Cerved

Financial Statements at December 31, 2020

COMPANY DATA

PARENT COMPANY'S REGISTERED OFFICE

Cerved Group S.p.A.
Via dell'Unione Europea, 6A, 6B
San Donato Milanese (MI)

PARENT COMPANY'S STATUTORY DATA

Subscribed and paid-in share capital of 50,521,142.00 euros
Milan Company Register No. 08587760961
Milan R.E.A. No. 2035639
Tax I.D. and VAT No. 08587760961

Corporate website: company.cerved.com

Cerved

Financial Statements at December 31, 2020

Composition of Corporate Bodies

BOARD OF DIRECTORS[1]

Gianandrea De Bernardis	*Executive Chairperson*
Andrea Mignanelli	*CEO*
Andrea Casalini	*Independent Director*
Mara Anna Rita Caverni	*Independent Director*
Fabio Cerchiai	*Director and Lead Independent Director*
Sabrina Delle Curti	*Director*
Valentina Montanari	*Independent Director*
Umberto Carlo Maria Nicodano	*Director*
Mario Francesco Pitto	*Independent Director*
Aurelio Regina	*Independent Director*
Alessandra Stabilini	*Independent Director*

CONTROL, RISK AND SUSTAINABILITY COMMITTEE

Alessandra Stabilini	*Chairperson*
Mara Anna Rita Caverni	
Valentina Montanari	

COMPENSATION AND NOMINATING COMMITTEE

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

RELATED PARTY COMMITTEE

Andrea Casalini	*Chairperson*
Umberto Carlo Maria Nicodano	
Marco Francesco Pitto	
Alessandra Stabilini	

BOARD OF STATUTORY AUDITORS[2]

Antonella Bientinesi	*Chairperson*
Costanza Bonelli	*Standing Auditor*
Gilberto Comi	*Standing Auditor*
Paolo Baruffi	*Standing Auditor*
Antonio Mele	*Standing Auditor*

INDEPENDENT AUDITORS

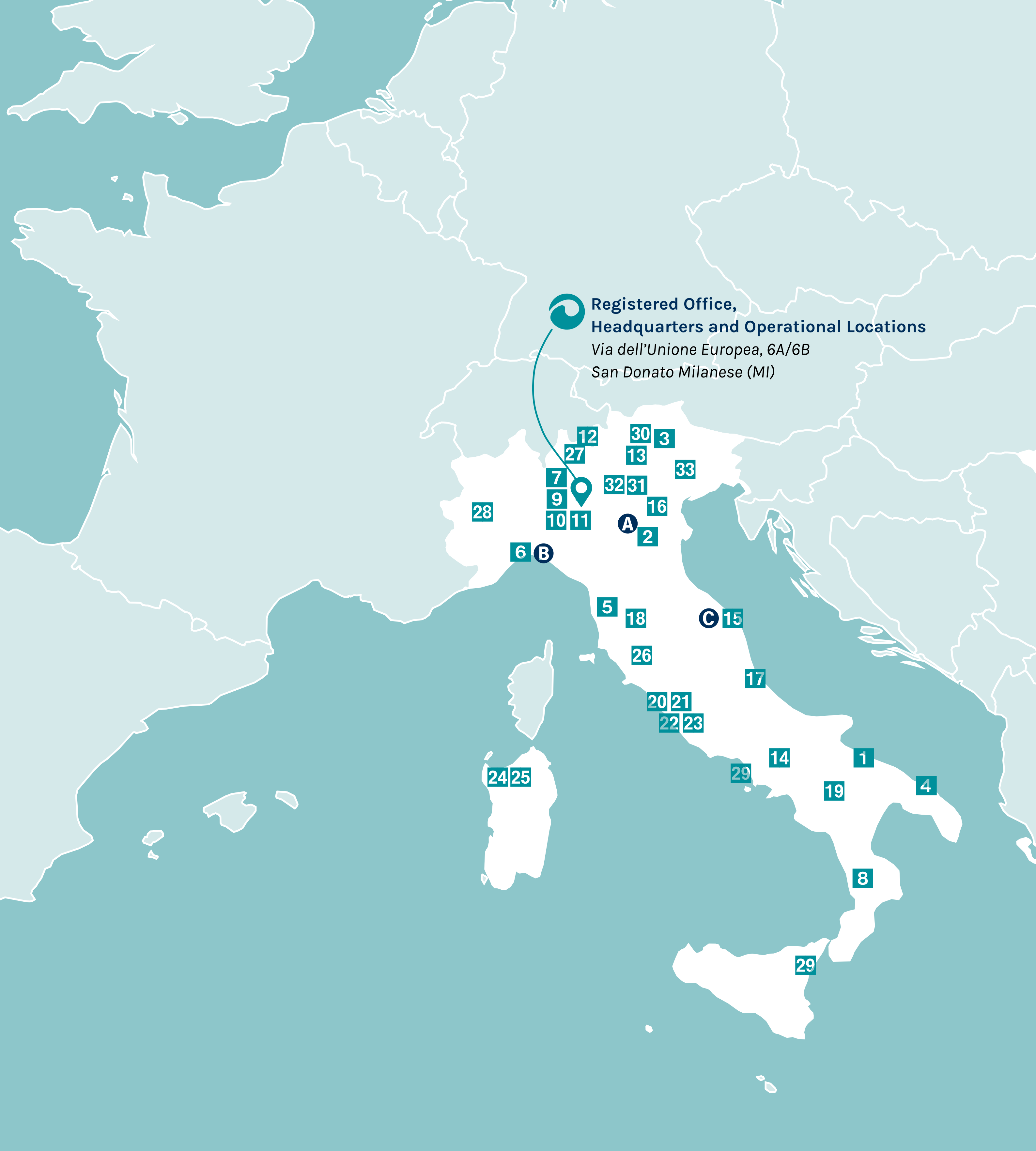
PricewaterhouseCoopers S.p.A.

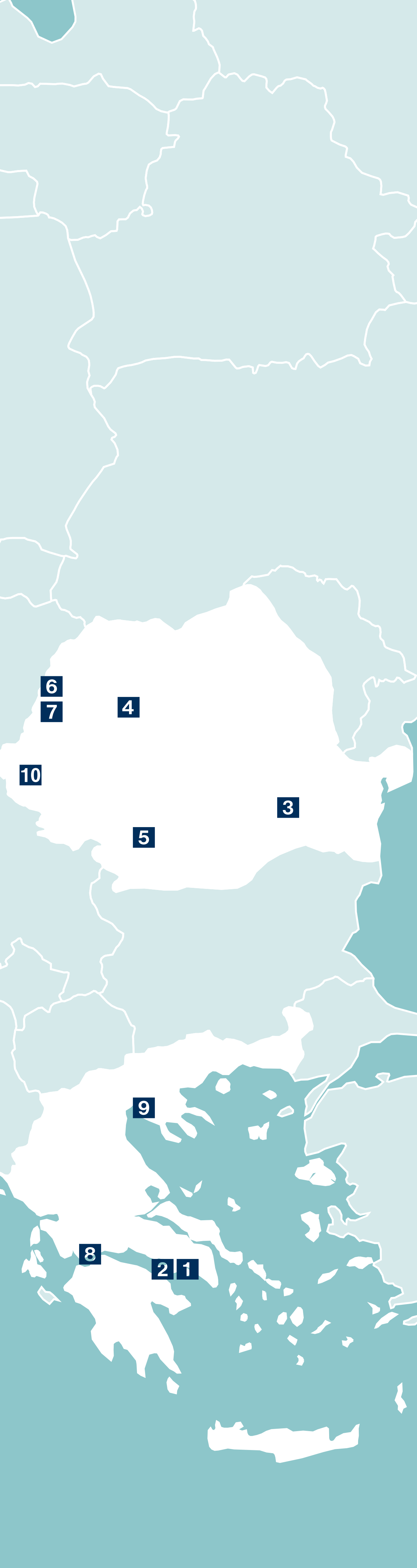
CORPORATE ACCOUNTING DOCUMENTS OFFICER[3]

- *Francesca Perulli*

[1] Elected by the Shareholders' Meeting on April 16, 2019 for a term of office ending with the approval of the statutory financial statements at December 31, 2021.
[2] Elected by the Shareholders' Meeting on May 20, 2020 for a term of office ending with the approval of the statutory financial statements at December 31, 2022.
[3] Elected by the Board of Directors on April 19, 2019.

Registered Office and operational and Commercial Locations





OPERATING OFFICES IN ITALY

1 Bari – Strada Bitonto Aeroporto 18/E
2 Bologna – Via Cairoli 8F
3 Bolzano – Via Macello 53 – 39100
4 Brindisi (BR) – Piazza Cairoli, 28 – 72100
5 Cascina (PI) – Via M.Giuntini 25
6 Genova – Corso Buenos Aires, 5/4 - 16129
7 Lissone – Via Carlo Porta (MB) - 20858
8 Mangone (CS) – Zona Industriale Piano Lago, snc - 87050
9 Milano – Piazza Diaz 6 - 20123
10 Milano – Via Olivetani, 10/12 - 20123
11 Milano – Via Vincenzo Vela 19
12 Morbio Inferiore – Viale Lungo Breggia 11A, 6834, Switzerland
13 Mori (TN) – Via Teatro, 43 - 38065
14 Napoli – Corso Novara 10 - 80142
15 Osimo (AN) – Via Thomas Alva Edison, 1 - 60027
16 Padova – Corso Stati Uniti 14 bis – 35127
17 Pescara – Corso Vittorio Emanuele II - n. 102 - 65122
18 Pontedera (PI) – Via Salvo d'Acquisto, 40/c - 56025
19 Potenza – Via Orazio Petruccelli n.14 - 85100
20 Roma – Via C. Colombo, 163 - 00147
21 Roma – Via C. Colombo, 149 - 00147
22 Roma – Via del Corso, 52 - 00186
23 Roma – Via Zoe Fontana 2/10
24 Sassari – Via Alfredo Oriani, 2 – 07100
25 Sassari (SS) – Via Alfredo Oriani 8/A - 07100 Sassari (SS)
26 Siena – S.S.73, Levante 14
27 Sondrio – Via Stelvio 12/A – 23100
28 Torino – Corso Francesco Ferrucci, 112
29 Tremestieri Etneo (CT) – Piazza Tivoli, 30/44 - 95030
30 Trento (TN) – Via Adriano Olivetti n.13
31 Verona – Via Milano 36/36a
32 Verona – Viale del Lavoro n. 35/B – 37135
33 Villorba (TV) – Viale della Repubblica n. 19/b - 31020

OPERATING OFFICES ABROAD

1 Athens – 7, Eslin & 20, Amaliados Str. 115 23 (Greece)
2 Athens – 15 Panepistimiou str. 10564 (Greece)
3 Bucharest – 169A Calea Floreasca, building B, 7th floor, 1st District (Romania)
4 Cluj-Napoca – Str. Henri Barbusse, 44-46 (Romania) 400616 (Romania)
5 Craiova – Str. Mihai Viteazul, Nr.26A, Et. 2 si 3, Jud. Dolj (Romania)
6 Oradea – Str. Piata Cetatii, nr.1, at.3, 410520 (Romania)
7 Oradea-Judet Bihor – Str. Piata Cetatii Et 3 1 (Romania)
8 Patra – 26, Agiou Andrea str. 26221 (Greece)
9 Thessaloniki – 10, Syggrou Str. & Valaritou, 546 253 (Greece)
10 Timisoara – Str. Paris Nr 2a, Et. 3, Sala 309 (Romania)

COMMERCIAL LOCATIONS

A Bologna – c/o Palazzo Termal - Via della Salute, 14/2 - 40132
B Genova – Corso Buenos Aires, 5/4 - 16129
C Osimo (AN) – Via Thomas Alva Edison, 1 - 60027

Contents

FINANCIAL STATEMENTS AT DECEMBER 31, 2020

2020 Letter to stakeholders

Dear Stakeholders,
Since the first months of 2020, the COVID-19 pandemic has generated unprecedented consequences on the global economy. Italy was one of the first countries affected, with very grave effects on the health plan, strong repercussions on economic activity and on the entire production system. Current forecasts on Italian GDP for 2020 are around -9%, with prospects still uncertain for 2021, linked to the timing of administration of vaccines and a recovery that will in any case only be partial.

