



**INTERIM MANAGEMENT
REPORT
TO 31 March 2019**

First Quarter 2019

*Board of Directors
Milan, 09 May 2019*

DeA Capital S.p.A.

Corporate information

DeA Capital S.p.A. is subject to the management and coordination of De Agostini S.p.A.
Registered office: Via Brera 21, Milan 20121, Italy
Share capital: EUR 306,612,100 (fully paid up), comprising 306,612,100 shares with a nominal value of EUR 1 each (including 47,367,141 treasury shares at 31 March 2019)
Tax code, VAT code and recorded in the Milan Register of Companies under no. 07918170015

Board of Directors (*)

Chairman Lorenzo Pellicioli

Chief Executive Officer Paolo Ceretti

Directors
Marco Boroli
Donatella Busso ^(2 / 5)
Marco Drago
Carlo Enrico Ferrari Ardicini
Dario Frigerio
Francesca Goltetto ^(3 / 5)
Davide Mereghetti ^(3 / 5)
Daniela Toscani ^(1 / 5)
Elena Vasco ^(1 / 4 / 5)

Board of Statutory Auditors (*)

Chairman Cesare Andrea Grifoni

Permanent Auditors Annalisa Raffaella Donesana
Fabio Facchini

Deputy Auditors Andrea Augusto Bonafè
Michele Maranò
Marco Sguazzini Viscontini

Secretary to the Board of Directors Diana Allegretti

Manager responsible for preparing the Company's accounts Manolo Santilli

Independent Auditors PricewaterhouseCoopers S.p.A.

(*) In office until the approval of the Financial Statements for the Year Ending 31 December 2021

⁽¹⁾ Member of the Control and Risks Committee

⁽²⁾ Member and Chairman of the Control and Risks Committee

⁽³⁾ Member of the Remuneration and Appointments Committee

⁽⁴⁾ Member and Chairman of the Remuneration and Appointments Committee

⁽⁵⁾ Independent Director

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Statement of Responsibilities for the Interim Management Report to 31 March 2019

Interim Management Report

1. Profile of DeA Capital S.p.A.

With assets under management (*) of around EUR 11,900 million and an investment portfolio of more than EUR 370 million, DeA Capital S.p.A. is one of Italy's largest alternative investment operators.

The Company, which operates in both Alternative Asset Management and Private Equity Investment businesses, is listed on the FTSE Italia STAR section of the Milan stock exchange and heads the De Agostini Group in the area of financial investments.

In the Alternative Asset Management business, DeA Capital S.p.A. – *is Italy's leading operator in Italy, through its subsidiaries DeA Capital Real Estate SGR and DeA Capital Alternative Funds SGR* – with the two asset management companies active in the promotion, management and value enhancement of real estate, private equity and credit investment funds.

In the Private Equity Investment business, DeA Capital S.p.A. has “permanent” capital, and therefore has the advantage – compared with traditional private equity funds, which are normally restricted to a pre-determined duration – of greater flexibility in optimising the timing of entry to and exit from investments. In terms of investment policy, this flexibility allows it to adopt an approach based on value creation, including over the medium to long term.

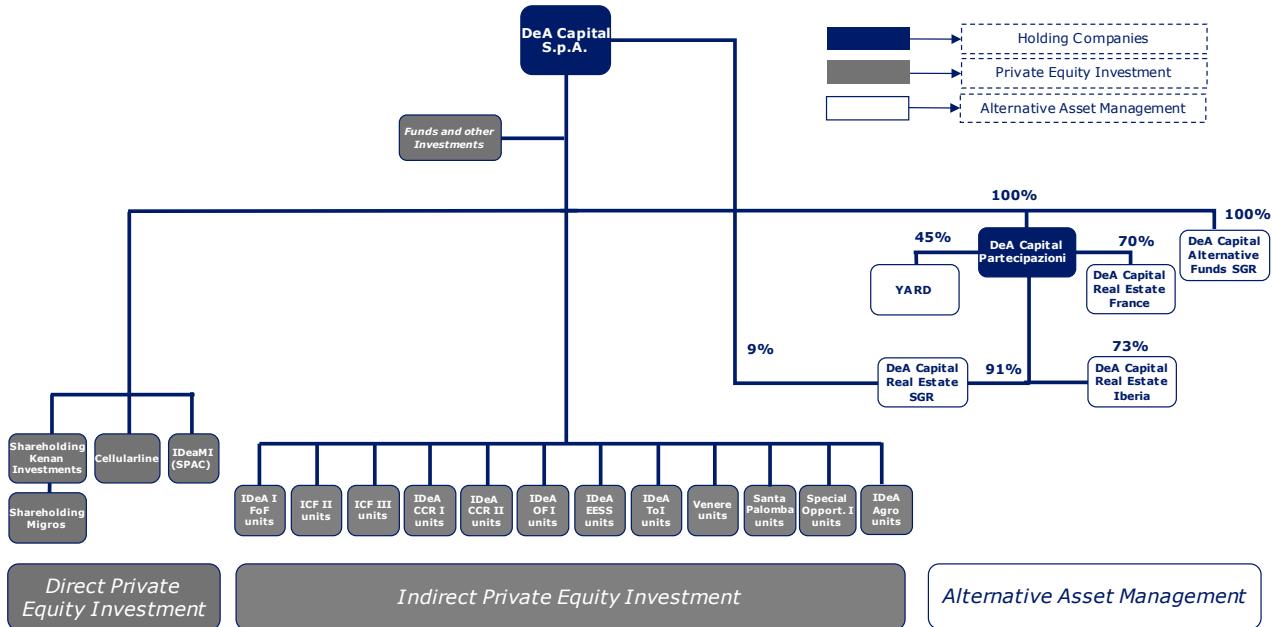
The Company's ability to carry out investment initiatives that are structurally very complex, on the one hand, and raise funds through its asset management subsidiaries, on the other, is proof of the effectiveness of its business model, which combines private investment and asset management activities to create value in a unique way in Italy's alternative asset management sector. It does this thanks to:

- the quality, built up over time, of the management team, which has more than 190 professionals dedicated to making investments and managing funds in the most attractive alternative investment asset classes (real estate, private equity and NPL);
- its solid financial position, which enables it to support the launch of new initiatives with its own capital, and hence substantially align its interests with those of the investors in the managed funds;
- *an extensive network of international relationships, which makes DeA Capital the preferred Gate-to-Italy for alternative investment decisions in our country;*
- its membership of one of Italy's leading business groups, whose structure is built on a long-term approach that best supports the Company's growth path.

(*) *Assets Under Management refer to:*

- *for Real Estate funds, the assets of the funds under management;*
- *for Private Equity funds, total commitments.*

At 31 March 2019, the corporate structure of the Group headed by DeA Capital S.p.A. (the DeA Capital Group or the Group) was summarised below:



- **ALTERNATIVE ASSET MANAGEMENT**

- ⇒ 100% control of **DeA Capital Alternative Funds SGR**, which manages private equity funds (funds of funds, co-investment funds and theme funds) with about EUR 2.5 billion in assets under management (AUM) and twelve managed funds;
- ⇒ 100% control of **DeA Capital Real Estate SGR**, Italy's largest independent real estate asset management company, with assets under management of EUR 9.3 billion and 47 managed funds (including two listed funds);
- ⇒ controlling interest in **DeA Capital Real Estate France** (70.0%) and **DeACapital Real Estate Iberia** (73%), newly-established companies with the aim of developing the real estate advisory business for raising funds and real estate advisory and management activities in France and Spain, respectively;
- ⇒ strategically important stake in **YARD** (45.0%), which operates in project, property and facility management and due diligence, as well as in real estate brokerage.

- **PRIVATE EQUITY INVESTMENT**

- **Funds**

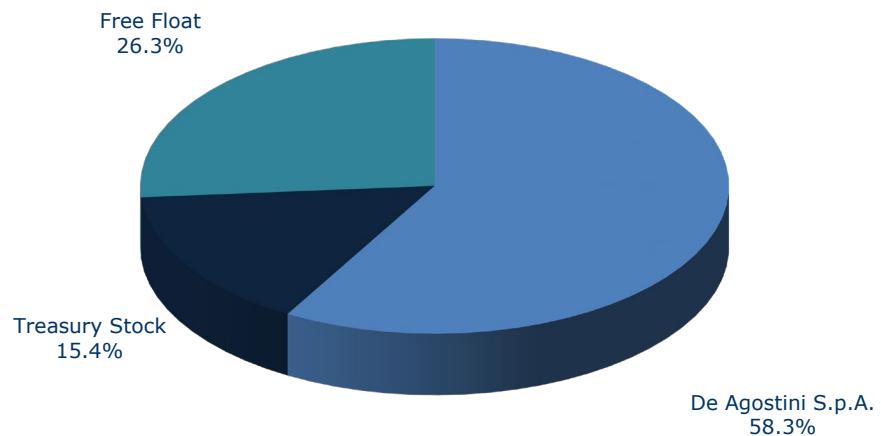
- ⇒ units in nine funds managed by the subsidiary DeA Capital Alternative Funds SGR i.e. in the three funds of funds **IDeA I Fund of Funds**, **ICF II** and **ICF III**, and the co-investment fund **IDeA Opportunity Fund I**, in the theme funds **IDeA Efficienza Energetica e Sviluppo Sostenibile**, **IDeA Taste of Italy** and **IDeA Agro**, and in the credit funds **IDeA Corporate Credit Recovery I and II**;
 - ⇒ **units in three funds managed by the subsidiary DeA Capital Real Estate SGR, i.e. in the funds Venere, Santa Palomba and Special Opportunities I**
 - ⇒ units in five venture capital funds

- **Main shareholdings**

- ⇒ minority shareholdings in **Migros**, Turkey's leading food retail chain operator, whose shares are listed on the Istanbul Stock Exchange; the investment is held through the Luxembourg-registered company Kenan Investments S.A. (with a stake of 17.1% in Kenan Investments, equating to a fully diluted stake of about 4.0% in Migros);
 - ⇒ minority shareholdings in **Cellularline** (4.4% of the total shares issued), a combined entity of *Crescita SPAC and the Cellular Group, brand holder of Cellularline and Italian leader of accessories for smart phones and tablets*;
 - ⇒ minority shareholding (9.7% of total shares issued) in **IDeaMI**, a special purpose acquisition company (SPAC) which is engaged in researching and selecting medium-sized, unlisted Italian companies with the objective of creating a business combination within 24 months of listing (December 2017) with a sponsorship role.

2. Information for shareholders

➤ **Shareholder structure - DeA Capital S.p.A. (#)**

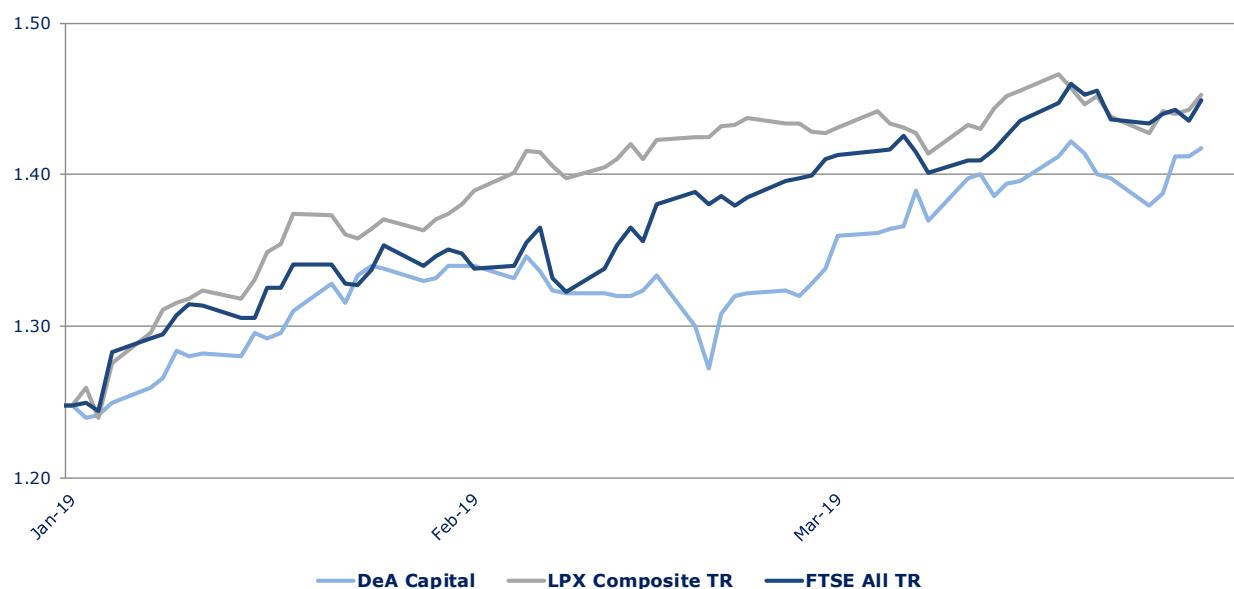


(#) Figures at 31 March 2019

Note: at 9 May 2019, the number of treasury shares was 46,636,485 (15.2%)

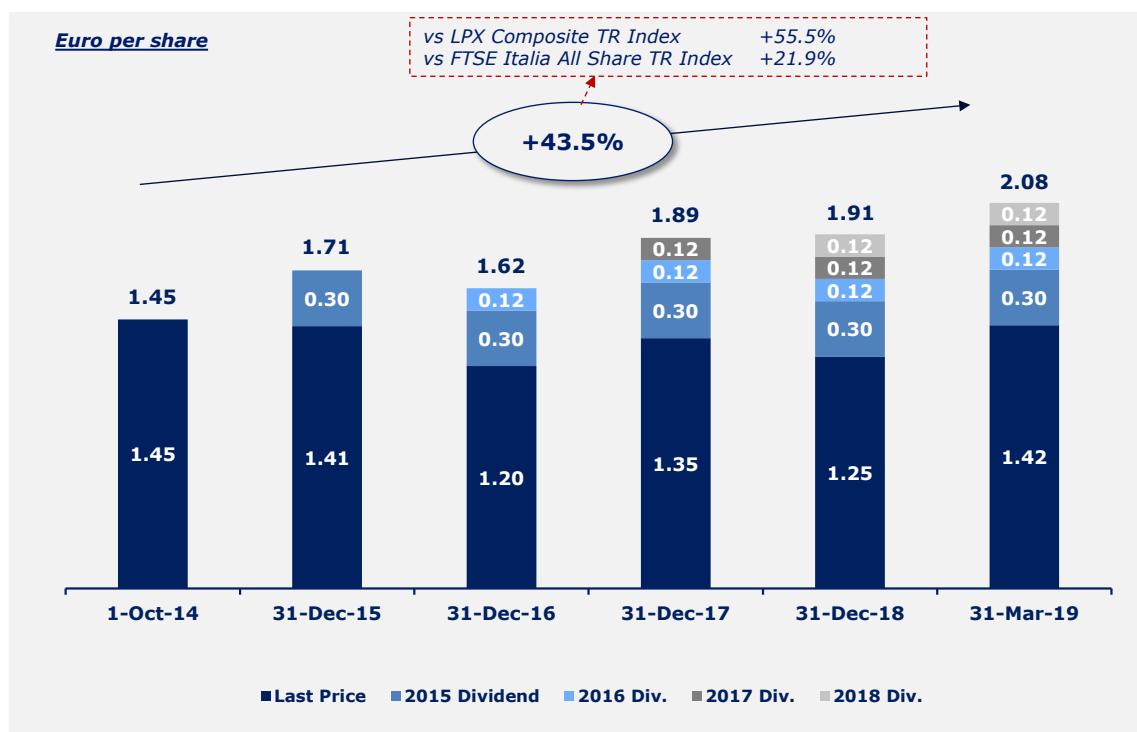
➤ **Share performance (°)**

- **From 1 January 2019 to 31 March 2019**



(°) Source: Bloomberg

➤ **Total Shareholder Return – DeA Capital S.p.A.**
(Base 1.10.14, closing GDS)



Performance of the DeA Capital share

With reference to 31 March 2019 performance, the Company's shares were up 13.6%; in the same period of time, the FTSE All-Share® TR and LPX Composite® TR indices recorded performances of +16.2% and +16.4%, respectively.

