

**PRESS RELEASE**

**BOARD OF DIRECTORS APPROVES  
INTERIM MANAGEMENT REPORT AT 30 SEPTEMBER 2019**

- **ASSETS UNDER MANAGEMENT AND COMMISSION INCOME UP ON Q3 2018, RESPECTIVELY EUR 11,800 MILLION (+EUR 360 MILLION) AND EUR 47.2 MILLION (+4.7%)**
- **NET OPERATING PROFIT OF THE ALTERNATIVE ASSET MANAGEMENT PLATFORM UP TO EUR 11.2 MILLION (+9.8%)**
- **NET FINANCIAL POSITION OF THE HOLDING COMPANIES POSITIVE BY EUR 78.6 MILLION**

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**QUAESTIO GROUP AGREEMENTS COMPLETED:**

- **NPL MANAGEMENT BUSINESS UNIT OF QUAESTIO SGR ACQUIRED**
- **ENTRANCE IN SHARE CAPITAL OF PARENT COMPANY QUAESTIO HOLDING, WHICH WHOLLY OWNS QUAESTIO SGR, WITH A RELATIVE MAJORITY INTEREST PURCHASED OF 38,8%**

**FOLLOWING CLOSING OF AGREEMENTS, COMBINED AUM (\*) OF OVER EUR 21,500 MILLION**

*Milan, 7 November 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 at 30 September 2019.

**Consolidated Results at 30 September 2019**

- At 30 September 2019, **Assets under Management** (AuM) came to EUR 11,764 million (EUR 11,404 million at the end of Q3 2018), with commission income of EUR 47.2 million (EUR 45.1 million in Q3 2018).
- In detail, at 30 September 2019:
  - **DeA Capital Alternative Funds SGR** reported an increase in its AuM of around EUR 300 million on the same period of the previous year, together with an increase in management fees of over EUR 3 million;
  - **DeA Capital Real Estate SGR** increased its AuM by approximately EUR 60 million, this increase was due to the launch of eight new funds, which more than offset the disposal of the assets in portfolio;

(\*) "Combined Assets under Management" means the assets under management of the management companies in which the Group holds an absolute or relative majority interest, as well as assets managed by the foreign subsidiaries. With reference to Private Equity funds, total commitments are considered.

- **The net operating profit of the AAM platform** was EUR 11.2 million, compared to EUR 10.2 million in Q3 2018;
- **The net profit attributable to the Group** amounted to EUR 6.5 million compared with a profit of EUR 6.9 million in the third quarter of 2018;
- **The net financial position of the holding companies** was a positive EUR 78.6 million, compared to EUR 65.3 million at 31 December 2018 (adjusted for the distribution of the extraordinary dividend of approximately EUR 31.2 million paid in May 2019 and the effect of the application of IFRS 16 from 1 January 2019). Consolidated net financial position came to EUR 111.5 million at 30 September 2019, compared with EUR 101.0 million at 31 December 2018;
- **Net asset value (NAV)** per share was EUR 1.73, compared with EUR 1.72 at 31 December 2018 (adjusted for the distribution of the above-mentioned extraordinary dividend of EUR 0.12 per share). Total NAV (Group equity) was EUR 450.5 million, compared with EUR 435.3 million at the end of 2018.

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

In execution of the agreements entered into on 31 July 2019 with Quaestio SGR and its main shareholders, the following acquisitions were closed on 5/6 November 2019:

- the **NPL management business unit of Quaestio SGR**, including the management of the Atlante fund and Italian Recovery Fund, with assets under management of EUR 2,353 million (for an outlay of EUR 12.2 million);
- the **relative majority interest (approximately 38.8%) in Quaestio Holding**, of which Quaestio SGR is a fully owned subsidiary; following the sale of the NPL management business, Quaestio SGR refocused on investment solutions for institutional investors ("Asset Management"), with assets under management of over EUR 7,500 million (for an outlay at closing of EUR 14.1 million, considering the exercise of the warrants purchased on the same date).