In a situation of sudden and extraordinary difficulty, the Cerved Group has shown its reactivity and resilience, transferring more than 95% of its staff to the smart working platform in record time and putting in place a whole series of precautions from a health perspective. Despite a fall in the volume of Revenues and EBITDA, mainly due to the sharp drop in the Credit Management division and in any case lower than the national average, the Group managed to grow in the Banks Risk Management segment and in the Growth Services division, continuing to generate a significant operating cash flow . In this difficult period, our customers have shown great confidence in us with an average customer satisfaction rate of 91.3%, an excellent result, even compared to previous years, which confirms the strong appreciation that customers have for our services, even in critical periods.

The crisis has made the centrality of Cerved's role for companies, financial institutions and, more generally, for the national economy even more evident. We have always been the point of reference for banks and businesses in the assessment of credit risk; during the pandemic we mitigated the effects of the crisis, operating as a key mechanism in the transmission of state-guaranteed credit to businesses, through the banks and avoiding mass bankruptcies in our production system. Finally, the Group is a critical player in the assessment, management and recovery of loans for all parties (banks and companies) that will have to deal with the growing inflow of NPEs (Non-Performing Exposures) generated by the crisis. We look to the future with confidence, also on the basis of our strategic focus on sustainability and digitalisation, the axes on which the Next Generation EU relaunch plan is based and on which the relaunch of the Italian economy will be based. In this sense, we have planned our third Investor Day for March 2021 to provide the financial community with an update on the Group's strategy and prospects.

We look forward to continuing our growth path to the full satisfaction of all our stakeholders.

IMPACT OF THE PANDEMIC

Our country is among those most affected in Europe by the economic shock generated by Covid. Based on Banca d'Italia estimates, in 2020 the Italian economy will suffer a sharp contraction in GDP (-9.2%) as a result of the fall in the components of aggregate demand and especially the collapse of household consumption (-10.4%), negatively affected by the lockdown and containment measures following the second wave of virus infections. The economic crisis generated by the COVID-19 emergency has strong repercussions on the turnover of Italian companies. Based on our forecasts, in 2020-21 we calculate an average loss of 8.6% of revenues compared to 2019, with a particularly violent fall in 2020 (-13.8%) and a rebound in 2021 (+5.9%), insufficient to recover 2019 levels.
To deal with this unprecedented crisis, the European Union has launched the Next

Generation EU, a major plan to relaunch the European economy based on sustainability, digitalisation and social inclusion, which will provide Italy with 209 billion euros in loans and grants in the five-year period 2021-2026.

Cerved reacted promptly to the outbreak of the pandemic at the beginning of March by setting up an internal Covid Monitoring Committee and implementing a series of initiatives aimed primarily at protecting the health of employees, and therefore at following up on business continuity practices. The Group has from the start committed energy, activities and means aimed at helping employees and collaborators in the management of the COVID-19 emergency to promote their wellbeing, health and engagement by facilitating the transfer of more than 95% of its staff to the "smart working" platform in just a few days. With regard to the economic-financial aspects, the Group guaranteed continuity through careful management of costs in addition to the refinancing of all credit lines, also extending their terms.

In the weak phases of the economic cycle, our services become even more important in limiting financial contagions and, already in the past, our business model has proven to be resilient. The crisis has also made Cerved's purpose clear and concrete: to support the national economy to protect itself from risks and to grow in a sustainable way. In just a few weeks, the Group launched a range of Covid-assessment services on the market, which helped our customers to protect their loan portfolios and provided institutions with accurate forecasts to measure the impacts of the pandemic on our economic system.

RESULTS IN 2020

At a consolidated level, the main economic and financial indicators of 2020 show a negative impact deriving from the pandemic, with a decline in revenues that reached 487.8 million euros (-6.3%), which in turn led to a greater decline in Adjusted EBITDA at 203.6 million euros and Adjusted Net Profit at 92.7 million euros due to the high level of operating leverage of the group.

All the divisions suffered a decrease in Revenues and Adjusted EBITDA, with the exception of Growth Services, which benefited from the consolidation of MBS Consulting. Within the Risk Management division, the Banks segment achieved a significant growth of 4.3% in Revenues thanks to the resilience of Business Information services and the growth of grants finance. The Corporate segment, on the other hand, suffered a decline, mainly in the second quarter due to the lockdown and therefore the complete inoperability of companies, which could not be countered by the structural resilience of the business. The Credit Management division was also heavily impacted by the lockdown, which led to the closure of the courts, despite the growth of the Corporate Collection segment.

From a financial point of view, Net Financial Debt increased to 587.7 million euros, reflecting both significant M&A activities during the year, with total disbursements of 89 million euros, and an increase in working capital due to temporary difficulties of some customers to pay on time. The leverage ratio therefore stood at 2.9x, in line with the historical guidance of the Group.

FOCUS ON ESG AND QUANTITATIVE TARGETS

In 2020, Cerved provided further impetus to its sustainability strategy, focusing on both its purpose of “helping the national economy to protect itself from risk and grow in a sustainable way” and the Sustainable Development Goals (SDGs) of the United Nations. In particular, Cerved contributed to the achievement of SDG 9, through the promotion of businesses, innovation and infrastructures with the aim of encouraging equal access to information and the access of small industrialists and other companies to financial services through the data infrastructure provided by the Cerved Group. Cerved’s sustainability strategy was refined starting from a stakeholder engagement process, which made it possible to define a series of quantitative targets that will guide the Group’s strategy and operations in the coming years, contributing to further improving the sustainability profile of Cerved. To further strengthen the importance of sustainability for the group, the achievement of these objectives was included in the management incentive plans in the short term, in line with the requirements of the new Corporate Governance Code of Borsa Italiana to which we adhere and by the international *framework* of the United Nations Global Compact, of which we have been supporters since 2018.

STRATEGIC OPTIONS CREDIT MANAGEMENT DIVISION

The entry of Cerved into the Credit Management business in 2011 is a real success story, with the achievement of 152.2 million euros in revenues in 2020, thanks also to the synergies achieved with the core activity of the Group. In light of a changed competitive and market environment, in 2019 we embarked on a process of strategic refocusing to understand how best to make the most of the division, investing further in the sector or freeing-up the asset. On March 20, 2020, the exclusivity granted to Intrum Italy S.p.A. for the negotiation of the potential sale of the Credit Management division expired and, therefore, the related negotiations have been interrupted in light of the particular economic and financial situation related to the COVID-19 epidemic. In the early months of 2021, as part of the evaluations relating to the valuation of the Credit Management division, we have confirmed some negotiations in progress - without any exclusivity obligation - with private equity funds for the sale of the subsidiary Cerved Credit Management Group S.r.l. The Group will inform the market of any developments relating to the valuation of the Credit Management division in accordance with applicable regulations.

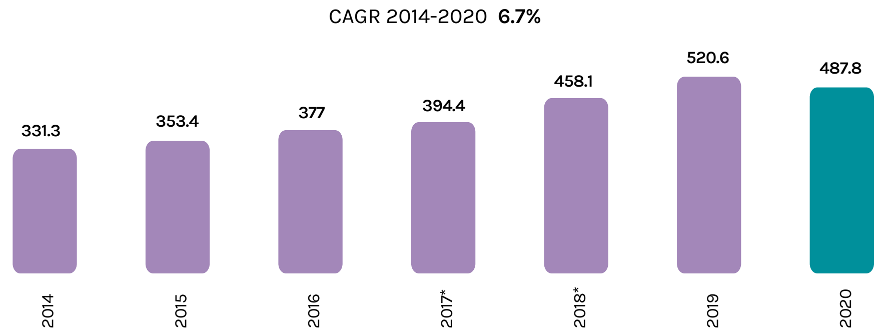
Based on the results of the year just ended and in view of a year of transformations and important goals, we are confident in the ability of Cerved to continue its virtuous growth path and to continue to create value for all the stakeholders to whom we extend our thanks for the ongoing trust and support shown over the years.

San Donato Milanese, March 25, 2021

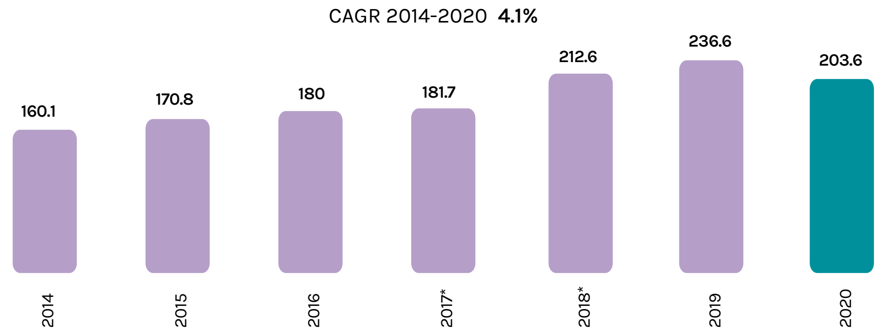
Dr. Andrea Mignanelli	*Ing. Gianandrea De Bernardis*
Chief Executive Officer	*Chairperson*
(Signed on the original)	*(Signed on the original)*

Financial indicators of the Group[1]

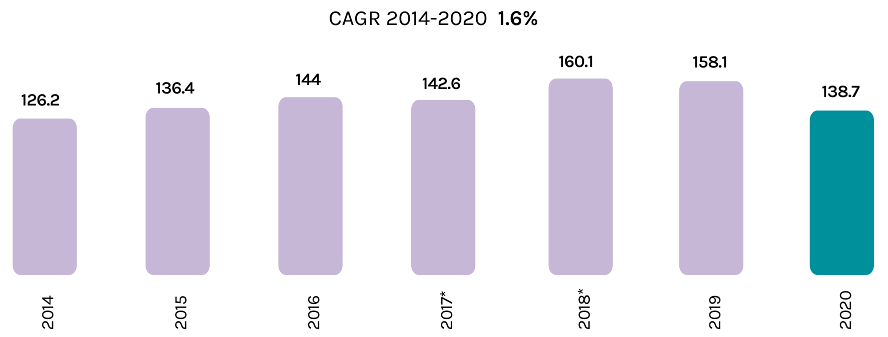
Revenues consolidated



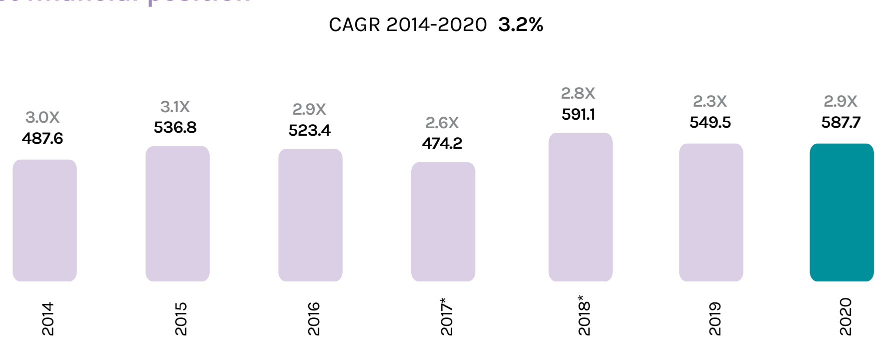
Adjusted EBITDA consolidated



Operating cash flow



Net financial position



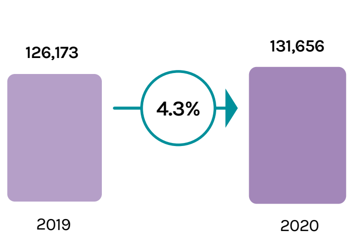
[1] divisional figures are shown net of the capital gain deriving from the sale of the Turin property.

* Data restated for impact of IFRS 15, IFRS 9 and IFRS 16.

