SPAFID CONNECT

Informazione Regolamentata n. 1597-400-2021	Data/Ora Ricezione 14 Dicembre 2021 19:34:14	Euronext Milan

Societa'	:	CERVED GROUP
Identificativo Informazione Regolamentata	:	155291
Nome utilizzatore	:	CERVEDN02 - Cecere
Tipologia	:	REGEM
Data/Ora Ricezione	:	14 Dicembre 2021 19:34:14
Data/Ora Inizio Diffusione presunta	:	14 Dicembre 2021 19:34:15
Oggetto	:	CERVED GROUP: Annual Report 2019

Testo del comunicato

Vedi allegato.

Cerved

Financial Statements at December 31, 2019

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

E-MARKET SDIR CERTIFIED

Cerved

Financial Statements at December 31, 2019

Composition of the Company's Governance bodies

BOARD OF DIRECTORS[1]

◗ *Gianandrea De Bernardis*	*Executive Chairperson*
◗ *Andrea Mignanelli*	*Chief Executive Officer*
◗ *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 RISK AND SUSTAINABILITY COMMITTEE

◗ *Alessandra Stabilini*	*Chairperson*
◗ *Mara Anna Rita Caverni*	
◗ *Valentina Montanari*	

COMPENSATION COMMITTEE

◗ *Aurelio Regina*	*Chairperson*
◗ *Umberto Carlo Maria Nicodano*	
◗ *Fabio Cerchiai*	
◗ *Valentina Montanari*	

RELATED PARTY COMMITTEE

◗ *Andrea Casalini*	*Chairperson*
◗ *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 Auditor*
◗ *Antonio Mele*	*Alternate Auditor*

INDEPENDENT AUDITORS

PricewaterhouseCoopers S.p.A.

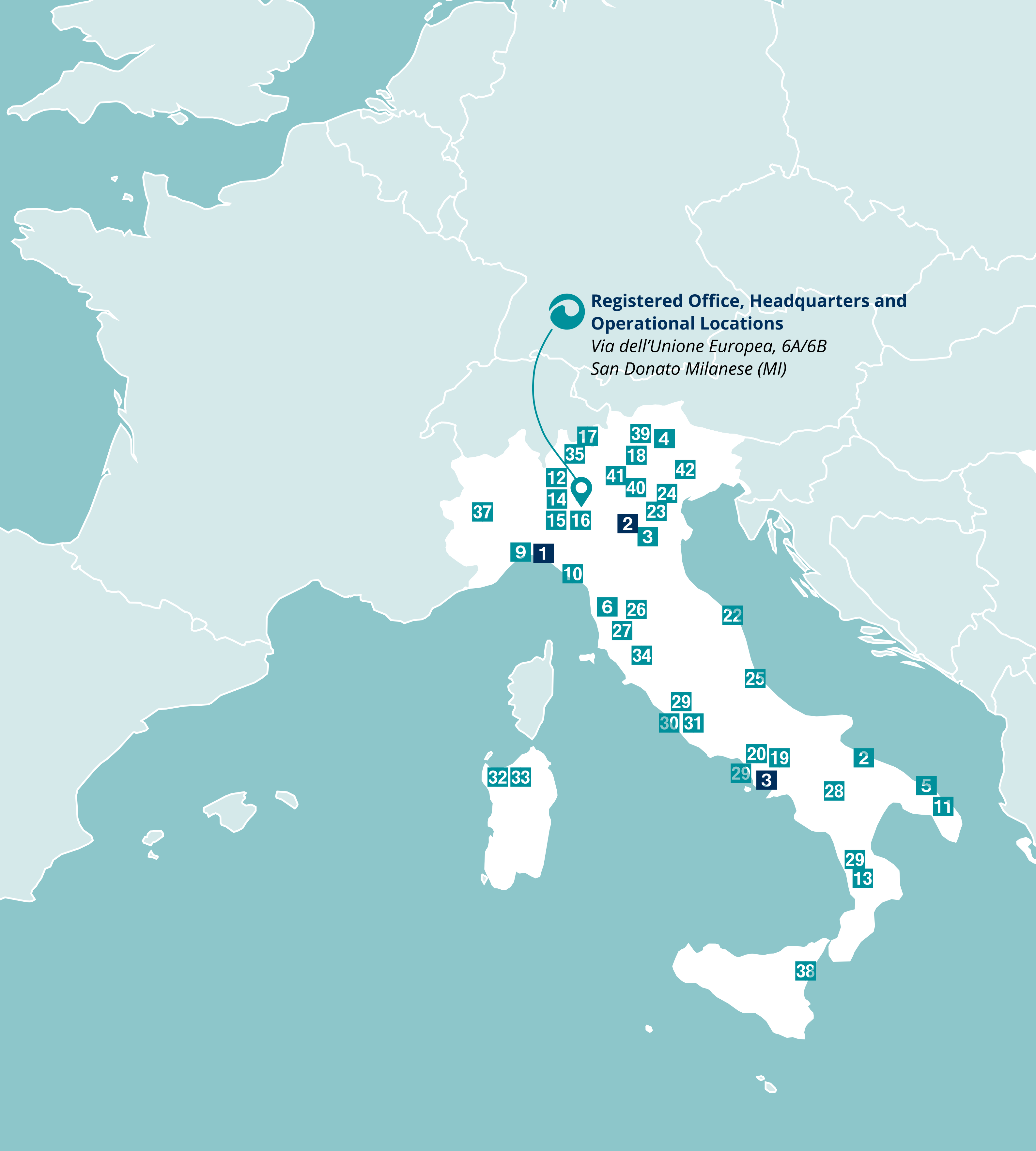
CORPORATE ACCOUNTING DOCUMENTS OFFICER[3]

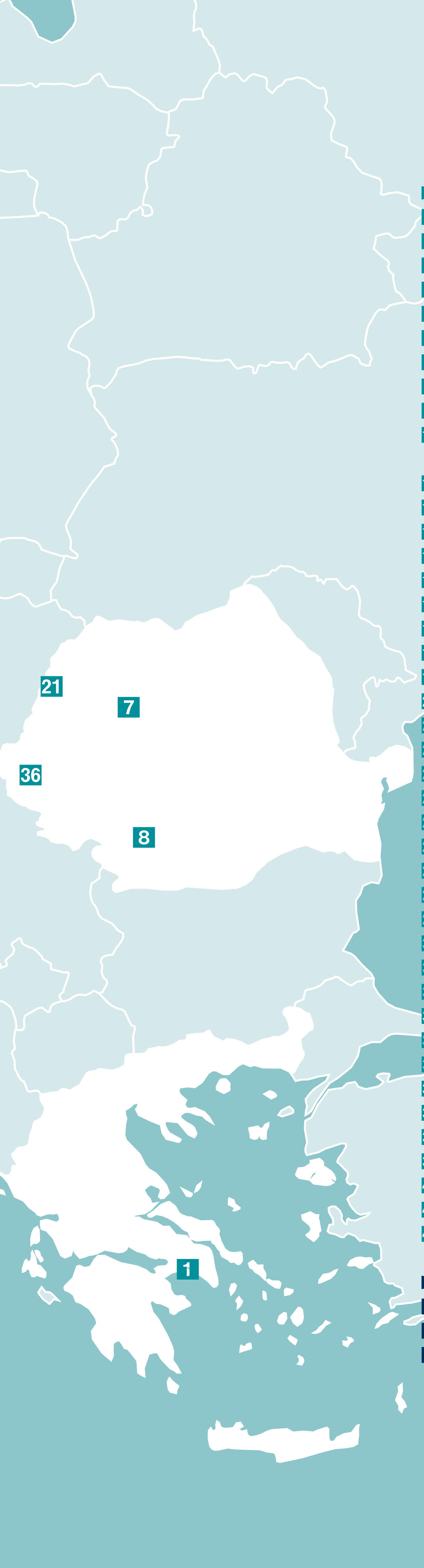
◗ *Francesca Perulli*

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 April 13, 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

E-MARKET SDIR CERTIFIED

Registered office and operational and commercial locations





OPERATIONAL LOCATIONS

1 *Athens – 15 El. Venizelos Avenue 10564*
2 *Bari – Strada Bitonto Aeroporto 18/E*
3 *Bologna – Via Cairoli 8F*
4 *Bolzano – Via Macello 53 – 39100*
5 *Brindisi (BR) – Piazza Cairoli, 28 – 72100*
6 *Cascina (PI) – Via M.Giuntini 25*
7 *Cluj-Napoca – Str. Henri Barbusse, 44-46 (Romania) 400616*
8 *Craiova – Str. Mihai Viteazul, Nr.26A, Et. 2 si 3, Jud. Dolj (Romania)*
9 *Genoa – Corso Buenos Aires, 5/4 - 16129*
10 *La Spezia (SP) – Viale Italia S.n.c. Locale 36 c/o il Porto di Mirabello – 19126*
11 *Lecce – Via Giuseppe Verdi 14*
12 *Lissone – Via Carlo Porta (MB) - 20858*
13 *Mangone (CS) – Zona Industriale Piano Lago, snc - 87050*
14 *Milan – Piazza Diaz 6 - 20123*
15 *Milan – Via Olivetani, 10/12 - 20123*
16 *Milan – Viale Padova 28*
17 *Morbio Inferiore) – Viale Lungo Breggia 11A, 6834, Svizzera*
18 *Mori (TN) – Via Teatro, 43 - 38065*
19 *Naples – Corso Novara 10 - 80142*
20 *Naples – Via Giovanni Porzio 5*
21 *Oradea-Judet Bihor Str. Piata Cetatii Et 3 1 (Romania)*
22 *Osimo (AN) - Via Thomas Alva Edison, 1 - 60027*
23 *Padua – Corso Stati Uniti 14 bis – 35127*
24 *Padua – Piazzetta Virgilio Bardella 12*
25 *Pescara – Corso Vittorio Emanuele II - n. 102 - 65122*
26 *Pisa – Via Marche 38/44*
27 *Pontedera (PI) – Via Salvo d'Acquisto, 40/c - 56025*
28 *Potenza – Via Orazio Petruccelli n.14 - 85100*
29 *Pozzuoli (NA) – Via Antiniana, 2/G – 80078*
30 *Rome – Via C. Colombo, 115 - 00147*
31 *Rome – Via del Corso, 52 - 00186 -*
32 *Sassari – Via Alfredo Oriani, 2 – 07100*
33 *Sassari (SS) – Via Alfredo Oriani 8/A - 07100 Sassari (SS)*
34 *Siena – Via Aldo Moro 13/15*
35 *Sondrio – Via Stelvio 12/A – 23100*
36 *Timisoara – Str. Paris Nr 2a, Et. 3, Sala 309 (Romania)*
37 *Turin – Corso Vittorio Emanuele II, 93 - 10128*
38 *Tremestieri Etneo (CT) – Piazza Tivoli, 30/44 - 95030*
39 *Trento (TN) – Via Adriano Olivetti n.13*
40 *Verona – Via Milano 36/36a*
41 *Verona – Viale del Lavoro n. 35/B – 37135*
42 *Villorba (TV) – Viale della Repubblica n. 19/b - 31020*

COMMERCIAL LOCATIONS

1 *Bologna (BO) – Via della Salute, 14/2, c/o Palazzo Termal*
2 *Genoa (GE) – Corso Buenos Aires, 5-4*
3 *Naples (NA) – Galleria Vanvitelli, 26*


Economic growth and human development
need to go hand in hand.

Kailash Satyarthi

Palmanova

E-MARKET SDIR CERTIFIED

Contents

E-MARKET SDIR CERTIFIED

CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2019

E-MARKET SDIR CERTIFIED

Letter to Shareholders 2019

Dear Shareholders,
2019 was a year of profound transformation for Cerved. We achieved important results, both in organic terms and through acquisitions. We have laid the foundations for a new strategy of sustainable growth, through the redefinition of the company's purpose and revision of the organisational structure, together with the launch of a new long-term ESG (Environmental, Social, Governance) strategic path. Faced with the strong uncertainty due to the impact of COVID-19 we are cautious, but confident: our business has proven to be resilient in the past and, thanks to business continuity practices and remote working projects, the organization is reacting well to the emergency.

RESULTS IN 2019

2019 was a very satisfactory year for Cerved, with double-digit growth in both revenues (+13.7%) and EBITDA (+11.3%) and a further reduction in the leverage ratio from 2.7x to 2.3x. The results were particularly positive in the second half of the year, an encouraging sign because it coincided with the first phase of the Group's organizational restructuring.
The results are positive in all the divisions in which we operate and reward the innovations we have launched on the market. In Credit Information, growth was driven by several new initiatives, such as the anti-money laundering services and the central guarantee fund. In Marketing Solutions we benefited from the launch of our new platform, digital SEO services and analytics that have enriched our offering. Finally, in Credit Management we continue to grow at a high rate, especially organically.

GROWTH THROUGH ACQUISITIONS

In 2019, the growth achieved through acquisitions enabled us to further strengthen our market position. In the Credit Information division, Cerved has acquired a controlling interest in MBS Consulting S.p.A., one of the leading business consulting companies with Italian capital: this transaction strengthens the position of MBS in consulting services and advanced analytics and creates the first solution consulting group in Italy. Cerved has also acquired 100% of Mitigo Servizi S.r.l. (renamed Cerved Finline S.r.l.), which offers consultancy and outsourcing services for grants finance. In the Credit Management division, Cerved completed a significant acquisition in Greece, Eurobank Property Services S.A. (renamed Cerved Property Services S.A.), operating in the real estate sector with the objective of positioning itself in a new market with strong growth potential. Finally, in Italy, Cerved acquired Euro Legal Service S.r.l., a company operating in home collection activities for unsecured loans in the consumer finance field.

PURPOSE AND REORGANIZATION

Cerved has always played a crucial role in the national economy, thanks to its ecosystem of data, technology and talent. During 2019, to raise our level of ambition, we also wanted to make this commitment explicit in a new corporate purpose, which defines why Cerved exists:

"We help the national economy to protect itself from risk and to grow in a sustainable way. We do this by putting data, technology and talent at the service of people, businesses, banks and institutions"

Alongside the definition of a new purpose, we also launched a reorganization process, based on the creation of two business units: the "Risk Management" division, focused on solutions that help our clients protect themselves from risk, and the "Growth Services" division, which offers growth support services.

FOCUS ON ESG

During 2019 we focused on ESG issues, starting from the corporate purpose and making sustainability a fundamental part of the group, operational and business processes strategy. We are strongly committed to align Cerved with international best practices on sustainability as soon as possible. For years we have been defining good practices on governance aspects, being one of the very few public companies in Italy, and on the processing of information and databases, which have always been one of our competitive advantages, as well as on human capital management. We are working to achieve equally impressive results in all areas of sustainability, making Cerved's interests consistent with those of all our stakeholders.

STRATEGIC OPTIONS CREDIT MANAGEMENT DIVISION

Cerved's entry into the Credit Management market in 2011 represented an example of corporate success and supported the country in overcoming the non-performing loans crisis, thanks also to the synergies achieved with the Credit Information business. In light of a changed competitive and market environment, during 2019 we began a process of strategic refocusing to understand how we could make the most of the division, investing further in the sector or freeing-up the asset.
In the first months of 2020, in light of the particular period of economic and financial crisis attributable to the epidemiological emergency in relation to COVID-19, the considerations relating to the enhancement of the division, which therefore remains an integral part of the Group's growth project, were discontinued. This will make it possible to seize the opportunities in the sector linked to the problematic macroeconomic scenario that is likely to lead to a further deterioration of credit.

A LOOK TO THE FUTURE

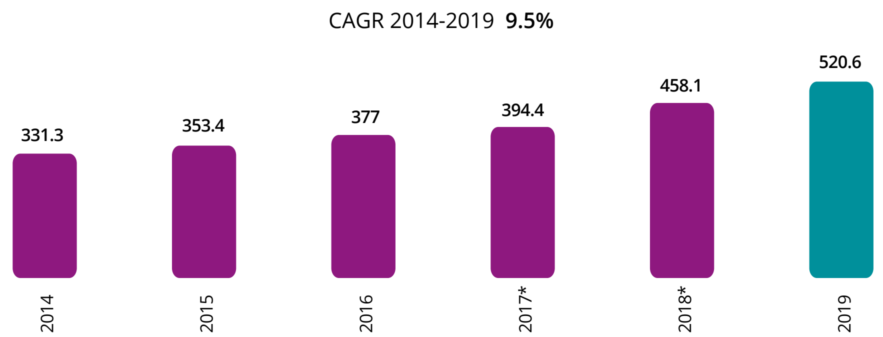
In 2020 the spread of COVID-19 hit the global economy, with impacts on the Italian system that are difficult to assess at the moment, but which will certainly lead to greater uncertainty and risks in relation to the economic activity. In times of weakness in the economic cycle, our services become even more important for limiting financial contagion and, in the past, our business model has proven to be resilient, managing to grow in recent recessions, both in 2008-2009 and 2012-2013.
Thanks to careful immediate crisis management, aimed at protecting the health of our people, implementing the business continuity practices and strengthening the remote working systems we had already implemented successfully, the company is reacting well to the emergency. The current uncertainty of the impact of COVID-19 has led the Board of Directors not to propose a dividend distribution, even though there is a positive net result and substantial reserves. In fact, we believe it is strategic to maintain liquidity within the Group in order to deal with potential risks and give priority to strengthening the capital structure. We are also making our wealth of data, technologies and tools available to clients and institutions to assess the impact of COVID-19 on businesses: thanks to our analysis, we have estimated the effects of the emergency on different sectors and the effects on default rates. It is part of our commitment to help the national economy protect itself from risk and make decisions based on the best information available.
Cerved is working on a new strategic plan, which is based on one principle: to use its unique data ecosystem and its distinctive technologies to provide new services, thus extending the scope of "credit information" to the broader "risk management" and the scope of "marketing solutions" to the broader "growth services" and continuing to develop the credit management platform for both banking and corporate clients in a synergistic manner.
During the first half of the year, we plan to organise our third Investor Day during which we will present the pillars of our strategy and the guidelines for the Cerved Group's medium/long-term economic and financial objectives and we will describe the new reorganization process in detail.
We are aware that we are facing a phase of considerable discontinuity, but we are also convinced that the company has the skills, motivation and culture to accompany our clients in overcoming this phase and to continue creating value for all stakeholders to whom we extend our thanks for the constant trust and support shown over the years

San Donato Milanese, March 24, 2020

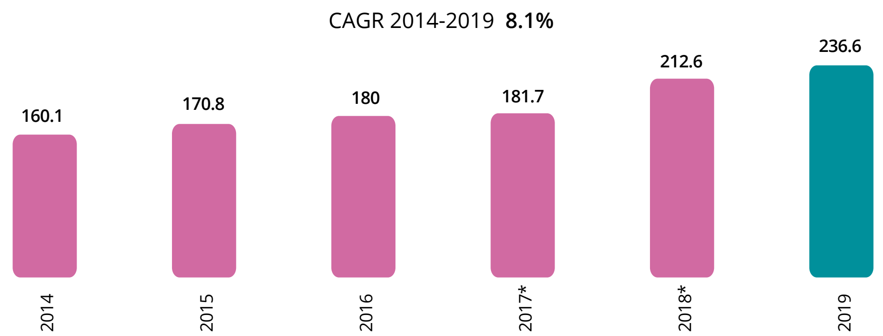
Gianandrea De Bernardis	*Andrea Mignanelli*
Chairperson	*Chief Executive Officer*
(Signed on the original)	*(Signed on the original)*

Financial indicators of the Group

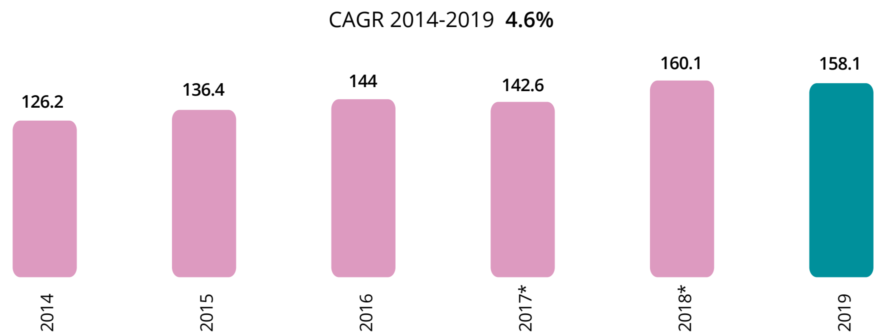
Revenues consolidated



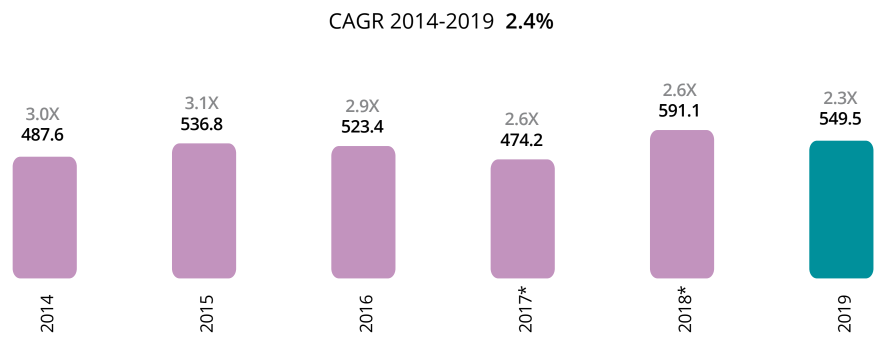
Adjusted EBITDA consolidateed



Operating cash flow



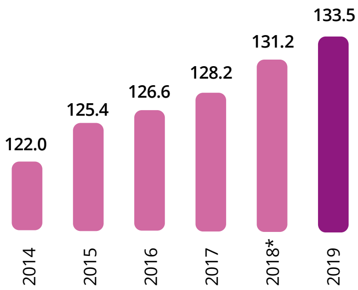
Net financial position



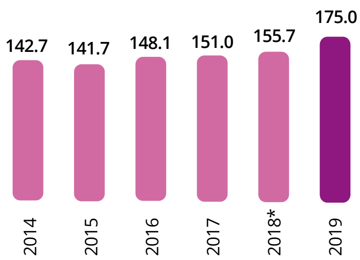
**Restated (2017 restatement for impact of IFRS 15, 9; 2018 restatement for impact of IFRS 16)*

Credit information

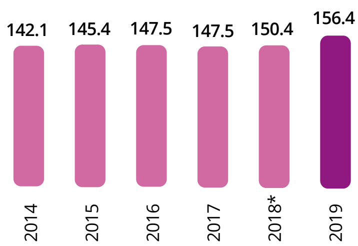
Financial Institutions Revenues
CAGR 2014-2019 **1.8%**



Companies Revenues
CAGR 2014-2019 **4.2%**

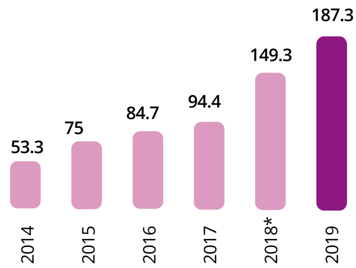


***Adjusted* EBITDA[1]**
CAGR 2014-2019 **1.9%**

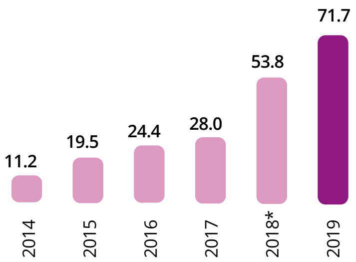


Credit management

Revenues
CAGR 2014-2019 **28.6%**

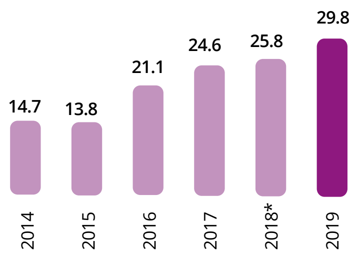


***Adjusted* EBITDA[1]**
CAGR 2014-2019 **44.9%**

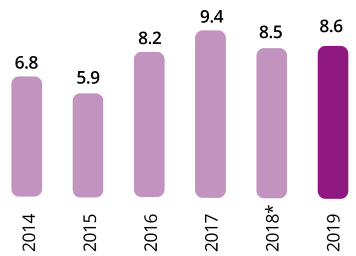


Marketing solutions

Revenues
CAGR 2014-2019 **15.2%**



***Adjusted* EBITDA[1]**
CAGR 2014-2019 **4.7%**



**Restated (2017 restatement for impact of IFRS 15, 9 and 16; 2018 restatement for impact of IFRS 16)*

1 Report of the Board of Directors on Operations

Milano

Structure of the Group

COMPANY PROFILE

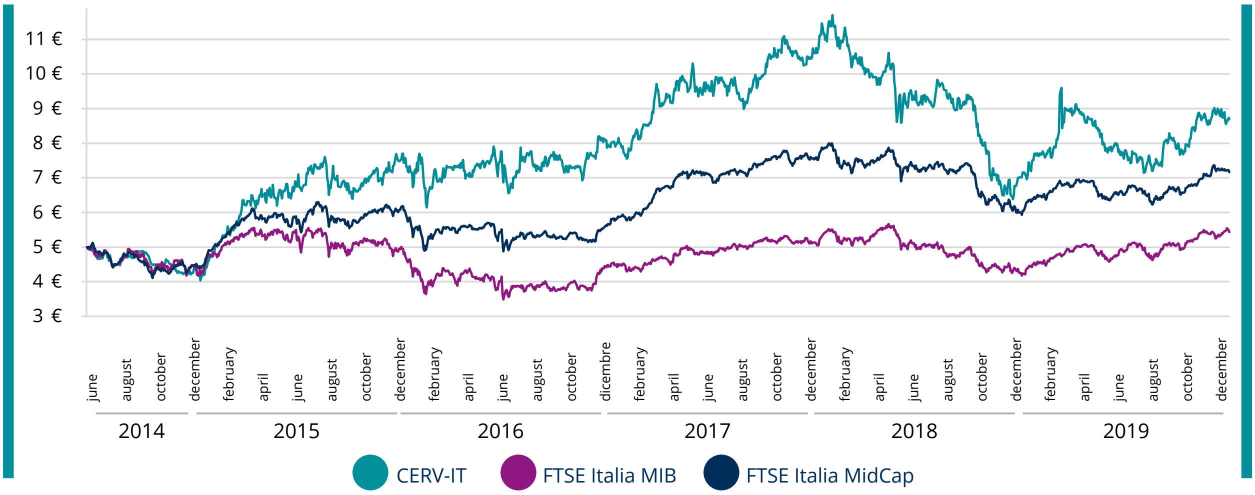
The Cerved Group is the leading Italian operator in offering credit assessment and management services to banks, companies and professionals.
Through Cerved Credit Management Group S.r.l. and its subsidiaries, it is one of the leading independent players in the management of non-performing loans and, through Cerved Rating Agency, one of the leading European rating agencies.
Finally, through the Marketing Solutions Division, the Group offers services that support customers in the analysis of the reference market and the competitive environment, as well as offering valid "digital marketing" tools.

THE CERVED STORY

Established in 1974 as a data processing centre for the Chambers of Commerce of the Veneto region, Cerved has grown by constantly innovating its products and developing new businesses, becoming a solid, dynamic entity and market leader for over 40 years. At the beginning of 2013, the investment funds managed by CVC Capital Partners, through the Chopin Holdings vehicle, took over the entire capital of Cerved de Bain Capital and Clessidra, and in June 2014 Cerved made its debut on the Online Stock Exchange (MTA) of Borsa Italiana, becoming one of the main IPOs of the year. In 2015, with the gradual exit from the shareholding structure of the reference shareholder Chopin Holdings, Cerved became a public company, with a 100% share float.

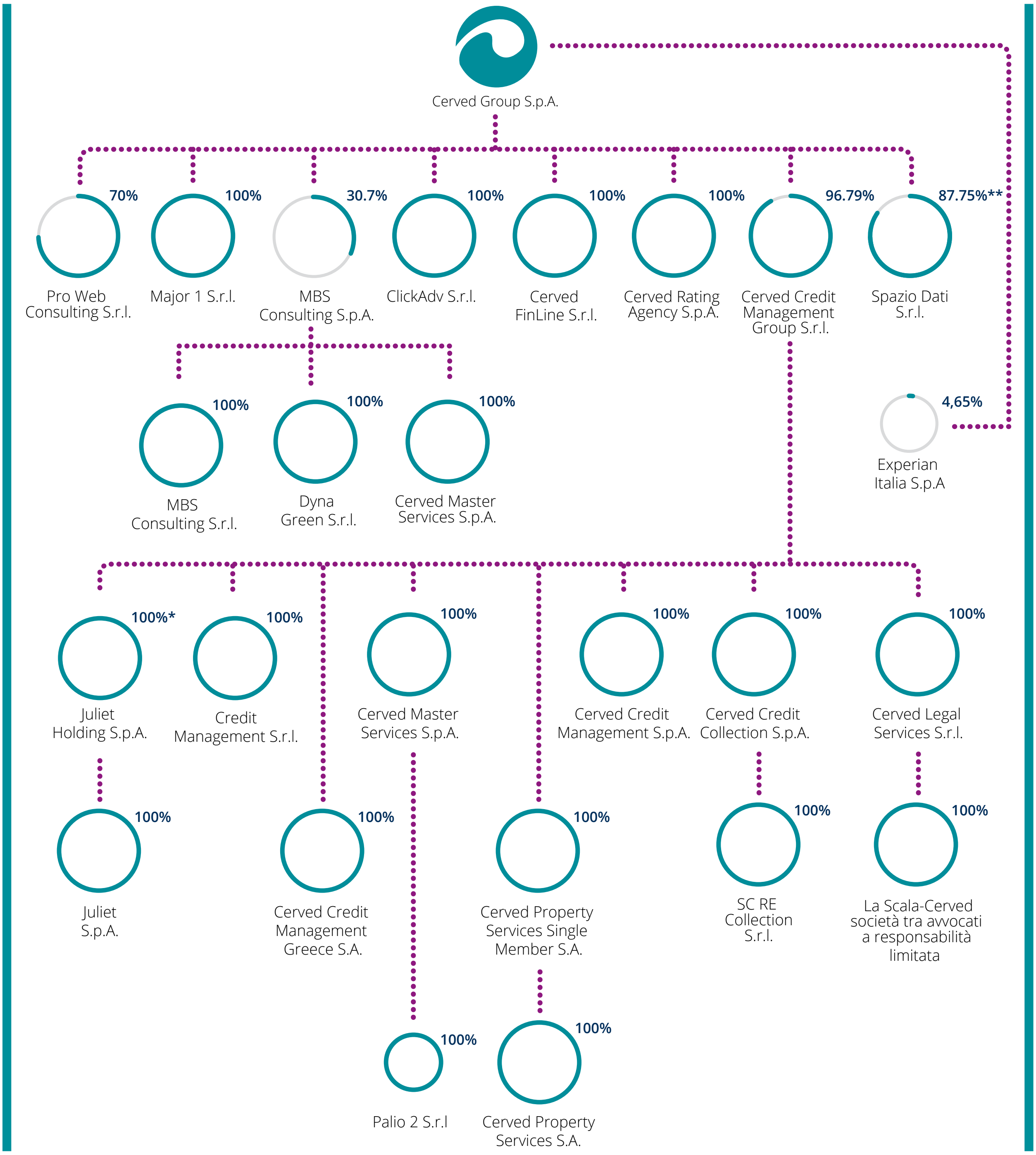
PERFORMANCE OF THE CERVED SHARES

The chart below shows the performance of the shares of Cerved Group, from the date of listing until December 31, 2019, compared with that of the two reference indexes FTSE MIB and FTSE Italia MidCap.



Structure of the Group

The diagram that follows outlines the structure of the Cerved Group at December 31, 2019:



**49.9% at December 31, 2019, 100% from January 20, 2020*
***79.48% at December 31, 2019, 87.75% from January 30, 2020*

ACTIVITIES OF THE GROUP

Cerved offers the most complete range of information products and services for Financial Institutions, Businesses, Insurance Companies, the Public Administration, Professional and Private Individuals.
Our databases offer a wealth of information unique in Italy in terms of quality, completeness and historical depth. A depth that shows the trend of events over time and tells the stories of businesses, groups and individuals.
Cerved addresses the needs of credit managers, chief financial officers, marketing managers, purchasing managers and sale 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.

Business Information

The products and services of the Business Information segment are aimed both at businesses and financial institutions to help them assess the credit worthiness of commercial counterparties and customers. The product line ranges from single products that simply consolidate official data to complex decision-making systems in which all information sources are managed through a single platform capable of supporting customers in their decisions about financial credit worthiness (for financial institutions) or commercial credit worthiness (for businesses).

Ratings & Analytics

The Ratings & Analytics segment offers services to measure the credit worthiness of financial or commercial counterparties with statistical tools (scoring) or quali-quantitative methodologies (rating).

In connection with the Ratings product line, with the aim of helping both businesses and financial institutions assess more in depth the borrowing ability and credit worthiness of their customers or commercial counterparties, Cerved offers services known as “public” ratings through Cerved Rating Agency S.p.A.

Through its Analytics product line, Cerved offers scoring models and financial risk analysis applications used by the main financial institutions. As part of its contract-based services, Cerved supplies Italy’s top financial institutions with services functional to the assessment of the credit worthiness of customers of those financial institutions.

Real Estate

The Real Estate segment offers to its customers, mainly financial institutions, a broad range of products and services that enables them to access complete information about real estate properties. More specifically, Cerved’s main products include:

- Real estate ownership reports, that can be used to verify potential guarantees consisting of a party’s real estate provided as collateral, also in connection with legal actions pursued to recover a non-performing loan;
- Real estate valuations, i.e., appraisals that estimate the value of residential and commercial real estate, prepared by a network of expert appraisers and integrated into proprietary software to manage the operational flow and, on the one hand, guarantee the appraiser’s independence and, on the other hand, rigorously monitor delivery time;
- Property register information for properties listed in the buildings and land archives of the Territorial Agency, so as to have a clear and exhaustive picture of the composition and actual values of a counterparty’s property.

Consumer Information

The Consumer Information segment supplies historical information about the credit worthiness of consumers who are applying for loans. These services make it possible to assess the reliability and solvency of individuals through an analysis of their past payment history. Consumer Information services are provided through the Experian Italia S.p.A. affiliate, established in April 2012.

Through its subsidiary MBS Consulting S.p.A. and its subsidiaries, acquired on August 1, 2019, the Cerved Group also operates in management consulting activities, especially with regard to insurance and banking customers.

b) Marketing Solution

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 by:

- finding new customers and business partners, managing direct marketing campaigns, seeking new qualified customers and analysing the territory's potential;
- knowing the competition, analysing the competitive scenario from an economic, financial and strategic standpoint or requesting sector analyses and ad hoc ratios;
- offering solutions that are performance marketing oriented and are supported by proprietary technologies.

Services can be delivered through online platforms, always accessible and capable of providing a simple and immediate answer on any given day, or through customized solutions and projects, with the involvement of Cerved consultants, to find the answer best suited to meet customer needs.
Through ClickAdv S.r.l., with the PayClick brand, it operates as a licensee specialized in offering sophisticated digital advertising solutions delivered primarily by means of proprietary technologies.

Finally, with the company Pro Web Consulting S.r.l. it carries out consultancy activities specialised in providing digital marketing services in SEO (Search Engine Optimization) and *CRO (Conversion Rate Optimization*) lines of business
and related services.

c) Credit Management

Cerved is one of Italy's top independent operators in the area of Credit Management, offering services to assess and manage credit positions on behalf of third parties.
More specifically, Credit Management's services for financial institutions and investors include the following activities:

- assessing non-performing loans (Due Diligence), i.e., a quick assessment of individual loans or entire portfolios, with accurate estimates of expected recoveries and collection times; this assessment is accompanied by a complete set of information regarding individual receivables and the debtor's economic condition, for a complete and readily consultable picture;
- managing and recovering receivables through out-of-court settlements or through court proceedings, with recovery of low amount receivables being handled by telephone and collection campaigns, while larger receivables are entrusted to seasoned professionals; the recovery through court proceedings follows an "industrialized" approach to minimize costs, with actions targeting debtors with proven paying ability; the Credit Management companies of the Cerved Group engage in credit management and recovery activities on behalf of their customers;
- managing and reselling personal property and real estate (Remarketing), offering specialized solutions that guarantee lower handling costs and faster reselling.

For Credit Management services addressed to businesses, the main activities offered by Cerved include the following services:

- Credit Assessment, which can be used to measure performance and organise the appropriate credit management policies, offering sophisticated diagnostic tools personalized based on the size of the debtor, the industry or the territory within which it operates, so as to deliver results quickly; in addition, these services allow the segmentation of customers and make it possible to differentiate claim collection activities, through an analysis of the credit portfolio, and improve company performance by optimising cash flows and operating costs;
- Outsourcing collection management, lowering operating costs and

improving performance by providing actual guided paths, selected and integrated for specific needs: from simple management of the collection process to complete outsourcing, including credit collection both in Italy and abroad;
- Recoveries through out-of-court settlements or through court proceedings, in which an out-of-court ("amicable") option of a communicational, administrative or legal nature is often best suited for completely resolving the issue in the fastest and most economic manner, avoiding the use of court proceedings; however, when the "amicable" solution is not sufficient, Cerved offers a service for recovery through court proceedings, which, based on documents attesting the certainty, liquidity and collectability of each credit position, makes it possible to activate the formal procedures available under current Italian laws, until full satisfaction of the claim.

ACKNOWLEDGMENTS

Cerved Group S.p.A., Cerved Rating Agency S.p.A. and Cerved Credit Collection S.p.A. were awarded the ISO 9001:2015 Certification, the international reference standard for quality management.

In this context, Cerved Group S.p.A. obtained ISO 27001:2017 certification in July 2019, just as Cerved Credit Management Group S.r.l. had already obtained it in 2018.

Cerved Rating Agency S.p.A. is registered as a European rating agency pursuant to EU Regulation 1060/2009 and is under the supervision of EMSA (the European authority for financial instruments and markets). In addition it is recognized as an External Credit Assessment Institution (ECAI) pursuant to EU Regulation 575/2013 of the Parliament and Council of the European Union, and as a Rating Tool by the ECB within the framework of the Eurosystem Credit Assessment Framework (ECAF)

Fitch Ratings awarded to Cerved Credit Management the ratings RSS1[1] and CSS11 as:
- *Italian Residential*
- *Commercial Mortgage Special Servicer*

CERVED'S GROWTH STRATEGY

The growth strategy pursued by Cerved is based on clear and sustainable concepts. By leveraging its strong points (resiliency, growth and cash flow), Cerved intends to continue developing its business activities focusing on:
- **Innovation and differentiation:** constantly investing in innovation and in broadening its database, scoring models, assessment methods and user experience, so as to strengthen the leadership position and competitive advantage that characterizes Cerved today;
- **Organic growth:** continuing to capitalize on the acquired experience and its position as the chief operator in the Italian market to increase the number of customers, offer new products and services favouring up-selling activities, exploiting cross-selling opportunities among divisions and entering new segments;
- **Growth through acquisitions:** complementing organic growth with acquisitions and commercial partnerships, confirming the Company's impressive historic track record, both in the sectors in which Cerved is already present and in adjacent sectors;
- **"Operational excellence" initiatives:** continuing to focus on operational excellence to ensure that Cerved's operating procedures are not only efficient in terms of costs, but also streamlined, agile and scalable, so as to facilitate and support growth;
- **Expansion into adjacent** areas: continuing on the growth track by leveraging M&A transactions to access adjacent business areas, so as to round out synergistically the range of services offered by the Group.

[1] *These specific sector ratings certify the quality of a business, specifically making reference to the broad range of management strategies, the strength of the technological solutions and the prudent management of risk.*

Macro-economic context

The international economic situation, while remaining overall in a phase of growth, shows several signs of uncertainty and risk associated with the slowdown in global demand, the growing trade tensions, the persistence of political and financial instability in some areas, and especially the recent spread of COVID-19.

According to OECD data and forecasts, global GDP grew by 2.9% in 2019, a lower rate than the 3.6% of the previous year, with a slight deceleration forecasted for 2020 (2.4%) and a recovery for 2021 (3.3%). More modest growth is recorded by mature economies, especially in Europe, with euro zone countries slowing down (1.2% in 2019 compared to 1.9% in 2018) and German momentum just above zero (0.6% in 2019, 0.4% in 2020 and 0.9% in 2021). Growth will also slowdown in the US and Japan, with the former reaching 2% in 2021 (from 2.9% in 2018) and the Japanese economy remaining stagnant at rates below 1%. Over the next two years, the pace of growth in Asia's emerging economies will decelerate slightly and thus drive global demand to a lesser extent, partly as a result of governments' increasingly strong focus on rising domestic markets.

Expectations of future growth are weighed down by the growing commercial tensions involving the American, Chinese and European markets, which have a negative impact on the confidence of economic operators and market stability. In addition to the threats associated with protectionism escalation and reduced trade, the global business environment appears to be affected by the climate of political uncertainty arising from the risks of a military conflict in the Middle East, the widening geopolitical tensions in North Africa and East Asia and the risks associated with the as yet undefined effects of Brexit. In the short term, the main threat to the economy is represented by COVID-19: a global spread of the virus from China to several countries, including Italy, could generate significant impacts on investment, trade and economic agents' expectations. The effects will depend on the intensity of the infection, the duration of the epidemic and the capacity of the different economic systems to manage crisis situations.

Growth of real GDP

y/y change, %	2018	2019	2020	2021
World	*3.6*	*2.9*	*2.4*	**3.3**
United States	*2.9*	*2.3*	*1.9*	**2.1**
Eurozone	*1.9*	*1.2*	*0.8*	**1.2**
Germany	*1.5*	*0.6*	*0.3*	**0.9**
France	*1.7*	*1.3*	*0.9*	**1.4**
Italy	*0.6*	*0.2*	*0.0*	**0.5**
Japan	*0.8*	*1.0*	*0.2*	**0.7**
Canada	1.9	1.5	1.3	**1.9**
United Kingdom	1.4	1.2	0.8	**0.8**
China	6.6	6.2	4.9	**6.4**
India	6.8	5.8	5.1	**5.6**
Brazil	1.1	0.8	1.7	**1.8**
Russia	2.3	1.1	1.2	**1.3**

Source: OECD

In this scenario, the Italian economy is positioned at the tail light of European countries with a GDP growth of 0.2% in 2019. According to Banca d'Italia forecasts, the country's economic dynamics will continue to be modest over the next two years, with GDP growth slightly above zero between 2020 (0.5%) and 2021 (0.9%) and 1.1% in 2022. The data on economic fundamentals point to a new phase of stagnation in consumption, with rates close to zero throughout the forecast period, and low growth in investment that could affect the production capacity and competitiveness of the national economy. On the financial front, the uncertainty linked to the sensitivity of the spread with respect to exceeding the parameters of the government budget still weighs heavily, despite the stabilisation of the latter during 2019.

Outlook for the Italian economy – GDP and main components

	2019	2020	2021	2022
Gross Domestic Product	*0.2*	*0.5*	*0.9*	*1.1*
Household consumption	*0.5*	*0.8*	*0.7*	*0.8*
Collective consumption	*0.2*	*0.3*	*0.5*	*0.4*
Gross fixed investments	*3.1*	*0.4*	*1.6*	*2.1*
Total exports	*2.6*	*1.7*	*2.5*	*2.7*
Total imports	*0.8*	*2.0*	*2.3*	*2.5*
Inventory change	*(1.3)*	*(0.1)*	*0.0*	*0.0*
Consumer prices (HICP)	*0.6*	*0.7*	*1.1*	*1.3*
HICP excluding food and energy	*0.5*	*0.7*	*1.1*	*1.3*
Employment	*0.5*	*0.4*	*0.6*	*0.7*
Unemployment rate	*10.0*	*9.7*	*9.6*	*9.4*

Source: Banca d'Italia

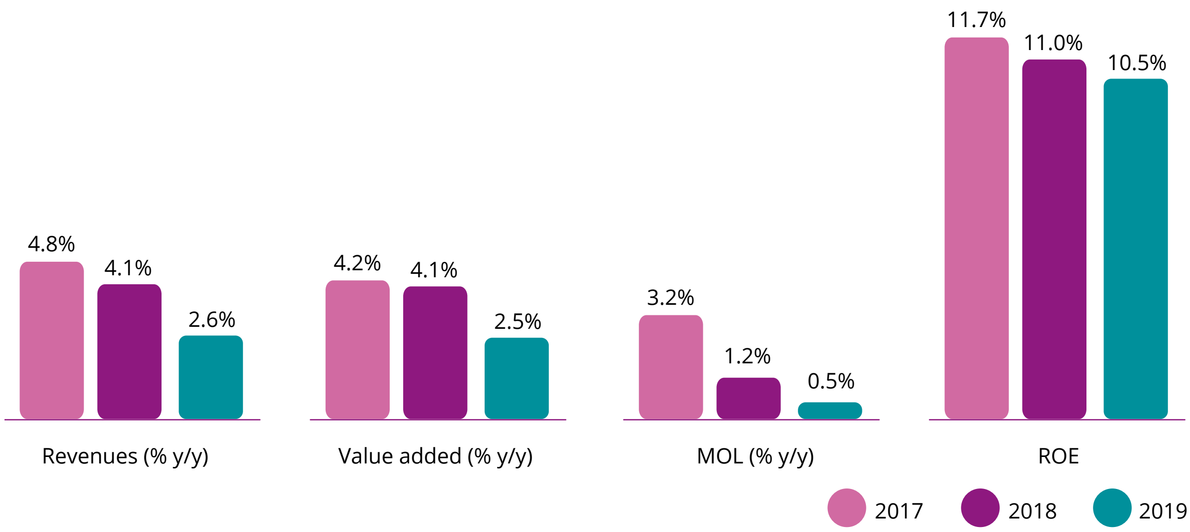
The analyses conducted by Cerved on Italian SMEs show contrasting signs: on the one hand, the recovery seems to have exhausted its impetus with stagnant turnover and margins and declining profitability; on the other, despite the worsening of the economic situation, Italian SMEs are improving in terms of the strength of their financial position.

In 2018, turnover grew by 4.1% in nominal terms (up from 4.8% in the previous year), but in real terms, i.e., net of price trends, revenues remained substantially at the same level as in 2017 (+0.7%). The deceleration has affected all sectors, with the exception of construction, which after years of strong weakness has shown stronger growth than the rest of the economy (+4.7%). There was also a slight slowdown in value added, which grew in nominal terms by 4.1%, while profitability slowed down, with MOL growing by only 1.2% (compared to 3.2% in the previous year) and ROE falling for the first time after six consecutive years of growth (11% from 11.7%). The stagnant macroeconomic scenario is more clearly reflected in the estimates for 2019, which show a further slowdown in the nominal growth rate of revenues (2.6%) and value added (2.5%), steady gross margins (0.5%) and falling ROE (from 11% to 10.5%).

The slowdown in the economic accounts has also been reflected in a weakening of demographic dynamics. The number of SMEs, after a positive leap in 2017 (+5.5%), continued to grow in 2018 but at a slower pace (+2.9%) reaching 161 thousand. After the peak of 2018, the number of new companies was also exhausted: in the first six months of 2019, the number of new companies fell (-6.8%).

However, the weak economic situa-

Trends in key income statement items for SMEs
Expressed as year-on-year % change, and ROE

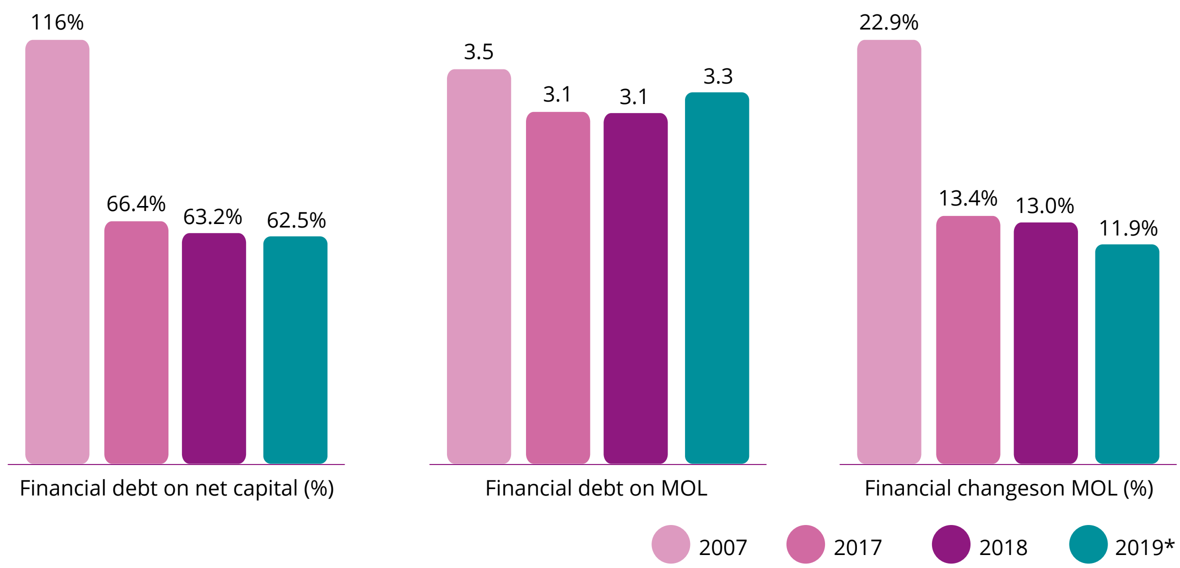


Source: Cerved SME Report 2019

tion has not affected the process of strengthening the financial indices and the sustainability of SME debt, which has continued for many years. The financial statement data of Italian SMEs show that deleveraging is continuing (63.2% in 2018) as a result of a growth in companies' equity position that was once again higher than the increase in financial debts. The ratio of financial debt to MOL was at historically low levels, around 3.1 times for SMEs while, despite the slowdown in profitability, the impact of financial charges on gross margins reached an all-time low of 13%, thanks also to the ECB's ultra-expansionary policy.

The improvement in debt sustainability indices and the greater financial strength of Italian SMEs are partly due to the deleveraging triggered by the crisis, which has resulted in the exclusion from the market of the more indebted companies. In parallel, the ECB's expansionary monetary policies have reduced the debt cost by stimulating the consolidation of the financial structure of companies.

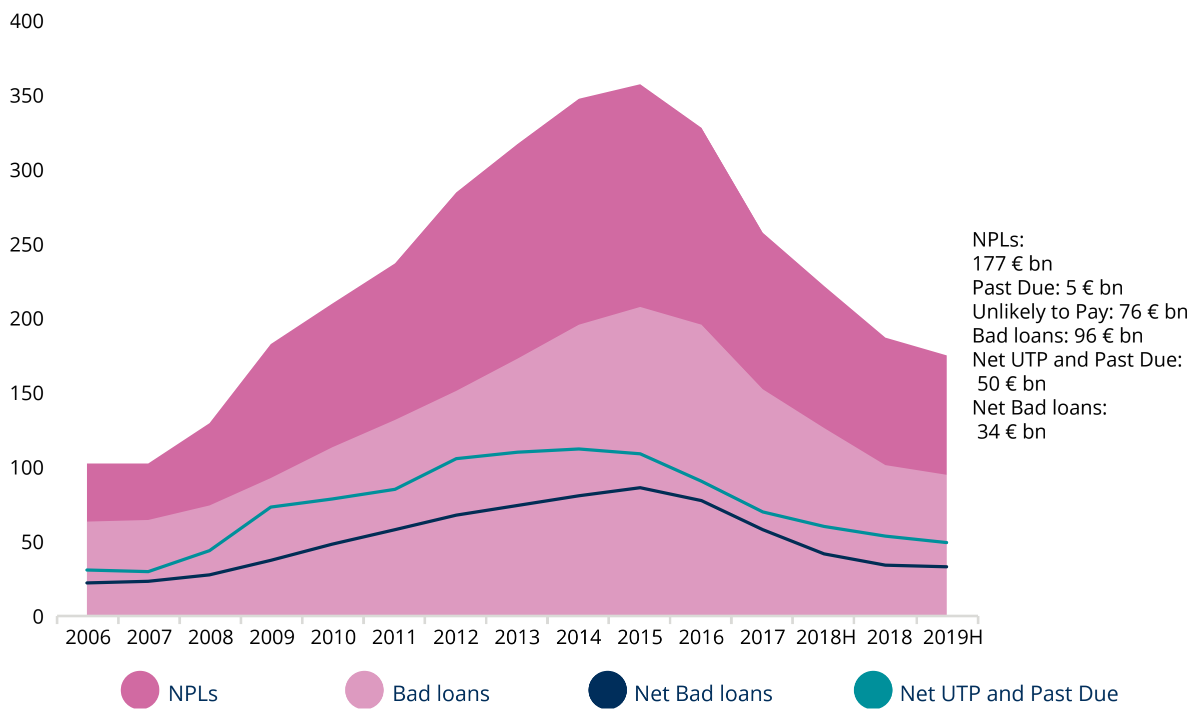
Sustainability of debts and financial charges of SMEs



Source: Cerved SME Report 2019

Despite the economic slowdown, the stock of non-performing loans accumulated by Italian banks continued to decline in both gross and net terms in 2019. The process of reduction of NPLs was supported by disposal transactions and falling deterioration rates. According to the latest Banca d'Italia data, the stock of gross non-performing loans reached 177 billion (down 21% year-on-year), more than halved compared to the peak of 360 billion at the end of 2015. Gross bad loans, the main component of non-performing loans, also fell to 96 billion (-25% on an annual basis), while other non-performing loans (probable defaults and exposures past due) amounted to 76 billion (-15.6%) and 5 billion (-16.7%) respectively. Net of adjustments made by banks, the total amount of non-performing loans was 84 billion (-18.4% on an annual basis), more than halved compared to the end of 2015 (197 billion), with net non-performing loans amounting to 34 billion (-19%) and the remaining non-performing loans amounting to 50 billion (-18%).