The **ownership structure of Quaestio Holding** following the above transactions is as follows:

- DeA Capital S.p.A. with a 38.82% interest;
- Cariplo Foundation with a 34.01% interest;
- other institutional investors (Cassa Italiana di Previdenza ed Assistenza dei Geometri Liberi Professionisti, Cassa di Risparmio di Forlì Foundation and Direzione Generale Opere Don Bosco) with an overall interest of 27.17%.

With reference to the Quaestio Holding operation, it should be noted that the agreements provide for a post-closing **price adjustment** based on net financial position and income on the sale of assets other than Asset Management.

Moreover, a new **five-year shareholders' agreement between the shareholders of Quaestio Holding** was also signed establishing the corporate governance structure for the Quaestio Group.

## **Outlook**

The outlook for the business is that it will continue to focus on developing the Asset Management Platform, with the short-term goal of reaching full implementation of the acquisitions mentioned above.

Specifically, the DeA Capital Group intends to consolidate its strategic positioning in the NPL / UTP segments – extremely current and attractive to investors – as well as to integrate operations with investment solutions and capital allocation strategies with greater added value.

In Alternative Investment, work will continue on the valorisation of the investments in portfolio, while also taking advantage of the available capital to support the initiatives launched by the Asset Management Platform according to a sponsorship/co-investment approach.

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 at 30 September 2019 will be made available to the public on 12 November 2019, at the Company's registered office, on the authorised storage facility 1info ([www.1info.it](http://www.1info.it)) and on the web page: <http://www.deacapital.it/EN/29/Annual%20and%20Quarterly%20Reports.aspx>.

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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 Asset Management and Alternative Investment, has approximately EUR 11,800 million in 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

	30 September 2019		31 December 2018 "adjusted"	
	MC	€/Sh.	MC	€/Sh.
<b>Alternative Asset Management</b>				
- DeA Capital Real Estate SGR	138.0	0.53	140.4	0.56
- DeA Capital Alternative Funds SGR	42.6	0.16	43.4	0.17
- Other (YARD, DeA Capital RE France, Iberia)	7.4	0.03	6.8	0.03
<b>Total AAM (A)</b>	<b>188.0</b>	<b>0.72</b>	<b>190.6</b>	<b>0.76</b>
<b>Alternative Investment</b>				
- Funds	119.4	0.46	125.0	0.49
- Shareholdings	61.5	0.24	51.0	0.20
<b>Total AI (B)</b>	<b>180.9</b>	<b>0.70</b>	<b>176.0</b>	<b>0.69</b>
<b>Investment Portfolio (A+B)</b>	<b>368.9</b>	<b>1.42</b>	<b>366.6</b>	<b>1.45</b>
<b>Other net assets (liabilities)</b>	<b>3.0</b>	<b>0.01</b>	<b>3.4</b>	<b>0.01</b>
<b>Net Financial Position Holdings</b>	<b>78.6</b>	<b>0.30</b>	<b>65.3</b>	<b>0.26</b>
<b>NAV</b>	<b>450.5</b>	<b>1.73</b>	<b>435.3</b>	<b>1.72</b>

