

PRESS RELEASE

THE HALF-YEAR REPORT AS AT 30 JUNE 2020 APPROVED, WITH COMBINED ASSETS UNDER MANAGEMENT AT EUR 22.5 BILLION (+91%) AND MANAGEMENT FEES AT EUR 45.4 MILLION (+43%, COMBINING THE AMOUNT REFERRED TO QUAESTIO SGR)

AT GROUP LEVEL, POSITIVE NET FINANCIAL POSITION FOR OVER EUR 97 MILLION AND A NET NEGATIVE RESULT OF EUR 1.8 MILLION (DUE TO THE MARK-TO-MARKET OF THE INVESTMENT PORTFOLIO)

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ESTABLISHMENT OF DEA CAPITAL REAL ESTATE GERMANY, WITH THE AIM OF DEVELOPING THE MANAGEMENT OF REAL ESTATE ASSETS IN GERMANY, AUSTRIA AND SWITZERLAND

LAUNCH OF TREASURY SHARE PURCHASE PROGRAMME APPROVED BY THE SHAREHOLDERS' MEETING

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Milan, 8 September 2020 - The DeA Capital S.p.A. Board of Directors met today, chaired by Lorenzo Pellicoli, to review and approve, among other things, the Half-Year Report as at 30 June 2020.

CONSOLIDATED RESULTS AS AT 30 JUNE 2020

- As at 30 June 2020, **Combined Assets under Management** amounted to EUR 22,469 million, up 91% compared with 30 June 2019, combining what is attributable to Quaestio SGR, participation acquired in November 2019 and not consolidated. The *Combined Assets under Management* figure is divided as follows by investment strategy:
 - **Real Estate = EUR 9,906 million (44%)**
 - **Credit = EUR 3,219 million (14%)**
 - **Private Equity = EUR 1,790 million (8%)**
 - **Multi-asset/Multi-manager = EUR 7,554 million (34%)**

Note that Combined Assets Under Management are defined as assets managed by the asset management companies in which the Group holds an absolute or relative (not consolidated) majority interest, and the assets managed by the international subsidiaries. Total commitments are considered for private equity funds.

- **Management fees** of EUR 32.6 million at the consolidated level and EUR 45.4 million when also considering the amount attributable to Quaestio SGR, compared with EUR 31.7 million in the 1st Half of 2019.
- **Group Net Result** was negative for EUR 1.8 million (compared with the negative figure of EUR 3.9 million recorded in the 1st half of 2019), mainly due to the mark-to-market of the Investment Portfolio.
- **Net Financial Position of the Holding Companies** was positive for EUR 71.3 million; at Group level, the Net Financial Position was positive for EUR 97.2 million, compared with the "adjusted" figure (due to the distribution of the extraordinary dividend that occurred in June

2020) of EUR 74.3 million recorded as at 31 December 2019. This result was mainly generated by movements in the Investment Portfolio (of which EUR 16.5 million related to the distribution of part of IDEaMI's liquidation assets).

The Half-Year Report as at 30 June 2020 will be made available to the public on 10 September 2020, at the Registered Office, on the storage mechanism authorised 1info (www.1info.it) and on the website <https://www.deacapital.com/category/investor/bilanci-e-relazioni/>.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

▪ **New Private Equity funds and extension of CCR II programme**

After the close of the period, in the **Private Equity** area, the Alternative Asset Management Platform launched two new funds with a total commitment target of over EUR 400 million. In support of the two initiatives, DeA Capital S.p.A. has committed to invest up to approximately EUR 25 million.

In parallel, in the **Credit** area, the VII closing of the CCR II fund was completed, (for an amount equal to EUR 27 million), bringing the overall size of the same Fund to over EUR 600 million.

▪ **A further step in the internationalisation process of the Alternative Asset Management Platform**

During August 2020, to further boost the internationalisation process of the Alternative Asset Management Platform in the **Real Estate** area, **DeA Capital Real Estate Germany** (a company under German law) was established, 70% owned by the DeA Capital Group, with the remaining stake held by a local key manager. Similar to the other European subsidiaries – already operating in France, Spain / Portugal and Poland – the company's goal is to develop the real estate advisory business for raising funds and real estate advisory and management activities, with a special focus on the core plus, value-added and opportunistic sub-sectors, in Germany, Austria and Switzerland.

▪ **Launch of treasury share purchase plan**

Upon executing the resolution of the Shareholders' Meeting of 20 April 2020, it was decided to launch the plan to purchase treasury shares up to a total of 5% of the share capital or - taking account of the 2.04% already owned – to purchase approximately 3% of the same share capital (therefore a maximum of 7,879,026 shares).