Stock of NPL of italian Banks



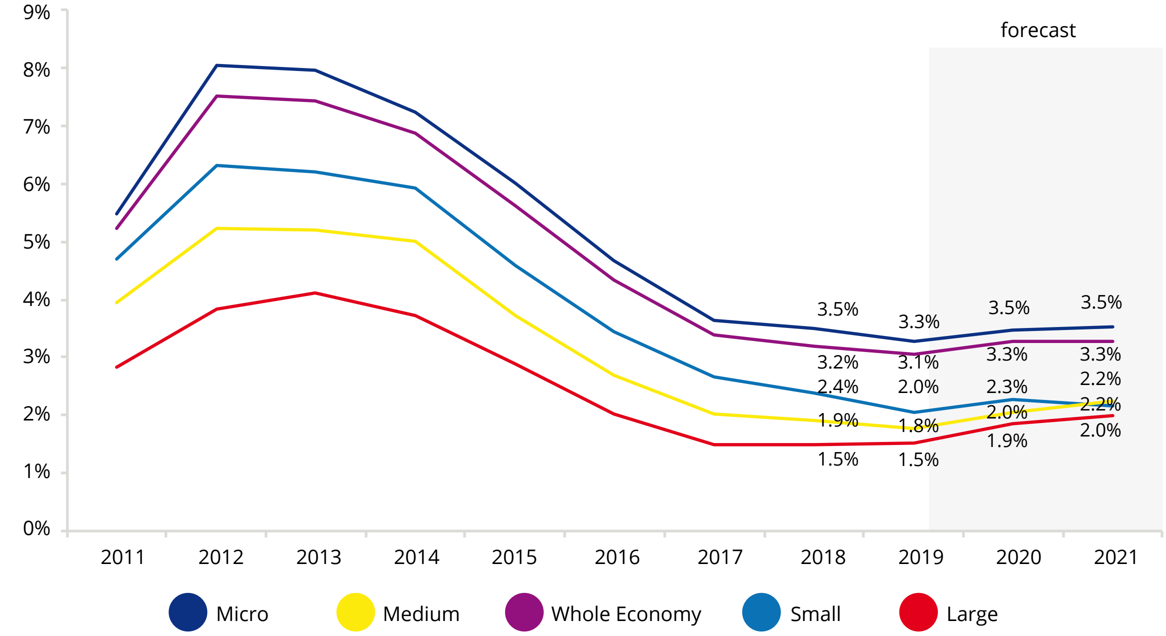
Source: ABI - Cerved estimates and projections based on Banca d'Italia data

According to the estimates and projections made by Abi and Cerved, in 2019 the deterioration rates of Italian companies continue to fall, reaching an all-time low of 3.1%, a value far removed from the peaks reached at the height of the crisis (7.5% in 2012). However, over the next two years, there will be no further reduction in deterioration rates, with the impact of new credit in default on total performing credit expected to be 3.3%, an increase of two tenths of a point compared to estimates for the end of 2019, but at historically low levels.

The evolution of the macroeconomic scenario, recent technological developments and changes in the regulatory framework on several fronts (new European environmental regulations, EBA guidelines on non-performing loans, new code of business crisis and insolvency) are providing companies and credit operators with very important challenges while offering new op-

Forecast for NPL rates by company size

Annual influx of NPL, adjusted and expressed as a % of total loans



Source: Abi-Cerved estimates and forecasts

portunities and areas of specialization in business services, credit and servicing activities.

In a context characterised by the increasing availability of data and the possibility of interconnecting different sources of information, in order to guide investment choices and improve the effectiveness of decision-making processes, big data and frontier technologies aimed at increasing usability under secure conditions and in different fields of application will play a decisive role.

E-MARKET SDIR CERTIFIED

Information about the Group's operations

HIGHLIGHTS

The tables and charts that follow show a condensed statement of comprehensive income at December 31, 2019 compared with the restated data for the 2018 reporting year. It should be noted that the Group opted for the retrospective application of IFRS 16. Therefore, consistent with the provisions of IAS 8, the comparative data at December 31, 2018, is restated and reflects the impact of the implementation of the provisions of IFRS 16 "Leases" (hereinafter IFRS 16) at January 1, 2018.

(in thousands of euros)	December 31,	%	31 dicembre 2018 *Restated*	%	Variaz.	*Variaz.%*
Revenues	519,266	99.7%	457,221	99.8%	62,045	*13.6%*
Other income	1,367	0.3%	861	0.2%	506	*58.7%*
Total revenues and income	**520,633**	**100.0%**	**458,083**	**100.0%**	**62,551**	***13.7%***
Cost of raw materials and other materials	1,282	0.2%	3,221	0.7%	(1,939)	*-60.2%*
Cost of services	128,334	24.6%	117,327	25.6%	11,007	*9.4%*
Personnel costs	140,880	27.1%	114,108	24.9%	26,772	*23.5%*
Other operating costs	8,173	1.6%	7,046	1.5%	1,127	*16.0%*
Impairment of receivables and other provisions	5,363	1.0%	3,805	0.8%	1,558	*41.0%*
Total operating costs	**284,032**	**54.6%**	**245,507**	**53.6%**	**38,525**	***15.7%***
Adjusted EBITDA	**236,601**	**45.4%**	**212,575**	**46.4%**	**24,026**	***11.3%***
Performance Share Plan	9,452	1.8%	4,981	1.1%	4,471	*89.8%*
EBITDA(1)	**227,149**	**43.6%**	**207,594**	**45.3%**	**19,554**	**9.4%**
Depreciation and amortization	84,966	16.3%	77,293	16.9%	7,673	9.9%
Operating profit before non-recurring components	**142,183**	**27.3%**	**130,301**	**28.4%**	**11,882**	**9.1%**
Non-recurring items(2)	27,877	5.4%	7,249	1.6%	20,628	*284.6%*
Operating profit	**114,306**	**22.0%**	**123,052**	**26.9%**	**(8,746)**	***-7.1%***
Financial income	840	0.2%	4,968	1.1%	(4,128)	*-83.1%*
Financial charges	(29,836)	-5.7%	(19,684)	-4.3%	(10,152)	*51.6%*
Income/(Charges) on equity investments	(36)	0.0%	3,496	0.8%	(3,532)	*-101.0%*
Non-recurring financial (income)/ charges	-	n.a.	(556)	-0.1%	556	*-100.0%*
Income taxes	(32,300)	-6.2%	(22,488)	-4.9%	(9,811)	*43.6%*
Non-recurring taxes	5,248	1.0%	-	0.0%	5,248	*n.a.*
Net profit	**58,222**	**11.2%**	**88,788**	**19.4%**	**(30,567)**	***-34.4%***

Notes:

1 EBITDA corresponds to the operating profit before depreciation and amortization, non-recurring charges/(income) and the Performance Share Plan. EBITDA is 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 standards, the computation criterion applied by the Group could be different from those adopted by other parties and, consequently, not comparable.

2 Non-recurring items at December 31, 2019 include: income of 40,000 thousand euros for the compensation paid by MPS to Juliet SpA, service costs of 5,543 thousand euros, personnel costs of 2,520 thousand euros, other operating costs of 602 thousand euros, impairment of the servicing contract related to the contact with MPS for the management of future cash flows of 58,810 thousand euros and the impairment of goodwill in ClickAdv S.r.l. of 402 thousand euros following impairment tests that were classified under operating income. At December 31, 2018, restated non-recurring components included service costs of 3,808 thousand euros, personnel costs of 2,772 thousand euros, and other operating costs of 669 thousand euros, listed below the operating profit line.

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 to its core business activities and performance, thereby allowing an analysis of the Group's performance based on more homogeneous data for the two periods that are being represented.

(in thousands of euros)	Ref.	2019	2018 Restated	2017 Restated
Net profit		**58,222**	**88,789**	**54,268**
Non-recurring items	(i)	8,665	7,248	7,311
Amortization of gains allocated to the Business Combinations	(ii)	43,326	36,358	32,752
Financing fees – amortized cost	(iii)	3,591	3,101	2,516
Non-recurring financial charges		-	556	(5,197)
Charges / (Income) on non-recurring equity investments		-	(3,496)	-
Tax effect of items (i) – (ii) – (iii)	(iv)	(15,246)	(12,775)	(10,373)
Non-recurring impairments	(v)	402		
Adjustment to fair value of options	(vi)	9,360	(3,049)	12,830
Compensation from MPS for withdrawal	(vii)	(40,000)	-	-
Impairment of Juliet Servicing contract	**(viii)**	**42,402**	-	-
Juliet non-recurring current taxes on compensation	**(ix)**	**11,160**	-	-
Adjusted net profit		**121,882**	**116,732**	**94,108**
Adjusted net profit attributable to non-controlling interests		*14,659*	*6,248*	*2,016*
Adjusted net profit attributable to owners of the parent		**107,223**	**110,483**	**92,092**
Adjusted net profit attributable to owners of the Group% / Revenues		**20.6%**	**24.1%**	**23.3%**
Adjusted net profit per share		**0.55**	**0.57**	**0.47**

The adjusted net profit represents the net profit in the income statement at December 31, 2019, 2018 and 2017, net of:

I. non-recurring costs mainly for early retirement incentives and costs for services related to extraordinary transactions managed during the period;

II. amortization of intangible assets recognized in connection with business combinations carried out in previous years;

III. financial charges incurred in previous periods in connection with the signing of the new Forward Start loan agreement and recognized in the income statement by the amortized cost method;

IV. tax effect of the items described above;

V. impairment of the goodwill of CGU ClickAdv S.r.l. as per the impairment test;

VI. adjustment of the liability linked to options executed with minority shareholders at Fair Value and the Fair Value of a financial instrument (Option QCCM);

VII. the non-recurring gain of 40 million euros linked to the compensation paid by Monte Paschi di Siena to Juliet S.p.A. for the early termination by Monte Paschi di Siena of the Servicing contract, described in the significant events;

VIII. the impairment of intangible assets related to the termination of the Juliet Servicing contract for 42.4 million euros (58.8 million euros net of the tax effect of 16.4 million euros) resulting from the difference of net assets allocated to the contract for 46.8 million euros and the present value of future flows, remaining after termination, for 4.4 million euros. It should be noted that in 2018 the Purchase Price Allocation process for the purchase of the entire investment in Juliet S.p.A. led to the recognition of an intangible asset of a significant amount based on the estimated cash flows expected;

IX. non-recurring taxes linked to point (viii) above.

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

(in thousands of euros)	PERIOD FROM JANUARY 1 TO DECEMBER 31, 2019				PERIOD FROM JANUARY 1 AT DECEMBER 31, 2018 Restated			
	Credit Information	**Marketing Solutions**	**Credit Management**	**Totale**	**Credit Information**	**Marketing Solutions**	**Credit Management**	**Totale**
Revenues by segment	307,468	29,678	186,945	524,090	286,499	25,614	148,870	460,984
Inter-segment revenues	(2,367)	(118)	(2,338)	(4,823)	(1,753)	-	(2,010)	(3,762)
Total revenues from third-parties	**305,101**	**29,559**	**184,607**	**519,267**	**284,747**	**25,614**	**146,861**	**457,221**
EBITDA	**148,313**	**8,482**	**70,355**	**227,149**	**146,071**	**8,417**	**53,107**	**207,594**
EBITDA %	**48.6%**	**28.7%**	**38.1%**	**43.7%**	**51.3%**	**32.9%**	**36.2%**	**45.4%**
Non-recurring income (charges)				(27,877)				(7,249)
Depreciation and amortization				(84,966)				(77,293)
Operating profit				**114,305**				**123,052**
Income from/(charges for) investments in associates				(36)				3,496
Financial income				840				4,968
Financial charges				(29,836)				(19,684)
Non-recurring financial income/(charges)				-				(556)
Profit before taxes				**85,273**				**111,276**
Income taxes				*(27,052)*				*(22,488)*
Net profit				**58,221**				**88,788**

REVIEW OF OPERATING PERFORMANCE IN THE PERIOD ENDED DECEMBER 31, 2019

Total revenues and income grew from 458,083 thousand euros in 2018 to 520,633 thousand euros in 2019, for an increase of 62,551 thousand euros, or 13.7%. 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 286,499 thousand euros in 2018 to 307,468 thousand euros in 2019, for an increase in absolute terms of 20,968 thousand euros (6.8%), in particular:

- the Enterprise Division recorded growth compared to December 31, 2018 (+12.4%) mainly thanks to: (i) the development of certain projects in the "Large User" segment; (ii) in the "Field Network" segment, the launch of the new Credit Information commercial offer combined with Credit Collection services ("Single Contract"), created with the aim of offering customers a complete range of services with a single commercial interface, which began to achieve the expected results from the third quarter of the year; (iii) the consolidation of the MBS Group (MBS Consulting S.p.A. and its subsidiaries);
- the Financial Institution Division

grew by 1.7% compared to December 31, 2018: the sustained growth in the real estate appraisals offering, anti-money laundering services and guarantee funds was offset by the early renewals of several important multi-year contracts.

Marketing Solutions Revenues

The revenues of the Marketing Solutions segment rose from 25,614 thousand euros in 2018 to 29,678 thousand euros in 2019, up 4,064 thousand euros, or 13.7%, due mainly to the full consolidation of Pro Web Consulting S.r.l. in 2019 (acquired in October 2018) and the launch of the new platform dedicated to Marketing Services "Cerved ON."

Credit Management Revenues

The revenues of the Credit Management segment grew from 148,870 thousand euros in 2018 to 186,945 thousand euros in 2019, for an increase of 38,074 thousand euros, equal to 20.4%.

This increase is attributable to:
- primarily, the organic growth of the business and the effects of special servicer assignments carried out in connection with the management of non-performing loans originating from the start of the industrial partnership;
- otherwise, to the acquisitions of Cerved Property Services S.A. from Eurobank Ergasias S.A., carried out in April 2019, and Euro Legal Service S.r.l. carried out in July 2019.

Adjusted EBITDA and Operating Costs Performance

Adjusted EBITDA was equal to 45.4% of revenues, compared with 46.4% in the previous period, even though they increased by 24,026 thousand euros in absolute terms (+11.3%), rising from 212,575 thousand euros in 2018 to 236,601 thousand euros in 2019. The limited reduction in profitability reflects the impact of growth in the Credit Management and Marketing Solutions areas, which are structurally less profitable businesses as they are characterized by activities with a high labour cost impact.

Operating costs grew from 245,507 thousand euros in 2018 to 284,032 thousand euros in 2019, for an increase of 38,525 thousand euros (including 17,482 thousand euros for the effect of the acquisitions completed the previous year), or 15.7%, as described below:

- The cost of raw materials and other materials decreased by 1,939 thousand euros, falling from 3,221 thousand euros in 2018 to 1,282 thousand euros in 2019. This reduction is directly correlated with the cost of sales for the remarketing activities carried out by the subsidiary Cerved Credit Management Group S.r.l.;

- Cost of services increased by 11,007 thousand euros, rising from 117,327 thousand euros in 2018 to 128,334 thousand euros in 2019. This increase is mainly attributable to the growth of the Group's Credit Management segment and a change in the scope of consolidation compared with the previous year;

- Personnel costs grew by 26,772 thousand euros, up from 114,108 thousand euros in 2018 to 140,880 thousand euros in 2019. This increase reflects primarily the impact of higher labour costs resulting from the following factors:
  - 7,716 thousand euros for the change in the scope of consolidation compared with 2018;
  - the hiring of new resources, both during the previous year and in the reporting period, in response to the significant business growth, particularly within the Credit Management segment.

- Other operating costs increased by 1,127 thousand euros, rising from 7,046 thousand euros in 2018 to 8,173 thousand euros in 2019;

- Accruals to the provisions for risks and impairment of receivables increased by 1,558 thousand euros, up from 3,805 thousand euros in 2018 to 5,363 thousand euros in 2019, following a detailed assessment of loan losses and contingent liabilities.

Depreciation and amortization increased by 7,673 thousand euros, rising from 77,293 thousand euros in 2018 to 84,966 thousand euros in 2019. This trend is due primarily to (i) the increase in amortisation and depreciation recorded in the Purchase Price Allocation recorded by the Business Combinations carried out in 2019 for 6,968 thousand euros and (ii) for 2,939 thousand euros to the increase in amortisation and depreciation relating to investments in software development carried out over the years to strengthen the range of services and related technological infrastructure for the provision of the same.

During the period ended December 31, 2019, the cost related to the assignment of the award of options under the Three Cycles of the "**Performance Share Plan 2019-2021"** and the first cycle of the new "Performance Share Plan 2022-2024," approved in 2019 for a countervalue of 7,922 thousand euros, was recognised.

Also included in the cost related to the Incentive Plans for the year 2019 is the cost for the Stock Option Plan promoted by the subsidiary Spazio Dati in favour of certain key figures for an amount of 1,530 thousand euros.

Non-recurring components increased by 20,628 thousand euros, from 7,249 thousand euros in 2018 to 27,877 thousand euros in 2019, due mainly to the following factors:

- staff incentives provided to some employees in connection with the integration of Group companies for 2,520 thousand euros;
- costs related to services and other non-recurring operating costs, for 6,142 thousand euros, mainly relating to incidental costs incurred for extraordinary transactions executed during the period;
- with regard to the early termination of the Juliet S.p.A. Servicing contract by Monte Paschi di Siena, there was (i) a gain of 40,000 thousand euros on the compensation paid by Monte dei Paschi, (ii) a gross impairment of the value of the Servicing Contract allocated in the Juliet S.p.A. Purchase Price Allocation for 58,810 thousand euros.
- Impairment of the goodwill of ClickAdv S.r.l. following the impairment test, for 402 thousand euros.

Financial income decreased by 4,128 thousand euros, up from 4,968 thousand euros in 2018 to 840 thousand euros in 2019, mainly due to the absence of the income of 3,050 thousand euros relating to the fair value adjustment of put options granted to minority shareholders of Cerved Credit Management Group S.r.l. and ClickAdv S.r.l.

Recurring **financial charges** increased by 10,152 thousand euros, from 19,684 thousand euros in 2018 to 29,836 thousand euros in 2019, including 9,073 thousand euros to adjust the value of the put option granted to minority shareholders of MBS Consulting S.p.A., Pro Web Consulting S.r.l., Cerved Credit Management Group S.r.l. and Spazio Dati.

Recurring **income taxes for the year** increased by 9,811 thousand euros, rising from 22,488 thousand euros at December 31, 2018 to 32,300 thousand euros at December 31, 2019, mainly due to the combined effect of the following factors:

- lower contributions from the Patent Box, equal to 2,397 thousand euros in 2019 compared to 10,351 thousand euros in 2018 when the income for the years 2015 to 2017 was also accounted for (7,213 thousand euros);
- otherwise, substantially due to the increase in the components of the 2019 tax income compared to 2018.

STATEMENT OF FINANCIAL POSITION OF THE CERVED GROUP

The schedule below shows a statement of financial position of the Group at December 31, 2019, 2018 and 2017 reclassified by "Sources and Uses."

(In thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*	At December 31, 2017 *Restated*
Uses			
Net working capital	(4,053)	11,856	(4,669)
Non-current assets	1,240,050	1,274,947	1,212,281
Non-current liabilities	(167,859)	(144,745)	(135,126)
Net invested capital	**1,068,137**	**1,142,059**	**1,072,487**
Sources			
Shareholders' equity	518,685	550,965	555,144
Net financial debt	549,452	591,094	517,344
Total financing sources	**1,068,137**	**1,142,059**	**1,072,487**

The table that follows shows a breakdown of "Net working capital" at December 31, 2019, 2018 and 2017.

(In thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*	At December 31, 2017 *Restated*
Net working capital			
Inventory	-	111	1,971
Trade receivables	234,152	197,799	161,940
Trade payables	(55,572)	(59,844)	(44,051)
Liability for deferred income, net of selling costs	(78,829)	(87,525)	(67,701)
Net commercial working capital (A)	**99,751**	**50,541**	**52,159**
Other current receivables	7,029	7,350	6,707
Net current tax payables	(25,538)	(4,676)	(7,265)
Other current liabilities, net of "Payables for deferred revenues"	(85,295)	(41,358)	(56,270)
Other net working capital components (B)	**(103,804)**	**(38,685)**	**(56,828)**
Net working capital (A + B)	**(4,053)**	**11,856**	**(4,669)**

At December 31, 2019, net working capital was negative by 4,053 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 increased from 197,799 thousand euros at December 31, 2018 to 234,152 thousand euros at December 31, 2019, for a gain of 36,353 thousand euros due to invoicing dynamics, business growth and an increase in the scope of consolidation following the acquisitions made during 2019 (equal to 29,724 thousand euros);
- trade payables decreased from 59,844 thousand euros at December 31, 2018 to 55,572 thousand euros at December 31, 2019, a decrease of 4,272 thousand euros;
- payables for deferred revenues, net of the corresponding selling costs, which refer to services invoiced but not yet provided to customers, decreased by 8,696 thousand euros, due to the dynamics in the consumption of prepaid services invoiced the previous year.

Current payables, shown net of Payables for deferred revenues, increased from 41,385 thousand euros to 85,295 thousand euros; this increase is attributable for 41,806 thousand euros to the current payable related to the option right granted to the shareholders of MBS Consulting S.r.l., to the minority shareholders of Cerved Credit Management Group S.r.l., Pro Web

Consulting S.p.A. and Spazio Dati S.r.l., as well as the earn out related to the acquisition of Euro Legal Services S.r.l. for 1,074 thousand euros.

The main components of non-current assets, which totalled 1,240,050 thousand euros at December 31, 2019, include goodwill and other intangible assets.

Intangible assets consist mainly of the value assigned to "Customer Relationships" and "Databases" of economic information. Investments for the year mainly concern projects to develop new products and acquisitions of databases. For the year ended December 31, 2019, "Goodwill" refers primarily to the surplus generated upon the acquisition of the Cerved Group by Cerved Technologies S.p.A. in February 2013 and to the acquisitions made in subsequent years.

In the reporting period, the Group's net investments in property, plant and equipment and intangible assets totalled 43,357 thousand euros, including 12,845 thousand euros for databases, 16,316 thousand euros for software development and to the accounting according to IFRS 16 for 7,324 thousand euros.

Non-current liabilities mainly refer:

- to 48,355 thousand euros for the amount of long-term liability recognized upon the accounting of the options executed with the shareholders of MBS Consulting S.p.A. and the minority shareholders of Pro Web Consulting S.r.l.;
- to 7,755 thousand euros for the amount of long-term liability recognized for earn-outs on Cerved Property Services S.A. and Euro Legal Services S.r.l. transactions;
- for 88,064 thousand euros to deferred tax liabilities 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."

NET FINANCIAL DEBT OF THE CERVED GROUP

The table that follows shows a breakdown of the Group's net financial debt at December 31, 2019, 2018 and 2017:

(In thousands of euros)	**At December 31, 2019**	**At December 31, 2018 *Restated***	**At December 31, 2017 *Restated***
A. Cash	25	14	17
B. Other liquid assets	86,187	42,349	99,190
C. Securities held for trading	-	-	-
D. Liquidity (A)+(B)+(C)	**86,212**	**42,364**	**99,207**
E. Current loans receivable		-	-
F. Current bank debt	(201)	(178)	(197)
G. Current portion of non-current borrowings	(6,515)	(2,866)	(2,146)
H. Other current financial debt	(9,525)	(14,265)	(3,435)
I. Current financial debt (F)+(G)+(H)	**(16,241)**	**(17,310)**	**(5,778)**
J. Net current financial debt (D)+(E)+(I)	**69,970**	**25,054**	**93,429**
K. Non-current bank debt	(569,539)	(573,393)	(571,075)
L. Bonds outstanding		-	-
M. Other non-current financial debt	(49,884)	(42,755)	(39,698)
N. Non-current financial debt (K)+(L)+(M)	**(619,422)**	**(616,148)**	**(610,772)**
O. Net financial debt (J)+(N)	**(549,452)**	**(591,094)**	**(517,344)**

At December 31, 2019, the Group's Net financial debt totalled 549,452 thousand euros, compared with 591,094 thousand euros at December 31, 2018. The ratio of net financial debt to Adjusted EBITDA decreased from 2.8x at December 31, 2018 to 2.3x at December 31, 2019, after the payment of dividends of approximately 58 million euros and investments in acquisitions of approximately 38.7 million euros, and benefited from the compensation of 40 million euros for the early termination of the servicing contract with Banca Monte dei Paschi.

For a detailed description of the composition of net financial debt, please see the corresponding Note to the financial statements.

INCOME STATEMENT AND FINANCIAL POSITION DATA OF THE PARENT COMPANY

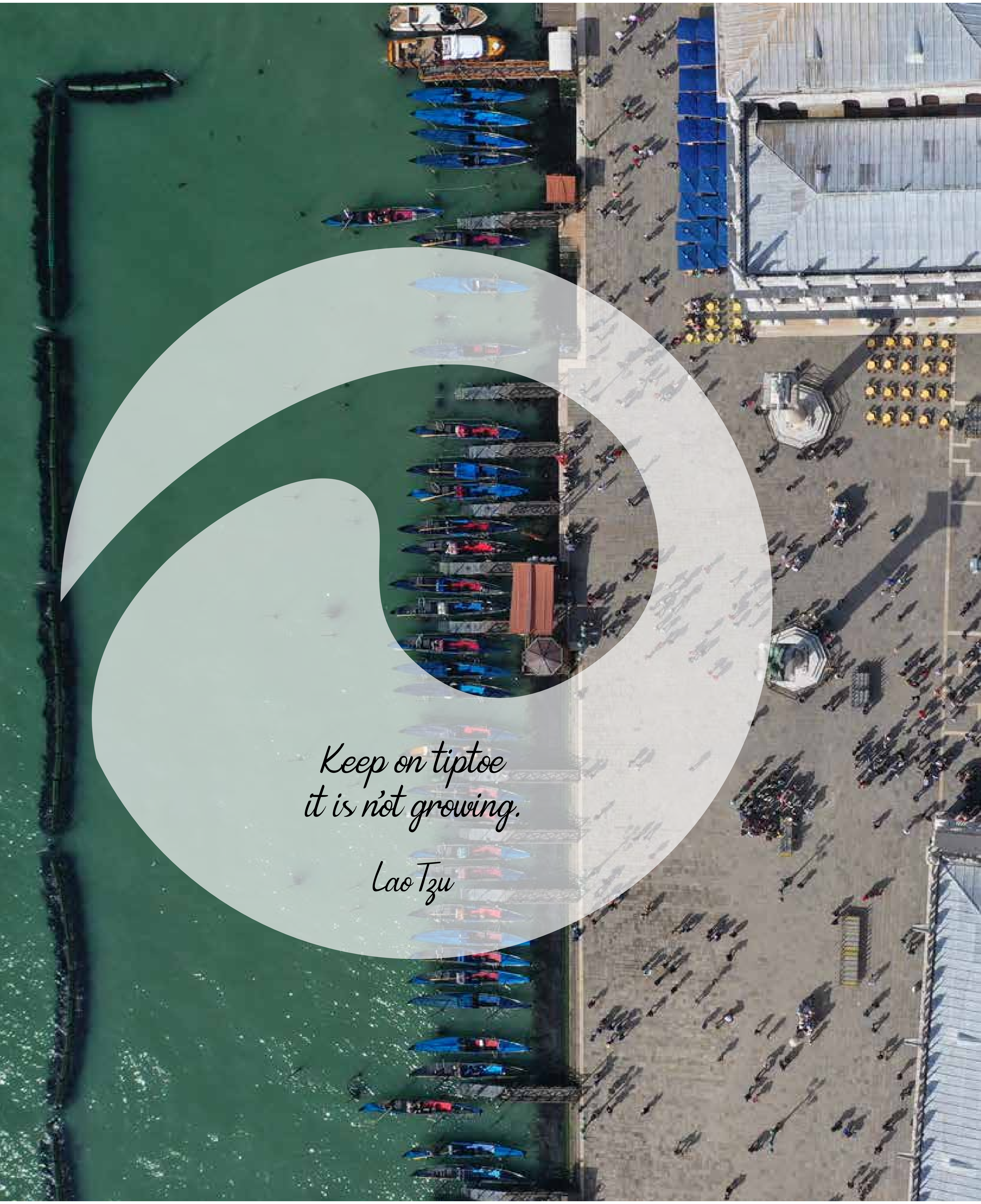
The tables that follow show the highlights of the statement of financial position and income statement of Cerved Group S.p.A., the Group's Parent Company:

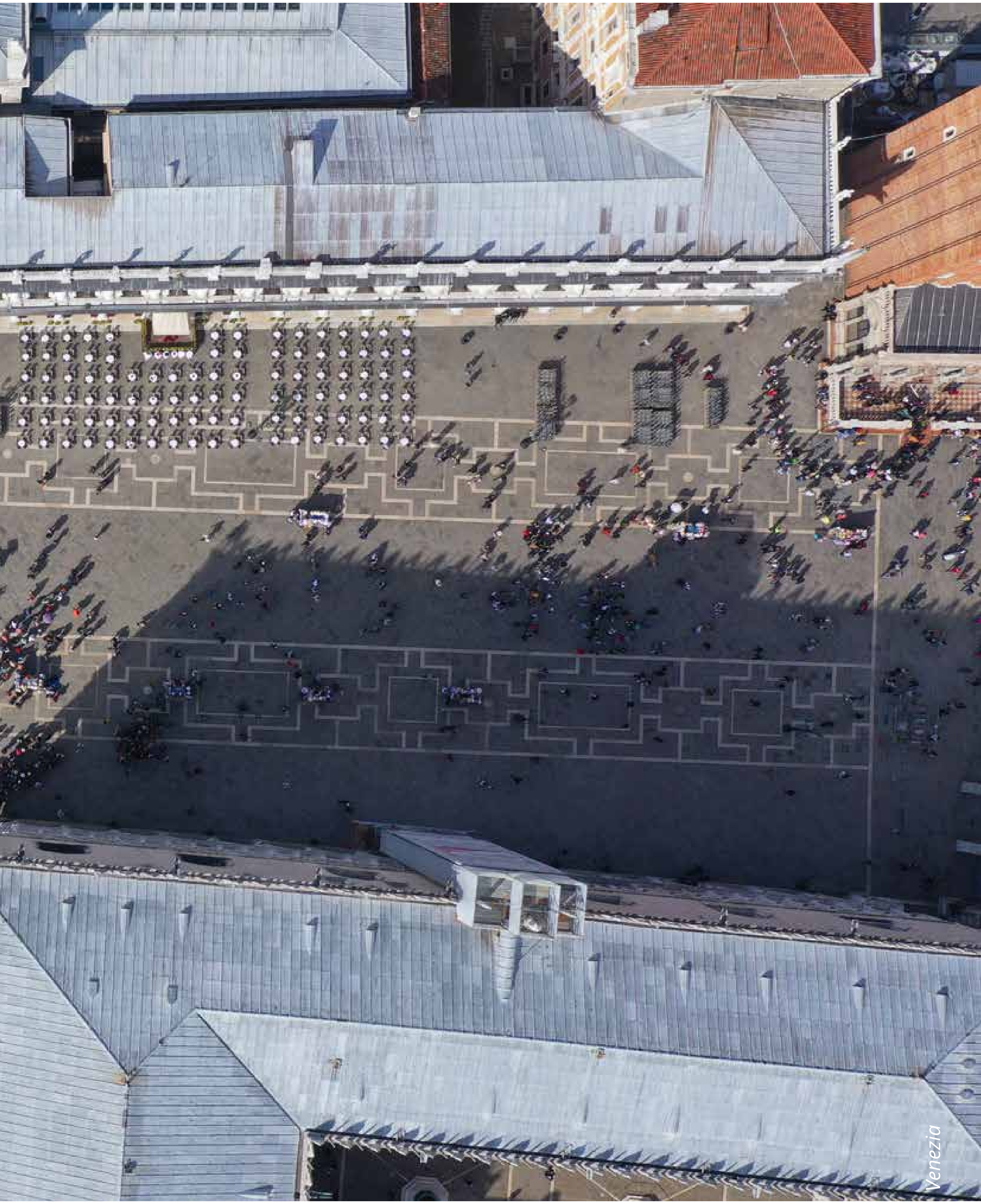
Statement of Financial Position

Cerved Group S.p.A. *(In thousands of euros)*	**At December 31, 2019**	**At December 31, 2018** ***Restated***
Net invested capital		
Net working capital	(15,118)	(13,048)
Non-current assets	1,253,569	1,217,281
Non-current liabilities	(81,974)	(88,865)
Total net invested capital	**1,156,477**	**1,115,368**
Funding sources		
Shareholders' equity	515,587	526,320
Net financial debt	640,890	589,048
Total financing sources	**1,156,477**	**1,115,368**

Condensed Income Statement

Cerved Group S.p.A. *(In thousands of euros)*	**Year ended December 31, 2019**	**Year ended December 31, 2018**
Total revenues and income	**309,434**	**303,505**
Cost of raw materials and other materials	(807)	(837)
Cost of services	(87,903)	(77,784)
Personnel costs	(78,934)	(73,200)
Other operating costs	(3,984)	(3,722)
Impairment of receivables and other provisions	(2,793)	(2,612)
Depreciation and amortization	(59,625)	(60,795)
Operating profit	**75,387**	**84,555**
Financial income/(charges) and other expenses, net	(18,424)	(15,871)
Profit before taxes	**56,963**	**68,684**
Income taxes	(15,433)	(10,586)
Result for the year	**41,530**	**58,098**


Keep on tiptoe
it is not growing.
Lao Tzu


Venezia

Transactions with related parties

As required by the provisions of the Regulation governing related-party transactions adopted by Consob with Resolution No. 17221 of March 12, 2010, as amended, Cerved Group S.p.A. adopted a procedure that governs related-party transactions (the "Related-party Procedure").

This procedure, the purpose of which is to ensure the transparency and substantive and procedural fairness of the transactions executed with related parties, has been published on the "Governance" page of the Company website: *company.cerved.com.*

Transactions with related parties were executed by the Company in the normal course of business on standard market terms.

The table that follows summarizes the transactions executed with related parties:

Related Parties – Statement of Financial Position Data

	ASSOCIATED COMPANIES						
(in thousands of euros)	Experian Italia S.p.A.	La Scala -Cerved Società tra avvocati a.r.l.	Board of Directors and executives with strategic responsibilities	Other related parties	Total	Total financial statement item	% of financial statement item
Trade receivables							
At December 31, 2018 Restated	248	4		3	255	197,799	0.1%
At December 31, 2019	44	684			728	234,152	0.3%
Other non-current financial assets							
At December 31, 2018 Restated		500			500	8,644	5.8%
At December 31, 2019		700			700	9,367	7.5%
Other receivables							
At December 31, 2018 Restated	32				32	3,028	1.1%
At December 31, 2019	31				31	2,839	1.1%
Trade payables							
At December 31, 2018 Restated	(596)			(82)	(678)	(59,844)	1.1%
At December 31, 2019	(595)	(976)			(1,571)	(55,572)	2.8%
Other liabilities							
At December 31, 2018 Restated	(89)		(6,638)[2]		(13,365)	(138,849)	9.6%
At December 31, 2019	(7)	(22)	(15,956)[1]		(15,985)	(173,669)	9.2%
Other non-current liabilities							
At December 31, 2018 Restated			(8,617)[3]		(8,617)	(20,640)	41.7%
At December 31, 2019						(58,458)	0.0%

Note (1): includes the short-term portion, amounting to 14,668 thousand euros of the value of the put option held by the Director Andrea Mignanelli and Michele Cermele.
Note (2): includes the short-term portion, amounting to 5,145 thousand euros, of the value of the put option held by the Director Andrea Mignanelli.
Note (3): includes the long-term portion, amounting to 8,617 thousand euros, of the value of the put option held by the Director Andrea Mignanelli.

Commercial transactions with Experian Italia S.p.A. involve purchases and sales of services on standard market terms.

Related Parties – Income Statement Data

(in thousands of euros)	Experian Italia S.p.A.	Spazio Dati S.r.l.	La Scala -Cerved Società tra avvocati a.r.l.	Board of Directors and executives with strategic responsibilities	Other related parties	Total	Total financial statement item	% of financial statement item
2018 reporting year								
Revenues	451	175	4		10	640	458,082	0.1%
Pro rata interest in the result of companies valued by the equity method	(105)	4				(101)	3,395	-3.0%
Cost of services	(1,047)	(1,193)				(2,240)	(121,135)	1.9%
Personnel costs				(5,512)		(5,512)	(121,861)	4.5%
Financial income			4	1,790		1,794	4,964	36.1%
Oneri finanziari				(969)		(969)	(29.836)	3,3%

(in thousands of euros)	Experian Italia S.p.A.	La Scala -Cerved Società tra avvocati a.r.l.	Board of Directors and executives with strategic responsibilities	Other related parties	Total	Total financial statement item	% of financial statement item
2019 reporting year							
Revenues	625	535		4	1,164	560,633	0.2%
Pro rata interest in the result of companies valued by the equity method	(36)				(36)	(36)	100.0%
Cost of services	(1,127)	(1,245)			(2,372)	(133,877)	1.8%
Personnel costs		35	(5,142)		(5,107)	(152,852)	3.3%
Financial income		19			19	840	2.3%
Financial charges			(969)		(969)	(29,836)	3.3%

Related Parties – Cash Flow Data

(in thousands of euros)	Experian Italia S.p.A.	Spazio Dati S.r.l.	Board of Directors and executives with strategic responsibilities	Other related parties	Total	Total financial statement item	% of financial statement item
2018 reporting year							
Cash flow from/(used in) operating activities	315	175	(5,195)		(4,705)	154,391	-3.1%
Cash flow from/(used in) investing activities	(105)	4			(101)	(153,915)	0.1%
Cash flow from/(used in) financing activities				(6,439)	(6,439)	(57,319)	11.2%

(in thousands of euros)	Experian Italia S.p.A.	La Scala -Cerved Società tra avvocati a.r.l.	Board of Directors and executives with strategic responsibilities	Other related parties	Total	Total financial statement item	% of financial statement item
2019 reporting year							
Cash flow from/(used in) operating activities	(381)	(356)	(4,938)		(5,674)	208,121	-2.7%
Cash flow from/(used in) investing activities	(36)				(36)	(76,575)	0.0%
Cash flow from/(used in) financing activities		(181)	(1,874)		(2,055)	(87,698)	2.3%

Top Management

Transactions with Top Management refer to the fees for the Directors of the Parent Company and to the compensation of executives with strategic responsibilities. A breakdown at December 31, 2019 is as follows:

(in thousands of euros)	Wages, salaries and social security contributions	Total
Directors' fees	1,896	1,896
Executives with strategic responsibilities	3,246	3,246
Total	**5,142**	**5,142**

Significant events of the group

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. As part of this agreement, finalized on April 1, 2019, CCMG purchased at a price of 8.0 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 at a price of 8.3 million euros, which was subsequently sold. Contractually, a deferred price of 2.0 million euros is provided for, to which could be added two earn-outs of a maximum of 3.0 million euros based on the achievement of economic results in the period up to 2022. On April 24, 2019 the company name was changed 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 non-performing loans.

Following the appointment of the Company's new Board of Directors by the Shareholders' Meeting held on April 16, 2019, the Board of Directors, which met on April 19, 2019, appointed Gianandrea De Bernardis as Chairperson and Andrea Mignanelli as Chief Executive Officer.

On April 16, 2019 the Cerved Group Shareholders' Meeting approved the 2018 financial statements and the distribution of a gross unit dividend of 0.295 euros per ordinary share, for a total amount of approximately 57,606 thousand euros. The distribution of a further dividend of 0.01 euros per share from the additional paid-in capital for an amount of 1,953 thousand euros was also deliberated. The dividend was payable from May 22, 2019, with coupon detachment on May 20, 2019.

During the period, additional interests were acquired by the Company in the following associated companies:

- on January 31, 2019, an additional interest in Spazio Dati S.r.l. was purchased at a price of 1,384 thousand euros, thereby increasing the controlling interest from 74.19% to 79.48%;
- on May 21, 2019, a further interest in the company Pro Web Consulting S.r.l. was purchased, thus increasing the controlling interest from 60.00%

to 70.00% at a price of 1,665 thousand euros;
- on May 21, 2019, an additional interest in ClickAdv S.r.l. was purchased at a price of 1,734 thousand euros, thereby increasing the controlling interest from 90.00% to 100.00%;
- on May 29, 2019, an additional interest in Cerved Credit Management Group S.r.l. was purchased at a price of 6,894 thousand euros, thereby increasing the controlling interest from 95.19% to 96.79%.

On June 28, 2019, with regard to the indirectly investee company Juliet S.p.A. (Juliet), a subsidiary of Cerved Credit Management Group S.r.l. and Quaestio Holding S.A., it was communicated that Banca Monte Paschi dei Siena (BMPS) had exercised its right to withdraw from the Servicing contract with Juliet S.p.A. in order to have maximum flexibility in implementing the program to accelerate the disposal of non-performing and bad loans.
In exchange for exercising BMPS's right of withdrawal, the counterparty paid Juliet all-inclusive compensation in the amount of 40 million euros, plus VAT. BMPS and Juliet have also entered into a new agreement under which Juliet will carry out exclusive advisory activities, at market conditions, in relation to the scope of application and sale of the portfolios of non-performing loans involved in the planned disposals of BMPS, for a total amount of 3 billion euros.

On July 1, 2019 Cerved Group S.p.A. purchased 100% of Mitigo Servizi S.r.l., a company active in consultancy and outsourcing services for grants finance, for a price of 1,102 thousand euros. On July 4, 2019 the company name was changed to Cerved Finline S.r.l.

On July 3, 2019, through the subsidiary Cerved Credit Management Group S.r.l., the purchase of 100% of Euro Legal Service S.r.l., a company operating in home collection activities for unsecured loans in the consumer finance field, was also completed. The established price is 8.1 million euros (consisting of a base price of 6 million euros plus the NFP of 2.1 million euros) to which five earn-outs up to an amount of 6 million euros could be added, to be paid depending on the achievement of certain results between the years 2019 to 2022. On September 26, 2019, with legal effect from October 1, 2019 and for tax purposes from January 1, 2019, Euro Legal Service S.r.l. was merged by incorporation into Cerved Credit Collection S.p.A., in order to enhance operational and commercial synergies.

On July 30, 2019 Cerved Group S.p.A. signed a binding agreement for the purchase of a controlling interest in MBS Consulting S.p.A. ("MBS") and its subsidiaries. MBS is one of Italy's leading independent management consulting companies with consolidated revenues of 14,393 million euros in 2019. With this transaction, finalized on August 1, 2019, Cerved Group S.p.A. acquired 30.7% of the share capital (51% of the shares with voting rights) of MBS for a consideration of 21.3 million euros and a put & call mechanism for the next 5 years to purchase all the share capital at performance-related incentive conditions.

On September 3, 2019, the Board of Directors announced that it had provided the advisor Mediobanca with a mandate to carry out an exploratory assessment of strategic options with reference to the corporate division headed by the direct subsidiary Cerved Credit Management Group S.r.l. ("CCMG"); on October 29, 2019, the opening of a structured process was confirmed, to further develop the hypothetical valuation of the same division through sale or aggregation with other operators in the sector.

Significant events occurring after the end of the year

On January 30, 2020, the direct subsidiary Cerved Credit Management Group S.r.l. acquired 50.1% of the capital of Quaestio Cerved Credit Management S.p.A. ("QCCM") from Quaestio Holding S.A. at a price of 43,250,000 euros. ("QCCM"). As a result of this acquisition, CCMG becomes the sole shareholder of QCCM, a company already consolidated on a line-by-line basis in the Cerved Group, which through its subsidiary Juliet S.p.A., carries out special servicing activities on non-performing loan portfolios. This transaction anticipated the full acquisition of the capital of QCCM S.p.A., originally planned for 2021 under the call option defined in the industrial partnership between Cerved Group and Quaestio Holding S.A. The consideration for the sale was financed using the group's available cash. With effect on February 5, 2020, the indirect subsidiary QCCM changed its name to Juliet Holding S.p.A.

On January 30, 2020, an additional interest in Spazio Dati S.r.l. was purchased at a price of 1,616 thousand euros, thereby increasing the controlling interest from 79.48% to 87.75%.

On February 16, 2020, the Company resolved, in the context of the process aimed at further developing the Credit Management Division, to grant Intrum Italy S.p.A. a period of exclusivity to negotiate the potential sale of the same division.

Finally, it should be noted that at the date of preparation of these financial statements, a factor of macroeconomic instability related to the spread of COVID-19 (hereinafter "Coronavirus") arose, which, in the first weeks of 2020, initially had an impact on economic activity in China and then in other countries. This factor could also have a significant impact on the overall prospects for future growth, influencing the general macroeconomic framework and the financial markets, also in light of the decisions taken by the Italian government authorities to contain the spread of the epidemic.

This factor represents an event occurring after the balance sheet date that does not involve adjustments to the balances in the financial statements, pursuant to IAS 10 § 21-22, because although the Coronavirus phenomenon occurred in China near the balance sheet date, it is only from the end of January 2020 that the World Health Organization declared the existence of an international emergency; and from the end of January 2020 cases have also been diagnosed in other countries and specifically in Italy.

As things stand, following assessments carried out on the basis of the available information framework, it is not possible to determine with a sufficient degree of reliability the potential impacts on the economy and the sector in the first quarter of 2020 and subsequent months. In any case, reference should be made to the information provided in the Notes in the "Goodwill" section, where the potential risk of impairment in the event of a change in cash flows of -10% or in WACC of +2% following the COVID-19 event has been estimated.

However, on the basis of these preliminary assessments and taking into account the possibility that such an emergency may pass in the following months thanks to the containment measures envisaged by governments, by the competent authorities as well as the central banks of the countries affected by the spread of the virus, it is considered that this circumstance does not represent an impact on the estimation process with reference to the Financial Statements at December 31, 2019, nor a factor of uncertainty on the ability of the company to continue to operate as a going concern.

On March 20, 2020, the exclusivity granted to Intrum Italy S.p.A. for the negotiation of the potential sale of the Credit Management division expired, and in light of the particular economic and financial situation caused by the epidemiological emergency in relation to COVID-19, negotiations were interrupted.

Business outlook

At present, the economic effects of the COVID-19 event on the various Group companies are characterised by a high degree of uncertainty. The Company carried out a stress test on the 2020 forecast accounts in order to verify the availability of liquid financial resources for going concern purposes. The Group's economic and financial situation is solid and enables it to cope with the current crisis.
However, given the uncertainty of the development of the emergency, in view of prudence, the Board of Directors has decided not to distribute dividends, and for the moment has suspended the Financial Outlook 2018-2020, moving the next Investor Day scheduled to the second half of 2020.
In any case, the Board of Directors, the control bodies and the management of the Company continue to constantly monitor the development of the emergency resulting from the spread of COVID-19, and to take all the necessary decisions and measures to deal with it.

2019-2021 Performance share plan

On March 16, 2016, the Company's Board of Directors, acting with the prior favourable opinion of the Compensation and Nominating Committee, approved the Regulation for the "2019-2021 Performance Share Plan" (the "Plan"), reserved for some of the Group's key persons, identified among Directors, managers and other members of top management.

The Plan is structured into three Cycles (2016, 2017 and 2018), each with a duration of three years; subject of the Plan is the award of options to receive, free of charge, up to 2,925,000 shares, equal to 1.5% of the Company's share capital, attributable over the Plan's three Cycles, barring any amendments approved by the Board of Directors pursuant to the powers assigned to the Board for the Plan's implementation.

The performance targets identified in the Plan are:

- 70% "PBTA Target" – growth, stated as a percentage of "Adjusted Profit Before Taxes" per share during the reference three-year period, it being understood that the growth of the "Adjusted Profit Before Taxes": (i) shall be understood to mean the annual compound growth rate, excluding from the computation the accounting effects of the Plan itself; and (ii) excludes the effects of the "Forward Start" refinancing agreement starting in 2015;
- 30% "TSR Target" – the Company's "Total Shareholder Return" compared with that of companies included, for each Plan Cycle and the entire duration of the corresponding performance period, in the FTSE Mid Cap Index Italia generated by Borsa Italiana S.p.A.

On March 14, 2019, the Board of Directors of the Company, based on the objectives achieved and set out in the Regulation and on the proposal of the Compensation and Nominating Committee, approved the allocation of 551,606 shares, equal to 69.6% of the options exercised for the 1st Cycle 2016.

The table below shows the status of the options for the three cycles and the third supplemental cycle outstanding at December 31, 2019:

	Options awarded and outstanding at December 31, 2018	Awarded options	Options expired/ revoked	Exercised options	Options outstanding at December 31, 2019
2019-2021 Performance Shares 1st Cycle 2016	792,537			(792,537)	-
2019-2021 Performance Shares 2nd Cycle 2017	671,235		(61,080)		610,155
2019-2021 Performance Shares 3rd Cycle 2018	752,130		(47,408)		704,722
2019-2021 Performance Shares Supplemental 3rd Cycle	708,387		(44,627)		663,760
Total	**2,924,289**	**-**	**(153,115)**	**(792,537)**	**1,978,637**

The accrued cost recognized at December 31, 2019 for the aforementioned plans amounted to 5,969 thousand euros and was included among Personnel costs.

2022-2024 Performance share plan

On June 19, 2019, the Company's Board of Directors, acting with the prior favourable opinion of the Compensation and Nominating Committee, approved the Regulation for the "2022-2024 Performance Share Plan" (the "Plan"), reserved for some of the Group's key persons, identified among Directors, managers and other members of top management.

The Plan is structured into three Cycles (2019, 2020 and 2021), each with a duration of three years; subject of the Plan is the award of options to receive, free of charge, up to 4,881,874 shares, equal to 2.5% of the Company's share capital, attributable over the Plan's three Cycles, barring any amendments approved by the Board of Directors pursuant to the powers assigned to the Board for the Plan's implementation.

The performance targets identified in the Plan are:

- 70% "PBTA Objective" – the growth, expressed as a percentage, of Adjusted Profit Before Taxes per Share in the period 2019-2021, with the premise that the growth in Adjusted Profit Before Taxes is intended as an annual compound growth rate and excludes from the calculation the accounting effects deriving from the Plan itself;
- 15% "TSR Mid Cap Target" – the Company's "Total Shareholder Return" compared with that of companies included, for each Plan Cycle and the entire duration of the corresponding performance period, in the FTSE Mid Cap Index Italia generated by Borsa Italiana S.p.A;
- 15% "TSR Sector Objective": the percentage deviation of the Company's Total Shareholder Return, for each Cycle of the Plan and for the entire duration of the relative Performance Period, from the Total Shareholder Return of the FTSE Italia Industria index of Borsa Italiana.

On June 19, 2019, the Company's Board of Directors, upon a recommendation by the Compensation and Nominating Committee, approved the identification and assignment of 1,942,300 options for each beneficiary of the 1st Cycle of the 2022-2024 Plan (of which 1,749,000 options actually assigned).

On the grant date of June 19, 2019, the fair value of each option related to the Plan's Mid Cap TSR and Sector TSR targets (so-called "market" conditions) was equal to 4,339 euros and 3,712 euros respectively, while the fair value of each option related to the Plan's PBTA condition (so-called "non-market" and 100% valued at December 31, 2019) was 6,963 euros.

On November 21, 2019, the Board of Directors of the Company, on the proposal of the Compensation and Nominating Committee, approved the identification of two Executives as further beneficiaries of the plan and the assignment of the related options (totalling 80,000).

The fair value for each option related to the Plan's Mid Cap TSR and Sector TSR Targets (so-called "market" conditions) was 4,824 euros and 4,127 euros respectively, while the fair value for each option related to the Plan's PBTA condition (so-called "non-market" and valued at 100% at December 31, 2019) was 7,742 euros.

The table below shows the status of the options for the first cycle outstanding at December 31, 2019:

	Options awarded and outstanding at December 31, 2018	Awarded options	Options expired/ revoked	Exercised options	Options outstanding at December 31, 2019
2021-2024 Performance Shares 1st Cycle 2019	-	1,749,000	(55,000)		1,694,000
2021-2024 Performance Shares 1st Cycle 2019 - integration	-	80,000			80,000
Total	**-**	**1,829,000**	**(55,000)**	**-**	**1,774,000**

The accrued cost recognized at December 31, 2019 for the aforementioned plans amounted to 1,954 thousand euros and was included among Personnel costs.

Main risks and uncertainties

The company is exposed to the following financial risks: market risk (interest rate risk and price risk), liquidity risk and credit risk.
Liquidity risk is addressed by carefully managing and controlling operating cash flows.
The company is also exposed to the price risk for the services it purchases (cost of raw data), which it manages by executing agreements with its counterparties, the terms of which include predefined prices within the framework of an industry agreement.
The credit risk refers exclusively to commercial receivables, but the company does not view the risks associated with this area as significant, as its sales policies are structured with the aim of dealing only with customers with an appropriate size and credit profile.
Additional information about the main risks and uncertainties to which the company's financial statements are exposed is provided in the "Financial Risk Management" section of the Notes to the Financial Statements.

With regard to the Coronavirus phenomenon, reported in the section on "Significant events occurring after the end of the year", it is believed that this factor could also have a significant impact on global prospects for future growth, influencing the general macroeconomic framework and financial markets. At present, it is not possible to make reliable assessments based on the available information, as it is not possible to determine with a sufficient degree of reliability the possible impacts that could affect the economy and the reference sector in the first quarter of 2020 and subsequent months.

Information about treasury shares

At December 31, 2019, the Company held 3,420,275 treasury shares for a purchase value of 25,834 thousand euros.

Financial instruments

See the information provided in the Notes to the Financial Statements.

Information concerning the environment

Environmental issues are not of crucial importance given the fact that the Company operates in the service sector. However, it is worth noting that the Company and the other Group companies operate in a responsible and environmentally-friendly manner in order to reduce the impact of their activities on the environment.
See the information provided in the Non-financial Statement for additional details.

Information about corporate governance

The Company has made its system of corporate governance compliant 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 governance, please see the corresponding page of the Company's website: company.cerved.com/it/documenti.

Human resources

Cerved's business is based on services with high added value, developed thanks to the ideas and professional skills of its people, who are therefore the Group's main asset.

For this reason, Cerved has always focused its management strategies on the development of its people, through the promotion of programs focused on increasing competencies and stimulating talents.
In line with the Purpose and the social standards for 2019, initiatives have been implemented to promote an increasingly meritocratic working envi-

ronment based on a culture of trust and inclusion, in which equal opportunities for all people working within the Group are guaranteed.

Training

Employee training is an investment that generates value in two ways: for the organization and for the people who belong to it. It is with this awareness that Cerved offers to Group employees development pathways and programs aimed at increasing and enhancing the capabilities of each individual.

During 2019, Learning & Development programs were focused on the following main streams:

Professionalizing Training, built according to the needs of each Business Unit. Particularly relevant were the Rating Analyst Certification program and the Solution Driven Negotiation pathway, a training program aimed at strengthening the key skills of Loan Managers.
Internal training academy:

- *Road to Credit Manager,* a career acceleration program dedicated to the placement and training of new graduates to accompany them on a pathway that will lead them to become the Credit Managers of tomorrow, through job rotation, training on the job and more than 100 hours in the classroom that covers both technical issues and the development of soft skills.
- *Sales Academy,* a training program dedicated to the sales structure with the aim of strengthening the technical and managerial skills of professionals working within the sales area.

Compliance Training: *training aimed at increasing awareness and knowledge of the regulations that impact the organization.*
School of Management: 2019 saw the development of a Performance Leadership training course dedicated to managers in the sales network and Credit Management area, with the aim of sharing a common Leadership model throughout the Group and aligning the value mindset on issues such as delegation, feedback, people enhancement and the effective management of inter-functional dynamics. With the aim of supporting managers in the development of their leadership skills, we have also implemented executive coaching pathways.
Team Building activities managed internally through experiential workshops and seminars facilitated with the Lego Serious Play methodology, with the aim of improving collaboration and stimulating a culture of mutual trust to support the dissemination of shared values such as transparency, participation, listening and the ability to manage error constructively and as an opportunity for learning.

