

PRESS RELEASE

APPROVAL OF THE INTERIM MANAGEMENT REPORT AS AT 30 SEPTEMBER 2020, WITH COMBINED ASSETS UNDER MANAGEMENT UP TO EUR 23.0 BILLION (+94%) AND MANAGEMENT FEES TO EUR 70.9 MILLION (+48%, COMBINING THE AMOUNT REFERRED TO QUAESTIO SGR)

AT GROUP LEVEL, POSITIVE NET FINANCIAL POSITION FOR EUR 119 MILLION AND NEGATIVE NET RESULT FOR EUR 1.4 MILLION (RELATED TO MARK-TO MARKET OF THE INVESTMENT PORTFOLIO)

Milan, 10 November 2020 - The DeA Capital S.p.A. Board of Directors met today, under the chairmanship of Lorenzo Pellicoli, to review and approve, among other things, the Interim Report as at 30 September 2020.

CONSOLIDATED RESULTS AS AT 30 SEPTEMBER 2020

- As at 30 September 2020, **Combined Assets Under Management** amounted to EUR 22,973 million, up 94% compared with 30 September 2019 (integrating as attributable to Quaestio SGR, related majority investment acquired in November 2019 and not consolidated). The Combined Assets Under Management figure is divided as follows by investment strategy:
 - **Real Estate = EUR 10,001 million (43%)**
 - **Credit = EUR 3,228 million (14%)**
 - **Private Equity = EUR 1,996 million (9%)**
 - **Multi-asset/Multi-manager Solutions = EUR 7,748 million (34%)**

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

- **Management fees** equal to EUR 51.5 million at consolidated level and EUR 70.9 million, also considering the amount attributable to Quaestio SGR, compared to EUR 48.0 million in the first nine months of 2019.
- **Group Net Result** was negative for EUR 1.4 million (compared with the positive figure of EUR 6.5 million recorded in the first nine months of 2019), mainly due to the mark-to-market of the Investment Portfolio.
- **Net Financial Position** of the Holding Companies was positive for EUR 81.7 million; at Group level, the Net Financial Position was positive for EUR 118.6 million, compared with the adjusted figure (due to the distribution of the extraordinary dividend that occurred in June 2020) of EUR 74.3 million recorded as at 31 December 2019. The improvement was essentially generated by the distribution / liquidation inflows from assets in the Investment Portfolio.



The Interim Management Report as at 30 September 2020 will be made available on **13 November 2020**, at the registered office, on the authorized storage mechanism [1info](http://www.1info.it) (www.1info.it), as well as on the website at the following link: <https://www.deacapital.com/category/investor-en/annual-and-quarterly-reports/?lang=en>.

SIGNIFICANT EVENTS

Despite the complex framework of reference induced by the spread of COVID-19, the Group continued the development activities of the Alternative Asset Management Platform in the third quarter of 2020.

In particular, in the **Real Estate** segment, the Platform completed the launch of new funds for assets under management of over EUR 200 million in Italy and a new project in the Iberian market at European level.

With regard to **Credit**, the VII and VIII closing of the CCR II fund were finalised between the end of the 3rd quarter and the beginning of the 4th (for a total of EUR 40 million), which brought the overall amount of the fund to approximately EUR 615 million.

In the context of **Private Equity**, the Platform has:

- launched new funds for total funding of EUR 400 million (of which EUR 330 million relating to Taste of Italy 2). In support of these initiatives, DeA Capital S.p.A. has entered into a commitment of up to approximately EUR 25 million;
- finalisation (on 1st October 2020) of a new closing of EUR 20 million for the multi-manager DeA Endowment Fund, dedicated to Foundations.

