



## PRESS RELEASE

### THE BOARD OF DIRECTORS APPROVES THE CONSOLIDATED FINANCIAL STATEMENTS AND THE DRAFT ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2018

### PROPOSES THE DISTRIBUTION OF RESERVES OF EUR 0.12 PER SHARE TO THE SHAREHOLDERS' MEETING

- **Assets under Management of EUR 11,900 million and commission income of EUR 63.3 million, both up compared to 2017**
- **Net operating result AAM Platform of EUR 15.3 million in 2018, compared to EUR 13.4 million in 2017**
- **Net cash generation from investments in private equity of EUR 80 million, with a Net Financial Position of the holding companies of EUR +100.6 million at the end of 2018 (post-acquisition minority units DeA Capital Real Estate), compared to EUR +61.8 million**
- **Proposal to the Shareholders' Meeting of the annulment of 40,000,000 portfolio treasury shares through share capital reduction**

*Milan, 7 March 2019* – The Board of Directors of **DeA Capital S.p.A.**, chaired by Lorenzo Pellicoli, met today to examine and approve the Group Consolidated Financial Statements and the Parent Company Draft Annual Financial Statements at 31 December 2018.

#### **Analysis of the Consolidated Results for the year ending 31 December 2018**

- At 31 December 2018, **Assets under Management** (AuM) amounted to approximately EUR 11,900 million, with commission income of EUR 63.3 million, both up compared to 31 December 2017. In 2018, the Alternative Asset Management (AAM) platform (consisting of DeA Capital Real Estate SGR and DeA Capital Alternative Funds SGR), launched and managed new funds with AuM of approximately EUR 1,300 million, including eight new Real Estate funds for AuM equal to about EUR 1,000 million and in parallel the IDeA Agro fund in the Private Equity (total commitment of EUR 80 million) and the Shipping segment (EUR 170 million) of the IDeA CCR II Fund, in the Credit segment.

Turning to the other key financials:

- **Net Operating Result of the AAM Platform** amounted to EUR 15.3 million in 2018, compared to EUR 13.4 million in 2017, thanks to the accrual of performance fees related to a fund managed by DeA Capital Alternative Funds.
- **Group Net Profit.** At 31 December 2018, the Group Net Profit was EUR +11.1 million, compared to EUR -11.7 million at 31 December 2017.

- **Investment Portfolio.** At 31 December 2018, this amounted to EUR 365.4 million, of which net assets of Alternative Asset Management were for EUR 189.4 million, shareholdings in private equity for EUR 51.0 million and units in funds for EUR 125.0 million.
- **The Net Financial Position of the holding companies** was positive for EUR 100.6 million at 31 December 2018, compared to EUR 61.8 million at 31 December 2017 (adjusted by the distribution of the extraordinary dividend in May 2018 for about EUR 30.5 million). The change of EUR +38.8 million is mainly due to the liquidity generated by the net distributions of Private Equity funds, which in 2018 amounted to approximately EUR 80 million and the disbursement relating to the acquisition of minority units of DeA Capital Real Estate SGR (approximately 30% of the Company's capital) for EUR 40 million.
- **Net Asset Value (NAV)** was EUR 1.84 per share, compared to EUR 1.80 at 31 December 2017 (adjusted for the distribution of the aforementioned extraordinary dividend). The total NAV (group shareholders' equity) amounted to EUR 466.5 million, compared to EUR 459.4 million at the end of 2017 (the latter was also adjusted for the distribution of the aforementioned extraordinary dividend).

## **Other significant events**

### *Internationalisation Project of the AAM Platform – Real Estate*

As part of the development strategy in Alternative Asset Management, DeA Capital S.p.A. started to create a pan-European real estate platform, through subsidiaries of the Group and invested in by local Senior Management Teams. In this context, at the end of September 2018, DeA Capital S.p.A. established **DeA Capital Real Estate France** in France and, in February 2019, **DeACapital Real Estate Iberia** in Spain.

The new established companies aim to develop real estate advisory activities for raising funds and for the consultancy and management of real estate assets in the French, Spanish and Portuguese markets, with particular focus on the core+, value-add and opportunistic segments.

### *Acquisition of minority units in DeA Capital Real Estate SGR*

Between the end of 2018 and the beginning of 2019, the purchase and sale transactions of the minority units held by INPS (29.7%) and Fondazione Carispezia (6%) were negotiated and executed in **DeA Capital Real Estate SGR, which thus became wholly owned by the Group**.

