



**Cerved Group S.p.A**

Registered office at Via dell'Unione Europea n. 6A/6B – San Donato Milanese (MI)  
Share Capital Euro 50,450,000.00 fully paid in  
Milan Monza Brianza Lodi Companies Register, Taxpayer Identification Number and VAT  
Registration Number: 08587760961  
Administrative Business Register (REA) No. 2035639  
Institutional website: <http://company.cerved.com>

Explanatory Report of the Board of Directors of Cerved Group S.p.A.  
on the **first and only item** on the agenda of the extraordinary part of the Shareholders' Meeting  
convened for 20 May 2020, on a single call

## ITEM NO. 1 ON THE AGENDA OF THE EXTRAORDINARY PART

***PROPOSAL TO ENTRUST THE BOARD OF DIRECTORS, PURSUANT TO ARTICLE 2443 OF THE ITALIAN CIVIL CODE - UPON REVOCATION OF THE PREVIOUS AUTHORISATION GRANTED BY THE SHAREHOLDERS' MEETING ON 9 APRIL 2018 - FOR 30 MONTHS FROM THE DATE OF THE RESOLUTION, WITH THE POWER TO INCREASE SHARE CAPITAL AGAINST CONSIDERATION, INCLUDING IN ONE OR MORE TRANCHES, FOR A MAXIMUM NOMINAL AMOUNT OF EURO 5,052,114.20 ((FIVE MILLION FIFTY-TWO THOUSAND ONE HUNDRED FOURTEEN AND TWENTY CENTS)), WITH THE EXCLUSION OF PRE-EMPTIVE RIGHTS, PURSUANT TO ARTICLE 2441, PARAGRAPH 4, SECOND SENTENCE, OF THE ITALIAN CIVIL CODE; CONSEQUENTIAL AMENDMENT TO ARTICLE 5 OF THE CURRENT ARTICLES OF ASSOCIATION; RELATED AND CONSEQUENT RESOLUTIONS.***

Shareholders,

The Board of Directors of your Company has prepared this report to describe the reasons which support the proposal to entrust said Board, pursuant to article 2443 of the Italian Civil Code, with the power to increase share capital against consideration, including in one or more tranches, with the exclusion of pre-emptive rights, pursuant to Article 2441, paragraph 4, second sentence, of the Italian Civil Code (the “**Power**”).

In its resolution of 9 April 2018, the Shareholders of Cerved Group S.p.A. (the “**Company**”) had entrusted the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, with the power to increase share capital against consideration, including in one or more tranches, for a maximum nominal amount of Euro 5,045,000 (five million, forty-five thousand), issuing new ordinary shares, with no par value, with the same characteristics as those already outstanding, regular dividend, up to 10% (ten per cent) of the total shares outstanding on the date such Power may be exercised, subject to the revocation of the previous authorisation granted by the shareholders' meeting on 14 December 2015. The Power had a term of 30 months from the date of that resolution (i.e., 9 April 2018) and, consequently, will expire on 9 October 2020.

The Board of Directors believes that the same power is to be granted even after the aforementioned term, since the premises and reasons for which it was requested by the Board of Directors and granted by the Shareholders' Meeting on 14 December 2015 still exist and, subsequently, on 9 April 2018. Therefore, it is proposed that the Shareholders resolve to grant a new power to the Board of Directors at the terms illustrated in this report, after revocation of the resolution approved on 9 April 2018.

### **1. Scope of the Power**

Under Article 5.1, last sentence, of the current Articles of Association “When approving share capital increases against consideration, the pre-emptive right may be excluded up to 10% of the existing share capital, provided that the issue price is equal to the share market value as confirmed by a specific report prepared by an independent auditor or independent audit company”.

Pursuant to article 2443 of the Italian Civil Code, the directors' power to increase share capital one or more times up to a fixed amount and for a maximum period of five years from the resolution date as per Article 2441, paragraph 4, of the Italian Civil Code, may be granted also by amending the Articles of Association (i.e., by means of a specific resolution passed by the Extraordinary Shareholders' Meeting).

Based on the reasons and the goals further described in this Report, the Power that we propose granting to the Board of Directors refers to the share capital increase against consideration pursuant to Article 2441, paragraph 4, second sentence, of the Italian Civil Code. Specifically, since Cerved Group S.p.A. shares have no par value, the Power includes the option to increase share capital one or more times, against consideration and in separate issues, by issuing, including in one or more tranches, ordinary shares up to 10% of the total Cerved Group S.p.A.

shares outstanding on the date such Power may be exercised, with the exclusion of pre-emptive rights and with the power to establish any share premium, to be exercised within 30 months of the resolution date granting said Power. The newly issued shares may be offered for subscription to Italian and foreign institutional and/or qualified investors or the Company's strategic and/or business partners, as part of extraordinary transactions.

