

PRESS RELEASE

HALF-

- **Assets under management of over EUR 11,700 million and management fees of EUR 31.3 million, both up on HY1 2018**
- **The net operating result of the AAM platform came in at EUR 7.4 million, up (+8.8%) compared with EUR 6.8 million in HY1 2018.**
- **The net financial position of the holding companies was EUR 81.5 million, up vs EUR 65.3 million as at 31 December 2018 (adjusted of the extraordinary dividend distribution)**

Milan, 5 September 2019 - The Board of Directors of **DeA Capital S.p.A.**, chaired by Lorenzo Pellicoli, met today to examine and approve the Half-Year Report to 30 June 2019.

Analysis of the Consolidated Results to 30 June 2019

- As at 30 June 2019, **Assets under Management** (AuM) came to over EUR 11,700 million (approximately EUR 11,200 million in HY1 2018), with management fees of EUR 31.3 million (EUR 30.6 million in HY1 2018).
- During the first half of 2019, the subsidiary DeA Capital Alternative Funds SGR completed its launch of the new "**DeA Endowment Fund**", a closed-end fund of funds intended for banking foundations, and obtained a management delegation of a portion of the closed-end, non-reserved AIF called "**Azimut Private Debt**", founded by Azimut Capital Management SGR S.p.A. for new assets under management totalling EUR 114 million.
- In June 2019, **DeA Capital Real Estate France completed the structuring of its first transaction**, which included the acquisition and subsequent management of a building for office use, in the Paris area, as advisor of a leading institutional investor.

Turning to the other key financials:

- The **net operating result of the AAM platform** came in at EUR 7.4 million, compared with EUR 6.8 million in HY1 2018.
- **Group net result** of EUR -3.9 million (essentially due to value alignments relating to the private equity portfolio), compared to a profit of EUR 17.1 million in the first half of 2018.
- The **investments portfolio** came to EUR 353.4 million, including net assets from alternative asset management of EUR 183.7 million, private equity investments of EUR 46.7 million and units of funds for EUR 123.0 million.
- The **net financial position** of the **holding companies** was positive for EUR 81.5 million at 30 June 2019, compared to EUR 65.3 million at 31 December 2018 (adjusted for the distribution of the extraordinary dividend of around EUR 31.2 million and of the effect of the application of IFRS

16 starting from 1.1.2019), corresponding to approximately 19% of the NAV. The consolidated net financial position came to EUR 108.1 million at 30 June 2019, compared with EUR 101.0 million at 31 December 2018.

- **The Net Asset Value (NAV)** was EUR 1.69 per share, compared to EUR 1.72 at 31 December 2018 (adjusted for the distribution of the aforementioned extraordinary dividend of 0.12 €/share). The comprehensive NAV (group shareholders' equity) was EUR 439.3 million, compared with EUR 435.3 million at year-end 2018.

Other significant events

Dividends from Alternative Asset Management

During the first months of 2019, the Alternative Asset Management companies distributed dividends to the holding companies for EUR 22.9 million (EUR 7.5 million in 2018), broken down as follows: EUR 17.8 million to DeA Capital Real Estate SGR (including the share of dividend resolved for SFP) and EUR 5.0 million to DeA Capital Alternative Funds SGR.

Foreign activities of the Alternative Asset Management Platform

DeA Capital Real Estate Iberia was established on 27 February 2019, a company under Spanish law, 73%-owned by the DeA Capital Group with the remaining portion owned by local key managers. The company is designed to develop real estate advisory business for raising funds and real estate advisory and management activities in Spain and Portugal, with a special focus on core plus, value-added and opportunistic investments. Through this initiative, DeA Capital S.p.A. is continuing the project of developing the real estate platform on a pan-European basis, through Group subsidiaries with the involvement of local senior management teams, already launched through the establishment in 2018 of DeA Capital Real Estate France.

Significant events after the end of the period

Signing of agreements with the Quaestio Group and its Shareholders

On 31 July 2019, in line with the development strategy of its Alternative Asset Management Platform, DeA Capital S.p.A. signed a series of **agreements with the Quaestio Group and its main Shareholders**, in particular Fondazione Cassa di Risparmio delle Provincie Lombarde and Alessandro Penati (Chairman of Quaestio Holding and Quaestio SGR); these agreements provide for:

- the acquisition by the DeA Capital Group of **the business unit consisting of the NPL Management activity of Quaestio SGR**, relating to the management of the funds Atlante and Italian Recovery Fund for a total AuM of EUR 2.5 billion;
- the **entry of DeA Capital S.p.A. into the capital of Quaestio Holding**, leader of the homonymous Group, alongside the "institutional" Shareholders of the company (with a relative majority stake of up to 44% of the capital).

