert all the OCEANEs it held into Naturex shares, following the exercise by Naturex of its right of early redemption of all outstanding OCEANE bonds.

Tikehau Capital does not have representation on Naturex's governing bodies.

Current situation and future outlook

In 2017, the Naturex group stepped up the streamlining of its product catalogue in order to enhance its portfolio around four strategic categories: natural colours, natural preservatives, specialty fruits and vegetables and phytoactives. 2017 was also distinguished by the completion of two acquisitions: the purchase of the industrial business of Haliburton International Foods, an acquisition specialising in natural vegetable-based solutions in September 2017 and the acquisition of Swedish Oat Fiber, a Swedish manufacturer specializing in oat-based dietary fibre in November 2017.

Revenues in 2017 amounted to €404.9 million, stable compared to 2016, including €5.7 million from scope effect and €4.1 million from adverse currency effect. At constant scope and exchange rates, sales revenue amounted to €403.3 million.

On 26 March 2018, Givaudan, world leader in the creation of flavours and fragrances, announced that it had signed a contract for the acquisition, subject to certain conditions, of 40.5% of the capital of Naturex at a unit price of €135 per share. Following this acquisition, Givaudan will launch a mandatory tender offer for all Naturex shares not yet held at a unit price of €135 per share. This merger, which aims in particular at creating a leading company in the area of natural extracts and ingredients, has received the support of Givaudan's Board of Directors and Naturex's management team.

More information about the group is available on the Naturex website: www.naturex.fr.

Other private equity investments

The Company's portfolio is complemented by other investments, the most significant of which include:

- **Ring Capital** – On 18 January 2018, the Company announced the acquisition of a 25% equity interest in Ring Capital to support the creation of this private equity firm specialising in the financing of technology and digital companies, founded in 2017 by Messrs. Geoffroy Bragadir and Nicolas Celier. Also supported by AG2R La Mondiale, BPI France, Bred and Danone, Ring Capital launched its activities with an investment capacity of more than €140 million, in order to bring to the fore the top European digital technology companies of the future, alongside high-potential entrepreneurs. Ring Capital will be able to acquire minority stakes by investing between €1 million and €15 million, alone or in co-investment, but may also participate in capital increases and share buy-backs from founders and historical shareholders. Ring Capital aims to include some 15 companies in its portfolio by the end of 2021. Tikehau Capital is one of Ring Capital's largest investors and as such will contribute to its governance with seats on several Committees;

- **Duke Street** – The Company also operates in the field of private equity through a partnership between the group and Duke Street. Based in London, Duke Street has been a historic European player in private equity for

more than 20 years. (See the website of Duke Street: www.dukestreet.com.) In 2013, Tikehau Capital acquired a 35% equity interest in the asset management company Duke Street LLP. Tikehau Capital has a carried interest in the outperformance of the funds and operations conducted by Duke Street and two seats on the Investment Committee;

- **Funds of funds and co-investments** – The Company has invested in some 20 private equity and real estate funds managed by French and foreign companies. The main holdings are JC Flowers IV (a private equity fund investing in the banking and financial sectors), Alter Equity 3P (a private equity fund investing in France, centred around responsible investment), P2 Brasil Private Infrastructure II (a Brazil-based private equity fund), and CityStar (real estate investment in Cambodia).

(iii) Private equity – Asset management activities

Tikehau Capital is gradually implementing a transition plan from its private equity business to a model of asset management on behalf of its investor clients. At registration date, the main examples of this strategy are the following funds:

Tikehau Special Opportunities

In anticipation of a potential market turnaround, Tikehau Capital launched a new special situations fund, Tikehau Special Opportunities (“TSO”) that follows on several past funds managed by the group since its inception.

TSO is a Luxembourg investment fund created by Tikehau IM to offer various solutions for financing or refinancing to vulnerable borrowers in an environment that encourages banks to undervalue their assets and their debt (a decline in liquidity, increasing regulatory pressure, etc.). With the support and expertise of all the management teams and the credit-research team of Tikehau IM, TSO is an opportunistic and multi-sector fund which aims to invest in all asset classes (including credit, equity and real estate), mainly in Europe, focusing primarily on undervalued debt (stressed credit), in amounts of between €5 and €50 million, with a diversified portfolio. Applying a conservative approach, the portfolio seeks sector and geographic diversification, with a maximum allocation of 10% of assets in a single

company, and a maximum allocation of 20% per sector. As at 31 December 2017, TSO had collected nearly €78 million in commitments.

TKS1 – Venture Capital Fund specialising in medical technology and life sciences companies

On 13 March 2018, Tikehau Capital and SPRIM Ventures, an international specialist in scientific and medical consulting, announced the closing of their first venture capital fund, TKS1, which will focus on start-up investments in medical technology and life science companies. The total amount of capital committed at the time of the first fund's closing was US\$50 million. This unique partnership combines Tikehau Capital's proven track record and experience in innovation, with the business expertise and know-how of SPRIM Ventures across the entire healthcare industry.

The TKS1 fund is managed from Singapore and targets investments ranging from US\$0.5 million to US\$5 million. The strategy supports innovative companies for projects in the seed phase. The fund more specifically targets companies devising solutions that contribute to scientific progress in the health field, focusing on prevention, diagnosis and monitoring in relation to curative treatments, and enabling the entire life science sector to develop sustainable and cost-effective therapies more rapidly.

Other funds

On 29 March 2018, the Company announced that Total SA is participating alongside Tikehau Capital in the creation of an investment fund dedicated to energy transition. The aim of this private equity fund is to support medium-size energy transition players in financing their development, the transformation of their business model and their international expansion. (See Section II.5 (Material events occurring since 31 December 2017) of this Registration Document.)

In addition, Tikehau Capital intends to increase the proportion of private equity in its assets under management. This is reflected in the raising of a private equity fund dedicated to minority investment. This fund aims to build on the track record established by the Group on its balance sheet since its creation.

5. TIKEHAU CAPITAL AND ITS MARKET

(a) Introduction/summary

At the end of 2016, asset management companies worldwide managed assets of US\$69.1 trillion, an average annual increase of 8% per year since 2008¹. In Europe, the main investment area of Tikehau Capital, assets under management have grown by about 5% since 2007 to peak at US\$18.4 trillion at the end of 2016. It is expected that this trend will continue, with assets even anticipated to reach US\$101 trillion globally in 2020.

Within the world of asset management, alternative classes are showing strong momentum, accounting for 15% of all assets under management in 2016, against 14% in 2015 and only 9% in 2003. Assets under management in the alternative classes could represent 16% of total assets in 2021¹; the share of conventional assets is expected to fall as a proportion of total assets, to the benefit of alternative investments.

Investors are favouring alternative asset classes, anticipating higher yields than for conventional instruments. For asset management companies, the attractiveness of alternative assets is also demonstrated, both in terms of margins (with margins on assets significantly higher than other asset classes) and in terms of investment opportunities (in particular in the backdrop of forced withdrawal by banks and insurance companies from a number of asset classes, and in a situation of an abundance of capital to invest).

There are few structures with a similar profile to Tikehau Capital. With assets at present lower than its direct peers, the Group boasts much higher historical growth.

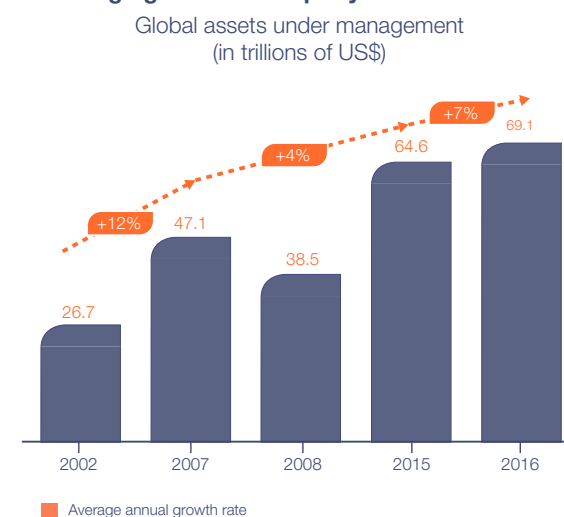
The asset classes in which the Group invests are enjoying strong momentum. Private debt has achieved strong growth in a climate of more stringent regulations weighing on the banking sector. This increase is particularly noticeable in Europe. The real estate sector, which can be seen as an anchor for alternative asset managers, is also an asset class in which the Group operates and is undergoing powerful growth. Private equity, in which Tikehau Capital has been present since its inception, is distinguished by an almost constant outperformance compared to traditional equity markets. Lastly, liquid strategies, a sector where inflows have decreased recently over the entire market, are a component that still represents a clear majority in the assets of investment managers.

(b) General overview of the asset management market since 2008

Since 2008, the asset management market worldwide has experienced significant growth of on average about

8% per year. Assets under management thus reached a record level of US\$69.1 trillion at the end of 2016. In 2016, growth in assets under management accelerated after a year of slowdown worldwide (7% between 2015 and 2016, compared with 1% between 2014 and 2015). Annual average growth of total assets was 9% between 2008 and 2014. The increase in assets under management in the course of recent years is due to the combination of the performance of the global financial markets and the increase in net inflows in a low interest rate environment.

A market reaching US\$69.1 trillion in 2016, an average growth of 8% per year since 2008



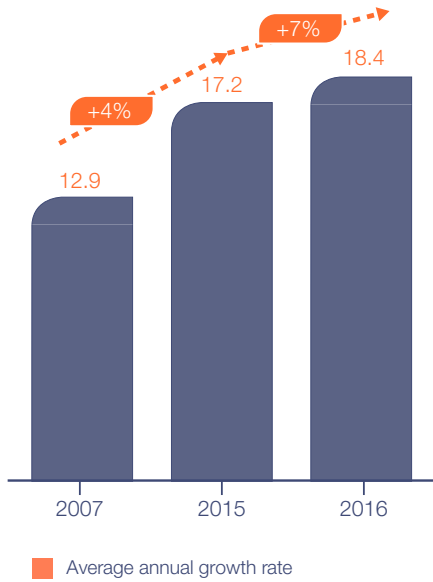
Source: BCG, Global Asset Management, 2017.

In this context of sustained growth of assets under management globally, the market for asset management in Europe was also buoyant in 2016 with growth of over 7% (compared to 2015) and a volume of assets under management reaching US\$18.4 trillion. This growth was driven by an increase in assets in the UK, Germany, Italy and Spain. The extremely low interest rate environment in Italy and Spain, the rise in wealth in Germany and the devaluation of pound sterling (because it limited investor outflows) particularly contributed to this growth.

¹ Source: BCG, Global Asset Management, 2017.

7% growth of the European market in 2016

Assets under management – Europe
(in trillions of US\$)



In an economic environment marked by low growth, a lasting low interest rate monetary policy in Europe and strong market volatility, France recorded a further rise in assets under management in 2016, with growth of 6% compared with 2015 and volumes reaching €3.673 trillion (funds and mandates, according to AMF data). This increase is explained mainly by the increase in gross assets in collective investment management (+8% compared to 2015) and, to a lesser extent, by the increase of gross assets in management under mandate (+4% compared to 2015).

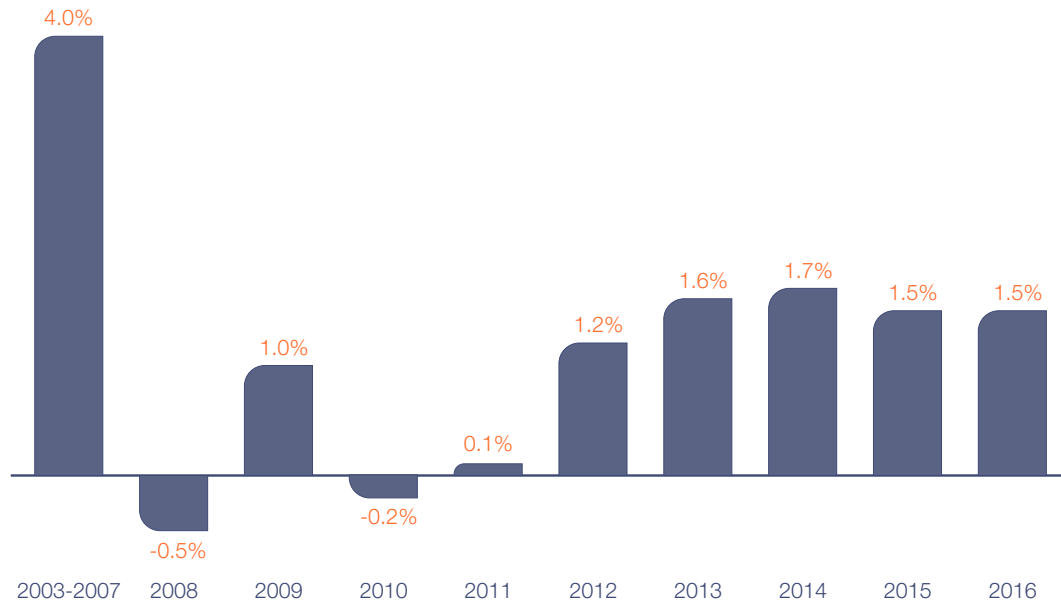
The studies highlight the potential for growth in the asset management sector in the medium term. According to a study by PwC¹, the worldwide volume of assets under management should reach about US\$101.7 trillion in 2020, representing an average annual growth of 6% since 2012. This growth momentum should be mainly driven by pension funds, high net worth individuals and sovereign wealth funds.

Net inflows² worldwide have seen continuous increase since 2010, despite a slight decline in 2015, from -0.2% of assets under management in 2010 to +1.5% in 2016.

Source: BCG, Global Asset Management, 2017.

A net inflow representing 1.5% of global assets under management in 2016

Average net inflow in % of global assets under management at beginning of each period



Source: BCG, Global Asset Management, 2017.

¹ PwC: Asset Management 2020 – A Brave New World.

² Net inflows are the difference between the amounts of subscriptions and redemptions for the period. A positive inflow means that the total amount of inflows (subscriptions) is higher than the outflows (redemptions) recorded.

Net inflows have been particularly strong in recent years in Europe, making this continent one of the most dynamic regions, ahead of the United States. Net inflows in Europe accounted for 6.5% of assets under management in 2016 compared with 4.1% in 2015¹ and 2.5% in 2014². This performance highlights the recovery in net inflows in Italy, Spain and Germany and very strong net inflows in the United Kingdom (more than 11% of assets under management).

Players in the asset management industry, including traditional investment managers, have in recent years experienced pressure on their profitability due, firstly, to increased regulation, resulting in additional costs and, secondly, to a low interest rate environment that negatively affects their performance. Nevertheless, this context has been conducive to the identification of new opportunities in alternative asset management, as managers and investors seek out products with higher yields.

(c) Alternative assets are attracting constantly-growing demand

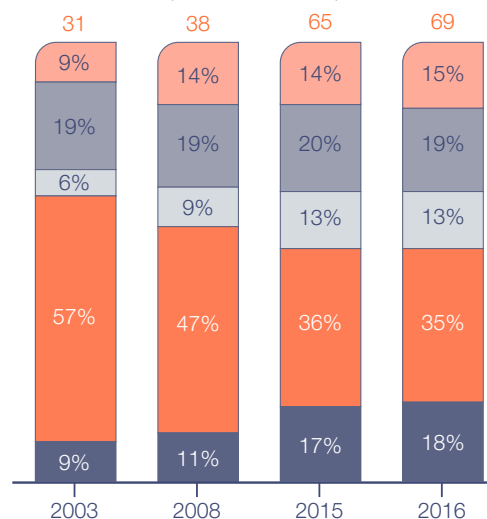
(i) A steadily rising proportion of alternative assets in total assets under management

The alternative investment market in which the Group operates, in contrast to conventional asset management, is uncorrelated to financial markets and seeks an objective of absolute performance, not relative to an index. The objective is that the investor should be less exposed to market trends, but have direct exposure to the performance of the fund manager. Players active in alternative asset management invest in products such as real estate, private equity, hedge funds, infrastructures, private debt and commodities.

For several years now, investor demand for conventional active management in equities and bonds has fallen in favour of alternative assets. Thus, the share of alternative assets in total assets under management has increased dramatically worldwide, representing 15% in 2016 against 7% in 2003.

In 2016, alternative assets represented 15% of assets under management worldwide

Global distribution of assets under management (in trillions of US\$)



■ Alternative assets¹
■ Active management⁴
■ Specialty products²
■ Passive management/ETFs
■ Solutions/LDI/diversified products³

¹ Includes alternative funds, private equity, real estate, infrastructure and commodity funds.

² Includes specialty equity products (non-domestic, global equities, emerging markets, small and mid-cap and sector) and specialty fixed income products (credit, emerging markets, global fixed income, high yield and convertible bonds).

³ Includes absolute return, “target date”, asset allocation, flexible, income, volatility, LDI products, as well as conventional diversified and balanced products.

⁴ Includes actively managed domestic large-cap equity, actively managed government bonds, cash management and structured products.

Source: BCG, Global Asset Management, 2017.

¹ BCG, Global Asset Management, 2017.

² BCG, Global Asset Management, 2016.

In terms of assets under management, alternative investments experienced an average annual growth twice that of traditional assets (10.7% against 5.4% between 2005 and 2013¹). Asset classes such as private equity, private debt and real estate are gaining ground over conventional asset management but also within alternative investment itself, to the detriment of the hedge funds. In fact, according to Preqin², more than half of investors have indicated that they were going to reduce their exposure to hedge funds after two years of limited performance (2015 and 2016). According to Preqin, 66% of investors surveyed indicated that their investments in hedge funds did not meet their expectations in 2016³ compared to 33% in 2015. In the longer term, alternative asset classes for which investors plan to increase their allocations the most include private equity (+45% of net additional allocations according to Willis Towers Watson) and private debt (+38%), at the expense of hedge funds (+28%)⁴.

This trend will increase as investors continue to seek more diversity, a controlled volatility, a higher long-term returns and more stable revenues.

(ii) A macroeconomic environment favouring alternative asset classes

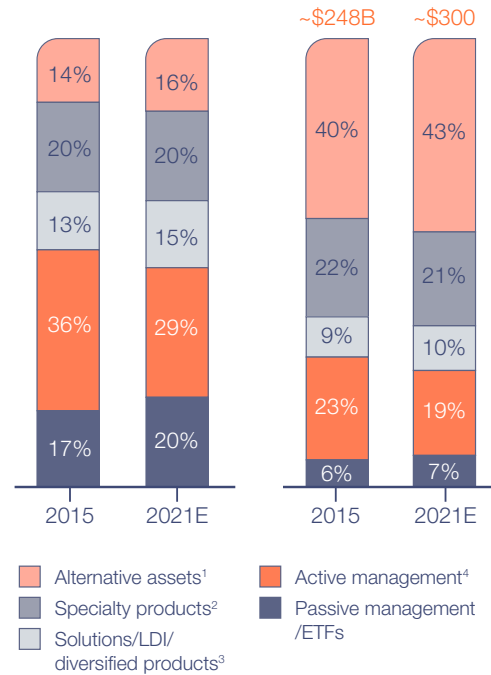
The easing of monetary policy implemented by most central banks in developed countries since the financial crisis has resulted in a considerable drop in interest rates. Thus, the interest rates of major central banks and the 10-year government bond rate in major developed countries are now close to zero or even negative.

Persistently low interest rates have prompted investors to turn to alternative asset classes providing higher returns. Indeed, in this environment, conventional assets are unable to provide the levels of performance expected by investors. As detailed below, the private equity and private debt segments have seen higher performance than the stock markets in recent years, confirming the higher return of these asset classes, and have also demonstrated their resilience.

Alongside the low interest rate environment, the new regulations put in place for greater transparency and control (MIFID II, the UCITS V Directive, the AIFM Directive and EMIR – See Section I.6 (Regulations) of this Registration Document) are causing players in the asset management industry to diversify into non-conventional assets with higher fee levels, thus offsetting the rise in regulatory costs.

By 2021, alternative assets will represent approximately 16% of total assets under management and 43% of the revenue they generate

Proportion of asset classes compared to total assets under management (2015-2021E) and proportion of revenue by asset class compared to total assets under management (2015-2021E)



¹ Total revenues by asset class/total assets by asset class, broken down to basis points.
² Includes alternative funds, private equity, real estate, infrastructure and commodity funds.
³ Includes specialty equity products (non-domestic, global equities, emerging markets, small and mid-cap and sector) and specialty fixed income products (credit, emerging markets, global fixed income, high yield and convertible bonds).
⁴ Includes absolute return, “target date”, asset allocation, flexible, income, volatility, LDI products, as well as conventional diversified and balanced products.
⁵ Includes actively managed domestic large-cap equity, actively managed government bonds, cash management products and structured products.

Source: BCG, Global Asset Management, 2017.

¹According to McKinsey Global Asset Management Growth Cube; Preqin; HFR. Alternative assets used in this study are real assets (such as real estate, infrastructure and commodities), private equity (including mezzanine debt) and hedge funds.
² Preqin Investor Outlook: Alternative Assets HI 2016.
³ Preqin Investor Outlook: Alternative Assets HI 2017.
⁴ Willis Towers Watson, Global Alternatives, 2016.

I. PRESENTATION OF THE GROUP AND ITS ACTIVITIES

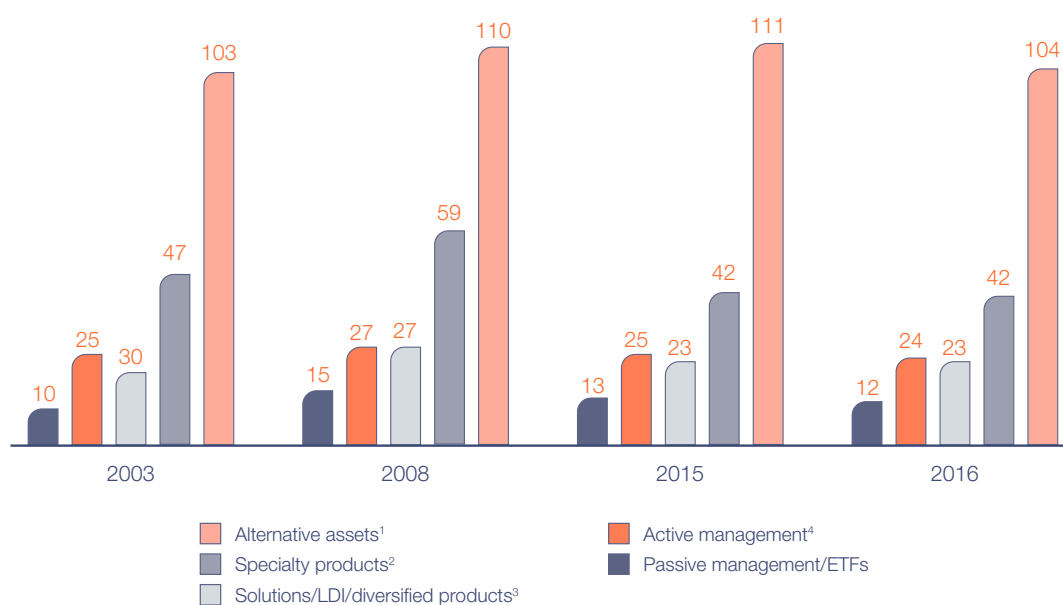
Tikehau Capital and its market

The alternative asset class is expected to average annual growth of about 11% over the period 2015-2021 against about 6% for the traditional asset class. It is also the asset

class that is experiencing the largest increase in revenue generated.

The alternative asset class is the one that generates the most revenue proportionally to the size of the assets, among all asset classes

In points of assets under management per year¹



¹ Total revenues by asset class/total assets by asset class, broken down to basis points.

² Includes alternative funds, private equity, real estate, infrastructure and commodity funds.

³ Includes specialty equity products (non-domestic, global equities, emerging markets, small and mid-cap and sector) and specialty fixed income products (credit, emerging markets, global fixed income, high yield and convertible bonds).

⁴ Includes absolute return, "target date", asset allocation, flexible, income, volatility, LDI products, as well as conventional diversified and balanced products.

⁵ Includes actively managed domestic large-cap equity, actively managed government bonds, cash management products and structured products.

Source: BCG, Global Asset Management, 2017.

Tikehau IM

In addition, the increase in regulatory constraints has made the holding of risky assets more difficult and more costly for banks and insurance companies, to the benefit of specialist players in alternative asset management. This is the case for example in the financing of SMEs and intermediate-sized companies (see the Glossary in Section X.5) being conducted increasingly through the use of private debt and non-conventional players.

The growth of alternative asset management is also driven by the attraction from the pension funds, high net worth individuals and sovereign wealth funds to these asset classes; moreover, these investors are key drivers of the asset management industry.

According to PwC¹, the value of assets managed by pension funds worldwide is expected to grow on average 6.2% per year between 2013 and 2020 to reach US\$56.6 trillion. Pension funds should continue to turn more towards alternative asset classes over the long term as they seek for diversified strategies and higher yields to meet their financing difficulties. From 1995 to 2014, the pension funds' allocation of investments to alternative assets increased by 20% while it decreased by 7% and 9% for equities and bonds under conventional management².

¹ PwC: Asset Management 2020 – A Brave New World.

² Source: Towers Watson.

Moreover, the role of sovereign wealth funds in the capital market continues to grow and, according to PwC, the value of assets managed by these funds worldwide is expected to increase on average 5.8% per year between 2013 and 2020 to reach US\$15.3 trillion. Like pension funds, sovereign wealth funds are seeking to diversify their asset classes through more customised solutions, offering the prospect of higher returns. According to PwC and SWF Institute, the proportion of the investments of sovereign wealth funds dedicated to alternative assets will reach 14% in 2020.

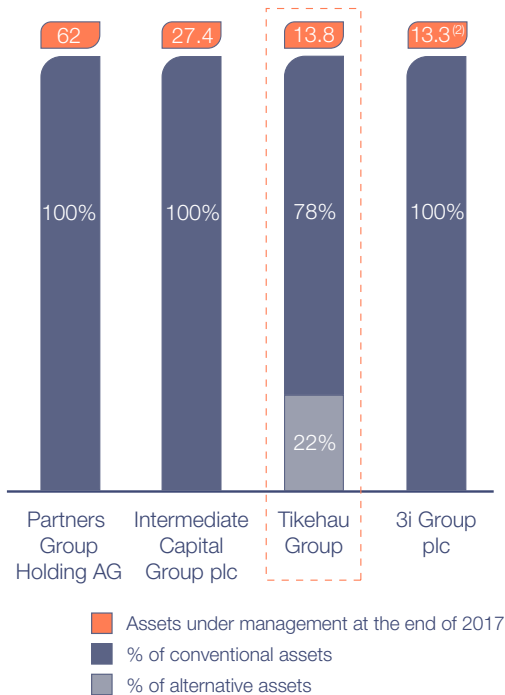
The assets held by high net worth individuals should also increase significantly (+4.9% average annual growth between 2012 and 2020 worldwide, according to PwC).

(iii) Overview of the European competitive landscape in alternative asset management

The number of listed independent alternative players in Europe is very limited. The graph below shows those whose alternative assets under management account for a significant portion (up to 100%) of their assets.

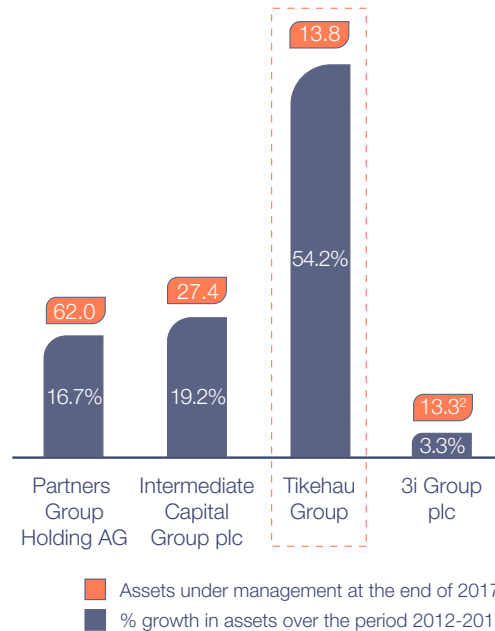
Overview of the assets under management of the leading independent actors in alternative management in Europe

Listed independent European players¹ – Ranking by assets under management at the end of 2017 and conventional/alternative breakdown



Historical growth rate of assets under management of leading actors in independent alternative management in Europe

Listed independent European players¹ – Average annual growth rate of assets under management (2012-2016 period)



¹ Institutions not backed by a bank or an insurance company, with a significant proportion of alternative assets under management.
² 3i group assets under management are presented as at 30/09/2017.

Source: company information, analysts.

It should be noted that:

- Partners group is a listed Swiss group that invests primarily in private equity, but also in real estate, private debt and infrastructure;
 - Intermediate Capital Group (ICG) is a company listed in London that invests mainly in private debt (including mezzanine and CLOs) and real estate;
 - 3i manages alternative assets split between private debt, private equity and infrastructure;
 - Tikehau Capital has a portfolio of alternative assets divided between private debt, real estate and private equity.
- Any analysis of the competition must take into account the business mix specific to each player (private debt, real estate, private equity, infrastructure, etc.) and should consider the performance of each player business line by business line, which makes it difficult to compare Tikehau Capital with other European players who devote a significant portion of their business to alternative assets.

(d) Overview of market trends in the different asset classes of Tikehau Capital

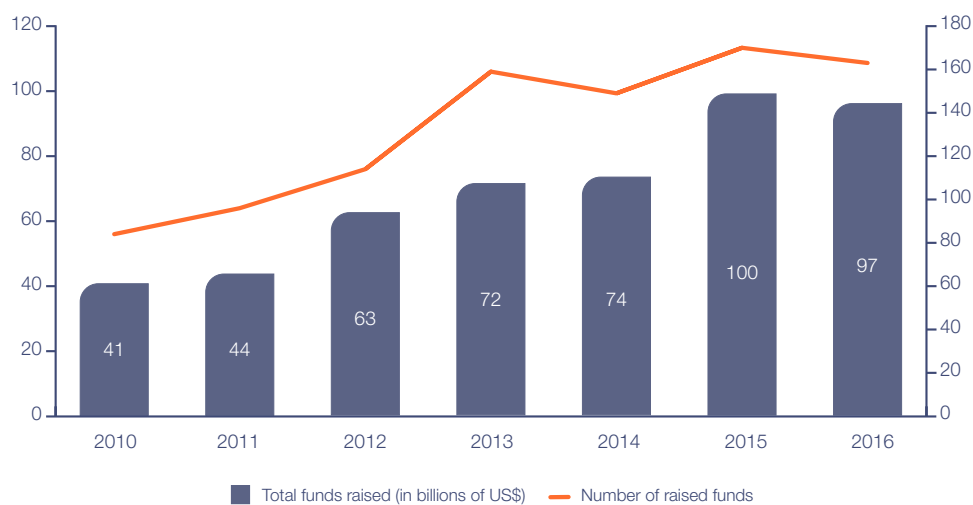
(i) Private debt

The recent investor appetite for corporate debt can be explained, firstly, by the increased regulation of the banking sector, which has allowed non-bank stakeholders to

emerge and assume a larger role in the financing of the economy and, secondly, by investors' search for yield, in a context of low attractiveness of classic "debt products" in terms of performance or risk profiles, compared with the pre-crisis years (that is, prior to 2008).

Private debt fundraising has risen sharply since 2010 worldwide

Private debt fundraising (2010-2016 period, in billions of dollars and number of funds)



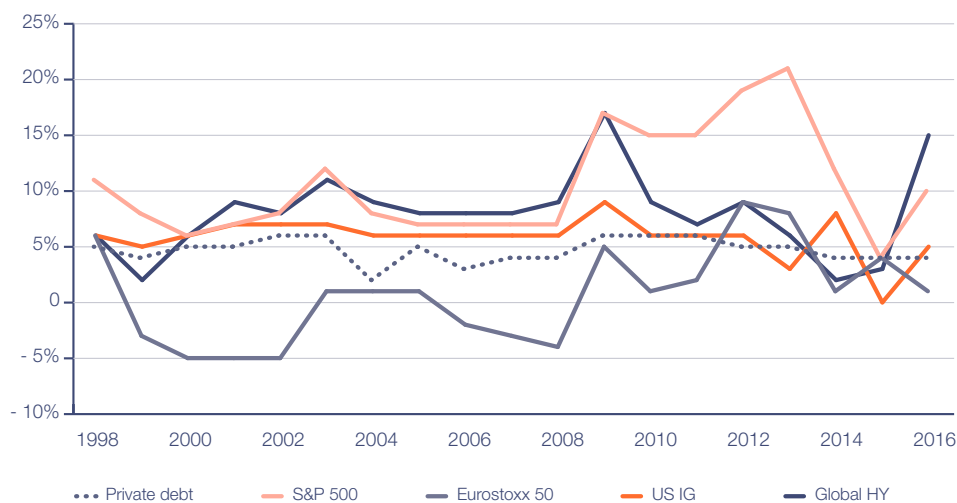
Source: Preqin.

This trend is illustrated by the increase in fundraising since 2010 worldwide. Private debt fundraising for 2016 reached

a six-year high, at US\$97 billion (compared to US\$74 billion in 2014).

Private debt generates stable returns

Evolution in yields compared to other asset classes (For the period 1997-2016)



Source: J.P. Morgan Cazenove, Preqin, Bloomberg.

Since the late 1990s, private debt has been distinguished by its relative stability in terms of performance especially compared to equities and debt markets, irrespective of market cycles. In addition, the outlook for this asset class is attractive. According to Preqin¹, of a panel of investors surveyed in late 2016, 62% expressed their desire to increase their long-term allocation in private debt.

It should be noted that private debt funds are mainly managed by experienced asset managers (90% of funds raised in 2016), competition is consequently extremely fierce, especially for newly created structures (which must also overcome regulatory barriers). On the other hand, funds raised are primarily destined for investment in North America and Europe, which together account for about 96% of the private debt market.

Funds specialising in direct lending have been able to take advantage of the space left by banks for financing SMEs and mid-cap companies (see the Glossary in Section X.5) notably due to more stringent regulatory constraints.

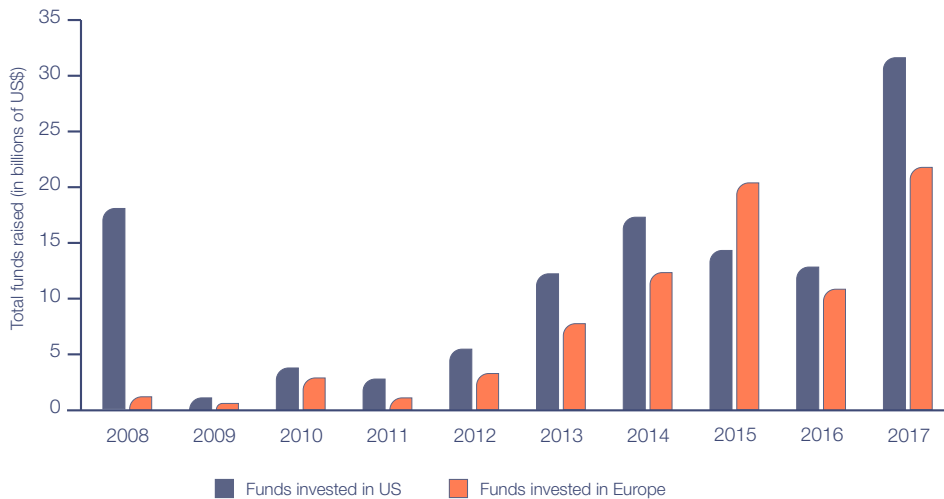
Direct lending, which consists of investing directly in SMEs and intermediate-sized companies or investing in loans or other debt instruments issued by lending platforms, is an attractive alternative available to investors in the asset class “debt products”, in an environment of low interest rates and decrease in the size of bank balance sheets.

According to figures from the European Central Bank, loans to non-financial companies declined by 12% from January 2009 to March 2014, thus leading such companies to resort to other means of financing. The means of funding of European SMEs and intermediate-sized companies could well evolve as it has done in the US, where in 2013, according to the European Commission, only 30% of SMEs and intermediate-sized companies were financed by banks (against 85% in Europe for the same year).

In Europe, the main direct lending markets are Great Britain, followed by France.

Sustained growth in direct lending fundraising for Europe and North America

Evolution of fundraising for investments in Europe compared with the US (for the period 2008-2017, in billions of US\$)



Source: Preqin, 2018.

The European market is less mature than the US market. Nevertheless, in 2015, capital raised for investment in European direct lending funds increased 42% compared to 2014 and for the first time exceeded that destined for the US market. Direct lending fundraising for European opportunities increased by 60% between 2014 and 2015, from US\$12.5 billion to US\$20.5 billion, before declining significantly between 2015 and 2016, from US\$20.5 billion to US\$11 billion. Between 2016 and 2017, direct lending

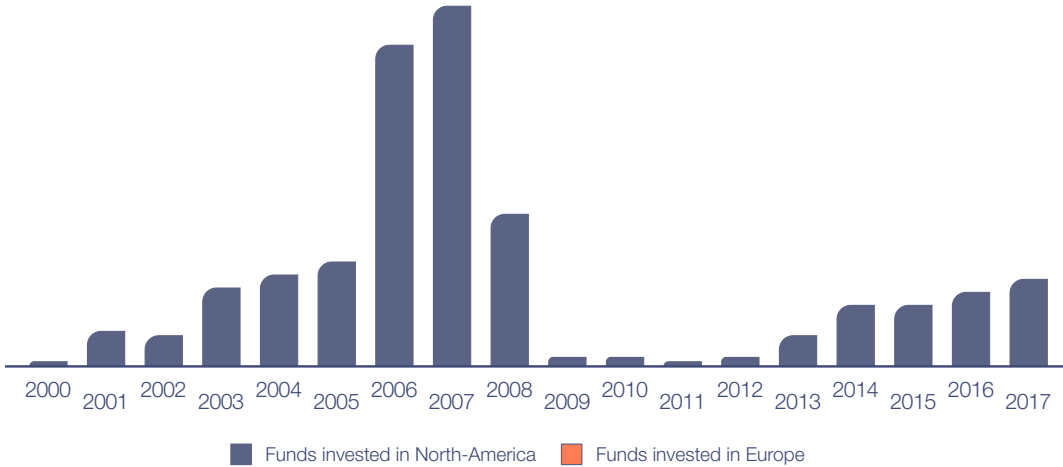
fundraising again rose sharply from US\$11 billion to US\$22 billion in Europe, and from US\$13 billion to US\$32 billion in the United States.

In the leveraged loans category, issues of European CLOs (“Collateralized Loan Obligations”) rose sharply in 2016. In 2017, 51 CLOs were finalised for a total amount of US\$20 billion (against US\$17 billion for 41 vehicles in 2016 and US\$14 billion for 34 vehicles in 2015).

¹ Preqin Investor Outlook: Alternative Assets H2 2017.

2016 marks the highest level since 2008, but lags far behind pre-crisis levels (before 2008)

Issues of European CLOs (For the period 2000-2017, in billions of €)



Source: Fitch, Overview of US and European CLO markets, Bloomberg.

The market for European CLOs is particularly supported by innovations such as floored CLOs (*i.e.*, structured with a floor); in an environment of negative Euribor rates, most CLOs are protected against negative rates by floors (85% of debts in European CLOs have floor levels at 0% or above). Moreover, CLOs now have a greater number of counterparties by product.

There has been no slowdown observed in the market for CLO issues in Europe after the referendum on Brexit.

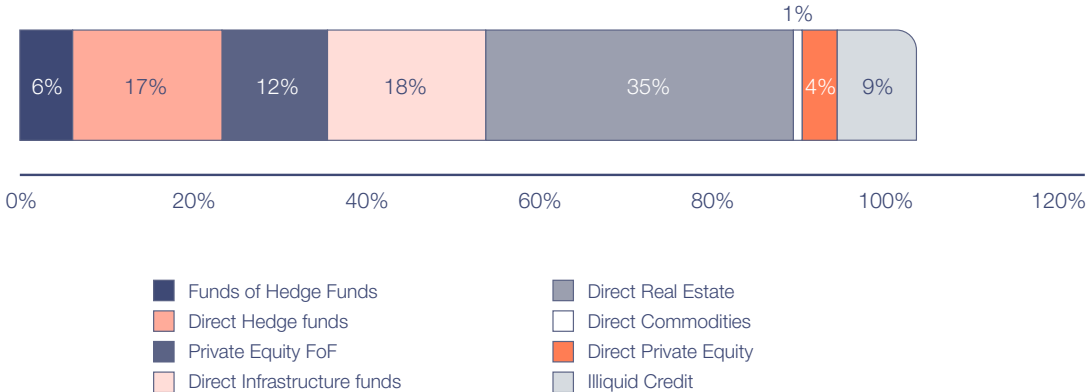
(ii) Real estate

2016 saw the real estate asset class gain in attractiveness: investors have been drawn by yields more attractive than conventional debt products. In the medium term, its fundamentals should be supported by new housing starts remaining at relatively low levels since 2009, as have debt levels.

Over the past three years, real estate funds have generated an average annualized return of 16%. Moreover, in its study on alternative investments, 76% of investors surveyed by Preqin believe that they will invest at least as much capital in this asset class in 2017 as in 2016, marking a stable appetite for it.

Real estate assets represent the largest proportion of assets managed by alternative managers

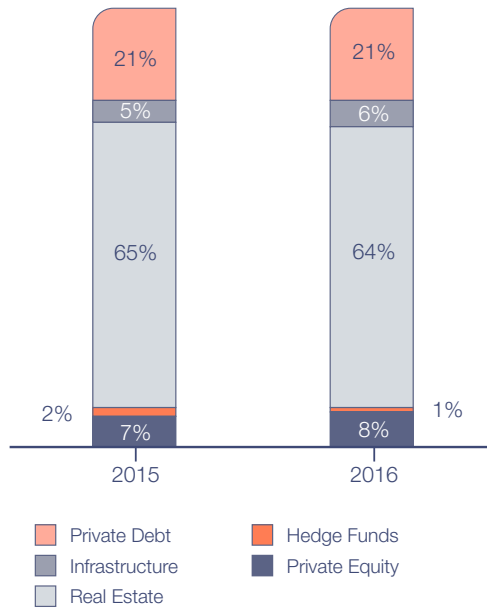
Percentage holding of the Top 100 alternative managers by asset class (2017)



Source: Willis Towers Watson, Global Alternatives, 2017.

Real estate assets still represent a major proportion of asset allocation

Comparison of allocations of institutional investors¹ in the years 2015 and 2016



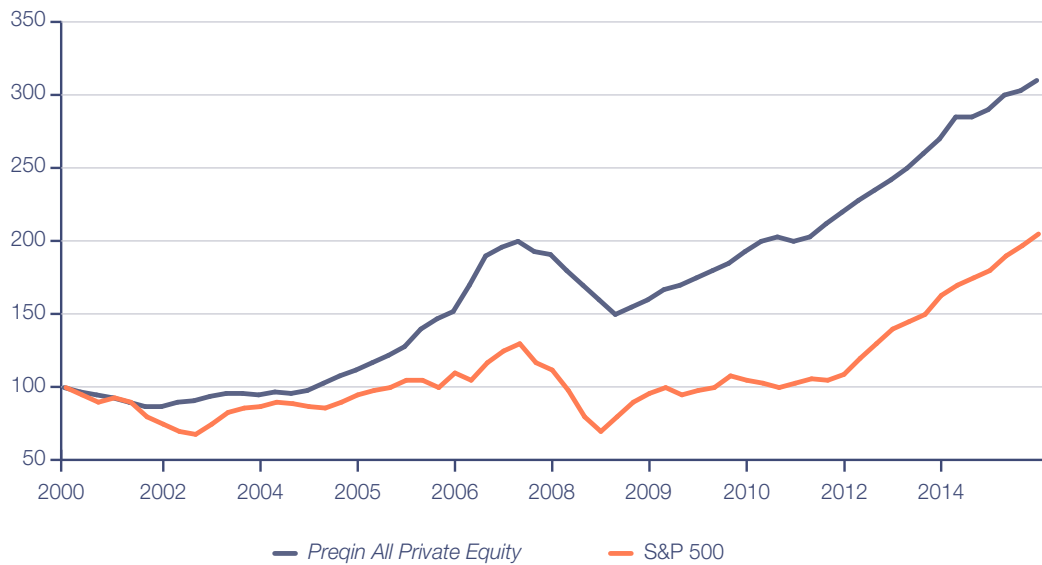
¹ Insurance companies.
 Source: Willis Towers Watson, Global Alternatives, 2017.

(iii) Private Equity

Worldwide, the performance achieved by private equity was much higher than the equity markets. Thus, Preqin notes a near-constant outperformance of its All Private Equity index relative to the S&P 500 reflecting the performance of the equity markets since 2000, as shown in the graph below.

Private equity has almost constantly outperformed equity markets

Evolution of global indices Preqin PE and S&P 500 (Base 100, for year 2000)



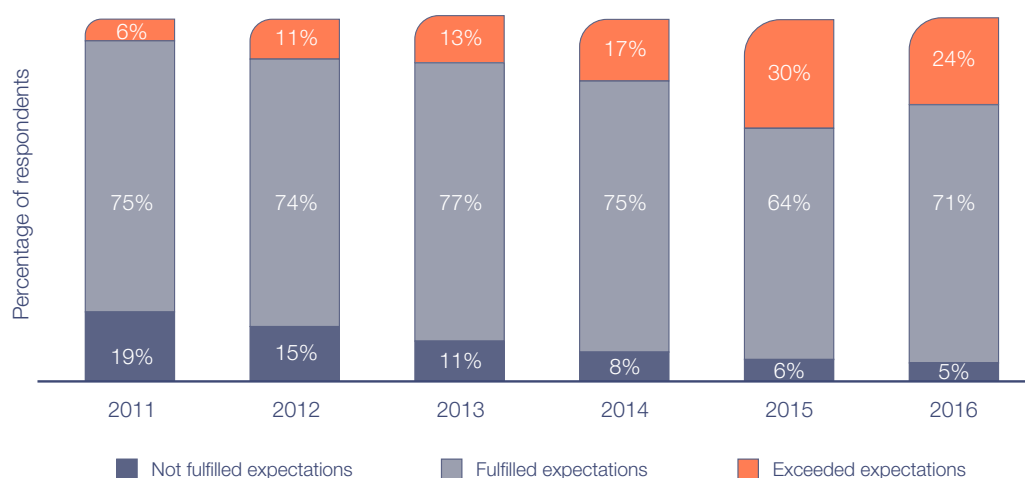
Source: Preqin, December 2015.

More recently, private equity has become the asset class that has seen the most significant growth among alternative investments (an annual average growth rate of +15.3% over the period 2004-2013). In 2016, the total number of transactions increased by 5.1%, while the total value of transactions fell by 5.3% over the year¹. In Europe, it has benefited from an improved macroeconomic environment in recent years, as well as the accommodating monetary policies of the European Central Bank, which has meant a high availability of cheap financing.

In 2017, of a panel of investors surveyed by Preqin², 89% reported that their investments in the private equity asset class had exceeded or met their initial objectives. It should also be noted that investor satisfaction has risen sharply over the period 2011-2017, increasing from 81% in 2011 to 89% in mid 2017.

For most investors, private equity performance has been in line with expectations

Proportion of investors who feel that private equity performances have met expectations (for the period 2011-2016)



Source: Preqin Investor Interviews, December 2011-2016.

For the period 2015-2017, private equity, together with private debt, are among the asset classes whose expected performance is the most attractive in the alternative universe (respectively 7.5% and 7.0% expected returns). North America is the most attractive geographic area, followed by Europe. According to Preqin³, 50% of investors surveyed believe that Europe offers attractive investment opportunities (compared with 69% for North America).

Looking towards 2020, alternative assets are expected to grow (their volume is estimated to be between US\$13.6 and US\$15.3 trillion in 2020) and they enjoy continued attractiveness, particularly in a context of the search for diversification by investors and an increase in the capital available to invest.

(iv) Liquid Strategies

In 2016, equity and bond underlyings still constitute the asset class representing the largest portion of assets under management worldwide, with 35% of total assets under management worldwide and 23% of revenues generated, despite a gradual decrease since 2003. Some sub-categories of this asset class, such as fixed income management, conversely recorded strong growth in 2016, demonstrating that investors will continue to resort to this asset class⁴.

¹ PWC, Private Equity Trend Report 2017.

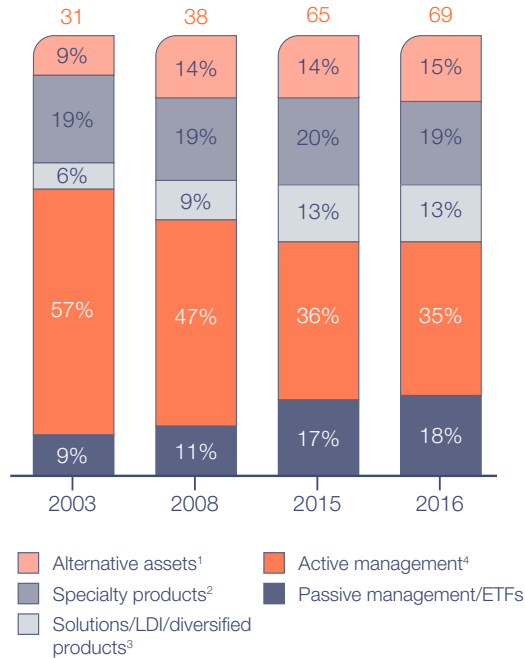
² Preqin Investor Outlook: Alternative Assets H2 2017.

³ Preqin Investor Outlook: Alternative Assets H2 2017.

⁴ BCG, Global Asset Management, 2016.

Conventional assets under management represent what is still the largest proportion of assets under management worldwide

Global breakdown of assets under management (in trillions of US\$)



¹ Includes hedge funds, private equity, real estate, infrastructure and commodity funds.

² Includes specialty equity products (non-domestic, global equities, emerging markets, small and mid-cap and sector) and specialty fixed income products (credit, emerging markets, global rates, high yield and convertible bonds).

³ Includes absolute return, "target date", asset allocation, flexible, income, volatility, LDI products, as well as conventional diversified and balanced products.

⁴ Includes actively managed domestic large-cap equity, actively managed government bonds, cash management and structured products.

Source: BCG, Global Asset Management, 2016.

6. REGULATORY ENVIRONMENT

Tikehau Capital's business is governed by regulations specific to each country in which the Group operates, directly or through subsidiaries (principally Tikehau IM, Tikehau Capital Europe or Tikehau Investment Management Asia Pte. Ltd.), branches or partnerships.

Since its shares were listed on the Euronext Paris regulated market on 7 March 2017, Tikehau Capital has become subject to various obligations including (i) periodic and ongoing information, (ii) prevention of market abuse and (iii) issuance of financial securities. These obligations are laid down by the French and European regulations and by the AMF, the authority responsible for the regulation and supervision of the French financial markets, in its general regulation.

In respect of asset management and investment services, the Group companies concerned are subject to numerous regulations, prudential supervision and approval requirements.

Although the nature and scope of the regulations vary from country to country, the Group is subject to laws and regulations governing asset management and investment activities in most countries in which it conducts its business. The governance and internal organisation of each subsidiary and branch require permanent monitoring and appropriate readjustment according to the activities carried out insofar as the regulations applicable are in constant change, especially in the European Union (EU) and according to their transposition in the different Member States and their interpretation by local regulators.

This constant regulatory change could have a significant impact on Tikehau Capital's business and operating result. However, the Group's support functions focus on anticipating and analysing regulatory changes in order to limit their impact on more operational activities.

(a) Regulations relating to the asset management activities

In recent years, the European authorities have been paying more attention to the financial services industry and have adopted guidelines and regulations governing the asset management sector, the purpose of which is to protect investors and preserve financial market stability.

Tikehau Capital's asset management activities, conducted primarily through its subsidiary Tikehau IM, can be divided into two main categories:

a) the collective management of funds and other undertakings for collective investment, including UCITS and Alternative Investment Funds ("AIF" see the Glossary in Section X.5), which are respectively regulated by:

- Directive 2009/65/EC of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating

to undertakings for collective investment in transferable securities ("UCITS", see the Glossary in Section X.5) as amended ("UCITS Directive") and Directive 2014/91/EU reinforcing certain requirements related to the management of UCITS, such as the duties of custodian, remuneration policies and sanctions ("UCITS V Directive"), and

- Directive 2011/61/EU of 8 June 2011 on AIF managers (the "AIFM Directive");

b) individualized third-party management (through management mandates) and investment advice, activities which constitute financial services governed by Directive 2014/65/EC (the "MIFID II"), supplemented by Regulation (EC) No. 600/2014 (the "MIFIR") and amending Directive 2004/39/EC of 21 April 2004 on markets in financial instruments (the "MIFID"). In addition to these main regulations, asset management activities are subject to other European regulations, such as Regulation (EU) No. 648/2012 of 4 July 2012 on derivatives traded OTC, central counterparties and trade repositories (the "EMIR"). EMIR governs compensation, reporting and risk mitigation techniques for Over-The-Counter (OTC) derivative transactions.

(i) Key regulations applicable to asset management activities

Regulation applicable to UCITS managers

Tikehau IM manages and markets UCITS in the European Union and therefore has to comply with strict rules on internal organisation, including requirements with regard to risk management and conflicts of interest, as well as rules of good conduct relating in particular to the amount of fees charged or information to be provided to clients.

In order to meet these requirements, UCITS are subject to rules relating to the allocation, diversification and custody of assets. In particular, a UCITS must not invest more than (i) 5% of its assets in securities or money market instruments issued by the same entity or (ii) 20% of its assets in deposits or cash with the same bank. The assets of a mutual fund or a SICAV must be kept by a custodian which must be a separate entity from the fund and the asset management company, to safeguard the assets and maintain the segregation of accounts.

Furthermore, the asset management company must draw up for each of the UCITS it manages a short document containing key information for investors (the Key Investor Information Document or KIID). This document must contain information on the essential details of the UCITS in question, including the identification of the UCITS, a short description of its investment objectives and the investment policy, an overview of past performance, the associated costs and fees and the risk/reward profile of the investment. The asset

management company must also publish a prospectus containing the information necessary for investors to be able to make an informed judgement on the investment proposed to them and, in particular, the related risks.

In line with the UCITS Directive, the UCITS V Directive introduces new rules for UCITS custodians, such as rules on entities eligible for that function, their duties, delegation agreements and the liability of custodians. More generally, the UCITS V Directive also reinforces certain requirements for management companies and lays down rules on remuneration policies (see the following paragraph "Regulations applicable to remuneration policies"). These new requirements are mostly in line with the requirements of the AIFM Directive, which are described below.

The UCITS V Directive was transposed into French law by Order No. 2016-312 of 17 March 2016 amending the legal framework for asset management. The new rules resulting from the transposition thus came into force on 18 March 2016. The delegated regulation was published in the Official Journal of the EU on 24 March 2016 and came into force on 13 October 2016.

Regulation applicable to AIF managers

AIF managers, such as Tikehau IM, are subject to the provisions resulting from the transposition of the AIFM Directive. AIFs are defined as entities (other than UCITS) which raise capital from a number of investors, with a view to investing it in accordance with a defined investment policy. The AIFM Directive lays down requirements on organisation, governance, information and asset allocation and custody.

AIF managers must make frequent reporting to the competent authorities of their home Member State on the principal markets and instruments in which they invest on behalf of the AIFs they manage. This reporting must cover (i) the main instruments in which each AIF invests, (ii) the markets in which each AIF is invested or on which it is active and (iii) the largest exposures and concentrations for each AIF. In addition, AIF managers are subject to more stringent investor information requirements and, for each European Union AIF they manage and for each of the AIFs they market in the European Union, they must prepare an annual report within six months of each financial year end. AIF managers must also make available to potential investors a list of information on the characteristics of the AIF, prior to their investment. This list includes, in particular, a description of the investment strategy and the objectives of the AIF, the procedures for modifying its strategy or investment policy, the procedure for valuing the AIF and its assets, the AIF's liquidity risk management and a description of all fees, costs and charges (including their maximum amounts) that are directly or indirectly borne by investors.

European managers may market units or shares of European or non-European AIF to professional clients in the European Union through the system of passporting (see Section I.6(c) (i) (The European passporting procedure) below). Subject to

obtaining the necessary authorisations in one of the Member States of the European Union, non-EU managers can also be authorised to market European and non-European AIFs within the European Union.

(ii) Other regulations applicable to asset management activities

The impact of MIFID II

When an asset management company is authorised to provide investment services (investment advice and/or portfolio management on behalf of third parties), it is required to apply the rules resulting from the transposition of MIFID II applicable to investment services, including "distributor rules". In fact, obligations relating to distributors of financial products may have a significant impact for management companies when the distribution of the funds they manage involves the provision of investment service(s) entailing the application of "distributor rules" (especially should other investment service providers or financial investment advisers be used for distribution), particularly in relation to the provision of information.

MIFID II imposes the obligation on distributors (through the provision of investment services) to acquire appropriate systems to obtain relevant information relating to such financial instruments, to understand their characteristics and to assess whether each financial instrument is compatible with the needs of its clients, particularly in relation to the target market it defines. The information obtained on the product must be compared with that concerning the distributor's own clients in order to define the target market and the distribution strategy.

By reference to the UCITS and AIFM Directives, MIFID II applies whenever an investment service is carried out by the asset management company, when they distribute their own products or when they market funds managed by third party management companies.

Therefore, management companies meeting these criteria must implement the new requirements of MIFID II and in particular must understand the characteristics of each instrument, identify the target market and evaluate accordingly the compatibility of the instruments offered with the needs of their clients.

The impact of EMIR

The EMIR Regulation considers UCITS and, where applicable, their authorised management companies in accordance with European Directive 2009/65/EC (UCITS IV Directive) as "financial counterparties", as well as AIFs managed by approved managers or registered in accordance with the AIFM Directive.

With a few exceptions, UCITS or AIFs managed by asset management companies are therefore considered as "financial counterparties" within the meaning of EMIR.

As such, each of these entities must therefore comply with the obligations set out in the EMIR Regulation when entering into over-the-counter derivatives contracts, in particular: (i) offsetting OTC derivatives considered by ESMA as being eligible for offsetting, (ii) putting in place risk mitigation techniques for contracts not cleared by a central counterparty and (iii) transparency requirements.

In this respect, when Tikehau Capital enters into derivative contracts, the Group is subject to the obligations established by the EMIR provisions.

(b) Regulation applicable to the provision of investment services

Within the Group, the activity of investment services is mainly carried out by Tikehau Capital Europe Limited, an entity created by Tikehau Capital and regulated in the United Kingdom by the Financial Conduct Authority (the "FCA"). Tikehau Capital Europe is approved to give advice and arrange investment transactions and to manage investments for third parties. In addition, its authorisations have been passported in Ireland and the Netherlands, enabling it to offer financial products and services, including investment advisory services (see Section I.6(c)(i) (The European passporting procedure) below). An appropriate control plan is subject to regular reporting to the Management of Tikehau Capital.

The new legislative framework established by MIFID II, supplemented by MIFIR, has strengthened and extended the rules to which investment service providers are subject, in particular by extending the scope of MIFID by including financial products that this earlier Directive did not cover.

This new regulation has a significant impact on the investment service providers conducting their activities in the European Union particularly by creating increased requirements regarding internal organisation, as well as in terms of information and assessment of the adequacy and appropriateness of the service to be provided to clients. MIFID II also provides for better execution and selection of clients' orders, a stronger framework for retrocessions paid as part of the provision of investment advice, and pre- and post-trade transparency requirements. Finally, the role and powers of the financial market regulators have been strengthened.

(c) Other significant regulations

(i) The European passporting procedure

European passporting allows, under certain conditions, an asset management company which has been approved by the regulator of its country of origin to request that it be permitted to conduct its activities in the European Union or in the States that are signatory to the Agreement on the European Economic Area (the "EEA"). When an asset management company from another Member State wishes to provide its services in France, it is referred to as "passport in". When a French asset management company wishes to provide its services in the European Union or in another State party to the EEA Agreement, it is referred to as "passport out". There are two ways of exercising the European

passport: through freedom to provide services or freedom of establishment. Under the freedom to provide services, the asset management company may conduct certain activities in another Member State of the European Union or a State party to the EEA Agreement other than that in which its registered office is located. Under freedom of establishment, the asset management company may establish branches in another Member State of the European Union or a State party to the EEA Agreement.

The asset management company wishing to conduct certain activities for which it has been authorised in another Member State must inform the competent authorities of its home Member State. In the host Member State, the asset management company may only conduct the activities covered by the authorisation granted in its home Member State and subject to passporting in accordance with European regulations.

In terms of asset management, a passport may be granted for three types of activities: (i) the management of UCITS, (ii) the management of AIFs, and (iii) third-party portfolio management. The passporting system allows entities likely to benefit from it to conduct their activities across borders within the European Union.

(ii) Combating money laundering and the financing of terrorist activities

Asset management companies and investment service providers are required to report to an anti-money laundering unit under the authority of the French Minister of the Economy, Tracfin (the acronym translates as "Intelligence Processing and Action Against Circuits of Illegal Financing"), any amounts recorded in their accounts that they suspect may derive from drug trafficking or organised crime, any unusual transactions exceeding certain amounts and all amounts and transactions that they suspect to be the result of an offence punishable by a term of imprisonment for one year or which may contribute to the financing of terrorism.

Regulated institutions are subject to due diligence, including the obligation to establish procedures relating to the prevention of money laundering or the financing of terrorism and allowing the identification of the customer (as well as the beneficial owner) for any transaction ("KYC", see Glossary in Section X.5). They must also establish systems for the evaluation and management of the risk of money laundering and terrorist financing suited to the transactions and clients involved.

(iii) Other regulations

Regulation of retrocessions

MIFID II has stepped up the protection of investors with regard to the types of payments ("retrocessions") that a company may receive or make to third parties during the provision of investment services. In general, it is forbidden for companies providing investment advisory services independently or conducting portfolio management activities, to collect fees, commissions, monetary or non-monetary benefits from third parties. Some minor benefits of a non-monetary nature are nevertheless possible, but the client must be clearly informed of these.

Regarding entities providing investment services other than portfolio management or independent investment advice, retrocessions may be levied provided that these payments are intended to improve the quality of client service provided and do not impede the service provider from compliance with its duty to act honestly, fairly and professionally in the best interests of its clients. The client must be clearly informed of the existence, nature and amount of such retrocessions, in a complete, accurate and understandable way, prior to any provision of the investment service or ancillary service.

Regulations applicable to remuneration policies

The AIFM Directive and MIFID II supervise investment service remuneration policies of AIF managers and service providers to ensure that the remuneration policy is consistent with the principles of sound risk management. In addition, Tikehau IM, which manages and markets UCITS, must comply with the requirements of the UCITS V Directive which includes provisions on remuneration substantially similar to those contained in the AIFM Directive.

A significant portion of the remuneration of employees whose activities could have a significant impact on risk exposure must be performance-based. A major portion of this performance-based variable compensation must be paid in the form of financial instruments. A substantial portion of this variable remuneration must be deferred over a period of at least three years. The variable remuneration, including the deferred portion, can only be paid or acquired if the amount is compatible with the financial situation of the asset management company and if it is justified by the performance observed.

The employees concerned fall within the scope of the “identified staff” within the meaning of the AIFM and UCITS V Directives, which is composed of Tikehau IM’s senior management, risk takers (*i.e.*, portfolio managers), controlling supervisors, managers of the support functions as well as any employee who, in view of his overall compensation, is in the same salary bracket as the senior management and the risk takers, and whose professional activities have a significant impact on the risk profile of the asset management company or the risk profile of the AIFs or UCITS it manages.

Only members of the “identified staff” who receive a high variable remuneration and who influence the risk profile of the asset management company or the risk profile of the AIFs or UCITS it manages are subject to the requirements regarding the structure and conditions for acquisition and payment of variable remuneration resulting from the AIFM and UCITS V Directives.

The process of identifying “identified staff” within the meaning of the AIFM and UCITS V Directives is carried out jointly by the Human Resources Department and the Compliance Department and is submitted to the Appointment and Remuneration Committee of Tikehau Capital, the parent company of Tikehau IM (see Section IV.4(b)(ii) (Appointment and Remuneration Committee) of this Registration Document).

Regulated entities should furthermore include in their annual or management report information relating to their remuneration policy, principles and practices.

Capital requirements

In accordance with the various regulatory regimes for asset management, Tikehau IM is subject to the requirements on minimum capital, generally equal to the greater of: 25% of annual operating costs, or 0.02% of the assets under management plus 0.01% insofar as Tikehau IM is subject to the AIFMD.

These capital requirements are significantly more limited than those applicable to Tikehau Capital Europe with regard to its CLO activities. Indeed, under Regulation 575/2013/EU on prudential requirements for credit institutions and investment firms (the “CRR”), resulting from the Basel III Committee work, a retention rate of 5% of securitised assets is applied by law to the originating entities and therefore to Tikehau Capital Europe in the context of the management of its CLOs (the principle of the “retention piece”).

In accordance with the CRR, this retention is considered effective when it is carried out:

- a) horizontally, that is, when it relates to at least 5% of the par value of each tranche sold or transferred to investors, or
- b) vertically, *i.e.*, when it relates to the first loss tranche and, if necessary, other tranches with the same or higher risk profile as those transferred or sold to investors so that, in total, the retention is equivalent to at least 5% of the nominal value of the securitised exposures.

Regulation on crowdfunding

Since 1 October 2014, crowdfunding has been subject to a new regulatory framework allowing any platform wishing to carry out a crowdfunding activity to register with ORIAS with one of the following statuses: crowdfunding investment advisor, crowdfunding intermediary or investment services provider giving advice in crowdfunding.

The Group conducts its crowdfunding activities through its subsidiary Credit.fr. Credit.fr is registered with ORIAS as crowdfunding intermediary and crowdfunding investment advisor; this dual status enables it to offer the financing of projects available on the platform in the form of a loan or by subscription to financial securities.

As a crowdfunding intermediary, Credit.fr must in particular respect certain rules of good conduct and organisation taking into account the nature of the transactions carried out, based mainly on a duty of information towards (i) the public regarding the conditions of selection of projects and project developers, (ii) lenders regarding the characteristics of the project and risks of crowdfunding, and (iii) project developers on the characteristics of the deal as a whole.

As a crowdfunding investment advisor, Credit.fr is in particular subject to: (i) requirements regarding human and physical logistics enabling it to understand the characteristics and identify the target markets, (ii) requirements for the detection and control of conflicts of interest, (iii) requirements towards its clients to provide them with a service appropriate to their profiles and (iv) a duty to warn clients or potential clients about the risks.

Regulation applicable in Singapore

The Group operates in Singapore through Tikehau Investment Management Asia Pte. Ltd. (Tikehau IM Asia), a wholly-owned subsidiary of Tikehau IM, which has been approved by the Singaporean Financial Supervisory Authority (Monetary Authority of Singapore, MAS), as well as, since 11 November 2016, through the asset management company IREIT Global Group which is indirectly 80% owned by Tikehau IM.

As such, Tikehau IM Asia and IREIT Global Group are subject to the laws, regulations, guidelines and recommendations laid down by MAS.

Regulation applicable in the United States

Since 2017, the Group has been present on the North American continent through Tikehau Capital North America, a wholly-owned subsidiary of the Company, which is registered as investment advisor (Registered Investment Advisor) with the US financial supervisory authority (Securities Exchange Commission, SEC).

As such, under the US Investment Advisers Act of 1940 of the SEC, Tikehau Capital North America is subject to: (i) fiduciary duties to clients, (ii) substantive requirements and prohibitions, (iii) contractual requirements, (iv) record-keeping requirements, and (v) administrative oversight by the SEC including through controls.



7. DIVIDEND POLICY

The Company's objective is to continue maximising value creation for its shareholders over the long term by allocating capital to optimise revenues and return on equity (see Section I.3(a)(i) (A business model reconciling growth and resilience) of this Registration Document).

Aware that the distribution of profits is an objective of its shareholders, the Company intends to implement a dividend policy enabling the distribution of a stable or growing dividend on the basis of an initial fixed baseline of €0.50.

The Company's dividend distribution history is as follows:

	For the year 2015	For the year 2016	For the year 2017
Dividend per share	€0.70	-	€1.00 ¹

¹ Subject to the approval of the General Meeting of Shareholders of 25 May 2018.

As such, it is proposed to the General Meeting that a dividend of €1.00 per share be paid for the 2017 financial year. This dividend includes the baseline dividend of €0.50 plus an additional €0.50 in view of the results of the 2017 financial year.

Subject to approval by the Company's General Meeting, the dividend will be detached from the share on 30 May 2018 and paid out from 1 June 2018.

II . COMMENTS ON THE ACTIVITY, RESULTS AND FINANCIAL POSITION

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1. OVERVIEW OF ACTIVITIES, RESULTS AND FINANCIAL POSITION

The following comments focus mainly on the Group's historical financial information and should be read in the light of the Group's reorganisation operations which were completed in the course of 2017. These operations, described in detail in Section II.2 (Reminder of the reorganisation operations) of this Registration Document, have chiefly resulted in bringing to the Company all the asset management activities held by the Company and its affiliates, in order to make the Company the parent company of a Group dedicated to asset management and investment and to enable the Group to implement the strategy described in Section I.3(b) (Strategy) of this Registration Document. Thus, the historical financial information is not necessarily indicative of the future performance of the Group.

As a result of its activities, the indicators that the Company follows (and intends to follow) include:

Operational indicators reflected in the consolidated financial statements of Tikehau Capital

- **Revenues from investment activities** – This corresponds to changes in the fair value of the Company's current and non-current portfolio plus other income generated by the portfolio over the period in question (*i.e.*, including dividends and interest received).

- **Revenues from asset management activities** – This aggregate is made up of net fees received by the Group asset management companies plus performance fees and carried interests. More specifically:

- Net fees, in large part, consist of net management fees, which are equal to management fees collected net of fees paid-out. The management fees collected correspond to management fees paid by the portfolio (whether relating to the management of assets or to arrangement fees). They are recorded at the time when the service is provided and in general are calculated by applying a percentage to the assets managed. They are collected monthly, quarterly or even over shorter periods (excluding arrangement fees which are usually paid when the investment is made). The level of management fees depends both on the type of customers and type of products. Fees paid-out correspond to (i) retrocessions paid to distributors provided for under contract, generally based on a percentage of the management fees, and (ii) the fees of custodians and valuation agents, when these are paid by Tikehau Capital.

- Performance fees or carried interests can be collected when performance thresholds are exceeded during the lifetime of the fund (open-ended funds managed under

liquid strategies) or on the liquidation of the fund (open-ended funds especially under private debt and real estate activities). These revenues reward Tikehau Capital when the provisions of the documentation of such funds so provide. They are paid by the funds directly to the beneficiaries and recognised in the income statement when they are definitively allocated. (See Section I.4(a) (ii) (Tikehau Capital's Business Model) of this Registration Document.)

- **Net revenues** – Net revenues correspond to the revenues from investment activities (see above) plus revenues from asset management activities (see above); this aggregate contains elements affecting cash and others recorded in the accounts that have no impact on cash.

- **Net operating profit from asset management and investment activities** – Net operating profit from asset management and investment activities (after the share of net results from equity affiliates) is the revenues from investment activities, (i) plus revenues from asset management activities, (ii) plus the share of net results from equity affiliates, (iii) plus derivative portfolio revenue and operating expenses, but before taking into account net financial result, taxes and net results from equity affiliates. Operating expenses consist primarily of personnel expenses and other business costs (including fees, IT expenditure, etc.).

- **Net result** – Net result is net operating profit from asset management and investment activities (after the share of net results from equity affiliates) plus net financial result (or minus if the latter is negative), less corporate income tax for the amount due for the financial year plus any deferred tax in respect of fair value accounting. The net result is then divided between the Group share and the share accruing to minority shareholders.

Operational indicators reflected in the consolidated financial statements of Tikehau Capital

- **Assets under management** – Depending on the different strategies, assets under management correspond chiefly:

- a) for liquid strategies: to the net asset value of the funds (the net asset value of each type of unit in the fund is multiplied by the number of units outstanding) or to subscribers' commitment in the case of management mandates;

- b) for private debt activities: (i) to the commitments of subscribers during the periods of fundraising and investment, (ii) to the net asset value of the funds, once the investment period has ended, and (iii) to subscribers' commitments for CLO business;

(c) for real estate activities: (i) to the latest available appraisal value of the assets held by the funds (or, failing that, to the historical cost of the assets) plus cash and the fund's other assets, if any, and (ii) to commitments received from TREIC investors;

(d) for private equity activities: to the last available valuation of the assets including in particular investments in platforms (including goodwill) and available cash (*i.e.*, net of uncalled commitments).

The change in assets under management from one year to another can be explained by (i) net inflows effect (see below), (ii) the market effect, which is the sum of the positive and negative changes in the performance of the portfolio during the period, (iii) the distributions made during the period, and (iv) the scope effect, *i.e.*, when management companies are acquired or sold during a financial year but also when the holding rate changes so much that the holding becomes majority or minority, their assets increase the total assets (acquisition, equity interest that becomes a majority holding) or decrease the total assets (disposal, equity interest that becomes a minority holding) of Tikehau Capital, from the date of acquisition, disposal, accretion or dilution.

• **Fee-paying assets under management** – Depending on the different business lines, fee-paying assets under management correspond mainly to:

(a) for liquid strategies: (i) to the net assets value of the funds, and (ii) for investment management mandates, to the net assets value of the funds minus the investments cash available in certain funds managed by the Group's asset management companies;

(b) for private debt activities: (i) during the fundraising and then the investment periods, the net assets of the funds, the commitment called or the total commitment according to fund subscription terms, and (ii) after the investment period is finalised, to the net assets value of the funds;

(c) for real estate activities: to the assets' acquisition costs;

(d) for private equity activities on behalf of investors clients of the Group's asset management companies: (i) during the fundraising and the investment periods, the net assets of the funds, the commitment called or the total commitment according to fund subscription terms, and (ii) after the investment period is finalised, to the net assets of the funds.

• **Future fee-paying assets under management** – Depending on the various business lines, the future fee-paying assets under management, correspond to (i) either investor commitments which have not yet been called, (ii) or commitments or unit classes which do not yet generate management fees but will do so under certain conditions (e.g. after a given proportion of the commitments have been called or after a given unit holding period);

• **Non-fee paying assets under management** – Non-fee paying assets under management correspond to the proportion of assets under management that, by their nature, do not generate management fees and are not intended to do so. Depending on the different business lines, these are mainly:

(a) for liquid strategies: investments and cash available in certain funds managed by the Group's asset management companies;

(b) for private debt activities: unit classes, whether called or not, which, by their nature, do not generate management fees and are not intended to do so;

(c) for real estate activities: the difference between (i) the last appraisal value available to value the assets of real estate funds and (ii) the acquisition cost of these same assets;

(d) for private equity activities on behalf on the investors clients of the Group's asset management companies: unit classes, whether called or not, which by their nature, do not generate management fees and are not intended to do so.

• **Average fee-paying assets under management** – This is the average between the amount of average fee-paying assets under management as at 31 December of year N-1 and 31 December of year N;

• **Weighted average fee rate** – This is the average fee rate weighted by the weight of each of the Group's four business lines applied to fee-paying assets under management, that is, the ratio, for each of the four lines of business, between:

(a) total fees generated by business line, based on Group's consolidated financial statements; and

(b) average fee-paying assets under management;

For the purposes of the definitions of the five operational indicators above, the term "management fees" covers the following concepts:

(a) management fees (and assimilated fees);

(b) other fees including waiver fees, agency commissions and assimilated commissions; and

(c) arrangement fees.

• **Net inflows** – these are the difference between the amounts of subscriptions and redemptions for the period. A positive flow means that the total amount of inflows (subscriptions) is higher than the outflows recorded (redemptions). Conversely, a negative flow means that the amount of redemptions is greater than the inflow of subscriptions.

2. REMINDER OF THE REORGANISATION OPERATIONS

To prepare for the listing of Company shares on the Euronext Paris regulated market, which took place on 7 March 2017, various actions were taken to reclassify shares and simplify the Group's shareholder structure and governance.

These operations have been implemented for the purpose of: (i) combining Tikehau Capital's business lines to enhance the visibility and understanding of its model and particularly to facilitate its international development; (ii) helping the Group achieved critical size; (iii) enhancing operating efficiency within the Group; and (iv) improving its access to capital markets. This reorganisation has also made it possible to set up an operating organisation that is consistent with the Group's objectives and strategy, as described in this Registration Document.

(a) In-kind contributions

To prepare the listing of Company shares on the Euronext Paris regulated market, which took place on 7 March 2017, various reclassifications of shares and simplifications of the Group's shareholder structure and governance were undertaken at the end of 2016. In particular:

- the Company was transformed into a French partnership limited by shares (*société en commandite par actions*) with effect from 7 November 2016 and the Company's new Articles of Association were approved (see Section VIII.2 (Main provisions in the Company's Articles of Association) of this Registration Document) at a Combined General Meeting of the Company held on 7 November 2016, which approved these proposals unanimously;
- contributions in kind were made to the Company, including:
 - the contribution to the Company of Tikehau IM shares not yet held by the Company and representing 74.1% of the capital of Tikehau IM; and
 - the contribution to the Company by Tikehau Capital Advisors of (i) 10 Salvepar Class 1 Preference Shares, (ii) all of its preference shares issued by Tikehau Capital Europe Limited, (iii) all of its shares in Tikehau Asia, and (iv) all of its shares in City Star Ream Resorts (Singapore) Pte. Ltd.

These contributions were approved unanimously by shareholders at the Combined General Shareholders' Meeting of the Company held on 21 December 2016 and were made on the same date, leading to the issue of 12,682,142 new shares by the Company to the contributors (including 8,884,534 new shares issued to Tikehau Capital Advisors); and

- AF&Co (the personal holding company of Mr. Antoine Flamarion) and MCH (the personal holding company of Mr. Mathieu Chabran) assigned their ownership rights to the "TIKEHAU" brand to the Company. This sale has allowed the Company to hold the intellectual property rights to the brand under which Group entities run their business and

sell their products. It was authorised by the Company's Supervisory Board prior to its signing and was completed on 22 December 2016 in the amount of €10.2 million, a sum that was determined on the basis of an appraisal conducted by an independent appraiser, it being understood that the entire proceeds from the divestment were reinvested by the sellers in the capital increase of the Company of 6 January 2017.

(b) Other reorganisation operations

The Company's tender offer for Salvepar and merger of Salvepar into the Company

As part of the Group's reorganisation and the consolidation of its business lines, on 9 January 2017 the Company filed the proposal for a stock-for stock tender offer on a primary basis, and a cash tender offer on an subsidiary basis, on the ordinary shares and ORNANES of its subsidiary Salvepar not yet held by the Company.

Following the completion of this tender offer, the Company held a total of 7,393,248 Salvepar shares, representing 99.14% of the share capital and 99.19% of that company's voting rights, and 2,430,040 ORNANE bonds representing 99.84% of the outstanding ORNANE bonds issued by Salvepar.

As a result of the tender offer, a mandatory delisting procedure for the ordinary shares and the ORNANE Bonds issued by Salvepar not yet held by the Company was implemented on 6 March 2017. This procedure allowed the Company to hold 100% of the securities, equity and voting rights of Salvepar and Salvepar was delisted. As a continuation of these operations, Salvepar was merged into the Company in order to fully integrate Salvepar's investment portfolio into the larger portfolio of the Company. This merger was carried out on 30 November 2017 with retroactive effect, from an accounting and tax point of view, to 1 January 2017.

Reclassification of the interest in Duke Street LLP

As part of the reclassification prior to requesting the admission of Company shares to trading on the Euronext Paris regulated market, an agreement was signed to transfer to Tikehau Capital UK Limited (a wholly owned subsidiary of the Company) the interest held indirectly by Tikehau Investment Limited (a wholly owned subsidiary of Tikehau Capital Advisors) in the asset management company Duke Street LLP. This transfer increased Tikehau Capital UK Limited's interest in Duke Street LLP from 17.15% to 35% and placed under the Company the entire shareholding held by the Group in Duke Street LLP, insofar as the latter is a British asset management company specialising in mid-cap LBOs (see Glossary in Section X.5). The transaction was approved by the Company's Supervisory Board on 5 January 2016 and was completed on 29 August 2017.

3. COMMENTS ON THE ACTIVITY AND CONSOLIDATED FINANCIAL STATEMENTS OF 2017

(a) Business during FY 2017

As at 31 December 2017, Tikehau Capital's assets under management amounted to €13.8 billion (compared to €10.0 billion as at 31 December 2016), representing a net growth of 38.2% over the course of financial year 2017. Tikehau Capital thus exceeded its target of €13 billion in assets under management by the end of 2017 and reiterated its target of achieving €20 billion in assets in 2020.

This growth is mainly the result of net inflows of €3.9 billion, plus market effects for €0.4 billion and a distribution of €0.5 billion, which offset each other. However, we would remind you that the assets under management reported

by the Company as at 31 December 2016 were presented on a *pro forma* basis (including events that occurred at the beginning of the first half of 2017 – see below).

All four of the Group's business lines recorded positive net inflows over the year, with net inflows of €1.5 billion in private debt, €0.4 billion in real estate, €1.1 billion in liquid strategies and €0.9 billion in private equity.

As at 31 December 2017, the Group's assets under management were divided between the asset management (€11.4 billion) business and the investments made from the Group's balance sheet (€2.4 billion) and were broken down as follows:

	Assets under management as at 31 December 2017 (in billions of €)	Percentage of Group assets under management	
		31 December 2017	31 December 2016 on a <i>pro forma</i> basis
Private Debt	6.0	43.3%	49.0%
Real Estate	2.2	16.3%	17.6%
Liquid Strategies	3.1	22.5%	19.1%
Private Equity	0.1	0.5%	-
Total Asset Management	11.4	82.6%	85.7%
Total Investments made from the Group's balance sheet	2.4	17.4%	14.3%
TOTAL	13.8	100.0%	100.0%

Asset management activities

As at 31 December 2017, Tikehau Capital's asset management activity represented assets of €11.4 billion and comprised:

- 81% fee-paying assets under management (*i.e.*, €9.2 billion at the end of 2017 compared with €6.0 billion at end 2016);
- 15% future fee-paying assets under management (*i.e.*, €1.7 billion at the end of 2017 compared with €2.2 billion at end 2016); and
- 4% non-fee paying assets under management (*i.e.*, €0.5 billion at the end of 2017 compared to €0.3 billion at the end of 2016).

In 2017, the Group invested a total of €3.3 billion in the context of its asset management business (see below).

Private Debt: €6.0 billion in assets under management as at 31 December 2017

The growth of €1.1 billion in assets under management during 2017 (*i.e.*, 22.3% growth over the financial year) resulted from net inflows of €1.5 billion less effects of distribution of €0.5 billion. During 2017, asset growth was driven by (i) the marketing of Tikehau Senior Loan II, the latest generation of the Group's leveraged loans funds which closed at €0.6 billion, (ii) the launch of Tikehau Direct Lending IV, the new direct lending fund from Tikehau Capital currently on the market, (iii) the closing of NOVO 2018, the second generation of the *Novo fonds de place* (fund sponsored by institutional investors) entrusted to Tikehau Capital in 2013 and (iv) the closing of a third CLO for €0.4 billion.

Detailed information on all these funds and vehicles is provided in Section I.4(b) (Private debt activities) of this Registration Document.

Real Estate: €2.2 billion in assets under management as at 31 December 2017

The growth of €0.4 billion in assets under management during 2017 (*i.e.*, 27.6% growth over the financial year) resulted from net inflows of the same amount due mainly to the acquisition at the end of October of a portfolio of around two hundred real estate assets for offices and business use from the EDF group. (See Section I.4(c) (Real estate activities) of this Registration Document.)

Liquid Strategies: €3.1 billion in assets under management as at 31 December 2017

The growth of €1.2 billion under management in 2017 (*i.e.*, 62.8% growth over the financial year) is the result of net inflows of €1.1 billion, chiefly for the Tikehau Taux Variables flexible fixed interest fund whose assets amounted to €1.8 billion as at 31 December 2017, representing growth of around 106% in 2017. (See Section I.4(d) (Liquid strategies) of this Registration Document.)

Private Equity: €0.1 billion in assets under management as at 31 December 2017

At the registration date of this Registration Document, the Group's private equity activities are carried out essentially from the Group's balance sheet (see below). However, the Group's intention is to gradually develop the business of asset management on behalf of its investor clients and as at 31 December 2017, managed €0.1 billion in this segment. This proportion is expected to increase over the coming years as new strategies are implemented.

Investment activities

As at 31 December 2017, private equity made from the Group's balance sheet amounted to €2.4 billion in assets.

In 2017, the Company continued the active rotation of its investment portfolio held on the balance sheet in the three strategic areas of its allocation, namely (i) investments in the funds managed by the Group and co-investments alongside these (1st area), (ii) investments in the Group's platforms (2nd area) and (iii) opportunistic investments (3rd area). (See Section I.4(a)(ii) (Tikehau Capital's Business Model) of this Registration Document.)

In 2017, for its non-current investment portfolio, the Company carried out investment transactions in its three areas of allocation from its balance sheet for a total amount of €787.9 million, and divestments for an amount of €170.9 million.

In addition, for its current portfolio, Tikehau Capital made investments for a total of €43.6 million and €14.6 million in divestments.

In 2017, the Group invested a total of €160 million from its balance sheet (including €43.4 million for its current portfolio) in its asset management strategies, particularly in the framework of the following main operations:

- subscription to Tikehau Global Short Duration for €25.0 million. (See Section I.4(d) (Liquid strategies) of this Registration Document.);

- subscription to Tikehau CLO III for €23.2 million. (See Section I.4(b)(ii) (Senior debt (leveraged loans) activities – "CLO Activities") of this Registration Document.);

- investment in Tikehau Real Estate III for €18.7 million. (See Section I.4(c)(i) (Real estate activities conducted through Tikehau IM) of this Registration Document.);

- participation in the TREIC capital increase for €18.6 million. (See Section I.4(c)(i) (Real estate activities conducted through TREIC) of this Registration Document.);

- subscription to Tikehau Global Value for €12.0 million. (See Section I.4(d) (Liquid strategies) of this Registration Document.)

Furthermore, Tikehau Capital has completed the acquisition of 96% of Credit.fr, a French specialist in crowdfunding for very small to medium-sized companies, following an initial acquisition in June 2017 and a further acquisition in September 2017 for a total amount of €14.6 million plus a contingent additional payment. Launched in March 2015, Credit.fr has quickly established itself as a key player in alternative financing for small and medium-sized enterprises. This acquisition enables Tikehau Capital, a leading player in France on the private debt and corporate lending market, to consolidate and expand its economic development lending platform and to extend its range of business financing to small and medium-sized companies. Through Credit.fr, Tikehau Capital will propose to its investor and partner ecosystem a broadening of their investment policy, at present focused on medium-sized and large companies, to smaller players, rigorously selected by the Credit.fr teams.

Lastly, the main investments made by the Company in 2017 in the context of opportunistic investments were as follows:

- **Oodrive** – Tikehau Capital invested a total of €25 million in Oodrive, a leading European company in the management of sensitive data, including €16 million from the Company's balance sheet. (See Section I.4(e) (Private equity) of this Registration Document.)

- **Claranet** – The Company has invested £75 million in ordinary and preferred shares alongside the existing shareholders of the Claranet group, a leading independent company in hosting and outsourcing services for critical applications. (See Section I.4(e) (Private equity) of this Registration Document.)

- **Eurazeo** – In May, Tikehau Capital announced that it had acquired a 7.6% interest in the listed investment company Eurazeo. The total amount invested as at 31 December 2017 is €443 million (excluding fees). (See Section I.4(e) (Private equity) of this Registration Document.)

- **Altrad** – The Company acquired an interest in Altrad, a group specialising in the sale and rental of construction and industrial equipment, for an amount of €49.4 million. (See Section I.4(e) (Private equity) of this Registration Document.)

The main divestments made by the Company in 2017 were as follows:

- **Ecotel Chomette Favor** – On 6 April 2017, the Group sold its stake in Ecotel Chomette Favor (E.CF) to Naxicap Partners. The Company (through its subsidiary Salvepar) made a capital gain of €18.2 million (including coupons received during the investment period) on this investment, a multiple of 2.8x the amount invested. Salvepar invested €10 million in E.CF in June 2011, alongside the majority shareholder Weinberg Capital Partners. E.CF is the European leader in the distribution of small equipment items and non-food supplies for professionals in the hotel, restaurant and food industry.

- **Group Flo** – At the end of April 2017, Tikehau Capital announced its withdrawal from Groupe Flo as part of its restructuring operations. Under the agreement concluded, Financière Flo was bought by Groupe Bertrand for the symbolic price of one euro on 16 June 2017. Prior to the sale, Financière Flo was controlled 66% by GB Inno BM (a company jointly owned by Compagnie Nationale à Portefeuille and Ackermans van Haaren) and 34% by Tikehau Capital. Tikehau Capital's investment amounted to €7.9 million as at 31 December 2016. As part of these restructuring operations, Tikehau Capital maintains an exposure to Flo Group of approximately €1.7 million. The impact of this transaction thus represents a cost of approx. €6 million before tax for financial year 2017.

- **Asten Santé** – In early May 2017, the Company and the other shareholders of Asten Santé announced that they had entered into exclusive negotiations with Groupe La Poste for the sale of a majority interest in Asten Santé, one of the top French companies in healthcare provision. In April 2014 and April 2016, Tikehau Capital invested a total of approximately €28.5 million in Asten Santé for 21% of the capital. Given the sale of its interest and the concomitant unwinding of the various agreements between the Group and the other shareholders, this sale, which was concluded on 6 June 2017, enabled the Company to realize a capital gain of around €16 million, i.e., a gross multiple of 1.6x the amount invested. Asten Santé, an innovative healthcare group, is a leading player in home healthcare, particularly active in the development of new segments, especially in the field of telehealth with H2AD.

- **SES-imagotag** – In June 2017, SES-imagotag announced its plan to merge with the Chinese group BOE Technology Group. In this context, the main shareholders of SES-imagotag, including the Company, which held 14% of SES-imagotag, entered into exclusive negotiations with the purchaser on 16 June 2017 for the sale of their equity interests totalling 55% of the share capital, at the price of €30 per share. This sale was completed on 20 December 2017 and allowed the Company to generate income (on a consolidated basis under IFRS) of around €5 million for the 2017 financial year. The gross multiple obtained by the Company on this investment is of the order of 2.7x.

- **DRT** – On 30 November 2017, the Company announced that it had entered into exclusive negotiations with investment firm Ardian for the latter's acquisition of a majority stake in DRT from the founding families and from Tikehau Capital. With this transaction, which was completed on 10 April 2018, the Company realized a gain on disposal of approximately

€160 million (a multiple of 5x the amount invested and an IRR of 128%) and has reinvested approximately €30 million alongside Ardian. DRT is a company specialising in the development of rosin and turpentine extracted from pine resin in which the Company invested a total of €40.2 million between 2014 and 2016.

- **Nafilyan & Partners** – On 4 December 2017, the Company announced the three-phased sale (from 2017 to 2020) of the 15% interest it holds in Nafilyan & Partners to the real estate developer Immobel. Nafilyan & Partners is a real estate development company founded in 2014 by two sector professionals in which the Company invested €8.9 million between July 2014 and May 2016.

Capital increases in cash

During financial year 2017, the Company completed four capital increases, three of which were made in cash (see Sections VIII.3 (a) (Historical information about the share capital over the last three financial years) and II.2 (Reminder of the reorganisation operations) of this Registration Document).

Strengthening of the Company's shareholders' equity and shareholders with a view to its listing

On 6 January 2017, the Company completed a capital increase for an amount of €150,080,763 (issue premium included), which resulted in the creation of 7,146,703 new shares. This capital increase was carried out at a price of €21 per share with preferential subscription rights and subscribed to in full by cash contribution. The purpose of this capital increase was to enable the Company to strengthen its capital base and shareholder base prior to the admission of its shares to trading on the Euronext Paris regulated market.

Capital increase reserved for the Fonds Stratégique de Participations

The Company and its major shareholders concluded an agreement for an investment in the Company by the Fonds Stratégique de Participations for an amount of €49.99 million (issue premium included), which was conducted simultaneously with the settlement of the tender offer for Salvepar.

This investment was carried out as part of the reserved capital increase at the same price per share (€21 per share) as the Company's capital increase completed on 6 January 2017, as this price per share was also the basis for determining the exchange rate under the public exchange offer for Salvepar shares. This reserved capital increase was approved by the Company shareholders at the General Shareholders' Meeting of 28 February 2017 called to decide on the issue of new Company shares to remunerate the Salvepar shares contributed to the stock-for-stock tender offer for Salvepar shares.

The Fonds Stratégique de Participations is an investment company with variable capital registered with the AMF, designed to promote long-term equity investments by taking interests deemed "strategic" in French companies. The Board of Directors of the Fonds Stratégique de Participations has eight members and consists of seven insurance company shareholders (BNP Paribas Cardif,

CNP Assurances, Crédit Agricole Assurances, Sogécap, Groupama Natixis Assurances and Suravenir), as well as Groupe Edmond de Rothschild. To date and since its investment in the Company, the Fonds Stratégique de Participations has six compartments, five of which have the purpose of investing in shares of Arkema, SEB, Zodiac Aerospace Eutelsat Communications and Elior group.

Strengthening of the Company's shareholders' equity with a view to financing the next phase of the Company's growth

On 23 July 2017, the Company carried out a capital increase for an amount of €701,874,074 (issue premium of €319,033,670 included), after full exercise of the extension option decided on by the Management, which resulted in the creation of 31,903,367 new shares. This capital increase was carried out at a price of €22 per share with preferential subscription rights and subscribed to in full by cash contribution. The purpose of this capital increase was to finance the Company's next phase of development as announced at the time of the IPO and to accelerate its growth with the objective of reaching €20 billion in assets under management by 2020. This capital increase also made it possible to diversify the Company's shareholder base and increase its visibility in the capital markets.

The Company's Initial Public Offering

As part of the Group's reorganisation and the consolidation of its business lines, on 9 January 2017 the Company filed the proposal for a stock-for stock tender offer on a primary basis, and a cash tender offer on a subsidiary basis, on the ordinary shares and ORNANEs of its subsidiary Salvepar not yet held by the Company.

Following the completion of this tender offer, the Company held a total of 7,393,248 Salvepar shares, representing 99.14% of the share capital and 99.19% of the Company's voting rights, and 2,430,040 ORNANE bonds representing 99.84% of the outstanding ORNANE bonds issued by Salvepar.

As a result of the tender offer, a mandatory delisting procedure for the shares and the ORNANE Bonds issued by Salvepar was implemented on 6 March 2017. This procedure enabled the Company to hold 100% of the capital and voting rights of Salvepar.

In connection with the settlement of this tender offer, the Company's shares and ORNANE Bonds (including the new shares and ORNANE Bonds issued in exchange for those tendered in the tender offer) were listed on the market of Euronext Paris on 7 March 2017. The settlement of this tender offer resulted in a capital increase of approximately €151 million (including €64.7 million in issue premium).

Early redemption of ORNANE issued by the Company

As part of the proposed tender offer the Company issued ORNANEs (*obligations à option de remboursement en numéraire et/ou en actions nouvelles et/ou existantes*: bonds with the option of redemption in cash and/or new

and/or existing shares (the ORNANEs)) with maturity on 1 January 2022. The nominal value of these ORNANEs at issue was €75.3 million.

On 21 June 2017, Tikehau Capital repurchased 659,024 ORNANEs representing 53.9% of the ORNANEs outstanding at that date in an off-market transaction (the "Redemption"). The Redemption was made at the price of €68.25 per ORNANE (coupon included). This price represents a 10.7% premium over the par value of the ORNANEs and includes the interest that would have been paid by the Company for the first half of 2017 if the Redemption had not taken place.

In order to ensure fair treatment for all the ORNANE holders, Tikehau Capital implemented a repurchase procedure for the holders of ORNANEs between 22 June and 28 June 2017 at the Redemption price.

On 28 June 2017, Tikehau Capital announced the completion of the redemption of 1,220,868 ORNANEs, representing approximately 99.9% of the ORNANEs initially issued, in off-market transactions and the repurchase procedure effected between 22 June and 28 June 2017 inclusive. The settlement of the repurchase procedure took place on 30 June 2017. The redeemed ORNANEs were subsequently cancelled in accordance with their terms and conditions. The aforementioned redemptions represented a total amount of €83,324,241.

On the basis of these results, the Company decided to exercise its right to request the early redemption of the remaining ORNANEs in circulation in accordance with their terms and conditions of issue. This early redemption took place on 22 September 2017 at par (*i.e.*, €61.63 per ORNANE) plus accrued interest. This transaction, which represented a financial expense of €8.1 million in the 2017 financial year, meets the objective of optimising the Company's financing and dilution management.

Other Highlights of 2017

Capital increase of the subsidiary Tikehau Capital Europe

On 10 March 2017, Tikehau Capital Europe carried out a capital increase for some €22 million, subscribed by the Company and Amundi. Following this transaction authorised by the Financial Conduct Authority in the United Kingdom, the Company held 75.1% of the shares of Tikehau Capital Europe and Amundi increased its holding to 24.9% of the capital of Tikehau Capital Europe. This capital increase enabled Tikehau Capital Europe to finance the preparatory phase of its third CLO transaction (CLO III). (See Section I.4(b)(ii) (Senior debt (leveraged loans) activities – CLO Activities) of this Registration Document.)

Information on derivatives

In 2017, the Company did not use listed derivatives, whereas in 2016, the Company had recorded a loss of €62.2 million in relation to its listed derivative instruments portfolio. As at 31 December 2017, Tikehau Capital had no exposure to listed derivatives.

(b) Analysis of consolidated results for the year 2017

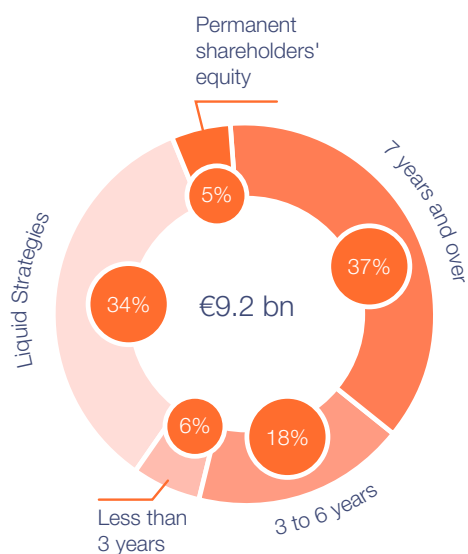
This section comments on the Group's consolidated results for the year 2017. In order to take account of the reorganisation operations and the changes in scope that occurred during the 2nd half of 2016 and the 1st half of 2017, the data for the 2017 financial year are compared to the unaudited *pro forma* financial information as at 31 December 2016, published by the Company in its 2016 Registration Document. This *pro forma* information is included in Chapter V of the Company's 2016 Registration Document and has been the subject of a report by the Company's Statutory Auditors in Section V.4 of the 2016 Registration Document available on the Company's website (www.tikehaucapital.com).

(i) Income from asset management activities

In 2017, net operating profit from asset management activities was €16.0 million, a sharp increase over 2016 (€3.5 million on a *pro forma* basis).

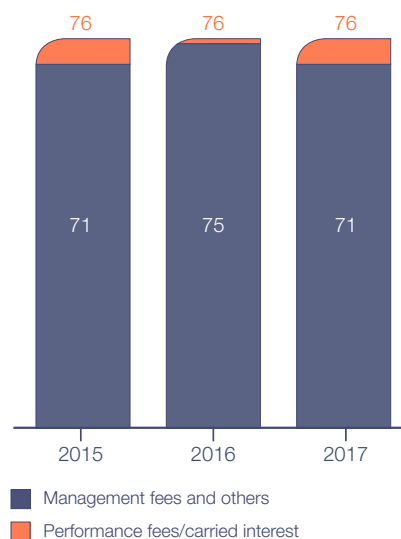
Net revenues from asset management activities in 2017 amounted to €57.9 million, up 47% on 2016 (€39.4 million on a *pro forma* basis). These revenues originate mainly from the net fees received by the Group's asset management companies for an amount of €53.8 million, representing growth of 39% compared to 2016 (€38.6 million on a *pro forma* basis). These net revenues are supplemented by performance fees and carried interests for an amount of €4.1 million.

This significant growth in net revenues reflects both the growth of the Group's assets under management and the growth of fee-paying assets under management. As at 31 December 2017, fee-paying assets under management amounted to €9.2 billion (vs €6.0 billion at the end of 2016) and, within these income-generating assets, more than 90% of the assets of the closed-end funds generate income over a period of more than three years:



Average fee-paying assets under management rose from €3.6 billion in 2015 to €5.2 billion in 2016 and €7.6 billion in 2017, an annual average growth rate of 45%.

Based on this average amount and management and arrangement fees collected as part of asset management activities, the weighted average fee rate is 71 basis points for 2017, 75 basis points for 2016, and 71 basis points for 2015.



The weighted average fee rate is an indicator that allows the Group to monitor the evolution of its net revenues in relation to its assets under management.

At the end of 2017, the weighted average fee rates for each of the Group's four business lines are as follows:

	Weighted average fee rate As at 31 December 2017
Private Debt	80 basis points
Real Estate	86 basis points
Liquid Strategies	48 basis points
Private equity	immaterial
Asset management activities	71 basis points

This growth in assets under management and net revenues from asset management activities took place in a context of control of the costs related to these activities, which amounted to €41.9 million as at 31 December 2017 (vs €35.9 million as at 31 December 2016 on a *pro forma* basis), up 16.7% to be read in the light of the 46.9% growth in current income in 2017.



II . COMMENTS ON THE ACTIVITY, RESULTS AND FINANCIAL POSITION

Comments on the activity and consolidated financial statements of 2017

On this basis, the operating margin for asset management activities was 27.6% in 2017, in line with the Group's objective of sustainably guaranteeing an operating margin of over 25%. The operating margins for the Group's asset management activities in 2017, 2016 and 2015 were as follows:

(in millions of €)	2017	2016 (pro forma)	2015 (pro forma)
Revenues from asset management activities	57.9	39.4	27.9
Operating expenses and others	(41.9)	(35.9)	(28.9)
Operating margin	+27.6%	+9.0%	-3.9%

(ii) Income from investment activities

In 2017, net operating profit from investment activities came to €347.3 million, compared with €119.2 million for the 2016 financial year on a *pro forma* basis including the non-recurring results related to the reorganisation operations mainly concerning the takeover of Tikehau IM via the contributions made on 21 December 2016 (€64.2 million) and the change in fair value of the Salvepar shares (€56.7 million).

For the 2017 financial year, revenues from investment activities of the Company amounted to €387.3 million compared to €90.5 million for the 2016 financial year on a *pro forma* basis.

