Cerved Group S.p.A.
Registered office at Via dell'Unione Europea 6A/6B – San Donato Milanese (Milan)
Share Capital EUR 50,521,142.00 fully paid in
Companies Register of Milan Monza Brianza Lodi, Taxpayer Identification Number and VAT Registration Number: 08587760961
Economic and Administrative Index [R.E.A.] of Milan No. 2035639
Institutional website: http://company.cerved.com

Assessments by the Board of Directors of Cerved Group S.p.A. on the request to supplement the agenda of the extraordinary shareholders' meeting formulated jointly by Maven Investment Partners Ltd. ("Maven") and Berry Street Capital Management LLP ("Berry") pursuant to Article 126-bis, paragraph 1, of Legislative Decree No. 58 of 24 February 1998

On 21 October 2021, the shareholders Maven Investment Partners Ltd. and Berry Street Capital Management LLP ("**Shareholders**"), which together hold a 2.91% equity interest in Cerved Group S.p.A. ("**Cerved**" or the "**Company**") requested, pursuant to Article 126-bis, paragraph 1, of Legislative Decree No. 58 of 24 February 1998 (the "**Consolidated Law on Finance**"), that the agenda for the shareholders' meeting of the Company convened for 14 October 2021, in single call, in ordinary and extraordinary session, on 25 November 2021 (the "**Shareholders' Meeting**") be supplemented with, *inter alia*, the following item to submit into the Shareholders' Meeting: "*1. distribution to the shareholders of a dividend of EUR 0.50 (fifty cents) per each outstanding share. The dividend in question may be paid as an extraordinary dividend drawing on available reserves and/or profits according to the most recent financial statements approved or on the available reserves and/or profits according to the approval of the financial statements at 31 December 2021, in which case it would be due and payable following the approval of these latter financial statements*" (the "**Request for a Supplement**").

The request for a supplement to the subject matter on the agenda received by the Company is accompanied by, *inter alia*, the following motion for resolution:

"*1. to approve the distribution to the shareholders of a dividend of EUR 0.50 (fifty cents) for each outstanding share. The dividend in question may be paid as an extraordinary dividend drawing on available reserves and/or profits according to the most recent financial statements approved or on the available reserves and/or profits according to the approval of the financial statements at 31 December 2021, in which case it would be due and payable following the approval of these latter financial statements [...]*"

This Report contains the assessments by the Company's Board of Directors of the Request for a Supplement, pursuant to Article 126-*bis*, paragraph 4, of the Consolidated Law on Finance.

These assessments prepared by the Board of Directors pursuant to Article 126-*bis*, paragraph 4, of the Consolidated Law on Finance, along with the Request for a Supplement, inclusive of the Shareholders' Report and the notice of convocation of the Shareholders' Meeting and related excerpt, supplemented by the Request for a Supplement, are available to the public starting from today in the Company's registered office, on the Company's website at the address https://company.cerved.com/ (section "*Governance/Shareholders' Meeting*") and the authorised storage mechanism eMarketSTORAGE at the address www.emarketstorage.com. The excerpt of the notice of convocation of the Shareholders' Meeting, supplemented as indicated below, would also be published in the newspaper "Il Giornale" on 10 November 2021.

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A. ***The Request for a Supplement meets all requirements established by the applicable legislation***

On a preliminary basis, the Board of Directors assessed the compliance of the Request for a Supplement with the requirements established by the applicable legislation. In this regard, the Board of Directors believes that the Request for a Supplement meets the minimum legal requirements in both subjective terms (since it was filed by shareholders representing at least one fortieth of share capital) and objective terms (since the Request for a Supplement was filed by the time limits indicated in the notice of convocation of the Shareholders' Meeting and was accompanied by "*a report stating the reasons for the motions for resolution on the new subject matter that it is proposed it is discussed*", as required by Article 126-bis, paragraph 4, of the Consolidated Law on Finance).

the Request for a Supplement is therefore to be implemented by supplementing the agenda for the Shareholders' Meeting as follows:

"AGENDA

EXTRAORDINARY PART

1. *Amendment to Article 13.1 of the Articles of Association. Related and consequent resolutions.*

ORDINARY PART

1. *Appointment of the Board of Directors:*
    a. *determination of the number of members of the Board of Directors;*
    b. *determination of the term of office of the Board of Directors;*

c. appointment of the members of the Board of Directors;

d. determination of the remuneration of the members of the Board of Directors.