From 1 October 2014 (the closing date for the sale of the shareholding in GDS) to 31 March 2019, the performance of DeA Capital shares was +43.5%, while the Italian market FTSE All-Share® TR index was +21.9% and the LPX Composite® TR was +55.5% (source: Bloomberg).

With regard to the share's liquidity, average daily trading volumes in the first quarter of 2019 stood at around 143,000 shares.

DeA Capital's share prices recorded in 2019 are listed below.

<i>in EUR</i>	1 Jan – 31 March 2019
Maximum price	1.42
Minimum price	1.24
Average price	1.33
Price at 31 March 2019 (EUR per share)	1.42
Market capitalisation at 31 March 2019 (EUR million)	368

3. Key Financials

The DeA Capital Group's key Statement of Financial Position and Income Statement figures at 31 March 2019 are shown below, compared with the corresponding figures for the previous period.

(Eur million)	31 March 2019	31 March 2018
Asset Under Management "AUM"	11,870	11,613
Fee-Paying AUM (*)	10,378	10,075
Management fees	16.9	15.4
Platform Net Operating Profit (#)	4.2	3.2
Group Net Profit/(Loss)	(3.9)	(4.7)

(*) Amount for management fees calculation

(#) Sum of the Net Operating Profit of the two asset management companies, before the impact of purchase Price Allocation ("PPA"), impairment, and other non recurring items

(Eur million)	31 March 2019	31 December 2018
Investment portfolio	372.4	365.4
Consolidated Net Financial Position	137.7	148.3
Net Financial Position - Holding companies	92.5	100.6
NAV/share (EUR)	1.82	1.84

The table below shows the change in the Group's NAV in the first three months of 2019:

Change in Group NAV	Total value (EUR m)	No. shares (millions)	Value per share (EUR)
Group NAV at 31.12.2018	466.5	253.8	1.84
Treasury shares delivered under incentive plans	8.0	5.2	1.56 (*)
Treasury shares delivered under acquisition minorities	0.3	0.3	1.33 (*)
Comprehensive income - Statement of Performance - IAS 1	(3.9)		
Other changes in NAV	0.2		
Group NAV at 31.3.2019	471.1	259.3	1.82

(*) Market price at the delivery date of the shares

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

	31 March 2019		31 December 2018	
	M€	€/Sh.	M€	€/Sh.
Alternative Asset Management				
- DeA Capital Real Estate SGR	151.5	0.58	140.4	0.56
- DeA Capital Alternative Funds SGR	45.5	0.18	43.4	0.17
- Other (YARD, DeA Capital RE France...)	5.6	0.02	5.6	0.02
Total AAM (A)	202.6	0.78	189.4	0.75
Private Equity Investment				
- Funds - Private Equity / Real Estate	120.9	0.47	125.0	0.49
- Kenan Inv. / Migros	17.3	0.07	19.4	0.08
- Other (IDeAMI, Cellularline,...)	31.6	0.12	31.6	0.12
Total PEI (B)	169.8	0.66	176.0	0.69
Investment Portfolio (A+B)	372.4	1.44	365.4	1.44
Other net assets (liabilities)	6.2	0.02	0.5	0.00
Net Financial Position Holdings	92.5	0.36	100.6	0.40
NAV	471.1	1.82	466.5	1.84

4. Significant events in the first quarter of 2019

The significant events that occurred in the first quarter of 2019 are reported below.

➤ **New Funds of DeA Capital Alternative Funds SGR**

In the first quarter of 2019, the subsidiary DeA Capital Alternative Funds SGR completed the launch of the "DeA *Endowment Fund*", a closed-ended fund of funds for banking foundations, and obtained the delegation to manage a portion of the non-reserved closed-ended AIF called "Azimut Private Debt", a fund established by Azimut Capital Management SGR S.p.A., for new assets under management totalling EUR 114 million.

➤ **Funds - Paid Calls / Distributions**

In the first quarter of 2019, the DeA Capital Group increased its investments with paid calls totalling EUR 3.7 million (in the ICF III, IDeA ToI, IDeA CCR II and Santa Palomba funds).

At the same time, in the first quarter of 2019, the DeA Capital Group received capital reimbursements (excluding withholding tax) totalling EUR 1.1 million (from the IDeA OF I and Venere funds).

Thus, in the first quarter of 2019, the funds in which DeA Capital S.p.A. has invested generated a net negative cash balance of EUR 2.6 million for the portion relating to the Group.

➤ **Cellularline – share purchase**

In the first months of 2019, DeA Capital S.p.A. bought 27,000 Cellularline shares on the stock market (equal to 0.1% of the share capital) for a consideration of EUR 0.2 million, increasing its shareholding to 4.4%.

➤ **Exercise of residual stock options under the DeA 2014-2016 Capital Plan**

On 21 January 2019, n. 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.

➤ **Investment in DeACapital Real Estate Iberia**

On 27 February 2019 DeA Capital Real Estate was established, 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.

➤ ***Acquisition of minority interests in DeA Capital Real Estate SGR***

On 1 March 2019, the acquisition by Fondazione Carispezia of the residual minority interest (5.97%) of DeA Capital Real Estate SGR (now wholly-owned) was completed. 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 when certain new asset under management targets are reached), was regulated 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). The DeA Capital S.p.A. shares used as payment were subject to a six-month lock-up starting from the completion date of the transaction.

5. Results of the DeA Capital Group

The consolidated results for the period relate to the operations of the DeA Capital Group in the following businesses:

- Alternative Asset Management, which includes the reporting units dedicated to asset management activities and related services, with a focus on the management of private equity and real estate funds.
- Private Equity Investment, which includes the reporting units involved in private equity investment, broken down into shareholdings (direct investments) and investments in funds (indirect investments).

➤ **Alternative Asset Management**

At 31 March 2019, DeA Capital S.p.A. was the owner of:

- 100% of **DeA Capital Alternative Funds SGR**;
- 100% of **DeA Capital Real Estate SGR**;
- 70.0% of **DeA Capital Real Estate France**;
- 73.0% of **DeACapital Real Estate Iberia**;
- 45.0% of **YARD** (project, property and facility management, real estate brokerage and credit recovery).

- **DeA Capital Alternative Funds SGR**

 <p>DEA CAPITAL ALTERNATIVE FUNDS SGR</p>
Registered office: Italy
Sector: Alternative Asset Management - Private Equity
Website: www.deacapitalaf.com
Investment details
<p>The company operates in the management of private equity funds (funds of funds, thematic funds and credit funds); at 31 March 2019, the asset management company manages 12 private equity closed funds, including 5 funds of funds (IDeA I FOF, ICF II, ICF III, IDeA Crescita Globale, DeA <i>Endowment Fund</i>), 1 "direct" co-investment fund (IDeA OF I), 5 thematic funds (IDeA EESS, IDeA ToI, IDeA Agro, IDeA CCR I and II, the latter being debtor-in-possession financing funds) and the Investitori Associati IV (in liquidation) fund. The asset management company also has a mandate to manage a portion of the non-reserved closed-ended AIF called "Azimut Private Debt" established by Azimut Capital Management SGR.</p>

The table below gives the value of the Assets Under Management of the Fee-Paying AUM (i.e. the reference amount for the calculation of management fees) and the management fees at 31 March 2019 for DeA Capital Alternative Funds SGR:

(Eur million)	at 31 March 2019		
	Asset Under Management (*)	Fee-Paying AUM (**)	Management fees
Funds of funds	1,163	684	1.1
Direct funds	635	377	4.1
Credit recovery funds	736	736	2.1
Total DeA Capital Alternative Funds SGR	2,534	1,797	7.2

(*) the figures refer to Asset Under Management calculated as the sum of total commitments

(**) the amount for management fees calculation.

With regard to operating performance, in the first three months of 2019 the company recorded an increase in Assets Under Management of EUR 374 million compared with the figure at 31 March 2018, mainly attributable to the launch in the Shipping division of the fund IDeA CCR II (for more than EUR 170 million) and the fund IDeA Agro (EUR 80 million) in the second half of 2018, and the launch, during the first months of 2019, of the funds DeA Endowment Fund (EUR 73 million) and Azimut Private Debt (management mandate on EUR 41 million). In terms of management fees, the increase of over EUR 2 million is due to the dynamics of the Assets Under Management described and the additional performance fees for the fund IA IV.

DeA Capital Alternative Funds SGR (Eur million)	31 March 2019	31 March 2018
AUM	2,534	2,160
Management fees	7.2	5.0
Net Operating Profit (#)	2.1	0.9
Net Profit	2.1	0.9
Net Financial Position	14.2	13.8 (*)

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

(*) Data at 31 December 2018

- **DeA Capital Real Estate SGR**



Registered office: Italy

Sector: Alternative Asset Management – Real Estate

Sito web: www.deacapitalre.com

Investment details:

DeA Capital Real Estate SGR is the largest independent real estate asset management company in Italy, with around EUR 9.3 billion in assets under management and 47 managed funds (including two 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.

The company has concentrated investments in transactions with low risk, stable returns, low volatility and, most importantly, an emphasis on property value. In particular, the asset management company specialises in "core" and "core plus" properties, although its major investments also include "value added" transactions.

Due in part to successful transactions concluded in recent years, the asset management company is able to rely on a panel of prominent unit-holders consisting of Italian and international investors of high standing, such as pension funds, banking and insurance groups, companies and sovereign funds.

The table below summarises the value of assets under management and Fee-Paying AUM and management fees for DeA Capital Real Estate SGR at 31 March 2019:

(Eur million)	at 31 March 2019		
	Asset Under Management (*)	Fee-Paying AUM (**)	Management fees
Listed Real Estate funds	676	596	1.3
Real Estate funds	8,660	7,985	8.4
Total DeA Capital Real Estate SGR	9,336	8,581	9.7

(*) the figures refer to Asset Under Management calculated as the sum of funds managed assets.

(**) the amount for management fees calculation.

With regard to operating performance, at 31 March 2019, assets under management stood at around EUR 9,300 million, slightly down compared with the same period of the previous year, with the difference partly attributable to the fall in the value of the assets in the fund IDeA FIMIT Sviluppo I.

In terms of management fees, the company recorded a reduction compared with the same period of the previous year (EUR -0.7 million) due to the positive effect on the March 2018 figure of the one-off fees on sales of the Omicron Plus fund (variable fees of EUR +0.5 million) and the dynamics of the assets under management described.

The effect of the revaluation at fair market value of the units held in the funds managed had a positive impact on the net result (EUR +0.9 million). Note that the net result in the same period of the previous year was, on the other hand, affected by the devaluation of the units held in managed funds (EUR -1.0 million).

DeA Capital Real Estate SGR (EUR million)	31 March 2019	31 March 2018
AUM	9,336	9,453
Management fees	9.7	10.4
Net Operating Profit ^(#)	2.1	2.3
Net profit	2.7	1.0
<i>-of which:</i>		
- <i>Shareholders</i>	2.7	1.0
- <i>Owners of financial equity instruments</i>	0.0	0.0
Net Financial Position	22.2	21.6 ^(*)

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

(*) Data at 31 December 2018

➤ **Private Equity Investment**

Funds

At 31 March 2019, DeA Capital S.p.A. Private Equity Investments include investments in funds with a total net value in the consolidated financial statements of EUR 120.9 million (corresponding to the fair value estimate calculated based on the information available on the date this document was prepared), which mainly refer to:

- the IDeA OF I fund, fully consolidated in accordance with IFRS 10;
- the Venere real estate fund and the IDeA EESS fund, classified under "Investments in associates", based on the units held;
- 3 funds of funds (IDeA I FoF, ICF II and ICF III), 4 thematic funds (IDeA ToI, IDeA Agro, IDeA CCR I and IDeA CCR II), 5 venture capital funds and the real estate fund Santa Palomba.

The change in the value of the funds in the portfolio recorded in the first three months of 2019 (EUR 120.9 million at 31 March 2019 compared with EUR 125.0 million at 31 December 2018) is due to the capital call for EUR +3.7 million, distributions of EUR -1.1 million (in addition to withholding tax of EUR 0.3 million) and the decrease in fair value of EUR -6.4 million.

Residual commitments for all the funds in the portfolio were EUR 103.1 million.

Valuations of shareholdings and funds in the portfolio reflect estimates made using the information available on the date this document was prepared.

The table below contains the main performance indicators with special reference to the funds in the portfolio managed by DeA Capital Alternative Funds SGR.

(Eur million)	Vintage	Capital Call	DPI (*)	TVPI (°)	NAV
<u>PE Funds managed by DeA Capital AF SGR</u>					
IDeA I FoF	2007	149.9	1.1x	1.3x	30.2
ICF II	2009	37.6	1.0x	1.8x	29.5
ICF III	2014	8.9	0.0x	1.3x	11.1
IDeA OF I	2008	87.9	1.0x	1.2x	14.7
IDeA EESS	2011	24.2	0.9x	1.3x	9.3
IDeA ToI	2014	17.7	0.7x	1.5x	13.9
Total PE Funds		326.2	1.0x	1.3x	108.7
<u>Other Funds</u>					
Total Portfolio Funds					120.9

(*) "Distributed to paid-in", or the ratio between the distribution received and the capital call paid

(°) "Total value to paid-in", or the ratio between sum of "cash distribution + NAV" and capital call paid

- **IDeA I FoF**



IDeA I Fund of Funds

Registered office: Italy

Sector: Private equity

Website: www.deacapitalaf.com

Investment details

IDeA I FoF is a closed-end fund under Italian law for qualified investors, which began operations on 30 January 2007 and is managed by DeA Capital Alternative Funds SGR.

DeA Capital S.p.A. has a total commitment of up to EUR 164.6 million in the fund.

Brief description

IDeA I FoF invests its assets in units of unlisted closed-end funds that are mainly active in the local private equity sector in various countries. It optimises the risk-return profile through careful diversification of assets among managers with a proven track record of returns and solidity, different investment approaches, geographical areas and maturities.

Note that in 2018, taking into consideration the actual liquidity requirements, reduced in the light of the distributions by the funds in the portfolio, the commitment of the fund decreased by EUR 35 million to EUR 645 million in total (compared with the original figure of EUR 681 million). DeA Capital S.p.A.'s commitments therefore reduced from EUR 173.5 million to EUR 164.6 million.

