



PRESS RELEASE

DEA CAPITAL S.P.A. ORDINARY SHAREHOLDERS' MEETING

On this day, the Shareholders' Meeting has:

- *approved the cancellation of 40,000,000 treasury shares held in the portfolio with a corresponding reduction in share capital;*
- *approved the Financial Statements as at 31 December 2018 and the partial distribution of the Share premium reserve in the form of an extraordinary dividend of EUR 0.12 per share;*
- *approved the appointment of the new corporate bodies and respectively confirmed Lorenzo Pellicoli and Paolo Ceretti as Chairman and Chief Executive Officer;*
- *authorised a new plan for the purchase and sale of treasury shares, covering up to 53.3 million shares (equal to 20% of the post-reduction share capital);*
- *approved a new management incentive plan;*
- *approved a stock grant plan for the Chief Executive Officer;*
- *expressed its agreement with the Company's Remuneration Policy pursuant to art. 123-ter of the TUF ("Testo Unico della Finanza")*

Milan, 18 April 2019 - The Extraordinary and Ordinary Shareholders' Meeting of DeA Capital S.p.A. was held today under the chairmanship of Lorenzo Pellicoli.

Cancellation of 40,000,000 treasury shares

The Extraordinary Shareholders' Meeting approved the cancellation of 40,000,000 treasury shares held in its portfolio, reinstating the minimum free float threshold required for continuing fulfilment of the STAR segment requirement. Pursuant to this, the share capital was reduced from EUR 306,612,100 to **EUR 266,612,100** and Article 5 of the Articles of Association was amended accordingly.

We hereby report that for the above reason, De Agostini S.p.A. had removed the double voting right attached to 50% of the treasury shares at the end of 2018 and proceeded today to remove the double voting right on the remaining 50% of the treasury shares. This resolution will enter into effect after the shareholders' meeting.

Approval of the Annual Financial Statements for the year ended 31 December 2018.

The Shareholders' Meeting approved the **financial statements of the parent company** DeA Capital S.p.A. for the year ended 31 December 2018, which closed with a net profit of **EUR 17.3 million** (compared with a loss of EUR 36.6 million in 2017), carried forward in full to reduce previous losses.

The Shareholders' Meeting also approved the **partial distribution of the Share Premium Reserve**, totalling EUR 31.2 million, based on the current number of shares net of treasury shares held. **Payment of an extraordinary dividend of EUR 0.12** per share was therefore decided. The Company will draw on available liquidity for distribution thereof. **The date set for the coupon payment (coupon no. 8) is 20/05/2019, the record date is 21/05/2019 and the payment will be made on 22/05/2019.**

The Shareholders' Meeting also acknowledged the **Group's Consolidated Financial Statements** as at 31 December 2018, with a profit of **EUR 11.1 million** (compared with a loss of EUR 11.7 million in 2017).

Appointment of Corporate Bodies

The DeA Capital S.p.A. Shareholders' Meeting appointed the new Board of Directors, which will remain in office for three financial years up to approval of the financial statements at 31 December 2021. The Board of Directors is composed of 11 (eleven) members, from the list submitted by the majority shareholder De Agostini S.p.A. (holder of 58.313% of the share capital and 67.46% of the voting rights): Lorenzo Pellicoli (appointed Chairman), Marco Emilio Boroli, Donatella Busso (Independent Director), Paolo Ceretti, Marco Drago, Carlo Enrico Ferrari Ardicini, Dario Frigerio (new Board member), Francesca Golfetto (Independent Director), Davide Mereghetti (new Board member, Independent Director), Daniela Toscani (Independent Director), Elena Vasco (Independent Director).

The Shareholders' Meeting also appointed the new **Board of Statutory Auditors** from the only list, which was submitted by the majority shareholder De Agostini S.p.A., confirming: Cesare Andrea Grifoni (Chairman), Annalisa Raffaella Donesana and Fabio Facchini as Permanent Auditors; Andrea Augusto Bonafé, Michele Maranò and Marco Squazzini Viscontini as Deputy Auditors.

The curriculum vitae of each member of the Board of Directors and the Board of Statutory Auditors is available on the website www.deacapital.com.

The Board of Directors, which met following the Shareholders' Meeting, confirmed Paolo Ceretti as **Chief Executive Officer**, vesting the Chairman and Chief Executive Officer with the necessary powers.

Based on the information provided by the interested parties, the Board of Directors ascertained that the members of the administration and control bodies fulfilled: (i) the requirements incumbent upon Directors and Statutory Auditors pursuant to the applicable laws and (ii) the independence requirements incumbent upon the directors Donatella Busso, Francesca Golfetto, Davide Mereghetti, Daniela Toscani and Elena Vasco, pursuant to article 148, paragraph 3, of Legislative Decree 58/1998 ("**TUF**") and the Corporate Governance Code of Borsa Italiana S.p.A. ("**Corporate Governance Code**"), the assessment parameters of which were applied.