## **2. Reasons for the Power and exercise criteria**

The Company intends to continue to pursue its growth strategy on a sustainable basis in both the main business areas and related sectors. The growth shall be both organic and external, including through acquisitions.

In order to support this growth strategy, whose aim is also to create more value for the Company's Shareholders, the Company has adopted the means necessary to obtain the funds to promptly seize the market opportunities more rapidly and with increased flexibility, compared to the time and methods typical of shareholders' meetings. This also reduces the risk of stock market price fluctuations between the announcement of the transaction and its completion, which would in fact take place should the decision be made by the shareholders' meeting.

The Power would provide the Company with an additional tool to raise the funds necessary to pursue the strategic objectives should the raising of loans only fail to be in line with the leverage targets or the dividend distribution policy. This is in accordance with the Company's guidelines about indebtedness and dividend distribution.

## **3. Issue price calculation criteria**

The new shares will have regular dividend and will be offered at the price to be set by the Board of Directors from time to time, including any share premium.

To this end, it is noted that Article 2441, paragraph 4, second sentence, of the Italian Civil Code, also based on that set out in Article 2436, paragraph 3, of the Italian Civil Code, provides that - in order to avail of the exclusion from the pre-emptive right up to 10% of the total number of shares outstanding without par value - the issue price shall be equal to the share market value as confirmed by a specific report prepared by an independent auditor or independent audit company.

## **4. Term of the Power and exercise period**

We propose establishing the term of the Power at 30 months of the resolution date granting the proposed power and that it may be exercised one or several times. In other words, where approved by the Shareholders' Meeting, the Power shall in any case be exercised no later than 27 October 2022, after which the Power will automatically cease.

Without prejudice to the above, pursuant to Article 2443 of the Italian Civil Code, the exercise period of the Power and the terms and conditions of any issues will depend on the real opportunities that will arise and will be promptly disclosed to the market pursuant to the law and the regulations as soon as defined by the Board of Directors.

When exercising the Power, the Board of Directors will consider, where necessary, whether to grant authority to one or more leading financial institutions to set up a syndicate guaranteeing the transaction covered by this Report, including for individual capital increase tranches. The setting up of a syndicate, if any, will be promptly and adequately disclosed to the market.

## **5. Amount of the Power**

The total share capital increase which may be approved when exercising the Power shall not exceed the nominal amount of Euro 5,052,114.20 and shall not provide for the issue of ordinary shares of more than 10% of the total shares outstanding on the date such Power may be exercised. This is without prejudice to the power of the Board of Directors to decide a share premium.

## 6. Amendment to Article 5 of the Articles of Association

Given the proposed resolution that we submit to your approval, Article 5 of the current Articles of Association shall be amended by including a provision on the shareholders' meeting resolution approving the granting of the Power.

The proposed amendment to the Articles of Association does not entitle the dissenting Shareholders with the right of withdrawal as this does not meet the criteria necessary to exercise the right of withdrawal under Article 2437 of the Italian Civil Code.

The current text (at the date of this Report) of Article 5 of the Articles of Association is given below compared with the text proposed by the Board of Directors (by including a new sentence at the end of the second paragraph, replacing the current one):