It is envisaged that the treasury shares in question will be used, to support share incentive plans.

Based on the NAV per share as at 30 June 2020, the maximum purchase value is currently estimated at EUR 12.8 million.

The purchases of treasury shares are to be made on the MTA of Borsa Italiana S.p.A., benefiting from the so-called "safe harbour" exemption referred to in Regulation (EU) 596/2014. In this regard, the plan will be carried out through Intermonte SIM, an authorised intermediary that will operate completely independently, in the manner and within the operational limits set out in the Shareholders' Meeting's authorisation and in accordance with the provisions of Article 5 of Regulation (EU) 596/2014 and Delegated Regulation (EU) 1052/2016. Therefore, the share purchase price may not exceed the greater of (i) the price of the latest independent transaction and (ii) the price of the current highest independent bid at the trading venues where the



purchase is made. It is understood that, in accordance with the Shareholders' Meeting's authorisation, the consideration per unit may not be higher or lower than 20% of the reference price of DEA Capital S.p.A. shares recorded in the stock exchange session prior to each individual purchase transaction. Furthermore, in accordance with the Board resolution of 12 May 2020, the maximum consideration per unit for each purchase may not exceed the NAV per share indicated in the latest statement of financial position that has been approved and communicated to the market. The daily acquisition volume may not exceed 25% of the average daily volume of DEA Capital S.p.A. shares traded on the MTA in the 20 trading days prior to the date of purchase.

Any changes or supplements to the share purchase plan will be promptly communicated to the market.

OUTLOOK

With regard to the business outlook, especially the macro-economic framework, the global spread of COVID-19 should be considered and to this end, the Group has promptly adopted all the necessary measures to protect the health of employees and ensure business continuity.

Even in this environment, the DeA Capital Group has continued and will continue to focus on developing the Alternative Asset Management Platform, through new product launches, the further growth of international activities, and the coordination with Quaestio SGR, especially insofar as the go-to-market strategy. Moreover, we will direct our utmost efforts to protecting and supporting all the assets comprising the funds under management, to overcome the acute phase of the crisis and be poised to reap the opportunities that will undoubtedly become available once the crisis is over.

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Paolo Ceretti , CEO of DeA Capital S.p.A., stated:

"Despite the objective difficulty of the period we are going through, the results achieved in the first half of the year by the DeA Capital Platform have proved to be more than satisfactory. We have not only acted defensively to protect the value we have created in these years of work, securing, thanks to the commitment of all our Group colleagues, business continuity in the management of the alternative investment portfolios, from Real Estate, to Credit, to Private Equity; I also want to emphasise the good results we are experiencing in raising new funds and developing international activities, which have recently seen the establishment of DeA Capital Real Estate Germany".

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

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

For further information, please contact:

