

Letter

“In 2019, DeA Capital increased the Platform’s Assets Under Management to over EUR 22 billion, reaffirming its position as the most important Italian Alternative Asset Management operator, with a wide range of investment solutions, ranging from Real Estate to Private Equity to Non-Performing Exposure. The quality of our management teams, our extensive network of national and international relations and our solid financial results place us in the best position to confront the very difficult environment that has been emerging since the beginning of 2020.”

to the Shareholders

Dear Shareholders,

In 2019, Combined Assets Under Management - essentially assets under management by the asset management companies in which DeA Capital has an absolute or relative majority stake - increased to approximately EUR 22,600 million, up more than 90% from EUR 11,880 million at the end of 2018.

The result is attributable to a combination of organic growth in all our business areas - Real Estate, Private Equity and Non-Performing Exposure - and acquisitions to consolidate new management skills (in the Non-Performing Exposure and in investment solutions for institutional investors areas).

The increase in Combined Assets Under Management, achieved for the most part in the last quarter of the year, led to an increase in Management Fees to EUR 64.9 million (+2.5%), with a Net Operating Result of EUR 14.6 million (slightly lower than in 2018, which included some non-recurring extraordinary items).

Our Investment Portfolio reached EUR 387.1 million, up from EUR 366.6 million at the end of 2018, thanks to the positive performance of our assets and the acquisitions completed during the year, in turn substantially financed by the proceeds of the Investment Portfolio itself.

As regards our Net Financial Position, we once again adopted a very careful approach in the allocation of cash resources this year; they stood at approximately EUR 100 million at consolidated level; this focus has enabled us to support the development of our activities in the best possible way and to maintain a policy of active remuneration of the capital invested by Shareholders (which also worked in favour of the share's good performance, +27.3% in 2019).

Overall, we have had another more than positive year, which puts us in a better position to handle the extraordinary uncertainty that opened up in 2020, particularly following the spread of the Covid-19 virus.

We are faced with a situation that is hitherto unknown in the "modern world": health emergencies in almost all developed countries, entire populations subject to strict movement restrictions, paralysed production chains; today the attention is naturally focused on safeguarding the health of the entire community in which we operate, with reference to the future - which we hope is very near - for any considerations regarding the economic and financial repercussions of what we are experiencing.

Even in this very difficult context, and thanks above all to the solidity of our balance sheet and the excellence of our management teams, we believe that DeA Capital will continue to adequately support the assets and companies in which we hold investments.



Lorenzo Pellicoli
Chairman



Paolo Ceretti
Chief Executive Officer