Hiring and Attracting Talents

Curiosity, ability to generate innovative ideas, empathy and resilience are key elements of the mix of skills that the more than 2,500 people who work with us in Italy, Romania, Greece and Switzerland possess. We also look for fundamental skills in new candidates. Given the importance of attracting the best talents on the market, there is an internal structure dedicated to the search and selection of personnel, with the aim of identifying the most suitable people to join the company both for professional skills and for alignment with corporate principles.

A key principle underlying the selection process is to offer a valuable candidate experience to those who undertake a selection process with us, from first contact to feedback.

The Cerved Group has always been attentive to the issues of diversity and inclusion: during the selection phase we offer the same opportunities to all candidates, without conceding any kind of discrimination, and remuneration is established exclusively on the basis of criteria relating to professional competence and the role held.

The search for ideal candidates takes place not only externally, but also within the Group itself, with a view to enhancing and developing the talent of our people. Thanks to our Internal Job Posting, Brain, - based on the standards of transparency and meritocracy - Cerved employees can apply for open positions in the company, becoming protagonists of their growth.

The acquisition of new realities and the increase in Cerved's presence in countries other than Italy has promoted opportunities for exchange and participation in international projects, helping to create an increasingly inclusive culture of diversity.

At Cerved, a great deal of space is also given to the integration of undergraduate and graduate students: from 2018, recruitment and professional development programs have been implemented with the aim of investing in young people, their training and the creation of internal growth pathways. In these cases, the selection procedure is carried out through Assessments: candidates are asked to engage in group dynamics, thus highlighting their attitude, relational approach, critical thinking and problem solving skills.

A perfect example of an initiative aimed at attracting and enhancing young talents was the second edition of Cerved Next Campus, a space in the wider showcase of Cerved Next dedicated to older and recent graduates in STEM and business subjects. In 2019, 23 people took part in the initiative, and were asked to become Cerved professionals for one day, working as a team on a real case focused on our products and presenting the solutions to a jury composed of Directors from different areas of Cerved. Many of the participants now work within the Group: this sends out a strong signal, highlighting how important and effective every Employer Branding activity is.

Speaking of Employer Branding, for the Group, making its world known to the outside world is a strategic lever to better position the company and lay the foundations of the Cerved of the future. For this reason, in 2019 a structured plan was designed for the current Academic Year, which includes widespread participation in Career Days, company testimonials and round table discussions at the main universities in Italy and Romania, and which saw the launch of social media campaigns to spread awareness of the initiatives dedicated to junior profiles.

With a view to social responsibility towards the community and enhancing the talent of young people, thanks to its collaboration with Associations, Start Ups and University Colleges, Cerved is also active in sponsoring scholarships for deserving students.

People who start working with us find a welcoming atmosphere and have the opportunity to take part in an onboarding process that is based on two main tools: a welcoming event and the buddy initiative for each newly hired person, involving a support figure who helps to familiarize the recruited party with the new work environment.

Welfare, Work-life Balance and Company Environment

Also in 2019, the corporate Welfare pathway, inaugurated in 2018, continued: a project designed for and with employees in mind, and based on an approach that focuses on the involvement of people.

In addition, Cerved confirmed the benefits provided for in the supplementary company contract and further strengthened the agreements tool, which allows employees to access goods and services at discounted prices compared to the market.

In order to improve the work-life balance and recognize greater work flexibility, Cerved consolidated the use of smart working in 2019. Thanks to this tool more than 1,400 employees now have the possibility to work remotely up to once a week: a new, more agile and environmentally sustainable way of working, based on the concepts of mutual trust, welfare orientation and empowering people.

Employee Involvement

The Group devotes the utmost attention to recruiting and hiring practices and building employee loyalty. The most significant initiatives in 2019 were related to the socialization of the Purpose and Principles.

In particular, a 2-day off-site workshop was organised involving more than 100 senior managers of the Group, with the aim of presenting the new organisational model and defining a plan of initiatives and objectives to support the change management plan and the dissemination of the Purpose and Principles.

Compensation Policies

The Compensation Policy of the Cerved Group, for which reference should be made to the Compensation Report for all necessary details.
For office staff and middle managers, the compensation package is comprised of a fixed portion and a variable portion. The former, which reflects a meritocratic approach, is reviewed annually and, if needed, is adjusted consistent with the principles of competitiveness with the external environment, internal fairness and individual performance. The latter consists of a performance bonus, agreed upon with the labour unions and benchmarked based on an incentive system for Company targets.
In accordance with the provisions of Law No. 208 of 28/12/2015 and subsequent amendments and additions, each employee who receives the performance bonus may exercise the so-called ***Welfare Option***, choosing to benefit in whole or in part from the individual performance bonus, accrued and due, in activities, works and services with social relevance, paid in kind or in the form of reimbursement of expenses.

For a portion of the Company's population the variable compensation includes a Performance Bonus tied to individual performance and Company results. This process entails the definition of clear targets shared with the relevant manager and is based on continuous feedback around the assessment of the work performed and the results achieved.

The final amount of the Performance Bonus is defined by a component measured against the achievement of a predetermined level by Group EBITDA and individual targets based on:
- value creation, aligning the performance of the resources with the business objectives over a medium/long-term horizon, consistent with the risk profile defined for the Group;
- development, promoting the managerial and professional development of the persons involved through frequent exchanges of feedback with management;
- individual recognition, rewarding individual performance and valuing the professional contribution of individuals in a differentiated manner.

Each resource involved in the process may be assigned at least two and not more than four individual targets and all Executives (and optionally Middle Managers who oversee employees) are assigned a "Collaborative Leadership" KPI with a weight of 10%.

For executive directors and executives with strategic responsibilities, the definition of the compensation policy is the result of a shared and transparent process in which the Company's Compensation and Nominating Committee and Board of Directors perform a central role, as required by the Corporate Governance Code for Listed Companies (see the Compensation Report for additional information).

The performances of the sales organizations are rewarded with special incentive systems based on quantitative and qualitative KPIs.

The Cerved Group has introduced and regulated for 2019 a ***Corporate Welfare*** program aimed at enhancing the value of the company's human resources and integrating social security and welfare benefits deriving from legal or contractual obligations.

The scope of application of the ***Welfare Plan*** is valid for all Executive and Middle Managers of the Italian Companies of the Group to which the trade C.C.N.L. (National Collective Labour Agreement) with an open-ended contract applies. Each recipient has been assigned a uniform nominal value at the rate of 3% of their Gross Annual Remuneration.
The Welfare Plan lasts for two years from April 1, 2019.

Each employee recipient of the ***Welfare Plan*** will have access to a specially prepared IT platform, through which they will be able to use the amounts available on their Welfare Account, which can be spent freely using a wide range of services/goods/reimbursements in accordance with Art. 51 paragraph 2, letter d), d bis), f), f bis), f ter), f quater) of the TUIR (Italian consolidated tax act). Always according to the dictates of Art. 51 paragraph 2 of the TUIR, access to services is allocated on the basis of a fair nominal capacity, differentiated by category of employees (Group executives and middle managers).

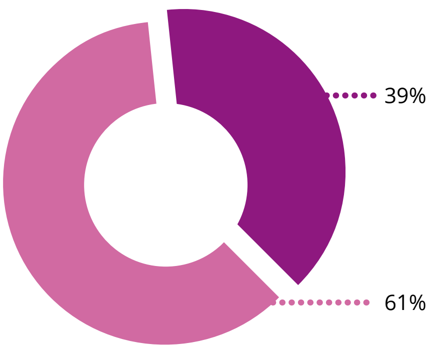
The goods, services and reimbursements offered to employees by Group companies must be used in the period between April 1 and December 31 of each year of the plan's duration, except for the need to define a shorter period of operational use of the Welfare Account linked to the operational aspects envisaged by the IT platform.

Human resources

In 2019, the staff of the Cerved Group averaged 2,472 full time equivalent (FTE) employees located 81% in Italy and the remaining 19% abroad in Europe.

Geographic area	Average HC 2019	%	Average HC 2018	%
Italy	2.005	81%	1.849	85%
Foreign	467	19%	331	15%
Total	2.472	100%	2179,5	100%

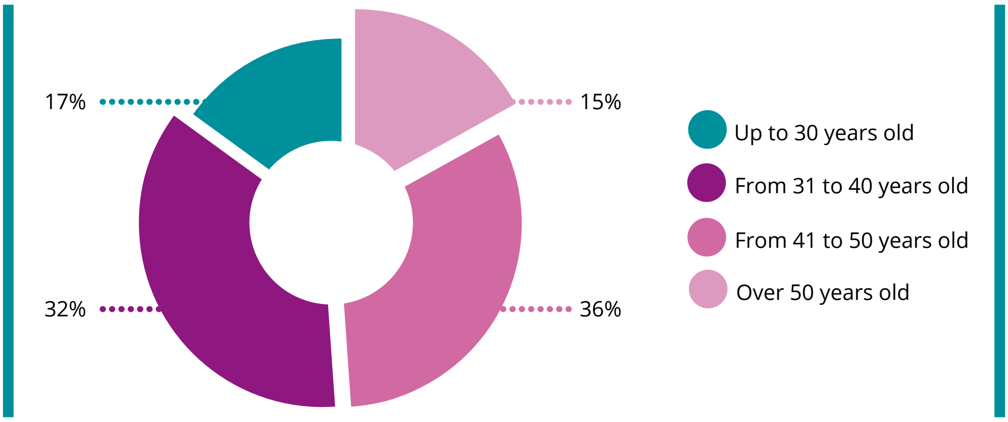
At December 31, 2019, women accounted for about 61% of the Group's staff.



Sex	"HC at December 31, 2019"	%	"HC at December 31, 2018"	%
Men	999	39%	885	38%
Women	1.571	61%	1.436	62%
Total	**2.570**	**100%**	**2.321**	**100%**

Also at December 31, 2019, a breakdown of employees by age group was as follows:

"Breakdown by age groups"	"HC at December 31, 2019"	Women			Men		
		Executives	Middle managers	Office staff	Executives	Middle managers	Office staff
Up to 30 years old	384	0	3	225	0	8	148
From 31 to 40 years old	914	0	42	526	14	75	257
From 41 to 50 years old	823	8	67	450	36	90	172
Over 50 years old	449	5	46	199	33	71	95
Total	**2,570**	**13**	**158**	**1,400**	**83**	**244**	**672**



The table below shows the composition of the Board of Directors at December 31, 2019:

Name	Gender	Year born	Post held
Gianandrea De Bernardis	♂	1964	Chairperson of the Board of Directors
Andrea Mignanelli	♂	1969	Chief Executive Officer
Fabio Cerchiai	♂	1944	Director and Lead Independent Director
Sabrina Delle Curti	♀	1975	Executive Director
Mara Anna Rita Caverni	♀	1962	Independent Director
Umberto Carlo Maria Nicodano	♂	1952	Director
Aurelio Regina	♂	1963	Independent Director
Valentina Montanari	♀	1967	Independent Director
Mario Francesco Pitto	♂	1951	Independent Director
Andrea Casalini	♂	1962	Independent Director
Alessandra Stabilini	♀	1970	Independent Director

Directors of the female gender accounted for 36% of the Board; 82% of the Board members were older than 50 years of age, while the remaining 18% were between 30 and 50 years old.

Non-financial statement and sustainability

Conscious of the importance of its social role, Cerved has embarked on a path aimed at integrating, in an increasingly pervasive manner, sustainability principles and actions into its business strategy and daily activities. In fact, Cerved operates under the conviction that sustainability is the engine for a process of continuous improvement, which guarantees results over time and the strengthening of economic performance, its reputation, the health and safety of workers and the achievement of its objectives in the environmental and social field.

On the basis of these convictions, in 2019 the Group undertook a path of growth and in-depth study of sustainability issues, starting from an awareness of its position and an analysis of the perception that the main stakeholders have of the Group, committing itself to incorporating the inputs from these stakeholders and converting them into a concrete plan of action, equipping itself with adequate organizational and governance tools to achieve its sustainability objectives, drawing inspiration from the Code of Ethics, the principles set out in the United Nations Global Compact, to which it has been a signatory since 2018, and aligning itself with international best practices.

In order to pursue the purpose described above, in 2019 the Cerved Group adopted a sustainability governance system overseen by the Risk, Control and Sustainability Committee, an internal board committee made up of three independent members. In order to promote and coordinate all activities related to sustainability, the new role of ESG (Environmental, Social, Governance) Manager has been established with the aim of defining the Group's guidelines on the subject, guiding and monitoring activities and evaluating the main areas of intervention, in a role of Ambassador to promote the spread of the culture of sustainability.

With the aim of communicating guidance and guidelines on issues of environmental, social and corporate risk management responsibility to its stakeholders, the Group has drawn up a new Sustainability Policy, which has then been incorporated into five other corporate policies, Privacy, Human Rights, the Environment, Responsible Marketing and Community Support.

The Company prepared a Non-financial Statement, also called Sustainability Report, at December 31, 2019, pursuant to Legislative Decree No. 254/16 and consistent with the Guidelines published by the European Union in July 2017 and Consob Regulation No. 20267 of January 18, 2018. This Statement will be reviewed for approval by the Board of Directors on March 13, 2020.

Research and development

The Group carries out research and development activities as part of its core business. This involves the development of calculation algorithms, rating systems and econometric analysis of economic sector trends. The costs incurred for these activities are charged in full to income, except for development costs that meet the requirements of IAS 38, which are capitalized as intangible assets.

Cerved and the stock market

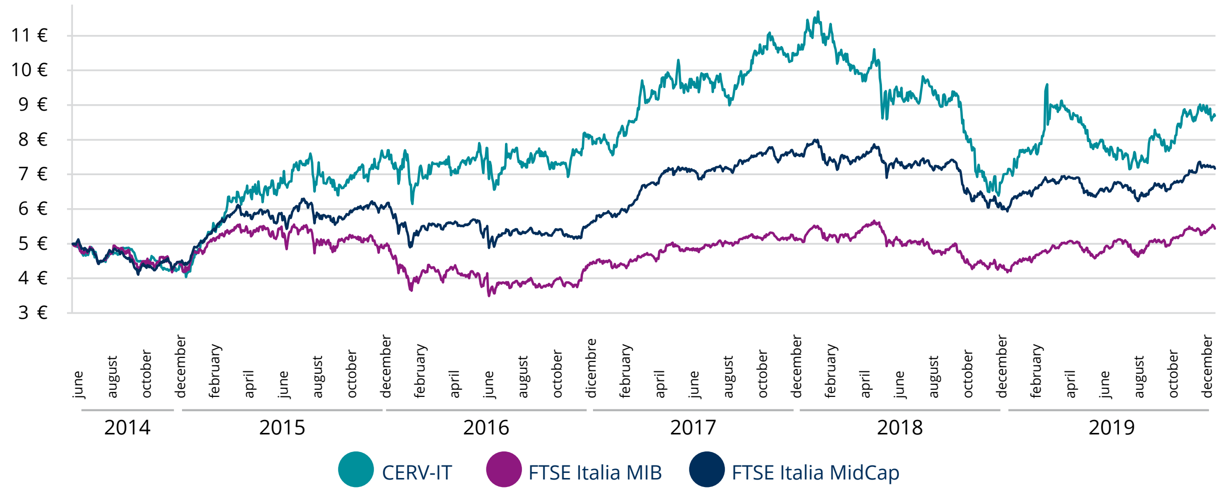
PERFORMANCE OF THE COMPANY STOCK

Since June 24, 2014, Cerved has been a group listed on the Online Stock Exchange (MTA) of Borsa Italiana. Its shares are identified with ISIN Code IT0005010423 and CERV Alphanumeric Code.

The year 2019 was characterized by the continuation by the main central banks of a monetary policy to support the economy. Low and negative interest rates in most markets have fostered strong stock market performance. The last period of the year also saw a significant improvement in the factors relating to political uncertainty that weighed on the economy and global markets during 2019.

In 2019 the FTSE Italia MidCap Index grew by +17.3% while the FTSE MIB Index grew by +28.2%. Cerved's share price rose by +21.6% from 7.15 euro, the first official price recorded on January 2, 2019. On its last day of trading in Piazza Affari, the Cerved share closed 2019 with an official price of 8.70 euro, resulting in a market capitalization of approximately 1.698 billion euros. The daily average of volumes traded stood at around 406 thousand shares traded, an increase compared to the previous year (+5.0%).

During the month of March 2019, Cerved's share price rose as a result of market rumours regarding the possible promotion of a public tender offer to purchase Cerved's shares by Advent International Corporation, the price then stabilized in the days following Advent International Corporation's notice not to implement the transaction due to the excessive increase in the share price.



Key: January, February, March, April, May, June, July, August September, October, November, December 2019

The table below summarizes the data for the period from January 2, 2019 to December 30, 2019

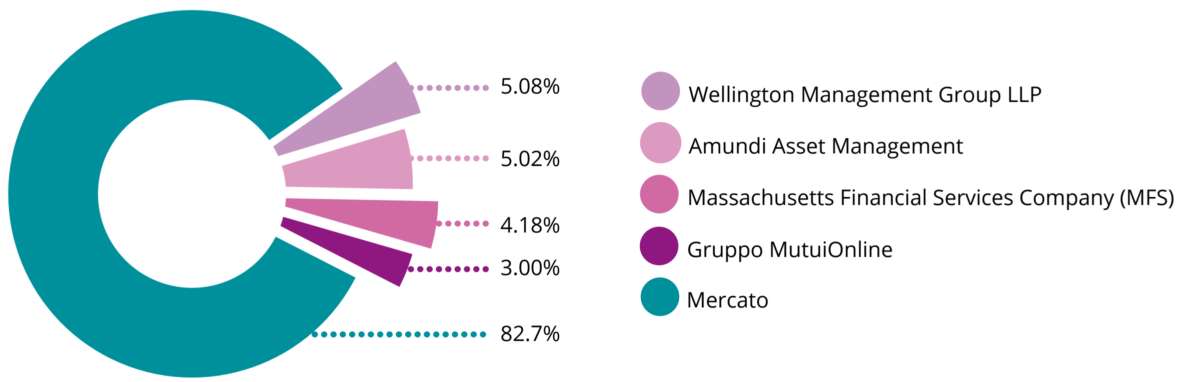
Highlights	Euros	Date
IPO price	5.10	June 24, 2014
Low for the year	6.96	January 7, 2019
High for the year	9.60	March 8, 2019
First official closing price	7.15	January 2, 2019
Last official closing price	8.70	December 30, 2019
Capitalization	1,697,915,942	December 30, 2019
Number of shares outstanding	195,274,979	December 30, 2019
Share float (%)	100%	December 30, 2019

For additional information about the performance of the Cerved stock and Company updates please visit the Investor Relations page of the Company website: company.cerved.com.

SHAREHOLDERS

The chart below provides a breakdown of the Company's shareholders at December 31, 2019 showing shareholders with significant equity stakes, based on information received by Consob pursuant to law:

Cerved shareholding structure(at December 31, 2019)



Source: Consob

Relations with the financial community

For Cerved, the activities involving communicating and managing relations with the financial community are of primary importance and are focused on creating value for the Group's shareholders and its stakeholders in general.

The objective of the Investor Relations activities is to help the financial community understand Cerved's objectives, strategies and growth prospects through communications that are transparent, timely, complete and consistent, with the aim of reducing uncertainty and unequal access to information.

In 2019, Investor Relations focused its activities on a strategy mainly developed through the following initiatives:

- preparing and distributing documents concerning the quarterly results and the documents for the Shareholders' Meeting;
- participating in events with the financial community and conference calls with investors at the request of brokers and at the direct request of investors;
- investor caring and prospect targeting activities;
- monitoring analyst estimates and internal reconstruction of the consensus;
- monitoring the stock's performance;
- monitoring and providing updates on the main changes introduced in the regulatory framework that could affect relations with the financial community.

The Cerved stock was followed in the 2019 reporting year by ten sell-side analysts belonging to the major Italian and foreign brokerage institutions who regularly published their research, promoting the disclosure of the company's financial information to the financial community. The investment recommendations issued by sell-side analysts result in a reference Target Price, obtained as an average of the Target Prices published at December 31, 2019, equal to 9.7 euro.

Statement of reconciliation of parent net profit and shareholders' equity to consolidated net profit and shareholders' equity

The table below provides a statement of reconciliation of the Company's shareholders' equity to the Group's shareholders' equity and a statement of reconciliation of the Company's net profit to the Group's net profit:

(In thousands of euros)	Shareholders' equity at December 31, 2019	Net profit for 2019
Parent shareholders' equity and net profit	**515,587**	**41,531**
Consolidated companies	317,428	59,617
Reversal of carrying amount of investments in associates	(279,885)	
Fair value of options executed with minority shareholders	(91,799)	(9,073)
Equity-method consolidation of associated companies	(65)	(36)
Recognition of goodwill	57,418	(402)
Elimination of dividends		(33,415)
Consolidated shareholders' equity and net profit	**518,685**	**58,222**

Oversight and coordination activity

Cerved is not subject to oversight and coordination activity by external parties, but exercises oversight and coordination activity over its subsidiaries.

Information about the "opt out" alternative

As required by the provisions of Article 70, paragraph 8, of the Issuers' Regulation, the Company announced that, on April 2, 2014, concurrently with the filing of the application to list its shares on the MTA, it adopted the "opt out" alternative provided pursuant to Article 70, paragraph 8, and Article 71, paragraph 1-bis, of the Issuers' Regulation, thereby availing itself of the right to be exempt from the obligation to publish the information memoranda required in connections with material transactions involving mergers, demergers, capital increases through conveyances in kind, acquisitions and divestments.

Motion to appropriate the result for the year

Dear Shareholders,
In asking you to approve the Financial Statements and the Report, as submitted to you, we also urge you to adopt a resolution to appropriate the year's net profit of 41,530,362.45 euros to retained earnings.

San Donato Milanese, March 24, 2020

For the Board of Directors
The Chairperson
Giandrea De Bernardis
(Signed on the original)

2 Consolidated Financial Statements at December 31, 2019

Roma

Consolidated Statement of Comprehensive Income

(In thousands of euros)	Notes	At December 31, 2019	At December 31, 2018 *Restated*
Revenues	7	519,266	457,221
- amount with related parties	*44*	*1,164*	*640*
Other income	8	41,367	861
- amount from non-recurring transactions	*15*	*40,000*	*-*
Total revenues and income		**560,633**	**458,082**
Cost of raw materials and other materials	9	(1,282)	(3,221)
Cost of services	10	(133,877)	(121,135)
- amount from non-recurring transactions	15	(5,543)	(3,808)
- amount with related parties	*44*	*(2,372)*	*(2,240)*
Personnel costs	11	(152,852)	(121,861)
- amount from non-recurring transactions	*15*	*(2,520)*	*(2,772)*
- amount with related parties	*44*	*(5,107)*	*(5,512)*
Other operating costs	12	(8,776)	(7,715)
- amount from non-recurring transactions	*15*	*(602)*	*(669)*
Impairment of receivables and other provisions	13	(5,363)	(3,805)
Depreciation and amortization	14	(144,178)	(77,293)
- amount from non-recurring transactions	*15*	*(59,212)*	*-*
Operating profit		**114,305**	**123,053**
Income from/(charges for) investments in associates	22	(36)	3,395
- portions of the results of investments valued by the equity method	*44*	*(36)*	*(101)*
- other non-recurring income from investments	*15*	*-*	*3,496*
- amount with related parties	44	(36)	(101)
Financial income	*16*	*840*	*4,964*
amount with related parties	15	19	1,794
Financial charges	*17*	*(29,836)*	*(20,135)*
- amount from non-recurring transactions	*15*	*-*	*(556)*
- amount with related parties		*(969)*	*-*
Profit before taxes		**85,273**	**111,277**
Income taxes	18	(27,052)	(22,488)
- amount from non-recurring transactions	*15*	*5,248*	*-*
Net profit		**58,222**	**88,789**
Amount attributable to non-controlling interests		3,601	3,998
Net profit attributable to owners of the parent		**54,621**	**84,795**
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		*(263)*	*(578)*
- Tax effect		*63*	*139*
- Hedge accounting gains/(losses)		*(1,762)*	*(2,428)*
- Tax effect		*341*	*665*
- Gains/(Losses) from the measurement of investments at fair value through OCI		*834*	*-*
- Tax effect		*(200)*	*-*
Gains/(Losses) from conversion of foreign companies' financial statements		16	(17)
Comprehensive net profit		**57,635**	**86,570**
-attributable to owners of the parent		*54,034*	*82,579*
- attributable to non-controlling interests		*3,601*	*3,990*
Basic earnings per share (in euros)		0.2797	0.438
Diluted earnings per share (in euros)		0.2792	0.438

Consolidated Statement of Financial Position

(In thousands of euros)	Notes	At December 31, 2019	At December 31, 2018 *Restated*
ASSETS			
Non-current assets			
Property, Plant and Equipment	19	61,957	55,576
Intangible assets	20	401,077	460,423
Goodwill	21	764,553	747,173
Investments in companies valued by the equity method	22	3,096	3,130
Other non-current financial assets	23	9,367	8,644
- amount with related parties	*44*	*700*	*500*
Total non-current assets		**1,240,050**	**1,274,947**
Current assets			
Inventory	24	-	111
Trade receivables	25	234,152	197,799
- amount with related parties	*44*	*728*	*255*
Tax receivables	26	7,821	12,305
Other	27	2.839	3.028
receivables	*27*	*2,839*	*3,028*
- amount with related parties	*44*	*31*	*32*
Other current assets	28	13,735	14,289
Cash and Cash Equivalents	29	86,211	42,363
Total current assets		**344,759**	**269,894**
TOTAL ASSETS		**1,584,809**	**1,544,841**
Share Capital	30	50,521	50,521
Statutory reserve	30	10,104	10,090
Additional Paid-in Capital	30	432,180	434,099
Other Reserves	30	(62,681)	(39,100)
Net profit attributable to owners of the parent		54,621	84,795
Shareholders' equity attributable to owners of the parent		**484,745**	**540,406**
Shareholders' equity attributable to non-controlling interests	30	33,940	10,559
TOTAL SHAREHOLDERS' EQUITY		**518,685**	**550,965**
Non-current liabilities			
Non-current loans	32	619,422	616,148
Employee benefits	34	15,812	13,621
Provisions for risks and charges	35	5,249	5,534
Other non-current liabilities	*36*	*58,458*	*20,640*
- amount with related parties	*44*	*-*	*8,617*
Deferred tax liabilities	37	88,340	104,950
Total non-current liabilities		**787,282**	**760,893**
Current liabilities			
Current loans	32	16,241	17,310
Trade payables	*38*	*55,572*	*59,844*
- amount with related parties	*44*	*1,571*	*678*
Current tax payables	39	27,288	5,985
Other tax payables	40	6,072	10,996
Other liabilities	*41*	*173,669*	*138,849*
- amount with related parties	*44*	*15,985*	*6,727*
Total current liabilities		**278,843**	**232,984**
TOTAL LIABILITIES		**1,066,124**	**993,876**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,584,809**	**1,544,841**

E-MARKET SDIR CERTIFIED

Consolidated Statement of Cash Flows

(In thousands of euros)	Notes	At December 31, 2019	At December 31, 2018 *Restated*
Profit before taxes		85,273	111,277
Depreciation and amortization	14	144,178	77,294
Impairment of receivables and other provisions, net	13	5,363	3,805
Performance Share Plan	43	9,453	4,981
Capital gain on disposals		-	(316)
Net financial charges	17	28,997	15,171
Income from investments	22	35	(3,395)
Cash flow from/(used in) operating activities before changes in working capital		**273,299**	**208,817**
Change in operating working capital		(37,551)	(23,255)
Change in other working capital items		19,597	13,464
Change in provisions for risks and charges, deferred taxes and other liabilities		(16,520)	(2,456)
Cash flow from changes in working capital		**(34,474)**	**(12,247)**
Income taxes paid		(30,704)	(38,215)
Cash flow from/(used in) operating activities		**208,121**	**158,355**
Additions to intangible assets	20	(23,300)	(35,208)
Additions to property, plant and equipment	19	(12,697)	(5,605)
Disposals of intangible assets and property, plant and equipment	19-20	756	1,306
Financial income	16	840	(519)
Acquisitions net of acquired cash	5	(29,526)	(73,548)
Investments in associates net of dividends received	22	0	(25)
Change in other non-current financial assets		(971)	(828)
Acquisition of non-controlling interests		(11,677)	(14,412)
Disbursement of loan to La Scala Cerved		(200)	(500)
Cash flow from/(used in) investing activities		**(76,775)**	**(129,339)**
Change in short-term financial debt	32	(5,712)	(1,307)
Utilization of Revolving Line	32	(10,000)	10,000
Charges incurred to amend the terms of the Senior Loan	32	-	(1,000)
Capital increase subscribed by third parties		2,460	2,959
Purchase of Treasury Shares	30	(704)	(29,296)
Interest paid		(15,043)	(14,491)
Dividends paid/non-controlling interests		(58,499)	(52,724)
Cash flow from/(used in) financing activities		**(87,498)**	**(85,859)**
Net change in cash and cash equivalents		**43,848**	**(56,844)**
Cash and cash equivalents at the beginning of the period		42,363	99,207
Cash and cash equivalents at the end of the period		86,211	42,363
Difference		**43,848**	**(56,844)**

Statement of Changes in Consolidated 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 equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total shareholders’ equity
Balance at 1/1/17	**50,450**	**10,090**	**444,636**	**(24,574)**	**47,280**	**527,882**	**6,949**	**534,831**
Appropriation of the 2016 result				47,280	(47,280)			-
Dividend distribution (0.82 euros per share)				(42,510)		(42,510)		(42,510)
Distribution of other reserves			(5,655)			(5,655)		(5,655)
Recognition of liability for Performance Share Plan				1,805		1,805	15	1,820
Recognition of integration of minority interest (ClickAdv)				1,009		1,009	(1,009)	-
Recognition of integration of minority interest (Major 1)				62		62	(63)	(1)
Recognition of minority interest (QCCM)						0	54	54
Total transactions with owners	**-**	**-**	**(5,655)**	**7,646**	**(47,280)**	**(45,289)**	**(1,003)**	**(46,292)**
Net profit					52,734	52,734	1,534	54,268
Other changes in statement of comprehensive income				101		101	(27)	74
Comprehensive net profit	**-**	**-**	**-**	**101**	**52,734**	**52,835**	**1,507**	**54,342**
Balance at December 31, 2017	**50,450**	**10,090**	**438,981**	**(16,827)**	**52,734**	**535,428**	**7,453**	**542,881**
Impact of first-time adoption of IFRS 16				(878)		(878)	(23)	(901)
Balance at December 31, 2017 Restated	**50,450**	**10,090**	**438,981**	**(17,705)**	**52,734**	**534,550**	**7,430**	**541,980**
Appropriation of the 2017 result				52,734	(52,734)	-		-
Dividend distribution (0.245 euros per share)				(47,842)		(47,842)		(47,842)
Distribution of additional paid-in capital			(4,882)			(4,882)		(4,882)
Recognition of liability for Performance Share Plan				4,981		4,981		4,981
Recognition of a minority interest through a capital increase (Consit)	71			1,596		1,667	(1,667)	-
Acquisition of non-controlling interests				2,854	-	2,854	(2,130)	724
Recognition of a put option				(4,179)		(4,179)		(4,179)
Purchase of Treasury Shares				(29,296)		(29,296)		(29,296)
Underwriting of minority interest in the capital increase of Quaestio Cerved Credit Management						0	2,956	2,956
Total transactions with owners	**71**	**-**	**(4,882)**	**(19,152)**	**(52,734)**	**(76,697)**	**(841)**	**(77,538)**
Net profit					84,795	84,795	3,994	88,789
Other changes in statement of comprehensive income				(2,240)		(2,240)	(24)	(2,264)
Comprehensive net profit	**-**	**-**	**-**	**(2,240)**	**84,795**	**82,555**	**3,970**	**86,525**
Balance at December 31, 2018 Restated	**50,521**	**10,090**	**434,099**	**(39,097)**	**84,795**	**540,408**	**10,559**	**550,967**

(In thousands of euros)	Share Capital	Statutory reserve	Additional Paid-in Capital	Other Reserves	Net profit attributable to owners of the parent	Consolidated equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total shareholders' equity
Balance at December 31, 2018 *Restated*	**50,521**	**10,090**	**434,099**	**(39,097)**	**84,795**	**540,408**	**10,558**	**550,966**
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				7,923		7,923		7,923
Performance Share Plan - Data Space				1,530		1,530		1,530
Purchase of Treasury Shares				(704)		(704)	-	(704)
Recognition of minority interest (MBS)						0	22,289	22,289
Acquisition of non-controlling interests				2,509		2,509	(2,509)	-
Recognition of liability for option held by minority shareholders				(62,050)		(62,050)		(62,050)
Total transactions with owners	**-**	**14**	**(1,918)**	**(22,591)**	**(84,795)**	**(109,290)**	**19,780**	**(89,510)**
Net profit					54,621	54,621	3,601	58,222
Other changes in statement of comprehensive income				(994)		(994)		(994)
Comprehensive net profit	**-**	**-**	**-**	**(994)**	**54,621**	**53,627**	**3,601**	**57,228**
Balance at December 31, 2019	**50,521**	**10,104**	**432,181**	**(62,682)**	**54,621**	**484,745**	**33,940**	**518,685**

Notes to the Consolidated Financial Statements at December 31, 2019

GENERAL INFORMATION

Cerved Group S.p.A. (hereinafter "Cerved" or the "Company") is a corporation established on March 14, 2014, domiciled in Italy, with registered office at Via dell'Unione Europea 6/A-B, in San Donato Milanese (Milan), and organized in accordance with the laws of the Italian Republic.
The Company and its subsidiaries (collectively the "Group" or the "Cerved Group") represent the main reference point in Italy for the management, processing and distribution of legal, accounting, commercial and economic/financial information. The products and services offered by the Company enable its customers, mainly businesses and financial institutions, to assess the solvency, credit worthiness and economic/financial structure of their commercial counterparties or customers, so as to optimize their credit risk management policies, accurately define their marketing strategies, assess the position of competitors in their target markets and manage non-performing loans.

This document was prepared by the Company's Board of Directors, meeting on March 24, 2020, for approval by the Shareholders' Meeting scheduled for May 20, 2020. The Board of Directors authorized the Chairman and the Chief Executive Officer to make any changes to the financial statements that may be necessary or appropriate for completing the presentation of this document in the period between March 24, 2020, and the date when it will be approved by the Shareholders' Meeting.

1. OVERVIEW OF THE ACCOUNTING STANDARDS

The main criteria and accounting standards applied to prepare the Consolidated Financial Statements are reviewed below.

1.1 BASIS OF PREPARATION

The Consolidated Financial Statements were prepared in accordance with the going concern assumption, the Directors having verified the absence of any financial, operational or other indicators signalling the existence of issues concerning the Group's ability to meets its obligations in the foreseeable future and over the next 12 months specifically. A description of the methods by which the Group manages financial risks is provided in Note 2 "Financial Risk Management."
The consolidated financial statements were prepared based on the IFRS international accounting standards, understood to include all "International Financial Reporting Standards," all "International Accounting Standards" (IAS) and all interpretations issued by the "International Financial Reporting Interpretations Committee" (IFRIC), previously called "Standing Interpretations Committee" (SIC) that, on the date of these consolidated financial statements, had been adopted by the European Union in accordance with the procedure required by Regulation (EC) No. 1606/2002 of July 19, 2002 of the European Parliament and the European Council.
These Consolidated Financial Statements are denominated in euros, which is the currency of the prevailing economic environment in which the Group operates. Unless otherwise stated, the amounts listed in this document are presented in thousands of euros.
The financial statement presentation format and the corresponding classification criteria adopted by the Group

among the options provided by IAS 1 "Presentation of Financial Statements" are reviewed below:

- the statement of financial position was prepared with assets and liabilities classified separately in accordance with the "current/non-current" criterion;
- the statement of comprehensive income is presented with operating expenses classified by nature and includes, in addition to the profit (loss) for the year, the other changes to components of shareholders' equity caused by transactions executed with parties other than the Company's owners;
- the statement of cash flows was prepared showing the cash flow from operating activities in accordance with the "indirect method."

In addition, pursuant to Consob Resolution No. 15519 of July 28, 2006, within the income statement, income and expenses from non-recurring transactions are identified separately; similarly, the financial statements show separately any balances related to receivable/payable positions and transactions with related parties, which are further described in the section of the Notes to the financial statements entitled "Transactions with related parties."

The Consolidated Financial Statements were prepared based on the conventional historical cost criterion, except for the measurement of financial assets and liabilities in those cases in which the use of the fair value criterion is mandatory.

1.2 SCOPE OF CONSOLIDATION AND CONSOLIDATION CRITERIA

The consolidated financial statements include the financial statements of the Parent Company and those of companies in which the Parent Company controls directly or indirectly the majority of the votes that can be cast at an Ordinary Shareholders' Meeting.
A list of companies consolidated line by line or by the equity method at December 31, 2019 is provided below:

	Registered office	Share Capital *(in thousands of euros)*	% interest held *(direct and indirect)*	Consolidation method
Cerved Group S.p.A. (Parent Co.)	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.	Trento	22	79.48%	*Line by line*
S.C. Re Collection S.r.l.	Romania	110	96.79%	*Line by line*
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*
Juliet Holding S.p.A.	San Donato Milanese	6,000	48.29%	*Line by line*
Credit Management S.r.l.	Bari	30	96.79%	*Line by line*
Juliet S.p.A.	Siena	50	48.29%	*Line by line*
Cerved Credit Management Greece S.A.	Athens (Greece)	500	96.79%	*Line by line*
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*
Cerved Finline S.r.l.	Turin	10	100.00%	*Line by line*
MBS Consulting S.p.A.	Milan	264	30.70%	*Line by line*
MBS Consulting S.r.l.	Milan	30	30.70%	*Line by line*
Dyna Green S.r.l.	Milan	30	30.70%	*Line by line*
Innovation team S.r.l.	Milan	40	30.70%	*Line by line*
Experian Italia S.p.A.	Rome	1,980	4.65%	*Shareholders' equity*
La Scala – Cerved società tra avvocati a responsabilità limitata	Milan	75	31.73%	*Shareholders' equity*
Palio 2	Milan	10	96.79%	*Line by line*

All subsidiaries and associated companies 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 that were prepared in accordance with accounting standards 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.

The company Juliet Holding S.p.A. (formerly Quaestio Cerved Credit Management S.p.A)., 49.90% owned by Cerved Credit Management Group S.r.l. at December 31, 2019, is being consolidated line by line into the Cerved Group because of the strong governance rights allotted to Cerved's originating shareholders by virtue of the shareholders' agreement signed by the two shareholders.

MBS Consulting S.p.a. and the entire MBS Group, 30.7% owned by Cerved Group S.p.a., at December 31, 2019, is consolidated line by line in the Cerved Group because of the strong governance rights allotted to Cerved's originating shareholders by virtue of the shareholders' agreement signed by the two shareholders.

The exchange rates used to translate the financial statements of foreign companies in currencies other than the euro are as follows:

	December 31, 2019		December 31, 2018	
	Average exchange rate	Exchange rate at 12/31	Average exchange rate	Exchange rate at 12/31
New Romanian LEU	4.7779	4.7830	4.6541	**4.6639**
Swiss Franc	1.1344	1.1318	1.1124	**1.0854**

Foreign exchange differences resulting from the translation of shareholders' equity at the exchange rates in effect at the end of the year and the translation of the income statement at the average exchange rates for the year are recognized in the "Other reserves" account of shareholder' equity.

Consolidation Criteria and Business Combinations

The Consolidated Financial Statements include the financial statements of Cerved S.p.A. and those of the companies over which the Company, directly or indirectly, has the right to exercise control, as defined in IFRS 10 "Consolidated Financial Statements." For the purpose of assessing the existence of control, all three of the following requirements must be satisfied:

- power over the company;
- exposure to the risks or rights deriving from the variable returns entailed by its involvement;
- ability to influence the company so as to influence the investor's results (positive or negative).

Control can be exercised by virtue of the direct or indirect possession of majority of the shares with voting rights or by virtue of contractual stipulations or statutory provisions, irrespective of share ownership. When assessing these rights, attention must be paid to the ability to exercise them, whether or not they are effectively exercised, and all contingent voting rights must be taken into account.

Subsidiaries are consolidated on a line-by-line basis from the moment control is effectively acquired and ends when control is transferred to a different party. The criteria adopted for line-by-line consolidation are outlined below:

- The assets and liabilities, income and expense of the subsidiaries are included line by line, allocating to non-controlling interests, when applicable, the pro rata share of the period's shareholders' equity and profit attributable to them; these amounts are shown separately in shareholders' equity and the income statement;

- Business combinations by virtue of which control is acquired over an entity are recognized, as required by the provisions of IFRS 3 Business Combinations, in accordance with the acquisition method. The acquisition cost is represented by the fair value on the acquisition date of the assets being sold, the assumed liabilities and any issued equity instruments. The identifiable acquired assets, assumed liabilities and contingent liabilities are recognized at their fair value on the date of acquisition, except for deferred tax assets and liabilities, assets and liabilities for employee benefits and assets held for sale, which are recognized in accordance with the respective reference accounting standards. The difference between the acquisition cost and the fair value of the acquired assets and liabilities, if positive, is recognized among intangible assets as goodwill or, if negative, after checking again the correct measurement of the fair values of the acquired assets and liabilities and the acquisition costs, is recognized directly in profit or loss, as a gain. Incidental transaction costs are recognized in profit or loss when incurred;
- In cases when total control is not achieved, the interest in shareholders' equity of non-controlling interests is determined based on the pro rata share of the fair values attributed to assets and liabilities on the date control is achieved, excluding any goodwill allocated to them (called the partial goodwill method). Alternatively, the full amount of the goodwill generated by the acquisition is recognized, including the pro rata share attributable to non-controlling interests (also called the full goodwill method). In the latter case, non-controlling interests are shown at their total fair value, including the goodwill attributable to them. The choice of the method for determining goodwill (partial goodwill method or full goodwill method) is made selectively for each business combination;
- The acquisition cost includes any contingent consideration, recognized at its fair value on the date when control is acquired. Subsequent changes in fair value are recognized in the income statement or the statement of comprehensive income if the contingent consideration is a financial asset or liability. Contingent consideration classified as shareholders' equity is not remeasured and its subsequent extinguishment is recognized directly in equity;
- If business combinations through which control is acquired are executed in multiple steps, the Group remeasures the interest that it held previously in the acquiree against the respective fair value on the acquisition date and recognizes any resulting profit or loss in the income statement;
- Acquisitions of non-controlling interests in entities over which the Group already has control or the sale of non-controlling interests that do not entail the loss of control are treated as equity transactions; consequently, any difference between the acquisition/disposal cost and the corresponding pro rata interest in the underlying acquired/sold shareholders' equity is recognized as an adjustment to the shareholders' equity attributable to the owners of the parent;
- Significant gains and losses, including the corresponding tax effect, deriving from transactions executed between companies consolidated line by line and not yet realized with respect to third parties are eliminated, with the exception that losses are not eliminated when the transaction provides evidence that the transfer asset was impaired. All significant positions involving payables and receivables, costs and expenses and financial expense and income are also eliminated;
- Put/call options exchanged by the Parent Company and minority shareholders are recognized considering the risks and benefits transferred

with the contract. Specifically, the Group recognizes a financial liability on the date the contract is executed against the Group's equity when the minority shareholders retain the transaction's risks and benefits, or against the minority shareholder's equity when the transaction's risks and benefits are transferred to the majority shareholder. Any subsequent changes in the value of the liability are recognized in profit or loss.

Associated Companies

Associated companies are those over which the Group exercises a significant influence, which is presumed to exist when the investment held is equal to between 20% and 50% of the voting rights. Investments in associated companies are valued by the equity method and are initially recognized at cost. The equity method is described below:

- the carrying amount of these investments is aligned with the underlying shareholders' equity, adjusted when necessary to reflect the adoption of the IFRS and includes the recognition of the higher/lower values assigned to the assets and liabilities and any goodwill, as identified at the time of acquisition;
- gains or losses attributable to the Group are recognized as of the date when the significant influence began and until the date when the significant influence ends. If, because of losses, a company valued by the equity method shows a negative shareholders' equity, the carrying amount of the investment is written off and any excess attributable to the Group, if the Group has agreed to fulfil the statutory or constructive obligations of the investee company or otherwise to cover its losses, is recognized in a special provision; changes in the equity of companies valued by the equity method not attributable to the result in the income statement are recognized directly in the statement of comprehensive income;
- unrealized gains and losses generated by transactions executed by the Company/subsidiaries with an investee company valued by the equity method, including distributions of dividends, are eliminated consistently with the value of the equity stake held by the Group in the investee company in question, except for losses when these represents and impairment of the underlying asset.

Business Combinations of Entities Under Common Control

Business combinations in which the participant companies are definitively controlled by the same company or companies both before and after the business combination and the control of which is not temporary are qualified as transactions "under common control." These transactions are not subject to IFRS 3, which governs how business combinations should be accounted for, or to any other IFRS. In the absence of a governing accounting principle, the choice of the accounting presentation method must nevertheless ensure compliance with the requirements of IAS 8, i.e., it must provide a reliable and truthful representation of the transaction. Moreover, the accounting principle selected for the presentation of a transaction "under common control" must reflect the economic substance of the transaction, irrespective of its legal form.
The economic substance requirement is thus the key element guiding the method applied to account for such transactions. The economic substance must be based on a creation of value added that manifests itself through material changes in the cash flow of the net transferred assets. In addition, as part of the process of accounting for the transaction, attention must be paid to current interpretations and guidelines; specifically, reference should be made to the recommendations of OPI 1 revised concerning the "accounting treatment of business combinations of entities under common control in the statutory and consolidated financial statements."

Therefore, the net transferred assets must be recognized at the amounts at which they were carried by the company being acquired or, if available, at the amounts resulting in the consolidated financial statements of the common controlling company. With this in mind, the Company, in the case of transactions such as those discussed above, opted to use of the historical values at which the net acquired assets were carried in the financial statements of the acquired companies.

Translation of Transactions Denominated in a Currency Different from the Functional Currency

Transactions denominated in a currency different from the functional currency of the entity executing the transaction are translated at the exchange rate in effect on the transaction date. Foreign-exchange gains and losses generated by the closing of the transaction or the translation carried out at the end of the year of assets and liabilities denominated in currencies different from the euro are recognized in profit or loss.

1.3 VALUATION CRITERIA

An overview of the most significant accounting standards and valuation criteria used to prepare the Consolidated Financial Statements is provided below.

Property, Plant and Equipment

Items of property plant and equipment are recognized in accordance with the cost criterion and booked at their acquisition cost or production cost, including any directly attributable incidental costs necessary to make the asset ready for use, any decommissioning and removal costs that will be incurred as a result of contractual commitments to restore an asset to its original condition and any financial expense directly attributable to the asset's acquisition, construction or production.
Costs incurred for ordinary maintenance and ordinary and/or cyclical repairs are recognized directly in profit or loss for the year in which they are incurred. The capitalization of costs incurred for expanding, modernizing or upgrading structural elements owned by the Company or received in use from third parties is carried out exclusively to the extent that the aforementioned costs meet the requirements for classification as separate assets or part of an asset in accordance with the component approach.

Property, plant and equipment, with the exception of land, is depreciated systematically each year on a straight-line basis, in accordance with the remaining useful lives of the assets. If the asset being depreciated is comprised of components identifiable separately with useful lives that are materially different from those of the other components of the asset, each asset component is depreciated separately in accordance with the component approach principle.

Depreciation starts when an asset is ready for use, based on the moment when this condition is effectively met.

The depreciation rates applied to the different components of property, plant and equipment are listed in the table below:

	Estimated useful life
Buildings	33 years
Electronic office equipment	3-5 years
Furniture and fixtures	8 years
Other assets	4-6 years

The depreciation rates of the components of property plant and equipment are reviewed and updated as needed, at least at the end of each reporting year.

If, irrespective of the accumulated depreciation recognized, the value of an item of property, plant and equipment is impaired, the asset is written down. If in subsequent years the reasons for the write-down no longer apply, the original value is reinstated. The residual values and useful lives of assets are reviewed at the end of each reporting period and, if necessary, appropriate adjustments are made.

Gains and losses on asset disposals are determined by comparing the sales consideration with the asset's net carrying amount. The amount thus determined is recognized in profit or loss in the corresponding year.

Lease

On the date of entering into a contract, the company verifies whether the contract contains or represents a lease, i.e. whether it confers the right to control the use of an identified asset for a specified period of time in return for payment. This right exists if the right to substantially obtain all the economic benefits deriving from the use of the asset and the right to direct its use are held over the period of use.
At the commencement date of the lease contract (i.e. the date on which the asset is made available for use), the lessee shall recognise, in the balance sheet, an asset representing the right to use of the asset (hereinafter also referred to as "right-of-use asset"), and a liability representing the obligation to make payments under the contract (hereinafter also referred to as the "lease liability"). In particular, the lease liability is initially recognised at an amount equal to the present value of the following lease payments not yet made at the start date: (i) fixed (or substantially fixed) payments, net of any inducements to receive; (ii) variable payments that depend on indices or rates; (iii) an estimate of the payment to be made by the lessee as security for the residual value of the leased asset; (iv) payment of the exercise price of the purchase option, if the lessee is reasonably certain to exercise the option; and (v) payment of contractual penalties for termination of the lease, if the lessee is reasonably certain to exercise the option. The present value of the above payments is calculated using a discount rate equal to the interest rate implicit in the lease or, if this cannot be easily determined, using the lessee's incremental financing rate. The latter is defined mainly taking into account the duration of the leasing contracts.
After initial recognition, the lease liability is measured at amortised cost and is restated, generally as a contra-entry to the carrying amount of the related right-of-use asset, in the presence of a change in the payments due for the lease, essentially as a result of: (i) contract renegotiations that do not represent a separate lease; (ii) changes in indices or rates (to which variable payments are related); or (iii) changes in the valuation of the exercise of contractually agreed options (options to purchase the leased asset, options to extend or terminate the contract).
The right to use a leased asset is initially recognised at cost, determined as the sum of the following components: (i) the initial amount of the lease liability; (ii) the initial direct costs incurred by the lessee; (iii) any payments made at or before the commencement date, net of any incentives received from the lessor; and (iv) an estimate of the costs that the lessee expects to incur in decommissioning, removing the underlying asset and clearing the site or restoring the asset to the condition under the contract. After initial recognition, the right-of-use asset is adjusted to take account of accumulated depreciation, any accumulated impairment losses and the effects of any restatements of the lease liability.
The determination of the reasonable certainty of whether or not to exercise an extension and/or termination option under a lease contract is the result of a process that involves complex judgements on the part of management. In this regard, the reasonable certainty of exercising these options is verified at the commencement date, considering all the facts and circumstances that generate an economic incentive to exercise them, as well as when significant events or changes oc-

cur in the circumstances that are under the lessee's control and that influence the valuation previously made.

Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance, controllable and capable of generating future economic benefits. These assets are initially recognized at their purchase and/or production costs, inclusive of directly attributable expenses incurred to make the asset ready for use. Any interest expense accrued during and for the development of intangible assets is deemed to be part of the acquisition cost. Specifically, the following main intangible assets are recognized within the Group:

(a) Goodwill

Goodwill is classified as an intangible asset with an indefinite useful life and is initially recognized at cost, as described above, and subsequently measured, at least once a year, to determine the existence of any impairment ("impairment test"). The value of goodwill cannot be reinstated after it has been written down due to impairment.

(b) Other Intangible Assets with a Finite Useful Life

Intangible assets with a finite useful life are recognized at cost, as described above, net of accumulated amortization and any impairment losses.

Software Development Costs

Costs incurred internally to develop new products and services constitute intangible assets (mainly software costs), but are recognized as such only if all of the following conditions can be met: i) the cost attributable to the development activities can be determined reliably; ii) the Company has the intention, the availability of financial resources and the technical capabilities to make the asset ready for use or sale; and iii) it can be demonstrated that the asset is capable of producing future economic benefits. Capitalized development costs shall include only incurred expenses that can be directly attributed to the process of developing new products and services.

Database Costs

Costs incurred to acquire financial information (databases) are recognized as an intangible asset only to the extent that, for these costs, the Group can measure reliably the future benefits deriving from the acquisition of the information comprising the asset.

Other Intangible Assets with a Finite Useful Life

Other intangible assets with a finite useful life acquired or internally produced are recognized among the Company's assets, in accordance with the provisions of IAS 38 (Intangible Assets), when it is probable that their use will generate future economic benefits and the cost of the asset can be determined reliably. These assets are recognized at their purchase or production cost and amortized on a straight-line basis over their estimated useful lives; the amortization rates are reviewed each year and are changed when the currently estimated useful life differs from the one estimated previously. The effects of such changes are recognized prospectively in the separate consolidated income statement.

Amortization begins when an asset is available for use and is allocated systematically based on the remaining available use of the assets, which corresponds to its remaining useful life.

The useful lives estimated by the Group for the different categories of intangible assets are shown below:

	Estimated useful life
Trademarks	10-20 years
Customer Relationships	5-18 years
Software owned and licensed for internal use	3-10 years
Databases	3-4 years

Intangible Assets from Business Combinations

The main intangible assets recognized in connection with business combinations include:

- Trademarks, the value of which was determined using the relief-from-royalty method;
- Customer Relationships, which represents the complex of multi-year commercial relationships established by the Group with corporate customers and credit institutions through the offer of business information services, the development of risk assessment models and the supply of sundry services (including credit collection services and the digital marketing activities performed by ClickAdv S.r.l. and Pro Web Consulting S.r.l., Euro Legal Services S.r.l. and MBS Consulting S.p.A), the value of which was determined by the Multi-period Excess Earnings Method;
- Databases, which refers to the value of the information owned by the Cerved Group and used to deliver products and services. The cost was determined using the relief-from-royalty method;
- Software developed by Cerved Credit Collection S.p.A. (ReDesk), comprised of a client/server application, and by Spazio Dati for the Atoka software and the corresponding semantic engine for automated text analysis, a B2B platform for lead generation and marketing intelligence activities developed by Cerved Legal Services S.r.l., Cerved Finline S.r.l. and Cerved Property Services S.A.;
- Custom related intangible assets, consisting of contracts signed by Cerved Credit Management S.p.A. with Credito Valtellinese, by Click-Adv S.r.l. and Credit Management S.p.A. with Banca Popolare di Bari and by Juliet S.p.A. with Monte Paschi Siena, and the exclusive Service Agreement with Eurobank Property Services S.A. recognized to Cerved Property Services S.A.; these contracts were identified as separable intangible assets over which the Group can exercise control; the value of these assets was determined by the present value of the cash flows that will be generated by the contracts.