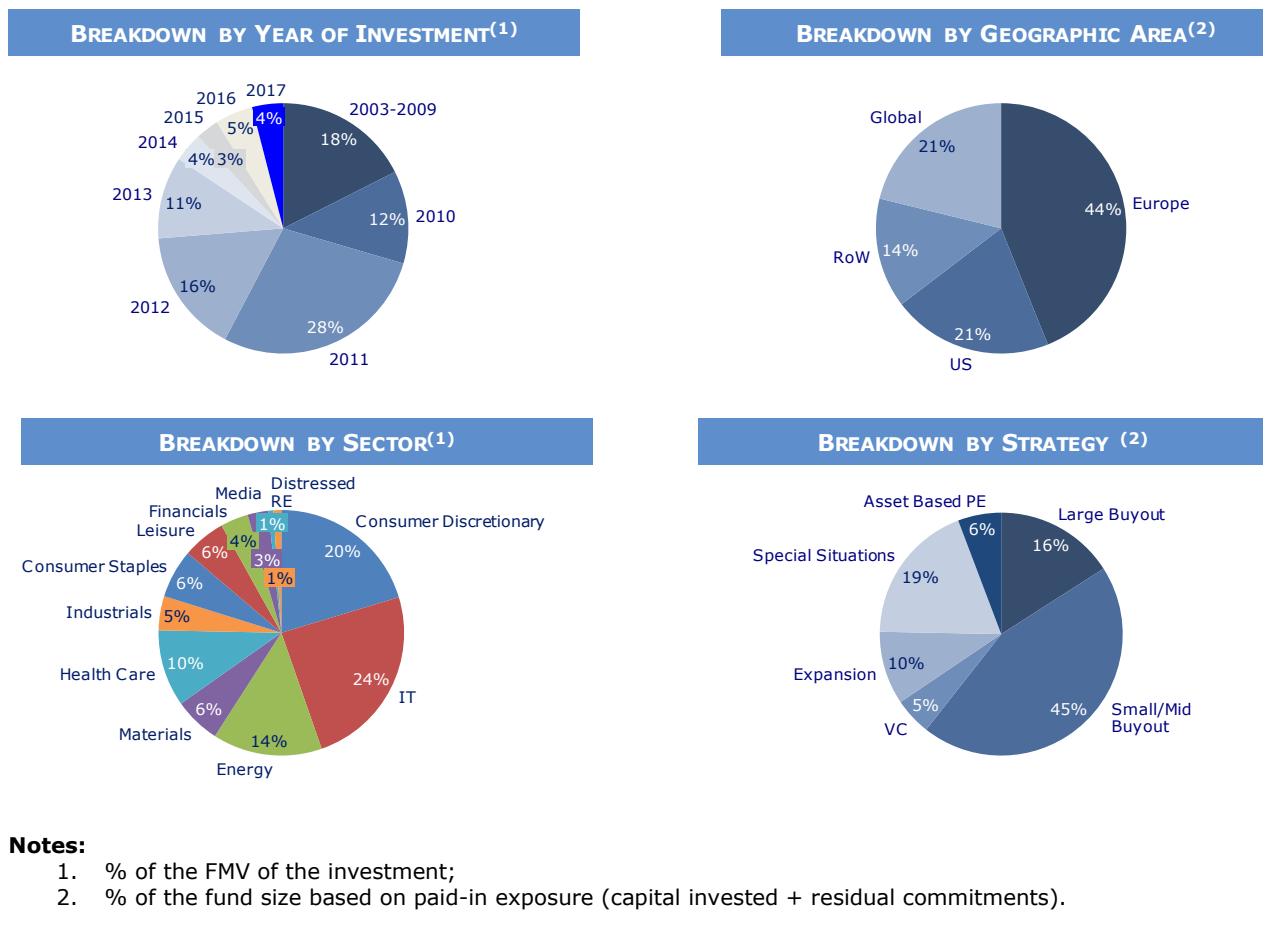
According to the latest report available, the IDeA I FoF portfolio was invested in 38 funds with different investment strategies; these funds in turn hold positions, with varying maturities, in 241 companies active in geographical regions with different growth rates.

The funds are diversified in the buy-out (control) and expansion (minorities) categories, with overweighting towards medium- and small-scale transactions and special situations (distressed debt/equity and turnaround).

At 31 March 2019, IDeA I FoF had called up 91.1% of its total commitment and had made distributions totalling 101.0% of that commitment.

Other important information

Below is an analysis of the portfolio, at the date of the latest report available, broken down by year of investment, geographical area, sector and type of underlying fund.



The units in IDeA I FoF were valued at EUR 30.2 million in the Consolidated Financial Statements for the Year Ending 31 March 2019 (EUR 33.1 million at 31 December 2018). The decrease was due to the decrease in fair value of EUR -2.9 million.

The table below shows the key figures for IDeA I FoF at 31 March 2019.

IDeA I FoF	Registered office	Year of commitment	Fund Size	Subscribed commitment	% DeA Capital in the fund
Eur (€)					
IDeA I Fund of Funds	Italy	2007	646,044,030	164,582,100	25.48
Residual Commitments					
Total residual commitment in:		Eur		14,687,187	

- **ICF II**



ICF II

Registered office: Italy

Sector: *Private equity*

Website: www.deacapitalaf.com

Investment details

ICF II is a closed-end fund under Italian law for qualified investors, which began operations on 24 February 2009 and is managed by DeA Capital Alternative Funds SGR.

DeA Capital S.p.A. has a total commitment of up to EUR 51 million in the fund.

Brief description

ICF II with total assets of EUR 281 million invests its assets in units of unlisted closed-end funds that are mainly active in the local private equity sector in various countries. It optimises the risk-return profile through careful diversification of assets among managers with a proven track record of returns and solidity, different investment approaches, geographical areas and maturities.

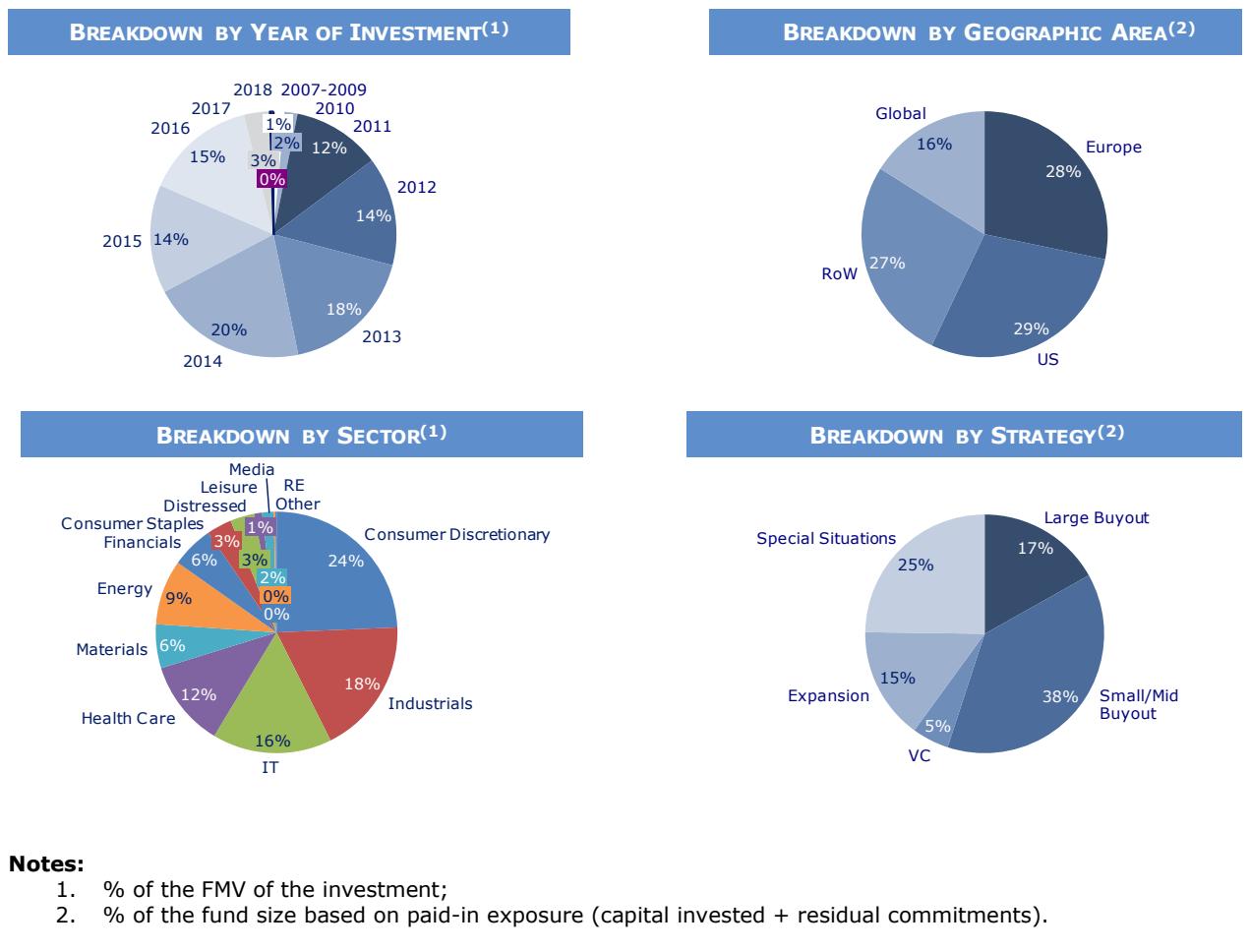
The fund started building its portfolio by focusing on funds in the area of mid-market buy-outs, distressed and special situations, loans, turnarounds and funds with a specific sector slant, targeting, in particular, opportunities offered in the secondary market.

Based on the latest report available, the ICF II portfolio was invested in 26 funds with different investment strategies; these funds in turn hold positions, with varying maturities, in around 350 companies active in various geographical areas.

At 31 March 2019, ICF II had called up around 73.8% of its total commitment and had made distributions totalling 73.4% of that commitment.

Other important information

Below is an analysis of the portfolio, at the date of the latest report available, broken down by year of investment, geographical area, sector and type of underlying fund.



The units in ICF II were valued at EUR 29.5 million in the Consolidated Financial Statements for the Year Ending 31 March 2019 (EUR 31.3 million at 31 December 2018). The decrease was due to the negative change in fair value of EUR -1.8 million.

The table below shows the key figures for ICF II at 31 March 2019.

ICF II	Registered office	Year of commitment	Fund Size	Subscribed commitment	% DeA Capital in the fund
Eur (€)					
ICF II	Italy	2009	281,000,000	51,000,000	18.15
Residual Commitments					
Total residual commitment in:		Eur		13,397,585	

- **ICF III**



ICF III

Registered office: Italy
Sector: Private equity
Website: www.deacapitalaf.com

Investment details

ICF III is a closed-end fund under Italian law for qualified investors, which began operations on 10 April 2014 and is managed by DeA Capital Alternative Funds SGR.

DeA Capital S.p.A. has a total commitment of up to EUR 12.5 million in the fund.

Brief description

ICF III, with total assets of approximately EUR 67 million, intends to invest its assets in units of closed-end private equity funds or in schemes that replicate that financial model, either as the lead investor or with other co-investors.

The fund is divided into three parts:

- **Core**, with a focus on buy-outs, expansion capital and special situations;
- **Credit & Distressed**, which invests in special credit operations (preferred equity, mezzanine, senior loans), turnarounds and other credit strategies;
- **Emerging Markets**, which focuses on expansion capital, buy-outs, distressed assets and venture capital operations in emerging markets.

At 31 March 2019, ICF III had called up 67.0%, 65.0% and 75% in the Core, Credit & Distressed and Emerging Markets segments respectively for the units held by DeA Capital.

The units in ICF III were valued at EUR 11.1 million in the Consolidated Financial Statements for the Year Ending 31 March 2019 (EUR 10.4 million at 31 December 2018). The decrease was due to capital calls of EUR +0.4 million and the increase in fair value for EUR +0.3 million.

The table below shows the key figures for ICF III at 31 March 2019.

ICF III	Registered office	Year of commitment	Fund Size	Subscribed commitment	% DeA Capital in the fund
Eur (€)					
ICF III	Italy	2014	66,950,000	12,500,000	18.67
of which:					
Core Segment			34,600,000	1,000,000	2.89
Credit & Distressed Segment			17,300,000	4,000,000	23.12
Emerging Markets Segment			15,050,000	7,500,000	49.83
Residual Commitments					
Total residual commitment in:			Eur	3,623,481	

- **IDeA OF I**



IDeA Opportunity Fund I

Registered office: Italy

Sector: Private equity

Website: www.deacapitalaf.com

Investment details

IDeA OF I is a closed-end fund under Italian law for qualified investors, which began operating on 9 May 2008 and is managed by DeA Capital Alternative Funds SGR.

DeA Capital S.p.A. has a total commitment of up to EUR 101.8 million in the fund.

Brief description

IDeA OF I has total assets of approximately EUR 217 million. Its objective is to invest, independently or via syndicates with a lead investor, by purchasing qualified minority interests.

At 31 March 2019, IDeA OF I had called up 86.4% of the total commitment and distributed 87.4% of that commitment, after making nine investments (of which two were still in the portfolio at that date).

The units in IDeA OF I have a net value in the Consolidated Financial Statements for the Year Ending 31 March 2019 of EUR 14.7 million, a change compared with 31 December 2018 (EUR 15.2 million) due to capital repayments of EUR -0.8 million (in addition to withholdings tax of EUR 0.3 million) and a pro-rata net profit of EUR +0.6 million.

The table below shows a breakdown of the fund's NAV at 31 March 2019.

(EUR million)	Industry	% share	Investment date	100%	DeA Capital
Portfolio participations					
Iacobucci HF Electronics	Aircraft furnishing and coffee machines	34.9%	September 11, 2012	6.0	2.8
Pegaso Transportation Investments (Talgo)	Rail market	2.5%	October 8, 2012	18.8	8.8
Total portfolio participations				24.8	11.6
Other receivables				4.3	2.0
Other assets (liabilities)				(0.5)	(0.2)
Cash and cash equivalents				2.8	1.3
Total Net Equity				31.4	14.7

The table below shows the key figures for IDeA OF I at 31 March 2019.

IDeA OF I	Registered office	Year of commitment	Fund Size	Subscribed commitment	% DeA Capital in the fund
Eur (€)					
IDeA Opportunity Fund I	Italy	2008	216,550,000	101,750,000	46.99
Residual Commitments					
Total residual commitment in:		Eur		13,873,127	

- **IDeA EESS**



IDeA Efficienza Energetica e Sviluppo Sostenibile (IDeA Energy Efficiency and Sustainable Development)

Registered office: Italy

Sector: Private equity

Website: www.deacapitalaf.com

Investment details

IDeA EESS is a closed-end fund under Italian law, for qualified investors, which began operating on 1 August 2011 and is managed by DeA Capital Alternative Funds SGR.

DeA Capital S.p.A. has a total commitment of up to EUR 30.4 million in the fund.

Brief description

IDeA EESS, which has total assets of EUR 100 million, is a closed-end mutual fund under Italian law, for qualified investors, which seeks to acquire minority and controlling shareholdings in unlisted companies in Italy and abroad.

The fund is dedicated to investing in small and medium-sized manufacturing and service companies operating in the field of energy saving and the efficient use of natural resources. It focuses on the development of solutions that make faster and cheaper use of renewable energy sources without compromising effectiveness in reducing CO2 emissions.

At 31 March 2019, IDeA EESS had called up 79.7% of the total commitment and distributed 69.8% of that commitment, after making nine investments (of which four were still in the portfolio at that date).