Revenues from investment activities for FY 2017 corresponds essentially to a positive change in fair value of €323.2 million, sharply increased over 2016 (a positive change of €46.6 million on a *pro forma* basis) and can be broken down into a positive change in fair value on the non-current portfolio of €317.6 million (vs. a positive change in fair value in 2016 on a *pro forma* basis amounting to €43.7 million) and a positive change in fair value on the current portfolio of €5.6 million (vs. a positive change in fair value in 2016 on a *pro forma* basis of €3.0 million). The change in the fair value of the non-current portfolio arises chiefly from the sale of the Company's interest in DRT for approximately €160 million and the revaluation of the interest held by the Company in Eurazeo.

Revenues from investment activities is complemented by other portfolio revenues (mainly dividends, interest and fees) for a total amount of €64.1 million in 2017 (vs. €43.9 million in 2016 on a *pro forma* basis). This increase in other portfolio revenues is mainly due to the exceptional dividend received from the investment in HDL Development/Assystem for €17.6 million as well as the investment income generated by Tikehau Capital in its asset management strategies of €23.8 million (of which €9.7 million from Tikehau IM-managed real estate funds and €9.2 million from CLOs) (see Section I.4(b) Senior Debt (leveraged loans) activities of this Registration Document).

The operating expenses for the investment activities totalled €40.0 million for 2017 (compared to €30.4 million for the 2016 financial year on a *pro forma* basis).

(iii) Net operating profit from asset management and investment activities after share of net results from equity affiliates

The net operating profit from asset management and investment activities after share of net results from equity affiliates in the year 2017 amounted to a profit of €363.3 million, a growth of 196% compared to 2016 (€122.7 million in 2016 on a *pro forma* basis including non-recurring income related to the reorganisation operations chiefly concerning the takeover of Tikehau IM via the contributions made on 21 December 2016 for €64.2 million and the change in fair value of the Salvepar shares for €56.7 million).

Equity interests accounted for using the equity method represent a loss of €0.1 million (see note 5.9 (Investments in equity affiliates recognised under the equity method) in the notes to the consolidated financial statements available in Section V.1 (Annual consolidated financial statements as at 31 December 2017) of this Registration Document), against a positive contribution of €0.3 million on a *pro forma* basis.

Operating expenses for the year 2017 amounted to €81.9 million against €66.2 million for 2016 on a *pro forma* basis. This increase in operating expenses was mainly due to (i) an increase in the basis for the calculation of the Managers' remuneration for €3.1 million, (ii) changes in the workforce of the Tikehau Capital management companies for €7.7 million, (iii) charges related to the Group's financing or reorganisation operations.

(iv) Net result

In 2017, net income on cash equivalents amounted to €0.4 million vs. €1.1 million in 2016 on a *pro forma* basis.

Financial expenses for financial year 2017 amounted to €28.6 million, a sharp increase compared to 2016 (€9.0 million on a *pro forma* basis), due in particular to (i) the effect of the financial expense associated with the redemption of the Company's ORNANES (see Section II.3(a) – "Early redemption of Orname issued by the Company" above), (ii) the anticipated amortisation of issuance costs of the loans repaid during the financial year and (iii) a negative exchange rate effect of €7 million.

In 2017, current and deferred tax corresponds to an expense of €19.0 million (compared to an income of €10.6 million in 2016 on a *pro forma* basis). This is explained by the fact that in 2016, a large proportion of the tax losses had been recognised as assets while in 2017 part of these asset-treated losses were offset.

II . COMMENTS ON THE ACTIVITY, RESULTS AND FINANCIAL POSITION

Comments on the activity and consolidated financial statements of 2017

On this basis, Net result - Group share, for 2017 amounted to a profit of €314.4 million, representing a growth of 152% over the year (€124.6 million in respect of the 2016 financial year on a *pro forma* basis including non-recurring results from the reorganisation operations mainly concerning the takeover of Tikehau IM via the contributions made on 21 December 2016 for €64.2 million and the change in fair value of the Salvepar shares for €56.7 million).

(v) Net revenues – segment information

In 2017, the Company's net revenues were €445.2 million, up 243% over the year (€129.9 million on a *pro forma* basis).

The Company's net revenues are presented in accordance with its four business lines, namely: private debt, real estate, liquid strategies and private equity.

	Asset management activities				Revenues from asset management activities as at 31 December 2017
	Private Debt	Real Estate	Liquid Strategies	Private equity	
(in thousands of €)					
Net revenues	28,720	13,899	14,869	380	57,868
Management, arrangement and other fees	28,720	12,685	12,020	380	53,805
Performance fees/carried interests	-	1,214	2,849	-	4,063

	Asset management activities				Revenues from asset management activities as at 31 December 2016 (<i>pro forma</i>)
	Private Debt	Real Estate	Liquid Strategies	Private equity	
(in thousands of €)					
Net revenues	20,233	7,605	11,567	0	39,405
Management, arrangement and other fees	20,233	7,605	10,756	-	38,584
Performance fees/carried interests	-	-	811	-	811

Private debt activities

In 2017, the Group's net revenues attributable to private debt activities totalled €28.7 million (compared with €20.2 million as at 31 December 2016 on a *pro forma* basis). These revenues are from assets under management amounting to €6.0 billion as at 31 December 2017, compared with €4.9 billion at 31 December 2016.

Real estate activities

In 2017, the Group's net revenues attributable to real estate activities totalled €13.9 million (compared with €7.6 million as at 31 December 2016 on a *pro forma* basis). These revenues are from assets under management amounting to €2.2 billion as at 31 December 2017 (compared with €1.8 billion at 31 December 2016).

Liquid strategies

In 2017, the Group's net revenues attributable to Liquid Strategies totalled €14.9 million (compared with €11.6 million as at 31 December 2016 on a *pro forma* basis). These revenues are from assets under management amounting to €3.1 billion as at 31 December 2017 (compared with €1.9 billion at 31 December 2016).

The net revenues from this activity correspond to management fees of €12.0 million and performance fees of €2.8 million as at 31 December 2017. The increase in fees over the period reflects the increase in the assets under management in this business line, as well as the good performance of the funds in 2017.

Private equity

In 2017, the Group's net revenues attributable to private equity activities totalled €387.3 million (compared with €90.5 million in 2016 on a *pro forma* basis). These revenues correspond to a portfolio invested for an amount of €1.6 billion as at 31 December 2017.

Because of the specific features of the business carried out to date, mainly based on resources on the Group's balance sheet and not from third-party funds, the fees generated by this activity are insignificant (€0.5 million in 2017 and €0.1 million in 2016 on a *pro forma* basis).

Therefore, revenues from this activity in 2017 came largely from investments made in this strategy for an amount of €386.9 million (vs. an amount of €89.5 million as at 31 December 2016 on a *pro forma* basis). This represents €63.6 million of investment income on the balance sheet

(compared to €42.8 million as at 31 December 2016 on a *pro forma* basis), which comes from dividends, bond coupons, as well as interest on receivables related to these investments, and €323.2 million of positive changes in fair value and gains or losses on disposal (compared to €46.6 million as at 31 December 2016 on a *pro forma* basis), which chiefly comes from the investment portfolio (mainly DRT and Eurazeo) and from the revaluation of Salvepar shares on the date of its integration into the Company's scope of consolidation.

(c) Consolidated non-current assets

Because of its activities as a holding company owning equity interests prior to the share contribution transactions described in Section II.2 (Reminder of the reorganisation operations) of this Registration Document, the non-current assets of the Company consist almost exclusively of its investment portfolio and its investments in equity affiliates of this Registration Document; the tangible and intangible assets of the Company are negligible.

In the assets of the Company in its consolidated financial statements, the value of the Company's non-current investment portfolio stood at €1.6 billion as at 31 December 2017 against €0.9 billion as at 31 December 2016 on a *pro forma* basis.

In 2017, this sharp increase reflects non-current portfolio changes over the year, *i.e.*, investments amounting to €787.9 million, plus the impact of the integration of Salvepar's investment portfolio for an amount of €107.5 million (see note 5.8 of the notes to the financial statements available in Section V.1 (Annual consolidated financial statements as at 31 December 2017) of this Registration Document), mainly offset by the divestments made over the period amounting to €170.9 million. (See Section II.3(a) (Business during FY 2017) of this Registration Document.)

(d) Liquidity and Capital Resources

(i) Changes in financial debt during FY 2017

In the first half of 2017, the Company carried out the early redemption of the ORNANE bonds issued by Tikehau Capital.

As part of the proposed tender offer, the Company issued ORNANEs maturing on 1 January 2022. The nominal value of these ORNANEs at issue was €75.3 million.

On 21 June 2017, Tikehau Capital repurchased 659,024 ORNANEs representing 53.9% of the ORNANEs outstanding at that date in an off-market transaction (the "Redemption"). The Redemption was made at the price of €68.25 per ORNANE (coupon included). This price represents a 10.7% premium over the par value of the ORNANEs and includes the interest that would have been paid by the Company for the first half of 2017 if the Redemption had not taken place.

In order to ensure fair treatment for all the ORNANE holders, Tikehau Capital implemented a repurchase procedure for the holders of ORNANEs between 22 June and 28 June 2017 at the Redemption price.

On 28 June 2017, Tikehau Capital announced the completion of the redemption of 1,220,868 ORNANEs, representing

approximately 99.9% of the ORNANEs initially issued, in off-market transactions and the repurchase procedure effected between 22 June and 28 June 2017 inclusive. The settlement of the repurchase procedure took place on 30 June 2017. The redeemed ORNANEs were subsequently cancelled in accordance with their terms and conditions. The aforementioned redemptions represented a total amount of €83,324,241.

On the basis of these results, the Company decided to exercise its right to request the early redemption of the remaining ORNANEs in circulation in accordance with their terms and conditions of issue. This early redemption took place on 22 September 2017 at par (*i.e.*, €61.63 per ORNANE) plus accrued interest.

In the 2nd half of 2017, the Company completed the review and rationalisation of its financial debt:

- On 4 July 2017, the Company set up a bilateral credit of up to €150 million from UBS, not drawn down as at 31 December 2017.
- Tikehau Capital entered into a new syndicated credit of €1 billion on 23 November 2017 with a syndicate of lenders led by BNP Paribas, Natixis and UniCredit Bank as co-arrangers, and composed of Crédit Agricole Corporate and Investment Bank, Société Générale, Citibank, La Banque Postale, Nomura, Royal Bank of Canada, Crédit Lyonnais and Barclays ("Syndicated Credit Agreement") (see below).
- On 23 November 2017, the Company made the early repayment in full of the €200 million syndicated credit signed on 29 July 2016, of which €100 million had been drawn down. Concurrently, the Company also made early repayment in full of the €300 million loan granted by UniCredit Bank on 4 May 2017, of which €222.2 million had been drawn down. On 30 November 2017, the Company made the early repayment in full of the bank loan granted by BRED Banque Populaire on 20 April 2016 for an amount of €20 million.

At the registration date of this Registration Document, the Company's gross nominal debt (not including accrued interest) amounts to €550 million and the Company also has available €900 million of loans taken out but not drawn down.

In addition, Tikehau Investment Management Asia Pacific ("TIM APAC", a wholly-owned subsidiary of Tikehau IM) signed its first bank loan with Standard Chartered Bank for Singapore \$8.0 million, or approximately €5.0 million.

Syndicated Credit Agreement

The Syndicated Credit Agreement has a maturity of five years and consists of two tranches: an A tranche of €500 million, in the form of a loan repayable over time, and a B tranche of €500 million in the form of a revolving credit facility.

The drawdowns are made in euro and bear interest at a rate equal to the sum (i) of a base rate determined by reference to Euribor (with a floor set at zero) and (ii) a margin that is revised half-yearly based on a Loan To Value ratio (as defined below). The Syndicated Credit Agreement provides for a non-utilisation fee equal to 35% of the above-mentioned margin applied to the undrawn portion.

On 28 December 2017, Tikehau Capital made a first drawdown representing 50% of the maximum amount committed under Tranche A of the Syndicated Credit Agreement, *i.e.*, a principal amount of €250 million. The Syndicated Credit Agreement provides for the possibility of other drawdowns, with a minimum amount of €50 million until 31 December 2018. From 31 December 2018, any undrawn commitment will be cancelled.

Tranche A of the Syndicated Loan Agreement is repaid as follows:

Due date	Amortisation of principal
31 December 2019	20% of drawdown outstanding
31 December 2020	20% of drawdown outstanding
31 December 2021	20% of drawdown outstanding
23 November 2022	40% of drawdown outstanding

The entire Tranche B will be available until the maturity date of the Syndicated Credit Agreement, *i.e.*, until 23 November 2022. No security has been furnished as guarantee for the Syndicated Credit Agreement.

The Syndicated Credit Agreement contains the clauses customary for this type of financing, including the following:

• **Financial commitments** – Subject to a rectification period:

- Tikehau Capital's Loan to Value ratio, tested half-yearly, must be less than or equal to 47.5%;
- Tikehau Capital's Minimum Liquidity ratio, tested half-yearly, must at all times be greater than or equal to €150 million;
- limitation of the Company's secured debt to 12.5% of total consolidated assets;
- limitation of unsecured debt at the level of the Company's subsidiaries to 12.5% of total consolidated assets.

These financial commitments became applicable upon the signing of the Syndicated Credit Agreement; the Loan to Value ratio, the limitation of the Company's secured debt and the limitation of the unsecured debt at the level of the Company's subsidiaries were tested for the first time on 31 December 2017. All of these financial commitments were met as at 31 December 2017.

• **Affirmative and negative covenants** – These are undertakings providing for certain restrictions related mainly to the furnishing of security or collateral, to carrying out mergers or restructuring, change of activity, or interest rate hedging. The Company is in particular committed to maintaining interest rate hedging greater than or equal to 50% of the amounts used under Tranche A of the Syndicated Credit Agreement for the duration of the loan.

• **Change of control** – The Syndicated Credit Agreement provides for the option for each lender not to finance its participation in the event of drawdown and to terminate its commitment in the event of a change of control of the Company.

• **Early repayment** – Under the Syndicated Credit Agreement, the majority of the lenders (*i.e.*, lenders representing more than 2/3 of commitments) can decide to demand the total or partial early repayment of the amounts due under the Syndicated Credit Agreement in certain cases limited to those stipulated, which include non-payment, non-compliance of the commitments described above, the occurrence of a cross default or the occurrence of events having a material adverse effect on the assets and financial position of the Company or its ability to meet its payment obligations or any of its financial commitments. Some of these cases of default cover not only the Company but also its subsidiaries (including cases of default relating to cases of cross default, bankruptcy procedures and enforcement proceedings).

Bond issue

On 24 November 2017, the Company announced that it had placed a bond issue of €300 million, maturing in November 2023. Settlement took place on 27 November 2017 and the bonds are listed on the Euronext Paris market.

This senior unsecured bond issue, a top-ranking debt without collateral, has a fixed annual coupon of 3% payable annually in arrears on November 27 of each year and for the first time on 27 November 2018.

The bonds will be redeemed on 27 November 2023, unless they have been redeemed early.

The proceeds of this issue are intended to finance the general needs of the Company in addition to the credit line of €1 billion granted under the Syndicated Credit Agreement. This bond issue aims to diversify and sustainably strengthen the Group's financial resources.

The bond issue agreement contains the clauses customary for this type of financing, including the following:

• **Event of default** – The occurrence of an event of default provided for in the issue agreement requires the immediate redemption of all the bonds at a price equal to the par value of the bonds plus accrued interest up to the date of redemption.

• **Change of control** – Any bondholder may obtain early redemption or repurchase of all or part of the bonds he owns at a price equal to the par value of the bonds (or, where applicable, the redemption price) plus accrued interest.

• **Negative covenants** – These are commitments relating mainly to the furnishing of security or collateral by the Company or one of its affiliated companies.

Declaration on other loans taken out by the Group

Under the signing of the credit agreement with UBS, the Company has pledged a securities account to this bank in which assets are deposited whose valuation as at 31 December 2017 (based on the valuation factors available at the registration date of this Registration Document) amounts to about €150 million.

II . COMMENTS ON THE ACTIVITY, RESULTS AND FINANCIAL POSITION

Comments on the activity and consolidated financial statements of 2017

As at the registration date of this Registration Document, the Company is in compliance with all covenants provided for in the bank documentation by which it is bound (see note 5.14 (Borrowings and financial debt of the annual consolidated financial statements as at 31 December 2017) in Section V (Annual consolidated financial statements as at 31 December 2017) of this Registration Document).

(ii) Capital resources

The gross debt of Tikehau Capital amounted to €547.7 million as at 31 December 2017, €119.2 million as at 31 December 2016 and €238.3 million as at 31 December 2015.

The table below summarises the distribution of the Company's gross debt:

Under IFRS standards (in millions of €)	31 December 2017	31 December 2016	31 December 2015
Convertible Bonds	–	–	171.7
Bonds	300.0		
Debt principal (including accrued interest)	256.9	121.4	60.6
Bank loans	0.0	–	6.3
Amortisation of issue costs on borrowings	(9.1)	(2.1)	(0.3)
Gross debt	547.7	119.2	238.3

During the years ended 31 December 2016 and 2015, all the Group's credit lines were contracted in euro. As at 31 December 2017, only TIM APAC's financing line was contracted in Singapore dollars.

The Company's debt, its maturity and the proportion that was fixed rate/variable rate as at 31 December 2017, is described in more detail in note 5.14 (Borrowings and financial debt) to the consolidated financial statements to be found in Section V (Annual consolidated financial statements as at 31 December 2017) of this Registration Document).

Cash

The following table presents the available liquidity of the Group as at 31 December 2017, 2016 and 2015, and the calculation of the Company's net debt, in each case calculated as the sum of cash and cash equivalents, plus the current investment portfolio less current borrowings and financial debt:

Under IFRS standards (in millions of €)	31 December 2017	31 December 2016	31 December 2015
Gross debt	547.7	119.2	238.3
Cash	1,084.6	170.3	47.3
<i>of which: cash and cash equivalents¹</i>	908.6	129.8	15.6
<i>of which: cash management financial assets</i>	66.9	0.0	0.0
<i>of which: current investment portfolio</i>	109.1	40.5	31.7
Net debt (Net cash)	(536.9)	(51.1)	191.1
¹ Including margin calls on derivatives	0.0	0.0	0.0

(e) Changes in shareholders' equity

The Company's consolidated shareholders' equity amounted to €2.5 billion as at 31 December 2017, €1.1 billion as at 31 December 2016 and €0.4 billion as at 31 December 2015.

As at 31 December 2017, 2016 and 2015, the Company's consolidated shareholders' equity could be broken down as follows:

Under IFRS standards (in millions of €)	31 December 2017	31 December 2016	31 December 2015
Share capital	1,233.6	650.1	260.3
Issuance, merger and in-kind premiums	840.6	379.0	84.0
Reserves	110.9	28.2	22.2
Net result for the year (Group share)	314.4	72.4	9.6
Consolidated shareholders' equity (Group's share)	2,499.5	1,129.7	376.1

4. ANNUAL RESULTS OF THE COMPANY

(a) Annual financial statements for 2017

(i) Income statement

The analysis of changes in the Company's main accounting aggregates for financial year 2017 is presented below.

Operating result

As at 31 December 2017, operating income amounted to €16.3 million, compared to €6.2 million for financial year 2016. This increase is mainly due to higher transfers of charges (€12.5 million in 2017 compared to €5.1 million in 2016) resulting in particular from the recognition as assets of financial expenses related to setting up borrowings, the bond issue and the capital increase in order to spread the charge over the life of the financial liabilities.

In 2017, the Company recorded operating expenses of €60.5 million, up from €29.8 million in 2016, mainly due to an increase in the Manager's fees of €6.8 million, the increase in financial expenses for €11.7 million which were subsequently spread via a transfer of charges account and the increase in current amortisation related to the early repayments of loans for an amount of €7.1 million.

Gross operating income for financial year 2017 consequently amounted to a loss of €44.1 million against a loss of €23.6 million in 2016.

Financial result

Financial result for financial year 2017 amounted to a profit of €31.8 million against a loss of €61.7 million in 2016. The Company did not make any transactions in the derivative portfolio in 2017 and had recorded a financial expense related to its derivative portfolio, used as a market risk management tool, of €62.2 million in 2016.

Net non-recurring income/(expense)

The net non-recurring income for 2017 amounted to €288.5 million (vs. €28.6 million as at 31 December 2016). This strong increase reflects capital gains from the sale of securities in the Company's investment portfolio, particularly DRT and Eurazeo securities.

Net result

Total income amounted to €1,113.1 million as at 31 December 2017, compared with €111.1 million for financial year 2016, mainly as a result of income from capital transactions; the increase in this income must be viewed in the light of the disposals made during the year.

Total expenses for 2017 amounted to €841.2 million, compared with €167.7 million in 2016; the increase in these expenses must be viewed in the light of the disposals made during the year.

On this basis, net result for financial year 2017 amounted to a profit of €271.9 million against a loss of €56.6 million in 2016

(ii) Balance sheet

The Company's balance sheet total as at 31 December 2017 amounted to €3.0 billion, compared with €1.2 billion as at 31 December 2016.

Financial assets amounted to €1,702.3 million as at 31 December 2017 (vs. €1,024.6 million as at 31 December 2016). This increase is mainly due to investments made over the period (notably in Eurazeo, Claranet and Credit.fr), additions made to existing investments (such as Total Eren) and the merger of Salvepar into the Company.

The Company's shareholders' equity amounts to €2,330.5 million as at 31 December 2017 vs. €1,013.0 million as at 31 December 2016. This increase in shareholders' equity is chiefly the result of the capital increases conducted over the year for a total amount of €1,053.0 million and the contribution of the result for the year for an amount of €271.9 million.

Financial debt amounted to €551.7 million as at 31 December 2017 (vs. €121.8 million in 2016). This increase is mainly the result of entering into a new syndicated credit of €1 billion on 23 November 2017 (of which €250 million was drawn down as at 31 December 2017) and the placement of a new €300 million bond issue with maturity in 2023, on the Euronext Paris market.

The following information is disclosed pursuant to Article L.441-6-1 of the French Commercial Code. Overdue supplier payables amounted to €3.2 million as at 31 December 2017 compared with €1.6 million as at 31 December 2016. The average payment deadline for suppliers is between 40 days and 60 days.

(b) Company's Financial results for the last five years

	31 Dec. 2017 12 months	31 Dec. 2016 12 months	31 Dec. 2015 12 months	31 Dec. 2014 12 months	31 Dec. 2013 12 months
I – FINANCIAL SITUATION AT YEAR END					
a) Share capital	1,233,596,976	650,097,864	260,278,056	260,278,056	187,220,628
b) Number of shares issued	102,799,748	54,174,822	21,689,838	21,689,838	15,601,719
II – OVERALL RESULT OF OPERATIONS FOR THE YEAR					
a) Net revenues excl. tax	2,990,763	1,078,279	1,199,361	1,057,469	572,501
b) Result before tax, depreciation and provisions	291,012,585	-35,994,881	-10,831,190	38,091,889	90,195,432
c) Corporate income tax	4,230,431			5,976,779	2,603,615
d) Result after tax before depreciation & provisions	286,782,154	-35,994,881	-10,831,190	32,115,110	87,591,817
e) Result after tax, depreciation and provisions	271,894,722	-56,601,842	4,190,559	26,368,560	41,991,167
f) Amounts of profits distributed	102,799,748			15,182,887	13,013,903
III – INCOME FROM OPERATIONS PER SHARE					
a) Result after tax before depreciation & provisions	2.78	-1.04	-0.50	1.48	5.61
b) Result after tax, depreciation and provisions	2.64	-0.66	0.19	1.22	2.69
c) Dividend per share	1.00			0.70	0.60

5. MATERIAL SUBSEQUENT EVENTS

(a) Capital increase

A capital increase through in-kind contributions totalling €7,623,000 (issue premium included) was completed on 4 January 2018. This capital increase was carried out at a price of €22 per new share and resulted in the issue of 346,500 new shares. These new shares were issued as remuneration for contributions in kind consisting of a total of 612 Tikehau IM Class B preference shares. These in-kind contributions were made by eight Tikehau IM employees who had benefited from free shares plans. This transaction, which is the logical continuation of the reorganisation operations (see Section II.2 (Reminder of the reorganisation operations) of this Registration Document), enabled the Company to increase its holding in Tikehau IM from 96.67% to 99.09%. The Company intends to increase its stake to 100% by the end of 2018 through the acquisition of the outstanding preference shares.

(b) Other material events occurring between 31 December 2017 and the date of the closing of the financial statements

Arrangement of a financing for the Conforama group

On 24 January 2018, Tikehau Capital arranged a €115 million financing for the Conforama group over a three-year period in which the Company participated for €67 million. The Conforama group now has nearly €200 million in additional liquidity, which gives it long-term independence and financial stability. This financing will allow the Conforama group to continue to carry out its multi-channel growth plans in France and in each of the countries in which it operates. The Conforama group is a major European player in home equipment, through stores and on the Internet. It operates 315 stores, including 224 in France and has 14,000 employees. Internationally, it has 91 stores in 7 countries: Spain, Switzerland, Portugal, Luxembourg, Italy, Croatia and Serbia.

Continued internationalisation and opening of New York office

In 2017, Tikehau Capital continued to extend its international footprint by opening a branch in Madrid, Spain, and a representative office in Seoul, South Korea, and on 28 February 2018 announced that it had opened an office in New York. The opening of a New York office is part of the Group's internationalisation strategy announced at the time of its listing. It is intended to enable the Group to develop in North America, a natural growth zone because of the size of the local market, by getting closer to its prospective client base and by being in a position to seize the best investment opportunities.

Acquisition of an interest in Ring Capital

On 18 January 2018, the Company announced that it was taking a 25% equity interest in Ring Capital to support the creation of this private equity firm specialising in the financing of technology and digital companies, founded in 2017 by Messrs. Geoffroy Bragadir and Nicolas Celier.

Also supported by AG2R La Mondiale, BPI France, Bred and Danone, Ring Capital is launching its activities with an investment capacity of more than €140 million, in order to bring to the fore the top European digital technology companies of the future, alongside high-potential entrepreneurs.

Ring Capital will be able to acquire minority stakes by investing between €1 million and €15 million, alone or in co-investment, but may also participate in capital increases and share buy-backs from founders and historical shareholders. Ring Capital aims to include some 15 companies in its portfolio by the end of 2021.

The investment team headed by Mr. Nicolas Celier, investor for more than 20 years with French startups, and Mr. Geoffroy Bragadir, entrepreneur and subsequently investor, is composed of private equity experts with strong operational skills in the technologies universe.

Tikehau Capital is one of Ring Capital's largest investors and as such will contribute to its governance with seats on several Committees.

Partnership between DWS/Tikehau Capital

On 29 March 2018, Tikehau Capital announced that it had acquired a 2.8% interest in DWS as part of the recently completed IPO.

This equity interest is intended to be accompanied by a partnership between the two groups concerning (i) shared opportunities for co-investment and deal flow on alternative strategies; and (ii) joint marketing initiatives.

This partnership should allow Tikehau Capital to develop its presence in Germany with a leading partner. For DWS, the partnership forms part of its aim to continue the development of alternative management.

Total/Tikehau Capital Fund

On 29 March 2018, the Company announced that Total SA is participating alongside Tikehau Capital in the creation of an investment fund dedicated to energy transition. The aim of this private equity fund is to support medium-size energy transition players in financing their development, the transformation of their business models and their international expansion.

The team dedicated to the management of this private equity fund is made up of professionals in investment from Tikehau Capital and the energy sector seconded from Total. This team will work under the authority of an Investment Committee bringing together the two partners.

The fund has already received a total of €200 million from both partners and is targeting major institutional investors. Goldman Sachs is acting as placement agent for Tikehau Capital.

(c) Other material events since the date of the closing of the financial statements

Sale of the interest in DRT

At the end of November 2017, the investment firm Ardian announced that it had entered into exclusive negotiations with certain shareholder families and Tikehau Capital in order to acquire a majority stake in DRT. This transaction was signed at the end of December and was completed on 10 April 2018.

The purpose of this change of control is to give the DRT group the means to actively pursue its organic and external growth strategy. This deal, which enabled Ardian to acquire nearly 100% of DRT's capital, was supported by DRT's management. Tikehau Capital decided, along with family shareholders, to participate in this new stage of DRT's growth plans by reinvesting €30 million in the transaction alongside Ardian. Under this sale transaction, the Company realised a gain on the sale of €160 million, for an investment multiple of 5.0x the amount invested and an IRR of 128%. (See Section I.4(e) (Private equity) of this Registration Document.)

Filiassur

On 5 April 2018, the Company announced that it had invested €30 million in Filiassur, the leading specialist broker for remote insurance sales specialising in provident insurance in France, alongside management to support its growth and development in Europe.

Founded in 2007, Filiassur, which now has more than 300,000 customers, has seen strong growth in France over the last few years, supported by international expansion (Spain and Italy) and true expertise in the design and distribution of niche insurance products that meet consumer expectations. Filiassur operates in a high-potential market driven by an as yet low personal provident cover rate, while such needs are growing, driven by an ageing population and changes in the scope of social security commitments.

Nexteam

On 26 April 2018, the Company announced that it was entering into exclusive negotiations with Nexteam group, a major player in the machining of complex parts and hard metals for the aeronautical and aerospace industries.

This acquisition of a minority interest alongside management should help support the future development of Nexteam group.

With a presence in France, Poland and Romania, Nexteam group is a French company specialising in precision mechanics and hard metal machining for the aeronautical, aerospace and defence industries. Employing more than 850 people, Nexteam group generates annual revenues of about €150 million. Its products are manufactured at six sites in France, one in Poland and one in Romania.

III . RISK FACTORS

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1. RISK FACTORS

Disclaimer

Investors are requested to take into account all information contained in this Registration Document, including the risk factors described in this Section. These risks are, at the registration date of this Registration Document, those which the Group believes, if they were to eventuate, could have a material adverse effect on its business, income, financial position or prospects. The attention of investors is drawn to the fact that other risks, unknown at the date of this Registration Document or the occurrence of which is not considered at that same date as likely to have a material adverse effect on the Group's business, income, financial position, or prospects, may exist or arise.

Structure of this Section

This Section III.1 is organised as follows:

- a) Subsection (a) is dedicated to risk factors relating to the asset management activity (that is, at the registration date of this Registration Document, mainly private debt activities, real estate activities and liquid strategies and, to a lesser extent, private equity which, at the registration date of this Registration Document, is an activity pursued essentially on a proprietary basis. As part of these business activities, the Group provides management services on behalf of investor clients investing in vehicles managed by the Group. Therefore, the risks associated with this activity that are presented by Tikehau Capital are not investor risks (the latter being assumed by the clients), but essentially sector related risks connected to the asset management market (presented in paragraph (i)) and the risks related to the provision of asset management services (presented in paragraph (ii)).
- b) Subsection (b) is dedicated to risk factors relating to the Group's balance sheet, that is, the own resources (shareholders' equity and debt) that the Group invests in its asset management activities (by investing in vehicles managed by its management companies) or in proprietary transactions other than asset management activities (these investments being assigned to private equity activities). As part of these activities, the Group assumes investor risks (presented in paragraph (i)), financial risks (presented in paragraph (ii)) and market risks (presented in paragraph (iii)).
- c) Subsection (c) deals with the Group's operational risk factors which exist across all of Tikehau Capital's activities.
- d) Subsection (d) deals with the Group's regulatory, legal and tax risk factors.
- e) Subsection (e) addresses risk factors relating to the legal form, Articles of Association and organisation of Tikehau Capital.

(a) Risks relating to the asset management activities

(i) Risks relating to the asset management sector

Demand from Tikehau Capital clients depends on factors beyond its control and affect the asset management market generally.

Several factors beyond the control of Tikehau Capital could significantly impact client demand for its asset management activities. Unfavourable market conditions may limit net inflows under the combined effect of a reduction of new investments in Group vehicles and, for activities carried out through open-ended funds, increased requests for withdrawal from the funds managed by Tikehau Capital. These factors include:

- the macroeconomic environment in general, or more specifically in the countries in which Tikehau Capital markets its products, which may affect the ability of investors to invest;
- the level of equity markets in particular in countries where Tikehau Capital sells its products, likely to impact demand of Tikehau Capital clients and the amount of investment in existing or new strategies;
- the level of interest rates and the performance delivered by products in competition with those of Tikehau Capital in the countries in which Tikehau Capital operates;
- tax arrangements that favour competing products, and any change or proposed change to existing arrangements favourable to Tikehau Capital products; or
- any regulatory changes impacting the financial markets and alternative asset managers, and in particular any regulatory requirement making Tikehau Capital products less attractive.

If demand by Tikehau Capital clients were to be adversely impacted by any of these factors, net inflows and assets of Tikehau Capital would decline accordingly, thus lowering its revenue and earnings.

Tikehau Capital is exposed to significant competition.

The market for asset management is highly competitive with limited barriers to entry. The main competitors of Tikehau Capital are asset management companies, some of which offer similar products to those of Tikehau Capital (see Section I.5(c)(iii) (Overview of the European competitive landscape in alternative asset management) of this Registration Document). This competition is based on a number of key factors: returns generated by investments, amount of fees charged, quality and diversity of the range of products and services, fame and reputation, efficiency of distribution channels, capacity for innovation, etc.

In the asset management industry, management fees are generally calculated by applying a percentage to the assets under management, the fee rate depending in particular on the nature of the product and other factors. Although Tikehau Capital seeks to offer customers ground-breaking solutions, a broad choice of investments remains available to the institutional investors who are the clientele mainly targeted by Tikehau Capital. Institutional clients generally use tendering processes. Unless it succeeds in providing differentiating services, Tikehau Capital could be forced to reduce its fee rates to deal with competitive pressures, avoid loss of clients and/or launch new funds and strategies, which would lead to a decrease in its assets under management, revenue and earnings. In addition, the entry of new players into the asset management market would increase competition, and could have a material adverse effect on Tikehau Capital's business, operating profit, financial position and prospects. Finally, asset management products compete with other types of investments offered to investors (equity, vanilla and structured bonds, regulated and non-regulated bank deposits, real estate, etc.).

Investor demand for the asset classes managed by Tikehau Capital could decline.

Through its business lines Tikehau Capital offers a wide range of solutions for a predominantly institutional client base. Investor demand for certain asset classes could however vary from one year to another and in different markets, depending in particular on the attractiveness of a particular asset class or changes in the regulations and tax framework. In addition, new asset classes could emerge, some of which would not already be part of the Tikehau Capital offer. A concentration of demand in asset classes other than those managed by Tikehau Capital could affect its competitive position, reducing its assets under management and net revenues from management and earnings.

Changes in the value of equities, bonds and other financial instruments may impact the value of Tikehau Capital's assets under management, net revenues and shareholders' equity.

The net revenues of Tikehau Capital related to its asset management activity is mostly net management fees, calculated on the basis of the assets under its management. In liquid strategies, the amount of assets under Tikehau Capital's management depends mainly on the value of assets held in managed funds, including bonds, equities, currencies and real estate. Fluctuations in financial markets, including changes in interest rates, issuers' credit spread, currencies and equity prices, could thus cause a significant change in the value of Tikehau Capital's assets under management in liquid strategies. A tightening of the monetary policy of the European Central Bank ("ECB"), or any other monetary authority, could thus lead to a decrease

in the assets of Tikehau Capital, under the combined effect of rising interest rates (likely reduce the value of assets under management in bond funds) and a possible decline in equity markets (likely to reduce the value of assets under management in equity funds). The value of Tikehau Capital assets could also be impacted by a lack of liquidity in the markets in general or in certain asset classes. A deterioration of the financial markets could further impact net inflows under the double impact of a fall in demand from investors and, in liquid strategies, increased requests for withdrawal from funds managed by Tikehau Capital. Finally, adverse market changes would also affect the value of the investments made by Tikehau Capital through its funds or directly from its balance sheet, and therefore, its performance track record and net revenues from shareholders' equity. Any material and adverse developments in the financial markets could have a material adverse effect on the operating profit, financial position and prospects of Tikehau Capital.

The failure or poor performance of the products offered by competitors could affect the image of Tikehau Capital and consequently result in a reduction in assets under management on similar products.

The occurrence of events affecting the performance of products competing with those of Tikehau Capital could by contagion impact investor confidence in this product class. Although, to the knowledge of Tikehau Capital, this risk has never actually materialized in the past, this loss of confidence could affect the image of Tikehau Capital's products, even if it is not involved in this event affecting its competitors, and, in its liquid strategies, could expose it to withdrawals, redemption requests and liquidity problems, and in its other businesses, to an inability to successfully launch new funds and strategies, which might cause a decline in its assets under management, revenue and earnings.

(ii) Risks relating to Tikehau Capital's asset management activities

Tikehau Capital may lose clients because of low returns on its products, causing a decline in its assets, its revenue and its earnings.

The return generated by Tikehau Capital products and solutions is critical to their commercial success, and determines the ability of Tikehau Capital to attract and retain clients. The performance levels achieved by Tikehau Capital in the past do not guarantee the level of future performance. In addition, Tikehau Capital may not be able to sustain its level of performance over time. Tikehau Capital's results and performance levels for several reasons could differ significantly from those achieved by Tikehau Capital in the past (in particular due to macroeconomic factors, the performance of new funds compared to that of past or existing funds, market conditions, investments made or investment

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opportunities). If the funds managed by Tikehau Capital were to record a lower return than that anticipated by its clients or that of similar products, investors could, in liquid strategies, increase their demands for redemption in order to invest their assets in products generating better returns, and in closed-end funds, refuse to participate in new funds launched by Tikehau Capital. In all cases, the reputation of Tikehau Capital and its ability to attract new clients could also be affected.

Tikehau Capital may not be able to develop new products and services or to meet the demand of its clients through the development of new products and services, which are also likely to expose it to operational risks or additional costs.

The performance of Tikehau Capital depends, in particular, on its ability to develop, market and manage new services and products, to be able to meet the demand of its clients. The development and introduction of new products and services on the market require continuous efforts in innovation, as well as investment in time and significant resources. The introduction of new products and services is a factor for risk and significant uncertainties, requiring the introduction of new control systems adapted to meet changing demand and markets, to ensure the competitiveness of these products and services and their compliance with regulatory requirements. If Tikehau Capital were no longer able to support its efforts towards innovation, or to successfully launch new products, its assets, its revenue and earnings could be adversely affected.

Tikehau Capital may not be able to obtain dedicated fund management from new institutional clients or may be forced to renew existing contracts on unfavourable terms.

Most often, Tikehau Capital obtains the management of dedicated funds as a result of the tendering processes. Despite the significant time and resources devoted to the preparation of these tenders, unless attractive terms are offered to the clients, Tikehau Capital could lose and fail to win new contracts. To combat competitive pressure, Tikehau Capital may have to reduce the amount of its fees, which would impact its profitability. Furthermore, and in order to encourage clients to renew their contracts on expiry or prevent their termination, Tikehau Capital could be forced to revise its fee terms downward. Otherwise, Tikehau Capital could lose its clients to the benefit of its competitors, resulting in a reduction in assets, revenue and earnings.

In liquid strategies, Tikehau Capital's clients may withdraw their assets from its funds at any time.

Management fees represent the majority of the revenue generated by Tikehau Capital's asset management business and is calculated based on the assets under management. A significant number of the funds managed

by Tikehau Capital funds are what are known as open-ended, *i.e.*, from which investors may decide to withdraw at any time by requesting the redemption of their shares. If financial markets were to deteriorate, if the return recorded on Tikehau Capital products were not sufficient, or if clients were not satisfied with the quality of the services provided by Tikehau Capital (for example with regard to the performance of products or the format of the reporting), the pace of requests for redemption or withdrawals from the funds could accelerate. These withdrawals and redemptions would have an immediate impact on its assets, revenue and earnings which could be adversely affected.

The decision by Tikehau Capital of whether or not to give financial support to certain funds could expose it to significant losses.

Although it has no legal or regulatory obligation to compensate the losses suffered by its funds, Tikehau Capital could decide on a voluntary basis to provide financial assistance to its funds suffering significant losses, particularly in order to ensure that its clients do not withdraw their assets quickly. Even though, at the registration date of this Registration Document, the Group has never had to support a fund in difficulty, any support given to these funds could consume capital and force Tikehau Capital to raise cash to meet the needs of the funds concerned. Moreover, the decision by Tikehau Capital not to provide aid to those funds or its inability to do so could damage its reputation and cause a decline in its assets, its revenue and earnings.

Income from the outperformance of the funds may increase the volatility of Tikehau Capital's revenue and earnings.

In addition to management fees, the Group's management companies may receive income related to the outperformance of the funds they manage (performance fees for open-ended funds and carried interest for closed-end funds). (See Section I.4(a)(ii) (Tikehau Capital's Business Model) of this Registration Document.) This outperformance-related income is more volatile than Tikehau Capital's management fees. This type of income only rewards Tikehau Capital when the contractual terms of the fund make such provision and the fund performance exceeds objectives specified in the fund documentation. If the objectives laid down in the contract are not met, this outperformance-related income is not payable to Tikehau Capital over a given period or, when the fund is liquidated, if the objectives are based on cumulative returns over the life of the fund. Moreover, to the extent that income related to outperformance is based on objectives that are not revised downwards when market conditions become less favourable, Tikehau Capital may not achieve the objectives in question for reasons beyond its control. All these parameters promote volatility in outperformance-related income, making the amounts difficult to predict, which may well be much lower than expected.

The valuation of some investments may be subject to changes related to the different interpretations to which methodologies, estimates and underlying assumptions are subject.

Some products offered by Tikehau Capital, for which there is no trading market or observable market data, can be valued using models and methodologies based on estimates and assumptions, and to a large extent on the assessment of the asset managers. It is not guaranteed that the valuations used by Tikehau Capital on the basis of these models and methodologies always faithfully reflect the market value of the assets. In such circumstances, the liquidation of these assets may expose the funds and portfolios managed by Tikehau Capital to losses that would adversely affect its assets, revenue and earnings.

The failure or difficulties suffered by external operators taking part in the Group's asset management activities could have a material adverse effect on its reputation or its business, likely to cause a decrease in its assets, its revenue and its earnings.

Tikehau Capital is dependent on a number of providers assisting it in its operational and distribution activities (fund administration, accounting, custody of funds distributed through networks, risk analysis, provision of market data and market indices, funds transfer, etc.). The failure of any provider, notably due to financial difficulties, could disrupt the business of Tikehau Capital or impact its ability to comply with regulatory requirements, which could damage its reputation and cause a decline in its assets, of its revenue and its earnings.

In addition, funds and mandates managed by Tikehau Capital involve many other professionals as counterparties (for example, brokers, commercial and investment banks, clearing houses or institutional clients). Any failure of these counterparties would expose the funds managed by Tikehau Capital to credit risk. Although Tikehau Capital regularly assesses the risks associated with its counterparties, they may be impacted by changes occurring unexpectedly in the financial markets, which might hinder their ability to perform their obligations, or may face other circumstances making them unable to meet their engagements. Such a failure or difficulty could affect the assets held by Tikehau Capital, the funds it manages and their performance, which could lead to the alienation of Tikehau Capital's clients and cause a decline in its assets, its revenue and its earnings.

The inability of Tikehau Capital to recruit and retain employees could cause it to lose clients and lead to a decrease in its assets, revenue and earnings.

The success of Tikehau Capital asset management activities depends largely on the talent and efforts of its highly skilled

workforce and its ability to contribute to their development in order to support the growth of the business in the long term. Some employees may be assigned in the future to key positions within Tikehau Capital. Portfolio managers, financial analysts, product specialists, sales personnel and other professionals operate in a highly competitive labour market. The reputation of Tikehau Capital, the remuneration and benefits granted to its employees, and its commitment to guaranteeing the renewal of management positions, particularly by contributing to the development and training of qualified people, are all factors affecting the capacity of Tikehau Capital to attract and retain such employees. There is no guarantee that Tikehau Capital will successfully continue its efforts to recruit and retain staff, or that it will effectively manage the career development of its employees. If Tikehau Capital were unable to do so, its competitive strengths and its ability to retain its clients could be substantially affected.

Any smear on Tikehau Capital's reputation could be detrimental to its ability to maintain the quality of its activities, to engage in commitments and/or lead to a decrease in its assets under management, revenue and earnings.

The integrity of the brand and reputation of Tikehau Capital is critical to attracting and retaining clients, business partners and employees. Tikehau Capital's reputation could be tarnished by certain key factors such as a low return on its investments, litigation, regulatory action, misconduct or infringement of applicable laws or regulations by its managers or its distributors. Fund managers and the other operational staff make daily decisions on managing Tikehau Capital's funds and conducting its activities. Although Tikehau Capital has implemented controls and processes to prevent and/or mitigate these risks, there is no guarantee against any errors, negligence or infringement of regulations or of the funds' investment policies that these managers or operational staff might commit. Tikehau Capital's reputation could suffer and it could be held accountable to investors, as well as from a regulatory standpoint, should these procedures and risk management systems fail to identify, record and manage such errors, negligence or illegal acts. Such failure could have a material adverse effect on the reputation, business, earnings and financial position of Tikehau Capital. The negative publicity that would result from the occurrence of any of these events could damage the reputation of Tikehau Capital, generating a risk of regulatory sanctions and harm its relations with its current and potential clients, external distributors and other business partners. Any discredit to the "TIKEHAU" brand would adversely affect the Group's position in the sector and could result in a loss of business in the short and long term.

(b) Risks relating to the balance sheet of Tikehau Capital

(i) Risks related to investments on the balance sheet of Tikehau Capital

Tikehau Capital is exposed to risks inherent in the activity of investment on the Company's balance sheet.

Although Tikehau Capital uses a team of professionals experienced in investment transactions (including within its own teams and the Tikehau Capital Advisors teams) and the Group has regular recourse to audit or consulting firms, advisory banks or law firms in the course of these transactions, it does incur the risks inherent to the activity of investment on the balance sheet, namely:

- risks relating to the assessment of the value of the entities or financial instruments in which it invests and which can be complex to understand (see also paragraph (ii) below, the risk entitled "Tikehau Capital's balance sheet investment presents risks related to the valuation of these investments, which may differ from their realisable value");
- risks relating to changes in economic conditions worldwide or in a particular country that are likely, firstly, to affect the ability of Tikehau Capital to liquidate its investments under satisfactory terms and, secondly, to deteriorate the value or return of its investments;
- risks relating to the evaluation of investment projects, the assessment of the strengths and weaknesses of the target company or project, its development potential, its markets, the appropriateness of its business plan, and its management's ability to successfully execute that plan, as well as to the structuring and understanding of the investments (including the retention mechanisms for management staff), which may be complex or relate to complex financial instruments, or not include adequate protection for Tikehau Capital;
- risks arising from the management of the target company prior to the date of the investment, not identified in the audits carried out before making the investment, or not guaranteed by the vendors (for example, the risks in question cannot be subject to guarantees in a market acquisition or might be excluded from scope of the assets and liabilities guarantee negotiated by Tikehau Capital or its business partners in connection with the acquisition; they may not give rise to effective compensation by the application of thresholds, deductibles and coverage limits that may have been agreed; or the guarantors may be insolvent; legal disputes may arise with the guarantors in regard to the enforcement of the guarantee agreement, etc.);
- specific risks relating to investments outside France (including in countries where the Group does not have any staff) and, especially, understanding the issues, the operators, and local economic factors, structuring the investments in accordance with local rules, and the exposure to country risk, etc.;

- risks related to legal disputes that may arise with the vendors or third parties over the investment itself (for example, with regard to the accuracy of information received during the investment project appraisal phase) or its consequences (e.g., suppliers, clients or banks terminating the contracts that bind them to the enterprise in which the investment is made); and

- risks related to the insolvency or financial difficulties of one or more companies in which Tikehau Capital has invested (e.g., obligation to financially support the company concerned, loss equal to the net book value of the financial asset concerned, and, where applicable, any interest due, being under administration or liquidation and more generally insolvency proceedings, actions for repayment of liabilities) and the risk of the resulting lawsuits.

The change in value of the assets held by Tikehau Capital could affect its earnings, shareholders' equity and increase the volatility of its revenues.

Tikehau Capital regularly invests its balance sheet resources in the launch of the funds operated by the Group to create an alignment of interests between its balance sheet and its investor clients, and to provide its funds with sufficient assets to attract investors. For this purpose, Tikehau Capital sometimes makes significant investments to develop new products. Tikehau Capital also holds a portfolio of investments in open-ended funds managed primarily by Tikehau Capital, which correspondingly increases its financial exposure.

Tikehau Capital's investments are recorded at fair value in the consolidated balance sheet. Any changes in interest rates, credit spreads, the foreign exchange market, or the value of listed and non-listed equity securities, or the real estate funds, could reduce the value of investments made by Tikehau Capital and adversely affect its earnings, shareholders' equity and financial position.

Tikehau Capital is exposed to specific risks associated with holding minority stakes.

In its private equity activities, Tikehau Capital invests primarily as a minority shareholder or co-investor. Although Tikehau Capital endeavours, particularly with regard to its minority holdings in non-listed companies to enter into agreements, where appropriate, offering greater rights of information, representation on an administrative or supervisory body of the company in question or even veto rights on certain management decisions and on the Company's exit terms, it cannot be guaranteed that Tikehau Capital will have access to all relevant information for the evaluation of its position and its sale or hold strategy, nor that it will be able to have effective influence in important decisions (including the distribution of dividends). In addition, to the extent that Tikehau Capital takes minority equity interests and makes co-investment, it cannot be guaranteed that it will be able to uphold its positions in regard to majority shareholders or the sponsors of its co-investment transactions, which may have divergent interests from those of Tikehau Capital.

Tikehau Capital is exposed to liquidity risk related to certain equity interests, especially non-listed investments.

As part of its private equity activities, Tikehau Capital takes interests in non-listed companies. As at 31 December 2017, non-listed investments held by Tikehau Capital (excluding platforms or funds managed by Group management companies) represented 17% of Tikehau Capital's total assets. These securities that are not traded on any market, and certain securities held by Tikehau Capital that are listed but not very liquid, have a liquidity risk. Although investments made by Tikehau Capital can generate income (in the form of distributions in particular), the recovery of sums invested and the eventual realisation of profits and capital gains will generally occur several years after the investment is made (at the time of sale, redemption or liquidation of the investment). It cannot be guaranteed both in the case of non-listed securities and listed but illiquid securities, that Tikehau Capital will be able to find purchasers interested in buying its shares, or that these securities will achieve a stock exchange listing or see their liquidity improved if they are already listed. In these circumstances, and although (i) Tikehau Capital seeks to anticipate the terms of its exit when investing, and (ii) Tikehau Capital regularly assesses the quality of its portfolio, it is possible that Tikehau Capital might experience difficulties in realising all or part of its investments, both in terms of timing and exit terms. This could result in limiting or preventing Tikehau Capital from making new investments (in the Group's strategies or for its own account) and thus hamper the implementation of its strategy.

There can be no assurance that the investments made by Tikehau Capital will generate profits, or that the amounts committed by Tikehau Capital in its investments will be recovered.

Tikehau Capital's investment activity and strategy represent a risk of loss of the sums involved whether in the Group's strategies or direct investments, for example if the fund does not achieve the performance objectives set or if the company in which the investment was made goes bankrupt or faces serious difficulties. While Tikehau Capital protects itself by eliminating high-risk projects, there can be no assurance regarding the attainment of profits in the investments made by Tikehau Capital or even the recovery of sums invested or owed.

The Tikehau Capital development model requires the availability of its own resources, and it cannot be guaranteed that Tikehau Capital will be able to find or draw on such resources.

The Tikehau Capital development model requires the availability of its own resources. Also, to drive its strategy, Tikehau Capital needs to maintain available investment capacity (particularly for investment in its new funds or strategies or to support the development of its platforms). To this end, and once Tikehau Capital has invested its available resources, it cannot be guaranteed that Tikehau Capital will

be able to find or draw on new and attractive sources of capital or debt financing (due, for instance, to a contraction of the supply of bank credit or the inability to seek financing from the markets) to enable it to continue to allocate its balance sheet resources in accordance with its strategy. To continue to allocate its resources optimally, the rotation of the investment portfolio at an appropriate rate is one way to make the necessary resources available. However, it is possible that Tikehau Capital may not be able to conduct a rotation of its portfolio, which by nature depends on events beyond its control (for instance, opportunities to sell on favourable terms or maturity date of the funds). Conversely, in a low interest rate environment, excessive amounts of cash not invested could impact the profitability of Tikehau Capital.

Tikehau Capital could be exposed to industrial and environmental risks.

In its investment activities, Tikehau Capital is not directly subject to industrial and environmental risks. Nevertheless, the Group regularly uses the inclusion of non-financial criteria, (especially environmental and social considerations), as part of its investment activity. The Group focuses in particular on the respect for environmental impact when the activity of the relevant company so requires. However, when taking minority interests or making co-investments, Tikehau Capital generally has no control over the environmental impact of the companies in which it has invested. For some of the portfolio investments of Tikehau Capital if the industrial or environmental risks were actually to occur, it could have a material adverse impact on the value of these investments and therefore the assets and financial position of Tikehau Capital.

(ii) Financial risks

Tikehau Capital's balance sheet investment entails risks related to the valuation of these investments, which may differ from their realisable value.

Tikehau Capital conducts analysis for each investment transaction (strategy, competition, financial plan, valuation, financial analysis, exit terms, social and environmental responsibility, quality of the management team, etc.), and then on a regular basis during the monitoring of its investments. Tikehau Capital relies on internal resources and takes all external advice when this is deemed necessary or desirable.

As regards the valuation of financial fixed assets, except in exceptional circumstances, each investment in the portfolio is examined twice a year at the time of the accounting statements at 30 June and 31 December. These valuations are based mainly on the market price if the holding is listed or on a fair value approach in the case of non-listed holdings (multiple method, discounted cash flow method, or a specific method, e.g., one provided by an asset management company in the case of investments in funds). Regular contacts are also maintained with the managers of the underlying assets (company executives, fund managers, co-shareholders or co-investors, etc.).

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Although the valuations prepared by Tikehau Capital are based on the most accurate estimates of the Company to the best of its knowledge, it cannot be guaranteed that they will not be revised later. They can be complex to determine for certain instruments, be subject to significant fluctuations (up to the loss of the entire investment for the most risky or most volatile products), be reliant on market data whose observability cannot be guaranteed or which might make their valuation impossible, and in general, the implementation of the valuation methods used by Tikehau Capital does not guarantee that each of Tikehau Capital's holdings is valued entirely in line with its realisable value if such a realisation were to be made.

Tikehau Capital may be exposed to liquidity and debt risks.

As at 31 December 2017, Tikehau Capital had current financial assets net of debt (calculated as the sum of the balance sheet value of the current investment portfolio and cash and cash equivalents less borrowings and financial debt less financial liabilities payable to banks) of €536.9 million (other than financial instruments).

The state of indebtedness of Tikehau Capital (including the maturity of its debt) as at 31 December 2017 is described in note 5.14 (Borrowings and financial debt) to the Tikehau Capital consolidated financial statements (see Section V.1 (Annual consolidated financial statements as at 31 December 2017) of this Registration Document). The main terms of this debt are described in Section II.2(d) (Liquidity and Capital Resources) of this Registration Document.

The Company has conducted a specific review of its consolidated liquidity risk. In view of its debt position and available cash at the registration date of this Registration Document, Tikehau Capital expects to be able to meet future payment dates and have little concern for liquidity and debt risk. At the registration date of this Registration Document, the Company is in compliance with all the covenants contemplated under the bank documentation by which it is bound. Conversely, however, too high a level of cash on the Company's balance sheet, especially in an environment of low interest rates, could adversely affect the performance and future earnings of the Group.

As regards the funds managed by Tikehau Capital, the Group's policy is to limit the use of debt on investment operations. However, when the funds managed by the Group have had recourse to leverage for their investments, the financing banks generally have a priority subscription right over the income and assets in question, which can be exercised should the underlying investments perform poorly. Thus, in the event of the poor performance of the assets of funds that have employed leverage, the relevant funds and their shareholders or unitholders could see their position adversely affected by the existence of financing and the lending banks' priority rights on the assets and income concerned.

Lastly, open-ended funds managed by Tikehau Capital, that is, those from which investors can at any time withdraw part or all of their investment, could be subject to significant or even mass withdrawal requests from investors and might be unable to honour them. Although this risk has never materialized within the Group, the Group's "risk" team ensures that the open-ended funds managed by the Group maintain assets sufficiently liquid to meet potential redemptions. For this purpose, the liquidity of the open-ended funds is monitored on a daily basis as regards both assets and liabilities. A detailed report is produced monthly and presented in the Risk Committee. The methodology of risk monitoring is based on various analyses: (i) scoring of the liquidity of the assets in the fund, (ii) evaluation of the time required to liquidate a given proportion of the portfolio or in the event of redemption by the largest holders of the fund, (iii) assessment of the liquidation cost as a percentage of net assets of such liquidation, and (iv) performance of stress tests and the study of their impact on the time and cost of liquidation. The risk of concentration of investors in open-ended funds is also monitored to prevent a situation in which a major investor could generate a liquidity risk in a given fund. Finally, some funds (a limited number in regard to Tikehau Capital's liquid strategies) have mechanisms known as "gates" that allow managers to limit significant withdrawals during a sensitive period.

Tikehau Capital could be exposed to risk of asset loss or concentration related to the composition of its investment portfolio.

The Group's activity and strategy entail a risk of loss of the amounts incurred in connection with its investments on the balance sheet. For example, in the context of investments in funds (including funds managed by the Group), this is the case if the relevant fund does not achieve its objectives. In direct investments, there exists a risk of loss of the amounts committed if the company in which the investment was made goes bankrupt or faces serious difficulties (related for example to the economic downturn, increased competition, poorly anticipated technological breakthroughs, mistaken strategic decisions by management, loss of customers, adverse regulatory developments, etc.). Even though, in general, the Group's policy is to protect itself by eliminating high-risk projects, heavily indebted companies, and companies that have started up too recently, some investments made on the Group's balance sheet, have a high risk of loss due to their ranking. Accordingly, no assurance can be given regarding the realisation of profits related to investments made by the Company or the Group, or that the Company or the Group will not lose the money committed in its balance sheet investments.

Regarding investments on the Company's balance sheet, at the registration date of this Registration Document, Tikehau Capital has a diversified investment portfolio both in number of investments and in asset classes or sectors concerned. As at 31 December 2017, Tikehau Capital's largest financial asset represented less than 15% of

Tikehau Capital's total consolidated assets. It should be noted that this financial asset, namely an 8% interest in Eurazeo, itself had exposure to various assets, the main one of which represented only 5% of the total consolidated assets of Eurazeo as at 31 December 2017. Therefore, Tikehau Capital believes that, at the registration date of this Registration Document, the Group is not exposed to a significant concentration risk. In any event, as part of its strategy, Tikehau Capital tends to diversify its portfolio and reduce its concentration risk, although the Group has no fixed investment rules or limits.

Tikehau Capital could be exposed to financial risks if its insurance coverage were to prove insufficient.

Even though Tikehau Capital has taken out professional liability insurance and the Group reviews and adjusts the adequacy of its insurance coverage on an annual basis in light of the nature of its business, its strategy and the size of its balance sheet, liability claims can sometimes result in significant payments, some of which may not be borne by insurers. Tikehau Capital cannot guarantee that its insurance policies' coverage limits will be adequate to

protect the Group from all future claims following accidents or that it will in the future be able to maintain its insurance policies under favourable conditions. The Company's business, income, financial position and prospects could be significantly affected if, in the future, the Group's insurance policies were to prove inadequate or unavailable.

See also Section III.2 (Insurance) of this Registration Document.

(iii) Market risks

Tikehau Capital is exposed to interest rate risk and currency risk on its bank debt.

As at 31 December 2017, Tikehau Capital was exposed to interest rate risk on its bank borrowings and associated hedges for respective amounts of €256.9 million and €177.7 million.

To manage risks on its variable rates exposure, Tikehau Capital has contracted swaps whose total notional amount represents 69.1% of the amount of variable rate borrowings as at 31 December 2017. The characteristics of these swaps are as follows:

(in millions of €)	Notional	Average fixed rate	Average maturity
As at 31 December 2017	177.7	0.62%	6.1 years
As at 31 December 2016	170.6	0.96%	8.2 years

Bank debts in foreign currencies are revalued at each close at the closing conversion rate. As at 31 December 2017, the only foreign currency bank debts were those denominated in Singaporean dollars, for an amount of €5.0 million.

See note 5.25(a) (Market Risks – Exposure to bank debts) to the annual consolidated financial statements of the Company. (See Sections V.1 (Annual consolidated financial statements as at 31 December 2017) and V.2 (Statutory Auditor's report on the annual consolidated financial statements) of this Registration Document.)

Tikehau Capital is exposed to interest rate risk and credit risk on investments in funds managed by Tikehau Capital or its fixed interest investments.

In these investments in liquid strategies, a change in the fund's net asset value of plus or minus 10% would impact Tikehau Capital's exposure by €10.4 million.

In these investments in private debt activities, a change in interest rates of 200 basis points would impact Tikehau Capital's exposure by -€1.7 million.

In these investments in real estate activities, a shock inducing a drop in the value of non-listed real estate assets of 15% in France and 12% in Italy, as was the case for commercial real estate from October 2007 to March 2009, would impact the exposure of Tikehau Capital for -€27.8 million.

The bonds in which Tikehau Capital has invested are issued at a fixed rate. A variation in interest rates could affect the average duration of the bonds. A sudden increase or decrease of 100 basis points in interest rates would have caused a variation upwards or downwards in the value of the portfolio of €4.6 million, given the average duration recorded on this portfolio (3.92 years). As at the registration date of this Registration Document, no defaults have occurred in the Group's bond investments.

See note 5.25(b) (Market Risks – Exposure portfolio investment risks) to the annual consolidated financial statements of the Company. (See Sections V.1 (Annual consolidated financial statements as at 31 December 2017) and V.2 (Statutory Auditor's report on the annual consolidated financial statements) of this Registration Document.)

Tikehau Capital is exposed to currency risks related to its foreign exchange investment transactions.

Tikehau Capital's exposure to currency risk relates to its investments in foreign currencies. As at 31 December 2017, Tikehau Capital was exposed to currency risk on the US dollar, Canadian dollar, Singapore dollar and British pound sterling as well as the Australian dollar and the Polish zloty to a lesser extent. At the registration date of this Registration Document, Tikehau Capital has no currency hedging.

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Risk Factors

The table below shows the impact on earnings of a change +/-10% in these currencies against the euro and on the basis of the consolidated financial statements as at 31 December 2017:

(in millions of €)	10% depreciation of the currency	10% appreciation of the currency
GBP	-9.7	12.1
USD	-6.1	7.5
SGD	-2.4	2.9
Canadian dollar	-0.8	0.2
AUD	-0.2	1.0
PLN	-0.1	0.1

See note 5.25(c) (Market Risks – Exposure to currency risk) to the annual consolidated financial statements of the Company. (See Sections V.1 (Annual consolidated financial statements as at 31 December 2017) and V.2 (Statutory Auditor's report on the annual consolidated financial statements) of this Registration Document.)

Tikehau Capital is exposed to equity market risk due to its business.

Tikehau Capital's business activity gives it direct exposure to equity market risk for the fair value of its listed securities, representing approximately €648.7 million as at 31 December 2017 (including listed securities in both the current and non-current investment portfolios) of which €526.7 million of listed shares, €18.2 million of listed bonds and €103.9 million of investment in the Tikehau Capital liquid strategies funds. The portfolio of listed shares of Tikehau Capital is subject to continuous monitoring and daily assessment for the management of this risk.

Tikehau Capital may be affected by adverse changes in the market price of its publicly traded securities. A decline in the share price over a given period, especially at the end of the financial year, would be reflected in the financial statements as a fall in the net value of the portfolio and the consolidated shareholders' equity and could in particular affect the ability of the Group to pay dividends.

Thus, a 10% decline in the fair value of listed assets as at 31 December 2017 would have resulted respectively in an additional charge of €53 million in the Group's consolidated pre-tax earnings as at 31 December 2017. A fall in the quoted price is also likely to impact the earnings realised at the time of any sales into the market that might be made by the Company.

Furthermore, fluctuations in the equity markets may have an impact on the stock market comparables used as part of the multi-criteria valuation approach for non-listed equity securities. These fluctuations are likely to have a negative effect on the Group's shareholders' equity and net income, without the Group being able to establish an accurate correlation between the occurrence of these fluctuations and the valuation of said securities. As a result, sensitivity

to this risk cannot be quantified. Finally, although this is not applicable as at the registration date of the Registration Document, depending on the size of its financing and depending on the magnitude of any possible price reductions, Tikehau Capital may have to make temporary payments in order to support its financing.

Tikehau Capital may also be affected by changes in the value of its non-listed assets¹ which represents a total amount of €916.5 million as at 31 December 2017.

The Company performed a sensitivity test on the non-listed assets of its investment portfolio as at 31 December 2017 (net fair value of the related debt where applicable and excluding (i) non-listed bonds which are subjected to a sensitivity test on Cash interest rates and (ii) assets whose value is frozen because they are subject to a sales contract). The sensitivity test on non-listed shares was made on the basis of the revenue multiples or EBITDA used to value the relevant assets as at 31 December 2017 or, when a valuation method other than by multiples was used, assuming an implicit multiple. Some holdings were excluded from the sensitivity calculation basis because the EBITDA multiple approach was not representative, as the asset was of a fixed nature or in phase of rapid development. The sensitivity test thus covers 85% by value of the investments in non-listed shares on its portfolio as at 31 December 2017. The sensitivity to a variation of plus or minus 10% of the revenue multiples or EBITDA of non-listed companies is €36 million.

Tikehau Capital is exposed to counterparty risk.

To manage its counterparty risk related to cash and marketable securities, Tikehau Capital only works with top tier credit institutions and resorts to investments whose horizon is suited to its projected needs. Cash investments are reviewed on a weekly basis particularly in terms of credit risk. The selection of investment vehicles and counterparties and the volatility of the instruments are also subject to regular review. It is based on a cautious approach ensuring the diversification of custodians and account keepers as well as the variety of vehicles and risk/return ratios. In 2016 and 2017, Tikehau Capital did not have to face any counterparty default.

¹ Securities classified as Levels 2 and 3 – see note 5.5 (Determining fair value) of the annual consolidated financial statements in Section VI.1 (Annual consolidated financial statements as at 31 December 2017) of this Registration Document.

See note 5.25(d) (Market Risks – Exposure to counterparty risk) to the annual consolidated financial statements of the Company. (See Section V.1 (Annual consolidated financial statements as at 31 December 2017).)

(c) General risks associated with Tikehau Capital's business

The development of Tikehau Capital's international business exposes the Company, inter alia, to operational and regulatory risks.

The growth in the business that Tikehau Capital conducts internationally exposes it to the related operational, regulatory, political, reputational and currency risks, many of which are beyond its control. Although Tikehau Capital has established procedures, the failure of Tikehau Capital's internal control measures to mitigate such risks, or that of its operating infrastructure to support its activities worldwide, could create risks of non-compliance and expose Tikehau Capital to fines or regulatory sanctions, which could lead to a decline in its assets, revenue and earnings.

Fraud or circumvention of control and compliance procedures, and risk management policies, could have an adverse effect on the reputation, performance and financial position of Tikehau Capital.

Although Tikehau Capital has established a risk management platform and is constantly refining the checks, procedures, policies, mechanisms and compliance policies (including the management of conflicts of interest that may arise in connection with the conduct of its operations), (see Section III.3(g) (Prevention of insider misconduct and compliance) of this Registration Document), Tikehau Capital cannot ensure that such controls, procedures, policies and systems will identify and successfully manage the internal and external risks to its operations. Tikehau Capital is exposed to the risk that its employees, counterparties or other third parties may deliberately seek to circumvent the controls established in order to commit fraud or contravene the checks, policies and procedures set up by Tikehau Capital, or any legal or applicable regulations, particularly in relation to money laundering, corruption, or investment in countries under sanction. Persistent or repeated attempts at fraud, conflicts of interest or circumvention of existing policies and controls could have an adverse effect on the Group's reputation and cause regulatory investigations and financial losses.

A failure of Tikehau Capital's operating or infrastructure systems, including business continuity plans, could disrupt operations and damage its reputation.

The infrastructure of Tikehau Capital (including its technology, databases and office space) is vital to the competitiveness of its business. The inability of Tikehau Capital to maintain infrastructure commensurate with the size and geographic presence of its activities, a loss of business or the occurrence

of events beyond its control (earthquake, hurricane, fire, act of terrorism, pandemic or other disaster occurring in a geographic area where Tikehau Capital has a strong presence), could substantially affect its operations, disrupting the pursuit of its activities or inhibit its growth. Despite efforts by Tikehau Capital to ensure the continuity of operations during the occurrence of a disruptive event, Tikehau Capital's ability to conduct its operations could be adversely affected, causing a drop in its assets, its revenues and its earnings, or could affect Tikehau Capital's ability to comply with its regulatory obligations, damaging its reputation, and subjecting it to the risk of incurring fines and other sanctions. In addition, a breakdown or failure of the Group's information systems could impact its ability to determine the net asset values of the funds it manages, expose it to claims from its clients, and thus affect its reputation.

The inability of Tikehau Capital to put in place information policies, procedures and systems and effective cyber security could disrupt the pursuit of its business and generate financial losses.

Tikehau Capital is dependent on the effectiveness of information policies, procedures and systems and cyber security introduced to protect its computer and telecommunication systems, as well as the data transiting or stored in it. An incident affecting information security, generated by an external event such as an act of piracy, virus, worm or an internal failure (failure to control access to sensitive systems), might substantially affect Tikehau Capital's activity or lead to the disclosure or modification of competitive, sensitive and confidential information. Although the Group regularly conducts tests on the security and robustness of its IT infrastructure, the occurrence of such events could thus result in substantial financial losses, a loss of competitive position, regulatory penalties, breach of client contracts, discredit to the reputation of Tikehau Capital or its liability, which could in turn lead to a decline in its assets, its revenues and earnings.

Tikehau Capital may not be able to implement successful external growth transactions.

Although Tikehau Capital believes that its organic development constitutes its main source of future growth, the Group is planning to use external growth transactions whose objectives are chiefly to strengthen its management platforms and expand its geographic presence and product offer. Tikehau Capital might however not be able to identify attractive targets or conclude transactions in a timely manner and/or under satisfactory terms. Moreover, Tikehau Capital might not be able, particularly bearing in mind the competitive environment, to complete the external growth transactions that might be envisaged in light of its investment criteria, which could have a significant negative impact on the implementation of its strategy. In addition, in order to obtain the authorisations required for acquisitions from the relevant authorities in one or more countries, it is possible that Tikehau Capital would be forced to accept certain conditions, such as the sale of certain assets or

III . RISK FACTORS

Risk Factors

branches of business and/or commitments that would restrict the pursuit of its business.

External growth transactions involve risk, in particular: (i) the assumptions of business plans underlying the valuations may not be realised, particularly as regards synergies, expected savings and the evolution of the markets concerned; (ii) Tikehau Capital may not succeed in integrating the companies acquired, their technologies, their areas of expertise and their employees; (iii) Tikehau Capital may not be able to retain certain key employees or clients of the companies acquired; (iv) distribution partnerships could fail to attract clients and increase the net inflows of Tikehau Capital; (v) Tikehau Capital could increase its debt to fund its acquisitions or pay for acquisitions by issuing new equity; and (vi) Tikehau Capital might make acquisitions at an inopportune time for the market in question. The expected benefits from future or completed acquisitions may not materialise in the timeframe and at levels expected and could affect the financial position and earnings of Tikehau Capital, as well as its prospects.

Tikehau Capital is exposed to a risk of fluctuation in its results.

Tikehau Capital could suffer significant fluctuations in its results due to a number of factors such as variations in its management or performance fees, variations in the value of its assets, variations in dividends or interest received, variations in its operating expenses, the timetable for realizing its latent gains and losses, the intensity of competition in its market, change in its level of indebtedness, as well as a change in macroeconomic and market conditions. These fluctuations can cause volatility in the Tikehau Capital share price and the results of Tikehau Capital for a given period are not necessarily indicative of future results.

To enable its shareholders and potential shareholders to monitor its performance, the Company intends to publish its assets under management every quarter. (See Section X.3 (Financial reporting) of this Registration Document.)

(d) Regulatory, legal and tax risks

Tikehau Capital is subject to significant regulation and supervision.

Various regulatory and supervisory regimes apply to Tikehau Capital in each of the countries in which the Group conducts its business. These regulations strongly influence the way in which Tikehau Capital operates. Indeed, complying with these operational requirements is costly, time consuming and complicated.

In particular, Tikehau Capital is subject to several regulatory regimes in connection with its asset management activities that enable it to engage in the management of funds and other collective investment undertakings (including UCITS and AIFs) (see the Glossary in Section X.5 of this Registration Document), portfolio management and investment advisory services.

Although the regulations applicable to Tikehau Capital vary from country to country, the rules governing Tikehau Capital as asset manager are generally the following:

- requirements for obtaining authorisations and approvals to provide fund management, investment advisory and portfolio management services;
- minimum capital requirements;
- reporting requirements in particular for fund assets, investment policies, and fees charged;
- obligation to ensure that the fund assets are held by independent custodians, and that the value of assets is determined by independent third parties;
- limitations applicable to employee remuneration; and
- significant requirements for statements and reports (in particular to investors or regulators).

Section I.6 (Regulations) of this Registration Document contains a more detailed presentation of the laws and regulations governing Tikehau Capital.

Tikehau Capital is subject to regular checks by its supervisory authorities and may be adversely affected by any exposure to non-compliance with existing laws and regulations or by changes in the interpretation or implementation of existing laws or regulations. Thus, following an investigation, a notice of grievance was sent by the AMF Board to Tikehau IM, concerning the lack of information to the holders of certain funds on the terms and conditions for sharing arrangement fee between Tikehau IM and these funds. A settlement agreement was concluded between Tikehau IM and the AMF on 12 May 2017 and provides for the payment by Tikehau IM of €280,000 to the Treasury. This agreement has been validated by the AMF Board and approved by the AMF Sanctions Committee. The Company wishes to make it clear that a settlement agreement constitutes neither an acknowledgement of guilt nor a sanction and that the AMF's audit did not call into question the quality of the investments made by Tikehau IM on behalf of the investors.

In addition, the applicable regulations could hinder the development of the Group's business, increase its operating costs or prevent it from implementing its development or reorganisation plans.

The difficulties of a coherent interpretation worldwide of existing regulations in many countries may increase this risk, especially if the regulators of the various countries have different interpretations or publish only limited guidance. In particular, failure to comply with applicable laws or regulations could result in fines, temporary or permanent prohibition from conducting certain activities, damage to reputation and the attendant loss of clients, the suspension of employees or revocation of their licenses or the licenses or approvals of Tikehau Capital entities, or other sanctions, which could have a material adverse effect on the reputation of Tikehau Capital or its business and have a material adverse effect on the assets, revenues and earnings of Tikehau Capital.

Regulatory reforms undertaken or foreseeable in the European Union and internationally (including as part of Brexit) expose Tikehau Capital and its clients to growing regulatory requirements.

In recent years, many regulatory reforms have been adopted or proposed, and the level of regulatory oversight to which the Group is subject may continue to intensify. Some changes in laws or regulations could require the Group to change or re-examine the way it conducts its business, which could be time consuming and costly and affect the Group's future growth, or prevent the Group from being able to implement its future development plans. These reforms could also affect some of Tikehau Capital's clients, such as credit institutions, insurance companies or pension funds, which could prompt them to revise their short-term or long-term investment strategies to the detriment of Tikehau Capital.

Finally, the decision by the United Kingdom to leave the European Union (Brexit) is expected to have an impact on the regulated activities of the Group in the UK, particularly regarding Tikehau Capital Europe (which is a company incorporated under the laws of England and regulated by the FCA) or the London branch of Tikehau IM (Tikehau IM's approval having been passported to the UK). Although the Group has considered and is preparing various scenarios to ensure the continuity of operations in the UK after the United Kingdom leaves the European Union and to minimise the impact of Brexit, these scenarios are inherently uncertain and will depend on the outcome of the negotiations between the UK and the European Union on the terms of this exit and the measures taken by the UK to maintain regulated financial activities on its territory.

Tikehau Capital could be exposed to tax risks.

As an international group with activities in several countries, Tikehau Capital has structured its commercial and financial activities in accordance with various regulatory obligations to which the Group is subject and with its business and financial objectives. To the extent that the tax laws and regulations of the various countries in which Tikehau Capital entities are located or operate, do not always allow for clear or definitive guidelines, the tax regime applied to its business, operations or intra-group reorganisations (past or future) is or may sometimes be based on its interpretations of French and foreign tax laws and regulations. Tikehau Capital cannot guarantee that these interpretations will not be questioned by the competent tax authorities. More generally, any breach of the laws and tax regulations of the countries where Tikehau Capital entities are located or operate may result in adjustments or late interest payments, fines and penalties. In addition, tax laws and regulations may be amended and the interpretation and application that is made by the courts or the authorities concerned can change, especially in the framework of common initiatives at international or Community level (OECD, G20, European Union). Each of the above is likely to result in an increase in the Tikehau Capital's tax burden and have a material adverse effect on its business, financial position and earnings.

The new requirements regarding tax returns resulting from programmes against tax evasion introduced worldwide will increase administrative costs for Tikehau Capital.

Tikehau Capital is bound to comply with the new requirements regarding declaration obligations, and will be forced to comply in future with the new obligations that are part of the anti-tax evasion system implemented globally.

These new requirements for tax declarations and, more generally, any mechanism put in place to improve cooperation between tax administrations in the fight against tax evasion, will impact the funds of Tikehau Capital worldwide, and will burden Tikehau Capital with increasing administrative charges and costly reporting requirements.

(e) Risks related to the legal form, Articles of Association and organisation of Tikehau Capital

The Company's main shareholder (Tikehau Capital Advisors) controls the Company due to the Group's legal structure, and any person who would take control of the shares and voting rights attached to them may not, in practice, take control of the Company without first securing the consent of Tikehau Capital Advisors.

Given the legal structure of the Company as a partnership limited by shares (*société en commandite par actions*), a shareholder who might obtain control of the majority of the Company's share capital and attached voting rights, including through a tender offer, will be unable to control the Company without having received, in application of the legal provisions and the Articles of Association, the agreement of Tikehau Capital General Partner, a company 100% owned by Tikehau Capital Advisors, acting as general partner, which would in particular be necessary for making the following decisions:

- appointment or removal of any Manager;
- amendment of the Company's Articles of Association; and
- appointment of new general partners.

The result is that any possible wish of a shareholder who manages to take control of the capital and attached voting rights, to amend the Articles of Association, appoint new Managers or terminate the office of Manager of Tikehau Capital General Partner against the agreement of Tikehau Capital Advisors will in practice be impossible to implement.

These provisions are thus likely to prevent the change of control of the Company without the agreement of Tikehau Capital Advisors.

Section VIII.4(b) (Control of the Group) of this Registration Document contains a presentation of the control of the Company.

III . RISK FACTORS

Risk Factors

The Manager of the Company has extremely broad powers.

The Management of the Company is undertaken by a sole Manager, Tikehau Capital General Partner, also the only general partner of the Company. Tikehau Capital General Partner is wholly owned by Tikehau Capital Advisors. The Chairman of Tikehau Capital General Partner is AF&Co and its CEO is the company MCH.

The Manager of the Company has the broadest of powers to act in all circumstances on behalf of the Company. Moreover, it is clear from the legislation applicable to partnerships limited by shares and the Company's Articles of Association that removal of the Manager can be decided on by unanimous resolution of the general partners, or by the Commercial Court for a legitimate cause at the request of any partner or (pursuant to Article L.226-2 of the French Commercial Code and Article 8.1 of the Company's Articles of Association) at the request of the Company. Because Tikehau Capital General Partner is both sole general partner and Manager of the Company, any possible wish of the limited partners of the Company (even if by a wide majority) to terminate Tikehau Capital General Partner's Manager office will need an application to the courts for such dismissal. Given these conditions, there is no certainty for the shareholders that they will manage to remove the Manager.

Moreover, the powers of the limited partners are restricted to a small number of decisions, for example, amendment of the Company's Articles of Association (such an amendment also requires the prior agreement of the general partner), approval of the financial statements and the proposal for the allocation of income, the appointment or resignation of the members of the Supervisory Board or the appointment and dismissal of the Statutory Auditors. Consequently, the limited partners (that is, the holders of securities subscribed for or acquired on the market) will be unable to institute effective checks and balances against the Manager. However, it should be noted that the interests of the Manager are aligned with those of the limited partners of the Company particularly with regard to its remuneration structure in keeping in line with the Company's performance. (See Section IV.3(a)(i) (Remuneration of the Managers) of this Registration Document.) In addition, in the event that a fault of the Manager could be cited, one or more limited partners could take action *ut singuli* (i.e., on behalf of the Company) against the Manager.

The Supervisory Board and its Committees will exercise permanent control of the management of the Company and, in this framework will in particular be able to ensure that the Manager does not exercise its management authority abusively, within the limits of their duties of supervision. Indeed, the main task of the Supervisory Board is to undertake permanent control of the management of the Company. For this purpose, the Supervisory Board may be assisted, in accordance with Article 10.3.3 of the Articles of Association (see Section IV.1(c) (Practices of the Supervisory Board) of this Registration Document), by experts of its choice, at the Company's expense. Nevertheless, it should be remembered that if the Supervisory Board ensures the proper management of the Company, it may under no circumstances direct the actions of the Manager, or remove it. Information on the Supervisory Board Committees (namely an Audit and Risk Committee and an Appointment and Remuneration Committee) is available in Section IV.1(d) (Supervisory Board Committees) of this Registration Document.

Tikehau Capital is dependent on an experienced and stable executive team.

The success of Tikehau Capital is highly dependent on the skills and expertise of its executive and management team, which has extensive knowledge of the sector, its challenges and of the Group's investor clients and since the Group's creation has played and will in the future continue to play a key role in its growth and in the continued development of its business. In addition, to ensure the stability of the management team during the lifetime of the funds, the regulations of the funds managed by the Group may provide for special provisions concerning the maintenance in management positions of key personnel for the duration of the fund. For this reason, the Group is mindful of attracting and retaining quality executives and managers in sufficient numbers to ensure the Group's harmonious development and limit its dependence on key people. The retention mechanisms in force to retain key employees comprise mainly of participation in the performance-based incentive schemes provided by the vehicles managed by the Group. However, the loss of a key member of the Group's executive and management team, especially if an adequate replacement were not found in time, could have a material adverse effect on its reputation, its business, operating profit and financial position.



2. INSURANCE

Under the proposed listing of Company's shares to trading on the Euronext Paris regulated market, the Group has reviewed the structure and the extent of its insurance coverage.

Tikehau Capital benefits from insurance policies covering the general and specific risks to which its business exposes it. The implementation of insurance policies is based on determining the necessary level of cover to address the occurrence, reasonably estimated, of liability, damages or similar risks.

Under the proposed listing of Company's shares on the Euronext Paris regulated market, several specific insurance policies have been taken out with leading insurance companies by Tikehau Capital Advisors, benefiting all Group companies.

The main terms of these insurance policies are:

- Business and Professional Liability Insurance – This insurance policy provides worldwide coverage subject to a limit of €30 million per policy period, for the financial consequences of a claim lodged by a third party involving (i) the individual or joint civil liability of the insured and/or its agents, due to any professional misconduct (error, negligence or omission) committed in the exercise of the activities insured (including the acquisition of equity interests in companies on portfolio, the management of securities and advisory activities), and (ii) the individual or joint civil liability of an executive of a company on portfolio, due to any

mismanagement committed by them in the performance of their duties. This Business Professional Liability policy also includes components covering other specific risk categories, such as risks related to fraud (up to a limit of €20 million per insurance period) and cyber risks (up to a limit of €10 million per policy period).

- Directors' and Officers Liability Insurance – This insurance policy provides worldwide cover up to a limit of €40 million per insurance period, on the financial consequences of a claim involving individual or joint civil liability of Directors' and Officers who are individuals or legal entities of the insured, in the event of misconduct in the performance of their duties, and the costs of civil and criminal defence related thereto (excluding in particular wilful misconduct, personal benefits or remuneration wrongfully received, compensation for damage or injury).

The terms and conditions of these policies (risks covered, amounts guaranteed and deductibles) are adjusted continuously according to the opinion of an expert specialising in financial sector insurance, so that they are best suited to the risks inherent in Tikehau Capital's business.

To the knowledge of the Company, there is no risk that is uncovered, and no significant claim event that has been reported during the last three years by the Company or by one of the Group entities under its insurance contracts.

3. RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Group, with the support of its Manager and Tikehau Capital Advisors, closely associates the management of risk with internal control. The Group's risk management and internal control mechanisms are based on a set of resources, procedures and appropriate actions to ensure that the necessary steps are taken to identify, analyse and control:

- risks that may have a significant impact on the assets or the achievement of the Group's objectives, whether operational or financial or compliance risks with applicable laws and regulations; and
- activities, the efficiency of operations and the efficient use of resources.

(a) Definition and aims of internal control

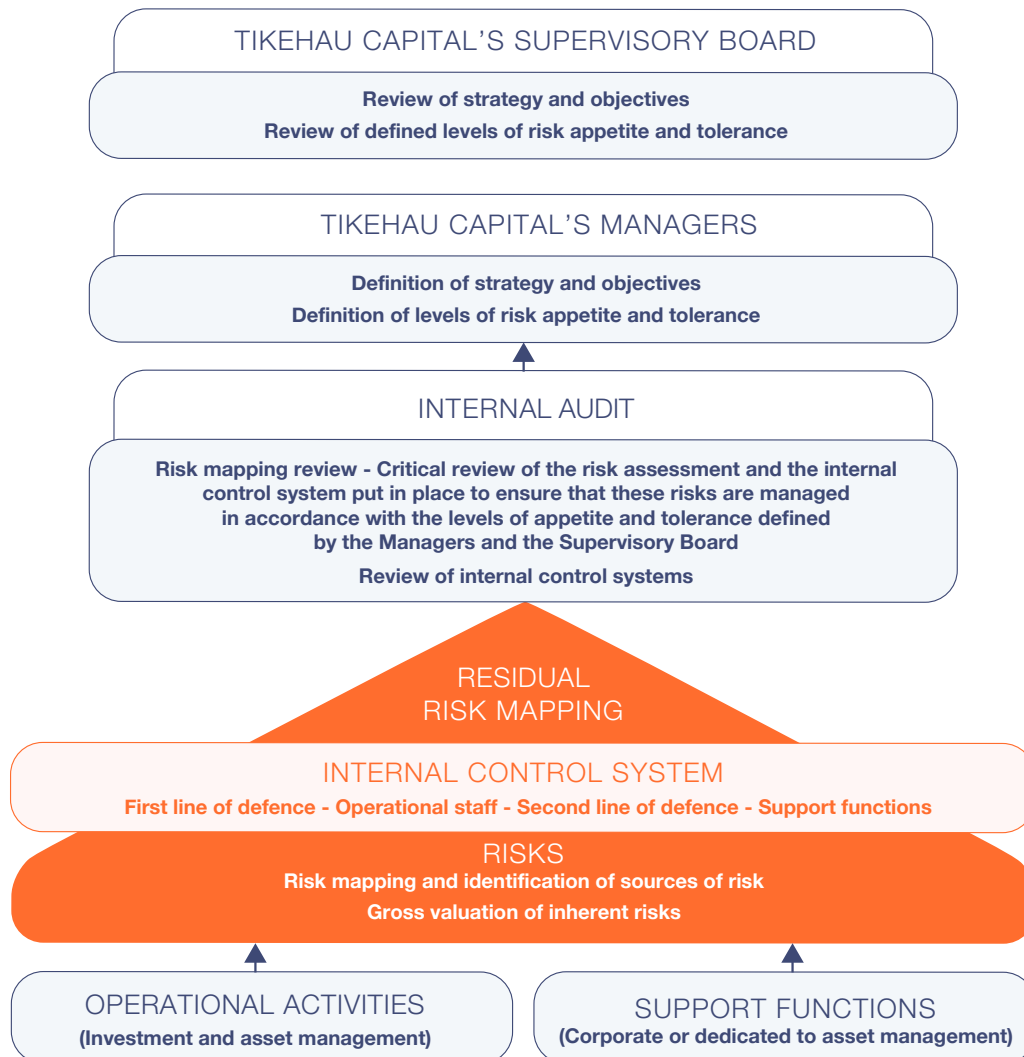
Internal control is a procedure of the Company and its subsidiaries, defined and implemented under their responsibility, which seeks to ensure:

- compliance with the applicable laws and regulations;
- the application of instructions and guidelines issued by the Managers or the Management;
- the proper functioning of the internal processes of the Company and its subsidiaries, including those relating to the safeguarding of their assets;

- the reliability of financial and accounting information; and in general, contributes to the control of their activities, the efficiency of their operations and the efficient use of their resources.

Playing a part in prevention and control of risks and particularly those of failing to achieve the objectives that the Company has set itself, the internal control system plays a key role in the steering and management of its various activities. Around the first and second lines of defence, its main objective is to reduce all the risk factors inherent in the Group's activities to residual risks subject to specific control and management measures, and evaluated in regard to acceptable level of appetite or tolerance in relation to the levels defined by the Management Board and reviewed by the Supervisory Board.

In essence, it is the processes implemented (i) by the Company with the support of Tikehau Capital Advisors or (ii) independently by its subsidiaries, and intended to provide the Company with reasonable assurance that transactions are actually achieved and optimised in accordance with objectives, that the financial information is reliable and that laws and regulations are respected. However, internal control cannot provide absolute assurance that the objectives of the Group will be achieved.



The internal control procedures in place are lastly intended to ensure the quality of accounting and financial information, and in particular:

- to ensure the validity and completeness of transactions entered in the accounts of the Company and its subsidiaries;
- to ensure that management actions fall within the strategic guidelines adopted by the Managers or the Management and that they comply with the Group's internal rules;
- to confirm the valuation methods of certain operations and holdings;
- to ensure that transactions, including those off-balance sheet, are properly recorded in the relevant financial year and recorded in the accounts, including off-balance-sheet commitments, in accordance with current accounting standards, and that the accounting measures used for the presentation of financial statements comply with applicable regulations; and

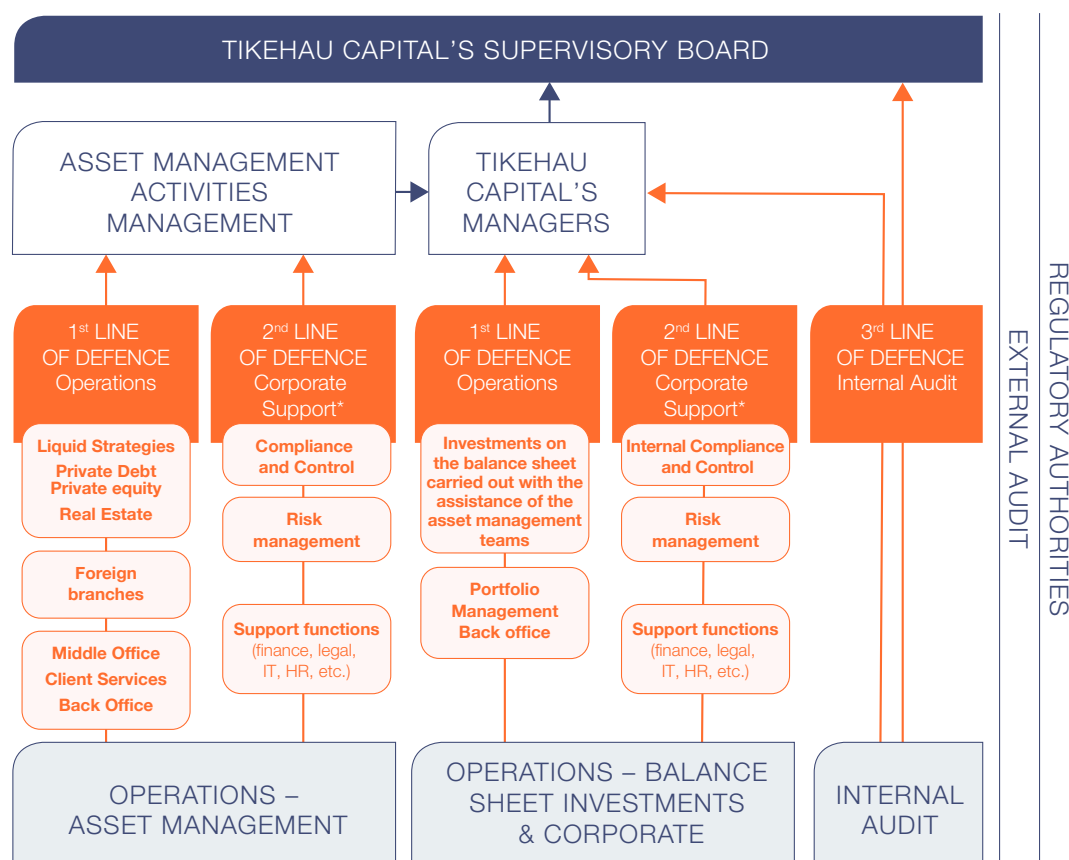
- to check that the accounting, financial and management information fully and accurately reflects the business activity and financial situation of the Company and its subsidiaries.

(b) Organisation of control functions

Internal control is everyone's business, from management and control bodies to all the employees of the Company and its subsidiaries and the employees of Tikehau Capital Advisors who support the Company and its subsidiaries.

The internal control system is organised, firstly, for asset management activities in accordance with the specific regulations applicable (AIFM Directive, MIFID, MAS, etc.) and, secondly, for its investment activities and the specific obligations related to its status as a listed company.

Each system is structured around an independent activity of its own and can be summarised as follows:



*The function of Corporate support can be dedicated to a company or an activity or be cross-functional for the whole Group.

The organisation of the Company's internal control is supervised by the Supervisory Board, as described below.

Supervisory Board

It is the responsibility of the Managers to report to the Supervisory Board on the main characteristics of the internal control system, its deployment within the Group and the measures implemented to improve it.

As necessary, the Supervisory Board may use its general powers to carry out any inspections and verifications it deems necessary or take any other action it considers appropriate in the matter.

In accordance with the provisions of Article L.226-9 of the French Commercial Code, the Supervisory Board assumes permanent control over the management of the Company. To this end, it has the same powers as the Statutory Auditors. It makes a report at the Annual General Shareholders' Meeting, in which it indicates in particular, the irregularities and inaccuracies noted in the annual and consolidated financial statements for the financial year. The documents placed at the disposal of the Statutory Auditors must be presented to the Supervisory Board at the same time.

Audit and Risk Committee

The Audit and Risk Committee, a specialised Committee of the Supervisory Board, has the following main responsibilities:

- review of the results of the statutory audit and the way in which the statutory audit contributed to the integrity of the financial information;
- monitoring of the financial reporting process and making recommendations or proposals to ensure its integrity;
- monitoring of the effectiveness of the Company's internal quality control and risk management systems and, where appropriate, of the Company's internal audit of financial information;
- monitoring of statutory audits of annual and consolidated financial statements and, in particular, their execution; and
- assessment and monitoring of the independence of Statutory Auditors.

(See Section IV.4(b)(i) (Audit and Risk Committee) of this Registration Document.)

The Managers

The Managers approve the internal control systems put in place according to the risk management objectives defined. They report to the Supervisory Board on the internal control system, its deployment within the Group and the actions put in place to improve it.

The Managers also rely on *ad hoc* Committees composed of representatives of the Group's senior management, in particular the Capital Allocation Committee for private equity decisions, whose mode of operation is detailed below in the first-level controls of private equity activity.

Third-level controls

Internal Audit

The Internal Audit Department periodically ensures the regularity, security and efficiency of operations as well as the management of all types of risks across all Group entities. It carries out cross-functional control over all activities and business flows. Its work can be organised around functions such as financial audit (review of financial statements, examination of systems and rules established to ensure the reliability of financial information), operational audit (review of main cycles of business and analysis of the organisation in place to ensure it can control risks and achieve the objectives set) or specific missions such as diagnostic or organisational assignments.

Each mission is the subject of a report and proposals for improvement, the implementation of which is monitored. The Internal Audit Department presents its findings to the Management and the relevant Audit and/or Risk Committees

Following the reorganisation of the Group completed in 2017 (see Section II.2 (Reminder of the reorganisation operations) of this Registration Document), in 2018 the Internal Audit Department will work on reinforcing the system of communication with the formalised second-level control functions, making it possible to assess the completeness of the conclusions of the work and controls set up by the second-level control functions.

The Internal Audit Department reports to the Deputy CEO of Tikehau Capital Advisors and operationally to the Audit and Risk Committee.

Second-level control

Compliance and Internal Control

The Compliance Department constantly ensures firstly compliance with regulatory requirements in third-party management and secondly compliance on money laundering, terrorist financing, fraud, personal or professional ethics, internal and external corruption and circulation of inside or confidential information. It monitors regulatory changes and adapts and organises internal procedures so that the system is able to meet the organisational requirements of the local regulator depending on the country where the regulated activity is conducted.

As at the registration date of this Registration Document, the Compliance Department reports its findings to the Compliance and Internal Control Committees of Tikehau IM and Tikehau Capital Europe. It also shares its findings with the Internal Audit Department, to which all its reports are addressed.

The compliance and internal control teams, depending on their area of action, report to the Chairman of Tikehau IM or to the Directors of Tikehau Capital Europe.

In connection with the project of structuring the relations between the different levels of control mentioned previously, the Compliance Department also organises and pools the findings of the work by the other second-level functions, whatever the activity.

Risk management

The risk teams and compliance teams perform second-level controls and direct the permanent control system. Given the nature of its activities, the risk management teams are held in common by the two management companies Tikehau IM and Tikehau Capital Europe.

As such, these teams:

- verify that the Company and its clients are not exposed to financial risks beyond their threshold of tolerance;
- check that market, liquidity, credit and counterparty risks are controlled and that management constraints are complied with; and
- independently review the valuation of investments used in the funds under management.

Tikehau IM's risk teams report to Tikehau IM's Executive Managers or the Directors of Tikehau Capital Europe according to the scope of their controls.

Finance Department and Tax Department

The Finance Department of Tikehau Capital Advisors has responsibility for the core areas of finance, treasury, accounting and financial control (particularly portfolio management).

As such, this team:

- carries out, where appropriate with the aid of external auditors, the preparation of the statutory accounting statements on a quarterly frequency and the consolidated accounting statements on a half-yearly basis;
- co-ordinates and oversees the budgeting process and monitors budgetary implementation and financial control; and
- supervises all Group financing and cash management transactions.

The Finance Department reports to the Deputy CEO of Tikehau Capital Advisors.

The Tax Department has responsibility for the core areas of tax reporting, analysis of the tax consequences of investment transactions or structuring of funds; it reports to the Deputy CEO of Tikehau Capital Advisors.

Legal Department

The Legal Department is responsible for core areas of reviewing contracts, assisting where needed in the structuring of investment or financing transactions and the monitoring of regulatory provisions applicable in all the jurisdictions where the Group operates or is present.

As such, this team:

- reviews all legal documentation for the structuring of funds or investments;
- coordinates confidentiality agreements;
- checks that there are no conflicts of interest;
- follows compliance with regulatory requirements related to listed companies;
- prepares the work documents for the various governance bodies of the Company and its subsidiaries; and
- undertakes regulatory and legal surveillance.

The Legal Department’s teams report to the Group’s General Counsel and are located in the operating structures, where appropriate, according to the operational requirements required.

IT Department

The IT Department has responsibility for the core areas that define the structuring of the IT system and the security of IT infrastructure or business tools.

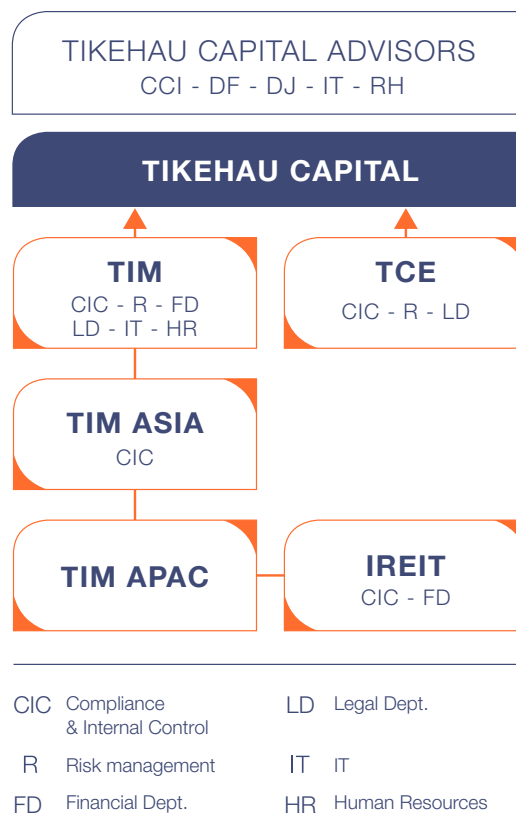
The IT teams dedicated to business management tools report to the CEO of Tikehau IM and the IT infrastructure teams report to the Deputy CEO of Tikehau Capital Advisors.

Human Resources Department

The Human Resources Department is responsible for the core areas of recruitment, career management and training, payroll management and leading internal communication activities.

Organisation by legal entity

The second-level functions are localised by company as follows:



First-level control

The first level of control is the responsibility of the operational management of the various business lines and is exercised through functions such as the front office, the middle office, the back office (which can be outsourced) or other operation support functions. This level of control must ensure that transactions are authorised by the appropriate level of delegation, and observe the risk policies laid down by the Company or its subsidiaries (including investment limits and strategies).

(c) Risk mapping

In 2017, the Internal Audit Department launched a consolidated inventory of the major risks facing the Group, applying the following methodology:

(i) Identification and documentation of major risks

Interviews were carried out with 17 heads of activities or support functions, in order to pinpoint the three risks identified as major in the activities for which each head is responsible.

For each risk named, its nature, causes and consequences were defined in order to particularise it a precise way.

(ii) Assessment of major risks

Each risk was then assessed based on:

- quantification of the impact of the risk, using financial criteria (estimated impact on assets under management, impact on shareholders' equity or Tikehau Capital's consolidated result) or non-financial criteria (impact in terms of negative coverage in the press, level of possible impairment of activity or loss of clients);
- estimation of the probability of the risk occurring (evaluated mainly according to possible observed cases).

(iii) Identification of risk control and treatment mechanisms

For each risk identified, each head of activity indicated the management processes implemented and the plans for improvement that might be under way in order to make an initial evaluation of the effectiveness of the system in place.

All these results were then consolidated by theme in order to identify the major risks reported in ascending order of materiality and decreasing order of level of control of the control system.

The main risks identified in terms of materiality are the risks of poorly evaluating an investment, market risks, compliance risks (regulatory, legal or tax), reputational risk and of quality of financial execution or loss of key personsl.

