CERVED INFORMATION SOLUTIONS

Financial Statements
at December 31, 2017

Cerved Information Solutions S.p.A.

Financial Statements at December 31, 2017

Company data

PARENT COMPANY'S REGISTERED OFFICE

Cerved Information Solutions 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 50,450,000 euros
Milan Company Register No. 08587760961
Milan R.E.A. No. 2035639
Tax I.D. and VAT No. 08587760961
Corporate website: *company.cerved.com*

Composition of the company's governance bodies

BOARD OF DIRECTORS[1]

Fabio Cerchiai	*Chairman, Independent*
Gianandrea De Bernardis	*Executive Deputy Chairman*
Marco Nespolo	*Chief Executive Office*
Giulia Bongiorno	*Independent Director*
Mara Anna Rita Caverni	*Independent Director*
Sabrina Delle Curti	*Director*
Marco Maria Fumagalli	*Independent Director*
Roberto Mancini	*Director*
Andrea Mignanelli	*Director*
Valentina Montanari	*Independent Director*
Aurelio Regina	*Independent Director*

CONTROL AND RISK COMMITTEE

Mara Anna Rita Caverni	*Chairperson*
Valentina Montanari	
Aurelio Regina	

COMPENSATION COMMITTEE

Aurelio Regina	*Chairman*
Giulia Bongiorno	
Mara Anna Rita Caverni	
Marco Maria Fumagalli	

RELATED PARTY COMMITTEE

Fabio Cerchiai	*Chairman*
Mara Anna Rita Caverni	
Marco Maria Fumagalli	

1. *Elected by the Shareholders' Meeting on April 29, 2016 for a term of office ending with the approval of the statutory financial statements at December 31, 2018*

BOARD OF STATUTORY AUDITORS[2]

Antonella Bientinesi	*Chairperson*
Paolo Ludovici	*Statutory Auditor*
Costanza Bonelli	*Statutory Auditor*
Laura Acquadro	*Alternate*
Antonio Mele	*Alternate*

INDEPENDENT AUDITORS

PricewaterhouseCoopers S.p.A.

CORPORATE ACCOUNTING DOCUMENTS OFFICER

Giovanni Sartor

2 *Elected by the Shareholders' Meeting on April13, 2017 for a term of office ending with the approval of the statutory financial statements at December 31, 2019*

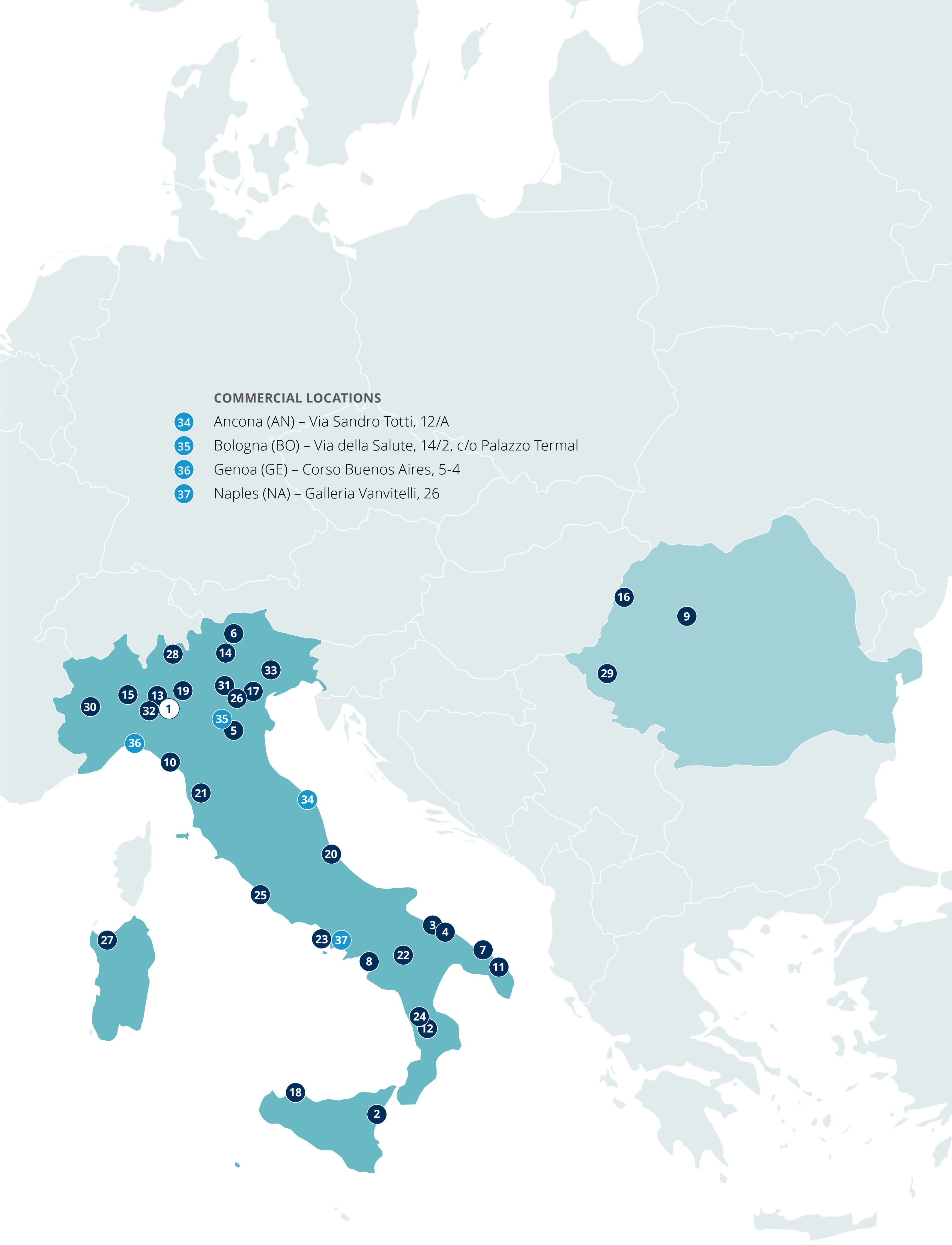
Registered office and operational and commercial locations

REGISTERED OFFICE, HEADQUARTERS AND OPERATIONAL OFFICE

1 San Donato Milanese (MI) – Via dell'Unione Europea, 6/A-6/B

OPERATIONAL LOCATIONS

2 Acireale (CT) – Via Sclafani, 40/B
3 Bari (BA) – Piazza Aldo Moro, 37
4 Bari (BA) – Vico San Domenico, 2
5 Bologna (BO) – Via Cairoli, 9
6 Bolzano (BZ) – Via Macello, 53
7 Brindisi (BR) – Piazza Cairoli, 28
8 Capaccio Paestum (SA) – Via Magna Grecia, 286
9 Cluj-Napoca (Romania) – Str. Henri Barbusse, 44-46
10 La Spezia (SP) – Viale Italia S.n.c. Locale 36, c/o il Porto di Mirabello
11 Lecce (LE) – Viale Otranto, 119
12 Mangone (CS) – Zona Industriale Piano Lago, snc
13 Milan (MI)– Viale Famagosta, 75
14 Mori (TN) – Via Teatro, 43
15 Novara (NO) – Via Sforzesca, 10/G
16 Oradea-Judet Bihor (Romania) – Str. Piata Cetatii, Et 1 3
17 Padua (PD) – Corso Stati Uniti, 14 bis
18 Palermo (PA) – Via Agrigento, 4
19 Pandino (CR) – Via Milano, 110
20 Pescara (PE) – Corso Vittorio Emanuele II, 102
21 Pontedera (PI) – Via Salvo D'Acquisto, 40/C
22 Potenza (PZ) – Via Orazio Petruccelli, 14
23 Pozzuoli (NA) – Via Antiniana, 2/A
24 Rende (CS) – Via Kennedy, Piano T
25 Rome (RM) – Via C. Colombo, 149-115
26 San Giovanni Lupatoto (VR) – Via G. Garibaldi, 5-23
27 Sassari (SS) – Via Alfredo Oriani Cairoli, 2
28 Sondrio (SO) – Via Cesura, 3
29 Timisoara (Romania) – Str. Paris Nr 2a, Et. 3, Sala 309
30 Turin (TO) – Corso Vittorio Emanuele II, 93
31 Verona (VR) – Viale del Lavoro, 35/B
32 Vigevano (PV) – Corso Novara, 43
33 Villorba (TV) – Viale della Repubblica, 19/B


COMMERCIAL LOCATIONS
34 Ancona (AN) – Via Sandro Totti, 12/A
35 Bologna (BO) – Via della Salute, 14/2, c/o Palazzo Termal
36 Genoa (GE) – Corso Buenos Aires, 5-4
37 Naples (NA) – Galleria Vanvitelli, 26

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Letter to Shareholders

Fabio Cerchiai
CHAIRMAN

Marco Nespolo
CHIEF EXECUTIVE OFFICER

Dear Shareholders

2017 represented for Cerved another year marked by numerous satisfying results and in which we managed to achieve all the key targets we had set for ourselves, from both an industrial and financial perspective. All of our areas of activity reached positive results, also thanks to a path of virtuous growth which combined the launch of new products with careful consideration for economic, environmental and social sustainability matters. This enabled us to confirm to all of our stakeholders our characteristics of resiliency, growth and cash flow generation which characterize the investment case of Cerved as an Italian public company.

2017 FULL YEAR RESULTS

This past year was characterized by a strong wave of innovation which enabled us to launch several new value-added products. This is the case of Cerved Credit Suite, an integrated platform through which customers can request reports and monitor, manage and analyze their customer portfolio, guaranteeing the highest quality of information and level of transparency. In further evolving our offering, we signed and closed new commercial agreements, and also established several industrial partnerships that contributed to the 2017 results and also laid the foundations for significant growth in forthcoming years.

Our key financial indicators showed a positive trajectory: Revenues (+6.5%), Adjusted EBITDA (+4.0%), Adjusted Net Profit (+6.7%) and the ratio between Net Financial Position and Adjusted EBITDA (from 2.9x to 2.5x at the end of 2017).
More in detail, the Credit Information division grew by 4.1%, with the Corporate segment gaining 5.7%, benefitting from the development of increasing opportunities in newly offered services and the consolidation of "bolt-on" acquisitions closed in 2016. Also the Financial Institutions segment performed well, with a growth of 2.2%, mainly driven by Business Information and demand for real estate appraisals. The Marketing Solution division grew by 16.1%, benefitting from the consolidation of the PayClick acquisition on a twelve-month basis. Lastly, the Credit Management division grew by 11.8% compared to the previous year, thanks to the organic growth of the main segments related to the management of NPLs and the ten-year agreement with Barclays Bank PLC to manage its portfolio of performing mortgages in Italy.

From a balance sheet perspective, as of 31 December 2017 the net financial position reached Euro 474.6 million, equating to a ratio of 2.5x between Net Financial Position and Adjusted EBITDA, down from 2.9x in 2016 and lower than the long-term target of 3.0x. Our financial structure thus offers us ample flexibility between pursuing growth via mergers and acquisitions and distributing value via a rewarding dividend policy.

INDUSTRIAL PARTNERSHIPS

Despite M&A activities contributing only to limited extent to 2017 results, the numerous industrial partnerships that we signed during the year will enable Cerved to strengthen its growth in 2018 and to lay the foundations for further growth in the coming years.

The key agreement of the year was the establishment of an industrial partnership with Quaestio Holding S.A. in special servicing activities, in which such partnership will be consolidated by Cerved thank to its enhanced governance rights, thus ensuring servicing levels in line with the highest standards in Europe. Within the framework of such partnership, we also reached an agreement, which we expect to close in the early months of 2018, to acquire the servicing platform of Banca Monte dei Paschi di Siena S.p.A., which will manage 80% of the non-performing loans generated by the bank over the next ten years. The servicing platform will also manage approximately Euro 13 billion of non-performing loans of Banca Monte dei Paschi di Siena Group that will be securitized, as well as other portfolios of non-performing loans held by the Atlante II Fund.

Cerved also managed to close two important industrial partnerships with Banca Popolare di Bari and BHW Bausparkasse. The ten-year partnership with Banca Popolare di Bari envisages the acquisition of the servicing platform of the bank and the servicing of approximately Euro 1.1 billion of both non-performing loans and unlikely-to-pay exposures, as well as a portion of the bank’s future flows. Instead, the partnership with BHW Bausparkasse foresees the extension of the industrial partnership signed in 2016, widening the Cerved’s role to include additional administrative and support activities on a portfolio of Euro 1.5 billion of performing, sub-performing and non-performing exposures.

HUMAN RESOURCES

2017 was a year distinguished by remarkable changes, in particular transferring to our registered offices to a new headquarter in San Donato Milanese, more spacious and functional, thanks to larger common areas and the use of leading-edge technologies, more in line with the expected growth of our operations and headcount.

The strength of the Cerved group is firmly rooted in the quality of the individuals who work for us on a day to day basis and who give consistency and continuity to the services we offer, thereby enhancing our advantages. In this respect, in the last 12 months we hired 302 new resources, including selected professionals who now play key roles within our top management team.

The common denominator of our human resources combines innovation, proactiveness and entrepreneurial capabilities. Cerved stimulates their growth and development via a plurality of diversified programs: training programs, sharing initiatives and collaboration events, in which quality of life and business productivity converge, thanks to platforms that synthesize the best of social enterprise and smart working practices.

In addition, during the year we introduced Workplace, the corporate suite of Facebook. This tool was immediately successful in encouraging proactive behavior and cohesion among all employees and associates of the Cerved Group.

ACTIVITIES TO SIMPLIFY AND OPTIMIZE THE GROUP

With the aim of optimizing the Group's structure, we started a simplification process that involves the merger by incorporation Cerved Group S.p.A. and Consit Italia S.p.A. into Cerved Information Solutions S.p.A.. We also decided to propose to the Shareholders' Meeting the approval to change the Company's name from Cerved Information Solutions S.p.A. to Cerved Group S.p.A., in order to maintain the awareness of our brand which has characterized Cerved in the Italian market for years.

OUTLOOK AND 2018 INVESTOR DAY

Considering the results achieved in 2017 and the several initiatives currently under way, we foresee a favorable future, rich in opportunities to be seized and challenges to be faced. Next June, two years after the first event, we will hold our second Investor Day with which we will illustrate the pillars of our strategy and the medium to long term objectives of the Cerved group. After another year of changes and important achievements, we remain confident on the Cerved's capabilities to continue its virtuous growth and value creation path for all stakeholders.

San Donato Milanese,
February 26, 2018

Fabio Cerchiai
Chairman

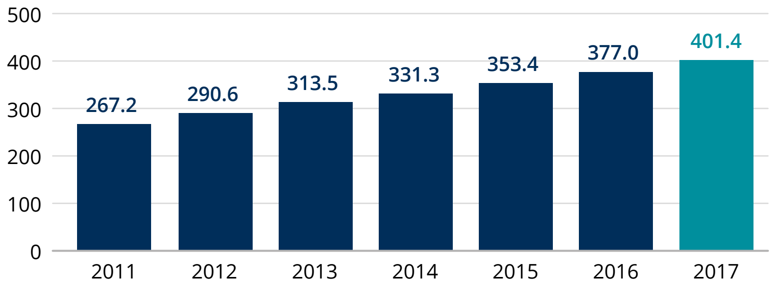
Marco Nespolo
Chief Executive Officer

FINANCIAL HIGHLIGHTS OF THE GROUP

CONSOLIDATED REVENUES

CAGR
2011-2017

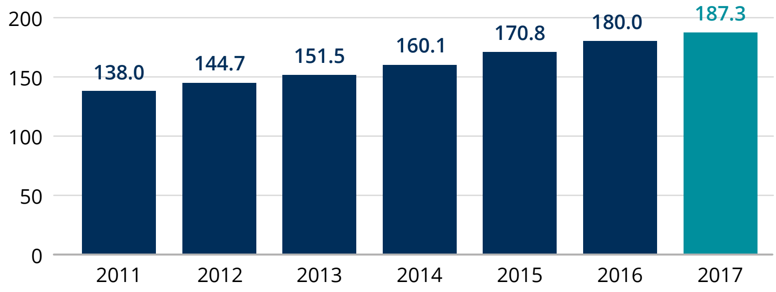
+7.0%



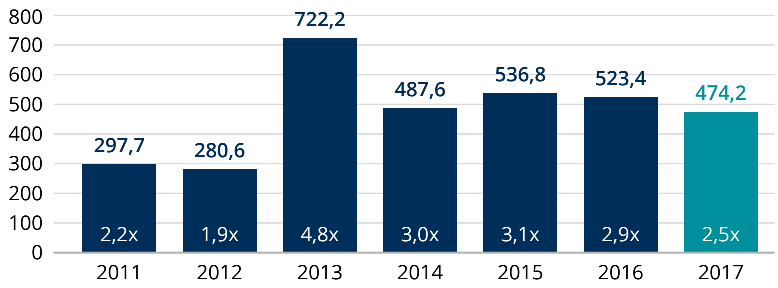
CONSOLIDATED ADJUSTED EBITDA[1]

CAGR
2011-2017

+5.2%



NET FINANCIAL DEBT OF THE GROUP



1) Adjusted consolidated EBITDA restated: i) in 2011 to reflect a change in the estimated useful lives of acquired databases for 12,689 thousand euros; ii) in 2011-2012 for management fee costs amounting to 2,239 thousand euros in 2011 and 2,209 thousand euros in 2012; iii) in 2016 to exclude the accruals for the Performance Share Plan (PFP) amounting to 680 thousand euros and 1,820 thousand euros in 2017.

REVENUES AND EBITDA BY DIVISION

CREDIT INFORMATION

REVENUES FINANCIAL INSTITUTIONS

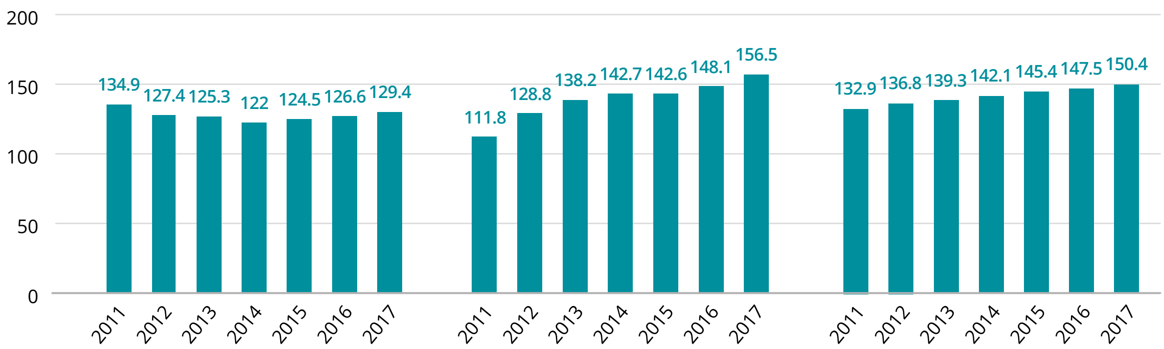
CAGR 2011-2017
(0.7)%

REVENUES CORPORATE

CAGR 2011-2017
+5.8%

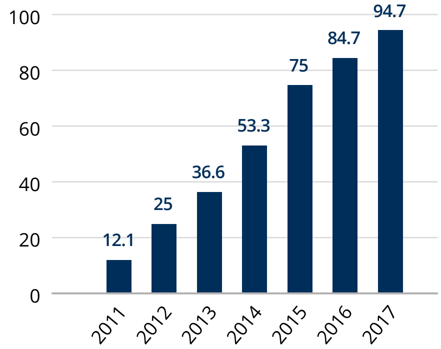
ADJUSTED EBITDA[1]

CAGR 2011-2017
+1,8%



CREDIT MANAGEMENT

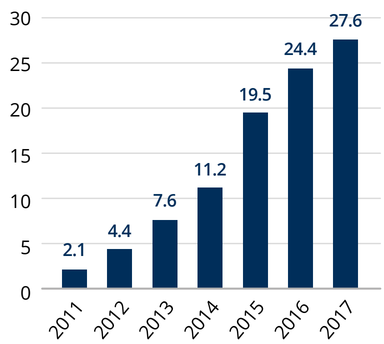
REVENUES



CAGR
2011-2017
+40.9%

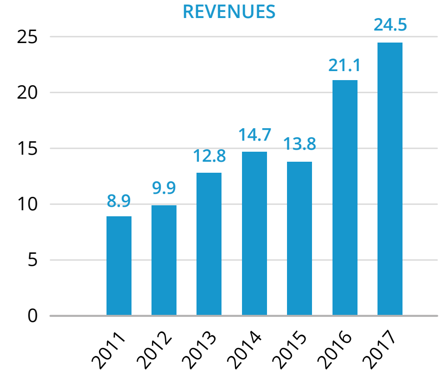
CAGR
2011-2017
+53.6%

ADJUSTED EBITDA[1]



MARKETING SOLUTIONS

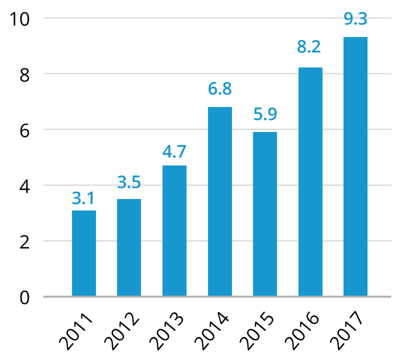
REVENUES



CAGR
2011-2017
+18.4%

CAGR
2011-2017
+20.1%

ADJUSTED EBITDA[1]



1) Adjusted consolidated EBITDA restated: i) in 2011 to reflect a change in the estimated useful lives of acquired databases for 12,689 thousand euros; ii) in 2011-2012 for management fee costs amounting to 2,239 thousand euros in 2011 and 2,209 thousand euros in 2012; iii) in 2016 to exclude the accruals for the Performance Share Plan (PFP) amounting to 680 thousand euros and 1,820 thousand euros in 2017.
2) The data for 2014 are the "Aggregated Data" resulting from the aggregation of the consolidated financial data of Cerved Group S.p.A. for the period from January 1, 2014 to March 31, 2014 with the consolidated financial data of Cerved Information Solutions S.p.A. for the period from March 14 (date of incorporation) to December 31, 2014.
3) The data for 2013 are the "Added Data" obtained by adding the consolidated financial data of Cerved Holding S.p.A. for the period from January 1, 2013 to February 27, 2013 to the consolidated data of Cerved Group S.p.A. for the period from January 9, 2013 (date of incorporation) to December 31, 2013, even though, during the abovementioned period, these two companies were controlled, respectively, by the funds Bain Capital Ltd and Clessidra and CVC Capital Partners SICAV-FIS S.A..
4) The data for 2012 were taken from the consolidated financial statements of Cerved Holding S.p.A..
5) The data for 2011 were taken from the consolidated financial statements of Cerved Holding S.p.A..

Report of the Board of Directors on Operations

1. STRUCTURE OF THE GROUP

Company profile

The Cerved Group is Italy's principal operator in the delivery of credit assessment and management services for banks, businesses and professionals. Through Cerved Credit Management Group S.r.l. and its subsidiaries, it is one of the top independent players in the management of nonperforming loans and, through the Cerved Rating Agency, one of Europe's top rating agencies. Lastly, through its Marketing Solutions Division, the Group offers services to help customers analyze their target markets and the competitive environment.

With an extensive presence throughout the financial system and over 30,000 customers counting businesses and professionals, the Cerved Group performs a crucial function within the credit system.

Over the years, the Cerved Group developed the most extensive repository of information in existence concerning Italian companies and persons related to them by integrating information from public sources (Company Registers, Property Registers, National Social Security Administration, etc.) with proprietary information (information about payment histories, interviews of businesses) and information taken from the internet (official information on open data systems, data obtained from websites by means of semantic search systems).

The Group makes available basic data and complex assessments in real time, through technological systems that can be integrated with customer systems, with the most rigorous compliance with the strictest IT security standards. Each year, Cerved invests important resources in technologies, data, scoring and rating and big data, with the objective of making the market more transparent and offering to its customers innovating, effective and easily adoptable solutions.

The Cerved Group, through its holding management company Cerved Information Solutions S.p.A. ("CIS" or "the Company"), has been listed on Borsa Italiana Online Stock Exchange since 2014 and is currently one of Italy's few public companies, with all of its shares held by market investors.

The Cerved story

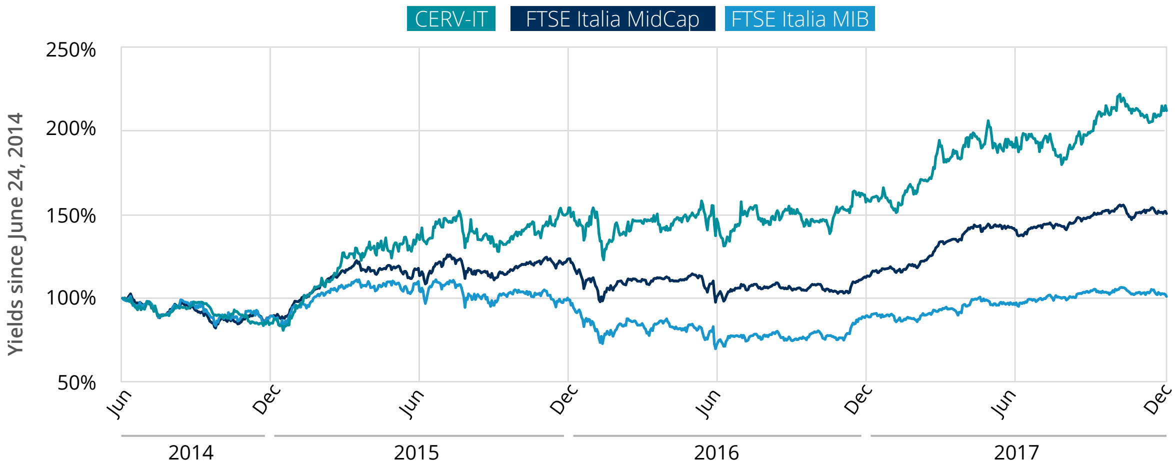
Cerved – Centro Regionale Veneto Elaborazione Dati was created in 1974 as an IT company for the management, processing and distribution of Chamber of Commerce data, with the aim of offering to its customers a more effective access to the data contained in the archives of the Company Register of the Veneto region.

In 2008, the investment funds managed by Bain Capital and Clessidra SGR became shareholders of the Cerved Group, which, in the meantime, had grown to include historical industry players, such as Centrale dei Bilanci, Databank and Lince, creating the market leader that we now know as the Credit Information segment. At the beginning of 2013, the investment funds managed by CVC Capital Partners, through the special purpose vehicle Chopin Holdings, acquired from Bain Capital and Clessidra Cerved's entire share capital and, In June 2014, Cerved made its debut on Borsa Italiana's Online Stock Exchange following one of the most important IPOs of the year.

In 2015, with its main shareholder Chopin Holdings gradually divesting its equity stake, Cerved became a public company, with a 100% share float.

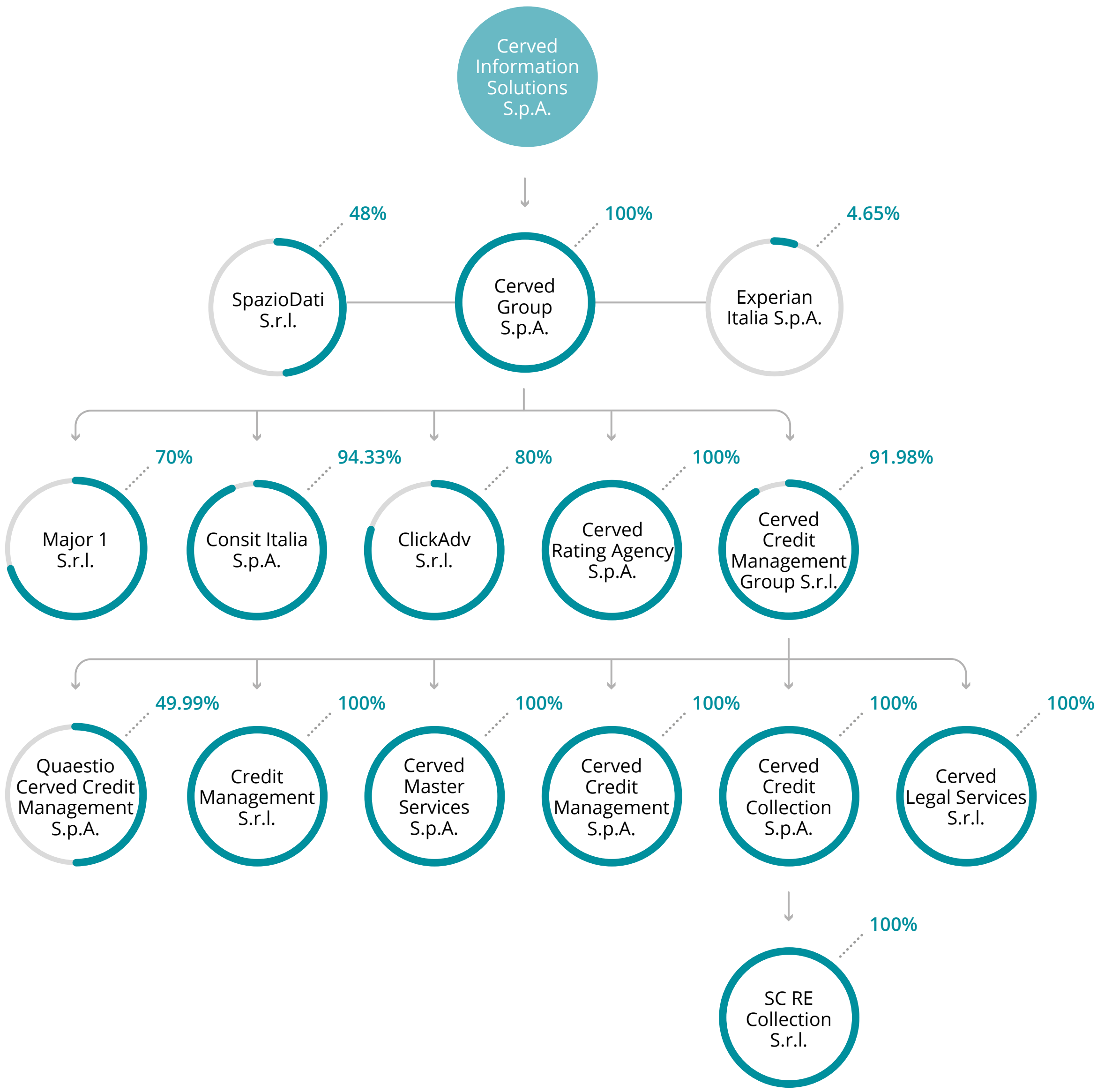
Performance of the Cerved stock

The chart below shows the performance of the shares of the Parent Company, Cerved Information Solutions S.p.A., from the date of listing until December 31, 2017.



Structure of the Group

The diagram that follows outlines the structure of the Cerved Group at December 31, 2017:



Activities of the Group

In its configuration as an integrated operator, the Cerved Group operates in three separate areas of activity:

- *Credit Information*
- *Marketing Solutions*
- *Credit Management*

Credit Information

Cerved is Italy's top operator in the field of *Credit Information* services, offering commercial, accounting, economic/financial and legal information to businesses and financial institutions. The product offering is based on four business segments (Business Information, Real Estate, Ratings & Analytics and Consumer Information) and enables the Group's customers to assess the reliability and credit worthiness of their customers, commercial counterparties and potential customers. The broad product range is completed by a series of integrated services that support customers during the decision making process in the financial and commercial credit area.

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 qualiquantitative 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 through Cerved Rating Agency S.p.A. services known as "public" ratings. The rating is the judgment of the current and prospective credit worthiness of a company ("the rated party") which is then made available to the public. The processing required to develop "public" ratings is carried out by over 100 analysts who study and assess all available, up-to-date information about the rated party and render their opinion about the counterparty's credit worthiness. Differently from "private" ratings, the issuance of "public" rating is regulated.