OUTLOOK

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

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

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

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

For further information, please contact:

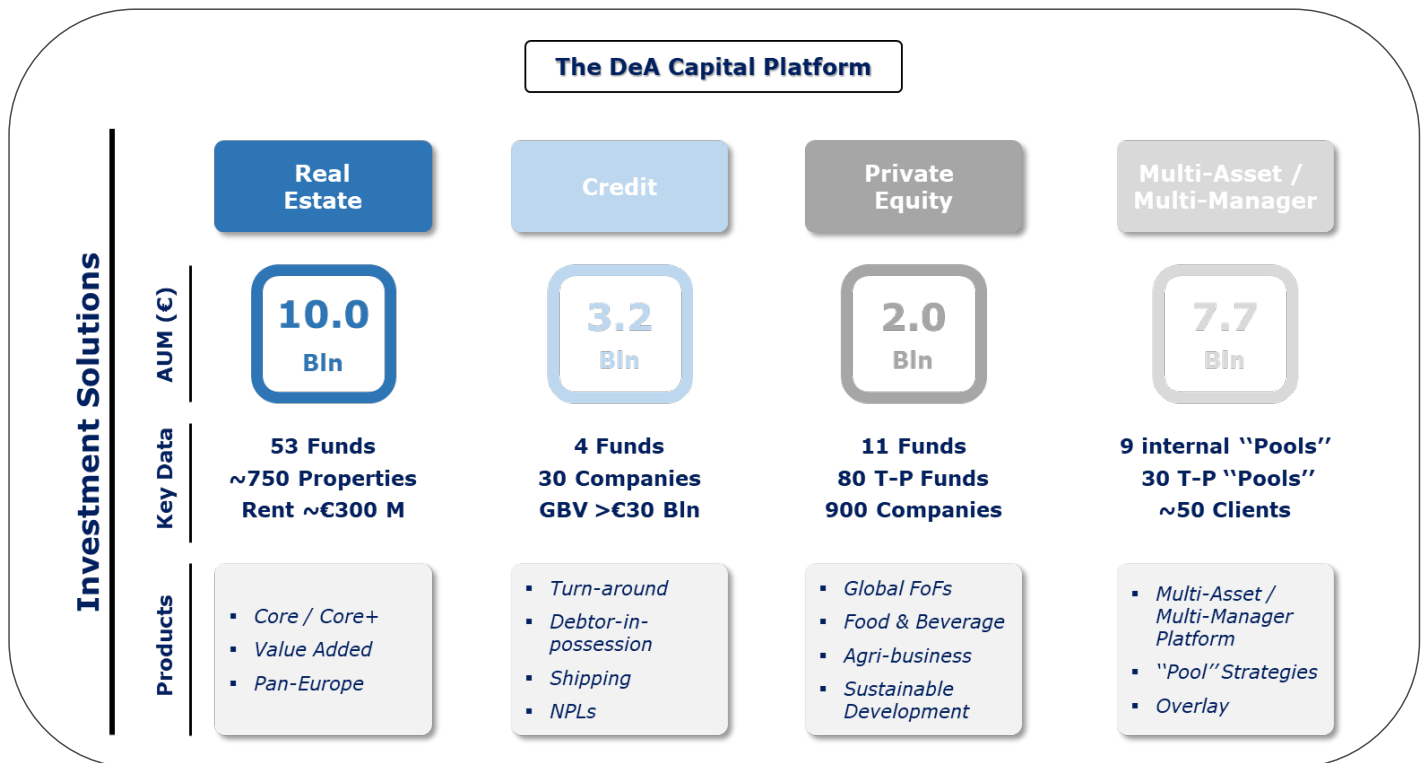
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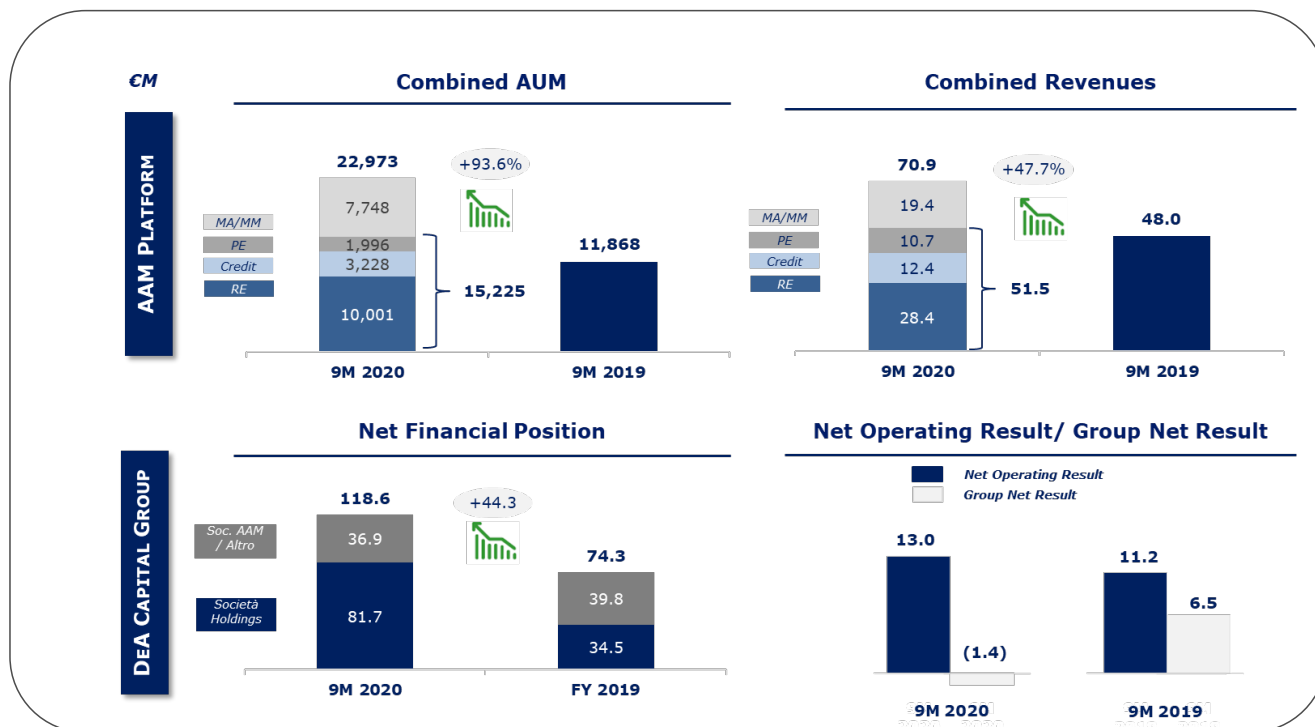
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DeA Capital (www.deacapital.com). DeA Capital S.p.A., a subsidiary of De Agostini S.p.A. and listed on the STAR segment of the MTA Market of Borsa Italiana, is the leading independent Italian player in the Alternative Asset Management sector (for assets under management), with Combined Assets Under Management of approximately EUR 23,000 million and an Investment Portfolio of approximately EUR 338 million. The Group Platform – concentrated on the two subsidiaries, DeA Capital Real Estate SGR and DeA Capital Alternative Funds SGR, as well as on the related indirect majority investment in Quaestio SGR – is engaged in the promotion, management and development of real estate, private equity and credit investment funds, as well as in multi-asset/multi-manager solutions for institutional investors.