We furthermore report that, in compliance with art 8.C.1. of the Corporate Governance Code, the newly-elected Board of Statutory Auditors has confirmed that all its members fulfil the independence requirements, including as required by the criteria set out in art. 3.C.1. of said Code.

The Board of Directors also adopted resolutions on corporate governance, appointing Independent Director Davide Mereghetti as the **Lead Independent Director**. The Board appointed Davide Mereghetti, Francesca Golfetto and Elena Vasco as members of the **Remuneration and Appointments Committee**, with Elena Vasco as Chairman. Finally, the directors Daniela Toscani, Elena Vasco and Donatella Busso were selected as members of the Control and Risk Committee, with Donatella Busso as Chairman of that Committee.

Finally, the Board of Directors confirmed the Chairman of the Board of Directors, Lorenzo Pellicoli, as the Executive Director in charge of supervising the **Internal Control and Risk Management System** and also appointed the **Supervisory Board** pursuant to Legislative Decree 231/2001 for the years 2019-2021 with Cesare Andrea Grifoni (Chairman), Donatella Busso, and Davide Bossi (Internal Audit) as members of this Board.

As of today, the directors Lorenzo Pellicoli and Paolo Ceretti respectively hold 2,566,323 and 2,077,096 DeA Capital shares while Cesare Grifoni, the Chairman of the Board of Statutory Auditors holds 4,135 DeA Capital shares.

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Authorisation of a new plan for the purchase and sale of treasury shares (the "Plan")

Pursuant to article 144-bis of the Regulations adopted with Consob resolution no. 11971 of 14 May 1999 (the "**Issuers' Regulation**"), we provide below the details of the Plan approved today by the Shareholders' Meeting.

The Plan authorises the Board of Directors to purchase and sell, on one or several occasions and on a rotating basis, a maximum number of Company shares not to exceed 20% of its share capital (approximately 53.3 million shares). These volumes are after the share capital reduction approved by the Extraordinary Shareholders' Meeting.

The number of treasury shares in the portfolio at 31 December 2018 was 52,858,542 or 17.2% of the share capital (compared to 16.6% at the end of 2017).

As of today, there are 46,636,485 shares, representing 15.2% of the share capital. Pursuant to the cancellation of the 40,000,000 treasury shares approved by the Extraordinary Shareholders' Meeting, the total number of treasury shares held by the Company will be reduced to 6,636,485, or 2.5% of the share capital.

Plan Objectives

The Plan replaces the previous plan authorised by the Shareholders' Meeting on 19 April 2018 (which expires upon approval of the 2018 financial statements) and will pursue the same objectives as the previous one, such as, among other things, the acquisition of treasury shares to be applied as follows: (i) to service share capital transactions, dividend distributions, or other transactions requiring the exchange or transfer of share packages via exchanges, conferral or in other manners; (ii) to service share incentive plans; (iii) to offer Shareholders a monetization instrument; and (iv) in compliance with current regulations and including through authorised intermediaries, to support the share on the market, for a specified period of time, intervening on the liquidity of the shares and other financial instruments issued by the Company, in the interest of facilitating smooth trading and avoiding price movements that run counter to market trends.

The maximum number of treasury shares that can be purchased

The authorisation issued by the Shareholders' Meeting allows the purchase of a maximum number of Company shares not to exceed 20% of the share capital. Following today's approval of the share capital reduction by the Extraordinary Shareholders' Meeting, the Company shall never hold more than **53,322,420** treasury shares.

Duration of the period for which the Plan has been authorised

The Shareholders' Meeting authorisation specifies that purchases may be made under the Plan up to the date of the Shareholders' Meeting held to approve the Financial Statements for the Year ending 31 December 2019, subject to the maximum 18 month duration established by the law, and that DeA Capital S.p.A. may also sell the shares purchased for trading, without time constraints.

Conversely, the authorisation to sell treasury shares that are already included in the portfolio and any shares that may eventually be purchased is without time constraints.

Procedures to be followed for the purchase and sale of shares

Treasury shares may be purchased through any of the legally allowed procedures, including the regulations in force at such time, which shall be indicated from time to time at the discretion of the Board of Directors.

Treasury shares may be sold via any method that is deemed appropriate insofar as the Plan objectives to be pursued, including via sales outside the regulated market.

Consideration for the purchase and sales of treasury shares. Maximum consideration

The unit price for the purchase of the shares will be established by the Board of Directors on a case-by-case basis, but shall neither exceed nor fall short of the share's reference price on the trading day prior to each purchase by more than 20%.

The selling price of treasury shares purchased will be determined from time to time by the Board of Directors but (except for specific exceptions indicated in the Plan) shall not be lower than 20% of the reference price recorded by the share on the stock exchange session prior to each individual sale, notwithstanding that this limit may not apply in certain cases.

