

The table below provides details of the Group's Statement of Financial Position at 31 December 2018:

	31 December 2018		1 January 2018 "adjusted"	
	M€	€/Sh.	M€	€/Sh.
<i>Alternative Asset Management</i>				
- DeA Capital Real Estate SGR	140.4	0.56	101.2	0.40
- DeA Capital Alternative Funds SGR	43.4	0.17	39.9	0.16
- Other (YARD, DeA Capital RE France...)	5.6	0.02	6.0	0.02
Total AAM (A)	189.4	0.75	147.1	0.58
<i>Private Equity Investment</i>				
- Funds - Private Equity / Real Estate	125.0	0.49	170.9	0.67
- Kenan Inv. / Migros	19.4	0.08	45.6	0.18
- Other (IDeaMI, Cellularline,...)	31.6	0.12	33.4	0.13
Total PEI (B)	176.0	0.69	249.9	0.98
Investment Portfolio (A+B)	365.4	1.44	397.0	1.56
Other net assets (liabilities)	0.5	0.00	0.6	0.00
Net Financial Position Holdings	100.6	0.40	61.8	0.24
NAV	466.5	1.84	459.4	1.80

4. Significant events during the year

The significant events that occurred in 2018 are reported below.

New Funds of the AAM Platform for around EUR 1,300 million

In 2018, the Alternative Asset Management Platform, composed of DeA Capital Real Estate SGR and DeA Capital Alternative Funds SGR, started to manage new funds with AuM for around EUR 1,300 million.

In particular, the Platform has taken over eight new real estate funds for AuM totalling approximately EUR 1,000 million (including the Tessalo fund, with Assets under Management of around EUR 200 million, dedicated to properties for clinical/RSA purposes). At the same time, the IDeA Agro fund (commitment of EUR 80 million) was launched in private equity/credit, intended for the acquisition and valorisation of farms operating in an eco-sustainable manner in Italy, and the Shipping Section (EUR 170 million) of the IDeA CCR II fund (debtor-in-possession financing) focused on corporate financing to companies operating in maritime transport. Meanwhile, further closings of the Credit and New Finance segments of the IDeA CCR II fund were finalised for approximately EUR 30 million. The transactions described brought the total commitment of this fund up to EUR 496.5 million.

Funds – Payments/Distributions

In 2018, the DeA Capital Group increased its investments with net payments totalling EUR 8.8 million (related to the funds IDeA I FoF, ICF II, ICF III, IDeA OF I, IDeA EESS, IDeA ToI, IDeA Agro, IDeA CCR I and II).

At the same time, in 2018 the DeA Capital Group received distributions (net of withholding taxes) totalling EUR 88.4 million in 2018 (relating to the IDeA I FoF, ICF II, IDeA OF I, IDeA EESS, IDeA ToI and IDeA CCR I funds).

Thus, in 2018, the private equity funds in which DeA Capital S.p.A. has invested generated a net positive cash balance of EUR 79.6 million for the portion relating to the Group.

Share buy-back plan

On 19 April 2018, the Shareholders' Meeting of DeA Capital S.p.A. authorised the Board of Directors to buy and sell, on one or more occasions and on a revolving basis, a maximum number of treasury shares representing a stake of up to 20% of the share capital.

The new plan replaces the previous plan approved by the Shareholders' Meeting on 20 April 2017 (which was scheduled to expire with the approval of the 2017 Annual Financial Statements), and will pursue the same objectives, including purchasing treasury shares to be used for extraordinary transactions and share incentive

April

schemes, offering shareholders a means of monetising their investment, stabilising the share price and regulating trading within the limits of current legislation.

The authorisation specifies that purchases may be made up to the date of the Shareholders' Meeting to approve the Financial Statements at 31 December 2018, and, in any event, not beyond the maximum period of 18 months allowed by law, and that DeA Capital S.p.A. may also sell the shares purchased for trading purposes, without time limits. The unit price for the purchase of the shares will be set on a case-by-case basis by the Board of Directors, but must not be more than 20% above or below the share's reference price on the trading day prior to each purchase.

The authorisation to sell treasury shares already held in the Company's portfolio and any shares bought in the future was granted for an unlimited period. Sales may be carried out using the methods deemed most appropriate and at a price to be determined on a case-by-case basis by the Board of Directors, which must not, however, be more than 20% below the share's reference price on the trading day prior to the sale (apart from certain exceptions specified in the Plan), although this limit may not apply in certain cases.

On the same date, the Board of Directors set the maximum unit price above which purchases of treasury shares may not be made, at the NAV per share indicated in the most recent Statement of Financial Position approved and disclosed to the market, and set the maximum daily purchase limit at 25% of the average daily volume of shares traded on the Electronic Stock Market in the 20 trading days prior to the purchase date.

At the same meeting, the Company's Board of Directors also voted to adopt market practice regarding the acquisition of treasury shares by setting up a "securities warehouse", as permitted by Consob Resolution 16839 of 19 March 2009.

DeA Capital S.p.A. will notify the market of the start date of the treasury share purchase programme in compliance with current legislation.

