



Cerved Group S.p.A.

Registered office at Via dell'Unione Europea n. 6A/6B – San Donato Milanese (MI)
Share Capital Euro 50,521,142.00 fully paid in
Companies Register of Milan Monza Brianza Lodi, Taxpayer Identification Number and VAT
Registration Number: 08587760961
Administrative Business Register (REA) No. 2035639
Institutional website: <http://company.cerved.com>

Explanatory Report of the Board of Directors of Cerved Group S.p.A.
on the **first item** on the agenda of the ordinary Shareholders' Meeting convened for 27 April
2021, on a single call

ITEM NO. 1 ON THE AGENDA

THE ANNUAL FINANCIAL STATEMENTS AT 31 DECEMBER 2020; PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2020; THE DIRECTORS', BOARD OF STATUTORY AUDITORS' AND INDEPENDENT AUDITORS' REPORTS:

1.A APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS; RELATED AND CONSEQUENT RESOLUTIONS;

1.B ALLOCATION OF THE ANNUAL RESULT; RELATED AND CONSEQUENT RESOLUTIONS

Shareholders,

the Board of Directors of your Company has convened you here to propose that you approve the annual financial statements of Cerved Group S.p.A. (the “**Company**” or “**Cerved**”) at 31 December 2020 and the passing of the appropriate resolutions in relation to the annual result, as well as to present you the consolidated financial statements at 31 December 2020.

The Company’s “*Annual Financial Report at 31 December 2020*”, which will be made available to the public by the statutory deadline at the Company’s registered office, on the Company website, and on the authorised storage system (www.emarketstorage.com), contains the draft annual financial statements and consolidated financial statements of the Company at 31 December 2020, together with the report on operations and the certification envisaged in Article 154-*bis*, paragraph 5, of Legislative Decree no. 58 of 24 February 1998 (the “**Consolidated Law on Finance**”). The reports prepared by the Independent Auditor and the Board of Statutory Auditors will be published together with the Annual Financial Report at 31 December 2020.

Having said that, we hereby inform you that the draft annual financial statements approved by the Company Board of Directors on 25 March 2021 show a loss of Euro 296,070.

This result can be attributed to the fact that the Company, during 2020, incurred non-recurring costs totalling Euro 40,950 thousand, of which:

- Euro 24,550 thousand relating to write-downs following impairment testing;
- Euro 16,400 thousand in financial charges relating to the early repayment, in May 2020, of the *Forward Start* loan (executed in 2016) and the new *Term Loan*, executed between June and July 2020.

Referring to the accounting documentation, published and made available in accordance with the law, the Board of Directors proposes you to cover the aforementioned loss through the use of an equal amount from the retained earnings reserves.

As you know, the Board of Directors – including in the recent past – has submitted to the Shareholders' Meeting several times proposals for the distribution of an extraordinary dividend, drawn from the available reserves, including when there was no distributable profit.

However, the Board of Directors has deemed it appropriate, as of today, to refrain from submitting said proposal to the Shareholders' Meeting.

This decision is closely connected with the voluntary public tender offer (the “**Offer**”), communicated to the market on 8 March 2021 by the company Castor S.r.l., with sole shareholder (the “**Bidder**”) and concerning all of the ordinary shares issued by the Company.

As indicated in the communication disseminated by the Bidder, pursuant to Article 102, paragraph 1, of the Consolidated Law on Finance and Article 37 of the Regulation adopted by CONSOB through decision no. 11971 of 14 May 1999 (the “**Communication**”):

- (i) the consideration for the Offer was “*calculated on the assumption that the Issuer will not approve or initiate a **distribution of ordinary or extraordinary dividends from profits or reserves**; in this case, the Consideration must automatically be reduced by an amount equal to the dividend for each Share*” (bold added)¹; and
- (ii) the effectiveness of the Offer is subject to the fulfilment of certain conditions², including the fact that “*between*

¹ For more information regarding the consideration for the Offer and the overall value thereof, see paragraph 2.2 of the Bidder’s Communication.

² For more information regarding the conditions to which the Offer is subject, see, in particular, paragraph 7 of the Bidder’s Communication.