However, this mapping and inventory exercise of the Company's major risks cannot be exhaustive, nor guarantee that the risks identified in this mapping come to occur with the predicted consequences on its activity, its results, its financial situation or its prospects. Other risks, not identified in this mapping exercise or considered insignificant by the Company, could have significant adverse effects on its business, results, financial position or prospects.

(d) Internal control system for activities

The Company and its subsidiaries have defined several levels of control whose objective is to ensure compliance with internal policies and procedures and external regulations to which the Group is subject, and the identification and proper management of risks relating to Tikehau Capital's various activities.

The main control and risk management systems can be distinguished according to the activities and companies concerned:

- asset management with respect to Tikehau IM and Tikehau Capital Europe; and
- investment activities of the Company and activities related to its functions as the Group's listed holding company.

The description of these systems is mainly based, in the case of asset management activities, on the compliance manuals of Tikehau IM or Tikehau Capital Europe.

(i) First level of internal control – Operational teams

The first level of control is the responsibility of the operational management of the various business lines and is exercised through functions such as the front office, the middle office, the back office (which can be outsourced) or other operation support functions. This level of control must ensure that transactions made are authorised by the appropriate level of delegation, and observe the risk policies laid down by the Company or its subsidiaries (including investment limits and strategies).

First-level controls carried out on the activities of Tikehau IM.

First-level controls conducted by the investment teams involve checking:

- order consistency with portfolio management policies (prospectus or mandate) and company policy;
- traded price consistency with the market price; and
- pre-trade and post-trade controls (as applicable) in accordance with the rules implemented in the monitoring tool Sophis® for UCITS, or eFront® in the case of closed-end funds.

First-level controls conducted by middle office teams involve checking:

- the reconciliations of cash positions;
- the valuation of financial products; and
- the validation of the net asset value of the managed funds.

All changes are recorded in the relevant monitoring tool based on the type of fund.

First-level controls conducted by back office teams are outsourced to the custodian of the funds and involve checking:

- the correct reconciliation of assets;
- the valuation of assets;
- the administration of the funds; and
- the monitoring of investment rules and restrictions entered in the monitoring tool.

At Tikehau IM, managers enter their transactions into the Sophis® tool under individual management or collective management.

Sophis® also interfaces with the custodians of the Tikehau IM UCITS and the account keepers under individual management mandates.

Reconciliations between the "front" and "accounting" positions in accordance with the valuation procedure implemented by Tikehau IM which is also applied by the custodians and account keepers.

The middle office compares the valuations of portfolios in individual management or UCITS in collective management between those from front office data and those retrieved from the custodians and account keepers. Sophis® facilitates monitoring and control of valuations which is automated to the maximum.

First-level controls carried out on the activities of Tikehau Capital Europe.

First-level controls are conducted by the person responsible for the transactions and consist in particular of carrying out the following checks:

- the review of the correct recording of purchase transactions;
- control of the proper accounting of transactions by the custodian;
- an at least monthly review of the value of all assets invested by the different CLOs; and
- control of the investment rules and restrictions reported in the trustee's reporting as well as the revenues calculated for each CLO on a quarterly basis.

First-level controls carried out on private equity transactions.

A Capital Allocation Committee has been created to assist the Managers of the Company:

- in their investment decisions, whether these are made at the level of the Company or its subsidiaries, in funds or vehicles managed by the Group, in direct investments or via external growth transactions;
- in monitoring the financial performance expected from these investments.

The Managers of the Company may consult the Capital Allocation Committee on any decision within its competence.

The Capital Allocation Committee is chaired by representatives of the Manager. Its other members consist of the Chairman and CEO of Tikehau IM, the Deputy CEO of Tikehau Capital Advisors, the Group's General Counsel, London Operations Manager and other senior associates of the Group.

The first-level controls are performed through two stages conditional on the disbursement of the transaction.

When the conditions of an investment or disinvestment are sufficiently defined, especially if the investment decision has been issued by the Managers of the Company (if appropriate, on the recommendation of the Capital Allocation Committee), a handover meeting is organised between the teams in charge of the investment and the corporate support functions (accounting, treasury, portfolio management, tax and legal teams) to review and evaluate all aspects of the transaction and allow proper monitoring over time.

For this meeting a monitoring form is prepared, identifying the main points of attention to be addressed concerning the transaction.

Finally, as early as possible, the treasury team carries out a final check before the disbursement of an investment in the form of an investment summary, formalising the check in particular that the executed contracts have been obtained.

(ii) Second level of internal control – Risk management teams and compliance teams

Second-level control defines the policies and procedures of risk management, ensures the efficiency of the system

through the monitoring of a number of key indicators and checks compliance with the laws, regulations and codes of conduct in force. It performs its supervisory role through permanent controls within the different activities.

This level of control, independent of the activities, also covers the operational risk including in particular legal risk, IT risk and the business continuity plan.

Second-level controls carried out by risk management teams on activities managed by Tikehau IM.

The Risk Management Department:

- controls transactions by portfolio managers and indicators for measuring risks (such as the liquidity profile, exposure and gross commitment of the portfolio);
- checks compliance with internal limits and alert thresholds; and
- reviews the valuation of the portfolios in the Valuation Committee, whose mode of operation is detailed below.

The review of financial risks by the Risk Department is structured by means of the following tools:

- *Financial risk mapping (at funds and management activities levels)*

Risk mapping identifies, for each fund, the types of risks associated with the financial risks that are monitored, the level of risk associated, measurement indicators of the risks identified and the corresponding restrictions in order to mitigate risks.

- *Risk indicators*

For each type of risk identified, qualitative and quantitative indicators are defined by the risk team and monitored constantly. These indicators mainly involve the monitoring of:

- the overall exposure and leverage, market risks (such as credit risk, equity risk, interest rate risk, derivatives risk, currency risk, etc.) ;
- liquidity risk (which is analysed daily and monthly for all liquid strategy funds and quarterly for private debt funds); and
- counterparty risk, which is monitored permanently and leads to the production of a daily report.

The risk management team is informed of any alerts and breach of thresholds and limits (that it might have defined internally or that are contractual or regulatory) in the implementation of its risk monitoring.

In addition to the monitoring indicators, the risk management team conducts regular stress testing of portfolios.

The risk management team presents its work regularly and remits the results of its analyses to the Risk Committee. In particular, it draws the attention of executives to key indicators and their relevance.

The Risk Committee is responsible for:

- defining the strategic guidelines for risk management; and
- monitoring and checking the exposure of portfolios to the main risk factors (including market risk, liquidity risk, credit risk and counterparty risk).

It supervises and validates the overall monitoring of risk and evaluation. It has a decision-making and implementation role.

On the registration date of this Registration Document, the Risk Committee consists of the Chairman of Tikehau IM, the Head of Risk, the Chief Investment Officer (CIO), the Head of Compliance, CEO, the Head of the Middle Office and portfolio managers.

The Risk Committee meets monthly and may be convened at any time if an exceptional situation justifies it.

Second-level controls carried out by the Compliance Department teams on the activities managed by Tikehau IM.

The Compliance Department monitors compliance with regulatory and contractual constraints, the consistency of methods and the proper application of procedures.

The results of the work carried out by the Compliance Department teams are presented to the Compliance and Internal Control Committee. It meets on a quarterly basis and:

- defines the policy on compliance, validates and monitors the action plan of the compliance teams;
- ensures the consistency, efficiency and completeness of the internal control system;
- reviews and monitors the results of the checks carried out in the work of the compliance teams;
- reviews the mechanism for risk control, its status and its evolution;
- reviews the synthetic situation of the risks, its evolution, at the level of the main risk limits and their use;
- reviews the production of the annual report on the management of non-compliance risks; and
- records management decisions in the event of regulatory developments or changes which give rise to the commitment of significant resources.

The Compliance and Internal Control Committee consists of the Chairman of Tikehau IM, the Head of Compliance, the Head of Risk, the Chief Investment Officer (CIO), operational managers, and the Group Head of Internal Audit.

Second-level controls carried out by risk teams on the activities of Tikehau Capital Europe.

The controls conducted by the risk team primarily involve:

- control of investment rules and exposures by rating, concentration per issuer and geographic or sector concentration;

- the regular review (at least annually) of credit risk assessment models on the issuers invested in;
- the quarterly review of the Credit Committees and investment cases, as well as review of the consistency between the investment cases and positions invested in; and
- the quarterly review, on a sample basis, of the validity of the assessments and the performance of assets relative to the rating rules implemented.

A risk log is also set up and updated if new risks are identified or have changed materially.

The results of the work undertaken are presented to the Risk Committee of Tikehau Capital Europe.

The Risk Committee is responsible for overseeing all risk management activities performed and examining the adequacy of the work relating to the Company's business and regulation. It meets on a quarterly basis and submits a half-yearly report to the Board of Directors.

It consists of a Director of Tikehau Capital Europe, the Head of Risk, the Chief Operating Officer (COO), and the Group Head of Compliance.

Second-level controls carried out on private equity transactions.

Second-level controls mainly consist of the monitoring of valuations of portfolio assets by the teams of the Finance Department, which functions are housed within Tikehau Capital Advisors.

Given the reorganisation operations completed in 2017 (see Section II.2 (Reminder of the reorganisation operations) of this Registration Document), the various control functions and control programmes detailed above may evolve over the course of 2018.

(iii) Third level of internal control – Internal audit

The third level of control is exercised by the Internal Audit Department, which conducts periodic independent checks.

Third-level controls carried out on Tikehau IM activities.

Periodic monitoring may be commissioned – if necessary – by the Internal Audit Department or external auditors depending in particular on the general assessment of internal control and the findings forwarded by the Compliance Department and the update of risk mapping monitored by the risk management teams and Compliance Department.

Third-level controls carried out on the activities of Tikehau Capital Europe.

Based on the risk mapping and risk log, the internal audit team is required to conduct checks on some processes, where the risks are considered higher in terms of materiality or occurrence. Thus, in 2017, a mission was conducted on IT risk management procedures and training/awareness of regulatory risks.

Third-level controls conducted on private equity activities in Tikehau Capital.

The Internal Audit Department is responsible for identifying and updating the risk mapping that is submitted to the Company's Audit and Risk Committee (See Section III.3(c) (Risk Mapping) of this Registration Document).

Internal Audit sits on in the Valuation Committee and reviews the investment valuations of Tikehau Capital proposed by the investment teams and validated by the financial teams.

The Internal Audit Department controls the process of preparing financial information and follows the recommendations of the Statutory Auditors. It reports to the members of the Audit and Risk Committee on the progress of its projects and the monitoring of the implementation of any recommendations it might have made or that have been made by the Statutory Auditors or by the regulator.

Based on the mapping of major risks and a review of the Group's main key processes initiated in early 2018, the Internal Audit Department will propose to the Audit and Risks Committee a multi-annual internal audit plan by the end of 2018.

(e) Investment valuation activities

(i) Valuation systems implemented for Tikehau IM's activities

The valuation tools used for valuations are eFront®, Sophis®, Bloomberg® (as information provider, mainly making available market offers or valuations of instruments) and Markit®, as credit data provider, mainly for liquid loans.

The valuation process involves portfolio managers, middle office teams and risk teams.

The valuation methods are defined by type of asset, mainly:

- instruments listed on a regulated or organised market are valued at the closing price on the day of the transaction;
- OTC bonds are valued based on the last mid price available on Bloomberg;
- UCITS- or AIF-type instruments (see the Glossary in Section X.5) are valued based on the last net asset value known on the valuation date, adjusted if necessary by events (capital calls, etc.) that might have occurred between the date of net asset value publication and the valuation date;
- non-listed capital instruments are valued at the purchase price if the transaction is recent and there is no indicator of impairment. A multi-criteria valuation approach is otherwise used;
- non-listed bonds are valued on the basis of the nominal value plus accrued interest, in the absence of indicators of impairment;

- real estate assets are assessed every six months on the basis of external appraisal values; and

- the valuation of loans is based on the prices reported by Markit® when these are available or other brokers' valuations available. In the absence of observable market data, a valuation on a marked-to-model approach is conducted.

Liquid strategies

Valuations of the liquid strategies funds are checked according to their liquidity frequency (daily, weekly or even monthly). Custodians and fund administrators are involved in the valuations.

Tikehau IM teams control the values of the instruments conveyed by the fund administrator and ensure that the cash positions of each fund are properly reconciled. Work is also conducted on the calculation of management fees and performance fees applied per unit.

The Group has also set up procedures for control and documentation in the event of manual price changes.

Private debt

The private debt funds mainly consist of non-liquid instruments or loans, for which the valuation principles have been detailed above.

In accordance with the principles of independence required by the AIFM Directive (see the Glossary in Section X.5), a quarterly Valuation Committee has been established to review and monitor the values of illiquid assets that are not subject to expert assessment by an independent third party.

The Committee may meet more frequently as needed. The Valuation Committee is responsible for monitoring and validating valuations of the assets in the private debt funds managed by Tikehau IM. These valuations are prepared by the portfolio managers. The Committee oversees the control of valuations.

The Valuation Committee consists of the Chairman of Tikehau IM, the Head of Risk, the Chief Investment Officer (CIO), the compliance officer, CEO, the Head of the Middle Office and the managers of private debt business.

The Head of Risk is responsible for the organisation of this Committee, and in particular has the role of ensuring (i) the presence and participation of its members, (ii) the quality of the valuation documents presented and the consistency of the methods used, and (iii) that decisions on valuations adopted are written up in reports.

The middle-office teams monitor, whenever the net asset value is published, that the valuation data used by the custodian comply with decisions taken and that all closing elements have been properly integrated.

Real estate

Valuations of real estate funds are based on independent external valuations received on a half-yearly frequency.

(ii) Valuation systems implemented for Tikehau Capital Europe's activities

The valuation tools used are the Markit® tools, as a credit data provider, mainly for liquid loans and possibly Bloomberg® (as information provider, especially for market offers or instrument valuations).

The Valuation Committee is responsible for overseeing the processes of investment valuation performed by the entities managed by Tikehau Capital Europe; it has the power of decision in cases of disagreement, although the Director of Tikehau Capital Europe will retain the ultimate decision in the event of final arbitration.

The Valuation Committee meets on a monthly basis. It consists of a Director of Tikehau Capital Europe, the Head of Risks, the Group Head of Compliance and the head of operations presenting his work.

(iii) Valuation systems implemented for private equity activities

The private equity portfolio undergoes a quarterly review of activity, during which an analysis is made of performance and the events that might change the appreciation of each line. This quarterly review is attended by the investment team and representatives of the Finance Department. If necessary, additional analyses are conducted to identify potential consequences and revaluations or devaluations if significant.

On a half-yearly basis, a valuation process is conducted on all of the portfolio lines.

Depending on the nature of the underlying asset, valuations are based on:

- directly observable market data such as the share price for listed companies or non-listed investments whose main underlying asset is listed;
- valuations of external experts if available;
- the latest net asset values provided by the managers of funds in which the Company has invested. This data may be audited or unaudited. These values are adjusted, if necessary, by events (capital calls, etc.) that might have occurred between the date of net asset value publication and the valuation date;
- recent transactions that can be analysed as indications of fair value; and
- internal valuation models based on multi-criteria approaches which undergo a critical review by the teams of the Finance Department.

The summary of this work is reflected in the presentation of the relevant financial statements.

In order to take into account the high diversity of the portfolio, a Valuation Committee was set up to meet during the preparation of the annual and half-yearly close of accounts (as this was previously done at Salvepar). The Valuation Committee is made up of the members of the Capital Allocation Committee. Its main responsibilities are:

- to review, assess and check the valuations of non-listed investments in the portfolio;

- to carry out the necessary arbitrations and discuss sensitive points;

- to assess the stability of valuation methods over time; and
- to assess the consistency of the valuation methods between the different holdings in the portfolio.

The Committee's findings are included in a report based on the analysis previously prepared and reviewed by the Finance Department following the analysis of the materials prepared beforehand by the investment teams or the net asset values communicated by the funds in which the Company has invested.

The Statutory Auditors have access to the analyses and documents supporting valuations, and can have discussions with the investment teams in their work of reviewing the financial statements.

As at the registration date of the Registration Document, the Valuation Committee is composed of the members of the Capital Allocation Committee and reviews all the fair values of the investment lines comprising Tikehau Capital's non-current portfolio.

(f) IT architecture and security

Tikehau Capital's IT system is built on the following principles: availability, integrity and security.

- **Availability:** Several known and proven technologies are used by the Group. First, service virtualisation helps to completely overcome the physical characteristics of a server. It is possible to restart a service from any server, even if a physical server fails. Secondly, clustering services can detect and automatically switch from one node to another in the cluster in the event of physical failure. Finally, all equipment has a guarantee on parts and labour with 4-hour onsite callout seven days a week, 24 hours a day.

- **Integrity:** All data and system information are consolidated on "SAN"-type equipment (Storage Area Network). This consists of data hard drives, hot-swappable and highly redundant with over 40 Terabytes of storage and archives. If a malfunction occurs on one of the drives, the devices send alerts to the system builder which provides replacement on callout in less than four hours, every day of the year. The system is such that the equipment can lose up to six drives without disruption of service. Every day, data backups are made on a separate storage system, thus allowing any information that might have been deleted by accident or malice, to be restored in minutes. Moreover, these devices are twinned in a remote backup data centre.

- **Security:** Data drives are completely isolated from the computer network. Data replication in the backup data centre is via a "LAN2LAN" operator dedicated link or a secure "VPN" tunnel.

If the premises were to be completely destroyed or inaccessible, Tikehau Capital is able to restart its information system and access all of its data in less than a day.

Computer systems tests are spread over the year. These consist of different topics: remote server access through secure channels (should the premises become unavailable), restoration of old backed up data (time, quality, etc.), partial interruption of machines/servers, etc.

In order to reinforce the Group's cyber security system, a Head of IT Security was recruited in 2017.

In addition, a business continuity plan ("BCP") has been set up. The BCP outlines the procedures to be followed in the event of disaster. Depending on the severity and duration of the disaster, teams are relocated: remote work for functions that do not require access to capital markets, working from a backup site for management and middle office in particular.

(g) Prevention of insider misconduct and compliance

Because of its activities, the Group, especially the regulated entities Tikehau IM and Tikehau Capital Europe, is subject to particularly stringent compliance obligations.

As part of the listing of the Company's shares on the regulated market of Euronext Paris, a securities market professional code was adopted by the Company's Supervisory Board. Its aim is to recall the securities market regulations applicable to corporate executives and persons of a similar level, to permanent insiders as well as occasional insiders. It recaps the laws and regulations in this area, as well as the administrative and/or criminal penalties for failure to comply with such laws and regulations, and provides for the implementation of preventive measures enabling everyone to invest in the Company securities while respecting the rules for market integrity.

At Tikehau IM, a compliance procedure has been drafted and sent to all employees. This procedure aims to specify the obligations of Tikehau IM employees to respect the regulations and to observe the professional ethics pertaining to the area of third-party management. This procedure stems from the regulations governing Tikehau IM's business but also from generally accepted professional codes of conduct, including key professional associations (AFG, France Invest) of which Tikehau IM is a member.

The main compliance rules concern in particular the rules of conduct and the rules applying to every employee of Tikehau IM in regard to transactions for their personal account. The Head of Compliance and Internal Control must conduct missions to ensure that principles of professional ethics intended to prioritise the interests of clients and comply with market rules are properly enforced.

Tikehau IM has a set of compliance rules, mainly articulated in the Procedure Manual and the Internal Rules.

The main topics include:

- confidential and/or inside information and confidentiality;
- conflicts of interest;
- personal transactions;
- rules, invitations and other benefits to employees;
- procedures against money laundering and terrorist financing; and

- the control system relating to market abuse.

In addition, regulatory constraints (and, if applicable, the constraints specific to certain funds/mandates as may be required by the governing documents) require the regulated entities of Tikehau Capital:

- to identify conflict of interest situations;
- to manage conflict of interest situations;
- to record resolutions adopted to achieve conflict management (record of conflicts); and
- to provide the necessary transparency for investor clients on conflict resolution.

Conflicts of interest may also arise when Group entities or their employees are in situations in which these entities or employees can obtain financial gain or avoid a financial loss at the expense of clients' assets.

The Head of Compliance and Internal Control conveys to all Tikehau Capital companies, including their managers, all information necessary for the prevention of potential conflicts of interest. The Head of Compliance and Internal Control updates this conflict of interest management and prevention procedure as well as a record of all the cases of conflict that have arisen and that have ended in resolution. If necessary, the record will be used to demonstrate that the resolution of the conflict prioritised the interests of the client. Finally, the organisation of the Group's regulated activities is carried out according to specific procedures to avoid incurring a situation of conflict of interests.

With particular regard to conflict of interest management, Tikehau IM has implemented a policy to avoid situations where there is a risk of conflict of interest and to manage the various interests involved in the provision of investment services to clients.

Tikehau IM and Tikehau Capital Europe have established an investment allocation process performed on managed or advised investment fund accounts and mandates that have been entrusted to them by third party investors. These allocations are documented to demonstrate that they respect the interests and rules of fair practice towards clients (fund investors and mandates) and these group structures. The application of the allocation policy is validated and monitored by the Head of Compliance and Internal Control.

Where an investment opportunity is eligible for the investment strategy of several funds or mandates, the portfolio manager must prepare a pre-allocation for the various investment vehicles and mandates by applying the following rules:

- the investment capacity of each fund/mandate eligible for the investment;
- the specific management constraints of each fund/mandate (regulatory, contractual or statutory); and
- the maturity of the funds/mandates with regard to the investment period.

(h) Internal control procedures relating to the preparation and processing of the financial and accounting information of Tikehau Capital

This Section describes the internal control procedures relating to the preparation and processing of Tikehau Capital's financial and accounting information as they exist as at the registration date of this Registration Document.

Finance department by Tikehau Capital Advisors

The Finance Department of the company Tikehau Capital Advisors has responsibility for the core areas of finance and treasury, financial control and internal control.

Use of external accountants

To prepare the statutory accounts of some of its companies as well as its consolidated accounts, the Group uses external accounting firms, which ensures regular control, in collaboration with Tikehau Capital Advisors, of the accounting documents and the processing of transactions impacting the Group.

Reporting and disclosure

The Company draws up a schedule for each quarterly, half-yearly or annual account close that plans procedures specific to the preparation of financial and accounting information, defining the responsibilities of each stakeholder in the preparation and processing of financial information.

At the annual and half-yearly close, the Finance Department teams meet with the investment teams to review the valuation proposals for Tikehau Capital's portfolio investments. These reviews are then presented to the members of the Valuation Committee of Tikehau Capital for validation (see above) by this Valuation Committee, set up for the first time at the time of the review of the 2017 annual financial statements.

The closing quarterly accounts gives rise to the preparation of summarised financial statements.

A cash flow analysis is prepared every week to monitor the roll out of the Company's investment and financing policy.

Information systems

Accounting information system

Within its French operational companies the Group has introduced an integrated accounting and reporting tool and is working to deploy this tool in the international entities during 2018.

This IT package will include all the monthly or quarterly financial management and accounting information useful in preparing the financial statements and in operational management. Once introduced throughout the scope of the Group, it will meet with greater performance and automation the requirements of reliability, availability and relevance of accounting and financial information for the different data used for internal management (budget control, etc.) and external disclosure.

Market monitoring and portfolio valuation tools

Tools tracking cash and listed portfolios have been set up for daily and/or weekly reporting to the Management.

The planning, steering and processes of reporting

The process of preparing the budget is organised annually in the fourth quarter; the operational managers of each of the business lines each draw up an annual budget which is discussed with and approved by the Management.

Performance monitoring is carried out on a quarterly basis (and monthly for some key aggregates).

Procedures for closing of the annual and consolidated financial statements

The financial statements of the Company and its subsidiaries are prepared either by the internal teams of Tikehau Capital Advisors or outsourced to local external accountants.

To prepare its consolidated financial statements the Group uses an external accounting firm that works with the teams from the Finance Department of Tikehau Capital Advisors.

The annual financial statements of the Company are prepared in accordance with accounting principles arising from the regulations in force (Recommendation No. 99-01 of the Conseil National de la Comptabilité, the French National Accounting Council).

The consolidated financial statements are prepared in accordance with IFRS.

The Finance Department performs a review of the prepared accounts of the Group companies to validate the reliability and relevance of the accounting and financial information for the different data used for internal management and external disclosure. It ensures the compliance and consistency of accounting methods.

The Finance Department also performs a review of the data supplied for the purpose of consolidation in order to identify, if appropriate, the necessary adjustments between the individual and consolidated accounts. These adjustments are detailed by company and are subject to a review by the Finance Department teams.

The accounting principles are subject to a review every quarter under the new regulatory developments. In general, matters pertaining to legal, tax and social areas are dealt with using the support of specialised services.

Each subsidiary manages specifically local issues, carries out accounting control and meets the obligations on safeguarding the information and data contributing to the formation of accounting and financial statements, according to local regulations.

Control activities

Operations are subject to partial or extensive controls, exchange of views sessions, discussions from first level stakeholders up to the Statutory Auditors, and legal and tax experts if necessary. These stakeholders submit any remarks they may have to the relevant officers who take appropriate measures.

The Finance Department ensures the consistency of information from the subsidiaries before combining results, recording the consolidation entries and restatements.

The analysis of the consolidation restatements and accounting aspects that could have a significant impact on the presentation of the financial statements are reviewed by the Finance Department and the Statutory Auditors as part of their work.

Accounting and financial disclosure

Since the listing of the Company's shares on the regulated market of Euronext Paris, disclosure is the responsibility of the Company's Managers who check the information before publication.

A schedule summarising these periodic obligations of the Company has been put in place and is distributed internally to teams participating more specifically in financial disclosure. Meanwhile, the Finance Department teams have implemented a formal accounting and financial schedule to ensure compliance with the announced deadlines.

The procedures for control of financial and accounting information are based on:

- quarterly checks of all accounting and financial information prepared by the accounting or Finance Department teams; and
- the review of financial statements by the Group Internal Audit Department.



4. LEGAL AND ARBITRATION PROCEEDINGS

Given the activities of Tikehau Capital and the increasing litigiousness prevalent in the business world, Tikehau Capital is exposed to the risk of litigation as defendant and may also be obliged to enforce its rights as plaintiff (for example, in the context of enforcement of guarantees furnished under an investment or divestment transaction).

To the knowledge of the Company, there are no administrative, legal or arbitration proceedings (including any pending or foreseeable procedure) that may have or have had, in the last 12 months from the registration date of this Registration Document, a significant impact on the financial position or profitability of the Company and/or the Group.

IV . CORPORATE GOVERNANCE

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1. ADMINISTRATIVE AND MANAGEMENT BODIES

The Company is a *société en commandite par actions* (partnership limited by shares). An overview of the partnership limited by shares and a description of the main provisions of the Company's Articles of Association are contained in Section VIII.2 (Main provisions of the Company's Articles of Association) of this Registration Document.

The Company uses the AFEP-MEDEF Code¹ as its corporate governance code in accordance with Article L.225-68 of the French Commercial Code, with reference to Article L.226-10-1 of the French Commercial Code.

(a) The Managers

The Management of the Company is undertaken by a sole Manager, Tikehau Capital General Partner, also the only general partner of the Company. Tikehau Capital General Partner is wholly owned by Tikehau Capital Advisors.

Name, registered office, legal form and number of shares held of the Company

Tikehau Capital General Partner is a *société par actions simplifiée* (simplified joint stock company) established on 17 February 2014, whose registered office is located at 32, rue de Monceau, 75008 Paris – France.

Tikehau Capital General Partner, which is also the only general partner of the Company, holds no shares in the Company.

Tikehau Capital General Partner is a company with €100,000 in share capital. The shareholders' equity of Tikehau Capital General Partner's amounted to €192,000 as at 31 December 2017. Tikehau Capital General Partner has no employees.

Corporate officers

The Chairman of Tikehau Capital General Partner is the company AF&Co, and its CEO is the company MCH.

Expiry of term of office

The office of Manager of Tikehau Capital General Partner is for an unlimited period.

Main function within the Company and the Group

General Partner and Manager of the Company. The Manager holds no other position within the Group or outside the Group.

Main offices and positions held outside the Company and the Group during the last five years

None. The Manager has never conducted other activities before assuming office as Manager of the Company.

¹ The AFEP-MEDEF Code can be consulted online at www.medef.com/fileadmin/www.medef.fr/documents/AFEP-MEDEF/2017/Code_de_gouvernement_d'entreprise_des_societes_cotees_novembre_2016.pdf



ANTOINE FLAMARION

(i) Information concerning AF&Co and Mr. Antoine Flamarion

The company AF&Co was appointed Chairman of Tikehau Capital General Partner on 7 November 2016 for an unlimited period.

AF&Co is a simplified joint stock company with registered office located at 32, rue de Monceau, 75008 Paris France, entered in the Trade and Companies Register of Paris under number 444 427 298 and whose share capital and voting rights are 95% held by Mr. Antoine Flamarion, one of the founders of Tikehau Capital.

Mr. Antoine Flamarion, who is Chairman of AF&Co, began his career within the Principal Investments Department (proprietary investment) at Merrill Lynch Paris, before joining the Principal Investments Department at Goldman Sachs London. Mr. Antoine Flamarion cofounded Tikehau Capital in 2004.

Mr. Antoine Flamarion is a graduate of the Université Paris Dauphine and the Université Paris Sorbonne.

Name, business address, age and number of shares held of the Company

Mr. Antoine Flamarion
32, rue de Monceau, 75008 Paris, France
Born 11 March 1973

As at the registration date of this Registration Document, AF&Co and Antoine Flamarion do not hold any shares in the Company.

Nationality : French.

Expiry of term of office

Antoine Flamarion's term of office as Chairman of AF&Co is for an unlimited period.

Main positions held by Mr. Antoine Flamarion within the Company and the Group

Antoine Flamarion is Chairman of the company AF&Co, which is itself Chairman of Tikehau Capital General Partner (which is Manager and General Partner of the Company) and of Tikehau Capital Advisors.

Offices and positions held

- Chairman of AF&Co (SAS)
- Manager of Takume (SARL)
- Member of the Executive Committee of Heeuricap (SAS)
- Permanent representative of Tryptique on the Supervisory Board of Alma Property (SA)
- Permanent representative of AF&Co on the Board of Directors of Sofidy (SA)
- Permanent Representative of AF&Co on the Supervisory Board of Selectirente (SA – listed company)
- Director of Tikehau Investment Management Asia Pte. Ltd. (Singapore company controlled by Tikehau IM)
- Director of Tikehau Investment Management Asia Pacific Pte. Ltd. (Singapore company controlled by Tikehau IM)

Offices and positions held during the last five years

- Chairman and Chief Executive Officer and permanent representative of Tikehau Capital on the Board of Directors of Salvepar (SA – listed company)
- Director of Groupe Flo (SA – listed company)
- Director of Financière Flo (SAS)
- Manager of F2 (SARL)
- Director of Tikehau Investment Limited (UK company controlled by Tikehau Capital Advisors)
- Director of Tikehau Capital UK Limited (UK company controlled by the Company)
- Director of Tikehau Capital Europe (UK company controlled by the Company)



MATHIEU CHABRAN

(ii) Information concerning MCH and Mr. Mathieu Chabran

The company MCH was appointed CEO of Tikehau Capital General Partner on 7 November 2016 for an unlimited period.

MCH is a simplified joint stock company with registered office located at 32, rue de Monceau, 75008 Paris France, entered in the Trade and Companies Register of Paris under number 480 619 337 and whose share capital and voting rights are 90% held by Mr. Mathieu Chabran.

Mr. Mathieu Chabran began his career at Merrill Lynch in 1998, firstly in Paris within the High Yield and Real Estate teams, then in London, in the High Yield Capital Market Department. In 2000, he joined the European Leveraged Finance team. In 2002, he joined the Real Estate Debt Market & Structured Financing team at Deutsche Bank London as Vice-President and then Director. Mr. Mathieu cofounded Tikehau Capital in 2004.

Mathieu Chabran is a graduate of ESCP Europe and the Institute of Political Studies in Aix-en-Provence.

Name, business address, age and number of shares held of the Company

Mr. Mathieu Chabran
32, rue de Monceau, 75008 Paris, France
Born 11 December 1975

As at the registration date of this Registration Document, MCH and Mathieu Chabran do not hold any shares in the Company.

Nationality: French.

Expiry of term of office

Mathieu Chabran's term of office as CEO of MCH is for an unlimited period.

Main positions held by Mr. Mathieu Chabran within the Company and the Group

Mathieu Chabran is Chairman of the company MCH, which is itself CEO of Tikehau Capital General Partner (which is Manager and General Partner of the Company) and of Tikehau Capital Advisors. Mathieu Chabran is CEO of Tikehau IM and oversees all of the Group's investments as Group Chief Investment Officer.

Offices and positions held

- Chief Executive Officer of Tikehau Investment Management (SAS)
- Chairman of MCH (SAS)
- Chairman of MC3 (SAS)
- Director of InCA (SICAV)
- Member of the Executive Committee of Heeuricap (SAS)
- Manager of Le Kiosque (SCI)
- Manager of De Bel Air (civil law partnership)
- Manager VMC3 (SCI)
- Director of Tikehau Investment Management Asia Pte. Ltd. (Singapore company controlled by the Company)
- Director of Tikehau Investment Management Asia Pacific Pte. Ltd. (Singapore company controlled by the Company)

Offices and positions held during the last five years

- Director of Salvepar (SA – listed company)
- Director of Groupe Flo (SA – listed company)
- Director of Financière Flo (SAS)
- Director of Tikehau Investment Limited (UK company controlled by Tikehau Capital Advisors)
- Director of Tikehau Capital UK Limited (UK company controlled by the Company)
- Director of Tikehau Capital Europe (UK company controlled by the Company)

(b) Presentation of the Supervisory Board

(i) Composition of the Supervisory Board

Current composition of the Supervisory Board

The Company's Supervisory Board was formed following the conversion of the Company into a *société en commandite par actions* (partnership limited by shares) and its composition

evolved as part of the listing of the Company's shares on the regulated market of Euronext Paris (see Section II.2 (Reminder of the reorganisation operations) of this Registration Document).

The following table shows the composition of the Supervisory Board at the registration date of this Registration Document.

	Year of birth	Date of first appointment ³	End date of office
Christian de Labriffe (Chairman)	1947	28 February 2017	2022 (General Meeting convened to approve the accounts for FY 2021)
Roger Caniard	1967	28 February 2017	2022 (General Meeting convened to approve the accounts for FY 2021)
Jean Charest ¹	1958	21 December 2016	2021 (General Meeting convened to approve the accounts for FY 2020)
Jean-Louis Charon ¹	1957	7 November 2016	2020 (General Meeting convened to approve the accounts for FY 2019)
Jean-Pierre Denis	1960	21 December 2016 ²	2021 (General Meeting convened to approve the accounts for FY 2020)
Florence Lustman (permanent representative of the Fonds Stratégique de Participations)	1961	28 February 2017	2021 (General Meeting convened to approve the accounts for FY 2020)
Anne-Laure Naveos	1980	7 November 2016	2020 (General Meeting convened to approve the accounts for FY 2019)
Fanny Picard ¹	1968	28 February 2017	2022 (General Meeting convened to approve the accounts for FY 2021)
Constance de Poncins ¹	1969	28 February 2017	2022 (General Meeting convened to approve the accounts for FY 2021)
Léon Seynave ^{1 4} (permanent representative of Troismer)	1944	7 November 2016	2020 (General Meeting convened to approve the accounts for FY 2019)
Natacha Valla ¹	1976	21 December 2016	2021 (General Meeting convened to approve the accounts for FY 2020)

¹ Independent member.

² With effect from 9 January 2017.

³ For members that are corporations, this is the date of appointment of the permanent representative.

⁴ Mr. Léon Seynave was initially appointed at the General Meeting of 7 November 2016. He resigned with effect from 5 January 2017 and the company Troismer SPRL was co-opted in his place by the Supervisory Board at its Meeting of 5 January 2017.

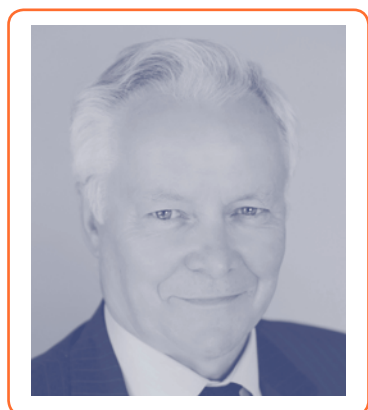
(ii) Presentation of the members of the Supervisory Board

Mr. Christian de Labriffe was appointed as Chairman of the Company's Supervisory Board at a meeting of the Board on 22 March 2017. He replaced Mr. Jean-Louis Charon who was appointed on 6 December 2016.

The Company's Articles of Association provide that, subject to the initial appointments allowing for renewal to be

staggered, the Supervisory Board be made up of members appointed for a period of four (4) years expiring at the end of the annual General Shareholders' Meeting convening to approve the accounts for the previous year and held in the year in which the term of office of that Supervisory Board member expires. The composition of the Supervisory Board at the registration date of this Registration Document was determined so that it could be renewed by regular and balanced rotation.

Information about members of the Supervisory Board



CHRISTIAN DE LABRIFFE

Chairman

Non-independent member

Nationality: French

Year of birth: 1947

Date of first appointment: 28 February 2017

Term of office expires: 2022 (General Meeting convened to approve the accounts for FY 2021)

Business address:

32, rue de Monceau, 75008 Paris, France

Current office: Chairman of the Supervisory Board of the Company

Expertise and past experience in management:

Christian de Labriffe is a graduate of ISC Paris Business School. He started his career at Lazard Frères & Cie. in 1972 where he was appointed Managing Partner in 1987. In 1994, he became Managing Partner of Rothschild & Cie. He joined the Group in 2013 as Chairman and Chief Executive Officer of Salvepar.

Positions held:

- Director of Christian Dior (SE – listed company)
- Non-voting member and permanent representative of Parc Monceau, on the Supervisory Board of Beneteau (SA – listed company)
- Director of Christian Dior Couture (SA)
- Manager of Parc Monceau (SARL)
- Chairman of TCA Partnership (SAS)
- Director of the Fondation Nationale des Arts Graphiques et Plastiques

Other offices held in the past five years and no longer held to date:

- Chairman and Chief Executive Officer and Director of Salvepar (SA – listed company)
- Director and permanent representative of Salvepar on the Board of Directors of HDL Development (SAS)
- Managing Partner of Transaction R (SCS)
- Manager of Rothschild & Compagnie Banque (SCS)
- Manager of RCB Partnaires (SNC)



ROGER CANIARD

Non-independent member
Member of the Audit and Risk Committee

Nationality: French

Year of birth: 1967

Date of first appointment: 28 February 2017

Term of office expires: 2022 (General Meeting convened to approve the accounts for FY 2021)

Business address:
10, cours du Triangle-de-l'Arche, 92919 La Défense, France

Current office: Head of MACSF financial management

Expertise and past experience in management:

Roger Caniard is a graduate of IEP Paris, ESCP, Université Paris-Dauphine and of the Société Française des Analystes Financiers (SFAF). He began his career as a financial analyst. After a period at La Mondiale (equity management) and KBL (merger advisory bank), he joined MACSF in 1995. Since 2014, he has been a member of the Executive Committee and CFO of MACSF.

Positions held:

- Director of Château Lascombes (SA)
- Member of the Supervisory Board of Taittinger
- Permanent representative of MACSF épargne retraite on the Board of Vivalto (SAS)
- Permanent representative of MACSF épargne retraite on the Board of Vivalto Vie (SAS)
- Permanent representative of MACSF épargne retraite on the Board of Destia (SAS)
- Permanent Representative of MACSF épargne retraite on the Board of Cube Infrastructure I and II

Other offices held in the past five years and no longer held to date:

- Permanent representative of MACSF épargne retraite on the Board of Directors of Salvepar (SA – listed company)
- Permanent representative of MACSF épargne retraite on the Supervisory Board of Korian (SA – listed company)



JEAN CHAREST

Independent member

Member of the Appointment and Remuneration Committee

Nationality: Canadian

Year of birth: 1958

Date of first appointment: 21 December 2016

Term of office expires: 2021 (General Meeting convened to approve the accounts for FY 2020)

Business address:

1000, rue de la Gauchetière Ouest, bur. 2500, Montreal (Quebec), H3B 0A2 Canada

Current office:

Partner at the McCarthy Tétrault law firm (Canada)

Expertise and past experience in management:

Jean Charest was elected a member of parliament in the Canadian House of Commons in 1984, and then became the youngest ever member of the Canadian Council of Ministers when he was appointed, at 28 years of age, Minister for State & Youth. He was then appointed Minister for the Environment, Minister for Industry and Vice-Prime Minister of Canada. He held the office of Prime Minister of Quebec from 2003 to 2012. He is a partner of McCarthy Tétrault LLP and, since 1986, member of the Queen's Privy Council for Canada.

Positions held:

- Member of the Supervisory Board of the Publicis Groupe (SA – listed company)
- Chairman of the Board of Directors of Windiga Energie
- Director of the Asia Pacific Foundation of Canada
- Honorary President of Canada-ASEAN Business Council
- Member of the Canadian Council of the North American Forum
- Member of the Advisory Board of the Canadian Global Affairs Institute
- Member of the Trilateral Commission
- Member of the Advisory Group of Canada's Ecofiscal Commission
- Member of the Africa Forum Advisory Board
- Chairman of the Board of Governors of The Federal Idea
- Member of the Advisory Board of the Woodrow Wilson Institute Canada
- Member of the Board of Directors of Ondine Biomedical
- Honorary Member of the Board of Directors of the Council of the Great Lakes Region
- Member of Leaders for Peace

Other offices held in the past five years and no longer held to date: None



JEAN-LOUIS CHARON

Independent member

Chairman of the Audit and Risk Committee

Nationality: French

Year of birth: 1957

Date of first appointment: 7 November 2016

Term of office expires: 2020 (General Meeting convened to approve the accounts for FY 2019)

Business address:

11, rue des Pyramides, 75001 Paris, France

Current office: Chairman of City Star

Expertise and past experience in management:

Jean-Louis Charon is a former student at the École Polytechnique and the École Nationale des Ponts et Chaussées. He began his career within the Ministry for Industry, and then held positions at General Electric and Thomson. In 1996, he became Managing Director of the Vivendi Universal real estate subsidiary CGIS group. In July 2000 he organised the LBO (see the Glossary in Section X.5) of Nexity, sitting on its Board of Directors and then its Supervisory Board. After founding Nexstar Capital, in partnership with LBO France, he founded the City Star group in 2004 where he is the current Chairman.

Positions held:

- Permanent Representative of Holdaffine on the Board of Affine (SA – listed company)
- Deputy Chairman of the Supervisory Board of Selectirente (SA – listed company)
- Director of Foncière Atland (SA – listed company)
- Chairman of SOBK (SAS)
- Chairman of City Star Property Investment (SAS)
- Manager of City Star Promotion 1 (SARL)
- Manager of Horus Gestion (SARL)
- Manager of Lavandières (SCI)
- Director of City Star Private Equity Asia Pte. Ltd.
- Director of City Star Phnom Penh Property Management Pte. Ltd.
- Director of City Star Ream Topco Pte. Ltd.
- Director of City Star Ream Holdco Pte. Ltd.
- Director of City Star Phnom Penh Land Holding Pte. Ltd.
- Director of City Star Cambodia Pte. Ltd.
- Director of City Star KR D Pte. Ltd.
- Director of City Star KRH Pte. Ltd.
- Director of Elaia Investment Spain SOCIMI S.A.

Other offices held in the past five years and no longer held to date:

- Director of Polypierre (SA)
- Deputy Chairman of the Supervisory Board of Peref (SA)
- Chairman of City Star Planning (SAS)
- Chairman of City Star Capital (SAS)
- Chairman of Medavy Arts et Antiquités (SAS)
- Manager of Sekmet (EURL)
- Manager of 10 Four Charon (SCI)
- Manager of JLC Victor Hugo (SCI)
- Director of Eurosic (SA – listed company)
- Director of Fakarava Capital (SAS)
- Chairman of Valery (SAS)
- Chairman of Vivapierre (SPPICAV)



JEAN-PIERRE DENIS

Non-independent member

Nationality: French

Year of birth: 1960

Date of first appointment: 21 December 2016 (with effect from 9 January 2017)

Term of office expires: 2021 (General Meeting convened to approve the accounts for FY 2020)

Business address:

118, avenue des Champs-Élysées, 75008 Paris, France

Current office: Chairman of Crédit Mutuel Arkéa and of the Fédération du Crédit Mutuel de Bretagne

Expertise and past experience in management:

Jean-Pierre Denis is a qualified Finance Inspector, who graduated from HEC and also attended ENA. He has previously held positions as Chairman and Chief Executive Officer of the Oséo group from 2005-2007, and was also a member of the Management Board of Vivendi Environnement which became Véolia Environnement (2000-2003), Chairman of Dalkia (Vivendi group and then Veolia Environnement) (1999-2003), Presidential Advisor at CGE which became Vivendi (1997-1999) and Deputy Secretary General to the President of the Republic (1995-1997). In 2008, he was appointed Chairman of Crédit Mutuel Arkéa and of the Fédération du Crédit Mutuel de Bretagne.

Positions held:

- Chairman of Crédit Mutuel Arkéa
- Chairman of the Fédération du Crédit Mutuel de Bretagne
- Director of the Caisse de Crédit Mutuel de Cap Sizun
- Chairman of Château Calon Segur (SAS)
- Director of Kering (SA – listed company)
- Director of Nexity (SA – listed company)
- Director of Altrad Investment Authority (SAS)
- Director of Paprec Holding (SA)
- Director of Avril Gestion (SAS)
- Director of JLPP Invest (SAS)

Other offices held in the past five years and no longer held to date:

- Director of Sofiproteol (SA)
- Chairman of the Supervisory Board of New Port (SAS)

FONDS STRATÉGIQUE DE PARTICIPATIONS

*Non-independent member represented
by Ms. Florence Lustman*

Date of first appointment: 28 February 2017

Term of office expires: 2021 (General Meeting convened to approve the accounts for FY 2020)

Business address:

47 rue du Faubourg Saint-Honoré, 75008 Paris, France

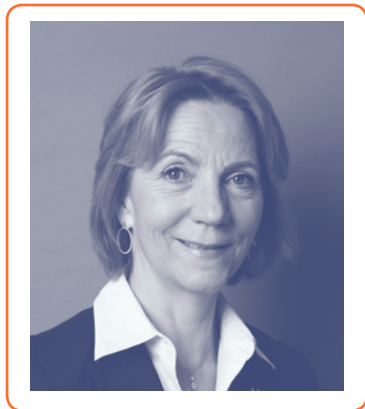
Registration: 753 519 891 RCS Paris

Positions held by the Fonds Stratégique de Participations:

- Director of Seb (SA – listed company)
- Director of Arkema (SA – listed company)
- Director of Eutelsat Communication (SA – listed company)
- Director of Elior group (SA – listed company)
- Director of Tikehau Capital Advisors (SAS)

Other offices held in the past five years and no longer held to date:

- Member of the Supervisory Board of Zodiac Aerospace (SA – listed company)



FLORENCE LUSTMAN

*Permanent representative of the Fonds Stratégique
de Participations (non-independent member)*

Nationality: French

Year of birth: 1961

Date of first appointment: 28 February 2017

Term of office expires: 2021 (General Meeting convened to approve the accounts for FY 2022)

Business address:

115, rue de Sèvres, 75006 Paris, France

Current office: Finance and Public Affairs Director of La Banque Postale group

Expertise and past experience in management:

Florence Lustman is a former student of the École Polytechnique and the Institut d'Études Politiques in Paris. She is also a graduate of the IAF (Institut des Actuaire Français). She began her career as insurance supervisor at the Commission de Contrôle des Assurances. She then became General Secretary of that Commission (now the Autorité de Contrôle des Assurances et des Mutuelles). After a time at the Inspection Générale des Finances, she has been Finance and Public Affairs Director of La Banque Postale group since 2012.

Positions held:

- Member of the Executive Committee and of the General Management Committee of La Banque Postale (SA)
- Member of the Supervisory Board of La Banque Postale Financement (SA)
- Permanent representative of SF2 on the Board of Directors of La Banque Postale Prévoyance (SA)
- Member of the Supervisory Board of La Banque Postale Asset Management (SA)
- Chair of the Board of Directors of La Banque Postale Home Loan SFH (SA)
- Director of La Banque Postale IARD (SA)
- Permanent representative of LBP on the Board of Directors of La Banque Postale Assurance Santé (SA)
- Director of Sopassure (SA)
- Chief Executive Officer and member of the Board of Directors of SF2 (SA)
- Permanent representative of Sopassure on the Board of Directors of CNP Assurances (SA – listed company)
- Director of AEW Europe (SA)
- Member of the Supervisory Board of the Fonds de Garantie des Dépôts et de Résolutions (Fund)
- Member of the Board of Directors of Tikehau Capital Advisors (SAS)

Other offices held in the past five years and no longer held to date: None



ANNE-LAURE NAVEOS

Non-independent member

Nationality: French

Year of birth: 1980

Date of first appointment: 7 November 2016

Term of office expires: 2020 (General Meeting convened to approve the accounts for FY 2019)

Business address:

1, rue Louis Lichou, 29480 Le Relecq-Kerhuon, France

Current office: Director in charge of External Growth & Partnerships at Crédit Mutuel Arkéa

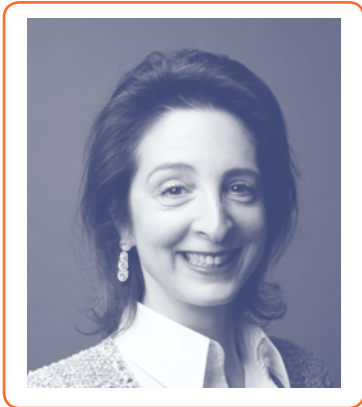
Expertise and past experience in management:

Anne-Laure Naveos graduated from EM Lyon Business School. In 2005, she joined Symphonis as Internal Auditor & Head of Finance, before joining Crédit Mutuel Arkéa as Head of External Growth & Partnerships in 2008.

Positions held:

- Permanent Representative of Crédit Mutuel Arkéa on the Supervisory Board of Younited (SA)
- Permanent Representative of Crédit Mutuel Arkéa on the Supervisory Board of Yomoni (SAS)
- Member of the Supervisory Board of Leetchi (SA)
- Permanent Representative of Crédit Mutuel Arkéa on the Board of Kepler Financial Partners (SAS)
- Permanent Representative of Crédit Mutuel Arkéa on the Strategic Committee of Raise (Endowment)
- Director of the *Association pour le commerce et les services en ligne* (Association)
- Member of the Supervisory Board of JIVAI (SAS)

Other offices held in the past five years and no longer held to date: None



FANNY PICARD

Independent member

Chair of the Appointment and Remuneration Committee

Nationality: French

Year of birth: 1968

Date of first appointment: 28 February 2017

Term of office expires: 2022 (General Meeting convened to approve the accounts for FY 2021)

Business address:

4 ter, rue du Bouloi, 75001 Paris, France

Current office: Chairman of Alter Equity SAS, asset management company of the FPCI Alter Equity^{3P}

Expertise and past experience in management:

Fanny Picard is a graduate of ESSEC and SFAF with a master's degree in law and a former student at the Collège des Hautes Études de l'Environnement et du Développement Durable. She began her career in the Mergers and Acquisitions Department of the merchant bank Rothschild & Cie. Before founding and chairing the Alter Equity investment fund, Ms. Fanny Picard was Financial Director, Managing Director and Member of the Executive Committee of Wendel and Director of Development for Western Europe and North America with the Danone group.

Positions held:

- Chair of Alter Equity SAS, asset management company of the FPCI Alter Equity^{3P}
- Member of the Board of Directors of GL Events (SA – listed company)
- Member of the Board of Directors of Remade (SAS)
- Member of the Medef Ethics Committee
- Member of the Committee of Experts of the Institute of Responsible Capitalism
- Member of the Strategic Committee of Bo.Ho Green (SAS),
- Member of the Strategic Committee of Efcia (SAS – formerly ECO GTB)
- Member of the Steering Committee of the fund BNP Paribas Social Business Impact France
- Member of the Steering Committee of the Siel Bleu foundation
- Member of the Steering Committee of the Mozaïk RH foundation

Other offices held in the past five years and no longer held to date:

- Director of Salvepar (SA – listed company)
- Member of the Supervisory Board of TK Blue (SAS)



CONSTANCE DE PONCINS

Independent member

Member of the Audit and Risk Committee

Nationality: French

Year of birth: 1969

Date of first appointment: 28 February 2017

Term of office expires: 2022 (General Meeting convened to approve the accounts for FY 2021)

Business address:

52, rue de la Victoire – 75009 Paris, France

Current office: Executive Manager of AGIPI, the savings, pensions, provident and health insurance association

Expertise and past experience in management:

Constance de Poncins is a graduate of the Institute of French Actuaries (IAF) and holds a post-graduate degree in Econometrics from the Université de Paris 2 Panthéon-Assas and an Executive MBA from the Management Institute of Paris (MIP-EDHEC). She began her career in 1992, in the Axa France technical directorate of individual life assurance, before becoming Director of the Private Client Management Distributors and Partners Department, then Director of liabilities and cross-divisional projects. In 2009, she joined Neufilze Vie as Technical and Investment Director and Director of Asset/Liability Commitments. Since 2015 she has been Executive Officer of the savers' association AGIPI.

Positions held:

- Chair of the SICAVs:
 - AGIPI Obligations Monde
 - AGIPI Grandes Tendances
 - AGIPI Actions Emergents
 - AGIPI Monde Durable
 - AGIPI Convictions
 - AGIPI Region
- Permanent representative of AGIPI on the Board of the SICAV AGIPI Immobilier
- Permanent representative of AGIPI Retraite on the Board of the SICAVs:
 - AGIPI Actions Monde
 - AGIPI Actions Europe
 - AGIPI Ambitions
 - AGIPI Obligation Inflation
 - AGIPI Revenus
- Director of GIE AGIPI

Other offices held in the past five years and no longer held to date:

- Permanent representative of Neufilze Vie on the Board of Directors of Foncière Paris France (SIIC)
- Director of Salvepar (SA – listed company)

TROISMER

Independent Member represented by Mr. Léon Seynave

Date of first appointment: 5 January 2017

Term of office expires: 2020 (General Meeting convened to approve the accounts for FY 2019)

Business address:

Bosweg 1 B-1860 Meise, Belgium

Registration: 0890.432.977 (BCE)

Offices held by Troismer:

- Director of Lasmer (NV – Belgian company)
- Director of De Groodt (NV – Belgian company)
- Director of Codevim (NV – Belgian company)
- Manager of Five Trees (SPRL – Belgian company)
- Director of FGM (NV – Belgian company)

Other offices held in the past five years and no longer held to date: None



LÉON SEYNAVE

4

*Permanent Representative of Troismer to the Supervisory Board (independent member)
Member of the Appointment and Remuneration Committee*

Nationality: Belgian

Year of birth: 1944

Date of first appointment: 21 décembre 2016¹

Business address:

Bosweg 1 B-1860 Meise, Belgium

Current office: Managing Director of an investment group

Expertise and past experience in management:

Léon Seynave is a graduate from Louvain University and holds an MBA from Wharton School of Commerce and Finance at Pennsylvania University. He cofounded Mitiska, a company previously listed on the Brussels stock exchange. He is also a Director of several companies including De Persgroep, Vente-Exclusive.com, t-groep, and Stanhope Capital London. Previously, he worked as an investment banker at White, Weld & Co. in New York and in the London and Tokyo offices of Crédit Suisse First Boston.

Positions held:

- Director of De Persgroep (NV – Belgian company)
- Chairman of T-Groep (NV – Belgian company)
- Chairman of Stanhope Capital (LLP – UK company)
- Director of Vente-Exclusive (NV – Belgian company)
- Director of Lasmer (NV – Belgian company)
- Manager of Troismer (BVBA – Belgian company)
- Director of Établissement Raymond De Groodt (NV – Belgian company)

Other offices held in the past five years and no longer held to date:

- Permanent Representative of Établissement Raymond De Groodt, Director of Fakarava Capital (SAS)

¹ Mr. Léon Seynave was initially appointed at the General Meeting of 7 November 2016. He resigned with effect from 5 January 2017 and the company Troismer SPRL was co-opted in his place by the Supervisory Board at its Meeting of 5 January 2017.



NATACHA VALLA

Independent member

Nationality: French

Year of birth: 1976

Date of first appointment: 21 December 2016

Term of office expires: 2021 (General Meeting convened to approve the accounts for FY 2020)

Business address:

98-100, boulevard Konrad Adenauer, L-2950 Luxembourg

Current offices: Economist, Paris School of Economics

Expertise and past experience in management:

Natacha Valla is an economist. She began her career at the European Central Bank (2001-2005) and then at Banque de France (2005-2008) before joining Goldman Sachs as Executive Director (2008-2013). After serving as Deputy Director of CEPII (an international economics think tank) and Head of the Policy and Strategy Division of the Economic Analysis Department of the European Investment Bank (EIB), she is now a fellow at the Paris School of Economics and teaches at New York University.

She is also a member of the French Economic Analysis Council and the scientific council of the ACPR (Autorité de contrôle prudentiel et de résolution).

Positions held:

- Director of LVMH Moët Hennessy – Louis Vuitton (SE – listed company)
- Director of Accor (SA – listed company)
- Director of Autoroutes du Sud de la France (SA)
- Director of Cofiroute (SA)
- Member of the Conseil d'Analyse Économique
- Member of the Scientific Council of the ACPR

Other offices held in the past five years and no longer held to date: None

(c) Practices of the Supervisory Board

The practices of the Supervisory Board of the Company are governed by the law and regulations, the Articles of Association of the Company (the most recent version of which is available on the Company's website (www.tikehaucapital.com)) and the Supervisory Board's Internal Rules (the most recent version of which is available on the Company's website (www.tikehaucapital.com)).

The duties and practices of the Supervisory Board are detailed in Section IV.4 (Preparation and organisation of the work of the Supervisory Board) of this Registration Document.

(d) Supervisory Board Committees

In accordance with the provisions of the AFEP-MEDEF Code which the Company applies, the Supervisory Board has decided to set up two permanent Committees: an Audit and Risk Committee and an Appointment and Remuneration Committee. These Committees were set up by the Supervisory Board at its Meeting on 22 March 2017.

The composition, duties and mode of operation of these two Committees are detailed in Section IV.4 (Preparation and organisation of the work of the Supervisory Board) of this Registration Document.

The composition of the Supervisory Board Committees is as follows:

Audit and Risk Committee
Jean-Louis Charon, Chair
Roger Caniard
Constance de Poncins

Appointment and Remuneration Committee
Fanny Picard, Chair
Jean Charest
Léon Seynave

2. GENERAL SHAREHOLDERS' MEETINGS

(a) Practices of Shareholders' Meetings

The main provisions described below are taken from the Company's Articles of Association as in force at the registration date of this Registration Document.

(i) Participation in the General Shareholders' Meetings (Article 11.1 of the Articles of Association)

General Shareholders' Meetings shall be convened by the Managers or the Supervisory Board under the conditions set out by law.

General Shareholders' Meetings shall be held either at the registered office or at any other location specified in the convening notice.

Any shareholder, regardless of the number of shares he owns, may participate in General Shareholders' Meetings under the conditions set out by law and by the Articles of Association with proof of his identity and of the registration of the shares in his name or in the name of the intermediary registered on his behalf two business days before the General Shareholders' Meeting at 0:00 AM, Paris time:

- for holders of nominal shares on the nominal securities accounts kept on the Company's books;
- for holders of bearer shares on bearer security accounts kept by the authorized intermediary, which shall provide, electronically, if appropriate, a certificate of participation as proof of their registration.

If the shareholder is unable to attend the General Shareholders' Meeting in person or by proxy, he may choose one of the two following options:

- voting by correspondence; or
- sending a proxy notice to the Company without indicating a proxy, under applicable laws and regulations.

When the shareholder has requested an admission card or certificate of participation or, if applicable, cast his vote by correspondence or sent a proxy, he may no longer choose another mode of participation in the General Shareholders' Meeting. However, he may sell all or some of his shares at any time.

If the transfer of ownership occurs more than two business days before the General Shareholders' Meeting at midnight, Paris time, the Company consequently nullifies or modifies the vote by correspondence, the proxy, the admission card or the certificate of participation, as applicable. To this end, the authorized intermediary and account-holder notifies the Company or its representative of the transfer of ownership and provides all necessary information.

Any transfer of ownership occurring two business days or less before the General Shareholders' Meeting at 0:00 AM, Paris time, shall not be notified by the authorized intermediary nor taken into account by the Company.

Shareholders that are not domiciled in France may register their shares and be represented at General Shareholders' Meetings by any intermediary registered on their behalf with a general power of attorney to manage their shares, provided that the intermediary has declared itself as an intermediary holding securities on behalf of another party upon opening its account with the Company or the account-holding financial intermediary, pursuant to applicable laws and regulations.

Shareholders may, upon a decision of the Managers published in the meeting notice and convening notice, participate in Meetings via video conference or any other means of telecommunication or teletransmission, including internet, under the conditions set out by applicable laws and regulations. The Managers set the corresponding terms of participation and voting to ensure that the procedures and technologies employed allow for continuous, real-time transmission of the deliberations and the voting process in its entirety.

Shareholders using the electronic form provided on the website by the Meeting centralizer, within the required time limit, have the same status as shareholders in attendance or represented. The electronic form may be filled out and signed directly on the website by any procedure decided upon by the Managers that fulfils the conditions defined in the first sentence of the second paragraph of Article 1367 of the French Civil Code, which may involve a username and password.

The proxy and the vote cast electronically before the Meeting, as well as the confirmation of receipt given, shall be deemed irrevocable written undertakings enforceable on all parties, it being noted that if a transfer of ownership occurs more than two business days before the General Shareholders' Meeting at 0:00 AM, Paris time, the Company will consequently nullify or modify any proxy or vote cast before this date and time.

General Shareholders' Meetings are chaired by the Manager (or any of the Managers) or, with the approval of the Managers, by the Chairman of the Supervisory Board. Failing this, the Meeting shall elect its own Chairman.

Minutes are prepared of General Shareholders' Meetings and copies are certified and issued in accordance with the law.

(ii) Approval of decisions by the general partner or partners (Article 11.1 of the Articles of Association)

Except for the appointment and removal from office of members of the Supervisory Board, the appointment and removal from office of the Statutory Auditors, the distribution of annual dividends and the approval of agreements requiring authorization, no decision shall be validly taken by the General Shareholders' Meeting unless it is approved by the general partner (or the general partners, if several) in principle before the General Shareholders' Meeting and, in any event, no later than the close of the said Meeting.

(b) General Shareholders' Meetings of the Company in 2017

In 2017, General Shareholders' Meetings were held twice (28 February and 1 June 2017). During these Meetings, all resolutions recommended by the Managers were approved.

The documents relating to the General Meeting of 1 June 2017, which took place after the Company's IPO, are available on the Company's website (under the heading Shareholders/AGM: <http://www.tikehaucapital.com/fr/shareholders/agm>).

3. REMUNERATION, ALLOWANCES AND BENEFITS

As part of the Group's reorganisation operations, the General Shareholders' Meeting of 7 November 2016 decided to convert the simplified joint stock company into a limited partnership (see Section II.2 (Reminder of the reorganisation operations) of this Registration Document). At the time of this conversion, Tikehau Capital General Partner took over as Manager and sole general partner of the Company. In addition, the first members of the Supervisory Board were appointed at the General Shareholders' Meetings on 7 November 2016, 21 December 2016 and 28 February 2017 respectively.

As such, the Managers received full payment for the first time in 2017 for financial year 2017 and the members of the Supervisory Board will receive directors' fees for the first time in 2018 for the year 2017.

Due to the particular remuneration structure in force within the Company, the standard presentation tables of the remuneration and benefits of any kind granted to executive and non-executive corporate officers drawn up by the AFEP-MEDEF Code (which the Company applies) or by the AMF in its Recommendation No. 2009-16 are not appropriate for the Company and are not presented in this Section.

Moreover, we would remind you that the provisions on voting on the pay of corporate officers ("say-on-pay") contemplated in Law No. 2016-1691 of 9 December 2016 on transparency, anti-corruption and modernisation of the economy (known as the "Sapin 2 Law") and Decree No. 2017-340 of 16 March 2017 implementing the Sapin 2 Law do not apply to partnerships limited by shares.

(a) Remuneration of the Manager-General Partner

(i) Remuneration of the Manager

In accordance with Article 8.3 of the Company's Articles of Association, as long as the Company shall be managed by a single Manager, this Manager is entitled to remuneration before tax equal to 2% of the total consolidated shareholders' equity of the Company, determined on the last day of the previous financial year. This remuneration shall be paid to him annually when the financial statements of the preceding year are approved.

The Manager has the opportunity, during the year, of receiving a payment on account for the remuneration referred to above. The payment of this advance can only be made on the basis of an accounting period certified by the Statutory Auditors of the Company. This advance is deducted from the total amount of remuneration paid to the Manager on approval of the financial statements for the previous financial year.

In the event that one or more Managers are appointed by the general partner or partners, the general partner or partners will decide whether any one of the Managers, at the choice of the general partner or partners, will retain the remuneration described above, or if the Managers will split the remuneration described above, and under what

terms. If a Manager is not paid the remuneration described above, its remuneration (amount and terms of payment) will be determined by decision of the general partners, unless this Manager receives no remuneration, subject to the approval of the annual General Shareholders' Meeting of the Company.

The Manager or Managers will also be entitled, upon presentation of receipts, to reimbursement for expenses incurred in the interest of the Company.

Inasmuch as this remuneration is statutory, it does not fall within the scope of the regime of regulated agreements contemplated under Article L.226-10 of the French Commercial Code (which refers to Articles L.225-38 to L.225-43 of the same code). In addition, it should be noted that (i) the Manager does not have any right to carried interest received by the Group (see Section 1.4(a)(ii) (Tikehau Capital's Business Model) of this Registration Document) and that (ii) the provisions on voting on the pay of corporate officers ("say-on-pay") contemplated in Law No. 2016-1691 of 9 December 2016 on transparency, anti-corruption and modernisation of the economy (known as the "Sapin 2 Law") and Decree No. 2017-340 of 16 March 2017 implementing the Sapin 2 Law do not apply to partnerships limited by shares.

(ii) Preferred dividend (*dividende précipitaire*) to the general partner

Under Article 14.1 of the Company's Articles of Association, Tikehau Capital General Partner, as sole general partner of the Company, is entitled, by way of preferred dividend and should there be distributable income for a financial year, to an amount equal to 12.5% of the net result of the Company as reflected in the Company's statutory financial statements at the close of each financial year.

If there is more than one general partner, they shall share this amount between themselves as they see fit. In the event of a financial year whose duration is less than a calendar year, this remuneration shall be calculated on a *pro rata* basis for the time elapsed.

Inasmuch as this remuneration is statutory, it does not fall within the scope of the regime of regulated agreements contemplated under Article L.226-10 of the French Commercial Code (which refers to Articles L.225-38 to L.225-43 of the same code). It is further stipulated that the general partner is not entitled to carried interest received by the Group. (See Section I.4(a)(ii) (Tikehau Capital's Business Model) of this Registration Document.)

(iii) Other information about the remuneration of corporate officers

The flows received by the Manager-General Partner of Tikehau Capital General Partner Company and its shareholder Tikehau Capital Advisors are of three kinds: (1) the remuneration of the Manager-General Partner of Tikehau Capital General Partner as described in paragraphs (i) and (ii) above, and (2) the dividends received by Tikehau Capital Advisors as a limited partner of the Company,

and (3) the share of about 27% received by Tikehau Capital Advisors in carried interest on the closed-end funds managed by the Group. Added to that is the share in the carried interest received by a shareholder structure of Tikehau Capital Advisors, which brings together some 40 corporate members of the Group (for 20%). (On carried interest, see Section I.4(a) (ii) (Tikehau Capital's Business Model) of this Registration Document.)

Apart from these items, there is no mechanism or agreement for the benefit (i) of Tikehau Capital General Partner, (ii) of Tikehau Capital Advisors (the sole partner of Tikehau Capital General Partner), (iii) of any of their shareholders or subsidiaries, or (iv) of any corporate officer of these companies (including AF&Co, MCH, Mr. Antoine Flamarion or Mr. Mathieu Chabran) under which the Company or a Group entity would be obliged to pay them amounts corresponding to remuneration (including under service agreements), compensation or benefits due or likely to be due to the assumption, exercise, termination or change in their duties or subsequent thereto, including pension and other lifetime benefits.

Information regarding stock option plans or free shares plans can be found in Section VIII.3(b)(ii) (free shares plans) of this Registration Document. It should be made clear that Mr. Antoine Flamarion and Mr. Mathieu Chabran have not benefited from any allocation of free shares.

Historical information on the remuneration of Tikehau Capital General Partner

Tikehau Capital General Partner became Manager-General Partner of the Company at the time of the conversion of the latter into a partnership limited by shares in the General Shareholders' Meeting held on 7 November 2016. Prior to its conversion into a partnership limited by shares, the Company had the legal form of a simplified joint stock company, whose Chairman (Tikehau Capital Advisors) was entitled to a fixed annual remuneration equal to 2% of the NAV of the Company (see the Glossary in Section X.5) and a variable annual remuneration of 12.5% of the Company's net result for each financial year. Tikehau Capital General Partner did not participate in the governance of the Company prior to its conversion into a partnership limited by shares.

The table below shows the remuneration received by Tikehau Capital Advisors in 2016. This historical data is provided for information only, and this information may not serve as an indication of the future remuneration of the Manager-General Partner of the Company, especially because of changes in the calculation method for such remuneration and the base effect resulting from the reorganisation operations that modified the Company's scope of consolidation (see Section II.2 (Reminder of reorganisation operations) of this Registration Document).

(in millions of €)	2016 ¹
Fixed remuneration (including taxes)	18.9
Variable remuneration (including taxes)	–
TOTAL	18.9

¹ For the period from 1 January to 7 November 2016.

Pursuant to the statutory provisions set out in (i) above, for financial year 2017, Tikehau Capital General Partner is entitled to receive remuneration of €26,798,549 (including share of non-recoverable VAT) for its duties as Manager of the Company. In accordance with the undertakings of the Company and in order to provide full information to the Company shareholders, this remuneration is shown and is set apart in the draft resolution on allocation of income for 2017 which is subject to approval by the Annual General Shareholders' Meeting of 25 May 2018 (3rd Resolution – See Chapter IX (Annual General Meeting) of this Registration Document).

In respect of financial year 2017, Tikehau Capital General Partner is entitled to receive a preferred dividend of €33,986,817.36 representing 12.5% of the Company's corporate net result as the sole general partner of the Company and in accordance with the provisions of the Articles of Association set out in (i) above.

The table below shows the amounts received or to be received by Tikehau Capital General Partner for the years 2016 and 2017 as Manager and the sole general partner of the Company.

(in millions of €)	Amounts to be received for financial year 2017	Amounts received for financial year 2016 ¹
Remuneration for the duties of Manager of the Company	26.8 ²	1.1 ³
Preferred dividend as sole general partner	34.0 ⁴	–
TOTAL	60.8	1.1

¹ For the period from 7 November to 31 December 2016.

² This amount is equal to 2% of the Company's consolidated shareholders' equity as at 31 December 2016 (€1,132.4 million) and includes the share of unrecoverable VAT (€4.2 million).

³ This amount is exclusive of tax and corresponds to an amount of €1.3 million (including tax).

⁴ This amount is equal to 12.5% of the Company's net result for the 2017 financial year (i.e., €271.9 million).

Information on the remuneration of the executive corporate officers of Tikehau Capital General Partner

The executive corporate officers of Tikehau Capital General Partner (*i.e.*, to date, AF&Co as Chairman and MCH as CEO) receive no remuneration from Tikehau Capital General Partner.

The proprietary interests of AF&Co and MCH are in Tikehau Capital Advisors, which ultimately receives the revenue streams from Tikehau Capital General Partner as Manager-General Partner (under the service agreement described in Section IV.5(a) (Ongoing significant agreements) of this Registration Document or as dividend distributions) and dividend flows as limited partner of the Company.

Tikehau Capital Advisors is an independent full-function company that has its own shareholding, its own investors (who are not identical to those of the Company), its own employees and its own operations. Therefore, the revenue stream that can be received by AF&Co and MCH or Mr. Antoine Flamarion and Mr. Mathieu Chabran, who are *inter alia* owners of part of the share capital of Tikehau Capital Advisors, does not reflect an executive's managerial incentive within the meaning of the AFEP-MEDEF Code.

(b) Attendance fees and other remuneration received by members of the Supervisory Board

According to Article 10.1 of the Company's Articles of Association, members of the Supervisory Board may receive attendance fees and remuneration the total annual amount of which is voted on by the General Shareholders' Meeting and whose distribution is decided by the Supervisory Board on the recommendation of the Appointment and Remuneration Committee.

The Supervisory Board's Internal Rules provide that the distribution of attendance fees takes into account in particular the effective participation of each member in the Meetings as well as the duties performed on the Board and its Committees, and is the subject of prior discussion by the Appointment and Remuneration Committee. The share of each member of the Supervisory Board is calculated in proportion to the duration of his or her term of office during the financial year.

The annual General Shareholders' Meeting of the Company held on 21 December 2016 had allocated an amount of €300,000 to the members of the Supervisory Board in respect of attendance fees for each financial year.

On the basis of the recommendations of the Appointment and Remuneration Committee, the Supervisory Board, at its Meeting on 29 March 2018, recommended that it be proposed to the combined General Shareholders' Meeting of the Company to be convened on 25 May 2018 that the amount of attendance fees should be increased from €300,000 to €400,000 in order to have the necessary flexibility in case additional members should be appointed

to the Supervisory Board or extra Meetings of the Board or one of the Committees be needed (5th resolution – See Chapter IX (Annual General Meeting) of this Registration Document).

At the same Meeting, the Board decided, on the recommendation of the Appointment and Remuneration Committee, that attendance fees would be allocated to the members of the Supervisory Board according to the following rules:

- a fixed portion of €7,000 per member and €25,000 for the Chairman; and
- a variable portion of €2,750 for each Meeting of the Supervisory Board attended by the member or the Chairman of the Committee.

The members of the specialized Committees also receive attendance fees, which are allocated to them according to the following rules:

- a fixed portion of €2,000 per member and €8,000 for the Chairman of each Committee; and
- a variable portion of €2,250 for each Meeting of a Committee attended by the member or the Chairman of the Committee.

It must be remembered that attendance fees are paid in year N+1 in respect of year N and that the Supervisory Board was formed on 7 November 2016 at the time of the conversion of the Company into a partnership limited by shares. No attendance fees have yet been paid to the members of the Company's Supervisory Board during 2017 and prior years. Attendance fees for the 2017 financial year will be paid to Supervisory Board members for the first time during the 2018 financial year in the manner described above.

During financial year 2016 and from 1 January to 31 March 2017, the Chairman of the Supervisory Board, Mr. Christian de Labriffe, was Chairman and Chief Executive Officer of Salvepar, which was merged into the Company on 30 November 2017. In respect of this office, in 2016 and 2017, Mr. Christian de Labriffe received an annual gross salary of €277,750 as total remuneration of any kind whatsoever from Salvepar or its affiliates for financial year 2016 and €69,437 for the period from 1 January to 31 March 2017, the date on which Mr. Christian de Labriffe's term of office with Salvepar ended.

In his capacity as Chairman of the Company's Supervisory Board, the only remuneration that Mr. Christian de Labriffe receives for his office are the attendance fees paid to him by the Company.

In addition, remuneration is paid by the Company to Parc Monceau, a company controlled by Mr. Christian de Labriffe, under a service agreement entered into with the Company on 29 March 2017 and which does not contemplate services related to the duties of Mr. Christian de Labriffe as Chairman of the Supervisory Board of the Company. Further details on this service agreement are provided in Section IV.5(a)(ii) (New significant agreements) of this Registration Document.

(c) Stock option plans and free shares plans

At the registration date of this Registration Document, the Company has not set up any share subscription or share purchase option plans.

On 1 December 2017, the Company set up two free shares plans for the benefit of employees of the Company and related companies or corporate groups to share with them the success of the Group since its creation and in particular to take into account its exceptional growth during the 2016 and 2017 financial years.

On 16 March 2018, the Company also set up a Tikehau Capital free shares plan replicating the terms of the Tikehau IM free shares plan that had been put in place in June 2016 in Tikehau IM. The allocation of Tikehau Capital shares under this plan was made in exchange for the waiver of all rights to Tikehau IM shares previously granted under the June 2016 plan.

The Company has decided to proceed with an allocation of free shares as part of the variable pay awards for 2017, which take the form of two free shares plans for employees of the Company or its related companies or corporate groups, approved by the Manager on 30 March 2018.

No corporate officer of the Company is a beneficiary under these five free shares plans. It should also be made clear that Mr. Antoine Flamarion and Mr. Mathieu Chabran have not benefited from any allocation of free shares.

These free shares plans are described in Section VIII.3(b)(ii) (free shares plans).

The description of the financial delegations approved by the General Shareholders' Meeting of the Company of 21 December 2016 (including in regard to allocation of free shares and stock subscription and or/purchase options) can be found in Section VIII.3(c) (Summary table of delegations) of this Registration Document.

None of the Group subsidiaries have implemented stock subscription or purchase option plans or free shares plans.

(d) Amounts set aside or accrued by the Company or its subsidiaries to provide pension, retirement or similar benefits

The Company has neither provisioned nor recorded any sum for the purpose of paying pensions, retirement or other benefits for its management or corporate officers or those of its subsidiaries.

(e) Exceptional types of remuneration linked to the completion of the Company's listing

There is no plan for exceptional remuneration (bonuses, premiums, free shares, stock subscription and/or purchase options, benefits in kind, etc.) linked to the listing of the Company's shares on the regulated market of Euronext Paris.

4. PREPARATION AND ORGANISATION OF THE WORK CARRIED OUT BY THE SUPERVISORY BOARD

The preparation and organisation of the work carried out by the Supervisory Board fall within the framework defined by the laws and regulations applicable to partnerships limited by shares, the Articles of Association of the Company and the Internal Rules of the Supervisory Board.

The Internal Rules of the Company, as adopted by the Company's Supervisory Board on 29 March 2018, specify:

- the duties and powers of the Supervisory Board;
- the obligations of the members of the Board (the professional ethics on stock market transactions, acting on behalf of the Company, transparency, disclosure of conflicts of interest and duty of abstention, confidentiality, etc.) and the independence criteria for its members;
- the practices of the Board (frequency of Meetings, invitations to attend, information to members, use of means of video conferencing and telecommunication) and of the Committees (Audit and Risk Committee, and Appointment and Remuneration Committee); and
- the rules for determining the remuneration of Board members.

This Section IV.4 contains substantial extracts from the Internal Rules of the Company's Supervisory Board. The Internal Rules of the Company's Supervisory Board are available on the Company's website (www.tikehaucapital.com, under the heading "Governance and teams").

(a) Supervisory Board

(i) Composition of the Supervisory Board

The Company's Articles of Association lay down that the Supervisory Board should be made up of between three and 18 members. At the registration date of this Registration Document, the Supervisory Board is composed of 11 members, presented in Section IV.1(b)(ii) (Presentation of the Supervisory Board members) of this Registration Document.

The Company's Supervisory Board was set up following the transformation of the Company into a *société en commandite par actions* (partnership limited by shares) and its composition evolved as part of the listing of the Company's shares on the regulated market of Euronext Paris. (See Section IV.1(b)(i) (Composition of the Supervisory Board) and Section II.2 (Reminder of the reorganisation operations) of this Registration Document.)

In connection with the proposed listing of the Company's shares on the regulated market of Euronext Paris, several agreements were concluded concerning the composition of the Supervisory Board:

- Tikehau Capital Advisors, Fakarava Capital, MACSF épargne retraite, Crédit Mutuel Arkéa and Neufilze Vie entered into a shareholders' agreement concerning the

Company on 23 January 2017. The agreement provides that the parties shall consult with one another prior to any Meeting of the Company's Supervisory Board or General Meeting of Shareholders for the purpose of agreeing on a common general policy for the Company. This agreement lays down that the parties shall ensure that a member of the Supervisory Board is appointed on the basis of a proposal from each party to the agreement holding at least 5% of the Company's share capital. (See Section VIII.4(b) (Control of the Group) of this Registration Document.)

- On 6 January 2017, the Company and its major shareholders concluded an agreement on an investment of €50 million in the Company by the Fonds Stratégique de Participations. This agreement was accompanied by a commitment to appoint a representative of the Fonds Stratégique de Participations on the Company's Supervisory Board. (See Section VIII.4 (Information on control and major shareholders) of this Registration Document.)

Subject to this clarification, no arrangements or agreements have been entered into with the main shareholders, or with clients or suppliers, under which a member of the Supervisory Board has been appointed as member of the Company's Supervisory Board.

The Supervisory Board is renewed each year on a rolling basis, such that a portion of the Supervisory Board members is replaced annually.

Under the provisions of Article 10.1 of the Company's Articles of Association, each member of the Supervisory Board is appointed for four years, subject to legal provisions allowing the extension of this term of office, and each Supervisory Board member's duties cease at the end of the General Shareholders' Meeting called to decide upon the financial statements of the year ended, convened in the year during which that Supervisory Board member's term of office expires. By way of exception, the General Shareholders' Meeting may, in order to implement or maintain the above-mentioned rolling-basis renewal, appoint one or several members of the Supervisory Board for a different duration up to five years, in order to allow for a staggered renewal of the Supervisory Board members' terms. The duties of all Supervisory Board members appointed in this manner for a term of up to five years cease at the end of the General Shareholders' Meeting called to decide upon the financial statements of the year ended and convened in the year during which that Supervisory Board member's term of office expires. As described in Section IV.1(b)(i) (Composition of the Supervisory Board) of this Registration Document, these statutory provisions were applied when the Company's Supervisory Board was constituted in order to ensure a staggered rotation of its members' terms of office.

The number of members of the Supervisory Board over the age of seventy-five may not exceed one third of the members in office; if this proportion is exceeded, the

members who must leave the Supervisory Board in order to restore compliance with this proportion will be deemed to have resigned, starting with the oldest.

If there is a vacancy as a result of death, resignation or for any other reason, the Supervisory Board may temporarily co-opt one or more members as a replacement for the remaining term of office of the replaced member; any co-option shall be approved by the next Ordinary General Shareholders' Meeting; If it is not, the decisions of the Supervisory Board taken during the term of office of the co-opted member shall remain valid nonetheless.

The list of members of the Company's Supervisory Board, including their duties, the offices they hold in other companies, their age and the dates of commencement and expiry of their terms of office, is contained in Section IV.1(b) (ii) (Presentation of the Supervisory Board members) of this Registration Document.

It should be noted that the Supervisory Board does not include any member representing employees and/or employee shareholders and that the Company is not bound by any obligation to make such an appointment (under the provisions of Article L.226-5-1 of the French Commercial Code).

Article 3 of the Supervisory Board's Internal Rules requires that members of the Supervisory Board directly or indirectly own at least 200 shares of the Company throughout their term on the Board. The number of shares of the Company held by each member of the Supervisory Board on the registration date of this Registration Document is set out in Section VIII.4(d) (Shares held by corporate officers).

(ii) Diversity policy applied to members of the Supervisory Board

At its Meeting on 29 March 2018, the Supervisory Board, after consulting the Appointment and Remuneration Committee, adopted a diversity policy defining the Company's objectives with regard to the diversified composition of its Supervisory Board and how they are implemented. This diversity policy has been included as an appendix to the Supervisory Board's Internal Rules.

The Supervisory Board's diversity policy is available on the Company's website as an appendix to the Supervisory Board's Internal Rules (www.tikehaucapital.com, under the heading "Governance and teams").

The Company is aware that diversity in the composition of the Supervisory Board is an essential factor in its effectiveness because it is likely to prevent "groupthink" and to foster the expression of independent points of view that contribute to effective supervision of the Group's management and good governance of the Company.

Objectives of the Board's diversity policy

The composition of the Supervisory Board must ensure a balance between the various skills, experience and expertise relevant to understanding the Group's business, its results and outlook as well as the economic and regulatory environment in which the Group operates.

It must also reflect the diversity of the Group's stakeholders (shareholders and partners) by bringing together diverse

profiles, in terms of professional experience, including international experience, as well as culture, training and gender diversity.

Criteria taken into account for the assessment of diversity on the Board

Diversity within the Supervisory Board is mainly assessed in light of the following criteria:

- **Qualification and professional experience:** the Board must bring together leading personalities from diverse backgrounds (banking and financial sector, national and international institutions, entrepreneurs, etc.) who are capable of taking into account the particularities of the Group's business with, for some, an international aspect as a result of their present or past professional experience, their training or their origin.

Through the profile of its members (presented in Section IV.1(b) (ii) (Presentation of the Supervisory Board members) of this Reference Document), the current composition of the Board ensures a diversity of qualifications and professional experience (including international experience) that seems suited to the Group's needs and business (bankers and lawyers, managers of mutual funds, investment companies, investment funds, professional associations, etc.).

- **Gender balance:** the composition of the Supervisory Board must ensure a balanced representation of men and women in proportions consistent with the applicable legal requirements.

At the registration date of this Registration Document, the Supervisory Board has five women out of a total of 11 members, representing a 45.5% rate of gender balance and thus complies with the provisions of Article L.226-4-1 of the French Commercial Code stipulating that the proportion of men or women on the Board may not be less than 40%. In addition, there is a woman on each of the Board's Committees and the Board has appointed a woman, Ms. Fanny Picard, as chair of the Appointment and Remuneration Committee.

- **Age:** the composition of the Board must comply with statutory provisions requiring that the number of Supervisory Board members over the age of seventy-five may not exceed one third of the members in office and that if this proportion is exceeded, the members who must leave the Supervisory Board in order to restore compliance with this proportion will be deemed to have resigned, starting with the oldest.

At the registration date of this Registration Document, no member of the Supervisory Board exceeds the age of seventy-five.

Implementation of the Board's diversity policy

It is the task of the Appointment and Remuneration Committee to identify and recommend to the Supervisory Board candidates who are suitable to be appointed members of the Supervisory Board and whose candidacy is submitted to the shareholders for a vote.

To do this, the Committee determines the profile of candidates for Supervisory Board positions, taking into account the balance of knowledge, skills, experience and diversity within the Board.

The Committee considers candidates from diverse backgrounds and examines them according to their merit and on the basis of objective criteria while taking into account their impact on the diversity of the Board.

Review and update

The Appointment and Remuneration Committee reviews the Supervisory Board's diversity policy and the results achieved during the past year, and presents the results of this review to the Board. The Appointment and Remuneration Committee may, if it considers it appropriate, formulate quantified objectives with regard to the various criteria to be taken into account in order to encourage the diversity of the Supervisory Board.

Every year, the Supervisory Board assesses the implementation of the Board's diversity policy as part of the annual evaluation of its practices, updates its content in line with the Group's developments and strategy, and adopts any changes that it may consider likely to enhance its effectiveness.

(iii) Independence of the members of the Supervisory Board

A Board member is independent when he or she has no relationship of any kind with the Company, its Group or its Management that might compromise the independence of his or her judgement.

The criteria for independence that must be examined by the Supervisory Board to qualify as an independent member and to prevent potential conflicts of interest between that member and the Management, the Company or Tikehau Capital, are those referred to in Article 8.5 of the AFEP-MEDEF Code and are listed in Article 1 of the Internal Rules of the Company's Supervisory Board.

These criteria include:

- not to be an employee or not to have been so in the previous five years:
 - executive corporate officer of the Company,
 - employee or executive corporate officer or Director of any company within the Company's consolidated Group,
 - employee, executive corporate officer or Director of the parent company of the Company or of a company within the consolidated scope of the parent company;
- not to be an executive corporate officer of a company in which the Company directly or indirectly holds a directorship

or in which an employee designated as such or an executive corporate officer of the Company (currently or within the last five years) holds a directorship;

- not to be a client, supplier or major banker or financing banker (i) of the Company or its Group or (ii) for which the Company or its Group accounts for a significant part of its business; it must be noted that the assessment of the criterion of whether the relationship with the Company or Group is significant must be discussed by the Supervisory Board on the proposal of the Appointment and Remuneration Committee and the criteria leading to this assessment (continuity, economic dependence, exclusivity, etc.) detailed in the Company's Registration Document;
- not to have close family ties with a Corporate officer;
- not to have been the Company's statutory auditor in the last five years;
- not to be a Director of the Company for more than 12 years. The status of Independent Director lapses after 12 years.

The Supervisory Board may consider that a member of the Supervisory Board, while fulfilling the above criteria, should not be considered independent given their particular circumstances or for any other reason. Conversely, the Supervisory Board may consider that a member who does not strictly fulfil all the criteria mentioned above is nevertheless independent.

The status of each member should be discussed and reviewed annually by the Appointment and Remuneration Committee and then by the Supervisory Board in light of these independence criteria and prior to the publication of the Registration Document.

At present, the Supervisory Board is composed of six independent members out of its 11 members, representing a proportion of independent members of 54.5%. The Company therefore complies with the recommendations of the AFEP-MEDEF Code which, in the case of a controlled company, require that the Supervisory Board is comprised at least one third of independent members (Article 8.3 of the AFEP-MEDEF Code).

At its Meeting of 29 March 2018, the Supervisory Board reviewed the independence of each of its members on the basis of assessments conducted by the Appointment and Remuneration Committee. The following table summarises the reasons which led to the conclusion that some of its members were not independent:

Name	Independent	Reason
Roger Caniard	No	Insofar as Mr. Roger Caniard is an employee of MACSF, a group that holds more than 10% of the Company's share capital and voting rights, acts in concert with the Group's controlling shareholder, and maintains a business relationship with Tikehau Capital, the Supervisory Board considered that Mr. Roger Caniard did not meet the independence criteria set out in Article 8.5 of the AFEP-MEDEF Code.
Jean Charest	Yes	In the absence of significant business ties between Mr. Jean Charest and Tikehau Capital, as assessed by the Supervisory Board, the Supervisory Board considered that all the criteria set out by Article 8.5 of the AFEP-MEDEF Code were met.

Name	Independent	Reason
Jean-Louis Charon	Yes	In the absence of significant business ties between Mr. Jean-Louis Charon and Tikehau Capital, as assessed by the Supervisory Board, the Board considered that all the criteria set out by Article 8.5 of the AFEP-MEDEF Code were met. The Board considered that Mr. Jean-Louis Charon's position as Director of Fakarava Capital, from which he resigned on 8 March 2018, did not affect his independence with regard to the activities of this company.
Jean-Pierre Denis	No	Insofar as Mr. Jean-Pierre Denis is Chairman of Crédit Mutuel Arkéa, a group that acts in concert with Tikehau Capital Advisors, the Group's controlling shareholder (see Section VIII.4(b) (Control of the Group) of this Registration Document), and maintains business relations with Tikehau Capital, the Supervisory Board considers that Mr. Jean-Pierre Denis did not meet the independence criteria set out in Article 8.5 of the AFEP-MEDEF Code.
Christian de Labriffe	No	Insofar as Mr. Christian de Labriffe is a partner of Tikehau Capital Advisors, the controlling shareholder of the Company, and a service provider of the Company, the Board considered that Mr. Christian de Labriffe did not meet the independence criteria set out in Article 8.5 of the AFEP-MEDEF Code.
Florence Lustman (permanent representative of the Fonds Stratégique de Participations)	No	Insofar as the Fonds Stratégique de Participations, of which Ms. Florence Lustman is the permanent representative, is a Director of Tikehau Capital Advisors, the controlling shareholder of the Company, the Board considered that Ms. Florence Lustman did not meet the criteria of independence set out in Article 8.5 of the AFEP-MEDEF Code.
Anne-Laure Naveos	No	Insofar as Ms. Anne-Laure Naveos is employee of Crédit Mutuel Arkéa, a group that acts in concert with Tikehau Capital Advisors, the Group's controlling shareholder (see Section VIII.4(b) (Control of the Group) of this Registration Document), and maintains business relationships with Tikehau Capital, the Supervisory Board considers that Ms. Anne-Laure Naveos did not meet the independence criteria set out in Article 8.5 of the AFEP-MEDEF Code.
Fanny Picard	Yes	In the absence of any conflict of interest identified, the Supervisory Board considered that all the criteria set out in Article 8.5 of the AFEP-MEDEF Code were met.
Constance de Poncins	Yes	In the absence of any conflict of interest identified, the Supervisory Board considered that all the criteria set out in Article 8.5 of the AFEP-MEDEF Code were met.
Léon Seynave (permanent representative of Troismer)	Yes	In the absence of significant business ties between Mr. Léon Seynave and Tikehau Capital, the Supervisory Board considered that all the criteria set out in Article 8.5 of the AFEP-MEDEF Code were met. The Board considered that the position as Director of Fakarava Capital, exercised by Établissement Raymond De Groodt, of which Léon Seynave is the permanent representative and from which it resigned on 8 March 2018, did not affect the independence of Mr. Léon Seynave with regard to the activities of this company.
Natacha Valla	Yes	In the absence of any conflict of interest identified, the Supervisory Board considered that all the criteria set out in Article 8.5 of the AFEP-MEDEF Code were met.

To the knowledge of the Company, as at the registration date of this Registration Document there exist no family relationships between members of the Supervisory Board or between Supervisory Board members and the representatives of the Company's Manager.

To the knowledge of the Company, in the last five years: (i) none of the above-mentioned persons have been sentenced for fraud, (ii) none of the above-mentioned persons have been involved in any bankruptcy, receivership or liquidation, (iii) no official public incrimination and/or sanction has been pronounced on any of the above-mentioned persons by

any statutory or regulatory authorities (including designated professional bodies), and (iv) none of the above-mentioned persons have been disqualified by a court from acting as a member of an administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

Further information about the conflict of interest risks identified and dealt with by members of the Supervisory Board is contained in Section IV.4(e) (Conflicts of interest) of this Registration Document.

(iv) Organisation of the work carried out by the Supervisory Board

The procedures for the organisation and operation of the Board are governed by the Company's Articles of Association and by the Supervisory Board's Internal Rules.

In addition to the duties and responsibilities of the Supervisory Board, its Internal Rules recall the duties and obligations of its members, in particular with regard to the confidentiality of privileged information.

The Internal Rules also reiterate the obligation for each of its members to inform the Supervisory Board of any actual or potential conflict of interest with the Group in which they might be involved directly or indirectly. In such a case, they must refrain from participating in discussions and decisions on the matters in question. The Chair may also request that member not attend the Meeting.

The Internal Rules recall the rules applicable to transactions by corporate officers in the Company's shares. Every year all members of the Board receive a reminder of these provisions and *ad hoc* information in the event of significant changes. Supervisory Board members' obligations in regard to the securities markets are set out in the Company's Stock Market Professional Code adopted by the Supervisory Board at its Meeting on 5 January 2017.

The Supervisory Board shall meet as often as the interests of the Company require and at least four times a year. The Supervisory Board's Internal Rules authorise its members to participate in meetings by means of videoconferencing or telecommunications permitting their identification and guaranteeing their effective participation. The deliberations of the Supervisory Board take place under the conditions of quorum and majority required by law and, in the event of a tie, the Chairman of the Meeting has the casting vote.

The Internal Rules also lay down the rules of practice of the permanently established Committees, namely the Audit and Risk Committee, and the Appointment and Remuneration Committee.

(v) Duties and practices of the Supervisory Board

The Supervisory Board shall oversee the management of the Company at all times (in particular its individual and consolidated accounts), may convene the General Shareholders' Meeting and approves the agreements set out in Article L.226-10 of the French Commercial Code. The Supervisory Board is involved in the Group's strategy and investment policy as part of its mission of ex-post monitoring.

For the purpose of exercising its permanent monitoring powers:

- the Supervisory Board may carry out at any time of the year all checks and controls it deems appropriate. It may request any documents it needs to accomplish its mission;
- at least four times a year, or more often if requested by the Board, the Managers shall present to the Board a report on the status and progress of corporate affairs, which is to be prepared according to the terms requested by the Board;
- within three months after the close of the financial year, the Managers shall present to the Board the annual and consolidated financial statements, for the purpose of verification and control;

- the Managers shall submit to the Supervisory Board its annual operating targets and at least once a year, its long-term strategic projects;

- the Supervisory Board shall present to the annual General Shareholders' Meeting a report in which it notes, inter alia, any irregularities and inaccuracies in the annual and consolidated financial statements, and comments on the management of the Company; the Supervisory Board shall prepare and approve, in accordance with Article L.226-10-1 of the French Commercial Code, the report on corporate governance containing the information mentioned in Articles L.225-37-3 to L.225-37-5 of the French Commercial Code;

- the Supervisory Board shall deliberate annually on the policy of the Company regarding equal employment and pay;

- the agreements referred to in Article L.226-10 of the French Commercial Code are subject to the prior approval of the Supervisory Board;

- the Supervisory Board shall ensure that the formalities of amending the Company's Articles of Association are performed correctly;

- the Supervisory Board shall maintain a watch over the quality of information provided by the Group to its shareholders and the financial markets through the Company and Group financial statements published by the Managers and the annual report prepared by the Managers, or during major transactions.

The Supervisory Board may seek assistance from experts of its choice, at the expense of the Company. It has the broadest powers of investigation and may submit written questions to the Managers, or even request at any time that it submit information.

At its meeting of 8 March 2018, the Appointment and Remuneration Committee considered that the appointment of a lead member within the Supervisory Board would improve the Company's governance and has initiated a reflection on the definition of such lead member's responsibilities and status, while leaving to the Supervisory Board the benefit of a full year of operation in its current composition (as determined on 28 February 2017 in the context of the Company's listing in March 2017 (see Section II.2 (Reminder of the reorganisation operations) of this Registration Document)) prior to proceeding to his or her effective appointment.

(vi) Activities of the Supervisory Board

The provisional schedule of meetings is sent to Supervisory Board members before the beginning of each year and notices to attend, accompanied by the agenda and technical files submitted for their consideration, are sent out observing a reasonable period of notice, generally at least one week before the date of each meeting, subject to circumstances that might dictate a shorter notice period. The technical file sent contains the items on the agenda of the meeting, the draft minutes of the previous meeting and all documents that require special analysis and prior consideration depending on the agenda.

The Company's Supervisory Board was set up following the transformation of the Company into a partnership limited by shares on 7 November 2016. The Board met five times in the course of 2017. In 2017, the average attendance rate of the members of the Supervisory Board was 89%.

The main points discussed during the meetings of the Supervisory Board during the 2017 financial year were the following:

Governance:

- approval of the 2016 report of the Chairman of the Supervisory Board on the preparation and organisation of the work carried out by the Board and the internal control procedures implemented by the Company;
- review of the independence of the members of the Supervisory Board;
- review of the application of the AFEP-MEDEF Code;
- approval of the Internal Rules and a Stock Market Professional Code;
- deciding on the composition of the Audit and Risk Committee and the Appointment and Remuneration Committee;
- review of the agenda of the Annual General Shareholders' Meeting;
- review of the work of the Audit and Risk Committee and the Appointment and Remuneration Committee;
- review of draft regulated agreements.

Finance:

- examination of the annual, consolidated and *pro forma* financial statements for the year ended 31 December 2016;
- review of half-year results as at 30 June 2017;
- report of the Supervisory Board to the Annual General Shareholders' Meeting.

Strategy and operations:

- review of the proposed stock-for-stock and cash bid for the ordinary shares and ORNANEs of its subsidiary Salvepar as part of the reorganisation of the Group; and
- regular updates on the activity, points of special vigilance, the results for each of the Group's business lines, the implementation of the strategy, the outlook, the investment projects, and the investments and financing of the Company.

(vii) Evaluation of the work carried out by the Supervisory Board

The Supervisory Board's Internal Rules lay down that at least once a year the Supervisory Board should devote an item on its agenda to a debate on its practices in order to improve its effectiveness. A formal assessment is carried out at least every three years, possibly under the direction of an independent Board member, if necessary with the help of an external consultant. Each Committee set up permanently must carry out an evaluation of its practices under the same terms and with the same frequency and must report its conclusions to the Board.

The Supervisory Board's Internal Rules specify that the Appointment and Remuneration Committee is in charge of steering the evaluation of the composition, organisation and practices of the Supervisory Board.

The Supervisory Board was formed on 7 November 2016, when the Company was converted into a partnership limited by shares, and its composition also changed at the time when the Company's shares were listed on the regulated market of Euronext Paris (see Section II.2 (Reminder of the reorganisation operations) of this Registration Document), as the Supervisory Board has comprised 11 members since 28 February 2017.

For these reasons, the first annual assessment of the composition, organisation and practices of the Board will be carried out in financial year 2018 on the basis of a self-assessment questionnaire. The Appointment and Remuneration Committee will meet to summarise the questionnaires received and the Board will then devote an item of its agenda to an in-depth analysis of the main conclusions reached in this evaluation.

(b) Supervisory Board Committees

In accordance with Article 10.3.3 of the Company's Articles of Association and a decision of the Supervisory Board of 5 January 2016, and in keeping with the undertakings made by the Company as part of its listing, the Company's Supervisory Board has decided to create two Supervisory Board Committees: an Audit and Risk Committee and an Appointment and Remuneration Committee, whose composition, powers and rules of functioning are described below.

The composition of these Committees was approved on 22 March 2017, after the listing of the Company's shares on the regulated market of Euronext Paris. (See Section IV.1(d) (Supervisory Board Committees) of this Registration Document.)

Article 6 of the Supervisory Board's Internal Rules specifies the composition, meeting arrangements and powers of the Committees, which have been established in accordance with the recommendations of the AFEP-MEDEF Code.

(i) Audit and Risk Committee

Composition, chairmanship and Meetings

The Audit and Risk Committee shall consist of at least three members (who may be non-voting) of which two thirds are independent members and should not include any executive corporate officer.

The Chair of the Audit and Risk Committee convenes the Committee and sets the agenda or main purpose of the Meetings, particularly in view of the demands of its members, in accordance with the powers of this Committee as set out below. Committee members must have been provided sufficient time before the meeting with the information enabling them to make an informed opinion.

Each member of the Audit and Risk Committee may request the Chair of the Committee to add one or various points to the agenda, in accordance with the powers of the Committee. The Chair of the Committee leads the discussions and reports to the Supervisory Board on the recommendations made by the Committee.

The Supervisory Board may refer to the Audit and Risk Committee a specific request within the scope of its powers

and request the Chair of that Committee to convene a Meeting on a specific agenda.

In order to be considered quorate, at least half of the members of the Audit and Risk Committee must be present. The opinions and recommendations that the Committee passes on to the Supervisory Board shall be adopted by a majority of its members present or represented.

Minutes are drawn up for each Meeting of the Audit and Risk Committee which shall be communicated to its members. The minutes must record the opinions of any Committee member, if the latter so requests.