The total amount for the two transactions – in line with the pro-quota of the accounting equity of DeA Capital Real Estate SGR – amounted to **EUR 48.0 million**, settled as follows:

- for the INPS portion, EUR 40.0 million in cash
- for the Fondazione Carispezia portion, EUR 8.0 million in DeA Capital treasury shares, i.e. 5,174,172. Regarding the DeA Capital S.p.A. shares, Fondazione Carispezia has also undertaken a six-month lock-up commitment.

Both transactions provide for an earn-out mechanism linked to the achievement of certain objectives of new assets under management by the Asset Management Company over the three-year period 2019-2021, which, in case of over-performance (130% of the target), could result in an additional investment commitment for DeA Capital totalling EUR 5.4 million.

## **Result of the Parent Company and proposal to distribute part of the share premium reserve**

**The net profit of the Parent Company DeA Capital S.p.A. amounted to EUR +17.3 million at 31 December 2018, compared to EUR -36.6 million in 2017.**

The Board of Directors resolved to propose to the Shareholders' Meeting, convened for 18 April 2019 on first call and for 19 April 2019 on second call, to carry forward the profit resulting from the Annual Financial Statements at 31 December 2018.

In addition, the Board of Directors resolved to submit for the approval of the Shareholders' Meeting the partial distribution of the Share Premium Reserve in the amount of **EUR 0.12 per share as the Extraordinary Dividend**. The expected ex-dividend date is 20 May 2019, the record date is 21 May 2019 and payment is expected on 22 May 2019.

## **Outlook**

Regarding **Alternative Asset Management**, the Group will continue to develop its activities, aimed at consolidating its leadership in Italy and selectively exploring the opportunities for expansion in Europe. Development will be pursued by expanding the investor base and a more extensive product range, with a stronger presence in the NPL segment.

Regarding **Private Equity Investment**, 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 from 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.

## **Proposal for the annulment of 40,000,000 treasury shares**

As already announced in a press release dated 8 November 2018, the annulment of 40,000,000 portfolio treasury shares by reducing the share capital will be submitted for approval of the Extraordinary Shareholders' Meeting, also for the purpose of restoring the minimum float threshold laid down for the maintenance of the STAR segment requirement.

## **Share buy-back plan**

The Board also resolved to submit to the approval of the Shareholders' Meeting a purchase and disposal plan (buy-back), in one or more transactions, on a revolving basis, of a maximum number of DeA Capital ordinary shares representing a shareholding of no more than 20% of the share capital of the Company (or approximately 53.3 million shares post-annulment of 40,000,000 treasury shares), in compliance with the terms and conditions established by the Shareholders' Meeting.

The plan aims to replace the previous plan approved by the Shareholders' Meeting on 19 April 2018, due to expire with the approval of the Financial Statements at 31 December 2018, and will pursue the same objectives as the previous plan, including, among other things, purchasing treasury shares to be used for extraordinary transactions and share incentive schemes, offering shareholders a means of monetisation, stabilising the share price and regulating trading within the limits of current legislation.

Authorisation to make purchases is requested for the period between the date of authorisation by the Shareholders' Meeting and the date of the Shareholders' Meeting to be convened to approve the

Financial Statements for the year ending 31 December 2019, without prejudice in any case to the maximum duration limit established by law. The Shareholders' Meeting is also required to authorise the disposal of the shares purchased, without time limits. The proposal of authorisation to the Shareholders' Meeting sets out that purchases may be carried out according to all the methods permitted by the regulatory provisions in force, and that DeA Capital may dispose of the shares purchased also for trading purposes.

The proposal to the Shareholders' Meeting lays down that the unit price for the purchase of the shares will be set on a case-by-case basis, but must not be more than 20% above or below the reference price of the share on the trading day prior to each purchase. This criterion does not allow for the determination today of the total potential maximum disbursement for the treasury share purchase programme.

With regard to the amount for the disposal of the treasury shares purchased, the Board's proposal sets out that the Shareholders' Meeting will fix a minimum price, which in any case may not be less than 20% compared to the reference price of the share on the trading day prior to each sale, even if said limit may not be applied in certain cases.

