TIKEHAU CAPITAL

Partnership limited by shares (*société en commandite par actions*) with share capital of €1,631,731,188
Registered office: 32, rue de Monceau – 75008 Paris, France
477 599 104 RCS Paris

UNIVERSAL REGISTRATION DOCUMENT AND HALF-YEAR FINANCIAL REPORT AS AT 30 JUNE 2019

This Universal Registration Document was filed on 19 September 2019 with the AMF, as the competent authority under Regulation (EU) No 2017/1129 of 14 June 2017, without prior approval in accordance with Article 9 of that Regulation.

The Tikehau Capital Universal Registration Document may be used for the purposes of an offer to the public of securities or the admission of securities to trading on a regulated market if supplemented by a securities note and, if applicable, a summary and any amendments made to the Universal Registration Document. The whole document was approved by the AMF in accordance with Regulation (EU) No 2017/1129.

The English language version of this report is a free translation from the original, which was prepared in French. All possible care has been taken to ensure that the translation is an accurate presentation of the original. However, in all matters of interpretation, views or opinion expressed in the original language version of the document in French take precedence over the translation.

In accordance with Appendix 1 of Commission's Delegated Regulation (EU) 2019/980 of 14 March 2019, the following items are included by reference: the pages mentioned in the concordance table below for the 2018 Registration Document, No. R. 19-008 registered with the Autorité des Marchés Financiers on 18 April 2019 and the update to the 2018 Registration Document filed on 17 June 2019 under number D.19-0295-A01.

Copies of the 2018 Registration Document registered by the Autorité des Marchés Financiers on 18 April 2019 under number R.19-008, of the update to the Registration Document dated 17 June 2019 filed under number D.19- 0295-A01 and this Universal Registration Document are available free of charge at the Tikehau Capital registered office, 32, rue de Monceau, 75008 Paris, on the company's website (www.tikehaucapital.com) and on the website of the AMF (www.amf-france.org).

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IMPORTANT INFORMATION

General comments

Tikehau Capital is a partnership limited by shares (*société en commandite par actions*) with share capital of €1,631,731,188 whose headquarters is located at 32, rue de Monceau, 75008 Paris, France, registered in the Trade and Companies Register of Paris under identification number 477 599 104, referred to as "Company" in this Universal Registration Document. Unless otherwise expressly stated, the terms "Tikehau Capital" and "Group" mean, collectively, the Company, its consolidated subsidiaries and their branches.

The numbering of the chapters and sections of this Universal Registration Document (the "Universal Registration Document") is based on the numbering of the chapters and sections of the 2018 Registration Document registered by the Autorité des Marchés Financiers on 18 April 2019 under number R.19-008 (the "2018 Registration Document"), which were updated in an update filed on 17 June 2019 under number D.19-0295-A01 ("2018 Registration Document Update") and in this Universal Registration Document.

Accounting and financial information

This Universal Registration Document presents the consolidated financial statements of Tikehau Capital prepared under IFRS (*International Financial Reporting Standards*) as adopted by the European Union ("IFRS") for the financial years ended 31 December 2017 and 2018 and the half-years ended 30 June 2018 and 2019.

Some figures (including data expressed in thousands or millions) and percentages presented in this Universal Registration Document have been rounded. If applicable, the totals presented in this Universal 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 Universal Registration Document contains statements on the outlook and development areas of Tikehau Capital as well as forward-looking statements. 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. In addition, the occurrence of certain risks described in Section 3 "Risk Factors" of this Universal Registration Document may have an impact on the Group's activities, financial position and financial results and its ability to achieve its objectives. There can be no assurance that the Group's assessment of the relative importance of these risk factors will not be changed at a later date, whether to take into account new information, events, circumstances or other factors, or because any of the risks that the Group currently considers to be less material will occur and have a significant negative impact on its business. They are mentioned in various sections of this Universal Registration Document and contain data relating to the Group's intentions, estimates and targets concerning the market, strategy, growth, results, financial position and cash position. Forward-looking statements contained in this Universal Registration Document are presented only as at the publication date of this Universal Registration Document. Except as required by the laws and regulations in force, in particular pursuant to Regulation (EU) No 596/2014 of 16 April 2014 on market abuse, the Company makes no commitment to publish any updates to the forward-looking information contained in this Universal Registration Document to reflect any change affecting its purposes or the events, conditions or circumstances on which the forward-looking information contained in this Universal Registration Document is based. The Group 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.

2. COMMENTS ON THE ACTIVITIES, RESULTS AND FINANCIAL POSITION

2.1. OVERVIEW OF THE ACTIVITIES, RESULTS AND FINANCIAL POSITION FOR THE FIRST HALF YEAR 2019

(a) Key figures for the first half of 2019

The net result, Group share, for the first half of 2019 amounted to a profit of €97.2 million compared to a loss of €81.4 million for the first half of 2018.
The result for the first half of 2019 reflects the contribution of the investment activities amounting to €119.4 million (compared to -€71.9 million for the first half of 2018), driven by a positive change in fair value of €108.7 million for the first half of 2019 (compared to -€71.8 million for the first half of 2018) and other portfolio revenues (including dividends, coupons and distributions) which increased to €49.0 million for the first half of 2019 (compared to €35.8 million for the first half of 2018) whilst operating expenses for the investment activities were slightly up (-€37.5 million for the first half of 2019 compared to -€36.4 million for the first half of 2018). Lastly, business during the first half of 2019 was also driven by the strong growth in results for the asset management activity which increased to €20.5 million for the first half year 2019 (compared to €9.2 million for the first half year 2018).

Key figures for the first half of 2019

	Items from the consolidated income statement	
(in millions of euros)	**First half year 2019**	**First half year 2018**
Net revenues from asset management activities [(1)]	75.9	35.8
Operating expenses for the asset management activities [(2)]	(55.4)	(26.6)
Net operating profit from Asset Management activities	**20.5**	**9.2**
Revenues from the investment activities [(3)]	157.7	(36.0)
Operating expenses for the investment activities [(2)]	(37.5)	(36.4)
Share of net results from equity affiliates	(0.8)	0.5
Net operating profit from investment activities	**119.4**	**(71.9)**
Financial result	(22.0)	(12.6)
Non-recurring free share allocation expense [(4)]	(3.1)	(3.2)
Corporate income tax	(17.6)	(2.2)
Non-controlling interests	(0.1)	(0.6)
NET RESULT - GROUP SHARE	**97.2**	**(81.4)**

(1) Net revenues from asset management activities 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 €3,072 thousand as at 30 June 2019. This restatement will be continued up to the definitive vesting date.

(3) Revenues from investment activities 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 €3,072 thousand as at 30 June 2019.

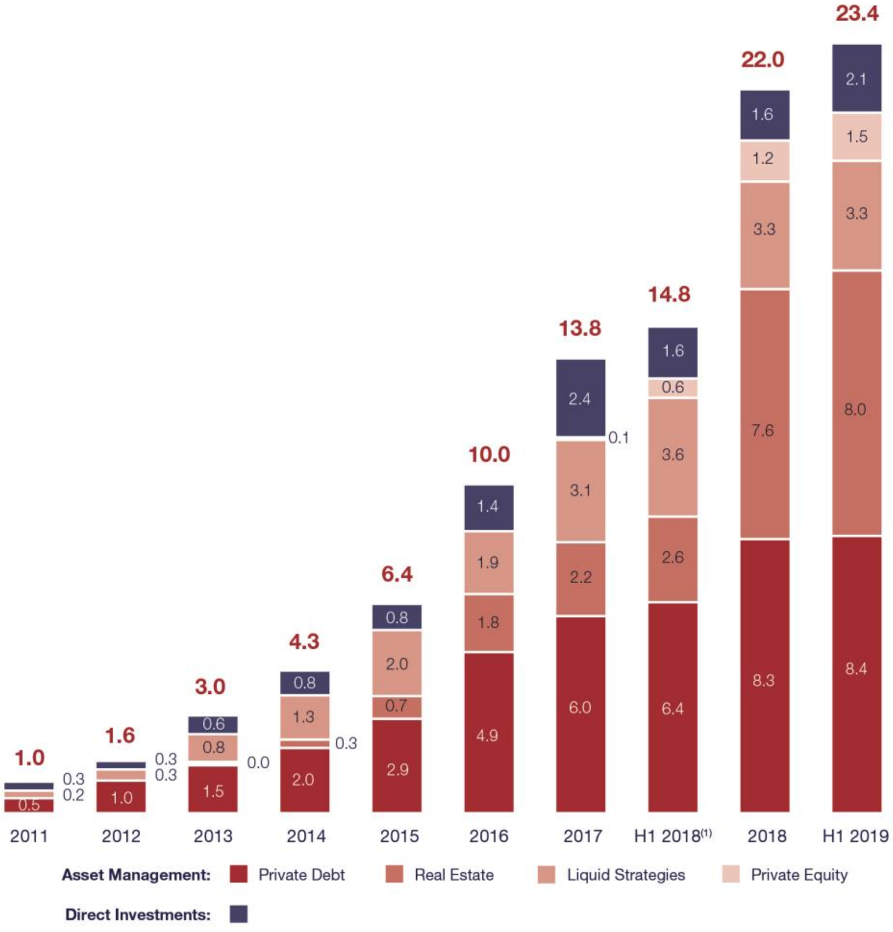
	Consolidated balance sheet items	
(in millions of euros)	**30 June 2019**	**31 Dec. 2018**
Total shareholders' equity	3,066.2	2,275.1
Consolidated shareholders' equity – Group share	3,064.9	2,274.3
Gross cash [(1)]	908.5	463.2
Gross debt [(2)]	802.1	795.9

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

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

Non-accounting information

The following chart and table show the changes in the Group's assets under management (as defined below) since 2011 (in billions of euros):



(in billions of euros)	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**30 June 2018**	**2018**	**30 June 2019**
Assets under management (end of period)	1.0	1.6	3.0	4.3	6.4	10.0	13.8	14.8[(1)]	22.0[(2)]	23.4
Change over the period (6 months) or financial year (12 months)	–	0.6	1.4	1.4	2.0	3.6	3.8	1.0	8.2	1.4
Net new money [(3)] over the period (6 months) or the financial year (12 months)			1.2	1.5	2.0	2.3	3.9	1.5	3.7	1.7

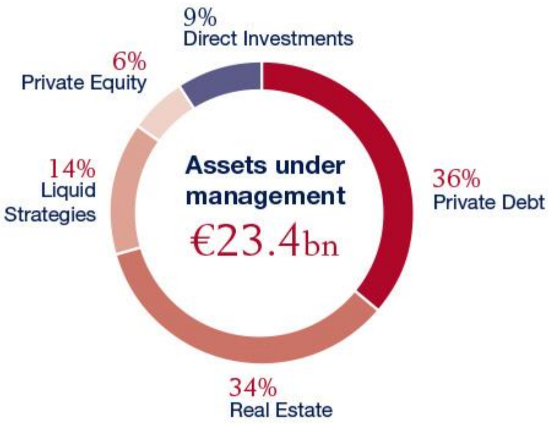
(1) *Including the assets managed by Sofidy and ACE Management, the assets under management at 30 June 2018 would have reached €20.1 billion.*

(2) *The amount of €22.0 billion includes the assets managed by Sofidy (€5.1 billion, since 17 December 2018) and ACE Management (€0.4 billion, since 19 December 2018).*

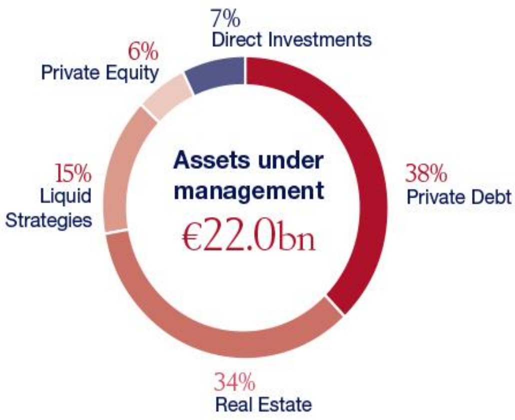
(3) *Net new money corresponds to (i) total subscriptions, less redemptions of open-ended funds and (ii) acquisition costs of assets financed by debt (net of repayments) in the case of some leveraged funds. A positive flow means that the total amount of inflows (subscriptions net of redemptions) and 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.*

The following charts show the breakdown of the Group's assets under management as at 30 June 2019 (€23.4 billion) and as at 31 December 2018 (€22.0 billion) between the Group's four business lines: (i) Private Debt, (ii) Real Estate, (iii) Liquid Strategies and (iv) Private Equity and Direct investments:

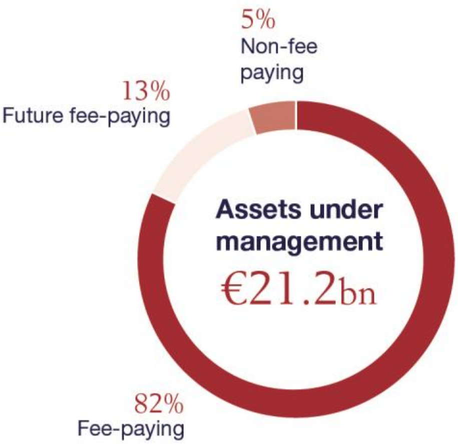
As at 30 June 2019

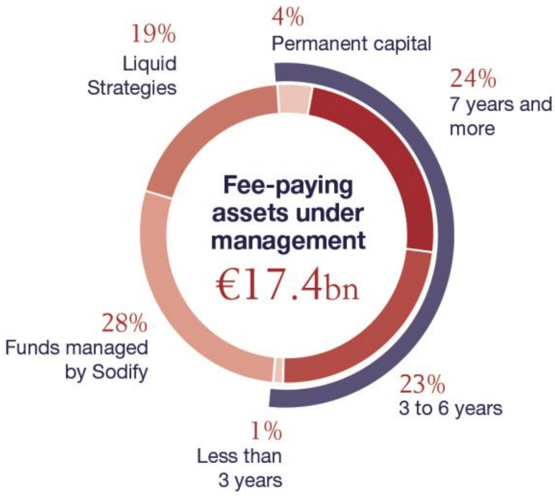


As at 31 December 2018



The following charts show the distribution of assets under management of the Group's asset management business line between the fee-paying assets under management, future fee-paying assets under management, and non-fee-paying assets under management as at 30 June 2019 and in the €17.4 billion generating management fees, the duration of this revenue generation.





Operational indicators not reflected in the consolidated financial statements of Tikehau Capital

In order to take into account certain specific features in the breakdown of assets under management, the definitions of the operating indicators not reflected in the consolidated financial statements of Tikehau Capital that the Company monitors (and intends to monitor) have been slightly modified and now read as follows:

• **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);

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

c) for Real Estate activity: (i) during fundraising then investment periods, to the available appraisal value of the assets held by the funds (or, failing that, to the acquisition cost of the assets) plus uncalled commitments, cash and the fund's other assets, if any, and (ii) once the investment period has ended, to the available appraisal value of the assets held by the funds (or, failing that, to the acquisition cost of the assets);

d) for Private Equity activity: (i) during the fundraising then investment periods, to subscriber commitments or to called revalued commitments plus uncalled subscriber commitments, and (ii) once the investment period has ended, generally to the latest valuation of the fund assets.

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 assets under management** – Depending on the different business lines, fee-paying assets under management 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 assets under management** – depending on the business line, future fee-paying assets under management 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 assets under management** – Non-fee paying assets under management correspond to the proportion of assets under management that, by their nature, do not generate management fees and are not intended to do so. Depending on the different business lines, these are mainly:

a) for Liquid Strategies 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 inherently do not generate management fees and are not intended to do so.

• **Average fee-paying assets under management** – this is the average between the amount of fee-paying assets under management as at 31 December (or 30 June) of year N - 1 and 31 December (or 30 June) of year N.

• **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 fees generated by business line, based on the Group's consolidated financial statements; and

b) average fee-paying assets under management.

For the purposes of the definitions of the five operational indicators above, the term "management fees" covers the following concepts:

a) management fees, subscription fees (and assimilated fees);

b) other fees including waiver fees, agency commissions and assimilated commissions; and

c) arrangement fees.

• **Net new money** – This corresponds to (i) total subscriptions, less redemptions of open-ended funds and (ii) acquisition costs of assets financed by debt (net of repayments) or the target leverage effect expected 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.

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 the 2018 Registration Document (available on the Company's website: www.tikehaucapital.com) and incorporated for reference purposes in this Universal Registration Document.

(b) Activities during the first half of 2019

As at 30 June 2019, Tikehau Capital's assets under management amounted to €23.4 billion (compared to €22.0 billion as at 31 December 2018), representing growth of 6% over the first half of 2019.

This growth is mainly the result of net new money of €1.7 billion, plus positive market effects of €0.3 billion, less distributions for -€0.6 billion.

During the first half of 2019, the asset management activities was driven by the growth in Real Estate and Private Equity strategies which represented over 60% of the net new money generated by the Group. The Private Debt activity recorded a growth of its assets under management of €0.1 billion over the first half of 2019 thanks to inflows (+€0.5 billion) and positive market effects (+€0.1 billion) offset by distributions during the period (-€0.5 billion).

As at 30 June 2019, the Group's assets under management were divided between Asset Management (€21.2 billion) business and the Direct Investments made from the Group's balance sheet (€2.1 billion) and were broken down as follows:

(in € billion)	Assets under management as at 30 June 2019 (1)	Percentage of the Group's assets under management 30 June 2019	31 December 2018
Private Debt	8.4	36%	38%
Real Estate	8.0	34%	35%
Liquid Strategies	3.3	14%	15%
Private Equity	1.5	6%	5%
TOTAL ASSET MANAGEMENT	**21.2**	**91%**	**93%**
TOTAL DIRECT INVESTMENTS MADE FROM THE GROUP'S BALANCE SHEET	**2.1**	**9%**	**7%**
TOTAL	**23.4**	**100 %**	**100%**

(1) Figures provided have been rounded for presentation purposes, which could in certain cases create some rounding differences.

Asset management activities

As at 30 June 2019, Tikehau Capital's asset management activities represented assets of €21.2 billion and comprised:

- 82% of fee-paying assets under management (i.e. €17.4 billion at 30 June 2019 compared to €16.2 billion at 31 December 2018);
- 13% of future fee-paying assets under management (i.e. €2.7 billion at 30 June 2019 compared to €3.0 billion at 31 December 2018); and
- 5% of non-fee paying assets under management (i.e. €1.1 billion at 30 June 2019 compared to €1.2 billion at 31 December 2018).

Over the first half year 2019, closed funds (excluding liquid strategy funds) invested a cumulative amount of €1.5 billion (compared to €1.0 billion over the first half year 2018 as published and €1.2 billion on a like-for-like basis).

Private Debt: €8.4 billion in assets under management as at 30 June 2019

The growth of €0.1 billion in assets under management during the first half year 2019 (i.e. 1.2% growth over the first half year) is the result of a net new money of €0.5 billion and a positive market effect of €0.1 billion partially offset by distributions for €0.5 billion. During the first half of 2019, the Private Debt activity benefited from the growth in its assets under management in the fourth generation of Direct Lending funds which now stand at €2.3 billion as at 30 June 2019, compared to €2.1 billion as at 31 December 2018. This robust net new money of €0.3 billion at 30 June 2019 in the Direct Lending funds was offset by €0.5 billion in distributions during the period. Lastly, through its Credit.fr subsidiary, the Group acquired Homunity, leader in Real Estate crowdfunding in France during January 2019. The Group, thus, reinforced its position in the growing sector of crowdfunding.

Real Estate: €8.0 billion in assets under management as at 30 June 2019

The growth of €0.5 billion in assets under management during the first half of 2019 (i.e. 6.1% growth over the first half year 2019) is the result of net new money of €0.5 billion driven by the strong sales momentum of Sofidy and the fundraising of the first discretionary real estate fund of the Group, Tikehau Real Estate Opportunity 2018 (TREO 2018), along with the acquisition of a residential apartment portfolio located in France, within a dedicated fund managed by the Group.

Liquid Strategies: €3.3 billion in assets under management as at 30 June 2019

The growth of €0.1 billion in assets under management during the first half of 2019 (i.e. 2.2% growth over the first half year 2019) is the result of a positive market effect of €0.1 billion. Whilst the net new money for the diversified Tikehau Income Cross Assets (InCA) fund remains dynamic with an additional contribution of €0.1 billion over the first half of 2019, the other funds, and notably the fixed income funds registered outflows over the first half of 2019 due to difficult market conditions over the period.

Private Equity : €1.5 billion in assets under management as at 30 June 2019

The growth of €0.2 billion in assets under management during the first half of 2019 includes net new money of €0.3 billion offset by distributions of €0.1 billion. The growth in assets under management for Private Equity during the first half of 2019 benefited from the first closing of the Brienne III fund (first French fund entirely dedicated to cyber security, managed by ACE Management), and the continued sustained investor interest for the funds managed by the subsidiary Tikehau IM.

Direct investments activity

As at 30 June 2019, Direct Investments made from the Tikehau Capital's balance sheet amounted to €2.1 billion in assets (compared with €1.6 billion as at 31 December 2018).

This increase of €0.5 billion during the first half of 2019 is mainly due to the increase in the Group's consolidated cash following the capital increase completed by the Group on 25 June 2019 for €0.7 billion. The size of this operation, the most significant in France during the first half of 2019, shows the strong interest received from investors towards Tikehau Capital and its differentiating business model.

