

The table below provides details of the Group's Statement of Financial Position at 31 December 2019:

	31 December 2019		31 December 2018 "adjusted"	
	M€	€/Sh.	M€	€/Sh.
<i>Alternative Asset Management</i>				
- DeA Capital Real Estate SGR	141.2	0.54	140.4	0.56
- DeA Capital Alternative Funds SGR	55.6	0.21	43.4	0.17
- Quaestio Holding	14.3	0.06	0.0	0.00
- Other (YARD, DeA Capital RE France, Iberia..)	6.6	0.03	6.8	0.03
Total AAM (A)	217.7	0.84	190.6	0.76
<i>Alternative Investment</i>				
- AI Platform Investments	118.0	0.45	116.0	0.45
- AI Other Investments	51.4	0.20	60.0	0.24
Total AI (B)	169.4	0.65	176.0	0.69
Investment Portfolio (A+B)	387.1	1.49	366.6	1.45
Other net assets (liabilities)	4.6	0.02	3.4	0.01
Net Financial Position Holdings	65.8	0.25	65.3	0.26
NAV	457.5	1.76	435.3	1.72

4. Significant events during the year

The significant events that occurred in 2019 are reported below.

ALTERNATIVE ASSET MANAGEMENT

New Funds of the Alternative Asset Management Platform

During 2019, the Alternative Asset Management Platform **launched/acquired the management of new funds for Assets Under Management totalling approximately EUR 3 billion.**

In particular, on 05 November 2019 the subsidiary DeA Capital Alternative Funds SGR incorporated the business unit constituted by the assets of **NPL Management of Quaestio SGR**, including the management of the Italian Recovery Fund, **with Assets Under Management of over EUR 2,300 million.** During 2019, the company also launched the "DeA Endowment Fund" fund of funds, obtained the mandate for the management of a portion of the non-reserved closed-end AIF called "Azimut Private Debt" and completed further closings of the IDeA CCR I and IDeA CCR II funds (for more than EUR 200 million).

At the same time, during 2019, the subsidiary DeA Capital Real Estate SGR launched 6 new real estate funds (over EUR 400 million of new assets under management).

Internationalisation of the Alternative Asset Management Platform

DeA Capital Real Estate Iberia was established on 27 February 2019, a company under Spanish law. The DeA Capital Group holds 73% with the remaining portion owned by local key managers. The company is designed to develop real estate advisory businesses for raising funds and real estate advisory and management activities in Spain and Portugal, with a special focus on *core+*, value-added and opportunistic investments.

On 18 December 2019, DeA Capital Real Estate Poland, a company incorporated under Polish law, was formed to develop the management of real estate assets on the Polish market; the company is 50% held by the DeA Capital Group, with the other 50% held by Ksiazek Holding, which, in turn, controls Marvipol Development, a company listed on the Warsaw Stock Exchange (active in real estate services and with which a collaboration agreement has also been signed).

Through these initiatives DeA Capital S.p.A. is continuing the project of developing the platform of the real estate segment on a pan-European basis, through subsidiaries and jointly-controlled companies and with the involvement of local senior management teams (already launched through the establishment in 2018 of DeA Capital Real Estate France).

Acquisition of minority interests in DeA Capital Real Estate SGR

On 1 March 2019, the DeA Capital completed the acquisition of the residual minority interest (5.97%) held by Fondazione Carispezia in DeA Capital Real Estate SGR (now wholly-owned). The price, of EUR 8 million (in addition to an earn-out of up to a maximum of EUR 0.9 million, to be paid in cash when certain new asset under management targets are reached), was settled in DeA Capital S.p.A. treasury shares (5,174,172 shares corresponding to approximately 1.7% of the share capital, valued at EUR 1.555 per share).

Acquisition of the relative majority holding in Quaestio SGR

In execution of the agreements stipulated in July 2019, on 6 November 2019 the acquisition was completed of the **majority holding (38.8%) of Quaestio Holding**, owner of 100% of Quaestio Capital Management SGR. With the sales of the NPL Management and NPL Servicing businesses completed between the end of 2019 and the beginning of 2020, Quaestio SGR focused its operation on investment solutions for institutional investors (with Assets Under Management amounting to over EUR 7,500 million).

The consideration for the transaction was quantified at approximately EUR 14.5 million, corresponding to an equity value for 100% of the company equal to approximately EUR 37.3 million.

Added to the aforesaid amount was a price supplement (EUR 22.3 million) substantially equal to the pro-rata portion of liquidity in the Quaestio Group resulting from the aforementioned divestments of NPL Management and NPL Servicing businesses. In view of the commitment made by the parties to distribute this liquidity to shareholders as soon as possible, DeA Capital S.p.A. included the above amount (EUR 22.3 million) in the net financial position operating indicator.

Post-acquisition, the **company structure of Quaestio Holding** is composed as follows:

- DeA Capital S.p.A. with a 38.82% interest;
- Fondazione Cariplo, with a 34.01% interest;
- other institutional investors (Cassa Italiana di Previdenza ed Assistenza dei Geometri Liberi Professionisti - Italian Welfare and Assistance Fund for Freelance Surveyors, Cassa di Risparmio di Forlì Foundation and Direzione Generale Opere Don Bosco) with an overall stake of 27.17%.

