# Cerved Group S.p.A.

## Semiannual Financial Report at

## June 30, 2019

Cerved

# Contents

# COMPANY DATA

**Parent Company's Registered Office**

Cerved Group S.p.A.
Via Dell'Unione Europea 6A, 6B
San Donato Milanese (MI)

**Parent Company's Statutory Data**

Subscribed and paid-in share capital of 50,521,142.00 euros

Milan Company Register No. 08587760961
Milan R.E.A. No. 2035639
Tax I.D. and VAT No. 08587760961
Corporate website *company.cerved.com*

# COMPOSITION OF THE COMPANY'S GOVERNANCE BODIES

| | | |
|---|---|---|
| **Board of Directors** [1] | Gianandrea De Bernardis | Executive Chairman |
| | Andrea Mignanelli | Chief Executive Office |
| | Andrea Casalini | Independent Director |
| | Mara Anna Rita Caverni | Independent Director |
| | Fabio Cerchiai | Independent Director |
| | Sabrina Delle Curti | Director |
| | Valentina Montanari | Independent Director |
| | Umberto Carlo Maria Nicodano | Director |
| | Mario Francesco Pitto | Independent Director |
| | Aurelio Regina | Independent Director |
| | Alessandra Stabilini | Independent Director |
| **Control and Risk Committee** | Alessandra Stabilini | Chairperson |
| | Mara Anna Rita Caverni | |
| | Valentina Montanari | |
| **Compensation Committee** | Aurelio Regina | Chairman |
| | Umberto Carlo Maria Nicodano | |
| | Fabio Cerchiai | |
| | Valentina Montanari | |
| **Related Party Committee** | Andrea Casalini | Chairman |
| | Umberto Carlo Maria Nicodano | |
| | Marco Francesco Pitto | |
| | Alessandra Stabilini | |
| **Board of Statutory Auditors** [2] | Antonella Bientinesi | Chairperson |
| | Paolo Ludovici | Statutory Auditor |
| | Costanza Bonelli | Statutory Auditor |
| | Laura Acquadro | Alternate |
| | Antonio Mele | Alternate |
| **Independent Auditors** | PricewaterhouseCoopers S.p.A. | |
| **Corporate Accounting Documents Officer** [3] | Francesca Perulli | |

1 Elected by the Shareholders' Meeting on April 16, 2019 for a term of office ending with the approval of the statutory financial statements at December 31, 2021.
2 Elected by the Shareholders' Meeting on April13, 2017 for a term of office ending with the approval of the statutory financial statements at December 31, 2019.
3 Appointed by the Board of Directors on April 19, 2019.

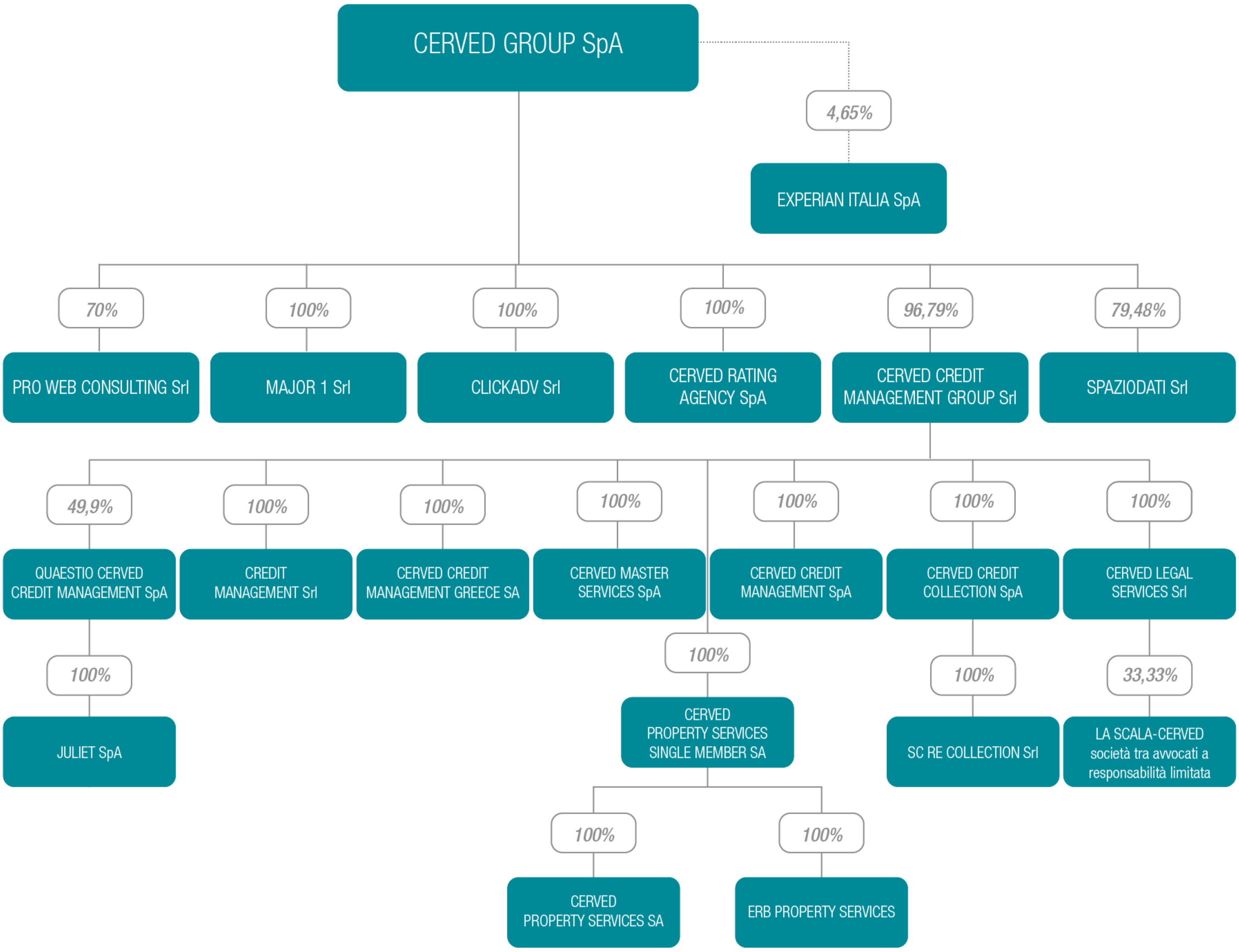
## STRUCTURE OF THE GROUP

The Cerved Group is Italy's principal operator in the delivery of credit assessment and management services for banks, businesses and professionals.

Through Cerved Credit Management Group S.r.l. and its subsidiaries, it is one of the top independent players in the management of nonperforming loans and, through the Cerved Rating Agency, one of Europe's top rating agencies.

Lastly, through its Marketing Solutions Division, the Group offers services to help customers analyze their target markets and the competitive environment.

The diagram that follows depicts the structure of the Cerved Group at June 30, 2019:




At the beginning of 2013, the investment funds managed by CVC Capital Partners, through the special purpose entity Chopin Holdings, acquired from Bain Capital and Clessidra Cerved's entire share capital and, in June 2014, Cerved made its debut on Borsa Italiana's Online Stock Exchange following one of the most important IPOs of the year. In 2015, with its main shareholder Chopin Holdings gradually divesting its equity stake, Cerved became a public company with a 100% share float.

# SEMIANNUAL FINANCIAL REPORT

# AT JUNE 30, 2019

# FOREWORD

Insofar as the six-month period ended June 30, 2019 (hereinafter "**First Half 2019**") is concerned, the purpose of the numerical data listed in this Semiannual Financial Report and the comments provided in it is to present an overview of the Group's financial position and operating performance, as well as of the changes that took place during the reporting period and any significant events that may have occurred and their impact on the result for the period.

Because the Group opted for a retrospective adoption of IFRS 16, applicable starting with the 2019 reporting year, as required by IAS 8, the comparative data at June 30, 2018 and December 2018 were restated to reflect the effects deriving from the implementation of the provisions of IFRS 16 "Leases" (hereinafter "IFRS 16").

# ACTIVITIES OF THE GROUP

Cerved offers the most comprehensive range of information products and services for financial institutions, businesses, insurance companies, the public administration, professional and private individuals.

Our databases offer an asset that is unique in Italy in terms the quality, completeness and historical depth of the information. A depth that shows how event trends developed over time and tells the story of businesses, groups and individuals.

Cerved addresses the needs of credit managers, chief financial officers, marketing managers, purchasing managers and sales managers and professionals with a broad range of services and products classifiable in three areas of activity:

### *a) Credit Information*

Cerved helps its customers protect themselves from credit risk by supplying them with data and information to assess the economic-financial profile and reliability of businesses and individuals and assess the risk level of entire loan portfolios, while supporting them in the definition of valuation models and decision-making systems with integrated and intelligent solutions developed in over 40 years of activity servicing the banking sector.

### *b) Marketing Solutions*

Identifying new customers and partners, analyzing the competitive scenario, improving performance and gaining a more in-depth understanding of the customer base: the Marketing Solutions segment offers a broad and comprehensive range of services available online in real time and design solutions customized to implement the most effective commercial strategies and promote business growth. Through its Click Adv S.r.l. and Pro Web Consulting S.r.l. subsidiaries, the Group also offers digital advertising and digital marketing solutions within the Search Engine Optimization (SEO) and Conversion Rate Optimization (CRO) areas and related services.

### *c) Credit Management*

Through its subsidiary group Cerved Credit Management Group and its subsidiaries, Cerved is the top player in the independent market, offering valuations based on certified information and data. Services include specialized competencies in various areas, from the assessment of loans to their management through out-of-court settlements and through court proceedings and up to the remarketing of personal property and real estate. Cerved can help identify the most effective solutions over a loan's entire life cycle, making it possible to take action quickly and professionally and shorten money collection time.

## RESULTS OF THE GROUP AT JUNE 30, 2019

The tables that follow show a condensed statement of comprehensive income at June 30, 2019 compared with the quarter ended June 30, 2018 Restated:

| (in thousands of euros) | June 30, 2019 | % | June 30, 2017 Restated | % | Change | % change |
|---|---|---|---|---|---|---|
| Sales and service revenues | 245,916 | 99.9% | 222,822 | 99.9% | 23,093 | 10.4% |
| Other income | 283 | 0.1% | 143 | 0.1% | 140 | 98.1% |
| **Total revenues and income** | **246,198** | **100.0%** | **222,965** | **100.0%** | **23,233** | **10.4%** |
| Cost of raw material and other materials | 581 | 0.2% | 2,442 | 1.1% | (1,862) | -76.2% |
| Cost of services | 62,696 | 25.5% | 57,836 | 25.9% | 4,859 | 8.4% |
| Personnel costs | 65,347 | 26.5% | 53,634 | 24.1% | 11,713 | 21.8% |
| Other operating costs | 4,107 | 1.7% | 2,889 | 1.3% | 1,218 | 42.2% |
| Impairment of receivables and other accruals | 2,455 | 1.0% | 1,792 | 0.8% | 663 | 37.0% |
| **Total operating costs** | **135,186** | **54.9%** | **118,594** | **53.2%** | **16,592** | **14.0%** |
| **Adjusted EBITDA** | **111,013** | **45.1%** | **104,372** | **46.8%** | **6,641** | **6.4%** |
| Performance Share Plan | 3,140 | 1.3% | 3,203 | 1.4% | (63) | -2.0% |
| **EBITDA(1)** | **107,873** | **43.8%** | **101,168** | **45.4%** | **6,704** | **6.6%** |
| Depreciation and amortization | 40,218 | 16.3% | 36,966 | 16.6% | 3,252 | 8.8% |
| **Operating profit before non-recurring items(2)** | **67,655** | **27.5%** | **64,203** | **28.8%** | **3,452** | **5.4%** |
| Non-recurring items | 23,005 | 9.3% | 3,882 | 1.7% | 19,123 | 492.7% |
| **Operating profit** | **44,650** | **18.1%** | **60,321** | **27.1%** | **(16,671)** | **-26.0%** |
| Financial income | 539 | 0.2% | 619 | 0.3% | (80) | -12.9% |
| Financial charges | (11,470) | -4.7% | (10,074) | -4.5% | (1,396) | 13.9% |
| Non-recurring financial income / (charges) | - | 0.0% | (550) | -0.2% | 550 | -100.0% |
| Income tax expense | (13,829) | -5.6% | (15,075) | -6.8% | 1,246 | -8.3% |
| Non-recurring taxes | 4,751 | 2.1% | - | - | 5,248 | n.a. |
| **Net profit from continuing operations** | **26,420** | **10.7%** | **35,241** | **15.8%** | **(10,103)** | **-28.7%** |
| Net profit from discontinued operations | 21 | n.a. | - | - | 21 | n.a. |
| **Net profit** | **26,441** | **10.7%** | **35,241** | **15.8%** | **(10,082)** | **-28.6%** |

**Notes:**

1) EBITDA correspond to the operating profit before depreciation and amortization and non-recurring charges/(income). EBITDA are not designated as an accounting measurement tool in the IFRS and, consequently, must be treated as an alternative gauge to assess the Group's performance at the operating level. Because the composition of EBITDA is not governed by the reference accounting principles, the computation criteria applied by the Group could be different from those adopted by other parties and, consequently, not comparable.

2) At June 30, 2019, non-recurring components included service costs of 3,042 thousand euros, personnel costs of 1,153 thousand euros and the net impact of the early cancellation by MPS of a Servicing Contract with Juliet for 17 million euros (writedown of 57 million euros before taxes, partially offset by indemnification of 40 million euro awarded to Juliet by MPS), listed below the operating profit line. Non-recurring income taxes for the contract cancellation amounting to 4.2 million euros were also recognized, relating to the deferred tax component on the written down asset tied to the current taxes recognized on the indemnification. At June 30, 2018, Restated, non-recurring components included service costs of 2,238 thousand euros, personnel costs of 1,539 thousand euros and other operating costs for 105 thousand euros..

The table that follows shows a breakdown of the items included in adjusted net profit, which is used to represent the Group's operating performance, net of non-recurring and non-core items. This indicator reflects the Group's economic results, net of non-recurring items and factors that are not closely related its core business activities and performance, thereby allowing an analysis of the Group's performance based on homogeneous data for the two periods that are being represented.

| (in thousands of euros) | Ref. | At June 30, 2019 | At June 30, 2018 Restated |
|---|---|---|---|
| **Net profit** | | **25,158** | **35,241** |
| Non-recurring components | (i) | 4,195 | 3,882 |
| Amortization of surplus values allocated to business combinations | (ii) | 19,623 | 16,742 |
| Financing fees – amortized cost | (iii) | 1,753 | 1,393 |
| Non-recurring financial charges | (iv) | - | 550 |
| Adjustment to the fair value of options | (v) | 1,967 | 994 |
| Tax impact of items (i), (ii), (iii), (iv) and (v) | (vi) | (7,021) | (6,160) |
| MPS indemnification for contract cancellation | (vii) | (40,000) | - |
| Writedown of Juliet Servicing Contract | (viii) | 42,401 | - |
| Non-recurring current taxes on Juliet's indemnification | (ix) | 11,160 | - |
| **Adjusted net profit** | | **59,236** | **52,641** |
| Adjusted net profit attributable to non-controlling interests | | 5,345 | 1,559 |
| **Adjusted net profit attributable to owners of the parent** | | **53,891** | **51,083** |
| ***Adjusted net profit attributable to owners of the parent % / Revenues*** | | **21.9%** | ***22.9%*** |

The adjusted net profit represents the net profit shown in the income statement at June 30, 2019 and 2018, net of:

*(i)* non-recurring costs mainly related to costs for early retirement incentives and cost of services related to extraordinary transactions executed during the period;

*(ii)* amortization of intangible assets recognized in connection with business combinations executed in previous periods;

*(iii)* financial charges incurred in previous periods with the signing of the Forward Start financing facility and recognized in the income statement by the amortized cost method;

*(iv)* non-recurring financial charges;

*(v)* adjustment to fair value of the liability for the options executed with minority shareholders and adjustment to the fair value of a financial instrument (Quaestio call option)*;*

*(vi)* tax effect of the items described above.

*(vii)* non-recurring income of 40 million euros resulting from the indemnification awarded to Juliet S.p.A. by Monte Paschi di Siena for the early cancellation of the Servicing Contract, as described in the Significant Events section of this Report;

*(viii)* writedown of intangible assets due to the cancellation of the Juliet Servicing Contract for 42,401 thousand euros (equal to 58,810 thousand euros net of the tax effect of 16,408 thousand euros), resulting from the difference between the net assets allocated to the contract amounting to 46.8 million euros, and the present value of future cash flows, totaling 4.4 million euros, which was recognized due to the early contract cancellation mentioned above. Please note that, in 2018, the Purchase Allocation Process for the acquisition of the entire share capital of Juliet S.p.A. resulted in the recognition of an intangible assets of substantial value, based the estimated cash flows;

*(ix)* non-recurring income tax expense resulting from the items mentioned in *(vii)* above.