Since the plan for the purchase of treasury shares does not have the exclusive purpose of pursuing the objectives indicated in Article 5, paragraph 2 of Regulation (EC) No 596/2014 (i.e. to reduce the share capital, to meet obligations arising from debt instruments that are exchangeable into equity instruments or to meet obligations arising from share options programmes, or other allocations of shares, to employees or to directors of the issuer or a Group company), it will not be able to benefit from the safe harbour exemptions provided for in that Regulation. The adherence to market practices accepted by Consob by means of Resolution 16839 of 19 March 2009 will eventually be decided by the Board of Directors and communicated to the market.

The number of portfolio treasury shares 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's date, portfolio treasury shares amount to **47,367,141**, equal to 15.4% of the share capital.

\*\*\*

The Board of Directors also resolved to submit to the approval of the Shareholders' Meeting: (i) a performance share plan reserved for certain employees or directors of DeA Capital S.p.A., of the subsidiaries and of the Parent Company De Agostini S.p.A.; and (ii) an equity plan reserved for the Chief Executive Officer.

## **Performance Share Plan**

The Performance Share Plan 2019-21 (PSP Plan) provides for the free assignment to beneficiaries, which will be identified by the Board of Directors by and no later than 31 December 2019 from among the subjects vested with significant functions with reference to the activity carried out by the Company, of a maximum number of 1,300,000 units. Where and to the extent accrued, these grant the holder the right to convert them into DeA Capital S.p.A. ordinary shares with a nominal value of EUR 1 each, based on 1 share for each unit held, at the end of a vesting period of approximately three years ending on the 30th calendar day following the approval of the draft financial statements at 31 December 2021. The assigned units will accrue – thus becoming accrued units – provided that: (i) the level of growth of the Adjusted NAV at 31 December 2021 compared to the Adjusted NAV at 31 December 2018 is at least equal to or above 2% per year or, alternatively, the growth rate of the average value of the DeA Capital shares in December 2021 compared to the average value of the DeA Capital shares in December 2018 (Total Shareholder Return) is at least equal to or above 4% annually, inclusive of ordinary and extraordinary dividends distributed in the reference period; and (ii) the beneficiary, on the vesting date, has maintained, without interruption, an employment or administrative relationship with the Company, its subsidiaries, or the Parent Company De Agostini S.p.A.

The units will be attributed to beneficiaries in a personal capacity and, therefore, they may not be transferred by deed between living persons or be subject to restrictions or be the subject of other deeds of disposal for any reason.

The PSP Plan lays down that the Company will convert the units accrued into shares by making available to beneficiaries a number equal to 50% of the units accrued by the 15th calendar day following the date on which the Company communicated to the beneficiaries any achievement of the

expected objectives for vesting of the units, while the remaining 50% will be converted into shares and made available to the beneficiaries after a period of one year from the vesting date. Furthermore, under the plan, at least 20% of the shares assigned following the conversion of the units must be maintained by the beneficiaries for a pre-established period of time.

In addition, the PSP Plan enables DeA Capital S.p.A. to require beneficiaries to return, in full or in part, shares received pursuant to the plan, should circumstances emerge that clearly show that incorrect data has been used to confirm the achievement of the targets for the vesting of units (claw-back).

The objective of the PSP Plan is to ensure loyalty in the relationship between beneficiaries and the Company and to provide an incentive to increase the commitment to improve company performance, as well as to retain persons that hold significant positions within the Company and align the interests of management to those of shareholders.

### ***Stock grant plan for the Chief Executive Officer***

The DeA Capital Equity Plan 2019-2021 (CEO Plan) is a stock grant plan reserved exclusively for the Chief Executive Officer.

The CEO Plan provides for the free assignment of a maximum number of 1,750,000 ordinary shares of the Company for the Chief Executive, subject to compliance with the following conditions: (i) maintenance of the ownership of 1,750,000 company shares already held by the beneficiary on the date of approval of the plan and until the end of the term of office (i.e. until the date of approval of the financial statements at 31 December 2021); (ii) achievement of a minimum target to increase the value of the shares (Total Shareholder Return) of 15% at the end of a three-year vesting period that will end on the date of approval of the Company's financial statements at 31 December 2021; (iii) maintenance of the position of Chief Executive Officer until the end of the mandate with the loss, therefore, of any right in the event of termination of the relationship by revocation for just cause before said term.