The following table presents, as at 30 June 2019, the major investments and co-investments made by Tikehau Capital and its consolidated subsidiaries in the Group's strategies (vehicles managed by Tikehau IM, Tikehau Capital Europe, IREIT Global Group, Sofidy and ACE Management) which are described in the sections below:

(in millions of euros)	Amount called[1]	Amount uncalled	Total amount
Tikehau Direct Lending IV	25.1	26.8	51.9
Tikehau Direct Lending 4L	20.2	30.8	51.0
Tikehau Senior Loan III	45.9	4.4	50.3
Tikehau CLO V	26.0	11.5	37.5
Tikehau CLO I	31.6		31.6
Tikehau Direct Lending III	30.1	1.2	31.3
Tikehau Senior Loan II	24.9		24.9
Tikehau CLO III	22.9		22.9
Tikehau CLO IV	21.2		21.2
Tikehau CLO II	17.3		17.3
Autres fonds	123.8	123.2	246.9
Total Private Debt	389.1	197.8	586.8
Tikehau Real Estate Opportunity 2018	0.0	149.4	149.5
Selectirente	107.3		107.3
Tikehau Real Estate Investment Company	47.7	29.8	77.5
IREIT Global	52.1		52.1
Tikehau Retail Properties III	34.2		34.2
Tikehau Retail Properties I	25.7		25.7
Tikehau Real Estate II	24.9		24.9
Autres fonds	90.1		90.1
Total Real Estate	382.0	179.3	561.3
Tikehau Subordonnées Financières	26.6		26.6
Tikehau Global Short Duration	25.7		25.7
Tikehau Income Cross Assets	22.9		22.9
Autres fonds	39.2		39.2
Total Liquid Strategies	114.5		114.5
Tikehau Growth Equity II	146.1	50.3	196.4
T2 Energy Transition Fund	17.4	80.3	97.7
Tikehau Fund of funds	36.9	50.6	87.5
Tikehau Special Opportunities	29.3	22.2	51.5
Brienne III	1.2	38.9	40.2
Autres fonds	71.1	0.2	71.3
Total Private Equity	301.9	242.6	544.5
TOTAL ASSET MANAGEMENT - 30 JUNE 2019	1,187.5	619.6	1,807.1
TOTAL ASSET MANAGEMENT - 31 DECEMBER 2018	905.7	662.6	1,568.3

(1) Amount called adjusted at fair value

The main investments carried out by the Company during the first half of 2019 concern mainly:

- **Selectirente (€75.0 million)** –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 ex the interim dividend of 2 January 2019), (i) all outstanding Selectirente shares not already held by it or members of its concert, 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 voting rights, and (ii) the 47,168 Selectirente shares to be issued on conversion of the OCEANE bonds not held by members of the concert
  - 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 the company Sofidiane which had already been committed to the offer, giving a total of 58,832 OCEANE bonds .

  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 settlement of the tender offer on 12 March 2019, Tikehau Capital held 1,250,029 shares, equivalent to 81.0% of the share capital and voting rights of Selectirente including the holdings of the concert party with which Tikehau Capital is acting, and 128,579 Selectirente OCEANE bonds, 97.5% of those in circulation.

- **Total Eren (€25.4 million)** –Tikehau Capital made a commitment for a total of €25.4 million. As at 30 June 2019, Tikehau Capital's total investment in Total Eren is €61.5 million.

The main divestments carried out by the Company during the first half of 2019 concern mainly:

- **Spie Batignolles (€25.1 million)** – 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 initial investment. 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.

Highlights of the first half of 2019

Company capital increase – On 25 June 2019, Tikehau Capital completed the capital increase in cash without shareholders' preferential subscription rights by way of public offer and with a priority subscription period, for a final gross amount of €715 million, through the issuance of 32,500,000 new shares, representing 31.4% of Tikehau Capital's existing share capital. This capital increase demonstrated the strong appeal for international investors of the model developed by Tikehau Capital and confirms the Group's growing global footprint.

The proceeds of the Share Capital Increase will be used to finance the next phase of the Company's development, in particular by (in order of priority):

- increasing its investments through its balance sheet in the Group's funds or coinvestments with the Group's funds to create an alignment of interests between its balance sheet investments and the investments of its investor clients, and to contribute to the growth of its asset management activity;
- providing it with the additional financial resources to seize potential external growth opportunities in order to accelerate the growth of its asset management platform;
- enabling it to expand into new geographies;
- enabling it to continue to rebalance its business towards its Real Estate and Private Equity business lines; and
- expanding its product offering to incorporate additional alternative assets.

Tikehau Capital has agreed to a lock-up period of 180 calendar days after the settlement and delivery date of the capital increase, subject to certain customary exceptions.

As per their subscription commitments, the existing shareholders and investors delivering such commitments have each agreed to a lock-up period of 180 calendar days as from the settlement and delivery date (subject to certain customary exceptions) with respect to the shares for which they subscribe in the capital increase.

Tikehau Capital obtained an Investment Grade rating (BBB-, stable outlook) - On 30 January 2019, Tikehau Capital was assigned its inaugural rating by financial rating agency Fitch. 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.

IREIT Global – On 30 April 2019, Tikehau Capital announced the arrival of City Developments Limited (CDL) as a shareholder in IREIT Global Group Pte. Ltd with a 50.0% stake in the share capital and a 12.4% interest in IREIT Global. Tikehau Capital's stakes in IREIT Global Group Pte. Ltd and in IREIT Global thus went from 84.6% to 50.0% and from 8.4% to 16.4% respectively.

The arrival of CDL, one of the leading listed real estate companies in Singapore, with a global network spanning 103 locations in 29 countries in multiple geographical areas, as a new shareholder is another positive step in the expansion of IREIT Global's activities.

Acquisition of Homunity – In January 2019, Credit.fr acquired 100% of Homming SAS for an amount of €4 million, excluding earn-out. As a result of this transaction, Credit.fr owns 100% control of Homunity SAS. The latter is the leading specialist real estate crowdfunding platform in France, enabling Credit.fr to strengthen its position in the crowdfunding sector, accelerate its growth and diversify its offering in the buoyant participative loan market.

Opening of an office in Asia - The opening of an office located in Tokyo aligns with the internationalisation strategy announced at the time of the listing of Tikehau Capital. It is intended to enable the Group to develop in Asia, 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.

Entry into three Euronext Paris indices - On 14 June 2019, Tikehau Capital joined the stock market indices CAC SMALL, CAC MID & SMALL and CAC ALL TRADABLE from 21 June 2019.

LuxFLAG ESG - On 24 June 2019, LuxFLAG, an international independent not-for-profit organisation which aims to promote the mobilisation of capital for sustainable investment, awarded the LuxFLAG ESG label to 2 diversified and share management funds, Tikehau Income Cross Assets and Tikehau Global Value, as well as to 5 bond management funds, Tikehau Taux Variables, Tikehau SubFin Fund, Tikehau Court Terme, Tikehau 2022 and Tikehau Global Short Duration. Tikehau Credit Plus received the label on [1] April 2019. The use of the LuxFLAG ESG label is granted to the labelled funds for a period from 1 July 2019 to 30 June 2020.

Exercise of the call option on Sofidy SA shares from the remaining shareholders -The call option on the Sofidy minority shares was exercised on 11 January 2019 on 488 shares for the sum of €3.0 million. This transaction had no impact on the percentage of holding at 30 June 2019 due to the consideration of the put option on 31 December 2018. Tikehau Capital held 100.0% of the share capital of Sofidy at 30 June 2019.

2.2. Comments on the 2019 condensed half-year consolidated financial statements

(a) Comments on the 2019 condensed half-year consolidated financial results

(i) Net operating profit from the asset management activities

As at the first half of 2019, the net operating profit from asset management activities amounted to €20.5 million up strongly compared to the first half year 2018 (€9.2 million) with growth of 15% on a like-for-like basis[1] (€17.8 million). The operating margin for this activity was 27.0% as at 30 June 2019 compared to 25.7% as at 30 June 2018 (29.1% on a like-for-like basis), thus confirming the Company's ambition to maintain an operating margin over 25.0%.

Revenues from asset management activities for the first half of 2019 amounted to €75.9 million, more than the double of the first half year 2018 (€35.8 million; €61.1 million on a like-for-like basis).

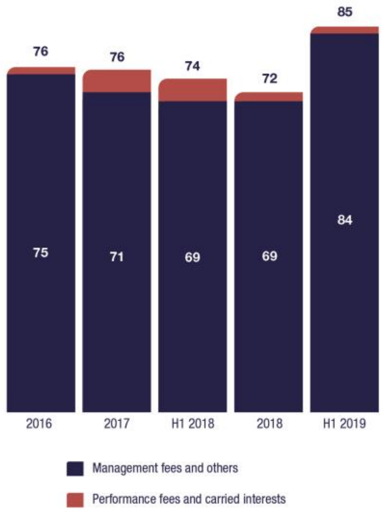
These revenues mainly derived from management, subscription, arrangement and other fees received by the Group's asset management companies for an amount of €75.0 million, more than twice the level for the first half year 2018 (€35.0 million). These revenues are supplemented by performance fees and carried interest for an amount of €0.9 million (compared to €2.9 million as at 30 June 2018 in reported data and on a like-for-like basis).

This significant growth in net revenues reflects both the growth of the Group's assets under management and the growth of fee-paying assets under management. As at 30 June 2019, fee-paying assets under management amounted to €17.4 billion and within these fee-paying assets under management, 97% of the assets of the closed-end funds generate revenues over a period of more than three years:

Average fee-paying assets under management rose from €9.2 billion as at 30 June 2018 (over a 12-months rolling period) to €16.5 billion as at 30 June 2019 (over a 12-months rolling period).

[1] Including the contribution of Sofidy and its subsidiaries as well as ACE Management.

Based on this average amount, on management and arrangement fees collected as part of the Asset Management activities, the weighted average fee rate is 84 basis points for the first half of 2019 (over a 12-months rolling period) compared to 69 basis points for the first half of 2018 as published.



The weighted average fee rate is an indicator that allows the Group to monitor the evolution of its net revenues in relation to its assets under management.

At 30 June 2019, 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 30 June 2019 (12-months rolling period)	Weighted average fee rate as at 30 June 2018 (12-months rolling period)
Private Debt	69 basis points	74 basis points
Real Estate	99 basis points	82 basis points
Liquid Strategies	53 basis points	51 basis points
Private Equity	>150 basis points	non material
ASSET MANAGEMENT ACTIVITIES	**84 BASIS POINTS**	**69 BASIS POINTS**

This assessment reflects a change in the Company's business mix thanks to sharp organic growth in the Private Equity activity and stronger Real Estate business thanks to the strategic acquisition of Sofidy at the end of December 2018.

On this basis, the operating margin for Asset Management activities was 27.0% for the first half year 2019, in line with the Group's objective of sustainably guaranteeing an operating margin of over 25%. The operating margins for the Group's Asset Management activities for the first half years 2019 and 2018 (in published reported data and on a like-for-like basis) were as follows:

(in millions of euros)	**First half year 2019 (published)**	**First half year 2018 (on a like-for-like basis)**	**First half year 2018 (published)**
Revenues from Asset Management activities	75.9	61.1	35.8
Operating expenses and others	(55.4)	(43.3)	(26.6)
OPERATING MARGIN FROM ASSET MANAGEMENT ACTIVITIES	**20.5**	**17.8**	**9.2**
Operating margin for the Asset Management activities (as a percentage of revenues)	**27.0%**	**29.1%**	**25.7%**

(ii) Net operating profit from the investment activities (after share of net results from equity affiliates)

For the first half year 2019, net operating profit from the investment activities (after share of net results from equity affiliates) was €119.4 million compared to a loss of -€71.9 million for the first half year 2018.

For the first half year 2019, revenues from the Company's investment portfolio amounted to €157.7 million compared to -€36.0 million for the first half year 2018.

Portfolio revenues for the first half year 2019 included a positive change in fair value of €108.7 million (compared to a negative change in fair value of -€71.8 million for the first half year 2018) and other portfolio revenues for €49.0 million (compared to €35.8 million for the first half year 2018).

The positive change in fair value of €108.7 million mainly results from the non-current portfolio with the reassessment at 30 June 2019 of listed investments for €65.3 million (of which DWS for +€44.1 million and Eurazeo for +€18.4 million) as well as €33.7 million from positive reassessments of fair value adjustments on non-current investments (of which HDL-Assystem for €20.3 million) and +€10.0 million from funds managed by the Group's management companies.

Other portfolio revenues comprise dividends, coupons and distributions for €49.0 million for the first half year 2019, up €13.2 million compared to the first half year 2018.

Operating expenses for the investment activities amounted to €37.5 million for the first half year 2019 (compared to €36.4 million for the first half year 2018).

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

Net operating profit from Asset Management and Investment activities after share of net results from equity affiliates for the first half year 2019 was €139.9 million (compared to a loss of -€62.7 million for the first half year 2018).

For the first half year 2019, the share of net results from equity affiliates was -€0.8 million compared to €0.5 million for the first half year 2018.

Operating expenses for the first half year 2019 amounted to €92.9 million compared to €63.0 million in respect of the first half year 2018. On a like-for-like basis, the increase in operating expenses was mainly due to the impact of the growth in headcount for the Group's asset management companies as well as the Company's organic growth.

(iv) Net result

For the first half year 2019, net income on cash equivalents amounted to +€0.3 million compared to -€0.1 million for the first half year 2018.

Financial expenses for the first half year 2019 were €22.3 million, up compared to the first half year 2018 (€12.5 million), notably due to the change in fair value of interest rate derivative instruments (€10.0 million, +€7.5 million compared to the first half year 2018) and expenses related to financial borrowings (€10.3 million, +€1.7 million compared to the first half year 2018).

For the first half year 2019, current and deferred tax correspond to an expense of €17.6 million (compared to an expense of €2.2 million for the first half year 2018) notably including €12.9 million in deferred tax, mainly related to unrealised gains on the investment portfolio.

On this basis, the net result, Group share for the first half-year 2019 amounts to a profit of €97.2m compared to a loss of €81.4 million for the first half year 2018.

(v) Net revenues – Segment information

Net revenues from the Asset Management activities

For the first half year 2019, net revenues from the Asset Management activities were €75.9 million, up 24% over the period and on a like-for-like basis (€61.1 million in respect of the first half year 2018).

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 activities				**Revenues from asset management activities as at 30 June 2019**
(in thousands of €)	**Private Debt**	**Real Estate**	**Liquid Strategies**	**Private Equity**	
Net revenues	**20,431**	**35,308**	**9,105**	**11,103**	**75,947**
Management, arrangement and other fees	19,955	35,121	8,877	11,103	75,056
Performance fees and carried interests	476	187	228	-	891

	Asset Management activities				**Revenues from the asset management activities as at 30 June 2018**
(in thousands of €)	**Private Debt**	**Real Estate**	**Liquid Strategies**	**Private Equity**	
Net revenues	**16,630**	**8,548**	**9,079**	**1,510**	**35,766**
Management, arrangement and other fees	16,630	5,760	9,005	1,510	32,904
Performance fees and carried interests	-	2,788	74	-	2,862

(in thousands of €)	Asset Management activities: Private Debt	Real Estate	Liquid Strategies	Private Equity	Revenues from the Asset Management activities as at 30 June 2018 (on a like-for-like basis)
Net revenues	**16,630**	**31,088**	**9,079**	**4,328**	**61,124**
Management, arrangement and other fees	16,630	28,299	9,005	4,328	58,262
Performance fees and carried interests	-	2,788	74	–	2,862

Private Debt activity

For the first half year 2019, the Group's net revenues attributable to Private Debt activity totalled €20.4 million (compared €16.6 million for first half year 2018). These revenues correspond to assets under management for an amount of €8.4 billion as at 30 June 2019, compared to €6.4 billion as at 30 June 2018.

The net revenues from this activity correspond to management fees of €19.9 million and performance revenues for €0.5 million at 30 June 2019.

Real Estate activity

For the first half year 2019, the Group's net revenues attributable to the Real Estate activity totalled €35.3 million (compared to €31.1 million for the first half year 2018 on a like-for-like basis and €8.5 million as published). These revenues correspond to assets under management for an amount of €8.0 billion at 30 June 2018 (compared to €7.4 billion on a like-for-like basis at 30 June 2018 and €2.6 billion at 30 June 2018 as published).

The net revenues from this activity correspond to management fees of €35.1 million and performance revenue for €0.2 million at 30 June 2019.

Liquid Strategies activity

For the first half year 2019, the Group's net revenues attributable to Liquid Strategies totalled €9.1 million (compared to €9.1 million for the first half year 2018). These revenues correspond to assets under management for an amount of €3.3 billion as at 30 June 2019, (against €3.6 billion as at 30 June 2018).

The net revenues from this activity correspond to management fees of €8.9 million and performance fees of €0.2 million at 30 June 2019.

Private Equity activity

The asset management activity in Private Equity generated fees for a total of €11.1 million for the first half year 2019 (compared to €4.3 million for the first half year 2018 on a like-for-like basis and €1.5 million as published). These revenues correspond to assets managed for an amount of €1.5 billion at 30 June 2019 (compared to €1.0 billion on a like-for-like basis at 30 June 2018 and €0.6 billion in reported data).

Net revenues from investment activities

For the first half year 2019, the Group's net revenues attributable to the investment activities amounted to €157.7 million (compared to -€36.0 million for the first half year 2018).

Revenues related to changes in fair value amounted to €108.7 million (compared to a negative contribution of - €71.8 million for the first half year 2018), mainly due to the positive change in fair value arising from the listed investment portfolio (mainly the revaluation of the listed DWS and Eurazeo investments), from the unlisted investment portfolio and from the investment portfolio in the Group's funds.

Revenues from dividends, coupons and interests on receivables attached to these investments totalled €49.0 million (€35.8 million at 30 June 2018).

(b) Liquidity and Capital Resources

As at 30 June 2019, cash and cash equivalents and cash management financial assets of the Company amounted to €908.5 million (compared with €463.2 million as at 31 December 2018). The Company also had a current investment portfolio (consisting of bonds, marketable securities and UCITS) of €115.8 million, compared to €110.5 million as at 31 December 2018.

As at 30 June 2019, the Company's financial debt of €802.1 million (compared to €795.9 million as at 31 December 2018), mainly corresponds to borrowings by the Company from credit institutions for €504.0 million and the bond issue carried out by the Company in November 2017 for €300 million.

Further information concerning the Company's indebtedness as at 30 June 2019 is included in Note 5.13 to the condensed half-year consolidated financial statements in Section 5.1 of this Universal Registration Document.

(c) Changes in consolidated shareholders' equity

The Company's consolidated shareholders' equity, Group share, amounted to €3.1 billion as at 30 June 2019, compared to €2.3 billion as at 31 December 2018.

As at 30 June 2019, as at 31 December 2018 and as at 31 December 2017, the Company's consolidated shareholders' equity broke down as follows:

Under IFRS standards ***(in millions of €)***	**30 June 2019**	**31 December 2018**	**31 December 2017**
Share capital	1,631.7	1,241.7	1,233.6
Premiums	1,167.0	849.3	840.6
Reserves and retained earnings	169.0	290.6	110.9
Net result for the year (Group share)	97.2	(107.4)	314.4
CONSOLIDATED SHAREHOLDERS' EQUITY (GROUP SHARE)	**3,064.9**	**2,274.3**	**2,499.5**

2.3. Significant events since 30 June 2019 and outlook

(a) Significant events since 30 June 2019

- **Press release of 17 July 2019**

Tikehau Capital appoints Guillaume Spinner
as Chief Operating Officer of Tikehau IM

Paris, 17 July 2019 - Tikehau Capital, the alternative asset management and investment group, announces the appointment of Guillaume Spinner as Chief Operating Officer of Tikehau Investment Management, its primary asset management subsidiary.

Reporting to Thomas Friedberger and Henri Marcoux, CEOs of Tikehau IM, Guillaume will be responsible fund operations and client services activities, working closely with all business units to ensure further coordination and enable the asset manager to support Tikehau Capital's continued growth, in France and internationally.

Guillaume's priority will be to oversee the automation of Tikehau Investment Management to support the Group's strong growth trajectory. Guillaume will also contribute to fund structuring efforts to tackle new fund raising opportunities.

Guillaume Spinner, 45, was most recently director in a family office, after having served as Head of Fund Management at Aviva Investors Real Estate France, managing over €2bn Assets under management. From 2003 to 2017, Guillaume worked at AXA Investment Management Real Assets, successively as Head of Fund Finance and Chief

Financial Officer. He started his career at Archon Group (Goldman Sachs) in 1998, spending 5 years with the company. Guillaume graduated from EDHEC Business School.

Thomas Friedberger, CEO of Tikehau Investment Management, said: "*We are delighted to announce another strong leadership appointment for Tikehau Investment Management. With over 20 years of extensive operating experience in the asset management sector, Guillaume's arrival is a positive step in efficiently executing the Group's growth and value-creation strategy within the alternative asset management sector*."

- **Press release of 30 July 2019**

Assets under management of €23.4 billion at 30 June 2019,
up +6% over the first-half
and 16% over the last 12 months.

Paris, 30 July 2019 –Tikehau Capital's assets under management amounted to €23.4 billion as at 30 June 2019, an increase of +€1.4 billion (+6%) since the start of the year and +€3.2 billion (+16%) over twelve months (including Sofidy and ACE Management[2]).

At 30 June 2019, Tikehau Capital's assets under management amounted to €23.4 billion, broken down into €21.2 billion for asset management and €2.1 billion for investment activities[3].

The asset management activity is supported by the growth in Private Equity and Real Estate

As at 30 June 2019, the assets under management of Tikehau Capital's asset management activity stood at €21.2 billion compared to €18.5 billion the previous year (including Sofidy and ACE Management), up €2.8 billion over twelve months (+15%). Over the first six months of 2019, the growth in assets under management for this activity totalled +€0.8 billion (+4%).

The increase in assets under management over the first half-year 2019 remains robust, reflecting a dynamic net inflow of +€1.2 billion. This change is the result of a new increase in Private Debt activities (following a year 2018 marked by the strong fundraising for the fourth generation of Direct Lending funds*)* along with the growing contribution of private equity and real estate strategies, which represent over 60% of the net inflows generated by the Group over the half year. Tikehau Capital therefore continues to rebalance its *business mix* towards higher fee-generating strategies.

Distributions during the half year amounted to -€0.5 billion, mainly due to private debt strategies, whilst market effects were positive at +€0.2 billion.

Private debt: €8.4 billion in assets under management as at 30 June 2019

Tikehau Capital's private debt activity benefits from strong interest from investors driven by its recognised expertise in this asset class. Total assets under management for the private debt activity amounted to €8.4 billion at end June, representing significant growth of +€2.0 billion (+31%) over twelve months.

