2018

REGISTRATION DOCUMENT

Annual financial report

TIKEHAU CAPITAL

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Annual financial report

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

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 18 April 2019 under number R.19-008. 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-I 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).

IMPORTANT INFORMATION

Defined terms

In this Registration Document, the term "Company" means the company Tikehau Capital SCA, a partnership limited by shares (*société en commandite par actions*) whose registered office is located at 32, rue de Monceau, 75008 Paris, registered with the Paris Trade and Companies Register under number 477 599 104. The expressions "Tikehau Capital" and the "Group" mean the Company, its consolidated subsidiaries and branches in their entirety. A glossary of key defined terms usthe ed in this document is provided in the "Glossary" Section 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 2018. These financial statements may be found in Chapter 5 (Consolidated financial statements as at 31 December 2018) 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 1.5 (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 characterise 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 managers

This Registration Document is in no circumstances a validation and/or updating of the programs of operations of each of the Group's Asset managers.

Risk Factors

Investors are urged to consider the risk factors described in Chapter 3 (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.

LETTER TO THE SHAREHOLDERS

IN CLOSE PROXIMITY

Madam, Sir, Dear Shareholders,

Alternative asset management has a bright future. The world's population is increasing year after year, savings pools are rapidly growing, and more and more companies are seeking to diversify their financing.

We are confident that Tikehau Capital is ideally positioned to meet the need for returns on investors savings and financing for economic operators over the long term. Our growth strategy, which was reaffirmed during our initial public offering two years ago, is structured around strengthening our asset management platform and pursuing the Group's internationalisation. The cornerstone of our economic foothold relies on strong local integration to meet expectations and on an embedded culture of entrepreneurship, embodied by all of our employees.

Being global means to know how to be connected

Tikehau Capital has been expanding internationally for many years now and our European offices, consisting of local, experienced teams, enable us to complete operations across our business lines across Europe. We are convinced that good deals have no wheels, and that local footprint is a key differentiating factor.

Definitively European through our investment operations, our international dimension is also highlighted by the diversity of our investor base. In 2018, almost 60% of the funds raised came from investors located outside France. The Group more than doubled the share of international investors between 2015 and 2018; and this international base reached 37% at the end of December 2018. We remain committed to continue this internationalisation.

Through its New York office, which opened in September 2018, Tikehau Capital intends to establish a long-term presence in North America, which remains one of the deeper pool of capital in the world. We are also stepping up our efforts in Asia, and our new office in Japan, which is due to open in the next few months, will boost our presence in the region, where we already serve many investors supported by our current Singapore and Seoul offices.

Being global means to know how to be genuine

We are true entrepreneurs. Our teams are growing in size, and the scope of our work is broadening, but our identity remains unchanged.

In 2019, the full consolidation of Sofidy and ACE Management, which were acquired at the end of 2018, will be key to the strengthening our Asset Management platform. These acquisitions enable Tikehau Capital to continue rebalancing its business mix, broadening its offering to investors, and benefiting from the complementary operations between the different structures.

We continue to take particular care in ensuring that the business culture and entrepreneurial spirit that have been the backbone of Tikehau Capital since inception are replicated throughout all of its subsidiaries. For 15 years, Tikehau Capital has retained its discipline, analytical rigour – both financial and non-financial – and its confidence for the future. This Tikehau Capital DNA is a key part of the Group's growth that we intend to promote.

Dear Shareholders,

In the past few years, Tikehau Capital has undergone a profound transformation and has become stronger. We now have a robust asset management platform with over 430 employees, working across nine countries. We have real local expertise in each of these countries, which is paramount to continue to further internationalise of our investor base and ensure the diversity of our strategies.

Over the coming years, we will continue to grow with the objective to increase our assets under management to over €35 billion, and targeted operating income from asset management of €100 million in 2022, while still retaining strong values. Beyond these ambitions, the Group will continue to work closely with its shareholders and investors, as we are convinced that the alignment of both of our interests remains key driver of our growth.

Antoine Flamarion and Mathieu Chabran
Co-Founders of Tikehau Capital
Representatives of the Management

1.

PRESENTATION OF THE GROUP AND ITS ACTIVITIES

1.1 PROFILE AND HISTORY

1.1.1 Profile of Tikehau Capital

(a) General overview of Tikehau Capital

Tikehau Capital is an Asset Management and investment group which was set up in Paris in 2004, with shareholders' equity of €4 million, by Mr Antoine Flamarion and Mr Mathieu Chabran. Fifteen years later, Tikehau Capital directly or indirectly manages assets of €22 billion [1], with shareholders' equity of €2.3 billion. The Group has expanded dynamically firstly, in its Asset Management activity comprising four business lines: Private Debt, Real Estate, Liquid Strategies (bond management/diversified management and equities) and Private Equity, and secondly, in its Direct Investments activity, with the Group aiming to invest increasingly in the funds managed by the Group's Asset managers. The Group provides its investor clients with alternative investment opportunities targeting long-term value creation.

Tikehau Capital's independent positioning has consolidated its value and reputation within the alternative Asset Management industry year after year. Its independence has enabled the Group to develop a differentiating business model through its flexible approach, allocating capital primarily across all four business lines.

By allocating its 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 focused on the core entrepreneurial values of dedication, high standards 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 bespoke 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, New York, and Tokyo in 2019. At the end of 2018, the Group's total workforce (including Tikehau Capital Advisors) amounted to 434 employees.

(b) Tikehau Capital's activities

Asset Management

Within its Asset Management activity, 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 financer. This business line also includes securitisation activities dedicated to CLO (Collateralized Loan Obligations), ("CLO"), a specialised product consisting of debt securities backed by a portfolio of leveraged loans. As at 31 December 2018, assets under management in Tikehau Capital's Private Debt funds amounted to €8.3 billion, representing 37.9% of the Group's assets under management. (See Section 1.4.2(a) (Private Debt activity) of this Registration Document).
- **Real Estate** – Tikehau Capital's Real Estate activity mainly focus on commercial property through investment vehicles managed by Tikehau IM or Sofidy (See Section 1.4.2(b) (Real Estate activity) of this Registration Document), which act as purchasers of high-quality assets, with a yield-generating potential as well as a potential capital gain on resale. Tikehau Capital's Real Estate investment activity has historically been developed through the establishment of dedicated acquisition vehicles for each transaction, while Sofidy's Real Estate activity has been in development since 1987, primarily through the establishment of SCPI (*société civile de placement immobilier,* Real Estate Investment Companies). As at 31 December 2018, assets under management in Tikehau Capital's Real Estate activity amounted to 7.6 billion, representing 34.5% of the Group's assets under management (See Section 1.4.2(b) (Real Estate activity) of this Registration Document).
- **Liquid Strategies** – This business line comprises two activities: fixed income management and 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 2018, assets under management in Tikehau Capital's Liquid Strategies totalled €3.3 billion, *i.e.* 14.8% of the Group's assets under management. (See Section 1.4.2(c) (Liquid Strategies activity) of this Registration Document).

(1) *Assets under management as at 31 December 2018. See Section 1.4.1(b) (Tikehau Capital's business model) of this Registration Document.*

- **Private Equity** – As part of this activity and on behalf of its investor clients (Private Equity), the Group invests in the equity capital (equity and hybrid instruments giving access to equity) of primarily non-listed companies. The Group is continuing to develop its Asset Management business on behalf of its investor clients and as at 31 December 2018, managed €1.2 billion within this framework, representing 5.7% of the Group's assets under management. This proportion is expected to increase over the coming years, as new strategies are implemented (See Section 1.4.2(d) (Private Equity activity) of this Registration Document).

Direct Investments

As part of its Direct Investments activity made from its balance sheet, the Group makes balanced investments in both listed and unlisted companies, or in investment vehicles. As at 31 December 2018, the Group's investments accounted for €1.6 billion in assets, representing 7.1% of the Group's assets under management (See Section 1.4.3 (Direct Investments activity) of this Registration Document).

The Group's activities are summarised in the following table:

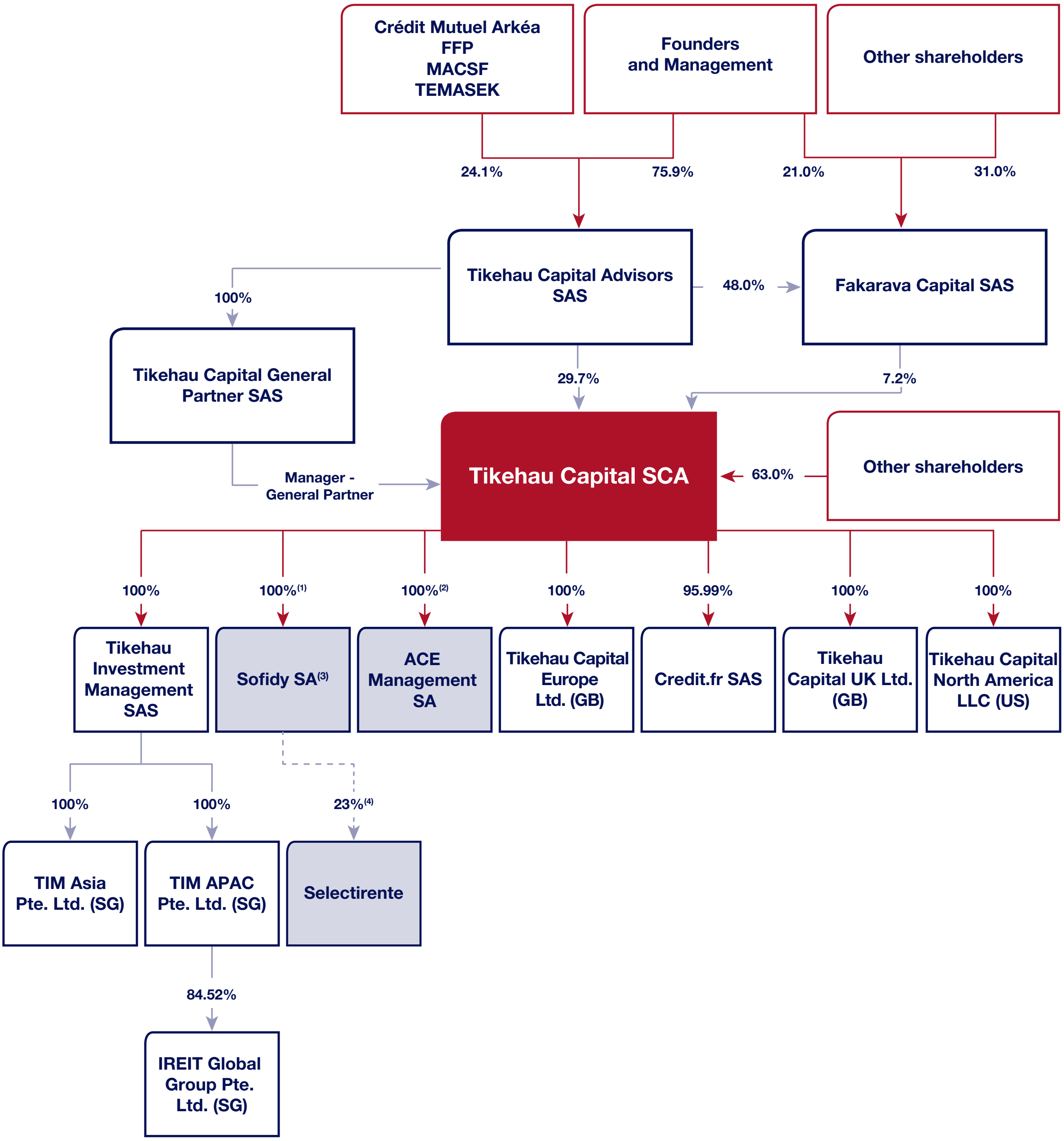
	Asset Management				Direct Investments
	Private Debt	Real Estate	Liquid Strategies	Private Equity	
Assets under management [(1)]	**€8.3 bn** (*i.e.* 37.9% of assets under management)	**€7.6 bn (o/w €5.1 bn from Sofidy)** (*i.e.* 34.5% of assets under management, o/w 23.2% from Sofidy)	**€3.3 bn** (*i.e.* 14.8% of assets under management)	**€1.2 bn (o/w €0.4 bn from ACE Management)** (*i.e.* 5.7% of assets under management, o/w 2% from ACE Management)	**€1.6 bn** (*i.e.* 7.1% of assets under management)
Employees [(1)]	51 employees (including 8 in research)	19 employees (excluding Sofidy) 148 (Sofidy)	17 employees (including 8 in research)	20 employees (excluding ACE Management) 13 employees (ACE Management)	20 employees (excluding ACE Management) shared with the Private Equity activity
Investment universe	**At all levels of capital structure** Senior loans, stretched senior, unitranche, mezzanine, preferred equity **Target companies** Revenues (€30m – €2 bn) Value (€50m – €2 bn) All sectors in Europe	**All classes of Real Estate assets** (offices, retail, logistics, hospitality, residential)**, existing or to be redeveloped** based on Core, Core+ or Value Added strategies	**Credit** High yield, Investment Grade Corporate and subordinated instruments Mainly European and Asian **Equities** Selection of "Value" stocks	**Minority investor** Non-takeover situations in an extensive sector universe with wide geographic coverage Special situations	Investments in an extensive sector universe with wide geographic coverage
Key differentiation factors	• A **pioneer** in alternative financing • **Solid partnerships** with banks and Private Equity funds • Capacity for **flexible and innovative structuring**	• Flexible and innovative approach • **Solid track record** • Capacity for customised financing • Cross sourcing, local sourcing and European platform	• Allocation and selection based on conviction management • **Fundamental top-down and bottom-up analysis**	• An entrepreneurial spirit shared with companies that are invested in • Capacity for structuring ability and flexible investment • Strong origination capacity	• Strong origination capacity

(1) As at 31 December 2018 (including Sofidy and ACE Management).

The performance of each of these business lines for the Asset Management activity and the Direct Investments activity in 2018 is described in Section 2.2.1 (Activities during the year 2018) of this Registration Document.

(c) Group Structure

As at 31 December 2018, the Group's organisational chart is as follows. The three companies identified in blue were acquired in December 2018.



(1) 98.62% as at 31 December 2018 and 100% as at 11 January 2019.
(2) Directly or indirectly.
(3) Sofidy was converted to a *société par actions simplifiée* (simplified joint stock company) on 26 March 2019.
(4) Following the tender offer, as at 2 April 2019, Tikehau Capital directly holds 51.98% of Selectirente's share capital and 81.03% in concert with Sofidy, GSA Immobilier, Sofidiane, Makemo Capital, AF&Co, and Mr Antoine Flamarion and Mr Christian Flamarion (See Section 1.4.2(b)(iii) (Real Estate companies managed by the Group) of this Registration Document).
NB: In this organisational chart, shareholding percentages are equivalent to voting rights percentages, unless otherwise stated. The companies are governed by 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 2018, Tikehau IM managed €12.6 billion *i.e.* about 57.2% of Tikehau Capital's assets under management (See Section 1.4.1(d) (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 activity. Tikehau Capital Europe was approved by the Financial Conduct Authority (the UK financial regulator) in 2015. As at 31 December 2018, Tikehau Capital Europe managed nearly €1.8 billion, *i.e.* about 8.2% of Tikehau Capital's assets under management. Tikehau Capital Europe is wholly owned by the Company (See Section 1.4.2(a) (Private Debt activity) 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 2018, based on the annual report of IREIT Global, the value of the Real Estate assets held by IREIT Global was €0.5 billion, *i.e.* about 2% of Tikehau Capital's assets under management (See Section 1.4.2(b)(iii) (Real Estate companies managed by the Group) of this Registration Document);
- **Sofidy** is an asset management company, a specialist in the management of Real Estate funds for private investors, and was acquired by the Company in December 2018. Sofidy was founded in 1987, and has been approved by the AMF as an investment management company since January 2007. As at 31 December 2018, Sofidy managed €5.1 billion, *i.e.* about 23.2% of Tikehau Capital's assets under management (See Section 1.4.2 (Asset Management activity) of this Registration Document);
- **ACE Management** is an asset management company, a specialist in the aerospace, defence and cyber security sectors. ACE Management was founded in 2000, and has been approved by the AMF as an investment Asset Management company since May 2000. The Company acquired ACE Management in December 2018. As at 31 December 2018, ACE Management managed €0.4 billion *i.e.* about 2% of Tikehau Capital's assets under management (See Section 1.4.2(d) (Private Equity activity) 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 4.1.1 (The Manager) 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 4.1.1 (The Manager - Information concerning AF&Co and Mr Antoine Flamarion) and in Section 4.1.1 (The Manager - 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, as at 31 December 2018, held 29.67% 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 for 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 some 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 48% owned by Tikehau Capital Advisors, 21.1% by the founders and management and 30.9% by shareholders external to the Group.

1.1.2 History of Tikehau Capital

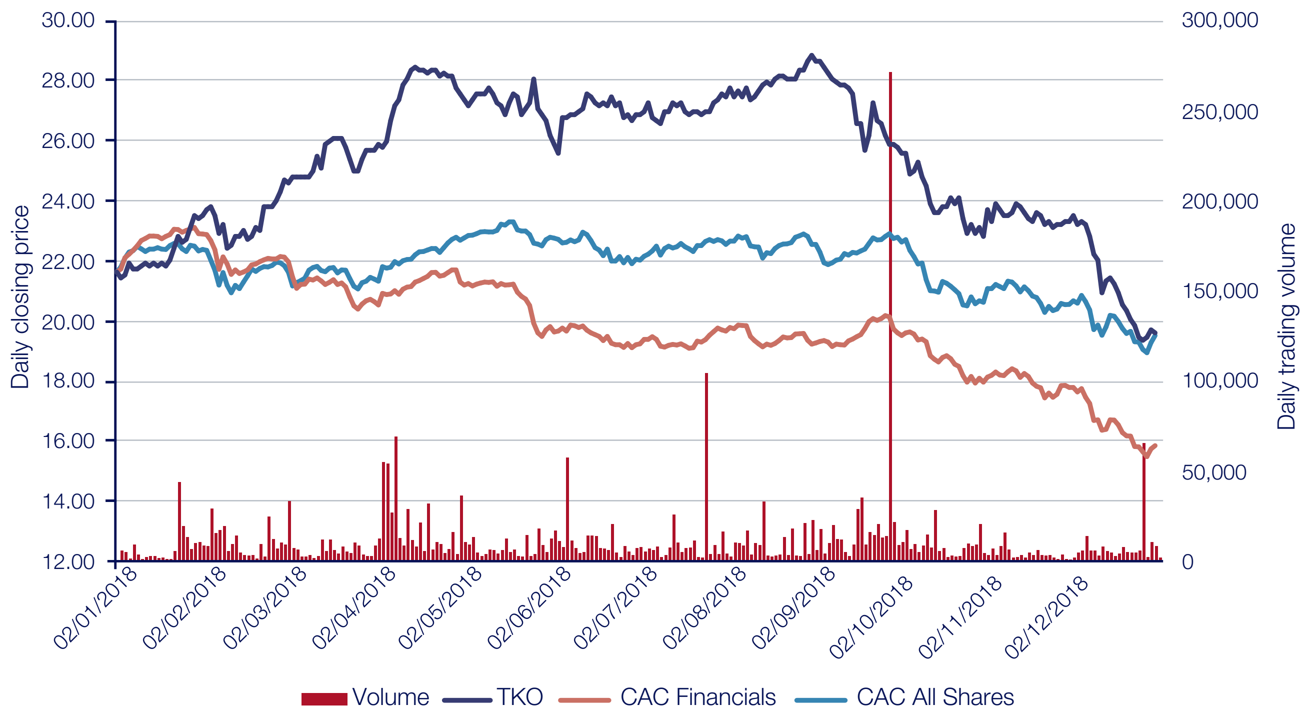
2004	Tikehau Capital was founded by Mr Antoine Flamarion and Mr Mathieu Chabran with the aim of developing a proprietary investment business.
2006	Tikehau Capital created Tikehau Investment Management, an independent Asset Management company.
2009	Crédit Mutuel Arkéa acquired equity in the Company.
2010	Tikehau Capital entered into a strategic partnership with Crédit Mutuel Arkéa, which took a 15% interest in Tikehau IM.
2011	Tikehau Capital entered into a strategic partnership with UniCredit.
2012	Tikehau IM and Macquarie Lending announced a partnership to offer financing solutions. Tikehau Capital acquired control of the listed holding company Salvepar from Société Générale and launched a tender offer for Salvepar's equity capital. This acquisition allowed Tikehau Capital to develop a business dedicated to minority equity investment.
2013	Tikehau Capital has continued to strengthen its shareholders' equity, notably with the support of the MACSF. The Group opened an office in London. Tikehau IM was selected to manage Novo, a *fonds de place* (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	Tikehau Capital further strengthened its shareholders' equity and opened its first Asian office in Singapore as part of its international development strategy. The Group is has signed the United Nations Principles for Responsible Investment (UN PRI).
2015	Tikehau Capital has continued its strategy of international growth and increases its presence in Europe with the opening of offices in Brussels and Milan. Tikehau Capital Europe launched its first Collateralised Loan Obligations. Tikehau Capital created Tikehau Real Estate Investment Company ("TREIC"), a permanent capital Real Estate company dedicated to Real Estate investments.
2016	Tikehau Capital carried 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 took over management of Lyxor UK's European senior debt business (leveraged loans – about €700 million in assets under management). Tikehau Capital acquired an 80% stake in the Asset Management company IREIT Global, a Singapore-listed Real Estate investment vehicle (about €463 million in assets under management at year end 2017), which it increased to 84.52% in 2018. With a view to its IPO, the Company became a partnership limited by shares (*société en commandite par actions*) and benefits from the contribution of assets enabling it to become the Group's parent company.
2017	The Company launched a stock-for-stock and cash tender offer for the securities of its listed subsidiary Salvepar and carried out capital increases in shareholders 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 were listed on the regulated market of Euronext Paris. Tikehau Capital acquired approximately 96% of the capital of Crédit.fr, a French specialist in crowdfunding for small and medium-sized enterprises. Tikehau Capital completed a capital increase of €702 million in July, and has continued to increase its shareholder base. Tikehau Capital strengthened 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 participated alongside Tikehau Capital in the creation of an investment fund dedicated to energy transition (T2 Energy Transition Fund). Tikehau Capital launched a number of Private Equity funds (including Tikehau Growth Equity II). The Group opened an office in New York. Tikehau Capital acquired Sofidy, a major player on the French market for Real Estate Asset Management. Tikehau Capital acquired ACE Management, a dedicated asset management company specialising in aerospace, defence and cyber security.
2019	Tikehau Capital obtained an Investment Grade BBB rating with stable outlook from rating agency Fitch.

1.1.3 The Tikehau Capital share

(a) General information

ISIN code	FR0013230612
Ticker (Reuters, Bloomberg)	TKO.FP
Compartment	A
Listing price on 7 March 2017	21 €
Price as at 31 December 2018 (closing)	€19.65
Highest (closing) price in 2018	€29.00
Lowest (closing) price in 2018	€19.40
Average daily volume (in number of shares) in 2018	10,547
Market capitalisation as at 31 December 2018 (in millions of euros)	2,033

(b) 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

1.2 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.

1.2.1 Historical financial information

The following table presents income statement items for the the year 2018, compared to the year 2017.

Extracts of financial information as at 31 December 2017 disclosed below are available in Section 5.1 (Annual consolidated financial statements as at 31 December 2017) of the 2017 Registration Document available on the Company's website (www.tikehaucapital.com). This information include details of the assumptions used in their preparation.

	Items from the income statement	
Under IFRS standards *(in millions of euros)*	**31 December 2018**	**31 December 2018 (*combined*)**
Revenues from Asset Management activity [1]	75.2	125.8
Operating expenses and others [4]	(55.2)	(86.3)
Net operating profit from Asset Management activity	**20.0**	**39.5**
Revenues from investment activity [2]	(39.8)	(31.7)
Operating expenses and others [4]	(74.5)	(78.1)
Other items [3]	1.3	1.3
Net operating profit from investment activity	**(113.1)**	**(108.5)**
Net operating profit from Asset Management and investment activities	**(93.1)**	**(69.0)**
NET RESULT – GROUP SHARE	**(107.4)**	**(90.3)**

(1) Revenues from Asset Management activity consist of management, subscription and arrangement fees, performance fees and carried interests.
(2) Revenues from investment activity consist of the positive or negative change in fair value, supplemented by revenues from investment activity such as dividends, interests, commissions, etc.
(3) Other items consist of the share of net results from equity affiliates.
(4) These operating expenses do not include the non-recurring free share allocation expense in respect of the "All Plan" and "One-Off Plan" of 1 December 2017 subsequent to the Company's initial public offering for an amount of €5,700 thousand as at 31 December 2018. This restatement will be continued up to the definitive vesting date.

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

Under IFRS standards *(in millions of euros)*	**Items from the income statement**		
	31 December 2018	**31 December 2017**	**31 December 2016**
Revenues from Asset Management activity [(1)]	75.2	57.9	39.4
Operating expenses and others [(4)]	-55.2	-41.9	-35.9
Net operating profit from Asset Management activity	**20.0**	**16.0**	**3.5**
Revenues from the investment activity [(2)]	-39.8	387.3	90.5
Operating expenses and others [(4)]	-74.5	-40.0	-30.4
Other items [(3)]	1.3	-0.1	59.1
Net operating profit from Investment activity	**-113.1**	**347.3**	**119.2**
Net operating profit from Asset Management and Investment activities	**-93.1**	**363.3**	**112.7**
NET RESULT - GROUP SHARE	**-107.4**	**314.4**	**124.6**

(1) Revenues from Asset Management activitiy consist of management and arrangement fees, performance fees and carried interests received by asset managers (Tikehau IM, Tikehau Capital Europe, IREIT Global Group and Sofidy) and Credit.fr.
(2) Revenues from investment activity consist of the positive or negative change in fair value, supplemented by revenues from investment activity such as dividends, interests, fees, etc.
(3) Other items consist of the share of net results from equity affiliates.
(4) Operational expenses do not include the non-recurring free share allocation expense in respect of the All Plan and One Off Plan of 1 December 2017 subsequent to the Company's listing for an amount of €5,700 thousand as at 31 December 2018. This restatement will be continued up to the definitive vesting date.

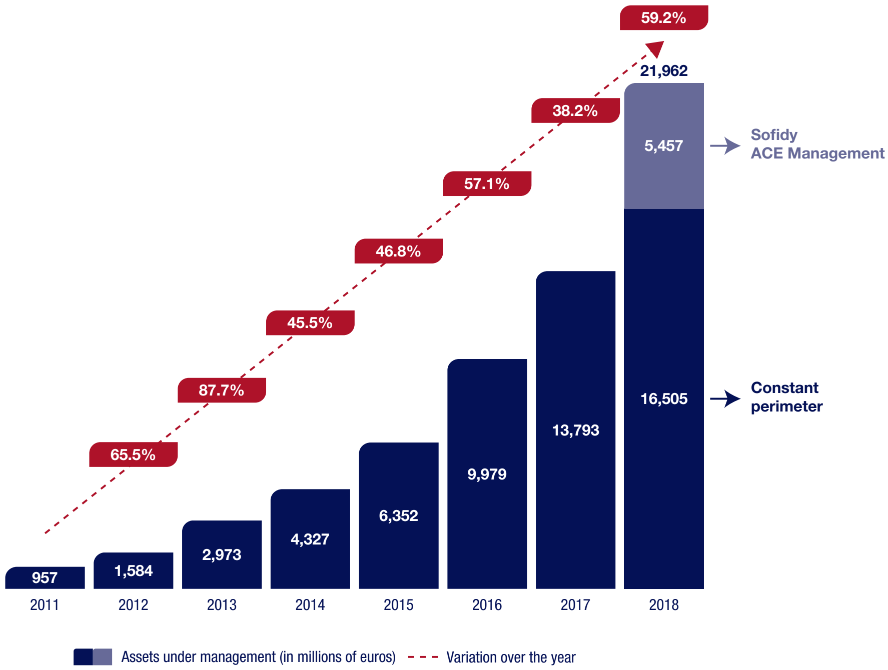
Under IFRS standards *(in millions of euros)*	**Balance sheet items**		
	31 December 2018	**31 December 2017**	**31 December 2016**
Total consolidated shareholders' equity	2,275.1	2,529.7	1,132.4
Consolidated shareholders' equity - Group share	2,274.3	2,499.5	1,129.7
Gross cash [(1)]	463.2	975.4	129.8
Gross debt [(2)]	795.9	547.7	119.2

(1) Gross cash consists of cash and cash equivalents (consisting mainly of marketable securities, including cash management financial assets).
(2) Gross debt consists of current and non-current borrowings and financial debt (including bank loans).

These extracts of the annual consolidated financial statements disclosed above are reported in the Section 5.1 (Annual consolidated financial statements as at 31 December 2018) of this Registration Document.

1.2.2 Non-accounting information

The graph and table below show the evolution and the year on year variations of the Group's assets under management[1] since 2011:



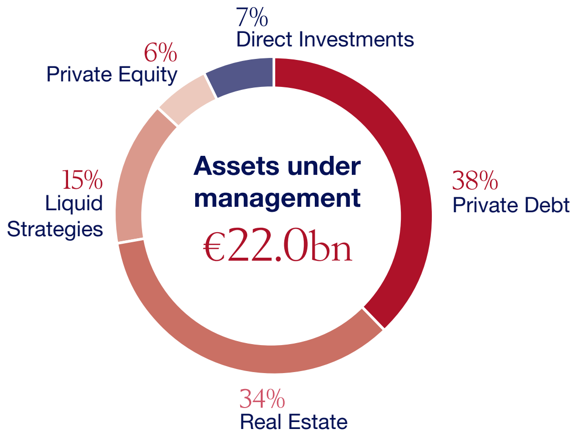
(in billions of euros)	2011	2012	2013	2014	2015	2016	2017	2018
Assets under management (as at end of period) [1]	1.0	1.6	3.0	4.3	6.4	10.0	13.8	22.0[3]
Variation over the year	–	0.6	1.4	1.4	2.0	3.6	3.8	8.2
Net new money [2] over the year			1.2	1.5	2.0	2.3	3.9	3.7

(1) See Section 1.4.1(b) (Tikehau Capital's Business Model) of this Registration Document.
(2) Net new money is the difference between the subscription and redemption amounts for the period.
(3) The amount of €22.0 billion includes the assets managed by Sofidy, totalling €5.1 billion, since 17 December 2018.

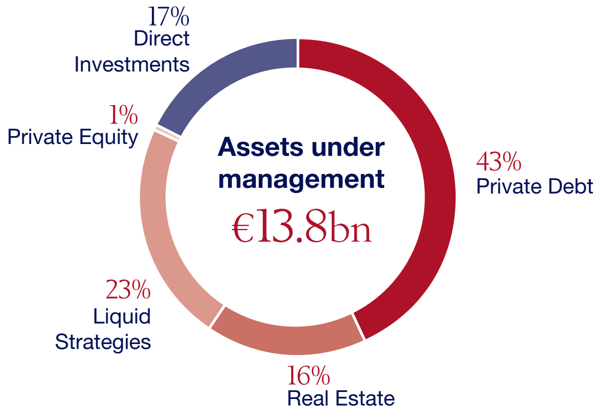
(1) The concept of assets under management is an indicator of operational activity that is not reflected in the consolidated financial statements of Tikehau Capital. Depending on the different business lines, assets under management correspond mainly:
a) for the Liquid Strategies activity: to the net 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 suscribers' commitments in the case ogement mandates;
b) for the Private Debt activity: (i) to the commitments of subscribers during the periods of fundraising and investment, (ii) to the net asset value of the funds or to the asset of the funds for certain leverage funds, once the investment period has ended, and (iii) to subscribers' commitments for the CLO business;
c) for the Real Estate activity: (i) to the commitments of subscribers during the periods of fundraising and investment, (ii) to the 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;
d) for the Private Equity activity: 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) the net new money effect (see below), (ii) the market effect, which is the sum of the positive and negative changes in the performance of the portfolios during the period, (iii) the distributions made during the period, and (iv) the perimeter effect, i.e. when Asset managers are acquired or sold during a financial year but also when the holding rate changes so that the holding becomes majority or minority. In both cases, the assets under management are either added to (acquisition, increase to a majority holding) or deducted of Tikehau Capital's total assets (sale, change to a minority holding) as from the date of acquisition, sale, reduction or dilution.

The following graphs show the breakdown of the Group's assets under management as at 31 December 2018 (€22.0 billion) and as at 31 December 2017 (€13.8 billion) between the Asset Management activity comprising the Group's four business lines: (i) Private Debt, (ii) Real Estate, (iii) Liquid Strategies and (iv) Private Equity, and the Direct Investments activity, which are described in Sections 1.4.2 (Asset Management activity) and 1.4.3 (Direct Investments activity) of this Registration Document [(1)]:

Details of the Group's assets under management at 31 December 2018

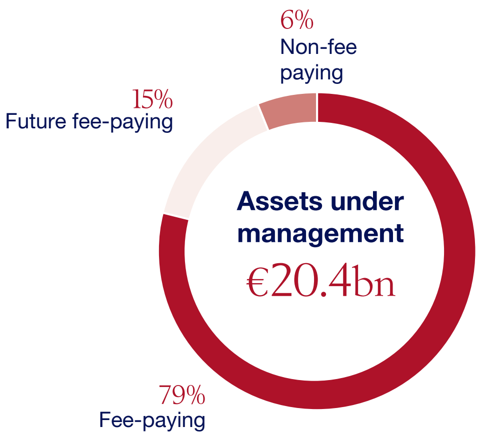


Details of the Group's assets under management at 31 December 2017

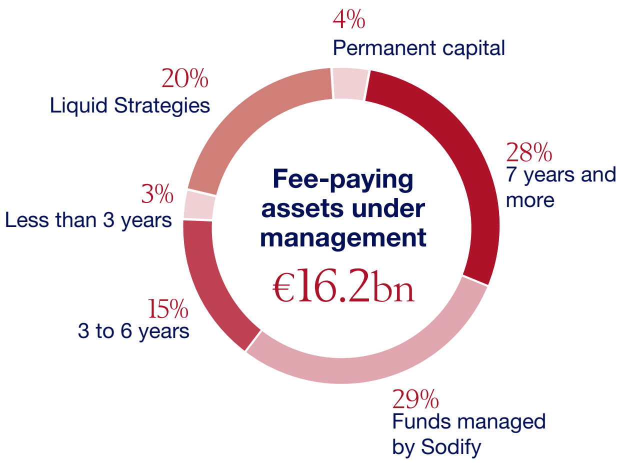


The following graphs show the breakdown of assets under management of the Group's Asset Management business line between the fee-paying, future fee-paying, and the non-fee paying assets under management (see the definitions of these operational indicators in Section 2.1 (Presentation of activities, results and financial position for the year 2018)) of this Registration Document) as at 31 December 2018 and in the €16.2 billion generating management fees, the duration of this generation of revenue.

Details of the assets under management relating to Asset Management activity as at 31 December 2018



Details of the fee-paying assets under management as at 31 December 2018



A detailed presentation of the main accounting and non-accounting indicators monitored by the Company is provided in Section 2.1 (Presentation of activities, results and financial position for 2018) of this Registration Document.

(1) Source: Company.

1.3 COMPETITIVE ADVANTAGES AND STRATEGY

1.3.1 Competitive advantages

Ever since it was founded in 2004, Tikehau Capital has been distinguished by rapid growing assets under management (see Section 1.2 (Key figures) of this Registration Document). Through its presence in Europe (Paris, London, Brussels, Madrid and Milan), its Asian presence (Singapore and Seoul, and the opening of an office in Tokyo planned for 2019) and its establishment in North America, in New York, in 2018, the Group has begun rapid international development.

Tikehau Capital intends to become one of the key players in Europe and throughout the world in the alternative Asset Management sector, 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.

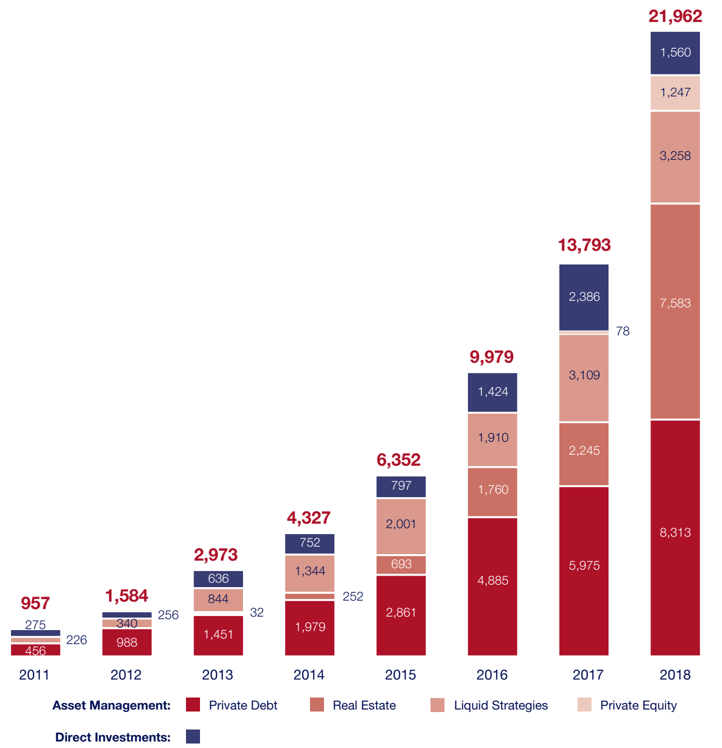
Tikehau Capital claims its independence through a selective investment strategy based on in-depth fundamental analysis, *i.e.*, the application of strict discipline in approaching and carrying through investment operations, the use of its ability to select investments with optimal risk-reward ratios, and its promising non-financial profile. This policy has enabled it to grow rapidly while maintaining strong revenues and economic sustainability in the long term.

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 multiplying nearly 14 times in six years. 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



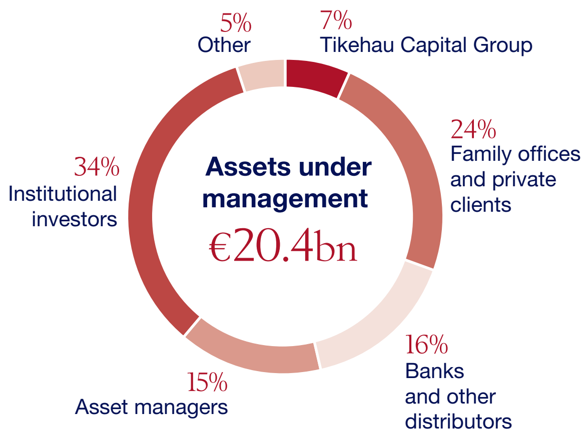
	2011	2012	2013	2014	2015	2016	2017	2018
Assets under management [(1)] (as at end of period, in millions of €)	957	1,584	2,973	4,327	6,352	9,979	13,793	21,962
Growth rate	–	66%	88%	46%	47%	57%	38%	59%

(1) See Section 1.4.1(b) (Tikehau Capital's business model) of this Registration Document.

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, bonds and equities). 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 client base as at 31 December 2018

(Perimeter of the Asset Management activity)



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 investor clients who wished to invest in the equity capital of several of the Group's entities, reflecting their confidence in its future performance. 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 2.2.1 (Activities during the year 2018) 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. In 2018, Tikehau Capital and Groupama announced the launch of the Groupama Tikehau Diversified Debt Fund (GTDDF), the first fund designed in a partnership between two Asset managers to support French and European SMEs. This specialist professional fund, with a long maturity of 12 years, closed on €115 million. The European Investment Fund (EIF), Groupama and Tikehau Capital took part in this process. 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 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 is part of the objective of continuing 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, New York and Tokyo in 2019. 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 Temasek acquiring a stake in the Company and the 2016 repurchase of IREIT Global Group, the Asset Management company IREIT Global, listed on the Singapore Stock Exchange (see Section 1.4.2(b)(iii) (Real Estate companies managed by the Group) of this Registration Document).

Ability to allocate capital is at the heart of the Group's strategy

Tikehau Capital's business model is structured around its expertise in capital allocation, enabling it to optimise 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 1.4.1(b) (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*

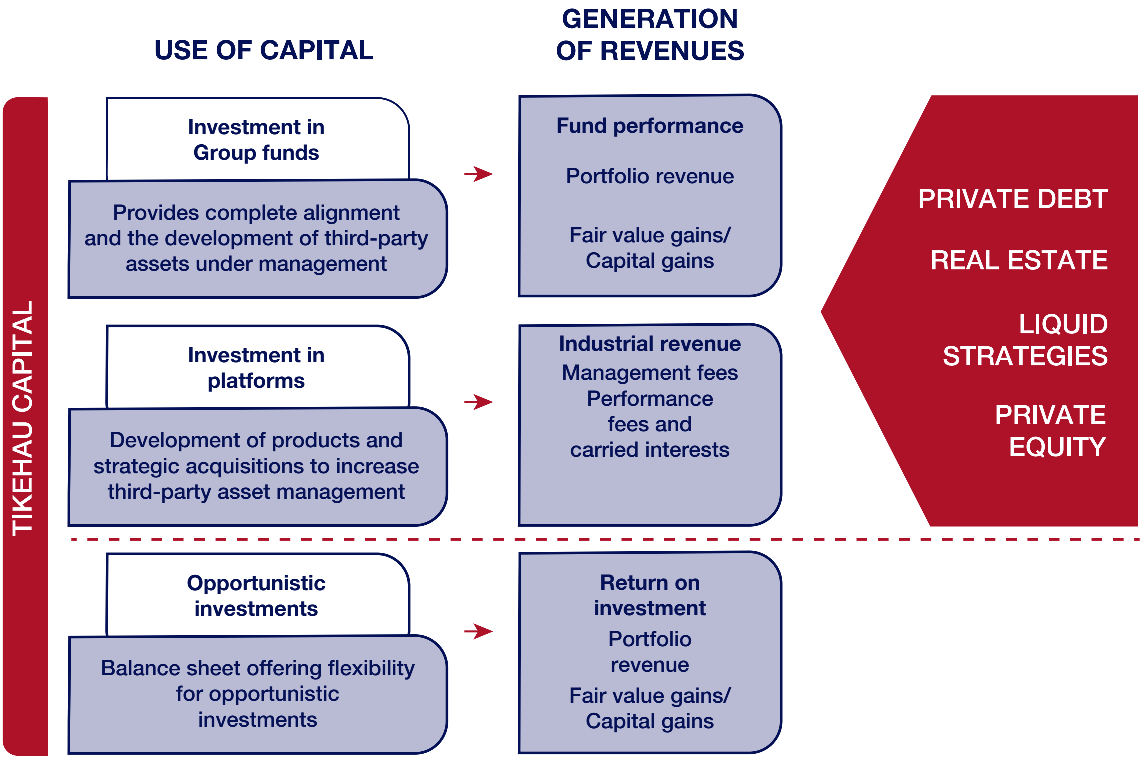
  Tikehau Capital is also an investor in the vehicles managed by the Group or co-investor in the transactions that they carry out. Aware of the quality of investment vehicles offered by its Asset Management subsidiaries, the Group allocates a substantial share of its shareholders' equity to them. It also 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.
- **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), Sofidy, ACE Management, 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 revenues:



Permanent shareholders' equity to support the growth strategy

With €2.3 billion in consolidated shareholders' equity as at 31 December 2018, guaranteeing its independence and leeway, the Group has levels of shareholders' equity 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. Therefore, the Group has already successfully completed external acquisitions, including some major acquisitions such as Salvepar in October 2012, the takeover of Lyxor's European Senior Debt business (leveraged loans) at the end of 2016, IREIT Global Group in November 2016 and the acquisition of Credit.fr in June 2017, together with the acquisitions of Sofidy and ACE Management in December 2018 (see Section 1.4.1(d) (The legal structure of Tikehau Capital) of this Registration Document).

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 facilitates the Group's future access to the bond markets and increase its leeway.

On 30 January 2019, financial ratings agency Fitch gave Tikehau Capital an inaugural credit rating of Investment Grade (BBB-) with a stable outlook, confirming the solidity of the Tikehau Capital financial profile.

Resilient and fast-growing revenues

The Group's revenue comes mainly from the activities of the Group's asset management subsidiaries with approximately 93% of the Group's assets under management as at 31 December 2018. The Company foresees that its revenues from its Asset Management activity 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, particularly for the majority of Private Debt and Real Estate funds – see Section 2.2.2 (Analysis of consolidated results for the year 2018) of this Registration Document) and (iv) carried interests 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 10.5) 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 1.4.1(b) (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, that benefit from a greater capacity to withstand economic downturns thanks to their ability to charge 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 interests).

This staggered launch will in the medium term also create recurrent management performance-related revenue. By way of example, on 12 February 2019 the Group announced that it had completed fundraising for its fourth-generation fund, Tikehau Direct Lending (TDL), achieving a record amount of €2.1 billion, more than three times higher than the previous generation (See Section 1.4.2(a) (Private Debt activity) of this Registration Document). Similarly, in 2018 the Group launched the Tikehau Real Estate Opportunity 2018 fund (TREO 2018), its first discretionary Real Estate fund dedicated to the value-add strategy, together with its first two Private Equity funds: Tikehau Growth Equity II (TGE II), dedicated to minority investments in growth companies and T2 Energy Transition Fund, dedicated to investments in companies.

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.

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, which are the asset classes currently favoured by investors (see Section 1.5.1 (Introduction/summary) of this Registration Document). The Group also has a presence in investment in so-called "liquid" (*i.e.* invested) products, covering a substantial portion of their exposure, in transferable securities on regulated and organised markets. These strategies complement the Group's asset class offerings set out above. Tikehau Capital is able to offer its investor clients a very comprehensive portfolio and a knowledge of these sectors that are 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.

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 16 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

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 and in 2018 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.

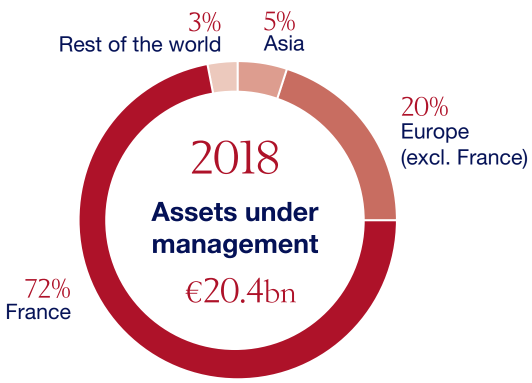
The Group has a strong capacity to be entrusted with the management of dedicated funds on behalf of private clients and to raise closed-end funds of increasing size over the years. As a result, the Group has been able to attract new investors in Europe and the rest of the world.

A growing international presence serving the Group's business model

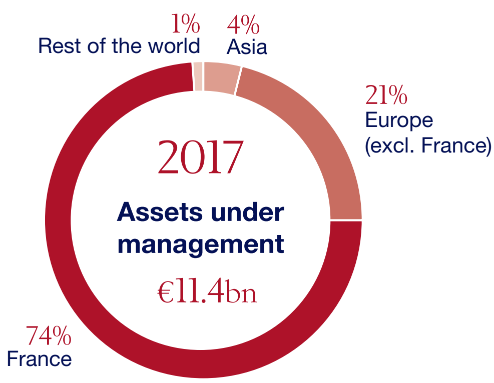
With its successes and the establishment of a robust network in its main market, the Group has embarked rapidly on an active international expansion strategy. The Group therefore opened an office in London as early as 2013, before opening an office in Singapore in 2014, followed by Milan and Brussels in 2015, Madrid and Seoul in 2017 and finally New York in 2018 and Tokyo in 2019. 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 activity at the end of 2018, 28% of the Group's assets under management came from international investor clients. Excluding acquisitions, this proportion amounted to 37%, compared to 27% at the 2017 year-end and 16% at the 2015 year-end. They have therefore increased 2.3-fold in the space of four years:

As at 31 December 2018



As at 31 December 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.).

Tikehau Capital has set up an advisory body — the International Advisory Board — chaired by Sir Peter Westmacott (former UK Ambassador to the United States, France and Turkey), and whose members also include: Mr Stéphane Abrial (former Commander in the French Air Force and Strategic Commander of NATO), Mr Jean Charest (former Prime Minister of Quebec), Ms Avril Haines (former US Deputy National Security Advisor and Deputy Director of the CIA), Mr Nobuyuki Idei (former Chairman of the Sony Corporation), Ms Margery Kraus (founder and Chairman of APCO Worldwide), Mr Enrico Letta (former Italian Prime Minister), Lord Peter Levene (former Lord Mayor of London and former Chairman of Lloyd's), Mr François Pauly (Chairman of Compagnie Financière La Luxembourgeoise), Mr Kenichiro Sasae (former Japanese Ambassador) and Mr Fernando Zobel de Ayala (Chairman of Ayala Corporation).

The International Advisory Board meets several times a year to exchange views on global economic and geopolitical trends and analyse their potential impacts on the markets in which Tikehau Capital operates. Stemming from a variety of political and economic spheres, these highly experienced figures from diverse geographical regions provide Tikehau Capital with informed perspectives and recommendations to support its strategies and boost its international development.

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

The Group has a management team recognised for its experience and ability to successfully lead a corporate project that has grown and created value within just a few years. The founders of Tikehau Capital are for instance 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 1.4 (Presentation of Tikehau Capital activities) 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 senior 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 investor clients.

Among the workforce of the Group and Tikehau Capital Advisors, around 60 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 available carried interests on the funds managed by the Group. The remaining 80% is split equally between Tikehau Capital, Tikehau IM and Tikehau Capital Advisors (or from 2019 between the Group's relevant Asset managers). Carried interests relate solely to certain closed-end funds (the performance-related 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 10.5) laid down in the fund documentation (See Section 1.4.1 (b) (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 and performance shares plans (see Section 8.3.2(b) (Free shares plans) of this Registration Document).

1.3.2 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 1.3.1 (Competitive advantages) 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 asset management companies and, secondly, the specialist "boutiques", the Group intends to keep forging ahead to the achieve the outlook announced during its IPO. In 2019 and subsequent years, this will mean implementing its development strategy for innovative company financing methods and alternative investment products.

The Group's strategy is to establish its long-term position as a European leader in the alterative Asset Management market, which holds strong growth potential. This strategy will be implemented through the following development areas:

- increasing investments in its own funds;
- strengthening its Asset Management platform and its international footprint;
- optimising revenues and profitability from management activities.

All of these initiatives enable the Group to set two structural objectives (excluding any acquisitions) by 2022:

- reach over €35 billion in assets under management, *i.e* an amout over 60% higher than €22.0 billion in assets under management at the end of 2018; and
- generate over €100 million of operating income from Asset Management, over five times the operating income recorded in 2018 for this activity.

Increasing investments in its own funds

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 million) (see Section 8.3.1 (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 2.4 (Significant events since 31 December 2018) 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.
  This differentiating strategy is beneficial to the Group in two ways:
  - boosting growth of its Asset Management activity, by aligning its interests with those of its investor clients;
  - improving the visibility of its revenues, with the increasing contribution of the performance of its own funds in the portfolio revenues.

  In this way, the Group confirms its aim to bring the proportion of its own Asset Management strategies in its investment portfolio to 65-75% by 2022.
- **2nd area of capital allocation:** *Investment in Group platforms*

The Group intends to develop its Asset Management platforms (Tikehau IM, Sofidy, ACE Management, 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 Group's organic development of its management platforms will be accompanied by targeted external growth initiatives to increase the scale of the Group's existing activities, and to add new skills that complement the product offering (the acquisition of IREIT Global Group and the Lyxor UK's senior debt business (leveraged loans) at the 2016 year end, the acquisition of Credit.fr in June 2017, together with the acquisitions of Sofidy and ACE Management in December 2018 (see Section 1.4.1(d) (The legal structure of Tikehau Capital) of this Registration Document).

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

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, 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. By 2022, the Company's objective is to allocate between 65% and 75% of its investment portfolio to the funds managed by the Group.

Strengthening its Asset Management platform and its international footprint

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. 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 10.5). This opening was followed by offices in Singapore, Brussels, Milan, Madrid, Seoul, and, finally, New York. With its 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 €308 billion in assets under management at 31 March 2018, 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 investor 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.

More specifically, the Group will increase its international impact in 2019 by opening an office in Japan. It will be the 9th country in which Tikehau Capital has a permanent presence.

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. By way of illustration, on 12 February 2019 the Group announced that it had completed the fundraising for its fourth generation of direct lending funds: Tikehau Direct Lending (TDL) reaching a record €2.1 billion, over three times higher than the previous generation. 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 €1.8 billion as at 31 December 2018) and plans to continue to forge ahead in this area.

In the field of Real Estate, the acquisition of IREIT Global Group (see Section 1.4.2 (b)(iii) (Real Estate companies managed by the Group) of this Registration Document) 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, in 2018 the Group successfully launched Tikehau Real Estate Opportunity 2018 (TREO 2018), its first discretionary Real Estate fund dedicated to the value-add strategy, in order to continue to expand its range in this asset class. Finally, on 17 December 2018, Tikehau Capital completed the acquisition of Sofidy, a major player in Real Estate Asset Management in France. Founded in 1987, Sofidy is a leading asset manager in the Real Estate management sector in France and Europe, involved in the creation and development of investment and savings products particularly focused on retail and office Real Estate. A leading independent player in the SCPI (Real Estate investment companies) market with €5.1 billion under management, Sofidy manages a portfolio of over 4,100 Real Estate assets on behalf of over 45,000 individual investors and a large number of institutional investors. This tie-up flows from the operational complementarity between the two groups, supported by common values of independence and excellence, which will allow their different know-how and expertise to be given free rein. This complementarity is demonstrated firstly in the client base profile: institutional investors on the one hand and private investors on the other. The complementarity is also clear in terms of product range: on the one hand Real Estate Collective Investment Schemes (OPCI) for professional investors; and Real Estate Investment Companies (SCPI), Real Estate UCITS and OPCI for private investors, on the other.

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 - Tikehau Growth Equity II (TGE II). This fund aims to build on the track record established by the Group on its balance sheet since its creation.

In 2018, the Group also launched a Private Equity fund dedicated to the energy transition, T2 Energy Transition Fund, in partnership with Total SA. The fund's investments will concentrate on companies making progress in three areas decisive for the energy transition:

- clean energy production: introduction of solutions to diversify the energy mix, projects to produce energy from non-carbon resources;
- low-carbon mobility: development of infrastructure for electric vehicles, rise in equipment and services linked to low-carbon mobility and developments linked to the use of natural gas in transport to replace diesel and marine gas oil;
- improved energy efficiency, storage and digitalization: search for and implementation of solutions to introduce and optimise energy storage, optimise energy use of buildings and companies;

On 12 December 2018, Tikehau Capital announced the first closing of this fund, in which Bpifrance and Groupama are benchmark investors, for €350 million.

Finally, in December 2018, Tikehau Capital completed the acquisition of ACE Management, an Asset Management company which for 20 years has specialised in Private Equity investment to drive innovation and industry. ACE Management's investor clients are primarily major international groups, operating across the aerospace and defence industries. ACE Management manages three major fund families to serve its investor clients, representing a total of around €370 million in assets: Aerofund (aerospace), Brienne (defence and security) and Atalaya (maritime).

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 investor 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. Following the deals announced in 2017 with Groupama AM and Sofiprotéol, in March 2018 Tikehau Capital announced that it would be working more closely with DWS, by taking part in DWS's IPO and by signing a strategic partnership agreement in October 2018 (see Section 2.2.1 (b) (Direct Investments Activity) 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 1.4.2(c) (Liquid Strategies activity) 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 2018, the assets in Tikehau Capital's Liquid Strategies increased by 5% 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.

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.

Optimise the revenue and profitability from Asset Management activitiy

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 interests, which will provide significant additional revenue for the Group. As an example, as at 31 December 2018, 74% of the Group's assets (excluding Sofidy and ACE Management) are fee-paying, and 19% of these assets are future fee-paying, which leaves a significant margin for growth in revenues simply in light of the future increase in the percentage of fee-paying assets. If Sofidy and ACE Management's assets under management are included, these percentages 79% and 15% respectively. Furthermore, within these revenue-generating assets at the end of 2018, more than 94% of closed-fund assets generated revenue over a period of more than three years (or 96% when Sofidy and ACE Management's assets under management are included).

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.

Continuing to rebalance its business mix – Tikehau Capital also aims to develop products that allow higher management and performance fees to be charged, by developing recognised, 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, the Private Equity to date primarily carried out 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 1.4.1 (c) (The operational organisation of Tikehau Capital) 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 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 previously (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 changes to 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 have simplified the legal and operational structure of the Group. These initiatives are complemented by a constant search for productivity gains.

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 1.4.1(c) (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 2018. (See also Section 7.3.1 (Human capital) of this Registration Document). The Group intends to continue recruiting new employees to accompany the growth of its assets.

In parallel, Tikehau Capital emphasises 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 otherwise, all of which enriches Group life. (See Section 7.3.1 (Human capital) 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.

- To acquire new tools and platforms such as IREIT Global Group in 2016, which expanded the Group's Real Estate investment activities by adding a permanent listed vehicle targeting Asian investors, Credit.fr in 2017 which enabled the Group to consolidate and expand its lending platform and to extend its range of business financing to small and medium-sized companies, or Sofidy and ACE Management in December 2018, which enabled the Group to broaden its Asset Management platform for its Real Estate and Private Equity activities.
- The combination of sustained revenue growth and controlled investments in its Asset Management platform have led the Group to set itself the target of generating operating income in excess of €100 million for its Asset Management activity by 2022.

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 managers 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.

1.4 PRESENTATION OF TIKEHAU CAPITAL'S ACTIVITIES

1.4.1 General overview

(a) 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 1.4.1(d) (The legal structure of Tikehau Capital) of this Registration Document).

By funding the development of its 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 Asset Management activity: management fees, performance fees, carried interests, 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 €22 billion in assets under management as at 31 December 2018 [(1)], Tikehau Capital firstly operates, within its Asset Management activity, comprising four business lines: Private Debt (see Section 1.4.2(a) (Private Debt activity) of this Registration Document), Real Estate (see Section 1.4.2(b) (Real Estate activity) of this Registration Document), Liquid Strategies (fixed income management/balanced and equities management) (see Section 1.4.2(c) (Liquid Strategies activity) of this Registration Document) and Private Equity (see Section 1.4.2(d) (Private Equity activity) of this Registration Document), and secondly, within its Direct Investments activity (see Section 1.4.3 (Direct Investments activity) of this Registration Document). The Group aims to increase its investments though its funds. The Group provides its investor clients with alternative investment opportunities targeting long-term value creation.

(1) See Section 1.4.1(b) (Tikehau Capital's business model) of this Registration Document.

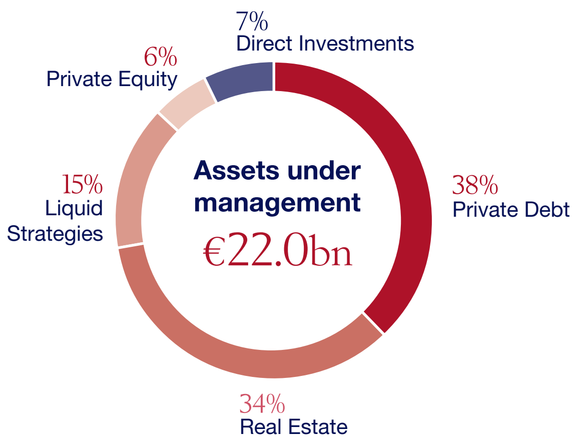
The Group's activities are summarised in the following table:

	Asset Management				Direct Investments
	Private Debt	**Real Estate**	**Liquid Strategies**	**Private Equity**	
Assets under management (1)	**€8.3 bn** (*i.e.* 37.9% of assets under management)	**€7.6 bn (o/w €5.1 bn from Sofidy)** (*i.e.* 34.5% of assets under management, o/w 23.2% from Sofidy)	**€3.3 bn** (*i.e.* 14.8% of assets under management)	**€1.2 bn (o/w €0.4 bn from ACE Management)** (*i.e.* 5.7% of assets under management, o/w 2% from ACE Management)	**€1.6 bn** (*i.e.* 7.1% of assets under management)
Employees (1)	51 employees (including 8 in research)	19 employees (excluding Sofidy) 148 employees (Sofidy)	17 employees (including 8 in research)	20 employees (excluding ACE Management) 13 employees (ACE Management)	20 employees (excluding ACE Management) shared with the Private Equity activity
Investment universe	**At all levels of capital structure** Senior loans, stretched senior, unitranche, mezzanine, preferred equity **Target companies** Revenues (€30 m – €2 bn) Value (€50 m – €2 bn) All sectors in Europe	**All classes of Real Estate assets** (offices, retail, logistics, hospitality, residential), **existing or to be redeveloped** based on Core, Core+ or Value Added strategies	**Credit** High yield, Investment Grade Corporate and subordinated instruments mainly European and Asian **Equities** Selection of "Value" stocks	**Minority investor** Non-takeover situations in an extensive sector and geographic universe Special Situations	Investments in an extensive sector and geographic universe
Key differentiation factors	• A **pioneer** in alternative financing • **Solid partnerships** with banks and Private Equity funds • Capacity for **flexible and innovative** structuring	• Flexible and innovative approach • **Solid track record** • Capacity for customised financing • Cross sourcing, local sourcing and European platform	• Allocation and selection based on **conviction** management • **Fundamental top-down and bottom-up analysis**	• An entrepreneurial spirit shared with companies that are invested in • Capacity for structuring ability and flexible investment	• Strong origination capacity

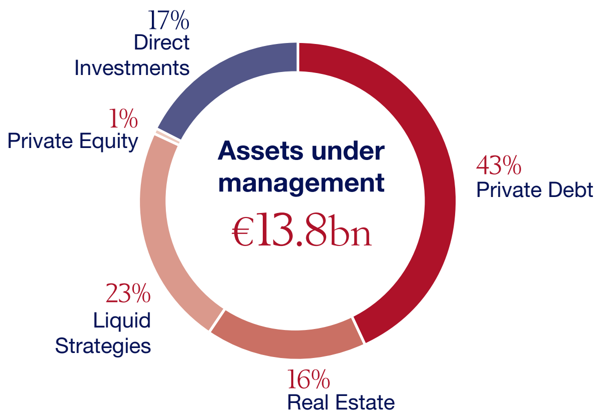
(1) As at 31 December 2018 (including Sofidy and ACE Management).

Distribution of the Group's assets under management between its Asset Management activity, comprising its four business lines, and its Direct Investments activity as shown below on 31 December 2018 and 31 December 2017 [(1)]:

Details of the Group's assets under management at 31 December 2018



Details of the Group's assets under management at 31 December 2017



The following table shows the evolution of the Group's assets under management between 31 December 2017 and 31 December 2018:

(in millions of euros)	31 December 2018	31 December 2017	Annual growth rate
Private Debt	8,313	5,975	+ 39%
Real Estate	7,583	2,245	x 3
Liquid Strategies	3,258	3,109	+5%
Private Equity	1,247	78	n/a
Total Asset Management	**20,402**	**11,407**	**+79%**
Total Direct Investments	**1,560**	**2,386**	**n/a**
TOTAL	**21,962**	**13,793**	**+ 59%**

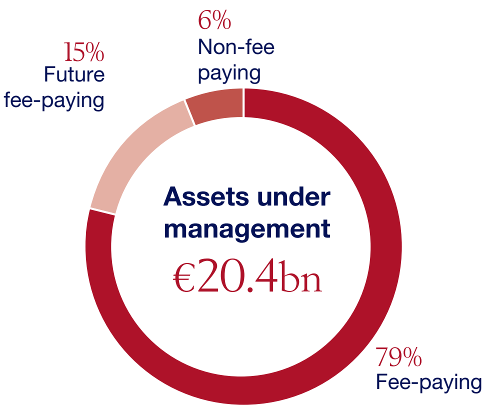
As at 31 December 2018, the Group's assets under management were divided between the Asset Management activity (€20.4 billion [(2)] and the Direct Investments made from the Group's balance sheet (€1.6 billion).

The Group's Asset Management activity is composed of (i) fee-paying, (ii) future fee-paying, and (iii) non-fee paying (see definitions in Section 2.1 (Presentation of activities, results and financial position for 2018) of this Registration Document), the breakdown of which is indicated below as at 31 December 2017 and 31 December 2018:

(1) Also see Section 1.4.1(b) (Tikehau Capital's business model) of this Registration Document.
(2) The investments made from the balance sheet in the Group's business lines are included in the Asset Management activity.

Breakdown of assets by type of fees generated as at 31 December 2018

(Perimeter of the Asset Management activity)

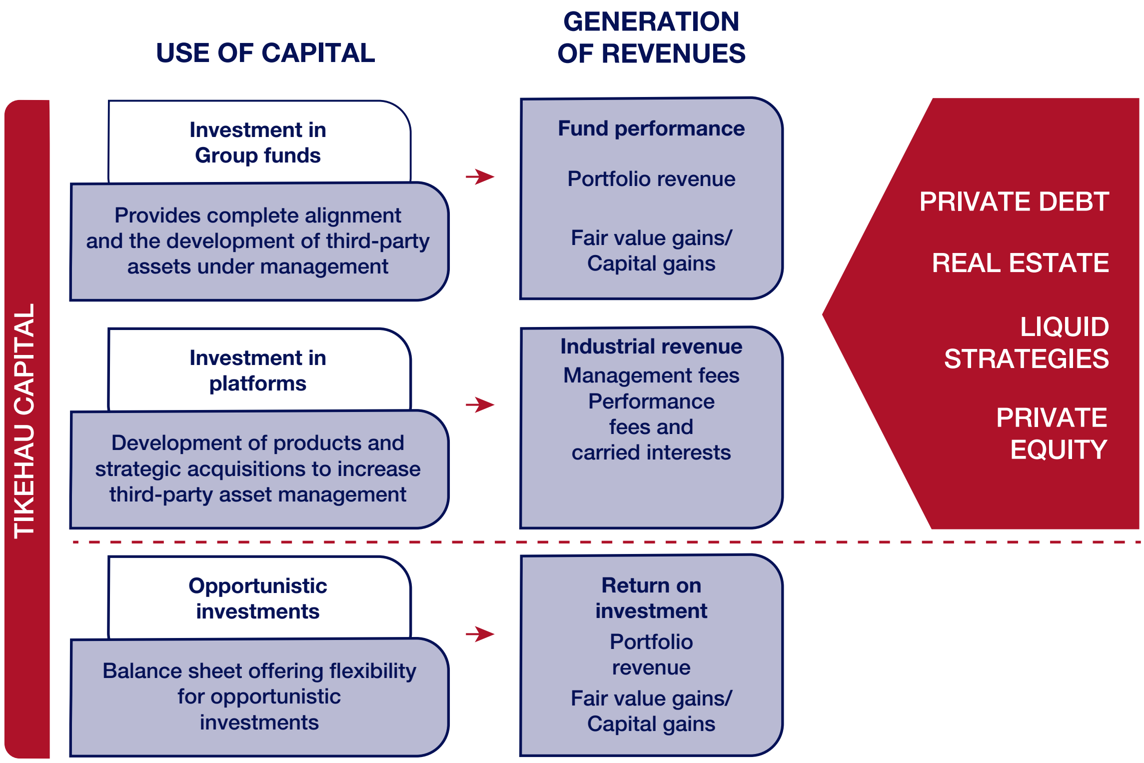


(b) Tikehau Capital's business model

The Tikehau Capital model is based on a strong balance sheet, supported by 2.3 billion of shareholders' equity as at 31 December 2018. 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.

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 1.3.2 (Strategy) 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 2018:

(in millions of euros)	Total assets under management	Assets under management from Tikehau Capital [(1)]	%	Third-party assets under management	%
Private Debt	8,313	585	37%	7,728	41%
Real Estate	7,583	457	29%	7,126	38%
Liquid Strategies	3,258	105	7%	3,153	17%
Private Equity	1,247	421	27%	826	4%
Total Asset Management	20,402	1,568	100%	18,833	100%
Direct Investments	1,560				
TOTAL GROUP	**21,962**				

(1) Corresponding to the investment commitments undertaken by the Group (called and uncalled) in its business lines. The value of these investments (for the share 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 deployment 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.

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 investor 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 filing 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 TGE II, T2, Tikehau Brennus and Tikehau Sequoia funds, 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 1.6.3(c) (Other significant regulations – Other regulations) of this Registration Document). In addition, barring exceptions (particularly in Liquid Strategies), the Company receives a percentage of the carried interests in the relevant funds and vehicles. The allocation policy for the carried interests which applies throughout the Group allows the Group to collect about 53% of the available carried interests (*i.e.*, two-thirds of 80%), the balance being distributed between Tikehau Capital Advisors and a company grouping around 60 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 2018, the value of investments and co-investments in the Group's strategies (excluding uncalled commitments) amounted to €906 million, or 43% of the value of Tikehau Capital's current and non-current investment portfolio compared to €512.3 million and 33% of the portfolio as at 31 December 2017.

The following table presents, as at 31 December 2018 the major investments and co-investments made by Tikehau Capital in the Group's strategies (vehicles managed by Tikehau IM, Tikehau Capital Europe, Sofidy and ACE Management) which are described in the sections below:

(in millions of euros)	Amount called [(1)]	Amount uncalled	Total amount
Tikehau CLO I	33.1	0.0	33.1
Tikehau CLO II	17.5	0.0	17.5
Tikehau CLO III	23.2	0.0	23.2
Tikehau CLO IV	21.6	0.0	21.6
Tikehau Direct Lending III	36.8	1.6	38.3
Tikehau Direct Lending IV	31.3	32.5	63.8
Tikehau Direct Lending 4L	0.0	37.1	37.1
Tikehau Senior Loan II	25.1	0.0	25.1
Tikehau Senior Loan III	20.3	29.9	50.2
Tikehau Preferred Capital	20.5	0.7	21.3
Other funds	93.1	160.9	254.1
Total Private Debt	**322.4**	**262.7**	**585.1**
Tikehau Real Estate II	24.5	0.0	24.5
Tikehau Retail Estate III	17.3	0.0	17.3
Tikehau Retail Properties I	25.7	0.0	25.7
Tikehau Retail Properties II	14.1	0.0	14.1
Tikehau Retail Properties III	34.3	0.0	34.3
IREIT Global	24.5	0.0	24.5
Tikehau Real Estate Investment Company	43.0	38.6	81.6
Tikehau Real Estate Opportunity 2018	0.0	149.1	149.1
Selectirente	36.8	0.0	36.8
Other funds	49.5	0.0	49.5
Total Real Estate	**269.6**	**187.7**	**457.3**
TSF	25.0	0.0	25.0
Tikehau GSD	25.6	0.0	25.6
Tikehau Income Cross Assets	20.6	0.0	20.6
Other funds	33.7	0.0	33.7
Total Liquid Strategies	**104.9**	**0.0**	**104.9**
Tikehau Special Opportunities	21.7	28.7	50.4
T2 Energy Transition Fund	17.4	79.2	96.6
Tikehau Growth Equity II	96.7	104.3	200.9
Other funds	73.1	0.0	73.1
Total Private Equity	**208.8**	**212.2**	**421.0**
TOTAL ASSET MANAGEMENT - 31 DECEMBER 2018	**905.7**	**662.6**	**1,568.3**
TOTAL ASSET MANAGEMENT - 31 DECEMBER 2017	**512.3**	**156.3**	**668.6**

(1) Amount called adjusted at fair value.

Investments in the development of platforms

Since its creation, Tikehau Capital has built and developed specialised platforms dedicated to Asset Management or investment. Group shareholders' equity 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 1.4.1(d) (The legal structure of Tikehau Capital) of this Registration Document).

The Company's shareholders' equity has also helped finance external growth transactions. The most significant recent transactions of this nature include the 2016 acquisition of Lyxor's European senior debt business (leveraged loans (see Section 1.4.2(a) (Private Debt activity) of this Registration Document), the acquisition of IREIT Global Group (see Section 1.4.2(b)(iii) (Real Estate companies managed by the Group) of this Registration Document), together with the acquisition of Sofidy (see Section 1.4.2(b) (Real Estate activity) of this Registration Document) and the acquisition of ACE Management (see Section 1.4.2(d) (Private Equity Activity) in December 2018.

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 1.3.2 (Strategy) of this Registration Document).

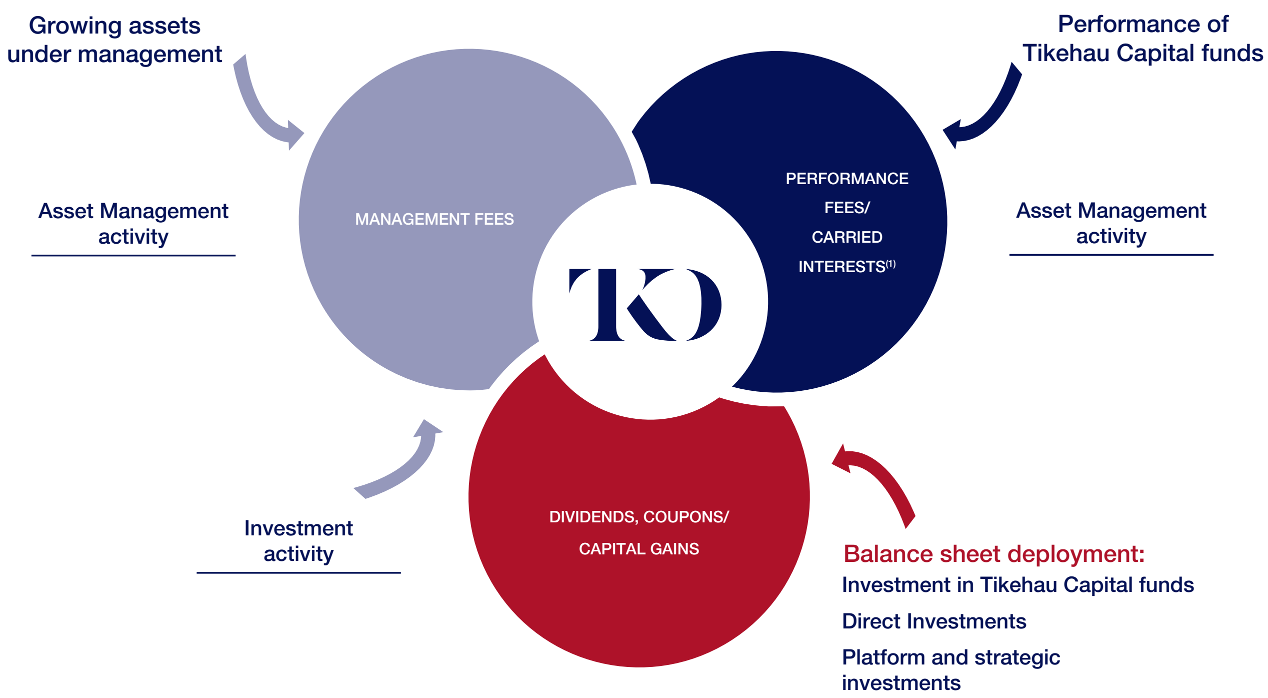
Opportunistic investments

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 1.3.2 (Strategy) of this Registration Document).

Tikehau Capital's sources of revenue

Given its focus on Asset Management and investment, the Group recognises 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-related fees and revenues associated with its carried interests (see below);
- recurring revenues related to balance sheet deployment, 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 deployment, corresponding to capital gains and losses on disposals recognised at the time of each divestment of an asset carried on the balance sheet.



(1) *53.3% of carried interests are allocated to Tikehau Capital or its subsidiaries.*

Revenues associated with the Asset Management business is further described below:

- **Management fees** – Management fees are levied recurrently by the relevant asset 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 the Private Debt activity, 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-related fees** – Performance-related 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-related 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 interests** – Carried interests are 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 10.5) 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 interests 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 interests. The Group (through the Company and Tikehau IM, or from 2019, through the relevant Group Asset Management company) retains approximately 53% (*i.e.* each of the two entities receives a third of 80%) of the available carried interests, the balance being distributed between Tikehau Capital Advisors (approx. 27%) and a shareholder structure of Tikehau Capital Advisors which covers around 60 seniors Group employees (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 5.25(a)(v) (Related parties - Performance fees or carried interest) of the annual consolidated financial statements in Section 5.1 (Annual consolidated financial statements as at 31 December 2018) of this Registration Document.

(c) The operational organisation of Tikehau Capital

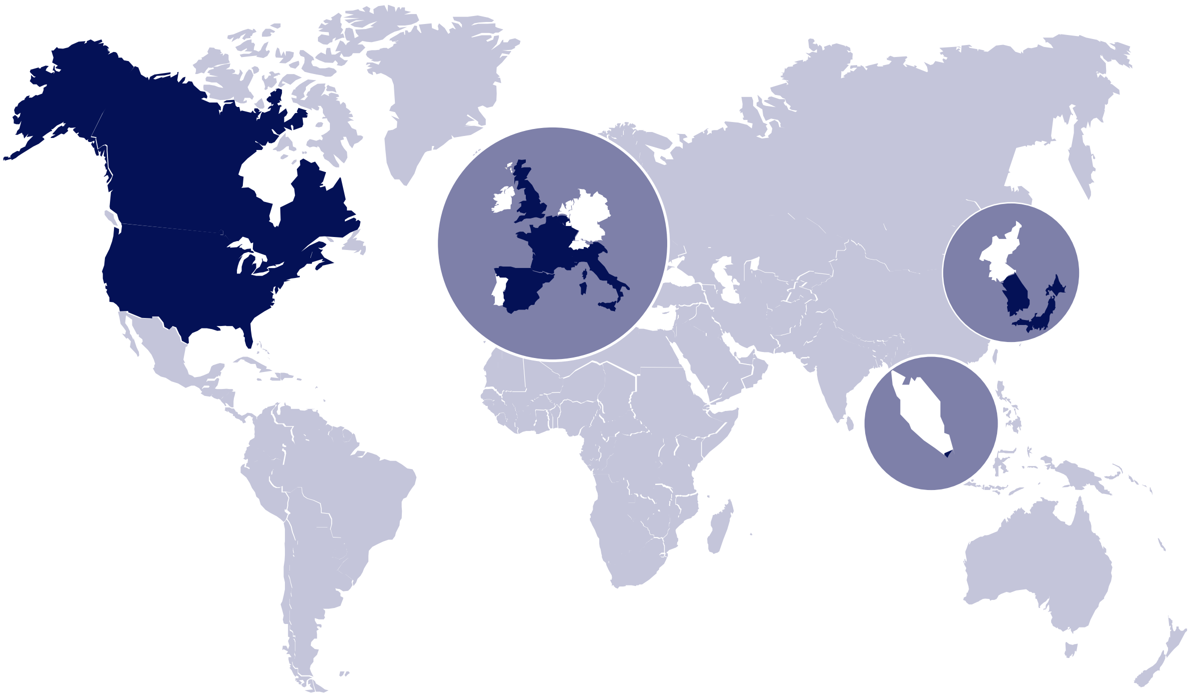
The organisation of Tikehau Capital is structured firstly around its Asset Management activity operated by way of four business lines, and secondly around its Direct Investments activity. Tikehau's Capital operates based on its own resources (including management, research, commercial and cross-divisional functions) housed within its main subsidiaries, and with the support of the Manager of the Company – Tikehau Capital General Partner – which itself receives resource and team support from its shareholder with full ownership, Tikehau Capital Advisors.

Asset Management activitiy and Direct Investments activity

Tikehau Capital's operations are primarily based on its Asset Management activity, comprising four business lines: Private Debt (see Section 1.4.2(a) (Private Debt activity) of this Registration Document), Real Estate (see Section 1.4.2(b) (Real Estate activity) of this Registration Document), Liquid Strategies (fixed income management/balanced and equities management) (see Section 1.4.2(c) (Liquid Strategies activity) of this Registration Document) and Private Equity (see Section 1.4.2(d) (Private Equity activity) of this Registration Document), and also its Direct Investments activity (see Section 1.4.3 (Direct Investments activity) of this Registration Document).

Geographical presence

Over the years, the acceleration of Tikehau Capital's Asset Management and Direct Investments activity has been accompanied by an increase in its international presence with the opening of offices in London, United Kingdom (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. As at 31 December 2018, the Group has offices in eight countries. The Group will increase its international presence in 2019 by opening an office in Japan.