## Consolidated Statement of Financial Position

	30.9.2019	1.1.2019 restated for IFRS 16 (*)	31.12.2018 "as reported"
<i>(EUR thousand)</i>			
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible and tangible assets</b>			
Goodwill	93,745	93,745	93,745
Intangible assets	20,354	21,023	21,023
Property, plant and equipment	14,995	16,924	854
- Building in Leasing	14,065	15,681	0
- Other leased assets	321	389	0
- Other property, plant and equipment	609	854	854
Total intangible and tangible assets	129,094	131,692	115,622
<b>Investments</b>			
Investments at equity	16,417	20,892	20,892
Investments held by Funds at Fair Value through P&L	22,612	23,511	23,511
Other Investments at Fair Value through P&L	60,063	50,953	50,953
Funds at Fair Value through P&L	145,920	153,551	153,551
Other financial assets at Fair Value through P&L	47	36	36
Total financial Investments	245,059	248,943	248,943
<b>Other non-current assets</b>			
Deferred tax assets	1,475	2,183	2,183
Loans and receivables	2,482	752	752
Receivables for deferment of placement costs	403	482	482
Financial receivables for leasing - non current position	1,374	1,558	0
Other non-current assets	4,721	4,668	4,668
Total other non-current assets	10,455	9,643	8,085
<b>Total non-current assets</b>	<b>384,608</b>	<b>390,278</b>	<b>372,650</b>
<b>Current assets</b>			
Trade receivables	9,931	14,678	14,678
Financial assets at Fair Value	14,211	6,316	6,316
Financial receivables	0	500	500
Financial receivables for leasing - current position	244	240	0
Tax receivables from parent companies	1,839	374	374
Other tax receivables	3,233	15,760	15,760
Other receivables	2,626	4,051	4,051
Cash and cash equivalents	114,595	143,767	143,767
Total current assets	146,679	185,686	185,446
<b>Total current assets</b>	<b>146,679</b>	<b>185,686</b>	<b>185,446</b>
<b>TOTAL ASSETS</b>	<b>531,287</b>	<b>575,964</b>	<b>558,096</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	266,612	306,612	306,612
Share premium reserve	186,882	240,859	240,859
Legal reserve	61,322	61,322	61,322
Own share reserve	(10,415)	(82,766)	(82,766)
Fair value reserve	422	(179)	(179)
Other reserves	(19,382)	(18,555)	(18,555)
Retained earnings (losses)	(41,378)	(51,882)	(51,882)
Profit (loss) for the year	6,454	11,070	11,070
<b>Net equity Group</b>	<b>450,517</b>	<b>466,481</b>	<b>466,481</b>
<b>Minority interests</b>	<b>24,199</b>	<b>39,299</b>	<b>39,299</b>
<b>Shareholders' equity</b>	<b>474,716</b>	<b>505,780</b>	<b>505,780</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Trade payables	900	900	900
Deferred tax liabilities	6,030	6,018	6,018
End-of-service payment fund	4,990	4,637	4,637
Financial liabilities	15,183	17,909	2,859
- Financial liabilities for building in Leasing	13,159	15,050	0
- Other financial liabilities	2,024	2,859	2,859
<b>Total non-current liabilities</b>	<b>27,103</b>	<b>29,464</b>	<b>14,414</b>
<b>Current liabilities</b>			
Trade payables	6,352	5,535	5,535
Payables to staff and social security organisations	7,333	9,122	9,122
Current tax	3,778	5,846	5,846
Other tax payables	2,406	1,256	1,256
Other payables	4,769	15,939	15,939
Short term financial payables	4,830	3,022	204
- Short term financial payables for building in Leasing	3,033	2,818	0
- Other Short term financial payables	1,797	204	204
<b>Total current liabilities</b>	<b>29,468</b>	<b>40,720</b>	<b>37,902</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>531,287</b>	<b>575,964</b>	<b>558,096</b>

(\*) Figures at 31 December 2018 adjusted for the effects of the application of the new accounting standard IFRS 16 starting from 1 January 2019

## Summary Consolidated Income Statement

(EUR thousand)	Third quarter 2019	First nine months of 2019	Third quarter 2018	First nine months of 2018
Alternative Asset Management fees	16,185	47,708	14,405	44,370
Income (loss) from investments valued at equity	(113)	(246)	(573)	927
Other investment income/expense	9,368	3,527	(10,062)	36,756
Income from services	101	298	675	1,794
Other revenues and income	2	32	29	62
Other expenses and charges (*)	(14,068)	(40,757)	(15,412)	(43,530)
Financial income and expenses	92	(226)	124	419
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>11,567</b>	<b>10,336</b>	<b>(10,814)</b>	<b>40,798</b>
Income tax	(2,005)	(4,889)	(434)	(4,175)
<b>PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	<b>9,562</b>	<b>5,447</b>	<b>(11,248)</b>	<b>36,623</b>
Profit (Loss) from discontinued operations/held-for-sale assets	0	0	0	0
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>9,562</b>	<b>5,447</b>	<b>(11,248)</b>	<b>36,623</b>
- Group share	10,358	6,454	(10,255)	6,863
- Non controlling interests	(796)	(1,007)	(993)	29,760
			0.00	
Earnings per share, basic (€)		0.025	0.000	0.027
Earnings per share, diluted (€)		0.025	0.000	0.027

