



**HALF-YEAR
REPORT
AS AT 30 JUNE 2020**

First half of 2020

*Board of Directors
Milan, 8 September 2020*

DeA Capital S.p.A.

Corporate information

DeA Capital S.p.A. is subject to the management and coordination of De Agostini S.p.A.
Registered office: Via Brera 21, Milan 20121, Italy
Share capital: EUR 266,612,100 (fully paid up), comprising 266,612,100 shares with a nominal value of EUR 1 each (including 5,451,579 treasury shares as at 30 June 2020)
Tax Code and Registration in the Milan Companies Register No. 07918170015. Member of the "IVA B & D Holding Group" VAT No. 02611940038, Milan REA 1833926

Board of Directors (*)

Chairman	Lorenzo Pellicoli
Chief Executive Officer	Paolo Ceretti
Directors	Marco Boroli Donatella Busso ^(2/5) Nicola Drago Carlo Enrico Ferrari Ardicini Dario Frigerio Francesca Golfetto ^(3/5) Davide Mereghetti ^(3/5) Daniela Toscani ^(1/5) Elena Vasco ^(1/4/5)

Board of Statutory Auditors (*)

Chairman	Cesare Andrea Grifoni
Permanent Auditors	Annalisa Raffaella Donesana Fabio Facchini
Deputy Auditors	Andrea Augusto Bonafè Michele Maranò Marco Sguazzini Viscontini
Manager responsible for preparing the Company's accounts and Chief Operating Officer	Manolo Santilli
Independent Auditors	PricewaterhouseCoopers S.p.A.

() In office until the approval of the Financial Statements as at 31 December 2021*

(1) Member of the Control and Risks Committee

(2) Member and Chairman of the Control and Risks Committee

(3) Member of the Remuneration and Appointments Committee

(4) Member and Chairman of the Remuneration and Appointments Committee

(5) Independent Director

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Interim Management Report

1. Profile of DeA Capital S.p.A.

DeA Capital S.p.A., with the companies that are part of the Group, is the leading independent Platform for Alternative Asset Management in Italy, with Combined AUM of more than EUR 22 billion and a wide range of products and services for institutional investors.

The Platform – concentrated on the two subsidiaries, DeA Capital Real Estate SGR and DeA Capital Alternative Funds SGR, as well as on the indirect equity investment in Quaestio Capital Management SGR – is engaged in the promotion, management and development of real estate, credit and private equity investment funds, as well as multi-asset/multi-manager investment solutions.

To support the Platform's activities, over time DeA Capital S.p.A. has also built up a portfolio of Alternative Investments which mainly comprises funds managed by the asset management companies of the Platform itself.

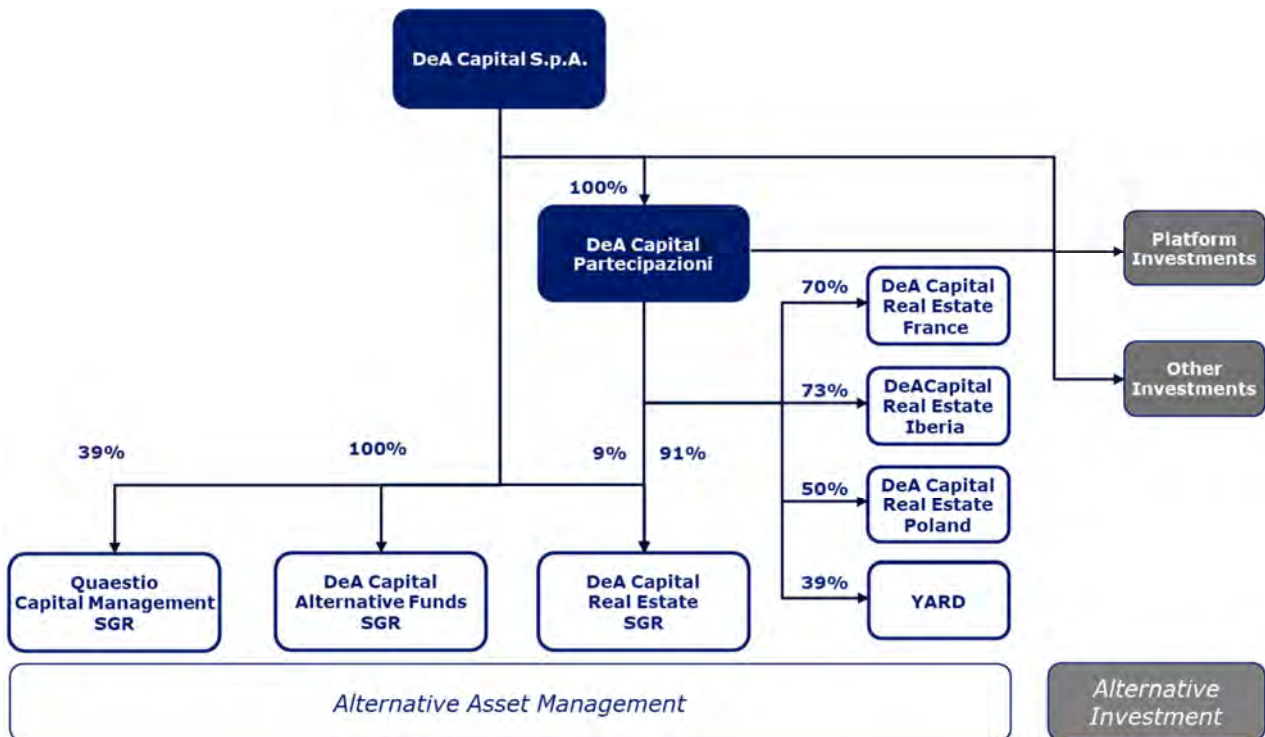
The Company's ability to carry out investment initiatives that are structurally very complex, on the one hand, and raise funds through its asset management companies, on the other, is proof of the effectiveness of its business model, which combines Alternative Asset Management with investment activity to create value in a unique way in Italy's "alternative investments" sector.



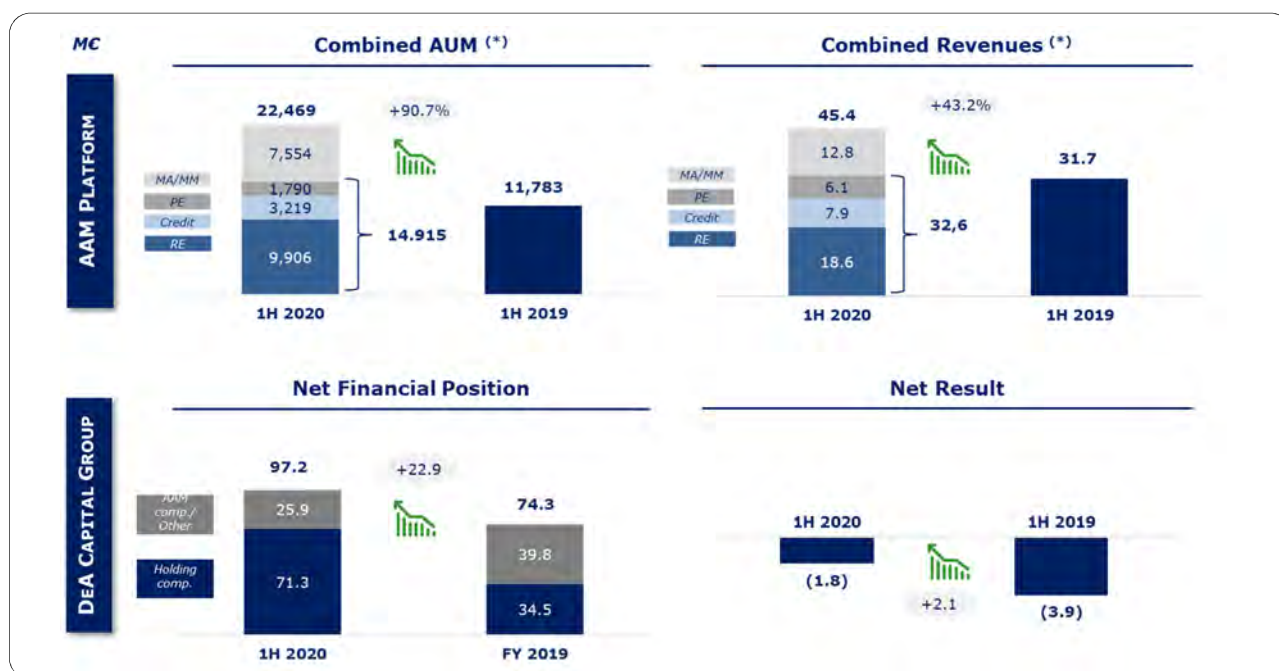
The DeA Capital Platform					
Investment Solutions		Real Estate	Credit	Private Equity	Multi-Asset / Multi-Manager
	AUM (€)	9.9 Bln	3.2 Bln	1.8 Bln	7.6 Bln
	Key Data	51 Funds 750 Properties Rent approx. €300 M	4 Funds 30 Companies GBV >€30 Bln	10 Funds 80 T-P Funds 900 Companies	8 internal "Pools" 30 T-P "Pools" ~50 Clients
	Products	<ul style="list-style-type: none"> Core / Core+ Value Added Pan-Europe 	<ul style="list-style-type: none"> Turn-around Debtor-in-possession Shipping NPLs 	<ul style="list-style-type: none"> Global FoFs Food & Beverage Agri-business Sustainable Development 	<ul style="list-style-type: none"> Multi-Asset / Multi-Manager Platform "Pool" Strategies Overlay

DeA Capital S.p.A. is listed on the FTSE Italia STAR section of the Milan stock exchange and heads the De Agostini Group in the area of Alternative Asset Management and financial investments.

As at 30 June 2020, the corporate structure of the Group headed by DeA Capital S.p.A. (the DeA Capital Group or the Group) was summarised below:



2. Key Financials



(*) 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 1st Half of 2020, amounted to EUR 7,554 million of Combined AUM and EUR 12.8 million of Combined Revenues.

➤ **Management Income Statement**

€M	1H 2020	1H 2019	Change
Net Operating Result AAM (*)	7.5	7.4	0.1
Other AAM	(0.9)	(1.1)	0.2
Net Result AAM	6.6	6.3	0.3
Alternative Investment	(7.1)	(6.8)	(0.3)
Holding Cost	(4.6)	(4.0)	(0.6)
Tax	3.3	0.6	2.7
Net Group Result	(1.8)	(3.9)	2.1

(*) Includes PPA / non recurring items of the three Platform Management Companies: DeA Capital RE SGR, DeA Capital AF SGR and Quaestio SGR (@ 38.82%, including Quaestio Holding)

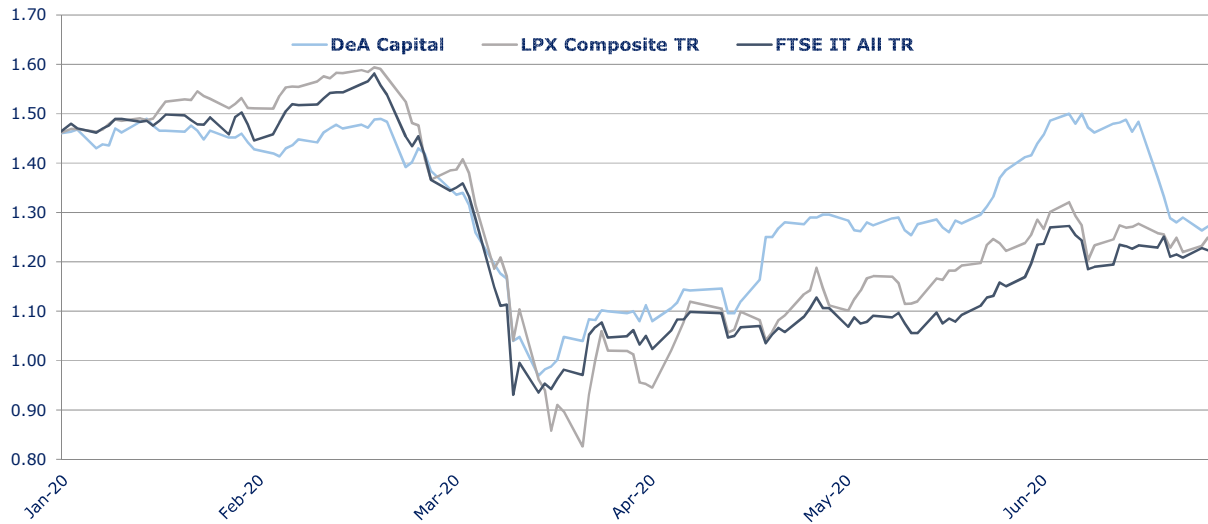
➤ **Management Statement of Financial Position**

	30 June 2020		31 December 2019 "adjusted"	
	M€	€/Sh.	M€	€/Sh.
Alternative Asset Management				
- DeA Capital Real Estate SGR	128.7	0.49	141.2	0.54
- DeA Capital Alternative Funds SGR	56.7	0.22	55.6	0.21
- Quaestio Capital SGR (including Quaestio Holding)	13.7	0.05	14.3	0.06
- Other (YARD, DeA Capital RE France, Iberia, Poland)	8.4	0.04	6.6	0.03
Total AAM (A)	207.5	0.80	217.7	0.84
Alternative Investment				
- AI Platform Investments	103.2	0.40	118.0	0.45
- AI Other Investments	32.5	0.12	51.4	0.20
Total AI (B)	135.7	0.52	169.4	0.65
Investment Portfolio (A+B)	343.2	1.32	387.1	1.49
Other net assets (liabilities)	10.9	0.04	4.6	0.02
Net Financial Position Holdings	71.3	0.27	34.5	0.13
NAV	425.4	1.63	426.2	1.64

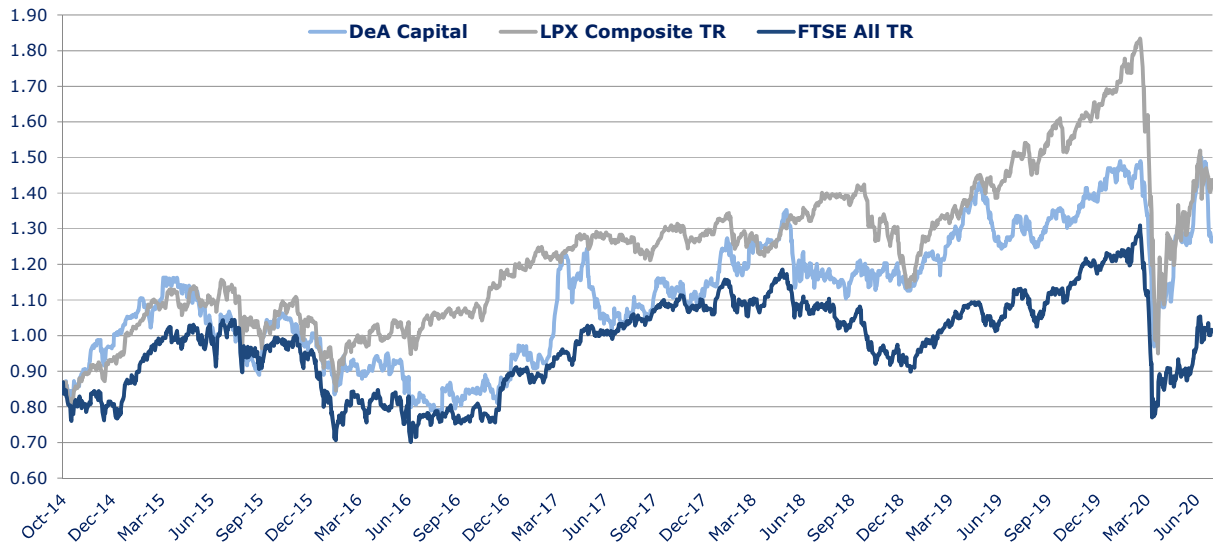
3. Information for shareholders

➤ Share performance

- From 1 January 2020 to 30 June 2020

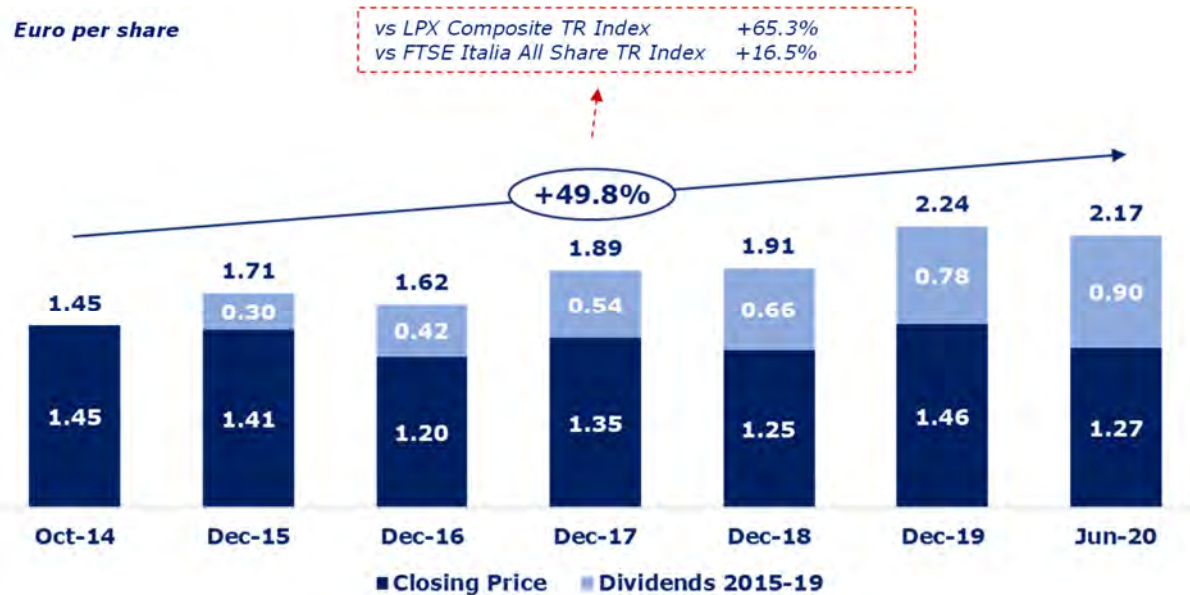


- From 1 October 2014 (*) to 30 June 2020



(*) Performance from 1 October 2014 (closing date for the exit from the investment in Générale de Santé) as at 30 June 2020