The other provisions of the CEO Plan include: (i) the assignment of additional free shares that will consider the dividends paid during the three-year period ("dividend equivalent"); (ii) the provision of minimum holding commitments on 20% of the free shares and additional shares up to the date of termination of the office as member of the Board of Directors; and (iii) claw-back clauses.

The CEO Plan aims to increase the value of the Company's shares by aligning the economic interest of the beneficiary with that of the shareholders, and at the same time strengthening the sharing of long-term objectives between shareholders and the CEO through the establishment of a restriction on personnel and significant investment in company shares made by the same.

Any shares assigned in accordance with the Plans will be drawn from the treasury shares held by the Company.

Terms and conditions of the Plans are described in the respective Information Documents prepared pursuant to Article 84-bis of the regulation adopted by Consob Resolution 11971 of 1999 (Issuers' Regulation), which will be made available to the public at the registered office and on the website [www.deacapital.com](http://www.deacapital.com), under Corporate Governance – Incentive Plans, as well as through other methods provided for by law, for the entire duration of the plans.

With regard to the compensation plans based on financial instruments already in place, reference is made to the tables published on 19 April 2018, available on the website [www.deacapital.com](http://www.deacapital.com) under Corporate Governance – Incentive Plans and as indicated in the Remuneration Report that will be published pursuant to Article 123-ter of the Consolidated Finance Act.

Details of the aforementioned Plans are available at [www.deacapital.com](http://www.deacapital.com), under Corporate Governance – Incentive Plans.

## **Remuneration Report**

The Board has examined and approved, with the favourable opinion of the Remuneration and Appointments Committee, the Remuneration Report pursuant to Article 123-ter of the Consolidated Finance Act. Section I of the Remuneration Report (illustrating the Company's Remuneration Policy) will be submitted to the advisory vote of the Shareholders' Meeting pursuant to Article 123-ter, paragraph 6 of the Consolidated Finance Act.

## **Corporate Governance**

With regard to Governance, the Board approved the "*Report on corporate governance and ownership structures for 2018*", prepared pursuant to Article 123-bis of the Consolidated Finance Act.

## **Convening Shareholders' Meetings**

The Board of Directors conferred mandate to the Chair of the Board of Directors and to the Chief Executive Officer, also separately, to convene the Shareholders' Meeting in extraordinary and ordinary session for **18 April 2019, on first call, and for 19 April 2019, on second call**, determining the time, place and agenda in line with the resolutions of the Board.

The Extraordinary Shareholders' Meeting will be convened to approve the proposal for the annulment of 40,000,000 portfolio treasury shares by reducing the share capital.

The Ordinary Shareholders' Meeting will be convened to resolve on: approval of the Company's Annual Financial Statements for the year ending 31 December 2018; proposal for the distribution of EUR 0.12 per share of the share premium reserve as Extraordinary Dividend; appointment of the Board of Directors and of the Chair, subject to the determination of the number of its members; determination of the term in office and of the relative fees; appointment of the Board of Statutory Auditors and of the Chair; determination of the relative fees; authorisation for the purchase and disposal of treasury shares; approval of a performance share plan and equity plan for the Chief Executive Officer; and advisory vote on the Company's Remuneration Policy.

\*\*\*\*

The Annual Financial Report, together with the related documentation, will be made available to the public on Thursday 28 March 2019:

at the registered office, on the authorised storage mechanism 1info ([www.1info.it](http://www.1info.it)) and on the website at <http://www.deacapital.it/IT/29/Bilanci%20e%20Relazioni.aspx>.

---

## **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 Article 154-bis, paragraph 2 of the Consolidated Finance Act, that the financial information contained in this press release accurately represents the figures in the Company's accounting records.

---

### **For further information, please contact:**

DeA Capital S.p.A. - *Investor Relations*  
Alberto Barucci / Anna Majocchi  
Tel. +39 02 6249951  
[ir@deacapital.com](mailto:ir@deacapital.com)

De Agostini S.p.A - Press Office  
Elena Dalle Rive  
Tel. +39 02 62499592 / 335 7835912  
[elena.dallerive@deagostini.it](mailto:elena.dallerive@deagostini.it)

**DeA Capital ([www.deacapital.com](http://www.deacapital.com)).** DeA Capital S.p.A., a De Agostini Group company, is one of Italy's largest alternative investment companies. The Company, which operates in both Alternative Asset Management and Private Equity Investment, has EUR 11,900 million Assets under Management and is listed in the STAR segment of the Milan stock exchange.