Impairment of Property, Plant and Equipment and Intangible Assets

(a) Goodwill

As mentioned earlier in these Notes, goodwill is tested for impairment annually or more often when indicators show that its value may have been impaired.
An impairment test is performed for each “Cash Generating Unit” or “CGU” to which Goodwill has been allocated and the value is monitored by the Board of Directors. Any impairment of goodwill’s value is recognized whenever goodwill’s recoverable value is lower than its carrying amount. Recoverable value shall be understood to mean the greater of the fair value of the CGU, net of cost to sell, and its value in use, understood to mean the present value of the estimated future cash flows from the asset in question. In determining value in use, the expected future cash flows are discounted to present value using a pre-tax discount rate that reflects current market valuation of the cost of money, in relation to the investment period and taking into account the asset’s specific risks. If the impairment loss resulting from the impairment test is greater than the value of the goodwill allocated to the CGU, the remaining excess is allocated to the assets included in the CGU in proportion to their carrying amount. The bottom limit of this allocation is represented by the largest of the following amounts:

- the fair value of the asset, net of cost to sell;
- its value in use, as defined above;
- zero.

The original value of goodwill cannot be reinstated even if the factors that caused its impairment are no longer applicable.

(b) Intangible Assets with a Finite Useful Life and Property Plant And Equipment

On each reference date of the financial statements, a check is performed to determine whether there are indicators that items of property plant and equipment and intangible assets may have been impaired. Both internal and external information sources are used for this purpose. With regard to internal sources, the following are taken into account: the obsolescence or physical deterioration of an asset, any material changes in the use of the asset and the asset's economic performance compared with expectations. Insofar as external sources are concerned, the following is taken into consideration: trends in market prices for the assets, any technological, market or regulatory discontinuities and trends in market interest rates or the cost of capital used to value investments.

If the presence of such indicators is detected, an estimate is made of the recoverable value of the aforementioned assets, recognizing any writedowns of their carrying amounts in profit or loss. The recoverable value of an asset is the greater of its fair value, net of cost to sell, and its value in use, understood to mean the present value of the estimated future cash flows from the asset in question. In determining value in use, the expected future cash flows are discounted to present value using a pre-tax discount rate that reflects current market valuation of the cost of money, in relation to the investment period and taking into account the asset's specific risks. For an asset that does not generate largely independent cash flows, the recoverable value is determined in relation to the cash generating unit to which the asset belongs.

An impairment loss is recognized in profit or loss when the carrying amount of the asset or the CGU to which the asset is allocated is greater than its recoverable value. Impairment losses suffered by a CGU are recognized first as a reduction of the carrying amount of any goodwill allocated to the CGU and then as a deduction from the other assets, in proportion to their carrying amounts and up to the corresponding recoverable values. If the reasons that justify an earlier impairment no longer apply, the carrying amount of the asset is reinstated, with recognition in profit or loss, up to the net carrying amount that the assets in question would have had if it had not been written down and had been regularly depreciated or amortized.

Financial Instruments

(a) Financial assets – Debt Instruments

Based on the characteristics of the financial instrument and the corresponding management business model adopted, financial assets that represent debt instruments are classified into the following three categories: (i) financial assets valued at amortized cost; (ii) financial assets measured at fair value through other components of comprehensive income (hereinafter also OCI); and (iii) financial assets measured at fair value through profit or loss.

Initial recognition of such activities is made at fair value; for trade receivables that lack a significant financial component, the initial recognition value is the transaction price.

Subsequent to initial recognition, financial assets that generate contractual cash flows consisting exclusively of principal and interest are valued at amortized cost if held for the purpose of collecting the contractual cash flows (so-called hold to collect business model). Under the amortized cost model, the initial recognition value is then adjusted to reflect principal repayments, any impairment losses and the amortization of the difference between the repayment amount and the initial recognition amount.

Amortization is carried out based on the effective internal interest rate, which represents the rate which, at the moment of initial recognition, makes the present value of the expected cash flows equal to the initial

recognition value.
Receivables and other financial assets valued at amortized cost are shown in the statement of financial position net of the corresponding provision for impairment.
Financial assets that represent debt instruments whose business model allows for the option of both collecting the contractual cash flows and generating a gain through a sale (so-called hold to collect and sell business model) are measured at fair value through OCI (hereinafter also FVTOCI).
In such cases, any changes in the fair value of the financial instrument are recognized in equity among other components of comprehensive income. The cumulative amount of the changes in fair value, posted to the equity reserve where other components of comprehensive income are recognized, is reversed into profit or loss when the instrument is derecognized. Interest income computed using the effective interest rate, foreign exchange difference and impairment losses are recognized in profit or loss.
A financial asset representative of a debt instrument that is not valued at amortized cost or FVTOCI is measured at fair value with the effects recognized in profit or loss (hereinafter FVTPL); financial assets held for trading belong to this category.
When the purchase or sale of financial assets is executed through a contract that calls for the transaction to be settled and the asset to be delivered within a specific number of days, determined by the market government entity or in accordance with market practice, the transaction is recognized on the settlement date.
When financial assets are sold, they are eliminated from the statement of financial position upon the expiration of the contractual rights connected with obtaining the cash flows associated with the financial instrument or if the rights are transferred to a third party.

(b) Impairment of Financial Assets

The assessment of the recoverability of financial assets representative of debt instruments that are not measured at fair value through profit or loss is made in accordance with the so-called "Expected Credit Loss Model."
More specifically, expected losses are generally determined as the combined result of the following factors: (i) the exposure existing with the counterparty net of mitigating factors (so-called "Exposure at Default"); (ii) the probability that the counterparty will default on its payment obligation (so-called "Probability of Default"); (iii) an estimate, stated in percentage terms, of the quantity of the receivable that may not be recoverable in the event of default (so-called "Loss Given Default"), defined based on past experience and possibly available collection efforts (e.g., out-of-court settlements, judicial disputes, etc.).
Taking into consideration the characteristics of the regulated markets, credit exposures deemed to be in default are exposure that are more than 90 days past due or, in any case, credit exposures that are in dispute or are the subject of restructurings or renegotiations. Exposures in dispute are exposures for which credit recovery actions through legal/judicial proceedings have been activated or are being activated.
Impairments of trade receivables and other receivables are recognized in the income statement, net of any recoveries, under "Impairment of receivables and other provisions."

(c) Minority Equity Interests

Financial assets representative of minority equity interests, when not held for trading, are measured at fair value through the equity reserve to which the other components of comprehensive income are posted, with no expectation of their reversal into profit or loss when realized.
Dividends originating from these equity interests are recognized in the income statement under "Financial income." The valuation at cost of a minority equity interest is allowed when cost represents an adequate estimate of its fair value.

Inventory

Inventory is carried at the lower of purchase costs and net realizable value, which corresponds to the amount that the Group expects to obtain from its sale, in the normal course of business, net of cost to sell. Cost is determined based on the specific cost of each acquired item.
Financial charges are not included in the valuation of inventory; instead, they are recognized in profit or loss when incurred since the timing requirements for capitalization cannot be met. The inventory of finished goods that are no longer saleable is written off.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, available bank deposits and other forms of short-term investments with an original maturity equal to or shorter than three months. Items included in cash and cash equivalents are measured at fair value and any changes are recognized in profit or loss.

Transactions in Currencies Different from the Functional Currency

Transactions in currencies different from the functional currency are translated into euros at the exchange rate on the transaction date. Assets and liabilities existing at the end of the reporting period are translated into euros at the exchange rate on the reference date of the statement of financial position. Foreign exchange differences arising from the translation at the year-end exchange rate compared with the transaction's exchange rate are recognized in profit or loss.

Shareholders' equity

Share Capital
This item represents the par value of the capital contributions provided by shareholders.

Additional Paid-in Capital
This item represents the amounts received by the Company for the issuance of shares at a price greater than their par value.

Other Reserves
This item includes the most commonly used reserves, which can have a generic or specific destination. As a rule, they do not derive from results of previous years.

Retained Earnings
This item reflects net results of previous years that were not distributed or posted to other reserves or losses that have not been replenished.

Borrowings and Other Financial Liabilities

Borrowings and other financial liabilities are initially recognized at fair value, net of directly attributable incidental costs, and are later valued at amortized cost, by applying the effective interest rate method. If there is a change in the estimate of the expected cash flows, the value of the liability is recomputed to reflect this change, based on the present value of the new expected cash flows and the internal effective rate initially determined. Financial liabilities are classified into current liabilities, except for those with a contractual maturity of more than 12 months form the date of the financial statements and those for which the Group has an unconditional right to defer their payment by at least 12 months past the end of the reporting period.
Financial liabilities are recognized on the date the corresponding transactions are executed and are removed from the financial statements when they are extinguished or after the Group has transferred all of the risks and charges inherent in the financial instruments.

Derivatives

Financial derivatives, including embedded derivatives, are assets and liabilities that are recognized at fair value.

Within the framework of the strategy and objectives defined for risk management purposes, the qualification of transactions as hedges requires: (i) verification of the existence of an economic relationship between the hedged item and the hedging instrument sufficient to balance the corresponding changes in value and this relationship is not nullified by the counterparty's level of credit risk; and (ii) the definition of a hedge ratio consistent with the risk management objectives, within the framework of the defined risk management strategy, executing, when necessary, appropriate rebalancing actions. Any changes to the risk management objectives, the failure to continue meeting the requirements mentioned above to qualify the transactions as hedges or the execution of rebalancing transactions determine the total or partial prospective discontinuation of the hedging.
When hedging derivatives hedge the risk of changes in the value of the hedged instruments (fair value hedge; e.g., hedging for the variability of the fair value of fixed-rate assets/liabilities), derivatives are measured at fair value through profit or loss; consequently, the hedged instruments are adjusted to reflect in the income statement the changes in fair value associated with the hedged risk, irrespective of the availability of a different valuation criterion generally applicable to the type of instrument in question.
When derivatives hedge the risk of changes in the cash flows generated by the hedged instruments (cash flow hedge; e.g., hedging for the variability of the cash flows of assets/liabilities due to fluctuations in interest rates or foreign exchange rates), any changes in the fair value of derivatives deemed effective are initially recognized in the equity reserve for other components of comprehensive income and subsequently posted to the income statement consistent with the economic effects produced by the hedged transaction. When hedging future transactions that entail the recognition of a non-financial asset or liability, the cumulative amount of the changes in the fair value of the hedging derivatives, recognized in equity, is applied to restate the initial recognition value of the hedged non-financial asset or liability (so-called basis adjustment).
The ineffective portion of the hedge is recognized in the income statement under "Financial income and charges."
Changes in the fair value of derivatives that do not meet the conditions to qualify as hedges, including any ineffective components of hedging derivatives, are recognized in profit or loss. More specifically, changes in the fair value of interest rate and foreign exchange rate non-hedging derivatives are recognized in the income statement under "Financial income and charges."
Derivatives embedded in financial assets are not separated for accounting purposes; in such instances, the complete hybrid instrument is classified in accordance with the general classification criteria of financial assets. Derivatives embedded in financial liabilities and/or non-financial assets are separated from the main contract and recognized separately if the embedded instrument: (i) meets the requirements to qualify as a derivative; (ii) as a whole, it is not valued at fair value through profit or loss (FVTPL); (iii) if the characteristics and risks of the derivative are not closely linked with those of the main contract. The verification of the existence of embedded derivatives that must be detached and valued separately is made at the moment when the entity becomes a party to the contract and, subsequently, when the terms of the contract are amended in a manner that creates significant changes in the cash flows generated by the contract.

Employee benefits

Short-term benefits include wages, salaries, the corresponding social security obligations, unused vacation indemnities and incentives awarded in the form of bonuses payable within 12 months from the date of the financial statements. These benefits are accounted for as components of personnel costs in the period during which the employment services are rendered.

Post-employment benefits consist of two types: defined-contribution plans and defined-benefit plans.

In defined-contribution plans, contribution costs are recognized in profit or loss when incurred, based on the respective face value.

In defined-benefit plans, which include the provision for severance indemnities owed to employees pursuant to Article 2120 of the Italian Civil Code (the "TFR"), the amount of the benefit payable to an employee can be quantified only after the end of the employment relationship and is tied to one or more factors that include age, years of service and compensation level; consequently, the corresponding cost is recognized on an accrual basis in the statement of comprehensive income based on an actuarial computation. The liability recognized in the financial statements for defined-benefit plans corresponds to the present value of the obligation on the date of the financial statements. Obligations under defined-benefit plans are determined each year by an independent actuary using the Projected Unit Credit Method.

The present value of a defined-benefit plan is determined by discounting future cash flows at a rate equal to that of high-quality corporate bonds issued in euros and taking into account the duration of the corresponding pension plan.

With regard to the classification of the costs for vested TFR benefits, costs for services are recognized under "Personnel costs," while interest costs are shown under "Financial charges" and actuarial gains/losses are included in other components of consolidated statement of comprehensive income.

Share-Based Compensation Plans

All of the cycles of the "Performance Share Plan" should both be treated as involving share-based payments in exchange for the services provided by a beneficiary over the duration of the Plan and are accounted for in accordance with the provisions of IFRS 2 (Share-based Payments).

According to IFRS 2, these plans represent a component of the compensation earned by the beneficiaries; consequently, the cost of plans that call for payments in equity instruments is the fair value of those instruments on the grant date and is recognized in the consolidated income statement under "Personnel costs" over the period from the grant date to the vesting date, with the offsetting entry posted to a "Reserve for performance shares." The Plan is deemed to be equity settled.

On the grant date, the Plan's fair value is determined taking into account only the effects of future market conditions (market condition – "TSR Target"). Other conditions require that the beneficiary completes a predetermined length of service (service condition) or the achievement of predetermined earning growth targets (performance condition – "PBTA Target") and are taken into account only for the purpose of allocating the cost over the length of the Plan and for the Plan's final cost.

The cost for each one of these conditions is determined by multiplying the fair value for the number of performance shares that, for each condition, are expected to vest at the end of the vesting period. The estimate depends on the hypotheses regarding the number of beneficiaries that are expected to satisfy the service condition and the probability of satisfaction of the non-market performance condition ("PBTA").

The estimate of the number of Performance Shares that will be expected to vest at the end of the vesting period is revised on each reporting date until expiration of the vesting period, when the final number of Performance Shares earned by the beneficiaries will be determined (the fair value is never redetermined over the Plan's duration). If the initial estimate of the number of Performance Shares is revised, the change is computed by determining an estimate of the cost accumulated up to that point and recognizing the effects in the income statement, net of any previously recognized accumulated cost. Please note that, by virtue of the adoption of IFRS 2, the failure to fulfil the TSR market condition does not determine the remeasuring of the Plan's cost.

Provisions for Risks and Charges

The provisions for risks and charges are recognized to cover losses and charges of a determined nature, the existence of which is certain or probable, but the amount and/or date of occurrence of which cannot be determined. These provisions are recognized only when there is a current statutory or constructive obligation that will cause a future outflow of economic resources as a result of past events and it is probable that the aforementioned outflow will be required to fulfil the obligation. The amount of the provisions represents the best estimate of the charge required to extinguish the obligation.
Risks for which the occurrence of a liability is only possible are listed in a separate disclosure of contingent liabilities (see Note 35) and no provision is set aside to cover them.

Trade Payables and Other Liabilities

Trade payables and other liabilities are initially recognized at fair value, net of directly attributable incidental costs, and later measured by the amortized cost method, by applying the effective interest rate criterion.

Segment Information

Information about the sectors of activity was prepared in accordance with IFRS 8 "Operating Segments," which requires that information be presented in a manner consistent with the approach used by management to make operating decisions. Consequently, the identification of the operating segments and the information presented were defined based on the internal reports used by management for the purpose of allocating resources to the different segments and analysing their performance.
IFRS 8 defines an operating segment as a component of an entity: (i) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), (ii) whose operating results are reviewed regularly by the entity's chief operating decision makers to make decisions about resources to be allocated to the segment and assess its performance, and (iii) for which separate financial information is available.
The operating segments identified by management, which encompass all of the services and products supplied to customers, are:
(i) Credit Information
(ii) Marketing Solutions
(iii) Credit Management

Revenues from Contracts with Customers

The recognition of revenues from contracts with customers is based on the following five steps: (i) identification of the contract with a customer; (ii) identification of the performance obligations represented by the contractual commitment to transfer goods and/or services to a customer; (iii) determination of the transaction's price; (iv) allocation of the transaction's price to the identified performance obligations based on the stand-alone sales price of each good or service; (v) recognition of the revenues when the corresponding performance obligation is satisfied, which coincides with the transfer of the promised good or service to the customer; transfers are deemed to have been completed when the customer obtains control of the good or service, which can occur over time or at a point in time.

More specifically:

- revenues from prepaid subscription contracts are recognized in proportion to consumption, when customers actually use the services. The value of any unused products is recognized as revenues upon the expiration of the contract;
- revenues from subscription contracts with subscription payments are recognized prorated over the length of the contract;
- revenues from consumption-based contracts are recognized when the service is rendered or the product is used, based on the specific rates applicable;
- revenues from performance fees are recognized when the service that generates the right to the consideration is provided;
- revenues from the sale of goods are recognized upon transfer of title to the goods.

Costs

Costs incurred to acquire goods are recognized when all of the risks and benefits inherent in the good being sold are transferred; costs incurred for services received are recognized proportionately to the delivery of the services.

Financial Charges and Income

Financial charges and income are recognized in the statement of comprehensive income when accrued, based on the effective interest rate.

Income Taxes

Income taxes are recognized in the consolidated separate income statement, except for those related to items directly debited or credited to a shareholders' equity reserve; in these cases the corresponding tax effect is recognized directly in the respective shareholder's equity reserves. The consolidated statement of comprehensive income shows the amount of income taxes for each item included under "other components of the consolidated statement of comprehensive income."

The income taxes shown in the income statement include both current and deferred taxes. Income taxes are recognized in profit or loss. Current taxes are the taxes that the Company expects to pay, computed by applying to taxable income the tax rate in effect at the end of the reporting period.

Deferred taxes are computed by applying the liability method to the temporary differences between the amounts of the assets and liabilities recognized in the financial statements and the corresponding amounts recognized for tax purposes. Deferred taxes are computed based on the method that the Company expects to use to reverse temporary differences, using the tax rate expected to be in effect when the differences will be reversed. Deferred tax assets are recognized only when it is probable that sufficient taxable income will be generated in future years to recover them.

Earnings per Share

(a) Basic Earnings per Share

Basic earnings per share are computed by dividing the profit attributable to the owners of the Group by the weighted average number of common shares outstanding during the year, excluding any treasury shares held.

(b) Diluted Earnings per Share

Diluted earnings per share are computed by dividing the profit attributable to the owners of the Group by the weighted average number of common shares outstanding during the year, excluding treasury shares. For the purpose of computing diluted earnings per share, the weighted average number of outstanding shares is adjusted assuming the exercise by all assignees of options with a potentially diluting effect, while the profit attributable to the owners of the Group is restated to take into account any effects, net of taxes, of the exercising of said options.

1.4 ACCOUNTING STANDARDS

Accounting standards Applicable as of January 1, 2019

With effect from January 1, 2019, the new accounting standard IFRS 16 "Leases" came into force, which defines a single model for the recognition of leasing contracts, eliminating the distinction between operating and finance leases. On first-time adoption, the Group chose to apply the new standard retrospectively to January 1, 2018, restating previous years in accordance with IAS 8.

IFRS 16 was applied to all contracts previously classified as leases under IAS 17 and IFRIC 4 and not to those that were not classified as leases. A description of the main assumptions made on first-time adoption of the new accounting standard is provided in the Notes to the Financial Statements.
Accounting for leasing contracts pursuant to IFRS 16 provides in summary:

The new process of 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 assets 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 aforementioned rights, the lessor shall recognize the effects of the lease in accordance with the provisions of IFRS 16.

Once the existence of a lease has been determined, IFRS 16 requires the initial recognition of the right-of-use (ROU) asset as property, plant and equipment and of a financial liability corresponding to the present value of future lease instalments (hereinafter the "lease liability"), representing the obligation to make the payments provided for in the contract.

The standard provides for the recognition in the income statement, under operating costs, of depreciation of the asset for right of use and, in the financial section, the recognition of interest expense accrued on the lease liability.
The income statement also includes: (i) lease payments under short-term, low-value leases, as permitted in a simplified way by IFRS 16; and (ii) variable lease payments not included in the determination of lease liability (e.g. instalments based on the use of the leased asset).

In the statement of cash flows, the recognition of repayments of the principal portion of the lease liability is shown within the net cash flow from financing activities. Interest expense is recognized in the net cash flow from financing activities.
Consequently, with respect to the provisions of IAS 17 with reference to operating leases, the application of IFRS 16 has had a significant impact on the statement of cash flows, resulting in: (a) an improvement in net cash flow from operating activities that no longer includes payments for non-capitalised lease payments and (b) a deterioration in net cash flow from financing activities that includes payments related to the repayment of the principal of the lease liability and interest payments on the lease liability.

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

(in thousands of euros)		Opening at 01/01/2018	Credit Information IFRS 16	Marketing Solution IFRS 16	Credit Management 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 grants received from the lessor, as per previous IAS recognition)	1,994	1,994	-	-
	Accrued liabilities (from linearization of rents, as per previous IAS recognition)	3,452	3,452	-	-
	Net deferred tax assets	349	248	3	98
	Shareholders' equity	**(901)**	**(640)**	**(9)**	**(252)**

Accounting Standards, Amendments and Interpretations not yet Applicable for Which the Group Did Not Choose Early Adoption

The table below lists the international accounting standards, interpretations and amendments to existing accounting standards and interpretations or specific provisions set forth in standards 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 standard
IFRS 17 Insurance Contracts	No	Years beginning on or after January 1, 2021
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	No	Years beginning on or after January 1, 2022
Amendments to IFRS 3 Definition of a business	No	Years beginning on or after January 1, 2020
Amendments to IFRS 9, IAS 39 and IFRS 17: Interest Rate Benchmark Reform	Yes	Years beginning on or after January 1, 2020
Amendments to IAS 1 and IAS 8: Definition of Material	Yes	Years beginning on or after January 1, 2020
Amendments to References to the Conceptual Framework in IFRS Standards	Yes	Years beginning on or after January 1, 2020

It should be noted that no accounting standards and/or interpretations have been applied in advance, which have not been endorsed and whose application would be mandatory for periods beginning after January 1, 2019.

2 RISK MANAGEMENT

2.1 FINANCIAL RISK FACTORS

The Group's operations are exposed to the following risks: market risk (defined as foreign exchange and interest rate risk), credit risk (regarding both regular sales transactions with customers and financing activities) and 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:

- medium/long-term borrowings to fund investments in non-current assets;
- 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.

Market Risks

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 fair value of derivatives at December 31, 2019, amounting to 1,421 thousand euros, was recognized directly in the statement of other components of comprehensive income.
The Euribor is the interest rate to which the Group is most exposed.
Detailed information about financial instruments outstanding at the reporting date is provided in Note 32 "Current and non-current borrowings."

Sensitivity Analysis Relating to Interest Rate Risk

The Group's exposure to the interest rate risk was measured through a sensitivity analysis that took into account current and non-current financial liabilities and bank deposits. A brief description of the methodology followed in carrying out this analysis, and the results obtained, is provided below.

Within the scope of the assumptions made, the effects on the Group's income statement and shareholders' equity for 2019 resulting from a hypothetical variation in market rates that reflect an increase or decrease of 100 bps were determined. The computation method applied the hypothetical variation to: the annual average balance of the Group's bank deposits, the actual balances of gross financial debt and the interest rate paid during the year to remunerate variable rate liabilities.

The table below shows the results of the analysis performed:

(in thousands of euros)	Impact on earning		Impact on shareholders' equity	
	-100 bps	+100 bps	-100 bps	+100 bps
2019 reporting year	(14)	(4,089)	(14)	(4,089)

CREDIT RISK

Financial Credit Risk

The financial credit risk refers to the inability of a counterparty to fulfil its obligations.
At December 31, 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 aggressive actions (mailing of payment reminder letter, telephone payment requests, threats of legal action and legal action).

Lastly, trade receivables presented in the financial statements are individually analysed and when positions are found to present conditions that make them partially or fully uncollectible, they are written down. The amount of the write-downs 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 25 for additional information about the provision for impairment of receivables.

The following table provides a breakdown of trade receivables and other current receivables at December 31, 2019 grouped by days in arrears, net of the provision for impairment of receivables.

(in thousands of euros)	At December 31, 2019	Current	90 days in arrears	From 90 to 240 days in arrears	More than 240 days in arrears
Trade receivables	248,184	219,230	9,106	7,112	12,736
Provision for impairment of receivables	(14,031)	(3,224)	(564)	(1,653)	(8,275)
Net amount	234,153	216,006	8,542	5,459	4,461
Other receivables	2.839	2.839			
Total	236,992	218,845	8,542	5,459	4,461

Note 1: The plus sign indicates greater profit and an increase in shareholders' equity; the minus sign indicates lower profit and a reduction in shareholders' equity.
Notehole 2: The results refer to the Group's indebtedness at December 31, 2019.

It is worth mentioning that the Group also offers its products and services to large companies and big banking groups. As a result, a significant portion of trade receivables is concentrated with a limited number of customers; at December 31, 2019, the top 10 customers, the majority of whom are financial institutions, represented approximately 15% of all receivables. However, there are no specific concentration risks because the counterparties in question do not present material solvency risks and, moreover, enjoy a very high credit rating.

As shown in the preceding tables, receivables are presented in the financial statements net of the related impairment provision, computed on the basis of an analysis of the positions that are objectively totally or partially uncollectable.

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.

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 Group to meet its needs with regard to investment and working capital management activities. Current market conditions suggest that there are no risks regarding the refinancing of the debt (line A, B, C) currently managed by a group of leading Italian and foreign banks.

The table below provides a breakdown of financial liabilities (including trade payables and other liabilities): specifically, all cash flows listed are undiscounted future nominal cash flows, determined based on the remaining contractual maturities including both principal and accrued interest.

(in thousands of euros)	At December 31, 2019	< 1 year	2 - 5 years	> 5 years	Total
Non-current loans					
IFRS 16	44,816	5,942	22,876	23,661	52,480
Long-term facilities	574,606	10,729	598,220		608,949
Current loans					
Current portion of long-term facilities	6,519	10,253			10,253
IFRS 16	4,905	4,905			4,905
Other financial liabilities	4,817	4,817			4,817
Other non-current liabilities	58,458				58,458
Trade payables	55,572	55,572			55,572
Other current liabilities	113,736	113,736			113,736

With regard to the exposure to trade payables, there is no significant supplier concentration.

2.2 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.

2.3 ESTIMATING FAIR VALUE

The fair value of financial instruments listed on an active market is based on market prices on the date of the financial statements. The fair value of instruments that are not listed on 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 listed 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.

	At December 31, 2019			
(in thousands of euros)	Level 1	Level 2	Level 3	Total
1. Financial assets measured at fair value through OCI	87		5,153	5,240
2. Derivatives				-
Total	**87**	**-**	**5,153**	**5,240**
1. Financial assets measured at fair value through profit or loss		399		399
2. Derivatives		(6,659)		(6,659)
Total	**-**	**(6,260)**	**-**	**(6,260)**

3 FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

The table that follows provides a breakdown by category of financial assets and liabilities at December 31, 2019:

	At December 31, 2019			
(in thousands of euros)	Financial instruments at amortized cost	Financial assets and liabilities measured at fair value through OCI	Financial instruments at fair value	Total
Other non-current financial assets	3,729	5,240	399	9,367
Trade receivables	234,152			234,152
Tax receivables	7,821			7,821
Other receivables	2.839			2.839
Other current assets	13,735			13,735
Cash and Cash Equivalents	86,211			86,211
Total assets	**348,487**	**5,240**	**399**	**354,126**
Current and non-current borrowings	629,005	6,659		635,664
Trade payables	55,572			55,572
Tax payables	33,360			33,360
Other liabilities	173,669			173,669
Other non-current liabilities	58,458			58,458
Total liabilities	**950,064**	**6,659**	**-**	**956,723**

The fair values of trade receivables, other receivables and other financial assets and of trade payables and other payables and other financial liabilities, listed among the "current" line items in the statement of financial position and valued by the amortized cost method did not differ appreciably from the respective carrying amounts at December 31, 2019, as they consist mainly of assets underlying commercial transactions scheduled for settlement over the near term.

Non-current financial liabilities and assets are settled or valued at market rates and, consequently, their fair value is deemed to be substantially in line with their carrying amount.

4 ESTIMATES AND ASSUMPTIONS

In the preparation of the Consolidated Financial Statements, Directors are required to apply accounting standards 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 statement of comprehensive income and the statement of cash flows, as well as the disclosures provided. Final results for the line items for which the aforementioned 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 reviewed below.

a) Impairment of assets

In accordance with the accounting standards applied by the Group, property, plant and equipment, intangible assets and investment property must be tested to determine if a loss in value has occurred, which is recognized by means of an impairment, 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 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) 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 recognized in the financial statements depends on 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 11 "Personnel Costs" and Note 34 "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 other current or non-current 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 offsetting entry posted to other equity reserves; the value of these financial liabilities is periodically adjusted with any changes occurring after initial recognition recognized in profit or loss.

f) Business Combinations

The verification of the existence of control, joint control or significant influence on another entity as well as, in the case of joint operations, the verification of the existence of enforceable rights and obligations requires the exercise of complex professional judgement by an entity's management, carried out taking into account the characteristics of the entity's structure, the stipulations between the parties and any other fact and circumstance deemed relevant for verification's purposes. Similar considerations also apply to the situation of an expected change in status caused by loss of control, joint control or linkage, with the possible need to apply the classification as "assets held for sale/ discontinued operations."
The recognition of business combination transactions entails the allocation to the assets and liabilities of the acquired company of the difference between the purchase cost and the net carrying value. For most of the assets and liabilities the allocation of the difference is carried out by recognizing the assets and liabilities at their fair value. Any unallocated difference is recognized as goodwill if positive and charged to the income statement if negative. In the allocation process, the Cerved Group relies on available information and, for the most significant business combination, on external valuations.

5 BUSINESS COMBINATIONS

Acquisition of Credit Property Services Single Member S.a.

On April 1, 2019, the subsidiary Cerved Credit Management Group S.r.l. ("CCMG") acquired 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.
The acquisition is part of the binding

agreement entered into by CCMG with Eurobank on January 30, 2019, in order to develop a long-term industrial partnership for the management of real estate activities. As part 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 non-performing loans.

The purchase price, initially set at 8.0 million euros, was subsequently adjusted in accordance with the aforementioned contract. Contractually, a deferred price of 2.0 million euros is provided for, to which two earn-outs for a maximum amount of 3.0 million euros could be added, based on the achievement of economic results in the period up to 2022. In parallel, CPS will enter into a three-year agreement with automatic renewal for up to a further 2 years with Eurobank for the servicing of real estate activities.

The total consideration for the transaction, following the adjustment and valuation of the earn-out, amounts to 12,087 thousand euros.
The table below shows the results of the business combination:

(in thousands of euros)	
Purchase price paid at subscription	8,000
Price adjustment	298
Valuation of earn out - deferred price	3,790
Adjusted consideration	**12,087**
Net acquired assets	8,065
Goodwill	**4,022**

The table below provides a breakdown of the fair value of the acquired assets and assumed liabilities on the acquisition date.
ERB Property Services D.O.O. Belgrade, was classified and consolidated as an "Asset held for sale" in accordance with IFRS 5, to be subsequently sold in August 2019.

(In thousands of euros)	Carrying amounts	Purchase Price Allocation	Fair Value
Property, Plant and Equipment	2,140	-	2,140
Intangible assets	96	8,264	8,360
Other non-current financial assets	27	-	27
Deferred tax assets	265	-	265
Trade receivables	1,830	-	1,830
Tax receivables	6	-	6
Other current assets	6	-	6
Assets held for sale	88	-	88
Cash and Cash Equivalents	3,641	-	3,641
Acquired assets	**8,099**	**8,264**	**16,363**
Non-current loans	(1,468)	-	(1,468)
Employee benefits	(132)	-	(132)
Provisions for risks and charges	(1)	-	(1)
Deferred tax liabilities	-	(2,397)	(2,397)
Current loans	(28)	-	(28)
Trade payables	(833)	-	(833)
Other tax payables	(239)	-	(239)
Other liabilities	(3,169)	-	(3,169)
Liabilities directly associated with assets classified as held for sale	(31)	-	(31)
Assumed liabilities	**(5,901)**	**(2,397)**	**(8,298)**
Net acquired assets	**2,198**	**5,867**	**8,065**

The adjustments made to the carrying amounts upon the measurement at fair value of the acquired assets and assumed liabilities reflect the results of the PPA (Purchase Price Allocation) measurement process completed on December 31, 2019 and refer to:

- 3,634 thousand euros for the value of the Servicing Contract entered into with Eurobank for the management of real estate activities for Eurobank;
- 4,630 thousand euros for the value of Real II and AVS Software.

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

(In thousands of euros)	
Consideration paid	(8,298)
Cash and cash equivalents on the date of acquisition	3,641
Net cash flow deriving from the acquisition	(4,657)

The transaction costs incurred, amounting to 63 thousand euros, were recognized in full in the income statement.
This acquisition produced an increase in the revenues and EBITDA of the 2019 reporting year amounting to 9,349 thousand euros and 1,751 thousand euros, respectively. If the acquisition had been recorded as of January 1, 2018, the contributions to revenues and EBITDA would have been 11,484 thousand euros and 2,035 thousand euros, respectively.

Acquisition of Euro Legal Services S.r.l.

On July 3, 2019, through the subsidiary Cerved Credit Management Group S.r.l. ("CCMG") the purchase of 100% of Euro Legal Service S.r.l., a company operating in home collection activities for unsecured loans in the consumer finance field, was completed. The established price is 8.1 million euros (consisting of a base price of 6 million euros plus the NFP of 2.1 million euros) to which five earn-outs up to a maximum amount of 6 million euros could be added, to be paid depending on the achievement of certain results between the years 2019 to 2022. On September 26, 2019, with legal effect from October 1, 2019 and for tax purposes from January 1, 2019, Euro Legal Service S.r.l. was merged by incorporation into Cerved Credit Collection S.p.A., in order to enhance operational and commercial synergies.
The table below shows the results of the business combination:

(in thousands of euros)	
Purchase price paid at subscription	8,240
Price adjustment	(155)
Valuation of earn out	4,485
Adjusted consideration	**12,569**
Net acquired assets	10,779
Goodwill	**1,790**

The table below provides a breakdown of the fair value of the acquired assets and assumed liabilities on the acquisition date.

(In thousands of euros)	Carrying amounts	Purchase Price Allocation	Fair Value
Property, Plant and Equipment	50	-	50
Intangible assets	1	6,221	6,222
Other non-current financial assets	59	-	59
Trade receivables	7,404	-	7,404
Tax receivables	253	-	253
Other	17	-	17
receivables	17	-	17
Other current assets	2,017	-	2,017
Cash and Cash Equivalents	153	-	153
Acquired assets	**9,954**	**6,221**	**16,175**
Non-current loans	(56)	-	(56)
Employee benefits	(152)	-	(152)
Deferred tax liabilities	-	(1,736)	(1,736)
Current loans	(72)	-	(72)
Trade payables	(1,472)	-	(1,472)
Current tax payables	(1,642)	-	(1,642)
Other tax payables	(76)	-	(76)
Other liabilities	(190)	-	(190)
Assumed liabilities	**(3,660)**	**(1,736)**	**(5,396)**
Net acquired assets	**6,293**	**4,485**	**10,779**

The adjustments made to the carrying amounts upon the measurement at fair value of the acquired assets and assumed liabilities reflect the results of the PPA (Purchase Price Allocation) measurement process completed on December 31, 2019 and refer for 6,107 thousand euros to the value of the Customer Relationships, characterized by the existence of an ongoing commercial relationship based on loyalty between the Company and its customer base and 114 thousand euros for the value of the Software used for the management of the recovery activity.

The table below shows the net cash flow deriving from the acquisition of Euro Legal Service S.r.l.:

(In thousands of euros)	
Consideration paid	**(8,085)**
Cash and cash equivalents on the date of acquisition	153
Net cash flow deriving from the acquisition	**(7,932)**

The transaction costs incurred, amounting to 34 thousand euros, were recognized in full in the income statement.

This acquisition produced an increase in the revenues and EBITDA of the 2019 reporting year amounting to 2,641 thousand euros and 1,273 thousand euros, respectively. If the acquisition had been recorded as of January 1, 2018, the contributions to revenues and EBITDA would have been 4,859 thousand euros and 2,244 thousand euros, respectively.

Acquisition of the MBS S.p.A. group.

On July 30, 2019 Cerved Group signed a binding agreement for the purchase of a controlling interest in MBS Consulting S.p.A. ("MBS") and its subsidiaries. MBS is one of Italy's leading independent management consulting companies. With this transaction, finalized on August 1, 2019, Cerved Group acquired 30.7% of the share capital (representing 51% of the shares with voting rights) of MBS.

Concurrently with the acquisition, Cerved Group and the minority shareholders executed two shareholders' agreements that include the handling of certain options for the 69.3% interest in the company held by the minority shareholder (equal to 49% of the shares with voting rights); specifically, the main options include the following:

- Call/put option for the remaining 69.3%, exercisable over five years subsequent to the approval of the annual financial statements from 2019 to 2023 for a portion equal to 1/5 of the company's residual share capital each year, at a price based on a multiple tied to the growth of the company's EBITDA during the period;
- Cerved's call option in the event that the EBITDA values realised by the MBS group in the financial years 2019 and 2020 is less than 10 million euros (underperformance option), the price of which is based on a multiplier of the company's EBITDA;
- Call option held by Cerved exercisable in the event of firing or termination for cause of the employment relation of the minority shareholder (bad leaver), with the price determined based on a multiple of the company's EBITDA;

The table below shows the results of the business combination:

(in thousands of euros)	
Purchase price paid at subscription	21,265
Adjusted consideration	**21,265**
Net acquired assets	9,874
Goodwill	**11,391**

The table below provides a breakdown of the fair value of the acquired assets and assumed liabilities on the acquisition date.

(In thousands of euros)	Valori contabili	Purchase Price Allocation	Fair Value
Property, Plant and Equipment	2,660		2,660
Intangible assets	9	28,304	28,313
Other non-current financial assets	22		22
Deferred tax assets	14		14
Trade receivables	10,059		10,059
Tax receivables	694		694
Other receivables	53		53
Other current assets	3,800		3,800
Cash and Cash Equivalents	5,051		5,051
Acquired assets	**22,362**	**28,304**	**50,666**
Non-current loans	(2,002)		(2,002)
Employee benefits	(806)		(806)
Provisions for risks and charges	-		-
Deferred tax liabilities	-	(7,897)	(7,897)
Current loans	(1,269)		(1,269)
Trade payables	(1,056)		(1,056)
Current tax payables	(1,270)		(1,270)
Other tax payables	(797)		(797)
Other liabilities	(3,407)		(3,407)
Assumed liabilities	**(10,607)**	**(7,897)**	**(18,503)**
Net acquired assets	**11,756**	**20,407**	**32,163**

The adjustments made to the carrying amounts upon the measurement at fair value of the acquired assets and assumed liabilities reflect the results of the PPA (Purchase Price Allocation) measurement process completed on December 31, 2019 and refer to:

- 25,548 thousand euros for the value of the Customer Relationship characterized by the presence of a continuous and loyal commercial relationship between the Company

and the customer base;
- 2,756 thousand euros for the value of the MBS Trademark;

The table below shows the net cash flow deriving from the acquisition of the MBS Group:

(In thousands of euros)	
Consideration paid	**(21,265)**
Cash and cash equivalents on the date of acquisition	5,051
Net cash flow deriving from the acquisition	**(16,214)**

The transaction costs incurred, amounting to 415 thousand euros, were recognized in full in the income statement.
This acquisition produced an increase in the revenues and EBITDA of the 2019 reporting year amounting to 14,393 thousand euros and 6,422 thousand euros, respectively. If the acquisition had been recorded as of January 1, 2019, the contributions to revenues and EBITDA would have been 28,095 thousand euros and 10,571 thousand euros, respectively.

Cerved Finline S.r.l. acquisition

On July 1, 2019 Cerved Group S.p.A. purchased 100% of Mitigo Servizi S.r.l., a company active in consultancy and outsourcing services for grants finance, for a price of 1,102 thousand euros. On July 4, 2019 the company name was changed to Cerved Finline S.r.l.
The table below shows the results of the business combination:

(in thousands of euros)	
Purchase price paid at subscription	1,113
Price adjustment	(11)
Adjusted consideration	**1,102**
Net acquired assets	532
Goodwill	**570**

The table below provides a breakdown of the fair value of the acquired assets and assumed liabilities on the acquisition date.

(In thousands of euros)	Carrying amounts	Purchase Price Allocation	Fair Value
Property, Plant and Equipment	3		3
Intangible assets	116	347	463
Other non-current financial assets	4		4
Trade receivables	124		124
Tax receivables	17		17
Cash and Cash Equivalents	164		164
Acquired assets	**428**	**347**	**775**
Employee benefits	(4)		(4)
Deferred tax liabilities		(97)	(97)
Trade payables	(41)		(41)
Current tax payables	(54)		(54)
Other tax payables	(11)		(11)
Other liabilities	(35)		(35)
Assumed liabilities	**(146)**	**(97)**	**(242)**
Net acquired assets	**282**	**250**	**532**

The adjustments made to the carrying amounts upon the measurement at fair value of the acquired assets and assumed liabilities reflect the results of the PPA (Purchase Price Allocation) measurement process completed on December 31, 2019 and refer for 347 thousand euros to the value of the software used for the provision of

grants finance services.
The table below shows the net cash flow deriving from the acquisition of Cerved Finline S.r.l.:

(In thousands of euros)	
Consideration paid	**(1,102)**
Cash and cash equivalents on the date of acquisition	164
Net cash flow deriving from the acquisition	**(938)**

The transaction costs incurred, amounting to 99 thousand euros, were recognized in full in the income statement.
This acquisition produced an increase in the revenues and EBITDA of the 2019 reporting year amounting to 689 thousand euros and 140 thousand euros, respectively. If the acquisition had been recorded as of January 1, 2019, the contributions to revenues and EBITDA would have been 1,176 thousand euros and 310 thousand euros, respectively.

6 SEGMENT INFORMATION

The Board of Directors identified the following operating segments, which encompass all of the services and products supplied to customers:

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

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

Moreover, management believes that EBITDA provide a good indication of performance because they are not affected by the tax laws or depreciation and amortization policies.
The table below shows the revenues and EBITDA of the operating segments at December 31, 2019 and 2018:

	PERIOD FROM JANUARY 1 TO DECEMBER 31, 2019				PERIOD FROM JANUARY 1 AT DECEMBER 31, 2018 *Restated*			
(in thousands of euros)	Credit Information	Marketing Solutions	Credit Management	Total	Credit Information	Marketing Solutions	Credit Management	Total
Revenues by segment	307,468	29,678	186,945	524,090	286,499	25,614	148,870	460,984
Inter-segment revenues	(2,367)	(118)	(2,338)	(4,823)	(1,753)	-	(2,010)	(3,762)
Total revenues from third-parties	**305,101**	**29,559**	**184,607**	**519,267**	**284,747**	**25,614**	**146,861**	**457,221**
EBITDA	**148,313**	**8,482**	**70,353**	**227,149**	**146,071**	**8,417**	**53,107**	**207,594**
EBITDA %	**48.6%**	**28.5%**	**38.1%**	**43.7%**	**51.3%**	**32.9%**	**36.2%**	**45.4%**
Non-recurring income (charges)				(27,877)				(7,249)
Amortization				(84,966)				(77,293)
Operating profit				**114,305**				**123,052**
Income from/(charges for) investments in associates				(36)				3,395
Financial income				840				4,964
Financial charges				(29,836)				(19,579)
Non-recurring financial income/(charges)				-				(556)
Profit before taxes				**85,273**				**111,276**
Income taxes				(27,052)				(22,488)
Net profit				**58,221**				**88,788**

Given the type of services and products sold by the Group, there are no instances of significant revenue concentration with individual customers.

7 REVENUES

A breakdown of "Revenues" is provided below:

(in thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Sales in Italy	495,941	447,575
International sales	16,318	7,373
Total sales	**512,259**	**454,948**
Change in deferred revenues at December 31	7,007	2,273
Total	**519,266**	**457,221**

Deferred revenues originate from services invoiced at December 31, 2019 but not yet provided to customers and deferred to the following period in accordance with the accrual principle. The Group's revenues are generated mainly in Italy; an analysis by business segment is provided in Note 6 Segment Information.

8 OTHER REVENUES

A breakdown of the item is provided below:

(in thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Sundry income	1,174	719
Insurance settlements	193	142
Other non-recurring revenues	40,000	-
Total	**41,367**	**861**

The item "Other non-recurring revenues" includes the compensation paid by Monte dei Paschi di Siena to Juliet S.p.A. for the amount of 40 million euros for exercising the right to terminate the existing Servicing contract with Juliet S.p.A. and described in the Report on Operations.

9 COST OF RAW MATERIALS AND OTHER MATERIALS

A breakdown of the item is provided below:

(in thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Consumables	263	321
Cost of sales	188	2,077
Fuel	831	823
Total	**1,282**	**3,221**

The "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 subsidiary Cerved Credit Management Group Srl through its "Markagain" Division, the decrease of which is due to the decision to reduce commitments in this area and developing other more synergistic lines of business for the Credit Management segment.

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

10 COST OF SERVICES

A breakdown of "Cost of services" is provided below:

(in thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Information services	37,677	34,207
Costs for credit collection services	39,296	30,316
Agents and sales agreement costs	17,058	19,514
Tax, administrative and legal consulting services	3,882	4,046
Advertising and marketing expenses	2,251	2,098
Maintenance and technical support costs	8,838	7,098
Sundry utilities	2,390	2,497
Outsourced asset management services	802	1,451
Travel expenses and per diems	3,823	3,190
Costs for digital marketing services	5,752	5,502
Other consultancy and services costs	6,565	7,409
Non-recurring costs	5,543	3,808
Total	**133,877**	**121,135**

Regarding the trend of "cost of services" compared with the previous year, some comments are in order:

- the "cost of information services," amounting to 37,677 thousand euros at December 31, 2019 (+10.1%), reflects the increase in costs related to the increase in revenues and the increase linked to the new scope of consolidation for the MBS Group's consulting costs of 4,192 thousand euros;
- "agents and sales agreement costs," totalling 17,058 thousand euros (-13%), reflects the incidence dynamics of the customers managed by the Corporate field network;
- "costs for credit collection services" of 39,296 thousand euros (+29.6%) reflects the increase in volumes related to the management of non-performing loans by the Credit Management Division and a change in the scope of consolidation due to the inclusion of CPS; these costs were incurred for services rendered by the external collection network, external credit collection services and legal counsel involved in the judicial recovery process in connection with credit recovery and management activities;
- the "costs for digital marketing services" refer to ClickAdv S.r.l. and Pro Web Consulting S.r.l., amounting to 5,752 thousand euros (+5%).

At December 31, 2019, "Cost of services" included non-recurring costs totalling 5,543 thousand euros. See Note 15 "Non-recurring Income and Costs" for additional information.

11 PERSONNEL COSTS

A breakdown of the item is provided below:

(in thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Wages and salaries	92,103	75,710
Social security charges	29,013	24,918
Provision for severance indemnities	6,729	5,883
Other personnel costs	6,585	4,191
Performance Share Plan	9,452	4,981
Non-recurring personnel costs	2,520	2,772
Total staff costs	**146,402**	**118,454**
Associates' fees and social security contributions	1,390	565
Directors' fees and social security contributions	5,060	2,842
Total fees	**6,450**	**3,407**
Total	**152,852**	**121,861**

The increase in the item "Other personnel costs" of 2,266 thousand euros compared to December 31, 2018, mainly concerns the consideration paid to BMPS for the temporary secondment of 88 employees to Juliet S.p.A. over a 12-month period in 2019 (7 months in 2018).

"Non-recurring costs," which are summarized in Note 15, refer to early retirement incentives paid to some employees as part of the company integration and Group reorganization processes.

Detailed information about "Provision for severance indemnities" is provided in Note 34.

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

(in thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Executives	96	81
Middle managers	402	355
Office staff	2,072	1,885
Total	**2,570**	**2,321**

12 OTHER OPERATING COSTS

The rental expenditure, up by 177 thousand euros, includes additional expenses, mainly for the entry of new companies in the consolidation and for the expansion of the San Donato Milanese office to 2 other floors of the occupied building.

The cost for "fees" excluded from the accounting treatment provided for by IFRS 16 mainly includes the fee for access to information services, including licences and IT infrastructure, relating to the contract signed with the MPS Group Operating Consortium by the subsidiary Juliet S.p.A.

(in thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Rent - additional expenses	1,484	1,307
Fees	2,419	1,935
Expenses for company cars	1,241	991
Other costs	517	609
Janitorial services	654	598
Employee cafeteria and meal vouchers	1,858	1,606
Non-recurring costs	602	669
Total	**8,776**	**7,715**

13 IMPAIRMENT OF RECEIVABLES AND OTHER PROVISIONS

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

(in thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Impairment of receivables	5,103	3,524
Other provisions for risks, net of reversals	259	281
Total	**5,363**	**3,805**

For more detailed information about the changes that occurred in the provision for impairment of receivables and the provision for risks and charges, see the analysis provided in Note 25 "Trade receivables" and Note 35 "Provisions for risks and charges."

14 DEPRECIATION AND AMORTIZATION

A breakdown of "Depreciation and amortization" is as follows:

(in thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Amortization of intangible assets	74,152	68,180
Depreciation of property, plant and equipment	10,413	9,113
Amortisation of intangible assets - non-recurring	59,212	-
Non-recurring impairments	402	-
Total	**144,178**	**77,293**

For more detailed information about depreciation and amortization, see the analysis provided in Note 19 "Property, plant and equipment" and Note 20 "Intangible assets."

For non-recurring depreciation, amortization and impairments, please refer to note 15 below.

15 NON-RECURRING INCOME AND COSTS

As required by Consob Communication of July 28, 2006, the table below summarizes the Group's non-recurring income and costs for the year ended December 31, 2019:

(in thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
MPS compensation	40,000	-
Non-recurring cost of services	(5,543)	(3,808)
Non-recurring personnel costs	(2,520)	(2,772)
Other non-recurring operating costs	(602)	(669)
Income/(Charges) on investments in associates	-	3,496
Non-recurring impairments	(402)	
Impairment of MPS Servicing contract	(58,810)	-
Non-recurring financial income/(charges)	-	(556)
Non-recurring taxes on MPS compensation	5,248	-
Total	**(22,630)**	**(4,309)**

During the reporting period, the Group incurred non-recurring costs totalling 22,630 thousand euros, as summarised below:

- with regard to the termination of the Servicing contract of Juliet S.p.A. exercised by Monte del Paschi, the following were recognised: (i) an income related to the compensation paid by Monte dei Paschi for 40 million euros, (ii) the write-down of the value of the Servicing contract allocated during the Purchase Price Allocation of Juliet S.p.A. for 58,810 thousand euros, (iii) the net tax effect of the aforementioned components for 5,248 thousand euros;

- 5,543 thousand euros recognized under costs of services, mainly relating to the charges incurred by the Group for non-recurring activities related to extraordinary transactions completed or started during the year;
- 2,520 thousand euros for retirement incentives paid to employees as part of the process for the integration of Group companies;
- 602 thousand euros of other operating costs mainly relating to commissions for the purchase of treasury shares;
- 402 thousand euros, relating to the impairment of the goodwill of the subsidiary CGU ClickAdv following the impairment test.

16 FINANCIAL INCOME

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

(in thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Bank interest income	14	3
Adjustment to the value of the liability for put options	-	3,050
Derivatives	-	1,395
Foreign exchange gains	99	18
Other interest income	270	41
Dividends	457	457
Total	**840**	**4,964**

Finally, the dividends distributed by SIA S.p.A., in which the company holds an equity interest of 0.76%, were reclassified under this item for 457 thousand euros.

17 FINANCIAL CHARGES

A breakdown of the item is provided below:

(in thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Interessi passivi su finanziamento *Forward Start*	10.210	10.316
Componente finanziaria Benefici ai dipendenti	154	161
Commissioni e altri interessi	3.271	2.529
Interessi passivi legati alle Opzioni e agli *Earn Out*	1.619	105
Amortised cost finanziamento	3.591	3.101
Valutazione fair value strumenti derivati IRS	1.631	1.971
Adeguamento del valore della passività per opzioni put	7.965	1.396
Strumenti derivati	1.395	-
Oneri finanziari non ricorrenti	-	556
Totale	**29.836**	**20.135**

"Interest expense on Forward Start facility" refers to interest on a Term Loan Facility provided to Cerved Group in January 2016, the terms and conditions of which are outlined in Note 32.

The item "Fees and other interest expense" includes "Commitments" and "Agency fees" linked to the Forward Start contract, revolving and interest on other lines in addition to interest linked to leasing contracts accounted for in accordance with IFRS 16.

The item "Fair value measurement of IRS derivatives" includes:

- the charges deriving from the IRS derivatives executed by the subsidiary Cerved Group S.p.A., effective as of January 16, 2017 and expiring on January 14, 2022, with top credit institutions to hedge the risk of interest rate fluctuations affecting the Term Facility B, for a notional amount of 200 million euros.
- the charges resulting from the stipulation, on June 15, 2018, of three IRS Forward Start derivatives, effective as of January 15, 2022 and expiring on November 30, 2023, for a notional amount of 200 million euros, subsequent to the renegotiation to November 30, 2023 of the repayment date for 50% of the value of Term Facility B, which in practice created Term Facility C.

"Adjustment to the value of the liability for put options" reflects the adjustment made to the liability for the options granted to the minority shareholders of Pro Web S.r.l., and Cerved Credit Management Group S.r.l., and to the majority shareholders of MBS Consulting S.p.A., empowering them to sell their equity interests to Cerved Group over the coming years, the valuation of which reflects future growth dynamics of the expected cash flows. See Notes 36 and 41 for additional details.

18 INCOME TAXES

A breakdown of "Income taxes" is provided below:

(in thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Regional income taxes (IRAP)	8,365	6,949
Current corporate income taxes (IRES)	36,419	28,700
Prior-period tax (benefits)/charges	(828)	(7,377)
Deferred tax assets and liabilities	(11,656)	(5,784)
Non-recurring taxes	(5,248)	-
Total	**27,052**	**22,488**

Current taxes were determined based on the tax rates currently in effect. See the information provided in Note 37 for details concerning deferred tax assets and liabilities.

The table below shows a reconciliation of the statutory tax rate to the actual tax rate:

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

"Other differences" mainly refers to the impact on the income statement of the adjustment of the value of the put options held by minority shareholders.

(in thousands of euros)	At December 31, 2019	Tax rate
Profit before taxes	85,273	
Income taxes at the statutory rate	(20,466)	24.00%
Regional tax (IRAP)	(3,326)	3.90%
Prior-period tax charges	828	
Impairment of goodwill	(112)	
Patent Box	2,397	
Options value adjustment	(2,531)	
Other differences	(3,842)	
Income taxes actually paid	**(27,052)**	**32.9%**

PATENT BOX

Article 1, paragraphs 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, established an optional status of reduced taxation (also known as "Patent Box") for income deriving from the use of intellectual property, industrial patents, trademarks, drawings and models, as well as processes, formulas and information relating to know-how acquired in the industrial, commercial or scientific fields that enjoy legal protection ("Intangible Assets"), with the aim of incentivizing investments in research and development activities.