➤ **Total Shareholder Return (*) – DeA Capital S.p.A.**



(*) Performance from 1 October 2014 (closing date for the exit from the investment in Générale de Santé) as at 30 June 2020

Performance of the DeA Capital share

With reference to performance in 2020, DeA Capital's share price fell by -12.9%. In the same period, the FTSE All-Share® TR and LPX Composite® TR recorded performances of -16.2% and -14.4% respectively.

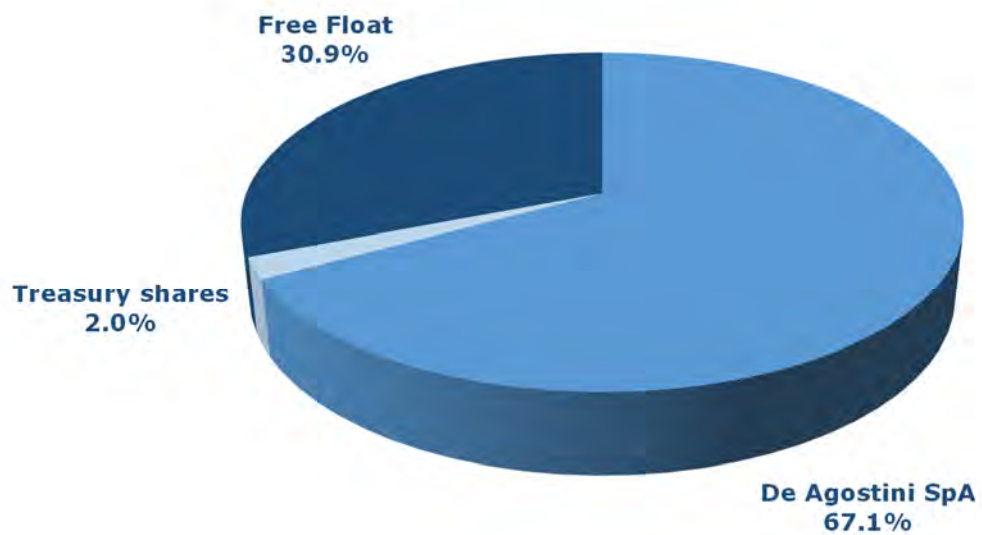
From 1 October 2014, (the closing date for the sale of the investment in GDS) to 30 June 2020, the overall performance (including extraordinary dividends) of DeA Capital shares was up +49.8%, while the Italian FTSE All-Share® TR index +16.5% and the LPX Composite® TR index +65.3% (source Bloomberg).

With regard to the share's liquidity, average daily trading volumes in the 1st Half of 2020 stood at around 255,000 shares, up from the daily average of 2019.

DeA Capital's share prices recorded in 2020 are listed below:

<i>in EUR</i>	1 January/30 June 2020
Maximum price	1.50
Minimum price	0.78
Average price	1.11
Price as at 30 June 2020 (EUR per share)	1.27
Market capitalization as at 30 June 2020 (EUR million)	332

➤ **Shareholder structure of DeA Capital S.p.A. (#)**



(#) Composition as at 30 June 2020

Investor Relations

DeA Capital S.p.A. maintains a stable and structured relationship with investors, even in a complex situation such as the current one with the global spread of COVID-19. In 2020, the Company pursued and intends to continue with **communication activities**, including through participation in various events and road shows, starting from the Virtual STAR Conference in Milan, organised by Borsa Italiana, which was held at the end of May 2020 by video-conference. During the event, one-to-one meetings were held among the management and several investors.

The DeA Capital stock is currently covered with **research** by the two main intermediaries on the Italian market, Equita SIM and Intermonte SIM, the latter in its specialist capacity. In addition, at the beginning of 2015, Edison Investment Research, an independent company specialising in equity research based in London, began to cover the stock. In 2020, Edison research and insights relating to the DeA Capital stock was read by around 1,200 institutional investors and analysts in countries in Europe, Australia, North America, Africa and Asia. The research carried out by these intermediaries is available in the Investor Relations/Analyst Coverage section of the website www.deacapital.com.

In December 2008, the DeA Capital share joined the LPX® **indices**, specifically the LPX Composite® and LPX Europe®. The LPX® indices measure the performance of the main listed companies operating in private equity (Listed Private Equity, or LPE) and, thanks to the significant diversification by region and type of investment, have become one of the most popular benchmarks for the LPE asset class. The methods used to construct the indices are published in the LPX Equity Index Guide. For further information, please visit the website: www.lpx.ch.

In January 2020, the DeA Capital share became part of the FTSE Italia Mid Cap index, which consists of the main Italian companies by capitalisation that do not belong to the FTSE Italia MIB Index: <https://www.borsaitaliana.it/borsa/azioni/mid-cap/lista.html>.

The DeA Capital S.p.A. website is available in Italian and English at www.deacapital.com. The new website of DeA Capital S.p.A. was launched at the beginning of August 2020 with a new design, with a more concise and functional menu. In addition, the site has a wealth of information, financial data, tools, documents and news about the DeA Capital Group.

Furthermore, DeA Capital S.p.A. has published an **interactive report** containing the annual financial results. These are available from the "Annual and quarterly reports" section of the website.

The web is the main point of contact for investors, who can subscribe to various mailing lists and receive all news on the DeA Capital Group in a timely manner, as well as send questions or requests for information and documents to the Company's Investor Relations area, which is committed to answering queries promptly, as stated in the Investor Relations Policy published on the site.

4. Significant events during the first half of 2020

➤ Spread of COVID-19

The period under review saw the progressive spread of COVID-19, which, initially limited to China, subsequently extended first to Europe and then to the rest of the world, assuming the character of a pandemic. The slowdown in manufacturing and commercial activities, induced by the measures taken by authorities to curb the spread of the virus worldwide, led to disruptive effects on the global economy and increased uncertainty of the reference framework, resulting in increased financial market volatility.

In this context, the DeA Capital Group showed strong resilience in the 1st Half of 2020 in its activities and related economic performance.

Having at first uninterruptedly maintained business continuity, with the widespread and timely adoption of a smart-working policy, and subsequently, once the regulatory constraints to the mobility of persons were loosened, through the implementation of a protocol regulating the battle against and the containment of the spread of the virus in the work environments – supported by the adoption of all the necessary technical devices to ensure a return by rotation to the offices of all the professionals in the workforce – the Group has been able to oversee the governance of its activities during this period of extraordinary uncertainty with a capacity to respond that is substantially unchanged as compared with business-as-usual, all without significant costs / investments in terms of general and administrative expenses / capex.

At the level of the Alternative Asset Management Platform, the restrictive measures on the mobility of persons made necessary by COVID-19 led to a general slowdown in entry and exit transactions for funds under management, with a substantial stability of the operating results of the 1st Half of 2020 compared with the same period of the previous year.

In the face of the backdrop of instability induced by the spread of COVID-19, the Group has nevertheless continued Platform development activities in the segments of *Real Estate* (with the new "GO Italy VII" and "Park West" funds launched in June), *Private Equity* (the launch of 2 new funds following the close of the period), *Credit* (the extension of the CCR II Fund) and in multi asset/multi-manager investment solutions, in addition to a further extension of real estate advisory activities to the German-speaking markets.

Having regard also to the resilience of the results outlined above and the confirmation, in a context of macro-economic turbulence, of the solidity of the development activities, the verifications carried out in relation to the value of intangible assets as at 30 June 2020 – goodwill and intangibles recorded in the Group's financial statements that are essentially tied to the Alternative Asset Management Platform and to the prospects of fees flowing from funds under management – suggest that at this point there are no elements to support a presumption that there is any permanent loss in relation to the same.

At the Alternative Investment level, the spread of COVID-19 has certainly influenced the performance of the Platform Investments (investments in support of the Platform, more specifically those related to some of the funds it manages), which have shown a fair value reduction of EUR -10.3 million in the 1st Half of 2020, only partially offset by the revaluation recorded in the equity investment held in Kenan Investments / Migros (EUR +5.0 million in the period).

In conclusion, the management results recorded in the 1st Half of 2020, combined with the confirmation of the Alternative Asset Management Platform's development capabilities, suggest

that the assumptions regarding the resilience of the economic performance at the Group level remain intact, at least for the remainder of the year.

➤ **Acquisition of Quaestio Holding / Quaestio SGR - Payment of the price supplement of the NPL Servicing activities and collection related to the disposals of the NPL Servicing and NPL Management activities**

In February 2020, following the sale by Quaestio Holding of its stake in Quaestio Cerved Credit Management (NPL Servicing business) and on the basis of the agreements signed in connection with Quaestio Holding's entry into the company structure, DeA Capital S.p.A. paid EUR 16.5 million as a price supplement (with the amount already recognised under financial liabilities as at 31 December 2019).

Also in accordance with the aforementioned agreements, in May 2020 Quaestio Holding distributed the amounts substantially attributable to the disposals of the NPL (Management and Servicing) activities, for a cash-in by DeA Capital S.p.A. equal to EUR 22.3 million (amount already included in the NFP as at 31 December 2019).

➤ **Dividends from Alternative Asset Management**

During the 1st Half of 2020, the Alternative Asset Management Activities distributed dividends to the Holding Companies of DeA Capital Group totalling EUR 19.1 million (EUR 22.9 million in 2019), EUR 15.1 million from DeA Capital Real Estate SGR and EUR 4.0 million from DeA Capital Alternative Funds SGR.

➤ **Funds managed by the Alternative Asset Management Platform - Deposits / Distributions**

In the first half of 2020, the DeA Capital Group increased its investments with paid calls totalling EUR 2.7 million relating to the IDeA I FoF, ICF III, IDeA EESS, IDeA ToI, IDeA CCR II, IDeA Agro and Santa Palomba funds.

At the same time, in the first half of 2020, the DeA Capital Group received capital reimbursements (excluding withholding tax) totalling EUR 7.0 million (from the IDeA I FoF, ICF II, IDeA EESS and Venere funds).

Thus, in the first half of 2020, the funds in which DeA Capital S.p.A. has invested resulted in a net positive cash balance of EUR 4.3 million for the portion relating to the Group.

➤ **Distribution by IDeAMI**

On 13 May 2020, DeA Capital S.p.A. collected EUR 16.5 million as a partial advance distribution of IDeAMI's asset liquidation. After the end of the period, DeA Capital S.p.A. collected a further EUR 5.7 million as the balance of the asset liquidation for ordinary shareholders and the residual balance of the special shares (up to a total of about EUR 22 million for the total IDeAMI liquidation).

➤ **Share buy-back plan**

On 20 April 2020, the Shareholders' Meeting of DeA Capital S.p.A. authorised the Board of Directors to buy and sell, on one or more occasions and on a revolving basis, a maximum

number of shares in the Company up to a stake of no more than 20% of the share capital (or approximately 53.3 million shares).

The new Plan, which replaces the plan authorised by the Shareholders' Meeting on 18 April 2019 (which was due to expire upon the approval of the Financial Statements for 2019), includes the following objectives: (i) the acquisition of treasury shares to be used for extraordinary transactions and the share incentive plans, (ii) offer to the shareholders of an additional instrument for monetisation of their investment (iii) support of the liquidity of the financial instruments issued, (iv) usage of excess liquidity. The treasury shares can also be disposed through trading.

The Shareholder's Meeting's authorisation specifies that purchases may be made until the date of the Shareholders' Meeting called to approve the Financial Statements as at 31 December 2020 (and, in any event, not beyond the maximum period of 18 months allowed by law), while the authorisation to dispose of the treasury shares was granted without time limits. The unit price for the purchase of the shares will be set on a case-by-case basis by the Board of Directors, but must not be more than 20% above or below the share's reference price on the trading day prior to each purchase.

The authorisation to sell treasury shares already held in the Company's portfolio and any shares bought in the future was granted for an unlimited period; sales may be carried out using the methods deemed most appropriate and at a price to be determined on a case-by-case basis by the Board of Directors, which must not, however, be more than 20% below the share's reference price on the trading day prior to the sale (apart from certain exceptions specified in the Plan), although this limit may not apply in certain cases.

➤ **Long-term incentive schemes**

In April 2020, 1,184,906 treasury shares (approx. 0.4% of the share capital) were granted under the 2016-2018 and 2017-2019 Performance Share Plans.

On 20 April 2020, the DeA Capital S.p.A. Shareholders' Meeting approved the Incentive Plan called the "DeA Capital Performance Share Plan 2020-2022", under which a maximum of 1,750,000 units may be granted. On 12 May 2020, in implementation of the shareholders' resolution, the Board of Directors of DeA Capital S.p.A. voted: (i) to launch the 2020-2022 Performance Share Plan approved by the Shareholders' Meeting, vesting the Chairman of the Board of Directors and the Chief Executive Officer with all the necessary powers, to be exercised severally and with full power of delegation; and (ii) to grant 1,420,000 units (representing the right to receive ordinary shares in the Company free of charge, under the terms and conditions of the plan).

Shares allocated due to the vesting of units will be drawn from the Company's treasury shares.

➤ **Appointment by co-option of Mr Nicola Drago as non-executive and non-independent Director of DeA Capital S.p.A.**

On 12 May 2020, the Company's Board of Directors appointed Mr Nicola Drago as the new non-executive and non-independent Director of DeA Capital S.p.A., following the resignation of Mr Marco Drago. Mr Marco Drago, who held the position of non-executive and non-independent Director, held no positions on the internal committees of the Board of Directors.

Mr Nicola Drago, who will remain in office until the next Company's Shareholders' Meeting, was co-opted into the administrative body in accordance with the provisions of the law and Articles of Association.

➤ **Approval of the new organisational structure of DeA Capital S.p.A., with the appointment of Manolo Santilli, Chief Financial Officer, as Chief Operating Officer from 1 July 2020**

At the same meeting of 12 May 2020, the Board of Directors also approved the new organisational structure of DeA Capital S.p.A., on the proposal of the CEO Paolo Ceretti and following the favourable opinion of the Remuneration and Appointments Committee.