Countries concerned

Brussels – London – Madrid – Milan – New York – Paris – Seoul – Singapore – Tokyo (planned 2019)

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 Financial Conduct Authority (FCA). The decision by the United Kingdom to leave the European Union (Brexit) will have impacts on the regulated activities of the Group in the UK, particularly for 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). The Group has prepared a range of scenarios to ensure the continuity of its operations in the United Kingdom after the United Kingdom leaves the European Union and to minimise the impacts of Brexit, particularly if the UK leaves without an agreement. These scenarios include the option for transitional or exceptional regulatory regimes, as well as changes to the organisation or functioning of local teams (including employee transfers and the introduction of delegations).

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 84.52% 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).

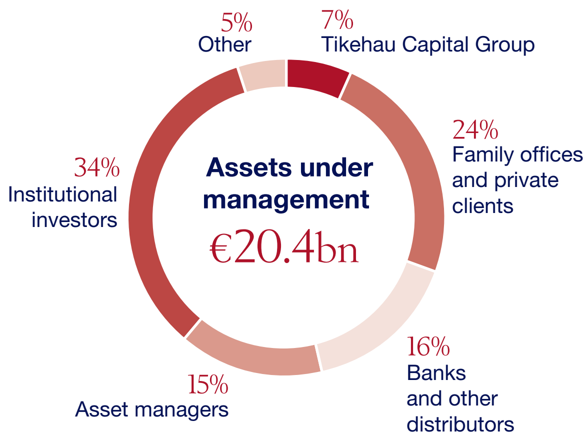
Distribution and marketing

At the 2018 year end, 29 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 17 salespeople split among its various offices and covering institutional investors and distributors in Europe and Asia in more than 20 countries.

As at 31 December 2018 at constant perimeter (excluding Sofidy and ACE Management), the investor client base of the Group's Asset Management activity consisted of 44% institutional investors (insurance companies, pension funds and sovereign funds), 12% distributors (private banks, networks of wealth management advisors, bank distribution networks, etc.), 19% asset management companies and 12% private investors and family offices.

Distribution of the Group's investor client base as at 31 December 2018

(Perimeter of the Asset Management activity)



In line with the development of its international presence, the Group is gradually extending and internationalising its investor client base and, at the end of 2018 at constant perimeter (excluding Sofidy and ACE Management), 37% of the Group's assets in the Asset Management activity came from an international client base (versus 27% at the end of 2017 and 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 (See Section 10.5 (Glossary) of this Registration Document), 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, Tikehau Capital Europe and Sofidy) 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 4.5 (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

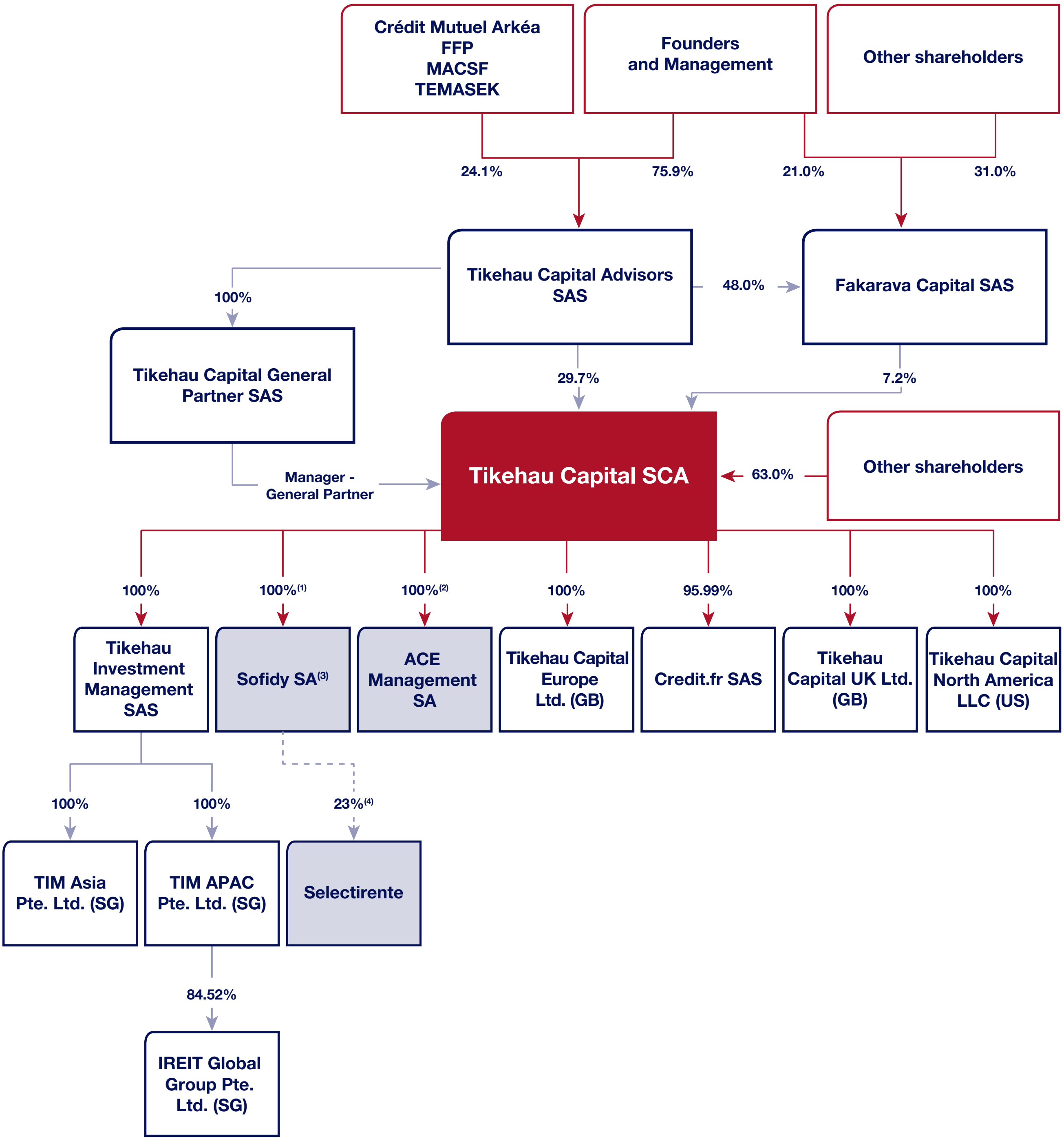
As at 31 December 2018, the Group and Tikehau Capital Advisors had 434 employees.

At the date of this Registration Document, the key individuals who run the Group, its activities or support the Manager (see Section 4.1.1 (The Manager) of this Registration Document) in their role include:

- Carmen Alonso – Head of Iberia;
- Debra Anderson – Head of CLO;
- Guillaume Arnaud – Chairman of the Management Board of Sofidy;
- Guillaume Benhamou – Member of the Management Board of ACE Management;
- 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;
- Emmanuelle Costa – Head of Human Capital;
- Jean-Marc Delfieux – Head of Fixed Income Investments;
- Dorothée Duron-Rivron – Head of Communication and Public Affairs;
- Jean-Baptiste Feat – Private Debt activity, Co-Head of Asia;
- François Fillon – Senior partner;
- Thomas Friedberger – Co-Chief Investment Officer, Chief Executive Officer of Tikehau Investment Management;
- Frédéric Giovansili – Deputy Chief Executive Officer of Tikehau Investment Management (Head of Sales, Marketing and Commercial Development);
- Etienne Gorgeon – Head of Liquid Strategies;
- Tim Grell – Head of the North America;
- Bertrand Honoré – Head of Information Systems;
- Frédéric Jariel – Co-Head of the Real Estate;
- Emmanuel Laillier – Head of Private Equity;
- Marwan Lahoud – Senior partner, Chairman of the Supervisory Board of ACE Management;
- Maxime Laurent-Bellue – Head of senior debt activities;
- Jérémy Le Jan – Chief Financial Officer (until 30 April 2019);
- Anne Le Stanguennec – Head of Internal Audit;
- Henri Marcoux – Deputy Chief Executive Officer of Tikehau Capital, Chief Executive Officer of Tikehau Investment Management;
- Ephraïm Marquer – Head of Compliance;
- Cécile Mayer-Lévi – Head of Private Debt activity;
- Laure Perreard – Chief Financial Officer (from 30 April 2019);
- Jean-Marc Peter – Chief Executive Officer of Sofidy;
- Bruno de Pampelonne – Chairman of Tikehau Investment Management, Head of Asia;
- Andrea Potsios – Head of Sales Europe;
- Geoffroy Renard – General Counsel;
- Pierre Vaquier - Co-Head of Real Estate Activities, Chairman of the Sofidy and Selectirente Supervisory Boards.

(d) The legal structure of Tikehau Capital

As at 31 December 2018, the Group's organisational chart is as follows. The three companies in blue were acquired in December 2018.



(1) 98.62% as at 31 December 2018 and 100% as at 11 January 2019.
(2) Directly or indirectly
(3) Sofidy was converted to a *Société par Actions Simplifiée* (simplified joint stock company) on 26 March 2019.
(4) Following the tender offer, as of 2 April 2019, Tikehau Capital directly holds 51.98% of Selectirente's share capital and 81.03% in concert with Sofidy, GSA Immobilier, Sofidiane, Makemo Capital, AF&Co, and Mr Antoine Flamarion and Mr Christian Flamarion. See Section 1.4.2(b)(iii) (Real Estate companies managed by the Group).
NB: In this organisational chart, shareholding percentages are equivalent to voting rights percentages, unless otherwise stated. The companies are governed by French law unless otherwise stated.

Tikehau Capital operates its Asset Management activity through dedicated platforms accommodated in its main subsidiaries. For its Direct Investments activity, the Group operates through the Company and three 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. At 31 December 2018, Tikehau IM had a presence in all Tikehau Capital's Asset Management activity including Private Debt, Real Estate, Liquid Strategies (fixed income management/balanced and equities management) and Private Equity. 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 and 2018 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 1.3.2 (Strategy) of this Registration Document).

Since 29 June 2018, Tikehau IM has been fully owned by the Company.

The approval 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 10.5); (iii) to market UCITS/AIFs managed by another asset manager and to conduct an investment advisory activity.

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 to perform in-depth and independent analysis of the different issuers and (ii) 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 characterised by great diversity in terms of size (including a large number of SMEs and intermediate-sized companies (see the Glossary in Section 10.5)), 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 activity has been accompanied by a significant increase in Tikehau IM's workforce, as well as an increased international presence, with the opening of Group offices in London, United Kingdom (2013), Singapore (2014), followed by Brussels, Belgium and Milan, Italy (2015), and more recently in Madrid, Spain, Seoul, South Korea (2017), New York, United States (2018) and Tokyo, Japan (2019). Tikehau IM operates in the Uinted Kingdom, 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 84.52% holding (See Section 1.4.2(b)(iii) (Real Estate companies managed by the Group) of this Registration Document). In Seoul, Tikehau IM has a representative office.

As at 31 December 2018, Tikehau IM managed €12.6 billion, or approximately 57% of the assets under management of Tikehau Capital (€22 billion) [1]. Since its inception in 2006, Tikehau IM has enjoyed significant growth in its assets under management. The Tikehau IM investor 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.

(1) See Section 1.4.1(b) (Tikehau Capital's business model) of this Registration Document.

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 10.5). 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 realisation 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 10.5) 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 collateralised 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 €1.8 billion as at 31 December 2018.

More information about Tikehau Capital Europe and the CLO transactions conducted by this subsidiary can be found in Section 1.4.2(a) (Private Debt activity) of this Registration Document.

Sofidy

See Section 1.4.2(b)(ii) (Real Estate funds managed by Sofidy) of this Registration Document.

IREIT Global Group

See Section 1.4.2(b)(iii) (Real Estate companies managed by the Group) of this Registration Document.

Credit.fr

In 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.

ACE Management

See Section 1.4.2(d)(iii) (Private Equity funds managed by ACE Management) of this Registration Document.

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.

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 Asset Management activitiy to seek the best sources of value creation (see Section 1.3 (Competitive advantages and strategy) 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 1.3 (Competitive advantages and strategy) of this Registration Document).

More information regarding Tikehau Capital General Partner is provided in Section 4.1.1 (The Manager) 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 December 2018, Tikehau Capital Advisors held 29.7% of the Company's capital and voting rights.

1.4.2 Asset Management activity

(a) Private Debt activity

As at 31 December 2018

Assets under management for the Private Debt activity	€8.3 billion
Share of the activity in the Group's total assets under management	37.9%
Change compared to the previous financial year	+39%
Employees of the Private Debt activity	51
Companies concerned	Tikehau IM Tikehau Capital Europe Credit.fr
Fund type	French debt securitisation fund (*Fonds commun de titrisation de droit français* or "FCT") French specialised professional fund (*Fonds professionnel spécialisé de droit français* or "FPS") Luxembourg-based open-end investment company – specialised investment fund ("SICAV-SIF") with multiple sub-funds

Tikehau Capital is one of the pioneers of Private Debt transactions in Europe. The Group's Private Debt teams are involved in debt financing deals worth between €10 million and €300 million as arranger or participant.

Private Debt generally refers to wholly-owned asset classes in the credit market. This includes all so-called alternative financing business lines in the form of loans and bonds taken out by non-banking institutions.

These financings are generally non-listed and illiquid, and are not actively traded on organised exchanges. Instead they are financings 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.

The Private Debt asset class activity has complemented the classic bank loan investment financing activity, and has seen strong growth both in Europe in general and in France specifically, which is the second largest European market (24%) after the United Kingdom (38%) (See Section 1.5 (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 co-investments in financing deals alongside these lenders, in order to increase the lenders' financing capacity.

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 recognised 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, or in the event of a considerable drop in performance. 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, usually arranged by funds, 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 Secton 1.4.2(a)(i) (Direct lending activity (direct financing)) 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 1.4.2(a)(iii) (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 10.5). 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 SMEs and intermediate-sized companies (see the Glossary in Section 10.5)), 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 NOVI, a second industry initiative, was also entrusted in part to Tikehau Capital (see below). In addition the second NOVO vintage, Tikehau NOVO 2018, was launched in 2018.

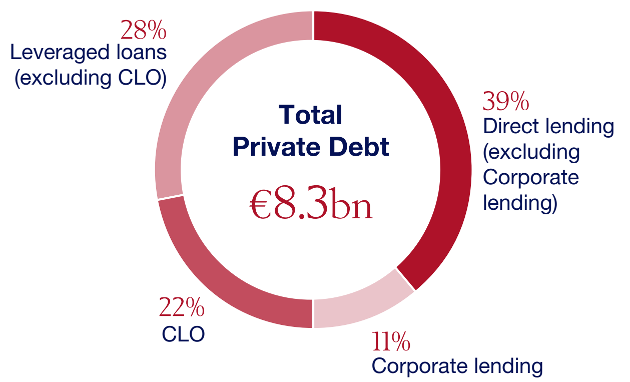
In 2015, Tikehau Capital's Private Debt team won the award "Unitranche Lender of the Year" from Private Debt Investor, and the "Best Financial Provider in Small-Mid Cap Category" award from Private Equity Magazine. In 2018, Tikehau Capital's Private Debt team won the "Private Debt Lender of the Year" award from Private Equity Magazine for the fourth year running.

As part of its Private Debt activitiy, 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 1.4.1(d) (The legal structure of Tikehau Capital) of this Registration Document).

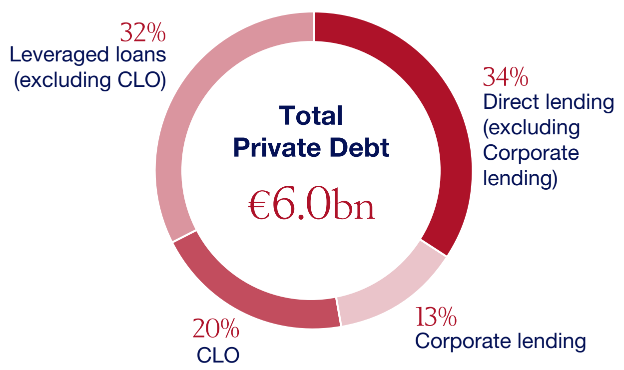
As at 31 December 2018, assets under management in Tikehau Capital's Private Debt funds amounted to approximately €8.3 billion, representing 37.9% of the Group's assets under management.

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 deal has boosted the Group's Senior Debt activity, especially for LBO-type transactions (see the Glossary in Section 10.5 of this Registration Document). 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 charts show the breakdown of Private Debt assets under management by asset class as at 31 December 2018 and 31 December 2017 (in %):

Breakdown of Private Debt business at 31 December 2018



Breakdown of Private Debt business at 31 December 2017



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

(in millions of euros)	Assets under management as at 31 December 2018	Assets under management as at 31 December 2017
Tikehau Direct Lending IV (TDL IV)	1,096	470
Tikehau Direct Lending 4L (TDL 4L)	388	114
Tikehau Direct Lending III (TDL III)	496	610
Sofiprotéol Dette Privée	205	205
Tikehau Preferred Capital	85	117
Other funds/mandates	998	537
Direct lending (excluding Corporate Lending)	**3,268**	**2,053**
NOVI 1	290	290
NOVO 2	235	311
Tikehau NOVO 2018	212	-
Groupama Tikehau Diversified Debt Fund	116	-
Other funds	44	191
Corporate Lending	**897**	**792**
TOTAL DIRECT LENDING	**4,165**	**2,845**
Tikehau Senior Loan II	610	615
Tikehau Senior Loan III	229	-
Tikehau Corporate Leveraged Loan Fund	109	138
Lyxor	345	555
Other funds/mandates	1,040	619
Senior Debt (Leveraged Loans) (excluding CLO)	**2,333**	**1,926**
CLOs	1,816	1,204
TOTAL SENIOR DEBT (LEVERAGED LOANS)	**4,149**	**3,130**
TOTAL PRIVATE DEBT	**8,313**	**5,975**

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 commitment of €322.4 million as at 31 December 2018. Revenues generated by this portfolio mainly take the form of distributions made by vehicles and of interest earned on co-investments.

(i) Direct lending activity (direct financing)

The direct lending activity 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 10.5) 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, and makes available financing for a company (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, 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 and implementation of the main 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 2018, Tikehau Capital's direct lending business represented total assets under management of €3.3 billion for approximately fifty portfolio investments.

Main direct lending funds (excluding corporate lending)

TIKEHAU DIRECT LENDING IV/TIKEHAU DIRECT LENDING 4L

Inception date	July 2017
Legal form	Luxembourg SICAV-SIF
Fund size (as at 31 December 2018)	1,485 million euros

Launched by Tikehau IM in 2017, Tikehau Direct Lending IV ("TDL IV") and Tikehau Direct Lending 4L ("TDL 4L") are the two main sub-funds 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).

All of the vehicles associated with TDL IV and TDL 4L together form the fourth generation of the Group's direct lending funds, and in early 2019 closed on a total of €2.1 billion.

Following in the footsteps of their predecessor TDL III (see below), TDL IV and TDL V offer alternative Senior Debt, Stretched Senior, Unitranche, Mezzanine and PIK financing in Europe, which are suitable for any situation: corporate finance or LBO acquisition financing (see the Glossary in Section 10.5). The fund mainly targets investments in companies valued at between €50 and €1 billion, belonging to various sectors and geographic areas.

The main characteristics of these two sub-funds are as follows:

- TDL IV (sub-fund without leverage)
  As at 31 December 2018, TDL IV had invested a total of approximately €358 million in 17 companies established in France, Spain, Germany, Switzerland, Norway, Benelux, Denmark and the United Kingdom. For example, some recent investments include the Unitranche financing of the acquisition of the Company Academia Shiva by the IK Investment Partners group, the acquisition of CCC by Ardian, the Unitranche financing of the acquisition of Iverde by the Core Equity Holdings group, or the financing of the acquisition of JJA by TowerBrook.

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, Israel, Germany, Canada, Hong Kong or Finland.

- TDL 4L (sub-fund with leverage)
  As at 31 December 2018, TDL 4L had invested a total of approximately €80 million in 14 companies established in France, Spain, Germany, Switzerland, Norway, and the United Kingdom. Recent transactions include Academia Shiva, the Unitranche financing of the acquisition of the Company "idverde" by the Core Equity Holdings group, or the financing of the JJA acquisition by TowerBrook.

Investors committed alongside Tikehau Capital in this fund are primarily family offices and pension funds based in France, Spain, Italy, Belgium, Canada or South Korea.

TIKEHAU DIRECT LENDING III

Inception date	December 2014
Legal form	Luxembourg SICAV-SIF
Fund size (as at 31 December 2018)	€496 million

Launched by Tikehau IM in December 2014, Tikehau Direct Lending III ("TDL III") is the sub-fund 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 offers alternative Senior Debt, Stretched Senior, Unitranche and Mezzanine financing in Europe, which are suitable for any situations: corporate finance or LBO acquisition financing (see the Glossary in Section 10.5). The fund mainly targets investments in companies valued between €50 and €500 million, belonging to various sectors and geographic areas. The TDL III investment period extended from March 2015 to December 2018. €720 million was invested by the fund.

As at 31 December 2018, TDL III still held a total investment of approximately €456.5 million in nearly 20 companies established in France, Spain, Belgium and Norway.

The TDL III Fund closed its investment period on 1 March 2018 and has called 97.6% 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 or Finland.

The fund matures in 2022 with an extension option of two times one year.

TIKEHAU PREFERRED CAPITAL

Inception date	June 2012
Legal form	French FCPR
Fund size (as at 31 December 2018)	€85 million

Tikehau Preferred Capital ("TPC") is a French Venture capital mutual fund ("FCPR") 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 10.5) 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 10.5).

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.

GROUPAMA TIKEHAU DIVERSIFIED DEBT FUND

Inception date	September 2018
Legal form	French FPS
Fund size (as at 31 December 2018)	€116 million

The Groupama Tikehau Diversified Debt Fund ("GTDDF") is the first fund to be created by a partnership between two Asset managers, Tikehau IM and Groupama AM, with the goal of supporting international development, investment, growth and innovation for French and European SMEs. The GTDDF provides long-term bespoke responses to business financing requirements through long-term differentiated credit solutions (bonds, euro PP, Senior Debt or Unitranche) for amounts of €1-€10 million.

This specialised professional fund has a 12-year maturity. The first closing for the fund of €115 million was completed in October 2018, supported by the European Investment Fund (EIF), Groupama and the Company. Groupama AM has delegated the management of the fund to Tikehau IM.

Main corporate lending funds

NOVI 1

Inception date	July 2015
Legal form	French FPS
Fund size (as at 31 December 2018)	€290 million

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 10.5). 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 Euronext B and C markets and on Euronext Growth, and 80% of the portfolio in unlisted 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 10.5)) 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

Inception date	October 2013
Legal form	French FCT
Fund size (as at 31 December 2018)	€235 million

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 sub-funds, one of which is under the management of Tikehau IM (representing an amount of €235 million at the end of December 2018). 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 10.5), 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.

TIKEHAU NOVO 2018

Inception date	October 2017
Legal form	French FCT
Fund size (as at 31 December 2018)	€212 million

Tikehau IM et BNP AM (already partners in the management of NOVO 1 and NOVO 2 (see above) created the Tikehau NOVO 2018 fund ("NOVO 2018") to continue the work of traditional stakeholders on the euro PP market, for which the investment period ended in November 2016.

NOVO 2018 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, and the fund has a 10-year lifetime.

The NOVO 2018 fund managed by Tikehau IM has a total amount of €212 million, 30% invested at 31 December 2018.

The investment strategy is similar to that of the NOVO 1 and NOVO 2 funds, as it invests in receivables issued by intermediate-sized companies ("ETIs") whose registered offices are primarily located in France.

The investment universe of NOVO 2018 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 10.5), of intermediate size. An entire development project can be funded for loan amounts of between €10 and €50 million. The investment philosophy of NOVO 2018 is conservative (a maximum of 10% in the same company and a maximum of 20% in the same sector) and focuses on growth companies.

SOFIPROTEOL DETTE PRIVÉE

Inception date	June 2016
Legal form	French FCT
Fund size (as at 31 December 2018)	€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 Group Avril which has extensive knowledge in these sectors. The Avril group is a major French industrial and financial group which operates in sectors as diverse as human nutrition, animal feed and animal sciences, clean energy value chain 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 2018.

(ii) Senior Debt (leveraged loans) activities

The Senior Debt (leveraged loans) activity combines funds focused on investments in Senior Debt (*i.e.* TSL II, TSL III and TCLLF) with the CLO business. As at 31 December 2018, this activity represented total assets under management of €4.1 billion.

Loan funds

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

TIKEHAU SENIOR LOAN II

Inception date	November 2015
Legal form	French FCT
Fund size (as at 31 December 2018)	€610 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 LBO transactions (see the Glossary in Section 10.5) led by Private Equity funds). The approach combines participation in large European syndications and mid-market 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 2018, TSL II had collected nearly €610 million in assets.

TIKEHAU SENIOR LOAN III

Inception date	June 2018
Legal form	French FPS
Fund size (as at 31 December 2018)	€229 million

As the successor of the TSL II fund (see above), Tikehau Senior Loan III ("TSL III") is a vehicle dedicated to the European Senior Debt strategy which was launched by Tikehau IM in July 2018. 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 €500 million, an enterprise value of between €150 million and €1 billion and maximum leverage set at 5.5x. The investment universe primarily covers European companies as part of LBO transactions (see Glossary in Section 10.5) led by Private Equity funds), which combines investments in major European or minority American syndications with mid-market transactions initiated bilaterally and locally by Tikehai IM. This results in a higher yield profile while providing better control of the key economic and legal financing terms, as well as adding a differentiating factor when building the portfolio.

As at 31 December 2018, TSL III had attracted nearly €229 million in commitments, of which €96 million had been called and invested in close to 30 companies primarily established in France, Germany, the Netherlands and Luxembourg.

TIKEHAU CORPORATE LEVERAGED LOANS FUND

Inception date	November 2013
Legal form	French FCT
Fund size (as at 31 December 2018)	€109 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.

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 debt, to carry out the delegated management of this business. This deal enabled the Group to strengthen its Senior Debt activity, especially on LBO-type transactions (see the Glossary in Section 10.5). Following this deal, Tikehau IM replaced Lyxor UK to become the manager of four Lyxor European senior debt funds.

(iii) 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 target, as at the registration date of this Registration Document, Tikehau Capital had launched four CLO vehicles: Tikehau CLO I, Tikehau CLO II, Tikehau CLO III and Tikehau CLO IV. Tikehau CLO V is currently in the "warehousing" phase. Tikehau Capital's CLO vehicles are structured by and under the management of Tikehau Capital Europe (see Section 1.4.1(d) (The legal structure of Tikehau Capital) of this Registration Document).

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 has structured:

- a first securitisation vehicle ("Tikehau CLO I"), closed in July 2015 and then refinanced in December 2017 for an initial amount of approximately €355 million;
- a second CLO vehicle ("Tikehau CLO II"), closed in November 2016 for an amount of approximately €414 million;
- a third CLO vehicle ("Tikehau CLO III"), closed in November 2017 for an amount of approximately €435 million; and
- a fourth CLO vehicle ("Tikehau CLO IV"), closed in September 2018 for an amount of approximately €412 million.

The bonds issued by each of the four 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, Tikehau CLO III and Tikehau CLO IV 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 four 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;
- 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 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.

As at 31 December 2018, Tikehau Capital Europe's assets under management amounted to approximately €1.8 billion.

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

TIKEHAU CLO I

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.

Tikehau Capital and its subsidiaries are exposed for 11.3% of the liabilities of Tikehau I CLO, 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 1.6.3(c) (Other significant regulations – "Other regulations") 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 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 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	Not applicable	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 and its subsidiaries are 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 1.6.3(c) (Other significant regulations – "Other regulations") of this Registration Document).

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	Not applicable	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 €22.8 million in the subordinated (equity) tranche and for €2.8 million in the E 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 1.6.3(c) (Other significant regulations – "Other regulations") 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	Not applicable	13 years
TOTAL		**435,150**		

TIKEHAU CLO IV

Settlement date	September 2018
Vehicle size	€412 million

Tikehau CLO IV BV ("Tikehau CLO IV") is the fourth bond securitisation vehicle backed by a portfolio of loans (Collateralized Loan Obligations, CLO) structured by Tikehau Capital in September 2018 for €411.8 million. The deal was carried out with Merrill Lynch as arranger and placement agent and the settlement date was 4 September 2018.

With repayment on maturity after 13 years, Tikehau CLO IV is also made up of over 90% variable rate senior secured loans.

The bonds issued by Tikehau CLO IV 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 5.9% of the liabilities of Tikehau CLO IV, that is, for a total nominal value of €21.6 million in the subordinated (equity) tranche and for €2.7 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 1.6.3(c) (Other significant regulations – "Other regulations") of this Registration Document).

Characteristics of the securities issued by Tikehau CLO IV:

Category of bonds issued	Rating (Moody's/Fitch)	Amount *(in thousands of €)*	Coupon	Final maturity
X	Aaa/AAA	1,500	Euribor 3m +0.53%	13 years
A1	Aaa/AAA	231,000	Euribor 3m +0.90%	13 years
A2	Aaa/AAA	15,000	1.75%	13 years
B1	Aa2/AA	7,000	Euribor 3m +1.65%	13 years
B2	Aa2/AA	15,000	2.10%	13 years
B3	Aa2/AA	22,000	Euribor 3m + 1.92% during the non-repayment period then Euribor 3m +1.65%	13 years
C1	A2/A	7,000	Euribor 3m +2.15%	13 years
C2	A2/A	19,000	Euribor 3m + 2.42% during the non-repayment period then Euribor 3m + 2.15%	13 years
D	Baa2/BBB	21,000	Euribor 3m +3.30%	13 years
E	Ba2/BB	23,000	Euribor 3m +5.33%	13 years
F	B2/B-	12,000	Euribor 3m +7.36%	13 years
Subordinated	Unrated	38,300	Not applicable	13 years
TOTAL		**411,800**		

1.

(b) Real Estate activity

As at 31 December 2018	
Assets under management for the Real Estate activity	€7.6 billion (of which €5.1 billion from Sofidy)
Share of the activity in the Group's total assets under management	34.5%
Change compared to the previous financial year	x3
Employees of the Real Estate activity	19 (excl. Sofidy) 148 (Sofidy)
Companies concerned	Tikehau IM Sofidy TREIC IREIT Selectirente
Main fund types	French Real Estate investment vehicles (*Organismes de placement collectif en immobilier* or "OPCI"), primarily in the form of an open-ended company investing predominantly in Real Estate (Société à prépondérance immobilière à capital variable or "SPPICAV") Luxembourg-based special limited partnerships (*Société en commandite spéciale de droit luxembourgeois* or "SCSp") Real Estate investment companies (*Sociétés civiles de placement immobilier* or "SCPI")

As at 31 December 2018, assets under management in Tikehau Capital's Real Estate activity amounted to approximately €7.6 billion, representing 35% of the Group's assets under management.

These assets consist of (1) Real Estate funds managed by Tikehau IM, (2) Real Estate funds managed by Sofidy, and (3) Real Estate investment companies managed by the Group.

Since its creation in 2004, Tikehau Capital has made 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. This Real Estate platform has been especially strengthened in recent years, primarily through external growth, and has a solid expertise and recognised experience in property investment.

In December 2018 Tikehau Capital finalised its acquisition of Sofidy, an Asset Management company specialising in Real Estate assets, which as at 31 December 2018, managed €5.1 billion of assets under management [(1)].

Established in 1987 by Mr Christian Flamarion [(2)], Sofidy is a leading asset manager in the Real Estate management sector in France and Europe, involved in the creation and development of investment and savings products particularly focused on retail and office Real Estate. A leading independent player in the SCPI (Real Estate investment company) market and regularly awarded for the quality and consistency of its fund performance, Sofidy manages a portfolio of over 4,200 Real Estate assets on behalf of over 150,000 individual investors and a large number of institutional investors. As at 31 December 2018, Sofidy had a workforce of 148 employees.

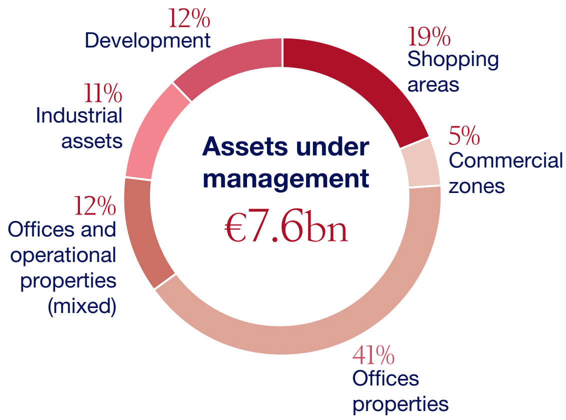
The acquisition of Sofidy has enabled Tikehau Capital to expand its range of Real Estate funds and thus improve its business mix, to reach out to new investor categories and extend its know-how in the field of Real Estate investment solutions thanks to the strong synergies between the two groups.

As at 31 December 2018, Tikehau Capital's dedicated Real Estate teams accounted for 19 employees from Tikehau IM and also 148 employees from Sofidy. As at 31 December 2018, the assets under management for Tikehau Capital's Real Estate activity included commercial assets (business parks, stores in commercial areas (19%) and shopping areas (5%)), offices (41%), mixed assets (offices and business properties) (12%), industrial assets (11%) and development parks (12%), located in France, Germany and Italy.

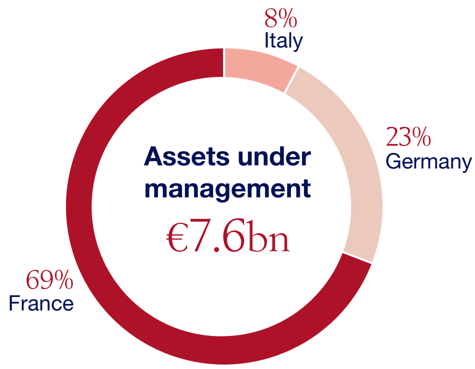
(1) Amount calculated based on the definition of the Group's assets under management (see Section 1.4 (Presentation of Tikehau Capital activities) of this Registration Document).

(2) Mr Christian Flamarion is the father of Mr Antoine Flamarion, co-founder of Tikehau Capital.

Breakdown by asset type as at 31 December 2018



Breakdown by geographic area as at 31 December 2018



Tikehau Capital's Real Estate investment activity was initially developed through the establishment of dedicated acquisition vehicles for each transaction, mainly structured in France in the form of French Real Estate investment vehicles ("OPCI"), or in Luxembourg in the form of a special limited partnership ("SCSp"). This structuring "tailored" to each investment transaction has allowed 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 1.4.1(d) (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 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 balanced Real Estate investment portfolio, which as at 31 December 2018 consisted of over 406 Real Estate assets.

Meanwhile Sofidy uses various fund types, which consist primarily of SCPI (representing 88.8% of its assets under management) but also OPCI and UCITS. The Sofidy group also owns a listed property company – Sélectirente – which has adopted the SIIC tax regime (see below).

Tikehau Capital intends to increase the proportion of Real Estate in its assets under management. In 2018, this was reflected in the acquisition of Sofidy as well as the raising of a balanced and opportunistic Real Estate fund (TREO 2018), targeting the highest returns, which aims to build on the track record established by the Group through its dedicated funds.

The following table presents the Group's main Real Estate investment vehicles and the amount of assets under management for each one as at 31 December 2018:

(in millions of euros)	Assets under management as at 31 December 2018	Assets under management as at 31 December 2017
Tikehau Real Estate I	111	108
Tikehau Real Estate II	277	280
Tikehau Real Estate III	348	353
Tikehau Retail Properties I	149	146
Tikehau Retail Properties II	80	82
Tikehau Retail Properties III	255	260
Tikehau Logistics Properties I	40	136
Tikehau Italy Retail Fund I	96	96
Tikehau Italy Retail Fund II	72	72
Tikehau Real Estate Opportunity 2018	314	-
Others	2	0
Real Estate funds managed by Tikehau IM	**1,993**	**1,782**
Immorente	2,994	-
EFIMMO 1	1,285	-
Others	555	-
Real Estate funds managed by Sofidy	**4,834**	**-**
IREIT Global	505	463
TREIC	250	250
Selectirente	252	-
Real Estate companies managed by the Group	**1,757**	**463**
TOTAL	**7,583**	**2,245**

(1) Sofidy controlled 22.9% of Selectirente's share capital and managed 100% of its assets under a delegated management contract. Following the tender offer, as of 2 April 2019, Tikehau Capital directly holds 51.98% of Selectirente's share capital and 81.03% in concert with Sofidy, GSA Immobilier, Sofidiane, Makemo Capital, AF&Co, and Mr Antoine Flamarion and Mr Christian Flamarion.

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 as part of Tikehau Capital's Real Estate strategies represented a total amount of €269 million as at 31 December 2018. Revenues generated by this portfolio mainly takes the form of distributions made by the vehicles.

(i) Real Estate funds managed by Tikehau IM

As at 31 December 2018, the main Real Estate transactions that Tikehau IM structured, performed and managed were:

TIKEHAU REAL ESTATE OPPORTUNITY 2018

Inception date	May 2018
Legal form	Luxembourg SCSp (special limited partnership)
Fund size (as at 31 December 2018)	€314 million

Tikehau Real Estate Opportunity 2018 ("TREO 2018") is a so-called "value-added" Real Estate fund which targets the highest returns, and which aims to build on the track record established by the Group through its dedicated funds.

TREO 2018 invests in all Real Estate asset classes which offer potential value creation, with a maximum leverage of 65%. The fund has a three-year investment period and an eight-year lifetime (excluding extension option). As at 31 December 2018, the fund had collected nearly €314 million in commitments. TREO 2018 also acquired its first asset in October 2018 in partnership with Bouygues Immobilier. This was a mixed redevelopment project of approximately 200,000 square metres in Charenton. The project won the competition as part of "Invent the Greater Paris Metropolis", and will participate in the urban renewal of the Charenton area located at the edge of the city.

TIKEHAU REAL ESTATE I

Acquisition date	March 2014
Legal form	SPPICAV
Fund size (as at 31 December 2018)	€111 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 ten years. The initial investment was secured by firm 15-year net investor leases signed with a quality counterparty, the Elis group. The investment was financed without borrowing.

TIKEHAU REAL ESTATE II

Acquisition date	December 2016
Legal form	SPPICAV
Fund size (as at 31 December 2018)	€277 million

Tikehau Real Estate II ("TRE II") 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 93.6% occupied by affiliates of the EDF group and offers redevelopment opportunities on sites with residential potential. At 31 December 2018 and since the fund was established, TRE II has disposed of 19 assets for a total of €33.4 million. 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 1.4.2(b)(iii) (Real Estate companies managed by the Group) of this Registration Document).

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TIKEHAU REAL ESTATE III

Acquisition date	October 2017
Legal form	SPPICAV
Fund size (as at 31 December 2018)	€348 million

Tikehau Real Estate III ("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 88.1% occupied by affiliates of the EDF group and has a total surface area of approximately 390,000m^2. At 31 December 2018 and since the fund was established, TRE III has disposed of six assets for a total of €10 million. This acquisition forms part of the 2015-2020 overall plan of disposals announced by the EDF group, 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 2018)	€149 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.

TIKEHAU RETAIL PROPERTIES II

Acquisition date	October 2015
Legal form	SPPICAV
Fund size (as at 31 December 2018)	€80 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 40,000m^2. It consists of a Carrefour food anchor store and hypermarket, and a shopping mall including six 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 about 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 programs 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 2018)	€255 million

Tikehau Retail Properties III ("TRP III") was set up by Tikehau IM for the purpose of acquiring 35 retail properties representing about 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. Babou, French market leader in the discount textile/discount store sector, was bought out during the financial year by B&M, a listed company on the London stock exchange and leading discounter, representing approximately 61% of the rental income. As at 31 December 2018, the portfolio occupancy rate was about 93.1%for a total area of 199,900m^2. The acquisition was partially financed by a bank loan. The strategy is based on optimising the current rent, either by replacing certain tenants or by renegotiating existing leases for longer terms. There is also a potential for the leasing of vacant sites and redevelopment of some sites.

TIKEHAU LOGISTICS PROPERTIES I

Acquisition date	July 2016
Legal form	SPPICAV
Fund size (as at 31 December 2018)	€40 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 29,000m^2 for a land area of about 44,000m^2. 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 programs are stimulating urban transformation in this currently isolated area.

This logistics asset was sold to the company Charenton-Bercy in October 2018, held jointly (directly or indirectly) by Bouygues Immobilier and Tikehau Real Estate Opportunity 2018 (see above).

TIKEHAU ITALY RETAIL FUND I

Acquisition date	February 2016
Legal form	Luxembourg-based special limited partnership (*Société en commandite spéciale de droit luxembourgeois* or "SCSp")
Fund size (as at 31 December 2018)	€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 27,900m^2 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 ("TIRF 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-based special limited partnership (*Société en commandite spéciale de droit luxembourgeois* or "SCSp")
Fund size (as at 31 December 2018)	€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 21,000m^2 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).

1.

(ii) Real Estate funds managed by Sofidy

For over 30 years, Sofidy has been designing, developing and managing Real Estate funds distributed primarily to retail clients (*via* partners which include Independent Financial Advisors, life insurance companies and banking networks) and covering the full stone and paper range (primarily SCPIs but also public OPCIs, OPPCI (Real Estate, listed or dedicated), Real Estate UCITS, sub-funds etc.). Although originally known for their commercial assets expertise, Sofidy now manages investment funds for all asset classes including retail, office, logistics, hospitality and residential, based in France (82%), the Netherlands (9%), Germany (4%) and Belgium (2%). The investment policy targets high-yield Real Estate assets (based on so-called Core/Core + strategies), which offer both investors and savers secure rental flows due to high-quality locations and/or lessees. Leverage is usually moderate for this type of fund (15-50%). Immorente is the embodiment of this balanced and pooled investment strategy, as the flagship vessel of the Sofidy range, and one of the leading French SCPIs with a capitalisation of nearly €3 billion. At 31 December 2018, Immorente comprised over 2,000 rental units, and has retained an IRR of 9.5% since it was established in 1987.

Sofidy's performance was rewarded by various prizes and awards, the most recent of which were at the 2019 Victoires de la Pierre-Papier awards: Immorente voted best SCPI (Real Estate investment trust) for its five-year performance in the category of classic diversified SCPIs with variable capital; Sofipierre voted best SCPI for its 10-year performance in the category of commercial SCPIs with variable capital.

Further information on Sofidy's activities, results and outlook are available at its website: www.sofidy.com.

The main SCPIs managed by Sofidy are:

IMMORENTE

Inception date	1988
Legal form	Open-ended SCPI
Vehicle size	€2,994 million

Immorente was founded in 1988 and has been managed by Sofidy since its inception. With a capital of €3 billion, it is one of the higher capitalisations within French SCPIs.

Although it was traditionally focused on commercial assets, Immorente has gradually diversified its portfolio and focused in on the most rapidly-growing areas of the country, providing excellent rental risk pooling solutions. At the end of 2018, Immorente's portfolio primarily featured town and city centre retail space (30%), out-of-town retail space (32%) and offices (33%). In geographical terms, 75% of the portfolio is located in France and 25% abroad (mainly in the Netherlands and Germany).

Immorente is pursuing its growth based on a careful and largely pooled investment policy. Its active management policy resulted in an average financial occupancy rate of 94.0% for 2018, and offers each shareholder an attractive risk/return profile characterised by a 2018 distribution rate of 4.70% and a long-term IRR (since its inception) of 9.5%.

EFIMMO 1

Inception date	1987
Legal form	Open-ended SCPI
Vehicle size	€1,285 million

Sofidy has managed Efimmo 1 (founded in 1987) since the year 2000. The SCPI holds over 900 rental units, 86% of which are invested in offices spread over the highest-growth regions, based primarily in France (89% of which 61% in Paris and the surrounding area), in Germany (6%) and in the Netherlands (4%).

The SCPI is pursuing its growth based on a careful and largely pooled investment policy and, through active management of the Real Estate assets by the Asset Management company. It posted an excellent financial occupancy rate of 34.2% for the 2018 financial year. Efimmo 1 offers each shareholder an attractive risk/return profile characterised by a 2018 distribution rate of 5.06% and a long-term IRR (since its inception) of 8.8%.

(iii) Real Estate companies managed by the Group

TIKEHAU REAL ESTATE INVESTMENT COMPANY

Inception date	December 2015
Legal form	French *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 a 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. TREIC invests in operations that offer returns with value creation potential and little leverage. The 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.

TREIC draws on the expertise of world-renowned Real Estate professionals, and shareholder representatives involved in its governance. 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. At 31 December 2018, TREIC had invested €121.2 million, and uncalled commitments by investors stood at €128.8 million.

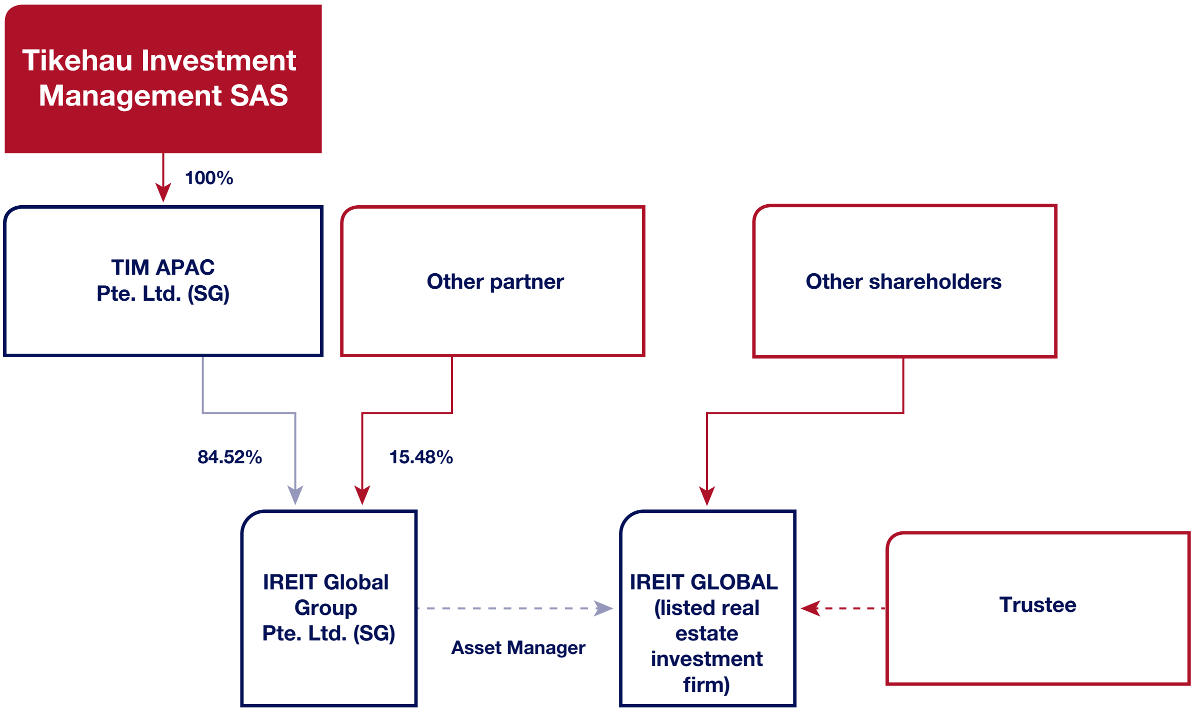
IREIT

Inception date	2013
Legal form	Singaporean Trust
Vehicle size	€505 million

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.

In 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, and subsequently increased its investment to 84.52% in 2018, the balance of IGG stock being held by a specialist in Real Estate investment (Shanghai Changfeng Group Co. Ltd., which is based in China), which is also a major shareholder of IREIT. When carrying out the transaction, Tikehau Capital also took a 2% equity stake in IREIT, which has since been raised to around 8.3%.

The IREIT group's simplified organisational structure at 31 December 2018 was as shown below:



The purpose of IREIT is to invest in a 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 98.6% leased mainly to top-category tenants (such as the German telecommunications operator Deutsche Telekom). Leasable space within the portfolio on 31 December 2018 totalled over 200,000m^2 including approximately 3,400 parking spaces.

As at 31 December 2018, based on the annual financial report of IREIT, the value of the Real Estate assets held by IREIT was €505 million. As at 31 December 2018, IREIT's market capitalisation was approximately SG $460 million, *i.e.*, approximately €300 million.

Since the takeover of IGG by Tikehau Capital at the end of 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.

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 2018 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.

SELECTIRENTE

Inception date	1999
Legal form	Public limited company
Vehicle size	€252 million

Selectirente is a Real Estate company founded in 1987 by Sofidy and various property professionals, which specialises in commercial premises in French city centres. Selectirente has been listed on the Euronext Paris stock exchange since October 2006, and has had SIIC status since January 1st 2007.

Selectirente's portfolio primarily comprises 344 commercial premises, most of which are located in Paris (49.6%) and in the Paris region (18.9%) and leased to well-known brands such as Casino, Maisons du Monde, Bio C'Bon and Sandro, local services (banks, estate agents etc.) and independent traders. At the end of 2018 its portfolio was revalued at €243.5 million. Its average financial occupancy rate for the 2018 financial year stood at 94.8%.

The Company intends to develop and add value to its property portfolio, and has delegated full management to Sofidy in order to benefit from its know-how. It aims to manage and add value to its current portfolio, and to continue its development on the commercial Real Estate market in urban centres mainly located in Paris and in the large regional centres, where possible offering rental costs below the market rate.

At 31 December 2018, Selectirente was 22.9% held by Sofidy, which manages 100% of its assets under a delegated management contract. Tikehau Capital launched a public tender offer for Selectirente's shares and OCEANE bonds. Following the reopening of the public tender offer, Tikehau Capital holds, in concert with Sofidy, GSA Immobilier, Sofidiane, Makemo Capital, AF&Co, and Mr Antoine Flamarion and Mr Christian Flamarion, 1, 250,029 shares issued by Selectirente representing the same number of voting rights, i.e. 81.03% of Selectirente's share capital and voting rights. The full details of the public tender offer are set out in the prospectus produced by Tikehau Capital (AMF approval No. 19-019 dated 23 January 2019).

For further information on Selectirente's activities, results and outlook, refer to Selectirente's 2017 annual report available on its website (www.selectirente.com) and on the AMF website (www.amf-france.com).

(c) Liquid Strategies activity

As at 31 December 2018

Assets under management for the Liquid Strategies activity	€3.3 billion
Share of the activity in the Group's total assets under management	14.8%
Change compared to the previous financial year	5%
Employees of the Liquid Strategies activity	17
Company concerned	Tikehau IM
Fund type	French mutual fund (*fonds commun de placement* or "FCP") Open-ended investment company (*Société d'investissement à capital variable* or "SICAV")

As at 31 December 2018, assets under management in Tikehau Capital's Liquid Strategies amounted approximately €3.3 billion, *i.e.* 15% of the Group's assets under management.

These strategies are said to be "liquid" in that they are implemented through open-ended funds (UCITS). 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 1.4.1 (General overview) of this Registration Document).

As at 31 December 2018, total fixed income management represented nearly €2.85 billion of assets, or about 13% 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.

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). In addition, the team of analysts also performs an ESG analysis of each issuer, ensuring that the investments comply with the relevant Group policy.

The combination of these two analyses allows for 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.

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 a "bucket") which will be used to build the portfolio. For this purpose, Tikehau Capital teams have a broad base of analytical and decision-support tools employed in the 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, on the issuers monitored by both teams.

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

(in millions of euros)	**Assets under management as at 31 December 2018**
Tikehau Taux Variables (TTV)	1,740
Tikehau Credit Plus (TC+)	499
Tikehau SubFin Fund (TSF)	148
Tikehau Court Terme (TCT)	218
Others (including mandates)	241
TOTAL ASSETS UNDER MANAGEMENT – FIXED INCOME	**2,846**

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

	From 1 January to 31 December 2018	**2017**	**Past three years**	**Since inception**
Tikehau Taux Variables (TTV) A share	-1.55%	+ 1.97%	+ 2.03%	+ 25.39%
Tikehau Credit Plus (TC+) I share	-1.74%	+ 4.32%	+ 4.79%	+ 21.14%
Tikehau SubFin Fund (TSF) I share	-4.24%	+ 11.97%	+ 10.07%	+ 60.18%
Tikehau Short Term (TCT) A share	+0.70%	+ 0.87%	+ 2.66%	+ 5.95%

As at 31 December 2018, the Group balance sheet had invested in Tikehau Capital strategies dedicated to liquid fixed income management for a total amount of €70.4 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 2018)	€1,740 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 unrated capped at 10%, and minimising interest rate risk by using floating- and variable-rate bonds and fixed-rate bonds with short maturities.

TTV's investment strategy consists of the active and discretionary management of a balanced portfolio of bonds issued by both private and public issuers, located primarily in Eurozone countries and falling mainly in the investment grade category (*i.e.* with a rating above or equal to BBB- from S&P/Fitch or Baa3 from Moody's). The rate risk for these bonds is minimized by using variable or adjustable-rate bonds with no maturity criteria, short-term bonds, rate hedging instruments (rate swaps or forwards), and inflation-linked bonds. The objective of this fund is to achieve an annualised gross return higher than 3-month Euribor plus a margin of 200 basis points.

TIKEHAU CREDIT PLUS

Inception date	June 2007
Legal form	French FCP
Fund size (as at 31 December 2018)	€499 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 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.

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 2018)	€148 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 latest 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 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 objective of this fund is to achieve an annualised gross return higher than the BofA ML/ICE 3- 5yr Euro Government index plus a margin of 150 basis points.

The drop in performance of the TSF Part 1 fund is due to difficult market conditions, especially in the second half of 2018. The subordinated financial bond asset class was affected by the return of political risk (political change and uncertainty in Europe, Brexit deadlock, and US isolationism), as well as emerging risks (worries in Turkey and Argentina), offsetting the improvement in the sector's fundamentals and the publication of good results by issuing European banks. However, TSF's annual performance is in line with or better than that of the funds of the same type on the market.

TIKEHAU COURT TERME

Inception date	June 2013
Legal form	French FCP
Fund size (as at 31 December 2018)	€218 million

Set up in June 2013, Tikehau Court Terme ("TCT") belongs 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).

(ii) Balanced and equities management

Since 2014, Tikehau Capital has been developing its "equities" management business with the aim of rolling out a range of global and balanced funds and equities.

This activity is mainly conducted by Tikehau IM through the open-ended investment company ("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-related fees. (See Section 1.4.1 (General overview) of this Registration Document).

As at 31 December 2018 total balanced and equities management accounted for nearly €412 million in assets under management (versus €343 million at 31 December 2017), representing 1.9% of Tikehau Capital's assets under management.

TIKEHAU INCOME CROSS ASSETS

Inception date	August 2001
Legal form	SICAV
Fund size (as at 31 December 2018)	€392 million

SICAV created in 2001, for which management was transferred to Tikehau IM in 2011. It 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 in 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 options and forward contracts, 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 index (consisting of 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) over a minimum investment period of five years.

In 2018, the Tikehau IM teams were awarded a silver "Management Globe" (bronze in 2017) by Gestion de Fortune magazine ("Flexible" category) for their management of the Tikehau InCA fund. The Tikehau InCA fund won the Morningstar award in the "Allocation Fund" category.

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

	From 1 January to 31 December 2018	2017	Past three years	Since inception
Tikehau InCA, I share	-0.35%	+ 4.38%	+ 4.08%	+ 12.19%

TIKEHAU GLOBAL VALUE

Inception date	December 2014
Legal form	French FCP
Fund size (as at 31 December 2018)	€20 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 (50% made up by 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:

	From 1 January to 31 December 2018	2017	Past three years	Since inception
TGV, P Unit	- 3.86%	+ 14.76%	+ 14.37%	+ 18.99%

(d) Private Equity activity

As at 31 December 2018

Assets under management for the Private Equity activity	€1.2 billion (of which €0.4 billion from ACE Management)
Share of the activity in the Group's total assets under management	5.7%
Change compared to the previous financial year	n/a
Employees of the Private Equity activity	20 employees (excluding ACE Management) 13 employees (ACE Management)
Companies concerned	Tikehau IM ACE Management
Main fund types	Luxembourg SICAV-SIF Singaporian liability company French professional Private Equity fund (“FPCI”)

(i) General overview

Historically, Tikehau Capital’s Private Equity activity was operated primarily through Direct Investments (see Section 1.4.3 (Direct Investments activity) of this Registration Document). However, in 2018, the Group initiated the development of a Private Equity asset management activity on behalf of investor clients, by deploying new strategies and through the acquisition of ACE Management (see below (Private Equity funds managed by ACE Management) of this Registration Document). In this context, at 31 December 2018, it was managing €1.2 billion.

Tikehau Capital is gradually implementing a transition plan from its Direct Investments activity to a model of Asset Management on behalf of its investor clients.

On the strength of its track record and cumulative experience in this business line, through its subsidiary Tikehau IM, in 2018 Tikehau Capital launched 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 balance sheet investment model to an asset management model.

Private Equity activity on behalf of investor clients is implemented by a dedicated team of 33 Tikehau IM and ACE Management employees based mainly in Paris, London and Milan. This team also benefits from the support of teams located in Singapore, Brussels and New York.

This strategy also resulted in the December 2018 acquisition of the asset management company ACE Management, the aerospace, defence and cyber security expert, to strengthen the Group's Private Equity activity and to enable Tikehau Capital to offer a new range of specialist funds to its investor clients, alongside the new funds launched by the Group in 2018.

This Private Equity activity generally takes the form of investments in listed or unlisted companies, in shares or hybrid instruments giving access to equity, but can also be made in straightforward bonds, which reflects Tikehau Capital’s flexible approach.

The following table presents the Group's main Private Equity vehicles and the number of assets under management for each one as at 31 December 2018:

(in millions of euros)	Assets under management as at 31 December 2018	Assets under management as at 31 December 2017
T2 Energy Transition Fund	350	-
TGE II	217	-
TSO	140	78
TKS 1	51	-
Other dedicated vehicles	118	-
Funds managed by ACE Management	371	-
TOTAL	**1,247**	**78**

(ii) Private Equity funds managed by Tikehau IM

T2 ENERGY TRANSITION FUND

Inception date	December 2018
Legal form	French FPCI
Fund size (as at 31 December 2018)	€350 million

At the beginning of 2018, the Company announced that Total SA was working alongside Tikehau Capital to create an investment fund dedicated to energy. The T2 Energy Transition Fund ("T2") is a Private Equity fund which Tikehau IM has structured as a French professional Private Equity fund (*Fonds professionnel de capital-investissement* or "FPCI"). It will therefore finance the development of medium-sized energy players and support the transformation of their business models and their international expansion. Based on a targeted and customised approach which aims to promote energy transition, the fund investments will focus on companies working on three determining fronts: the production of clean energy, low-carbon mobility, storage and digitalization. The dedicated T2 management fund is composed of Tikehau IM professionals and energy specialists seconded by Total. Therefore the fund can rely on both the expertise of the Tikehau IM investment team, while benefiting from Total's international network and sectoral expertise.

The fund (which includes Bpifrance and Groupama amongst its benchmark investors), achieved an initial closing in December 2018 for €350 million.

TIKEHAU GROWTH EQUITY II

Inception date	March 2018
Legal form	French FPCI
Fund size (as at 31 December 2018)	€217 million

Tikehau Growth Equity II ("TGE II") is an FPCI structured by Tikehau IM in March 2018. The fund is dedicated to minority equity investment in medium-sized European companies, and depends on the track record built up by the Group over recent years through its Direct Investments (see Section 1.4.3 (Direct Investments activity) of this Registration Document). Based on an approach similar to that applied by the Company in the context of its investments, TGE II promotes deals enabling the fund to develop long-term partnerships, primarily by supporting growth strategies proposed by executive management teams.

At 31 December 2018, TGE II had collected nearly €217 million in commitments, and had invested €102 million in three companies.

TIKEHAU SPECIAL OPPORTUNITIES

Inception date	July 2016
Legal form	Luxembourg SICAV-SIF
Fund size (as at 31 December 2018)	€140 million

In anticipation of a potential market turnaround, in 2016, the Group launched a new special situations fund, Tikehau Special Opportunities ("TSO") that follows on from several past funds managed by the Group since its inception.

TSO is a sub-fund of 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 2018, TSO had collected nearly €140 million in commitments.

TKS 1

Inception date	January 2018
Legal form	Singaporian limited liability company
Fund size (as at 31 December 2018)	$58 million

In March 2018, Tikehau Capital and SPRIM Ventures, an international specialist in scientific and medical consulting, announced the initial closing of their first Private Equity fund, TKS1, which will focus on start-up investments in medical technology and life science companies. 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.

At 31 December 2018, TKS1 had collected $58 million in commitments.

(iii) Private Equity funds managed by ACE Management

On 19 December 2018, the Company completed its acquisition of ACE Management, a dedicated Asset Management company specialising for 20 years in the aerospace, defence and cyber security sectors.

Most of ACE Management's investor clients are major international groups in the aerospace and defence industries, including Thales, Safran and Airbus Group, which until now have little presence in the Group's investor client base.

As at 31 December 2018, ACE Management managed €449 million through nine speclialist funds in each sector, divided into three main categories: Aerofund (aerospace), Brienne (defence and security) and Atalaya (maritime):

- Aerofund – In 2004, ACE Management set up the first fund in the Aerofund range (dedicated to aerospace). Following a second one-year extension, in 2014 the fund began a liquidation period. ACE Management launched its successor, Aerofund II, in 2008 with the aim of prioritising investments in companies linked to the civil aerospace sector. Aerofund III, the third vintage in this range, was created in 2013 with the purpose of making investments in small or medium-sized companies and intermediate-sized companies trading in the aerospace and space sector. Targeted companies are primarily tier 1 or tier 2 in the sector's subcontracting chain. The three Aerofund funds have collected subscription commitments totalling €312 million. As at 31 December 2018, €211 million of this amount had been invested in over 10 aerospace companies;
- Financière de Brienne – Financière de Brienne was established in 1993 as a *société par actions simplifiée* (simplified joint stock company). In 2010, it became an FCPR comprising two sub-funds. The purpose of the first sub-fund is to take over the assets in the Company Financière de Brienne, consisting of a portfolio of balanced and cash investments. It is managed with a view to the lines being liquidated within five years. The purpose of the second sub-fund is to invest in (primarily French) advanced technology companies likely to be involved in the defence sector in the launch, development and transmission phases. The target companies' activities are based mainly on technology originating from the IT, electronics, telecomms, industrial equipment and assets, and life science and biotechnology sectors. The two Financière de Brienne sub-funds have received €45.6 million in subscription commitments. At 31 December 2018, €42.9 million of this amount had been invested in 10 companies.

- Atalaya (Maritime) – ACE Management launched the Atlaya fund in 2010 and established it as an FCPI. The purpose of the fund is to prioritise investments linked to the whole of the French maritime economic sector. It has colle €15.8 million in subscription commitments, of which €10.8 had been invested at 31 December 2018.

1.4.3 Direct Investments activity

(a) Investment strategy

Since its inception, Tikehau Capital has developed Private Equity expertise essentially from the Group's own resources (shareholders' equity and debt).

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.

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.

The portfolio investments are generally minority interests and are made in non-listed or listed companies, 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 portfolio companies, and is often involved in their governance bodies.

The investment scope is worldwide, given that in the regions where the Group 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.

As at 31 December 2018

Assets under management for the Direct Investment activity	€1.6 billion
Share of the activity in the Group's total assets under management	7.1%
Change compared to the previous financial year	N/A
Employees of the Direct Investments activity	20 (same employees as for the Private Equity activity) (ACE Management excluded)
Company concerned	Tikehau Capital

As at 31 December 2018, Tikehau Capital's Direct Investments portfolio consisted of 60% non-listed securities and 40% listed securities(1). It is broadly diversified.

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

The table below shows the main investments in listed and unlisted companies as at 31 December 2018:

(in millions of euros)	Investment value as at 31 December 2018	Investment value as at 31 December 2017
Investments in unlisted companies		
Claranet	93.5	84.5
Verona Group (Neoness)	30.7	27.4
Oodrive	21.0	17.0
Total Eren	34.3	34.3
Investments in listed companies		
Eurazeo	444.0	444.4
DWS	139.1	-
HDL Development/Assystem (1)	53.5	60.3
Latécoère	13.9	28.6

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

(b) Main Direct Investments

(i) 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:

CLARANET

Initial investment date	May 2017
Total amount invested	£75 million
Value of equity interest as at 31 December 2018	€93.5 million
Location of registered offices	United Kingdom
Percentage holding as at 31 December 2018	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 2,200 employees, the Group is based in London and serves more than 6,500 clients in Europe (France, Italy, Germany, the Netherlands, Portugal, Spain and the United Kingdom) 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

Since 2018, Claranet has boosted its cyber security solutions by offering many new services to its clients. This approach is also reflected in its acquisition of NotSoSecure (UK), a world-renowned specialist in hacking training and penetration testing. Claranet also consolidated its cloud access expertise by entering into a strategic partnership with Microsoft in January. Claranet cemented its leading position on the European public cloud outsourcing market through its acquisition of XPeppers (Italy), and following the launch of Claranet Cyber Security in October, is now able to support greater numbers of clients in achieveing their digital transformation.

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

TOTAL EREN

Initial investment date	October 2015
Total amount invested	€32 million
Value of equity interest as at 31 December 2018	€34.3 million
Location of registered offices	France
Percentage holding as at 31 December 2018	5.1%

Description of the asset

Founded in 2012 by Mr Pâris Mouratoglou and Mr David Corchia, and based in Paris, Total Eren is recognised for its know-how and unique expertise in the clean energy value chain 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 inception, Total Eren has put together a substantial and diversified set of assets representing more than 1.6GW of wind, solar and hydro assets in operation or under construction (at the end of 2018). Total Eren is also developing numerous projects worldwide and has a portfolio of more than 2GW of assets under development, with the objective of achieving a net installed capacity of at least 3GW by 2023.

Investment history

In October 2015 Tikehau Capital participated for an amount of €32 million in the Company's €195 million fundraising development. The second and last tranche of this fundraising event was called in May 2017. 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. In September 2017, the Total group invested €237.50 million in the Company, which has now been renamed Total Eren.

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

Current situation and future outlook

Total Eren is continuing its deployment strategy in a number of regions by participating in the commissioning of the largest off-grid (hybrid solar/thermal) plant in the world in Burkina Faso in March 2018. Total Eren reached a new threshold in Brazil by boosting its photovoltaic production to 140 MWc in May, and opened another solar power station in Argentina in September. Total Eren has also set its sights on Australia, where it started building the country's first solar power station in October. In December 2018, Total Eren announced that it had refinanced the existing debt by €200 million, covering a portfolio of solar and wind assets in Greece with a power of 162MW.

More information about the Group is available on the Total Eren website: www.total-eren.com.

VERONA GROUP (NEONESS)

Initial investment date	December 2015
Total amount invested	€24.9 million
Value of equity interest as at 31 December 2018	€30.7 million
Location of registered offices	France
Percentage holding as at 31 December 2018	24.2%

Description of the asset

Founded in 2007 by Céline Wisselink and Marie-Anne Teissier, Neoness develops and operates a network of fitness centres located in Paris and the Paris suburbs, and in some other big French cities. 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 m^2, 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 €24.9 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.

Current situation and future outlook

Current situation and future outlook Thanks to the success of its approach, the Verona group in 2017 continued to open new gyms, now numbering 31, with 160,000 clients. To carry the growth of the Neoness group further, the two founders have launched Episod, a new concept for enjoying intense sports experiences which covers 6 sports: boxing, bootcamp, yoga, cycling, athletics and rowing. EPISOD currently has 4 "hubs" in Paris. In 2017, the Women's Equity Awards honoured the two Neoness founders with the Best Economic Performance award, from among more than 4,700 female-led SMEs.

Further information about the group can be found on the Neoness website:

https://www.neoness.fr/ and https://www.episod.com/

OODRIVE

Initial investment date	March 2017
Total amount invested	€18.6 million [(1)]
Value of equity interest as at 31 December 2018	€21.0 million
Location of registered offices	France
Percentage holding as at 31 December 2018	9.3%

(1) And in its Private Debt and Private Equity activities on behalf of its investor clients (€10 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, €18.6 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 activity.

Tikehau Capital is a member of the Oodrive Supervisory Board.

Current situation and future outlook

In order to meet the growing need for enterprise collaboration solutions in increasingly mobile, confidential and secure environments, in January 2018 Oodrive proceeded with the acquisition of Orphéa (Algoba group, France), providing digital resources management solutions. This acquisition not only brought in a leading market solution, but also met demand on a European level. With this in mind, in March Oodrive entered into a partnership with Also, a European wholesaler of IT equipment, in order to offer a new cloud data saving and restore solution. Two further partnerships established with Thompson and Objectif Lune in September and November 2018 enabled Oodrive to offer fully electronic and secure French services, cementing its position as the European leading provider of sensitive data management services.

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

(ii) Main listed investments on portfolio

ASSYSTEM/HDL DEVELOPMENT

Initial investment date	December 2013
Amount invested	€35 million [(1)]
Value of equity interest as at 31 December 2018	€53.5 million
Market capitalisation as at 31 December 2018	€423.8 million
Location of registered offices	France
Percentage of HDL Development held as at 31 December 2018	23.1% [(2)]

(1) Overall amount invested by the Group: €35 million for the Company and €5 million via a vehicle managed by Tikehau IM.
(2) Based on an indirect equity interest of 14.2% in Assystem, based on HDL Development's 61.3% equity interest in 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 (88.1% of revenue in 2018);
- Staffing (10.0% of revenue in 2018);
- Miscellaneous (1.9% of revenue in 2018).

As at 31 December 2018, Assystem had over 5,600 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, Mr 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 €35 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 61.3% 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

In the 2018 financial year, Assystem saw its consolidated revenue grow 12.4%, 6.8% of which was organic, 7.1% was scope effect, less a 1.5% negative effect of changes in exchange rates. The total revenue growth of Energy & Infrastructure (€391.3 million) is 14.7%, 7.5% of which was organic growth. Nuclear activities, at €251.0 million, saw total growth of 22.1%, including 17.2% organic growth driven by the business in France, the Middle East and Turkey. Energy Transition & Infrastructures (ET&I) revenue, at €140.3 million, grew 3.3% with a rebound in the second half mainly from Radicon's Building Infrastructure and Life Sciences activities. With revenue of €44.2 million, the Staffing activity grew by 2.4% at constant exchange rates. The Industry activities made up half of the 2018 revenue, their growth offsetting the slump in Oil & Gas activities.

In 2018, Assystem achieved consolidated sales revenue of €444.1 million, representing growth of 12.4% over the financial year.

Breakdown of capital of Assystem as at 31 December 2018

- HDL Development 61.34%;
- Treasury shares 3.25%;
- Free float 34.41%.

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	€522.7million
Value of equity interest as at 31 December 2018	€444 million
Market capitalisation of the Company as at 31 December 2018	€4,728.8 million
Location of registered offices	France
Percentage holding as at 31 December 2018	9.4% of capital

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 2018 (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 2018, 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 São 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 2018, Eurazeo's total revenues (including consolidated revenue and the proportionate share of revenue from equity method companies) amounted to €5.81 billion, representing an increase of 11% on 2017. Net result - Group share amounted to €262 million as at 31 December 2018 (vs. €422 million as at 31 December 2017). Eurazeo's adjusted net assets per share at 31 December 2018 stood at €77.5 per share (compared with €74.4 at 31 December 2017).

In April 2018, Eurazeo announced that it had completed the acquisition of 70% of the equity of Idinvest Partners. In this context, 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 created a group managing more than €15 billion in assets under management, with a presence on three continents. In April 2018, Eurazeo also announced the completion of the acquisition of a strategic 30% stake in Rhône, with the partners of Rhône coming to hold 2.7% of Eurazeo's share capital.

Breakdown of capital as at 31 December 2018

- JCDecaux Holding 17.5%;
- Concert 16.5%;
- Tikehau Capital 9.4%;
- Richardson Family 3.3%;
- Treasury shares: 3.1%
- Rhône 2.7%;
- Free float 47.6%.

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

DWS

Initial investment date	March 2018
Total amount invested	€191.5 million
Value of equity interest as at 31 December 2018	€139.1 million
Market capitalisation of the Company as at 31 December 2018	4,700 million euros
Location of registered offices	Germany
Percentage holding as at 31 December 2018	3%

Description of the asset

DWS is one of the leading global Asset managers. DWS provides both conventional and alternative investment solutions to institutional and individual investors, covering all asset classes.

DWS activities are based around three major areas of expertise:

- active management;
- passive management;
- Real Estate and infrastructure.

Investment history

In March 2018, the Company took part in the IPO of DWS for €182 million. Further acquisitions were carried out for €9.6 million, resulting in a total stake of 3% as at 31 December 2018.

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 is part of the objective of continuing the development of alternative management.

DWS has invested in two Tikehau Capital funds: T2 Energy Transition Fund in Private Equity and Tikehau SubFin Fund in Liquid Strategies. Tikehau Capital has invested in a DWS Private Equity fund. Tikehau Capital appointed a responsible investment specialist stemming from DWS' teams to the Advisory Board of the T2 Energy Transition Fund.

Breakdown of capital as at 31 December 2018

- Deutsche Bank AG 79.49%;
- Nippon Life Insurance Company 5.0%;
- Tikehau Capital: 3.0%;
- Free float 12.51%.

Current situation and future outlook

At 31 December 2018, assets under management managed by DWS represented €662 billion (compared to €700 billion at 31 December 2017).

With approximately €662 billion of assets under management at 31 December 2018 and offices in 22 countries, DWS is one of the largest Asset managers in the world. DWS was floated on the markets in March 2018 with a market capitalisation of approximately €6.5 billion, and the Company won "Responsible Investor of the Year" at the Insurance Asset Risk 2018 awards. DWS joined forces with Volkswohl Bund in July 2018 to offer an insurance product via its digital robotic platform for the first time, with the aim of demonstrating its flexibility and the high performance of its digital distribution solutions. In the same month, DWS and Apple launched a dedicated clean energy value chain fund to invest in climate change solutions in Sub-Saharan Africa and in China. After strengthening its partnership with Generali, thereby consolidating its expansion into insurance, DWS acquired 15% of the capital of Neo Technologies, a pioneer in digital Asset Management solutions in the Middle East and North Africa region, in order to boost its presence in the region with high Asset Management growth rates. DWS and Skyline AI met in November 2018 to optimise Real Estate investments using artificial intelligence. DWS anticipates slower growth in 2019 but no recession. This positive outlook prompted Fitch Ratings' "excellent" rating of DWS in November 2018.

Detailed information about the Group can be found on the DWS website: https://dws.com/en-fr/.

LATECOERE

Initial investment date	June 2005
Total amount invested	28.5 million euros
Value of equity interest as at 31 December 2018	13.9 million euros
Market capitalisation of the Company as at 31 December 2018	264.6 million euros
Location of registered offices	France
Percentage holding as at 31 December 2018	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 (58.2% of 2018 revenue); and
- interconnection systems: wiring, electrical furniture and embedded systems (41.7% of 2018 revenue).

Investment history

Tikehau Capital invested in Latécoère in 2005. In 2015, the Group 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 capital as at 31 December 2018

- Apollo 14.8%;
- Monarch 10.4%;
- Tikehau Capital 5.3%;
- Employees 2.2%;
- Free float 67.2%.

On 2 April 2019, the Apollo and Monarch funds announced the sale of their stakes in their entirety to Searchlight Capital Partners, subject to obtaining the usual regulatory authorisations.

Current situation and future outlook

For the 2018 financial year, Latécoère group's sales revenue amounted to €659.1 million, representing growth of 3.1% with a constant exchange rate compared to 2017.

The Group has implemented a number of key actions as part of its Transformation 2020 plan to support the transfer of its industrial model. Latécoère opened its new connected, digitalised and automated "Factory of the Future" in May 2018 as well as a new production site in Bulgaria, the purpose of which is to re-internalise added value solutions by offering a competitive assembly service which complements those performed by other Group sites. Alongside these investments, Latécoère has also signed a number of procurement contracts, including Stellia Aerospace for Bombardier in January 2018, with Airbus Helicopters in March, Turkish Airlines in July, Lufthansa in September, LeoStella for satellite design (Joint Venture which includes Thales), and with Sabena Technics in October. Two other major contracts were signed with Boeing in December 2018 and with Rolls-Royce for engine design in January 2019, the latter confirming the Group's position as a trusted Latécoère supplier. These various contracts have enabled the Company to gain market shares in a number of different sectors. Latécoère predicts that while the recurring operating margin will see a marked impact from the start-up costs and investments required in order to increase production capacity for these new contracts, quicker growth of revenues than predicted in the Interconnection systems sector will drive the Group's organic growth in 2019. Latécoère is confident of the margins that these contracts will generate from 2020.

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

(c) Co-investments

Main co-investments with third parties

- **Mériguet** – In 2017, when Qualium Investissement and other historic financial investors exited, the Company participated in the reorganisation of the Mériguet group's capital. Tikehau Capital participated in this transaction alongside RAISE Investissement and IDI. Mériguet is a world-renowned specialist in high-end decorative arts. The Group is structured around five major skill sets: decorative painting and gilding, stonework and masonry, marble, ironwork, and artistic woodwork. The Mériguet group employs nearly 750 people, and is now positioned as a unique international cross-disciplinary stakeholder in its field. The high-end services group has a presence in Europe, North America, South America, Brazil and the Middle East (12 countries and 30 subsidiaries).

Co-investments alongside the Group's Asset Management activity

- **Tikehau Sequoia** – In April 2018, the Company disposed of its stake as part of Ardian's acquisition of a majority stake in DRT. 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. 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.

- **Tikehau Brennus** – On 24 January 2018, Tikehau Capital arranged a €115 million financing for the Conforama group, over a three-year period through the Tikehau Brennus fund managed by its subsidiary Tikehau IM, in which the Company has participated in the amount of €62.5 million. 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.

(d) 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 management firm specialising in technology and digital companies, founded in 2017 by Messrs Geoffroy Bragadir and Nicolas Celier (see Ring Capital's website: www.ringcp.com). Also supported by AG2R La Mondiale, BPI France, Bred and Danone, Ring Capital launched its activities with an investment capacity of more than €165.6 million, in order to bring to light the leading European digital technology companies of the future, 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 acquisitions of stakes from founder 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 with 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 40 Private Equity and Real Estate funds managed by French and foreign companies. The main lines for this investment category are: JC Flowers IV (a Private Equity fund investing in the banking and financial sectors), Alter Equity 3P (a Private Equity fund which makes responsible French investments), Patria Private Infrastructure II and III (two Private Equity funds managed by an Asset Management company based in Brazil), and CityStar (a Real Estate investment based in Cambodia).

1.5 TIKEHAU CAPITAL AND ITS MARKET

1.5.1 Introduction/summary

At the end of 2017, Asset managers worldwide managed assets of $79,200 [1], an average annual increase of approximately 7% per year since 2008. In Europe, which is historically Tikehau Capital's main investment area, assets under management have grown by about 4.5% since 2007, peaking at $22,200 billion at the 2017 year end. It is expected that this trend will continue, with assets even anticipated to reach $109,000 billion globally in 2022.

Within the world of Asset Management, alternative classes are showing strong momentum, accounting for 15% of all assets under management in 2017, the same level as 2016 and up from just 9% in 2003. Assets under management in the alternative classes could represent 16% of total assets in 2022 [1]: 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 managers, 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.

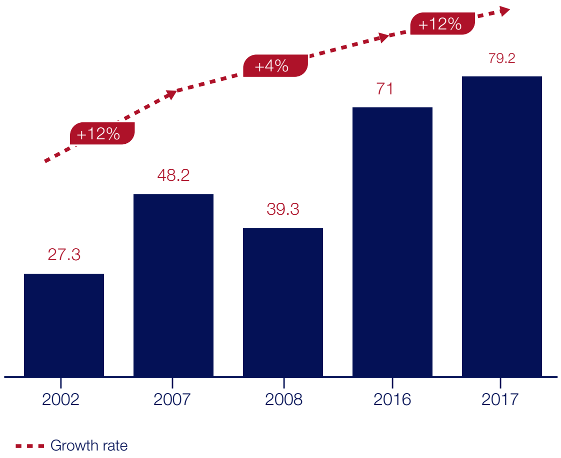
The asset classes in which the Group invests are enjoying strong momentum. Private Debt has achieved strong growth in a climate of more stringent regulations weighing on the banking sector. This increase is particularly noticeable in Europe. The Real Estate sector, which can be seen as an anchor for 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.