The economic contribution provided by Intangible Assets to a company's profits can benefit from the aforementioned reduced taxation, provided it is determined in accordance with a ruling stipulated with the Revenue Agency.

At the end of December 2018, following the completion of the preparatory activities and an overall review of the results and documents produced, Cerved Group finalized an agreement with the Agency for a ruling that determined: (i) scope of applicability for the trademark, know-how (database) and software; (ii) the amount of the economic contribution for the 2015 year; and (iii) the computation criterion and method applicable for subsequent years up to 2019.

The tax benefit for 2019, resulting from the application of this Agreement, amounts to 2,397 thousand euros.

On September 30, 2019, the company Cerved Group submitted a request to the Major Taxpayers Office of the Lombardy Regional Department for the renewal of the Patent Box Agreement for the financial years 2020 to 2024; on December 9, 2019, the Company obtained the consent to access the renewal procedure, limited to the eligible intangible assets.

19 PROPERTY, PLANT AND EQUIPMENT

The tables below show the changes that occurred in "Property, plant and equipment" during the reporting year:

At December 31, 2019

(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	**7,123**	**35,747**	**3,219**	**1,699**	**7,788**	**55,576**
Change in scope of consolidation	0	3,876	218	80	679	**4,853**
Breakdown:						
- Historical cost		*4,196*	*604*	*340*	*1,510*	*6,650*
- Accumulated depreciation		*(320)*	*(386)*	*(260)*	*(831)*	*(1,797)*
Additions	**14**	**7,360**	**1,633**	**272**	**3,420**	**12,699**
Disposals – historical cost		(498)	(188)	(732)	(1,555)	**(2,973)**
Disposals – accumulated depreciation		52	138	725	1,301	**2,216**
Disposals	-	(445)	(50)	(7)	(254)	**(756)**
Depreciation	(609)	(4,393)	(1,881)	(327)	(3,202)	**(10,413)**
Balance at December 31, 2019	**6,528**	**42,145**	**3,139**	**1,717**	**8,430**	**61,957**
Breakdown:						
- Historical cost	*16,053*	*53,423*	*26,128*	*4,806*	*26,349*	*126,759*
- Accumulated depreciation	*(9,524)*	*(11,278)*	*(22,989)*	*(3,090)*	*(17,918)*	*(64,800)*


When you act, courage grows,
when you postpone, fear grows.
Publilio Siro


Capri

At December 31, 2018

(in thousands of euros)	Land and buildings	Rights of use IFRS 16	Electronic equipment	Furniture and fixtures	Other assets	Total
Balance at December 31, 2017	**8,436**	**36,405**	**3,052**	**1,798**	**7,311**	**57,002**
Change in scope of consolidation			37	91	35	**163**
Breakdown:						
- Historical cost			*67*	*105*	*37*	*209*
- Accumulated depreciation			*(31)*	*(14)*	*(2)*	*(47)*
Additions		**2,855**	**1,852**	**167**	**3,586**	**8,460**
Disposals – historical cost	(830)		(52)	(25)	(3,636)	**(4,543)**
Disposals – accumulated depreciation	127		45	1	3,435	**3,608**
Disposals	**(704)**		**(7)**	**(24)**	**(201)**	**(936)**
Depreciation	(609)	(3,514)	(1,715)	(333)	(2,943)	**(9,114)**
Balance at December 31, 2018	**7,123**	**35,747**	**3,219**	**1,699**	**7,788**	**55,576**
Breakdown:						
- Historical cost	*16,039*	*42,365*	*24,079*	*4,926*	*22,975*	*110,384*
- Accumulated depreciation	*(8,915)*	*(6,618)*	*(20,860)*	*(3,228)*	*(15,186)*	*(54,807)*

Additions for the period amounted to 12,663 thousand euros and mainly refer to (i) 7,324 thousand euros for sub-leasing contracts entered into in 2019 and accounted for in accordance with IFRS 16; (ii) 2,688 thousand euros to replace the Company's vehicle fleet; (iii) 1,633 thousand euros to replace hardware with the aim of making the organization more efficient; and (iv) 304 thousand euros for leasehold improvements.

At December 31, 2019 there were no restrictions on the ownership and possession of property, plant and equipment or purchase commitments.

20 INTANGIBLE ASSETS

The changes that occurred in the individual components of intangible assets are detailed below:

At December 31, 2019

(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	5,117	2,758	31,655	-	3,828	**43,358**
Breakdown:						
- Historical cost	*5,237*	*2,758*	*31,655*		*4,589*	*44,239*
- Accumulated amortization	*(120)*				*(761)*	*(881)*
Additions	**16,706**			**12,374**	**1,578**	**30,658**
Disposals – historical cost						-
Disposals – accumulated amortization						-
Disposals	**-**	**-**	**-**	**-**	**-**	**-**
Amortization	(18,172)	(2,624)	(25,665)	(12,709)	(74,192)	(133,363)
Balance at December 31, 2019	**35,525**	**21,752**	**284,344**	**18,091**	**41,365**	**401,077**
Breakdown:						
- Historical cost	*170,056*	*38,873*	*441,273*	*310,524*	*193,118*	*1,134,044*
- Accumulated amortization	*(134,531)*	*(17,121)*	*(156,930)*	*(292,433)*	*(151,753)*	*(752,769)*

At December 31, 2018

(in thousands of euros)	Software	Trademarks and other rights	Customer Relationships	Economic information databases	Other Intangibles	Total
Balance at December 31, 2017	**27,070**	**23,660**	**300,094**	**18,652**	**46,176**	**415,652**
Change in scope of consolidation	2,924	490	1,142	0	73,240	**77,797**
Breakdown:						
- Historical cost	*2,980*	*490*	*1,142*		*73,240*	*77,852*
- Accumulated amortization	*(56)*					*(56)*
Additions	**19,289**			**12,610**	**3,309**	**35,208**
Disposals – historical cost	(36)			(30)		(66)
Disposals – accumulated amortization	12					12
Disposals	**(24)**	**-**	**-**	**(30)**	**-**	**(54)**
Amortization	(17,385)	(2,532)	(22,882)	(12,806)	(12,574)	(68,180)
Balance at December 31, 2018	**31,874**	**21,618**	**278,354**	**18,426**	**110,151**	**460,423**
Breakdown:						
- Historical cost	*148,113*	*36,115*	*409,618*	*298,150*	*186,951*	*1,059,147*
- Accumulated amortization	*(116,239)*	*(14,497)*	*(131,265)*	*(279,724)*	*(76,800)*	*(618,525)*

Additions for the period, which totalled 30,658 thousand euros, refer mainly to projects carried out during the period to develop new products and software (16,706 thousand euros) and investments in economic information databases (12,374 thousand euros).

The change in scope of consolidation, amounting to 43,358 thousand euros, refers to the effects of the business combinations completed during the year and described in Note 5 Business Combination.

21 GOODWILL

At December 31, 2019, Cerved's goodwill was allocated as follows to the different operating segments/CGUs:

(in thousands of euros)	At December 31, 2018 Restated	Increases / Decreases	At December 31, 2019
Credit Information	616,395		616,395
Credit Information – Spazio Dati	8,387		8,387
Credit Information – FinLine		570	570
Credit Information – MBS		11,391	11,391
Marketing Solutions	41,872		41,872
Marketing Solutions - ClickAdv	7,379	(402)	6,977
Marketing Solutions - ProWeb	2,648		2,648
Credit Management	66,995	1,799	68,794
Credit Management Bari	3,499		3,499
Credit Management – CPS		4,022	4,022
Total	**747,173**	**17,380**	**764,553**

In line with the requirements of the reference accounting standards, Goodwill was tested for impairment at December 31, 2019.

The value in use was determined by discounting the forecast data of each CGU ("DCF Method") for the three-year period from 2020 to 2022, as approved by the Company's Board of Directors on February 12, 2020.

The forecast data of each CGU was determined taking into consideration the levels of growth of revenues, EBITDA, and cash flows based both on past economic-income performance and future expectations.

The terminal value of each CGU was computed based on the criterion of the perpetual annuity of the cash flow of each CGU with reference to the latest period of projected data considered, assuming a growth rate of zero and using an after-tax discounting rate (WACC) of:

- 6.9% for all the Credit Information, Credit Information - Spazio Dati, Credit Information - FinLine, Credit Information - MBS and Marketing Solution CGUs and is the result of the weighted average of the cost of capital, equal to 7.4% (90.9%) – including a market risk premium of 5.5% – and an after tax debt cost of 1.3% (9.1%). The structure of the objective capital used for weighted average purposes was determined based on an average for the capital structures of comparable companies and not independent of the financial structure of individual CGUs/companies;
- 9.4% for the Marketing Solutions – ClickAdv and Marketing Solutions – Pro Web CGUs and is the result of the weighted average of the cost of capital, equal to 11.6% (74.5%) – including a market risk premium of 5.5% – and an after tax debt cost of 3.1% (25.5%). The structure of the objective capital used for weighted average purposes was determined based on an average for the capital structures of comparable companies and not independent of the financial structure of individual CGUs/companies;
- 6.7% for the Credit Management and Credit Management Bari CGUs and is the result of the weighted average of the cost of capital, equal to 13.9% (42.6%) – including a market risk premium of 5.5% – and an after tax debt cost of 1.4% (57.4%). The structure of the objective capital used for weighted average purposes was determined based on an average for the capital structures of comparable companies and not independent of the financial structure of individual CGUs/companies;
- 7.2% for the Credit Management - CPS CGU, and is the result of the weighted average of the cost of capital, equal to 15.1% (42.6%) – including a market risk premium of 5.5% – and an after tax debt cost of 1.4% (57.4%). The structure of the objective capital used for weighted average purposes was determined based on an average for the capital structures of comparable companies and not independent of the financial structure of individual CGUs/companies;

The final assessments of the impairment test did not reveal any impairment losses on goodwill allocated to the CGUs, except for an indication of impairment loss on goodwill allocated to the Marketing Solutions - ClickAdv CGU, for 402 thousand euros.
This loss in value was reflected in the financial statements through an impairment that was recognised in the income statement.

The table below shows the surplus by which the recoverable value of each CGU, computed based on the parameters described above, exceeds its carrying amount:

(in thousands of euros)	**At December 31, 2019**
Credit Information	394,857
Credit Information – Spazio Dati	47,314
Credit Information – FinLine	26,987
Credit Information – MBS	59,390
Marketing Solutions	4,780
Marketing Solutions - ClickAdv	(402)
Marketing Solutions - ProWeb	14,440
Credit Management	423,645
Credit Management Bari	56,682
Credit Management – CPS	19,989
Total	**1,047,682**

In view of the complex macroeconomic scenario due to the expansion of the COVID-19 epidemic, which is manifesting itself at the date of writing, and the consequent volatility of the financial markets, it was deemed appropriate to supplement the information relating to the evidence of the recoverable value of each CGU according to the change in the value of cash flows and WACC by adding a scenario of +/-10% on the value of cash flows and +/- 2% on WACCs. This assessment highlights an area of potential impairment risk:
with regard to the Marketing Solutions CGU, in the event of a change in cash flows of -10% or WACC of +2%, there would be a potential write-down of 2,740 thousand euros or 9,739 thousand euros respectively;
with regard to the ClickAdv CGU, in the event of a change in cash flows of -10% or WACC of +2%, there would be a potential write-down of 1,878 thousand euros or 2,918 thousand euros respectively.
Considering that the COVID-19 event has been assessed as a "non-adjusting event" on the financial statements at December 31, 2019 in accordance with IAS 10 § 21-22, the Company will assess these impacts when preparing the interim financial statements at March 31, 2020.

The table below shows the change in the surplus recoverable value of each CGU based on a change of 5% and 10% in the cash flow value, all other parameters being equal:

(in thousands of euros)	-10%	-5%	5%	10%
Credit Information	232,701	313,779	475,934	557,012
Credit Information – Spazio Dati	39,904	43,609	51,019	54,723
Credit Information – FinLine	23,904	25,446	28,528	30,069
Credit Information – MBS	46,623	53,007	65,774	72,158
Marketing Solutions	(2,740)	1,020	8,540	12,301
Marketing Solutions - ClickAdv	(1,878)	(1,140)	337	1,075
Marketing Solutions - ProWeb	11,692	13,066	15,814	17,189
Credit Management	362,104	392,874	454,416	485,187
Credit Management Bari	49,061	52,872	60,493	64,304
Credit Management – CPS	15,593	17,791	22,187	24,385
Total	**776,964**	**912,324**	**1,183,042**	**1,318,403**

The table below shows the change in the surplus recoverable value of each CGU based on a change of 50 points and 200 points in the value of the WACC, all other parameters being equal:

(in thousands of euros)	-2.00%	-0.50%	0.50%	2.00%
Credit Information	913,349	494,989	308,358	107,555
Credit Information – Spazio Dati	73,561	52,320	42,993	32,975
Credit Information – FinLine	39,281	29,332	24,962	20,268
Credit Information – MBS	110,437	69,134	50,975	31,444
Marketing Solutions	31,308	9,843	407	(9,739)
Marketing Solutions - ClickAdv	3,466	403	(1,125)	(2,918)
Marketing Solutions - ProWeb	21,276	15,859	13,166	10,023
Credit Management	665,621	469,528	384,120	292,730
Credit Management Bari	89,013	62,806	51,411	39,242
Credit Management – CPS	33,721	22,650	17,676	12,256
Total	**1,981,033**	**1,226,864**	**892,943**	**533,836**

The table below shows the WACC levels and the cash flow reduction that would make the recoverable value of each CGU equal to its carrying value:

(in thousands of euros)	WACC	EBITDA %
Credit Information	9.9%	-24.4%
Credit Information – Spazio Dati	27.9%	-63.9%
Credit Information – FinLine	108.9%	-87.6%
Credit Information – MBS	13.2%	-46.5%
Marketing Solutions	7.4%	-6.4%
Marketing Solutions - ClickAdv	n.a.	n.a.
Marketing Solutions - ProWeb	22.4%	-52.5%
Credit Management	25.8%	-68.8%
Credit Management Bari	26.9%	-74.4%
Credit Management – CPS	16.6%	-45.5%

22 INVESTMENTS IN ASSOCIATES VALUED BY THE EQUITY METHOD

At December 31, 2019, this item amounted to 3,096 thousand euros. It includes:

- ithe value of the equity investment in the associated company Experian Italia S.p.A. for 3,066 thousand euros;
- the value of the equity investment in the partnership "La Scala Cerved Società tra avvocati" for 29 thousand euros.

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

(in thousands of euros)	Experian Italia	La Scala Cerved	Total
Balance at December 31, 2018	**3,101**	**29**	**3,130**
Profit (Losses) from valuation by the equity method	(36)	-	(36)
Balance at December 31, 2019	**3,067**	**29**	**3,096**

At December 31, 2019, Experian and the Cerved Group owned, respectively, 95.35% and 4.65% of Experian Italia's share capital. The Company qualified this investment as an investment in an associated company by virtue of governance stipulations set forth in the shareholders' agreements that enable the Group to exercise considerable influence, as specified in IAS 28.

The financial highlights of the associates valued by the equity method are listed below. The data refers to the latest annual financial statements:

(in thousands of euros)	Total assets	Total shareholders' equity	Total revenues	Profit/(Loss) for the period
Experian Italia S.p.A. 1	15,648	5,768	20,564	(299)
La Scala Cerved 2	5,597	86	3,310	26

Note 1: financial statements closed at March 31, 2019.
Note 2: data from the financial statements at December 31, 2019

23 OTHER NON-CURRENT FINANCIAL ASSETS

(in thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Other investments	5,240	4,382
Derivatives	-	1,395
Other financial receivables	3,515	2,458
Security deposits and sundry items	612	409
Total	**9,367**	**8,644**

At December 31, 2019, "Other non-current financial assets" included: (i) the value of the other equity investments held by the Group totalling 5,240 thousand euros; (ii) some guarantee deposits, (iii) a loan receivable from La Scala Cerved of 700 thousand euros disbursed to support this company during startup and while it becomes fully operational; (iv) 1,297 thousand euros for a capitalisation policy of the provision for severance indemnities issued by Consit Italia S.p.A., subsequently merged into Cerved Group S.p.A. in 2018.

Unconsolidated Equity Investments Held by the Group

(in thousands of euros)	Registered office	Share Capital	Shareholders' equity at December 31, 2018	% control (indirect)	December 31, 2019	December 31, 2018 *Restated*
SIA-SSB	Milan	22,275	251,576	0.76%	5,130	4,343
Class Editori S.p.A.	Milan	40,785	28,859	1.24%	87	39
Other minor securities					23	-
Total					**5,240**	**4,382**

The amounts shown are drawn from the statutory financial statements prepared in accordance with the reference accounting standards of the individual companies. At December 31, 2019, there were no impairment indicators requiring that the investments be written down.

24 INVENTORY

At December 31, 2019 the company did not hold any assets for resale. Inventory, consisting exclusively of goods that the Group acquired as part of the management and reselling of assets originating from nonperforming leases carried out by the subsidiary Cerved Credit Management Group S.r.l. was all sold at the end of the year.

25 TRADE RECEIVABLES

"Trade receivables" totalled 234,152 thousand euros, net of the corresponding provision for impairment of receivables, as detailed below.

(in thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Trade receivables from external customers	247,456	208,912
Provision for impairment of receivables	(14,031)	(11,368)
Related-party receivables	727	255
Total	**234,152**	**197,799**

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

(in thousands of euros)	Provision for impairment of receivables
At December 31, 2017 Restated	**11,478**
Change in scope of consolidation	115
Accruals	3,523
Utilizations	(3,748)
At December 31, 2018 Restated	**11,368**

(in thousands of euros)	Provision for impairment of receivables
At December 31, 2018 Restated	**11,368**
Change in scope of consolidation	386
Accruals	5,103
Utilizations	(2,826)
At December 31, 2019	**14,031**

The accrual to the Provision for impairment of receivables reflects the estimated realizable value of receivables that were still deemed collectible at December 31, 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.

There are no significant receivables with a remaining duration of more than five years or receivables denominated in a currency different from the euro. It is also worth mentioning that the carrying amount of trade receivables approximates their fair value.

26 TAX RECEIVABLES

A breakdown of "Tax receivables" is as follows:

(in thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
VAT receivable	1,358	1,585
IRAP receivable	458	796
IRES receivable	289	252
Other tax receivables	5,717	9,672
Total	**7,821**	**12,305**

The main components of Other tax receivables include the following:

- 3,774 thousand euros for the Patent Box credit;
- 1,224 thousand euros for the IRES receivable for the deductibility from IRES of the IRAP paid on personnel costs prior to the 2012 reporting year, in accordance with the provision of Article 4 of Decree Law No. 16/2012.

27 OTHER RECEIVABLES

A breakdown of "Other receivables" at December 31, 2019 is as follows:

(in thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Advances to agents	741	667
Other receivables	2.067	2.329
Other receivables from related parties	31	32
Total	**2,839**	**3,028**

Other 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 from IRES of the IRAP paid in the years in which some Group companies filed a consolidated tax return; (ii) 124 thousand euros for advances to suppliers; (iii) 467 thousand euros in receivables from employees; and (iv) 478 thousand euros in receivables from tax collectors and principals for debt collection activities.

28 OTHER CURRENT ASSETS

Other current assets consist mainly of prepaid agents' commissions. The costs incurred in connection with new contracts for the sale of services not yet provided are suspended and recognized in profit or loss based on customer usage progress.

A breakdown of the item is provided below:

(in thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Prepaid commercial costs	9,546	9,966
Other prepaid expenses	4,172	4,297
Other receivables	17	26
Total	**13,735**	**14,289**

"Other prepaid expenses" consist mainly of maintenance fees.

29 CASH AND CASH EQUIVALENTS

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

A breakdown of this item is provided below:

(in thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Deposits in bank and postal accounts	86,186	42,349
Cash on hand	25	14
Total	**86,211**	**42,363**

The carrying amount of "Cash and cash equivalents" approximates the fair value of this item, which is not the subject to any utilization restriction.
Please see the consolidated statement of financial position for a comprehensive analysis of the financial position and of the main uses of cash flows.

30 SHAREHOLDERS' EQUITY

As of the date of these 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.

At December 31, 2019, the Company held 3,420,275 treasury shares for a purchase price of 25,834 thousand euros.

The changes in equity reserves are shown in the financial statement schedules.

In 2019, dividends totalling 58,498 thousand euros were distributed to the shareholders of the Parent Company.

Other reserves include the "Cash flow hedge" reserve, to which changes in the fair value of cash flow hedge derivatives consisting of five IRS contracts are posted, as described in Note 32 "Current and non-current borrowings," and the reserve established to offset the recognition of the cost of the share-based incentive plan for 15,350 thousand euros.

31 EARNINGS PER SHARE

The table that follows shows the computation of basic and diluted earnings per share.

	At December 31, 2019	At December 31, 2018 *Restated*
Net profit attributable to owners of the parent (in thousands of euros)	54,621	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	195,588,522
Adjustment for "Performance Share Plan"	3,752,637	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	195,607,341	194,639,715
Basic earnings per share (in euros)	**0.2797**	**0.455**
Diluted earnings per share (in euros)	**0.2741**	**0.457**

Diluted earnings per share are affected by the "Performance Share Plan," which is described in Note 43 infra, which calls for grants totalling up to 3,752,637 options, and by purchases of Treasury Shares (3,420,275 shares at December 31).
The dilutive effect was determined based on the maximum number of options that could vest by the end of the three-year measurement period.

32 CURRENT AND NON-CURRENT BORROWINGS

The table below provides a breakdown of "Current borrowings" and "Non-current borrowings" at December 31, 2019 and 2018:

(in thousands of euros) Current and non-current borrowings	Original amount	When issued	Maturity	Rate charged	At December 31, 2019	Current portion	At December 31, 2018 *Restated*	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	-
Liability for financial charges					2,283	2,283	2,289	2,289
Credito Valtellinese Vendor Loan	16,000	2015	2022	*Euribor 3m+ 2.85%*	16,000	4,000	16,000	-
Cassa Risparmio Ravenna loan	18,000	2017	2022	*Euribor 6m +1.5%*	18,000	3,546	18,000	-
Banco BPM - Innovation Team S.r.l. loan					84	84	-	-
Banco BPM - MBS S.p.A. loan					336	336	-	-
Financial debt IFRS 16					49,721	4,905	43,645	4,210
Revolving line drawdown					-	-	10,000	10,000
Fair value of IRS					6,659	1,592	4,898	1,578
Other financial liabilities					3,230	3,230	2,865	2,865
Incidental borrowing costs					(8,649)	(3,734)	(12,240)	(3,633)
Total					**635,663**	**16,241**	**633,458**	**17,309**

Term loan facilities

The Term Loan Facility was entered into, on January 15, 2016, by Cerved Group S.p.A., which executed a transaction for two facilities totalling 560 million euros (in addition to a revolving line of 100 million euros).

An additional agreement was signed with the bank pool, on February 16, 2018, to extend the maturity of 50% (200 million euros) of the Term Loan Facility B from January 2022 to November 2023 (Term Loan Facility C).

The spreads applied can be reduced over time based on changes in the net debt/Adjusted EBITDA ratio (Leverage Ratio), measured on a consolidated basis, as shown below:

	Annual margin %			
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

During 2019 the Revolving credit line was utilized for a drawdown of 50 million euros, fully repaid.

At December 31, 2019, the leverage ratio was within the 2.25%-2.85% range.

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.p.A. with a Vendor Loan for 16 million euros, the main characteristics of which are summarized below:

- execution date: April 2015
- amortization: four semi-annual instalments 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.

Cassa di Risparmio di Ravenna Loan

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 semi-annual instalments 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.

Financial debt IFRS 16

The "financial debt IFRS 16," equal to 49,721 thousand euros, includes the accounting of the effects deriving from the application of the above mentioned standard due to the discounting back of future cash flows linked to the payment of lease payments for the Group's legal, operational and commercial offices.

Other Current Financial Debt

The main components of "Other current financial debt," amounting to 3,650 thousand euros, include the following:

- payables for fees on the term loan for 201 thousand euros;
- payables owed to factors amounting to 2,747 thousand euros;
- payables owed to principals for collections on their behalf amounting to 244 thousand euros.

Derivatives

On May 26, 2016, Cerved Group entered into 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 Facility B," for a notional amount of 400 million euros.
On June 15, 2018, further to the renegotiation to November 30, 2023 of the repayment due date for 50% of the value of Term Facility B, which in practice created Term Facility C, Cerved Group S.p.A. executed three IRS Forward Start derivatives, effective as of January 15, 2022 and expiring on November 30, 2023, for a notional amount of 200 million euros.

Based on the first five contracts, the interest rates swapped from the execution date to the expiration date, January 14, 2022, will be, respectively, fixed rates ranging between 0.40% and 0.41%.
Based on the three subsequent IRS contracts, the interest rates swapped from the execution date, January 15, 2022, until the expiration date, November 30, 2023, will be fixed rates ranging between 1.030% and 1.031%.

At December 31, 2019, the fair value of these financial instruments was negative by 6,659 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.

33 NET FINANCIAL DEBT

The table below presents the Group's net financial debt at December 31, 2019, 2018 and 2017, determined in accordance with the provisions of paragraph 127 of the recommendations provided by ESMA in Document No. 81 of 2011 in implementation of Regulation (EC) 809/2004:

(in thousands of euros)	At December 31, 2019	Al 31 dicembre 2018 *Restated*	Al 31 dicembre 2017 *Restated*
A. Cash	25	14	17
B. Other liquid assets	86,187	42,349	99,190
C. Securities held for trading	-	-	-
D. Liquidity (A)+(B)+(C)	**86,212**	**42,364**	**99,207**
E. Current loans receivable		**-**	**-**
F. Current bank debt	(201)	(178)	(197)
G. Current portion of non-current borrowings	(6,515)	(2,866)	(2,146)
H. Other current financial debt	(9,525)	(14,265)	(3,435)
I. Current financial debt (F)+(G)+(H)	**(16,241)**	**(17,310)**	**(5,778)**
J. Net current financial debt (D)+(E)+(I)	**69,970**	**25,054**	**93,429**
K. Non-current bank debt	(569,539)	(573,393)	(571,075)
L. Bonds outstanding		-	-
M. Other non-current financial debt	(49,884)	(42,755)	(39,698)
N. Non-current financial debt (K)+(L)+(M)	**(619,422)**	**(616,148)**	**(610,772)**
O. Net financial debt (J)+(N)	**(549,452)**	**(591,094)**	**(517,344)**

At December 31, 2019, the Group's Net financial debt totalled 549,452 thousand euros, compared with 591,094 thousand euros at December 31, 2018.

34 EMPLOYEE BENEFITS

At December 31, 2019, "Employee Benefits" included a provision for severance indemnities amounting to 15,813 thousand euros.

A breakdown of the changes in "Employee benefits" is provided below:

(in thousands of euros)	Provision for severance indemnities
At December 31, 2018 *Restated*	**13,621**
Change in scope of consolidation	1,094
Current cost	2,889
Financial charges	212
Actuarial losses/(gains)	539
Contributions added – Benefits paid	(2,543)
At December 31, 2019	**15,812**

The provision for severance indemnities (TFR) reflects the impact of the discounting process, as required by IAS 19.

The table that follows details the economic and demographic assumptions used for actuarial valuation purposes.

Discount rate	0.67%
Inflation rate	1.00%
Rate of wage growth	2.50%
Expected mortality rate	RG48 from Government Accounting Office
Expected disability rate	INPS Model 2010 projections
Expected resignations/advances (annual)	5.00%/3.00%

Regarding the discount rate, the iBoxx Eurozone Corporates AA 10+ was taken as a reference for the development of said parameter at the valuation date.

The table below provides a sensitivity analysis of the main actuarial assumptions included in the calculation model applied by taking the scenario described above as a baseline and increasing and decreasing the average annual rate of discounting, the average inflation rate and the turnover rate by a half, a quarter and two percentage points, respectively. The results obtained are summarized in the following table:

(in thousands of euros)	Annual discount rate		Annual inflation rate		Annual turnover rate	
	0.50%	-0.50%	0.25%	-0.25%	2.00%	-2.00%
Provision for severance indemnities	14,377	15,951	15,311	84,955	14,711	15,660

There are no defined-benefit plan assets.

35 PROVISIONS FOR RISKS AND CHARGES

A breakdown of the changes in the "Provisions for risks and charges" is provided below.

(in thousands of euros)	Provision for agents' indemnity	Provisions for risks and charges	Total
At December 31, 2018 *Restated*	**1,515**	**4,019**	**5,534**
Change in scope of consolidation		1	1
Accruals net of reversals	259	12	271
Utilizations	(174)	(384)	(558)
At December 31, 2019	**1,600**	**3,648**	**5,249**

The "Provision for agents' indemnity," which had a balance of 1,600 thousand euros at December 31, 2019, was estimated based on the legislation that governs agency relationships and is deemed to be sufficient to cover any liabilities that may arise in the future.

The "Provisions for risks and charges," which amounted to 3,648 thousand euros, refer mainly to tax disputes and disputes with employees and suppliers.

The provision was moved during the period mainly due to the following factors:

(i) with regard to Euro 1,466 thousand, the fund relating to "property register document fees" has been released in full as the related liability has been considered as remote;

(ii) 384 thousand euros for the payment of disputes settled during the period.

36 OTHER NON-CURRENT LIABILITIES

"Other non-current liabilities" of 58,458 thousand euros mainly refers:

- for 41,774 thousand euros to the non-current liability for the put option granted by the company Cerved Group to the majority shareholders of MBS Consulting S.p.A., empowering them to sell in instalments, by the end of the first half of 2024, a 49.49% interest in the company, conditional on certain conditions being met. The aggregate value of this liability was estimated at 64,347 thousand euros; the current portion was included in "Other liabilities";
- for 6,620 thousand euros to the non-current liability for the put option granted by the company Cerved Group to the minority shareholders of Pro Web Consulting S.r.l., empowering them to sell in instalments, by the end of the first half of 2022, a 20% interest in the company, conditional on certain conditions being met. The aggregate value of this liability was estimated at 9,580 thousand euros; the current portion was included in "Other liabilities";
- for 4,105 thousand euros to the non-current liability related to the Earn Out attributed to the former shareholders of Cerved Property Services S.A. when certain conditions are met;

- for 3,649 thousand euros to the non-current liability related to the Earn Out attributed to the former shareholders of Euro Legal Services S.r.l when certain conditions are met. The aggregate value of this liability was estimated at 4,723 thousand euros; the current portion was included in "Other liabilities";
- for 1,573 thousand euros to the non-current liability for the installment payments stipulated with the minority shareholders of Spazio Dati S.r.l. The total value of this liability is equal to 3,178 thousand euros which corresponds to the 17.2% portion; the current portion was included in "Other liabilities."

37 DEFERRED TAX ASSETS AND LIABILITIES

A breakdown of "Deferred tax liabilities" at December 31, 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 December 31, 2019
Deferred tax assets					
Tax deductible goodwill	210		(4)		206
Provision for impairment of receivables	2,218		580		2,798
Provisions for risks and charges	1,302		(376)		926
Provision for employee benefits and agents indemnity	926		(102)	129	954
Hedge accounting	1,177		(2)	341	1,516
Write-down of receivables Decree Law No. 83/2015	1,798		(262)		1,536
Other differences	2,108	278	(201)		2,185
Total deferred tax assets	**9,739**	**278**	**(368)**	**470**	**10,119**
Deferred tax liabilities					
Customer Relationships	(77,753)	(8,832)	7,013		(79,572)
Trademarks	(6,009)	(769)	734		(6,043)
Buildings	(364)		69		(295)
Software	(805)	(1,471)	637		(1,639)
Contracts	(29,312)	(1,054)	20,021		(10,344)
Databases	(17)		17		0
Other equity investments – Measurement at fair value	(365)		0	(200)	(565)
Other	(64)		64		0
Total deferred tax liabilities	**(114,689)**	**(12,126)**	**28,556**	**(200)**	**(98,459)**
Net deferred tax assets/liabilities	**(104,950)**	**(11,847)**	**28,188**	**270**	**(88,340)**

Deferred tax assets refer to several temporary differences, which can be deducted in future years, between statutory reported income and taxable income related to costs for services. Deferred tax liabilities mainly refer to intangible assets that were recognized in connection with business combinations but are not recognized for tax purposes. There are no deferred tax assets that are not offsettable.

38 TRADE PAYABLES

(in thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Payables to outside suppliers	54,002	59,166
Payables to related parties	1,571	678
Total	**55,572**	**59,844**

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

39 CURRENT TAX PAYABLES

A breakdown of this item is provided below:

(in thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Corporate income tax (IRES) payables	23,653	4,744
Regional tax (IRAP) payables	3,634	1,241
Total	**27,288**	**5,985**

40 OTHER TAX PAYABLES

A breakdown of "Other tax payables" is provided below:

(in thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
VAT payable	1,311	6,797
Withholdings payable	4,191	3,632
Other sundry payables	570	567
Total	**6,072**	**10,996**

41 OTHER LIABILITIES

(in thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Social security contributions payable	11,568	10,337
Payables owed to employees	22,389	14,140
Payables for deferred revenues	88,375	97,491
Miscellaneous liabilities	34,880	9,839
Accrued expenses	473	315
Other related-party payables	15,985	6,727
Total	**173,669**	**138,849**

The item "Miscellaneous liabilities" also includes the portion of short-term liabilities accounted for against the recognition of the Options executed with the majority shareholders of MBS Consulting S.p.A., and the minority shareholders of Cerved Credit Management Group S.r.l. and Pro Web Consulting S.r.l., as well as the short-term payable for the purchase of an additional interest from the minority shareholders of Spazio Dati S.r.l., and the payable for the earn-out related to the purchase of Euro Legal Services S.r.l.

This liability refers:

- for 14,668 thousand euros to the current portion of the liability (including 5,145 thousand euros for

"Other related-party payables") for the put option granted by the company Cerved Group S.p.A. 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);
- for 22,573 thousand euros to the current portion of the liability for the put option granted by the company Cerved Group to the majority shareholders of MBS Consulting S.p.A, empowering them to sell, by the end of 2020, a 19.85% interest in the company, conditional on certain conditions being met.
- for 1,605 thousand euros to the current liability attributed by Cerved Group to the minority shareholders of Spazio Dati S.r.l., empowering them to sell, by end of 2020, an 8.60% interest in the company, conditional on certain conditions being met;
- for 2,960 thousand euros to the current portion of the liability for the put option granted by the company Cerved Group to the minority shareholders of Pro Web Consulting S.r.l., empowering them to sell, by the end of 2020, a 10% interest in the company, conditional on certain conditions being met;
- for 1,074 thousand euros to the current liability related to the Earn Out attributed to the former shareholders of Euro Legal Services S.r.l when certain conditions are met.

42 OTHER INFORMATION

Contingent Liabilities

Other than those mentioned in Note 35 "Provisions for risks and charges," there are no pending judicial or tax proceedings that involve any Group company.

Commitments

Please note that at December 31, 2019, the Group had undertaken commitments not reflected in the financial statements totalling 8,022 thousand euros, consisting mainly of sureties provided:
- by Unicredit for 2,148 thousand euros for the benefit of the lessor of the new San Donato headquarters;
- by Generali and other banking institutions for 1,320 thousand euros in connections with the submission of bids and/or the successful outcome of some tenders;
- by Generali for 1,000 thousand euros for the benefit of Infocamere;
- by Unicredit for 640 thousand euros for the benefit of the customer Banca d'Italia;
- by MPS for 1,000 thousand euros for the benefit of the supplier Infocamere.

In addition, the Group is the lessee in leases for several automobiles provided to employees and in leases for offices.

Third Party Assets Held in Storage and on Deposit

At December 31, 2019, the Group managed assets held on deposit valued at 11,198 thousand euros. These assets consist of personal property not owned deriving from finance leases for which Cerved Credit Management Group S.r.l. provides custodial services, operational management, sales and any services related to or instrumental for those activities.

Compensation of Directors and Statutory Auditors

The table below shows the compensation awarded to Directors and Statutory Auditors at December 31, 2019:

Directors

(in thousands of euros)

First and last name	Post held	End of term of office	Fees for post held	Fringe benefits	Bonus and other incentives	Other compensation	Total compensation
Gianandrea De Bernardis	Executive Chairperson	Approval of fin. statements at 12/31/21	400				400
Andrea Mignanelli	Chief Executive Officer	Approval of fin. statements at 12/31/21	850				850
Sabrina Delle Curti	Director	Approval of fin. statements at 12/31/21	-				-
Umberto Carlo Maria Nicodano	Director	Approval of fin. statements at 12/31/21	50			10	60
Fabio Cerchiai	Independent Director	Approval of fin. statements at 12/31/21	85			10	95
Andrea Casalini	Independent Director	Approval of fin. statements at 12/31/21	50				50
Aurelio Regina	Independent Director	Approval of fin. statements at 12/31/21	50			25	75
Mara Anna Rita Caverni	Independent Director	Approval of fin. statements at 12/31/21	50			10	60
Mario Francesco Pitto	Independent Director	Approval of fin. statements at 12/31/21	50				50
Alessandra Stabilini	Independent Director	Approval of fin. statements at 12/31/21	50			25	75
Valentina Montanari	Independent Director	Approval of fin. statements at 12/31/21	50			20	70
Total			**1,685**	**-**	**-**	**100**	**1,785**

Statutory Auditors

(in thousands of euros)

First and last name	Post held	End of term of office	Fees for post held	Fringe benefits	Bonus and other incentives	Other compensation	Total compensation
Antonella Bientinesi	Chairperson	Approval of fin. statements at 12/31/19	60	-	-	-	60
Paolo Ludovici	Statutory Auditor	Approval of fin. statements at 12/31/19	40	-	-	-	40
Costanza Bonelli	Statutory Auditor	Approval of fin. statements at 12/31/19	40	-	-	-	40
Laura Acquadro	Alternate Auditor	Approval of fin. statements at 12/31/19	-	-	-	-	-
Antonio Mele	Alternate Auditor	Approval of fin. statements at 12/31/19	-	-	-	-	-
Total			**140**	**-**	**-**	**-**	**140**

Independent Auditors

Pursuant to Article 149–duodecies, second paragraph, of Consob Resolution No. 11971 of May 14, 1999, as amended, the fees for the year owed to the Independent Auditors PricewaterhouseCoopers S.p.A. for services provided to the Parent Company Cerved Group S.p.A. and its subsidiaries are listed below.

(in thousands of euros)	PwC S.p.A.	Other entities in the PwC network	Total PwC network
Auditing Services (1)	**792**		**792**
- Certification services	8		8
Other services (2)	**8**	**74**	**82**
- Agreed audit engagements	8		8
- Other		74	74
Total	**800**	**74**	**874**

43 DESCRIPTION OF INCENTIVE PLANS (IFRS 2)

The following table shows the changes in the options assigned to the company's managers during 2019 in relation to the share incentive plans adopted by the group for the three-year periods 2019-2021 and 2022-2024.

	Awarded options	Options expired/ revoked	Exercised options	Options outstanding at December 31, 2019
2019-2021 Performance Shares 1st Cycle 2016	792,537		(792,537)	-
2019-2021 Performance Shares 2nd Cycle 2017	671,235	(61,080)		610,155
2019-2021 Performance Shares 3rd Cycle 2018	752,130	(47,408)		704,722
2019-2021 Performance Shares Supplemental 3rd Cycle	708,387	(44,627)		663,760
2021-2024 Performance Shares 1st Cycle 2019	1,734,000	(55,000)		1,694,000
2021-2024 Performance Shares 1st Cycle 2019 - integration	80,000			80,000
Total	**4,738,289**	**(208,115)**	**(792,537)**	**3,752,637**

2019-2021 Performance Share Plan

The 2019-2021 Performance Share Plan was approved by the Shareholders' Meeting of Cerved Group (formerly Cerved Information Solution S.p.A.) on December 21, 2015, and was launched further to a resolution adopted by the Company's Board of Directors on July 13, 2016.
The Plan's objective is: (i) to enhance the alignment of the interests of the beneficiaries with those of the shareholders, tying management's compensation to specific objectives, determined based on each Plan Cycle, the achievement of which is closely linked with improving the Company's performance and increasing its value; (ii) to strengthen retention capacity for key resources, aligning the Group's compensations policy with best market practices, which, as a rule, include long-term incentive tools.

The Performance Targets were defined by the Board of Directors for each Plan Cycle, upon a recommendation by the Compensation and Nominating Committee.

An incentivizing curve has been established for each Performance Target, linking the number of Shares awardable, based on the Target achieved:

- a minimum performance threshold, below which no share will be awarded;
- a maximum performance cap upon

(1) The auditing services refer for 359 thousand euros to the Parent Company Cerved S.p.A. and for 433 thousand euros to the subsidiaries and basically include: auditing the statutory financial statements and consolidated financial statements of Cerved Group and its subsidiaries, the limited audit of the semi-annual financial report, the accounting reviews performed during the reporting year pursuant to Article 155, paragraph 1, of Legislative Decree No. 58/1998 and the limited audit of the Non-Financial Statement.

(2) Other services refer to the following activities performed for the Cerved Group Parent Company: (i) 8 thousand euros for services related to the certification of the financial covenant; (ii) 74 thousand euros for activities concerning the development of software for operational management of the sales network and customer analyses. Please note that by a resolution adopted by the Company's Board of Directors on February 22, 2018, the Group approved the adoption of a procedure governing the award of "non-audit" engagements, in accordance with Legislative Decree No. 135/2016.

the achievement of which the beneficiary will be awarded the maximum number of shares.

The Shares subject of the 2019-2021 Performance Share Plan will be respectively awarded upon the verification of the achievement of the performance conditions in the 2016-2018, 2017-2019 and 2018-2020 three-year periods.

The performance conditions are explained below:

- 70% “PBTA Target”; this indicates the growth of the Adjusted Profit Before Taxes per Share, which shall be understood to mean the profit before taxes excluding non-recurring income and charges, the financial charges incurred to obtain financing facilities and recognized in the income statement by the amortized cost method and the surpluses generated by the business combination processes and allocated to intangible assets (consistent with the computation of the adjusted net profit in the Offering Prospectus of Cerved Group (formerly Cerved Information Solution S.p.A.) filed with Consob on June 6, 2014, before tax effect). The growth of the Adjusted Profit Before Taxes shall be understood to mean the annual compound growth rate, excluding from the computation the accounting effects of the Plan itself, and excluding the effects of the “Forward Start” refinancing agreement. The target reflects different levels of achievement based on the growth rate of the Cerved Group’s PBTA:
  - less than 6%: 0%
  - 6% (threshold): 40%
  - between 6% and 10%: by linear interpolation
  - 10% (cap): 100%
  - more than 10%: 100%

- 30% “Total Shareholder Return Target” of Cerved Group (formerly Cerved Information Solution S.p.A.) compared with that of companies included in the FTSE Mid Cap Index Italia published by Borsa Italiana S.p.A. The TSR is measured for the period between January 1, 2016 and December 31, 2018. The target reflects different levels of achievement based on the ranking of Cerved’s TSR that corresponds to a different percentage in the number of awarded shares:
  - below the median: zero options awarded
  - equal to the median (threshold): 50% of awarded options
  - between the median and the 75th percentile: by linear interpolation
  - 75th percentile (cap): 100%
  - more than 75th percentile: 100%

The Performance Share Plan calls for the award, at the end of the vesting period, of a number of shares based on the achievement of the performance targets described above and does not specify an exercise price. The number of exercised options will depend on the level of achievement of the assigned targets.

During 2019, 792,537 options were exercised.

On March 14, 2019, the Board of Directors of the Company, based on the objectives achieved and set out in the Regulation and on the proposal of the Compensation and Nominating Committee, approved the allocation of 551,606 shares, equal to 69.6% of the options exercised for the 1st Cycle 2016.

The accrued cost recognized at December 31, 2019 for the three plans for the 2019-2021 period amounts to 5,969 thousand euros and was included among Personnel costs.

2022-2024 Performance Share Plan

On June 19, 2019, the Company’s Board of Directors, acting with the prior favourable opinion of the Compensation and Nominating Committee, approved the Regulation for the “2022-2024 Performance Share Plan” (the “Plan”), reserved for some of the Group’s key persons, identified among Directors, managers and other members of top management.

The Plan is structured into three Cycles (2019, 2020 and 2021), each with a duration of three years; subject of the Plan is the award of options to receive, free of charge, up to 4,881,874 shares, equal to 2.5% of the Company's share capital, attributable over the Plan's three Cycles, barring any amendments approved by the Board of Directors pursuant to the powers assigned to the Board for the Plan's implementation.

The performance targets identified in the Plan are:

- "PBTA Objective" – the growth, expressed as a percentage, of Adjusted Profit Before Taxes per Share in the period 2019-2021, with the premise that the growth in Adjusted Profit Before Taxes is intended as an annual compound growth rate and excludes from the calculation the accounting effects deriving from the Plan itself.
- "TSR Mid Cap Target" – the Company's "Total Shareholder Return" compared with that of companies included, for each Plan Cycle and the entire duration of the corresponding performance period, in the FTSE Mid Cap Index Italia generated by Borsa Italiana S.p.A.
- "TSR Sector Objective" – the percentage deviation of the Company's Total Shareholder Return, for each Cycle of the Plan and for the entire duration of the relative Performance Period, from the Total Shareholder Return of the FTSE Italia Industria index of Borsa Italiana.

On June 16, 2019, the Company's Board of Directors, upon a recommendation by the Compensation and Nominating Committee, approved the identification and assignment of 1,972,750 options for each beneficiary of the 1st Cycle of the 2022-2024 Plan (of which 1,734,000 options actually assigned). Subsequently, on November 21, 2019, the Board of Directors of the Company, on the proposal of the Compensation and Nominating Committee, approved the identification of two Executives as further beneficiaries of the plan and the assignment of the related options (totalling 80,000)

The fair value of the options granted in 2019, against the first assignment of the 2021-2024 Performance Share Plan, was calculated using the so-called "Monte Carlo method" using the computation parameters set out below:

- risk free interest rate: -0.63%, based on the interest rate of a zero coupon bond by a Eurozone governmental entity;
- expected dividends: 4%
- volatility of 25%

The accrued cost recognized at December 31, 2019 for the aforementioned plans amounted to 1,954 thousand euros and was included among Personnel costs.

Spazio Dati Performance Shares Plan

Also included in the cost related to the Incentive Plans for the year 2019 is the cost for the Stock Option Plan promoted by the subsidiary Spazio Dati in favour of certain key figures. This incentive plan provides for the recognition of a shareholding in the same company equal to 4%; the countervalue of this share, equal to 1,530 thousand euros, is proportionate to the Equity Value of the subsidiary.

44 RELATED-PARTY TRANSACTIONS

Transactions with related parties were executed by the Company in the normal course of business on standard market terms.

The table below summarized receivables and payables arising from transactions with related parties:

RELATED PARTIES – STATEMENT OF FINANCIAL POSITION DATA

(in thousands of euros)	Experian Italia S.p.A.	La Scala -Cerved Società tra avvocati a.r.l.	Board of Directors and executives with strategic responsibilities	Other related parties	Total	Total financial statement item	% of financial statement item
Trade receivables							
At December 31, 2018 *Restated*	248	4		3	255	197,799	0.1%
At December 31, 2019	44	684			728	234,152	0.3%
Other non-current financial assets							
At December 31, 2018 *Restated*		500			500	8,644	5.8%
At December 31, 2019		700			700	9,367	7.5%
Other receivables							
At December 31, 2018 *Restated*	32				32	3,028	1.1%
At December 31, 2019	31				31	2,839	1.1%
Trade payables							
At December 31, 2018 *Restated*	(596)			(82)	(678)	(59,844)	1.1%
At December 31, 2019	(595)	(976)			(1,571)	(55,572)	2.8%
Other liabilities							
At December 31, 2018 *Restated*	(89)		(6,638)(2)		(13,365)	(138,849)	9.6%
At December 31, 2019	(7)	(22)	(15,956)(1)		(15,985)	(173,669)	9.2%
Other non-current liabilities							
At December 31, 2018 *Restated*			(8,617)(3)		(8,617)	(20,640)	41.7%
At December 31, 2019			-		-	(58,458)	0.0%

RELATED PARTIES – INCOME STATEMENT DATA

(in thousands of euros)	Experian Italia S.p.A.	Spazio Dati S.r.l.	La Scala -Cerved Società tra avvocati a.r.l.	Board of Directors and executives with strategic responsibilities	Other related parties	Total	Total financial statement item	% of financial statement item
2018 reporting year								
Revenues	451	175	4		10	640	458,083	0.1%
Pro rata interest in the result of companies valued by the equity method	(89)	(1)				(101)	3,395	-3.0%
Cost of services	(1,047)	(1,193)				(2,240)	(121,135)	1.9%
Personnel costs				(5,512)		(5,512)	(121,861)	4.5%
Other operating costs							(11,759)	0.0%
Financial charges							(556)	0.0%
Financial income			4	1,790		1,794	4,964	36.1%

Note (1): includes the short-term portion, amounting to 14,668 thousand euros of the value of the put option held by the Director Andrea Mignanelli and Michele Cermele.
Note (2): includes the short-term portion, amounting to 5,145 thousand euros of the value of the put option held by the Director Andrea Mignanelli.
Note (3): includes the long-term portion, amounting to 8,617 thousand euros of the value of the put option held by the Director Andrea Mignanelli.

(in thousands of euros)	Experian Italia S.p.A.	La Scala -Cerved Società tra avvocati a.r.l.	Board of Directors and executives with strategic responsibilities	Other related parties	Total	Total financial statement item	% of financial statement item
2019 reporting year							
Revenues	625	*535*		4	1,164	560,657	0.2%
Pro rata interest in the result of companies valued by the equity method	(36)				(36)	(36)	100.0%
Cost of services	(1,127)	(1,245)			(2,372)	(133,873)	1.8%
Personnel costs		35	(5,142)		(5,107)	(152,880)	3.3%
Financial income		19			19	840	2.3%
Financial charges			(969)		(969)	(29,836)	3.3%

RELATED PARTIES – CASH FLOW DATA

	ASSOCIATED COMPANIES							
(in thousands of euros)	Experian Italia S.p.A.	Spazio Dati S.r.l.	La Scala -Cerved Società tra avvocati a.r.l.	Board of Directors and executives with strategic responsibilities	Other related parties	Total	Total financial statement item	% of financial statement item
2018 reporting year								
Cash flow from/(used in) operating activities	315	**175**		(5,195)		(4,705)	154,391	-3.0%
Cash flow from/(used in) investing activities	(89)	**(1)**				(101)	(153,915)	0.0%
Cash flow from/(used in) financing activities	-	-			(6,439)	(6,439)	(57,319)	11.2%

	ASSOCIATED COMPANIES						
(in thousands of euros)	Experian Italia S.p.A.	La Scala -Cerved Società tra avvocati a.r.l.	Board of Directors and executives with strategic responsibilities	Other related parties	Total	Total financial statement item	% of financial statement item
2019 reporting year							
Cash flow from/(used in) operating activities	(381)	*(356)*	(4,938)		(5,674)	207,643	-2.7%
Cash flow from/(used in) investing activities	(36)				(36)	(77,030)	0.0%
Cash flow from/(used in) financing activities		(181)	(1,874)		(2,055)	(86,765)	2.4%

The transactions listed above were executed on market terms.

Transactions with top management refer to Directors' fees and the compensation of executives with strategic responsibilities, which are analysed below:

(in thousands of euros)	Wages, salaries and social security contributions	Total
Directors' fees	1,896	1,896
Executives with strategic responsibilities	3,246	3,246
Total	**5,142**	**5,142**

45 POSITIONS OR TRANSACTIONS RESULTING FROM ATYPICAL AND/OR UNUSUAL ACTIVITIES

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

46 EVENTS OCCURRING AFTER THE END OF YEAR

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

47 OTHER INFORMATION

Pursuant to the provisions of Law No. 124 of August 4, 2017 (Article 1, paragraphs from 125 to 129), also called "Transparency Law," it should be noted that the Cerved Group did not receive any contributions relating to Research and Development costs during 2019.

All transactions of a commercial nature carried out with public administrations and related companies in the course of 2019 were executed in exchange for a consideration to remunerate the services provided by the companies of the Group on market terms and in the normal course of business.

In 2019, the Group invoiced to public companies or companies owned by public companies a total of 10,365 thousand euros, including 7,768 thousand euros collected during the year.

San Donato Milanese, March 24, 2020

For the Board of Directors
The Chairperson
Gianandrea De Bernardis
(Signed on the original)

CERTIFICATION PURSUANT TO ART. 154 BIS OF LEGISLATIVE DECREE NO. 58 OF FEBRUARY 24, 1998 (CONSOLIDATED LAW ON FINANCE - TUF) AND ARTICLE 81-TER OF CONSOB REGULATION NO. 11971 OF MAY 14, 1999 AS AMENDED AND SUPPLEMENTED

1 The undersigned Andrea Mignanelli, in his capacity as Chief Executive Officer, and Francesca Perulli, in her capacity as Corporate Accounting Documents Officer of Cerved Group S.p.A., certify, also taking into account the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of February 24, 1998:

- the adequacy in relation to the characteristics of the business enterprise; and
- the effective application of the administrative and accounting procedures for the preparation of the Annual Consolidated Financial Statements during the year from January 1 to December 31, 2019.

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

3 We further certify that:

3,1 The Annual Consolidated Financial Statements:

- were prepared in accordance with the applicable international accounting standards recognized in the European Union pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and Council, of July 19, 2002;
- are consistent with the data in the Company's books of accounts and other accounting records;
- 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 Report on Operations provides a reliable analysis of the Group's performance and result from operations, as well as of the financial position of the issuer and all of the companies included in the scope of consolidation, together with a description of the main risks and uncertainties to which they are exposed.