The table that follows shows the revenues and EBITDA of the business segments.

| (in thousands of euros) | FIRST HALF 2019 | | | | FIRST HALF 2018 RESTATED | | | |
|---|---|---|---|---|---|---|---|---|
| | Credit Information | Marketing Solutions | Credit Management | Total | Credit Information | Marketing Solutions | Credit Management | Total |
| Revenues by segment | *146,890* | *14,513* | *86,554* | *247,957* | *146,805* | *11,595* | *66,338* | *224,737* |
| Inter-segment revenues | *(826)* | *(67)* | *(1,149)* | *(2,042)* | *(985)* | - | *(931)* | *(1,916)* |
| **Total revenues from outsiders** | ***146,064*** | ***14,446*** | ***85,405*** | ***245,916*** | ***145,820*** | ***11,595*** | ***65,407*** | ***222,822*** |
| **EBITDA** | ***73,974*** | ***3,546*** | ***30,353*** | ***107,873*** | ***75,497*** | ***3,724*** | ***21,947*** | ***101,169*** |
| ***EBITDA %*** | *50.36%* | *24.43%* | *35.07%* | *43.50%* | *51.43%* | *32.12%* | *33.08%* | *45.02%* |
| Non-recurring income / (charges) | | | | *(23,005)* | | | | *(3,882)* |
| Depreciation and amortization | | | | *(40,218)* | | | | *(36,966)* |
| **Operating profit** | | | | **44,650** | | | | **60,322** |
| Pro rata interest in the result of companies carried at equity | | | | *(59)* | | | | *108* |
| Financial income | | | | *539* | | | | *473* |
| Financial charges | | | | *(11,411)* | | | | *(10,036)* |
| Non-recurring financial income / (charges) | | | | - | | | | *(550)* |
| **Profit before income taxes** | | | | **33,719** | | | | **50,316** |
| Income taxes | | | | *(13,829)* | | | | *(15,075)* |
| Non-recurring taxes | | | | *5,248* | | | | - |
| **Net profit from continuing operations** | | | | **25,137** | | | | **35,241** |
| Net profit from discontinued operations | | | | 21 | | | | - |
| **Net profit** | | | | **25,158** | | | | **35,241** |

**Review of the Group's Performance in the Period Ended June 30, 2019**

**Total revenues and income** grew from 222,965 thousand euros in the first half of 2018 to 246,198 thousand euros in the first half of 2019, for an increase of 23,233 thousand euros, or 10.4%. This gain reflects the different dynamics that characterized the various business segments during the reporting period, as described below.

***Credit Information Revenues***

The revenues of the Credit Information segment rose from 146,805 thousand euros in 2018 to 146,890 thousand euros in 2019, virtually unchanged compared with the previous year (+0.1%).

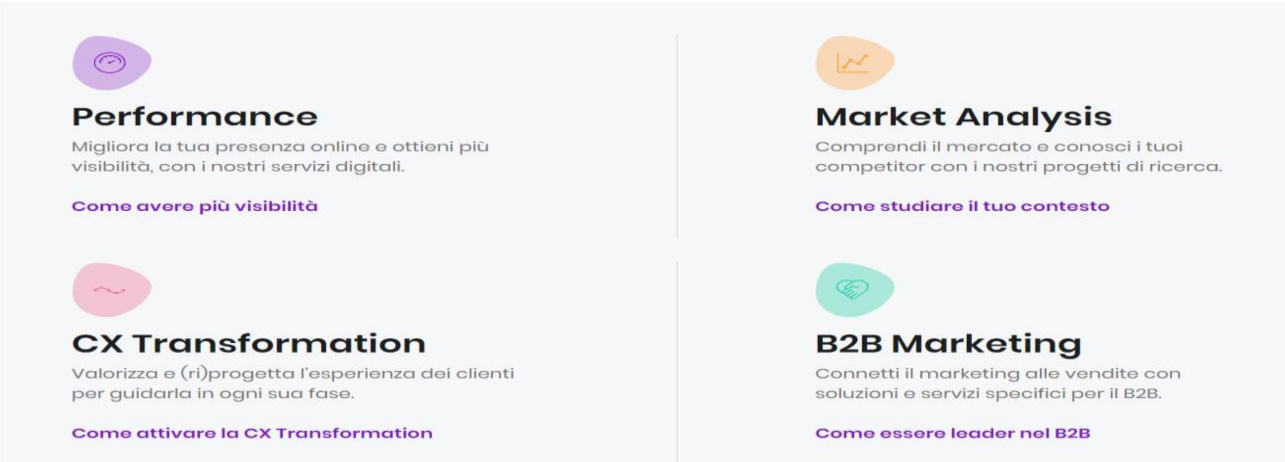
Within the Credit Information business segment:

- The Enterprise Division showed a gain compared with the first half of 2019 (+0.9%), mainly due to the development of some projects in the Large User segment. In the Field Network area, the Group launched a new Credit Information sales offer combined with Credit Collection services (Single Contract) with the aim of offering customers a complete range of services with a single commercial interface. The launch of this project was slightly delayed in the first half of the current year and performance information will be reported based on the results expected in the second half of the year.
- The Financial Institution Division reported a slight contraction (-0.8%) compared with the first half of 2018, mainly attributable to the Business Information and Property Register Information segments and due to the impact of the early renewals of some important multi-year contracts. On the other hand, the Real Estate Appraisal Services and Special Projects divisions reported significant growth, particularly in the Anti Money Laundering services and Guarantee Funds areas.

***Marketing Solutions Revenues***

The revenues of the Marketing Solutions segment rose from 11,595 thousand euros in 2018 to 14,513 thousand euros in 2019, for an increase of 2,918 thousand euros, or 25.2%, mainly due to the consolidation of Pro Web Consulting, a company acquired in October 2018; organic growth for this segment was 1.9% compared with the first half of 2018.

"Cerved ON," the new Marketing Services dedicated platform focused on four growth areas and developed with the support of Clickadv and Pro Web Consulting, was launched in the course of the year together with projects to revamp the dedicated sales network.




***Credit Management Revenues***

The revenues of the Credit Management segment grew from 66,338 thousand euros in 2018 to 86,554 thousand euros in 2019, for an increase of 30.5% compared with the first half of 2018.

This gain is attributable to the organic growth of this business segment and the effects of the special servicer assignments carried out in connection with the management of nonperforming loans originating from the industrial partnerships and the acquisition of Cerved Property Services from Eurobank completed in April 2019.

***Adjusted EBITDA Performance and Operating Costs***

**Adjusted EBITDA** increased from 104,372 thousand euros in the first half of 2018 to 111,013 thousand euros at June 30, 2019 (+6.4%), for a margin equal to 45.1% of revenues, down slightly compared with the previous period (46.8%). This slight contraction in profitability reflects the Group's faster growth in the Credit Management area, a business structurally characterized by a higher incidence of labor costs.

**Operating costs** grew from 118,594 thousand euros in 2018 to 135,186 thousand euros in 2019, for an increase of 16,592 thousand euros (+14.0%), as described below:

- The cost of raw materials and other materials contracted by 1,862 thousand euros, falling from 2,442 thousand euros in 2018 to 581 thousand euros in 2019. This decrease closely reflects a reduction of the asset remarketing activities carried out by the Cerved Credit Management Group S.r.l. subsidiary.

- Cost of services increased by 4,859 thousand euros, up from 57,836 thousand euros in 2018 to 62,696 thousand euros in 2019, mainly due to: (i) the growth of the Group's Credit Management segment, and (ii) a change in the scope of consolidation compared with the previous year.

- Personnel costs grew by 11,713 thousand euros (+ 21.8%), rising from 53,634 thousand euros in 2018 to 65,347 thousand euros in 2019. This increase is attributable primarily to the following:
  - for 6,581 thousand euros, a change in the scope of consolidation compared with the first half of 2018;
  - the hiring of new resources both last year and in the reporting period in response to the significant business growth, particularly within the Credit Management segment.

- Other operating costs increased by 1,218 thousand euros, up from 2,889 thousand euros in 2018 to 4,107 thousand euros in 2019, including 982 thousand euros attributable to a change in the scope of consolidation in connection with Juliet's access to the IT platforms of Banca Monte Paschi di Siena.

- Accruals to the provisions for risks and impairment of receivables increased by 663 thousand euros, up from 1,792 thousand euros in 2018 to 2,455 thousand euros in 2019, reflecting collection management dynamics and a detailed assessment of contingent liabilities at the end of the reporting period.

The cost recognized during the period ended June 30, 2019 for the granting of options for the Cycles of the "**2019-20121 Performance Share Plan**" and the "**2022-2024 Performance Share Plan"** amounted to 3,140 thousand euros.

**Depreciation and amortization** increased by 3,252 thousand euros, up from 36,966 thousand euros in 2018 to 40,218 thousand euros in 2019, mainly due to an increase in the depreciation and amortization recognized in connection with the Purchase Price Allocation process carried out for the business combinations complete in 2018 amounting to 2,881 thousand euros.

**Non-recurring components,** which totaled 23,005 thousand euros for an increase of 19,123 thousand euros, included the following:

- staff incentives provided in connection with the integration of Group companies for 1,153 thousand euros;
- costs related to non-recurring services amounting to 3,042 thousand euros, mainly consisting of incidental costs incurred in connection with extraordinary transactions executed during the reporting period;
- with regard to the early cancellation of the Servicing Contract of Juliet S.p.A., the following entries were recognized: (i) income of 40 million euros for the indemnification received from Monte dei Paschi, and (ii) 58,810 thousand euros for the writedown before taxes of the value attributed to the Servicing Contract in connection with the Purchaser Price Allocation for Juliet S.p.A.

**Financial income** decreased by 80 thousand euros, falling from 619 thousand euros in 2018 to 539 thousand euros in 2019.

**Financial charges** increased by 1,396 thousand euros, up from 10,074 thousand euros in 2018 to 11,470 thousand euros in 2019, mainly reflecting the adjustment to fair value of the call option granted by Quaestio Holding SA to Cerved Credit Management Group S.r.l. for the acquisition of a 50.1% interest in Quaestio Cerved Credit Management S.p.A. This value adjustment is consistent with Company projections following the cancellation of the contract with MPS.

**Income taxes** decreased by 1,246 thousand euros, contracting from 15,075 thousand euros at June 30, 2018 to 13,829 thousand euros at June 30, 2019, mainly due to the benefit deriving from the implementation of the Patent Box system.

**Non-recurring taxes,** amounting to 5,248 thousand euros reflect the tax effects originating from the early cancellation of the Servicing Contract.

## STATEMENT OF FINANCIAL POSITION OF THE CERVED GROUP

The schedule below shows a statement of financial position of the Group, reclassified by "Sources and Uses," at June 30, 2019 and at December 31, 2018 and June 30, 2018 Restated.

| (In thousands of euros) | At June 30, 2019 | At December 31, 2018 Restated | At June 30, 2018 Restated |
|---|---|---|---|
| **Uses** | | | |
| Net working capital | 23,518 | 11,856 | (17,420) |
| Non-current assets | 1,207,805 | 1,274,947 | 1,275,056 |
| Non-current liabilities | (112,630) | (144,745) | (141,358) |
| **Net invested capital** | **1,118,988** | **1,142,059** | **1,116,277** |
| **Sources** | | | |
| Shareholders' equity | 518,677 | 550,965 | 530,135 |
| Net financial debt | 600,311 | 591,094 | 586,142 |
| **Total financing sources** | **1,118,988** | **1,142,059** | **1,116,277** |

The table that follows shows a breakdown of net working capital at June 30, 2019 and at December 31, 2018 and June 30, 2018 Restated:

| (In thousands of euros) | At June 30, 2019 | At December 31, 2018 Restated | At June 30, 2018 Restated |
|---|---|---|---|
| **Net working capital** | | | |
| Inventory | 90 | 111 | 293 |
| Trade receivables | 178,237 | 197,799 | 158,035 |
| Trade payables | (51,620) | (59,844) | (49,793) |
| Liability for deferred income, net of selling costs | (73,364) | (87,525) | (71,382) |
| **Net commercial working capital ( A )** | **53,343** | **50,541** | **37,152** |
| Other current receivables | 47,774 | 7,350 | 8,198 |
| Net current tax payables | (33,885) | (4,676) | (30,133) |
| Other current liabilities net of "Liability for deferred income" | (43,714) | (41,358) | (32,638) |
| **Other net working capital components ( B )** | **(29,825)** | **(38,685)** | **(54,572)** |
| **Net working capital ( A + B )** | **23,518** | **11,856** | **(17,420)** |

At June 30, 2019, net working capital amounted to 23,813 thousand euros. The changes that occurred in the main components of net working capital are reviewed below, together with a comparison with the statement of financial position data at December 31, 2018:

- trade receivables decreased from 197,799 thousand euros at December 31, 2018 to 178,237 thousand euros at June 30, 2019, for a reduction of 19,562 thousand euros that reflects billing and collection dynamics during the period;
- trade payables went from 59,844 thousand euros at December 31, 2018 to 51,620 thousand euros at June 30, 2019 for a decrease of 8,224 thousand euros mainly related to payment dynamics during the period.

- liabilities for deferred income, net of the corresponding selling costs, which refer to services invoiced but not yet provided to customers, decreased by 14,161 thousand euros, due to the growth dynamics in the consumption of prepaid services invoiced the previous year.

Other current receivables, which amounted to 47,774 thousand euros at June 30, 2019, or 40,424 thousand euros more than at December 31, 2018, include 40 million euros for the receivable owed by Monte dei Paschi di Siena as indemnification for the early cancellation of a contract.

Current tax payables increased from 4,676 thousand euros at December 31, 2018 to 33,590 thousand euros at June 30, 2019, mainly due to the shifting to Monday, July 1, 2019 of the due date for tax balances and estimated payments and the non-recurring component resulting from the income taxes recognized on the indemnification of 40 million euros awarded by BMPS.

The main components of non-current assets, which totaled 1,207,805 thousand euros at June 30, 2019, include goodwill and other intangible assets.

Intangible assets consist mainly of the value assigned to “Customer Relationships,” “Databases” of economic information and the servicing contracts held by the Credit Management segment.

Additions for the year mainly concern projects to develop new products and acquisitions of databases for a total of 19,241 thousand euros.

For the period ended June 30, 2019, “Goodwill” refers primarily to the surplus generated upon the acquisition of the Cerved Group by Cerved Technologies S.p.A. (a subsidiary of Chopin Holdings) in February 2013, with the acquisitions completed in subsequent years accounting for the balance. The decrease in non-current assets is due to the writedown of Juliet’s Servicing Contract.

Non-current liabilities mainly reflect the following:

- deferred tax liabilities of 93,281 thousand euros deriving from temporary differences between the value attributed to an asset or liability in the financial statements and the value attributed to the same asset or liability for tax purposes. On the reporting date, deferred taxes mainly included the tax liabilities recognized on the value of Customer Relationships and Servicing Contracts. The substantial reduction recognized in the first half of 2019 reflects the writedown of Juliet’s Servicing Contract;
- for 4,193 thousand euros, the remaining amount of the long-term liability recognized upon the accounting of the options executed with the minority shareholders of Pro Web S.r.l. and Spazio Dati S.r.l.;
- for 4,727 thousand euros, the remaining non-current liability for the deferred price and earnout for the acquisition of the Cerved Property Services S.A. subsidiary.

## NET FINANCIAL DEBT OF THE CERVED GROUP

The table that follows shows a breakdown of the Group's net financial debt at June 30, 2019 and at December 31, 2018 and June 30, 2018 Restated:

| (In thousands of euros) | At June 30, 2019 | At December 31, 2018 Restated | At June 30, 2018 Restated |
|---|---|---|---|
| A. Cash | 17 | 14 | 21 |
| B. Other liquid assets | 47,501 | 42,349 | 57,703 |
| C. Securities held for trading | | | |
| **D. Liquidity ( A )+( B )+( C )** | **47,519** | **42,364** | **57,724** |
| E. Current loans receivable | | | |
| F. Current bank debt | (123) | (178) | (120) |
| G. Current portion of non-current borrowings | (2,917) | (2,866) | (2,629) |
| H. Other current financial debt | (25,153) | (14,265) | (30,005) |
| **I. Current financial debt ( F )+( G )+( H )** | **(28,193)** | **(17,310)** | **(32,754)** |
| **J. Net current financial debt ( D)+( E )+( I )** | **19,326** | **25,054** | **24,971** |
| K. Non-current bank debt | (575,200) | (573,393) | (571,641) |
| L. Bonds outstanding | | | |
| M. Other non-current financial debt | (44,437) | (42,755) | (39,472) |
| **N. Non-current financial debt ( K )+( L )+( M )** | **(619,637)** | **(616,148)** | **(611,113)** |
| **O. Net financial debt ( J )+( N )** | **(600,311)** | **(591,094)** | **(586,142)** |

At June 30, 2019, the Group's net financial debt totaled 600,311 thousand euros, compared with 591,094 thousand euros at December 31, 2018 Restated. This net financial position reflects the impacts deriving from the adoption of IFRS 16, which amounted to 43,272 thousand euros at June 30, 2019, 43,645 thousand euros at December 31, 2018 and 41,817 thousand euros at June 30, 2018.