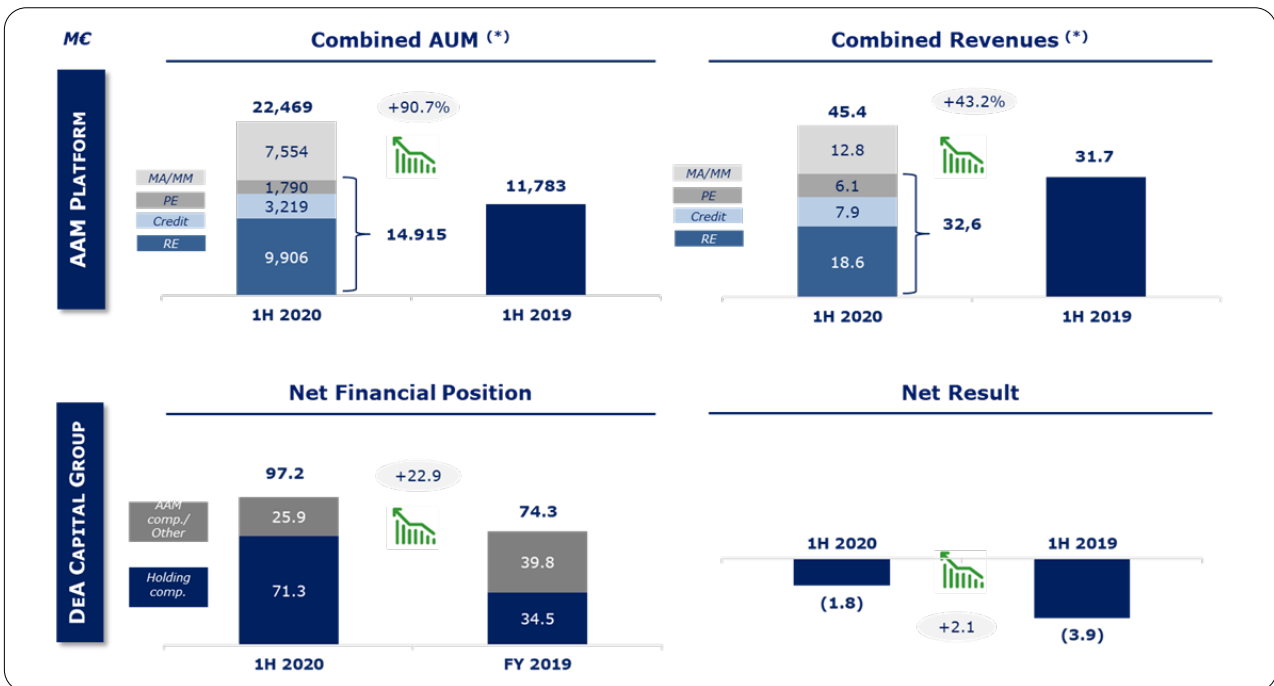
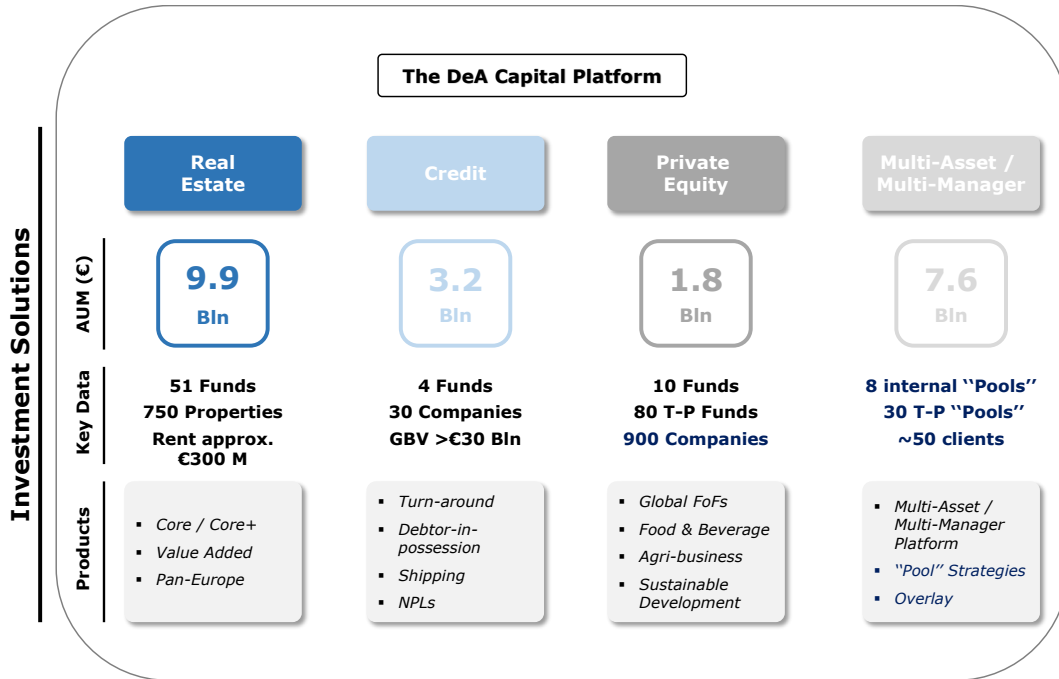
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DeA Capital (www.deacapital.com). DeA Capital S.p.A., a subsidiary of De Agostini S.p.A. and listed on the STAR segment of the MTA Market of Borsa Italiana, is the leading independent Italian player in the Alternative Asset Management sector (for assets under management), with Combined Assets Under Management of approximately EUR 22,500 million and an Investment Portfolio of approximately EUR 340 million. The Group Platform – concentrated on the two subsidiaries, DeA Capital Real Estate SGR and DeA Capital Alternative Funds SGR, as well as on the indirect equity investment in Quaestio SGR – is engaged in the promotion, management and development of real estate, private equity and credit investment funds, as well as in the multi-asset/multi-manager solutions for institutional investors.