The Quaestio Group is active in the following business areas:

- **Asset Management and NPL Management**, through Quaestio SGR, 100% controlled by Quaestio Holding;
- **NPL Servicing**, through Quaestio Cerved Credit Management, a joint-venture 50.1% owned by Quaestio Holding and 49.9% by Cerved Group.

Quaestio SGR is **one of the leading operators in Italy specializing in investment solutions for institutional customers, with assets under management of around EUR 10 billion**; in the year ended 31 December 2018, Quaestio SGR earned management fees of EUR 36.9 million - of which about EUR 7 million relating to NPL Management activities - and a net profit of EUR 2.9 million.

As regards the details of the agreements refer to the Press Release of DeA Capital of 31 July 2019.

Cancellation of 40,000,000 treasury shares

On 16 August 2019 was the cancellation of 40,000,000 treasury shares approved by the Extraordinary Meeting of DeA Capital S.p.A. on 18 April 2019. The transaction led to the reduction of the share capital from EUR 306,612,100 to **EUR 266,612,100** and to the consequent amendment of Article 5 of the Articles of Association.

Please note that, as regards the foregoing, De Agostini S.p.A. – which had already waived, at the end of 2018, its double voting rights over 50% of the shares owned – finalized its waiver of double voting rights over the remaining 50% of the shares owned.

Outlook

Regarding the outlook, it will continue to be focused on the development of the **Alternative Asset Management** Platform, with the aim of completing the acquisition of the relative majority stake in Quaestio Holding / Quaestio SGR between the end of 2019 and the beginning of 2020 and of the NPL Management business, which is currently headed by the latter.

Specifically, the DeA Capital Group intends to consolidate its strategic positioning precisely in the NPL segment – extremely current and of great interest to investors – as well as integrate operations with investment solutions and capital allocation strategies with greater added value.

In relation to **Private Equity Investment**, work will be carried out to increase the value of the investments in the portfolio and, in parallel, taking advantage of the available capital will support the initiatives launched by the Alternative Asset Management Platform with a sponsorship / co-investment logic.

In terms of its capital position, DeA Capital S.p.A. will continue to maintain a solid financial structure, ensuring that shareholders receive attractive cash returns, primarily dividends, based on the available liquidity.

The Half- will be made available to the public on 09 September 2019, at the Company's headquarters, on the authorised storage system 1info (www.1info.it) and on the website at: <http://www.deacapital.com/IT/29/Bilanci%20e%20Relazioni.aspx>.

DECLARATION BY THE MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S ACCOUNTS

Manolo Santilli, Chief Financial Officer and the manager responsible for preparing the Company's accounts, hereby declares, pursuant to Article 154-*bis*, paragraph 2 of the Consolidated Finance Law (TUF), that the financial information contained in this press release accurately represents the figures in the Company's accounting records.

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DeA Capital (www.deacapital.com). DeA Capital S.p.A., a De Agostini Group company, is one of Italy's largest alternative investment companies. The Company, which operates in both Alternative Asset Management and Private Equity Investment, has over EUR 11,700 million assets under management and is listed in the STAR segment of the MTA market of the Milan stock exchange.

The Group's operating performance and financial position, along with a summary of the financial results of the asset management companies, are summarised below.

Net Asset Value

	30 June 2019		31 December 2018 "adjusted"	
	M€	€/Sh.	M€	€/Sh.
Alternative Asset Management				
- DeA Capital Real Estate SGR	135.0	0.52	140.4	0.56
- DeA Capital Alternative Funds SGR	41.6	0.16	43.4	0.17
- Other (YARD, DeA Capital RE France, Iberia)	7.1	0.03	6.8	0.03
Total AAM (A)	183.7	0.71	190.6	0.76
Private Equity Investment				
- Funds	123.0	0.47	125.0	0.49
- Shareholdings	46.7	0.18	51.0	0.20
Total PEI (B)	169.7	0.65	176.0	0.69
Investment Portfolio (A+B)	353.4	1.36	366.6	1.45
Other net assets (liabilities)	4.4	0.02	3.4	0.01
Net Financial Position Holdings	81.5	0.31	65.3	0.26
NAV	439.3	1.69	435.3	1.72