## SIGNIFICANT EVENTS IN THE FIRST HALF OF THE YEAR

On January 30, 2019, the subsidiary Cerved Credit Management Group S.r.l. (CCMG) entered into a binding agreement with Eurobank Ergasias S.A. ("Eurobank") for the development of a long-term industrial partnership the purpose of which is the management of real estate assets. Within the framework of this agreement, finalized on April 1, 2019, CCMG purchased for the price of 8.3 million euros the entire share capital of Eurobank Property Services S.A. in Greece and of its subsidiaries Eurobank Property Services S.A. in Romania and ERB Property Services D.O.O. Belgrade in Serbia. Contract stipulations include a deferred price of 2 million euros, which could be increased by an earnout of up to 3 million euros, based on the achievement of economic results generated during a period ending in 2022. On April 24, 2019, this company changed its name to Cerved Property Services ("CPS").
CPS was also designated as primary servicer for the management of real estate assets for Eurobank for the next five years ("Servicing Agreement"), specifically regarding all appraisal activities carried out in connection with the issuance of new mortgage loans and the re-appraisal of the assets pledged to secure performing and nonperforming loans.

Further to the election of a new Board of Directors by the Shareholders' Meeting on April 16, 2019, the Board of Directors, meeting on April 19, 2019, appointed Gianandrea De Bernardis Chairman and Andrea Mignanelli Chief Executive Officer.

On April 16, 2019, Cerved Group's Shareholders' Meeting approved the Company's 2018 annual financial statements and the distribution of a divided of 0.295 euros before taxes on each common share, for a total of about 57,606 thousand euros. The Shareholders' Meeting also approved an additional dividend of 0.01 euros per share drawn from the additional paid-in capital for a total amount of 1,953 thousand euros. The dividend has been payable since May 20, 2019, with May 22, 2019 coupon tender date.

During the reporting period, the Company acquired additional controlling interests in the following investee companies:

- On January 31, 2019, the Company acquired an additional controlling interest in Spazio Dati S.r.l., thereby increasing its controlling interest from 74.19% to 79.48%, for a consideration of 1,035 thousand euros;
- On May 21, 2019, the Company acquired an additional controlling interest in Pro Web Consulting S.r.l., thereby increasing its controlling interest from 60.00% to 70.00%, for a consideration of 1,665 thousand euros;
- On May 21, 2019, the Company acquired an additional controlling interest in ClickAdv S.r.l., thereby increasing its controlling interest from 90.00% to 100.00%, for a consideration of 1,734 thousand euros;
- On May 29, 2019, the Company acquired an additional controlling interest in Cerved Credit Management Group S.r.l., thereby increasing its controlling interest from 95.19% to al 96.79%, for a consideration of 6,894 thousand euros.

On June 28, 2019, regarding the indirect investee Juliet S.p.A. (Juliet), a company controlled by Cerved Credit Management Group S.r.l. and Quaestio Holding S.A., a notice was received that Banca Monte Paschi di Siena (BMPS) exercised the right to early cancellation of its Servicing Contract with Juliet S.p.A. with the aim of achieving maximum flexibility in the implementation of the program pursued to accelerate the disposal of non-performing loans and troubled loans.

Further to the exercise of the right to early contract cancellation by BMPS, the counterparty awarded to Juliet an all-inclusive indemnification of 40 million euros. In this context, BMPS and Juliet defined a common process for a continuation of the commercial relationship that would enable BMPS to continue availing itself of Juliet's specific competencies in the management of non-performing loans and satisfy the common interest of both parties to manage most efficiently the transition period following the cancellation of the Contract.

In addition, BMPS and Juliet will stipulate new agreements pursuant to which Juliet will continue to provide on an exclusive basis advisory services, on market terms, for the segmentation and disposal of the portfolios of non-performing loans subject of the divestments planned by BMPS, for a total amount of 3 billion euros.

## SIGNIFICANT EVENTS OCCURRING AFTER JUNE 30, 2019

On July 1, 2019, Cerved Group S.p.A. acquired 100% di Mitigo Servizi S.r.l. at a price of 1,113 thousand euros. Mitigo Servizi is a company active in the subsidized financing area that offers outsourcing services to bank and guarantee consortia (SME Guarantee Fund, specifically) and is developing consulting services to help businesses access subsidized financing (Sabatini Law, for example). On July 4, 2019, the acquired company changes its name to Cerved Finline S.r.l.

On July 3, 2019, through its Cerved Credit Management Group S.r.l. subsidiary, the Company finalized the purchase of 100% of Euro Legal Service S.r.l., a company specialized in the home collection of unsecured loans in the consumer finance area, with an important network of collection offices. The stipulated price was 8,204 thousand euros (base price) plus some variable components (conditional price) for an amount of up to 6 million euros, payable upon the achievement of specific results during the 2019-2022 period.

On July 30 2019, Cerved Group entered into a binding agreement to purchase a controlling interest in MBS Consulting ("MBS") and its subsidiaries. MBS is one of Italy's top independent management consulting companies, with consolidated revenues of 23.3 million euros in 2018. This transaction calls for Cerved Group to acquire 30.7% of MBS's share capital (51% of the voting shares) for a consideration of 21.3 million euros and includes a put & call mechanism valid for the next five years for the acquisition of the entire share capital on incentivizing terms tied to performance.

## BUSINESS OUTLOOK

Insofar as the progress of the Group's business operations is concerned, the Group's scenario for 2018 calls for gains in Revenues and EBITDA, in line with the Strategic Outlook 2018-2020, based on the contribution of the different divisions, leveraging on the consolidation of the industrial partnerships and the acquired companies, and an improvement of the integration, rationalization and efficiency of processes, with the purpose to improve both the profitability and the Operating Cash Flow generation of the Group.

## TREASURY SHARES

At June 30, 2019, the Company held 3,420,275 treasury shares valued at 25,834 thousand euros.

## PERFORMANCE SHARE PLAN

### *i) 2019-2021 Performance Share Plan*

The table below shows the status of the options for the three cycles and the third supplemental cycle outstanding at June 30, 2019:

| | Options outstanding at December 31, 2018 | Options awarded | Options expired/ revoked | Options exercised | Options outstanding at June 30, 2019 |
|---|---|---|---|---|---|
| 2019-2021 Performance Shares 1st Cycle 2016 | 792,537 | | | (792,537) | - |
| 2019-2021 Performance Shares 2nd Cycle 2017 | 671,235 | | (31,732) | | 639,503 |
| 2019-2021 Performance Shares 3rd Cycle 2018 | 752,130 | | (27,337) | | 724,793 |
| 2019-2021 Performance Shares Supplemental 3rd Cycle | 708,387 | | (26,104) | | 682,283 |
| **Total** | **2,924,289** | **-** | **(85,173)** | **(792,537)** | **2,046,579** |

The accrued cost recognized at June 30, 2019 for the abovementioned plan amounted to 3,060 thousand euros and was included among Personnel costs.

The year 2018 marked the end of the first cycle of the "2019-2021 Performance Share Plan." The Board of Directors, having verified the level of achievement of the three-year targets originally established, approved the award, through the use of treasury shares, in accordance with the terms originally approved by the Shareholders' Meeting, of a total of 551,606 shares. The percentage of vesting options is 69.6%, based on the following target achievement percentages:

- Growth of Adjusted Profit Before Taxes = 76.4%
- Total Shareholder Return = 53.7%

The shares were distributed on May 19, 2019.

### *ii) 2022-2024 Performance Share Plan*

The 2022-2024 Performance Share Plan, which was approved by the Shareholders' Meeting on April 16, 2019, is structured into recurring three-year cycles beginning in the years 2019, 2020 and 2021, each characterized by a three-year vesting period and the award of a maximum number of Company shares free of charge. With regard to the Plan's first cycle, the Board of Directors, meeting on June 19, 2019, approved a resolution for the award of up to 1,942,300 options.

The table below shows the status of the options awarded at June 30, 2019 for the first cycle:

| | Options outstanding at December 31, 2018 | Options awarded | Options expired/ revoked | Options exercised | Options outstanding at June 30, 2019 |
|---|---|---|---|---|---|
| 2022-2024 Performance Shares 1st Cycle 2019 | - | 1,734,000 | | | 1,734,000 |
| **Total** | **-** | **1,734,000** | | | **1,734,000** |

The performance targets identified for the first cycle are:

- PBTA Target – Growth of Adjusted Profit Before Taxes per share during the reference period;
- Mid-Cap TSR Target, which references the Company's Total Shareholder Return (TSR) compared with the TSR of the companies included in the FTSE Mid Cap Index Italia generated by Borsa Italiana S.p.A.
- Sector TSR Target, which references the percentage variance of the Company's TSR, for each Plan cycle and the entire duration of the corresponding performance period, compared with the TSR of the FTSE Italia Industria Index of Borsa Italiana.

The accrued cost recognized at June 30, 2019 for the abovementioned plan amounted to 80 thousand euros and was included among Personnel costs.

## TRANSACTIONS WITH RELATED PARTIES

For a detailed presentation of the transactions executed during the reporting period, see the information provided in the notes to these Condensed Consolidated Semiannual Financial Statements.

## INFORMATION ABOUT THE "OPT OUT" SYSTEM

As required by the provisions of Article 70, Section 8, of the Issuers' Regulation, the Company specifies that on April 2, 2014, concurrently with the filing of an application to list its shares on the MTA, it chose to adopt the "opt out" system provided under Article 70, Section 8, and Article 71, Section 1-*bis,* of the Issuers' Regulation, thereby availing itself of the exemption from the obligation to publish the information documents required in connection with material transactions involving mergers, demergers, capital increases through conveyances of assets in kind, acquisition and divestments.

## INFORMATION ABOUT CORPORATE GOVERNANCE

The Company aligned its corporate governance system with the relevant provisions of Legislative Decree No. 58/1998 ("**TUF**") and the corporate governance code for listed companies approved by the Corporate Governance Committee and promoted by Borsa Italiana, ABI, Ania, Assogestioni, Assonime and Confindustria (the "**Corporate Governance Code**").

For additional information about the Company's corporate governance see the relevant page of the Company's website: *company.cerved.com/it/documenti*.

# Condensed Consolidated Semiannual Financial Statements

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| (In thousands of euros) | Notes | At June 30, 2019 | At June 30, 2018 *Restated* |
|---|---|---|---|
| Revenues | 6.1 | 245.916 | 222,822 |
| *- amount with related parties* | | 376 | *357* |
| Other income | 6.2 | 40.283 | 143 |
| *- amount with related parties* | *6.9* | *40.000* | - |
| **Total revenues and income** | | **286.199** | **222,965** |
| Cost of raw materials and other materials | 6.3 | (582) | (2,442) |
| Cost of services | 6.4 | (65.737) | (60,074) |
| *- amount from non-recurring transactions* | *6.9* | *(3.042)* | *(2,238)* |
| *- amount with related parties* | *9* | (957) | *(886)* |
| Personnel costs | 6.5 | (69.641) | (58,376) |
| *- amount from non-recurring transactions* | *6.9* | *(1.153)* | *(1,539)* |
| *- amount with related parties* | *9* | *(2.534)* | *(2,744)* |
| Other operating costs | 6.6 | (4.107) | (2,994) |
| *- amount from non-recurring transactions* | *6.9* | - | *(105)* |
| Impairment of receivables and other accruals | 6.7 | (2.455) | (1,792) |
| Depreciation, amortization and writedowns | 6.8 | (99.028) | (36,966) |
| *- amount from non-recurring transactions* | *6.9* | *(58.810)* | - |
| **Operating profit** | | **44.650** | **60,321** |
| Pro rata interest in the result of companies valued by the equity method | 9 | (59) | 108 |
| *- amount with related parties* | | *(59)* | *108* |
| Financial income | 6.10 | 539 | 473 |
| Financial charges | 6.11 | (11.411) | (10,586) |
| *- amount from non-recurring transactions* | *6.9* | - | *(550)* |
| *- amount with related parties* | *9* | *(381)* | *(639)* |
| **Profit before income taxes** | | **33.718** | **50,316** |
| Income tax expense | 6.12 | (8.581) | (15,075) |
| *- amount from non-recurring transactions* | *6.9* | 5.248 | - |
| **Net profit from continuing operations** | | **25.137** | **35,241** |
| Net profit from discontinued operations | 5 | 21 | - |
| **Net profit** | | **25.158** | **35,241** |
| Amount attributable to non-controlling interests | | (3.201) | 967 |
| **Net profit attributable to owners of the parent** | | **28.360** | **34,274** |
| Other components of the statement of comprehensive income: | | | |
| *Items that will not be later reclassified to the income statement:* | | | |
| *- Actuarial gains/(losses) on defined-benefit plans for employees* | | *(478)* | *(46)* |
| *- Tax effect* | | *115* | *11* |
| *Items that will be later reclassified to the income statement:* | | | |
| *- Gains (Losses) deriving from hedge accounting* | | *(2.195)* | *(723)* |
| *- Tax effect* | | *527* | *242* |
| *- Gains/(Losses) from measurement of equity investments at fair value through OCI* | | *787* | |
| *- Tax effect* | | *(189)* | |
| *- Gains (Losses) from the translation of the financial statements of foreign companies* | | *(3)* | *(6)* |
| **Comprehensive net profit** | | **23.701** | **33,752** |
| - Amount attributable to owners of the parent | | *26.923* | 32,788 |
| - Amount attributable to non-controlling interests | | *(3.201)* | 964 |
| *Basic earnings per share (in euros)* | | *0.145* | *0.176* |
| *Diluted earnings per share (in euros)* | | *0.145* | *0.173* |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| (In thousands of euros) | Notes | At June 30, 2019 | At December 31, 2018 Restated |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 6.13 | 56,093 | 55,576 |
| Intangible assets | 6.14 | 382,377 | 460,423 |
| Goodwill | 6.15 | 758,017 | 747,218 |
| Investments in companies valued by the equity method | 6.16 | 3,071 | 3,131 |
| Other non-current financial assets | 6.17 | 8,247 | 8,644 |
| *- amount with related parties* | | *700* | *500* |
| **Total non-current assets** | | **1,207,805** | **1,274,992** |
| **Current assets** | | | |
| Inventory | 6.18 | 90 | 111 |
| Trade receivables | 6.19 | 178,237 | 197,799 |
| *- amount with related parties* | *9* | *441* | *255* |
| Tax receivables | 6.20 | 10,582 | 12,305 |
| Other receivables | 6.21 | 42,871 | 3,028 |
| *- amount with related parties* | *9* | *14* | *32* |
| Other current assets | 6.22 | 14,178 | 14,288 |
| Cash and cash equivalents | 6.23 | 47,519 | 42,364 |
| **Total current assets** | | **293,478** | **269,894** |
| Assets held for sale | 5 | 126 | - |
| **TOTAL ASSETS** | | **1,501,408** | **1,544,886** |
| Share capital | | 50,521 | 50,521 |
| Statutory reserve | | 10,104 | 10,090 |
| Additional paid-in capital | | 432,181 | 434,099 |
| Other reserves | | (7,302) | (39,055) |
| Net profit attributable to owners of the parent | | 28,360 | 84,795 |
| **Shareholders' equity attributable to owners of the parent** | | **513,864** | **540,451** |
| Shareholders' equity attributable to non-controlling interests | | 4,813 | 10,559 |
| **TOTAL SHAREHOLDERS' EQUITY** | 6.24/6.25 | **518,677** | **551,010** |
| **Non-current liabilities** | | | |
| Long-term debt | 6.26/6.27 | 619,637 | 616,148 |
| Employee benefits | 6.28 | 14,191 | 13,621 |
| Provision for risks and charges | 6.29 | 5,381 | 5,534 |
| Other non-current liabilities | 6.30 | 9,657 | 20,640 |
| *- amount with related parties* | *9* | - | *8,617* |
| Deferred tax liabilities | 6.31 | 83,401 | 104,950 |
| **Total non-current liabilities** | | **732,267** | **760,893** |
| **Current liabilities** | | | |
| Short-term borrowings | 6.26 | 28,193 | 17,310 |
| Trade payables | 6.32 | 51,620 | 59,844 |
| *- amount with related parties* | *9* | *589* | *678* |
| Current income tax payables | 6.33 | 34,758 | 5,985 |
| Other tax payables | 6.34 | 9,414 | 10,996 |
| Other liabilities | 6.35 | 126,426 | 138,849 |
| *- amount with related parties* | *9* | *10,267* | *6,727* |
| **Total current liabilities** | | **250,410** | **232,984** |
| Liabilities directly attributable to assets classified as held for sale | 5 | 54 | - |
| **TOTAL LIABILITIES** | | **982,731** | **993,876** |
| **TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES** | | **1,501,408** | **1,544,886** |