Management Schedules



(*) Combined AUM (Assets under Management) and Combined Revenues mean, respectively, the assets under management and the revenues of the asset management companies in which the Group holds an absolute/relative majority (non-consolidated) interest, as well as the corresponding amounts recorded by international subsidiaries. For the 1st Half of 2020, the amounts relating to the included non-consolidated companies amounted to EUR 7,554 million at the level of Combined AUM and EUR 12.8 million at the level of Combined Revenues.

Managerial Income Statement

€M	1H 2020	1H 2019	Change
Net Operating Result AAM (*)	7.5	7.4	0.1
Other AAM	(0.9)	(1.1)	0.2
Net Result AAM	6.6	6.3	0.3
Alternative Investment	(7.1)	(6.8)	(0.3)
Holding Cost	(4.6)	(4.0)	(0.6)
Tax	3.3	0.6	2.7
Net Group Result	(1.8)	(3.9)	2.1

Managerial Statement of Financial Position

	30 June 2020		31 December 2019 "adjusted"	
	MC	€/Sh.	MC	€/Sh.
Alternative Asset Management				
- DeA Capital Real Estate SGR	128.7	0.49	141.2	0.54
- DeA Capital Alternative Funds SGR	56.7	0.22	55.6	0.21
- Quaestio Capital SGR (including Quaestio Holding)	13.7	0.05	14.3	0.06
- Other (YARD, DeA Capital RE France, Iberia, Poland)	8.4	0.04	6.6	0.03
Total AAM (A)	207.5	0.80	217.7	0.84
Alternative Investment				
- AI Platform Investments	103.2	0.40	118.0	0.45
- AI Other Investments	32.5	0.12	51.4	0.20
Total AI (B)	135.7	0.52	169.4	0.65
Investment Portfolio (A+B)	343.2	1.32	387.1	1.49
Other net assets (liabilities)	10.9	0.04	4.6	0.02
Net Financial Position Holdings	71.3	0.27	34.5	0.13
NAV	425.4	1.63	426.2	1.64

Statutory Schedules

Summary Consolidated Income Statement

(EUR thousand)	First Half 2020	First Half 2019
Alternative Asset Management fees	32,528	31,523
Income (loss) from investments valued at equity	(706)	(133)
Other investment income/expense	(8,903)	(5,841)
Income from services	45	197
Other revenues and income	373	30
Other expenses and charges (*)	(30,699)	(26,689)
Financial income and expenses	(2,283)	(318)
PROFIT/(LOSS) BEFORE TAX	(9,644)	(1,231)
Income tax	2,981	(2,884)
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	(6,663)	(4,115)
Profit (Loss) from discontinued operations/held-for-sale assets	0	0
PROFIT/(LOSS) FOR THE PERIOD	(6,663)	(4,115)
- Group share	(1,783)	(3,904)
- Non controlling interests	(4,880)	(211)
		0.00
Earnings per share, basic (€)	(0.007)	(0.015)
Earnings per share, diluted (€)	(0.007)	(0.015)

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

Income Statement by Business in the first half of 2020

(EUR thousand)	Alternative Investment	Alternative Asset Management	Holdings/ Eliminations	Consolidated
Alternative Asset Management fees	0	32,603	(75)	32,528
Income (loss) from investments valued at equity	(137)	(569)	0	(706)
Other investment income/expense	(8,454)	(448)	(1)	(8,903)
Other revenues and income	0	178	241	419
Other expenses and charges	(744)	(25,177)	(4,778)	(30,699)
Financial income and expenses	(2,196)	(142)	55	(2,283)
PROFIT/(LOSS) BEFORE TAXES	(11,531)	6,445	(4,558)	(9,644)
Income tax	0	(307)	3,288	2,981
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	(11,531)	6,138	(1,270)	(6,663)
Profit (Loss) from discontinued operations/held-for-sale assets	0	0	0	0
PROFIT/(LOSS) FOR THE PERIOD	(11,531)	6,138	(1,270)	(6,663)
- Group share	(7,100)	6,587	(1,270)	(1,783)
- Non controlling interests	(4,431)	(449)	0	(4,880)

Income Statement by Business in the first half of 2019

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

Consolidated Statement of Comprehensive Income

<i>(EUR thousand)</i>	First Half 2020	First Half 2019
Profit/(loss) for the period (A)	(6,663)	(4,115)
Comprehensive income/expense which might be subsequently reclassified to the profit (loss) for the period	(117)	205
Comprehensive income/expense which will not be subsequently reclassified within the profit (loss) for the period	(278)	(60)
Other comprehensive income, net of tax (B)	(395)	145
Total comprehensive income for the period (A)+(B)	(7,058)	(3,970)
Total comprehensive income attributable to:		
- Group Share	(2,178)	(3,759)
- Non Controlling Interests	(4,880)	(211)