The Audit and Risk Committee may from time to time make use of the opinion of any person, including third parties, who might shed light on its deliberations.

Powers

Under the responsibility of the Supervisory Board, the Audit and Risk Committee has the following duties:

- to examine the draft statutory and consolidated financial statements of the Company to be submitted to the Supervisory Board, in particular to verify the conditions under which they are prepared and to ensure the relevance and consistency of the accounting principles and methods applied;
- to consider the choice of standard of the account consolidation and the scope of consolidation of Group companies;
- to study the changes and adaptations of accounting principles and rules used to prepare these financial statements and to prevent any breach of these rules;
- to examine the consistency and effectiveness of mechanisms implemented for internal control procedures, risk management, professional ethics and, where appropriate, internal auditing, as regards the procedures for the preparation and processing of accounting and financial information, without prejudice to its independence;
- to examine the section of the report concerning the main characteristics of the internal control procedures and risk management procedures put in place by the Company for the preparation and processing of accounting and financial information as contemplated in Article L.225-100-1 Part I paragraph 5 of the French Commercial Code;
- to consider, if necessary, the regulated agreements within the meaning of Article L.226-10 of the French Commercial Code that fall under its jurisdiction;
- to conduct the selection process for the Statutory Auditors and to give advice to the Managers on their appointment or renewal, as well as on their remuneration;
- to ensure the independence of the Statutory Auditors, in particular through a review of the breakdown of the fees paid to them and the network to which they might belong and through a prior approval of the provision of services mentioned in Article L.822-11-2 of the French Commercial Code; and
- to examine the Statutory Auditors' work programme and, in general, to follow the progress of their assignment.

Activities

The Audit and Risk Committee met three times in 2017 and the average attendance rate of the members of this Committee was 89%.

The main subjects it addressed were the following:

- review of the condensed consolidated financial statements for 1st half 2017 and presentation by the Statutory Auditors of the conclusions of their work;
- organisation of the external audit;
- presentation by the Statutory Auditors of their audit approach for the 2017 close;
- organisation of the internal audit;
- presentation of the internal audit plan for 2nd half 2017;
- internal audit priorities for 2018;
- organisation of internal control and risk management; and
- mapping of major risks.

(ii) Appointment and Remuneration Committee

Composition, chairmanship and meetings

The Appointment and Remuneration Committee shall be composed of at least three members (who may be non-voting), a majority of whom shall be independent and chaired by an independent member and may not include any executive corporate officer.

The Chair of the Appointment and Remuneration Committee convenes the Committee and sets the agenda or main purpose of the Meetings, particularly in view of the demands of its members, in accordance with the powers of this Committee as set out below. Committee members must have been provided sufficient time before the Meeting with the information enabling them to make an informed opinion.

Each member of the Appointment and Remuneration Committee may request the Chairperson of the Committee to add one or various points to the agenda, in accordance with the powers of the Committee.

The Chair of the Committee leads the discussions and reports to the Supervisory Board on the recommendations made by the Committee.

The Supervisory Board may refer to the Appointment and Remuneration Committee a specific request within the scope of its powers and request the Chair of that Committee to convene a Meeting on a specific agenda.

In order to be considered quorate, at least half of the members of the Appointment and Remuneration Committee must be present. The opinions and recommendations that the Committee passes on to the Supervisory Board shall be adopted by a majority of its members present or represented.

Minutes are drawn up for each Meeting of the Appointment and Remuneration Committee which are communicated to its members. The minutes must record the opinions of any Committee member, if the latter so requests.

The Appointment and Remuneration Committee may from time to time make use of the opinion of any person, including third parties, who might shed light on its deliberations.

Powers

The duties of the Appointment and Remuneration Committee, under the responsibility of the Supervisory Board, are to review annually and to prepare proposals and opinions that it will communicate to the Supervisory Board, on:

- the principles of the remuneration policy, and in particular the variable remuneration policy, of the Group as a whole, the periodic review of the appropriateness and effectiveness of this policy taking into account all the factors it deems necessary, including the Group's strategy, its monitoring for the persons concerned in accordance with the applicable regulations, the share subscription or purchase plans and free shares plans as well as the principles and procedures for setting up long-term incentive plans;
- overseeing the development and implementation of the remuneration policy of the Group's portfolio management companies for the staff covered by the AIFM and UCITS V Directives, in particular for the members of the management bodies, the risk takers, managers of the control functions, in particular the Head of Risk Management and, where applicable, the Head of Compliance, the managers of the support functions and any assimilated staff in terms of total remuneration package;
- the review of the appointment of external pay consultants whom it may be decided to use; and
- the amount of the budget for attendance fees to be submitted to the General Shareholders' Meeting and the distribution of this budget among the members of the Supervisory Board and the remuneration of non-voting members.

The Committee monitors the implementation of the remuneration policy to ensure compliance with policies and regulations.

Furthermore, the Committee is responsible for:

- identifying and recommending to the Supervisory Board candidates suitable for appointment as members of the Supervisory Board and whose nomination is subject to a shareholder vote, and assessing the independence criteria for members qualified as independent;
- steering the evaluation of the composition, organisation and practices of the Supervisory Board;
- defining the diversity policy applied to the members of the Board and to undertake an annual review of this policy and the results obtained during the year; and
- ensuring that the Board is not dominated by one person or a small group of people, in a manner prejudicial to the interests of the Group.

Activities

The Appointment and Remuneration Committee met twice in 2017 and the average attendance rate of the members of this Committee was 100%.

The main subjects it addressed were the following:

- free shares plans for Group employees;
- the status of Tikehau Capital's governance; and
- the work programme for 2018 and ways to improve governance.

(c) Participation in General Meetings

The participation of ordinary shareholders in the General Shareholders' Meeting of the Company takes place under the conditions provided for by law and the stipulations of Article 11.1 of the Company's Articles of Association. (See Section IV.2 (General Shareholders' Meetings) of this Registration Document.)

In accordance with Article R.225-85 of the French Commercial Code, those shareholders shall be permitted to attend the Meeting who prove their status by the registration of the shares in their own name or in the name of the intermediary duly registered on their behalf by the second business day preceding the Meeting, either in the registered securities accounts, or in the bearer securities accounts kept by an intermediary referred to in Article L.211-3 of the French Monetary and Financial Code.

For ordinary registered shareholders, the registration of the shares at D-2 in the registered share accounts is sufficient to enable them to attend the Meeting.

For ordinary shareholders holding bearer shares, it is for the intermediaries referred to in Article L.211-3 of the French Monetary and Financial Code, which keep the bearer securities accounts who must certify the shareholder title of their clients directly to the organiser of the Meeting by issuing a certificate of participation attached to the single form for vote by correspondence or proxy ballot or request for an admission card in the name of the shareholder or on behalf of the shareholder represented by the registered intermediary. However, if a holder of bearer shares wishes to attend the Meeting and has not received an admission card, they must ask their financial intermediary to issue a certificate of participation that will allow them to prove their shareholder title on D-2 in order to be admitted to the Meeting.

Meetings are held at the registered office or any other place specified in the convening notice.

(d) Corporate governance

In accordance with the provisions of Articles L.225-37 and L.225-68 of the French Commercial Code, with reference to Article L.226-10-1 of the French Commercial Code, the Supervisory Board has decided to use a corporate governance code as a standard.

In view of its size, its organisation and its business, the Company decided to adopt the principles and recommendations of the AFEP-MEDEF Code. The AFEP-MEDEF Code can be consulted online at www.medef.com/fileadmin/www.medef.fr/documents/AFEP-MEDEF/2017/Code_de_gouvernement_d'entreprise_des_societes_cotees_novembre_2016.pdf. The objective of the Company is to comply with best practices in corporate governance for a company of its size and bearing in mind its legal structure. A summary of the application of the provisions of the AFEP-MEDEF Code by the Company is given in Section IV.4(f) (Application of the AFEP-MEDEF Code) of this Registration Document.

(e) Conflicts of interest**(i) Management of conflicts of interest**

The Internal Rules of the Supervisory Board provide that any member of the Supervisory Board in a conflict of interest, even a potential one, with the Group and in which he or she could directly or indirectly be involved, in particular because of an office he or she holds in another company, must inform the Supervisory Board. As applicable, the relevant member must abstain from taking part in the vote on the matter concerned or even in the discussion preceding the vote, must refrain from attending Board meetings during the period in which there is a conflict of interest situation, or must resign as member of the Supervisory Board. The Chair of the Board may also request that member not participate in the discussion and vote.

Furthermore, the Internal Rules also provide that the direct or indirect participation of a member of the Supervisory Board in a transaction in which Tikehau Capital is directly involved or of which he or she is aware as a member of the Board, must be brought to the attention of the Board prior to its conclusion.

A member of the Supervisory Board may not accept directorships in a personal capacity in companies or in business directly or indirectly competing with the Group without first informing the Board.

(ii) Conflicts of interest on the Supervisory Board

To the knowledge of the Company and with the exception of the relationships described in this Section, Section IV.1 (Administrative and management bodies) or Section VIII.4 (Information on control and major shareholders) of this Registration Document, at the registration date of this Registration Document, there are no conflicts of interest between the duties to the Company of the members of the Supervisory Board and the Managers of the Company, and their private interests.

To supplement the information contained in this Registration Document in Section IV.4(a)(iii) (Independence of the members of the Supervisory Board), the following information is specified for members of the Supervisory Board of the Company:

Name	Reason
Roger Caniard	The MACSF group, to which Mr. Roger Caniard belongs, is a major investor in vehicles managed by the Group.
Jean Charest	No significant business relationship has been identified between the Group and Mr. Jean Charest or his employer, with the exception of a service agreement between the Company and Chardi.Inc, a company of which Mr. Jean Charest is a corporate officer and shareholder (described in Section IV.5(a) (Description of new or ongoing significant agreements) of this Registration Document). As a result of Mr. Jean Charest's profession as partner with the law firm McCarthy-Tétrault and the professional rules of conduct applicable to his profession, content and remuneration were not considered as likely to jeopardize the independent judgement of Mr. Jean Charest or to create a conflict of interest. (See Section IV.5) (Related party transactions) of this Registration Document.)
Jean-Louis Charon	The Group has invested in various projects or companies managed by Mr. Jean-Louis Charon or in which he has positions of responsibility. However, the Supervisory Board considered that these business relationships were not likely to undermine his independence (i) in view of the percentage of the amounts invested by the Group in these projects compared to the Company's assets or compared to the assets managed by Mr. Jean-Louis Charon's group, and (ii) given the fact that the Group and its stakeholders have a negligible role in the management of these projects.
Jean-Pierre Denis	The group Crédit Mutuel Arkéa to which Mr. Jean-Pierre Denis belongs is a major investor in vehicles managed by the Group.
Christian de Labriffe	Mr. Christian de Labriffe holds less than 5% of Tikehau Capital Advisors, the controlling shareholder of the Company, and is, moreover, a service provider of the Company through his company Parc Monceau (described in Section IV.5(a) (Description of new or ongoing significant agreements) of this Registration Document). (See Section IV.5) (Related party transactions) of this Registration Document.)
Florence Lustman (permanent representative of the Fonds Stratégique de Participations)	No significant business relationship has been identified between the Group and (i) Ms. Florence Lustman, or (ii) the Fonds Stratégique de Participations of which Ms. Florence Lustman is the permanent representative on the Supervisory Board. La Banque Postale, the employer of Ms. Florence Lustman, invests in the funds of Tikehau Capital but these investments are not likely to create a situation of conflict of interest given their amount and their passive nature.
Anne-Laure Naveos	The group Crédit Mutuel Arkéa to which Ms. Anne-Laure Naveos belongs is a major investor in vehicles managed by the Group.

Name	Reason
Fanny Picard	The Company made an investment in a vehicle in the management of which Ms. Fanny Picard participates. However, in view of the passive nature of this investment and its relative amount compared to the assets managed by this vehicle, it was considered that this business relationship was not likely to jeopardize the independence of Ms. Fanny Picard.
Constance de Poncins	No significant business relationship has been identified between the Group and Ms. Constance de Poncins or her employer, the savers' association AGIPI.
Léon Seynave (permanent representative of Troismer)	Mr. Léon Seynave has made investments in vehicles managed by the Group. However, in view of the percentage of the amounts invested compared with the assets managed by Mr. Léon Seynave, it was considered that these business relationships were not likely to undermine its independence.
Natacha Valla	No significant business relationship has been identified between the Group and Ms. Natacha Valla or her employer, the European Investment Bank (EIB).

(iii) Potential conflicts of interest related to the structure of the Company

Given Tikehau Capital's legal form as a partnership limited by shares and its organisation, it should be noted that the Company is controlled by its main shareholder, Tikehau Capital Advisors, which at the registration date of this Registration Document, holds 29.8% of the share capital and voting rights and 100% of the capital and voting rights of the Manager-General Partner of the Company, Tikehau Capital General Partner. Sections VIII.4(b) (Control of the Group) and III.1(e) (Risks related to the legal form, Articles of Association and organisation of Tikehau Capital) of this Registration Document respectively include a presentation of the control of the Company and a presentation of the risks associated with the legal form of limited partnership by shares and with the organisation of Tikehau Capital.

(iv) Restrictions on the holdings of members of the Supervisory Board

At the registration date of this Registration Document, there are no restrictions accepted by the members of the Supervisory Board concerning the disposal of their holdings in the Company's share capital, with the exception of the rules on prevention of insider trading and the provisions of the Supervisory Board's Internal Rules requiring the members of the Supervisory Board to retain their shares.

The description of the mechanisms for insider misconduct prevention and compliance in force within the Group is provided in Section III.3(g) (Prevention of insider misconduct and compliance) of this Registration Document.

(f) Application of the AFEP-MEDEF Code

The Company considers that it complies with the provisions of the AFEP-MEDEF Code after the few adjustments made necessary by its nature as a partnership limited by shares and subject to the following observations:

Recommendations of the AFEP-MEDEF Code	Observations of the Company
<p>10.3. Organisation of a Meeting of the Supervisory Board without the presence of executive corporate officers</p> <p><i>"It is recommended that a Meeting not attended by the Executive Directors be organised each year."</i></p>	<p>The Supervisory Board was formed on 7 November 2016, when the Company was converted into a partnership limited by shares, and its composition then changed on 28 February 2017 at the time of the Company's listing. The 2017 financial year was thus its first year of operation and it was crucial that its members develop their knowledge of the Group's business and benefit from the presence of representatives of the Managers at Board meetings. The contribution of these representatives of the Managers to the Board's presentations and debates has been an essential asset for the quality of its work. However, in the interest of constantly improving governance, it is planned that a Meeting of the Supervisory Board will be held in whole or in part without the presence of the Manager's representatives during the 2018 financial year.</p>
<p>16.2.2 Establishment by the Appointment Committee of a replacement plan for executive corporate officers</p> <p><i>"The Appointments Committee (or an ad hoc Committee) should design a plan for replacement of Executive Directors. This is one of the Committee's most important tasks even though it can be, if necessary, entrusted to an ad hoc Committee by the Board. The Chairman may take part or be involved in the Committee's work during the conduct of this task."</i></p>	<p>The Company's Appointment and Remuneration Committee does not have the power to draw up the plan of succession for the Managers which does not fall within the remit of the Supervisory Board in a partnership limited by shares. The Company's Appointment and Remuneration Committee is kept informed of the work relating to the succession plan of the Managers' representatives which is discussed by Tikehau Capital Advisors.</p>
<p>22. Requirement for executive corporate officers to hold shares</p> <p><i>"The Board of Directors sets a minimum number of shares that Executive Directors must retain in registered form until the end of their duties. This decision shall be reviewed at least at each renewal of their term of office."</i></p>	<p>The Articles of Association of the Company do not require the Manager nor the General Partner to hold a minimum number of Company shares. However, it should be noted that Tikehau Capital General Partner, the Company's Manager-General Partner, is a company wholly owned by Tikehau Capital Advisors which itself owns 29.8% of the share capital of the Company as at 31 January 2018.</p>

Recommendations of the AFEP-MEDEF Code	Observations of the Company
<p>24. The remuneration of executive corporate officers</p> <p><i>Article 24 of the AFEP-MEDEF Code contains provisions concerning the determination of the remuneration of Executive Directors.</i></p>	<p>As set out in Article 24.1.3 of the AFEP-MEDEF Code, the provisions of the AFEP-MEDEF Code are not particularly appropriate to the legal and shareholder structure of the Company, which is set up as a partnership limited by shares. Under the Articles of Association, the Manager and the General Partner of the Company each receive remuneration, the amounts of which are fixed by the Company's Articles of Association. Thus, Tikehau Capital General Partner is entitled (i) as the sole Manager of the Company, to a remuneration excluding tax equal to 2% of the total consolidated shareholders' equity of the Company, determined on the last day of the previous financial year, and (ii) as the sole general partner of the Company, in respect of a preferred dividend and in the event of distributable income for a financial year, to an amount equal to 12.5% of the net result of the Company, as shown in the financial statements of the Company at the end of each financial year.</p> <p>The flows received by the Manager-General Partner of Tikehau Capital General Partner Company and its shareholder Tikehau Capital Advisors are of three kinds: (i) the remuneration of the Manager-General Partner of Tikehau Capital General Partner as described above, (ii) the dividends received by Tikehau Capital Advisors as a limited partner of the Company, and (iii) the share of about 27% received by Tikehau Capital Advisors in carried interest on the Group's closed-end funds. Added to that is the share in the carried interest received by a shareholder structure of Tikehau Capital Advisors, which brings together some 40 corporate members of the Group (for 20%).</p> <p>Apart from these items, there is no mechanism or agreement for the benefit (i) of Tikehau Capital General Partner, (ii) of Tikehau Capital Advisors (the sole partner of Tikehau Capital General Partner), (iii) of any of their shareholders or subsidiaries, or (iv) of any corporate officer of these companies (including AF&Co, MCH, Mr. Antoine Flamarion or Mr. Mathieu Chabran) under which the Company or a Group entity would be obliged to pay them amounts corresponding to remuneration (including under service agreement), compensation or benefits due or likely to be due to the assumption, exercise, termination or change in their duties or subsequent thereto, including pension and other lifetime benefits. (See Section IV.3(a) (Remuneration, allowances and benefits – Remuneration of the Manager-General Partner) of this Registration Document.)</p>

Recommendations of the AFEP-MEDEF Code	Observations of the Company
<p>25. Information on the compensation policy applicable to corporate officers and award of stock options and performance shares</p> <p><i>Article 25 of the AFEP-MEDEF Code contains provisions concerning information on the remuneration of Executive Directors.</i></p>	<p>As set out in Article 24.1.3 of the AFEP-MEDEF Code, the provisions of the AFEP-MEDEF Code are not particularly appropriate to the legal and shareholder structure of the Company, which is set up as a partnership limited by shares. The information reported by the Company concerning the remuneration of its corporate officers (Manager and members of the Supervisory Board) are described and justified in Section IV.3(a) (Remuneration, allowances and benefits – Remuneration of the Manager-General Partner) of this Registration Document.</p>
<p>26. The consultation of shareholders on the individual Executive Directors' remuneration</p>	<p>As set out in Article 24.1.3 of the AFEP-MEDEF Code, the provisions of the AFEP-MEDEF Code are not particularly appropriate to the legal and shareholder structure of the Company, which is set up as a partnership limited by shares. Under the Company's Articles of Association, the General Shareholders' Meeting is not legally entitled to make a mandatory vote on the remuneration of the Manager and the General Partner of the Company, the terms of which are laid down in the Company's Articles of Association. However, as described in Section IV.3(a)(iii) (Other information about the remuneration of corporate officers) of this Registration Document, these remunerations are the subject of a specific communication to the shareholders of the Company and are intended to be published annually in the agenda of the Annual General Shareholders' Meeting in the draft resolution on the allocation of income for the financial year, so that the shareholders of the Company will be called upon to vote on these items.</p>

5. RELATED PARTY TRANSACTIONS

Historical financial information (including the amounts involved) on transactions with related parties can be found in note 5.24 (Related parties) to the consolidated financial statements as at 31 December 2017, which are included in Section V.1 (Annual consolidated financial statements as at 31 December 2017) of this Registration Document.

(a) Description of new or ongoing material agreements

(i) Ongoing material agreements

Group premises

On 4 March 2014, Tikehau Capital Advisors and Tikehau IM, as co-tenants, entered into a commercial lease covering premises for office use located at 32, rue de Monceau, 75008 Paris, France. The Company is provided with said premises free of charge by Tikehau Capital Advisors in order to locate its registered offices under the terms of a premise-sharing agreement dated 17 March 2014. Since this agreement was entered into when the Company had the legal form of a simplified joint stock company, it was subject to the procedure applicable to regulated agreements for companies of that type.

This regulated agreement is the only agreement entered into by the Company and previously approved by its Shareholders' General Meeting, which continues to be executed. It has been examined by the Supervisory Board and notified to the Statutory Auditors (See Section IV.5(c) (Special report of the Statutory Auditors on regulated agreements and commitments) of this Registration Document).

Agreement between Tikehau Capital Advisors and Tikehau Capital General Partner

Under a service agreement which took effect on 7 November 2016 between Tikehau Capital Advisors as service provider and Tikehau Capital General Partner as beneficiary, Tikehau Capital Advisors provides and makes available to Tikehau Capital General Partner the material support necessary for achieving its corporate purpose, as well as services allowing it to exercise its role as Manager of the Company (finance, general secretariat, human resources development/strategic planning, etc.).

Entered into for an initial period that will end on 31 December 2019, this agreement will be extended tacitly for three years under the same terms, barring termination by either party. This agreement has been approved by the Board of Directors of Tikehau Capital Advisors.

(ii) New material agreements

During 2017, at its Meeting of 22 March 2017, the Supervisory Board authorised the signing of the following regulated agreements in accordance with the provisions of Article L.226-10 of the French Commercial Code.

Service Agreement between the Company and Parc Monceau

A service agreement was entered into on 29 March 2017 between the Company and Parc Monceau, a company controlled by Mr. Christian de Labriffe, the Chairman of the Company's Supervisory Board. This agreement, which took effect on 1 April 2017, contemplates that Parc Monceau will provide consulting services to the Group in the areas of the Group's strategy and partnership, investment or divestment opportunities. As part of this agreement, Parc Monceau also undertakes to inform the Group of partnership, investment or disposal opportunities that may be in line with the objectives of the Company or Group companies. As distinct from Mr. Christian de Labriffe's duties as Chairman of the Supervisory Board, this agreement allows the Group to continue to benefit from Mr. Christian de Labriffe's expertise and that of his company, their accumulated experience in investment and mergers and acquisitions, their in-depth knowledge of the investment portfolio originating from Salvepar which is now incorporated into that of the Company following the merger of Salvepar with the Company on 30 November 2017 (See Section II.2 (Reminder of the reorganisation operations) of this Registration Document) and their network to create partnership, investment or disposal opportunities. It should be noted that, since 31 March 2017, Mr. Christian de Labriffe no longer holds the office of Chairman and Chief Executive Officer of Salvepar and no longer has any executive function within the Group. The agreement entered into stipulates that the services provided will not in any circumstances lead the company Parc Monceau or Mr. Christian de Labriffe to take any decision whatsoever (for example on the carrying out of a transaction or a partnership), let alone interfere in the management of the Company or the companies of the Tikehau Capital group, and do not in any way undermine the ability of Mr. Christian de Labriffe to fulfil his duties as Chairman of the Company's Supervisory Board, it being specified on this last point that Mr. Christian de Labriffe, by common consent between the parties, benefits from a conscience clause allowing him at any time to request that he refrain from rendering some of the services provided for in the agreement if he considers that these services would be likely to jeopardise his duties as Chairman of the Company's Supervisory Board, while his remuneration would nonetheless remain fully payable by the Company. Under this agreement, the company Parc Monceau receives a remuneration of €466,000 (excluding tax) per year.

The agreement also provides that a variable lump sum payment may be paid to the company Parc Monceau at the discretion of the Company. In application of this clause, the Management proposed the payment of an exceptional bonus of €500,000 (excluding tax) set in respect of investments or divestments carried out in 2017 in which the contributions of Parc Monceau and Mr. Christian de Labriffe were decisive. In its Meeting of 14 December 2017, following the favourable opinion of the

Appointment and Remuneration Committee, the Supervisory Board (at which meeting Mr. Christian de Labriffe did not take part in the discussion or the vote) noted that it was important for the Company to reward its service providers when they contribute to the success and development of the Group so as to encourage them to continue their efforts to serve the business, and authorised the payment of this exceptional bonus of €500,000 (excluding tax) to Parc Monceau.

Service Agreement between the Company and the company Chardi Inc.

A service agreement was entered into on 27 March 2017 between the Company and Mr. Jean Charest, who is a member of the Supervisory Board of the Company. Under this agreement, Mr. Jean Charest undertakes to perform advisory and assistance duties to the Group to support its international growth (notably in North America) and its development strategy, in addition to setting up an international advisory board. Because of the high political offices he has held in Canada, Mr. Jean Charest has special skills in the fields of international business and relations, economics and law. Under this agreement, Mr. Jean Charest receives a remuneration of €30,000 (excluding tax) per quarter. It should be noted that Mr. Jean Charest has no executive function within the Group. The agreement entered into stipulates that it relates exclusively to services which, firstly, are distinct from the role assigned to Mr. Jean Charest as a member of the Supervisory Board; secondly, will not induce Mr. Jean Charest to take any decision whatsoever (for example on conducting a foreign transaction or setting up an establishment abroad), let alone interfere in the management of the Company or the Tikehau Capital group; and, finally, in no way compromise the ability of Mr. Jean Charest to fulfil his duties as a member of the Company's Supervisory Board.

At the request of Mr. Jean Charest, this agreement was terminated with effect from 30 June 2017 and an agreement with exactly similar terms was signed on 1 July 2017 with Chardi Inc., a company 50% owned by Mr. Jean Charest and of which he is a Director. The Supervisory Board of the Company authorised this agreement on 1 June 2017 and it took effect on 1 July 2017. As part of this agreement, Chardi Inc. undertakes mainly to place Mr. Jean Charest at the disposal of the Group.

Approval of these agreements by the General Shareholders' Meeting of the Company

At the outset, it must be remembered that under Article 3, paragraph 10 of the Supervisory Board's Internal Rules, a member of the Supervisory Board *"shall inform the Supervisory Board of any conflict of interest with the Tikehau Capital Group. As applicable, the relevant member must abstain from taking part in the vote on the matter concerned or even in the discussion preceding the vote,*

must refrain from attending Board meetings during the period in which there is a conflict of interest situation, or must resign as member of the Supervisory Board. The Chair of the Board may also request that member not participate in the discussion and vote."

These two agreements will be subject to approval by the Annual General Shareholders' Meeting convened to approve the financial statements for the year ending 31 December 2017. Additional information on these agreements can be found in the Statutory Auditors' special report in Section IV.5(c) (Special report of the Statutory Auditors on regulated agreements and commitments) of this Registration Document.

At the registration date of this Registration Document, no new commitment or agreement has been entered into since 1 January 2018.

(b) Other related party transactions

A number of IT expenses and investments related to the operation of the Group's activities may be pooled, insofar as they are of a type to be used by all or several Group entities. This cost-pool ensures that the best rates are obtained and simplifies the Group's administrative management and purchasing. The expenses or investments concerned include: IT servers and infrastructure, office equipment, software (in particular office automation, systems, support & security), information systems used by the Finance Department, consultancy expenses associated with the implementation of projects and the salaries a team dedicated to the control and proper functioning of the systems.

These costs are then re-invoiced to the entities benefiting from these services and purchases, in total, if a single entity is the beneficiary (and did not initially bear the cost) or, partially, if a service or asset is shared among several Group entities. The re-invoicing procedures involve the setting of objective distribution keys such as the average size of each entity concerned or elements enabling the use by each entity to be measured (in particular for the information systems used by the Finance Department).

Historically, a significant portion of these costs was initially borne by Tikehau Capital Advisors because of its functions within the Group prior to the completion of the reorganisation operations in 2016 and 2017 (see Section II.2 (Reminder of the reorganisation transactions) of this Registration Document) and was then re-invoiced to the entities concerned in the manner described above.

From financial year 2018, it is planned to refocus the Group's IT assets and IT purchasing policy on the Company, which is intended to support the Group's IT resources, and it will be for the Company to re-invoice to the other Group entities (including Tikehau Capital Advisors) their share of expenses on the basis of the distribution principles in force within the Group.

The IT costs incurred for the tools used by the Finance Department and business lines for the IT infrastructure were borne by the entity, before and after cost-pooling, as follows:

(in thousands of €)	Before cost-pooling	After cost-pooling	Difference
Expenses incurred or borne by Tikehau Capital Advisors	2,139	944	-1,195
Expenses incurred or borne by the Company and its subsidiaries	3,554	4,749	1,195
TOTAL	5,693	5693	-

(c) Special report of the Statutory Auditors on regulated agreements and commitments

ERNST & YOUNG et Autres

Registered office: Tour First TSA 14444
 – 92037 Paris-La Défense Cedex, France

Simplified Joint-Stock Company with variable share capital
 – Nanterre Trade and Companies Register No. 438 476 913

Mazars

Registered office : 61, rue Henri Regnault
 – 92075 Paris-La Defense Cedex, France

Limited Company with Executive and Supervisory Boards
 and share capital of €8,320,000
 Nanterre Trade and Companies Register No. 784 824 153

Statutory Auditors’ special report on regulated agreements and commitments

Shareholder’s meeting for the approval of the financial statements for the year ended 31 December 2017

To the Annual General Meeting of Tikehau Capital,

In our capacity as your company’s statutory auditors, we hereby present our report on regulated agreements and commitments.

It is our responsibility to report to shareholders, based on information provided to us, on the main terms, conditions and reasons underlying company’s interest of agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Under the provisions of article R.226-2 of the French commercial code, it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by article R.226-2 of the French commercial code in relation to the implementation during the year of agreements and commitments already approved by the Shareholder’s Meeting.

We performed the procedures that we deemed necessary in accordance with the guidance issued by the French Institute of statutory auditors for this type of engagement. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

Agreements and commitments submitted to the approval of the Shareholders’ Meeting

In accordance with article L.226-10 of the French commercial code, we have been informed of the following agreements and commitments previously authorized by the Supervisory Board.

1. Service agreement entered into by Tikehau Capital SCA and Chardi Inc.

Nature and purpose

Service agreement relating to the performance of advisory and assistance duties to the Tikehau Capital Group, in order to support its international expansion (primarily in North America), and to make Mr. Jean Charest available to the Group.

Person concerned

Mr. Jean Charest, Director of, and majority shareholder in Chardi Inc., and member of Tikehau Capital’s Supervisory Board.

Reasons used to justify Mr Charest’s benefit to your Company

Chardi Inc. is performing advisory and assistance duties for the Tikehau Capital Group as part of this agreement, in order to support its international expansion (primarily in North America), and its development strategy. The purpose of this assignment is to help set up an International Advisory Board for the Group. This agreement makes Jean Charest available to the Group, in keeping with one of its main strategic priorities, namely the Group’s international expansion, and specifically its access to North American markets and investors. As part of this agreement, Mr. Jean Charest (via Chardi Inc.) is in a position to provide the Group with assistance suited to its expansion plan, as a result of the senior political positions that he has held in Canada in

the past, and due to the skills and expertise that he has developed over the course of his career. This agreement exclusively covers the provision of services, which are separate from the role assigned to Mr. Jean Charest in his capacity as a member of the Supervisory Board.

Terms and conditions

A service provision agreement was entered into between your Company and Mr. Jean Charest on 27 March 2017, and took effect on 1 April 2017. Chardi Inc. assumed Jean Charest's rights and obligations in relation to this new agreement as from 1 July 2017, at the request of Mr. Jean Charest. The terms of the agreement remained unchanged, and the agreement initially entered into with Jean Charest was terminated with effect as from 30 June 2017.

The agreement entered into between your Company and Chardi Inc. was authorised by the Supervisory Board on 1 June 2017, and signed on 1 July 2017. Your Company incurred an expense of €60,000, excluding tax, over the 2017 financial year in relation to this agreement.

Agreements and commitments previously approved by the Shareholders' Meeting

Agreements and commitments approved in prior years where the implementation continued during the financial year just-ended

In accordance with Article R.226-2 of the French Commercial Code, we were informed that the performance of the following agreements and commitments, approved by the General Meeting in previous years, continued during the year.

Agreement regarding the provision of premises entered into between Tikehau Capital SCA and Tikehau Capital Advisors SAS

An agreement regarding the provision of premises at 32, rue de Monceau 75008 Paris France by Tikehau Capital Advisors was entered into on 17 March 2014.

These premises were provided to Tikehau Capital free of charge for a period of one year, which was tacitly renewable. The persons concerned by this agreement are Mr. Antoine Flamarion and Mr. Mathieu Chabran.

Agreements and commitments approved during the financial year just-ended

We have also been informed of the execution of the following agreements and commitments during the year just-ended, which had already been approved by the General Meeting of 1 June 2017, based on the Statutory Auditors' special report dated 21 April 2017.

Service provision agreement entered into by Tikehau Capital SCA and Parc Monceau SARL

Nature and purpose

Service provision agreement relating to the performance of advisory duties in fields including the Tikehau Capital Group's strategy, partnership opportunities, or financial transactions.

Person concerned

Mr. Christian de Labriffe, General Partner and majority shareholder in Parc Monceau, and Chairman of Tikehau Capital's Supervisory Board.

Parc Monceau is performing advisory services for the Tikehau Capital Group in fields including the Group's strategy, and partnership opportunities or financial transactions of which it may be aware, under the terms of this agreement. As part of this agreement, Parc Monceau is researching partnership and investment opportunities of which it is aware, and bringing them to the Group's attention.

In addition to Mr. Christian de Labriffe's office as Chairman of the Supervisory Board, this agreement enables the Tikehau Capital Group to continue to benefit from the latter's expertise and that of his company, of their combined experience of investments and mergers & acquisitions transactions, of in-depth knowledge of the investment portfolio that originally came from Salvepar (which is now included in your Company's portfolio following the merger between Salvepar and your Company, which took place on 30 November 2017), and of their network, in order to originate investment opportunities.

Terms and conditions

This agreement was authorised by the Supervisory Board on 22 March 2017. It was signed on 29 March 2017, and took effect on 1 April 2017.

Your Company incurred an expense of €849,500, excluding tax, over the 2017 financial year in relation to this agreement. In addition to the fixed annual remuneration payable to Parc Monceau, this payment includes an exceptional bonus of €500,000, excluding tax, in accordance with the terms of the agreement, which enables the Manager to pay Parc Monceau a variable flat-rate amount at its discretion. This exceptional remuneration was decided by the Manager in view of transactions performed in 2017, and was authorised by the Supervisory Board on 14 December 2017.

Service agreement entered into by Tikehau Capital SCA and Chardi Inc.

Nature and purpose

Service agreement relating to the performance of advisory and assistance duties for the Tikehau Capital Group, in order to support its international development (primarily in North America), and to make Mr. Jean Charest available to the Group.

Person concerned

Mr. Jean Charest, Director of, and majority shareholder in Chardi Inc., and member of Tikehau Capital's Supervisory Board.

Chardi Inc. is performing advisory and assistance duties for the Tikehau Capital Group as part of this agreement, in order to support its international expansion (primarily in North America), and its development strategy. The aim of this assignment is to help set up an International Advisory Board for the Group. This agreement makes Mr. Jean Charest available to the Group, in keeping with one of its main strategic priorities, namely the Group's international expansion, and specifically its access to North American markets and investors. As part of this agreement, Mr. Jean Charest (via Chardi Inc.) is in a

position to provide the Group with assistance suited to its expansion plan, as a result of the senior political positions that he has held in Canada in the past, and due to the skills and expertise that he has developed over the course of his career. This agreement exclusively covers the provision of services, which are separate from the role assigned to Jean Charest in his capacity as a member of the Supervisory Board.

Terms and conditions

The agreement initially entered into by your Company and Mr. Jean Charest was authorised by the Supervisory Board on 22 March 2017. It was effectively terminated on 30 June 2017. Your Company incurred an expense of €30,000, excluding tax, over the 2017 financial year in relation to this agreement.

Paris-La Défense and Courbevoie, 20 April 2018

The Statutory Auditors

French original signed by

ERNST & YOUNG et Autres

David Koestner
Partner

MAZARS

Simon Bellevoire
Partner

V. CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017

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1. ANNUAL CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017

1. Consolidated balance sheet

Assets (in thousands of €)	Notes	31 December 2017	31 December 2016
NON-CURRENT ASSET			
Tangible and intangible assets	5.7	333,458	311,234
Non-current investment portfolio	5.8	1,456,045	762,578
Investments in equity affiliates	5.9	6,595	267
Deferred tax asset	5.15	11,323	27,569
Other non-current assets		195	0
Total non-current assets		1,807,617	1,101,647
CURRENT ASSETS			
Trade receivables and related accounts	5.10	15,894	8,885
Other receivables and financial assets	5.10	227,261	5,689
Current investment portfolio	5.11	109,121	40,454
Cash management financial assets	5.12	66,852	
Cash and cash equivalents	5.12	908,577	129,845
Total current assets		1,327,705	184,873
TOTAL ASSETS		3,135,322	1,286,520

Liabilities (in thousands of €)	Notes	31 December 2017	31 December 2016
Share capital	5.13	1,233,597	650,098
Premiums		840,567	379,004
Reserves		110,921	28,181
Net result for the period		314,383	72,444
Shareholders' equity - Group share		2,499,468	1,129,726
Non-controlling interests	5.18	30,200	2,627
Equity	3.	2,529,668	1,132,353
NON-CURRENT LIABILITIES			
Non-current provisions		318	421
Non-current borrowings and financial debt	5.14	545,962	116,857
Deferred tax liabilities	5.15	1,627	811
Non-current financial derivatives	5.16	992	4,015
Total non-current liabilities		548,899	122,103
CURRENT LIABILITIES			
Current borrowings and financial debt	5.14	1,770	2,354
Trade payables and related accounts		15,015	14,707
Tax and social security payables		13,572	9,565
Other current liabilities		26,398	5,437
Total current liabilities		56,755	32,063
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		3,135,322	1,286,520

2. Consolidated income statement

(in thousands of €)	Notes	2017 (12 months)	2016 (12 months)
Gross revenues from asset management activities		74,030	2,381
Fees paid-out		-16,163	
Net revenues from asset management activities		57,868	2,381
Change in fair value of the non-current investment portfolio		317,637	41,495
Change in fair value of the current portfolio		5,569	794
Change in fair value	5.19	323,205	42,289
Other non-current portfolio revenues		63,581	31,455
Other current portfolio revenues		558	155
Other portfolio revenues	5.20	64,138	31,611
Revenues from investment activities		387,344	73,899
Derivative portfolio revenue			-62,194
Purchases and external expenses		-50,813	-20,037
Personnel expenses		-26,780	
Other net operating expenses		-4,312	-4,056
Operating expenses	5.21	-81,904	-24,092
Net operating profit from investment and asset management activities before share of net results from equity affiliates		363,307	-10,006
Share of net results from equity affiliates		-56	67,422
Net operating profit from investment and asset management activities after share of net results from equity affiliates		363,251	57,416
Net income on cash equivalents	5.22	386	577
Financial expenses	5.23	-28,611	-7,874
Financial result		-28,225	-7,297
Result before tax		335,026	50,119
Corporate income tax	5.15	-19,029	22,377
Equity method shareholdings		0	
Net result		315,997	72,496
Non-controlling interests	5.18	1,614	53
Net result - Group share		314,383	72,444
Earnings per share (in €)			
Weighted average number of ordinary shares outstanding	5.13	85,657,975	31,428,941
Earnings per share (in €)		€3.67	€2.30
Weighted average number of shares after dilution	5.13	87,124,865	31,428,941
Diluted earnings per share (in €)		€3.61	€2.30

Consolidated comprehensive income statement

(in thousands of €)	2017 (12 months)	2016 (12 months)
Net result	315,997	72,496
Currency translation adjustment	-585	-872
Related taxes		
Consolidated comprehensive income	315,412	71,625
Of which non-controlling interests	1,614	53
Of which Group share	313,798	71,572

3. Change in shareholders' equity

(in thousands of €)	Share capital	Premiums	Group reserves
Situation as at 1 January 2016	260,278	84,023	22,156
Appropriation of net income			9,589
Net result for the period			
Capital increase – Decision of 17 June 2016	237,634	178,226	
Capital increase – Decision of 22 December 2016	152,186	116,755	
Other changes in reserves			-2,726
Net result for the period			
Situation as at 31 December 2016	650,098	379,004	29,019
Appropriation of net income			72,444
Capital increase of 6 January 2017	85,760	64,320	
Capital increase reserved for FSP	28,571	21,429	
Salvepar public exchange offer	86,230	64,672	11,386
Conversion of ORNANE bonds – Decision of 17 May 2017	97	88	
Capital increase of 26 July 2017	382,840	319,034	
Payment in shares (IFRS 2)			825
Other movements in reserves ¹		-7,980	-305
Net result for the period			
Situation as at 31 December 2017	1,233,597	840,567	113,369

¹ Costs related to the capital increases carried out during the financial year were charged to the issue premium for an amount of €8.0 million. The change in non-controlling interests is related to the arrival of a minority shareholder in the capital of Tikehau Capital Europe (See note 5.3(c) "Change in scope of consolidation").

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Treasury shares	Translation differences	Income for the year	Shareholders' equity	Non-controlling interests	Consolidated shareholders' equity
	34	9,589	376,079	0	376,079
		-9,589			0
			0		0
			415,860		415,860
			268,941		268,941
	-872		-3,597	2,574	-1,023
		72,444	72,444	53	72,496
0	-838	72,444	1,129,726	2,627	1,132,353
		-72,444			
			150,081		150,081
			50,000		50,000
			162,288		162,288
			185		185
			701,874		701,874
			825	11	836
-1,025	-585		-9,894	25,948	16,054
		314,383	314,383	1,614	315,997
-1,025	-1,422	314,383	2,499,468	30,200	2,529,668

4. Cash flow statement

(in thousands of €)	Notes	2017 (12 months)	2016 (12 months)
Revenues from asset management activities		53,741	
Non-current investment portfolio		-141,649	-86,397
Acquisitions	5.8	-694,730	-207,535
Disposals		362,037	87,988
Income		61,461	33,149
• Dividends		25,947	13,092
• Interest		13,356	2,695
• Other income		22,158	17,362
Impact of changes in scope		129,583	0
Current investment portfolio		-19,924	-2
Acquisitions	5.11	-38,243	-300
Disposals		17,802	
Income		518	298
• Dividends			
• Interest		518	298
• Other income			
Other investments in companies in the scope of consolidation¹		-50,667	
Debts, portfolio receivables and financial assets	5.10	-195,297	0
Derivatives portfolio			-62,194
Net income/expenses on cash equivalents		-1,786	-1,265
Operating expenses		-82,674	-28,479
Tax²	5.15	-30,606	4,511
Net cash flows from operating activities		-468,861	-173,827
Capital increase³		909,023	418,476
Dividends paid		-878	
Borrowings⁴	5.14	328,764	-124,105
Bank overdrafts		35	-6,314
Other financial flows of which Current accounts & Impact of Changes		-2,498	27
Cash management financial assets		13,148	0
Net cash-flows from financing activities		1,247,593	288,083
Theoretical change in cash-flow		778,732	114,257
Cash-flow at the beginning of the year		129,845	15,588
Cash-flow at year-end		908,577	129,845
Change in cash-flow		778,732	114,257

¹ These are the acquisition flows of Salvepar shares in cash for €29.3 million and investment flows in the consolidated companies (Credit.fr, Duke Street and TIM for respectively €14.6 million, €6.5 million and €0.2 million).

² The tax changes mainly include the disbursement of the advance payments of corporation tax by French subsidiaries for an amount of €14.6 million and the increase in tax debts related to the merger of Salvepar for €13.6 million.

³ Flows from the Tikehau Capital's capital increases net of fees for €894.0 million and including the capital increase of Tikehau Capital Europe subscribed by a minority shareholder for €15.0 million.

⁴ Flows related to borrowings include the repayment of ORNANE TC bonds issued under the public exchange offer for - €75.3 million and the financial expenses paid during the year for - €30.9 million.

5. Notes to the financial statements prepared under IFRS

5.1. Entity presenting the financial statements

Tikehau Capital is a *société en commandite par actions* (partnership limited by shares) which has its registered office at 32, rue de Monceau, 75008 Paris (France).

Tikehau Capital is an asset management and investment group. It meets the definition of an “investment entity” under IFRS 10.

Its corporate purpose includes all forms of investment, with no specific restrictions or constraints in terms of the target asset classes, or their sector-based or geographical allocation. Accordingly, under the terms of its Articles of Association, Tikehau Capital’s corporate purpose, in France and abroad is:

- “the direct or indirect acquisition of interests, the arrangement and structuring of investment transactions in all sectors and involving all asset classes, the real estate sector, and small and mid-cap companies;
- the management, administration, and disposal or liquidation of these interests, under the best possible conditions;
- all of the above, directly or indirectly, on its behalf or on behalf of a third party, alone or with a third party, through the creation of new companies, contribution, partnership, subscription, purchase of securities or rights, merger, alliance, special partnership (*société en participation*), leasing or leasing out or the management of assets or other rights in France and abroad;
- and, generally speaking any financial, commercial, industrial, security or property transactions that may relate directly or indirectly to the above corporate purpose, or to any similar or related purposes, so as to favour its expansion and development.”

The changes in scope in the consolidated group (the “Group”) are detailed in note 5.3.

5.2. Basis of preparation

a) Accounting standard and declaration of compliance

In application of EC Regulation No.1606/2002, Tikehau Capital’s consolidated financial statements are drawn up in accordance with IAS/IFRS international accounting standards and IFRIC interpretations applicable as at 31 December 2017 and as adopted by the European Union.

These are available on the European Commission’s website, at the following address: http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm.

The accounting principles used as at 31 December 2017 are the same as those used for the consolidated financial statements as at 31 December 2016.

They have been supplemented by the provisions of the IFRS standards as adopted by the European Union as at 31 December 2017 and for which application is mandatory for the first time for 2017.

These concern:

New standards and interpretations applicable from 1 January 2017

No new standards apply for the first time as of 1 January 2017 in the European Union. Only a few amendments must be applied to the fiscal years commencing in 2017:

- amendments to IAS 7 “Disclosure Initiative”;

- amendments to IAS 12 “Recognition of deferred tax assets for unrealised losses”.

The Group is not concerned by the new standards or amendments to standards published and applicable as at 1 January 2017.

Standards published by the IASB and adopted by the European Union as at 31 December 2017

The Group did not apply in advance any of the new standards and interpretations mentioned below that may concern it and whose application is not mandatory as at 1 January 2017:

- IFRS 9 “Financial Instruments”;
- IFRS 15 “Revenue from contracts with customers”;
- IFRS 16 “Leases”;
- amendments to IAS 28 “Long-term interests in associates and joint ventures”;
- amendments to IFRS 2 “Classification and measurement of share-based payment transactions”;
- amendments to IFRS 9 “Prepayment features with negative compensation”;
- IFRIC 22 “Foreign currency transactions and advance consideration”;
- IFRIC 23 “Uncertainty over income tax treatment”.

The study of the impacts and practical consequences of the application of these standards, amendments to standards and interpretations is being finalised.

IFRS 9 “Financial Instruments”, applicable on 1 January 2018, will replace IAS 39. IFRS 9 provides for a new classification of financial instruments and a model for impairment of financial assets based on expected losses. This standard also defines a treatment that is different from hedge accounting, excluding macro-hedging.

The Group could be affected by this standard; at this stage of the analysis, we have not identified any questioning of the principles already applied.

IFRS 15 “Revenue from Contracts with Customers” will replace IAS 11 and IAS 18 beginning with financial years that start on 1 January 2018. According to IFRS 15, accounting of revenues must reflect the transfer of control of goods and services to the customer for an amount corresponding to the remuneration the seller expects to be entitled to, based on five identified steps.

This new standard mainly impacts the revenues from asset management activities (see § 5.4.I (Recognition of revenue: revenues from asset management activities)).

An analysis was conducted to identify the impacts of the implementation of IFRS 15 “Revenue from contracts with customers” applicable as of 1 January 2018; to date, no significant adjustment elements have been identified.

Revenues from asset management activities are now presented by separating the gross amounts of revenue, the costs of sales (fees paid-out) and the net revenues from asset management activities.

IFRS 16 “Leases” will replace IAS 17 on 1 January 2019. It eliminates the distinction between financial leases and operating leases and requires that all leases be recognised on the balance sheet, with the lease liability recognised in liabilities, representing the commitments for the duration

of the contract, and in assets the right to use the asset, to be amortised. To date, the Company does not expect any material effect from the application of this standard; an analysis confirming this assessment will be conducted in 2018.

b) Estimation bases

The consolidated financial statements include the financial statements of Tikehau Capital and its subsidiaries for each of the financial years presented. The financial statements of subsidiaries have been prepared over the same reference period as those of the parent company, on the basis of homogeneous accounting methods. The consolidated financial statements are expressed in euros rounded off to the closest thousand euros. Rounding gaps may result in minor differences between the financial statements.

The financial statements have been prepared on the basis of a fair value estimate of securities held in the portfolio by the investment management companies, in accordance with IFRS 13. Financial derivatives are also estimated at fair value. The other balance sheet items (in particular tangible and intangible assets, and loans and receivables) have been drawn up on the basis of historical cost.

The methods used to measure fair value are discussed in note 5.5 on the determination of fair value.

c) Accounting and reporting currency, conversion of financial statements

The reporting currency of the consolidated financial statements is the euro. Accounts of consolidated entities using a different operating currency are converted into euros:

- at the closing rate for balance sheet items;
- at the average rate of the period for income statement items.

Conversion differences resulting from the use of these exchange rates are recognised under shareholders' equity in "Currency translation adjustment".

d) Transactions in currencies other than the functional currency

Transactions by consolidated companies in currencies other than their accounting currency are converted into their functional currency at the prevailing exchange rate on the date of the transactions.

Receivables and debts denominated in currencies other than the accounting currency of the Company concerned are converted at the prevailing exchange rate of these currencies on the closing date. Unrealised losses and gains resulting from this conversion are recognised on the income statement.

e) Use of estimates and judgements

The preparation of the consolidated financial statements requires that assumptions and estimates that affect the reported amounts of assets and liabilities on the balance sheet and the reported amounts of revenues and expenses for the year be taken into consideration. The Managers review their estimates and assessments on an ongoing

basis, based on their previous experience, as well as on various other factors that they consider reasonable, which form the basis for their assessment of the book value of the assets and liabilities. Actual results may differ materially from these estimates depending on different assumptions or conditions.

Judgements made by management in preparing the consolidated financial statements mainly concern the estimated fair value of investments in unlisted portfolios and the estimated amounts of active deferred tax assets recognised in tax loss carry forwards.

5.3. Scope of consolidation

a) Consolidation method

Tikehau Capital's consolidated financial statements have been prepared using the IFRS 10 exemption for investment entities.

The criteria used to classify a company as an investment entity under IFRS 10 are as follows:

- The entity is a company holding, *inter alia*, minority stakes in listed and non-listed companies. The entity benefits chiefly from funds from its shareholders to invest in a portfolio of equity interests and investments with significant sector diversification.
 - The entity aims to build up a solid and balanced portfolio including sector and geographic diversification. The entity thus expects to generate from its investments a capital gain, and/or financial income, such as dividends, coupons, interest, etc.
 - The entity mainly measures and assesses the performance of its investments on the basis of the portfolio's fair value.
- Given its activities, Tikehau Capital meets the definition of an "investment entity" under IFRS 10:
- Tikehau Capital is a company that invests directly or indirectly through other investment management companies. Among other activities, it invests its shareholders' money in a broadly diversified portfolio of investments.
 - Tikehau Capital aims to build a portfolio that is diversified and thus expects to generate from its investment a capital gain, and/or financial income, such as dividends, coupons, interest, etc.
 - Tikehau Capital measures and assesses the performance of its investments on the basis of the portfolio's fair value.

The subsidiaries in which Tikehau Capital exercises exclusive control, either directly or indirectly and either *de jure* or *de facto*, are fully consolidated, with the exception of interests held by investment entities under the IFRS 10 exemption. Subsidiaries that perform services related to these investment activities and that are not themselves investment management companies fall therefore within the consolidation perimeter.

The entities in which Tikehau Capital exercises significant influence are recognised under the equity method with the exception of investments for which Tikehau Capital has opted for the IAS 28 exemption and that are estimated on the basis of the fair value through profit or loss option.

Furthermore, for structured entities or *ad hoc* entities as defined by IFRS 10, the Tikehau Group assesses the notion of control with regard to the following aspects, among others:

- whether it is able to control the entity's activity;
- whether it is paid variable revenues by this entity or is exposed to its risks;

- whether it has the capacity to influence the revenues received from this entity and the risks incurred by it.

This concerns, in particular, investments in investment funds classified under the current or non-current investment portfolio.

b) Scope of consolidation

Parent company

Company	Form	Address	Consolidation method
Tikehau Capital	SCA	32, rue de Monceau, 75008 Paris, France	Parent company

Fully consolidated subsidiaries or entities accounted for under the equity method

Fully consolidated entities	Form	Address	% of interest	
			31 Dec. 2017	31 Dec. 2016
TGPF	SAS	32, rue de Monceau, 75008 Paris, France	100.0%	100.0%
Tikehau Capital UK	Ltd	111 Old Broad Street EC2N 1AP London, UK	100.0%	100.0%
Tikehau Capital Europe	Ltd	111 Old Broad Street EC2N 1AP London, UK	75.1%	97.0%
Tikehau Investment Management ¹	SAS	32, rue de Monceau, 75008 Paris, France	96.7%	96.6%
Tikehau Investment Management APAC (wholly-owned subsidiary of TIM) ²	Pte. Ltd	8 Marina View #15-07A – Asia Square Tower 1 Singapore 018960	96.7%	96.6%
Tikehau Investment Management Asia (wholly-owned subsidiary of TIM) ³	Pte. Ltd	8 Marina View #15-07A – Asia Square Tower 1 Singapore 018960	96.7%	96.6%
IREIT Global Group (80% owned subsidiary of TIM APAC)	Pte. Ltd	8 Marina View #15-07A – Asia Square Tower 1 Singapore 018960	77.3%	77.3%
Credit.fr	SAS	140, rue Victor-Hugo, 92300 Levallois-Perret, France	95.9%	

¹ Tikehau IM or TIM.

² TIM APAC.

³ TIM Asia.

Entities consolidated using the equity method	Form	Address	% of interest	
			31 Dec. 2017	31 Dec. 2016
Letus Private Office	SAS	11, avenue d'Iéna, 75116 Paris, France	20.0%	20.0%
Duke Street LLP	Ltd	Nations House, 103 Wigmore Street W1U 1QS London, UK	35.0%	17.2%

Subsidiaries of Tikehau Capital meeting the conditions of the IFRS 10 exemption and affiliates estimated at fair value

These entities are recognised in the non-current investment portfolio and are estimated at fair value through profit or loss. They are identified below:

Investment entities at fair value	Form	Address	% of interest		Level of control
			31 Dec. 2017	31 Dec. 2016	
Tikehau Venture	SAS	32, rue de Monceau, 75008 Paris, France	100.0%	100.0%	Control
Tikehau Capital Belgium	SAS	Avenue Louise, 480 – B-1050 Brussels, Belgium	100.0%		Control
Tikehau Asia	SAS	32, rue de Monceau, 75008 Paris, France	100.0%	100.0%	Control
Heuricap	SAS	32, rue de Monceau, 75008 Paris, France	90.0%	90.0%	Control
Cimes & Cie	SAS	32, rue de Monceau, 75008 Paris, France	72.2%	72.2%	Control
Tikehau Secondary	SAS	32, rue de Monceau, 75008 Paris, France	67.1%	67.1%	Control
Salvepar ¹	SA	32, rue de Monceau, 75008 Paris, France	n.a.	58.8%	
Zephyr Investment	SAS	32, rue de Monceau, 75008 Paris, France	53.3%		Control
AR Industries	SAS	65A, Bld du Cdt-Charcot, 92200 Neuilly-sur-Seine, France	49.0%	49.0%	Significant influence
Tikehau Real Estate Investment Company	SAS	32, rue de Monceau, 75008 Paris, France	30.0%	22.0%	Significant influence
TKF (previously Tikeflo) ²	SAS	32, rue de Monceau, 75008 Paris, France	n.a.	45.6%	
Verona	SAS	3, boulevard de Sébastopol, 75001 Paris, France	24.6%	24.6%	
HDL Development	SAS	Rue Victor-Pagès, 26701 Pierrelatte, France	23.1%	23.1%	Significant influence
City Star Ream Dvpt	Ltd Pte	Suntec Tower Four Singapore	23.1%	23.1%	Significant influence
Navec	SL	Carretera Madrid, 5, 30319 Cartagena, Murcia, Spain	21.7%		Significant influence
AFICA	SA	19, rue de Bazancourt, 51110 Isles-sur-Suippe, France	20.0%		Significant influence

¹ Entity merged into Tikehau Capital on 30 November 2017 with retroactive effect as at 1 January 2017.

² Entity merged into Tikehau Capital on 28 December 2017.

Subsidiaries of controlled investment entities

Subsidiaries of controlled investment entities	Form	Address	% of interest	
			31 Dec. 2017	31 Dec. 2016
SCI Chemin Noir	SCI	32, rue de Monceau, 75008 Paris, France	n.a.	90.0%
SCI Montat 93	SCI	32, rue de Monceau, 75008 Paris, France	n.a.	90.0%
Tikefonds	SAS	32, rue de Monceau, 75008 Paris, France	n.a.	100.0%

These entities were merged in Tikehau Capital as at 28 December 2017.

Non-consolidated subsidiaries

Non-consolidated entities	Form	Address	% of interest	
			31 Dec. 2017	31 Dec. 2016
Tikotel Partners	SAS	32, rue de Monceau, 75008 Paris, France	n.a.	66.7%
26Bis Rue Lubeck	SCI	32, rue de Monceau, 75008 Paris, France	n.a.	100.0%
Takume	SAS	32, rue de Monceau, 75008 Paris, France	100.0%	100.0%
Tikehau Capital North America	LLC	1209 Orange Street, Wilmington New Castel County, DE 19801, USA	100.0%	
Tikehau Solution	SAS	32, rue de Monceau, 75008 Paris, France	100.0%	

The company Tikotel Partners was sold on 31 December 2017.

The company 26 bis rue de Lubeck was merged into Tikehau Capital (TUP) on 28 December 2017.

The companies Takume, Tikehau Capital North America and Tikehau Solution were not consolidated, as they are not significant.

Investments in funds managed by Group companies or third parties

Tikehau Capital and its subsidiaries may invest in funds managed by Tikehau IM or Tikehau Capital Europe or companies outside of the Group. Whether or not these funds must be consolidated is assessed on the basis of the IFRS 10 criteria applicable to *ad hoc* entities (see above).

Regarding fund units held by Group companies, the control percentage of the funds in which the Company has invested is also assessed to determine whether or not a fund must be consolidated.

The analysis conducted by the Tikehau Group on the funds managed by Tikehau IM and those managed by Tikehau Capital Europe (CLO) confirms the absence of control with respect to the criteria of IFRS 10 and therefore the non-consolidation of these funds (see note 5.24 (Investments in funds managed by Tikehau Investment Management or Tikehau Capital Europe)).

c) Change in scope of consolidation

The main changes to the scope of consolidation in the course of 2017 included:

Salvepar

As at 31 December 2016, Tikehau Capital held 58.8% of Salvepar. The latter was not consolidated as at 31 December 2016, meeting the IFRS exemption as an investment company. The Salvepar securities held by Tikehau Capital were estimated at fair value.

On 9 January 2017, Tikehau Capital announced a stock-for stock tender offer on a primary basis, and a cash tender offer on a subsidiary basis, on the ordinary shares and ORNANE bonds issued by Salvepar.

The results of the offer were communicated on 27 February 2017, and are detailed below:

- i) 2,728,822 ordinary shares representing 36.6% of Salvepar's share capital and 1,225,326 ORNANE bonds were tendered to the main simplified public exchange offer;
- ii) 277,543 ordinary shares representing 3.7% of Salvepar's share capital and 165,277 ORNANE bonds were tendered to the secondary simplified public purchase offer.

The settlement of the public offer took place on 28 February 2017, with:

- i) the creation of 7,185,807 Tikehau Capital shares, *i.e.* a capital increase of around €151 million (including premium) on the basis of an exchange rate of 2.6333;
- ii) the issuance of 1,225,326 Tikehau Capital ORNANE bonds with a par value of €61.63, representing a convertible bond loan of approximately €76 million.

Following this offer, which was settled on 28 February 2017, Tikehau Capital held 99.1% of the capital, 99.2% of the voting rights and 99.8% of the ORNANE bonds of Salvepar.

As a result of the tender offer, a mandatory delisting procedure for the shares and the ORNANE bonds of Salvepar was implemented on 6 March 2017. This procedure allowed the Company to hold 100% of the share capital and of the voting rights of Salvepar.

Since that date, Tikehau Capital has fully consolidated Salvepar since, as at 7 March 2017, Salvepar no longer meets the IFRS 10 exemption criteria.

The impact of the fair value revaluation of Salvepar's assets (corresponding to the replacement of the value of Salvepar shares at Tikehau Capital as at 31 December 2016 with the fair value of Salvepar's assets and liabilities as at 7 March 2017) was recognised as a change in fair value in the income statement for the share already held in the public exchange offer, *i.e.* an amount of €32.4 million.

The change in value incurred by the increased holding between 58.8% and 100% is booked as a change of scope (consolidated reserves) as an acquisition of minority interests for €11.4 million (see note 3. (Change in shareholders' equity)).

Salvepar's main balance sheet aggregates as at 7 March 2017 included in the consolidation are the following:

(in thousands of €)	7 March 2017
Tangible and intangible assets	104
Non-current investment portfolio	418,331
Other non-current assets	79
Non-current asset	418,515
Sundry receivables	794
Current investment portfolio	49,427
Cash and cash equivalents	166,971
Current assets	217,193
TOTAL ASSETS	635,707
Equity	461,482
Non-current financial debt	150,000
Deferred tax liabilities	7,388
Non-current liabilities	157,388
Current borrowings and financial debt	593
Tax and social security payables	13,960
Sundry liabilities	2,284
Current liabilities	16,837
TOTAL LIABILITIES	635,707

The financial debts for €150 million correspond to the Salvepar ORNANE bonds wholly owned by Tikehau Capital following the public exchange offer.

Tikehau Capital Europe

On 10 March 2017, Tikehau Capital Europe, subsidiary of Tikehau Capital, carried out a capital increase for some €22 million, subscribed by the Company and Amundi. Following this operation, which was approved by the Financial Conduct Authority ("FCA"), the Company held 75.1% of Tikehau Capital Europe shares (vs. 97% as at 31 December 2016).

Credit.fr

On 29 June 2017, Tikehau Capital finalised the acquisition of 95.9% of the French crowdfunding specialist for the SME-VSE market, Credit.fr.

This acquisition allows Tikehau Capital to consolidate and expand its lending platform to the economy and broaden its business financing offer to SMEs and VSEs.

Tikehau Capital's investment amounts to €14.6 million for a 95.9% stake.

Credit.fr has been fully consolidated since 29 June 2017.

The effective acquisition of the new securities gave rise to the recognition of goodwill amounting to €10.9 million and a domain name Credit.fr for an amount of €1.1 million (in addition to the amount acquired for €0.2 million).

(amounts in thousands)	Credit.fr
Currency	euro
Acquisition price	15,224
Fair value of assets acquired and liabilities assumed	4,278
of which identified intangible assets	1,100
of which non-current asset	392
of which current assets (excluding cash and cash equivalents)	834
of which cash and cash equivalents	2,668
of which liabilities	-717
Goodwill	10,946

Duke Street

On 29 August 2017, Tikehau Investment Limited (TIL)'s interest in Duke Street was transferred to Tikehau Capital UK, a subsidiary of Tikehau Capital.

The purpose of the operation was to pool the entire financial stake in Duke Street within Tikehau Capital.

As a result of this transaction, Tikehau Capital UK owns 35% of Duke Street for £5.6 million.

The Company is therefore accounted for using the equity method as at 31 December 2017.

Reorganisation transaction in 2016

As a reminder, in financial year 2016, Tikehau Capital Europe and Tikehau Investment Management were fully consolidated on 21 December 2016 (10 days). In financial year 2017, these entities are fully consolidated over the full year (12 months).

d) Material events over the period

Tikehau Capital's capital increases (excluding the public offer of exchange)

On 22 December 2016, Tikehau Capital opened a subscription period for a capital increase that closed on 6 January 2017. It was subscribed mainly by existing shareholders in the amount of about €150 million at a price of €21 per share.

In addition, on 6 January 2017, Tikehau Capital also obtained from FSP (*fonds stratégique de participations*) a pledge to subscribe to a reserved capital increase in the minimum amount of €50 million, also at a price of €21 per share. This reserved capital increase was conducted on 3 March 2017.

On 30 June 2017, Tikehau Capital opened a subscription period for a capital increase that closed on 29 July 2017. The gross amount of the capital increase (issue premium included), after full exercise of the extension clause decided by Management, amounted to €701.8 million on the basis of a price €22 per share.

Success of the public exchange offer on Salvepar and IPO

On 9 January 2017, the Company announced a stock-for-stock tender offer and a cash tender offer for the ordinary shares and the ORNANE bonds issued by Salvepar. Following the completion of the public exchange offer and the mandatory delisting of the non-tendered shares and Salvepar ORNANE bonds, Tikehau Capital held 100% of the ordinary shares and 100% of the Salvepar ORNANE bonds (See § 5.3(c) (Change in scope of consolidation)).

On 7 March 2017, the Company was listed on the regulated market Euronext Paris. The floating price was set at €21 per share for a stock market capitalisation of around €1.5 billion.

This listing falls under the reorganisation of the Group, which began end-2016.

Conversion and early redemption of the Tikehau Capital ORNANE bonds

On 17 May 2017, 3,000 Tikehau Capital ORNANE bonds were converted resulting in the creation of 8,097 Tikehau Capital shares, representing a capital increase of approximately €185,000 (including premium).

Within the framework of a tender offer, on 2 March 2017, the Company issued ORNANE bonds (*obligations à option de remboursement en numéraire et/ou en actions nouvelles et/ou existantes*) bonds with the option of redemption in cash and/or new and/or existing shares, "ORNANE") maturing on 1 January 2022. The nominal value of the issue of ORNANE bonds was €75.3 million.

On 21 June 2017, Tikehau Capital purchased 659,024 ORNANE bonds representing 53.9% of the outstanding ORNANE bonds at that date as part of an off-market transaction (the "Redemption"). The redemption was made at a price of €68.25 per ORNANE bond (coupon included). This price displayed a premium of 10.7% on the nominal value of the ORNANE bonds and offset the interest that would have been due by the Company for the first half of 2017 in the absence of a Redemption.

In order to ensure a fair treatment of all ORNANE holders, Tikehau Capital has implemented a procedure for the repurchase of ORNANE holders between 22 June and 28 June 2017 at the Redemption price.

On 28 June 2017, Tikehau Capital announced that it had completed the repurchase of 1,220,868 ORNANE bonds, representing approximately 99.9% of those initially issued, in the context of off-market transactions and the payment procedure implemented as at 22 June to 28 June 2017 included. The settlement-delivery of the repurchase procedure which took place on 30 June 2017. The redeemed ORNANE bonds were subsequently cancelled in accordance with their terms. The aforementioned redemptions represented a cumulative amount of €83.3 million.

On the basis of these results, the Company has decided to exercise its right to request the early redemption of the outstanding ORNANE bonds under the conditions set forth in the issue agreement. This early redemption is scheduled for 22 September 2017 at par (€61.63 per ORNANE) plus accrued interest.

Issuance of a Tikehau Capital bond

On 24 November 2017, Tikehau Capital announced that it successfully placed a €300 million bond issue maturing in November 2023. This inaugural senior unsecured bond issue has an annual fixed coupon of 3%. The settlement-delivery took place on 27 November 2017. This issue not only diversifies but also strengthens the Group's financial resources over the long term.

Bank financing

On 23 November 2017, Tikehau Capital signed a structured loan of €1 billion over five years, consisting of a depreciable portion of €500 million and a revolving credit facility of €500 million from a syndicate of lenders led by BNP Paribas, Natixis and UniCredit Bank as co-arrangers, and composed of Crédit Agricole Corporate and Investment Bank, Société Générale, Citibank, La Banque Postale, Nomura, Crédit Lyonnais and Barclays.

This new facility will finance Tikehau Capital's general needs by providing additional resources to support its growth and its strategy.

The debts previously subscribed by Tikehau Capital (Credit Syndiqué, Bred and UniCredit) were repaid in full at the same time.

Main investments and divestments over the year

The main investments conducted by the Company in the course of 2017 included:

- **Eurazeo** – In May, Tikehau Capital announced that it had acquired a 7.6% stake in the listed investment company Eurazeo. As at 31 December 2017, the exposure was €443 million (excluding fees).
- **Claranet** – The Company has invested £75 million in ordinary and preferred shares alongside the current shareholders of the Claranet group, an independent leader in hosting and outsourcing services for critical applications.
- **Altrad** – The Company acquired from Crédit Mutuel Arkéa a stake in Altrad, a group specialising in the sale and rental of construction and industrial equipment, for an amount of €49.4 million.

The main divestments made by the Company during the year are:

- **DRT** – On 30 November 2017, the Company announced that it had entered into exclusive negotiations with the investment firm Ardian for the latter's acquisition of a majority stake in DRT from the founding families and Tikehau Capital. On 21 December 2017, Tikehau Capital signed a contract for the sale of all the shares of the company Salvepar Sequoia Investissement (a wholly-owned subsidiary of Tikehau Capital), which holds the shares of the company DRT. The analysis of the contractual clauses of this agreement led to the conclusion that most of the risks and benefits were effectively transferred as at 31 December 2017, the conditions precedent being linked to the approval of the transaction by the competition authorities and the consequences of which were guaranteed by the purchaser. The firm sale was confirmed on 19 March 2018 between the parties. The signing of the legal acts for the transfer of securities is scheduled for 10 April 2018 (see Subsequent events). As a result, the sale transaction was considered as completed and the expected income was recorded under current financial assets for an amount of €200 million. As part of this transaction, the Company realised an estimated gain from the disposal of €160 million. DRT is a company specialising in the development of rosin and turpentine extracted from pine resin, in which the Company invested €40.2 million between 2014 and 2016.

- **SES-imagotag** – In June 2017, SES-imagotag announced its plan to merge with the Chinese group BOE Technology group. In this context, the main shareholders of SES-imagotag, including the Company, which holds a 14% stake in SES-imagotag, entered into exclusive negotiations with the acquirer on 16 June 2017 with a view to selling their stake totalling 55% of the capital, at a price of €30 per share. This sale was completed on 20 December 2017 and enabled the Company to record revenue of €5 million in 2017.

- **Groupe Flo** – At the end of April 2017, Tikehau Capital announced its withdrawal from Groupe Flo due to the restructuring operations of this group. Pursuant to the agreement, Financière Flo was bought by Groupe Bertrand for one symbolic euro on 16 June 2017. Prior to the sale, Financière Flo was 66% controlled by GB Inno BM (a company jointly-owned by Compagnie Nationale à Portefeuille and Ackermans van Haaren) and up to 34% by Tikehau Capital. Tikehau Capital's investment amounted to €7.9 million as at 31 December 2016. As part of these restructuring operations, Tikehau Capital retains exposure to Groupe Flo for €1.7 million. The impact of this transaction represents a cost of €6 million before tax for the 2017 financial year.

5.4. Main accounting methods

a) Investment portfolio

The equity securities held by investment management companies are estimated at fair value through profit or loss. Positive and negative changes in fair value are recognised in the net result for the period under "Changes in fair value". The methods for determining fair value are presented in paragraph 5.5.

Investments in equity and quasi-equity securities (e.g., convertible bonds, OCEANE bonds, etc.) are classified in the non-current investment portfolio.

Moreover, and depending on available cash, the timing of investments and market conditions, the Group may make more tactical investments by building a portfolio of shorter-term holdings consisting of equities and bonds or fund units. The securities selected for this portfolio are characterised by being liquid and showing attractive prospects for return and/or performance. These investments are recorded in the current investment portfolio.

Loans and receivables linked to these investments are recognised initially at their acquisition price, including directly attributable transaction costs and accrued interest. They are recognised later at their amortised cost with depreciation of the premium/discount and transaction costs, based on the actual interest rate method.

Impairments are recognised on loans and receivables when there is an objective indication of loss of value, due to an event occurring after the loan was set up.

b) Business combinations

Business combinations are valued and recognised in accordance with IFRS 3 (revised): the counterparty transferred (acquisition cost) is measured at the fair value of assets given, shareholders' equity issued and liabilities incurred on the exchange date. The identifiable assets and liabilities of the Company acquired are measured at their fair value on the acquisition date. The goodwill thereby represents the difference between the acquisition cost and the total valuation of identified assets and liabilities at the acquisition date.

The goodwill relative to the acquisition of foreign companies is denominated in the functional currency of the activity acquired.

In the event of acquisition of control of an entity in which the Group already owns an equity interest, the transaction is analysed as a double operation: on the one hand as a disposal of all of the previously owned equity interest with recognition of the consolidated gain or loss on disposal, and on the other hand, as an acquisition of all the securities with recognition of goodwill on the entire stake (previous share and new acquisition).

The costs directly attributable to the acquisition such as legal, due diligence and other professional fees are recognised in expenses when they are incurred.

Goodwill is not amortised. It is subject to impairment tests as soon as objective indications of impairment appear and at least once a year. IAS 36 requires that any impairment losses on goodwill be determined by reference to the recoverable amount of the Cash Generating Unit (CGU) or CGU groups to which they are assigned.

Cash Generating Units are the smallest group of assets and liabilities generating cash inflows that are independent of cash inflows from other groups of assets. Tikehau Capital's organisation thereby led to the identification of two CGUs corresponding to asset management activities on the one hand and investment activities on the other. Consequently, the tests are carried out with the Cash Generating Units (CGU) or CGU groups, which constitute homogeneous groups together generating cash flows which are largely independent of the cash flows generated by the other CGUs.

The value in use is calculated as the present value of estimated future cash flows generated by the CGU, as they result from the medium-term plans established for the Group's management purposes.

When the recoverable amount is less than the book value, the goodwill related to the CGU or group of CGUs is depreciated accordingly. This depreciation is irreversible.

c) Financial derivatives

The Group may trade financial derivatives as part of its strategy of managing interest-rate risks on bank borrowings and issues of debt instruments or market risks.

Derivatives are recognised on the balance sheet at their fair value on the closing date. Changes in the value of derivatives are recognised on the income statement:

- under a separate "Income of the derivatives portfolio" heading for the purpose of managing market risks;
- under financial expenses for positions in interest-rate derivatives.

d) Tangible and intangible assets

Tangible and intangible assets are recognised at their acquisition cost and are depreciated over their useful lives.

The main durations are as follows:

- usufruct: between 5 and 15 years, depending on the duration of entitlement;
- software: 1 to 3 years;
- office equipment and furniture: 3 to 5 years.

Intangible assets are also made up of the Tikehau Capital brand which is recognised at its acquisition price for the sum of €10.7 million and the brand Credit.fr which was revalued on its acquisition for the amount of €2.4 million.

This valuation was assessed on the basis of the royalty method, corresponding to the discounted amount of future royalties that the brand would be able to generate after reduction of all the necessary expenses for its maintenance, the future royalties being determined on the basis of future revenues generated by the Company operating the brand, to which is applied a royalty fee in effect on similar brands and/or in similar contexts.

The brand is subject to an impairment test once a year or more frequently if there is evidence of impairment. This impairment test will be assessed by the application of the same royalty method.

e) Client receivables and other receivables

Client receivables, other receivables and loans are recognised at their nominal value. An impairment is recognised when their book value, based on the probability of collection, is lower than their recognised value.

f) Cash equivalents and other current financial assets

Tikehau Capital's cash surplus, if any, may be invested in units in euro money market funds and 3-month term deposits that meet the definition of cash equivalents according to IAS 7 (easily convertible into a known amount of cash and subject to insignificant risk of change in value). Money-market funds are recognised by applying the fair value option through profit or loss under IAS 39.

Term deposits are recognised using the amortised cost method with changes recorded in income on the line "Net income on cash equivalents".

Other cash equivalents and other current financial investments are recognised at fair value through profit or loss.

The results at year-end are included in the net result for the period under "Net income on cash equivalents".

g) Provisions

In accordance with IAS 37 "Provisions, contingent liabilities and contingent assets", a provision is recognised when the Group has an obligation with regard to a third party and it is probable or certain that this obligation will give rise to a disbursement of resources to this third party without being matched by at least an equivalent payment from this third party.

When the execution date of this obligation is more than one year, the amount of the provision is discounted, the effects of which are recognised in the financial result, based on the effective interest rate method.

h) Financial debt

The criterion for distinguishing debt and shareholders' equity is whether there exists or not an obligation for the issuer to make a cash payment to its counterparty. The option of taking the initiative or not of disbursement is the essential criterion in distinguishing between debt and shareholders' equity.

Financial debt is recognised at its amortised cost, based on the effective interest rate method.

i) Deferred taxes

Taxes include outstanding tax liabilities of the various consolidated companies and deferred taxes resulting from timing differences.

Timing differences between the consolidated values of asset and liability items, and those resulting from the implementation of tax regulations give rise to the recognition of deferred taxes. The tax rate used in calculating deferred taxes is the one that is known on the closing date; the impacts of changes in tax rate are recognised during the period during which the decision on this change is made.

Deferred taxes on the investment portfolio are calculated at the applicable rate when the securities concerned are divested. The tax rates are determined based on the nature of the asset concerned (a long-term regime for financial interests, and FPCI, SCR, and SIC funds).

A deferred tax asset is recognised for tax losses that can be carried forward, under the likely assumption that the entity concerned will have future taxable earnings from which these tax losses may be subtracted.

Deferred tax assets and liabilities are not discounted.

j) VAT regime

Tikehau Capital does not recover VAT. Non-deductible VAT is recognised on the income statement, under "Other operating expenses".

k) Segment information

Tikehau Capital operates either by investing its capital directly in equity investments or by investing in management platforms for third parties (Tikehau IM and Tikehau Capital Europe).

Segment information levels are determined from the elements of the consolidated contributory situations of each entity belonging to the sector segment considered. The asset management sector corresponds to the net consolidated contributions of the Tikehau Investment Management entities and its subsidiaries TIM Asia and TIM APAC, Tikehau Capital Europe, IREIT Global Group and Credit.fr.

The group therefore identified two CGUs, which are the investment business sector and the asset management business sector.

Until 21 December 2016, asset management platforms were consolidated using the equity method. They are now fully consolidated. The presentation of segment information by business is therefore not comparable to 31 December 2016. In addition, regarding its asset management business, the Company monitors assets under management and

sales net of retrocessions by business line. This second-level information is presented in the activity report for assets under management ("AUM").

l) Recognition of revenue: Revenues from asset management activities

Gross revenues from asset management activities are made up of:

- management fees collected which correspond to management fees paid by the funds (whether relating to the management of assets or under management or to arranging or structuring portfolio transactions). They are recorded at the time when the service is provided and in general are calculated by applying a percentage to the AUM called but can also sometimes apply for some of the AUM committed but not yet called. They are collected monthly, quarterly or even over shorter periods (excluding arrangement or structuring fees which are usually paid when the investment is made to remunerate the service rendered). The level of management fees depends both on the type of client and type of products;
- performance fees or carried interests can be collected when performance thresholds are exceeded during the lifetime of the fund (open-ended funds managed under liquid strategies) or on the liquidation of the fund (closed funds managed under private debt, real estate or private equity activities). This income is paid by the funds directly to the beneficiaries and recognised in the income statement when they are definitively allocated. Such income may be collected in part by the asset management company and/or Tikehau Capital in accordance with the terms and conditions of the fund regulations. Only the share of the asset management company is recognised in the gross revenues from asset management activities.

Fees paid-out are deducted from the gross income of the management companies to form the net revenues from asset management activities.

These fees correspond to (i) retrocessions paid to distributors provided for under contract, generally based on a percentage of the management fees, and (ii) the fees of custodians and valuation agents, paid by the management companies.

5.5. Determining fair value

The principles adopted for fair value measurement for portfolio assets are in accordance with IFRS 13 "Measurement of fair value" and may be summarised as follows:

Securities classified as Level 1

These are companies whose shares are listed on an active market. Shares in listed companies are measured on the basis of the last quoted price as at closing.

Securities classified as Level 2

These are companies whose shares are not listed on an active market, but whose measurement pertains to directly or indirectly observable data. An adjustment made to a Level 2 piece of data that is significant to the fair value, can result in a fair value classified in Level 3 if it uses significant unobservable data.

Securities classified as Level 3

These are companies whose shares are not listed on an active market, and whose measurement pertains to a large extent to unobservable data.

Tikehau Capital takes into consideration, *inter alia*, the following assessment methods:

- the transaction value: transactions over the last 12 months or the last months of activity if the Company has not completed a full financial year of 12 months since the shareholding was acquired, unless Tikehau Capital is aware of a valuation considered more relevant;
- the discounted cash flow method (DCF): this method determines the present value of cash flows a company will generate in the future. Cash-flow projections prepared in connection with the management of the company in question include a critical analysis of the business plan of these companies. The discount rate used is the weighted average cost of capital, which represents the cost of debt of the Company and the notional cost of estimated equity, weighted by the proportion of each of these two components in the financing of the Company. This rate is set next to that used by analysts for listed companies in the same sector;
- the stock market comparables method: valuation multiples of the Company under assessment are compared with those of a sample of companies in the same industry or similar. The average of the sample then establishes a valuation benchmark applicable to the assessed company;
- the industry transaction method: valuation multiples of the Company under assessment are compared with those of a

sample of companies sold in the same industry or similar. The average of the sample then establishes a valuation benchmark applicable to the assessed company.

Bonds, except for impairment indicators, are recognised at their nominal value, plus accrued interest.

Fund units are valued on the basis of the last net asset value available at the financial statements closing date.

The share invested in subordinated notes by Tikehau Capital Europe in the CLO funds it manages is valued using the marked to model method, given the low liquidity of the units and the obligation to hold notes until maturity.

5.6. Segment information

Tikehau Capital operates either by investing its capital directly in equity investments or by investing in management platforms for third parties. This activity is presented in the investment activities sector.

The asset management sector corresponds to the net consolidated contributions of the Tikehau Investment Management entities and its subsidiaries TIM Asia and TIM APAC, Tikehau Capital Europe, IREIT Global Group and Credit.fr.

The data below is presented within the bounds of each business sector after elimination at their level of operations carried out with the other business sector. The personnel expenses relating to the Private Equity teams, which managed Tikehau Capital's investment portfolio, are presented in the investment activities sector.

The main aggregates of the segment profit and loss account are as follows:

(in thousands of €)	2017 (12 months)	Investment activities	Asset management activities
Net revenues from asset management activities	57,868	0	57,868
Revenues from investment activities	387,344	387,344	0
Operating expenses	-81,904	-40,030	-41,874
Net operating profit from investment and asset management activities before share of net results from equity affiliates	363,307	347,314	15,993
Share of net results from equity affiliates	-56	0	-56
Financial result	-28,225	-27,354	-871
Corporate income tax	-19,029	-13,183	-5,846
NET RESULT	315,997	306,776	9,221

The main aggregates of the segment balance sheet are as follows:

(in thousands of €)	2017 (12 months)	Investment activities	Asset management activities
Total non-current assets	1,807,617	1,735,487	72,130
Total current assets	1,327,705	1,255,829	71,875

(in thousands of €)	2017 (12 months)	Investment activities	Asset management activities
Total non-current liabilities	548,899	542,265	6,634
Total current liabilities	56,755	31,213	25,542

The operating cash flow by business sector is as follows:

(in thousands of €)	2017 (12 months)	Investment activities	Asset management activities
Operating cash flows	-436,469	-448,567	12,098

5.7. Tangible and intangible assets

(in thousands of €)	31 Dec. 2016	Change in scope	Increase	Decrease	31 Dec. 2017
Goodwill	297,067	10,946	10,346	-453	317,906
Brands	10,710	1,330	0		12,040
Other intangible assets	74	55	1,469		1,598
Total intangible fixed assets	307,851	12,331	11,814	-453	331,543
Total tangible fixed assets	3,383	0	635	-2,103	1,915
Total tangible and intangible fixed assets	311,234	12,331	12,449	-2,556	333,458

Goodwill amounts to €317.9 million as at 31 December 2017 compared with €297.1 million as at 31 December 2016. This change is mainly due to the entry into the scope of consolidation of Credit.fr on 29 June 2017 and the

recognition of goodwill of €10.9 million. The domain name Credit.fr has been revalued for €1.1 million, in addition to the brand acquired for €0.2 million (see note 5.3(c) (Change in the scope of consolidation)).

The breakdown of goodwill, allocated to the asset management CGU is given below:

(in thousands of €)	31 Dec. 2017	31 Dec. 2016
Tikehau Investment Management	286,214	276,458
Tikehau Capital Europe	11,415	11,415
Credit.fr	10,946	
IREIT Global Group	9,331	9,194
Goodwill	317,906	297,067

The impairment test at 31 December 2017 was based on profit forecasts for the period 2017-2022. These earnings forecasts are based on the following main assumptions relating to the economic environment and built on the

assumptions of growth of assets under management from a bottom up approach by fund and strategy.

Operating expense growth assumptions were also determined by type of main expenses.

Goodwill has been tested for impairment using the following assumptions:

(in thousands of €)	31 Dec. 2017
Wacc	8.00%
Growth rate	0.00%
Net value of the CGU tested	429,735
Impairment loss recognised	-

No impairment loss was recognised as at 31 December 2017.

A change in these assumptions (\pm 50 basis points of the discount rate, \pm 50 basis points of the growth rate to infinity) would not change the conclusion of the impairment test as at 31 December 2017.

The sensitivity of enterprise values to the assumptions used is reflected in the following table:

(in thousands of €)	Discount rate	Growth rate to infinity	
		0%	0.50%
Downward sensitivity	7.50%	66,590	125,262
Upward sensitivity	8.50%	-59,000	-15,585

In addition, given the date of the acquisition of Credit.fr, no impairment test was performed on the identified intangible asset (Credit.fr domain name for €1.1 million).

5.8. Non-current investment portfolio

Changes in the non-current investment portfolio are as follows:

(in thousands of €)	Portfolio	Level 1	Level 2	Level 3	Non consolidated
Fair value as at 31 December 2016	762,578	277,606	11,635	472,771	566
Acquisition of securities	787,881	428,272		359,608	0
Disposals and repayments	-170,867	-49,745	-87	-120,908	-127
Changes in receivables	-22,767	408	36,022	-59,213	16
Changes in fair value	-15,363	14,593	-37,270	7,314	0
Reclassification of current portfolio to non-current portfolio	7,121	4,815		2,306	
Change in scope	107,463	-136,361	50,000	193,824	
Fair value as at 31 December 2017	1,456,045	539,589	60,300	855,701	455

The impact of the €107.5 million change in the scope of consolidation results from the substitution of Salvepar's previously listed securities held by TC at the fair value of investments in Salvepar's portfolio (see note 5.3(c) (Change in scope of consolidation)).

This corresponds to the positive difference between (i) the fair value of Salvepar's investment portfolio at the date of entry into the scope of consolidation (€418.3 million) and

(ii) the valuation of this entity in the consolidated financial statements of Tikehau Capital as at 31 December 2016, i.e. €310.9 million.

The change in Level 1 securities includes the acquisition of Eurazeo listed securities for a net amount of €444.2 million, of which €21.7 million are included in the flows of changes in scope.

The presentation of the acquisitions of securities in the non-current portfolio in the cash flow statement differs from the balance sheet presentation. The table below presents the reconciliation between the two aggregates:

Acquisition of securities – change in balance sheet	787,881
Capital gains realised on investments acquired and sold over the year	-100,639
Current account contributions from shareholders	7,487
Acquisition of investment portfolio – statement of cash flows	694,730

The acquisition value of the non-current portfolio is as follows:

(in thousands of €)	31 Dec. 2017	31 Dec. 2016
Historical value of the non-current portfolio	1,403,129	775,744
Value of related receivables	15,609	21,895

Outstanding commitments in the non-current investment portfolio are as follows:

(in thousands of €)	31 Dec. 2017	31 Dec. 2016
Commitments on non-current investment portfolio	237,665	18,100

5.9. Investments in equity affiliates

The change in investments in equity affiliates corresponds to the entry into the scope of consolidation of Duke Street (see note 5.3(c) (Change in the scope of consolidation)).

(in thousands of €)	31 Dec. 2017	31 Dec. 2016
Letus Private Office	247	267
Duke Street	6,349	0
Investments in equity affiliates	6,595	267

5.10. Client receivables, other receivables and financial assets

(in thousands of €)	31 Dec. 2017	31 Dec. 2016
Client receivables and related accounts	15,894	8,885
Financial assets	206,252	0
Other receivables	21,008	5,689
Total other receivables and financial assets	227,261	5,689

The financial assets correspond mainly to the investment in the Salvepar Sequoia shares (holding the DRT securities), the divestiture commitment of which was finalised at the end of December 2017 and which will enable the receipt of proceeds of €200.8 million.

The other receivables mainly consist of revenues from investment activities recognised in the income statement but not yet collected as at 31 December.

Client receivables and other receivables are not subject to any provision for non-recovery.

5.11. Current investment portfolio

Changes in the current investment portfolio are as follows:

(in thousands of €)	Portfolio	Level 1	Level 2	Level 3
Fair value as at 31 December 2016	40,454	40,454	0	0
Acquisition of securities	43,570	43,665		-94
Disposals and repayments	-14,623	-14,623	0	0
Changes in fair value	-2,586	-2,470		-116
Reclassification of current portfolio to non-current portfolio	-7,121	-4,815	0	-2,306
Change in scope	49,427	46,911		2,516
Fair value as at 31 December 2017	109,121	109,121	0	0

The impact of the change in the scope of consolidation for €49.4 million corresponds to the entry into the scope of consolidation of Salvepar (see note 5.3(c) (Change in the scope of consolidation)).

The acquisition value of the current portfolio is as follows:

(in thousands of €)	31 Dec. 2017	31 Dec. 2016
Historical value of the current portfolio	119,010	46,859

The presentation of the acquisitions of securities in the current portfolio in the cash flow statement differs from the balance sheet presentation. The table below presents the reconciliation between the two aggregates:

Acquisition of securities – change in balance sheet	43,570
Capital gains realised on investments acquired and sold over the year	-5,255
Change in accrued interest	-74
Acquisition of investment portfolio – statement of cash flows	38,243

5.12. Cash and cash equivalents, cash management financial assets

(in thousands of €)	31 Dec. 2017	31 Dec. 2016
Cash equivalents	81,840	486
Cash	826,737	129,359
Cash and cash equivalents	908,577	129,845
Cash management financial assets	66,852	0
Cash and cash equivalents and cash management financial assets	975,429	129,845

Cash equivalents are mainly represented by marketable securities.

5.13. Number of shares, share capital and dividends

Number of shares	31 Dec. 2017	31 Dec. 2016
Existing shares at the beginning of the period	54,174,822	21,689,838
Shares issued during the period	48,624,926	32,484,984
Existing shares at the close of the period	102,799,748	54,174,822
Exercise of equity warrants (BSAs)	1,416,560	1,244,781
Acquisition of free shares	700,873	0
Shares after dilution at the close of the period	104,917,181	55,419,603
Of which treasury shares	46,564	0

The weighted average number of shares after dilution over the year is 87,124,865 shares after taking into account dilutive securities of 2,117,317.

Share capital (in €)	31 Dec. 2017	31 Dec. 2016
Par value at end of period	12	12
Share capital	1,233,596,976	650,097,864

The dividends per share paid on the following financial years came to:

(in €)	31 Dec. 2016	31 Dec. 2015	31 Dec. 2014
Dividend per share Tikehau Capital	–	0.70	0.60

5.14. Borrowings and financial debt

In May 2017, Tikehau Capital took out a new bank loan from UniCredit Bank for an amount of €300 million, of which €222.2 million was drawn down over the period.

The UniCredit loan and the Bred and Credit Syndiqué loans subscribed in 2016 were repaid in full on 23 November 2017 as part of the debt restructuring.

On 23 November 2017, Tikehau Capital subscribed a structured loan for an amount of €1 billion of which €250 million were drawn down as at 31 December 2017 (see note 5.3(d) (Material events over the period)).

In parallel, its subsidiary Tikehau Investment Management Asia Pacific (TIM APAC) took out its first bank loan with Standard Chartered for 8.0 million Singapore dollars, *i.e.* around €5.1 million.

Lastly, on 27 November 2017, Tikehau Capital issued a €300 million bond (see note 5.3(d) (Material events over the period)).

(in thousands of €)	31 Dec. 2017	31 Dec. 2016
Bonds	300,000	0
Principal debt (incl. accrued interest)	256,862	121,354
Bank loans	1	0
Amortisation of issue costs on borrowings	-9,131	-2,143
Borrowings and debt from credit institutions	247,732	119,211
TOTAL	547,732	119,211
of which current liabilities	1,770	2,354
of which non-current liabilities	545,962	116,857

Changes in borrowings and financial debt are as follows:

(in thousands of €)	Total	Bonds	Borrowings	Accrued interest	Issue costs on borrowings	Others
Debt as at 31 December 2016	119,211	0	120,000	1,760	-2,549	0
Scope effect	1,348	0	125	605	617	0
New loans subscribed	764,540	300,000	477,157	0	-12,617	0
Loans reimbursed	-337,133	0	-342,164	0	5,032	0
Others	-234	0	0	-621	386	1
Debt as at 31 December 2017	547,732	300,000	255,118	1,744	-9,131	1

Cash and cash equivalents related to borrowings and financial debts include (i) new borrowings subscribed net of issue costs for €764.5 million, (ii) borrowings repaid during the year (excluding fees) for €342.2 million, (iii) repayment

of the bond issued by Tikehau Capital under the public exchange offer for €83.3 million including redemption premium (see note 5.3(d) (Material events over the period)) and (iv) interest expense for the year for €10.0 million.

Borrowings and financial debt can be broken down into the following maturities:

(in thousands of €)	Due within one year	Due in one to five years	Due in more than five years	Total
Situation as at 31 December 2017				
Variable-rate bank borrowings	307	254,811	0	255,118
Amortisation of issue costs on borrowings	-282	-8,849	0	-9,131
Fixed-rate bond borrowing	0	0	300,000	300,000
Accrued interest	1,744	0	0	1,744
Bank loans	1			1
TOTAL	1,770	245,962	300,000	547,732
of which current liabilities	1,770			1,770
of which non-current liabilities		245,962	300,000	545,962

(in thousands of €)	Due within one year	Due in one to five years	Due in more than five years	Total
Situation as at 31 December 2016				
Variable-rate bank borrowings	1,000	119,000	0	120,000
Amortisation of issue costs on borrowings	-405	-2,143	0	-2,549
Fixed-rate bond borrowing				
Accrued interest	1,760	0	0	1,760
TOTAL	2,354	116,857	0	119,211
of which current liabilities	2,354			2,354
of which non-current liabilities		116,857	0	116,857

Information on bank covenants

Syndicated loan taken out on 23 November 2017 - €1 billion:
For the duration of the contract, Tikehau Capital undertakes to respect the financial ratios:

- Loan To Value ratio, tested semi-annually, less than or equal to 47.5% corresponding to the ratio between (i) the amount of the consolidated financial debt less the amount of the consolidated cash and cash equivalents¹ and (ii) the consolidated assets² less the amount of consolidated cash and cash equivalents;
- minimum liquidity ratio, tested semi-annually, at any time greater than or equal to €150 million, corresponding to the sum of consolidated cash and cash equivalents;
- limiting the Company's secured debt to 12.5% of total consolidated assets;

- limitation of unsecured debt at the level of the Company's subsidiaries to 12.5% of total consolidated assets.

Standard Chartered bank loan taken out on 27 April 2017 – 8 million Singapore dollars:

For the duration of the contract, TIM APAC undertakes to respect two financial ratios:

- financial expense coverage ratio greater than or equal to 3, calculated semi-annually, corresponding to the ratio between (i) distributions received from its subsidiary IREIT Global Group, and (ii) financial expenses of TIM APAC. The first date for testing the ratio is set at 30 June 2018;
- assets under management managed by Tikehau IM, greater than €3 billion, tested on a quarterly basis.

5.15. Taxes

Tax breaks down as follows:

(in thousands of €)	Dec. 2017 (12 months)	Dec. 2016 (12 months)
Income/(Expense)		
Deferred tax	-8,838	24,066
Current tax	-10,191	-1,689
TOTAL	-19,029	22,377
Net result of consolidated companies	315,997	72,496
Income before tax	335,026	50,119
<i>Application of the normal theoretical tax rate of 33 ⅓</i>	-111,675	-16,706

The reconciliation between the theoretical tax situation and the actual tax breaks down as follows:

(in thousands of €)	Dec. 2017 (12 months)	Dec. 2016 (12 months)
Theoretical tax	-111,675	-16,706
Deferred tax savings at reduced rate	-12,883	13,076
Current tax savings at reduced rate	88,254	2,950
Non-activated tax losses ¹	-868	
Income from equity method companies	-19	22,519
Difference in rate ²	1,422	702
Effect of reduced rates on deficit ³	-1,536	
Change in scope Salvepar ⁴	18,725	
Tax credit	115	
Others	-564	-163
Actual tax	-19,029	22,377

¹ Non-activated tax loss carry-forwards correspond to the losses of the year of the fully consolidated subsidiaries.

² The difference in rates relates to the local tax rates of fully consolidated foreign subsidiaries.

³ The effect of the reduction in interest rates on deficits corresponds to the gradual reduction of the normal tax rate applied on unrealised gains on the basis of estimates of the date of disposal of the assets concerned.

⁴ The impact of the change in scope of consolidation of Salvepar includes (i) the revaluation of Salvepar shares on the date of its integration in the scope of consolidation, for the share of securities held as at 31 December 2016 for €32.4 million *i.e.* €10.8 million in tax effect, (ii) the reversal of the provision on Salvepar shares accounted for in the Tikehau Capital company financial statements for €24.6 million, or €8.2 million in tax effect and (iii) Salvepar's share of earnings before its inclusion in the scope of consolidation for €0.8 million, or -€0.3 million in tax effect.

¹ Consolidated cash and cash equivalents correspond to the sum of (i) cash and cash equivalents and (ii) the current investment portfolio.

² Consolidated assets are the sum of (i) total non-current asset (excluding deferred tax assets and other non-current assets) and (ii) consolidated cash and cash equivalents.

Changes in taxes on the balance sheet are as follows:

(in thousands of €)	Liabilities (+) or Assets (-) tax	Of which deferred tax	Of which current tax
Situation as at 31 December 2016	25,366	26,758	-1,391
Current tax	-10,191		-10,191
Deferred tax	-8,848	-8,848	
Change in scope	39	0	39
Joined the scope	-22,098	-8,214	-13,885
Tax Disbursement/Collection	30,606		30,606
SITUATION AS AT 31 DECEMBER 2017	14,874	9,696	5,178

Deferred taxes related to tax losses that may be carried over are detailed below.

(in thousands of €)	31 December 2017	31 December 2016
Stock of tax loss carried forward at local normal rate	82,986	95,988
Activated deferred tax	26,126	31,996
Stock of tax loss carried forward at local reduced rate	4,935	8,524
Activated deferred tax	128	128

The activation of tax losses is based on Tikehau Capital's ability to achieve the objectives set out in the Management's medium-term tax plan.

Changes in deferred taxes are broken down as follows:

Liabilities (+) or Assets (-) tax (in thousands of €)	31 Dec. 2016	Increase	Decrease and Recovery	Effect change in tax rate	Change in fair value	Reclas- sifica- tion	Change in scope	Other	31 Dec. 2017
Tax losses that may be carried over	32,124		-4,334	-1,536					26,254
Evaluation of financial instruments	1,338				-950				388
Other deferred tax assets	60	0	-17	0	0	0	0	0	43
Compensation deferred taxes	-5,953					-9,409			-15,361
Total deferred tax asset	27,569	0	-4,351	-1,536	-950	-9,409	0	0	11,323
Fair value of the portfolio	-6,022	-1,302					-8,805		-16,130
Evaluation of financial instruments							-57		-57
Other deferred tax liabilities	-742	0	-700	0	0	0	629	10	-801
Compensation deferred taxes	5,953					9,409			15,361
Total deferred tax liabilities	-811	-1,302	-700	0	0	9,409	-8,233	10	-1,627
Total net deferred tax	26,758	-1,302	-5,050	-1,536	-950	0	-8,233	10	9,696

5.16. Non-current financial derivatives

Non-current financial derivatives are made up exclusively of interest-rate swaps implemented within the management of the interest-rate risk on bank debt.

5.17. Share-based payment (IFRS 2)

IFRS 2 "Share-based payment" requires valuation of share based payment transactions and similar in the Company's income statement and balance sheet. This standard applies to transactions carried out with employees, and more precisely:

- to equity-settled share-based payment transactions;
- to cash-settled share-based payment transactions.

Tikehau Capital SCA plan

Share-based payment plans concern only shares of Tikehau Capital.

These plans include a vesting period ranging from two to three years, depending on the plan. The advantage granted to employees is measured as the value of the share acquired as indicated in the plan.

The impact is recorded in payroll expenses and offset by an increase in "Consolidated reserves (Group's share)".

Characteristics of the general free shares plan ("All Plan") implemented at Tikehau Capital SCA

Number of shares being acquired: 25,536 shares

Allocation date: 1 December 2017

Unit value of the share on the allocation date: €19.73 corresponding to the share price on 31 December 2017

(€21.92) to which a 10% discount was applied to take into account the absence of dividend rights over the vesting period.

Definitive vesting date: 1 December 2019, *i.e.* a vesting period of three years conditional on the continued status of employee within the Group and without performance conditions.

From the Definitive vesting date, the Shares acquired will be freely transferable.

Characteristics of the individual free shares plan ("One Off Plan") implemented at Tikehau Capital SCA

Number of shares being acquired: 675,337 shares

Allocation date: 1 December 2017

Unit value of the share on the allocation date: €19.73 corresponding to the share price on 31 December 2017 (€21.92) to which a 10% discount was applied to take into account the absence of dividend rights over the vesting period.

Acquisition date:

- for 50% of shares acquired, 1 December 2019, *i.e.* a vesting period of two years conditional on the continued status of employee within the Group and without performance conditions;
- for the remaining shares, 1 December 2020, *i.e.* a vesting period of three years conditional on the continued status of employee within the Group and without performance conditions.