The consolidated income statement and balance sheet, along with the financial results of the asset management companies, are summarised below.

The figures shown in the financial statements have not yet been certified by the Independent Auditors, nor verified by the Board of Statutory Auditors.

## **Net Asset Value**

<i>Change in Group NAV</i>	<i>Total value (EUR m)</i>	<i>No. shares (millions)</i>	<i>Value per share (EUR)</i>
<b>Group NAV at 31.12.2017</b>	<b>489.4</b>	<b>255.7</b>	<b>1.91</b>
Changes in shareholders' equity due to application of IFRS 15	0.5	255.7	0.01
Extraordinary dividend distributed	(30.5)		(0.12)
<b>Group NAV at 1.1.2018 "adjusted"</b>	<b>459.4</b>		<b>1.80</b>
Purchase of treasury shares	(3.2)	(2.2)	(1.44) <sup>(*)</sup>
Treasury shares delivered under incentive plans	0.0	0.3	1.53 <sup>(#)</sup>
Comprehensive income - Statement of Performance - IAS 1	10.9		
Other changes in NAV	(0.6)		
<b>Group NAV at 31 December 2018</b>	<b>466.5</b>	<b>253.8</b>	<b>1.84</b>

(\*) Average purchase price 2018

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

## Group Statement of Financial Position

(EUR thousand)	31.12.2018	1.1.2018 (*)	31.12.2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible and tangible assets</b>			
Goodwill	93,745	93,745	93,745
Intangible assets	21,023	23,488	23,488
Property, plant and equipment	854	1,458	1,458
Total intangible and tangible assets	115,622	118,691	118,691
<b>Investments</b>			
Investments at equity	20,892	29,293	29,293
Investments held by Funds	23,511	48,583	48,583
- Investments available for sale			13,683
- Related companies and JV recognised in P&L			34,900
- Other investments at Fair Value through P&L	23,511	48,583	
Other Investments available for sale			78,953
Other Investments at Fair Value through P&L	50,953	78,953	
Funds available for sale			169,776
Funds at Fair Value through P&L	153,551	169,776	
Other financial assets available for sale			13
Other financial assets at Fair Value through P&L	36	13	
Total financial Investments	248,943	326,618	326,618
<b>Other non-current assets</b>			
Deferred tax assets	2,183	2,173	2,173
Loans and receivables	752	684	684
Receivables for deferment of placement costs	482	587	0
Other non-current assets	4,668	5,403	5,403
Total other non-current assets	8,085	8,847	8,260
<b>Total non-current assets</b>	<b>372,650</b>	<b>454,156</b>	<b>453,569</b>
<b>Current assets</b>			
Trade receivables	14,678	16,069	16,069
Financial assets at Fair Value	6,316	4,385	4,385
Financial receivables	500	578	578
Tax receivables from parent companies	374	1,055	1,055
Other tax receivables	15,760	11,272	11,272
Other receivables	4,051	16,886	16,886
Cash and cash equivalents	143,767	127,916	127,916
Total current assets	185,446	178,161	178,161
<b>Total current assets</b>	<b>185,446</b>	<b>178,161</b>	<b>178,161</b>
<b>TOTAL ASSETS</b>	<b>558,096</b>	<b>632,317</b>	<b>631,730</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Net equity Group	466,481	489,877	489,431
Minority interests	39,299	95,182	95,182
Shareholders' equity	505,780	585,059	584,613
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Trade payables			
Deferred tax liabilities	6,018	8,190	8,049
End-of-service payment fund	4,637	4,204	4,204
Financial liabilities	2,859	0	0
Other debts	0	81	81
<b>Total non-current liabilities</b>	<b>14,414</b>	<b>12,475</b>	<b>12,334</b>
<b>Current liabilities</b>			
Trade payables	5,535	6,594	6,594
Payables to staff and social security organisations	9,122	8,330	8,330
Current tax	5,846	1,998	1,998
Other tax payables	1,256	5,564	5,564
Other payables	15,939	12,097	12,097
Short term financial payables	204	200	200
<b>Total current liabilities</b>	<b>37,902</b>	<b>34,783</b>	<b>34,783</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>558,096</b>	<b>632,317</b>	<b>631,730</b>