San Donato Milanese, March 24, 2020

Andrea Mignanelli	*Francesca Perulli*
Chief Executive Officer	Corporate Accounting Documents Officer
(Signed on the original)	(Signed on the original)

3 Financial Statements at December 31, 2019

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Statement of comprehensive income

(in euros)	Notes	At December 31, 2019	At December 31, 2018 *Restated*
Revenues	7	298,796,012	294,022,445
- amount with related parties	*41*	*4,593,277*	*2,486,337*
Other income	8	10,637,488	9,482,197
- amount with related parties	*42*	*10,361,680*	*9,125,743*
Total revenues and income		**309,433,500**	**303,504,643**
Cost of raw materials and other materials	9	807,462	837,146
Cost of services	10	87,902,503	77,784,333
- amount from non-recurring transactions	*15*	*5,006,815*	*2,006,426*
- amount with related parties	*42*	*18,702,084*	*12,048,169*
Personnel costs	11	78,933,593	73,199,568
- amount from non-recurring transactions	*15*	*2,479,200*	*2,690,000*
- amount with related parties	*42*	*4,807,946*	*5,138,811*
Other operating costs	12	3,983,922	3,721,752
- amount from non-recurring transactions	*15*	*602,368*	*564,558*
- amount with related parties	*42*	*35,105*	*-*
Impairment of receivables and other provisions	13	2,793,428	2,612,208
Depreciation and amortization	14	59,625,254	60,794,586
Operating profit		**75,387,337**	**84,555,051**
Income from/(charges for) investments in associates	16	(2,251,551)	457,449
- amount from non-recurring transactions	*16*	*(2,709,000)*	*-*
Financial income	17	1,237,234	1,333,845
- amount with related parties	*42*	*1,148,508*	*1,292,213*
Financial charges	18	(17,409,710)	(17,662,060)
- amount from non-recurring transactions	*15*	*-*	*(555,800)*
- amount with related parties	*42*	*(54,146)*	*(22,590)*
Financial income/(charges), net		**(18,424,027)**	**(15,870,766)**
Profit before taxes		**56,963,310**	**68,684,285**
Income taxes	19	(15,432,948)	10,586,176
Result for the year		**41,530,362**	**58,098,109**
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		*(263,259)*	*(372,874)*
- Tax effect		*63,182*	*89,490*
- Hedge accounting gains/(losses)		*(1,869,386)*	*(2,428,609)*
- Tax effect		*448,637*	*665,441*
- Gains/(Losses) from the measurement of investments at fair value through OCI		*385,339*	*-*
- Tax effect		*(200,481)*	*-*
Comprehensive net profit		**40,544,395**	**56,051,557**

Statement of financial position

(in euros)	Notes	At December 31, 2019	At December 31, 2018 Restated
ASSETS			
Non-current assets			
Property, Plant and Equipment	20	46,701,075	46,604,957
Intangible assets	21	308,033,907	334,252,869
Goodwill	22	705,988,475	705,988,475
Investments in associates	23	97,203,914	64,467,901
Other non-current financial assets	24	95,641,361	65,967,244
- amount with related parties	*42*	*88,750,000*	*59,500,000*
Total non-current assets		**1,253,568,733**	**1,217,281,446**
Current assets			
Inventory			
Trade receivables	25	110,541,824	103,177,751
- amount with related parties	*42*	*1,963,227*	*910,139*
Tax receivables	26	6,077,863	10,274,173
Other	27	16.002.169	12.715.590
receivables	*27*	*16,002,169*	*12,715,590*
- amount with related parties	*42*	*14,503,559*	*11,258,467*
Other current assets	28	12,212,543	12,999,651
Total current assets		**210,257,814**	**172,190,103**
TOTAL ASSETS		**1,463,826,547**	**1,389,471,549**
Share Capital	30	50,521,142	50,521,142
Statutory reserve	30	10,104,228	10,090,000
Additional Paid-in Capital	30	468,436,058	470,354,035
Other Reserves	30	(55,004,975)	(62,743,289)
Net profit attributable to owners of the parent		41,530,362	58,098,109
TOTAL SHAREHOLDERS' EQUITY		**515,586,816**	**526,319,997**
Non-current liabilities			
Non-current loans	31	583,158,081	576,604,826
Employee benefits	33	7,767,300	7,791,642
Provisions for risks and charges	34	4,103,370	4,607,320
Other non-current liabilities		737,115	737,115
Deferred tax liabilities	35	69,366,164	75,729,389
Total non-current liabilities		**665,132,030**	**665,470,292**
Current liabilities			
Current loans	31	132,437,557	51,894,761
- amount with related parties	*42*	*126,560,436*	*36,544,587*
Trade payables	36	33,773,197	32,383,740
- amount with related parties	*42*	*9,232,097*	*2,809,740*
Current tax payables	37	7,489,633	63,951
Other tax payables	38	2,530,716	8,855,504
Other liabilities	39	106,876,597	104,483,303
- amount with related parties	*42*	*4,194,279*	*2,618,547*
Total current liabilities		**283,107,700**	**197,681,260**
TOTAL LIABILITIES		**948,239,731**	**863,151,552**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,463,826,547**	**1,389,471,549**

Statement of cash flows

(in euros)	Notes	At December 31, 2019	At December 31, 2018 *Restated*
Profit before taxes		56,963,310	68,984,000
Depreciation and amortization	14	59,625,254	60,794,406
Accrual to the provision for impairment of receivables	13	2,993,675	2,434,965
Accrual to the provisions for risks	13	(200,247)	177,243
Cost for Performance Share Plans	11	6,485,630	3,966,000
Income from/(charges for) investments in associates	16	2,251,551	-
Net financial charges/(income)	17/18	16,172,476	15,871,409
Cash flow from/(used in) operating activities before changes in working capital		**144,291,649**	**152,229,613**
Change in operating working capital		(13,229,568)	(7,461,694)
Change in other working capital items		6,973,686	9,937,067
Change in provisions		(545,287)	(1,690,568)
Cash flow from changes in working capital		**(6,801,169)**	**784,805**
Income taxes paid		(19,045,330)	(29,502,000)
Cash flow from/(used in) operating activities		**118,445,150**	**123,512,418**
Additions to property, plant and equipment	20	(3,231,482)	(4,413,000)
Additions to intangible assets	21	(25,863,274)	(29,950,000)
Disposals of intangible assets and property, plant and equipment	20/21	-	201,000
Financial income	16	1,237,234	1,334,000
Dividends received	16	457,449	457,000
Financing provided to investee companies		(28,800,044)	(25,839,731)
Acquisitions of equity investments		(34,052,597)	(19,967,093)
Cash acquired through Cerved Group merger		-	67,111,000
Cash acquired through Consit merger		-	359,000
Change in other non-current financial assets		-	-
Cash flow from/(used in) investing activities		**(90,252,714)**	**(10,707,824)**
Dividends paid		(58,498,307)	(52,724,095)
Change in short-term financial debt		87,527,608	4,284,520
Utilization of Revolving Line	31	-	10,000,000
Repayment of Revolving Line		(10,000,000)	-
Charges incurred to amend the terms of the Senior Loan		-	(1,000,000)
Purchase of Treasury Shares	30	(703,925)	(29,296,000)
Interest paid		(14,047,335)	(13,616,409)
Cash flow from/(used in) financing activities		**4,278,042**	**(82,351,984)**
Net change in cash and cash equivalents		**32,470,477**	**30,452,610**
Cash and cash equivalents at the beginning of the period	29	33,022,938	2,570,390
Cash and cash equivalents at the end of the period	29	65,493,415	33,023,000
Difference		**32,470,477**	**30,452,610**

Statement of changes in shareholders' equity

(in euros)	Share Capital	Statutory reserve	Additional Paid-in Capital	Other Reserves	Net profit	Total shareholders' equity
Balance at December 31, 2015	**50,450,000**	**10,090,000**	**487,520,910**	**(24,687)**	**38,319,691**	**586,355,913**
Appropriation of result				38,319,691	(38,319,691)	-
Dividend distribution			(6,630,000)	(38,220,000)		(44,850,000)
Performance Share Plan				679,891		679,891
Total transactions with owners			**(6,630,000)**	**779,582**	**(38,319,691)**	**(44,170,109)**
Net profit					42,516,271	42,516,271
Actuarial gains/(losses) on defined-benefit plans for employees, net of tax effect				(54,698)		(54,698)
Comprehensive net profit				**(54,698)**	**42,516,271**	**424,615,776**
Balance at December 31, 2016	**50,450,000**	**10,090,000**	**480,890,910**	**700,196**	**42,516,272**	**584,647,378**
Appropriation of result				42,516,272	(42,516,272)	-
Dividend distribution				(42,510,000)		(42,510,000)
Distribution of reserves			(5,655,000)			(5,655,000)
Performance Share Plan				1,819,695		1,819,695
Total transactions with owners			**(5,655,000)**	**1,825,967**	**(42,516,272)**	**(46,345,305)**
Net profit					48,434,906	48,434,906
Actuarial gains/(losses) on defined-benefit plans for employees, net of tax effect				10,695		10,695
Comprehensive net profit				**10,695**	**48,434,906**	**48,445,601**
Balance at December 31, 2017	**50,450,000**	**10,090,000**	**475,235,910**	**2,536,858**	**48,434,906**	**586,747,674**
Impact of first-time adoption of IFRS 16				(715,944)		(715,944)
Balance at December 31, 2018 Restated	**50,450,000**	**10,090,000**	**475,235,910**	**1,820,914**	**48,434,906**	**586,031,730**
Deficit of Cerved Group S.p.A. merger				(62,531,675)		(62,531,675)
Surplus of Consit Italia S.p.A. merger	71,142			23,736,840		23,807,982
Total impact of Cerved Group / Consit merger	**50,521,142**	**10,090,000**	**475,235,910**	**(36,973,921)**	**48,434,906**	**547,308,037**
Appropriation of result				48,434,906	(48,434,906)	-
Dividend distribution				(47,842,370)		(47,842,370)
Distribution of reserves			(4,881,874)			(4,881,874)
Performance Share Plan				4,980,653		4,980,653
Purchase of Treasury Shares				(29,296,005)		(29,296,005)
Total transactions with owners	**-**	**-**	**(4,881,874)**	**(23,722,816)**	**(48,434,906)**	**(77,039,596)**
Net profit					58,098,109	58,098,109
Actuarial gains/(losses) on defined-benefit plans for employees, net of tax effect				(2,046,552)		(2,046,552)
Comprehensive net profit	**-**	**-**	**-**	**(2,046,552)**	**58,098,109**	**56,051,557**
Balance at December 31, 2018 Restated	**50,521,142**	**10,090,000**	**470,354,036**	**(62,743,289)**	**58,098,109**	**526,319,998**

(in euros)	Share Capital	Statutory reserve	Additional Paid-in Capital	Other Reserves	Net profit	Total shareholders' equity
Balance at December 31, 2018 *Restated*	**50,521,142**	**10,090,000**	**470,354,036**	**(62,743,289)**	**58,098,109**	**526,319,998**
Appropriation of result				58,098,109	(58,098,109)	-
Portion in statutory reserve		14,228		(14,228)		-
Dividend distribution			(1,917,977)	(56,580,332)		(58,498,309)
Performance Share Plan				7,924,659		7,924,659
Purchase of Treasury Shares				(703,925)		(703,925)
Total transactions with owners	**-**	**14,228**	**(1,917,977)**	**8,724,282**	**(58,098,109)**	**(51,277,576)**
Net profit					41,530,362	41,530,362
Other changes in statement of comprehensive income				(985,969)		(985,969)
Comprehensive net profit	**-**	**-**	**-**	**(985,969)**	**41,530,362**	**40,544,394**
Balance at December 31, 2019	**50,521,142**	**10,104,228**	**468,436,059**	**(55,004,976)**	**41,530,362**	**515,586,816**

Cerved Group S.p.A. Notes to the Statutory Financial Statements at December 31, 2019

1 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 at Via dell'Unione Europea 6/A-B, in San Donato Milanese (Milan), and organized in accordance with the laws of the Italian Republic.

Cerved Group is a management and operational holding company that heads the Cerved Group, representing the main reference point in Italy for the management, processing and distribution of legal, accounting, commercial and economic/financial information. The products and services offered by the Company enable its customers, mainly businesses and financial institutions, to assess the solvency, credit worthiness and economic/financial structure of their commercial counterparties or customers, so as to optimize their credit risk management policies, accurately define their marketing strategies and assess the position of competitors in their target markets.

This document was prepared by the Company's Board of Directors, meeting on March 24, 2020, for approval by the Shareholders' Meeting scheduled for May 20, 2020. The Board of Directors authorized the Chairman and the Chief Executive Officer to make any changes to the financial statements that may be necessary or appropriate for completing the presentation of this document in the period between March 24, 2020, and the date when it will be approved by the Shareholders' Meeting.

These Statutory Financial Statements were audited by PricewaterhouseCoopers S.p.A., the Company's Independent Auditors.

2 OVERVIEW OF THE ACCOUNTING STANDARDS

The main criteria and accounting standards applied to prepare the Statutory Financial Statements are reviewed below.

2.1 BASIS OF PREPARATION

These Financial Statements were prepared in accordance with the going concern assumption, the Directors having verified the absence of any financial, operational or other indicators signalling the existence of issues concerning the Company's ability to meets its obligations in the foreseeable future and over the next 12 months specifically. A description of the methods by which the Company manages financial risks is provided in Note 49 "Financial Risk Management."

The financial statements were prepared based on the IFRS international accounting standards, understood to include all "International Financial Reporting Standards," all "International Accounting Standards" (IAS) and all interpretations issued by the "International Financial Reporting Interpretations Committee" (IFRIC), previously called "Standing Interpretations Committee" (SIC) that, on the date of these annual financial statements, had been adopted by the European Union in accordance with the procedure required by Regulation (EC) No. 1606/2002 of July 19, 2002 of the European Parliament and the European Council.

These Financial Statements are denominated in euros, which is the Company's functional currency.
Unless otherwise stated, the amounts listed in this document are presented in thousands of euros.

The financial statement presentation format and the corresponding classification criteria adopted by the Company among the options provided by IAS 1 "Presentation of Financial Statements" are reviewed below:

- the statement of financial position was prepared with assets and liabilities classified separately in accordance with the "current/non-current" criterion;
- the statement of comprehensive income is presented with operating expenses classified by nature and includes, in addition to the profit (loss) for the year, the other changes to components of shareholders' equity caused by transactions executed with parties other than the Company's owners;
- the statement of cash flows was prepared showing the cash flow from operating activities in accordance with the "indirect method."

In addition, pursuant to Consob Resolution No. 15519 of July 28, 2006, within the income statement, income and expenses from non-recurring transactions are identified separately; similarly, the financial statements show separately any balances related to receivable/payable positions and transactions with related parties, which are further described in the section of the Notes to the financial statements entitled "Transactions with related parties."

The Financial Statements were prepared based on the conventional historical cost criterion, except for the measurement of financial assets and liabilities in those cases in which the use of the fair value criterion is mandatory.

2.2 VALUATION CRITERIA

An overview of the most significant accounting standards and valuation criteria used to prepare these Financial Statements is provided below.

Property, Plant and Equipment

Items of property plant and equipment are recognized in accordance with the cost criterion and booked at their acquisition cost or production cost, including any directly attributable incidental costs necessary to make the asset ready for use, any decommissioning and removal costs that will be incurred as a result of contractual commitments to restore an asset to its original condition and any financial expense directly attributable to the asset's acquisition, construction or production.

Costs incurred for ordinary maintenance and ordinary and/or cyclical repairs are recognized directly in profit or loss for the year in which they are incurred. The capitalization of costs incurred for expanding, modernizing or upgrading structural elements owned by the Company or received in use from third parties is carried out exclusively to the extent that the aforementioned costs meet the requirements for classification as separate assets or part of an asset in accordance with the component approach.

Property, plant and equipment, with the exception of land, is depreciated systematically each year on a straight-line basis, in accordance with the remaining useful lives of the assets, determined based on the remaining possibility of the use of the assets. If the asset being depreciated is comprised of components identifiable separately with useful lives that are materially different from those of the other components of the asset, each asset component is depreciated separately in accordance with the component approach principle.

Depreciation starts when an asset is ready for use, based on the moment when this condition is effectively met.

The estimated useful lives of the different components of property, plant and equipment are as follows:

	Estimated useful life
Buildings	33 years
Electronic office equipment	3-5 years
Furniture and fixtures	8 years
Other assets	2-10 years

The useful lives of the components of property plant and equipment are reviewed and updated as needed and at least at the end of each reporting year. If, irrespective of the accumulated depreciation recognized, the value of an item of property, plant and equipment is impaired, the asset is written down. If in subsequent years the reasons for the impairment no longer apply, the original value is reinstated. The residual values and useful lives of assets are reviewed at the end of each reporting period and, if necessary, appropriate adjustments are made.

Gains and losses on asset disposals are determined by comparing the sales consideration with the asset's net carrying amount. The amount thus determined is recognized in profit or loss in the corresponding year.

Lease

On the date of entering into a contract, the company verifies whether the contract contains or represents a lease, i.e. whether it confers the right to control the use of an identified asset for a specified period of time in return for payment. This right exists if the right to substantially obtain all the economic benefits deriving from the use of the asset and the right to direct its use are held over the period of use. At the commencement date of the lease contract (i.e. the date on which the asset is made available for use), the lessee shall recognise, in the balance sheet, an asset representing the right to use of the asset (hereinafter also referred to as "right-of-use asset"), and a liability representing the obligation to make payments under the contract (hereinafter also referred to as the "lease liability"). In particular, the lease liability is initially recognised at an amount equal to the present value of the following lease payments not yet made at the start date: (i) fixed (or substantially fixed) payments, net of any inducements to receive; (ii) variable payments that depend on indices or rates; (iii) an estimate of the payment to be made by the lessee as security for the residual value of the leased asset; (iv) payment of the exercise price of the purchase option, if the lessee is reasonably certain to exercise the option; and (v) payment of contractual penalties for termination of the lease, if the lessee is reasonably certain to exercise the option. The present value of the above payments is calculated using a discount rate equal to the interest rate implicit in the lease or, if this cannot be easily determined, using the lessee's incremental financing rate. The latter is defined mainly taking into account the duration of the leasing contracts.
After initial recognition, the lease liability is measured at amortised cost and is restated, generally as a contra-entry to the carrying amount of the related right-of-use asset, in the presence of a change in the payments due for the lease, essentially as a result of: (i) contract renegotiations that do not represent a separate lease; (ii) changes in indices or rates (to which variable payments are related); or (iii) changes in the valuation of the exercise of contractually agreed options (options to purchase the leased asset, options to extend or terminate the contract).
The right to use a leased asset is initially recognised at cost, determined as the sum of the following components: (i) the initial amount of the lease liability; (ii) the initial direct costs incurred by the lessee; (iii) any payments made at or before the commencement date, net of any incentives received from the lessor; and (iv) an estimate of the costs that the lessee expects to incur in decommissioning, removing the underlying asset and clearing the site or restoring the asset to the condition under the contract. After initial recognition, the right-of-use asset is adjusted to take account of accumulated depreciation, any accumulated impairment losses and the effects of any restatements of the lease liability.
The determination of the reasonable certainty of whether or not to exercise an extension and/or termination option under a lease contract is the result of a process that involves complex judgements on the part of manage-

ment. In this regard, the reasonable certainty of exercising these options is verified at the commencement date, considering all the facts and circumstances that generate an economic incentive to exercise them, as well as when significant events or changes occur in the circumstances that are under the lessee's control and that influence the valuation previously made.

Intangible Assets

Intangible assets are identifiable non-monetary assets without physical substance, controllable and capable of generating future economic benefits. These assets are initially recognized at their purchase and/or production costs, inclusive of directly attributable expenses incurred to make the asset ready for use. Any interest expense accrued during and for the development of intangible assets is deemed to be part of the acquisition cost. Specifically, the following main intangible assets are recognized within the Group:

(a) Goodwill

Goodwill is classified as an intangible asset with an indefinite useful life and is initially recognized at cost, as described above, and subsequently measured, at least once a year, to determine the existence of any impairment ("impairment test"). The value of goodwill cannot be reinstated after it has been written down due to impairment.

(b) Other Intangible Assets with a Finite Useful Life

Intangible assets with a finite useful life are recognized at cost, as described above, net of accumulated amortization and any impairment losses.

Software Development Costs

Costs incurred internally to develop new products and services constitute intangible assets (mainly software costs), but are recognized as such only if all of the following conditions can be met: i) the cost attributable to the development activities can be determined reliably; ii) the Company has the intention, the availability of financial resources and the technical capabilities to make the asset ready for use or sale; and iii) it can be demonstrated that the asset is capable of producing future economic benefits. Capitalized development costs shall include only incurred expenses that can be directly attributed to the process of developing new products and services.

Database Costs

Costs incurred to acquire financial information (databases) are recognized as an intangible asset only to the extent that, for these costs, the Group can measure reliably the future benefits deriving from the acquisition of the information comprising the asset.

Other Intangible Assets with a Finite Useful Life

Other intangible assets with a finite useful life acquired or internally produced are recognized among the Company's assets, in accordance with the provisions of IAS 38 (Intangible Assets), when it is probable that their use will generate future economic benefits and the cost of the asset can be determined reliably. These assets are recognized at their purchase or production cost and amortized on a straight-line basis over their estimated useful lives; the amortization rates are reviewed each year and are changed when the currently estimated useful life differs from the one estimated previously. The effects of such changes are recognized prospectively in the separate income statement.

Amortization begins when an asset is available for use and is allocated systematically based on the remaining available use of the assets, which corresponds to its remaining useful life. The useful lives estimated by the Company for the different categories of intangible assets are shown below:

	Estimated useful life
Trademarks	10-20 years
Customer Relationships	5-18 years
Software owned and licensed for internal use	2-10 years
Databases	3-4 years

Intangible Assets from Business Combinations

The main intangible assets recognized in connection with business combinations include:

- Trademarks, the value of which was determined using the relief-from-royalty method;
- Customer Relationships, which represents the set of multi-year commercial relationships established by the Group with corporate customers and credit institutions through the offer of business information services, the development of risk assessment models and the supply of sundry services, the value of which was determined by the Multi-period Excess Earnings Method;
- Databases, which refers to the value of the information owned by the Cerved Group and used to deliver products and services. The cost was determined using the relief-from-royalty method;

Impairment of Property, Plant and Equipment and Intangible Assets

(a) Goodwill

As mentioned earlier in these Notes, goodwill is tested for impairment annually or more often when indicators show that its value may have been impaired.

An impairment test is performed for each "Cash Generating Unit" or "CGU" to which Goodwill has been allocated and the value is monitored by management. Any impairment of goodwill's value is recognized whenever goodwill's recoverable value is lower than its carrying amount. Recoverable value shall be understood to mean the greater of the fair value of the CGU, net of cost to sell, and its value in use, understood to mean the present value of the estimated future cash flows from the asset in question. In determining value in use, the expected future cash flows are discounted to present value using a pre-tax discount rate that reflects current market valuation of the cost of money, in relation to the investment period and taking into account the asset's specific risks. If the impairment loss resulting from the impairment test is greater than the value of the goodwill allocated to the CGU, the remaining excess is allocated to the assets included in the CGU in proportion to their carrying amount. The bottom limit of this allocation is represented by the largest of the following amounts:

- the fair value of the asset, net of cost to sell;
- its value in use, as defined above;
- zero.

The original value of goodwill cannot be reinstated even if the factors that caused its impairment are no longer applicable.

(b) Intangible Assets with a Finite Useful Life and Property Plant And Equipment

On each reference date of the financial statements, a check is performed to determine whether there are indicators that items of property plant and equipment and intangible assets may have been impaired. Both internal and external information sources are used for this purpose. With regard to internal sources, the following are taken into account: the obsolescence or physical deterioration of an asset, any material changes in the use of the asset and the asset's economic performance compared with expectations. Insofar as external sources are concerned, the following is taken into consideration: trends in market prices for the assets, any technological, market or regulatory discontinuities and trends in market interest rates or the cost of capital used to value investments.

If the presence of such indicators is detected, an estimate is made of the recoverable value of the aforementioned assets, recognizing any write-downs of their carrying amounts in profit or loss. The recoverable value of an asset is the greater of its fair value, net of cost to sell, and its value in use, understood to mean the present value of the estimated future cash flows from the asset in question. In determining value in use, the expected future cash flows are discounted to present value using a pre-tax discount rate that reflects current market valuation of the cost of money, in relation to the investment period and taking into account the asset's specific risks. For an asset that does not generate largely independent cash flows, the recoverable value is determined in relation to the cash generating unit to which the asset belongs.

An impairment loss is recognized in profit or loss when the carrying amount of the asset or the CGU to which the asset is allocated is greater than its recoverable value. Impairment losses suffered by a CGU are recognized first as a reduction of the carrying amount of any goodwill allocated to the CGU and then as a deduction from the other assets, in proportion to their carrying amounts and up to the corresponding recoverable values. If the reasons that justify an earlier impairment no longer apply, the carrying amount of the asset is reinstated, with recognition in profit or loss, up to the net carrying amount that the assets in question would have had if it had not been written down and had been regularly depreciated or amortized.

Financial Instruments

(c) Financial assets – Debt Instruments

Based on the characteristics of the financial instrument and the corresponding management business model adopted, financial assets that represent debt instruments are classified into the following three categories: (i) financial assets valued at amortized cost; (ii) financial assets measured at fair value through other components of comprehensive income (hereinafter also OCI); and (iii) financial assets measured at fair value through profit or loss.

Initial recognition is made at fair value; for trade receivables that lack a significant financial component, the initial recognition value is the transaction price.

Subsequent to initial recognition, financial assets that generate contractual cash flows consisting exclusively of principal and interest are valued at amortized cost if held for the purpose of collecting the contractual cash flows (so-called hold to collect business model). Under the amortized cost model, the initial recognition value is then adjusted to reflect principal repayments, any impairment losses and the amortization of the difference between the repayment amount and the initial recognition amount.

Amortization is carried out based on the effective internal interest rate, which represents the rate which, at the moment of initial recognition, makes the present value of the expected cash flows equal to the initial recognition value.

Receivables and other financial assets valued at amortized cost are shown in the statement of financial position net of the corresponding provision for impairment.

Financial assets that represent debt instruments whose business model allows for the option of both collecting the contractual cash flows and generating a gain through a sale (so-called hold to collect and sell business model) are measured at fair value through OCI (hereinafter also FVTOCI).

In such cases, any changes in the fair value of the financial instrument are recognized in equity among other components of comprehensive income. The cumulative amount of the changes in fair value, posted to the equity reserve where other components of comprehensive income are recognized, is reversed into profit or loss when the instrument is derecognized. Interest income computed using the effective interest rate, foreign exchange difference and impairment

losses are recognized in profit or loss.
A financial asset representative of a debt instrument that is not valued at amortized cost or FVTOCI is measured at fair value with the effects recognized in profit or loss (hereinafter FVTPL); financial assets held for trading belong to this category.
When the purchase or sale of financial assets is executed through a contract that calls for the transaction to be settled and the asset to be delivered within a specific number of days, determined by the market government entity or in accordance with market practice, the transaction is recognized on the settlement date.
When financial assets are sold, they are eliminated from the statement of financial position upon the expiration of the contractual rights connected with obtaining the cash flows associated with the financial instrument or if the rights are transferred to a third party.

(d) Impairment of Financial Assets

The assessment of the recoverability of financial assets representative of debt instruments that are not measured at fair value through profit or loss is made in accordance with the so-called "Expected Credit Loss Model."
More specifically, expected losses are generally determined as the combined result of the following factors: (i) the exposure existing with the counterparty net of mitigating factors (so-called "Exposure at Default"); (ii) the probability that the counterparty will default on its payment obligation (so-called "Probability of Default"); (iii) an estimate, stated in percentage terms, of the quantity of the receivable that may not be recoverable in the event of default (so-called "Loss Given Default"), defined based on past experience and possibly available collection efforts (e.g., out-of-court settlements, judicial disputes, etc.).
Taking into consideration the characteristics of the regulated markets, credit exposures deemed to be in default are exposure that are more than 90 days past due or, in any case, credit exposures that are in dispute or are the subject of restructurings or renegotiations. Exposures in dispute are exposures for which credit recovery actions through legal/judicial proceedings have been activated or are being activated.
Impairments of trade receivables and other receivables are recognized in the income statement, net of any recoveries, under "Impairment of receivables and other provisions."

(e) Minority Equity Interests

Financial assets representative of minority equity interests, when not held for trading, are measured at fair value through the equity reserve to which the other components of comprehensive income are posted, with no expectation of their reversal into profit or loss when realized.
Dividends originating from these equity interests are recognized in the income statement under "Financial income." The valuation at cost of a minority equity interest is allowed when cost represents an adequate estimate of its fair value.

INVESTMENTS IN SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

Subsidiaries are those companies over which the Company, directly or indirectly, has the right to exercise control, as defined in IFRS 10 "Consolidated Financial Statements." For the purpose of assessing the existence of control, all three of the following requirements must be satisfied:

(i) power over the company;
(ii) exposure to the risks or rights deriving from the variable returns entailed by its involvement;
(iii) ability to influence the company so as to influence the investor's results (positive or negative).

Control can be exercised either by virtue of the direct or indirect possession of a majority of the shares with voting rights or by virtue of contractual stipulations or statutory provisions, irrespective of share ownership. The existence of any potential voting rights exercisable on the date of the financial

statements is taken into account to determine control.
As a rule, control is presumed to exist when a company holds, directly or indirectly, more than half of the voting rights.

An associated entity is an investee company over which the investor company has a significant influence, i.e., the power to participate in determining the financial and operating policies of the investee, but does not have control or joint control over it. The investor company is presumed to have a significant influence (unless it can be proven otherwise), if it holds, directly or indirectly through subsidiaries, at least 20% of the votes that can be cast at an Ordinary Shareholders' Meeting of the investee company.
A joint venture is a joint arrangement in which the parties that have joint control have rights to the net assets of the agreement and therefore have a stake in the jointly-controlled vehicle company.

The value of investments in subsidiaries, associated companies and joint ventures are classified as non-current assets and recognized at cost, written down for any impairment loss. Impairment losses are recognized in the statement of comprehensive income. Any incidental costs incurred in connection with acquisitions of equity investments are charged to the income statement when incurred. If there is objective evidence of impairment, recoverability is tested by comparing the carrying value with the recoverable amount, represented by the greater of the asset's fair value (net of cost to sell) or its value in use.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, available bank deposits and other forms of short-term investments with an original maturity equal to or shorter than three months. Items included in cash and cash equivalents are measured at fair value and any changes are recognized in profit or loss.

TRANSACTIONS IN CURRENCIES DIFFERENT FROM THE FUNCTIONAL CURRENCY

Transactions in currencies different from the functional currency are translated into euros at the exchange rate on the transaction date. Assets and liabilities existing at the end of the reporting period are translated into euros at the exchange rate on the reference date of the statement of financial position. Foreign exchange differences arising from the translation at the year-end exchange rate compared with the transaction's exchange rate are recognized in profit or loss.

SHAREHOLDERS' EQUITY

Share Capital
This item represents the par value of the capital contributions provided by shareholders.
Additional Paid-in Capital
This item represents the amounts received by the Company for the issuance of shares at a price greater than their par value.
Other Reserves
This item includes the most commonly used reserves, which can have a generic or specific destination. As a rule, they do not derive from results of previous years.
Retained Earnings
This item reflects net results of previous years that were not distributed or posted to other reserves or losses that have not been replenished.

BORROWINGS AND OTHER FINANCIAL LIABILITIES

Borrowings and other financial liabilities are initially recognized at fair value, net of directly attributable incidental costs, and are later valued at amortized cost, by applying the effective interest rate method. If there is a change in the estimate of the expected cash flows, the value of the liability is recomputed to reflect this change, based on the present value of the new expected cash flows and the internal effective rate initially determined. Financial lia-

bilities are classified into current liabilities, except for those with a contractual maturity of more than 12 months form the date of the financial statements and those for which the Company has an unconditional right to defer their payment by at least 12 months past the end of the reporting period.
Financial liabilities are recognized on the date the corresponding transactions are executed and are removed from the financial statements when they are extinguished or after the Company has transferred all of the risks and charges inherent in the financial instruments.

DERIVATIVES

Financial derivatives, including embedded derivatives, are assets and liabilities that are recognized at fair value.
Within the framework of the strategy and objectives defined for risk management purposes, the qualification of transactions as hedges requires: (i) verification of the existence of an economic relationship between the hedged item and the hedging instrument sufficient to balance the corresponding changes in value and this relationship is not nullified by the counterparty's level of credit risk; and (ii) the definition of a hedge ratio consistent with the risk management objectives, within the framework of the defined risk management strategy, executing, when necessary, appropriate rebalancing actions. Any changes to the risk management objectives, the failure to continue meeting the requirements mentioned above to qualify the transactions as hedges or the execution of rebalancing transactions determine the total or partial prospective discontinuation of the hedging.
When hedging derivatives hedge the risk of changes in the value of the hedged instruments (fair value hedge; e.g., hedging for the variability of the fair value of fixed-rate assets/liabilities), derivatives are measured at fair value through profit or loss; consequently, the hedged instruments are adjusted to reflect in the income statement the changes in fair value associated with the hedged risk, irrespective of the availability of a different valuation criterion generally applicable to the type of instrument in question.
When derivatives hedge the risk of changes in the cash flows generated by the hedged instruments (cash flow hedge; e.g., hedging for the variability of the cash flows of assets/liabilities due to fluctuations in interest rates or foreign exchange rates), any changes in the fair value of derivatives deemed effective are initially recognized in the equity reserve for other components of comprehensive income and subsequently posted to the income statement consistent with the economic effects produced by the hedged transaction. When hedging future transactions that entail the recognition of a non-financial asset or liability, the cumulative amount of the changes in the fair value of the hedging derivatives, recognized in equity, is applied to restate the initial recognition value of the hedged non-financial asset or liability (so-called basis adjustment).
The ineffective portion of the hedge is recognized in the income statement under "Financial income and charges."
Changes in the fair value of derivatives that do not meet the conditions to qualify as hedges, including any ineffective components of hedging derivatives, are recognized in profit or loss. More specifically, changes in the fair value of interest rate and foreign exchange rate non-hedging derivatives are recognized in the income statement under "Financial income and charges."
Derivatives embedded in financial assets are not separated for accounting purposes; in such instances, the complete hybrid instrument is classified in accordance with the general classification criteria of financial assets. Derivatives embedded in financial liabilities and/or non-financial assets are separated from the main contract and recognized separately if the embedded instrument: (i) meets the requirements to qualify as a derivative; (ii) as a whole, it is not valued at fair value through profit or loss (FVTPL); (iii) if the characteristics and risks of the derivative are not closely linked with those

of the main contract. The verification of the existence of embedded derivatives that must be detached and valued separately is made at the moment when the entity becomes a party to the contract and, subsequently, when the terms of the contract are amended in a manner that creates significant changes in the cash flows generated by the contract.

EMPLOYEE BENEFITS

Short-term benefits include wages, salaries, the corresponding social security obligations, unused vacation indemnities and incentives awarded in the form of bonuses payable within 12 months from the date of the financial statements. These benefits are accounted for as components of personnel costs in the period during which the employment services are rendered.
Post-employment benefits consist of two types: defined-contribution plans and defined-benefit plans.
In defined-contribution plans, contribution costs are recognized in profit or loss when incurred, based on the respective face value.
In defined-benefit plans, which include the provision for severance indemnities owed to employees pursuant to Article 2120 of the Italian Civil Code (the "TFR"), the amount of the benefit payable to an employee can be quantified only after the end of the employment relationship and is tied to one or more factors that include age, years of service and compensation level; consequently, the corresponding cost is recognized on an accrual basis in the statement of comprehensive income based on an actuarial computation. The liability recognized in the financial statements for defined-benefit plans corresponds to the present value of the obligation on the date of the financial statements. Obligations under defined-benefit plans are determined each year by an independent actuary using the Projected Unit Credit Method.
The present value of a defined-benefit plan is determined by discounting future cash flows at a rate equal to that of high-quality corporate bonds issued in euros and taking into account the duration of the corresponding pension plan.

With regard to the classification of the costs for vested TFR benefits, cost for service are recognized under "Personnel costs," while interest costs are shown under "Financial charges" and changes in actuarial gains/losses are included in other components of comprehensive income.

SHARE-BASED COMPENSATION PLANS

The "Performance Share Plan" approved by the Parent Company's Board of Directors on March 16, 2018 should be treated as involving share-based payments in exchange for the services provided by a beneficiary over the duration of the Plan and is accounted for in accordance with the provisions of IFRS 2 (Share-based Payments).

According to IFRS 2, these plans represent a component of the compensation earned by the beneficiaries; consequently, the cost of plans that call for payments in equity instruments is the fair value of those instruments on the grant date and is recognized under "Personnel costs," for Company employees, and under "Investments in associates," for employees of the subsidiaries, over the period from the grant date to the vesting date, with the offsetting entry posted to a "Reserve for performance shares."

The Plan is deemed to be equity settled.

On the grant date, the Plan's fair value is determined taking into account only the effects of future market conditions (market condition – "TSR Target"). Other conditions require that the beneficiary completes a predetermined length of service (service condition) or the achievement of predetermined earning growth targets (performance condition – "PBTA Target") and are taken into account only for the purpose of allocating the cost over the length of the Plan and for the Plan's final cost.

The cost for each one of these conditions is determined by multiplying the fair value for the number of performance shares that, for each condition, are expected to vest at the end of the vesting period. The estimate depends on the hypotheses regarding the number of beneficiaries that are expected to satisfy the service condition and the probability of satisfaction of the non-market performance condition ("PBTA").

The cost for each one of the Plan's conditions is recognized by the entity that employs the beneficiary proportionately over the vesting period and, on each reporting date, the entity recognizes the cost by including it in "Personnel costs," with the offsetting entry posted to an equity reserve called "Reserve for Performance Shares."

The estimate of the number of Performance Shares that will be expected to vest at the end of the vesting period is revised on each reporting date until expiration of the vesting period, when the final number of Performance Shares earned by the beneficiaries will be determined (the fair value is never redetermined over the Plan's duration).

If the initial estimate of the number of Performance Shares is revised, the change is computed by determining an estimate of the cost accumulated up to that point and recognizing the effects in the income statement, net of any previously recognized accumulated cost. Please note that, by virtue of the adoption of IFRS 2, the failure to fulfil the TSR market condition does not determine the remeasuring of the Plan's cost.

PROVISIONS FOR RISKS AND CHARGES

The provisions for risks and charges are recognized to cover losses and charges of a determined nature, the existence of which is certain or probable, but the amount and/or date of occurrence of which cannot be determined. These provisions are recognized only when there is a current statutory or constructive obligation that will cause a future outflow of economic resources as a result of past events and it is probable that the aforementioned outflow will be required to fulfil the obligation. The amount of the provisions represents the best estimate of the charge required to extinguish the obligation.
Risks for which the occurrence of a liability is only possible are listed in a separate disclosure of contingent liabilities (see Note 35) and no provision is set aside to cover them.

TRADE PAYABLES AND OTHER LIABILITIES

Trade payables and other liabilities are initially recognized at fair value, net of directly attributable incidental costs, and later measured by the amortized cost method, by applying the effective interest rate criterion.

SEGMENT INFORMATION

Information about the sectors of activity was prepared in accordance with IFRS 8 "Operating Segments," which requires that information be presented in a manner consistent with the approach used by management to make operating decisions.
Consequently, the identification of the operating segments and the information presented were defined based on the internal reports used by management for the purpose of allocating resources to the different segments and analysing their performance.
IFRS 8 defines an operating segment as a component of an entity: (i) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), (ii) whose operating results are reviewed regularly by the entity's chief operating decision makers to make decisions about resources to be allocated to the segment and assess its performance, and (iii) for which separate financial in-

formation is available.
The operating segments identified by management, which encompass all of the services and products supplied to customers, are:
(i) Credit Information
(i) Marketing Solutions

REVENUES

The recognition of revenues from contracts with customers is based on the following five steps: (i) identification of the contract with a customer; (ii) identification of the performance obligations represented by the contractual commitment to transfer goods and/or services to a customer; (iii) determination of the transaction's price; (iv) allocation of the transaction's price to the identified performance obligations based on the stand-alone sales price of each good or service; (v) recognition of the revenues when the corresponding performance obligation is satisfied, which coincides with the transfer of the promised good or service to the customer; transfers are deemed to have been completed when the customer obtains control of the good or service, which can occur over time or at a point in time.

More specifically:
- revenues from prepaid subscription contracts are recognized in proportion to consumption, when customers actually use the services. The value of any unused products is recognized as revenues upon the expiration of the contract;
- revenues from subscription contracts with subscription payments are recognized prorated over the length of the contract;
- revenues from consumption-based contracts are recognized when the service is rendered or the product is used, based on the specific rates applicable;
- revenues from the sale of goods are recognized upon transfer of title to the goods.

COSTS

Costs incurred to acquire goods are recognized when all of the risks and benefits inherent in the good being sold are transferred; costs incurred for services received are recognized proportionately to the delivery of the services.

FINANCIAL CHARGES AND INCOME

Financial charges and income are recognized in the statement of comprehensive income when accrued, based on the effective interest rate.

INCOME TAXES

The income taxes shown in the income statement include both current and deferred taxes. Income taxes are recognized in profit or loss. Current taxes are the taxes that the Company expects to pay, computed by applying to taxable income the tax rate in effect at the end of the reporting period.
Deferred taxes are computed by applying the liability method to the temporary differences between the amounts of the assets and liabilities recognized in the financial statements and the corresponding amounts recognized for tax purposes. Deferred taxes are computed based on the method that the Company expects to use to reverse temporary differences, using the tax rate expected to be in effect when the differences will be reversed. Deferred tax assets are recognized only when it is probable that sufficient taxable income will be generated in future years to recover them.

2.3 RECENTLY PUBLISHED ACCOUNTING STANDARDS

Accounting standards Applicable as of January 1, 2019

With effect from January 1, 2019, the new accounting standard IFRS 16 "Leases" came into force, which defines a single model for the recognition of leasing contracts, eliminating the distinction between operating and finance leases. On first-time adoption, the Group chose to apply the new standard retrospectively to January 1, 2018, restating previous years in accordance with IAS 8.

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IFRS 16 was applied to all contracts previously classified as leases under IAS 17 and IFRIC 4 and not to those that were not classified as leases. A description of the main assumptions made on first-time adoption of the new accounting standard is provided in the Notes to the Financial Statements.
Accounting for leasing contracts pursuant to IFRS 16 provides in summary:

The new process of 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 assets 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 aforementioned rights, the lessor shall recognize the effects of the lease in accordance with the provisions of IFRS 16.

Once the existence of a lease has been determined, IFRS 16 requires the initial recognition of the right-of-use (ROU) asset as property, plant and equipment and of a financial liability (hereinafter the "lease liability"), representing the obligation to make the payments provided for in the contract.

The standard provides for the recognition in the income statement, under operating costs, of depreciation of the asset for right of use and, in the financial section, the recognition of interest expense accrued on the lease liability.
The income statement also includes: (i) lease payments under short-term, low-value leases, as permitted in a simplified way by IFRS 16; and (ii) variable lease payments not included in the determination of lease liability (e.g. instalments based on the use of the leased asset).

In the statement of cash flows, the recognition of repayments of the principal portion of the lease liability is shown within the net cash flow from financing activities. Interest expense is recognized in the net cash flow from financing activities.
Consequently, with respect to the provisions of IAS 17 with reference to operating leases, the application of IFRS 16 has had a significant impact on the statement of cash flows, resulting in: (a) an improvement in net cash flow from operating activities that no longer includes payments for non-capitalised lease payments and (b) a deterioration in net cash flow from financing activities that includes payments related to the repayment of the principal of the lease liability and interest payments on the lease liability.

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

(in thousands of euros)		Opening at 01/01/2018	Credit Information IFRS 16
Statement of financial position	Property, plant and equipment (Right of Use)	32,465	32,465
	Financial liabilities	(38,904)	(38,904)
	Deferred income (on grants received from the lessor, as per previous IAS recognition)	1,994	1,994
	Accrued liabilities (from linearization of rents, as per previous IAS recognition)	3,452	3,452
	Net deferred tax assets	277	277
	Shareholders' equity	**(716)**	**(716)**

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET APPLICABLE FOR WHICH THE GROUP DID NOT CHOOSE EARLY ADOPTION

The table below lists the international accounting standards, interpretations and amendments to existing accounting standards and interpretations or specific provisions set forth in standards 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 standard
IFRS 17 Insurance Contracts	No	Years beginning on or after January 1, 2021
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	No	Years beginning on or after January 1, 2022
Amendments to IFRS 3 Definition of a business	No	Years beginning on or after January 1, 2020
Amendments to IFRS 9, IAS 39 and IFRS 17: Interest Rate Benchmark Reform	Yes	Years beginning on or after January 1, 2020
Amendments to IAS 1 and IAS 8: Definition of Material	Yes	Years beginning on or after January 1, 2020
Amendments to References to the Conceptual Framework in IFRS Standards	Yes	Years beginning on or after January 1, 2020

It should be noted that no accounting standards and/or interpretations have been applied in advance, which have not been endorsed and whose application would be mandatory for periods beginning after January 1, 2019.

3 FINANCIAL RISK MANAGEMENT

3.1 FINANCIAL RISK FACTORS

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

The Company'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 Company to adequately meet its operating needs, in terms of financing its operating working capital and funding its investments, and meet its financial obligations.

The Company's 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 Company'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 Company and its subsidiaries, as all decisions are made specifically taking into consideration the Company's operating needs, as approved and revised by the Board of Directors.
The following section provides qualitative and quantitative disclosures on the impact of such risks on the Company.

Market Risks

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 Company 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 Company is not exposed to the risk of fluctuations in the exchange rates of foreign currencies versus the euro.

Interest Rate Risk

The Company 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 Company's financial charges and financial income.
The Company, 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 fair value of derivatives at December 31, 2018, amounting to 283 thousand euros, was recognized directly in the statement of other components of comprehensive income. The Euribor is the interest to which the Company is most exposed. Detailed information about financial instruments outstanding at the reporting date is provided in Note 30 "Current and non-current borrowings."

Sensitivity Analysis Relating to Interest Rate Risk

The Company's exposure to the interest rate risk was measured through a sensitivity analysis that took into account current and non-current financial liabilities and bank deposits. A brief description of the methodology followed in carrying out this analysis, and the results obtained, is provided below.

Within the scope of the assumptions made, the effects on the Company's income statement and shareholders' equity for 2019 resulting from a hypothetical variation in market rates that reflect an increase or decrease of 100 bps were determined. The computation method applied the hypothetical variation to: the annual average balance of the Company's bank deposits, the actual balances of gross financial debt and the interest rate paid during the year to remunerate variable rate liabilities.

The table below shows the results of the analysis performed:

Note 1: The plus sign indicates greater profit and an increase in shareholders' equity; the minus sign indicates lower profit and a reduction in shareholders' equity.
Note 2: The results refer to the Group's indebtedness at December 31, 2019.

(In thousands of euros)	Impact on earning		Impact on shareholders' equity	
	-100 bps	+100 bps	-100 bps	+100 bps
2019 reporting year	**(14)**	**(1,049)**	**(14)**	**(1,049)**

Credit Risk

Financial Credit Risk

The financial credit risk refers to the inability of a counterparty to fulfil its obligations. At December 31, 2019, the Company'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 Company 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 aggressive actions (mailing of payment reminder letter, telephone payment requests, threats of legal action and legal action).

Lastly, trade receivables presented in the financial statements are individually analysed and when positions are found to present conditions that make them partially or fully uncollectible, they are written down. The amount of the write-downs 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 25 for additional information about the provision for impairment of receivables.

The following table provides a breakdown of trade receivables and other current receivables at December 31, 2019 grouped by days in arrears, net of the provision for impairment of receivables.

(In thousands of euros)	At December 31, 2019	Current	90 days in arrears	From 90 to 240 days in arrears	More than 240 days in arrears
Trade receivables	119,219	103,687	3,927	3,451	8,154
Provision for impairment of receivables	(8,677)	(1,560)	(376)	(1,006)	(5,735)
Net amount	**110,542**	**102,127**	**3,551**	**2,445**	**2,419**
Other receivables	16,002	16,002			
Total	**126, 544**	**118,129**	**3,551**	**2,445**	**2,419**

It is worth mentioning that the Company also offers its products and services to large companies and major banking groups. As a result, a significant portion of trade receivables is concentrated with a limited number of customers. However, there are no specific concentration risks because the counterparties in question do not present material solvency risks and, moreover, enjoy a very high credit rating.

As shown in the preceding tables, receivables are presented in the financial statements net of the related impairment provision, computed on the basis of an analysis of the positions that are objectively totally or partially uncollectable.

Liquidity Risk

The liquidity risk refers to the potential inability to secure, on affordable terms, the financial resources needed for the Company's operations. The two main factors that affect the Company's liquidity are:
- The financial resources generated or absorbed by the operating and investing activities;
- The maturity characteristics of financial debt.

The Company'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.

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.

The table below provides a breakdown of financial liabilities (including trade payables and other liabilities): specifically, all cash flows listed are undiscounted future nominal cash flows, determined based on the remaining contractual maturities including both principal and accrued interest.

(In thousands of euros)	At December 31, 2019	< 1 year	2 - 5 years	> 5 years	Total
Non-current loans					
Long-term facilities	548,186	10,098	571,153		581,251
IFRS 16	34,972	4,116	15,390	20,990	40,495
Current loans					
Current portion of long-term facilities	(1,363)	2,337			2,337
IFRS 16	2,767	2,767			2,767
Other financial liabilities	131,027	131,027			131,027
Trade payables	33,773	33,773			33,773
Other current liabilities	35,861	35,861			35,861

3.2 CAPITAL MANAGEMENT

The Company'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 listed on an active market is based on market prices on the date of the financial statements. The fair value of instruments that are not listed on 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 listed 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.

	At December 31, 2019			
(In thousands of euros)	Level 1	Level 2	Level 3	Total
1. Financial assets measured at fair value through OCI	87		5,130	5,217
2. Available-for-sale financial assets				
Total	**87**		**5,130**	**5,217**
1. Financial liabilities measured at fair value through profit or loss				
2. Derivatives		(6,659)		(6,659)
Total		**(6,659)**		**(6,659)**

4 FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

The fair values of trade receivables, other receivables and other financial assets and of trade payables and other liabilities and other financial liabilities, listed among the "current" line items

in the statement of financial position and valued by the amortized cost method, consisting mainly of assets underlying commercial transactions scheduled for settlement over the near term, did not differ appreciably from the respective carrying amounts at December 31, 2019.
Non-current financial liabilities and assets are settled or valued at market rates and, consequently, their fair value is deemed to be substantially in line with their carrying amount.

The table that follows provides a breakdown by category of financial assets and liabilities at December 31, 2019:

	At December 31, 2019			
(in thousands of euros)	Financial instruments at amortized cost	Financial assets and liabilities measured at fair value through OCI	Financial instruments at fair value	Total
Other non-current financial assets	90,424	5,217		95,641
Trade receivables	110,542			110,542
Tax receivables	6,008			6,008
Other receivables	16,002			16,002
Other current assets	12,213			12,213
Cash and Cash Equivalents	65,493			65,493
Total assets	**300,682**	**5,217**	**-**	**305,899**
Current and non-current financial debt	708,930	6,659		715,590
Trade payables	33,773			33,773
Tax payables	2,531			2,531
Other liabilities	106,877			106,877
Total liabilities	**852,110**	**6,659**	**-**	**858,770**

5 ESTIMATES AND ASSUMPTIONS

In the preparation of financial statements, Directors are required to apply accounting standards 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 statement of comprehensive income and the statement of cash flows, as well as the disclosures provided. Final results for the line items for which the aforementioned 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 reviewed below.

a) Impairment of assets

In accordance with the accounting standards applied by the Company, property, plant and equipment and intangible assets must be tested to determine if an impairment has occurred, which is recognized by means of an impairment, 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 Directors, the development of subjective valuations, based on information available within the Company and in the market and on past experience. Moreover, if it can be determined that a potential impairment may have occurred, the Company 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 and intangible assets 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 Company's portfolio of receivables. 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 recognized in the financial statements depends on 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 11 "Personnel costs" and Note 32 "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 other current or non-current 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 offsetting entry posted to other equity reserves;

the value of these financial liabilities is periodically adjusted with any changes occurring after initial recognition recognized in profit or loss.

6 SEGMENT INFORMATION

Management identified the following operating segments, which encompass all of the services and products supplied to customers:

- Credit Information, which includes the supply of corporate, commercial and economic-financial information;
- Marketing Solutions, which includes the supply of market information and analyses.

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

Moreover, management believes that EBITDA provide a good indication of performance because they are not affected by the tax laws or depreciation and amortization policies.

The table below shows the revenues and EBITDA of the operating segments at December 31, 2019:

	PERIOD FROM JANUARY 1 TO DECEMBER 31, 2019		
(In thousands of euros)	**Credit Information**	**Marketing Solutions**	**Total**
Revenues by segment	285,050	13,747	298,796
EBITDA	**137,361**	**5,740**	**143,101**
EBITDA %	***48.2%***	***41.8%***	***47.9%***
Non-recurring income (charges)			(8,088)
Depreciation and amortization			(59,625)
Operating profit			**75,387**
Income from/(charges for) investments in associates			(2,252)
Financial income			1,237
Financial charges			(17,410)
Profit before taxes			**56,963**
Income taxes			(15,433)
Net profit			**41,530**

	PERIOD FROM JANUARY 1 TO DECEMBER 31, 2018		
(In thousands of euros)	**Credit Information**	**Marketing Solutions**	**Total**
Revenues by segment	279,543	14,480	294,022
EBITDA	**145,208**	**5,401**	**150,609**
EBITDA %	***51.9%***	***37.3%***	***51.2%***
Non-recurring income (charges)			(5,260)
Depreciation and amortization			(60,795)
Operating profit			**84,555**
Financial income			1,791
Financial charges			(17,106)
Non-recurring financial income/(charges)			(556)
Profit before taxes			**68,684**
Income taxes			(10,586)
Net profit			**58,097**

7 REVENUES

A breakdown of the item is provided below:

(In thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Sales in Italy	287,630	287,726
International sales	4,638	4,613
Total sales	**292,268**	**292,339**
Less deferred revenues at December 31	6,528	1,683
Total	**298,796**	**294,022**

Deferred revenues originate from services invoiced at December 31, 2019 but not yet provided to customers and deferred to the following period in accordance with the accrual principle.

The Company's revenues are generated mainly in Italy; an analysis by business segment is provided in Note 5 Segment Information.

8 OTHER REVENUES

(In thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Sundry income	251	343
Insurance settlements	25	13
Revenues from related parties	10,362	9,126
Total sales	**10,637**	**9,482**

Revenues from related parties refers to the amounts charged by Cerved Group S.p.A. to other Group companies for costs incurred by the Parent Company for rent on the San Donato and Rome headquarters, the outsourcing of administrative, legal and corporate services, as well as for all central staff functions, company cafeteria and certain software maintenance fees.

9 COST OF RAW MATERIALS AND OTHER MATERIALS

As detailed in the table below, this item refers mainly to the cost of consumables and promotional materials:

(In thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Consumables	128	148
Fuel	679	689
Total	**807**	**837**

10 COST OF SERVICES

A breakdown of "Cost of services" is provided in the table that follows:

(In thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Information services	46,555	38,327
Agents costs	16,542	17,994
Tax, administrative and legal consulting services	3,285	3,512
Advertising and marketing expenses	1,982	1,881
Maintenance and technical support costs	6,657	5,810
Travel expenses and per diems	2,128	2,099
Civil liability insurance policies	713	667
Utilities	1,548	1,755
Training and recruitment	698	1,084
Sundry expenses	2,788	2,650
Non-recurring costs	5,007	2,006
Total	**87,903**	**77,784**


Ideas are like children.
It is not enough to have them,
we must also make them grow
Daniel Picouly


Valtellina

Regarding the trend of "cost of services" compared with the previous year, some comments are in order:

- the main components of the cost for "Information services," amounting to 46,555 thousand euros include the following:
- costs for purchases of databases for 17,401 thousand euros and property register data for 8,664 thousand euros, net of a capitalized component for data with a multi-year useful life for 12,310 thousand euros;
- cost for expert appraisers for 8,288 thousand euros;
- costs for foreign correspondents for 2,106 thousand euros;
- costs for other value added services for 2,695 thousand euros
- agents costs of 16,542 thousand euros refers to the commissions and bonuses paid to the external Corporate sales network.