From the Definitive vesting date, the Shares acquired will be freely transferable.

	Shares awarded under the general plan	Shares awarded under the individual plan
Allocation date	1 December 2017	1 December 2017
Number of shares allocated	25,536	675,337
Valuation on the allocation date (in €)	592,681	15,634,127
No. of shares acquired per period		
• <i>the vesting period of which ends on 30 November 2019</i>	25,536	337,669
• <i>the vesting period of which ends on 30 November 2020</i>		337,669

Tikehau Investment Management Plan

Share-based payment plans concern shares of Tikehau Investment Management.

These plans include a vesting period ranging from three to six years, depending on the plan. The advantage granted to employees is measured as the value of the share acquired as indicated in the plan.

The impact is recorded in payroll expenses and offset by an increase in "Consolidated reserves (Group's share)".

Characteristics of the free shares plans implemented at Tikehau Investment Management

For the benefit of employees not subject to AIFM regulations

Number of shares being acquired: 253 shares

Allocation date: 30 June 2016

Unit value of the share on the allocation date: €4,486.91

Acquisition date: 30 June 2019, *i.e.* a vesting period of three years conditional on the continued status of employee within the Group and without performance conditions.

The shares are accompanied by an obligation to retain them for a minimum period of one year which will begin as of the definitive vesting of the shares.

For the benefit of employees subject to AIFM regulations

Number of shares being acquired: 383 shares

Allocation date: 30 June 2016

Unit value of the share on the allocation date: €4,486.91

Acquisition date:

- for 60% of shares acquired, 30 June 2019, *i.e.* a vesting period of three years conditional on the continued status of employee within the Group and without performance conditions;

- for the remaining shares, acquisition in thirds at the end of three vesting periods of four, five and six years (*i.e.* respectively 30 June 2020, 30 June 2021, 30 June 2022) conditional on the continued status of employee within the Group. The number of Tikehau Investment Management shares ultimately acquired is based on the performance of a benchmark index representative of the performance of Tikehau Investment Management's various business lines.

The shares are accompanied by an obligation to retain them for a minimum period of one year which will begin as of the definitive vesting of the shares.

	Shares allocated to TIM employees subject to AIFM regulation	Shares allocated to TIM employees not subject to AIFM regulation
Allocation date	30 June 2016	30 June 2016
Number of shares allocated	383	253
Valuation on the allocation date (in €)	1,137,741	1,722,351
No. of shares acquired per period		
• of which the vesting period ends on 30 June 2019	227	253
• of which the vesting period ends on 30 June 2020	52	
• of which the vesting period ends on 30 June 2021	52	
• of which the vesting period ends on 30 June 2022	52	

5.18. Non-controlling interests

The non-controlling interests can be broken down as follows:

- on the income statement:

(in thousands of €)	2017 (12 months)	% interest	2016 (12 months)	% interest
Tikehau Capital Europe	1,151	24.90%	0	3.00%
Tikehau IM	394	3.33%	53	3.40%
Other companies	69		0	
TOTAL	1,614		53	

- shareholders' equity:

(in thousands of €)	2017 (12 months)	% interest	2016 (12 months)	% interest
Tikehau Capital Europe	18,460	24.90%	1,179	3.00%
Tikehau IM	11,204	3.33%	1,120	3.40%
Other companies	536		328	
TOTAL	30,200		2,627	

5.19. Change in fair value

(in thousands of €)	2017 (12 months)	2016 (12 months)
Non-current portfolio	317,637	41,495
Current portfolio	5,569	794
TOTAL	323,205	42,289

Change in fair value of the non-current investment portfolio includes the revaluation of Salvepar shares following its inclusion in the scope of consolidation (for the proportion of shares held at 31 December 2016) for €32.4 million.

5.20. Other portfolio revenues

(in thousands of €)	2017 (12 months)	2016 (12 months)	2016 pro forma (12 months)
Dividends	46,017	26,979	30,930
Interest	16,954	3,381	10,288
Others	610	1,095	1,111
Non-current portfolio income	63,581	31,455	42,329
Capital gains from disposal	0	0	0
Income from bonds	558	155	1,531
Current portfolio income	558	155	1,531
TOTAL	64,138	31,611	43,860

5.21. Operating expenses

(in thousands of €)	2017 (12 months)	2016 (12 months)
Purchases and external expenses	-15,546	-1,326
Other fees	-8,468	-1,855
Remuneration of the Manager or Chairman ¹	-26,799	-16,856
Purchases and external expenses	-50,813	-20,037
Personnel expenses	-26,780	0
Taxes other than income taxes	-2,253	-4,192
Other net operating expenses	-2,060	137
Other net operating expenses	-4,312	-4,056
TOTAL	-81,904	-24,092
of which operating expenses relating to asset management activities	-41,874	0
of which operating expenses relating to asset management activities ²	-40,030	-24,092

¹ The Manager's remuneration in 2017 includes the non-recoverable share of VAT of €4.5 million. In 2016, the Chairman's remuneration was presented excluding tax. Total non-recoverable VAT was presented in Taxes other than income taxes for €4.2 million including €3.2 relating to the Chairman's fees.

² Operating expenses of investment activities include the remuneration of the Manager or the Chairman.

The methods for determining the remuneration of the Manager-General Partner of Tikehau Capital (from 7 November 2016) and the Chairman (until 7 November 2016) are detailed in note 5.24(a).

In addition to remuneration of the Managers, operating expenses increased mainly due to changes in the scope of consolidation (Tikehau IM fully consolidated as of 21 December 2016).

5.22. Net income on cash equivalents

(in thousands of €)	2017 (12 months)	2016 (12 months)
Change in fair value	-2	387
Net gains/losses on marketable securities	-9	7
Net gains/losses related to foreign exchange	-95	-177
Other income from marketable securities	492	361
TOTAL	386	577

5.23. Financial expenses

(in thousands of €)	2017 (12 months)	2016 (12 months)
Expenses related to borrowings from credit institutions	-13,107	-3,484
Expenses related to bonds	-8,933	-1,100
Expenses related to interest rate derivatives	-2,407	-1,980
Change in fair value of interest rate derivatives	2,944	-894
Currency translation adjustment of receivables and bank accounts in currency	-7,048	0
Miscellaneous	-60	-415
TOTAL	-28,611	-7,874

Costs related to borrowings from credit institutions include the amortisation of debt issuance costs for €6.8 million, mainly related to the issue costs of loans repaid during the period and remaining on 1 January 2017.

The amount of the expenses related to the bonds corresponds to (i) the interest on the new bond issued by Tikehau Capital on 27 November 2017 for €0.8 million and (ii) the redemption price of the Tikehau Capital ORNANE bonds on 30 June 2017 (settlement-delivery date) for €8.1 million. This price displays a premium of 10.7% on the nominal value of the Tikehau Capital ORNANE bonds and offsets the interest that would have been due by the Company for the first half of 2017 in the absence of a Redemption.

Interest risk exposure on bank loans is detailed in note 5.25(a).

5.24. Related parties

a) Perimeter of related parties

The related parties of Tikehau Capital are:

- Tikehau Capital General Partner, in its capacity as Manager-General Partner, 100% owned by Tikehau Capital Advisors;
- Tikehau Capital Advisors and its representatives (the company AF&Co, controlled by Mr. Antoine Flamarion, in his capacity as Chairman of Tikehau Capital Advisors, and the company MCH, controlled by Mathieu Chabran in his capacity as Chief Executive Officer of Tikehau Capital Advisors);

The transactions completed and outstanding amounts at the end of the period between the Group's fully consolidated companies are fully eliminated under consolidation.

(i) Remuneration of the Managers

The Managers are responsible for the general business conduct of the Company, the convening of General Meetings of Shareholders and setting their agenda, as well as the preparation of the accounts. Therefore, the Manager is entitled to a remuneration, determined in the Articles of Association, which is equal to (excluding tax) 2% of the total consolidated shareholders' equity of the Company, determined on the last day of the preceding financial year. This remuneration shall be paid to him annually when the financial statements of the preceding year are approved. The Manager has the opportunity, during the year, of receiving a payment on account for the remuneration referred to above. The payment of this advance can only be made on the basis of an accounting period certified by the Statutory Auditors of the Company. This advance is deducted from the total amount of remuneration paid to the Manager on approval of the financial statements for the previous financial year.

(ii) Preferred dividend (*dividende précipitaire*) to the general partner

Tikehau Capital General Partner, as sole general partner of the Company, is entitled, by way of preferred dividend and should there be distributable income for a financial year, to an amount determined in the Articles of Association and equal to 12.5% of the net result of the Company as reflected in the Company's statutory financial statements at the close of each financial year.

If there is more than one general partner, they shall share this amount between themselves as they see fit. In the event of a financial year whose duration is less than a calendar year, this remuneration shall be calculated on a pro rata basis for the time elapsed.

(iii) Attendance fees and other remuneration received by members of the Supervisory Board

In line with the conversion of the Company into a *société en commandite par actions* (partnership limited by shares), a Supervisory Board was created. According to the Company's Articles of Association, members of the Supervisory Board may receive attendance fees and remuneration, the total annual amount of which is voted on by the General Shareholders' Meeting and whose distribution is decided by the Supervisory Board on the recommendation of the Appointment and Remuneration Committee. The Supervisory Board's Internal Rules provide that the distribution of attendance fees takes into account in particular the effective participation of each member in the Meetings as well as the duties performed on the Board and its Committees, and is the subject of prior discussion by the Appointment and Remuneration Committee. The share of each member of the Supervisory Board is calculated in

proportion to the duration of his or her term of office during the financial year.

At the annual General Shareholders' Meeting of the Company held on 21 December 2016, an amount of €300,000 was allocated to the members of the Supervisory Board in respect of attendance fees for each financial year.

No attendance fees were paid during financial year 2017.

(iv) Services provided by Tikehau Capital Advisors to Salvepar

Tikehau Capital Advisors made administrative and human and material resources support available to Salvepar, allowing the Company to pursue its corporate purpose in the best possible conditions.

These services were terminated on 7 March 2017 following the results of the public exchange offer launched by Tikehau Capital on Salvepar's securities and ORNANE bonds.

(v) Summary of the remuneration received by the Chairman and the Manager of Tikehau Capital

The amounts invoiced by the related parties over the year can be broken down as follows:

(in thousands of €)	2017 (12 months)	2016 (12 months)
Remuneration of TCGP from 7 November 2016		
Remuneration on consolidated shareholders' equity (i)	22,647	1,113
Share of non-deductible VAT	4,151	214
Remuneration on net result (ii)		
Remuneration of TCGP	26,799	1,327
Remuneration Tikehau Capital Advisors until 7 November 2016		
Remuneration on revalued net asset and capital increase		15,743
Remuneration on net result		
Remuneration related to administrative support available		680
Remuneration charged to Tikehau Capital by TCA¹	0	16,423
Remuneration charged to Salvepar by TCA²	650	2,996
Remuneration charged to Tikehau Investment Management by TCA¹	0	2,049
TOTAL	27,449	22,795

¹ Amounts presented in 2016 do not include the share of non-deductible VAT.

² The remuneration invoiced by TCA to Salvepar in 2017 has no impact on the consolidated result due to Salvepar's entry into the scope of consolidation after the billing period.

(vi) Investments in closed funds managed by Tikehau Investment Management (Tikehau IM) or Tikehau Capital Europe (TCE)

The following table presents the list of closed funds in which Tikehau Capital or one of its subsidiaries have invested and that are managed by Tikehau IM or TCE:

Investment in funds as at 31 December 2017 (in millions of €)	Investing company	Amount called ¹		Commitment		% holding ²
		Tikehau	Fund	Tikehau	Fund	
TDL III	TC UK	37.4	572.1	40.6	610.0	7%
TDL IV	TC UK & TPA	1.6	3.1	51.5	470.1	11%
TDL IV L	TC UK & TPA	0.0	0.0	50.4	50.7	99%
TSL II	TC UK	18.5	455.2	25.0	615.8	4%
TSL II	TC	15.0	85.3	15.0	85.3	18%
Tikeflo Invest 3	TC	12.1	12.2	12.1	12.2	99%
TPC	TC & TIM	25.2	130.2	25.9	133.9	19%
Other Private Debt funds		7.1	131.7	10.2	234.1	
Total Private Debt funds		116.9	1,389.7	230.8	2,212.1	
Fair Value Private Debt funds at Tikehau Capital		116.0				
TIRF I (I Petali)	TC & TC UK	9.3	35.1	9.3	35.1	26%
TIRF II (Area12)	TC & TREIC	7.0	41.8	7.0	41.8	17%
TLP I (Escoffier)	TC & TREIC	12.8	56.3	12.8	56.3	23%
TRE I (Elis)	TC	9.0	99.9	9.0	99.9	9%
TRE II (Optimo)	TC & TREIC	35.0	180.5	35.0	180.5	19%
TRE II (Optimo 2)	TC & TREIC & TPA	17.7	237.8	17.7	237.8	7%
TRE III feeder (Optimo 2)	TC UK	17.5	59.5	17.5	59.5	29%
TRP I (Mr. Bricolage)	TC & SY	23.1	135.0	23.1	135.0	17%
TRP II (Bercy 2)	TC	14.0	49.7	14.0	49.9	28%
TRP III (Babou)	TC	33.3	175.0	33.3	175.0	19%
Total Real Estate funds		178.7	1,070.5	178.7	1,070.7	
Fair Value Real Estate funds at Tikehau Capital³		195.2				
TSO	TC UK & TPA	4.3	10.8	31.5	77.8	41%
Total Private Equity funds		4.3	10.8	31.5	77.8	
Fair Value Private Equity funds at Tikehau Capital		4.1				
CLO I	TC UK & TCE	34.5	354.7	34.5	354.7	10%
CLO II	TCE	19.4	414.2	19.4	414.2	5%
CLO III	TC UK & TCE	23.3	435.0	23.3	435.0	5%
Total CLO		77.2	1,203.9	77.2	1,203.9	
Fair Value CLO at Tikehau Capital		77.6				
TOTAL		377.2	3,674.9	518.3	4,564.5	

¹ Amount invested at the historical cost excluding revaluation.

² Percentage holdings calculated on the committed amounts.

³ Excl. IREIT Global.

Investment in funds as at 31 December 2016 (in millions of €)	Investing company	Amount called ¹		Commitment		% holding ²
		Tikehau	Fund	Tikehau	Fund	
TDL III	TC UK	19.1	287.7	40.5	610.0	7%
TSL II	TC UK	7.0	119.0	25.0	522.2	5%
TSL II	TC	15.0	85.3	15.0	85.3	18%
TSO	TC UK	4.1	8.4	30.0	61.4	49%
Tikeflo Invest 3	TC	12.1	12.2	12.1	12.2	99%
TPC	TC & TIM	25.2	130.2	25.9	133.9	19%
Other Private Debt funds		6.0	76.5	8.8	140.9	
Total Private Debt funds		88.6	719.2	157.4	1,565.7	
Fair Value Private Debt funds at Tikehau Capital		74.7				
TIRF (I Petali)	TC & TC UK	9.2	35.0	9.2	35.0	26%
TLP I (Escoffier)	TC & TREIC	12.9	56.3	12.9	56.3	23%
TRE I (Elis)	TC	9.0	99.9	9.0	99.9	9%
TRE II (Optimo)	TC & TREIC	59.1	180.5	59.1	180.5	33%
TRP I (Mr. Bricolage)	TC	30.0	135.0	30.0	135.0	22%
TRP II (Bercy 2)	TC	14.0	49.7	14.0	49.7	28%
TRP III (Babou)	TC	33.3	175.0	33.3	175.0	19%
Total Real Estate funds		167.4	731.2	167.4	731.2	
Fair Value Real Estate funds at Tikehau Capital³		178.2				
CLO I	TC UK & TCE	34.5	354.7	34.5	354.7	10%
CLO II	TC UK & TCE	19.4	414.2	19.4	414.2	5%
Total CLO		53.9	768.9	53.9	768.9	
Fair Value CLO at Tikehau Capital		53.4				
TOTAL		309.9	2,219.3	378.7	3,065.9	

¹ Amount invested at the historical cost excluding revaluation.

² Percentage holdings calculated on the committed amounts.

³ Excl. IREIT Global.

Collateralised Loan Obligation (“CLO”) activities

Through its subsidiary Tikehau Capital Europe, Tikehau Capital entered the securitisation market in 2015 through the launch of securitisation vehicles dedicated to CLOs.

A company managing CLOs such as Tikehau Capital Europe has two types of income:

- it receives management fees like any asset management company;
- it has the obligation to invest up to 5% in the CLO funds under applicable law (the principle of the retention piece). This investment can be made horizontally either in the highest risk tranche (subordinated tranche or equity), or

vertically, by a retention of 5% of each of the tranches issued by the vehicle. The asset management company collects the coupons related to this tranche, if the other tranches have received the coupons they are owed.

The risks depend on the seniority of the tranche subscribed and their positioning in the coupon payment waterfall, the equity tranche being the last tranche served:

- the tranches are entitled to a defined return; the risk is borne by equity whose payment comes last (profit or loss depending on the situation);
- upon the liquidation of the fund, the residual profit attributable to the investment will accrue to the holders of ordinary shares.

As at 31 December 2017, Tikehau Capital's CLO vehicles are:

i) Tikehau CLO I

Category of bonds issued	Rating (Moody's/Fitch)	Amount (in thousands of €)	Coupon	Final maturity post-refinancing
A-1R.	Aaa/AAA	161,000	Euribor 6 months +0.60%	11 years
A-2	Aaa/AAA	40,000	1.88% during the period of fixed rate then Euribor 6 months +1.40%	11 years
B	Aa2/AA+	39,000	Euribor 6 months +1.07%	11 years
C	A2/A	28,000	Euribor 6 months +1.45%	11 years
D	Baa2/BBB	16,000	Euribor 6 months +2.35%	11 years
E	Ba2/BB	21,200	Euribor 6 months +4.60%	11 years
F	B2/B-	7,800	Euribor 6 months +5.90%	11 years
Subordinated	Unrated	41,700	n.a.	11 years
TOTAL		354,700		

ii) Tikehau CLO II

Category of bonds issued	Rating (Moody's/Fitch)	Amount (in thousands of €)	Coupon	Final maturity
A	Aaa/AAA	244,000	Euribor 6 months +1.06%	13 years
B	Aa2/AA	46,000	Euribor 6 months +1.70%	13 years
C	A2/A	23,000	Euribor 6 months +2.57%	13 years
D	Baa2/BBB	18,000	Euribor 6 months +3.60%	13 years
E	Ba2/BB	28,000	Euribor 6 months +6.25%	13 years
F	B2/B-	10,500	Euribor 6 months +7.50%	13 years
Subordinated	Unrated	44,700	n.a.	13 years
TOTAL		414,200		

iii) Tikehau CLO III

Category of bonds issued	Rating (Moody's/Fitch)	Amount (in thousands of €)	Coupon	Final maturity
A	Aaa/AAA	244,700	Euribor 6 months +0.87%	13 years
B	Aa2/AA	57,700	Euribor 6 months +1.40%	13 years
C	A2/A	28,600	Euribor 6 months +1.85%	13 years
D	Baa2/BBB	19,700	Euribor 6 months +2.70%	13 years
E	Ba2/BB	26,250	Euribor 6 months +4.85%	13 years
F	B2/B-	12,600	Euribor 6 months +6.55%	13 years
Subordinated	Unrated	45,600	n.a.	13 years
TOTAL		435,150		

iv) Performance fees

In some funds, performance fees may be paid in the event that a performance threshold is exceeded upon the liquidation of the funds, mainly real-estate and private debt funds.

Performance fees since April 2014 break down as follows: 15% to 20% of the performance fees are paid to a company that is a shareholder of Tikehau Capital Advisors and is held by partners of the Group; the remainder is distributed

one third each to Tikehau Capital, Tikehau IM and Tikehau Capital Advisors.

These performance fees are paid by the funds directly to the beneficiaries and are recognised on the income statement when they are actually paid.

As at 31 December 2017, 78% of private debt assets under management – direct lending and real-estate funds give rise to performance fees.

(in millions of €)	31 Dec. 2017	31 Dec. 2016
Assets eligible for performance fees	3,961	2,949
Direct lending	1,716	1,189
Real Estate	2,245	1,760
Assets under management	5,090	3,849
Direct lending	2,845	2,089
Real Estate	2,245	1,760

Tikehau Capital and its fully consolidated subsidiaries were paid performance fees of €1.2 million in respect of financial year 2017.

5.25. Market risks

The market risk exposure for Tikehau Capital is divided into two sub-sections:

- exposure of bank liabilities and to foreign currency liabilities;
- exposure of the investment portfolio and to currency assets.

a) Exposure to risks arising from bank debts

As at 31 December 2017, Tikehau Capital was exposed to interest rate risk on its bank loans and related hedges for respective amounts of €256.9 million and €177.7 million, compared with respectively €121.4 million and €170.6 million as at 31 December 2016 (see note 5.14 (Borrowings and other financial liabilities)).

Debts in foreign currencies are revalued at each closing at the closing conversion rate:

(in millions of €)	Amount in currency	31 Dec. 2017	31 Dec. 2016
Bank debt in currency			
SGD	8.0	5.0	–

Tikehau Capital had no foreign currency debt as at 31 December 2016.

For the purpose of managing risks on its floating-rate exposure, Tikehau Capital has taken out interest-rate swaps with the following features:

(in millions of €)	Notional	Average fixed rate	Average maturity
As at 31 December 2016	170.6	0.96%	8.2 years
As at 31 December 2017	177.7	0.62%	6.1 years

b) Exposure to investment portfolio risks

The risk exposure of the investment portfolio can be summarised as follows:

(in millions of €)	Currency risk	Listed equity markets	Unlisted equity markets	31 Dec. 2017	31 Dec. 2016
Tikehau funds	n.a.	✓ Liquid strategies	✓	502.4	326.3
External funds & co-investments	✓	n.a.	✓	79.8	35.2
Equities	✓	✓ Investment levels 1 & 2	✓ Investment level 3	865.0	311.5
Bonds	n.a.	a	n.a.	118.0	130.1
TOTAL				1,565.2	803.0

(i) Exposure to investment risks in the Tikehau funds

Liquid strategies: a change in the net asset value of the funds (€103.9 million as at 31 December 2017) of +/-10% would impact Tikehau Capital's exposure by €10.4 million.

Private debt: stress case scenarios on rates are carried out quarterly. The hypothesis used is a shock on the interest rate curve (+200 basis points) impacting the duration.

A change in interest rates of 200 basis points would impact Tikehau Capital's exposure by -€1.7 million.

Real estate activities: stress case scenarios are carried out quarterly. The hypothesis used is a shock on the value of unlisted real estate assets by country: -15% in France and -12% in Italy (historical stress based on the MSCI commercial real estate index, from October 2007 to March 2009).

The impact on Tikehau Capital's exposure would be -€27.8 million.

Historical default rates:

The exposure at default rates observed over the 2007-2017 period are as follows, by strategy:

- *Liquid strategies:* 0.19%, the last default was observed in December 2015;
- *Real estate activities:* 0.00%, no default was observed over the 2007-2017 period;
- *Private debt:* 0.56% for the loans activity and 0.77% for the direct lending activity, these activities have an average recovery rate higher than 50%.

The impact for Tikehau Capital remained marginal.

(ii) Exposure of investments in equities

Investments in shares or equity investments are classified according to the different levels (see note 5.5 (Determination of fair value)):

(in millions of €)	31 Dec. 2017	31 Dec. 2016
Level 1 ¹	526.7	277.6
Level 2	60.3	11.6
Level 3	278.0	22.2
TOTAL	865.0	311.5

¹ IREIT Global is classified as Level 1 Equity for analysis purposes, although it is a Real Estate Fund managed by IREIT Global Group (80% owned indirectly by Tikehau Capital).

The portfolio of listed shares of Tikehau Capital is subject to continuous monitoring and daily assessment for the management of this risk.

Tikehau Capital may be affected by adverse changes in the market price of its listed securities. A decline in the share price over a given period, especially at the end of the financial year, would be reflected in the financial statements as a fall in the net value of the portfolio and its shareholders' equity and could in particular affect the ability of the Group to pay dividends. Thus, a 10% decline in the fair value of listed equities as at 31 December 2017 would have resulted in an additional charge of €53.0 million in the consolidated earnings as at 31 December 2017. A fall in the share price is also likely to impact the earnings realised at the time of any sales into the market that might be made by Tikehau Capital.

Furthermore, fluctuations in the equity markets may have an impact on the stock market comparables used as part of the multi-criteria valuation approach for non-listed equity securities. These fluctuations are likely to have a negative effect on the consolidated shareholders' equity and on the Group's income, without being able to establish an accurate

correlation between the occurrence of these fluctuations and the valuation of said securities. As a result, sensitivity to this risk cannot be quantified. Depending on the extent of its funding and the magnitude of any price declines, Tikehau Capital could be required to make temporary payments to support its funding.

The Company performed a sensitivity test on the non-listed assets of its investment portfolio as at 31 December 2017 (fair value net of the corresponding debt, if any, and excluding (i) non-listed bonds that are subject to a sensitivity test on interest rates and (ii) assets whose value is fixed because they are subject to a sales contract). The sensitivity test on non-listed shares was performed on the basis of the income or EBITDA multiples used to value the corresponding assets as at 31 December 2017 or, when a method other than valuation by multiples was used, by retaining an implicit multiple. Investment holdings or real estate assets are excluded from the analysis. The sensitivity test thus covers 85% in value of investments in non-listed shares of its portfolio as at 31 December 2017. The sensitivity to a change of +/-10% in the multiples of revenues or EBITDA of non-listed companies amounts to €36 million.

(iii) Exposure of investments in bonds

Investments in bonds are classified according to the different levels (see note 5.5 (Determination of fair value)):

(in millions of €)	31 Dec. 2017	31 Dec. 2016
Level 1	18.2	5.7
Level 2	0.0	0.0
Level 3	99.8	124.4
TOTAL	118.0	130.1

The bonds in which Tikehau Capital has invested are issued at a fixed rate. The change in rates could affect the average duration of the bonds. The instantaneous variation of +/-100 bp in rates would have resulted in a change in the value of the portfolio of +/- €4.6 million, given the average duration recorded on this portfolio (3.92 years).

To date, no default has occurred in the Group's bond investments.

(iv) Exposure of investments in external funds and co-investments

Most assets underlying the invested funds are in non-cyclical sectors. This reduces the likelihood of variations in returns. The risk of variations in returns is default risk and forecast-related risk.

(in millions of €)	31 Dec. 2017	31 Dec. 2016
Fair value	79.8	35.2
Number of funds	49	34
Average line of investment	1.6	1.0
Share of investments >€3m (in %)	48%	27%

The table below details the unobservable inputs used for the main Level 3 external investment funds:

Investment fund	Valuation method	Non-observable data	Rank	Fair value (in millions of €)
FAIRSTONE	Recent acquisition price	n.a.	n.a.	9.1
STARWOOD ERE	<ul style="list-style-type: none"> Discounted cash flow (60%) Previous transactions (40%) 	<ul style="list-style-type: none"> Discount rate (WACC) Multiple Production & Reserve 	8.0% - 20.0% \$4,256 & [\$0.85 - \$1.01]	8.0
P2 BRASIL – HIDROVIAS	Discounted cash flow	Discount rate (WACC)	9.0% -12.5%	6.7
JCF FLOWERS – CEP	Comparable listed companies	Multiple EBITDA	11.0x	6.0
P2 BRASIL – LAP	Discounted cash flow	Discount rate (WACC)	8.1% - 9.0%	4.6
MARKER TUNIN	Recent acquisition price	n.a.	n.a.	3.7
Total investment funds > €3 m				38.1

c) Exposure to currency risk

Tikehau Capital's exposure to currency risk relates to its investments in foreign currencies. As at 31 December 2017, Tikehau Capital had an exposure to currency risk on

the pound sterling, the US dollar, the Singapore dollar and the Canadian dollar, as well as the Australian dollar and the Polish zloty to a lesser extent. Tikehau Capital had no currency hedging as at 31 December 2017.

The table below shows the impact on earnings of a change +/-10% in these currencies against the euro and on the basis of the consolidated financial statements as at 31 December 2017 and 31 December 2016:

(in millions of €)	Depreciation of 10% of the currency	Appreciation of 10% of the currency
As at 31 December 2017		
GBP	-9.7	12.1
USD	-6.1	7.5
SGD	-2.4	2.9
CAD	-0.8	0.2
AUD	-0.2	1.0
PLN	-0.1	0.1
As at 31 December 2016		
USD	-2.3	2.8
SGD	-0.8	1.0
GBP	-0.7	0.8
PLN	-0.1	0.1

The change in the foreign exchange risk exposure between 31 December 2016 and 31 December 2017 is mainly due to Salvepar's investments joining the investment scope as well as the new foreign currency investments made during the year.

d) Exposure to counterparty risk

To manage its counterparty risk related to cash and marketable securities, Tikehau Capital only works with top tier banks and has recourse to investments whose horizon is suited to its projected needs. Cash investments are reviewed on a weekly basis particularly in terms of credit risk. The

selection of investment vehicles and counterparties and the volatility of the instruments are also subject to regular review. It is based on prudential rules ensuring the diversification of custodians and account keepers as well as the variety of vehicles and risk/return profiles. In 2017, Tikehau Capital was not exposed to any counterparty default.

e) Exposure to liquidity risk

Tikehau Capital manages its liquidity risk by maintaining a store of available cash and liquid investments (the current portfolio) that is sufficient for covering its current debts.

5.26. Contingent liabilities

(in thousands of €)	Amount as at 31 Dec. 2017	Amount as at 31 Dec. 2016
Description	Value of commitments made	Value of commitments made
Commitment of payment to current account	142	208
Capital subscription commitment in the companies	68,712	44,948
Uncalled commitment by external funds	99,369	90,576
Uncalled commitment by Tikehau funds	138,296	3,478
Pledge of shares as loan guarantee and authorised overdrafts	83,643	214,400
Pledge of bank accounts as loan guarantee and authorised overdrafts	67,337	3,385
Guarantee for disposals of shares in property investment companies carried out by a subsidiary		2,000
Pledge of shares as first-demand guarantee		48,600
TOTAL COMMITMENTS MADE	457,499	407,595

(in thousands of €)	Amount as at 31 Dec. 2017	Amount as at 31 Dec.2016
Description		
Syndicated loan not drawn at close	750,000	100,000
Lombard loan not drawn at close	150,000	
Commitment to subscribe to a capital increase realised on 6 January 2017		150,000
Commitment by Amundi to hold 24.9% of TCE ordinary shares		9,518
TOTAL COMMITMENTS RECEIVED	900,000	259,518

5.27. Subsequent events

Tikehau Capital's capital increases

On 4 January 2018, in line with the reorganisation of the Group that began in 2016, Tikehau Capital was involved in the transfer of almost all the Tikehau Investment Management shares held by employees. The remuneration of these contributions in kind gave rise to a capital increase of €7.6 million (premium included) which resulted in the creation of 346,500 new shares.

Following this transaction, Tikehau Capital holds 99.1% of Tikehau Investment Management. The remaining shares not yet held by Tikehau Capital have been subject to a contribution commitment and will be provided to Tikehau Capital during the 2018 financial year.

Ring Capital

On 18 January 2018, Tikehau Capital announced support for the creation of Ring Capital and the acquisition of a 25% stake in the Company's capital. Ring Capital is a private equity firm specialising in the financing of technology and digital companies, founded in 2017 by Geoffroy Bragadir and Nicolas Celier.

Also supported by AG2R La Mondiale, BPI France, Bred and Danone, the Company is launching its activities with an investment capacity of more than €140 million to bring out the future European digital leaders, alongside high-potential entrepreneurs.

Ring Capital may acquire minority stakes by investing between €1 million and €15 million, alone or in co-investment, but may also participate in capital increases and redemptions from founder and historical shareholders.

Conforama group

On 24 January 2018, Tikehau Capital concluded an agreement with the Conforama group, a major player in home equipment in Europe, for the implementation of financing of €115 million over a period of three years, in which the Company participated in the sum of €67 million.

DWS

On 14 March 2018, Tikehau Capital took part in the IPO of DWS Group GmbH & Co. KGaA ("DWS") with an amount invested of €182 million at a price of €32.50 per share. Tikehau has begun discussions with DWS regarding potential areas of cooperation, including the distribution of alternative management products.

Total/Tikehau Capital Fund

On 29 March 2018, the Company announced that Total SA is participating with Tikehau Capital in the creation of an investment fund dedicated to the energy transition. The purpose of this private equity fund is to support intermediary players in the energy transition in financing their development, the transformation of their business models and their international expansion.

The team dedicated to the management of this private equity fund is made up of investment professionals from Tikehau Capital and the energy sector seconded by Total. This team will act under the authority of an Investment Committee bringing together the two partners.

The fund has already received a total of €200 million from both partners and Goldman Sachs will act as a placement agent with large institutional investors for Tikehau Capital.

2. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

MAZARS

61, rue Henri-Régnault 92400 Courbevoie France
Limited Company with Executive and Supervisory Boards
and share capital of €8,320,000
Nanterre Trade and Companies Register No. 784 824 153
Statutory Accounting Firm Member
of the Versailles Regional Association

ERNST & YOUNG et Autres

Tour First TSA 14444
92037 Paris la Défense Cedex France
Simplified Joint-Stock Company with variable share capital
Nanterre Trade and Companies Register No. 438 476 913
Statutory Accounting Firm Member
of the Versailles Regional Association

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Tikehau Capital

Year ended December 31, 2017

Statutory auditors' report on the consolidated financial statements

To the Annual General Meeting of Tikehau Capital,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying consolidated financial statements of Tikehau Capital for the year ended December 31, 2017.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2017 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for our opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2017 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 or in the French Code of Ethics (*Code de déontologie*) for statutory auditors.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Valuation of goodwill

Risk identified	Our response
<p>The goodwill shown on the balance sheet as at December 31, 2017 amounted to M€317.9.</p> <p>As stated in Notes 5.4 and 5.7 to the consolidated financial statements, goodwill is the subject to impairment tests as soon there is objective indication of a loss of value, at least once a year. These tests are based on a comparison between the book value of each cash generating unit (CGU) and the general value-in-use. The two CGUs identified by the Tikehau Capital Group correspond to the asset management business, and to the investment business.</p> <p>The calculation of value-in-use is based on discounting the future cash flows generated by the CGU, as they result from the medium-term plans prepared for the purpose of managing the Group.</p> <p>In view of the significant amount of the goodwill, and of the level of judgement applied by Management in order to determine the various assumptions used in the impairment tests, we considered this issue to be a key audit matter.</p>	<p>We analyzed the methodology used by Tikehau Capital Group to identify any indication of impairment.</p> <p>We controlled the calculations performed, and involved valuation specialists in our audit team, in order to assess the assumptions used by Management to determine the cost of equity and the terminal growth rates included in the discounted cash flow calculation models.</p> <p>We analyzed the financial forecasts prepared by Tikehau Capital Group's Management, and used in the impairment tests, in order to:</p> <ul style="list-style-type: none"> • compare them with the business plan prepared by Management; • assess the main parameters. <p>We also carried out assessments on the sensitivity to certain assumptions (growth rate and discount rate), and analyzed the information regarding the results of these impairment tests and the level of sensitivity to the various assumptions included in the notes to the consolidated financial statements.</p>

Recognition and recoverable nature of the deferred tax assets relating to tax-loss carry-forwards

Risk identified	Our response
<p>The deferred taxes recognized as tax-loss carry-forwards on the balance sheet amounted to M€26.3 as at 31 December 2017.</p> <p>As stated in Notes 5.4 and 5.15 to the consolidated financial statements, a tax asset is recorded in the event of tax-loss carry-forwards in the likely event that the entity concerned will generate future taxable profits from which these tax losses can be deducted.</p> <p>The recoverable nature of the activated tax losses specifically depends on Tikehau Capital Group's ability to achieve the targets defined in the medium-term tax plan prepared by Management.</p> <p>We considered that the recognition and the recoverable nature of the deferred tax assets as a key audit matter in view of the uncertainty inherent to the recognition and to the recoverable nature of the deferred tax assets, and of the judgement made by Management in that regard.</p>	<p>Our audit approach consisted in:</p> <ul style="list-style-type: none"> • assessing the likelihood that the entity would be able to use the tax-loss carry-forwards generated to date in the future, specifically in view of: <ul style="list-style-type: none"> - the existing deferred tax liabilities in the same tax jurisdiction, and which may be charged to the existing tax-loss carry-forwards before they expire; and - the entity's ability to generate future taxable profits that would enable prior losses to be absorbed; • assessing the method used by Management to value the existing tax-loss carry-forwards that will be used either via deferred tax liabilities, or via future taxable profits. <p>The financial forecasts prepared by Management in order to assess the likelihood that the Group will recover its deferred tax assets were also considered, in order to:</p> <ul style="list-style-type: none"> • compare them with the business plan prepared by Management, and with the financial forecasts used for the purposes of the goodwill impairment tests; • assess the main underlying assumptions, in terms of a comparison between the financial forecasts prepared and the actual achievements; • perform sensitivity tests on some assumptions.

Valuation of the non-current investment portfolio classified at level 3

Risk identified	Our response
<p>Given its asset management business, Tikehau Capital Group holds equity investments on its balance sheet valued at fair value: the Company's non-current investment portfolio amounted to M€1,456 as at December 31, 2017. For the purposes of this valuation, and in accordance with IFRS 13, the investment portfolio has been broken down in accordance with the method for determining fair value based on three different levels. Level 3 includes non-listed securities on an active market, where a significant portion of the valuation refers to non-observable data. Level 3 securities amounted to M€855.7 as at December 31, 2017, and are classified in the non-current investment portfolio on the balance sheet. The accounting rules and policies applicable to the investment portfolio, and the methods for determining the fair value of the securities are respectively set out in Notes 5.4.a, 5.5, and 5.8 to the consolidated financial statements. We considered that the valuation of the non-current investment portfolio classified at Level 3 to be a key audit matter, as it requires from Management to exercise its judgement in terms of the methodologies and data choices used.</p>	<p>We familiarized ourselves with the process implemented by the Group, and more specifically by Tikehau Capital Company, in order to value the investments in the non-current portfolio classified at Level 3. With the assistance of the valuation specialists included in our audit team, we:</p> <ul style="list-style-type: none"> • analyzed the assumptions, methodologies, and models used by Management to estimate the main valuations; • assessed the valuations performed by the Group, and tested the assumptions on the main parameters used. We specifically assessed whether there were any external benchmarks that supported the multiple levels used as part of the valuation of the investments, or compared the value shown for transactions performed over the past 12 months. <p>We also assessed the compliance of the methods applied with applicable accounting standards.</p>

Verification of the Information Pertaining to the Group Presented in the Management Report

As required by law we have also verified in accordance with professional standards applicable in France the information pertaining to the Group presented in the Management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Tikehau Capital by your Annual General Meeting held on June 1, 2017 for MAZARS and on November 7, 2016 for ERNST & YOUNG et Autres.

As at December 31, 2017, MAZARS and ERNST & YOUNG et Autres were in the first year and second year of total uninterrupted engagement, which are the 7 months and 9 months since securities of the Company were admitted to trading on a regulated market, respectively.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal

control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Management.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they

could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor

concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;

- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Courbevoie and Paris-La Défense, on 20 April 2018

The Statutory Auditors
French original signed by

MAZARS

Simon Bellevaire

ERNST & YOUNG et Autres

David Koestner

VI . ANNUAL FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017

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1. ANNUAL FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017

Compared balance sheets

ASSETS (in thousands of €)	Notes	31 December 2017			31 December 2016
		Gross	Amortisation and depreciation	Net	Net
Intangible assets					
Other intangible fixed assets	1	12,271	210	12,061	12,923
Tangible assets					
Land					
Buildings					
Other tangible assets					
Financial assets					
Equity investments	2	1,170,692	36,435	1,134,256	648,656
Receivables relating to equity interests	2	153,791	1,478	152,313	82,433
Other investments	2	436,658	21,737	414,921	292,524
Loans	2				184
Other financial assets	2	829	9	820	822
Sub-total assets		1,774,241	59,869	1,714,372	1,037,541
Receivables					
Trade receivables and related accounts	3	4,452		4,452	797
Other receivables	3	223,466		223,466	2,031
Marketable securities	4	189,771	10,885	178,886	31,902
Term deposits	4	166,852		166,852	20,000
Cash and cash equivalents		674,951		674,951	67,745
Prepaid expenses		2		2	
Currency translation differences – Assets		4,598		4,598	205
Deferred expenses	5	7,523		7,523	2,433
Sub-total current assets		1,271,616	10,885	1,260,731	125,114
TOTAL ASSETS		3,045,857	70,754	2,975,103	1,162,655

LIABILITIES (in thousands of €)	Notes	31 December 2017		31 December 2016
		after allocation*		
Shareholders' equity	6			
Share capital		1,233,597	1,233,597	650,098
Issuance, merger and in-kind premiums		840,567	840,567	379,004
Reserves	6			
Legal reserve		4,212	16,805	4,212
Regulated reserves				
Other reserves				
Retained earnings	6	-20,051	102,118	34,656
Net result for the year	6	271,895		-56,602
Special depreciation allowances	6			
Special depreciation allowances		254	254	1,587
Sub-total shareholders' equity		2,330,474	2,193,341	1,012,956
Provisions for risks and liabilities				
Provisions for risks	7	4,476	4,476	205
Liabilities				
Debts on fixed assets and related accounts		55,290	55,290	18,100
Sundry borrowings and financial debt	8	551,673	551,673	121,760
Overdrafts Bank loans				
Trade payables and related accounts	9	6,151	6,151	6,753
Tax and social security payables	9	673	673	1,208
Other current liabilities	9	25,284	25,284	127
Dividends payable*			137,133	
Sub-total liabilities		639,071	776,204	147,947
Regularisation accounts				
Currency translation differences – Liabilities		1,082	1,082	1,547
TOTAL LIABILITIES		2,975,103	2,975,103	1,162,655

* On the basis of the allocation that will be proposed to the General Meeting of 25 May 2018 and the payment of a dividend of one euro per share and the preferred dividend due to the general partner.

Compared income statements

INCOME STATEMENT (in thousands of €)	Notes			31 December	31 December	Change
		France	Exports	2017	2016	
				Total	Total	
Sold production – Goods						
Sold production – Services	12	2,945	46	2,991	1,078	1,912
Net revenues				2,991	1,078	1,912
Reversal of depreciation, amortization and provisions and expense transfers	12			12,515	5,124	7,391
Other income	12			841	35	806
Total operating revenues (I)				16,347	6,238	10,109
Other purchases and external expenses				51,720	24,213	27,507
Taxes, duties and similar payments				165	4,566	-4,401
Depreciation and amortisation of fixed assets				8,278	998	7,280
Other expenses				307	20	287
Total operating expenses (II)				60,470	29,797	30,673
Operating income (I-II)				-44,123	-23,559	-20,564
Income from investments				31,077	13,396	17,681
Income from other marketable securities and receivables				25,439	12,608	12,831
Other interest receivable and similar income				16,707	219	16,488
Provisions reversals and expense transfers				36,642	1,570	35,071
Positive currency translation differences				32	7	25
Net income on disposals of marketable securities				7,912	7	7,905
Total financial income (III)				117,807	27,807	90,001
Impairment of financial assets				42,523	20,788	21,735
Interest payable and similar expenses				41,339	68,549	-27,210
Negative currency differences				2,141	177	1,964
Net expenses on disposals of marketable securities				20		20
Total financial expenses (IV)				86,024	89,515	-3,491
Net financial income (III - IV)				31,784	-61,708	93,492
Recurring profit before tax (I - II + III - IV)				-12,339	-85,267	72,928
Non-recurring income on revenue transactions				13		13
Non-recurring income on capital transactions				978,957	77,041	901,916
Provision reversals and expense transfers						
Total non-recurring income (V)				978,970	77,041	901,929

INCOME STATEMENT (in thousands of €)	Notes			31 December	31 December	Change
		France	Exports	2017	2016	
				Total	Total	
Non-recurring expenses on revenue transactions				9	24	-16
Non-recurring expenses on capital transactions				689,769	48,026	641,743
Depreciation, amortisation and impairment				728	391	337
Total non-recurring expenses (VI)	13			690,505	48,441	642,064
Net non-recurring income (V-VI)				288,464	28,600	259,865
Employee profit-sharing (VII)						
Corporate income tax (VIII)				4,230	-66	4,296
Total Income (I+III+V)				1,113,124	111,085	1,002,038
Total Expenses (II+IV+VI+VII+VIII)				841,229	167,687	673,542
NET RESULT				271,895	-56,602	328,497

Cash flow statement

CASH FLOW STATEMENT (in thousands of €)	31 December 2017	31 December 2016
Fixed investment portfolio	-146,722	-95,400
Acquisition of items of the fixed portfolio	-537,772	-217,924
Disposal of items of the fixed portfolio	344,135	97,465
Cashed in revenues	46,916	25,060
Dividends received	25,947	13,092
Interests	4,756	2,636
Other income	16,213	9,331
Current investment portfolio	-18,895	9,504
Acquisition of items of the current portfolio	-173,611	-3,302
Disposal of items of the current portfolio	154,198	12,508
Cashed in revenues short term	518	298
Dividends short term		
Interests	518	298
Operating payables and receivables relating to the investment portfolio*	-195,297	
Income received from asset management companies	5	
Net income on cash equivalents	380	190
Operating expenses	-117,838	-63,026
Derivatives portfolio	-1,055	-62,194
Tax paid	-22,607	4,540
Net cash flows from operating activities	-502,030	-206,386
Capital increase	893,976	418,476
Dividends paid to shareholders	1,736	
Borrowings	323,753	-130,420
Net cash flows from financing activities	1,219,464	288,056
Direct impact of foreign exchange on cash-flow	36,624	
Effect of reclassifications on cash-flow		
Theoretical change in cash-flow	754,058	81,670
Cash-flow at the beginning of the year (including term deposits)	87,745	6,076
Cash-flow at the end of the year (including term deposits)	841,803	87,745
Change in cash-flow	754,058	81,670

* The operating payables and receivables relating to the investment portfolio correspond to the investment in the Salvepar Sequoia shares (holding the DRT securities), the divestiture commitment of which was finalised at the end of December 2017 and which will enable the receipt of proceeds of €200.8 million.

In the cash flow statement, buy/sell transactions on assets are treated as net.

2. GENERAL CONTEXT AND PROCEDURE FOR PREPARING THE FINANCIAL STATEMENTS

2.1. General context

The company Tikehau Capital is a French partnership limited by shares (*société en commandite par actions*), with a share capital of €1,233,596,976 at year end.

Its corporate purpose includes all forms of investment, with no specific restrictions or constraints in terms of the target asset classes, or their sector or geographic allocation. Accordingly, under the terms of its Articles of Association, Tikehau Capital's corporate purpose, in France and abroad is:

- “the direct or indirect acquisition of stakes, the arrangement and structuring of investment transactions in all sectors and involving all asset classes, the real estate sector, and small and mid-cap companies;
- the management, administration and disposal or liquidation of these stakes, under the best possible conditions;
- all of the above, directly or indirectly, on its behalf or on behalf of a third party, alone or with a third party, through the creation of new companies, contribution, partnership, subscription, purchase of securities or rights, merger, alliance, special partnership (*société en participation*), leasing or leasing out or the management of assets or other rights in France and abroad;
- and, generally speaking any financial, commercial, industrial, security or property transactions that may relate directly or indirectly to the above corporate purpose, or to any similar or related purposes, so as to favour its expansion and development.”

2.2. Procedure for preparing the financial statements

The annual financial statements as at 31 December 2017 relate to the period from 1 January to 31 December 2017, namely a 12-month period, identical to that used in the previous year.

The financial statements are expressed in thousands of euros, unless otherwise specified. Some totals may include differences due to rounding off.

They include:

- the balance sheet;
- the income statement;
- the cash flow statement; and
- the accompanying notes.

The financial statements for financial year 2017 have been drawn up in application of Articles L.123-12 to L.123-28 and R.123-172 to R.123-208 of the French commercial code and in accordance with the provisions of the accounting regulations revising the General Accounting Charter (*plan comptable général* – PCG) drawn up by the Autorité des normes comptables (ANC 2014-03), as amended by the ANC Regulation No. 2016-07 of 4 November 2016.

General accounting conventions were applied in conformity with the principles of prudence in accordance with the following basic assumptions:

- going concern;
- consistency of accounting methods between financial years;
- accruals basis of accounting;

and in accordance with general guidelines for the preparation and presentation of annual financial statements.

The annual financial statements as at 31 December 2017 were drawn up by Management and submitted to the Supervisory Board on 29 March 2018.

2.3. Significant events in 2017

In 2017, with regard to its fixed investment portfolio, the Company undertook investment transactions for €537.8 million (vs. €217.9 million in 2016) and divestments for €344.1 million (vs. €97.5 million in 2016).

The main investments conducted by the Company in the course of 2017 included:

- **Eurazeo** – In May, Tikehau Capital announced that it had acquired a 7.6% stake in the listed investment company Eurazeo. As at 31 December 2017, the total amount invested was €443 million (excluding fees).
- **Claranet** – The Company has invested £75 million in ordinary and preferred shares alongside the current shareholders of the Claranet group, an independent leader in hosting and outsourcing services for critical applications.
- **Altrad** – The Company acquired from Crédit Mutuel Arkéa a stake in Altrad, a group specialising in the sale and rental of construction and industrial equipment, for an amount of €49.4 million.

The main divestments made by the Company during the year are:

- **DRT** – On 30 November 2017, the Company announced that it had entered into exclusive negotiations with the investment firm Ardian for the latter's acquisition of a majority stake in DRT from the founding families and Tikehau Capital. On 21 December 2017, Tikehau Capital signed a contract for the sale of all the shares of the company Salvepar Sequoia Investissement (a wholly-owned subsidiary of Tikehau Capital), which holds the shares of the company DRT. The analysis of the contractual clauses of this agreement led to the conclusion that most of the risks and benefits were effectively transferred as at 31 December 2017, the conditions precedent being linked to the approval of the transaction by the competition authorities and the consequences of which were guaranteed by the purchaser. The firm sale was confirmed on 19 March 2018 between the parties. The signing of the legal acts for the transfer of securities is scheduled for 10 April 2018 (see Section VI.2.4 (Events since the end of the financial year) below). As a result, the sale transaction was considered as completed

and the expected income was recorded under current financial assets for an amount of €200 million. As part of this transaction, the Company realised an estimated gain from the disposal of €160 million. DRT is a company specialising in the development of rosin and turpentine extracted from pine resin, in which the Company invested €40.2 million between 2014 and 2016.

- **SES-imagotag** – In June 2017, SES-imagotag announced its plan to merge with the Chinese group BOE Technology group. In this context, the main shareholders of SES-imagotag, including the Company, which holds a 14% stake in SES-imagotag, entered into exclusive negotiations with the acquirer on 16 June 2017 with a view to selling their stake totalling 55% of the capital, at a price of €30 per share. This sale was completed on 20 December 2017 and enabled the Company to record revenue of €59 million in 2017.

- **Groupe Flo** – At the end of April 2017, Tikehau Capital announced its withdrawal from Groupe Flo due to the restructuring operations of this group. Pursuant to the agreement, Financière Flo was bought by Groupe Bertrand for one symbolic euro on 16 June 2017. Prior to the sale, Financière Flo was 66% controlled by GB Inno BM (a company jointly-owned by Compagnie Nationale à Portefeuille and Ackermans van Haaren) and up to 34% by Tikehau Capital. Tikehau Capital's investment amounted to €7.9 million as at 31 December 2016. As part of these restructuring operations, Tikehau Capital retains exposure to Groupe Flo for €1.7 million. The impact of this transaction represents a cost of €6.8 million before tax for the 2017 financial year.

For 2017, Tikehau Capital continued its reorganisation operations initiated in 2017 to prepare for the listing of Company shares on the Euronext Paris regulated market which took place on 7 March 2017, various actions were taken to reclassify shares and simplify Tikehau Capital's shareholder structure and governance.

These operations were implemented for the purpose of: (i) combining Tikehau Capital's business lines to enhance the visibility and understanding of its model and particularly to facilitate its international development; (ii) helping the Group achieved critical size; (iii) enhancing operating efficiency; and (iv) improving its access to capital markets.

The highlights of the period are as follows:

Tikehau Capital's capital increases (excluding the public offer of exchange)

On 22 December 2016, Tikehau Capital opened a subscription period for a capital increase that closed on 6 January 2017. It was subscribed mainly by existing shareholders in the amount of about €150 million at a price of €21 per share.

In addition, on 6 January 2017, Tikehau Capital also obtained from FSP (*fonds stratégique de participations*) a pledge to subscribe to a reserved capital increase in the minimum amount of €50 million, also at a price of €21 per share. This reserved capital increase was conducted on 3 March 2017.

On 30 June 2017, Tikehau Capital opened a subscription period for a capital increase that closed on 29 July 2017. The gross amount of the capital increase (issue premium included), after full exercise of the extension clause decided by Management, amounted to €701.8 million on the basis of a price €22 per share.

Success of the public exchange offer on Salvepar and IPO

On 9 January 2017, the Company announced a stock-for-stock tender offer and a cash tender offer for the ordinary shares and the ORNANE bonds issued by Salvepar. Following the completion of the public exchange offer and the mandatory delisting of the non-tendered shares and Salvepar ORNANE bonds, Tikehau Capital held 100% of the ordinary shares and 100% of the Salvepar ORNANE bonds.

On 7 March 2017, the Company was listed on the regulated market Euronext Paris. The floating price was set at €21 per share for a stock market capitalisation of around €1.5 billion.

This listing falls under the reorganisation of the Group, which began end-2016.

Conversion and early redemption of the Tikehau Capital ORNANE bonds

On 17 May 2017, 3,000 Tikehau Capital ORNANE bonds were converted resulting in the creation of 8,097 Tikehau Capital shares, representing a capital increase of approximately €185,000 (including premium).

Within the framework of a tender offer, on 2 March 2017, the Company issued ORNANE bonds (*obligations à option de remboursement en numéraire et/ou en actions nouvelles et/ou existantes* - bonds with the option of redemption in cash and/or new and/or existing shares) maturing on 1 January 2022. The nominal value of the issue of ORNANE bonds was €75.3 million.

On 21 June 2017, Tikehau Capital purchased 659,024 ORNANE bonds representing 53.9% of the outstanding ORNANE bonds at that date as part of an off-market transaction (the "Redemption"). The redemption was made at a price of €68.25 per ORNANE bond (coupon included). This price displayed a premium of 10.7% on the nominal value of the ORNANE bonds and offset the interest that would have been due by the Company for the first half of 2017 in the absence of a Redemption.

In order to ensure a fair treatment of all ORNANE holders, Tikehau Capital has implemented a procedure for the repurchase of ORNANE holders between 22 June and 28 June 2017 at the Redemption price.

On 28 June 2017, Tikehau Capital announced that it had completed the repurchase of 1,220,868 ORNANE bonds, representing approximately 99.9% of those initially issued, in the context of off-market transactions and the payment procedure implemented as at 22 June to 28 June 2017 included. The settlement-delivery of the repurchase

procedure which took place on 30 June 2017. The redeemed ORNANE bonds were subsequently cancelled in accordance with their terms. The aforementioned redemptions represented a cumulative amount of €83.3 million.

On the basis of these results, the Company has decided to exercise its right to request the early redemption of the outstanding ORNANE bonds under the conditions set forth in the issue agreement. This early redemption is scheduled for 22 September 2017 at par (€61.63 per ORNANE) plus accrued interest.

Issuance of a Tikehau Capital bond

On 24 November 2017, Tikehau Capital announced that it successfully placed a €300 million bond issue maturing in November 2023. This inaugural senior unsecured bond issue has an annual fixed coupon of 3%. The settlement-delivery took place on 27 November 2017. This issue not only diversifies the Company's sources of financing but also strengthens the Group's financial resources over the long term.

Bank financing

On 23 November 2017, Tikehau Capital signed a structured loan of €1 billion over five years, consisting of a depreciable

portion of €500 million and a revolving credit facility of €500 million from a syndicate of lenders led by BNP Paribas, Natixis and UniCredit Bank as co-arrangers, and composed of Crédit Agricole Corporate and Investment Bank, Societe Generale, Citibank, La Banque Postale, Nomura, Crédit Lyonnais, Barclays and Royal Bank of Canada.

In addition, the Company entered into a Lombard credit facility in the form of an authorised overdraft of €150 million from UBS in July 2017.

These new facilities will finance Tikehau Capital's general needs by providing additional resources to support growth and its strategy.

The debts previously subscribed by Tikehau Capital (Syndicated loan of €200 million, Bred and UniCredit) were repaid in full in the fourth quarter.

Universal Transfer of Assets

Four wholly-owned subsidiaries of Tikehau Capital have been the subject of a universal transfer of assets, namely Salvepar Alisadéo Investissement I (SAI I), Salvepar Alisadéo Investissement II (SAI II), SCI 26 bis rue de Lübeck and TKF.

These four transactions were carried out at book value.

The details of the gains and losses are indicated in the table below:

(in thousands of €)	Date of Universal Transfer of Assets	Merger gains	Merger losses
TKF	28/12/2017		23,784
Salvepar Alisadéo I	22/11/2017	8,221	
Salvepar Alisadéo II	22/11/2017	7,679	
SCI 26 bis rue de Lübeck	28/12/2017		8

2.4. Subsequent events

Tikehau Capital's capital increases

On 4 January 2018, in line with the reorganisation of the Group that began in 2016, Tikehau Capital was involved in the transfer of almost all the Tikehau Investment

Management shares held by employees. The remuneration of these contributions in kind gave rise to a capital increase of €7.6 million (premium included) which resulted in the creation of 346,500 new shares.

Following this capital increase, the Company's share ownership is as follows:

	Number of shares	% of capital and voting rights
Tikehau Capital Advisors	30,702,957	30%
MACSF Épargne Retraite	12,246,257	12%
Fakarava Capital	7,438,423	7%
Crédit Mutuel Arkéa	5,139,988	5%
Neuflize Vie	2,274,836	2%
Majority shareholders acting in concert (A)	57,802,461	56%
Fonds Stratégique de Participations	8,886,502	9%
Esta Investments (Temasek group)	5,551,949	5%
MACIF	3,348,280	3%
FFP Invest (FFP group)	3,107,147	3%
CARAC	3,053,932	3%
Suravenir	2,845,729	3%
Others	18,550,248	18%
Other shareholders (B)	45,343,787	44%
TOTAL SHARE OWNERSHIP (A + B)	103,146,248	100%

Following this transaction, Tikehau Capital holds 99.1% of Tikehau Investment Management. The remaining shares not yet held by Tikehau Capital have been subject to a contribution commitment and will be provided to Tikehau Capital during the 2018 financial year.

Ring Capital

On 18 January 2018, Tikehau Capital announced support for the creation of Ring Capital and the acquisition of a 25% stake in the Company's capital. Ring Capital is a private equity firm specialising in the financing of technology and digital companies, founded in 2017 by Geoffroy Bragadir and Nicolas Celier.

Also supported by AG2R La Mondiale, BPI France, Bred and Danone, the Company is launching its activities with an investment capacity of more than €140 million to bring out the future European digital leaders, alongside high-potential entrepreneurs.

Ring Capital may acquire minority stakes by investing between €1 million and €15 million, alone or in co-investment, but may also participate in capital increases and redemptions from founder and historical shareholders.

Conforama group

On 24 January 2018, Tikehau Capital organised a €115 million financing for the Conforama group, a major player in home equipment in Europe, over a period of three years. Tikehau Capital contributed €67 million.

DWS

On 14 March 2018, Tikehau Capital took part in the IPO of DWS Group GmbH & Co. KGaA ("DWS") with an amount invested of €182 million at a price of €32.50 per share. Tikehau has begun discussions with DWS regarding potential areas of cooperation, including the distribution of alternative management products.

Total/Tikehau Capital Fund

On 29 March 2018, the Company announced that Total SA is participating with Tikehau Capital in the creation of an investment fund dedicated to the energy transition. The purpose of this private equity fund is to support intermediary players in the energy transition in financing their development, the transformation of their business models and their international expansion.

The team dedicated to the management of this private equity fund is made up of investment professionals from Tikehau Capital and the energy sector seconded by Total. This team will act under the authority of an Investment Committee bringing together the two partners.

The fund has already received a total of €200 million from both partners and Goldman Sachs will act as a placement agent with large institutional investors for Tikehau Capital.

3. ACCOUNTING METHODS AND PRINCIPLES

As from 1 January 2017, Tikehau Capital applies the ANC Regulation 2015-05. The application of this regulation did not have an impact on Tikehau Capital's financial statements at closing.

With the exception of the application of the ANC Regulation 2015-05, the accounting methods and principles are identical to those used for the closing of the previous financial year.

Tangible and intangible assets

Tangible and intangible assets are recognised at their acquisition cost and are depreciated over their useful lives.

The main durations are as follows:

- usufruct: between 5 and 15 years, depending on the duration of entitlement;
- software: 1 to 3 years;
- office equipment and furniture: 3 to 5 years.

Intangible assets are also made up of the Tikehau Capital brand which is recognised at its acquisition price.

This valuation was assessed on the basis of the royalty method, corresponding to the discounted amount of future royalties that the brand would be able to generate after reduction of all the necessary expenses for its maintenance, the future royalties being determined on the basis of future revenues generated by the Company operating the brand, to which is applied a royalty fee in effect on similar brands and/or in similar contexts.

The brand is subject to an impairment test once a year or more frequently if there is evidence of impairment. This impairment test will be assessed by the application of the same royalty method.

Financial fixed assets

Financial assets are recognised at acquisition cost.

Financial assets are valued every half year at their value in use, determined after reviewing the economic and financial performance of each company, taking into consideration the following in particular, alongside any transaction figures:

a) for non-listed companies, the usual valuation methods, namely:

- the market or transaction value: transactions over the last 12 months or the last months of activity if the Company has not completed a full financial year of 12 months since the shareholding was acquired, unless the Company is aware of a valuation considered more relevant;
- the discounted cash flow method (DCF): this method determines the present value of cash flows a company will generate in the future. Cash-flow projections prepared in connection with the management of the company in question include a critical analysis of the business plan of these companies. The discount rate used is the weighted average cost of capital, which represents the cost of debt of the Company and the notional cost of estimated equity, weighted by the proportion of each of these two components in the financing of the Company. This rate is

set next to that used by analysts for listed companies in the same sector;

- the stock market comparables method: valuation multiples of the Company under assessment are compared with those of a sample of companies in the same industry or similar. The average of the sample then establishes a valuation benchmark applicable to the assessed company;

- the industry transaction method: valuation multiples of the Company under assessment are compared with those of a sample of companies sold in the same industry or similar. The average of the sample then establishes a valuation benchmark applicable to the assessed company;

- the valuation method used according to the terms of the applicable shareholders' agreements;

- the last known net asset value, if applicable.

This multi-criteria analysis takes into account, in particular, Tikehau Capital's intrinsic knowledge of its equity stakes.

An impairment provision is raised when the value in use determined, the value considered the most relevant, is lower than the net book value of securities at Tikehau Capital. An impairment provision raised corresponds to the difference between the two values.

b) for listed companies, the share price or its change, after correction for erratic variations, when relating to not very liquid values.

The principle used is raising an impairment provision if the average quoted price of the past 20 trading days is lower than the net book value of securities at Tikehau Capital.

The classification of securities as financial assets is assessed with regard to the investment horizon, the percentage held in the capital of the company concerned and the influence which may result from the investment made by the Company.

Marketable securities

Marketable securities are recognised at their acquisition cost and are subject to impairment if this cost is lower than the inventory value (stock market price, net asset value, etc.).

Cash equivalents and other current financial investments are recognised according to the "First In First Out" method.

Acquisition costs for investments

The Company has opted to capitalise acquisition costs for investments (transfer costs, fees or commissions and legal fees). These fees are amortised over a five-year period, from the date of acquisition of the investments, and the deferral is included under special depreciation allowances.

Operating receivables and payables

Receivables and payables are measured at their nominal amount. An impairment loss is recognised when the inventory value is lower than the carrying amount.

Provisions

A provision is recognised when the Group has an obligation with regard to a third party and it is probable or certain that this obligation will give rise to a disbursement of resources to this third party without the matching by at least an equivalent payment from this third party.

Financial debt

Financial debts are recognised at their historical cost.

Loan issuance costs are recognised in assets under deferred expenses and are spread over the duration of the loans implemented.

Currency transactions

During the year, currency transactions are recorded at their equivalent value in euros on the date of the operation.

Payables, receivables and cash in currencies from outside the euro zone are recognised on the balance sheet at their equivalent value at the year-end rate.

The difference resulting from the recalculation of payables and receivables in currencies from outside the euro zone at the latest price is recognised under currency translation differences at this same rate

Unrealised losses resulting from this conversion are subject to a provision for liabilities in their totality.

Derivative financial instruments listed on organised markets and similar

Tikehau Capital may trade financial derivatives as part of its strategy of managing interest-rate risks on bank borrowings and issues of debt instruments or market risks.

Changes in the value of derivatives are recognised on the income statement in financial income and expenses.

Financial derivatives used for hedging purposes

Fixed financial derivatives are made up exclusively of interest-rate swaps implemented within the management of the interest-rate risk on bank debt.

Changes in the value of hedging instruments are not recognised in the balance sheet. The notional amount of these instruments is shown as an off-balance sheet commitment. (see note 14 (Off balance sheet commitments)).

The accounting principles applicable to forward financial instruments and hedging transactions have been modified by the ANC Regulation 2015-05 of 2 July 2015 and by its presentation note. These new principles are mandatory for fiscal years beginning on or after 1 January 2017, on a retrospective basis.

Insofar as the forward financial instruments already subscribed are already recognised as hedges, the application of ANC 2015-05 has no impact on the Company's financial statements.

Non-recurring expenses and income

They represent:

- the results from the disposal of securities held in the portfolio;
- the income and expenses which occur on an exceptional basis and which relate to operations that do not fall under Tikehau Capital's day-to-day activities.

Corporation tax (tax charge)

Generally speaking, only outstanding tax liabilities are recorded in the individual accounts.

The tax charge recognised on the income statement corresponds to the corporation tax due in respect of the financial year. It includes the consequences of the 3.3% payroll tax contributions.

A tax consolidation agreement was implemented as at 1 January 2017 between Tikehau Capital, parent company of the Group, and Tikehau Investment Management.

Under this agreement, Tikehau Capital is solely liable for the tax due on the overall result and records the total debt or tax receivable by the Group. Article 1 of the agreement stipulates that "the subsidiary shall pay the Parent Company, as a contribution to the payment of the corporation tax of the Integrated Group and, irrespective of the actual amount of such tax an amount equal to the tax which would have affected its net income and/or long-term capital gain for the year if it were taxable separately, therefore deducting all of the allocation rights which the subsidiary would have been entitled to in the absence of integration."

"At the end of a loss-making year, the Subsidiary will not hold any claim against the Parent Company, not even in the event that the latter has set up a claim on the Treasury by opting for a total-loss carry-back."

Use of estimates and judgements

The preparation of the financial statements requires that assumptions and estimates that affect the reported amounts of assets and liabilities on the balance sheet and the reported amounts of revenues and expenses for the year be taken into consideration. Management review their estimates and assessments on an ongoing basis, based on their previous experience, as well as on various other factors that they consider reasonable, which form the basis for their assessment of the book value of the assets and liabilities. By their very nature, evaluations based on these estimates include risks and uncertainties relating to the future, in that the definitive future results of the operations concerned could prove different from these estimates and thereby have a significant impact on the financial statements.

Judgements made by management in preparing the financial statements mainly concern:

- the estimated value in use used for each portfolio investment;
- invoices not yet received result essentially from services carried out for a known amount at the origin and for which the invoice has not yet been received.

4. NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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Note 1. Intangible assets

(in thousands of €)	As at 31 December 2016	Acquisition Amortisation	Disposal Reversal	As at 31 December 2017
Gross amount of intangible assets	13,571	773	-2,074	12,271
Brand	10,710			10,710
Software		773		773
Merger loss	617		-617	
Usufructs SCPI	38			38
Intangible assets in progress	2,206		-1,457	750
Amortisation, impairment of intangible assets	648	178	-617	210
Brand				0
Software		172		172
Merger loss	617		-617	0
Usufructs SCPI	31	6		38
Intangible assets in progress				0
Net amount of intangible assets	12,923	595	-1,457	12,061
Brand	10,710			10,710
Software		601		601
Merger loss				0
Usufructs SCPI	6	-6		0
Intangible assets in progress	2,206		-1,457	750

Given the absence of an indication of an impairment, no impairment was recorded as at 31 December 2017.

Note 2. Financial assets

a) Changes over the year

(in thousands of €)	As at 31 December 2016	Change in scope	Reclas- sification	Acquisition Amortisation	Disposal Reversal	As at 31 December 2017
Gross amount of financial fixed assets	1,079,816	-9,763	4,266	1,242,339	-554,688	1,761,970
Investments	690,891	-108,103	6,555	979,356	-398,007	1,170,692
Receivables relating to investments	85,510	52,894		78,728	-63,343	153,791
Other investments	302,400	45,446	-2,289	184,254	-93,152	436,659
Loans and other long-term investments	1,015				-185	829
Provision for impairment of financial fixed assets	55,197	-796	-204	37,898	-32,437	59,659
Investments	42,236	-3,465		29,057	-31,392	36,435
Receivables relating to investments	3,077	-3,006		1,406		1,478
Other investments	9,875	5,675	-204	7,436	-1,045	21,737
Loans and other financial assets	9					9
Net amount of financial fixed assets	1,024,618	-8,967	4,470	1,204,440	-522,251	1,702,311
Investments	648,655	-104,639	6,555	950,300	-366,615	1,134,256
Receivables relating to investments	82,433	55,900	0	77,322	-63,343	152,313
Other investments	292,524	39,772	-2,085	176,818	-92,108	414,921
Loans and other financial assets	1,006	0	0	0	-185	820

The main changes over the period concern:

- the investments made over the period are as follows:
 - Eurazeo for €443.4 million,
 - Claranet for €86.7 million in May 2017,
 - Crédit.fr for €14.6 million in June 2017,
 - Meriguet for €11.4 million in September 2017;
- strengthening existing investments in:
 - Zéphyr Investissement for €16 million in May 2017,
 - Tikehau Capital UK (wholly-owned subsidiary) for €48.5 million as a current account contribution throughout the year;
- the merger of the company Salvepar;
- the conversion of HDL shares into HDL Development shares.

b) Fixed portfolio investment securities

Tax regime (in thousands of €)	Valuation method	31 December 2017			
		Gross book value	Net book value	Amount paid-up	Estimated value of paid-up amounts
Portfolio securities, common law regime	Cost price	95,212	94,412	54,364	54,364
	Stock market price	2,018	2,018	2,018	2,530
	Last net asset value	187,902	175,415	183,843	171,470
Total portfolio securities, common law regime		285,132	271,845	240,225	228,365
Portfolio securities, long-term capital gains regime	Cost price	3,000	3,000	41	41
	Stock market price				
	Last net asset value	32,260	24,708	31,048	31,941
Total portfolio securities long-term capital gains law		35,260	27,708	31,088	31,981
Bonds	Cost price	99,138	98,665	92,969	92,969
	Stock market price	4,266	4,122	4,122	4,811
	Last net asset value	11,837	11,556	11,837	11,556
Total bonds		115,241	114,343	108,928	109,336
Own shares	Stock market price	1,025	1,025	1,025	1,025
TOTAL OTHER INVESTMENTS		436,658	414,921	381,266	370,707

Tax regime (in thousands of €)	Valuation method	31 December 2016			
		Gross book value	Net book value	Amount paid-up	Estimated value of paid-up amounts
Portfolio securities, common law regime	Cost price	51,444	51,444	48,541	48,541
	Stock market price				
	Last net asset value	109,986	108,628	108,662	124,094
Total portfolio securities, common law regime		161,430	160,072	157,203	172,635
Portfolio securities, long-term capital gains regime	Cost price	8	8	8	8
	Stock market price	144	144	144	245
	Last net asset value	42,512	34,044	40,518	36,798
Total portfolio securities, long-term capital gains law		42,664	34,196	40,670	37,051
Bonds	Cost price	97,380	98,205	85,716	85,667
	Stock market price				
	Last net asset value	51	51	-19	0
TOTAL BONDS		97,431	98,256	85,697	85,667
TOTAL OTHER FINANCIAL ASSETS		301,525	292,524	283,570	295,353

Unrealised capital losses are subject to a provision, if applicable.

c) Own shares

(in thousands of €)	31 December 2017	31 December 2016
Number of securities	46,564	0
Gross value	1,025	0
Provision	0	0
Net value	1,025	0

d) Operations carried out with related entities or with which the Company has a participating interest

As at 31 December 2017, these operations regarding equity interests can be summarised as follows:

(in thousands of €)	Amount concerning related entities	Amount concerning companies related entities with which the Company has a participating interest
Investments	520,101	139,047
Receivables relating to investments	147,639	4,674
TOTAL BALANCE SHEET	667,740	143,720
Income from investments	1,791	18,038
Other financial income	1,946	127
Financial expenses	-147	-83
TOTAL INCOME STATEMENT	3,590	18,083

Note 3. Client receivables and other receivables

Operating receivables are broken down as follows as at 31 December 2017 and 31 December 2016:

(in thousands of €)	As at 31 December 2017	As at 31 December 2016
Client receivables	4,452 ¹	797
State and other public authorities	223,466	2,031
• Income tax	5,008	66
• VAT	391	338
• Other income due	709	
• Sundry accounts receivable	217,358 ²	1,627
TOTAL RECEIVABLES AND OTHER OPERATING RECEIVABLES	227,918	2,828

¹ Includes, as at 31 December 2017, €4.3 million concerning related entities.

² Includes, as at 31 December 2017, €200.7 million of DRT receivable, following the closing which will take place at the beginning of April.

All receivables mature are due in less than one year and are not subject to impairment.

Note 4. Marketable securities and term deposits

This item is made up of a current investment portfolio, term deposits and money-market mutual funds (SICAV).

(in thousands of €)	31 December 2017				31 December 2016			
	Gross balance sheet value (acquisition value)	Unrealised loss*	Net value	Un-realised gain	Gross balance sheet value (acquisition value)	Unrealised loss*	Net value	Un-realised gain
Portfolio of listed shares	10,186	10,186			7,115	7,115	0	
Portfolio of listed bonds	5,282	635	4,646	443	4,622		4,622	582
Mutual funds (SICAV)	174,140	63	174,077		27,299	22	27,277	415
Accrued interest on listed bonds	163		163		3		3	
Sub-total	189,771	10,885	178,886	443	39,039	7,137	31,902	998
Term deposits	166,852		166,852		20,000		20,000	
TOTAL	356,623	10,885	345,738	443	59,039	7,137	51,902	998

* Unrealised losses are subject to impairment provisions.

Note 5. Deferred expenses

This item is made up of loan issuance costs which are distributed over the duration of the loans implemented, *i.e.* five years for the €1 billion bank loan and six years for the €300 million bond.

Note 6. Shareholders' equity

As at 31 December 2017, the share capital, which is fully paid up, is made up of 102,799,748 ordinary shares of a par value of €12 each.

	Number	Par value
Shares comprising the share capital at the beginning of the year	54,174,822	12
Shares issued during the year	48,624,926	12
Shares repaid during the year		
Shares comprising the share capital at the end of the year	102,799,748	12

The changes concerning shareholders' equity over financial years 2016 and 2017 are listed below:

(in thousands of €)	Share capital	Issuance and in-kind premiums	Reserves			Net result for the year	Regulated provisions	Total shareholders' equity
			Legal reserve	Other reserves	Retained earnings			
Situation as at 31/12/2015	260,278	84,023	4,003		30,675	4,191	805	383,975
Combined General Meeting of 14/04/2016			210		3,981	-4,191		
Chairman's decision of 04/07/2016	237,634	178,226						415,860
Chairman's decision of 21/12/2016	152,186	116,755						268,941
Net result for the year						-56,602		-56,602
Other variances							781	781
Situation as at 31/12/2016	650,098	379,004	4,212		34,656	-56,602	1,587	1,012,956
Chairman's decision of 06/01/2017	85,760	64,320			-56,602	56,602		150,081
Chairman's decision of 03/03/2017	28,571	21,429						50,000
Public exchange offer	86,230	62,694			1,894			150,818
Conversion of ORNANE bonds – GM 17/05/2017	97	88						185
Chairman's decision of 29/07/2017	382,840	319,034						701,874
Fees related to capital increases		-6,000						-6,000
Net result for the year						271,895		271,895
Other variances							-1,333	-1,333
Situation as at 31/12/2017	1,233,597	840,568	4,212		-20,051	271,895	254	2,330,474

During financial year 2017, three capital increases were carried out:

• **6 January 2017:**

The capital increase of January 2017 was carried out for the amount of €150,080,763 (including share premium) resulting in the creation of 7,146,703 new shares. This

recapitalisation was done with preferential subscription rights maintained at a price of €21 per new share, and has been fully subscribed in nominal capital. The purpose of this capital increase was to allow the Company to shore up its shareholders' equity, fund its ongoing development before its listing in March 2017.

• **3 March 2017:**

The capital increase of February 2017 was carried out for the amount of €49,999,992 (including share premium) resulting in the creation of 2,380,952 new shares. This recapitalisation was done with preferential subscription rights maintained at a price of €21 per new share, and has been fully subscribed in nominal capital. The purpose of this capital increase was to bring a new shareholder into the capital of the Company in accordance with the decision taken at the General Meeting of 6 January 2017.

• **29 July 2017:**

The capital increase of July 2017 was carried out for the amount of €701,874,074 (including share premium) resulting in the creation of 31,903,367 new shares. This recapitalisation was done with preferential subscription rights maintained at a price of €22 per new share, and has been fully subscribed in nominal capital.

Note 7. Provisions for risks and liabilities

This item is made up of provisions for currency risks principally concerning financial assets.

Note 8. Financial liabilities and derivatives

Financial debt is broken down as follows as at 31 December 2017 and 31 December 2016.

(in thousands of €)	As at 31 December 2017				As at 31 December 2016		
	Total	due within one year	due between 1 and 5 years	due in more than 5 years	TOTAL	due within one year	due between 1 and 5 years
Bonds	300,000			300,000			
Bank loans	250,000		250,000		120,000		120,000
Interest on loans and derivatives	1,673	1,673			1,760	1,760	
TOTAL	551,673	1,673	250,000	300,000	121,760	1,760	120,000

By decision of the Managing Partners dated 6 November 2017, the Company issued a bond with a total nominal amount of €300 million.

These bonds bear interest at an annual nominal rate of 3% payable annually and will be payable in full on 27 November 2023, after a period of six years.

Note 9. Operating liabilities

Operating liabilities are broken down as follows as at 31 December 2017 and 31 December 2016:

(in thousands of €)	As at 31 December 2017	As at 31 December 2016
Trade payables	6,151 ¹	6,753
State and other public authorities	673	1,207
• Corporate income tax		
• VAT	610	697
• Other taxes	63	510
Other liabilities	25,284	127
TOTAL	32,108	8,087

¹ Includes, as at 31 December 2017, €1.5 million concerning related entities.

All debts are due in less than one year.

Accrued expenses and credit notes to be issued amounted to €4.3 million, made up predominantly of trade payables.

Note 10. Corporate income tax and tax loss carry forwards

(in thousands of €)	As at 31 December 2017	As at 31 December 2016
Stock tax loss carried forward at local normal rate	82,986	95,988
Stock tax loss carried forward at local reduced rate	4,935	8,524

The amount of the loss carry-forward used in the 2017 financial year is €13 million.

The determination of the tax result is as follows:

Taxable income (in thousands of €)	As at 31 December 2017
Accounting income before tax	276,126
Add backs	
Non-deductible expenses	875
Non-deductible provisions	4,358
Sundry reinstatements	3,419
Taxation of securities	105,904
Deductions	
Provisions	39,957
Other deductible or non-taxable operations	20,764
Taxation of securities	304,958
TAXABLE INCOME	25,003

The tax result after deducting deficits amounts to €12 million, resulting in a tax expense of €4 million.

Note 11. Revenues and operating income

Revenue is broken down as follows:

(in thousands of €)	As at 31 December 2017	As at 31 December 2016
Management fees		952
Exit fees, performance fees		
Other revenue items	2,991	126
NET REVENUE	2,991	1,078

Other operating income is broken down as follows:

(in thousands of €)	As at 31 December 2017	As at 31 December 2016
Transfer of operating expenses	12,515	5,124
Other income	841	35
OTHER OPERATING INCOME	13,356	5,160

The transfer of expenses corresponds to the borrowing costs spread over their duration.

Note 12. Net non-recurring income

This item is broken down as follows as at 31 December 2017 and 31 December 2016:

(in thousands of €)	As at 31 December 2017	As at 31 December 2016
Capital gains or losses on disposals of securities held in the portfolio	289,188	29,015
Regulated provisions	-728	-391
Other non-recurring expenses and income	4	-24
NET NON-RECURRING INCOME	288,464	28,600

The net non-recurring Income consists mainly of the following gains on disposals:

- DRT for the sum of €160 million;
- Eurazeo for the sum of €98.4 million;
- HDL for the sum of €39.9 million.

This amount does not take into account merger losses of €11 million which is included in the financial result.

Note 13. Off-balance sheet commitments

a) Financial instruments portfolio

Off-balance sheet commitments regarding financial derivatives are presented below.

These amounts determine the level of notional commitment as well as the market value and are not indicative of an unrealised loss or gain.

(in thousands of €)	Amount as at 31 December 2017	
	Notional amount hedged	Market value
Interest-rate swap	177,658	-992

b) Other off-balance sheet commitments

Description (in thousands of €)	As at 31 December 2017	As at 31 December 2016
	Value of the commitments	
Commitment of payment to current account	142	2,208
• Weinberg Real Estate Part. 2	142	208
Guarantee for disposals of shares in property investment companies carried out by a subsidiary, in the sum of		2,000
Subscription commitment	68,712	44,948
• Capital increase in TREIC	38,616	41,948
• Investment in the fund French Food I		3,000
• Redemption preference shares SSI	30,096	
Uncalled commitment by the funds	55,291	17,600
Loan guarantees and authorised overdrafts (securities)	83,643	276,418
Loan guarantees and authorised overdrafts (cash)	66,357	3,385
• Caceis bank accounts		1,383
• UBS bank accounts	66,357	
• BRED bank accounts		2,002
TOTAL COMMITMENTS MADE	274,146	344,559
Lombard loan not drawn at close	150,000	
Syndicated loan not drawn at close	750,000	100,000
TOTAL COMMITMENTS RECEIVED	900,000	100,000

Note 14. Related parties

a) Scope of related parties

The related parties of Tikehau Capital are:

- Tikehau Capital General Partner, in its capacity as Manager-General Partner, 100% owned by Tikehau Capital Advisors;
- Tikehau Capital Advisors and its representatives (the company AF&Co, controlled by Mr. Antoine Flamarion, in his capacity as Chairman of Tikehau Capital Advisors, and the company MCH, controlled by Mathieu Chabran in his capacity as Chief Executive Officer of Tikehau Capital Advisors);
- Tikehau IM, an asset management company majority held by the Company;
- Tikehau Capital Europe, majority held by the Company;
- Tikehau Capital UK, wholly-owned by the Company;
- Tikehau Capital Belgium, wholly-owned by the Company;
- Tikehau Capital North America, wholly-owned by the Company;

b) Nature of relations with related parties

Remuneration of the Managers

The Manager is entitled to (i) a remuneration, determined in the Articles of Association, equal to (excluding tax) 2% of the total consolidated shareholders' equity of the Company, determined on the last day of the preceding financial year. This remuneration shall be paid to him annually when the financial statements of the preceding year are approved. The Manager has the opportunity, during the year, of receiving a payment on account for the remuneration referred to above. The payment of this advance can only be made on the basis of an accounting period certified by the Statutory Auditors of the Company. This advance is deducted from the total amount of remuneration paid to the Manager on approval of the financial statements for the previous financial year.

Preferred dividend (*dividende précipitaire*) to the general partner

Tikehau Capital General Partner, as sole general partner of the Company, is entitled, by way of preferred dividend and should there be distributable income for a financial year, to (ii) an amount determined in the Articles of Association and equal to 12.5% of the net result of the Company as reflected in the Company's statutory financial statements at the close of each financial year.

If there is more than one general partner, they shall share this amount between themselves as they see fit. In the event of a financial year whose duration is less than a calendar year, this remuneration shall be calculated on a pro rata basis for the time elapsed.

Attendance fees and other remuneration received by members of the Supervisory Board

In line with the conversion of the Company into a *société en commandite par actions* (partnership limited by shares), a Supervisory Board was created. According to the Company's Articles of Association, members of the Supervisory Board may receive attendance fees and remuneration, the total annual amount of which is voted on by the General Shareholders' Meeting and whose distribution is decided by the Supervisory Board on the recommendation of the Appointment and Remuneration Committee. The Supervisory Board's Internal Rules provide that the distribution of attendance fees takes into account in particular the effective participation of each member in the Meetings as well as the duties performed on the Board and its Committees, and is the subject of prior discussion by the Appointment and Remuneration Committee. The share of each member of the Supervisory Board is calculated in proportion to the duration of his or her term of office during the financial year.

At the annual General Shareholders' Meeting of the Company held on 21 December 2016, an amount of €300,000 was allocated to the members of the Supervisory Board in respect of attendance fees for each financial year.

Directors' fees paid in 2017 amounted to €15,950 gross.

Summary of the remuneration received by the Chairman and the Manager of Tikehau Capital

The amounts invoiced by the related parties over the year can be broken down as follows:

Remuneration TCGP

(in thousands of €)	31 December 2017	from 7 November to 31 December 2016
Remuneration on consolidated shareholders' equity (amount excl. taxes)	22,647	1,113
Share of non-deductible VAT	4,151	214
Remuneration on net result ¹		
REMUNERATION CHARGED TO TIKEHAU CAPITAL	26,799	1,326

¹Negative net result in 2016.

Investments in funds managed by Tikehau Investment Management (Tikehau IM) or Tikehau Capital Europe (TCE)

The following table lists the funds in which Tikehau Capital has invested and which are managed by Tikehau IM or TCE (subsidiaries of the Company):

Investment in funds as at 31 December 2017

(in millions of €)	Investing company	Amount called ¹		Commitment		% holding ²
		Tikehau	Fund	Tikehau	Fund	
TSL II	TC	15.0	85.3	15.0	85.3	18%
Tikeflo Invest 3	TC	12.1	12.2	12.1	12.2	99%
TPC	TC	24.7	130.2	25.5	133.9	19%
Other Private Debt funds		5.6	134.8	7.0	754.9	
Total Private Debt funds		57.5	362.4	59.6	986.3	
TIRF I (I-Petali)	TC	8.0	35.1	8.0	35.1	23%
TIRF II (Area 12)	TC & TREIC	7.0	41.8	7.0	41.8	17%
TLP I (Escoffier)	TC & TREIC	12.8	56.3	12.8	56.3	23%
TRE I (Elis)	TC	9.0	99.9	9.0	99.9	9%
TRE II (Optimo)	TC & TREIC	35.0	180.5	35.0	180.5	19%
TRE II (Optimo 2)	TC & TREIC & TPA	17.7	237.8	17.7	237.8	7%
TRP I (Mr. Bricolage)	TC	23.1	135.0	23.1	135.0	17%
TRP II (Bercy 2)	TC	14.0	49.7	14.0	49.9	28%
TRP III (Babou)	TC	33.3	175.0	33.3	175.0	19%
Total Real Estate funds		159.9	1,010.9	159.9	1,011.2	
TSO	TPA	0.2	10.8	1.5	77.8	2%
Total Private Equity funds		0.2	10.8	1.5	77.8	
TOTAL		217.6	1,384.2	220.9	2,075.3	

¹ Amount invested at the historical cost excluding revaluation.

² Percentage holdings calculated on amounts committed.

Investment in funds as at 31 December 2016

(in millions of €)	Investing company	Amount called ¹		Commitment		% holding ²
		Tikehau	Fund	Tikehau	Fund	
TSL II	TC	15.0	85.3	15.0	85.3	18%
Tikeflo Invest 3	TC	12.1	12.2	12.1	12.2	99%
TPC	TC	24.7	130.2	25.5	133.9	19%
Other Private Debt funds		6.0	76.5	8.8	140.9	
Total Private Debt funds		57.9	304.1	61.3	372.2	
TIRF (I-Petali)	TC	7.9	35.0	7.9	35.0	23%
TLP I (Escoffier)	TC & TREIC	12.9	56.3	12.9	56.3	23%
TRE I (Elis)	TC	9.0	99.9	9.0	99.9	9%
TRE II (Optimo)	TC & TREIC	59.1	180.5	59.1	180.5	33%
TRP I (Mr. Bricolage)	TC	30.0	135.0	30.0	135.0	22%
TRP II (Bercy 2)	TC	14.0	49.7	14.0	49.7	28%
TRP III (Babou)	TC	33.3	175.0	33.3	175.0	19%
TOTAL		224.0	1,035.3	227.4	1,103.4	

¹ Amount invested at the historical cost excluding revaluation.

² Percentage holdings calculated on amounts committed.

Performance fees

In some funds, performance fees may be paid in the event that a performance threshold is exceeded upon the liquidation of the funds, mainly real-estate and private debt funds.

Performance fees since April 2014 break down as follows: 20% of the performance fees are paid to a company that is a shareholder of Tikehau Capital Advisors and is held by partners of the Group; the remainder is distributed one third each to Tikehau Capital, Tikehau IM and Tikehau Capital Advisors.

These performance fees are paid by the funds directly to the beneficiaries and are recognised on the income statement when they are actually paid.

As at 31 December 2017, 80% of private debt assets under management – direct lending and real-estate funds give rise to performance fees.

(in millions of €)	As at 31 December 2017	As at 31 December 2016
Assets eligible for performance fees	3,961	2,949
Direct lending	1,716	1,189
Real estate	2,245	1,760
Assets under management	4,941	3,679
Direct lending	2,696	1,919
Real estate	2,245	1,760

Unlike its subsidiary Tikehau IM, Tikehau Capital did not receive any performance fees nor carried interest for the 2017 financial year.

Receivables relating to interests in related parties

Receivables relating to interests in related parties are detailed below:

(in thousands of €)	Amount concerning related entities	Amount concerning companies with which the Company has a participating interest
Tikehau Secondary	191	
Tikehau Venture	2,963	
Tikehau Asia	477	
Takume	304	
TGPF	1,010	
Tikehau Capital UK	137,170	
Tikehau Capital North America	1,957	
Tikehau Capital Belgium	3,566	
Angelmar		4,674
TOTAL	147,639	4,674

Note 15. Market risks

a) Exposure to interest rate risks arising from bank debts

As at 31 December 2017, on the liability side, Tikehau Capital was exposed to interest rate risk on its bank loans and related hedges for respective amounts of €250.0 million and

€177.7 million, compared with respectively €120.0 million and €170.6 million as at 31 December 2016 (see note 8 (Borrowings and other financial liabilities)).

Tikehau Capital has no foreign currency debt as at 31 December 2017.

For the purpose of managing risks on its floating-rate exposure, Tikehau Capital has taken out interest-rate swaps with the following features:

(in thousands of €)	Notional	Average fixed rate	Average maturity
As at 31 December 2016	170.6	0.96%	8.2 years
As at 31 December 2017	177.7	0.62%	6.1 years

b) Exposure to currency risk

Tikehau Capital's exposure to currency risk relates to its investments in foreign currencies. As at 31 December 2017, Tikehau Capital had an exposure to currency risk on the pound sterling, the US dollar, the Singapore dollar and the Australian dollar, and to a lesser extent the Polish zloty.

Tikehau Capital had no currency hedging as at 31 December 2017.

The table below shows the impact on earnings of a change +/-10% in these currencies against the euro and on the basis of the consolidated financial statements as at 31 December 2017 and 31 December 2016:

(in millions of €)	10% depreciation of the currency	10% appreciation of the currency
As at 31 December 2017		
GBP	-22.0	28.1
USD	-3.7	4.6
SGD	-1.3	1.5
AUD	-0.2	0.3
PLN	-0.1	0.1
As at 31 December 2016		
USD	-1.1	1.5
SGD	-0.6	0.8
GBP	-6.7	8.2
PLN	-0.1	0.1

The change in the foreign exchange risk exposure between 31 December 2016 and 31 December 2017 is mainly due to the inflow of Salvepar's investments following the merger as well as the new foreign currency investments made during the year.

Note 16. Other items of information

Free shares plans

During the year, the Company set up two bonus share plans:

General free shares plan by issue of new shares: characteristics

Number of shares allocated: 25,536 shares.

Allocation date: 1 December 2017.

Unit value of the share on the allocation date: €19.73 corresponding to the share price on 31 December 2017 (€21.92) to which a 10% discount was applied to take into account the absence of dividend rights over the vesting period.

Acquisition terms: 30 November 2019, *i.e.* a vesting period of three years conditional on the continued status of employee within the Group and without performance conditions.

From the definitive vesting date, the shares acquired will be freely transferable.

The options selected are as follows: (i) the shares will be delivered at the end of the vesting period by the issue of new shares, (ii) no expense is recognised during the year and (iii) no liability is recorded on the liability side of the balance sheet.

Individual free shares plan by issue of new shares: characteristics

Number of shares allocated: 675,337 shares.

Allocation date: 1 December 2017.

Unit value of the share on the allocation date: €19.73 corresponding to the share price on 31 December 2017 (€21.92) to which a 10% discount was applied to take into account the absence of dividend rights over the vesting period.

Acquisition terms:

- For 50% of shares acquired, 30 November 2019, *i.e.* a vesting period of two years conditional on the continued status of employee within the Group and without performance conditions.

- For the remaining shares, 30 November 2020, *i.e.* a vesting period of three years conditional on the continued status of employee within the Group and without performance conditions.

From the definitive vesting date, the shares acquired will be freely transferable.

For these two plans, no shares were allocated during the 2017 financial year.

The options selected are as follows: (i) the shares will be delivered at the end of the vesting period by the issue of new shares, (ii) no expense is recognised during the year and (iii) no liability is recorded on the liability side of the balance sheet.

Statutory Auditors' Fees

The accounting principles and methods are identical to those used for the close of the previous year.

Statutory Auditors' fees (in thousands of €)	31 December 2017			31 December 2016		
	Total	of which Mazars	of which Ernst & Young	Total	of which CMS Expert Associés	of which Ernst & Young & Autres
Statutory audit (excl. tax)	235	118	118	539	214	325
Services other than the certification of the financial statements*	182	91	91	18	18	0
TOTAL	417	209	208	558	233	325

* Issue of a letter of comfort.

Workforce

Tikehau Capital has no employees.

List of subsidiaries and participating interests

Companies or groups of companies (in thousands of €)	Capital	Other shareholders' equity (including net result for the year)	Share of capital held at year-end in%	Balance sheet value of the securities held as at 31 December 2017	
				Gross	Net
A. Detailed information on participating interests whose inventory value exceeds 1% of the share capital of the Company required to publish the corresponding information					
1) Subsidiaries held at more than 50%					
Tikehau Capital UK*					
111 Old Broad Street – London	12,117	2,017	100%	12,117	12,237
Tikehau Capital Europe Ltd.*					
32, rue de Monceau, Paris (75)	43,418	3,312	75%	60,316	60,316
Tikehau IM*					
32, rue de Monceau, Paris (75)	2,529	30,188	97%	238,083	238,083
Zephyr Investissement*					
32, rue de Monceau, Paris (75)	60,410	-29	53%	32,219	32,219
Crédit.fr*					
5, rue La Baume, Paris (75)	3,018	-3,560	96%	14,615	14,615
Tikehau Capital North America LLC**					
412 West 15 th Street, Floor 18, New York (10 011)	100%				
Tikehau Capital Belgium*					
Avenue Louise, 480 – Brussels 1050	12,237	402	100%	12,237	13,119
2) Interests held at between 10% and 50%					
TREIC*					
32, rue de Monceau, Paris (75)	603	58,606	30%	36,384	36,384
HDL					
Rue Victor-Pagès – B.P. Pierrelatte Cedex	149,322	25,553	23%	74,860	63,249
B. General information concerning other subsidiaries or participating interests					
1. French subsidiaries (total) + 50%				2,137	2,097
2. Participating interests in French companies (total)				40,818	32,466
3. Participating interests in foreign companies (total)				4,820	2,012

* Information taken from 2016 company financial statements.

** 2017 is the Company's first accounting year.

The information is given for subsidiaries and participating interests whose balance sheet value is greater than 1% of Tikehau Capital's share capital; the information concerning the other subsidiaries and participating interests is given for their total value.

Loans and advances granted	Amount of guarantees and endorsements	Revenue of last financial year	Net profit (or loss) of the last financial year	Dividends received by the Company during the last financial year
137,170			1,337	
		5	3	
		31,264	1,827	1,736
			-95	
		216	-1,892	
1,957				
3,566				
			-117	
		1,177	6,456	17,498
1,010				55
				540
4,674				

Additional observations

The accounts of Tikehau Capital UK are in pound sterling.
As a result, the amounts relating to the share capital,

shareholders' equity and the result mentioned above were converted into euros at the Banque de France EUR/GBP rate of 0.8872 as at 31 December 2017.

2. STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

ERNST & YOUNG et Autres

Tour First TSA 14444
92037 Paris la Défense Cedex France
Simplified Joint-Stock Company with variable share capital
Nanterre Trade and Companies Register No. 438 476 913
Statutory Accounting Firm Member
of the Versailles Regional Association

MAZARS

61, rue Henri-Régnault 92400 Courbevoie France
Limited Company with Executive and Supervisory Boards
and share capital of €8,320,000
Nanterre Trade and Companies Register No. 784 824 153
Statutory Accounting Firm Member
of the Versailles Regional Association

This is a translation into English of the statutory auditors' report on the annual financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Tikehau Capital

Financial year ended 31 December 2017

Statutory Auditors' report on the financial statements

To the Annual General Meeting of Tikehau Capital,

Opinion

In compliance with the assignment entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Tikehau Capital for the year ended 31 December 2017.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2017 and of the results of its operations for the year then ended in accordance with the French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit and Risk Committee.

Basis for our opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us, for the period between 1st January 2017 to the date of our report and specifically did not provide any non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014, or in French Code of ethics (*Code de déontologie*) for statutory auditors.

Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating the justification of our assessments, we inform you of the key audit matters relating to the risk of material misstatements that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Valuation of the non-listed investment portfolio

Please refer to Notes 3 and 4.2 to the financial statements

Risk identified	Our response
<p>Given its asset management business, Tikehau Capital holds a significant amount of equity investments on its balance sheet: their net carrying value amounted to €1,134 million at 31 December 2017.</p> <p>Equity investments are recorded in the accounts at their acquisition cost and are valued at their value-in-use every six months. An impairment charge is recorded where the value-in-use is lower than the net book value of the investments held by Tikehau Capital.</p> <p>The value-in-use of equity investments in non-listed companies is determined based on a review of each company's business and financial performance by Management, in accordance with the valuation methods described in Note 3 to the financial statements, including the market or transaction value, the discounted cash flow method (DCF), the stock market comparables method, the sector's transactions method, the valuation method used according to applicable shareholders' agreements, or the last known net asset value in the case of an investment fund.</p> <p>We considered that the valuation of the non-listed equity investment portfolio was a Key Audit Matter, as it requires Management to exercise its judgement in terms of the methods and data used.</p>	<p>Our audit approach consisted in:</p> <ul style="list-style-type: none"> • carrying out walk-through tests in order to identify the processes and controls implemented by Tikehau Capital in order to value the investments in the non-listed equity investments portfolio; • analyze the assumptions, methodologies, and models used by the management to estimate the main valuations; • including valuation specialists in our audit team to assess the valuations performed by the Company, and test the key parameters and assumptions used; • where applicable, we have assessed the existence of external benchmarks supporting the levels of multiples used in the valuation of transactions carried out over the past twelve months; • finally, in the case of investments where the estimated value-in-use proved to be lower than the purchase price, we reviewed the consistency between the impairment charges recorded and the calculation of the value-in-use.

Verification of the Management Report and of the Other Documents sent to the shareholders

We have also performed, in accordance with professional standards applicable in France, the verifications required by French Law.

Information given in the management report and in the other documents provided to Shareholders with respect to financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report and in the other documents provided to shareholders with respect to financial position and the financial statements.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-3 and L.225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.225-37-3 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by the directors, and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company form controlling and controlled companies. Based on this work, we attest the accuracy and fair presentation of this information.

Other information

In accordance with French Law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of shareholders or holders of voting rights, and cross-holdings has been properly disclosed to you in the Management Report.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Tikehau Capital by the General Meeting held on 1 June 2017 for Mazars, and on 7 November 2016 for Ernst & Young et Autres.

As at 31 December 2017, Mazars was in the first year of total uninterrupted engagement, and Ernst & Young et Autres was in the second year of total uninterrupted engagement (including one year since the Company's shares were admitted for trading on a regulated market).

Responsibilities of Management and Those Charged with Governance for the annual financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit regarding the accounting and financial reporting procedures.

The financial statements were approved by the Management.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material

if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified by Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit and Risk Committee

We submit a report to the Audit and Risk Committee, which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Risk Committee includes the risks of material misstatements that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit and Risk Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014 confirming our independence, within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce*), and in the French Code of Ethics (*Code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense and Courbevoie, 20 April 2018

The Statutory Auditors
French original signed by

ERNST & YOUNG et Autres

David Koestner
Partner

MAZARS

Simon Beillevaire
Partner

VII . CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY (CSR)

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1. RESPONSIBLE INVESTMENT AT TIKEHAU CAPITAL

(a) Background to the ESG process

Ever since it was founded, Tikehau Capital has emphasised the personal responsibility of each employee and the sharing of a common entrepreneurial identity. This approach means encouraging employees to take a critical approach to external influences and rely on the fundamental analysis produced by the research teams. Increasingly, environmental, social and governance criteria (“ESG”) form an integral part of the investment recommendations and constitute one of the major focuses of the Group’s corporate social responsibility (“CSR”).

All levels of the Group’s hierarchy are involved in the responsible investment process. For example, an ESG Committee has been set up to steer, oversee and integrate the ESG strategy at all levels of the organisation. This ESG Committee is made up of different senior representatives of the organisation, which demonstrates the importance this subject holds for the management. The Group appointed an ESG/CSR Manager in 2017. Within each operating team, key people work with the Group ESG/CSR Manager and act as representatives to promote the integration of ESG criteria in their investment business line.