*the date [of the Communication] and the Date of Payment [of the consideration for the Offer], the corporate bodies of the Issuer (and/or a company directly or indirectly controlled by or associated with it) shall neither carry out, nor undertake to carry out (including through conditional agreements and/or partnerships with third parties) acts or transactions: (i) which may cause a significant change, even if merely prospective, in the capital, assets, economic and financial position and/or activities of the Issuer (and/or a company directly or indirectly controlled by or associated with it), or (ii) which are inconsistent with the Offer and the underlying industrial and commercial grounds for it [...]; the foregoing should be considered as referring to, purely by way of example, [...] **distributions of reserves, extraordinary dividends [...]**” (bold added).*

In light of the foregoing, in consideration of the fact that assessment and analysis of the Offer and its terms have been initiated and are currently in progress and that, therefore, the Company’s Board of Directors has still not adopted a position in this regard, the decision taken at today’s board meeting not to submit the distribution of part of the available reserves to the Shareholders’ Meeting, despite the fact that the soundness of the Company’s assets and financial position would permit it, was considered the most suitable solution to protect the interests of shareholders, the market and the other stakeholders.

The Board of Directors has also decided that a different decision in this regard might have already interfered with the execution of the Offer or cause the lack of effectiveness of the Offer and, in any case, a decrease in the Offer price.

In any event, shareholders remain entitled to request, within 10 (ten) days of the publication of the notice of call (i.e., 6 April 2021), the integration of the items on the agenda or the submission of new proposals for resolution, in accordance with Article 126-bis of the Consolidated Law on Finance.

With no prejudice to the foregoing, it should be recalled that, when called to approve the draft financial statements at 31 December 2019, the Board of Directors – due to the uncertainties connected with the developing health crisis caused by the COVID-19 pandemic – had decided, as a precaution, not to propose the payment of dividends, even with a positive net result and ample reserves. Moreover, it should be noted that the pay-out values envisaged in the “2020-2023 Guidance” express the intention to start remunerating the Cerved shareholders once again.

The Board of Directors reserves the right to assess, over the next months, the suitability of proposing the distribution of part of the available reserves, in consideration of the scenario resulting from the Offer.

The Board of Directors of the Company also notes that, on 25 March 2021, it also approved the Non-financial Report, also known as the Sustainability Report, at 31 December 2020, pursuant to Legislative Decree no. 254/16 (implementing Directive 2014/95/EU).

Therefore, the Board of Directors submits the following **motions for resolution** for your approval:

With reference to the topic in point 1A:

“The Shareholders’ Meeting of Cerved Group S.p.A, having assembled as an ordinary meeting, having examined the Explanatory Report of the Board of Directors, the draft financial statements at 31 December 2020, and having taken note of the reports of the Board of Statutory Auditors and the independent auditor PricewaterhouseCoopers S.p.A.,

resolves

- 1) to approve the Board of Directors’ report on operations, along with the 2020 annual financial statements, comprising the statement of financial position, income statement prospectus, the statement of comprehensive income, the statement of changes in equity, the cash flow statement and the notes to the accounts, as submitted by the Board of Directors, as a whole, along with the individual items and proposed allocations, which show a loss for the year of Euro 296,070;*
- 2) to grant separate authority to the Chairman and Chief Executive Officer pro tempore in office, with the power of sub-delegating their powers, for the execution of all activities pertaining to, resulting from or otherwise connected with the implementation of the resolution indicated in point 1) above.”*

With reference to the topic in point 1B:

“The Shareholders’ Meeting of Cerved Group S.p.A, having assembled as an ordinary meeting, having acknowledged the approval of the annual financial statements for 2020, which ended with a loss of Euro 296,070,

resolves

- 1) to cover the loss resulting from the 2020 annual financial statements, totalling Euro 296,070, through the use of an equal amount from the retained earnings reserves;*

- 2) *to grant separate authority to the Chairman and Chief Executive Officer pro tempore in office, with the power of sub-delegating their powers, for the execution of all activities pertaining to, resulting from or otherwise connected with the implementation of the resolution indicated in point 1) above.”*

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San Donato Milanese, 25 March 2021

On behalf of the Board of Directors

The Chairman

(Gianandrea De Bernardis)