Consolidated Statement of Financial Position

	30.6.2019	1.1.2019 restated for IFRS 16 (*)	31.12.2018 "as reported"
<i>(EUR thousand)</i>			
ASSETS			
Non-current assets			
Intangible and tangible assets			
Goodwill	93,745	93,745	93,745
Intangible assets	20,539	21,023	21,023
Property, plant and equipment	15,835	16,924	854
- Building in Leasing	14,753	15,681	0
- Other leased assets	367	389	0
- Other property, plant and equipment	715	854	854
Total intangible and tangible assets	130,119	131,692	115,622
Investments			
Investments at equity	19,637	20,892	20,892
Investments held by Funds at fair value through P&L	23,883	23,511	23,511
Other Investments at Fair Value through P&L	46,700	50,953	50,953
Funds at Fair Value through P&L	149,129	153,551	153,551
Other financial assets at Fair Value	47	36	36
Total financial Investments	239,396	248,943	248,943
Other non-current assets			
Deferred tax assets	1,276	2,183	2,183
Loans and receivables	1,009	752	752
Receivables for deferment of placement costs	430	482	482
Financial receivables for leasing - non current position	1,436	1,558	0
Other non-current assets	4,635	4,668	4,668
Total other non-current assets	8,786	9,643	8,085
Total non-current assets	378,301	390,278	372,650
Current assets			
Trade receivables	8,929	14,678	14,678
Financial assets at Fair Value	13,682	6,316	6,316
Financial receivables	0	500	500
Financial receivables for leasing - current position	242	240	0
Tax receivables from parent companies	1,349	374	374
Other tax receivables	8,777	15,760	15,760
Other receivables	3,520	4,051	4,051
Cash and cash equivalents	112,466	143,767	143,767
Total current assets	148,965	185,686	185,446
Total current assets	148,965	185,686	185,446
TOTAL ASSETS	527,266	575,964	558,096
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Net equity Group	439,255	466,481	466,481
Minority interests	24,854	39,299	39,299
Shareholders' equity	464,109	505,780	505,780
LIABILITIES			
Non-current liabilities			
Trade payables	900	900	900
Deferred tax liabilities	5,989	6,018	6,018
End-of-service payment fund	4,830	4,637	4,637
Financial liabilities	16,182	17,909	2,859
- Financial liabilities for building in Leasing	13,729	14,820	0
- Financial liabilities for other leased assets	190	230	0
- Other financial liabilities	2,263	2,859	2,859
Total non-current liabilities	27,901	29,464	14,414
Current liabilities			
Trade payables	5,942	5,535	5,535
Payables to staff and social security organisations	5,860	9,122	9,122
Current tax	7,900	5,846	5,846
Other tax payables	786	1,256	1,256
Other payables	10,252	15,939	15,939
Short term financial payables	4,516	3,022	204
- Short term financial payables for building in Leasing	2,845	2,660	0
- Short term financial payables for other leased assets	178	158	0
- Other Short term financial payables	1,493	204	204
Total current liabilities	35,256	40,720	37,902
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	527,266	575,964	558,096

(*) Figures at 31.12.2018 adjusted the effects of the application from 1.1.2019 of the new accounting standard IFRS 16

Summary Consolidated Income Statement

(EUR thousand)	First Half 2019	First Half 2018
Alternative Asset Management fees	31,523	29,965
Income (loss) from investments valued at equity	(133)	1,500
Other investment income/expense	(5,841)	46,818
Income from services	197	1,119
Other revenues and income	30	33
Other expenses and charges (*)	(26,689)	(28,118)
Financial income and expenses	(318)	295
PROFIT/(LOSS) BEFORE TAX	(1,231)	51,612
Income tax	(2,884)	(3,741)
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	(4,115)	47,871
Profit (Loss) from discontinued operations/held-for-sale assets	0	0
PROFIT/(LOSS) FOR THE PERIOD	(4,115)	47,871
- Group share	(3,904)	17,118
- Non controlling interests	(211)	30,753
Earnings per share, basic (€)	(0.015)	0.067
Earnings per share, diluted (€)	(0.015)	0.067