In 2014, Tikehau IM, the Group’s asset management company and Salvepar, the former subsidiary of the Group dedicated to minority investments, signed the six Principles for Responsible Investment (the “UN PRI”). In 2017, following the reorganisation operations that led to the IPO (see Section II.2 (Reminder of the reorganisation operations) of this Registration Document), the Company replaced its subsidiaries as signatory of the UN PRI which are now applied on a wider scope. The Group’s responsible investment policy is formalised in a “Responsible Investment Charter”, available in English and French on the Tikehau Capital website.

Governance Pillar

The Responsible Investment Charter makes governance one of the cornerstones of ESG analysis within the Group. It states that *“Model governance is based on transparent rules organising power and checks and balances. This type of governance enables the company to ensure the interests of all the stakeholders (employees, executives, financiers, shareholders, the public etc.), to anticipate trends and to improve risk management.”*

In terms of governance, Tikehau Capital is careful to ensure that the conditions under which it invests include clear and proportional rights whenever possible. The Group maintains a constant dialogue with the management of companies in which it has invested. Due to its different business lines and the specific circumstances of each investment, the Group is nevertheless not intended to be systematically involved in the governance of the companies it finances.

Social Pillar

Tikehau Capital adheres to the principles laid down in the fundamental conventions of the International Labour Organisation concerning (i) respect for the freedom of association and right to collective bargaining, (ii) the elimination of discrimination in respect of employment and occupation, (iii) the elimination of forced and compulsory labour, and (iv) the effective abolition of child labour.

The Group endeavours to ensure that human resources play an integral part of its own strategy and of that of the companies in which it invests. Depending on the nature of the businesses and their industries, qualitative or quantitative criteria used in regard to social aspects may vary: human resources policy, social risk, employee safety and work-related accident rates, compliance with social legislation, etc.

Tikehau Capital’s approach rests on the belief that a quality management of human resources is required for a company to be productive, reduce social risks of any kind and therefore prove to be a promising investment. However, Tikehau Capital’s power to influence the social policy of the companies in which the Group invests must be balanced against the specific features of each of the investment strategies deployed to date within the Group (see Section I.4 (Presentation of the activities of Tikehau Capital) of this Registration Document).

Environmental Pillar

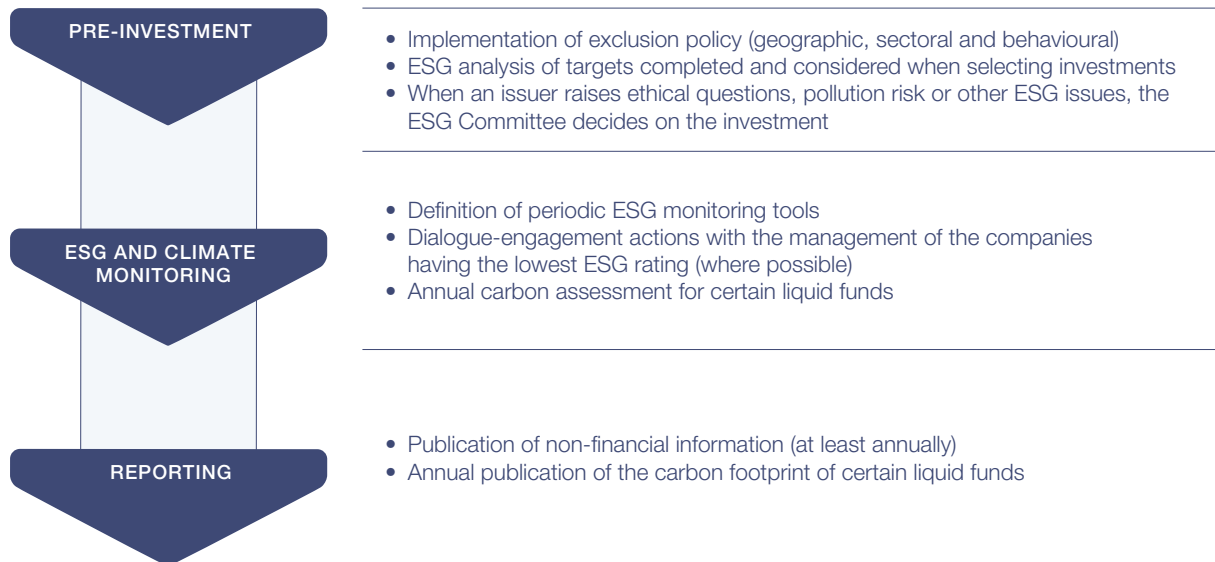
Guided by the recommendations of Decree No. 2015-1850 of 29 December 2015 in application of Article 173 of the law on energy transition, the Group and its five main fixed income management funds commissioned carbon audits from specialist consultants (See Sections VII.1(e) (Carbon footprint of certain liquid funds) and VII.2(c) (The Group’s environmental footprint and carbon audit) of this Registration Document).

In environmental matters as well, Tikehau Capital’s power to influence the policy of the companies in which the Group invests must be balanced against the specific features of each of the investment strategies deployed to date within the Group (see Section I.4 (Presentation of the activities of Tikehau Capital) of this Registration Document).

Stepping up the ESG process

Since 2016, the Group has been working on various ESG projects with specialist advice, in order to receive guidance in formalising its commitments and its approach in this area. This advice was mainly obtained on the inclusion of ESG criteria in investment transactions and on setting up an annual monitoring of ESG criteria.

The process of integrating ESG issues is common to all of the Group's activities and takes form during three key stages of investment transactions, namely:



• **Implementation of the exclusion policy at the investment selection stage** – In addition to polluting industries or sectors at risk, governance perceived as weak or cases of controversy (for example, a proven breach of one of the principles of the United Nations Global Compact) would normally lead the Group to exclude potential investments despite the strategic or financial interest they may represent. In addition, the investment teams refer to geographic or sector-based exclusion criteria, such as regulatory exclusions on controversial weapons (ruling out companies involved in the production and/or marketing of cluster weapons or landmines), as well as the exclusion of issuers from countries classified as non-cooperative by the Financial Action Task Force (FATF). Investments in companies that may incur ethical risks owing to their business sectors or their domicile are subject to the approval of the ESG Committee, based on a case-by-case study.

• **An ESG analysis grid at the stage of analysing investments** – With the backing of a specialist consultant, Tikehau Capital has drawn up an analysis grid specific to the various Group activities (described in greater detail below) for assessing ESG factors on an ongoing basis and to draw up an ESG scoring at the investment stage, to determine a trajectory of improvement with regard to the ESG issues and implement the necessary monitoring tools.

• **ESG monitoring and reporting during the life of the investment** – Once the investment has been made, certain holdings in the investment portfolio are subject to an annual ESG analysis, according to approximately 15 ESG criteria common to all investments (based on the *Recommendations*

to Facilitate Dialogue between Management Companies and Investors by the ESG Committee of France Invest, available on www.franceinvest.eu). Where applicable, complementary ESG criteria may be specifically selected from a matrix of indicators if this is relevant.

Transparency and dialogue with stakeholders

The Company strives to maintain a high level of transparency regarding its own activities to the extent consistent with its business of asset management and investment, in order to allow investors and shareholders to assess the evolution in its position and its prospects.

The Group encourages the use of fair practices by both its teams and service providers and the companies in which it invests. The teams of each of the Group's entities are particularly aware of the risks of non-compliance of any kind and measures have been put in place to prevent some of the economic violations and breaches that might occur in the course of conducting its activities (insider misconduct, fraud, corruption, money laundering, financing of terrorism, etc.). In connection with the listing of the Company's shares on the regulated market of Euronext Paris, a Stock Market Professional Code has been put in place. It supplements all the specific regulatory procedures described in more detail in Section I.6 (Regulations) of this Registration Document. The Group's requirements regarding professional conduct also include the establishment of a balanced governance, prevention of conflicts of interest and stringent internal controls (see Section III.3 (Risk management and internal control system) of this Registration Document).

(b) ESG & Private Debt and Private Equity activities

(i) ESG issues in private debt and private equity activities

In 2015, following the adoption of the Group's "Responsible Investment Charter", the private debt and private equity teams adopted a procedure to integrate Environment ("E"), Social ("S") and Governance ("G") criteria, focusing on three themes: (i) share ownership, activities and governance, (ii) social and relationships with external stakeholders, and (iii) environment.

The non-listed universe presents its own particular characteristics as regards ESG management. For example, some medium-sized issuers have limited resources for managing and structuring their CSR strategy. In addition, transactions in the non-listed universe are characterised by limited liquidity, thus restricting the possibility of breaking off relations with an issuer whose ESG profile has deteriorated significantly.

In this context, the quality of the management team and the governance are essential. The analysis of these factors is easier in the private equity activity where proximity between the shareholder and the management is the strongest.

In a process of continuous improvement, the ESG procedures for private debt and private equity underwent a methodological review at the end of 2017. Two working groups were formed to review the application of ESG procedures and to update ESG integration procedures throughout the investment cycle. These procedures are intended to be regularly updated taking into account feedback from investment teams and the evolution of best practices.

(ii) Presentation of ESG procedures applied to private debt and private equity activities

ESG pre-investment analysis

Upon any new investment, the team responsible for the analysis of the investment carries out a diagnosis by filling in a grid of questions relating to the three categories E, S and G. The sources used vary according to the size and sector of the issuer (environmental due diligence, ESG due diligence, data room information available) and the availability of management (specific questions on ESG topics during interviews) and the terms of the investment. This analysis grid helps map progress on CSR issues within the Company concerned. Based on a multi-criteria analysis, an overall score is then calculated for the listed risks. This score is used to estimate an overall level of ESG risk for the Company and to identify potential corrective measures. The summary of this analysis grid is included in the file submitted to the Investment Committee responsible for validating it.

In addition, in order to raise managers' awareness about these issues from the early stages of the investment relationship, an ESG clause is included wherever possible in shareholders' agreements or credit documentation. This clause informs on Tikehau Capital's commitment to responsible investment and commits executives to adopt a progressive approach as far as they are able.

In the case of Senior Debt and CLO business that come under private debt activities, the ESG analysis has been defined according to the same rules as those for listed fixed income management in view of the constraints on access to information (see Section VII.1(d) (ESG & Liquid Strategies) of this Registration Document).

ESG monitoring

During the holding period, the companies on portfolio are subject to an annual review of their ESG performance. This review makes it possible to identify changes or possible deterioration regarding aspects of ESG and to encourage, where appropriate, the companies invested in to set up a process of continuous improvement in these matters.

In the course of 2017, a new monitoring tool has been designed. This takes into account ESG commitments made by Tikehau Capital and the demands of its stakeholders, in particular: the six UN PRI principles, France Invest's Recommendations on Dialogue between Investors and Management Companies and the requests of certain institutional investors for ESG monitoring of companies on portfolio.

The new ESG monitoring questionnaire includes three sections:

- analysis of governance policies and practices;
- analysis of human resources indicators; and
- analyses of environmental initiatives and in relation to external stakeholders.

Going beyond the analysis of quantitative and qualitative indicators common to all companies, this new monitoring tool allows companies to share any innovative ESG initiative that was adopted during the year.

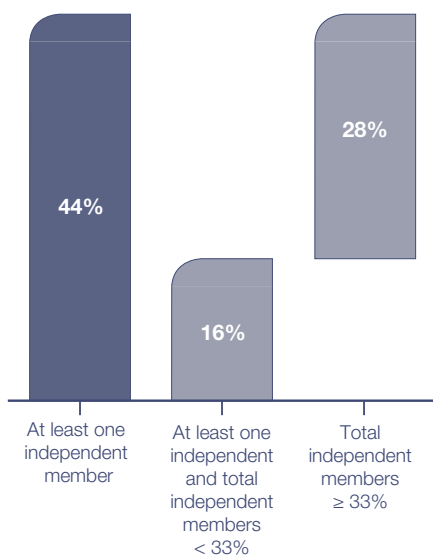
(iii) Results of the annual ESG monitoring of Private Debt activities

The scope of ESG monitoring has been defined according to the size of the investing fund and the investment policies of these funds. It thus covers 61 companies representing approximately 31% of the exposure in private debt business as at 31 December 2017 (excluding Senior Debt and CLOs). 47 of them answered most of the questions, giving an overall response rate of 77%. The answers and response rates by indicator presented below concern the 47 companies responding on a declarative and unaudited basis.

Governance

Convinced that corporate governance is an essential factor in performance and risk management, Tikehau Capital's teams promote the adoption within companies of transparent rules including reasonable checks and balances.

Presence of independent members on governing bodies*

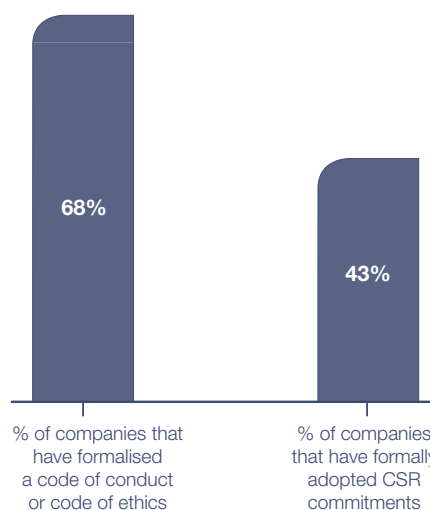


*Response rate 91%.

The presence of independent members can foster greater dynamism on governing bodies. Moreover, they play a role as guarantors of objectivity and ethics in the running of a company.

Of the companies responding, 44% have appointed at least one independent member to the Supervisory Board or Board of Directors. In 28% of the companies, independent members represent more than one third of the members. This can be considered as very good practice.

Formalisation of commitments on ethics and social responsibility*



*Response rate 100%.

The formalisation of commitments on business ethics and social responsibility reflects a desire to structure social, ethical or environmental practices and better understand non-financial risks.

Among the companies responding, 68% have formalised a code of conduct or code of ethics, and 43% have taken the next step by adopting CSR commitments. In addition, eight companies invested in have signed the United Nations Global Compact.

Social

Tikehau Capital is convinced that a pro-active management of human resources is required for a company to be productive, reduce social risks of any kind and therefore prove to be a promising investment.

Number of employees and job creation

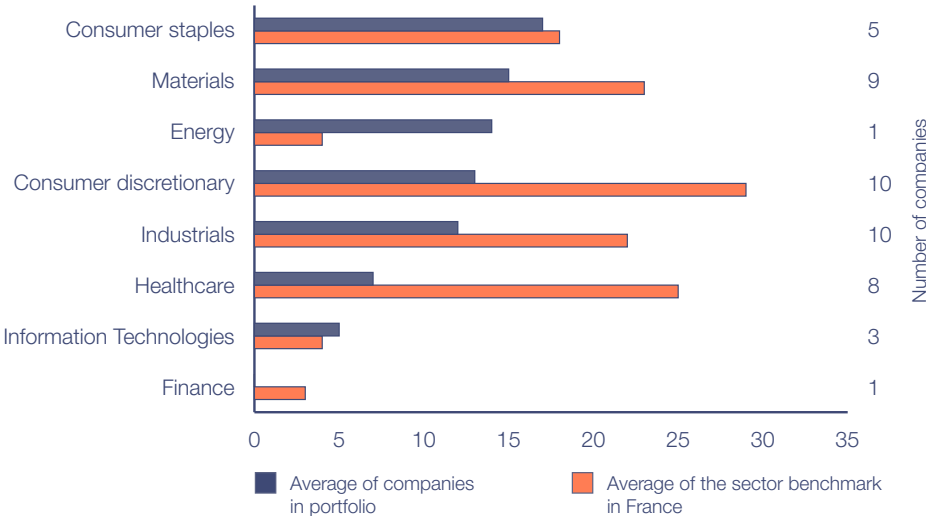
Number of employees in the companies responding*	131,487
Job creation in companies responding**	3,006

*Response rate 98%.
 ** Response rate 83%.

The five largest companies employ 63% of employees in the portfolio of companies responding. One company alone (the independent public works group NGE) created 1,520 jobs in 2017, including 902 in France.



Accident frequency rate compared to the sector average in France*



*Response rate 74%.

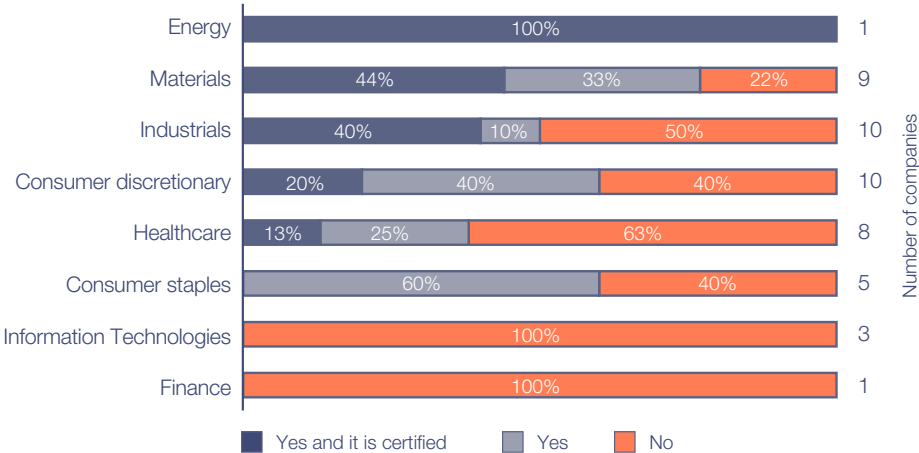
The sector benchmark reflects the average of work-related accidents of the French Health Insurance index applied to the Global Industry Classification Standard (GICS) classification.

Companies on portfolio in the consumer staples and materials sectors are the most exposed to accidents at work with frequency rates of 17 and 14 accidents per million hours worked respectively, although this seems to be lower than the respective French averages for these sectors, of 18 and 23 accidents per million hours worked. In the energy sector, the Company on portfolio is underperforming according to the criterion of the frequency rate of accidents at work. However, this relates exclusively to commuting accidents without serious consequences.

Environmental

Tikehau Capital is attentive to the control of environmental risks related to the sector of activity and the size of the Company.

Implementation of an Environmental Management System (EMS)*

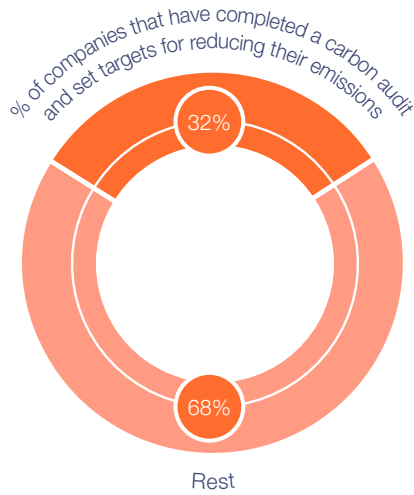


*Response rate 100%.

53% of companies responding have implemented an environmental management system. 40% of industrial companies, 44% of companies in the materials sector and 100% of companies in the energy sector (sectors with high environmental impact) have obtained certifications such as ISO 14001.

A carbon footprint analysis is a necessary step before committing to an emission reduction target.

Monitoring the carbon footprint and setting emission reduction targets*



32% of companies responding have completed a carbon audit and formalised targets to reduce their CO₂.

*Response rate 100%.

DIRECT ENERGIE

France’s leading alternative energy player, Direct Energie places the satisfaction of its customers, innovation and the development of future energies at the core of its strategy. With a presence in France and Belgium, the group supplies more than 2.6 million residential and non-residential sites with electricity and gas. Direct Energie is also an electricity producer using renewable energy sources (onshore wind, solar, hydraulic, biogas) as well as conventional (natural gas combined cycle).

In January 2016, Tikehau IM participated in a private placement (Euro PP) for Direct Energie via Novo 2, a *fonds de prêts à l’économie* (“FPE”, economic development loan fund) intended for SMEs and intermediate-sized companies. This Euro PP allowed Direct Energie to speed up its commercial development plan and implement its vertical integration strategy (notably with the acquisition of the Bayet power station described below).

Sustainable innovation – The group is committed to developing new less carbon-intensive modes of energy consumption. Following the introduction of the “Pass Recharge”, which allows its customers to charge their electric vehicles anywhere in France, Direct Energie has announced the launch of an intelligent electric vehicle charge/discharge experiment with the PSA automobile group. The energy company has also created an ecosystem dedicated to managing consumption for energy savings on a daily basis.

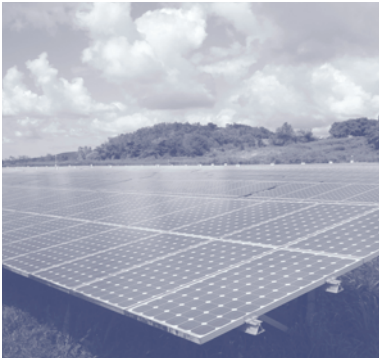
Access to energy for all – Direct Energie is an active member of the Observatoire National de la Précarité Énergétique (ONPE, the French Observatory on Energy Poverty) and helps to put into perspective and to produce data on fuel poverty and solutions to limit its extent. Direct Energie has actively contributed to the “energy cheque” experiment in 2017 and has assumed the responsibility of ensuring the effectiveness of this reform for its customers.



Responsible production – With the Quadran acquisition in 2017, Direct Energie opted for renewable energies to become a global player with a diversified and balanced production mix aligned with the energy transition.

This mix also relies on two natural gas combined cycle power plants, one in Bayet and the other in Marcinelle in Belgium. Currently one of the lowest CO₂-emitting technologies, these plants contribute directly to the supply of the French electricity generation stock and offer a flexible response to the intermittence of renewable energies.

Both plants are ISO 14001 certified. This standard is based on the principle of continuous improvement of environmental performance by controlling the impacts related to the Company’s activity.



Carbon neutrality – Several actions have been put in place at headquarters to limit the carbon footprint: reduction of printing, promotion of the use of responsible transport (partial reimbursement of subscriptions to bicycles and electric vehicles in Paris).
 To offset the remaining emissions, Direct Energie is providing financial support for a greenhouse gas reduction project in China.

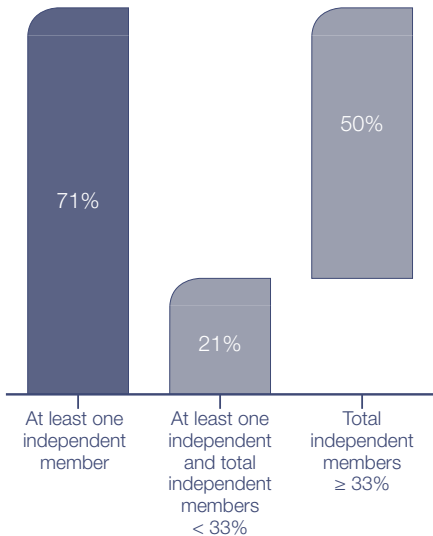
(iv) Results of the annual ESG monitoring of Private Equity activities

The scope of the ESG monitoring has been defined according to the size of the amounts invested and specific requests from investors. It covers 14 companies, representing approximately 40% of the exposure of private equity activities as at 31 December 2017. Among the companies selected, six are listed on Euronext (Paris or Brussels) and their questionnaires were filled in from the information publicly available at 28 February 2018. The other questionnaires were completed by the companies and thus the information provided below is on a declarative and unaudited basis.

Governance

Good governance is the core of Tikehau Capital's investment strategy. As part of its private equity activities, which enable a privileged relationship with corporate management, Tikehau Capital's teams encourage the adoption of best practices in governance, including the appointment of external members to governing bodies and the adoption of commitments on ethics and social responsibility.

Presence of independent members on governing bodies*

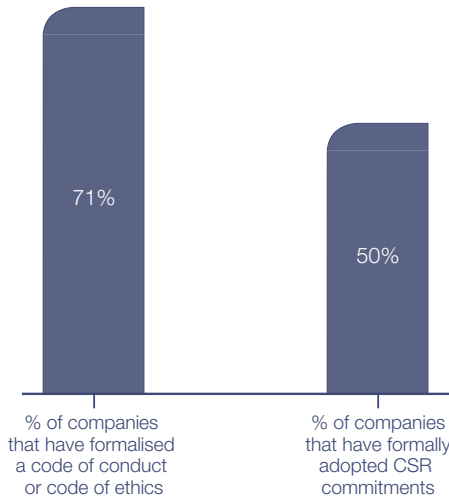


*Response rate of companies responding to the indicator 100%.

Of the companies responding, 71% have appointed at least one independent member to the Supervisory Board or Board of Directors.

In 50% of the companies, independent members represent more than one third of the members. This can be considered as very good practice related to the size and characteristics of the companies (43% of companies are listed).

Formalisation of commitments on ethics and social responsibility*



*Response rate of companies responding to the indicator 100%.

Among the companies responding, 71% have formalised a code of conduct or code of ethics, and 50% have taken the next step by adopting CSR commitments. In addition, four companies invested in have signed the United Nations Global Compact.

Social and societal

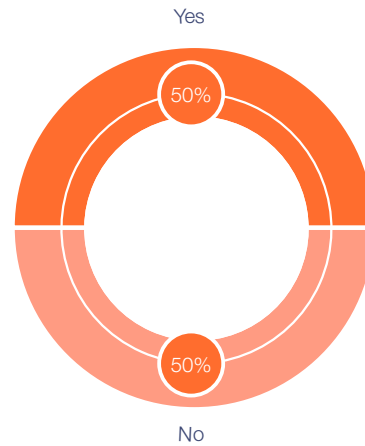
Managing human resources and controlling the risks of corporate relationships with its external stakeholders is part of Tikehau Capital's overall investment approach.

Number of employees* in the companies responding	41,052
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* Response rate of companies responding to the indicator 100%. Based on the responses by private companies and corporate data available for listed companies as at 28 February 2018.

The three largest companies employ 62% of employees in the portfolio of companies responding. At the registration date of this Registration Document, the consolidated figure for jobs created for 2017 was not available.

Implementation of a responsible purchasing process*

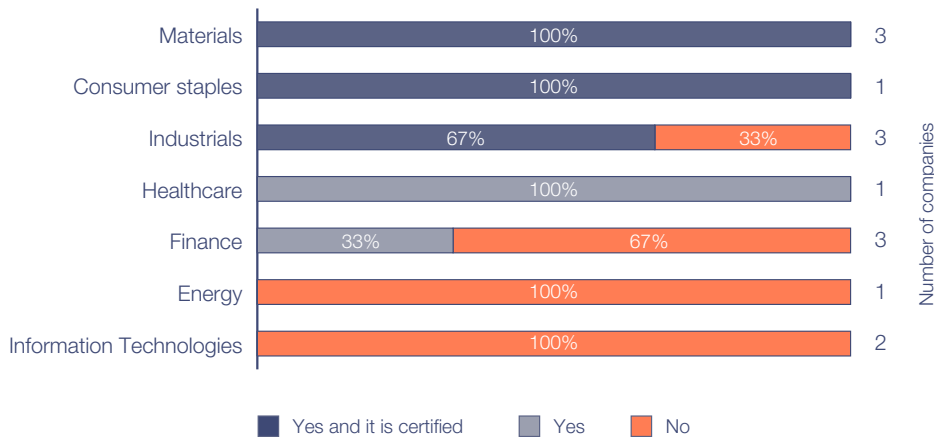


Of the companies responding, half have a responsible purchasing policy in place. This involves identifying non-financial risks related to the Company's supply chain and adopting ESG criteria in supplier relationships.

Environmental

Controlling the environmental impact of Tikehau Capital's investments, and in particular that of companies in industrial sectors, is a central issue in the Group's investment policy.

Implementation of an Environmental Management System*



57% of the companies invested in have set up an environmental management system and six have received environmental certifications (for example, ISO 14001). The implementation of an environmental management system is particularly important for our companies in the materials and industrial sectors. Most of the companies in these two sectors have received environmental certifications.

*Response rate of companies responding to the indicator 100%.



DRT

Specialised in plant chemistry, since 1932 DRT has developed rosin and turpentine extracted from pine resin. DRT supplies a range of high value-added products to over 20 leading industries (perfume, adhesive, rubber, chewing gum and food supplements, etc.) with a variety of more than 250 consumer products.

After becoming a shareholder of DRT in 2014, Tikehau Capital supported its growth strategy (notably through the acquisition of Pinoa Inc. in the United States in 2016). DRT is a leading company in terms of sustainable development, which was a key element in the acquisition agreed with Ardian at the end of 2017.

Sustainable innovation – The substitution of fossil products by natural products is the main focus of DRT's R&D strategy. Polyterpene resins and rosin esters are replacing fossil-origin hydrocarbon resins. In the construction industry, tall oil pitch has become part of the composition of bitumen, and bio-based resins improve the performance of tyres without compromising their physical properties. Many examples of this type illustrate the sustainable alternative that DRT offers its customers with its bio-based products.

Sustainable sourcing – Thanks to supplies from sustainably managed pine forests (FSC and PEFC certified), DRT is a leading industrial player in the promotion of renewable resources and respect for the environment. In addition to the raw material extracted from pine resin, an important part of the supply comes from the paper industry and the by-products arising from paper production. In 2017, 85% of DRT's products were 100% bio-sourced.



Responsible production – Since 2012, DRT has invested more than €18 million in renewable energies:

- installation of a biomass cogeneration plant to meet 95% of the steam requirement of the DRT site in Vielle Saint Girons (40);
- installation on the Castets site (40) of a steam generator powered by biomass-produced by-products;
- installation of 3,000 m² of photovoltaic panels equivalent to more than 50% of the electricity consumption of the Action Pin site (subsidiary of DRT) in Castets (40).



Social impact and security – DRT is one of the leading private employers in the Landes region in South West France (around 55% of the total workforce) with a strong commitment to the region. Since the creation of DRT, no social conflict has erupted, and the culture of negotiation and compromise prevails. The four French factories and the Chinese factory are certified (e.g., ISO 9001, ISO 22000).

(c) ESG & Real Estate activities

(i) ESG issues in real estate activities

Tikehau Capital's real estate activities consist of (i) real estate funds managed by Tikehau IM, (ii) TREIC, a permanent real estate investment company dedicated to real estate co-investments, and (iii) the assets of IREIT Global, a real estate trust listed in Singapore. (See I.4(c) (Real estate activities) of this Registration Document.)

Real estate is a sector with a strong environmental but also social footprint.

The sector is one of the main indirect emitters of greenhouse gases due to energy consumption used in the construction and running of buildings (heating, air conditioning, lighting). In France and the rest of Europe, thermal regulations are

increasingly strict. For Tikehau Capital, compliance with and anticipation of environmental standards are essential.

In social and societal terms, the accessibility of buildings and the well-being of its occupants are issues that are at the heart of the concerns of the sustainable city. Thus, as member of the jury for the contest "Inventons la Métropole du Grand Paris" in the locality of Charenton, Tikehau Capital participated in the selection of UrbanEra, the Bouygues Immobilier vehicle focusing on eco-districts, for a development project including offices, housing and shops on the Escoffier site. (See the presentation of the OPCI (real estate investment vehicle) TLP I in Section I.4(c)(i) (Real estate activities conducted through Tikehau IM) of this Registration Document.)

Lastly, the fight against fraud and corruption is central to the Group's concerns and goes hand in hand with the protection of its reputation.

(ii) Presentation of ESG procedures in real estate activities

ESG pre-investment analysis

Supported by a specialist advisor, a working group has drawn up an ESG analysis grid for the real estate activity, making it possible to prepare an inventory and to identify the main areas of focus for improvement and non-financial monitoring. This tool was designed based on the Global Real Estate Sustainability Benchmark (GRESB) and is compatible with the UN PRI standards.

At the registration date of this Registration Document, this analysis grid is being tested. Once completed, it will be filled in by the team in charge of the analysis for any new investment and included in the file submitted to the Investment Committee.

The ESG criteria listed in the grid are organised around the following stakeholders, according to their presence and role in the different projects:

- Investors – They call for ESG criteria in the same way as Tikehau Capital, and have an influence on the overall strategy and the ESG approach of the Group's funds.
- Local partners and external asset managers – They play an important role in the analysis and proposal of ways to improve the performance of buildings, the choice of partners (property manager or developer) and must exert vigilance in the fight against corruption.
- The developer – Plays a decisive role in the integration of sustainable development issues at the stage of the construction or major renovation project.
- The property manager – The practices of the property manager have a direct impact on the characteristics of the buildings. The degree of influence held by the property manager varies according to the type of investment and the number of tenants. They may be required to control the management of buildings as is the case with multi-tenant shopping centres, or to delegate it to the main tenant as in the case of offices. The property manager acts in all aspects of ESG, including the monitoring of building performance, the monitoring of social/societal issues or the fight against corruption and money laundering.
- The tenants – A responsible strategy for management of the building must be shared with the tenant including, for example, commitments to reduce energy consumption or waste management. It is important that the tenant's ESG strategy should be in line with the expectations of the investors and the property manager, especially for the main tenants of a building.

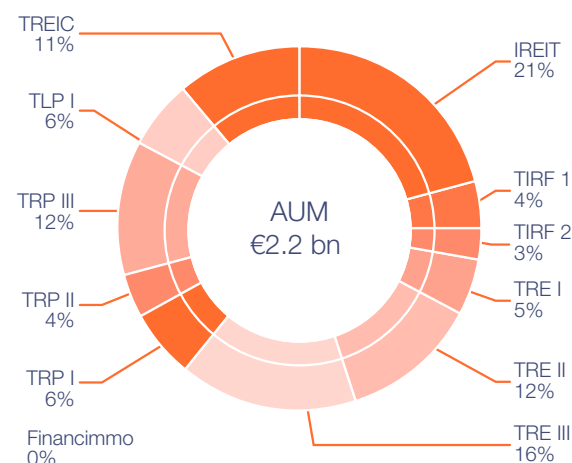
- The real estate asset itself and its social and environmental characteristics – the Government, regional authorities and local communities also influence the ESG performance of a building (regulatory watch and compliance, good relationship with the local community, etc).

ESG monitoring

During the holding period, an ESG questionnaire will be sent annually to operating partners (property managers or local partners) with the aim of enabling Tikehau Capital to keep track of ESG progress on real estate assets. It was rolled out in the test phase in early 2018 (using data at the end of December 2017) on a limited number of funds, presented below. It will be extended to all new funds raised starting from the reporting year for 2018.

(iii) Results of the annual ESG monitoring of Real Estate activities

Funds covered by the ESG analysis



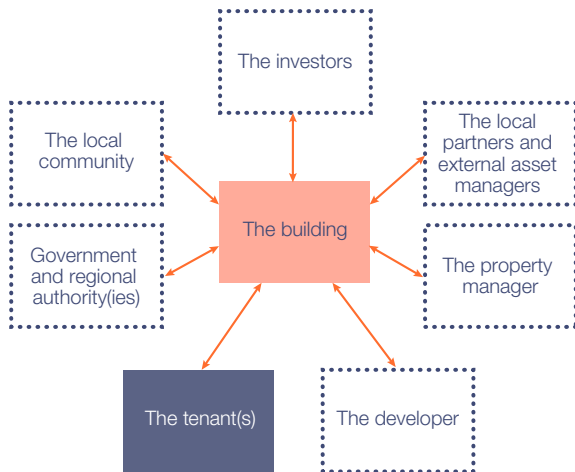
For this first year of ESG reporting, the scope of ESG monitoring covers approximately 33% of the Group's real estate assets under management.

The information on IREIT comes from its first sustainable development report published for the 2017 financial year. The information on TIRF I and TIRF II comes from the ESG monitoring questionnaires completed by CBRE to which the day-to-day management of shopping centres has been delegated. CBRE's responses have not been audited. The commentary on TRE I was prepared in consultation with Atland REIM (Tikehau Capital's partner in the transaction) and the Elis group (as tenant).



ESG profiles of some real estate funds

Tikehau Real Estate I (4.8% of real estate AUM)



OPCI TRE I managed by Tikehau IM acquired 22 real estate assets from the Elis group (Europe Linge Service), leader of the rental and maintenance of textile articles and hygiene and well-being equipment. Foncière Atland REIM is a co-investor and assumes the role of property manager alongside Tikehau IM. (See Section I.4(c)(i) (Real estate activities conducted through Tikehau IM) of this Registration Document.)

In the case of industrial real estate assets, the most important stakeholder in this fund is the lessee, the Elis group.

Based on the product-service economy, the Elis model is part of the circular economy. One of the mainstays of its sustainable development policy is to limit the environmental footprint of its business. This is manifested as a proactive policy within the real estate portfolio. Elis guarantees proper management of the environmental impacts of the production sites, from their creation until they are decommissioned. Operational deployment is undertaken by the technical managers of each plant, trained in good environmental practices.

Each year, Elis sets targets to reduce its consumption of water, energy and detergent by 3 to 5%, implementing a proactive investment policy. The production sites are equipped with the most efficient technologies:

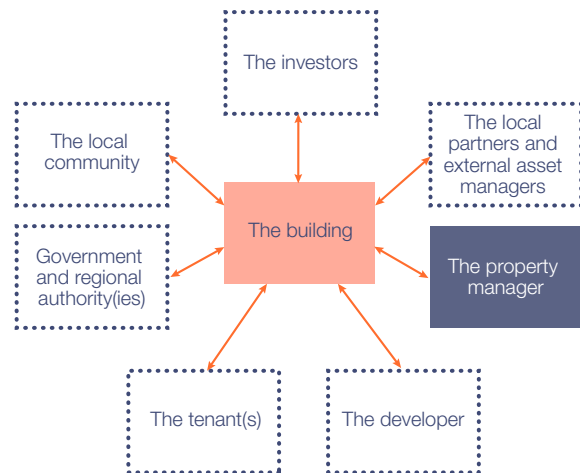
- Automated laundry detergent distribution – The distribution of the right dose of detergent is computer-controlled. Thanks to adapted technologies and a control of the washing process, an Elis wash consumes seven times less detergent products than a domestic wash;
- Washing tunnels – The tunnel is continuously fed with laundry, making it possible to optimize the energy consumption by increasing the quantity of laundry handled. Air/air and water/water exchangers are installed to save energy and recycling systems are automated to recover water from one stage to the next, wherever possible. Thus, the clean water from the rinse is reinjected into the prewash compartments, saving water, detergent and energy.

- Self-monitoring of aqueous effluent discharges – Effluent quality is continuously monitored by periodic analyses carried out by independent laboratories. In addition, pre-treatment equipment is systematically installed to ensure consistency in discharges and their quality.

An energy/water diagnosis is carried out periodically in order to define the objectives to be reached by each site. The indicators for each plant are monitored on a daily basis and consolidated monthly. Of the 22 sites acquired by the OPCI, 20 plants are ISO 50001 certified (intelligent energy management) by Afnor Certification. For Tikehau Capital, a tenant like Elis is an example of environmental performance.

Tikehau Italy Retail Fund I and II (7.5% of real estate AUM)

TIRF I and TIRF II respectively acquired the “I Petali di Reggio Emilia” and “Area12” shopping centres. (See Section I.4(c)(i) (Real estate activities conducted through Tikehau IM) of this Registration Document.)



The first, located in Reggio Emilia in northern Italy, covers an area of 27,900 m² distributed on two floors, and includes about 60 chains, a cinema, a fitness centre and parking for around 1,500 vehicles. It receives nearly 4 million visitors a year.

“Area12”, located in Turin, Italy, covers an area of 21,000 m² and contains about 60 stores. It receives nearly 4.5 million visitors a year.

In the case of multi-tenant shopping centres, the most important stakeholder in these funds is the property manager CBRE (which undertakes the duties of day-to-day management of the shopping centres).

Governance

CBRE formally promotes GRESB and has an Energy and Sustainability team. To the knowledge of Tikehau Capital, CBRE and the tenants of the two shopping centres are not involved in controversies or suspected of corrupt practices.

Environmental

CBRE monitors energy and water consumption for “I Petali di Reggio Emilia” and “Area12”.

CBRE has also formalised the energy, water and waste management policies of “I Petali di Reggio Emilia”. The waste management system includes procedures for controlling the amount of waste generated by the tenants and the cleaning company. Environmental audits are conducted three times a year by an external consultant. Initiatives are being undertaken to improve the environmental performance of the shopping centre: progressive replacement of lighting with LEDs, investments in the monitoring of water quality or the maintenance of water tanks. Sustainable development issues are also partially integrated into the purchasing process.

Social

Each shopping centre employs approximately 10 employees, more than 70% of whom are women. CBRE has instituted a strategy to promote employee welfare: compliance with local health and safety regulations (acoustic comfort, indoor air quality, access to daylight, thermal comfort, ergonomics, etc.). Employee health and safety indicators are monitored through CBRE’s “MY HSE” corporate portal, with particular attention devoted to reporting accident frequency rates.

IREIT (20.6% of real estate AUM)

IREIT is a Singapore-based company whose shares are listed on the Singapore Stock Exchange (SGX). IREIT invests in real estate assets located in Europe, mainly in Germany. (See Section 1.4(c)(iii) (Real estate activities conducted through IREIT Global) of this Registration Document.) IREIT has relied on a leading specialist consultant to support the publication of its first sustainable development report for FY 2017 in response to regulatory requirements in Singapore.

In the case of offices, the most important stakeholder group for IREIT consists of all its tenants. Deutsche Telekom, which accounted for more than 50% of IREIT’s gross rental income as at 31 December 2017, has set ambitious targets for reducing its energy consumption and has won the National German Sustainability Award in 2017. However, due to the limited availability of data relating to the tenants, IREIT’s first sustainability report focuses on the property and not on its tenants.

IREIT’s Board of Directors oversees strategy, performance and communication on sustainable development. A “Sustainability Steering Committee” (SSC), composed of senior executives from IREIT and Tikehau Capital provides support for the deployment of IREIT’s sustainability strategy. The SSC has identified the following materiality issues for IREIT:

- **Economic** – Integration of ESG considerations into investment decisions, adapting the ESG policy developed for the Group’s other real estate funds to IREIT.
- **Social** – The analysis focuses on the employees of IREIT Singapore (fewer than 10 employees), hence the relatively low materiality of this ESG pillar. The social issues identified are the following: professional training, diversity and equal opportunities, and retention of talent.

- **Governance** – IREIT emphasizes on regulatory and socio-economic compliance, and the fight against corruption: ethical code, anti-money laundering and terrorist financing policy, investor relations policy, business continuity management, etc. Employees are made aware of governance and cyber-security risks through training.

- **Environment** – The IREIT policy on this question has not yet been formalised. It is notable that in 2016, Concor Park became the first redevelopment project in Germany to receive the prestigious Green Building Gold Certificate from the German Sustainable Building Council.

(d) ESG & Liquid Strategies

(i) ESG issues in liquid strategies

The so-called “liquid” strategies are conducted through open-ended funds which investor clients can at any time decide to invest in by buying fund units or to withdraw from by requesting redemption of their fund units. Tikehau Capital’s liquid strategies are broken down into fixed income management funds and balanced and equities management funds (see Section 1.4(e) (Liquid Strategies) of this Registration Document).

Fixed income management

Tikehau Capital’s fixed income management activity is carried out through Tikehau IM. As part of its fixed income management activity, Tikehau IM invests in bonds issued by public or private companies, as well as investment grade (*i.e.* corresponding to companies with a high credit rating) or high yield securities.

For each investment, the research and management teams perform an in-depth due diligence that focuses on a constant confrontation between their top-down view (directional market analysis) and their bottom-up view (fundamental analysis of each issuer leading to a selection of the securities to be held on portfolio).

The ESG analysis of issuers depends on the availability of information (website, annual report, sustainable development report, press articles, etc.). The quality of the information available also varies considerably, depending on whether they are large groups that have structured their CSR strategy or smaller companies with limited non-financial communication. During roadshows research and management teams have direct access to the management of the issuers and are also able to submit ESG questions and requests for information throughout the life of the bond. However, as with any lender, their influence over corporate social and environmental policy remains limited.

Equities management

As the investment universe is relatively broad, issuers held on portfolio can be very large groups as well as new entrants into equity markets. As a result, the level of non-financial information can differ widely. Proximity to companies can also vary greatly from one issuer to another. The equity management funds invest only as minority shareholders in the capital of companies and consequently have restricted access to management teams.

These specific features have encouraged the Group to develop its own ESG analysis methods in order to incorporate an analysis of the environmental, social and governance risks and opportunities to which their investment targets are exposed.

(ii) Presentation of ESG procedures for liquid strategies

Fixed income management – ESG pre-investment analysis and ESG monitoring

With the help of a leading specialist advisor, a working group has developed a rating scale for issuers' non-financial risk. This grid takes into account analysis criteria on the three themes E, S and G and considers any points of contention (in terms of their materiality and their probability). While some of these criteria are objective, others rely on the fundamental analysis and opinion of the research team:

- **Governance** – Analysis of exposure to countries at risk on corruption and human rights violations; quality of management and governance and commitment to sustainable development (whether signatories of the UN Global Compact, CSR policy); or exposure to proven or potential controversies.
- **Social** – Analysis of sector- and/or company-specific health and safety risks in the supply chain but also exposure to proven or potential controversies related to human resources, products or social impact.
- **Environment** – Analysis of the risks related to the types of real estate assets, bearing in mind the issues related to climate change, the resource economy and energy transition or taking into account the exposure to proven or potential environmental controversies.

As the tool is fully operational, it will be used in the process of analysing new issuers. An annual update of the analysis grid for each issuer in the portfolio is planned to ensure monitoring.

The same ESG rating grid is applied when analysing investments in Senior Debts (leveraged loans) and CLOs.

Equities management – ESG pre-investment analysis and ESG monitoring

The quality of the management of companies as well as the quality of their governance are two determining criteria in selecting bond and equity securities with a value bias. Thus, in-depth fundamental analysis easily covers the governance pillar. With the support of a specialist advisor, a working group has been set up to formalise the approach on social and environmental factors, in particular through sector comparison points, and a trial will be launched in 2018. Once the tool is fully operational, it will be integrated into the selection process.

At the end of 2017, an evaluation questionnaire on the three themes E, S and G was applied to the companies in the SICAV Tikehau InCA (see Section I.4(d)(ii) (Balanced and equities management) of this Registration Document). This tool makes it possible to examine the information published by the issuers on these subjects and therefore constitutes an analysis of the declarations available on

the non-financial factors selected and not a performance measure of the companies' positive social or environmental impact. There exists a size bias since the largest companies are subject to more demanding regulatory requirements on reporting. In the ESG monitoring tool, the same requirement thresholds have been used regardless of the size and sector of the issuer.

(iii) Results of the annual ESG monitoring on liquid strategies

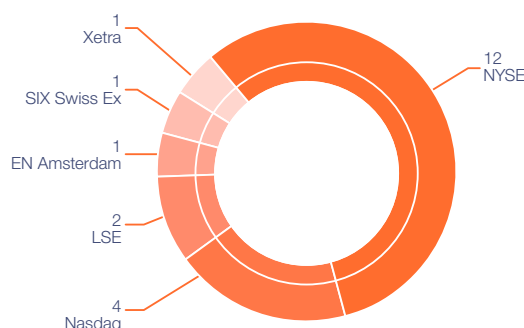
Fixed income management – Monitoring of ESG performance

In early 2018, the ESG analysis grid was tested on the portfolio of the Solon SICAV. Because it is a test, it is not presented in this Registration Document.

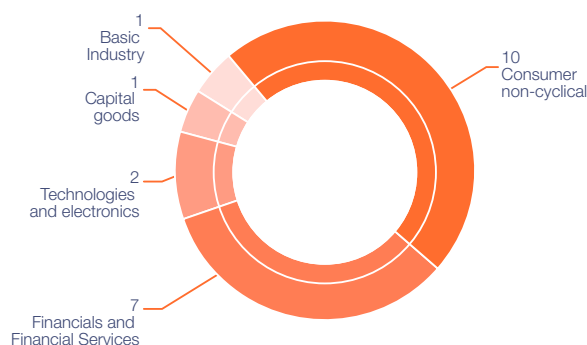
Equities management – Monitoring of ESG performance

As at 31 December 2017, the InCA SICAV included 21 equity securities in the portfolio, each rated on the ESG pillars. This is an initial ESG monitoring exercise conducted internally on the basis of the public information available at 28 February 2018. 15 performance criteria were used with a hit rate ranging from 69% to 100%. Due to the size bias described above, it was decided not to assign an overall ESG performance score.

Breakdown of issuers by listing stock exchange as at 31/12/2017



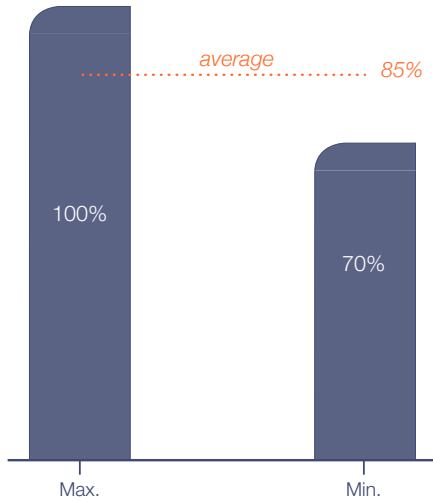
Breakdown of issuers by sector as at 31/12/2017



Governance

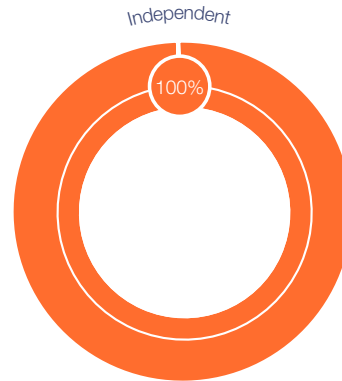
The presence of independent members on governing bodies (Supervisory Board or Board of Directors) is perceived on all stock exchanges as a guarantee for minority shareholders.

Proportion of independent members on Boards



The proportion of independent members on corporate boards in the InCA SICAV varies between 70% and 100%, with an average rate of 85%.

Proportion of Audit Committees with independent chair

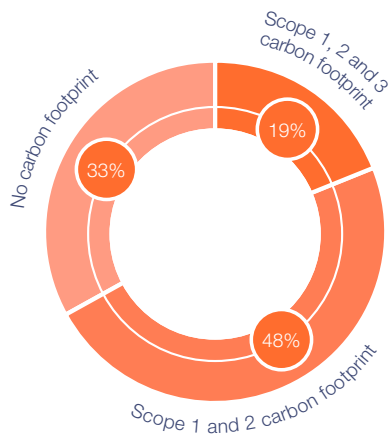


All issuers in the InCA SICAV have set up an Audit Committee and 100% of these Committees are chaired by an independent member.

Environment

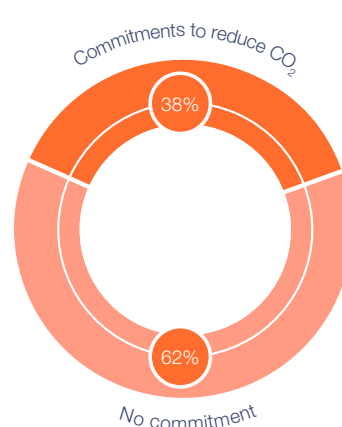
Publishing a carbon footprint and making commitments to reduce environmental impacts are subjects that are increasingly covered. These, however, are less relevant for service companies.

Carbon footprint of issuers



67% of the companies in the portfolio have published a carbon footprint, 19% of which on a full scope (1, 2 and 3) and 48% on a limited scope (1 and 2)*.

“Science based targets”



38% of the companies in the portfolio are committed to significantly reducing** their CO₂ emissions by 2020 or 2030.

* Scope 1: carbon footprint from fixed or mobile sources.

Scope 2: indirect emissions related to energy consumption to produce goods and services

Scope 3: other indirect emissions related to the upstream and downstream value chain.

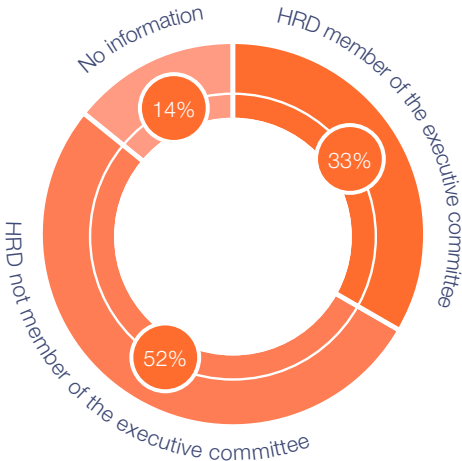
See the graph presented in Section VII.1(e) (Carbon footprint of certain liquid funds) of this Registration Document.

** Reduction targets of 12% to 75% generally on emission Scopes 1 and 2 and on all or part of their activity.

Social

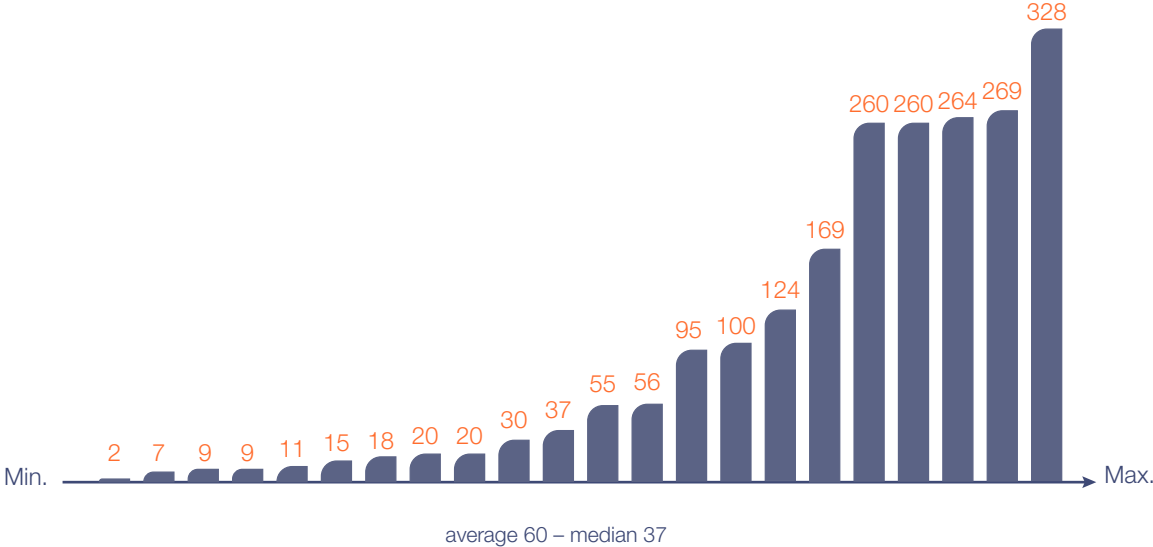
Social issues depend to a large extent on the issuers' business sector and their size. The portfolio includes companies with between 2,000 and 330,000 employees.

Presence of HR Director in top management



Number of employees of the InCA SICAV (in thousands)

Total portfolio (in thousands): 1,899



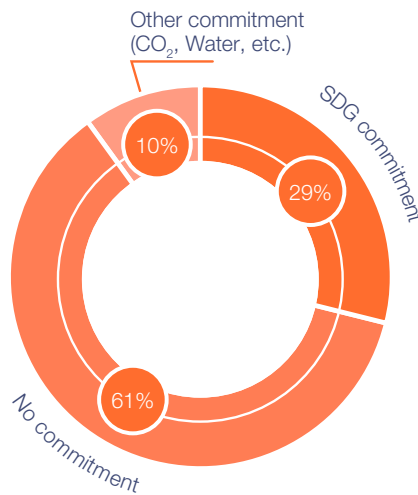
Taking into account the Sustainable Development Goals

In 2015, the United Nations defined 17 Sustainable Development Goals (SDGs) as the major challenges that any public or private organisation must meet by 2030. Of the 21 issuers in the portfolio, one-third is committed to all or some of these 17 objectives and has chosen to integrate them into their own sustainable development policy.

17 United Nations Sustainable Development Goals (SDGs)



Proportion of InCA portfolio issuers committed to SDGs



Three of the issuers in the fund (Coca-Cola, PepsiCo & Unilever) have chosen to join an initiative named *Refrigerant, Naturally!* under which they are committed to combating ozone depletion by removing fluorinated gases (CFCs, HCFCs and HFCs) from chilled distribution points and advancing the search for alternative technologies.

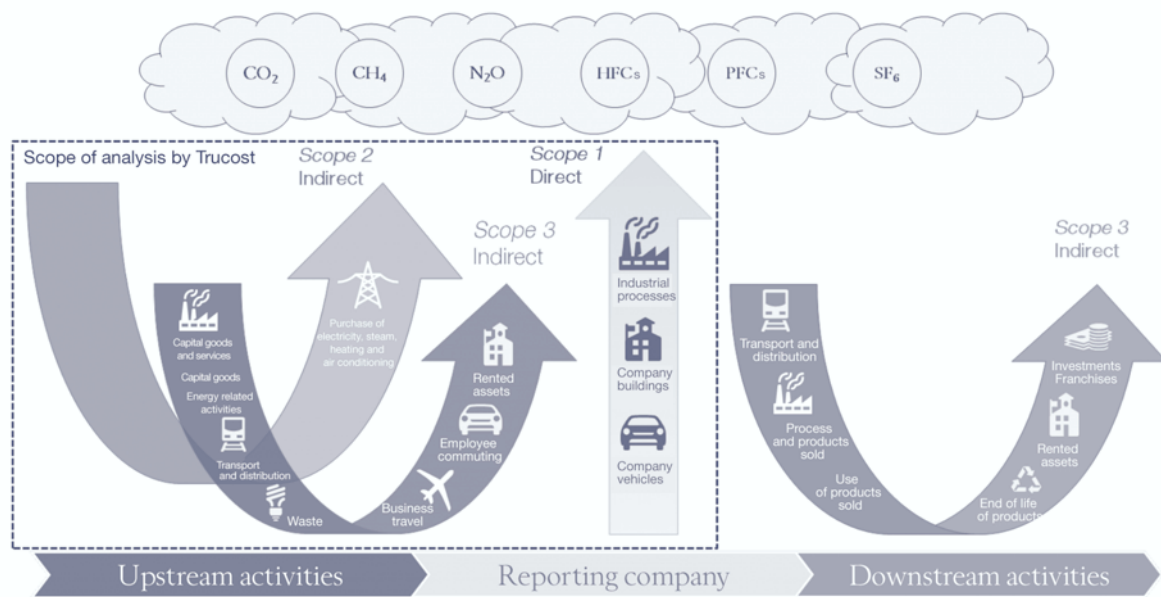
This initiative impacts three SDGs: Responsible consumption and Production (SDG #12), Climate Action (SDG #13), Partnerships for the Goals (SDG #17).

(e) Carbon footprint of certain liquid funds

The calculation of the carbon footprint of a fund aims at estimating the amount of greenhouse gas (GHG) or carbon emissions (measured in tonnes of CO₂ equivalent) allocated to the fund. The proportion of carbon emissions allocated to the fund is calculated as follows:

$$Absolute\ carbon\ footprint_{portfolio_x} = \sum_{inv=1}^{n_{investments}} total\ company\ emissions_{inv} \times \frac{market\ value_{inv}}{enterprise\ value_{inv}}$$

The study by Trucost, a leading environmental footprint expert commissioned by Tikehau Capital, includes GHG in tonnes of CO₂ equivalent (tCO₂e) directly issued by companies from their fixed or mobile sources (Scope 1) as well as indirect emissions linked to energy consumption to produce their goods and services (Scope 2). Finally, Trucost includes leading suppliers to capture all expense items in the income statement and avoid an outsourcing bias (Scope 3 – direct suppliers).



Source: GHG Protocol.

Tikehau Capital has used three methods to analyse the carbon footprint of its main funds:

1) **relative carbon footprint:** allocated carbon footprint per € million invested that captures the absolute impact of the portfolio per € million invested

$$Relative\ carbon\ footprint_{portfolio_x} = \frac{absolute\ carbon\ footprint_{portfolio_x}}{assets\ under\ management_{"corporate"}\ portion\ portfolio_x}$$

2) **carbon intensity:** allocated carbon footprint per € million of revenues held (total of the issues held divided by total revenues attributed to the portfolio) which assesses the efficiency of the portfolio

$$Carbon\ intensity_{portfolio_x} = \frac{absolute\ carbon\ footprint_{portfolio_x}}{total\ revenues_{portfolio_x}}$$

with :

$$Total\ Revenues_{portfolio_x} = \sum_{inv=1}^{n_{investments}} company\ revenues_{inv} \times \frac{market\ value_{inv}}{enterprise\ value_{inv}}$$

3) **weighted average carbon intensity:** arithmetical average of carbon intensities (total emissions divided by total revenues) of portfolio companies weighted by their portfolio weights which allows exposure to high emission companies to be assessed

*Weighted average carbon intensity*_{portfolio_x}

$$= \sum_{inv=1}^{n_{investments}} \text{Inv. Weight "corporate" share in the portfolio}_x \times \frac{\text{total company emissions}_{inv}}{\text{Company revenues}_{inv}}$$

Tikehau Taux Variables (58.4% of assets under management in liquid strategies)

According to each of the three methods, TTV outperforms the S&P 500® High Yield Corporate Bond Index, which is explained by a low exposure to the most polluting sectors.

<i>(tCO₂e per €million)</i>	TTV as at 31/12/2017			S&P Eurozone investment grade Corporate Bond Index
	Scope 1 and 2	Scope 3 – direct suppliers	Scope 1, 2 and Scope 3 – direct suppliers	Scope 1, 2 and Scope 3 – direct suppliers
Relative carbon footprint (tCO ₂ e/€m)	113.5	47.5	161.0	220.3
Carbon intensity per €million of revenues held (tCO ₂ e/€m)	103.6	43.3	147.0	368.7
Weighted average carbon intensity per €million of revenues held (tCO ₂ e/€m)	65.2	38.4	103.6	352.7

Tikehau Credit + (12.2% of assets under management in liquid strategies)

As at 31 December 2017, investments in JSW Steel and Lecta bonds accounted for more than 50% of the absolute emissions of TC+. At the same date, the significant exposure of the portfolio to financial corporations and financial services reduced the weighted average of the fund's carbon intensity.

<i>(tCO₂e per €million)</i>	TC+ as at 31/12/2017		
	Scope 1 and 2	Scope 3 – direct suppliers	Scope 1, 2 and Scope 3 – direct suppliers
Relative carbon footprint per €million invested	95.9	31.4	127.3
Carbon intensity per €million of revenues held	181.2	59.4	240.6
Weighted average carbon intensity per €million of revenues held	117.8	29.1	146.9

Tikehau Court Terme (6.9% of assets under management in liquid strategies)

As at 31 December 2017, investments in Lafarge, Italcementi & Heidelberg bonds accounted for more than 57% of the absolute emissions of TCT.

<i>(tCO₂e per €million)</i>	TCT as at 31/12/2017		
	Scope 1 and 2	Scope 3 – direct suppliers	Scope 1, 2 and Scope 3 – direct suppliers
Relative carbon footprint per €million invested	209.8	74.6	284.4
Carbon intensity per €million of revenues held	177.0	62.9	239.9
Weighted average carbon intensity per €million of revenues held	353.6	81.5	435.0

Tikehau Subfin Fund (4.4% of assets under management in liquid strategies)

In the scope of analysis (direct emissions, indirect emissions related to energy consumption and emissions related to direct suppliers (purchases and services and business travel)), the financial companies appear relatively low in pollution.

<i>(tCO₂e per €million)</i>	TSF as at 31/12/2017		
	Scope 1 and 2	Scope 3 – direct suppliers	Scope 1, 2 and Scope 3 – direct suppliers
Relative carbon footprint per €million invested	6.4	10.7	17.2
Carbon intensity per €million of revenues held	9.0	15.0	23.9
Weighted average carbon intensity per €million of revenues held	7.8	5.5	13.3

Tikehau Income Cross Assets (10.5% of assets under management in liquid strategies)

According to each of the three methods, InCA outperforms the S&P 500 and the S&P 350 Europe, which is explained by low exposure to the most polluting sectors.

<i>(tCO₂e per €million)</i>	InCA as at 31/12/2017			S&P 500 as at 28/02/2018	S&P 350 Europe as at 28/02/2018
	Scope 1 and 2	Scope 3 – direct suppliers	Scope 1, 2 and Scope 3 – direct suppliers	Scope 1, 2 and Scope 3 – direct suppliers	Scope 1, 2 and Scope 3 – direct suppliers
Relative carbon footprint per €million invested	34.0	28.4	62.5	66.5	129.6
Carbon intensity per €million of revenues held	101.5	84.7	186.3	191.0	220.5
Weighted average carbon intensity per €million of revenues held	64.3	88.0	152.3	195.2	215.1

2. TIKEHAU CAPITAL'S CORPORATE SOCIAL RESPONSIBILITY POLICY

(a) Background and scope of CSR reporting

For Tikehau Capital, CSR policy is part of the Group's overall strategy and is an essential part of its culture. This policy is carried out by Group employees through various initiatives.

A working group was formed at the end of 2017 to define Tikehau Capital's CSR strategy and draw up a plan. This working group will continue the projects started in 2018 in close collaboration with company employees. The first three areas of focus of this plan have already been identified:

- **Area 1** – To support Group employees in their commitments to the societal and environmental causes of their choice. In 2018, Tikehau Capital will free up working time to allow employees wishing to do so, to spend a certain number of hours on an action supported by the Group.
- **Area 2** – Tikehau Capital's support of non-profit associations that serve the Group's values. Tikehau Capital supports associations through financing or skills sponsorship which encourages the development of each individual's potential in a process of independence.
- **Area 3** – To limit the Group's environmental footprint by fostering the responsibility of its employees. In order to take into account the long-term consequences of its business, Tikehau Capital strives to control its environmental footprint in its daily operation.

(b) Human Resources

(i) The employees

Neither the Company nor the Manager have any employees and the Group's employees are split between:

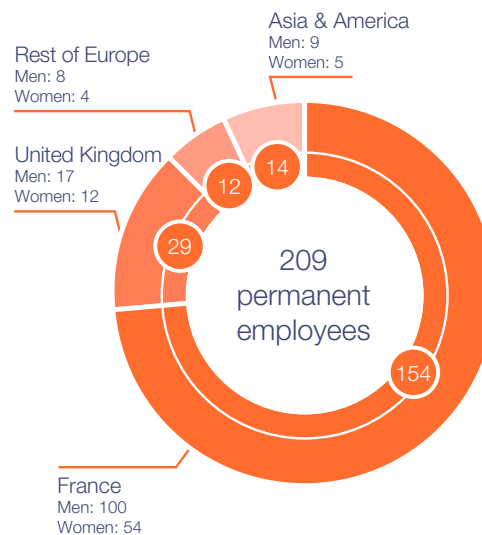
- Tikehau IM and its subsidiaries and branches;
- Tikehau Capital Europe;
- Tikehau Capital North America;
- Credit.fr; and
- IREIT Global.

Tikehau Capital Advisors combines the central functions on which the Manager relies for the performance of its duties on behalf of the Company and the Group. Therefore, for the sake of consistency, the data presented on human resources include Tikehau Capital Advisors. The 2016 data are thus presented under two different scopes: the audited scope for 2016 and the scope including Tikehau Capital Advisors as well as representatives of the Manager.

To support the growth in assets under management, headcount has been expanded considerably in recent years.

As at 31 December 2017, the permanent workforce of the Group (including Tikehau Capital Advisors) was 209 employees compared to 140 employees as at 31 December 2016 and the total workforce of the Group (permanent and non-permanent staff) was 232 employees.

In 2016, the Group was already present in London, Singapore, Brussels and Milan. In 2017, international development accelerated with the opening of a branch office in Madrid and a representative office in Seoul, South Korea. In early 2018, the Group continued its strategy of internationalisation with the opening of an office in New York.



* As at 31 December 2017 (including representatives of the Manager).

Permanent staff includes employees holding permanent contracts (*contrats à durée indéterminée*) for full- or part-time work. As at the registration date of this Registration Document, no corporate officer or Representative of the Manager was under a work contract. However, the representatives of the Managers are included in the permanent workforce.

Non-permanent staff includes employees holding full-time or part-time temporary contracts, including special temporary contracts such as work-study contracts (professionalization and apprenticeship), replacement contracts seasonal work contracts, and internships. Non-permanent staff does not include substitute workers, workers seconded by an outside company and who work at the Company's premises, or temporary workers.

The Group places particular importance in the gender balance and diversity of its teams. The teams around the world comprise 18 nationalities.

The table below presents the Group's employees as at 31 December 2016 and as at 31 December 2017:

	Group Workforce		
	As at 31/12/2016 audited	As at 31/12/2016 including TCA	As at 31/12/2017 including TCA
Number of permanent employees	106	140	209
Percentage of permanent employees in total headcount	84%	88%	90%
Percentage of women	33%	42%	36%

The table below presents hires and departures within the Group (France and internationally) in 2016 and 2017. There were 25 net job creations in 2016 and 49 net job creations in 2017 on the same scope.

	From 1 January to 31 December 2016 audited	From 1 January to 31 December 2016 including TCA	From 1 January to 31 December 2017 ¹
Total hires (permanent contracts)	36	47	76
Retirements and early retirements	0	0	1
Departures on the initiative of the employee	11	14	19
Departures on the initiative of the employer	3	5	4
Other departures ²	2	3	3
Total departures	16	22	27

¹ Excluding Credit.fr.

² Other departures include ending contracts, mutually agreed departures, departures during trial periods and deaths.

Tikehau Capital's activities have a low level of health and safety and employee accident risk. The Group incurred no material absenteeism or work-related accident during the last three financial years.

	From 1 January to 31 December 2017 ¹
Accident frequency rate ²	0
Rate of absenteeism ³	0.6%

¹ Excluding Credit.fr.

² Number of accidents with a lost time greater than one day per million hours of work.

³ Including hours of absence for ordinary, professional illness.

However, health, hygiene and well-being at work are among the priorities of human resources, which is reflected in the Internal Rules. At their request, two Group employees adopted part-time work. The Group also organises awareness-raising meetings on these topics with managers. Particular attention is paid to the ergonomics of workspaces and a policy to promote the practice of sport has been developed (organisation of sports events, access to gyms at reduced prices for employees, etc.).

(ii) Developing skills

The sustained growth of the Group and its international expansion favour the internal mobility of employees. Tikehau Capital is a flexible organisation that stimulates internal mobility in all its forms:

- horizontal mobility (also called transversal mobility or functional mobility) is characterised by a change of job or business line maintaining the same rank;
- vertical mobility refers to the situation of an employee who changes position in order to benefit from increased responsibilities; and

- geographical/international mobility refers to employees who change their place of work abroad.

At a time when organisations and professions are constantly evolving, internal mobility is a key issue whether it is initiated by the employee or proposed by the employer. It fosters employee loyalty and talent retention and is a way to keep up the Group's competitiveness and level of performance. Mobility is also a motivating factor for employees who increase their involvement in the work. It is also an indicator of health and well-being within the Group.

The degree of involvement and the level of skill of the employee who applies for a job internally are already known or recognised and most importantly, the internal candidate has already absorbed the culture of the Company during their previous position, allowing a faster adaptation on the new position they take on. It allows the Group to convey its corporate culture to new structures opened abroad, for example, and offers diversified career paths valued by employees.

In order to develop skills, the Group also organises training for the benefit of its employees. In the 2017 financial year, 1,575 hours of external training were provided.

From 1 January to 31 December 2017*	
<i>Training (permanent and non-permanent staff)</i>	
Total number of training hours	1,575
Proportion of employees having followed at least one training course during the year	76

* Excluding Credit.fr.

The overall training policy is very active and takes different formats:

- In-house presentations and training are regularly provided by Group employees on awareness of the various activities or compliance, easy-to-understand information on our business lines and products, human resources training (management, annual interviews, best practices in hiring and mentoring, orientation meetings for new hires, corporate culture, etc.).
- Employees are eligible for a mentoring programme that avails them of the advice of more experienced employees and allows them to discuss a wide range of topics to help them adjust to the corporate culture or to plan their career paths.
- All employees are eligible for training – whether or not that training leads to certification or diplomas, and within their company or in association with other companies – with external bodies on topics such as technical upgrades, certifications, acquisition of new knowledge when taking on a new position or as part of an internal promotion, enhancement of managerial skills, language learning, etc.
- Promising analysts are selected for the Tikehau Young Professionals Programme which offers immersion in the various investment teams in several offices over a period of 9 to 12 months and access to renowned training courses on alternative strategies.
- Managers may receive coaching, tailored to their needs.
- All employees are invited to participate in CSR and ESG training sessions to better understand these topics in their daily work.

Lastly, the Group has introduced a series of presentations called “Tikehau 360°” essentially calling on external stakeholders from all walks of life to broaden the perspectives of its employees and enrich their general culture. These training sessions and conferences are an opportunity to discuss various topics such as finance, news, sport, culture, security, but also topics such as the environment, well-being at work or the reintegration of former detainees.

(iii) Remuneration and Benefits

The pay policy has several goals:

- Tikehau Capital must reconcile the demands of a highly competitive market with the expectations of investors, clients, shareholders and Group employees by ensuring the consistency of the pay policy with the Group's strategy and compliance with applicable regulations.
- Human capital plays a key role in the Group's activities and the pay policy has a strong impact on competitiveness, allowing to both recruit quality profiles and retain these talents.
- The pay policy defines effective and accountable remuneration practices to avoid conflicts of interest, protect the interests of investors and Group clients and ensure that there is no incentive for excessive risk-taking (notably at the level of Tikehau IM, manager of AIFs and UCITS (see the Glossary in Section X.5 of this Registration Document)).
- Tikehau Capital pays particular attention to the alignment of long-term interests especially for investment teams and senior managers. Thus, the pay policy must promote such an alignment.

Because of its complex activities, a high percentage of Tikehau Capital's employees hold advanced diplomas and a high percentage of them have managerial status. As at 31 December 2017, the average percentage of managers and management-level employees was above 80%. Autonomous managers are covered by a collective agreement on the establishment of an annual number of days of leave.

The motivation and commitment of employees is ensured by a policy of collaboration, shareholding and strong incentivisation that allows each one to benefit from Tikehau Capital's creation of shareholder value. The Group's employees in France benefited from a profit-sharing agreement for 2014, 2015, 2016 and 2017.



	From 1 January to 31 December 2016	From 1 January to 31 December 2017 consolidated scope*
Pay in thousands of € (permanent and non-permanent staff)		
Total payroll	19,067	26,780

* Excluding TCA employees and including Credit.fr employees from 29/06/2017 to 31 December 2017.

No trade-union is represented within the Group and no personnel representative body is in place in France or in any other country in which the Group is set up. In France, no candidate has stood for election to combined staff representation.

On 1 December 2017 the Company introduced two free shares plans for the benefit of all employees of the Company and related companies or corporate groups in order to include them in the success of the Group since its creation and in particular to take into account its exceptional growth during the 2016 and 2017 financial years.

On 16 March 2018, the Company put in place a Tikehau Capital free shares plan replicating the terms of the Tikehau IM share plan that had been introduced in June 2016 in Tikehau IM. The allocation of Tikehau Capital free shares under this replacement plan was made in exchange for the waiver of all rights to Tikehau IM shares previously granted under the June 2016 plan.

On 30 March 2018, the Company also set up a free shares plan for the benefit of employees of the Company or companies or groups related to it as part of the variable remuneration for the 2017 financial year.

These free shares plans are described in Section VIII.3(b)(ii) (Free shares plans of this Registration Document).

None of the Group subsidiaries have implemented stock subscription or purchase option plans or free shares plans.

Lastly, it should be stated that around 40 senior corporate members have joined together to invest in a joint company which owns an equity interest in Tikehau Capital Advisors and which receives 20% of the carried interest on the funds managed by the Group. The remaining 80% is split equally between Tikehau Capital, Tikehau IM and Tikehau Capital Advisors. This carried interest is exclusively on certain closed-end funds (the totality of the performance fees for open-ended funds are collected by Tikehau IM) and allow

the investors to obtain a proportion of the return above a level of IRR (see Glossary in Section X.5) fixed in the fund documentation (see Section I.4(a)(ii) (Tikehau Capital's Business Model) of this Registration Document). This structure incentivises these employees to achieve performance for the Group and creates a solidarity across all business lines, avoiding any silo effect.

(c) The Group's environmental footprint and carbon audit

For the sake of consistency, the Group's carbon footprint data includes Tikehau Capital Advisors and the two representatives of the Manager.

Carbon audit and general environmental policy

For the Group, carrying out a carbon assessment was the preliminary step in improving the control of its environmental footprint and in identifying action that could be implemented. In early 2018, an accredited consultant on Greenhouse Gas Emissions Audits (referred to here by its French acronym "BEGES") conducted an analysis of the offices in Paris, London, Brussels, Milan and Singapore. The data for Madrid, Seoul and New York were considered negligible.

Scope 1-2 for the Group

In accordance with version 8 of the implementation methodology published in December 2017 by the French Ministry for Ecology, Sustainable Development and Energy (the "BEGES methodology"), this assessment was conducted on Scope 1, covering direct emissions from fixed or mobile sources, and Scope 2, covering indirect emissions associated with energy consumption. In Scopes 1 and 2, electricity consumption is the most important item, which is in line with a service activity.

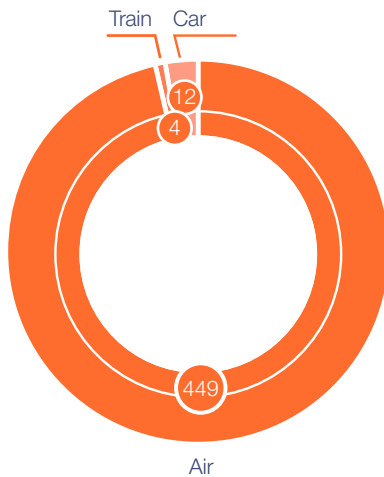
	Scope 1-2 emissions (tCO ₂ e)	Floor space in m ²	Number of employees (permanent and non-permanent)	Emissions Scopes 1-2 (kg CO ₂ e) per m ²	Emissions Scopes 1-2 (kg CO ₂ e) per staff member
Paris	53	3,279	156	16	340
London	97	668	33	145	2,927
Brussels	20	247	4	82	5,090
Milan	15	180	7	85	2,194
Singapore	7	450	13	15	525
Total BEGES scope	192	4,824	213	40	902

The performance level of the Paris and Singapore offices is very good. In addition to being certified "Breeam In-Use", the Paris office benefits from the efficient heating and cooling network of the city of Paris. The Singapore office has been eco-designed and has received the LEED label and Singapore's Green Mark certification.

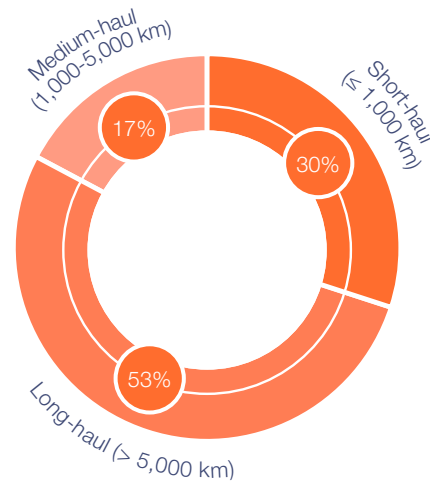
Scopes 1 and 3 – "Business trips" for the Group

Given the activity of Tikehau Capital, business travel represents a major emissions item for Scopes 1 and 3. Company cars appear in Scope 1 while travel by plane, train, rental cars and taxis are in Scope 3. As business trips are pooled at Group level, an assessment of these emissions has been prepared in accordance with the BEGES methodology. Air travel is clearly the top item with 449 tCO₂e in 2017.

Breakdown of emissions from "Business travel" items in tCO₂e



Breakdown of emissions (tCO₂e) by type of flight



25% of flights in 2017 involved short distances (0 to 1,000 km) and this mode of transport is more intensive in emissions (0.29 kgCO₂e per km) than long and medium distances (0.22 kgCO₂e per km). However, the destinations chosen were not necessarily accessible by train.

For economic as well as ecological reasons, the Group encourages employees to use travel responsibly with a travel policy encouraging public transport such as the train for business trips and cycling and public transport for commutes between home and office. In accordance with legal requirements, the Group reimburses 50% of expenses for commuting by public transport for employees of the Paris office. In London, employees who wish to do so can take advantage of a "free loan" to pay for their annual public transport pass and benefit from a tax rebate when they buy a bicycle to commute between home and office.

Scope 1-2-3 upstream – for the Paris office

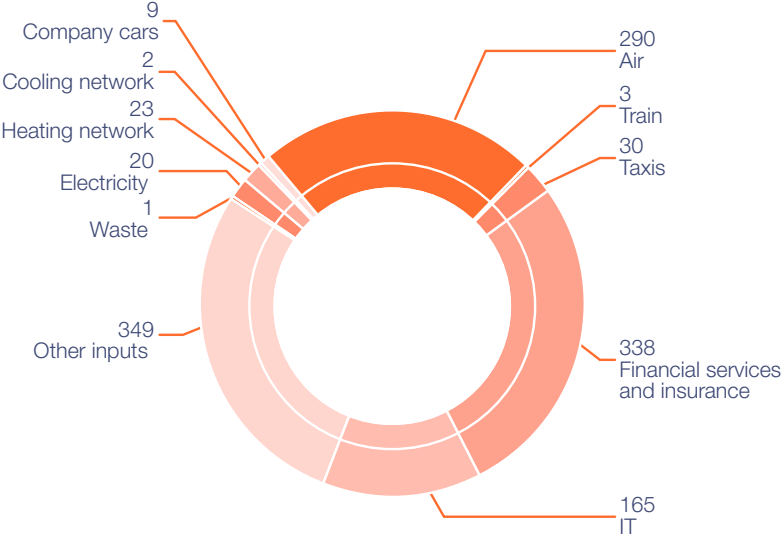
As more detailed information on consumption is available for the Paris office, an analysis extended to part of the indirect emissions in Scope 3 upstream (direct purchases) was carried out in accordance with the BEGES methodology.

BEGES 2017	Scopes 1-2				Scope 3 upstream							TOTAL
	Company cars	Electricity	Heating network	Cooling network	Business trips			Financial services and insurance	IT	Other inputs	Waste	
					Air	Train	Taxis					
Emissions (in tCO ₂ e)	9.0	20.0	22.5	1.5	289.7	3.2	30.3	338.4	165.1	348.8	1.2	1229.6
Emissions (in %)	0.7%	1.6%	1.8%	0.1%	23.6%	0.3%	2.5%	27.5%	13.4%	28.4%	0.1%	100.0%

With over 332 tCO₂e, business trips (company cars, air, trains and taxis) are the second-highest item for emissions at the Paris headquarters for Scopes 1 and 3 upstream. The top item for emissions is linked to the purchase of financial services (insurance, consultancy and fees related to accounting and financial services) and generated

338 tCO₂e. The third emissions item is related to IT and telecommunication services. However, emissions related to the purchases of these financial and IT services entail a significant degree of uncertainty. Other inputs include emissions related to purchases in hotels and restaurants, furniture, paper and other supplies.

Emissions of the Paris office Scope 1, 2 and 3 upstream



Tikehau Capital is aware that its major environmental impact lies in its investments. By financing companies through equity and debt, the Group contributes to generating business activity and the related greenhouse gas emissions. (See Section VII.1(e) (Carbon footprint of certain liquid funds) of this Registration Document.)

Pollution

Since 1 January 2014, neither the Company nor any of its subsidiaries has set aside provisions or guarantees for environmental risks. The main activities of Tikehau Capital are asset management and investment. These activities do not release waste that might contaminate water or soil, or cause noise pollution.

Sustainable use of resources and circular economy

For reasons that are both economic and ecological, all Group employees are encouraged to limit consumption:

- of paper, avoiding printing and by default printing on both sides;
- of plastic bottles, by equipping offices with water fountains when the number of employees allows it.

In 2014, the Paris office launched the sorting, collection and recycling of paper/cardboard, plastics, metals, glass, coffee capsules, etc. with the disability-friendly company Cèdre. In 2017, the recycling of these flows made it possible to preserve 86 trees, save 2,700 kg of CO₂, 158,000 litres of water and 21,000 kWh. As at the registration date of this Registration Document, the offices in Brussels, London, Madrid, Milan and Singapore have set up a recycling programme and the finishing touches are being given to the Group-wide recycling policy.

(d) Societal information

Territorial, economic and social impact of the Group's business

Since its creation, the Group has focused on financing SMEs and medium-sized companies in Europe and in 2007 Tikehau IM was the first French asset management company to obtain approval for the management of private debt funds. More generally, as part of its activities, Tikehau Capital intends to participate in business growth and/or development projects and anticipates that its activity will create jobs.

Employment of people with disabilities

In France, the Group's contribution to the employment and integration of disabled people is reflected in its choice of suppliers who employ people with disabilities. The Paris office has thus selected the disability-friendly company Cèdre for recycling or Le panier du citoyen for its fruit baskets prepared by a Sheltered Employment enterprise.

Outsourcing, suppliers, local development and local populations

Because of its activity, Tikehau Capital has a very limited recourse to outsourcing. Where possible, the office managers of the various branches favour local and environmentally-friendly products. As at the registration date of this Registration Document, a discussion group was created to define a group-wide responsible purchasing policy.

Fair practices – Human rights and fight against corruption

The Group encourages the use of fair practices by both its teams and service providers and the companies in which it invests. The teams of each of the Group's entities are particularly aware of the risks of non-compliance of any kind and measures have been put in place to prevent some of the economic violations and breaches that might occur in the course of its activities, including cases of attempted fraud.

Group companies are subject to an obligation of vigilance, including the obligation to establish procedures relating to the prevention of money laundering and allowing the identification of the customer (as well as the beneficial owner) for any transaction ("KYC", see Glossary in Section X.5 as well as Section I.6(c)(ii) (Combating money laundering and the financing of terrorist activities) of this Registration Document).

(e) Societal commitments to equal treatment and sustainable development

Fight against discrimination

The Group believes in a critical and original way of thinking, and promoting a culture of diversity is at the heart of its success. Tikehau Capital recruits some of the most talented professionals on the market, while paying particular attention to respecting a real diversity of training. In addition to the degrees obtained, the Group attaches great importance

to the human and behavioural qualities of the profiles of people it recruits, in order to promote their integration and to reinforce Tikehau Capital's corporate culture.

The Group trains human resources employees and raises awareness among all managers and employees involved in recruitment processes to prevent unlawful discrimination in hiring on grounds of race, colour, skin, religion or belief, gender, national or ethnic origin, disability, age, nationality, family status, pregnancy, orientation or gender identity. Articles 225-1 to 225-4 of the French Criminal Code concerning offences against the dignity of persons with regard to discrimination, whatever their nature, appear on the notice-boards of the Paris office.

Promotion of and compliance with the Convention of the International Labour Organisation (ILO)

The policies put in place by Tikehau Capital respect the main provisions of the ILO Convention, particularly with regard to the elimination of forced or compulsory labour, the abolition of child labour and the absence of discrimination in respect of assigning positions and hiring. These policies also respect freedom of association and the right to collective bargaining.

Other actions in favour of human rights

In private equity and private debt activities, executives of the companies in which the Group invests are asked to sign a commitment to respect human rights and international labour standards. Moreover, the ESG analysis grids for all activities assess respect for the fundamental standards as a major factor.

(f) Partnership and philanthropy initiatives

Through a policy of partnership and philanthropy, the Group proactively supports initiatives and projects that reflect its values.

A working group was formed at the end of 2017 to define the Group's CSR strategy. Four potential areas of action have been identified:

- imparting the courage of entrepreneurship for the common good;
- building critical thinking through culture and education;
- increasing self-confidence through sport;
- supporting innovation in health.

Promoting entrepreneurship for the common good

Supporting social entrepreneurship and backing those who take risks for the common good

At the end of 2014, the Company and Salvepar each invested \$500,000 in the "Essential Capital Contribution" fund. The aim of this fund, which is sponsored by Deutsche Bank and specialises in social "impact investing", is to invest in social ventures seeking to benefit poor communities and directly affecting the poor through the production of goods or the provision of services in three areas: financial services for the bottom of the social scale, energy and health. The concept of "financial services for the bottom of the social scale" principally means specialised financing for education, housing and mobile payment services, and innovative micro-credit services.

Encouraging female entrepreneurship and giving support to those in need

In 2017, the teams in the Paris office supported the Led by Her association by offering their financial skills during a solidarity day, to women who have suffered violence and are seeking to rebuild their lives through entrepreneurship.

Building critical thinking through culture and education

Helping young people from disadvantaged neighbourhoods to emancipate themselves through sport and training with the “Job dans la Ville” programme

Since 2014, the Group has been supporting “Job dans la ville”, a programme of Sport dans la Ville, the leading French association promoting integration through sport (www.sportdanslaville.com). In 2017, 950 young people aged 15 to 22 from disadvantaged neighbourhoods were enrolled in the programme with the goal of having 85% of them join a training programme or be recruited into a company.

Beyond the four mainstays of its planned initiatives, Tikehau Capital responds whenever possible to specific demands from its ecosystem:

Supporting the independence of the most vulnerable with CARAC

In June 2011, Tikehau IM and the Caisse de Retraites des Anciens Combattants (CARAC), a veterans' pension fund, partnered for the purpose of setting up the bond component of a savings product via the Tikehau Entraid'Epargne Carac fund (“TEEC”). TEEC is a bond fund invested mostly in investment grade bonds issued by private- and public-sector companies located in the euro zone except for Greece and Portugal. The fund may expose up to 35% of its net assets in the high yield bond category. Under the project, 1% of client deposits and 50% of management fees are donated to the five CARAC-partnered non-profit and general-interest associations: Mécénat Chirurgie Cardiaque Enfants du Monde (paediatric heart surgery), Association Arc en Ciel (realising the dreams of children with cancer), Association Solidarités Nouvelles face au Chômage (unemployment solidarity), Association des Paralysés de France (paralysis) and the French firefighters' mutual fund (Fonds d'Entraide) and orphans' fund (L'Œuvre Pupilles Orphelins).

3. CONCORDANCE TABLE (ARTICLE R.225-105-1 OF THE FRENCH COMMERCIAL CODE)

Below is a table of concordance between the information published in this Registration Document with the provisions of Article R.225-105-1 of the French Commercial Code, as amended by Decree No. 2017-1265 of 9 August 2017 – Art. 2).

As explained in greater detail in the preceding sections, given the Group's activities, which entail limited social and environmental issues, some of the information contained in Article R.225-105-1 of the Commercial Code does not hold any relevance to the Company or was not applicable in financial years 2016 and 2017.

Subject	Relevant section or comment
SOCIAL INFORMATION	
Employment	
The total number and breakdown of employees by gender, age and geographic area	VII.2(b)
Recruitment and dismissals	VII.2(b)
Pay and changes in pay	VII.2(b)
Organisation of work	
Organisation of working time	VII.2(b)
Absenteeism	VII.2(b)
Health and safety	
Conditions of health & safety in the workplace	VII.2(b)
Accidents at work (frequency and seriousness) and occupational illnesses	VII.2(b)
Social relations	
The organisation of employee relations, including procedures for staff information, consultation and negotiation	Employee relations are organised around information points when necessary. Exchanges are made easier because the workforce is small.
Collective bargaining agreements, particularly regarding health and safety at work	None. No trade-union is represented and no personnel representative body is in place in France or in any other country in which the Group is set up.
Training	
Policies implemented with regard to training, in particular on the protection of the environment	VII.2(b)
Total number of training hours	VII.2(b)
Equal treatment	
Measures taken in favour of gender equality	VII.2(b)
Measures taken in favour of the employment and integration of disabled people	VII.2(e)
Anti-discrimination policy	VII.2(e)

VII . CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY (CSR)
Concordance table (Article R.225-105-1 of the French Commercial Code)

Subject	Relevant section or comment
ENVIRONMENTAL INFORMATION	
General environmental policy	
Organisation of the Company to take into account environmental issues and, where appropriate, steps taken for environmental assessment or certification	VII.2(c)
The means devoted to the prevention of environmental risks and pollution	VII.2(c)
Amount of provisions and guarantees for environmental risks (provided that such information is not likely to cause serious harm in any pending litigation)	VII.2(c)
Pollution	
Measures for the prevention, reduction or remedying of discharges into air, water and soil seriously affecting the environment	VII.2(c)
Taking into account all other forms of pollution specific to an activity, including noise and light pollution	VII.2(c)
Circular economy	
Waste prevention and management	
Measures for the prevention, recycling, reuse, other forms of recovery and disposal of waste	VII.2(c)
Anti-food waste action	Because of its activity and the nature of its investments, the Group has very little contact with issues related to food waste.
Sustainable use of resources	
Water consumption and water supply according to local constraints	The theme of water consumption and supply is not relevant to the activities of Tikehau Capital.
Consumption of raw materials and measures taken to improve efficient use	The theme of raw materials consumption is not relevant to the activities of Tikehau Capital.
Energy consumption and measures taken to improve energy efficiency and use of renewable energy	VII.2(c)
Land use	The use of land is not relevant to Tikehau Capital's activities.
Climate change	
Significant sources of greenhouse gas emissions generated due to the activity of the Company, including the use of goods and services it produces	VII.1(d) and VII.2(c)
Measures for adaptation to the consequences of climate change	Climate change impacts the activities and assets within these activities in a wide variety of ways.
Medium- and long-term reduction targets for reducing greenhouse gas emissions and the means implemented for this purpose	VII.2(c)
Protection of biodiversity	
Measures taken to preserve or develop biodiversity	The subject of biodiversity is not relevant to the activities and nature of Tikehau Capital's investments.

VII . CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY (CSR)
Concordance table (Article R.225-105-1 of the French Commercial Code)

Subject	Relevant section or comment
SOCIETAL INFORMATION	
Societal commitments promoting sustainable development	
Impact of the Company's activity on employment and local development	VII.2(d)
Impact of the Company's activity on neighbouring or local populations	VII.2(d)
Relationships with stakeholders in society and procedures for dialogue with them	VII.2(d)
Partnership or philanthropic activities	VII.2(f)
Outsourcing and suppliers	
The consideration of social and environmental issues in purchasing policy	VII.2(d)
The consideration of social and environmental responsibility in relations with suppliers and subcontractors	VII.2(d)
Fair practices	
Action taken for the health and safety of consumers	By reason of its activities, the Company has very little involvement in these issues.
OTHER INFORMATION	
Information concerning the fight against corruption	
Actions taken to prevent corruption	VII.2(d)
Information concerning actions in favour of human rights	
Promoting respect for the stipulations of the basic conventions of the International Labour Organisation	
Respect for freedom of association and the right to collective bargaining	VII.2(e)
Eliminating employment and professional discrimination	VII.2(e)
Eliminating forced or compulsory labour	VII.2(e)
Effective abolition of child labour	VII.2(e)
Other actions in favour of human rights	VII.2(e)

4. REPORT OF THE EXTERNAL AUDITOR

The below report is a free translation into English of the CSR auditors' report on the report of the Chairman of the Board of Directors of Tikehau Capital SCA issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

FINEXFI
Expertise et Proximité

COFRAC
Certification No. 3-1081
Scope available on www.cofrac.fr

Year ended 31 December 2017

To the Shareholders,

Following the request made to us by the company Tikehau Capital SCA, and in our capacity as an independent external auditor whose certification was approved by COFRAC under number 3-1081 (scope available on www.cofrac.fr), we hereby present our report on the consolidated corporate, environmental and social information presented in the annual report prepared for the year ended 31 December 2017, pursuant to the provisions of Article L.225-102-1 of the French Commercial Code.

Management responsibility

It is the responsibility of the Managers to prepare a management report including the consolidated social, environmental and societal information provided for in Article R.225-105-1 of the French Commercial Code (hereinafter the "Information"), prepared in accordance with the standards (the "Standards") used by the Company and available on demand from the registered offices of the Group.

Independence and quality assurance

We adhere to independence rules defined by the regulations, the code of ethics of the profession as well as the provisions of Article L.822-11 of the French Commercial Code. In addition, we have implemented a quality assurance system that includes policies and documented procedures to ensure conformity with the code of ethics, professional standards and the applicable laws and regulations.

Responsibility of the independent external auditor

Based on our work it is our responsibility:

- to certify that the Information required has been included in the annual report or is subject to an explanation if not included in the report pursuant to the third paragraph of Article R.225-105 of the French Commercial Code and Decree No. 2012-557 of 24 April 2012 (Certificate of presence);
- to express an opinion of moderate assurance on the fact that the Information in all material respects is fairly presented in conformity with the Standards used (report of moderate assurance)

Certificate of presence

We conducted the work in accordance with professional standards applicable in France:

- we compared the Information contained in the annual report with the list provided in Article R.225-105 of the French Commercial Code;
- we verified that the information covered the consolidated group, namely the Company and its subsidiaries within the meaning of Article L.233-1 and the companies it controls within the meaning of Article L.233-3 of the French Commercial Code;
- where certain consolidated information was missing, we verified that explanations were provided in accordance with the provisions of Decree No. 2012-557 of 24 April 2012.

Based on these procedures performed, we confirm that the Information is available in the annual report as required.

Reasoned opinion on the fairness of CSR Information

Nature and scope of work

Our work was carried out between 25 March 2018 and 13 April 2018 for a duration of approximately seven days.

We conducted the work in accordance with the standards applicable in France, the ISAE 3000 Standard and the Order of 13 May 2013 determining the conditions under which the independent external auditor conducts its assignment.

We held four interviews with the persons responsible for the preparation of the CSR information of the departments in charge of the information gathering process and, where applicable, those responsible for the internal control and risk management procedures, for the purpose of:

- assessing the appropriateness of the criteria in terms of their relevance, completeness, neutrality, understandability and reliability, taking into account, where relevant, industry best practices;
- we audited the implementation of a collection, compilation, processing and control procedure within the Group, examining the completeness and consistency of the CSR Information. We reviewed the internal control and risk

management procedures relating to the preparation of the CSR Information.

We identified the consolidated information to be tested and determined the nature and extent of tests taking into account their importance in social, societal and environmental impacts related to the business and nature of the Group, its guidelines of CSR and good practices within the sector.

In regard to the CSR information that we considered of greatest importance in regard to the parent company:

- we consulted documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions, etc.);
- we implemented analytical procedures on the quantitative information and verified the calculations and data consolidation on the basis of random checks;
- we implemented detailed tests based on sampling, which consisted of checking the calculations and reconciling the data of the supporting documents, and have verified their consistency with the other information contained in the management report.

Concerning the other consolidated CSR information, we assessed its consistency with our knowledge of the Company.

Finally, we assessed the relevance of the explanations, if any, for the total or partial absence of certain information.

We believe that the methods of sampling and sample sizes that we used exercising our professional judgement allow us to issue a conclusion of moderate assurance. A higher level of assurance would have required more extensive verification work.

Our review covered more than 40% of the consolidated value of quantified indicators relating to social policy and more than 40% of the consolidated value of quantified indicators for the environmental section of the financially integrated companies.

Because recourse was made of the use of sampling techniques as well as other limits inherent in the functioning of any internal information and control system, the risk of not detecting a material misstatement in the CSR Information cannot be eliminated completely.

Conclusion

Based on our work, we have not identified any significant anomalies likely to call into question the fact that in all material respects the Information is presented fairly and in accordance with the standard.

Lyon, 16 April 2018

FINEXFI Isabelle Lhoste Partner

VIII . INFORMATION ON THE COMPANY, ITS ARTICLES OF ASSOCIATION AND CAPITAL

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1. GENERAL INFORMATION ABOUT THE COMPANY

(a) Company name

The name of the Company is "Tikehau Capital".

The name of the Company was formerly "Tikehau Capital Partners". The Company was renamed at the Combined General Shareholders' Meeting held on 7 November 2016.

(b) Place of registration and registration number

477 599 104 Paris Registry of Trade and Companies
Code APE 6420 Z – Holding company activities

(c) Date of incorporation and term

The Company was founded in 2004 and registered in the Registry of the Commercial Court of Paris on 29 June 2004 for a period of 99 years until 29 June 2103, subject to extension or early dissolution.

(d) Registered office, legal form and applicable legislation

Registered office: 32, rue de Monceau, 75008 Paris, France
Telephone: +33 1 40 06 26 26

The Company is a partnership limited by shares (*société en commandite par actions*) governed by French law, subject to all texts governing commercial companies in France and in particular by Articles L.226-1 *et seq.* of the French Commercial Code.

It was transformed from a simplified joint-stock company into a partnership limited by shares through a unanimous decision of the Combined General Meeting of 7 November 2016.

This legal form, whose equity is in the form of shares, includes, on the one hand, one or more general partners serving in a trading capacity and who are jointly and severally liable for the Company debts and, on the other hand, limited partners who do not serve in a trading capacity and who are liable for debts only in the amount of their contributions.

The operating rules of a partnership limited by shares are as follows:

- general partner(s) are jointly and severally liable for the Company debts;
- limited partners (or shareholders) provide capital and are only liable in the amount of their contributions;

- the same person may serve as both general partner and limited partner;
- a Supervisory Board is appointed by the Ordinary General Shareholders' Meeting as an oversight body (neither general nor limited partners may take part in appointing the Supervisory Board);
- one or more managers are appointed from among the Company's general partners or from outside the Company to manage the Company.

Limited partners (or shareholders)

The limited partners:

- appoint Supervisory Board members (who must be chosen from among the limited partners) at Shareholders' Meetings, as well as the Statutory Auditors;
- approve the accounts produced by the managers; and
- allocate income (particularly by paying out dividends).

The main limited partners (shareholders) are listed in Section VIII.5(b) (Company shareholders over the past three years) of this Registration Document.

General partner

Tikehau Capital General Partner is the Company's sole general partner.

As a general partner, Tikehau Capital General Partner is entitled to a priority share of profits equal to 12.5% of the Company's net result (before the payment of dividends to the limited partners). (See Section IV.3(a)(ii) (Preferred dividend (*dividende précipitaire*) to the general partner) of this Registration Document.)

Tikehau Capital General Partner is wholly owned by Tikehau Capital Advisors. The Chairman of Tikehau Capital General Partner is the company AF&Co, and the CEO is the company MCH. (See Section IV.1(a) (The Managers) of this Registration Document.) Tikehau Capital General Partner is a company with €100,000 in share capital.

The purpose of Tikehau Capital General Partner, both in France and abroad, is:

- to manage the Company and/or serve as its general partner;
- to manage commercial companies;
- to act as a holding company that is a shareholder or partner (and is jointly and severally liable) or holds financial interests (minority, majority or single-person companies);
- all administrative, financial, accounting, legal, commercial, IT or management services offered to the Company's subsidiaries or any other companies in which it holds an interest; and

- in general, any securities, real estate, industrial, commercial or financial transaction directly or indirectly related to this object or any object that is similar or connected or that may be helpful in or facilitate the achievement of this object.

The general partner, in particular, is empowered to appoint and dismiss any manager and to authorise any change in the Company's Articles of Association. (See Section VIII.2(d) (General partners (Articles 9 and 11.2 of the Articles of Association)) of this Registration Document.)

See Section VIII.4(b) (Control of the Group) of this Registration Document.

(e) Financial year

The Company's financial year begins on 1 January and ends on 31 December.