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

1.5.2 General overview of the asset management market since 2008

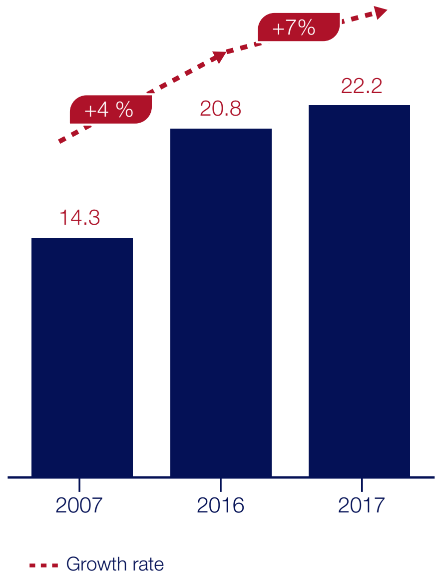
Since 2008, the asset management market worldwide has experienced significant growth of on average about 7% per year. Assets under management thus reached a record level of $79,200 billion at the end of 2017. Assets under management grew by 12% in 2017, compared with annual average growth of total assets of 4% between 2008 and 2016. 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 new money in a low interest rate environment.

A market reaching $2 trillions in 2017, an average growth of 4.5% per year since 2008 (in trillions) [(1)]



In this context of sustained growth of assets under management globally, the market for asset management in Europe was slightly less buoyant than in other geographical areas in 2017, despite a net inflow accounting for 3.1% of assets under management, with growth of 7% (compared to 2016), and a volume of assets under management reaching $22.2 trillion. Indeed, returns on European assets invested abroad fell slightly due to the considerable increase in the value of the euro against other currencies in 2017.

7% growth of the European market in 2017 (in trillions) [(1)]



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 2017, with growth of 4.5% compared with 2016 and volumes reaching €3,838 trillions (funds and mandates, according to AMF data). This increase is primarily due to the increase in gross collective management assets (+8.6% on 2016[(2)]. The studies highlight the potential for growth in the asset management sector in the medium term. According to a study by PwC[(3)], 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 new inflow[(4)] worldwide have seen continuous increase since 2010, from -0.2% of assets under management in 2010 to +3.15% in 2017.

(1) *BCG, Global Asset Management, 2018.*

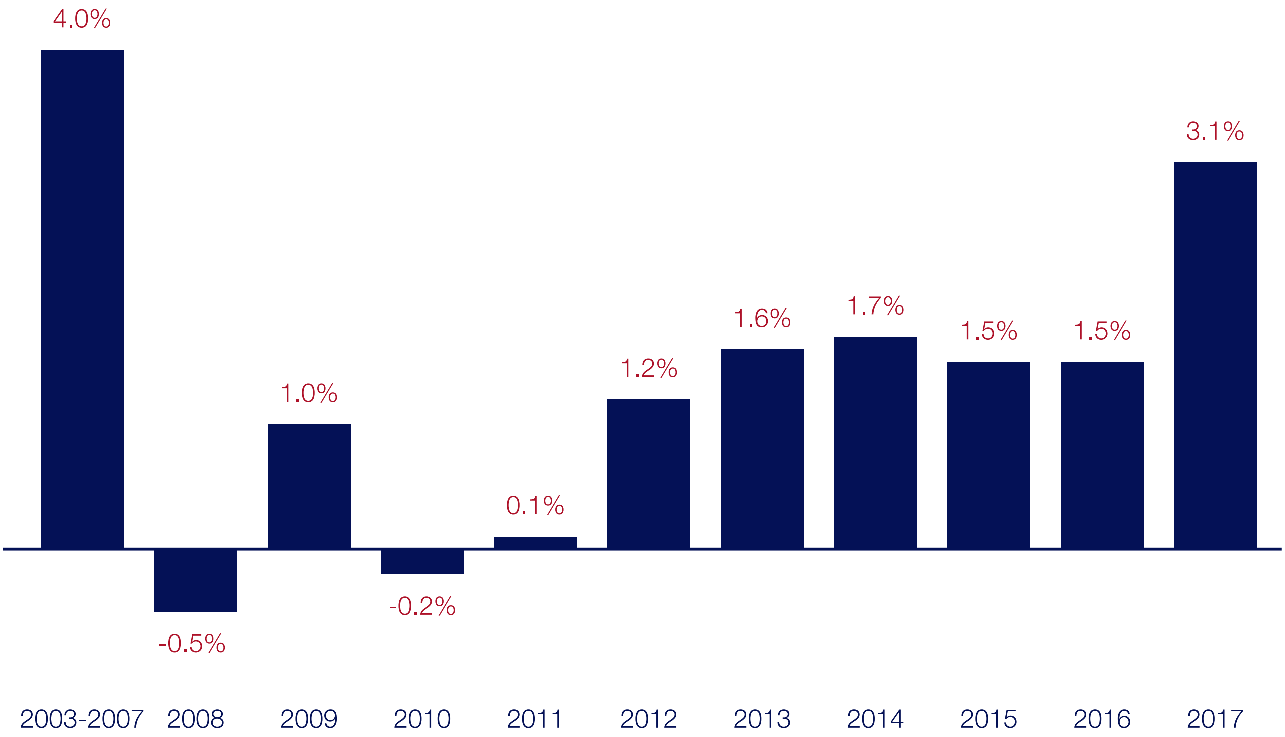
(2) *2017 key figures on asset management for asset managers, Autorité des marchés financiers (the financial markets regulatory authority in France), September 2018*

(3) *PwC : Asset Management 2020 – A Brave New World.*

(4) *Net new inflows 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).*

A net inflow representing 3.1% of global assets under management in 2017[(1)]

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



A net inflow representing 3.1% of assets under management in 2017 compared with an average of 1.5% over the past five years. The inflow rate in 2017 reached rates which had not been achieved since 2007, and were close to the rates recorded before the financial crisis. 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.

1.5.3 Alternative assets are attracting constantly-growing demand.

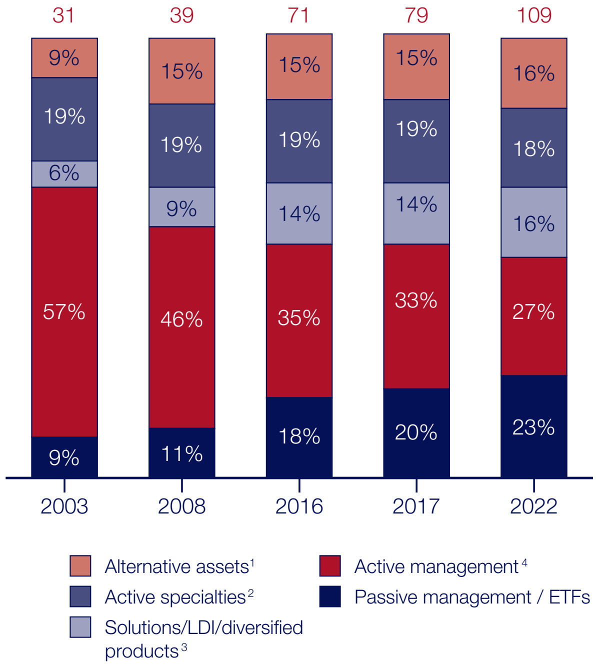
A steadily rising proportion of alternative assets in total assets under management

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 has 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 2017 against 9% in 2003.

(1) *BCG, Global Asset Management, 2018.*

In 2017, alternative assets represented 15% of assets under management worldwide (1)



(1) Alternative assets: includes alternative funds, Private Equity, Real Estate, infrastructure and commodity funds.
(2) Active specialties: includes specialist equity products (non-domestic, global equities, emerging markets, small and mid-cap and sector) and specialist fixed income products (credit, emerging markets, global rates, high yield and convertible bonds).
(3) Solutions/LDI/diversified products: includes absolute return, "target date", asset allocation, flexible, income, volatility, LDI products, as well as conventional diversified and balanced products.
(4) Active management: includes actively managed domestic large-cap equity, actively managed government bonds, cash management and structured products.

In terms of assets under management, alternative investments experienced an average annual growth twice that of traditional assets (8% against 4% between 2008 and 2016[2]). 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 Preqin [3], 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 2016 [2] 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% [1]).

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

(1) BCG, Global Asset Management 2018.
(2) PwC, private equity trend report 2017.
(3) Prequin Investor Outlook: Alternative Assets H2 2017.

A macroeconomic environment favouring alternative asset classes

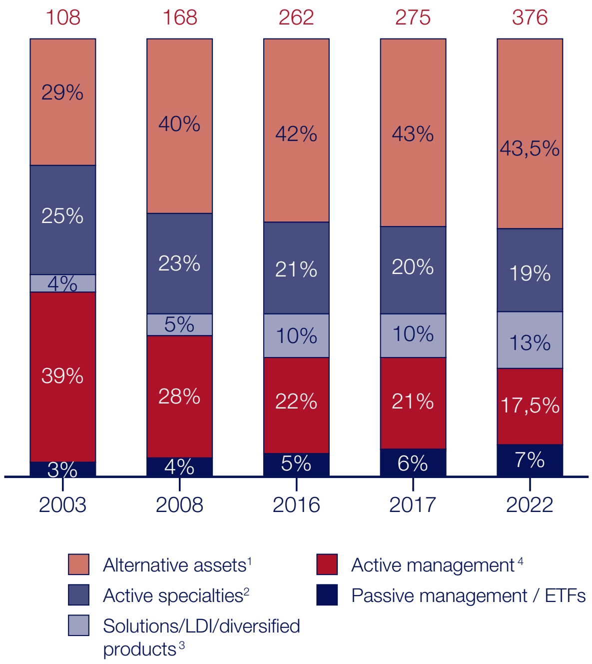
The easing of monetary policy implemented by most central banks in developed countries since the financial crisis has resulted in a considerable drop in interest rates. Thus, the interest rates of major central banks and the 10-year government bond rate in major developed countries are now close to zero 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 (MIFIDII, the UCITS V Directive, the AIFM Directive and EMIR – See Section 1.6 (Regulatory environment) 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 2022, alternative assets will represent approximately 16% of total assets under management and 43% of the revenue they generate

Proportion of assets classes compared to total assets under management (2015-2021E) and proportion of revenue by asset class compared to total assets under management (2015-2021E) (Total revenues by asset class/total assets by asset class, broken down to basis points)[(1)]



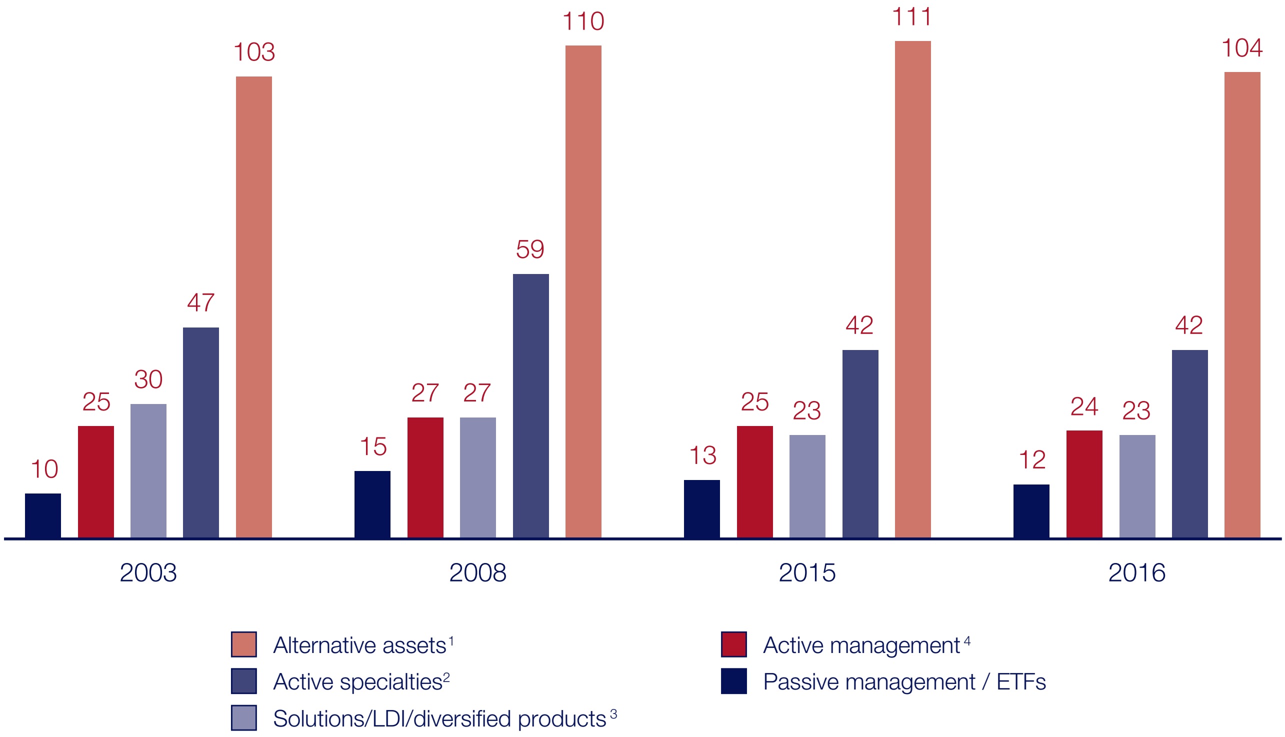
(1) Alternative assets: includes alternative funds, Private Equity, Real Estate, infrastructure and commodity funds.
(2) Active specialties: includes specialist equity products (non-domestic, global equities, emerging markets, small and mid-cap and sector) and specialist fixed income products (credit, emerging markets, global rates, high yield and convertible bonds).
(3) Solutions/LDI/diversified products: includes absolute return, "target date", asset allocation, flexible, income, volatility, LDI products, as well as conventional diversified and balanced products.
(4) Active management: includes actively managed domestic large-cap equity, actively managed government bonds, cash management and structured products.

The alternative asset class is expected to average annual growth of about 8% over the period 2016-2022 against about 3% for the traditional asset class.

(1) BCG, Global Asset Management, 2018.

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 year (Total revenues by asset class/total assets by asset class, broken down to basis points)[1]



(1) Alternative assets: includes alternative funds, Private Equity, Real Estate, infrastructure and commodity funds.
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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 10.5) 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 PwC, 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 trillions. 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 management[2].

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.

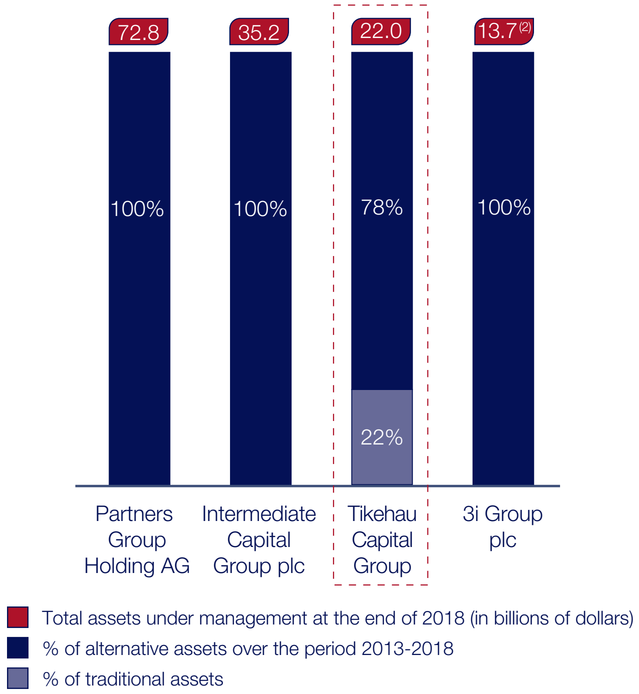
The assets held by high net worth individuals should also increase significantly (+4.9% average annual growth between 2012 and 2020 worldwide, according to PwC).

(1) *PwC: Asset Management 2020 – A Brave New World.*
(2) *Towers Watson.*

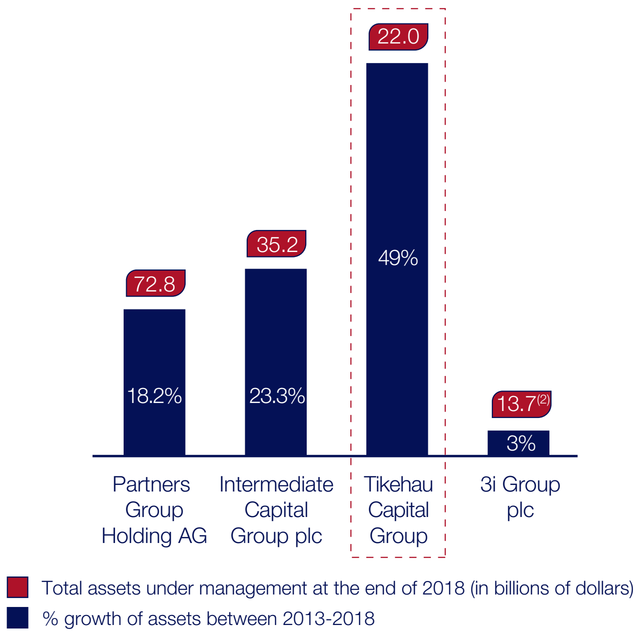
Overview of the European competitive landscape in alternative asset management

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 (1)



Historical growth rate of assets under management of leading players in independent alternative management in Europe (1)



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 listed London company that invests mainly in Private Debt (primarily Mezzanine and CLO) and Real Estate;
- 3i Group plc is a group listed in London, investing in Private Equity;
- 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.

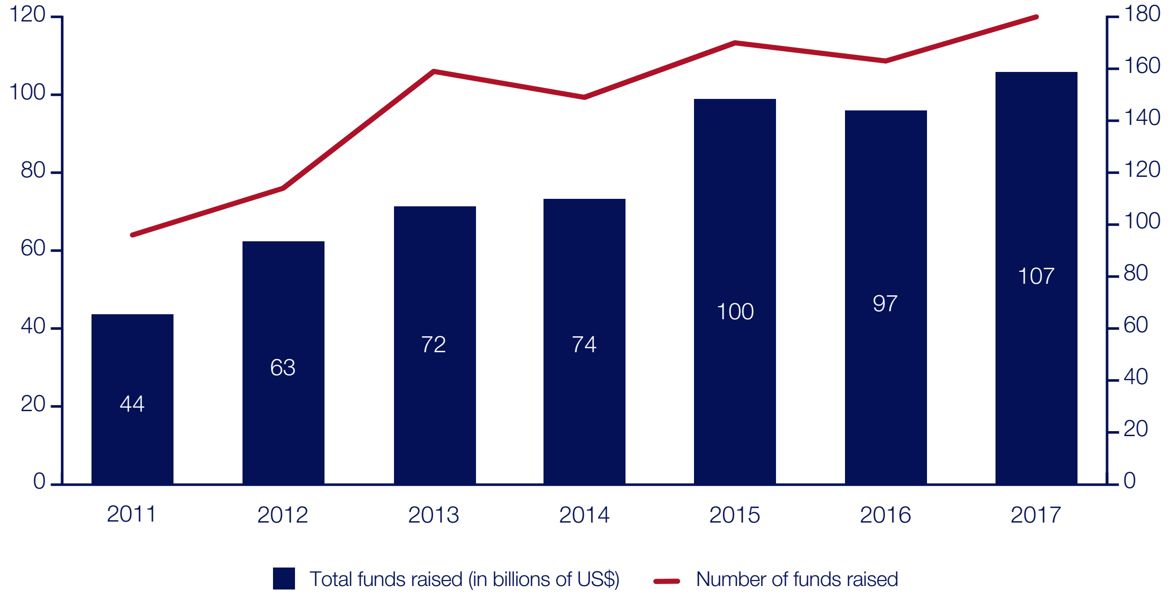
1.5.4 Overview of market trends in Tikehau Capital's different asset classes

Private Debt

The recent investor appetite for Private 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).(2)

(1) Company information, analysts.
(2) Information as at 30 September 2018.

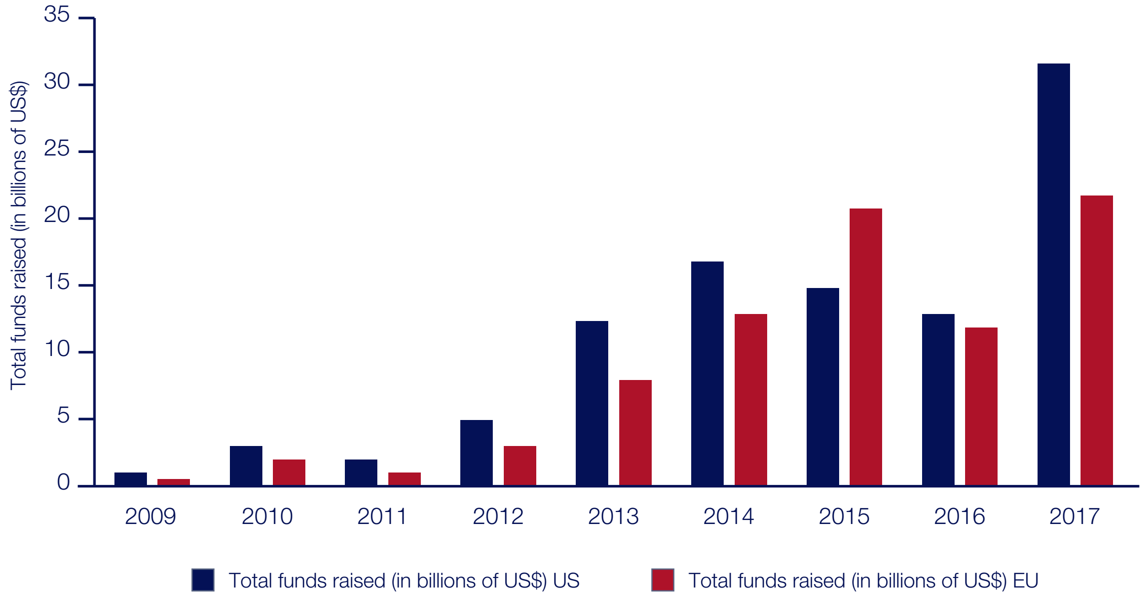
Private Debt fundraising has risen sharply since 2011 worldwide [(1)]



This trend is illustrated by the increase in fundraising since 2011 worldwide. Private Debt fundraising for 2017 reached a six-year high, at $107 billion (compared to $74 billion in 2014).

Sustained growth in direct lending fundraising for Europe and North America [(1)]

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



(1) Preqin 2018.

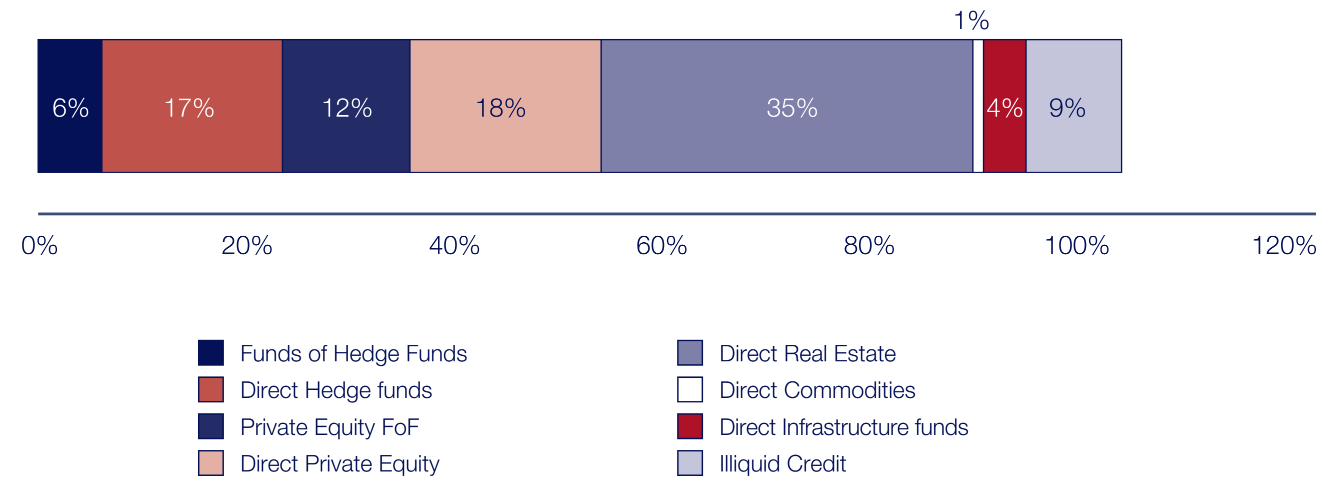
The European market is less mature than the US market. Nevertheless, in 2015, capital raised for investment in European direct lending funds increased 42% compared to 2014 and for the first time exceeded that destined for the US market. Direct lending fundraising for European opportunities increased by 60% between 2014 and 2015, from $12.5 billion to $20.5 billion, before declining significantly between 2015 and 2016, from $20.5 billion to $11 billion. Between 2016 and 2017, direct lending fundraising again rose sharply from $11 billion to $22 billion in Europe, and from $13 billion to $32 billion in the United States.

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

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.

Real Estate assets represent the largest proportion of assets managed by alternative managers[(1)]
Percentage holding of the Top 100 alternative managers by asset class (2017)



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.

(1) *Willis Towers Watson, Global Alternatives, 2017.*

Private Equity has almost constantly outperformed equity markets[1]

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

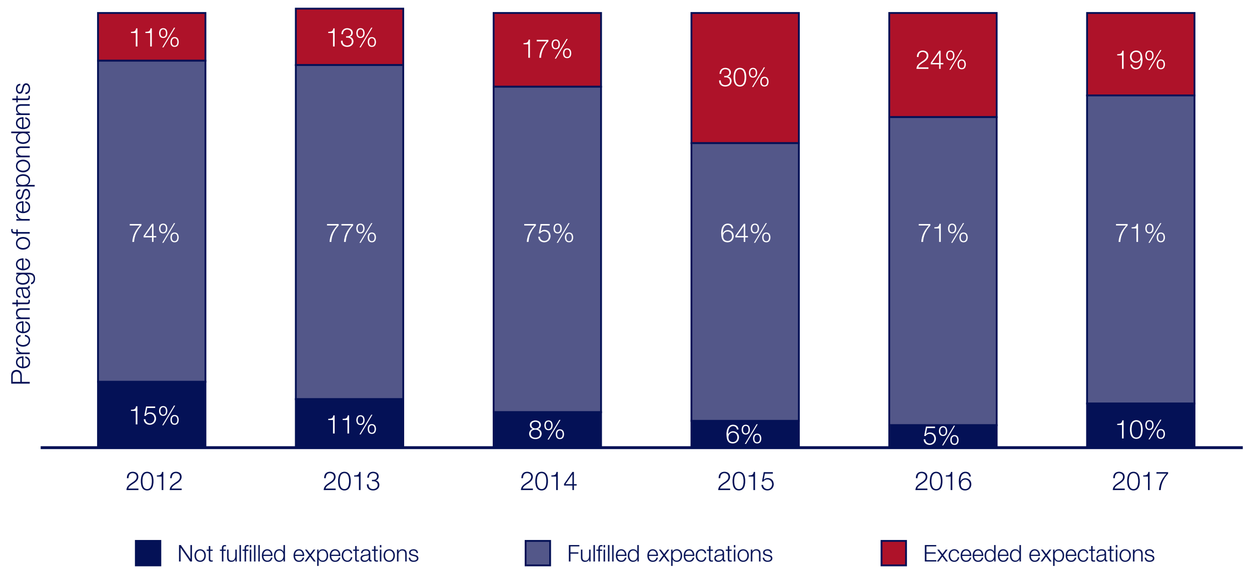
More recently, Private Equity has become the asset class that has seen the most significant growth among alternative investments (an annual average growth rate of +15.3% over the period 2004-2013). In 2016, the total number of transactions increased by 5.1%, while the total value of transactions fell by 5.3% over the year[2]. 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 June 2017, of a panel of investors surveyed by Preqin[3], 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.

(1) *Preqin 2018.*
(2) *PwC, Private Equity trend report 2017.*
(3) *Preqin Investor Outlook: Alternative Assets H2 2017.*

For most investors, Private Equity performance has been in line with expectations[(1)]

Proportion of investors who feel that Private Equity performances have met expectations (for the period 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 Preqin[(2)], 50% of investors surveyed believe that Europe offers attractive investment opportunities (compared with 69% for North America).

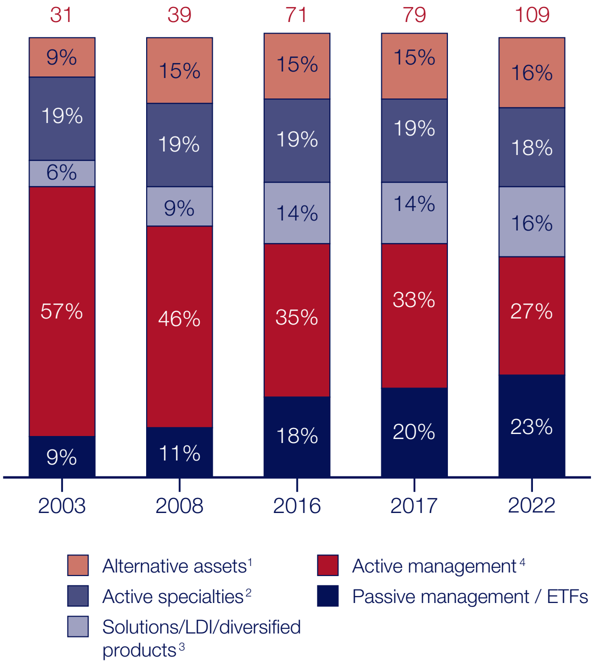
Looking towards 2020, alternative assets are expected to grow (their volume is estimated to be between US$13.6 and US$15.3 trillion in 2020) and they enjoy continued attractiveness, particularly in a context of the search for diversification by investors and an increase in the capital available to invest.

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 class[(3)].

(1) *Preqin Investor Interviews 2018.*
(2) *Prequin Investor Outlook, Alternative assets, H1 2017.*
(3) *BCG, Global Asset Management 2016.*

Conventional assets under management represent what is still the largest proportion of assets under management worldwide (1)



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(4) Active management: includes actively managed domestic large-cap equity, actively managed government bonds, cash management and structured products.

(1) BCG, Global Asset Management 2018.

1.6 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, Sofidy, ACE Management, 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.

1.6.1 Regulations relating to the Asset Management activity

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 activity, conducted primarily through its subsidiaries Tikehau IM, Sofidy and ACE Management (the "Group's Asset managers"), 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 10.5), 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 10.5) 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) individualised 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.

(a) Key regulations applicable to Asset Management activitiy

Regulation applicable to UCITS managers

Tikehau IM and Sofidy manage and market UCITS in the European Union, and therefore must 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 asset 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 the Group's Asset managers, 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, 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 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 in European or non-European AIFs to professional clients in the European Union through the system of passporting (see Section 1.6.3(a) (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.

(b) Other regulations applicable to Asset Management activity

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, asset 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 considers UCITS and, where applicable, their authorised management companies in accordance with the UCITS 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 managers 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 EMIR 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.

1.6.2 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 issued marketing passports in Ireland and the Netherlands, enabling it to offer financial products and services, including investment advisory services (see Section 1.6.3(a) (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.

However, in the context of Brexit, activities which Tikehau Capital Europe currently performs for other European countries using the European passporting procedure, as described below, must be organised based on local regulations and given the outcome of Brexit-related negotiations, in order to ensure that such activities can continue.

Tikehau Capital Europe needs to ensure that its services are still available to the UK.

1.6.3 Other significant regulations

(a) 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, 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.

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

Asset managers 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 10.5). 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.

(c) 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.

Regulation 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 and Sofidy, which manage and market 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 the Asset managers' 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.

Tikehau IM's process for identifying “identified staff” within the meaning of the AIFM and UCITS V Directives is carried out jointly by the Human Capital 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 4.4.2 (Committees of the Supervisory Board) of this Registration Document).

Sofidy and ACE Management's process for identifying “identified staff” is carried out by the human resources and compliance teams of these two companies, and is submitted to their respective Remuneration Committees.

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, the Group’s Asset managers are 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 the Group’s Asset managers are subject to the AIFM Directive.

These capital requirements are significantly more limited than those applicable to Tikehau Capital Europe with regard to its CLO activity. 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 on securitisation

Effective from January 1st 2019, the Regulation (EU) 2017/2402 of 12 December 2017 (the “Securitisation Regulation”) lays down a general framework for securitisation in Europe, and also introduces a European label for so-called 'STS' securities (simple, transparent and standardised).

The Group performs securitisation activities through Tikehau Capital Europe as part of its CLO activity. With a few exceptions, UCITS or AIFs managed by Asset managers have the option to invest in securitisation products covered by the Securitisation Regulation. Each of these entities must therefore fulfil the obligations set out by the Securitisation Regulation when they invest in securitisation products.

Tikehau Capital Europe is therefore required to meet obligations in relation to (i) risk retention, (ii) appropriate due diligence on the underlying risks and the parties involved in the securitisation process (iii) transparency and provision of information to investors.

However, in the context of Brexit, the CLO activities that Tikehau Capital Europe performs, which are currently subject to the Securitisation Regulation, must be organised based on local regulations and the outcome of Brexit-related negotiations, in order to ensure that such activities can continue.

Corporate Social Responsibility regulations

Since the Group had less than 500 employees in 2018, thus remaining below one of the thresholds laid down in Article R.225-104-1 of the French Commercial Code, the Company is not required to include a declaration of non-financial performance in its management report, pursuant to Article L.225-102-1 of the French Commercial Code.

The Company's objective is to provide a similar level of information as that required for the declaration of non-financial performance, had it been applicable to the Company.

The Company has appointed Finexfi to produce an *ad hoc* report on the contents of Chapter 7 (Corporate social and environmental responsibility) of the Registration Document, and to check the accuracy and consistency of the data provided on a voluntary basis in that Chapter. This report can be found in Section 7.4 (Report of the external auditor) of this Registration Document.

The Group is subject to Article 173 (VI) of the French Law on Energy Transition for Green Growth (codified under Article L.533-22-1 of the French Monetary and Financial Code). Finexfi also verified the information provided in this respect, as set out in its report included in Section 7.4 (Report of the external auditor) of this Registration Document.

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 in which Tikehau IM has an indirect 84.52% holding (previously 80% since 2016).

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.

1.7 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 1.3.1 (Competitive advantages) 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 2018	For the year 2017	For the year 2016	For the financial year 2015
Dividend per share	€0.25 (1)	€1.00	–	€0.70

(1) Subject to the approval of the General Shareholders Meeting of 22 May 2019.

As such, it is proposed to the General (shareholders') Meeting that a dividend of €0.25 per share be paid for the 2018 financial year.

This proposal allows the Company to fulfil its aim of continuing to make payments to its shareholders, despite the technical effects of a negative change in fair value which impacted upon the net result for the 2018 financial year.

Subject to approval by the Company's General (shareholders') Meeting, the dividend will be detached from the share on 24 May 2019 and paid out from 28 May 2019.

2.

COMMENTS ON THE ACTIVITIES, RESULTS AND FINANCIAL POSITION

2.1 PRESENTATION OF ACTIVITIES, RESULTS AND FINANCIAL POSITION FOR THE YEAR 2018

2.1.1 Key figures for the year 2018

Net result - Group share for the year 2018 was a loss of €107.4 million compared to a profit of €314.4 million for the year 2017.

This result derived from, on the one hand, a strong growth of the Asset Management net operating profit (€20.0 million for the year 2018 compared to €16.0 million for the year 2017) and on the other hand, a negative net operating profit from investment activity of -€113.1 million (compared to a positive contribution of €347.3 million as at 31 December 2017) mainly due to the negative change in fair value of -€109.6 million as at 31 December 2018 (compared to €323.2 million as at 31 December 2017), partly offset by other portfolio revenues up strongly at €69.8 million for the year 2018 (compared to €64.1 million for the year 2017).

	Items from the consolidated income statement	
(in millions of €)	**31 December 2018**	**31 December 2017**
Net revenues from Asset Management activity (1)	75.2	57.9
Operating expenses from Asset Management activity (2)	(55.2)	(41.9)
Net operating profit from Asset Management activity	**20.0**	**16.0 (5)**
Revenues from the investment activity (3)	(39.8)	387.3
Operating expenses from investment activity (2)	(74.5)	(40.0)
Share of net results from equity affiliates	1.3	(0.1)
Net operating profit from investment activity	**(113.1)**	**347.3 (5)**
Financial result	(23.8)	(28.2)
Non-recurring free share allocation expense (4)	(5.7)	-
Corporate income tax	15.2	(19.0)
Non-controlling interests	-0.0	(1.6)
NET RESULT - GROUP SHARE	**(107.4)**	**314.4**

(1) Net revenues from Asset Management activity consist of management and arrangement fees, performance fees and carried interests.
(2) These operating expenses do not include the non-recurring free share allocation expense in respect of the “All Plan” and “One-Off Plan” of 1 December 2017 subsequent to the Company’s listing for an amount of €5,700 thousand as at 31 December 2018. This restatement will be continued up to the definitive vesting date.
(3) Revenues from investment activity consist of the positive or negative changes in fair value, plus portfolio revenues (dividends, interests, fees, etc.).
(4) Non-recurring free share allocation expense in respect of the “All Plan” and “One-Off Plan” of 1 December 2017 subsequent to the Company’s listing for an amount of €5,700 thousand as at 31 December 2018.
(5) Net operating profit from the Asset Management and investment activities as published in the segment information in the consolidated financial statements as at 31 December 2017. Operating expenses considered in this line do not include the non-recurring free share allocation expense in respect of the “All Plan” and “One-Off Plan” of 1 December 2017 subsequent to the Company’s listing totalling €836 thousand of which €328 thousand on the Asset Management activity segment and €508 thousand on the investment activity segment.

	Consolidated balance sheet items	
(in millions of €)	**31 December 2018**	**31 December 2017**
Total consolidated shareholders’ equity	2,275.1	2,529.7
Consolidated shareholders’ equity – Group share	2,274.3	2,499.5
Gross cash (1)	463.2	975.4
Gross debt (2)	795.9	547.7

(1) Gross cash consists of cash and cash equivalents (consisting primarily of marketable securities)
(2) Gross debt consists of current and non-current borrowings and financial debt (including bank overdrafts)

2.1.2 Combined income statement: impact of external growth operations

The Company acquired Sofidy and ACE Management in mid-December 2018 (see Acquisition and takeover of Sofidy and Acquisition and takeover of ACE Management in Section 2.2.1 (Activities during the year 2018) of this Registration Document). These takeovers therefore had only a minimal impact on the 2018 income statement. Assuming full-year consolidation of Sofidy, its subsidiaries and ACE Management, key items in the segment income statement would have been as follows:

(in millions of €)	**Combined income statement items** **31 December 2018 *(combined)***
Net revenues from Asset Management activity (1)	125.8
Operating expenses from Asset Management activity (2)	(86.3)
Net operating profit from Asset Management activity	**39.5**
Revenues from the investment activity (3)	(31.7)
Operating expenses from investment activity (2)	(78.1)
Share of net results from equity affiliates	1.3
Net operating profit from investment activity	**(108.5)**
Financial result	(23.7)
Non-recurring free share allocation expense (4)	(5.7)
Corporate income tax	8.1
Non-controlling interests	(0.0)
NET RESULT - GROUP SHARE	**(90.3)**

(1) Net revenues from Asset Management activity consist of management, subscription and arrangement fees, performance fees and carried interests.
(2) These operating expenses do not include the non-recurring free share allocation expense in respect of the "All Plan" and "One-Off Plan" of 1 December 2017 subsequent to the Company's listing for an amount of €5,700 thousand as at 31 December 2018. This restatement will be continued up to the definitive vesting date.
(3) Revenues from investment activity consist of the positive or negative changes in fair value, plus portfolio revenues (dividends, interest, fees, etc.).
(4) Non-recurring free share allocation expense in respect of the "All Plan" and "One-Off Plan" of 1 December 2017 subsequent to the Company's listing for an amount of €5,700 thousand as at 31 December 2018.

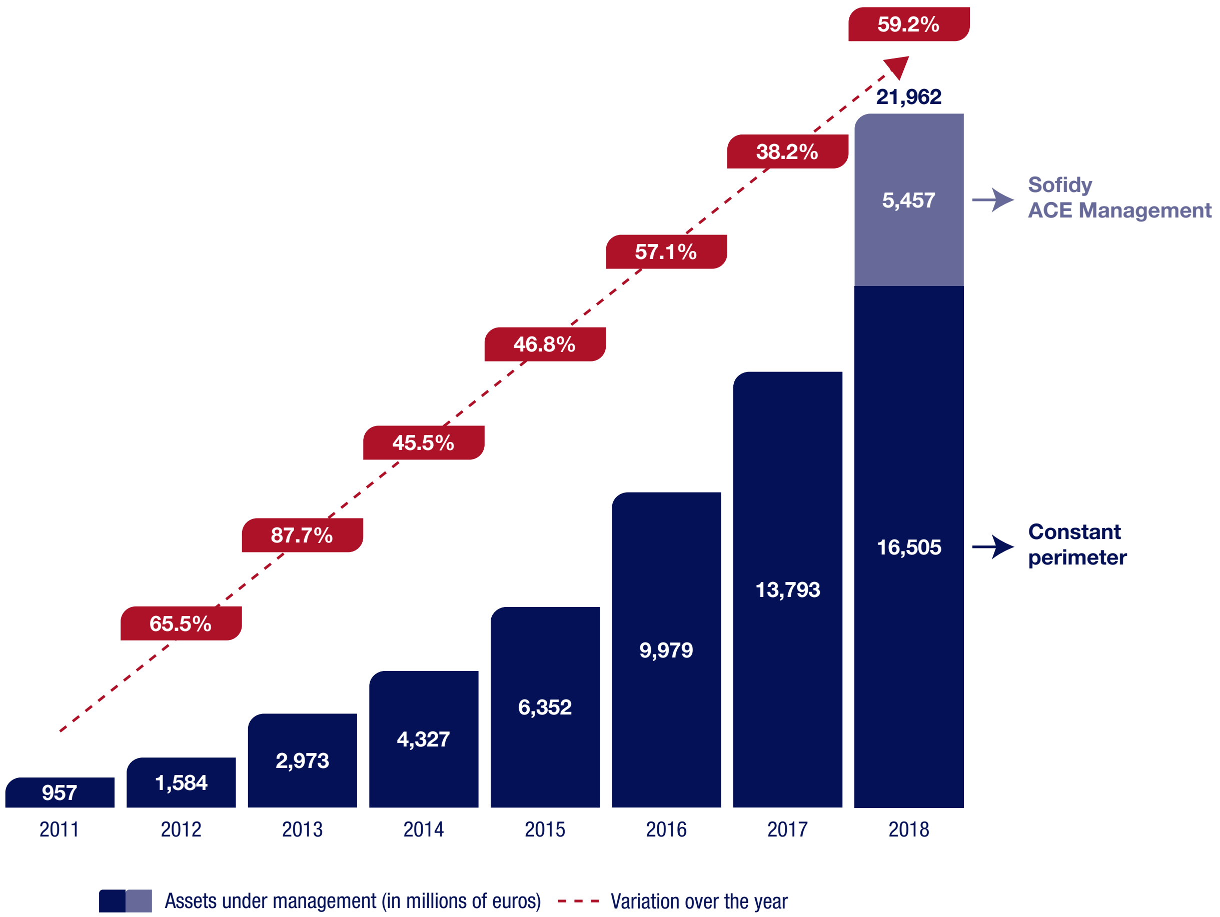
The acquisitions of Sofidy and ACE Management which were realised in mid-December 2018 resulted in the recognition of provisional goodwill of €110.2 million and €8.5 million respectively.

These unaudited figures are disclosed to assess the scale of the Group's activities following the significant acquisitions made late in 2018.

These figures are not necessarily representative of the consolidated results of Tikehau Capital if these acquisitions had occured as at 01 January 2018.

2.1.3 Non-accounting information

The following chart and table show the evolution and the year on year variations of the Group's assets under management since 2011:

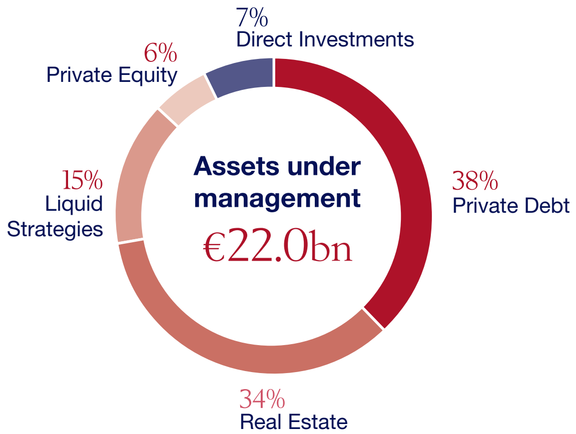


(in billions of €)	2011	2012	2013	2014	2015	2016	2017	2018
Assets under management (at 31 December)	1.0	1.6	3.0	4.3	6.4	10.0	13.8	22.0 [1]
Change in the year (12 months)	–	0.6	1.4	1.4	2.0	3.6	3.8	8.2
Net new money[2] over the year			1.2	1.5	2.0	2.3	3.9	3.7

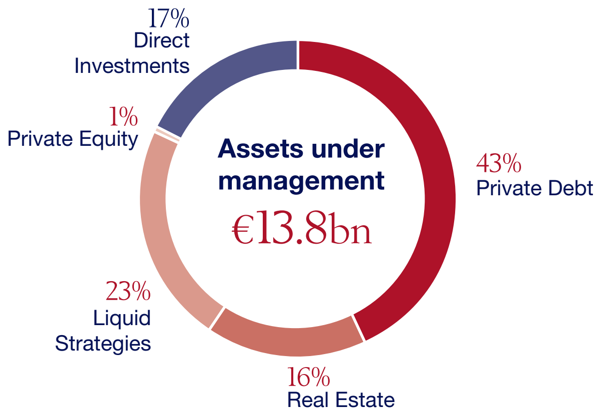
(1) The amount of €22.0 billion includes the assets managed by Sofidy, totalling €5.1 billion since 17 December 2018.
(2) Net new money is the difference between the subscription and redemption amounts for the period. It notably excludes the "distribution" "market effect" and "change in scope" effects over the considered period.

The following charts show the breakdown of the Group's assets under management as at 31 December 2018 (€22.0 billion) and as at 31 December 2017 (€13.8 billion) between the Group's four Asset Management business lines (Private Debt, Real Estate, Liquid Strategies and Private Equity) and Direct Investments activity:

Details of the Group's assets under management since 31 December 2018

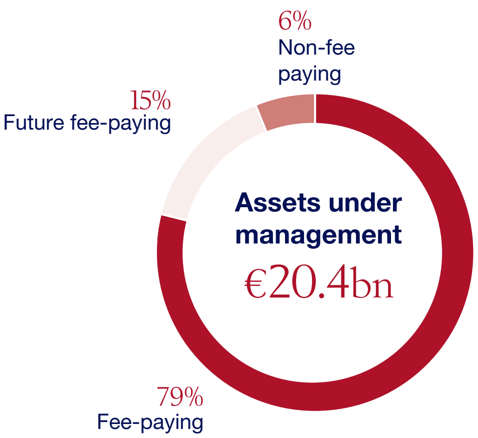


Details of the Group's assets under management at 31 December 2017

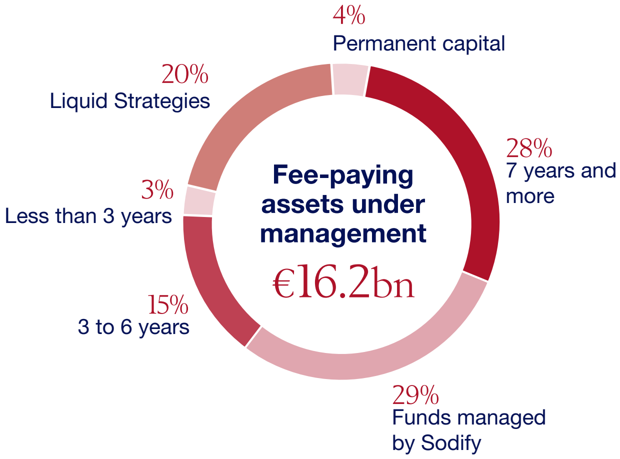


The following charts show the breakdown of assets under management of the Group's Asset Management business line between the fee-paying assets under management, future fee-paying assets under management, and non-fee paying assets under management as at 31 December 2018 and in the €16.2 billion of fee-paying assets under management, the anticipated duration of generation of revenues.

Details of assets under management relating to the Asset Management activity as at 31 December 2018



Details of fee-paying assets under management as at 31 December 2018



2.1.4 Operational indicators reflected in the consolidated financial statements of Tikehau Capital

- **Gross revenues from Asset Management activity** – These comprise:
  - management fees which correspond to management fees collected or to be collected from the funds, whether relating to the management of assets under management or to arranging or structuring portfolio transactions. Management fees are generally recognised when the service is provided and are calculated on the basis of the contractual documentation by generally applying a percentage to the AUM called but can also sometimes apply for some of the AUM committed but not yet called. Arrangement fees and structuring fees are usually recognised when the investment is made. 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 revenue is paid by the funds directly to the beneficiaries and is recognised in the income statement when this variable consideration can be accurately estimated and when it is highly likely that a reversal of the amount recorded does not occur. Such revenue is recognised in gross revenues from Asset Management activity, but may also be received in part by asset managers and/or by Tikehau Capital in accordance with the terms and conditions of the fund regulations.

The net revenues of the Asset managers are formed by its gross revenues subtracted by the fees paid out.

These fees correspond to (i) retrocessions owed to distributors provided for under contract, generally based on a percentage of the management fees, and (ii) the fees of custodians and valuation agents, owed by the Asset managers.

- **Revenues from investment activity** – This corresponds to changes in the fair value of the Company's current and non-current portfolio plus other revenues generated by the portfolio over the period in question (*i.e.*, including dividends and interest received).
- **Net revenues** – Net revenues correspond to the revenues from investment activity (see above) plus revenues from the Asset Management activity (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) consists of the revenues from investment activities, (i) plus revenues from fully-consolidated Asset managers, (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, and taxes. Operating expenses consist primarily of personnel expenses and other operating expenses (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 or plus current or deferred corporate income tax expense/income. The net result is then divided between the Group share and the minority interests.

2.1.5 Operational indicators not 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 activity: to the net asset value of the funds (the net asset value of each type of unit in the fund multiplied by the number of units outstanding) or the valuation of portfolio lines in the case of mandates;

b) for Private Debt activity: (i) to the commitments of subscribers during the periods of fundraising and investment, (ii) to the net asset value of the funds or to the asset of the fund of certain leveraged funds, once the investment period has ended, and (iii) to subscribers' commitments for CLO activities;

c) for Real Estate activity: (i) to subscribers' commitments during the periods of fundraising and investment, (ii) to the 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;

d) for Private Equity activity: to the last available valuation of the assets, total commitment or last available valuation plus uncalled commitments 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) the net new money 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 asset managers are acquired or sold during a financial year but also when the holding rate changes so that the holding becomes majority or minority. In both cases, the assets under management are either added to (acquisition, increase to a majority holding) or deducted from (sale, change to a minority holding) Tikehau Capital's total assets as from the date of acquisition, sale, reduction or increase.

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

a) for Liquid Strategies activity: (i) the net asset value of the funds, and (ii) for mandates and certain dedicated funds, the valuation of the securities held in the portfolio minus investments in certain funds managed by the Group's asset managers and cash;

b) for Private Debt activity: (i) during the periods of fundraising and investment, net asset of the funds and to the commitments called, or the total commitments according to fund subscription terms, and (ii) once the investment period has ended, the net asset value of the funds or the uncalled unredeemed commitment;

c) for Real Estate activity: the acquisition cost or latest available appraisal value of the assets held by the funds (or, failing that, the historical cost of the assets) plus cash and the fund's other assets, if any;

d) for Private Equity activity: on behalf of investor clients of the Group's asset managers : (i) during the periods of fundraising and investment, the total commitments according to fund subscription terms, and (ii) once the investment period has ended, the net asset value of the funds, the total commitment or the total commitment less acquisition costs of sold assets.

- **Future fee-paying** – depending on the business line, future fee-paying correspond to (i) either investor commitments which have not yet been called, (ii) or cash available to invest in certain funds (iii) 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** – Non-fee paying assets under management correspond to the share 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 activity: investments in certain funds managed by the Group's Asset managers and available cash;

b) for Private Debt activity: mainly 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 activity: mainly the difference between (i) the most recent available appraisal value of the assets of the Real Estate funds in the portfolio and (ii) the acquisition cost of these assets in the case of certain funds and the acquisition cost of debt-financed assets in the case of some leveraged funds;

d) for Private Equity activity: on behalf of the investor clients of the Group's asset managers : 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** - This is the average between the amount of fee-paying as at 31 December of the previous year and 31 December of current year.
- **Weighted average fee rate** – This is the average fee rate weighted by the weight of each of the Group's four Asset Management business lines applied to fee-paying, that is, the ratio, for each of the four business lines, between:

a) total management fees generated by business line, based on the Group's consolidated financial statements; and

b) average fee-paying;

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 fees and assimilated fees; and

c) arrangement fees.

- **Net new money** – This corresponds to (i) total subscriptions, less redemptions of open-ended funds and (ii) share of acquisition costs of assets financed by debt (net of repayments) in the case of some leveraged funds. A positive flow means that the total amount of inflows (subscriptions net of redemptions) and share of acquisition costs of assets financed by debt are higher than recorded outflows. Conversely a negative flow means that total redemptions are higher than inflows from subscriptions and share of acquisition costs of assets financed by debt.

2.

2.2 COMMENTS ON THE ACTIVITY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR 2018

2.2.1 Activities during the year 2018

As at 31 December 2018, Tikehau Capital's assets under management amounted to €22.0 billion (compared to €13.8 billion as at 31 December 2017), representing a net growth of 59.2% in 2018. Thus, Tikehau Capital met its 2020 target of €20 billion assets under management two years early.

This growth mainly derives from external growth operations, with the integration in December 2018 of the assets under management of Sofidy (€5.1 billion) and ACE Management (€0.4 billion) and from a sustained net new money of €3.7 billion, less €1.1 billion of distributions plus €0.1 billion of positive market effects.

All four of the Group's Asset Management business lines recorded a positive net new money over the year, with net new money of €2.9 billion in Pivate Debt, €0.3 billion in Real Estate, €0.3 billion in Private Equity and €0.2 billion in Liquid Strategies.

As at 31 December 2018, the Group's assets under management were divided between Asset Management (€20.4 billion) and Direct Investments made from the Group's balance sheet (€1.6 billion) and were broken down as follows:

(in billions of €)	Assets under management as at 31 December 2018	Percentage of the Group's assets under management	
		31 December 2018	31 December 2017
Private Debt	8.3	37.9%	43.3%
Real Estate	7.6	34.5%	16,3%
Liquid Strategies	3.3	14.8%	22.5%
Private Equity	1.2	5.7%	0.5%
TOTAL ASSET MANAGEMENT	**20.4**	**92.9%**	**82.6%**
TOTAL DIRECT INVESTMENTS MADE FROM THE GROUP'S BALANCE SHEET	**1.6**	**7.1%**	**17.4%**
TOTAL	**22.0**	**100.0%**	**100.0%**

(a) Asset Management activity

As at 31 December 2018, Tikehau Capital's Asset Management activity represented assets of €20.4 billion and comprised:

- 79% of fee-paying assets under management (*i.e.* €16.2 billion at the end of 2018 compared to €9.2 billion at the end of 2017);
- 15% future fee-paying assets under management (*i.e.*, €3.0 billion at the end of 2018 compared with €1.7 billion at end 2017); and
- 6% non-fee paying assets under management (*i.e.*, €1.2 billion at the end of 2018 compared to €0.5 billion at the end of 2017).

In 2018, the funds invested a total of €2.5 billion (compared to €3.3 billion in 2017) of which €2.4 billion was invested by closed funds (compared to €2.2 billion in 2017).

Detailed information on all these activities, their funds and vehicles appear in Section 1.4.2 (Asset Management activity) of this Registration Document.

Private Debt: €8.3 billion in assets under management as at 31 December 2018

The growth of €2.3 billion in assets under management during 2018 (*i.e.* 39.1% growth over the year 2018) is the result of a net new money of €2.9 billion and a positive market effect of €0.2 billion partially offset by distributions for €0.8 billion. During the year 2018, growing assets under management was promoted by (i) the inflows generated on fourth generation Tikehau Direct Lending funds (TDL IV) with €2.1 billion assets under management as at 31 December 2018, (ii) the closing of a fourth CLO (Tikehau CLO IV) for €0.4 billion and the launch of the warehousing phase for the fifth CLO (Tikehau CLO V), and (iii) inflows to various dedicated funds.

Detailed information is provided in Section 1.4.2(a) (Private Debt activity) of this Registration Document.

Real Estate: €7.6 billion in assets under management as at 31 December 2018

The €5.3 billion growing assets under management in 2018 includes €5.1 billion following the integration of Sofidy in December 2018. Excluding this acquisition, assets under management in the Real Estate scope amounted to €2.5 billion, up by €0.3 billion over the year (*i.e.* 11.3% growth over the year 2018), driven by the fundraising of the first discretionary Real Estate investment fund of the Group, Tikehau Real Estate Opportunity 2018 (TREO).

Detailed information is provided in Section 1.4.2(b) (Real Estate activity) of this Registration Document.

Liquid Strategies: €3.3 billion in assets under management as at 31 December 2018

The growth of €0.1 billion in assets under management during the year 2018 (*i.e.* 4.8% growth over the year 2018) is the result of a net new money of €0.2 billion offset by a negative market effect of €0.1 billion in particularly difficult market conditions at the end of 2018. The performances of liquid funds managed by the Group remained robust in 2018, particularly regarding Tikehau Credit Plus and InCA for which assets under management grew respectively by €0.1 billion in 2018.

Detailed information is provided in Section 1.4.2(c) (Liquid Strategies activity) of this Registration Document.

Private Equity: €1.2 billion in assets under management as at 31 December 2018

The €1.2 billion growing assets under management in 2018 includes €0.4 billion following the integration of ACE Management in December 2018. Excluding this acquisition, assets under management for the Private Equity activity amounted to €0.9 billion, up by €0.8 billion over the year 2018. Notably, the Group announced the first close of its energy transition fund launched with Total, T2 Energy Transition Fund, for an initial total amount of €350 million. The Group also continued the marketing of its Private Equity fund Tikehau Growth Equity II (TGE II), to support growing companies by taking minority equity stakes.

Detailed information is provided in Section 1.4.2(d) (Private Equity activity) of this Registration Document.

(b) Direct Investments activity

As at 31 December 2018, Direct Investments made from the Group's balance sheet amounted to €1.6 billion in assets compared with €2.4 billion as at 31 December 2017. This decrease is the result of €0.5 billion of commitments made in respect of funds in the Group's Asset Management activity to align the interests of stakeholders, €0.1 billion of dividends paid in respect of 2017 and €0.1 billion of negative fair value adjustments, mainly related to listed assets.

In 2018, the Company continued the active rotation of its investment portfolio held on the balance sheet in its three strategic areas of allocation, namely (i) investments in funds managed by the Group and co-investments alongside these, (ii) investments in the Group's platforms and (iii) opportunistic investments (see Section 1.4.3 (Direct Investments activity) of this Registration Document).

In 2018, under its non-current investment portfolio, the Company proceeded to a total of €761.9 million of investments from its balance sheet in its three areas of allocation and also proceeded to a total of €190.4 million of divestments. In addition, under its current portfolio, Tikehau Capital proceeded to a total of €1.1 million of investments.

As at 31 December 2018, the Group invested a total of €905.7 million from its balance sheet (including €104.9 million from its current portfolio) in its Asset Management strategies.

The main investments and divestments made by the Company in 2018 consisted of the following:

- concerning the main funds under management:
  - **Tikehau Growth Equity II** – Tikehau Capital IM launched a fund dedicated to minority investment in which the Company committed €201 million, of which €96 million was called as at 31 December 2018. As at 31 December 2018, Tikehau Growth Equity II had invested €94 million in three companies: Nexteam, Filiassur and Linkfluence. (See Section 1.4.2(d) (Private Equity activity) of this Registration Document).
  - **T2 Energy Transition Fund** – On 29 March 2018, the Company announced that Total SA was participating alongside Tikehau Capital in the creation of an investment fund dedicated to energy. The purpose of this Private Equity fund, which is directed by Tikehau IM, is to support medium-sized energy players in the financing of 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 and the energy sector. This team acts under the authority of an Investment Committee which benefits from the expertise of the two partners. The fund is aimed at major institutional investors. At 31 December 2018, Tikehau Capital had €17.4 million invested in T2 Energy Transition Fund; Tikehau Capital's commitment to this investment fund is nearly €100 million. (See Section 1.4.2(d) (Private Equity activity) of this Registration Document).
- concerning its portfolio's main listed assets:
  - **DWS** – In March 2018, the Company took part in the IPO of DWS for €182 million. Subsequent acquisitions for €9.6 million raised its stake to nearly 3.0% as at 31 December 2018. Further to this transaction, a partnership between the two groups covers (i) a pooling of co-investment opportunities and deal-flow among alternative strategies and (ii) joint initiatives in terms of products' distribution. This partnership should allow Tikehau Capital to develop its presence in Germany with a leading partner.
  - **Eurazeo** – In 2018, the Company increased its investment in Eurazeo for a total sum of €79.0 million (excluding fees), thus increasing its stake to 9.38% of equity as at 31 December 2018.
- **Naturex** – In March 2018, Givaudan announced its intention to launch a cash public tender offer for all Naturex shares at a unit price of €135 per share. Following the sale of its interest as part of this tender offer opened on 28 June 2018, the Company generated a capital gain of around €14.4 million, i.e. 2.4x the amount invested.

Detailed information is included in Section 1.4.3 (Direct Investments activity) of this Registration Document.

(c) Acquisition and takeover of Sofidy

On 17 December 2018, Tikehau Capital took control of Sofidy SA and its subsidiaries, directly acquiring 98.62% of Sofidy SA shares, the balance having been acquired by the exercise of a sale and purchase agreement with the remaining shareholder of Sofidy.

Sofidy is a leading asset manager in the Real Estate management sector in France and Europe, involved in the creation and development of investment and savings products particularly focused on retail and office Real Estate.

This acquisition is fully aligned with Tikehau Capital's strategy to broaden its fund offering in order to balance its business mix. It enables the Group to reach out to new investor categories and extend its know-how in the field of Real Estate investment solutions thanks to the strong complementarities between the two groups.

This company and its subsidiaries have been consolidated since 17 December 2018.

See note 5.3(d) (Scope of consolidation - Significant events during the period) of Tikehau Capital's consolidated financial statements (see Section 5.1 (Annual consolidated financial statements as at 31 December 2018) of this Registration Document).

(d) Acquisition and takeover of ACE Management

On 19 December 2018, Tikehau Capital took control of ACE Management SA by acquiring 70% of the shares directly and the other 30% indirectly *via* a takeover of ACE Partners, directly acquiring 100% of its shares.

ACE Management is an Asset Management company which has specialised in Private Equity in the innovation and industrial sectors over the past 20 years. ACE Management's investor clients are primarily major international groups, operating across the aerospace and defence industries.

The acquisition of a specialist in the aerospace, defence and cyber security sector, further supports Tikehau Capital's momentum of strengthening its Private Equity expertise. Complementing the existing generalist growth companies fund, specialist energy sector fund and special situations fund, Tikehau Capital IM brings with it a new line of specialized funds.

The Company was consolidated as from 19 December 2018.

See note 5.3(d) (Scope of consolidation - Significant events during the period) of Tikehau Capital's consolidated financial statements (see Section 5.1 (Annual consolidated financial statements as at 31 December 2018) of this Registration Document).

(e) Other Highlights of 2018

Opening of an office in New York

During the first half-year 2018, Tikehau Capital continued to expand its international footprint by opening an office in New York on 28 February 2018. This opening 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.

2.2.2 Analysis of consolidated results for the year 2018

This Section comments on the Group's consolidated results for the year 2018.

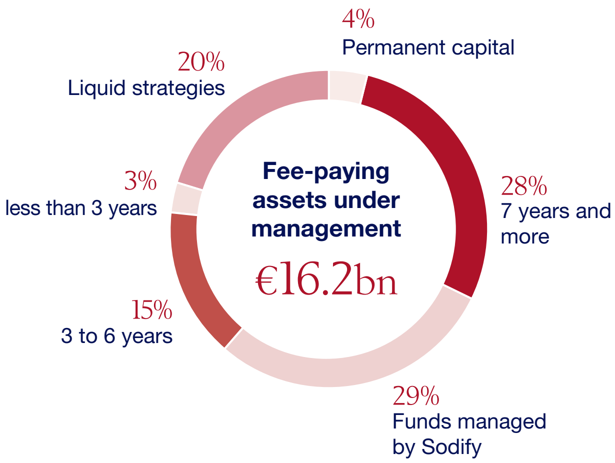
(a) Net operating profit from Asset Management activity

In 2018, net operating profit from Asset Management activity was €20.0 million, up 25% on 2017 (€16.0 million).

Net revenues from Asset Management activity in 2018 amounted to €75.2 million (€73.8 million excluding acquisitions), up 30% on 2017 (€57.9 million). 95% of these revenues originate from the net fees received by the Group's Asset managers for an amount of €71.7 million (€70.3 million excluding acquisitions), representing growth of 33% compared to 2017 (€53.8 million). These net revenues are supplemented by performance fees and carried interests for an amount of €3.5 million, resulting from the sale of Parc Escoffier by the Tikehau Logistics Properties I (TLP 1) OPCI (Real Estate investment scheme) to Bouygues Immobilier during the 4th quarter of 2018.

This significant growth in net revenues reflects the growth of fee-paying assets under management. As at 31 December 2018, fee-paying assets under management amounted to €16.2 billion (vs. €9.2 billion at the end of 2017) and represent 74% of the Group's assets under management. Within these fee-paying assets under management assets, 94% of the assets of the closed-end funds generate revenue over a period of more than three years:

Details of fee-paying assets under management as at 31 December 2018

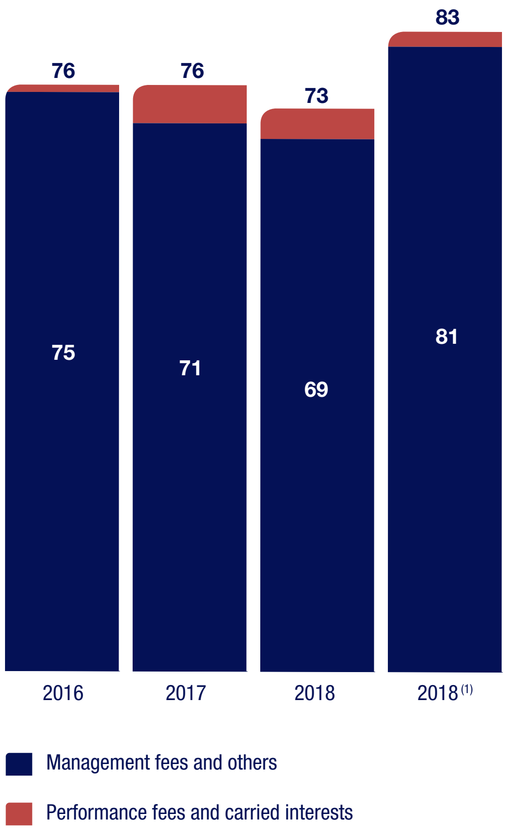


The average amount of fee-paying assets under management increased from €5.2 billion in 2016 to €7.6 billion in 2017 and then to €12.7 billion in 2018 (€10.2 billion excluding the Sofidy and ACE Management acquisitions), *i.e.* an annual average growth rate of +56%.

Based on this average amount (excl. acquisitions of Sofidy and ACE Management) and management fees collected as part of Asset Management activity, the weighted average fee rate is 69 basis points for 2018, 71 basis points for 2017, and 75 basis points for 2016.

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.

2.



(1) Weighted average fee rate as at 31 December 2018, including full-year contribution of Sofidy and ACE Management.

At the end of 2018 the weighted average fee rates for each of the Group's four Asset Management business lines are as follows:

	Weighted average fee rate as at 31 December 2018 (constant perimeter)	Weighted average fee rate as at 31 December 2018 (including a full-year contribution of Sofidy and ACE Management)	Weighted average fee rate as at 31 December 2017 (constant perimeter)
Private Debt	70 basis points	70 basis points	79 basis points
Real Estate	69 basis points	93 basis points	86 basis points
Liquid Strategies	58 basis points	58 basis points	48 basis points
Private Equity	More than 150 basis points	More than 150 basis points	Non material
ASSET MANAGEMENT ACTIVITY	**69 BASIS POINTS**	**81 BASIS POINTS**	**71 BASIS POINTS**

Growing assets under management and net revenues from Asset Management activity took place in a context of control of the costs related to these activities, which amounted to €55.2 million as at 31 December 2018 (vs. €41.9 million as at 31 December 2017), up 16.7%, two times less than the 30.0% growth of the Asset Management activity revenues in 2018.

On this basis, the operating margin for Asset Management activity was 26.6% in 2018, 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 activity in 2018, 2017 and 2016 were as follows:

(in millions of €)	2018	2018 (1)	2017	2016
Revenues from Asset Management activity	75.2	125.8	57.9	39.4
Operating expenses and others	-55.2	-86.3	-41.9	-35.9
OPERATING MARGIN FROM ASSET MANAGEMENT ACTIVITY	**+ 26.6%**	**+ 31.4%**	**+ 27.6%**	**+9.0%**

(1) Including a full year contribution of Sofidy and ACE Management.

(b) Net operating profit from investment activity

In 2018, operating profit from investment activities was -€113.1 million compared to €347.3 million in 2017.

In 2018, revenues from the Company's portfolio were -€39.8 million compared to €387.3 million for 2017, a €109.6 million decrease in fair value partly offset by other portfolio revenues (including dividends, interest and fees) totalling €69.8 million.

The change in fair value in 2018 breaks down as a -€105.9 million decrease the non-current portfolio (vs. a €317.6 million rise in 2017) and a -€3.7 million decrease in fair value of the current portfolio (vs. a €5.6 million rise in 2017). The decrease in fair value of the non-current portfolio came mainly from the revaluation at 31 December 2018 of the value of Eurazeo and DWS shares by -€79.8 million and -€52.5 million, respectively. It should be remembered that 2017 had been boosted by €323.2 million of fair value gains, largely due to the sale of the Group's stake in DRT *(Les Dérivés Résiniques et Terpéniques)* for €160 million and €97.5 million (*excluding dividend*) in Eurazeo revenues and restatement.

The €5.7 million growth in other portfolio revenues in 2018 is mainly due to the performance of the investments held in funds managed by the Group. The operating expenses for investment activities totalled €74.5 million for 2018 (compared to €40.0 million for the year 2017).

(c) Net operating profit from Asset Management and investment activities (after share of net results from equity affiliates)

Net operating profit/loss from Asset Management and investment activities after share of net results from equity affiliates in 2018 was a loss of €93.1 million, compared to a profit of €363.3 million for 2017.

Share of net results of equity affiliates represent a gain of €1.3 million (see note 5.9 (Investments in equity affiliates) in the notes to the consolidated financial statements available in Section 5.1 (Annual consolidated financial statements as at 31 December 2018) of this Registration Document), against a negative contribution of €0.1 million in 2017.

Operating expenses for 2018 amounted to €129.7 million against €81.9 million for 2017. This increase in operating expenses was mainly due to (i) an increase in the basis for the calculation of the Managers' remuneration for €33.1 million and (ii) growth in the workforce of the Tikehau Capital asset management companies.

(d) Net result

In 2018, net income on cash equivalents were €0.1 million compared to €0.4 million in 2017.

Financial expenses in 2018 were €23.9 million, down by €4.7 million on 2017, due largely to (i) non-recurrence of the €8.1 million cost of redeeming the Company's ORNANE bonds in 2017 and amortisation of issue costs associated with the debt redeemed in 2017 (€5.6 million), (ii) the absence of currency translation gains/losses in 2018 (€7.0 million), offset by (iii) a €7.7 million decline in the fair value of financial instruments and (iv) accrued debt interest of €9.1 million mainly linked to drawdown of Syndicated Credit of €250 million in December 2018 (see Section 5.1 (Annual consolidated financial statements as at 31 December 2018) of this Registration Document).

In 2018, the Company made a current and deferred tax gain of €15.2 million (against a €19.0 million loss in 2017). The Company used its tax losses in 2018, recognising €13.9 million of deferred tax gain.

On this basis, the net result, Group share for 2018 was a loss of €107.4 million compared to a €314.4 million profit in 2017.

(e) Net revenue - Segment information

In 2018, the Company's net revenue from Asset Management activity was €75.2 million compared with €57.9 million in 2017, up 30% over the financial year.

The Company's net revenues are presented in accordance with the four business lines in its Asset Management activity, namely: Private Debt, Real Estate, Liquid Strategies and Private Equity.

	Asset Management activity				Revenues from Asset Management activity as at 31 December 2018
(in thousands of €)	Private Debt	Real Estate	Liquid Strategies	Private Equity	
Net revenues	**34,655**	**16,447**	**18,913**	**5,183**	**75,199**
Management, arrangement and other fees	34,632	13,527	18,351	5,183	71,694
Performance fees and carried interests	23	2,920	562	–	3,506

	Asset Management activity				Income from Asset Management activity at 31 December 2017
(in thousands of €)	Private Debt	Real Estate	Liquid Strategies	Private Equity	
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 and carried interests	–	1,214	2,849	–	4,063

Private Debt activity

In 2018, the Group's net revenues attributable to Private Debt activities totalled €34.7 million (compared with €28.7 million as at 31 December 2017). These revenues derive from assets under management amounting to €8.3 billion as at 31 December 2018, compared with €6.0 billion at 31 December 2017.

Real Estate activity

In 2018, the Group's net revenues attributable to Real Estate activity totalled €16.4 million (compared with €13.9 million as at 31 December 2017). The net revenues from this activity correspond to management fees of €13.5 million and carried interests of €2.9 million as at 31 December 2018. Excluding the integration of Sofidy in December 2018, Group net revenues attributable to the Real Estate activity totalled €15.0 million. These revenues derive from assets under management amounting to €7.6 billion as at 31 December 2018, compared with €2.2 billion at 31 December 2017. Restated for the €5.1 billion for Sofidy's consolidation, the Group's assets under management in the Real Estate business line were €2.5 billion as at 31 December 2018.

Liquid Strategies activity

In 2018, the Group's net revenues attributable to Liquid Strategies totalled €18.9 million (compared to €14.9 million as at 31 December 2017). These revenues derive from assets under management amounting to €3.3 billion as at 31 December 2018, compared with €3.1 billion as at 31 December 2017.

The net revenues from this activity correspond to management fees of €18.3 million and performance-related fees of €0.6 million as at 31 December 2018. 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 2018.

Private Equity activity

The Asset Management activity in Private Equity generated management fees for a total of €5.2 million as at 31 December 2018, compared to €0.3 million in 2017. These revenues are from assets under management amounting to €1.2 billion as at 31 December 2018. Excluding the integration of ACE Management completed on 19 December 2018, the Group's assets under management were €0.9 billion as at 31 December 2018 against €0.2 billion as at 31 December 2017.

Net revenues from investment activity

As at 31 December 2018, the Group's net revenues from investment activities were -€39.8 million (against €387.3 million in 2017). Fair value adjustments and gains/losses on disposal were negative in the amount of -€109.6 million (compared with €323.2 million of positive fair value adjustments in 2017), primarily explained by the unfavourable variations of the listed securities Eurazeo (-€79.8 million) and DWS (-€52.5 million), partially offset by the sale of Naturex for €14 million and a number of adjustments of the fair value of non-listed assets of the portfolio.

Revenues from dividends, bond coupons and interest on receivables attached to these investments totalled €69.8 million (€64.1 million in 2017), up 9% on the year.

2.2.3 Consolidated fixed assets

Non-current fixed assets of the Company is almost exclusively composed of its investment portfolio, investments in equity affiliates, goodwill, and the Company’s tangible and intangible assets (excluding goodwill) which are negligible.

The value of the Company's non-current investment portfolio was €2.1 billion as at 31 December 2018, against €1.6 billion at 31 December 2017.

In 2018, this increase reflects €762 million in investments plus another €60.6 million from the consolidation of the Sofidy and ACE Management investment portfolio (see note 5.8 (Non-current investment portfolio) in Section 5.1 (Annual consolidated financial statements as at 31 December 2018) of this Registration Document), notably offset by €190 million of divestments in the period and -€119 million of negative fair value adjustments (See Section 2.2.1 (Activities during the year 2018) of this Registration Document.

2.2.4 Liquidity and Capital Resources

a) Changes in financial debt during financial year 2018

As at 31 December 2018, the Group's gross nominal debt was €803 million against €555 million at 31 December 2017. This increase derived mainly from the drawdown of €250 million from the Syndicated Credit Agreement (see below for details).

Syndicated Credit Agreement

The Syndicated Credit Agreement has a maturity of five years and consists of two tranches: 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 euros 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.

Following two drawdowns of €250 million each on 28 December 2017 and 14 December 2018, all of the maximum amount committed under Tranche A of the Syndicated Credit Agreement had now been drawn.

Tranche A of the Syndicated Credit Agreement is repaid as follows :

Maturity date	Principal repayments
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 be greater than or equal to €150 million,

- limiting the Company's secured debt to 12.5% of total consolidated assets,
- limiting 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 2018:

- **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 issue without collateral, has a fixed annual coupon of 3% payable annually in arrears on 27 November of each year and for the first time on 27 November 2018.

On 11 March 2019, following its inaugural corporate rating the Company also obtained a BBB- long-term rating for this bond issue from Fitch Ratings.

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 credit agreement signed with UBS, the Company has pledged a securities account to this bank containing assets valued at about €150 million as at 31 December 2018 (based on the valuation factors available at the registration date of this Registration Document).

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) to the annual consolidated financial statements as at 31 December 2018 in Section 5.1 (Annual consolidated financial statements as at 31 December 2018) of this Registration Document).

(b) Capital resources

Tikehau Capital's gross debt totalled €795.9 million as at 31 December 2018, against €547.7 million at 31 December 2017 and €119.2 million at 31 December 2016.

The table below summarises the distribution of the Company's gross debt:

Under IFRS standards ***(in millions of €)***	**31 December 2018**	**31 December 2017**	**31 December 2016**
Bonds	300.0	300.0	
Debt principal (including accrued interest)	504.6	256.9	121.4
Bank loans	–	0.0	–
Amortisation of issue costs on borrowings	(8.7)	(9.1)	(2.1)
GROSS DEBT	**795.9**	**547.7**	**119.2**

During the years ended 31 December 2018 and 2016 all the Group's credit lines were contracted in euros. As at 31 December 2017, only TIM APAC's financing line was contracted in Singapore dollars.

On 1 October 2018 Tikehau Investment Management Asia Pacific ("TIM APAC", a wholly-owned subsidiary of Tikehau IM) repaid early the whole of its bank loan with Standard Chartered Bank of 8.0 million Singapore dollars or approximately €5.0 million.

The Company's debt, its maturity and the proportion that was fixed rate/variable rate as at 31 December 2018, is described in more detail in note 5.14 (Borrowings and financial debt) to the consolidated financial statements as at 31 December 2018, to be found in Section 5.1 (Annual consolidated financial statements as at 31 December 2017) of this Registration Document).

Finally, on 30 January 2019, the Group was assigned its inaugural rating by financial ratings agency Fitch Ratings. This Investment Grade rating (BBB-) with a stable outlook confirms the soundness of Tikehau Capital's financial profile.

This inaugural financial rating represents another milestone for Tikehau Capital following its listing on Euronext in 2017. It also represents a recognition of the relevance of its model and financial structure.

In its statement, Fitch underscored the strength of Tikehau Capital's balance sheet and its trust in the Group's capacity to maintain financial ratios in line with an Investment Grade profile as it deploys its strategy.

In addition, Fitch endorses the Group's strategy for accelerating its development in alternative Asset Management, a business where it is positioned in growth markets and has a solid track record of fundraising.

Cash

As at 31 December 2018, the Company's cash holdings amounted to €463.2 million in cash and cash equivalents and cash management financial assets (compared with €975.4 million as at 31 December 2017). The Company also had a current investment portfolio (consisting of bonds, marketable securities and UCITS) of €110.5 million, compared to €109.1 million as at 31 December 2017.