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 guarantee consisting of a party's real estate provided as collateral, also in connection with legal actions pursued to recover a nonperforming 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 in a single document a clear and exhaustive picture of the composition and actual values of a counterparty's property, giving customers the option of integrating an initial investigative phase with subsequent more in-depth inquiries that include expanded property report services, also for the purpose of obtaining a more objective and transparent assessment of any applications to access types of financing facilities collateralized with real estate or to quickly learn where to focus any recovery actions.

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.

Marketing Solutions

The *Marketing Solutions* Division offers a broad range of customized online products and services that enable Cerved's customers to implement the most effective commercial and marketing strategies. Specifically, Cerved makes available to its customers a variety of information and analyses that enable them to:

- find new customers and business partners, managing direct marketing campaigns, seeking new qualified customers and analyzing the territory's potential;
- know the competition, analyzing the competitive scenario from an economic, financial and strategic standpoint or requesting sector analyses and ad hoc ratios;
- analyze target sectors, uncovering risk trends, growth projections and sector trends and identifying potentially attractive segments and markets;
- improve performance, measuring customer satisfaction and understanding customer needs through customized analyses and surveys;
- offer 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.

Credit Management

Cerved is one 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 nonperforming loans (*Due Diligence*), i.e., a quick and robust assessment of individual receivables 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 receivable 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 cost, with actions targeting debtors with proven paying ability; the Credit Management companies of the Cerved Group engage in credit management and recovery activities directly and 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; a distinctive range of services recognized in the market as unique and a team of experts capable of managing on the customer's behalf the processes to sell, manage or monetize assets, while also offering legal and tax support.

Credit Management services offered to businesses include the following activities:

- *Credit Assessment*, which can be used to measure performance and organize 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 optimizing cash flows and operating costs;
- *Outsourcing collection management,* allowing 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.

Cerved's growth strategy

The growth strategy pursued by Cerved is based on clear and sustainable concepts. By leveraging its strong points, 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 favoring 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.

2. ECONOMIC CONTEXT

Macroeconomic context

The global economy has regained momentum, with growth rates reaching the highest levels since 2010. According to OECD estimates, global GDP grew by 3.6% in 2017, faster than in 2016 (3.1%), bolstered by expansionary monetary and fiscal policies, a moderate increase in investments and an upturn in world trade. According to forecasts by major international institutions, the global economy will continue to expand in 2018 and 2019 at rates comparable with those of 2017.

The fastest growth will be again recorded in the developing countries, but at lower rates than in previous years. Negative factors will be the slow implementation of reforms and financial vulnerabilities caused by high levels of public debt, especially in China. In the United States, the recent reform of the tax system should foster an increase in investments, with a positive impact on growth. In Europe, the recovery is continuing, with higher growth rates projected for the continent's main economies.

GROWTH OF REAL GDP

y/y change, %	2016	2017	2018	2019
World	**3.1**	**3.6**	**3.7**	**3.6**
United States	**1.5**	**2.2**	**2.5**	**2.1**
Eurozone(1)	**1.8**	**2.4**	**2.2**	**1.9**
Germany	1.9	2.5	2.3	1.9
France	1.1	1.8	1.8	1.7
Italy	1.1	1.6	1.5	1.3
Japan	**1.0**	**1.5**	**1.2**	**1.0**
Canada	**1.5**	**3.0**	**2.1**	**1.9**
United Kingdom	**1.8**	**1.5**	**1.2**	**1.1**
China	**6.7**	**6.8**	**6.6**	**6.4**
India(2)	**7.1**	**6.7**	**7.0**	**7.4**
Brazil	**-3.6**	**0.7**	**1.9**	**2.3**
Russia	**-0.2**	**1.9**	**1.9**	**1.5**

(1) Ireland's 2015 growth computed using the gross value added at constant prices, excluding the impact of foreign multinationals.
(2) Financial year beginning in April.

Source: OECD

The Italian economy is continuing on a recovery track, in the wake of other Eurozone countries, but at a slower pace than Germany and France: according to ISTAT (Italy's official statistical agency), GDP will grow at a rate of about 1.4% in 2018, down slightly compared with 2017. Growth is being driven mainly by exports and investments, which will benefit from the package of incentives provided under the Industry Plan 4.0.

The expansion in economic activity will be accompanied by an improvement in the labor market, with an increase in job creation (+0.5% at the end of 2017) and a gradual reduction in the unemployment rate, which will decrease to 10.9% in 2018).

OUTLOOK FOR THE ITALIAN ECONOMY – GDP AND MAIN COMPONENTS

Years 2015-2018, amounts linked by correlation of macroeconomic variables; percentage variance over the previous year

	2015	2016	2017	2018
GROSS DOMESTIC PRODUCT	**1.0**	**0.9**	**1.5**	**1.4**
Imports of goods and services FOB	6.7	3.1	5.9	4.5
Exports of goods and services FOB	4.4	2.4	4.8	3.8
INTERNAL DEMAND INCLUDING INVENTORIES	**1.5**	**1.1**	**1.7**	**1.6**
Spending by resident households & Private Social Institutions	2.0	1.5	1.4	1.3
Spending by public administrations	-0.6	0.5	0.6	0.4
Gross fixed investments	1.9	2.8	3.0	3.3
CONTRIBUTIONS TO GDP GROWTH				
Internal demand (net of inventory change)	1.4	1.5	1.5	1.5
Net external demand	-0.5	-0.1	-0.1	-0.1
Inventory change	0.0	-0.4	0.1	0.0
Deflator of spending by resident households	0.1	0.0	1.2	1.1
GDP deflator	0.9	0.8	0.6	1.1
Gross compensation per job position	1.3	0.7	0.6	1.1
Number of job positions	0.7	1.4	1.2	1.1
Unemployment rate	11.9	11.7	11.2	10.9
Trade balance/GDP (%)	2.9	3.4	2.8	3.0

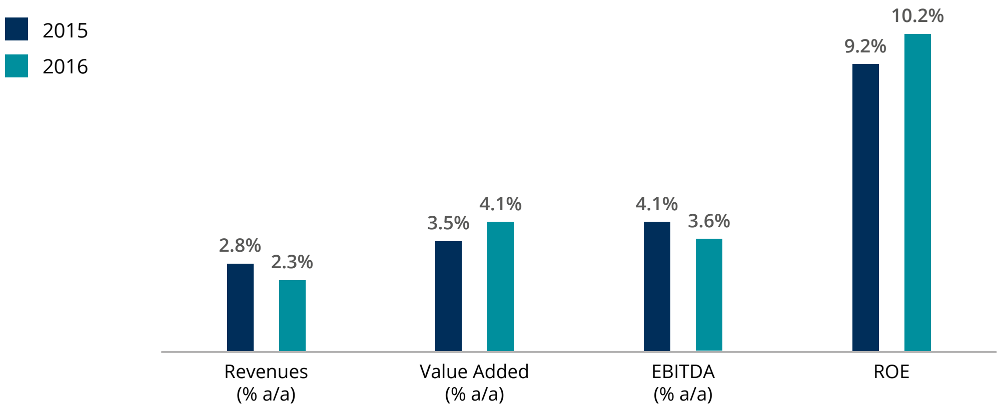
Source: ISTAT

Cerved analyses regarding the Italian system of Small and Midsize Enterprises (SMEs) confirm the clear positive signals recorded in previous years, with an improvement in earnings and significant strengthening of financial sustainability indicators.

In 2016, revenues continued to follow the positive trend of the previous year, but a slightly slower pace (+2.5%), with growth driven by industrial SMEs. Value added accelerated (+4.1%) and margins showed positive growth but less than in 2015 (+3.6%), with better dynamic for midsize enterprises compared with small ones.

TRENDS IN KEY INCOME STATEMENT ITEMS FOR SMES

Expressed as year-on-year % change, except for ROE

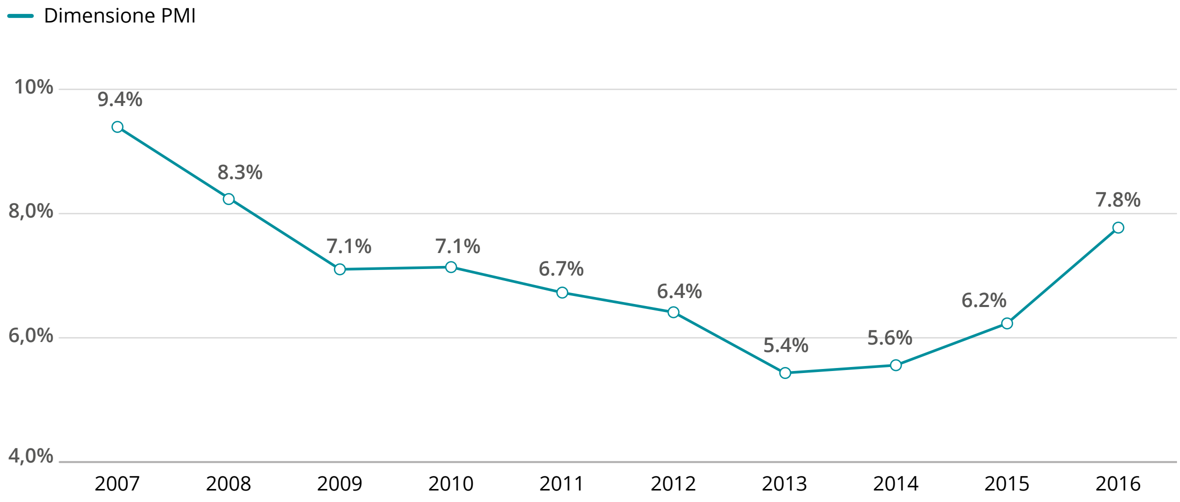


Cerved SME Report 2017

A strong contraction phase, during which investments by SMEs were cut almost in half between 2007 and 2013, was followed by the beginning of a turnaround, which gathered momentum and clearly strengthened in 2016, with investments equal to 7.8% of fixed assets (6.2% the previous year).

SMES INVESTMENT TREND

Investments in plant, property amd equipment, espressed as a percentage of tangible fixed assets the previous year



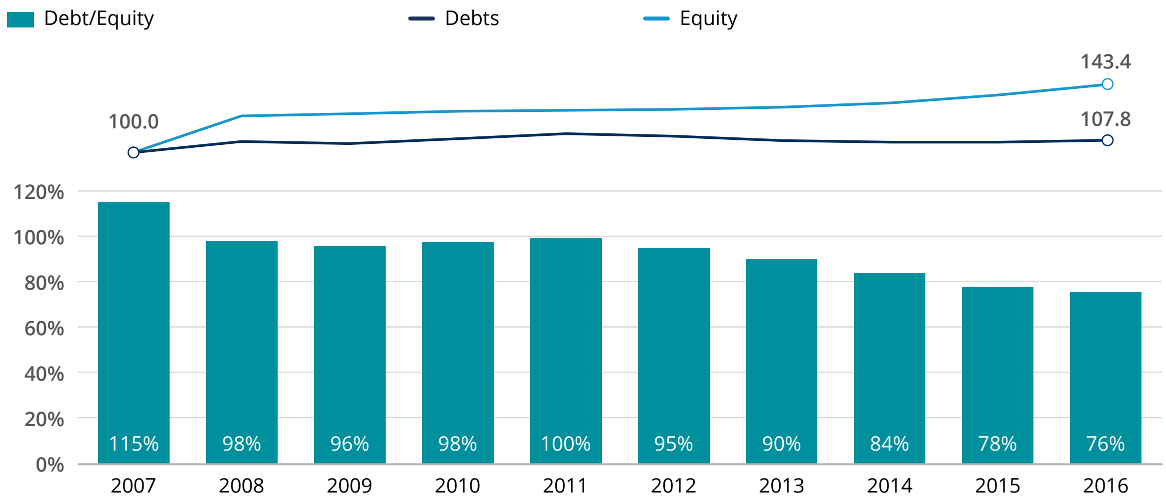
Cerved SME Report 2017

The ECB's expansionary monetary policy helped further reduce financing costs, with a positive impact on the net profitability of SMEs, which returned to double digits in 2017 (ROE at 10.2%), higher than in 2008 and close to pre-crisis levels.

In 2016, after a multi-year credit crunch, the credit provided to SMEs. both of a financial nature (+1.1%) and commercial nature (+1.2%), began again to increase. At the same time, equity grew at a faster pace (+4.9%), continuing a long-term trend that transformed the financial structure of SMEs: specifically, small and midsize businesses are showing very low levels of financial leveraging. This development is occurring concurrently with a sharp reduction in bankruptcies and other insolvency procedures and a more virtuous conduct with regard to payments.

DEBT, EQUITY AND LEVERAGE TRENDS

% for debt/equity ratio, index base (2007=100) for debt and equity numbers



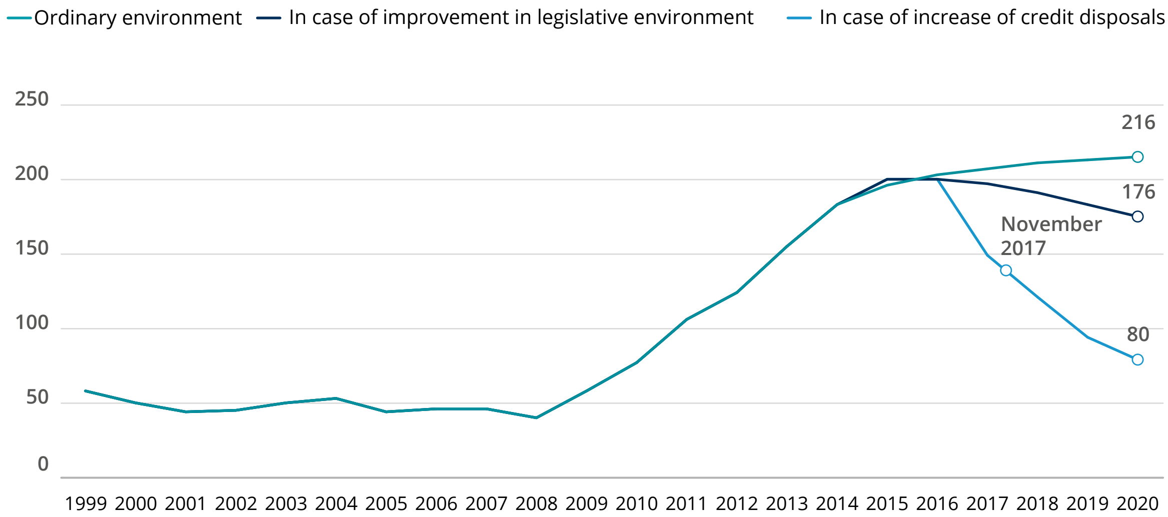
Cerved SME Report 2017

The improved financial health of businesses and the economy's positive outlook will also contribute to a further improvement in defaults by businesses. Based on projections developed by the Italian Banking Association, the rate of entry into nonperforming status will decrease from 3.2% in 2017 to 2.0% in 2019, a level close to the one achieved before the financial crisis.

In 2017, the improvement in economic conditions and the reduction in the inflow of nonperforming loans was accompanies by a spike in transactions in the nonperforming loan (NPL) market, with about 71 billion euros in disposals completed or announced to the market by banks. According to Banca d'Italia data, the stock of nonperforming loans decreased by 23% (from 197 billion euros to 151 billion euros) between the end of 2015 and the first half of 2017.

TREND NPLS

in billions euro



Even though the quantity of NPLs decreased this past year, the pressure by the E.U. authorities for a speedy reduction of nonperforming loans will continue in 2018. More specifically, the European Central Bank is expected to issue by the end of March new guidelines regarding the minimum levels of provisions for nonperforming loans. Based on a consultation document, banks must write off completely unsecured nonperforming loans within two years and secured nonperforming loans within seven years. The impact of these new measures on Italian banks would be quite different if, as Italy is suggesting, they would apply only to new loans, or also to loans already provided.

3. INFORMATION ABOUT THE GROUP'S OPERATIONS

Financial highlights

In addition to the growth in Revenues (+6.5%) and Adjusted EBITDA (+4.0%), the results reflect the contribution of the business development strategy to the various segments, thanks also to the ongoing effects of the acquisitions completed in 2016.

The tables and charts that follow show a condensed statement of comprehensive income at December 31, 2017 compared with the 2016 reporting year.

FINANCIAL HIGHLIGHTS

In thousands of euros	December 31, 2017	%	December 31, 2016	%	Change	% change
Revenues	401,375	99.9%	376,954	100.0%	24,421	6.5%
Other income	297	0.1%	135	0.0%	163	121.0%
Total revenues and income	**401,672**	**100.0%**	**377,088**	**100.0%**	**24,584**	**6.5%**
Cost of raw material and other materials	7,138	1.8%	7,412	2.0%	(274)	-3.7%
Cost of services	98,478	24.5%	84,871	22.5%	13,607	16.0%
Personnel costs	96,760	24.1%	91,713	24.3%	5,047	5.5%
Other operating costs	8,740	2.2%	8,606	2.3%	134	1.6%
Impairment of receivables and other accruals	3,243	0.8%	4,459	1.2%	(1,215)	-27.3%
Total operating costs	**214,359**	**53.4%**	**197,061**	**52.3%**	**17,298**	**8.8%**
Adjusted EBITDA	**187,313**	**46.6%**	**180,027**	**47.7%**	**7,286**	**4.0%**
Performance Share Plan	1,820	0.5%	680	0.2%	1,140	167.6%
EBITDA	**185,493**	**46.2%**	**179,347**	**47.6%**	**6,146**	**3.4%**
Depreciation and amortization	67,077	16.7%	78,027	20.7%	(10,950)	-14.0%
Operating profit before nonrecurring items	**118,416**	**29.5%**	**101,320**	**26.9%**	**17,096**	**16.9%**
Nonrecurring items	7,311	1.8%	6,541	1.7%	769	11.8%
Operating profit	**111,105**	**27.7%**	**94,779**	**25.1%**	**16,326**	**17.2%**
Financial income	868	0.2%	751	0.2%	116	15.5%
Financial charges	(30,664)	(7.6%)	(19,539)	(5.2%)	(11,124)	56.9%
Nonrecurring financial (income)/charges	5,197	1.3%	(489)	(0.1%)	5,685	(1163.7%)
Income tax expense	(28,161)	(7.0%)	(22,387)	(6.0%)	(5,774)	25.8%
Nonrecurring tax expense	-	0.0%	(4,450)	(1.1%)	4,450	(100.0%)
Net profit	**58,354**	**15.5%**	**48,665**	**12.9%**	**9,680**	**19.9%**

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

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 nonrecurring and non-core items. This indicator reflects the Group's economic results, net of nonrecurring items and factors that are not closely related its core business activities and performance, thereby allowing an analysis of the Group's performance based on more homogeneous data for the two periods that are being represented.

in thousands of euros	2017	2016	2015
Net profit	**58,345**	**48,665**	**3,623**
Nonrecurring items	7,311	6,541	3,774
Amortization of gains allocated to the *Business Combination*	32,752	47,384	45,786
Financing fees – amortized cost	2,516	2,157	2,856
Nonrecurring financial charges/(income)	(5,197)	489	52,439
Tax effect	(10,373)	(17,731)	(28,448)
Adjustment to fair value of options	12,830	-	-
Adjusted net profit	**98,185**	**87,505**	**80,030**
Nonrecurring taxes	-	4,450	(11,487)
Normalized net adjusted result	**98,185**	**91,955**	**68,543**
Adjusted net profit attributable to non-controlling interests	2,037	1,867	2,513
Adjusted net profit attributable to owners of the parent	**96,148**	**90,088**	**66,030**
Adjusted net profit attributable to owners of the parent % / Revenues	**23.9%**	**23.9%**	**18.7%**
Adjusted net profit per share	**0.49**	**0.47**	**0.35**

The adjusted net profit represents the net profit in the income statement, net of:

- nonrecurring costs mainly for early retirement incentives and costs for services related to incidental charges for new acquisitions;
- amortization of intangible assets recognized in connection with business combinations carried out in previous periods;
- 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;
- financial income deriving from the renegotiation of Cerved Group's loan agreement, which resulted in the recognition of a gain of 5.2 million euros to bring its value in line with the present value of future cash flows, based on the amended contract terms;
- adjustment to fair value of the liability for options executed with minority shareholders;
- tax effect of the items described 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, 2017				PERIOD FROM JANUARY 1, TO DECEMBER 31, 2016			
	Credit Information	Marketing Solutions	Credit Management	Total	Credit Information	Marketing Solutions	Credit Management	Total
Revenues by segment	285,950	24,528	94,631	405,109	274,712	21,123	84,733	380,568
Inter-segment revenues	(1,931)	(1)	(1,802)	(3,734)	(1,841)	(9)	(1,764)	(3,614)
Total revenues from outsiders	**284,019**	**24,527**	**92,829**	**401,375**	**272,871**	**21,114**	**82,969**	**376,954**
EBITDA	**148,784**	**9,275**	**27,434**	**185,493**	**146,891**	**8,161**	**24,295**	**179,347**
EBITDA %	*52.4%*	*37.8%*	*29.6%*	*46.2%*	*53.8%*	*38.7%*	*29.3%*	*47.6%*
Nonrecurring components				(7,311)				(6,541)
Depreciation and amortization				(67,077)				(78,027)
Operating profit				**111,105**				**94,779**
Pro rata interest in the result of associates valued by the equity method				357				(323)
Financial income				511				677
Financial charges				(30,664)				(19,143)
Nonrecurring financial income/ (charges)				5,197				(489)
Profit before income taxes				**86,506**				**75,502**
Income taxes				(28,161)				(26,837)
Net profit				**58,345**				**48,665**

Review of Operating Performance in the Period Ended December 31, 2017

Total revenues and income grew from 377,088 thousand euros in 2016 to 401,672 thousand euros in 2017, for an increase of 24,584 thousand euros, or 6.5%. 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 272,871 thousand euros in 2016 to 284,019 thousand euros in 2017, for an increase in absolute terms of 11,148 thousand euros (4.1%).

Within the Credit Information business segment:

- The Enterprise Division closed the year with a gain of 5.7% compared with 2016, continuing on its path in pursuit of growth and consolidation of its customer base and the development of new opportunities through the offering of new services. Also worth mentioning is the market launch, in 2017, of two new highly innovative services that complete and integrate the product range:
  - "Cerved Credit Suite," a new platform to request reports and monitor, manage and analyze the customer portfolio, keeping risks and opportunities under control, all of the above within a single comprehensive, intuitive and customizable platform;
  - "Cerved Connect for Salesforce," a new app fully integrated within Salesforce that makes it possible to incorporate into the CRM Cerved data about over six million Italian companies, with the aim of developing the existing and potential market.
- The Financial Institutions Division reported growth of 2.2% compared with 2016, with the Business Information and the Real Estate Appraisal services contributing to the gain.

Marketing Solutions Revenues

The revenues of the *Marketing Solutions* segment rose from 21,114 thousand euros in 2016 to 24,527 thousand euros in 2017, up 3,413 thousand euros or 16.2%. This result reflects the effect of the following factors:

- for 421 thousand euros, the commercial activities carried out by the territorial sales force regarding the more conventional products and services;
- for 2,992 thousand euros, the revenue gain generated by the contribution provided by ClickAdv S.r.l., a subsidiary active in the Digital Marketing area acquired in April 2016.

Credit Management Revenues

The revenues of the *Credit Management* segment grew from 82,969 thousand euros in 2016 to 92,829 thousand euros in 2017, for an increase of 9,860 thousand euros, equal to 11.9%.
This gain reflects the result of an increase in the portfolios managed by the division following the acquisition of new portfolio servicing contracts, which drove growth in the three segments of out-of-court credit collection, legal activities and the management of performing portfolios.

Adjusted EBITDA Performance and Operating Costs

Adjusted EBITDA were equal to 46.6% of revenues, compared with 47.7% in the previous period, even though they increased by 7,286 thousand euros in absolute terms (+4.0%), rising from 180,027 thousand euros in 2016 to 187,313 thousand euros in 2017. 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 labor cost impact.

Operating costs grew from 197,061 thousand euros in 2016 to 214,359 thousand euros in 2017, for an increase of 17,298 thousand euros (including 3,201 thousand euros for the effect of the acquisitions completed the previous year), or 8.8%, as described below:

- The cost of raw materials and other materials decreased by 274 thousand euros, falling from 7,412 thousand euros in 2016 to 7,138 thousand euros in 2017. This reduction is directly correlated with the cost of sales for the remarketing activities involving goods subject of nonperforming leases carried out by the Cerved Credit Management Group S.r.l. subsidiary.

- Cost of services increased by 13,607 thousand euros, rising from 84,871 thousand euros in 2016 to 98,478 thousand euros in 2017. The increase in cost of services is mainly attributable to the growth of the Group's Credit Management segment.
- Personnel costs grew by 5,047 thousand euros, up from 91,713 thousand euros in 2016 to 96,760 thousand euros in 2017. This increase reflects primarily the impact of higher labor costs resulting from the following factors:
  - the effect of the consolidation of the companies Clickadv S.r.l. and Major 1 S.r.l. and the business operations of Fox & Parker effective as of April 1, 2016, August 1, 2016 and August 31, 2016, respectively;
  - the ongoing effect of the additional staff hired the previous year and in the current year and compensation policy dynamics.
- Other operating costs increased by 134 thousand euros, rising from 8,606 thousand euros in 2016 to 8,740 thousand euros in 2017.
- Accruals to the provisions for risks and impairment of receivables decreased by 1,215 thousand euros, contracting from 4,459 thousand euros in 2016 to 3,243 thousand euros in 2017, following a detailed assessment of loan losses and contingent liabilities. More specifically, the deadline for filing potential claims involving Tarida, a company acquired in 2013 and later merged into Cerved Credit Management S.p.A., expired.
- Depreciation and amortization decreased by 10,950 thousand euros, down from 78,027 thousand euros in 2016 to 67,077 thousand euros in 2017. This reduction is mainly due to the combined effect of the following factors:
  - lower amortization of the databases recognized in connection with the purchase price allocation for the 2013 business combination, for 15,062 thousand euros, the amortization period of which ended in February 2017;
  - higher amortization of intangible assets recognized in connection with the purchase price allocation process for the Clickadv S.r.l. acquisition, which totaled 1,164 thousand euros at December 31, 2017;
  - higher amortization of database costs (amounting to 12,158 thousand euros or 536 thousand euros more than in 2016), further to the capitalization of database costs totaling 12,644 thousand euros (1,043 thousand euros more than in 2016).

The costs recognized in 2017 for the award of options under the First Cycle of the **"2016-2018 Performance Share Plan"** and the Second Cycle **"2017-2019 Performance Share Plan"** amounted to 1,552 thousand euros and 268 thousand euros, respectively (see Section 8 for additional details).

Nonrecurring components increased by 770 thousand euros, rising from 6,541 thousand euros in 2016 to 7,311 thousand euros in 2017, due mainly to the following factors:

- staff downsizing incentives provided to some employees in connection with the integration of Group companies for 3,072 thousand euros;
- the indemnity paid to employees of Cerved Group S.p.A. and Cerved Rating Agency S.p.A. within the framework of the long-term unemployment benefits procedure activated in March 2017 and finalized in April 2017 for a total amount of 1,072 thousand euros (described in the section of this Report entitled "Significant Events During the Year);
- costs related to non-recurring activities amounting to 3,166 thousand euros, mainly consisting of incidental costs incurred in connection with extraordinary transactions executed during the year.

Financial income increased by 116 thousand euros, up from 751 thousand euros in 2016 to 867 thousand euros in 2017, due mainly to gains from the valuation of investments valued by the equity method.

Recurring **financial charges** increased by 11,124 thousand euros, rising from 19,539 thousand euros in 2016 to 30,663 thousand euros in 2017, mainly due to the combined effect of:

- the debt restructuring transaction implemented in January 2016, which produced a benefit in terms of lower financial charges of 2,205 thousand euros compared with December 31, 2016;
- the remeasuring at December 31, 2017 of the options granted to minority shareholders of Cerved Credit Management Group S.r.l., Clickadv S.r.l. and Major 1 S.r.l. for 12,830 thousand euros.

Nonrecurring financial income and charges, amounting to 5,197 thousand euros, include the financial income arising from the renegotiation of Cerved Group's loan agreement, which resulted in the recognition of a gain to bring its value in line with the present value of future cash flows, based on the amended contract terms, discounted to the original TIR.

Income taxes for the year increased by 5,774 thousand euros, rising from 22,387 thousand euros al December 31, 2016 to 28,161 thousand euros al December 31, 2017, despite a reduction of the corporate income tax rate (IRES) from 27.5% to 24% and the recognition of a tax credit of 1,560 thousand euros resulting from the tax incentives provided for research and development costs (Law No. 190 of 12/31/14, Article 1, Sections 35), chiefly due to the effect of a higher income before taxes.

Statement of financial position of the Cerved Group

The schedule below shows a statement of financial position of the Group at December 31, 2017, 2016 and 2015.

STATEMENT OF FINANCIAL POSITION OF THE CERVED GROUP

in thousands of euros	At December 31, 2017	At December 31, 2016	At December 31, 2015
Uses			
Net working capital	(10,114)	17,760	13,120
Non-current assets	1,175,877	1,184,663	1,203,140
Non-current liabilities	(135,475)	(135,066)	(110,622)
Net invested capital	**1,030,288**	**1,067,357**	**1,105,638**
Sources			
Shareholders' equity	556,045	543,934	568,798
Net financial debt	474,243	523,423	536,840
Total financing sources	**1,030,288**	**1,067,357**	**1,105,638**

The table that follows shows a breakdown of net working capital at December 31, 2017, 2016 and 2015.

in thousands of euros	At December 31, 2017	At December 31, 2016	At December 31, 2015
Net working capital			
Inventory	1,971	1,732	1,974
Trade receivables	161,940	154,930	139,807
Trade payables	(46,045)	(38,528)	(29,955)
Liability for deferred income, net of selling costs	(67,701)	(77,260)	(74,043)
Net commercial working capital (A)	**50,165**	**40,875**	**37,784**
Other current receivables	6,707	7,740	7,602
Net current tax payables	(7,265)	295	(1,019)
Other current liabilities, net of liability for deferred income	(59,721)	(31,150)	(31,247)
Other net working capital components (B)	**(60,279)**	**(23,115)**	**(24,664)**
Net working capital (A + B)	**(10,114)**	**17,760**	**13,120**

At December 31, 2017, net working capital was negative by 10,114 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, 2016:

- trade receivables increased from 154,930 thousand euros at December 31, 2016 to 161,940 thousand euros at December 31, 2017, for a gain of 7,010 thousand euros that reflects invoicing dynamics;
- trade payables increased from 38,528 thousand euros at December 31, 2016 to 46,045 thousand euros at December 31, 2017, for an increase of 7,517 thousand euros mainly attributable to higher operating costs;
- liabilities for deferred income, net of the corresponding selling costs, which refer to services invoiced but not yet provided to customers, decreased by 9,559 thousand euros, due to the growth dynamics in the consumption of prepaid services invoiced the previous year.

Current liabilities, shown net of the liability for deferred income, increased from 31,150 thousand euros to 59,721 thousand euros, mainly due to the recognition of a liability of 18 million euros towards Banca Popolare di Bari for the acquisition of Credit Management S.r.l., settled early in 2018, and the recognition of an increase of 13,579 thousand euros in the liability towards the minority shareholders of Cerved Credit Management Group S.r.l., Click Adv S.r.l. and Major 1 S.r.l. due to the remeasurement of their options at December 31, 2017.

The main components of non-current assets, which totaled 1,175,877 thousand euros at December 31, 2017, include goodwill and other intangible assets. Intangible assets consist mainly of the value assigned to Customer Relationships and databases of economic information. Additions for the year mainly concern projects to develop new products and acquisitions of databases. For the year ending December 31, 2017, goodwill refers primarily to the surplus generated upon the acquisition of the Cerved Group by Cerved Technologies S.p.A. (a subsidiary of Chopin Holdings) in February 2013, with the acquisitions completed in subsequent years accounting for the balance.

In the reporting period, the Group's net investments in property, plant and equipment and intangibles totaled 40,857 thousand euros, including 13,059 thousand euros for databases and 19,128 thousand euros to develop software.