## CONSOLIDATED STATEMENT OF CASH FLOWS

| (In thousands of euros) | | At June 30, 2019 | At June 30, 2018 Restated |
|---|---|---|---|
| **Profit before taxes** | | 33,718 | 50,317 |
| Depreciation and amortization | 6.8 | 99,028 | 36,966 |
| Impairment of receivables and other accruals, net | 6.7 | 2,455 | 1,792 |
| Performance Share Plan | 6.5 | 3,140 | 3,203 |
| Net financial charges | | 10,872 | 9,594 |
| Pro rata interest in the result of investee companies valued by the equity method | 6.16 | 59 | (108) |
| **Cash flow from/(used in) operating activities before changes in working capital** | | **149,275** | **101,764** |
| Change in operating working capital | | (975) | (6,541) |
| Change in other working capital items | | (51,817) | 682 |
| Change in provisions for risks and charges, deferred taxes and other liabilities | | (846) | (1,593) |
| **Cash flow from changes in working capital** | | **(53,639)** | **(7,452)** |
| Income taxes paid | | 55 | - |
| **Cash flow from/(used in) operating activities** | | **95,689** | **94,312** |
| Additions to intangible assets | 6.14 | (16,086) | (17,516) |
| Additions to property, plant and equipment | 6.13 | (3,404) | (3,017) |
| Disposals of property, plant and equipment and intangible assets | 6.13/6.14 | 250 | 73 |
| Financial income | | 457 | 16 |
| Acquisitions net of acquired cash | 5 | (4,357) | (70,453) |
| Payment of deferred price for Spazio Dati | | (1,384) | - |
| Capital increase by Quaestio Holding underwritten by minority interests | | - | 2,956 |
| Investments in associates net of dividends received | 6.10 | - | 457 |
| Change in other non-current financial assets | | - | (12) |
| Acquisition of minority interests | | (10,293) | (14,412) |
| **Cash flow from/(used in) investing activities** | | **(34,818)** | **(101,908)** |
| Change in short-term borrowings | | 726 | (517) |
| Repayment of Senior Loan facility | | - | - |
| Drawdown from Revolving Line | 6.26 | 10,000 | 27,000 |
| Disbursement of the La Scala Cerved loan | | (200) | - |
| Purchase of treasury shares | | (704) | - |
| Charges for the amendment to the Senior Loan facility | | - | (1,000) |
| Interest paid | | (7,039) | (6,644) |
| Dividends paid | | (58,499) | (52,724) |
| **Cash flow from/(used in) financing activities** | | **(55,717)** | **(33,885)** |
| **Change in cash and cash equivalents** | | **5,155** | **(41,483)** |
| Cash and cash equivalents at the beginning of the period | 6.23 | 42,364 | 99,207 |
| Cash and cash equivalents at the end of the period | 6.23 | 47,519 | 57,724 |
| **Difference** | | **5,155** | **(41,483)** |

# CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

| (In thousands of euros) | Share capital | Statutory reserve | Additional paid-in capital | Other reserves | Net profit attributable to owners of the parent | Consolidated sharehold. equity attributable to owners of the parent | Sharehold. equity attributable to non-controlling interests | Total shareholders' equity |
|---|---|---|---|---|---|---|---|---|
| **Balance at December 31, 2017** | **50,450** | **10,090** | **438,981** | **(16,827)** | **52,734** | **535,428** | **7,452** | **542,880** |
| Impact of first-time adoption of IFRS 16 | | | | (878) | | (878) | (23) | (901) |
| **Balance at January 1, 2018 Restated** | **50,450** | **10,090** | **438,981** | **(17,705)** | **52,734** | **534,550** | **7,429** | **541,979** |
| Appropriation of the 2017 result | | | | 52,734 | (52,734) | - | | - |
| Dividend distribution | | | | (47,842) | | (47,842) | | (47,842) |
| Distribution of additional paid-in capital | | | (4,882) | | | (4,882) | | (4,882) |
| Performance Share Plan | | | | 3,203 | | 3,203 | | 3,203 |
| Acquisition of minority interest | 71 | | | 4,495 | | 4,566 | (4,566) | - |
| Subscription of share capital increase by Quaestio Holding | | | | | | - | 2,956 | 2,956 |
| **Total transactions with owners** | **71** | **-** | **(4,882)** | **(40,144)** | **-** | **(44,955)** | **(1,610)** | **(46,565)** |
| Net profit | | | | | 34,274 | 34,274 | 967 | 35,241 |
| Other changes in statement of comprehensive income | | | | (518) | | (518) | (3) | (521) |
| **Net comprehensive result** | **-** | **-** | **-** | **(518)** | **34,274** | **33,755** | **964** | **34,720** |
| **Balance at June 30, 2018** | **50,521** | **10,090** | **434,099** | **(5,633)** | **34,274** | **523,351** | **6,783** | **530,134** |

| (In thousands of euros) | Share capital | Statutory reserve | Additional paid-in capital | Other reserves | Net profit attributable to owners of the parent | Consolidated sharehold. equity attributable to owners of the parent | Sharehold. equity attributable to non-controlling interests | Total shareholders' equity |
|---|---|---|---|---|---|---|---|---|
| **Balance at December 31, 2018 Restated** | **50,521** | **10,090** | **434,099** | **(39,055)** | **84,795** | **540,450** | **10,559** | **551,010** |
| Appropriation of the 2018 result | | | | 84,795 | (84,795) | - | | - |
| Reclassification to statutory reserve | | 14 | | (14) | | - | | - |
| Dividend distribution | | | | (56,580) | | (56,580) | | (56,580) |
| Distribution of additional paid-in capital | | | (1,918) | | | (1,918) | | (1,918) |
| Performance Share Plan | | | | 3,145 | | 3,145 | | 3,145 |
| Purchase of treasury shares | | | | (704) | | (704) | | (704) |
| Acquisition of minority interest | | | | 2,546 | | 2,546 | (2,546) | - |
| **Total transactions with owners** | **-** | **14** | **(1,918)** | **33,188** | **(84,795)** | **(53,511)** | **(2,546)** | **(56,057)** |
| Net profit | | | | | 28,360 | 28,360 | (3,201) | 25,159 |
| Other changes in statement of comprehensive income | | | | (1,435) | | (1,435) | | (1,435) |
| **Net comprehensive result** | **-** | **-** | **-** | **(1,435)** | **28,360** | **26,925** | **(3,201)** | **23,724** |
| **Balance at June 30, 2019** | **50,521** | **10,104** | **432,181** | **(7,302)** | **28,360** | **513,864** | **4,813** | **518,677** |

# NOTES TO THE CONDENSED CONSOLIDATED SEMIANNUAL FINANCIAL STATEMENTS

## GENERAL INFORMATION

Cerved Group S.p.A. (hereinafter “Cerved Group” or the “Company”) is a corporation established on March 14, 2014, domiciled in Italy, with registered office in San Donato Milanese, Via Dell’Unione Europea 6/A-B, and organized in accordance with the laws of the Italian Republic.

## 1. CRITERIA FOR THE PREPARATION OF THE CONSOLIDATED SEMIANNUAL FINANCIAL STATEMENTS

### 1.1 REFERENCE ACCOUNTING PRINCIPLES

These Consolidated Semiannual Financial Statements at June 30, 2019 were prepared in accordance with the requirements of Article 154-ter of Legislative Decree No. 58 of February 24, 1998 (Uniform Financial Code – TUF), as amended, and in implementation of IAS 34. They do not include all the information required by the IFRS for the preparation of annual financial statements and, consequently, should be read in conjunction with the consolidated financial statements at December 31, 2018, prepared in accordance with the International Accounting Principles (“IFRS”) published by the International Accounting Standards Board (“IASB”) and adopted by the European Union. The IFRS shall be understood to also include all revised international accounting standards (“IAS”) and all interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”), previously called Standing Interpretations Committee (“SIC”).

Please note that the statement of comprehensive income, the statement of financial position, the statement of changes in shareholders’ equity and the statement of cash flows are being presented in accordance with the extended presentation format, which is the same as the one adopted for the consolidated financial statements at December 31. 2018. However, the accompanying notes are presented in condensed form and, consequently do not include all the information required for annual financial statements. Specifically, please note that, as allowed by IAS 34 and to avoid repetition of already published information, the notes to the financial statements review exclusively those components of the statement of comprehensive income, the statement of financial position, the statement of changes in shareholders’ equity and the statement of cash flow the composition of which or the changes affecting them, due to their amount or nature or because they are unusual, make them essential to understand the Group’s income statement, financial position and cash flow.

These Consolidated Semiannual Financial Statements at June 30, 2019 are comprised of a statement of comprehensive income, a statement of financial position, a statement of changes in shareholders’ equity, a statement of cash flows and the accompanying notes. These schedules are presented in a format that includes the comparative data required by IAS 34 (December 31, 2018 for the statement of financial position and June 30, 2018 for the statement of comprehensive income and the statement of cash flows).

The Board of Directors of Cerved Group S.p.A. approved these Consolidated Semiannual Financial Statements at June 30, 2019 on July 30, 2018 and, on the same day, authorized their publication.

This document was the subject of a limited audit by the statutory independent auditors.

### 1.2 ESTIMATES AND ASSUMPTIONS

In the preparation of Consolidated Semiannual Financial Statements and the accompanying notes in accordance with IAS 34, Directors are required to apply accounting principles and methods that, in some cases, are based on difficult and subjective assessments and estimates, based on historical experience and assumptions that, in each case, are deemed reasonable and realistic in the corresponding circumstances. The adoption of these estimates and assumptions affects the amounts shown in the financial statement schedules, including the statement of financial position, the comprehensive income statements and the statement of cash flows, as well as the disclosures provided. Final results for the line items for which the abovementioned estimates and assumptions were used could differ from those shown in the financial statements due to the uncertainty that characterizes the assumptions and the conditions upon which the estimates are based.
The areas for which Directors are required to use greater subjectivity in developing estimates and for which a change in the conditions underlying the assumptions used could have a material impact on the Company's financial statements are listed below.

**a) Impairment of Assets**

In accordance with the accounting principles applied by the Group, property, plant and equipment, intangible assets and investment property must be tested to determine if an impairment has occurred, which is recognized by means of a writedown, when there are indicators showing that it may be difficult to recover the net carrying amount of the assets through their use. The determination of the existence of such indicators requires, on the part of the Board of Directors, the development of subjective valuations, based on information available within the Group and in the market and on past experience. Moreover, if it can be determined that a potential impairment may have occurred, the Group must quantify the impairment using appropriate valuation techniques. The correct identification of the elements indicating the existence of a potential impairment of property, plant and equipment, intangible assets and investment property and the estimates required to measure the impairment are based on factors that can vary over time, with an impact on the valuations and estimates made by the Board of Directors.

**b) Depreciation and Amortization**

The cost of property, plant and equipment and intangible assets is depreciated and amortized, respectively, on a straight line over the estimated useful lives of the assets. The useful economic lives of these assets are determined by the Board of Directors when the assets are acquired; they are based on past experience for similar assets, market conditions and projections about future events that could have an impact on the useful lives of the assets, such as changes in technology. Consequently, the actual economic life could differ from the estimated useful life.

**c) Provision for Impairment of Receivables**

The provision for impairment of receivables reflects estimates of projected losses for the Group's portfolio of receivables. The provisions for projected impairment of receivables recognized were estimated based on past experience for receivables posing a similar credit risk, current and past unpaid amounts, and a careful monitoring of the quality of the portfolio of receivables and current and projected conditions in the economy and the reference markets. Estimates and assumptions are revised periodically and the effects of any change are reflected in the income statement for the year to which they are attributable.

**d) Employee Benefits**

The present value of the retirement benefit obligations depends on independent actuarial computations and various assumptions taken into consideration. Any changes in these assumptions or the discount rate applied are promptly reflected in the computation of the present value and could have a significant impact on financial statement data. The assumptions used for actuarial computation purposes are reviewed each year.

The present value is determined by discounting future cash flows at an interest rate equal to that of high quality corporate bonds issued in the currency in which the liability will be settled and taking into account the duration of the corresponding pension plan. For additional information see Note 6.5 “Personnel Costs” and Note 6.28 “Employee Benefits.”

Estimates and assumptions are reviewed periodically and the effects of any change are reflected immediately in profit or loss.

**e) Derivatives**

Derivatives, executed mainly to hedge risks related to fluctuations in financial charges, are valued in the same manner as securities held for sale, are measured at fair value through profit or loss and are classified into current and non-current other assets or liabilities. The fair value of financial derivatives is determined based on market prices or, if these are not available, it is estimated with appropriate valuation techniques based on up-to-date financial variables used by market operators and, whenever possible, taking into account recorded prices for recent transactions involving similar financial instruments. When there is objective evidence of impairment, asset-side derivatives are shown net of the amounts set aside in the corresponding provision for impairment.

Derivatives are classified as hedging instruments when the relationship between the derivative and the hedged item is formally documented and the effectiveness of the hedge, tested periodically, is high. Compliance with the requirements defined in IAS 39 to qualify for hedge accounting is verified periodically. Changes in the fair value of derivatives that do qualify for hedge accounting are recognized in profit or loss.

Option contracts concerning minority interests in subsidiaries executed with minority shareholders are recognized, on the date of execution, as financial liabilities with the offset posted to other equity reserves; the value of these financial liabilities is adjusted periodically, with any changes identified subsequent to initial recognition reflected in profit or loss.

## 1.3 ACCOUNTING PRINCIPLES APPLICABLE AS OF JANUARY 1, 2019

The accounting principles used to prepare the quantitative economic and financial data at June 30, 2019 are the International Accounting Standards (IAS), the International Financial Reporting Standards (IFRS) and the corresponding interpretations, published by the IASB and endorsed by the European Union, as of this document’s reporting date.

The accounting principles and consolidation criteria adopted to prepare these Consolidated Semiannual Financial Statements are consistent with those adopted to prepare the Group’s consolidated financial statements for the year ended December 31, 2018, as appropriately restated to reflect the effects deriving from the implementation of the provisions of IFRS 16 “Leases.”

The introduction of this principle is aimed at improving the transparency of the financial statements of lessees in connection with leasing transactions, as demanded by investors, financial analysts and regulatory entities.

For the adoption of this new standard, required starting in reporting years beginning on or after January 1, 2019, the Group opted for a retrospective adoption of the new standard, consistent with the provisions of IAS 8.

The new process for recognizing leases follows a decision making process that includes the following three steps:

- whether or not the lessee has a right to obtain the economic benefits deriving from the use of the asset over the entire length of the utilization period;
- whether or not the lessee has a right to determine how and for what purpose the asset will be used over the entire length of the utilization period;
- whether or not the lessee has a right to use the asset over the entire length of the utilization period and the supplier does not have a right to change operating instructions.

If the lessor finds that the lessee has the abovementioned rights, the lessor shall recognize the effects of the lease in accordance with the provisions of IFRS 16.

Accounting for leases therefore entails the following process:

- in the statement of financial position, the recognition of an item of property plant and equipment, representative of the right to use the asset (hereinafter "right-of-use asset"), and a liability (hereinafter "Lease liability"), representative of the obligation to make the payments due under the lease;
- in the income statement, among operating costs, the recognition of the depreciation of the right-of-use asset and, on the financial side, the recognition of the interest expense accrued on the lease liability, if not capitalized, instead of the recognizing operating lease installments among operating costs, as required by the accounting standard in effect throughout 2018. Lastly, the income statement includes lease payments for short-term leases and of modest value, as allowed for a simplified adoption of IFRS 16, and variable lease payments not included in the determination of the lease liability (e.g., lease payments based on the use of the leased asset;
- in the statement of cash flows, the recognition of the principal repayments of the lease liability in the net cash flow from financing activities. Interest expense is recognized in the net cash flow from operating activities, if charged to income, or in the net cash flow from investing activities, if capitalized.

Based on an analysis performed by the Group, the adoption of this new principle had an impact on the leases for operational and commercial facilities and on some hardware rental contracts, the effects of which at January 1, 2018 are summarized below:

| | | | Credit Information | Marketing Solution | Credit Management |
|---|---|---|---|---|---|
| **(in thousands of euros)** | | **Opening at 01/01/2018** | ***IFRS 16*** | ***IFRS 16*** | ***IFRS 16*** |
| **Statement of financial position** | Property, plant and equipment (Right of Use) | 36,405 | 27,797 | 528 | 8,080 |
| | Financial liabilities | (43,101) | (34,131) | (540) | (8,430) |
| | Deferred income (on contributions received from lessor, as per previous IAS recognition) | 1,994 | 1,994 | - | - |
| | Accrued expenses (from linearization of rent payments, as per previous IAS recognition) | 3,452 | 3,452 | - | - |
| | Net prepaid taxes | 349 | 248 | 3 | 98 |
| | **Shareholders' equity** | **(901)** | **(640)** | **(9)** | **(252)** |

In the preparation of this Interim Report on Operations, management is required to apply estimates and assumptions that affect the amounts shown in the financial statements for revenues, costs, assets and liabilities and the disclosures concerning contingent assets and liabilities at the end of the reporting period. If in the future these estimates and assumptions, which are based on the best estimates by the Board of Directors, were to differ from actual circumstances, they will be appropriately revised in the period in which the abovementioned circumstances may occur.

