



## PRESS RELEASE

### BOARD OF DIRECTORS APPROVES INTERIM MANAGEMENT REPORT AS AT 31 MARCH 2019

- ***Assets under management of approximately EUR 11,900 million and commission income of EUR 16.9 million, both up on first quarter 2018***
- ***Net operating result of the AAM platform of EUR 4.2 million at 31 March 2019 compared with EUR 3.2 million at 31 March 2018***
- ***The net financial position of the holding companies was EUR 92.5 million compared with EUR 100.6 million as at 31 December 2018***

Milan, 9 May 2019 - The Board of Directors of **DeA Capital S.p.A.**, chaired by Lorenzo Pellicoli, met today to examine and approve the Interim Management Report as at 31 March 2019.

#### **Analysis of the Consolidated Results as at 31 March 2019**

- As at 31 March 2019, **Assets under management** (AuM) came to approximately EUR 11,900 million (approximately EUR 11,600 million in the first quarter of 2018), with commission income of EUR 16.9 million (EUR 15.4 million in the first quarter of 2018).
- During the first quarter of 2019, the subsidiary DeA Capital Alternative Funds SGR completed its launch of the new "DeA Endowment Fund", a closed-end fund of funds intended for banking foundations, and obtained a management delegation of a portion of the closed-end, non-reserved AIF called "Azimut Private Debt", a fund instituted by Azimut Capital Management SGR S.p.A. for new assets under management totalling EUR 114 million.

Turning to the other key financials:

- The **net operating result of the AAM platform** came in at EUR 4.2 million, compared with EUR 3.2 million in the first quarter of 2018.
- The **Group's net result** was EUR -3.9 million, compared with a loss of EUR -4.7 million in the first quarter of 2018 (mainly due to changes in the fair value of the private equity investments).
- The **investments portfolio** came to EUR 372.4 million, including net assets from alternative asset management of EUR 202.6 million, private equity investments of EUR 48.9 million and units of funds for EUR 120.9 million.
- The **net financial position** of the **holding companies** was positive at EUR 92.5 million at 31 March 2019, compared with EUR 100.6 million at 31 December 2018, corresponding to approximately 20% of the total NAV for the Group. The consolidated net financial position came to EUR 137.7 million at 31 March 2019, compared with EUR 148.3 million at 31 December 2018.
- The **Net Asset Value (NAV)** per share was EUR 1.82, compared with EUR 1.84 at 31 December 2018. The comprehensive NAV (group shareholders' equity) was EUR 471.1 million, compared with EUR 466.5 million at year-end 2018.

## **Significant events after the end of the period**

### **Dividends from Alternative Asset Management**

During the second quarter 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 to DeA Capital Real Estate and EUR 5.0 million to DeA Capital Alternative Funds.

### **Cancellation of 40,000,000 own shares**

On 18 April 2019, under the scope of the restoration of the minimum threshold of float provided for the STAR segment, the Extraordinary Shareholders' Meeting approved the cancellation of 40,000,000 own shares held in the portfolio, with the related reduction of the share capital from EUR 306,612,100 to EUR 266,612,100, taking effect in accordance with the legal terms, 90 days after approval, and consequent amendment of Article 5 of the Articles of Association. Please note that in regard to the foregoing, De Agostini S.p.A. had already waived, at end 2018, its double voting rights over 50% of the shares owned, thereafter, on 18 April 2019, completing its waiver of double voting rights over the remaining 50% of the shares owned.

## **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.

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The **Interim Management Report as at 31 March 2019** will be made available to the public on 10 May 2019, at the registered office, on the authorised storage system 1info ([www.1info.it](http://www.1info.it)) and on the Annual and Quarterly Reports page of the website [www.deacapital.com](http://www.deacapital.com).

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### **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 (TUF), that the financial information contained in this press release accurately represents the figures in the Company's accounting records.

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**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 about EUR 11,900 million assets under management and is listed in the STAR segment of the MTA market of the Milan stock exchange.

The Group's operating performance and financial position, along with a summary of the financial results of the asset management companies, are summarised below.