(\*) Data at 31.12.2017 reclassified / restated for the application of IFRS 9 and IFRS 15

## Summary Group Income Statement

(EUR thousand)	Financial Year 2018	Financial Year 2017
Alternative Asset Management fees	62,422	57,944
Income (loss) from equity investments	(59)	3,898
Other investment income/expense	37,848	8,633
Income from services	2,505	2,208
Other income	141	144
Other expenses (*)	(56,232)	(98,616)
Financial income and expenses	485	(84)
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>47,110</b>	<b>(25,873)</b>
Income tax	(5,765)	(420)
<b>PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	<b>41,345</b>	<b>(26,293)</b>
Profit (Loss) from discontinued operations/held-for-sale assets	0	682
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>41,345</b>	<b>(25,611)</b>
- Group share	11,070	(11,652)
- Non controlling interests	30,275	(13,959)
Earnings per share, basic (€)	0.044	(0.045)
Earnings per share, diluted (€)	0.044	(0.045)

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

## Performance by business in 2018

(EUR thousand)	Private Equity Investment	Alternative Asset Management	Holdings/ Eliminations	Consolidated
Alternative Asset Management fees	0	63,251	(829)	62,422
Income (loss) from equity investments	(776)	717	0	(59)
Other investment income/expense	42,060	(4,212)	0	37,848
Other revenues and income	2	1,867	777	2,646
Other expenses and charges	(2,635)	(47,539)	(6,058)	(56,232)
Financial income and expenses	501	(39)	23	485
<b>PROFIT/(LOSS) BEFORE TAXES</b>	<b>39,152</b>	<b>14,045</b>	<b>(6,087)</b>	<b>47,110</b>
Income tax	0	(4,817)	(948)	(5,765)
<b>PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	<b>39,152</b>	<b>9,228</b>	<b>(7,035)</b>	<b>41,345</b>
Profit (Loss) from discontinued operations/held-for-sale assets	0	0	0	0
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>39,152</b>	<b>9,228</b>	<b>(7,035)</b>	<b>41,345</b>
- Group share	8,986	9,119	(7,035)	11,070
- Non controlling interests	30,166	109	0	30,275

## Performance by business in 2017

(EUR thousand)	Private Equity Investment	Alternative Asset Management	Holdings/ Eliminations	Consolidated
Alternative Asset Management fees	0	59,820	(1,876)	57,944
Income (loss) from equity investments	3,076	822	0	3,898
Other investment income/expense	6,957	1,676	0	8,633
Other Income	31	703	1,618	2,352
Other expenses	(2,259)	(91,116)	(5,241)	(98,616)
Financial income and expenses	(160)	13	63	(84)
<b>PROFIT/(LOSS) BEFORE TAXES</b>	<b>7,645</b>	<b>(28,082)</b>	<b>(5,436)</b>	<b>(25,873)</b>
Income tax	0	(2,991)	2,571	(420)
<b>PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	<b>7,645</b>	<b>(31,073)</b>	<b>(2,865)</b>	<b>(26,293)</b>
Profit (Loss) from discontinued operations/held-for-sale assets	682	0	0	682
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>8,327</b>	<b>(31,073)</b>	<b>(2,865)</b>	<b>(25,611)</b>
- Group share	8,711	(17,498)	(2,865)	(11,652)
- Non controlling interests	(384)	(13,575)	0	(13,959)

## Consolidated Statement of Comprehensive Income

(EUR thousand)	Financial Year 2018	Financial Year 2017
<b>Profit/(loss) for the period (A)</b>	<b>41,345</b>	<b>(25,611)</b>
Comprehensive income/expense which might be subsequently reclassified within the profit (loss) for the period (*)	(173)	7,962
Comprehensive income/expense which will not be subsequently reclassified within the profit (loss) for the period	(21)	14
<b>Other comprehensive income, net of tax (B)</b>	<b>(194)</b>	<b>7,976</b>
<b>Total comprehensive income for the period (A)+(B)</b>	<b>41,151</b>	<b>(17,635)</b>
<b>Total comprehensive income attributable to:</b>		
- Group Share	10,881	(2,708)
- Non Controlling Interests	30,270	(14,927)