Finally, it should be noted that a **new five-year shareholders' agreement between the shareholders of Quaestio Holding** was signed, aimed at establishing the corporate governance structure for the Quaestio Group.

Dividends/distributions from the Alternative Asset Management activities

During 2019, the Alternative Asset Management business distributed dividends to the holding companies totalling EUR 22.9 million (EUR 7.5 million in 2018), broken down as follows: EUR 17.8 million to DeA Capital Real Estate (including the portion distributed out of the PFIs), EUR 5.0 million to DeA Capital Alternative Funds and EUR 0.1 million to YARD (pro-rata share of EUR 0.3 million).

ALTERNATIVE INVESTMENT

Funds managed by the Alternative Asset Management Platform – Capital calls / Distributions

In 2019, the DeA Capital Group increased its investments with paid calls totalling EUR 11.8 million related to the IDeA I FoF, ICF II, ICF III, IDeA EESS, IDeA ToI, IDeA CCR I, IDeA CCR II, IDeA Agro and Santa Palomba funds.

At the same time, during 2019, the DeA Capital Group received reimbursements (excluding withholding tax of EUR 2.4 million) totalling EUR 14.4 million (from the IDeA I FoF, ICF II, IDeA OF I, IDeA EESS, IDeA ToI and Venere funds).

Thus, during 2019, the funds in which DeA Capital S.p.A. invested resulted in a net positive cash balance of EUR 2.6 million for the portion relating to the Group.

Investments in support of the Alternative Asset Management Platform initiatives

As part of the strategy to support initiatives relating to the Alternative Asset Management Platform, on 17 September 2019 DeA Capital S.p.A. and the fund IDeA Taste of Italy acquired a controlling interest in the **Alice Pizza Group**, Italy's leading pizza-by-the-slice chain. The co-investment by DeA Capital S.p.A. entailed an outlay of EUR 5 million, for a fully diluted interest in Alice Pizza of approximately 10% (to which is added the interest held through the stake held in the Taste of Italy fund (i.e., 5.9% fully diluted).

In addition, between September and December 2019, investments were concluded in two vehicles under French law, **Paris R²** and **Bobigny Irrigo**, for 6% and 5% interests, respectively, with a total investment of up to EUR 1.8 million, in the context of two real estate initiatives promoted in the Paris area by the subsidiary DeA Capital Real Estate France (with the vehicles under French law controlled by international institutional investors).

Disposal of Migros units

On 22 November 2019, Kenan Investments and the wholly-owned subsidiary Moonlight Capital S.A. completed, through accelerated book building, the partial disposal of an approximately 11% holding of Migros, for a share of proceeds pertaining to DeA Capital S.p.A. of EUR 11.2 million.

Subsequent to the transaction, fully-diluted holding of DeA Capital S.p.A. in Migros was approximately 2%, for a valuation in the consolidated financial statements at 31 December 2019 of EUR 15.7 million (based on a value per Migros share of TRY 24.2 and an FRX of 6.68 TRY/EUR).

Launch of the IDEaMI liquidation process

It should be noted that, after reaching the end of the company's duration on 11 December 2019 and not having concluded a business combination with a "Target" company by that date, IDEaMI initiated the liquidation process, while also halting trading of the related ordinary shares and warrants issued on the Alternative Investment Market (AIM) - Italy.

This process is expected to be completed in the 3rd quarter of 2020, with an estimated collection for DeA Capital S.p.A. of EUR 22.4 million, corresponding to the value attributed to the share at 31 December 2019.

OTHER IMPORTANT FACTS

Long-term incentive schemes

On 21 January 2019, 317,229 treasury shares (equal to approximately 0.1% of the share capital) were granted following the exercise of the residual options under the 2014-2016 DeA Capital Stock Option Plan, with the collection of EUR 0.3 million.

On 18 April 2019, 730,656 treasury shares (approx. 0.2% of the share capital) were granted under the 2015-2017 and 2016-2018 Performance Share Plans of DeA Capital S.p.A.

On the same date, the DeA Capital S.p.A. Shareholders' Meeting approved the 2019-2021 Performance Share Plan, under which a maximum of 1,300,000 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 2019-2021 Performance Share Plan 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

1,050,000 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. Shares allocated due to the vesting of Units will be drawn from treasury shares.

Also, on 18 April 2019, the DeA Capital S.p.A. Shareholders' Meeting approved the 2019-2021 Share Plan for the Chief Executive Officer of the Company, under which a maximum of 1,750,000 units may be granted for free in the event of the achievement of certain performance parameters. The Board of Directors, held on the same date and in implementation of the resolution of the Shareholders' Meeting, resolved to initiate the 2019-2021 Share Plan, conferring to the Chairman of the Board of Directors the necessary powers. The allocated shares will be drawn from treasury shares.

Share buy-back plan

On 18 April 2019, 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 holding of up to 20% of the share capital as of the completion of the reduction for EUR 40,000,000 approved by the Extraordinary Shareholders' Meeting on that date, and therefore up to a maximum of approximately 53.3 million shares.

The new plan replaces the previous plan approved by the Shareholders' Meeting on 19 April 2018 (which was scheduled to expire with the approval of the 2018 Annual Financial Statements), and will pursue the same objectives, including purchasing treasury shares to be used for extraordinary transactions and share incentive 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 until the date of the Shareholders' Meeting called to approve the Financial Statements at 31 December 2019, 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, including 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