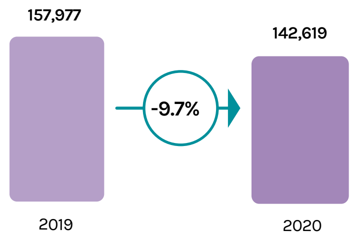
Divisional revenue and Adjusted EBITDA indicators[1]

Risk Business Unit

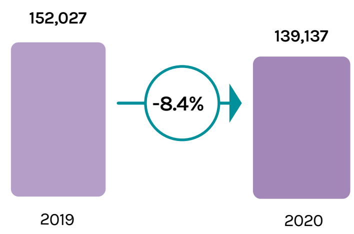
Risk - Financial Institutions Revenues



Risk - Companies Revenues

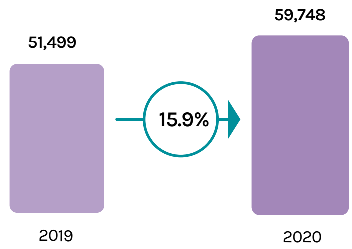


Risk - *Adjusted* EBITDA

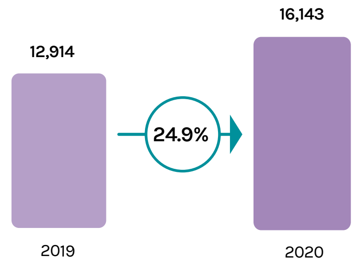


Growth Business Unit

Growth - Revenues

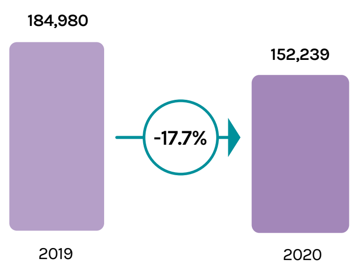


Growth - *Adjusted* EBITDA

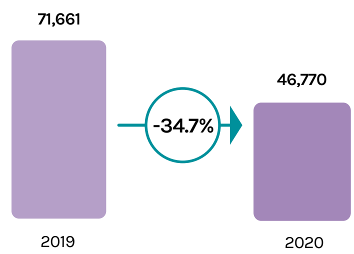


Credit Management Business Unit

Credit Management - Revenues



Credit Management - *Adjusted* EBITDA



[1] *divisional figures are shown net of the capital gain deriving from the sale of the Turin property.*

1

Report of the Board of Directors on Operations


BUSINESS GRAPH
SUMMARY REPORT

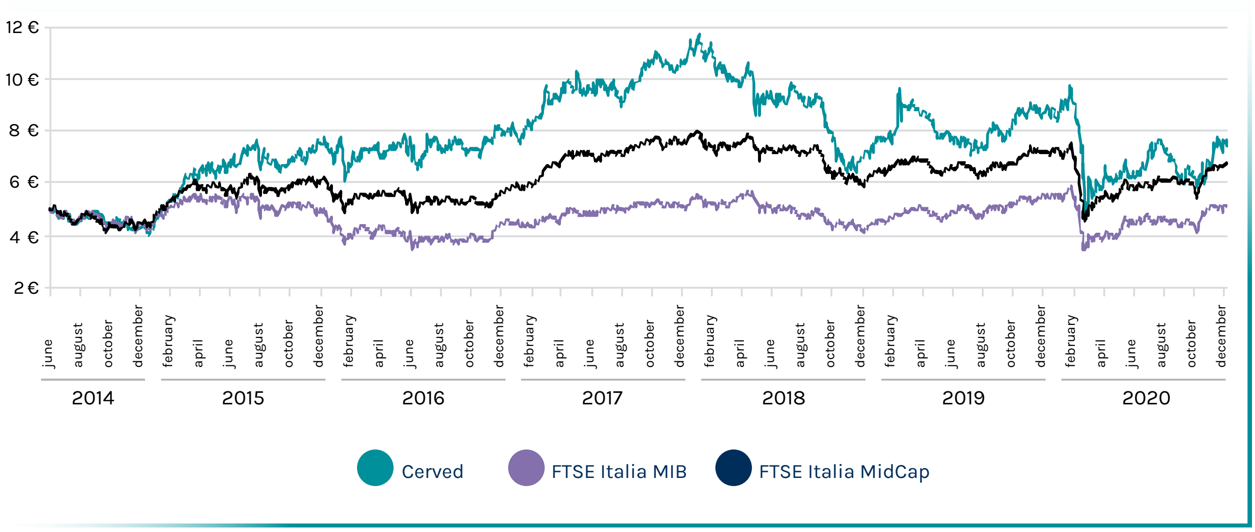
Structure of the Group

THE CERVED STORY

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

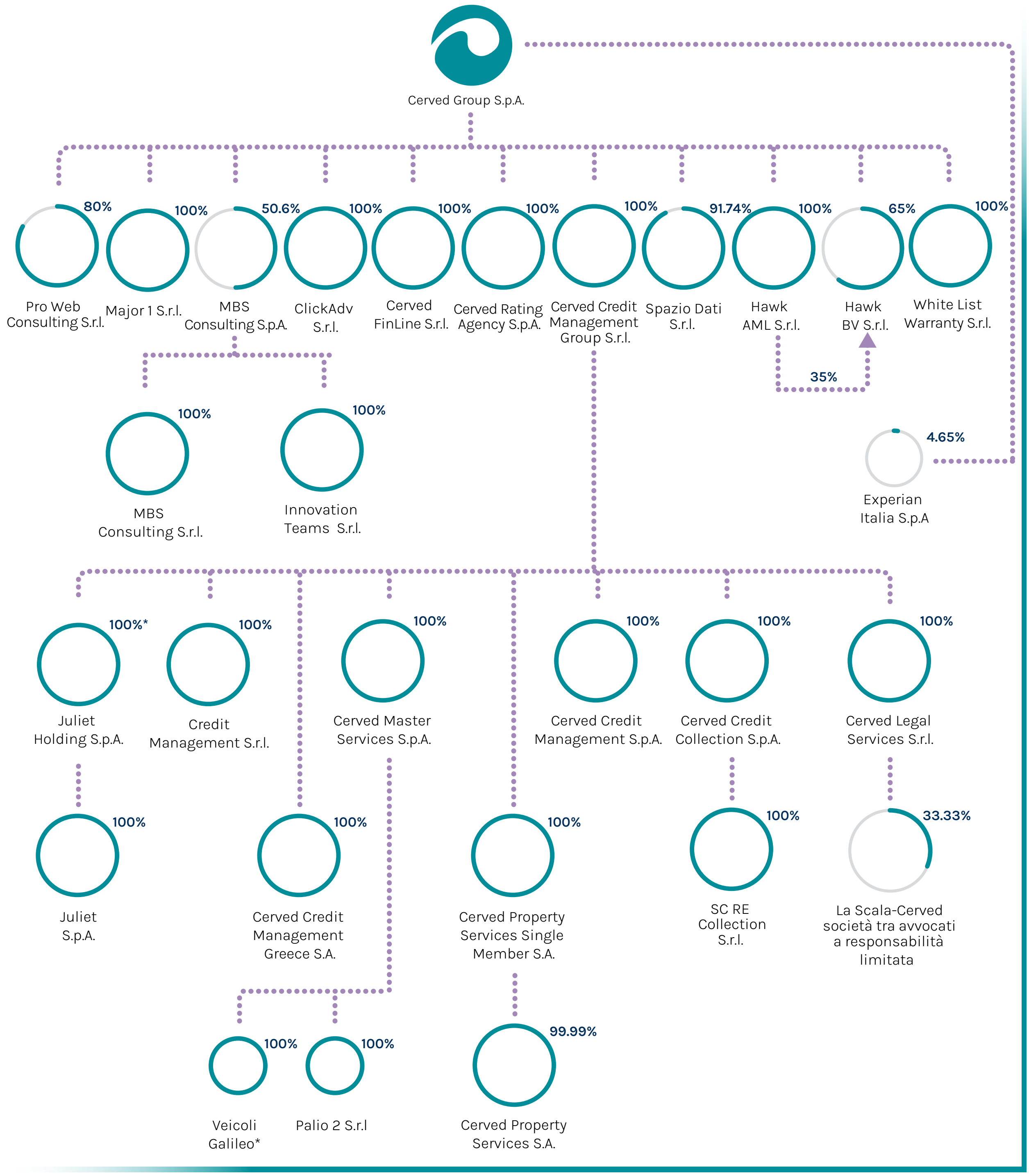
PERFORMANCE OF THE CERVED SHARES

The chart below shows the performance of the Cerved Group shares from the date of listing until December 31, 2020, compared with the two reference indexes FTSE MIB and FTSE Italia Mid Cap.



STRUCTURE OF THE GROUP

The diagram that follows outlines the structure of the Cerved Group at December 31, 2020:



** Galileo Vehicles: Galileo SPV 10 S.r.l., Galileo SPV 20 S.r.l., Galileo SPV 30 S.r.l., Galileo SPV 40 S.r.l., Galileo SPV 50 S.r.l., Galileo SPV 60 S.r.l., Galileo SPV 70 S.r.l., Galileo SPV 80 S.r.l., Galileo SPV 90 S.r.l., Galileo SPV 100 S.r.l..*

ACTIVITIES OF THE GROUP

Cerved offers the most complete range of information products and services for Financial Institutions, Businesses, Insurance Companies, the Public Administration, Professional and Private Individuals, as well as services aimed at assessing and managing non-performing loans.
Cerved has always played a crucial role in the national economy, thanks to its ecosystem of data, technology and talent. This commitment has been made explicit in the corporate purpose:

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

Alongside the definition of the new purpose, at the end of 2019 we launched a reorganisation based on one principle: to use our unique data ecosystem and its distinctive technologies to offer new services, thus expanding the scope of *"Credit Information"* to the broader ***"Risk Management"*** and the scope of *"Marketing Solutions"* to the broader ***"Growth Services"*** and continuing to develop the Credit Management platform for both banking and corporate customers in a synergistic manner.

Here below is a more detailed description of the Business Units (BU) and of the Service Lines identified within each BU:

BU	Service Line Cluster	Service Line
RISK MANAGEMENT	Credit Information & Services	› Credit Information › Real Estate › Credit & ESG Rating
	Compliance & Regulatory Technologies	› Reg & Compliance Risk › Grants Finance
GROWTH SERVICES	Big Data & Advanced Analytics	› Sales & Marketing Intelligence › Strategic Advisory
	Digital Services	› Digital Learning › Digital Intelligence › Digital Lending
CREDIT MANAGEMENT		› Banking UTP & NPLs › Corporate Receivables › Credit Operations › Legal Services

Here below is a brief description of the contents of each Service Line:

Credit Information & Services

Credit Information:
(i) data and scoring for the evaluation of creditworthiness, modular software for the management of the e2e credit process, customisable software;
(ii) CeBi-solution system conventions for balance sheet exchange, outsourcing and quali-quantitative assessments to support banks' credit processes, Decision Analytics platforms, Advanced Analytics.
Real Estate: mortgage and property register surveys, monitoring and real estate document services; real estate appraisals; technical services and Due Diligence.
Credit & ESG Rating:
(i) "regulatory" ratings (ECAI, solicited); "non-regulatory" ratings (second opinion, self-diagnosis); ancillary services (ratings, scores, analysis & research, other products;
(ii) ESG Rating and Sustainability Report for Key Clients, ESG Assessment for Large Clients, ESG Score for SMEs.

Compliance & Regulatory

Reg & Compliance Risk:
(i) AML software; Hawk Suite: application modules compliant with the regulatory provisions on anti-money laundering; Visius: "due diligence" platform from Cerved and provider; Anti-Fraud Lists; Graph for You; Anti-Fraud Score, resale of partner products (Experian), BPO Services;
(ii) software, professional services, training.
Grants Finance: outsourcing in favour of Banks and Credit Guarantee Consortia for the management of the Central Guarantee Fund (Italian Law 662/96); "Cerca il Bando" IT platform for searching for calls for grants finance.

Big Data & Advanced Analytics

Sales & Marketing Intelligence:
(i) Platforms (e.g. Atoka+) for market intelligence and targeting; design solutions for Sales & Marketing; benchmarking & Competitive Analysis; Service Design; Targeting & Origination; CRM enrichment solutions;
(ii) Atoka Suite (Enterprise, Atoka+, Atoka saas); new Atoka-Driven Businesses.
Strategic Advisory: management consulting services mainly in the finance segment; Research on products, customers and distribution in the insurance world.

Digital Services

Digital Learning: classroom courses, e-learning platform.
Digital Intelligence: consulting services for large companies with dedicated work teams; digital services for large clients focused on performance marketing; Data insight (B2B & B2C);
Digital Lending: outsourcing of the Money&GO platform; "direct" Money&GO platform: Invoice Financing and Reverse Factoring.

Both the Risk Management and Growth Services BUs make use of two cross-cutting sales channels:

- **Corporate**, divided between Large Clients and the commercial network dedicated to SMEs;
- **Financial Institutions**, focused on banking and financial customers.