Management Schedules





Combined AUM (Asset under Management) and Combined Revenues mean, respectively, the assets under management and the revenues of the asset management companies in which the Group holds an absolute/relative majority (non-consolidated) interest, as well as the corresponding amounts recorded by international subsidiaries. The amounts relating to the included non-consolidated companies, for the first nine months of 2020, amounted to EUR 7,748 million of Combined AUM and EUR 19.4 million of Combined Revenues.

Managerial Income Statement

€M	9M 2020	9M 2019	Change
Net Operating Result AAM (*)	13.0	11.2	1.8
Other AAM	(2.4)	(1.7)	(0.7)
Net Result AAM	10.6	9.5	1.1
Alternative Investment	(8.7)	2.4	(11.1)
Holding Cost	(7.0)	(6.0)	(1.0)
Tax	3.7	0.6	3.1
Net Group Result	(1.4)	6.5	(7.9)

(*) Includes the Net Result Before PPA / non-recurring items of the three Asset Management Companies of the Platform: DeA Capital RE SGR, DeA Capital AF SGR and Quaestio SGR (@ 38.82%, incl. Quaestio Holding)

Managerial Statement of Financial Position

	30 September 2020		31 December 2019 "adjusted"	
	M€	€/Sh.	M€	€/Sh.
Alternative Asset Management				
- DeA Capital Real Estate SGR	130.8	0.50	141.2	0.54
- DeA Capital Alternative Funds SGR	59.2	0.23	55.6	0.21
- Quaestio Capital SGR (including Quaestio Holding)	13.9	0.05	14.3	0.06
- Other (YARD, DeA Capital RE France, Iberia, Poland)	7.6	0.03	6.6	0.03
Total AAM (A)	211.5	0.81	217.7	0.84
Alternative Investment				
- AI Platform Investments	101.8	0.39	118.0	0.45
- AI Other Investments	24.2	0.09	51.4	0.20
Total AI (B)	126.0	0.48	169.4	0.65
Investment Portfolio (A+B)	337.5	1.29	387.1	1.49
Other net assets (liabilities)	6.8	0.03	4.6	0.02
Net Financial Position Holdings	81.7	0.31	34.5	0.13
NAV	426.0	1.63	426.2	1.64

Statutory Schedules

Summary Consolidated Income Statement

(EUR thousand)	Third quarter of 2020	First nine months of 2020	Third quarter of 2019	First nine months of 2019
Alternative Asset management fees	18,893	51,421	16,185	47,708
Income (loss) from equity investments	134	(572)	(113)	(246)
Other investment income/expense	(2,789)	(11,692)	9,368	3,527
Income from services	24	70	101	298
Other income	17	390	2	32
Other expenses (*)	(15,629)	(46,328)	(14,068)	(40,757)
Financial income and expenses	(27)	(2,310)	92	(226)
PROFIT/(LOSS) BEFORE TAX	623	(9,021)	11,567	10,336
Income tax	(1,872)	1,109	(2,005)	(4,889)
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	(1,249)	(7,912)	9,562	5,447
Profit (Loss) from discontinued operations/held-for-sale assets	0	0	0	0
PROFIT/(LOSS) FOR THE PERIOD	(1,249)	(7,912)	9,562	5,447
- Group share	342	(1,441)	10,358	6,454
- Non controlling interests	(1,591)	(6,471)	(796)	(1,007)
Earnings per share, basic (€)		(0.006)		0.025
Earnings per share, diluted (€)		(0.006)		0.025

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

Income Statement by Business Segment – first nine months of 2020

(EUR thousand)	Alternative Investment	Alternative Asset Management	Holdings/ Eliminations	Consolidated
Alternative Asset Management fees	0	51,533	(112)	51,421
Income (loss) from investments valued at equity	(165)	(407)	0	(572)
Other investment income/expense	(11,318)	(373)	(1)	(11,692)
Other revenues and income	0	194	266	460
Other expenses and charges	(798)	(38,259)	(7,271)	(46,328)
Financial income and expenses	(2,194)	(217)	101	(2,310)
PROFIT/(LOSS) BEFORE TAXES	(14,475)	12,471	(7,017)	(9,021)
Income tax	0	(2,558)	3,667	1,109
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	(14,475)	9,913	(3,350)	(7,912)
Profit (Loss) from discontinued operations/held-for-sale assets	0	0	0	0
PROFIT/(LOSS) FOR THE PERIOD	(14,475)	9,913	(3,350)	(7,912)
- Group share	(8,655)	10,564	(3,350)	(1,441)
- Non controlling interests	(5,820)	(651)	0	(6,471)

Income Statement by Business Segment – 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)
PROFIT/(LOSS) BEFORE TAXES	1,899	14,473	(6,036)	10,336
Income tax	0	(5,463)	574	(4,889)
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	1,899	9,010	(5,462)	5,447
Profit (Loss) from discontinued operations/held-for-sale assets	0	0	0	0
PROFIT/(LOSS) FOR THE PERIOD	1,899	9,010	(5,462)	5,447
- Group share	2,388	9,528	(5,462)	6,454
- Non controlling interests	(489)	(518)	0	(1,007)

Consolidated Statement of Comprehensive Income

<i>(EUR thousand)</i>	First nine months of 2020	First nine months of 2019
Profit/(loss) for the period (A)	(7,912)	5,447
Comprehensive income/expense which might be subsequently reclassified to the profit (loss) for the period	6	601
Comprehensive income/expense which will not be subsequently reclassified within the profit (loss) for the period	(191)	(60)
Other comprehensive income, net of tax (B)	(185)	541
Total comprehensive income for the period (A)+(B)	(8,097)	5,988
Total comprehensive income attributable to:		
- Group Share	(1,626)	6,995
- Non Controlling Interests	(6,471)	(1,007)