Units in IDeA EESS are valued at EUR 9.3 million in the Consolidated Financial Statements for the Year Ending 31 March 2019, in line with the figure at 31 December 2018.

The table below shows a breakdown of the fund's NAV at 31 March 2019.

(EUR million)	Industry	% share	Investment date	100%	DeA Capital
Portfolio investments					
Elemaster	Electronic boards	10.0%	February 27, 2013	8.5	2.6
Baglioni	Design / production of compressed air tanks	41.2%	February 5, 2015	5.0	1.5
Tecnomeccanica	Lighting components for the automotive sector	93.6%	October 27, 2016	4.5	1.4
Stalam	Radiofrequency equipment for textile and food sector	90.4%	November 30, 2016	4.6	1.4
Total portfolio investments				22.6	6.9
Other assets (liabilities)				(0.2)	(0.1)
Cash and cash equivalents				8.0	2.5
Total Net Equity				30.4	9.3

The table below shows the key figures for IDeA EESS at 31 March 2019:

IDeA EESS	Registered office	Year of commitment	Fund Size	Subscribed commitment	% DeA Capital in the fund
Euro (€)					
IDeA Efficienza Energetica e Sviluppo Sostenibile	Italy	2011	100,000,000	30,400,000	30.40
<i>Residual Commitments</i>					
Total residual commitment in:	Eur			6,163,202	

- **IDeA ToI**

 <p>DEA CAPITAL ALTERNATIVE FUNDS SGR</p> <p>IDeA Taste of Italy (ToI)</p> <p>Registered office: Italy</p> <p>Sector: Private equity</p> <p>Website: www.deacapitalaf.com</p> <p>Investment details</p> <p>IDeA ToI is a closed-end fund under Italian law, for qualified investors, which began operating on 30 December 2014 and is managed by Dea Capital Alternative Funds SGR.</p> <p>Dea Capital S.p.A. has a total commitment of up to EUR 25.2 million in the fund.</p> <p>Brief description</p> <p>IDeA ToI, which has total assets of EUR 218.1 million, is a closed-end mutual fund under Italian law for qualified investors, which seeks to acquire minority and controlling interests in mainly small and medium-sized enterprises in Italy, either independently or with other co-investors. The fund invests in companies operating in the agricultural foods sector, especially in areas involved in the production and distribution of foodstuffs and in secondary products resulting from their processing or related services.</p> <p>At 31 March 2019, IDeA ToI had called up 70.3% of the total commitment and distributed 47.8% of that commitment, after making six investments.</p> <p>Significant events in the first quarter of 2019</p> <p>On 26 March 2019, IDeA ToI completed a first investment tranche of EUR 17.1 million for the purchase of 70% of the Alice Pizza group, the leading Italian "pizza by the slice" chain.</p>

The units in IDeA were valued at EUR 13.9 million in the Consolidated Financial Statements for the Year Ending 31 March 2019 (EUR 11.9 million at 31 December 2018). The changes were due to capital calls of EUR +2.1 million and the decrease in fair value for EUR -0.1 million.

The table below shows the key figures for IDeA ToI at 31 March 2019:

IDeA ToI	Registered office	Year of commitment	Fund Size	Subscribed commitment	% DeA Capital in the fund
Eur (€)					
IDeA Taste of Italy	Italy	2014	218,100,000	25,200,000	11.55
Residual Commitments					
Total residual commitment in:			Eur	7,484,630	

- ***IDeA Agro***

	DEA CAPITAL ALTERNATIVE FUNDS SGR
IDeA Agro	
Registered office: Italy	
Sector: Private equity	
Website: www.deacapitalaf.com	
Investment details	
<p>IDeA Agro is a closed-end fund under Italian law for qualified investors, which began operations on 10 July 2018 and is managed by DeA Capital Alternative Funds SGR.</p> <p>DeA Capital S.p.A. has a total commitment of EUR 2.1 million in the fund.</p>	
Brief description	
<p>IDeA Agro, which has initial assets of EUR 80.0 million, is a closed-end mutual fund under Italian law for qualified investors, which seeks to acquire minority and controlling interests in Italian companies, operating in the agricultural supply chain in an environmentally-friendly manner. The purpose of the fund is to improve the efficiency of the agricultural management of the chain, market the transformed agricultural products and increase the land value of the agricultural farms acquired.</p>	
<p>At 31 March 2019, IDeA Agro had called up 1.6% of the commitment.</p>	

The value of the IDeA Agro units in the Consolidated Financial Statements for the Year Ended 31 March 2019 is not yet significant.

The table below shows the key figures for IDeA Agro at 31 March 2019:

IDeA Agro	Registered office	Year of commitment	Fund Size	Subscribed commitment	% DeA Capital in the fund
Eur (€)					
IDeA Agro	Italy	2018	80,000,000	2,100,000	2.63
Residual Commitments					
Total residual commitment in:		Eur		2,066,761	

- **IDeA CCR I**



IDeA Corporate Credit Recovery I (IDeA CCR I)

Registered office: Italy

Sector: Private equity

Website: www.deacapitalaf.com

Investment details

IDeA CCR I is a closed-end fund under Italian law, for qualified investors, which began operating on 23 June 2016 and is managed by DeA Capital Alternative Funds SGR.

At 31 March 2019 DeA Capital S.p.A. has a total commitment of EUR 7.7 million in the fund.

Brief description

IDeA CCR I, which has total assets of EUR 221.8 million at 31 March 2019, is a closed-end mutual fund under Italian law, for qualified investors, which aims to help relaunch medium-sized Italian companies that are facing financial difficulties but have solid business fundamentals ("Target Companies"), sharing the profits between creditors and new investors through:

- proactive management of loans to the Target Companies;
- Potential investments to be carried out via debtor-in-possession financing transactions which means that the new investments have greater seniority than existing financial debt;
- "equity-style" involvement in the management of debtor companies.

The fund is divided into two sub-funds:

- **Loans segment**, which has acquired loans and financial equity instruments relating to financing operations for the Target Companies from eight banks for a consideration of approximately EUR 179.1 million, in exchange for the allocation of units in the fund's loans segment;
- **New Finance segment**, which has obtained commitments for new finance currently totalling up to around EUR 42.7 million, which could be used for the Target Companies.

At 31 March 2019, the Loans segment is fully invested in, while the New Finance segment has called up 26.3% of the total commitment. At the same date, the Loans segment and the New Finance segment have distributed 48.0% and 12.4% of their commitment, respectively.

Units in IDeA CRR I are valued at EUR 0.9 million in the Consolidated Financial Statements for the Year Ending 31 March 2019, in line with the figure at 31 December 2018.

The table below shows the key figures for the IDeA CCR I fund at 31 March 2019.

IDeA CCR I	Registered office	Year of commitment	Fund Size	Subscribed commitment	% DeA Capital in the fund
Euro (€)					
IDeA CCR I	Italy	2016	221,821,595	7,650,000	3.45
of which:					
New Financing Segment			42,750,000	7,575,000	17.72
Credit Segment			179,071,595	75,000	0.04
<i>Residual Commitments</i>					
Total residual commitment in:		Eur		5,508,520	

- **IDeA CCR II**



IDeA Corporate Credit Recovery II (IDeA CCR II)

Registered office: Italy

Sector: Private equity

Website: www.deacapitalaf.com

Investment details:

IDeA CCR II is a closed-end fund under Italian law, for qualified investors, which began operating on 28 December 2017 and is managed by DeA Capital Alternative Funds SGR.

DeA Capital S.p.A. has a total commitment of EUR 15.15 million in the fund.

Brief description

IDeA CCR II, which has total assets of EUR 514.6 million at 31 March 2019, is a closed-end mutual fund under Italian law, for qualified investors, which aims to help the relaunch of Italian companies that are facing financial difficulties but have solid business fundamentals ("Target Companies"), sharing the profits between creditors and new investors, through a similar approach to the IDeA CCR I fund described in the previous pages. In February 2018, the fund completed the 3rd closing of the loans segment, bringing the total assets from EUR 256.8 million to EUR 271.0 million.

The fund is divided into three parts:

- **Loans segment**, which has acquired loans and financial equity instruments relating to financing operations for the Target Companies from several of the major Italian banks for a consideration of approximately EUR 271.0 million, in exchange for the allocation of units in the fund's loans segment;
- **New Finance segment**, which has obtained commitments for new financial resources of up to around EUR 69.7 million, which could be used for the Target Companies or companies with similar characteristics;
- **Shipping segment**, which has obtained loans from three fund partner banks relating to eight shipping management target companies, for a consideration of approximately EUR 173.9 million at 31 March 2019, in exchange from the allocation of units in the fund's Shipping segment.

At 31 March 2019, the Loans and Shipping segments are fully invested in, while the New Finance segment has called up 18.3% of the commitment.

The units in IDeA CCR II were valued at EUR 2.7 million in the Consolidated Financial Statements for the Year Ending 31 March 2019 (EUR 1.6 million at 31 December 2018). The changes were due to capital calls of EUR 1.1 million.

The table below shows the key figures for the IDeA CCR II fund at 31 March 2019.

IDeA CCR II	Registered office	Year of commitment	Fund Size	Subscribed commitment	% DeA Capital in the fund
Euro (€)					
IDeA CCR II	Italy	2017			0.00
New Financing Segment			69,750,000	15,075,000	21.61
Credit Segment			256,784,737	75,000	0.03
Shipping Segment			195,324,500 (*)	n.a.	n.a.
Residual Commitments					
Total residual commitment in:		Eur			12,378,752

(*) Value in US Dollar

- **Venture capital funds**

The units in venture capital funds had a total value of approximately EUR 6.5 million in the Financial Statements for the year ending 31 December 2018 (EUR 9.0 million at 31 December 2018). The decrease compared with the previous year-end was due to a EUR 2.5 million fall in fair value.

Note that, in the first quarter of 2019, the Israel Seed IV fund was completely liquidated with no material impact on the DeA Capital S.p.A. statement of financial position and income statement figures.

The table below shows the key figures for venture capital funds in the portfolio at 31 March 2019:

Venture Capital Funds	Registered office	Year of commitment	Fund Size	Subscribed commitment	% DeA Capital in the fund
Dollars (USD)					
Doughty Hanson & Co Technology	UK EU	2004	271,534,000	1,925,000	0.71
GIZA GE Venture Fund III	Delaware U.S.A.	2003	211,680,000	10,000,000	4.72
Pitango Venture Capital III	Delaware U.S.A.	2003	417,172,000	5,000,000	1.20
Total Dollars				16,925,000	
Eur (€)					
Nexit Infocom 2000	Guernsey	2000	66,325,790	3,819,167	5.76
Pounds sterling (GBP)					
Amadeus Capital II	UK EU	2000	235,000,000	13,500,000	5.74
Residual Commitments					
Total residual commitment in:			Eur		3,397,178

- **Shareholdings**

At 31 March 2019, the DeA Capital Group was a shareholder of:

- Kenan Investments, holder of a shareholding in Migros (valued at EUR 17.3 million);
- Cellularline, a leading Italian company in the development and sale of accessories for smart phones and tablets (valued at EUR 7.0 million).
- IDEAMI, a special purpose acquisition company (valued at EUR 24.4 million).

The DeA Capital Group is also a shareholder in other smaller companies which are not included in the investment portfolio as they are either dormant or in liquidation and have a zero carrying value.

Investments in other companies

- **Kenan Investments (holder of a shareholding in Migros)**

	
Registered office: Turkey	
Sector: Food retail	
Website: www.migros.com.tr	
Investment details:	
<p>In 2008, the DeA Capital Group acquired about 17% of the capital of Kenan Investments, the company heading the structure to acquire Migros.</p>	
Brief description:	
<p>Migros was established in 1954 and is the leading company in the food retail sector in Turkey. The company has 2,100 sales outlets at 31 March 2019, with a total net area of 1,501 thousand square metres.</p>	
<p>Migros is present in all seven regions of Turkey, and has marginal presences in Kazakhstan and Macedonia.</p>	
<p>The company operates under the following names: Migros and Macrocenter (supermarkets), 5M (hypermarkets), Ramstore (supermarkets abroad) and Kangurum (online store).</p>	
<p>Growth in the retail sector in Turkey is a relatively recent phenomenon, brought about by the transition from traditional systems such as bakkals (small stores typically run by families) to an increasingly widespread organised distribution model.</p>	

The stake in Kenan Investments (indirectly corresponding to approximately 4.0% of Migros' capital, i.e. 23.2% of Migros' capital via the Group's investment in Kenan Investments) is recorded in the Consolidated Financial Statements for the Year Ending 31 March 2019 at EUR 17.3 million (compared with EUR 19.4 million at 31 December 2018).

The decrease compared with 31 December 2018 (EUR -2.1 million) is due to the decrease in fair value, due to the combined effect of the fall in the price per share (TRY 13.56 per share at 31 March 2019, versus TRY 14.90 per share at 31 December 2018) and the devaluation of the Turkish lira against the euro (6.34 TRY/EUR at 31 March 2019, versus 6.06 TRY/EUR at 31 December 2018).

Migros (mln TRY)	31 March 2019	31 March 2018 ^(°)	Change
Revenues	4,923	3,940	24.9%
EBITDA ^(*)	314	206	52.5%
Net financial debt ^(**)	(3,150)	(2,872)	-278 mln TRY

^(*) EBITDA with IFRS 16 impact equal to 490 mln TRY at 31.3.19

^(**) Net financial debt with IFRS 16 impact equal to 6,010 mln TRY at 31.3.19

^(°) Data at 31 December 2018

➤ **Consolidated Income Statement**

The consolidated net loss in the first three months of 2019 was EUR -3.5 million (of which EUR -3.9 million related to the Group), compared with a net loss of around EUR -2.7 million (of which EUR -4.7 million related to the Group) in the same period in 2018.

Revenues and other income break down as follows:

- Alternative Asset Management fees of EUR 16.8 million (EUR 15.1 million in 2018);
- income from investments valued at equity of EUR 0.2 million (EUR -0.5 million for the corresponding period in 2018);
- other income and expenses from investments totalling EUR -7.3 million (EUR - 3.5 million in the corresponding period in 2018) due, in the main, to the performance of the private equity funds in the portfolio (EUR -4.5 million) and the reduction in fair value of Kenan Inv. / Migros (EUR -2.1 million);
- service revenues of EUR 0.1 million (EUR 0.3 million in the corresponding period in 2018).

In the first three months of 2019, operating costs totalled EUR 12.9 million, compared with EUR 13.5 million in 2018.

Costs in the first three months of 2019 break down for EUR 11.1 million to *Alternative Asset Management*, EUR 0.1 million to Private Equity Investment and EUR 1.7 million to holding company activities. Note that *Alternative Asset Management* costs include the effects of the amortisation of assets recorded when a portion of the purchase price of the investments in DeA Capital Real Estate SGR was allocated (EUR 0.2 million).

Financial income and expense stood at a total of EUR +0.2 million at 31 March 2019 (EUR +0.4 million in 2018).

The full tax impact in the first three months of 2019, EUR -0.6 million (EUR -1.1 million in 2018), is the result of taxes of EUR 2.4 million due in respective of Alternative Asset Management activities (EUR -1.3 million in 2018) offset by tax credits relating to holding company structures of EUR +1.8 million (EUR +0.1 million in 2018).

The consolidated net loss of EUR -3.5 million breaks down as follows: EUR -8.1 million attributable to Private Equity Investment, EUR +4.5 million to Alternative Asset Management and EUR +0.1 million to holding company operations/eliminations.