Credit Management

Banking UTP & NPLs: management of non-performing loans of banking origin: mortgages, loans to SMEs.
Corporate Receivables: specialisation in non-performing loans in the SMEs, consumer finance, Utilities and Telco sectors.
Credit Operations:
(i) management of performing loans: personal loans, mortgages, corporate loans;
(ii) valuation of portfolios of non-performing loans sold by banks and financial institutions;
(iii) management of personal property and real estate;
(iv) services of: Master Servicing, establishment and administration of special purpose entities (SPV), Calculation Agent and Investor Reporting and Portfolio Management;
(v) outsourcing of the Money&GO platform; "direct" Money&GO platform: Invoice Financing and Reverse Factoring.
Legal services: legal management through an extensive network of lawyers domiciled throughout Italy.

Business units represented above correspond to the new "operating segments", in accordance with the 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 for the purpose of allocating resources to the different segments and analysing their performance.

The operating segments identified, which encompass all of the services and products supplied to customers, and which are used for the purposes of information by sector, are:

(i) Risk Management
(ii) Growth Services
(iii) Credit Management

Again in accordance with IFRS 8, the operating segments were in turn structured into Cash Generating Units (CGUs), which define the "operating units" that generate cash flows independent of the cash flows generated by other assets or groups of assets.

Acknowledgements

Cerved Group S.p.A., Cerved Rating Agency S.p.A. and Cerved Credit Collection S.p.A. were awarded the ISO 9001:2015 Certification, the international reference standard for quality management. In this context, Cerved Group S.p.A. obtained ISO 27001:2017 certification in July 2019, just as Cerved Credit Management Group S.r.l. had already obtained it in 2018.

Cerved Rating Agency S.p.A. is registered as a European rating agency pursuant to Regulation EC 1060/2009 and is subject to supervision by ESMA (European Securities and Markets Authority). In addition, it is recognised as an External Credit Assessment Institution (ECAI) under EU Regulation 575/2013 of the Parliament and Council of the European Union.

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

In 2020, the Cerved Group obtained from the rating agency ISS - Institutional Shareholder Services, both the "Prime" rating and the QualityScore recognition for the "Governance" and "Social" section, proving to be the leader in its sector for sustainability performances, exceeding the average of the panel of comparable peers.

Cerved's Growth Strategy

The growth strategy pursued by Cerved is based on clear and sustainable concepts. By leveraging its strong points (resiliency, growth and cash flow), Cerved intends to continue developing its business activities focusing on:

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

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

Macro-economic context

The spread of the pandemic at global level has generated unprecedented economic and social consequences. The impact of the health emergency on the global economic system assumes unique and peculiar traits, due to the asymmetrical nature of the shock and to the different intensity of the effects in terms of forced closure of activities, reduction of the mobility of people, implementation of social distancing rules, public interventions in the monetary and tax sphere and changes induced by the new context in the behaviour of individuals and companies. The activities undertaken by governments to contain the pandemic have led to a fall in domestic traffic and global demand, negatively impacting production activities and the organisation of value chains. The gradual introduction of vaccines starting from the first half of 2021 seems likely to reverse the negative trend, but the still very high prevalence of infections on a global scale and the difficulties linked to an extended and widespread administration of the vaccines are unlikely to lead to a normalisation of activities before the end of 2021. In this context, in order to mitigate the negative effects generated by the persistence of the crisis, the three most important players in the global economic scenario (USA, China and the European Union) have introduced plans for strong public support on both the demand and supply side, continuing to adopt expansive fiscal and monetary policies.

According to OECD estimates, in 2020 the pandemic will cause a contraction of the world economy of -4.2%. The negative effects of the health emergency are widespread in all major economies, except China, which will remain in positive territory (+1.8%). The most consistent GDP loss was recorded in the United Kingdom (-11.2%), heavily impacted by the second and third wave of infections, while the Eurozone recorded an overall decline of -7.5%, with the impact of the virus less severe in Germany (-5.5%) than in France and Italy (-9.1%). For 2021, a positive rebound is expected at global level (+4.2%), which will bring GDP back to 2019 levels. The performance of China (+8%) and India (+7.9%) contributed most to this dynamic, while the recovery rates of Western countries will be more contained, with the United States growing by 3.2% (after -3.7% in 2020) and the Eurozone recording +3.6%, approaching pre-crisis levels only in 2022 (+3.3%).

Growth of real GDP

y/y change, %	2019	2020	2021	2022
World	2.7	-4.2	4.2	3.7
United States	2.2	-3.7	3.2	3.5
Eurozone	1.3	-7.5	3.6	3.3
Germany	0.6	-5.5	2.8	3.3
France	1.5	-9.1	6.0	3.3
Italy	0.3	-9.1	4.3	3.2
Japan	0.7	-5.3	2.3	1.5
Canada	1.7	-5.4	3.5	2
United Kingdom	1.3	-11.2	4.2	4.1
China	6.1	1.8	8	4.9
India	4.2	-9.9	7.9	4.8
Brazil	1.1	-6	2.6	2.2
Russia	1.3	-4.3	2.8	2.2

Source: OCSE

Our country will be among those most affected in Europe by the economic shock generated by Covid. Based on Banca d'Italia estimates, in 2020 the Italian economy suffered a sharp contraction in GDP (-9.2%) as a result of the fall in the components of aggregate demand and especially the collapse of household consumption (-10.4%), negatively impacted by the lockdown and containment measures following the second wave of virus infections. According to the forecasts of the Banca d'Italia, the recovery to the levels of 2019 will take place at the end of the next three years, with an expected growth of 3.5% in 2021, 3.8% in 2022 and 2.3% in 2023.

A decisive contribution to the recovery will be provided by the use of the funds made available by the Next Generation EU plan, approximately 200 billion euros in grants and subsidised loans planned for the next six years, destined to have a positive impact on investments (+8.6% in 2021 and +13.9% in 2022) and to help reactivate consumption.

The forecasts on other economic fundamentals show that the country's economic and financial system will remain stable, with limited impacts on inflation and unemployment. On the financial front, guidelines in relation to the expansionary policies of the ECB and other EU institutions should avoid situations of tension linked to the exceeding of financial parameters and the increase in indebtedness, factors that will remain under observation.

Outlook for the Italian economy – GDP and main components (y/y change %)

	2020	2021	2022	2023
Gross Domestic Product	-9.2	3.5	3.8	2.3
Household consumption	-10.4	3.2	3.1	1.9
Collective consumption	-1.3	-0.9	1.4	0.5
Gross fixed investments	-8.5	8.6	13.9	7.0
Total exports	-14.9	9.8	4.5	3.3
Total imports	-13.4	9.0	6.6	3.6
Inventory change	-0.4	-0.6	0.0	0.0
Consumer prices (HICP)	-0.1	0.7	0.8	1.1
HICP excluding food and energy	0.5	0.2	0.5	0.9
Employment	-1.9	-0.9	1.7	1.3
Unemployment rate	9.5	10.5	10.0	9.5

Source: Banca d'Italia

The economic crisis generated by the COVID-19 emergency will have a strong impact on the turnover of Italian companies. Based on Cerved's forecasts, in the two-year period 2020-21, an average loss of 8.6% of revenues is calculated compared to pre-Covid turnover. The drop in revenues will be particularly severe in 2020 (-13.8%), while in 2021 there will be a rebound (+5.9%) that will not be enough to return to the levels of 2019. In terms of lost turnover, it is estimated that in the two-year period 2020-2021, Italian companies will burn approximately 735 billion euros compared to the pre-Covid situation (408 billion euros in 2020 and 327 billion euros in 2021).

Despite the presence of critical factors common to all activities of the production system, the asymmetrical nature of the Covid shock is reflected in a strong differentiation of the impacts at sector level. In 2020, the negative effects of the pandemic will be particularly significant in a number of sectors such as non-financial services (-23.3%), driven down by the collapse of the restaurant and hospitality sector, the fashion system (-22.1%) and transport and logistics (-21.8%). Otherwise, in other sectors the impact of Covid will be less pronounced: these include chemical-pharmaceuticals (-0.3%), consumer goods (-2.0%) and agriculture (-1.0%). At the end of the forecast period, despite the 2021 rebound, all sectors, except pharmaceuticals (+5.6%) and agriculture (+0.1%), will be unable to recover their pre-Covid turnover levels.

Turnover of Italian companies by sector

	Turnover (€ bn)			% y/y change rates		
	2019	2020	2021	2020/2019	2021/2020	2021/2019
Agricultural holdings	36.7	36.3	36.7	-1.0%	1.1%	0,1%
Consumer goods	138.8	136.1	137.3	-2.0%	0.8%	-1,1%
Fashion system	87.5	68.1	77.6	-22.1%	13.9%	-11,3%
Home system	46.9	40.5	42.6	-13.6%	5.0%	-9,2%
Means of transport	84.8	68.6	72.8	-19.1%	6.2%	-14,1%
Chemical and pharmaceutical	76.7	76.5	80.9	-0.3%	5.9%	5,6%
Metals and metalworking	108.8	87.8	94.7	-19.3%	7.8%	-13,0%
Electromechanics	176.1	142.7	155.7	-19.0%	9.1%	-11,6%
Electrical engineering and IT	35.7	33.1	35.1	-7.2%	5.8%	-1,8%
Intermediate products	70.8	63.3	65.9	-10.6%	4.2%	-6,8%
Information and communication	149.0	132.9	138.8	-10.8%	4.4%	-6,8%
Fuels, energy and utilities	282.5	235.1	253.4	-16.8%	7.8%	-10,3%
Construction	171.9	149.4	162.0	-13.1%	8.4%	-5,8%
Distribution	808.3	722.2	754.1	-10.6%	4.4%	-6,7%
Logistics and transport	138.3	108.1	118.0	-21.8%	9.1%	-14,7%
Non-financial services	214.4	164.5	174.5	-23.3%	6.1%	-18,6%
Property services	5.3	4.7	5.0	-10.8%	5.8%	-5,6%
Total	**2,632.5**	**2,270.0**	**2,405.0**	**-13.8%**	**5.9%**	**-8,6%**

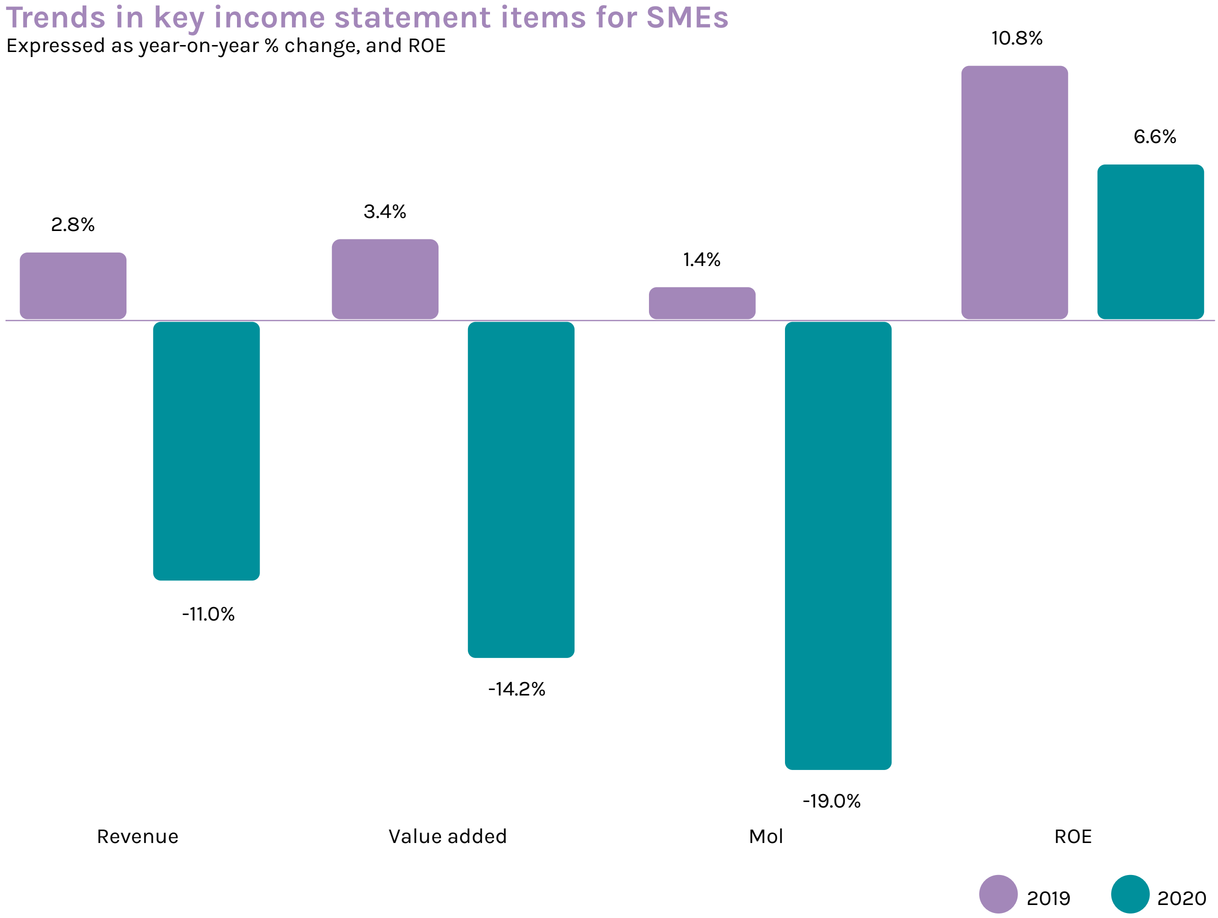
Source: Cerved

The shock generated by Covid will also have repercussions on the Italian SME system. Overall, the trend in real turnover of SMEs is expected to fall by 11 percentage points in 2020 (-14.5% in nominal terms). In the face of the emergency and the loss of revenues, as already happened in 2009, expectations are for a decisive reduction in operating costs and services. Despite the freeze on redundancies, SMEs will also reduce labour costs (-12%), taking advantage of the extension of the Cassa Integrazione (Italian Wage Guarantee Fund), a measure that many companies have availed of. However, the decisive reduction in costs made by SMEs will be insufficient to avoid a new and sharp drop in gross profitability, which is expected to fall by 19% between 2020 and 2019. Net profitability, although collapsing compared to 2019, will still be positive on average (6.6%), with most SMEs closing their financial statements at breakeven or with profit for the year.