The Board of Directors also resolved that the maximum unit price above which no treasury shares can be purchased will nevertheless be equal to the NAV per share indicated in the most recently approved balance sheet disclosed to the market. The maximum value of the purchases under the Plan, based on the NAV per share as at 31 December 2018 (EUR 1.84), including the maximum residual number of treasury shares that can be purchased (17.5% of the share capital), would not exceed approximately EUR 86 million at present.

Plan start date

The Board of Directors, which met after the Shareholders' Meeting, gave a joint and several mandate to the Chairman and the Managing Director, authorising them to implement the treasury share purchase plan, as authorised by the Shareholders' Meeting.

DeA Capital S.p.A. will disclose to the market the start date of any treasury share purchase plan, in accordance with current legislation.

As the plan for the purchase of treasury shares does not have as its exclusive purpose the pursuit of the objectives indicated in art. 5, paragraph 2, of Regulation (EC) 596/2014 (i.e. reduction of the share capital, fulfilment of obligations deriving from debt instruments that are convertible or exchangeable into share instruments or deriving from programmes for the assignment of options on shares or other share assignments to the employees or directors of the issuer or group companies), it cannot benefit from the "safe harbour exemptions" set forth in that Regulation.

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Approval of a new Performance Share plan

In compliance with Article 114-bis of the TUF, the Shareholders' Meeting approved a new incentive plan called the "*DeA Capital 2019-2021 Performance Share Plan*" (the "**PS Plan**"), which provides for the free of charge allocation to beneficiaries of up to 1,300,000 units, each of which entitles the grantee to 1 Company share, free of charge, at the end of the vesting period and contingent upon on the achievement of certain performance targets. These beneficiaries will be indicated by the Board of Directors no later than 31 December 2019.

Today the Board of Directors of the Company implemented the Shareholders' Meeting resolution, resolving to: (i) initiate implementation of the PS Plan approved by the Shareholders' Meeting, granting the Chairman of the Board of Directors and the Chief Executive Officer all the necessary powers, to be exercised separately and/or jointly or sub-delegated; and (ii) assign a total of 1,050,000

units. Any shares allocated because the rights attaching to them have vested will be drawn from treasury shares already held by the Company.

The PS Plan also allows DeA Capital S.p.A. to require beneficiaries to pay back all or part of any amounts received under the PS Plan, if information used to define the achievement of the objectives and the relevant units to be allocated is later found to be incorrect (the "*claw-back*").

Table 1 of Schedule 7, Attachment 3A of the Issuers' Regulations, completed in accordance with Article 4.24 of Attachment 3A of the Issuers' Regulations, is available on the Company's website www.deacapital.com, *Corporate Governance* / Incentive plans.

Approval of stock grant plan for the Chief Executive Officer

The Shareholders' Meeting approved the DeA Capital 2019-2021 Share Plan ("**AD Plan**") applicable to the Chief Executive Officer, exclusively.

The AD Plan provides for the free of charge assignment of up to 1,750,000 Company shares to the Chief Executive Officer, contingent upon: (i) retention of title of the 1,750,000 shares of the Company already held by the beneficiary at the date the plan was approved until the end of his mandate as a director (i.e. until the date of approval of the Financial Statements as at 31 December 2021); (ii) achievement of a minimum share value increase objective (Total Shareholder Return) upon conclusion of a vesting period which will end with approval of the Financial Statements as at 31 December 2021; (iii) maintaining the position of Chief Executive Officer until expiration of the term of office, and all rights will be foregone if the contract is revoked or terminated for just cause prior to that date.

The AD Plan also allows DeA Capital S.p.A. to require the return of all or part of any amounts received under the AD Plan, if information used to define the achievement of the objectives and the relevant units to be allocated is later found to be incorrect (the "*claw-back*").

Any shares assigned under the Plans shall be derived from treasury shares held by the Company.

At the end of the meeting, the Board of Directors implemented the "*Performance Share Plan DeA Capital 2019-2021*" and the "*Share Plan for the Chief Executive Officer*."

The terms and conditions of the Plans are described in the respective Information Documents drawn up pursuant to article 84-bis of the Issuers' Regulations, which will be made available to the public at the company's registered office and on the website www.deacapital.com, in the Corporate Governance – Incentive Plans, and in the further manners prescribed by the law, for their entire duration.

Remuneration Policy

The Shareholders' Meeting expressed its agreement with Section I of the Remuneration Report, pursuant to article 123-ter, par.6 of the TUF, in the version published on 27 March 2019, which is available on the Company's website www.deacapital.com, *Corporate Governance* / Shareholders' Meetings Section.

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

Manolo Santilli, Chief Financial Officer and 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 press release 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 De Agostini Group company, is one of Italy's largest alternative investment companies. The Company is active in Private Equity Investment and Alternative Asset Management, with approximately EUR 11,900 million assets under management. DeA Capital is listed on the STAR segment of the Milan stock exchange.*