Over the first six months of the year, growth reached +€0.1 billion (+1%). With a high comparison basis, the net inflow amounted to +€0.5 billion, driven by all segments that make up this activity. Distributions amounted to -€0.5 billion, spread over the Direct Lending and Leverage Loans activities, whilst market effects were positive at +€0.1 billion.

[2] As a reminder, the Group's assets under management published as of 30 June 2018 amounted to €14.8bn, of which €13.2bn for the asset management activities and €1.6bn for investment activities. Pro forma the acquisitions of Sofidy and ACE Management, the assets under management at 30 June 2018 amounted to €20.1bn, of which €18.5bn for the asset management activities and €1.6bn for the investment activities.

[3] Figures provided have been rounded for presentation purposes, which could in certain cases create some rounding differences.

The Group notably completed fundraising for its fourth generation of Direct Lending funds during the first quarter 2019, achieving a record total of €2.1 billion, over three times the previous generation, thus confirming Tikehau Capital's expert positioning in this segment.

Through its Credit.fr subsidiary, the Group also carried out the acquisition of Homunity, leader in Real Estate crowdfunding in France. This acquisition enables Credit.fr to strengthen its position in the crowdfunding sector, accelerate its growth and diversify its offering in the buoyant participative loan market.

Real Estate: €8.0 billion in assets under management as at 30 June 2019

The assets under management for Tikehau Capital's Real Estate activity amounted to €8.0 billion at end June 2019. Over 12 months (including Sofidy), the increase in assets under management is +€0.6 billion (+9%). Compared to 31 December 2018, growth was +€0.5 billion (+6%).

This increase is the result of robust net inflows, driven by a continued strong sales momentum for Sofidy, as well as the continuation of fundraising for the Group's first discretionary fund. Over the first-half of 2019, the Group also completed the acquisition of the first tranche of a residential portfolio of 662 apartments located in France, within a dedicated fund managed by the Group. A second closing for this operation is expected before the end of the year.

Distributions and market effects did not have a significant impact on growth in assets under management in the Group's Real Estate activity over the first half year.

Private equity: €1.5 billion in assets under management as at 30 June 2019

The assets under management for the Private Equity activity amounted to €1.5 billion at end June 2019, up +€0.4 billion (+39%) over twelve months. Over the first half year 2019, growth in assets under management reached +€0.2 billion, or +17%.

This increase reflects net inflows of +€0.3 billion, mainly driven by new fund raising as part of the fund dedicated to energy transition, and the first closing of the Brienne III fund[4], the first French fund entirely dedicated to cyber security, managed by ACE Management.

Liquid strategies: €3.3 billion in assets under management as at 30 June 2019

The assets under management in Liquid Strategies amounted to €3.3 billion at end-June 2019, up +2% compared to 31 December 2018.

Net inflows for the diversified InCA[2] fund (Tikehau Income Cross Assets) remained dynamic, taking the assets under management for this fund beyond €500m at end June. This increase has offset a contraction in assets under management for Credit strategies over the half year.

Tikehau Capital continues to strengthen its asset management platform

Since the start of 2019, Tikehau Capital has continued to expand its teams with the arrival of new talent and experienced individuals. At end June 2019, the Group had 480 employees, up +2% compared to 31 December 2018[5].

For example, Tikehau Investment Management, the Group's main asset management platform, was reinforced in April 2019 by the arrival of Frédéric Giovansili as Deputy CEO responsible for sales, marketing and sales development, and more recently by the appointment of Guillaume Spinner as Chief Operating Officer.

During the first half year, Tikehau Capital also reinforced its corporate teams with the arrival of Laure Perréard as

[4] These funds are not commercialised neither in the United States nor to "US persons".

[5] On the basis of 470 employees as at 31 December 2018, including all employees in the Sofidy group’s scope

Group Chief Financial Officer. Laure has replaced Jérémy Le Jan, who is joining Tikehau Capital's teams in New York, in order to develop the Group's activities in North America.

These arrivals provide additional assets for Tikehau Capital, to support the structuring objectives set by the Group for 2022.

The Group’s international footprint has also been extended and reinforced. For example, in Asia, the first half-year saw the entry, alongside Tikehau Capital, of City Developments Limited, one of the main Real Estate companies listed in Singapore, into the share capital of IREIT Global Group Pte. Ltd, the manager of IREIT Global, a Singapore-listed Real Estate investment trust in which Tikehau Capital invested in November 2016. Additionally, the opening of Tikehau Capital’s Tokyo office makes Japan the ninth country in which the Group benefits from a permanent presence. Lastly, building on the commercial successes recorded in 2018, the Group has also expanded its teams in Seoul, South Korea.

<u>The assets under management for the investment activity amounted to €2.1 billion at end June 2019</u>

The assets under management for the investment activity amounted to €2.1 billion at end June 2019, compared to €1.6 billion at end December 2018.

This increase is mainly due to the increase in consolidated cash following the capital increase completed by the Group on 25 June 2019 for a gross amount of €715m. This capital increase, the most significant in Tikehau Capital's history, and also the most significant conducted in France this year, enables the Group to affirm its positioning in the buoyant alternative asset management market. The success of the operation also shows the strong appetite of investors, and particularly international investors, for the differentiating model developed by Tikehau Capital.

The total assets under management for the Group’s Private Equity perimeter amounted to €3.6 billion at end June 2019, broken down into €1.5 billion for the asset management activity and €2.1 billion for the investment activity.

<u>Outlook</u>

After a year 2018 marked by the positive impacts linked to the fundraising of the fourth generation of the Group’s Direct Lending funds, which was completed in the very first months of the 2019, this year will be mainly marked by the deployment of these funds and by the rise of Real Estate and Private Equity strategies.

During July 2019, the Group recorded new commercial successes and launched growth initiatives, in particular across the Private Equity space, which will contribute to reinforcing its asset management activity and that should be reflected in assets under management at end-2019.

Furthermore, in private debt activities, the Group completed on 19 July its 5th CLO (Collateralized Loan Obligation) for €0.5 billion, with a diversified and highly international investor base, showing the strong recognition of the Group’s expertise which now manages €2.1 billion in this area.

Breakdown of assets under management as at 30 June 2019[6]

	Assets under management as at 30/06/2019		Change vs 31/12/2018		Change vs 30/06/2018*	
	Amounts (€ bn)	Weight (%)	As a %	In € bn	As a %	In € bn
Private Debt	8.4	36%	+1%	+0.1	+31%	+2.0
Real Estate	8.0	34%	+6%	+0.5	+9%	+0.6
Liquid Strategies	3.3	14%	+2%	+0.1	-8%	-0.3
Private Equity (a)	1.5	6%	+17%	+0.2	+39%	+0.4
Asset Management activity	**21.2**	**91%**	**+4%**	**+0.8**	**+15%**	**+2.8**
Investment activity (b)**	**2.1**	**9%**	**+35%**	**+0.6**	**+29%**	**+0.5**
Total assets under management	**23.4**	**100%**	**+6%**	**+1.4**	**+16%**	**+3.2**
Total Private Equity (a+b)	*3.6*	*15%*	*+30%*	*+0.8*	*+33%*	*+0.9*

* Pro forma including Sofidy and ACE Management
** Balance sheet investments

Calendar

19 September 2019 - First half-year 2019 results
28 November 2019 - Assets under management at end September 2019
13 February 2020 - 2019 Assets under Management
19 March 2020 - 2019 Annual Results

- **Press release of 2 September 2019**

Tikehau Capital and T&D Insurance Group enter into a strategic partnership in Japan

Paris, 2 September 2019 – Tikehau Capital, the alternative asset management and investment group, and T&D Insurance Group, a major Japanese insurance company, have agreed to enter into a business and capital alliance.

T&D Insurance Group is one of the largest life insurance groups in Japan in terms of market share and operates three life insurance companies each deploying a unique business model with distinct target markets, sales channels and products. T&D Insurance Group also operates an asset management subsidiary, T&D Asset Management, focused on investment trust and investment advisory activities.

This agreement enables Tikehau Capital to enhance its presence in Japan, following the opening of its Tokyo office in spring 2019, and gain greater proximity to Japanese financial institutions, which have a growing interest in gaining exposure to European private markets. More specifically, Tikehau Capital will extend its client reach to Japanese pension investors, leveraging the know-how and network of T&D Asset Management with this type of client.

The partnership will focus on marketing Private Debt products managed by Tikehau Capital, and could potentially be extended to other asset classes in which the Group is active.

[6]Figures provided are the Group's best estimates for the first half of 2019 and as such can slightly change. They have been rounded for presentation purposes, which could in certain cases create some rounding differences.

In order to strengthen this long-term strategic partnership, T&D Insurance Group[7] have expressed their intention to become a shareholder of Tikehau Capital through the acquisition of outstanding Tikehau Capital shares.

Chikahiro Tsuboi, Representative Director and President of T&D Asset Management Co., Ltd. stated: "*The European alternative asset management sector is benefiting from structural tailwinds and Tikehau Capital is ideally positioned to generate strong growth and create value for our clients in Japan. This partnership is a new step forward in the execution of our strategy and is fully aligned with our ambition to diversify our business portfolio as stated in our "Medium-Term Management Plan (FY2019-2021)" announced on June 3, 2019*".

Bruno de Pampelonne, Chairman of Tikehau Investment Management and Head of Asia: "*We are proud to welcome T&D Asset Management as Tikehau Capital's partner of choice to enhance* our presence in Japan at a time when Japanese investors are looking to diversify their investments and demonstrate an appetite to invest in Europe".

Tikehau Capital was advised by Nomura in the implementation of this partnership.

Share buyback program

On 19 September 2019, Tikehau Capital has announced its intention to entrust an investment services provider with a mandate for the repurchase of shares under its buyback program authorised by the Annual General Meeting of Shareholders of 22 May 2019. The repurchased shares are designed to cover Tikehau Capital's free share and performance share plans and/or be delivered as part of possible external growth, merger, spin-off or contribution transactions, up to a maximum of 5% of the share capital in accordance with law.
This mandate, signed today, concerns a maximum volume of 1,400,000 Tikehau Capital shares, i.e. around 1% of the share capital, at a price not exceeding the limits set by the seventh resolution adopted by the General Meeting of 22 May 2019.
In respect of the mandate, repurchases will be able to take place up until 31 December 2019. The description of the share buyback program (included in paragraph 8.3.4 of Tikehau Capital's Registration Document filed by the AMF (French Financial Markets Authority) on 18 April 2019 under number R. 19-008) and the text of the seventh resolution indicated above (indicated in paragraph 9.4 of the said Registration Document) are available on the Company's website in the Regulatory Information section.
(https://www.tikehaucapital.com/fr/shareholders/ regulatory-information).

(b) 2019 Outlook

The first half-year 2019 confirmed the relevance of Tikehau Capital's strategy, particularly with the growing contribution of asset management activities to the Group's revenues and results.

Since 30 June 2019, the Group has progressed in implementing its strategy:

- Within the private debt field of expertise, on 19 July 2019, the Group completed its 5th CLO (Collateralized Loan Obligation) for €0.5 billion, with a diversified and highly international investor base. This reflects the strong recognition of the Group's expertise, which now manages €2.1 billion in this area.
- The Group announces the launch of a new private equity fund, which will take over, on a secondary basis, six investments formerly held under Tikehau Capital's balance sheet. This secondary fund will be fully invested from inception, with a targeted amount of €210 million assets under management reflecting the value of the contributed assets, as well as additional commitments to be called by the fund from its investors. This initiative enables Tikehau Capital to expand its private equity offering for third-party investors whilst also maintaining active management of its balance sheet, with the aim in particular, of rebalancing its investment portfolio towards its own funds. The transfer of these investments had a positive effect of €10.3 million on the portfolio's revenues during the first half-year 2019.
- Tikehau Capital also announces it has signed an agreement to dispose of its stake in HDL Development, the holding company controlling Assystem Group (ASY.PA). In December 2013, the Group had invested €40 million in HDL Development (of which €35 million for the balance sheet and €5 million via a fund managed by the Group) to finance a tender offer on Assystem alongside Chairman and Founder, Mr Dominique Louis. In the

[7] Through its subsidiary T&D United Capital Co., Ltd.

context of this repurchase agreement with HDL Development, which should be unwound in the course of November 2019, the Group will receive €55 million in cash (of which around €48 million for the balance sheet) and 657,895 Assystem shares (representing 4.2% of the capital, and of which 575,659 shares will be received by the balance sheet), which amounts to 2.5 times the initial investment[8]. This agreement carries a potential price supplement on the disposal of Assystem's stake in Expleo Group. Tikehau Capital is pleased to have supported Assystem and its team, led by Mr Dominique Louis, over the past six years.

- Lastly, the Group continued its international expansion, with the opening of its Luxemburg office and, on 2 September 2019 the announcement of the signature of a commercial and financial alliance with T&D Insurance Group, a leading Japanese insurance company, which will focus on the distribution of Tikehau Capital's private debt products in Japan, and which could later be extended to other asset classes managed by the Group. To reinforce this long-term strategic alliance, T&D Insurance Group[9] expressed its intention to become shareholder in Tikehau Capital through the acquisition of outstanding Tikehau Capital shares.

After a 2018 financial year marked by growth in assets under management linked in particular to the fourth generation of the Group's Direct Lending funds, for which fundraising was completed in the very first months of 2019, the current year - like the first half-year - will be marked by the deployment of these funds and by the ramp-up of Real Estate and Private Equity strategies.

Tikehau Capital is thus targeting to reach between €24.5 billion and €25 billion of assets under management by end of 2019. Furthermore, the operating margin for the asset management activities in the second half of 2019 is expected to exceed the level reached in the first half.

Tikehau Capital is on track to achieve its structuring targets for 2022, which include reaching above €35 billion in assets under management and generating over €100 million in net operating profit from asset management activities.

Lastly, the Group remains committed to an active management of its balance sheet, both through the rotation of its portfolio and the attention paid to the level and structure of its debt.

2.4. Other information

- **Gross cash and gross debt consolidated positions for the Group as at 31 August 2019**

Gross cash and gross debt consolidated positions for the Group as at 30 June 2019 and 31 August 2019 are detailed below:

IFRS - Unaudited information (in millions of euros)	**31/08/2019**	**30/06/2019**
Gross cash (1)	**893.3**	**908.5**
Cash and cash equivalents	874.9	890.6
Cash management and financial assets	18.4	17.9
Gross debt (2)	**805.3**	**802.1**
Non-current borrowings and financial debt	699.3	698.9
Current borrowings and financial assets	106.0	103.2

(1) Gross cash consists of cash and cash equivalents (consisting primarily of marketable securities) ans cash management and financial assets.
(2) Gross debt consists of current and non current borrowins and finanicial debt (including bank overdrafts).

- **Capital increase as at 1 July 2019**

On 1 July 2019, Tikehau Capital carried out a capital increase in the amount of around €4 million through a deduction from the "issue premium" account and by the creation of 329,506 shares. The aim of this capital increase was to

8 Multiple calculated based on an Assystem share price of €38.

9 Through its subsidiary T&D United Capital Co., Ltd.

deliver free shares allocated under the 2016 TIM Replacement Plan – Identified Staff and the 2016 TIM Replacement Plan – Non-Identified Staff.
As of the date of this Universal Registration Document, the share capital of the Company amounts to 1,635,685,260 euros and is divided into 136,307,105 shares.

- **Related-party transactions**

During the first half year 2019, there were no related-party transactions with a material impact on the financial statements for the first half year, and there were no amendment affecting the related-party transactions described in the Company's 2018 Registration Document, which could have a material impact on the financial statements for the first half year 2019.

3. RISK FACTORS

3.1 RISK FACTORS

Prospective investors should read all of the information contained or incorporated by reference in this Universal Registration Document, including the risk factors described below. These risks are, as of the date of this Universal Registration Document, those which, were they to materialize, the Group believes could have a material adverse effect on its business, income, financial position or prospects. The risks described below are not the only risks that the Group faces.

In order to present the risks described in Section 3.1, the Group has identified the main categories and most significant risks, in an order that the Group considers to be of decreasing importance within each category, which corresponds to its current perception of the importance of these risk factors for the Group, based on the currently perceived probability that these risks will materialize, and the estimated extent of their negative impact. There can be no assurance that the Group's assessment of the relative importance of these risk factors will not be modified at a later date, either to take into account new information, events, circumstances or other factors, or that any of the risks that the Group currently considers less significant will not materialize and have a material adverse effect on its business.

The following section takes into account the provisions of the EU Regulation 2017/1129 of 14 June 2017 entered into force on 21 July 2019.

3.1.1 Risks related to investments and their valuation

Tikehau Capital is exposed to risks resulting from direct investments through its balance sheet.

The Group faces the following risks in connection with investments made directly through its balance sheet, that is, investments using the Group's shareholders' equity. The principal risks facing the Group's Direct Investments activity are the following:

- risks relating to the valuation of the relevant entities or financial instruments in which it invests, which can be complex (see *"—Tikehau Capital's direct investments through its balance sheet* entail *risks related to the valuation of these investments, which may differ from the value at which they may be sold*");
- risks relating to changes in global or country-specific economic conditions that may, first, impact the ability of Tikehau Capital to liquidate its investments under satisfactory terms and, second, reduce the value of or return on its investments;
- risks relating to the evaluation of a contemplated investment, the assessment of the strengths and weaknesses of the target company or project, its development potential, its market context, the quality of its business plan and the ability of the relevant company's management to successfully execute that plan, as well as to the structuring and understanding of the investment (including management retention mechanisms), which may be complex or relate to complex financial instruments, or which may not include adequate protections for Tikehau Capital;
- risks arising from the management of the relevant target company prior to the date of the Group's investment in it, which may not be identified in the due diligence procedures carried out before making the investment, or which may not be subject to guarantees or indemnities by the relevant sellers (for example, the relevant risks may not be subject to guarantees or indemnities in a market acquisition or might be excluded from the scope of the assets and liabilities guarantees or indemnities negotiated by Tikehau Capital or its business partners in connection with the acquisition; the relevant risks may exceed available compensation or reimbursement provided for by the applicable agreed thresholds, deductibles and coverage limits; the relevant guarantors may be insolvent; or legal disputes may arise with the relevant guarantors in regard to the enforcement of the applicable guarantees, etc.);
- specific risks relating to investments outside of France (including in countries in which the Group does not have any staff) and, in particular, understanding the issues, relevant implicated parties, local economic factors, investment structuring requirements to comply with local rules and exposures to country risk, etc.;
- risks related to legal disputes that may arise with sellers or third parties with respect to the investment itself (for example, with regard to the accuracy of information received during the applicable investment appraisal phase) or its consequences (*e.g.*, suppliers, clients or banks terminating contracts with the company in which the relevant 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.*, resulting in an obligation to financially support the relevant company, a loss equal to the net book value of the applicable financial asset and, where applicable, interest owed, administration or liquidation or other insolvency proceedings and claims for repayment of liabilities) and the risk of any related lawsuits or legal proceedings.

As of 31 December 2018, current and non-current investments made through the Group's balance sheet amounted to €2.1 billion (i.e., 66.2% of the total consolidated assets). The materialization of any of the foregoing risks could reduce the value and return of the Group's investment portfolio, which could in turn have a negative impact on its results of operations.

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.

During the year ended 31 December 2018, 95% of the net revenues of Tikehau Capital from its Asset Management segment originated from net management fees (amounting to €71.7 million), calculated primarily on the basis of its fee-paying assets under management. In the Liquid Strategies business, the amount of assets under 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 spreads, currencies and equity prices, could 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, or any other monetary authority, could thus lead to a decrease in the assets under management of Tikehau Capital due to a combined effect of rising interest rates (likely to reduce the value of assets under management in bond funds) and possible declines in equity markets (likely to reduce the value of assets under management in equity funds). The value of Tikehau Capital's 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 reduce net new money as a result of a decline in demand from investors and, in Liquid Strategies, increased requests for withdrawals from open-ended 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, the level of its assets under management, which could have a material adverse effect on its performance (as its management fee revenue generally depends on the level of its fee-paying assets under management, on which management fees are calculated as a percentage) and net revenues from its investment activity. Any material adverse developments in the financial markets or that, more generally, impact the value of the Group's investments and the amount of its assets under management, could have a material adverse effect on the operating profit, financial position and prospects of Tikehau Capital. In addition, to the extent that the Group's funds have a significant investment in a particular company or a given asset class, that concentration entails a heightened risk of a disproportionate negative impact on the Group's investment portfolio value in the event of a drop in the value of such company's shares or securities or such asset class, which could have a significant negative impact on the Group's results of operations.

Tikehau Capital is exposed to a risk of fluctuation in its results.

Tikehau Capital has experienced in the past and could experience in the future significant fluctuations in its results due to a number of factors affecting (i) its asset management activity, such as variations in its management or performance fees, in its operating expenses or the intensity of competition in its market, and (ii) its direct investments activity, such as variations in the valuation of its assets, dividends or interest received, the timing of its realization of gains and losses, its level of indebtedness, and changes in macroeconomic and market conditions.

Tikehau Capital's investment activity and strategy also present a risk of loss of the amounts invested either in the Group's strategies or in investments made directly, for example if the fund does not achieve the expected performance objectives or if the company in which the investment was made is bankrupt or faces serious difficulties. No guarantee can be given as to the realization of profits from the Group's investments or even the recovery of sums invested or due. There can be no assurance that the investments made by Tikehau Capital will generate profits, nor that the amounts committed by Tikehau Capital in connection with its investments will be recovered

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

In its Private Equity business and Direct Investments activity, Tikehau Capital mainly invests as a minority shareholder or co-investor. While Tikehau Capital generally seeks to implement minority shareholder protective mechanisms such as robust information rights, representation on an administrative or supervisory body of the relevant company or veto rights with respect to certain management decisions and favorable exit terms, these mechanisms cannot ensure that it will in fact have access to all relevant information for the evaluation of its position and its selling or holding strategy, or that it will be able to exercise effective influence over important decisions (including regarding the distribution of dividends). In addition, to the extent that Tikehau Capital takes minority equity interests and makes co-investments, no assurance can be given that it will be able to fully protect its interests from the decisions of majority shareholders or the sponsors of its co-investments, which may have interests that diverge from or conflict with those of Tikehau Capital.