The table below lists the international accounting principles, interpretations, amendments to existing accounting principles and interpretations or specific provisions set forth in principles and interpretations approved by the IASB, showing which ones were endorsed or not endorsed for adoption in Europe as of the date of this document:

| *Description* | *Endorsed as of the date of this document* | *Effective date of the principle* |
|---|---|---|
| *IFRS 17 Insurance Contracts* | *No* | *Years beginning on or after January 1, 2021* |
| *Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures* | *Yes* | *Years beginning on or after January 1, 2019* |
| *IFRIC 23 Uncertainty over Income Tax Treatments* | *Yes* | *Years beginning on or after January 1, 2019* |
| *Amendments to References to the Conceptual* | *No* | *Years beginning on or after January 1, 2020* |

| | | |
|---|---|---|
| *Framework in IFRS Standards* | | |
| *Amendments to IAS 1 e IAS 8 on the definition of material* | *No* | *Years beginning on or after January 1, 2020* |
| *Amendments to IFRS 3 Definition of a business* | *No* | *Years beginning on or after January 1, 2020* |

The Group did not choose early adoption for accounting standards and/or interpretations that were not endorsed and the adoption of which would be mandatory for reporting period beginning after January 1, 2019.

The comparative data at June 30, 2018 were updated to reflect the results, as of the end of 2018, deriving from the impact of the adoption of the IFRS 16 accounting standard.

Also as of June 30, 2018, the Group recognized the effects deriving from the retrospective recognition of the Purchase Price Allocation for the Credit Management S.r.l. and Juliet S.p.A. business combinations completed in December 2018, which resulted in a reduction of goodwill and a concurrent increase of other intangible assts. The amortization for the period and the corresponding tax effect were then recognized in the income statement.

# 2 SCOPE OF CONSOLIDATION AND CONSOLIDATION CRITERIA

The Consolidated Financial Statements include the financial statements of the Group's Parent Company and those of companies in which the Parent controls, directly or indirectly, a majority of the votes exercisable at the Ordinary Shareholders' Meeting.

A list of companies consolidated line by line or by the equity method at June 30, 2019 is provided below:

| | Registered office | Share capital | % ownership | Consolidation method |
|---|---|---|---|---|
| | | *(in thousands of euros)* | *(direct and indirect)* | |
| Cerved Group S.p.A. (Parent Company) | San Donato Milanese | 50,521 | - | *Line by line* |
| Cerved Credit Collection S.p.A. | San Donato Milanese | 150 | *96.79%* | *Line by line* |
| Cerved Credit Management Group S.r.l. | San Donato Milanese | 56 | *96.79%* | *Line by line* |
| Cerved Credit Management S.p.A. | San Donato Milanese | 1,000 | *96.79%* | *Line by line* |
| Cerved Legal Services S.r.l. | San Donato Milanese | 50 | *96.79%* | *Line by line* |
| Cerved Rating Agency S.p.A. | San Donato Milanese | 150 | *100.00%* | *Line by line* |
| Cerved Master Services S.p.A. | San Donato Milanese | 3,000 | *96.79%* | *Line by line* |
| Spazio Dati S.r.l. | Trent | 22 | *79.48%* | *Line by line* |
| S.C. Re Collection S.r.l. | Romania | 110 | *96.79%* | *Line by line* |
| Experian Italia S.p.A. | Rome | 1,980 | *4.65%* | *Equity method* |
| Clickadv S.r.l. | Pozzuoli | 10 | *100.00%* | *Line by line* |
| Major 1 S.r.l. | San Donato Milanese | 11 | *100.00%* | *Line by line* |
| Quaestio Cerved Credit Management S.p.A. | San Donato Milanese | 6,000 | *47.49%* | *Line by line* |
| Credit Management S.r.l. | Bari | 30 | *96.79%* | *Line by line* |
| Juliet S.p.A. | Siena | 50 | *47.49%* | *Line by line* |
| Cerved Credit Management Greece S.A. | Athens (Greece) | 500 | *96.79%* | *Line by line* |
| La Scala – Cerved società tra avvocati a responsabilità limitata | Milan | 75 | *31.73%* | *Equity method* |
| Pro Web Consulting S.r.l. | San Donato Milanese | 100 | *70.00%* | *Line by line* |
| Cerved Property Services Single Member S.A. | Athens (Greece) | 666 | *96.79%* | *Line by line* |
| Cerved Property Services S.A. | Romania | 115 | *96.79%* | *Line by line* |
| ERB Property Services S.A. | Serbia | 71 | *96.79%* | *Line by line* |

All subsidiaries close their financial statements on the same date as Cerved Group S.p.A., the Group's Parent Company, except for Experian Italia S.p.A., which closes its financial statements at March 31. The financial statements of subsidiaries prepared in accordance with accounting principles different from the IFRSs adopted by the Group's Parent Company were restated as necessary to make them consistent with the Parent Company's accounting principles.

Quaestio Cerved Credit Management S.p.A., a company 49.99% owned by Cerved Credit Management Group S.r.l., is being consolidated line by line into the Cerved Group pursuant to IFRS 10 Consolidated Financial Statements and by virtue of the strengthened governance rights awarded to Cerved originated shareholders by virtue of the shareholders' agreement executed by the company's two shareholders.

# 3 RISK MANAGEMENT

### 3.1 FINANCIAL RISK FACTORS

L The Group's operations are exposed to the following risks: (i) market risk (defined as foreign exchange and interest rate risk), (ii) credit risk (regarding both regular sales transactions with customers and financing activities) and (iii) liquidity risk (regarding the availability of financial resources and access to the credit market and financial instruments in general).

The Group's objective is to maintain over time a balanced handling of its financial exposure, capable of ensuring that the structure of its liabilities is in harmony with the asset composition in its financial statements and delivering the necessary operating flexibility through the combined use of liquidity generated by current operating activities and bank financing.

The ability to generate liquidity through the operating activities, coupled with its borrowing ability, enables the Group to adequately meet its operating needs, in terms of financing its operating working capital and funding its investments, and meet its financial obligations.

The Groups' financing policy and the management of the related financial risks are guided and monitored at the central level. Specifically, the central Finance Department is responsible for assessing and approving projected financing needs, monitoring developing trends and, when necessary, taking corrective action. In addition, the central Finance Department contributes to the development of the Group's financing and cash management policies, seeking to optimize the management of financial and cash flows and related risks. This activity is carried out in cooperation with the management of the divisions, as all decisions are made specifically taking into consideration the Group's operating needs, as approved and revised by the Board of Directors.

The financing tools most frequently used by the Group include the following:

(i) medium/long-term borrowings to fund investments in non-current assets;

(ii) short-term borrowing and utilization of bank account overdraft facilities to finance working capital.

The following section provides qualitative and quantitative disclosures on the impact of such risks on the Group.

**(I) Market Risk**

**Foreign Exchange Risk**

The exposure to the risk of fluctuations in foreign exchange rates derives from the pursuit of activities in currencies different from the euro. The Group operates primarily in Italy and most of the revenues and purchases of services in foreign countries involve countries that are members of the European Union. Consequently, the Group is not exposed to the risk of fluctuations in the exchange rates of foreign currencies versus the euro.

**Interest Rate Risk**

The Group uses external financial resources in the form of borrowings and invests available liquid assets in bank deposits. Changes in market interest rates affect borrowing costs and the yields of different types of investments, with an impact on the level of the Group's financial charges and financial income.

The Group, being exposed to fluctuations in interest rates insofar as they affect the measurement of debt related financial charges, regularly assesses its exposure to the risk of interest rate changes and manages this risk with interest rate financial derivatives, interest rate swaps (IRS) mainly, executed exclusively for hedging purposes.

The change in the fair value of the derivatives at June 30, 2019, amounting to 2,195 thousand euros, was recognized directly in the statement of other components of comprehensive income.

The Euribor is the interest to which the Group is most exposed.

Detailed information about financial instruments outstanding at the reporting date is provided in Note 6.26 "Current and non-current borrowings."

**(II) Credit Risk**

**Financial Credit Risk**

The financial credit risk refers to the inability of a counterparty to fulfill its obligations. At June 30, 2019, the Group's liquid assets were invested in bank accounts with top-rated credit institutions.

**Commercial Credit Risk**

The commercial credit risk derives mainly from trade receivables. To minimize the credit risk related to commercial counterparties, the Group established internal procedures that call for a preventive verification of a customer's solvency prior to accepting a contract through a rating analysis based on Cerved data.

Moreover, there is a procedure for the collection and management of trade receivables that calls for sending written reminders in the event of late payments, followed by gradually more incisive actions (mailing of payment reminder letter, telephone payment requests, threats of legal action and legal action).

Lastly, trade receivables carried in the financial statements are individually analyzed and when positions are found to present conditions that make them partially or fully uncollectible, they are written down. The amount of the writedowns reflects an estimate of recoverable cash flows and the corresponding date of collection. For receivables that are not individually written down, provisions that take into account historical experience and statistical data are recognized on an aggregate basis. See Note 6.19 for additional information about the provision for impairment of receivables.

**(III) Liquidity Risk**

The liquidity risk refers to the potential inability to secure, on affordable terms, the financial resources needed for the Group's operations. The two main factors that affect the Group's liquidity are:

- the financial resources generated or absorbed by the operating and investing activities;
- the maturity characteristics of financial debt.

The Group's liquidity needs are monitored by the central cash management function with the aim of ensuring the effective procurement of financial resources and an adequate investment of/return on liquid assets.

The Group's Management believes that the funds and credit lines currently available, combined with those that will be generated by the operating and financing activities, will enable the Company to meet its needs with regard to investing activities, working capital management and the repayment of debt at the contractual maturities.
With regard to the exposure to trade payables, there is no significant supplier concentration.

### 3.2 Capital Management

The Group's objective is to create value for its shareholders. Special attention is paid to the debt level relative to shareholders' equity and EBITDA, while pursuing objectives of profitability and operating cash flow generation.

### 3.3 ESTIMATING FAIR VALUE

The fair value of financial instruments traded in an active market is based on market prices on the date of the financial statements. The fair value of instruments that are not traded in an active market is determined using valuation techniques based on a series of methods and assumptions tied to market conditions on the reporting date.
The classification of the fair value of financial instruments based on hierarchical levels is as follows:

Level 1: Determination of fair value based on quoted prices (unadjusted) for identical financial instruments in active markets;
Level 2: Determination of fair value based on valuation techniques that reference variables observable in active markets;
Level 3: Determination of fair value based on valuation techniques that reference variables not observable in active markets.

The assets and liabilities measured at fair value, as shown in these consolidated semiannual financial statements, refer to derivatives, classified at Level 2 and recognized under Current and non-current borrowings, mainly consisting of the investment in SIA, classified at Level 3, as shown in the table below:

| | At June 30, 2019 | | | |
|---|---|---|---|---|
| *(in thousands of euros)* | **Level 1** | **Level 2** | **Level 3** | **Total** |
| Other non-current financial assets | - | - | 5,169 | 5,169 |
| **Total** | **-** | **-** | **5,169** | **5,169** |
| Derivatives | - | (7,088) | - | (7,088) |
| **Total** | **-** | **(7,088)** | **-** | **(7,088)** |

## 4 SEGMENT INFORMATION

The operating segments identified by the Board of Directors, which encompass all of the services and products offered to customers, are:

- Credit Information, which includes the supply of corporate, commercial, economic and financial information;
- Marketing Solutions, which includes the supply of market information and analyses;
- Credit Management, which includes services for the assessment and management of "problematic" receivables and assets on behalf of third parties.

The results of the operating segments are measured through an analysis of the trend for EBITDA, defined as profit for the period before depreciation and amortization, non-recurring income and costs, financial charges and income, investment gains or losses and income taxes.

More specifically, EBITDA provide a good indication of performance because they are not affected by the tax laws or depreciation and amortization policies.

The table that follows shows the revenues and EBITDA of the operating segments:

| | FIRST HALF 2019 | | | | FIRST HALF 2018 RESTATED | | | |
|---|---|---|---|---|---|---|---|---|
| (in thousands of euros) | Credit Information | Marketing Solutions | Credit Management | Total | Credit Information | Marketing Solutions | Credit Managemen t | Total |
| Revenues by segment | *146,890* | *14,513* | *86,554* | *247,957* | 146,805 | 11,595 | 66,338 | 224,737 |
| Inter-segment revenues | *(826)* | *(67)* | *(1,149)* | *(2,042)* | (985) | - | (931) | (1,916) |
| **Total revenues from outsiders** | ***146,064*** | ***14,446*** | ***85,405*** | ***245,916*** | **145,820** | **11,595** | **65,407** | **222,822** |
| **EBITDA** | ***73,974*** | ***3,546*** | ***30,353*** | ***107,873*** | **75,497** | **3,724** | **21,947** | **101,169** |
| ***EBITDA %*** | *50.36%* | *24.43%* | *35.07%* | *43.50%* | ***51.43%*** | ***32.12%*** | ***33.08%*** | ***45.02%*** |
| Non-recurring income/(charges) | | | | *(23,005)* | | | | (3,882) |
| Depreciation and amortization | | | | *(40,218)* | | | | (36,966) |
| **Operating profit** | | | | **44,650** | | | | **60,322** |
| Pro rata interest in the result of companies carried at equity | | | | *(59)* | | | | 108 |
| Financial income | | | | *539* | | | | 473 |
| Financial charges | | | | *(11,411)* | | | | (10,036) |
| Non-recurring financial income/(charges) | | | | - | | | | (550) |
| **Profit before income taxes** | | | | **33,719** | | | | **50,316** |
| Income taxes | | | | *(13,829)* | | | | (15,075) |
| Non-recurring income taxes | | | | *5,248* | | | | - |
| **Net profit from continuing operations** | | | | **25,137** | | | | **35,241** |
| Net profit from discontinued operations | | | | 21 | | | | - |
| **Net profit** | | | | **25,158** | | | | **35,241** |

# 5 BUSINESS COMBINATIONS

***Acquisition of Cerved Property Services Single Member S.A.***

On April 1, 2019, the subsidiary Cerved Credit Management Group S.r.l. ("CCMG") purchased from Eurobank Ergasias S.A. ("Eurobank") the entire share capital of Cerved Property Services S.A. ("CPS" formerly Eurobank Property Services S.A.) in Greece and its subsidiaries Cerved Property Services S.A. (formerly Eurobank Property Services S.A.) in Romania and ERB Property Services D.O.O. Belgrade in Serbia.

This acquisition is part of a binding agreement signed by CCMG with Eurobank, on January 30, 2019, for the development of a long-term industrial partnership the purpose of which is the management of real estate assets. Within the framework of this agreement, CPS was also designated as primary servicer for the management of real estate assets for Eurobank for the next five years ("Servicing Agreement"), specifically regarding all appraisal activities carried out in connection with the issuance of new mortgage loans and the re-appraisal of the assets pledged to secure performing and nonperforming loans.

The purchase price, initially set at 8 million euros and later adjusted consistent with the stipulations of the abovementioned agreement, was paid concurrently with the signing of the sales agreement. The terms of the agreement also call for a deferred price of 2.0 million euros, which could be increased by an earnout of up to 3 million euros, based on the achievement of economic results generated during a period ending in 2022. At the same time, CPS will enter into a three year agreement with Eurobank, automatically renewable for an additional two years, for the servicing of real estate assets

The total consideration for this transaction, counting the price adjustment and including the earnout amount, totals 12,998 thousand euros.

The table below shows the results of this business combination:

| (in thousands of euros) | |
|---|---|
| Purchase price paid upon signing | 8,000 |
| Price adjustment | 298 |
| Deferred price | 1,906 |
| Earnout amount | 2,794 |
| **Consideration amount** | **12,998** |
| Net acquired assets | 2,198 |
| **Provisional goodwill** | **10,800** |

The table that follows shows in detail the carrying amounts of the acquire assets and assumed liabilities on the acquisition date. The investment in ERB Property Services D.O.O. Belgrade was classified and consolidated as an "Asset held for sale," as required by IFRS 5.

| *(In thousands of euros)* | **Carrying amount** |
|---|---:|
| Property, plant and equipment | 1,780 |
| Intangible assets | 96 |
| Other non-current financial assets | 21 |
| Deferred tax assets | 302 |
| Trade receivables | 747 |
| Tax receivables | 6 |
| Other receivables | 1,180 |
| Other current assets | 6 |
| Assets held for sale | 88 |
| Cash and cash equivalents | 3,641 |
| **Acquired assets** | **7,868** |
| Long-term debt | (1,138) |
| Employee benefits | (132) |
| Provision for risks and charges | (1) |
| Short-term borrowings | (133) |
| Trade payables | (312) |
| Other tax payables | (239) |
| Other liabilities | (3,684) |
| Liabilities directly attributable to assets classified as held for sale | (31) |
| **Assumed liabilities** | **(5,670)** |
| **Net acquired assets** | **2,198** |

This transaction resulted in the recognition of goodwill amounting to 10.8 million euros, which was recognized on a provisional basis as the Group availed itself of the option provided under IFRS 3 to measure the price paid and the fair value of the net acquired assets within 12 months from the date of acquisition. The price of 8 million euros and an adjustment of 286 thousand euros were paid on June 30, 2019.