### **Net Asset Value**

	31 march 2019		31 December 2018	
	M€	€/Sh.	M€	€/Sh.
<b>Alternative Asset Management</b>				
- 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
<b>Total AAM (A)</b>	<b>202.6</b>	<b>0.78</b>	<b>189.4</b>	<b>0.75</b>
<b>Private Equity Investment</b>				
- 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
<b>Total PEI (B)</b>	<b>169.8</b>	<b>0.66</b>	<b>176.0</b>	<b>0.69</b>
<b>Investment Portfolio (A+B)</b>	<b>372.4</b>	<b>1.44</b>	<b>365.4</b>	<b>1.44</b>
<b>Other net assets (liabilities)</b>	<b>6.2</b>	<b>0.02</b>	<b>0.5</b>	<b>0.00</b>
<b>Net Financial Position Holdings</b>	<b>92.5</b>	<b>0.36</b>	<b>100.6</b>	<b>0.40</b>
<b>NAV</b>	<b>471.1</b>	<b>1.82</b>	<b>466.5</b>	<b>1.84</b>

## Consolidated Statement of Financial Position

(EUR thousand)	31.3.2019	1.1.2019 restated for IFRS 16 (*)	31.12.2018 "as reported"
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible and tangible assets</b>			
Goodwill	93,745	93,745	93,745
Intangible assets	20,748	21,023	21,023
Property, plant and equipment	15,458	16,214	854
- Building in Leasing	14,992	14,992	0
- Other leased assets	368	368	0
- Other property, plant and equipment	98	854	854
Total intangible and tangible assets	129,951	130,982	115,622
<b>Investments</b>			
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
<b>Other non-current assets</b>			
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
<b>Total non-current assets</b>	<b>385,942</b>	<b>389,520</b>	<b>372,650</b>
<b>Current assets</b>			
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
<b>Total current assets</b>	<b>185,187</b>	<b>185,622</b>	<b>185,446</b>
<b>TOTAL ASSETS</b>	<b>571,129</b>	<b>575,142</b>	<b>558,096</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
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
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
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
- Financial liabilities for building in Leasing	13,635	14,261	0
- Financial liabilities for other leased assets	179	213	0
- Other financial liabilities	3,466	2,859	2,859
Other debts	0	0	0
<b>Total non-current liabilities</b>	<b>28,893</b>	<b>28,888</b>	<b>14,414</b>
<b>Current liabilities</b>			
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
- Short term financial payables for building in Leasing	2,475	2,418	0
- Short term financial payables for other leased assets	151	154	0
- Other Short term financial payables	0	204	204
<b>Total current liabilities</b>	<b>40,905</b>	<b>40,474</b>	<b>37,902</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>571,129</b>	<b>575,142</b>	<b>558,096</b>

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

## 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
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>(2,889)</b>	<b>(1,601)</b>
Income tax	(594)	(1,119)
<b>PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	<b>(3,483)</b>	<b>(2,720)</b>
Profit (Loss) from discontinued operations/held-for-sale assets	0	0
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>(3,483)</b>	<b>(2,720)</b>
- 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 segment in Q1 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
<b>PROFIT/(LOSS) BEFORE TAXES</b>	<b>(8,060)</b>	<b>6,919</b>	<b>(1,748)</b>	<b>(2,889)</b>
Income tax	0	(2,437)	1,843	(594)
<b>PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	<b>(8,060)</b>	<b>4,482</b>	<b>95</b>	<b>(3,483)</b>
Profit (Loss) from discontinued operations/held-for-sale assets	0	0	0	0
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>(8,060)</b>	<b>4,482</b>	<b>95</b>	<b>(3,483)</b>
- Group share	(8,701)	4,672	95	(3,934)
- Non controlling interests	641	(190)	0	451

## Performance by business segment in Q1 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
<b>PROFIT/(LOSS) BEFORE TAXES</b>	<b>(3,342)</b>	<b>3,306</b>	<b>(1,565)</b>	<b>(1,601)</b>
Income tax	0	(1,267)	148	(1,119)
<b>PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	<b>(3,342)</b>	<b>2,039</b>	<b>(1,417)</b>	<b>(2,720)</b>
Profit (Loss) from discontinued operations/held-for-sale assets	0	0	0	0
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>(3,342)</b>	<b>2,039</b>	<b>(1,417)</b>	<b>(2,720)</b>
- Group share	(4,983)	1,703	(1,417)	(4,697)
- Non controlling interests	1,641	336	0	1,977