CURRENT TEXT	PROPOSED TEXT
<b>Article 5</b>	<b>Article 5</b>
<p>5.1 The share capital amounts to Euro 50,521,142.00 and is comprised of 195,274,979 ordinary shares with no par value. It may be increased as resolved by the Shareholders, including by issuing shares with different rights other than ordinary shares and with contributions other than cash, to the extent permitted by the law. When approving share capital increases against consideration, the pre-emptive right may be excluded up to 10% of the existing share capital, provided that the issue price is equal to the share market value as confirmed by a specific report prepared by an independent auditor or independent audit company.</p> <p>5.2 The Shareholders' Meeting may grant the Board of Directors the power to increase share capital one or more times.</p> <p>As of <u>9 April 2018</u>, the Directors have thirty months to increase share capital against consideration for a maximum nominal amount of Euro 5,045,000, by issuing a number of new ordinary shares, with no par value, regular dividend, up to 10% of the total shares outstanding on the date such power may be exercised to be subscribed by Italian and foreign professional investors or the Company's strategic partners, as part of acquisitions, excluding the pre-emptive right pursuant to Article 2441.4, sentence two, of the Italian Civil Code, in accordance with the procedure and the conditions covered therein and with the power for the Board to set from time to time, again in accordance with Article 2441.4, second sentence, of the Italian Civil Code, the issue price of the new shares.</p>	<p style="text-align: center;">Unchanged</p> <p>5.2 The Shareholders' Meeting may grant the Board of Directors the power to increase share capital one or more times.</p> <p><b>As of <u>20 May 2020</u>, the Directors have 30 months to increase share capital against consideration for a maximum nominal amount of Euro 5,052,114.20, by issuing a number of new ordinary shares, with no par value, regular dividend, up to 10% of the total shares outstanding on the date such power may be exercised to be subscribed by Italian and foreign professional investors or the Company's strategic partners, as part of extraordinary transactions, excluding the pre-emptive right pursuant to Article 2441.4, sentence two, of the Italian Civil Code, in accordance with the procedure and the conditions covered therein and with the power for the Board to set from time to time, again in accordance with Article 2441.4, second sentence, of the Italian Civil Code, the issue price of the new shares (including the related allocation to capital and the share premium).</b></p>

## 7. Economic, equity and financial effects of the transaction, impact on the unit value of shares and dilution

When exercising the Power, the Board of Directors shall duly inform the market about the financial effects of the individual transaction and the impact on the unit value and the dilution arising from the transaction.

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Therefore, the Board of Directors submits the following **motion for resolution** to be approved by you:

*“The Shareholders’ Meeting of Cerved Group S.p.A., having assembled as an extraordinary meeting, having examined the Explanatory Report of the Board of Directors and the proposals made therein,*

### **resolves**

- 1) *to revoke the power to increase share capital pursuant to Article 2443 of the Italian Civil Code, assigned to the Board of Directors by the Shareholders’ Meeting on 9 April 2018;*
- 2) *to entrust the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, for 30 months from the date of this resolution, with the power to increase share capital against consideration, including in one or more tranches, for a maximum amount of Euro 5,052,114.20 (five million fifty-two thousand one hundred fourteen and twenty cents), issuing Cerved Group S.p.A. new ordinary shares, with no par value, with the same characteristics as those already outstanding, regular dividend, up to 10% (ten per cent) of the total shares outstanding on the date such power may be exercised, to be subscribed by Italian and foreign institutional and/or qualified investors or the Company's strategic and/or business partners, as part of extraordinary transactions, excluding the pre-emptive right pursuant to article 2441.4, sentence two, of the Italian Civil Code, in accordance with the procedure and the conditions covered therein and with the power for the Board to set from time to time the issue price of the new shares, again in accordance with Article 2441.4, second sentence, of the Italian Civil Code (setting the amount to be allocated to capital and the share premium, if any);*
- 3) *to amend **Article 5** (five) of the Articles of Association by introducing the following new last sentence in the second paragraph, replacing the current one as follows:*  
*“As of 20 May 2020, the Directors have 30 months to increase share capital against consideration for a maximum nominal amount of Euro 5,052,114.20, by issuing a number of new ordinary shares, with no par value, regular dividend, up to 10% of the total shares outstanding on the date such power may be exercised to be subscribed by Italian and foreign professional investors or the Company's strategic partners, as part of extraordinary transactions, excluding the pre-emptive right pursuant to Article 2441.4, sentence two, of the Italian Civil Code, in accordance with the procedure and the conditions covered therein and with the power for the Board to set from time to time, again in accordance with Article 2441.4, second sentence, of the Italian Civil Code, the issue price of the new shares (including the related allocation to capital and the share premium).”.*
- 4) *to grant the Board of Directors and through it the pro tempore legal representatives, including severally, any and all power to amend from time to time Article 5 (five) of the Articles of Association in order to reflect the changes resulting from the resolutions, to carry out and complete the capital increase, thereby fulfilling all obligations and applicable disclosure requirements, and carry out all the formalities necessary for the adopted resolutions to be recorded in the competent Companies Register, and to introduce any amendments, changes or additions which may be necessary or however required by the competent authorities in said resolutions, as well as any power to fulfil the statutory and regulatory compliance obligations resulting from the adopted resolutions.*

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San Donato Milanese, 24 March 2020

On behalf of the Board of Directors  
The Chairman  
(Gianandrea De Bernardis)