The table below shows the net cash flow deriving from the acquisition of the CPS group:

| *(In thousands of euros)* | |
|---|---:|
| **Consideration paid** | **(8,286)** |
| Cash and cash equivalents on the acquisition date | 3,641 |
| **Net cash flow deriving from the acquisition** | **(4,645)** |

The transaction costs incurred, totaling 140 thousand euros, were recognized in full in the income statement.

# 6 NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 6.1 Revenues

A breakdown of "Revenues" is provided below:

| *(In thousands of euros)* | At June 30, 2019 | At June 30, 2018 Restated |
|---|---|---|
| Revenues in Italy | 226,449 | 203,517 |
| International revenues | 5,683 | 2,834 |
| **Total revenues** | **232,132** | **206,351** |
| Change in deferred revenues | 13,784 | 16,471 |
| **Total** | **245,916** | **222,822** |

"Deferred revenues" originate from services invoiced but not yet provided to customers as of the end of the reporting period and deferred to the following period in accordance with the accrual principle.

## 6.2 Other Income

At June 30, 2019, "Other income" totaled 40,283 thousand euros, broken down as follows:

| *(In thousands of euros)* | At June 30, 2019 | At June 30, 2018 Restated |
|---|---|---|
| Sundry income | 234 | 75 |
| Insurance settlements | 49 | 68 |
| Other non-recurring revenues | 40,000 | - |
| **Total** | **40,283** | **143** |

The amount shown under "Other non-recurring revenues" reflects the income resulting from the indemnification of 40 million euros awarded by Monte dei Paschi di Siena for the early cancellation of the Servicing Contract with Juliet S.p.A., as described in the Semiannual Financial Report.

## 6.3 Cost Of Raw Material and Other Materials

A breakdown of "Cost of raw material and other materials" is as follows:

| *(In thousands of euros)* | At June 30, 2019 | At June 30, 2018 Restated |
|---|---|---|
| Consumables | 127 | 175 |
| Cost of sales | 65 | 1,861 |
| Fuel | 390 | 406 |
| **Total** | **582** | **2,442** |

"Cost of sales" refers to the cost of goods bought and resold as part of the asset management and reselling activity carried out by the Cerved Credit Management Group Srl subsidiary through its "Markagain" Division. This decrease reflects the decision to reduce commitments in that area and develop alternatives lines of business, more synergistic with the Credit Management segment.

“Consumables” and “Fuel” refer mainly to costs for Company-owned cars used by employees.

**6.4 Cost of Services**

A breakdown of “Costs of services” is provided below:

| *(In thousands of euros)* | At June 30, 2019 | At June 30, 2018 Restated |
|---|---:|---:|
| Information technology services | 19,715 | 17,439 |
| Agents and sales agreement cost | 9,445 | 9,482 |
| Tax, administrative and legal consulting services | 1,733 | 2,157 |
| Advertising and marketing expenses | 871 | 891 |
| Maintenance and technical support costs | 3,952 | 3,505 |
| Utilities | 1,248 | 1,331 |
| Services for asset remarketing activities | 441 | 727 |
| Cost for credit collection services | 17,332 | 15,170 |
| Travel expenses and per diems | 1,612 | 1,637 |
| Costs for digital marketing services | 2,862 | 2,529 |
| Other consultancy and services costs | 3,495 | 2,968 |
| Non-recurring costs | 3,042 | 2,238 |
| **Total** | **65,737** | **60,074** |

An overview of the trends affecting the cost of services, compared with the previous year, is provided below:

- the cost of information technology services, amounting to 19,715 thousand euros (+13.1%), reflects the impact of cost increase dynamics driven by gains in revenues regarding expert consultants (5,565 thousand euros at June 30, 2019, +42%);
- the cost for sales agents and distribution agreements, totaling 9,445 thousand euros at June 30, 2019, decreased slightly compared with the previous year (-0.5%) but was in line with the revenue growth dynamics generated by the sales agents network and agreements with some commercial partners;
- the cost of tax, administrative and legal consulting services, amounting to 1,733 thousand euros, decreased compared with the first six months of 2018 (-19.7%) mainly due to the higher consulting costs incurred last year in connection with the launch and implementation of activities required by the new privacy regulations.
- the cost for credit collection services was up sharply, rising to 17,322 thousand euros at June 30, 2019 (15,170 thousand euros at June 30, 2018) , consistent with the increase in the volumes handled in connection with the management of nonperforming loans by Cerved Credit Management Group.

At June 30, 2019, “Cost of services” included non-recurring costs totaling 3,042 thousand euros. See Note 6.9 “Non-recurring Income and Costs” for additional information.

### 6.5 Personnel Costs

A breakdown of “Personnel Costs” is as follows:

| *(In thousands of euros)* | At June 30, 2019 | At June 30, 2018 Restated |
|---|---|---|
| Wages and salaries | 42,788 | 35,909 |
| Social security charges | 14,213 | 12,000 |
| Retirement benefits | 3,091 | 2,967 |
| Other personnel costs | 3,185 | 1,013 |
| Performance Share Plan | 3,140 | 3,203 |
| Non-recurring costs | 1,153 | 1,539 |
| **Total staff costs** | **67,570** | **56,631** |
| Associates’ fees and contributions | 446 | 292 |
| Directors’ fees and contributions | 1,625 | 1,453 |
| **Total fees and contributions** | **2,071** | **1,745** |
| **Total** | **69,641** | **58,376** |

The increase in “Other personnel costs, up 2,172 thousand euros compared with the first half of 2018, mainly reflects the consideration paid to BMPS for temporarily seconding to Juliet S.p.A. 89 of its employees.

Also worth mentioning is the presence of “non-recurring” personnel costs totaling 1,153 thousand euros at June 30, 2019. See Note 6.9 “Non-recurring Income and Costs” for additional information.

For a breakdown of “Retirement benefits” see the detailed information provided in Note 6.28.

The table below shows a breakdown by category of the average number of Group employees:

| **Average number of employees** | At June 30, 2019 | At June 30, 2018 |
|---|---|---|
| *(in units)* | | |
| Executives | 81 | 74 |
| Middle managers | 363 | 326 |
| Office staff | 1,942 | 1,698 |
| **Total** | **2,386** | **2,098** |

### 6.6 Other Operating Cost

A breakdown of "Other operating costs" is provided below:

| *(In thousands of euros)* | At June 30, 2019 | At June 30, 2018 Restated |
|---|---|---|
| Rent | 805 | 477 |
| Rentals | 1,382 | 492 |
| Expenses for Company cars | 485 | 512 |
| Other costs | 167 | 340 |
| Janitorial services | 335 | 275 |
| Employee cafeteria and meal vouchers | 933 | 793 |
| Other non-recurring operating costs | - | 105 |
| **Total** | **4,107** | **2,994** |

Rent amounted to 328 thousand euros, including incidental costs. The inclusion of new companies in the scope of consolidation and the expansion of the San Donato Milanese headquarters to two additional floors of the building where it is located are the main reason for the increase compared with the previous year.

The cost of "Rentals," exempt from the accounting treatment required by IFRS 16, mainly reflects the access fee for information services, including licenses and IT infrastructures, signed by the Juliet S.p.A. subsidiary with Consorzio Operativo Gruppo MPS.

### 6.7 Impairment of Receivables and Other Accruals

A breakdown of "Impairment of receivables and other accruals" is provided below:

| *(In thousands of euros)* | At June 30, 2019 | At June 30, 2018 Restated |
|---|---|---|
| Impairment of receivables | 2,217 | 1,861 |
| Accruals to other provisions for risks, net of reversals | 238 | (69) |
| **Total** | **2,455** | **1,792** |

For more detailed information about the changes that occurred in the provision for risk and charges, see the analysis provided in Note 6.29.

### 6.8 Depreciation and Amortization

A breakdown of "Depreciation and amortization" is provided below:

| *(In thousands of euros)* | At June 30, 2019 | At June 30, 2018 Restated |
|---|---|---|
| Amortization of intangible assets | 35,418 | 32,517 |
| Depreciation of property, plant and equipment | 4,799 | 4,448 |
| Non-recurring writedown of intangible assets | 58,810 | - |
| **Total** | **99,028** | **36,966** |

Non-recurring item of 58,810 thousand euros reflects the writedown of the Servicing Contract recognized as part of the Purchase Price Allocation of Juliet S.p.A. in 2018, which was the subject of early cancellation by the BMPS counterparty. See Note 6.14 for additional details.

### 6.9 Non-Recurring Income and Costs

As required by the Consob Communication of July 28, 2006, the table below summarizes the Group's non-recurring income and costs for the period ended June 30, 2019:

| *(In thousands of euros)* | At June 30, 2019 | At June 30, 2018 Restated |
|---|---|---|
| Other non-recurring revenues | 40,000 | - |
| Cost of services | (3,042) | (2,238) |
| Personnel costs | (1,153) | (1,539) |
| Other operating costs | - | (105) |
| Non-recurring writedown | (58,810) | - |
| Financial charges | - | (550) |
| Non-recurring taxes | 5,248 | - |
| **Total** | **(17,757)** | **(4,432)** |

During the reporting period, the Group incurred non-recurring components totaling 16,474 thousand euros, which included:

- non-recurring service costs for 3,042 thousand euros, mainly relating to incidental charges incurred in connection extraordinary transactions executed during the reporting period;
- 1,153 thousand euros for retirement incentives paid to employees as part of the process for the integration of Group companies;
- the item recognized for the early cancellation of the servicing contract with Juliet S.p.A.: (i) the income deriving from the indemnification of 40 million euros awarded by Monte dei Paschi, (ii) the writedown of the value of the Servicing Contract allocated upon the Purchase Price Allocation of Juliet S.p.A. for 58,810 thousand euros, and (iii) the net tax effect of the abovementioned components amounting to 5,248 thousand euros.

### 6.10 Financial Income

A breakdown of "Financial income" is provided in the table below:

| *(In thousands of euros)* | At June 30, 2019 | At June 30, 2018 Restated |
|---|---|---|
| Bank interest income | - | 1 |
| Other interest income | 42 | 5 |
| Dividends | 457 | 457 |
| Foreign exchange gains | 20 | 10 |
| **Total** | **539** | **473** |

"Dividends" of 457 thousand euros refers exclusively to the dividends distributed by SIA-SSB, a company in which the Group holds an equity interest of 0.76%.

### 6.11 Financial Charges

A breakdown of "Financial charges" is provided below:

| *(In thousands of euros)* | **At June 30, 2019** | **At June 30, 2018 Restated** |
|---|---|---|
| Interest expense on Forward Start facility | 5,063 | 5,169 |
| Financial component of employee benefits | 45 | 57 |
| Fees and other interest expense | 1,775 | 1,274 |
| Amortized cost of facility | 1,753 | 1,393 |
| Adjustment of financial liability for options of minority shareholders and fair value of options | 1,967 | 994 |
| Financial charges for derivatives | 809 | 1,149 |
| Other non-recurring financial charges | - | 550 |
| **Total** | **11,411** | **10,586** |

The “Adjustment of financial liability for options of minority shareholders and fair value of options includes for 1,395 thousand euros the adjustment to fair value of the call option given by Quaestio Holding SA to Cerved Credit Management Group S.r.l. for the purchase of a 50.1% interest in Quaestio Cerved Credit Management S.p.A.

### 6.12 Income Tax Expense

A breakdown of “Income tax expense” is provided below:

| *(In thousands of euros)* | **At June 30, 2019** | **At June 30, 2018 Restated** |
|---|---|---|
| Current regional taxes (IRAP) | 3,403 | 3,162 |
| Current corporate income taxes (IRES ) | 16,106 | 15,077 |
| Prior-period tax benefits and charges | (1,266) | (437) |
| Benefits and charges from consolidated income tax return | - | (330) |
| Prepaid and deferred income taxes | (4,414) | (2,397) |
| Non-recurring taxes | (5,248) | - |
| **Total** | **8,581** | **15,075** |

Current taxes were computed based on the tax rates in effect.

At the end of December 2018, following the completion of the preparatory activities, Cerved Group finalized an agreement with the Revenue Agency for a ruling regarding the “Patent Box” optional status of reduced taxation (Article 1, Sections 37 to 45, of Law No. 190 of December 23, 2014, as amended by Article 5 of Decree Law No. 3 of January 24, 2015) that determined: (i) scope of applicability for the trademark, knowhow (database) and software; (ii) the amount of the economic contribution for 2015; and (iii) the computation criterion and method applicable for subsequent years up to 2019.
The estimated tax benefit from the implementation of this ruling amounts to 5.6 million euros for the first half of the current year.

Non-recurring taxes of 5,248 thousand euros reflects the tax impact of the indemnification received from Monte Paschi di Siena, including 11,160 thousand euros in higher current taxes, net of 16,408 thousand euros in reversals of deferred taxes related to the portion of the Servicing Contract that was being written down.

### 6.13 Property, Plant and Equipment

At June 30, 2019, “Property, plant and equipment” amounted to 56,093 thousand euros.

| *(In thousands of euros)* | Land and buildings | Rights of use (IFRS 16) | Electronic equipment | Furniture and fixtures | Other assets | Total |
|---|---|---|---|---|---|---|
| **Balance at December 31, 2018 Restated** | **7,124** | **35,747** | **3,219** | **1,698** | **7,787** | **55,575** |
| **Change in scope of consolidation** | | **1,128** | **-** | **7** | **647** | **1,782** |
| Additions | | 383 | 1,179 | 128 | 2,095 | 3,785 |
| Disposals – historical cost | | | (48) | (579) | (994) | (1,621) |
| Disposals – accumulated depreciation | | | 17 | 574 | 780 | 1,371 |
| Disposals – net | - | - | (31) | (5) | (214) | (250) |
| Depreciation | (304) | (1,875) | (910) | (154) | (1,554) | (4,799) |
| **Balance at June 30, 2019** | **6,820** | **35,383** | **3,457** | **1,674** | **8,761** | **56,093** |
| *Breakdown:* | | | | | | |
| *- Historical cost* | *16,039* | *44,618* | *25,234* | *4,611* | *25,201* | *115,679* |
| *- Accumulated depreciation* | *(9,219)* | *(9,235)* | *(21,777)* | *(2,937)* | *(16,438)* | *(59,584)* |

Additions for the period totaled 3,789 thousand euros. The main items included:

*(i)* 1,824 thousand euros for replacements in the Company’s vehicle fleet;

*(ii)* 1,179 to replace hardware with the aim of making the operational structure more efficient.

The Rights of use category reflects the present value of the future cash flows deriving from the leases for the headquarters and commercial and operations facilities of Group companies and includes, strictly on a residual basis, automobiles and electronic equipment.

No impairment indicators or significant changes in the estimation of the recoverability of the carrying amount of property, plant and equipment were detected in the first half of 2019.

### 6.14 Intangible Assets

At June 30, 2019, “Intangible assets” totaled 384,157 thousand euros.

| (In thousands of euros) | Software | Trademarks and other rights | Customer Relationships | Economic information databases | Other intangibles | Total |
|---|---|---|---|---|---|---|
| **Balance at December 31, 2018 Restated** | **31,874** | **21,618** | **278,354** | **18,426** | **110,151** | **460,423** |
| Change in scope of consolidation | | | | | 97 | 97 |
| Additions | 8,793 | | | 6,130 | 1,163 | 16,086 |
| Divestments – historical cost | | | | | (16) | (16) |
| Divestments – accumulated amortization | | | | | 16 | 16 |
| Divestments – net | - | - | - | - | - | - |
| Amortization | (8,629) | (1,280) | (11,520) | (6,342) | (7,647) | (35,419) |
| Non-recurring writedown | | | | | (58,810) | (58,810) |
| **Balance at June 30, 2019** | **32,038** | **20,338** | **266,834** | **18,214** | **44,954** | **382,378** |
| *Breakdown:* | | | | | | |
| *- Historical cost* | *156,906* | *36,115* | *409,618* | *304,280* | *130,204* | *1,038,903* |
| *- Accumulated amortization* | *(124,868)* | *(15,777)* | *(142,785)* | *(286,066)* | *(26,440)* | *(597,717)* |

Additions for the period, which totaled 16,086 thousand euros, mainly refer to projects carried out during the period to develop new products and software (8,793 thousand euros) and investments in economic information databases (6,130 thousand euros).

As described in the Report on Operations, on June 28, 2019, MPS served notice of early cancellation of its Servicing Contract with Juliet.
Under these circumstances, the Company performed an impairment test at June 30, 2019, which resulted in the recognition of a net writedown of 42 million euros, as explained in the Report on Operations on page 9.