The extension of the Cassa Integrazione, the extraordinary moratoria and the interventions on public guarantees to inject liquidity, supported the SME system, which after the lockdown showed a gradual improvement in payment times. The level of resilience acquired by SMEs until 2019 will make the financial and capital solidity ratios sustainable on average, although they are expected to deteriorate. Leverage will grow from 61% to 68%, while the ratio of financial charges to EBITDA will grow from 12.8% to 15.5%. Despite this leap, both indices remain well below the levels of 2007. Only the ratio between financial payables and EBITDA, which will grow from a multiple of 3.2 to 4.5, will be above the 2007 threshold, due to the collapse in gross profitability and the greater use of debt by SMEs.

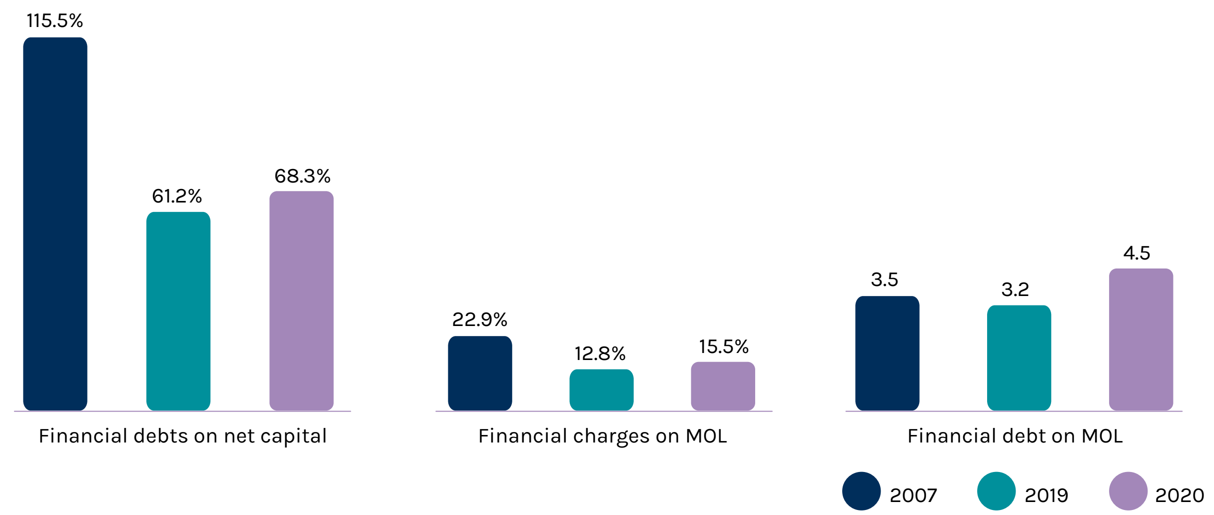
Trends in key income statement items for SMEs

Expressed as year-on-year % change, and ROE



Source: Cerved PMI report 2020

Sustainability of debts and financial charges of SMEs

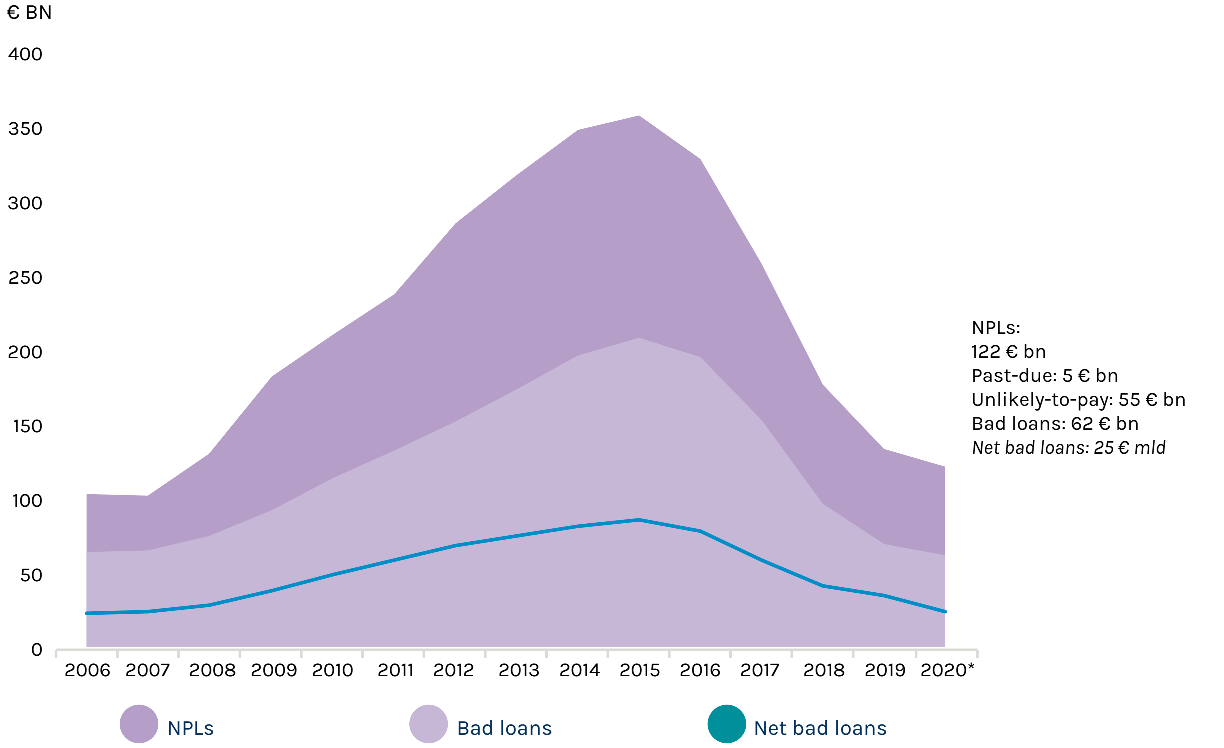


Source: Cerved PMI report 2020

The official data of the Banca d'Italia show that, despite the spread of the pandemic, in 2020 the stock of impaired loans accumulated by Italian banks continued to decline. Based on the latest available data (September 2020), the stock of gross non-performing loans reached 122 billion euros (down 21.2% year-on-year), a figure equal to one third of the value reached at the end of 2015 (360 billion euros). The reduction in NPLs was favoured by the sale of NPL portfolios and the decline in new flows of non-performing loans. The extraordinary measures in support of businesses adopted by the government during the pandemic prevented the blocking of economic activities and the subsequent restrictions due to the health emergency from translating into a spike in business defaults and an increase in credit risk. In particular, temporary measures, such as the inadmissibility of bankruptcies and the extraordinary moratorium on loans and credit lines, had a positive impact on credit quality, resulting in a containment of new flows of defaulted loans in 2020 and leading to deterioration rates of Italian companies at historic lows (2.5%).

In the next two years, the term of validity of these interventions will push towards an increase in deterioration rates that will reach a peak in 2021 (4.3%), and then fall again in 2022. This physiological increase in credit risk, determined by the persistence of the effects of the Covid crisis, will affect all size classes, even if the new flows of loans in default will remain at levels far from the peaks reached in 2012 (7.5%), settling in 2022 at levels similar to the pre-crisis 2007 (3.7%). The most pronounced impacts at the end of the two-year period will affect medium-sized companies and companies operating in the construction and services sector, while small businesses and companies operating in the industrial sector will be relatively less affected by the crisis.

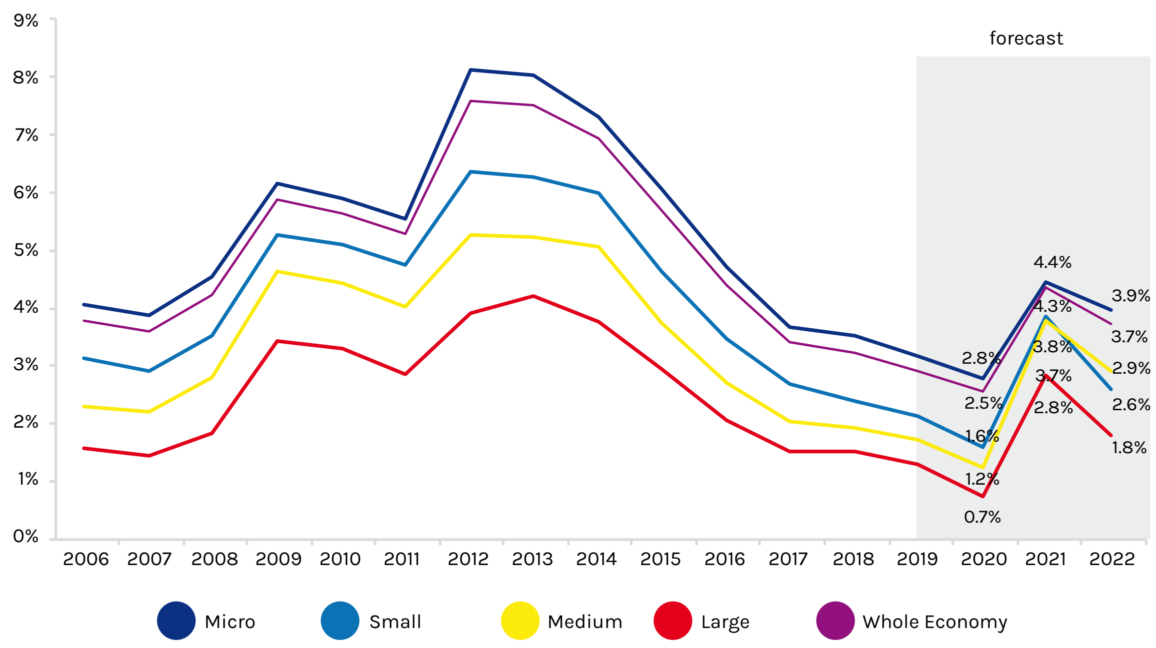
Stock of NPL of Italian banks



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

Forecast for NPL rates by company size

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



Source: estimate and forecast Abi-Cerved

The shock of epic proportions induced by the spread of the pandemic on a global scale will push to change many economic paradigms, intensifying processes already underway and impacting the behaviour of households and businesses. Among the most important trends that will emerge in the coming years, there will be an acceleration of the digitalisation processes of our production system and an increasing attention to the issues of environmental and social sustainability, phenomena that respond to changes in the habits and preferences of citizens and the new policy guidelines adopted at supranational level, with the consequent restructuring of the product offer. In terms of policies, the substantial resources allocated at EU level as part of Next Generation EU will produce very significant effects on our economy in the coming years, stimulating the relaunch of investments and encouraging transformation processes that will be driven first and foremost by the companies with the greatest potential for growth and innovation. All these trends will lead to a rapid change in the production structure, with some sectors and some companies expanding and other sectors that, in the absence of renewal, could be destined for an inevitable downsizing.