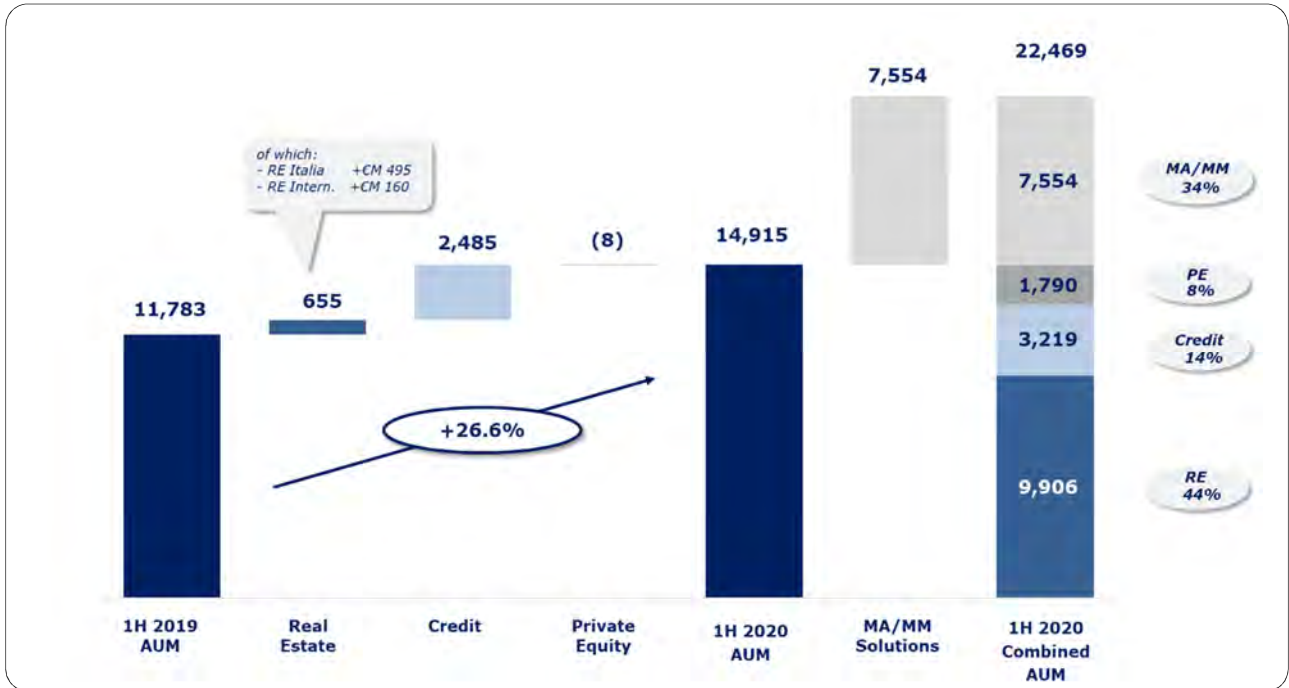
The new organisational structure, defined in the framework of both a greater complexity and operational scale, as well as the need to support the Group's development, provided for the appointment – effective from 1 July 2020 – of Manolo Santilli (Chief Financial Officer) as Chief Operating Officer of DeA Capital S.p.A; both Emanuele Caniggia, Chief Executive Officer of DeA Capital Real Estate SGR and Gianandrea Perco, Chief Executive Officer of DeA Capital Alternative Funds SGR, will continue to report to the Company's Chief Executive Officer, Paolo Ceretti.

➤ **Partial extraordinary distribution of the Share Premium Reserve.**

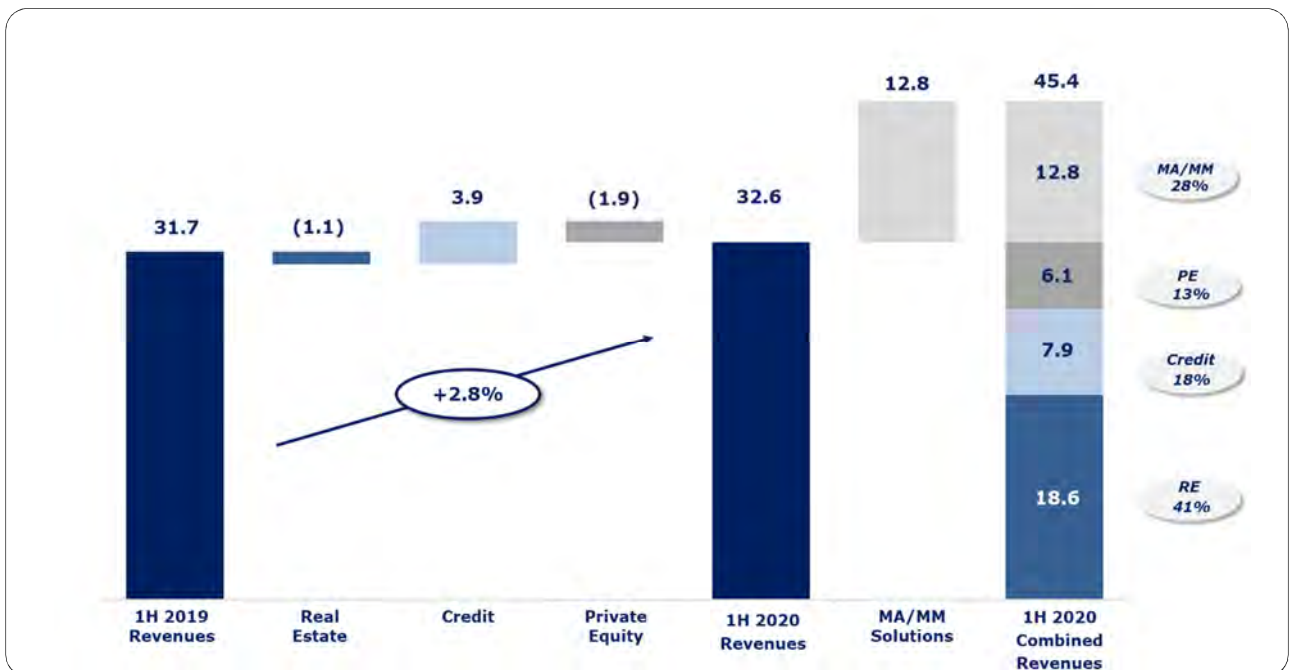
On 24 June 2020, in accordance with the vote of the Shareholders' Meeting on 20 April 2020, DeA Capital S.p.A. made a partial distribution of the Share Premium Reserve at EUR 0.12 per share, i.e., for an overall amount of around EUR 31.3 million based on the total number of entitled shares.

5. Results of the DeA Capital Group

➤ Alternative Asset Management Platform - AUM (€M)



➤ Alternative Asset Management Platform - Revenues (€M)



➤ **Details for Investment Solution (M€)**

Real Estate



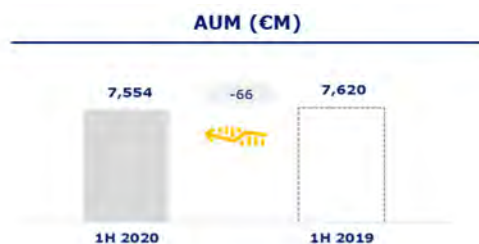
Credit



Private Equity



Multi-Asset / Multi-Manager



➤ **Consolidated Income Statement**

The Group's net profit in the first six months of 2020 was EUR -1.8 million, up from EUR -3.9 million in the same period of 2019.

Revenues and other income as at 30 June 2020 break down as follows:

- Fees of EUR 32.5 million for the Alternative Asset Management business, net of eliminations (EUR 31.5 million in the same period of 2019);
- Income from investments valued at equity, negative for EUR -0.7 million (EUR -0.1 million for the corresponding period in 2019);
- Other investment income and charges totalling EUR -8.9 million, mainly due to the reduction in the fair value of the holding in Talgo held by the IDeA OF I Fund and other funds in the portfolio (EUR -5.8 million in the corresponding period of 2019).

Operating costs totalled EUR 30.7 million (of which EUR -25.2 million related to Alternative Asset Management), compared with EUR 26.7 million in the same period of 2019.

Financial income and expense stood at a total of EUR -2.3 million as at 30 June 2020, relating mainly to the OF I Fund (EUR -0.3 million in the same period in 2019).

The total tax impact *for the first six months of 2020*, totalling EUR +3.0 million (EUR -2.9 million in the corresponding period of 2019), is the result of taxes of EUR -0.3 million due in respect of Alternative Asset Management activities (EUR -3.5 million due in the same period of 2019) and EUR +3.3 million relating to holding company activities (EUR +0.6 million in the corresponding period of 2019).

The Group's net result of EUR -1.8 million breaks down as follows: EUR +6.6 million attributable to Alternative Asset Management, EUR -7.1 million to Alternative Investment and EUR -1.3 million to holding companies/eliminations.

Summary Consolidated Income Statement

(EUR thousand)	First Half 2020	First Half 2019
Alternative Asset Management fees	32,528	31,523
Income (loss) from investments valued at equity	(706)	(133)
Other investment income/expense	(8,903)	(5,841)
Income from services	45	197
Other revenues and income	373	30
Other expenses and charges (*)	(30,699)	(26,689)
Financial income and expenses	(2,283)	(318)
PROFIT/(LOSS) BEFORE TAX	(9,644)	(1,231)
Income tax	2,981	(2,884)
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	(6,663)	(4,115)
Profit (Loss) from discontinued operations/held-for-sale assets	0	0
PROFIT/(LOSS) FOR THE PERIOD	(6,663)	(4,115)
- Group share	(1,783)	(3,904)
- Non controlling interests	(4,880)	(211)
		0.00
Earnings per share, basic (€)	(0.007)	(0.015)
Earnings per share, diluted (€)	(0.007)	(0.015)

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

Performance by business in the first half of 2020

(EUR thousand)	Alternative Investment	Alternative Asset Management	Holdings/ Eliminations	Consolidated
Alternative Asset Management fees	0	32,603	(75)	32,528
Income (loss) from investments valued at equity	(137)	(569)	0	(706)
Other investment income/expense	(8,454)	(448)	(1)	(8,903)
Other revenues and income	0	178	241	419
Other expenses and charges	(744)	(25,177)	(4,778)	(30,699)
Financial income and expenses	(2,196)	(142)	55	(2,283)
PROFIT/(LOSS) BEFORE TAXES	(11,531)	6,445	(4,558)	(9,644)
Income tax	0	(307)	3,288	2,981
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	(11,531)	6,138	(1,270)	(6,663)
Profit (Loss) from discontinued operations/held-for-sale assets	0	0	0	0
PROFIT/(LOSS) FOR THE PERIOD	(11,531)	6,138	(1,270)	(6,663)
- Group share	(7,100)	6,587	(1,270)	(1,783)
- Non controlling interests	(4,431)	(449)	0	(4,880)

Performance by business in the first half of 2019

(EUR thousand)	Alternative Investment	Alternative Asset Management	Holdings/ Eliminations	Consolidated
Alternative Asset Management fees	0	31,734	(211)	31,523
Income (loss) from investments valued at equity	(47)	(86)	0	(133)
Other investment income/expense	(6,423)	582	0	(5,841)
Other revenues and income	0	33	194	227
Other expenses and charges	(253)	(22,692)	(3,744)	(26,689)
Financial income and expenses	89	(117)	(290)	(318)
PROFIT/(LOSS) BEFORE TAXES	(6,634)	9,454	(4,051)	(1,231)
Income tax	0	(3,488)	604	(2,884)
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	(6,634)	5,966	(3,447)	(4,115)
Profit (Loss) from discontinued operations/held-for-sale assets	0	0	0	0
PROFIT/(LOSS) FOR THE PERIOD	(6,634)	5,966	(3,447)	(4,115)
- Group share	(6,800)	6,343	(3,447)	(3,904)
- Non controlling interests	166	(377)	0	(211)

➤ **Comprehensive Income – Statement of Performance – IAS 1**

Comprehensive Income or the Statement of Performance (IAS 1), in which performance for the period attributable to the Group is reported including results posted directly to shareholders' equity, reflects a negative balance of approximately EUR -2.2 million, which refers essentially to the net loss of the Income Statement.

<i>(EUR thousand)</i>	First Half 2020	First Half 2019
Profit/(loss) for the period (A)	(6,663)	(4,115)
Comprehensive income/expense which might be subsequently reclassified to the profit (loss) for the period	(117)	205
Comprehensive income/expense which will not be subsequently reclassified within the profit (loss) for the period	(278)	(60)
Other comprehensive income, net of tax (B)	(395)	145
Total comprehensive income for the period (A)+(B)	(7,058)	(3,970)
Total comprehensive income attributable to:		
- Group Share	(2,178)	(3,759)
- Non Controlling Interests	(4,880)	(211)

➤ Consolidated Statement of Financial Position

(EUR thousand)	30.6.2020	31.12.2019
ASSETS		
Non-current assets		
Intangible and tangible assets		
Goodwill	99,936	104,647
Intangible assets	26,392	42,912
Property, plant and equipment	12,878	14,297
- Building in Leasing	12,154	13,420
- Other leased assets	267	318
- Other property, plant and equipment	457	559
Total intangible and tangible assets	139,206	161,856
Investments		
Investments at equity and joint ventures	27,003	30,802
Investments held by Funds at Fair Value through P&L	17,217	22,773
Other Investments at Fair Value through P&L	30,642	50,382
Funds at Fair Value through P&L	126,594	143,597
Other financial assets at Fair Value through P&L	0	37
Total financial Investments	201,456	247,591
Other non-current assets		
Deferred tax assets	3,871	2,409
Loans and receivables	4,803	2,485
Financial receivables for leasing - non current portion	1,193	1,313
Other non-current assets	4,911	4,990
Total other non-current assets	14,778	11,197
Total non-current assets	355,440	420,644
Current assets		
Trade receivables	11,505	8,653
Financial assets at Fair Value	14,026	14,192
Financial receivables	0	245
Financial receivables for leasing - current portion	249	0
Tax receivables from parent companies	2,607	3,953
Other tax receivables	33,799	37,176
Other receivables	10,618	8,207
Cash and cash equivalents	97,030	99,511
Total current assets	169,834	171,937
Total current assets	169,834	171,937
TOTAL ASSETS	525,274	592,581
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Net equity Group	425,364	457,464
Minority interests	19,203	23,634
Shareholders' equity	444,567	481,098
LIABILITIES		
Non-current liabilities		
Trade payables	800	800
Deferred tax liabilities	5,870	5,993
End-of-service payment fund	6,215	5,582
Payables to staff and social security organisations	948	631
Financial liabilities	14,260	13,457
- Financial liabilities for leasing	11,050	12,437
- Other financial liabilities	3,210	1,020
Total non-current liabilities	28,093	26,463
Current liabilities		
Trade payables	5,858	5,470
End-of-service payment fund	27	21
Payables to staff and social security organisations	6,583	11,836
Current tax	4,794	4,336
Other tax payables	1,181	1,491
Other payables	31,127	42,299
Short term financial payables	3,044	19,567
- Short term financial payables for leasing	3,044	3,045
- Other Short term financial payables	0	16,522
Total current liabilities	52,614	85,020
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	525,274	592,581

As at 30 June 2020, DeA Capital S.p.A. reported Group consolidated shareholders' equity of EUR 425.4 million, corresponding to a net asset value (NAV) of EUR 1.63 per share (compared with EUR 1.64 per share at the end of 2019, adjusted due to the distribution of an extraordinary dividend of EUR 0.12 per share in June 2020).

The table below shows the change in the Group's NAV in the 1st Half of 2020:

<i>Change in Group NAV</i>	<i>Total value (EUR m)</i>	<i>No. shares (millions)</i>	<i>Value per share (EUR)</i>
Group NAV at 31.12.2019	457.5	260.0	1.76
Extraordinary dividend distributed	(31.3)		(0.12)
Group NAV at 31.12.2019 "adjusted"	426.2		1.64
Treasury shares delivered under incentive plans	0.0	1.2	1.14 (*)
Comprehensive income - Statement of Performance - IAS 1	(2.2)		
Other changes in NAV	1.4		
Group NAV at 30.6.2020	425.4	261.2	1.63

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

➤ Consolidated net financial position

As at 30 June 2020, the consolidated net financial position was EUR 97.2 million, as shown in the table below.

Net financial position <i>(EUR million)</i>	30.6.2020	31.12.2019 (§)	Change
Cash and cash equivalents	97.0	68.2	28.8
Financial assets at Fair Value through OCI	14.0	14.2	(0.2)
Financial receivables	3.5	25.0	(21.5)
Non-current financial liabilities	(14.3)	(13.5)	(0.8)
Current financial liabilities	(3.0)	(19.6)	16.6
TOTAL	97.2	74.3	22.9

(*) Data at 31.12.2019 restated for dividends distributed in June 2020 (31.3 € million)

The positive change in the consolidated Net Financial Position recorded in the 1st Half of 2020 compared to the "adjusted" figure as at 31 December 2019 was mainly generated by the movements of the Investment Portfolio (of which EUR 16.5 million relates to the distribution of part of the IDeaMI liquidation assets).