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

### - Performance by business segment in the first nine months of 2019

(EUR thousand)	Alternative Investment	Alternative Asset Management	Holdings/ Eliminations	Consolidated
Alternative Asset Management fees	0	47,967	(259)	47,708
Income (loss) from investments valued at equity	(112)	(134)	0	(246)
Other investment income/expense	2,023	1,504	0	3,527
Other revenues and income	0	35	295	330
Other expenses and charges	(318)	(34,724)	(5,715)	(40,757)
Financial income and expenses	306	(175)	(357)	(226)
<b>PROFIT/(LOSS) BEFORE TAXES</b>	<b>1,899</b>	<b>14,473</b>	<b>(6,036)</b>	<b>10,336</b>
Income tax	0	(5,463)	574	(4,889)
<b>PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	<b>1,899</b>	<b>9,010</b>	<b>(5,462)</b>	<b>5,447</b>
Profit (Loss) from discontinued operations/held-for-sale assets	0	0	0	0
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>1,899</b>	<b>9,010</b>	<b>(5,462)</b>	<b>5,447</b>
- Group share	2,388	9,528	(5,462)	6,454
- Non controlling interests	(489)	(518)	0	(1,007)

### - Performance by business segment in the first nine months of 2018

(EUR thousand)	Alternative Investment	Alternative Asset Management	Holdings/ Eliminations	Consolidated
Alternative Asset Management fees	0	45,103	(733)	44,370
Income (loss) from investments valued at equity	108	819	0	927
Other investment income/expense	38,031	(1,275)	0	36,756
Other Income	0	1,328	528	1,856
Other expenses	(2,516)	(36,813)	(4,201)	(43,530)
Financial income and expenses	430	(16)	5	419
<b>PROFIT/(LOSS) BEFORE TAXES</b>	<b>36,053</b>	<b>9,146</b>	<b>(4,401)</b>	<b>40,798</b>
Income tax	0	(3,020)	(1,155)	(4,175)
<b>PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	<b>36,053</b>	<b>6,126</b>	<b>(5,556)</b>	<b>36,623</b>
Profit (Loss) from discontinued operations/held-for-sale assets	0	0	0	0
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>36,053</b>	<b>6,126</b>	<b>(5,556)</b>	<b>36,623</b>
- Group share	7,201	5,218	(5,556)	6,863
- Non controlling interests	28,852	908	0	29,760

## Consolidated Statement of Comprehensive Income

<i>(Euro thousands)</i>	<b>First nine months of 2019</b>	<b>First nine months of 2018</b>
<b>Profit/(loss) for the period (A)</b>	<b>5,447</b>	<b>36,623</b>
Comprehensive income/expense which might be subsequently reclassified within the profit (loss) for the period	601	(213)
<i>Incomes (Losses) on financial assets at fair value</i>	601	(213)
<i>Other changes in valuation reservers of associated companies</i>	0	0
Comprehensive income/expense which will not be subsequently reclassified to the profit (loss) for the period	(60)	(8)
<i>Gains/(losses) on remeasurement of defined benefit plans</i>	(60)	(8)
<b>Other comprehensive income, net of tax (B)</b>	<b>541</b>	<b>(221)</b>
<b>Total comprehensive income for the period (A)+(B)</b>	<b>5,988</b>	<b>36,402</b>
<b>Total comprehensive income attributable to:</b>		
- Group Share	6,995	6,645
- Non Controlling Interests	(1,007)	29,757