The consolidated net loss of EUR -3.9 million breaks down as follows: EUR -8.7 million attributable to Private Equity Investment, EUR +4.7 million to Alternative Asset Management and EUR +0.1 million to holding company operations/eliminations.

Summary Consolidated Income Statement

(EUR thousand)	First Quarter 2019	First Quarter 2018
Alternative Asset Management fees	16,799	15,141
Income (loss) from investments valued at equity	212	(476)
Other investment income/expense	(7,298)	(3,516)
Income from services	101	319
Other revenues and income	3	35
Other expenses and charges (*)	(12,887)	(13,477)
Financial income and expenses	181	373
PROFIT/(LOSS) BEFORE TAX	(2,889)	(1,601)
Income tax	(594)	(1,119)
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	(3,483)	(2,720)
Profit (Loss) from discontinued operations/held-for-sale assets	0	0
PROFIT/(LOSS) FOR THE PERIOD	(3,483)	(2,720)
- Group share	(3,934)	(4,697)
- Non controlling interests	451	1,977
Earnings per share, basic (€)	(0.015)	(0.018)
Earnings per share, diluted (€)	(0.015)	(0.018)

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

Performance by business in the first quarter of 2019

(EUR thousand)	Private Equity Investment	Alternative Asset Management	Holdings/ Eliminations	Consolidated
Alternative Asset Management fees	0	16,901	(102)	16,799
Income (loss) from investments valued at equity	(61)	273	0	212
Other investment income/expense	(8,200)	902	0	(7,298)
Other revenues and income	0	3	101	104
Other expenses and charges	(126)	(11,060)	(1,701)	(12,887)
Financial income and expenses	327	(100)	(46)	181
PROFIT/(LOSS) BEFORE TAXES	(8,060)	6,919	(1,748)	(2,889)
Income tax	0	(2,437)	1,843	(594)
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	(8,060)	4,482	95	(3,483)
Profit (Loss) from discontinued operations/held-for-sale assets	0	0	0	0
PROFIT/(LOSS) FOR THE PERIOD	(8,060)	4,482	95	(3,483)
- Group share	(8,701)	4,672	95	(3,934)
- Non controlling interests	641	(190)	0	451

Performance by business in the first quarter of 2018

(EUR thousand)	Private Equity Investment	Alternative Asset Management	Holdings/ Eliminations	Consolidated
Alternative Asset Management fees	0	15,464	(323)	15,141
Income (loss) from investments valued at equity	(678)	202	0	(476)
Other investment income/expense	(2,697)	(819)	0	(3,516)
Other Income	0	192	162	354
Other expenses	(339)	(11,733)	(1,405)	(13,477)
Financial income and expenses	372	0	1	373
PROFIT/(LOSS) BEFORE TAXES	(3,342)	3,306	(1,565)	(1,601)
Income tax	0	(1,267)	148	(1,119)
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	(3,342)	2,039	(1,417)	(2,720)
Profit (Loss) from discontinued operations/held-for-sale assets	0	0	0	0
PROFIT/(LOSS) FOR THE PERIOD	(3,342)	2,039	(1,417)	(2,720)
- Group share	(4,983)	1,703	(1,417)	(4,697)
- Non controlling interests	1,641	336	0	1,977

➤ **Comprehensive Income – Statement of Performance (IAS 1)**

Comprehensive Income or the Statement of Performance (IAS 1), in which performance for the period attributable to the Group is reported including results posted directly to shareholders' equity, reflects a net negative balance of approximately EUR -3.9 million, which refers essentially to the net loss for the period.

(EUR thousand)	First Quarter 2019	First Quarter 2018
Profit/(loss) for the period (A)	(3,483)	(2,720)
Comprehensive incomes/expenses which might be subsequently reclassified to the profit (loss) for the period	83	24
Comprehensive incomes/expenses which will not be subsequently reclassified to the profit (loss) for the period	(7)	10
Other comprehensive incomes /(losses), net of tax (B)	76	34
Total comprehensive incomes / (losses) for the period (A)+(B)	(3,407)	(2,686)
Total comprehensive incomes (losses) attributable to:		
- Group Share	(3,858)	(4,664)
- Non Controlling Interests	451	1,977

➤ Consolidated Statement of Financial Position

Below is the Group's statement of financial position at 31 March 2019, compared with 31 December 2018.

(EUR thousand)	31.3.2019	1.1.2019 restated for IFRS 16 (*)	31.12.2018 "as reported"
ASSETS			
Non-current assets			
Intangible and tangible assets			
Goodwill	93,745	93,745	93,745
Intangible assets	20,748	21,023	21,023
Property, plant and equipment	15,458	16,214	854
- <i>Building in Leasing</i>	14,992	14,992	0
- <i>Other leased assets</i>	368	368	0
- <i>Other property, plant and equipment</i>	98	854	854
Total intangible and tangible assets	129,951	130,982	115,622
Investments			
Investments at equity	20,110	20,892	20,892
Investments held by Funds	24,750	23,511	23,511
Other Investments at Fair Value through P&L	48,903	50,953	50,953
Funds at Fair Value through P&L	150,602	153,551	153,551
Other financial assets at Fair Value through P&L	36	36	36
Total financial Investments	244,401	248,943	248,943
Other non-current assets			
Deferred tax assets	2,218	2,183	2,183
Loans and receivables	875	752	752
Receivables for deferment of placement costs	456	482	482
Financial receivables for leasing - non current position	1,447	1,510	0
Other non-current assets	6,594	4,668	4,668
Total other non-current assets	11,590	9,595	8,085
Total non-current assets	385,942	389,520	372,650
Current assets			
Trade receivables	13,021	14,678	14,678
Financial assets at Fair Value	13,526	6,316	6,316
Financial receivables	0	500	500
Financial receivables for leasing - current position	188	176	0
Tax receivables from parent companies	365	374	374
Other tax receivables	12,731	15,760	15,760
Other receivables	3,790	4,051	4,051
Cash and cash equivalents	141,566	143,767	143,767
Total current assets	185,187	185,622	185,446
Total current assets	185,187	185,622	185,446
TOTAL ASSETS	571,129	575,142	558,096
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Net equity Group	471,137	466,481	466,481
Minority interests	30,194	39,299	39,299
Shareholders' equity	501,331	505,780	505,780
LIABILITIES			
Non-current liabilities			
Trade payables	900	900	900
Deferred tax liabilities	5,995	6,018	6,018
End-of-service payment fund	4,718	4,637	4,637
Financial liabilities	17,280	17,333	2,859
- <i>Financial liabilities for building in Leasing</i>	13,635	14,261	0
- <i>Financial liabilities for other leased assets</i>	179	213	0
- <i>Other financial liabilities</i>	3,466	2,859	2,859
Other debts	0	0	0
Total non-current liabilities	28,893	28,888	14,414
Current liabilities			
Trade payables	4,998	5,535	5,535
Payables to staff and social security organisations	10,649	9,122	9,122
Current tax	8,755	5,846	5,846
Other tax payables	567	1,256	1,256
Other payables	13,310	15,939	15,939
Short term financial payables	2,626	2,776	204
- <i>Short term financial payables for building in Leasing</i>	2,475	2,418	0
- <i>Short term financial payables for other leased assets</i>	151	154	0
- <i>Other Short term financial payables</i>	0	204	204
Total current liabilities	40,905	40,474	37,902
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	571,129	575,142	558,096

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

At 31 March 2019, Group consolidated shareholders' equity was EUR 471.1 million, compared with EUR 466.5 million at 31 December 2018.

The increase in Group consolidated shareholders' equity in the first quarter of 2019, of a total of EUR +4.6 million, is due to the balance between the effect of the use of treasury shares as the payment (EUR +8.0 million) for the purchase of the minority interests in DeA Capital Real Estate SGR and the result of the Statement of Performance - IAS 1 (EUR -3.9 million).

➤ **Consolidated net financial position**

At 31 March 2019, the consolidated net financial position was EUR 137.7 million, as shown in the table below, which provides a comparison with 31 December 2018 (EUR 148.3 million):

Net financial position (EUR million)	31.3.2019	31.12.2018	Change
Cash and cash equivalents	141.6	143.8	(2.2)
Financial assets at Fair Value through OCI	13.5	6.3	7.2
Financial receivables	2.5	1.3	1.2
Non-current financial liabilities	(17.3)	(2.9)	(14.4)
Current financial liabilities	(2.6)	(0.2)	(2.4)
TOTAL	137.7	148.3	(10.6)
<i>Of which: Holdings</i>	92.5	100.6	(8.1)

The decrease recorded in the first quarter of 2019 in the consolidated net financial position (EUR -10.6 million) was affected by the recording of financial liabilities (EUR -15.4 million) associated with lease agreements as a result of the application of the new accounting standard IFRS 16 from 1 January 2019.

The Company believes that the cash and cash equivalents and the other financial resources available are sufficient to meet the requirement relating to payment commitments already subscribed to in funds, also taking into account the amounts expected to be called up/distributed by these funds. With regard to these residual commitments, the Company believes that the resources currently available, as well as those that will be generated by its operating and financing activities, will enable the DeA Capital Group to meet the financing required for its investment activity and to manage working capital.

6. Other information

➤ **Transactions with parent companies, subsidiaries and related parties**

As far as transactions with related parties, including infra-group transactions, are concerned, note that they cannot be qualified as either atypical or unusual, as they are part of the normal business activities of Group companies. These transactions are regulated at market conditions, taking into account the characteristics of the goods and services provided.

➤ **Other information**

At 31 March 2019, the Group had 198 employees (193 at the end of 2018), including 36 senior managers, 68 middle managers and 94 clerical staff. Of these, 180 worked in Alternative Asset Management and 18 in Private Equity Investment/the Holding Companies. These staff levels do not include personnel on secondment from the Parent Company De Agostini S.p.A.

With regard to the regulatory requirements set out in art. 36 of the Market Regulation on conditions for the listing of parent companies, companies formed or regulated by laws of non-EU countries and of major importance in the consolidated financial statements, it is hereby noted that no Group company falls within the scope of the above-mentioned provision.

Furthermore, conditions prohibiting listing pursuant to art. 37 of the Market Regulation relating to companies subject to the management and coordination of other parties do not apply.

**Consolidated Financial Statements and Notes to the
Financial Statements for the period 1 January - 31 March
2019**

• Consolidated Statement of Financial Position

(EUR thousand)	Note	31.3.2019	1.1.2019 restated for IFRS 16	31.12.2018 "as reported"
ASSETS				
Non-current assets				
Intangible and tangible assets				
Goodwill	1a	93,745	93,745	93,745
Intangible assets	1b	20,748	21,023	21,023
Property, plant and equipment	1c	15,458	16,214	854
- <i>Building in Leasing</i>		14,992	14,992	0
- <i>Other leased assets</i>		368	368	0
- <i>Other property, plant and equipment</i>		98	854	854
Total intangible and tangible assets		129,951	130,982	115,622
Investments				
Investments at equity	2a	20,110	20,892	20,892
Investments held by Funds	2b	24,750	23,511	23,511
Other Investments at Fair Value through P&L	2c	48,903	50,953	50,953
Funds at Fair Value through P&L	2d	150,602	153,551	153,551
Other financial assets at Fair Value through P&L	2e	36	36	36
Total financial Investments		244,401	248,943	248,943
Other non-current assets				
Deferred tax assets	3a	2,218	2,183	2,183
Loans and receivables	3b	875	752	752
Receivables for deferment of placement costs	3c	456	482	482
Financial receivables for leasing - non current position	3d	1,447	1,510	0
Other non-current assets	3e	6,594	4,668	4,668
Total other non-current assets		11,590	9,595	8,085
Total non-current assets		385,942	389,520	372,650
Current assets				
Trade receivables	4a	13,021	14,678	14,678
Financial assets at Fair Value	4b	13,526	6,316	6,316
Financial receivables	4c	0	500	500
Financial receivables for leasing - current position	4d	188	176	0
Tax receivables from parent companies	4d	365	374	374
Other tax receivables	4e	12,731	15,760	15,760
Other receivables	4f	3,790	4,051	4,051
Cash and cash equivalents	4g	141,566	143,767	143,767
Total current assets		185,187	185,622	185,446
Total current assets		185,187	185,622	185,446
TOTAL ASSETS		571,129	575,142	558,096
SHAREHOLDERS' EQUITY AND LIABILITIES				
SHAREHOLDERS' EQUITY				
Share capital		306,612	306,612	306,612
Share premium reserve		240,859	240,859	240,859
Legal reserve		61,322	61,322	61,322
Own share reserve		(74,299)	(82,766)	(82,766)
Fair value reserve		(96)	(179)	(179)
Other reserves		(18,679)	(18,555)	(18,555)
Retained earnings (losses)		(40,648)	(51,882)	(51,882)
Profit (loss) for the year		(3,934)	11,070	11,070
Net equity Group		471,137	466,481	466,481
Minority interests		30,194	39,299	39,299
Shareholders' equity	5	501,331	505,780	505,780
LIABILITIES				
Non-current liabilities				
Trade payables	6a	900	900	900
Deferred tax liabilities	3a/6b	5,995	6,018	6,018
End-of-service payment fund	6c	4,718	4,637	4,637
Financial liabilities	6d	17,280	17,333	2,859
- <i>Financial liabilities for building in Leasing</i>		13,635	14,261	0
- <i>Financial liabilities for other leased assets</i>		179	213	0
- <i>Other financial liabilities</i>		3,466	2,859	2,859
Total non-current liabilities		28,893	28,888	14,414
Current liabilities				
Trade payables	7a	4,998	5,535	5,535
Payables to staff and social security organisations	7b	10,649	9,122	9,122
Current tax	7c	8,755	5,846	5,846
Other tax payables	7d	567	1,256	1,256
Other payables	7e	13,310	15,939	15,939
Short term financial payables	7f	2,626	2,776	204
- <i>Short term financial payables for building in Leasing</i>		2,475	2,418	0
- <i>Short term financial payables for other leased assets</i>		151	154	0
- <i>Other Short term financial payables</i>		0	204	204
Total current liabilities		40,905	40,474	37,902
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		571,129	575,142	558,096

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.

• **Consolidated Income Statement**

(EUR thousand)	Notes	First Quarter 2019	First Quarter 2018
Alternative Asset Management fees	8	16,799	15,141
Income from equity investments	9	212	(476)
Other investment income/expense	10	(7,298)	(3,516)
Income from services	11	101	319
Other income		3	35
Personnel costs	12a	(8,129)	(7,814)
Service costs	12b	(3,190)	(4,087)
Depreciation, amortization and impairment	12c	(1,129)	(611)
Other expenses	12d	(439)	(965)
Financial income	13a	369	441
Financial expenses	13b	(188)	(68)
PROFIT/(LOSS) BEFORE TAX		(2,889)	(1,601)
Income tax	14	(594)	(1,119)
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		(3,483)	(2,720)
Profit (Loss) from discontinued operations/held-for-sale assets		0	0
PROFIT/(LOSS) FOR THE PERIOD		(3,483)	(2,720)
- Group share		(3,934)	(4,697)
- Non controlling interests		451	1,977
Earnings per share, basic (€)		(0.015)	(0.018)
Earnings per share, diluted (€)		(0.015)	(0.018)

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.