### 6.15 Goodwill

At June 30, 2019, “Goodwill” amounted to 758,017 thousand euros; the following changes occurred in this item during the first half of 2019:

| (In thousands of euros) | |
|---|---|
| **Balance at December 31, 2019 Restated** | **747,218** |
| Cerved Property Services goodwill | 10,799 |
| **Balance at June 30, 2019** | **758,017** |

At June 30, 2019, no indicators of potential impairment losses were detected and, consequently, no specific impairments tests of “Goodwill” were performed.

### 6.16 Investments in Companies Valued by the Equity Method

At June 30, 2019, the balance in this account was 3,071 thousand euros. This amount includes the equity investment in the affiliated company Experian Italia S.p.A., for a total of 3,042 thousand euros, and the equity investment in La Scala Cerved per 29 thousand euros.

The table that follows shows the changes that occurred in investments in companies valued by the equity method:

| | Experian Italia S.p.A. | La Scala Cerved S.t.a.r.l. | Total |
|---|---|---|---|
| **Balance at December 31, 2018 Restated** | **3,101** | **29** | **3,130** |
| Gains (Losses) from valuation by the equity method | (59) | - | (59) |
| **Balance at June 30, 2019** | **3,042** | **29** | **3,071** |

### 6.17 Other Non-current Financial Assets

| (in thousands of euros) | At June 30, 2019 | At December 31, 2018 Restated |
|---|---|---|
| Other equity investments | 5,189 | 4,382 |
| Derivatives | - | 1,395 |
| Other loans receivable | 2,658 | 2,458 |
| Security deposits and sundry items | 400 | 409 |
| **Total** | **8,247** | **8,644** |

At June 30, 2019, “Other non-current financial assets,” which totaled 8,247 thousand euros, included:

(i) the value of other unconsolidated equity investments held by the Group amounting to 5,189 thousand euros, which mainly refers to the fair value of the investment in SIA-SSB;
(ii) 1,221 thousand euros for a capitalization policy of the severance benefit fund;
(iii) a loan owed by La Scala Cerved for 700 thousand euros;
(iv) some security deposits for the balance.

No indicators of impairment losses affecting “Other non-current financial assets” requiring the performance of an impairment test were detected at June 30, 2019.

### 6.18 Inventory

At June 30, 2019, the “Inventory” balance of 90 thousand euros was entirely attributable to goods purchased by the Group as part of its activity involving the management and resale of goods originating from nonperforming finance leases, carried out by the Cerved Credit Management Group S.r.l. subsidiary, not yet resold at the end of the reporting period.

### 6.19 Trade Receivables

The table below shows a breakdown of the “Trade receivables” account balance:

| (In thousands of euros) | At June 30, 2019 | At December 31, 2018 Restated |
|---|---|---|
| Trade receivables | 189,825 | 208,912 |
| Provision for impairment of receivables | (12,029) | (11,368) |
| Related-party receivables | 440 | 255 |
| **Total** | **178,237** | **197,799** |

There are no receivables with a remaining duration of more than five years or receivables denominated in a currency different from the euro.

The table below shows the changes in the Provision for impairment of receivables:

| (In thousands of euros) | Provision for impairment of receivables |
|---|---|
| **Balance at December 31, 2018 Restated** | **11,368** |
| Change in scope of consolidation | 15 |
| Accruals | 2,217 |
| Utilizations | (1,571) |
| **Balance at June 30, 2019** | **12,029** |

The accrual to the Provision for impairment of receivables reflects the estimated realizable value of receivables that were still deemed collectible at June 30, 2019. Utilizations for the period were recognized in the case of receivables for which elements of certainty and accuracy, or the existence of composition with creditors proceedings, required that the position be written off.

### 6.20 Tax Receivables

A breakdown of “Tax receivables” is as follows:

| (In thousands of euros) | At June 30, 2019 | At December 31, 2018 Restated |
|---|---|---|
| VAT receivable | 470 | 1,585 |
| IRAP receivable | 134 | 796 |
| IRES receivable | 258 | 252 |
| Other tax receivables | 9,722 | 9,672 |
| **Total** | **10,582** | **12,305** |

The main components of “Other tax receivables” include:

(i) 7,213 thousand euros for the Patent Box receivable recognized at December 31, 2018 for the 2015, 2016 and 2017 tax years;

(ii) 1,456 thousand euros for IRES receivables originating from the deductibility of IRAP from IRES, paid on personnel costs in the years prior to 2012, in accordance with the provisions of Article 4 of Decree Law No.16/2012.

### 6.21 Other Receivables

A breakdown of "Other receivables" is as follows:

| (In thousands of euros) | At June 30, 2019 | At December 31, 2018 *Restated* |
|---|---|---|
| Advances to agents | 595 | 667 |
| Sundry receivables | 42,262 | 2,329 |
| Other receivables from related parties | 14 | 32 |
| **Total** | **42,871** | **3,028** |

Sundry receivables refers mainly to the following:

(i) 227 thousand euros for a receivable owed by some former controlling companies for an IRES receivable resulting from the deductibility of the IRAP from IRES in the years in which some Group companies filed a consolidated tax return;

(ii) 40,000 thousand euros receivable for the amount awarded by Monte dei Paschi as indemnification for the early cancellation of the Servicing Contract with Juliet S.p.A.

### 6.22 Other Current Assets

A breakdown of "Other current assets" is provided below:

| (In thousands of euros) | At June 30, 2019 | At December 31, 2018 Restated |
|---|---|---|
| Prepaid commercial costs | 9,402 | 9,966 |
| Other prepaid commercial expenses | 4,565 | 4,297 |
| Other receivables | 211 | 25 |
| **Total** | **14,178** | **14,288** |

"Other current assets" consist mainly of prepaid agents' commissions and prepayments of costs attributable to multiple years.

### 6.23 Cash and Cash Equivalents

"Cash and cash equivalents" consists mainly of amounts deposited in checking accounts at top credit institutions.

| (In thousands of euros) | At June 30, 2019 | At December 31, 2018 *Restated* |
|---|---|---|
| Deposits in bank and postal accounts | 47,501 | 42,349 |
| Cash on hand | 17 | 14 |
| **Total** | **47,519** | **42,364** |

The carrying amount of "Cash and cash equivalents" approximates the corresponding fair value; these items are not the subject of any utilization restriction.

A complete analysis of the financial position and cash flow uses during the reporting period is provided in the consolidated statement of cash flows.

### 6.24 Shareholders' Equity

As of the date of these Condensed Consolidated Semiannual Financial Statements, the fully subscribed and paid-in share capital amounted to 50,521 thousand euros and was comprised of 195,274,979 common shares without par value.

The changes in equity reserves are shown in this Report's financial statement forms.

### 6.25 Earnings per Share

| | At June 30, 2019 | At December 31, 2018 |
|---|---|---|
| Net result attributable to owners of the parent (in thousands of euros) | 28,360 | 88,789 |
| Number of common shares at the end of the period | 195,274,979 | 195,274,979 |
| Average weighted number of shares outstanding for basic earnings per share purposes | 195,274,979 | 195,274,979 |
| Adjustment for Performance Share Plan | 3,988,879 | 2,924,289 |
| Adjustment for "Treasury shares" | (3,420,275) | (3,873,096) |
| Average weighted number of shares outstanding for diluted earnings per share purposes | 195,843,583 | 194,326,172 |
| Basic earnings per share (in euros) | 0.145 | 0.455 |
| Diluted earnings per share (in euros) | 0.145 | 0.457 |

Diluted earnings per share are affected by the impact of the "Performance Share Incentive Plan," which is described in Note 8 below and resulted in grants totaling 3,988,879 options at June 30, 2019, and the treasury shares. The dilutive effect was determined based on the maximum number of options that could vest by the end of the three-year measurement period.

## 6.26 Current and Non-current Borrowings

A breakdown of “Current borrowings” and “Non-current borrowings” is provided in the table below:

| (In thousands of euros) | | | | | At June 30, 2019 | | At December 31, 2018 Restated | |
|---|---|---|---|---|---|---|---|---|
| **Current and non-current borrowings** | **Original amount** | **When issued** | **Maturity** | **Rate charged** | | **Current portion** | | **Current portion** |
| *Term Loan Facility* A | 160,000 | 2016 | 2021 | *Euribor +1.50%* | 148,000 | | 148,000 | - |
| *Term Loan Facility* B | 200,000 | 2016 | 2022 | *Euribor +1.875%* | 200,000 | | 200,000 | - |
| *Term Loan Facility* C | 200,000 | 2016 | 2023 | *Euribor +2.05%* | 200,000 | | 200,000 | |
| Financial charges payable | | | | | 2,261 | 2,261 | 2,289 | 2,289 |
| Vendor Loan Credito Valtellinese | 16,000 | 2015 | 2022 | *Euribor 3m+ 2.85%* | 16,000 | | 16,000 | - |
| Loan from Cassa Risparmio Ravenna | 18,000 | 2017 | 2022 | *Euribor 6m +1.5%* | 18,000 | | 18,000 | - |
| Financial charges payable IFRS 16 | | | | | 43,271 | 4,342 | 43,645 | 4,210 |
| Revolving line | | | | | 20,000 | 20,000 | 10,000 | 10,000 |
| Fair Value IRS | | | | | 7,088 | 1,580 | 4,898 | 1,578 |
| Other sundry borrowings | | | | | 3,696 | 3,696 | 2,865 | 2,865 |
| Incidental borrowing costs | | | | | (10,487) | (3,687) | (12,240) | (3,633) |
| **Total** | | | | | **647,830** | **28,193** | **633,458** | **17,310** |

### *Term loan facilities*

On January 15, 2016, Cerved Group S.p.A. stipulated a Term Loan Facility, executing a transaction for two facilities totaling 560 million euros (in addition to a revolving line of 100 million euros). In October 2017, the Company entered into an agreement to amend the terms and conditions of its financial debt.

On February 16, 2018, an agreement was executed with the bank pool to extend the duration of 50% (200 million euros) of Term Loan Facility B from January 2022 to November 2023 (Term Loan Facility C).
The spreads may be reduced over time based on changes in the net debt/EBITDA ratio (Leverage Ratio), measured on a consolidated basis, as shown below:

| | Annual spread % | | | |
|---|---|---|---|---|
| **Leverage Ratio** | **Facility A** | **Facility B** | **Facility C** | **Revolving Facility** |
| > 4 | 2.50 | 3.00 | 3.175 | 2.50 |
| between 3.5 - 4 | 2.00 | 2,50 | 2.675 | 2.00 |
| between 2.85 - 3.5 | 1.75 | 2.125 | 2.30 | 1.75 |
| **between 2.25 - 2.85** | **1.50** | **1.875** | **2.05** | **1.50** |
| = o < 2.25 | 1.25 | 1.625 | 1.80 | 1.25 |

On June 30, 2019, the leverage ratio ranged between 2.25 and 2.85.

***Vendor Loan***

In order to finance the acquisition of San Giacomo Gestione Crediti S.p.A., the seller Credito Valtellinese provided Cerved Credit Management Group S.r.l. with a Vendor Loan of 16 million euros, the main characteristics of which are summarized below:

- execution date: April 2015;
- amortization: four semiannual installments starting on the date falling five years and one semester after the execution date;
- final repayment: April 2022;
- interest rate: three-month Euribor plus a spread of 2.85%;
- guarantees: patronage letter from Cerved Group S.p.A.

***Loan from Cassa di Risparmio di Ravenna***

In order to finance the acquisition of Credit Management S.r.l., Cassa di Risparmio di Ravenna provided Cerved Credit Management Group S.r.l. with a loan of 18 million euros, the main characteristics of which are summarized below:

- execution date: December 22, 2017;
- amortization: five semiannual installments starting on December 31, 2020;
- final repayment: December 2022;
- interest rate: six-month Euribor plus a spread of 1.50%;
- guarantees: patronage letter from Cerved Group S.p.A.

***Other Current Financial Debt***

The main components of "Other current financial debt," amounting to 3,696 thousand euros, include the following:

- charges for Term Loan fees for 188 thousand euros;
- payables owed to factors amounting to 3,019 thousand euros;
- payables owed to principals for collections on their behalf amounting to 400 thousand euros.

**Derivatives**

On May 26, 2016, the subsidiary Cerved Group S.p.A. executed five IRS derivative contracts, effective as of January 16, 2017 and expiring on January 14, 2022, with top credit institutions to hedge the risk of fluctuations in interest rates for the "Term Financing Facility B," for a notional amount of 400 million euros. Under these contracts, the interest rates swapped from the date of execution will be, respectively, fixed rates ranging between 0.40% and 0.41%.

On June 15, 2018, Cerved Group executed three "Forward Start" IRS contracts to hedge Tranche C of the Senior Facility, from January 15, 2022 to November 30, 2023.

At June 30, 2019, the fair value of these financial instruments was negative by 7,088 thousand euros. As these derivatives qualified as hedges for the underlying financing facility, they were accounted for by the hedge accounting method, with changes in fair value recognized in equity (Other Comprehensive Income – OCI).

### 6.27 Net Financial Debt

The table below presents the Group's net financial debt at June 30, 2019, determined in accordance with the provisions of Paragraph 127 of the recommendations provided by ESMA in Document No. 391 of 2013, which implements Regulation (EC) 809/2004:

| (In thousands of euros) | At June 30, 2019 | At December 31, 2018 Restated | At June 30, 2018 *Restated* |
|---|---|---|---|
| A. Cash | 17 | 14 | 21 |
| B. Other liquid assets | 47,501 | 42,349 | 57,703 |
| C. Securities held for trading | - | - | |
| **D. Liquidity ( A )+( B )+( C )** | **47,519** | **42,364** | **57,724** |
| E. Current loans receivable | - | - | |
| F. Current bank debt | (123) | (178) | (120) |
| G. Current portion of non-current borrowings | (2,917) | (2,866) | (2,629) |
| H. Other current financial debt | (25,153) | (14,265) | (30,005) |
| **I. Current financial debt ( F )+( G )+( H )** | **(28,193)** | **(17,310)** | **(32,754)** |
| **J. Net current financial debt ( D)+( E )+( I )** | **19,326** | **25,054** | **24,971** |
| K. Non-current bank debt | (575,200) | (573,393) | (571,641) |
| L. Bonds outstanding | - | - | |
| M. Other non-current financial debt | (44,437) | (42,755) | (39,472) |
| **N. Non-current financial debt ( K )+( L )+( M )** | **(619,637)** | **(616,148)** | **(611,113)** |
| **O. Net financial debt ( J )+( N )** | **(600,311)** | **(591,094)** | **(586,142)** |

### 6.28 Employee Benefits

At June 30, 2019, "Employee benefits" included the provision for severance indemnities amounting to 14,193 thousand euros.

A breakdown of the changes in the "Employee benefits" account in the first half of 2019 is provided below:

| (In thousands of euros) | Provision for severance indemnities |
|---|---|
| **At December 31, 2018 Restated** | **13,621** |
| **Change in scope of consolidation** | **129** |
| Current cost | 362 |
| Financial charges | 98 |
| Actuarial losses/(gains) | 478 |
| Contributions added – Benefits paid | (497) |
| **At June 30, 2019** | **14,191** |

The economic and demographic assumptions used for actuarial valuation purposes are listed below:

| | |
|---|---|
| Discount rate | 0.92% |
| Inflation rate | 1.50% |
| Rate of wage growth | 2.63% |
| Expected mortality rate | RG48 by General Government Accounting Office |
| Expected disability rate | 2010 INPS Model projections |
| Expected retirements/advance payments (annual) | 5.00%/3.00% |

### 6.29 Provision for Risks And Charges

A breakdown of the "Provision for risks and charges" at June 30, 2019 is provided below:

| (In thousands of euros) | Provision for agents' indemnity and meritocratic benefits | Provision for risks and charges | Total |
|---|---|---|---|
| **At December 31, 2018 Restated** | **1,515** | **4,019** | **5,534** |
| Accruals net of reversals | 240 | (2) | 238 |
| Utilizations | (83) | (309) | (392) |
| **At June 30, 2019** | **1,672** | **3,708** | **5,381** |

The Provision for agents' indemnity, which had a balance of 1,672 thousand euros at June 30, 2019, was estimated in accordance with the laws governing agency relationships and is deemed adequate for the purpose of addressing any liabilities that may arise in the future.

At June 30, 2019, the Provision for risks and charges, which amounted to 3,708 thousand euros, included the following:

(i) a provision of 1,465 thousand euros for "property register document fees";

(ii) a balance of 2,243 thousand euros in a provision for risks and charges, which represents an estimate of the probable risk from pending lawsuits not yet settled.

### 6.30 Other Non-Current Liabilities

"Other non-current liabilities" of 9,657 thousand euros included the following:

- 1,575 thousand euros for the non-current liability for the installment payments stipulated with the minority shareholders of Spazio Dati S.r.l., which corresponds to an 8.61% equity interest. The current portion of the liability, amounting to1,616 thousand euros, was included in "Other liabilities."
- 2,618 thousand euros for the non-current liability for the put option granted by Cerved Group to the minority shareholders of Pro Web Consulting S.r.l., empowering them to sell by the end of the first half of 2022 a tranche equal to 20% of their company, upon certain conditions being satisfied. The current portion of the liability, amounting to 1,391 thousand euros, was included in "Other liabilities."
- 4,727 thousand euros for the remaining non-current liability for the deferred price and the earnout for the acquisition of the Cerved Property Services S.A. subsidiary.