2. MAIN PROVISIONS OF THE COMPANY'S ARTICLES OF ASSOCIATION

The Company's Articles of Association have been drawn up in accordance with legal and regulatory provisions applicable to partnerships limited by shares governed by French law.

The main provisions described below are taken from the Company's Articles of Association as adopted by the Combined General Shareholders' Meeting of the Company of 7 November 2016 and are available on the Company's website (www.tikehaucapital.com).

In addition, a description of the main provisions of the Company's Articles of Association pertaining to the Supervisory Board, in particular its method of operating and its powers, as well as a condensed description of the main provisions of the Internal Rules of the Supervisory Board and the Supervisory Board's specialised Committees is detailed in Section IV.1 (Administrative and management bodies) of this Registration Document and IV.4 (Preparation and organisation of the work carried out by the Supervisory Board) of this Registration Document.

Lastly, a description of the main provisions of the Company's Articles of Association pertaining to General Shareholders' Meetings is provided in Section IV.2 (General Shareholders' Meetings) of this Registration Document.

(a) Corporate purpose (Article 2 of the Articles of Association)

The Company's purpose, in France and abroad, is:

- the acquisition, subscription, development, holding, management and sale, in any form, of any shareholding or securities of any company or legal entity created or to be created in France or abroad;
- investments, financings and the arrangement and structuring of investment and financing transactions in all sectors and regarding all types of asset classes;
- the acquisition, subscription, development, holding, management and sale, in any form, of interests in entities involved in the management of portfolios, estates or investment funds or collective investment funds, or involved in brokerage activities, financing, banking or insurance, investment services, consulting or any other financial activity in France or abroad;
- all of the above, directly or indirectly, on its behalf or on behalf of a third party, alone or with a third party, through the creation of new companies, contribution, partnership, subscription, purchase of securities or rights, merger, alliance, special partnership (*société en participation*), leasing or leasing out or the management of assets or other rights in France and abroad;
- all administrative, financial, accounting, legal, commercial, IT or management services offered to the Company's subsidiaries or any other companies in which it holds an interest; and
- in general, any securities, real estate, industrial, commercial or financial transaction directly or indirectly related to this object or any object that is similar or connected or that may be helpful in or facilitate the achievement of this object.

(b) Identification of shareholders and threshold disclosure (Articles 7.2 and 7.3 of the Articles of Association)

(i) Identification of shareholders (Article 7.2 of the Articles of Association)

The Company may, under the legal and regulatory conditions in effect, at any time and in exchange for compensation at its expense, request that the central securities depository provide it with the name or company name, the nationality, the date of birth or incorporation, the postal address and, if applicable, the email address of the holders of bearer securities giving a present or future right to vote in its General Shareholders' Meetings, as well as the amount of securities held by each of them and, if applicable, any restrictions applying to these securities. The Company, in light of the list transmitted to the above-mentioned organization, may request the information set out above concerning the ownership of the securities from the persons appearing on this list and whom the Company considers might be acting on behalf of third parties.

In the event that a person fails to provide the information requested of him/it within the time limits set down by applicable laws and regulations or provides inaccurate or incomplete information concerning his/its status or the holders of the securities, the shares or securities giving present or future entitlement to the share capital and for which this person was registered shall lose their right to vote in any and all General Shareholders' Meetings held until the date on which the identification information is provided, and the corresponding payment of dividends shall be deferred until such date.

(ii) Threshold disclosure (Article 7.3 of the Articles of Association)

In addition to the legal requirement to inform the Company of the holding of certain percentages of the share capital, any individual or legal entity, acting alone or in concert with others, that directly or indirectly comes to hold a percentage of the share capital, voting rights or a class of securities conferring future entitlement to the Company's share capital, equal to or in excess of 1.0%, and any multiple of 0.5% in excess thereof, including above the legal and regulatory thresholds, is required to inform the Company by registered letter with acknowledgment of receipt indicating the number of securities held, within four (4) trading days as from the date on which the threshold was crossed.

Subject to the provisions stated above, this obligation set down by these Articles of Association is governed by the same rules that apply to the legal obligation, including those instances where applicable laws and regulations treat certain securities and rights as forming part of a shareholding.

If they are not disclosed in the manner described above, the shares in excess of the percentage that should have been disclosed shall lose their voting rights in all General Shareholders' Meetings if the failure to disclose is recorded during a Meeting and if one or several shareholders together holding at least 3% of the share capital or voting rights in the Company so request during the meeting.

All individuals and legal entities are also required to inform the Company in the manner and within the time limits set out in paragraph 1 above, when his/its direct or indirect interest falls below any of the thresholds mentioned in this paragraph.

(c) Managers (*Gérance*) (Article 8 of the Articles of Association)

(i) Appointment, resignation and removal from office (Article 8.1 of the Articles of Association)

The Company is managed by one or several Managers.

The Manager(s) are appointed by the general partner(s), who set the duration of their term.

Any Manager may resign from office, subject to giving at least three months' notice. However, said notice period may be reduced by decision of the general partners in the event of circumstances that seriously affect the Manager in question's ability to perform his duties.

Each Manager may be removed from office at any time by decision of the general partner(s).

In the event of cessation of duties of all the Company's Managers, irrespective of the reason therefor, resulting in a Manager vacancy, the general partner(s) shall manage the Company pending the appointment of one or more new Managers under the terms and conditions laid down herein.

(ii) The Managers' Powers (Article 8.2 of the Articles of Association)

Each Manager shall have the broadest powers to act in any circumstance in the Company's name and on its behalf, in accordance with the law and with these Articles of Association, it being stipulated that whenever these Articles of Association makes reference to a Manager decision, the decision shall be taken by any one of the Managers.

Each Manager represents the Company in its relations with third parties, including for entering into any contract in which it represents another party or in which it is personally a party, for which it is expressly authorised under Article 1161 paragraph 2 of the French Civil Code, without prejudice to the provisions of the French Commercial Code and the present Articles of Association governing agreements between the Company and its Directors and Officers or companies with Directors and Officers in common.

(iii) The Managers' Remuneration (Article 8.3 of the Articles of Association)

So long as the Company is managed by a single Manager, this Manager shall be entitled to a remuneration before taxes equal to 2% of the Company's consolidated capital and reserves, calculated on the last day of the preceding financial year. This remuneration shall be paid annually when the financial statements of the preceding year are approved.

The Manager shall have the option, during the financial year, to receive an interim payment of the above-mentioned remuneration. This interim payment shall only be made on the basis of accounts certified by the Company's Statutory Auditors at the end of an interim accounting period. This interim payment will be deducted from the total remuneration paid to the Manager when the financial statements of the preceding year are approved.

If one or more additional Managers are appointed by the general partner(s), the latter shall decide if a Manager of their choice shall retain the above-mentioned remuneration or if the Managers shall share it between themselves and under what terms. If a Manager does not receive the remuneration described above, his remuneration (amount and terms of payment) shall be set by decision of the general partner(s) and, unless the Manager in question is not to receive any remuneration, shall be submitted to the approval of the Ordinary General Shareholders' Meeting.

The Managers shall also be entitled to reimbursement for expenses they bear in the Company's interest, for which they must provide proof.

(d) General partners (Articles 9 and 11.2 of the Articles of Association)

The general partners shall have unlimited joint and several liability for the Company's debts. However, they shall be held liable only if the creditors have already issued the Company with a formal demand by extrajudicial instrument to settle its debts.

The appointment of one or more new general partners shall be decided by the Extraordinary General Shareholders' Meeting on a proposal from the existing general partner(s). In this case, the appointment decision shall determine the proportions of distribution of losses between the old and the new general partners under the same terms and conditions.

The partnership interests (*parts de commandité*) of the general partners may only be transferred with the general partners' consent and the approval of the Company's Extraordinary General Shareholders' Meeting. The transferee thus authorized shall take on the status of general partner of the Company and it shall acquire its predecessor's rights and obligations.

The partnership interests (*parts de commandité*) of the general partners shall be indivisible vis-à-vis the Company and the joint undivided owners thereof must be represented by a common representative in order to exercise their rights.

The general partner(s) shall take decisions at the Managers' discretion at a General Shareholders' Meeting or by written consultation. Whenever a decision requires the approval of the general partner(s) and the General Shareholders' Meeting, pursuant to the law or the Articles of Association, the Managers shall collect the general partner(s)' votes, in principle, before the General Shareholders' Meeting and, in any event, no later than the close thereof.

Decisions or proposals that fall within the remit of the general partners shall be adopted unanimously, except if the Company is converted to a *société anonyme* (French limited company) or a *société à responsabilité limitée* (French limited liability company) which only requires a majority of the general partners.

(e) Supervisory Board (Article 10 of the Articles of Association)

See Section IV.1(c) (Practices of the Supervisory Board) of this Registration Document.

(f) Rights, privileges and restrictions attaching to the Company's securities (Articles 7.1, 7.4 and 7.5 of the Articles of Association)

The shares issued by the Company shall be registered until they are fully paid up, then, at the holder's discretion, they shall be registered or bearer.

The issue price of the securities issued by the Company shall be paid up under the terms and conditions laid down by the General Shareholders' Meeting or, if none are laid down, by the Managers. Any delay in the payment of monies owing on the non-paid-up amount of said securities shall automatically result in the payment of interest calculated on the basis of an annual interest rate of 5% for each day from the date on which payment is due, without prejudice to the relevant statutory provisions.

In addition to the right to vote, each share entitles its holder to a share in Company assets, profits and the liquidation surplus in proportion to the number of shares issued, subject to the rights of the general partner(s).

Under the conditions set down by law and these Articles of Association, each share also carries a right to attend and to vote in General Shareholders' Meetings. Double voting rights as provided in Article L.225-123 paragraph 3 of the French Commercial Code (in its version resulting from the *Florange* Law No. 2014-284 of 29 March 2014) have been expressly excluded.

Where a certain number of shares must be held in order to exercise any right, more particularly in the case of the exchange, conversion, consolidation or allocation of free shares, share capital decrease, merger, demerger or any other operation, a shareholding of less than the requisite number of shares grants its owner no right against the Company, and shareholders shall personally ensure that they obtain the requisite number of shares required or a multiple thereof; the provisions of Article L.228-6-1 of the Commercial Code shall apply to fractional shares.

(g) Changes in shareholders' rights

Shareholder rights may be amended under the terms of legal and regulatory provisions.

No specific terms are included in the Company's Articles of Association governing changes in shareholders' rights that set out stricter provisions than applicable laws.

(h) General Shareholders' Meetings

See Section IV.2 (General Shareholders' Meetings) of this Registration Document.

(i) Change-of-control clauses in the Articles of Association

The Company is a partnership limited by shares, with the special characteristics of this legal form, including being subject to legal provisions and clauses in the Articles of Association that could

be relevant in the event of a tender offer. (see Sections III.1(e) (Risks related to the legal form, Articles of Association and organisation of *Tikehau Capital*) and VIII.2(d) (General partners (Articles 9 and 11.2 of the Articles of Association)) of this Registration Document.) The Company's main shareholder (*Tikehau Capital Advisors*) controls the Company due to the Group's legal structure, and any person who would take control of the shares and voting rights attached to them may not, in practice, take control of the Company without first securing the consent of *Tikehau Capital Advisors*.

(j) Changes in share capital

Given that the Articles of Association do not include any specific provision to this effect, share capital may be increased, reduced or redeemed in any manner authorised by law.

(k) Allocation of profits and distributions (Article 14 of the Articles of Association)

From the annual profit, less, where appropriate, any previous losses, 5% shall be deducted to create the statutory reserve fund until it reaches one tenth of the share capital.

The distributable profit shall consist of the annual profit less any previous losses and the monies to be allocated to the statutory reserve pursuant to the law, plus any profit carried forward.

In the event of an annual distributable profit, a preferred dividend (*dividende précipitaire*) equal to 12.5% of the Company's net result, as they appear in the Company's financial statements, shall be allocated to the general partners.

If there is more than one general partner, they shall share this amount between themselves as they see fit. In the event of a financial year whose duration is less than a calendar year, this remuneration shall be calculated on a *pro rata* basis for the time elapsed.

The Ordinary General Shareholders' Meeting:

- shall assign the distributable annual profit, less the preferred dividend (*dividende précipitaire*) to the general partners, to the creation of optional reserves, the retained earnings account and/or the distribution of a dividend to shareholders;
- for all or part of dividends to be distributed or interim dividends, the General Shareholders' Meeting may grant shareholders a choice between payment in cash or payment in shares in accordance with the conditions set down by applicable regulations;
- for all or part of the dividends or interim dividends, reserves or premiums to be distributed, or in the case of a share capital decrease, the General Shareholders' Meeting may also decide that the distribution of such dividends, reserves, premiums or share capital decrease will be made in kind by delivery of Company assets.

The Managers may distribute interim dividends, in which case an interim dividend of 12.5% of the amounts distributed shall also be paid to the general partners.

3. INFORMATION ON THE CAPITAL

As at the registration date of this Registration Document, the Company's share capital came to €1,237,754,976.

As at the registration date of this Registration Document, with the exception of the specific provisions stipulated in this Registration Document, the Company has issued no other securities giving access to the Company's equity or that is representative of a receivable.

Share capital

The Company's share capital is split into 103,146,248 shares of twelve (12) euros par value each, fully paid up and all in the same category.

As at the registration date of this Registration Document, the theoretical number of voting rights came to 103,146,248, it being stated that none of the Company shares has been

stripped or deprived of voting rights. Each share carries one vote, double voting rights as provided in Article L.225-123 of the French Commercial Code (in its version resulting from the Florange Law No. 2014-284 of 29 March 2014) being expressly excluded in Article 7.5 of the Company's Articles of Association.

Further information on the Company's shareholding structure is provided in Section VIII.4(a) (Shareholders of the Company over the last three years) of this Registration Document.

(a) Historical information about of the share capital over the last three financial years

The table below shows the change in share capital of the Company since 1 January 2015 up to the registration date of this Registration Document.

Date	Type of transaction	Share capital before transaction (in €)	Issue premium (in €)	Number of ordinary shares before the transaction	Number of ordinary shares after the transaction	Share capital after the transaction (in €)
04/07/2016	Capital increase in cash	260,278,056	178,225,578	21,689,838	41,492,680	497,912,160
21/12/2016	Contribution in kind	497,912,160	114,139,278	41,492,680	54,174,822	650,097,864
06/01/2017	Capital increase in cash	650,097,864	64,320,327	54,174,822	61,321,525	735,858,300
28/02/2017	Contribution in kind	735,858,300	64,672,263	61,321,525	68,507,332	822,087,984
03/03/2017	Capital increase in cash	822,087,984	21,428,568	68,507,332	70,888,284	850,659,408
17/05/2017	Recapitalisation by conversion of ORNANE bonds	850,659,408	87,726	70,888,284	70,896,381	850,756,572
26/07/2017	Capital increase in cash	850,756,572	319,033,670	70,896,381	102,799,748	1,233,596,976
04/01/2018	Contribution in kind	1,233,596,976	3,465,000	102,799,748	103,146,248	1,237,754,976

Since 1 January 2015, the following transactions have changed the share capital of the Company:

a) A capital increase was carried out on 4 July 2016 for an amount of €415,859,682 (including issue premium) resulting in the creation of 19,802,842 new shares. This capital increase was carried out with preferential subscription rights maintained at a price of €21 per new share and was subscribed for in the amount of €239.8 million by cash contribution and €176.1 million by offsetting against debts with the equity convertible bonds issued by the Company in May 2015 (see Section II.3(d) (Liquidity and Capital resources) of this Registration Document). All convertible bonds issued by the Company in May 2015 were cancelled under this transaction. The purpose of this recapitalisation was to allow the Company to shore up its shareholders' equity, fund its ongoing development and accelerate its international expansion. This made it possible to bring new shareholders into the Company, such as the Singaporean investment management company Temasek (about €170 billion in assets under management), the Luxembourg insurance company La Luxembourgeoise, and the listed French investment management company FFP.

b) As part of the reorganisation operations described in Section II.2 (Reminder of the organisation operations) of this Registration Document, a recapitalisation through an in-kind contribution in the amount of €266,324,982 (issue premium included) was completed on 21 December 2016. This recapitalisation, which was approved by Company shareholders at the General Shareholders' Meeting of 21 December 2016, was conducted at a price of €21 per new share and resulted in the issue of 12,682,142 new shares remunerating in-kind contributions to the Company. These contributions were made for the purpose of reorganising the Group and preparing the listing of the Company's shares on the Euronext Paris regulated market. These contributions include the following assets in particular:

- Tikehau IM shares amounting to 74.1% of Tikehau IM's shares;
- ten (10) Salvepar Class 1 preference shares; and
- all preference shares issued by Tikehau Capital Europe and held by the Company.

The General Shareholders' Meeting of the Company of 21 December 2016 also authorised the reserved issue of equity warrants to Tikehau Management, Tikehau Employee Fund 2008 and TCA Partnership. The terms of these equity warrants are described in greater detail in Section VIII.3(b)(i) (Equity warrants) of this Registration Document.

c) A capital increase was carried out on 6 January 2017 for an amount of €150,080,763 (including issue premium) resulting in the creation of 7,146,703 new shares. This recapitalisation was undertaken fully in cash, at a price of €21 per share with preferential subscription rights maintained. The purpose of this recapitalisation was to allow the Company to shore up its shareholders' equity and bring in new shareholders, in both cases in anticipation of the listing of its shares on the Euronext Paris regulated market.

d) Two capital increases were undertaken as part of the Company's listing on the regulated market of Euronext Paris for a total amount of €200,901,939 (including issue premium). These recapitalisations, which were approved by a General Shareholders' Meeting of the Company on 28 February 2017, were effected at a price of €21 per new share and resulted in the issuance of 9,566,759 new shares:

i) a contribution in-kind was made on 28 February 2017 for an amount of €150,901,947 (including issue premium) and resulted in the creation of 7,185,807 new shares in payment of the Salvepar shares tendered in the stock-for-stock tender offer for Salvepar shares; and

ii) a capital increase was carried out for the amount of €49,999,992 (including issue premium) resulting in the creation of 2,380,952 new shares. This capital increase was made concurrently with the settlement of the tender offer initiated on Salvepar and was reserved for the Fonds Stratégique de Participations in connection with its investment in the Company. The agreement entered into with the Fonds Stratégique de Participations included an undertaking to appoint a representative of the Fonds Stratégique de Participations to the Company's Supervisory Board and a representative of the Fonds Stratégique de Participations to the Board of Directors of Tikehau Capital Advisors. (See Section IV.1(b) (i) (Composition of the Supervisory Board) of this Registration Document.) The Fonds Stratégique de Participations is an investment company with variable capital registered with the AMF, designed to promote long-term equity investments by taking interests deemed "strategic" in French companies. The Board of Directors of the Fonds Stratégique de Participations has eight members and consists of seven insurance company shareholders (BNP Paribas Cardif, CNP Assurances, Crédit Agricole Assurances, Sogécap, Groupama Natixis Assurances and Suravenir), as well as Groupe Edmond de Rothschild. To date and since its investment in the Company, the Fonds Stratégique de Participations has six compartments, five of which have the purpose of investing in shares of Arkema, SEB, Zodiac Aerospace, Eutelsat Communications and Elior Group.

e) A capital increase was carried out on 17 May 2017 for the amount of approximately €185,000 (including issue premium) following the conversion of 3,000 ORNANE bonds, and resulting in the creation of 8,097 new shares.

f) A capital increase was carried out on 23 July 2017 for an amount of €701,874,074 (including issue premium) resulting in the creation of 31,903,367 new shares. This capital increase was carried out at a price of €22 per share with preferential subscription rights and subscribed to in full by cash contribution. The purpose of this capital increase was to finance the Company's next phase of development as announced at the time of its IPO and to accelerate its growth with the objective of reaching €20 billion in assets under management by 2020. This capital increase also made it possible to diversify the Company's shareholder base and increase its visibility in the capital markets.

g) An in-kind capital increase was carried out on 4 January 2018 for an amount of €7,623,000 (issue premium included) and resulted in the creation of 346,500 new shares as remuneration

for contributions in kind consisting of a total of 612 Tikehau IM Class B preference shares. These in-kind contributions were made by eight Tikehau IM employees who had benefited from free shares plans and wished to take advantage of clearer prospects for the liquidity of their shares. This transaction, which is the logical continuation of the reorganisation operations (see Section II.2 (Reminder of the reorganisation operations) of this Registration Document), enabled the Company to increase its holding in Tikehau IM from 96.67% to 99.09%.

(b) Instruments giving access to equity

(i) Equity warrants

The General Shareholders' Meeting of the Company of 21 December 2016 authorised the reserved issue of 1,244,781 equity warrants to Tikehau Management, Tikehau Employee Fund 2008 and TCA Partnership, each for one third of the issue, at respectively 414,927 equity warrants.

These equity warrants were subscribed on 22 December 2016 at a price of €2.20 per equity warrant, a price that was calculated by an independent appraiser appointed by the Company.

These three vehicles are held by partners and employees of the Group and Tikehau Capital Advisors. The purpose of this reserved issue was to strengthen employees' personal interest in the Group (particularly at the point of exercising these equity warrants), to reinforce the alignment of interests between the Group and its employees, and to encourage them with the Group's future performance.

These equity warrants may be exercised at any time in one or more stages five years after issue. Equity warrants that have not been exercised within 10 years of issue shall become null and void by right, as of that date.

Upon issue, each equity warrant entitles its holder to subscribe to one new Company share. Due to the capital increase with preferential subscription rights made on 6 January 2017 at a price of €21 per new share and on 26 July 2017 at a price of €22 per new share, and the legal and contractual provisions to preserve the rights of equity warrant holders in the event of a corporate transaction, these warrants now give the right to subscribe for 1,416,560 new shares (compared to 1,244,781 new shares previously).

The strike price of the new shares underlying the equity warrants is €21 per new share actually subscribed payable in cash upon exercise, barring an adjustment in accordance with legal and regulatory provisions and with the terms and conditions of the equity warrants provided to preserve the rights of equity warrant holders. This issue price is equal to the issue price that was used for the purpose of the Company recapitalisations of December 2016 and January 2017. (See Section VIII.3(a) (Historical information about the share capital over the last three financial years) of this Registration Document.)

These equity warrants are tradable and may be freely divested. However, at the date of this Registration Document, they are held by the original subscribers.

(ii) Free shares plans

As at the registration date of this Registration Document, the Company has set up four free shares plans and two performance share plans under the authorisation of the General Shareholders' Meeting of 21 December 2016 which in its 32nd resolution, authorised the Managers, in accordance with Articles L.225-197-1 *et seq.* of the French Commercial Code, on one or more occasions to grant shares, existing or to be issued, to the employees and corporate officers of the Company and related companies or corporate groups, up to a limit of 3% of the share capital.

The All Plan and the One-Off Plan

The Company wished to grant free shares to employees of the Company and related companies or corporate groups to share with them the success of the Group since its creation and in particular to take into account its exceptional growth during the 2016 and 2017 financial years.

No Corporate officer of the Company is a beneficiary under these two free shares plans. It should also be made clear that Mr. Antoine Flamarion and Mr. Mathieu Chabran have not benefited from any allocation of free shares under these plans.

This allocation took the form of two free shares plans for the benefit of the Company's employees and related companies or corporate groups, approved by the Managers on 1 December 2017:

- the "All Plan" free shares plan is for a maximum total of 26,334 Company shares granted on an equal basis to all employees of the Company and related companies or corporate groups;
- the "One-Off Plan" free shares plan is for a maximum total of 690,426 Company shares granted to certain employees of the Company or of related companies or corporate groups, the number of shares granted to each employee being determined according to objective criteria (professional seniority, seniority within the Company or the related companies or corporate groups, gross salary, and rank).

The vesting of the shares granted under the "All Plan" and the "One-Off Plan" is conditional upon working in the Company or related companies or corporate groups at the definitive vesting date but is not subject to any performance condition.

The free shares will be definitively awarded to the beneficiaries at the end of a period of:

- two years for all shares awarded under the "All Plan"; and
- two years for 50% of the shares awarded under the "One-Off Plan" and three years for the remaining 50%.

No retention period is contemplated for shares acquired under the "All Plan" and the "One-Off Plan".

Shares acquired under the "All Plan" may be transferred to a Company Savings Plan. This transfer will take place on the final vesting date and subjects the vested shares to a five-year lock-up period during which they will be non-transferable (except in the event of death).

The 2016 TIM Replacement Plans

Following the reorganisation operations (see Section II.2 (Reminder of the reorganisation operations) of this Registration Document), it was no longer relevant for the Group to retain minority interests in the equity of Tikehau IM and it was therefore not logical to retain the employee shareholding plans introduced at Tikehau IM in June 2016 (the “2016 TIM Plans”). The bonus allocations made under the 2016 TIM Plans have been replaced by allocations of free shares in Tikehau Capital.

For this purpose, two free shares plans have been set up at Tikehau Capital, replicating exactly the terms of the two June 2016 plans that were in force within Tikehau IM (the “2016 TIM Replacement Plan – Non-Identified Staff” and the “2016 TIM Replacement Plan – Identified Staff”, together known as the “2016 TIM Replacement Plans”). These plans have been proposed subject to employees waiving their Tikehau IM stock rights that are currently being acquired under the 2016 TIM Plans.

The exchange ratio was that agreed under the capital increase remunerating the in-kind contributions of Tikehau IM shares made on 4 January 2018. The TIM 2016 Replacement Plans therefore cover a maximum of 353,284 Company shares.

One of the two 2016 TIM Plans fulfilled the requirements for “identified staff”¹ within the meaning of the regulations arising from the AIFM Directive, and provided that the definitive vesting of the shares be subject to fulfilment of performance conditions. Similarly, the number of Tikehau Capital shares definitively acquired under the 2016 TIM Replacement Plan – Identified Staff will be based on the performance of a benchmark index representing the performance of Tikehau IM’s various business lines.

The vesting period for the 2016 TIM Replacement Plans takes into account the period already expired under the 2016 TIM Plans and expires on 30 June 2019. A retention period is then provided for until 30 June 2020.

No corporate officer of the Company is a beneficiary under the 2016 TIM Replacement Plans. It should also be made clear that Messrs Antoine Flamarion and Mathieu Chabran have not benefited from any allocation of free shares under the 2016 TIM Replacement Plans.

The 2018 FSA Plan and the 2018 Performance Share Plan

Tikehau Capital has decided to make an allocation of free shares as part of variable remuneration allocations for 2017.

This allocation has taken the form of two free shares plans for the benefit of Company’s employees and related companies or corporate groups, approved by the Managers on 30 March 2018:

- the free shares plan called “2018 FSA Plan” for a maximum total of 54,629 shares allocated to certain employees of the Company or related companies or corporate groups with the rank of “Vice-President” or “Director”; and
- the free shares plan called “2018 Performance Share Plan” for a maximum total of 72,185 shares allocated to certain employees of the Company or related companies or corporate groups with the rank of “Managing Director” or “Executive Director”.

No corporate officer of the Company is a beneficiary under the 2018 FSA Plan and the 2018 Performance Share Plan. It should also be noted that Mr. Antoine Flamarion and Mr. Mathieu Chabran have not received any free shares under the 2018 FSA Plan and the 2018 Performance Share Plan.

The vesting of the shares granted under the 2018 FSA Plan is conditional upon working in the Company or related companies or corporate groups at the definitive vesting date but is not subject to any conditions of performance. The free shares will be definitively vested to the beneficiaries of the 2018 FSA Plan after a period of two years and will not be subject to any retention period.

The vesting of shares granted under the 2018 Performance Share Plan is subject:

- for 50% of the shares allocated, solely to the condition of presence;
- for 25% of the shares allocated, to the fulfilment of a performance condition relating to the amount of the Group’s published assets under management; and
- for 25% of the shares allocated, to the fulfilment of a performance condition relating to the result of asset management activities.

Subject to compliance with the performance conditions, the free shares will be definitively allocated to the beneficiaries of the 2018 Performance Share Plan at the end of a two-year period and will not be subject to any retention period.

¹ The “identified staff” within the meaning of the AIFM and UCITS V Directives, is composed of Tikehau IM’ Executive Management, risk takers (i.e., portfolio managers), controlling supervisors, managers of the support functions as well as any employee who, in view of his overall compensation, is in the same salary bracket as the Executive Management and the risk takers, and whose professional activities have a significant impact on the risk profile of Tikehau IM or the risk profile of the AIFs or UCITS managed by Tikehau IM. Only the members of the “identified staff” receiving high variable compensation and having an influence on Tikehau IM’s risk profile or on the risk profile of the AIFs or UCITS managed by Tikehau IM are subject to the requirements relating to the structure and the terms of vesting and payment of the variable remuneration arising from the AIFM and UCITS V Directives (See Section I.6(c)(iii) (Other regulations) of this Registration Document). The “non-identified staff” consists of employees of Tikehau IM who are not “identified staff”.

	All Plan	One-Off Plan	2016 TIM Replacement Plan – Non-Identified Staff	2016 TIM Replacement Plan – Identified Staff	2018 FSA Plan	2018 Performance Share Plan
Date of Meeting	21/12/2016	21/12/2016	21/12/2016	21/12/2016	21/12/2016	21/12/2016
Date of allocation by the Manager	01/12/2017	01/12/2017	16/03/2018	16/03/2018	30/03/2018	30/03/2018
Maximum number of shares granted	26,334	690,426	136,442	216,842	54,629	72,185
Number of initial beneficiaries	198	158	17	8	52	31
Number of shares awarded to corporate officers	–	–	–	–	–	–
Number of shares awarded to the first 10 non-executive employees of the Company ¹	–	–	–	–	–	–
Vesting date of the shares	01/12/2019	01/12/2019 for 50% 01/12/2020 for 50%	30/06/2019	30/06/2019	30/03/2020	30/03/2020
Vesting condition of the shares	Condition of presence No performance condition	Condition of presence No performance condition	Condition of presence No performance condition	Condition of presence Performance condition ²	Condition of presence No performance condition	Condition of presence 50% of the shares awarded without performance conditions 50% of the shares awarded with performance conditions ³
Duration of retention period	–	–	1 year	1 year	–	–
Number of shares vested	–	–	–	–	–	–
Number of cancelled or lapsed shares	1,862	16,860	–	–	–	–
Number of shares awarded and still to be vested	24,472	673,566	136,442	216,842	54,629	72,185

¹ The Company has no employees.

² Performance condition based on a benchmark index composed of UCITS and AIFs managed by Tikehau IM and deemed representative of each of Tikehau IM's business lines. The performance of this benchmark is calculated by measuring the change in the net asset value per unit or share of the funds concerned.

³ For 25% of shares awarded, performance condition relating to the amount of assets under management and for 25% of shares awarded, performance condition relating to the result of asset management activities.

(c) Summary table of delegations

(i) Existing financial delegations and their use

On the registration date of this Registration Document was filed, the Managers' financial delegations in force were approved by the Combined General Shareholders' Meeting of the Company on 21 December 2016.

These delegations and their use as at the registration date of this Registration Document are shown in the table below:

Purpose of the resolution	Date of Meeting Resolution number	Maximum amount (as nominal or % of capital)	Duration of the authorisation in force	Use at the registration date (nominal)	Procedures for setting the issue price
Capital increase by incorporation of reserves, profits or premiums	21 December 2016 28 th resolution	€1 billion ^a	26 months	–	n.a.
Issue with preferential subscription right for shares and/or securities giving access to equity	21 December 2016 23 rd resolution	€900 million	26 months	€85.8 million 06/01/2017 €382.8 million 26/07/2017	n.a.
Issue without preferential subscription right for ordinary shares and/or securities giving access to equity through public offerings	21 December 2016 24 th resolution	€500 million ^a	26 months	–	See Note (1) below
Issue without preferential subscription right to shares and/or securities giving access to equity through private investments referred to in Article L.411-2 paragraph II of the French Monetary and Financial Code	21 December 2016 25 th resolution	€300 million and legal limit (to date, 20% of share capital) ^{a b}	26 months	–	See Note (1) below
Issue of shares and/or securities giving access to equity without preferential subscription right in return for contributions in kind consisting of shares or securities giving access to equity	21 December 2016 26 th resolution	€150 million and legal limit (to date, 10% of share capital) ^{a b}	26 months	€4.2 million 04/01/2018	See Note (2) below
Authorisation granted to the Managers, if issued without preferential subscription rights, to fix the issue price within 10% of the capital	21 December 2016 27 th resolution	10% of share capital ^{a b}	26 months	–	See Note (3) below
Increase in the number of shares to be issued in the event of a capital increase with or without preferential subscription rights	21 December 2016 29 th resolution	Legal limit (to date, 15% of the initial issue) ^a	26 months	–	n.a.

Purpose of the resolution	Date of Meeting Resolution number	Maximum amount (as nominal or % of capital)	Duration of the authorisation in force	Use at the registration date (nominal)	Procedures for setting the issue price
Capital increase through the issue of shares and/or securities giving access to equity with elimination of preferential subscription rights, reserved for members of savings plans	21 December 2016 30 th resolution	€25 million ^a	26 months	–	See Note (4) below
Capital increase through the allocation of stock options for employees and corporate officers of the Company or related companies or corporate groups	21 December 2016 31 st resolution	Capped at 3% of the share capital ^a	26 months	–	See Note (5) below
Capital increase through the allocation of free shares existing or to be issued for employees and corporate officers of the Company or related companies or corporate groups	21 December 2016 32 nd resolution	Capped at 3% of the share capital ^a	26 months	A maximum of 716,760 shares, <i>i.e.</i> , 0.69% of the capital as at 1 Dec. 2017 A maximum of 353,284 shares, <i>i.e.</i> , 0.34% of the capital as at 16 Dec. 2018 A maximum of 126,814 shares, <i>i.e.</i> , 0.12% of the capital as at 30 Dec. 2018	n.a.

^a Amount allocated to the total cap provided under the 23rd resolution of the General Shareholders' Meeting of 21 December 2016.

^b Amount allocated to the total cap provided under the 24th resolution of the General Shareholders' Meeting of 21 December 2016.

Note (1) – In accordance with Article L.225-136 1° para. 1 of the French Commercial Code, (i) the issue price of shares issued directly shall be at least equal to the minimum stated in the regulatory provisions applicable on the issue date (currently the weighted average of the prices of the three Euronext Paris trading sessions preceding the setting of the recapitalisation subscription price, minus 5%), after an adjustment of this average in the event of a difference between the effective dates; and (ii) the issue price of securities giving access to equity and the number of shares to which the conversion, redemption or, generally speaking, the transformation of each security giving access to equity could entitle their holders, shall be the sum immediately paid to the Company, plus, where applicable, the sum that may be paid later to it, for each share issued corresponding to the issue of these securities, and at least equal to the minimum subscription price stated in (i) above.

Note (2) – In accordance with Article L.225-147 of the French Commercial Code, the Managers shall rule on the valuations of contributions, based on the report of one or more contributions appraisers appointed unanimously by shareholders or, failing that, by a court order.

Note (3) – In accordance with Article L.225-136 1° para. 2 of the French Commercial Code, (i) the issue price of the shares shall be at least equal to the weighted average of the Company's shares on Euronext Paris in the last 20 trading sessions prior to the date on which it is set, or if it is lower, to the latest closing price preceding the setting of the price minus a maximum discount of 5%, and (ii) the issue price of securities providing immediate or later access to share capital shall be the sum paid immediately to the Company plus, where applicable, the sum that the Company may later receive, *i.e.*, for each share issued corresponding to the issue of securities and at least equal to the amount stated in (i) above, after adjustment of this amount, if necessary, to reflect the difference in the effective date.

Note (4) – The issue price of new shares or securities giving access to equity shall be determined under the conditions provided in Articles L.3332-18 *et seq.* of the French Labour Code and shall be equal to at least 80% of the Reference Price (as defined below) or to 70% of the Reference Price when the lock-up period in accordance with Articles L.3332-25 and L.3332-26 of the French Labour Code is equal to, or greater than 10 years; for the purpose of this paragraph, the Reference Price is (i) the average of the Company's initial quoted price on the Euronext Paris regulated market during the 20 trading sessions preceding the date on which the opening subscription is set for members of a company or group savings plan (or similar); or (ii) when the recapitalisation occurs simultaneously with an initial offering on a regulated market, the Company's admission price on said market, on the condition that the decision setting the subscription opening period is made no later than 10 trading days after the share's initial trading date.

Note (5) – The strike price of stock options shall be set on the day on which the stock options are granted and (i) in the case of stock-option rights, this price may be no lower than 80% of the average of the initial quoted prices of the Company's shares on the Euronext Paris regulated market during the 20 trading sessions preceding the date on which the stock-option rights are granted; and (ii) in the case of stock-option purchase plans, this price may be no lower than either the value stated in (i) above, nor 80% of the average purchase price of shares held by the Company under Articles L.225-208 and L.225-209 of the French Commercial Code. If the Company undertakes one of the operations provided by Article L.225-181 of the French Commercial Code or by Article R.225-138 of the French Commercial Code, the Company shall, under the conditions provided by current regulations, take measures necessary for protecting the interests of beneficiaries, including, where applicable, by adjusting the number of shares that may be obtained through the exercise of options granted to beneficiaries to reflect the impact of this operation.

(ii) Financial delegations proposed to the General Shareholders' Meeting of 25 May 2018

The financial delegations proposed to the Combined General Shareholders' Meeting of the Company of 25 May 2018 are shown in the table below:

Purpose of the resolution	Date of Meeting Resolution number	Maximum amount (as nominal or % of capital)	Duration of the authorisation in force	Procedures for setting the issue price
Capital increase by incorporation of reserves, profits or premiums	25 May 2018 12 th resolution	€1 billion ^a	26 months	n.a.
Issue with preferential subscription right for shares and/or securities giving access to equity	25 May 2018 7 th resolution	€1.5 billion	26 months	n.a.
Issue without preferential subscription right for ordinary shares and/or securities giving access to equity through public offerings	25 May 2018 8 th resolution	€600 million ^a	26 months	See Note (1) to the table above
Issue without preferential subscription right to shares and/or securities giving access to equity through private investments referred to in Article L.411-2 paragraph II of the French Monetary and Financial Code	25 May 2018 9 th resolution	€500 million and legal limit (to date, 20% of share capital) ^{a b}	26 months	See Note (1) to the table above
Issue of shares and/or securities giving access to equity without preferential subscription rights in return for contributions in kind consisting of shares or securities giving access to equity	25 May 2018 10 th resolution	€250 million and legal limit (to date, 10% of share capital) ^{a b}	26 months	See Note (2) to the table above
Authorisation granted to the Managers, if issued without preferential subscription right, to fix the issue price within 10% of the capital	25 May 2018 11 th resolution	10% of share capital ^{a b}	26 months	See Note (3) to the table above
Increase in the number of shares to be issued in the event of a capital increase with or without preferential subscription rights	25 May 2018 13 th resolution	Legal limit contemplated (to date, 15% of the initial issue) ^a	26 months	n.a.
Capital increase through the issue of shares and/or securities giving access to equity with cancellation of preferential subscription rights, reserved for members of savings plans	25 May 2018 14 th resolution	€30 million ^a	26 months	See Note (4) to table above
Capital increase through the allocation of stock options for employees and corporate officers of the Company or related companies or corporate groups	25 May 2018 15 th resolution	Capped at 3% of the share capital ^a	26 months	See Note (5) to table above
Capital increase through the allocation of free shares existing or to be issued for employees and corporate officers of the Company or related companies or corporate groups	25 May 2018 16 th resolution	Capped at 3% of the share capital ^a	26 months	n.a.

^a Amount allocated to the total cap provided under the 7th resolution to be submitted to the General Shareholders' Meeting of 25 December 2018.

^b Amount allocated to the cap provided under the 8th resolution to be submitted to the General Shareholders' Meeting of 25 May 2018.

(d) Tikehau Capital share buy-back programme

The Combined General Shareholders' Meeting of 21 December 2016 granted the Managers, for a period of 18 months, beginning with said General Meeting, and under the condition precedent and effective on the date of listing of the Company's shares on the Euronext Paris regulated market, *i.e.*, 7 March 2017, the power of sub-delegation and in accordance with provisions of Articles L.225-209 *et seq.* of the French Commercial Code, to buy Company shares or have them bought, in order:

- to implement any Company stock option plan under the provisions of Articles L.225-177 *et seq.* of the French Commercial Code or any similar plan; or
- to award or transfer shares to the employees to compensate them for their participation in the Company's expansion or for the implementation of any company or group savings plan (or similar) under conditions provided by law, particularly Articles L.3332-1 *et seq.* of the French Labour Code; or
- to award free shares under the provisions of Articles L.225-197-1 *et seq.* of the French Commercial Code; or
- generally speaking, to honour obligations arising from stock option programmes or other share allocations to employees or corporate officers of the issuer or an affiliated company; or
- to hand over shares upon the exercise of rights embedded in securities giving access to equity through redemption, conversion, exchange, presentation of a warrant or in any other manner; or
- to cancel all or part of repurchased shares; or
- to assist an investment services provider in serving as a secondary market maker or liquidity provider for Tikehau Capital shares under a market-making contract in accordance with the code of conduct recognised by the AMF.

Share buybacks are also designed to implement any market practice that might be authorised by the AMF and, more generally, the undertaking of any transaction in accordance with current regulations. Under this assumption, the Company shall inform its shareholders accordingly in a written statement.

Company shares may be repurchased in a number such that, on the date of each buyback, the total number of shares repurchased by the Company since the start of the share buyback programme (including those that are subject to said programme) shall not exceed 10% of the Company's share capital on this date (including transactions affecting it after the General Shareholders' Meeting), it being stipulated that when shares are repurchased to promote liquidity under the conditions defined in the AMF General Regulation, the number of shares used in calculating the aforementioned 10% limit is equal to the number of shares bought, minus the number of shares sold during the period authorised.

Shares may be acquired, divested or transferred at any time within the limits authorised by current legal and regulatory provisions except during periods of a public offer, and through any means, including on the regulated markets, multilateral trading facilities, with systematic internalisers or over the counter, including through off-market acquisitions or divestments, through a cash or exchange tender offer, or through the use

of options or other forward financial instruments traded on regulated markets, multilateral trading facilities, with systematic internalisers or over the counter, or when handing over shares after the issue of securities giving access to Company equity through conversion, exchange, redemption or exercise of a warrant, either directly or indirectly through an investment services provider or in any other manner (without limiting the portion of the buyback programme that may be undertaken by any one of these means).

The maximum purchase price for shares under the resolution in force is equivalent to 150% of the initial listing price of the Company's shares on the regulated market of Euronext Paris (*i.e.*, €31.5 based on an initial listing price of €21).

In the event of a change in the share's par value, a capital increase through the incorporation of reserves, the awarding of free shares, the splitting or reverse-splitting of shares, the distribution of reserves or any other assets, redemption of capital, or any other operation involving the share capital or shareholders' equity, the Managers are empowered to adjust the aforementioned maximum purchase price to reflect the impact such operations on the share's value.

The total amount allocated to the share buyback program may not exceed €200 million.

The Managers, with the power of sub-delegation under the conditions provided by law, enjoy broad powers to decide and implement said authorisation, to specify, if necessary, its terms, and the procedures for executing the share buyback and, in particular, to place any market order, enter into any agreement, allocate or reallocate the acquired shares to purposes allowed under applicable law and regulations, set the procedures for ensuring, where applicable, the rights of holders of securities giving access to equity or other rights giving access to equity in accordance with legal and regulatory provisions and, where applicable, enforce contractual clauses providing for other cases of adjustment, to make any disclosures to the AMF or any other competent authority and any other formalities and, generally speaking, to undertake any necessary actions. The Company has set up a liquidity contract in compliance with the AMAFI professional code of ethics of 8 March 2011 approved by the AMF by decision of 21 March 2011. This contract, which has been entrusted to Exane BNP Paribas, has been in effect since 7 March 2017. It was signed for a term of one year, renewable by tacit agreement. For the implementation of this contract, the Company allocated the sum of €1 million and 13,290 Company shares to the credit of the liquidity account.

The proposal is submitted to the General Shareholders' Meeting of 25 May 2018 to renew this authorisation, increasing the maximum purchase price of the shares to €40 and the maximum total amount allocated to the share buyback programme to €300 million.

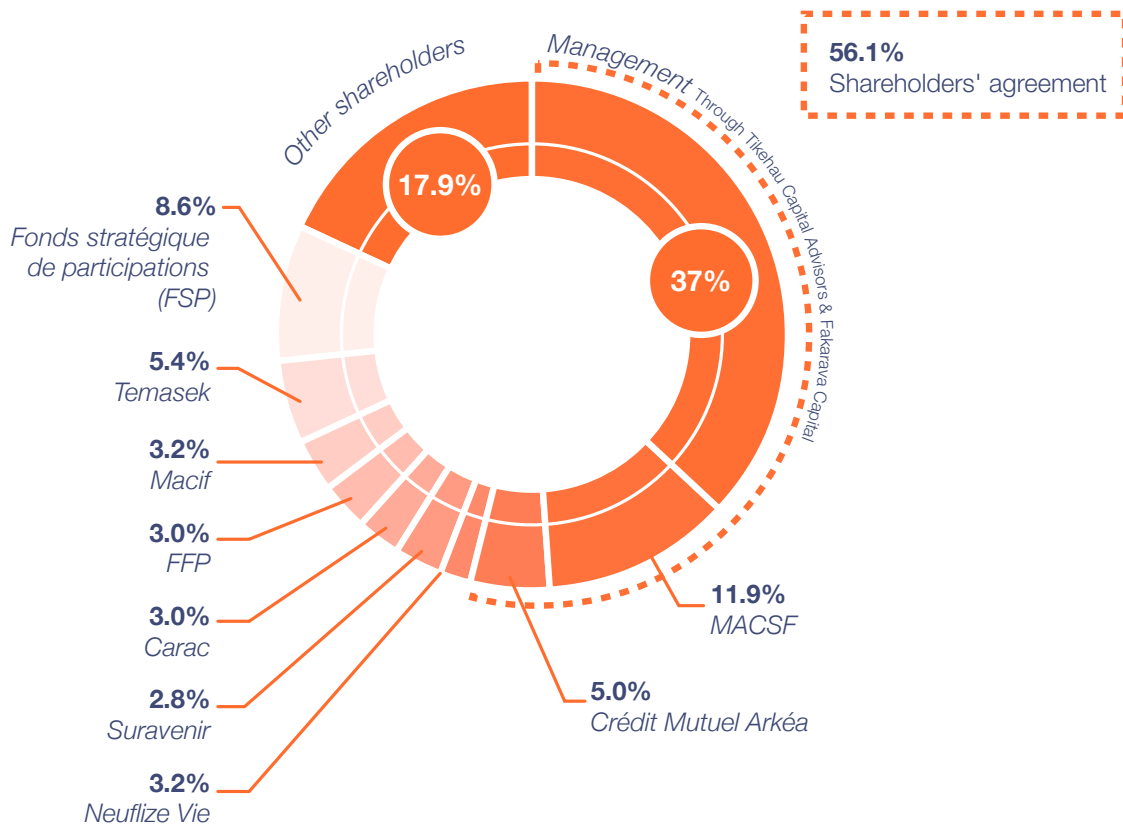
As at the registration date of this Registration Document, the Company holds 28,088 ordinary shares (for a market value of €28.3 based on the last closing price prior to the registration date of this Registration Document). All of these shares are held under the liquidity agreement with Exane and no shares of the Company are held by any of its subsidiaries or by a third party on its behalf. Since 1 January 2017, the Company has not used derivatives on its shares.

4. INFORMATION ON CONTROL AND MAJOR SHAREHOLDERS

(a) Shareholders of the Company over the last three years

Shareholders of the Company as at 31 January 2018

The following chart and table show the share ownership of the Company as at 31 January 2018 based on the number of shares issued:



VIII . INFORMATION ON THE COMPANY, ITS ARTICLES OF ASSOCIATION AND CAPITAL
Information on control and major shareholders

Shareholders	Number of shares	% of capital and voting rights
Tikehau Capital Advisors	30,702,957	29.8%
MACSF Epargne Retraite	12,246,257	11.9%
Fakarava Capital ¹	7,438,423	7.2%
Crédit Mutuel Arkéa	5,139,988	5.0%
Neuflize Vie	2,274,836	2.2%
Total shareholders' agreement²	57,802,461	56.1%
Fonds Stratégique de Participations	8,886,502	8.6%
Esta Investments (Temasek group)	5,551,949	5.4%
Total – Shareholders holding an interest of more than 5% or party to the shareholders' agreement	72,240,912	70.1%
MACIF	3,348,280	3.2%
CARAC	3,053,932	3.0%
FFP Invest (Groupe FFP)	3,107,147	3.0%
Suravenir	2,845,729	2.8%
Others	18,550,248	17.9%
Total – Shareholders holding an interest of less than 5% or not member of the concert	30,905,336	29.9%
TOTAL	103,146,248	100%

¹ Company held jointly in the amount of 69.1% by Tikehau Capital Advisors and Group management.

² See Section VIII.4(b) (Control of the Group) of this Registration Document.

Crédit Mutuel Arkéa notified by mail on 1 August 2017 that directly and indirectly through its 100% subsidiary, Suravenir, it had crossed the 10% thresholds of capital and voting rights in the Company, and that it directly and indirectly held 8,142,791 shares representing 7.92% of the capital and rights of the Company. This crossing of thresholds was the result of the subscription to the Company's capital increase carried out on 26 July 2017.

By mail letter dated 28 July 2017, Esta Investments Pte. Ltd. declared that it had directly exceeded the thresholds of 5% of capital and voting rights in the Company, and that it held 5,551,949 shares representing 5.40% of the Company's capital

and rights. This crossing of thresholds was the result of the subscription to the Company's capital increase carried out on 26 July 2017.

It should be noted that at the registration date of this Registration Document, the Company has not instituted any mechanism to encourage the participation of employees in the Company's share capital either directly or through collective bodies (company savings plans (PEE) or company mutual funds (FCPE)) and has not acquired shares with a view to allocating them to the Group's employees. The free shares plans in effect within the Company are described in Section VIII.3(b)(ii) (Free shares plans).

Shareholders of the Company as at 31 December 2016

The following table shows a detailed breakdown of its shareholder structure as at 31 December 2016:

Shareholders	Number of shares	% of capital and voting rights
Tikehau Capital Advisors	18,538,355	34.2%
Fakarava Capital ¹	6,756,610	12.5%
MACSF épargne retraite	6,152,143	11.4%
Suravenir	4,285,715	7.9%
Crédit Mutuel Arkéa	2,972,380	5.5%
Total – Shareholders holding more than 5%	38,705,203	71.4%
CARAC	2,485,005	4.6%
Esta Investments (Temasek group)	2,142,858	4.0%
FFP Invest (Groupe FFP)	2,142,858	4.0%
Amundi Ventures	1,887,380	3.5%
Neuflize Vie	1,229,330	2.3%
Others	8,067,193	10.3%
Total – Shareholders holding less than 5%	15,469,619	28.6%
TOTAL	54,174,822	100%

¹ Company held jointly in the amount of 62.5% by Tikehau Capital Advisors and Group management.

Shareholders of the Company as at 31 December 2015

The following table shows a detailed breakdown of its shareholder structure as at 31 December 2015:

Shareholders	Number of shares	% of capital and voting rights
Tikehau Capital Advisors	6,088,821	28.1%
Fakarava Capital ¹	4,613,323	21.3%
MACSF épargne retraite	3,295,000	15.2%
CARAC	1,770,718	8.2%
Crédit Mutuel Arkéa	1,085,000	5.0%
Total – Shareholders holding more than 5%	16,852,862	77.7%
Koramic Finance Company	392,112	1.8%
Chestone Participations	377,322	1.7%
Others	4,067,542	18.8%
Total – Shareholders holding less than 5%	4,836,976	22.3%
TOTAL	21,689,838	100%

¹ Company held jointly in the amount of 56.3% by Tikehau Capital Advisors and Group management.



(b) Control of the Group

Control

At the date of this Registration Document, Tikehau Capital Advisors holds 29.8% of the Company's capital and voting rights and 100% of the capital and voting rights of Tikehau Capital General Partner, the Manager-General Partner of the Company (See the organisational chart in Section I.1(a) (Profile of Tikehau Capital) of this Registration Document).

Tikehau Capital Advisors' shareholders' equity is split between the managers and founders of Tikehau Capital, who together hold 75.9% of the shareholders' equity and voting rights of Tikehau Capital Advisors, and a group of institutional shareholders: Crédit Mutuel Arkéa, FFP, MACSF and Temasek, which share the balance of 24.1% in more or less equal proportions.

Tikehau Capital Advisors acts in consortium with Fakarava Capital, MACSF Epargne Retraite, Crédit Mutuel Arkéa and Neufilze Vie under the terms of a shareholders' agreement entered into on 23 January 2017 for a period of five years. The agreement provides that the parties shall consult with one another prior to any Meeting of the Company's Supervisory Board or General Meeting of Shareholders for the purpose of agreeing on a common general policy for the Company. This agreement lays down that the parties shall ensure that a member of the Supervisory Board is appointed on the basis of a proposal from each party to the agreement holding at least 5% of the Company's share capital. This agreement also provides the conditions under which the parties acting in concert may request the appointment of a representative to the Supervisory Board. Lastly, this agreement provides that each party owning more than 3% of the Company's shareholders' equity (on a fully diluted basis) and who wishes to sell all or part of its shares in the Company must grant pre-emptive rights to the other agreement parties allowing them to acquire the offered shares at the sale price set by the seller.

Furthermore, the Company has the legal form of a *société en commandite par actions* (partnership limited by shares) governed by Articles L.226-1 *et seq.* of the French Commercial Code, with Tikehau Capital General Partner serving as Manager and general partner. Under Article 11 of the Articles of Association of Tikehau Capital General Partner, prior to approving certain key decisions regarding Tikehau Capital, on behalf of and for the account of, Tikehau Capital General Partner in its capacity as general partner and/or Manager of Tikehau Capital, the Chairman and Chief Executive Officer of Tikehau Capital General Partner must obtain the prior consent of Tikehau Capital Advisors. Such decisions are as follows: (i) the appointment (including term of office or remuneration) or removal from office of any Manager of Tikehau Capital; (ii) the resignation of Tikehau Capital General Partner as Manager of Tikehau Capital; (iii) the transfer of the partnership interests of Tikehau Capital; and (iv) any amendment to the Articles of Association of Tikehau Capital.

Preventing abusive control

Because of the Company's legal form and provisions in its Articles of Association, the Company Manager enjoys very broad powers in managing the Company's business. To prevent abusive control over the Company, the Company has established governance providing in particular for at least one

third of members of the Supervisory Board and specialised Committees to be independent (see Section IV.1 (Executive and management bodies) of this Registration Document), as well as for the implementing of internal audit procedures and procedures for managing conflicts of interest within the Group (see Section III.3 (Risk management and internal control system) of this Registration Document). However, the governance structure and the legal provisions applicable to partnerships limited by shares do not offer Company shareholders rights and powers that are equivalent to those that might be guaranteed to them in a joint-stock company or a *Societas Europaea*. In particular, it is hereby stipulated that while the Supervisory Board ensures that the Company is being managed properly, it may under no circumstances issue binding orders to the Manager or dismiss him. (See Section III.1(e) (Risks incurred by the legal form, the Articles of Association and the organisational structure of Tikehau Capital) in this Registration Document.)

(c) Factors that could to have an impact in the event of a tender offer

The Company is a partnership limited by shares, with the special characteristics of this legal form, including being subject to legal provisions and clauses in the Articles of Association that could be relevant in the event of a tender offer. (See Sections III.1(e) (Risks related to the legal form, Articles of Association and organisation of Tikehau Capital) and VIII.2(d) (General partners (Articles 9 and 11.2 of the Articles of Association)) of this Registration Document.)

The current composition of the Company's equity (see Section VIII.4(a) (Shareholders of the Company over three the last three years) and (b) (Control of the Group) of this Registration Document) is also likely to have an impact in the event of a tender offer. Tikehau Capital Advisors holds 29.8% of the Company's capital and voting rights and 100% of the capital and voting rights of Tikehau Capital General Partner, the Manager-General Partner of the Company as at the date of this Registration Document. Tikehau Capital Advisors acts in concert with Fakarava Capital, MACSF Epargne Retraite, Crédit Mutuel Arkéa and Neufilze Vie under the terms of a shareholders' agreement entered into on 23 January 2017. As at 31 January 2018, the parties to this shareholders' agreement collectively hold 56.1% of the Company's capital and voting rights.

Double voting rights as provided in Article L.225-123 paragraph 3 of the French Commercial Code (in its version resulting from the Florange Law No. 2014-284 of 29 March 2014) have been expressly excluded in Article 7.5 of the Company's Articles of Association.

With regard to the delegations in force at the date of this Registration Document and those proposed to the Shareholders' Meeting of 25 May 2018, the Managers may not, without the prior authorisation of the General Shareholders' Meeting, make use of the financial delegations and the delegation relating to the implementation of the Company's share buyback program from the time when a tender offer is launched by a third party for the Company's securities until the offer period has ended.

The Syndicated Credit Agreement entered into by Tikehau Capital in November 2017 and the bond issue agreement executed by the Company in November 2017 contain the change of control clauses usual for these types of financing. The Syndicated Credit Agreement provides for

the option for each lender not to finance its participation of any possible drawdown and to terminate its commitment in the event of a change of control of the Company. The bond issue agreement provides that any bondholder may obtain early redemption or repurchase of all or part of the bonds he owns at a price equal to the par value of the bonds (or, where applicable, the redemption price) plus accrued interest. (See Section II.3(d) (Liquidity and Capital Resources) of this Registration Document.)

(d) Shares held by corporate officers

Article 3 of the Supervisory Board's internal rules requires that members of the Supervisory Board own at least 200 shares throughout their term on the Board. The following table shows the number of Company shares held by each member of the Supervisory Board on as at the registration date of this Registration Document:

	Number of shares held
Christian de Labriffe (Chairman)	586
Roger Caniard	200
Jean-Louis Charon	60,000
Jean Charest	4,760
Jean-Pierre Denis	200
Fonds Stratégique de Participations	8,886,502
Anne-Laure Naveos	200
Fanny Picard	25,866
Constance de Poncins	272
Troismer	55,000
Natacha Valla	200

As at the registration date of this Registration Document, neither the Manager of the Company nor the corporate officers of the Manager holds any Company securities.

Other information concerning the shareholding of the Company can be found in Sections IV.1(a) (The Managers), IV.4(a)(i)

(Composition of the Supervisory Board), VIII.3(a) (Historical information about of the share capital over the last three financial years) and VIII.4(b) (Control of the Group) of this Registration Document.



IX . ANNUAL GENERAL SHAREHOLDERS' MEETING

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1. AGENDA

The Annual General Shareholders' Meeting of the Company will be convened for 25 May 2018 at 3pm at the Centre de Conférences Capital 8, 32 rue de Monceau, 75008 Paris, France, to decide on the following agenda:

- 1) Approval of the annual financial statements for the financial year ended 31 December 2017.
- 2) Approval of the consolidated financial statements for the financial year ended 31 December 2017.
- 3) Allocation of the income for the financial year ended on 31 December 2017.
- 4) Review and authorisation of agreements governed by Article L.226-10 of the French Commercial Code.
- 5) Attendance fees allocated to the Supervisory Board of the Company.
- 6) Authorisations to be given to the Managers to make transactions in the Company's shares.
- 7) Delegation of authority to be given to the Managers to decide on an increase of the equity of the Company or of another company by the issue of shares and/or securities giving immediate or future access to equity, with preferential subscription rights.
- 8) Delegation of authority to be given to the Managers to decide on an increase of the capital of the Company or of another company by public offering through the issue of shares and/or securities giving immediate or future access to equity, without preferential subscription rights.
- 9) Delegation of authority to be given to the Managers to decide on an increase of the capital of the Company or of another company through the issue of shares and/or securities giving immediate or future access to equity, without preferential subscription rights, by private placement as provided in Article L.411-2 paragraph II of the French Monetary and Financial Code.
- 10) Authorisation to be given to the Managers to issue shares and/or securities giving immediate or future access to shares to be issued by the Company in remuneration for in-kind contributions consisting of equity securities or securities giving access to equity.
- 11) Determination of the issue price, up to a limit of 10% of the capital per year, in an increase of the Company's share capital the issue of equity securities without preferential subscription rights.
- 12) Delegation of authority to be given to the Managers for the purpose of deciding on an increase of the Company's share capital by incorporation of premiums, reserves, profits or any other sums.
- 13) Delegation of authority to be given to the Managers to increase the number of securities to be issued in the event of a capital increase with or without preferential subscription rights.
- 14) Delegation of authority to the Managers to decide on an increase of the Company's capital by the issue of shares and/or securities giving immediate or future access to equity, without preferential subscription rights, reserved for members of savings plans.
- 15) Delegation of authority to be given to the Managers to grant stock options to the Group's salaried employees and corporate officers, or to some of them.
- 16) Delegation of authority to be given to the Managers to grant free shares, existing or to be issued, to the Group's salaried employees and corporate officers, or to some of them.
- 17) Authorisation to be given to the Managers for the purpose of reducing the share capital by cancellation of treasury shares.
- 18) Powers to perform legal formalities.

The agenda and draft resolutions are also available in the meeting notice which was published in the *Bulletin des Annonces Légales Obligatoires* (legal notices bulletin) number 45 on 13 April 2018.

2. MANAGER'S REPORT

Dear Shareholders,

In accordance with the legal and statutory provisions in force, this report has been drawn up by your Manager, Tikehau Capital General Partner, in order to submit for your approval draft resolutions on the following agenda:

- **First resolution** – Approval of the annual financial statements for the financial year ended 31 December 2017.
- **Second resolution** – Approval of the consolidated financial statements for the financial year ended 31 December 2017.
- **Third resolution** – Allocation of income for the year ended 31 December 2017.
- **Fourth resolution** – Review and authorisation of agreements governed by Article L.226-10 of the French Commercial Code.
- **Fifth resolution** – Attendance fees allocated to the Supervisory Board of the Company.
- **Sixth resolution** – Authorisations to be given to the Managers to make transactions in the Company's shares.
- **Seventh resolution** – Delegation of authority to be given to the Managers to decide on an increase of the capital of the Company or of another company by the issue of shares and/or securities giving immediate or future access to equity, with preferential subscription rights.
- **Eighth resolution** – Delegation of authority to be given to the Managers to decide on an increase of the capital of the Company or of another company by public offering through the issue of shares and/or securities giving immediate or future access to equity, without preferential subscription rights.
- **Ninth resolution** – Delegation of authority to be given to the Managers to decide on an increase of the capital of the Company or of another company through the issue of shares and/or securities giving immediate or future access to equity, without preferential subscription rights, by private placement as provided in Article L.411-2 paragraph II of the French Monetary and Financial Code.
- **Tenth resolution** – Authorisation to be given to the Managers to issue shares and/or securities giving immediate or future access to shares to be issued by the Company in remuneration for in-kind contributions consisting of equity securities or securities giving access to equity.
- **Eleventh resolution** – Determination of the issue price, up to a limit of 10% of the capital per year, in a increase of the Company's share capital through the issuance of equity securities without preferential subscription rights.

• **Twelfth resolution** – Delegation of authority to be given to the Managers for the purpose of deciding on an increase of the Company's share capital by incorporation of premiums, reserves, profits or any other sums.

• **Thirteenth resolution** – Delegation of authority to be given to the Managers to increase the number of securities to be issued in the event of a capital increase with or without preferential subscription rights.

• **Fourteenth resolution** – Delegation of authority to the Managers to decide on an increase of the Company's capital by the issue of shares and/or securities giving immediate or future access to equity, without preferential subscription rights, reserved for members of savings plans.

• **Fifteenth resolution** – Delegation of authority to be given to the Managers to grant stock options to the Group's salaried employees and corporate officers, or to some of them.

• **Sixteenth resolution** – Delegation of authority to be given to the Managers to grant free shares, existing or to be issued, to the Group's salaried employees and corporate officers, or to some of them.

• **Seventeenth resolution** – Authorisation to be given to the Managers for the purpose of reducing the share capital by cancellation of treasury shares.

• **Eighteenth resolution** – Powers to perform legal formalities.

The resolutions proposed to you in this Manager's report are intended primarily to give your Company the financial means to develop and carry out its strategy, so as to allow all the Company's stakeholders a share in its success, particularly its shareholders and employees. These draft resolutions are presented briefly below, and further detailed in a subsequent summary table, which we would ask you to review and which forms an integral part of this report.

The purpose of this report is to present the draft resolutions submitted by your Managers to your meeting. It consists of this introduction, an explanatory memorandum, a table summarising the financial resolutions, as well as a glossary, and it is intended to present to you the important points of the draft resolutions, in accordance with the regulations in force as well as the best governance practices recommended in the Paris financial market. Consequently, it does not seek to be exhaustive; it is therefore essential that you read the text of the draft resolutions carefully before exercising your right to vote.

I. Approval of the 2017 financial statements (1st and 2nd resolutions)

The first item on the agenda is the approval of the annual financial statements for Tikehau Capital (1st resolution). Tikehau Capital's financial statements for the year ended 31 December 2017, as approved by the Managers, show a profit of €271,894,539.09 compared with a loss of €56,601,842 for the previous year.

Detailed comments on these annual financial statements can be found in Section II.4 of the Registration Document.

The purpose of the 2nd resolution is to approve the consolidated financial statements of Tikehau Capital. Tikehau Capital's consolidated financial statements for the year ended 31 December 2017, as approved by the Managers, show a profit of €315,997,000 compared with a profit of €72,496,000 for the previous year.

Detailed comments on these consolidated financial statements can be found in Section II.3 of the Registration Document.

II. Allocation of income (3rd resolution)

Under the 3rd resolution, the Meeting is called on to note that the accounting net result for the financial year amounts to a profit of €271,894,539.09 for the year ended 31 December 2017.

It should be remembered that Tikehau Capital General Partner, as general partner and in accordance with Article 14.1 of the Articles of Association, is entitled, as a preferred dividend and should there be distributable income, to a remuneration equal to 12.5% of the Company's net result as shown in the financial statements at the end of the financial year. The Shareholders' Meeting is called on to note that, in application of the Articles of Association, the preferred dividend due to the general partner for the financial year ended 31 December 2017 is €33,986,817.36.

The Manager, in agreement with the Supervisory Board, proposes to allocate the result for the year as follows, including a proposal to pay a dividend of €1 per share:

ACCOUNTING NET RESULT FOR 2017		€271,894,539.09
Retained earnings from prior years	(+)	€(20,051,306.30)
Allocation to the legal reserve	(-)	€12,592,161.64
Distributable result	(=)	€239,251,071.15
<i>Distributions</i>		
Preferred dividend of the general partner	(-)	€33,986,817.36
Ordinary cash dividend of €1.00 per share ¹	(-)	€103,146,248.00
<i>Allocation to retained earnings account</i>		
Remaining balance in retained earnings	(=)	€102,118,005.76

¹ The total amount of the dividend is calculated on the basis of the theoretical number of shares giving entitlement to a dividend on 4 January 2018 and may vary according to the number of shares actually giving such entitlement on the ex-dividend date, depending in particular on the number of treasury shares held on that date.

Below you are reminded of the amount of dividends paid out for the previous three years:

Financial year	2014	2015	2016
Dividend per share paid out	€0.60	€0.70	€0

For individuals resident for tax purposes in France it is specified that these dividends were eligible for the 40% deduction provided for in Article 158-3-2 of the French General Tax Code.

Incidentally, Tikehau Capital General Partner, as sole Manager, is entitled under Article 8.3 of the Articles of Association to remuneration excluding taxes equal to 2% of

the total consolidated shareholders' equity of the Company, as determined on the last day of the preceding financial year.

The Meeting is called upon to note that, pursuant to the Articles of Association, the remuneration received by the Managers for the financial year ended 31 December 2017 amounts to €22,647,068 (excluding taxes).

III. Review and authorisation of agreements governed by Article L.226-10 of the French Commercial Code (4th resolution)

After apprising yourselves of this Manager's report and the special report of the Statutory Auditors on the agreements referred to in Article L.226-10 of the French Commercial Code (contained in Section IV.5(c) (Special report of the Statutory Auditors on regulated agreements and commitments) of this Registration Document), you will be asked to approve the conclusions of these reports.

IV. Attendance fees allocated to the Supervisory Board of the Company (5th resolution)

After reading this Manager's report and the report of the Supervisory Board, you will be asked to decide whether to increase the amount of attendance fees allocated to the Company's Supervisory Board from €300,000 to €400,000 per year until such time as a new decision is adopted in order to have the necessary leeway in the event of the appointment of additional members of the Supervisory Board or the need for additional meetings of the Board or of one of the Committees.

The distribution of attendance fees among the members of the Supervisory Board was determined by the Supervisory Board, based on the recommendations of the Appointment and Remuneration Committee, at its meeting on 29 March 2018.

V. Financial delegations (6th and 7th to 17th resolutions)

Share buyback and cancellation program

We first propose to authorise your Managers to repurchase shares in your Company (6th resolution) for the reasons and under the terms presented in the summary table below. The 17th resolution is intended to allow the cancellation of treasury shares held by your Company, mainly as a result of such buybacks.

Other financial authorisations

The 7th to 16th resolutions are all intended to entrust the financial management of your Company to your Managers, in particular by authorising it to increase its capital, according to various methods and for various reasons set out in the summary table below. Each resolution relates to a specific objective for which your Managers would be authorised to increase capital, with the exception of the 7th and 8th resolutions, which grant it a general authority to respectively maintain or remove preferential subscription rights. The purpose of these financial authorisations is

to give your Managers flexibility in the choice of potential issues and, when the time comes, to adapt the nature of the financial instruments to be issued according to the situation and possibilities in the French or international financial markets.

These resolutions can be divided into two broad categories: those giving rise to capital increases with preferential subscription rights and those giving rise to capital increases without preferential subscription rights.

Any capital increase in cash gives shareholders a "preferential subscription right", which is detachable and tradable during the subscription period: each shareholder has the right, for a period of at least five trading days from the opening of the subscription period, to subscribe for a number of new shares in proportion to his or her holding in the capital.

Your Managers must ask you, in the case of some of these resolutions, to consent to the cancellation of this preferential subscription right. Indeed, depending on market conditions, the nature of the investors concerned in the issue and the type of securities issued, it may be preferable, even necessary, to cancel preferential subscription rights, to achieve a securities investment under the best conditions, especially when the speed of the transactions is an essential condition for their success, or when the issues are made in foreign financial markets. The cancellation of these rights may result in a larger capital pool due to more favourable issue conditions. Finally, the law sometimes provides for this cancellation: in particular, the vote for the delegations allowing your Managers to grant stock options (15th resolution), or free or performance shares (16th resolution) would, by law, entail express waiver of the shareholders' preferential subscription rights in favour of the beneficiaries of such issues or allocations.

Each of these authorisations would only be given for a limited time. Furthermore, your Managers may exercise this option to increase capital only within strictly determined limits beyond which your Managers may no longer increase the capital without convening a new General Shareholders' Meeting. These caps are shown in the table below.

Moreover, the 6th, 7th to 10th and 12th to 13th resolutions may not be used by your Managers after the time when a third party has launched a tender offer for the securities of your Company, until the end of the offer period (unless with prior authorisation by the General Shareholders' Meeting).

If the Managers were to avail themselves of a delegation of authority granted by your Shareholders' Meeting, at the time of its decision, where applicable and in accordance with the law and regulations, it would prepare a supplementary report describing the final terms and conditions of the transaction and indicate its impact on the situation of holders of equity securities or securities giving access to equity, in particular with regard to their proportion of shareholders' equity. This report and, if applicable, the report of the Statutory Auditors, would be made available to the holders of equity securities or securities giving access to equity, and then brought to their attention at the next General Shareholders' Meeting.

A glossary is provided at the end of this table: the abbreviations appearing there are marked with an asterisk.

No.	Purpose	Duration	Reason for possible uses of delegations or authorisations
6	Authorisation to deal in the Company shares	18 months	<p>Possible objectives of share buyback by your Company:</p> <ul style="list-style-type: none"> • Implementation of Company stock option or similar plans. • Allocation or transfer of shares to employees. • Allocation of free shares to employees or corporate officers. • Delivery of shares upon exercise of rights attached to securities giving access to equity* (including in the context of stock option programmes or other share allocations to employees or corporate officers). • Cancellation of all or part of the repurchased shares. • Stimulation of the secondary market in, or liquidity of, the Company's shares through a provider of investment services, in the context of a liquidity contract in compliance with the professional rules approved by the AMF. • Delivery in acquisition transactions.
7	Increase of the share capital of the Company or of another company by issuing shares and/or securities giving access to equity* with PSR*	26 months	Possible use by your Managers to decide on these issues, on one or more occasions.
8	Increase of the share capital of the Company or of another company by issuing shares and/or securities giving access to equity* without PSR* by public offer	26 months	<ul style="list-style-type: none"> • Possible use by your Managers to decide on and carry out issues without PSR* for shareholders, in France or abroad, by public offer. • Possible use to issue shares or securities giving access to equity* in remuneration of securities meeting the criteria laid down in Article L.225-148 of the French Commercial Code as part of a public exchange offer initiated by your Company in France or abroad according to local rules, in which case your Managers would be free to set the exchange ratio, as the price rules described below do not apply.

Specific cap	Price or methods for determining price	Other information and comments
<ul style="list-style-type: none"> • Shares may be purchased in numbers such that, on the date of each purchase, the total number of shares purchased by the Company since the beginning of the buyback programme does not exceed 10% of the shares making up the share capital at that date (taking into account transactions affecting it subsequently) • For acquisition transactions, a cap of 5% of the capital • For liquidity contracts, the cap of 10% is calculated net of the number of shares sold during the term of the authorisation • The number of shares held by the Company may not exceed, at any time, 10% of the shares comprising the share capital • Overall amount allocated to the buyback program: €300,000,000 	<p>Maximum purchase price per share: €40.</p>	<p>Delegation may not be used during tender offer period</p>
<ul style="list-style-type: none"> • €1,500,000,000 • Total Cap* • Caps contemplated excluding any additional amount that may be issued to preserve the rights of holders of securities giving access to equity* or other rights giving access to equity • Issuance of debt securities capped at €2,500,000,000 	<p>Price fixed by your Managers.</p>	<ul style="list-style-type: none"> • Possibility of establishing a reducible subscription right* • Possibility of authorising the issue of securities giving access to the equity of Subsidiaries* of your Company and of the company of which your Company is a Subsidiary* • Delegation may not be used during tender offer period
<ul style="list-style-type: none"> • €600,000,000 • Cap included in the Total Cap*. • Caps contemplated excluding any additional amount that may be issued to preserve the rights of holders of securities giving access to equity* or other rights giving access to equity • Issuance of debt securities capped at €1,750,000,000 	<p><u>Shares:</u> Price fixed by your Managers at least equal to minimum regulatory price per share on issue date. Exception: your Managers may issue shares at a price different from the minimum regulatory price per share, up to a limit of 10% of the share capital per year and in the following ways: the issue price of the shares will be at least equal to the weighted average share price of the Company's shares on the Euronext Paris market during the last 20 trading days preceding its determination, or if it is lower, at the last closing price before price fixing minus a maximum discount of 5%.</p> <p><u>Securities giving immediate or future access to equity*:</u> Price fixed by your Managers so that, for any share issued as securities giving access to equity*, the total of what the Company has collected in respect of these securities giving access to equity* is at least equal to the minimum regulatory price per share (as it was on the day of the issue of the securities giving access to equity*).</p>	<p>Currently, the minimum regulatory price is equal to the weighted average of the last three trading days on the regulated Euronext Paris market preceding the determination of the subscription price for the capital increase, minus 5% (after, if applicable, correction of this average to take into account the difference between the effective dates).</p> <p>Possibility of authorising the issue of shares or securities giving access to equity* to be issued following the issue of securities giving access to the equity of your Company by Subsidiaries* of your Company.</p> <p>Possibility of authorising the issue of securities giving access to the equity of Subsidiaries* of your Company and of the company of which your Company is a Subsidiary*.</p> <p>Possibility of establishing, on the French market and if circumstances permit, a priority subscription right*, if necessary to excess shares*, for which the Managers will set the exercise terms.</p> <p>Delegation may not be used during tender offer period.</p>

No.	Purpose	Duration	Reason for possible uses of delegations or authorisations
9	Increase of the share capital of the Company or of another company through the issuance of shares and/or securities giving access to equity*, without PSR*, by private placement as referred to in Article L.411-2, II of the French Monetary and Financial Code	26 months	Use by your Managers to decide on and carry out issues without PSR* by private placement*.
10	Capital increase through the issuance of shares and/or securities giving access to equity* in remuneration for in-kind contributions consisting of equity securities or securities giving access to equity*	26 months	Possible use to carry out any external growth transactions.
11	Determination of the issue price of the shares in a capital increase without PSR*		Possible use to depart from the rules setting the minimum issue price of capital increases without PSR*.

Specific cap	Price or methods for determining price	Other information and comments
<ul style="list-style-type: none"> • €500,000,000. • Cannot in any case exceed the legally fixed cap for this type of offer (to date, 20% of the capital per year). • Included in the cap of the 8th resolution and in the Total Cap*. • Caps contemplated excluding any additional amount that may be issued to preserve the rights of holders of securities giving access to equity* or other rights giving access to equity. • Issuance of debt securities capped at €1,750,000,000. 	<p>Prices of shares and securities giving access to equity* determined in the same way as for the 8th resolution.</p>	<p>Possibility of authorising the issue of shares or securities giving access to equity* to be issued following the issue of securities giving access to the equity of your Company by Subsidiaries* (cancellation of PSR* then required by law). Delegation may not be used during tender offer period.</p>
<ul style="list-style-type: none"> • €250,000,000 • Cannot in any case exceed the legally fixed cap for this type of offer (at present, 10% of capital) • Included in the cap of the 8th resolution and in the Total Cap* • Caps contemplated excluding any additional amount that may be issued to preserve the rights of holders of securities giving access to equity* or other rights giving access to equity • Issuance of debt securities capped at €900,000,000 	<p>Your Managers will decide on the report of the auditors on contributions especially on the value of contributions.</p>	<p>As provided by law, delegation not applicable to remunerate a contribution as part of a public exchange offer initiated by your Company Delegation may not be used during tender offer period.</p>
<ul style="list-style-type: none"> • 10% of the capital adjusted according to the operations affecting it after the date of this Meeting • Cap included in the Total Cap* • Caps contemplated excluding any additional amount that may be issued to preserve the rights of holders of securities giving access to equity* or other rights giving access to equity. 	<p>The issue price will be set as follows:</p> <ul style="list-style-type: none"> • the issue price of the shares will be at least equal to the weighted average share price of the Company's shares on the Euronext Paris market during the last 20 trading days preceding its determination, or if it is lower, at the last closing price before price fixing minus a maximum discount of 5%; • the issue price of the securities giving immediate or future access to the capital will be such that the sum received immediately by the Company plus, where applicable, the amount that may be collected by the Company at a later date is, for each share issued as a result of the issue of these securities, at least equal to the amount referred to in the above paragraph, after adjustment, if necessary, of this amount to take account of the difference in the effective date. 	

No.	Purpose	Duration	Reason for possible uses of delegations or authorisations
12	Capital increase by incorporation of premiums, reserves, profits or all other sums	26 months	Possible use to capitalise reserves, profits or other, to increase the capital without any "fresh money" being brought in.
13	Increase in the number of securities to be issued in the event of a capital increase with or without PSR*	26 months	Possible use to reopen a capital increase at the same price as the transaction initially planned in the event of oversubscription (so-called "greenshoe" clause).
14	Capital increase through the issue of shares and/or securities giving access to equity without PSR*, reserved for members of savings plans	26 months	<ul style="list-style-type: none"> • Possible use to increase employee share ownership, in France or abroad. • Description of how this delegation will be used: see glossary under definition of Employee Savings Plans*.
15	Granting of stock options to the Group's salaried employees and corporate officers, or to some of them	26 months	Possible use to incentivise beneficiaries of these options in the growth of their enterprise.
16	Allocations of free shares to the Group's salaried employees and corporate officers, or to some of them	26 months	Possible use to establish a procedure for encouraging employee share ownership and/or incentives for corporate officers, in addition to current employee savings and stock options.
17	Reduction of capital by cancellation of treasury shares	26 months	Possible use to reduce the capital of your Company.

Specific cap	Price or methods for determining price	Other information and comments
<ul style="list-style-type: none"> • €1,000,000,000 • Cap included in the Total Cap* • Caps contemplated excluding any additional amount that may be issued to preserve the rights of holders of securities giving access to equity* or other rights giving access to equity 	<p>Determination by your Managers of the amount to be capitalised and the number of new equity securities and/or the new nominal amount of the existing equity securities</p>	<p>Delegation may not be used during tender offer period.</p>
<ul style="list-style-type: none"> • For each issue, cap equal to the limit provided for by the rules applicable on issue date (at present, 15% of initial issue) • Cap included in the cap for the initial issue and in the Total Cap* 	<p>Price identical to that of the initial transaction</p>	<p>Delegation may not be used during tender offer period.</p>
<ul style="list-style-type: none"> • €30,000,000 • Cap included in the Total Cap* • Caps contemplated excluding any additional amount that may be issued to preserve the rights of holders of securities giving access to equity* or other rights giving access to equity • Issuance of debt securities capped at €50,000,000 	<p>Price fixed by your Managers within the limit of a minimum issue price for the shares or securities giving access to equity* of:</p> <ul style="list-style-type: none"> • 80% of the Reference Price*; • 70% of the Reference Price* when the lock-up period established by the plan is greater than or equal to ten years. 	<p>–</p>
<ul style="list-style-type: none"> • 3% of the capital at the date of the decision of your Managers to use this delegation • Cap included in the Total Cap* • Specific limit applicable to executive corporate officers • Caps contemplated excluding any additional amount that may be issued to preserve the rights of holders of securities giving access to equity* or other rights giving access to equity 	<p>Price set by your Managers in accordance with the law applicable on the day the options are granted, within the limit of a minimum issue price equal to:</p> <ul style="list-style-type: none"> • for <u>subscription stock options</u>, at 80% of the Reference Price*; • for <u>purchase stock options</u>, at the higher of the Reference Price* and 80% of the average purchase price of all the treasury shares held by the Company. 	<p>–</p>
<ul style="list-style-type: none"> • 3% of the capital at the date of the decision of your Managers to use this delegation. • Cap included in the Total Cap* • Specific limit of 1% of the free shares allocated during the financial year applicable to executive corporate officers • Caps contemplated excluding any additional amount that may be issued to preserve the rights of holders of securities giving access to equity* or other rights giving access to equity 	<p>–</p>	<p>–</p>
<p>No cancellation of more than 10% of the capital per 24-month period</p>	<p>–</p>	<p>–</p>

Term	Definition/Characteristics
Priority subscription right	In return for cancellation of the PSR*, your Managers may institute a priority subscription right, where applicable for subscription to excess shares*. When provided, this right allows shareholders to subscribe for the proposed issue in proportion to the number of old shares they hold. However, unlike PSR*, this priority subscription right may be exercised during a priority subscription period, currently set at a minimum of three trading days (shorter than the time allowed for the PSR*), and cannot be traded. This priority subscription period cannot be made available for all issues: in the same way as for the PSR*, it may be more appropriate, if not necessary, not to offer this priority subscription period, in order to achieve a securities placement under the best conditions, especially when the speed of transactions is essential to their success, or where the issues are made in foreign financial markets.
PSR	Acronym for "preferential subscription right". For a description of the preferential subscription right and an explanation of the reasons for requests to cancel the preferential subscription right, see above.
Subsidiaries	Companies in which your Company owns, directly or indirectly, more than 50% of the capital.
Total Cap	Overall cap for capital increases under the 7 th , 8 th , 9 th , 10 th , 12 th , 11 th , 13 th , 14 th , 15 th and 16 th resolutions, subject to the adoption of the 7 th resolution in which it is provided, and equal to €1,500,000,000 (nominal amount).
Private placement	The law allows for capital increases without preferential subscription rights, up to a limit of 20% of the share capital per year, by offers intended exclusively for (i) persons providing third-party investment management services, or (ii) qualified investors or a limited circle of investors, provided that these investors act on their own behalf. The aim is to optimise access to capital for the Company and to benefit from the best market conditions, as this financing method is faster and simpler than a capital increase by public offering.
Reference Price	Average of the first quoted prices of the Company's shares on the regulated market of Euronext Paris during the 20 trading days preceding the day of your Managers' decision: in the case of the 14 th delegation, fixing the opening date for subscription by members of the savings plan; in the case of the 15 th delegation, awarding subscription or purchase stock options.
Reductible subscription right	In certain circumstances, your Managers may give shareholders a reductible subscription right. If this right were instituted, in the event that the subscriptions on the basis of an application for exact rights (that is, by exercise of the preferential subscription right) prove insufficient, the unsubscribed shares would be allocated to the shareholders who subscribed for a reductible number of shares greater than those to which they are entitled on a preferential basis, in proportion to the subscription rights they have and in any event within the limits of the number they request.

Term	Definition/Characteristics
Securities giving access to equity	<p>The securities giving immediate or future access to equity that may be issued are:</p> <ul style="list-style-type: none"> • in accordance with the provisions of Article L.228-92 paragraph 1 of the French Commercial Code, securities that are equity securities of the Company giving access to other equity securities (issued or to be issued) or to debt securities, or debt securities giving access to equity securities of the Company. These may include shares with equity warrants or convertible bonds, exchangeable or redeemable for shares to be issued such as "OCEANES" (bonds convertible into shares to be issued or exchangeable into existing shares) or equity warrant bonds; • in accordance with the provisions of Article L.228-93 paragraphs 1 and 3 of the French Commercial Code, securities that are equity securities of the Company giving access to other equity securities (existing or to be issued) or giving entitlement to the allocation of debt securities of the Company which directly or indirectly owns more than half the capital of the Company or of the company of which it directly or indirectly owns more than half the capital. These may also be debt securities giving access to equity securities to be issued of the company which directly or indirectly owns more than half the capital of the Company or of the company of which it directly or indirectly owns more than half the capital; and • in accordance with the provisions of Article L.228-94 paragraph 2 of the French Commercial Code, securities that are equity securities of the Company giving access to other existing equity securities or giving the right to the allocation of debt securities of another company whose Company does not directly or indirectly own more than half the capital or of which more than half the capital is not directly or indirectly owned by this other company. <p>Securities taking the form of debt securities (for example, convertible bonds or bonds redeemable for shares to be issued, or equity warrant bonds) may give access, either at any time, or for specified periods of time, or on fixed dates, to the allocation of new shares. This allocation could be made by conversion (for example bonds convertible into new shares), redemption (for example bonds redeemable for new shares) or presentation of a bond (for example equity warrant bonds) or in any other way, during the term of the loans.</p>

VI. Powers to perform legal formalities (18th resolution)

Finally, we ask you to give full powers to the holder of an original copy, a copy or an excerpt of the minutes of this Combined General Shareholders' Meeting to perform any formalities of filing, announcements, and any others as may be appropriate.

We hope that these proposals will meet with your approval, and that you will adopt the resolutions accordingly.

TIKEHAU CAPITAL GENERAL PARTNER, Manager

3. DRAFT RESOLUTIONS

Ordinary resolutions

First resolution – *(Approval of the annual financial statements for the financial year ended 31 December 2017)*

The General Shareholders' Meeting, acting under the quorum and majority requirements for Ordinary General Meetings, having reviewed the Manager's report as well as the report of the Supervisory Board and the Statutory Auditors' report on the annual financial statements, approves the annual financial statements of the Company for the year ended 31 December 2017 as they have been presented as well as the transactions reflected in these statements or summarised in these reports.

Accordingly, the General Shareholders' Meeting approves the results of the financial year ended on 31 December 2017 showing a net result of €271,894,539.09.

Second resolution – *(Approval of the consolidated financial statements for the financial year ended 31 December 2017)*

The General Shareholders' Meeting, acting under the quorum and majority requirements for Ordinary General Meetings, having reviewed the Manager's report as well as the report of the Supervisory Board and the Statutory Auditors' report on the consolidated financial statements, approves the consolidated financial statements of the

Company for the year ended 31 December 2017 as they have been presented as well as the transactions reflected in these statements or summarised in these reports.

Third resolution – *(Allocation of income for the year ended 31 December 2017)*

The General Shareholders' Meeting, acting under the quorum and majority requirements for Ordinary General Meetings, having reviewed the Manager's report as well as the report of the Supervisory Board and the report of the Statutory Auditors on the annual financial statements:

- 1) notes that the net book result for the year amounts to a net result of €271,894,539.09 for the year ended 31 December 2017;
- 2) notes that, pursuant to the Articles of Association, the remuneration received by the Manager for the financial year ended 31 December 2017 amounts to €22,647,068 (excluding taxes);
- 3) notes that, in application of the Articles of Association, the preferred dividend due to the general partner for the financial year ended 31 December 2017 is €33,986,817.36;
- 4) resolves, in accordance with the proposal of the Manager, and in agreement with the Supervisory Board, to allocate the result of the financial year as follows:

ACCOUNTING NET RESULT FOR 2017		€271,894,539.09
Retained earnings from prior years	(+)	€(20,051,306.30)
Allocation to the legal reserve	(-)	€12,592,161.64
Distributable result	(=)	€239,251,071.15
Distributions		
Preferred dividend of the general partner	(-)	€33,986,817.36
Ordinary cash dividend of €1.00 per share ¹	(-)	€103,146,248.00
Allocation to retained earnings account		
Remaining balance in retained earnings	(=)	€102,118,005.76

¹ The total amount of the dividend is calculated on the basis of the theoretical number of shares giving entitlement to a dividend on 4 January 2018 and may vary according to the number of shares actually giving such entitlement on the ex-dividend date, depending in particular on the number of treasury shares held on that date.

Pursuant to Article 243 *bis* of the French General Tax Code, a summary is shown below of the amount of dividends paid in respect of the previous three years:

Financial year	2014	2015	2016
Dividend per share paid out	€0.60	€0.70	€0

For individuals resident for tax purposes in France, it is specified that these dividends were eligible for the 40% deduction provided for in Article 158-3-2 of the French General Tax Code.

Fourth resolution – *(Review and authorisation of agreements governed by Article L.226-10 of the French Commercial Code)*

The General Shareholders' Meeting, acting under the quorum and majority requirements for Ordinary General Meetings, having reviewed the special report of the Statutory Auditors on the agreements referred to in Article L.226-10 of the French Commercial Code, approves this report and all the agreements detailed therein.

Fifth resolution – *(Attendance fees allocated to the Supervisory Board of the Company)*

The General Shareholders' Meeting, acting under the quorum and majority requirements for Ordinary General Meetings, having reviewed the Manager's report and the report of the Supervisory Board,

decides to allocate attendance fees to the Supervisory Board of the Company for an total amount of four hundred thousand euros (€400,000) per year until such time as a new decision is adopted.

The distribution of attendance fees among the members of the Supervisory Board will be determined by the Supervisory Board.

Sixth resolution – *(Authorisation to be given to the Managers to make transactions in the Company's shares)*

The General Meeting, acting under the quorum and majority requirements for Ordinary General Meetings, having reviewed the Manager's report and the report of the Supervisory Board, authorises the Managers, in accordance with the provisions of Articles L.225-209 *et seq.* of the French Commercial Code, to buy Company shares or have them bought, particularly with a view:

- to implementing any Company stock-option plan under the provisions of Articles L.225-177 *et seq.* of the French Commercial Code or any similar plan; or
- to awarding or transferring shares to the employees to compensate them for their participation in the Company's expansion or for the implementation of any company or group savings plan (or similar) under conditions provided by law, particularly Articles L.3332-1 *et seq.* of the French Labour Code; or
- to awarding free shares under the provisions of Articles L.225-197-1 *et seq.* of the French Commercial Code; or
- generally speaking, to honouring obligations arising from stock-option program or other share allocations to employees or corporate officers of the issuer or an affiliated company; or
- the delivery of shares upon the exercise of rights attached to securities giving access to equity through redemption, conversion, exchange, presentation of a warrant or in any other manner; or
- to cancelling all or part of shares thus repurchased; or
- the stimulation of the secondary market in, or liquidity of, the Company's shares through a provider of investment services, in the context of a liquidity contract in compliance with the professional rules approved by the AMF.

The Company may also use this authorisation for the purpose of holding or subsequently delivering shares in exchange or as payment in connection with any acquisition, merger, spin-off or contribution transactions.

This program is also intend at to allow the implementation of any market practice that might be authorised by the Autorité des marchés financiers and, more generally, the undertaking of any transaction in accordance with current regulations. In this event, the Company will inform its shareholders accordingly in a written statement.

Company shares may be repurchased in a number such that, on the date of each purchase, the total number of shares repurchased by the Company since the start of the buyback program (including those that are subject to said programme) shall not exceed 10% of the Company's share capital on this date (including transactions affecting it after the General Shareholders' Meeting) (*i.e.*, as an indication, as at 31 January 2018, a redemption limit of 10,314,624 shares), it being stipulated that (i) the number of shares acquired for their retention and their subsequent delivery as part of a corporate acquisition, merger, spin-off or contribution transaction cannot exceed 5% of its share capital, (ii) when the shares are repurchased to promote liquidity under the conditions defined by the AMF General Regulation, the number of shares used in calculating the aforementioned 10% limit is equal to the number of shares purchased, minus the number of shares sold during the period authorised, and (iii) the number of shares that the Company will hold at any time whatsoever does not exceed 10% of the shares making up the share capital of the Company.

Shares may be acquired, divested or transferred at any time within the limits authorised by current legal and regulatory provisions except during tender offer period, and through any means, including on the regulated markets, multilateral trading facilities, with systematic internalisers or over the counter, including through off-market acquisitions or divestments, through a public offer of purchase or exchange, or through the use of options or other forward financial instruments traded on regulated markets, multilateral trading facilities, with systematic internalisers or over the counter, or when handing over shares after the issue of securities giving access to the Company's equity through conversion, exchange, redemption or exercise of a warrant, either directly or indirectly through an investment services provider or in any other manner (without limiting the portion of the buyback programme that may be undertaken by any one of these means).

The maximum share purchase price under this resolution will be forty euros (€40) (or the equivalent of this amount on the same date in any other currency). In the event of a change in the share's par value, a capital increase through the incorporation of reserves, the award of free shares, the splitting or reverse-splitting of shares, the distribution of reserves or any other assets, redemption of capital, or any other operation involving the share capital or shareholders' equity, the General Shareholders' Meeting grants the Managers the power to adjust the aforementioned maximum purchase price to reflect the impact such operations on the share's value. The total amount allocated to the above-mentioned share buyback program may not exceed three hundred million euros (€300,000,000).

The General Shareholders' Meeting grants the Managers, with the power of sub-delegation under the conditions provided by law, broad powers to decide and implement this authorisation, to specify, if necessary, its terms, and the procedures for carrying out share buyback program and, in particular, to place any market order, enter into any agreement, allocate or reallocate the acquired shares to purposes allowed under applicable law and regulations, set the procedures for ensuring, where applicable, the rights of holders of securities giving access to share capital or other rights giving access to equity in accordance with legal and regulatory provisions and, where applicable, enforce contractual clauses providing for other cases of adjustment, to make any disclosures to the Autorité des marchés financiers or any other competent authority and any other formalities and, generally speaking, to undertake any necessary actions.

This authorisation is given for a period of eighteen months from today's date.

As from today it supersedes, if applicable, the unused portion of the authorisation for the same purpose granted by the General Shareholders' Meeting of 21 December 2016 in its 38th resolution.

Extraordinary resolutions

Seventh resolution – *(Delegation of authority to be given to the Managers to decide on an increase of the capital of the Company or of another company by the issue of shares and/or securities giving immediate or future access to equity, with preferential subscription rights)*

The General Shareholders' Meeting, acting under the quorum and majority requirements for Extraordinary Meetings, having reviewed the Manager's report, the report of the Supervisory Board, and the special report of the Statutory Auditors, and in accordance with the provisions of Articles L.225-129 *et seq.* of the French Commercial Code, in particular Articles L.225-129, L.225-129-2, L.225-132 to L.225-134 and L.228-91 *et seq.* of the French Commercial Code:

1) delegates its authority to the Managers to decide on an increase of the share capital with preferential subscription rights, on one or more occasions, in France or abroad, in the proportion and at the times that it may determine, either in euros, or in any other currency or monetary unit established by reference to several currencies, with or without premium, whether in return for payment or free of charge, through the issue of (i) shares in the Company (excluding preference shares) and/or (ii) securities governed by Articles L.228-92 paragraph 1, L.228-93 paragraphs 1 and 3 or L.228-94 paragraph 2 of the French Commercial Code giving access, immediate or future, at any time or on a fixed date, by subscription, conversion, exchange, redemption, presentation of a warrant or in any other manner, to the capital of the Company or other companies (including the company that directly or indirectly owns more than half the share capital of the Company and those of which the Company directly or indirectly owns more than half the share capital), it being specified that the shares

may be released either in cash or by offsetting debts or by incorporating reserves, profits or premiums;

2) resolves to set as follows the maximum amounts authorised for capital increases in the event of Managers' use of this delegation of authority:

- the maximum nominal amount of capital increases that may be carried out under to this delegation is set at one billion five hundred million euros (€1,500,000,000) or the equivalent in any other currency or monetary unit established by reference to several currencies, it being specified that the maximum total nominal amount of the capital increases that may be carried out pursuant to this delegation and those conferred by virtue of the 8th, 9th, 10th, 12th, 13th, 14th, 15th and 16th resolutions of this General Shareholders' Meeting is set at one billion five hundred million euros (€1,500,000,000) or the equivalent in any other currency or monetary unit established by reference to several currencies;

- these caps shall addition, where applicable, be increased by nominal amount of the shares to be issued in order to preserve, in accordance with legal and regulatory provisions and, where applicable, contractual stipulations providing for other cases of adjustment, the rights of holders of securities giving access to equity or other rights giving access to equity;

3) resolves to set as follows the maximum amounts of debt securities authorised in the event of the issue of securities in the form of debt securities giving immediate or future access to the capital of the Company or other companies:

- the maximum nominal amount of debt securities that may be issued immediately or in the future under this delegation is set at two billion five hundred million euros (€2,500,000,000) or the equivalent of this amount in any other currency or monetary unit established by reference to several currencies on the date of issue;

- this amount will be increased, where applicable, by any redemption premium above par;

- this amount is independent of the amount of the debt securities whose issue might result from the use of the other resolutions submitted to this Shareholders' Meeting and the debt securities whose issue would be decided or authorised by the Managers in accordance with Articles L.228-36-A, L.228-40, L.228-92 paragraph 3, L.228-93 paragraph 6 and L.228-94 paragraph 3 of the French Commercial Code;

4) should the Managers make use of this delegation of authority:

- resolves that the shareholders will have a preferential right to subscribe on an irreducible basis and in proportion to the number of shares owned by them at the time;

- notes that the Managers will be entitled to establish a reducible subscription right;

- notes that this delegation of authority automatically entails the waiver by the shareholders of their preferential subscription rights to the shares to which these securities will give immediate or future entitlement to the benefit of the holders of the securities issued giving access to the Company's equity;

- notes that, in accordance with Article L.225-134 of the French Commercial Code, if irreducible and, if applicable, reducible subscriptions do not absorb the entire capital increase, the Managers may use, under the conditions provided for by law and in the order it determines, one or both of the following options:
 - > to freely distribute all or part of the shares or, in the case of securities giving access to equity, such securities whose issue has been decided but which have not been subscribed for,
 - > to offer the public all or part of the shares or, in the case of securities giving access to equity, such securities, not subscribed for, on the French market or abroad,
 - > in general, to limit the capital increase to the amount of subscriptions, subject, in cases of share or securities issues where the primary instrument is a share, to it reaching three-quarters of the increase decided (after making use, if applicable, of the two aforementioned option);
- resolves that issues of warrants on the Company's shares may also be made by free allocation to the owners of the old shares, it being stipulated that fractional rights and the corresponding shares will be sold under the conditions set out in Article L.228-6-1 of the French Commercial Code;
- 5) resolves that the Managers will have broad powers, with the option of subdelegation under the conditions set by law, to implement this delegation of authority, in particular to:
 - decide to issue shares and/or securities giving immediate or future access to the capital of the Company or of another company;
 - decide the amount of the issue, the issue price and the amount of the premium that may be asked on issue or, as the case may be, the amount of reserves, profits or premiums that may be incorporated into the capital;
 - determine the dates and terms of the issue, the nature, number and characteristics of the shares and/or securities to be created;
 - in the event of the issuance of debt securities, decide whether or not they are subordinated (and, where applicable, their rank of subordination, in accordance with the provisions of Article L.228-97 of the French Commercial Code), fix their rate of interest (including fixed- or floating-rate, zero-coupon or indexed interest rate) and provide, as the case may be, for mandatory or optional cases of suspension or non-payment of interest, provide for their maturity (fixed-term or perpetual), the possibility of reducing or increasing the nominal value of the securities and other issuing terms (including giving them guarantees) and repayment (including redemption by delivery of Company assets); if applicable, these securities could provide the Company with the option of issuing debt securities (whether fungible or not) in discharge of interest the payment of which had been suspended by the Company, or taking the form of complex bonds in the sense used by stock exchange authorities (for example, because of their redemption or repayment terms or other rights such as indexation and options rights); modify, during the lifetime of the securities concerned, the terms and conditions referred to above, in compliance with the applicable formalities;
 - determine the methods for payment of the shares;
 - set, if applicable, the conditions for the exercise of the rights (where applicable, rights to conversion, exchange, redemption, including the delivery of Company assets such as treasury shares or securities already issued by the Company) attached to the shares or securities giving access to equity and, in particular, to set the date, even retroactively, from which the new shares will take effect, as well as all other conditions and procedures for carrying out the capital increase;
 - set the terms and conditions under which the Company will, where applicable, be entitled to purchase or trade on stock markets at any time or for specified periods, securities giving access to equity with a view to cancelling them or not, in accordance with legal provisions;
 - provide for the possibility of suspending the exercise of the rights attached to shares or securities giving access to equity in accordance with the legal and regulatory provisions;
 - on their sole initiative, charge the costs of the capital increase to the amount of the premiums related thereto and deduct from this amount the sums necessary to make allocation to the legal reserve;
 - determine and make any adjustments to take into account the impact of transactions on the Company's capital or shareholders' equity, particularly in the event of change in the share's par value, a capital increase through the incorporation of reserves, profits or premiums, the awarding of free shares, the splitting or reverse-splitting of shares, the distribution of dividends, reserves, premiums or any other assets, redemption of capital, or any other operation involving the share capital or shareholders' equity, (including in the event of a tender offer and/or in the event of a change of control), and, where applicable, fix any other conditions enabling the preservation of the rights of holders of securities giving access to equity or other rights giving access to equity (including by way of cash adjustments);
 - record the completion of each capital increase and amend the Articles of Association accordingly;
 - in general, to enter into any agreement, in particular to achieve the successful completion of the issues envisaged, take all measures and carry out all formalities necessary for the issue, listing and financial service of the securities issued under this delegation as well as the exercise of the rights attached thereto;
- 6) notes that, in the event that the Managers should come to use the delegation of authority conferred on it in this resolution, the Managers shall report to the next Ordinary General Shareholders' Meeting in accordance with the law and regulations on the use made of the authorisations granted in this resolution;
- 7) resolves that the Managers may not, subject to the prior authorisation of the General Shareholders' Meeting, make use of this delegation of authority from the time when a tender offer is launched by a third party for the Company's securities until the offer period has ended;
- 8) sets at twenty-six months, from the date of this Meeting, the period of validity of the delegation of authority which is the subject of this resolution;

9) notes that as from today this delegation supersedes, if applicable, the unused portion of the authorisation for the same purpose granted by the General Shareholders' Meeting of 21 December 2016 in its 23rd resolution.