(\*) For 2017 the item mainly refers to available for sale assets, whose change in fair value, in accordance with the IFRS 9 accounting standard, is recognised as from 1 January 2018 directly in the income statement

## Consolidated Cash Flow Statement

(EUR thousand)	Financial Year 2018	Financial Year 2017
<b>CASH FLOW from operating activities</b>		
Investments in funds and shareholdings	(67,924)	(43,560)
Capital reimbursements from funds	58,671	40,427
Sale of investments	84,760	80,960
Interest received	574	128
Interest paid	(32)	(36)
Cash distribution from investments	18	1,588
Realized gains (losses) on exchange rate and derivatives	1	(3)
Taxes paid / reimbursed	(10,238)	4,663
Dividends received	183	607
Management and performance fees received	76,333	48,954
Revenues for services	2,350	2,376
Operating expenses	(48,288)	(44,958)
<b>Net cash flow from operating activities</b>	<b>96,408</b>	<b>91,146</b>
<b>CASH FLOW from investment activities</b>		
Acquisition of property, plant and equipment	(118)	(85)
Sale of property, plant and equipment	38	5
Purchase of licenses and intangible assets	(195)	(553)
<b>Net cash flow from investing activities</b>	<b>(275)</b>	<b>(633)</b>
<b>CASH FLOW from financing activities</b>		
Acquisition of financial assets	(2,726)	(2,696)
Sale of financial assets	200	2,505
Share capital issued	696	1,574
Own shares acquired	(3,186)	(8,042)
Share capital issued for Stock Option Plan	0	276
Dividends paid	(75,508)	(53,569)
Loan received/reimbursed	432	(301)
Financial receivables/payables	0	2,130
Bank loan received/repaid	0	(912)
<b>Net cash flow from financing activities</b>	<b>(80,092)</b>	<b>(59,035)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>16,041</b>	<b>31,478</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>127,916</b>	<b>96,438</b>
Effect of change in basis of consolidation: cash and cash equivalents	(190)	0
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>143,767</b>	<b>127,916</b>

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.

## Statement of Financial Position of the Parent Company

(EUR)	31.12.2018	01.01.2018 (*)	31.12.2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
<i>Intangible and tangible assets</i>			
Intangible assets	0	2,129	2,129
Tangible assets	104,843	210,600	210,600
<i>Total intangible and tangible assets</i>	104,843	212,729	212,729
<i>Investments</i>			
Subsidiaries and joint ventures	212,907,710	175,187,744	175,187,744
Associates	11,187,597	18,953,485	18,953,485
Available-for-sale investments	0	0	78,898,520
Other Investments at Fair Value through P&L	50,912,374	78,898,520	0
Available-for-sale funds	0	0	126,614,722
Funds at Fair Value through P&L	98,668,127	126,614,722	0
<i>Total Investments</i>	373,675,808	399,654,471	399,654,471
<i>Other non-current assets</i>			
Deferred tax assets	0	0	0
<i>Total other non-current assets</i>	0	0	0
<b>Total non-current assets</b>	<b>373,780,651</b>	<b>399,867,200</b>	<b>399,867,200</b>
<b>Current assets</b>			
Trade receivables	310,122	757,535	757,535
Financial receivables	1	1	1
Tax receivables from Parent companies	0	900,043	900,043
Other tax receivables	3,590,820	719,662	719,662
Other receivables	495,382	512,666	512,666
Cash and cash equivalents	100,732,781	90,244,529	90,244,529
<i>Total current assets</i>	105,129,106	93,134,436	93,134,436
<b>Total current assets</b>	<b>105,129,106</b>	<b>93,134,436</b>	<b>93,134,436</b>
<b>Held-for-sale assets</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL ASSETS</b>	<b>478,909,757</b>	<b>493,001,636</b>	<b>493,001,636</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
<i>Shareholders' equity</i>			
<b>LIABILITIES</b>			
<i>Non-current liabilities</i>			
Deferred tax liabilities	0	0	0
Provisions for employee termination benefits	318,288	320,572	320,572
<i>Total non-current liabilities</i>	<b>318,288</b>	<b>320,572</b>	<b>320,572</b>
<i>Current liabilities</i>			
Trade payables	1,259,579	1,023,776	1,023,776
Payables to staff and social security organisations	830,258	821,314	821,314
Tax payables to parent company	1,132,133	0	0
Current tax payables	63,926	63,926	63,926
Other tax payables	214,990	187,678	187,678
Other payables	16,815	10,358	10,358
<i>Total current liabilities</i>	<b>3,517,701</b>	<b>2,107,052</b>	<b>2,107,052</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>478,909,757</b>	<b>493,001,636</b>	<b>493,001,636</b>

(\*) Data at 31.12.2017 reclassified / restated for the application of IFRS 9 and IFRS 15.