Non-current liabilities mainly refer:

- for 26,200 thousand euros, to the amount of long-term liability recognized upon the accounting of the options executed with the minority shareholders of Cerved Credit Management Group S.r.l., Click Adv S.r.l. and Major 1 S.r.l.;
- 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, 2017, 2016 and 2015:

in thousands of euros	At December 31, 2017	At December 31, 2016	At December 31, 2015
A. Cash	28	16	18
B. Other liquid assets	99,179	48,523	50,715
C. Securities held for trading	-	-	-
D. Liquidity (A)+(B)+(C)	**99,207**	**48,539**	**50,733**
E. Current loans receivable	-	-	-
F. Current bank debt	(197)	(225)	(742)
G. Current portion of non-current borrowings	1,755	(11,433)	(569,316)
H. Other current financial debt	(3,258)	(2,581)	(1,515)
I. Current financial debt (F)+(G)+(H)	**(1,700)**	**(14,239)**	**(571,572)**
J. Net current financial debt (D)+(E)+(I)	**97,507**	**34,300**	**(520,840)**
K. Non-current bank debt	(571,075)	(556,779)	(16,000)
L. Bonds outstanding	-	-	-
M. Other non-current financial debt	(675)	(944)	-
N. Non-current financial debt (K)+(L)+(M)	**(571,750)**	**(557,723)**	**(16,000)**
O. Net financial debt (J)+(N)	**(474,243)**	**(523,423)**	**(536,840)**

At December 31, 2017, the Group's Net financial debt totaled 474,243 thousand euros, compared with 523,423 thousand euros at December 31, 2016. Liquid assets, which totaled 99,179 at December 31, 2017, include the liquidity generated by a loan of 18 million euros provided by Cariravenna at the end of December 2017 used to finance the acquisition of Credit Management S.r.l., payment of which was made on January 2, 2018.

The ratio of net financial debt to EBITDA contracted from 2.9x at December 31, 2016 to 2.6x at December 31, 2017, despite the payment of about 48 million euros in dividends and investments in acquisitions completed in 2017 for about 2.4 million euros.

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 highlight pf the statement of financial position and income statement of Cerved Information Solutions S.p.A., the Group's Parent Company.

STATEMENT OF FINANCIAL POSITION CERVED INFORMATION SOLUTIONS S.P.A.

in thousands of euros	At December 31, 2017	At December 31, 2016
Net invested capital		
Net working capital	(375)	(933)
Non-current assets	584,935	584,254
Non-current liabilities	(383)	(384)
Total net invested capital	**584,177**	**582,937**
Funding sources		
Shareholders' equity	586,748	584,647
Net financial debt	(2,570)	(1,710)
Total funding sources	**584,177**	**582,937**

CONDENSED INCOME STATEMENT CERVED INFORMATION SOLUTIONS S.P.A.

in thousands of euros	Year ended December 31, 2017	Year ended December 31, 2016
Total revenues and income	**3,790**	**(3,092)**
Raw materials and other costs	(24)	(9)
Cost of services	(1,438)	(990)
Personnel costs	(5,726)	(4,963)
Other operating costs	(525)	(406)
Depreciation and amortization	(90)	(82)
Operating profit	**(4,014)**	**(3,358)**
Financial income/(charges) and other expenses, net	51,995	44,982
Result before taxes	**47,981**	**41,624**
Income taxes	454	893
Result for the period	**48,435**	**42,516**

4. TRANSACTIONS WITH RELATED PARTIES

As required by the provisions of the Regulation governing related-party transactions adopted by the Consob with Resolution No. 17221 of March 12, 2010, as amended, Cerved Information Solutions 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 regular 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

in thousands of euros

	AFFILIATED COMPANIES						
	Experian Italia S.p.A.	**Spazio Dati S.r.l.**	**Board of Directors and execs. with strategic responsibilities**	**Other related parties**	**Total**	**Total financial statement item**	**% of financial statement item**
Trade receivables							
At December 31, 2016	165	-	-	-	165	154,930	0.10%
At December 31, 2017	112	-	-	-	112	161,940	0.10%
Other non-current financial assets							
At December 31, 2016	-	-	-	-	-	3,323	0.00%
At December 31, 2017	-	-	-	-	-	3,261	0.00%
Other receivables							
At December 31, 2016	18	-			18	5,070	0.40%
At December 31, 2017	38	68	-	-	106	3,466	3.10%
Trade payables							
At December 31, 2016	(83)	(601)			(684)	(38,528)	1.80%
At December 31, 2017	(342)	(1,026)		(28)	(1,396)	(46,045)	3.03%
Other payables							
At December 31, 2016	-	-	(4,291)	-	(4,291)	(115,958)	3.70%
At December 31, 2017	-	-	(8,161)(1)		(8,161)	(135,257)	6.03%
Other non-current liabilities							
At December 31, 2016	-	-	(11,627)		(11,627)	(22,763)	51.10%
At December 31, 2017	-	-	(15,006)(2)		(15,006)	(26,200)	57.3%

(1) Includes the short-term portion, amounting to 6,985 thousand euros of the value of the put option held by the Director Andrea Mignanelli.
(2) Includes the long-term portion, amounting to 15,000 thousand euros of the value of the put option held by the Director Andrea Mignanelli.

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

RELATED PARTIES – INCOME STATEMENT DATA

in thousands of euros

	AFFILIATED COMPANIES						
	Experian Italia S.p.A.	**Spazio Dati S.r.l.**	**Board of Directors and execs. with strategic responsibilities**	**Other related parties**	**Total**	**Total financial statement item**	**% of financial statement item**
2016 reporting year							
Revenues	445	300	-	-	745	376,954	0.2%
Pro rata interest in the result of companies valued by the equity method	74	(397)	-	-	(323)	(323)	100.0%
Cost of services	(428)	(134)	-	(172)	(734)	(86,460)	0.8%
Personnel costs	-	-	(5,397)	-	(5,397)	(97,345)	5.5%

Follows **RELATED PARTIES – INCOME STATEMENT DATA**

in thousands of euros	AFFILIATED COMPANIES						
	Experian Italia S.p.A.	Spazio Dati S.r.l.	Board of Directors and execs. with strategic responsibilities	Other related parties	Total	Total financial statement item	% of financial statement item
2017 reporting year							
Revenues	381	300	-	6	687	401,375	0.17%
Pro rata interest in the result of companies valued by the equity method	53	304	-	-	357	357	100.00%
Cost of services	(568)	(1,536)	-	(192)	(2,296)	(101,645)	2.26%
Personnel costs	-	-	(4,896)	-	(4,896)	(102,507)	4.78%
Other operating costs	-	-	-	(3)	(3)	(8,740)	0.03%
Financial charges	-	-	(7,656)	-	(7,656)	(30,863)	24.81%

RELATED PARTIES – CASH FLOW DATA

in thousands of euros	AFFILIATED COMPANIES						
	Experian Italia S.p.A.	Spazio Dati S.r.l.	Board of Directors and execs. with strategic responsibilities	Other related parties	Total	Total financial statement item	% of financial statement item
2016 reporting year							
Cash flow from operating activities	172	714	(3,870)	(172)	(3,156)	146,514	(2.2%)
Cash flow from i nvesting activities	74	(1,230)	(6,588)	-	(7,744)	(65,413)	11.8%
Cash flow from financing activities	-	-	-	-	-	(83,295)	0.0%
2017 reporting year							
Cash flow from operating activities	105	(878)	(1,026)	(161)	(1,960)	150,792	(1.3%)
Cash flow from investing activities	52	304	-	-	356	(41,874)	(0.9%)
Cash flow from financing activities	-	-	(4,277)	-	(4,277)	(58,251)	7.3%

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, 2017 is as follows:

in thousands of euros	Wages and salaries and social security contributions	Total
Directors' fees	1,802	1,802
Other executives with strategic responsibilities	3,094	3,094
Total	**4,896**	**4,896**

5. SIGNIFICANT EVENTS OF THE GROUP

On **January 13, 2017**, the Board of Directors of Cerved Information Solutions S.p.A. approved a resolution agreeing to relocate the Company's registered office to the new address of Via dell'Unione Europea, building numbers 6A/6B, in the municipality of San Donato Milanese, effective as of February 6, 2017.

On **March 6, 2017**, Cerved Master Services S.p.A. was established as a wholly owned subsidiary of Cerved Credit Management Group S.r.l. for the purpose of operating as a "Master Servicer." On **December 14. 2017,** Banca d'Italia authorized Cerved Master Services S.p.A. to engage in activities involving the collection of assigned receivables, cash handling and payments within the framework of securitization transactions (called servicing activities), pursuant to Article 2, Sections 6 and 6 *bis*, of Law No. 130 of April 30, 1999.

On **April 13, 2017**, the Ordinary Shareholders' Meeting of Cerved Information Solutions S.p.A. elected a new Board of Statutory Auditors for a term of office that will end with the Shareholders' Meeting convened to approve the financial statements at December 31, 1019, appointing Antonella Bientinesi Chairperson of the Board of Statutory Auditors, Paolo Ludovici and Costanza Bonelli Statutory Auditors, and Laura Acquadro and Antonio Mele Alternates.

On **April 20, 2017**, the subsidiary Cerved Credit Management Group S.r.l. entered into an agreement by which Barclays Bank PLC entrusted to the Cerved Group, on an exclusive basis, the coordination of services to manage a loan portfolio valued at about 11.4 billion euros, effective as of June 2017. This agreement follows the signing of a letter of intent on February 7, 2017. This transaction will enable the Cerved Group to strengthen its position also in the management of performing loans.

On **April 21, 2017,** the subsidiaries Cerved Group S.p.A. and Cerved Rating Agency S.p.A. executed an agreement with the labor unions governing the termination of employment relationships for 17 employees (nine at Cerved Group S.p.A. and eight at Cerved Rating Agency S.p.A.), effective as of April 30, 2017, the terms of which included the reassignment of an employee with a profile compatible with the Group's current professional needs and a package of separation incentives for the other employees who could not be reassigned, including:

- separation incentive with monthly amounts variable based on age, employment seniority and number of dependents, for a total cost of 1,072 thousand euros, paid in full in May 2017;
- outplacement service provided by a top operator, for a total cost of about 32 thousand euros.

The rationale for this decision by the Company is grounded in the need to reduce overheads and streamline its organization, with the aim of achieving adequate efficiency in the "Operational" and "Commercial" areas.

On **May 29, 2017**, following the exercise of a put option granted to the minority shareholder of Clickadv S.r.l., the subsidiary Cerved Group S.p.A. acquired a further 10% interest in the capital of Clickadv S.r.l., which increased from 70% to 80% the controlling interest held by Cerved Group S.p.A.

On **May 26, 2017** but effective as of **June 26, 2017,** the indirect subsidiary Re Collection S.r.l. sold its entire controlling interest in BDD Collection S.r.l., a company under Moldovan law, for a price of 2.5 thousand euros, as this investment was no longer viewed as strategic for the development of the Cerved Group in Moldova.

On **June 28, 2017** but effective as of July 1, 2017, BHW Bausparkasse AG, the Italian branch of a German banking group having the same name part of the Deutsche Postbank AG Group, and Cerved Credit Management Group S.r.l. finalized an agreement to broaden their long-term industrial partnership for the management of nonperforming loans to include administrative and support activities for the portfolio of performing, subperforming and nonperforming loans. This agreement includes the purchase of business operations valued at 50 thousand euros.

On **July 5, 2017**, Quaestio Holding SA signed an exclusivity agreement with Cerved Information Solutions S.p.A. for the negotiation of an agreement involving an industrial partnership for special servicing activities. The agreement also calls for the joint acquisition of the servicing platform (called "Juliet") of Banca Monte dei Paschi di Siena S.p.A. (MPS), regarding which Quaestio obtained the right to negotiate this purchase with MPS on an exclusive basis, in its capacity as the main investor in the securitization program.

On **July 6, 2017**, following the exercise of a put option granted to the minority shareholder of Major 1 S.r.l., the subsidiary Cerved Group S.p.A. acquired a further 15% interest in the capital of Major 1 S.r.l., which increased from 55% to 70% the controlling interest held by Cerved Group.

On **August 2, 2017**, Quaestio and Cerved Group entered into an agreement with BMPS to purchase the latter's platform for the collection of nonperforming loans ("Juliet"). The acquisition is expected to close in the early months of 2018, subject to the regulatory authorities approving the execution of the capital increase transaction included in the BMPS Restructuring Plan and the securitization of BMPS's nonperforming loans, with subscription of the mezzanine securities by the funds managed by Quaestio. BMPS's servicing platform will manage 80% of the nonperforming loans that will be generated over the next 10 years. The price, payable at closing, was set at 52.5 million euros, in line with the multiples for recent comparable transactions. In addition, the price could be increased by an earnout of up to 33.8 million euros, based on the attainment of economic results achieved over a time period until 2025.
The purpose of the Partnership is to create a new industrial operator capable of supporting banks at a time when nonperforming loans are increasing significantly in Italy, through a synergistic combination of the specific competencies of each party.

On **September 19, 2017**, Cerved Group signed an agreement with Banca Popolare di Bari (BPB Group) for the development of a long-term industrial partnership to manage the BPB Group's nonperforming loans and probable defaults. The transaction was finalized on **December 29, 2017** through the acquisition, for a price of 18 million euros, of the entire share capital of Credit Management S.r.l. by Cerved Credit Management Group S.r.l., a newly established company that will manage the nonperforming loans (NPLs) of the BPB Group. The price could be increased by an earnout of up to 3 million euros, based on the attainment of economic results over a time period until 2021.

On **September 22, 2017**, but with the transaction recorded in the Company Register on October 2, 2017, there was established the company contemplated in the partnership agreement with Quaestio, called Quaestio Cerved Credit Management S.p.A., subsequently sold by Cerved Group S.p.A. to Cerved Credit Management Group S.r.l.; at December 31, 2017, this company was owned 49.99% by Cerved Credit Management Group S.r.l. and 50.01% by Quaestio Holding SA.

On **October 17, 2017,** Cerved Credit Management S.p.A. was designated by the Atlante II Fund as one of the parties named as and performing the functions of special servicer within the framework of the planned transaction for the divestment and securitization of the nonperforming loans originated by the Monte Paschi Siena Group.

On **October 11, 2017**, a transaction was finalized amending the terms and conditions of the financial debt of the subsidiary Cerved Group S.p.A. (or Cerved Group). The main terms of this agreement, which was signed by all of the lender banks, are summarized below:

- financing cost decrease: reduction of financing costs by 25 bps and 37.5 bps, respectively, on the *Term Loan Facility A* (TLA), *Revolving Credit Facility* (RCF) and *Term Loan Facility B* (TLB), for total savings of about 2 million euros a year;
- reduction of the package of guarantees, including the pledge of the Cerved Group shares;
- transformation of the TLA line into a bullet facility to provide the Group with greater financial flexibility until 2021.

The cost of the amending transaction was estimated at:

- upfront fee of about 2.7 million euros;
- upfront fee on the backup facility of 200 thousand euros paid in September 2017.

On **November 27, 2017**, the Board of Directors of CIS, the Group's Parent Company, approved the Group's reorganization through the following transactions:

- Merger by incorporation of Cerved Group into CIS ("First Merger");
- merger by incorporation into the Company of Consit Italia S.p.A., a company 94.33% owned by CG ("Second Merger"), with cancellation of the Consit shares. each nominal value amount to0,51 euros, and exchange of those shares for CIS shares, based on exchange ratio set at 3.05 CIS.

On **November 28, 2017**, the merger proposal was filed with the Milan Company Register. This transactions addresses the need to simplify the Group's organization and corporate structure, while streamlining its development and the coordination of its resources. In addition, the reorganization would enable CIS to perform directly the activities carried out by Cerved Group and Consit Italia S.p.A., with cost savings and greater operating efficiency for the Group.

6. SIGNIFICANT EVENTS OCCURRING AFTER DECEMBER 31, 2017

On **January 9, 2018**, CIS's Board of Director, acting pursuant to Article 2505, Section Two, and Article 2505-*bis*, Section Two, of the Italian Civil Code, adopted a resolution concerning the merger by incorporation of Cerved Group S.p.A., the entire share capital of which is owned by the Company ("CG" and this merger the "First Merger") and the merger by incorporation into the Company of Consit Italia S.p.A., a company 94.33% owned by CG ("Consit" and this merger the "Second Merger" and, together with the First Merger the "Transaction"), to be executed subsequent to the effectiveness of the First Merger.
On the same date, CG's Board of Directors and Consit's Shareholders' Meeting adopted their merger resolutions corresponding, respectively to the First Merger and the Second Merger. At this point, the Transaction is expected to close by March 31, 2018.

On **February 16, 2018**, an agreement was reached with a pool of banks to extend the duration of 50% (200 million euros) of the Term Loan Facility B from January 22 to November 2023.

7. BUSINESS OUTLOOK

Insofar as the progress of the Group's business operations is concerned, the Group's scenario for 2018 calls for gains in revenues and Adjusted EBITDA and an improvement of the integration and rationalization processes.

8. 2019-2021 PERFORMANCE SHARE PLAN

On March 16, 2016, the Company's Board of Directors, acting with the prior favorable 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:
- "**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.
- "**TSR Target**" – The Company's "Total Shareholder Return" compared with that of companies included, for the 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 July 13, 2016, the Company's Board of Directors resolved: (i) to adopt appropriate amendments to the Regulation; and (ii) to identify the Beneficiaries of the Plan's First Cycle and award them the corresponding options in accordance with the proposal submitted by the Compensation and Nominating Committee. A total of 1,030,256 options for the Plan's First Cycle were outstanding at December 31, 2017.

On November 20, 2017, the Company's Board of Directors, upon a recommendation by the Compensation and Nominating Committee, approved the designation of the beneficiaries and the number of options awarded to each beneficiary of the Second Cycle of the 2017-2019 Plan.
The performance targets for the Second Cycle are the same as those specified for the First Cycle. A total of 931,490 options for the Plan's Second Cycle were outstanding at December 31, 2017.

9. 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 with its counterparties agreements 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 affiliated 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.

10. INFORMATION ABOUT TREASURY SHARES

At December 31, 2017, the Company did not hold any treasury shares either directly or through a trustee or a nominee.

11. FINANCIAL INSTRUMENTS

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

12. 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.

13. 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.

14. HUMAN RESOURCES

For Cerved, the most important assets are its people who, with their professional competencies, ideas and commitment generate value for the Company and are the main engine driving the Group's success and growth.

It therefore becomes extremaly important to hire people who are most in line with our context, invest in their growth and development paths and ensure that everyone is working in a meritocratic environment that is mindful of the wellbeing of all employees, is inclusive and makes each one feel that he or she is an integral part of a system that shares projects that must be pursued together.

Innovation, spirit of initiative and entrepreneurship are the distinguishing marks of our people, who become the crafters and active protagonists of their own growth tracks at Cerved.

Projects such as "*BRAIN*," the internal research and selection system, and the individual development plans support a culture that places people at the center and empowers them with regard to their own professional future, knowing that they can always count on a Group that supports them and makes available training paths, company exposure and attention to their work-life balance. A concrete example is provided by a Smart Working pilot project that exemplifies Cerved's culture based on mutual trust and is focused on results, excellence and concern for its people.

In 2017, there was an important change in how involvement and sharing is pursued by Cerved's people thanks to the launch of *Workplace on Facebook*, an effective sharing, collaboration and communication tool for everyone within the Group.

Workplace is dynamic, informal, immediate: it is a place where all professional and company information is available, where projects and updates can be shared. Workplace enabled everyone to feel closer and as an integral part of the Company, irrespective of department of geographic area to which one belongs.

Compensation policies

The Group has been increasingly focusing on the compensation policies of its employees, both to increase loyalty and incentivize its existing talents and reward in the most adequate way possible the proactive spirit and motivation of its employees, viewed as an essential asset for the effective functioning of its complex corporate organization.

Originating from an aggregation of different corporate cultures, the Group's current structure encompasses a heterogeneous population in terms geographic distribution, competencies and areas of specialization. For all of these reasons, the Human Resources Department pays the utmost attention to aligning the fixed compensation of its employees with the standards adopted by its main competitors in the marketplace and managing variable compensation models capable of satisfying the different levels of professional seniority that exist at the Company.

The companies of the Group are uniformly covered by a single National Collective Bargaining Agreement, a corollary of which is a Supplemental Company Agreement with more favorable terms that also governs the "performance bonus" applicable to all office staff and middle managers.
For this population, the fixed portion of the compensation is closely monitored and, applying a meritocratic approach, is assessed each year to verify any adjustments that may be required by competitiveness with the external environment, internal fairness and individual performance.

The variable portion is integrated, when necessary, with a management by objectives (MBO) incentive system, which ties target bonuses in percentage to company results and the achievement of clear and shared individual targets.
These targets are mutually agreed upon by the manager and the employee, monitored and verified at the end of the year.
An integral part of this process is the definition and sharing of an individual development plan.

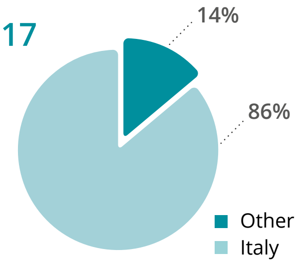
Group executives, in addition to receiving a fixed component, participate each ear in an MBO plan that calls for the payment of an incentive when predetermined targets are met.

Some key persons within the Group (Directors, Strategic Executives and other members of top management) are also beneficiaries of a Performance Share Plan, which is now in its second three-year cycle.

In 2017, the staff of the Cerved Group averaged 1,971 full time equivalent (FTE) employees located 86% in Italy and the remaining 14% abroad in Europe.

Geographic Area	Average HC 2017	%	Average HC 2016	%
Italy	1.692	86%	1.645	86%
Other	279	14%	258	14%
Total	**1.971**	**100%**	**1.903**	**100%**

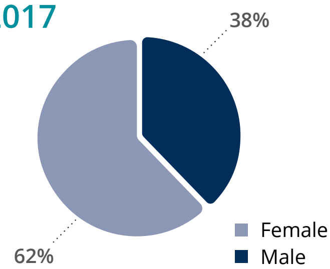
2017



At December 31, 2017, women accounted for about 62% of the Group's staff.

Gender	HC as of December 31, 2017	%	HC as of December 31, 2016	%
Male	749	38%	721	37%
Female	1.243	62%	1.221	63%
Total	**1.992**	**100%**	**1.942**	**100%**

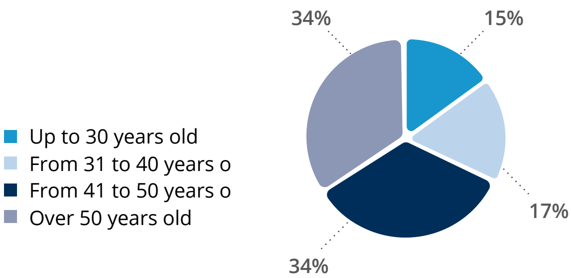
2017



Also at December 31, 2017, a breakdown of employees by age group was as follows:

Breakdown by age group	HC as of December 31, 2017	Female			Female		
		Executives	Middle Managers	Office staff	Executives	Middle Managers	Office staff
Up to 30 years old	304	0	1	195	0	0	108
From 31 to 40 years o	670	1	18	408	10	52	181
From 41 to 50 years o	684	5	63	367	22	80	147
Over 50 years old	334	5	30	150	26	62	61
Total	**1.992**	**11**	**112**	**1.120**	**58**	**194**	**497**

2017



15. NON-FINANCIAL STATEMENT

The Company prepared a Non-financial Statement, also called Sustainability Report, at December 31, 2017, 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 Statements will be reviewed for approval by the Board of Directors on February 26, 2018.

16. RESEARCH AND DEVELOPMENT

The Group carried out research and development activities as part of its core business, involving the development of computational algorithms, rating systems and econometric analyses of trends in sectors of the economy. 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.

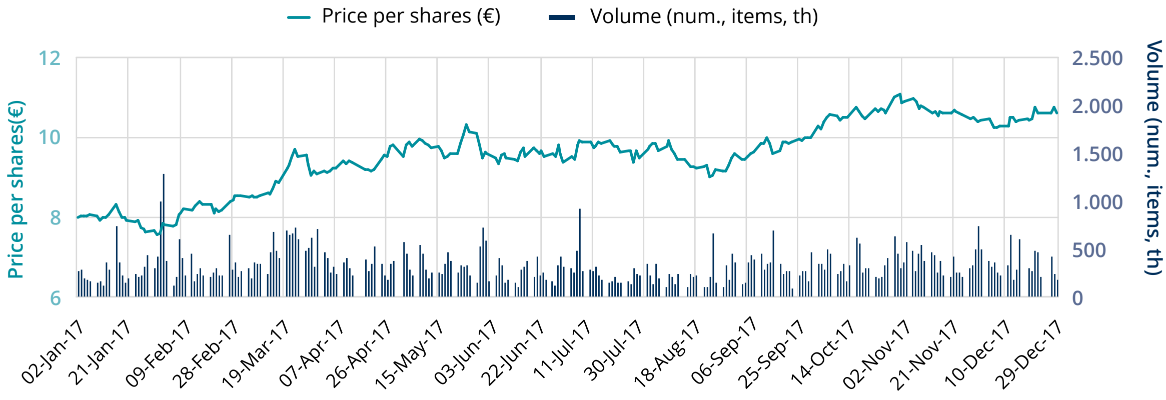
17. CERVED AND THE STOCK MARKET

Performance of the company stock

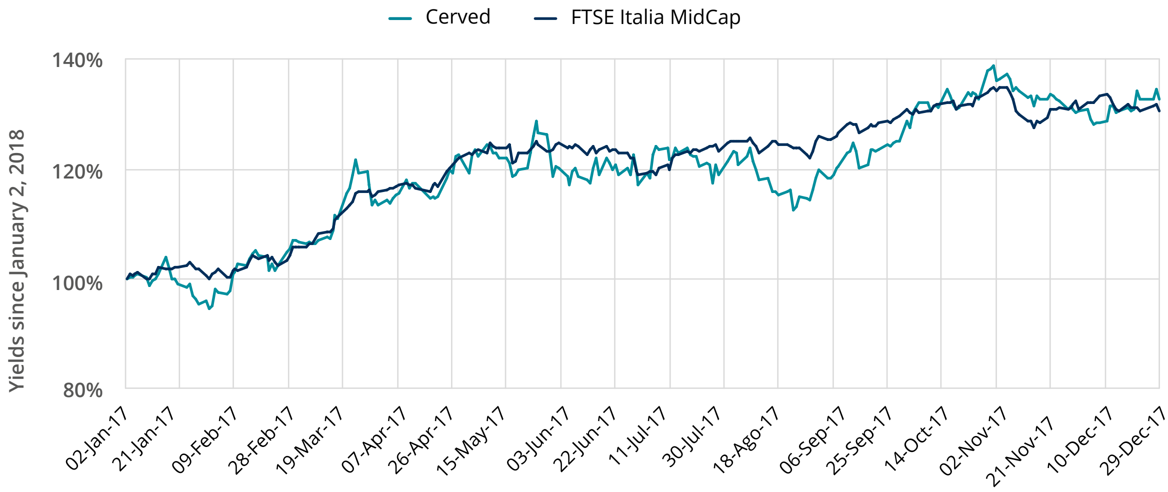
Since June 24, 2014, Cerved, through its Cerved Information Solutions S.p.A. subsidiary, has been listed on the Online Stock Exchange (MTA) of Borsa Italiana. Its shares are identified with ISIN Code IT0005010423 and CERV Alphanumeric Code.

For the Italian stock market, 2017 was a highly satisfactory year, with 39 new listings (including 32 IPOs) and the total capitalization of the listed companies increasing by 22.7%. The introduction of new investment instruments, such as the Individual Savings Plans (Piani Individuali di Risparmio – PIRs, in Italian), the purpose of which is to channel, for a medium/long-term horizon, resources to Italian small and midsize companies in exchange for a tax incentive, helped the performance of Italian mid and small cap companies, especially those with strong fundamentals. In 2017 alone, the PIRs attracted investments totaling about 10 billion euros and the outlook for the coming years remains positive.

On the last stock market trading day of the year, the Cerved stock ended 2017 at an official closing price of 10.60 euros, for a market capitalization of about 2.067 billion euros.



In 2017, Cerved's stock appreciated by 32.7%, starting from 7.99 euros, the first official price recorded on January 2, 2017. In comparison, the FTSE Italia MidCap Index grew by 30.5% and the FTSE Italia MIB Index increased by 11.7%. As for trading volumes, the daily average was about 330,000 shares traded, down slightly (-2%) compared with the previous year.



The table below summarized the data for the period from January 2, 2017 to December 29, 2017.

HIGHLIGHTS

	Euros	Date
IPO price	5.10	June 24, 2014
Low for the year	7.56	January 31, 2017
High for the year	11.09	November 1, 2017
First official closing price	7.99	January 2, 2017
Last official closing price	10.60	December 29, 2017
Capitalization	2,067,000,000	December 31, 2017
Number of shares outstanding	195,000,000	December 31, 2017
Share float (%)	100%	December 31, 2017

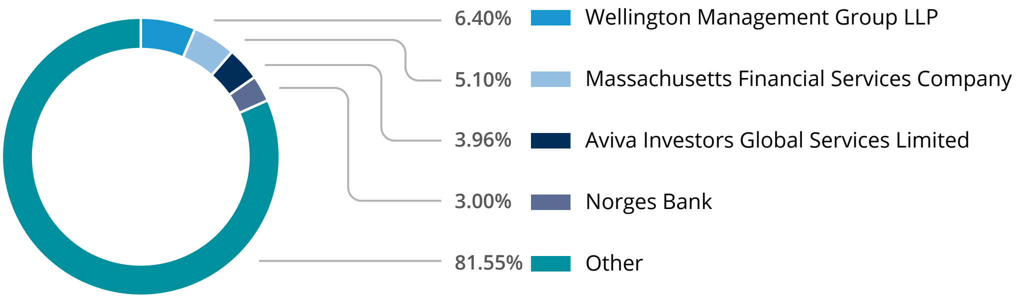
Also regarding the Cerved stock, it is worth mentioning that, on November 20, 2017, the American-type derivative contracts with physical delivery of the shares were accepted for trading on the Derivative Market (IDEM).

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, 2017 showing shareholders with significant equity stakes, based on information received by the Consob pursuant to law.

CERVED SHAREHOLDERS AS OF DECEMBER 31, 2017



Relations with the financial community

For Cerved, the activities involving communicating and managing relations with the financial community are extremely important 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 2017, the Cerved stock was followed by 11 sell-side analysts who published regular research reports, thereby helping communicate information about the company to the financial community.

The reference target price, obtained as an average of the target prices of the 11 analysts at December 31, 2017, was 11.79 euros.

18. 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, 2017	Net profit for 2017
Parent shareholders' equity and net profit	**586.748**	**48.435**
Consolidated companies	695.585	96.055
Reversal of carrying amount of equity investments	(729.503)	-
Fair value of options executed with minority shareholders	(39.779)	(12.830)
Equity-method consolidation of affiliated companies	(318)	357
Recognition of goodwill	43.312	-
Elimination of dividends	-	(73.672)
Consolidated shareholders' equity and net profit	**556.045**	**58.345**

19. OVERSIGHT AND COORDINATION ACTIVITY

Cerved Information Solutions is not subject to oversight and coordination activity by external parties and it exercises oversight and coordination activity over its subsidiaries.

20. INFORMATION ABOUT THE "OPT OUT" ALTERNATIVE

As required by the provisions of Article 70. Section 8, of the Issuers' Regulation, the Company announces 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, Section 8, and Article 71, Section 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.

21. 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 48,434,906 euros as follows:

- 47,775,000 euros distributed as a dividend of 0.245 euros on each common share;
- 659,906 euros added to retained earnings.