In the post-Covid scenario, the ability to have access to and make use of detailed information to prospectively analyse the overall development of the reference markets in the context of strong heterogeneity that characterises the Italian production system will be decisive for operators. At the same time, it will be essential for companies to benefit from the advantages offered by digitalisation and big data to improve performance and protect themselves from risk. The digital transition is a major challenge for the development of market intelligence platforms that integrate and synthesize multiple levels of information through the use of artificial intelligence systems. In the coming years, the areas of application of these new business support tools could be further extended to several focuses, such as the assessment of the degree of sustainability of companies based on ESG factors, grants finance and corporate training in e-learning.

Information about the Group's operations

FOREWORD

In compliance with Consob Communication no. 0092543 of 3 December 2015, some indications relating to the composition of the performance indicators used in this document are provided below.

These indicators, including EBITDA, are not identified as an accounting measure in the context of IFRSs and therefore must not be considered an alternative measure for the assessment of the Group's operating result. Because their composition is not governed by the reference accounting standards, the computation criterion applied by the Group could be different from the one adopted by other parties and, consequently, not comparable.

"Non-operating components" include non-recurring charges/(income), restructuring costs and costs for extraordinary transactions, as well as write-downs of property, plant and equipment and intangible assets resulting from impairment tests.

EBITDA correspond to the operating profit before depreciation and amortization, non-recurring charges/(income) and non-operating components.

Adjusted EBITDA is the EBITDA net of personnel costs for share-based incentive plans.

The "Adjusted Net Income", which the Group believes represents the operating performance of the Group net of non-recurring events and not related to ordinary operations, is determined, as better explained below, by adjusting the net profit for the period for non-operating components, for the amortization of capital gains allocated to intangible assets in business combination, for the financial charges incurred upon obtaining loans and recognised in the income statement using the amortized cost method, for non-recurring financial income and charges, for non-recurring taxes and financial income and charges relating to the adjustment to the income statement of the amount of liabilities for put options subscribed with minority shareholders.

HIGHLIGHTS

The tables and charts that follow show a condensed statement of comprehensive income at December 31, 2020 compared with the data for the 2019 reporting year.

(in thousands of euros)	December 31,	%	31 dicembre 2019	%	Variaz.	Variaz.%
Revenues	484,979	99.4%	519,266	99.7%	(34,287)	-6.6%
Other Income	2,819	0.6%	1,367	0.3%	1,452	106.2%
Total Revenues and Income	**487,798**	**100.0%**	**520,633**	**100.0%**	**(32,835)**	**-6.3%**
Cost of raw materials and other materials	(671)	-0.1%	(1,282)	0.2%	611	-47.7%
Cost of services	(123,760)	-25.4%	(128,334)	24.6%	4,574	-3.6%
Personnel costs	(144,060)	-29.5%	(140,880)	27.1%	(3,180)	2.3%
Other operating costs	(7,413)	-1.5%	(8,173)	1.6%	760	-9.3%
Impairment of receivables and other provisions	(8,308)	-1.7%	(5,363)	1.0%	(2,945)	54.9%
Total operating costs	**(284,213)**	**-58.3%**	**(284,032)**	**54.6%**	**(181)**	**0.1%**
Adjusted EBITDA	**203,586**	**41.7%**	**236,601**	**45.4%**	**(33,015)**	**-14.0%**
Performance Share Plan	(7,320)	-1.5%	(9,452)	1.8%	2,132	-22.6%
EBITDA(1)	**196,266**	**40.2%**	**227,149**	**43.6%**	**(30,883)**	**-13.6%**
Depreciation and amortisation	(80,086)	-16.4%	(84,966)	16.3%	4,880	-5.7%
Operating profit before non-recurring items	**116,180**	**23.8%**	**142,183**	**27.3%**	**(26,003)**	**-18.3%**
Non-operating components	(24,154)	-5.0%	(27,877)	5.4%	3,723	-13.4%
Operating profit	**92,026**	**18.9%**	**114,306**	**22.0%**	**(22,280)**	**-19.5%**
Financial income	2,961	0.6%	840	0.2%	2,121	252.5%
Financial charges	(23,739)	-4.9%	(29,872)	-5.7%	6,133	-20.5%
Non-recurring financial (income)/ charges	(16,457)	-3.4%	-	n.a.	(16,457)	n.a.
Income taxes	(25,845)	-5.3%	(32,300)	-6.2%	6,455	-20.0%
Non-recurring taxes	487	0.1%	5,248	1.0%	(4,761)	-90.7%
Net profit	**29,433**	**6.0%**	**58,222**	**11.2%**	**(28,789)**	**-49.4%**

Notes:
1) EBITDA correspond to the operating profit before depreciation and amortisation and non-recurring charges/(income). EBITDA is not identified as an accounting measure in the context of IFRSs and must not, therefore, be considered an alternative measure for the assessment of the Group's operating result. Because the composition of EBITDA is not governed by the reference accounting standards, the computation criterion applied by the Group could be different from the one adopted by other parties and, consequently, not comparable.

A table is reported below for the calculation of the adjusted net profit, used in order to represent the operational performance of the Group, net of non-recurring events and not relating to ordinary operations. This indicator reflects the Group's economic results, net of non-recurring items and factors that are not closely related to its core business activities and performance, thereby allowing an analysis of the Group's performance based on more homogeneous data for the two periods that are being represented.

(in thousands of euros)	Ref	At December 31, 2020	At December 31, 2019	At December 31, 2018
Net profit		**29,433**	**58,222**	**88,789**
Restructuring costs and extraordinary transactions	(i)	5,317	8,665	7,248
Amortisation of gains allocated to the Business Combinations	(ii)	40,931	43,326	36,358
Financing fees - amortised cost	(iii)	2,140	3,591	3,101
Non-recurring financial charges	(iv)	16,457	-	556
Non-recurring income	(v)	(6,023)	(40,000)	-
Tax impact	(vi)	(15,408)	(4,086)	(12,775)
Non-recurring financial income		-	-	(3,496)
Release of CPS earn-out	(vii)	(1,448)	-	-
Impairment of goodwill	(viii)	20,930	402	-
Adjustment to fair value of options	(ix)	4,291	9,360	(3,049)
Intangibles PPA write-down	(x)	2,834	42,402	-
Non-recurring taxes	(xi)	(1,073)	-	-
Adjusted net profit		**98,381**	**121,882**	**116,732**
Adjusted net profit attributable to non-controlling interests		5,714	14,659	6,248
Adjusted net profit attributable to owners of the parent		**92,667**	**107,223**	**110,485**
Adjusted net profit attributable to owners of the parent % / Revenues		**19.0%**	**20.6%**	**24.1%**
Adjusted net profit per share		**0.47**	**0.55**	**0.57**

The adjusted net profit represents the net profit in the income statement at December 31, 2020, 2019 and 2018, net of:

(i) costs relating mainly to costs for early retirement incentives (hereinafter also "restructuring costs") (2,327 thousand euros) and costs for services (2,857 thousand euros) and management costs (132 thousand euros) related to extraordinary transactions managed in the period;

(ii) amortisation of intangible assets recognised in connection with business combinations carried out in previous years;

(iii) financial charges incurred in previous periods in connection with the signing of the new Forward Start loan agreement and recognised in the income statement by the amortised cost method;

(iv) non-recurring financial charges incurred in connection with the early repayment (i) of the Forward Start loan contract and (ii) of the interest rate swap (IRS) hedge contracts linked to it, as well as the fair value recognised in the income statement at the date of underwriting the new IRS hedges on the Term Loan contract;

(v) the non-recurring income of 6,023 thousand euros linked to the compensation recognised by Credito Valtellinese to Cerved Credit Management S.p.A. following the disposal of a portion of the loans portfolio managed by the company;

(vi) tax effect of the items described above;

(vii) release of the earn-out estimated on the basis of revenues expected in 2020 at the time of the acquisition of Cerved Property Services Single Member SA which was not achieved;

(viii) impairment of the goodwill of ClickAdV S.r.l. CGU and Growth CGU resulting from the impairment test;

(ix) adjustment of the liability linked to options executed with minority shareholders at fair value;

(x) the write-down of the intangible assets related to the Servicing agreement with Credito Valtellinese, equal to 1,488 thousand euros net of the tax impact, and the write-down of the intangible assets related to the recognition of the Purchase Price Allocation at the time of the acquisition of the subsidiary ClickAdV S.r.l. following the write-down of the CGUs referred to in point *(vi)* for 1,346 thousand euros, net of the tax effect;

(xi) non-recurring taxes including: 1,073 thousand euros deriving from the benefit resulting from the failure to pay the IRAP 2019 balance and the first advance payment of IRAP 2020 by certain subsidiaries of the group, in compliance with the provisions of the so-called "Relaunch Decree".

REVIEW OF OPERATING PERFORMANCE IN THE PERIOD ENDED DECEMBER 31, 2020

In the context of a pandemic emergency and an unprecedented economic crisis, the results of 2020 confirm the solidity of Cerved, the ability to rapidly bring innovations to the market and the centrality of our role in the national economy. The different mix of services in the core business of data and the greater volatility of Credit Management impacted margins.

The Risk Management and Growth Services divisions, which account for more than two-thirds of the Group's revenues, held up, leveraging the record results of the Financial Institutions segment and MBS Consulting. The timely launch of the *COVID-19 Impact Assessment services* and our support to banks in the disbursement of guaranteed loans supported the income statement, reaffirming our central role in the economic-financial circuit. The Credit Management division suffered in the area of bank loan management, mainly due to the effects of the pandemic on liquidity and court activities, while the other areas (primarily trade credit management and legal services) did well.

In the 2020 financial year the Group's **consolidated revenues** decreased by 6.3%, reaching 487.8 million euros compared to 520.6 million euros in the previous year (-9.6% on an organic basis).

Consolidated revenues *€ million*	Year 2020	Year 2019	% Change
Consolidated revenues	487.8[(1)]	520.6	-6.3%
Divisional revenues *€ million*	**Year 2020**	**Year 2019**	**% Change**
Risk Management - Financial Institutions	131.7	126.2	4.3%
Risk Management - Firms	142.6	158.0	-9.7%
Risk Management	**274.3**	**284.2**	**-3.5%**
Growth Services	59.7	51.5	15.9%
Credit Management	152.3	184.9	-17.6%
Divisional revenues	**486.3**	**520.6**	**-6.6%**

On the other hand, with regard to Divisional Revenues, these decreased by 6.6% from 520,633 thousand euros to 486,335 thousand euros, net of the capital gain relating to the sale of the property in Turin at December 31, 2020 of 1,463 thousand euros, as described below.

[(1)] *Includes a capital gain of 1.5 million euros related to the sale of a property in Turin.*

The **Risk Management** business unit recorded significant growth in the Financial Institutions segment thanks to the stability of Business Information services and the new support services to banks in the disbursement of loans guaranteed by the Central Fund. With reference to the Business segment, the COVID-19 Impact Assessment services partly offset the lower consumption of businesses that suffered during the lockdown period.

The **Growth Services** business unit grew both in terms of external lines with the consolidation of the companies acquired in 2019 in the field of advisory services, and in terms of internal lines with the Atoka sales intelligence services.

The decline suffered by the **Credit Management** business unit is mainly due to the slowdown in court activities, particularly marked during the lockdown in the second quarter, as well as to lower volumes linked to servicing contracts in 2020.

With regard to the **Other Income** item, which increased from 1,367 thousand euros at December 31, 2019 to 2,819 thousand euros at December 31, 2020, there is a capital gain of 1,463 thousand euros related to the sale of the Turin property, considered no longer functional for the current requirements of the operating units located on the premises of the same city.

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

(in thousands of euros)	Period from January 1 to December 31, 2020				Period from January 1 to December 31, 2019			
	Risk Management	Growth Services	Credit Management	Total	Risk Management	Growth Services	Credit Management	Total
Revenues by segment	275,475	61,824	155,782	**493,081**	285,758	51,618	187,317	**524,693**
Intra-segment revenues	(1,200)	(2,076)	(3,543)	**(6,819)**	(1,605)	(118)	(2,337)	**(4,060)**
Total divisional revenues from third parties	**274,275**	**59,748**	**152,239**	**486,262**	**284,154**	**51,499**	**184,980**	**520,633**
Divisional Adjusted EBITDA	**139,137**	**16,143**	**46,770**	**202,050**	**152,027**	**12,914**	**71,661**	**236,601**
Divisional Adjusted EBITDA %	**50.7%**	**27.0%**	**30.7%**	**41.6%**	**53.5%**	**25.1%**	**38.7%**	**45.4%**
Non-divisional revenues				1,536				-
Adjusted EBITDA				**203,586**				**236,601**
Performance Share Plan				(7,320)				(9,452)
Non-operating components				(24,154)				(27,877)
Depreciation and amortisation				(80,087)				(84,966)
Operating profit				**92,026**				**114,306**
Financial income				2,961				840
Financial charges				(40,197)				(29,872)
Profit before taxes				**54,791**				**85,274**
Income taxes				(25,358)				(27,052)
Net result from continuing operations				**29,433**				**58,222**

Adjusted EBITDA and Operating Costs Performance

The consolidated Adjusted EBITDA of 203.6 million euros in 2020 represents a decrease of 14.0% compared to the previous year. The Group consolidated Adjusted EBITDA margin was 41.6%, compared to 45.4% in the prior year.