## Income Statement of the Parent Company

(EUR)	Financial Year 2018	Financial Year 2017
Other investment income/expense	23,905,019	(34,446,158)
Income from services	2,594,113	3,171,961
Other revenues and income	85,548	956
Other costs and charges	(8,318,732)	(8,498,584)
Financial income and loss	124,007	64,790
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>18,389,955</b>	<b>(39,707,035)</b>
Income tax	(1,086,104)	2,759,801
<b>PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS</b>	<b>17,303,851</b>	<b>(36,947,234)</b>
Profit (Loss) from discontinued operations/held-for-sale assets	0	346,691
<b>PROFIT/(LOSS) FOR THE YEAR</b>	<b>17,303,851</b>	<b>(36,600,543)</b>

## **Summary of the financial results of the asset management companies**

### **DeA Capital Alternative Funds SGR**

DeA Capital Alternative Funds SGR operates in private equity fund management (funds of funds, co-investment funds and thematic funds). At 31 December 2018, the asset management company managed 11 closed-end private equity funds, including 4 funds of funds (IDeA I FoF, ICF II, ICF III and IDeA Crescita Globale), a direct co- investment fund (IDeA OF I), 5 thematic funds (IDeA EESS, IDeA ToI, IDeA Agro, IDeA CCR I and II, the latter as debtor-in-possession financing funds) and the fund Investitori Associati IV (in liquidation).

With regard to operating performance, in 2018 the Company recorded an increase in Assets under Management compared to the same period of the previous year of EUR 240 million, essentially due to the launch at the end of 2018 of the Shipping segment of the IDeA CCR II fund (for EUR 170 million) and the IDeA Agro fund.

In terms of management fees, the increase of over EUR 5 million recorded in comparison with the 2017 figure is due to the aforementioned dynamics of the Assets under Management and to the performance fees related to one of the funds managed.

<b>DeA Capital Alternative Funds SGR (in EUR million)</b>	<b>31 December 2018</b>	<b>31 December 2017</b>
AuM	2,430	2,190
Management fees	23.5	18.4
Net Operating Result <sup>(#)</sup>	6.1	3.1
Net Profit/Loss	6.1	3.1
<b>Net Financial Position</b>	<b>13.8</b>	<b>11.9</b>

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



## DeA Capital Real Estate SGR

DeA Capital Real Estate SGR is the largest independent real estate asset management company in Italy, with around EUR 9,500 million in assets under management and 47 managed funds (including 2 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.

With regard to the operating performance, at 31 December 2018, Assets under Management have been substantially in line with those at the end of 2017, with the launch of 8 new funds for a total funding of EUR 1.0 billion that have compensated the disposal of the part of the portfolio.

In terms of management fees, the reduction recorded in comparison with the 2017 figure is attributable to the timing difference between the AuM difference of the funds already in the portfolio and the launch of the new funds, the latter largely concentrated in the last part of the year.

The Net Profit was negatively affected by the extraordinary impact of the valuation at fair market value of the units held in the funds (for EUR -4.5 million) and by the partial devaluation of the assets connected to the equity financial instruments (EUR -1.1 million). It is noted that the 2017 Net Profit/Loss was negatively affected by the partial impairment of goodwill (EUR -34.2 million) and by the partial write-down of assets related to equity financial instruments (EUR -7.0 million).

DeA Capital Real Estate SGR (in EUR million)	31 December 2018	31 December 2017
AuM	9,451	9,542
Management fees	39.8	41.4
Net Operating Result <sup>(#)</sup>	9.2	10.3
Net Profit/Loss	2.6	(32.0)
<i>- of which:</i>		
<i>- Share attributable to Shareholders</i>	3.7	(25.0)
<i>- Share of the owners of SFP</i>	(1.1)	(7.0)
Net Financial Position	21.6	23.6



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