San Donato Milanese,
February 26, 2018

The Board of Directors

by Fabio Cerchiai
Chairman

Consolidated Financial Statements at December 31, 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in thousands of euros	Notes	At December 31, 2017	At December 31, 2016
Revenues	7	401,375	376,954
- amount with related parties	*44*	*687*	*745*
Other income	8	297	135
Total revenues and income		**401,672**	**377,088**
Cost of raw materials and other materials	9	(7,138)	(7,412)
Cost of services	10	(101,645)	(86,460)
- amount from nonrecurring transactions	*15*	*(3,167)*	*(1,589)*
- amount with related parties	*44*	*(2,296)*	*(735)*
Personnel costs	11	(102,724)	(97,345)
- amount from nonrecurring transactions	*15*	*(4,144)*	*(4,952)*
- amount with related parties	*44*	*(4,896)*	*(5,397)*
Other operating costs	12	(8,740)	(8,606)
- amount with related parties	*44*	*(3)*	*-*
Impairment of receivables and other accruals	13	(3,243)	(4,459)
Depreciation and amortization	14	(67,077)	(78,027)
Operating profit		**111,105**	**94,779**
Pro rata interest in the result of companies valued by the equity method	22	357	(323)
- amount with related parties	*44*	*357*	*(323)*
Financial income	16	5,908	1,636
- amount from nonrecurring transactions	*15*	*5,397*	*959*
Financial charges	17	(30,864)	(20,591)
- amount from nonrecurring transactions	*15*	*(200)*	*(1,448)*
- amount with related parties	*44*	*(7,656)*	*-*
Profit before income taxes		**86,506**	**75,502**
Income tax expense	18	(28,161)	(26,837)
- amount from nonrecurring transactions	*15*	*-*	*(4,290)*
Net profit		**58,345**	**48,665**
Amount attributable to non-controlling interests		*1,555*	*1,385*
Net profit attributable to owners of the parent		**56,790**	**47,280**
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		*(238)*	*(559)*
- Tax effect		*57*	*74*
Items that may be reclassified into profit or loss for the period:			
- Hedge accounting gains/(losses)		*356*	*(2,483)*
- Tax effect		*(85)*	*596*
- Gains/(Losses) from the translation of the financial statements of foreign companies		*(31)*	*(9)*
Comprehensive net profit:		**58,404**	**46,284**
-attributable to owners of the parent		*56,876*	*44,913*
- attributable to non-controlling interests		*1,528*	*1,370*
Basic earnings per share (in euros)		0.291	0.242
Diluted earnings per share (in euros)		0.288	0.241

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in thousands of euros	Notes	At December 31, 2017	At December 31,2016
Non-current assets			
Property, plant and equipment	19	20,597	19,773
Intangible assets	20	395,852	423,696
Goodwill	21	750,416	732,452
Investments in companies valued by the equity method	22	5,751	5,419
Other non-current financial assets	23	3,261	3,323
Total non-current assets		**1,175,877**	**1,184,663**
Current assets			
Inventory	24	1,971	1,732
Trade receivables	25	161,940	154,930
- amount with related parties	*44*	*112*	*165*
Tax receivables	26	4,172	5,244
Other receivables	27	3,347	5,070
- amount with related parties	*44*	*106*	*18*
Other current assets	28	11,195	10,129
Cash and cash equivalents	29	99,207	48,539
Total current assets		**281,832**	**225,644**
TOTAL ASSETS		**1,457,709**	**1,410,308**

in thousands of euros	Notes	At December 31, 2017	At December 31,2016
Share capital	30	50,450	50,450
Statutory reserve	30	10,090	10,090
Additional paid-in capital	30	438,981	444,636
Other reserves	30	(7,892)	(15,623)
Net profit attributable to owners of the parent		56,790	47,280
Shareholders' equity attributable to owners of the parent		**548,419**	**536,833**
Shareholders' equity attributable to non-controlling interests	30	7,626	7,101
TOTAL SHAREHOLDERS' EQUITY		**556,045**	**543,934**
Non-current liabilities			
Long-term debt	32	571,749	557,722
Employee benefits	34	13,276	13,093
Provisions for other liabilities and charges	35	5,956	7,260
Other non-current liabilities	36	26,200	22,763
- amount with related parties	*44*	*15,006*	*11,627*
Deferred tax liabilities	37	90,043	91,862
Total non-current liabilities		**707,224**	**692,701**
Current liabilities			
Short-term borrowings	32	1,700	14,239
Trade payables	38	46,045	38,528
- amount with related parties	*44*	*1,396*	*684*
Current tax payables	39	7,740	1,236
Other tax payables	40	3,697	3,713
Other liabilities	41	135,258	115,948
- amount with related parties	*44*	*8,161*	*4,291*
Total current liabilities		**194,440**	**173,674**
TOTAL LIABILITIES		**901,664**	**866,375**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,457,709**	**1,410,308**

CONSOLIDATED STATEMENT OF CASH FLOWS

in thousands of euros	Notes	At December 31, 2017	At December 31, 2016
Profit before taxes		86,506	75,502
Depreciation and amortization	14	67,077	78,027
Impairment of receivables and other provisions, net	13	3,243	4,459
Performance Share Plan	43	1,820	680
Net financial charges	17	24,600	19,277
Pro rata interest in the result of investee companies valued by the equity method	22	(357)	323
Cash flow from/(used in) operating activities before changes in working capital		**182,890**	**178,268**
Change in operating working capital		(12,587)	(3,835)
Change in other working capital items		5,084	28
Change in provisions for risks and charges, deferred taxes and other liabilities		(1,977)	(683)
Cash flow from changes in working capital		**(9,479)**	**(4,489)**
Income taxes paid		(22,465)	(27,264)
Cash flow from/(used in) operating activities		**150,946**	**146,514**
Additions to intangible assets	20	(34,232)	(30,358)
Additions to property, plant and equipment	18	(6,622)	(8,176)
Disposal of property, plant and equipment and intangible assets	19-20	814	240
Financial income	16	508	677
Acquisitions net of acquired cash	5	461	(16,248)
Disposal of equity interest in QCCM		50	
Investments in associates net of dividends received		25	(833)
Change in other non-current financial assets		64	69
Acquisition of non-controlling interests		(2,917)	(10,784)
Cash flow from/(used in) investing activities		**(41,849)**	**(65,413)**
Net change in short-term borrowings		523	(1,354)
Receipt of senior loan financing facility		-	560,000
Repayment of senior loan financing facility	32	(9,600)	(2,400)
Charges incurred to secure the senior loan financing facility		-	(11,315)
Redemption of bond issue		-	(530,000)
Receipt of Cariravenna loan	32	18,000	-
Charges for early redemption of bond issue		-	(24,142)
Charges for the amendment to the senior loan facility and new Cariravenna loan		(2,914)	-
Interest paid	17	(16,273)	(29,234)
Dividends paid/non-controlling interests	30	(48,165)	(44,850)
Cash flow from/(used in) financing activities		**(58,429)**	**(83,295)**
Net change in cash and cash equivalents		**50,668**	**(2,194)**
Cash and cash equivalents at the beginning of the period		48,539	50,733
Cash and cash equivalents at the end of the period		99,207	48,539
Difference		**50,668**	**(2,194)**

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 attribute able to owners of the parent	Equity attributable to non-controlling interests	Total shareholders' equity
Balance at December 31, 2014	**50,450**		**539,551**	**119**	**9,443**	**599,563**	**5,567**	**605,130**
Appropriation of the 2014 result				9,443	(9,443)	0		0
Establishment of the statutory reserve		10,090	(10,090)			0	0	0
Dividend distribution			(39,975)			(39,975)	(91)	(40,066)
Acquisition of minority interests				62		62	(62)	0
Total transactions with owners		**10,090**	**(50,065)**	**9,505**	**(9,443)**	**(39,913)**	**(153)**	**(40,066)**
Net profit					1,437	1,437	2,187	3,623
Other changes in statement of comprehensive income				201		201	(90)	111
Net comprehensive result				**201**	**1,437**	**1,638**	**2,097**	**3,734**
Balance at December 31, 2015	**50,450**	**10,090**	**489,486**	**9,825**	**1,437**	**561,288**	**7,511**	**568,798**
Appropriation of the 2015 result				1,437	(1,437)	-		-
Dividend distribution			(44,850)			(44,850)		(44,850)
Acquisition of minority interests (ClickAdv and Major 1)							2,888	2,888
Acquisitions of minority interests				4,675		4,675	(4,675)	-
Recognition of liability for option held by minority shareholders				(29,866)		(29,866)		(29,866)
Recognition of Performance Share Plan liability				673		673	7	680
Total transactions with Shareholders	**-**	**-**	**(44,850)**	**(23,081)**	**(1,437)**	**(69,368)**	**(1,780)**	**(71,148)**
Net profit					47,280	47,280	1,385	48,665
Other changes in statement of comprehensive income				(2,367)		(2,367)	(15)	(2,382)
Net comprehensive result	**-**	**-**	**-**	**(2,367)**	**47,280**	**44,913**	**1,370**	**46,283**

in thousands of euros	Share capital	Statutory reserve	Additional paid-in capital	Other reserves	Net profit attributable to owners of the parent	Consolidated equity attribute able to owners of the parent	Equity attributable to non-controlling interests	Total shareholders' equity
Balance at December 31, 2016	**50,450**	**10,090**	**444,636**	**(15,623)**	**47,280**	**536,833**	**7,101**	**543,934**
Appropriation of the 2016 result				47,280	(47,280)	-		-
Dividend distribution (0.82 per share)				*(42,510)*		*(42,510)*		*(42,510)*
Distribution of other reserves			(5,655)			(5,655)		(5,655)
Recognition of integration of minority interest (ClickAdv)				1,009		1,009	(1,009)	-
Recognition of integration of minority interest (Major 1)				62		62	(62)	-
Recognition of minority interest (QCCM)							54	54
Recognition of Performance Share Plan liability				1,805		1,805	15	1,820
Total transactions with Shareholders	**-**	**-**	**(5.655)**	**7,644**	**(47,280)**	**(45,291)**	**(1,002)**	**(46,291)**
Net profit					56,790	56,790	1,555	58,345
Other changes in statement of comprehensive income				87		87	(27)	60
Net comprehensive result	**-**	**-**	**-**	**87**	**56,790**	**56,876**	**1,529**	**58,404**
Balance at December 31, 2017	**50,450**	**10,090**	**438,981**	**(7,892)**	**56,790**	**548,419**	**7,626**	**556,045**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2017

General information

Cerved Information Solutions S.p.A. (hereinafter "CIS" 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, a management holding 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 nonperforming loans.
This document was prepared by the Company's Board of Directors, meeting on February 26, 2018, for approval by the Shareholders' Meeting scheduled for April 9, 2018. 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 February 26, 2018 and the date when it will be approved by the Shareholders' Meeting.

1. OVERVIEW OF THE ACCOUNTING PRINCIPLES

The main criteria and accounting principles applied to prepare the Consolidated Financial Statements are stated below.

1.1. BASIS OF PREPARATION

The Consolidated Financial Statements were prepared in accordance with the going concern assumption, the Directors have verified the absence of any financial, operational or other indicators signaling 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 principles, including 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 stated 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 transaction 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 these 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, 2017 is provided below:

in thousands of euros

		AT DECEMBER 31, 2017		
	Registered office	**Share capital** *(in thousands of euros)*	**% interest held** *(direct and indirect)*	**Consolidation method**
Cerved Information Solutions S.p.A. (Parent Co.)	San Donato Milanese	50,450	-	Line by line
Cerved Group S.p.A.	San Donato Milanese	50,000	100.00%	Line by line
Consit Italia S.p.A.	San Donato Milanese	812	94.33%	Line by line
Cerved Credit Collection S.p.A.	San Donato Milanese	150	91.98%	Line by line
Cerved Credit Management Group S.r.l.	San Donato Milanese	56	91.98%	Line by line
Cerved Credit Management S.p.A.	San Donato Milanese	1,000	91.98%	Line by line
Cerved Legal Services S.r.l.	San Donato Milanese	50	91.98%	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	91.98%	Line by line
Spazio Dati S.r.l.	Trent	22	48.00%	Equity
S.C. Re Collection S.r.l.	Romania	110	91.98%	Line by line
Experian Italia S.p.A.	Rome	1,980	4.65%	Equity
Clickadv S.r.l.	Pozzuoli	10	80.00%	Line by line
Major 1 S.r.l.	Novara	11	70.00%	Line by line
Quaestio Cerved Credit Management S.p.A.	San Donato Milanese	100	49.99%	Line by line
Credit Management S.r.l.	Bari	30	91.98%	Line by line

All subsidiaries and affiliated companies close their financial statements on the same date as Cerved Information Solutions 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 principles different from the IFRSs adopted by the Group's Parent Company were restated as necessary to make them consistent with the Parent Company's accounting principles.

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

The table below shows the exchange rates applied to translate into euros the financial statements of foreign companies denominated in currencies different from the euros:

	DECEMBER 31, 2017		DECEMBER 31, 2016	
	Average exchange rate	**Exchange rate at 12/31**	**Average exchange rate**	**Exchange rate at 12/31**
New Romanian LEU	4.6348	4.6845	4.4907	4.539

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 shareholders' equity.

Consolidation criteria and business combinations

The Consolidated Financial Statements include the financial statements of Cerved Information Solutions 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 and 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 principles. 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 net 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 comprehensive income statement 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 he 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, except 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.

Affiliated companies

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

- the carrying amount of these equity 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, due of losses, a company valued by the equity method shows a negative shareholders' equity, the carrying amount of the equity investment is written off and any excess attributable to the Group, if the Group has agreed to fulfill the statutory or constructive obligations of the investee company or otherwise cover its losses, is recognized in a special provisions; 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 comprehensive income statement;

- 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 consistent 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. Despite the absent 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 make to use 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 principles 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 contractor 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 abovementioned costs meet at the requirements for classification as the 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 writedown 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.

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 cost 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 his 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 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.), the value of which was determined by the *Multi-period Excess Earnings Method;*
- Database, which refers to the value of the complex of 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 developed with a three-layer architecture—i.e., i) user interface, ii) business logic and iii) persistent data management—fully integrated through an optical archiving product and a hardware/software complex for telephone management, to allow the full exploitation of VoIP technology.
- Customer related intangible asset, consisting of contracts signed by Cerved Credit Management S.p.A. with Credito Valtellinese and by ClickAdv S.r.l.; these contracts were identified as a separable intangible asset 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 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 larger 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 abovementioned 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 assets 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 the 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 writedown 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.

Investments in other companies, other current and non-current assets, trade receivables and other receivables

Upon initial recognition, financial assets are booked at fair value and classified into one of the following categories, depending on their nature and the purpose for which they were purchased:

- Loans and receivables;
- Available for sale financial assets;
- Other equity investments.

a. Loans and receivables

Loans and receivables include financial instruments, other than derivatives and instruments traded in active markets, consisting mainly of receivables owed by customers or subsidiaries, which are expected to generate fixed or determinable payments. Loans and other receivables are classified in the statement of financial position under "Trade receivables" and "Other receivables," shown among current assets, except for those with a contractual maturity of more than 12 months from the end of the reporting period, which are shown among non-current assets.

These assets are valued at amortized cost, using the effective interest rate, reduced for impairment losses. Any impairment in the value of receivables is recognized in the financial statements whenever there is objective evidence that the Company will not be able to recover a receivables owed by a counter party in accordance with the corresponding contractual terms.

Objective evidence that the value of a financial asset or group of assets has been impaired includes measurable data that come to an entity's attention as a result of the following loss events:

- significant financial difficulties of the debtor;
- the existence of pending legal disputes with the debtor concerning receivables;
- the probability that the beneficiary may file for bankruptcy or other financial restructuring proceedings.

The amount of the writedown shall be measured as the difference between an asset's carrying amount and the present value of its future cash flows. The amount of the impairment loss is recognized in the income statement under the line item "Impairment of receivables and other provisions."

The value of receivables is shown in the financial statements net of the corresponding provision for impairment losses.

In the case of transactions involving the factoring of trade receivables that do not entail the transfer to the factor of the risks and benefits inherent in the assigned receivables (the Group thus remains exposed to the risk of insolvency and late payment – so-called assignments with recourse), the transaction is treated similarly to the taking out of a loan secured by the assigned receivables. In this instance, the assigned receivable continues to be reflected in the Group's statement of financial position, until it is collected by the factor, and a financial liability is recognized, as an offset for the advanced received from the factor. The financial charge incurred for factoring transaction consists of the interest charged on the advanced amounts, which is recognized on an accrual basis and classified as a financial charge. Fees that accrue on assignments to factors are included among other operating expenses.

b. Available for Sale Financial Assets

Available for sale financial assets are financial instruments, other than derivatives, that are explicitly designated as belonging to this category or cannot be classified into none of the preceding categories. They are included among non-current assets, unless management intends to dispose of them within 12 months from the end of the reporting period. Investment in other companies are included in this category.

Subsequent to initial recognition, available for sale financial assets are measured at fair value and any resulting gain or loss is posted to an equity reserve; they are recognized in the statement of comprehensive income, under the line items "Financial income" or "Financial charges" only when the financial asset is actually sold.

The fair value of listed financial instruments is based on the current asked price. If the market for a financial asset is inactive (or the asset consists of unlisted securities), Group companies define the asset's fair value using valuation techniques. Investments in equity instruments for which a market price quote is not available and whose fair value cannot be measured reliably are valued at cost.

c. Other Equity Investments

Other equity investments (different from those in subsidiaries, affiliated companies and joint ventures) are included among non-current assets or current assets, depending on whether they are expected to remain among the Group's assets for a period longer or shorter than 12 months, respectively.

Upon acquisition, they are classified into the following categories:

- available for sale financial assets, which can be classified as either non-current or current assets;
- assets measured at fair value through profit or loss, classified as current assets if they are held for trading.

Other equity investments classified as Available for sale financial assets are measured at fair value; changes in the value of these investments are posted to an equity reserve against their recognition among other components of comprehensive income (Reserve for adjustment to fair value of available for sale financial assets), which will be reversed into the consolidated statement of comprehensive income upon the sale of the assets or when the assets become impaired.

Other investments in unlisted companies classified as Available for sale financial assets the fair value of which cannot be determined reliably are valued at cost adjusted for impairment losses recognized in the separate consolidated income statement, as required by IAS 39.

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 charge 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 salable 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 outstanding 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 difference 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 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 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 Group has transferred all of the risks and charges inherent in the financial instruments.

Derivatives

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

Derivatives are classified as hedging instruments when the relationship between the derivative and the hedged item is formally documented and the effectiveness of the hedge, tested periodically, is high. Compliance with the requirements defined in IAS 39 to qualify for hedge accounting is verified periodically.

Changes in the fair value of derivatives that do qualify for hedge accounting are recognized in profit or loss. Option contracts concerning the shares of affiliated companies or other companies exchanged with the counterparties are recognized at fair value on the date of recognition, with the offset posted to the income statement. The value of these instruments is adjusted periodically to match their fair value.

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 expense 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 includes the severance benefits 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 to present value 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.

Starting on January 1, 2007, the 2007 Budget Law and the corresponding implementation decrees introduced significant changes to the rules governing the TFR, including the employee's option to choose the destination of its vesting TFR. More specifically, new TFR flows can be invested by the employee in pension vehicles of his/her choice or left with the company. In the case of investments in external pension vehicles, the company's obligation is limited to making the defined contribution to the chosen pension fund and, as of that date, newly vested contributions qualify as belonging to defined-contribution plans no longer subject to actuarial valuation.

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 actuarial gains/losses are included in other components of consolidated comprehensive income.

Share-based compensation plans

The first two cycles of the "2019-2021 Share Performance 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 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 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 Plan 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 these Plan conditions is recognized by the entity that employs the beneficiary proportionately over the vesting period and revised on each reporting date until expiration of the vesting period by the entity that employs the Beneficiary, which, on each reporting date, 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 fulfill the TSR *market condition* does not determine the Plan's remeasuring.

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 abovementioned outflow will be required to extinguish 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 payables

Trade payables and other payables are initially recognized at their fair value, net of directly attributable incidental costs, and are later valued at amortized cost, 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 analyzing 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:

- *Credit Information*
- *Marketing Solutions*
- *Credit Management*

Revenues

Revenues and income are recognized net of returns, allowances, bonuses and taxes directly attributable to the provision of the services. Revenues are recognized based on the use of the services by customers and, in any case, when it is probable that benefits will be received in the future and these benefits can be quantified reliably. 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 comprehensive income statement 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 parent 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 parent 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 parent is restated to take into account any effects, net of taxes, of the exercising of said options.

1.4. RECENTLY PUBLISHED ACCOUNTING STANDARDS

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 principles and interpretations approved by the IASB, showing which ones were endorsed or not endorsed for adoption in Europe as of the date of this document:

Description	Endorsed as of the date of this document	Effective date of the standard
Annual Improvements to IFRSs 2014-2016 Cycle	Yes	Years beginning on or after January 1, 2017/2018
IFRS 9 Financial Instruments	Yes	Years beginning on or after January 1, 2018
IFRS 14 'Regulatory deferral accounts'	No	Suspended
IFRS 15 Revenue from Contracts with customers	Yes	Years beginning on or after January 1, 2018
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	No	Suspended
IFRS 16 Leases	Yes	Years beginning on or after January 1, 2019
Amendments to IFRS 2: Classification and Measurement of Share based Payment Transactions	No	Years beginning on or after January 1, 2018
Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts : Classification and Measurement of Share based Payment Transactions	Yes	Years beginning on or after January 1, 2018
Annual Improvements to IFRSs 2015-2017 Cycle	No	Years beginning on or after January 1,2018
Amendments to IAS 40: Transfer to Investment Property	No	Years beginning on or after January 1, 2018
IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration	No	Years beginning on or after January 1, 2018
IFRS 17 Insurance Contracts	No	Years beginning on or after January 1, 2021
Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures	*No*	Years beginning on or after January 1, 2019
Amendments to IFRS 9: Prepayment Features with Negative Compensation	*No*	Years beginning on or after January 1, 2019
Clarifications to IFRS 15 Revenue from Contracts with Customers	Yes	Years beginning on or after January 1, 2018

The Group did not choose early adoption for accounting standards and/or interpretations that were not endorsed and the adoption of which would be mandatory for reporting period beginning after January 1, 2017.

The impact that the IFRSs applicable as of January 1, 2018 are expected to have on the financial statements in the coming years is reviewed below.

As for the implementation of the provisions of IFRS 15 "Revenues from Contracts with Customers" (hereinafter IFRS 15) and IFRS 9 "Financial Instruments (hereinafter IFRS 9), the preparatory activity started in 2017 to identify the potential impacts was completed in the early months of 2018.

The adoption of this standard is aimed at improving how revenues are accounted for and, consequently, the overall comparability of financial statements, defining a single model for the recognition of revenues from contracts with customers, and replaces earlier standards and previous interpretation previously in effect.[1]

The adoption of this new standard is required starting in reporting years beginning on or after January 1, 2018 and the Group plans to opt for a retrospective adoption of the new standard, consistent with the provisions of IAS 8.

The new revenue recognition process entails the following five steps:

1. identify the contract with a customer;
2. identify the various performance obligations so that they can be measured individually;
3. determine the transaction price;
4. allocate the transaction prince to each performance obligation identified separately;
5. recognize revenues at the moment when control is transferred.

Based on an analysis performed by the Group, the results deriving from the adoption of the new standard can be summarized in the following steps:

- recognition of revenues based on when control is transferred to the customer;
- valuation of the services as an entity that acts for its own account or as a representative.

The *Credit Information* segment is mainly affected by some products in the *Business Information* line for which customers have the option of accessing a platform through which they can receive a series of services over a certain time period. Specifically concerning the "Decision-making Systems" product line, previously recognized in full on the date the contract was signed, and contracts with subscription payments executed with banking institution counterparties, generally for a three-year period, the Group decided that a time allocation of the subscription over the contract period was more appropriate.

For *Credibility* products and related ancillary services, the recognition of the consideration for which is currently based on an assessment by management of the service rendered and on a correlation with the costs incurred, the Group found that an adequate approach was to recognize the consideration based on a direct measurement of the value of the service supplied to the customer, prorated over the entire length of the contract.

Based on early estimates, the recognition of this type of revenues in accordance with IFRS 15 will require the recognition of deferred income totaling 10.6 million euros at January 1, 2017 (6.8 million euros net of tax effect, with offset posted to retained earnings) and the recognition of lower revenues in the amount of 6.3 million euros in 2017.
The *Business Information* line includes contracts with counterparties in which the obligation to deliver certain services is satisfied through the support of other commercial partners. Consistent with the requirement

1. *IAS 18 – Revenue;*
IAS 11 – Construction contracts
IFRIC 13 – Customer loyalty programs;
IFRIC 15 – Agreements for the construction of real estate;
IFRIC 18 – Transfers of assets with customers;
SIC 31 – Barter transactions

of the new standard and to ensure a correct accounting of the transaction, the Company evaluated how to configure Cerved's qualification within this type of contracts, i.e., whether or not it acts as a representative. An analysis of the contracts led to the conclusion that, in this instance, Cerved acts as a representative and that, consequently, the consideration for these transactions should be recognized net of the costs incurred towards the commercial partners involved. The 2017 revenues that will be affected by recognizing only the margin amount to 0.5 million euros.

No significant impacts is expected for the *Marketing Solutions* segment.

The Credit *Management segment* includes types of contracts that call for the recognition of upfront and/or success fees based on the receivables recovered. Consistent with the standard's provisions, the Company considered the recognition of the consideration from the upfront or success fees over the entire length of the contract, in view of the fact that they were identified as not separately identifiable performance obligations. The recognition of the success fees is conditional on the probability affiliated with the uncertainty of the estimate.

Based on early estimates, the recognition of this type of revenues in accordance with IFRS 15 will require the recognition of deferred income totaling 1.0 million euros at January 1, 2017 (0.7 million euros net of tax effect, with offset posted to retained earnings) and the recognition of lower revenues in the amount of 0.3 million euros in 2017.

Lastly, also in the *Credit Management* segment, there are some products of the *Corporate Division* that provide customers with the option of accessing a platform through which they can use a series of services over a given length of time. Specifically regarding the *Payline Collection* product line, the full amount of which was previously recognized on the date the contract was signed, the Group decided that a time allocation of the subscription over the contract period was more appropriate.

Based on early estimates, the recognition of this type of revenues in accordance with IFRS 15 will require the recognition of deferred income totaling 1.3 million euros at January 1, 2017 (0.9 million euros net of tax effect, with offset posted to retained earnings) and the recognition of lower revenues in the amount of 0.1 million euros in 2017.

The new standard also governs the recognition the incremental costs incurred to obtain the contract. These are all those costs that the entity would not have incurred if the contract had not been signed. In all those instances in which these costs can be recovered through the consideration generated by the contract, the costs may be capitalized and amortized over the duration of the contract. The introduction of this new standard had no impact on the financial statements of Cerved Group because this practice was already being followed.

In July 2014, the IASB published IFRS 9 – Financial Instruments, adopted with Regulation (EU) 2016/2067 of the European Commission of September 22, 2016 and published in the Official Gazette, L 295, of October 29, 2016. The adoption of this new standard has been scheduled for January 1, 2018 and Group plans to opt for a retrospective adoption of the new standard, consistent with the provisions of IAS 8.

With the introduction of this standard, the IASB effectively replaces IAS 39 providing instead a standard to govern unusual and in some instance distortive accounting impacts generated by the financial crisis. The new standard incorporates the requirements of all three phases of the IASB project for financial instruments, namely:

- classification-measurement;
- impairment
- hedge accounting.

In 2017, the Group carried out an analysis aimed at identifying the accounting entries and transactions that are relevant for the purposes of the provisions of IFRS 9, the main impact areas of which include:

(i) the impairment of financial assets and receivables listed in the financial statements and, consequently, the adoption of the expected credit loss model, in lieu of the incurred loss model required by the provisions of IAS 39;

(ii) for the minority equity interests, the alignment of value of the investment to its fair value, when cost does not represent an adequate approximation of fair value.

Based on initial estimates, (i) the recognition of the impairment of receivables, in terms of expected loss, in accordance with IFRS 9, will require increasing the provision for impairment of receivables by 1.8 million euros at January 1, 2017 (with offsetting entry to retained earnings) and the recognition of additional accruals for 2017 amounting to 0.1 million euros; (ii) the alignment to fair value for the minority equity investment held in SIA S,p.A., in accordance with IFRS 9, will require recognizing an increase in the value of this investment of about 1.5 million euros at January 1st, 2017(1.2 million euros net of tax effect, with offsetting entry to retained earnings) and the recognition of a positive change in its fair value in 2017, included in Other Comprehensive Income of about 0.1 million euros.

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 risk

Foreign Exchange Risk

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

Interest Rate Risk

The Group uses external financial resources in the form of borrowings and invests available liquid assets in bank deposits. Changes in market interest rates affect borrowing costs and the yields of different types of investments, with an impact on the level of the Group's financial charges and financial income.
The Group, being exposed to fluctuations in interest rates insofar as they affect the measurement of debt related financial charges, regularly assesses its exposure to the risk of interest rate changes and manages this risk with interest rate financial derivatives, interest rate swaps (IRS) mainly, executed exclusively for hedging purposes.

The fair value of Derivatives at December 31, 2017, amounting to 271 thousand euros, were recognized directly in the statement of other components of comprehensive income.

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

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

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 2017 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 compensate 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
2017 reporting year	-	2,949	-	2,949

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, 2017.

Credit risk

Financial Credit Risk

The financial credit risk refers to the inability of a counterparty to fulfill its obligations.

At December 31, 2017, the Group's liquid assets were invested in bank accounts with top-rated credit institutions.

Commercial Credit Risk

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

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

Lastly, trade receivables carried in the financial statements are individually analyzed and when positions are found to present conditions that make them partially or fully uncollectible, they are written down. The amount of the writedowns reflects an estimate of recoverable cash flows and the corresponding date of collection. For receivables that are not individually written down, provisions that take into account historical experience and statistical data are recognized on an aggregate basis. See Note 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, 2017 grouped by days in arrears, net of the provision for impairment of receivables.

in thousands of euros	At December 31, 2017	Current	90 days in arrears	From 90 to 240 days in arrears	More than 240 days in arrears
Trade receivables	171,497	143,870	10,174	6,104	11,349
Provision for impairment of receivables	(9,557)	(925)	(419)	(1,624)	(6,589)
Net amount	**161,940**	**142,945**	**9,755**	**4,480**	**4,760**
Other receivables	3,347	3,347			
Total	**165,286**	**146,291**	**9,754**	**4,480**	**4,761**

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, 2017, the top 10 customers, the majority of whom are financial institutions, represented approximately 11% 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 uncollectible.

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 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 payables): 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, 2017	< 1 year	2 - 5 years	> 5 years	Total
Non-current loans					
Long-term facilities	571,749	9,535	618,833		630,124
Current loans					
Current portion of long-term facilities	(1,755)				(1,755)
Other financial debt	3,445	3,445			3,445
Other non-current liabilities	26,200		26,200		26,200
Trade payables	46,045	46,045			46,045
Other current payables	135,257	135,257			135,257

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

2.2. CAPITAL MANAGEMENT

The Group's objectives 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 traded in an active market is based on market prices on the date of the financial statements. The fair value of instruments that are not traded in an active market is determined using valuation techniques based on a series of methods and assumptions tied to market conditions on the reporting date.

The classification of the fair value of financial instruments based on hierarchical levels is as follows:

Level 1: Determination of fair value based on quoted prices (unadjusted) for identical financial instruments in active markets;

Level 2: Determination of fair value based on valuation techniques that reference variables observable in active markets;

Level 3: Determination of fair value based on valuation techniques that reference variables not observable in active markets.

in thousands of euros

	AT DECEMBER 31, 2017			
	Level 1	Level 2	Level 3	Total
1. Financial assets measured at fair value through profit or loss				
2. Available-for-sale financial assets				
Total				
1. Financial liabilities measured at fair value through profit or loss				
2. Derivatives		(2,126)		(2,126)
Total		**(2,126)**		**(2,126)**

At December 31, 2017, the fair value of these financial instruments was negative by 2,126 thousand euros.

3. FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

The table that follows provided a breakdown by category of financial assets and liabilities at December 31, 2017:

in thousands of euros

	AT DECEMBER 31, 2017					
	Financial assets and liabilities measured at fair value though profit or loss	**Loans and receivables**	**Available-for-sale financial assets**	**Financial liabilities at amortized cost**	**Hedging derivatives**	**Total**
Other non-current financial assets		399	2,862			3,261
Trade receivables		161,940				161,940
Tax receivables		4,172				4,172
Other receivables		3,347				3,347
Other current assets		11,195				11,195
Cash and cash equivalents		99,207				99,207
Total assets	**-**	**280,260**	**2,862**	**0**	0	**283,122**
Current and non-current borrowings				571,324	2,126	573,450
Trade payables				46,045		46,045
Tax payables				11,437		11,437
Other liabilities				135,257		135,257
Other non-current liabilities				26,200		26,200
Total liabilities	-	**-**	**-**	**790,264**	**2,126**	**792,390**

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 significantly from the respective carrying amounts at December 31, 2017, 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 and Accompanying Notes in accordance with IAS34, Directors are required to apply accounting principles and methods that, in some cases, are based on difficult and subjective assessments and estimates, based on historical experience and assumptions that, in each case, are deemed reasonable and realistic in the corresponding circumstances. The adoption of these estimates and assumptions affects the amounts shown in the financial statement schedules, including the statement of financial position, the comprehensive income statements and the statement of cash flows, as well as the disclosures provided. Final results for the line items for which the abovementioned estimates and assumptions were used could differ from those shown in the financial statements due to the uncertainty that characterizes the assumptions and the conditions upon which the estimates are based.

The areas for which Directors are required to use greater subjectivity in developing estimates and for which a change in the conditions underlying the assumptions used could have a material impact on the Company's financial statements are listed below.

a. Impairment of assets

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

b. Depreciation and Amortization

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

c. Provision for Impairment of Receivables

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

d. Employee Benefits

The present value of the retirement benefit obligations 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 current and non-current other assets or liabilities. The fair value of financial derivatives is determined based on market prices or, if these are not available, it is estimated with appropriate valuation techniques based on up-to-date financial variables used by market operators and, whenever possible, taking into account recorded prices for recent transactions involving similar financial instruments. When there is objective evidence of impairment, asset-side derivatives are shown net of the amounts set aside in the corresponding provision for impairment.

Derivatives are classified as hedging instruments when the relationship between the derivative and the hedged item is formally documented and the effectiveness of the hedge, tested periodically, is high. Compliance with the requirements defined in IAS 39 to qualify for hedge accounting is verified periodically. Changes in the fair value of derivatives that do qualify for hedge accounting are recognized in profit or loss. Option contracts concerning minority interests in subsidiaries executed with minority shareholders are recognized, on the date of execution, as financial liabilities with the 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.

5. BUSINESS COMBINATIONS

Acquisition of the business operations of BHW Verona

On June 28, 2017, but with effect as of July 1, 2017, the Group, through its Cerved Credit Management Group S.r.l. subsidiary, entered into an agreement to expand the industrial partnership for the management of the nonperforming loans of the Italian branch of BHW Bausparkassen AG (Deutsche Postbank AG Group) to include administrative and support activities for a portfolio of performing, subperforming and nonperforming loans. The signing of this agreement resulted in the purchase of business operations of the abovementioned Italian branch for 50 thousand euros.

This transaction boosted the Group's revenues and net profit by 668 thousand euros and 434 thousand euros, respectively, for the period between July 1, 2017 (date of acquisition) and December 31 2017.

The table blow provides a breakdown of the fair value of the acquired assets and the assumed liabilities at the date of acquisition:

in thousands of euros	**Fair Value**
Property, plant and equipment	8
Security deposits	2
Acquired assets	**10**
Employee benefits	(20)
Other liabilities	(48)
Assumed liabilities	**(68)**
Net acquired assets	**(59)**

The difference between the total amount of the investment, equal to 50 thousand euros, and the net value of the assets and liabilities on the acquisition date, equal to59 thousand euros, was allocated to goodwill.

Price paid	50
Net acquired assets	(59)
Goodwill	109

Acquisition of Credit Management S.r.l.

On December 29, 2017 Banca Popolare di Bari S.c.p.A ("BPB"), parent company of the eponymous banking group ("BPB Group"), and Cerved Credit Management Group S.r.l. ("Cerved Credit Management Group") entered into an agreement to develop a long-term industrial partnership for the management of nonperforming loans and probable defaults (collectively the "NPLs") of the BPB Group. As part of the agreement, Cerved Credit Management Group S.r.l. finalized the purchase from BPB of the entire share capital of Credit Management S.r.l., a company engaged in the management of the NPLs of the BPB Group, for a consideration of 18 million euros. The abovementioned price could be increased by an earnout of up to 3 million euros, based on the achievement of certain economic results over a time period until 2021, and a price adjustment of up to 340 thousand euros in Cerved's favor, based on an agreement signed by Cerved regarding the maintenance of certain employment levels in 2018.

The costs incurred for this transaction, amounting to 170 thousand euros, were recognized in full in the income statement.

The table below shows the results of the business combination:

in thousands of euros	**Fair Value**
Property, plant and equipment	8
Other current assets	260
Cash and cash equivalents	26
Acquired assets	**295**
Employee benefits	(219)
Trade payables	(2)
Other liabilities	(76)
Assumed liabilities	**(297)**
Net acquired assets	**(2)**

This transaction resulted in the recognition of goodwill amounting to 18 million euros, which was recognized on a provisional basis, as the Group availed itself of the option provided under IFRS 3 to measure the price paid and the fair value of the net acquired assets within 12 months from the date of acquisition.

The price of 18 million euros was paid on January 2, 2018.

6. SEGMENT INFORMATION

The operating segments identified by management, which encompass all of the services and products supplied to customers, are:

- *Credit Information*, which includes the supply of corporate, commercial and economic-financial information;
- *Marketing Solutions,* which includes the supply of market information and analyses; and
- *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, nonrecurring income and charges, financial income and charges, gains or losses on investments in affiliated companies 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 that follows shows the revenues and EBITDA of the operating segments at December 31, 2017 and 2016:

in thousands of euros

	PERIOD FROM JANUARY 1 TO DECEMBER 31, 2017				PERIOD FROM JANUARY 1 TO DECEMBER 31, 2016			
	Credit Information	Marketing Solutions	Credit Management	Total	Credit Information	Marketing Solutions	Credit Management	Total
Revenues by segment	285,950	24,528	94,631	405,109	274,712	21,123	84,733	380,568
Inter-segment revenues	(1,931)	(1)	(1,802)	(3,734)	(1,841)	(9)	(1,764)	(3,614)
Total revenues from outsiders	**284,019**	**24,527**	**92,829**	**401,375**	**272,871**	**21,114**	**82,969**	**376,954**
EBITDA	**148,785**	**9,275**	**27,434**	**185,493**	**146,891**	**8,161**	**24,295**	**179,347**
EBITDA %	*52.4%*	*37.8%*	*29.6%*	*46.2%*	*53.8%*	*38.7%*	*29.3%*	*47.6%*
Nonrecurring income (charges)				(7,311)				(6,541)
Depreciation and amortization				(67,077)				(78,027)
Operating profit				**111,105**				**94,779**
Pro rata interest in the result of associates valued by the equity method				357				(323)
Financial income				511				677
Financial charges				(30,664)				(19,143)
Nonrecurring financial income/(charges)				5,197				(489)
Result before taxes				**86,506**				**75,502**
Income taxes				(28,161)				(26,837)
Net profit				58,345				48,665

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	December 31, 2017	December 31, 2016
Sales in Italy	379,091	367,511
International sales	10,190	11,085
Total sales	**389,281**	**378,596**
DLess deferred revenues at December 31	12,094	(1,642)
Total	**401,375**	**376,954**

Deferred revenues derivate from services invoiced at December 31, 2017 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 INCOME

A breakdown is as follows:

in thousands of euros	December 31, 2017	December 31, 2016
Sundry income	145	119
Insurance settlements	152	16
Total	**297**	**135**

9. COST OF RAW MATERIAL AND OTHER MATERIALS

A breakdown of this items is as follows:

in thousands of euros	December 31, 2017	December 31, 2016
Consumables	244	275
Cost of sales	6,157	6,444
Fuel	737	693
Total	**7,138**	**7,412**

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 Cerved Credit Management Group Srl subsidiary through its "*Markagain*" Division.

"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	December 31, 2017	December 31, 2016
Information services	31,181	27,468
Agents and sales agreement costs	19,226	18,534
Tax, administrative and legal consulting services	3,174	3,129
Advertising and marketing expenses	2,179	1,762
Maintenance and technical support costs	6,043	4,860
Utilities	2,284	2,370
Services for asset Re-Marketing activities	2,563	3,743
Costs for credit collection services	19,581	13,287
Travel expenses and per diems	2,980	2,688
Costs for digital marketing services	4,458	3,193
Other consultancy and services costs	4,809	3,838
Nonrecurring costs	3,167	1,589
Total	**101,645**	**86,460**

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

- the cost for "Information services," amounting to 31,181 thousand euros at December 31, 2017 (+13.5%), reflects cost increase dynamics that mirror the gain in revenues, particularly expert appraisers (6,043 thousand euros at December 31, 2017, +24.3% and the costs reimbursed to the affiliated company Spazio Dati S.r.l. for the Atoka and big data platforms (1,536 thousand euros at December 31, 2017);
- "Agents and sales agreement costs," totaling 19,226 thousand euros (+3.7%), reflects the increase in revenues from customers managed by the Corporate territorial network;
- "Costs for credit collection services" amouting to 19,581 thousand euros (+47.4%) reflects the increase in volumes related to the management of nonperforming loans by the companies of the Cerved Credit Management Group;
- "Costs for digital marketing services," attributable to Click Adv S.r.l. and amounting to 4,458 thousand euros, show an increase of 1,265 thousand euros, because they cover 12 months in 2017 as opposed to nine in 2016.

At December 31, 2017, "Cost of services" included nonrecurring costs totaling 3,167 thousand euros. See Note 15 "Nonrecurring Income and Costs" for additional information.

11. PERSONNEL COSTS

A breakdown is as follows:

in thousands of euros	December 31, 2017	December 31, 2016
Wages and salaries	65,319	62,463
Social security charges	21,882	20,639
Severance benefits	5,500	4,916
Other personnel costs	2,903	2,112
Nonrecurring costs personnel costs	4,144	4,952
Total staff costs	**99,748**	**95,082**
Associates' fees and social security contributions	276	170
Directors' fees and social security contributions	2,700	2,093
Total fees	**2,976**	**2,263**
Total	**102,724**	**97,345**

"Other personnel costs" includes 1,820 thousand euros for costs incurred during the year for the "2019-2021 Performance Share Plan" (the "Plan") reserved for some key Company resources selected among Directors, managers and other executives. See Note 43 for a description of the Plan's rules.

"Nonrecurring 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 "Severance benefits" is provided in Note 34.

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

average number

Employees by category	December 31, 2017	December 31, 2016
Executives	66	64
Middle managers	296	265
Office staff	1,609	1,574
Total	**1,971**	**1,903**

12. OTHER OPERATING COSTS

in thousands of euros	December 31, 2017	December 31, 2016
Rent	5,232	4,706
Car rentals and expenses for Company cars	943	1,070
Other costs	609	896
Janitorial services	534	544
Employee cafeteria and meal vouchers	1,422	1,389
Total	**8,740**	**8,606**

Rent, amounting to 5,232 thousand euros or 526 thousand euros more than the previous year, reflects higher rent for the new headquarters in San Donato Milanese and the expansion of the Rome office.

13. IMPAIRMENT OF RECEIVABLES AND OTHER PROVISIONS

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

in thousands of euros	December 31, 2017	December 31, 2016
Impairment of receivables	3,295	3,979
Accruals to other provisions for risks, net of reversals	(52)	480
Total	**3,243**	**4,459**

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

14. DEPRECIATION AND AMORTIZATION

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

in thousands of euros	December 31, 2017	December 31, 2016
Amortization of intangible assets	62,079	73,424
Depreciation of property, plant and equipment	4,998	4,602
Total	**67,077**	**78,027**

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

15. NONRECURRING INCOME AND COSTS

As required by the Consob Communication of July 28, 2006, the table below summarizes the Group's nonrecurring income and costs for the year ended December 31, 2017:

in thousands of euros	December 31, 2017	December 31, 2016
Nonrecurring costs	3,167	1,589
Nonrecurring personnel costs	4,144	4,952
Nonrecurring financial charges/(income)	(5,197)	489
Accrual to the provision for tax risks	-	160
Nonrecurring income taxes	-	4,290
Total	**2,114**	**11,480**

During the reporting period, the Group incurred nonrecurring costs totaling 2,114 thousand euros, which included:

- 3,167 thousand euros, recognized under costs for services, mainly relating to the charges incurred by the Group for nonrecurring activities related to extraordinary transactions completed or started during the year;
- 3,072 thousand euros for retirement incentives paid to employees as part of the process for the integration of Group companies;
- 1,072 thousand euros for indemnities paid to nine employees of Cerved Group S.p.A. and eight employees of Cerved Rating Agency S.p.A. within the framework of the long-term unemployment benefit program activated in March 2017 and finalized in April 2017 (described in the section entitled "Significant Events in the Reporting Period");
- 5,397 thousand euros in financial income deriving from the renegotiation of Cerved Group's loan agreement, which resulted in the recognition of a gain to bring its value in line with the present value of future cash flows, based on the amended contract terms, discounted to the original TIR;
- 200 thousand euros in financial charges for the upfront fee on the backup facility paid in September 2017 to the banks responsible for amending the terms and conditions of the financing facility.

16. FINANCIAL INCOME

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

in thousands of euros	December 31, 2017	December 31, 2016
Bank interest income	3	3
Fair value of options		123
Foreign exchange gains	148	91
Other interest income	20	81
Dividends	340	379
Nonrecurring financial income	5,397	959
Total	**5,908**	**1,636**

"Dividends" includes 340 thousand euros in dividends distributed by SIA-SSB, a company in which the Group hold an equity interest of 0.77%.

“Financial income” includes nonrecurring income of 5,397 thousand euros. See the information provided in Note 15 “Nonrecurring income and costs” for additional details.

17. FINANCIAL CHARGES

A breakdown of “Financial charges” is provided below:

in thousands of euros	December 31, 2017	December 31, 2016
Interessi passivi su finanziamento *Forward Start*	12.115	12.856
Interessi passivi sul prestito obbligazionario	-	1.464
Componente finanziaria Benefici ai dipendenti	166	233
Commissioni e altri interessi	1.817	1.945
Amortised cost finanziamento	2.516	2.157
Costo strumenti derivati	1.220	-
Valutazione *Fair Value* Opzioni	12.830	489
Oneri finanziari non ricorrenti	200	1.448
Totale	**30.864**	**20.591**

“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 32.

The main components of “Fees and other interest expense” include commitment and agency fees related to the revolving loan agreement.

“Cost of derivatives” includes the charges deriving from the IRS derivatives executed by the Cerved Group S.p.A. subsidiary, 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 400 million euros. At December 31, 2017 the cost of these financial instruments generated charges amounting to 1,220 thousand euros.

“Fair value of options” mainly represents an adjustment of the liability for the option granted to the minority shareholders of Cerved Credit Management Group S.r.l., the valuation of which reflects future growth dynamics of the expected cash flows. See Notes 36 and 41 for additional details.

“Financial charges” include nonrecurring charges totaling 200 thousand euros. See the information provided in Note 19 “Nonrecurring Income and Costs” for additional details.

18. INCOME TAX EXPENSE

A breakdown of "Income tax expense" is provided below:

in thousands of euros	December 31, 2017	December 31, 2016
Regional income taxes (IRAP)	6,419	5,872
Current corporate income taxes (IRES)	25,143	16,991
Prior-period tax (benefits)/charges	(1,555)	2,018
Prepaid and deferred income taxes	(1,846)	1,955
Total	**28,161**	**26,837**

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

The main component of "Prior-period tax benefits" include 1,561 thousand euros for a tax credit discovered upon the filing of the 2017 unified tax return by Cerved Group S.p.A. and concerning the incentive provided for research and development cost pursuant to Article 1, Section 35, of Law No. 190 of December 23, 2014.

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

in thousands of euros	December 31, 2017	Tax rate
Result before taxes	86,507	
Income tax at the statutory rate	(20,762)	24.0%
Regional tax (IRAP)	(3,374)	3.9%
Contingent tax liabilities	1,555	
ACE benefit (Decree Law No. 201/2011)	406	
Other permanent differences	(5,986)	
Income taxes actually paid	**(28,161)**	**32.6%**

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

"Other differences" mainly refers to the impact on profit and losses of the adjustment of the liability for the option guaranteed to the minority shareholders.

Article 1, Sections 37 to 45, of Law No. 190 of December 23, 2014, as amended by Article 5 of Decree Law No. 3 of January 24, 2015, established an optional status of reduced taxation (also known as "Patent Box") for income originating from the use of intellectual property, industrial patents, trademarks, drawings and models, as well as processes, formulas and information relating to knowhow acquired in the industrial, commercial of scientific fields that enjoy legal protection ("Intangible Assets"), with the aim of incentivizing investments in research and development activities.

Basically, the abovementioned statute established a reduced taxation status for income derived from the utilization of the abovementioned Intangible Assets. The economic contribution provided by Intangible Assets to a company's profits benefit from the abovementioned reduced taxation, provided in accordance with a ruling stipulated with the Revenue Agency.

In December 2015, in order to access the tax benefit described above for 2015 and the following four years, Cerved Group S.p.A. filed an application for the preventive definition, through adversarial proceedings, of the methods and criteria for computing the economic contribution provided by its Intangible Assets. More specifically, Cerved has asked to have access to the tax benefit for its trademark, knowhow (database) and software.

The Revenue Agency considered the application admissible and currently the negotiations with the Agency are currently in progress to determine the economic contribution available for the Company.

19. PROPERTY, PLANT AND EQUIPMENT

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

in thousands of euros	Land and buildings	Electronic equipment	Furniture and fixtures	Other assets	Total
Balance at December 31, 2016	**8,782**	**1,754**	**1,477**	**7,759**	**19,772**
Change in scope of consolidation		**14**	**1**		**16**
Breakdown:					
- Historical cost	-	*21*	*1*	-	*23*
- Accumulated depreciation	-	*(7)*	-	-	*(7)*
Additions	280	2,657	726	2,959	6,622
Disposals – historical cost	-	(2,248)	(236)	(2,092)	(4,576)
Disposals – accumulated depreciation	-	2,265	175	1,321	3,762
Disposals – net	-	17	(61)	(771)	(814)
Depreciation	(626)	(1,391)	(346)	(2,636)	(4,998)
Balance at December 31, 2017	**8,436**	**3,052**	**1,798**	**7,311**	**20,597**
Breakdown:					
- Historical cost	*16,869*	*22,212*	*4,679*	*22,988*	*66,741*
- Accumulated depreciation	*(8,433)*	*(19,160)*	*(2,882)*	*(15,676)*	*(46,145)*

in thousands of euros	Land and buildings	Electronic equipment	Furniture and fixtures	Other assets	Total
Balance at December 31, 2015	**9,407**	**1,970**	**684**	**4,343**	**16,403**
Change in scope of consolidation	**-**	**14**	**19**	**10**	**43**
Breakdown:					
- Historical cost	-	*71*	*31*	*52*	*154*
- Accumulated depreciation	-	*(57)*	*(12)*	*(42)*	*(111)*
Additions	-	1,322	986	5,868	8,176
Disposals – historical cost	-	(327)	(2)	(448)	(778)
Disposals – accumulated depreciation	-	306	2	221	529
Disposals – net	-	(21)	(1)	(227)	(249)
Depreciation	(625)	(1,531)	(211)	(2,235)	(4,601)
Balance at December 31, 2016	**8,782**	**1,754**	**1,477**	**7,759**	**19,773**

Additions for the period totaled 6,622 thousand euros. The main items included: *(i)* 1,772 thousand euros to replace the vehicle fleet used by the sale organization; *(ii)* 2,665 thousand euros to replace hardware with the aim of making the organization more efficient; and *(iii)* 726 thousand euros to purchase furniture and fixtures.

At December 31, 2017 there were no restrictions on the ownership and possession of property, plant and equipment or purchase commitments, other than those described in Note 32.

20. INTANGIBLE ASSETS

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

in thousands of euros	Software	Trademarks and other rights	Customer Relationships	Economic information databases	Other intangibles	Total
Balance at December 31, 2016	**23,087**	**26,172**	**322,944**	**21,050**	**30,443**	**423,696**
Additions	19,128	-	-	13,059	2,048	34,235
Disposals – historical cost	-	-	-	-	-	-
Disposals – accumulated amortization	-	-	-	-	-	-
Disposals – net	-	-	-	-	-	-
Amortization	(15,145)	(2,512)	(22,850)	(15,457)	(6,115)	(62,079)
Balance at December 31, 2017	**27,070**	**23,660**	**300,094**	**18,652**	**26,376**	**395,852**
Breakdown:						
- Historical cost	*125,880*	*35,625*	*408,476*	*285,570*	*90,602*	*946,154*
--Accumulated amortization	*(97,810)*	*(11,965)*	*(108,383)*	*(266,918)*	*(64,226)*	*(550,302)*

in thousands of euros	Software	Trademarks and other rights	Customer Relationships	Economic information databases	Other intangibles	Total
Balance at December 31, 2015	**18,076**	**28,295**	**343,161**	**38,031**	**32,098**	**459,662**
Change in scope of consolidation	**2,072**	**379**	**2,569**	**441**	**1,640**	**7,101**
Additions	15,094	-	-	12,385	2,879	30,358
Reclassification	248	-	-	-	(248)	-
Disposals – historical cost	-	-	-	-	-	-
Disposals – accumulated amortization	-	-	-	-	-	-
Disposals – net	-	-	-	-	-	-
Amortization	(12,402)	(2,502)	(22,786)	(29,808)	(5,926)	(73,424)
Balance at December 31, 2016	**23,087**	**26,172**	**322,944**	**21,050**	**30,443**	**423,696**

Additions for the period, which totaled 34,235 thousand euros, refer mainly to projects carried out during the period to develop new products and software (19,128 thousand euros) and investments in economic information databases (13,059 thousand euros).

21. GOODWILL

A breakdown of "Goodwill" is as follows:

in thousands of euros	At December 31, 2017	At December 31, 2016
Cerved Data Services (CDS) goodwill	820	820
CERVED Group goodwill	707,813	707,813
Recus goodwill	8,450	8,450
RLValue goodwill	1,246	1,246
Lintec goodwill	474	474
Fox goodwill	4,240	4,385
ClickAdv goodwill	7,379	7,379
Major 1 goodwill	1,766	1,766
BHW goodwill	119	119
BHW Verona goodwill	109	-
Credit Management goodwill	18,000	-
Total	**750,416**	**732,452**

At December 31, 2017, the Cerved goodwill was allocated as follows to the different operating segments/CGUs:

in thousands of euros	At December 31, 2017
Credit Information	616,171
Marketing Solutions	41,872
Marketing Solutions-ClickAdv	7,379
Credit Management	66,994
Credit Management Bari	18,000
Total	**750,416**

In line with the requirements of the reference accounting principles, Goodwill was tested for Impairment at December 31, 2017, except for the value assigned to Credit Management Bari, which was acquired at the end of December 2017. Consequently, its acquisition value already corresponds to its fair value.
The value in use was determined for the other CGUs.

The value in use was determined by discounting the forecast data of each CGU ("**DCF Method**") for the three-year period from 2018 to 2020, as approved by the Company's Board of Directors on February 15, 2018. The forecast data of each CGU were determined taking into consideration the levels of growth of revenues, EBITDA, and cash flows based on both past economic-income performance and future expectations.

The terminal value of each CGU was computed based on the perpetual annuity of the cash flow of each CGU with reference to the latest period of forecast data considered, assuming a growth rate of zero and using an after-tax discounting rate (WACC) of (i) 6.41% for all CGUs and (ii) 9.21% for the Marketing Solutions-ClickAdv CGU, and it is the result of:

(i) the weighted average of the cost of capital, equal to 7.13% (86.68%)—including a Market Risk Premium of 5.08%—and an after tax debt cost of 1.72% (13.32%). 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;

(ii) the weighted average of the cost of capital, equal to 9.93% (90.00%)—including a Market Risk Premium of 5.08%—and an after tax debt cost of 2.74% (10.00%).

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, 2017**
Credit Information	531,514
Marketing Solutions	66,169
Marketing Solutions-Clickadv	8,854
Credit Management	296,677
Total	**903,214**

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

in thousands of euros	**-5%**	**+5%**
Credit Information	443,773	619,258
Marketing Solutions	60,964	71,374
Marketing Solutions-Clickadv	7,415	10,292
Credit Management	271,996	321,358
Total	**784,148**	**1,022,278**

The table below shows the change in the surplus recoverable value of each CGU based on a change of 0.5% in the value of the WACC, all other parameters being equal:

in thousands of euros	**-5%**	**+5%**
Credit Information	431,258	648,762
Marketing Solutions	58,793	74,797
Marketing Solutions-Clickadv	7,481	10,384
Credit Management	264,889	333,870
Total	**762,421**	**1.067,813**

in thousands of euros	**WACC**	**EBITDA%**
Credit Information	10.4%	-30.3%
Marketing Solutions	18.4%	-63.6%
Marketing Solutions-Clickadv	13.8%	-30.8%
Credit Management	20.1%	-60.1%

22. INVESTMENTS IN ASSOCIATES VALUED BY THE EQUITY METHOD

At December 31, 2017, this item amounted to 5,751 thousand euros. It includes the equity investment in the affiliated company Experian Italia S.p.A., for a total of 3,206 thousand euros, and the equity investment in the affiliated company Spazio Dati S.r.l., for 2,545 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	Spazio Dati	Total
Balance at December 31, 2016	**3,178**	**2,241**	**5,419**
Acquisitions and subscriptions	-	-	-
Gains (Losses) from valuation by the equity method	53	304	357
Decrease for dividends	(24)	-	(24)
Balance at December 31, 2017	**3,206**	**2,545**	**5,751**

At December 31, 2017, 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 affiliated 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 main data of the investee company valued by the equity method are listed below. The data refer to the financial statements for the period ended March 31, 2017:

in thousands of euros	Total assets	Total shareholders' equity	Total revenues	Profit/Loss for the period
Experian Italia S.p.A.	14,470	6,980	17,973	524

The main data of the investee company valued by the equity method are listed below. The data refer to the financial statements for the period ended December 31, 2017.

in thousands of euros	Total assets	Total shareholders' equity	Total revenues	Profit/Loss for the period
Spazio Dati S.r.l.	2,556	1,7305	3,233	516

23. OTHER NON-CURRENT FINANCIAL ASSETS

in thousands of euros	At December 31, 2017	At December 31, 2016
Other investments	2,862	2,868
Other financial receivables	83	167
Security deposits and sundry items	316	282
Total	**3,261**	**3,323**

At December 31, 2017, "Other non-current financial assets" included:

(i) the fair value of the equity investments held by the Group for a total of 2,862 thousand euros;
(ii) a loan owed by some Spazio Dati S.r.l. shareholders for 83 thousand euros and
(iii) some security deposits for the balance.

Unconsolidated equity investments held by the Group

in thousands of euros	Registered office	Share capital	Sharehold. equity at December 31, 2016	% control (indirect)	December 31, 2017	December 31, 2016
SIA-SSB	Milan	22,275	233,783	0.77%	2,823	2,823
Class CNBC S.p.A.	Milan	628	2,260	1.24%	39	39
Consult Wolf S.r.l. in liquidation	Belluno	-	-	-	-	6
Total					**2,862**	**2,868**

The amounts shown refer to the financial statements prepared in accordance with the reference accounting principles of the individual companies. At December 31, 2017, there were no impairment indicators requiring that the investments should be written down.

Consult Wolf S.r.l. in liquidation was liquidated in 2017.

24. INVENTORY

Inventory, which amounted to 1,971 thousand euros, consists exclusively of goods that the Group acquired as part of the management and reselling of assets originating from nonperforming leases carried out by the Cerved Credit Management Group S.r.l. subsidiary that had not been resold at December 31, 2017.

25. TRADE RECEIVABLES

"Trade receivables" totaled 161,940 thousand euros, net of the corresponding provision for impairment of receivables, as detailed below:

in thousands of euros	December 31, 2017	December 31, 2016
Trade receivables from external customers	171,385	165,238
Provision for impairment of receivables	(9,557)	(10,472)
Related-party receivables	112	165
Total	**161,940**	**154,930**

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, 2015	**11,655**
Change in scope of consolidation	7
Accruals	3,979
Utilizations	(5,168)
At December 31, 2016	**10,472**

in thousands of euros	Provision for impairment of receivables
At December 31, 2016	**10,472**
Change in scope of consolidation	-
Accruals	3,295
Utilizations	(4,210)
At December 31, 2017	**9,557**

The accrual to the provision for impairment reflects the estimated realizable value of receivables that were still deemed collectible at December 31, 2017. 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	December 31, 2017	December 31, 2016
VAT receivable	596	1,321
IRAP receivable	231	287
IRES receivable	371	359
Other tax receivables	2,974	3,277
Total	**4,172**	**5,244**

The main components of "Other tax receivables" include the following:

- 1,474 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;
- 913 thousand euros for the remaining tax receivable resulting from the provisional payment, made while the proceedings were in progress, in connection with a tax dispute with the Revenues Agency settled in December 2016. In May 2017, the Revenue Agency issued a partial refund of 1,612 thousand euros.

27. OTHER RECEIVABLES

A breakdown of "Other receivables" at December 31, 2017 is as follows:

in thousands of euros	December 31, 2017	December 31, 2016
Advances to agents	590	599
Sundry receivables	2,651	4,453
Other receivables from related parties	106	18
Total	**3,347**	**5,070**

Sundry receivables refers mainly to the following: (i) 227 thousand euros for a receivable owed by some former controlling companies for an IRES receivable resulting from the deductibility from IRES of the IRAP paid in the years in which some Group companies filed a consolidated tax return; and (ii) 1,121 thousand euros for a capitalization policy of the severance benefit fund issued by Consit Italia S.p.A.

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 this item is provided below:

in thousands of euros	December 31, 2017	December 31, 2016
Prepaid commercial costs	7,835	7,539
Other prepaid commercial expenses	3,335	2,510
Sundry receivables	25	80
Total	**11,195**	**10,129**

"Other prepaid commercial 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 as follows:

in thousands of euros	December 31, 2017	December 31, 2016
Deposits in bank and postal accounts	99,179	48,523
Cash on hand	28	16
Total	**99,207**	**48,539**

The carrying amount of “Cash and cash equivalents” approximates their fair value; these items are not subject of any utilization restriction, except for the amount of 1,797 thousand euros which is the subject of an attachment in connection with a legal dispute.
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 50,450 thousand euros and was comprised of 195,000,000 common shares without par value.

The changes in equity reserves are shown in this Report’s financial statement schedules.

In 2017, dividends totaling 48,165 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 for Performance Shares” for 2,499 thousand euros.