• **Consolidated Statement of Comprehensive Income (Statement of Performance - IAS 1)**

(Euro thousands)	First Quarter 2019	First Quarter 2018
Profit/(loss) for the period (A)	(3,483)	(2,720)
Comprehensive income/expense which might be subsequently reclassified within the profit (loss) for the period	83	24
<i>Incomes (Losses) on financial assets at fair value</i>	83	24
Comprehensive income/expense which will not be subsequently reclassified to the profit (loss) for the period	(7)	10
<i>Gains/(losses) on remeasurement of defined benefit plans</i>	(7)	10
Other comprehensive income, net of tax (B)	76	34
Total comprehensive income for the period (A)+(B)	(3,407)	(2,686)
Total comprehensive income attributable to:		
- Group Share	(3,858)	(4,664)
- Non Controlling Interests	451	1,977

- **Consolidated Cash Flow Statement - Direct Method**

(EUR thousand)	First Quarter 2019	First Quarter 2018
CASH FLOW from operating activities		
Investments in funds and shareholdings	(4,091)	(3,626)
Capital reimbursements from funds	1,790	21,979
Sale of investments	500	8,500
Interest received	39	28
Interest paid	0	(16)
Cash distribution from investments	0	203
Realized gains (losses) on exchange rate and derivatives	0	0
Taxes paid / reimbursed	46	(4,085)
Dividends received	0	0
Management and performance fees received	19,143	27,247
Revenues for services	78	589
Operating expenses	(10,749)	(10,286)
Net cash flow from operating activities	6,756	40,533
CASH FLOW from investment activities		
Acquisition of property, plant and equipment	(81)	(57)
Sale of property, plant and equipment	0	8
Purchase of licenses and intangible assets	(121)	0
Net cash flow from investing activities	(202)	(49)
CASH FLOW from financing activities		
Acquisition of financial assets	(7,642)	(3)
Sale of financial assets	500	200
Cash flow from leasing contract	(691)	0
Share capital issued	27	0
Own shares acquired	0	(2,895)
Share capital issued for Stock Option Plan	324	0
Dividends paid	(1,148)	0
Loans and bank loans	0	0
Net cash flow from financing activities	(8,754)	(2,640)
CHANGE IN CASH AND CASH EQUIVALENTS	(2,200)	37,844
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	141,566	165,760

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.

• Consolidated Statement of Changes in Shareholders' Equity

(EUR thousand)	Share capital	Share premium reserve	Legal reserve	Reserve of own shares	Fair value reserve	Other reserves	Retained earnings and losses	Group Profit & Loss	Group total	Non-controlling interests	Consolidated shareholders' equity
Total at 31 december 2017 "as reported"	255,670	234,713	61,322	0	77,009	(10,536)	(117,095)	(11,652)	489,431	95,182	584,613
Reclassification of reserve of own shares	50,942	29,084	0	(80,026)	0	0	0	0	0	0	0
Reclassification of reserve relating to shares issued costs and other reserves	0	7,512	0	0	0	(7,512)	0	0	0	0	0
Total at 31 december 2017 "after reclassification"	306,612	271,309	61,322	(80,026)	77,009	(18,048)	(117,095)	(11,652)	489,431	95,182	584,613
Restatement for IFRS 9 application	0	0	0	0	(77,015)	0	77,015	0	0	0	0
Restatement for IFRS 15 application	0	0	0	0	0	446	0	0	446	0	446
Total at 1.1.2018	306,612	271,309	61,322	(80,026)	(6)	(17,602)	(40,080)	(11,652)	489,877	95,182	585,059
Allocation of 2017 net profit	0	0	0	0	0	0	(11,652)	11,652	0	0	0
Cost of stock options	0	0	0	0	0	320	0	0	320	0	320
Purchase of own shares	0	0	0	0	(2,895)	0	0	0	0	(2,895)	0
Exercise of stock option and performance share	0	0	0	0	0	0	0	0	0	0	0
Other changes	0	0	0	0	0	16	0	0	16	0	16
Total comprehensive income	0	0	0	0	24	9	0	(4,697)	(4,664)	1,977	(2,687)
Total at 31 march 2018	306,612	271,309	61,322	(82,921)	18	(17,257)	(51,732)	(4,697)	482,654	97,159	579,813

(EUR thousand)	Share capital	Share premium reserve	Legal reserve	Reserve of own shares	Fair value reserve	Other reserves	Retained earnings and losses	Group Profit & Loss	Group total	Non-controlling interests	Consolidated shareholders' equity
Total at 31 december 2018	306,612	240,859	61,322	(82,766)	(179)	(18,555)	(51,982)	11,070	466,481	39,299	505,780
Allocation of 2018 net profit	0	0	0	0	0	0	11,070	(11,070)	0	0	0
Stock option exercise	0	0	0	0	0	333	0	0	333	0	333
Purchase of own shares	0	0	0	0	0	0	0	0	0	0	0
Performance shares cost	0	0	0	0	421	0	(261)	164	0	0	324
Dividend distribution	0	0	0	0	0	0	0	0	0	0	0
Other changes	0	0	0	0	8,046	0	(189)	0	7,857	(9,556)	(1,699)
Total comprehensive income (loss)	0	0	0	0	83	(7)	0	(3,934)	(3,858)	451	(3,407)
Total at 31 march 2019	306,612	240,859	61,322	(74,299)	(96)	(18,679)	(40,648)	(3,934)	471,137	30,194	501,331

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.

Notes to the financial statements

Structure and content of the Interim Consolidated Financial Statements at 31 March 2019

The Interim Consolidated Financial Statements at 31 March 2019 (the "Consolidated Financial Statements") comprise the document required by Article 2.2.3 of the Stock Exchange Regulation (FTSE Italia STAR segment).

The operating results, financial position and cash flows are prepared in conformity with the evaluation and measurement criteria established by the International Financial Reporting Standard (IFRS), issued by the International Accounting Standards Board (IASB) and adopted by the European Union in accordance with the procedure pursuant to Article 6 of (EC) Regulation 1606/2002 of the European Parliament and Council of 19 July 2002.

The accounting principles used in the Consolidated Financial Statements do not differ substantially from those used in the Financial Statements for the Year Ended 31 December 2018 with the exception of those which came into force with effect from 1 January 2019 (IFRS 16).

The Consolidated Financial Statements at 31 March 2019 comprise the Consolidated Statement of Financial Position, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income (*Statement of Performance*), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Shareholders' Equity and these Notes to the financial statements. They are also accompanied by the Interim Report on Operations and the Certification of the Interim Report on Operations.

The economic information relating to the cash flow statement refers to the first quarter of 2019 and the same period of 2018; the information relating to assets refers to 31 March 2019 and 31 December 2018, with reporting, in relation to the latter date both of the figures published and those amended in order to reflect the adoption of the accounting standards that came into force with effect from 1 January 2019 (IFRS 16). For more details, refer to the section *Restatement*, reported below.

The Consolidated Statements of Financial Position provide a breakdown of current and non-current assets and liabilities with separate reporting for those resulting from discontinued or held-for-sale operations. The Consolidated Income Statement provides a breakdown whereby costs and revenues are classified according to type. The Consolidated Cash Flow Statement is prepared using the "direct method".

Unless otherwise indicated, all tables and figures included in these notes to the Financial Statements are reported in EUR thousand.

The consolidated financial statements of the Consolidated Financial Statements are not audited by the Independent Auditors.

Statement of compliance with accounting standards

The Consolidated Financial Statements at 31 March 2019 were prepared on the assumption of business continuity and in conformity with the International Accounting Standards adopted by the European Union and endorsed by the date this document was prepared, the International Accounting Standards or individually IAS/IFRS or collectively IFRS (*International Financial Reporting Standards*), as well as in compliance with Article 154-ter of Legislative Decree 58/1998, *implementing the "Transparency Directive"*.

When preparing the Consolidated Financial Statement all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") were applied, including those previously issued by the Standing Interpretations Committee ("SIC"), approved by the European Union.

In accordance with the provisions of IAS/IFRS and current legislation, the Company has authorised the publication of the Interim Financial Statements at 31 March 2019 under the terms of the law.

Restatement

Following the application with effect from 1 January 2019 of accounting standard IFRS 16 the restatement of the Financial Statements at 31 December 2018 was necessary in order to reflect the impacts.

Below is a reconciliation statement between the approved Statement of Financial Position at 31 December 2018 (as reported) and the same statement revised in the light of the application of new accounting standard IFRS 16 with effect from 1 January 2019 (in EUR thousand):

(EUR thousand)	31.12.2018 "as reported"	Restatement for application of IFRS 16	1.1.2019 restated for IFRS 16
ASSETS			
Non-current assets			
Intangible and tangible assets			
Goodwill	93,745		93,745
Intangible assets	21,023		21,023
Property, plant and equipment	854	15,360	16,214
- <i>Building in Leasing</i>	0	14,992	14,992
- <i>Other property, plant and equipment in Leasing</i>	0	368	368
- <i>Other property, plant and equipment</i>	854		854
Total intangible and tangible assets	115,622	15,360	130,982
Investments			
Investments at equity	20,892		20,892
Investments held by Funds	23,511		23,511
- <i>Other investments at Fair Value through P&L</i>	23,511		23,511
Other Investments at Fair Value through P&L	50,953		50,953
Funds at Fair Value through P&L	153,551		153,551
Other financial assets at Fair Value through P&L	36		36
Total financial Investments	248,943		248,943
Other non-current assets			
Deferred tax assets	2,183		2,183
Loans and receivables	752		752
Receivables for deferment of placement costs	482		482
Financial receivables for leasing - non current position		1,510	1,510
Other non-current assets	4,668		4,668
Total other non-current assets	8,085	1,510	9,595
Total non-current assets	372,650	16,870	389,520
Current assets			
Trade receivables	14,678		14,678
Financial assets at Fair Value	6,316		6,316
Financial receivables	500		500
Financial receivables for leasing - current position		176	176
Tax receivables from parent companies	374		374
Other tax receivables	15,760		15,760
Other receivables	4,051		4,051
Cash and cash equivalents	143,767		143,767
Total current assets	185,446	176	185,622
Total current assets	185,446	176	185,622
TOTAL ASSETS	558,096	17,046	575,142
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	306,612		306,612
Share premium reserve	240,859		240,859
Legal reserve	61,322		61,322
Own share reserve	(82,766)		(82,766)
Fair value reserve	(179)		(179)
Other reserves	(18,555)		(18,555)
Retained earnings (losses)	(51,882)		(51,882)
Profit (loss) for the year	11,070		11,070
Net equity Group	466,481	0	466,481
Minority interests	39,299		39,299
Shareholders' equity	505,780	0	505,780
LIABILITIES			
Non-current liabilities			
Trade payables	900		900
Deferred tax liabilities	6,018		6,018
End-of-service payment fund	4,637		4,637
Financial liabilities	2,859	14,474	17,333
- <i>Financial liabilities for building in Leasing</i>		14,261	14,261
- <i>Financial liabilities for other property, plant and equipment in Leasing</i>		213	213
- <i>Other financial liabilities</i>	2,859	0	2,859
Other debts			0
Total non-current liabilities	14,414	14,474	28,888
Current liabilities			
Trade payables	5,535		5,535
Payables to staff and social security organisations	9,122		9,122
Current tax	5,846		5,846
Other tax payables	1,256		1,256
Other payables	15,939		15,939
Short term financial payables	204	2,572	2,776
- <i>Short term financial payables for building in Leasing</i>		2,418	2,418
- <i>Short term financial payables for other leased assets</i>		154	154
- <i>Other Short term financial payables</i>			204
Total current liabilities	37,902	2,572	40,474
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	558,096	17,046	575,142

No restatement was needed, on the other hand, for the income statement because it is not applied for IFRS 16 in the light of the adoption of the modified retrospective approach.

Use of estimates and assumptions in preparing the Consolidated Interim Financial Statements at 31 March 2019

The Company must make assessments, estimates and assumptions that affect the application of accounting standards and the amounts of assets, liabilities, costs and revenues recorded in the financial statements. Estimates and related assumptions are based on past experience and factors deemed reasonable in the case concerned; these are used to estimate the carrying value of assets and liabilities that cannot be easily obtained from other sources. Since these are estimates, the results obtained should not necessarily be considered definitive.

These estimates and assumptions are reviewed regularly. Any changes resulting from revisions of accounting estimates are reported in the period in which the revision takes place if they involve that period only; if the revision involves current and future period, the change is reported in the period in which the revision takes place and in future periods.

While stressing that the use of reasonable estimates is an essential part of preparing the Consolidated Financial Statements at 31 March 2019, note that the use of estimates is particularly significant with reference to the valuations of the assets and shareholdings in the investment portfolio.

An estimate may be adjusted as a result of changes in the circumstances on which it was based, or as a result of new information. Any change in the estimate is applied prospectively and has an impact on the results for the period in which the change occurred and potentially on those in future periods.

As allowed by IAS/IFRS, the preparation of the Consolidated Financial Statements at 31 March 2019 required the use of significant estimates by the Company's management, especially with regard to the valuations at fair value of the investment portfolio (equity investments and funds).

These fair values are calculated by directors based on their best judgement and estimation using the knowledge and evidence available at the time the Consolidated Financial Statements at 31 March 2019 are prepared. However, due to objective difficulties in making assessments and the absence of a liquid market, the values assigned to such assets could differ, and in some cases significantly, from those that could actually be obtained when the assets are sold.

For a more detailed description of the most important valuation processes for the Group, refer to the Consolidated Financial Statements at 31 December 2018.

Scope of consolidation

At 31 March 2019 the following companies came under the scope of consolidation of the DeA Capital Group (which changed compared with December 2018 through the inclusion of DeACapital Real Estate Iberia S.L.):

Company	Registered office	Currency	Share capital	% holding	Consolidation method
DeA Capital S.p.A.	Milan, Italy	Eur	306,612,100	Holding	
DeA Capital Alternative Funds SGR S.p.A.	Milan, Italy	Eur	1,200,000	100.00%	Full consolidation
IDeA OF I	Milan, Italy	Eur	-	46.99%	Full consolidation
DeA Capital Partecipazioni S.p.A.	Milan, Italy	Eur	600,000	100.00%	Full consolidation
DeA Capital Real Estate SGR S.p.A.	Rome, Italy	Eur	16,757,557	100.00%	Full consolidation
DeA Capital Real Estate France S.A.S.	Paris, France	Eur	100,000	70.00%	Full consolidation
DeACapital Real Estate Iberia S.L.	Madrid, Spain	Eur	100,000	73.00%	Full consolidation
YARD Group	Milan, Italy	Eur	597,725	45.00%	Equity accounted (Associate)
IDeA Efficienza Energetica e Sviluppo Sostenibile	Milan, Italy	Eur	-	30.40%	Equity accounted (Associate)
Venere	Rome, Italy	Eur	-	27.27%	Equity accounted (Associate)

Notes on the Consolidated Statement of Financial Position

NON-CURRENT ASSETS

Non-Current Assets stood at EUR 385.9 million at 31 March 2019 (compared with EUR 372.7 million at 31 December 2018, or EUR 389.5 million taking into account the increase of EUR 16.9 million associated with the application, from 1 January 2019, of IFRS 16).

1a – Goodwill

This item, standing at EUR 93.7 million at 31 March 2019 (unchanged compared with 31 December 2018), refers to the goodwill recorded with regard to the acquisitions of DeA Capital Alternative Funds SGR (EUR 31.3 million) and IFIM / FIMIT SGR, now DeA Capital Real Estate SGR (for EUR 62.4 million).