Consolidated Adjusted EBITDA *€ million*	Year 2020	Year 2019	% Change
EBITDA *Adjusted* Consolidato	203,6[1]	236,6	-14,0%
Divisional Adjusted EBITDA *€ million*	**Year 2020**	**Year 2019**	**% Change**
Risk Management	139.2	152.0	-8.4%
Growth Services	16.1	12.9	24.8%
Credit Management	46.8	71.7	-34.7%
Divisional Adjusted EBITDA	**202.1**	**236.6**	**-14.6%**
Margin of divisional Adjusted EBITDA/revenue%	*41.6%*	*45.4%*	
Risk Management	*50.7%*	*53.5%*	
Growth Services	*27.0%*	*25.0%*	
Credit Management	*30.7%*	*38.8%*	

1) Includes a capital gain of 1.5 million euros related to the sale of a property in Turin.

The **Risk Management** business unit recorded an Adjusted EBITDA margin of 50.8%, down compared to 53.5% in 2019. **The Growth Services** business unit recorded an Adjusted EBITDA margin of 27.0%, higher than the 25.0% in 2019. **The Credit Management** business unit recorded a margin of 30.7%, down compared to the Adjusted EBITDA margin of 38.8% in 2019.

Operating costs grew from 284,032 thousand euros in 2019 to 284,213 thousand euros in 2020, for an increase of 181 thousand euros (including 13,285 thousand euros for the effect of the acquisitions completed the previous year concerning the CPS S.A. Group from April 2019, the company Cerved Finline S.r.l. and Euro Legal Services S.r.l. since July 2019 and the MBS Consulting S.p.A. Group since August 2019), equal to 0.1%, as described below:

- costs for the consumption of raw materials and other costs decreased by 611 thousand euros, from 1,282 thousand euros in 2019 to 671 thousand euros in 2020 (including 46 thousand euros from the acquisitions made in the previous year). This performance is strictly related to the reduction in the cost of sales related to the remarketing activity carried out by the subsidiary Cerved Credit Management Group S.r.l., which has been divested;
- costs for services decreased by 4,574 thousand euros, from 128,334 thousand euros in 2019 to 123,760 thousand euros in 2020 (-3.6%), mainly due to the reduction in costs directly related to the lower level of operations caused by the spread of the COVID-19 pandemic; the change, however, is net of the effect of the increase in such costs deriving from the acquisitions made during the previous year and equal to 1,743 thousand euros;
- personnel costs increased by 3,180 thousand euros, from 140,880 thousand euros in 2019 to 144,060 thousand euros in 2020, of which 11,212 thousand euros due to the increase in the workforce as a result of the acquisitions made in the previous year;
- other operating costs decreased by 760 thousand euros, from 8,173 thousand euros in 2019 to 7,413 thousand euros in 2020;

- accruals to the provisions for risks and impairment of receivables increased by 2,945 thousand euros, from 5,363 thousand euros in 2019 to 8,308 thousand euros in 2020 (of which 162 thousand euros due to the acquisitions occurred in the previous year), following a specific assessment of losses on receivables, which have been impacted by the uncertainty caused by the COVID-19 emergency, and due to the adjustment of the risk provisions to the potential liabilities related to certain disputes in place.

With regard to the **Performance Share Plan**, a cost of 7,320 thousand euros was recorded, down compared to the comparative period, despite the fact that the forecast data and therefore the percentages of achievement of the PBTA objectives were revised downwards, following the COVID-19 health emergency and which led to the amendment to the “Performance Share Plan 2019-2021” and “Performance Share Plan 2022-2024”. For further details, please see the note “Performance Share Plan” below.

Depreciation and amortisation decreased by 4,880 thousand euros, from 84,966 thousand euros in 2019 to 80,086 thousand euros in 2020. This decrease is primarily due to the loss of the amortisation relating to the asset allocated to the servicing contract of Juliet S.p.A. in relation to the contract with Monte Paschi di Siena, which was fully written down last year following the early withdrawal.

The **costs for non-operating components** consist of the restructuring costs for extraordinary transactions and write-downs of fixed assets and non-recurring items decreased by 3,723 thousand euros, falling from 27,877 thousand euros in 2019 to 24,154 thousand euros in 2020, due mainly to the following factors:

- the cost for (i) the goodwill write-down of the Growth CGU for 11,924 thousand euros and of the Click CGU for 2,863 thousand euros carried out in March 2020 and (ii) a further write-down that emerged when updating the *impairment* test at December 31, 2020, amounting to 2,029 thousand euros and 5,982 thousand euros, respectively;
- costs related to services amounting to 2,857 thousand euros, consisting of incidental costs incurred in connection with extraordinary transactions executed during the period;
- the cost for staff leaving incentives in connection with the integration of Group companies for 2,327 thousand euros;
- other non-recurring management costs of 132 thousand euros;
- (i) an income relative to the compensation due by Credito Valtellinese of 6,023 thousand euros, due to transfer of a portion of the Credito Valtellinese loans portfolio managed by the company Cerved Credit Management S.p.A. (ii) net of a cost for the write-down of the related Servicing Agreement allocated during the Purchase Price Allocation for 2,063 thousand euros.

Financial income increased by 2,121 thousand euros, from 840 thousand euros in 2019 to 2,961 thousand euros in 2020, mainly for 1,448 thousand euros due to the release of the earn-out estimated on the basis of the revenues expected in 2020 at the time of the acquisition of Cerved Property Services Single Membre SA.

Recurring financial charges decreased by 6,133 thousand euros, from 29,872 thousand euros in 2019 to 23,739 thousand euros in 2020. At December 31, 2019, the value of the financial statements item had been affected by the charge, amounting to 9,360 thousand euros, related to the adjustment of the value of the options subscribed with minority shareholders. Lastly, the residual component of the reduction in financial charges is linked to the new derivative contracts signed between the end of the first half and the beginning of the second half of 2020.

Recurring financial charges are mainly made up of interest expense generated by:

- the Forward Start loan, up to its early repayment on May 12, 2020, and the new Term Loan for 10,332 thousand euros;
- the adjustment to market value payables linked to put/call options underwritten with the minority shareholders of MBS Consulting S.p.A. for 5,125 thousand euros;
- the adjustment to current value of the liability for earn-outs agreed in conjunction with the acquisition of the companies Euro Legal Services S.r.l. and Cerved Property Services S.A. for 937 thousand euros;
- financial charges on debt discounting for the earn-outs contractually agreed upon when the Hawk Group companies were acquired.

Non-recurring financial income/(charges) of 16,457 thousand euros are made up of:

- 7,298 thousand euros, for the recognition in the income statement of the residual charges linked to the Forward Start loan, following its early repayment in May 2020, as described in "Significant events of the period";
- 6,383 thousand euros, for financial charges incurred in conjunction with the early termination of hedge derivative contracts (IRS) linked to the Forward Start loan, which led to the recognition in the income statement of the entire hedge cash flow reserve following the early repayment of the underlying loan;
- 6,109 thousand euros, to the recognition in the income statement of the negative fair value at the date of signing of the new IRS derivative contracts hedging the Term Loan, underwritten between June 30, 2020 and July 1, 2020;
- 3,333 thousand euros, for income linked to the acceptance of the amendment of the economic conditions of the loan contract, underwritten in May 2020 and subsequently amended on June 30, 2020, to include an amendment of the loan variable interest rate floor from 0 to -2%.

Taxes for the year decreased by 6,455 thousand euros, from 32,300 thousand euros at December 31, 2019 to 25,854 thousand euros at December 31, 2020, mainly due to the reduction in pre-tax profit.

Non-recurring taxes, of 487 thousand euros include:

- the IRAP tax benefit of 1,073 thousand euros deriving from the non-payment of the 2019 IRAP balance and the first 2020 IRAP advance payment in compliance with the provisions of the so-called "Relaunch Decree" (Art. 24 of Italian Decree Law No. 34 of May 19, 2020, subsequently converted into Law No. 77 of July 17, 2020);
- the tax impact relative to the compensation received from Credito Valtellinese of 1,108 thousand euros for higher current taxes, already net of 576 thousand euros release of deferred taxes relative to the portion of intangible assets of the "Servicing Contract" subject to the impairment;
- the release of deferred taxes of 521 thousand euros related to the effects of the write-down following the impairment test.

STATEMENT OF FINANCIAL POSITION OF THE CERVED GROUP

The schedule below shows a statement of financial position of the Group at December 31, 2020, 2019 and 2018 reclassified by "Sources and Uses".

(In thousands of euros)	At December 31, 2020	At December 31, 2019	At December 31, 2018 *Restated*
Uses			
Net working capital	61,200	(4,053)	11,856
Non-current assets	1,178,836	1,240,050	1,274,947
Non-current liabilities	(139,743)	(167,859)	(144,745)
Net invested capital	**1,100,293**	**1,068,137**	**1,142,059**
Sources			
Shareholders' equity	512,609	518,685	550,965
Net financial debt	587,684	549,452	591,094
Total financing sources	**1,100,293**	**1,068,137**	**1,142,059**

The table that follows shows a breakdown of "Net working capital" at December 31, 2020, 2019 and 2018.

(In thousands of euros)	At December 31, 2020	At December 31, 2019	At December 31, 2018 *Restated*
Net working capital			
Inventory	-	-	111
Trade receivables	254,176	234,152	197,799
Trade payables	(46,908)	(55,572)	(59,844)
Payables for deferred revenues, net of prepaid commercial costs	(77,922)	(78,829)	(87,525)
Net commercial working capital (A)	**129,346**	**99,751**	**50,541**
Other current receivables	7,434	7,029	7,350
Net current tax payables	(11,552)	(25,538)	(4,676)
Other current payables, net of "Payables for deferred revenues"	(64,029)	(85,295)	(41,358)
Other net working capital components (B)	**(68,146)**	**(103,804)**	**(38,6 85)**
Net working capital (A + B)	**61,200**	**(4,053)**	**11,856**

At December 31, 2020, net working capital amounted to 61,200 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, 2019:

- trade receivables increased from 234,152 thousand euros at December 31, 2019 to 254,176 thousand euros at December 31, 2020, an increase of 20,024 thousand euros due to the effect of collection dynamics and widening of the perimeter following the acquisitions during 2020 (for 10,280 thousand euros); however, a worsening of the overdue accounts was observed at December 31, 2020, due to the impact of COVID-19 which led to an increase in the provision for impairment of receivables;
- trade payables fell from 55,572 thousand euros at December 31, 2019 to 46,908 thousand euros at December 31, 2020, for a decrease of 8,664 thousand euros mainly related to payment dynamics during the period as well as the reduction of commercial costs;

- payables for deferred revenues, net of the corresponding pre-paid selling costs, which refer to services invoiced but not yet provided to customers, decreased by 907 thousand euros, due to the dynamics in the consumption of prepaid services invoiced the previous year.

Current payables, shown net of payables for deferred revenues, decreased from 85,295 thousand euros to 64,029 thousand euros; this decrease is essentially attributable to the exercise of the put options in 2020 for 42,019 thousand euros with respect to the shareholders of MBS Consulting S.r.l., the minority shareholders of Cerved Credit Management Group S.r.l., Pro Web Consulting S.r.l. and Spazio Dati S.r.l..

At December 31, 2020, the balance includes the residual short-term payables of the options to the shareholders of MBS Consulting S.r.l., Pro Web Consulting S.r.l. and the residual payable for the purchase of Spazio Dati S.r.l. as well as the earn-out relating to the acquisition of Euro Legal Services S.r.l., of Cerved Property Services S.A. and the Hawk S.r.l. Group.