### 6.31 Deferred Tax Liabilities

A breakdown of "Deferred tax liabilities" at June 30, 2019 is provided below:

| (in thousands of euros) | Balance at December 31, 2018 Restated | Change in scope of consolidation | Additions/ Reversals in profit or loss | Additions/Reversals in comprehensive profit or loss | Balance at June 30, 2019 |
|---|---|---|---|---|---|
| **Deferred tax assets** | | | | | |
| Tax deductible goodwill | 210 | | (2) | | 208 |
| Provision for impairment of receivables | 2,218 | | 294 | | 2,512 |
| Provision for risks and charges | 1,302 | | (373) | | 929 |
| Provision for employee benefits and agents indemnity | 926 | | (187) | 115 | 854 |
| Interest charges | | | 166 | | 166 |
| Impairment of receivables Decree Law No. 83/2015 | 1,798 | | (121) | | 1,677 |
| Hedge accounting | 1,177 | | 82 | 527 | 1,785 |
| Other differences | 2,108 | 303 | (663) | | 1,748 |
| **Total deferred tax assets** | **9,739** | **303** | **(805)** | **642** | **9,879** |
| **Deferred tax liabilities** | | | | | |
| Customer Relationships | (77,753) | | 3,219 | | (74,534) |
| Trademarks | (6,009) | | 360 | | (5,649) |
| Buildings | (364) | | 35 | | (329) |
| Software | (805) | | 141 | | (664) |
| Contracts | (29,312) | | 18,054 | | (11,258) |
| Databases | (17) | | 17 | | - |
| Other equity investments – Measured at fair value | (365) | | - | (189) | (554) |
| Dividends | | | (293) | | |
| Other differences | (64) | | 64 | | |
| **Total deferred tax liabilities** | **(114,689)** | **-** | **21,596** | **(189)** | **(93,281)** |
| **Net deferred tax liabilities** | **(104,950)** | **303** | **20,792** | **453** | **(83,402)** |

### 6.32 Trade Payables

The table below provides a breakdown of "Trade Payables" at June 30, 2019:

| (In thousands of euros) | At June 30, 2019 | At December 31, 2018 Restated |
|---|---|---|
| Payables to outside suppliers | 51,105 | 59,166 |
| Payables to related parties | 515 | 678 |
| **Total** | **51,620** | **59,844** |

There are no companies with liabilities payable in a currency different from the functional currency and there are no trade payables collateralized with Company assets or with duration of more than five years.

### 6.33 Current Tax Payables

A breakdown of “Current tax payables” is provided below:

| (In thousands of euros) | At June 30, 2019 | At December 31, 2018 Restated |
|---|---|---|
| Corporate income tax (IRES) payable | 29,276 | 4,744 |
| Regional tax (IRAP) payable | 5,484 | 1,241 |
| **Total** | **34,758** | **5,985** |

The increase in income tax payable reflects the shifting to Monday, July 1, 2019 of the due date for 2018 tax balances and the first 2019 estimated payment, as well as the liability recognized for the indemnification of 40 million euros awarded by BMPS.

### 6.34 Other Tax Payables

A breakdown of “Other tax payables” is provided below:

| (In thousands of euros) | At June 30, 2019 | At December 31, 2018 Restated |
|---|---|---|
| VAT payable | 5,082 | 6,797 |
| Withholdings payable | 3,743 | 3,632 |
| Sundry payables | 589 | 567 |
| **Total** | **9,414** | **10,996** |

### 6.35 Other Liabilities

A breakdown of “Other liabilities” is provided below:

| (In thousands of euros) | At June 30, 2019 | At December 31, 2018 Restated |
|---|---|---|
| Social security contributions payable | 9,980 | 10,337 |
| Payables owed to personnel | 13,154 | 14,140 |
| Deferred revenues | 82,766 | 97,491 |
| Other payables | 10,045 | 9,905 |
| Accrued expenses | 238 | 314 |
| Related-party liabilities | 10,248 | 6,662 |
| **Total** | **126,426** | **138,849** |

“Other payables” includes:

**(i)** for 14,271 thousand euros, the current portion of the liability for the put option granted by Cerved Group to the minority shareholders of Cerved Credit Management Group S.r.l., empowering them to sell, by the end of the first half of 2020, a 3.21% interest in the company, conditional on certain conditions being met (in turn, Cerved Group holds a call option empowering it to buy the same interest in Cerved Credit Management Group S.r.l. from the minority shareholders); part of this item, amounting to 9,514 thousand euros and representing the pro rata share of a liability towards a Director of the Parent Company, was reclassified to related-party liabilities;

**(ii)** for 1,391 thousand euros, the current portion of the liability for the put option granted by Cerved Group to the minority shareholders of Pro Web Consulting S.r.l., empowering them to sell, by the end of the first half of 2020, a 10% interest in their company, conditional on certain conditions being met (in turn, Cerved Group holds a call option empowering it to buy the same interest in Pro Web Consulting S.r.l. from the minority shareholders)**;**

(iii) for 1,616 thousand euros, the current portion of the payment installments stipulated with the minority shareholders of Spazio Dati S.r.l. for the acquisition of an 8.61% interest in the company.

# 7 OTHER INFORMATION

**Contingent Liabilities**

Other than those mentioned in Note 6.29 "Provision for risks and charges," there are no pending judicial or tax proceedings that involve any Group company.

**Commitments**

At June 30, 2019, the Group had undertaken commitments not reflected in the financial statements totaling 6,709 thousand euros, consisting mainly of sureties provided by:

(i) Unicredit for 2,148 thousand euros for the benefit of the lessor of the new headquarters in San Donato;
(ii) MPS for 1,000 thousand euros for the benefit of the supplier Infocamere;
(iii) Generali and other banking institutions for 1,155 thousand euros for bids and/or awards in connection with calls for tenders;
(iv) Unicredit for 597 thousand euros for the benefit of Banca d'Italia.

**Third Party Assets Held in Storage and on Deposit**

At June 30, 2019, the Group managed assets held on deposit valued at 12,914 thousand euros. These assets consist of personal property derived from finance leases for which the Company provides custodial services, operational management, sales and any services related to or instrumental for those activities.

# 8 DESCRIPTION OF INCENTIVE PLANS (IFRS 2)

***2019-2021 Performance Share Plan***

The table below shows the status of the options for the three cycles and the third supplemental cycle outstanding at June 30, 2019:

| | Options outstanding at December 31, 2018 | Options awarded | Options expired/ revoked | Options exercised | Options outstanding at June 30, 2019 |
|---|---|---|---|---|---|
| 2019-2021 Performance Shares 1st Cycle 2016 | 792,537 | | | (792,537) | - |
| 2019-2021 Performance Shares 2nd Cycle 2017 | 671,235 | | (31,732) | | 639,503 |
| 2019-2021 Performance Shares 3rd Cycle 2018 | 752,130 | | (27,337) | | 724,793 |
| 2019-2021 Performance Shares Supplemental 3rd Cycle | 708,387 | | (26,104) | | 682,283 |
| **Total** | **2,924,289** | **-** | **(85,173)** | **(792,537)** | **2,046,579** |

The accrued cost recognized at June 30, 2019 for the abovementioned plans amounted to 3,060 thousand euros and was included among Personnel costs.

The year 2018 marked the end of the first cycle of the “2019-2021 Performance Share Plan.” The Board of Directors, having verified the level of achievement of the three-year targets originally established, approved the award, through the use of treasury shares, in accordance with the terms originally approved by the Shareholders’ Meeting, of a total of 551,606 shares. The percentage of vesting options is 69.6%, based on the following target achievement percentages:

- Growth of Adjusted Profit Before Taxes = 76.4%
- Total Shareholder Return = 53.7%

The shares were distributed on May 19, 2019.

***2022-2024 Performance Share Plan***

The 2022-2024 Performance Share Plan, which was approved by the Shareholders’ Meeting on April 16, 2019, is structured into recurring three-year cycles for the years 2019, 2020 and 2021, each characterized by a three-year vesting period and the award of a maximum number of Company shares free of charge. With regard to the Plan’s first cycle, the Board of Directors, meeting on June 19, 2019, approved a resolution for the award of up to 1,942,300 options.

The table below shows the status of the options awarded at June 30, 2019 for the first cycle:

| | Options outstanding at December 31, 2018 | Options awarded | Options expired/ revoked | Options exercised | Options outstanding at June 30, 2019 |
|---|---|---|---|---|---|
| 2022-2024 Performance Shares 1st Cycle 2019 | - | 1,734,000 | | | 1,734,000 |
| **Total** | **-** | **1,734,000** | | | **1,734,000** |

The performance targets identified for the first cycle are:

- PBTA Target – Growth of Adjusted Profit Before Taxes per share during the reference period;
- Mid-Cap TSR Target, which references the Company’s Total Shareholder Return (TSR) compared with the TSR of the companies included in the FTSE Mid Cap Index Italia generated by Borsa Italiana S.p.A.
- Sector TSR Target, which references the percentage variance of the Company’s TSR, for each Plan cycle and the entire duration of the corresponding performance period, compared with the TSR of the FTSE Italia Industria Index of Borsa Italiana.

The accrued cost recognized at June 30, 2019 for the abovementioned plans amounted to 80 thousand euros and was included among Personnel costs.

The fair value of the options of the 2022-2024 Performance Share Plan, amounting, respectively, to 6.963 euros per share, 4.339 euros per share and 3.712 euros per share for each of the three targets described above, was computed with the “Monte Carlo Method,” using the following parameters

- risk free rate: -0.63%, derived from the interest rate of a Eurozone zero coupon government bond;
- expected dividends: 4%
- volatility of 26%

## 9 TRANSACTIONS WITH RELATED PARTIES

The table below summarized Group receivables and payables from transactions with related parties.

| *(In thousands of euros)* | *Affiliated Companies* | | Board of Directors | Other related parties | Total | Total financial statement item | % of financial statement item |
|---|---|---|---|---|---|---|---|
| | *Experian Italia S.p.A.* | *La Scala Cerved STA* | | | | | |
| **Trade receivables** | | | | | | | |
| At December 31, 2018 | 248 | 4 | - | 3 | 255 | 197,799 | 0.13% |
| At June 30, 2019 | 360 | 81 | - | - | 441 | 178,237 | 0.25% |
| **Other non-current financial assets** | | | | | | | |
| At December 31, 2018 | - | 500 | - | - | 500 | 8,644 | 5.78% |
| At June 30, 2019 | - | 700 | - | - | 700 | 8,247 | 8.49% |
| **Other receivables** | | | | | | | |
| At December 31, 2018 | 32 | - | - | - | 32 | 3,028 | 1.06% |
| At June 30, 2019 | 14 | - | - | - | 14 | 42,871 | 0.03% |
| **Trade payables** | | | | | | | |
| At December 31, 2018 | (596) | - | - | (82) | (678) | (59,844) | 1.13% |
| At June 30, 2019 | (182) | (407) | - | - | (589) | (51,620) | 1.14% |
| **Other liabilities** | | | | | | | |
| At December 31, 2018 | (89) | - | (6,638) | - | (6,727) | (138,849) | 4.84% |
| At June 30, 2019 | - | (19) | (10,229)[(1)] | - | (10,248) | (126,426) | 8.11% |
| **Other non-current liabilities** | | | | | | | |
| At December 31, 2018 | - | - | (8,617) | - | (8,617) | (20,640) | 41.75% |
| At June 30, 2019 | - | - | - | - | - | (9,657) | 0.00% |

(1) Includes the short-term portion, amounting to 9,514 thousand euros of the value of the put option held by the Chief Executive Officer Andrea Mignanelli.

Commercial transactions with Experian Italia S.p.A. and La Scala Cerved S.r.l. involved purchases and sales of services on standard market terms.

The table below summarized income statement transactions of the Group with related parties:

| *(In thousands of euros)* | *Affiliated Companies* | | Board of Directors | Other related parties | *Total* | Total financial statement item | % of financial statement item |
|---|---|---|---|---|---|---|---|
| | *Experian Italia S.p.A.* | *La Scala* | | | | | |
| **At June 30, 2018** | | | | | | | |
| Revenues | 200 | - | - | 7 | 207 | 222,822 | 0.09% |
| Pro rata interest in the result of investee companies valued by the equity method | 146 | - | - | - | 146 | 108 | 134.91% |
| Cost of services | (192) | - | - | - | (192) | (60,074) | 0.32% |
| Personnel costs | - | - | (2,744) | - | (2,744) | (58,376) | 4.70% |
| Financial charges | - | - | (639) | - | (639) | (10,586) | 6.04% |
| **At June 30, 2019** | | | | | | | |
| Revenues | 328 | 48 | - | - | 376 | 245,916 | 0.15% |
| Pro rata interest in the result of investee companies valued by the equity method | (59) | - | - | - | (59) | (59) | 100.00% |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Cost of services | (500) | (456) | - | - | (957) | (65,737) | 1.46% |
| Personnel costs | - | - | (2,534) | - | (2,534) | (69,641) | 3.64% |
| Financial charges | - | - | (381) | - | (381) | (11,411) | 3.34% |

The table below summarized cash flow transactions with related parties:

| *(In thousands of euros)* | *Affiliated Companies* | | Board of Directors | Other related parties | *Total* | Total financial statement item | % of financial statement item |
|---|---|---|---|---|---|---|---|
| | *Experian Italia S.p.A.* | *La Scala* | | | | | |
| **At June 30, 2018** | | | | | | | |
| Cash flow from operating activities | (10) | - | (4,474) | (25) | (4,509) | 93,278 | -4.83% |
| Cash flow from investing activities | 146 | - | - | - | 146 | (101,908) | -0.14% |
| Cash flow from financing activities | - | - | (5,589) | - | (5,589) | (33,885) | 16.49% |

| *(In thousands of euros)* | *Affiliated Companies* | | Board of Directors | Other related parties | *Total* | Total financial statement item | % of financial statement item |
|---|---|---|---|---|---|---|---|
| | *Experian Italia S.p.A.* | *La Scala* | | | | | |
| **At June 30, 2019** | | | | | | | |
| Cash flow from operating activities | (769) | (60) | (3,314) | - | (4,143) | 95,689 | -4.33% |
| Cash flow from investing activities | (59) | - | - | - | (59) | (34,818) | 0.17% |
| Cash flow from financing activities | - | (200) | (4,607) | - | (4,807) | (55,717) | 8.63% |

The transactions listed above were executed on market term.

## 10 POSITIONS OR TRANSACTIONS RESULTING FROM ATYPICAL AND/OR UNUSUAL ACTIVITIES

Pursuant to Consob Communication No. DEM/6064293 of July 28, 2006, the Company discloses that there were no atypical and/or unusual positions or transactions during the reporting year.

## 11 SIGNIFICANT EVENTS OCCURRING AFTER JUNE 30, 2019

See the information provided in the Interim Report on Operations for a comment about significant transactions occurring after the date of these Condensed Consolidated Semiannual Financial Statements.

**CERTIFICATION OF THE CONDENSED CONSOLIDATED SEMIANNUAL FINANCIAL STATEMENTS PURSUANT TO ARTICLE 81-*TER* OF CONSOB REGULATION No. 11971 OF MAY 14, 1999, AS AMENDED**

1. We, the undersigned Andrea Mignanelli, in my capacity as Chief Executive Officer, and Francesca Perulli, in my capacity as Corporate Accounting Documents Officer, of Cerved Group S.p.A., taking into account the provisions of Article 154-*bis*, Sections 3 and 4, of Legislative Decree No. 58 of February 24, 1998, certify that the administrative and accounting procedures applied for the preparation of the Condensed Consolidated Semiannual Financial Statements for the first half of 2019
   - were adequate in light of the characteristics of the business enterprise; and
   - were effectively applied.

2. The implementation the administrative and accounting procedures applied to prepare the Condensed Consolidated Semiannual Financial Statements did not uncover any significant findings.

3. We further certify that:

3.1 the Condensed Consolidated Semiannual Financial Statements:

a) were prepared in accordance with the applicable international accounting principles recognized in the European Union pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and Council, of July 19, 2002;

b) are consistent with the data in the Group's books of accounts and other accounting records;

c) are suitable for providing a truthful and fair presentation of the financial position, earnings and cash flow of the Company and all of the companies included in the scope of consolidation;

3.2 the Interim Report on Operations provides a reliable analysis of the references made to important events that occurred in the first half of the year and their impact on the Condensed Consolidated Semiannual Financial Statements, together with a description of the main risks and uncertainties for the remaining six months of the year. The Interim Report on Operations also provides a reliable analysis of significant transactions executed with related parties.

Milan, July 30, 2019

| | |
|---|---|
| *Andrea Mignanelli* | *Francesca Perulli* |
| Chief Executive Officer | Corporate Accounting<br>Documents Officer |