Related and consequent resolutions.

2. *Distribution to the shareholders of a dividend of EUR 0.50 (fifty cents) for each outstanding share. The dividend in question may be paid as an extraordinary dividend drawing on available reserves and/or profits according to the most recent financial statements approved or on the available reserves and/or profits according to the approval of the financial statements at 31 December 2021, in which case it would be due and payable following the approval of these latter financial statements."*

B. ***The Board of Directors states that it does not agree on the motion formulated by the Shareholders***

On the basis of the analysis represented below, the Board of Directors states that it does not agree with the motion for resolution for the distribution of available reserves in the amount of EUR 0.50 per share formulated by the Shareholders (the "**Distribution**"), for an outlay of EUR 97.6 million, for the following reasons:

- It is not the right time to distribute the Company's reserves: despite the economic recovery and the good progress of the vaccine campaign in Italy, some elements of uncertainty remain. From an epidemiological standpoint, there is a risk of a fourth wave that is already being seen in Northern Europe. From an economic standpoint, tensions surrounding raw materials – a lack of some goods and higher prices – could slow the recovery.

- From a financial standpoint, the Shareholders' motion appears imprudent, because:

  ✓ The Distribution could jeopardise the Company's flexibility of action in achieving the objectives of the 2021-2023 business plan (the "**Business Plan**"), announced to the market on 26 March 2021, in particular with regard to the growth through external lines strategy outlined in the plan (see point C. below).

  ✓ The Distribution would exceed the average amount of the dividends approved in the five-year period 2015-2019 (between EUR 0.20 and 0.30 per share) and, if compared to the Adjusted Net Profit at 31 December 2020, would not fall within the dividend policy range adopted by the Company when publishing its 2020-2023 Guidance (see points D. and E. below).

  ✓ It could entail the drawdown of the Revolving Credit Facility, inasmuch as the total outlay would be essentially equal to available cash, resulting, inter alia, in a pro-forma leverage ratio slightly higher than the 3x leverage target in the 2020-2023 Guidance (see points F. and G. below).

The Board of Directors calls attention to the following recommendation by the Board of Statutory Auditors: "*The Board of Statutory Auditors recommends that the Board of Directors inform the shareholders' meeting of the risks that would result from the approval of the motion by the minority shareholders to authorise the distribution of an extraordinary dividend in the proposed amount of* EUR *0.50 per share. The total amount of the dividends disbursed would come in at approximately* EUR *98 million against:*

- *shareholders' equity of approximately* EUR *525 million;*
- *debt of approximately* EUR *606 million;*
- *assets of* EUR *1,253 million, largely constituted by intangible assets (goodwill of* EUR *692 million, plus intangible assets of* EUR *271 million).*

The proposed dividend distribution would considerably reduce shareholders' equity (reserves will need to be drawn down, since a loss was reported at the level of the parent company in the previous year), thereby weakening the Company, which would be deprived of resources useful in coping with any further imbalances or needs, including of a temporary nature."

C. The impacts that the distribution subject matter of the Request for a Supplement would have on the Company's ability to achieve the goals set out in its 2021-2023 Business Plan, released to the market on 26 March 2021

In the light of the Group's cash in hand at the date of this document and the forecasts included in the 2021 budget and Business Plan presented to the market on 26 March 2021, if the Distribution were to occur, the Group, while maintaining adequate cash in hand in the three-year period 2021-2023, could see its flexibility of action limited, in particular with regard to the growth through external lines strategy outlined in the Business Plan (bolt-on M&A).

D. Considerations regarding the Company's historical distributions

The Board of Directors has assessed the consistency of the amount of the Distribution with the practice followed in previous years.

In the light of this comparison, the Board of Directors emphasises that, from a quantitative standpoint, the amount of the Distribution (i.e., EUR 0.50 per share) exceeds the average dividends distributed during the five-year period 2015-2019 (between EUR 0.20 and 0.30 per share; see the table below), even without considering 2020 and 2021, in which the Board of Directors did not propose any distribution of dividends, despite the presence of positive Group adjusted net profit in 2019 and 2020 and significant reserves.