As of 31 December 2018, equity investment (listed or not listed) represent an amount of €955.8 million (i.e., 30.4% of the total consolidated assets), minority investments representing almost all of this amount.

Tikehau Capital is exposed to liquidity risk related to certain equity interests, in particular investments in unlisted companies.

As part of its Private Equity business and Direct Investments activity, Tikehau Capital acquires stakes in companies whose shares are not listed on a public market. As of December 31, 2018, non-current investments held by Tikehau Capital in unlisted companies (excluding platforms or funds managed by Group asset management companies) represented 18% of Tikehau Capital's total assets, and 27% of Tikehau Capital's investment portfolio (current and non-current). These unlisted securities, together with certain securities held by Tikehau Capital that may be listed but relatively illiquid, give rise to liquidity risks, such that the recovery of amounts invested by Tikehau Capital in, and the eventual recording of profits and capital gains on, such investments will generally occur several years after the investment is made (*i.e.*, at the time of the sale, redemption or liquidation of the relevant investment). There can be no assurance, in either the case of unlisted securities or listed but illiquid securities, that Tikehau Capital will be able to find purchasers willing to purchase such stakes, or that these securities will be listed on a stock exchange or otherwise achieve improved liquidity even if they are already listed. In such an event, it is possible that Tikehau Capital might experience difficulties in realizing gains from all or part of its investments, whether as a result of timing or the terms of its exit from such positions. This could result in Tikehau Capital facing limitations or obstacles to freeing amounts invested in such positions to make new investments (in the Group's strategies or for its own account) and may accordingly hinder the implementation of its investment strategies and negatively impact its results of operations and business.

Tikehau Capital's direct investments through its balance sheet entail risks related to the valuation of these investments, which may differ from the value at which they may be sold.

Tikehau Capital conducts an analysis prior to each of its investments through its balance sheet (covering strategy, competitive context, financial plans, valuation, financial analysis, exit terms, social and environmental responsibility, quality of executive team, etc.), and then on a regular basis during the course of monitoring its investments. Tikehau Capital relies on internal resources and external advice as needed.

With respect to the valuation of the investment portfolio (current and non-current), which amounted to €2,083.3 million (i.e., 66.2% of the total consolidated assets) as of 31 December 2018, each investment in the portfolio is examined twice a year at the time of the preparation of financial statements, *i.e.*, at 30 June and 31 December, except in exceptional circumstances. These valuations are based mainly on the market price of the relevant securities if the holding is listed, or on a fair value approach in the case of non-listed securities (according to the multiples method, discounted cash flow method, or another specified method, *e.g.*, one provided by an asset management company in the case of investments in funds). Information is also obtained from the managers of the underlying assets (company executives, fund managers, co-shareholders or co-investors, etc.).

While Tikehau Capital prepares its valuations on the basis of what it believes to be accurate estimates and assumptions, there can be no assurance that such valuations will not be revised later. Such valuations may be complex or difficult to determine for certain instruments, subject to significant fluctuations (including the loss of the entire investment for particularly risky or volatile products) or be reliant on market data with limited or no observability that may make valuation difficult. There can be no assurance that the implementation of Tikehau Capital's valuation methods will ensure that the Group's holdings are valued consistently with the value that would be obtained upon the sale of such holdings.

Tikehau Capital could be exposed to the risk of asset loss or concentration related to the composition of its investment portfolio.

The Group's business and strategy entail a risk of loss of the amounts invested through its balance sheet. For example, in the context of investments in funds (including funds managed by the Group), this would occur 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 economic downturns, increased competition, unanticipated technological breakthroughs, mistaken strategic decisions by management, loss of customers, adverse regulatory developments, etc.). Accordingly, no assurance can be given regarding the profitability of investments made by the Company or the Group, or that the Company or the Group will not lose amounts deployed through its balance sheet.

With respect to investments on the Company's balance sheet, as of the date of this Universal Registration Document, Tikehau Capital had a diversified investment portfolio both in terms of number of investments and in relevant asset classes or sectors. As of 31 December 2018, Tikehau Capital's largest financial asset represented 14% of Tikehau Capital's total consolidated assets. This financial asset, a 9.38% stake in Eurazeo, itself had exposure to various assets, the main one of which represented 5% of the total consolidated assets of Eurazeo as of 31 December 2018.

The valuation of certain products offered by Tikehau Capital may be subject to changes related to differing interpretations as to appropriate methodologies, estimates and underlying assumptions.

Products offered by Tikehau Capital for which there is no trading market or observable market data are valued using models and methodologies based on certain estimates and assumptions, and to a large extent based on the assessment of the relevant asset managers. There can be no assurance that the valuations used by Tikehau Capital on the basis of these models and methodologies will always accurately reflect the actual or market value of the assets. In such circumstances, the liquidation of these assets at values below those predicted by models and methodologies may expose the funds and portfolios managed by Tikehau Capital to losses that would adversely affect its financial position, results and earnings.

Changes in the value of direct investments by Tikehau Capital in its own funds and strategies could affect its earnings and shareholders' equity and increase the volatility of its revenues.

Tikehau Capital regularly invests its balance sheet resources in the launch of 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. Its exposure to its funds amounted to €1,568.3 million as of 31 December 2018 (called and uncalled amounts), the called portion of investments representing €905.7 million (i.e., 28.8% of the total consolidated assets).

Tikehau Capital's investments are recorded at fair value in the consolidated balance sheet. Any changes in interest rates, credit spreads, foreign exchange rates, or the value of listed and non-listed equity securities or Real Estate funds, could reduce the value of investments made by Tikehau Capital and its total assets under management, which could materially adversely affect its earnings (and in particular income from management fees, which generally depends on the amount of the Group's assets under management, on which management fees are calculated as a percentage), shareholders' equity and financial position.

Income from the outperformance of certain of its funds may increase the volatility of Tikehau Capital's revenue and earnings.

In addition to management fees on its assets under management, the Group's asset management companies may receive income related to the performance of the funds they manage (performance fees for open-ended funds and carried interest for closed-end funds). This outperformance-related income is more volatile than Tikehau Capital's management fees. Tikehau Capital only earns such income when the contractual terms of the fund provide for it and the fund performance exceeds objectives specified in the fund documentation. If these contractually-defined objectives are not met, 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 in deteriorating market conditions, Tikehau Capital may not achieve the relevant objectives for reasons beyond its control. All these features of outperformance income cause it to be volatile and make it difficult to predict the amounts of such income, which may be much lower than expected. A significant or sustained inability to earn outperformance-related income could hinder the Group's development and negatively impact its prospects and profitability.

Performance fees and revenues related to carried interest have represented an amount of €3.5 million on 2018 financial year.

3.1.2 Regulatory, legal and tax risks

Tikehau Capital is subject to significant regulation and supervision.

Tikehau Capital is subject to numerous regulatory and supervisory regimes in each of the countries in which the Group conducts its business. Tikehau Capital's operations must be organized to comply with each of these regulatory regimes, which is costly, time-consuming and complex.

Tikehau Capital's international expansion exposes it to operational, regulatory, political, reputational and currency risks in the markets into which it expands or may seek to expand, many of which are beyond its control. The failure of Tikehau Capital's internal control measures to mitigate such risks, or that of its operating infrastructure to adequately support its business worldwide and in specific markets in which it operates could create risks of non-compliance and expose Tikehau Capital to fines, regulatory sanctions or criminal penalties, any of which could negatively impact its reputation and result in a decline in its assets, revenues and results.

In particular, Tikehau Capital is subject to several regulatory regimes in connection with its Asset Management segment 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 the 2018 Registration Document)), portfolio management and investment advisory services.

Tikehau Capital is subject to regular monitoring by its supervisory authorities and may be adversely affected by any finding by such authorities of non-compliance with existing laws and regulations or by changes in their interpretation or implementation of existing laws or regulations. For example, following an investigation, a notice of grievance was sent by the AMF Board to Tikehau IM in February 2017 concerning the lack of information provided to the holders of certain funds regarding the terms and conditions for sharing arrangement fees between Tikehau IM and these funds. A settlement agreement without acknowledging guilt was entered into 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 was validated by the AMF Board and approved by the AMF Sanctions Committee.

In addition, applicable regulations could hinder the development of the Group's business, increase its operating costs or prevent it from implementing any growth or reorganization plans.

The complexity of implementing Group compliance structures consistent with existing regulations and their interpretations around the world may increase the foregoing risks, particularly to the extent that the regulators of various countries have different interpretations or publish only limited guidance with respect to such regulations. In particular, failure to comply with applicable laws or regulations could result in criminal penalties, fines, temporary or permanent prohibition on conducting certain businesses, 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, among 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 results of Tikehau Capital.

Regulatory reforms that have been undertaken or planned in the European Union and internationally (including as part of Brexit) expose Tikehau Capital and its clients to growing regulatory requirements and uncertainty.

In recent years, numerous regulatory reforms have been adopted or proposed in financial and related markets, 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 and impact their willingness to invest in Tikehau Capital's strategies or products.

Moreover, the decision by the United Kingdom to leave the European Union (known as Brexit) is expected to have an impact on the regulated activities of the Group in the United Kingdom, impacting in particular Tikehau Capital Europe (which is a company incorporated under the laws of England and regulated by the UK Financial Conduct Authority) or the London branch of Tikehau IM (Tikehau IM's approval was passported to the United Kingdom). The various scenarios prepared by the Group to ensure the continuity of operations in the United Kingdom following Brexit and to minimize the impact of Brexit are subject to significant uncertainty and will depend on the outcome of the negotiations between the United Kingdom and the European Union on the terms of Brexit. The precise outcome of these negotiations is difficult to anticipate, and the practical consequences of Brexit are currently difficult to assess. If the scenarios prepared by the Group do not properly account for or respond to such consequences, its business in the United Kingdom and potentially in other jurisdictions could be materially adversely affected.

Tikehau Capital could be exposed to tax risks.

As an international group operating in several countries, Tikehau Capital has structured its commercial and financial activities in accordance with the various tax regimes 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 regimes applied to its business, operations or intra-group transactions or reorganizations (past or future) may require the Group to make certain interpretations of such tax laws and regulations in France and elsewhere. Tikehau Capital cannot guarantee that these interpretations will not be questioned or challenged 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 of them by the courts or relevant authorities may change, especially in the framework of common initiatives at the international or European community level (OECD, G20, European Union). Any of the above events would likely result in an increase in the Tikehau Capital's tax burden and have a material adverse effect on its business, financial position and results.

The new requirements regarding tax returns resulting from programs against tax evasion introduced worldwide will increase administrative costs for Tikehau Capital.

Tikehau Capital is bound to comply with the new requirements regarding tax declaration obligations, and will be required to comply in future with the new obligations that are part of anti-tax evasion rules implemented globally.

These new requirements for tax declarations and, more generally, any mechanism put in place to improve cooperation between tax authorities 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.

3.1.3 Risks to the Group's image, reputation or service quality

Any damage to Tikehau Capital's reputation could be detrimental to the strength of its business, lead to liabilities 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 other operational staff make daily decisions on funds managed by the Group's asset management companies and in the conduct of its business, and there can be no assurance that these managers or operational staff will not make errors or be negligent or infringe regulations or the funds' investment policies, any of which could damage the Group's reputation. Tikehau Capital's reputation could also suffer and it could be held accountable to investors, as well as from a regulatory standpoint, should the procedures and risk management systems implemented to prevent and/or mitigate such risks fail to identify, record and manage such errors, negligence or illegal or unauthorized activity. And such failure could have a material adverse effect on the reputation, business, assets under management, earnings and financial position of Tikehau Capital. The negative publicity that would result from the occurrence of any of these events could also 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 damage to the "Tikehau" brand would adversely affect the Group's position in its markets 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 its assets under management for similar products.

The occurrence of events affecting the performance of products competing with those of Tikehau Capital could negatively impact investor confidence in the relevant product class overall. This loss of confidence could affect investors' appetite for Tikehau Capital's products, even if it is not involved in or subject to the relevant circumstances affecting its competitors. For its Liquid Strategies business, this could expose its open-ended funds to withdrawals, redemption requests and liquidity problems, and in its other businesses, to an inability to successfully launch new funds and strategies, which may result in a decline in its assets under management, earnings and results.

Tikehau Capital may lose clients because of low returns on its products, which would negatively impact its assets, its revenue and its results of operations.

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 could differ significantly for several reasons 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 competing 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, decide not to participate in new funds launched by Tikehau Capital. In all such cases, the reputation of Tikehau Capital and its ability to attract new clients could also be affected, and the negative impact on its open-ended or closed-end funds could have a material adverse effect on its assets, revenues and results of operations.

Any failure or difficulties suffered by third parties on which the Group depends in conducting its Asset Management activity could have a material adverse effect on its reputation or its business, which could negatively impact its assets, revenues and results.

Tikehau Capital is dependent on a number of providers that assist 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 such provider to perform such services, including as a result of financial difficulties, or any negligence or errors committed by such parties in the performance of their services, 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, revenues and its results.

In addition, funds and mandates managed by the Group's asset management companies involve numerous other professional counterparties (for example, brokers, commercial and investment banks, clearinghouses or institutional clients). Any failure in performance by these counterparties of their obligations would expose the relevant funds managed by Tikehau Capital to credit risk. Such counterparties may be impacted by unexpected changes in the financial markets or otherwise, which might hinder their ability to perform their obligations, or they may face other circumstances making them unable to meet their engagements. Such a failure or difficulty could negatively affect the assets held by Tikehau Capital, the funds it manages and their performance, which could lead to dissatisfaction on the part of Tikehau Capital's clients and have a material adverse impact on its assets, revenues and results.

To the knowledge of the Company, those risks to image, reputation or service quality did not materialize in a significant way during the 2018 financial year.

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.

Tikehau Capital cannot guarantee that the controls, procedures, policies and systems that it has established will identify and successfully manage all 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 by the Group, or otherwise commit fraud or act contrary to the policies and procedures set up by Tikehau Capital, in addition to any legal or applicable regulations, particularly in relation to money laundering, corruption, or sanctions. Any violation or circumvention of such checks, policies, procedures, laws or regulations, as well as any fraud committed or conflicts of interest, real or perceived, could have a material adverse effect on the Group's reputation, result in regulatory investigations and lead to regulatory penalties, criminal sanctions or financial losses.

A failure of Tikehau Capital's operating or technology infrastructure, including business continuity plans, could disrupt operations and damage its reputation.

The infrastructure of Tikehau Capital (including its technology, databases and offices) is vital to the competitiveness of its business. The inability of Tikehau Capital to maintain infrastructure appropriate with the size and geographic presence of its activities, a loss of business or the occurrence of events beyond its control (such as an earthquake, hurricane, fire, act of terrorism, pandemic or other disaster occurring in a geographic area where Tikehau Capital has a strong presence), could substantially negatively impact its operations, disrupt its business or inhibit its growth. If such a disruptive event were to occur, Tikehau Capital's ability to conduct its operations could be adversely affected, causing a drop in its assets, its revenues and its results, or could affect Tikehau Capital's ability to comply with its regulatory obligations, which could damage its reputation and subject it to the risk of 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 or produce reliable financial or other reporting, expose it to claims from its clients, or affect its reputation, any of which could have a material adverse effect on its business, financial condition or results.

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 to protect its computer and telecommunication systems, as well as the data that they process or store. An incident affecting information security, generated by an external event such as an act of piracy, virus, worm or an internal failure (*e.g.*, failure to control access to sensitive systems), might substantially affect Tikehau Capital's business or lead to the disclosure or alteration of competitive, sensitive and confidential information. The occurrence of such events could result in substantial financial losses, a loss of competitive position, regulatory penalties, breach of client contracts, discredit to the reputation of Tikehau Capital or liabilities, which could in turn negatively impact its assets, its revenues and results.

External intrusion tests are regularly carried out to check the robustness of the system and the Group's information systems are frequently subjected to attempted intrusions which have so far been thwarted by the procedures in place, without any negative consequences for Tikehau Capital.

3.1.5 Risks relating 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 the Tikehau Capital Asset Management segment depends largely on the talent and efforts of its highly skilled workforce and its ability to contribute to its employees' development in order to support the growth of this business in the long term. Portfolio managers, financial analysts, product specialists, sales personnel and other professionals at the Group operate in a highly competitive labor market. The ability of Tikehau Capital to attract and retain excellent employees depends on the Group's reputation, the remuneration and benefits granted to its employees, and its commitment to ensuring the renewal of management positions, particularly by contributing to the development and training of qualified people. There is no guarantee that Tikehau Capital will be successful in 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 recruit, motivate and retain high-quality employees, its competitive strengths and its ability to retain its clients could be negatively 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, the members of which have extensive knowledge of the Group's sector, its challenges and the Group's investor clients, and who since the Group's creation have played and will continue to play a key role in its growth and continued business development. The retention mechanisms in force to retain key employees, such as participation in the performance-based incentive schemes provided by the vehicles managed by the Group, may not be sufficient to ensure the retention or motivation of its executive and management team given the competitive nature of recruiting in the Group's sector. The Group may also become dependent on the retention and motivation of key personnel. In particular, the loss of a key member of the Group's executive and management team, especially if an adequate replacement is not found in a timely manner or at all, could have a material adverse effect on its reputation, its business, operating profit and financial position.

Tikehau Capital relies on key individuals to manage the funds during their investment periods. Many of its funds include provisions that provide that the departure (or reduction in substantial involvement with the fund) of more than a specified limited number of identified key persons connected with such fund or the Group within a given period results in a suspension of new investments by the funds until a suitable replacement has been found and required approvals have been obtained. In some funds, the departure of more than a specified number of key persons may also give rise to the replacement of the manager of the fund. Certain personnel are named as key persons under such clauses for multiple funds. As a result, the departure of certain key persons from the Group or their inability to devote time to managing the affected funds could result in the temporary or permanent termination of new investments by such funds. Any interruption to the investment periods of its funds could have a material adverse effect on the Group's reputation, growth in the Group's assets under management, the fees earned by the Group for managing such funds or the ability of the managed funds to achieve their investment objectives.

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

Tikehau Capital is exposed to risks from volatility in markets for listed securities.

Tikehau Capital's business activity exposes the Group to risks from volatility in markets for listed securities, which may affect the fair value of its listed securities. Listed securities held by Tikehau Capital (including listed securities in both the current and non-current investment portfolios) represented approximately €753.6 million as of 31 December 2018 of which €638.3 million were listed shares, €10.4 million were listed bonds and €104.9 million were investments in the Tikehau Capital Liquid Strategies funds. As of 31 March 2019, listed securities in the current and non-current investment portfolio represented €950.3 million, of which €825.7 million were listed shares, €12.4 million were listed bonds and €112.2 million were investments in the Tikehau Capital Liquid Strategies funds. Tikehau Capital's portfolio of listed securities is continuously monitored to manage equity market risk.

Tikehau Capital may be negatively affected by adverse changes in the market price of its listed security investments. A decline in securities prices over a given period, especially at the end of the financial year, would be reflected in the financial statements as a decrease in the net value of the portfolio and consolidated shareholders' equity and could negatively impact, in particular, the ability of the Group to pay dividends. Declining market prices could also adversely affect the value of fee paying assets under management and the related management fees based on the amount of assets under management and potentially performance fees.

A 10% decline in the fair value of listed assets as of 31 December 2018 would have resulted in an additional charge of €63.9 million to the Group's consolidated pre-tax earnings as of 31 December 2018. A decrease in quoted prices is also likely to impact the earnings realized at the time of any sales of the relevant securities by the Company into the market.

Furthermore, fluctuations in the equity markets may have an impact on the stock market comparables used as part of the multi-criteria valuation approach that the Group uses for non-listed equity securities. These fluctuations are likely to have a negative effect on the Group's consolidated shareholders' equity and on its results, without the Group being able to establish an accurate correlation between the occurrence of these fluctuations and the valuation of the securities in which it invests, as a result of which the Group's sensitivity to this risk cannot be quantified. Finally, depending on the amount of credit that it has drawn down under certain financing agreements, and depending on the magnitude of any possible price decreases impacting assets used as collateral for such financing, Tikehau Capital may have to make temporary payments or contributions of liquid assets as collateral in order to support such financing agreements (though there was no such requirement as of the date of this Universal Registration Document).

Tikehau Capital may also be affected by changes in the value of its non-listed assets[10],which amounted to a total of €1,298.7 million as of 31 December 2018.

The Company last performed sensitivity analysis on the non-listed assets in its investment portfolio as at 31 December 2018 (using 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 analysis on non-listed shares was performed on the basis of the income or EBITDA multiples used to value the corresponding assets as of 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 considered representative, since the relevant

10 *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.*

asset was of a fixed nature or in a phase of rapid change. The sensitivity test thus covered 87% (by value) of the investments in non-listed shares in the Group's portfolio as of 31 December 2018. The sensitivity to an increase or decrease of 10% in the multiples of revenues or EBITDA of non-listed companies amounted to €36.6 million as of that date.

Tikehau Capital is exposed to interest rate risk and credit risk on investments in funds managed by Tikehau Capital or on its fixed interest investments.

Tikehau's investments are exposed to interest rate risk and credit risk. For its investments in Liquid Strategies, an increase or decrease of 10% in the net asset value of funds in this business line would have an impact of €10.5 million impact on the value of such investments as of 31 December 2018.

For its investments in Private Debt, a change in interest rates of 100 basis points would have an impact of €5.6 million on the value of such investments as of 31 December 2018.

For its investments in Real Estate, a drop in the value of non-listed Real Estate assets of 20% in France, 14.1% in Italy, 19.1% in Germany, 26.9% in Belgium, 15.1% in the Netherlands (with such shocks based on scenarios defined by the European Banking Authority and the European Council on Systemic Risk, and used to calculate resistance tests on the European Union level in 2018 for commercial Real Estate, published on January 16, 2018), would have an impact of €47.9 million on the value of such investments.

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 an upward or downward impact, respectively, in its portfolio value of €4.7 million, given the average duration recorded for this portfolio (4.5 years).