The Company believes that the cash and cash equivalents and the other financial resources available are sufficient to meet the requirement relating to payment commitments already subscribed to in funds, also taking into account the amounts expected to be called up/distributed by these funds. With regard to these residual commitments, the Company believes that the resources currently available, as well as those that will be generated by its operating activities, will enable the Group to meet the financing required for its investment activity and to manage working capital.

6. Other information

➤ **Main risks and uncertainties to which the Parent Company and consolidated Group companies are exposed**

Regarding risks related to the characteristics of the market and the assets of the Parent Company DeA Capital S.p.A. and the companies included in the Group's Consolidated Financial Statements, as well as following the main findings of the activities of risk assessment and periodic monitoring of the policies adopted by the Group, it is believed that the contemporary governance system that has been adopted is able to ensure effective management of the complexity and the achievement of the strategic objectives of each company and of the Group itself. Furthermore, the assessments carried out by the organisational units and the directors confirm the non-critical nature of these risks and uncertainties, as well as the DeA Capital Group's financial solidity.

A. Contextual risks

A.1. Risks relating to general economic conditions

The operating performance and financial position of the DeA Capital Group are affected by the various factors that make up the macro-economic environment in the countries in which the Group has invested, including GDP performance, investor and consumer confidence, interest rates, inflation, the costs of raw materials and unemployment. The ability to meet medium- to long-term objectives could be affected by general economic trends, which could slow the development of sectors the Group has invested in and/or the business of the investee companies.

A.2. Socio-political events

In line with its own strategic growth guidelines, one of the DeA Capital Group's activities is private equity investment in companies/funds in different jurisdictions and countries around the world which, in turn, invest in a number of countries and geographical areas. The DeA Capital Group may have invested in foreign countries whose social, political and economic conditions put the achievement of its investment objectives at risk.

A.3. Regulatory changes

Group companies conduct their operations in regulated sectors and markets. Any changes to or developments in the legislative or regulatory framework that affect the costs and revenues structure of investee companies or the tax regime applied could have negative effects on the Group's financial results. To combat this risk, the Group has established procedures to constantly monitor sector regulation and any changes thereto, in order to take advantage of business opportunities and respond promptly to any changes to the prevailing legislation and regulations.

A.4. Performance of the financial markets

The Company's ability to meet its strategic and management objectives could depend on the performance of financial markets. A negative trend in financial markets could have an effect on the performance of the Alternative Investment sector in general, making investment and divestment transactions more complex, and, in particular, on the Group's capacity to increase the value of its investments. The value of shareholdings held directly or indirectly through funds in which the Company has invested could be affected by factors such as comparable transactions entered into on the market, sector multiples and market volatility. These factors, which cannot be directly controlled by the Group, are constantly monitored in order to identify appropriate response strategies that involve both the provision of guidance for the

management of Group companies, and the investment and value enhancement strategy for the assets held.

A.5. Exchange rates

Holding investments in currencies other than the euro exposes the Group to changes in exchange rates between currencies. The investment in Kenan Investments is managed as a special case, since although it was made in Euro, the underlying asset (Migros holding) is expressed in Turkish lira.

A.6. Interest rates

Financing operations that are subject to variable interest rates could expose the Group to a decrease in the value of direct and indirect investments if base interest rates rise significantly. Here too, the Group has adopted procedures to constantly monitor the risk concerned.

B. Strategic risks

B.1. Concentration of the Private Equity investment portfolio

Within the Alternative Investment strategy pursued by the Group, the overall profitability of the latter could be adversely affected by an unfavourable trend in one or a few investments, if there were insufficient risk diversification, resulting from the excessive concentration of investment in a small number of assets, sectors, countries, currencies, or of indirect investments in funds with limited investment targets/types of investment. To address these risk, the Group pursues an asset allocation strategy aimed at defining a balanced portfolio with a moderate risk profile.

B.2. Concentration of Asset Management activities

In the Alternative Asset Management business, events could lead to excessive concentration of assets and therefore hinder achievement of the level of expected returns. These events could be due to:

- concentration of the assets managed by asset management companies across a limited number of funds, if it were decided to terminate the asset management mandate for one or more funds;
- concentration of the financial resources of the funds managed across a limited number of sectors and/or geographical areas, in the event of a currency, systemic or sector crisis;
- for closed-end funds, the concentration of the commitment across just a few subscribers.
- concentration of real estate present in the portfolio of managed funds in a few cities and/or in limited types of property (management/commercial), in the event of a slump in the property market concerned;
- concentration in respect of certain major tenants, if they were to withdraw from the rental contracts, which could lead to a vacancy rate that would have a negative impact on the funds' financial results and the valuation of the properties managed;
- concentration of the maturities of real estate funds within a narrow timeframe, with related high availability of property on the market, leading to a decrease in property values and an increase in selling times.

For each of the risk scenarios outlined above, the Group has defined and implemented appropriate strategies that include strategic, operational and management aspects, as well as a system monitoring the level of asset diversification in the Alternative Asset Management business.

B.3. Key resources (governance/organisation)

The success of the DeA Capital Group depends to a large extent on its executive directors and certain key management figures, their ability to efficiently manage the business and the ordinary operations of the Group and their knowledge of the market and the professional relationships established. The departure of one or more of these key resources, without a suitable replacement being found, as well as an inability to attract and retain qualified resources, could impact growth targets and have a negative effect on the Group's operating performance and financial results. To mitigate this risk, the Group has put in place HR management policies that correspond closely to the needs of the business, and incentive policies that are periodically reviewed, in light of, among other things, the macroeconomic climate and the results achieved by the Group.

C. Operating risks

C.1. Investment operations

Investment operations conducted by the Group are subject to the risks typical of private equity activities, such as the accurate valuation of the target company and the nature of the transactions carried out. The Group has implemented a structured process of due diligence on the target companies and a careful definition of shareholders' agreements in order to conclude agreements in line with the investment strategy and the risk profile defined by the Group itself.

C.2. Compliance with covenants

Some investment operations were concluded using financial leverage to invest in the target companies. For financing contracts signed by investee companies, specific covenants generally backed by collateral are in place; failure to comply with these could necessitate recapitalisation operations for investee companies and lead to an increase in financial charges relating to debt refinancing. Failure to comply with covenants attached to loans could have negative effects on both the financial position and operations of investee companies, and the value of the investment.

C.3. Divestment operations

In its Alternative Investment business, the Group generally invests over a medium- to long-term time horizon. Over the investment management period, external situations could arise that might have a significant impact on the operating results of the investee companies and, consequently, on the value of the investment itself. Furthermore, in the case of co-investment, guiding the management of an investee company could prove problematic or infeasible, and it may ultimately prove impossible to dispose of the stakes held due to lock-up. The divestment strategy could therefore be negatively affected by various factors, some of which cannot be foreseen at the time the investments are made. To combat these risk situations, the Group has defined a process to monitor the performance of its investee companies, facilitated by its representation on the management bodies of significant investee companies, with a view to identifying any critical situations in good time.

C.4. Funding risk

The income flows expected from the Alternative Asset Management business depend on the capacity of the Group's asset management companies to stabilise/grow their assets under management. In this environment, fundraising activities could be harmed by both external and internal factors, such as bad timing in respect of fundraising activities by the asset management companies, or the departure of key managers from the companies. The Group has established appropriate risk management strategies in relation to fundraising, with a view to both involving new investors and retaining current investors.

Regarding the effects of the spread of COVID-19, as already noted in the section on “Significant events during the first half of 2020”, the Group's operational effectiveness is substantially unchanged and a strong continuity of its management approach has been secured, albeit in a context in which the risks to which its business was already subject are amplified.

➤ **Transactions with parent companies, subsidiaries and related parties**

As regards transactions with related parties, these are reported in the section “Other Information” of the Notes to the Summary Half-Year Consolidated Financial Statements as at 30 June 2020.

➤ **Other information**

As at 30 June 2020, the Group had 229 employees (212 at the end of 2019), including 206 in alternative asset management and 23 in alternative investment/holding companies. As at 30 June 2020, these staff levels do not include personnel on secondment from the Parent Company De Agostini S.p.A.

With regard to the regulatory requirements set out in Article 36 of the Market Regulation on conditions for the listing of parent companies, companies formed or regulated by laws of non-EU countries and of major importance in the consolidated financial statements, it is hereby noted that no Group company falls within the scope of the above-mentioned provision.

Furthermore, conditions prohibiting listing pursuant to Article 37 of the Market Regulation, relating to companies subject to the management and coordination of other parties, do not apply.

**Summary Consolidated Half-Year Report
for the period from 1 January to 30 June 2020**

• Consolidated Statement of Financial Position

(EUR thousand)	Note	30.6.2020	31.12.2019
ASSETS			
Non-current assets			
Intangible and tangible assets			
Goodwill	1a	99,936	104,647
Intangible assets	1b	26,392	42,912
Property, plant and equipment	1c	12,878	14,297
- Building in Leasing		12,154	13,420
- Other leased assets		267	318
- Other property, plant and equipment		457	559
Total intangible and tangible assets		139,206	161,856
Investments			
Investments at equity and joint ventures	2a	27,003	30,802
Investments held by Funds at Fair Value through P&L	2b	17,217	22,773
Other Investments at Fair Value through P&L	2c	30,642	50,382
Funds at Fair Value through P&L	2d	126,594	143,597
Other financial assets at Fair Value through P&L		0	37
Total financial Investments		201,456	247,591
Other non-current assets			
Deferred tax assets	3a	3,871	2,409
Loans and receivables	3b	4,803	2,485
Financial receivables for leasing - non current portion	3c	1,193	1,313
Other non-current assets	3d	4,911	4,990
Total other non-current assets		14,778	11,197
Total non-current assets		355,440	420,644
Current assets			
Trade receivables	4a	11,505	8,653
Financial assets at Fair Value	4b	14,026	14,192
Financial receivables		0	245
Financial receivables for leasing - current portion	4c	249	0
Tax receivables from parent companies	4d	2,607	3,953
Other tax receivables	4e	33,799	37,176
Other receivables	4f	10,618	8,207
Cash and cash equivalents	4g	97,030	99,511
Total current assets		169,834	171,937
Total current assets		169,834	171,937
TOTAL ASSETS		525,274	592,581
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital		266,612	266,612
Share premium reserve		155,542	186,882
Legal reserve		61,322	61,322
Own share reserve		(9,060)	(10,415)
Fair value reserve		285	402
Other reserves		(17,479)	(17,930)
Retained earnings (losses)		(30,075)	(41,665)
Profit (loss) for the year		(1,783)	12,256
Net equity Group		425,364	457,464
Minority interests		19,203	23,634
Shareholders' equity	5	444,567	481,098
LIABILITIES			
Non-current liabilities			
Trade payables	6a	800	800
Deferred tax liabilities	3a/6b	5,870	5,993
End-of-service payment fund	6c	6,215	5,582
Payables to staff and social security organisations		948	631
Financial liabilities	6d	14,260	13,457
- Financial liabilities for leasing		11,050	12,437
- Other financial liabilities		3,210	1,020
Total non-current liabilities		28,093	26,463
Current liabilities			
Trade payables	7a	5,858	5,470
End-of-service payment fund		27	21
Payables to staff and social security organisations	7b	6,583	11,836
Current tax	7c	4,794	4,336
Other tax payables	7d	1,181	1,491
Other payables	7e	31,127	42,299
Short term financial payables	7f	3,044	19,567
- Short term financial payables for leasing		3,044	3,045
- Other Short term financial payables		0	16,522
Total current liabilities		52,614	85,020
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		525,274	592,581

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.

• **Consolidated Income Statement**

<i>(EUR thousand)</i>	Note	First Half 2020	First Half 2019
Alternative Asset management fees	8	32,528	31,523
Income from equity investments	9	(706)	(133)
Other investment income/expense	10	(8,903)	(5,841)
Income from services		46	197
Other income		373	30
Personnel costs	11a	(19,134)	(15,565)
Service costs	11b	(7,323)	(7,087)
Depreciation, amortization and impairment	11c	(2,584)	(2,392)
Other expenses	11d	(1,658)	(1,645)
Financial income	12a	266	515
Financial expenses	12b	(2,549)	(833)
PROFIT/(LOSS) BEFORE TAX		(9,644)	(1,231)
Income tax	13	2,981	(2,884)
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		(6,663)	(4,115)
Profit (Loss) from discontinued operations/held-for-sale assets		0	0
PROFIT/(LOSS) FOR THE PERIOD		(6,663)	(4,115)
- Group share		(1,783)	(3,904)
- Non controlling interests		(4,880)	(211)
Earnings per share, basic (€)		(0.007)	(0.015)
Earnings per share, diluted (€)		(0.007)	(0.015)

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.

- **Performance by business in the first half of 2020**

(EUR thousand)	Alternative Investment	Alternative Asset Management	Holdings/ Eliminations	Consolidated
Alternative Asset Management fees	0	32,603	(75)	32,528
Income (loss) from investments valued at equity	(137)	(569)	0	(706)
Other investment income/expense	(8,454)	(448)	(1)	(8,903)
Other revenues and income	0	178	241	419
Other expenses and charges	(744)	(25,177)	(4,778)	(30,699)
Financial income and expenses	(2,196)	(142)	55	(2,283)
PROFIT/(LOSS) BEFORE TAXES	(11,531)	6,445	(4,558)	(9,644)
Income tax	0	(307)	3,288	2,981
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	(11,531)	6,138	(1,270)	(6,663)
Profit (Loss) from discontinued operations/held-for-sale assets	0	0	0	0
PROFIT/(LOSS) FOR THE PERIOD	(11,531)	6,138	(1,270)	(6,663)
- Group share	(7,100)	6,587	(1,270)	(1,783)
- Non controlling interests	(4,431)	(449)	0	(4,880)

- **Performance by business in the first half of 2019**

(EUR thousand)	Alternative Investment	Alternative Asset Management	Holdings/ Eliminations	Consolidated
Alternative Asset Management fees	0	31,734	(211)	31,523
Income (loss) from investments valued at equity	(47)	(86)	0	(133)
Other investment income/expense	(6,423)	582	0	(5,841)
Other revenues and income	0	33	194	227
Other expenses and charges	(253)	(22,692)	(3,744)	(26,689)
Financial income and expenses	89	(117)	(290)	(318)
PROFIT/(LOSS) BEFORE TAXES	(6,634)	9,454	(4,051)	(1,231)
Income tax	0	(3,488)	604	(2,884)
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	(6,634)	5,966	(3,447)	(4,115)
Profit (Loss) from discontinued operations/held-for-sale assets	0	0	0	0
PROFIT/(LOSS) FOR THE PERIOD	(6,634)	5,966	(3,447)	(4,115)
- Group share	(6,800)	6,343	(3,447)	(3,904)
- Non controlling interests	166	(377)	0	(211)

• **Consolidated Statement of Comprehensive Income (Statement of Performance – IAS 1)**

<i>(Euro thousands)</i>	First Half 2020	First Half 2019
<i>Profit/(loss) for the period (A)</i>	<i>(6,663)</i>	<i>(4,115)</i>
Comprehensive income/expense which might be subsequently reclassified within the profit (loss) for the period	(117)	205
<i>Incomes (Losses) on financial assets at fair value</i>	(117)	205
Comprehensive income/expense which will not be subsequently reclassified to the profit (loss) for the period	(278)	(60)
<i>Gains/(losses) on remeasurement of defined benefit plans</i>	(278)	(60)
<i>Other comprehensive income, net of tax (B)</i>	<i>(395)</i>	<i>145</i>
<i>Total comprehensive income for the period (A)+(B)</i>	<i>(7,058)</i>	<i>(3,970)</i>
<i>Total comprehensive income attributable to:</i>		
- Group Share	(2,178)	(3,759)
- Non Controlling Interests	(4,880)	(211)

Consolidated Cash Flow Statement – Direct Method

<i>(EUR thousand)</i>	First Half 2020	First Half 2019
CASH FLOW from operating activities		
Investments in funds and shareholdings	(3,208)	(7,593)
Capital reimbursements from funds	15,010	10,021
Sale of investments	19,362	500
Interest received	1,648	68
Cash distribution from investments	0	859
Realized gains (losses) on exchange rate and derivatives	(1)	0
Taxes paid / reimbursed	(4,083)	(1,448)
Dividends received	0	135
Management and performance fees received	30,237	36,278
Revenues for services	351	705
Operating expenses	(32,276)	(24,602)
Net cash flow from operating activities	27,040	14,923
CASH FLOW from investing activities		
Acquisition of tangible fixed assets	(90)	(246)
Purchase of licenses and intangible assets	(16,885)	(206)
Proceeds from the sale of tangible and intangible fixed assets	22,318	0
Net cash flow from investing activities	5,343	(452)
CASH FLOW from financing activities		
Acquisition of financial assets	(10)	(7,656)
Sale of financial assets	0	510
Cash flow from leasing contract	(1,554)	(1,461)
Share capital issued	0	97
Own shares acquired	0	0
Share capital issued for Stock Option Plan	0	324
Dividends/reimbursements paid	(31,337)	(37,531)
Loans and bank loans	(1,963)	(54)
Net cash flow from financing activities	(34,864)	(45,771)
CHANGE IN CASH AND CASH EQUIVALENTS	(2,481)	(31,300)
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	97,030	112,466

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.