(*) includes items "personnel costs", "service costs", "depreciation, amortization and impairment" and "other expenses"

Performance by business segment in HY1 2019

(EUR thousand)	Private Equity Investment	Alternative Asset Management	Holdings/ Eliminations	Consolidated
Alternative Asset Management fees	0	31,734	(211)	31,523
Income (loss) from investments valued at equity	(47)	(86)	0	(133)
Other investment income/expense	(6,423)	582	0	(5,841)
Other revenues and income	0	33	194	227
Other expenses and charges	(253)	(22,692)	(3,744)	(26,689)
Financial income and expenses	89	(117)	(290)	(318)
PROFIT/(LOSS) BEFORE TAXES	(6,634)	9,454	(4,051)	(1,231)
Income tax	0	(3,488)	604	(2,884)
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	(6,634)	5,966	(3,447)	(4,115)
Profit (Loss) from discontinued operations/held-for-sale assets	0	0	0	0
PROFIT/(LOSS) FOR THE PERIOD	(6,634)	5,966	(3,447)	(4,115)
- Group share	(6,800)	6,343	(3,447)	(3,904)
- Non controlling interests	166	(377)	0	(211)

Performance by business segment in HY1 2018

(EUR thousand)	Private Equity Investment	Alternative Asset Management	Holdings/ Eliminations	Consolidated
Alternative Asset Management fees	0	30,532	(567)	29,965
Income (loss) from investments valued at equity	721	779	0	1,500
Other investment income/expense	48,555	(1,737)	0	46,818
Other Income	0	803	349	1,152
Other expenses	(2,331)	(23,067)	(2,720)	(28,118)
Financial income and expenses	306	(15)	4	295
PROFIT/(LOSS) BEFORE TAXES	47,251	7,295	(2,934)	51,612
Income tax	0	(2,020)	(1,721)	(3,741)
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	47,251	5,275	(4,655)	47,871
Profit (Loss) from discontinued operations/held-for-sale assets	0	0	0	0
PROFIT/(LOSS) FOR THE PERIOD	47,251	5,275	(4,655)	47,871
- Group share	17,423	4,350	(4,655)	17,118
- Non controlling interests	29,828	925	0	30,753

Consolidated Statement of Comprehensive Income

(EUR thousand)	First Half 2019	First Half 2018
Profit/(loss) for the period (A)	(4,115)	47,871
Comprehensive incomes/expenses which might be subsequently reclassified to the profit (loss) for the period	205	(152)
Comprehensive incomes/expenses which will not be subsequently reclassified to the profit (loss) for the period	(60)	122
Other comprehensive incomes / (losses), net of tax (B)	145	(30)
Total comprehensive incomes / (losses) for the period (A)+(B)	(3,970)	47,841
Total comprehensive incomes (losses) attributable to:		
- Group Share	(3,759)	17,040
- Non Controlling Interests	(211)	30,801

Consolidated Cash Flow Statement

(EUR thousand)	First Half 2019	First Half 2018
CASH FLOW from operating activities		
Investments in funds and shareholdings	(7,593)	(4,553)
Capital reimbursements from funds	10,021	30,269
Sale of investments	500	15,078
Interest received	68	325
Interest paid	0	(19)
Cash distribution from investments	859	203
Realized gains (losses) on exchange rate and derivatives	0	1
Taxes paid / reimbursed	(1,448)	(4,686)
Dividends received	135	183
Management and performance fees received	36,278	44,956
Revenues for services	705	1,148
Operating expenses	(24,602)	(26,368)
Net cash flow from operating activities	14,923	56,537
CASH FLOW from investment activities		
Acquisition of property, plant and equipment	(246)	(74)
Sale of property, plant and equipment	0	34
Purchase of licenses and intangible assets	(206)	(9)
Net cash flow from investing activities	(452)	(49)
CASH FLOW from financing activities		
Acquisition of financial assets	(7,656)	(1,458)
Sale of financial assets	510	200
Cash flow from leasing contract	(1,461)	0
Share capital issued	97	0
Own shares acquired	0	(3,186)
Share capital issued for Stock Option Plan	324	0
Dividends paid	(37,531)	(33,098)
Loans and bank loans	(54)	508
Net cash flow from financing activities	(45,771)	(37,034)
CHANGE IN CASH AND CASH EQUIVALENTS	(31,300)	19,454
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	143,766	127,916
Effect of change in basis of consolidation: cash and cash equivalents	0	0
CASH AND CASH EQUIVALENTS AT END OF PERIOD	112,466	147,370

Pursuant to Consob Resolution 15519 of 27 July 2006, the impact of dealings with related parties on the Statement of Financial Position, Income Statement and Cash Flow Statement is explained in the Notes to the Financial Statements.