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.

Tikehau Capital's exposure to currency risk relates to its investments in foreign currencies. As of December 31, 2018, Tikehau Capital was exposed to currency risk principally on the U.S. dollar, Canadian dollar, Singapore dollar and British pound sterling, as well as, to a lesser extent, the Australian dollar and the Polish zloty. As of the date of this Universal Registration Document, Tikehau Capital has no currency hedges in place.

The table below shows the impact on earnings of a change of 10% in these currencies against the euro on the basis of the consolidated financial statements as of 31 December 2018:

(in millions of euros)	**10% depreciation In the currency**	**10% appreciation In the currency**
British pound sterling	-10.7	+13.1
U.S. 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 may be exposed to interest rate risk and currency risk on its bank debt.

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

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

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

Bank debt in foreign currencies are revalued at each closing date at the closing conversion rate. As of 31 December 2018, the Company was not currently exposed to currency risk on its bank debt but may become exposed to such currency risk in the future.

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.

Tikehau Capital's indebtedness (including the maturity of its debt) as of 31 December 2018 is described 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 the 2018 Registration Document.

The Company has conducted a specific review of its consolidated liquidity risk. In view of its debt position and available cash as of the date of this Universal Registration Document, Tikehau Capital expects to be able to meet future payment dates and is in compliance with the covenants governing its indebtedness. However, if the Group were to maintain too high a level of cash on the its balance sheet, especially in an environment of low interest rates, this could cause the performance and future earnings of the Group to be lower than they might otherwise be as a result of under-utilization of its cash resources.

With respect to the funds managed by Tikehau Capital, the Group's policy is generally to limit the use of debt on investment operations, although certain of its real estate funds and certain of its private equity funds contemplate the use of leverage. When the funds managed by the Group have recourse to leverage for their investments, the relevant financing banks generally have a priority right to distribution of the income and assets for the relevant investments, which may 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' position (including the position of the Group, to the extent it makes direct investments in such funds) may be adversely affected by the existence of financing and the lending banks' priority rights to receive income and assets from the relevant funds. More generally, the Group's leveraged funds' ability to secure the financing contemplated by their investment strategies depends on credit being available from financing institutions on acceptable terms. A significant market decline or liquidity constraints could result in increased borrowing costs beyond acceptable thresholds and/or a loss of financing sources, as a result of which the Group's leveraged funds could be unable to contract the debt required to carry out planned investments on acceptable terms. This, in turn, could have a material adverse impact on their ability to implement their investment strategy, on their assets under management or the Group's asset management revenues earned from managing such funds.

Lastly, open-ended funds managed by Tikehau Capital, that is, those from which investors can request the withdrawal of part or all of their investment at any time, could be subject to significant or even mass withdrawal requests from investors and the fund might be unable to honor them. In that event, the Group may be faced with significant liquidity pressure and, potentially, investor claims, which could have a material adverse effect on its liquidity position, operations and results of the Group.

Tikehau Capital is exposed to counterparty risk.

Tikehau Capital is subject to counterparty risk related to its cash investments and transactions in marketable securities. 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)) for further information.

If the Group's counterparties in such transactions were to default or enter into insolvency proceedings, the Group would have to unwind such transactions and seek out other counterparties in order to enter into other transactions, or may result in defaults that could lead to the loss of certain assets. There can be no assurance that the Group would be able to enter into replacement transactions on the same terms or at all or mitigate such losses, which may have a negative impact on its business, financial position and results.

Demand from Tikehau Capital clients depends on factors beyond its control and that affect the asset management market generally.

Several factors beyond the control of Tikehau Capital could significantly impact client demand for its Asset Management segment's investment vehicles. Unfavorable market conditions may limit net new money through a 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. The risks in this regard include those related to:

- the macroeconomic environment in general, or more specifically in the countries in which Tikehau Capital markets its products, which may affect investor appetite;
- the performance of markets for listed securities, in particular in countries where Tikehau Capital sells its products, which are likely to impact demand from Tikehau Capital clients and the amounts of their investments in existing or new strategies;
- the level of interest rates and the performance delivered by products that compete with those of Tikehau Capital in the countries in which Tikehau Capital operates;
- tax arrangements that favor competing products, and any change or proposed change to existing tax arrangements favorable to Tikehau Capital products; and
- any regulatory changes impacting the financial markets and asset managers, and in particular any regulatory requirement making Tikehau Capital products less attractive, as well as regulatory changes that impact the ability of market participants to invest in Tikehau Capital products.

If demand by Tikehau Capital client-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 applicable regulations and tax frameworks. In addition, new attractive asset classes could emerge, some of which may not already be part of the Tikehau Capital product offering. 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 negatively impacting its results.

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. This competition is based on a number of key factors, including returns generated by investments, fees charged, quality and diversity of products and services, reputation and brand-recognition, 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 and a broad choice of investments is available to the institutional investors which is the clientele mainly targeted by Tikehau Capital. Such institutional clients generally use tendering processes. Unless it succeeds in providing differentiating services as part of its offer, Tikehau Capital could be forced to reduce its fee rates to address competitive pressures, avoid loss of clients and/or launch new funds and strategies, which would lead to a decrease in its assets under management, revenues and results. 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.), and investors may prefer these other investments to those provided by Tikehau Capital, adversely impacting its ability to raise funds for its investments and its performance and results.

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 investor clients through the development of new products and services, which may itself entail 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 investor clients. The development and introduction of new products and services on the market require continuous efforts in innovation, as well as investments of time and significant resources. The introduction of new products and services is risky and subject to 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 results 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 less favorable terms.

Tikehau Capital usually obtains management mandates for dedicated funds as a result of tendering processes. Despite the significant time and resources devoted to the preparation of these tenders, unless attractive terms are offered by the Group, Tikehau Capital could fail to win new contracts. Furthermore, Tikehau Capital may fail to retain existing contracts if it does not meet certain requirements of, or objectives set out in, such contracts. To address competitive pressures, 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, negatively impacting revenues and margins. Otherwise, Tikehau Capital could lose its clients to competitors, resulting in a reduction in assets under management and associated revenues and a negative impact on its results.

In Liquid Strategies, Tikehau Capital's investor clients may request withdrawal of their assets from its funds at any time.

Management fees accounted for 95% of the revenue generated by Tikehau Capital's Asset Management segment in 2018 (amounting to €71.7 million); these fees are primarily calculated based on fee-paying assets under management. A significant number of the funds managed by Tikehau Capital (approximately €3.3 billion, *i.e.*, 15% of Tikehau Capital's assets under management as of 31 December 2018) are open-ended, *i.e.*, they are funds which investors may seek to exit by requesting the redemption of all their shares at any time. 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 relevant reporting), the pace of requests for redemption or withdrawals from the funds could accelerate. These withdrawals and redemptions would have an immediate negative impact on the Group's assets under management, revenue and results.

Decisions by Tikehau Capital as to whether to give financial support to certain funds could expose it to significant losses.

Although it has no legal or regulatory obligation to compensate losses suffered by its funds, Tikehau Capital could decide on a voluntary basis to provide financial assistance to funds that suffer significant losses, particularly in order to ensure that its clients do not withdraw their assets quickly. 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 results.

Tikehau Capital may not be able to implement successful external growth transactions.

Although Tikehau Capital believes that organic development constitutes its main source of future growth, the Group envisages external growth transactions in order to strengthen its management platforms and expand its geographic presence and product offering. Tikehau Capital might, however, not be able to identify attractive targets or complete transactions in a timely manner and/or under satisfactory terms. Moreover, Tikehau Capital might not be able, particularly in the context of 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 authorizations 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 realized, particularly as regards synergies, projected savings and movements in the markets concerned; (ii) the Group may fail to successfully integrate the companies acquired, their technologies, their areas of expertise or their employees; (iii) the Group 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's net new money; (v) Tikehau Capital could increase its debt to finance acquisitions or pay for acquisitions by issuing new shares; (vi) target companies' systems and tracking of assets under management or their management of their assets and internal reporting may not always be consistent with those of the Group; and (vii) Tikehau Capital may make acquisitions at the wrong time in the relevant market. The expected benefits from future or completed acquisitions may not materialize in the timeframe and at levels expected, or at all, 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, in particular the resources of its balance sheet. 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 achieve these goals, and once Tikehau Capital has invested its available resources, there is no guarantee that Tikehau Capital will be able to find or draw on new and attractive sources of capital or debt financing (due, for instance, to reduced 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 ability to adjust portfolio investments strategically may be required to make the necessary resources available. However, it is possible that Tikehau Capital may not be able to successfully optimize its portfolio, which by nature depends on events beyond its control (for instance, opportunities to sell on favorable terms or the maturity date of the relevant 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 organization of Tikehau Capital

The Company's main shareholder (Tikehau Capital Advisors) controls the Company due to the Group's legal structure, and any person seeking to take control of the Company may not, in practice, do so 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, pursuant to legal provisions and the Company's Articles of Association, the agreement of Tikehau Capital General Partner, a company 100% owned by Tikehau Capital Advisors, acting as general partner. Such agreement 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.

As a result of the foregoing, any shareholder who is able to take control of the Company's share capital and attached voting rights and who seeks to amend the Company's Articles of Association, appoint one or more new Managers or terminate the office of Manager of Tikehau Capital General Partner will not have the practical ability to do so without the agreement of Tikehau Capital Advisors.

These provisions are therefore likely to prevent the change of control of the Company without the agreement of Tikehau Capital Advisors. The shareholders' equity of Tikehau Capital Advisors is held among certain managers and founders of Tikehau Capital, who together hold 65.7 % of the share capital and voting rights of Tikehau Capital Advisors and a group of institutional investors, Crédit Mutuel Arkéa, FFP, MACSF, Temasek and North Haven Tactical Value (an investment vehicle managed by Morgan Stanley Investment Management), which together hold the remaining 34.3%.

The Manager of the Company has extremely broad powers.

The Company is managed by a sole Manager, Tikehau Capital General Partner, which is 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 legislation applicable to partnerships limited by shares and the Company's Articles of Association that removal of the Manager can be decided on only 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 desire of the limited partners of the Company (even if by a wide majority) to terminate Tikehau Capital General Partner's role as Manager will require an application to the courts for such dismissal. Given these conditions, there can be no assurance for the shareholders that they will be able 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. While the Supervisory Board and its Committees exercise control of the management of the Company and, in this framework, may ensure that the Manager does not exercise its management authority abusively (within the limits of their duties of supervision), they may under no circumstances control the Manager's actions nor remove the Manager. In addition, the limited partners (that is, the holders of securities subscribed for, including in connection with the Global Offering, or acquired on the market) will be unable to institute effective checks and balances against the Manager) though, in the event that a fault of the Manager could be claimed, one or more limited partners could take action *ut singuli*, *i.e.*, on behalf of the Company against the Manager).

As a result of the foregoing, shareholders in the Company will be limited in their ability to influence actions of the Company and may not be able to effectively counteract any decisions or strategies of the Company undertaken by the Manager with which they disagree.

5. HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2019

5.1. 2019 CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

1. Consolidated balance sheet

Assets *(in thousands of €)*	***Notes***	**30 June 2019**	**31 December 2018**
NON-CURRENT ASSETS			
Tangible and intangible assets	5.6	521,953	468,136
Non-current investment portfolio	5.7	2,330,919	1,972,809
Investments in equity affiliates	5.8	8,696	7,236
Deferred tax assets	5.14	12	28,431
Other non-current assets		3,079	2,248
Total non-current assets		**2,864,660**	**2,478,859**
CURRENT ASSETS			
Trade receivables and related accounts	5.9	41,434	36,600
Other receivables and financial assets	5.9	64,783	57,523
Current investment portfolio	5.10	115,742	110,483
Cash management and financial assets	5.11	17,875	26,852
Cash and cash equivalents	5.11	890,631	436,347
Total current assets		**1,130,464**	**667,804**
TOTAL ASSETS		**3,995,124**	**3,146,663**

Liabilities *(in thousands of €)*	***Notes***	**30 June 2019**	**31 December 2018**
Share capital	5.12	1,631,731	1,241,731
Premiums		1,167,014	849,338
Reserves and retained earnings		168,985	290,600
Net result for the period		97,196	(107,362)
Shareholders' equity - Group share		3,064,925	2,274,307
Non-controlling interests	5.17	1,301	766
Shareholders' equity	3.	**3,066,226**	**2,275,073**
NON-CURRENT LIABILITIES			
Non-current provisions		847	1,080
Non-current borrowings and financial debt	5.13	698,902	794,162
Deferred tax liabilities	5.14	16,666	6,077
Non-current financial derivatives	5.15	15,374	5,399
Other non-current liabilities		16,682	65
Total non-current liabilities		**748,470**	**806,783**
CURRENT LIABILITIES			
Current borrowings and financial debt	5.13	103,207	1,698
Trade payables and related accounts	5.9	18,449	16,695
Tax and social security payables		29,780	25,089
Other current liabilities	5.9	28,993	21,325
Total current liabilities		**180,428**	**64,806**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3,995,124**	**3,146,663**

2. Consolidated income statement

(in thousands of €)	*Notes*	H1 2019 (6 months)	H1 2018 (6 months)
Net revenues from Asset Management activities	5.18	**75,947**	**35,766**
Change in fair value of the non-current investment portfolio		103,033	(70,725)
Change in fair value of the current portfolio		5,662	(1,093)
Change in fair value	5.19	**108,695**	**(71,818)**
Other non-current portfolio revenues		48,980	35,708
Other current portfolio revenues		31	100
Other portfolio revenues	5.20	**49,011**	**35,808**
Revenues from investment activities		**157,705**	**(36,010)**
Purchases and external expenses		(48,954)	(43,473)
Personnel expenses		(40,620)	(19,845)
Other net operating expenses		(6,440)	(2,830)
Operating expenses	5.21	**(96,014)**	**(66,148)**
Net operating profit from Asset Management and investment activities before share of net results from equity affiliates		**137,638**	**(66,392)**
Share of net results from equity affiliates		(783)	539
Net operating profit from asset and investment management activities after share of net results from equity affiliates		**136,856**	**(65,853)**
Net income on cash equivalents	5.22	293	(114)
Financial expenses	5.23	(22,270)	(12,508)
Financial result		**(21,977)**	**(12,622)**
Result before tax		**114,879**	**(78,475)**
Corporate income tax	5.14	(17,627)	(2,249)
Net result		**97,252**	**(80,725)**
Non-controlling interests	5.17	56	649
Net result - Group share		**97,196**	**(81,374)**
Earnings per share *(in €)*			
Weighted average number of outstanding ordinary shares		104,016,273	103,138,591
Earnings per share *(in €)*		€0.93	€(0.79)
Weighted average number of shares after dilution	5.12	106,745,643	105,499,935
Diluted earnings per share *(in €)*		€0.91	€(0.77)

Consolidated statement of comprehensive income

(in thousands of €)	*Notes*	H1 2019 (6 months)	H1 2018 (6 months)
Net result		**97,252**	**(80,725)**
Currency translation adjustment(1)		(6)	1,443
Related taxes		-	-
Consolidated comprehensive income		**97,245**	**(79,281)**
Of which non-controlling interests		56	649
Of which Group share		97,190	(79,931)

(1) Item that can be recycled through the income statement.

3. Change in consolidated shareholders' equity

(in thousands of €)	Capital Social	Premiums	Group reserves	Own shares	Translation differences	Net result for the period	Shareholders' equity Group	Non-controlling interests	Consolidated shareholders' equity
Situation as at 31 December 2017	**1,233,597**	**840,567**	**113,369**	**(1,025)**	**(1,422)**	**314,383**	**2,499,468**	**30,200**	**2,529,668**
Appropriation of net result	-	-	177,277	-	-	(314,383)	(137,106)	-	(137,106)
Capital increase of 8 January 2018	4,158	3,466	-	-	-	-	7,623	-	7,623
Share-based payment (IFRS 2)	-	-	3,382	-	-	-	3,382	40	3,422
Purchase of non-controlling interests	-	-	363	-	-	-	363	(10,909)	(10,546)
Other changes in reserves	-	-	(1,451)	233	1,443	-	225	(40)	184
Net result for the period	-	-	-	-	-	(81,374)	(81,374)	649	(80,725)
Situation as at 30 June 2018	**1,237,755**	**844,033**	**292,940**	**(792)**	**21**	**(81,374)**	**2,292,584**	**19,940**	**2,312,524**
Appropriation of net result	-	-	-	-	-	-	-	(69)	(69)
Capital increase of 17 December 2018	2,937	3,881	-	-	-	-	6,818	-	6,818
Capital increase of 19 December 2018	1,040	1,366	-	-	-	-	2,406	-	2,406
Share-based payment (IFRS 2)	-	-	3,953	-	-	-	3,953	(31)	3,922
Purchase of non-controlling interests	-	-	(4,203)	-	-	-	(4,203)	(18,489)	(22,692)
Other changes in reserves	-	58	(860)	(374)	(85)	-	(1,261)	69	(1,192)
Net result for the period	-	-	-	-	-	(25,988)	(25,988)	(655)	(26,643)
Situation as at 31 December 2018	**1,241,731**	**849,338**	**291,830**	**(1,166)**	**(64)**	**(107,362)**	**2,274,307**	**766**	**2,275,073**
Appropriation of net result	-	-	(133,220)	-	-	107,362	(25,858)	(50)	(25,908)
Capital increase of 27 June 2019(1)	390,000	317,676	-	-	-	-	707,676	-	707,676
Share-based payment (IFRS 2)	-	-	4,881	-	-	-	4,881	17	4,899
Other changes in reserves(2)	-	-	6,603	127	(6)	-	6,723	511	7,235
Net result for the period	-	-	-	-	-	97,196	97,196	56	97,252
SITUATION AS AT 30 JUNE 2019	**1,631,731**	**1,167,014**	**170,095**	**(1,039)**	**(71)**	**97,196**	**3,064,925**	**1,301**	**3,066,226**

(1) Tikehau Capital carried out a capital increase of €715 million at a price of €22 per share, through the creation of 32.5 million new shares. Costs related to the capital increase were deducted from the share premium for €7.3 million.

(2) Various transactions related to IREIT Global Group share capital had an impact on the "Group reserves" amounted to €8.6 million (see Note 5.3.c "Change in scope of consolidation").

4. Consolidated cash flow statement

(in thousands of €)	Notes	H1 2019 (6 months)	H1 2018 (6 months)	2018 (12 months)
Revenues from Asset Management activities		**75,280**	**34,012**	**67,747**
Non-current investment portfolio		**(216,576)**	**(414,717)**	**(503,983)**
Acquisitions	5.7	(322,631)	(472,595)	(778,029)
Disposals		70,821	23,477	213,785
Income		35,235	32,963	60,261
• Dividends		17,217	12,759	21,068
• Interests		6,729	5,318	12,266
• Other revenues		11,289	14,886	26,926
Impact of changes in scope		-	1,437	-
Current investment portfolio		**1,731**	**(692)**	**(801)**
Acquisitions	5.10	-	(1,118)	(1,108)
Disposals		1,709	163	1
Income		22	263	306
• Dividends		-	-	-
• Interests		22	263	306
• Other revenues		-	-	-
Other investments/divestments in consolidated companies[1]		**2,825**	**-**	**(182,921)**
Debts, portfolio receivables and financial assets in the portfolio	5.9	**(15,304)**	**190,923**	**156,387**
Net income/expenses on cash equivalents		**(551)**	**642**	**(2,993)**
Operating expenses and change in working capital requirement		**(80,727)**	**(100,625)**	**(130,499)**
Tax	5.14	**2,940**	**(5,053)**	**(2,470)**
Net cash flows from operating activities		**(230,380)**	**(295,508)**	**(599,534)**
Capital increases in cash		**707,676**	**-**	**-**
Dividends paid		**(25,908)**	**(137,139)**	**(137,279)**
Borrowings	5.13	**(6,373)**	**(3,229)**	**224,860**
Bank overdrafts		**104**	**(42)**	**(73)**
Cash management and financial assets		188	(281)	40,000
Other financial flows		8,977	50,000	(205)
Net cash flows from financing activities		**684,664**	**(90,690)**	**127,304**
Change in cash-flow		**454,284**	**(386,198)**	**(472,230)**
Cash and cash equivalents at the beginning of the period		436,347	908,577	908,577
Cash-flow at the end of the period		890,631	522,378	436,347
Change in cash-flow		454,284	(386,198)	(472,230)

(1) For the first half of 2019, cash flow mainly corresponds to the takeover of Homming and Homunity for an amount of €(3.6) million net of cash acquired of €0.4 million, to the exercise of the put option on the Sofidy shares for an amount of €(3.0) million, and to the acquisition and disposal of IREIT Global Group shares for a net amount of €8.3 million. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS PREPARED UNDER IFRS

5.1. Entity presenting the consolidated financial statements

Tikehau Capital SCA ("Tikehau Capital" or the "Company") 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 the parent company of 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".

5.2. Basis of preparation

a) Accounting standards and Declaration of compliance

The condensed half-year consolidated financial statements of Tikehau Capital as at 30 June 2019 have been prepared in accordance with IAS 34 "Interim Financial Reporting". Being condensed financial statements, they do not include all the information required by IFRS and should therefore be read in conjunction with Tikehau Capital's annual consolidated financial statements prepared in accordance with IFRS as adopted by the European Union for the financial year ended 31 December 2018.

The accounting principles used for the preparation of consolidated financial statements are in accordance with IFRS standards and interpretations as adopted by the European Union as at 30 June 2019 and are available on the following website:
http://ec.europa.eu/finance/company-reporting/standardsinterpretations/index_en.htm.

The standards and interpretations are identical to those used in the preparation of the annual consolidated financial statements for the financial year ended 31 December 2018 and described in the notes to the consolidated financial statements for the financial year ended 31 December 2018, with the exception of:

- the standards, amendments and interpretations applicable from 1 January 2019;
- special features applicable to the preparation of interim financial statements (see Note 5.2.g "Special features applicable to the preparation of interim financial statements").

New standards, amendments and interpretations applicable from 1 January 2019

- IFRS 16 "Leases" for accounting periods beginning on or after 1 January 2019. This standard replaces IAS 17. Application of the standard has not had a significant impact (see Note 5.2.b "Changes in main accounting methods").