At December 31, 2019, "Cost of services" included non-recurring costs totalling 5,007 thousand euros. See Note 15 "Non-recurring Income and Costs" for additional information.

11 PERSONNEL COSTS

A breakdown of the item is provided below:

(In thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Wages and salaries	47,079	44,713
Social security charges	16,747	16,149
Provision for severance indemnities	3,851	3,709
Other personnel costs	6,998	4,338
Non-recurring personnel costs	2,479	2,690
Total staff costs	**77,154**	**71,599**
Associates' fees and social security contributions	-	4
Directors' fees and social security contributions	1,780	1,597
Total fees	**1,780**	**1,601**
Total	**78,934**	**73,200**

"Other personnel costs," amounting to 6,998 thousand euros, includes 6,486 thousand euros for costs incurred during the year for the "Performance Share Plan" (the "Plan") reserved for some key Company resources selected among Directors, managers and other executives. See Note 40 for a description of the Plan's rules.

"Non-recurring costs," which are summarized in Note 15, refer to early retirement incentives paid to some employees as part of the company integration and Group reorganization processes.

Detailed information about "Provision for severance indemnities" is provided in Note 33.

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

Average number of employees (in units)	At December 31, 2019	At December 31, 2018 *Restated*
Executives	55	57
Office staff	752	254
Middle managers	263	748
Total	**1,070**	**1,059**

12 OTHER OPERATING COSTS

A breakdown of the item is provided below:

(In thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Rent	1,439	1,351
Automobile rentals and expenses for company cars	31	10
Other costs	222	283
Janitorial services	524	412
Employee cafeteria and meal vouchers	1,165	1,102
Other non-recurring operating costs	602	564
Total	**3,984**	**3,722**

For information about Other non-recurring operating costs, which totalled 602 thousand euros, see Note 15 "Non-recurring Income and Costs."

13 IMPAIRMENT OF RECEIVABLES AND OTHER PROVISIONS

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

(In thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Impairment of receivables	2,993	2,435
Other provisions for risks, net of reversals	(200)	177
Total	**2,793**	**2,612**

For more detailed information about the changes that occurred in the provision for impairment of receivables and the provision for risks and charges, see the analysis provided in Note 25 "Trade receivables" and Note 34 "Provisions for risks and charges."

14 DEPRECIATION AND AMORTIZATION

"Depreciation and amortization" includes:

(In thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Amortization of intangible assets	52,082	53,528
Depreciation of property, plant and equipment	7,543	7,267
Total	**59,625**	**60,795**

See Notes 20 and 21 for additional information.

15 NON-RECURRING INCOME AND COSTS

As required by Consob Communication of July 28, 2006, the table below summarizes the Group's non-recurring income and costs for the year ended December 31, 2019:

(In thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Cost of services	5,007	2,006
Non-recurring personnel costs	2,479	2,690
Other non-recurring operating costs	602	564
Non-recurring financial charges	-	556
Total non-recurring costs	**8,088**	**5,816**

During the reporting period, the Company incurred non-recurring costs totalling 8,088 thousand euros, which included:

- 5,007 thousand euros recognized under costs of services, mainly relating to the charges incurred by the Company for non-recurring activities related to extraordinary transactions completed or started during the year;
- 2,479 thousand euros for retirement incentives paid to employees as part of the process for the integration of Group companies;
- 602 thousand euros of other operating costs mainly relating to commissions for the purchase of treasury shares;

16 INCOME FROM/(CHARGES FOR) INVESTMENTS IN ASSOCIATES

The item Income from/(Charges for) investments in associates includes the write-down of the investment in Click-Adv S.r.l. following the impairment test for 2,709 thousand euros.

Finally, the item includes, for 457 thousand euros, dividends distributed by SIA S.p.A. in which the Company holds an equity interest of 0.76%.

17 FINANCIAL INCOME

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

(In thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Bank interest income	13	1
Foreign exchange gains	3	5
Other interest income	1,221	1,328
Total	**1,237**	**1,334**

"Other interest income" of 1,221 thousand euros refers for 1,142 thousand euros to facilities provided to subsidiaries.

18 FINANCIAL CHARGES

A breakdown of the item is provided below:

(In thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Interest expense on Forward Start facility	10,210	10,316
Interest expense for derivatives	1,631	1,971
Fees and other interest expense	2,011	1,752
Amortized cost loan	3,558	3,067
Non-recurring financial charges	-	556
Total	**17,410**	**17,662**

"Interest expense on Forward Start facility" refers to interest on a facility provided to Cerved Group in January 2016, the terms and conditions of which are outlined in Note 31.

The main components of "Fees and other interest expense" include "Commitments" and "Agency fees" for the revolving facility.

"Interest expense for derivatives" includes the charges incurred for the IRS derivatives executed by the Company, effective as of January 16, 2017 and expiring on January 14, 2022, with top credit institutions to hedge the risk of interest rate fluctuations affecting the "Term Facility B" and the "Term Facility C" loan agreement until 2023, for a notional amount of 400 million euros.

19 INCOME TAXES

A breakdown of "Income taxes" is provided below:

(In thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Regional income taxes (IRAP)	4,421	4,530
Current corporate income taxes (IRES)	18,083	16,504
Prior-period tax (benefits)/charges	(911)	(7,608)
Deferred tax assets and liabilities	(6,161)	(2,840)
Total	**15,433**	**10,586**

Current taxes were determined based on the tax rates currently in effect. See the information provided in Note 35 for details concerning deferred tax assets and liabilities.

The table below shows a reconciliation of the statutory tax rate to the actual tax rate:

(In thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Profit before taxes	56,963	
Income taxes at the statutory rate	(13,671)	24.00%
Regional tax (IRAP)	(2,222)	3.90%
Prior-period tax benefits	(911)	
Patent Box	2,397	
Other permanent differences	(1,027)	
Income taxes actually paid	**(15,433)**	**28.8%**

PATENT BOX

Article 1, paragraphs 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, established an optional status of reduced taxation (also known as "Patent Box") for income deriving from the use of intellectual property, industrial patents, trademarks, drawings and models, as well as processes, formulas and information relating to know-how acquired in the industrial, commercial or scientific fields that enjoy legal protection ("Intangible Assets"), with the aim of incentivizing investments in research and development activities.

The economic contribution provided by Intangible Assets to a company's profits can benefit from the aforementioned reduced taxation, provided it is determined in accordance with a ruling stipulated with the Revenue Agency.

At the end of December 2018, following the completion of the preparatory activities and an overall review of the results and documents produced, the company Cerved Group finalized an agreement with the Agency for a ruling that determined: (i) scope of applicability for the trademark, know-how (database) and software; (ii) the amount of the economic contribution for the 2015 year; and (iii) the computation criterion and method applicable for subsequent years up to 2019.

The tax benefit for 2019, resulting from the application of this Agreement, amounts to 2,397 thousand euros.

On September 30, 2019, the company Cerved Group submitted a request to the Major Taxpayers Office of the Lombardy Regional Department for the renewal of the Patent Box Agreement for the financial years 2020 to 2024; on December 9, 2019, the Company obtained the consent to access the renewal procedure, limited to the eligible intangible assets.

20 PROPERTY, PLANT AND EQUIPMENT

The table below shows the changes the occurred in "Property, plant and equipment" during the reporting year:

Property, plant and equipment *(In thousands of euros)*	Land and buildings	Rights of Use (IFRS 16)	Electronic equipment	Furniture and fixtures	Other assets	Total
Balance at December 31, 2017				**8**	**171**	**179**
Cerved conveyance from merger	7,733		2,381	1,700	6,303	18,117
Consit conveyance from merger	-		-	-	41	41
Conveyances from merger	**7,733**	**32,465**	**2,384**	**1,700**	**6,344**	**18,161**
- Historical cost	*16,039*	*38,232*	*20,199*	*4,054*	*17,853*	*96,377*
- Accumulated depreciation	*(8,306)*	*(5,767)*	*(17,815)*	*(2,354)*	*(11,509)*	*(45,751)*
Additions		287	1,309	36	3,054	4,686
Disposals – historical cost		*(1,475)*	*(46)*		*(1,262)*	*(2,783)*
Disposals – accumulated depreciation			*42*		*1,122*	*1,164*
Disposals – net	-	(1,475)	(4)	-	(140)	(1,619)
Depreciation	(609)	(2,534)	(1,326)	(294)	(2,503)	(7,266)
Balance at December 31, 2018	**7,124**	**28,742**	**2,363**	**1,450**	**6,926**	**46,605**
Breakdown:						
- Historical cost	*16,039*	*37,044*	*21,462*	*4,099*	*20,041*	*98,685*
- Accumulated depreciation	*(8,915)*	*(8,301)*	*(19,099)*	*(2,649)*	*(13,115)*	*(52,079)*

Property, plant and equipment *(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**	**28,742**	**2,363**	**1,450**	**6,926**	**46,605**
- Historical cost	*16,039*	*37,044*	*21,462*	*4,099*	*20,041*	*98,685*
- Accumulated depreciation	*(8,915)*	*(8,301)*	*(19,099)*	*(2,649)*	*(13,115)*	*(52,079)*
Additions	14	4,502	1,041	119	2,124	7,800
Disposals – historical cost		*-*	*(185)*	*(575)*	*(999)*	*(1,760)*
Disposals – accumulated depreciation			*157*	*574*	*868*	*1,599*
Disposals – net	*-*	*-*	*(28)*	*(1)*	*(132)*	*(161)*
Depreciation	(609)	(2,748)	(1,322)	(253)	(2,610)	(7,543)
Balance at December 31, 2019	**6,529**	**30,496**	**2,054**	**1,315**	**6,308**	**46,701**
Breakdown:						
- Historical cost	*16,053*	*41,545*	*22,318*	*3,643*	*21,165*	*104,724*
- Accumulated depreciation	*(9,524)*	*(11,049)*	*(20,264)*	*(2,328)*	*(14,857)*	*(58,023)*

Additions for the period totalled 7,800 thousand euros. The main items included: (i) 4,502 thousand euros for sub-leasing contracts entered into in 2019 and accounted for in accordance with IFRS 16; (ii) 1,818 thousand euros to replace the Company's vehicle fleet; (iii) 1,041 thousand euros to replace hardware with the aim of making the organization more efficient; and (iv) 119 thousand euros for the purchase of furniture and fittings mainly for the new headquarters in San Donato.

At December 31, 2019, there were no restrictions on the ownership and possession of property, plant and equipment or purchase commitments other than those described in Note 40.

21 INTANGIBLE ASSETS

The table below details the changes that occurred in "Intangible assets" during the reporting year:

Intangible assets *(In thousands of euros)*	Software	Trademarks and other rights	Customer Relationships	Economic information databases	Other Intangibles	Totale
Balance at December 31, 2017	**-**	**-**	**-**	**-**	**17**	**17**
Total conveyance from merger	**22,521**	**23,346**	**290,496**	**18,330**	**3,153**	**357,846**
Additions	15,037			12,295	2,618	29,950
Disposals – historical cost				*(32)*		*(32)*
Disposals – accumulated amortization						-
Disposals – net	-	-	-	*(32)*	-	*(32)*
Amortization	(14,164)	(2,473)	(22,086)	(12,449)	(2,356)	(53,528)
Balance at December 31, 2018	**23,394**	**20,873**	**268,410**	**18,144**	**3,432**	**334,253**
Breakdown:						
- Historical cost	*127,635*	*35,301*	*397,230*	*297,083*	*60,636*	*917,885*
- Accumulated amortization	*(104,242)*	*(14,428)*	*(128,820)*	*(278,939)*	*(57,203)*	*(583,632)*

Intangible assets *(In thousands of euros)*	Software	Trademarks and other rights	Customer Relationships	Economic information databases	Other Intangibles	Totale
Balance at December 31, 2018 *Restated*	**23,394**	**20,873**	**268,410**	**18,144**	**3,432**	**334,253**
Additions	12,562			12,379	920	25,862
Disposals – historical cost						-
Disposals – accumulated amortization						-
Disposals – net	-	-	-	-	-	-
Amortization	*(12,905)*	*(2,473)*	*(22,086)*	*(12,536)*	*(2,081)*	*(52,082)*
Balance at December 31, 2019	**23,051**	**18,399**	**246,324**	**17,987**	**2,271**	**308,033**
Breakdown:						0
- Historical cost	*140,198*	*35,301*	*397,230*	*309,462*	*61,555*	*943,747*
- Accumulated amortization	*(117,147)*	*(16,902)*	*(150,906)*	*(291,475)*	*(59,284)*	*(635,714)*

Additions for the period, which totalled 25,862 thousand euros, refer mainly to projects carried out during the period to develop new products and software (12,562 thousand euros) and investments in economic information databases (12,378 thousand euros).

22 GOODWILL

A breakdown of "Goodwill" is as follows:

(in thousands of euros)	Year	At December 31, 2018 Restated	Increases / Decreases	At December 31, 2019
Credit Information		**607,426**		**607,426**
Cerved Data Services (CDS) goodwill	2013	707		707
CERVED Group goodwill	2013	601,085		601,085
RLValue goodwill	2014	1,170		1,170
Fox goodwill	2016	4,240		4,240
Bauciweb goodwill	2018	224		224
Marketing Solution		**41,389**		**41,389**
CERVED Group goodwill	2013	41,389		41,389
Credit Management		**57,174**		**57,174**
Credit Management goodwill	2013	57,174		57,174
Total		**705,989**		**705,989**

At December 31, 2019, Cerved's goodwill was allocated as follows to the different operating segments/CGUs:

(in thousands of euros)	**At December 31, 2019**
Credit Information	607,426
Marketing Solutions	41,389
Credit Management	57,174
Total	**705,989**

In line with the requirements of the reference accounting standards, Goodwill was tested for Impairment at December 31, 2019. Consequently, its value in use had to be determined.

The value in use was determined by discounting the forecast data of each CGU (“**DCF Method”)** for the three-year period from 2020 to 2022, as approved by the Company's Board of Directors on February 12, 2020. The forecast data of each CGU was determined taking into consideration the levels of growth of revenues, EBITDA, and cash flows based both on past economic-income performance and future expectations.

The terminal value of each CGU was computed based on the criterion of the perpetual annuity of the cash flow of each CGU with reference to the latest period of projected data considered, assuming a growth rate of zero and using an after-tax discounting rate (WACC) of:

- 6.9% for the Credit Information and Marketing Solution CGUs, and is the result of the weighted average of the cost of capital, equal to 7.4% (90.9%) – including a market risk premium of 5.5% – and an after tax debt cost of 1.3% (9.1%). The structure of the objective capital used for weighted average purposes was determined based on an average for the capital structures of comparable companies and not independent of the financial structure of individual CGUs/companies;
- 6.7% for the Credit Management CGU and is the result of the weighted average of the cost of capital, equal to 13.9% (42.6%) – including a market risk premium of 5.5% – and an after tax debt cost of 1.4% (57.4%). The structure of the objective capital used for weighted average purposes was determined based on an average for the capital structures of comparable companies and not independent of the financial structure of individual CGUs/companies;

The impairment test failed to show that the existing goodwill had been impaired.

The table below shows the surplus by which the recoverable value of each CGU, computed based on the parameters described above, exceeds its carrying amount:

(in thousands of euros)	**At December 31, 2019**
Credit Information	371,828
Marketing Solutions	4,913
Credit Management	554,987
Total	**931,728**

In view of the complex macroeconomic scenario due to the expansion of the COVID-19 epidemic, which is manifesting itself at the date of writing, and the consequent volatility of the financial markets, it was deemed appropriate to supplement the information relating to the evidence of the recoverable value of each CGU according to the change in the value of cash flows and WACC by adding a scenario of +/-10% on the value of cash flows and +/- 2% on WACCs.
This assessment highlights an area of potential risk of impairment with regard to the Marketing Solutions CGU,

where, in the event of a change in cash flows of -10% or WACC of +2%, there would be a potential write-down of 2,608 thousand euros or 9,512 thousand euros respectively.
Considering that the COVID-19 event has been assessed as a "non-adjusting event" on the financial statements at December 31, 2019 in accordance with IAS 10 § 21-22, the Company will assess these impacts when preparing the interim financial statements at March 31, 2020

The table below shows the change in the surplus recoverable value of each CGU based on a change of 5% and 10% in the cash flow value, all other parameters being equal:

(in thousands of euros)	-10%	-5%	5%	10%
Credit Information	213,381	292,605	451,052	530,275
Marketing Solutions	(2,608)	1,153	8,673	12,433
Credit Management	470,483	512,735	597,239	639,491
Total	**681,256**	**806,493**	**1,056,964**	**1,182,199**

The table below shows the change in the surplus recoverable value of each CGU based on a change of 50 points and 20 points in the value of the WACC, all other parameters being equal:

(in thousands of euros)	-2.00%	-0.50%	0.50%	2.00%
Credit Information	880,805	469,010	287,872	92,944
Marketing Solutions	31,267	9,943	569	-9,512
Credit Management	887,913	618,153	500,564	374,710
Total	**1,799,985**	**1,097,106**	**789,005**	**458,142**

The table below shows the WACC levels and the cash flow reduction that would make the recoverable value of each CGU equal to its carrying value:

(in thousands of euros)	WACC	Cash flow
Credit Information	9.8%	-23.5%
Marketing Solutions	7.4%	-6.5%
Credit Management	22.8%	-65.7%

23 INVESTMENTS

Changes in investments are shown below:

Subsidiaries *(in thousands of euros)*	Carrying amount at 12/31/2018 *Restated*	Increases	Write-downs	Group Share Plan	Carrying amount at 12/31/2019
Credit Cerved Management Group S.r.l.	29,791	6,894		1,309	37,994
Cerved Rating Agency S.p.A.	678			70	748
ClickAdv S.r.l.	18,649	1,734	(2,709)		17,674
Major 1 S.r.l.	3,938				3,938
Spazio Dati S.r.l.	4,504	1,384		51	5,939
Pro Web Consulting S.r.l.	3,735	1,665			5,400
Cerved Finline S.r.l		1,110			1,110
MBS Consulting S.p.A.		21265			21,265
Total investments in subsidiaries	**61,295**	**34,052**	**(2,709)**	**1,430**	**94,069**

A breakdown of this item is provided below:

Subsidiaries [1] *(In thousands of euros)*	**Registered office**	**Share Capital**	**Shareholders' equity**	**Profits/**	**% ownership**	**Carrying amount at 12/31/2018 *Restated***	**Carrying amount at 12/31/2019**
Credit Cerved Management Group S.r.l.	San Donato M.se	56	75,155	11,290	96.79%	29,791	37,994
Cerved Rating Agency S.p.A.	*San Donato M.se*	150	3,790	*427*	100.00%	678	748
ClickAdv S.r.l.	Pozzuoli	10	8,893	1,461	100.00%	18,649	17,674
Major 1 S.r.l.	*Novara*	11	687	(49)	100.00%	3,938	3,938
Spazio Dati S.r.l.	Trento	22	2,214	495	79.48%	4,504	5,939
Pro Web Consulting S.r.l.	San Donato M.se	100	1,374	351	70.00%	3,735	5,400
Cerved Finline S.r.l	Turin	10	290	86	100.00%		1,110
MBS Consulting S.p.A.	Milan	162	12,560	3.633	30.70%		21,265
Total investments in subsidiaries						**61,295**	**94,069**

The amounts shown are drawn from the statutory financial statements prepared in accordance with the reference accounting standards of the individual companies.

Associated companies [2] *(In thousands of euros)*	**Registered office**	**Share Capital**	**Shareholders' equity**	**Profit/ (Loss)**	**% ownership**	**Carrying amount at 12/31/2018 *Restated***	**Carrying amount at 12/31/2019**
Experian Italia S.p.A.	Rome	1,980	6,980	524	4.65%	3,135	3,135
Total investments in associated companies						**3,135**	**3,135**
Total investments						**64,430**	**97,204**

Increases during the period refer to:

- the purchase of additional shares in Credit Cerved Management Group S.r.l., ClickAdv Srl, Spaziodati Srl and Pro Web Consulting S.r.l., described in the section "Significant events of the group" in the Report on Operations;
- the purchase on July 1, 2019, of 100% of Mitigo Servizi S.r.l., a company active in consultancy and outsourcing services for subsidised finance, for a price of 1,102 thousand euros; the company was subsequently renamed Cerved Finline S.r.l.;
- purchase on August 1, 2019, of 30.7% (49% of the shares with voting rights) of the capital of MBS Consulting S.p.A. ("MBS") and its subsidiaries. MBS is one of Italy's leading independent management consulting companies.

At the balance sheet date, the company conducted an impairment test on all investments in order to verify the recoverability of their value. The impairment test, based on the positive performance of the business and the expected development plans, confirmed the recoverability of all carrying amounts, with the sole exception of the subsidiary ClickAdv S.r.l., for which an impairment of 2,709 thousand euros was recorded.

In view of the complex macroeconomic scenario due to the expansion of the COVID-19 epidemic, which is manifesting itself at the date of writing, and the consequent volatility of the financial markets, it was deemed appropriate to supplement the information relating to the evidence of the recoverable value of each CGU according to the change in the value of cash flows and WACC by adding a scenario of +/-10% on the value of cash flows and +/- 2% on WACCs. This assessment highlights an area of potential risk of impairment with regard to the ClickAdv investment, where, in

Note 1: data from the financial statements at December 31, 2019.

Note 2: data from the financial statements at March 31, 2019.

the event of a change in cash flows of -10% or WACC of +2% there would be a potential further write-down of 1,477 thousand euros or 2,516 thousand euros respectively.
Considering that the COVID-19 event has been assessed as a "non-adjusting event" on the financial statements at December 31, 2019 in accordance with IAS 10 § 21-22, the Company will assess these impacts when preparing the interim financial statements at March 31, 2020.

The value in use was determined by discounting the forecast data of the investee company ("**DCF Method**") for the three-year period from 2020 to 2022, as approved by the Company's Board of Directors on February 12, 2020. The forecast data of ClickAdv S.r.l. was determined taking into consideration the levels of growth of revenues, EBITDA, and cash flows based both on past economic-income performance and future expectations.

The terminal value considered in the impairment test was determined on the basis of the criterion of the perpetual annuity of ClickAdv S.r.l.'s cash flow, with reference to the last period of the forecast data considered, assuming a growth rate of zero and using a post-tax discount rate (WACC) of 9.4%, which is the result of the weighted average between the cost of capital, equal to 11.6% (74.5%) – including Market Risk Premium of 5.5% – and a cost of debt, after tax, equal to 3.1% (25.5%). The structure of the objective capital used for weighted average purposes was determined based on an average for the capital structures of comparable companies and not independent of the financial structure of the investee company.

During the year, the carrying amount of subsidiaries increased by a total of 1,430 thousand euros due to the recognition of share-based incentive plans assigned by the Parent Company Cerved Group to employees of subsidiaries. For further details on the performance share plans, please refer to Note 41 below

24 OTHER NON-CURRENT FINANCIAL ASSETS

A breakdown of this item is provided below:

(In thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Financial receivables from subsidiaries	87,750	59,500
Other investments	5,217	4,382
Other investment securities	2,413	1,958
Security deposits and sundry items	261	166
Total	**95,641**	**66,006**

Other non-current financial assets include: (i) two interest bearing loans provided to the subsidiary Cerved Credit Management Group S.r.l. totalling 85,250 thousand euros (6/3 month Euribor + spread 2.85%); (ii) an interest bearing loan provided to Cerved Credit Collection S.p.A. for 2,500 thousand euros (6 month Euribor + spread 2.85%); (iii) a policy held by the incorporated company Consit Italia S.p.A. concerning the capitalization of the provision for severance indemnities issued by Assicurazioni Generali and Unipol for 1,297 thousand euros; (iv) the value of the investments in other companies summarized below for 5,217 thousand euros; and (v) security deposits for the balance.

Other investments [1] *(In thousands of euros)*	Registered office	Share Capital	Shareholders' equity	% ownership	Carrying amount at 12/31/2019
SIA-SBB	Milan	22,275	251,576	0.76%	5,130
Class CNBC S.p.A.	Milan	628	832	1.24%	87
Total investments in other companies					**5,217**

Note 1: data from the financial statements at December 31, 2018.

The amounts shown are drawn from the statutory financial statements prepared in accordance with the reference accounting standards of the individual companies.

25 TRADE RECEIVABLES

"Trade receivables" totalled 11,034 thousand euros, net of the corresponding provision for impairment of receivables, as detailed below:

(In thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Trade receivables	117,256	110,313
Provision for impairment of receivables	(8,677)	(8,045)
Related-party receivables	1,963	910
Total	**110,542**	**103,178**

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

(In thousands of euros)	Provision for impairment of receivables
At December 31, 2018 Restated	**(8,045)**
Accruals	(2,994)
Utilizations	2,361
At December 31, 2019	**(8,677)**

The accrual to the Provision for impairment of receivables reflects the estimated realizable value of receivables that were still deemed collectible at December 31, 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.

There are no significant receivables with a remaining duration of more than five years or receivables denominated in a currency different from the euro. It is also worth mentioning that the carrying amount of trade receivables approximates their fair value.

26 TAX RECEIVABLES

A breakdown of "Other receivables" at December 31, 2019 is as follows:

(In thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
VAT receivable	389	202
IRAP receivable	-	623
Other tax receivables	5,619	9,449
Total	**6,008**	**10,274**

The main components of "Other tax receivables" include:

- 3,774 thousand euros for the Patent Box credit;
- 1,123 thousand euros for the IRES receivable for the deductibility from IRES of the IRAP paid on personnel costs prior to the 2012 reporting year, in accordance with the provision of Article 4 of Decree Law No. 16/2012.
- 384 thousand euros for receivables resulting from the amount withheld under the agency contract, which will be recovered when filing the tax return.

27 OTHER RECEIVABLES

A breakdown of the item is provided below:

(In thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Advances to agents	728	583
Receivables from employees	265	265
Receivables from former controlling companies for tax refunds	203	203
Other receivables	303	406
Other receivables from related parties	14,504	11,258
Total	**16,002**	**12,716**

The main components of "Other receivables from related parties" include:

- euro 8,854 thousand for receivables deriving from the cash pooling in place with the other companies of the Cerved Group. The contract between the Company, which operates as treasurer, and its subsidiaries provides for a remuneration for Cerved Group S.p.A. equal to the average of the one-month Euribor increased by 50 basis points (with a minimum limit of 0.10%) for receivables and equal to the average of the one-month Euribor decreased by 25 basis points (with a minimum limit of 0.10%) for debt positions;
- 3,658 thousand euros in IRES receivables from subsidiaries under the consolidated Group tax filing contract valid for the 2018-2020 period;
- 536 thousand euros for VAT receivables from subsidiaries that opted for group VAT filing.

28 OTHER CURRENT ASSETS

A breakdown of the item is provided below:

(In thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Prepaid commercial costs	9,054	9,273
Other prepaid commercial expenses	3,158	3,727
Total	**12,212**	**13,000**

Other current assets consist mainly of prepaid agents' commissions. The costs incurred in connection with new contracts for the sale of services not yet provided are suspended and recognized in profit or loss based on customer usage progress.

29 CASH AND CASH EQUIVALENTS

"Cash and cash equivalents" consists mainly of amounts deposited in checking accounts at top credit institutions. A breakdown of this item is as follows:

(In thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Deposits in bank and postal accounts	65,489	33,019
Cash on hand	4	4
Total	**65,493**	**33,023**

The carrying amount of "Cash and cash equivalents" approximates its fair value; this item is not the subject of any utilization restriction.

See Note 31 for additional information about the Company's financial position.

E-MARKET SDIR CERTIFIED

30 SHAREHOLDERS' EQUITY

As of the date of these 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.

At December 31, 2019, the Company held 3,420,275 Treasury Shares, for a purchase value of 25,834 thousand euros and classified under Other reserves.

The changes in equity reserves are shown in the financial statement schedules.

In 2019, dividends totalling 58,498 thousand euros were distributed to the shareholders of the Parent Company.

With regard to the degree of availability of the components of shareholders' equity, the table below shows the status at the closing date of the financial statements.

(In thousands of euros)	Balance	Usage option	Available amount	Distributable amount
Share Capital	50,521		-	-
Statutory reserve	10,104	B	10,104	-
Additional Paid-in Capital	468,436	A,B,C	468,436	468,436
Extraordinary reserve	4,320	A,B,C	4,320	4,320
Other Reserves	(59,325)	A,B,C	-	-
Total	**474,056**		**482,680**	**472,756**

Legend:
A For capital increases
B To replenish losses
C For distribution to shareholders

31 CURRENT AND NON-CURRENT BORROWINGS

The table below provides a breakdown of "Current borrowings" and "Non-current borrowings" at December 31, 2019:

(In thousands of euros) Current and non-current borrowings	Original amount	When issued	Maturity	Rate charged	At December 31, 2019	Current portion
Term Loan Facility A	160,000	2016	2021	*Euribor +1.50%*	148,000	-
Term Loan Facility B	200,000	2016	2022	*Euribor +1.875%*	200,000	-
Term Loan Facility C	200,000	2016	2023	*Euribor +2.05%*	200,000	-
IFRS 16					37,739	2,767
Liability for financial charges					2,337	2,337
Fair value of IRS					6,659	1,592
Other minor borrowings					129,442	129,442
Incidental borrowing costs					(8,581)	(3,700)
Total					**715,596**	**132,438**

Term loan facilities

The Term Loan Facility was entered into, on January 15, 2016, by Cerved Group S.p.A., which executed a transaction for two facilities totalling 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. The main features of this agreement, which was signed by all of the lender banks, are summarized below:

- reduction of borrowing costs: borrowing costs were cut by 25 bps and 37.5 bps, respectively, on Term Loan Facility A (TLA), Revolving Credit Facility (RCF) and Term Loan Facility B (TLB), for total savings of about 2 million euros annually;
- downsizing of the package of guar-

antees, including the pledge of Cerved Group shares;
- transformation of the TLA line into a bullet facility to provide the Group with greater financial flexibility until 2021.

An additional agreement was signed with the bank pool, on February 16, 2018, to extend the maturity of 50% (200 million euros) of the Term Loan Facility B from January 2022 to November 2023 (Term Loan Facility C).

The spreads applied can be reduced over time based on changes in the net debt/Adjusted EBITDA ratio (Leverage Ratio), measured on a consolidated basis, as shown below:

			Annual margin %	
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

During 2019 the Revolving credit line was utilized for a drawdown of 50 million euros, fully repaid.

At December 31, 2019, the leverage ratio was within the 2.25%-2.85% range.

Financial debt IFRS 16

The "financial debt IFRS 16," equal to 37,739 thousand euros, includes the accounting of the effects deriving from the application of the above mentioned standard due to the discounting back of future cash flows linked to the payment of lease payments for the Group's legal, operational and commercial offices.

Other Current Financial Debt

The main components of "Other current financial debt," amounting to 129,436 thousand euros, include the following:
- payables for cash pooling to subsidiaries for 126,500 thousand euros;
- payables owed to factors amounting to 2,747 thousand euros.

Derivatives

On May 26, 2016, Cerved Group entered into 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 Facility B," for a notional amount of 400 million euros.

On June 15, 2018, further to the renegotiation to November 30, 2023 of the repayment due date for 50% of the value of Term Facility B, which in practice created Term Facility C, Cerved Group S.p.A. executed three IRS Forward Start derivatives, effective as of January 15, 2022 and expiring on November 30, 2023, for a notional amount of 200 million euros.
Based on the first five contracts, the interest rates swapped from the execution date to the expiration date, January 14, 2022, will be, respectively, fixed rates ranging between 0.40% and 0.41%.
Based on the three subsequent Forward Start contracts, the interest rates swapped from the execution date, January 15, 2022, until the expiration date, November 30, 2023, will be fixed rates ranging between 1.030% and 1.031%.

At December 31, 2019, the fair value of these financial instruments was negative by 6,659 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.

32 NET FINANCIAL DEBT

The table below presents the Company's net financial debt at December 31, 2019, determined in accordance with the provisions of paragraph 127 of the recommendations provided by ESMA in Document No. 81 of 2011 in implementation of Regulation (EC) 809/2004:

(In thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
A. Cash	4	3
B. Other liquid assets	65,489	33,019
C. Securities held for trading	-	-
D. Liquidity (A)+(B)+(C)	**65,493**	**33,023**
E. Current loans receivable	9,213	6,429
F. Current bank debt	(189)	(179)
G. Current portion of non-current borrowings	1,363	1,287
H. Other current financial debt	(133,612)	(53,004)
I. Current financial debt (F)+(G)+(H)	**(132,438)**	**(51,896)**
J. Net current financial debt (D)+(E)+(I)	**(57,732)**	**(12,444)**
K. Non-current bank debt	(543,119)	(539,460)
L. Bonds outstanding	-	-
M. Other non-current financial debt	(40,039)	(37,145)
N. Non-current financial debt (K)+(L)+(M)	**(583,158)**	**(576,605)**
O. Net financial debt (J)+(N)	**(640,890)**	**(589,048)**

33 EMPLOYEE BENEFITS

This item includes the provision for severance indemnities (TFR).

At December 31, 2019, the provision for severance indemnities amounted to 7,768 thousand euros. The table below shows the changes that occurred in this provision:

(In thousands of euros)	Employee benefits
At December 31, 2017	**383**
Conveyance from merger	7,799
Current cost	1,061
Financial charges	(94)
Actuarial losses/(gains)	(615)
Contributions added – Benefits paid	(742)
At December 31, 2018 Restated	**7,792**

(In thousands of euros)	Employee benefits
At December 31, 2018 Restated	**7,792**
Current cost	900
Financial charges	(85)
Actuarial losses/(gains)	(263)
Contributions added – Benefits paid	(576)
At December 31, 2019	**7,768**

The provision for severance indemnities (TFR) reflects the impact of the discounting process, as required by IAS 19.

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

Tasso di attualizzazione / sconto	0,67%
Tasso d'inflazione	1,00%
Tasso di crescita salariale	2,50%
Tasso di mortalità atteso	RG48 da Ragioneria Generale Stato
Tasso di invalidità atteso	Modello INPS proiezioni 2010
Dimissioni / Anticipazioni attese (annue)	5,00%/3,00%

Regarding the discount rate, the iBoxx Eurozone Corporates AA 10+ was taken as a reference for the development of said parameter at the valuation date.

The table below provides a sensitivity analysis of the main actuarial assumptions included in the calculation model applied by taking the scenario described above as a baseline and increasing and decreasing the average annual rate of discounting, the average inflation rate and the turnover rate by a half, a quarter and two percentage points, respectively. The results obtained are summarized in the following table:

(In thousands of euros)	**Annual discount rate**		**Annual inflation rate**		**Annual turnover rate**	
	0.50%	*-0.50%*	*0.25%*	*0.25%*	*2.00%*	*-2.00%*
Provision for severance indemnities	7,150	7,789	7,547	7,372	7,353	7,592

There are no defined-benefit plan assets.

34 PROVISIONS FOR RISKS AND CHARGES

A breakdown of the changes in the “Provisions for risks and charges” is provided below.

(in thousands of euros)	**Balance at December 31, 2018 *Restated***	**Accruals net of reversals**	**Utilizations**	**Balance at December 31, 2019**
Provisions for risks and charges	3,166	(507)	(156)	2,503
Provision for agents’ indemnity	1,441	306	(147)	1,600
Total	**4,607**	**(200)**	**(303)**	**4,104**

The “Provision for agents’ indemnity,” which had a balance of 1,600 thousand euros at December 31, 2019, was estimated based on the legislation that governs agency relationships and is deemed to be sufficient to cover any liabilities that may arise in the future. The “Provisions for risks and charges,” which amounted to 2,503 thousand euros, refers mainly to tax disputes and disputes with some employees, agents and suppliers.

35 DEFERRED TAX ASSETS AND LIABILITIES

A breakdown of "Deferred tax liabilities" at December 31, 2019 is provided below:

(in thousands of euros)	Balance at December 31, 2018 Restated	Additions/Reversals in profit or loss	Additions/Reversals in comprehensive profit or loss	Balance at December 31, 2019
Deferred tax assets				
Provision for impairment of receivables	1,784	155		1,939
Provisions for risks and charges	883	(185)		698
Provision for employee benefits and agents indemnity	799	(171)	63	691
Hedge accounting	1,177	(2)	341	1,516
Other differences	1,130	(559)		571
Total deferred tax assets	**5,773**	**(762)**	**404**	**5,415**
Deferred tax liabilities				
Customer Relationships	(74,974)	6,162		(68,812)
Trademarks	(5,799)	690		(5,109)
Buildings	(364)	69		(295)
Other equity investments – Measurement at fair value	(365)		(200)	(565)
Total deferred tax liabilities	**(81,502)**	**6,921**	**(200)**	**(74,782)**
Net deferred tax assets/liabilities	**(75,729)**	**6,159**	**204**	**(69,366)**

The deferred tax assets mainly originate from the tax effect of the costs incurred for the stock listing process, which are taxed over five years under current tax laws. These deferred tax assets were recognized because the Company believes that they are recoverable in future years in the light of its prepared tax plan.

36 TRADE PAYABLES

A breakdown of this item is provided below:

(In thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Payables to outside suppliers	24,541	29,656
Payables to related parties	9,232	2,728
Total	**33,773**	**32,384**

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

37 CURRENT TAX PAYABLES

Details about "Current tax payables" are provided below:

(In thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Corporate income tax (IRES) payables	7,096	64
Regional tax (IRAP) payables	393	-
Total	**7,490**	**64**

The IRES payables refer to the credit generated by the Group consolidated tax return, which included Cerved Group S.p.A., in its capacity as the consolidating entity, and all of its subsidiaries, as consolidated entities, except for Quaestio Cerved Credit Management S.p.A. and its direct subsidiary Juliet S.p.A. and Pro Web Consulting S.r.l., plus the companies consolidated during the year.

Under the contract, an entity that contributed to the Group tax losses usable in the consolidated income tax return or a company that contributed interest expense deductible from operating income before taxes of the Group is entitled to receive a tax benefit.

38 OTHER TAX PAYABLES

Details about "Current tax payables" are provided below:

(in thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
VAT payable	-	6.132
Withholdings payable	1.961	2.154
Other sundry payables	570	570
Total	**2.531**	**8.856**

The amount shown for "VAT payable" reflects the offsetting of the individual positions of subsidiaries that elected to file a Group VAT return.

39 OTHER LIABILITIES

(in thousands of euros)	At December 31, 2019	At December 31, 2018 *Restated*
Social security contributions payable	7.115	7.262
Payables owed to employees	11.249	9.799
Payables for deferred revenues	78.202	82.985
Miscellaneous liabilities	5.870	702
Accrued expenses	246	1.115
Other related-party payables	4.194	2.619
Total	**106.877**	**104.483**

At December 31, 2019, "Other liabilities" included payables for deferred revenues of 78,202 thousand euros, payables owed to employees for 11,249 thousand euros and social security contributions payable for 7,115 thousand euros.

Other related-party payables refers (i) for 1,203 thousand euros to payables owed to the Board of Directors, general managers and executives with strategic responsibilities; (ii) for 2,172 thousand euros to the amount owed to subsidiaries under the contract for the consolidated tax return; and (iii) for 517 thousand euros to the liability towards subsidiaries included in the VAT Group filing; for 303 thousand euros to the liability for deferred income.

40 OTHER INFORMATION

Contingent Liabilities

Other than those mentioned in Note 34 "Provisions for risks and charges," there are no pending judicial or tax proceedings that involve the Company.

Commitments

Please note that at December 31, 2019, the Company had undertaken commitments not reflected in the financial statements totalling 6,331 thousand euros, consisting mainly of sureties provided:
- by Unicredit for 2,148 thousand euros for the benefit of the lessor of the new San Donato headquarters;
- by Unicredit for 640 thousand euros for the benefit of the customer Banca d'Italia;
- by MPS for 1,000 thousand euros for the benefit of the supplier Infocamere;
- by Generali for 1,000 thousand euros for the benefit of the supplier Infocamere.

Compensation of Directors and Statutory Auditors

As required by law, the table below shows the compensation awarded to Directors and Statutory Auditors at December 31, 2019:

First and last name	Post held	End of term of office	Fees for post held	Fringe benefits	Bonus and other incentives	Other compensation	Compenso totale
Gianandrea De Bernardis	Executive Chairperson	Approval of fin. statements at 12/31/21	400				400
Andrea Mignanelli	Chief Executive Officer	Approval of fin. statements at 12/31/21	850				850
Sabrina Delle Curti	Director	Approval of fin. statements at 12/31/21	-				0
Umberto Carlo Maria Nicodano	Director	Approval of fin. statements at 12/31/21	50			10	60
Fabio Cerchiai	Independent Director	Approval of fin. statements at 12/31/21	85			10	95
Andrea Casalini	Independent Director	Approval of fin. statements at 12/31/21	50				50
Aurelio Regina	Independent Director	Approval of fin. statements at 12/31/21	50			25	75
Mara Anna Rita Caverni	Independent Director	Approval of fin. statements at 12/31/21	50			10	60
Mario Francesco Pitto	Independent Director	Approval of fin. statements at 12/31/21	50				50
Alessandra Stabilini	Independent Director	Approval of fin. statements at 12/31/21	50			25	75
Valentina Montanari	Independent Director	Approval of fin. statements at 12/31/21	50			20	70
Total			**1,685**	**0**	**0**	**100**	**1.785**

Statutory Auditors

First and last name	Post held	End of term of office	Fees for post held	Fringe benefits	Bonus and other incentives	Other compensation	Total compensation
Antonella Bientinesi	Chairperson	Approval of fin. statements at 12/31/19	60	-	-	-	60
Paolo Ludovici	Statutory Auditor	Approval of fin. statements at 12/31/19	40	-	-	-	40
Costanza Bonelli	Statutory Auditor	Approval of fin. statements at 12/31/19	40	-	-	-	40
Laura Acquadro	Alternate Auditor	Approval of fin. statements at 12/31/19	-	-	-	-	-
Antonio Mele	Alternate Auditor	Approval of fin. statements at 12/31/19	-	-	-	-	-
Total			**140**	**-**	**-**	**-**	**140**

Independent Auditors

Pursuant to Article 149–duodecies, second paragraph, of Consob Resolution No. 11971 of May 14, 1999, as amended, the fees for the year owed to the Independent Auditors PricewaterhouseCoopers S.p.A. for services provided to the Parent Company Cerved Group S.p.A. at December 31, 2019 are listed below:

(in thousands of euros)	PwC S.p.A.	Other entities in the PwC network	Total PwC network
Auditing Services	**359**		**359**
- Certification services	*8*		*359*
Other services	**8**	**74**	**82**
- Agreed audit engagements	*8*		*8*
- Other		*74*	*74*
Total	**367**	**74**	**441**

41 DESCRIPTION OF INCENTIVE PLANS (IFRS 2)

The following table shows the changes in the options assigned to the company's managers during 2019 in relation to the share incentive plans adopted by the group for the three-year periods 2019-2021 and 2022-2024.

	Awarded options	Options expired/revoked	Exercised options	Options outstanding at December 31, 2019
2019-2021 Performance Shares (First Cycle – 2016)	637.304	-	(637.304)	-
2019-2021 Performance Shares (Second Cycle – 2017)	582.353	(49.129)		533.224
2019-2021 Performance Shares (Third Cycle – 2018)	531.540	(33.012)		498.528
2019-2021 Performance Shares (Third Supplemental Cycle)	576.979	(31.264)		545.715
2021-2024 Performance Shares 1st Cycle 2019	1.404.000	(15.000)		1.389.000
2021-2024 Performance Shares 1st Cycle 2019 - integration	80.000			80.000
Total	**3.812.176**	**(128.405)**	**(637.304)**	**3.046.467**

Cerved's 2019-2021 Performance Share Plan

The 2019-2021 Performance Share Plan was approved by the Shareholders' Meeting of Cerved Group (formerly Cerved Information Solution S.p.A.) on December 21, 2015, and was launched further to a resolution adopted by the Company's Board of Directors on July 13, 2016.
The Plan's objective is: (i) to enhance the alignment of the interests of the beneficiaries with those of the shareholders, tying management's compensation to specific objectives, determined based on each Plan Cycle, the achievement of which is closely linked with improving the Company's performance and increasing its value; (ii) to strengthen retention capacity for key resources, aligning the Group's compensations policy with best market practices, which, as a rule, include long-term incentive tools.

The Performance Targets were defined by the Board of Directors for each Plan Cycle, upon a recommendation by the Compensation and Nominating Committee.

An incentivizing curve has been established for each Performance Target, linking the number of Shares awardable, based on the Target achieved:
- a minimum performance threshold, below which no share will be awarded;
- a maximum performance cap upon the achievement of which the beneficiary will be awarded the maximum number of shares.

The Shares subject of the 2019-2021 Performance Share Plan will be respectively awarded upon the verification of the achievement of the performance conditions in the 2016-2018, 2017-2019 and 2018-2020 three-year periods.

The performance conditions are explained below:
- 70% "PBTA Target"; this indicates the growth of the Adjusted Profit Before Taxes per Share, which

shall be understood to mean the profit before taxes excluding non-recurring income and charges, the financial charges incurred to obtain financing facilities and recognized in the income statement by the amortized cost method and the surpluses generated by the business combination processes and allocated to intangible assets (consistent with the computation of the adjusted net profit in the Offering Prospectus of Cerved Group (formerly Cerved Information Solution S.p.A.) filed with Consob on June 6, 2014, before tax effect). The growth of the Adjusted Profit Before Taxes shall be understood to mean the annual compound growth rate, excluding from the computation the accounting effects of the Plan itself, and excluding the effects of the "Forward Start" refinancing agreement. The target reflects different levels of achievement based on the growth rate of the Cerved Group's PBTA:

- less than 6%: 0%
- 6% (threshold): 40%
- between 6% and 10%: by linear interpolation
- 10% (cap): 100%
- more than 10%: 100%

› 30% "Total Shareholder Return Target" of Cerved Group (formerly Cerved Information Solution S.p.A.) compared with that of companies included in the FTSE Mid Cap Index Italia published by Borsa Italiana S.p.A. The TSR is measured for the period between January 1, 2016 and December 31, 2018. The target reflects different levels of achievement based on the ranking of Cerved's TSR that corresponds to a different percentage in the number of awarded shares:

- below the median: zero options awarded
- equal to the median (threshold): 50% of awarded options
- between the median and the 75th percentile: by linear interpolation
- 75th percentile (cap): 100%
- more than 75th percentile: 100%

The Performance Share Plan calls for the award, at the end of the vesting period, of a number of shares based on the achievement of the performance targets described above and does not specify an exercise price. The number of exercised options will depend on the level of achievement of the assigned targets.

During 2019, 637,304 options were exercised.

On March 14, 2019, the Board of Directors of the Company, based on the objectives achieved and set out in the Regulation and on the proposal of the Compensation and Nominating Committee, approved the allocation of 551,606 shares, equal to 69.6% of the options exercised for the 1st Cycle 2016 (of which 443,564 to company managers).

The accrued cost recognized at December 31, 2019 for the three plans for the 2019-2021 period amounts to 5,134 thousand euros and was included among Personnel costs.

Cerved's 2022-2024 Performance Share Plan

On June 19, 2019, the Company's Board of Directors, acting with the prior favourable opinion of the Compensation and Nominating Committee, approved the Regulation for the "2022-2024 Performance Share Plan" (the "Plan"), reserved for some of the Group's key persons, identified among Directors, managers and other members of top management.

The Plan is structured into three Cycles (2019, 2020 and 2021), each with a duration of three years; subject of the Plan is the award of options to receive, free of charge, up to 4,881,874 shares, equal to 2.5% of the Company's share capital, attributable over the Plan's three Cycles, barring any amendments approved by the Board of Directors pursuant to the powers assigned to the Board for the Plan's implementation.

The performance targets identified in the Plan are:

- "PBTA Objective" – the growth, expressed as a percentage, of Adjusted Profit Before Taxes per Share in the period 2019-2021, with the premise that the growth in Adjusted Profit Before Taxes is intended as an annual compound growth rate and excludes from the calculation the accounting effects deriving from the Plan itself;
- "TSR Mid Cap Target" – the Company's "Total Shareholder Return" compared with that of companies included, for each Plan Cycle and the entire duration of the corresponding performance period, in the FTSE Mid Cap Index Italia generated by Borsa Italiana S.p.A.;
- "TSR Sector Objective" – the percentage deviation of the Company's Total Shareholder Return, for each Cycle of the Plan and for the entire duration of the relative Performance Period, from the Total Shareholder Return of the FTSE Italia Industria index of Borsa Italiana.

On June 16, 2019, the Company's Board of Directors, upon a recommendation by the Compensation and Nominating Committee, approved the identification and assignment of 1,972,750 options for each beneficiary of the 1st Cycle of the 2022-2024 Plan (of which 1,734,000 options actually assigned). Subsequently, on November 21, 2019, the Board of Directors of the Company, on the proposal of the Compensation and Nominating Committee, approved the identification of two Executives as further beneficiaries of the plan and the assignment of the related options (totalling 80,000)

The fair value of the options granted in 2019, against the first assignment of the 2021-2024 Performance Share Plan, was calculated using the so-called "Monte Carlo method" using the computation parameters set out below:

- risk free interest rate: -0.63%, based on the interest rate of a zero coupon bond by a Eurozone governmental entity;
- expected dividends: 4%
- volatility of 25%

The accrued cost recognized at December 31, 2019 for the aforementioned plans amounted to 1,600 thousand euros and was included among Personnel costs.

42 RELATED-PARTY TRANSACTIONS

The table below summarizes transactions with related parties:

RECEIVABLES AND PAYABLES WITH RELATED PARTIES

(in thousands of euros) **Receivables from related parties at December 31, 2018**

Company	Trade receivables	Other receivables	Other financial receivables	Cash pooling	Total
Subsidiaries					
Cerved Rating Agency S.p.A.	134	336	-	-	470
ClickAdv S.r.l.	-	38	-	-	38
Major 1 S.r.l.	0	318	-	-	318
Pro Web Consulting S.r.l.	11	-	-	-	11
Spazio Dati S.r.l. (from 1/08/2018)	-	571	-	-	571
Cerved Credit Management Group S.r.l.	75	561	498	57,000	58,134
Cerved Credit Collection S.p.A.	362	2	3,482	2,500	6,346
Cerved Credit Management S.p.A.	47	2,907	-	-	2,954
Cerved Legal Services S.r.l.	20	65	-	-	85
Cerved Master Services S.p.A.	1	-	-	-	1
Juliet Holding S.p.A.	0	-	2,449	-	2,449
Credit Management S.r.l.	2	-	-	-	2
Juliet S.p.A.	4	-	0	-	4
Total subsidiaries	**656**	**4,798**	**6,429**	**59,500**	**71,383**
Other related parties					
Board of Directors, executives with strategic responsibilities and other related parties	3				3
Experian Italia S.p.A.	248	32	-	-	279
La Scala-Cerved società tra avvocati a r.l.	4	-	-	-	4
Total other related parties	**254**	**32**	**-**	**-**	**286**
Total receivables from related parties	**910**	**4,830**	**6,429**	**59,500**	**71,669**

(in thousands of euros) **Payables to related parties at December 31, 2019**

Company	Trade receivables	Other receivables	Other financial receivables	Cash pooling	Total
Subsidiaries					
Cerved Rating Agency S.p.A.	(1,675)	(277)	(3,943)	(5,895)	500
ClickAdv S.r.l.	(46)	(408)	(3,890)	(4,344)	33
Major 1 S.r.l.	(273)	(344)	(1,168)	(1,786)	950
Pro Web Consulting S.r.l.	(8)			(8)	876
Spazio Dati S.r.l. (from 1/08/2018)	(4,783)		(2,666)	(7,449)	1.273
Cerved Credit Management Group S.r.l.	(138)	(317)	(56,632)	(57,086)	86.258
Cerved Credit Collection S.p.A.	(1,192)	(0)		(1,192)	10.879
SC Re Collection S.r.l.	(95)			(95)	103
Cerved Credit Management S.p.A.	(15)	(1,639)	(1,756)	(3,409)	889
Cerved Legal Services S.r.l.	(7)		(1)	(8)	190
Cerved Master Services S.p.A.					1.602
Credit Management S.r.l.			(1,623)	(1,623)	374
Juliet S.p.A.			(54,874)	(54,874)	3
Cerved Finline S.r.l.	(406)		(6)	(412)	126
MBS S.p.A.					128
Total subsidiaries	**(8,637)**	**(2,985)**	**(126,560)**	**(138,182)**	**104.087**
Other related parties					
Board of Directors, executives with strategic responsibilities and other related parties		(1,203)		(1,203)	-
Experian Italia S.p.A.	(595)	(7)		(602)	75
Total other related parties	(595)	(1,209)		(1,804)	54
Total payables to related parties	**(9,232)**	**(4,194)**	**(126,560)**	**(139,574)**	**129**
Totale crediti verso Parti Correlate	**1.963**	**5.650**	**87.750**	**8.854**	**104.216**

(in thousands of euros) **Payables to related parties at December 31, 2018**

Company	Trade payables	Other liabilities	Short-term loans payable	Total
Subsidiaries				
Cerved Rating Agency S.p.A.	(287)	(52)	(4,346)	(4,685)
ClickAdv S.r.l.	(224)	(106)	(5,409)	(5,740)
Major 1 S.r.l.	(324)	(136)	(504)	(964)
Pro Web Consulting S.r.l.	(17)	(25)	(26)	(68)
Spazio Dati S.r.l. (from 1/08/2018)	(1,079)	-	-	(1,079)
Cerved Credit Management Group S.r.l.	(139)	-	(11,603)	(11,741)
Cerved Credit Collection S.p.A.	(4)	(679)	()	(683)
SC Re Collection S.r.l.	(36)	-	-	(36)
Cerved Credit Management S.p.A.	(15)	-	(5,771)	(5,786)
Cerved Legal Services S.r.l.	(6)	(56)	(2,892)	(2,954)
Cerved Master Services S.p.A.		(132)		(132)
Credit Management S.r.l.	-	-	(868)	(868)
Juliet S.p.A.	-	-	(5,126)	(5,126)
Total subsidiaries	**(2,132)**	**(1,187)**	**(36,545)**	**(39,863)**
Other related parties				
Board of Directors, executives with strategic responsibilities and other related parties	(82)	(1,493)		(1,575)
Experian Italia S.p.A.	(596)	(89)	-	(685)
Total other related parties	**(678)**	**(1,582)**	**-**	**(685)**
Total payables to related parties	**(2,810)**	**(2,769)**	**(36,545)**	**(40,548)**

(in thousands of euros) **Payables to related parties at December 31, 2019**

Company	Trade payables	Other liabilities	Short-term loans payable	Total
Subsidiaries				
Cerved Rating Agency S.p.A.	(1,675)	(277)	(3,943)	(5,895)
ClickAdv S.r.l.	(46)	(408)	(3,890)	(4,344)
Major 1 S.r.l.	(273)	(344)	(1,168)	(1,786)
Pro Web Consulting S.r.l.	(8)			(8)
Spazio Dati S.r.l. (from 1/08/2018)	(4,783)		(2,666)	(7,449)
Cerved Credit Management Group S.r.l.	(138)	(317)	(56,632)	(57,086)
Cerved Credit Collection S.p.A.	(1,192)	(0)		(1,192)
SC Re Collection S.r.l.	(95)			(95)
Cerved Credit Management S.p.A.	(15)	(1,639)	(1,756)	(3,409)
Cerved Legal Services S.r.l.	(7)		(1)	(8)
Cerved Master Services S.p.A.				
Credit Management S.r.l.			(1,623)	(1,623)
Juliet S.p.A.			(54,874)	(54,874)
Cerved Finline S.r.l.	(406)		(6)	(412)
MBS S.p.A.				
Total subsidiaries	**(8,637)**	**(2,985)**	**(126,560)**	**(138,182)**
Other related parties				
Board of Directors, executives with strategic responsibilities and other related parties		(1,203)		(1,203)
Experian Italia S.p.A.	(595)	(7)		(602)
Total other related parties	**(595)**	**(1,209)**		**(1,804)**
Total payables to related parties	**(9,232)**	**(4,194)**	**(126,560)**	**(139,574)**

Trade receivables and payables originate from ordinary commercial transactions executed during the year.
Transactions with subsidiaries have included the following:

- financial relationships for cash-pooling contracts;
- the provision of services centralized at the Parent Company for activities of an administrative nature, central purchasing, personnel management and technological infrastructure management;
- commissions for the commercial activity carried out;
- activities carried out by seconded employees;

the charge for the costs of subletting the premises and related ancillary charges;
the provision of information services;

- application of the tax consolidation contract;
- transactions arising from the consolidation of group VAT;
- relationships of a financial nature relating to various long-term loans:

(i) 2.5 million euros for the loan granted to the subsidiary Cerved Credit Collection S.p.A. on June 24, 2016 (expiring June 2021) at a rate of 2.85% plus Euribor (6-month average);
(ii) 17 million euros for the loan granted to Cerved Credit Management Group S.r.l. on March 29, 2017 (maturity date: March 29, 2022) at the rate of 2.85% plus Euribor (6-month average);
(iii) 25 million euros for the loan granted to Cerved Credit Management Group S.r.l. on May 7, 2018, in order to finance the acquisition of Juliet S.p.A. (maturity on June 30, 2023) at the rate of 1.88% plus Euribor (6-month average);
(iv) 43.25 million euros for the loan granted to Cerved Credit Management Group S.r.l. on December 20, 2019 (maturity date: December 20, 2024) at the rate of 2.85% plus Euribor (6-month average).