• Consolidated Statement of Changes in Shareholders' Equity

(EUR thousand)	Share capital	Share premium reserve	Legal reserve	Reserve of own shares	Fair value reserve	Other reserves	Retained earnings and losses	Group Profit & Loss	Group total	Non-controlling interests	Consolidated shareholders' equity
Total at 31 December 2019	266,612	186,882	61,322	(10,415)	402	(17,930)	(41,665)	12,256	457,464	23,634	481,098
Allocation of 2019 net profit	0	0	0	0	0	0	12,256	(12,256)	0	0	0
Performance share / Stock option cost	0	0	0	0	0	874	0	0	874	0	874
Treasury shares given for incentive plans	0	0	0	1,355	0	(1,138)	(217)	0	0	0	0
Dividend distribution	0	(31,340)	0	0	0	0	0	0	(31,340)	0	(31,340)
Other changes	0	0	0	0	0	993	(449)	0	544	449	993
Total comprehensive income (loss)	0	0	0	0	(117)	(278)	0	(1,783)	(2,178)	(4,880)	(7,058)
Total at 30 June 2020	266,612	155,542	61,322	(9,060)	285	(17,479)	(30,075)	(1,783)	425,364	19,203	444,567

(EUR thousand)	Share capital	Share premium reserve	Legal reserve	Reserve of own shares	Fair value reserve	Other reserves	Retained earnings and losses	Group Profit & Loss	Group total	Non-controlling interests	Consolidated shareholders' equity
Total at 31 December 2018	306,612	240,859	61,322	(82,766)	(179)	(18,555)	(51,882)	11,070	466,481	39,299	505,780
Allocation of 2018 net profit	0	0	0	0	0	0	11,070	(11,070)	0	0	0
Stock option cost	0	0	0	0	0	60	0	0	60	0	60
Purchase of own shares	0	0	0	0	0	0	0	0	0	0	0
Stock Option and performance shares exercise	0	0	0	1,525	0	(968)	(234)	0	323	0	323
Dividend distribution	0	(31,197)	0	0	0	0	0	0	(31,197)	(5,188)	(36,385)
Other changes	0	0	0	8,046	0	(189)	(510)	0	7,347	(9,046)	(1,699)
Total comprehensive income (loss)	0	0	0	0	205	(60)	0	(3,904)	(3,759)	(211)	(3,970)
Total at 30 June 2019	306,612	209,662	61,322	(73,195)	26	(19,712)	(41,556)	(3,904)	439,255	24,854	464,109

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.

Notes to the Financial Statements

Structure and content of the Summary Half-Year Consolidated Financial Statements as at 30 June 2020

The Summary Half-Year Consolidated Financial Statements as at 30 June 2020 comprises the Consolidated Statement of Financial Position, Consolidated Income Statement, Consolidated Statement of Comprehensive Income (Statement of Performance), Consolidated Cash Flow Statement, Consolidated Statement of Changes in Shareholders' Equity and these Notes to the Financial Statements. They are also accompanied by the Interim Report on Operations and the Statement of Responsibilities for the Summary Half-Year Consolidated Financial Statements pursuant to art. 154-bis of Legislative Decree 58/98.

The income and Statement of Cash Flow information are provided for H1 2020 and H1 2019; the equity information is provided for 30 June 2020 and 31 December 2019.

The Consolidated Statement of Financial Position provides a breakdown of current and non-current assets and liabilities with separate reporting for those resulting from discontinued or held-for-sale operations. The Consolidated Income Statement provides a breakdown whereby costs and revenues are classified according to type. The Consolidated Cash Flow Statement is prepared using the "direct method".

Unless otherwise indicated, all tables and figures included in these Notes to the Financial Statements are reported in EUR thousand.

Statement of compliance with accounting standards

The Summary Half-Year Consolidated Financial Statements as at 30 June 2020 was prepared in accordance with the going concern principle and with the International Accounting Standards adopted by the European Union and approved by the date this document was prepared (the International Accounting Standards, or individually, IAS/IFRS, or collectively IFRS – International Financial Reporting Standards), and in accordance with art. 154-ter of Legislative Decree No. 58/1998 that implements the "Transparency Directive". When preparing the Summary Half-Year Consolidated Financial Statements, all interpretations of the International Financial Reporting Interpretations Committee (IFRIC) were applied, including those previously issued by the Standing Interpretations Committee (SIC), approved by the European Union.

The Summary Half-Year Consolidated Financial Statements as at 30 June 2020 were prepared pursuant to IAS 34 (*Interim financial reporting*) as well as in Summary form; thus they do not include all the information required for the year-end Consolidated Financial Statements. They must therefore be read in conjunction with the Consolidated Financial Statements prepared as at 31 December 2019.

In accordance with the provisions of IAS/IFRS and current laws, the Company authorised the publication of the Half-Year Report as at 30 June 2020 by the legal deadline.

The valuation criteria adopted on the basis of the International Accounting Standards are consistent with the going concern principle, and except as indicated below, are not varied from those used to prepare the Consolidated Financial Statements for the Year Ending 31 December 2019, to which reference should be made for additional details.

The following table shows the IFRSs/interpretations approved by the IASB and approved for adoption in Europe and applied for the first time in the current financial year.

Description	Date of approval	Date of application of the standard	Effective date
Amendments to IFRS 3: "Business Combinations" (issued on 22 October 2018)	21.4.2020	1.1.2020	1.1.2020
Amendments to IFRS 9, IAS 39 and IFRS 7: "Interest Rate Benchmark Reform" (issued on 26 September 2019)	15.01.2020	1.1.2020	1.1.2020
Amendments to the references to the Conceptual Framework in the IFRSs (issued on 29 March 2018)	29.11.2019	1.1.2020	1.1.2020
Amendments to IAS 1 and IAS 8: "Definition of Material" (issued on 31 October 2018)	29.11.2019	1.1.2020	1.1.2020

With reference to the above standards and interpretations, the adoption did not have any material impact on the valuation of the Group's assets, liabilities, costs and revenues.

Future accounting standards, amendments and interpretations

Accounting standards, amendments and interpretations that are not yet applicable, have not been adopted in advance by the Group and are not yet approved for adoption in the European Union

On 28 May 2020, the IASB issued amendments to IFRS 16 "Leases Covid 19-Related Rent Concessions" by introducing a practical expedient to the chapter "Leasing amendments" that allows the lessor to not consider any concessions on the payment of the rents received from 1st January 2020 and arising from Covid-19 effects as a modification of the original contract; therefore, the above concessions may be accounted for as if the contract had not undergone any amendments.

In order to be able to apply this exemption, all of the following conditions must be verified:

- the concession on payments is a direct consequence of the Covid-19 pandemic;
- the change in payments left the same amount to be paid unaltered - in relation to the original conditions - or reduced the amount;
- the reduction in payments refers only to those originally due until June 2021;
- there are no material changes to other lease terms or conditions.

The amendments to IFRS 16 have an effective date of 1 June 2020, but have not yet been approved for adoption in Europe at the date of drafting and publication of this half-yearly report. The application of this change does not have a significant effect on the accounting of the Group's leases.

The following are the international accounting standards, interpretations, amendments to existing accounting standards and interpretations, or specific provisions contained in the standards and interpretations approved by the IASB which have not yet been approved for adoption in Europe at 28 July 2020.

Description	Date of application of the standard
IFRS 17 " <i>Insurance Contracts</i> " (issued on 18 May 2017)	Financial years that start on or after 1.1.2023
Amendments to IFRS 4 " <i>Insurance Contracts – deferral of IFRS 9</i> " (issued 25 June 2020)	Financial years that start on or after 1.1.2021
Amendments to IAS 1: " <i>Presentation of Financial Statements – Classification of liabilities as current or non-current</i> " (issued 23 January 2020)	Financial years that start on or after 1.1.2022
Amendments to:	
<ul style="list-style-type: none"> • IFRS 3 <i>Business Combinations</i> • IAS 16 <i>Property, Plant and Equipment</i> • IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i> • <i>Annual Improvements 2018-2020</i> 	Financial years that start on or after 1.1.2022
(all issued on 14 May 2020)	

With reference to the standards and interpretations detailed above, the adoption is not expected to have any material impact on the valuation of the Group's assets, liabilities, costs and revenues.

Use of estimates and assumptions in the preparation of the Summary Half-Year Consolidated Financial Statements as at 30 June 2020

The Company must make assessments, estimates and assumptions that affect the application of accounting standards and the amounts of assets, liabilities, costs and revenues recorded in the financial statements. Estimates and related assumptions are based on past experience and factors deemed reasonable in the case concerned; these are used to estimate the carrying value of assets and liabilities that cannot be easily obtained from other sources. Since these are estimates, the results obtained should not necessarily be considered definitive.

These estimates and assumptions are reviewed regularly. Any changes resulting from revisions of accounting estimates are reported in the period in which the revision takes place if they involve that period only; if the revision involves current and future periods, the change is reported in the period in which the revision takes place and in future periods.

With the understanding that the use of reasonable estimates is an essential part of preparing the Summary Half-Year Consolidated Financial Statements as at 30 June 2020, note that the use of estimates is particularly significant with regard to valuations of assets and shareholdings that make up the investment portfolio.

An estimate may be adjusted as a result of changes in the circumstances on which it was based, or as a result of new information. Any change in the estimate is applied prospectively and has an impact on the results for the period in which the change occurred, and potentially on those in future periods.

As permitted by IAS/IFRS, the preparation of the Summary Half-Year Consolidated Financial Statements as at 30 June 2020 required the use of significant estimates by the Company's management, especially with regard to fair value measurements of the investment portfolio (shareholdings and funds).

These fair value measurements were determined by the Directors based on their best estimates and judgement, using their knowledge and the evidence available at the time the Summary Half-Year Consolidated Financial Statements as at 30 June 2020 was prepared. However, due to objective difficulties in making assessments and the absence of a liquid market, the values assigned to such assets could differ, and in some cases significantly, from those that could actually be obtained when the assets are sold.

In addition, the current situation of instability and uncertainty of the macro-economic framework following the occurrence of the COVID-19 epidemic, which, above all, can affect the future enhancement capacity of the assets in the portfolio, consequently renders these estimates and valuations even more difficult, inevitably incorporating elements of uncertainty.

For a more detailed description of the most important valuation processes for the Group, refer to the Consolidated Financial Statements as at 31 December 2019.

Scope of consolidation

As at 30 June 2020, the following companies formed part of the DeA Capital Group's scope of consolidation:

Company	Registered office	Currency	Share capital	% holding	Consolidation method
DeA Capital S.p.A.	Milan, Italy	Eur	266,612,100	Holding	
DeA Capital Alternative Funds SGR S.p.A.	Milan, Italy	Eur	1,300,000	100.00%	Full consolidation
IDeA OF I	Milan, Italy	Eur	-	46.99%	Full consolidation
DeA Capital Partecipazioni S.p.A.	Milan, Italy	Eur	600,000	100.00%	Full consolidation
DeA Capital Real Estate SGR S.p.A.	Rome, Italy	Eur	16,757,557	100.00%	Full consolidation
DeA Capital Real Estate France S.A.S.	Paris, France	Eur	100,000	70.00%	Full consolidation
DeACapital Real Estate Iberia S.L.	Madrid, Spain	Eur	100,000	73.00%	Full consolidation
DeA Capital Real Estate Poland Sp. z o.o.	Warsaw, Poland	PLN	2,000,000	50.00%	Equity Accounted (Joint-
Quaestio Holding S.A.	Luxembourg	Eur	4,839,630	38.82%	Equity accounted (Associate)
YARD Group	Milan, Italy	Eur	690,100	38.98%	Equity accounted (Associate)
IDeA Efficienza Energetica e Sviluppo Sostenibile	Milan, Italy	Eur	-	30.40%	Equity accounted (Associate)
Venere	Rome, Italy	Eur	-	27.27%	Equity accounted (Associate)

Information on the fair value hierarchy

IFRS 13 stipulates that financial instruments reported at fair value should be classified based on a hierarchy that reflects the importance and quality of the inputs used in calculating the fair value. Three levels have been determined:

- **level 1:** where the fair value of the financial instrument is calculated based on the quoted prices recorded on an active market for assets or liabilities identical to those being valued
- **level 2:** where the fair value of the financial instrument is calculated using observable inputs other than those included in level 1, such as:
 - prices quoted on active markets for similar assets and liabilities
 - prices quoted on inactive markets for identical assets and liabilities
 - interest rate curves, implied volatility, credit spreads

- **level 3:** where the fair value of the financial instrument is measured on the basis of non-observable data. These input data may be used if no observable input data are available. IFRS 13 specifies that unobservable input data used to measure fair value must reflect the assumptions used by market participants when fixing the price for the assets or liabilities being valued

The table below shows assets measured at fair value by hierarchical level as at 30 June 2020:

(EUR million)	Note	Level 1	Level 2	Level 3	Total
Investments held by Funds at Fair Value through P&L	2b	0.0	14.2	3.0	17.2
Other Investments at Fair Value through P&L	2c	4.9	20.7	5.1	30.7
Funds at Fair Value through P&L	2d	3.3	123.3	0.0	126.6
Financial assets at fair value through OCI	4b	14.0	0.0	0.0	14.0
Total assets		22.2	158.2	8.1	188.5

Valuation techniques and main input data

Investments held by Funds – measured at Fair Value through P&L

As at 30 June 2020, the DeA Capital Group holds, through the IDeA OF I fund, minority interests in Iacobucci HF Electronics and Pegaso Transportation Investments (Talgo).

Investments held by Funds – measured at Fair Value through P&L are measured as indicated in the fund’s half-year management report as at 30 June 2020. Note that the valuation of the IDeA OF I fund’s assets, as reflected in the fund’s net asset value reported in the above-mentioned half-year management report, and expressed according to Bank of Italy criteria, considers, for all securities not listed in a regulated market, the lower of the investment value (“cost”) and the fair value. This approach, although potentially conservative if assets are valued individually, confers a correct representation of the fair value from the point of view of the holder of the fund units. Any trading of said units is, in practice, mainly based on the NAV of the fund to which they relate, adjusted if necessary by a “discount” (much more rarely by a “premium”). This is the main reason it is considered appropriate, from the perspective of DeA Capital S.p.A., which holds an interest in the assets in the portfolio of IDeA OF I via the units it holds in the fund, to show the values of said individual assets held by IDeA OF I as reported in the relevant half-year management report.

Investments in other companies – measured at fair value through P&L

This item comprises:

- the shareholding in Kenan Investments (the holder of a shareholding in Migros), which was recorded in the Consolidated Financial Statements as at 30 June 2020 at a value of EUR 20.7 million (compared with EUR 15.7 million as at 31 December 2019). This valuation is based on (i) the equity value of Migros, measured at market price on 30 June 2020, (ii) updated details of the net financial position at the various levels of the company’s control structure and (iii) the TRY/EUR exchange rate as at 30 June 2020;
- the stake in Cellularline, which was recorded in the Consolidated Financial Statements as at 30 June 2020 at EUR 4.8 million (EUR 6.8 million as at 31 December 2019), based on the market price as at 30 June 2020 (as the company’s shares started trading on the Italian stock exchange on 15 March 2017);
- the shareholding in ToI Due (the holder of a fully diluted 10.0% shareholding in Alice Pizza), which was recorded in the Consolidated Financial Statements as at 30 June 2020 at a value of EUR 5.0 million (unchanged compared with 31 December 2019) equal to the purchase cost, representative of the fair value at 30 June 2020.