Historical Dividend Per Share ("DPS")

Year paid	DPS (€)
2015	0.205
2016	0.230
2017	0.247
2018	0.270
2019	0.305
2020	0.000
2021	0.000

E. ***Considerations regarding the 2020-2023 Guidance and the Company's dividend policy and comparison to Adjusted Net Profit***

The Board of Directors also calls attention to the content of the 2020-2023 Guidance and the Company's objectives in terms of the remuneration of shareholders dictated by the dividend policy.

According to the dividend policy adopted by the Company "*the following two components are to be taken into consideration: (i) a dividend, based on a distribution of around 40-50% of the group's Adjusted Net Profit; and (ii) any additional variable dividend and/or the purchase of treasury shares, in the event of financial resources in addition to the target of leverage equal to 3.0x Adjusted EBITDA, without prejudice to the use of resources for acquisitions.*"

The Net Adjusted Profit of the group headed by the Company (the "**Group**") for the year ended 31 December 2020 was EUR 92.7 million. The total amount of the Distribution would be EUR 97.6 million and would entail a pay-out in excess of 100%, and therefore beyond the range of the dividend policy adopted by the Company.

F. ***Due to the Distribution, the Group's pro-forma leverage ratio (Net Debt/Adjusted EBITDA) would be slightly above 3x***

The Board of Directors also notes that, as a result of the Distribution, the Group's pro-forma leverage ratio, based on the Group's numbers as at 30 June 2021 (calculated as the ratio of Net Debt/Adjusted EBITDA LTM) would come to 3.1x, i.e. slightly above the level of 3x indicated as the leverage target in the 2020-2023 Guidance.

G. ***To pay the amount of the Distribution, the Company could be forced to use part of the Revolving Credit Facility.***

The Board of Directors observes that, given the cash available at the end of October 2021 and wishing to maintain a buffer for possible fluctuations in working capital, the Company might not have sufficient cash for full payment of the Distribution requested from the Shareholders and that, as a result, it might be necessary to use part of the Revolving Credit Facility.

H. Adequacy of the Company's available reserves

With regard to the Shareholders' request to distribute available reserves in an amount of EUR 0.50 per share, the Board of Directors therefore analysed the adequacy of the reserves recorded in the financial statements. In this respect, the Board of Directors emphasises that the financial statements for the year ended 30 June 2021 presented total distributable reserves of EUR 230,493 thousand.

In the light of the above, the Board of Directors notes that the Company's available reserves would be sufficient to proceed with the Distribution, where approved in the Shareholders' Meeting.

I. Impact of the Distribution of the assets on the Company's financial statements andshareholders' equity

Finally, the Board of Directors reports that the total amount of the Distribution would account for 7.7% of the Company's Total Non-Current Assets at 30 June 2021 and 6.6% of Total Assets - figures that are not particularly critical.

The Board of Directors also observes that the incidence of the amount of the Distribution in absolute terms (EUR 97.6 million) on the Company's shareholders' equity at 30 June 2021 would be 16.2%, a value that exceeds the average incidence on shareholders' equity of the amounts of the dividends distributed in the five years prior (see the table below).

Historical DPS on reported shareholders' equity ("SE")

Year paid	DPS (€)	% reported prior-year SE
2015	0.205	6.8%
2016	0.230	7.6%
2017	0.247	8.2%
2018	0.270	9.0%
2019	0.305	11.3%
2020	0.000	0.0%
2021	0.000	0.0%

In addition to the considerations set out above, it should be noted that the proposed Distribution would occur near the completion of the voluntary public tender offer within the framework of which Castor BidCo S.p.A. purchased shares accounting for 78.9% of the Company's share capital, and when the process of the merger of Cerved Group S.p.A. by Castor BidCo S.p.A. has already begun, a fact that renders it inadvisable to modify the Company's financial position.

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San Donato Milanese, 9 November 2021

On behalf of the Board of Directors

The Chairman

(Mr Gianandrea De Bernardis)