31. EARNINGS PER SHARE

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

	At December 31, 2017	At December 31, 2016
Net results attributable to owners of the parent (in thousands of euros)	56,790	47,280
Number of common shares at the end of the period	195,000,000	195,000,000
Average weighted number of shares outstanding for basic earnings per share purposes	195,000,000	195,000,000
Adjustment for Performance Shares	1,961,746	1,108,644
Average weighted number of shares outstanding for diluted earnings per share purposes	196,961,746	196,108,644
Basic earnings per share (in euros)	0.291	0.242
Diluted earnings per share (in euros)	0.288	0.241

Diluted earnings per share are affected by the “Performance Share Incentive Plan,” which is described in Note 43 and has resulted in grants totaling 1,961,746 options. 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, 2017 and 2016:

in thousands of euros

					AT DECEMBER 31, 2017		AT DECEMBER 31, 2016	
	Original amount	**When issued**	**Maturity**	**Rate charged**		**Current portion**		**Current portion**
Term Loan Facility A	160,000	2016	2021	Euribor +1.50%	148,000		157,600	9,600
Term Loan Facility B	400,000	2016	2022	Euribor +1.875%	400,000	-	400,000	-
Financial charges payable					2,212	2,212	3,909	3,909
Credito Valtellinese Vendor Loan	16,000	2015	2022	Euribor 3m + 2.85%	16,000	-	16,000	-
Cassa Risparmio Ravenna L loan	18,000	2017	2022	Euribor 6m +1,5%	18.000	-	-	-
Fair value of IRS					2,126	1,451	2,482	1,538
Other current borrowings					2,004	2,003	1,268	1,268
Incidental borrowing costs					(14,892)	(3,966)	(9,297)	(2,076)
Total					**573,450**	**1,700**	**571,962**	**14,239**

Term loan facilities

The *Term Loan Facility* was stipulated, on January 15, 2016, by the Cerved Group S.p.A. subsidiary, which executed a transaction for two facilities totaling 560 million euros (in addition to a revolving line of 100 million euros); the agreement was finalized with the following banks: Banca IMI, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Mediobanca Banca di Credito Finanziario and Unicredit, with Unicredit as Agent Bank. As described in the Report on Operations, in October 2017, the company entered into an agreement to amend the terms and conditions of its financial debt. The main features of the new agreement, which was signed by all of the lender banks, are summarized below:

- reduction of borrowing costs: cutting the financing costs for the *Term Loan Facility A* (TLA), the *Revolving Credit Facility* (RCF) and the *Term Loan Facility B* (TLB) by 25 bps and 37.5 bps, respectively, for savings totaling about 2 million euros a year;
- reduction of the collateralization package, including the pledge of the Cerved Group shares;
- transformation of the TLA line into a *bullet facility* to provide the Group with greater financial flexibility.

The cost of the amending transaction is estimated as follows:
- upfront fee of about 2.7 million euros;
- upfront fee on the backup facility of 200 thousand euros, which was paid in September 2017.

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

	ANNUAL MARGIN %		
Leverage Ratio	**Facility A**	**Facility B**	**Revolving Facility**
> 4	2.50	3.00	2.50
between 3.5 - 4	2.00	2,50	2.00
between 2.85 - 3.5	1.75	2.125	1.75
between 2.25 - 2.85	**1.50**	**1.875**	**1.50**
= o < 2.25	1.25	1.625	1.25

In 2017, the revolving credit line has never been utilized.

At December 31, 2017, the leverage ratio 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.r.l. with a *Vendor Loan* for 16 million euros, the main characteristics of which are summarized below:
- execution date: April 2015;
- amortization: four semiannual installments starting on the date falling five years and one semester after the execution date;
- final repayment: April 2022;
- interest rate: three-month Euribor plus a spread of 2.85%;
- guarantees: patronage letter from Cerved Group S.p.A.

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

Other Current Financial Debt

The main components of "Other current financial debt," amounting to 2,004 thousand euros, include the following:

- payables for fees on the Term Loan for 197 thousand euros;
- payables owed to factors amounting to 1,637 thousand euros;
- payables owed to principals for collections on their behalf amounting to 142 thousand euros.

Derivatives

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

At December 31, 2017, the fair value of these financial instruments was negative by 2,126 thousand euros. As these derivatives are 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, 2017, 2016 and 2015, 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, 2017	At December 31, 2016	At December 31, 2015
A. Cash	28	16	18
B. Other liquid assets	99,179	48,523	50,715
C. Securities held for trading	-	-	-
D. Liquidity (A)+(B)+(C)	**99,207**	**48,539**	**50,733**
E. Current loans receivable	-	-	-
F. Current bank debt	(197)	(225)	(742)
G. Current portion of non-current borrowings	1,755	(11,433)	(569,316)
H. Other current financial debt	(3,258)	(2,581)	(1,515)
I. Current financial debt (F)+(G)+(H)	**1,700**	**(14,239)**	**(571,572)**
J. Net current financial debt (D)+(E)+(I)	**97,507**	**34,300**	**(520,840)**
K. Non-current bank debt	(571,075)	(556,779)	(16,000)
L. Bonds outstanding	-	-	-
M. Other non-current financial debt	(675)	(944)	-
N. Non-current financial debt (K)+(L)+(M)	**(571,750)**	**(557,723)**	**(16,000)**
O. Net financial debt (J)+(N)	**(474,243)**	**(523,423)**	**(536,840)**

At December 31, 2017, the Group's Net financial debt totaled 474,243 thousand euros, compared with 523,423 thousand euros at December 31, 2016. Liquid assets, which totaled 99,179 at December 31, 2017, include the liquidity generated by a loan of 18 million euros provided by Cariravenna at the end of December 2017 that was used to finance the acquisition of Credit Management S.r.l., payment for which was made on January 2, 2018.

34. EMPLOYEE BENEFITS

At December 31, 2017, "Employee Benefits" included a provision for severance indemnities amounting to 13,276 thousand euros.

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

in thousands of euros	**Provision for severance indemnities**
At December 31, 2016	**13,093**
Change in scope of consolidation	239
Current cost	689
Financial charges	166
Actuarial losses/(gains)	238
Contributions added – Benefits paid	(1,149)
At December 31, 2017	**13,276**

The provision for severance indemnities 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	1.30%
Inflation rate	1.50%
Rate of wage growth	3.00%
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	12,507	13,698	13,226	12,935	12,780	13,307

There are no defined-benefit plan assets.

35. PROVISIONS FOR OTHER LIABILITIES AND CHARGES

A breakdown of the changes in the "Provisions for other liabilities and charges" is provided below:

in thousands of euros	Provision for agents' indemnity	Provision for risks and charges	Total
At December 31, 2016	**1,290**	**5,971**	**7,261**
Accruals net of reversals	522	(574)	(52)
Utilizations	(177)	(1,076)	(1,253)
At December 31, 2017	**1,635**	**4,321**	**5,956**

The "Provision for agents' indemnity," which amounted to of 1,635 thousand euros at December 31, 2017, 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 other liabilities and charges," which amounted to 4,321 thousand euros refers mainly to tax disputes and disputes with some employees, agents and suppliers.

At December 31, 2017, the provisions included the following:

(i) 1,466 thousand euros for a provision for "property register document fees" established by Consit Italia S.p.A.;

(ii) 246 thousand euros for a provision for risks of non-payment of trade receivables settled with promissory notes from the portfolios managed by the Cerved Credit Management S.p.A. subsidiary;

(iii) 2,609 thousand euros for the balance in a provision for risks an charges that represents an estimate of the probable risk related to pending lawsuits.

A provision for tax disputes, amounting to 160 thousand euros at December 31, 2016, was fully utilized in 2017. This provision had been recognized in connection with a tax dispute that arose in 2016 regarding Recus S.p.A. (later merged into Cerved Credit Collection S.p.A.) and concerning corporate transactions executed before the acquisition by the Cerved Group. Further to a negotiated settlement, the dispute was settled with the payment of the amount owed, which corresponded to the amount set aside in the provision.

36. OTHER NON-CURRENT LIABILITIES

"Other non-current liabilities" of 26,200 thousand euros mainly refers:

- for 22,453 thousand euros to the non-current portion of the liability for the put option granted by Cerved Group to the minority shareholders of Cerved Credit Management Group S.r.l., empowering them to sell, from the first half of 2019 to the first half of 2020, a 4.81% 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). The amount of this liability also includes the value assigned on the date of execution to the call options executed by Cerved Group with the minority shareholders of Cerved Credit Management Group S.r.l. and exercisable in the case of "bad leaver" events by the minority shareholders. The aggregate value of this liability was estimated at 32,905 thousand euros; the current portion was included in "Other liabilities."

This liability was valued based on the expected future results of Cerved Credit Management Group and the difference compared with the carrying amount at December 31, 2016 was included in financial charges.

- for 2,990 thousand euros to the non-current portion of the liability for the put option granted by Cerved Group to the minority shareholders of ClickAdv S.r.l., empowering them to sell, within the first half of 2019, a 10% 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 ClickAdv S.r.l. from the minority shareholders). The aggregate value of the liability was estimated at 5,513 thousand euros; the current portion was included in Other liabilities, commented in Note 41. This liability was estimated based on the expected future results of ClickAdv S.r.l. and the difference compared with the carrying amount at December 31, 2016 was included in financial charges.

- for 757 thousand euros to the non-current portion of the liability for the put option granted by Cerved Group to the minority shareholders of Major 1 S.r.l., empowering them to sell, from the first half of 2018 to the first half of 2019, a 15% 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 Major 1 S.r.l. from the minority shareholders). The aggregate value of the liability was estimated at 1,376 thousand euros; the current portion was included in Other liabilities, commented in Note 41. This liability was estimated based on the expected future results of Major 1 S.r.l. and the difference compared with the carrying amount at December 31, 2016 was included in financial charges.

37. DEFERRED TAX ASSETS AND LIABILITIES

A breakdown of "Deferred tax liabilities" at December 31, 2017 is provided below:

in thousands of euros	Balance at December 31, 2016	Additions/ Reversals in profit or loss	Additions/ Reversals in comprehensive profit or loss	Balance at December 31, 2017
Deferred tax assets				
Tax deductible goodwill	713	(522)	-	190
IPO costs	927	(464)	-	463
Provision for impairment of receivables	1,924	136	-	2,060
Provision for risks and charges	1,193	(84)	-	1,109
Provision for employee benefits and agents indemnity	716	14	57	787
Interest charges	5,354	(5,344)	-	10
Derivatives	596	-	(85)	511
Writedown of receivables	2,245	(189)	-	2,056
Other differences	224	31	-	255
Total deferred tax assets	**13,892**	**(6,422)**	**(28)**	**7,441**
Deferred tax liabilities				
Customer relationships	(90,182)	6,375	-	(83,806)
Trademarks	(7,277)	701	-	(6,576)
Buildings	(501)	68	-	(432)
Software	(640)	261	-	(379)
Contracts	(7,048)	881	-	(6,167)
Databases	(89)	41	-	(48)
Writedown of receivables Decree Law No. 83/2015	(18)	18	-	0
Other differences	-	(76)	-	(76)
Total deferred tax liabilities	**(105,753)**	**8,269**	**-**	**(97,485)**
Net deferred tax liabilities	**(91,862)**	**1,847**	**(28)**	**(90,043)**

Deferred tax assets refer to several temporary differences, that 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.

Prior-period tax losses, for which no deferred tax assets were recognized, amounted to 3,670 thousand euros (corresponding to about 881 thousand euros) and refer to the tax loss incurred by the parent company Cerved Information Solutions S.p.A. in its first year of activity.

38. TRADE PAYABLES

in thousands of euros	December 31, 2017	December 31, 2016
Payables to outside suppliers	44,676	37,861
Payables to related parties	1,369	667
Total	**46,045**	**38,528**

"Trade payables" increased from 37,861 thousand euros to 44,676 thousand euros, largely consistent with the dynamics of the increase in operating costs in the last quarter of the year.

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 "Current tax payables" is provided below:

in thousands of euros	December 31, 2017	December 31, 2016
Corporate income tax (IRES) payable	7,064	1,035
Regional tax (IRAP) payable	676	202
Total	**7,740**	**1,236**

40. OTHER TAX PAYABLES

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

in thousands of euros	December 31, 2017	December 31, 2016
VAT payable	496	735
Tax withholdings payable	2,627	2,406
Sundry payables	574	571
Total	**3,697**	**3,713**

41. OTHER LIABILITIES

in thousands of euros	December 31, 2017	December 31, 2016
Social security contributions payable	8,125	7,846
Payables owed to personnel	5,990	9,400
Deferred revenues	75,536	84,799
Other payables	33,817	9,456
Accrued expenses	3,628	154
Related-party payables	8,161	4,291
Total	**135,257**	**115,945**

"Other liabilities" includes the short-term portion of the liability recognized for the options executed with the minority shareholders of Cerved Credit Management Group S.r.l., ClickAdv S.r.l. and Major 1 S.r.l..

This liability refers:

- for 10,452 thousand euros to the current portion of the liability for the put option granted by Cerved Group to the minority shareholders of Cerved Credit Management Group S.r.l., empowering them to sell, by the end of the first half of 2018, 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 2,523 thousand euros to the current portion of the liability for the put option granted by Cerved Group to the minority shareholders of ClickAdv S.r.l., empowering them to sell, by the end of the first half of 2018, a 10% 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 ClickAdv S.r.l. from the minority shareholders).
- for 604 thousand euros to the current portion of the liability for the put option granted by Cerved Group to the minority shareholders of Major 1 S.r.l., empowering them to sell, by the end of the first half of 2018, a 15% 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 Major 1 S.r.l. from the minority shareholders).
- for 18 million euros to the liability towards Banca Popolare di Bari for the price to acquire Credit Management S.r.l., which was paid in January 2018.

42. OTHER INFORMATION

Contingent Liabilities

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

Commitments

Please note that at December 31, 2017, the Group had undertaken commitments not reflected in the financial statements totaling 6,271 thousand euros, consisting mainly of sureties provided:

- by Unicredit for 1,985 thousand euros for the benefit of the lessor of the new San Donato headquarters;
- by Generali and other banking institutions for 1,200 thousand euros in connections with the submission of bids and/or the successful outcome for some auctions;
- by Unicredit for 597 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 automobiles provided to employees and in leases for offices. A breakdown by maturity of the commitments outstanding at December 31, 2017 for the various leases and rental agreements is provided below:

in thousands of euros	December 31, 2017	December 31, 2016
Within 1 year	4,477	2,974
Between 2 and 4 years	16,481	17,770
More than 4 years	11,165	15,096
Total	**32,123**	**35,840**

Third Party Assets Held in Storage and on Deposit

At December 31, 2017, the Group managed assets held on deposit valued at 20,914 thousand euros. These assets consist of personal property derived 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:

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 incentive	Other compensation	Total compensation
Fabio Cerchiai	Chairman independent	Approval of financial statements at 12/31/18	200	-	-	20	220
Gianandrea De Bernardis	Executive Vice President	Approval of financial statements at 12/31/18	250	-	-	-	250
Marco Nespolo	Chief Executive Officer	Approval of financial statements at 12/31/18	410	-	240	-	650
Roberto Mancini	Director	Approval of financial statements at 12/31/18	-	-	-	-	-
Andrea Mignanelli	Director	Approval of financial statements at 12/31/18	-	-	-	-	-
Sabrina Delle Curti	Director	Approval of financial statements at 12/31/18	-	-	-	-	-
Aurelio Regina	Independent Director	Approval of financial statements at 12/31/18	40	-	-	20	60
Mara Anna Rita Caverni	Independent Director	Approval of financial statements at 12/31/18	40	-	-	20	60
Giulia Bongiorno	Independent Director	Approval of financial statements at 12/31/18	40	-	-	-	40
Marco Maria Fumagalli	Independent Director	Approval of financial statements at 12/31/18	40	-	-	-	40
Valentina Montanari	Independent Director	Approval of financial statements at 12/31/18	40	-	-	-	40
Total			**1,060**	**-**	**240**	**60**	**1,360**

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 incentive	Other compensation	Total compensation
Antonella Bientinesi	Chairperson	Approval of financial statements at December 31, 2019	60	-	-	-	60
Paolo Ludovici	Statutory Auditor	Approval of financial statements at December 31, 2019	40	-	-	-	40
Costanza Bonelli	Statutory Auditor	Approval of financial statements at December 31, 2019	40	-	-	-	40
Laura Acquadro	Alternate	Approval of financial statements at December 31, 2019	-	-	-	-	-
Antonio Mele	Alternate	Approval of financial statements at December 31, 2019	-	-	-	-	-
Total			**140**	**-**	**-**	**-**	**140**

Independent Auditors

Pursuant to Article 149–duodecies, Section Two, 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 Information Solutions 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)	**651**	**-**	**651**
- Certification services	12	-	12
Other services (2)	**8**	**1,322**	**1,330**
- Agreed audit engagements	8	-	8
- Other	-	1,322	1,322
Total	**659**	**1,322**	**1,980**

(1) The auditing services refer for 91 thousand euros to the Parent Company CIS and for 560 thousand euros to the subsidiaries and basically include: auditing the annual financial statements and consolidated financial statements of CIS and its subsidiaries, the limited audit of the semiannual financial report and the accounting reviews performed during the reporting year pursuant to Article 155, Section 1, of Legislative Decree No. 58/1998.

(2) Other services refer to the following activities performed for the Cerved Group subsidiary: (i) 8 thousand euros for services related to the certification of the financial covenant; (ii)) 1,322 thousand euros for software development support activities for CRM,, recognized in intangible assets. 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" assignments, in accordance with Legislative Decree No. 135/2016.

43. DESCRIPTION OF INCENTIVE PLANS (IFRS 2)

Cerved 2016-2018 Performance Share Plan

The 2016-2018 Performance Share Plan was approved by the Shareholders' Meeting of 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 Plan's beneficiaries include the Chief Executive Officer, the Group's strategic executives and a group of 71 resources of the Cerved Group.

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 Performance Target achieved, with different levels of performance:

- 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 2016-2018 Performance Share Plan will be awarded upon the verification of the achievement of the *performance conditions* in the 2016-2018 three-year period.

The *performance conditions* are explained below:

- 70% "PBTA Target"; it indicates the growth of the Adjusted Profit Before Taxes per Share, which shall be understood to mean the profit before taxes excluding nonrecurring 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 Information Solutions S.p.A. filed with the 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 Information Solutions 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 75 percentile: by linear interpolation;
  - 75° percentile (cap): 100%;
  - more than 75° 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 stock options will depend on the level of achievement of the assigned targets. The fair value of the options under the 2016-2018 Share Performance Plan was determined by the "Monte Carlo method" and using the following computation parameters:

- 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: 27%.

On the grant date of July 13, 2016, the fair value of each option related to the Plan's TSR target ("market" target) was equal to 3.624 euros, while the fair value of each option related to the Plan's PBTA target ("non-market" target, valued at 58%) was equal to 6.082 euros.

	Awarded options	Expired options	Exercised options	Options outstanding at December 31, 2017
2016-2018 Performance Share Plan	1,108,644	78,388	-	1,030,256
Total	**1,108,644**	**78,388**	**-**	**1,030,256**

The accrued cost attributable to 2017, amounting to 1,552 thousand euros, was included in "Personnel costs."

Cerved 2017-2019 Performance Share Plan

The 2017-2019 Performance Share Plan was approved by the Board of Directors on November 20, 2017.
The Plan's beneficiaries include the Chief Executive Officer, the Group's strategic executives and select members of the management team, for a total of 54 Cerved Group resources awarded grants totaling 931,490 Performance Shares.

The performance targets are unchanged compared with those announced for the First Cycle (2016-2018).

The Shares subject of the 2017-2019 Performance Share Plan will be awarded upon the verification of the achievement of the *performance conditions* in the 2017-2019 three-year period.

The fair value of the options under the 2016-2018 Share Performance Plan was determined by the "Monte Carlo method" and using the following computation parameters:

- risk free interest rate: -0.68%, based on the interest rate of a zero coupon bond by a Eurozone governmental entity;
- expected dividends: 2.5%
- volatility of 26%

On the grant date of November 20, 2017, the fair value of each option related to the Plan's TSR target ("market" target) was equal to 5,897 euros, while the fair value of each option related to the Plan's PBTA target ("non-market" target, valued at 50%) was equal to 10,071 euros.

	Awarded options	Expired options	Exercised options	Options outstanding at December 31, 2017
2017-2019 Performance Share Plan	931,490	-	-	931,490
Total	**931,490**	**-**	**-**	**931,490**

The accrued cost attributable to 2017, amounting to 268 thousand euros, was included in "Personnel costs."

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

	AFFILIATED COMPANIES						
	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**
Trade receivables							
At December 31, 2016	165	-	-	-	165	154,930	0.10%
At December 31, 2017	112	-	-	-	112	161,940	0.07%
Other non-current financial assets							
At December 31, 2016	-	-	-	-	-	3,323	0.00%
At December 31, 2017	-	-	-	-	-	3,261	0.00%
Other receivables							
At December 31, 2016	18	-			18	5,070	0.40%
At December 31, 2017	38	68	-	-	106	3,466	3.06%
Trade payables							
At December 31, 2016	(83)	(601)			(684)	(38,528)	1.80%
At December 31, 2017	(342)	(1,026)		(28)	(1,396)	(46,045)	3.03%
Other liabilities							
At December 31, 2016	-	-	(4,291)	-	(4,291)	(115,958)	3.70%
At December 31, 2017	-	-	(8,161)(1)		(8,161)	(135,257)	6.03%
Other non-current liabilities							
At December 31, 2016	-	-	(11,627)		(11,627)	(22,763)	51.10%
At December 31, 2017	-	-	(15,006)(2)		(15,006)	(26,200)	57.27%

(1) includes the short-term portion, amounting to 6,985 thousand euros of the value of the put option held by the Director Andrea Mignanelli.
(2) includes the long-term portion, amounting to 15,006 thousand euros of the value of the put option held by the Director Andrea Mignanelli

RELATED PARTIES – INCOME STATEMENT DATA

in thousands of euros

	AFFILIATED COMPANIES						
	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
2016 reporting year							
Revenues	445	300	-	-	745	376,954	0.20%
Pro rata interest in the result of companies valued by the equity method	74	(397)	-	-	(323)	(323)	100.00%
Cost of services	(428)	(134)	-	(172)	(734)	(86,460)	0.80%
Personnel costs	-	-	(5,397)	-	(5,397)	(97,345)	5.50%
2017 reporting year							
Revenues	381	300	-	6	687	401,375	0.17%
Pro rata interest in the result of companies valued by the equity method	52	304	-	-	356	357	99.72%
Cost of services	(568)	(1,536)	-	(192)	(2,296)	(101,645)	2.26%
Personnel costs	-	-	(4,896)	-	(4,896)	(102,507)	4.78%
Other operating costs				(3)	(3)	(8,740)	0.03%
Financial income			(7,656)		(7,656)	(30,863)	24.81%

RELATED PARTIES – CASH FLOW DATA

in thousands of euros

	AFFILIATED COMPANIES						
	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
2016 reporting year							
Cash flow from operating activities	172	714	(3,870)	(172)	(3,156)	146,514	(2.20%)
Cash flow from investing activities	74	(1,230)	(6,588)	-	(7,744)	(65,413)	11.80%
Cash flow from financing activities	-	-	-	-	-	(83,295)	0.00%

Follows **RELATED PARTIES - CASH FLOW DATA**

in thousands of euros

	AFFILIATED COMPANIES						
	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**
2017 reporting year							
Cash flow from operating activities	105	(878)	(1,026)	(161)	(1,960)	150,792	(1.3%)
Cash flow from investing activities	52	304	-	-	356	(41,874)	(0.9%)
Cash flow from financing activities	-	-	(4,277)	-	(4,277)	(58,251)	7.3%

The transactions listed above were executed on market terms.

The transactions with senior management related to fees for Directors and other executives with strategic responsabilities are listed below:

in euros	**Wages, salaries and social security contributions**	**Termination indemnity**	**Total**
Director fee	(1.802)		(1.802)
Executives with strategic responsabilities	(3.094)		(3.094)
Total	**(4.896)**	**-**	**(4.896)**

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 DECEMBER 31, 2017

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

San Donato Milanese,
February 26, 2018

The Board of Directors

by Fabio Cerchiai
Chairman

Certification pursuant to article 154 Bis of Legislative Decree no. 58 Of February 24, 1998 (uniform financial code) and article 81-Ter of Consob regulation no. 11971 Of May 14, 1999, as amended

1. We, the undersigned Marco Nespolo, in my capacity as Chief Executive Officer, and Giovanni Sartor, in my capacity as Corporate Accounting Documents Officer, of Cerved Information Solutions S.p.A., taking into account the provisions of Article 154-bis, Sections 3 and 4, of Legislative Decree No. 58 of February 24, 1998, certify that the administrative and accounting procedures applied for the preparation of the Annual Consolidated Financial Statements for the reporting year from January 1 to December 31, 2017:
   - are adequate in light of the characteristics of the business enterprise; and
   - were effectively applied.

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

3. We further certify that:

   - the Annual Consolidated Financial Statements
     - were prepared in accordance with the applicable international accounting principles recognized in the European Union pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and Council, of July 19, 2002;
     - are consistent with the data in the Group'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,
February 26, 2018

Marco Nespolo	Giovanni Sartor
Chief Executive Officer	Corporate Accounting Documents Officer

Financial Statements at December 31, 2017

STATEMENT OF COMPREHENSIVE INCOME

in euros	Notes	At December 31, 2017	At December 31, 2016
Revenues	52	3,789,622	3,092,171
- amount with related parties	*80*	*3,789,622*	*3,092,171*
Total revenues and income		**3,789,622**	**3,092,171**
Cost of raw materials and other materials	53	24,160	8,723
Cost of services	54	1,438,366	990,053
- amount from nonrecurring transactions	*56*	*345,000*	*3,714*
- amount with related parties	*80*	*76,600*	
Personnel costs	55	5,725,881	4,962,597
- amount from nonrecurring transactions	*56*	*-*	*200,000*
- amount with related parties	*80*	*1,829,465*	*1,160,398*
Other operating costs	57	525,196	406,491
- amount with related parties	*80*	*429,488*	*348,494*
Depreciation and amortization	58	90,376	82,204
Operating profit		**(4,014,357)**	**(3,357,897)**
Financial income	59	52,000,352	45,001,626
Financial charges	60	(4,934)	(20,043)
- amount with related parties	*80*	*-*	*(13,176)*
Financial income/(charges), net		51,995,418	44,981,583
Profit before income taxes		**47,981,061**	**41,623,686**
Income tax expense	61	453,845	892,585
Net profit		**48,434,906**	**42,516,271**
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		*14,073*	*(70,403)*
- Tax effect		*(3,378)*	*15,709*
Comprehensive net profit:		**48,445,601**	**42,461,577**

STATEMENT OF FINANCIAL POSITION

in thousands of euros	Notes	At December 31, 2017	At December 31, 2016
ASSETS			
Non-current assets			
Property, plant and equipment	62	178,749	218,362
Intangible assets	63	17,228	4,995
Investments in subsidiaries	64	584,191,575	583,018,268
Other non-current financial assets		3,300	-
Deferred tax assets	73	543,954	1,012,553
Total non-current assets		**584,934,806**	**584,254,177**
Current assets			
Inventory		-	-
Trade receivables	65	408,616	330,500
- amount with related parties	*80*	*408,616*	*330,500*
Tax receivables	66	4,852	19,271
Other receivables	67	10,961,968	1,604,051
- amount with related parties	*80*	*10,952,529*	*1,579,685*
Other current assets	68	24,235	30,987
Cash and cash equivalents	69	2,570,390	1,722,993
Total current assets		**13,970,061**	**3,707,803**
TOTAL ASSETS		**598,904,867**	**587,961,980**
Share capital	70	50,450,000	50,450,000
Statutory reserve	70	10,090,000	10,090,000
Additional paid-in capital	70	475,235,910	480,890,910
Other reserves	70	2,536,858	700,196
Net profit attributable to owners of the parent		48,434,906	42,516,272
TOTAL SHAREHOLDERS' EQUITY		**586,747,674**	**584,647,378**
Non-current liabilities			
Employee benefits	72	382,547	383,822
Total non-current liabilities		**382,547**	**383,822**
Current liabilities			
Short-term borrowings	71	108	13,176
- amount with related parties	*80*	-	*13,176*
Trade payables	74	937,159	456,081
- amount with related parties	*80*	*28,713*	*26,517*
Current tax payables	75	6,993,785	915,824
Other tax payables	76	610,399	116,995
Other liabilities	77	3,233,196	1,428,705
- amount with related parties	*80*	*2,581,198*	*602,680*
Total current liabilities		**11,774,646**	**2,930,781**
TOTAL LIABILITIES		**12,157,193**	**3,314,602**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**598,904,867**	**587,961,980**

STATEMENT OF CASH FLOWS

in euros	Notes	At December 31, 2017	At December 31, 2016
Profit before taxes		47,981,061	41,623,686
Depreciation and amortization	58	90,376	82,204
Cost for Performance Shares Plan	79	646,389	229,123
Net financial income	59	(51,995,418)	(44,981,583)
Cash flow from/(used in) operating activities before changes in working capital		**(3,277,592)**	**(3,046,570)**
Change in operating working capital		402,962	(507,899)
Change in other working capital items		(3,666,802)	3,117,611
Change in provisions		(15,779)	(39,759)
Cash flow from changes in working capital		**(3,279,619)**	**2,569,953**
Income taxes paid		-	-
Cash flow from/(used in) operating activities		**(6,557,211)**	**(476,617)**
Additions to property, plant and equipment	62	(49,180)	(124,695)
Additions to intangible assets	63	(15,000)	-
Disposals of intangible assets and property, plant and equipment	62,63	1,183	-
Financial income	59	352	1,626
Dividends received	59	50,000,000	45,000,000
Change in other non-current financial assets		(3,300)	-
Cash flow from/(used in) investing activities		**49,934,055**	**44,876,931**
Dividends paid		(42,516,272)	(44,850,000)
Change in short-term financial debt		-	(28,538,652)
Interest paid		(13,176)	-
Cash flow from/(used in) financing activities		**(42,529,448)**	**(73,388,652)**
Net change in cash and cash equivalents		**847,397**	**(28,988,337)**
Cash and cash equivalents at the beginning of the period		1,722,993	30,711,330
Cash and cash equivalents at the end of the period		2,570,390	1,722,993
Difference		**847,397**	**(28,988,337)**

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, 2014	**50,450,000**	**-**	**539,550,209**	**(26,373)**	**(1,964,300)**	**588,009,536**
Appropriation of result	-	-	(1,964,300)	-	1,964,300	-
Establishment of the statutory reserve	-	10,090,000	(10,090,000)	-	-	-
Dividend distribution	-	-	(39,975,000)	-	-	(39,975,000)
Total transactions with Shareholders	**-**	**10,090,000**	**(52,029,300)**	**-**	**1,964,300**	**(39,975,000)**
Net profit	-	-	-	-	38,319,691	38,319,691
Actuarial gains (losses) on defined-benefit employee plans, net of tax effect	-	-	-	1,686	-	1,686
Net comprehensive result	**-**	**-**	**-**	**1,686**	**38,319,691**	**38,321,377**
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 Shareholders	**-**	**-**	**(6,630,000)**	**779,582**	**(38,319,691)**	**(44,170,109)**
Net profit	-	-	-	-	42,516,272	42,516,272
Actuarial gains (losses) on defined-benefit employee plans, net of tax effect	-	-	-	(54,698)	-	(54,698)
Net comprehensive result	**-**	**-**	**-**	**(54,698)**	**42,516,271**	**42,461,574**
Balance at December 31, 2016	**50,450,000**	**10,090,000**	**480,890,910**	**700,197**	**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 Shareholders	**-**	**-**	**(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 employee plans, net of tax effect	-	-	-	10,695	-	10,695
Net comprehensive result	**-**	**-**	**-**	**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**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AT DECEMBER 31, 2017

47. GENERAL INFORMATION

Cerved Information Solutions S.p.A. (hereinafter "CERVED" or the "Company") is a corporation established on March 14, 2014, domiciled in Italy, with registered office at 6/A and 6/B Via dell'Unione Europea, in San Donato Milanese, and organized in accordance with the laws of the Italian Republic.

On March 28, 2014, the Company acquired, through conveyance by Chopin Holdings S. à r.l., then the Company's sole shareholder, 100% of Cerved Group (hereinafter collectively with its subsidiaries "Cerved Group" or the "Group").

In 2015, the majority shareholder Chopin Holdings S. à r.l. ceased to be a Parent Company shareholder, having sold all of the common shares it held through an accelerated book building process aimed at qualified Italian and foreign institutional investors.

The Company is a management 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 February 26, 2018, for approval by the Shareholders' Meeting scheduled for April 9, 2018. 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 February 26, 2018 and the date when it will be approved by the Shareholders' Meeting.

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

48. OVERVIEW OF THE ACCOUNTING PRINCIPLES

The main criteria and accounting principles applied to prepare the Annual Financial Statements are reviewed below.

48.a. BASIS OF PREPARATION

These Financial Statements were prepared in accordance with the going concern assumption, the Directors have verified the absence of any financial, operational or other indicators signaling 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."

These financial statements were prepared based on the IFRS international accounting principles, 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 transaction 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.