Summary of the financial results of the asset management companies

DeA Capital Alternative Funds SGR

DeA Capital Alternative Funds SGR operates in the management of private equity funds (funds of funds, themed funds and credit funds); as at 30 June 2019, the asset management company manages 12 closed-end private equity funds, of which 5 are funds of funds (IDeA I FoF, ICF II, ICF III, IDeA Crescita Globale, DeA Endowment Fund), 1 is a "direct" co-investment fund (IDeA OF I) and 5 are themed funds (IDeA EESS, IDeA ToI, IDeA Agro, IDeA CCR I and II, the latter two being funds of debtor-in-possession financing) as well as the Investitori Associati IV fund (in liquidation). The asset management company also has management delegations for a portion of the closed-end, non-reserved AIF called "Azimut Private Debt" instituted by Azimut Capital Management SGR.

With regard to the operational performance, in the first six months of 2019, the company recorded an increase in assets under management of EUR 347 million compared to the figure at 30 June 2018, attributable: (i) to the launch of the Shipping Segment (over EUR 170 million) and the expansion of the Loans Segment (EUR 14 million) of the IDeA CCR II fund, (ii) to the start-up of the IDeA Agro fund (EUR 80 million) in the second part of 2018, and (iii) to the start-up, during the first few months of 2019, of the DeA Endowment Fund (EUR 73 million) and Azimut Private Debt (management mandate of EUR 41 million).

In terms of management fees, the increase for more than EUR 2 million is due to the described trend of assets under management and the additional performance fees obtained for one of the funds under management.

DeA Capital Alternative Funds SGR (EUR million)	30 June 2019	30 June 2018
AUM	2,532	2,185
Management fees	12.0	9.8
Net Operating Profit ^(#)	3.1	2.0
Net Profit	3.1	2.0
Net Financial Position	13.6 ^(*)	10.9 ^(*)

^(#) Before the impact of Purchase Price Allocation ("PPA"), impairment, other non-recurring items

^(*) Net of leasing liability of -2.7 EUR million

^(*) Data at 31 December 2018 "adjusted". Reflects the application of IFRS 16 from 11/19



DeA Capital Real Estate SGR

DeA Capital Real Estate SGR is the largest independent real estate asset management company in Italy, with around EUR 9.2 billion in assets under management and 48 managed funds (including 2 listed funds). This makes it a benchmark operator for Italian and international institutional investors in the promotion, creation and management of mutual real estate investment funds.

As regards operational performance, at 30 June 2019 Assets Under Management stood at around EUR 9,200 million, with an increase of over EUR 200 million compared to the same period of the previous year.

In terms of management fees, the company showed a negative change in comparison with the same period of the previous year (EUR -1.5 million) mainly due to the impact of the write-down of the assets of the IDeA FIMIT Sviluppo fund and to the positive effect, on the figures at 30 June 2018, of the one-off fees on the sales of the Omicron Plus fund (EUR 0.5 million).

The Net Result for the first six months of 2019 (EUR 3.9 million) shows a favourable change compared to the figure at 30 June 2018 mainly due to the impact of the evaluation at fair market value of the units held in the managed funds on the figure for the previous year (EUR -1.7 million).

DeA Capital Real Estate SGR (EUR million)	30 June 2019	30 June 2018
AUM	9,197	8,972
Management fees	19.3	20.8
Net Operating Profit ^(#)	4.3	4.8
Net profit	3.9	2.4
-of which:		
- Shareholders	3.9	2.4
- Owners of financial equity instruments	0.0	0.0
Net Financial Position	10.8 ^(°)	12.4 ^(*)

^(#) Before the impact of Purchase Price Allocation ("PPA"), impairment, other non-recurring items

^(°) Net of leasing liability of -8.4 EUR million

^(*) Data at 31 December 2018 "adjusted". Reflects the application of IFRS 16 from 11/19