- Amendment to IAS 19 "Employee Benefits: plan amendment, curtailment or settlement". Application of this amendment has not had a significant impact.
- Amendment to IAS 28 "Investments in Associates and Joint Ventures". Application of this amendment has not had a significant impact.
- Amendment to IFRS 9 "Prepayment features with negative compensation". Application of this amendment has not had a significant impact.
- Interpretation IFRIC 23 "Uncertainty over Income Tax Treatments" for accounting periods beginning on or after 1 January 2019. IFRIC 23 clarifies the application of the provisions of IAS 12 "Income Taxes" for accounting and measurement, when there is uncertainty over income tax treatments. Furthermore, as part of the initial application of IFRIC 23, this change in method resulted in the recognition of an additional liability of €1.7 million at 1 January 2019, with a corresponding entry in shareholders' equity.

Standards published by the IASB and adopted by the European Union as at 30 June 2019

The Group has applied no standard and/or interpretation that could concern it and for which application is not mandatory as at 1 January 2019.

b) Changes in main accounting methods

Except as describe below, the accounting principles applied are identical to those applied in the preparation of the annual consolidated financial statements for the financial year ended 31 December 2018 and described in the notes to the consolidated financial statements for the financial year ended 31 December 2018.

The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2019.

The Group applied IFRS 16 "Leases" from 1 January 2019. A number of other new standards are effective from 1 January 2019 but they do not have a material effect on the Group's financial statement.

The Group has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 has not been restated and is therefore presented, as it was previously, in accordance with the principles of IAS 17 and its interpretations. The details of the changes in accounting policies are disclosed below.

Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 "Determining whether an Arrangement Contains a Lease". The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

As a lessee

The Group leases mainly Real Estate assets. As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. In accordance with IFRS 16, the Group records a "right-of-use" asset and a lease liability for most of its leases and these are now presented on the balance sheet.

However, the Group has elected not to recognise “right-of-use” assets and lease liabilities for some leases of low-value assets (e.g. IT equipment). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. Short-term leases (<12 months) are recognised in lease expenses as operating leases.

The Group presents the "right-of-use" asset on the same line as underlying assets of the same nature that it owns.

(in thousands of €)	**Buildings and Real Estate**
Balance as at 1 January 2019	21,972
Balance as at 30 June 2019	**20,529**

The Group presents lease liabilities under the items "Other non-current liabilities" and "Other current liabilities" on the balance sheet.

(i) Main accounting principles

The Group recognises a "right-of-use" asset and a lease liability at the lease commencement date. The "right-of-use" asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group’s incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. This rate corresponds to the bond interest rate issued by the Group in November 2017, adjusted for the different maturities of the leases.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and “right-of-use” assets recognised.

(ii) Transition

Previously, the Group classified its Real Estate leases as operating leases under IAS 17. Some leases include an option to renew the lease after the end of the non-cancellable period and provide for additional rent payments that are based on changes in local price indices.

At transition, for leases classified as operating leases under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group’s incremental borrowing rate as at 1 January 2019. "Right-of-use" assets are measured at an amount equal to that of the lease liability.

The Group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- Applied the exemption not to recognise “right-of-use” assets and liabilities for leases with less than 12 months of lease term;

- Excluded initial direct costs from measuring the “right-of-use” asset at the date of initial application;
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

As a lessor

The Group sub-lets some of its property to its subsidiaries. The application of IFRS 16 to its intra-group sub-leases has had no impact.

Impacts on the financial statements

As a result of initially applying IFRS 16, in relation to the leases that were previously classified as operating leases, the Group recognised €20.5 million of "right-of-use" assets as at 30 June 2019 (€22.0 million of assets as at 1 January 2019) and €20.8 million of lease liabilities as at 30 June 2019 (€22.0 million of assets as at 1 January 2019).

Also in relation to those leases under IFRS 16, the Group has recognised depreciation costs and interest costs, instead of operating lease expenses. During the six months ended 30 June 2019, the Group recognised depreciation charges of €2.4 million and interest costs of €0.4 million from these leases. No depreciation is recognised for the “right-of-use” asset that meets the definition of investment property.

See Note 5.6 "Segment information" for details on the impact of IFRS 16 on the information relating to the operating segments.

c) Bases 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 thousand 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 identical to those presented in the annual financial statements. 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.

d) Accounting and reporting 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”.

e) 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.

f) Use of estimates and judgements

The preparation of the consolidated financial statements requires that assumptions and estimates that affect the reported amounts of assets and liabilities on the balance sheet and the reported amounts of revenues and expenses for the year be taken into consideration. The 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. 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.

g) Special features applicable to the preparation of interim financial statements

Revenues from investment activities, net operating profit from investment activity and net operating profit from asset management activity, all operating indicators are characterised by a certain degree of seasonality (the dividend payment period in particular), the extent of which may vary. Accordingly, interim results as at 30 June 2019 and as at 30 June 2018 are not necessarily indicative of those that can be expected for the year ended 2019 or 2018 financial years.

Meanwhile, the tax expenses for the period (both payable and deferred) are determined on the basis of the tax situation of Group companies as at 30 June 2019 and 30 June 2018. This principle is used, given the nature of the Company's business, which makes it complex to estimate a normative tax expense, due to the difficulty in anticipating changes in fair value.

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 fall therefore within 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 estimated on the basis of the fair value through profit or loss option.
Furthermore, for structured entities or *ad hoc* entities as defined by IFRS 10, the 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

During the first half of 2019, the change in scope of consolidation and percentage of ownership, compared with the consolidated financial statements as at 31 December 2018 were as follows (see Note 5.3.c "Change in scope of consolidation"):

Fully-consolidated subsidiaries

			% of interest	
Fully-consolidated entities	**Form**	**Address**	**30 June 2019**	**31 Dec. 2018**
IREIT Global Group (TIM APAC's subsidiary with 50.5% of voting rights)	Pte. Ltd	8 Marina View #15-07A – Asia Square Tower 1 Singapore 018960, Singapore	50.0%	84.5%
Tikehau Investment Management Japan (wholly-owned TIM subsidiary)	K.K.	PMC Bldg.,1-23-5 Higashi Azabu, Mina-to-ku, Tokyo, Japan	100.0%	n.a.
Homming (wholly-owned Credit.fr subsidiary)	SAS	42 rue du Faubourg Poissonnière 75010 Paris, France	95.9%	n.a.
Homunity (wholly-owned Homming subsidiary)	SAS	42 rue du Faubourg Poissonnière 75010 Paris, France	95.9%	n.a.
ACE Partners(1)	SAS	10-12 avenue Messine 75008 Paris, France	n.a.	100.0%

(1) Entity merged ("Transmission Universelle de Patrimoine") with Tikehau Capital on 27 June 2019.

Company consolidated using the equity method

Entities consolidated using the equity method	Form	Address	% of interest 30 June 2019	31 Dec. 2018
Neocredit.ch	AG	Wankdorffeldstrasse 64, 3014 Bern, Switzerland	50.0%	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

During the first half of the 2019 financial year, the changes in percentage of ownership compared with the consolidated financial statements prepared to 31 December 2018 were as follows:

Investment entities at fair value	Form	Address	% of interest 30 June 2019	31 Dec. 2018	Level of control
Heeuricap	SAS	32, rue de Monceau, 75008 Paris, France	100.0%	90.0%	Control
Cimes & Cie	SAS	32, rue de Monceau, 75008 Paris, France	100.0%	72.2%	Control
Selectirente[(1)] (subsidiary 52% owned by Tikehau Capital)	SA	303, Square des Champs Elysées, 91026 Evry, France	74.9%	22.98%	Significant influence
Zephyr Investissement	SAS	32, rue de Monceau, 75008 Paris, France	66.2%	53.3%	Control
Verona	SAS	3, boulevard Sébastopol 75001 Paris, France	24.3%	24.6%	Significant influence

(1) As at 30 June 2019, the entity is held directly by Tikehau Capital and indirectly through Sofidy and GSA Immobilier SA. As at 31 December 2018, the entity is held indirectly through Sofidy et GSA Immobilier SA.

Non-consolidated subsidiaries

During the first half of the 2019 financial year, the changes concerning non-consolidated companies compared with the consolidated financial statements as at 31 December 2018 were as follows:

Non-consolidated entities	Form	Address	% of interest 30 June 2019	31 Dec. 2018
Neocredit.ch[(1)]	SA	Wankdorffeldstrasse 64, 3014 Bern, Switzerland	n.a.	50.0%
Wemmo	SAS	42 rue du Faubourg Poissonnière 75010 Paris, France	100.0%	n.a.

(1) The Neocredit.ch joint venture was created on 19 December 2018. It began operations during the first half of 2019. As at 30 June 2019, this company is accounted for using the equity method.

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 SA ("Sofidy"), ACE Management SA ("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 control percentage 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.

Investments in the funds as at 30 June 2019	**Investing com-**	**Business**	**% holding**	
(in millions of euros)	**pany**	**line**	**30 June 2019**	**31 Dec. 2018**
Tikehau Brennus	TC	Private Debt	54%	54%
Tikehau Credit.fr	TC	Private Debt	41%	45%
TDL IV L	TC UK	Private Debt	21%	39%
TSL II	TC UK	Private Debt	21%	22%
TIRF I (I-Petali)	TC & TC UK	Real Estate	27%	26%
TLP I (Escoffier)	TC	Real Estate	15%	23%
TRE III feeder (Optimo 2)	TC UK	Real Estate	28%	29%
TRP II (Bercy 2)	TC	Real Estate	28%	28%
TREO	TC	Real Estate	43%	51%
Sofidy Pierre Europe	TC & Sofidy	Real Estate	36%	3%
TSO	TC UK	Private Equity	35%	35%
TIKEHAU SEQUOIA	TC	Private Equity	58%	58%
TGE II	TC	Private Equity	92%	92%
T2	TC & TIM	Private Equity	21%	21%
TIKEHAU GREEN I	TC & TIM	Private Equity	22%	78%
TIKEHAU WING	TC & TIM	Private Equity	40%	40%
Tikehau Fund of Funds	TC UK	Private Equity	91%	-
Brienne III	TC & ACE	Private Equity	50%	-

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 30 June 2019, no change occurred and has been made to the information presented in the annual financial statements for the 2018 financial year.

c) Change in scope of consolidation

The main changes to the scope of consolidation during the first half of 2019 were as follows:

Exercise of the call option on the Sofidy shares by the remaining shareholder

The exercise of the call option on the Sofidy minority shares enabled the purchase on 11 January 2019 of 488 shares for €3.0 million. This transaction had no impact on the percentage of holding as at 30 June 2019 due to the consideration of the call option as at 31 December 2018. Tikehau Capital holds 100.0% of the share capital of Sofidy at 30 June 2019.

Merger of ACE Partners

A merger ("*Transmission Universelle de Patrimoine*") of the company ACE Partners SAS to Tikehau Capital was completed on 27 June 2019. This merger had no impact on the percentage of holding of ACE Management as at

30 June 2019, nor on the control thereof. Following this transaction, Tikehau Capital holds 100% of the share capital of ACE Management.

IREIT Global Group
On 29 April 2019, TIM APAC purchased shares from the minority shareholders of IREIT Global Group (IGG), representing 15.48% of the share capital, i.e. 232,143 shares for an amount of 5 million Singapore dollars (SGD). Following this transaction, TIM APAC held 100% of the share capital of IGG.

On 29 April 2019 and following this minority buyout transaction, TIM APAC sold 49.50% of the share capital, i.e. 742,500 shares, for SGD 18 million. Following this transaction, TIM APAC held 50.50% of the share capital of IGG.

IREIT Global Group created 15,000 new shares without voting rights for an amount of SGD 0.4 million, not subscribed by TIM APAC. This transaction had no impact on TIM APAC's percentage of control.

Following these three transactions, the stake held by TIM APAC in IGG stands at 50.00% as at 30 June 2019. However, TIM APAC maintains control through the 50.50% of voting rights held as at 30 June 2019.

Homming and Homunity
In January 2019, Credit.fr acquired 100% of Homming SAS ("Homming") for €4 million, excluding earn-out clause payments. As a result of this transaction, it gained 100% control of Homunity SAS ("Homunity"). The latter is the leading Real Estate crowdfunding platform in France, enabling Credit.fr to strengthen its position in the crowdfunding sector, accelerate its growth and diversify its offering in the booming peer-to-peer loan market (see Note 5.3.d "Significant events during the period").

Creation of the Tikehau Investment Management Japan subsidiary
During the first half of 2019, the Company opened an office in Tokyo. This opening is part of the internationalisation strategy announced at the time of Tikehau Capital's IPO. The Group is seeking to develop its local economic presence and gain greater proximity to Japanese financial institutions which have a growing interest in the European private markets.

d) Significant events during the period

Takeover acquisition of Homming and Homunity
On 23 January 2019, Tikehau Capital announced the takeover of Homming and Homunity by the direct acquisition of 100% of Homming shares, the latter holding on the date of the transaction, 100% of Homunity.

Homunity is currently the leading Real Estate crowdfunding platform in France. The platform has seen significant growth in its activity, with €24 million invested in 2018. Homunity offers 19,000 individuals and businesses daily direct access to attractive returns in the Real Estate sector.

This acquisition notably enables Credit.fr to offer diversified investment opportunities to its borrowers in the Real Estate sector thanks to the expertise of Homunity and the complementarity between the two platforms, focused on the financing of the real economy. Through Credit.fr and Tikehau Capital, Homunity will accelerate its ability to raise money from individuals but also from institutional investors so as to continue to support Real Estate developers.

Homming and Homunity were retroactively consolidated with effect from 1 January 2019.

The table below presents the provisional fair value of each component of the consideration transferred at 1 January 2019:

(in thousands of €)	*Note*	**1 January 2019**
Cash and cash equivalents		4,098
Earn-out clause payment		2,845
FAIR VALUE OF CONSIDERATION TRANSFERRED AT THE ACQUISITION DATE		**7,943**

The following table presents the assets and liabilities identified as at 1 January 2019 before the allocation of the purchase price:

(in thousands of €)	*Note*	1 January 2019
Non-current assets		10
Current assets		669
Total identifiable assets		**679**
Non-current liabilities		-
Current liabilities		251
Total identifiable liabilities		**251**
TOTAL IDENTIFIABLE NET ASSETS AT THE ACQUISITION DATE		**428**

Fair value adjustments made after 1 January 2019 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 Homming and Homunity. Allocation of the purchase price is provisional and may be amended.

The acquisition of the new shares gave rise to the recognition of €7.5 million of provisional goodwill.

(in thousands of €)	*Note*	1 January 2019
Consideration transferred		7,943
Fair value of identified net assets		(428)
GOODWILL		**7,515**

Provisional goodwill represents the future economic benefits that Tikehau Capital expects to gain from the acquisition of Homming and Homunity.

Main transactions in the investment portfolio during the year

The main investments and divestments carried out by the Company during the first half of the 2019 financial year concern:

- main funds under management:

Private Debt fund Tikehau Direct Lending closes on €2.1 billion

On 12 February 2019, Tikehau IM, Asset Management subsidiary of Tikehau Capital, closed its fourth generation of Direct Lending funds 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.

As at 30 June 2019, the Group had invested around €25 million in the TDL IV fund out of a total commitment of €52 million.

- main portfolio listed assets:

Result of the 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[11] and the 45,255 Selectirente shares held by the company Sofidiane which had already been committed to the offer, totalling 1,094,590[12] shares representing 70.95% of the share capital and

[11] The concert composed of Tikehau Capital, Sofidy, GSA Immobilier, Sofidiane, Makemo Capital, AF&Co, and Mr Antoine Flamarion and Mr Christian Flamarion.

[12] This includes the 4,082 treasury shares held by Selectirente that will not be tendered in the offer.

voting rights, 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 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 OCEANE bonds.

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 settlement of the public tender offer on 12 April 2019, Tikehau Capital held 1,250,029 shares, equivalent to 81.0% of the share capital and voting rights of Selectirente including the holdings of the concert party with which Tikehau Capital is acting, and 128,579 Selectirente OCEANE bonds, 97.5% of those in circulation.

- main portfolio unlisted assets:

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 multiple on invested capital of 2.3x. 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.

Others highlights of the first half of 2019

Capital increase of Tikehau Capital for €715 million

On 25 June 2019, Tikehau Capital completed the capital increase in cash without shareholders' preferential subscription rights by way of a tender offer but with a priority subscription period granted to existing shareholders, for a final gross amount of €715 million, through the issuance of 32,500,000 new shares, representing 31.4% of Tikehau Capital's existing share capital. This capital increase showed the strong appetite of international investors for the model developed by Tikehau Capital and thus confirmed the Group's growing footprint on a global scale.

The income from the capital increase will be used to finance the next phase of the Company's development, in particular by (in order of priority):

- increasing its investments through its balance sheet in the Group's funds or co-investments with the Group's funds to create an alignment of interests between its balance sheet investments and the investments of its investor clients, and to contribute to the growth of its asset management activity;
- providing it with the additional financial resources to seize potential external growth opportunities in order to accelerate the growth of its asset management platform;
- enabling it to expand into new geographies ;
- enabling it to continue to rebalance its business towards its Real Estate and Private Equity business lines ; and
- expanding its product offering to incorporate additional alternative assets.

Tikehau Capital has agreed to a lock-up period of 180 calendar days after the settlement and delivery date of the Share Capital Increase, subject to certain customary exceptions.

As per their subscription commitments, the existing shareholders and investors delivering such commitments have each agreed to a lock-up period of 180 calendar days as from the settlement and delivery date (subject to certain customary exceptions) with respect to the shares for which they subscribe in the share capital increase.

Investment Grade rating (BBB-, stable outlook) given by the Fitch Ratings financial rating agency

On 30 January 2019, the Group 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.

IREIT Global

On 30 April 2019, Tikehau Capital announced the arrival of City Developments Limited (CDL) as a shareholder in IREIT Global Group Pte. Ltd with a 50.0% stake in the share capital and a 12.4% interest in IREIT Global. Tikehau Capital's stakes in IREIT Global Group Pte. Ltd and in IREIT Global thus fell from 84.6% to 50.0% and rose from 8.4% to 16.4% respectively.
The arrival of CDL, one of the leading listed Real Estate companies in Singapore, with a global network of 103 offices across 29 countries in multiple geographical areas, as a new shareholder is another positive step in the development of IREIT Global's activities.

5.4. Main accounting methods

The half-year financial statements are prepared in accordance with the same rules and methods used for the preparation of annual financial statements, with the exception of changes in the main accounting methods occurring during the first half of the 2019 financial year (see Note 5.2.b "Changes in main accounting methods").

5.5. 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, ACE Management, IREIT Global Group, Credit.fr, Homming and Homunity.

Segment information is presented on the same basis as internal reporting. It reproduces the internal segment information defined for the management and measurement of Tikehau Capital performance reviewed by Group management. 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, and the Manager's remuneration are presented in the investment activity segment.

The main aggregates of the H1 2019 segment income statement are as follows:

(in thousands of €)	**H1 2019 (6 months)**	**Asset Management activity**	**Investment activity**
Net revenues from Asset Management activities	**75,947**	**75,947**	**-**
Revenues from the investment activities	**157,705**	**-**	**157,705**
Operating expenses[(1) (2)]	(92,942)	(55,417)	(37,524)
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	**140,711**	**20,529**	**120,181**
Non-recurring free shares plans expense	(3,072)	(2,389)	(684)
Net operating profit from Asset Management and investment activities before share of net results from equity affiliates	**137,638**	**18,141**	**119,498**
Share of net results from equity affiliates	(783)		(783)
Net operating profit from asset and investment management activities after share of net results from equity affiliates	**136,856**	**18,141**	**118,715**
Financial result[(2)]	**(21,977)**	**(163)**	**(21,813)**
Corporate income tax	(17,627)	(6,851)	(10,776)
NET RESULT	**97,252**	**11,127**	**86,125**

(1) Excluding the non-recurring free share 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 €3.1 million during the first half of 2019.

(2) The application of IFRS 16 "Leases" has a positive non-material impact on the operating expenses (€0.1 million as at 30 June 2019), as well as a non-material impact on the financial result (financial expenses of €0.4 million as at 30 June 2019).

The main aggregates of the H1 2018 segment income statement are as follows:

(in thousands of €)	**H1 2018 (6 months)**	**Asset Management activity**	**Investment activity**
Net revenues from Asset Management activities	**35,766**	**35,766**	**-**
Revenues from the investment activities	**(36,010)**	**-**	**(36,010)**
Operating expenses[(1)]	(62,971)	(26,550)	(36,421)
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	**(63,215)**	**9,216**	**(72,431)**
Non-recurring free shares plans expense	(3,176)	(2,400)	(776)
Net operating profit from Asset Management and investment activities before share of net results from equity affiliates	**(66,392)**	**6,816**	**(73,208)**
Share of net results from equity affiliates	539	-	539
Net operating profit from asset and investment management activities after share of net results from equity affiliates	**(65,853)**	**6,816**	**(72,669)**
Financial result	**(12,622)**	**(296)**	**(12,327)**
Corporate income tax	(2,249)	(2,080)	(169)
NET RESULT	**(80,725)**	**4,440**	**(85,165)**

(1) Excluding the non-recurring free share 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 €3.2 million during the first half of 2018.

The main aggregates of the H1 2019 segment income statement are as follows:

Net revenues from Asset Management activities break down as follows:

(in thousands of €)	**H1 2019 (6 months)**	**H1 2018 (6 months)**
Net management and arrangement fees	71,268	32,046
Performance fees or carried interest	891	2,873
Other revenues	3,788	848
Net revenues from Asset Management activities	**75,947**	**35,766**

Net revenues from asset management activity for the first half of 2019 include net revenues from the Sofidy (and its subsidiaries) and ACE Management which were acquired at the end of 2018.