Eighth resolution – (*Delegation of authority to be given to the Managers to decide on an increase of the capital of the Company or of another company by public offering through the issue of shares and/or securities giving immediate or future access to equity, without preferential subscription rights*)

The General Shareholders' Meeting, acting under the quorum and majority requirements for Extraordinary Meetings, having reviewed the Manager's report, the report of the Supervisory Board, and the special report of the Statutory Auditors, and in accordance with the provisions of Articles L.225-129 *et seq.* of the French Commercial Code, in particular Articles L.225-129, L.225-129-2, L.225-135 L.225-136, L.225-148 and L.228-91 *et seq.* of the French Commercial Code:

1) delegates its authority to the Managers to decide on an increase of the share capital without preferential subscription rights, by public offer, on one or more occasions, in France or abroad, in the proportion and at the times that it may determine, either in euros, or in any other currency or monetary unit established by reference to several currencies, with or without premium, whether in return for payment or free of charge, through the issue of (i) shares in the Company (excluding preference shares) and/or (ii) securities governed by Articles L.228-92 paragraph 1, L.228-93 paragraphs 1 and 3 or L.228-94 paragraph 2 of the French Commercial Code giving access, immediate or future, at any time or on a fixed date, by subscription, conversion, exchange, redemption, presentation of a warrant or in any other manner, to the capital of the Company or other companies (including the company that directly or indirectly owns more than half the share capital of the Company and those of which the Company directly or indirectly owns more than half the share capital), it being specified that the shares may be released either in cash or by offsetting debts or by incorporating reserves, profits or premiums. These securities may in particular be issued to remunerate securities that might be contributed to the Company, as part of an exchange tender offer made in France or abroad in accordance with local rules (for example as part of a UK- or US-type reverse merger) on securities meeting the conditions laid down in Article L.225-148 of the French Commercial Code;

2) delegates to the Managers its power to decide on the issuance of shares or securities giving access to the Company's equity to be issued after the issuance, by companies of which the Company holds directly or indirectly more than half the share capital or by companies which directly or indirectly own more than half its capital, of securities giving access to the Company's equity. This decision automatically entails the waiver by the Company shareholders of their preferential subscription rights to shares or securities giving access to the Company's equity to which these securities give entitlement, to the benefit of the holders of the securities that might be issued by the Group companies;

3) resolves to set as follows the maximum amounts authorised for capital increases in the event of Managers' use of this delegation of authority:

- the maximum nominal amount of the capital increases that may be carried out under this delegation is set at six hundred million euros (€600,000,000) or the equivalent in any other currency or monetary unit established by reference to several currencies, it being stipulated that this amount will be deducted from the total cap provided for in paragraph 2 of the 7th resolution of this General Meeting or, as the case may be, the total cap, if any, provided for by a resolution of the same nature that may succeed that resolution during the period of validity of this delegation;

- these caps shall in addition, where applicable, be increased by the nominal amount of the shares to be issued in order to preserve, in accordance with legal and regulatory provisions and, where applicable, contractual stipulations providing for other cases of adjustment, the rights of holders of securities giving access to equity or other rights giving access to equity;

4) resolves to set as follows the maximum amounts of debt securities authorised in the event of the issue of securities in the form of debt securities giving immediate or future access to the capital of the Company or other companies:

- the maximum nominal amount of debt securities that may be issued immediately or in the future under this delegation and set at one billion seven hundred and fifty million euros (€1,750,000,000) or the equivalent of this amount in any other currency or monetary unit established by reference to several currencies on the date of issue;

- this amount will be increased, where applicable, by any redemption premium above par;

- this amount is independent of the amount of the debt securities whose issue might result from the use of the other resolutions submitted to this Shareholders' Meeting and the debt securities whose issue would be decided or authorised by the Managers in accordance with Articles L.228 -36-A, L.228-40, L.228-92 paragraph 3, L.228-93 paragraph 6 and L.228-94 paragraph 3 of the French Commercial Code;

5) resolves to cancel the shareholders' preferential subscription rights to the securities covered by this resolution, leaving to the Managers, pursuant to Article L.225-135 paragraph 5 of the French Commercial Code, the power to confer on shareholders, for a period and according to the terms and conditions that it shall determine in accordance with the applicable legal and regulatory provisions and for all or part of an issue made, a priority subscription right not giving rise to the creation of tradable rights and which will have to be exercised proportionally to the number of the shares owned by each shareholder and may possibly be supplemented by a subscription on a reducible basis, it being specified that the securities not thus subscribed for will be placed publicly in France or abroad;

6) resolves that if the subscriptions, including, if applicable, those of the shareholders, have not absorbed the entire issue, the Managers may limit the amount of the transaction to the amount of subscriptions received, subject, in cases of share or securities issues whose primary instrument is a share, to it reaching three-quarters of the issue decided on;

7) notes that this delegation automatically entails the express waiver by the shareholders of their preferential subscription rights to the shares to which the securities will give entitlement, to the benefit of the holders of the securities issued giving access to the Company's equity;

8) notes the fact that, pursuant to Article L.225-136 1^o paragraph 1 of the French Commercial Code:

- the issue price of the shares issued directly will be at least equal to the minimum provided for by the regulations applicable on the issue date (currently, the weighted average of the last three trading days on the regulated market of Euronext Paris preceding the fixing of the subscription price of the capital increase minus 5%), after, where necessary, correction of this average in the case of difference between the dividend entitlement dates;
- the issue price of the securities giving access to equity and the number of shares to which the conversion, redemption or generally the transformation of each security giving access to equity may grant entitlement, will be such that the sum received immediately by the Company, plus, where applicable, the amount that may subsequently be collected by it, for each share issued as a result of the issue of such securities, is at least equal to the minimum subscription price defined in the preceding paragraph.

9) resolves that the Managers will have broad powers, with the option of subdelegation under the conditions set by law, to implement this delegation of authority, in particular to:

- decide to issue shares and/or securities giving immediate or future access to the capital of the Company or of another company;
- decide the amount of the issue, the issue price and the amount of the premium that may be asked on issue or, as the case may be, the amount of reserves, profits or premiums that may be incorporated into the capital;
- determine the dates and terms of the issue, the nature, number and characteristics of the shares and/or securities to be created;
- in the event of the issuance of debt securities, decide whether or not they are subordinated (and, where applicable, their rank of subordination, in accordance with the provisions of Article L.228-97 of the French Commercial Code), fix their rate of interest (including fixed- or floating-rate, zero-coupon or indexed interest rate) and provide, as the case may be, for mandatory or optional cases of suspension or non-payment of interest, provide for their maturity (fixed-term or perpetual), the possibility of reducing or increasing the nominal value of the securities and other issuing terms (including giving them guarantees) and repayment (including redemption by delivery of Company assets); if applicable, these securities could provide the Company with the option of issuing debt securities (whether fungible or not) in discharge of interest the payment of which had been suspended by the Company, or taking the form of complex bonds in the sense used by stock exchange authorities (for example, because of their redemption or repayment terms or other rights such as indexation and options rights); modify, during the lifetime of the securities concerned, the terms and conditions referred to above, in compliance with the applicable formalities;
- determine the methods for payment of the shares;
- set, if applicable, the conditions for the exercise of the rights (where applicable, rights to conversion, exchange, redemption, including the delivery of Company assets such as treasury shares or securities already issued by the Company) attached to the shares or securities giving

access to equity and, in particular, to set the date, even retroactively, from which the new shares will take effect, as well as all other conditions and procedures for carrying out the capital increase;

- set the terms and conditions under which the Company will, where applicable, be entitled to purchase or trade on stock markets at any time or for specified periods, securities giving access to equity with a view to cancelling them or not, taking legal provisions into account;
- provide for the possibility of suspending the exercise of the rights attached to shares or securities giving access to equity in accordance with the legal and regulatory provisions;
- in the event of the issue of securities for the purpose of remunerating securities contributed as part of a exchange tender offer, determine the list of securities contributed to the exchange, set the conditions of the issue, the exchange ratio and, if applicable, the amount of the cash payment to be made without the terms for establishing the price set out in paragraph 8 of this resolution being applicable, and determining the terms and conditions of the issue as part of either a exchange tender offer, a public buyout offer with purchase or exchange option, or a single offer proposing the purchase or exchange of the securities concerned for a settlement in securities and in cash, a principally cash or exchange tender offer accompanied by a subsidiary cash or exchange tender offer, or any other form of tender offer in accordance with the law and the regulations applicable to such a tender offer;
- on their sole initiative, charge the costs of the capital increases to the amount of the premiums related thereto and deduct from this amount the sums necessary to make allocation to the legal reserve;
- determine and make any adjustments to take into account the impact of transactions on the Company's capital or shareholders' equity, particularly in the event of change in the share's par value, a capital increase through the incorporation of reserves, profits or premiums, the awarding of free shares, the splitting or reverse-splitting of shares, the distribution of dividends, reserves, premiums or any other assets, redemption of capital, or any other operation involving the share capital or shareholders' equity, (including in the event of a tender offer and/or in the event of a change of control), and, where applicable, fix any other conditions enabling the preservation of the rights of holders of securities giving access to equity or other rights giving access to equity (including by way of cash adjustments);
- record the completion of each capital increase and amend the Articles of Association accordingly;
- in general, to enter into any agreement, in particular to achieve the successful completion of the issues envisaged, take all measures and carry out all formalities necessary for the issue, listing and financial service of the securities issued under this delegation as well as the exercise of the rights attached thereto;

10) resolves that the Managers may not, subject to the prior authorisation of the General Shareholders' Meeting, make use of this delegation of authority from the time when a tender offer is launched by a third party for the Company's securities until the offer period has ended;

11) notes that, in the event that the Managers should come to use the delegation of authority conferred on it in this resolution, the Managers shall report to the next Ordinary General Shareholders' Meeting in accordance with the law and regulations on the use made of the authorisations granted in this resolution;

12) sets at twenty-six months, from the date of this Meeting, the period of validity of the delegation of authority which is the subject of this resolution;

13) notes the fact that as from today this delegation supersedes, if applicable, the unused portion of the authorisation for the same purpose granted by the General Shareholders' Meeting of 21 December 2016 in its 24th resolution.

Ninth resolution – *(Delegation of authority to be given to the Managers to decide on an increase of the capital of the Company or of another company through the issue of shares and/or securities giving immediate or future access to equity, without preferential subscription rights, by private placement as provided in Article L.411-2 paragraph II of the French Monetary and Financial Code)*

The General Shareholders' Meeting, acting under the quorum and majority requirements for Extraordinary Meetings, having reviewed the Manager's report, the report of the Supervisory Board, and the special report of the Statutory Auditors, in accordance with the provisions of Articles L.225-129 *et seq.* of the French Commercial Code, in particular Articles L.225-129, L.225-129-2, L.225-135, L.225-136, and L.228-91 *et seq.* of the French Commercial Code and with Article L.411-2, II of the French Monetary and Financial Code:

1) delegates its authority to the Managers to decide on an increase of the share capital without preferential subscription rights, by private placement in accordance with Article L.411-2, II of the French Monetary and Financial Code, on one or more occasions, in France or abroad, in the proportion and at the times that it may determine, either in euros, or in any other currency or monetary unit established by reference to several currencies, with or without premium, whether in return for payment or free of charge, through the issue of (i) shares in the Company (excluding preference shares) and/or (ii) securities governed by Articles L.411-92 paragraph 1, L.228-93 paragraphs 1 and 3 or L.228-94 paragraph 2 of the French Commercial Code giving access, immediate or future, at any time or on a fixed date, by subscription, conversion, exchange, redemption, presentation of a warrant or in any other manner, to the capital of the Company or other companies (including the company that directly or indirectly owns more than half the share capital of the Company and those of which the Company directly or indirectly owns more than half the share capital), it being specified that the shares may be released either in cash or by offsetting debts or by incorporating reserves, profits or premiums;

2) delegates to the Managers its power to decide on the issuance of shares or securities giving access to the Company's equity to be issued after the issue, by companies of which the Company holds directly or indirectly more than half the share capital or by companies which directly or indirectly own more than half its share capital, of securities giving access to the Company's equity;

This decision automatically entails the waiver by the Company shareholders of their preferential subscription

rights to shares or securities giving access to the Company's equity to which these securities give entitlement, to the benefit of the holders of the securities that might be issued by the Group companies;

3) resolves to set as follows the maximum amounts authorised for capital increases in the event of Managers' use of this delegation of authority:

- the maximum nominal amount of the capital increases that may be carried out under this delegation is set at five hundred million euros (€500,000,000) or the equivalent in any other currency or monetary unit established by reference to several currencies, it being stipulated that this amount will be deducted from the cap provided for in paragraph 3 of the 8th resolution and on the total cap provided for in paragraph 2 of the 7th resolution or, as the case may be, on the caps provided for by resolutions of the same nature that may succeed the aforementioned resolutions during the period of validity of this delegation;

- in any event, issues of equity securities made under this delegation will not exceed the limits provided for by the regulations applicable on the issue date (at present, 20% of the capital per year); and

- these caps are in addition, where applicable, be increased by the nominal amount of the shares to be issued in order to preserve, in accordance with legal and regulatory provisions and, where applicable, contractual stipulations providing for other cases of adjustment, the rights of holders of securities giving access to equity or other rights giving access to equity;

4) resolves to set as follows the maximum amounts of debt securities authorised in the event of the issue of securities in the form of debt securities giving immediate or future access to the equity of the Company or other companies:

- the maximum nominal amount of debt securities that may be issued immediately or in the future under this delegation is set at one billion seven hundred and fifty million euros (€1,750,000,000) or the equivalent of this amount in any other currency or monetary unit established by reference to several currencies on the date of issue;

- this amount will be increased, where applicable, by any redemption premium above par;

- this amount is independent of the amount of the debt securities whose issue might result from the use of the other resolutions submitted to this Shareholders' Meeting and the debt securities whose issue would be decided or authorised by the Managers in accordance with Articles L.228. -36-A, L.228-40, L.228-92 paragraph 3, L.228-93 paragraph 6 and L.228-94 paragraph 3 of the French Commercial Code;

5) resolves to cancel the shareholders' preferential subscription rights to the securities covered by this resolution;

6) resolves that if the subscriptions, including, if applicable, those of the shareholders, have not absorbed the entire issue, the Managers may limit the amount of the transaction to the amount of subscriptions received, subject, in cases of share or securities issues whose primary instrument is a share, to it reaching three-quarters of the issue decided on;

7) notes that this delegation automatically entails the express waiver by the shareholders of their preferential subscription rights to the shares to which the securities will give entitlement, to the benefit of the holders of the securities issued giving access to the Company's equity;

8) notes the fact that, pursuant to Article L.225-136 1^o paragraph 1 of the French Commercial Code:

- the issue price of the shares issued directly will be at least equal to the minimum provided for by the regulations applicable on the issue date (currently, the weighted average of the last three trading days on the regulated market of Euronext Paris preceding the fixing of the subscription price of the capital increase minus 5%), after, where necessary, correction of this average in the case of difference between dividend entitlement dates;
- the issue price of the securities giving access to equity and the number of shares to which the conversion, redemption or generally the transformation of each security giving access to equity may give entitlement, will be such that the sum received immediately by the Company, plus, where applicable, the amount that may subsequently be collected by it, for each share issued as a result of the issue of such securities, is at least equal to the minimum subscription price defined in the preceding paragraph;

9) resolves that the Managers will have broad powers, with the option of subdelegation under the conditions set by law, to implement this delegation of authority, in particular to:

- decide to issue shares and/or securities giving immediate or future access to the capital of the Company or of another company;
- decide the amount of the issue, the issue price and the amount of the premium that may be asked on issue or, as the case may be, the amount of reserves, profits or premiums that may be incorporated into the capital;
- determine the dates and terms of the issue, the nature, number and characteristics of the shares and/or securities to be created;
- in the event of the issuance of debt securities, decide whether or not they are subordinated (and, where applicable, their rank of subordination, in accordance with the provisions of Article L.228-97 of the French Commercial Code), fix their rate of interest (including fixed- or floating-rate, zero-coupon or indexed interest rate) and provide, as the case may be, for mandatory or optional cases of suspension or non-payment of interest, provide for their maturity (fixed-term or perpetual), the possibility of reducing or increasing the nominal value of the securities and other issuing terms (including giving them guarantees) and repayment (including redemption by delivery of Company assets); if applicable, these securities could provide the Company with the option of issuing debt securities (whether fungible or not) in discharge of interest the payment of which had been suspended by the Company, or taking the form of complex bonds in the sense used by stock exchange authorities (for example, because of their redemption or repayment terms or other rights such as indexation and options rights); modify, during the lifetime of the securities concerned, the terms and conditions referred to above, in compliance with the applicable formalities;
- determine the methods for payment of the shares;
- set, if applicable, the conditions for the exercise of the rights (where applicable, rights to conversion, exchange, redemption, including the delivery of Company assets such as treasury shares or securities already issued by

the Company) attached to the shares or securities giving access to the equity to be issued and, in particular, to set the date, even retroactively, from which the new shares will take effect, as well as all other conditions and procedures for carrying out the capital increase;

- set the terms and conditions under which the Company will, where applicable, be entitled to purchase or trade on stock markets at any time or for specified periods, securities giving access to equity with a view to cancelling them or not, taking legal provisions into account;
- provide for the possibility of suspending the exercise of the rights attached to shares or securities giving access to equity in accordance with the legal and regulatory provisions;
- on their sole initiative, charge the costs of the capital increases to the amount of the premiums related thereto and deduct from this amount the sums necessary to make allocation to the legal reserve;
- determine and make any adjustments to take into account the impact of transactions on the Company's capital or shareholders' equity, particularly in the event of change in the share's par value, a capital increase through the incorporation of reserves, profits or premiums, the awarding of free shares, the splitting or reverse-splitting of shares, the distribution of dividends, reserves, premiums or any other assets, redemption of capital, or any other operation involving the share capital or shareholders' equity, (including in the event of a tender offer and/or in the event of a change of control), and, where applicable, fix any other conditions enabling the preservation of the rights of holders of securities giving access to equity or other rights giving access to equity (including by way of cash adjustments);
- record the completion of each capital increase and amend the Articles of Association accordingly;
- in general, to enter into any agreement, in particular to achieve the successful completion of the issues envisaged, take all measures and carry out all formalities necessary for the issue, listing and financial service of the securities issued under this delegation as well as the exercise of the rights attached thereto;

10) resolves that the Managers may not, subject to the prior authorisation of the General Shareholders' Meeting, make use of this delegation of authority from the time when a tender offer is launched by a third party for the Company's securities until the offer period has ended;

11) notes that, in the event that the Managers should come to use the delegation of authority conferred on it in this resolution, the Managers shall report to the next Ordinary General Shareholders' Meeting in accordance with the law and regulations on the use made of the authorisations granted in this resolution;

12) sets at twenty-six months, from the date of this Meeting, the period of validity of the delegation of authority which is the subject of this resolution;

13) notes the fact that as from today this delegation supersedes, if applicable, the unused portion of the authorisation for the same purpose granted by the General Shareholders' Meeting of 21 December 2016 in its 25th resolution.

Tenth resolution – *(Authorisation to be given to the Managers to issue shares and/or securities giving immediate or future access to shares to be issued by the Company in remuneration for in-kind contributions consisting of equity securities or securities giving access to equity)*

The General Shareholders' Meeting, acting under the quorum and majority requirements for Extraordinary Meetings, having reviewed the Manager's report, the report of the Supervisory Board, and the special report of the Statutory Auditors, in accordance with the provisions of Articles L.225-129, L.225-129-2, L.225-147 and L.228-91 *et seq.* of the French Commercial Code:

1) authorises the Managers to increase the share capital, on one or more occasions, by the issue of (i) shares of the Company (excluding preference shares) and/or (ii) securities governed by Articles L.228-92 paragraph 1, L.228-93 paragraphs 1 and 3 or L.228-94 paragraph 2 of the French Commercial Code giving immediate or future access, at any time or on a fixed date, by subscription, conversion, exchange, redemption, presentation of a warrant or in any other way, to the capital of the Company or other companies (including the company that directly or indirectly owns more than half the Company's share capital and those of which the Company directly or indirectly owns more than half the share capital), in order to remunerate in-kind contributions granted to the Company and consisting of equity securities or securities giving access to equity, when the provisions of Article L.225-148 of the French Commercial Code do not apply;

2) resolves to set as follows the maximum amounts authorised for capital increases in the event of the Managers' use of this authorisation:

- the maximum nominal amount of the capital increases that may be carried out under this authorisation is set at two hundred and fifty million euros (€250,000,000) or the equivalent in any other currency or monetary unit established by reference to several currencies, it being stipulated that this amount will be deducted from the cap provided for in paragraph 3 of the 8th resolution and on the total cap provided for in paragraph 2 of the 7th resolution or, as the case may be, on the caps provided for by resolutions of the same nature that may succeed the aforementioned resolutions during the period of validity of this authorisation;

- in any event, issues of shares and securities giving access to equity under this authorisation will not exceed the limits provided for by the regulations applicable on the issue date (at present, 10% of the capital); and

- these caps shall in addition, where applicable, be increased by nominal amount of the shares to be issued in order to preserve, in accordance with legal and regulatory provisions and, where applicable, contractual stipulations providing for other cases of adjustment, the rights of holders of securities giving access to equity or other rights giving access to equity;

3) resolves to set as follows the limits of the amounts of debt securities authorised in the event of the issue of securities in the form of debt securities giving immediate or future access to the equity of the Company or other companies:

- the maximum nominal amount of debt securities that may be issued immediately or in the future under this authorisation is set at nine hundred million euros

(€900,000,000) or the equivalent of this amount in any other currency or monetary unit established by reference to several currencies on the issue date;

- this amount will be increased, where applicable, by any redemption premium above par;

- this amount is independent of the amount of the debt securities whose issue might result from the use of the other resolutions submitted to this Shareholders' Meeting and the debt securities whose issue would be decided or authorised by the Managers in accordance with Articles L.228 -36-A, L.228-40, L.228-92 paragraph 3, L.228-93 paragraph 6 and L.228-94 paragraph 3 of the French Commercial Code;

4) resolves that the Managers will have broad powers, with the option of subdelegation under the conditions set by law, to implement this resolution, in particular to:

- decide to issue shares and/or securities giving immediate or future access to the capital of the Company, remunerating contributions;

- determine the list of equity securities and securities giving access to equity contributed, approve the valuation of the contributions, set the conditions for the issue of the shares and/or the securities remunerating the contributions, as well as, if applicable, the amount of monetary compensation to be paid, approve the granting of special benefits, and reduce, if the contributors agree, the valuation of the contributions or the remuneration of the special benefits;

- determine the terms and characteristics of the shares and/or securities remunerating the contributions and modify, during the life of these securities, said terms and characteristics in compliance with the applicable formalities;

- on their sole initiative, charge the costs of the capital increases to the amount of the premiums related thereto and deduct from this amount the sums necessary to make allocation to the legal reserve;

- determine and make any adjustments to take into account the impact of transactions on the Company's capital or shareholders' equity, particularly in the event of change in the share's par value, a capital increase through the incorporation of reserves, profits or premiums, the awarding of free shares, the splitting or reverse-splitting of shares, the distribution of dividends, reserves, premiums or any other assets, redemption of capital, or any other operation involving the share capital or shareholders' equity, (including in the event of a tender offer and/or in the event of a change of control), and, where applicable, fix any other conditions enabling the preservation of the rights of holders of securities giving access to equity or other rights giving access to equity (including by way of cash adjustments);

- record the completion of each capital increase and amend the Articles of Association accordingly;

- in general, to enter into any agreement, and take all measures and carry out all formalities necessary for the issue, listing and financial service of the securities issued under this authorisation as well as the exercise of the rights attached thereto;

5) resolves that the Managers may not, subject to the prior authorisation of the General Shareholders' Meeting, make use of this authorisation from the time when a tender offer is launched by a third party for the Company's securities until the offer period has ended;

6) sets at twenty-six months, from the date of this Meeting, the period of validity of the authorisation which is the subject of this resolution;

7) notes the fact that as from today this authorisation supersedes, if applicable, the unused portion of the authorisation for the same purpose granted by the General Shareholders' Meeting of 21 December 2016 in its 26th resolution.

Eleventh resolution – *(Determination of the issue price, up to a limit of 10% of the capital per year, in a increase of the Company's share capital through the issuance of equity securities without preferential subscription rights)*

The General Shareholders' Meeting, acting under the quorum and majority requirements for Extraordinary Meetings, having reviewed the Manager's report, the report of the Supervisory Board, and the special report of the Statutory Auditors, in accordance with the provisions of Article L.225-136 1^o paragraph 2 of the French Commercial Code:

1) authorises the Managers, in the event of a capital increase through the issuance of equity securities without preferential subscription rights under the 8th and 9th resolutions of this General Shareholders' Meeting, to set the issue price as follows:

- the issue price of the shares will be at least equal to the weighted average share price of the Company's shares on the Euronext Paris market during the last twenty trading days preceding its fixing, or if it is lower, at the last closing price before price fixing minus a maximum discount of 5%;
- the issue price of the securities giving immediate or future access to the capital will be such that the sum received immediately by the Company plus, where applicable, the amount that may be collected by the Company at a later date is, for each share issued in as a result of the issue of these securities, at least equal to the amount referred to in the above paragraph, after adjustment, if necessary, of this amount to take account of the difference in the dividend entitlement dates;

2) resolves that the nominal amount of the capital increases that may be carried out immediately or in the future under this authorisation is set, in accordance with the law, at 10% of the share capital per year (it being stipulated that at the date of each capital increase, the total number of shares issued under this resolution during the 12-month period preceding said capital increase, including the shares issued under said capital increase, may not exceed 10% of the shares comprising the Company's capital on that date);

3) notes that, in the event that the Managers make use of this authorisation, they will prepare an additional report, certified by the Statutory Auditors, describing the final terms and conditions of the transaction and giving evidence of the actual impact on the shareholder's situation;

4) notes that as from today this authorisation supersedes, if applicable, the unused portion of the authorisation for the same purpose granted by the General Shareholders' Meeting of 21 December 2016 in its 27th resolution.

Twelfth resolution – *(Delegation of authority to be given to the Managers for the purpose of deciding on an increase of the Company's share capital by incorporation of premiums, reserves, profits or any other sums)*

The General Meeting, acting under the quorum and majority requirements for Ordinary Meetings, having reviewed the Manager's report, the report of the Supervisory Board, and in accordance with Articles L.225-129-2 and L.225-130 of the French Commercial Code:

1) delegates its authority to the Managers to decide on an increase in share capital on one or more occasions in the proportion and at the times that it shall determine by incorporation of premiums, reserves, profits or any other amounts whose capitalisation is permitted under law and the Articles of Association, in the form of issuance of new equity securities or increase in the nominal amount of existing equity securities or by the combined use of these two processes;

2) resolves that the maximum nominal amount of the capital increases that may be carried out under this delegation may not exceed one billion euros (€1,000,000,000) or the equivalent in any other currency or monetary unit established by reference to several currencies, it being specified that to this cap is in addition, where applicable, to the nominal amount of the shares to be issued in order to preserve, in accordance with legal and regulatory provisions and, where applicable, contractual stipulations providing for other cases of adjustment, the rights of holders of securities giving access to equity or other rights giving access to equity and it being specified that this amount will be deducted from the amount of the total cap provided for in paragraph 2 of the 7th resolution of this General Shareholders' Meeting or, where applicable, from the amount of the total cap that may be provided for in a resolution of the same nature that may succeed that resolution during the period of validity of this delegation;

3) in the event of the Managers' use of this delegation of authority, delegates to the latter broad powers, with the option of subdelegation under the conditions set by law, to implement this delegation, in particular to:

- set the amount and nature of the amounts to be capitalised, fix the number of new capital securities to be issued and/or the amount by which the nominal value of the existing equity securities will be increased, set the date, even retroactively, from which the new capital securities will be effective or the date on which the increase in the nominal value of the existing capital securities will take effect;
- decide, in the case of allocation of free equity securities:
 - > that fractional rights will be neither tradable nor transferable and that the corresponding equity securities will be sold according to the terms and conditions determined by the Managers, it being specified that the proceeds from the sale will be allocated to the rights holders within the timeframe fixed by Article R.225-130 of the French Commercial Code,

> that the shares that will be allocated under this delegation on the basis of old shares with a double voting right will benefit from this right as soon as they are issued;

- establish any procedure to ensure, where appropriate, the preservation of the rights of holders of securities giving access to equity or other rights giving access to equity (including by means of cash adjustment);

- record the completion of each capital increase and amend the Articles of Association accordingly;

- in general, to enter into any agreement, and take all measures and carry out all formalities necessary for the issue, listing and financial service of the securities issued under this delegation as well as the exercise of the rights attached thereto;

4) resolves that the Managers may not, subject to the prior authorisation of the General Shareholders' Meeting, make use of this delegation of authority from the time when a public offer is lodged by a third party for the Company's securities until the offer period has ended;

5) sets at twenty-six months, from the date of this Meeting, the period of validity of the delegation of authority which is the subject of this resolution;

6) notes the fact that as from today this delegation supersedes, if applicable, the unused portion of the authorisation for the same purpose granted by the General Shareholders' Meeting of 21 December 2016 in its 28th resolution.

Thirteenth resolution – (Delegation of authority to be given to the Managers to increase the number of securities to be issued in the event of a capital increase with or without preferential subscription rights)

The General Shareholders' Meeting, acting under the quorum and majority conditions for Extraordinary Meetings, having reviewed the Manager's report, the report of the Supervisory Board, and the special report of the Statutory Auditors, in accordance with Articles L.225-129-2 and L.135-1 of the French Commercial Code:

1) delegates its authority to the Managers to decide to increase the number of securities to be issued in the event of a Company share capital increase, with or without preferential subscription rights, at the same price as that used for the initial issue, within the time and limits provided for by the regulations applicable on the issue date (at present, within thirty days of the closing of the subscription and up to 15% of the initial issue), in particular with a view to granting an over-allotment option in accordance with market practice;

2) resolves that the nominal amount of the capital increases decided by this resolution shall be deducted from the cap stipulated in the resolution under which the initial issue is decided and the total cap provided for in paragraph 2 of the 7th resolution of this General Shareholders' Meeting or, as appropriate, the caps provided for by resolutions of the same nature that may succeed the above-mentioned resolutions during the period of validity of this delegation;

3) resolves that the Managers may not, subject to the prior authorisation of the General Shareholders' Meeting, make use of this delegation of authority from the time when a tender offer is launched by a third party for the Company's securities until the offer period has ended;

4) sets at twenty-six months, from the date of this Meeting, the period of validity of the delegation of authority which is the subject of this resolution;

5) notes the fact that as from today this delegation supersedes, if applicable, the unused portion of the prior authorisation for the same purpose granted by the General Shareholders' Meeting of 21 December 2016 in its 29th resolution.

Fourteenth resolution – (Delegation of authority to the Managers to decide on an increase of the Company's capital by the issue of shares and/or securities giving immediate or future access to equity, without preferential subscription rights, reserved for members of savings plans)

The General Shareholders' Meeting, acting under the quorum and majority requirements for Extraordinary Meetings, having reviewed the Manager's report, the report of the Supervisory Board, and the special report of the Statutory Auditors, in accordance firstly with the provisions of Articles L.225-129-2, L.225-129-6, L.225-138-1 and L.228-91 *et seq.* of the French Commercial Code, and secondly with Articles L.3332-18 to L.3332-24 of the French Labour Code:

1) delegates its authority to the Managers to decide to increase the share capital without preferential subscription rights, on one or more occasions, in France or abroad, in the proportion and at the times that it shall determine, either in euros, or in any other currency or monetary unit established by reference to several currencies, with or without premium, whether in return for payment or free of charge, through the issue of (i) shares in the Company (excluding preference shares) and/or (ii) securities governed by Article L.228-92 paragraph 1 of the French Commercial Code giving immediate or future access, at any time or on a fixed date, by subscription, conversion, exchange, redemption, presentation of a warrant or in any other way, to the capital of the Company, reserved for the members of one or more employee savings plans (or any other plan for whose members Articles L.3332-1 *et seq.* of the French Labour Code or any law or similar regulation permits a capital increase under equivalent conditions to be reserved) set up within a company or group of companies, French or foreign, within the scope of consolidation or combination of the Company accounts pursuant to Article L.3344-1 of the French Labour Code; it is specified that this resolution may be used for the purpose of implementing leveraged formulas;

2) resolves to set as follows the limits to the amounts authorised for capital increases in the event of Managers' use of this delegation of authority:

- the maximum nominal amount of the capital increases that may be carried out under this delegation is set at thirty million euros (€30,000,000) or the equivalent in any other currency or monetary unit established by reference to several currencies, it being stipulated that this amount will be deducted from the total cap provided for in paragraph 2 of the 7th resolution of this General Meeting or, as the case may be, the total cap, if any, provided for by a resolution of the same nature that may succeed that resolution during the period of validity of this delegation;

- these caps shall in addition, where applicable, be increased by the nominal amount of the shares to be issued in order to preserve, in accordance with legal and regulatory provisions and, where applicable, contractual stipulations providing for other cases of adjustment, the

- rights of holders of securities giving access to equity or other rights giving access to equity;
- 3) resolves to set as follows the maximum amounts of debt securities authorised in the event of the issue of securities in the form of debt securities giving immediate or future access to the equity of the Company or other companies:
- the maximum nominal amount of debt securities that may be issued immediately or in the future under this delegation is set at and fifty million euros (€50,000,000) or the equivalent of this amount in any other currency or monetary unit established by reference to several currencies on the date of issue;
 - this amount will be increased, where applicable, by any redemption premium above par;
 - this amount is independent of the amount of the debt securities whose issue might result from the use of the other resolutions submitted to this Shareholders' Meeting and the debt securities whose issue would be decided or authorised by the Managers in accordance with Articles L.228-36-A, L.228-40, L.228-92 paragraph 3, L.228-93 paragraph 6 and L.228-94 paragraph 3 of the French Commercial Code;
- 4) resolves that the issue price of new shares or securities giving access to equity shall be determined under the conditions provided in Articles L.3332-18 *et seq.* of the French Labour Code and shall be equal to at least 80% of the Reference Price (as defined below) or to 70% of the Reference Price when the lock-up period in accordance with Articles L.3332-25 and L.3332-26 of the French Labour Code is equal to, or greater than 10 years; for the purposes of this paragraph, the Reference Price means the average of the first quoted prices of the Company's shares on the regulated market of Euronext Paris during the twenty trading days preceding the date of the decision setting the opening date of the subscription for members of a company or group savings plan (or similar plan);
- 5) authorises the Managers to grant the above-mentioned beneficiaries, free of charge, in addition to the shares or securities giving access to equity, shares or securities giving access to equity to be issued or already issued, in substitution for all or part of the discount in relation to the Reference Price and/or employer matching contributions, it being understood that the benefit resulting from this allocation may not exceed the legal or regulatory limits applicable under Articles L.3332-10 *et seq.* of the French Labour Code;
- 6) resolves to waive shareholders' preferential subscription rights to the securities covered by this resolution in favour of the above-mentioned beneficiaries; in the event of a free allocation of shares or securities giving access to the share capital to the above beneficiaries, these shareholders furthermore waive any rights to the aforementioned shares or securities giving access to equity, including the portion of the reserves, profits or premiums incorporated in the equity, by reason of the free allocation of these securities on the basis of this resolution;
- 7) authorises the Managers, under the terms of this delegation, to sell shares to members of a company or group savings plan (or similar plan) as provided for in Article L.3332-24 of the French Labour Code; it is specified that the sale of shares at a discount to the members of one or several employee savings plans referred to in this resolution shall be deducted at the par value of the shares thus sold from the nominal amount of the caps referred to in paragraph 2 above;
- 8) resolves that the Managers will have broad powers, with the option of subdelegation under the conditions set by law, to implement this delegation of authority, in particular to:
- decide to issue shares and/or securities giving immediate or future access to the capital of the Company or of other companies;
 - decide in accordance with the law the list of companies whose beneficiaries above mentioned may subscribe to the shares or securities giving access to the equity thus issued and to benefit from any free allotments of shares or securities giving access to equity;
 - decide that subscriptions may be made directly by the beneficiaries, members of a company or group savings plan (or similar plan), or through Company Mutual Funds or other structures or entities permitted by the applicable legal or regulatory provisions;
 - determine the conditions, including seniority, that must be met by the beneficiaries of the capital increases;
 - in the case of the issuance of debt securities, fix all the characteristics and terms of these securities (in particular whether fixed-term or perpetual), whether or not they are subordinated and their repayment) and, during the life of these securities, change the terms and characteristics referred to above, in compliance with the applicable formalities;
 - set, if applicable, the conditions for the exercise of the rights (where applicable, rights to conversion, exchange, redemption, including the delivery of Company assets such as treasury shares or securities already issued by the Company) attached to the shares or securities giving access to equity and, in particular, to set the date, even retroactively, from which the new shares will take effect, as well as all other conditions and procedures for carrying out the capital increase;
 - set the terms and conditions under which the Company will, where applicable, be entitled to purchase or trade on stock markets at any time or for specified periods, securities giving access to equity with a view to cancelling them or not, taking legal provisions into account;
 - provide for the possibility of suspending the exercise of the rights attached to shares or securities giving access to equity in accordance with the legal and regulatory provisions;
 - set the amounts of the issues that will be carried out under this delegation and, in particular, fix the issue prices, dates, deadlines, terms and conditions for subscription, payment, delivery and entitlement of the securities (even retroactively), the reduction rules applicable to oversubscription and the other terms and conditions of the issues, within the applicable legal or regulatory limits;
 - determine and make any adjustments to take into account the impact of transactions on the Company's capital or shareholders' equity, particularly in the event of change in the share's par value, a capital increase through the incorporation of reserves, profits or premiums, the awarding of free shares, the splitting or reverse-splitting of shares, the distribution of dividends, reserves, premiums or any other assets, redemption of capital, or any other operation involving the share capital or shareholders' equity, (including in the event of a tender offer and/or in the event of a change of control), and, where applicable, set any other conditions enabling the preservation of the rights of holders of securities or other rights giving access to equity (including by way of cash adjustments);

- in the event of an allocation of free shares or securities giving access to equity, set the nature, the number of shares or securities giving access to capital to be issued, as well as their terms and characteristics, the number to be allocated to each beneficiary, and determine the dates, deadlines, terms and conditions for the allotment of these shares or securities giving access to equity within the applicable legal and regulatory limits and, in particular, choose to substitute totally or partially the allocation of these shares or securities giving access to equity at the discounts to the Reference Price provided for above, either to deduct the equivalent value of these shares or securities from the total amount of the employer matching contributions, or to combine these two possibilities;
 - in the case of issuance of new shares, to deduct, as appropriate from the reserves, profits or issue premiums, the sums necessary for these shares to become paid up;
 - record the completion of capital increases and amend the Articles of Association accordingly;
 - on their sole initiative, charge the costs of the capital increases to the amount of the premiums related thereto and deduct from this amount the sums necessary to make allocation to the legal reserve;
 - in general, to enter into any agreement, in particular to achieve the successful completion of the issues envisaged, take all measures and carry out all formalities necessary for the issue, listing and financial service of the securities issued under this delegation as well as the exercise of the rights attached thereto;
- 9) sets at twenty-six months, from the date of this Meeting, the period of validity of the delegation of authority which is the subject of this resolution;
- 10) notes that as from today this delegation supersedes, if applicable, the unused portion of the authorisation for the same purpose granted by the General Shareholders' Meeting of 21 December 2016 in its 30th resolution.

Fifteenth resolution – *(Delegation of authority to be given to the Managers to grant stock options to the Group's salaried employees and corporate officers, or to some of them)*

The General Shareholders' Meeting, acting under the quorum and majority requirements for Extraordinary Meetings, having reviewed the Manager's report, the report of the Supervisory Board, and the special report of the Statutory Auditors, in accordance with Articles L.225-177 to L.225-186-1 of the French Commercial Code:

- 1) delegates its authority to the Managers to grant, on one or more occasions, to those persons whom they may decide upon among the employees and the corporate officers of the Company and related companies or groups under the conditions referred to in Article L.225-180 of the aforementioned Code, or to some of them, options giving the right to subscribe for new Company shares to be issued as an increase of its capital, as well as options giving the

right to purchase Company shares arising from buybacks effected by the Company under the conditions provided for in law;

- 2) resolves that the total number of stock option rights and stock option purchases granted under this delegation may not entitle the holder to subscribe for or purchase a number of shares exceeding 3% of the share capital on the date of the Managers' decision to make such allocation, and that the nominal amount of the share capital increases resulting from the exercise of subscription rights granted under this delegation will be deducted from the total cap provided for in paragraph 2 of the 7th resolution of this General Meeting or, as the case may be, from the total cap, if any, provided for by a resolution of the same nature that may succeed that resolution during the period of validity of this delegation. These caps shall in addition, where applicable, be increased by the nominal amount of the shares to be issued for adjustments in order to preserve the rights of the stock option beneficiaries, in accordance with legal and regulatory provisions;

- 3) resolves that, for each financial year, the total number of stock options granted under this delegation to the Company's executive corporate officers may not represent more than 1% of the stock options granted during the said financial year under this delegation;

- 4) resolves that the strike price of stock options shall be set on the day on which the stock options are granted and that (i) in the case of stock option rights, this price may be no lower than 80% of the average of the initial quoted prices of the Company's shares on the Euronext Paris regulated market during the 20 trading sessions preceding the date on which the stock-option rights are granted; and (ii) in the case of stock option purchase plans, this price may be no lower than either the value stated in (i) above, nor 80% of the average purchase price of shares held by the Company under Articles L.225-208 and L.208-209 of the French Commercial Code. If the Company undertakes one of the operations provided by Article L.225-181 of the French Commercial Code or by Article R.225-138 of the French Commercial Code, the Company shall, under the conditions provided by current regulations, take measures necessary for protecting the interests of beneficiaries, including, where applicable, by adjusting the number of shares that may be obtained through the exercise of options granted to beneficiaries to reflect the impact of this operation;

- 5) notes that this delegation entails the express waiver by the shareholders of their preferential subscription rights to the shares that will be issued as and when the subscription of the stock options is exercised, in favour of the of the stock option beneficiaries. The increase of share capital resulting from the exercise of the stock option rights will be definitively effected solely by the declaration of the option exercise accompanied by the subscription slips and the payments for the shares which may be made in cash or by offsetting amounts owed by the Company;

6) resolves that each grant of stock options to the Company's corporate officers must provide that the exercise of the options will be fully dependent on the achievement of one or more performance conditions set by the Managers;

7) confers broad powers to the Managers to implement this delegation and in particular to:

- determine whether the options granted are stock option rights and/or stock option purchases and, if applicable, modify their choice before the opening of the option exercise period;

- determine the identity of the beneficiaries, or the category or categories of beneficiaries, of the options granted and the number of options allocated to each of them;

- set the terms and conditions of the stock options, and in particular:

- > the validity period of the options, it being understood that the options must be exercised within a maximum of 10 years,

- > the option exercise date(s) or period(s), it being understood that the Managers may (a) bring forward the option exercise dates or periods, (b) maintain the option benefit, or (c) change the dates or periods during which the shares obtained by the exercise of the options may not be sold or put into bearer form,

- > any clauses prohibiting the immediate resale of all or part of the shares, although the time limit for the retention of securities may not exceed three years from exercise of the option; it is stipulated that regarding stock options granted to corporate officers, the Managers must either (a) decide that the options may not be exercised by the parties concerned before the termination of their duties, or (b) fix the number of shares they are required to keep in registered form until the termination of their duties;

- where appropriate, to limit, suspend, restrict or prohibit the exercise of the options or the transfer or the placing in bearer form of the shares obtained through exercise of the options, during certain periods or as from certain events, which decision may relate to all or some of the options or shares or concern all or some of the beneficiaries;

- to set the effective date, even retroactively, for new shares arising from the exercise of subscription stock options;

8) resolves that the Managers shall also have broad powers, with the right to subdelegate in accordance with the law, to record the completion of the capital increases up to the amount of the shares actually subscribed for through exercise of the options, amend the Articles of Association accordingly, and upon their sole decision and should they deem it appropriate, to charge the costs of the capital increases to the amount of the issue premiums relating to these transactions and deduct from this amount the sums necessary to bring the legal reserve to one-tenth of the new capital after each increase, and carry out all formalities necessary for the listing of the securities thus issued, all reporting to all organisations and do everything that might otherwise be necessary;

9) sets at twenty-six months, from the date of this Meeting, the period of validity of the delegation which is the subject of this resolution;

10) notes the fact that as from today this delegation supersedes, if applicable, the unused portion of the authorisation for the same purpose granted by the General Shareholders' Meeting of 21 December 2016 in its 31st resolution.

Sixteenth resolution – *(Delegation of authority to be given to the Managers to grant free shares, existing or to be issued, to the Group's salaried employees and corporate officers, or to some of them)*

The General Shareholders' Meeting, acting under the quorum and majority requirements for Extraordinary Meetings, having reviewed the Manager's report, the report of the Supervisory Board, and the special report of the Statutory Auditors, in accordance with Articles L.225-197-1 et seq. of the French Commercial Code:

1) delegates its authority to the Managers to grant, on one or more occasions, allocations of existing or to be issued free shares (excluding preference shares), for the benefit of the beneficiaries or categories of beneficiaries that they shall determine among the salaried employees of the Company or related companies or corporate groups under the conditions laid down in Article L.225-197-2 of the French Commercial Code and the corporate officers of the Company or related companies or corporate groups and which meet the conditions referred to in Article L.225-197-1, II of the aforementioned Code, under the conditions defined below;

2) resolves that free shares, existing or to be issued under this delegation may not represent more than 3% of the share capital as at the date of the Managers' decision; it is specified that the maximum nominal amount of the capital increases that may be carried out immediately or in the future under this delegation will be deducted from the total cap provided for in paragraph 2 of the 7th resolution of this General Shareholders' Meeting or, as the case may be, from any total cap that may be provided for by a resolution of the same nature that may succeed that resolution during the period of validity of this delegation;

3) resolves that, for each financial year, the total number of shares existing or to be issued that are granted under this delegation to the Company's executive officers may not represent more than 1% of the free shares allocated during the said financial year under this delegation;

4) resolves that:

- the allocation of free shares to their beneficiaries will become final at the end of a vesting period, the duration of which may not be less than that required by the legal provisions applicable on the date of the allocation decision (*i.e.*, at present, one year);

- the shares definitively acquired will be subject, at the end of the aforementioned vesting period, to a retention obligation the duration of which may not be less than that required by the legal provisions applicable on the date of the allocation decision (*i.e.*, at present, one year); however, this retention obligation may be waived by the Managers for free shares awarded for a vesting period set at a minimum of two years;

- it is specified that the definitive vesting of free shares and the right to sell them freely may nevertheless take place before the expiry of the vesting period or, if applicable, the obligatory retention period, in the event of beneficiaries suffering from Category 2 or 3 disability as classified by Article L.341-4 of the French Social Security Code, or equivalent case abroad;
- 5) resolves that the definitive allocation of the free shares awarded to the Company's corporate officers will be subject in particular to the achievement of performance conditions set by the Managers;
- 6) confers broad powers to the Managers for the purposes of implementing this delegation and in particular to:
- determine whether the free shares allocated are shares to be issued and/or existing and, if necessary, amend their choice before the definitive allocation of the shares;
 - determine the identity of the beneficiaries, or the category or categories of beneficiaries, of the share allocations among the staff members and corporate officers of the Company or the aforementioned companies or corporate groups and the number of shares allocated to each of them;
 - set the conditions and, where applicable, the criteria for the allocation of the shares, in particular the minimum vesting period and the retention period required of each beneficiary, under the conditions set out above, with the stipulation that, with regard to the free shares granted to corporate officers, the Managers must either (a) decide that the bonus shares may not be sold by the parties concerned before the termination of their duties, or (b) fix the amount of free shares that they are required to keep in registered form until the termination of their duties;
 - provide for the option of temporarily suspending allocation rights;
 - record the definitive allocation dates and the dates from which the shares may be freely disposed of, subject to legal restrictions;
 - register the free shares allocated in a registered account in the name of their holder, recording the lock-up period and duration thereof, and to unlock the shares for any circumstance for which the applicable laws allow this to take place;
- 7) resolves that the Managers shall also have broad powers, with the right to subdelegate in accordance with the law, to charge, where applicable, in the event of the issue of new shares, to the reserves, profits or issue premiums, the sums necessary to make such shares paid-up, record the completion of the capital increases carried out in application of this delegation, make the according amendments to the Articles of Association and, generally, perform all necessary acts and formalities;
- 8) resolves that the Company may, if necessary, make adjustments to the number of free shares required to preserve the rights of the beneficiaries, depending on any transactions involving the Company's capital or shareholders' equity, particularly in the event of change in the share's par value, a capital increase through the capitalisation of reserves, the awarding of free shares, the issuance of new equity securities with preferential subscription rights reserved for shareholders, the splitting or reverse-splitting of shares, the distribution of reserves, premiums or any other assets, redemption of capital, the change in the profit share through the creation of preference shares, or any other operation involving the share capital or shareholders' equity, (including in the event of a tender offer and/or in the event of a change of control). It is stipulated that the shares allotted under these adjustments will be deemed to be allocated on the same day as the shares initially allocated;
- 9) notes that, in the event of an allocation for free of new shares, this delegation will entail, as and when the shares are definitively allotted, a capital increase by incorporation of reserves, profits or issue premiums for the beneficiaries of the aforementioned shares and the consequential waiver by the shareholders of their preferential subscription rights on said shares in favour of the beneficiaries of these shares;
- 10) acknowledges the fact that, in the event that the Managers do come to make use of this delegation, they will inform the General Meeting each year of the transactions carried out under the provisions of Articles L.225-197-1 to L.225-197-3 of the French Commercial Code, in accordance with the terms set out in Article L.225-197-4 of the same Code;
- 11) sets at twenty-six months, from the date of this Meeting, the period of validity of the delegation which is the subject of this resolution;
- 12) notes that as from today this delegation supersedes, if applicable, the unused portion of the authorisation for the same purpose granted by the General Shareholders' Meeting of 21 December 2016 in its 32nd resolution.
- Seventeenth resolution** – (*Authorisation to be given to the Managers for the purpose of reducing the share capital by cancellation of treasury shares*)
- The General Shareholders' Meeting, acting under the quorum and majority requirements for Extraordinary Meetings, having reviewed the Manager's report, the report of the Supervisory Board, and the special report of the Statutory Auditors, authorises the Managers to reduce the share capital, on one or more occasions, in the proportions and at the times that they shall determine, by cancelling any amount of treasury shares they may decide upon within the limits permitted by law, in accordance with the provisions of Articles L.225-209 *et seq.*
- On the date of each cancellation, the maximum number of shares cancelled by the Company during the twenty-four month period preceding the aforementioned cancellation, including the shares subject to such cancellation, may not exceed 10% of the shares comprising the capital of the Company at that date (*i.e.*, as an indication, as at 31 January 2018, a limit of 10,314,624 shares), it being specified that this limit applies to an amount of the Company's capital which, if applicable, will be adjusted to take into account transactions affecting the share capital subsequent to this General Shareholders' Meeting.

The General Shareholders' Meeting grants full powers to the Managers, with the option of subdelegation, to carry out any cancellation or reduction of capital that may be carried out under this authorisation, to charge to the available premiums and reserves of their choice the difference between the repurchase value of the cancelled shares and the par value, to allocate the fraction of the legal reserve becoming available as a consequence of the capital reduction, to amend the Articles of Association accordingly and to complete all formalities.

This authorisation is given for a period of 26 months as of today's date and as from today supersedes, if applicable, the unused portion of the authorisation for the same purpose granted by the General Shareholders' Meeting of 21 December 2016 in its 33rd resolution.

Ordinary Resolution

Eighteenth resolution – (Powers to perform legal formalities)

The General Shareholders' Meeting grants full powers to the bearer of an original copy, a copy or an excerpt of the minutes of this Meeting to perform any legal formalities of filing and announcements relating to or resulting from the decisions taken according to the foregoing resolutions.

4. STATUTORY AUDITORS' REPORT

(a) Statutory Auditors' report on the issue of securities or shares and securities with and/or without cancellation of preferential subscription rights

MAZARS

61, rue Henri Regnault
92400 Courbevoie France
Limited Company with share capital of €8,320,000
Statutory Auditor
Member of the Versailles Regional Association

ERNST & YOUNG ET AUTRES

Tour First TSA 14444 –
92037 Paris-La Défense Cedex France
Simplified Joint Stock Company with variable share capital
Nanterre Trade and Companies
Register No. 438 476 913
Statutory Auditor
Member of the Versailles Regional Association

This is a translation into English of a report issued in French and is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Combined Annual General Meeting of 25 May 2018

Seventh, eighth, ninth, tenth, eleventh and thirteenth resolutions

Statutory Auditors' report on the issue of securities or shares and securities with and/or without cancellation of preferential subscription rights

To the Shareholders,

In our capacity as statutory auditors of your Company and in compliance with Articles L.228-92 and L.225-135 *et seq.* of the French Commercial Code (*Code de commerce*), we hereby report on the proposed authorizations allowing your Managers to decide on whether to proceed with various issues of shares and/or securities, operations upon which you are called to vote.

Your Manager proposes, on the basis of its report, that:

- it be authorized, for a period of twenty-six months, to decide on whether to proceed with the following operations and to determine the final conditions of these issues and proposes, where applicable, to cancel your preferential subscription rights:

- issue, without cancellation of preferential subscription rights (seventh resolution), of (i) ordinary shares and/or (ii) securities in accordance with Articles L.228-92 paragraph 1, L.228-93 paragraphs 1 and 3 or L.228-94 paragraph 2 of the French Commercial Code (*Code de commerce*), giving access, immediately or at a later date, to the share capital of the Company or other companies (including a company which holds directly or indirectly more than half of the Company's share capital or in which the Company directly or indirectly owns more than half of the share capital);

- issue, with cancellation of preferential subscription rights (eighth resolution), through a public offering, of (i) ordinary shares and/or (ii) securities in accordance with Articles L.228-92 paragraph 1, L.228-93 paragraphs 1 and 3 or L.228-94 paragraph 2 of the French Commercial Code (*Code de commerce*) giving access, immediately

or at a later date, to the share capital of the Company or other companies (including a company which holds directly or indirectly more than half of the Company's share capital or in which the Company directly or indirectly owns more than half of the share capital). These securities may specifically be issued for the purpose of paying for securities that may be contributed to the Company, as part of a public exchange offer performed in France or abroad in accordance with local regulations (e.g. as part of a US or UK "reverse merger") on securities that fulfil the conditions determined in Article L.225-148 of the French Commercial Code (*Code de commerce*);

- issue, with cancellation of preferential subscription rights (ninth resolution), through offerings in accordance with title II of Article L.411-2 of the French Monetary and Financial Code (*Code monétaire et financier*) for an amount that does not exceed 20% of the share capital per year, of (i) ordinary shares and/or (ii) securities in accordance with Articles L.228-92 paragraph 1, L.228-93 paragraphs 1 and 3 or L.228-94 paragraph 2 of the French Commercial Code (*Code de commerce*) giving access, immediately or at a later date, to the share capital of the Company or other companies (including a company which holds directly or indirectly more than half of the Company's share capital or in which the Company directly or indirectly owns more than half of the share capital);

- issue with cancellation of preferential subscription rights, of ordinary shares or securities, giving access to the Company's share capital from the issue, by any company which holds directly or indirectly more than half of the share capital of the Company or in which the Company directly or indirectly owns more than half of the share capital, of securities giving access to the capital of the Company (eighth and ninth resolutions);

- it be authorized, under the eleventh resolution and in accordance with the authorization presented in resolutions eight and nine, to determine the issue price within the legal annual limit of 10% of the share capital;

- it be delegated, for a period of twenty-six months, the powers necessary to issue (i) ordinary shares and/or (ii) securities in accordance with Articles L.228-92 paragraph 1, L.228-93 paragraphs 1 and 3 or L.228-94 paragraph 2 of the French Commercial Code (*Code de commerce*) giving access, immediately or at a later date, to the share capital of the Company or other companies (including a company which holds directly or indirectly more than half of the Company's share capital or in which the Company directly or indirectly owns more than half of the share capital), in consideration for the contributions in kind made to the Company and consisting of equity securities or securities giving access to the share capital (tenth resolution), within the limit of 10% of the share capital.

The overall nominal amount of increases in capital that can be implemented immediately or at a later date may not exceed €1,500,000,000 in respect of the seventh, eighth, ninth, tenth, twelfth, fourteenth, fifteenth and sixteenth resolutions, it being specified that the overall nominal amount of capital increases may not exceed €600,000,000 in respect of the eighth resolution, €500,000,000 in respect of the ninth resolution (this amount is deductible from the €600,000,000 limit provided for in the eighth resolution) and €250,000,000 in respect of the tenth resolution (this amount being deductible from the €600,000,000 limit provided for in the eighth resolution).

The overall nominal amount of debt securities that can be issued may not exceed €2,500,000,000 in respect of the seventh resolution, €1,750,000,000 in respect of the eighth and ninth resolutions and €900,000,000 in respect of the tenth resolution.

These ceilings reflect the additional number of securities to be created as part of the implementation of the delegations referred to in the seventh, eighth and ninth resolutions, in accordance with Article L.225-135-1 of the French Commercial Code (*Code de commerce*), if you adopt the thirteenth resolution.

It is the responsibility of the Manager to prepare a report in accordance with Articles R.225-113 *et seq.* of the French

Commercial Code (*Code de commerce*). Our role is to report on the fairness of the financial information taken from the accounts, on the proposed cancellation of preferential subscription rights and on other information relating to these operations provided in this report.

We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) for this type of engagement. These procedures consisted in verifying the information provided in the Manager's report relating to these operations and the methods used to determine the issue price of the equity securities to be issued.

Subject to a subsequent examination of the conditions for the issues that would be decided, we have no matters to report as to the methods used to determine the issue price of the equity securities to be issued provided in the Manager's report in respect of the eighth, ninth, and eleventh resolutions.

Moreover, as the methods used to determine the issue price of the equity securities to be issued in accordance with the seventh and tenth resolutions are not specified in said report, we cannot report on the choice of constituent elements used to determine the issue price.

As the final conditions in which the issues would be performed have not yet been determined, we cannot report on these conditions and, consequently, on the proposed cancellation of preferential subscription rights made to you in the eighth and ninth resolutions.

In accordance with Article R.225-116 of the French Commercial Code (*Code de commerce*), we will issue a supplementary report, if necessary, when your Managers have exercised these authorizations in case of the issue of securities that are equity securities giving access to other equity securities or giving entitlement to the allotment of debt securities, in case of the issue of securities giving access to equity securities to be issued and in case of the issue of shares with cancellation of preferential subscription rights.

Paris-La Défense and Courbevoie, 25 April 2018

The Statutory Auditors
French original signed by

MAZARS
Simon Beillevaire

ERNST & YOUNG et Autres
David Koestner

(b) Statutory Auditors' report on the issue of ordinary shares and/or other equity securities conferring entitlement to the Company's share capital reserved for the members of a company savings plan

ERNST & YOUNG et Autres

Registered office: Tour First TSA 14444 –
92037 Paris-La Défense Cedex, France

Simplified Joint-Stock Company with variable share capital
– Nanterre Trade and Companies Register No. 438 476 913

MAZARS

Registered office: 61, rue Henri Regnault –
92075 Paris La Defense Cedex

Limited Company with Executive and Supervisory Boards
and share capital of €8,320,000
Nanterre Trade and Companies Register No. 784 824 153

This is a translation into English of a report issued in French and is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Combined General Meeting of 25 May 2018

Fourteenth Resolution

Statutory Auditors' report on the issue of ordinary shares and/or other equity securities conferring entitlement to the Company's share capital reserved for the members of a company savings plan

To the Shareholders,

In our capacity as Statutory Auditors of your Company, and in compliance with Articles L.228-92 and L.225-135 and following of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposal to grant your Managers the ability to decide on an issue (i) of shares and/or (ii) equity securities governed by Article L.228-92.1 of the French Commercial Code (*Code de commerce*) conferring entitlement to the Company's share capital immediately or in the future, with cancellation of preferential subscription rights, reserved for the members of one or several company's savings plan (or any other plan for the member(s) of which Articles L.3332-1 and following of the French Labour Code (*Code du travail*), or any other law or similar regulation would allow a capital increase to be reserved under equivalent conditions), arranged by a French or foreign company or group of companies included in the consolidation or combination scope for the Company's financial statements pursuant to Article L.3344-1 of the French Labour Code (*Code du travail*) an operation upon which you are called to vote.

This capital increase is submitted for your approval in accordance with Article L.225-129-6 of the French Commercial Code (*Code de commerce*) and Articles L.3332-18 and following of the French Labour Code (*Code du travail*).

The overall nominal amounts of the capital increases likely to be performed immediately or at a future date may not exceed €30,000,000, on the understanding that this amount will be deducted from the overall cap of €1,500,000,000 provided for in the Seventh Resolution submitted to this Meeting. The overall nominal amount of the debt securities likely to be issued may not exceed €50,000,000.

Your Manager proposes that, on the basis of its report, to be authorized for a period of 26 months starting from the date of this Shareholder's Meeting to decide on whether to proceed with a capital increase and proposes to cancel your preferential subscription rights to the ordinary shares and/or other equity securities.

If necessary, it will determine the final conditions for this operation.

It is the responsibility of the Manager to prepare a report in accordance with Articles R.225-113 and following of the French Commercial Code (*Code de commerce*). It is our responsibility to report on the fairness of the financial information taken from the financial statements, on the proposed cancellation of preferential subscription rights, and on certain other information relating on the share issue, provided in this report.

We have performed the procedures which we considered necessary in accordance with the professional guidance issued by the French auditing body (*Compagnie nationale des commissaires aux comptes*). These procedures consisted in verifying the content of the management report relating to this transaction and the methods for determining the issue price of the equity securities to be issued.

Subject to a subsequent examination of the conditions for the issue that may be decided, we have nothing to report on the methods for determining the issue price of the ordinary shares and the other equity securities provided in the Manager's Report.

As the final conditions for the increase in capital have not yet been determined, we do not express an opinion on these conditions and, consequently, on the proposed cancellation of preferential subscription rights which is made to you.

In accordance with article R.225-116 of the French Commercial Code (*Code de commerce*), we will prepare an additional report, if any, when this delegation is used by your management in the event of the issue of shares or securities which are equity securities giving access to other equity securities and in the event of the issue of securities giving access to equity securities to be issued.

Paris-La Défense and Courbevoie, 25 April 2018

The Statutory Auditors
French original signed by

ERNST & YOUNG et Autres

David Koestner
Partner

MAZARS

Simon Beillevaire
Partner

(c) Statutory Auditors' report on the authorisation to allot share subscription or purchase options

ERNST & YOUNG et Autres

Registered office: Tour First TSA 14444 –
92037 Paris-La Défense Cedex, France

Simplified Joint-Stock Company with variable share capital
– Nanterre Trade and Companies Register No. 438 476 913

MAZARS

Registered office: 61, rue Henri Regnault –
92075 Paris La Defense Cedex

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and share capital of €8,320,000
Nanterre Trade and Companies Register No. 784 824 153

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Combined General Meeting of 25 May 2018

Fifteenth Resolution

Statutory Auditors' report on the authorisation to allot share subscription or purchase options

To the Shareholders,

In our capacity as Statutory Auditors of your Company, and in compliance with Articles L.225-177 and R.225-144 of the French Commercial Code (*Code de commerce*), we hereby report to you on the authorisation to allot share subscription or purchase options to the individuals among the employees, corporate officers of the Company and the related companies or corporate groups under the terms and conditions determined by the Managers and in accordance with Article L.225-180 of the French Commercial Code (*Code de commerce*), operation upon which you are called to vote.

The total number of share subscription and purchase options allotted pursuant to this delegation may not grant an entitlement to subscribe to or purchase a number of shares that exceeds 3% of the share capital on the date of the Managers' decision to allot the options, while the nominal amount of the capital increases resulting from the exercise of the share options granted pursuant to this delegation of authority will be deducted from the overall cap of €1,500,000,000 provided for in the Seventh Resolution submitted to this Meeting.

The total number of share subscription or purchase options granted to the Company's executive corporate officers pursuant to this delegation for each financial year may not amount to more than 1% of the options granted during the financial year pursuant to this delegation of authority.

Your Manager proposes that, on the basis of its Report, it be authorized for a period of 26 months starting from the date of this Shareholder's Meeting to decide on whether to allot share subscription or purchase options.

It is the responsibility of the Manager to prepare a report on the reasons for making the share subscription or purchase options available, and on the proposed procedures for setting the subscription or purchase price. It is our responsibility to report you on the proposed procedures relating to the determination of the subscription or purchase price for the shares.

We have performed the procedures which we considered necessary in accordance with the professional guidance issued by the French auditing body (*Compagnie nationale des commissaires aux comptes*). These procedures required that we perform the necessary procedures to verify the contents of the Management's Report relating to this operation and on the methods for determining the subscription or purchase price for the shares and that it is consistent with applicable laws.

We have no comments on the methods proposed to determine the subscription price or purchase price of the shares.

Paris-La Défense and Courbevoie, 25 April 2018

The Statutory Auditors
French original signed by

ERNST & YOUNG et Autres

David Koestner
Partner

MAZARS

Simon Beillevaire
Partner

(d) Statutory Auditors' report on the authorisation to allot existing or future free shares

ERNST & YOUNG et Autres

Registered office: Tour First TSA 14444 –
92037 Paris-La Défense Cedex, France

Simplified Joint-Stock Company with variable share capital
– Nanterre Trade and Companies Register No. 438 476 913

MAZARS

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92075 Paris La Defense Cedex

Limited Company with Executive and Supervisory Boards
and share capital of €8,320,000
Nanterre Trade and Companies Register No. 784 824 153

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Combined General Meeting of 25 May 2018

Sixteenth Resolution

Statutory Auditors' report on the authorisation to allot existing or future free shares

To the Shareholders,

In our capacity as Statutory Auditors of your Company, and in compliance with Article L.225-197-1 of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposal to grant to your Managers the ability to allot existing or future free shares to the categories of beneficiaries determined by the Management among the salaried employees of the Company or any related companies or corporate groups, pursuant to the conditions provided for in Article L.225-197-2 of the French Commercial Code (*Code de commerce*), as well as to the corporate officers of the Company or of related companies or business combinations, pursuant to the conditions provided for in Article L.225-197-1 II of the French Commercial Code (*Code de commerce*). This is the operation on which you are called to vote.

The maximum total number of existing or future free shares to be allotted pursuant to this delegation of ability may not amount to over 3% of the share capital at the date of the Managers' decision, on the understanding that the maximum nominal amount of the capital increases likely to

be performed immediately or in the future pursuant to this delegation of ability will be deducted from the overall cap of €1,500,000,000 provided for in the Seventh Resolution submitted to this Meeting.

The total number of existing or future shares allotted to the Company's executive corporate officers pursuant to this delegation of authority may not amount to over 1% of the free shares allotted during the financial year pursuant to this delegation of ability.

Your Manager proposes that, on the basis of its report, it be authorized to allot existing or future free shares for a period of twenty-six months from the date of this Meeting.

It is the responsibility to of the Manager to prepare a report on the operation that it wishes to be allowed to perform. It is our responsibility to report you, if necessary, our comments on the information relating on the proposed operation provided to you.

We have performed the procedures which we considered necessary in accordance with the profession guidance issued by the French auditing body (*Compagnie nationale des commissaires aux comptes*). These procedures required that we verify the content of Manager's Report relating to this operation is consistent with applicable laws.

We have no comments on the information given by Manager's Report relating to the proposed operation aimed at authorising the allotment of free shares.

Paris-La Défense and Courbevoie, 25 April 2018

The Statutory Auditors

French original signed by

ERNST & YOUNG et Autres

David Koestner
Partner

MAZARS

Simon Bellevoire
Partner

(e) Statutory Auditors' report on the reduction in capital

MAZARS

61, rue Henri Regnault –
92075 Paris La Defense Cedex

Limited Company with Executive and Supervisory Boards
and share capital of €8,320,000

Nanterre Trade and Companies Register No. 784 824 153

ERNST & YOUNG et Autres

Tour First TSA 14444 –
92037 Paris-La Défense Cedex, France

Simplified Joint-Stock Company with variable share capital
– Nanterre Trade and Companies Register No. 438 476 913

This is a translation into English of the statutory auditors' report on the reduction in capital of the Company issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Combined General Meeting of 25 May 2018

Seventeenth Resolution

Statutory auditors' report on the reduction in capital

To the Shareholders,

In our capacity as statutory auditors of your Company and in compliance with article L.225-209 of the French Commercial Code (*Code de commerce*) in respect of the reduction in capital by the cancellation of repurchased shares, we hereby report on our assessment of the terms and conditions for the proposed reduction in capital.

Your Manager requests that it be authorized, for a period of twenty-six months starting on the date of the present shareholders' meeting, to proceed with the cancellation

of shares the Company was authorized to repurchase, representing an amount not exceeding 10% of its total share capital, by periods of twenty-four months in compliance with the article mention above.

We have performed those procedures which we considered necessary in accordance with professional practices guidance issued by the national auditing body (*Compagnie nationale des commissaires aux comptes*) for this type of engagement. These procedures consisted in verifying that the terms and conditions for the proposed reduction in capital, which should not compromise equality among the shareholders, are fair.

We have no matters to report as to the terms and conditions of the proposed reduction in capital.

Courbevoie and Paris-La Défense, on 25 April 2018

The Statutory Auditors
French original signed by

MAZARS

Simon Beillevaire

ERNST & YOUNG et Autres

David Koestner

X . ADDITIONAL INFORMATION

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1. PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Tikehau Capital General Partner,
Manager of the Company
32, rue de Monceau, 75008 Paris, France
Tel.: +33 1 40 06 26 26
Fax: +33 1 40 06 09 37

Declaration by the Person responsible for the Registration Document and for the Annual Financial Report

"We declare, having taken all reasonable measures to this effect, that the information contained in this Registration Document is, to our knowledge, in accordance with the facts and contains no omission likely to affect its import.

We certify that, to our knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and income or loss of the Company and all the other companies included in the scope of consolidation, and that the management report for which the concordance table is presented in Section X.6(b) includes a fair review of the development of the business, results and financial position of the Company and all the other companies included in the scope of consolidation, and that it describes the principal risks and uncertainties that they face.

We have obtained a letter from the Statutory Auditors stating that they have completed their assignment which included checking the information relating to the financial position and the accounts given in this Registration Document and that they have read the entire Registration Document."

Paris, 26 April 2018

Tikehau Capital General Partner, Manager of the Company,
represented by:

Its Chairman, AF&Co,
itself represented by its Chairman,
Mr. Antoine Flamarion

Its CEO, MCH,
itself represented by its Chairman,
Mr. Mathieu Chabran

2. THE STATUTORY AUDITORS

At the registration date of this Registration Document, the Company's Statutory Auditors and Alternate Auditor are as follows:

Statutory Auditors of the Company

MAZARS

61, rue Henri-Regnault
92400 Courbevoie France

represented by Mr. Simon Beillevaire

Mazars was appointed Statutory Auditor of the Company to replace C.M.S. Experts Associés by the General Shareholders' Meeting of 1 June 2017 for the remaining term of appointment of the outgoing Statutory Auditor, that is, until the date of the General Shareholders' Meeting convened to approve the financial statements for the year ended 31 December 2021.

ERNST & YOUNG et AUTRES

1-2, place des Saisons,
Paris La Defense 1
92400 Courbevoie France

represented by Mr. David Koestner

Ernst & Young et Autres was appointed Statutory Auditor by the General Meeting of 7 November 2016 for a term of six financial years ending with the close of the General Shareholders' Meeting called to rule on the accounts of the financial year ending on 31 December 2021.

Alternate Auditor

PICARLE & ASSOCIÉS

1-2 Place des Saisons,
Paris La Défense 1
92400 Courbevoie France

Picarle & Associés was appointed Alternate Auditor of the Company by the General Meeting of 7 November 2016 for a term of six financial years ending with the close of the General Meeting called to rule on the accounts of the financial year ending on 31 December 2021.

Statutory's Auditors' Fees

(in thousands of €)	Mazars			Ernst & Young et Autres			Others ¹	Total as at 31 December 2017
	Company	Subsidiaries	TOTAL	Company	Subsidiaries	TOTAL		
Certification of accounts (excl. taxes)	117	47	164	117	70	187	22	373
Other services (excl. tax)	91	-	91	91	-	91	-	182
TOTAL	208	47	255	208	70	278	22	555

¹ Services provided to subsidiaries only.

(in thousands of €)	CMS Experts Associés			Ernst & Young et Autres			Others ¹	Total as at 31 December 2016
	Company	Subsidiaries	TOTAL	Company	Subsidiaries	TOTAL		
Certification of accounts (excl. taxes)	215	-	215	325	87	412	-	627
Other services (excl. tax)	18	-	18	-	-	-	-	18
TOTAL	233	-	233	325	87	412	-	645

¹ Services provided to subsidiaries only.



3. FINANCIAL COMMUNICATION

Responsibility and contact within the Company

Mr. Henri Marcoux is responsible for financial communication, under the supervision of the Manager of the Company.

To contact the Company:

Tikehau Capital
www.tikehaucapital.com
32, rue de Monceau,
75008 Paris, France
Tel: +33 1 40 06 26 26
Fax: +33 1 40 06 26 13

Financial communication policy

The Company intends to maintain an active and transparent financial communication policy with its shareholders and potential shareholders, in order to allow its stakeholders to follow the evolution of its activities, its performance and its financial position. (See Section II.1 (Overview of activities, results and financial position) of this Registration Document.)

In addition to its regulatory periodic and ongoing reporting obligations, the Company will report to the market on the first and third quarter of each financial year, disclosing in particular the amount of its assets under management.

A detailed presentation of the main indicators monitored by the Company is provided in Section II.1 (Overview of activities, results and financial position) of this Registration Document.



4. DOCUMENTS AVAILABLE TO THE PUBLIC

Copies of this Registration Document are available free of charge at the Company's registered office. This document may also be reviewed on the Company's website (www.tikehaucapital.com) and on the website of the French Financial Markets Authority (AMF) (www.amf-france.org).

Throughout the validity of this Registration Document, the following documents (or copies of these documents) may be reviewed:

- the Company's Articles of Association;
- the Company's Supervisory Board's internal rules;
- all reports, letters and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request, any part of which is included or referred to in this Registration Document; and
- the historical financial information included in this Registration Document.

All these legal and financial documents relating to the Company that must be made available to shareholders in accordance with the regulations may be consulted at the Company's registered office.

Regulated information as defined by the AMF General Regulation regarding the Company and its Group will also be available on the Company's website.

5. GLOSSARY

“Assets under management”	The concept of assets under management is defined in Section II.1 (Overview of activities, income and financial position) of this Registration Document.
“AMF”	Autorité des marchés financiers, the financial markets regulatory authority in France.
“Equity warrant”	Warrant giving the right to subscribe to a company’s shares (<i>bon de souscription d’action</i>)
“CLO”	Collateralized Loan Obligation, a type of debt securitisation instrument in the form of bonds whose underlying assets are loans granted to companies.
“AFEP-MEDEF Code”	The AFEP-MEDEF code of corporate governance published in December 2008 and revised in November 2016 ¹ .
“Private Debt”	Private debt refers to asset classes in the credit market that are usually in the form of loans and private placements.
“Senior debt”	Top-ranking debt with collateral having priority in repayment vs. subordinated debt and equity.
“Direct Lending”	This is a sub-segment of the private debt market in which a non-bank lender performs the origination, arrangement (or structuring) and investment in its financing for companies.
“AIFM Directive”	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No. 1060/2009 and (EU) No. 1095/2010.
“MIFI Directive”	Directive 2004/39/EC on Markets in Financial Instruments, which governs the provision of investment services within the European Union.
“MIFI Directive II”	Directive 2014/65/EU amending MIFID, which must be transposed by 3 January 2018 at the latest.
“UCITS V Directive”	Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards the functions of custodian, remuneration policies and sanctions.
“ESMA”	European Securities and Markets Authority
“FATCA”	Foreign Account Tax Compliance Act, US legislation adopted as part of the fight against tax evasion by US taxpayers. It ordains that under certain conditions information be collected annually from foreign financial institutions on the assets and income recorded in accounts held by US taxpayers outside the United States.
“FCA”	Financial Conduct Authority, the financial regulatory authority in the United Kingdom.
“FCP”	<i>Fonds commun de placement</i> , a type of UCITS that issues units and that has no legal personality. By buying shares, the investor becomes a member of a joint ownership of transferable securities but has no voting rights. An FCP is represented and managed, in regard to its administrative, financial and accounting aspects, by a single asset management company which itself may delegate these tasks.
“FCPR”	Fonds commun de placement à risque, French venture capital fund, a type of UCITS that includes in its assets a significant proportion of securities issued by non-listed French or foreign companies.

¹ The AFEP-MEDEF Code can be consulted online at www.medef.com/fileadmin/www.medef.fr/documents/AFEP-MEDEF/2017/Code_de_gouvernement_d'entreprise_des_societes_cotees_novembre_2016.pdf.

“FCT”	<i>Fonds commun de titrisation</i> , French debt securitisation fund, an investment fund the purpose of which is the acquisition of debt and the issuance of bonds, units or shares representing such debt.
“AIF”	Alternative investment fund, an undertaking for collective investment distinct from UCITS. Its aim is to raise capital from a number of investors in order to invest it in accordance with an investment policy defined by the company managing the fund.
“FPCI”	<i>Fonds professionnel de capital-investissement</i> , French professional private equity fund.
“FPS”	<i>Fonds de prêt spécialisé</i> , French specialized loan fund, an alternative investment fund open to professional investors in the form of a SICAV, an FCP or an SLP (<i>société de libre partenariat</i> , similar to a limited partnership).
“KYC”	Know Your Customer: a procedure for collecting and analysing data for the purpose of verifying the identity of customers, developed as part of the fight against corruption, financial fraud, money laundering and terrorist financing).
“Leveraged Loans”	See the definition of “Senior Debt”.
“LBO”	Leveraged Buy Out, that is, the acquisition of a company using financing to create leverage.
“MAS”	Monetary Authority of Singapore, the financial regulatory authority in Singapore.
“Mezzanine”	Subordinated debt with collateral, the repayment of which is subordinated to the repayment of Senior Debt.
“OBO”	Owner Buy Out (Leveraged acquisition performed by the owner of the company being acquired).
“OPCI”	<i>Organisme de placement collectif immobilier</i> , French real estate investment vehicle, taking the form of a company with variable capital investing primarily in real estate or a real estate investment trust, whose purpose is investment in buildings intended for rental or that it has constructed solely in order to rent them.
“UCITS”	Undertaking for collective investment in transferable securities, a portfolio of transferable securities (equities, bonds, etc.) managed by professionals (the asset management company) and held collectively by individuals or institutional investors. There are two types of UCITS: SICAVs (open-ended investment companies with variable capital) and FCPs (mutual funds).
“ORNANE”	<i>Obligations à option de remboursement en numéraire et/ou en actions nouvelles et/ou existantes</i> : bonds with the option of redemption in cash and/or new and/or existing shares.
“SME”	Small and medium enterprises.
“PIK”	Payment in kind, loans characterized by the fact that the interest payment is not always made in cash.
“RCCI”	<i>Responsable conformité et contrôle interne</i> : Head of Compliance and Internal Control.
“PORTFOLIO ASSET MANAGEMENT COMPANY”	An investment services provider engaged primarily in third party asset management (individually through a management mandate, and collectively through a UCITS) and subject to the approval of the AMF.
“SICAV”	<i>Société d'investissement à capital variable</i> : open-ended investment company with variable capital.
“Company”	Tikehau Capital, company limited by shares whose registered office is located 32, rue de Monceau – 75008 Paris France, registered with the Paris Trade and Companies Register under number 477 599 104.
“Stretched senior”	Hybrid debt combining a traditional loan and financing on assets offering greater leverage than Senior Debt.
“TIAP”	<i>Titres immobilisés de l'activité de portefeuille</i> : Long-term portfolio investment securities.
“Tikehau Capital Advisors”	Tikehau Capital Advisors, <i>société par actions simplifiée</i> (simplified joint stock company) whose registered office is located 32, rue de Monceau – 75008 Paris France, registered with the Paris Trade and Companies Register under number 480 622 026.

“Tikehau Capital Europe”	Tikehau Capital Europe, English limited liability company whose registered office is located 111 Old Broad Street, EC2N 1AP, London, United Kingdom, entered in the Register for England and Wales at Companies House under number 9154248.
“Tikehau Capital General Partner”	Tikehau Capital General Partner, <i>société par actions simplifiée</i> (simplified joint stock company) whose registered office is located 32, rue de Monceau – 75008 Paris France, registered with the Paris Trade and Companies Register under number 800 453 433, Sole Manager and General Partner of the Company.
“TC UK”	Tikehau Capital UK, English company whose registered office is located 111 Old Broad Street, EC2N 1AP, London, United Kingdom, entered in the Register for England and Wales at Companies House under number 8597849.
“Tikehau IM”	Tikehau Investment Management, <i>société par actions simplifiée</i> (simplified joint stock company) whose registered office is located 32, rue de Monceau – 75008 Paris France, registered with the Paris Trade and Companies Register under number 491 909 446.
“TREIC”	Tikehau Real Estate Investment Company, <i>société par actions simplifiée</i> (simplified joint stock company) whose registered office is located 32, rue de Monceau – 75008 Paris France, registered with the Paris Trade and Companies Register under number 817 471 907.
“IRR”	Internal rate of return, or discount rate that cancels the net present value of a series of financial flows. In general, these financial flows relate to a project with an initial negative cash flow corresponding to the initial investment, followed by positive cash flows equal to the return on the investment.
“Unitranche”	Financing that combines a senior debt component with mezzanine debt in a single instrument to simplify the capital structure and provide greater flexibility.

6. CONCORDANCE TABLES

(a) Concordance table – Appendix I of Regulation (EC) No. 809/2004

In the following concordance table, against each of the headings set out in Appendix I of European Commission Regulation (EC) No. 809/2004 of 29 April 2004 (as amended), are listed the numbers of the section or sections in which is given the information relating to each of these headings in this Registration Document.

No.	Headings in the Regulation (Appendix I)	Section(s)	Page(s)
1	Persons responsible		
1.1	Persons responsible for the information contained in the document	X.1	350
1.2	Declaration by the persons responsible for the document	X.1	350
2	The Statutory Auditors		
2.1	Name and address of the Statutory Auditors of the Company	X.2	351
2.2	Resignation, side-lining, or non-reappointment of Statutory Auditors	N/A	N/A
3	Selected financial information		
3.1	Selected historical financial information	I.2	14
3.2	Selected financial information for interim periods and comparative data from the same periods in the prior financial year	N/A	N/A
4	Risk Factors	III.1	108-120
5	Information about the Company		
5.1	History and development of the Company		
5.1.1	Legal and commercial name	VIII.1(a)	292
5.1.2	Place of registration and registration number	VIII.1(b)	292
5.1.3	Date of incorporation and term	VIII.1(c)	292
5.1.4	Domicile and legal form of the Company, the legislation under which it operates, country of origin, address and telephone number	VIII.1(d)	292
5.1.5	Important events in the development of the Company's business	I.1(b); I.2; II.2; II.3; II.4; II.5;	12; 14-17; 90-91; 101; 102-103; 104-105
5.2	Investments		
5.2.1	Main investments made by the Company for each financial year for the period covered by the historical financial information	I.4; II.3	28- 69; 91-101
5.2.2	Company's main investments that are in progress	II.5	104-105
5.2.3	Information concerning the Company's main future investments on which firm commitments have already been made	N/A	N/A
6	Business Overview		
6.1	Main activities		
6.1.1	Nature of the Company's operations and its main activities	I.1(a); I.4	8-11; 28-69
6.1.2	Significant new products or services that have been introduced	N/A	N/A
6.2	Main markets	I.5	70-81
6.3	Factors that have influenced the information given pursuant to items 6.1 and 6.2	I.5	70-81
6.4	Extent to which the Company is dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes.	N/A	N/A
6.5	The basis for any statements made by the Company regarding its competitive position.	I.5	70-81

X . ADDITIONAL INFORMATION
Concordance tables

No.	Headings in the Regulation (Appendix I)	Section(s)	Page(s)
7	Organisational structure		
7.1	Description of the Group and the Company's position within the Group	I.1(a)	8-11
7.2	List of the Company's significant subsidiaries	I.1(a); I.4(a)(ii);	8-11; 30-34
8	Property, plant and equipment		
8.1	Existing or planned material tangible fixed assets, including leased properties	N/A	N/A
8.2	Environmental issues that may affect the Company's utilisation of the tangible fixed assets	VII.2(c)	280-282
9	Operating and financial review		
9.1	Company's financial position, changes in financial condition and results of operations for each year and interim period, for which historical financial information is required	II.3; II.4	91-101; 102-103
9.2	Operating result		
9.2.1	Significant factors, including unusual or infrequent events or new developments, materially affecting or potentially materially affecting the Company's income from operations	I.5; II.1	70-81; 88-89
9.2.2	Material changes in net sales or revenues, and reasons for such changes	II.3(a); II.3(b)	91-94; 95-98
9.2.3	Governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the Company's operations	I.6; III.1	82-86; 108-120
10	Capital resources		
10.1	Information concerning the Company's capital resources (both short and long term)	II.3(d); II.4; II.5	98-100; 101; 102-103; 104-105
10.2	Sources and amounts of the Company's cash flows	II.3(d)	98-100
10.3	Information on the borrowing requirements and funding structure of the Company	II.3(d)	98-100
10.4	Information regarding any restrictions on the use of capital resources	N/A	N/A
10.5	Information regarding the anticipated sources of funds	N/A	N/A
11	Research and development, patents and licences		
	Description of the Company's research and development policies including the amount spent on Company-sponsored research and development activities	N/A	N/A
12	Trend information		
12.1	Significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of registration	I.5	70-81
12.2	Known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least the current year	II.5	104-105
13	Profit forecasts or estimates	N/A	N/A

No.	Headings in the Regulation (Appendix I)	Section(s)	Page(s)
14	Administrative, management and supervisory bodies and Senior Management		
14.1	Information on activities, any convictions and corporate offices: <ul style="list-style-type: none"> • of members of the administrative, management or supervisory bodies; and • any senior manager who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business 	IV.1(a); IV.1(b)	136-138; 139-150
14.2	Administrative, management, and supervisory bodies and Senior Management conflicts of interests; Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any person referred to in item 14.1 was selected as a member of the administrative, management or supervisory bodies or member of senior management; Details of any restrictions agreed by the persons referred to in item 14.1 on the disposal within a certain period of time of their holdings in the Company's share capital	IV.4(a)(i); IV.4(e)	157-158; 165-166
15	Remuneration and benefits of persons referred to in 14.1		
15.1	The amount of remuneration paid and benefits in kind granted to such persons by the Company and its subsidiaries	IV.3	153-156
15.2	Total amounts set aside or accrued by the Company or its subsidiaries to provide pension, retirement or similar benefits	IV.4(d)	164
16	Board Practices		
16.1	Date of expiration of the current term of office of members of administrative, management and supervisory bodies	IV.1(a); IV.1(b)(i)	136-138; 139
16.2	Information on service contracts binding members of administrative bodies	IV.5(a)(ii)	170-171
16.3	Information on the Company's Audit Committee and Remuneration Committee	IV.4(b)	162-164
16.4	Statement as to whether the Company complies with the corporate governance regime in force	IV.4(f)	167-169
17	Employees		
17.1	Number of employees at the end of the period covered by the historical financial information or average for each year of that period and breakdown of employees	VII.2(b)(i)	277-278
17.2	Shareholdings and stock options: For each person referred to in item 14.1, information as to their share ownership and any options over such shares in the Company	IV.3(c); VIII.3(b)(i); VII.2(b)(iii)	156; 299-301; 279-280
17.3	Arrangements for involving the employees in the capital of the Company	VII.2(b)(iii)	279-280
18	Major shareholders		
18.1	Name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the Company's share capital or voting rights which is notifiable under the issuer's national law	VIII.4(a)	307-309
18.2	Existence of differences in voting rights	N/A	N/A
18.3	Ownership or control of the Company and measures in place to ensure that such control is not abused	VIII.4(b)	310
18.4	Any arrangement the operation of which may result in a change in control	N/A	N/A
19	Related party transactions	IV.5	170-174

No.	Headings in the Regulation (Appendix I)	Section(s)	Page(s)
20	Financial information concerning the Company's assets and liabilities, financial position and profits and losses		
20.1	Financial information ¹	V; VI	175-219; 221-256
20.2	Pro forma financial information ²	N/A	N/A
20.3	Annual financial statements (consolidated and statutory accounts)	V; VI	175-219; 221-256
20.4	Auditing of historical annual financial information		
20.4.1	Statement that the historical financial information has been audited	V.2; VI.2	216-219 ; 253-256
20.4.2	Other information contained in the Registration Document which has been audited by the auditors	N/A	N/A
20.4.3	Where financial data in the Registration Document is not extracted from the Company's audited financial statements, state the source and state that the data is unaudited	N/A	N/A
20.5	Date of the last audited financial information	V; VI	175-219; 221-256
20.6	Interim and other financial information	N/A	N/A
20.7	Dividend Policy	I.7	86
20.7.1	Dividend per share	I.7; II.4(b)	86; 103
20.8	Legal and arbitration proceedings	III.4	134
20.9	Significant change in the financial or trading position since the end of the last financial year	II.5	104; 105
21	Additional information		
21.1	Share capital		
21.1.1	Amount of the subscribed capital, number of shares issued, par value per share and reconciliation of the number of shares outstanding at the beginning and end of the year	VIII.3(a)	297-299
21.1.2	Shares not representing capital	N/A	N/A
21.1.3	Number, book value and face value of shares held by the Company or its subsidiaries	VIII.3(d)	306-307
21.1.4	Convertible securities, exchangeable securities or securities with warrants	VIII.3(b)	299-301
21.1.5	Information about and terms of any acquisition rights or obligations attached or capital subscribed for but not paid up, or any undertaking to increase the capital	VIII.3(b); VIII.3(c)	299-301; 302-305
21.1.6	Information about any capital of any member of the Group which is under option or agreed to be put under option	N/A	N/A
21.1.7	Evolution of the share capital for the period covered by the historical financial information	VIII.3(a)	297-299
21.2	Memorandum and Articles of Association		
21.2.1	Corporate Purpose	VIII.2	294-296
21.2.2	Provisions contained in the Articles of Association or bylaws relating to members of the administrative bodies	IV.1(c); IV.4; VIII.2(c); VIII.2(e)	150; 157-169; 295
21.2.3	Rights, preferences and restrictions attaching to each class of the existing shares	VIII.2(f)	296
21.2.4	Number of shares necessary to change the rights of shareholders	VIII.2(g)	296
21.2.5	Attendance and admission to the Annual General Meetings and Extraordinary General Meetings	IV.2(a); VIII.2(h)	294; 296
21.2.6	Provision of the Articles of Association, charter or bylaws that would have the effect of delaying, deferring or preventing a change in control	VIII.2(i)	296

No.	Headings in the Regulation (Appendix I)	Section(s)	Page(s)
21.2.7	Provision of the statutes, charter or bylaws, setting the ownership threshold above which shareholder ownership must be disclosed	VIII.2(b)	294-295
21.2.8	Conditions imposed by the statutes, charter or bylaws governing changes in the capital, where such conditions are more stringent than is required by law	N/A	N/A
22	Material Contracts	II.2; IV.5; VIII.4(b)	90; 170-174; 310
23	Third party information and statement by experts and declarations of interest	N/A	N/A
24	Documents available to the public	X.4	353
25	Information on equity investments	I.4(a)(iv); I.4(e)	37-40; 59-69

¹ In accordance with Article 28 of Regulation (EC) No. 809/2004 of 29 April 2004 (as amended) and Article 212-II of the AMF General Regulation, (i) the consolidated financial statements for the years ended 31 December 2014 and 2015 as set out in Section VI.1 (pages 205 to 236) of the Registration Document filed with the AMF on 24 January 2017 under number I.17-002 and the Statutory Auditors' audit report relating thereto as set out on page 237 of said Registration Document and (ii) the consolidated financial statements for the year ended 31 December 2016 as set out in Section V.1 (pages 201 to 240) of the 2016 Registration Document filed with the AMF on 27 April 2017 under number R.17-029 and the Statutory Auditors' report relating thereto as set out on pages 241 and 242 of the 2016 Registration Document, are incorporated by reference.

² *Pro forma* financial information as at 31 December 2016 in Section V.2 (pages 243 to 255) of the 2016 Registration Document filed with the AMF on 27 April 2017 under number R.17-029 and the Statutory Auditors' report thereon as shown on pages 256 and 257 of the 2016 Registration Document.

(b) Concordance table – annual financial report and management report

To facilitate the reading of the annual financial report and the management report as resulting from the French Commercial Code, the following table identifies, in this Registration Document, the information required by law and applicable regulations. The information required for the annual financial report is marked by the letters "AFR".

No.		Information by	Section(s)	Page(s)
1	Statutory accounts	AFR	VI	221-256
2	Consolidated financial statements	AFR	V	175-219
3	Management report			
3.1	Information on the activity of the Company			
	Presentation of the activity (including progress achieved and difficulties encountered) and the results of the Company, for each subsidiary and for the Group <i>Art. L.232-1, L.233-6, R.225-102 and/or L.233-6, L.233-26 of the French Commercial Code</i>		II.3(a)-(b)	91-94; 95-98
	The Company's Financial results for the last five years <i>R.225-102 of the French Commercial Code</i>		II.4	102-103
	Analysis of the evolution of the business, results, financial situation and including the debt of the Company and Group <i>Art. L.233-26, L.225-100, par.3, L.225-100-1 and/or L.225-100-2 of the French Commercial Code</i>	AFR	II.3; II.4	91-101; 102-103
	Foreseeable development of the Company and/or Group <i>Art. L.232-1, R.225-102 and/or L.233-26, R.225-102 of the French Commercial Code</i>		I.5(d); II.5	76-81; 104-105
	Key financial and non-financial indicators of the Company and the Group <i>Art. L.225-100, par. 3 and 5, L.225-100-1 L.223-26 and/or L.225-100-2, of the French Commercial Code</i>	AFR	I.2; II.1; VII	14-17; 88-89; 257-289

X . ADDITIONAL INFORMATION
Concordance tables

No.	Information by	Section(s)	Page(s)
	Events of the Company and Group since the end of the financial year <i>Art. L.232-1 and/or L.233-26 of the French Commercial Code</i>	II.5	104-105
	Guidance on the use of financial instruments and financial risk management policy and price, credit, liquidity and cash flow risks of the Company and Group <i>Art. L.225-100, par. 6, L.225-100-1 and/or L.225-100-2, L.223-26 of the French Commercial Code</i>	AFR III.1-3	108-134
	Main risks and uncertainties of the Company and Group <i>Art. L.225-100 par. 4 and 6, L.225-100-1 and/or L.225-100-2 par. 2 and 4 of the French Commercial Code</i>	AFR III.1	108-120
	Information on R&D of the Company and Group <i>Art. L.232-1 and/or L.233-26 of the French Commercial Code</i>	N/A	N/A
	Note of existing branches <i>Art. L.232-1, II of the French Commercial Code</i>	I.1(a)	8-11
3.2	Legal, financial and tax information of the Company		
	Election of one of two procedures for exercising general management in case of change <i>Art. R.225-102 of the French Commercial Code</i>	N/A	N/A
	Distribution and changes in share ownership; Name of controlled companies with interest in the company's own shares and percentage of the capital they hold <i>Art. L.233-13 of the French Commercial Code</i>	VIII.3; VIII.4	297-307; 307-311
	Significant equity interests acquired during the year in companies with offices in French territory <i>Art. L.233-6, par. 1-3 of the French Commercial Code</i>	I.4(e); II.3(a)	59-69; 91-94
	Notice of holding over 10% of the equity capital of another corporation; disposal of cross-holdings <i>Art. L.233-29, L.233-30 and R.233-19 of the French Commercial Code</i>	VI.1	222-252
	Acquisition and sale by the Company of its own shares (share repurchase) <i>Art. L.225-211 of the French Commercial Code</i>	AFR VIII.3(d)	306-307
	Statement of employee participation in share capital, including the registered shares granted to them under Article L.225-197-1 of the French Commercial Code <i>Art. L.225-23, Art. L.225-102 and/or L.225-180 of the French Commercial Code</i>	VIII.3(b)	299-307
	Factors that could have an impact in the event of a tender offer <i>Art. L.225-100-3 of the French Commercial Code</i>	AFR VIII.4(c)	310-311
	Summary table of valid delegations granted by the General Shareholders' Meeting in respect of capital increases <i>Art. L.225-100, par. 7-3 of the French Commercial Code</i>	AFR VIII.3(c)	302-305
	Note of any adjustments: for securities convertible into shares and stock options in the event of share repurchases and for securities giving access to equity in the event of financial transactions <i>Art. R.228-90, R.225-138 and R.228-91 of the French Commercial Code</i>	N/A	N/A
	Amounts of dividends that have been distributed for the three previous years <i>Art. 243 bis of the French General Tax Code</i>	I.7; IX.2	86; 315-325

No.	Information by	Section(s)	Page(s)
	Amount of non-deductible expenses and charges <i>Art. 223 quater and quinquies of the French General Tax Code</i>	N/A	N/A
	Reversal of the amount of some expenses in the taxable profits as a result of a final tax adjustment <i>Art. 223 quinquies, 39-5 and 54 quater of the French General Tax Code</i>	N/A	N/A
	Payment period and breakdown of outstanding supplier payables and client receivables by payment date <i>Art. L.441-6 and/or L.441-4 of the French Commercial Code</i>	II.4(a)	102
	Injunctions or monetary penalties for anti-competition practices <i>Art. L.464-2 I par. 5-3 of the French Commercial Code</i>	N/A	N/A
	Agreements between an agent or a shareholder holding more than 10% of the voting rights and a subsidiary (excluding current agreements) <i>Art. L.225-102-1 par. 13-3 of the French Commercial Code</i>	IV.5	170-174
	Payment to government authorities by companies with activities in the extractive industries or the logging of primary forests <i>Art. L.225-102 of the French Commercial Code</i>	N/A	N/A
3.3	Information regarding executive officers		
	List of all offices and positions held in any company by each Corporate officer during the past year <i>Art. L.225-102-1, par. 4-3 of the French Commercial Code</i>	IV.1(a); IV.1(b)(ii)	136-138; 139-150
	Remuneration and benefits in kind paid during the year to each Corporate officer by the Company, the companies it controls and the company that controls it, including pension commitments and other lifetime benefits. <i>Art. L.225-102-1, par. 1-3 of the French Commercial Code</i>	IV.3	153-156
	Commitments related to assumption, termination or change of office, including pension and other lifetime benefits <i>Art. L.225-102-1, par. 3-3 of the French Commercial Code</i>	N/A	N/A
	If stock options are awarded, indicate the information that the Board considered in making the decision: either to prohibit executives from exercising their options before leaving office; or to require them to hold as registered shares until leaving office all or some of the shares resulting from options already exercised (specifying the fraction thus fixed) <i>Art. L.225-185, par. 4-3 of the French Commercial Code</i>	N/A	N/A
	Summary of transactions by Directors and related persons on the securities of the Company <i>Art. L.621-18-2, R.621-43-1 of the French Monetary and Financial Code; Art. 223-22 and 223-26 of the AMF General Regulation</i>	VIII.4(d)	311
	If free shares are awarded, indicate the information that the Manager considered in making the decision: either to prohibit executives from selling the shares they have been allocated for free before leaving office; or to fix the number of shares they are required to hold until they leave office (specifying the fraction thus fixed) <i>Art. L.225-197-1-II, par. 4-3 of the French Commercial Code</i>	N/A	N/A

No.		Information by	Section(s)	Page(s)
3.4	CSR Information of the Company			
	Consideration of social and environmental impacts of the business and social commitments to sustainable development and to the fight against discrimination and the promotion of diversity <i>Art. L.225-102-1, par. 5-8, R.225-104, R.225-105 and R.225-105-2-II of the French Commercial Code</i>		VII	257-389
	Hazardous activities information <i>Art. L.225-102 of the French Commercial Code</i>		N/A	N/A
4	Declaration of individuals who assume responsibility for the annual financial report	AFR	X.1	350
5	Statutory Auditors' report on the statutory accounts	AFR	VI.2	253-256
6	Statutory Auditors' report on the consolidated financial statements	AFR	V	216-219
7	Description of the share repurchase programme		VIII.3(d)	306-307

(c) Concordance table – Corporate Governance

This Registration Document includes all the items in the corporate governance report referred to in Articles L.225-37-3 to L.225-37-5 of the French Commercial Code, in application of Article L.226-10-1 of the French Commercial Code.

No.			Section(s)	Page(s)
1	Principles and criteria for determining the remuneration of Executive Directors		IV.3	153-156
2	Executive officers' remuneration		IV.3	153-156
3	Terms of office and duties of executive officers		IV.1	136-150
4	Agreements between a Corporate officer or a shareholder of the Company and a subsidiary of the Company		IV.5	136-150
5	Monitoring table of the delegations relating to capital increases		VIII.3(c)	302-305
6	Composition, preparation and organisation of the Supervisory Board		IV.1; IV.4	136-150; 157-169
7	Diversity policy		IV.4(a)(ii)	158-159
8	Reference corporate governance code		IV.4(d)	164
9	Specific terms and conditions for shareholder participation		IV.2(a); VIII.2(h)	151-152; 296
10	Factors that could have an impact in the event of a tender offer		VIII.4(c)	310-311
11	Report of the Statutory Auditors on the Supervisory Board's report on corporate governance		VI.2	253-256



32, rue de Monceau - 75008 Paris - France

Tel.: +33 (0)1 40 06 26 26

www.tikehaucapital.com