New Performance Share Plan

On 19 April 2018, the DeA Capital S.p.A. Shareholders' Meeting approved the DeA Capital Performance Share Plan 2018-2020, under which a maximum of 1,500,000 units may be granted. On the same date, in implementation of the shareholders' resolution, the Board of Directors of DeA Capital S.p.A. voted: (i) to launch the Performance Share Plan 2018-2020 approved by the Shareholders' Meeting, vesting the Chairman of the Board of Directors and the Chief Executive Officer with all the necessary powers, to be exercised severally and with full power of delegation; and (ii) to grant 1,350,000 units (representing the right to receive ordinary shares in the Company free of charge, under the terms and conditions of the plan) to certain employees and/or directors performing particular roles at the Company, its subsidiaries and the Parent Company De Agostini S.p.A.

The shares granted due to the vesting of units will be drawn from the treasury shares already held by the Company; the granting of such shares will not therefore have a dilutive effect.

Vesting of the 2015-17 Performance Share Plan

In May 2018, 291,937 treasury shares (approximately 0.1% of the share capital) were granted for the DeA Capital S.p.A. 2015-17 Performance Share Plan.

Merger by incorporation of YARD in IRE

On 7 May 2018, IRE incorporated its 100% subsidiary YARD, at the same time taking the company name. YARD operates as full service provider in the real estate sector.

Distribution of the share premium reserve

On 21 May 2018, in accordance with the vote of the Shareholders' Meeting on 19 April 2018, DeA Capital S.p.A. made a partial distribution of the share premium reserve in an amount of EUR 0.12 per share, i.e. based on the total number of entitled shares, in an amount of around EUR 30.5 million.

April

May

18

Business Combination between Crescita SPAC and the Cellular Group

On 4 June 2018, the business combination was finalised between Crescita SPAC and the Cellular Group, brand holder of Cellularline and Italian leader in the development and sale of accessories for smartphones and tablets. Following the transaction, which involved the conversion into ordinary shares of 35% of the special shares held, DeA Capital S.p.A. held 3.8% of the combined entity, renamed Cellularline S.p.A. Subsequently, in the last quarter of 2018, DeA Capital S.p.A. purchased on the stock market 104,500 shares of Cellularline (equal to 0.5% of the capital), for EUR 0.8 million, increasing its own shareholding up to 4.3%. Purchases continued in the first few months of 2019, increasing the figure up to 4.4% (for an outlay of a further EUR 0.2 million).

Dividends from Alternative Asset Management

In 2018, the Alternative Asset Management business distributed dividends to the DeA Capital Group's holding companies totalling EUR 7.5 million (EUR 5.4 million in 2017), broken down as follows: EUR 4.8 million to DeA Capital Real Estate (pro-rata share of the total EUR 7.4 million), EUR 2.5 million to DeA Capital Alternative Funds (100% of the dividends approved) and EUR 0.2 million to YARD (pro-rata share of the total EUR 0.4 million).

Incorporation of DeA Capital Real Estate France

Within the framework of the strategy for the development of Alternative Asset Management, on 21 September 2018 the establishment was finalised of DeA Capital Real Estate France SAS, a company incorporated under French law, 70% owned by the DeA Capital Group and for the remaining portion by local key managers. The company aims to develop real estate advisory activities for fundraising and for consultancy and management of real estate assets in the French market, with particular focus on the core+, value-add and opportunistic segments.

Through this initiative, DeA Capital S.p.A. initiated the creation of a pan-European real estate platform – through subsidiaries of the Group and, as a strategic orientation, invested in by local senior management teams – which can accompany Italian investors in initiatives outside national borders, as well as attract international investors with a pan-European focus.

Acquisition of minority shares in DeA Capital Real Estate SGR

As part of the development strategy for Alternative Asset Management, in November 2018, the acquisition was finalised of minority shares of DeA Capital Real Estate SGR, for 29.73% of the company's share capital, for around EUR 40 million (in addition to an earn-out of EUR 2.9 million to be paid upon reaching certain targets for new assets under management). Following this transaction, the DeA Capital Group increased its shareholding up to 94.03% in the capital of the management company.

After the end of the year, on 1 March 2019 the acquisition was finalised of the residual minority shareholding of DeA Capital Real Estate SGR (5.97%) for a base price of approximately EUR 8 million (in addition to an earn-out up to a maximum of EUR 0.9 million, to be paid upon achieving certain targets for new assets under management). The price was paid in treasury shares of DeA Capital S.p.A. (5,174,172 shares, corresponding to approximately 1.7% of the share capital, valued at 1.555 EUR/share).

The DeA Capital S.p.A. shares used as payment are subject to a six-month lock-up starting from the date of finalisation of the transaction.

Following this transaction, the DeA Capital Group increased its shareholding to 100% in the capital of DeA Capital Real Estate SGR.

Sale of SPC to YARD

In the context of the consolidation of the YARD Group non-performing loan management services, on 20 December 2018 the sale was finalised by DeA Capital Partecipazioni in YARD of the entire stake held in the capital of SPC (100%), for an amount slightly higher than the book value.

June

November

September

December