1b – Intangible assets

Intangible assets stand at EUR 20.7 million at 31 March 2019 (EUR 21.0 million at 31 December 2018), after having deducted amortisation and depreciation for the period of EUR -0.3 million. The item mainly includes customer relationships and intangible assets associated with variable fees which come from the allocation of the residual value of FIMIT SGR at the (reverse) merger date into FARE SGR (now DeA Capital Real Estate SGR). These intangible assets identified as customer relationships and intangible assets associated with variable fees are valued at 31 March 2019 at EUR 0.5 million (EUR 0.6 million at 31 December 2018) and EUR 19.1 million (unchanged compared with 31 December 2018), respectively.

1c – Tangible assets

Tangible assets stood at EUR 15.5 million at 31 March 2019 (compared with EUR 0.9 million at 31 December 2018, or EUR 16.2 million taking into account the increase of EUR 15.4 million associated with the application, from 1 January 2019, of IFRS 16), after deducting amortisation and depreciation for the period of EUR -0.8 million.

Specifically, following the application of IFRS 16 from 1 January 2019 the following rights of use were recorded under tangible assets:

- to lease vehicles;
- to properties, the Group companies registered offices, specifically the property at Via Brera 21 in Milan, which, since 2013, has been leased to the DeA Capital Group, and the office in Rome of DeA Capital Real Estate SGR.

The rights of use of the property at Via Brera 21 in Milan for the portion pertaining to the Group companies are recorded under the item Tangible assets, while the share pertaining to De Agostini Group companies are recorded under the item "Non-current lease financial receivables" and "Current lease financial receivables".

2 – Financial Investments and Other Non-Current Assets

Financial investments in companies and funds constitute the Group's typical activities. These investments rose from EUR 248.9 million at 31 December 2018 to EUR 244.4 million at 31 March 2019.

2a – Investments in associates

This item, which totalled EUR 20.1 million at 31 March 2019 (EUR 20.9 million at 31 December 2018), relates to the assets below.

- the units in the IDeA EESS fund valued at EUR 9.3 million (essentially in line with the figure at 31 December 2018);
- the units in the Venere fund valued at EUR 4.6 million (compared with EUR 5.7 million at 31 December 2018), with the change attributable to the capital repayments received in the period;
- the investment in YARD valued at EUR 6.2 million (compared with EUR 5.9 million at 31 December 2018), with the change due to the result for the period.

The table below provides details of the investments held in associates at 31 March 2019 by business sector:

(EUR million)	Private Equity Investment	Alternative Asset Management	Total
IDeA EESS fund	9.3	0.0	9.3
Venere fund	1.6	3.0	4.6
YARD group	0.0	6.2	6.2
Total	10.9	9.2	20.1

2b – Investments held by funds measured at fair value through P&L

This item, which totalled EUR 24.8 million at 31 March 2019 (EUR 23.5 million at 31 December 2018), is detailed below:

(EUR million)	31.3.2019	31.12.2018
Participations in Portfolio		
Iacobucci HF Electronics	6.0	6.0
Pegaso Transportation Investments (Talgo)	18.8	17.5
Investments at Fair Value through P&L	24.8	23.5
Total Participations in Portfolio	24.8	23.5

At 31 March 2019, as at 31 December 2018, the DeA Capital Group holds minority interests, through the IDeA OF I fund, in Iacobucci HF Electronics and Pegaso Transportation Investments (Talgo).

2b – Investments held by other companies measured at fair value through P&L

At 31 March 2019 the DeA Capital Group is the shareholder - with a minority interest - of Kenan Investments (the holder of a shareholding in Migros), Cellularline and IDeaMI, as well as other minority shareholdings.

This item, which totalled EUR 48.9 million at 31 March 2019 (EUR 51.0 million at 31 December 2018), is detailed below:

The table below provides details of equity investments in other companies at 31 March 2019 by area of activity.

(EUR million)	Private Equity Investment	Alternative Asset Management	Total
Kenan Investments	17.3	0.0	17.3
Cellularline	7.0	0.0	7.0
IDeaMI	24.4	0.0	24.4
Minority interests	0.2	0.0	0.2
Total	48.9	0.0	48.9

The stake in Kenan Investments (indirectly corresponding to approximately 4.0% of Migros' capital, i.e. 23.2% of Migros' capital via the Group's investment in Kenan Investments) is recorded in the Consolidated Financial Statements for the Year Ending 31 March 2019 at EUR 17.3 million (compared with EUR 19.4 million at 31 December 2018). The decrease compared with 31 December 2018 (EUR -2.1 million) is due to the decrease in fair value, due to the combined effect of the fall in the price per share (TRY 13.56 per share at 31 March 2019, versus TRY 14.90 per share at 31 December 2018) and the devaluation of the Turkish lira against the euro (6.34 TRY/EUR at 31 March 2019, versus 6.06 TRY/EUR at 31 December 2018).

The stake in IDeaMI is recorded in the Consolidated Financial Statements at 31 March 2019 at EUR 24.4 million (compared with EUR 23.8 million at 31 December 2018). The increase (EUR +0.6 million) on the figure at 31 December 2018 is due entirely to the increase in fair value.

2d – Funds measured at fair value through P&L

The item relates essentially to investments in units of three funds of funds (IDea I FoF, ICF II and ICF III with 3 sub-funds), 4 thematic funds (IDea ToI, IDea Agro, IDea CCC I and IDea CCR II, the latter with 2 sub-funds), 5 venture capital funds and eleven real estate funds, totalling EUR 150.6 million in the consolidated financial statements at 31 March 2019 (compared with EUR 153.6 million at 31 December 2018). The table below illustrates the change in the first three months of 2019 of the funds measured at fair value through P&L:

(EUR thousand)	Balance at 1.1.2019	Increases (Capital call)	Decreases (Capital distribution)	Fair value adjustment	Translation effect	Balance at 31.3.2019
Venture capital funds	8,970	0	0	(2,723)	230	6,477
IDea I FoF	33,129	0	0	(2,872)	0	30,257
ICF II	31,305	0	0	(1,807)	0	29,498
ICF III	10,393	375	0	343	0	11,111
IDea ToI	11,878	2,147	0	(131)	0	13,894
IDea CCR I	925	0	(8)	10	0	927
IDea CCR II	1,611	1,038	0	0	0	2,649
IDea Agro	16	0	0	(5)	0	11
Santa Palomba	441	83	0	0	0	524
DeA Capital Real Estate SGR funds	54,654	248	(795)	919	0	55,026
DeA Capital Alternative Funds SGR funds	229	0	(1)	0	0	228
Total funds	153,551	3,891	(804)	(6,266)	230	150,602

The table below provides a breakdown of the funds in the portfolio at 31 March 2019 by business area:

(EUR million)	Private Equity Investment	Alternative Asset Management	Total
Venture capital funds	6.5	0.0	6.5
IDeA I FoF	30.2	0.0	30.2
ICF II	29.5	0.0	29.5
ICF III	11.1	0.0	11.1
IDeA ToI	13.9	0.0	13.9
IDeA CCR I	0.9	0.0	0.9
IDeA CCR II	2.7	0.0	2.7
IDeA Agro	0.0	0.0	0.0
Santa Palomba	0.6	0.0	0.6
DeA Capital Real Estate SGR funds	0.0	55.0	55.0
DeA Capital Alternative Funds SGR funds	0.0	0.2	0.2
Total funds	95.4	55.2	150.6

3a – Deferred tax assets

The balance of deferred tax assets includes the value of deferred tax assets, excluding deferred tax liabilities, where they can be offset. Deferred tax assets stood at EUR 2.2 million at 31 March 2019 (essentially unchanged compared with 31 December 2018).

3b – Loans and receivables

This item totalled EUR 0.9 million at 31 March 2019 compared with EUR 0.8 million at 31 December 2018. The item mainly refers to the receivable from the associate YARD following the sale of the 100% stake in SPC to it by DeA Capital Partecipazioni.

3c - Receivables for the deferral of placement charges

This item at 31 March 2019 stood at EUR 0.5 million (essentially unchanged compared with 31 December 2018) and refers to the placement costs of the IDeA Taste of Italy fund, recorded because they are pertinent to the duration of the residual life of the actual fund; these costs will be gradually "released" in the income statement over the years until the anticipated maturity date of the IDeA Taste of Italy fund.

3d – Financial receivables for non-current leases

This item, which stood at EUR 1.4 million at 31 March 2019, is entirely attributable to the restatement carried out in the light of the application of the new accounting standard IFRS 16 from 1 January 2019 and refers to the receivable due to DeA Capital S.p.A. from De Agostini Group companies for the use of spaces in the property at Via Brera 21 in Milan, which was recorded under Leased Buildings in Tangible Assets, for the share pertaining to the DeA Capital Group.

3e – Other non-current assets

This item, EUR 6.6 million at 31 March 2019 (EUR 4.7 million at 31 December 2018) refers for EUR 3.8 million to the receivable due to the IDeA OF I fund for the sale of 1% of Manutencoop (EUR 3.7 million at 31 December 2018) and for EUR 1.8 million to the tax receivable due from the Parent Company De Agostini S.p.A. relating to the losses accrued in the period (zero at 31 December 2018).

CURRENT ASSETS

Current Assets stood at EUR 185.2 million at 31 March 2019 (compared with EUR 185.4 million at 31 December 2018, or EUR 185.6 million taking into account the increase of EUR 0.2 million associated with the application, from 1 January 2019, of IFRS 16).

4a – Trade receivables

Receivables stood at EUR 13.0 million at 31 March 2019 (EUR 14.7 million at 31 December 2018). The balance refers mainly to the receivables of DeA Capital Real Estate SGR and DeA Capital Alternative Funds SGR for EUR 12.7 million in total at 31 March 2019 (EUR 14.6 million at 31 December 2018), relating essentially to the receivables due from the funds managed for fees accrued, but not yet collected.

4b – Financial assets measured at fair value

At 31 March 2019, the item Financial assets measured at fair value stood at EUR 13.6 million compared with EUR 6.3 million at 31 December 2018 and refers to:

- the portfolio of government bonds and corporate bonds, held by DeA Capital Alternative Funds SGR for EUR 5.9 million (EUR 6.3 million at 31 December 2018);
- the portfolio of CCT, held by DeA Capital Real Estate SGR, as an investment on behalf of the regulatory capital for EUR 7.7 million (zero at 31 December 2018).

4c – Financial receivables

The balance of this item at 31 March 2019 is zero.

The balance at 31 December 2018 of EUR 0.5 million refers to the short-term portion of the receivable from the associate YARD following the sale to the latter of the stake of 100% in SPC, by DeA Capital Partecipazioni. Note that the receivable was collected in full in January 2019.

4d – Financial receivables for current leases

This item is entirely attributable to the restatement carried out in the light of the application of the new accounting standard IFRS 16 from 1 January 2019 and refers to the receivable due to DeA Capital S.p.A. from De Agostini Group companies for the use of spaces in the property at Via Brera 21 in Milan, which was recorded under Leased Buildings in Tangible Assets, for the share pertaining to the DeA Capital Group.

4e – Tax receivables relating to the tax consolidation scheme due from parent companies

This item totalled EUR 0.4 million at 31 March 2019 (essentially unchanged from 31 December 2018) and relates to the receivable from the Parent Company De Agostini S.p.A. for the participation of DeA Capital Alternative Funds SGR and DeA Capital Partecipazioni in the tax consolidation scheme.

4f – Other tax receivables

Receivables stood at EUR 12.7 million at 31 March 2019 (EUR 15.8 million at 31 December 2018). This item mainly includes the payments on account for IRAP and IRES, tax withholdings incurred on interest, IRES credited to be carried over, as well as VAT credits.

4g – Other receivables

This item, EUR 3.8 million at 31 March 2019 compared with EUR 4.1 million at 31 December 2018, mainly includes receivables relating to the management of VAT positions with regard to

the funds managed by DeA Capital Real Estate SGR, as well as credits for guarantee deposits, advances to suppliers, accrued income and other receivables.

4h – Cash and cash equivalents (bank deposits and cash)

This item comprises bank deposits and cash, including interest accrued at 31 March 2019, and stood at EUR 141.6 million, compared with EUR 143.8 million at 31 December 2018.

Please see the consolidated cash flow statement for further information on changes to this item.

Cash deposited at banks accrues interest at floating rates, based on the prevailing overnight, 1-2-week and 1-3-month interest rates.

SHAREHOLDERS' EQUITY

5 – Shareholders' equity

Group Shareholders' Equity

At 31 March 2019, Group shareholders' equity was EUR 471.1 million, compared with EUR 466.5 million at 31 December 2018. The increase in Group consolidated shareholders' equity in the first quarter of 2019, of a total of EUR +4.6 million, is due to the balance between the effect of the use of treasury shares as the payment (EUR +8.0 million) for the purchase of the minority interests in DeA Capital Real Estate SGR and the result of the Statement of Performance - IAS 1 (EUR -3.9 million).

Minority Interest Shareholders' Equity

At 31 March 2019, minority interest shareholders' equity was EUR 30.2 million, compared with EUR 39.3 million at 31 December 2018. This item refers to Minority Interest Shareholders' Equity resulting from the consolidation (through the full consolidation method) of the IDeA OF I fund, DeA Capital Real Estate France S.A.S. and DeACapital Real Estate Iberia S.L.

The decrease, of EUR -9.1 million in total, compared with the balance at 31 December 2018, mainly refers to the purchase by the DeA Capital Group of the units previously held by third parties in DeA Capital Real Estate SGR.

NON-CURRENT LIABILITIES

Non-Current Liabilities stood at EUR 28.9 million at 31 March 2019 (compared with EUR 14.4 million at 31 December 2018, or EUR 28.9 million taking into account the increase of EUR 14.5 million associated with the application, from 1 January 2019, of IFRS 16).

6a - Payables to suppliers

At 31 March 2019 this item totalled EUR 0.9 million (unchanged compared with 31 December 2018) and refers to the long-term payable for brokers' fees associated with the launch of the Agro Fund.

6b - Deferred tax liabilities

At 31 March 2019 this item totalled EUR 6.0 million (essentially unchanged compared with 31 December 2018) and includes, specifically the liabilities for deferred taxes for DeA Capital Real Estate SGR (EUR 5.6 million, unchanged compared with the balance at 31 December 2018) composed in full of the offsetting item relating to the deferred tax of intangible assets from variable fees recorded in the assets.

6c - End-of-service payment fund

At 31 March 2019 this item totalled EUR 4.7 million (compared with EUR 4.6 million at 31 December 2018); the end-of-service payment comes under defined-benefit plans and was therefore valued by applying the actuarial methodology.

6d - Financial liabilities

This item stood at EUR 17.3 million at 31 March 2019 (compared with EUR 2.9 million at 31 December 2018, or EUR 17.3 million taking into account the increase of EUR 14.5 million associated with the application, from 1 January 2019, of IFRS 16). The item at 31 March 2019 refers:

- for EUR 13.8 million to the financial debt, recorded following the application of IFRS 16 from 1 January 2019, related to the lease agreements for vehicles as well as the leasing of properties, the Group company offices, specifically the property at Via Brera 21 in Milan and the Rome office of DeA Capital Real Estate SGR;
- for EUR 2.9 million to the variable price component (earn-out) relating to the purchase by the DeA Capital Group of the units previously held by INPS in DeA Capital Real Estate SGR (this amount is unchanged compared with the balance at 31 December 2018);
- for EUR 0.6 million to the variable price component (earn-out) relating to the purchase by the DeA Capital Group of the units previously held by Fondazione Carispezia in DeA Capital Real Estate SGR (zero at 31 December 2018);

CURRENT LIABILITIES

Current Liabilities stood at EUR 40.9 million at 31 March 2019 (compared with EUR 37.9 million at 31 December 2018, or EUR 40.5 million taking into account the increase of EUR 2.6 million associated with the application, from 1 January 2019, of IFRS 16).