The following table presents the available liquidity of the Group as at 31 December 2018, 2017 and 2016 and the Company's net debt, in each case, calculated as the sum of cash and cash equivalents, plus the current investment portfolio less current and non-current borrowings and financial debt:

Under IFRS standards ***(in millions of €)***	**31 December 2018**	**31 December 2017**	**31 December 2016**
Gross debt	795.9	547.7	119.2
Cash	573.7	1,084.6	170.3
of which: cash and cash equivalents [(1)]	436.3	908.6	129.8
of which: cash management financial assets	26.9	66.9	0.0
of which: current investment portfolio	110.5	109.1	40.5
NET DEBT (NET CASH)	**222.2**	**- 536.9**	**-51.1**

(1) Total Cash includes cash and cash equivalents (mainly composed of marketable securities, including cash management financial assets).

2.2.5 Changes in consolidated shareholders' equity

Consolidated shareholders' equity - Group share, amounted to €2.3 billion as at 31 December 2018, €2.5 billion as at 31 December 2017 and €1.1 billion as at 31 December 2016.

As at 31 December 2018, 2017 and 2016, the consolidated shareholders' equity broke down as follows:

Under IFRS standards (in millions of €)	**31 December 2018**	**31 December 2017**	**31 December 2016**
Share capital	1,241.7	1,233.6	650.1
Premiums	849.3	840.6	379.0
Reserves and retained earnings	290.6	110.9	28.2
Net result for the year (Group share)	(107.4)	314.4	72.4
CONSOLIDATED SHAREHOLDERS' EQUITY - GROUP SHARE	**2,274.3**	**2,499.5**	**1,129.7**

2.2.6 Carried interests

In some funds, carried interest can be paid if a fund exceeds a performance hurdle on liquidation. This mainly applies to Real Estate, Private Debt and Private Equity funds.

Carried interest since April 2014 breaks down as follows: 20% of the available carried interest is paid to a company that is a shareholder of Tikehau Capital Advisors and owned by the partners of the Group; the remainder is distributed one-third each to Tikehau Capital, Tikehau IM and Tikehau Capital Advisors.

Carried interest is paid by the funds directly to the beneficiaries and recognised in the income statement when this variable consideration can be accurately estimated and when it is highly likely that no reversal will be made.

Tikehau Capital and its fully consolidated subsidiaries have recognised carried interest of €2.9 million in respect of the financial year 2018.

As at 31 December 2018, 86% of Private Debt assets under management – Direct lending, Real-Estate funds and Private Equity funds – are eligible for carried interest, in an amount totalling €6.8 billion.

Of this, as at 31 December 2018, invested assets under management made up €3.9 billion, €2.3 billion of which (a 35% increase in comparison to 31 December 2017) are above their hurdle rate.

(in millions of euros)	31 December 2018	31 December 2017
Assets eligible for carried interests	**6,782**	**3,961**
Direct lending	3,146	1,716
Real Estate	2,498	2,245
Private Equity	1,138	
Assets under management	**7,909**	**5,090**
Direct lending	4,164	2,845
Real Estate	2,498	2,245
Private Equity	1,247	

2.3 ANNUAL RESULTS OF THE COMPANY

2.3.1 Annual financial statements for the year 2018

(a) Income statement for the year 2018

The analysis of changes in the Company's main accounting aggregates for financial year 2018 is presented below.

Operating result

In 2018, operating income amounted to €5.4 million, compared to €16.3 million for 2017. This reduction is mainly due to the absence of reversals of provisions and transfers of charges in 2018, compared to €12.5 million in 2017 which arose from the activation of financial expenses related to setting up borrowings, the bond issue and the capital increase in order to spread the charge over the lifespan of the financial liabilities.

In 2018, the Company recorded €74.2 million in operating expenses, an increase on 2017 (€60.5 million) mainly resulting from the €33.1 million increase in Management remuneration pursuant to unchanged bylaw provisions regarding Management's right to remuneration equal to 2% of the Company's total consolidated equity, which is offset by a €14.3 million drop in financial expenses (total expenses were €15.6 million in 2017 due mainly to the IPO).

Gross operating income for financial year 2018 subsequently amounted to a loss of €68.8 million against a loss of €44.1 million in 2017.

Financial result

The financial result in 2018 was a €21.1 million loss, against a €31.8 million profit in 2017. Financial income in 2018 was €82.7 million (against €117.8 million in 2017). The €35.1 million decrease is mainly due to lower reversals of provisions on long-term securities holdings for €20.2 million in 2018 compared to 2017. Financial expenses in 2018 were €103.8 million (against €86.0 million in 2017). This €17.8 million increase reflects €84.8 million in provisions for securities in 2018 (against €42.5 million in 2017) and the absence of non-recurring financial expenses in 2018 (compared to around €24 million in 2017 related to technical losses on merger following internal asset transfer operations (*"transmissions universelles de patrimoine"*).

Net non-recurring income/(expense)

Net non-recurring income for 2018 amounted to €21.8 million (vs. €288.5 million as at 31 December 2017). The fiscal year 2017 included substantial gains from the sale of securities in the Company's investment portfolio, notably Eurazeo and DRT.

Net result

Total gains were €281.0 million at 31 December 2018 against €1,113.1 million for 2017.

Total expenses in 2018 were €345.4 million against €841.2 million in 2017.

The decrease in income and expense for 2018 compared to 2017 was mainly due to sales of securities (most notably Eurazeo and DRT) in 2017.

On this basis, net result for financial year 2018 amounted to a loss of €64.4 million against a profit of €271.9 million in 2017.

(b) Balance sheet for the year 2018

The Company's balance sheet total as at 31 December 2018 amounted to €3.3 billion, compared to €3.0 billion as at 31 December 2017.

Financial assets were €2,876.5 million as at 31 December 2018 (against €1,702.3 million as at 31 December 2017). The increase largely reflected the acquisitions over the period (Sofidy for €220 million and ACE Management for €10.6 million), the investment in DWS (€191.5 million), the acquisition of additional Eurazeo securities for €79.2 million and investments in funds managed by the Group (most significantly Tikehau Growth Equity II (TGE II) for €94 million, Tikehau Brennus for €62.5 million and T2 Energy Transition Fund for €17 million).

The Company's shareholders' equity was €2,146.1 million as at 31 December 2018, against €2,330.5 million at 31 December 2017. The reduction was largely due to the payment of €137.1 million in dividends and the impact of the result for 2018, a €64.4 million loss.

Financial debt amounted to €801.4 million as at 31 December 2018 (compared to €551.7 million in 2017). This increase mainly results from the second drawdown of €250 million from the Syndicated Loan on 14 December 2018. This means that all of the amount available from Tranche A of the Syndicated Credit Agreement has now been drawn down. The Syndicated Loan was agreed on 23 November 2017 for a total of half a billion euros.

The following information is disclosed pursuant to Article L. 441-6-1 of the French Commercial Code. Overdue trade payables amounted to €0.7 million as at 31 December 2018 compared with €3.2 million as at 31 December 2017. The average payment deadline for suppliers is between 40 days and 60 days.

2.3.2 Results of the Company over the last five years

	31/12/2018 12 months	31/12/2017 12 months	31/12/2016 12 months	31/12/2015 12 months	31/12/2014 12 months
I - FINANCIAL POSITION AT YEAR END					
a) Share capital	1,241,731,188	1,233,596,976	650,097,864	260,278,056	260,278,056
b) Number of shares issued	103,477,599	102,799,748	54,174,822	21,689,838	21,689,838
II - COMPREHENSIVE INCOME FROM OPERATIONS					
a) Net revenues excluding tax	4,144,433	2,990,763	1,078,279	1,199,361	1,057,469
b) Result before tax, depreciation and provisions	3,067,545	291,012,585	-35,994,881	-10,831,190	38,091,889
c) Corporate income tax	-3,642,116	4,230,431			5,976,779
d) Result after tax, depreciation and provisions	-64,455,054	271,894,722	-56,601,842	4,190,559	26,368,560
e) Amounts of profits distributed		102,799,748			15,182,887
III - INCOME FROM OPERATIONS PER SHARE					
a) Result after tax before depreciation & provisions	0.06	2.78	-1.04	-0.50	1.48
b) Result after tax, depreciation and provisions	-0.62	2.64	-0.66	0.19	1.22
c) Dividend per share	0.25	1.00			0.70

2.

2.4 SIGNIFICANT EVENTS SINCE 31 DECEMBER 2018

2.4.1 Tikehau Capital obtains an Investment Grade rating (BBB-, stable outlook) from Fitch Ratings

Early in 2019, Tikehau Capital has been assigned its inaugural rating by financial ratings agency Fitch Ratings. This Investment Grade rating (BBB - stable outlook) confirms the strength of Tikehau Capital's financial profile.

In its statement, Fitch Ratings highlighted the strength of Tikehau Capital's balance sheet and expressed its confidence in the Group's ability to keep financial ratios at levels consistent with an Investment Grade profile as Tikehau Capital pursues its strategy.

2.4.2 Closing of the fourth generation of Tikehau Direct Lending Private Debt fund amounts to €2.1 billion

On 12 February 2019, Tikehau IM, Asset Management subsidiary of Tikehau Capital, closed its fourth-generation fund Tikehau Direct Lending (TDL) having raised a record €2.1 billion, more than three times the previous vintage. This fundraising confirms investors' appetite for the Private Debt asset class, as well as Tikehau IM's leading position in the European direct lending market. Tikehau Direct Lending (TDL IV) is the flagship fund for Tikehau IM's fourth generation of Direct Lending funds.

At 31 December 2018, the Group invested around €31 million in this fund.

2.4.3 Public tender offer for Selectirente

On 21 December 2018, Tikehau Capital filed a public tender offer with the AMF for Selectirente's shares and OCEANE bonds. Tikehau Capital irrevocably agreed to acquire:

- at a unit price of €86.80 [(1)] ex the interim dividend of 2 January 2019), (i) all outstanding Selectirente shares not already held by it or members of its concert [(2)], and the 45,255 Selectirente shares held by Sofidiane which had already been committed to the offer, totalling 1,094,590 shares representing 70.95% of the capital and votes, and (ii) the 47,168 Selectirente shares to be issued on conversion of the OCEANE bonds not held by concert party members;
- at a unit price of €87.25 ex the coupon paid on 2 January 2019), all the OCEANE bonds issued by Selectirente not already held by it or members of its concert[(2)] and the 11,899 Selectirente OCEANE bonds held by Sofidiane which had already accepted the offer, giving a total of 58,832 OCEANEs.

(1) Management of Selectirente decided on 19 December 2018 to pay an interim dividend of €2.205 per Selectirente share. Payment of the interim date took place on 2 January 2019 (see, in particular, the communique distributed by Selectirente on 19 December 2018. As a result, the IPO was made exclusively at the price of €86.80 per Selectirente share (dividend of 2 January 2019 detached) considering that the IPO took place after 2 January 2019.

(2) The concert party composed of Tikehau Capital, Sofidy, GSA Immobilier, Sofidiane, Makemo Capital, AF&Co, and Mr Antoine Flamarion and Mr Christian Flamarion.

Euronext market notified the AMF that on 4 March 2019, the closing date for brokers to deposit securities in respect of orders for the tender offer launched by Tikehau Capital for securities in Selectirente, 777,435 Selectirente shares and 54,195 OCEANE bonds had been deposited.

Following the reopening of the public tender offer, Tikehau Capital held in concert with Sofidy, GSA Immobilier, Sofidiane, Makemo Capital, AF&Co, and Mr Antoine Flamarion and Mr Christian Flamarion, 1,250,029 shares issued by Selectirente, representing as many voting rights, equivalent to 81.03% of the share capital and voting rights of Selectirente.

2.4.4 Acquisition of Homunity by Credit.fr

On 23 January 2019, Credit.fr acquired Homunity, the leading property crowdfunding platform in France, enabling Credit.fr to reinforce its position in the crowdfunding sector, accelerate its growth and diversify its offering on the booming peer-to-peer loan market.

2.4.5 Sale of Tikehau Capital equity stake in Spie Batignolles

On 24 January 2019, Tikehau Capital sold its holding in Spie Batignolles, a major player in the construction, infrastructure and services sectors, for 2.3 times the amount initially invested. The sale coincided with Asset Management subsidiary Tikehau IM's arrangement of financing for 200 of the Company's managers to buy shares alongside the management team, led by Spie Batignolles' Chairman Jean-Charles Robin.

2.4.6 Free shares granted at start of 2019

The grant of free shares to employees of the Group was pursued within the framework of variable compensation grants for 2018 and took the form of three plans for free share grants, adopted by Management on 18 February 2019 (for more details on these plans, see Section 8.3.2 (b)(v) (The 2019 FSA Plan, the 2019 Performance Sgare Plan, and the 2019 AIFM/UCITS Plan) of this Registration Document and note 5.29 (Events after closure) of the annual consolidated accounts as of 31 December 2019 in Section 5.1 (Annual consolidate accounts as at 31 December 2018) of this Registration Document.

3.

RISK FACTORS

3.1 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.

3.1.1 Risks related to investments and their valuation

Tikehau Capital is exposed to risks inherent in the balance sheet Direct Investment activity.

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 (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 general management), 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.

Tikehau Capital is exposed to specific risks associated with holding minority stakes.

In its Private Equity activities and Direct Investments, Tikehau Capital mainly invests 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 2018, non-listed investments held by Tikehau Capital (excluding platforms or funds managed by Group asset management companies) represented 18% 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 Tikehau Capital (i) seeks to anticipate the terms of its exit when investing, and (ii) 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.

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.).

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 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 deployment.

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 2018, Tikehau Capital's largest financial asset represented of 14% Tikehau Capital's total consolidated assets. It should be noted that this financial asset, namely a 9.38% 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 2018. 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.

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 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.

3.1.2 Risks to the firm's image, reputation or service quality

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 funds managed by the Group's asset management companies 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.

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 materialised 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.

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 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.

The failure or difficulties suffered by external operators taking part in the Group's Asset Management activitiy 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 the Group's asset management companies 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 the Group's asset management companies 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.

3.1.3 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.

The development of Tikehau Capital's international business also exposes the Company 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.

In particular, Tikehau Capital is subject to several regulatory regimes in connection with its Asset Management activity that enable it to engage in the management of funds and other collective investment undertakings (including UCITS and AIFs) (see the Glossary in Section 10.5 of this Registration Document), portfolio management and investment advisory services.

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 the UK's exit from the European Union.

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 managed by the Group's companies worldwide, and will burden Tikehau Capital with increasing administrative charges and costly reporting requirements.

3.1.4 Risks of fraud or IT security

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.3.3.7 (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.

3.1.5 Risks to the retention of key persons

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 activity 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.

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 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.

3.1.6 Market risks (rates, currency, equity, credit, liquidity) and macro-economic risks and their consequences for Tikehau Capital's revenue.

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 new money 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.

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 realising 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.

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 asset management companies may receive in come related to the performance of the funds they manage (performance fees for open-ended funds and carried interests for closed-end funds) (See Section 1.4.1(b) (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.

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 €753.6 million as at 31 December 2018 (including listed securities in both the current and non-current investment portfolios) of which €638.3 million of listed shares, €10.4 million of listed bonds and €104.9million of investments 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 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 the consolidated shareholders' equity and could particularly impact the ability of the Group to pay dividends.

Thus, a 10% decline in the fair value of listed assets as at 31 December 2018 would have resulted respectively in an additional charge of €63.9 million the Group's consolidated pre-tax earnings as at 31 December 2018. 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 consolidated shareholders' equity and on the Group's result, 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. 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 assets [1] represents a total amount of €1,298.7 million 31 December 2018.

The Company performed a sensitivity test on the non-listed assets of its investment portfolio as at 31 December 2018 (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 performed on the basis of the income or EBITDA multiples used to value the corresponding assets as at 31 December 2018 or, when a method other than valuation by multiples was used, by retaining 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 87% by value of the investments in non-listed shares on its portfolio as at 31 December 2018. The sensitivity to a change of +/-10% in the multiples of revenues or EBITDA of non-listed companies amounts to €36.6 million.

(1) Securities classified as levels 2 and 3 – see note 5.5 (Determining fair value) of the annual consolidated financial statements in Section 5.1 (Annual consolidated financial statements as at 31 December 2018) 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.

By virtue of these investments in Liquid Strategies, a +/-10% change in the net asset value of funds would have a 10.5 million impact on Tikehau Capital's exposure at 31 December 2018.

In these investments in Private Debt activity, a change in interest rates of 100 basis points would impact Tikehau Capital's exposure by €5.6 million at 31 December 2018.

In these investments in Real Estate activity, a shock inducing a drop in the value of non-listed Real Estate assets of 20% in France and 14.1% in Italy, 19.1% in Germany, 26.9% in Belgium, 15.1% in the Netherlands (shocks based on scenarios defined by the European Banking Authority as well as the European Council on Systemic Risk and used to calculate resistance tests on the European Union level in 2018 for commercial Real Estate and published 16 January 2018), would impact the exposure of Tikehau Capital for €47.9 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 an upward or downward variation in the portfolio value of €4.7 million given the average duration recorded on this portfolio (4.5 years). As at the registration date of this Registration Document, no defaults have occurred in the Group's bond investments.

See note 5.26(b) (Market Risks – Exposure portfolio investment risks) to the annual consolidated financial statements of the Company (in Section 5.1 (Annual consolidated financial statements as at 31 December 2018) and of this Registration Document.

Tikehau Capital is exposed to currency risks related to its foreign exchange investment transactions.

3.

Tikehau Capital's exposure to currency risk relates to its investments in foreign currencies. As at 31 December 2018, 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.

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 December 2018:

(in millions of euros)	**10% depreciation In the currency**	**10% appreciation In the currency**
British pound sterling	-10.7	+13.1
US dollar	-9.0	+11.0
Singapore dollar	-3.2	+4.0
Canadian dollar	-1.3	+1.6
Australian dollar	-0.0	+0.1
Polish zloty	-0.1	+0.1
Swiss franc	-0.2	+0.2
South Korean won	-0.0	+0.0

See note 5.26 (c) (Market Risks – Exposure to currency risk) to the annual consolidated financial statements of the Company (See Section 5.1 (Annual consolidated financial statements as at 31 December 2018) of this Registration Document).

Tikehau Capital is exposed to interest rate risk and currency risk on its bank debt.

At 31 December 2018, Tikehau Capital was exposed to interest rate risk on its bank loans and related hedges for respective amounts of €504.2 million and €368 million.

To manage risks on its variable rates exposure, Tikehau Capital has contracted swaps whose total notional amount represents 73% of the amount of variable rate borrowings as at 31 December 2018. The characteristics of these swaps are as follows:

(in millions of euros)	Notional	Average fixed rate	Average maturity
As at 31 December 2018	368.0	0.54%	5.5 years
As at 31 December 2017	177.7	0.62%	6.1 years

Bank debts in foreign currencies are revalued at each close at the closing conversion rate. As at 31 December 2018, is no longer exposed to currency risk.

See note 5.26(a) (Market Risks – Exposure to bank debts) to the annual consolidated financial statements of the Company in Section 5.1 (Annual consolidated financial statements as at 31 December 2018) of this Registration Document.

Tikehau Capital may be exposed to liquidity and debt risks.

The state of indebtedness of Tikehau Capital (including the maturity of its debt) as at 31 December 2018 is described in note 5.14 (Borrowings and financial debt) to the Tikehau Capital consolidated financial statements (see Section 5.1 (Annual consolidated financial statements as at 31 December 2018) of this Registration Document). The main terms of this debt are described in Section 2.2.4 (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 materialised 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 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 2017 and 2018, Tikehau Capital did not have to face any counterparty default.

See note 5.26(d) (Market Risks – Exposure to counterparty risk) to the annual consolidated financial statements of the Company (See Section 5.1 (Annual consolidated financial statements as at 31 December 2018)).

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 activity. Unfavourable market conditions may limit net new money 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-investors were to be adversely impacted by any of these factors, net new money and assets of Tikehau Capital would decline accordingly, thus lowering its revenue and earnings.

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.

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 managers, some of which offer similar products to those of Tikehau Capital (see Section 1.5.2 (General overview of the asset management market since 2008) 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.).

3.1.7 Risks of a halt to development, organic and/or external growth, or shrinkage of business activities

Tikehau Capital may not be able to develop new products and services or to meet the demand of its clients-investors 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-investors. 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-investors 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.

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 branches of business and/or commitments that would restrict the pursuit of its business.

External growth through mergers or acquisitions involves a number of risks, including: (i) the assumptions about the business plan underlying valuations may not be realised, particularly as regards synergies, projected savings and movements in the markets concerned; Tikehau Capital (ii) may fail to successfully integrate the companies acquired, their technologies, their areas of expertise or their employees; (iii) could fail to retain certain key employees or customers of the companies acquired; (iv) distribution partnerships could fail to attract new clients and increase Tikehau Capital net new money; (v) Tikehau Capital could increase its debt to finance acquisitions or pay for acquisitions by issuing new shares and (vi) Tikehau Capital may make acquisitions at the wrong time in 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.

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.

3.1.8 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 8.4.2 (Control of the Group) of this Registration Document contains a presentation of the control of the Company.

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 the company AF&Co, and the 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 line with the Company's performance (See Section 4.3.1 (Remuneration of the Manager-General Partner) 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 4.1.3 (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 4.4.2 (Committees of the Supervisory Board) of this Registration Document.

3.2 INSURANCE

The Group reviews the structure and extent of its insurance coverage at least annually.

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.

Accordingly, Tikehau Capital Advisors have taken out several dedicated insurance policies with leading insurance companies on behalf of all Group companies.

The main terms of these insurance policies are:

- Business and Professional Liability Insurance – This insurance policy provides worldwide coverage of up to €30 million per insurance period in 2018 and €40 million per insurance period in 2019 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 the companies held in the portfolio, the management of securities and advisory activities), and (ii) the individual or joint civil liability of any Director or officer of a company on portfolio, due to any mismanagement committed by them in the performance of their duties. This policy also covers other specific risk strategies, such as risk of fraud (up to €10 million per insurance period in 2018 and with no sub-limit in 2019) and cyber risks (up to €5 million per insurance period in both 2018 and 2019);
- Directors' and Officers' Liability Insurance – This insurance policy provides worldwide cover up to a limit of €40 million per insurance period in 2018 and €50 million per period in 2019, for the financial consequences of a claim involving individual or joint civil liability of directors and Officers, 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.

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.

3.3 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.

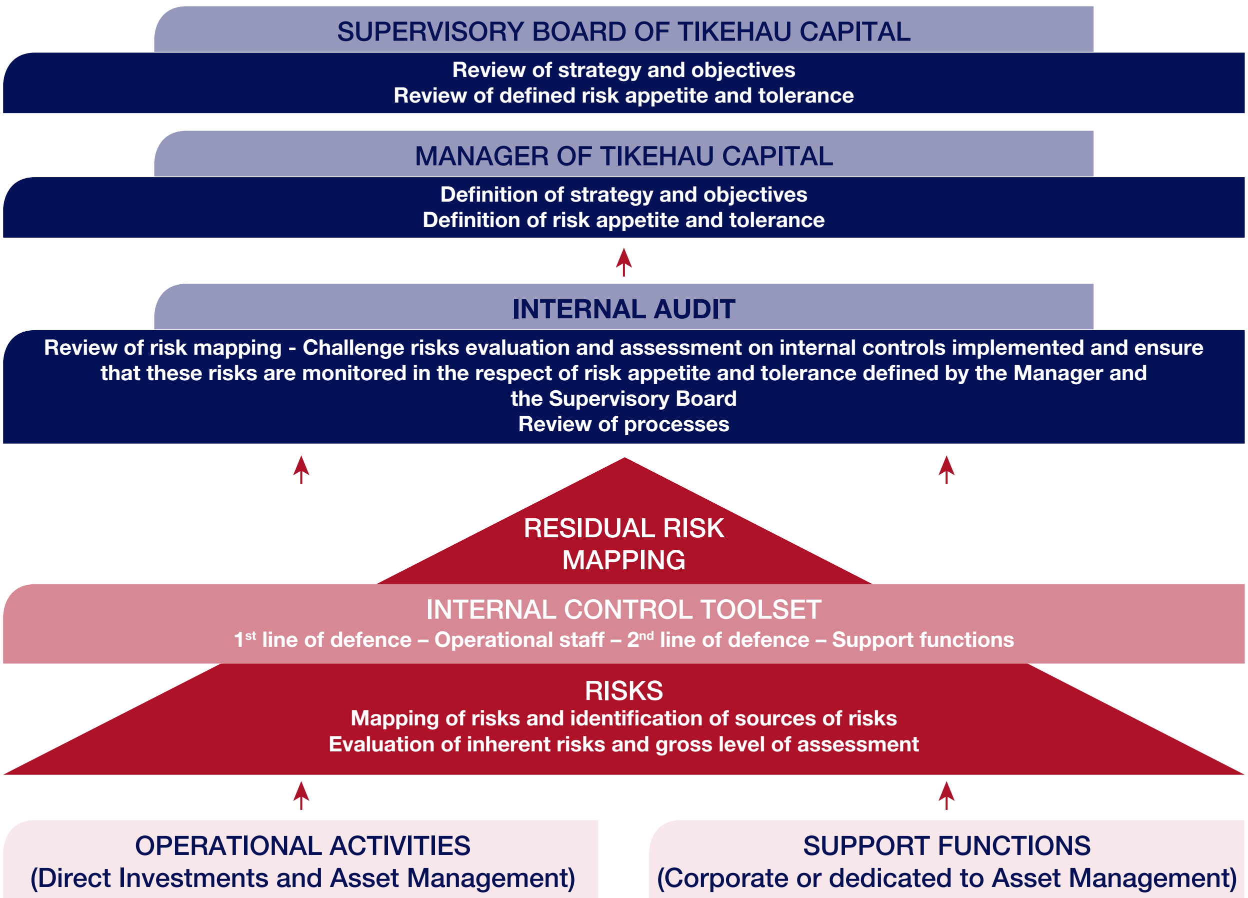
3.3.1 Definition and aims of internal control

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 Mangers 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 Manager 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 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:

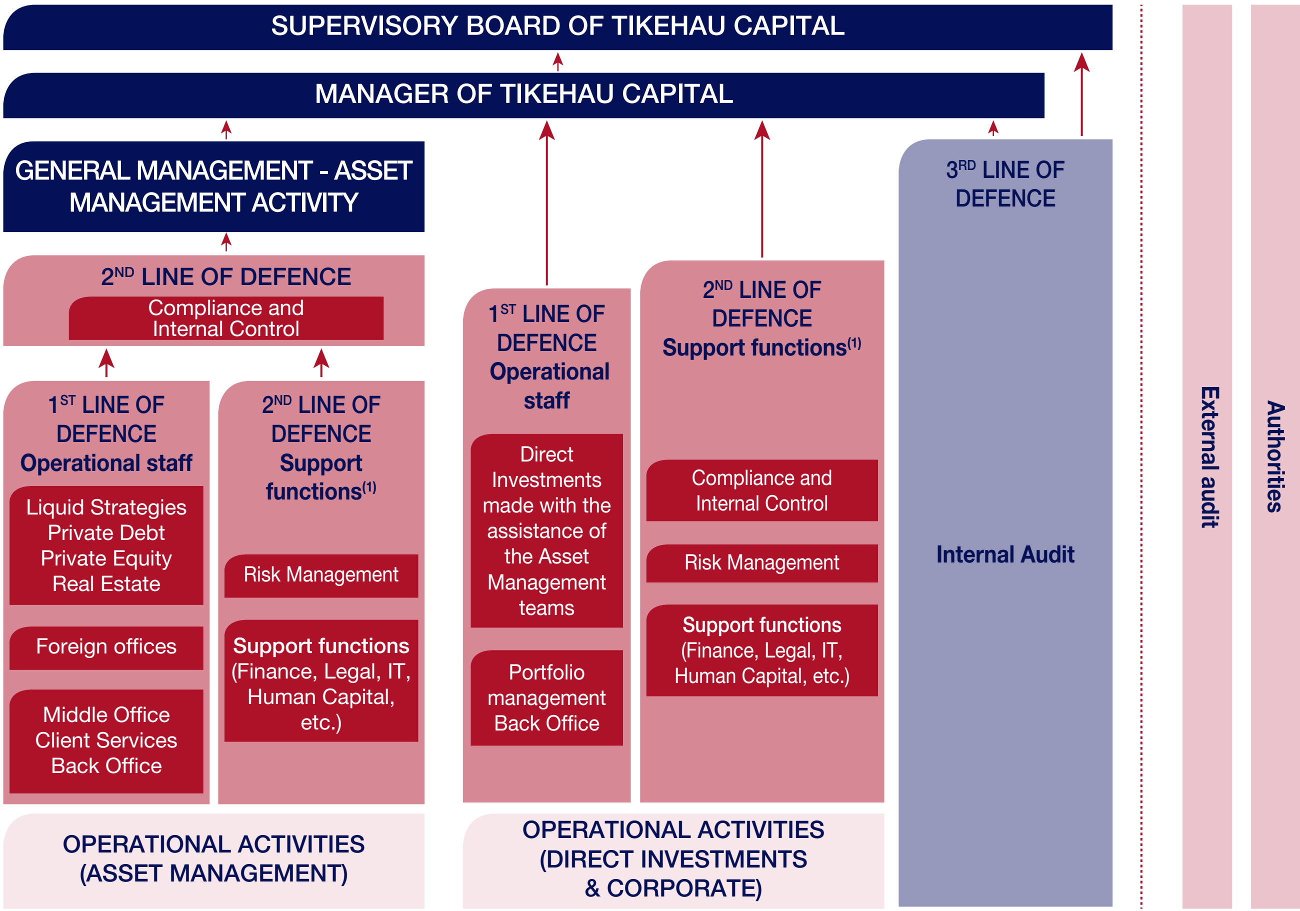
- to ensure the validity and completeness of transactions entered in the accounts of the Company and its subsidiaries;
- to ensure that management actions fall within the strategic guidelines adopted by the Managers or the Management and that they comply with the Group's Internal Rules;
- to confirm 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.

3.3.2 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 activity in accordance with the specific regulations applicable (AIFM Directive, MIFID, MAS, etc.) and, secondly, for its Direct Investment activity 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:



(1) 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 4.4.2 (Committees of the Supervisory Board - Audit and Risk Committee) of this Registration Document).

Manager(s)

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.

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 and Internal Control Department constantly ensure, 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.

The compliance and Internal Control Department performs second-level controls and directs the permanent control system.

Risk management

The risk management teams carry out second-level controls, mainly on market risks, and define the values of investments made by the funds under management. Given the nature of its activities, the risk management teams are held in common by the two asset 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.

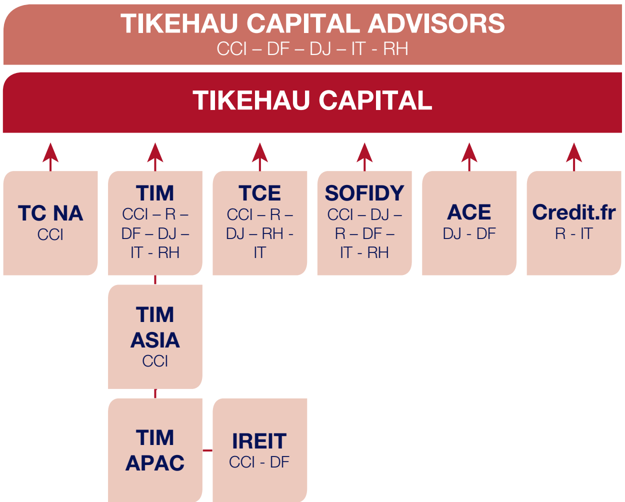
The IT teams dedicated to business management tools report to the CEO of Tikehau IM and the IT infrastructure teams report to the Deputy CEO of Tikehau Capital Advisors.

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).

3.3.3 Risk mapping

In 2017, the Internal Audit Department launched a consolidated inventory of the major risks facing the Group, applying the following methodology:

Identification and documentation of major risks

Interviews were carried out at the end of 2018 with 36 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.

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).

The scale of the risk was also assessed based on the number of times each risk was reported by the teams.

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 means failing to match the aims, ineffectiveness of cross-business line processes, execution risks, reputation and service quality risks and compliance risks (regulatory, legal or tax).

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.

3.3.4 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 activity, on the compliance manuals of Tikehau IM or Tikehau Capital Europe.

As the acquisitions of Sodify and ACE Management took place in mid-December 2018, their internal control and management system is not discussed in this Section, which is dedicated to the system that existed during December 2018.

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 (NAV) 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 input 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.

Transactions in closed-end funds are input to the eFront® tool. At each NAV date, information input to eFront® is reconciled with the statements drawn up by the custody account keepers.

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 the monitoring and control of valuations which is as far as possible automated for open-ended investment funds.

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

3.

- 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.

Second level of internal control – Risk management and Compliance and internal control 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 and internal control teams on the activities managed by Tikehau IM.

The Compliance and Internal Control 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 Compliance Officer, the Head of Risks, the Chief Investment Officer (CIO) and Operational Managers with the Group Head of Internal Audit as permanent guest member.

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 Risks, Chief Operating Officer (COO) and Head of Group Compliance. The Head of Group internal audit is a permanent guest member.

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. These controls are detailed in the following section below.

Third level of internal control – Internal audit

The third level of control is exercised by the Internal Audit Department, which conducts periodic independent checks. 3.

Third-level controls carried out on Tikehau IM Direct Investment activity

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.

In 2018, monitoring was carried out on the application of procedures to create new funds, the treatment of arranger and structuring fees and compliance with deadlines for closing the financial statements of funds under management.

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 2018, 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 3.3.3 (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.

A multi-year audit plan was submitted to the Audit and Risk Committee meeting of December 2018. Based on analysis of the Group's organisation and mapping of major risks, it sets out audit programmes for the independent Asset Management entities (company, branch or subsidiary) and the business line and back-office cross-functional activities, covering each theme over at least a three year horizon.

3.3.5 Investment valuation activities

Valuation systems implemented for Tikehau IM's activities

The 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 10.5) 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 otherwise. 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 10.5), 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. 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, executive directors of Tikehau IM, 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.

In accordance with the principles of independence required by the AIFM Directive (see the Glossary in Section 10.5), a quarterly Valuation Committee has been established to review and monitor the values of Real Estate assets invested in the funds.

The Committee may meet more frequently as needed. The Valuation Committee is responsible for monitoring and validating valuations of the assets in the Real Estate funds managed by Tikehau IM. 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, executive officers of Tikehau IM, the Head of the Middle Office and the Managers of the Real Estate 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.

Private Equity

The Private Equity funds mainly consist of non-listed equity instruments, 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 10.5), 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. 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, executive officers of Tikehau IM, the Head of the Middle Office and the Managers of Private Equity 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.

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.

Valuation systems implemented for Direct Investment activities

The Direct Investments 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 filing 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.

3.3.6 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 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.

3.3.7 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.

An ethical code has been issued to all Group employees. It aims to specify the obligations of Group employees to comply with regulations and professional ethics for third-party managers and the environment for listed companies. This procedure is based on regulations governing Tikehau Capital's business and generally accepted professional codes of conduct, including key professional associations (AFG, France Invest) of which Tikehau Capital is a member.

The main subjects it addressed were the following:

- the procedures for protection and management of personal and/or insider data and confidentiality (including physical security, clean desk policy and professional confidentiality obligation);
- the rules for written communication and social media;
- personal transactions;
- rules, invitations and other benefits to employees;
- procedures for combating money laundering and the financing of terrorist activities and procedures for management of market abuse;
- whistle-blowing procedures for potential cases of non-compliance.

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 assets of the clients-investors

With particular regard to conflict of interest management, Tikehau Capital 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-investors

The Group Compliance and Internal Control Department sends all Tikehau Capital companies and their managers, all necessary information for the prevention of potential conflicts of interest. The Department updates this conflict of interest management and prevention procedure and records 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.

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-investors (fund investors and mandates) and these group structures. The application of the allocation policy is validated and monitored by the compliance and internal control teams.

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.

3.3.8 Internal control procedures relating to the preparation and treatment 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.

Teams involved in the preparation and treatment of the financial and accounting information of Tikehau Capital

Finance Department by Tikehau Capital Advisors

The Finance Department of Tikehau Capital Advisors has responsibility for the core areas of finance and treasury, financial control and internal control, second-level monitoring of the investment portfolio and internal financial 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.

The quarterly accounts inform the preparation of the summarised financial statements which are analysed as a note to Senior Management.

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 the Valuation Committee. Provisions for proceeds and expenses are booked by accounting teams based on reports sent by the teams ordering the expenses.

A cash flow analysis is prepared every week to monitor the roll out of the Company's investment and financing policy. It is reconciled with the financial statements each quarter.

IT 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. Implementation in Belgium was completed by end-2018.

This IT package includes 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) including an analysis of actual versus budgeted results.

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;
- half-year controls by the Statutory Auditors; and
- the review of financial statements by the Group Internal Audit Department.

3.4 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.

4.

CORPORATE GOVERNANCE

4.1 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 8.2 (Main provisions of the Company's Articles of Association) of this Registration Document.

The Company uses the AFEP-MEDEF Code [(1)] 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.

4.1.1 The Manager

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 fully-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, does not hold any 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 €4.1 million as at 31 December 2018. Tikehau Capital General Partner has no employees.

Corporate officers

The Chairman of Tikehau Capital General Partner is the company AF&Co, and the 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 does not hold any 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:
http://www.afep.com/wp-content/uploads/2018/06/code-Afep_Medef-révision-du-20-juin_VF. pdf

ANTOINE FLAMARION

4.

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 of the registration date of this Registration Document, AF&Co and Mr Antoine Flamarion do not hold any shares in the Company.

Nationality: French.

Expiry of term of office

Mr 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

Mr 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 as at 31 December 2018:

- 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 Supervisory Board of Selectirente (SA – listed company)

Offices and positions held during the last five years:

- 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)
- Permanent representative of AF&Co on the Board of Directors of Sofidy (SA)
- 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)

MATHIEU CHABRAN

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 Paris Trade and Companies Register 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 Chabran cofounded Tikehau Capital in 2004.

Mr 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

412 West 15th ST 18th Floor, New York NY 10011 United States of America

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

Mr 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

Mr 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. Mr Mathieu Chabran is CEO of Tikehau IM and oversees all of the Group's investments as Group Chief Investment Officer.

Offices and positions held as at 31 December 2018:

- 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)
- Chairman and Sole Director of MCH North America Inc. (American company)
- Chairman of the Board of Directors of Tikehau Capital North America LLC (American 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)

4.1.2 Presentation of the Supervisory Board

Composition of the Supervisory Board

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.

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 (1)	End date of office
Members of the Supervisory Board			
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 (2)	1958	21 December 2016	2021 (General Meeting convened to approve the accounts for FY 2020)
Jean-Louis Charon (2)	1957	7 November 2016	2020 (General Meeting convened to approve the accounts for FY 2019)
Florence Lustman (permanent representative of Fonds Stratégique de Participations	1961	28 February 2017	2021 (General Meeting convened to approve the accounts for FY 2020)
Remmert Laan (3)	1942	6 December 2018	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 (2)	1968	28 February 2017	2022 (General Meeting convened to approve the accounts for FY 2021)
Constance de Poncins (2)	1969	28 February 2017	2022 (General Meeting convened to approve the accounts for FY 2021)
Léon Seynave (2) (4) (permanent representative of Troismer)	1944	7 November 2016	2020 (General Meeting convened to approve the accounts for FY 2019)
Non-voting member (*censeur*)			
Jean-Pierre Denis (5)	1960	25 May 2018	2022 (General Meeting convened to approve the accounts for FY 2021)

(1) For members that are corporations, this is the date of appointment of the permanent representative.
(2) Independent member.
(3) Mr Remmert Laan was co-opted by the Supervisory Board at its meeting of 6 December 2018, as a replacement for Mr Jean-Pierre Denis.
(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.
(5) Mr Jean-Pierre Denis resigned as member of the Supervisory Board on 25 May 2018. On the same date, he was appointed non-voting member for a term of four years, expiring at the close of the General Meeting held in 2022 to approve the financial statements for financial year 2021.

4.

Committees of the Supervisory Board

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 4.4 (Preparation and organisation of the work carried out by the Supervisory Board) of this Registration Document.

The composition of the Committees of the Supervisory Board is as follows:

Audit and Risk Committee
Jean-Louis Charon, Chairman (independent member)
Roger Caniard
Constance de Poncins (independent member)

Appointment and Remuneration Committee
Fanny Picard, Chair (independent member)
Jean Charest (independent member)
Léon Seynave (independent member)

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 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 offices:

Chairman of the Company's Supervisory Board

Expertise and past experience in management:

Mr 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.

Offices and positions held as at 31 December 2018:

- Director of Christian Dior (SE – listed company)
- Director of Christian Dior Couture (SA)
- Manager of Parc Monceau (SARL)
- Chairman of TCA Partnership (SAS)
- Director of Tikehau Capital Belgium (Belgian company controlled by the Company)
- Director of the Fondation Nationale des Arts Graphiques et Plastiques
- Non-voting member and permanent representative of Parc Monceau, on the Supervisory Board of Beneteau (SA – listed company)
- Permanent representative of Tikehau Capital on the Board of Directors of "Les Dérivés Résiniques et Terpéniques— DRT" (SA)

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)
- Permanent representative of Salvepar on the Board of Directors of "Les Dérivés Résiniques et Terpéniques— DRT" (SA)

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.

Offices and positions held as at 31 December 2018:

- 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
- Director of MFPS
- CEO of Médiservices Partenaires
- Permanent representative of the MACSF épargne retraite on the Board of Directors of Tikehau Capital Advisors (SAS)

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, Montréal (Québec), H3B 0A2, Canada

Current office: Partner at the McCarthy Tétrault law firm (Canada)

Expertise and past experience in management:

Mr 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.

Offices and positions held as at 31 December 2018:

- Partner, Senior Lawyer and Strategic Advisor: Cabinet McCarthy Tétrault (Canada)
- Member of the Supervisory Board of Publicis Groupe (SA – listed company), Chairman of the Audit Committee and member of the Appointment Committee
- Chairman of the Board of Directors of Windiga Energie
- Director of the Asia Pacific Foundation of Canada
- Honorary Chairman of Canada-ASEAN Business Council (Singapore)
- Member of the Canadian Council of the North American Forum (Canada)
- Member of the Advisory Board of the Canadian Global Affairs Institute (Canada)
- Member of the Canadian Group of the Trilateral Commission (Canada)
- Member of the Advisory Group of Canada's Ecofiscal Commission
- Member of the Africa Forum Advisory Board (Canada)
- Chairman of the Board of Governors of The Federal Idea (Canada)
- Member of the Advisory Board of the Woodrow Wilson Institute (Canada)
- Member of the Board of Directors of Ondine Biomedical (Canada)
- Honorary Member of the Board of Directors of the Council of the Great Lakes Region (Canada)
- Member of Leaders for Peace (France)
- Co-Chairman of the Canada UAE Business Council (Canada)
- Chairman of Chardi Inc. (Canada)

Other offices held in the past five years and no longer held to date:

- National Co-Chairman and spokesman: Mouvement Canada 2017 Redonner (Canada)
- Steering Committee Chairman: Partnership for Natural Resource Trade (Canada)

4.

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 2021)

Business address: 11, rue des Pyramides,

75001 Paris, France

Current office: Chairman of City Star

Expertise and past experience in management:

Mr Jean-Louis Charon is a former student of École Polytechnique and 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 10.5) 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.

Offices and positions held as at 31 December 2018:

- 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)
- Manager of 118 rue de Vaugirard (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 KRD 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)
- 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 (SA)
- Permanent representative of Holdaffine on the Board of Affine (SA – listed company)

JEAN-PIERRE DENIS

(NON-VOTING 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:

Mr 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 to 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.

Offices and positions held as at 31 December 2018:

- 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 Ségur (SAS)
- Director of Kering (SA – listed company)
- Director of Nexity (SA – listed company)
- Non-voting member of the Board of Directors 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 Altrad Investment Authority (SAS)
- 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

Offices and positions held by Fonds Stratégique de Participations as of 31 December 2018:

- 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:

Ms Florence Lustman is a former student of École Polytechnique and Institut d'Etudes Politiques in Paris. She is also a graduate of the IAF (Institut des Actuaires 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.

Offices and positions held as at 31 December 2018:

- 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)
- Permanent representative of Fonds Stratégique de Participations on the Board of Directors of Tikehau Capital Advisors (SAS)

Other offices held in the past five years and no longer held to date:

None.

REMMERT LAAN

Non-independent member

Nationality: French and Dutch

Year of birth: 1942

Date of first appointment: 6 December 2018 (date of co-opting by the Supervisory Board)

Term of office expires: 2021 (General Meeting convened to approve the accounts for FY 2020)

Business address: 30 rue de Miromesnil,
75008 Paris, France

Expertise and past experience in management:

Mr Remmert Laan holds a Civil Law degree from the University of Leiden (Netherlands) and was awarded an MBA by INSEAD in 1970. From 1970 to 1973, he was management advisor at Cresap and McCormick & Paget Inc. in New York. In 1979, he joined Lazard Frères & Cie in Paris, where he was Managing Partner from 1986 to 2002. From 2006 to 2016, he was Deputy-Chairman of Leonardo & Co. and Banque Leonardo in Paris. During his career, Mr Remmert Laan has held seats on numerous Boards of Directors, including at Alcatel, KLM NV, Vedior NV, Myoscience Inc., Forest Value Investment Management SA., Saint Louis Sucre SA, OCP SA and Laurus. He has also been a member of the Supervisory Boards of KKR Guernsey GP Limited, AB InBev SA and Patrinvest SA, and a member of the Board of Directors of the INSEAD Foundation.

Offices and positions held as at 31 December 2018:

- Director of Tikehau Capital Belgium (Belgian company)
- Director of Laan & Co BV (Dutch company)
- Chairman of Forest & Biomass S.A. (Luxembourg company)

Other offices held in the past five years and no longer held to date:

- Director of Patrinvest S.A. (Luxembourg company)
- Member of the Supervisory Board of KLM N.V. (Dutch company)
- Manager of Laan & Co Belgium B.V.B.A. (Belgian company)

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:

Ms 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.

Offices and positions held as at 31 December 2018:

- Permanent Representative of Crédit Mutuel Arkéa on the Supervisory Board of Younited (SA)
- Non-voting member of the Board of Directors of Vermeg Group N.V. (Dutch company)
- 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 and Alter Equity 3P II

Expertise and past experience in management:

Ms Fanny Picard is a graduate of ESSEC and SFAF with a master's degree in law and a former student at 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. Prior to 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.

Offices and positions held as at 31 December 2018:

- Chair of Alter Equity SAS, Asset Management company of the FPCI Alter Equity 3P and Alter Equity 3P II
- Member of the Board of Directors of GL Events (SA – listed company)
- Member of the MEDEF Governance Committee
- Member of the Committee of Experts of the Institut du Capitalisme Responsable
- Member of the Strategic Committee of Bo. Ho Green (SAS)
- Member of the Steering Committee of the fund BNP Paribas Social Business Impact France
- Member of the Steering Committee of the Siel Bleu foundation
- Vice-Chairman 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)
- Member of the Strategic Committee of Eficia (SAS – formerly ECO GTB)
- Member of the Board of Directors of Remade (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, savers' association related to savings, pensions, provident and health insurance

Expertise and past experience in management:

Ms 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 Neuflize Vie as Technical and Investment Director and Director of Asset/Liability Commitments. Since 2015 she has been Executive Officer of the savers' association AGIPI.

Offices and positions held as at 31 December 2018:

- Executive Officer of the savers' association AGIPI
- 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
- Permanent representative of AGIPI Retraite within FAIDER (*Fédération des Associations Indépendantes de Défense des Épargnants pour la Retraite*)
- Treasurer and General Secretary of APEPTV (an organisation dedicated to the protection of the environment and heritage of the French municipalities of Villedieu les Bailleuls and Tournai sur Dives)

Other offices held in the past five years and no longer held to date:

- 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 and positions held by Troismer as at 31 December 2018:

- Director of Lasmer (NV – Belgian company)
- Director of De Groodt (NV – Belgian company)
- Director of Codevim (NV – Belgian company)
- Manager of Five Trees (BVBA – 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

Permanent representative of Troismer (independent member)
Member of the Appointment and Remuneration Committee

Nationality: Belgian
Year of birth: 1944
Date of first appointment: 21 December 2016
Business address: Bosweg 1 B-1860 Meise,
Belgium
Current office: Managing Director of an investment group

Expertise and past experience in management:
Mr Léon Seynave is a graduate of 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.

Offices and positions held as at 31 December 2018:

- Permanent representative of Lasmer NV on the Board of Directors of De Persgroep (NV – Belgian company)
- Chairman of T-Groep (NV – Belgian company)
- Permanent representative of Lasmer NV, Chairman of the Board of Directors of Stanhope Capital (LLP – British company)
- Permanent representative of Lasmer NV on the Board of Directors of (NV – Belgian company)
- Permanent representative of Lasmer NV on the Board of Directors 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)

4.1.3 Practices of the Supervisory Board

The practices of the Supervisory Board of the Company are governed by the law and regulations, the Company's Articles of Association (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 4.4 (Preparation and organisation of the work carried out by the Supervisory Board) of this Registration Document.

4.2 GENERAL SHAREHOLDERS' MEETINGS

4.2.1 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.

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 0.00am, 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 authorised 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;
- 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 authorised 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 0.00am, Paris time, shall not be notified by the authorised 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 centraliser, 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 0.00am, 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.

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 authorisation, 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.

4.2.2 General Shareholders' Meetings of the Company in 2018

In 2018, a single General Shareholders' Meetings was held (25 May 2018). During this Meeting, all resolutions recommended by the Manager were approved.

The documents relating to the General Meeting of 25 May 2018, as well as the results of the vote on each resolution, are available on the Company's website (under the heading Shareholders/AGM: http://www.tikehaucapital.com/en/shareholders/agm).

4.

4.3 REMUNERATION, ALLOWANCES AND BENEFITS

As part of the preparatory work for the Company's listing, the General Meeting of 7 November 2016 decided to convert the Company into a *société en commandite par actions* (partnership limited by shares). 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 Manager received full payment for the first time in 2017, in respect of financial year 2017, and the members of the Supervisory Board received attendance 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.

Nevertheless, at the General Meeting of 22 May 2019, the Company will, for the first time, seek the opinion of shareholders on the components of the remuneration payable or allocated to the Chairman of the Supervisory Board. It intends to renew this process every year, in accordance with the recommendations of the AFEP-MEDEF Code (to which the Company complies).

4.3.1 Remuneration of the Manager-General Partner

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 the previous financial year. This remuneration shall be paid 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.

As much 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 interests received by the Group (see Section 1.4.1(b) (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.

Preferred dividend (*dividende préciputaire*) 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 (*préciput*) 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 interests received by the Group (See Section I.4.1(b) (Tikehau Capital’s business model) of this Registration Document).

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 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 interests on the closed-end funds managed by the Group’s asset management companies. Added to that is the share in the carried interests received by a shareholder structure of Tikehau Capital Advisors, which brings together some 60 corporate members of the Group (for 20%). (On carried interests, see Section 1.4.1(b) (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 8.3.2(b) (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 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.

Pursuant to the statutory provisions set out in (i) above, for financial year 2018, Tikehau Capital General Partner is entitled to receive remuneration of €50,593,359 (including the 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 2018 which is subject to approval by the Annual General Shareholders' Meeting of 22 May 2019 (3rd Resolution – See Chapter 9 (Annual General Shareholders' Meeting) of this Registration Document).

Since the Company posted a net loss for 2018, in compliance with the above-mentioned provisions of the Company's Articles of Association, Tikehau Capital General Partner is not entitled to a preferred dividend in respect of 2018.

The table below shows the amounts received or to be received by Tikehau Capital General Partner for the years 2018, 2017 and 2016 as Manager and the sole general partner of the Company.

(in millions of euros)	**Amounts to be received for for financial year 2018**	**Amounts received for for financial year 2017**	**Amounts received for for financial year 2016** [(1)]
Remuneration for the duties of Manager of the Company [(2)]	50.6	26.8	1.1 [(3)]
Preferred dividend as sole general partner [(4)]	–	34.0	–
TOTAL	**50.6**	**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 and include the share of non-recoverable VAT.
(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 (i.e., €271.9 million for 2017), while the net result for 2018 amounted to a loss).

4.

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 4.5.1 (Description of new or ongoing material 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 a portion of the share capital of Tikehau Capital Advisors, does not reflect an executive's managerial incentive within the meaning of the AFEP-MEDEF Code.

4.3.2 Remuneration of the Chairman of the Supervisory Board

In accordance with the recommendations of the AFEP-MEDEF Code (to which the Company complies), at the General Meeting to be held in 2019, the Company will, for the first time, seek the opinion of its shareholders on the remuneration payable or allocated in respect of the past financial year to Mr Christian de Labriffe as Chairman of the Supervisory Board – an office which makes him a non-executive corporate officer under the AFEP-MEDEF Code. The Company intends to repeat this process every year thereafter.

Components of the remuneration payable or allocated in respect of the 2018 financial year	Gross amount or book value	Description
Annual fixed remuneration	–	No fixed annual remuneration is payable or has been allocated to Mr Christian de Labriffe in respect of the 2018 financial year[1]. At its meeting of 20 March 2019, the Supervisory Board decided to award Mr Christian de Labriffe a fixed non-salary remuneration of €460,000 for his duties as Chairman of the Supervisory Board, based on the recommendation given by the Appointment and Remuneration Committee at its meeting of 15 March 2019. This fixed annual remuneration will be payable for the first time in respect of the financial year 2019. It will be put before the shareholders of the Company in accordance with the recommendation of paragraph 26 of the AFEP-MEDEF Code for the first time at the Annual General Meeting of Shareholders of the Company which will be held in 2019, then each year. The granting of fixed remuneration of €460,000 to the Chairman of the Supervisory Board appeared to be justified, given the increased scope of the role of the Supervisory Board and, with it, that of its Chairman. The amount of this fixed remuneration was determined using a benchmark which takes into account both the remuneration of the Chairmen of the Supervisory Boards of *sociétés en commandite par actions* (partnerships limited by shares) and sociétés anonymes duales (private limited companies with a dual body structure) using companies that the Company deems to be comparable in terms of size, activity and organisational complexity. With the completion of several major external growth operations at the end of 2018, the continued internationalisation of the Group and the strengthening of its Asset Management platform, the Group accelerated implementation of its strategic plan, which altered its structure, profile and organisation, centralising more than ever the Supervisory Board's oversight functions. The Chairman of the Supervisory Board plays a key role within this organisation, and Mr Christian de Labriffe now dedicates all of his available time to his role as Chairman of the Company's Supervisory Board with a view to giving full powers to the Board to ensure permanent supervision of the management of the Company and of the Group's activities.
Annual variable remuneration	–	Not applicable – no variable annual remuneration is to be paid to Mr Christian de Labriffe.
Multi-annual variable remuneration in cash	–	Not applicable – no multi-annual variable remuneration in cash is to be paid to Mr Christian de Labriffe.
Stock options, free shares, performance shares or other such allocations	–	Not applicable – Mr Christian de Labriffe is not entitled to any stock options, free shares, performance shares or other such allocations.
Exceptional remuneration	–	No exceptional remuneration has been paid to Mr Christian de Labriffe for his duties as Chairman of the Supervisory Board since he took office on 22 March 2017.
Attendance fees	€41,500	This amount corresponds to the attendance fees payable to Mr Christian de Labriffe in respect of financial year 2018 for his duties as Chairman of the Supervisory Board. The total amount of attendance fees allocated to the Supervisory Board was set at €400,000 by the General Meeting of 25 May 2018. At its meeting of 29 March 2018, on the recommendation of the Appointment and Remuneration Committee, the Supervisory Board set the rules governing the allocation of attendance fees and decided that the Chairman of the Supervisory Board would receive a fixed portion of €25,000 and a variable portion of €2,750 for each Supervisory Board meeting he attends. The amount payable to Mr Christian de Labriffe in respect of the 2018 financial year corresponds to a 100% attendance rate.

Components of the remuneration payable or allocated in respect of the 2018 financial year	Gross amount or book value	Description
Benefits in kind	–	Not applicable – Mr Christian de Labriffe is not entitled to any benefits in kind.
Welcome bonus and severance pay	–	Not applicable – Mr Christian de Labriffe is not entitled to any compensation of this type.
Non-compete allowance		Not applicable – Mr Christian de Labriffe is not entitled to any compensation of this type.
Supplementary pension scheme		Not applicable – Mr Christian de Labriffe is not covered by any supplementary pension scheme.

(1) As Chairman of the Company's Supervisory Board, Mr Christian de Labriffe received attendance fees in respect of the 2017 and 2018 financial years as his sole remuneration. 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. In respect of 2018, Parc Monceau received fixed remuneration of €466,000 euros (exclusive of VAT). Further details on this service agreement are provided in Section 4.5.1 (Description of new or ongoing material agreements) of this Registration Document.

At its meeting of 20 March 2019, the Supervisory Board decided to award Mr Christian de Labriffe a fixed non-salary remuneration of €460,000 for his duties as Chairman of the Supervisory Board, based on the recommendation given by the Appointment and Remuneration Committee at its meeting of 15 March 2019. This fixed annual remuneration will be payable for the first time in respect of the financial year 2019. It will be put before the shareholders of the Company in accordance with the recommendation of paragraph 26 of the AFEP-MEDEF Code for the first time at the Annual General Meeting of Shareholders of the Company which will be held in 2019, then each year. The granting of fixed remuneration of €460,000 to the Chairman of the Supervisory Board appeared to be justified, given the increased scope of the role of the Supervisory Board and, with it, that of its Chairman. The amount of this fixed remuneration was determined using a benchmark which takes into account both the remuneration of the Chairmen of the Supervisory Boards of *sociétés en commandite par actions* (partnerships limited by shares) and sociétés anonymes duales (private limited companies with a dual body structure) using companies that the Company deems to be comparable in terms of size, activity and organisational complexity. With the completion of several major external growth operations at the end of 2018, the continued internationalisation of the Group and the strengthening of its Asset Management platform, the Group accelerated implementation of its strategic plan, which altered its structure, profile and organisation, centralising more than ever the Supervisory Board's oversight functions. The Chairman of the Supervisory Board plays a key role within this organisation, and Mr Christian de Labriffe now dedicates all of his available time to his role as Chairman of the Company's Supervisory Board with a view to giving full powers to the Board to ensure permanent supervision of the management of the Company and of the Group's activities.

4.3.3 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 25 May 2018 had allocated a total of €400,000 to the members of the Supervisory Board in respect of attendance fees for each financial year. Based on the recommendations of the Appointment and Remuneration Committee, the Supervisory Board had recommended, at its meeting of 29 March 2018, that this amount be submitted to the General Meeting in order to have the flexibility needed in the event of the appointment of additional Supervisory Board members or the need for additional meetings on the part of the Board or one of the Committees.

At the same meeting, concerning the Board's Committees, 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.

Furthermore, the members of any Committee set up within the Board 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.

This allocation rule applies to the members of the *Ad Hoc* Committee set up within the Supervisory Board for the acquisition of Sofidy.

At its meeting of 6 December 2018, the Board decided, on the recommendation of the Appointment and Remuneration Committee, to award part of the attendance fees allocated to it by the General Meeting to the non-voting member, who will receive:

- a fixed portion of €4,700; and
- a variable portion of €1,800 per Board meeting attended by the non-voting member.

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 been paid to the members of the Company's Supervisory Board during 2017 and prior years.

In 2018, at total of €271,500 in attendance fees was paid to Supervisory Board members in respect of the 2017 financial year, in accordance with the provisions described above.

Table 3 [(1)]— Attendance fees and other remuneration paid to non-executive corporate officers

		Amounts paid in 2018, in euros	Amounts paid in 2017, in euros
Chairman of the Supervisory Board			
Christian de Labriffe	Attendance fees	€36,000	–
	Other remuneration	– (2)	€69,437 (1) (2)
Members of the Supervisory Board			–
Roger Caniard	Attendance fees	€24,500	–
	Other remuneration	–	–
Jean Charest	Attendance fees	€27,250 (3)	–
	Other remuneration	–(4)	(4)
Jean-Louis Charon	Attendance fees	€35,500	–
	Other remuneration	–	–
Jean-Pierre Denis(5)	Attendance fees	€15,250	–
	Other remuneration	–	–
Florence Lustman (permanent representative of the Fonds Stratégique de Participations)	Attendance fees	€12,500	
	Other remuneration	€2,500(6)	-
Remmert Laan (8)	Attendance fees	-	–
	Other remuneration	–(9)	––(9)
Anne-Laure Naveos	Attendance fees	€18,000	–
	Other remuneration	–	–
Fanny Picard	Attendance fees	€26,750	€17,000(11)
	Other remuneration	–	–
Constance de Poncins	Attendance fees	€26,750	€9,000(11)
	Other remuneration	–	–
Léon Seynave(7) (permanent representative of Troismer)	Attendance fees	€27,250 (3)	–
	Other remuneration		
Natacha Valla (10)	Attendance fees	€18,000 (3)	–
	Other remuneration	–	–

(1) 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 2017, Mr Christian de Labriffe received an annual gross salary of €69,437 as total remuneration of any kind whatsoever from Salvepar or its affiliates 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.

(2) In his capacity as Chairman of the Company's Supervisory Board, the only remuneration that Mr Christian de Labriffe received for his office in respect of 2017 and 2018 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. In respect of 2017, Parc Monceau received fixed compensation of €466,000 (exclusive of VAT) and an exceptional bonus of €500,000 (exclusive of VAT) for investment or divestment transactions carried out in 2017 for which the involvement of Parc Monceau and Mr Christian de Labriffe were crucial. In respect of 2018, Parc Monceau received a fixed compensation of €466,000 euros (exclusive of VAT). Further details on this service agreement are provided in Section 4.5.1 (Description of new or ongoing material agreements) of this Registration Document.

(3) A withholding tax was deducted from this amount.

(4) A remuneration was paid by the Company to Mr Jean Charest under a service agreement signed on 27 March 2017 and ending on 30 June 2017. 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 Chairman. Under this agreement, the Company paid a remuneration to Chardi Inc. in 2017 and 2018. Further details on this service agreement are provided in Section 4.5.1 (Description of new or ongoing material agreements) of this Registration Document.

(5) Mr Jean-Pierre Denis resigned as member of the Supervisory Board on 25 May 2018. On the same date, he was appointed non-voting member for a term of four years, expiring at the close of the General Meeting held in 2022 to approve the financial statements for financial year 2021. In 2018, attendance fees were paid to him in respect of his duties as member of the Supervisory Board in 2017.

(6) This amount corresponds to the attendance fees paid to Fonds Stratégique de Participations (of which Ms Florence Lustman is the permanent representative) for its office as member of the Board of Directors of Tikehau Capital Advisors in 2017.

(7) 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.

(8) Remmert Laan was co-opted by the Supervisory Board at its meeting of 6 December 2018, as a replacement for Mr Jean-Pierre Denis.

(9) Tikehau IM paid remuneration of €100,000 (excl. taxes) in respect of 2017 and €50,000 (excl. taxes) in 2018 to Laan & Co Belgium B.V.B.A., a Belgian company that was controlled by Mr Remmert Laan and of which he was a manager, in respect of a service agreement signed with Tikehau IM on 9 February 2015 relating to the provision of advice and assistance in the drafting and implementation of Tikehau IM's development strategy in Benelux. This service agreement ended on 1 July 2018.

(10) Ms Natacha Valla resigned from her office as member of the Supervisory Board on 7 May 2018.

(11) These attendance fees correspond to attendance fee paid in 2017 in respect of the 2016 financial year for her office as a member of the Board of directors of Salvepar.

(1) Table derived from annex 4 of the AFEP-MEDEF Code.

4.3.4 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 two Tikehau Capital free shares plans replicating the terms of the Tikehau IM free shares plans that had been put in place in June 2016 within 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.

In line with the Group's remuneration policy, the Company awarded free shares to Group employees as part of their variable remuneration for 2017 and 2018, under five free share plans for eligible employees and corporate officers of the Company or related companies or corporate groups, approved by the Manager on 30 March 2018 (for the two plans corresponding to the variable remuneration in respect of 2017), and on 18 February 2019 (for the three plans corresponding to the variable remuneration in respect of 2018).

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.

These free shares plans are described in Section 8.3.2(b) (Free shares plans).

The description of the financial delegations approved by the General Shareholders' Meeting of the Company of 25 May 2018 (including in regard to allocation of free shares and stock subscription and or/purchase options) can be found in Section 8.3.3 (Summary of existing financial delegations and their use) of this Registration Document.

None of the Group subsidiaries have implemented stock subscription or purchase option plans or free shares plans.

4.3.5 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.

4.3.6 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.

4.4 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 4.4 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 team").

4.4.1 Supervisory Board

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 ten members including one non-voting member, presented in Section 4.1.2 (Presentation of the Supervisory Board) 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 in connection with the listing of the Company's shares on the regulated market of Euronext Paris (See Section 4.1.2 (Presentation of the Supervisory Board)).

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 Neuflize 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 8.4.2 (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 8.4 (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 4.1.2 (Presentation 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, the committees in which they serve, and the dates of commencement and expiry of their terms of office, is set out in Section 4.1.2 (Presentation of the Supervisory Board) 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 8.4.4 (Shares held by corporate officers).

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 team").

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 4.1.2 (Presentation of the Supervisory Board) of this Registration 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.

  On the registration date of this Registration Document, the Supervisory Board includes four women out of a total of ten members, representing a 40% rate of gender balance. It 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.

  As at 31 December 2018, the average age of the members of the Supervisory Board was around 59, with Mr Remmert Laan, aged seventy-six, being the only member above seventy-five years of age. The composition of the Supervisory Board thus complies with the provisions of the Articles of Association stipulating that the number of members over the age of seventy-five may not exceed one third of the members in office.

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.

At its meeting of 14 January 2019, the Appointment and Remuneration Committee conducted its annual review of the Supervisory Board's diversity policy and the results obtained in 2018. The results of this review were presented to the Board at its meeting of 20 March 2019.

It was recalled that the 2018 modifications to the composition of the Supervisory Board were the following: the resignation of Ms Natacha Valla from her office as member of the Supervisory Board on 7 May 2018, and the resignation of Mr Jean-Pierre Denis from his office as member of the Supervisory Board on 25 May 2018, followed by his appointment, on the same date, as non-voting member for a term of four years, as well as the co-opting of Mr Remmert Laan on 6 December 2018 to replace Mr Jean-Pierre Denis for the remainder of his term of office, *i.e.* until the General Meeting convened to approve the 2020 financial statements. This co-opting will be submitted to the General Shareholders' Meeting of 22 May 2019 for its approval.

At its meeting of 3 December 2018, the Appointment and Remuneration Committee examined the candidature of Mr Remmert Laan as a replacement to Jean-Pierre Denis with regard to the Board's diversity policy, paying special attention to qualification, professional experience, age and diversity criteria.

In view of Remmert Laan's qualifications, professional experience, international profile and extensive knowledge of the Group's activities, the Appointment and Remuneration Committee deemed that his co-opting would contribute to a good balance of knowledge, skills, experience and diversity within the Board, and thus unanimously issued a favourable opinion on his candidature.

At its meeting of 14 January 2019, the Appointment and Remuneration Committee noted that, instead of relying on a single Executive Committee for assistance with management decisions, the Manager calls on several *ad hoc* committees composed of representatives of the Group's senior management, each specialised in particular fields. The Appointment and Remuneration Committee noted that the top 10% high-responsibility positions within the Group are 22% held by women.

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, major banker or financing banker or major advisor (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 corporate governance report;
- 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.

As of the registration date of this Registration Document, the Supervisory Board is composed of five independent members out of its ten members, representing a proportion of independent members of 50%. 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 20 March 2019, 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 business ties between Mr Jean Charest and Tikehau Capital, as the service agreement between the Company and Chardi Inc, a company of which Jean Charest is manager and shareholder, ended on 31 December 2018, the Supervisory Board considered that all the criteria set out in Article 8.5 of the AFEP-MEDEF Code were met.
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. The Board also considered that the office of member and Vice-Chairman of the Supervisory Board of Selectirente exercised by Mr Jean-Louis Charon did not affect the independence of Mr Jean-Louis Charon since (i) the Company acquired indirect control of Selectirente *via* the acquisition of Sofidy and the Company did not consolidate it before this acquisition and (ii) Mr Jean-Louis Charon resigned on 5 April 2019 from his office within Selectirente following the tender offer launched by Tikehau Capital for Selectirente's shares and OCEANE bonds.
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.
Remmert Laan	No	Insofar as Mr Remmert Laan is a Director of Tikehau Capital Belgium, a fully-owned subsidiary of the Company, the Supervisory Board considered that Mr Remmert Laan 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 until 31 December 2018 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.
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 8.4.2 (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 significant business ties between Ms Fanny Picard and Tikehau Capital, as assessed by the Supervisory Board, the 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 identified conflict of interest, 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.

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, 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 4.4.5 (Conflicts of interest) of this Registration Document.

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 does 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.

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 found 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.

After a full year of operation to reflect on the appropriateness of appointing a lead member within the Supervisory Board, the Supervisory Board, upon advice of the Appointment and Remuneration Committee, concluded, at its meeting of 6 December 2018, that the duties that could be conferred to a lead member within the Supervisory Board seemed to be redundant with those of the Chairman of the Board. It thus decided to re-examine the matter in three years.

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 six times in the course of 2018. In 2018, the average attendance rate of the members of the Supervisory Board was 90.15%.

The main points discussed during the meetings of the Supervisory Board during the 2018 financial year were the following:

- governance:
  - approval of the 2017 Report of the Supervisory Board on corporate governance,
  - review of the independence of the members of the Supervisory Board,
  - review of the application of the AFEP-MEDEF Code,
  - approval of the changes made to the Supervisory Board's Internal Rules,
  - 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,
  - setting of the rules governing the allocation of attendance fees,
  - appointment of a non-voting member and co-opting of a new member,
  - evaluation of the composition and practices of the Supervisory Board;
- finance:
  - approval of the annual and consolidated financial statements for the financial year ended 31 December 2018,
  - review of half-year results as at 30 June 2018,
  - overview of assets under management as at 31 March 2018 and 30 September 2018,
  - report of the Supervisory Board to the Annual General Shareholders' Meeting;
- ESG/CSR:
  - update on the Group's ESG policy;
- strategy and operations:
  - presentation of the contemplated acquisition of Sofidy, appointment of an *Ad Hoc* Committee for this acquisition project, update on the progress of the Sofidy acquisition project and final review of the terms and conditions for the acquisition of Sofidy, review of the plan to launch a tender offer for the acquisition of Selectirente,
  - update on thecontemplated acquisition of ACE Management, and
  - updates on the activity, points of special vigilance, the results for each of the Group's business lines, the implementation of the strategy, 2018 estimated figures and outlook, the investment projects, and the investments and financing of the Company.

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 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. At its meeting of 3 December 2018, the Appointment and Remuneration Committee summarised the questionnaires received. On 6 December 2018, the Board devoted an item of its agenda to an in-depth analysis of the main conclusions reached in this assessment.

This assessment showed overall satisfaction with the composition, organisation and practices of the Supervisory Board and its Committees.

In response to a request made during this assessment, the Board Secretariat undertook to make every effort to provide the relevant documents further in advance of the meetings.

During the assessment, a question was raised concerning the possible creation of a committee dedicated to CSR and ESG issues. The Supervisory Board deemed that this proposal warranted further study and the Appointment and Remuneration Committee gave itself one year to put forward a recommendation on this subject.

The assessment enabled the Appointment and Remuneration Committee, and subsequently the Supervisory Board, to conclude their reflection on the possible appointment of a lead member within the Board. At its meeting of 14 December 2017, the Appointment and Remuneration Committee had in fact proposed that a reflection be initiated on the duties, responsibilities and status of such a lead member, giving the Board the benefit of one full year of operation before putting forward a recommendation. After examining the advice of the Appointment and Remuneration Committee, the Board deemed that the duties that could be entrusted to a lead member seemed to be redundant with those of the Chairman of the Board. It thus decided to re-examine the matter in three years.

4.4.2 Committees of the Supervisory Board

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 4.1.2 (Presentation of the Supervisory Board - 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.

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 Chairman of the Committee to add one or various points to the agenda, in accordance with the powers of the Committee. The Chairman 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 Chairman 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 2018 and the average attendance rate of the members of this Committee was 100%.

The main subjects it addressed were the following:

- review of the 2017 consolidated and annual financial statements and presentation by the Statutory Auditors of the conclusions of their work;
- review of the condensed consolidated financial statements for 1st half-year of 2018 and presentation by the Statutory Auditors of the conclusions of their work;
- review of the mapping of major risks;
- presentation of the internal audit plan for 2019–2021;
- presentation by the Statutory Auditors of their audit plan for 2018;
- review of auditor's fees for audits and other services provided by the auditors; and
- points of vigilance for the 2018 closing.

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 Chairman 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 Chairman of the Committee to add one or various points to the agenda, in accordance with the powers of the Committee.

The Chairman 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 Chairman 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 similar 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 three times in 2018 and the average attendance rate of the members of this Committee was 100%.

The main subjects it addressed were the following:

- governance and appointments:
  - Application of the AFEP-MEDEF Code,
  - review of the independence of each member of the Supervisory Board,
  - progress made in identifying ways to improve governance,
  - adoption of the diversity policy within the Supervisory Board,
  - gender equity within the Supervisory Board,
  - annual assessment of the Supervisory Board,
  - review of the candidature of Mr Remmert Laan as member of the Supervisory Board;
- remuneration:
  - modification of the missions of the Appointment and Remuneration Committee in the Board's Internal Rules,
  - principles of the Group's remuneration policy,
  - remuneration policy regarding staff covered by the AIFM and UCITS V directives and identification of employees subject to the requirements of the AIFM and UCITS V directives in terms of remuneration,
  - update on the general policy for the grant of stock options and free shares, and presentation of the proposed free shares plans,
  - attendance fee allocation rules,
  - update on the remuneration of the Manager,
  - remuneration of Mr Jean-Pierre Denis as non-voting member, and
  - modification of the service agreement entered into with Parc Monceau.

4.4.3 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 4.2 (General Shareholders' Meetings) of this Registration Document).

In accordance with Article R.225-85 of the French Commercial Code, a right of attendance shall be granted to those shareholders 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 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.

4.4.4 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:

http://www.afep.com/wp-content/uploads/2018/06/code-Afep_Medef-révision-du-20-juin_VF. 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 4.4.6 (Application of the AFEP-MEDEF Code) of this Registration Document.

4.4.5 Conflicts of interest

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 the Supervisory 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 Supervisory Board.

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 4.1 (Administrative and management bodies) or Section 8.4 (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, with respect to the Company, of the members of the Supervisory Board and the Manager of the Company, and their private interests.

To supplement the information contained in this Registration Document in Section 4.4.1 (Supervisory Board), the following information, reviewed in 2019, 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 business ties have been identified between the Group and Mr Jean Charest, as the service agreement between the Company and Chardi Inc – a company of which Jean Charest is manager and shareholder (described in Section 4.5.1 (Description of new or ongoing material agreements) of this Registration Document), ended on 31 December 2018.
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 (non-voting member)	The group Crédit Mutuel Arkéa to which Mr Jean-Pierre Denis belongs is a major investor in vehicles managed by the Group.
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 the Group's asset management companies but these investments are not likely to create a situation of conflict of interest given their amount and their passive nature.
Remmert Laan	No significant business relationship has been identified between the Group and Mr Remmert Laan, as the service agreement between Tikehau IM and Laan & Co Belgium B.V.B.A. – a Belgian company that was controlled by Mr Remmert Laan and of which he was Manager– ended effective 1 July 2018.
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 and under a service agreement (described in Section 4.5.1 (Description of new or ongoing material agreements) of this Registration Document). This agreement was in force throughout the 2018 financial year and was terminated in 2019 with effect from 31 December 2018.
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.
Fanny Picard	The Company has made investments in vehicles that are partly managed by Ms Fanny Picard. However, in view of the passive nature of these investments and there aggregate amount in relation to (i) the assets managed by the Asset Management company involved, and (ii) the Company's investment portfolio, it was considered that this business relationship would not call into question 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.

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 as at 31 December 2018, holds 29.7% 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 8.4.2 (Control of the Group) and 3.1.8 (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 a partnership limited by shares and with the organisation of Tikehau Capital.

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 prevention of insider misconduct and compliance in force within the Group is provided in Section 3.3.7 (Prevention of insider misconduct and compliance) of this Registration Document.

4.4.6 Application of the AFEP-MEDEF Code

At the registration date of this Registration Document, 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
10.3. **Organisation of a meeting of the Supervisory Board without the presence of executive corporate officers** It is recommended that a meeting not attended by the Executive Directors be organised each year.	The Supervisory Board meeting of 6 December 2018 was partly held without the presence of the Manager's representatives, who left the meeting when the agenda items regarding governance were examined, including the report of the Appointment and Remuneration Committee on its work, the presentation of the results of the annual assessment concerning the composition and practices of the Supervisory Board, and various matters relating to the remuneration of the members of the Supervisory Board and its non-voting member.
16.2.2 **Establishment by the Appointment Committee of a replacement plan for executive corporate officers** 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 a*d hoc* committee by the Board. The Chairman may take part or be involved in the Committee's work during the conduct of this task.	The Company's Appointment and Remuneration Committee does not have the power to draw up the plan of succession for the Manager 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 Manager's representatives which is discussed by Tikehau Capital Advisors.
19 **Code of ethics for directors** Directors must notify the board of any actual or potential conflict of interests situation and refrain from attending the relevant discussion or taking part in the relevant vote.	A service agreement was concluded on 29 March 2017 between the Company and Parc Monceau, a company controlled by Mr Christian de Labriffe of which he is manager. The combination of such a service agreement with the role of Chairman of the Supervisory Board is permitted by law and the agreement has mechanisms designed to prevent conflicts of interest from arising and to ensure the primacy of the duties of Chairman of the Supervisory Board. However, in light of the changes the Group and the Company's portfolio have undergone, and as this service agreement could be considered a source of conflicts of interest, the Company deemed it preferable to terminate it with effect from 31 December 2018 (for further details on the termination of this agreement, see Section 4.5.1 (Description of new or ongoing material agreements) of this Registration Document).
22. **Requirement for executive corporate officers to hold shares** The Board of Directors sets a minimum number of shares that executive corporate officers 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.	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, Tikehau Capital General Partner, the Company's Manager-General Partner, is a company wholly-owned by Tikehau Capital Advisors, which itself owns 29.7% of the share capital of the Company as at 31 December 2018.

Recommendations of the AFEP-MEDEF Code	Observations of the Company
24. The remuneration of executive corporate officers Article 24 of the AFEP-MEDEF Code contains provisions concerning the determination of the remuneration of executive corporate officers.	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. 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 interests on the Group's closed-end funds. Added to that is the share in the carried interests received by a shareholder structure of Tikehau Capital Advisors, which brings together some 60 corporate members of the Group (for 20%). 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 4.3.1 (Remuneration of the Manager-General Partner) of this Registration Document.)
25. Information on the remuneration policy applicable to corporate officers and award of stock options and performance shares Article 25 of the AFEP-MEDEF Code contains provisions concerning information on the remuneration of executive corporate officers.	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 4.3.1 (Remuneration of the Manager-General Partner) of this Registration Document.
26. The consultation of shareholders on the individual Executive Directors' remuneration	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, these remunerations are the subject of a specific communication to the shareholders of the Company and are included every year 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. The remuneration of the Chairman of the Company's Supervisory Board will be subject to an *ex post* vote at the Company's General Shareholders' Meeting held in 2019, and every year thereafter, in accordance with the recommendations of the AFEP-MEDEF Code.

4.5 RELATED PARTY TRANSACTIONS

Historical financial information (including the amounts involved) on transactions with related parties can be found in note 5.25 (Related parties) to the consolidated financial statements as at 31 December 2018, which are included in Section 5.1 (Annual consolidated financial statements as at 31 December 2018) of this Registration Document.

4.5.1 Description of new or ongoing material agreements

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 4.5.3 (Special reports 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.

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 Chairman. 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.

This service agreement was terminated with effect from 31 December 2018.

New material agreements

In 2018 and until 21 March 2019, pursuant to Article L.226-10 of the French Commercial Code, the Supervisory Board authorised (i) at its meeting held on 20 September 2018, the conclusion of an exclusive negotiation agreement between the Company and certain Sofidy shareholders in the presence of Sofidy, (ii) at its meeting held on 18 October 2018, the conclusion of a share purchase and contribution agreement between the Company and certain Sofidy shareholders, (iii) at its meeting of 6 December 2018, the conclusion of Amendment 1 to the service agreement between the Company and Parc Monceau and (iv) at its meeting of 20 March 2019, the termination of the service agreement between the Company and Parc Monceau.