Other receivables and other payables relate to the effects of the Group tax consolidation.

REVENUES AND EXPENSES WITH RELATED PARTIES

(in thousands of euros)

REVENUES AND EXPENSES WITH RELATED PARTIES AT DECEMBER 31, 2018

Company	Revenues	Financial income	Personnel costs	Other operating costs	Financial charges
Subsidiaries					
Cerved Rating Agency S.p.A.	2,648	-	-	(4,630)	(4)
ClickAdv S.r.l.	72	-	-	(393)	(5)
Major 1 S.r.l.	42	-	-	(1,276)	(1)
Pro Web Consulting S.r.l.	11	-	-	(5)	()
Spazio Dati S.r.l. (from 1/08/2018)	125	-	-	(1,416)	-
Cerved Credit Management Group S.r.l.	936	1,220	-	(1,619)	(6)
Cerved Credit Collection S.p.A.	3,844	71	-	(243)	()
SC Re Collection S.r.l.	-	-	-	(36)	-
Cerved Credit Management S.p.A.	1,591	-	-	(118)	(5)
Cerved Legal Services S.r.l.	957	-	-	(11)	(2)
Cerved Master Services S.p.A.	66	-	-	-	-
Juliet Holding S.p.A.	68	1	-	-	-
Credit Management S.r.l.	140	-	-	-	()
Juliet S.p.A.	475	0	-	-	-
Total subsidiaries	**10,975**	**1,292**	**-**	**(9,747)**	**(23)**
Other related parties					
Board of Directors, executives with strategic responsibilities and other related parties	10	-	(5,139)	(61)	-
Experian Italia S.p.A.	451	-	-	(1,047)	-
Spazio Dati S.r.l. (until 31/07/2018)	175	-	-	(1,193)	-
La Scala-Cerved società tra avvocati a r.l.	4	-	-	-	-
Total other related parties	**639**	**-**	**(5,139)**	**(2,301)**	**-**
Total revenues and expenses with related parties	**11,615**	**1,292**	**(5,139)**	**(12,048)**	**(23)**

(in thousands of euros) **REVENUES AND EXPENSES WITH RELATED PARTIES AT DECEMBER 31, 2019**

Company	Revenues	Financial income	Personnel costs	Other operating costs	Financial charges	Costi finanziari
Subsidiaries						
Cerved Rating Agency S.p.A.	2,807		(35)	(5,819)		(4)
ClickAdv S.r.l.	84			(575)		(4)
Major 1 S.r.l.	139			(1,651)	(19)	(1)
Pro Web Consulting S.r.l.	135	0		(62)		0
Spazio Dati S.r.l. (from 1/08/2018)	156			(6,570)		(2)
Cerved Credit Management Group S.r.l.	917	1,071		(1,639)		(5)
Cerved Credit Collection S.p.A.	6,293	78	(23)	(212)		
SC Re Collection S.r.l.				(284)		
Cerved Credit Management S.p.A.	1,546			(125)	(12)	(8)
Cerved Legal Services S.r.l.	905			(9)	(3)	(1)
Cerved Master Services S.p.A.	83					0
Juliet Holding S.p.A.	69					
Credit Management S.r.l.	137					(2)
Juliet S.p.A.	759					(27)
Cerved Finline S.r.l.	135			(620)		
MBS S.p.A.	105					
Total subsidiaries	**14,269**	**1,149**	**(57)**	**(17,567)**	**(35)**	**(54)**
Other related parties						
Board of Directors, executives with strategic responsibilities and other related parties			(4,751)			
Experian Italia S.p.A.	633			(1,135)		
La Scala-Cerved società tra avvocati a r.l.	54					
Total other related parties	**686**		**(4,751)**	**(1,135)**	**-**	**-**
Total revenues and expenses with related parties	**14,955**	**1,149**	**(4,808)**	**(18,702)**	**(35)**	**(54)**

CASH FLOWS WITH RELATED PARTIES

(in thousands of euros) **CASH FLOWS WITH RELATED PARTIES IN 2019**

Company	Cash flow from/ (used in) operating activities	Cash flow from/(used in) investing activities	Cash flow from/ (used in) financing activities
Subsidiaries			
Cerved Rating Agency S.p.A.	(1,464)		(407)
ClickAdv S.r.l.	(362)		(1,523)
Major 1 S.r.l.	(1,988)		663
Pro Web Consulting S.r.l.	(546)		(307)
Spazio Dati S.r.l.	(3,412)		2,665
Cerved Credit Management Group S.r.l.	(779)		18,342
Cerved Credit Collection S.p.A.	5,109		(2,901)
SC Re Collection S.r.l.	(226)		
Cerved Credit Management S.p.A.	5,911		(4,024)
Cerved Legal Services S.r.l.	548		(3,403)
Cerved Master Services S.p.A.	(237)		0
Juliet Holding S.p.A.	68		848
Credit Management S.r.l.	(234)		753
Juliet S.p.A.	760		49,722
Cerved Finline S.r.l.	(205)		6
MBS S.p.A.	(23)		
Total subsidiaries	**2,921**		**60,435**
Other related parties			
Board of Directors, executives with strategic responsibilities and other related parties	(5,120)		
Experian Italia S.p.A.	(381)		
La Scala-Cerved società tra avvocati a r.l.	3		
Total other related parties	**(5,498)**	**-**	
Total receivables from related parties	**(2,577)**		**60,435**
Total financial statement items	**118,445**	**(90,253)**	**4,278**
% of financial statement item	**-2%**	**0%**	**1413%**

(in thousands of euros) **CASH FLOWS WITH RELATED PARTIES IN 2018**

Company	Cash flow from/ (used in) operating activities	Cash flow from/(used in) investing activities	Cash flow from/ (used in) financing activities
Subsidiaries			
Cerved Rating Agency S.p.A.	(1,913)		1,562
Major 1 S.r.l.	(1,132)		207
ClickAdv S.r.l.	(59)		1,335
Cerved Credit Management Group S.r.l.	(2,487)		(24,879)
Cerved Credit Management S.p.A.	(1,024)		3,574
Cerved Legal Services S.r.l.	1,014		2,536
Cerved Credit Collection S.p.A.	5,505		(190)
Cerved Master Services S.p.A.	197		-
Juliet Holding S.p.A.	68		(2,448)
Pro Web Consulting S.r.l.	37		26
Spazio Dati S.r.l. (from 1/08/2018)	(783)		-
Credit Management S.r.l.	138		868
Juliet S.p.A.	471		5,126
Total subsidiaries	**32**	**-**	**(12,283)**
Other related parties			
Board of Directors, executives with strategic responsibilities and other related parties	(4,067)		-
Experian Italia S.p.A.	**219**		**-**
Spazio Dati S.r.l. (until 31/07/2018)	**(60)**		**-**
La Scala-Cerved società tra avvocati a r.l.	8		(500)
Total other related parties	**(3,900)**	**-**	**(500)**
Total receivables from related parties	**(3,868)**	**-**	**(12,783)**
Total financial statement items	**119,491**	**(39,170)**	**(49,868)**
% of financial statement item	**-3%**	**0%**	**26%**

Transactions with related parties were executed by the Company in the regular course of business on standard market terms and in the interest of the Company and the Group.

Transactions with top management refer to Directors' fees and the compensation of executives with strategic responsibilities, which are analysed below:

(In thousands of euros)	Wages, salaries and social security contributions	Total
Directors' fees	1,780	1,780
Executives with strategic responsibilities	2,970	2,970
Total	**4,751**	**4,751**

43 POSITIONS OR TRANSACTIONS RESULTING FROM ATYPICAL AND/OR UNUSUAL ACTIVITIES

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

44 EVENTS OCCURRING AFTER THE END OF YEAR

See the information provided in the Report on Operations for a comment about significant events occurring after the date of these Statutory Financial Statements.

45 OTHER INFORMATION

Pursuant to the provisions of Law No. 124 of August 4, 2017 (Article 1, paragraphs from 125 to 129), also called "Transparency Law," it should be noted that the Company did not receive any contribution relating to Research and Development costs during 2019.

All transactions of a commercial nature carried out with public administrations and related companies in the course of 2019 were executed in exchange for a consideration to remunerate the services provided by the companies of the Group on market terms and in the normal course of business.

In 2019, the Company invoiced to public companies or companies owned by public companies a total of 8,175 thousand euros, including 6,243 thousand euros collected during the year.

San Donato Milanese, March 24, 2020

For the Board of Directors
The Chairperson
Gianandrea De Bernardis
(signed on the original)

CERTIFICATION PURSUANT TO ART. 154 BIS OF LEGISLATIVE DECREE NO. 58 OF FEBRUARY 24, 1998 (CONSOLIDATED LAW ON FINANCE - TUF) AND ARTICLE 81-TER OF CONSOB REGULATION NO. 11971 OF MAY 14, 1999 AS AMENDED AND SUPPLEMENTED

1 The undersigned Andrea Mignanelli, in his capacity as Chief Executive Officer, and Francesca Perulli, in her capacity as Corporate Accounting Documents Officer of Cerved Group S.p.A., certify, also taking into account the provisions of Article 154-*bis, paragraphs 3 and 4, of Legislative Decree no. 58 of February 24, 1998:*

- the adequacy in relation to the characteristics of the business enterprise; and
- *t*he effective application of the administrative and accounting procedures for the preparation of the financial statements during the year from January 1, 2019 to December 31, 2019.

2 The implementation the administrative and accounting procedures applied to prepare the Statutory Financial Statements at December 31, 2019 did not uncover any significant findings.

3 We further certify that:

3.1 The Statutory Financial Statements:

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

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

iii) are suitable for providing a truthful and fair presentation of the financial position, earnings and cash flow of th*e* issuer.

3.2 The Report on Operations provides a reliable analysis of the issuer's performance and result from operations, as well as of its financial position, together with a description of the main risks and uncertainties to which it is exposed.

San Donato Milanese, March 24, 2020

Andrea Mignanelli	*Francesca Perulli*
Chief Executive Officer	Corporate Accounting Documents Officer
(signed on the original)	(signed on the original)

There is a difference
between addition and increase.

Julian Barnes

Valmalenco

pwc

Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the Shareholders of Cerved Group SpA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Cerved Group (hereinafter, also, "the Group"), which comprise the consolidated statement of financial position as of 31 December 2019, the consolidated statement of comprehensive income, statement of changes in consolidated shareholders' equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2019, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of Cerved Group SpA (the Company) pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers SpA

Sede legale e amministrativa: Milano 20149 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Cap. Soc. Euro 6.890.000,00 i.v., C.F. e P.IVA e Reg. Imp. Milano 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 0712132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 0805640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035229691 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 0516186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 0303697501 - **Catania** 95129 Corso Italia 302 Tel. 0957532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 0552482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 01029041 - **Napoli** 80121 Via dei Mille 16 Tel. 08136181 - **Padova** 35138 Via Vicenza 4 Tel. 049873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 0854545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06570251 - **Torino** 10122 Corso Palestro 10 Tel. 011556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 0403480781 - **Udine** 33100 Via Poscolle 43 Tel. 043225789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332285039 - **Verona** 37135 Via Francia 21/C Tel. 0458263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444393311

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Key Audit Matters	Auditing procedures performed in response to key audit matters
Revenue recognition	
Note 7 "Revenues" to the consolidated financial statements as of 31 December 2019.	
The Cerved Group operates in three businesses segments with different products, services and customers. This diversity is also reflected in the revenue recognition method applied for each of these segments. We focused on the revenue recognition of revenues from the Credit Information business (Euro 305 million) because these revenues accounted for about 59% of the Group's total revenues and are characterised by a large number of transactions with a delay between the timing of billing and recognition. As a result, revenue from services billed but not yet rendered at the reporting date are recorded as deferred revenues. Besides the amount involved, revenues of the Credit Information segment were considered a key matter in consideration of the elements of uncertainty intrinsic to the revenue recognition process, such as the identification and classification of contracts into the various categories, the handling of the different sales terms applied to counterparties, the existence of any period-end entries and the underlying approval process.	We analysed, understood and assessed the internal control system related to the revenue recognition process. We identified and validated the operation and effectiveness of the key controls (manual and automated) over that process, using also the support of experts in IT systems and business process analysis belonging to the PwC network. We verified the reconciliation of the general ledger values for revenues and deferred revenue against those extracted from the IT system, we identified and verified, on a sample basis, any manual journal entries adjusting the values extracted from the system, the rationale for such entries and the related supporting evidence, as well as whether approval levels were appropriate. We verified the correct recognition of amounts billed to customers and related deferred revenue for a sample of transactions involving all products of the Credit Information segment in order to verify the existence of the transaction, the accuracy of the data entered to the system upon recognition of the sales contract and proper cut-off. We also analysed the correct recognition of revenues and related deferred income for a sample of contracts showing a significant amount of deferred income at the reporting date.

Key Audit Matters	Auditing procedures performed in response to key audit matters
Assessment of the recoverability of goodwill *Note 21 "Goodwill" to the consolidated financial statements as of 31 December 2019*	
The sum of goodwill booked over time as a consequence of a number of extraordinary operations amounts to Euro 765 million.	We analysed the reasonableness of the considerations made by the directors about the CGUs identified and the process of allocation of goodwill to the various CGUs, verifying its consistency with the structure of the Group and of the segments in which it operates.
The Group directors assess the recoverability of goodwill at least annually based on the greater of the fair value less cost to sell and value in use of each cash generating unit ("CGU") to which goodwill has been allocated. The recoverability amouts for each CGU has been determined based on the value in use. Value in use was assessed by discounting the estimated future cash flows for the next three-year period (2020-2022) and the terminal value. The inputs used were derived from the business plan approved by the board of directors at the meeting held on 12 February 2020. The recoverable amount of each CGU has been compared with the carrying amount, resulting from the sum of assets and liabilities pertaining to the CGU, including the value of goodwill. The su We considered goodwill a key matter due to the amount involved and of the elements of estimation and uncertainty normally intrinsic to valuations made by the directors in relation to its recoverability. The key elements of uncertainty and estimation are related to the correct definition and identification of the CGUs, the estimation of the future cash flows of each CGU and the definition of the interest rate used to discount the future cash flows.	In order to confirm the directors' forecasting abilities, we verified that the results reported for 2019 were consistent with the forecasts set out in the business plans prepared in previous years. We analysed the business plans of each CGU prepared and used by the directors to assess the recoverability of goodwill, verifying their consistency with the business plans approved by the board of directors at its meeting held on 12 February 2020. We analysed the key assumptions underlying the revenues and costs of each CGU verifying their reasonableness in line of the actual amounts reported for FY 2019, contracts already signed and expected market developments. We verified the method used to prepare the impairment test, the mathematical accuracy of the model and the reasonableness of the assumptions used in relation to the definition of the terminal value. We verified the accuracy of the values of assets and liabilities pertaining the single CGU, including goodwill, used to the comparisons with the value in use. We engaged experts belonging to the PwC network for the analysis of models used to forecast cash flows and the assessment of the discount rate.

Key Audit Matters	Auditing procedures performed in response to key audit matters
	We analysed the sensitivity analyses performed by the directors concerning the impact on the recoverability of goodwill as a result of possible changes in estimated cash flows or in the discount rate used. Furthermore, we analysed the changes in cash flows or the discount rate that would cancel the excess of the recoverable amount of each CGU over its book value. We verified the completeness and accuracy of the disclosures reported in the notes to the consolidated financial statements.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate Cerved Group SpA or to cease operations, or has no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of an audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) No 537/2014

On 25 March 2014, the shareholders of Cerved Group SpA in general meeting engaged us to perform the statutory audit of the Company's and the consolidated financial statements for the years ending 31 December 2014 to 31 December 2022.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/10 and Article 123-bis, paragraph 4, of Legislative Decree No. 58/98

The directors of Cerved Group SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of the Cerved Group as of 31 December 2019 including their consistency with the relevant consolidated financial statements and their compliance with the law.
We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the consolidated financial statements of the Cerved Group as of 31 December 2019 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the consolidated financial statements of Cerved Group SpA as of 31 December 2019 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Statement in accordance with article 4 of Consob's Regulation implementing Legislative Decree No. 254 of 30 December 2016

The directors of Cerved Group SpA are responsible for the preparation of the non-financial statement pursuant to Legislative Decree No. 254 of 30 December 2016.
We have verified that the directors approved the non-financial statement.

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016, the non-financial statement is the subject of a separate statement of compliance issued by ourselves.

Milan, 23 April 2020

PricewaterhouseCoopers SpA

Signed by

Andrea Martinelli
(Partner)

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

Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the Shareholders of Cerved Group SpA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Cerved Group SpA (hereinafter, also, "the Company"), which comprise the statement of financial position as of 31 December 2019, the statement of comprehensive income, the statement of changes in shareholders' equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2019, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers SpA

Sede legale e amministrativa: Milano 20149 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Cap. Soc. Euro 6.890.000,00 i.v., C.F. e P.IVA e Reg. Imp. Milano 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 0712132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 0805640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035229691 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 0516186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 0303697501 - **Catania** 95129 Corso Italia 302 Tel. 0957532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 0552482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 01029041 - **Napoli** 80121 Via dei Mille 16 Tel. 08136181 - **Padova** 35138 Via Vicenza 4 Tel. 049873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 0854545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06570251 - **Torino** 10122 Corso Palestro 10 Tel. 011556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 0403480781 - **Udine** 33100 Via Poscolle 43 Tel. 043225789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332285039 - **Verona** 37135 Via Francia 21/C Tel. 0458263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444393311

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Key Audit Matters	Auditing procedures performed in response to key audit matters
Revenue recognition *Note 7 "Revenues" to the financial statements as of 31 December 2019.* Cerved Group SpA operates in two businesses segments with different products, services and customers. This diversity is also reflected in the revenue recognition method applied for each of these segments. We focused on the revenue recognition method from the Credit Information business (Euro 285 million) because these revenues accounted for about 95% of the Company's total revenues and are characterised by a large number of transactions with a delay between the timing of billing and revenue recognition. As a result, revenue from services billed but not yet rendered at the reporting date are recorded as deferred revenues. Besides the amount involved, revenues of the Credit Information segment were considered a key matter in consideration of the elements of uncertainty intrinsic to the revenue recognition process, such as the identification and classification of contracts into the various categories, the handling of the different sales terms applied to counterparties, the existence of any period-end entries and the underlying approval process.	We analysed, understood and assessed the internal control system related to the revenue recognition process. We identified and validated the operation and effectiveness of the key controls (manual and automated) over that process, using also the support of experts in IT systems and business process analysis belonging to the PwC network. We verified the reconciliation of the general ledger values for revenues and deferred revenue against those extracted from the IT system, we identified and verified, on a sample basis, any manual journal entries adjusting the values extracted from the system, the rationale for such entries and the related supporting evidence, as well as whether approval levels were appropriate. We verified the correct recognition of amounts billed to customers and related deferred revenue for a sample of transactions involving all products of the Credit Information segment in order to verify the existence of the transaction, the accuracy of the data entered to the system upon recognition of the sales contract and proper cut-off. We also analysed the correct recognition of revenues and related deferred income for a sample of contracts showing a significant amount of deferred income at the reporting date.

Key Audit Matters	Auditing procedures performed in response to key audit matters
Assessment of the recoverability of goodwill *Note 23 "Goodwill" to the financial statements as of 31 December 2019.*	
The sum of goodwill booked over time as a consequence of a number of extraordinary operations amounts to Euro 706 million as of 31 December 2019. The Group directors assess the recoverability of goodwill at least annually based on the greater of the fair value less cost to sell and value in use of each cash generating unit ("CGU") to which goodwill has been allocated. The recoverability amouts for each CGU has been determined based on the value in use. Value in use was assessed by discounting the estimated future cash flows for the next three-year period (2020-2022) and the terminal value. The inputs used were derived from the business plan approved by the board of directors at the meeting held on 12 February 2020. The recoverable amount of each CGU has been compared with the carrying amount, resulting from the sum of assets and liabilities pertaining to the CGU, including the value of goodwill. No impairment loss has been identified. We considered goodwill a key matter due to the amount involved and the elements of estimation and uncertainty normally intrinsic to valuations made by the directors in relation to its recoverability. The key elements of uncertainty and estimation are related to the correct definition and identification of the CGUs, the estimation of the future cash flows of each CGU and the definition of the interest rate used to discount the future cash flows.	We analysed the reasonableness of the considerations made by the directors about the CGUs identified and the process of allocation of goodwill to the various CGUs, verifying its consistency with the structure of the Group and of the segments in which it operates. In order to confirm the directors' forecasting abilities, we verified that the results reported for 2019 were consistent with the forecasts set out in the business plans prepared in previous years. We analysed the business plans of each CGU prepared and used by the directors to assess the recoverability of goodwill, verifying their consistency with the business plans approved by the board of directors at its meeting held on 12 February 2020. We analysed the key assumptions underlying the revenues and costs of each CGU verifying their reasonableness in line of the actual amounts reported for FY 2019, contracts already signed and expected market developments. We verified the method used to prepare the impairment test, the mathematical accuracy of the model and the reasonableness of the assumptions used in relation to the definition of the terminal value. We verified the accuracy of the values of assets and liabilities pertaining the single CGU, including goodwill, used to the comparisons with the value in use. We engaged experts belonging to the PwC network for the analysis of models used to forecast cash flows and the assessment of the discount rate.

Key Audit Matters	Auditing procedures performed in response to key audit matters
	We analysed the sensitivity analyses performed by the directors concerning the impact on the recoverability of goodwill as a result of possible changes in estimated cash flows or in the discount rate used. Furthermore, we analysed the changes in cash flows or discount rate that would cancel the excess of the recoverable amount of each CGU over its book value. We verified the completeness and accuracy of the disclosures reported in the notes to the financial statements.

Responsibilities of Directors and the Board of Statutory Auditors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) No 537/2014

On 25 March 2014, the shareholders of Cerved Group SpA in general meeting engaged us to perform the statutory audit of the Company's and consolidated financial statements for the years ending 31 December 2014 to 31 December 2022.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to those charged with governance, in their capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/10 and Article 123-bis, paragraph 4, of Legislative Decree No. 58/98

The directors of Cerved Group SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of Cerved Group SpA as of 31 December 2019, including their consistency with the relevant financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the financial statements of Cerved Group SpA as of 31 December 2019 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the financial statements of Cerved Group SpA as of 31 December 2019 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Milan, 23 April 2020

PricewaterhouseCoopers SpA

Signed by

Andrea Martinelli
(Partner)

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

CERVED GROUP S.P.A.

Share Capital 50,521,142.00 euros fully paid-in

Registered Office: San Donato Milanese (MI), Via Dell'Unione Europea 6A, 6B

Milan Monza Brianza Lodi Company Register No. 08587760961

REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDERS' MEETING CONVENED TO APPROVE THE 2019 FINANCIAL STATEMENTS

Pursuant to Article 153 of Italian Legislative Decree No. 58/1998 and Article 2429 of the Italian Civil Code.

Dear Shareholders:

The Board of Statutory Auditors is required to report to the Shareholders' Meeting on the activities it performed during the year, pursuant to Article 153 of Legislative Decree No. 58/1998 (hereinafter also called the "T.U.F.") and Article 2429 of the Italian Civil Code.

In this regard, please note that the Board of Statutory Auditors, during the year ended on December 31, 2019, carried out its institutional functions in compliance with the provisions of the Italian Civil Code, Legislative Decree No. 58/1998, Legislative Decree No. 39/2010 and the company Bylaws, taking also into account the rules of conduct published by the National Board of Certified Public Accountants and Accounting Experts and the communications issued by the CONSOB regarding corporate oversight and the activities of the Board of Statutory Auditors. For 2019, as required by Legislative Decree No. 39/2010, the Board of Statutory Auditors also served in the capacity as Internal Control and Auditing Committee (ICAC) as required by Article 19 of the abovementioned Decree.

Please keep in mind that the Board of Statutory Auditors currently in office is comprised of the following members: Antonella Bientinesi (Chairperson), Costanza Bonelli and Paolo Ludovici (Statutory Auditors), it was appointed by the Shareholders' Meeting held on 13 April 2017 and will therefore end its mandate with the next shareholders' meeting called to approve the financial statements as December 31, 2019.

1) Oversight Activity Regarding Compliance with the Law, the Bylaws and the Principles of Sound Management

The Board of Statutory Auditors obtained all information necessary for the performance of its control and oversight function by attending the meetings of the Board of Directors, the Control, Risks and Sustainability Committee, the Related-Party Committee and the Nominating and Compensation Committee, meeting with the Company's senior management and department managers, as well as the independent auditors PricewaterhouseCoopers S.p.A. and the Oversight Board established pursuant to Legislative Decree 231/2001, meeting and exchanging information with the Boards of Statutory Auditors of the subsidiaries and analysing information obtained from members of the Company's organisations.

More specifically, the Board of Statutory Auditors met 7 times in 2019; the meetings had an average duration of 2.5 hours. The Board of Statutory Auditors attended the 27 meetings held by the Board of Directors, the 12 meetings held by the Nominating and Compensation Committee, the 8 meetings of the Control, Risks and Sustainability Committee, the 5 meetings of the Related-Party Committee and the two meetings of the Related-Party Committee for the Keplero Project.

In addition, the Board of Statutory Auditors obtained from the Chief Executive Officer, also by attending meetings of the Board of Directors, periodic information on the overall performance of the Company's operations and business outlook and about transactions that were particularly significant from an economic and financial standpoint approved and implemented during the year, carried out by the Company and other Group companies, also in accordance with Article 150, Section 1, of the T.U.F.

The Board of Statutory Auditors can provide a reasonable assurance that the transactions approved and implemented were consistent with the applicable laws and the Bylaws and the principles of sound management and were not manifestly imprudent, reckless, potentially in a conflict of interest, in contrast with the resolutions adopted by the Shareholders' Meeting or capable of undermining the integrity of the Company's assets.

A detailed description of the transactions that were particularly significant from an economic and financial standpoint is provided in the Report on Operations annexed to the Consolidated Financial Statements of the Group for the 2019 reporting year (in the sections entitled "Significant Events of the Group" and "Significant events after the end of the reporting year").

The following transactions were particularly noteworthy ("Significant events of the Group"):

a) the signing, on January 30, 2019, of a binding long-term industrial partnership agreement concerning the management of the real estate activities, entered into between the subsidiary Cerved Credit Management Group S.r.L (CCMG) with Eurobank Ergasias S.A.. Within the sphere of this agreement, finalised on April 1, 2019, CCMG acquired - at a price of 8 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, subsequently sold;

b) On April 16, 2019 the shareholders' meeting appointed the new Board of Directors of the Company. On April 19, 2019 the BoD appointed Mr. Gianandrea De Bernardis as Chairman and Mr. Andrea Mignanelli as Chief Executive Officer;

c) on April 16, 2019 the shareholders' meeting of Cerved Group approved the 2018 financial statements and the distribution of a gross unit dividend equal to 0.295 euros per ordinary shares, for a total amount of around 57,606 thousand euros. Furthermore, the distribution of an additional dividend was resolved, equal to 0.01

euros per share taken from the share premium reserve for a total of 1,953 thousand euros. The dividend became payable as from May 22, 2019, with ex-dividend date on May 20, 2019;

d) the acquisition of an additional 5.29% interest in the share capital of Spazio Dati s.r.l., at a price of 1,035 thousand euros (equity interest held after this purchase: 79.48%.);

e) the acquisition of an additional 10% interest in the share capital of Pro Web Consulting s.r.l. at a price of 1,665 thousand euros (equity interest held after this purchase: 70%.);

f) the acquisition of the remaining 10% of the share capital of ClickAdV s.r.l. at a price of 1,734 thousand euros (equity interest held after this purchase: 100%);

g) the acquisition of an additional 1.60% interest in the share capital of Cerved Credit Management Group s.r.l., at a price of 6,894 thousand euros (equity interest held after this purchase: 96.79%.);

h) on June 28, 2019, with regard to the company indirectly invested in, Juliet S.p.A. (Juliet), a subsidiary of Cerved Credit Management Group S.r.l. and Quaestio Holding S.A., it was disclosed that Banca Monte Paschi di Siena (BMPS) had exercised the right to withdraw from the Servicing agreement with Juliet S.p.A., for the purpose of availing of the maximum flexibility in the implementation of the programme for the acceleration of the divestment of nonperforming loans and impaired loans. In exchange for the exercise of BMPS's right of withdrawal, said party acknowledged and paid Juliet all-inclusive compensation of 40 million euros, plus VAT. Furthermore, BMPS and Juliet have entered into a new agreement by virtue of which Juliet will carry out exclusive advisory activities, under market conditions, in relation to the delimitation and transfer of the portfolios of nonperforming loans subject to the divestments planned by BMPS, for a total amount of 3 billion euros;

i) the acquisition of 100% of the share capital of Mitigo Servizi s.r.l., at a price of 1,102 thousand euros. The corporate name was changed to Cerved Finline s.r.l. on July 4, 2019;

l) the acquisition, via the subsidiary CCMG s.r.l., of 100% of the share capital of Euro Legal Services s.r.l., for a price of 8.1 million euros (consisting of a base price of 6 million euros plus the NFP 2.1 million euros) to which five earn-outs might be added up to an amount of 6 million euros to be paid in relation to the achievement of certain results in the years 2019 to 2022. On September 26, 2019, and with legal effectiveness as from October 1, 2019 and tax effectiveness as from January 1, 2019, the company Euro Legal Service S.r.l. was merged via incorporation with Cerved Credit Collection S.p.A., for the purpose of strengthening the operational and commercial synergies;

m) the signing of a binding agreement for the acquisition of a controlling interest in MBS Consulting S.p.A. and its subsidiaries. By means of this transaction, finalised on August 1, 2019, Cerved Group S.p.A. acquired 30.7% of the share capital (51% of the shares with voting rights) of MBS for a consideration of 21.3 million euros and a put & call mechanism for the following 5 years in order to acquire the entire share capital under performance-related incentive conditions;

n) on September 3, 2019, the Board of Directors announced that it had granted the advisor Mediobanca a mandate to carry out an exploratory assessment of strategic options with reference to the business division headed up by the direct subsidiary Cerved Credit Management Group S.r.l.. On October 29, 2019, the opening of a structured process was confirmed in order to look further in-depth at the hypothesis of valorisation of the same division through sale or merger with other operators in the sector.

“Significant events after the end of the reporting year” included:

1) on January 30, 2020 the direct subsidiary Cerved Credit Management Group S.r.l. acquired from Quaestio Holding S.A., at a price of 43,250,000.00 euros, 50.1% of the share capital of Quaestio Cerved Credit Management S.p.A. (“QCCM”). As a result of this acquisition, CCMG became the sole shareholder of QCCM, a company already fully consolidated in the Cerved Group. By means of this transaction, the full acquisition of the capital of QCCM S.p.A. was brought forward, originally envisaged for 2021. With effect as from February 5, 2020 the indirect subsidiary QCCM changed its corporate name to Juliet Holding S.p.A.;

2) on January 30, 2020 a further interest in Spazio Data S.r.l. was acquired for 1,616 thousand euros, thus taking the controlling interest from 79.48% to 87.75%;

3) on February 16, 2020 the Company resolved, within the context of the process aimed at looking in greater depth at the hypothesis of valorising the Credit Management division, to grant an exclusive period to Intrum Italy S.p.A. for the negotiation of the potential sale of said division. This exclusive expired on March 20, 2020 in light of the singular economic and financial situation caused by the COVID-19 epidemiological emergency and negotiations were interrupted.

4) in their report on operations, the Directors pointed out that at the date of preparation of the financial statements a factor of macroeconomic instability related to the spread of Covid 19 ("Coronavirus") had occurred. This factor represents an event occurring after the financial statement reporting date that does not involve adjustments to the balances in said financial statements, in accordance with IAS 10 § 21-22, because although the Coronavirus phenomenon occurred in the People's Republic of China near the reporting date, it is only from the end of January 2020 that the World Health Organization declared the existence of an international emergency. Although to date it is extremely difficult to determine with a sufficient degree of reliability the impacts that may affect the economy, the reference sector and the Company, the Directors have nevertheless provided in the Notes to the Financial Statements in the section "Goodwill", an estimate of the potential risk of impairment in the event of a change in flows of -10% or WACC of +2% following the Covid 19 event.

Aside from the comments provided above, the Board of Statutory Auditors does not have any specific issues to report regarding the activities it carried out for the purpose of verifying compliance with the relevant laws, the Bylaws and respect for the principles of sound management.

In addition, the Board of Statutory Auditors states that it did not uncover any atypical and/or unusual transactions with other Group companies, with third parties or with related parties, and that it did not receive information to that effect from the Board of Directors, the independent auditors and the Control, Risks and Sustainability Committee.

2) Oversight Activity Regarding the Adequacy of the Company's Organization

During 2019, a reorganisation was launched, based on the creation of two business units: the "Risk Management" division (formerly "Credit Information"), focused on solutions that help clients protect themselves against risk, and the "Growth Services" division (formerly "Marketing Solution"), which offers growth support services (the Group continues to develop the credit management platform for both banking and corporate clients in a synergistic manner).

The Board of Statutory Auditors was informed of the organisational changes that have occurred through discussions with the Chief Executive Officer. It also monitored the adequacy of the Company's organisation in terms of its structure, procedures, competencies and responsibilities in relation to the size of the Company (and the Cerved Group more in general), also with regard to the nature of the corporate purpose and the methods employed to pursue it, for the issues under its jurisdiction, through the collection of information from managers of the relevant Company departments, meetings and exchanges of information with the Boards of Statutory Auditors of the subsidiaries, meetings with the Control, Risks and Sustainability Committee and meetings with representatives of PricewaterhouseCoopers S.p.A., also held for the purpose of exchanging relevant information, which did not reveal the existence of any issues.

Please keep in mind that positive assessments of the adequacy of the Company's and the Group's organisation have been already issued by the Control, Risks and Sustainability Committee on March 9, 2020 and by the Board of Directors on March 13, 2020.

The Board of Statutory Auditors verified that the criteria and review procedures adopted by the Board of Directors to assess the independence of its members were correctly applied and verified compliance with the independence requirements of its members, as required by Legislative Decree No. 58/1998 and the Corporate Governance Code.

3) Oversight Activity Regarding the Adequacy of the Internal Control System and the Internal Auditing Process

The Board of Statutory Auditors monitored the effectiveness of the internal quality control and enterprise risk management systems mainly through periodic meetings with the Company's Internal Auditing manager and by attending all meetings of the Control, Risks and Sustainability Committee.

The Board of Statutory Auditors became acquainted with the information contained in the Report on Corporate Governance and the Ownership Structure with regard to the internal control and risk management system.

The Internal Auditing Function, in its annual report submitted to the Board of Directors on March 13, 2020, stated that "based on the available information regarding the 2019 reporting year, as of the date of this report there were no elements indicating that the Cerved Group's internal control and risk management system was not suitable or not adequate in light of the Company's characteristics and the accepted risk profile or was not functioning in relation to its actual implementation, without prejudice to the need for a number of spheres of improvement communicated to Cerved Group Management, which have been undertaken.".

In addition, the Control, Risks and Sustainability Committee, on March 9, 2020, and the Board of Directors, on March 13, 2020, provided a favourable assessment of the adequacy of the internal control and risk management system adopted by the Group.

With regard to internal auditing, the Board of Statutory Auditors was also informed about the 2020 audit plan prepared by the Internal Auditing Function and approved by the Board of Directors on March 13, 2020.

In light of the verification carried out and in the absence of any indication of significant problems, the Board of Statutory Auditors is of the opinion that the internal control and risk management system is adequate and effective.

4) Oversight Activity Regarding the Adequacy of the Accounting System and the Activity of the Independent Auditors

The board of Statutory Auditors also assessed and monitored, for issues under its jurisdiction pursuant to Article 19 of Legislative Decree No. 39/2010, the financial reporting process, as well as the effectiveness of the accounting control systems and their reliability for the purpose of a correct representation of the Company's operations, through:

i. a periodic exchange of information with the Chief Executive Officer and the Corporate Accounting Documents Officer, as required by the provisions of Article 154 *bis* of the T.U.F.;

ii. a review of the reports prepared by the manager of the Internal Auditing function, including information about the result of any corrective actions undertaken further to the outcome of audit engagements;

iii. the acquisition of information from the managers of Company functions;

iv. meetings and exchanges of information with the control bodies of subsidiaries, pursuant to Article 151, Sections 1 and 2, of the T.U.F., during which the Board of Statutory Auditors obtained information regarding their management and control systems and the general performance of business activities;

v. more in-depth reviews of the work done and the analysis of the results of the engagements carried out by the independent auditors PricewaterhouseCoopers S.p.A. In this regard, the exchange of information carried out with the managers of the independent auditors showed that the independent auditors did not identify any significant shortcomings concerning internal control with regard to the financial reporting process;

vi. attendance at meetings of the Control, Risks and Sustainability Committee.

The Company's Chief Executive Officer and the Corporate Accounting Documents Officer, in a special report regarding the 2019 financial statements, certified that: 1) the administrative and accounting procedures were adequate in relation to the Company's characteristics and were effectively applied for the preparation of the financial statements; 2) the content of the financial statements was consistent with the applicable international accounting principles endorsed by the European Union pursuant to EC Regulation No. 1606/2002; 3) the financial statements matched the data in the Company's books of accounts and other accounting documents and were suitable for providing a truthful and accurate presentation of the Company's economic and financial position; 4) the Report on Operations annexed to the financial statements provides a reliable analysis of the performance and result from operations and the Company's position, together with a description of the main risks and uncertainties to which the Company is exposed. A similar certification was provided with regard to the Group's consolidated financial statements for the 2019 reporting year.

The Board of Statutory Auditors engaged in a comprehensive exchange of information in relation to the 2019 financial statements with the independent auditors PricewaterhouseCoopers S.p.A., meeting with them in the course of four specific audits and in connection with four meetings of the Control, Risks and Sustainability Committee.

The Board of Statutory Auditors discussed in detail and analysed with PricewaterhouseCoopers S.p.A. key issues of the audit of the 2019 consolidated financial statements and the 2019 statutory financial statements (i.e. 1) the assessment of revenue recognition; 2) the assessment of the recoverability of goodwill. The following other important aspects of the 2019 financial statements were also discussed: 1) the Keplero project, aimed at assessing the projects for the valorisation of the group Cerved Credit Management Group s.r.l. (CCMG) which can be achieved by means of the search for one or more investors interested in supporting the development of the same by means of investing in the capital of CCMG or by means of a potential merger transaction with another operator; 2) the acquisition of the residual 50.1% investment holding in Quaestio Cerved Credit Management S.p.A. (QCCM); 3) the impairment test on goodwill and equity investments; 4) the acquisition transactions carried out in 2019; 5) the share option plan; 6) the review of put option agreements entered into with minority shareholders of some subsidiaries; 7) the assessment of the provision for risks and charges of Cerved Group; 8) points of attention relating to the subsidiary ClickAdV.

After completing its activity, PricewaterhouseCoopers S.p.A., on 23 April 2020, issued its reports on the 2019 statutory financial statements and the 2019 consolidated financial statements, issuing an opinion without qualifications also with regard to the consistency of the Report on Operations and of some specific information contained in the Report on Corporate Governance and the Ownership Structure with the statutory and consolidated financial statements and their compliance with applicable laws.

As the key issues of the audit of the 2019 consolidated financial statements, PricewaterhouseCoopers S.p.A. indicated:

1. the "**revenue recognition process**." The independent auditors focused on the revenues generated by the Credit Information sector, as they represent about 59% of the Group's revenues and are characterised by a high number of transactions with a significant timing difference between the time of invoicing and the time of recognition. PricewaterhouseCoopers S.p.A. analysed the internal control system, identified and validated the importance of the controls applied to the process (relying also on the support of IT and corporate process analysis experts belonging to its network), verifying on a sampling basis the reconciliations of revenue and deferred income accounting data with those extracted from the information systems;
2. the **"assessment of the recoverability of goodwill"** recognised in connection with the various extraordinary transactions executed consecutively over time, in view of the estimated input and uncertainties normally inherent in the valuations performed by Directors with regard to recoverability. The independent auditors analysed the reasonableness of the considerations made by Management consistent with the economic-financial plans approved by the Board of Directors on February 12, 2020, assessing the methodology applied for the preparation of the impairment test and verifying the correct determination of the financial statement balances attributable to the individual CGUs;

As for the key issues of the Audit Report on the 2019 statutory financial statements, the independent auditors emphasised the same items mentioned above.

In addition, also on 23 April 2020, PricewaterhouseCoopers S.p.A. issued the Report required pursuant to Article 11 of EU Regulation No. 537 of April 16, 2014, which the Board of Statutory Auditors forwarded to the Board of Directors without any remarks. Among the annexes to the abovementioned Report (see Appendix 5) the independent auditors released their "Independence Statement."

The Board of Statutory Auditors wishes to point out that the Notes accompanying the Consolidated Financial Statements as at December 31, 2019 (Chapter 42 Other Information) contain information regarding the fees accrued for the year attributable to the independent auditors PricewaterhouseCoopers S.p.A. for statutory independent auditing services (792,000.00 euros), certification/non-auditing services (8,000.00 euros) and amounts payable to its network for non-auditing activities (74,000.00). The Board of Statutory Auditors noted how the strict procedure for the award of non-auditing services approved by the Company (pursuant to which any assignment involving non-auditing services for which, presumably, the services of the independent auditors or their network would be necessary must first be submitted to the Board of Statutory Auditors) produced significant effects in that area.

5) 2019 Statutory Financial Statements, Consolidated Financial Statements and Sustainability Report

Based on the information provided by the Company, the 2019 statutory financial statements **1)** were prepared in accordance with the going concern assumption, the Directors having verified the inexistence of financial, operational and other indicators signalling issues regarding the Company's ability to meet its obligations in the foreseeable future and in particular in the next 12 months; **2)** were prepared in accordance with the IFRS international accounting principles, this expression being understood to mean all "International Financial Reporting Standards," all "International Accounting Standards" (IAS), all interpretations of the "International Financial Reporting Interpretations Committee" (IFRIC) that at the closing date of the financial statements had been approved by the European Union in accordance with the procedure required under EC Regulation No. 1606/2002 of the European Parliament and European Council of July 19, 2002; **3)** were prepared based on the conventional historical cost criterion except for the measurement of financial assets and liabilities, in those cases in which the use of the fair value criterion is mandatory.

Likewise, again based on the information provided by the Company, the 2019 consolidated financial statements **1)** were prepared in accordance with the going concern assumption, the Directors having verified the inexistence of financial, operational and other indicators signalling issues regarding the Group's ability to meet its obligations in the foreseeable future and in particular in the next 12 months; In this connection, moreover, in the section "Business Outlook" of the Report on Operations the Company formally acknowledges that it has carried out, in relation to Covid19, a stress test with a view to checking the availability of liquid financial resources for the purpose of the business as a going concern, which revealed that the economic, equity and financial situation of the Group is sound and makes it possible to deal with the crisis underway; **2)** were prepared in accordance with the IFRS international accounting principles, this expression being understood to mean all "International Financial Reporting Standards," all "International Accounting Standards" (IAS), all interpretations of the "International Financial Reporting Interpretations Committee" (IFRIC) that at the closing date of the consolidated financial statements had been approved by the European Union in accordance with the procedure required under EC Regulation No. 1606/2002 of the European Parliament and European Council of July 19, 2002; **3)** were prepared based on the conventional historical cost criterion except for the measurement of financial assets and liabilities, in those cases in which the use of the fair value criterion is mandatory.

The Board of Statutory Auditors, through information obtained from the independent auditors PricewaterhouseCoopers S.p.A. and the Company's management, verified compliance with the adopted international accounting principles and the provisions of other laws and regulations concerning the preparation of the Statutory Financial Statements, Consolidated Financial Statements and accompanying Report on Operations.

The Board of Directors delivered on a timely basis to the Board of Statutory Auditors the Statutory and Consolidated Financial Statements and the Report on Operations. The audit report and the report required by Article 11 of EU Regulation No. 537/2014 were delivered by the independent auditors to the Board of Statutory Auditors on 13 April 2020. The Board of Statutory Auditors does not have any remarks to submit to the Shareholders' Meeting.

The Board of Statutory Auditors has examined the proposal made by the Board of Directors to carry forward the 2019 profit, even if in the presence of a positive net result and substantial reserves, in view of the current uncertainty caused by COVID-19, and believes that it agrees with the proposal which aims to maintain liquidity within the Group in order to deal with any risks and to give priority to strengthening the capital structure.

Lastly, the Board of Statutory Auditors, as required by Article 3, Section 7, of Legislative Decree No. 254 of December 30, 2016, monitored compliance with the provisions of the abovementioned decree regarding the Non-Financial Statement (NFS or Sustainability Report). The purpose of that document is to share with the shareholders the economic, social and environmental performances of Cerved Group S.p.A. and its subsidiaries, providing a clear and transparent representation of the activities promoted by the Group in the sustainability area, to the extent necessary to ensure an understanding of the Company's business operations, its performance, its results and the impact it produced in terms of improving Italy's overall system. The Board of Statutory Auditors wishes to point out that the content of those documents was developed in accordance with the "GRI Sustainability Reporting Standards" (2016) published by the Global Reporting Initiative (GRI) in accordance with the "Core" option, which requires reporting for at least one indicator for each one of the topics identified as material by the materiality analysis.

The Sustainability Report was accompanied by a limited audit report issued by PricewaterhouseCoopers S.p.A. on 23 April 2020.

The Sustainability Report for 2019 was approved by the Board of Directors on March 13, 2020.

6) Oversight Activity Regarding the Implementation Modalities of the Corporate Governance Code

The Board of Statutory Auditors monitored the implementation modalities of the Corporate Governance Code for listed companies promoted by Borsa Italiana S.p.A., adopted by the Company in the manner described in the 2019 Report on Corporate Governance and the Ownership Structure, approved by the Board of Directors on March 24, 2019.

Detailed information about the Company's corporate governance system is provided in the 2019 Report on Corporate Governance and the Ownership Structure.

7) Oversight Activity Regarding Transactions with Subsidiaries

The Board of Statutory Auditors wishes to point out that it met directly or through a telephone link, for a productive exchange of information, with the statutory auditors of the following subsidiaries: Cerved Credit Management Group S.r.l., Cerved Credit Management S.p.A., Cerved Rating Agency S.p.A., MBS Consulting S.p.A., MBS Consulting S.r.l., Innovation Team S.r.l., Pro Web Consulting S.r.l., Cerved Legal Services S.r.l., ClickAdV S.r.l., Cerved Credit Collection S.p.A, and Cerved Master Services S.p.A., Quaestio Cerved Credit Management S.p.A. and Juliet S.p.A..

No notices of significant issues were received.

The Board of Statutory Auditors monitored compliance with the instructions given to the subsidiaries pursuant to Article 114, Section 2, of Italian Legislative Decree No. 58/1998 (T.U.F.).

8) Oversight Activity Regarding Transactions with Related Parties

The Board of Statutory Auditors acknowledges that the Board of Directors, in the Report on Operations (section entitled “Related-Party Transactions”), provided an illustration of the effects of ordinary transactions deemed to be highly material economically and financially, executed with related parties (which were settled on standard market terms). Please consult the abovementioned section for information regarding the identification of the types of transactions in question and the corresponding economic and financial effects.

The Board of Statutory Auditors wishes to point out that since May 28, 2014 the Company adopted a procedure governing related-party transactions, as required by Consob Regulation No. 17221 of March 12, 2010 and Consob Communication No. 10078683 of September 24, 2010, with the aim of avoiding or managing transactions that entail conflicts of interest or personal interests on the part of directors. This procedure was amended on December 21, 2017, as required by Article 2391-bis of the Italian Civil Code and the Related-Party Regulation. Pursuant to Article 4 of the abovementioned Regulation, the Board of Statutory Auditors verified that the procedures adopted were consistent with said Regulation and were being complied with.

9) Oversight Activity Regarding Other Issues

On March 16, 2016, the Board of Statutory Auditors approved the Organisation Management and Control Model pursuant to Legislative Decree No. 231/2001 and appointed the corresponding Oversight Board; the Board of Statutory Auditors acknowledges that it received from the Oversight Board the required periodic reports and information. The Model was last updated by means of resolution of the Board of Directors dated October 29, 2018.

The Board of statutory Auditors further acknowledged that, on December 23, 2019, the Group’s Code of Ethics was up-dated, which sets forth the Company’s ethical commitments and responsibilities in the handling of its business and corporate activities and defines a set of values, principles and conduct guidelines that must be followed by the Group’s management and anyone who is linked with the Group through an employment relationship and, in general, anyone who operates on the Group’s behalf (irrespective of the linking relationship).

Given the importance of this issue within Cerved, for whom the processes for the collection, analysis and processing of data constitute the foundations of the products and services offered by the Group, the Board of Statutory Auditors very closely followed the updating of the Group’s privacy model consistent with the requirements of the General Data Protection Regulation (GDPR).

Lastly, the Board of Statutory Auditors acknowledges that the Company adopted a special regulation, available on the Company website, which governs the internal management and external communication of insider information concerning the Company and its subsidiaries, as well as the conduct of the information’s recipients (as defined in the Regulation), in accordance with the requirements set forth in EU Regulation No. 596/2014 of the European Parliament and Council of April 16, 2016 ("**MAR**"), in EU Implementation Regulation No. 2016/347 of the Commission on March 10, 2016 (Implementation Regulation), in Legislative Decree No. 58/1998, as amended, and in the Consob Regulation adopted with Resolution No. 11971 of May

10) Opinions Rendered by the Board of Statutory Auditors

The Board of Statutory Auditors rendered the following opinions:

i. a favourable opinion on the allocation of 69.9% of the promised shares relating to the first assignment cycle of the Performance Share Plan, during the Board of Directors' meeting on March 14, 2019;

ii. a favourable opinion pursuant to Article 154 *bis*, paragraph 1 of the TUF and Article 19.4 of the Bylaws, on the appointment of Ms. Francesca Perulli as Corporate Accounting Documents Officer during the Board Meeting held on April 19, 2019;

iii. a favourable opinion pursuant to Article 2389, paragraph 3 of the Italian Civil Code regarding the division of emoluments in favour of the member of the Board, during the Board Meeting held on May 7, 2019;

iv. a favourable opinion pursuant to Article 2389 of the Italian Civil Code regarding the variable emolument to be paid to the Chief Executive Officer in relation to the achievement of new targets, during the Board Meeting held on June 19, 2019;

v. a favourable opinion regarding the approval of the data of the 2019 semiannual financial report, at a meeting of the Board of Directors on July 30, 2019;

vi. a favourable opinion regarding the proposal to up-date the remuneration package of the Internal Audit Manager, during the Board Meeting held on December 19, 2019.

During 2019, the Board of Statutory Auditors did not receive any complaints pursuant to Article 2408 of the Italian Civil Code.

11) Conclusions

The oversight activities carried out in 2019 did not uncover any objectionable facts, omissions or irregularities requiring disclosure in this Report nor has the Board of Statutory Auditors become aware of transactions implemented in a manner inconsistent with the principles of sound management or approved and executed not in accordance with the relevant laws and the Bylaws, in contrast with the resolutions adopted by the Shareholders' Meeting, manifestly imprudent or reckless or capable of compromising the integrity of the corporate assets.

Taking into account the preceding information, the Board of Statutory Auditors, considering the content of the reports prepared by the statutory independent auditors, acknowledging the certifications issued by the Chief Executive Officer and the Corporate Accounting Documents Officer, did not find, for issues under its jurisdiction, any reasons to object to the approval of the draft statutory financial statements as at December 31, 2019 and the carrying forward of the profit for the year as recommended by the Board of Directors.

As already mentioned, the mandate granted to the Board of Statutory Auditors by the Shareholders' Meeting held on April 13, 2017 expires with the Shareholders' Meeting called to approve the financial statements as at December 31, 2019. The Board of Statutory Auditors therefore invites the Shareholders to adopt the necessary decisions for the renewal of the Board of Statutory Auditors.

Milan, 24 April 2020

On behalf of the Board of Statutory Auditors

The Chairperson

Antonella Bientinesi

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