7a - Payables to suppliers

Payables to suppliers stood at EUR 5.0 million at 31 March 2019 compared with EUR 5.5 million at 31 December 2018. Trade payables do not accrue interest and are settled, on average, within 30 to 60 days.

7b - Payables in respect of staff and social security organisations

At 31 March 2019 this item stood at EUR 10.6 million, compared with EUR 9.1 million at 31 December 2018 and mainly relates to the payable in respect of staff for leave not taken and for bonuses and payables to welfare institutions.

7c - Current tax payables

This item totalled EUR 8.8 million at 31 March 2019 (EUR 5.8 million at 31 December 2018) and mainly relates to the payable to the Parent Company De Agostini S.p.A. for the participation of DeA Capital S.p.A. and DeA Capital Alternative Funds SGR in the tax consolidation scheme. The item also includes payables to the tax authorities for current taxes for DeA Capital Real Estate SGR.

7d - Other tax payables

Other tax payables to the tax authorities stood at EUR 0.6 million at 31 March 2019 (EUR 1.3 million at 31 December 2018) and relate mainly to payables to the tax authorities for withholdings on income from employees and self-employed workers paid on time after the end of the quarter (EUR 0.5 million, compared with EUR 1.1 million at 31 December 2018).

7e - Other payables

Other payables stood at EUR 13.3 million at 31 March 2019, compared with EUR 15.9 million at 31 December 2018, and relate for EUR 13.1 million (EUR 15.9 million at 31 December 2018) to DeA Capital Real Estate SGR and specifically to the payables relating to the management VAT positions with regard to the funds managed by said asset management company.

7f - Short-term financial payables

This item stood at EUR 2.6 million at 31 March 2019 (compared with EUR 0.2 million at 31 December 2018, or EUR 2.8 million taking into account the increase of EUR 2.6 million associated with the application, from 1 January 2019, of IFRS 16).

At 31 March 2019 the item refers to the financial payable, recorded following the application of IFRS 16 from 1 January 2019, related to the lease agreements for vehicles as well as the leasing of properties, the Group company offices, specifically the property at Via Brera 21 in Milan and the Rome office of DeA Capital Real Estate SGR.

Notes on the Consolidated Income Statement

8 – Alternative asset management fees

In the first quarter of 2019 Alternative asset management fees were EUR 16.8 million, compared with EUR 15.1 million in the corresponding period in 2018.

These fees mainly relate to management fees paid to DeA Capital Real Estate SGR and DeA Capital Alternative Funds SGR (see table below) for the funds they manage.

(EUR million)	First Quarter 2019	First Quarter 2018
DeA Capital Alternative Funds SGR *	7.1	4.7
DeA Capital Real Estate SGR	9.7	10.4
Total management fees from Alternative Asset Management	16.8	15.1

(*) Net of intercompany management fees to IDeA OF I, which is consolidated on a line-by-line basis

9 – Income from investments valued at equity

This item includes the shares of the results of associates valued using the equity method pertaining to the period; equal to EUR +0.2 million in the first quarter of 2019, compared with EUR -0.5 in the first quarter of 2018, it is due, pro rata, to the result of investments in:

- the YARD Group (EUR +0.3 million in the first quarter of 2019, compared with EUR +0.2 million in the same period of 2018);
- the EESS Fund (EUR -0.1 million in the first quarter of 2019, compared with EUR -0.7 million in the same period of 2018);

10 – Other investment income / expenses

Other net income realised on investments in shareholdings and in funds stood at EUR -7.3 million in the first quarter of 2019, compared with EUR -3.5 million in the corresponding period of 2018. The item mainly refers to:

- the decrease of the investment in Kenan / Migros totalling EUR -2.1 million, mainly attributable to the decrease in fair value, due to the combined effect of the fall in the price per share (TRY 13.56 per share at 31 March 2019, versus TRY 14.90 per share at 31 December 2018) and the devaluation of the Turkish lira against the euro (6.34 TRY/EUR at 31 March 2019, versus 6.06 TRY/EUR at 31 December 2018);
- the adjustment to fair value of the funds totalling EUR -6.3 million (for more details, please see Note 2d - Funds measured at fair value through P&L);
- the adjustment to fair value of the investment in Pegaso Transportation Investments (Talgo) for EUR +1.3 million (for more details, please see 2b - Investments held by funds measured at fair value through P&L).

11 – Service revenues

This item stood at EUR 0.1 million in the 1st quarter of 2019 (EUR 0.3 million in the corresponding period of 2018).

12a – Personnel costs

The total cost of personnel stood at EUR 8.1 million in the 1st quarter of 2019 (EUR 7.8 million in the corresponding period of 2018).

Details of personnel costs and the comparison with the corresponding period of 2018 are given below:

(EUR thousand)	First Quarter 2019	First Quarter 2018
Salaries and wages	4,682	4,448
Social security charges	1,670	1,415
Board of directors' fees	703	957
Performance shares cost	333	320
End-of-service payment fund	315	299
Other personnel costs	426	375
Total	8,129	7,814

12b – Service costs

The total cost of personnel stood at EUR 3.2 million in the 1st quarter of 2019 (EUR 4.1 million in the corresponding period of 2018). Details of service costs and the comparison with the corresponding period of 2018 are given below:

(EUR thousand)	First Quarter 2019	First Quarter 2018
Administrative, Tax Legal consultancy and other costs	1,183	1,339
Fees to corporae bodies	134	143
Ordinary maintenance	35	51
Travel expenses	183	194
Utilities and general expenses	262	274
Third-party rental, royalties and leasing	202	910
Bank charges	21	14
Books, stationery and conferences	78	128
Commission expenses	221	270
Other expenses	871	764
Total	3,190	4,087

12c – Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses stood at EUR 1.1 million in the 1st quarter of 2019 (EUR 0.6 million in the corresponding period of 2018). Note that in 2019 this item includes depreciation, amortisation and impairment losses totalling EUR 0.7 million relating to items recorded as assets in the balance sheet following the application of IFRS 16 and therefore the comparison of 2019 with 2018 for this item is not significant.

Specifically, following the application of IFRS 16 from 1 January 2019 the following rights of use were recorded under tangible assets:

- to lease vehicles;
- to properties, the Group companies registered offices, specifically the property at Via Brera 21 in Milan, which, since 2013, has been leased to the DeA Capital Group, and the office in Rome of DeA Capital Real Estate SGR.

The rights of use of the property at Via Brera 21 in Milan for the portion pertaining to the Group companies are recorded under the item Tangible assets, while the share pertaining to De Agostini Group companies are recorded under the item "Non-current lease financial receivables" and "Current lease financial receivables".

12d – Other costs

Other expenses stood at EUR 0.4 million in the 1st quarter of 2019 (EUR 1.0 million in the corresponding period of 2018).

In the first quarter of 2019 this item mainly comprised the pro-rata non-deductible VAT on costs pertaining to the period for DeA Capital Real Estate SGR of EUR -0.3 million (EUR -0.4 million in the 1st quarter of 2018).

The 1st quarter of 2018 also included the impairment of receivables for DeA Capital Real Estate SGR of EUR -0.4 million (zero in the 1st quarter of 2019).

13 – Financial income and (charges)

In the first quarter of 2019 financial income totalled EUR +0.4 million (EUR +0.4 million in the corresponding period of 2018) and financial expense stood at EUR -0.2 million (EUR -0.1 million in the corresponding period of 2018).

13a – Financial income

Below is the breakdown of the financial income in the 1st quarter of 2019 and the comparison with the corresponding period of 2018:

(EUR thousand)	First Quarter 2019	First Quarter 2018
Interest incomes	138	117
Exchange gains	231	324
Total	369	441

13b – Financial expense

Below is the breakdown of the financial expense in the 1st quarter of 2019 and the comparison with the corresponding period of 2018:

(EUR thousand)	First Quarter 2019	First Quarter 2018
Interest expenses	188	16
Exchange losses	0	51
Other	0	1
Total	188	68

14 – Income tax

Income tax stood at EUR -0.6 million in the 1st quarter of 2019 (EUR -1.1 million in the corresponding period of 2018).

(EUR thousand)	First Quarter 2019	First Quarter 2018
<u>Current taxes:</u>		
Income from tax consolidation scheme	1,843	159
- IRES	(2,027)	(2,942)
- IRAP	(495)	(318)
- Other tax	0	(10)
Total current taxes	(679)	(3,111)
<u>Deferred taxes for the period:</u>		
- Charges for deferred/prepaid taxes	0	0
- Income from deferred/prepaid taxes	85	1,992
- Use of deferred tax liabilities	0	0
- Use of deferred tax assets	0	0
Total deferred taxes	85	1,992
Total income tax	(594)	(1,119)

Other information

➤ **Transactions with parent companies, subsidiaries and related parties**

Transactions with related parties

Transactions with related parties, including those with other Group companies, were carried out in accordance with the Procedure for Related Party Transactions adopted by the Company with effect from 1 January 2011, in accordance with the provisions of the Regulation implemented pursuant to art. 2391-bis of the Italian Civil Code with Consob Resolution 17221 of 12 March 2010, as subsequently amended. In the first three months of 2019, the Company did not carry out any atypical or unusual transactions with related parties, only those that are part of the normal business activities of group companies. It also did not carry out any "significant transactions" as defined in the above-mentioned procedure. Transactions with related parties during the first three months of 2019 were concluded under standard market conditions, taking into account the nature of the goods and/or services offered.

With regard to transactions with parent companies, note the following:

- 1) DeA Capital S.p.A. signed a service agreement with the controlling shareholder, De Agostini S.p.A., for the latter to provide operating services in administration, finance, control, legal, corporate, tax, investor relations, and institutional and press services.

This agreement, which is automatically renewed each year, is priced at market rates, and is intended to allow the Company to maintain a streamlined organizational structure in keeping with its development policy, while obtaining sufficient operational support.

At the same time, on 1 January 2013, DeA Capital S.p.A. signed an "Agreement to sub-let property for intended use other than residential use" with the controlling shareholder, De Agostini S.p.A. The agreement relates to parts of a building located at Via Brera, 21, Milan, comprising space for office use, warehousing and car parking.

This agreement, which is renewable every six years after an initial term of seven years, is priced at market rates.

- 2) DeA Capital S.p.A., DeA Capital Alternative Funds SGR S.p.A. and DeA Capital Partecipazioni S.p.A. have adopted the national tax consolidation scheme of the De Agostini Group (the Group headed by De Agostini S.p.A., formerly B&D Holding di Marco Drago e C. S.a.p.A.). This option was exercised jointly by each company and De Agostini S.p.A. through the signing of the "Regulation for participation in the national tax consolidation scheme for companies in the De Agostini Group" and notifying the tax authorities of this option pursuant to the procedures and terms and conditions laid down by law. The option is irrevocable unless the requirements for applying the scheme are not met.

The option for DeA Capital S.p.A. is irrevocable for the three-year period 2017-2019.

- 3) In order to allow more efficient use of liquidity and the activation of credit lines with potentially better terms and conditions compared with those that may be obtained from banks, DeA Capital S.p.A. has signed a framework agreement

(Framework Agreement) with the Parent Company De Agostini S.p.A. for the provision of short-term intercompany loans/deposits.

Deposit/financing operations falling within this Framework Agreement shall be activated only subject to verification that the terms and conditions, as determined from time to time, are advantageous, and will be provided on a revolving basis, and with maturities of not more than three months. The Framework Agreement has a duration of one year and is automatically renewed each year.

The amounts involved in the deposit/financing operations will, however, be below the thresholds defined for "transactions of lesser importance" pursuant to Consob Regulation 17221/2010 (Transactions with Related Parties) and the internal procedure on Transactions with Related Parties adopted by DeA Capital S.p.A.

Note that there were no deposit/financing operations between DeA Capital S.p.A. and De Agostini S.p.A. arising from the above-mentioned Framework Agreement.

With regard to transactions with Other Related Parties, note the following:

On 29 November 2017, DeA Capital S.p.A. signed a contract with SPAC IDeaMI S.p.A. for the provision of a wide range of services, including administrative, corporate, investor relations, logistics and general services, as well as support and advisory services in the search for and selection of potential target companies and in the structuring of the executive methods for the realisation of the business combination, the object of the SPAC's activities. The expiry of this contract is linked to the effectiveness of the business combination.

Lastly, the Company did not hold, purchase or dispose of shares of related-party companies in the first three months of 2019.

Significant events after the year-end and outlook

❖ SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

➤ Dividends from Alternative Asset Management

During the first months of 2019, the Alternative Asset Management business distributed/approved dividends of a total of EUR 22.9 million to the DeA Capital Group's holding companies (EUR 7.5 million in 2018), broken down as follows: EUR 17.8 million from DeA Capital Real Estate (100% of dividends paid to shareholders, EUR 15 million, and 35.28% of dividends paid to shareholders of SFP), EUR 5.0 million from DeA Capital Alternative Funds (100% of the dividends paid) and EUR 0.1 million from YARD (pro-rata share of the total amount of EUR 0.3 million).

➤ Cancellation of 40,000,000 treasury shares

On 18 April 2019, in the context of restoring the minimum free float requirement for the STAR segment, the Extraordinary Shareholders' Meeting of DeA Capital S.p.A. approved the cancellation of 40,000,000 treasury shares in the portfolio, with a related share capital reduction from EUR 306,612,100 to EUR 266,612,100, with effect under the terms of the law, 90 days from the date of approval, and the consequent amendment of art. 5 of the Articles of Association. Note that in the context of the above, De Agostini S.p.A. already renounced its double voting rights at the end of 2018 on 50% of the shares it owns, concluding the renunciation on 18 April 2019 of its double voting rights on the remaining 50% of shares that it owns.

❖ OUTLOOK

Turning to **Alternative Asset Management** the Group will continue to develop its activities, aimed at consolidating its leadership in Italy and exploring the opportunities for expansion in Europe.

With regard to the **Private Equity Investment** area, the Group will continue its efforts to increase the value of the investments in its portfolio, and at the same time evaluate opportunities for new co-investment/club deal initiatives – including with funds managed by the Alternative Asset Management platform – that are smaller in size than in the past.

The Group will also continue to sponsor new initiatives promoted by the platform and invest in funds it has launched, using the capital already available, as well as capital from the sale of portfolio assets and the reimbursements of funds in which DeA Capital S.p.A. has invested.

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.

**Certification of the Interim Management Report
to 31 March 2019**

Certification of the Interim Management Report to 31 March 2019 (pursuant to art. 154-bis of Legislative Decree 58/98)

Manolo Santilli, the manager responsible for preparing the Company's accounts, hereby declares, pursuant to art. 154-bis, para. 2 of the Consolidated Finance Law (TUF), that the financial information contained in this document accurately represents the figures in the Company's accounting records.

Milan, 09 May 2019

Manolo Santilli
Manager responsible for preparing the
Company's accounts