Consolidated Cash Flow Statement

<i>(EUR thousand)</i>	First Half 2020	First Half 2019
CASH FLOW from operating activities		
Investments in funds and shareholdings	(3,208)	(7,593)
Capital reimbursements from funds	15,010	10,021
Sale of investments	19,362	500
Interest received	1,648	68
Interest paid	0	859
Realized gains (losses) on exchange rate and derivatives	(1)	0
Taxes paid / reimbursed	(4,083)	(1,448)
Dividends received	0	135
Management and performance fees received	30,237	36,278
Revenues for services	351	705
Operating expenses	(32,276)	(24,602)
Net cash flow from operating activities	27,040	14,923
CASH FLOW from investing activities		
Acquisition of tangible fixed assets	(90)	(246)
Purchase of licenses and intangible assets	(16,885)	(206)
Proceeds from the sale of tangible and intangible fixed assets	22,318	0
Net cash flow from investing activities	5,343	(452)
CASH FLOW from financing activities		
Acquisition of financial assets	(10)	(7,656)
Sale of financial assets	0	510
Cash flow from leasing contract	(1,554)	(1,461)
Share capital issued	0	97
Own shares acquired	0	0
Share capital issued for Stock Option Plan	0	324
Dividends/reimbursements paid	(31,337)	(37,531)
Loans and bank loans	(1,963)	(54)
Net cash flow from financing activities	(34,864)	(45,771)
CHANGE IN CASH AND CASH EQUIVALENTS	(2,481)	(31,300)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	99,511	143,766
Effect of change in basis of consolidation: cash and cash equivalents	0	0
CASH AND CASH EQUIVALENTS AT END OF PERIOD	97,030	112,466

Consolidated Statement of Financial Position

(EUR thousand)	30.6.2020	31.12.2019
ASSETS		
Non-current assets		
Intangible and tangible assets		
Goodwill	99,936	104,647
Intangible assets	26,392	42,912
Property, plant and equipment	12,878	14,297
- Building in Leasing	12,154	13,420
- Other leased assets	267	318
- Other property, plant and equipment	457	559
Total intangible and tangible assets	139,206	161,856
Investments		
Investments at equity and joint ventures	27,003	30,802
Investments held by Funds at Fair Value through P&L	17,217	22,773
Other Investments at Fair Value through P&L	30,642	50,382
Funds at Fair Value through P&L	126,594	143,597
Other financial assets at Fair Value through P&L	0	37
Total financial Investments	201,456	247,591
Other non-current assets		
Deferred tax assets	3,871	2,409
Loans and receivables	4,803	2,485
Financial receivables for leasing - non current portion	1,193	1,313
Other non-current assets	4,911	4,990
Total other non-current assets	14,778	11,197
Total non-current assets	355,440	420,644
Current assets		
Trade receivables	11,505	8,653
Financial assets at Fair Value	14,026	14,192
Financial receivables	0	245
Financial receivables for leasing - current portion	249	0
Tax receivables from parent companies	2,607	3,953
Other tax receivables	33,799	37,176
Other receivables	10,618	8,207
Cash and cash equivalents	97,030	99,511
Total current assets	169,834	171,937
Total current assets	169,834	171,937
TOTAL ASSETS	525,274	592,581
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Net equity Group	425,364	457,464
Minority interests	19,203	23,634
Shareholders' equity	444,567	481,098
LIABILITIES		
Non-current liabilities		
Trade payables	800	800
Deferred tax liabilities	5,870	5,993
End-of-service payment fund	6,215	5,582
Payables to staff and social security organisations	948	631
Financial liabilities	14,260	13,457
- Financial liabilities for leasing	11,050	12,437
- Other financial liabilities	3,210	1,020
Total non-current liabilities	28,093	26,463
Current liabilities		
Trade payables	5,858	5,470
End-of-service payment fund	27	21
Payables to staff and social security organisations	6,583	11,836
Current tax	4,794	4,336
Other tax payables	1,181	1,491
Other payables	31,127	42,299
Short term financial payables	3,044	19,567
- Short term financial payables for leasing	3,044	3,045
- Other Short term financial payables	0	16,522
Total current liabilities	52,614	85,020
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	525,274	592,581