Exclusive negotiation agreement between the Company and certain Sofidy shareholders concluded in the presence of Sofidy

On 20 September 2018, an exclusive negotiation agreement was concluded in the presence of Sofidy between the Company and certain Sofidy shareholders including the company AF&Co, Chairman of Tikehau Capital General Partner, the Manager of the Company, and Mr Antoine Flamarion, Chairman of AF&Co, in order to set the framework for discussions aimed at the acquisition of shares held by these Sofidy shareholders.

Under this exclusive negotiation agreement, the parties undertook to suspend any discussion that may be under way and refrain from entering into any new discussions or negotiations with a potential third-party investor. The parties also agreed that this exclusive negotiation agreement would not oblige them to conduct the planned transaction.

Share purchase and contribution agreement concluded between the Company and certain Sofidy shareholders

This share transfer agreement concluded on 19 October 2018 between the Company and certain Sofidy shareholders, including AF&Co, Chairman of Tikehau Capital General Partner and Manager of the Company, and Mr Antoine Flamarion, Chairman of AF&Co, enabled the Company to acquire control of Sofidy.

The merger plan arose from the operational complementarity of the two groups and resulted in the acquisition of 98.62% of the share capital of Sofidy on 17 December 2018.

While the Group's brand is well established with institutional investors and private banks, its access to wealth management advisors and individual clients is more limited. The acquisition of Sofidy enabled the Company to achieve its target of €20 billion in assets under management by 2020 two years ahead of guidance. In addition to the numerous synergies possible, this agreement also provides a better balance between the Company's various business lines and enables it to develop Real Estate alongside Private Debt (see Section 1.4.2(b) (Real Estate activity) of this Registration Document).

Amendment 1 to the service agreement between the Company and Parc Monceau

A service agreement, authorised by the Company's Supervisory Board on 22 March 2017, 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, 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 fixed 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. Amendment 1 to this agreement was signed on 20 December 2018 to cap the amount of the variable remuneration payable under this agreement to 50% of the fixed remuneration per year, i.e. €233,000 (excluding tax).

It was expected that Amendment 1 would enter into force on 1 January 2019. However, as the service agreement concluded between the Company and Parc Monceau was terminated with effect from 31 December 2018, amendment n° 1 did not take effect.

Termination of the service agreement between the Company and Parc Monceau

One of the main reasons for the agreement, i.e. monitoring of the residual long-term portfolio from Salvepar which is now incorporated into that of the Company following Salvepar's merger with the Company on 30 November 2017 by Mr Christian de Labriffe in the continuity of his former role as Chairman and Chief Executive Officer of Salvepar, was now more limited due to the increasingly marginal nature of this portfolio in the assets of Tikehau Capital. Under these conditions, the Company requested the opinion of the *Haut Comité de Gouvernement d'Entreprise* (High Committee for Corporate Governance) in early 2019 on the compatibility of this service agreement with the position of Chairman of the Supervisory Board held by Mr Christian de Labriffe. Although the combination of a service agreement and the role of Chairman of the Supervisory Board is permitted by law, the High Committee for Corporate Governance considered that an agreement of this nature was a source of conflicts of interest, and did not enable him to fulfil his duties within this in a satisfactory way with reference to the recommendations of the AFEP-MEDEF Code.

Moreover, the continuation of this agreement did not seem desirable in light of the increased scope of the role of the Supervisory Board and, with it, that of its Chairman. With the completion of several major external growth operations at the end of 2018, the continued internationalisation of the Group and the strengthening of its Asset Management platform, the Group accelerated implementation of its strategic plan, which altered its structure, profile and organisation. As the Group now consists of eight regulated entities including five asset management companies (Tikehau IM, Tikehau Capital Europe, Sofidy, ACE Management, IGG) and two listed property companies (IREIT Global and Selectirente) (for further details on the Group's main entities, see Section 1.1.1(c) (Group Structure) of this Registration Document) and has a presence in eight countries (nine following the opening of an office in Tokyo in 2019), the oversight functions of the Supervisory Board are more crucial than ever. The Chairman of the Supervisory Board plays a key role within this organisation, and Mr Christian de Labriffe now dedicates all of his available time to his role as Chairman of the Company's Supervisory Board with a view to giving full powers to the Board to ensure permanent supervision of the management of the Company and of the Group's activities.

For all these reasons, and although the agreement had mechanisms designed to prevent conflicts of interest situations and ensure the primacy of the duties of Chairman of the Supervisory Board, the Company considered it preferable to terminate it early.

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 Supervisory Board may also request that member does not participate in the discussion and vote".

These agreements will be subject to approval by the Annual General Shareholders' Meeting convened to approve the financial statements for the year ending 31 December 2018. Additional information on these agreements can be found in the special reports of the Statutory Auditors in Section 4.5.3 (Special reports of the Statutory Auditors on regulated agreements and commitments) of this Registration Document.

4.5.2 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 and was then re-invoiced to the entities concerned in the manner described above.

From financial year 2018, the Group's IT assets and IT purchasing policy are being refocused on the Company, which will support the Group's IT resources and then 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 millions of €)	Before cost-pooling	After cost-pooling	Difference
Costs incurred or borne by Tikehau Capital Advisors	-0.6	-0.8	-0.2
Costs incurred or borne by the Company and its subsidiaries	-5.4	-5.2	0.2
TOTAL	**-6.0**	**-6.0**	**-**

4.5.3 Special reports of the Statutory Auditors on regulated agreements and commitments

(a) Special report of the Statutory Auditors dated 29 March 2019 on regulated agreements and commitments

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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

Special report of the Statutory Auditors on regulated agreements and commitments

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 General Shareholders' Meeting.

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 information given to us is consistent with the underlying documents.

Agreements and commitments submitted to the approval of the Shareholders' Meeting

Agreements and commitments authorised and concluded during the financial year just-ended

In accordance with Article L.226-10 of the French Commercial Code, we have been informed of the following agreements and commitments previously authorised by the Supervisory Board.

1. Exclusive negotiation agreement concluded in the presence of Sofidy between your company and some shareholders of the company Sofidy

Nature and purpose
Exclusive negotiation agreement for the acquisition of the company Sofidy by your company.

Person concerned
Mr Antoine Flamarion, Chairman of the company AF&Co, Chairman of Tikehau Capital General Partner, Manager and sole general partner of your company.

Reasons why the agreement is beneficial to your company
Your Supervisory Board has given the following reasons for this agreement: your company wanted this exclusive negotiation agreement to set out the terms of the discussions relating to the acquisition of shares by some shareholders of the company Sofidy.

Under this exclusive negotiation agreement, the parties undertook to suspend any discussion that may be under way and refrain from entering into any new discussions or negotiations with a potential third-party investor. The parties also agreed that this exclusive negotiation agreement would not oblige them to conduct the planned transaction.

Terms and conditions
This exclusive negotiation agreement was authorised by your Supervisory Board on 20 September 2018 and took effect on the same date.

Your company bore no charges for this agreement during the financial year ended 31 December 2018.

2. Share transfer agreement concluded between the Company and certain Sofidy shareholders

Nature and purpose
Share transfer agreement concluded as part of the acquisition of the company Sofidy by your company.

Person concerned
Mr Antoine Flamarion, Chairman of the company AF&Co, Chairman of Tikehau Capital General Partner, Manager and sole general partner of your company.

Reasons why the agreement is beneficial to your company
This share transfer agreement has enabled your company to gain control over the company Sofidy. The merger plan arose from the operational complementarity of the two groups and resulted in the acquisition of 98.62% of the share capital of the company Sofidy.

While the Tikehau Capital Group's brand is well established with institutional investors and private banks, its access to wealth management advisors and individual clients is more limited. The acquisition of the company Sofidy enabled your company to achieve its target of €20 billion in assets under management by 2020 two years ahead of schedule. This agreement also enables, in addition to the many potential synergies, to balance the different business lines of your company and develop Real Estate alongside Private Debt.

Terms and conditions

This agreement was authorised by the Supervisory Board on 18 October 2018. It was signed and took effect on 19 October 2018.

Under this agreement, following completion of the acquisition of the company Sofidy, your company disbursed €212,630,522.36 over the 2018 financial year, made up of the price for acquisition of the shares of the company Sofidy of €210,143,362.50 and costs relating to this acquisition of €2,487,159.86.

3. Amendment to the service agreement between the Company and the company Parc Monceau SARL

Nature and purpose

Amendment dated 20 December 2018 to the service agreement between your company and the company Parc Monceau SARL on 29 March 2017.

Person concerned

Mr Christian de Labriffe, Manager and majority shareholder in the company Parc Monceau SARL, and Chairman of your company's Supervisory Board.

Reasons why the agreement is beneficial to your company

Your Supervisory Board gave the following reasons for this agreement: Under the service agreement between your company and the company Parc Monceau SARL on 29 March 2017, authorised by your Supervisory Board at its meeting on 22 March 2017 with effect on 1 April 2017, the company Parc Monceau SARL provides consultancy to the Tikehau Capital Group in the fields of Group strategy and partnership, investment or disposal opportunities and also agrees to bring to the Group's attention partnership, investment or disposal opportunities which correspond with the objectives of your company or the companies in the Group.

In addition to 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 the company Salvepar (which is now included in your company's portfolio following the merger between the company Salvepar and your company, which took place on 30 November 2017) and of their network, in order to create investment opportunities.

Terms and conditions

The service agreement states that the company Parc Monceau SARL shall receive annual remuneration of €466,000 excl. VAT which may be enhanced with a variable lump sum at the discretion of your company.

Your company incurred an expense of €1,168,506.91, excluding tax*, over the financial year ended on 31 December 2018 in relation to this agreement.

At its meeting of 6 December 2018, the Supervisory Board authorised the conclusion of an amendment to this service agreement. This amendment, signed on 20 December 2018 which came into force on 1 January 2019, limits the variable remuneration payable under this agreement to 50% of the fixed annual remuneration *i.e.* €233,000 before tax.

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.

Service agreement between your company 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 the company Chardi Inc., and member of the Supervisory Board of your company.

Terms and conditions

The 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 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* the company 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.

* This amount is incorrect. During the financial year ended 31 December 2018, the Company paid an expense of €466,000 excl. VAT for the fixed remuneration and €15,899 as cost repayments under the service agreement with Parc Monceau. This error was corrected in the special additional report by the Statutory Auditors on regulated agreements and commitments which appears below in Section 4.5.3(b) (Additional special report of the Statutory Auditors dated 17 April 2019 on regulated agreements and commitments) of this Registration Document.

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. The company 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 the company Chardi Inc. was authorised by the Supervisory Board on 1 June 2017, and signed on 1 July 2017. This agreement was terminated with effect on 31 December 2018.

Your company incurred an expense of €213,600, excluding tax*, over the financial year ended on 31 December 2018 in relation to this agreement.

Provision agreement between your company and Tikehau Capital Advisors SAS

Nature and purpose

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.

Person concerned

Mr Mathieu Chabran is Chairman of the company MCH, which is itself CEO of Tikehau Capital General Partner (which is Manager and general partner of your company) and of Tikehau Capital Advisors. Mr Antoine Flamarion, Chairman of the company AF&Co, which is itself Chairman of Tikehau Capital General Partner (which is Manager and sole general partner of your company) and of Tikehau Capital Advisors.

Terms and conditions

The agreement between your company and Tikehau Capital Advisors was re-authorised by the Supervisory Board on 29 March 2018.

Your company incurred an expense of €108,753, excluding tax, over the 2018 financial year in relation to this agreement.

Paris-La Défense and Courbevoie, 29 March 2019

The Statutory Auditors

ERNST & YOUNG et AUTRES	**MAZARS**
Hassan Baaj *Partner*	Simon Beillevaire *Partner*

(b) Additional special report of the Statutory Auditors dated 17 April 2019 on regulated agreements and commitments

ERNST & YOUNG et Autres	**MAZARS**
Registered office: Tour First TSA 14444 – 92037 Paris-La Défense CEDEX, France Simplified Joint-Stock Company with variable share capital - 438 476 913 Nanterre Trade and Companies Register	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

Additional special report of the Statutory Auditors on regulated agreements and commitments

To the Annual General Meeting of Tikehau Capital,

In our capacity as Statutory Auditors of your company, we hereby present an additional report to our special report on regulated agreements and commitments issued on 29 March 2019, regrading a regulated agreement which received the prior authorisation of your Supervisory Board on 20 March 2019, and on the expenses incurred pursuant to the agreements approved previously in respect of the financial year ended 31 December 2018 and of which we were notified on 16 April 2019 pursuant to Article L.226-10 of the French Commercial Code.

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.

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 information given to us is consistent with the underlying documents.

* This amount is incorrect. During the financial year ended 31 December 2018, the Company paid an expense of €180,000 excl. VAT under the service agreement with Chardi Inc. This error was corrected in the special additional report by the Statutory Auditors on regulated agreements and commitments which appears below in Section 4.5.3(b) (Additional special report of the Statutory Auditors dated 17 April 2019 on regulated agreements and commitments) of this Registration Document.

Agreements and commitments submitted to the approval of the Shareholders' Meeting

1. Termination of the service agreement between your company and the company Parc Monceau SARL

Nature and purpose

Termination dated 21 March 2019 of the service agreement between your Company and the company Parc Monceau SARL which was entered into on 29 March 2017.

Person concerned

Mr Christian de Labriffe, Manager and majority shareholder in the company Parc Monceau SARL, and Chairman of your Company's Supervisory Board.

Reasons why the agreement was beneficial to your company

As a reminder, a service agreement was concluded between your company and the company Parc Monceau SARL, on 29 March 2017. It took effect on 1 April 2017. Under this agreement, the company Parc Monceau SARL provided consultancy services to the Tikehau Capital Group in the areas of group strategy and partnership, investment and disposal opportunities, and also undertook to inform the Group of partnership, investment or disposal opportunities that may be in line with the objectives of the company or Group companies.

Subsequently, an amendment signed on 20 December 2018, and authorised by your Supervisory Board on 6 December 2018, stated that the variable remuneration received under this agreement would be limited to 50% of the annual fixed remuneration, i.e. €233,000 excl. VAT.

This amendment no. 1 was expected to enter into force on 1 January 2019. However, as the service agreement concluded between the Company and the company Parc Monceau was terminated with effect from 31 December 2018, amendment no. 1 did not take effect.

During the financial year ended 31 December 2018, your company paid an expense(1) of €466,000 excl. VAT for the fixed remuneration and €15,899 as cost repayments under this service agreement.

At its meeting of 20 March 2019, the Supervisory Board authorised the termination of this agreement with effect from 31 December 2018, as one of the main reasons for its arrangement, namely the monitoring of the long-term residual portfolio from Salvepar (portfolio incorporated into your Company since the merger which took place on 30 November 2017 between your company and Salvepar) by Mr Christian de Labriffe in the continuity of his former role as Chairman and Chief Executive Officer of Salvepar, was now more limited due to the increasingly marginal nature of this portfolio in the assets of the Tikehau Capital Group.

Moreover, the continuation of this agreement did not seem desirable in light of the increased scope of the role of the Supervisory Board and, with it, that of its Chairman.

Terms and conditions

Your Company incurred no expenses over the financial year ended on 31 December 2018 in relation to this termination agreement.

(1) Corrected amount as notified to us on 16 April 2019.

Agreements and commitments previously approved by the Shareholders' Meeting

1. Service Agreement between your company and the company 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 the company Chardi Inc., and member of the Supervisory Board of your company.

Terms and conditions

The commpany 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 the company 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.

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. The company 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 the company Chardi Inc. was authorised by the Supervisory Board on1 June 2017, and signed on 1 July 2017. This agreement was terminated with effect on 31 December 2018.

Your company incurred an expense[(1)] of €180,000, excluding VAT, over the financial year ended on 31 December 2018 in relation to this agreement.

Paris-La Défense and Courbevoie, 17 April 2019

The Statutory Auditors

ERNST & YOUNG et Autres	**MAZARS**
Hassan Baaj	Simon Beillevaire
Partner	Partner

(1) Corrected amount as notified to us on 16 April 2019.

5.

ANNUAL CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018

5.1 ANNUAL CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018

1. Consolidated balance sheet

Assets *(in thousands of €)*	*Notes*	31 December 2018	31 December 2017
NON-CURRENT ASSETS			
Tangible and intangible assets	5.7	468,136	333,458
Non-current investment portfolio	5.8	1,972,809	1,456,045
Investments in equity affiliates	5.9	7,236	6,595
Deferred tax asset	5.15	28,431	11,323
Other non-current assets		2,248	195
Total non-current assets		**2,478,859**	**1,807,617**
CURRENT ASSETS			
Trade receivables and related accounts	5.10	36,600	15,894
Other receivables and financial assets	5.10	57,523	227,261
Current investment portfolio	5.11	110,483	109,121
Cash management financial assets	5.12	26,852	66,852
Cash and cash equivalents	5.12	436,347	908,577
Total current assets		**667,804**	**1,327,705**
TOTAL ASSETS		**3,146,663**	**3,135,322**

Liabilities ***(in thousands of €)***	***Notes***	**31 December 2018**	**31 December 2017**
Share capital	5.13	1,241,731	1,233,597
Premiums		849,338	840,567
Reserves and retained earnings		290,600	110,921
Net result for the period		-107,362	314,383
Shareholders' equity - Group share		**2,274,307**	**2,499,468**
Non-controlling interests	5.18	766	30,200
Shareholders' equity	3.	**2,275,073**	**2,529,668**
NON-CURRENT LIABILITIES			
Non-current provisions		1,080	318
Non-current borrowings and financial debt	5.14	794,162	545,962
Deferred tax liabilities	5.15	6,077	1,627
Non-current financial derivatives	5.16	5,399	992
Other non-current liabilities		65	-
Total non-current liabilities		**806,783**	**548,899**
CURRENT LIABILITIES			
Current borrowings and financial debt	5.14	1,698	1,770
Trade payables and related accounts		16,695	15,015
Tax and social security payables		25,089	13,572
Other current liabilities		21,325	26,398
Total current liabilities		**64,806**	**56,755**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3,146,663**	**3,135,322**

2. Consolidated statement of income

(in thousands of €)	*Notes*	2018 (12 months)	2017 (12 months)
Net revenues from Asset Management activity	5.19	**75,199**	**57,868**
Change in fair value of the non-current investment portfolio		-105,855	317,637
Change in fair value of the current portfolio		-3,724	5,569
Change in fair value	5.20	**-109,579**	**323,205**
Other non-current portfolio revenues		69,607	63,581
Other current portfolio revenues		143	558
Other portfolio revenues	5.21	**69,750**	**64,138**
Revenues from investment activity		**-39,829**	**387,344**
Purchases and external expenses		-90,308	-50,813
Personnel expenses		-42,964	-26,780
Other net operating expenses		-2,126	-4,312
Operating expenses	5.22	**-135,398**	**-81,904**
Net operating profit from Asset Management and investment activities before share of net results from equity affiliates		**-100,028**	**363,307**
Share of net results from equity affiliates		1,253	-56
Net operating profit from Asset Management and investment activities after share of net results from equity affiliates		**-98,775**	**363,251**
Net income on cash equivalents	5.23	100	386
Financial expenses	5.24	-23,926	-28,611
Financial result		**-23,825**	**-28,225**
Result before tax		**-122,600**	**335,026**
Corporate income tax	5.15	15,232	-19,029
Net result		**107,368**	**315,997**
Non-controlling interests	5.18	-6	1,614
Net result - Group share		**-107,362**	**314,383**
Earnings per share *(in €)*			
Weighted average number of outstanding ordinary shares		103,154,685	85,657,975
Earnings per share *(in €)*		-€1.04	€3.67
Weighted average number of shares after dilution	5.13	105,654,079	87,124,865
Diluted earnings per share *(in €)*		-€1.04	€3.61

Consolidated statement of comprehensive income

(in thousands of €)	*Notes*	2018 (12 months)	2017 (12 months)
Net result		**-107,368**	**315,997**
Currency translation adjustment [1]		1,358	-585
Related taxes		-	-
Consolidated comprehensive income		**-106,010**	**315,412**
Of which non-controlling interests		-6	1,614
Of which Group share		-106,004	313,798

(1) Item that can be recycled through the income statement.

5.

3. Change in consolidated shareholders' equity

(in thousands of €)	Share capital	Premiums	Group reserves
Situation as at 31 December 2016	**650,098**	**379,004**	**29,019**
Appropriation of net result			72,444
Capital increase of 6 January 2017	85,760	64,320	
Capital increase reserved for FSP	28,571	21,429	
Public exchange offer on Salvepar	86,230	64,672	11,386
ORNANE conversion - Decision of 17 May 2017	97	88	
Capital increase 26 July 2017	382,840	319,034	
Share-based payment (IFRS 2)			825
Other movements in reserves		-7,980	-305
Net result for the period			
Situation as at 31 December 2017	**1,233,597**	**840,567**	**113,369**
Appropriation of net result			177,277
Capital increase of 4 January 2018	4,158	3,466	
Capital increase of 17 December 2018	2,937	3,881	
Capital increase of 19 December 2018	1,040	1,366	
Share-based payment (IFRS 2)			7,335
Purchase of non-controlling interests			-3,840
Other movements in reserves		58	-2,311
Net result for the period			
SITUATION AS AT 31 DECEMBER 2018	**1,241,731**	**849,338**	**291,830**

Own shares	Translation differences	Net result for the period	Shareholders' equity - Group share	Non-controlling interests	Consolidated shareholders' equity
0	**-838**	**72,444**	**1,129,726**	**2,627**	**1,132,353**
		-72,444	0		0
			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**
		-314,383	-137,106	-69	-137,175
			7,623		7,623
			6,818		6,818
			2,406		2,406
			7,335	9	7,344
			-3,840	-29,396	-33,236
-141	1,358		-1,036	29	-1,007
		-107,362	-107,362	-6	-107,368
-1,166	**-64**	**-107,362**	**2,274,307**	**766**	**2,275,073**

5.

4. Consolidated cash flow statement

(in thousands of €)	*Notes*	2018 (12 months)	2017 (12 months)
Revenues from Asset Management activity		**67,747**	**53,741**
Non-current investment portfolio		**-503,983**	**-141,649**
Acquisitions	5.8	-778,029	-694,730
Disposals		213,785	362,037
Income		60,261	61,461
• Dividends		21,068	25,947
• Interests		12,266	13,356
• Other revenues		26,926	22,158
Impact of changes in scope		-	129,583
Current investment portfolio		**-801**	**-19,924**
Acquisitions	5.11	-1,108	-38,243
Disposals		1	17,802
Income		306	518
• Dividends		-	-
• Interests		306	518
• Other revenues		-	-
Other investments in companies in the scope of consolidation(1)		**-182,921**	**-50,667**
Debts, portfolio receivables and financial assets in the portfolio	5.10	**156,387**	**-195,297**
Derivatives portfolio		**-**	**-**
Net income/expenses on cash equivalents		**-2,993**	**-1,786**
Operating expenses and change in net working capital		**-130,499**	**-82,674**
Tax	5.15	**-2,470**	**-30,606**
Net cash flows from operating activities		**-599,534**	**-468,861**
Capital increases in cash		**-**	**909,023**
Dividends paid		**-137,279**	**-878**
Borrowings	5.14	**224,860**	**328,764**
Bank overdrafts		**-73**	**35**
Cash management financial assets		40,000	13,148
Other financial flows		-205	-2,498
Net cash flows from financing activities		**127,304**	**1,247,593**
Change in cash and cash equivalents		**-472,230**	**778,732**
Cash and cash equivalents at the beginning of the period		908,577	129,845
Cash and cash equivalents at the end of the period		436,347	908,577
Change in cash and cash equivalents		-472,230	778,732

(1) Cash flows in 2018 mainly correspond to the acquisition of Sofidy and ACE Management shares for €218.4 million net of €55.2 million of cash acquired. In 2017, 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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS PREPARED UNDER IFRS

5.1 Entity presenting the consolidated financial statements

Tikehau Capital is a partnership limited by shares (*société en commandite par actions*) 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 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."

The changes in scope in the consolidated group (the "Group") are detailed in note 5.3 ("Scope of consolidation").

5.

5.2 Basis of preparation

a) Accounting standards and Declaration of compliance

In application of EC Regulation No. 1606/2002, Tikehau Capital's consolidated financial statements are drawn up in accordance with international financial reporting standards (IFRS) and IFRIC interpretations applicable as at 31 December 2018 and as adopted by the European Union.

The standards are available at the European Commission website:

http://ec.europa.eu/finance/company-reporting/standardsinterpretations/index_en.htm.

The accounting principles used as at 31 December 2018 are the same as those used for the consolidated financial statements as at 31 December 2017.

They have been supplemented by the provisions of the IFRS standards and interpretations as adopted by the European Union as at 31 December 2018 and for which application is mandatory for the first time for 2018.

These concerns:

New standards and interpretations applicable from 1 January 2018

- IFRS 9 "Financial Instruments", for accounting periods beginning on or after 1 January 2018. No significant adjustment elements have been identified in relation to the application of this standard as at 1 January 2018.
- IFRS 15 "Revenue from Contracts with Customers" for accounting periods beginning on or after 1 January 2018. This standard notably replaces IAS 18 "Revenue" and IAS 11 "Construction Contracts". The application of this standard has had no significant impact on the Group's net result or shareholders' equity.

Standards published by the IASB and adopted by the European Union as at 31 December 2018

The Group has applied no standard and/or interpretation that could concern it and for which application is not mandatory as at 1 January 2018.

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-of-use 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 was conducted in the second half of 2018 and confirmed this assessment (see note 5.28 "Leases").

b) Basis for measurement

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 regarding certain totals in the tables presented in the financial statements.

Portfolio assets and financial derivatives are measured at fair value in accordance with IFRS 13. The methods used to measure fair value are discussed in note 5.5 on the determination of 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.

c) Functional currency and presentation currency, conversion of financial statements

The presentation currency of the consolidated financial statements is the euro, accounts of consolidated entities using a different functional 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 functional 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 functional 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 being taken into consideration. The Managerment 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 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 that includes sector and geographic diversification. The entity thus expects to generate from its investments (i) a capital gain, (ii) financial income, such as dividends, coupons, interest, etc., or both at the same time;
- 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' funds in a broadly diversified portfolio of equity interests and investments;
- Tikehau Capital aims to build a portfolio that is diversified and thus aims to generate from its investment (i) a capital gain, (ii) financial income, such as dividends, coupons, interest, etc., or both at the same time;
- Tikehau Capital measures and assesses the performance of its investments on the basis of their 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 are therefore part of the consolidation perimeter.

The entities in which Tikehau Capital exercises significant influence are accounted for using the equity method with the exception of investments for which Tikehau Capital has opted for the IAS 28 exemption and that are accounted for 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 collects variable revenues or is exposed to risks from this entity.

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 [(1)]	SCA	32, rue de Monceau, 75008 PARIS	Parent company

(1) TC.

Fully consolidated subsidiaries or entities accounted for under the equity method

			% of interest	
Fully consolidated entities	**Form**	**Address**	**31 Dec. 2018**	**31 Dec. 2017**
Tikehau Green Properties Fund [(1)]	SAS	32, rue de Monceau, 75008 PARIS	100.0%	100.0%
Tikehau Capital UK [(2)]	Ltd	30 St. Mary Axe EC3A 8BF, LONDON	100.0%	100.0%
Tikehau Capital Europe	Ltd	30 St. Mary Axe EC3A 8BF, LONDON	100.0%	75.1%
Tikehau Investment Management [(3)]	SAS	32, rue de Monceau, 75008 PARIS	100.0%	96.7%
Tikehau Investment Management APAC (wholly-owned subsidiary of TIM) [(4)]	Pte. Ltd	8 Marina View #15-07A – Asia Square Tower 1 SINGAPORE 018960	100.0%	96.7%
Tikehau Investment Management Asia (wholly-owned subsidiary of TIM) [(5)]	Pte. Ltd	8 Marina View #15-07A – Asia Square Tower 1 SINGAPORE 018960	100.0%	96.7%
IREIT Global Group (84.5% subsidiary of TIM APAC)	Pte. Ltd	8 Marina View #15-07A – Asia Square Tower 1 SINGAPORE 018960	84.5%	77.3%
Credit. fr	SAS	140, rue Victor-Hugo, 92300 LEVALLOIS-PERRET	95.9%	95.9%
Tikehau Capital North America [(6)]	LLC	412W 15th St - 10011 New York, NY	100.0%	100.0%
Sofidy [(7)]	SA	303, Square des Champs Elysées, 91026 EVRY	100.0%	n.a.
Alma Property (84.6% subsidiary of Sofidy)	SAS	303, Square des Champs Elysées, 91026 EVRY	84.6%	n.a.
Espace Immobilier Lyonnais (51.0% subsidiary of Sofidy)	SA	103, avenue du Maréchal de Saxe, 69003 LYON	51.0%	n.a.
GSA Immobilier (50.1% subsidiary of Sofidy)	SA	307, Square des Champs Elysées, 91026 EVRY	50.1%	n.a.
Tridy (65.0% subsidiary of Sofidy)	SAS	303, Square des Champs Elysées, 91026 EVRY	65.0%	n.a.
ACE Partners	SAS	10-12, avenue Messine, 75008 PARIS	100.0%	n.a.
ACE Management [(8)] (30.0% subsidiary of ACE Partners)	SA	10-12, avenue Messine, 75008 PARIS	100.0%	n.a.

(1) TGPF.
(2) TC UK.
(3) Tikehau IM or TIM.
(4) TIM APAC.
(5) TIM ASIA.
(6) Tikehau Capital North America was fully consolidated for the first time from 1 January 2018, following the launch of its business.
(7) Tikehau Capital acquired 98.62% of the shares through a sale on 17 December 2018, and 1.38% through exercise of the sale and purchase agreement concluded with the residual shareholder in January 2019.
(8) As at 31 December 2018 TC holds directly 70,0% of ACE Management SA shares.

5.

Entities consolidated using the equity method	Form	Address	% of interest 31 Dec. 2018	31 Dec. 2017
Letus Private Office	SAS	11, avenue d'Iéna, 75116 PARIS	20.0%	20.0%
Duke Street (*via* TC UK)	LLP	Nations House, 103 Wigmore Street W1U 1QS LONDON	35.0%	35.0%
Ring Capital	SAS	11, bis rue Portalis, 75008 PARIS	25.0%	n.a.

Subsidiaries of Tikehau Capital meeting the conditions of the IFRS 10 exemption and affiliates meeting the IAS 28 exemption conditions 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. 2018	31 Dec. 2017	
Tikehau Venture	SAS	32, rue de Monceau, 75008 PARIS	100.0%	100.0%	Control
Tikehau Capital Belgium	SA	Avenue Louise, 480 – B-1050 BRUSSELS	100.0%	100.0%	Control
Tikehau Asia (1)	SAS	32, rue de Monceau, 75008 PARIS	n.a.	100.0%	Control
Heeuricap	SAS	32, rue de Monceau, 75008 PARIS	90.0%	90.0%	Control
Cimes & Cie	SAS	32, rue de Monceau, 75008 PARIS	72.2%	72.2%	Control
Tikehau Secondary (2)	SAS	32, rue de Monceau, 75008 PARIS	n.a.	67.1%	Control
Zephyr Investissement	SAS	32, rue de Monceau, 75008 PARIS	53.3%	53.3%	Control
AR Industries	SAS	65 A Bld du Cdt Charcot, 92200 NEUILLY-SUR-SEINE	49.0%	49.0%	Significant influence
Tikehau Real Estate Investment Company (3)	SAS	32, rue de Monceau, 75008 PARIS	30.0%	30.0%	Significant influence
Verona	SAS	3, boulevard Sébastopol, 75001 PARIS	24.6%	24.6%	Significant influence
HDL Development	SAS	Rue Victor Pagès, 26701 PIERRELATTE	23.1%	23.1%	Significant influence
City Star Ream Dvpt (4)	Ltd Pte	Suntec Tower Four SINGAPORE	n.a.	23.1%	Significant influence
Navec	SL	Carretera Madrid, 5, 30319 Cartagena, MURCIA	21.7%	21.7%	Significant influence
AFICA	SA	19, rue de Bazancourt, 51110 ISLES-SUR-SUIPPE	20.0%	20.0%	Significant influence
Holding Quintric	SAS	Parc Edonia Bâtiment L, rue de la Terre Adelie, 35760 SAINT-GREGOIRE	14.2%	n.a.	Significant influence
Selectirente (5)	SA	303, Square des Champs Elysées, 91026 EVRY	22.98%	n.a.	Significant influence

(1) Entity merged into Tikehau Capital on 23 January 2018.
(2) Entity merged into Tikehau Capital on 28 December 2018.
(3) TREIC.
(4) Entity liquidated on 25 June 2018.
(5) Indrect shareholding via Sofidy SA and GSA Immobilier.

5.

Non-consolidated subsidiaries

			% of interest	
Non-consolidated entities	**Form**	**Address**	**31 Dec. 2018**	**31 Dec. 2017**
ACE Canada Conseils et Services (1)	Inc.	1010, rue Sherbrooke Ouest, bureau 1800 Montreal, Québec H3A 2R7	100.0%	n.a.
NéoCrédit.ch (2)	SA	Wankdorffeldstrasse 64, 3014 BERN	50.0%	n.a.
Takume	SAS	32, rue de Monceau, 75008 PARIS	100.0%	100.0%
Tikehau Capital North America (3)	LLC	412W 15th St - 10011 NEW YORK, NY	n.a.	100.0%
TK Solutions	SAS	32, rue de Monceau, 75008 PARIS, France	100.0%	100.0%

(1) Through ACE Management
(2) Through Credit.fr
(3) Tikehau Capital North America was fully consolidated for the first time from 1 January 2018, following the launch of its business

The companies ACE Canada Conseils & Services, NéoCrédit.ch, Takume, and TK Solutions are not consolidated, as they are immaterial.

Investments in funds managed by Group companies or third parties

Tikehau Capital and its subsidiaries may invest in funds managed by Tikehau IM, Tikehau Capital Europe, Sofidy or ACE Management or companies outside of the Group. Whether or not these funds should be consolidated is assessed on the basis of a number of criteria, and in particular, the IFRS 10 criteria applicable to ad hoc entities (see above).

Regarding fund units held by Group companies, the percentage of control of the funds in which the Company has invested is also assessed to determine whether 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), Sofidy and ACE Management confirms the absence of control with respect to the criteria of IFRS 10 or classification as an investment company leading to the non-consolidation of these funds.

The following table presents the list of closed funds in which Tikehau Capital or one of its subsidiaries holds at least 20% of shareholding. These funds also meet the conditions for IFRS 10 exemption.

Investment in funds As at 31 December 2018 *(in millions of euros)*	**Investing company**	**Business line**	**% holding**	
			31 Dec. 2018	**31 Dec. 2017**
Tikehau Brennus	TC	Private Debt	54%	-
Tikehau Credit.fr	TC & TPA[1]	Private Debt	45%	-
TDL IV L	TC UK & TPA	Private Debt	39%	99%
TIRF I (I-Petali)	TC & TC UK	Real Estate	26%	26%
TLP I (Escoffier)	TC & TREIC	Real Estate	23%	23%
TRE III feeder (Optimo 2)	TC UK	Real Estate	29%	29%
TRP II (Bercy 2)	TC	Real Estate	28%	28%
TREO	TC & TPA	Real Estate	51%	-
TSO	TC UK & TPA	Private Equity	35%	40%
TIKEHAU SEQUOIA	TC	Private Equity	58%	-
TGE II	TC & TPA	Private Equity	92%	-
TIKEHAU GREEN I	TC & TIM	Private Equity	78%	-
TIKEHAU WING	TC & TIM	Private Equity	40%	-

(1) Tikehau Private Assets.

5.

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 revenues:

- it receives management fees like any Asset Management company;
- it has an obligation to invest up to 5% in the securitisation vehicle 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 liquidation of the fund, the residual profit attributable to the investment will accrue to the holders of ordinary shares.

As at 31 December 2018, Tikehau Capital's CLO vehicles are:

(i) Tikehau CLO I

Category of bonds issued	Rating (Moody's/Fitch)	Nominal value as at 31 December 2018 *(in thousands of €)*	Coupon	Final maturity
A-1R.	Aaa/AAA	161,000	Euribor 3 months +0.60%	2028
A-2	Aaa/AAA	40,000	1.88% during the period of fixed rate then Euribor 3 months +1.40%	2028
B	Aa2/AA+	39,000	Euribor 3 months +1.07%	2028
C	A2/A	28,000	Euribor 3 months +1.45%	2028
D	Baa2/BBB	16,000	Euribor 3 months +2.35%	2028
E	Ba2/BB	21,200	Euribor 6 months +4.60%	2028
F	B2/B-	7,800	Euribor 3 months +5.90%	2028
Subordinated notes	Unrated	41,700	n.a.	2028
TOTAL		**354,700**		

(ii) Tikehau CLO II

Category of bonds issued	Rating (Moody's/Fitch)	Nominal value as at 31 December 2018 *(in thousands of €)*	Coupon	Final maturity
A	Aaa/AAA	244,000	Euribor 3 months +1.06%	2029
B	Aa2/AA	46,000	Euribor 3 months +1.70%	2029
C	A2/A	23,000	Euribor 3 months +2.57%	2029
D	Baa2/BBB	18,000	Euribor 3 months +3.60%	2029
E	Ba2/BB	28,000	Euribor 3 months +6.25%	2029
F	B2/B-	10,500	Euribor 3 months +7.50%	2029
Subordinated notes	Unrated	44,700	n.a	2029
TOTAL		**414,200**		

(iii) Tikehau CLO III

Category of bonds issued	Rating (Moody's/Fitch)	Nominal value as at 31 December 2018 *(in thousands of €)*	Coupon	Final maturity
A	Aaa/AAA	244,700	Euribor 3 months +0.87%	2030
B	Aa2/AA	57,700	Euribor 3 months +1.40%	2030
C	A2/A	28,600	Euribor 3 months +1.85%	2030
D	Baa2/BBB	19,700	Euribor 3 months +2.70%	2030
E	Ba2/BB	26,250	Euribor 3 months +4.85%	2030
F	B2/B-	12,600	Euribor 3 months +6.55%	2030
Subordinated notes	Unrated	45,600	n.a	2030
TOTAL		**435,150**		

5.

(iv) Tikehau CLO IV

Category of bonds issued	Rating (Moody's/Fitch)	Nominal value as at 31 December 2018 *(in thousands of €)*	Coupon	Final maturity
X	Aaa/AAA	1,500	Euribor 3 months +0.53%	2031
A1	Aaa/AAA	231,000	Euribor 3 months +0.90%	2031
A2	Aaa/AAA	15,000	1.75%	2031
B1	Aa2/AA	7,000	Euribor 3 months +1.65%	2031
B2	Aa2/AA	15,000	2.10%	2031
B3	Aa2/AA	22,000	Euribor 3 months + 1.92% with no 0% floor rate during the non-call period then Euribor 3 months +1.65%	2031
C1	A2/A	7,000	Euribor 3 months +2.15%	2031
C2	A2/A	19,000	Euribor 3 months + 2.42% with no 0% floor rate during the non-call period then Euribor 3 months +2.15%	2031
D	Baa2/BBB	21,000	Euribor 3 months +3.30%	2031
E	Ba2/BB	23,000	Euribor 3 months +5.33%	2031
F	B2/B-	12,000	Euribor 3 months +7.36%	2031
Subordinated notes	Unrated	38,300	n.a	2031
TOTAL		**411,800**		

(v) Tikehau CLO V

The launch of the warehouse phase of the fifth CLO project was completed during the second half of 2018.

c) Change in scope of consolidation

The main changes to the scope of consolidation in the course of 2018 included:

Sofidy
On 17 December 2018, Tikehau Capital took control of Sofidy SA and its subsidiaries, directly acquiring 100% of Sofidy SA shares (98.62% of the shares through a sale on 17 December 2018, and 1.38% through exercise of the sale and purchase agreement concluded with the remaining shareholder in January 2019).

Sofidy is a leading asset manager in the Real Estate management sector in France and Europe, involved in the creation and development of investment and savings products particularly focused on retail and office Real Estate. (See 5.3.d "Significant events during the financial year")

ACE Management
On 19 December 2018, Tikehau Capital took control of ACE Management SA, acquiring 70% of the shares directly and 30% indirectly *via* a takeover of ACE Partners directly acquiring 100% of its shares. (See 5.3.d "Significant events during the financial year").

Purchase of Amundi's investment in Tikehau Capital Europe
At the end of July 2018, the Company purchased for *circa* €22 million the 24.9% shares held by the Amundi group in Tikehau Capital Europe, a British subsidiary of the Group that manages securitisation vehicles for CLOs (Collateralized Loan Obligations), a specialised product consisting of debt securities backed by a portfolio of leveraged loans. Following this transaction, the Company held 100% of the share capital and voting rights in Tikehau Capital Europe. Since this did not result in a change of control the purchase of the Amundi stake was treated as an equity transaction.

IREIT Global Group
The buyout of Tikehau IM non-controlling shareholders in January 2018 automatically increased of the Group's interest in IREIT Global Group with increasing from 77.3% as at 31 December 2017 to 80.0% in January 2018. IREIT Global Group is an Asset Management company under Singaporean law whose securities are listed on the Singapore Stock Exchange (SGX) and which invests in Real Estate assets located in Europe, and primarily in Germany. In July 2018, the Group acquired an additional 4.5% share, bringing the percentage of ownership to 84.5%.

Acquisition by the Company of the remaining non-controlling interests in Tikehau IM
As from end-June 2018, the Company is the sole shareholder of Tikehau IM.

d) Significant events during the financial year

Acquisition and takeover of Sofidy
On 17 December 2018, Tikehau Capital took control of Sofidy SA and its subsidiaries, directly acquiring 100% of Sofidy SA shares (98.62% of the shares through a sale on 17 December 2018, and 1.38% through exercise of the sale and purchase agreement concluded with the remaining shareholder in January 2019).

Sofidy is a leading asset manager in the Real Estate management sector in France and Europe, involved in the creation and development of investment and savings products particularly focused on retail and office Real Estate.

This acquisition project is fully aligned with Tikehau Capital's strategy to broaden its fund offering in order to balance its business mix. It enables the Group to reach out to new investor categories and extend its know-how in the field of Real Estate investment solutions thanks to the strong complementarities between the two groups.

This company and its subsidiaries are consolidated from 17 December 2018.

The table shows the provisional fair value of each component of the consideration transferred at the acquisition date:

(in thousands of €)	Notes	17 December 2018
Cash and cash equivalents		210,143
Equity instrument (Tikehau Capital SCA shares)	5.13	6,818
Financial instruments (call option on Sofidy SA shares)		3,039
FAIR VALUE OF CONSIDERATION TRANSFERRED AT THE ACQUISITION DATE		**220,000**

Tikehau Capital incurred €2.5 million of fees and due diligence expenses directly related to the acquisition. These costs were booked under "Operating expenses".

The table shows identified assets and liabilities at the acquisition date before the purchase price allocation except for restatements to the non-current and current investment portfolio.

(in thousands of €)	*Notes*	17 December 2018
Tangible and intangible assets		14,143
Non-current investment portfolio		54,800
Deferred tax asset		1
Other non-current assets		410
Sundry receivables		14,935
Other current assets		-
Current investment portfolio		4,150
Cash and cash equivalents		52,910
Total identifiable assets		**141,349**
Non-current borrowings and financial debt		3,759
Deferred tax liabilities		4,170
Other non-current liabilities		725
Current borrowings and financial debt		254
Tax and social security payables		9,617
Sundry liabilities		13,013
Other current liabilities		
Total identifiable liabilities		**31,539**
TOTAL IDENTIFIABLE NET ASSETS AT THE ACQUISITION DATE		**109,810**

Fair value adjustments made after 31 December 2018 to assets and liabilities acquired in the business combination and initially recognised at provisional value (based on ongoing appraisals or further analyses pending) will be booked as retrospective changes to goodwill if they occur in the 12 months following the acquisition date of Sofidy and its subsidiaries. Allocation of the purchase price is provisional and may be amended.

The acquisition of the new shares gave rise to the recognition of €110.2 million of provisional goodwill.

(in thousands of €)	*Notes*	17 December 2018
Consideration transferred		220,000
Fair value of identified net assets		109,810
GOODWILL		**110,190**

Provisional goodwill represents the future economic benefits that Tikehau Capital expects to gain from the acquisition of Sofidy and its subsidiaries.

Acquisition and takeover of ACE Management

On 19 December 2018, Tikehau Capital took control of ACE Management SA, acquiring 70% of the shares directly and 30% indirectly *via* a takeover of ACE Partners directly acquiring 100% of its shares.

ACE Management is an Asset Management company which has specialised in capital investment in the innovation and industrial sectors over the past 20 years. ACE Management's investors are primarily major international groups, operating across the aerospace and defence industries.

The acquisition of a specialist in the aerospace, defence and cybersecurity sector, further supports Tikehau Capital's momentum of strengthening its Private Equity expertise.

The Company is consolidated as from 19 December 2018.

5.

The table shows the fair value of each component of the consideration transferred at the acquisition date:

(in thousands of €)	*Notes*	19 December 2018
Cash and cash equivalents		8,259
Equity instrument (Tikehau Capital SCA shares)	5.13	2,406
Earn-out clause payment		-
FAIR VALUE OF CONSIDERATION TRANSFERRED AT THE ACQUISITION DATE		**10,665**

As part of the transaction, Tikehau Capital agreed to make an earn-out payment in 2020 to the shareholders selling their ACE Management shares.

Tikehau Capital incurred €0.1 million of fees and due diligence expenses directly related to the acquisition. These costs were booked under "Operating expenses".

The table shows identified assets and liabilities at the acquisition date before allocation of the acquisition price except for restatements to the non-current and current investment portfolio.

(in thousands of €)	*Notes*	19 December 2018
Tangible and intangible assets		162
Non-current investment portfolio		468
Deferred tax asset		8
Other non-current assets		83
Sundry receivables		489
Other current assets		0
Current investment portfolio		1
Cash and cash equivalents		2,340
Total identifiable assets		**3,550**
Non-current borrowings and financial debt		0
Deferred tax liabilities		0
Other non-current liabilities		280
Current borrowings and financial debt		0
Tax and social security payables		681
Sundry liabilities		410
Other current liabilities		0
Total identifiable liabilities		**1,370**
TOTAL IDENTIFIABLE NET ASSETS AT THE ACQUISITION DATE		**2,180**

Fair value adjustments made after 31 December 2018 to assets and liabilities acquired in the business combination and initially recognised at provisional value (based on ongoing appraisals or further analyses pending) will be booked as retrospective changes to goodwill if they occur in the 12 months following the acquisition date of ACE Partners and ACE Management.

Allocation of the purchase price is provisional and may be amended.

The acquisition of the new shares gave rise to the recognition of €8.5 million of goodwill.

(in thousands of €)	Notes	19 December 2018
Consideration transferred		10,665
Fair value of identified net assets		2,180
GOODWILL		**8,485**

Provisional goodwill represents the future economic benefits that Tikehau Capital expects to gain from the acquisition of ACE Partners and ACE Management.

Main transactions in the investment portfolio during the year

The main transactions in the investment portfolio in 2018 were:

- main funds under management:
  - **T2 Energy Transition 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. The purpose of this Private Equity fund, managed by Tikehau IM, is to support medium-sized energy players in the financing of 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. This team will act under the authority of an Investment Committee benefitting from the expertise of the two partners. The fund is aimed at major institutional investors. At 31 December 2018, Tikehau Capital invested €17.4 million in T2 Energy Transition Fund; the investment commitment of Tikehau Capital and Total is amounted to €100 million each in this investment fund,
  - **Tikehau Growth Equity II** – Tikehau Capital IM launched a fund dedicated to minority investment in which the Company committed €201 million, of which €96 million was called as at 31 December 2018. As at 31 December 2018, Tikehau Growth Equity II invested €94 million in three companies: Nexteam, Filiassur and Linkfluence,
  - **Tikehau Brennus** – On 24 January 2018, Tikehau Capital arranged a €115 million financing for the Conforama group, through the Tikehau Brennus fund managed by its subsidiary Tikehau IM, which allowed Conforama to successfully complete its multi-channel development projects in France and the other countries where it operates. The Conforama group is a major European player in home equipment, through stores and on the Internet,
  - **Tikehau Sequoia** – In April 2018, the Company disposed of its stake in DRT as part of Ardian's acquisition of a majority stake in DRT. 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.
- Main portfolio listed assets:
  - **DWS** – In March 2018, the Company took part in the IPO of DWS for €182 million. Subsequent acquisitions for €9.6 million raised its stake to nearly 3.0% as at 31 December 2018. Further to this transaction, a partnership between the two groups covers (i) a pooling of co-investment opportunities and deal-flow among alternative strategies and (ii) joint initiatives in terms of products' distribution. This partnership should allow Tikehau Capital to develop its presence in Germany with a leading partner,
  - **Eurazeo** – During 2018, the Company increased its investment in Eurazeo by a total of €79.0 million (excluding fees), increasing its stake to 9.38% of the capital as at 31 December 2018,
  - **Naturex** – In March 2018, Givaudan announced its intention to launch a takeover bid in cash for all Naturex shares not held by Givaudan at a unit price of €135 per share. Following the sale of its interest as part of this takeover bid opened on 28 June 2018, the Company generated a capital gain of around €14.4 million, *i.e.* a gross multiple on invested capital of 2.4x.

Other highlights of 2018

- **Opening of an office in New York** - During the first half-year 2018, Tikehau Capital continued to expand its international footprint by opening an office in New York on 28 February 2018. The opening of a New York office is part of the Group's internationalisation strategy announced at the time of its initial public offering. 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 being closer to its prospective client base and by being in a position to seize the best investment opportunities.
- **Change in functional currency of Tikehau Capital UK Ltd** - As at 1 January 2018, the functional currency of Tikehau Capital UK Ltd changed from the pound sterling to the euro. The functional currency reflects the underlying transactions, events and conditions relevant to the entity. This change in functional currency is due to the new financing policy introduced on 1 January 2018 being in euros.

5.

5.4 Main accounting methods

a) Investment portfolio

The equity securities held by investment management companies are accounted for at fair value through profit or loss. Positive and negative changes in fair value are recognised in the profit and loss accounts under "Changes in fair value". The methods for determining fair value are presented in note 5.5 ("Determining fair value").

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 attached to these investments are accounted for at fair value through profit or loss.

Outstanding commitments not yet called are shown in off-balance sheet commitments (see note 5.27. ("Contingent liabilities and contingent assets")).

b) Business combinations

Business combinations are valued and recognised in accordance with IFRS 3 (revised): the consideration transferred (acquisition cost) is measured at the fair value of assets given, shareholders' equity issued and liabilities incurred on the acquisition 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.

Fair value adjustments to assets and liabilities acquired in business combinations and initially recognised at provisional value (based on ongoing appraisals or further analyses pending) are booked as retrospective changes to goodwill if they occur in the 12 months following 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 to 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 has identified two CGUs, corresponding to its Asset Management and investment activities. 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.

This valuation is 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 accounted for at amortised cost.

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 three-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 at fair value through profit or loss under IFRS 9.

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 debts

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 relevant tax law comes into force.

Deferred taxes on changes in the fair value of 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 SIIC 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 under various lines on the income statement.

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, Tikehau Capital Europe, Sofidy and ACE Management).

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, Sofidy and its subsidiaries, IREIT Global Group and Credit. fr.

The Group therefore identified two cash generating units (CGUs), which are the investment business sector and the Asset Management business sector.

l) Recognition of revenue: Revenues from Asset Management activity

Gross revenues from Asset Management activity are made up of:

- management fees which correspond to management fees collected or to be collected by the funds, whether relating to the management of assets under management or to arranging or structuring portfolio transactions. Management fees are generally recorded at the time when the service is provided and are calculated on the basis of the contractual documentation by applying a percentage to the AUM called but can also sometimes apply for some of the AUM committed but not yet called. Arrangement fees and structuring fees are usually recorded when the investment is made. The level of management fees depends both on the type of client and type of products;
- Surperformance 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 revenue is paid by the funds directly to the beneficiaries and is recognised in the income statement when this variable consideration can be accurately estimated and when it is highly likely that no reversal will be made. Such revenue is recognised in gross revenues from Asset Management activity, but may also be received in part by the asset management company and/or by Tikehau Capital in accordance with the terms and conditions of the fund regulations.

The net revenues of the Asset managers are formed by its growth revenues subtracted by the fees paid out.

These fees essentially correspond to contractual retrocessions owed to distributors, generally based on a percentage of the management fees.

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 12-month financial year 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.

Investments in subordinated notes issued by the CLO vehicles (managed by Tikehau Capital Europe) are measured at fair value through profit or loss on a mark-to-model basis, reviewed regularly by an independent valuer. Other investments in CLOs are also measured at fair value through profit or loss.

5.6 Segment information

a) Consolidated 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 activity segment.

The Asset Management activity segment corresponds to the net consolidated contributions of Tikehau Investment Management and its subsidiaries TIM Asia and TIM APAC, Tikehau Capital Europe, Sofidy and its subsidiaries, IREIT Global Group and Credit.fr.

Segment information is presented on the same basis as internal reporting. It reproduces the internal segment information prepared to measure and manage Tikehau Capital's performances. Operating profit and assets are allocated to each segment before restatements on consolidation and inter-segment adjustments. The personnel expenses relating to the Private Equity team, which managed Tikehau Capital's investment portfolio, are presented in the investment activity segment.

The main aggregates of the segment income statement are as follows:

(in thousands of €)	2018 (12 months)	Asset Management activity	Investment activity
Net revenues from Asset Management activity	**75,199**	**75,199**	**0**
Revenues from investment activity	**-39,829**	**0**	**-39,829**
Operating expenses (1)	-129,698	-55,161	-74,537
Net operating profit from Asset Management and investment activities before share of net results from equity affiliates and before non-recurring free shares plans expense	**-94,328**	**20,038**	**-114,366**
Non-recurring free shares plans expense	-5,700	- 4,281	-1,419
Net operating profit from Asset Management and investment activities before share of net results from equity affiliates	**-100,028**	**15,757**	**-115,785**
Share of net results from equity affiliates	1,253	0	1,253
Net operating profit from Asset Management and investment activities after share of net results from equity affiliates	**-98,775**	**15,757**	**-114,532**
Financial result	**-23,825**	**-536**	**-23,290**
Corporate income tax	15,232	-5,577	20,809
NET RESULT	**-107,368**	**9,645**	**-117,013**

(1) Excluding the non-recurring free shares plans expense in respect of the "All Plan" and "One Off Plan" of 1 December 2017 subsequent to the Company's initial public offering for an amount of €5,700 thousand in 2018.

5.

The main aggregates of the 2017 segment income statement are as follows:

(in thousands of €)	2017 (12 months)	Asset Management activity	Investment activity
Net revenues from Asset Management activity	**57,868**	**57,868**	**0**
Revenues from investment activity	**387,344**	**0**	**387,344**
Operating expenses (1)	-81,068	-41,546	-39,522
Net operating profit from Asset Management and investment activities before share of net results from equity affiliates and before non-recurring free shares plans expense	**364,144**	**16,322**	**347,822**
Non-recurring free shares plans expense	-836	-328	-508
Net operating profit from Asset Management and investment activities before share of net results from equity affiliates (2)	**363,307**	**15,993**	**347,314**
Share of net results from equity affiliates	-56	-56	0
Net operating profit from Asset Management and investment activities after share of net results from equity affiliates	**363,251**	**15,937**	**347,314**
Financial result	**-28,225**	**-871**	**-27,354**
Corporate income tax	-19,029	-5,846	-13,183
NET RESULT	**315,997**	**9,221**	**306,776**

(1) Excluding the non-recurring free shares plans expense in respect of the "All Plan" and "One Off Plan" of 1 December 2017 subsequent to the Company's initial public offering for an amount of €836 thousand in 2017.
(2) Indicator published in the segment information section of the Registration Document 2017.

Net revenues from Asset Management activity break down as follows:

(in thousands of €)	2018 (12 months)	2017 (12 months)
Net management and arrangement fees	69,419	52,414
Performance fees or carried interest	3,506	4,063
Other revenues	2,274	1,391
Net revenues from Asset Management activity	**75,199**	**57,868**

The main aggregates of the segment balance sheet are as follows:

(in thousands of €)	31 December 2018	Asset Management activity	Investment activity
Total non-current assets	2,478,859	593,425	1,885,434
Total current assets	667,804	154,028	513,776

(in thousands of €)	31 December 2018	Asset Management activity	Investment activity
Total non-current liabilities	806,783	11,097	795,686
Total current liabilities	64,806	49,990	14,816

(in thousands of €)	31 December 2017	Asset Management activity	Investment activity
Total non-current assets	1,807,617	72,130	1,735,487
Total current assets	1,327,705	71,875	1,255,829

(in thousands of €)	31 December 2017	Asset Management activity	Activities Investment activity
Total non-current liabilities	548,899	6,634	542,265
Total current liabilities	56,755	25,542	31,213

The operating cash flow by operating segment is as follows:

(in thousands of €)	2018 (12 months)	Asset Management activity	Investment activity
Operating cash flow	-594,071	17,751	-611,821

(in thousands of €)	2017 (12 months)	Asset Management activity	Invesment activity
Operating cash flow	-436,469	12,098	-448,567

b) Combined segment information: impact of mergers and acquisitions

Had Sofidy and its subsidiaries and ACE Management been consolidated from 1 January 2018, the main items on the segment income statement would have read as follows:

(in thousands of €)	2018 (12 months combined)	Asset Management activity (combined)	Investment activity (combined)
Net revenues from Asset Management activity	**125,849**	**125,849**	**0**
Revenues from investment activity	**-31,653**	**0**	**-31,653**
Operating expenses (1)	-164,399	-86,321	-78,078
Net operating profit from Asset Management and investment activities before share of net results from equity affiliates and before non-recurring free shares plans expense	**-70,203**	**39,529**	**-109,731**
Non-recurring free shares plans expense	-5,700	-4,281	-1,419
Net operating profit from Asset Management and investment activities before share of net results from equity affiliates	**-75,903**	**35,248**	**-111,151**
Share of net results from equity affiliates	1,253	0	1,253
Net operating profit from asset and investment management activities after share of net results from equity affiliates	**-74,650**	**35,248**	**-109,898**
Financial result	**-23,699**	**-410**	**-23,290**
Corporate income tax	8,066	-12,743	20,809
NET RESULT	**-90,283**	**22,095**	**-112,378**

(1) Excluding the non-recurring free shares plans expense in respect of the "All Plan" and "One Off Plan" of 1 December 2017 subsequent to the Company's initial public offering for an amount of €5,700 thousand in 2018.

These (unaudited) figures are included to show the scale of the Group's activities following the significant acquisitions made late in 2018. They do not necessarily represent what Tikehau Capital's consolidated results would have been had these acquisitions actually happened on 1 January 2018.

5.

5.7 Tangible and intangible assets

This item breaks down as follows:

(in thousands of €)	31 Dec. 2017	Change in scope	Other increases	Decreases	31 Dec. 2018
Goodwill	317,906	118,675	259	0	436,840
Brands	12,040	0	0	0	12,040
Other intangible fixed assets	1,598	1,464	2,678	-1,458	4,280
Total intangible fixed assets	**331,543**	**120,139**	**2,937**	**-1,458**	**453,160**
Total tangible fixed assets	**1,915**	**12,841**	**1,906**	**-1,687**	**14,975**
TOTAL TANGIBLE AND INTANGIBLE FIXED ASSETS	**333,458**	**132,980**	**4,843**	**-3,146**	**468,136**

(i) Goodwill

Goodwill amounts to €436.8 million as at 31 December 2018 compared with €317.9 million as at 31 December 2017. This change reflects the recognition of provisional goodwill in respect of Sofidy and its subsidiaries (€110.2 million at 31 December 2018), ACE Management (€8.5 million at 31 December 2018) and currency movements.

Given the acquisition dates of Sofidy (and its subsidiaries) and ACE Management, goodwill had not yet been allocated at 31 December 2018, except for the restatement of the non-current and current portfolio.

The breakdown of goodwill, allocated to the Asset Management CGU is given below:

(in thousands of €)	31 Dec. 2018	31 Dec. 2017
Tikehau Investment Management	286,214	286,214
Tikehau Capital Europe	11,415	11,415
Crédit.fr	10,946	10,946
IREIT Global Group	9,590	9,331
Sofidy	110,190	-
ACE Management	8,485	-
GOODWILL	**436,840**	**317,906**

(ii) Brand
The brand totalled €12 million at 31 December 2018 (unchanged on end-2017). It comprises the brands Tikehau Capital, recognised for €10.7 million and Credit.fr for €1.3 million, both also unchanged since 31 December 2017.

(iii) Impairment tests
The impairment test at 31 December 2018 is based on profit and loss accounts forecasts for the period 2018-2023. These profit and loss accounts 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 was tested for impairment using the following assumptions:

(in thousands of €)	31 Dec. 2018
Weighted average cost of capital	8.00%
Growth rate	0.00%
Net book value of the CGU tested	683,835
IMPAIRMENT LOSS RECOGNISED	**-**

No impairment loss was recognised as at 31 December 2018.

A change in these assumptions (+/- 50 basis points of the discount rate, +/- 50 basis points of the growth rate to infinity) would not change the conclusion of the impairment test as at 31 December 2018.

The sensitivity of enterprise values to the assumptions used is reflected in the following table:

		Growth rate to infinity	
(in thousands of €)	Discount rate	0%	0.50%
Downward sensitivity	7.5%	83,295	156,046
Upward sensitivity	8.5%	- 73,322	-19,196

(iv) IT developments

Other intangible assets consists of €3.3 million for the capitalised costs of IT developments at 31 December 2018 (€1.4 million at 31 December 2017) for IT tools used by the Company and its subsidiaries or Tikehau Capital Advisors.

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 2017	**1,456,045**	**539,589**	**60,300**	**855,701**	**455**
Acquisition of securities	761,949	288,860	-	470,869	2,220
Disposals and repayments	-190,356	-31,637	-	-158,718	-
Changes in receivables	3,361	-	-	3,359	2
Changes in fair value	-118,766	-153,919	-6,803	41,956	-
Change in scope	60,576	31,173	-	29,202	200
FAIR VALUE AS AT 31 DECEMBER 2018	**1,972,809**	**674,066**	**53,497**	**1,242,369**	**2,877**

The €60.6 million for changes in scope of consolidation reflects first-time consolidation of Sofidy and its subsidiaries and ACE Management.

The change in Level 1 securities notably includes the acquisition of DWS listed securities for an amount of €191.5 million and improved position within Eurazeo for €79.2 million (including fees). The -€31.6 million for disposals included Serge Ferrari group for -€5.5 million and Naturex for -€23.4 million.

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:

5.

Acquisition of securities – change in balance sheet	**761,949**
Capital gains realised on investments acquired and sold over the year	12,795
Current account contributions from shareholders	3,286
ACQUISITION OF INVESTMENT PORTFOLIO – STATEMENT OF CASH FLOWS	**778,029**

The acquisition value of the non-current portfolio is as follows:

(in thousands of €)	31 December 2018	31 December 2017
Historical value of the non-current portfolio	2,033,905	1,403,129
Value of related receivables	18,958	15,609

Outstanding commitments in the non-current investment portfolio are as follows and shown under off-balance sheet commitments (see note 5.27 “Contingent assets and contingent liabilities”):

(in thousands of €)	31 December 2018	31 December 2017
Commitments on the non-current investment portfolio	729,906	237,665

5.9 Investments in equity affiliates

This item breaks down as follows:

(in thousands of €)	31 December 2018	31 December 2017
Letus Private Office	247	247
Duke Street	6,763	6,349
Ring	227	-
INVESTMENTS IN EQUITY AFFILIATES	**7,236**	**6,595**

5.10 Client receivables, other receivables and financial assets

This item breaks down as follows:

(in thousands of €)	31 December 2018	31 December 2017
Client receivables and related accounts	**36,600**	**15,894**
Financial assets	38,840	206,252
Other receivables	18,683	21,008
TOTAL OTHER RECEIVABLES AND FINANCIAL ASSETS	**57,523**	**227,261**

Financial assets are made up of revenues from investment activities recorded in profit and loss accounts but not yet collected as at 31 December 2018. Financial assets as at 31 December 2017 include the investment in the Salvepar Sequoia shares (holding the DRT securities), the divestiture commitment of which was finalised at the end of December 2017.

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 2017	**109,121**	**109,121**	**0**	**0**
Acquisition of securities	1,066	1,066		
Disposals and repayments	-113	-113		
Changes in fair value	-3,724	-3,724		
Change in scope	4,133	4,133		
FAIR VALUE AS AT 31 DECEMBER 2018	**110,483**	**110,483**	**0**	**0**

The acquisition value of the current portfolio is as follows:

(in thousands of €)	31 December 2018	31 December 2017
Historical value of the current portfolio	124,453	119,010

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	**1,066**
Change in accrued interest	42
ACQUISITION OF INVESTMENT PORTFOLIO – STATEMENT OF CASH FLOWS	**1,108**

5.12 Cash and cash equivalents, cash management financial assets

This item breaks down as follows:

(in thousands of €)	31 December 2018	31 December 2017
Cash equivalents	85,980	81,840
Cash	350,367	826,737
Cash and cash equivalents	**436,347**	**908,577**
Cash management financial assets	26,852	66,852
CASH AND CASH EQUIVALENTS, CASH MANAGEMENT	**463,199**	**975,429**

Cash equivalents are predominantly made up of marketable securities and cash management financial assets are comprised of term deposits of more than three months.

5.13 Number of shares, share capital and dividends

Number of shares	31 December 2018	31 December 2017
Existing shares at the beginning of the period	102,799,748	54,174,822
Shares issued during the period	677,851	48,624,926
Existing shares at the close of the period	**103,477,599**	**102,799,748**

Over the period, 346,500 new shares were issued with a par value of €12 to be exchanged for TIM shares as part of the streamlining of TIM's shareholder structure.

Also, 244,712 new shares with a par value of €12 were created to pay for the Sodify acquisition (€6.8 million, including the share premium) and 86,639 new shares with a par value of €12 were created to pay for the ACE Management acquisition (€2.4 million, including the share premium).

The number of shares after dilution is as follows:

	31 December 2018	31 December 2017
Potential shares to be issued in the event of full exercise of equity warrants (BSA)	1,416,560	1,416,560
Potential shares to be issued in remuneration for free shares being granted	1,113,136	700,873
Weighted average number of shares after dilution (1)	**105,654,079**	**87,124,865**
Shares after dilution at the close of the period	**106,007,295**	**104,917,181**
Of which treasury shares	51,983	46,564

(1) The calculation of the weighted number of shares after dilution takes into account the effective dates for the different operations that impact the number of shares.

Share capital *(in €)*	31 December 2018	31 December 2017
Par value at end of period	12	12
Share capital	1,241,731,188	1,233,596,976

The dividends per share paid on the following financial years came to:

(in €)	31 December 2017	31 December 2016	31 December 2015
Dividend per share Tikehau Capital	1.00	-	0.70

5.14 Borrowings and financial debt

(in thousands of €)	31 December 2018	31 December 2017
Bonds	**300,000**	**300,000**
Financial debt (including accrued interest)	504,586	256,862
Bank loans	0	1
Amortisation of issuance costs on borrowings	-8,726	-9,131
Borrowings and debt from credit institutions	**495,859**	**247,732**
TOTAL	**795,859**	**547,732**
Of which current liabilities	1,698	1,770
Of which non-current liabilities	794,162	545,962

Changes in borrowings and financial debt are as follows:

(in thousands of €)	Total	Bonds	Borrowings	Accrued interest	Issuance costs on borrowings	Others
Debt as at 31 December 2017	**547,732**	**300,000**	**255,118**	**1,744**	**-9,131**	**1**
Change in scope	3,027		3,018	9		0
New loans subscribed	250,053		250,053			0
Loans reimbursed	-4,870		-4,993		122	0
Others	-80			-363	282	-1
DEBT AS AT 31 DECEMBER 2018	**795,859**	**300,000**	**503,196**	**1,390**	**-8,726**	**0**

Changes in cash-flow related to financial debt mainly comprise (i) draws in 2018 for €250 million from the Syndicated Loan entered into 17 November 2017, (ii) loans from Tikehau Investment Management Asia Pacific (TIM APC) a wholly owned subsidiary of Tikehau IM repaid on 31 December 2018 for a total of approximately €5.0 million, (iii) interest paid during 2018 (€19.2 million at 31 December 2018 vs. €18.2 million at 31 December 2017).

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 2018				
Variable-rate bank borrowings	308	502,888		504,183
Amortisation of issuance costs on borrowings		-8,726		-8,726
Fixed-rate bond borrowing		300,000		300,000
Accrued interest	1,390			1,390
Bank loans				
TOTAL	**1,698**	**794,162**		**795,859**
Of which current liabilities	1,698			1,698
Of which non-current liabilities		794,162		794,162

(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 issuance 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

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 consolidated cash and cash equivalents [1] and (ii) the consolidated [2] assets 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;
- limiting 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 three, calculated semi-annually, corresponding to the ratio between (i) distributions received from its subsidiary IREIT Global Group, and (ii) the financial expenses of TIM APAC relating to the Standard Chartered bank loan. The first date for testing the ratio is set at 30 June 2018;
- assets under management managed by Tikehau IM, greater than three billion, tested on a quarterly basis.

At 31 December 2018, this loan was repaid in full.

(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 assets (excluding deferred tax assets and other non-current assets) and (ii) consolidated cash and cash equivalents.*

5.15 Tax

(i) Tax in profit and loss accounts and tax proof

Tax breaks down as follows:

(in thousands of €) **Income (+)/Expense (-)**	**2018 (12 months)**	**2017 (12 months)**
Deferred tax	16,544	-8,838
Current tax	- 1,312	-10,191
TOTAL	**15,232**	**-19,029**
Net result of consolidated companies	-107,368	315,997
Result before tax	-122,600	335,026
Application of the normal theoretical tax rate of 33 $^{1/3}$	*40,867*	*-111,675*

The reconciliation between the theoretical tax situation and the actual tax breaks down as follows:

(in thousands of €) **Income (+)/Expense (-)**	**2018 (12 months)**	**2017 (12 months)**
Theoretical tax	**40,867**	**-111,675**
Deferred tax savings at reduced rate (unrealised portfolio gains or losses)	2,880	-12,883
Current tax savings at reduced rate (realised portfolio gains or losses)	-25,551	88,254
Non-activated tax losses	-43	-868
Result from equity method companies	418	-19
Tax rate differential of foreign subsidiaries	3,120	1,422
Expected effect of reduced tax rates on tax loss carried forward	-5,098	-1,536
Change in scope Salvepar		18,725
Tax credit	-154	115
Others	-1,206	-564
ACTUAL TAX	**15,232**	**-19,029**

(ii) Tax in balance sheet

Changes in deferred taxes are broken down as follows:

Tax assets (+) or Liabilities (-) *(in thousands of €)*	**31 Dec. 2017**	**Increase**	**Decrease and Reversal**	**Effect of change in tax rate**	**Reclassi-fication**	**Change in scope**	**31 Dec. 2018**
Tax losses that may be carried over	26,254	18,946		-5,049			40,151
Evaluation of financial instruments	388	1,335	-388				1,335
Other deferred tax assets	43	1,669				41	1,753
Compensation deferred taxes	- 15,361				553		-14,808
Total deferred tax assets	**11,323**	**21,949**	**-388**	**-5,049**	**553**	**41**	**28,431**
Fair value of the portfolio	- 16,130	1,392				-3,928	-18,666
Other deferred tax liabilities	- 859	-1,578	217				-2,220
Compensation deferred taxes	15,361				-553		14,808
Total deferred tax liabilities	**- 1,627**	**-186**	**217**	**0**	**-553**	**-3,928**	**-6,077**
TOTAL NET DEFERRED TAX	**9,696**	**21,764**	**-171**	**- 5,049**		**-3,887**	**22,353**

Deferred taxes related to tax losses that may be carried over are detailed below:

(in thousands of €)	31 December 2018	31 December 2017
Stock tax loss carried forward at local normal rate	**151,009**	**82,986**
Deferred tax assets on tax loss carried forward	40,023	26,126
Stock tax loss carried forward at local reduced rate	**4,996**	**4,935**
Deferred tax assets on tax loss carried forward	128	128

The recoverability of tax losses will depend on Tikehau Capital Group's ability to achieve the targets in the medium-term tax plan prepared by Management and based on assumptions about the market and investment management.

Changes in taxes on the balance sheet are as follows:

(in thousands of €)	Tax assets (+) or Tax liabilities (-)	Of which deferred tax	Of which current tax
Situation as at 31 December 2017	**14,874**	**9,696**	**5,178**
Current tax	-1,312		-1,312
Deferred tax	16,544	16,544	
Change in currency rates			
Change in scope of consolidation	-3,364	-3,887	523
Tax Disbursement / Receipts	2,470		2,470
SITUATION AS AT 31 DECEMBER 2018	**29,212**	**22,353**	**6,858**

5.16 Non-current financial derivatives

Non-current financial derivatives are exclusively composed of interest rate swaps arranged to manage interest-rate risk on bank debt (see note 5.26 (a) ("Exposure to risks arising from bank debts")).

(in thousands of €)	31 December 2018	31 December 2017
Non-current financial derivative liabilities	5,399	992

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 plans

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 2017 General Free Share Plan (“Plan All”) implemented at Tikehau Capital SCA

Number of shares being acquired: 20,914 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 is 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 two years conditional upon working in the Company or related companies or corporate groups at the definitive vesting date but is not subject to any performance conditions.

From the Definitive vesting date, the Shares acquired will be freely transferable.

Characteristics of the 2017 Individual Free Share Plan (“One Off Plan”) implemented at Tikehau Capital SCA

Number of shares being acquired: 597,603 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 is 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 upon working in the Company or related companies or corporate groups at the definitive vesting date but is not subject to any performance conditions;
- for the remaining shares, 1 December 2020, *i.e.* a vesting period of three years conditional upon working in the Company or related companies or corporate groups at the definitive vesting date but is not subject to any performance conditions.

From the Definitive vesting date, the Shares acquired will be freely transferable.

Characteristics of the free share plan of the 2016 TIM Replacement Plans

This plan is the 2016 TIM Replacement Plan. This plan concerns the allocation of Tikehau Capital shares in accordance with the same valuation and vesting conditions as those set out in the original 2016 TIM Plan.

For the benefit of employees not subject to AIFM regulations

Number of shares being acquired: 136,442 shares

Valuation on the allocation date (in €): €1,137,741

Allocation date: 16 March 2018

Vesting date: 30 June 2019, *i.e.* a vesting period of one year and three months, conditional upon working in the Company or related companies or corporate groups at the definitive vesting date but is not subject to any 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: 216,842 shares

Valuation on the allocation date (in €): €1,722,351

Allocation date: 16 March 2018

Vesting date: 30 June 2019, *i.e.* a vesting period of one year and three months, conditional oupon working in the Company or related companies or corporate groups at the definitive vesting date and based on the performance of a benchmark index representative of the performance of various Tikehau Investment Management 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.

Characteristics of the 2018 Free Share Plan ("2018 FSA Plan") implemented at Tikehau Capital SCA
Number of shares being acquired: 48,752 shares

Allocation date: 30 March 2018

Unit value of the share on the allocation date: €23.74 corresponding to the share price on 29 March 2018 (€25.80) to which an 8% discount is applied to take into account the absence of dividend rights over the vesting period.

Definitive vesting date: 30 March 2020, *i.e.* a vesting period of two years, conditional upon working in the Company or related companies or corporate groups at the definitive vesting date but is not subject to any performance conditions.

From the Definitive vesting date, the Shares acquired will be freely transferable.

Characteristics of the 2018 Performance Share Plan ("2018 Performance Share Plan") implemented at Tikehau Capital SCA
Number of shares being acquired: 65,500 shares

Allocation date: 30 March 2018

Unit value of the share on the allocation date: €23.74 corresponding to the share price on 29 March 2018 (€25.80) to which an 8% discount is applied to take into account the absence of dividend rights over the vesting period.

Definitive vesting date:

- for 50% of granted shares, 30 March 2020, *i.e.* a vesting period of two years, conditional upon working in the Company or related companies or corporate groups at the definitive vesting date but is not subject to any performance conditions;
- for 25% of granted shares, 30 March 2020, *i.e.* a vesting period of two years, conditional upon presence and to the fulfilment of a performance condition relating to the amount of the Group's published assets under management as set out in the consolidated financial statement at 31 December 2019; and
- for 25% of granted shares, 30 March 2020, *i.e.* a vesting period of two years, conditional upon presence and to the fulfilment of a performance condition relating to the revenues of the Group's Asset Management activity as set out in the consolidated financial statement at 31 December 2019.

Characteristics of the 2018 Crédit.fr Free Share Plan ("2018 Credit.fr Plan")
Number of shares being acquired: 25,680 shares

Allocation date: 4 July 2018

Unit value of the share on the allocation date: €24.30 corresponding to the share price on 4 July 2018 (€27.00) to which a 10.0% discount is applied to take into account the absence of dividend rights over the vesting period.

Definitive vesting date:

- for 50% of granted shares, 4 July 2020, *i.e.* a vesting period of two years, conditional upon working in the Company or related companies or corporate groups at the definitive vesting date but is not subject to any performance conditions;
- for 50% of granted shares, 4 July 2021, *i.e.* a vesting period of three years, conditional upon working in the Company or related companies or corporate groups at the definitive vesting date but is not subject to any performance conditions;

From the Definitive vesting date, the Shares acquired will be freely transferable.

Characteristics of the 2018 Sodify Free Share Plan ("2018 Sodify Plan") implemented at Sodify SA
Maximum number of shares to be allocated: 14,800 shares

Allocation date: 21 December 2018

Unit value of the share on the allocation date: €17.94 corresponding to the share price on 21 December 2018 (€19.50) to which an 8.0% discount is applied to take into account the absence of dividend rights over the vesting period.

Definitive vesting date: 21 December 2020, *i.e.* a vesting period of two years conditional upon working in the Company or related companies or corporate groups at the definitive vesting date but is not subject to any performance conditions.

From the Definitive vesting date, the Shares acquired will be freely transferable.

The table below presents a summary of the Tikehau Capital SCA plans:

	2017 Free Share Plan (Plan All)	2017 Individual Free Share Plan (One Off Plan)	2016 TIM Replacement Plan – TIM employees subject to AIFM regulations	2016 TIM Replacement Plan – TIM employees not subject to AIFM regulations
Allocation date	01/12/2017	01/12/2017	16/03/2018	16/03/2018
Maximum number of shares to grant	26,334	690,426	216,842	136,442
Number of shares being allocated	20,914	597,603	216,842	136,442
Valuation on the allocation date	592,681	15,634,127	1,722,351	1,137,741
Number of shares acquired per period				
period ending 30/06/2019	-	-	216,842	123,045
period ending 30/11/2019	20,914	310,475	-	-
period ending 30/03/2020	-	-	-	-
period ending 31/07/2020	-	-	-	-
period ending 30/11/2020	-	287,128	-	-
period ending 31/12/2020	-	-	-	-
period ending 31/07/2021	-	-	-	-

	2018 Free Share Plan (“2018 FSA Plan”)	2018 Performance Share Plan (“2018 Performance Share Plan”)	2018 individual Free Share Plan (“2018 Credit.fr Plan”)	2017 Individual Free Share Plan (“2018 Sofidy Plan”)
Allocation date	30/03/2018	30/03/2018	04/07/2018	21/12/2018
Maximum number of shares to grant	54,629	72,185	26,180	14,800
Number of shares being allocated	48,752	65,500	25,680	14,800
Valuation on the allocation date	1,461,986	1,983,356	636,174	265,512
Number of shares acquired per period				
period ending 30/06/2019	-	-	-	-
period ending 30/11/2019	-	-	-	-
period ending 30/03/2020	48,752	65,500	-	-
period ending 31/07/2020	-	-	12,840	-
period ending 30/11/2020	-	-	-	-
period ending 31/12/2020	-	-	-	14,800
period ending 31/07/2021	-	-	12,840	-

5.18 Non-controlling interests

- The non-controlling interests can be broken down as follows:
  - on the income statement:

(in thousands of €)	2018 (12 months)	% of interest	2017 (12 months)	% of interest
Tikehau Capital Europe	-	0.0%	1,151	24.9%
Tikehau IM	-	0.0%	394	3.3%
Other companies	-6		69	
TOTAL	**-6**		**1,614**	

  - in shareholders' equity:

(in thousands of €)	31 December 2018	% of interest	31 December 2017	% of interest
Tikehau Capital Europe	-	0.0%	18,460	24.9%
Tikehau IM	-	0.0%	11,204	3.3%
Other companies	766		536	
TOTAL	**766**		**30,200**	

5.19 Revenues from Asset Management activity

(in thousands of €)	2018 (12 months)	2017 (12 months)
Gross revenues from Asset Management activity	107,493	74,030
Retrocessions	-32,293	-16,163
TOTAL	**75,199**	**57,868**

5.20 Change in fair value

(in thousands of €)	2018 (12 months)	2017 (12 months)
Non-current investment portfolio	-105,855	317,637
Current investment portfolio	-3,724	5,569
TOTAL	**-109,579**	**323,205**

5.21 Other portfolio revenues

(in thousands of €)	2018 (12 months)	2017 (12 months)
Dividends and other income from portfolio securities	48,010	46,017
Interests	21,477	16,954
Others	120	610
Non-current portfolio revenues	**69,607**	**63,581**
Revenues from bonds	143	558
Current portfolio revenues	**143**	**558**
TOTAL	**69,750**	**64,138**

5.22 Operating expenses

(in thousands of €)	2018 (12 months)	2017 (12 months)
Purchases and external expenses	-12,657	-15,546
Other fees	-17,749	-8,468
Remuneration of the Manager	- 59,903	-26,799
Purchases and external expenses	**-90,308**	**-50,813**
Personnel expenses	**-42,964**	**-26,780**
Taxes other than income taxes	- 2,459	-2,253
Other net operating expenses	333	-2,060
Other net operating expenses	**-2,126**	**-4,312**
TOTAL	**-135,398**	**-81,904**

The methods for determining the remuneration of the Manager-General Partner of Tikehau Capital are detailed in note 5.25 (a) ("Scope of related parties").