The main aggregates of the segment balance sheet are as follows:

(in thousands of €)	30 June 2019	Asset Management activities	Investment activities
Total non-current assets	2,864,660	641,514	2,223,146
of which right-of-use assets (IFRS 16)	20,529	9,850	10,679
Total current assets	1,130,464	156,554	973,911

(in thousands of €)	30 June 2019	Asset Management activities	Investment activities
Total non-current liabilities	748,470	43,712	704,759
of which lease liabilities (IFRS 16)	16,246	6,667	9,569
Total current liabilities	180,428	65,270	115,157
of which lease liabilities (IFRS 16)	4,581	3,294	1,287

(in thousands of €)	31 December 2018	Asset Management activities	Investment activities
Total non-current assets	2,478,859	593,425	1,885,434
of which right-of-use assets (IFRS 16)	-	-	-
Total current assets	667,804	154,028	513,776

(in thousands of €)	31 December 2018	Asset Management activities	Investment activities
Total non-current liabilities	806,783	11,097	795,686
of which lease liabilities (IFRS 16)	-	-	-
Total current liabilities	64,806	49,990	14,816
of which lease liabilities (IFRS 16)	-	-	-

The operating cash flow by operating segment is as follows:

(in thousands of €)	H1 2019 (6 months)	Asset Management activities	Investment activities
Operating cash flow	(232,770)	21,967	(254,737)

(in thousands of €)	2018 (12 months)	Asset Management activities	Investment activities
Operating cash flow	(594,071)	17,751	(611,821)

5.6. Tangible and intangible assets

This item breaks down as follows:

(in thousands of €)	31 Dec. 2018	Change in scope	Other increases	Decreases	30 June 2019
Goodwill	436,840	7,515	122	(78,162)	366,315
Management contracts	-	-	98,889	-	98,889
Brands	12,040	-	4,252	-	16,292
Other intangible fixed assets	4,280	-	622	(1,281)	3,621
Total intangible fixed assets	**453,160**	**7,515**	**103,885**	**(79,442)**	**485,117**
Total tangible fixed assets	**14,975**	**3**	**25,771**	**(3,914)**	**36,836**
of which right-of-use assets	**-**	**-**	**22,974**	**(2,444)**	**20,529**
TOTAL TANGIBLE AND INTANGIBLE FIXED ASSETS	**468,136**	**7,518**	**129,656**	**(83,356)**	**521,953**

(i) Goodwill

Goodwill amounts to €366.3 million as at 30 June 2019, compared with €436.8 million as at 31 December 2018. This change is explained by the final allocation of the goodwill of Sofidy and ACE Management to the assets and liabilities acquired (€(74.0) million and €(2.4) million respectively), by the recognition of the provisional goodwill of Homming and Homunity (€7.5 million as at 30 June 2019) and currency movements.

Following the acquisitions of Sofidy and its subsidiaries and ACE Management in 2018, the provisional goodwill recognised as at 31 December 2018 was subject to the following adjustments:

(in thousands of €)	
Sofidy goodwill as at 31 December 2018	**110,190**
Brands	4,100
Management contracts	95,900
Others intangible assets	(366)
Tangible assets	1,563
Deferred taxes	(25,391)
Sofidy goodwill as at 30 June 2019	**34,384**

(in thousands of €)	
ACE Management goodwill as at 31 December 2018	**8,485**
Brands	152
Management contracts	2,989
Deferred taxes	(785)
ACE Management goodwill as at 30 June 2019	**6,130**

The breakdown of goodwill, allocated to the Asset Management CGU is given below:

(in thousands of €)	**30 June 2019**	**31 Dec. 2018**
Tikehau Investment Management	286,214	286,214
Tikehau Capital Europe	11,415	11,415
Credit.fr	10,946	10,946
IREIT Global Group	9,712	9,590
Sofidy	34,384	110,190
ACE Management	6,130	8,485
Homunity	7,515	-
GOODWILL	**366,315**	**436,840**

(ii) Management contracts

The management contracts amounts to €98.9 million as at 30 June 2019. They correspond, as part of the allocation of the goodwill of Sofidy and ACE Management, to the valuation of contracts between the asset management companies to the funds they managed. Management contracts amounts to €95.9 million for Sofidy and €3.0 million for ACE Management. Management contracts are considered as non-defined-life assets for Sofidy.

(iii) Brand

The brand totalled €16.3 million as at 30 June 2019 (€12 million as at 31 December 2018). It comprises the Tikehau Capital brand which has been recognised at €10.7 million (€10.7 million as at 31 December 2018), the Credit.fr brand for an amount of €1.3 million (€1.3 million as at 31 December 2018), the Sofidy brand for an amount of €2.2 million, the Immorente brand (Sofidy fund) for an amount of €1.4 million, the Efimmo brand (Sofidy fund) for an amount of €0.5 million, and the ACE Management brand for an amount of €0.2 million.

(iv) Impairment tests

As at 30 June 2019, in the absence of impairment indicators on the goodwill and the brand, no impairment test was carried out.

(v) IT developments

No capitalisation of IT development costs was recognised in other intangible assets at 30 June 2019 (€3.3 million as at 31 December 2018) for the IT tools used by the Company and its subsidiaries or Tikehau Capital Advisors.

5.7. Non-current investment portfolio

Changes in the non-current investment portfolio are as follows:

(in thousands of €)	Portfolio	Level 1	Level 2	Level 3	No Consoli-dated
Fair value as at 31 December 2018	**1,972,809**	**674,066**	**53,497**	**1,242,369**	**2,877**
Acquisition of securities	326,937	104,083	-	222,855	-
Disposals and repayments	(56,597)	(500)	-	(56,097)	-
Changes in receivables	628	-	-	528	100
Changes in fair value	92,812	63,151	20,266	9,395	-
Reclassification non-current / current invest-ment portfolio	(3,546)	-	-	(3,546)	-
Change in scope	(2,125)	-	-	91	(2,215)
FAIR VALUE AS AT 30 JUNE 2019	**2,330,919**	**840,800**	**73,763**	**1,415,595**	**762**

The change in Level 1 securities notably comprises the acquisition of Selectirente (€70.1 million) and IREIT Global (€25.8 million) securities.

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:

(in thousands of €)	
Acquisition of securities – change in balance sheet	**326,937**
Change in accrued interest	(6,835)
Current account contributions from shareholders	2,529
ACQUISITION OF INVESTMENT PORTFOLIO – STATEMENT OF CASH FLOWS	**322,631**

The acquisition value of the non-current portfolio is as follows:

(in thousands of €)	30 June 2019	31 December 2018
Historical value of the non-current portfolio	2,367,337	2,033,905
Value of related receivables	20,429	18,958

Outstanding commitments in the non-current investment portfolio are as follows and shown under off-balance sheet commitments (see note 5.25 “Contingent assets and contingent liabilities”):

(in thousands of €)	30 June 2019	31 December 2018
Commitments in non-current investment portfolio	660,177	729,906

5.8. Investments in equity affiliates

This item breaks down as follows:

(in thousands of €)	30 June 2019	31 December 2018
Letus Private Office	247	247
Duke Street	6,235	6,763
Ring	319	227
Neocredit.ch	1,895	-
INVESTMENTS IN EQUITY AFFILIATES	**8,696**	**7,236**

5.9. Client receivables, other receivables and financial assets / Trade and other payables

This item breaks down as follows:

(in thousands of €)	30 June 2019	31 December 2018
Client receivables and related accounts	**41,434**	**36,600**
Financial assets	22,104	38,840
Other receivables	42,679	18,683
TOTAL OTHER RECEIVABLES AND FINANCIAL ASSETS	**64,783**	**57,523**

Financial assets are made up of revenues from the investment activities recorded in profit and loss accounts but not yet collected.

Client receivables and other receivables are not subject to any provision for non-recovery.

(in thousands of €)	30 June 2019	31 December 2018
Trade payables and related accounts	**18,449**	**16,695**
Portfolio financial liabilities	-	1,432
Other liabilities	28,993	19,893
TOTAL OTHER LIABILITIES	**28,993**	**21,325**

The net change in portfolio financial assets and liabilities amounts to €15.3 million; a €16.3 million change in financial assets net of €1.4 million in portfolio financial liabilities.

5.10. 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 2018	**110,483**	**110,483**	**-**	**-**
Acquisition of securities	9	9	-	-
Disposals and repayments	(5,438)	(5,438)	-	-
Changes in fair value	7,141	7,141	-	-
Reclassification non-current/current investment portfolio	3,546	3,546	-	-
Change in scope	-	-	-	-
FAIR VALUE AS AT 30 JUNE 2019	**115,742**	**115,742**	**-**	**-**

The acquisition value of the current portfolio is as follows:

(in thousands of €)	30 June 2019	31 December 2018
Historical value of the current portfolio	117,088	124,453

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:

(in thousands of €)	
Acquisition of securities – change in balance sheet	**9**
Change in accrued interest	(9)
ACQUISITION OF INVESTMENT PORTFOLIO – STATEMENT OF CASH FLOWS	**-**

5.11. Cash and cash equivalents, cash management financial assets

This item breaks down as follows:

(in thousands of €)	30 June 2019	31 December 2018
Cash equivalents	32,272	85,980
Cash	858,359	350,367
Cash and cash equivalents	**890,631**	**436,347**
Cash management and financial assets	17,875	26,852
CASH AND CASH EQUIVALENTS, CASH MANAGEMENT AND FINANCIAL ASSETS	**908,505**	**463,199**

Cash equivalents are predominantly made up of marketable securities and cash management and financial assets are comprised of term deposits of more than three months.

5.12. Number of shares, share capital and dividends

Number of shares	30 June 2019	31 December 2018
Existing shares at the beginning of the period	103,477,599	102,799,748
Shares issued during the period	32,500,000	677,851
EXISTING SHARES AT THE CLOSE OF THE PERIOD	**135,977,599**	**103,477,599**

Over the period, 32,500,000 new shares with a par value of €12 were issued as part of the capital increase in cash for €715 million (see Note 5.3.d "Significant events during the period").

The number of shares after dilution is as follows:

	30 June 2019	31 December 2018
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	1,367,453	1,113,136
Weighted average number of shares after dilution[1]	**106,745,643**	**105,654,079**
Shares after dilution at the close of the period	**138,761,612**	**106,007,295**
Of which treasury shares	49,162	51,983

(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 €)***	30 June 2019	31 December 2018
Par value at end of period	12	12
Share capital	1,631,731,188	1,241,731,188

The dividends per share paid on the following financial years came to:

(in €)	31 December 2018	31 December 2017	31 December 2016
Dividend per share Tikehau Capital	0.25	1.00	-

5.13. Borrowings and financial debt

(in thousands of €)	30 June 2019	31 December 2018
Bond	**300,000**	**300,000**
Financial debt (including accrued interest)	509,753	504,586
Bank loans	104	-
Amortisation of issuance costs on borrowings	(7,568)	(8,726)
Borrowings and debt from credit institutions	**502,109**	**495,859**
TOTAL	**802,109**	**795,859**
of which current liabilities	103,207	1,698
of which non-current liabilities	698,902	794,162

Changes in borrowings and financial debt are as follows:

(in thousands of €)	Total	Bond	Borrow-ings	Accrued interest	Issue costs on borrow-ings	Others
Debt as at 31 December 2018	**795,859**	**300,000**	**503,196**	**1,390**	**(8,726)**	**-**
Scope effect	-	-	-	-	-	-
New loans subscribed	-	-	-	-	-	-
Loans reimbursed	(147)	-	(147)	-	-	-
Others	6,396	-	987	4,147	1,158	104
DEBT AS AT 30 JUNE 2019	**802,109**	**300,000**	**504,036**	**5,537**	**(7,568)**	**104**

Change in cash flow related to financial debt mainly comprise (i) financial interest paid during the first half of 2019 (€6.2 million at 30 June 2019, compared with €3.2 million at 30 June 2018), and (ii) borrowings repaid during the first half of 2019 (excl. costs) for €0.1 million.

Borrowings and financial debt can be broken down into the following maturities:

(in thousands of €)	Due within one year	Due in one to five years	Due in more than five years	Total
Situation as at 30 June 2019				
Variable-rate bank borrowings	100,299	401,687	2,050	504,036
Amortisation of issuance costs on borrowings	(2,732)	(4,836)	-	(7,568)
Fixed-rate bond borrowing	-	300,000	-	300,000
Accrued interest	5,536	1	-	5,537
Bank loans	104	-	-	104
TOTAL	**103,207**	**696,852**	**2,050**	**802,109**
of which current liabilities	103,207	-	-	103,207
of which non-current liabilities	-	696,852	2,050	698,902

(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

Information on bank covenants

Syndicated loan taken out on 23 November 2017 – €1 billion:

For the duration of the contract, Tikehau Capital undertakes to respect the financial ratios:

- Loan To Value ratio, tested semi-annually, less than or equal to 47.5% corresponding to the ratio between (i) the amount of the consolidated financial debt less the amount of the consolidated[13] Cash and cash equivalents and (ii) the consolidated[14] 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.

5.14. Tax

(i) Tax in profit and loss accounts and tax proof

Tax breaks down as follows:

(in thousands of €) **Income (+)/Expense (-)**	**H1 2019 (6 months)**	**H1 2018 (6 months)**
Deferred tax	(12,873)	(461)
Current tax	(4,754)	(1,789)
TOTAL	**(17,627)**	**(2,249)**
Net result of consolidated companies	97,252	(80,725)
Result before tax	114,879	(78,475)
Application of the normal theoretical tax rate of 31% (33.33% in 2018)	*(35,613)*	*26,158*

The reconciliation between the theoretical tax situation and the actual tax breaks down as follows:

(in thousands of €) **Income (+)/Expense (-)**	**H1 2019 (6 months)**	**H1 2018 (6 months)**
Theoretical tax	**(35,613)**	**26,158**
Deferred tax savings at reduced rate (unrealised portfolio gains or losses)	4,087	3,232
Current tax savings at reduced rate (realised portfolio gains or losses)	14,048	(14,814)
Non-activated tax losses	(584)	(19,220)
Result from equity method companies	(335)	180
Tax rate differential of foreign subsidiaries	3,127	1,234
Expected effect of reduced tax rates on tax loss carried forward	-	-
Tax credit	(117)	117
Others	(2,241)	863
ACTUAL TAX	**(17,627)**	**(2,249)**

[13] Consolidated cash and cash equivalents correspond to the sum of (i) cash and cash equivalents and (ii) the current investment portfolio.
[14] 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.

(ii) Tax in balance sheet

Changes in deferred taxes are broken down as follows:

Tax assets (+) or Liabilities (-) *(in thousands of €)*	31 Dec. 2018	Increase	Decrease and Reversal	Reclassification	Allocation of goodwill	Others	30 June 2019
Tax losses that may be carried over	40,151	-	(4,573)	-	-	-	35,577
Evaluation of financial instruments	1,335	3,658	(1,335)	-	-	-	3,658
Other deferred tax assets	1,753	50	(158)	-	-	42	1,687
Compensation deferred taxes	(14,808)	-	-	(26,102)	-	-	(40,910)
Total deferred tax assets	**28,431**	**3,708**	**(6,066)**	**(26,102)**	**-**	**42**	**12**
Fair value of the portfolio	(18,666)	(10,684)	-	-	-	-	(29,350)
Allocation of goodwill	-	-	-	-	(26,176)	-	(26,176)
Other deferred tax liabilities	(2,220)	70	99	-	-	-	(2,050)
Compensation deferred taxes	14,808	-	-	26,102	-	-	40,910
Total deferred tax liabilities	**(6,077)**	**(10,614)**	**99**	**26,102**	**(26,176)**	**-**	**(16,666)**
TOTAL NET DEFERRED TAX	**22,353**	**(6,906)**	**(5,967)**	**-**	**(26,176)**	**42**	**(16,654)**

Deferred taxes related to tax losses that may be carried over are detailed below.

(in thousands of €)	30 June 2019	31 December 2018
Stock tax loss carried forward at local normal rate	**136,429**	**151,009**
Deferred tax assets on tax loss carried forward	35,450	40,023
Stock tax loss carried forward at local reduced rate	**4,996**	**4,996**
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 Liabilities (-)	Of which deferred tax	Of which current tax
Situation as at 31 December 2018	**29,212**	**22,353**	**6,858**
Current tax	(4,754)	-	(4,754)
Deferred tax	(12,873)	(12,873)	-
Change in scope	(1)	-	(1)
Allocation of goodwill	(26,176)	(26,176)	-
Joined the scope	(1,650)	42	(1,692)
Tax Disbursement / Receipts	(2,940)	-	(2,940)
SITUATION AS AT 30 JUNE 2019	**(19,183)**	**(16,654)**	**(2,529)**

5.15. 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 5.24.a ("Exposure to risks arising from bank debts")).

(in thousands of €)	30 June 2019	31 December 2018
Non-current financial derivative liabilities	15,374	5,399

5.16. 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 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)". These expenses are based on the number of shares being allocated as at the closing date. This number is calculated based on the number of allocated shares, to which a standard staff turnover rate is applied.

No changes have been made to the share-based payment plans stated in the 2018 Registration Document.

The new share-based payment plans allocated during the first half of 2019 are as follows:

Characteristics of the 2019 Free Share Plan ("2019 FSA Plan") set up at Tikehau Capital

Number of shares being acquired: 110,838 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:

- 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

Number of shares being acquired: 90,037 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:

- the sole condition of presence within the Group for 25% of the granted shares,

- 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:

- the sole condition of presence within the Group for 25% of the granted shares,

- 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 activities 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 2019 Directives ("2019 AIFM/UCITS Plan") implemented by Tikehau Capital

Number of shares vesting: 26,106 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.

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.

The table below presents a summary of the Tikehau Capital plans:

	2017 General Free Share Plan ("All Plan")	2017 Individual Free Share Plan ("One Off Plan")	2016 TIM Replace-ment Plan - TIM employees subject to AIFM regulations	2016 TIM Replace-ment 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 be allocated	26,334	690,426	216,842	136,442
Number of shares being allo-cated	20,798	610,575	216,842	136,442
Valuation on the allocation date	592,681	15,634,127	1,722,351	1,137,741
Number of shares vested per period				
period ending 30/06/2019	-	-	204,953	124,553
period ending 30/11/2019	20,798	318,043	-	-
period ending 31/12/2019	-	-	11,889	11,889
period ending 30/03/2020	-	-	-	-
period ending 31/07/2020	-	-	-	-
period ending 30/11/2020	-	292,532	-	-
period ending 31/12/2020	-	-	-	-
period ending 28/02/2021	-	-	-	-
period ending 31/07/2021	-	-	-	-
period ending 28/02/2022	-	-	-	-

	2018 General Free Share Plan ("2018 FSA Plan")	2018 General Performance Share Plan ("2018 Performance Share Plan")	2018 Individual free share plan (“2018 Credit.fr Plan”)	2018 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 be allocated	54,629	72,185	26,180	14,800
Number of shares being allocated	50,339	65,995	25,680	13,800
Valuation on the allocation date	1,461,986	1,983,356	636,174	265,512
Number of shares vested per period				
period ending 30/06/2019	-	-	-	-
period ending 30/11/2019	-	-	-	-
period ending 31/12/2019	-	-	-	-
period ending 30/03/2020	50,339	65,995	-	-
period ending 31/07/2020	-	-	12,840	-
period ending 30/11/2020	-	-	-	-
period ending 31/12/2020	-	-	-	13,800
period ending 28/02/2021	-	-	-	-
period ending 31/07/2021	-	-	12,840	-
period ending 28/02/2022	-	-	-	-

	2019 General Free Share Plan ("2019 FSA Plan")	2019 General Performance Share Plan ("2019 Performance Share Plan")	2019 AIFM/UCITS Plan
Allocation date	18/02/2019	18/02/2019	18/02/2019
Maximum number of shares to be allocated	134,669	108,816	30,825
Number of shares being allocated	110,838	90,037	26,106
Valuation on the allocation date	2,545,244	2,056,622	582,593
Number of shares vested per period			
period ending 30/06/2019	-	-	-
period ending 30/11/2019	-	-	-
period ending 31/12/2019	-	-	-
period ending 30/03/2020	-	-	-
period ending 31/07/2020	-	-	-
period ending 30/11/2020	-	-	-
period ending 31/12/2020	-	-	-
period ending 28/02/2021	57,728	46,894	17,881
period ending 31/07/2021	-	-	-
period ending 28/02/2022	53,110	43,143	8,225

5.17. Non-controlling interests

The non-controlling interests can be broken down as follows:

- on the income statement:

(in thousands of €)	H1 2019 (6 months)	% of interest	H1 2018 (6 months)	% of interest
Tikehau Capital Europe	-	0.0%	625	24.9%
IREIT Global Group	67	50.0%	51	84.5%
Credit.fr	(48)	4.0%	(26)	4.0%
Other companies	37		-	
TOTAL	**56**		**649**	

- in shareholders' equity:

(in thousands of €)	30 June 2019	% of interest	31 December 2018	% of interest
Tikehau Capital Europe	-	0.0%	-	0.0%
IREIT Global Group	696	50.0%	217	84.5%
Credit.fr	481	4.0%	523	4.0%
Other companies	124		276	
TOTAL	**1,301**		**766**	

5.18. Revenues from Asset Management activities

(in thousands of €)	H1 2019 (6 months)	H1 2018 (6 months)
Gross revenues from Asset Management activities	112,918	50,844
Retrocessions	(36,971)	(15,077)
TOTAL	**75,947**	**35,766**

5.19. Change in fair value

(in thousands of €)	H1 2019 (6 months)	H1 2018 (6 months)
Non-current investment portfolio	103,033	(70,725)
Current investment portfolio	5,662	(1,093)
TOTAL	**108,695**	**(71,818)**

5.20. Other portfolio revenues

(in thousands of €)	H1 2019 (6 months)	H1 2018 (6 months)
Dividends and other income from portfolio securities	37,575	27,127
Interests	11,385	8,561
Others	21	20
Non-current portfolio revenues	**48,980**	**35,708**
Revenues from bonds	31	100
Current portfolio revenues	**31**	**100**
TOTAL	**49,011**	**35,808**

5.21. Operating expenses

(in thousands of €)	H1 2019 (6 months)	H1 2018 (6 months)
Purchases and external expenses	(14,700)	(7,956)
Other fees	(8,045)	(5,565)
Remuneration of the Manager	(26,209)	(29,951)
Purchases and external expenses	**(48,954)**	**(43,473)**
Personnel expenses	**(40,620)**	**(19,845)**
Taxes other than income taxes	(4,328)	(1,560)
Other net operating expenses	(2,111)	(1,270)
Other net operating expenses	**(6,440)**	**(2,830)**
TOTAL	**(96,014)**	**(66,148)**

5.22. Net income on cash equivalents

(in thousands of €)	H1 2019 (6 months)	H1 2018 (6 months)
Change in fair value	199	(83)
Net gains/losses on transferable securities	(46)	(4)
Net gains/losses related to foreign exchange	(371)	(150)
Other revenues from marketable securities	511	123
TOTAL	**293**	**(114)**

5.23. Financial expenses

(in thousands of €)	**H1 2019 (6 months)**	**H1 2018 (6 months)**
Expenses related to borrowings from credit institutions	(5,698)	(4,049)
Expenses related to lease liabilities	(374)	-
Expenses related to the bond	(4,622)	(4,525)
Expenses related to interest rate derivatives	(1,563)	(1,228)
Change in fair value of interest rate derivatives	(9,975)	(2,449)
Currency translation adjustment of receivables and bank accounts in currency	-	-
Miscellaneous	(37)	(258)
TOTAL	**(22,270)**	**(12,508)**

During the first half of 2019, costs related to borrowings from credit institutions included the amortisation of issuance costs of loans repaid during the financial year for €1.0 million (€0.3 million for H1 2018).