Funds measured at Fair Value through P&L (Funds of funds and private equity theme funds, Venture Capital Funds and Real Estate Funds)

Valuations of shareholdings and funds in the portfolio reflect estimates made using the information available on the date this that document was prepared.

As at 30 June 2020, the DeA Capital Group held units in the following funds:

- IDeA I FoF (valued at EUR 20.9 million as at 30 June 2020 compared with EUR 25.2 million as at 31 December 2019);
- ICF II (valued at EUR 24.5 million as at 30 June 2020 compared with EUR 29.8 million as at 31 December 2019);
- ICF III (valued at EUR 12.0 million as at 30 June 2020 compared with EUR 12.3 million as at 31 December 2019);
- IDeA ToI (for a value of EUR 16.5 million as at 30 June 2020, unchanged from 31 December 2019);
- IDeA CCR I (EUR 1.0 million as at 30 June 2020, unchanged compared with 31 December 2019);
- IDeA CCR II (EUR 4.1 million as at 30 June 2020, compared with EUR 3.3 million as at 31 December 2019);
- IDeA Agro (valued at EUR 1.4 million as at 30 June 2020 compared with EUR 0.7 million as at 31 December 2019);
- Santa Palomba (EUR 0.7 million as at 30 June 2020, compared with EUR 0.5 million as at 31 December 2019);
- 5 venture capital funds (EUR 1.3 million as at 30 June 2020, compared with EUR 6.5 million as at 31 December 2019);
- 10 real estate funds held through DeA Capital Real Estate SGR (EUR 44.0 million as at 30 June 2020, compared with EUR 47.6 million as at 31 December 2019);
- funds held through DeA Capital Alternative Funds SGR (EUR 0.2 million as at 30 June 2020, substantially unchanged compared with 31 December 2019).

For venture capital funds, the fair value of each fund is based on the fund's stated NAV, calculated according to international valuation standards and adjusted if necessary to reflect capital reimbursements/calls that occurred between the reference date for the last available NAV and the balance sheet date.

For the other funds, the fair value of each fund is represented by the NAV advised by the management company in the half-year fund management report as at 30 June 2020, drafted in accordance with the Bank of Italy's regulation of 19 January 2015, as subsequently amended, on collective asset management.

Notes on the Consolidated Statement of Financial Position

NON-CURRENT ASSETS

Non-current assets stood at EUR 355.4 million as at 30 June 2020 (compared with EUR 420.6 million as at 31 December 2019).

1a – Goodwill

The item, amounting to EUR 99.9 million as at 30 June 2020 (compared with EUR 104.6 million as at 31 December 2019), refers to the goodwill recorded in relation to the acquisition of

IFIM/FIMIT SGR (now DeA Capital Real Estate SGR) for EUR 62.4 million and the investment in DeA Capital Alternative Funds SGR of EUR 37.5 million, this latter amount relating, for EUR 6.2 million, to the acquisition completed by DeA Capital Alternative Funds SGR on 5 November 2019 of the so-called "NPL Management Business Unit" of Quaestio SGR (essentially consisting of the management mandates of the "Atlante" and "Italian Recovery Fund" funds, as well as the team and the contracts related to the aforementioned management mandates).

The Purchase Price Allocation ("PPA") process, completed after the closure of the Financial Statements to 31 December 2019 in accordance with the provisions dictated by IFRS 3 "Business Combinations", resulted in the recognition of (i) a specified intangible asset (customer relationship), identified in the management mandate of the fund "Italian Recovery Fund", for an amount equal to EUR 6.7 million (inclusive of recognised deferred tax liabilities amounting to EUR 2.0 million) and (ii) goodwill, calculated on a residual basis, amounting to EUR 6.2 million (compared with EUR 10.9 million as at 31 December 2019, before the purchase price allocation process). It is hereby noted that the redemption transaction by DeA Capital Alternative Funds SGR relates both to the intangible assets of customer relationship as well as to the aforementioned goodwill, the latter with tax benefits only, since it will not be subject to amortisation, but to an impairment test on the holding of the carrying amount.

IAS 36 requires that goodwill, and hence the cash-generating unit (CGU), or groups of CGUs to which it has been allocated, is subject to impairment tests at least annually and that certain qualitative and quantitative indicators of impairment are monitored continuously to check for the existence of conditions that would require impairment testing to be carried out more frequently.

With reference to the requirement of the Accounting Standards of reference and the most recent recommendations of national and international supervisory Authorities, more specifically those contained:

- in the ESMA Public Statement "Implications of the COVID-19 outbreak on the half-yearly financial reports" issued on 20 May 2020;
- in the Consob warning notice No. 8/20 "COVID 19 - Drawing attention to financial reporting" issued on 16 July 2020;
- in the Statement of IOSCO (International Organisation of Securities Commissions) of 29 May 2020;

the qualitative and quantitative analysis conducted did not reveal any issues that would require impairment tests to be instigated.

At the level of the Alternative Asset Management Platform, the restrictive measures on the mobility of persons made necessary by COVID-19 led to a general slowdown in entry and exit transactions for funds under management, with a substantial stability of the operating results of the 1st Half of 2020 compared with the same period of the previous year.

In the face of the backdrop of instability induced by the spread of COVID-19, the Group has nevertheless continued Platform development activities in the segments of *Real Estate* (with the new "GO Italy VII" and "Park West" funds launched in June), *Private Equity* (the launch of 2 new funds after the end of the period), *Credit* (the extension of the CCR II Fund) and in *multi-asset/multi-manager* investment solutions, in addition to a further extension to the German-speaking markets of *real estate advisory* activities.

Having regard also to the resilience of the results outlined above and the confirmation, in a context of macro-economic turbulence, of the solidity of the development activities, the verifications carried out in relation to the value of intangible assets as at 30 June 2020 – goodwill and intangibles recorded in the Group's financial statements that are essentially tied to the Alternative Asset Management Platform and to the prospects of fees flowing from funds

under management – suggest that at this point there are no elements to support a presumption that there is any permanent loss in relation to the same.

1b – Intangible assets

Intangible assets, and changes in their balances, are indicated in the table below:

(EUR thousand)	Historical cost at 1.1.2020	Cum. amort. & write-downs at 1.1.2020	Net carrying value at 1.1.2020	Historical cost at 30.6.2020	Cum. amort. & write-downs at 30.6.2020	Net carrying value at 30.6.2020
Concessions, licences and trademarks	6,769	(5,295)	1,474	6,860	(5,603)	1,257
Software expenses	127	(110)	17	127	(113)	14
Development expenses	114	(114)	0	114	(114)	0
Other intangible assets	129,582	(88,161)	41,421	113,951	(88,830)	25,121
Total	136,592	(93,680)	42,912	121,052	(94,660)	26,392

(EUR thousand)	Balance at 1.1.2020	Acquisitions	Amort.	Write-downs	Decreases	Changes in consolidation area	Balance at 30.6.2020
Concessions, licences and trademarks	1,474	92	(309)	0	0	0	1,257
Software expenses	17	0	(3)	0	0	0	14
Development expenses	0	0	0	0	0	0	0
Other intangible assets	41,421	6,690	(669)	0	(22,321)	0	25,121
Total	42,912	6,782	(981)	0	(22,321)	0	26,392

Other intangible assets relate to:

- intangible assets associated with variable fees which come from the allocation of the residual value of FIMIT SGR at the (reverse) merger date into FARE SGR (now DeA Capital Real Estate SGR). These are valued at EUR 19.1 million as at 30 June 2020 (unchanged compared with 31 December 2019); The assessment completed by DeA Capital Real Estate SGR on these intangible assets has not required write-downs;
- customer relationship, equal to EUR 6.0 million (recognised at EUR 6.7 million and amortised, on a five-year linear basis, by EUR 0.7 million), related to the initial accounting of the fees arising from the management mandates of the NPL business unit acquired by DeA Capital Alternative Funds SGR on 5 November 2019.

It should be noted that the reduction in “Other intangible assets” that can be detected compared with the figure as at 31 December 2019 is mainly attributable to the collection, recorded during the 1st Half of 2020, of EUR 22.3 million related to the contractual rights of DeA Capital S.p.A. acquired through specific commitments entered into by Quaestio Holding shareholders under the sale and purchase agreement of a stake of the same company by DeA Capital S.p.A..

1c – Tangible assets

Property, plant and equipment, and changes in their balances, are indicated in the table below:

(EUR thousand)	Historical cost at 1.1.2020	Cum. amort. & write-downs at 1.1.2020	Net carrying value at 1.1.2020	Historical cost at 30.6.2020	Cum. amort. & write-downs at 30.6.2020	Net carrying value at 30.6.2020
Building in Leasing	16,111	(2,691)	13,420	16,205	(4,051)	12,154
Other leased assets	495	(177)	318	540	(273)	267
Leasehold improvements	3,679	(3,560)	119	3,679	(3,604)	75
Furniture and fixtures	1,793	(1,628)	165	1,799	(1,664)	135
Computer and office equipment	1,296	(1,076)	220	1,333	(1,137)	196
Plant	10	(10)	0	10	(10)	0
Other assets	352	(297)	55	352	(301)	51
Total	23,736	(9,439)	14,297	23,918	(11,040)	12,878

<i>(EUR thousand)</i>	Balance at 1.1.2020	Acquisitions	Depr.	Reclassif.	Decreases	Change in consolidation area	Balance at 30.6.2020
Building in Leasing	13,420	299	(1,361)	0	(204)	0	12,154
Other leased assets	318	45	(96)	0	0	0	267
Leasehold improvements	119	0	(44)	0	0	0	75
Furniture and fixtures	165	6	(36)	0	0	0	135
Computer and office equipment	220	38	(62)	0	0	0	196
Plant	0	0	0	0	0	0	0
Other assets	55	0	(4)	0	0	0	51
Total	14,297	388	(1,603)	0	(204)	0	12,878

Tangible assets stand at EUR 12.9 million as at 30 June 2020 (EUR 14.3 million as at 31 December 2019), after having deducted amortisation and depreciation for the period of EUR - 1.6 million.

The rights of use of the property at Via Brera 21 in Milan for the portion pertaining to the Group companies are recorded under the item "Tangible assets", while the share pertaining to De Agostini Group companies are recorded under the items "Non-current lease financial receivables" and "Current lease financial receivables".

Depreciation of property, plant and equipment is calculated on a straight-line basis, according to the estimated useful life of the asset. The depreciation rates used in the first half of 2020 (expressed on an annual basis) were 20% for specific plant assets, 12% for furniture and furnishings, 20% for electronic office machines, 20% for company vehicles and 15% for leasehold improvements.

2 – Financial investments and other non-current assets

2a – Investments in associates

This item, which totalled EUR 27.0 million as at 30 June 2020 (EUR 30.8 million as at 31 December 2019), relates to the following assets:

- the investment in Quaestio Holding/Quaestio SGR valued at EUR 13.7 million (compared with EUR 14.3 million as at 31 December 2019). The change for the period is attributable to the result for the period of EUR -0.6 million;
- the equity investment in DeA Capital Real Estate Poland has a value of EUR 0.2 million, substantially unchanged compared with 31 December 2019;
- units held in the IDeA EESS fund are valued at approximately EUR 3.6 million (compared with EUR 7.0 million as at 31 December 2019). The change for the period is attributable to the net distribution of capital of EUR -3.3 million and the result for the period for EUR -0.1 million;
- units held in the Venere fund are valued at approximately EUR 2.5 million (compared with EUR 3.4 million as at 31 December 2019). The change for the period is attributable to the distribution of capital for EUR -0.8 million and the result for the period for EUR -0.1 million;
- the investment in YARD valued at EUR 7.0 million (compared with EUR 5.9 million as at 31 December 2019).

The table below provides details of the investments held in associates as at 30 June 2020 by sector of activity:

(EUR million)	Alternative Investment	Alternative Asset Management	Total
Quaestio Holding S.A.	0.0	13.7	13.7
DeA Capital Real Estate Poland	0.0	0.2	0.2
IDeA EESS fund	3.6	0.0	3.6
Venere fund	0.8	1.7	2.5
YARD group	0.0	7.0	7.0
Total	4.4	22.6	27.0

The table below summarises details of financial information for Quaestio Holding, YARD, the IDeA EESS and Venere funds based on the last reporting package available and prepared in accordance with the accounting standards used by the DeA Capital Group:

	Quaestio Holding S.A.	YARD Group	IDeA EESS	Venere
(EUR thousand)	First Half Year 2020	First Quarter 2020	First Half Year 2020	First Half Year 2020
Revenues	12,794	15,918	0	0
Net profit/(loss) for the period	(1,536)	446	(297)	(512)
Other profit/(loss), net of tax effect	0	0	0	0
Total comprehensive profit/ (loss) for the period	(1,536)	446	(297)	(512)
Total comprehensive profit/ (loss) for the period attributable to minorities	(940)	272	(207)	(372)
Total comprehensive profit/ (loss) for the period attributable to Group	(596)	174	(90)	(140)
(EUR thousand)	30.6.2020	30.6.2020	30.6.2020	30.6.2020
Current assets	30,948	30,845	2,835	4,874
Non-current assets	2,636	24,113	9,086	4,489
Current liabilities	(17,057)	(24,979)	(41)	(338)
Non-current liabilities	(301)	(15,130)	0	0
Net assets	16,226	14,849	11,880	9,025
Net assets attributable to minorities	9,927	9,061	8,268	6,564
Net assets attributable to the Group	6,299	5,788	3,612	2,461
(EUR thousand)	30.6.2020	30.6.2020	30.6.2020	30.6.2020
Net initial assets attributable to the Group	6,895	4,647	6,948	3,441
Total comprehensive profit/(loss) for the period attributable to the Group	(596)	174	(90)	(140)
Capital calls / (Distributions)	0	1,456	(3,246)	0
Dividends received during the period	0	0	0	(840)
Other	0	(489)	0	0
Net final assets attributable to minorities	6,299	5,788	3,612	2,461
Goodwill	7,404	1,384	0	0
Reversal of 45% of the capital gain realized by DeA Capital Partecipazioni for the sale of SPC to Yard (unrealized gain for the Group)	0	(156)	0	0
Dilution effect on reversal of 45% of the capital gain realized by DeA Capital Partecipazioni for the sale of SPC to Yard (unrealized gain for the Group)	0	56	0	0
Book value of associate company	13,703	7,072	3,612	2,461
Dividends paid to minorities during the period	0	0	0	(2,240)

2b – Investments held by funds measured at fair value through P&L

As at 30 June 2020, the DeA Capital Group holds, through the IDeA OF I fund, minority interests in Iacobucci HF Electronics and Pegaso Transportation Investments (Talgo). This item, totalling EUR 17.2 million as at 30 June 2020 (compared with EUR 22.8 million as at 31 December 2019) breaks down as follows:

(EUR million)	30.6.2020	31.12.2019
Investments in Portfolio		
Iacobucci HF Electronics	3.0	3.0
Pegaso Transportation Investments (Talgo)	14.2	19.8
Investments at Fair Value through P&L	17.2	22.8
Total Investments in Portfolio	17.2	22.8

2c – Investments held in other companies measured at fair value through P&L

As at 30 June 2020, the DeA Capital Group was a minority shareholder in Kenan Investments (the holder of an investment in Migros), Cellularline, ToI Due (which holds an investment in Alice Pizza), and other minor equity investments. As at 30 June 2020, this item was EUR 30.6 million, compared with EUR 50.4 million as at 31 December 2019.

With reference to the investment in IDEaMI (EUR 22.4 million as at 31 December 2019), on 13 May 2020, DeA Capital S.p.A. collected EUR 16.5 million as a partial advance distribution of IDEaMI's asset liquidation. With reference to the residual receivables for the liquidation, equal to EUR 5.7 million at 30 June 2020 (classified under the item "Other receivables"), it should be noted that after the end of the period, in August and September 2020, DeA Capital S.p.A. collected a further EUR 5.7 million as the balance of the asset liquidation for ordinary shareholders and the residual balance of the special shares.