48.b. VALUATION CRITERIA

An overview of the most significant accounting principles 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 contractor 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 abovementioned costs meet at the requirements for classification as the 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 is as follows:

Buildings	33 years
Electronic office equipment	3-5 years
Furniture and fixtures	8 years
Other assets	4-6 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 writedown 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.

Investments in subsidiaries, affiliated 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:

- 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 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 affiliated 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 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.
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, affiliated 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.

Investments in other companies, other current and non-current assets, trade receivables and other receivables

Upon initial recognition, financial assets are booked at fair value and classified into one of the following categories, depending on their nature and the purpose for which they were purchased:
- Loans and receivables;
- Available for sale financial assets.

a) Loans and receivables

Loans and receivables include financial instruments, other than derivatives and instruments traded in active markets, consisting mainly of receivables owed by customers or subsidiaries, which are expected to generate fixed or determinable payments. Loans and other receivables are classified in the statement of financial position under "Trade receivables" and "Other receivables," shown among current assets, except for those with a contractual maturity of more than 12 months from the end of the reporting period, which are shown among non-current assets.

These assets are valued at amortized cost, using the effective interest rate, reduced for impairment losses. Any impairment in the value of receivables is recognized in the financial statements whenever there is objective evidence that the Company will not be able to recover a receivables owed by a counter party in accordance with the corresponding contractual terms.

Objective evidence that the value of a financial asset or group of assets has been impaired includes measurable data that come to an entity's attention as a result of the following loss events:
- significant financial difficulties of the issuer or the debtor;
- the existence of pending legal disputes with the debtor concerning receivables;
- the probability that the beneficiary may file for bankruptcy or other restructuring procedures.

The amount of the writedown must be measured as the difference between an asset's carrying amount and the present value of its future cash flows. The amount of the impairment loss is recognized in the income

statement under the line item “Impairment of receivables and other provisions.”
The value of receivables is shown in the financial statements net of the corresponding provision for impairment losses.

b) Available for Sale Financial Assets

Available for sale financial assets are financial instruments, other than derivatives, that are explicitly designated as belonging to this category or cannot be classified into none of the preceding categories. They are included among non-current assets, unless management intends to dispose of them within 12 months from the end of the reporting period. Investment in other companies are included in this category.

Subsequent to initial recognition, available for sale financial assets are measured at fair value and any resulting gain or loss is posted to an equity reserve; they are recognized in the statement of comprehensive income, under the line items “Financial income” or “Financial charges” only when the financial asset is actually sold.

The fair value of listed financial instruments is based on the current asked price. If the market for a financial asset is inactive (or the asset consists of unlisted securities), the Company defines the asset’s fair value using valuation techniques. Investments in equity instruments for which a market price quote is not available and whose fair value cannot be measured reliably are valued at cost.

c) Other Equity Investments

Other equity investments (different from those in subsidiaries, affiliated companies and joint ventures) are included among non-current assets or current assets, depending on whether they are expected to remain among the Company’s assets for a period longer or shorter than 12 months, respectively.
Upon acquisition, they are classified into the following categories:

- available for sale financial assets, which can be classified as either non-current or current assets;
- assets measured at fair value through profit or loss, classified as current assets if they are held for trading.

Other equity investments classified as Available for sale financial assets are measured at fair value; changes in the value of these investments are posted to an equity reserve against their recognition among other components of comprehensive income (Reserve for adjustment to fair value of available for sale financial assets), which will be reversed into the separate statement of comprehensive income upon the sale of the assets or when the assets become impaired.

Other investments in unlisted companies classified as Available for sale financial assets the fair value of which cannot be determined reliably are valued at cost adjusted for impairment losses recognized in the separate income statement, as required by IAS 39.

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 difference 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 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 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 Group has transferred all of the risks and charges inherent in the financial instruments.

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 expense 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 includes the severance benefits 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 to present value 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.

Starting on January 1, 2007, the 2007 Budget Law and the corresponding implementation decrees introduced significant changes to the rules governing the TFR, including the employee's option to choose the destination of its vesting TFR. More specifically, new TFR flows can be invested by the employee in pension vehicles of his/her choice or left with the company. In the case of investments in external pension vehicles, the company's obligation is limited to making the defined contribution to the chosen pension fund and, as of that date, newly vested contributions qualify as belonging to defined-contribution plans no longer subject to actuarial valuation.

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 the comprehensive income statements.

Share-based compensation plans

The "Performance Share Plan" approved by the Parent Company's Board of Directors on March 16, 2016, in which on July 13, 2016 and November 15, 2017 the Board enrolled certain employees of the Parent Company and its subsidiaries, 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"): at the grant date of July 13, 2016 and at December 31, 2017, the possibility that the PBTA growth requirement for the measurement period would be satisfied was estimated at 50%.

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 revised on each reporting date until expiration of the vesting period by the entity that employs the beneficiary, which, on each reporting date, 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 fulfill the TSR *market condition* does not determine the Plan's remeasuring.

Provisions for other liabilities and charges

The provisions for other liabilities 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 abovementioned outflow will be required to fulfill the obligation. The amount of the provisions represents the best estimate of the charge required to extinguish the obligation.

Trade payables and other payables

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

Revenues

Revenues are recognized based on the use of the services by customers and, in any case, when it is probable that benefits will be received in the future and these benefits can be quantified reliably.

Dividends

Dividends are recognized in the separate income statement in accordance with the accrual principle, i.e., in the period in which the right to receive them arises, following the approval of a dividend distribution resolution by the Shareholders' Meeting of the investee company.

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 comprehensive income statement 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.

48.c. RECENTLY PUBLISHED ACCOUNTING STANDARDS

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 principles and interpretations approved by the IASB, showing which ones were endorsed or not endorsed for adoption in Europe as of the date of this document:

Description	Endorsed as of the date of this document	Effective date of the standard
Annual Improvements to IFRSs 2014-2016 Cycle	Yes	Years beginning on or after January 1, 2017/2018
IFRS 9 Financial Instruments	Yes	Years beginning on or after January 1, 2018
IFRS 14 'Regulatory deferral accounts'	No	Suspended
IFRS 15 Revenue from Contracts with customers	Yes	Years beginning on or after January 1, 2018
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	No	Suspended
IFRS 16 Leases	Yes	Years beginning on or after January 1, 2019
Amendments to IFRS 2: Classification and Measurement of Share based Payment Transactions	No	Years beginning on or after January 1, 2018
Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts: Classification and Measurement of Share based Payment Transactions	Yes	Years beginning on or after January 1, 2018
Annual Improvements to IFRSs 2015-2017 Cycle	No	Years beginning on or after January 1,2019
Amendments to IAS 40: Transfer to Investment Property	No	Years beginning on or after January 1, 2018
IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration	No	Years beginning on or after January 1, 2018
IFRS 17 Insurance Contracts	No	Years beginning on or after January 1, 2021
Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures	No	Years beginning on or after January 1, 2019
Amendments to IFRS 9: Prepayment Features with Negative Compensation	No	Years beginning on or after January 1, 2019
Clarifications to IFRS 15 Revenue from Contracts with Customers	Yes	Years beginning on or after January 1, 2018

The Group did not choose early adoption for accounting standards and/or interpretations that were not endorsed and the adoption of which would be mandatory for reporting period beginning after January 1, 2017.

49. FINANCIAL RISK MANAGEMENT

49.1 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 risk

Foreign Exchange Risk

The exposure to the risk of fluctuations in foreign exchange rates derives from the pursuit of activities in currencies different from the euro. The 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 Group 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 risks of changes in interest rates.

All of the Company's liquid assets consist mainly of variable rate bank deposits and, consequently, their fair value approximates their carrying amount.

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

Credit risk

Financial Credit Risk

The financial credit risk refers to the inability of a counterparty to fulfill its obligations.
At December 31, 2017, 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, which at December 31, 2017 consisted exclusively of receivables owed by a subsidiary for the rebilling of intercompany services.

The following table provides a breakdown of trade receivables and other current receivables at December 31, 2017 grouped by days in arrears, net of the provision for impairment of receivables.

in euros	At December 31, 2017	Current	90 days in arrears	90 to 240 days in arrears	More than 240 days in arrears
Trade receivables	408,616	408,616	-	-	-
Provision for impairment of receivables			-	-	-
Net carrying amount	**408,616**	**408,616**	**-**	**-**	**-**
Other receivables	10,987,881	10,987,881	-	-	-
Total	**11,396,497**	**11,396,497**	**-**	**-**	**-**

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

49.2. CAPITAL MANAGEMENT

The Company's objectives 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.

49.3 ESTIMATING FAIR VALUE

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

50. FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

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, 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, 2017.

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 provided a breakdown by category of financial assets and liabilities at December 31, 2017:

	AL 31 DICEMBRE 2017				
in euros	**Financial assets and liabilities measured at fair value though profit or loss**	**Loans and receivables**	**Available-for-sale financial assets**	**Financial liabilities at amortized cost**	**Total**
Trade receivables		408,616			408,616
Tax receivables		4,852			4,852
Other receivables		10,961,968			10,961,968
Other current assets		24,235			24,235
Cash and cash equivalents		2,570,390			2,570,390
Total assets	**-**	**13,970,061**	**-**	**-**	**13,970,061**
Current financial liabilities				108	108
Trade payables				937,159	937,159
Tax payables				7,604,183	7,604,183
Other liabilities				3,233,196	3,233,196
Total liabilities	**-**	**-**	**-**	**11,774,646**	**11,774,646**

51. ESTIMATES AND ASSUMPTIONS

In the preparation of financial statements, Directors are required to apply accounting principles and methods that, in some cases, are based on difficult and subjective assessments and estimates, based on historical experience and assumptions that, in each case, are deemed reasonable and realistic in the corresponding circumstances. The adoption of these estimates and assumptions affects the amounts shown in the financial statement schedules, including the statement of financial position, the comprehensive income statements and the statement of cash flows, as well as the disclosures provided. Final results for the line items for which the abovementioned estimates and assumptions were used could differ from those shown in the financial statements due to the uncertainty that characterizes the assumptions and the conditions upon which the estimates are based.

The areas for which Directors are required to use greater subjectivity in developing estimates and for which a change in the conditions underlying the assumptions used could have a material impact on the Company's financial statements are reviewed below.

a) Impairment of assets

In accordance with the accounting principles 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 a writedown, when there are indicators showing that it may be difficult to recover the net carrying amount of the assets through their use. The determination of the existence of such indicators requires, on the part of the Board of Directors, the development of subjective valuations, based on information available within the 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, intangible assets and investment property and the estimates required to measure the impairment are based on factors that can vary over time, with an impact on the valuations and estimates made by the Board of Directors.

b) Depreciation and Amortization

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

c) Provision for Impairment of Receivables

The provision for impairment of receivables reflects estimates of projected losses for the 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 55 “Personnel Costs” and Note 72 “Employee Benefits.”

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

52. REVENUES

A breakdown of “Revenues” is provided below:

in euros	December 31, 2017	December 31, 2016
Sales in Italy	3,789,622	3,092,171
Total	**3,789,622**	**3,092,171**

“Revenues” refers to services rebilled to the Cerved Group S.p.A. subsidiary as part of the service contract for management holding company activities performed by the Group’s Parent Company for the “Administration, Finance and Control,” “Treasury,” “Internal Auditing,” “Legal” and “Corporate Development” functions.

53. COST OF RAW MATERIAL AND OTHER MATERIALS

As detailed in the table below, this item refers mainly to the cost of consumables and promotional materials.

in euros	December 31, 2017	December 31, 2016
Consumables	4,192	797
Fuel	19,968	7,926
Total	**24,160**	**8,723**

54. COST OF SERVICES

A breakdown of "Cost of services" is provided in the table that follows.

in euros	December 31, 2017	December 31, 2016
Tax, administrative and legal consulting services	833,264	768,410
Advertising and marketing expenses	11,277	4,875
Travel expenses and per diems	101,483	84,332
Civil liability insurance policies	134,810	113,340
Utilities	12,108	9,260
Training and recruitment	-	5,265
Sundry expenses	424	858
Nonrecurring costs	345,000	3,714
Total	**1,438,366**	**990,053**

"Cost of services" includes nonrecurring costs totaling 345 thousand euros, consisting mainly of incidental costs incurred in connection with extraordinary transactions executed during the year.

55. PERSONNEL COSTS

A breakdown is as follows:

in euros	December 31, 2017	December 31, 2016
Wages and salaries	2,621,414	2,365,597
Social security charges	772,828	718,096
Retirement benefits	176,086	157,838
Other personnel costs	725,388	263,233
Nonrecurring personnel costs	-	200,000
Total staff costs	**4,295,716**	**3,704,763**
Associates' fees and social security contributions		
Directors' fees and social security contributions	1,430,165	1,257,834
Total fees	**1,430,165**	**1,257,834**
Total	**5,725,881**	**4,962,597**

"Other personnel costs" includes 647 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 79 for a description of the Plan's rules.

Detailed information about "Retirement benefits" is provided in Note 72.

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

Average number of employees	December 31, 2017	December 31, 2016
Executives	5	5
Office staff	19	15
Middle managers	15	17
Total	**39**	**37**

56. NONRECURRING INCOME AND COSTS

During the reporting period, the Group incurred nonrecurring costs, consisting mainly of incidental costs incurred in connection with extraordinary transactions executed during the year.

57. OTHER OPERATING COSTS

A breakdown of this item is provided below:

in euros	December 31, 2017	December 31, 2016
Rent	347,672	299,110
Automobile rentals and incidental costs	79,431	67,818
Bank fees and charges	1,193	3,842
Pro rata VAT	-	(41,980)
Sundry services	44,619	35,662
Other costs	16,038	9,190
Employee cafeteria and meal vouchers	36,244	32,849
Total	**525,196**	**406,490**

58. DEPRECIATION AND AMORTIZATION

"Depreciation and amortization" includes:

in euros	December 31, 2017	December 31, 2016
Amortization of intangibles	2,766	805
Depreciation of property, plant and equipment	87,610	81,398
Total	**90,376**	**82,204**

See Note 62 for additional information.

59. FINANCIAL INCOME

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

in euros	December 31, 2017	December 31, 2016
Bank interest earned	311	1,609
Foreign exchange gains	42	16
Dividends	52,000,000	45,000,000
Total	**52,000,352**	**45,001,626**

Dividends from subsidiaries were distributed by the Cerved Group S.p.A. subsidiary pursuant to a resolution adopted by the Shareholders' Meeting on April 5, 2017.

60. FINANCIAL EXPENSE

A breakdown of "Financial expense" is as follows:

in euros	December 31, 2017	December 31, 2016
Bank fees and other interest paid	4,934	6,867
Interest paid under the Group cash pooling system	-	13,176
Total	**4,934**	**20,043**

The Cash Pooling Agreement was terminated in 2016.

61. INCOME TAX EXPENSE

A breakdown of "Income tax expense" is provided below:

in euros	December 31, 2017	December 31, 2016
Benefit from filing a consolidated tax return	921,004	1,429,894
Deferred tax assets and liabilities	(467,158)	(537,309)
Total	**453,845**	**892,585**

The Company ended 2017 with a tax loss and consequently no tax liability was recognized for either corporate income tax (IRES) or regional tax (IRAP).

The benefit from filing a consolidated tax return refers to the Company's 2017 tax loss, mainly accrued due to the deductibility in one-fifth installments of the stock listing costs incurred the previous year and used to offset taxable income transferred by the parent company pursuant to the contract for the consolidated tax return.

62. PROPERTY, PLANT AND EQUIPMENT

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

in euros	Other assets	Electronic equipment	Total
Balance at December 31, 2016	**218,362**	**-**	**218,362**
Breakdown:			
- Historical cost	*356,807*	*-*	*356,807*
- Accumulated depreciation	*(138,445)*	*-*	*(138,445)*
Additions	40,363	8,818	49,181
Retirements – historical cost	*(1,510)*		*(1,510)*
Retirements – accumulated depreciation	*325*		*325*
Retirements	(1,185)	-	(1,185)
Depreciation	(86,838)	(771)	(87,609)
Balance at December 31, 2017	**170,702**	**8,047**	**178,749**
Breakdown:			
- Historical cost	*395,660*	*8,818*	*404,478*
- Accumulated depreciation	*(224,958)*	*(771)*	*(225,729)*

Additions to property, plant and equipment refer almost exclusively to purchases of automobiles given in use to some employees, with cellular telephones and personal computers accounting for the balance.
At December 31, 2017, there were no restrictions on the ownership and possession of property, plant and equipment or purchase commitments.

63. INTANGIBLE ASSETS

The table below details the changes that occurred in this account in 2017:

in euros	Other intangible assets	Total
Balance at December 31, 2016	**4,995**	**4,995**
Breakdown:		
- Historical cost	*5,800*	*5,800*
- Accumulated amortization	*(805)*	*(805)*
Additions	15,000	15,000
Amortization	(2,766)	(2,766)
Balance at December 31, 2017	**17,229**	**17,229**
Breakdown:		
- Historical cost	*20,800*	*20,800*
- Accumulated amortization	*(3,571)*	*(3,571)*

"Intangible assets" refers exclusively to the purchase of a software license.

At December 31, 2017, there were no restrictions on the ownership and possession of intangible assets or purchase commitments.

64. INVESTMENTS IN SUBSIDIARIES

The Company holds the entire share capital of Cerved Group S.p.A. The details of the investee company are listed below:

in euros	Registered office	Share capital	2017 shareholders' equity	2017 net profit	% of control	Carrying amount at 12/31/17	Difference between carrying amount and shareholders' equity
Cerved Group S.p.A.	Milano	50.000.000	532.173.252	55.045.058	100%	584.191.575	52.107.735
Totale						**584.191.575**	**52.107.735**

in euros	Balance at December 31, 2017	Balance at December 31, 2016
Investment in Cerved Group S.p.A.	584,191,575	583,018,268
Total	**584,191,575**	**583,018,268**

The difference between the carrying amount of the equity investment and the pro rata interest in shareholders' equity is chiefly due to:

- the distribution of dividends from the additional paid-in capital reserve;
- the accounting for the Performance Share Plan.

In 2017, the value of this equity investment increased by 1,173 thousand euros compared with December 31, 2016 due to the recognition of the share-based incentive plan offered by the Company to employees of its subsidiaries. Considering that the Parent Company's only direct equity investment is in Cerved Group S.p.A., in order to recognize the capital contribution provided to Group companies owned by Cerved Group S.p.A., the Company chose to reflect in the carrying amount of its direct investee company Cerved Group S.p.A. the entire cost of the Performance Shares awarded to employees of the various subsidiaries, as follows:

- Cerved Group S.p.A. for 896 thousand euros
- Cerved Credit Management Group S.r.l. for 69 thousand euros
- Cerved Credit Management S.p.A. for 70 thousand euros
- Cerved Rating Agency S.p.A. for 89 thousand euros
- Cerved Credit Collection S.p.A. for 34 thousand euros
- Consit Italia S.p.A. for 15 thousand euros.

See Note 79 for additional information about the Performance Share Plan.

On the date of the financial statements, management believes that there are strong reasons supporting the recoverability of the carrying amount of the equity investment, based on the positive performance of the business and the projected expansion plans. These conclusions were also supported by the results of an impairment test performed for each one of the cash generating units of the Cerved Group and described in the consolidated financial statements of the Cerved Group.

65. TRADE RECEIVABLES

A breakdown of “Trade receivables” is as follows:

in euros	December 31, 2017	December 31, 2016
Trade receivables	408,616	330,500
Provision for impairment of receivables	-	-
Total	**408,616**	**330,500**

Trade receivables refer to the management holding company activities performed by the Company and rebilled to the Cerved Group subsidiary under a contract for the delivery of centralized function services.
There are no receivables with a remaining duration of more than five years or receivables denominated in a currency different from the euro.

66. TAX RECEIVABLES

A breakdown of “Tax receivables” at December 31, 2017 is provided below:

in euros	December 31, 2017	December 31, 2016
VAT receivable	4,352	18,852
Other tax receivables	500	419
Total	**4,852**	**19,271**

67. OTHER RECEIVABLES

A breakdown of this item is as follows:

in euros	December 31, 2017	December 31, 2016
Other receivables	9,439	24,367
Other receivables from related parties	3,464,386	-
Other receivables from related parties – consolidated tax return	7,488,143	1,579,684
Total	**10,961,968**	**1,604,051**

Other receivables from related parties mainly refer:

- for 2,000 thousand euros to the remaining receivable for dividends distributed by the Cerved Group S.p.A. subsidiary but not yet collected;
- for 1,464 thousand euros for VAT receivables from subsidiaries that opted for group VAT filing.

The other receivables from related parties filing a consolidated tax return, amounting to 7,488 thousand euros for receivables from subsidiaries, refer to the agreement for the Group consolidated income tax return executed in September 2015 and renewed and extended for three years, from 2015 to 2017, pursuant to which Cerved Information Solutions S.p.A. is the consolidating entity and all of its subsidiaries are the companies being consolidated.

68. OTHER CURRENT ASSETS

A breakdown of this item is provided below:

in euros	December 31, 2017	December 31, 2016
Other prepaid commercial expenses	24,235	30,987
Total	**24,235**	**30,987**

Prepaid expenses relate to costs for services suspended and recognized in profit or loss on an accrual basis.

69. CASH AND CASH EQUIVALENTS

"Cash and cash equivalents" consists mainly of amounts deposited in checking accounts at top credit institutions. A breakdown is as follows:

in euros	December 31, 2017	December 31, 2016
Deposits in bank and postal accounts	2,569,823	1,722,736
Cash on hand	567	258
Total	**2,570,390**	**1,722,993**

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

See Note 71 for additional information about the Company's financial position.

70. SHAREHOLDERS' EQUITY

A breakdown of "Shareholders' equity" a December 31, 2017 is provided below:

in euros	Share capital	Statutory reserve	Additional paid-in capital	Other reserves	Net profit	Total shareholders' equity
Balance at December 31, 2014	**50,450,000**	**-**	**539,550,209**	**(26,373)**	**(1,964,300)**	**588,009,536**
Appropriation of result	-	-	(1,964,300)	-	1,964,300	-
Establishment of the statutory reserve	-	10,090,000	(10,090,000)	-	-	-
Dividend distribution	-	-	(39,975,000)	-	-	(39,975,000)
Total transactions with Shareholders	**-**	**10,090,000**	**(52,029,300)**	**-**	**1,964,300**	**(39,975,000)**
Net profit	-	-	-	-	38,319,691	38,319,691
Actuarial gains (losses) on defined-benefit employee plans, net of tax effect	-	-	-	1,686	-	1,686
Net comprehensive result	**-**	**-**	**-**	**1,686**	**38,319,691**	**38,321,377**
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 Shareholders	**-**	**-**	**(6,630,000)**	**779,582**	**(38,319,691)**	**(44,170,109)**
Net profit	-	-	-	-	42,516,272	42,516,272
Actuarial gains (losses) on defined-benefit employee plans, net of tax effect	-	-	-	(54,698)	-	(54,698)
Net comprehensive result	**-**	**-**	**-**	**(54,698)**	**42,516,272**	**42,461,574**
Balance at December 31, 2016	**50,450,000**	**10,090,000**	**480,890,910**	**700,197**	**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 Shareholders	**-**	**-**	**(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 employee plans, net of tax effect	-	-	-	10,695	-	10,695
Net comprehensive result	**-**	**-**	**-**	**10,695**	**48,434,906**	**48,445,601**
Balance at December 31, 2017	**50,450,000**	**10,090,000**	**475,235,910**	**2,536,859**	**48,434,906**	**586,747,674**

As of the date of these Financial Statements, the fully subscribed and paid-in share capital amounted to 50,450 thousand euros and was comprised of 195,000,000 common shares without par value.

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 euros	Balance	Usage option	Available amount	Distributable amount
Share capital	50,450,000		-	-
Statutory reserve	10,090,000	B	10,090,000	-
Additional paid-in capital	475,235,910	A,B,C	475,235,910	475,235,910
Other reserves	2,536,860	A,B,C	2,536,860	105,963
Total	**538,312,770**		**487,862,770**	**475,341,873**

Legend:
A: For capital increases
B: To replenish losses
C: For distribution to shareholders

71. NET FINANCIAL DEBT

The table below presents the Group's net financial debt at December 31, 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 euros	Balance at December 31, 2017	Balance at December 31, 2016
A. Cash	567	258
B. Other liquid assets	2,569,823	1,722,736
C. Securities held for trading	-	-
D. Liquidity (A)+(B)+(C)	**2,570,390**	**1,722,993**
E. Current loans receivable	-	-
F. Current bank debt	-	-
G. Current portion of non-current borrowings	-	-
H. Other current financial debt	(108)	(13,176)
I. Current financial debt (F)+(G)+(H)	**(108)**	**(13,176)**
J. Net current financial debt (D) + (E) + (I)	**2,570,282**	**1,709,817**
K. Non-current bank debt	-	-
L. Bonds outstanding	-	-
M. Other non-current financial debt	-	-
N. Non-current financial debt (K)+(L)+(M)	**-**	**-**
O. Net financial debt (J)+(N)	**2,570,282**	**1,709,817**

72. EMPLOYEE BENEFITS

This item includes the provision for severance indemnities (TFR).

At December 31, 2017, the provision for severance indemnities amounted to 383 thousand euros. The table below shows the changes that occurred in this provision:

in euros	**Employee benefits**
At December 31, 2015	**353,388**
Current cost	21,734
Financial charges	6,157
Actuarial losses/(gains)	70,403
Contributions added – Benefits paid	(67,860)
At December 31, 2016	**383,822**
Current cost	11,247
Financial charges	4,817
Actuarial losses/(gains)	(14,073)
Contributions added – Benefits paid	(3,266)
At December 31, 2017	**382,547**

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

Discount rate	1.30%
Inflation rate	1.50%
Rate of wage growth	2.63%
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 discount rate, 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:

	Annual discount rate		**Annual inflation rate**		**Annual turnover rate**	
	0.50%	*-0.50%*	*0.25%*	*0.25%*	*2.00%*	*-2.00%*
Past Service Liability	366,200	398,844	386,757	377,233	374,320	381,080

There are no defined-benefit plan assets.

73. DEFERRED TAX ASSETS AND LIABILITIES

in euros	December 31, 2017	December 31, 2016
Deferred tax assets	543,954	1,012,553
Total	**543,954**	**1,012,553**

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's management believes that they are recoverable in future years in the light of its prepared tax plan.

A breakdown of "Deferred tax assets" at December 31, 2016 and 2017 is as follows:

in euros	Balance at December 31, 2016	Additions/ Reversals in profit or loss	Additions/ Reversals suspended in equity	Additions/ Reversals in comprehensive income	Balance at December 31, 2017
Deferred tax assets					
IPO costs	927,084	(463,543)	-	-	463,541
Transactions taxed on a cash basis	60,280	(1,559)	-	-	58,721
Non-deductible interest expense	119	(119)	-	-	-
TFR IAS 19	25,070	-	-	(3,378)	21,692
Total deferred tax assets	**1,012,553**	**(465,221)**	**-**	**(3,378)**	**543,954**

Prior period losses, for which no deferred tax assets were recognized, totaled 3,670 thousand euros (corresponding to about 881 thousand euros), refer to the tax loss incurred by the Company in its first year of activity.

74. TRADE PAYABLES

in euros	December 31, 2017	December 31, 2016
Payables to outside suppliers	908,446	429,564
Payables to related parties	28,713	26,517
Total	**937,159**	**456,081**

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.

75. CURRENT TAX PAYABLES

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

in euros	December 31, 2017	December 31, 2016
Corporate income tax (IRES) payables	6,993,785	915,824
Total	**6,993,785**	**915,824**

The IRES payable reflects the tax liability that resulted from the consolidated Group income tax return filed under an agreement executed in September 2015, valid for three years from 2015 to 2017, by Cerved Information Solutions S.p.A., in its capacity as the consolidating entity, and all of its subsidiaries in their capacity as consolidated entities.

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 (Reddito Operativo Lordo – ROL) is entitled to receive a tax benefit.

76. OTHER TAX PAYABLES

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

in euros	December 31, 2017	December 31, 2016
VAT payable	470,444	-
Withholdings payable	139,954	116,995
Total	**610,399**	**116,995**

The amount shown for "VAT payable" reflects the offsetting of the individual positions of subsidiaries that elected to file a Group VAT return.

77. OTHER LIABILITIES

in euros	December 31, 2017	December 31, 2016
Social security contributions payable	301,474	296,014
Payables owed to employees	534,549	525,472
Other payables	1,541	5,205
Other payables owed to related parties	2,395,633	602,014
Total	**3,233,196**	**1,428,705**

At December 31, 2017, the main components of "Other payables" included:

- "Social security contributions payable" amounting to 301 thousand euros, for contributions attributable to 2017 not yet paid;
- "Payables owed to employees" for 535 thousand euros, consisting mainly of compensation attributable to 2017 not yet paid and accrued unused vacation days and fourteenth month bonus;
- "Payables owed to related parties" amounting to 2,396 thousand euros represents the liability for the consolidated Group income tax return, the VAT liability towards the subsidiaries that opted to file a Group VAT return and the liability towards the Board of Directors, general managers and executive with strategic responsibilities. For additional information, please see Note 80 on related parties.

78. OTHER INFORMATION

Contingent Liabilities

There are no pending judicial or tax proceedings that involve the Company.

Commitments

The Company is the lessee in leases for offices rented by the Cerved Group subsidiary. The commitments outstanding at December 31, 2016 under those leases are summarized below:

in euros	At December 31, 2017	At December 31, 2016
Within 1 year	299,108	236,683
From 2 to 4 years	1,196,432	946,732
More than 4 years	1,495,540	1,183,415
Total	**2,991,080**	**2,366,830**

Compensation of Directors and Statutory Auditors

Pursuant to law, the table below shows the compensation awarded to Directors and Statutory Auditors:

in euros

First and last name	Post held	End of term of office	Fees for post held	Fringe benefits	Bonus and other incentive	Other compensation	Total compensation
Fabio Cerchiai	Chairman independent	Approval of financial statements at 12/31/18	200,000	-	-	20,000	220,000
Gianandrea De Bernardis	Executive Vice President	Approval of financial statements at 12/31/18	250,000	-	-	-	250,000
Marco Nespolo	Chief Executive Officer	Approval of financial statements at 12/31/18	410,000	-	240,000	-	650,000
Roberto Mancini	Director	Approval of financial statements at 12/31/18	-	-	-	-	-
Andrea Mignanelli	Director	Approval of financial statements at 12/31/18	-	-	-	-	-
Sabrina Delle Curti	Director	Approval of financial statements at 12/31/18	-	-	-	-	-
Aurelio Regina	Independent Director	Approval of financial statements at 12/31/18	40,000	-	-	20.000	60,000
Mara Anna Rita Caverni	Independent Director	Approval of financial statements at 12/31/18	40,000	-	-	20,000	60,000
Giulia Bongiorno	Independent Director	Approval of financial statements at 12/31/18	40,000	-	-	-	40,000
Marco Maria Fumagalli	Independent Director	Approval of financial statements at 12/31/18	40,000	-	-	-	40,000
Valentina Montanari	Independent Director	Approval of financial statements at 12/31/18	40,000	-	-	-	40,000
Totale			**1,060,000**	**-**	**240,000**	**60,000**	**1,360,000**

STATUTORY AUDITORS

in euros							
First and last name	**Post held**	**End of term of office**	**Fees for post held**	**Fringe benefits**	**Bonus and other incentive**	**Other compensation**	**Total compensation**
Antonella Bientinesi	Chairperson	Approval of financial statements at December 31, 2019	60,000	-	-	-	60,000
Paolo Ludovici	Statutory Auditor	Approval of financial statements at December 31, 2019	40,000	-	-	-	40,000
Costanza Bonelli	Statutory Auditor	Approval of financial statements at December 31, 2019	40,000	-	-	-	40,000
Laura Acquadro	Alternate	Approval of financial statements at December 31, 2019	-	-	-	-	-
Antonio Mele	Alternate	Approval of financial statements at December 31, 2019	-	-	-	-	-
Totale			**140,000**	**-**	**-**	**-**	**140,000**

Independent Auditors

Pursuant to Article 149–*duodecies*, Section Two, 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 Information Solutions S.p.A. at December 31, 2017 are listed below:

in euros	**PwC S.p.A.**	**Total PwC Network**
Auditing Services	91,000	91,000
Total	**91,000**	**91,000**

79. DESCRIPTION OF INCENTIVE PLANS (IFRS 2)

Cerved 2016-2018 Performance Share Plan

The 2016-2018 Performance Share Plan was approved by the Shareholders' Meeting of 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 Plan's beneficiaries include the Chief Executive Officer, the Group's strategic executives and a group of 71 resources of the Cerved Group.