5.23 Net income on cash equivalents

(in thousands of €)	2018 (12 months)	2017 (12 months)
Change in fair value	-177	-2
Net gains/losses on transferable securities	-5	-9
Net gains/losses related to foreign exchange	-104	-95
Other revenues from marketable securities	387	492
TOTAL	**100**	**386**

5.24 Financial expenses

(in thousands of €)	2018 (12 months)	2017 (12 months)
Expenses related to borrowings from credit institutions	-7,292	-13,107
Expenses related to bonds	-9,301	-8,933
Expenses related to interest rate derivatives	-2,703	-2,407
Change in fair value of interest rate derivatives	-4,407	2,944
Currency translation adjustment of receivables and bank accounts in currency	0	-7,048
Miscellaneous	- 222	-60
TOTAL	**-23,926**	**-28,611**

In 2018, costs related to borrowings from credit institutions included the amortisation of issuance costs of loans repaid during the financial year for the amount of €0.1 million (€5.6 million in 2017).

Costs related to borrowings totalled €9.3 million in 2018 versus €0.8 million in 2017, excluding the €8.1 million redemption of the Tikehau Capital ORNANE bond on 30 June 2017 (settlement date).

5.25 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, wholly-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 Manager

The Manager is 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 VAT) 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 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 préciputaire*) 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 partnership limited by shares (*société en commandite par actions*), 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 Combined General Shareholders' Meeting of the Company held on 25 May 2018, a budget of €400,000 was allocated to the members of the Supervisory Board in respect of attendance fees for each financial year.

Attendance fees were paid during 2018 in respect of the financial year 2017 in the amount of €271,000. No attendance fees were paid during financial year 2017.

(iv) Summary of the remuneration received by the Manager of Tikehau Capital

The amounts invoiced by the related parties over the year can be broken down as follows:

(in thousands of €)	2018 (12 months)	2017 (12 months)
Remuneration of the Manager (2.0% of consolidated shareholders' equity)	50,593	22,647
Share of non-deductible VAT	9,309	4,151
Remuneration paid to the Manager	**59,903**	**26,799**
Services charged to Salvepar by TCA (1)		**650**
TOTAL	**59,903**	**27,449**

(1) 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.

The preferred dividend approved at the combined Shareholders' Meeting of 25 May 2018 is amounted to €33,987 thousand (no preferred dividend paid in 2017).

(v) Carried interests

In some funds, carried interests can be paid if a fund exceeds a performance hurdle on liquidation. This mainly applies to Real Estate, Private Debt and Private Equity funds.

Carried interests since April 2014 break down as follows: 20% of the available carried interest is paid to a company that is a shareholder of Tikehau Capital Advisors and owned by the partners of the Group; the remainder is distributed one third each to Tikehau Capital, Tikehau IM and Tikehau Capital Advisors.

Carried interest is paid by the funds directly to the beneficiaries and recognised in the income statement when this variable consideration can be accurately estimated and when it is highly likely that no reversal will be made.

Tikehau Capital and its fully consolidated subsidiaries have recognised carried interest of €2.9 million in respect of financial year 2018.

(vi) Rental expenses paid by Tikehau Capital Advisors then re-invoiced to its subsidiaries and Tikehau Capital

Payments on the lease for its premises at 32, rue de Monceau, 75008 Paris and other related costs (cleaning, receptionists, general costs) are billed to Tikehau Capital Advisors and then re-invoiced to Tikehau Capital and subsidiaries *pro rata* their use of the premises. Total re-invoicings by Tikehau Capital Advisors to Tikehau Capital SCA and Tikehau IM are amounted to €0.5 million for 2018.

(vii) IT costs paid by Tikehau Capital SCA then re-invoiced to Tikehau Capital Advisors

A number of IT expenses and investments related to the activities of the Group and Tikehau Capital Advisors may be pooled with Tikehau Capital SCA, provided their nature means they can be used by all or several Group entities. 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. Total re-invoicings by Tikehau Capital SCA to Tikehau Capital Advisors are amounted to €0.2 million for 2018.

(viii) Cost of free shares plans at Tikehau Capital Advisors.

The costs of granting free shares (IFRS 2 share-based payments costs) to employees of Tikehau Capital Advisors are booked and borne by Tikehau Capital SCA, except for the related social security costs which are borne by Tikehau Capital Advisors.

In 2018, this cost of €1.2 million (€0.1 million in 2017), the counterparty of which is accounted for in shareholders' equity, has no impact on the consolidated shareholders' equity.

5.26 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 assets in foreign currency.

(a) Exposure to risks arising from bank debts

(i) Interest rate risk

As at 31 December 2018, Tikehau Capital was exposed to interest rate risk on its bank loans and related hedges for respective amounts of €504.2 million and €368 million, compared with respectively €256.9 million and €177.7 million as at 31 December 2017 (see note 5.14 ("Borrowings and financial debt")).

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 2017	177.7	0.62%	6.1 years
AS AT 31 DECEMBER 2018	**368.0**	**0.54%**	**5.5 YEARS**

(ii) Currency risk

The Company was no longer exposed to currency risk at 31 December 2018. Debts in foreign currencies are revalued at each closing at the closing conversion rate:

(in millions of euros)	Amount in foreign currency	31 December 2018	Amount in foreign currency	31 December 2017
Bank debt in currency				
Singapore dollar	-	-	8.0	5.0

(b) Risk exposure of the investment portfolio

The risk exposure of the investment portfolio can be summarised as follows:

(in millions of €)	Currency risk	Listed equity markets	Unlisted equity markets	31 December 2018	31 December 2017
Tikehau funds (including Sofidy and ACE Management)	x	x Liquid Strategies	x	874.9	502.4
External funds & co-investments	x	n.a.	x	148.7	79.8
Equities	x	x Investment levels 1 & 2	x Investment level 3	955.8	865.0
Bonds	n.a.	n.a.	n.a.	103.9	118.0
TOTAL				**2,083.3**	**1,565.2**

(i) Exposure to risks arising from investment in the Tikehau funds

- Liquid Strategies: a change in the net asset value of the funds (€104.9 million as at 31 December 2018) of +/-10% would impact Tikehau Capital's exposure by €10.5 million.
- Private Debt and CLO: stress tests for interest rates are run on a quarterly basis. The test scenario is a +/-100 basis point shock to the risk-free rate curve.
- A change in interest rates of 100 basis points could impact Tikehau Capital's exposure by €5.6 million.
- Real Estate activities: stress tests are run on a quarterly basis. The stress scenario used is a price shock to unlisted Real Estate assets in each country: -20.0% in France, -14.1% in Italy, -19.1% in Germany, -26.9% in Belgium, -15.1% in the Netherlands (economic shocks based on scenarios defined by the European Central Bank and the European Systemic Risk Board and used in the 2018 EU stress tests of commercial Real Estate assets, published 16 January 2018).

The impact on Tikehau Capital's exposure would be €47.9 million.

(ii) Exposure of investments in equities

Investments in shares or equity investments are classified according to the different levels (see note 5.5 ("Determining fair value")):

(in millions of €)	31 December 2018	31 December 2017
Level 1 (1)	638.3	526.7
Level 2	53.5	60.3
Level 3	264.0	278.0
TOTAL	**955.8**	**865.0**

(1) IREIT Global is classified as Level 1 Equity for analysis purposes, although it is a Real Estate Investment Fund managed by IREIT Global Group (84.5% 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 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 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 2018 would have resulted in an additional charge of €63.9 million in the consolidated result before tax for 2018. A fall in the share price is also likely to impact the capital gain or loss on disposal realised at the time of any sales into the market by Tikehau Capital.

Furthermore, fluctuations in the equity markets may have an impact on the stock market comparable 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 result, 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 2018 (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 2018 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 87% in value of investments in non-listed shares of its portfolio as at 31 December 2018. The sensitivity to a change of +/-10% in the multiples of revenues or EBITDA of non-listed companies amounts to €36.6 million.

(iii) Exposure of investments in bonds

Investments in bonds are classified according to the different levels (see note 5.5 "Determining fair value"):

(in millions of €)	31 December 2018	31 December 2017
Level 1	10.4	18.2
Level 2	0.0	0.0
Level 3	93.5	99.8
TOTAL	**103.9**	**118.0**

The bonds in which Tikehau Capital has invested are issued at a fixed rate. The instantaneous variation of plus (or minus) 100 bp in rates would have resulted in a change in the value of the portfolio of minus (or plus) €4.7 million, given the average duration recorded on this portfolio (4.5 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 noncyclical 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 December 2018	31 December 2017
Fair value	148.7	79.8
Number of funds	64	49
Average line of investment	2.3	1.6
Share of investments >€5m *(in %)*	48%	37%

The table below details the unobservable inputs used for the main Level 3 external investment funds:

Investment fund	Valuation method	Unobservable data	Range	Fair value *(in millions of €)*
FAIRSTONE	Comparable listed companies	Multiple Adjusted Net Asset Value	2.5x	14.1
VOYAGE CARE	Comparable listed companies (50%) Comparable transactions (50%)	Multiple EBITDA Multiple EBITDA	8.0x 12.2x	10.4
RING CAPITAL	Recent acquisition price	n.a.	n.a.	10.9
XINYU [(1)]	n.a.	n.a.	n.a.	8.9
STARWOOD ERE	Discounted cash flow (60%) Previous transactions (40%)	Discount rate (WACC) Multiple Production and Reserve	[8.0%-20.0%] $3,808 & [$0.82-$0.91]	8.3
P2 BRASIL – HIDROVIAS	Discounted cash flow	Discount rate (WACC)	[8.6%-11.0%]	7.6
JEFFERSON	Recent acquisition price	n.a.	n.a.	6.6
P2 BRASIL – LAP	Discounted cash flow	Discount rate (WACC)	9.0%	5.0
TOTAL INVESTMENT FUNDS > €5M				**71.9**

(1) Recent investments dated less than one year ago for which no valuation information has been provided by the funds at this stage (investments valued at acquisition price in the funds).

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(c) Exposure to currency risk

Tikehau Capital's exposure to currency risk relates to its investments in foreign currencies. As at 31 December 2018, 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, the Polish zloty, the Swiss franc and South Korean won to a lesser extent. Tikehau Capital had no currency hedging as at 31 December 2018.

Exposure to currency risk increased by €57.9 million between 31 December 2017 and 31 December 2018.

The table below shows the impact in profit and loss accounts of a +/-10% change in these currencies against the euro and on the basis of the consolidated financial statements as at 31 December 2018 and 31 December 2017:

(in millions of euros)	Appreciation of 10% in the euro against the currency	Depreciation of 10% in the euro against the currency
As at 31 December 2018		
Pound sterling	- 10.7	+ 13.1
US dollar	- 9.0	+ 11.0
Singapore dollar	- 3.2	+ 4.0
Canadian dollar	- 1.3	+ 1.6
Australian dollar	- 0.0	+ 0.1
Polish zloty	- 0.1	+ 0.1
Swiss franc	- 0.2	+ 0.2
South Korean won	- 0.0	+ 0.0

(in millions of euros)	Appreciation of 10% in the euro against the currency	Depreciation of 10% in the euro against the currency
As at 31 December 2017		
Pound sterling	- 9.7	12.1
US Dollar	- 6.1	7.5
Singapore dollar	- 2.4	2.9
Canadian dollar	- 0.8	0.2
Australian dollar	- 0.2	1.0
Polish zloty	- 0.1	0.1
Swiss franc	- 0.0	+ 0.0
South Korean won	- 0.0	+ 0.0

(d) Exposure to counterparty risk

To manage its counterparty risk related to cash and securities, Tikehau Capital only works with banks selected in view of their credit rating 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 2018, 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.

5.27 Contingent liabilities and contingent assets

(in thousands of €)	Amount 31 December 2018	Amount 31 December 2017
Description	**Value of guarantee given**	**Value of guarantee given**
Commitment of payment to current account	121	142
Capital subscription commitment in companies	38,616	68,712
Uncalled commitment by external funds	104,606	99,369
Uncalled commitment by Tikehau funds	625,553	138,296
Pledge of shares as loan guarantee and authorised overdrafts	79,327	83,643
Pledge of bank accounts as loan guarantee and authorised overdrafts	673	67,337
Pledge of shares as first-demand guarantee	70,000	
TOTAL COMMITMENTS MADE	**918,896**	**457,499**

(in thousands of €)	Amount 31 December 2018	Amount 31 December 2017
Description	**Value of guarantee received**	**Value of guarantee received**
Syndicated loan not drawn at close	500,000	750,000
Lombard loan not drawn at close	80,000	150,000
TOTAL COMMITMENTS RECEIVED	**580,000**	**900,000**

The commitment received at 31 December 2018 in respect of the Lombard loan is €80 million and is the consequence of securities pledged as collateral for the first-demand guarantee (commitments given) during the public tender offer for Selectirente shares and convertible/exchangeable bonds (OCEANES).

5.28 IFRS 16 “Leases”

The Group will apply IFRS 16 “Leases” as from 1 January 2019. The Group has assessed and estimated the impact that initial application of this new standard will have in its consolidated financial statements. The actual impacts of its application may however change as the Group's main accounting methods may change before the first publication of the consolidated financial statements prepared with the new standard.

a) Leases where the Group is a lessee

The Group will recognise assets for right-of-use and liabilities for lease payments in respect of its leases. The nature of expenses related to thoses leases will now change because the Group will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Until now, the Group has recognised operating lease expenses on a straight-line basis over the term of the lease.

Also, the Group will no longer recognise provisions for operating leases which would previously have been recognised as being onerous. Instead, the Group will include thes payments due under the lease in its lease liability.

Based on currently available information, the Group estimates that application of IFRS 16 at 1 January 2019 will have no significant impact compared to the level of the Group's equity. The Group does not expect adoption of IFRS 16 to affect the Group's ability to meet its covenants.

b) Leases where the Group is a lessor

No impact is expected on leases where the Group is a lessor.

c) Transition

The Group will apply IFRS 16 “Leases” initially on 1 January 2019, using the modified retrospective approach. However, the cumulative effect of adopting the new standard will be recognised as an adjustment to the opening balance of shareholders' equity at 1 January 2019, date of first-time application, with no restatement comparative information.

The Group plans to apply practical expedient to grandfather the definition of a lease on transition. Therefore, this means the Group:

- will apply IFRS 16 to leases previously identified in accordance with IAS 17 and IFRIC 4;
- will not apply IFRS 16 to contracts previously identified as not containing leases in accordance with IAS 17 and IFRIC 4; and

5.

- will apply the IFRS 16 definition of a lease to assess whether contracts entered into after the date of initial application of the new standard are, or contain, leases.

5.29 Subsequent events after closing

Tikehau Capital obtains an Investment Grade rating (BBB-, stable outlook) from Fitch Ratings

Early in 2019, Tikehau Capital was assigned its inaugural rating by financial rating agency Fitch Ratings. Supported by a stable outlook, this investment grade rating (BBB-) confirms the strength of Tikehau Capital's financial profile.

In its statement, Fitch Ratings highlighted the strength of Tikehau Capital's balance sheet and expressed its confidence in the Group's ability to keep financial ratios at levels consistent with an investment grade profile as Tikehau Capital pursues its strategy.

Private Debt fund Tikehau Direct Lending closes on €2.1 billion

12 February 2019 – Tikehau IM, Asset Management subsidiary of Tikehau Capital, closed its fourth-generation fund Direct Lending having raised a record €2.1 billion, more than three times the previous vintage. This fundraising confirms investors' appetite for the Private Debt asset class, as well as Tikehau IM's leading position in the European direct lending market. Tikehau Direct Lending (TDL IV) is the flagship fund for Tikehau IM's fourth generation of Direct Lending funds.

At 31 December 2018, the Group invested around €31 million in this fund; Tikehau Capital has so far committed €150 million in TDL IV.

Public tender offer for Selectirente

At 21 December 2018, Tikehau Capital filed a public tender offer for Selectirente's shares and OCEANE bonds. Tikehau Capital irrevocably agreed to acquire:

- at a unit price of €86.80 ex the interim dividend of 2 January 2019, (i) all outstanding Selectirente shares not already held by it or its concert [(1)] and the 45,255 Selectirente shares held by Sofidiane which had already been committed to the offer, totalling 1,094,590 shares representing 70.95% of the capital and votes, and (ii) the 47,168 Selectirente shares to be issues on conversion of the OCEANE bonds not held by concert party members;
- at a unit price of €87.25 ex the coupon paid on 2 January 2019, all the OCEANE bonds issued by Selectirente not already held by it or members of its concert and the 11,899 Selectirente OCEANE bonds held by Sofidiane which had already been committed to the offer, giving a total of 58,832 OCEANEs.

Euronext market notified the AMF that on 4 March 2019, the closing date for brokers to deposit securities in respect of orders for the tender offer launched by Tikehau Capital for securities in Selectirente, 777,435 Selectirente shares and 54,195 OCEANE bonds had been deposited.

On settlement of the bid on 14 March 2019, Tikehau Capital held 1,225,600 shares, equivalent to 79.4% of the share capital and voting rights of Selectirente including the holdings of the concert party with which Tikehau Capital is acting and 127,259 Selectirente OCEANE bonds (96.5% of those in circulation).

Sale of stake in Spie Batignolles

On 24 January 2019, Tikehau Capital sold its holding in Spie Batignolles, a major player in the construction, infrastructure and services sectors, for 2.3 times the amount of the amount initially invested. The sale coincided with Asset Management subsidiary Tikehau IM's arrangement of financing for 200 of the company's managers to buy shares alongside the management team, led by Spie Batignolles' Chairman Jean-Charles Robin.

Free shares granted at start of 2019

The free share grants to employees of the Group was pursued within the framework of variable compensation grants for 2018 and took the form of three plans for free share grants, adopted by Management on 18 February 2018. The three plans are the following:

Characteristics of the 2019 Free Share Plan ("2019 FSA Plan") implemented at Tikehau Capital SCA

Number of shares being acquired: 134,669 shares

Allocation date: 18 February 2019

Unit value of the share on the allocation date: €18.90 corresponding to the share price on 18 February 2019 (€21.00) to which a 10% discount is applied to take into account the absence of dividend rights over the vesting period.

(1) The concert party composed of Tikehau Capital, Sofidy, GSA Immobilier, Sofidiane, Makemo Capital, Af&Co and Mr Antoine Flamarion and Mr Christian Flammarion.

Definitive vesting date:

- after a period of 2 years for 50% of the granted shares, *i.e.* 18 February 2021;
- after a period of 3 years for 50% of the granted shares, *i.e.* 18 February 2022.

The vesting of shares granted under the 2019 FSA Plan is conditional upon working in the Company or related companies orcorporate groups at the definitive vesting date but is not subject toany conditions of performance.

The shares awarded under the 2019 FSA Plan are not subject to any retention period.

Characteristics of the 2019 Performance Share Plan ("2019 Performance Share Plan") implemented at Tikehau Capital SCA

Number of shares being acquired: 108,816 shares

Allocation date: 18 February 2019

Unit value of the share on the allocation date: €18.90 corresponding to the share price on 18 February 2019 (€21.00) to which a 10% discount is applied to take into account the absence of dividend rights over the vesting period.

Definitive vesting date:

The vesting of shares granted under the 2019 Performance Share Plan will take place as follows:

- for 50% of the granted shares, after a period of 2 years, *i.e.* on 18 February 2021, subject to:
  - for 25% of the shares, the sole condition of presence within the Group,
  - for 12.5% of the shares, a performance condition relating to the Group's cumulated net new money in 2019 and 2020,
  - for 12.5% of the shares, a performance condition relating to the arithmetic average of the operating margins achieved on the Group's Asset Management activity as set out in the consolidated financial statements at 31 December 2019 and 31 December 2020;
- after a period of 3 years for 50% of the granted shares, *i.e.* 18 February 2022, and subject to:
  - for 25% of the shares, the sole condition of presence within the Group,
  - for 12.5% of the shares, a performance condition relating to the Group's cumulated net new money in 2021;
  - for 12.5% of the shares, a performance condition relating to the operating margin on the Group's Asset Management activity as set out in the consolidated financial statements at 31 December 2021.

The granted shares under the 2019 Performance Share Plan are not subject to any retention period.

Characteristics of the free share plan for certain employees covered by the employee remuneration requirements of the AIFM/UCITS V directive 2019 ("2019 AIFM/UCITS Plan") implemented by Tikehau Capital SCA

Number of shares being acquired: 30,825 shares

Allocation date: 18 February 2019

Unit value of the share on the allocation date: €18.90 corresponding to the share price on 18 February 2019 (€21.00) to which a 10% discount is applied to take into account the absence of dividend rights over the vesting period.

Definitive vesting date:

The vesting of shares granted under the 2019 AIFM/UCITS Plan will take place as follows:

- after a period of 2 years, *i.e.* 18 February 2021, for 2/3 of the granted shares, subject to:
  - a performance condition based on a benchmark index representing the performance of Tikehau IM's various business lines (the "Performance Index") after a period of one year, for 1/3 of the granted shares,
  - a performance condition based on the Performance Index at the end of the two-year period, for 1/3 of the granted shares;
- at the end of a three-year vesting period, *i.e.* 18 February 2022, subject to a performance condition based on the Performance Index at the end of the three-year period, for 1/3 of the granted shares.

The granted shares under the 2019 AIFM/UCITS Plan are not subject to any retention period.

The vesting of the shares under these three tranches will be conditional upon the beneficiary's presence within the Group and the absence of any serious breach of applicable regulations or Internal Rules and procedures concerning compliance and the appropriate management of risks.

5.2 REPORT OF THE STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS

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 regulations 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.

MAZARS

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Commissaire aux Comptes Membre de la compagnie régionale de Versailles

Tikehau Capital

Year ended December 31, 2018

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, 2018.

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, 2018 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 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, 2018 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 for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)*.

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
The goodwill shown on the balance sheet as at December 31, 2018 amounted to M€ 436.8. As stated in Notes 5.4.b and 5.7 to the consolidated financial statements, the goodwill is subject to impairment tests whenever there is an objective indication of a loss in value, and 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 Tikehau Capital Group correspond to the Asset Management business, on the one hand, and to the investment business, on the other. The calculation of value-in-use is based on discounting the future cash flows generated by the CGU, resulting from the medium-term plans prepared for the purpose of managing the Group. 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.	We analyzed the methodology used by Tikehau Capital Group to identify any indication of impairment. We controlled the calculations performed, and assessed the assumptions used by management to determine the cost of equity and the terminal growth rates included in the discounted cash flow calculation models, comparing them with external sources where applicable. We analyzed the financial forecasts prepared by Tikehau Capital Group's management, and used in the impairment tests, in order to: • compare them with the medium-term business plans prepared by management; • assess the main underlying assumptions, in terms of a comparison between the financial forecasts prepared and the actual achievements. We also carried out assessments on the sensitivity to certain assumptions (growth rate and discount rate), and analyzed the disclosures in the notes to the consolidated financial statements regarding the results of these impairment tests and the level of sensitivity to the various assumptions.

Recognition and recoverable nature of the deferred tax assets relating to tax-loss carry-forwards

5.

Risk identified	Our response

The deferred taxes recognized as tax-loss carry-forwards on the balance sheet amounted to M€ 40.2 as at December 31, 2018 versus M€ 26,3 as at December 31, 2017.
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.
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.
We considered that the recognition and the recoverable nature of the deferred tax assets was a key audit matter in view of the uncertainty inherent in the recognition and the recoverable nature of the deferred tax assets, and the judgement exercised by management in that regard.
	Our audit approach consisted in:
	• 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;
	• assessing the likelihood that Tikehau Capital Group would be able to use the tax-loss carry-forwards generated to date in the future, specifically in view of:
	  • the existing deferred tax liabilities in the same tax jurisdiction, which may be charged to the existing tax-loss carry-forwards before they expire; and
	  • Tikehau Capital Group's ability to generate future taxable profits that would enable prior losses to be absorbed.
	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:
	• compare them with the medium-term business plans prepared by management;
	• 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 as level 3

Risk identified	Our response
Tikehau Capital Group holds non-current equity investments on its balance sheet valued at fair value: the Group's non-current investment portfolio amounted to M€ 1,972 as at December 31, 2018. 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€ 1,242 as at December 31, 2018. The accounting rules and policies applicable to the investment portfolio, and the methods for determining the fair value of the securities, are 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 as Level 3 to be a key audit matter, as it requires management to exercise its judgement in terms of the choice of methodologies and data used.	We familiarized ourselves with the process implemented by the Group, and more specifically by Tikehau Capital, in order to value the investments in the non-current portfolio classified as Level 3. With the assistance of the valuation specialists included in our audit team, and for a sample of investments, we: • 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 and 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 used with transactions performed over the past 12 months.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of 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 Meetings held on June 1, 2017 for MAZARS and on November 7, 2016 for ERNST & YOUNG et Autres.

As at December 31, 2018, MAZARS was in its second year and ERNST & YOUNG et Autres in its third year of total uninterrupted engagement (including two years since the Company's securities were admitted to trading on a regulated market).

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 significant deficiencies, if any, 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 as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics for Statutory Auditors *(Code de déontologie)*. 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, March 29, 2019

The Statutory Auditors

French original signed by

MAZARS	**ERNST & YOUNG et Autres**
Simon Bellevaire	Hassan Baaj

6.

ANNUAL FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018

6.1 ANNUAL FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018

Compared balance sheets

		31 December 2018			31 December 2017
ASSETS *(in thousands of €)*	***Notes***	**Gross**	**Amortisation and Depreciation**	**Net**	**Net**
Intangible assets					
Other intangible fixed assets	1	14,036	865	13,171	12,061
Tangible assets					
Other tangible assets		17	0	17	0
Financial assets					
Investments	2	1,534,744	57,097	1,477,647	1,134,256
Receivables relating to investments	2	295,243	2,122	293,122	152,313
Other investments	2	1,135,946	63,025	1,072,921	414,921
Loans	2				
Other financial assets	2	32,841	9	32,832	820
Sub-total assets		**3,012,827**	**123,117**	**2,889,710**	**1,714,372**
Receivables					
Trade receivables and related accounts	3	4,005		4,005	4,452
Other receivables	3	13,871		13,871	223,466
Marketable securities ("MS")	**4**	**160,556**	**13,957**	**146,599**	**178,886**
Term deposits	**4**	**28,852**		**28,852**	**166,852**
Cash and cash equivalents		**255,288**		**255,288**	**674,951**
Prepaid expenses		**145**		**145**	**2**
Currency translation differences – Assets		**2,947**		**2,947**	**4,598**
Deferred expenses	**5**	**5,726**		**5,726**	**7,523**
Sub-total current assets		**471,390**	**13,957**	**457,434**	**1,260,731**
TOTAL ASSETS		**3,484,217**	**137,074**	**3,347,143**	**2,975,103**

LIABILITIES *(in thousands of €)*	*Notes*	31 December 2018	31 December 2018 after allocation*	31 December 2017 after allocation
Shareholders' equity	6			
Share capital		1,241,731	1,241,731	1,233,597
Issuance, merger and in-kind premiums		849,338	849,338	840,567
Reserves	6			
Legal reserve		16,805	16,805	4,212
Regulated reserves				
Other reserves				
Retained earnings	6	**102,145**	**11,821**	**-20,051**
Net result for the year	6	**-64,455**	**0**	**271,895**
Special depreciation allowances	6	**551**	**551**	**254**
Subtotal shareholders' equity		**2,146,115**	**2,120,245**	**2,330,474**
Provisions for risks and liabilities				
Provisions for risks	7	2,947	2,947	4,476
Liabilities				
Debts on fixed assets and related accounts		384,218	384,218	55,290
Sundry borrowings and financial debt	8	801,384	801,384	551,673
Overdrafts Bank loans				
Trade payables and related accounts	9	7,827	7,827	6,151
Tax and social security payables	9	721	721	673
Other current liabilities	9	2,670	2,670	25,284
Dividends payable*			25,869	0
Sub-total liabilities		**1,196,820**	**1,222,689**	**639,071**
Regularisation accounts				
Currency translation differences – Liabilities		1,261	1,261	1,082
TOTAL LIABILITIES		**3,347,143**	**3,347,143**	**2,975,103**

* On the basis of the allocation that will be proposed to the General Meeting of 22 May 2019 and the payment of a dividend of €0.25 per share.

6.

Compared income statements

INCOME STATEMENT *(in thousands of €)*	***Notes***	31 December 2018			31 December 2017	
		France	**Exports**	**Total**	**Total**	**Change**
Sold production – Goods						
Sold production – Services	11	3,480	665	4,144	2,991	1,154
Net revenues				4,144	2,991	1,154
Reversal of depreciation, amortisation and provisions and transfers	11				12,515	-12,515
Other income	11			1,214	841	373
Total operating revenues (I)				**5,359**	**16,347**	**-10,988**
Other purchases and external expenses				70,885	51,720	19,165
Taxes, duties and similar payments				74	165	-91
Depreciation, amortisation and impairment				2,452	8,278	-5,826
Other expenses				793	307	486
Total operating expenses (II)				**74,205**	**60,470**	**13,735**
OPERATING RESULT (I-II)				**-68,846**	**-44,123**	**-24,723**
Income from investments				29,974	31,077	-1,103
Income from other marketable securities and receivables				32,199	25,439	6,760
Other interest receivable and similar income				3,630	16,707	-13,077
Provision reversals and expense transfers				16,399	36,642	-20,243
Positive currency translation differences				487	32	455
Net income on disposals of marketable securities				14	7,912	-7,897
Total financial income (III)				**82,703**	**117,807**	**-35,105**
Impairment of financial assets				84,814	42,523	42,291
Interest payable and similar expenses				18,715	41,339	-22,624
Negative currency differences				152	2,141	-1,989
Net expenses on disposals of marketable securities				118	20	98
Total financial expenses (IV)				**103,800**	**86,024**	**17,776**
NET FINANCIAL INCOME (III-IV)				**-21,097**	**31,784**	**-52,881**
RECURRING PROFIT (LOSS) BEFORE TAX (I-II+III-IV)				**-89,943**	**-12,339**	**-77,604**

INCOME STATEMENT *(in thousands of €)*	***Notes***		**31 December 2018**		**31 December 2017**	
		France	**Exports**	**Total**	**Total**	**Change**
Non-recurring income on revenue transactions				263	13	251
Non-recurring income on capital transactions				180,200	978,957	-798,757
Provision reversals and expense transfers				12,450		12,450
Total non-recurring income (V)				**192,914**	**978,970**	**-786,056**
Non-recurring expenses on revenue transactions				164	9	155
Non-recurring expenses on capital transactions				170,607	689,769	-519,162
Depreciation, amortisation and impairment				297	728	-431
Total non-recurring expenses (VI)				**171,068**	**690,505**	**-519,437**
NET NON-RECURRING INCOME (V-VI)	12			**21,846**	**288,464**	**-266,619**
Employee profit-sharing (VII)				0		0
Corporate income tax (VIII)				-3,642	4,230	-7,873
Total Income (I+III+V)				**280,975**	**1,113,124**	**-832,149**
Total Expenses (II+IV+VI+VII+VIII)				**345,430**	**841,229**	**-495,799**
NET RESULT				**-64,455**	**271,895**	**-336,350**

Cash flow statement

CASH FLOW STATEMENT *(in thousands of €)*	**31 December 2018**	**31 December 2017**
Non-current investment portfolio	**-777,780**	**-146,722**
Acquisition of items of the fixed portfolio	-1,048,275	-537,772
Disposal of items of the fixed portfolio	215,904	344,135
Cashed in revenues	54,590	46,916
Dividends received	20,299	25,947
Interests	8,357	4,756
Other revenues	25,934	16,213
Current investment portfolio	**-800**	**-18,895**
Acquisition of items of the current portfolio	-1,106	-173,611
Disposal of items of the current portfolio	0	154,198
Cashed in revenues short term	306	518
Interests	306	518
Operating payables and receivables relating to the investment portfolio	**159,503**	**-195,297**
Income received from Asset managers	**900**	**5**
Net income on cash equivalents	**814**	**380**
Operating expenses	**-73,982**	**-117,838**
Derivatives portfolio	**0**	**-1,055**
Tax paid	**1,919**	**-22,607**
NET CASH FLOWS FROM OPERATING ACTIVITIES	**-689,427**	**-502,030**
Capital increase	**0**	**893,976**
Dividends paid to shareholders	**-137,106**	**1,736**
Borrowings	**230,869**	**323,753**
NET CASH FLOWS FROM FINANCING ACTIVITIES	**93,763**	**1,219,464**
Direct impact of foreign exchange on cash-flow	0	36,624
Effect of reclassifications on cash-flow	38,000	0
Theoretical change in cash-flow	**-557,663**	**754,058**
Cash-flow at the beginning of the year (including term deposits)	841,803	87,745
Cash-flow at the end of the year (including term deposits)	284,140	841,803
Change in cash-flow	**-557,663**	**754,058**

In the cash flow statement, buy/sell transactions on assets are treated as net.

6.2 GENERAL CONTEXT AND PROCEDURE FOR PREPARING THE FINANCIAL STATEMENTS

2.1 General context

Tikehau Capital is a French partnership limited by shares (*société en commandite par actions*), with a share capital of €1,241,731,188 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, for its own account 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, 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 promote its expansion and development".

2.2 Procedures for preparing the financial statements

The annual financial statements as at 31 December 2018 relate to the period from 1 January to 31 December 2018, 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 2018 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. 2017-03 of 3 November 2017.

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 2018 were drawn up by the Managers and submitted to the Supervisory Board on 20 March 2019.

2.3 Significant events in 2018

The main investments and divestments made by the Company in 2018 consisted of the following:

- concerning the main funds under management:
  - **Tikehau Growth Equity II** – Tikehau Capital IM launched a fund dedicated to minority investment in which the Company committed €201 million, of which €96 million was called as at 31 December 2018. As at 31 December 2018, Tikehau Growth Equity II had invested €94 million in three companies: Filiassur, Nexteam and Linkfluence,
  - **T2 Energy Transition Fund** – On 29 March 2018, the Company announced that Total SA was participating alongside Tikehau Capital in the creation of an investment fund dedicated to energy. The purpose of this Private Equity fund, managed by Tikehau IM, is to support medium-sized energy players in the financing of 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 and energy sector professionals. This team will act under the authority of an Investment Committee that benefits from the expertise of the two partners. The fund is aimed at major institutional investors. As at 31 December 2018, Tikehau Capital had a stake of €17.4 million in the T2 Energy Transition Fund; Tikehau Capital and Total's commitment to this fund is in the region of €100 million each,
  - **Tikehau Brennus** – On 24 January 2018, Tikehau Capital arranged a €115 million financing for the Conforama group, through the Tikehau Brennus fund managed by its subsidiary Tikehau IM, allowing the Conforama group to further the implementation of 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,
  - **Tikehau Sequoia** – In April 2018, the Company sold its stake in DRT to Ardian. 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;
- concerning its portfolio's main listed assets:
  - **DWS** – In March 2018, the Company took part in the IPO of DWS for €182 million. Subsequent acquisitions were carried out for €9.6 million, resulting in a total stake of just under 3.0% as at 31 December 2018. Further to this transaction, a partnership between the two groups is to cover (i) a pooling of co-investment opportunities and deal-flow among alternative strategies and (ii) joint initiatives in terms of products' distribution. This partnership should allow Tikehau Capital to develop its presence in Germany with a leading partner,

- **Eurazeo** – In 2018, the Company increased its investment in Eurazeo for a total sum of €79.0 million (excluding fees), thus increasing its stake to 9.38% as at 31 December 2018,
- **Naturex** – In March 2018, Givaudan announced its intention to launch a cash tender offer for all Naturex shares at a unit price of €135 per share. Following the sale of its interest as part of this tender offer opened on 28 June 2018, the Company generated a pre-tax capital gain in 2018 of €19.2 million, excluding technical losses.

The highlights of the period are as follows:

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.

On 17 December 2018, for the acquisition of Sofidy – which was partially carried out through a contribution in kind of securities – Tikehau Capital conducted a capital increase of €6.8 million (including share premium) through the creation of 244,712 new shares.

On 19 December 2018, for the acquisition of ACE Management – which was partially carried out through a contribution in kind of securities – Tikehau Capital conducted a capital increase of €2.4 million (including share premium) through the creation of 86,639 new shares.

Following this capital increase, and as at 31 December 2018, the Company's share ownership was as follows:

	Number of shares	% of share 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	5,176,988	5%
Neuflize Vie	2,274,836	2%
Majority shareholders acting in concert (A)	**57,839,461**	**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	2,769,589	3%
Others	18,920,739	18%
Other shareholders (B)	**45,638,138**	**44%**
TOTAL SHARE OWNERSHIP (A + B)	**103,477,599**	**100%**

Bank financing

On 14 December 2018, TC SCA drew down €250 million from line A of the syndicated loan, providing the Company with additional resources to finance its general needs, support its growth and develop its strategy.

Universal Transfer of Assets

Two wholly-owned subsidiaries of Tikehau Capital – namely Tikehau Asia and Tikehau Secondary – have been the subject of a universal transfer of assets.

These two transactions were carried out at book value.

The details of the gains and losses are set out in the table below:

(in thousands of €)	Date of transfer	Merger gains	Merger loss
Tikehau Asia	02/02/2018	3,001	-
Tikehau Secondary	28/12/2018	14	-

2.4 Subsequent events

Investment Grade rating (BBB-, stable outlook) given by the Fitch Ratings financial rating agency

Early in 2019, Tikehau Capital was assigned its inaugural rating by financial rating agency Fitch Ratings. Supported by a stable outlook, this investment grade rating (BBB-) confirms the strength of Tikehau Capital's financial profile.

In its statement, Fitch Ratings highlighted the strength of Tikehau Capital's balance sheet and expressed its confidence in the Group's ability to keep financial ratios at levels consistent with an investment grade profile as Tikehau Capital pursues its strategy.

Public tender offer for Selectirente

On 21 December 2018, Tikehau Capital filed a tender offer with the AMF to acquire Selectirente shares and OCEANE bonds. Tikehau Capital irrevocably agreed to acquire:

- at a unit price of 86.80 euros ex the interim dividend of 2 January 2019, (i) all outstanding Selectirente shares not already held by it or its concert [1] and the 45,255 Selectirente shares held by the company Sofidiane which had already been committed to the offer, totalling 1,094,590 shares representing 70.95% of the capital and votes, and (ii) the 47,168 Selectirente shares to be issues on conversion of the OCEANE bonds not held by concert party members;
- at a unit price of 87.25 euros ex the coupon paid on 2 January 2019, all the OCEANE bonds issued by Selectirente not already held by it or members of its concert and the 11,899 Selectirente OCEANE bonds held by the company Sofidiane which had already been committed to the offer, giving a total of 58,832 OCEANEs.

Euronext market notified the AMF that on 4 March 2019, the closing date for brokers to deposit securities in respect of orders for the tender offer launched by Tikehau Capital for securities in Selectirente, 777,435 Selectirente shares and 54,195 OCEANE bonds had been deposited.

On settlement of the bid at 14 March 2019, Tikehau Capital held 1,225,600 shares, equivalent to 79.4% of the share capital and voting rights of Selectirente including the holdings of the concert party with which Tikehau Capital is acting, and 127,259 Selectirente OCEANE bonds, 96.5% of those in circulation.

Sale of stake in Spie Batignolles

On 24 January 2019, Tikehau Capital sold its holding in Spie Batignolles, a major player in the construction, infrastructure and services sectors, for 2.3 times the amount of the amount initially invested. The sale coincided with Asset Management subsidiary Tikehau IM's arrangement of financing for 200 of the company's managers to buy shares alongside the management team, led by Spie Batignolles' Chairman Jean-Charles Robin.

Free shares granted at start of 2019

New free shares were granted to employees of the Group as part of variable compensation awarded in respect of 2018. These took the form of three free share plans adopted by the Managers on 18 February 2019. The plans are as follows:

Characteristics of the 2019 free shares plan (“2019 FSA Plan”) set up at Tikehau Capital SCA

Number of shares being acquired: 134,669 shares

Allocation date: 18 February 2019

Unit value of the share on the allocation date: €18.90 corresponding to the share price on 18 February 2019 (€21.00) to which a 10% discount is applied to take into account the absence of dividend rights over the vesting period.

6.

(1) The concert composed of Tikehau Capital, Sofidy, GSA Immobilier, Sofidiane, Makemo Capital, AF&Co, and Mr Antoine Flamarion and Mr LChristian Flamarion.

Definitive Vesting date:

- for 50% of the granted shares, after a period of 2 years, *i.e.* on 18 February 2021;
- for 50% of the granted shares, after a period of 3 years, *i.e.* on 18 February 2022.

The vesting of the shares granted under the 2019 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 shares awarded under the 2019 FSA Plan are not subject to any retention period.

Characteristics of the "2019 Performance Share Plan" implemented at Tikehau Capital SCA

Number of shares being acquired: 108,816 shares

Allocation date: 18 February 2019

Unit value of the share on the allocation date: €18.90 corresponding to the share price on 18 February 2019 (€21.00) to which a 10% discount is applied to take into account the absence of dividend rights over the vesting period.

Definitive vesting date:

The vesting of shares granted under the 2019 Performance Share Plan will take place as follows:

- for 50% of the granted shares, after a period of 2 years, *i.e.* on 18 February 2021, subject to:
  - for 25% of the shares, the sole condition of presence within the Group,
  - for 12.5% of the shares, a performance condition relating to the Group's cumulated net new money in 2019 and 2020,
  - for 12.5% of the shares, a performance condition relating to the arithmetic average of the operating margins achieved on the Group's Asset Management activity as set out in the consolidated financial statements at 31 December 2019 and 31 December 2020;
- for 50% of the granted shares, after a period of 3 years, *i.e.* on 18 February 2022, subject to:
  - for 25% of the shares, the sole condition of presence within the Group,
  - for 12.5% of the shares awarded, a performance condition relating to the Group's cumulated net new money in 2021,
  - for 12.5% of the shares, a performance condition relating to the operating margin on the Group's Asset Management activity as set out in the consolidated financial statements at 31 December 2021.

The shares awarded under the 2019 Performance Share Plan are not subject to any retention period.

Characteristics of the free share plan for certain employees covered by the employee remuneration requirements of the AIFM/UCITS V directive 2019 ("2019 AIFM/UCITS Plan") implemented by Tikehau Capital SCA

Number of shares being acquired: 30,825 shares

Allocation date: 18 February 2019

Unit value of the share on the allocation date: €19.04 corresponding to the share price on 18 February 2019 (€21.00) to which a 9.33% discount is applied to take into account the absence of dividend rights over the vesting period.

Definitive vesting date:

The vesting of shares granted under the 2019 AIFM/UCITS Plan will take place as follows:

- after a period of 2 years for 2/3 of the shares awarded, *i.e.* 18 February 2021, subject to:
  - a performance condition based on a benchmark index representing the performance of Tikehau Investment Management's various business lines (the "Performance Index") after a period of one year, for 1/3 of the shares awarded,
  - a performance condition based on the Performance Index at the end of the two-year period, for 1/3 of the shares;
- at the end of a three-year vesting period, *i.e.* 18 February 2022, subject to a performance condition based on the Performance Index at the end of the three-year period, for 1/3 of the shares awarded.

The shares awarded under the 2019 AIFM/UCITS Plan are not subject to any retention period.

The vesting of the shares under these three tranches will be conditional upon the beneficiary's presence within the Group and the absence of any serious breach of applicable regulations or Internal Rules and procedures concerning compliance and the appropriate management of risks.

6.3 ACCOUNTING METHODS AND PRINCIPLES

Since 1 January 2018, Tikehau Capital has been applying ANC Regulation 2018-01 on changes in accounting methods. This regulation authorises the Company to introduce changes in its accounting method in the aim of providing better financial information (see note 2(a)).

With the exception of the application of the ANC Regulation 2018-01 and the change in presentation mentioned in note 2(a), 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 deduction of all necessary expenses for its maintenance. The future royalties are 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 assets

Financial assets consist of equity interests and receivables, other fixed securities (portfolio securities, bonds, etc.) and other financial assets (mainly loans and security deposits).

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.

The gross values of financial assets are recognised at their acquisition cost - which includes, where applicable, related merger losses.

a) Equity interests

Equity interests in listed or non-listed companies are subject to impairment when their value in use falls below their gross book value. These impairment tests are carried out at each balance sheet date.

The value in use is assessed on the basis of several criteria, including the following:

- the value of the shareholders' equity of the assessed company;
- the market or transaction value: transactions completed over the past 12 months or the last months of activity if the Company has not completed a full 12-month financial year since the acquisition of the equity Interest, unless the Company is aware of a more appropriate valuation;
- 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 or similar industry. 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 latest net asset value or latest known independent expert valuation as applicable;
- the average price over the last 20 trading days;
- the valuation as per a recognised public indicator such as the net asset value (when it exists and is 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) Other investments

The value in use of the other investments is determined using the latest valuation components available (latest liquidation value).

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.

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.

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.

Provisions

A provision is recognised when the Company 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.

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 13 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.

Non-recurring expenses and income

They represent:

- the net 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 thus 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.

The main estimates made by Management in preparing the financial statements concern the estimated value-in-use for each portfolio investment.

6.4 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Note 1 Intangible assets

(in thousands of €)	As at 31 December 2017	Acquisition Amortisation	Disposal Reversal	As at 31 December 2018
Gross value of intangible assets	**12,271**	**2,515**	**-750**	**14,036**
Brand	10,710			10,710
Software	773	1,330		2,103
Usufructs SCPI	38			38
Intangible assets in progress	750	1,185	-750	1,185
Amortisation, impairment of Intangible assets	**-210**	**-655**	**0**	**-865**
Brand	0			0
Software	-172	-655		-827
Usufructs SCPI	-38			-38
Intangible assets in progress	0			0
NET VALUE OF INTANGIBLE ASSETS	**12,061**	**1,860**	**-750**	**13,171**
Brand	10,710			10,710
Software	601	675		1,276
Usufructs SCPI	0	0		0
Intangible assets in progress	750	1,185	-750	1,185

Given the absence of an indication of an impairment, no impairment was recorded as at 31 December 2018.

Note 2. Financial assets

(a) Change in the presentation of the financial statements

In order to provide more consistent and more relevant financial information, the Company has decided to reclassify reversals of provisions on financial assets into net non-recurring income, effective from 1 January 2018, so as to directly show the net capital gain or loss made before tax.

The year's reclassification between net financial income and net non-recurring income involves provision reversals of €12.4 million.

The application of this change to the presentation of the financial statements for the previous financial year would result in the reclassification of provision reversals on financial assets amounting to €20.6 million into net non-recurring income.

(b) Equity interests

Investments are made up of listed or unlisted securities. They break down as follows:

(in thousands of €)	At 31 December 2017	Reclassification	Acquisition Amortisation	Disposal Reversal	At 31 December 2018
Gross value of equity interests	**1,170,692**	**-3,727**	**401,411**	**-33,631**	**1,534,744**
Listed securities	508,339	-3,727	115,493	-28,808	591,297
Non-listed securities	662,353	0	285,918	-4,823	943,447
Provision for impairment of equity interests	**-36,435**	**-386**	**-27,817**	**6,770**	**-57,097**
Listed securities	-34,564	-386	-15,648	6,770	-43,056
Non-listed securities	-1,871		-12,169	0	-14,041
Net value of equity interests	**1,134,257**	**-3,342**	**373,594**	**-26,861**	**1,477,647**
Listed securities	473,775	-3,342	99,845	-22,038	548,241
Non-listed securities	660,482	0	273,749	-4,823	929,406

Investments are valued at their value in use determined after a review of the economic and financial performance of each company, taking into consideration, in addition to the value of any transactions, share prices or their changes, after correction of erratic or non-representative changes.

During its valuation of 31 December 2018, the valuation of the Eurazeo investment which results from the application of the average of the average price over the 20 trading days does not appear to be representative of the value in use of this strategic investment which represents almost 10% of the capital of Eurazeo. Given its investment activity, Eurazeo discloses a NAV per share as a key indicator of its value. This NAV is based on a valuation methodology, in accordance with the recommendations of the International Private Equity Valuation Board (IPEV), which makes it possible to approach the value of the underlying Eurazeo assets:

- the valuation of the unlisted investments is mainly based on comparable multiples or transactions;
- for listed companies, the value used is the 20-day average weighted for volumes. The values used for unlisted investments were subject to a detailed review by an independent valuation professional.

This methodology, based on principles close to those used by Tikehau Capital for its own investments is estimated as being a good indicator of the values in use of the investment.

(c) Changes over the year

(in thousands of €)	At 31 December 2017	Reclassification	Acquisition Amortisation	Disposal Reversal	At 31 December 2018
Gross value of financial fixed assets	**1,761,970**	**0**	**1,679,639**	**- 442,835**	**2,998,775**
Investments	1,170,692	- 3,727	401,411	- 33,631	1,534,744
Receivables relating to investments	153,791		198,622	- 57,169	295,243
Other investments	436,659	3,727	1,046,522	- 350,962	1,135,946
Loans and other financial fixed assets	829		33,084	- 1,073	32,841
Provision for impairment of financial assets	**- 59,659**	**0**	**- 85,883**	**- 23,289**	**- 122,253**
Investments	- 36,435	- 386	- 27,817	- 6,770	- 57,097
Receivables relating to investments	- 1,478		- 1,434	- 789	- 2,122
Other investments	- 21,737	386	- 6,632	- 15,729	- 63,025
Loans and other financial fixed assets	- 9		0	0	- 9
Net value of financial fixed assets	**1,702,311**	**0**	**1,593,757**	**- 419,546**	**2,876,521**
Investments	1,134,256	- 3,342	373,594	- 26,862	1,477,647
Receivables relating to investments	152,313	0	197,189	- 56,380	293,122
Other investments	414,921	3,342	989,890	- 335,232	1,072,920
Loans and other financial fixed assets	820	0	33,084	- 1,073	32,832

The reclassification of equity interests concerns securities which no longer fall into this category due to a sale which resulted in a significant drop in the percentage of interest held.

The main changes over the period concern:

- The following investments made over the period:
  - Sofidy for €220.0 million in December 2018,
  - DWS Group for €191.5 million in March 2018,
  - the Tikehau Growth Equity II fund for €200.6 million in March 2018,
  - the Tikehau Brennus fund for €62.5 million in January 2018,
  - the Tikehau Sequoia fund for €30.3 million in March 2018,
  - the T2 Energy Transition Fund for €96.3 million in December 2018,
  - ACE Management, for €10.6 million in December 2018.
- The strengthening of existing investments in:
  - Eurazeo for €79.2 million between January and July 2018,
  - Tikehau Capital Europe for €43.2 million, thus becoming a wholly-owned subsidiary (75.1% prior to this), of which €22.2 million linked to the purchase of the Amundi stake and €21.0 million linked to a capital increase,
  - Tikehau Investment Management for €10.5 million in January and June 2018, thus becoming a wholly-owned subsidiary,
  - IREIT Global for €15.5 million between April and August 2018;
- the liquidation of the Tikeflo Invest III fund;
- the disposal of the stake in Naturex, resulting in a capital gain of €19.2 million before tax, excluding technical losses;
- the partial sale of the stake in Altrad, resulting in a capital gain of €2.6 million before tax;
- Tikehau Asia's universal transfer of assets, resulting in a net surplus of €3 million.

6.

(d) Fixed portfolio investment securities

		31 December 2018			
Tax regime *(in thousands of €)*	**Valuation method**	**Gross book value**	**Net book value**	**Amount paid-up**	**Estimated value of paid-up amounts**
Portfolio securities, common law regime	Cost price	9,105	9,105	5,145	5,145
	Stock market price	197,398	148,879	197,398	148,904
	Last net asset value	456,570	443,794	262,790	478,829
TOTAL PORTFOLIO SECURITIES, COMMON LAW REGIME		**663,074**	**601,778**	**465,263**	**632,879**
Portfolio securities, long-term capital gains regime	Cost price	328,976	328,976	145,849	145,849
	Stock market price	0	0	0	0
	Last net asset value	45,449	44,717	41,331	40,599
TOTAL PORTFOLIO SECURITIES, LONG-TERM CAPITAL GAINS LAW		**374,425**	**373,693**	**187,180**	**186,448**
Bonds	Cost price	87,747	87,747	87,695	86,397
	Stock market price	4,266	4,266	4,266	5,564
	Last net asset value	5,268	4,415	5,268	4,415
TOTAL BONDS		**97,281**	**96,428**	**97,229**	**96,377**
Own shares	**Stock market price**	**1,166**	**1,021**	**1,166**	**1,021**
TOTAL OTHER FINANCIAL ASSETS		**1,135,946**	**1,072,921**	**750,839**	**916,725**

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 FINANCIAL ASSETS		**436,658**	**414,921**	**381,266**	**370,707**

6.

Unrealised capital losses are subject to a provision, if applicable.

(e) Own shares

(in thousands of €)	**As at 31 December 2018**	**As at 31 December 2017**
Number of securities	52,286	46,564
Gross value	1,166	1,025
Provision	145	0
NET VALUE	**1,021**	**1,025**

(f) Operations carried out with related entities or with which the Company has a participating interest

As at 31 December 2018, these operations regarding equity interests can be summarised as follows:

31 December 2018 *(in thousands of €)*	**Amount concerning related entities**	**Amount concerning entities with which the Company has a participating interest**
Investments	667,451	860,802
Receivables relating to investments	283,982	11,261
TOTAL BALANCE SHEET	**951,433**	**872,063**
Income from investments	8,510	11,790
Other financial income	3,309	6,297
Financial expenses	0	0
TOTAL INCOME STATEMENT	**11,818**	**18,087**

31 December 2017 *(in thousands of €)*	**Amount concerning related entities**	**Amount concerning 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 2018 and 31 December 2017:

(in thousands of €)	**As at 31 December 2018**	**As at 31 December 2017**
Client receivables (1)	4,005	4,452
State and other public authorities	10,201	6,108
• Corporate income tax	7,024	5,008
• VAT	3,177	391
• Other income due	0	709
Sundry accounts receivable (2)	3,670	217,358
TOTAL RECEIVABLES AND OTHER OPERATING RECEIVABLES	**17,876**	**227,918**

(1) Includes, as at 31 December 2018, €3.5 million concerning related entities.
(2) Includes, as at 31 December 2018, a €3.3 million receivable, following the share capital decrease of TLP 1.

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).

	As at 31 December 2018				As at 31 December 2017			
(in thousands of €)	Gross balance sheet value (acquisition value)	Unrealised loss*	Net value	Unrealised gain	Gross balance sheet value (acquisition value)	Unrealised loss*	Net value	Unrealised gain
Portfolio of listed shares	10,186	10,186			10,186	10,186		
Portfolio of listed bonds	5,170	1,810	3,359	8	5,282	635	4,646	443
Mutual funds (SICAV)	145,200	1,960	143,240	58	174,140	63	174,077	
Accrued interest on listed bonds	0		0		163		163	
SUB-TOTAL	**160,556**	**13,957**	**146,599**	**66**	**189,771**	**10,885**	**178,886**	**443**
Term deposits	28,852		28,852		166,852		166,852	
TOTAL	**189,408**	**13,957**	**175,452**	**66**	**356,623**	**10,885**	**345,738**	**443**

* *Provisions are recorded for unrealised losses.*

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.

6.

Note 6 Shareholders' equity

As at 31 December 2018, the share capital, which is fully paid up, is made up of 103,477,599 ordinary shares of a par value of €12 each.

	Number	Par value
Shares comprising the share capital at the beginning of the year	102,799,748	12
Shares issued during the year	677,851	12
Shares repaid during the year		
Shares comprising the share capital at the end of the year	103,477,599	12

The changes concerning shareholders' equity over financial years 2017 and 2018 are listed below:

(in thousands of €)	CapitalSocial	Premiums Issuance and in-kind premiums	Reserves Legal reserve	Reserves Others reserves	Retained earnings	Net result for the year	Provisions Regulated provisions	Total shareholders' equity
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**
Chairman's decision of 04/01/2018	4,158	3,465						7,623
Combined General Meeting of 25/05/2018			12,592		122,197	-271,895		-137,106
Managers' decision of 17/12/2018	2,937	3,881						6,818
Managers' decision of 19/12/2018	1,040	1,366						2,406
Net result for the year						-64,455		-64,455
Other variances		58					297	356
Situation as at 31/12/2018	**1,241,731**	**849,339**	**16,805**		**102,145**	**-64,455**	**551**	**2,146,115**

During financial year 2018, three capital increases were carried out:

- **4 January 2018:**
  The capital increase of January 2018 was carried out for the amount of €7,623,000 (including share premium) resulting in the creation of 346,500 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;
- **17 December 2018:**
  The capital increase of 17 January 2018 was carried out for the amount of €6,817,985 (including share premium) resulting in the creation of 244,712 new shares. This capital increase – aimed at remunerating a contribution in kind of certain Sofidy shareholders selling their interests – was carried out without preferential subscription rights.
- **19 December 2018:**
  The capital increase of 19 December 2018 was carried out for the amount of €2,405,816 (including share premium) resulting in the creation of 86,639 new shares. This capital increase – aimed at remunerating a contribution in kind of certain ACE shareholders selling their interests – was carried out without preferential subscription rights.

Note 7 Provisions for risks and liabilities

This item is made up of provisions for currency risks principally concerning financial assets.

Note 8 Sundry borrowings and financial debt

Financial debt is broken down as follows as at 31 December 2018 and 31 December 2017:

(in thousands of €)	As at 31 December 2018				As at 31 December 2017			
	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	due in more than 5 years
Convertible Bonds	300,000		300,000		300,000			300,000
Bank loans	500,000		500,000		250,000		250,000	
Interest on loans and derivatives	1,384	1,384			1,673	1,673		
TOTAL	**801,384**	**1,384**	**800,000**		**551,673**	**1,673**	**250,000**	**300,000**

On 17 December 2018, the Company drew down €250 million from line A of the syndicated loan.

Note 9 Operating liabilities

Operating liabilities are broken down as follows as at 31 December 2018 and 31 December 2017:

(in thousands of €)	As at 31 December 2018	As at 31 December 2017
Trade payables (1)	7,827	6,151
State and other public authorities	721	673
• Corporate income tax	0	0
• VAT	721	610
• Other taxes	0	63
Other current liabilities	2,670	25,284
TOTAL	**11,218**	**32,108**

(1) Includes, as at 31 December 2018, €1.9 million concerning related entities.

All debts are due in less than one year.

Note 10 Corporate income tax and tax loss carry forwards

(in thousands of €)	As at 31 December 2018	As at 31 December 2017
Stock tax loss carried forward at local normal rate	151,009	82,986
Stock tax loss carried forward at local reduced rate	4,996	4,935

The determination of the tax result is as follows:

Taxable income ***(in thousands of €)***	**As at 31 December 2018**
Accounting income before tax	**-64,455**
Add backs	**35,991**
Corporate tax credits	-3,642
Non-deductible provisions	4,316
Sundry reinstatements	11,975
Taxation of securities	23,342
Deductions	**39,188**
Provisions	4,476
Other deductible or non-taxable operations	5,933
Taxation of securities	28,780
TAXABLE INCOME	**-67,652**

Note 11 Revenues and operating income

Revenue is broken down as follows:

(in thousands of €)	**As at 31 December 2018**	**As at 31 December 2017**
Management fees	2,262	766
Carried Interest	653	0
Other revenue items	1,229	2,225
NET REVENUE	**4,144**	**2,991**

Other operating income is broken down as follows:

(in thousands of €)	**As at 31 December 2018**	**As at 31 December 2017**
Transfer of operating expenses	0	12,515
Other income	1,214	841
OTHER OPERATING INCOME	**1,214**	**13,356**

Other income mainly consists of brand royalties re-invoiced to Group companies.

Note 12 Net non-recurring income/(expense)

This item is broken down as follows as at 31 December 2018 and 31 December 2017:

(in thousands of €)	**As at 31 December 2018**	**As at 31 December 2017**
Capital gains or losses on disposals of securities held in the portfolio	9,593	289,188
Reversal of provisions on securities sold	12,450	
Regulated provisions	-297	-728
Other non-recurring expenses and income	99	4
NET NON-RECURRING INCOME	**21,846**	**288,464**

The net non-recurring Income consists mainly of the following gains on disposals:

- Naturex for the sum of €19.2 million;
- Altrad for the sum of €2.6 million.

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.

	Amount as at 31 December 2018		Amount as at 31 December 2017	
(in thousands of €)	**Notional amount hedged**	**Market value**	**Notional amount hedged**	**Market value**
Interest-rate swap	368,000	-5,399	177,658	-992

(b) Other off-balance sheet commitments

	As at 31 December 2018	As at 31 December 2017
Description ***(in thousands of €)***	**Value of the commitments**	
Commitment of payment to current account	**121**	**142**
• Weinberg Real Estate Part	121	142
Subscription commitment	**38,616**	**68,712**
• Capital increase in TREIC	38,616	38,616
• Redemption preference shares SSI	0	30,096
Uncalled commitment by the funds	**381,179**	**55,291**
Loan guarantees and authorised overdrafts (securities)	**79,327**	**83,643**
Loan guarantees and authorised overdrafts (cash)	**673**	**66,357**
• UBS bank accounts	673	66,357
Pledge for first-demand guarantee	**70,000**	**0**
TOTAL COMMITMENTS MADE	**569,916**	**274,146**
Lombard loan not drawn at close	80,000	150,000
Syndicated loan not drawn at close	500,000	750,000
TOTAL COMMITMENTS RECEIVED	**580,000**	**900,000**

The commitment received on 31 December 2018 relating to Crédit Lombard amounted to €80 million following the pledge of shares as collateral for the first-demand guarantee (commitments given) within the scope of the Selectirente tender offer.

6.

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 wholly-owned by the Company;
- Tikehau Capital Europe, wholly-owned 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 Manager

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 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 *(préciput)* 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.

Attendance fees and other remuneration received by members of the Supervisory Board

In line with the conversion of the Company into a partnership limited by shares (*société en commandite par actions*), 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 Combined General Shareholders' Meeting of the Company held on 25 May 2018, a budget of €400,000 was allocated to the members of the Supervisory Board in respect of attendance fees for each financial year.

Attendance fees were paid in 2018 in respect of financial year 2017 in the amount of €271,000. No attendance fees were paid during financial year 2017.

Summary of the remuneration received by 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 2018	31 December 2017
Remuneration on consolidated shareholders' equity (excluding VAT)	50,593	22,647
Share of non-deductible VAT	9,309	4,151
REMUNERATION CHARGED TO TIKEHAU CAPITAL	**59,903**	**26,799**

The preferred dividend approved at the Combined General Meeting of 25 May 2018 amounts to €33,987 thousand (no preferred dividend was paid out in 2017).

Carried interest

In some funds, carried interest 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.

Carried interest since April 2014 breaks down as follows: 20% of carried interest is 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.

This carried interest is paid by the funds directly to the beneficiaries and recognised in the income statement when this variable consideration may be accurately estimated and when it is highly likely that a downward adjustment of the amount recognised has not been made.

Receivables relating to interests in related parties

Receivables relating to interests in related parties are detailed below:

(in thousands of €)	As at 31 December 2018 Amount concerning related entities	As at 31 December 2018 Amount concerning companies with which the Company has a participating interest investments	As at 31 December 2017 Amount concerning related entities	As at 31 December 2017 Amount concerning companies with which the Company has a participating interest investments
Tikehau Capital UK	255,172		137,170	
Tikehau Investment Management	13,344			
Tikehau Capital Belgium	4,266		3,566	
Tikehau Venture	3,110		2,963	
Tikehau Capital North America	3,757		1,957	
Crédit.fr	2,203			
TGPF	1,198		1,010	
ACE Management	509			
Takume	309		304	
TK Solutions	100			
Zéphyr Investissement	15			
Tikehau Asia			477	
Tikehau Secondary			191	
Angelmar		6,504		4,674
TOTAL	**283,982**	**6,504**	**147,639**	**4,674**

6.

Note 15. Market risks

(a) Exposure to interest rate risks arising from bank debts

As at 31 December 2018, on the liability side, Tikehau Capital was exposed to interest rate risk on its bank loans and related hedges for respective amounts of €500.0 million and €368.0 million, compared with respectively €250.0 million and €177.7 million as at 31 December 2017 (see note 8 Borrowings and other financial liabilities).

Tikehau Capital has no foreign currency debt as at 31 December 2018.

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 2017	177.7	0.62%	6.1 years
As at 31 December 2018	368.0	0,54%	5.5 years

(b) Exposure to currency risk

Tikehau Capital's exposure to currency risk relates to its investments in foreign currencies. As at 31 December 2018, 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 2018. 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 2018 and 31 December 2017:

(in millions of euros)	10% depreciation of the currency	10% appreciation of the currency
As at 31 December 2018		
Pound sterling	-34.2	41.7
US dollar	-3.6	4.4
Singapore dollar	-2.5	3.1
Australian dollar	0.0	0.1
Polish zloty	-0.1	0.1
As at 31 December 2017		
Pound sterling	-22.0	28.1
US dollar	-3.7	4.6
Singapore dollar	-1.3	1.5
Australian dollar	-0.2	0.3
Polish zloty	-0.1	0.1

The change in the foreign exchange risk exposure between 31 December 2017 and 31 December 2018 is mainly due to the inflow of Tikehau Asia's investments following the universal transfer of assets, 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 continued to manage the two 2017 free shares plans and introduced three new plans:

2017 general free shares plan by issue of new shares – Characteristics

Number of shares allocated: 20,914 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 is 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 two years conditional upon working in the Company or related companies or corporate groups at the definitive vesting date but is not subject to any performance conditions.

From the definitive vesting date, the shares acquired will be freely transferable.

2017 individual free shares plan by issue of new shares – Characteristics

Number of shares allocated: 597,603 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 is applied to take into account the absence of dividend rights over the vesting period.

Acquisition terms:

- for 50% of shares acquired, 1 December 2019, *i.e.* a vesting period of two years conditional upon working in the Company or related companies or corporate groups at the definitive vesting date but is not subject to any performance conditions;
- for the remaining shares, 1 December 2020, *i.e.* a vesting period of three years conditional upon working in the Company or related companies or corporate groups at the definitive vesting date but is not subject to any performance conditions.

From the definitive vesting date, the shares acquired will be freely transferable.

Free shares plan of the 2016 TIM Replacement Plans – Characteristics

This plan is the 2016 TIM Replacement Plan. This plan concerns the allocation of Tikehau Capital shares in accordance with the same valuation and vesting conditions as those set out in the original 2016 TIM Plan.

For the benefit of employees not subject to AIFM regulations

Number of shares being acquired: 136,442 shares

Valuation on the allocation date (in €): 1,137,741

Allocation date: 16 March 2018

Vesting date: 30 June 2019, *i.e.* a vesting period of one year and three months, conditional upon working in the Company or related companies or corporate groups at the definitive vesting date but is not subject to any 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: 216,842 shares

Valuation on the allocation date (in €): 1,722,351

Allocation date: 16 March 2018

Vesting date: 30 June 2019, *i.e.* a vesting period of one year and three months, conditional on the continued status of employee within the Group and based on the performance of a benchmark index representative of the performance of various Tikehau Investment Management 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.

2018 free shares plan by issue of new shares – Characteristics

Number of shares allocated: 48,752 shares.

Allocation date: 30 March 2018.

Unit value of the share on the allocation date: €23.74 corresponding to the share price on 29 March 2018 (€25.80) to which an 8% discount was applied to take into account the absence of dividend rights over the vesting period.

Definitive vesting date: 30 March 2020, *i.e.* a vesting period of two 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.

2018 Performance Share Plan by issue of new shares – Characteristics

Number of shares allocated: 65,500 shares.

Allocation date: 30 March 2018.

Unit value of the share on the allocation date: €23.74 corresponding to the share price on 29 March 2018 (€25.80) to which an 8% discount was applied to take into account the absence of dividend rights over the vesting period.

Definitive vesting date:

- for 50% of shares acquired, 30 March 2020, *i.e.* a vesting period of two years, conditional on the continued status of employee within the Group and without performance conditions;
- for 25% of shares acquired, 30 March 2020, *i.e.* a vesting period of two years conditional on the continued status of employee within the Group. The number of shares definitively acquired is based on the performance of a number of the Group's published assets under management as at 31 December 2019;
- for 25% of shares acquired, 30 March 2020, *i.e.* a vesting period of two years, conditional on the continued status of employee within the Group. The number of shares definitively acquired is based on the performance of a level of published revenues from the Group's Asset Management business as at 31 December 2019.

From the definitive vesting date, the shares acquired will be freely transferable.

2018 Crédit.fr free shares plan (“2018 Credit.fr Plan”) – Characteristics

Number of shares being acquired: 25,680 shares

Allocation date: 4 July 2018

Unit value of the share on the allocation date: €24.30 corresponding to the share price on 4 July 2018 (€27.00) to which a 10% discount was applied to take into account the absence of dividend rights over the vesting period.

Definitive vesting date:

- for 50% of shares acquired, 4 July 2020, *i.e.* a vesting period of two years, conditional on the continued status of employee within the Group, without any performance conditions;
- for 50% of shares acquired, 4 July 2021, *i.e.* a vesting period of three years, conditional on the continued status of employee within the Group, without any performance conditions.

From the definitive vesting date, the shares acquired will be freely transferable.

2018 Sofidy free shares plan (“2018 Sofidy Plan”) set up within Sofidy SA – Characteristics

Maximum number of shares to be allocated: 14,800 shares

Allocation date: 21 December 2018

Unit value of the share on the allocation date: €17.94 corresponding to the share price on 21 December 2018 (€19.50) to which a 8% discount was applied to take into account the absence of dividend rights over the vesting period.

Definitive vesting date: 21 December 2020, *i.e.* a vesting period of two years, conditional on the continued status of employee within the Group, without any performance conditions.

From the definitive vesting date, the shares acquired will be freely transferable.

For these seven plans, no shares were allocated during the 2018 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 Statutory Auditors’ fees for the financial year amounted to €280.9 thousand for the certification of the financial statements.

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 (%)	Balance sheet value of the securities held as at 31/12/2018		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
				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										
30 St. Marie Axe – London	11,271	24,294	100%	12,117	12,117	255,172	0	0	14,057	0
Tikehau Capital Europe Ltd.										
32, rue de Monceau, (75) Paris, France	86,434	15,307	100%	103,469	103,469	0	0	13,333	5,826	0
Tikehau IM										
32, rue de Monceau, (75) Paris, France	2,529	36,049	100%	248,571	248,571	13,344	0	97,495	8,674	7,587
Zephyr Investissement										
32, rue de Monceau, (75) Paris, France	60,410	-41	53%	32,219	32,219	15	0	0	-89	0
Crédit.fr *										
140, rue Victor Hugo - Levallois Perret (92)	4,911	-2,487	96%	14,627	14,627	2,203	0	460	-1,416	0
Tikehau Capital North America LLC *										
412 West 15th Street, Floor 18 New York (10 011)	0	0	100%	0	0	3,757	0	0	-638	0
Tikehau Capital Belgium										
Avenue Louise 480 - Brussels *1050*	12,237	-131	100%	13,013	13,013	4,266	0	0	-264	900
SOFIDY *										
303 square des Champs Elysées, Evry, (91) France	565	84,742	100%	222,493	222,493	0	0	70,671	13,245	0
2) Participating interests ranging between 10% and 50%										
TREIC										
32, rue de Monceau, (75) Paris, France	1,159	135,495	30%	36,384	36,384	0	0	816	15,272	829
HDL										
Rue Victor Pagès - B.P. Pierrelatte Cedex	149,002	29,373	23%	74,860	54,178	0	0	174	5,353	0
B. General information concerning other subsidiaries or participating interests										
1. French subsidiaries (total) + 50%				**12,713**	**12,613**	**5,225**				**0**
2. Participating interests in French companies (total)				**45,970**	**34,189**	**0**				**553**
3. Participating interests in foreign companies (total)				**4,028**	**1,220**	**6,504**				**1,022**

* *Information taken from the Company's 2017 financial statements*

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.

Additional observations

On 1 January 2018, the accounting currency of subsidiary Tikehau Capital UK Ltd was changed from the pound sterling to the euro. The accounting currency reflects the underlying transactions, events and conditions relevant to the entity. This change in accounting currency is due to the new financing policy introduced on 1 January 2018 being in euros.

6.2 REPORT OF THE STATUTORY AUDITORS ON THE ANNUAL FINANCIAL STATEMENTS

This is a translation into English of the statutory auditors' report on the 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 regulations and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to the shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

MAZARS

61, rue Henri Regnault
92400 Courbevoie

S.A. à directoire et conseil de surveillance au capital de € 8.320.000 784 824 153 R.C.S. Nanterre

Commissaire aux Comptes Membre de la compagnie régionale de Versailles

ERNST & YOUNG et Autres

Tour First TSA 14444
92037 Paris-La Défense cedex

S.A.S. à capital variable - 438 476 913 R.C.S. Nanterre

Commissaire aux Comptes Membre de la compagnie régionale de Versailles

Tikehau Capital

Year ended December 31, 2018

Statutory auditors' report on the 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 financial statements of Tikehau Capital for the year ended December 31, 2018.

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 31 December 2018 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for 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 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, 2018 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 for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)*.

Emphasis of Matter

We draw attention to Note 6.4.2 a) to the financial statements relating to the change in the accounting presentation of reversals of provisions for financial assets sold. Our opinion is not modified in respect of this matter.

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 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 investment portfolio

Identified risk	Our response
The net carrying value of equity investments recorded in the balance sheet amounted to M€ 1,478 as at December 31, 2018. As described in notes 6.3 and 6.4.2 b) to the financial statements, equity investments are recorded in the accounts at their acquisition cost and are valued at their value-in-use. An impairment charge is recorded where the value-in-use is lower than the net book value of the investments held by Tikehau Capital. The value-in-use of equity investments 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 6.3 to the financial statements, including the book equity of the company valued, 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, the last known net asset value, the average listed price for the last twenty trading days or the value based on a recognized public indicator such as the restated net asset value (as for Eurazeo, notably). We considered that the valuation of the equity investment portfolio was a key audit matter, as it requires management to exercise its judgement in terms of the methods and data used.	Our audit approach consisted in: • 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 equity investments portfolio; • analyzing the assumptions, methodologies, and models used by Tikehau Capital to estimate the main valuations; • including valuation specialists in our audit team to assess the valuations performed by the Company, and testing the key parameters and assumptions used by comparing them with external sources; • where applicable, assessing the existence of external benchmarks supporting the levels of multiples used in the valuation of the investments, or comparing the value used with transactions carried out over the past twelve months or with a recognized public indicator such as the restated net asset value; • in the case of investments where the estimated value-in-use proved to be lower than the purchase price, reviewing the consistency between the impairment charges recorded and the calculation of the value-in-use.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the Shareholders

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 with respect to the financial position and the financial statements provided to the Shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in article D. 441-4 of the French Commercial Code (*Code de commerce*).

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 (*Code de commerce*).

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 from controlling and controlled companies. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a public purchase offer or exchange, provided pursuant to Article L. 225-37-5 of the French Commercial Code (*Code de commerce*), we have agreed these to the source documents communicated to us. Based on our work, we have no observations to make on 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 the shareholders or holders of the voting rights has been properly disclosed 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 your Annual General Meetings held on June 1, 2017 for MAZARS and on November 7, 2016 for ERNST & YOUNG et Autres.

As at December 31, 2018, MAZARS was in its second year and ERNST & YOUNG et Autres in its third year of total uninterrupted engagement (including two years since the Company's securities were admitted to trading on a regulated market).

Responsibilities of Management and Those Charged with Governance for the 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 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 financial statements were approved by the management.

Responsibilities of the Statutory Auditors 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 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 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 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 Committee

We submit to the Audit Committee a report 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 significant deficiencies, if any, 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 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 as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)*. 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, March 29, 2019

The Statutory Auditors

French original signed by

MAZARS	**ERNST & YOUNG et Autres**
Simon Bellevaire	Hassan Baaj

7.

CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY (CSR)

7.1 BACKG ROUND TO THE ESG AND CSR PROCESS

Tikehau Capital is a bridge between the world's savings and the local economy. It relies on its economic roots and a long-term approach to fulfil two needs: to provide a return on savings and financing for companies and projects.

The Group provides financing solutions across the whole capital structure in an effort to align the interests of different stakeholders and allow its partners to meet their strategic goals.

Tikehau Capital acts as a long-term financial partner. This stems from strong local roots and an entrepreneurial spirit shared with its employees.

The Group's independent model is based on active management and rigorous fundamental analysis: assessment of the economic, financial and operational factors as well as environmental, social and governance ("ESG") criteria.

Tikehau Capital's social and environmental impact is mainly in the field of its investments and the ESG policy is the foundation of the Group's corporate social responsibility ("CSR") process.

Tikehau Capital invests in corporate growth and/or development projects and anticipates that its investments will also promote job creation. The United Nations Sustainable Development Goals ("SDGs") are a response to the global challenges we face and Tikehau Capital naturally wishes to support SDG 8 — *Decent work and economic growth*. The Group is working to incorporate other SDGs as it develops new products.

17 The United Nations Sustainable Development Goals (SDGs)

ESG and CSR policies are expressions of Tikehau Capital's DNA

The Group was founded in 2004 by entrepreneurs from the financial sector and has since seen considerable growth in its activities. Today, it continues to develop while retaining its original focus. This is expressed in the ESG and CSR policies, which are grounded in the principles of entrepreneurship, convictions-based management and an interdisciplinary outlook.

Entrepreneurship

Tikehau Capital promotes innovation, responsiveness, and accountability in its employees.

- The investment teams are encouraged to take full ownership of the process to integrate non-financial criteria, rather than relying on a team of ESG analysts;
- A high proportion of employees at Tikehau IM and TCA are shareholders of the Group, reflecting Tikehau Capital's encouragement of employee shareholding, notably through the free share programme. Employees of Credit.fr, Sofidy and ACE Management will soon also be able to hold shares in the Group.

Active management

The Group bases its investment and management decisions on its own convictions.

- ESG themes are handled like financial or operational indicators using tools and procedures developed for the Group and tailored to each activity;
- The Group is looking to strengthen its Asset Management platform by acquiring other targeted players with complementary expertise, such as Sofidy in real estate or ACE Management in private equity.

One team culture

Tikehau Capital seeks to implement a homogeneous approach amongst its teams and encourages intra-Group communication.

- The Group has a comprehensive investment platform (listed and unlisted equities, credit and Real Estate assets) which creates diversity in respect of ESG implementation. Best practice is shared between teams in different asset classes through internal training sessions;
- Internal mobility in all its forms (horizontal, vertical or geographical) is encouraged within the Group.