The table below provides a breakdown of shareholdings in other companies as at 30 June 2020 by area of activity:

(EUR million)	Alternative Investment - Other Investments	Alternative Investment - Platform Investments	Alternative Asset Management	Total
Kenan Investments	20.7	0.0	0.0	20.7
Cellularline	4.8	0.0	0.0	4.8
ToI Due	5.0	5.0	0.0	5.0
Minority interests	0.1	0.0	0.0	0.1
Total	25.6	5.0	0.0	30.6

The shareholding in Kenan Investments, equal to 17.1% - for an approximate diluted shareholding in Migros of 2.0% - which was recorded in the Consolidated Financial Statements as at 30 June 2020 at a value of EUR 20.7 million (compared with EUR 15.7 million as at 31 December 2019). The change compared with 31 December 2019 (EUR +5.0 million) is due to the increase in fair value, due to the combined effect of the rise in the price per share (TRY 38.50 per share as at 30 June 2020, versus TRY 24.22 per share as at 31 December 2019) and the devaluation of the Turkish lira against the euro (7.71 TRY/EUR as at 30 June 2020, versus 6.68 TRY/EUR as at 31 December 2019).

2d – Funds measured at fair value through P&L

The item Funds measured at fair value through P&L relates to investments in units of three funds of funds (IDeA I FoF, ICF II and ICF III), 2 thematic funds (IDeA ToI and IDeA Agro) 2 NPE funds (IDeA CCR I and IDeA CCR II), 5 venture capital funds and 10 real estate funds, totalling EUR 126.6 million in the Consolidated Financial Statements as at 30 June 2020 (compared with EUR 143.6 million as at 31 December 2019). The following table indicates changes in funds measured at fair value through P&L in the first half of 2020:

(EUR thousand)	Balance at 1.1.2020	Decreases (Capital distribution/ Disposals)	Increases (Capital call/Purchase)	Fair value adjustment	Translation effect	Balance at 30.6.2020
Venture capital funds	6,511	(4,405)	0	(672)	(136)	1,298
IDeA I FoF	25,157	(2,251)	39	(2,039)	0	20,906
ICF II	29,789	(3,114)	53	(2,227)	0	24,501
ICF III	12,319	0	284	(609)	0	11,994
IDeA ToI	16,504	0	266	(266)	0	16,504
IDeA CCR I	956	0	66	(34)	0	988
IDeA CCR II	3,274	0	1,013	(240)	0	4,047
IDeA Agro	696	0	713	(9)	0	1,400
Santa Palomba	509	0	135	48	0	692
DeA Capital Real Estate SGR funds	47,648	(3,666)	485	(423)	0	44,044
DeA Capital Alternative Funds SGR funds	234	0	5	(19)	0	220
Total funds	143,597	(13,436)	3,059	(6,490)	(136)	126,594

The table below provides a breakdown of the funds in the portfolio as at 30 June 2020 by area of activity:

<i>(EUR million)</i>	Alternative Investment - Other Investments	Alternative Investment - Platform Investments	Alternative Asset Management	Total
Venture capital funds	1.3	0.0	0.0	1.3
IDeA I FoF	0.0	20.9	0.0	20.9
ICF II	0.0	24.5	0.0	24.5
ICF III	0.0	12.0	0.0	12.0
IDeA ToI	0.0	16.5	0.0	16.5
IDeA CCR I	0.0	1.0	0.0	1.0
IDeA CCR II	0.0	4.0	0.0	4.0
IDeA Agro	0.0	1.4	0.0	1.4
Santa Palomba	0.0	0.7	0.0	0.7
DeA Capital Real Estate SGR funds	0.0	0.0	44.0	44.0
DeA Capital Alternative Funds SGR funds	0.0	0.0	0.3	0.3
Total funds	1.3	81.0	44.3	126.6

3a – Deferred tax assets

The balance of the item “Deferred tax assets” comprises the value of deferred tax assets minus deferred tax liabilities, where they may be offset. As at 30 June 2020, deferred tax assets totalled EUR 3.9 million, compared with EUR 2.4 million as at 31 December 2019.

3b – Loans and receivables

The item, amounting to EUR 4.8 million as at 30 June 2020, compared with EUR 2.5 million as at 31 December 2019, refers to the receivable of EUR 0.5 million from the associated company YARD as a result of the sale to the same of a stake equal to 100% of SPC by DeA Capital Investments, for EUR 3.8 million for the receivables of DeA Capital Investments from YARD and from the real estate initiatives promoted by DeA Capital Real Estate France and for EUR 0.5 million for the loans to employees.

3c – Financial receivables for non-current leases

The item, which amounted as at 30 June 2020 to EUR 1.2 million compared with EUR 1.3 million as at 31 December 2019, refers to the receivable claimed by DeA Capital S.p.A. in respect of the companies of the De Agostini Group for the use of the spaces of the building at Via Brera, 21 Milan.

3d – Other non-current assets

This item totalled EUR 4.9 million as at 30 June 2020 (EUR 5.0 million as at 31 December 2019) and relates, for EUR 3.7 million, to the receivable from the Parent Company De Agostini S.p.A. for adhesion in the tax consolidation scheme by DeA Capital S.p.A.

CURRENT ASSETS

As at 30 June 2020, the Current Assets item overall was EUR 169.8 million, compared with EUR 171.9 million as at 31 December 2019. This item mainly consists of:

4a – Trade receivables

This item for trade receivables amounted to EUR 11.5 million as at 30 June 2020, compared with EUR 8.7 million as at 31 December 2019. The balance refers mainly to the receivables of DeA Capital Real Estate SGR and DeA Capital Alternative Funds SGR from the managed funds for fees accrued, but not yet collected.

For details of transactions with related parties, see the appropriate section of the report (Transactions with parent companies, subsidiaries and related parties).

4b – Financial assets measured at fair value

As at 30 June 2020, the item Financial assets measured at fair value stood at EUR 14.0 million compared with EUR 14.2 million as at 31 December 2019 and refers to:

- the portfolio of government bonds and corporate bonds, held by DeA Capital Alternative Funds SGR of EUR 6.0 million (EUR 6.1 million as at 31 December 2019);
- the portfolio of CCT held by DeA Capital Real Estate SGR, as an investment on behalf of the Regulatory Capital of EUR 8.0 million (EUR 8.1 million as at 31 December 2019).

4c – Financial receivables for current leases

The item, which amounted to EUR 0.2 million as at 30 June 2020, refers to the receivable claimed by DeA Capital S.p.A. in respect of the companies of the De Agostini Group for the use of the spaces of the building at Via Brera, 21 Milan.

4d – Tax receivables relating to the tax consolidation scheme due from Parent Companies

This item totalled EUR 2.6 million as at 30 June 2020 (EUR 4.0 million as at 31 December 2019) and relates to the receivables of the Group from the Parent Company De Agostini S.p.A. for adhesion in the tax consolidation scheme.

4e – Other tax receivables

These receivables stood at EUR 33.8 million as at 30 June 2020 (EUR 37.2 million as at 31 December 2019). This item mainly includes the VAT credits of DeA Capital Real Estate, resulting from the sale of monthly VAT payables and credits by the managed Funds, amounting to EUR 28.3 million, and the tax withholding on the Parent Company's account, amounting to EUR 4.5 million.

4f – Other receivables

This item, EUR 10.6 million as at 30 June 2020 compared with EUR 8.2 million as at 31 December 2019, mainly includes the receivables deriving from the liquidation of IDeaMI of EUR 5.7 million, those relating to the management of VAT positions with regard to the funds managed by DeA Capital Real Estate SGR, as well as receivables for guarantee deposits, advances to suppliers, accrued income and other receivables.

4g - Cash and cash equivalents (bank deposits and cash)

This item comprises cash and bank deposits, including interest accrued as at 30 June 2020. This item totalled EUR 97.0 million as at 30 June 2020 compared with EUR 99.5 million as at 31 December 2019. Cash deposited at banks accrues interest at floating rates, based on the prevailing overnight, 1-2-week and 1-3-month interest rates. Please see the Consolidated Cash Flow Statement for further information on changes to this item.

SHAREHOLDERS' EQUITY

5 – Shareholders' equity

Group shareholders' equity

As at 30 June 2020, Group shareholders' equity was EUR 425.4 million, compared with EUR 457.5 million as at 31 December 2019. The negative change in Group Shareholders' equity in the first half of 2020, amounting to EUR -32.1 million, is mainly attributable to the extraordinary dividend paid by DeA Capital S.p.A. (EUR -31.3 million).

Minority interest shareholders' equity

As at 30 June 2020, Minority interest shareholders' equity was EUR 19.2 million, compared with EUR 23.6 million as at 31 December 2019. This item at 30 June 2020 mainly refers to the

Shareholders' Equity pertaining to minority interests resulting from the consolidation (using the line-by-line method) of the IDeA OF I fund. The negative change compared with the balance as at 31 December 2019, amounting to a total of EUR -4.4 million, mainly includes the period result of the IDeA OF I fund pertaining to minority interests.

The table below provides details of the financial information of IDeA OF I, before elimination of the intercompany relationships with the Group's other companies, as at 30 June 2020:

	IDeA OF I
<i>(EUR thousand)</i>	First Half Year 2020
Management fees from Alternative Asset Management	(5,555)
Net profit/(loss) for the period	(8,358)
of which attributable to minorities	(4,431)
Other profit/(loss), net of tax effect	0
Total comprehensive profit/(loss) for the period	(8,358)
Total comprehensive profit/(loss) for the period attributable to minorities	(4,431)
<i>(EUR thousand)</i>	30.6.2020
Current assets	4,473
Non-current assets	19,469
Current liabilities	(687)
Non-current liabilities	(2,182)
Net assets	21,073
Net assets attributable to minorities	11,171
<i>(EUR thousand)</i>	30.6.2020
Cash flow from operation activities	1,471
Cash flow from investment activities	0
Cash flow from financial activities	0
NET INCREASES IN CASH AND CASH EQUIVALENTS	1,471
Dividends paid to minorities during the period	0

NON-CURRENT LIABILITIES

As at 30 June 2020, the Non-current liabilities result totalled EUR 28.1 million, compared with EUR 26.5 million as at 31 December 2019.

6a – Payables to suppliers

As at 30 June 2020, the item result is EUR 0.8 million, (unchanged compared with 31 December 2019).

6b – Deferred tax liabilities

As at 30 June 2020 this item totalled EUR 5.9 million (compared with EUR 6.0 million as at 31 December 2019) and includes, specifically the liabilities for deferred taxes for DeA Capital Real Estate SGR (EUR 5.6 million, unchanged compared with the balance as at 31 December 2019) composed in full of the offsetting item relating to the deferred tax of intangible assets from variable fees recorded in the assets.

6c – End-of-service payment fund

As at 30 June 2020, this item totalled EUR 6.2 million (compared with EUR 5.6 million as at 31 December 2019); the end-of-service payment comes under defined-benefit plans and was therefore valued by applying the actuarial methodology.

6d – Financial liabilities

As at 30 June 2020, the item result totalled EUR 14.3 million, compared with EUR 13.5 million as at 31 December 2019. This item mainly refers (for EUR 11.1 million) to the financial payable related to the lease agreements for vehicles in use, as well as the leasing of properties, the Group company offices, specifically the property at Via Brera 21 in Milan and the Rome office of DeA Capital Real Estate SGR.

CURRENT LIABILITIES

As at 30 June 2020, current liabilities totalled EUR 52.6 million, compared with EUR 85.0 million as at 31 December 2019.

7a – Payables to suppliers

Payables to suppliers stood at EUR 5.9 million as at 30 June 2020 compared with EUR 5.5 million as at 31 December 2019. Trade payables do not accrue interest and are on average settled within 30 to 60 days. For details of transactions with related parties, see the appropriate section of the report (Transactions with parent companies, subsidiaries and related parties).

7b – Payables in respect of staff and social security organisations

As at 30 June 2020, this item was EUR 6.6 million, compared with EUR 11.8 million as at 31 December 2019, and primarily comprised the liability to staff for unused leave, bonuses, and payables to social security organisations.

7c – Current tax payables

This item totalled EUR 4.8 million as at 30 June 2020 (EUR 4.3 million as at 31 December 2019) and mainly relates to the payable to the Parent Company De Agostini S.p.A. for the participation of DeA Capital S.p.A. and DeA Capital Alternative Funds SGR in the tax consolidation scheme. The item also includes payables to the tax authorities for current taxes of DeA Capital Real Estate SGR.

7d – Other tax payables

Other tax payables to the tax authorities stood at EUR 1.2 million as at 30 June 2020 (EUR 1.5 million as at 31 December 2019) and relate mainly to payables to the tax authorities for

withholdings on income from employees and self-employed workers paid on time after the end of the half-year.

7e – Other payables

Other payables stood at EUR 31.1 million as at 30 June 2020, compared with EUR 42.3 million as at 31 December 2019, of which EUR 31.0 million (EUR 42.1 million as at 31 December 2019) relates to DeA Capital Real Estate SGR, specifically the payables relating to the handling of VAT positions with regard to the funds managed by said asset management company.

7f – Short-term financial payables

The item result totalled EUR 3.0 million as at 30 June 2020, compared with EUR 19.6 million as at 31 December 2019. The item as at 30 June 2020 substantially refers to the financial payable related to the lease agreements for vehicles in use, as well as the leasing of properties, the Group company offices, specifically the property at Via Brera 21 in Milan and the Rome office of DeA Capital Real Estate SGR.

Notes on the Consolidated Income Statement

8 – Alternative asset management fees

In the first half of 2020, Alternative Asset Management fees totalled EUR 32.5 million, compared with EUR 31.5 million in the same period in 2019.

These fees mainly relate to management fees paid to DeA Capital Real Estate SGR and DeA Capital Alternative Funds SGR for the funds that they manage.

9 – Income from investments valued at equity

This item includes income from the associates valued at equity for the period. The item, which was EUR -0.7 million in the first half of 2020, compared with EUR -0.1 million in the first half of 2019, is attributable to the pro-rata portion of the profits/losses relating to the shareholdings in:

- IDeA EESS (EUR -0.1 million in the first half of 2020, compared with EUR +0.1 million in the first half of 2019);
- YARD Group (EUR +0.2 million in the first half of 2020, compared with EUR +0.2 million in the first half of 2019);
- Venere (EUR -0.1 million in the first half of 2020, compared with EUR -0.4 million in the first half of 2019);
- Quaestio Holding (EUR -0.6 million in the first half of 2020);
- DeA Capital RE Poland (EUR -0.1 million in the first half of 2020).

10 – Other investment income/expense

Other net income from investments in shareholdings and funds totalled EUR -8.9 million in the first half of 2020, compared with EUR -5.8 million in the first half of 2019. In the first half of 2020, this item mainly related to:

- the revaluation of the investment in Kenan / Migros totalling EUR +5.0 million is mainly attributable to the increase in fair value, due to the combined effect of the rise in the price per share (TRY 38.50 per share as at 30 June 2020, versus TRY 24.22 per share as at 31 December 2019) and the devaluation of the Turkish lira against the euro (7.71 TRY/EUR as at 30 June 2020, versus 6.68 TRY/EUR as at 31 December 2019);
- to the reduction of the fair value of the equity investment in Talgo held by the IDeA OF I fund by EUR -5.6 million;
- the fair value adjustment of Private Equity funds (NAV as at 30 June 2020) for the residual value.

11a – Personnel costs

In the first half of 2020, personnel costs totalled EUR 19.1 million, compared with EUR 15.6 million in the same period of 2019. Details of personnel costs and the comparison with the corresponding period of 2019 are given below:

<i>(EUR thousand)</i>	First Half 2020	First Half 2019
Salaries and wages	10,837	9,300
Social security charges	3,254	2,868
Board of directors' fees	2,812	2,153
Long term incentive plans cost	874	60
End-of-service payment fund	682	568
Other personnel costs	675	616
Total	19,134	15,565

As at 30 June 2020, the number of employees was 229. The table below shows changes in the average number of Group employees in the first half of 2020:

<i>Position</i>	1.1.2020	Recruits	Departures	Other changes	30.6.2020	Average
Senior Managers	42	1	(1)	2	44	42
Junior Managers	72	4	(3)	0	73	72
Staff	98	18	(2)	(2)	112	106
Total	193	23	(6)	0	229	220

11b – Service costs

In the first half of 2020, service costs totalled EUR 7.3 million, compared with EUR 7.1 million in the same period of 2019. Details of service costs in the first half of 2020, compared with the first half of 2019, are reported below:

<i>(EUR thousand)</i>	First Half 2020	First Half 2019
Administrative, Tax Legal consultancy and other costs	3,575	3,354
Fees to corporate bodies	273	254
Ordinary maintenance	115	91
Travel expenses	186	385
Utilities and general expenses	509	525
Third-party rental, royalties and leasing	423	413
Bank charges	27	37
Books, stationery and conferences	104	165
Commission expenses	380	441
Other expenses	1,731	1,422
Total	7,323	7,087

11c – Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses amounted to EUR 2.6 million in the first half of 2020 (EUR 2.4 million in the corresponding period of 2019).