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 Performance Target achieved, with different levels of performance:

- 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 2016-2018 Performance Share Plan will be awarded upon the verification of the achievement of the *performance conditions* in the 2016-2018 three-year period.

The *performance conditions* are explained below:

- 70% "PBTA Target"; it indicates the growth of the Adjusted Profit Before Taxes per Share, which shall be understood to mean the profit before taxes excluding nonrecurring 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 Information Solutions S.p.A. filed with the 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 Information Solutions 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 75 percentile: by linear interpolation;
- 75° percentile (cap): 100%;
- more than 75° 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 stock options will depend on the level of achievement of the assigned targets. The fair value of the options under the 2016-2018 Share Performance Plan was determined by the "Monte Carlo method" and using the following computation parameters:

- 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: 27%.

On the grant date of July 13, 2016, the fair value of each option related to the Plan's TSR target ("market" target) was equal to 3.624 euros, while the fair value of each option related to the Plan's PBTA target ("non-market" target, valued at 58%) was equal to 6.082 euros.

	Awarded options	Expired options	Exercised options	Options outstanding at December 31, 2017
2016-2018 Performance Share Plan	1,108,644	78,388	-	1,030,256
Total	**1,108,644**	**78,388**	**-**	**1,030,256**

The accrued cost attributable to the Company for 2017, amounting to 550 thousand euros, was included in "Personnel costs."

Cerved 2017-2019 Performance Share Plan

The 2017-2019 Performance Share Plan was approved by the Board of Directors on November 20, 2017. The Plan's beneficiaries include the Chief Executive Officer, the Group's strategic executives and select members of the management team, for a total of 54 Cerved Group resources awarded grants totaling 931,490 Performance Shares.

The performance targets are unchanged compared with those announced for the First Cycle (2016-2018).

The Shares subject of the 2017-2019 Performance Share Plan will be awarded upon the verification of the achievement of the performance conditions in the 2017-2019 three-year period.

The fair value of the options under the 2016-2018 Share Performance Plan was determined by the "Monte Carlo method" and using the following computation parameters:

- risk free interest rate: -0.68%, based on the interest rate of a zero coupon bond by a Eurozone governmental entity;
- expected dividends: 2.5%;
- volatility del 26%

On the grant date of November 20, 2017, the fair value of each option related to the Plan's TSR target ("market" target) was equal to 5,897 euros, while the fair value of each option related to the Plan's PBTA target ("non-market" target, valued at 50%) was equal to 10,071 euros.

	Awarded options	Expired options	Exercised options	Options outstanding at December 31, 2017
2017-2019 Performance Share Plan	931,490	-	-	931,490
Total	**931,490**	**-**	**-**	**931,490**

The accrued cost to the Company for 2017, amounting to 97 thousand euros, was included in "Personnel costs."

80. RELATED-PARTY TRANSACTIONS

The table below summarizes transactions with related parties.

in euros	RECEIVABLES AND PAYABLES WITH RELATED PARTIES AT DECEMBER 31, 2016				
Company	**Trade receivables**	**Other receivables**	**Trade payables**	**Short-term loan payables to banks and other lenders**	**Other liabilities**
Subsidiaries					
Cerved Group S.p.A.	330,500	260,801	(7,081)	(13,176)	-
Cerved Rating Agency S.p.A.	-	-	-	-	(146,599)
Consit Italia S.p.A.	-	87,435	-	-	-
Cerved Credit Management Group S.r.l.	-	71,634	(19,436)	-	-
Cerved Credit Collection S.p.A.	-	-	-	-	(215,415)
Cerved Credit Management S.p.A.	-	1,029,541	-	-	-
Cerved Legal Services S.r.l.	-	130,058	-	-	-
Total subsidiaries	**330,500**	**1,579,468**	**(26,517)**	**(13,176)**	**(362,014)**
Board of Directors and Executives with strategic responsibilities	-	-	-	-	(436,420)
Total other related parties	**-**	**-**	**-**	**-**	**(436,420)**
Total related-party receivables	**330,500**	**1,579,468**	**(26,517)**	**(13,176)**	**(798,434)**
Total financial statement item	**330,500**	**1,604,052**	**(456,081)**	**(13,176)**	**(1,428,704)**
% of financial statement item	100%	98%	6%	100%	56%

in euros RECEIVABLES AND PAYABLES WITH RELATED PARTIES AT DECEMBER 31, 2017

Company	Trade receivables	Other receivables	Trade payables	Short-term loan payables to banks and other lenders	Other liabilities
Subsidiaries					
Cerved Group S.p.A.	408,616	9,210,701	(7,248)	-	-
Cerved Rating Agency S.p.A.	-	164,946	-	-	(208,905)
Consit Italia S.p.A.	-	50,199	-	-	(371,912)
ClickAdv S.r.l.	-	30,573	-	-	-
Cerved Credit Management Group S.r.l.	-	-	(21,465)	-	(1,288,949)
Cerved Credit Collection S.p.A	-	1,035,273	-	-	-
Cerved Credit Management S.p.A.	-	458,497	-	-	(77,080)
Cerved Legal Services S.r.l.	-	2,385	-	-	(204,119)
Total subsidiaries	**408,616**	**10,952,574**	**(28,713)**	**-**	**(2,150,966)**
Board of Directors and Executives with strategic responsibilities					(430,232)
Total other related parties	**-**	**-**	**-**	**-**	**(430,232)**
Total related-party receivables and payables	**408,616**	**10,952,574**	**(28,713)**	**-**	**(2,581,198)**
Total financial statement item	**570,556**	**10,961,968**	**(937,159)**	**(108)**	**(3,233,196)**
% of financial statement item	72%	99.91%	3%	0%	80%

Trade receivables and payables originate from regular commercial transactions executed during the year. Other receivables and other payables reflect the effects of the adoption of a consolidated Group income tax return under a contract executed in September 2015.

in euros REVENUES AND EXPENSES WITH RELATED PARTIES AT DECEMBER 31, 2016

Company	Revenues	Financial income	Other operating costs	Personnel costs	Financial charges
Subsidiaries					
Cerved Group S.p.A.	3,092,171	-	(328,165)	-	(13,176)
Cerved Credit Management Group S.r.l.	-	-	(59,896)	-	-
Total subsidiaries	**3,092,171**	**-**	**(388,061)**	**-**	**(13,176)**
Board of Directors and Executives with strategic responsibilities	-	-	-	(1,960,398)	-
Total other related parties	**-**	**-**	**-**	**(1,960,398)**	**-**
Total revenues and expenses with related parties	**3,092,171**	**-**	**(388,061)**	**(1,960,398)**	**(13,176)**
Total financial statement item	**3,092,171**	**45,001,626**	**(406,490)**	**(4,962,597)**	**(20,043)**
% of financial statement item	100%	0%	95%	39%	66%

in euros REVENUES AND EXPENSES WITH RELATED PARTIES AT DECEMBER 31, 2017

Company	Revenues	Financial income	Cost of services	Other operating costs	Personnel costs	Financial charges
Subsidiaries						
Cerved Group S.p.A.	3,776,616	-	(76,600)	(359,271)	-	-
Cerved Credit Management Group S.p.A.	-	-		(70,218)	-	-
Cerved Master Services S.p.A.	13,000	-		-	-	-
Total subsidiaries	**3,789,616**	**-**	**(76,600)**	**(429,488)**	**-**	**-**
Board of Directors, General Managers and Executives with strategic responsibilities					(1,752,865)	-
Total other related parties	**-**	**-**		**-**	**(1,752,865)**	**-**
Total revenues and expenses with related parties	**3,789,616**	**-**	**(76,600)**	**(429,488)**	**(1,752,865)**	**-**
Total financial statement item	**3,789,622**	**52,000,352**	**1,438,366**	**(525,196)**	**(5,725,881)**	**(4,934)**
% of financial statement item	100%	0%	-5%	82%	31%	0%

in euros CASH FLOWS WITH RELATED PARTIES IN 2016

Company	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities
Subsidiaries			
Cerved Group S.p.A.	929,016		28,531,785
Cerved Rating Agency S.p.A.	373,123		
Consit Italia S.p.A.	173,275		
Cerved Credit Management Group S.r.l.	166,839		
Cerved Credit Collection S.p.A.	245,168		
Cerved Credit Management S.p.A.	636,506		
Cerved Legal Services S.r.l.	(184,112)		
Total subsidiaries	**2,339,815**	**-**	**28,531,785**
Affiliated companies			
Board of Directors and Executives with strategic responsibilities	(1,919,964)		
Total other related parties	**(1,919,964)**	**-**	**-**
Total	**419,851**	**-**	**28,531,785**
Total financial statement item	**476,617**	**44,876,931**	**(73,388,652)**
% of financial statement item	88%	0%	-39%

in euros	CASH FLOWS WITH RELATED PARTIES IN 2017		
Company	**Cash flow from operating activities**	**Cash flow from investing activities**	**Cash flow from financing activities**
Subsidiaries			
Cerved Group S.p.A.	(5,820,662)	-	-
Cerved Rating Agency S.p.A.	(102,639)	-	-
Consit Italia S.p.A.	525,032	-	-
ClickAdv S.r.l.	(30,573)	-	-
Cerved Credit Management Group S.r.l.	1,280,394	-	-
Cerved Credit Collection S.p.A.	(1,250,688)	-	-
Cerved Credit Management S.p.A.	648,124	-	-
Cerved Legal Services S.r.l.	309,748	-	-
Cerved Master Services S.p.A.	13,000	-	-
Total subsidiaries	**(4,428,264)**	**-**	**-**
Board of Directors and Executives with strategic responsibilities	(1,759,053)		
Total other related parties	**(1,759,053)**	**-**	**-**
Total	**(6,187,317)**	**-**	**-**
Total financial statement item	**(6,557,211)**	**49,934,055**	**(42,529,448)**
% of financial statement item	94.3%	0%	0%

Please note that:

- revenues refer to the rebilling of service costs;
- personnel costs refer to the fees of the Board of Directors;
- other operating costs refer to the rebilling of rent, automobile expenses and employee cafeteria expenses.

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 senior management refer to Directors' fees and the compensation of executives with strategic responsibilities, which are analyzed below:

in euros	**Wages, salaries and social security contributions**	**Termination indemnity**	**Total**
Directors' fees	(845,166)		(845,166)
Executives with strategic responsibilities	(907,699)		(907,699)
Total	**(1,752,865)**	**-**	**(1,752,865)**

81. 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.

82. EVENTS OCCURRING AFTER DECEMBER 31, 2017

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

San Donato Milanese,
February 26, 2018

The Board of Directors

by Fabio Cerchiai
Chairman

Certification pursuant to article 154 *Bis* of Legislative Decree no. 58 of February 24, 1998 (Uniform Financial Code) and article 81-Ter of Consob regulation no. 11971 of May 14, 1999, as amended

1. We, the undersigned Marco Nespolo, in my capacity as Chief Executive Officer, and Giovanni Sartor, in my capacity as Corporate Accounting Documents Officer, of Cerved Information Solutions S.p.A., taking into account the provisions of Article 154-*bis*, Sections 3 and 4, of Legislative Decree No. 58 of February 24, 1998, certify that the administrative and accounting procedures applied for the preparation of the Annual Financial Statements for the reporting year from January 1, 2017 to December 31, 2017:
   - are adequate in light of the characteristics of the business enterprise; and
   - were effectively applied.

2. The implementation the administrative and accounting procedures applied to prepare the Annual Financial Statements at December 31, 2017 did not uncover any significant findings.

3. We further certify that:

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

   - 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,
February 26, 2018

Marco Nespolo

Chief Executive Officer

Giovanni Sartor

Corporate Accounting
Documents Officer

Independent Auditors' Report

IN ACCORDANCE WITH ARTICLES 14 AND 16
OF LEGISLATIVE DECREE NO. 39 OF JANUARY 2010

Cerved Information Solutions S.p.A.

Consolidated Financial Statements at December 31, 2017

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 Information Solutions SpA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Cerved Information Solutions Group (the Group), which comprise the consolidated statement of financial position as of 31 December 2017, 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 2017, 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 Information Solutions 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.

Key Audit Matters	***Auditing procedures performed in response to key audit matters***
Revenue recognition *Note 7 "Revenues" of the notes to the consolidated financial statements as of and for the year ended 31 December 2017.*	
Cerved Group operates in three businesses with different products, services and customers. This diversity is also reflected in the method applied to the recognition of revenues from each of these segments. We focused on the method of recognition of revenues from the Credit Information business (Euro 284 million) because they account for about 71% of the Group's total revenues and are characterised by a large number of transactions with a delay between the timing of billing and that of revenues recognition. This circumstance requires the need to post deferred revenue from services billed but not yet rendered at the reporting date. Besides the amount involved, revenues of the Credit Information segment were considered a key audit matter as a consequence 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 process of revenue recognition. We identified and validated the operability and effectiveness of the key controls (manual and automated) over that process, involving also PwC experts in IT systems and business process analysis. We verified the reconciliation between revenues and deferred revenues recorded in the general ledger values and those extracted from the IT systems. We identified and verified, on a sample basis, the 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 the 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 in the proper period. We also analysed the correct recognition of revenues and related deferred income for a

sample of significant amounts of deferred income at the reporting date.

Assessment of the recoverability of goodwill

Note 21 "Goodwill" of the notes to the consolidated financial statements as of and for the year ended 31 December 2017.

The overall goodwill booked over time as a consequence of a number of business combinations amounts to Euro 750 million. Group management assesses the recoverability of goodwill at least annually based on the greater of the fair value and value in use of each cash generating unit ("CGU") to which goodwill has been allocated.
Value in use has been assessed discounting the estimated future cash flows for the three-year period 2018-2020 and the terminal value. The inputs used are derived from the business plan approved by the board of directors held on 15 February 2018.

Goodwill is considered as a key audit matter because of the amount involved and of the elements of estimation and uncertainty normally intrinsic to valuations made by management 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 reflections made by management about the CGUs identified and the process of allocation of goodwill to the various CGUs, verifying the consistency with the structure of the Group and of the segments in which it operates.

In order to confirm management's ability in preparing forecast, we verified that the actual performance for 2017 was 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 management to assess the recoverability of goodwill, verifying their consistency with the business plans approved by the board of directors at its meeting of 15 February 2018.

We analysed the key assumptions underlying the revenues and costs of each CGU verifying their reasonableness in light of the actual amounts reported for 2017, contracts already signed and expected market developments.

We verified the method used to perform 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.

In order to support such activities, to analyse the models used to forecast cash flows and to assess the discount rate, we leveraged from the contribution of PwC experts.

We reviewed the sensitivity analyses performed by management concerning the impact on the recoverability of goodwill of possible changes in estimated cash flows or in the discount rate used.

Furthermore, we analysed the changes in cash flows or in the discount rate that would offset the excess of the value 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.

Put options with minority shareholders

Note 36 "Other non-current liabilities" and Note 41 "Other liabilities" of the notes to the consolidated financial statements as of and for the year ended 31 December 2017.

The consolidated financial statements include liabilities for options for Euro 39.8 million relating to contractual agreements entered during 2016 that give the minority shareholders of Cerved Credit Management Group Srl, Click Adv Srl and Major 1 Srl the right (put option) to sell their shares to Cerved Group SpA in the next few years.

The value of the liabilities was determined by management on the basis of future results estimated for the respective subsidiaries.

The liability for options (booked for Euro 26.2 million in 'Other non-current liabilities' and for Euro 13.6 million in 'Other payables') is a key audit matter because of the amount involved and of the elements of uncertainty intrinsic to the estimation of future results.

We analysed the agreements signed by Cerved Group SpA with the minority shareholders and management's assessments that led to the recognition of the liabilities in the consolidated financial statements.

We analysed the assumptions underlying the determination of the amount (scenarios considered, likelihood of occurrence, multiples used, other parameters underlying the estimation) verifying:

- their consistency with the agreements entered into;
- the reasonableness of the assumptions against the Company's business plans and whether they matched the forecast values approved by the board of directors at its meeting of 15 February 2018;
- the mathematical calculations in the models.

Finally, we verified the correct accounting treatment of the option contracts in accordance with International Financial Reporting Standards and related interpretations.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is 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 management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Management is 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, management uses the going concern basis of accounting unless management either intends to liquidate Cerved Information Solutions SpA or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are 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 management;
- We concluded on the appropriateness of management's 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 Information Solutions 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 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

Management of Cerved Information Solutions SpA is responsible for preparing a report on operations and a report on the corporate governance and ownership structure of the Cerved Information Solutions Group as of 31 December 2017 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 Information Solutions Group as of 31 December 2017 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 Information Solutions SpA as of 31 December 2017 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

Management of Cerved Information Solutions SpA is responsible for the preparation of the non-financial disclosure pursuant to Legislative Decree No. 254 of 30 December 2016.
We have verified that management approved the non-financial disclosure.

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, 12 March 2018

PricewaterhouseCoopers SpA

Signed by

Andrea Martinelli
(Partner)

This report has been translated from the original, which was issued in Italian, solely for the convenience of international readers

Independent Auditors' Report

IN ACCORDANCE WITH ARTICLES 14 AND 16
OF LEGISLATIVE DECREE NO. 39 OF JANUARY 2010

Cerved Information Solutions S.p.A.
Financial Statements at December 31, 2017

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 Information Solutions SpA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Cerved Information Solutions SpA (the Company), which comprise the statement of financial position as of 31 December 2017, 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 2017, 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.

Key Audit Matters	*Auditing procedures performed in response to key audit matters*
Recoverability of the carrying amount of Investments in subsidiaries *Note 64 "Investments in subsidiaries" of the notes to the financial statements as of and for the year ended 31 December 2017.*	
As of 31 December 2017, the caption Investments, entirely relating to the subsidiary Cerved Group SpA, amounts to Euro 584 million. Such investment is recognized at cost, written down in case of impairment loss. In case of evidence of impairment, the recoverability of the asset is tested by comparing its carrying value with the recoverable amount, represented by the greater of the asset's fair value or its value in use. Given of the materiality of the caption, which accounts for 97% of total assets, and the related estimation process and uncertainty normally intrinsic to valuation made by management, we have defined the valuation of the investment as a key audit matter with reference to the risk of impairment losses.	We have discussed with the directors and verified their reflections on the existence of impairment indicators. Such reflections, based on the subsidiary's performance, on the forecast data and on the economic and market scenario where Cerved Group operates, have confirmed the absence of impairment indicators requiring an estimate of the recoverable amount of the investment.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is 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 management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Management is 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, management uses the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are 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 management;
- We concluded on the appropriateness of management's 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 Information Solutions 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

Management of Cerved Information Solutions SpA is responsible for preparing a report on operations and a report on the corporate governance and ownership structure of Cerved Information Solutions SpA as of 31 December 2017, 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 Information Solutions SpA as of 31 December 2017 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 Information Solutions SpA as of 31 December 2017 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, 12 March 2018

PricewaterhouseCoopers SpA

Signed by

Andrea Martinelli
(Partner)

This report has been translated from the original, which was issued in Italian, solely for the convenience of international readers

Report of the Board of Statutory Auditors

PURSUANT TO ARTICLE 153 OF LEGISLATIVE DECREE NO. 58/1998
AND ARTICLE 2429 OF THE ITALIAN CIVIL CODE

CERVED INFORMATION SOLUTIONS S.P.A.

Share Capital 50,450,000 fully paid-in

Registered Office: San Donato Milanese (MI), Via Dell'Unione Europea 6A,6B

Milan Company Register No. 08587760961

REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDERS' MEETING CONVENED TO APPROVE THE 2017 FINANCIAL STATEMENTS

pursuant to Article 153 of 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, 2017, carried out its institutional functions in compliance with the provisions of the Italian Civil Code, 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 activities of the Board of Statutory Auditors. For 2017, 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 was elected by the Shareholders' Meeting convened on April 13, 2017, which proceeded with replacing the Board of Statutory Auditors after a period of three years, electing for the 2017-2019 period the following members: Antonella Bientinesi (Chairperson), Costanza Bonelli and Paolo Ludovici (Statutory Auditors).

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 and Risk 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 analyzing information obtained from members of the Company's organizations.

More specifically, the Board of Statutory Auditors met 11 times in 2017. Meetings lasted on average one hour and 50 minutes. The Board of Statutory Auditors attended the 19 meetings held by the Board of Directors, the six meetings held by the Nominating and Compensation Committee, the eighth meetings of the Control and Risk Committee and the four meetings of the Related-party Committee.

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 transaction 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 included in the Consolidated Financial Statements of the Group for the 2017 reporting year (in Section 5. Significant Events of the Group).

The following transactions were particularly noteworthy:

a) signing of an agreement between the Cerved Credit Management Group S.r.l. subsidiary and Barclays Bank PLC, pursuant to which Barclays Bank PLC entrusted to the Cerved Group, on an exclusive basis, the coordination of services to manage a loan portfolio;

b) signing of an agreement between the Cerved Credit Management Group S.r.l. subsidiary and BHW Bausparkasse AG, the Italian branch of the eponymous German banking group part of the Deutsche Postbank AG Group, for the purpose of broadening their long-term industrial partnership for the management of nonperforming loans to include administrative and support activities for the portfolio of performing, subperforming and nonperforming loans;

c) signing of an exclusivity agreement between Cerved Information Solutions S.p.A. and Quaestio Holding SA for the negotiation of an agreement involving an industrial partnership for special servicing activities. The agreement also calls for the joint acquisition of the servicing platform (called "Juliet") of Banca Monte dei Paschi di Siena S.p.A. (MPS), regarding which Quaestio obtained the right to negotiate this purchase with MPS on an exclusive basis, in its capacity as the main investor in the securitization program. On August 2, 2017, Quaestio and Cerved Group S.p.A. entered into an agreement with BMPS to purchase the latter's platform for the collection of nonperforming loans ("Juliet"). The acquisition is expected to close in the early months of 2018, subject to the regulatory authorities approving the execution of the capital increase transaction included in the BMPS Restructuring Plan and the securitization of BMPS's nonperforming loans, with subscription of the mezzanine securities by the funds managed by Quaestio. The purpose of the Partnership is to create a new industrial operator capable of supporting banks at a time when nonperforming loans are increasing significantly in Italy, through a synergistic combination of the specific competencies of each party;

d) signing of an agreement between Cerved Group S.p.A. and Banca Popolare di Bari (BPB Group) for the development of a long-term industrial partnership to manage the BPB Group's nonperforming loans and probable defaults of the BPB Group;

e) finalizing of a transaction to amend the terms and conditions of the financial debt of the Cerved Group S.p.A. subsidiary. This agreement, which was signed by all of the lender banks, reduced borrowing costs for total savings of about 2 million euros a year, reduced the package of guarantees, including the pledge of the Cerved Group shares, and transformed the TLA line into a bullet facility to provide Group S.p.A. with greater financial flexibility until 2021;

f) approving by the Parent Company's Board of Directors, on November 27, 2017, of a transaction for the Group's reorganization through the merger by incorporation into Cerved Information Solutions S.p.A. first of Cerved Group S.p.A. and immediately after, as part of the same transaction, of Consit Italia S.p.A. (the latter company owned 94.33% by Cerved Group S.p.A., with cancellation of the Consit Italia S.p.A. shares and exchange of those shares, with a par value of 0.51 euros per share, for shares of the controlling company based on an exchange ratio of 3.05 Cerved Information Solutions S.p.A. shares). This transactions addresses the need to simplify the Group's organization and corporate structure, while streamlining its development and the coordination of its resources. On January 9, 20108, the Boards of Directors of Cerved Information Solutions S.p.A. and Cerved Group S.p.A. and the Shareholders' Meeting of Consit Italia S.p.A. adopted resolutions regarding the merger by incorporation of the latter two companies into the first one. This transaction is expected to close by March 31, 2018.

This being said, 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.

Moreover, 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 by the Board of Directors, the independent auditors and the Control and Risk Committee.

2) Oversight Activity Regarding the Adequacy of the Company's Organization

The Board of Statutory Auditors became familiar with and monitored the adequacy of the Company's organization 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 and Risk 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 organization have been already issued by the Control and Risk Committee on February 19, 2018 and by the Board of Directors on February 22, 2018.

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 and Risk 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.

On February 19, 2018, the Internal Auditing Function, in an annual report submitted to the Board of Directors on February 22, 2018, stated that "based on the available information regarding the 2017 reporting year, …, there were no elements indicating that the 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 his actual implementation.

In addition, the Control and Risk Committee, in its annual report of February 19, 2018, and the Board of Directors, on February 22, 2018, provided a favorable 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 2018 audit plan prepared by the Internal Auditing Function and approved by the Board of Directors on February 22, 2018, which will be integrated with additional specific audits once the transaction to merge Cerved

Group S.p.A. and Consit Italia S.p.A. into Cerved Information Solutions S.p.A. is completed.

In light of the verification carried out and absent 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 and management 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 analyses 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 and Risk Committee.

The Company's Chief Executive Officer and the Corporate Accounting Documents Officer, in a special report regarding the 2017 financial statements, certified that: 1) the administrative and accounting procedures were adequate in relation to the Company's characteristic 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 the 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 2017 reporting year.

The Board of Statutory Auditors engaged in an intense exchange of information with the independent auditors PricewaterhouseCoopers S.p.A., meeting with them in the course of four specific audits and in connection with two meetings of the Control and Risk Committee.

At these meetings, extensive and exhaustive discussions were carried out regarding key issues of the audits of the 2017 statutory and consolidated financial statements and the main transactions executed during the same year, including: 1) assessment of the carrying amount of investments in associates (the Cerved Group S.p.A. subsidiary in particular); 2) assessment of the revenue recognition process; 3) assessment of the recoverability of goodwill; 4) put/call option contracts executed with minority shareholders of some subsidiaries; 5) amendments to a loan agreement existing with a pool of banks; 6) the Stock Option Plan; 7) assessment of some assets originating from the nautical sector; 8) the impacts resulting from the adoption, as of January 1, 2018, of IFRS 15 and IFRS 9.

After completing its activity, PricewaterhouseCoopers S.p.A., on March 12, 2018, issued its reports on the 2017 statutory financial statements and the 2017 consolidated financial statements, issuing an opinion without qualifications also with regard to the consistency of the Report on Operations and some specific information's 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 issue of the audit of the 2017 statutory financial statements, PricewaterhouseCoopers S.p.A. indicated the "**recoverability of the carrying amount of investments in associates**" for the Cerved Group S.p.A. investee company. In that regard, the independent auditors analyzed the remarks provided by the Company's management, which confirmed the absence of impairment that would require estimating the investment's recoverable value.

As the key issue of the audit of the 2017 consolidated financial statements, PricewaterhouseCoopers S.p.A. indicated the "**revenue recognition process.**" In this area, the independent auditors focused on revenues deriving from the Credit Information sector, which represent 71% of the Group's revenues. PricewaterhouseCoopers S.p.A. analyzed the internal control system, identified and validated the effectiveness of the controls applied to the process (relying also on the assistance of IT and process analysis experts), verifying the reconciliations of revenue and deferred income data with those extracted from the information system and performing various tests on a sampling basis. As another key issue, the independent auditors indicated the "r**ecoverability of goodwill**" recognized in connection with the various extraordinary transactions completed 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 analyzed the reasonableness of the assumptions made by management, assessed consistency with the economic-financial plan approved by the Board of Directors on February 15, 2018, assessing the methodology applied for the preparation of the impairment test and testing the sensitivity analyses performed by management. As a further key issue, the independent auditors listed the "**put option contracts with minority shareholders,**" in view of their amount and the estimated components inherent in their determination. The independent auditors analyzed the contracts executed with the minority shareholders and the assumptions underlying the value determination and verified that the correct accounting treatment had been applied.

In addition, also on March 12, 2018, 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 at December 31, 2017 (Chapter 42 Other Information) contain information regarding the fees accrued for the year attributable to the independent auditors PricewaterhouseCoopers S.p.A. for independent auditing and certification services (€659,000.00) and those payable to its network for non-auditing activities (€1,322,000.00). The Board of Statutory Auditors urged the Company to monitor and contain the assignments entrusted to the independent auditors and their network and begin applying immediately the provisions of Article 4, Section 2, of EU Regulation No. 537/2014 (even though authoritative commentators appear to believe that the restrictions imposed by the abovementioned Article 4, Section 2, would be applicable only starting in 2020: this is the position taken by Assonime, Circular No. 28 of September 22, 2016, page 65, and Assirevi, Position Paper of January 26, 2017). In any event, the Company recently adopted a strict procedure for the award of non-auditing services 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.

5) 2017 Statutory Financial Statements, Consolidated Financial Statements and Sustainability Report

Based on the information provided by the Company, the 2017 statutory financial statements **1**) were prepared in accordance with the going concern assumption, the Directors having verified the nonexistence of financial, operational and other indicators signaling issues regarding the Company's ability to meet its obligations in the foreseeable future; **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, also based on the information provided by the Company, the 2017 consolidated financial statements **1**) were prepared in accordance with the going concern assumption, the Directors having verified the nonexistence of financial, operational and other indicators signaling issues regarding the Company's ability to meet its obligations in the foreseeable future; **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 March 12, 2018.

The Board of Statutory Auditors does not have any remarks to submit to the Shareholders' Meeting.

The Board of Statutory Auditors reviewed the motion put forth by the Board of Directors regarding the appropriation of the 2017 net profit and has no remarks in this regard.

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 provision 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 Information Solutions 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.

The Sustainability Report was accompanied by a limited audit report issued by PricewaterhouseCoopers S.p.A. on March 12, 2018.

The Company's first Sustainability Report, which regarded 2017, was approved by the Board of Directors on February 26, 2018.

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 2017 Report on Corporate Governance and the Ownership Structure, approved by the Board of Directors on February 26, 2018.

Detailed information about the Company's corporate governance system is provided in the 2017 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, for a productive exchange of information, with the statutory auditors of the Cerved Group S.p.A. and Click AdV s.r.l. subsidiaries.

The Board of Statutory Auditors also requested information pursuant to Article 151, Section 2, of the T.U.F. from the Chairmen of the Boards of Statutory Auditors of the other subsidiaries, with a request dated January 16, 2018, and received prompt replies. 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 Legislative Decree No. 58/1998 (TUF).

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 4. 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 has 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 Organization 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 Board of statutory Auditors acknowledged that the Group adopted a Code of Ethics that 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).

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 14, 1999, as amended.

10) Opinions Rendered by the Board of Statutory Auditors

The Board of Statutory Auditors rendered the following opinions:

i. an opinion regarding the presentation of data at June 30, 2017 submitted to financial analysts at the meeting of the Board of Directors of July 28, 2017;

ii. an opinion pursuant to Article 2389, Section 3, of the Italian Civil Code at a meeting of the Board of Directors on October 27, 2017;

iii. an opinion pursuant to Article 2389, Section 3, of the Italian Civil Code at a meeting of the Board of Directors on February 26, 2018.

In addition, during 2017, the Board of Statutory Auditors received two complaints pursuant to Article 2408 of the Italian Civil Code from the shareholder Tommaso Marino.

The first complaint was received on September 30, 2017; the second one on

October 1, 2017.

In response to the abovementioned complaints, the Board of Statutory Auditors promptly took action to obtain from the relevant Company departments the necessary information and carried out the necessary in-depth analyses, verifying with the relevant Company departments the reasons why the complaints received were without any merit and concurring that the conclusions reached were reasonable.

11) Conclusions

The oversight activities carried out in 2017 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 report prepared by the 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, a reasons to object to the approval of the draft financial statements at December 31, 2017 and the distribution of the dividend as recommended by the Board of Directors.

Milan, March 14, 2018

The Board of Statutory Auditors

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