Non-financial reporting framework and applicable regulations

The Group is subject to Article 173 (VI) of the French Energy Transition for Green Growth Act ("LTECV") (codified under Article L.533-22-1 of the French Monetary and Financial Code). This Chapter on CSR and ESG integrates the recommendations of Decree no. 2015-1850 of 29 December 2015 implementing Article 173 (VI) of the LTECV, which considers both ESG issues and those relating to climate change (hereinafter referred to under the term "Climate").

Section 7.2 (Responsible investment at Tikehau Capital) of this Registration Document also strives to integrate the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") advocated by the G20 Financial Stability Board. Moreover, the SDGs provide a shared reporting framework. Where appropriate, the Group links up ESG and CSR issues with the relevant SDG(s).

Since the Group had less than 500 employees in 2018, thus remaining below one of the thresholds laid down in Article R.225-104-1 of the French Commercial Code, the Company is not required to include a declaration of non-financial performance in its management report, pursuant to Article L.225-102-1 of the French Commercial Code. However, the Company's objective is to provide a similar level of information as that required under the declaration of non-financial performance, should it have been applicable to the Company. The Company has appointed Finexfi to produce an *ad hoc* report on the contents of Chapter 7 (Corporate social and environmental responsibility) of the Registration Document, and to check the accuracy and consistency of the data provided on a voluntary basis in that Chapter. This report can be found in Section 7.4 (Report of the external auditor) of this Registration Document.

Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 on the publication of non-financial information, transposed by French Order No. 2017-1180 of 19 July 2017, encourages the strategic tracking of CSR issues and indicators. The Company has set itself the objective of voluntarily complying with these texts' requirements concerning the publication of non-financial information from 2019. At year end-2018, a working group was formed to draw up a materiality matrix of the Group's ESG and CSR issues. This matrix will be published in the Company's next Registration Document.

Rise of socially responsible investment

Besides the regulatory requirements on financial firms to structure their ESG and Climate policies, the Group has identified three key elements that should influence the allocation of global savings.

1) the climate: the latest IPCC[1] report indicates that global warming could reach the critical threshold of 1.5 degrees by 2030. Key players around the world are mobilising their efforts to curb global warming and the financial industry should contribute;

2) generational differences: millennials (those born between 1980 and the early 2000s) will make up 75% of the global workforce by 2025. This generation is subjecting corporations to structural distortions to the point of threatening their very existence. If they want to last, they have to adapt to the new requirements of their customers and employees alike, who are in search of meaning; and

3) the rise in conviction investors: according to a recent study by Legg Mason[2], 49% of retail investors worldwide say that they base their investments on ESG considerations, and this percentage climbs to 66% when the analysis is restricted to millennials.

(1) Intergovernmental Panel on Climate Change (IPCC)
(2) Rise of the conviction investor, Global investment Survey 2018, Legg Mason

7.2 RESPONSIBLE INVESTMENT AT TIKEHAU CAPITAL

7.2.1 ESG and Climate-related governance and strategy

Driving ESG and Climate considerations on all levels

The selected ESG and Climate approach is one of systematic integration *via* all investment activities in line with the strategy instigated by the Manager.

The Manager representatives are involved in developing ESG and Climate policies. Mathieu Chabran is involved in structuring and formalising ESG and climate policies as a permanent member of the ESG Committee. Antoine Flamarion is also attentive to sustainability-related investments. The private equity fund for the energy transition, T2 Energy Transition Fund, is the result of his joint initiative with the Management of Total SA.

"*T2 Energy Transition Fund is a perfect fit for Tikehau Capital's proactive ESG policy. We are convinced that equity investment is a particularly effective way to complete the energy transition, as it offers companies long-term opportunities to create growth and jobs*". Antoine Flamarion

In 2018, the Managers reviewed the composition and roles of the ESG Committee. The ESG Committee has 12 members, mostly senior and drawn from a wide range of business activities. The Committee's roadmap involves promoting sustainable development through all the Group's activities to create value for all its stakeholders (particularly its investor clients, employees and the companies in which it invests).

The ESG Committee is responsible for defining, conducting and supervising the ESG and CSR policies. It defines the high-risk and excluded sectors and behaviours. It also makes decisions in situations where the teams ask for their opinion. In 2018, eight investment opportunities were referred to the ESG Committee, 2 of which were refused.

Further, the Group introduced an ESG / CSR Officer in 2017 to reinforce and speed up ESG integration. Within each operating team, key people work to promote the integration of ESG criteria in the investment business line. All levels of the Group's hierarchy are involved in the responsible investment process.

Finally, the Tikehau Capital Supervisory Board reviews the ESG and CSR strategy by systematically dealing with this topic at its meetings. For example, at the meeting of 25 May 2018, the Board recommended caution on scientifically controversial sectors such as nuclear or natural gas.

ESG and Climate Commitments

In 2014, Tikehau IM, the Group's Asset Management company, and Salvepar, the Group's former subsidiary specialising in minority interests before being merged into the Company, signed the United Nations' six Principles for Responsible Investment ("UN PRI"). In 2017, following the restructuring in preparation for the initial public offering, the Company replaced its subsidiaries as signatory to the UN PRIs which now cover 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.

The Manager representatives and the portfolio management team at Tikehau Capital are convinced that, to be effective, an ESG policy must be completely embedded in an already robust fundamental management process, as non-financial criteria have an impact on the risk-adjusted financial performance of the asset in question.

Defining a climate strategy is one of the priorities for 2019. In addition, the Group aims to implement a platform to review ESG scores for investments by 2020, to enable it to identify ESG and climate risks and opportunities.

7.2.2 Management of ESG and Climate-related risks and opportunities

Overhaul of the ESG and Climate policy

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. For further details on the ESG criteria applied see Section 7.2.3 (ESG and Climate-related indicators and metrics) of this Registration Document.

The process of integrating ESG issues is common to all of the Group's activities and takes place during the key stages of investment transactions, namely:

PRE-INVESTMENT

- Implementation of exclusion policy (geographic, sectorial and behavioural)
- The ESG Committee must be consulted for investments linked to high-risk behaviours, sectors or geographic exposures. When an issuer raises further ethical questions, pollution risk or other ESG issues, the ESG Committee provides an opinion
- ESG analysis of issuers completed and systematically considered in the selection of investments
- ESG clause for private equity and private debt investments (where Tikehau Capital can negotiate legal documentation)

ESG AND CLIMATE MONITORING

- Definition of periodic ESG monitoring tools
- Dialogue-engagement actions with the management of the companies with the lowest ESG rating (where possible)
- Annual carbon assessment for certain funds (depending on the availability of information)

REPORTING

- Publication of ESG and Climate information (at least once a year)

- **Implementation of the exclusion policy, when selecting investment operations**

The investment teams refer to geographic, sectoral and behavioural exclusion criteria. This policy is threefold:

(1) optional but recommended referral of sensitive cases (pollution risk or other high-risk sector of activity) to the ESG committee for consultation

(2) mandatory consultation of the ESG for certain highly controversial sectors (defence, cloning) or high risk behaviour (poor governance, disputes or allegations of violation of one of the pillars of the UN Global Compact)

(3) exclusions applicable at Group level. The Group excludes controversial weapons as well as issuers with over 30% of revenues from thermal coal (mines, trading, energy production), tobacco and recreational cannabis (cultivation and production).

The investment teams refer sensitive cases to the ESG Committee, which takes decisions on a case-by-case basis.

- **ESG and climate analysis during the analysis of investment transactions**

When considering a new investment, the team in charge of the analysis performs an assessment by completing a grid of questions which fall under three categories: Environment, Social and Governance. The sources used vary according to the size and sector of the issuer or real asset (public information and/or available in the data room, environmental or ESG due diligence), the access to the management team (specific questions on ESG topics during interviews), and the terms of the investment. This analysis grid helps map progress on ESG/CSR issues within the Company concerned. Based on a multi-criteria analysis, an overall score is then calculated for the listed risks. This score makes it possible to determine an overall ESG risk and opportunity level. The summary of this analysis grid is included in the memo submitted to the Investment Committee responsible for validating it.

There are many non-financial criteria and their materiality depends on the location, size and sector of the investment opportunity. Therefore, the *scoring* grids at the pre-investment stage mainly result from a qualitative study designed to capitalise on the analysis ability of the investment teams.

The teams receive ESG information through internal awareness-raising with experts and the sharing of cases.

- **ESG clause for Private Equity and Private Debt activities**

In addition, in order to raise the management teams' awareness about these issues in 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.

- **ESG monitoring and reporting during the lifetime of the investment**

Throughout the lifetime of the investment, the ESG performance of portfolio companies and assets is reviewed each year. This review makes it possible to identify changes or possible deterioration regarding ESG factors and to encourage, where appropriate, the companies or assets invested in to set up a process of improvement in these matters.

Identification of climate change risks and opportunities

The TCFD has provided a consistent framework for understanding climate issues and the Group has taken its recommendations into account since the end of 2017.

S&P Trucost Limited ("Trucost"), a leading expert in environmental impact analysis, was hired by the Group to conduct a carbon assessment on the main liquid funds. This work backs up the environmental risks and opportunities analysis.

In early 2019, a climate specialist was hired to work on the 2°C strategy (above the pre-industrial temperature level) of the private equity fund, T2 Energy Transition Fund (see Section 1.4.2(d) (Private Equity activity) of this Registration Document). This study constitutes the first stage in defining the Group's climate strategy, which will be completed in due course.

Impact of climate change on investments

Through its investments in companies and real assets, the Group is exposed to two types of climate change risk identified by the TCFD:

1) physical risks: climate events (fires, floods, storms) and rising sea levels have consequences on the value of companies and real assets (devaluation of high-risk buildings and infrastructures, indirect consequences when the value chain is affected and risks of liability of parties suffering loss or damage); and

2) transition risks: regulatory changes (rapid depreciation of fossil fuel assets), new market trends (*e.g.* appearance of replacement products), technological problems, reputational issues.

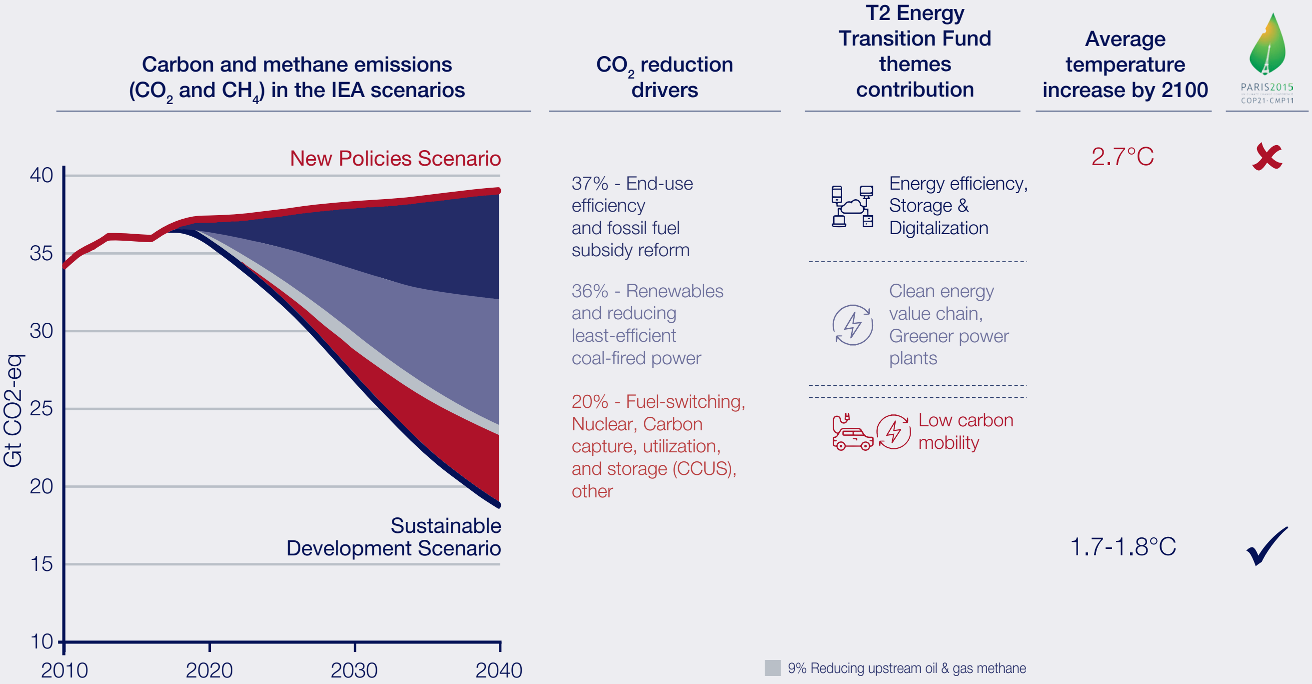
Impact of investments on pollution and climate change

In 2018, the Group decided to exclude mining companies, trading companies and producers of energy that derive over a certain threshold of their revenues from thermal coal (initial threshold of 30%). Moreover, the ESG Committee must be systematically consulted for investments exposed to polluting sectors such as the extraction of fossil energy due to its source (*e.g.* shale and bituminous sands, oil areas that are difficult to acidify) or its technology (*e.g.* fracking, dumpflood). Caution is also advised on scientifically controversial sectors such as nuclear or natural gas.

T2 Energy Transition Fund's 2° C strategy

Beyond the negative, even catastrophic, consequences of climate change, the energy transition also creates a significant investment opportunity. The International Energy Agency ("IEA") estimates the cumulative investment needed to keep global warming under 2°C at 68 trillion dollars by 2040.

In the World Energy Outlook 2018, the New Policies Scenario ("NPS"), based on countries' known public policies, is presented by the IEA as the most likely global warming scenario. However, the NPS leads to levels of over 2.5 degrees by 2100. To reduce greenhouse gas emissions effectively, the Sustainable Development Scenario ("SDS") requires lower carbon energy sources (renewables and fuel switching) and energy efficiency improvements, specifically in the Real Estate and transport sectors. The SDS supports a global warming of around 1.7 to 1.8 degrees, in line with the Paris Agreement.



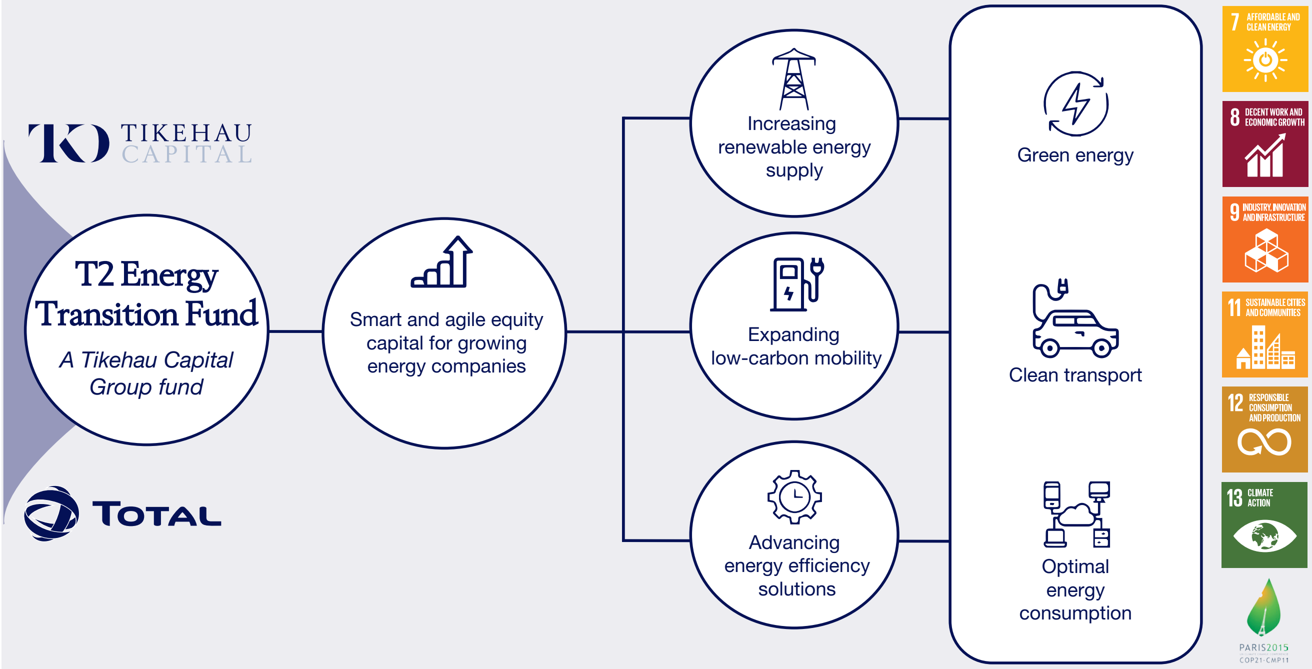
Source: Data from the IEA World Energy Outlook © OECD/IEA 2018, www.iea.org/statistics, License: www.iea.org/t&c

The private equity investments of T2 Energy Transition Fund will focus on companies working in three catalyst industries to further the progress from the NPS to SDS:

- clean energy production: use of solutions to diversify the energy mix, projects to produce energy from renewable resources;
- low-carbon mobility: development of infrastructure to accommodate electric vehicles, increase of equipment manufacturers and service providers in the field of low-carbon mobility, and developments in the use of natural gas for transport, replacing diesel and marine fuel;
- improved energy efficiency, storage and digitalization: research and application of solutions to implement and optimise energy storage, and minimise the energy consumption of buildings and companies.

At the end of 2018, Tikehau Capital appointed the impact expert Steward Redqueen to develop a framework to measure T2 Energy Transition Fund's contributions to the SDGs based on the fund's Theory of Change.

T2 Energy Transition Fund Theory of Change



7.

7.2.3 ESG and Climate-related indicators and metrics

While some of the ESG criteria are objective, others rely on the fundamental analysis and opinion of the teams.

Governance Pillar

Tikehau Capital's 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."

Analysis of governance includes exposure to high-risk countries in terms of corruption and human rights violations, quality of management (ability to deliver the strategy, key person risk) and governance (expertise and diversity of members of the Board of Directors or Supervisory Board), and sustainable development commitments (signature of the Global Compact, CSR policy) exposure to proven or potential controversy.

Among private companies, some medium-sized issuers have limited resources to manage and structure their CSR strategies. Additionally, reduced liquidity limits the possibility of terminating relations with an issuer whose ESG profile deteriorates significantly. In this context, the quality of the management team and the governance are essential.

In terms of governance, Tikehau Capital promotes clear and proportional rights. The Group generally maintains a dialogue with the management of the companies in which it has invested and with the other stakeholders. Due to its different business lines and the specific circumstances of each investment, the Group nevertheless does not intend 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 ("ILO") 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.

Tikehau Capital's approach rests on the belief that high-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.

In terms of the societal analysis of the issuers, Tikehau Capital not only considers the risks relating to health and safety in the supply chain, but also the exposure to proven or potential controversies relating to suppliers and the use of products and services.

Environmental Pillar

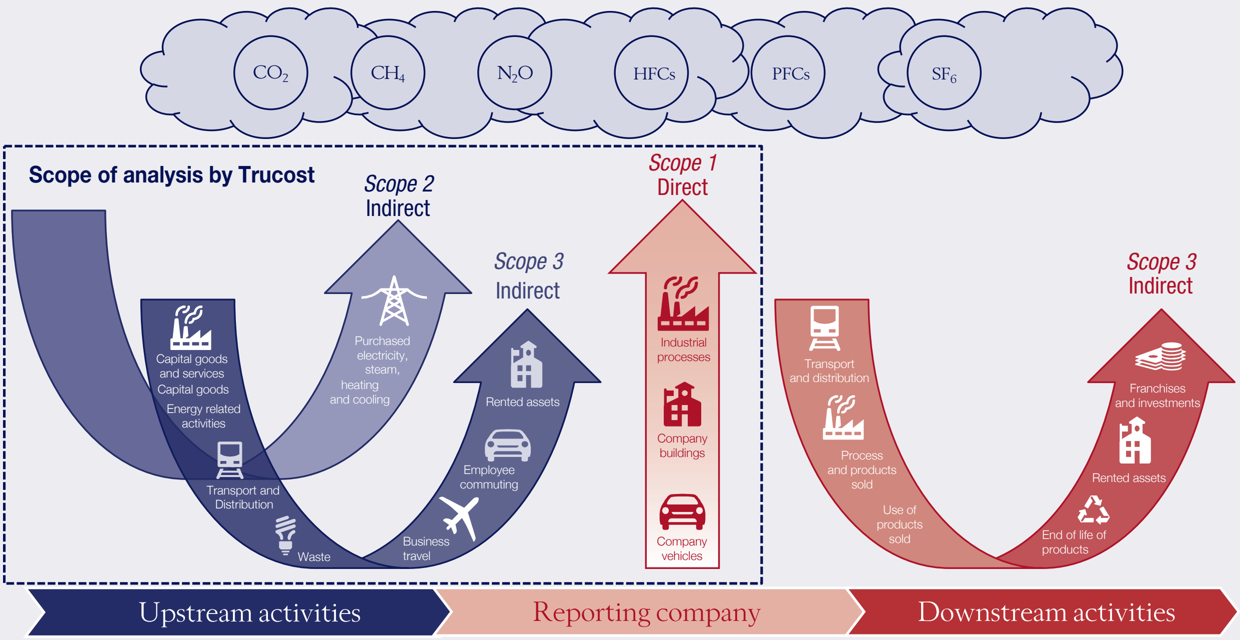
During the environmental analysis of the issuers, Tikehau Capital considers risks and opportunities related to climate change, the types of Real Estate assets and energy efficiency. The Group also takes account of the exposure to proven or potential environmental controversies.

In terms of physical climate risk, the analysts attempt to understand the financial risk inherent in the destruction of an industrial site, facilities or offices during an extreme climate event. An insurance policy for fire or flooding mitigates the associated financial risk.

When analysing transition risks, analysts seek to identify risks and opportunities arising from regulatory changes or new technologies and market trends. In Private Equity, this analysis is incorporated into strategic due diligence.

In line with the recommendations of Decree no. 2015-1850 of 29 December 2015 implementing Article 173 (VI) of the French Energy Transition for Green Growth Act, Tikehau Capital has commissioned S&P Trucost Limited ("Trucost"), a leading expert in environmental impact assessments, to conduct carbon assessments on its main liquid funds.

The calculation of the carbon footprint aims at estimating the amount of greenhouse gas ("GHG") or carbon emissions (measured in tonnes of CO_2 equivalent – tCO_2e) allocated to the fund. The assessment conducted by Trucost includes GHGs emissions from fixed or mobile sources owned or controlled by the organisation ("Scope 1") as well as indirect emissions linked to energy used 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 upstream" – direct suppliers).



Source: Greenhouse Gas (GHG) Protocol

In line with the recommendations of the TCFD, Tikehau Capital uses three methods:

1) **Relative Carbon Footprint (also called Carbon to Value ratio):** allocated carbon footprint per € million invested that captures the absolute impact of the portfolio per € million invested;
2) **Carbon Intensity (also called Carbon to Revenue ratio):** allocated carbon footprint per € million of revenues held (total of the carbon emissions held divided by total revenues attributed to the portfolio) which assesses the efficiency of the portfolio;
3) **Weighted Average Carbon Intensity:** arithmetical average carbon intensities of portfolio companies weighted by their portfolio weights which allows exposure to high emission companies to be assessed.

7.2.4 Main results of annual ESG and Climate monitoring by activity

Sofidy and ACE Management were added to the Group perimeter in December 2018 and are therefore not included in the Group's ESG standard reporting exercise for the year. However, both Sofidy and ACE Management already had ESG procedures in place at the time of their acquisition and are currently adopting the Group's ESG processes.

(a) Results of the annual monitoring of the Private Debt activity

(i) Direct lending and corporate lending - Annual ESG and Climate monitoring

As at 31 December 2018	
Assets under management in the Private Debt activity, solely including direct lending and corporate lending [(1)]	€4.0 billion
Share of the activity in the Group's total assets under management	18.2%
Number of investments in 2018 ESG reporting scope [(2)]	64
Number of responding investments	48
Main funds concerned	Tikehau Direct Lending IV (TDL IV), Tikehau Direct Lending III (TDL III), Sofiprotéol Dette Privée, Groupama Tikehau Diversified Debt Fund, NOVI 1, NOVO 2

Notes:
(1) ESG procedures for the senior debt investments (leveraged loans) and CLOs are similar to those for Fixed Income Liquid Strategies.
(2) Not including financial holdings companies and investments where early redemptions and/or other transactions are under negotiation or in progress (review of legal documentation, merger or acquisition) making it difficult to collect ESG data.

For the 2018 ESG campaign, 48 companies responded to a majority of questions. At the registration date of this Registration Document, the 2018 ESG reporting process for two investments with an equity sponsor was ongoing. The answers and response rates by indicator presented below are for companies responding on a declarative and unaudited basis.

ESG priority in reporting

In private debt, for capital development and LBO transactions, the Group favours collaboration on the ESG topics with the management team, the equity sponsor, any co-investors, other debt funds, the LBO banks and mezzanine investors.

The equity sponsor acts as the go-between with management to avoid duplication of requests on financial and non-financial matters. Thus, for private debt transactions with a sponsor, the good governance and ESG approach of the equity sponsor constitute key elements and must be taken into account. During the holding period/duration of the loan, the Tikehau Capital teams base their reports on those of the equity sponsor. This allows the management team to focus on tackling ESG challenges.

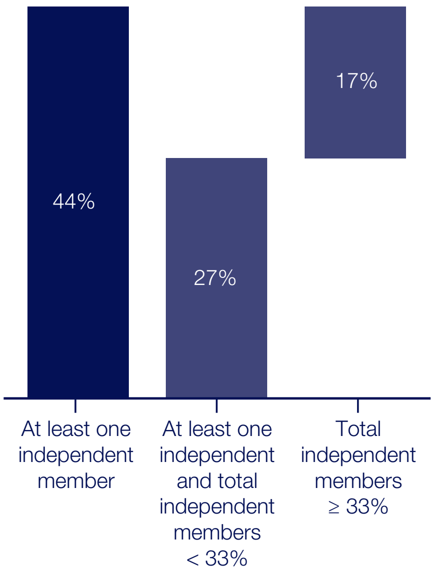
In transactions without a sponsor, or when the sponsor has no ESG policy, Tikehau Capital submits its own reports and/or collaborates with the other debt provider(s).

This approach is in line with work done at the level of France Invest, the main French trade association for private investors, on the collaboration between stakeholders.

Governance

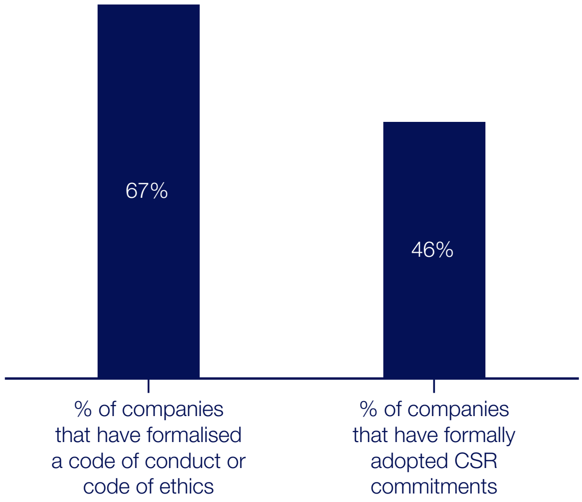
Of the companies responding, 44% have appointed at least one independent member to the Supervisory Board or Board of Directors. Moreover, 67% have prepared a formal code of conduct or a code of ethics, and 46% have gone a step further by making CSR commitments.

Presence of independent members on governing bodies (Supervisory Board or Board of Directors) [(1)]



(1) 81% response rate.

Formalisation of commitments on ethics [(2)] and corporate social responsibility [(3)]



(2) 98% response rate.
(3) 96% response rate.

Social

Number of employees and job creation	
Number of employees in the companies responding at 31 December 2018 [(1)]	123,909
Job creation in companies responding in 2018 [(2)]	953

(1) 94% response rate.
(2) 98% response rate.

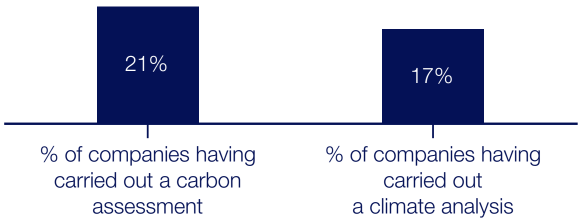
The five largest companies employ 68% of employees in the portfolio of companies responding.

The companies in the portfolio of the non-cyclical consumer goods and materials sectors are the most exposed to workplace accidents, with frequency rates of 25.4 and 26.9 accidents per million hours worked respectively.

Environment

33% of companies responding have implemented an environmental management system ("EMS") and 8% were in the process of implementing an EMS. 60% of companies in the materials sector, 50% of companies in the energy sector and 33% of industrial companies have obtained certifications such as ISO 14001 or ISO 9001.

Monitoring of the carbon impact [(1)] and assessment of exposure to climate risks* [(2)]



(1) 94% response rate.
(2) 96% response rate.

21% of respondent companies have carried out a carbon assessment. During the next financial year, Tikehau Capital plans to launch an initiative to support companies that wish to implement a simplified carbon footprint calculation for main greenhouse gas emissions sources.

17% of companies have done a climate analysis. Of these eight companies, three analysed physical risks and five analysed transition risks. Tikehau Capital intends to promote the recommendations of the TCFD to its private debt investments to increase this percentage.

CARBONEX

From charcoal merchant/producer to wood refiner with eyes on European expansion

Carbonex specialises in the environmentally responsible production of charcoal, green electricity and heat.

Run by the Soler-My family, which is the majority shareholder, Carbonex aims to quadruple its production capacities by 2022 and meet the growing demand for environmentally responsible products.

Sustainable innovation – In 2010, Carbonex commissioned a study on high-yield carbonisation from its engineers, with the practical specifications of introducing triple generation processes based on the clean, simultaneous production of charcoal, heat and electricity. This study resulted in six patents and a review of the full operational installation: from the preparation of the wood (delivery, cutting and drying), to carbonisation and production of electricity with the pyrolysis gas produced by carbonisation. Using cogeneration, Carbonex has transformed the management of pollutant fumes into an asset.

Carbonex continues to focus on innovation and now has eight R&D employees, out of a total of around 60.

"This innovation has created a breakthrough technology, making charcoal production economically viable once again in Western Europe, under conditions which respect an environmentally-friendly energy transition". Pierre Soler-My

Local and responsible production – Buoyed by its new technology, Carbonex has been able to relocate the production of wood charcoal and briquettes in France, improve quality control, significantly reduce the use of fossil energy and avoid deforestation. In partnership with local forestry operators and the French forestry office (ONF), the Company sources sustainably-managed wood (wood from tree thinning which improves the health of the remaining trees and PEFC-certified) within an average 60 km radius.

Carbonex is competitive compared to operators in Eastern Europe and other low-cost countries, while meeting demanding environmental and social standards. A Carbone 4 study also shows the effectiveness of Carbonex's processes, as they avoid carbon emissions in relation to alternative production scenarios (wood from Eastern Europe or Africa).

Cogeneration plant at Gyé-sur-Seine with pyrolysis kilns and wood-drying silos behind on the right.

Cogeneration and energy transition

"Our new production plant means we can make twice as much wood charcoal as our first factory, while recovering all the pyrolysis gas for transformation into electricity". Pierre Soler-My

Wood refining facilities have an annual unit production capacity of several tens of thousands of tonnes of renewable carbon, and provide the option of generating several MW of electricity. 20-year supply agreements have been signed with EDF, and currently account for a third of the revenue of Carbonex (€12 million in 2018).

The heat generated by carbonisation is also used to dry the wood, briquettes and heat the buildings.

Carbonex's biomass power generation projects were selected for the *Grenelle de l'Environnement* (French environmental pact) in 2010 and for the French Energy Transition for Green Growth Act (wood-energy call for tenders) in 2017.

Training for young people – Carbonex maintains special relationships with students (IUT, BTS and Groupe ESC Troyes) and regularly welcomes apprentices (forklift drivers, mechanics, electricians, engineers, etc.). It also employs these young people at the end of their studies whenever possible.

(ii) Collateralised loan obligations (CLO) - Annual ESG monitoring

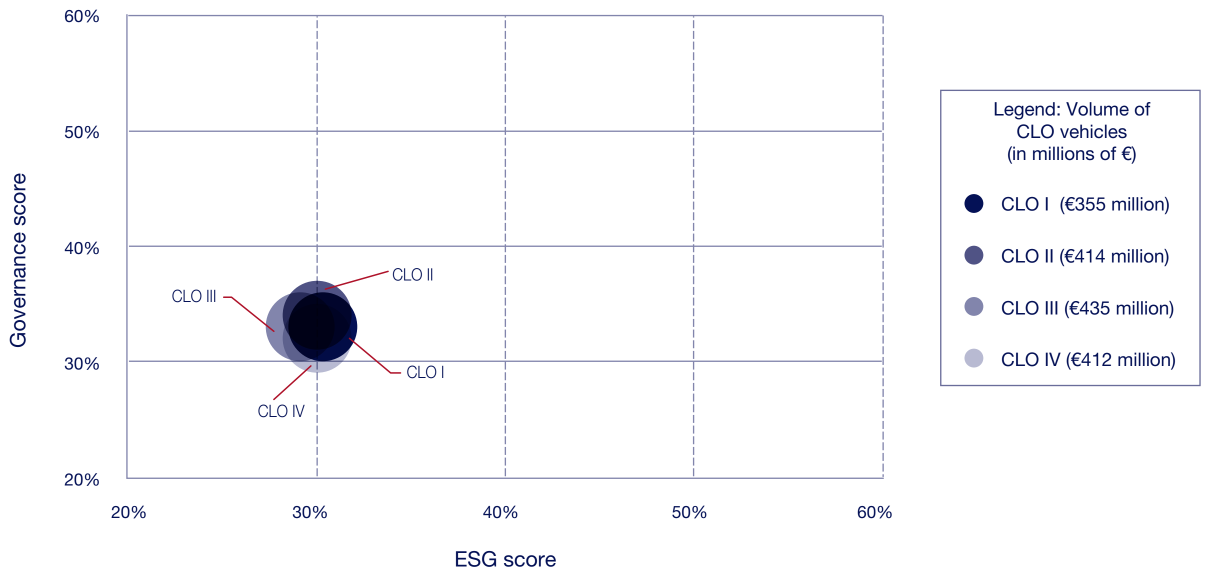
As at 31 December 2018	
Assets under management of the Private Debt activity, solely including CLO activities	€1.8 billion (1)
Share of the activity in the Group's total assets under management	7.4 %
Main funds concerned	CLO I, CLO II, CLO III, CLO IV

Notes:
(1) Including the CLO V, which is in the warehousing phase.

At 31 December 2018, the credit research team rated all issuers held in the CLO funds. Thus, for each CLO vehicle, the portfolio issuers' weighted average ESG score was calculated on a scale ranging from 0% (maximum opportunity) to 100% (maximum risk). The graph below shows the ESG scores of each of the four CLO vehicles on the horizontal axis (CLO V, which is in the warehousing phase, is not included in the report). The vertical axis shows the scores for the governance pillar, which accounts for 40% of each issuer's ESG score.

At 31 December 2018, the weighted averages of the CLO vehicles appeared relatively low in terms of both Governance score and overall ESG score. In addition, the ESG scores of the CLO vehicles are very close, reflecting a common investment strategy and the choice of relatively ESG risk-free issuers. At 31 December 2018, no issuer present in the CLOs had an individual ESG score above 60%.

CLO vehicles — ESG score versus Governance score at 31 December 2018



Source: Tikehau Capital research.
NB: Details on ESG scores of the CLOs are available upon request.

7.

(b) Results of the annual monitoring of the Real Estate activity

At 31 December 2018	
Assets under management of the Real Estate activity (excl. Sofidy)	€2.5 billion
Share of the activity (excl. Sofidy) in the Group's total assets under management	11.4%
Funds that responded to the ESG 2018 questionnaire	Tikehau Real Estate I (TRE I), Tikehau Real Estate II (TRE II), Tikehau Real Estate III (TRE III), Tikehau Retail Properties I (TRP I), Tikehau Retail Properties II (TRP II), Tikehau Retail Properties III (TRP III), Tikehau Italy Retail Fund I (TIRF I), Tikehau Italy Retail Fund II (TIRF II)
Companies with ESG procedures	IREIT Global, Tikehau Real Estate Investment Company (TREIC)

The Group's Real Estate activity comprises (i) real estate funds managed by Tikehau IM, (ii) TREIC, a permanent capital real estate company dedicated to real estate co-investments, (iii) the assets of IREIT Global, a real estate investment company listed in Singapore, (iv) real estate funds managed by Sofidy and (v) Selectirente, a real estate investment firm listed in Paris created by Sofidy and a number of real estate investment professionals.

Sofidy joined the Group in December 2018 and the real estate funds managed by Sofidy will be reported under the Group's ESG methodology in 2019.

Since the end of 2018, a working group of Tikehau Capital's and Sofidy's investment and real estate management teams have developed a "Responsible Real Estate investment charter". The charter reminds Group teams to consider ESG criteria through all stages of the real estate investment cycle:

- at the stage of analysing investments, the teams perform a detailed review of each potential investment using an ESG grid based on the GRESB (Global ESG Benchmark for Real Assets) framework;
- during the holding period, teams monitor ESG key indicators for selected real estate assets. Where possible, teams also engage with property managers and/or tenants.

At 31 December 2018, the ESG monitoring grid covered 362 real estate assets, representing around 1,131,000 m2 held by the funds managed by Tikehau IM, excluding development projects. All of the real estate managers surveyed in 2018 responded.

Tikehau Real Estate Opportunity 2018 (TREO 2018) invested in the renewal programme of the Charenton Bercy site in October 2018. This 360,000 m² mixed-use project (offices, housing, retail and leisure) is still in the development phase, so ESG reporting will be launched in due course. The Charenton Bercy project is a sustainable urban design at both district and building level, which will qualify for Eco Quartier, HQE and international DiverCity environmental certifications.

The ESG grid comprises a review of the governance, the social/societal and environmental factors based on around 20 criteria. The responses set out below are from property managers responding on a declarative and unaudited basis.

Governance

Depending on the stakeholders' presence and role in the different projects, their good governance and ESG approach must be taken into consideration:

- investors – Investors demand ESG criteria in the same way as Tikehau Capital, and influence the overall strategy and 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 and the choice of partners (developers and/or real estate managers) and must exert vigilance in the fight against corruption;
- the developer – The developer plays a decisive role in the integration of sustainable development issues at the construction or major renovation stage of the project;
- the property manager – The practices of the property manager have a direct impact on the building's characteristics. The extent of the property manager's influence varies according to the type of investment and the number of tenants. They may be required to control the building management, as is the case for shopping centers with several tenants, or to delegate it to the main tenant, which is often the case for offices;
- the tenant – The responsible building management strategy must be shared with the tenant, including for instance energy reduction or waste management commitments.

At 31 December 2018, two thirds of real estate manager respondents had policies in place to monitor social/societal, governance and compliance issues including the fight against corruption and money laundering and personal data protection.

Social/societal

For real estate assets, the accessibility of buildings and the well-being of its occupants are core issues for a sustainable city. As at 31 December 2018, the real estate managers noted the absence of social disputes and governance-related problems with tenants.

IREIT, focus on tenants

IREIT is a Singapore-based company listed on the Singapore Stock Exchange (SGX) which invests in offices located, mainly in Germany (See Section 1.4.2(b)(iii) (Real Estate companies managed by the Group) of this Registration Document).

In the case of offices, the most important stakeholder group for IREIT consists of all its tenants. Deutsche Telekom, which accounted for more than 51% of IREIT's gross rental income as at 31 December 2018, has set ambitious targets for reducing its energy consumption and won the National German Sustainability Award in 2017. However, due to the limited availability of data relating to the tenants, IREIT's sustainability report focuses on the property.

Further information can be found on the IREIT website: http://ireitglobal.listedcompany.com/ar.html.

Environment

The real estate sector has a high environmental footprint. The sector is one of the main sources of indirect greenhouse gas emissions due to the energy consumption needed during the construction and operation of the building (heating, air conditioning and lighting). In France and the rest of Europe, thermal regulations are becoming increasingly stringent. For Tikehau Capital, anticipating and complying with environmental standards is essential.

Tikehau Italy Retail Fund I and II and Tikehau Real Estate Properties II - focus on Real Estate managers

TRP II acquired the Bercy 2 shopping centre in October 2015. TIRF I and TIRF II acquired the "I Petali di Reggio Emilia" and "Area12" shopping centres in February 2016 and May 2017, respectively, (see Section 1.4.2(b) (Real Estate activity) of this Registration Document).

These are multi-tenant shopping centres and the most important stakeholders in these funds are the property managers Catella, in the case of Bercy 2, and CBRE, for the Italian shopping areas.

Catella and CBRE have formal energy, water and waste management policies. Initiatives are under way to improve the environmental performance of the shopping areas.

Shopping areas' energy consumption (in kWh/m^2/year)

	From 1 January to 31 December 2018	From 1 January to 31 December 2017
Area12	147.4	135.0
Bercy 2	94.0	119.3
I Petali di Reggio Emilia	95.0	96.6

**Sources: CBRE (for Area12 and I Petali di Reggio Emilia) and Catella (for Bercy 2).*

Shopping areas' water consumption (in m^3/m^2/year)

	From 1 January to 31 December 2018	From 1 January to 31 December 2017
Area12	0.96	1.04
Bercy 2	0.65	0.53
I Petali di Reggio Emilia	1.09	1.39

**Sources: CBRE (for Area12 and I Petali di Reggio Emilia) and Catella (for Bercy 2).*

(c) Results of the annual monitoring of the Liquid Strategies activity

As at 31 December 2018

Assets under management for Liquid Strategies activity	€3.3 billion
Share of the activity in the Group's total assets under management	14.8%
Main funds concerned	Tikehau Taux Variables (TTV), Tikehau Credit Plus (TC+), Tikehau Court Terme (TCT), Tikehau SubFin Fund (TSF), Tikehau Income Cross Assets (InCA), Tikehau Global Value (TGV)

(i) Mandatory management – annual ESG monitoring and Climate

Extract of the ESG analysis of the main bond funds

At 31 December 2018, the credit research team rated more than 400 issuers for bond activities. Thus, for each fund, the weighted average ESG score of portfolio issuers' was calculated on a scale ranging from 0% (maximum opportunity) to 100% (maximum risk). The graph below shows the ESG scores of the main bond funds on the horizontal axis. The vertical axis shows the scores for the governance pillar, which accounts for 40% of each issuer's ESG score.

At 31 December 2018, the Group's main fixed-income funds had fairly modest levels of ESG risk due to the small number of risky issuers based on the Group's analysis model (of more than 200 issuers in the funds at year-end, only five had an ESG score above 60% - considered at risk - but none exceeded 80% - considered high risk). The Group's bond funds are heavily exposed to the financial sector which helps performance due to the relatively limited social and environmental risks for banks, insurers and other financial intermediaries. For instance, at 31 December 2018, the financial sector represented 36% of TTV exposure and 22% of TC+ exposure.

Main bond funds — ESG score versus Governance score at 31 December 2018

Source: Tikehau Capital research.
NB: Details of the ESG scores of the main bond funds are available upon request (and are presented in the respective 2018 annual reports of these funds).

Carbon footprint of the main bond funds

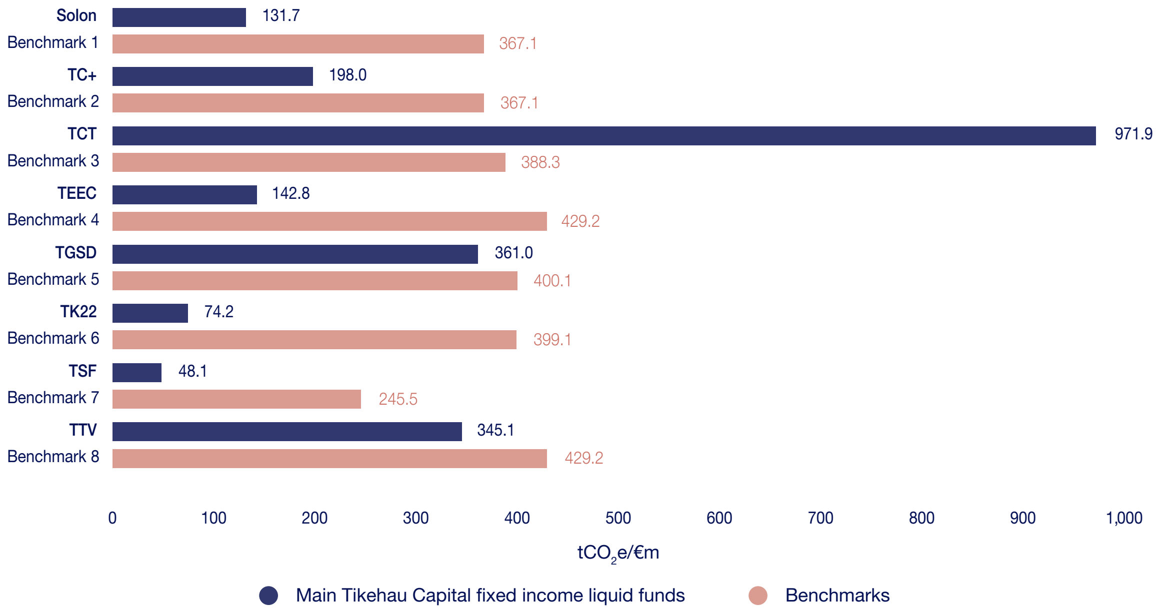
Tikehau Capital commissioned Trucost to carry out a carbon assessment of its main liquid funds as at 31 December 2018. According to the three methods used, TC+, TSF; TK22, Solon, Guenegaud and TEEC outperformed their benchmarks due to their low exposure to the most polluting sectors (energy, materials, industries). TTV, TCT and TGSD are specific cases.

TTV - At 31 December 2018, TTV held seven Commercial Papers ("CP") for a total value of around €172 million. As these instruments are cash equivalent, they were removed from the corporate section of the portfolio analysed by Trucost. After adjustment, according to the three methods TTV outperformed its benchmark.

TCT - At 31 December 2018, Trucost's analysis covered 20 out of 35 issuers. The TCT portfolio appears to be carbon-intensive due to the presence of (public or private) issuers related to the energy sector (Engie and PPC Finance, affiliate of Public Power Corporation) or the materials sector (Heidelberg Cement). Trucost had to exclude 15 issuers from its scope due to the limited availability of information related to their balance sheet items. However, Trucost's "uncovered" portion comprised 7 issuers from the financial sector, with limited carbon emissions. Thus, a more comprehensive coverage would be required in order to draw conclusions.

TGSD – At 31 December 2018, TGSD's portfolio was relatively carbon-intensive due to the presence of West China Cement and JSW Steel. The operations of these two companies emit high levels of carbon due to the energy required by the rotary cement kilns and steel blast furnaces. Nonetheless, the efforts made by West China to invest in its production facilities and comply with local standards (the group also suspends its production during the winter to reduce emissions) are notable. As for JSW, it makes a significant contribution to India's economy and employment. It also invests in new technologies and the transfer of expertise from its US factories.

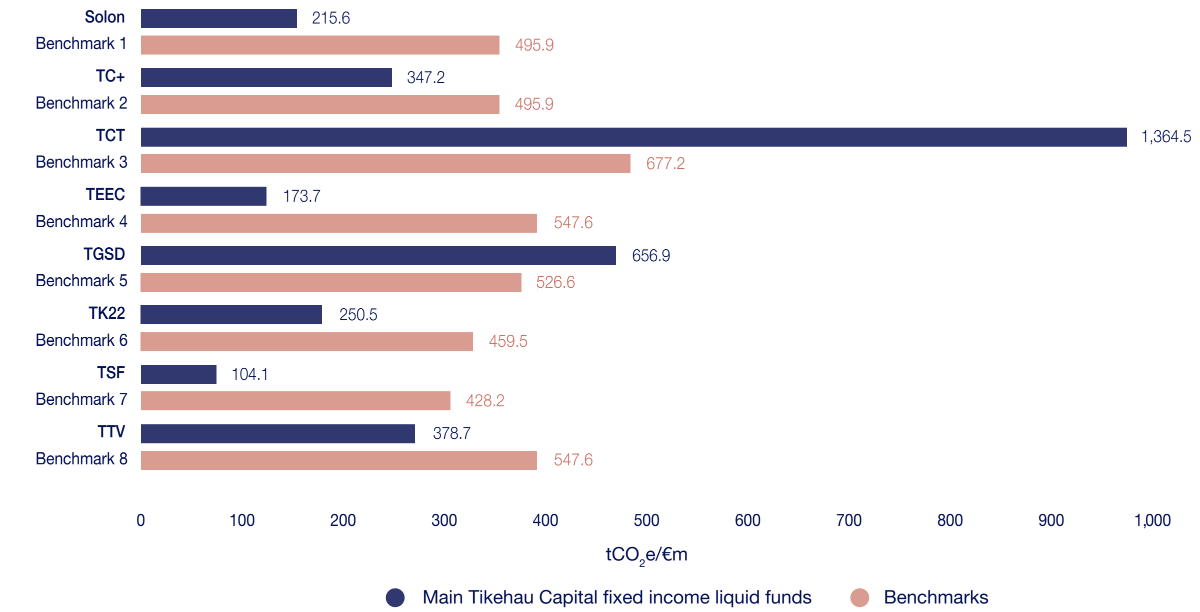
Relative Carbon Footprint of the main bond and mixed funds (also called Carbon to Value ratio)



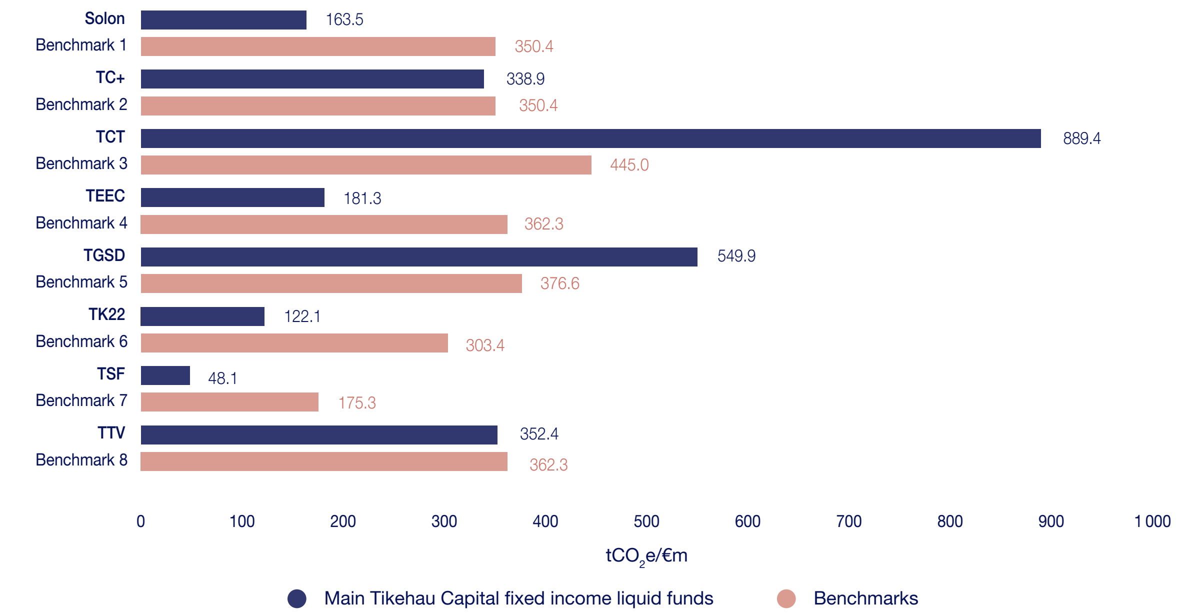
Source: S&P Trucost Limited.

7.

Carbon Intensity per €million of revenues held (also called Carbon to Revenue ratio)



Weighted Average Carbon Intensity per €million of revenues held



Source: S&P Trucost Limited.

Notes:

***1 -** Detail on scope 1+2 and 3 upstream is available on request or in the individual annual reports of the funds.*

2 - Composition of the benchmarks

***Benchmark 1:** includes the following six indices: (1) 50% HEC0 (ICE BofAML Euro High Yield Constrained Index), (2) 15% COCO (ICE BofAML Contingent Capital Index), (3) 15% ACHY (ICE BofAML Asian Dollar High Yield Corporate Index), (4) 10% ER00 (ICE BofAML Euro Corporate Index), (5) 5% HEBC (ICE BofAML Euro Financial High Yield Constrained Index) and (6) 5% ELT2 (ICE BofAML Euro Lower Tier 2 Corporate Index).*

***Benchmark 2:** includes the following six indices: (1) 50% HEC0 (ICE BofAML Euro High Yield Constrained Index), (2) 15% COCO (ICE BofAML Contingent Capital Index), (3) 15% ACHY (ICE BofAML Asian Dollar High Yield Corporate Index), (4) 10% ER00 (ICE BofAML Euro Corporate Index), (5) 5% HEBC (ICE BofAML Euro Financial High Yield Constrained Index) and (6) 5% ELT2 (ICE BofAML Euro Lower Tier 2 Corporate Index).*

***Benchmark 3:** ER01 ICE BofAML 1-3 Year Euro Corporate Index*

***Benchmark 4:** includes the following five indices: (1) 30% ER01 (ICE BofAML 1-3 Year Euro Corporate Index), (2) 30% H1EC (ICE BofAML BB-CCC 1-3 Year Euro Developed Markets High Yield Constrained Index), (3) 30% HEBC (ICE BofAML Euro Financial High Yield Constrained Index), (4) 5% ACHY (ICE BofAML Asian Dollar High Yield Corporate Index) and (5) 5% ELT2 (ICE BofAML Euro Lower Tier 2 Corporate Index).*

***Benchmark 5:** includes the following four indices: (1) 30% ACHY ICE BofAML Asian Dollar High Yield Corporate Index (2) 30% H1EC ICE BofAML BB-CCC 1-3 Year Euro Developed Markets High Yield Constrained Index (3) 30% HEBC ICE BofAML Euro Financial High Yield Constrained Index and (4) 10% ELT2 ICE BofAML Euro Lower Tier 2 Corporate Index.*

***Benchmark 6:** includes the following two indices: (1) 75% HEC0 (ICE BofAML Euro High Yield Constrained Index) and (2) 25% COCO (ICE BofAML Contingent Capital Index).*

***Benchmark 7:** includes the following three indices: (1) 60% COCO (ICE BofAML Contingent Capital Index), (2) 30% HEBC (ICE BofAML BB-CCC 1-3 Year Euro Developed Markets High Yield Constrained Index) and (3) 10% ELT2 (ICE BofAML Euro Lower Tier 2 Corporate Index).*

Benchmark 8: *includes the following five indices: (1) 30% ER01 (ICE BofAML 1-3 Year Euro Corporate Index), (2) 30% H1EC (ICE BofAML BB-CCC 1-3 Year Euro Developed Markets High Yield Constrained Index), (3) 30% HEBC (ICE BofAML Euro Financial High Yield Constrained Index), (4) 5% ACHY (ICE BofAML Asian Dollar High Yield Corporate Index) and (5) 5% ELT2 (ICE BofAML Euro Lower Tier 2 Corporate Index).*

Environmental analysis of Tikehau Taux Variables (TTV)

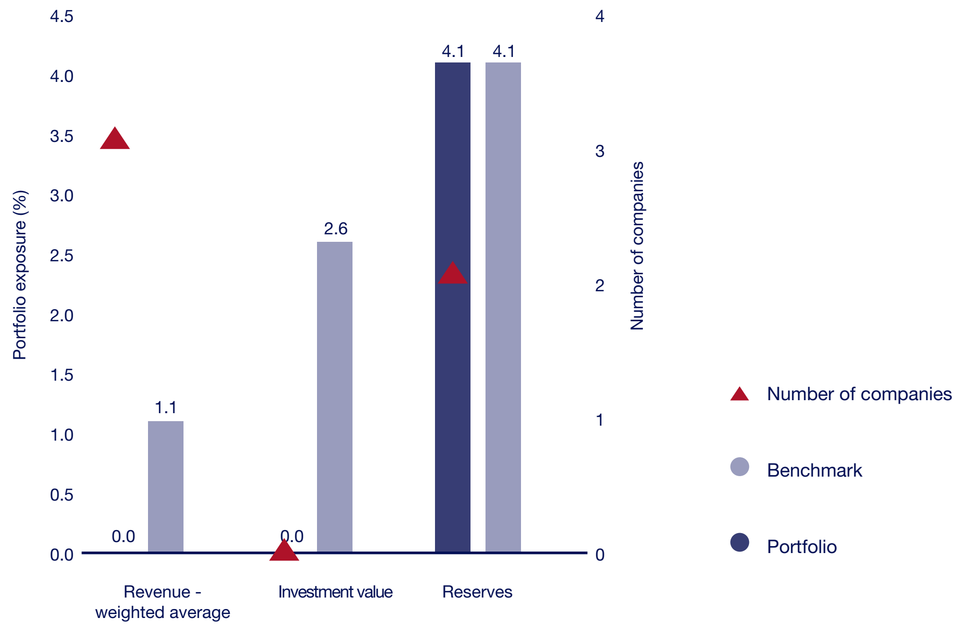
At 31 December 2018, TTV was the biggest Liquid Strategies fund with €1,740 million assets under management (see Section 1.4.2(c)(i) (Fixed income management) of this Registration Document). For this fund, the Group commissioned Trucost to carry out an environmental analysis that looked beyond the carbon assessment.

Extracts from the analysis of the “brown assets” of TTV (investments in carbon-intensive assets e.g. production of fossil energy, mines and metals) and the “green” assets (e.g. companies "contributing to the energy transition") are set out below. This analysis does not take into account the energy mix related to the electricity consumption of the TTV portfolio issuers.

Brown assets of TTV

At 31 December 2018, exposure of the TTV portfolio to fossil energies was relatively limited in terms of portion of revenue (weighted average) and value of investments. In terms of reserves, TTV is as exposed as its benchmark (see Benchmark 8) above. At 31 December 2018, three issuers make up the TTV "brown share" – ArcelorMittal, Engie and Public Power Corporation – and none of these companies derived more than 10% of its revenue from thermal coal during the TTV holding period.

Exposure of TTV portfolio to fossil fuels as at 31 December 2018



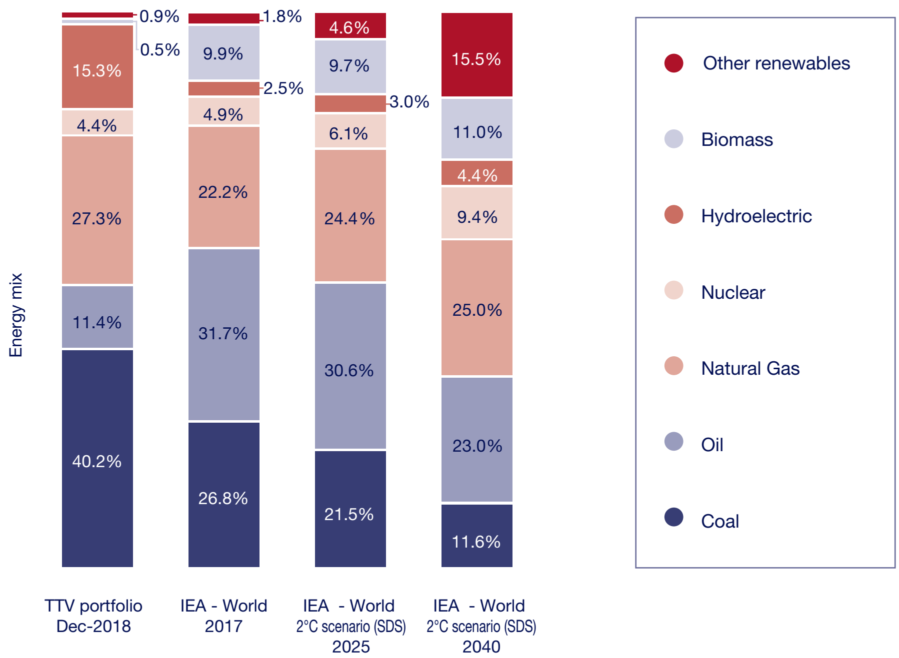
Source: S&P Trucost Limited.

Green assets of TTV – companies “contributing to the energy transition"

At 31 December 2018, the clean energy value chain made up 16.6% of the TTV energy mix, which lies below the target of the 2°C scenario (SDS) of the IEA presented in Section 7.2.2 (Management of ESG and Climate-related risks and opportunities) of this Registration Document. Solar or wind energy companies are rare in the high yield investment universe and typically only derive a lower rating due to a risky jurisdiction. Companies clearly supporting the energy transition increasingly benefit from finance at preferential rates (*e.g.* green bonds) which do not meet the yield objectives pursued by TTV. Therefore, other than electricity companies exposed to hydraulic energy, the market depth related to green companies in the high yield compartment of TTV is limited.

7.

TTV 2 °C analysis



Sources: S&P Trucost Limited and data from the IEA World Energy Outlook © OECD/IEA 2018, www.iea.org/statistics, Licence: www.iea.org/t&c

(ii) Balanced and equities management

With €392 million of assets under management at 31 December 2018, the Tikehau Income Cross Asset (InCA) mutual fund was the Group's biggest diversified and equities fund (see Section 1.4.2(c)(ii) (Balanced and equities management) of this Registration Document). Excerpts of its ESG analysis are presented below. The full results of the ESG scores of the InCA mutual fund and TGV fund are presented in their respective 2018 management reports.

Extract from the ESG analysis of InCA Fund

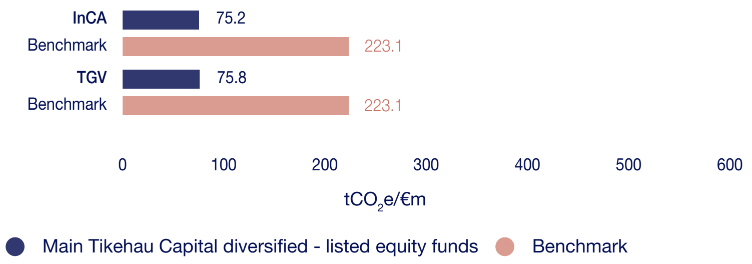
At 31 December 2018, InCA held 24 equity securities, each scored on Environmental, Social and Governance pillars based on information publicly available on 31 January 2019. 15 performance criteria were selected with a minimum completion rate of 94%. Excerpts from the InCA report concentrates on the 3 most significant criteria:

1) **Employer attractiveness:** 16 issuers received at least one regional award for the quality of their HR policy and social climate. The HR policy of Admiral Group Plc is particularly noteworthy. In 2018, the company was named, for the 15th consecutive year, as a Great Place to Work® in Europe which is based on both a quantitative (diversity, staff turnover, benefits in terms of cover or leave, etc.) and qualitative study (recruitment and employee development policy, etc.).
2) **Carbon assessment and Science Based Targets:** 17 issuers have published a carbon assessment, 11 of them on a complete scope (1, 2 and 3) and 6 on a limited scope (1 and 2). The aim of the Science Based Targets initiative is to drive ambitious climate action in the corporate world. It reconciles its participants' greenhouse gas emissions reduction targets (typically varying by 10% to 75% on scope 1 and 2) with the science-based climate data. Five issuers, all from the non-cyclical consumer goods sector, took part in the Science Based Targets initiative.
3) **Consideration of the Sustainable Development Goals:** 13 out of 24 issuers have made at least one SDG commitment. PepsiCo and Unilever are driving forward the Refrigerant, Naturally! initiative to combat the ozone layer depletion by eliminating fluorinated gases (CFC, HCFC and HFCs) from refrigerated distribution points and by moving forward the research into alternative technologies. Microsoft, Nestlé, PepsiCo and Unilever have also joined the Business Alliance for Water and Climate ("BAFWAC"), which commits them to reducing water consumption in their respective supply chains in three ways: analysing, measuring and reducing. These two initiatives impact five SDGs: Clean water and sanitation (SDG 6), Sustainable cities and communities (SDG 11), Responsible consumption and production (SDG 12), Climate action (SDG 13) and Partnerships for the goals (SDG 17).

Carbon footprint of the diversified equity funds

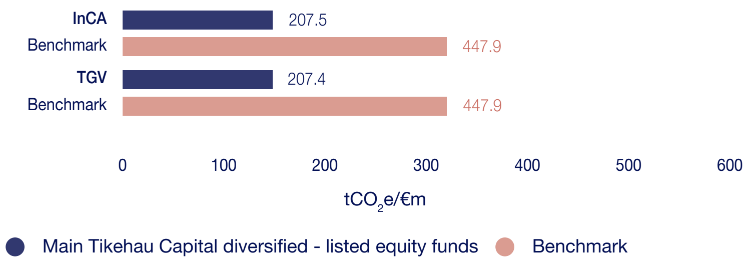
Tikehau Capital commissioned Trucost to carry out carbon assessments of its main liquid funds at 31 December 2018. Based on the three methods, InCA and TGV outperform their benchmarks thanks to low exposure to the most polluting sectors (energy, materials, industries).

Relative Carbon Footprint of main diversified equity funds (also called Carbon to Value ratio)



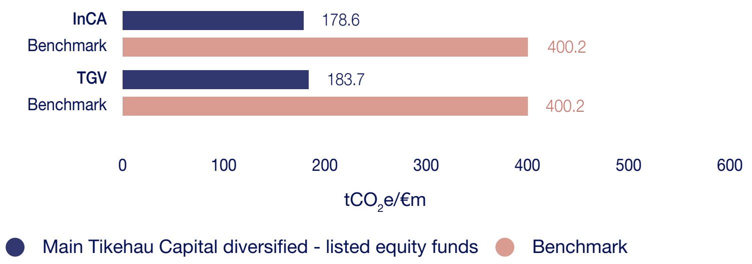
Source: S&P Trucost Limited.

Carbon Intensity per €million of revenues held (also called Carbon to Revenue ratio)



Source: S&P Trucost Limited.

Weighted Average Carbon Intensity per €million of revenues held



Source: S&P Trucost Limited.

Notes:
1 – Detail on scope 1+2 and 3 upstream is available in the individual annual reports of the funds.
2 – The benchmark is composed of 50% S&P 500 and 50% S&P 350 Europe.

7.

(d) Results of the annual monitoring of the Private Equity activity comprising Direct Investments strategies

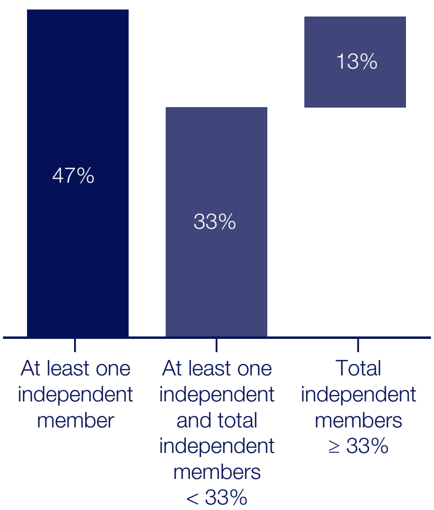
In the course of 2018, the Group's Private Equity activity developed on several fronts, including the launch of two funds: Tikehau Growth Equity II and T2 Energy Transition Fund, the Group's first fund focused on a sustainable theme. See the summary of T2 Energy Transition Fund's 2 Degree strategy in Section 7.2.2 (Management of ESG and Climate-related risks and opportunities) of this Registration Document. ESG integration is being stepped up in this activity with a particular emphasis on the net contribution of investments to SDGs. This work will be presented in the next Registration Document.

As at 31 December 2018	
Private Equity activity assets under management (excl. ACE Management)	€0.9 billion
Share of the activity (excl. ACE Management) in the Group's total assets under management	3.6%
Number of investments in the 2018 ESG reporting scope	17
Number of responding companies	15

The ESG monitoring scope covers 15 companies (minority stakes held through funds or on the balance sheet) and excludes listed companies. The questionnaires were completed by the companies and thus the information provided below is on a declarative and unaudited basis.

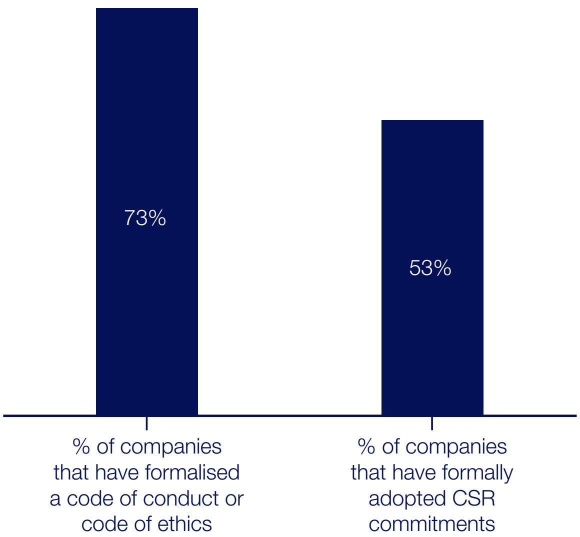
Governance

Presence of independent members on governing bodies (Supervisory Board or Board of Directors) [(1)]



(1) 93% response rate.

Formalisation of commitments on ethics [(2)] and corporate social responsibility [(3)]



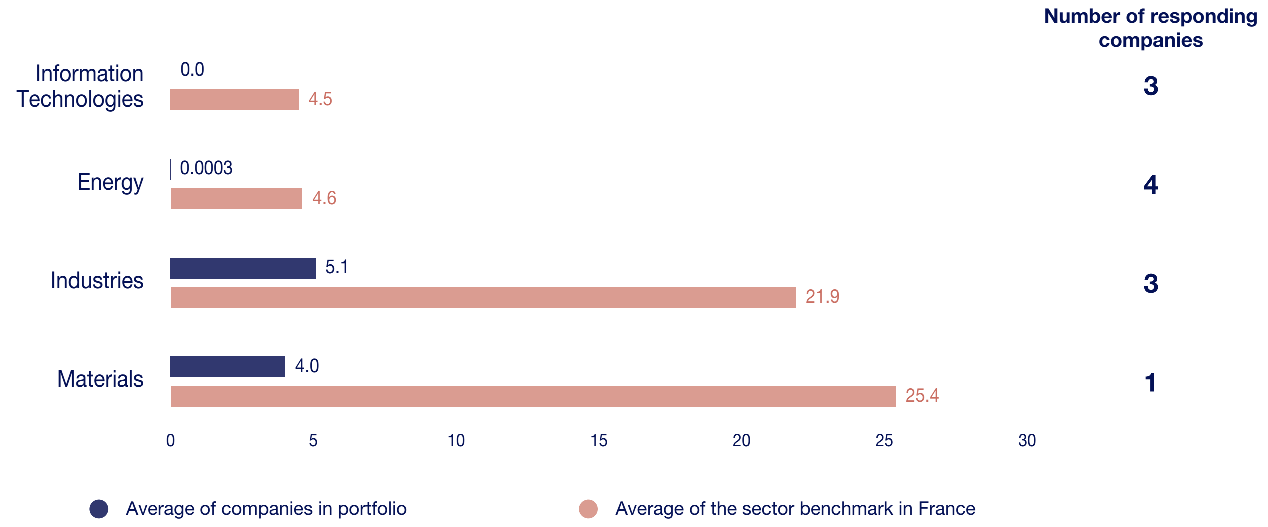
(2) 93% response rate.
(3) 100% response rate.

Social

Number of employees and jobs created	
Number of employees in the responding companies [(4)]	59,781
Job creation in responding companies in 2018 [(5)]	1,042

(4) 93% response rate.
(5) 87% response rate.

Accident at work frequency rate (per million hours worked) compared to the sector average in France (1)



(1) 73% response rate.

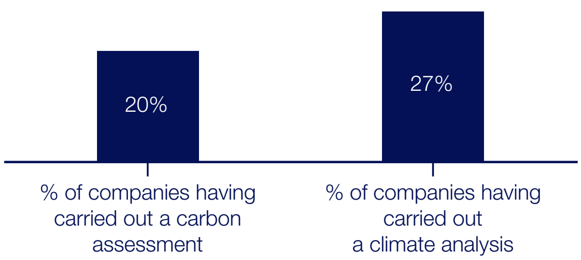
Portfolio companies in the industry and materials sectors are most exposed to accidents at work with frequency rates of 5.1 and 4.0 per million hours worked, respectively, although this seems to be well below the French sector averages of 21.9 and 25.4 per million hours worked. The portfolio companies in the energy sector have very good accident rates of close to zero.

Environment

40% of the responding companies had an environmental management system (EMS) in place and 7% were in the process of introducing one. 25% of industrial companies and 25% of companies in the energy sector (sectors with high environmental impact) have obtained certifications such as ISO 14001.

Tikehau Capital will monitor avoided and actual greenhouse gas emissions of companies in the T2 Energy Transition Fund. For remaining participations held in private equity funds, the Group intends to launch an initiative to support companies that wish to implement a simplified carbon footprint calculation for main greenhouse gas emissions sources. Tikehau Capital further intends to promote the recommendations of the TCFD to its private equity investments.

Monitoring of the carbon footprint (1) and assessment of exposure to climate risks (2)



(1) 100% response rate.
(2) 100% response rate.

TOTAL EREN

From an entrepreneurial venture to an international leader in clean energy value chain

Total Eren (formerly EREN Renewable Energy) has renowned expertise in the clean energy value chain sector. Together with local partners, the Company is positioned in emerging markets with high potential, in a range of geographic areas with significant wind or solar resources and which face growing energy needs. Total Eren covers a range of disciplines and is involved in the whole clean energy value chain development process. The Group selects, develops, finances, invests in and builds clean energy value chain projects, and operates them over the long term.

Since 2012, Total Eren has built a portfolio of diverse assets (wind, solar and hydraulic) either in operation or under construction representing capacity of over 1.6 GW worldwide. This rapid expansion has been made possible thanks to a 195 million euro capital increase in two tranches in October 2015 and May 2017. Tikehau Capital took part in this fundraising for 32 million euros *via* Zéphyr Investment, a joint venture with FFP. In December 2017, Total SA, a leading company in the energy sector, acquired a 23% indirect stake in Total Eren.

In April 2019, Tikehau Capital reiterated its support for Total Eren by taking part in the fundraising for the strategic acquisition of NovEnergia Holding Company, an independent clean energy value chain generator mainly active in southern Europe.

Pioneer in the clean energy value chain sector – Total Eren seeks to create and respond to new opportunities to deploy its fleet of power stations internationally, in countries committed to extending their generation capacity using renewables, or to energy-hungry industrial clients looking to cut the cost and environmental impact of their power supply. Total Eren is also promising rural electrification projects that will help local communities and support the development of high-potential rural economic zones, particularly in Africa.

Essakane Solar, a 15 MWc solar power station commissioned in 2018 in Burkina Faso and serving the Essakane gold mine.

A partnership strategy – Total Eren favours exclusive, long-term partnerships with local players in developing their energy projects, at national or regional level. Total Eren partners with developers that have proven expertise, and plant builders and equipment suppliers who are market leaders in the clean energy value chain sector. The Group also supports major industrial companies in seeking to reduce the cost and environmental impact of their energy consumption by replacing, in full or in part, the use of existing thermal power stations with solar power stations developed by Total Eren.

Goritsa, 33.3 MW power station commissioned in 2017 in Greece.

Local engagement & social responsibility – In the context of its development and operation contracts, Total Eren strives on each site under its supervision or organisation to favour local labour and works to implement an ambitious and strict environmental and social policy.

In Brazil, around 150 people from the Bom Jesus da Lapa district in Bahia state were employed in building the local solar power station. Moreover, a revegetation project in the urban district of Bom Jesus da Lapa was conducted in partnership with several universities and local authorities to plant 5,000 trees and protect endangered plant species. Total Eren held workshops on PV power, environmental protection and public health for local communities.

In Burkina Faso, the building of the Essakane Solar power plant in a remote region of the Sahel created around 75 jobs in neighbouring villages. Several local development opportunities are under way, including the creation of 41 permanent local jobs to operate the plant, the allocation of 1% of revenues to social and economic development and the drafting of a cooperation plan with training institutions to develop skills in the solar industry.

(e) Results of the annual monitoring of other Direct Investments strategies

(i) Portfolio listed investments

The Group periodically reviews the progress of ESG policies at Assystem, DWS, Eurazeo and Latecoère *via* their public communications, and discussion with managers and teams where possible.

(ii) Other Private Equity

Other private equity investments are highly varied in nature. When the Group invests in a fund, it includes an ESG clause requiring the fund to comply with its exclusion policy. In addition, where relevant, the Group asks to discuss best ESG practice.

At 31 December 2018, the Group committed more than €23 million to four impact funds:

(1) *Alter Equity 3P* (People, Planet, Profit) which invests in European companies whose activities address a major social or environmental issue;

(2) *Blue Like an Orange Sustainable Capital* which funds companies with positive social or environmental impacts in Latin America;

(3) The *Clean Energy & Environment Fund* from DWS, which invests in Chinese companies providing solutions to mitigate climate change; and

(4) *Essential Capital Contribution Fund* from DWS which invests in social enterprises in developing countries, which aim to produce goods or provide services that benefit local communities (healthcare, energy or financial services).

7.

7.3 TIKEHAU CAPITAL'S CORPORATE SOCIAL RESPONSIBILITY POLICY

Most of Tikehau Capital's social and environmental impact lies in its investments. In addition to a proactive ESG policy, the Group's CSR approach focuses on three areas:

- **Area 1 – Promoting diversity and managing talent.** The Group places particular importance on the diversity of its teams, within which 25 nationalities are represented. The talent development policy is at the heart of the concerns of the management team and the Human Capital Department;
- **Area 2 – Promoting sporting values and corporate volunteering.** The Group promotes sport and the related values such as readiness for personal effort, discipline, teamwork and respect for the rules and other players. On the other hand, the Group frees up employees' working time so that those who so wish can use a certain number of hours for projects supported by the Group;
- **Area 3 – To limit the Group's environmental footprint by fostering the responsibility of its employees.** To take into account the long-term consequences of its operations, Tikehau Capital endeavours to control its environmental impact by limiting paper use and encouraging the sorting of recyclable waste in all offices. All employees are encouraged to participate in initiatives that are meaningful to them and to share best practices.

7.3.1 Human capital

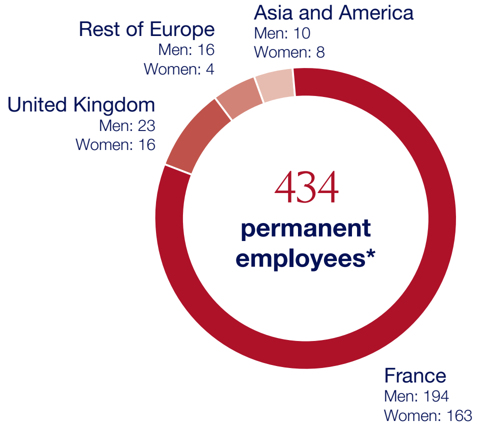
The employees

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;
- ACE Management;
- Sofidy; and
- IREIT Global Group.

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. For the sake of consistency, the data presented on human resources includes Tikehau Capital Advisors.

Geographical distribution of the Group's workforce at 31 December 2018



*As at 31 December 2018 (including representatives of the Manager).

To support the growing assets under management, headcount has been expanded significantly in recent years. In addition, in December 2018, the Group acquired Sofidy (148 employees) and ACE Management (13 employees).

At 31 December 2018, the Group's permanent workforce (incl. Sofidy and ACE Management) was 434 employees compared to 209 at 31 December 2017 and the Group's total workforce (permanent and non-permanent) was 461.

In 2017, the Group was already present in London, Brussels, Madrid, Milan, Singapore and Seoul. In 2018, the Group continued its internationalisation strategy with the opening of an office in New York in 2018 and Tokyo in 2019.

Permanent staff includes employees holding permanent contracts (*contrats à durée indéterminée*) for full- or part-time work. At the date of filing of this Registration Document, no corporate officer of the Company or representative of the Management was bound by a contract of employment. However, the Manager representatives 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.

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 2018, the average percentage of senior managers and management-level employees was above 85%. The table below presents the Group's permanent employees as at 31 December 2018 and any changes compared with 31 December 2017.