Expenses related to the bond totalled €4.6 million for the first half of 2019, compared to €4.5 million for the first half of 2018.

5.24. 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 30 June 2019, Tikehau Capital was exposed to interest rate risk on its bank loans and related hedges for respective amounts of €504.0 million and €403.1 million, compared with respectively €255.2 million and €328.1 million as at 30 June 2018 (see Note 5.13 ("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 euros)	**Notional**	**Average fixed rate**	**Average maturity**
At 31 December 2018	368.0	0.54%	5.5 YEARS
AS AT 30 JUNE 2019	**403.0**	**0.50%**	**4.9 YEARS**

(ii) Currency risk

The Company was not exposed to currency risk at 30 June 2019.

b) Risk exposure to the investment portfolio

The risk exposure of the investment portfolio can be summarised as follows:

(in millions of euros)	**Currency risk**	**Listed equity markets**	**Unlisted equity markets**	**30 June 2019**	**31 December 2018**
Group fund	√	√ Liquid Strategies	√	1,028.1	874.9
External funds & co-investments	√	n.a.	√	142.7	148.7
Equities	√	√ Investment levels 1 & 2	√ Investment level 3	1,172.4	955.8
Bonds	n.a.	n.a.	n.a.	103.5	103.9
TOTAL				**2,446.7**	**2,083.3**

(i) Exposure to risks arising from investments in the Group funds

- Liquid Strategies: a change in the net asset value of the funds (€114.5 million as at 30 June 2019) of +/-10% would impact Tikehau Capital's exposure by €11.4 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 €13.2 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 €73.5 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 the annual financial statements):

(in millions of euros)	**30 June 2019**	**31 December 2018**
Level 1 (1)	829.6	638.3
Level 2	73.8	53.5
Level 3	269.0	264.0
TOTAL	**1,172.4**	**955.8**

(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 (50.5% indirectly controlled 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 30 June 2019 would have resulted in an additional charge of €83 million in the consolidated result before tax for first-half 2019. 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 30 June 2019 (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 30 June 2019 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 70.8% in value of investments in non-listed shares of its portfolio as at 30 June 2019. The sensitivity to a change of +/-10% in the multiples of revenues or EBITDA of non-listed companies amounts to €27.2 million.

(iii) Exposure of investments in bonds

Investments in bonds are classified in different levels (see Note 5.5 "Determining fair value" of the annual financial statements):

(in millions of euros)	**30 June 2019**	**31 December 2018**
Level 1	12.5	10.4
Level 2	-	-
Level 3	91.0	93.5
TOTAL	**103.5**	**103.9**

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) €3.0 million, given the average duration recorded on this portfolio (2.9 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 euros)	**30 June 2019**	**31 December 2018**
Fair value	142.7	148.7
Number of funds	79	64
Average line of investment	1.8	2.3
Percentage of investments > €5 million (%)	49%	48%

The table below details the unobservable inputs used for the main level 3 external investment funds:

Fund of investment	**Valuation method**	**Non-observable data**	**Range**	**Fair value in millions of euros**
FAIRSTONE	Comparable listed companies	P/E multiple Net book value Discount rate	6.7x 1.9x 5%	13.6
RING CAPITAL	Recent acquisition price	n.a.	n.a.	13.1
VOYAGE CARE	Comparable listed companies (33%) Comparable transactions (67%)	Multiple EBITDA Multiple EBITDA	8.5x 12.2x	10.0
P2 BRASIL – HIDROVIAS	Discounted cash flow	Discount rate (WACC)	[7.5% - 8.8%]	8.9
JEFFERSON	Comparable listed companies	P/E multiple Net book value ERC multiple (Estimated Remaining Collections) Discount rate	7.3x 1.9x 0.6x 10%	7.7
STARWOOD ERE	Discounted cash flow (60%) Previous transactions (40%)	Discount rate (WACC) Multiple Production and Reserve	[9.0% - 20.0%] $3,096 & [$0.69 - $0.73]	6.2
CRESCENT LILY	Comparable listed companies Discounted cash flow	Multiple EBITDA Discount rate (WACC)	[11.8x – 45.4x] current; [8.1x – 38.9x] forward [12.0% - 13.0%]	5.3
JCF FLOWERS – CEP	Comparable listed companies	Multiple EBITDA Discount rate (country risk)	10.0x 10.0%	5.1
TOTAL INVESTMENT FUNDS > €5M				**69.9**

c) Exposure to currency risk

Tikehau Capital's exposure to currency risk relates to its investments in foreign currencies. As at 30 June 2019, 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, South Korean won and Japanese yen to a lesser extent. There was no currency hedging in place as at 30 June 2019.

Exposure to currency risk increased/decreased by €62.7 million between 31 December 2018 and 30 June 2019.

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 30 June 2019 and 31 December 2018:

(in millions of euros)	**Appreciation of 10% in the euro against the currency**	**Depreciation of 10% in the euro against the currency**
As at 30 June 2019		
Pound sterling	(10.7)	+13.0
US dollar	(11.7)	+14.3
Singapore dollar	(6.5)	+8.0
Canadian dollar	(1.2)	+1.5
Australian dollar	(0.0)	+0.1
Polish zloty	(0.1)	+0.1
Swiss franc	(0.0)	+0.5
South Korean won	(0.0)	+0.0
Japanese yen	(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**
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
Japanese yen	(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. During the first half of 2019, Tikehau Capital had no 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.

5.25. Contingent liabilities and contingent assets

(in thousands of €)	**Amount at 30 June 2019**	**Amount at 31 December 2018**
Description	**Value of commitment given**	**Value of commitment given**
Commitment of payment to current account	118	121
Capital subscription commitment in the companies	29,841	38,616
Uncalled commitment by external funds	76,688	104,606
Uncalled commitment by Group funds	583,489	625,553
Pledge of shares as loan guarantee and authorised overdrafts	148,009	79,327
Pledge of bank accounts as loan guarantee and authorised overdrafts	1,991	673
Pledge of shares as first-demand guarantee	-	70,000
TOTAL COMMITMENTS MADE	**840,137**	**918,896**

The total amount of uncalled commitments by the Group's funds from investment entities exempt from consolidation (IFRS 10) was €6.4 million at 30 June 2019.

(in thousands of €)	**Amount at 30 June 2019**	**Amount at 31 December 2018**
Description	**Value of commitment received**	**Value of commitment received**
Syndicated loan not drawn at close	500,000	500,000
Lombard loan not drawn at close	150,000	80,000
TOTAL COMMITMENTS RECEIVED	**650,000**	**580,000**

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 (OCEANE).

5.26. Subsequent events after closing

Capital increase for Tikehau Capital in July 2019

On 1 July 2019, Tikehau Capital carried out a capital increase for an amount around €4 million through a deduction from the "Issue premium" account and by the creation of 329,506 shares.

The aim of this capital increase is to vest to the employees concerned free shares allocated under the 2016 TIM Replacement Plan - TIM Employees subject to AIFM regulations and the 2016 TIM Replacement Plan - TIM employees not subject to AIFM regulations.

Launch of a new Private Equity fund

The Group announced the launch of a new Private Equity fund, which will take up on a secondary basis six investments up to now held directly by Tikehau Capital's balance sheet. This secondary fund will be fully invested from the first day for €210 million, reflecting the value of the investments contributed, and an additional commitment to call from third-party investors. The share of third-party investors in this fund will initially represent at least 30% with the aim of increasing (up to 85%). This initiative enables Tikehau Capital to extend its Private Equity offering for third-party investors whilst maintaining active control over its balance sheet, with the aim of rebalancing its investment portfolio towards its own funds. The transfer of these investments had a positive impact of €10.3 million on the portfolio's revenues during the first half year 2019.

Completion of the fifth CLO launched by the Group

As part of the Private Debt activities, on 19 July 2019, the Group completed its 5th CLO (Collateralized Loan Obligation) for €0.5 billion, with a diversified and highly international investor base, showing the strong recognition of the Group's expertise, which now manages €2.1 billion in this area.

Agreement for the sale by Tikehau Capital of its investment in HDL Development

On 19 September 2019, Tikehau Capital also announced the signature of an agreement to sell its investment in HDL Development, the controlling holding company of the Assystem Group (ASY.PA). In December 2013, the Group invested €40 million in HDL Development (of which €35 million for the balance sheet and €5 million via a fund managed by the Group) to finance a public tender offer on Assystem alongside the Founder-Chairman, Mr Dominique Louis. As part of this purchase agreement signed with HDL Development which should be completed during November 2019, the Group will receive €55 million in cash (including around €48 million for the balance sheet) and 657,895 Assystem shares (representing 4.2% of the share capital, including 575,659 shares which will be received by the balance sheet). Taking into account the amounts received over the investment's duration, this agreement enables to achieve a multiple of 2.5 times the initial investment[15]. This agreement contains a possible earn-out related to the sale of Assytem's investment in Expleo Group. Tikehau Capital is proud to have supported Assystem and its team, led by Mr Dominique Louis, for the last six years.

[15] Multiple calculated based on a share price of €38 for Assystem.

5.2. Statutory Auditors' report on the 2019 condensed half-year consolidated financial statements

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

For the period from January 1 to June, 30, 2019

Statutory Auditors' Review Report on the Half-yearly Financial Information

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meetings and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Tikehau Capital, for the period from January 1 to June 30, 2019 ;
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Without calling into question the conclusion expressed above, we draw your attention to the points set out in paragraphs a) "Accounting standards and statement of compliance" and b) "Significant accounting policy changes" in Note 5.2. "Basis of preparation" of the notes to the condensed half-year consolidated financial statements relating to the entry into force of IFRS 16 and IFRIC 23.

2. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Courbevoie and Paris-La Défense, September, 19, 2019

The statutory auditors

French original signed by

MAZARS

Simon Beillevaire

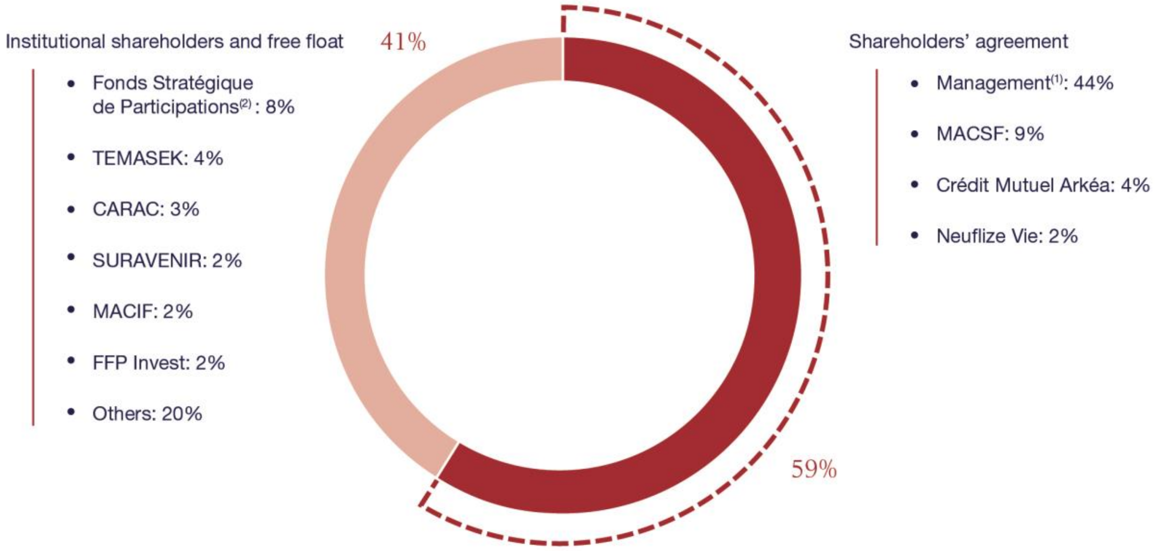
ERNST & YOUNG et Autres

Hassan Baaj

8. INFORMATION ON THE COMPANY, ITS ARTICLES OF ASSOCIATION AND CAPITAL

8.1. Shareholders of the Company as at 30 June 2019

The following chart shows the share ownership of the Company as at 30 June 2019 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.

10. ADDITIONAL INFORMATION

10.1. Person responsible for the Universal Registration Document page(s)

Name and title of the person responsible for the Universal 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

Certification of the person responsible for the Universal Registration Document

“We hereby declare, after having taken all reasonable care to ensure that such is the case, that the information contained in this Universal Registration Document is, to our knowledge, in accordance with the facts and contains no omission likely to affect its import.

We certify that, to the best of our knowledge, the condensed consolidated financial statements for the period ended are prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the Company and all consolidated companies and that the interim business report provides a true and fair view of the significant events occurring in the first six months of the year, their impact on the financial statements, the main related-party transactions and a description of the main risks and uncertainties for the remaining six months of the financial year."

19 September 2019

Tikehau Capital General Partner, Manager of the Company

represented by:

its Chairman, AF&Co,

represented by its Chairman,

Antoine Flamarion

its Chief Executive Officer, MCH,

represented by its Chairman,

Mr Mathieu Chabran

10.2. The Statutory Auditors

At the registration date of this Universal 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 the firm 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 France

Picarle & Associés was appointed Alternate Auditor of the Company by the General Meeting of 7 November 2016 for a term of six financial years ending with the close of the General Meeting called to rule on the accounts of the financial year ending on 31 December 2021.

10.3 Concordance tables

10.3.1 Concordance table pursuant to Appendix 1 of the Commission's Delegated Regulation (EU) 2019/980 of 14 March 2019

Incorporation by reference of the 2018 Registration Document registered before 21 July 2019 and incorporation by reference of the 2018 Registration Document Update

In accordance with Appendix 1 of Commission's Delegated Regulation (EU) 2019/980 of 14 March 2019, the following items are included by reference: the pages mentioned in the concordance table below for the 2018 Registration Document, No. R. 19-008 registered with the Autorité des Marchés Financiers on 18 April 2019 and the 2018 Registration Document Update filed on 17 June 2019 under number D.19-0295-A01.

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The information is available at the following link: https://www.tikehaucapital.com/~/media/Files/T/Tikehau-Capital/agm/fr/tikehau-capital-document-de-reference-2018.pdf

		Page(s) of the 2018 Universal Registration Document	Page(s) of the Update to the 2018 Registration Document	Page(s) of the 2018 Registration Document
1	**PERSONS RESPONSIBLE, THIRD-PARTY INFORMATION, EXPERT REPORTS AND APPROVAL BY THE COMPETENT AUTHORITY**			
1.1	Information about persons responsible	84	32	342
1.2	Statement by persons responsible	84	32	342
1.3	Statement or report attributed to a person acting as an expert	n/a	n/a	n/a
1.4	Third-party information	n/a	n/a	n/a
1.5	Approval by the competent authority	-	-	1
2.	**THE STATUTORY AUDITORS**	84	32	343
3.	**RISK FACTORS**	27	17	114
4.	**INFORMATION ABOUT THE ISSUER**	-	34	312
5.	**BUSINESS OVERVIEW**			
5.1	Main activities	-	-	6-11
5.2	Main markets	-	-	75-86
5.3	Indicate significant events in the development of the issuer's business.	19 ; 54-57 ; 78-79	8-9	10 ; 12-15 ; 99-109 ; 111-112
5.4	Strategy and objectives	24-25	12	21
5.5	Potential dependence	n/a	n/a	n/a
5.6	Indicate the basis for any statements made by the issuer regarding its competitive position	-	-	75-86

		Page(s) of the 2018 Universal Registration Document	Page(s) of the Update to the 2018 Registration Document	Page(s) of the 2018 Registration Document
5.7	Investments	11	34-35	25-31 ; 99-102 ; 111-112
6.	**ORGANISATIONAL STRUCTURE**			
6.1	If the issuer is part of a group, briefly describe that group and the position of the issuer. This description may consist of an organisation chart or include such chart if this contributes to clarifying the group's organisational structure.	-	14	6-9
6.2	List all of the issuer's significant subsidiaries, including their name, country of origin or establishment as well as the percentage of capital and, if different, the percentage of voting rights held	-	-	37-38
7.	**REVIEW OF THE FINANCIAL POSITION AND RESULTS**			
7.1	Financial position	4-25	4-16	99-109 ;110 ;111
7.2	Operating result	-	-	110
8.	**CAPITAL RESOURCES**			
8.1	Provide information about the issuer's capital resources (both short and long term).	43-45	5	99-102 ; 108 ; 110 ; 111-112
8.2	Indicate the source and amount of the issuer's cash flows and describe these cash flows	45 ; 60-63	-	106-108
8.3	Provide information about the issuer's financial needs and the issuer's financing structure	19 ; 65 ; 78	-	106-108
8.4	Provide information about any restrictions on the use of capital resources that have significantly influenced or may significantly influence, either directly or indirectly, the issuer's business	n/a	n/a	n/a
8.5	Provide information on the expected sources of financing that will be required to fulfil the commitments referred to in point 5.7.2.	n/a	n/a	n/a
9	**REGULATORY ENVIRONMENT**	-	-	87
10	**TREND INFORMATION**	-	-	75-86 ; 111-112
11	**PROFIT FORECASTS OR ESTIMATES**	-	-	n/a
12	**ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT**			
12.1	Administrative and management bodies	-	-	142-144 ; 145-157
12.2	Conflicts of interest in the administrative, management and supervisory bodies and senior management	-	-	167-173 ; 176-177
13	**REMUNERATION AND BENEFITS**			
13.1	Amount of remuneration paid and benefits in kind	-	-	160
13.2	Total amount set aside or accrued by the issuer or its subsidiaries to provide pension, retirement or similar benefits	-	-	167
14	**FUNCTIONING OF THE ADMINISTRATIVE AND MANAGEMENT BODIES**			
14.1	The date of expiration of the current term of office of the person, if applicable, and the period during which he/she held his/her office	-	-	142-157
14.2	Service agreements binding the members of the administrative bodies	-	-	180-182
14.3	Information on the Audit Committee and Remuneration Committee	-	-	173-175
14.4	Statement as to whether or not the issuer complies with the corporate governance regime(s) in force	-	-	178-179
14.5	Potential significant impacts on corporate governance	n/a	n/a	n/a

		Page(s) of the 2018 Universal Registration Document	Page(s) of the Update to the 2018 Registration Document	Page(s) of the 2018 Registration Document
15	**EMPLOYEES**			
15.1	Number of employees	21	-	300-304
15.2	Investments and stock options	67-71	-	165-166 ; 319-323 ; 300-304
15.3	Arrangements for involving the employees in the issuer's capital	-	-	303-304
16	**MAJOR SHAREHOLDERS**			
16.1	Shareholders holding more than 5% of the share capital or voting rights	82	-	328-329
16.2	Indicate if the issuer's main shareholders hold different voting rights, or provide an appropriate statement indicating the absence of such voting rights	-	-	n/a
16.3	Control of the issuer	-	-	331-332
16.4	Agreement known to the issuer whose implementation may, at a later date, result in a change in control	n/a	n/a	n/a
17	**RELATED-PARTY TRANSACTIONS**	26	-	180
18	**FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND RESULTS**			
18.1	Historical financial information	43	-	189 ; 243
18.2	Interim and other financial information	43	-	n/a
18.3	Auditing of historical annual financial information	-	-	238-241 ; 271-273
18.4	Pro forma financial information	n/a	n/a	n/a
18.5	Dividend policy	-	-	91
18.6	Legal and arbitration proceedings	-	-	139
18.7	Significant change in the issuer's financial position	19 ; 78-79	8-9	111-112
19	**ADDITIONAL INFORMATION**			
19.1	Share capital	-	-	317-319
19.2	Memorandum and articles of association	-	-	314
20	**MATERIAL CONTRACTS**	-	-	99 ;180 ;331-332
21	**AVAILABLE DOCUMENTS**	1	1	346

10.3.2. Half-year financial report concordance table

Pursuant to Article 212-13 of the General Regulations of the Autorité des Marchés Financiers, this Universal Registration Document includes the information in the half-year financial report referred to in Article L.451-1-2 of the French Monetary and Financial Code and Article 222-4 of the General Regulations of the Autorité des Marchés Financiers:

HALF-YEAR FINANCIAL REPORT SECTIONS	Page(s) of the Universal Registration Document
Condensed consolidated financial statements at 30 June 2019	43
Interim business report	-
- Significant events during the first six months of the year and their impact on the half-year financial statements	12 ; 56-57
- Description of the principal risks and uncertainties for the remaining six months of the financial year	-
- Main related-party transactions	26
Declaration by the person responsible for the half-year financial report	85
Statutory Auditors' report on the 2019 condensed half-year consolidated financial statements	81