## Consolidated Statement of Comprehensive Income

(EUR thousand)	First Quarter 2019	First Quarter 2018
<b>Profit/(loss) for the period (A)</b>	<b>(3,483)</b>	<b>(2,720)</b>
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
<b>Other comprehensive incomes /(losses), net of tax (B)</b>	<b>76</b>	<b>34</b>
<b>Total comprehensive incomes / (losses) for the period (A)+(B)</b>	<b>(3,407)</b>	<b>(2,686)</b>
<b>Total comprehensive incomes (losses) attributable to:</b>		
- Group Share	(3,858)	(4,664)
- Non Controlling Interests	451	1,977

## Consolidated Cash Flow Statement

(EUR thousand)	First Quarter 2019	First Quarter 2018
<b>CASH FLOW from operating activities</b>		
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)
<b>Net cash flow from operating activities</b>	<b>6,756</b>	<b>40,533</b>
<b>CASH FLOW from investment activities</b>		
Acquisition of property, plant and equipment	(81)	(57)
Sale of property, plant and equipment	0	8
Purchase of licenses and intangible assets	(121)	0
<b>Net cash flow from investing activities</b>	<b>(202)</b>	<b>(49)</b>
<b>CASH FLOW from financing activities</b>		
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
<b>Net cash flow from financing activities</b>	<b>(8,754)</b>	<b>(2,640)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,200)</b>	<b>37,844</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>143,766</b>	<b>127,916</b>
Effect of change in basis of consolidation: cash and cash equivalents	0	0
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>141,566</b>	<b>165,760</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.

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

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

DeA Capital Alternative Funds SGR operates in the management of private equity funds (funds of funds, themed funds and credit funds); as at 31 March 2019, the asset management company manages 12 closed-end private equity funds, of which 5 are funds of funds (IDeA I FoF, ICF II, ICF III, IDeA Crescita Globale, DeA Endowment Fund), 1 is a "direct" co-investment fund (IDeA OF I) and 5 are themed funds (IDeA EESS, IDeA ToI, IDeA Agro, IDeA CCR I and II, the latter two being funds of debtor-in-possession financing) as well as the Investitori Associati IV fund (in liquidation). The asset management company also has management delegations for a portion of the closed-end, non-reserved AIF called "Azimut Private Debt" instituted by Azimut Capital Management SGR S.p.A.

In regard to the operating performance, during the first three months of 2019 the company recorded an increase in assets under management for EUR 374 million in respect of the figure booked as at 31 March 2018, mainly due to the launch of the Shipping segment of the IDeA CCR II fund (for more than EUR 170 million) and the IDeA Agro fund (EUR 80 million) at year-end 2018, and the start-up, during the early months of 2019, of the DeA Endowment Fund (EUR 73 million) and the Azimut Private Debt fund (management mandate over EUR 41 million).

In terms of management fees, the increase for more than EUR 2 million is due to the described trend of assets under management and the additional performance fees relative to one of the funds under management.

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



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

<sup>(\*)</sup> Data at 31 december 2018

### **DeA Capital Real Estate SGR**

DeA Capital Real Estate SGR is the largest independent real estate asset management company in Italy, with around EUR 9.3 billion 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.

Relative to operating performance, as at 31 March 2019, the assets under management totalled around EUR 9,300 million, slightly down on the same period of last year, with a difference that is partly due to the impairment of the assets of the IDeA FIMIT Svilupp I fund.

In terms of management fees, the company has shown a reduction on the same period of last year (EUR -0.7 million), due to the positive effect on the March 2018 figure of the one-off fees and the described trend of assets under management.

The net result was positively impacted by the write-back to fair market value of the units held in the funds under management (for EUR +0.9 million). It is recalled that the net result for the same period as last year had instead been influenced by the write-down of the units held in the funds under management (EUR -1.0 million).

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

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

(\*) Data at 31 december 2018