	Group Workforce		
	As at 31/12/2018 *Excluding impact of scope change*	**As at 31/12/2018**	**As at 31/12/2017**
Number of permanent employees	273	434	209
Percentage of permanent employees in total headcount	91%	94%	90%
Percentage of women in permanent staff	37%	44%	36%
Percentage of executives in permanent staff	93%	86%	94%

The table below presents hires and departures within the Group (France and internationally) in 2017 and 2018.

There were 49 net job creations in 2017 and 66 net job creations in 2018 on the same scope.

	From 1 January: as at 31 December 2018 (1)	**From 1 January as at 31 December 2017** (2)
TOTAL HIRES (PERMANENT CONTRACTS)	**103**	**76**
Retirements and early retirements	0	1
Departures on the initiative of the employee	21	19
Departures on the initiative of the employer	6	4
Other departures (3)	10	3
TOTAL DEPARTURES	**37**	**27**

(1) Including Credit.fr. Excluding ACE Management and Sofidy.
(2) Excluding Credit.fr.
(3) Other departures include ending of contracts by mutual agreement, departures during trial periods and deaths.

7.

Tikehau Capital is favourable to adapting working conditions in response to specific situations to maintain employment. Requests to work part time and requests for specific arrangements following maternity leave or exceptional family circumstances are looked upon with care.

Tikehau Capital's activities have a low level of health and safety risks and employee accident risk. The Group incurred no material absenteeism or work-related accident during the last three financial years. However, health, hygiene and well-being at work are also priorities of the Group. Tikehau Capital holds awareness meetings on these matters with managers, including training sessions on preventing psychosocial risks. 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.).

	From 1 January: as at 31 December 2018 (1)	**From 1 January: as at 31 December 2017** (2)
Workplace accident frequency rate (3)	0	0
Rate of absenteeism (4)	0.4%	0.6%

(1) Including Credit.fr. Excluding Sofidy and ACE Management.
(2) France excluding Credit.fr.
(3) Number of accidents with lost time greater than one day per million hours of work.
(4) Including hours of absence for ordinary, work-related illness.

Gender equality

The Group places particular importance in the gender balance and diversity of its teams.

Promoting diversity

The Group believes in a critical and original way of thinking. Thus promoting a culture of diversity is at the heart of its successful recruitment strategy. The teams around the world comprise 25 nationalities.

Over and above academic qualifications, the Group places great importance on the human qualities and professional behaviours of the profiles recruited as well as on the diverse range of professional backgrounds.

The Group trains Human Capital Department 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 or orientation.

Gender balance

The industry in which the Group operates is marked by an over-representation of men. In this context, the Group's recruitment policy aims to promote, wherever possible, applications from women, whenever there are vacancies, and particularly for investment roles.

	As at 31 December 2018
Proportion of women who are executives (France only) (1)	36%
Proportion of women on investment teams (2)	22%

(1) Including Credit.fr, Sofidy and ACE Management.
(2) The Group and Tikehau Capital Advisors only. Excluding Credit.fr, Sofidy and ACE Management.

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 citadin* for its fruit baskets prepared by a Sheltered Employment enterprise.

Managing talent and developing skills

The talent development policy is at the heart of the concerns of the management team and the Human Capital Department;

In 2018, the Group produced the internal classification grid for positions by level of responsibility, defining objective and explicit criteria. Thanks to this more consistent classification, the Group has reviewed the system for managing talents and promotions. In this exercise, the management team ensured that each appointment was relevant and conducive to ensuring consistency and fairness within the Group.

Permanent dialogue and feedback

All employees have periodic individual evaluation interviews. Employees may also benefit from a mentoring programme wherein they receive advice from more experienced employees and can discuss a range of topics such as their career development or the business culture.

Between December 2017 and March 2018, a detailed survey on Management with employees from different offices took place with a good participation rate. Most employees expressed alignment with the Group's values. Further, most employees expressed a high level of interest in receiving feedback from their managers.

To meet this expectation, the human capital team has developed a digital tool to promote:

- a culture of ongoing dialogue, throughout the year, between managers and their teams;
- qualitative exchanges (regular performance interviews, project monitoring interviews) with a view to co-development; and
- teamwork on multi-disciplinary projects, improving overall cohesion.

Training

The training delivered is designed to ensure that employees can adapt to their roles and develop their skills. As part of its training plan, the Group works to provide employees with a diverse range of training options.

In 2018, 3,385 hours of external training were delivered at Group level (excl. Sofidy and ACE Management).

	From 1 January to 31 December 2018 (1)	From 1 January to 31 December 2017 (2)
Training (permanent and non-permanent staff) (3)		
Total number of training hours	3,385	1,575
Proportion of employees having followed at least one training course during the year	55 %	49 %
Annual training expenditure (in thousands of euros) (4)	172.1	74.5

(1) Excluding Sofidy and ACE Management. Rest of the France scope, United Kingdom, Belgium with Credit.fr (France) and IREIT (Singapore).
(2) France excluding Credit.fr
(3) Internal training hours are not included.
(4) Training expenses do not include payroll costs of trainees.

Internally, presentations and training are delivered by Group employees and cover awareness on compliance, explanation of the various business lines and Group products, talent management (management, annual interviews, best recruitment and mentoring practice, welcome meetings for new recruits and business culture, etc.). Finally, ESG and CSR training is organised for all employees, irrespective of rank or activity.

Externally, the 2018 training plan has made it possible to finance training initiatives:

- technical, enabling the upgrading and/or development of the skills required by the positions, including the obligatory certifications to occupy certain regulated positions;
- development of interpersonal skills, including public speaking training (tailored, individual coaching sessions for some managers); and
- managerial, to improve knowledge of Positive Leadership to boost performance and the human aspect of teams.

The Tikehau Graduate Program is for young promising graduates and involves immersion in the different investment teams within several offices over a 9 to 12 month period. Young analysts on this programme also have access to training from internationally renowned universities, particularly on alternative strategies.

Lastly, the Group has introduced a series of presentations called "Tikehau 360°" essentially calling on high-level external stakeholders from all walks of life to broaden the perspectives of their employees and enrich their general culture. These conferences are an opportunity to discuss various topics such as finance, news, sport, culture, security, but also societal topics such as the environment, well-being at work or the reintegration of former detainees.

Mobility

Tikehau Capital is an organisation which promotes internal mobility:

- 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
- geographic/international mobility refers to employees who change geographical location.

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 not only a motivational factor for employees, increasing their investment in the workplace, but also an excellent way to develop new skills and learn. 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.

Remuneration and Benefits

The remuneration policy has several goals:

- ensure coherent remuneration within business lines and countries;
- be competitive as regards local market practices, to attract talent and retain loyalty while maintaining the Group's economic competitiveness;
- encourage and recognise collective and individual contributions; and
- promote fair remuneration and build trust.

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 remuneration policy with the Group's strategy and compliance with applicable regulations.

Human capital plays a key role in the Group's activities and the remuneration policy has a strong impact on competitiveness, allowing to both recruit and retain high-quality professionals.

The remuneration policy defines effective and responsible remuneration practices to avoid conflicts of interest, protect the interests of investors and Group clients and ensure there is no encouragement to take excessive risk.

Tikehau Capital pays particular attention to the alignment of long-term interests especially for investment teams and senior managers. The variable remuneration of senior managers is thus directly impacted by the attention they have paid to managing risks within their businesses and strict respect for internal procedures and compliance regulations. The remuneration policy must promote such an alignment.

The motivation and commitment of employees is ensured by a policy of collaboration, shareholding and strong incentives that allows each one to benefit from Tikehau Capital's creation of shareholder value. The Group's employees based in France have benefited from a profit-sharing agreement.

Remuneration and benefits in thousands of euros (permanent and non-permanent staff)	From 1 January to 31 December 2018	From 1 January to 31 December 2017
Total payroll (1)	42,964	26,780
Proportion of employees benefiting from a profit-sharing and collective bonus arrangement (2)	42 %	24 %
Percentage of employee shareholders	68 %	-

(1) Consolidated Group (excl. Tikehau Capital Advisors).
(2) France scope.

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.

The Company granted free shares to employees of Credit.fr on 4 July 2018 and Sofidy on 21 December 2018 as part of their initial consolidation.

On 30 March 2018 and 18 February 2019, 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 and 2018 financial years.

These free shares plans are described in Section 8.3.2(b) (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 60 senior corporate members have joined together to invest in a structure which owns an equity interest in Tikehau Capital Advisors and which receives 20% of the carried interest available on the funds managed by the Group. The remaining 80% is split equally between Tikehau Capital, Tikehau IM (or the Group's relevant asset management company) and Tikehau Capital Advisors. These carried interests exclusively concern some closed funds (performance fees for open funds are received in full by Tikehau IM (or the Group's relevant asset management company) and enable receipt of a portion of the investor yields over and above an internal profitability level set out in the fund documentation. This structure incentivises these employees to achieve performance for the Group and creates solidarity across all business lines, avoiding any silo effect.

Employee relations

Within the Group, discussion is facilitated *via* hands-on management which is accessible and attentive. The survey described in paragraph (Talent management and skills development) above confirmed the strong commitment by employees and support for the Group's culture.

The policies Tikehau Capital has introduced also respect freedom of association and the right to collective bargaining. As there were no candidates in the election of a single personnel representative body in 2016, there is no personnel representative body in France or other countries in which the Group operates, with the exception of Sofidy's single personnel representative body. Despite this lack of representative institutions in 2018, the social dialogue within the Group is ongoing and is organised around information meetings of the Human Capital Department and ad hoc or formal meetings at the initiative of employees or their managers.

Workplace elections, to vote for the Economic and Social Committee (CSE), merging all personnel representative bodies, are planned in France during 2019.

7.3.2 Transparency and dialogue with stakeholders

Transparency and interest representation

The Company intends to meet a high level of transparency concerning its own activities when compatible with its role as an asset manager and investor, so that its stakeholders can assess the developments of its situation and outlook (for a presentation of employee relations, see paragraph above).

The Group is active in industry associations which represent its interests (AFG, France Invest, AFEP). In 2018, a Head of Communication and Public Affairs was appointed.

Business Practices

The Group encourages the use of fair practices by both its teams and service providers. An equivalent level of requirement also applies to the companies in which it invests. Further, the Group is committed to adhering to stringent corporate social responsibility standards and adopting an ethical behaviour.

The Group prohibits deals or conduct which could be considered anticompetitive. Conversely, the Company requires its suppliers, service providers, consultancy companies and other third parties to comply with applicable regulations. The Company also requires its trading partners to introduce responsible environmental practices and to abide by the conventions of the International Labour Organization (particularly as regards forced labour and child labour) and the provisions of all anti-corruption laws with international application in force (the French Sapin II Act on transparency, anti-corruption and economic modernisation, the FCPA and the UK Bribery Act). At the end of 2018, a working group was set up to formalise a Group responsible purchasing charter which should be finalised in 2019.

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.).

Stock Market Professional Code

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. This complements all of the specific arrangements linked to Asset Management regulations, the provision of investment services and regulations on the prevention of money laundering and finance for terrorism. Training sessions (*e.g.* prevention of money laundering or finance for terrorism) take place regularly in line with the regulatory obligations of the Group's asset management companies for all investment teams. Moreover, a whistleblowing system has been implemented and the data fed back in 2018 did not reveal any material problems.

The Group's requirements in terms of professional ethics also involve balanced governance, prevention of conflicts of interest and stringent internal control (see Section 3.3 (Risk Management and Internal Control System) of this Registration Document).

7.3.3 Partnership and philanthropy initiatives

Through its policy of partnership and philanthropy, the Group proactively supports initiatives and projects that reflect its values. A dedicated philanthropy working group has identified youth and social entrepreneurship as being priority issues, and seeks to build partnerships between Tikehau Capital and organisations working in this area.

Solidarity days

Since 2014, around ten solidarity days have been held, which have attracted over 150 participants. In 2018, Group employees held events in Paris, London and Singapore.

"*More than giving, taking concrete action to support various communities is part of our DNA. In 2018, numerous teams have volunteered and participated in projects across the globe. These projects have been initiated at local level to make a stronger impact and a positive difference on people's lives. We are grateful to all the volunteers and we hope to increase the momentum in 2019 !*"

Bruno De Pampelonne, Chairman, Tikehau IM

During a day-long event held at the Group's Paris premises, Tikehau Capital employees supported young entrepreneurs involved in a training programme run by the non-profit body *Les Déterminés*. The aim was to promote diversity in entrepreneurship by providing training to young people from suburban and rural areas. This event was an opportunity for enthusiastic discussion about growth and success with these young people.

The Group's employees in London held a solidarity day with Bright Centres. This organisation helps young people from London's disadvantaged districts resume their studies and find jobs. Tikehau Capital employees have worked with young people to boost their confidence, providing training on topics such as public speaking, entrepreneurial spirit and planning business activities.

In Singapore, Tikehau Capital and IREIT teams took part in the Children's Day at the Pathlight School, the only organisation in the city-state for autistic children offering a general curriculum. This school is attended by almost 1,500 autistic pupils (mild and moderate) aged 7 to 18. Almost 400 children took part in sporting activities, and our teams were delighted to support them and remind them of the rules.

Youth - Building self-confidence and critical thinking through sport, culture and education

Supporting the independence of the most vulnerable with CARAC

In June 2011, Tikehau IM and the Mutuelle d'Epargne, de Retraite and de Prévoyance CARAC ("CARAC"), 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*).

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 run by *Sport dans la ville*, the main association promoting inclusion *via* sport in France. In 2018, more than 1,000 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.

Social entrepreneurship - imparting the courage of entrepreneurship for the common good

Helping the most disadvantaged with *Entrepreneurs du Monde*

In December 2018, the Group decided to support the association *Entrepreneurs du Monde* ("EDM") for two years. This association promotes the economic inclusion of very vulnerable families, facilitating access to energy and essential goods and services. Autonomy and sustainability are at the heart of EDM's work. It empower the poorest though the creation of local support structures which aim to eventually also become operationally independent from EDM.

7.3.4 The Group's environmental footprint and carbon assessment

Tikehau Capital is aware that its major environmental impact lies in its investments. By financing companies through equity, debt and purchasing real estate assets, the Group's entities contribute to generating business activity and the related greenhouse gas emissions.

Regarding the environmental footprint of its operations, the Group carries out an annual campaign to collect data on energy consumption in buildings, work-related travel and waste products.

Energy consumption

The Group aims to reduce consumption and seeks regular action from its employees in these areas.

However, the increase in energy consumption also reflects the Group's strong growth.

Energy consumption ***(kWh)***	**From 1 January to 31 December 2018** (1)	**From 1 January to 31 December 2017** (1)
Paris (2)	834,132	693,008
London (3)	117,428	150,963
Brussels	73,671	87,409
Madrid	70,173	Unavailable
Singapore (3)	32,134	Unavailable
TOTAL	**1,127,539**	**UNAVAILABLE**

(1) Consumption of the Milan, New York and Seoul offices were negligible in 2017 and 2018.
(2) Excluding the Paris premises of Sofidy and ACE Management. Also excludes the Credit.fr premises at Levallois and Sodify's at Evry.
(3) Consumption of air conditioning in the London and Singapore offices was centralised and has not been included

2017 carbon assessment

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. This study will be updated in 2020.

Scope 1-2 for the Group

This assessment was conducted on Scope 1, covering direct emissions from fixed or mobile sources controlled by the organisation, and Scope 2, covering indirect emissions associated with energy consumption. In scope 1 and 2, electricity consumption is the most important item, which is in line with a service activity.

	Scope 1-2 emissions *(tCO2e)*	**Scope 1-2 emissions *(kg CO2e per m²)***
Paris	53	16
London	97	145
Brussels	20	82
Milan	15	85
Singapore	7	15
TOTAL BEGES SCOPE (2017) (1)	**192**	**40**

(1) Consumption of the New York and Seoul offices were negligible in 2017 and Credit.fr is not included in this analysis.

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.

Scope 1 and 3 – Business trips for the Group

Given the activity of Tikehau Capital, business travel represents a major emissions item for scope 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 tCO_2e in 2017.

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 and 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.

	Scope 1-2 (1)				Scope 3 upstream (2)							
					Business trips							
BEGES 2017	**Company cars**	**Electricity**	**Heat network**	**Cooling network**	**Air**	**Train**	**Taxis**	**Financial services and insurance**	**IT**	**Other inputs**	**Waste**	**TOTAL**
Emissions ***(in tCO_2e)***	9.0	20.0	22.5	1.5	289.7	3.2	30.3	338.4	165.1	348.8	1.2	**1,229.6**
Emissions ***(as %)***	0.7%	1.6%	1.8%	0.1%	23.6%	0.3%	2.5%	27.5%	13.4%	28.4%	0.1%	**100.0 %**

Reminder:

(1) Scope 1: carbon footprint from fixed or mobile sources controlled by the organisation. Scope 2: indirect emissions related to energy consumption to produce goods and services.

(2) Scope 3 upstream: other indirect emissions related to the upstream value chain.

With over 332 tCO_2e, business trips (company cars, air, trains and taxis) are the second-highest item for emissions at the Paris headquarters for scope 1 and 3 upstream. The top item for emissions relates to the purchase of financial services (insurance, consultancy and fees related to accounting and financial services) and generated 338 tCO_2e. The third emissions item is related to information technologies 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.

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, default printing on both sides and restricting printing to identified authorised employees. Employees are also encouraged to look at their own impact on printing using the PaperCut solution;
- of plastic bottles, by equipping offices with bottles and water fountains when the number of employees so allows.

7.

Group employees are also encouraged to sort and recycle waste:

- 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 2018, the recycling of these flows made it possible to preserve 151 trees, save 4,900 kg of CO_2, 268,000 litres of water and 35,600 kWh;
- the Brussels, London, Madrid, Milan and Singapore offices also introduced recycling programmes.

Special attention is placed on the most polluting waste (electronic and IT waste, ink cartridges, batteries and light bulbs). The average lifetime of a computer is 4 years.

At the end of 2018, a working group was set up to develop a Group responsible purchasing charter which should be finalised in 2019.

7.4 REPORT OF THE EXTERNAL AUDITOR

The below report is a free translation into English of the CSR auditor FINEXFI's report on the Corporate Social and Environmental Responsibility chapter of Tikehau Capital SCA 2018 Registration Document issued in the French language. It 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 and proximity

Year ended 31 December 2018

To the shareholders,

Following the request made to us by the company TIKEHAU CAPITAL SCA (the "Entity"), as part of a voluntary initiative, in our capacity as an independent external auditor we present our report on the Corporate Social and Environmental Responsibility Report for the year ended 31 December 2018 (the "Report"), presented in the 2018 Registration Document in application of the laws and regulations in Article 173 (VI) of the French Energy Transition for Green Growth Act (LTECV) enacted in Article L.533-22-1 of the French Monetary and Financial Code.

Management responsibility

The Managers have prepared a Report in accordance with Article 173 (VI) of the LTECV act and drawn from the laws and regulations of Articles L.225 102-1, R.225-105 and R.225-105-1 of the French Commercial Code and from the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which together constitute the framework used (the "Group Framework").

The Report includes a description of the main non-financial risks and opportunities, a presentation of the policies applied to manage these risks and the results of these policies, including key performance indicators.

The Report was drawn up in accordance with the Group Framework by the Entity and its key points are available on request at the Company's head office.

Independence and quality assurance

Our independence is defined as required by Article L.822-11-3 of the French Commercial Code and the professional code of ethics. We have implemented a quality control system that includes documented policies and procedures to ensure compliance with ethical rules, professional doctrine and applicable law and regulations.

Responsibility of the independent external auditor

Based on our work it is our responsibility to express a reasoned opinion with moderate assurance on:

- the Report's compliance with the Group Framework based on Article R.225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to paragraphs I.3 and II of the Article R.225-105 I.3 of the French Commercial Code, *i.e.* the outcomes of policies, including key performance indicators and actions taken to address the main risks, (the "Information").

It is not our responsibility to express an opinion on:

- the entity's compliance with other applicable laws and regulations, including those on the plan for vigilance and combating corruption and tax evasion;
- the compliance of products and services with applicable regulations.

Nature and scope of work

We conducted the work in accordance with the standards applicable in France determining the conditions under which the independent external auditor conducts its assignment and the ISAE 3000 international standard. Our work was carried out between 30 January 2019 and 12 April 2019 for a duration of approximately seven person/days. We conducted 6 interviews with the people responsible for the Report. Based on our work we are able to express an opinion on the Report's compliance with the Group Framework and the fairness of the Information:

- we have reviewed the activities of all companies in the scope of consolidation, the presentation of the main corporate and environmental risks related to these activities, and, their effects on human rights and combating corruption and tax evasion as well as the resulting policies and their outcomes;
- we assessed the appropriateness of the Group Framework as regards its relevance, completeness, reliability, neutrality and comprehensibility, considering where applicable best practice in the sector;
- we verified that the voluntary Report contains the required information on corporate matters, general environmental policy, climate change and respect for human rights and combating corruption and tax evasion;
- we reviewed the process of identification and validation of principle risks;
- we inquired into the existence of internal control and risk management procedures put into place by the entity;
- we reviewed the consistency of the results and key performance indicators with the principle risks and policies presented;
- we verified that the Report covers the scope of consolidation, *i.e.* all companies included in the scope of consolidation in accordance with Article L.233-16 of the French Commercial Code;
- we reviewed the data collection process put in place by the entity to verify the exhaustiveness and fairness of the Information;
- for the key performance indicators and other quantitative results that we considered most important, we carried out:

- analytical procedures, consisting of verifying the correct consolidation of the data collected and the consistency of their treatment;
- detailed tests, on a sample basis, consisting of verifying the correct application of definitions and procedures and reconciling the data with the supporting documentation. This work was conducted on a selection of contributing entities [(1)] and covers between 22% and 90% of the consolidated data of the key performance indicators and results selected for the tests[(2)],
- we consulted the documentary sources and conducted interviews to corroborate the qualitative information (actions and outcomes) which we considered most important;
- we reviewed the overall consistency of the Report in light of our knowledge of all companies in the scope of consolidation.

We consider that the work we have done, in our professional judgement, allows us to form a conclusion with moderate assurance. A higher level of assurance would have required a more extensive audit process. Because of the use of sampling techniques as well as other limits inherent to the functioning of any internal information and control system, the risk of not detecting a material misstatement in the Report cannot be eliminated completely.

Conclusion

Based on our work, with the exception of the points raised above, we have not identified any material misstatements likely to call into question the fact that the Report and Information, taken as a whole, are presented fairly and in accordance with the Group Framework.

Lyon, 12 April 2019

FINEXFI Isabelle Lhoste Partner

7.

(1) *Tikehau Capital SCA and its subsidiaries.*

(2) *Verified CSR issues: information on employees and the general environmental policy.*
Verified ESG issues: Results of the annual monitoring of the Private Debt activity including direct lending and corporate lending, Results of the annual monitoring of the Real Estate activity, Results of the annual monitoring of the Liquid Strategies, Results of the annual monitoring of the Private Equity activity including Direct Investments strategies.

8.

INFORMATION ON THE COMPANY, ITS ARTICLES OF ASSOCIATION AND CAPITAL

8.1 GENERAL INFORMATION ABOUT THE COMPANY

8.1.1 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.

8.1.2 Place of registration, registration number and Legal Entity Identifier (LEI)

477 599 104 Paris Trade and Companies Register

Code APE 6420 Z – Holding company activities

LEI: 969500BY8TEU16U3SJ94

8.1.3 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.

8.1.4 Registered office, legal form and applicable legislation

Registered office: 32, rue de Monceau, 75008 Paris, France – Telephone: + 33 1 40 06 26 26

www.tikehaucapital.com. The content of the website is not part of this Registration Document, unless included in it as a reference.

The Company is a partnership limited by shares (*société en commandite par actions*) governed by French law, subject to all texts governing this form of commercial company 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 (general partners, even if they are also limited partners, may not 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 (*associés commanditaires*):

- 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 prepared by the Managers; and
- allocate income (particularly by paying out dividends).

The main limited partners (shareholders) are listed in Section 8.4.1 (Shareholders of the Company over the last 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 4.3.1 (Remuneration of the Manager-General Partner) of this Registration Document).

Tikehau Capital General Partner is fully 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 4.1.1 (The Manager) 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 8.2.4 (General partners (Articles 9 and 11.2 of the Articles of Association)) of this Registration Document).

See Section 8.4.2 (Control of the Group) of this Registration Document.

8.1.5 Financial year

The Company's financial year begins on 1 January and ends on 31 December.

8.2 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 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 relating 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 4.1 (Administrative and management bodies) and 4.4 (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 4.2 (General Shareholders' Meetings) of this Registration Document.

8.2.1 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, financing 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, for its own account 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 or facilitate the achievement of this object.

8.2.2 Identification of shareholders and threshold disclosure (Articles 7.2 and 7.3 of the Articles of Association)

(a) 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 organisation, 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 voting right 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.

(b) 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 acknowledgement of receipt indicating the number of securities held, within four 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 noted 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 above, when his/its direct or indirect interest falls below any of the thresholds mentioned in this paragraph.

8.2.3 The Managers (*Gérance*) (Article 8 of the Articles of Association)

(a) 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(s) 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 ability of such Manager to perform his duties.

Any 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 for such cessation, 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.

(b) 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 when 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 these Articles of Association governing agreements between the Company and its directors and Officers or companies with common directors and Officers.

(c) 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.

8.2.4 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 authorised shall take on the status of general partner of the Company and it shall acquire its predecessor's rights and obligations.

The partnership interests 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.

8.2.5 Supervisory Board (Article 10 of the Articles of Association)

See Section 4.1.3 (Practices of the Supervisory Board) of this Registration Document).

8.2.6 Rights, privileges and restrictions attached 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.

8.2.7 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.

8.2.8 General Shareholders' Meetings

See Section 4.2 (General Shareholders' Meetings) of this Registration Document.

8.2.9 Change-of-control clauses in the Articles of Association

The Company is a partnership limited by shares, with the specific 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 3.1.8 (Risks related to the legal form, Articles of Association and organisation of Tikehau Capital) and 8.2.4 (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.

8.2.10 Changes in share capital

Given that the Articles of Association do not include any specific provision to this effect, the share capital may be increased, reduced or redeemed in any manner authorised by law.

8.2.11 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 préciputaire*) 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 préciputaire*) 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.

8.3 INFORMATION ON THE CAPITAL

As of the registration date of this Registration Document, the Company's share capital amounted to €1,241,731,188.

As of the registration date of this Registration Document, with the exception of the specific provisions stipulated in this Registration Document (see Section 8.3.2 (Instruments giving access to equity)), 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 103,477,599 shares of twelve euros par value each, fully paid up and all in the same category.

As of the filing date of this Registration Document, the theoretical number of voting rights amounted to 103,477,599, 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 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 8.4.1 (Shareholders of the Company over the last three years) of this Registration Document.

8.3.1 Historical information about the share capital over the last three financial years

The table below shows the change in share capital of the Company since 1 January 2016 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	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
17/12/2018	Contribution in kind	1,237,754,976	3,881,352.56	103,146,248	103,390,960	1,240,691,520
19/12/2018	Contribution in kind	1,240,691,520	1,366,148.37	103,390,960	103,477,599	1,241,731,188

Since 1 January 2016, the following transactions have changed the Company's share capital:

a) a capital increase was carried out on 4 July 2016 for an amount of €415,859,682 (including share 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 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 2.2.4 (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 capital increase 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 carried out on 7 March 2017 for the admission of the Company's securities to trading on the Euronext Paris regulated market, a recapitalisation through an in-kind contribution in the amount of €266,324,982 (share premium included) was completed on 21 December 2016. This capital increase, 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 share capital,
- 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 8.3.2(a) (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 share 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 capital increase 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 Euronext Paris regulated market for a total amount of €200,901,939 (including issue premiums). These capital increases, 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:

- 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
- 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 4.1.2 (Presentation 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, 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 share 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 (share 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 carried out on 7 March 2017 for the admission of the Company's securities to trading on the Euronext Paris regulated market – enabled the Company to increase its holding in Tikehau IM from 96.67% to 99.09%;

h) an in-kind capital increase was carried out on 17 December 2018 for an amount of €6,817,896.56 (issue premium included) and resulted in the creation of 244,712 new shares as remuneration for contributions in kind consisting of a total of 1,095 ordinary shares of Sofidy. These contributions in kind were made by certain Sofidy shareholders; and

i) an in-kind capital increase was carried out on 19 December 2018 for an amount of €2,405,816.37 (issue premium included) and resulted in the creation of 86,639 new shares as remuneration for contributions in kind consisting of a total of 197,000 ordinary shares of ACE Partners, corporate shareholder of ACE Management. These contributions in kind were made by nine individuals who were shareholders in ACE Partners, within the framework of the acquisition of ACE Management.

8.3.2 Instruments giving access to equity

(a) Equity warrants

The General Shareholders' Meeting of the Company of 21 December 2016 authorised the reserved issue of 1,244,781 equity warrants (*bons de souscription d'actions*) 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 ten 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 capital increases carried out by the Company in December 2016 and January 2017 (See Section 8.3.1 (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.

(b) Free shares plans

As at the registration date of this Registration Document, the Company had set up (i) four free shares plans and two performance share plans under the authorisation given by the General Shareholders' Meeting of 21 December 2016, in its 32nd resolution, and (ii) three free shares plans and two performance share plans under the authorisation given by the General Shareholders' Meeting of 25 May 2018, in its 16th resolution. These General Meetings 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 Company wished to grant free shares to employees of the Company and related companies or corporate groups to take account of the Group's growth during the 2016 and 2017 financial years (All Plan and One Off Plan), following the reorganisation operations carried out for the admission of the Company's securities to trading on the Euronext Paris regulated market (2016 TIM Replacement Plans) and the external growth operations that took place in 2017 and 2018 (Credit.fr Plan and Sofidy Plan).

(i) 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 ff 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 has been set for shares acquired under the All Plan and the OneOff 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).

(ii) The 2016 TIM Replacement Plans

Following the reorganisation operations that took place on 7 March 2017 for the admission of the Company's securities to trading on the Euronext Paris regulated market, it was no longer relevant for the Group to retain minority interests in 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 free share 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.

(iii) The Credit.fr Plan and the Sofidy Plan

The Company wished to grant free shares to employees of Credit.fr and Sofidy upon the consolidation of the two companies within the Group.

No corporate officer of the Company is a beneficiary under these 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 (i) a free shares plan for the employees of Credit.fr approved by the Manager on 4 July 2018 (the "2018 Credit.fr Plan") and (ii) a free shares plan for the employees of Sofidy approved by the Manager on 21 December 2018 (the "2018 Sofidy Plan"):

- the free shares plan called 2018 Credit.fr Plan involving a maximum total of 26,180 Company shares granted to certain eligible employees and corporate officers of Credit.fr; and
- the free shares plan called 2018 Sofidy Plan involving a maximum total of 14,800 Company shares granted to certain eligible employees and corporate officers of Sofidy.

The vesting of the shares granted under the 2018 Credit.fr Plan and the 2018 Sofidy 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 50% of the shares awarded under the 2018 Credit.fr Plan, and three years for the remaining 50%;
- two years for all shares awarded under the 2018 Sofidy Plan.

No retention period has been set for shares acquired under the 2018 Credit.fr Plan or the 2018 Sofidy Plan.

Shares acquired under the 2018 Sofidy Plan may be transferred to a company savings plan. This transfer – the amount of which is capped at 7.5% of the French Social Security ceiling per subscriber – must 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).

(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 1.6.3(c) (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 Credit.fr Plan	2018 Sofidy Plan
Date of Meeting	21/12/2016	21/12/2016	21/12/2016	21/12/2016	25/05/2018	25/05/2018
Date of allocation by the Manager	01/12/2017	01/12/2017	16/03/2018	16/03/2018	04/07/2018	21/12/2018
Maximum number of shares granted	26,334	690,426	136,442	216,842	26,180	14,800
Number of initial beneficiaries	198	158	17	8	13	148
Number of shares granted to Company corporate officers	–	–	–	–	–	–
Number of shares granted to the top ten employees of the Company other than executive coprorate officers (1)	–	–	–	–	–	–
Vesting date of the shares	01/12/2019	01/12/2019 for 50% 01/12/2019 for 50%	30/06/2019	30/06/2019	04/07/2020 for 50% of the shares awarded 04/07/2021 for 50% of the shares awarded	21/12/2020
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 No performance condition
Duration of retention period	–	–	1 year	1 year	–	–
Number of shares vested	–	–	–	–	–	–
Number of cancelled or lapsed shares	5,420	92,823	–	–	500	–
Number of shares awarded and still to be vested	20,914	597,603	136,442	216,842	25,680	14,800

(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 concerned funds.

8.

The Group wished to grant free shares to employees of the Company and related companies or corporate affiliates as part of their variable remuneration for 2017 (2018 FSA Plan and 2018 Performance Share Plan) and 2018 (2019 FSA Plan, 2019 Performance Share Plan and 2019 AIFM/UCITS Plan).

(iv) The 2018 FSA Plan and the 2018 Performance Share Plan

The allocation of free shares as part of the variable remuneration awards for 2017 took 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:

- 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 condition 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 granted shares, solely to the condition of presence;
- for 25% of the granted shares, to a condition of presence and to the fulfilment of a performance condition relating to the amount of the Group's published assets under management; and
- for 25% of the granted shares, to a condition of presence and to the fulfilment of a performance condition relating to the results of the Group's Asset Management activity.

(v) The 2019 FSA Plan, the 2019 Performance Share Plan, and the 2019 AIFM/UCITS Plan

The allocation of free shares as part of the variable remuneration awards for 2018 took the form of three free shares plans for employees of the Company or its related companies or corporate groups, approved by the Manager on 18 February 2019:

- the free shares plan called "2019 FSA Plan" for a maximum total of 134,669 shares allocated to certain employees of the Company or related companies or corporate groups with the rank of "Associate", "Vice-President" or "Director";
- the free shares plan called "2019 Performance Share Plan" for a maximum total of 108,816 shares granted to certain employees of the Company or related companies or corporate groups with the rank of "Managing *Director*" or "*Executive* Director"; and
- the free shares plan called "2019 AIFM/UCITS Plan" for a maximum total of 30,825 shares granted to certain employees of the Company or related companies or corporate groups who are among the employees covered by the requirements for the remuneration of identified staff under the AIFM and UCITS Directives [(1)].

No corporate officer of the Company is a beneficiary under the 2019 FSA Plan, 2019 Performance Share Plan, or 2019 AIFM/UCITS Plan. It should also be noted that Mr Antoine Flamarion and Mr Mathieu Chabran have not received any free shares under the 2019 FSA Plan, the 2019 Performance Share Plan, or the 2019 AIFM/UCITS Plan.

The vesting of the shares granted under the 2019 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 2019 FSA Plan after a period of two years for 50% of the shares awarded and three years for the remaining 50%, and will not be subject to any retention period.

The vesting of shares granted under the 2019 Performance Share Plan will take place as follows:

- after a period of 2 years for 50% of the granted shares, subject to:
  - the sole condition of presence within the Group for 25% of the granted shares,
  - a condition of presence and a performance condition relating to the Group's cumulated net new money in 2019 and 2020, for 12.5% of the granted shares,
  - a condition of presence and a performance condition relating to the arithmetic average of the operating margins achieved on the Group's Asset Management activity as set out in the consolidated financial statements at 31 December 2019 and 31 December 2020, for 12.5% of the granted shares;
- after a period of three years for 50% of the shares awarded, subject to:
  - the sole condition of presence within the Group for 25% of the granted shares,
  - a condition of presence and a performance condition relating to the Group's cumulated net new money in 2021, for 12.5% of the granted shares,
  - a condition of presence and a performance condition relating to the operating margin on the Group's Asset Management Activity as set out in the consolidated financial statements at 31 December 2021, for 12.5% of the granted shares.

The granted shares under the 2019 Performance Share Plan are not subject to any retention period.

The vesting of shares granted under the 2019 AIFM/UCITS Plan will take place as follows:

- after a period of two years for 2/3 of the granted shares, subject to:
  - a performance condition based on a benchmark index representing the performance of Tikehau IM's various business lines (the "Performance Index") after a period of one year, for 1/3 of the granted shares,
  - a performance condition based on the Performance Index at the end of the two-year period, for 1/3 of the granted shares,
- at the end of a three-year vesting period, subject to a performance condition based on the Performance Index at the end of the three-year period, for 1/3 of the granted shares.

The granted shares under the 2019 AIFM/UCITS Plan are not subject to any retention period.

The vesting of the shares under these three tranches will be conditional upon the beneficiary's presence within the Group and the absence of any serious breach of applicable regulations or Internal Rules and procedures concerning compliance and the appropriate management of risks.

(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 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 1.6.3(c) (Other regulations) of this Registration Document). The "non-identified staff" consists of employees of Tikehau IM who are not "identified staff".*

	2018 FSA Plan	2018 Performance Share Plan	2019 FSA Plan	2019 Performance Share Plan	2019 AIFM/UCITS Plan
Date of Meeting	21/12/2016	21/12/2016	25/05/2018	25/05/2018	25/05/2018
Date of allocation by the Manager	30/03/2018	30/03/2018	18/02/2019	18/02/2019	18/02/2019
Maximum number of shares granted	54,629	72,185	134,669	108,816	30,825
Number of initial beneficiaries	52	31	97	44	4
Number of shares granted to Company corporate officers	–	–	–	–	–
Number of shares granted to the top ten employees of the Company other than executive corporate officers (1)	–	–	–	–	–
Vesting date of the shares	30/03/2020	30/03/2020	18/02/2021 for 50% of the shares awarded 18/02/2022 for 50% of the shares awarded	18/02/2021 for 50% of the shares awarded 18/02/2022 for 50% of the shares awarded	19/02/2021 for 2/3 of the shares awarded 19/02/2022 for 1/3 of the shares awarded
Vesting condition of the shares	Condition of presence No performance condition	Condition of presence 50% of the shares awarded with no performance condition 50% of the shares awarded with performance conditions (2)	Condition of presence No performance condition	Condition of presence for 50% 50% of the shares awarded with no performance condition 50% of the shares awarded with performance conditions (3)	Condition of presence Condition of absence of any serious breach of applicable regulations or internal rules and procedures concerning compliance and the appropriate management of risks. Performance condition based on the Performance Index (4)
Duration of retention period	–	–	–	–	–
Number of shares vested	–	–	–	–	–
Number of cancelled or lapsed shares	5,877	6,685	–	–	–
Number of shares awarded and still to be vested	48,752	65,500	134,669	108,816	30,825

(1) The Company has no employees.
(2) For 25% of the granted shares, based on the fulfilment of a performance condition relating to the amount of the Group's assets under management and, for the other 25%, to the fulfilment of a performance condition relating to the results of the Group's Asset Management activity.
(3) For 25% of the granted shares, based on the fulfilment of a performance condition relating to the amount of the Group's cumulated net new money and, for the other 25%, to the fulfilment of a performance condition relating to the operating margin for the Group's Asset Management activity.
(4) 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.

8.

8.3.3 Summary of 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 25 May 2018.

These delegations and their use as of 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 par value amount or % of capital)*	Duration of the authorisation in force	Use at the registration date *(par value amount)*	Procedures for setting the issue price
Capital increase by incorporation of reserves, profits or premiums	25 May 2018 12th 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 7th 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 8th resolution	€600 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	25 May 2018 9th resolution	€500 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 rights in return for contributions in kind consisting of shares or securities giving access to equity	25 May 2018 10th resolution	€250 million and legal limit (to date, 10% of share capital) (a) (b)	26 months	€2,936,544 (a) (b) on 17 December 2018 €1,039,668 (a) (b) on 19 December 2018	See note (2) below
Authorisation granted to the Managers, if issued without preferential subscription right, to fix the issue price within 10% of the capital	25 May 2018 11th 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	25 May 2018 13th 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 par value amount or % of capital)*	Duration of the authorisation in force	Use at the registration date *(par value amount)*	Procedures for setting the issue price
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 14th resolution	€30 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	25 May 2018 15th 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	25 May 2018 16th resolution	Capped at 3% of the share capital (a)	26 months	A maximum of 315,290 shares, *i.e.*, 0.3% of the share capital at 18 February 2019	N/A

(a) Amount allocated to the total cap provided under the 7th resolution of the General Shareholders' Meeting of 25 May 2018.
(b) Amount allocated to the total cap provided under the 8th resolution of the General Shareholders' Meeting of 25 May 2018.

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, less 5%), after, where applicable, 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 the 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 less a maximum discount of 5%, and (ii) the issue price of securities providing immediate or future 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 ten 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 capital increase 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 ten 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.

8.3.4 Tikehau Capital share buyback program

The Combined General Meeting of 25 May 2018 authorised the Managers, for a period of 18 months, beginning on the date of said General Meeting, with the power of sub-delegation and 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, 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 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 award 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
- 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. 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 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, less 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 program 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 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 €300 million.

The Managers, with the power of sub-delegation under the conditions provided by law, enjoy the broadest 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 AMF decision 2018-01. This contract, which has been entrusted to Exane BNP Paribas, has been in effect since 7 March 2017 and was updated on 19 February 2019 with effect from 1 January 2019. It was signed for a term of one year tacitly renewable. On 21 February 2019, the Company made a further contribution of €300,000, bringing the resources allocated to the implementation of the liquidity contract to €290,560 and 46,653 Company shares to the credit of the liquidity account.

The proposal is submitted to the General Shareholders' Meeting of 22 May 2019 to renew this authorisation in exactly the same way again, maintaining the maximum purchase price of the shares at €40 and the maximum total amount allocated to the share buyback programme at €300 million.

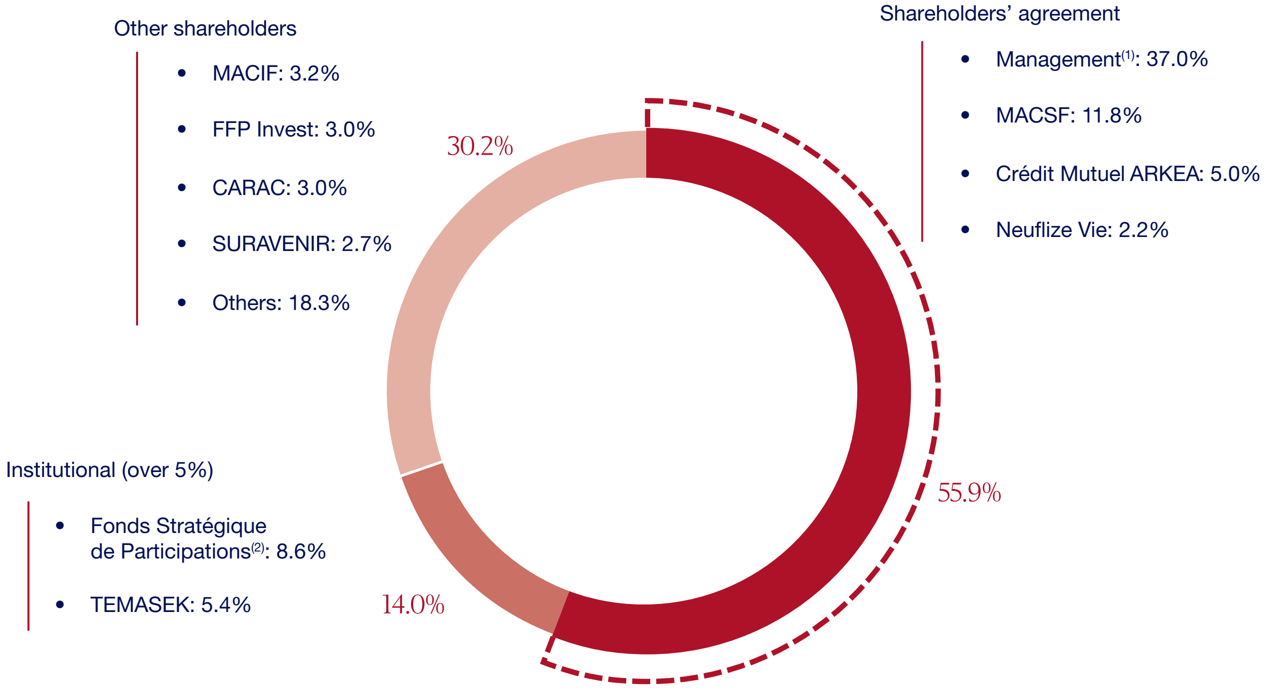
As at 31 December 2018, the Company held 51,983 ordinary shares (for a market value of €19.65 based on the last closing price as at 31 December 2018). All of these shares are held under the liquidity agreement with Exane and no shares of the Company are held by any of its subsidiaries or by a third party on its behalf. Since 1 January 2017, the Company has not used derivatives on its shares.

8.4 INFORMATION ON CONTROL AND MAJOR SHAREHOLDERS

8.4.1 Shareholders of the Company over the last three years

(a) Shareholders of the Company as of 31 December 2018

The following chart and table show the share capital ownership of the Company as at 31 December 2018 based on the number of shares issued:



(1) Including Tikehau Capital Advisors, Fakarava Capital and employees.

(2) FSP's shareholders are CNP Assurances, SOGECAP, Groupama, Natixis Assurances, Suravenir, BNP Paribas Cardif and Crédit Agricole Assurances.

Shareholders	**Number of shares**	**% of capital and voting rights**
Tikehau Capital Advisors	30,702,957	29.7%
MACSF Épargne Retraite	12,246,257	11.8%
Fakarava Capital (1)	7,438,423	7.2%
Crédit Mutuel Arkéa	5,176,988	5.0%
Neuflize Vie	2,274,836	2.2%
Total shareholders' agreement (2)	**57,839,461**	**55.9%**
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	**72,277,912**	**69.9%**
MACIF	3,348,280	3.2%
CARAC	3,053,932	3.0%
FFP Invest (FFP group)	3,107,147	3.0%
Suravenir	2,769,589	2.7%
Others	18,920,739	18.3%
Total – Shareholders holding an interest of less than 5% or not member of the concert	**31,199,687**	**30,2%**
TOTAL	**103,477,599**	**100%**

(1) Company held jointly in the amount of 69.1% by Tikehau Capital Advisors and the Group's management as of 31 December 2018.
(2) See Section 8.4.2 (Control of the Group) in this Registration Document.

On 4 April 2019, Tikehau Capital Advisors pledged 28,456,340 Company shares and provided to the Company the following information relating to this pledge covered by Declaration No. 2019DD601897 dated 5 April 2019:

Name of registered shareholder	**Beneficiaries**	**Pledged amount**	**Start date of the pledge**	**End date of the pledge**	**Pledge release terms**	**Number of Tikehau Capital shares pledged**	**% of Tikehau Capital share capital pledged**
Tikehau Capital Advisors	Corporate banks	634,576,382 euros	4 April 2019	4 April 2024 (with a one-year extension option exercisable by 4 April 2020)	Maturity of the financing	28,456,340	27.5% 8.

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 8.3.2(b) (Free shares plans).

(b) Shareholders of the Company as of 31 January 2018

The following table shows a detailed breakdown of its shareholding structure as of 31 January 2018:

Shareholders	Number of shares	% of capital and voting rights
Tikehau Capital Advisors	30,702,957	29.8%
MACSF Épargne 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' agreement [(2)]	**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 (FFP group)	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 8.4.2 (Control of the Group) of this Registration Document.

(c) Shareholding structure 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 (FFP group)	2,142,858	4.0%
Amundi Ventures	1,887,380	3.5%
Neuflize Vie	1,229,330	2.3%
Others	5,582,188	10.3%
Total – Shareholders holding an interest of 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.

8.4.2 Control of the Group

(a) Control

As at 31 December 2018, Tikehau Capital Advisors held 29.7% 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 1.1.1 (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 concert with Fakarava Capital, MACSF Epargne Retraite, Crédit Mutuel Arkéa and Neuflize 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 partnership limited by shares (*société en commandite par actions*) 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 concern the following: (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; (iv) and any amendment to the Articles of Association of Tikehau Capital.

(b) Preventing abusive control

Because of the Company's legal form and provisions in its Articles of Association, the Company's Manager has 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 4.1 (Administrative and management bodies) of this Registration Document), as well as for implementing internal audit procedures and procedures for managing conflicts of interest within the Group (see Section 3.3 (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 3.1.8 (Risks related to the legal form, Articles of Association and organisation of Tikehau Capital) in this Registration Document).

8.4.3 Factors that could have an impact in the event of a tender offer

The Company is a partnership limited by shares, with the specific 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 3.1.8 (Risks related to the legal form, Articles of Association and organisation of Tikehau Capital) and 8.2.4 (General partners (Articles 9 and 11.2 of the Articles of Association)) of this Registration Document).

The current composition of the Company's share capital (see Section 8.4.1 (Shareholders of the Company over the last three years) and 8.4.2 (Control of the Group) of this Registration Document) is also likely to have an impact in the event of a tender offer. As of 31 December 2018, Tikehau Capital Advisors held 29.7% 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. Tikehau Capital Advisors acts in concert with Fakarava Capital, MACSF Epargne Retraite, Crédit Mutuel Arkéa and Neuflize Vie under the terms of a shareholders' agreement entered into on 23 January 2017. As of 31 December 2018, the parties to this shareholders' agreement collectively held 55.9% 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 the Company's Articles of Association.

With regard to the delegations in force at the registration date of this Registration Document, 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 nominal value of the bonds (or, where applicable, the redemption price) plus accrued interest (See Section 2.2.4 (Liquidity and Capital Resources) of this Registration Document).

8.4.4 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)	811
Roger Caniard	200
Jean-Louis Charon	60,000
Jean Charest	4,760
Fonds Stratégique de Participations	8,886,502
Remmert Laan	114,286
Anne-Laure Naveos	200
Fanny Picard	25,866
Constance de Poncins	272
Troismer	120,000

As of 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 Company's shareholding structure can be found in Sections 4.1.1 (The Manager), 4.4.1 (Supervisory Board), 8.3.1 (Historical information about the share capital over the last three financial years) and 8.4.2 (Control of the Group) of this Registration Document.

9.

ANNUAL ORDINARY GENERAL SHAREHOLDERS' MEETING

9.1 AGENDA

The Annual Ordinary General Shareholders' Meeting will be convened on 22 May 2019 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 2018;

2) Approval of the consolidated financial statements for the financial year ended 31 December 2018;

3) Allocation of result for the financial year ended 31 December 2018;

4) Review and authorisation of agreements governed by Article L.226-10 of the French Commercial Code;

5) Ratification of the co-opting of Mr Remmert Laan as member of the Supervisory Board;

6) Issuing of an opinion on the components of remuneration payable or allocated in respect of the 2018 financial year to Mr Christian de Labriffe, Chairman of the Supervisory Board;

7) Authorisation to be given to the Managers to make transactions in the Company's shares;

8) Powers to perform legal formalities.

9.2 REPORT OF THE MANAGER

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 2018;
- **Second resolution** – Approval of the consolidated financial statements for the financial year ended 31 December 2018;
- **Third resolution** – Allocation of result for the year ended 31 December 2018;
- **Fourth resolution** – Review and authorisation of agreements governed by Article L.226-10 of the French Commercial Code;
- **Fifth resolution** – Ratification of the co-opting of Mr Remmert Laan as member of the Supervisory Board;
- **Sixth resolution** – Issuing of an opinion on the components of remuneration payable or allocated in respect of the 2018 financial year to Mr Christian de Labriffe, Chairman of the Supervisory Board;
- **Seventh resolution** – Authorisation to be given to the Managers to make transactions on the Company's shares;
- **Eighth resolution** – Powers to perform legal formalities.

The purpose of this report is to present the draft resolutions submitted by your Manager to your meeting. It consists of this introduction, an explanatory memorandum, a table summarising the financial resolutions, as well as a glossary, and is intended to present 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 voting right.

I. Approval of the 2018 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 consolidated financial statements for the year ended 31 December 2018, as approved by the Managers, show a net loss of €64,455,056.12 compared with a profit of €271,894,539.09 for the previous year.

Detailed comments on these annual financial statements can be found in Section 2.3 (Annual results of the Company) 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 2018, as approved by the Manager, show a net result of €-107,368 thousand compared with a net result of €315,997 thousand for the previous year.

Detailed comments on these consolidated financial statements can be found in Section 2.2 (Comments on the activity and consolidated financial statements for the year 2018) of the Registration Document.

II. Allocation of result

(3rd resolution)

Under the 3rd resolution, the Meeting is called upon to note that the net result for the financial year ended 31 December 2018 amounts to a net loss of €64,455,056.12.

It should be recalled 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 (*préciput*) 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 financial year end. Given that no profit was recorded in respect of the year ended 31 December 2018, no preferred dividend is payable to the general partner.

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 €0.25 per share:

Net loss for 2018	(-)	€64,455,056.12
Retained earnings from prior years	(+)	€102,145,274
Allocation to the legal reserve	(-)	€0
Distributable result	**(=)**	**€37,690,217.88**
Distributions		
Preferred dividend of the general partner	(-)	€0
Ordinary cash dividend of €0.25 per share (1)	(-)	€25,869,399.75
Remaining balance in retained earnings	**(=)**	**€11,820,818.13**

(1) The total amount of the dividend is calculated based on the theoretical number of shares carrying dividend rights as of 31 December 2018, and may vary based on the number of shares which actually carry dividend rights on the ex-dividend date, primarily based on the number of treasury shares held on that date. Earnings from any unpaid dividends (due to the existence of treasury shares held on the dividend payment date) may be allocated to the retained earnings account.

Below you are reminded of the amount of dividends paid out for the previous three years:

Financial year	2015	2016	2017
Dividend per share paid out	€0.70	€0	€1.00

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 Company's total consolidated shareholders' equity, 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 Manager for the financial year ended 31 December 2018 amounts to €50,593,359 (excluding taxes).

III. Review and authorisation of agreements governed by Article L.226-10 of the French Commercial Code

(4th resolution)

After having read this Manager's report and the special reports of the Statutory Auditors on the agreements referred to in Article L.226-10 of the French Commercial Code (contained in Section 4.5.3 (Special reports of the Statutory Auditors on regulated agreements and commitments) of this Registration Document), you will be asked to approve the aforementioned reports and all of the agreements referred to therein.

IV. Ratification of the co-opting of Mr Remmert Laan as member of the Supervisory Board

(5th resolution)

Following the resignation of Mr Jean-Pierre Denis on 25 May 2018, the Supervisory Board, at its meeting of 6 December 2018, co-opted Mr Remmert Laan as member of the Supervisory Board for the remainder of the term of office of Mr Jean-Pierre Denis, *i.e.* until the close of the General Meeting called to approve the financial statements for the 2020 financial year.

You will be asked to approve the co-opting of Mr Remmert Laan as member of the Supervisory Board.

V. Issuing of an opinion on the components of remuneration payable or allocated in respect of the 2018 financial year to Mr Christian de Labriffe, Chairman of the Supervisory Board

(6th resolution)

Articles L.225-37-2, L.225-82-2 and L.225-100, II of the French Commercial Code arising from Law No. 2016-1691 of 9 December 2016 (known as the "*loi Sapin 2*") concerning the General Meeting's approval of the remuneration policy applicable to executive corporate officers and the remuneration and benefits paid or allocated to these corporate officers, do not apply to partnerships limited by shares.

Nevertheless, in accordance with the recommendation set out in paragraph 26 of the AFEP-MEDEF Code (the corporate governance code to which the Company complies), your opinion is sought on the components of the remuneration payable or allocated in respect of the 2018 financial year to Mr Christian de Labriffe, as Chairman of the Supervisory Board, under the sixth resolution.

You will be asked to issue a favourable opinion on the remuneration components described and presented in the various reports made available to this Meeting (in particular in Section 4.3.2 (Remuneration of the Chairman of the Supervisory Board) of the Registration Document).

VI. Financial delegation

(7th resolution)

Share buyback program

We first propose to authorise your Manager to buyback shares in your Company (7th resolution) for the reasons and under the terms presented in the summary table below.

Moreover, the 7th resolution may not be used by your Manager 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 prior authorisation has been granted by the General Shareholders' Meeting).

If the Manager was 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.

No.	7
Purpose	Authorisation to deal in the Company shares
Duration	18 months
Reason for possible uses of delegations or authorisations	Possible objectives of share buyback by your Company: • 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 programs 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 an investment services provider, in the context of a liquidity contract in compliance with AMF decision 2018-01 • Delivery in external growth transactions
Specific cap	• 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 program does not exceed 10% of the share capital at that date (taking into account transactions subsequently affecting it) • For external growth 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 million
Price or price calculation methods	Maximum purchase price per share: €40.
Other information and comments	Delegation may not be used during tender offer period

9.2.7 Powers to perform legal formalities

(8th 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 Annual 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

9.3 REPORT OF THE SUPERVISORY BOARD

In accordance with the legal and regulatory provisions applicable, we are reporting to you on the fulfilment of our mission during the financial year ended 31 December 2018, and on our observations concerning the annual and consolidated financial statements for said year.

We would like to point out that, since the beginning of 2018, the Manager has kept the Supervisory Board informed of the Company's business activities. The annual and consolidated financial statements were provided to us as required by law.

The Board has no specific comments to make on the activities, or the annual and consolidated financial statements for the year ended 31 December 2018. We thus ask you to approve said financial statements, as well as the proposed resolutions.

9.4 DRAFT RESOLUTIONS

First resolution – *(Approval of the annual financial statements for the financial year ended 31 December 2018)*

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 Supervisory Board's report and the Statutory Auditors' report on the annual financial statements, approves the annual financial statements of the Company for the year ended 31 December 2018 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 result of the financial year ended 31 December 2018 showing a net loss of €64,455,056.12.

Second resolution – *(Approval of the consolidated financial statements for the financial year ended 31 December 2018)*

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 Supervisory Board's report and the Statutory Auditors' report on the consolidated financial statements, approves the consolidated financial statements of the Company for the year ended 31 December 2018 as they have been presented as well as the transactions reflected in these statements or summarised in these reports.

Third resolution – *(Allocation of result for the year ended 31 December 2018)*

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 result for the year ended 31 December 2018 amounts to a loss of €64,455,056.12;

2) notes that, pursuant to the Articles of Association, the remuneration received by the Manager for the financial year ended 31 December 2018 amounts to €50,593,359 (excluding taxes);

3) notes that, pursuant to the Articles of Association, since no profit was recorded for the year ended 31 December 2018, no preferred dividend is payable to the general partner;

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:

Net loss for 2018	(-)	€64,455,056.12
Retained earnings from prior years	(+)	€102,145,274
Allocation to the legal reserve	(-)	€0
Distributable result	**(=)**	**€37,690,217.88**
Distributions		
Preferred dividend of the general partner	(-)	€0
Ordinary cash dividend of €0.25 per share [1]	(-)	€25,869,399.75
Remaining balance in retained earnings	**(=)**	**€11,820,818.13**

(1) The total amount of the dividend is calculated based on the theoretical number of shares carrying dividend rights as of 31 December 2018, and may vary based on the number of shares which actually carry dividend rights on the ex-dividend date, primarily based on the number of treasury shares held on that date. Earnings from any unpaid dividends (due to the existence of treasury shares held on the dividend payment date) may be allocated to the retained earnings account.

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	2015	2016	2017
Dividend per share paid out	€0.70	€0	€1.00

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 reports of the Statutory Auditors on the agreements referred to in Article L.226-10 of the French Commercial Code, approves these reports and all the agreements detailed therein.

Fifth resolution – *(Ratification of the co-opting of Mr Remmert Laan as member of the Supervisory Board)*
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, approves the co-opting by the Supervisory Board at its meeting of 6 December 2018 of Mr Remmert Laan as member of the Supervisory Board to replace the resigning Mr Jean-Pierre Denis for the remainder of his term of office, *i.e.* until the close of the General Shareholders' Meeting convened to approve the financial statements for the year ending 31 December 2020.

Sixth resolution – *(Issuing of an opinion on the components of remuneration payable or allocated in respect of the 2018 financial year to Mr Christian de Labriffe, Chairman of the Supervisory Board)*
The General Shareholders' Meeting, acting under the quorum and majority requirements for Ordinary General Meetings and in accordance with the recommendation set out in paragraph 26 of the AFEP-MEDEF Code (the corporate governance code to which the Company complies), after reviewing the components of the remuneration payable or allocated in respect of the 2018 financial year to Mr Christian de Labriffe, Chairman of the Company's Supervisory Board, as described and presented in the various reports made available to this Meeting (particularly in Section 4.3.2 (Remuneration of the Chairman of the Supervisory Board) of the 2018 Registration Document), issues a favourable opinion on these components of remuneration.

Seventh resolution – *(Authorisation to be given to the Managers to make transactions on 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 Supervisory Board's report, 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 growth 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 granting 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 intended at to allow the implementation of any market practice that might be authorised by the AMF 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 program) 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 December 2018, a buyback limit of 10,347,759 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, less 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 constituting the Company's share capital.

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 program 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 nominal 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 abovementioned share buyback programme 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, with the broadest powers to decide and implement this authorisation, to specify, if necessary, its terms, and the procedures for carrying out the share buyback programme 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 AMF 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 25 May 2018 in its 6th resolution.

Eighth 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.

10.

ADDITIONAL INFORMATION

10.1 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 hereby declare, after having taken all reasonable care to ensure that such is the case, 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 result of the Company and all its consolidated companies, and that the management report – of which the concordance table is set out in Section 10.6.2 (Concordance tables – Annual financial report and management report) of this Registration Document, provides a fair review of the development of the business, results and financial position of the Company and all its consolidated companies, and that it describes the principal risks and uncertainties to which they are facing.

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 financial statements contained in this Registration Document and that they have read the entire Registration Document."

Paris, 18 April 2019

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

10.2 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-Régnault
92075 Paris La Défense Cedex

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 ending 31 December 2021.

ERNST & YOUNG et AUTRES
1, Place des Saisons,
92037 Paris La Défense CEDEX

represented by Mr Hassan Baaj.

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

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 Auditors' fees

	Mazars			Ernst & Young et Autres				Total as of 31 December 2018
(in millions of euros)	Company	Subsidiaries (1)	TOTAL	Company	Subsidiaries	TOTAL	Others (2)	
Certification of accounts (excl. taxes)	148	48	196	133	75	208	19	423
Other services (excl. tax)	0	0		0	0	0	0	0
TOTAL	**148**	**48**	**196**	**133**	**75**	**208**	**19**	**423**

(1) Constant perimeter (excluding Sofidy and its subsidiaries and ACE Management and ACE Partners).
(2) Services provided to subsidiaries only.

	Mazars			Ernst & Young et Autres				Total as of 31 December 2017
(in millions of euros)	Company	Subsidiaries	TOTAL	Company	Subsidiaries	TOTAL	Others (1)	
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.

	CMS Experts Associés			Ernst & Young et Autres				Total as of 31 December 2016
(in millions of euros)	Company	Subsidiaries	TOTAL	Company	Subsidiaries	TOTAL	Others (1)	
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.

10.3 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

Shareholder and Investor contact:

Mr Louis Igonet

Tel.: +33 1 40 06 11 11
shareholders@tikehaucapital.com

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 2.1 (Presentation of activities, results and financial position for the year 2018) 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 2.1 (Presentation of the activity, results and financial position for the year 2018) of this Registration Document.

10.4 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 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.

10.5 GLOSSARY

"ACE Management"	ACE Management is a public limited company (*société anonyme*) whose registered office is located at 10-12, avenue de Messine, 75008 Paris, registered with the Paris Trade and Companies Register under number 429 025 422.
"AFEP-MEDEF Code"	Listed companies' corporate governance code produced by AFEP and MEDEF and revised in June 2018 (1).
"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.
"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.
"AMF"	*Autorité des marchés financiers*, the financial markets regulatory authority in France.
"Assets under management"	The concept of assets under management is defined in Section 2.1 (Presentation of activities, results and financial position for the year 2018) of this Registration Document.
"CLO"	Collateralised Loan Obligation, a type of debt securitisation instrument in the form of bonds whose underlying- assets are loans granted to companies.
"Direct Lending"	This is a sub-segment of the Private Debt market in which a- non-banking lender performs the origination, arrangement (or structuring) and investment in its financing for companies.
"Equity warrant"	Warrant giving the right to subscribe to a company's shares (*bon de souscription d'action*).
"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 imposes a requirement whereby, under certain conditions, information must 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"	*Fonds commun de placement*, 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 AIF that includes in its assets a significant proportion of securities issued by non-listed French or foreign companies.
"FCT"	*Fonds commun de titrisation,* 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.
"FPCI"	*Fonds professionnel de capital investissement,* French professional Private Equity fund.
"FPS"	*Fonds professionnel spécialisé*, French alternative investment fund open to professional investors in the form of a SICAV, an FCP or a limited partnership.
"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.
"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.
"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.

"MIFID Directive"	Directive 2004/39/EC on Markets in Financial Instruments, which governs the provision of investment services within the European Union.
"MIFID II Directive"	Directive 2014/65/EU amending the MIFID Directive.
"OPCI"	*Organisme de placement collectif immobilier*, 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.
"ORNANE"	*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.
"PIK"	Payment in kind, loans characterised by the fact that the interest payment is not always made in cash.
"Private Debt"	Private Debt refers to asset classes in the credit market that are usually in the form of loans and private placements.
"RCCI"	*Responsable conformité et contrôle interne:* Head of Compliance and Internal Control.
"SCPI"	*Société civile de placement immobilier*, French Real Estate investment trust.
"SGP"	*Société de gestion de portefeuille*, an investment services provider engaged primarily in third party asset management (individually through a management mandate, and collectively through a UCITS or alternative investment fund) and subject to the approval of the AMF.
"Senior debt"	Top-ranking debt with collateral having priority in repayment vs. subordinated debt and equity.
"SICAV"	*Société d'investissement à capital variable*: open-ended investment company with variable capital.
"SME"	Small and medium-sized enterprises.
"Sofidy"	Société Financière de Développement de l'Agglomération d'Evry, *société anonyme* (limited liability company), whose registered office is located at 303, square des Champs Elysées, 91026 Evry Cedex, registered with the Evry Trade and Companies Register under number 338 826 332.
"Stretched senior"	Hybrid debt combining a traditional loan and financing on assets offering greater leverage than Senior Debt.
"TC UK"	Tikehau Capital UK, company under British law whose registered office is located at 30, St. Mary Axe, EC3A 8BF, London, UK, registered with Companies House under number 8597849.
"TIAP"	*Titres immobilisés de l'activité de portefeuille:* Long-term portfolio investment securities.
"Tikehau Capital" or "Company"	Tikehau Capital, partnership limited by shares (société en commandite par actions), whose registered office is located at 32, rue de Monceau – 75008 Paris, France, registered with the Paris Trade and Companies Register under number 477 599 104.
"Tikehau Capital Advisors"	Tikehau Capital Advisors, *société par actions simplifiée* (simplified joint stock company) whose registered office is located at 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, limited liability company under British law whose registered office is located at 30, St. Mary Axe, EC3A 8BF, London, UK, registered with Companies House under number 9154248.
"Tikehau Capital General Partner"	Tikehau Capital General Partner, *société par actions simplifiée* (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.
"Tikehau IM"	Tikehau Investment Management, *société par actions simplifiée* (simplified joint stock company) whose registered office is located at 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, *société par actions simplifiée* (simplified joint stock company) whose registered office is located at 32, rue de Monceau, 75008 Paris, France, registered with the Paris Trade and Companies Register under number 817 471 907.
"UCITS"	Undertaking for collective investment in transferable securities, a portfolio of transferable securities (equities, bonds, etc.) managed by professionals (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).
"UCITS V Directive"	Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/657 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.
"Unitranche"	Financing that combines a senior debt component with mezzanine debt in a single instrument to simplify the capital structure and provide greater flexibility.

(1) The AFEP-MEDEF Code can be consulted online at: http://www.afep.com/wp-content/uploads/2018/06/code-Afep_Medef-révision-du-20-juin_VF-.pdf.

10.6 CONCORDANCE TABLES

10.6.1 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	10.1	342
1.2	Declaration by the persons responsible for the document	10.1	342
2	**The Statutory Auditors**		
2.1	Name and address of the Statutory Auditors of the Company	10.2	343
2.2	Resignation, sidelining, or non-reappointment of Statutory Auditors	N/A	N/A
3	**Selected financial information**		
3.1	Selected historical financial information	1.2	12 -15
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**	3.1	114
5	**Information about the Company**		
5.1	History and development of the Company		
5.1.1	Legal and commercial name	8.1.1	312
5.1.2	Place of registration and registration number	8.1.2	312
5.1.3	Date of incorporation and term	8.1.3	312
5.1.4	Domicile and legal form of the Company, the legislation under which it operates, country of origin, address and telephone number	8.1.4	312
5.1.5	Important events in the development of the Company's business	1.1.2; 1.2; 2.2; 2.3; 2.4	10; 12-15; 99-109; 110; 111-112
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	1.4; 2.2	25-31; 99-102
5.2.2	Company's main investments that are in progress	2.4	111-112
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	1.1.1; 1.4	6-11; 25-75
6.1.2	Significant new products or services that have been introduced	N/A	N/A
6.2	Main markets	1.5	75-86
6.3	Factors that have influenced the information given pursuant to items 6.1 and 6.2	1.5	75-86
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	1.5	75-86
7	**Organisational structure**		
7.1	Description of the Group and the Company's position within the Group	1.1.1	6-9
7.2	List of the Company's significant subsidiaries	1.1.1(c); 1.4.1	8; 25-75

No.	Headings in the Regulation (Appendix I)	Section(s)	Page(s)
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	7.2.3	282-283
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	2.2; 2.3; 2.4	99-109; 110; 111
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	1.5; 2.1	75-86; 94-99
9.2.2	Material changes in net sales or revenues, and reasons for such changes	2.2.1; 2.2.2	99-102; 102-106
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	1.6; 3.1	87-91; 114-125
10	**Capital resources**		
10.1	Information concerning the Company's capital resources (both short and long term)	2.2.1; 2.2.5; 2.3; 2.4	99-102; 108; 110; 111-112
10.2	Sources and amounts of the Company's cash flows	2.2.4	106-108
10.3	Information on the borrowing requirements and funding structure of the Company	2.2.4	106-108
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	1.5	75-86
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	2.4	111-112
13	**Profit forecasts or estimates**	N/A	N/A
14	**Administrative, management and supervisory bodies and Senior Management**		
14.1	Information on activities, any convictions and corporate offices: 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	4.1.1; 4.1.2	142-144; 145-157
14.2	Conflicts of interest involving administrative, management and supervisory bodies or Senior Management; 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	4.4.1; 4.4.5	167-173; 176-177
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	4.3	160
15.2	Total amounts set aside or accrued by the Company or its subsidiaries to provide pension, retirement or similar benefits	4.3.5	167
16	**Board Practices**		
16.1	Date of expiration of the current term of office of members of administrative, management and supervisory bodies	4.1.1; 4.1.2	142-157

No.	Headings in the Regulation (Appendix I)	Section(s)	Page(s)
16.2	Information on service contracts binding members of administrative bodies	4.5.1	180-182
16.3	Information on the Company's Audit Committee and Remuneration Committee	4.4.2	173-175
16.4	Statement as to whether the Company complies with the corporate governance regime in force	4.4.6	178-179
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	7.3.1	300-304
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	4.3.3; 8.3.2; 7.3.1	165-166; 319 -323; 300-304
17.3	Arrangements for involving the employees in the capital of the Company	7.3.1	303-304
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 must be reported under the issuer's national law	8.4.1	328-331
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	8.4.2	331-332
18.4	Any arrangement the operation of which may result in a change in control	N/A	N/A
19	**Related party transactions**	4.5	180
20	**Financial information concerning the Company's assets and liabilities, financial position and profits and losses**		
20.1	Financial information [(1)]	5; 6	189; 243
20.2	*Pro forma* financial information [(2)]	N/A	N/A
20.3	Annual financial statements (consolidated and statutory accounts)	5; 6	189; 243
20.4	Auditing of historical annual financial information		
20.4.1	Statement that the historical financial information has been audited	5.2, 6.2	238-241; 271-273
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	5; 6	189; 243
20.6	Interim and other financial information	N/A	N/A
20.7	Dividend Policy	1.7	91
20.7.1	Dividend per share	1.7; 2.3.2	91; 111
20.8	Legal and arbitration proceedings	3.4	139
20.9	Significant change in the financial or trading position since the end of the last financial year	2.4	111-112
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	8.3.1	317-319
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	8.3.4	326-327
21.1.4	Convertible securities, exchangeable securities or securities with warrants	8.3.2	319-323
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	8.3.2; 8.3.3	319-323; 324-326
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

No.	Headings in the Regulation (Appendix I)	Section(s)	Page(s)
21.1.7	Evolution of the share capital for the period covered by the historical financial information	8.3.1	317-319
21.2	Memorandum and Articles of Association		
21.2.1	Corporate Purpose	8.2	314
21.2.2	Provisions contained in the Articles of Association or bylaws relating to members of the administrative bodies	4.1.3; 4.4; 8.2.3; 8.2.5	158; 167-179; 315
21.2.3	Rights, preferences and restrictions attaching to each class of the existing shares	8.2.6	316
21.2.4	Number of shares necessary to change the rights of shareholders	8.2.7	316
21.2.5	Attendance and admission to the Annual General Meetings and Extraordinary General Meetings	4.2.1; 8.2.8	159; 316
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	8.2.9	316
21.2.7	Provision of the Articles of Association, charter or bylaws, setting the ownership threshold above -which any shareholding must be disclosed	8.2.2	314-315
21.2.8	Conditions imposed by the Articles of Association, 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**	2.2; 4.5; 8.4.2	99; 180; 331-332
23	**Third party information and statement by experts and declarations of interest**	N/A	N/A
24	**Documents available to the public**	10.4	346
25	**Information on equity investments**	1.4.1(d); 1.4.3	65-68; 68-75

(1) In accordance with Article 28 of Regulation (EC) No. 809/2004 of 29 April 2004 (as amended) and article 212–11 of the AMF General Regulation, (i) 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 registered by the AMF on 27 April 2017 under number R.17-029 and the report of the Statutory Auditors relating thereto as set out on pages 241 and 242 of said 2016 Registration Document, and (ii) the consolidated financial statements for the year ended 31 December 2017 as set out in Section V.1 (pages 176 to 215) of the 2017 Registration Document registered by the AMF on 26 April 2018 under number R.18-024 and the report of the Statutory Auditors relating thereto as set out on pages 216 to 219 of said 2017 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 registered by 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.

10.6.2 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 for	Section(s)	Page(s)
1	**Statutory accounts**	AFR	6	243
2	**Consolidated financial statements**	AFR	5	189
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 Art. L.232-1, L.233 -6, R.225-102 and/or L.233-6, L.233-26 of the French Commercial Code		2.2.1; 2.2.2	99-106
	The Company’s Financial results for the last five years Art. R.225-102 of the French Commercial Code		2.3.2	111
	Analysis of the evolution of the business, results, financial situation and including the debt of the Company and Group Art. L.233-26, L.225-100, par.3, L.225-100-1 and/or L.225-100-2 of the French Commercial Code	AFR	2.2; 2.3	99-109; 110-111
	Foreseeable development of the Company and/or Group Art. L.232-1, R.225-102 and/or L.233-26, R.225-102 of the French Commercial Code		1.5.3; 2.4	81-86; 111-112
	Key financial and non-financial indicators of the Company and the Group Art. L.225-10, par. 3 and 5, L.225-100-1 L.223-26 and/or L.225-100-2, of the French Commercial Code	AFR	1.2; 2.1; 7	12-15; 94-99; 275
	Events affecting the Company and Group since the end of the financial year Art. L.232-1 and/or L.233-26 of the French Commercial Code		2.4	111-112
	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 Art. L.225-100, par. 6, L.225-100-1 and/or L.225-100-2, L.223-26 of the French Commercial Code	AFR	3.1	114-116
	Main risks and uncertainties of the Company and Group Art. L.225-100 par. 4 and 6, L.225-100-1 and/or L.225-100-2 paras. 2 and 4 of the French Commercial Code	AFR	3.1	113
	Information on the Company's and the Group's R&D Art. L.232-232 and/or L.233-233 of the French Commercial Code		N/A	N/A
	Note of existing branches Art. L.232-1, II of the French Commercial Code		1.1.1	6-9
3.2	**Legal, financial and tax information of the Company**			
	Election of one of two procedures for exercising general management in case of change Art. R.225-102 of the French Commercial Code		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 Art. L.233-13 of the French Commercial Code		8.3; 8.4	317; 328
	Significant equity interests acquired during the year in companies with offices in French territory Art. L.233-6, par. 1 of the French Commercial Code		1.4.3; 2.2.1	68-75; 99-102
	Notice of holding over 10% of the equity capital of another corporation; disposal of cross-holdings Art. L.233-29, L.233-30 and R.233-19 of the French Commercial Code		6.1	244-248
	Acquisition and sale by the Company of its own shares (share repurchase) Art. L.225-211 of the French Commercial Code	AFR	8.3.4	326-327

No.		Information for	Section(s)	Page(s)
	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 Art. L.225-23, Art. Art. L.225-102 par.1 and/or L.225-180 of the French Commercial Code		8.3.2; 5 (Note 5.29); 6 (Note 16)	319-323; 236-237; 268-270
	Factors that could have an impact in the event of a tender offer Art. L.225-100-3 of the French Commercial Code	AFR	8.4.3	332
	Summary table of valid delegations granted by the General Shareholders' Meeting in respect of capital increases Art. L.225-100, para. 7 of the French Commercial Code	AFR	8.3.3	324-326
	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 Art. R.228-90, R.225-138 and R.228-228 of the French Commercial Code		N/A	N/A
	Amounts of dividends that have been distributed for the three previous years Art. 243 bis of the French General Tax Code		1.7; 9.2; 9.4	91; 335-338; 338-340
	Amount of non-deductible expenses and charges Art. 223 quater and quinquies of the French General Tax Code		N/A	N/A
	Reversal of the amount of some expenses in the taxable profits as a result of a final tax adjustment Art. 223 quinquies, 39-5 and 54 quater of the French General Tax Code		N/A	N/A
	Payment period and breakdown of outstanding supplier payables and client receivables by payment date Art. L.441-6-1, D. 441-4 of the French Commercial Code		2.3.1	110
	Injunctions or monetary penalties for anti-competition practices Art. L.464-2 I par. 5 of the French Commercial Code		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) Art. L.225-102-1, par. 13 of the French Commercial Code		4.5	180-187
	Payment to government authorities by companies with activities in the extractive industries or the logging of primary forests Art. L.225-102-3 of the French Commercial Code		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 Art. L.225-102-1, para. 4 of the French Commercial Code		4.1.1; 4.1.2	142-144; 145-157
	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. Art. L.225-102-1, paras. 1, 2 and 3 of the French Commercial Code		4.3	160-167
	Commitments related to assumption, termination or change of office, including pension and other lifetime benefits Art. L.225-102-1, para. 4 of the French Commercial Code		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) Art. L.225-102-1, para. 4 of the French Commercial Code		N/A	N/A
	Summary of transactions by directors and related persons on the securities of the Company Art. L.621-18-2 and R. 621-43-1 of the French Monetary and Financial Code; Art. 223-22 and 223-26 of the AMF General Regulation		8.4.4	332
	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) Art. L.225-197-1-II, para. 4 of the French Commercial Code		N/A	N/A

No.		Information for	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 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		7	275
	Hazardous activities information Art. L.225-102-3 of the French Commercial Code		N/A	N/A
4	**Declaration of individuals who assume responsibility for the annual financial report**	AFR	10.1	342
5	**Statutory Auditors' report on the statutory accounts**	AFR	6.2	271-273
6	**Statutory Auditors' report on the consolidated financial statements**	AFR	5.2	238-241
7	**Description of the share repurchase programme**		8.3.4	326-327

10.6.3 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.	Information for	Section(s)	Page(s)
1	Principles and criteria for determining the remuneration of Executive Directors	4.3	160-167
2	Executive officers' remuneration	4.3	160-167
3	Terms of office and duties of executive officers	4.1	142-158
4	Agreements between a corporate officer or Company shareholder and a subsidiary of the Company	4.5	180-187
5	Monitoring table of the delegations relating to increases in share capital	8.3.3	324-326
6	Composition, preparation and organisation of the Supervisory Board	4.1; 4.4	142-158; 167-179
7	Diversity policy	4.4.1	168-169
8	Reference corporate governance code	4.4.4	176
9	Specific terms and conditions for shareholder participation	4.2.1; 8.2.8	159; 316
10	Factors that could have an impact in the event of a tender offer	8.4.3	332
11	Report of the Statutory Auditors on the Supervisory Board's report on corporate governance	6.2	271-273

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