## Consolidated Cash Flow Statement

<i>(EUR thousand)</i>	<b>First nine months of 2019</b>	<b>First nine months of 2018</b>
<b>CASH FLOW from operating activities</b>		
Investments in funds and shareholdings	(14,199)	(25,887)
Capital reimbursements from funds	19,548	53,061
Sale of investments	1,000	81,261
Interest received	94	335
Interest paid	0	(28)
Cash distribution from investments	1,970	428
Realized gains (losses) on exchange rate and derivatives	1	1
Taxes paid / reimbursed	(6,139)	(1,451)
Dividends received	135	183
Management and performance fees received	50,458	59,837
Revenues for services	1,263	1,486
Operating expenses	(34,502)	(36,342)
<b>Net cash flow from operating activities</b>	<b>19,629</b>	<b>132,884</b>
<b>CASH FLOW from investment activities</b>		
Acquisition of property, plant and equipment	(373)	(79)
Sale of property, plant and equipment	0	34
Purchase of licenses and intangible assets	(420)	(11)
<b>Net cash flow from investing activities</b>	<b>(793)</b>	<b>(56)</b>
<b>CASH FLOW from financing activities</b>		
Acquisition of financial assets	(7,657)	(2,465)
Sale of financial assets	516	200
Cash flow from leasing contract	(2,232)	0
Share capital issued	100	766
Own shares acquired	0	(3,186)
Share capital issued for Stock Option Plan	324	0
Dividends paid	(37,531)	(75,508)
Loans and bank loans	(1,528)	442
<b>Net cash flow from financing activities</b>	<b>(48,008)</b>	<b>(79,751)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(29,172)</b>	<b>53,077</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>143,767</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>114,595</b>	<b>180,993</b>

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

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

DeA Capital Alternative Funds SGR manages alternative investment funds (funds of funds, thematic private equity funds, as well as credit funds).

At 30 September 2019, the company managed 12 closed-end funds, of which 5 funds of funds (IDeA I FoF, ICF II, ICF III, IDeA Crescita Globale and DeA Endowment Fund), 1 "direct" co-investment fund (IDeA OF I) and 5 thematic funds (IDeA EESS, IDeA ToI, IDeA Agro, IDeA CCR I and II, the latter two being debtor-in-possession financing funds) and the Investitori Associati IV fund (in liquidation; the 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).

At the level of management performance, in the first nine months of 2019 the company reported an increase in assets under management of around EUR 300 million on the figure at 30 September 2018, due to the expansion of the Loans Segment respectively of IDeA CCR I and II funds, the launch of the Shipping Segment of the said CCR II fund and the launch of the funds-of-funds, DeA Endowment Fund and Azimut Private Debt (third-party management).

In terms of management fees, the increase reached EUR 3 million, due to the dynamics of the assets under management described and the additional performance fees earned on one of the funds under management.

<b>DeA Capital Alternative Funds SGR (EUR million)</b>	<b>30 September 2019</b>	<b>30 September 2018</b>
AUM	2,560	2,263
Management fees	18.1	14.7
Net Operating Profit <sup>(#)</sup>	4.0	2.8
Net Profit	4.0	2.8
Net Financial Position	13.8 <sup>(*)</sup>	9.2 <sup>(*)</sup>



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

*(\*) Net of leasing liability of -2.6 EUR million*

*(\*) Data at 31 December 2018 "adjusted". Reflects the application of IFRS 16 from 1.1.19 (-2.9 million)*



**- DeA Capital Real Estate SGR**

DeA Capital Real Estate SGR is the largest independent real estate asset management company in Italy, with around EUR 9.2 billion in assets under management and 50 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 operational performance, at 30 September 2019 assets under management stood at approximately EUR 9,200 million, marking an increase of approximately EUR 60 million compared to the same period of the previous year due to the launch of 8 new funds (with AuM for around EUR 800 million), which more than offset the impact of the process of developing the assets in portfolio.

At the level of management fees, the company reported a decline on the same period of the previous year (EUR -1.3 million), due essentially to the impact of the aforementioned development of the assets in portfolio.

The net profit for the first nine months of 2019 (EUR 6.7 million) was up on the first nine months of 2018 due to the impact on this latter period of the write-down to fair market value of the units held in several of the funds managed (by more than EUR -4 million).

<b>DeA Capital Real Estate SGR (EUR million)</b>	<b>30 September 2019</b>	<b>30 September 2018</b>
AUM	9,204	9,141
Management fees	29.1	30.4
Net Operating Profit <sup>(#)</sup>	7.2	7.4
Net profit	6.7	2.3
<i>-of which:</i>		
- Shareholders	6.7	2.3
- Owners of financial equity instruments	0.0	0.0
Net Financial Position	16.1 <sup>(*)</sup>	8.4 <sup>(*)</sup>



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

<sup>(\*)</sup> Net of leasing liability of -8.0 EUR million

<sup>(\*)</sup> Data at 31 December 2018 "adjusted". Reflects the application of IFRS 16 from 1.1.19 (-9.2 €million)