11d – Other costs

Other costs totalled EUR -1.7 million in the first half of 2020, compared with EUR -1.6 million in the same period of 2019. This item mainly consists of:

- non-deductible, pro-rata VAT on costs of the first half of 2020 concerning DeA Capital Real Estate SGR and DeA Capital Alternative Funds SGR totalling EUR -0.7 million;
- the write-downs of receivables for management fees of DeA Capital Real Estate SGR of EUR -0.8 million.

12 – Financial income (expense)

Financial income totalled EUR +0.3 million in the first half of 2020 (EUR +0.5 million in the same period of 2019), and financial expenses were EUR -2.5 million (EUR -0.8 million in the corresponding period of 2019).

12a – Financial income

Details of the financial income relating to the first half of 2020, and a comparison with the first half of 2019, are shown below:

<i>(EUR thousand)</i>	First Half 2020	First Half 2019
Interest incomes	231	270
Exchange gains	35	245
Total	266	515

12b – Financial charges

Details of financial expenses relating to the first half of 2020, and a comparison with the first half of 2019, are shown below:

<i>(EUR thousand)</i>	First Half 2020	First Half 2019
Interest expenses	170	239
Exchange losses	172	337
Losses from financial instruments valued at fair value through profit and loss	2,182	0
Financial charges IAS 19	16	13
Total	2,549	833

The charges deriving from financial instruments, amounting to EUR 2,182 thousand, relate to the valuation of the put & call options on the investment in Iacobucci of the OF I fund.

Financial charges include interest expense on leases totalling EUR -0.2 million relating to the financial debt recognised as a liability in application of IFRS 16.

13 – Income tax

Income taxes amounted to EUR +3.0 million in the 1st Half of 2020, compared with EUR -2.9 million in the 1st Half of 2019, having benefited at the level of DeA Capital Alternative Funds SGR:

- from the positive net effect (EUR 1.2 million) due to the release of the payable for deferred taxes recorded at the completion of the PPA process related to the acquisition of the business unit of NPL Management, as a result of the redemption transaction of the customer relationship intangible assets (EUR 0.8 million);
- from the positive net effect (EUR +0.8 million) due to the recognition of deferred tax assets (EUR 1.8 million), against a tax benefit linked to the future deductibility of goodwill, it also the subject of tax redemption, net of the recognition of the cost of the substitute tax (EUR 1.0 million).

<i>(EUR thousand)</i>	First Half 2020	First Half 2019
Current taxes:		
- Income from tax consolidation scheme	1,845	1,135
- IRES	(1,127)	(1,940)
- IRAP	(1,180)	(1,256)
- Other tax	0	0
Total current taxes	(462)	(2,061)
Deferred taxes for the period:		
- Charges for deferred/prepaid taxes	(478)	(543)
- Income from deferred/prepaid taxes	3,822	12
- Use of deferred tax liabilities	99	0
- Use of deferred tax assets	0	(293)
Total deferred taxes	3,443	(824)
Total income tax	2,981	(2,884)

14 – Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to the Group's shareholders by the weighted average number of shares outstanding during the period.

Diluted earnings per share are calculated by dividing net profit attributable to the Group's shareholders by the weighted average number of shares outstanding in the period including any diluting effects of existing stock option plans, in the event the allocated options are "in the money".

<i>(EUR thousand)</i>	First Half 2020	First Half 2019
Consolidated net profit/(loss) - Group share (A)	(1,783)	(3,904)
Weighted average number of ordinary shares outstanding (B)	260,471,262	257,787,643
Basic earnings/(loss) per share (€ per share) (C=A/B)	(0.007)	(0.015)
Restatement for dilutive effect	0	0
Consolidated net profit/(loss) restated for dilutive effect (D)	(1,783)	(3,904)
Weighted average number of shares to be issued for the exercise of stock options (E)	0	0
Total number of outstanding shares and to be issued (F)	260,471,262	257,787,643
Diluted earnings/(loss) per share (€ per share) (G=D/F)	(0.007)	(0.015)

Other information

➤ **Transactions with parent companies, subsidiaries and related parties**

Transactions with related parties, including those with other Group companies, were carried out in accordance with the Procedure for Related Party Transactions adopted by the Company with effect from 1 January 2011, in accordance with the provisions of the Regulation implemented pursuant to art. 2391-*bis* of the Italian Civil Code with Consob Resolution 17221 of 12 March 2010, as subsequently amended.

During 2020, the Company did not carry out any atypical or unusual transactions with related parties, nor did it carry out any "significant transactions" as defined in the above-mentioned procedure.

Transactions with related parties during the first six months of 2020 were concluded under standard market conditions, taking into account the nature of the goods and/or services offered.

With regard to transactions with parent companies, note the following:

- 1) DeA Capital S.p.A. signed a "Service Agreement" with the controlling shareholder, De Agostini S.p.A., for the latter to provide operating services in administration, finance, control, legal, investor relations, corporate, tax and institutional and press relations services, at market rates. Currently, this agreement is only active for the tax area.

At the same time, on 1 January 2013, DeA Capital S.p.A. signed an "Agreement to sub-let property for intended use other than residential use" with the same De Agostini S.p.A. The agreement relates to parts of a building located at Via Brera 21, Milan, comprising spaces for office use, warehousing and car parking. This agreement, which is renewable every six years after an initial term of seven years, is priced at market rates.

- 2) DeA Capital S.p.A., DeA Capital Partecipazioni, DeA Capital Alternative Funds SGR and DeA Capital Real Estate SGR have adopted the national tax consolidation scheme of the De Agostini Group (the Group headed by De Agostini S.p.A.). This option was exercised jointly by each company and De Agostini S.p.A., through the signing of the "Regulation for participation in the national tax consolidation scheme for companies in the De Agostini Group" and by notifying the tax authorities of this option pursuant to the terms and conditions laid down by law. The option is irrevocable unless the requirements for applying the scheme are not met.

The option is irrevocable for DeA Capital S.p.A. for the three-year period 2017-2019, for DeA Capital Partecipazioni for the three-year period 2019-2021, for DeA Capital Alternative Funds SGR for the three-year period 2018-2020 and for DeA Capital Real Estate SGR for the three-year period 2019-2021.

- 3) In order to allow more efficient use of liquidity and the activation of credit lines with potentially better terms and conditions than those that may be obtained from banks, DeA Capital S.p.A. has signed a framework agreement (Framework Agreement) with the Parent Company De Agostini S.p.A. for the provision of short-term intercompany loans/deposits. Deposit/financing operations in this Framework Agreement can only be carried out subject to verification that the terms and conditions, as determined from time to time, are advantageous, and will be provided on a revolving basis, and with maturities of not more than three months. The Framework Agreement has a duration of one year and is tacitly renewed each year.

The amounts involved in the deposit/financing operations will, however, always be below the thresholds defined for "transactions of lesser importance" pursuant to Consob Regulation 17221/2010 (Transactions with Related Parties) and the internal Procedure for Related-Party Transactions adopted by DeA Capital S.p.A.

Note that there were no deposit/financing operations between DeA Capital S.p.A. and De Agostini S.p.A. arising from the above-mentioned Framework Agreement.

It is finally noted that from 1 January 2020, DeA Capital S.p.A. opted to participate in the "B&D Holding Group VAT" (led by the indirect parent company of DeA Capital S.p.A.), which allows companies belonging to the same Group to share a single VAT number and operate uniformly for VAT purposes only. Membership is binding for the three-year period from 2020 to 2022.

The table below summarises the amounts of trade-related transactions with related parties.

	30.6.2020						First Half Year 2020					
	Trade receivables	Leasing Credits	Funding & Credits	Tax receivables vs Parent Companies	Tax payables	Trade payables	Income from services	Income Tax	Personnel costs	Service costs	Interest on leasing	
<i>(EUR thousand)</i>												
De Agostini S.p.A.	44	1,311	0	6,277	2,496	376	44	1,127	(13)	(9)	15	
Lottomatica S.p.A.	2	130	0	0	0	0	1	0	0	0	2	
De Agostini Editore Group	0	0	0	0	0	118	0	0	(44)	(185)	0	
YARD Group	0	0	500	0	0	0	0	0	0	0	0	
Quaestio Group	0	0	0	0	0	0	0	0	(5)	0	0	
IdeaMi S.p.A.	0	0	0	0	0	0	0	0	0	0	0	
Total related parties	119	1,558	0	3,953	3,238	177	337	1,953	(24)	(1,263)	37	
Total financial statement line item	8,653	1,558	2,485	3,953	4,336	6,270	378	1,953	(36,969)	(13,806)	37	
As % of financial statement line item	1.4%	100%	0.0%	100%	74.7%	2.8%	89.2%	100%	0.1%	9.1%	100%	

➤ Directors' and auditors' remuneration

In the first half of 2020, remuneration payable to the Parent Company's Directors and Statutory Auditors for the performance of their duties totalled, respectively, EUR 1,135.5 thousand (of which EUR 524.9 thousand is for the fixed component and EUR 610.6 is for the variable component) and EUR 52.5 thousand.

Performance shares and stock grants

To date, the Company has in place the following *performance shares and stock grants* plans for the Boards of Directors and Executives with strategic responsibilities.

- Performance shares

Performance shares		Units outstanding at 1 January 2020			Units granted during 2020			Units exercised during 2020	Units lapsed/cancelled during 2020	Units outstanding at 30 June 2020		
Beneficiary	Position	Number of Units	Units Price	Average expiry date	Number of Units	Units Price	Average expiry date	Number of Units	Number of Units	Number of Units	Units Price	Average expiry date
Paolo Ceretti	CEO	195,834	1.19	4	0	0	0	182,881	12,953	0	0	0
Paolo Ceretti	CEO	350,000	1.36	4	0	0	0	247,265	0	102,735	1.36	4
Paolo Ceretti	CEO	500,000	1.56	4	0	0	0	0	0	500,000	1.56	4
Key Managers		251,785	1.19	4	0	0	0	235,134	16,651	0	0	0
Key Managers		475,000	1.36	4	0	0	0	335,573	0	139,427	1.36	4
Key Managers		100,000	1.27	4	0	0	0	63,765	0	36,235	1.27	4
Key Managers		625,000	0.00	4	0	0	0	0	0	625,000	1.56	4
Key Managers		825,000	0.00	4	0	0	0	0	0	825,000	1.51	4
Key Managers		0	0	0	1,125,000	1.29	4	0	0	1,125,000	1.29	4

- Share plan

On 18 April 2019, the DeA Capital S.p.A. Shareholders' Meeting approved the 2019-2021 Share Plan for the CEO of the Company, under which a maximum of 1,750,000 shares may be granted for free in the event of the achievement of certain performance parameters.

➤ **Atypical or unusual transactions**

In the first half of 2020, there were no atypical or unusual transactions as defined by Consob Communication 6064293 of 28 July 2006.

➤ **Significant non-recurring events and transactions**

In the first half of 2020, the DeA Group did not undertake any significant non-recurring transactions as defined by the above-mentioned Consob Communication.

➤ **Net financial position**

Please see the Interim Report on Operations, as mentioned above, for the net financial position of the DeA Capital Group.

➤ **Coronavirus information**

For information related to the Coronavirus, please refer to the Interim Report on Operations, more specifically in the section "Spread of the COVID-19" included in the section "Significant events in the 1st half of 2020".

Significant events after the end of the period and outlook

❖ SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

➤ New private equity funds and extension of the CCR II programme

After the close of the period, in the **Private Equity** area, the Alternative Asset Management Platform launched two new funds with a total commitment target of over EUR 400 million. In support of the two initiatives, DeA Capital S.p.A. has committed to invest up to approximately EUR 25 million.

In parallel, in the **Credit** area, the VII closing of the CCR II fund was completed, (for an amount equal to EUR 27 million), bringing the overall size of the same Fund to over EUR 600 million.

➤ A further step in the internationalisation process of the Alternative Asset Management Platform

During August 2020, to further boost the internationalisation process of the Alternative Asset Management Platform in the area of real estate, **DeA Capital Real Estate Germany** (a company under German law) was established, 70% owned by the DeA Capital Group, with the remaining stake held by a local key manager. Similar to the other European subsidiaries – already operating in France, Spain / Portugal and Poland – the company's goal is to develop the real estate advisory business for raising funds and real estate advisory and management activities, with a special focus on the core plus, value-added and opportunistic sub-sectors, in Germany, Austria and Switzerland.

❖ OUTLOOK

With regard to the business outlook, especially the macro-economic framework, the recent 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 environment, the DeA Capital 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 insofar as 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 poised to reap the opportunities that will undoubtedly become available once the crisis is over.

**Statement of responsibilities for the
Summary Consolidated Half-Year Report
to 30 June 2020**

Statement of Responsibilities for the Summary Consolidated Half-Year Report to 30 June 2020 (pursuant to art. 154-bis of Legislative Decree 58/98)

The undersigned, Paolo Ceretti, as Chief Executive Officer, and Manolo Santilli, as the manager responsible for preparing the accounting statements of DeA Capital S.p.A., hereby certify, pursuant to art. 154-*bis*, paragraphs 3 and 4 of Legislative Decree 58 of 24 February 1998, that based on the characteristics of the Company, the administrative and accounting procedures for preparing the Summary Half-Year Consolidated Financial Statements as at 30 June 2020 were suitable and were effectively applied.

The assessment as to the suitability of the administrative and accounting procedures for preparing the Summary Half-Year Consolidated Financial Statements at 30 June 2020 was based on a process established by DeA Capital S.p.A. in keeping with the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organisations of the Treadway Commission, which is the generally accepted reference framework at the international level.

It should be noted in this regard that, as described in the Notes to the Summary Half-Year Consolidated Financial Statements as at 30 June 2020, a significant portion of the assets are investments stated at fair value. Such fair value was determined by the Directors based on their best judgement and estimation using the knowledge and evidence available at the time the Summary Half-Year Consolidated Financial Statements were prepared. However, due to objective difficulties in making assessments and the absence of a liquid market, the values assigned to such assets could differ, and in some cases significantly, from those that could be obtained when the assets are sold.

The undersigned further certify that the Summary Half-Year Consolidated Financial Statements as at 30 June 2020:

- correspond to the Companies' accounting records;
- have been prepared in compliance with the International Financial Reporting Standards adopted by the European Union, and especially IAS 34 (Interim Financial Reporting), and the measures issued to implement art. 9 of Legislative Decree 38/2005;
- to the best of their knowledge, provide a true and fair view of the operating performance and financial position of the issuer and the group of companies included in the scope of consolidation.

The Interim Report on Operations contains a reliable analysis of operating performance and results and of the situation of the issuer and all companies included in the scope of consolidation, together with a description of the main risks and uncertainties to which they are exposed.

8 September 2020

Paolo Ceretti
CEO

Manolo Santilli
Manager responsible for preparing the Company's accounts



Review report on summary consolidated half-year report

To the shareholders of
DeA Capital SpA

Foreword

We have reviewed the accompanying summary consolidated half-year report of DeA Capital SpA and its subsidiaries (the DeA Capital Group) as of 30 June 2020, comprising the statement of financial position, the income statement, the statement of comprehensive income, the cashflow statement, the statement of changes in shareholders' equity and the related notes. The directors of DeA Capital SpA are responsible for the preparation of the summary consolidated half-year report in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on this summary consolidated half-year report based on our review.

Scope of review

We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution No. 10867 of 31 July 1997. A review of summary consolidated half-year report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the summary consolidated half-year report.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying summary consolidated half-year report of DeA Capital Group as of 30 June 2020 are not prepared, in all material respects, in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Milan, 9 September 2020

PricewaterhouseCoopers SpA

Signed by

Giovanni Ferraioli
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers

PricewaterhouseCoopers SpA

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