Consolidated Cash Flow Statement

<i>(EUR thousand)</i>	First nine months of 2020	First nine months of 2019
CASH FLOW from operating activities		
Investments in funds and shareholdings	(5,306)	(14,199)
Capital reimbursements from funds	19,209	19,548
Sale of investments	25,088	1,000
Interest received	3,918	94
Cash distribution from investments	310	1,970
Realized gains (losses) on exchange rate and derivatives	(2)	1
Taxes paid / reimbursed	(2,328)	(6,139)
Dividends received	0	135
Management and performance fees received	48,525	50,458
Revenues for services	310	1,263
Operating expenses	(39,833)	(34,501)
Net cash flow from operating activities	49,891	19,630
CASH FLOW from investing activities		
Acquisition of tangible fixed assets	(129)	(373)
Purchase of licenses and intangible assets	(16,998)	(420)
Proceeds from the sale of tangible and intangible fixed assets	22,317	0
Net cash flow from investing activities	5,190	(793)
CASH FLOW from financing activities		
Acquisition of financial assets	(10)	(7,657)
Sale of financial assets	0	516
Cash flow from leasing contract	(1,962)	(2,232)
Share capital issued	0	100
Own shares acquired	(120)	0
Share capital issued for Stock Option Plan	0	324
Dividends/reimbursements paid	(32,531)	(37,531)
Loans and bank loans	(2,000)	(1,528)
Net cash flow from financing activities	(36,623)	(48,008)
CHANGE IN CASH AND CASH EQUIVALENTS	18,458	(29,171)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	99,511	143,766
Effect of change in basis of consolidation: cash and cash equivalents	0	0
CASH AND CASH EQUIVALENTS AT END OF PERIOD	117,969	114,595

Consolidated Statement of Financial Position

(EUR thousand)	30.9.2020	31.12.2019
ASSETS		
Non-current assets		
Intangible and tangible assets		
Goodwill	99,936	104,647
Intangible assets	26,002	42,912
Property, plant and equipment	12,355	14,297
- <i>Building in Leasing</i>	11,702	13,420
- <i>Other leased assets</i>	174	318
- <i>Other property, plant and equipment</i>	479	559
Total intangible and tangible assets	138,293	161,856
Investments		
Investments at equity and joint ventures	26,588	30,802
Investments held by Funds at Fair Value through P&L	14,658	22,773
Other Investments at Fair Value through P&L	28,874	50,382
Funds at Fair Value through P&L	126,274	143,597
Other financial assets at Fair Value through P&L	37	37
Total financial Investments	196,431	247,591
Other non-current assets		
Deferred tax assets	3,928	2,409
Loans and receivables	4,844	2,485
Financial receivables for leasing - non current portion	1,130	1,313
Other non-current assets	1,293	4,990
Total other non-current assets	11,195	11,197
Total non-current assets	345,919	420,644
Current assets		
Trade receivables	11,341	8,653
Financial assets at Fair Value	14,194	14,192
Financial receivables	0	245
Financial receivables for leasing - current portion	250	0
Tax receivables from parent companies	4,041	3,953
Other tax receivables	31,543	37,176
Other receivables	3,818	8,207
Cash and cash equivalents	117,969	99,511
Total current assets	183,156	171,937
Total current assets	183,156	171,937
TOTAL ASSETS	529,075	592,581
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Net equity Group	426,033	457,464
Minority interests	16,635	23,634
Shareholders' equity	442,668	481,098
LIABILITIES		
Non-current liabilities		
Trade payables	800	800
Deferred tax liabilities	5,821	5,993
End-of-service payment fund	6,151	5,582
Payables to staff and social security organisations	1,106	631
Financial liabilities	14,012	13,457
- <i>Financial liabilities for leasing</i>	10,801	12,437
- <i>Other financial liabilities</i>	3,211	1,020
Total non-current liabilities	27,890	26,463
Current liabilities		
Trade payables	5,237	5,470
End-of-service payment fund	33	21
Payables to staff and social security organisations	9,074	11,836
Current tax	4,946	4,336
Other tax payables	667	1,491
Other payables	35,468	42,299
Short term financial payables	3,092	19,567
- <i>Short term financial payables for leasing</i>	3,082	3,045
- <i>Other Short term financial payables</i>	10	16,522
Total current liabilities	58,517	85,020
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	529,075	592,581