The main components of non-current assets, which totalled 1,178,836 thousand euros at December 31, 2020, include goodwill and intangible assets.

Intangible assets consist mainly of the value assigned to "Customer Relationships" and "Databases" of economic information. Investments made mainly relate to projects carried out for the development of new products and database acquisitions. With reference to the year ended December 31, 2020, the item "Goodwill" mainly refers to the capital gains arising on the acquisition of the Cerved Group by Cerved Technologies S.p.A. in February 2013 and residually from acquisitions made in subsequent years.

In the reporting period, the Group's net investments in property, plant and equipment and intangible assets totalled 43,070 thousand euros, including 11,888 thousand euros for databases, 19,150 thousand euros for software development and to the accounting according to IFRS 16 for 5,524 thousand euros.

Non-current liabilities mainly refer:

- to 34,711 thousand euros for the amount of long-term liability recognized upon the accounting of the options executed with the shareholders of MBS Consulting S.p.A. and the minority shareholders of Pro Web Consulting S.r.l.;
- to 4,128 thousand euros for the amount of long-term liability recognised for earn-outs on Cerved Property Services S.A. and Euro Legal Services S.r.l. transactions;
- to 2,127 thousand euros for the amount of long-term liability recognised for earn-outs on Hawk S.r.l. transactions;
- for 75,778 thousand euros for 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 dates, deferred taxes mainly included the tax liabilities recognised 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, 2020, 2019 and 2018:

(In thousands of euros)	At December 31, 2020	At December 31, 2019	At December 31, 2018 *Restated*
A. Cash	30	25	14
B. Other liquid assets	56,487	86,187	42,349
C. Securities held for trading	-	-	-
D. Liquidity (A)+(B)+(C)	**56,516**	**86,212**	**42,364**
E. Current loans receivable	-	-	-
F. Current bank debt	(203)	(201)	(178)
G. Current portion of non-current borrowings	(6,680)	(6,515)	(2,866)
H. Other current financial debt	(27,235)	(9,525)	(14,265)
I. Current financial debt (F)+(G)+(H)	**(34,118)**	**(16,241)**	**(17,310)**
J. Net current financial debt (D)+(E)+(I)	**22,398**	**69,970**	**25,054**
K. Non-current bank debt	(559,669)	(569,539)	(573,393)
L. Bonds outstanding	-	-	-
M. Other non-current financial debt	(50,414)	(49,884)	(42,755)
N. Non-current financial debt (K)+(L)+(M)	**(610,083)**	**(619,422)**	**(616,148)**
O. Net financial debt (J)+(N)	**(587,684)**	**(549,452)**	**(591,094)**

At December 31, 2020, the Group's net financial debt totalled 587,684 thousand euros, compared with 549,452 thousand euros at December 31, 2019. The ratio of debt to Adjusted EBITDA increased from 2.3x at December 31, 2019 to 2.9x at December 31, 2020. The worsening of the net financial debt is mainly attributable to the acquisition of the non-controlling interest in Juliet Holding S.p.A., which occurred in January 2020, and of some non-controlling interests in other companies linked primarily to the accrual of the put rights of minority shareholders that have led to an overall disbursement of 89,292 thousand euros, and to an increase in working capital due to temporary difficulties of some customers to pay within the due dates.
Please note that the item "Other current financial debt" includes the revolving line of 10,000 thousand euros to guarantee adequate safety margins for the Group's liquidity.

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

INCOME STATEMENT AND FINANCIAL POSITION DATA OF THE PARENT COMPANY

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

Statement of Financial Position

Cerved Group S.p.A. *(In thousands of euros)*	At December 31, 2020	At December 31, 2019
Net invested capital		
Net working capital	(9,406)	(15,118)
Non-current assets	1,249,310	1,253,569
Non-current liabilities	(76,395)	(81,974)
Total net invested capital	**1,163,509**	**1,156,477**
Funding sources		
Shareholders' equity	525,021	515,587
Net financial debt	638,488	640,890
Total financing sources	**1,163,509**	**1,156,477**

Condensed Income Statement

Cerved Group S.p.A. *(in thousands of euros)*	Year ended December 31, 2020	Year ended December 31, 2019
Total Revenues and Income	**301,836**	**309,434**
Cost of raw materials and other materials	(390)	(807)
Cost of services	(94,842)	(87,903)
Personnel costs	(74,729)	(78,934)
Other operating costs	(4,130)	(3,984)
Impairment of receivables and other provisions	(4,756)	(2,793)
Depreciation and amortisation	(69,039)	(59,625)
Operating profit	**53,950**	**75,387**
Financial income/(charges) and other expenses, net	(40,855)	(18,424)
Profit before taxes	**13,095**	**56,963**
Income taxes	(13,391)	(15,433)
Result for the year	**(296)**	**41,530**

TRANSACTIONS WITH RELATED PARTIES

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

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

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

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

Related Parties – Statement of Financial Position Data

(in thousands of euros)	Experian Italia S.p.A.	La Scala -Cerved Società tra avvocati a.r.l.	Board of Directors and executives with strategic responsibilities	Other related parties	Total	Total financial statement item	% of financial statement item
Trade receivables							
At December 31, 2019	44	684			728	234,152	0,3%
At December 31, 2020	80	1,719			1,800	254,176	0,7%
Other non-current financial assets							
At December 31, 2019		700			700	9,367	7,5%
At December 31, 2020		700			700	8,562	8,2%
Other receivables							
At December 31, 2019	31				31	2.839	1,1%
At December 31, 2020	14				14	3.578	0,4%
Trade payables							
At December 31, 2019	(595)	(976)			(1,571)	(55,572)	2,8%
At December 31, 2020	(326)	(2,222)			(2,549)	(46,908)	5,4%
Other payables							
At December 31, 2019	(7)	(22)	(15,956)[(1)]		(15,985)	(173,669)	9,2%
At December 31, 2020		(7)	(1,207)		(1,214)	(151,735)	0,8%

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

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

Related Parties – Income Statement Data

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

(in thousands of euros)	Experian Italia S.p.A.	La Scala -Cerved Società tra avvocati a.r.l.	Board of Directors and executives with strategic responsibilities	Other related parties	Total	Total financial statement item	% of financial statement item
2020							
Revenues	746	1,138			1,884	493,821	0,4%
Pro rata interest in the results of companies valued by the equity method	19				19	19	100,0%
Cost of services	(1,599)	(1,691)			(3,289)	(126,618)	2,6%
Personnel costs		(61)	(5,565)		(5,625)	(153,707)	3,7%
Financial income		20			20	2,942	0,7%

Related Parties – Cash Flow Data

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

(in thousands of euros)	Experian Italia S.p.A.	La Scala -Cerved Società tra avvocati a.r.l.	Board of Directors and executives with strategic responsibilities	Other related parties	Total	Total financial statement item	% of financial statement item
2020							
Cash flow from/(used in) operating activities	(1,148)	(417)	(20,314)		(21,879)	117,390	-18,6%
Cash flow from/(used in) investing activities	19				19	(126,488)	-0,0%
Cash flow from/(used in) financing activities		20			20	(20,596)	-0,1%

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, 2020 is as follows:

(in thousands of euros)	*Wages, salaries and social security contributions*
Directors' fees	**2,165**
Executives with strategic responsibilities	**3,400**
Total	**5,565**

Significant events of the Group

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

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

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

On April 24, 2020, the subsidiary Cerved Rating Agency S.p.A. finalised the acquisition of the entire share capital of Integrate S.r.l. ("Integrate"), an innovative start-up established in 2017 in Milan that operates in the Environmental, Social and Governance ("ESG") sector, which has developed an ESG rating model in line with international standards and owns an ESG database. The consideration of the transaction, of 600 thousand euros, was subjected to a price adjustment of 25 thousand euros, on the basis of the current net financial position at the closing date, in addition to a deferred price estimated in 191 thousand euros.

On April 24, 2020, Cerved Group subscribed with a pool of banks composed of Banca IMI S.p.A., BNP Paribas - Italian Branch, Banco BPM S.p.A., Crédit Agricole Corporate and Investment Bank - Milan Branch, Crédit Agricole Italia S.p.A., Mediobanca - Banca di Credito Finanziario S.p.A., UBI Banca S.p.A., and UniCredit S.p.A. binding agreements, relative to the subscription, subject to the occurrence of standard conditions in similar transactions, of credit agreements for 713 million euros. The new lines are composed of the Term Loan A of 545 million euros, the Term Loan B of 18 million euros, and a Revolving Credit Facility for 150 million euros with a final maturity of 5 years, and have allowed to refinance the Forward Start loans subscribed for 648 million euros and stipulated on January 15, 2016, and which had reimbursement dates starting from January 2021. The new credit facilities provide economic conditions substantially in line with the Forward Start lines. The loan agreements and the relative use of credit facilities were finalised on May 12, 2020.

On May 20, 2020 the ordinary shareholders' meeting of Cerved Group S.p.A. approved the financial statements at December 31, 2019 and the proposal by the Board of Directors to carry forward the net profit for the year.

On May 20, 2020 the ordinary shareholders' meeting of Cerved Group S.p.A. elected the new Board of Statutory Auditors which will remain in office until the date of the shareholders' meeting convened for the approval of the financial statements at December 31, 2022, appointing Antonella Bientinesi Chairperson of the Board, Gilberto Comi and Costanza Bonelli Standing Auditors and Paolo Baruffi and Antonio Mele Alternate Auditors.

On May 20, 2020 the extraordinary shareholders' meeting of Cerved Group S.p.A. approved the proposal to delegate the Board of Directors to increase the share capital by a maximum amount of nominal 5,052,114.20 euros to support the growth strategy, both in organic terms and by external lines, also through acquisitions.

On May 21, 2020 a further stake in the company Pro Web Consulting S.r.l. was acquired, thus increasing the controlling interest from 70.00% to 80.00% at a price of 2,942 thousand euros.

On May 28, 2020, Cerved Group S.p.A. signed an agreement with Mr Emanuele Bona, who has held the office of Chief Financial Officer of the Cerved Group since August 1, 2020.

On June 11, 2020 the residual non-controlling interest in the company Cerved Credit Management Group S.r.l. was acquired for 14,780 thousand euros, so bringing the controlling interest up from 96.79% to 100%.

On June 17, 2020 a further interest was acquired in the company MBS Consulting S.p.A. for 22,681 thousand euros, so bringing the controlling interest up from 30.70% to 50.60%.

On June 22, 2020 ten company vehicles were established by Cerved Master Services S.p.A. in order to facilitate the securitisation transactions of the Group clients.

On June 30, 2020 the IRS and Forward Start contracts in place were terminated in advance for an overall disbursement of 6,492 thousand euros and eight interest rate swap (IRS) contracts were underwritten with major banks (the last contract was signed on July 1, 2020), for a nominal value of 545 million euros, to hedge the interest rate risk of the Term Loan Facility A, with a fixed interest rate of 0.08% and a floor of -2%. The IRS contracts run from July 1, 2020 with a duration of five years and have a total negative fair value at the date of underwriting of 6,129 thousand euros, fully recognised in the income statement.
Due to the effect of the underwriting of these hedge contracts, in line with the loan agreement finalised on May 12, 2020, the Group has obtained a reduction of the interest floor from zero to -2%.

On July 1, 2020, Banca Popolare di Bari notified the subsidiary Credit Management S.r.l. of the transfer to AMCO (Asset Management Company S.p.A.) of a significant portion of the portfolio of NPL and UTP loans that said Credit Management S.r.l. managed. The value of the indemnity to be paid to the Cerved Group is currently being defined, in light of the fact that AMCO has assigned the credit management and recovery service in sub-servicing to the Cerved Group only for a sub-perimeter of the portfolio.

On September 7, 2020, the subsidiary Cerved Credit Management Group S.r.l. paid the first earn-out option, for a value of 1,167 thousand euros, envisaged in the agreement for the purchase of the entire equity investment in Euro Legal Services S.r.l.

On December 1, 2020, its range of anti-money laundering services was strengthened through the acquisition of the Hawk Group, a company already a partner of Cerved's, specialising in modular solutions to meet all the requirements of Italian legislation on anti-money laundering.

Significant events occurring after the end of the year

On January 20, 2021, the Board of Directors of Cerved Group S.p.A. resolved, with the favourable opinion of the Compensation and Nominating Committee, to adhere to the New *Corporate Governance* Code for Listed Companies promoted by Borsa Italiana.

In January 2021, the indirect subsidiary Cerved Credit Management S.p.A. commenced the arbitration procedure provided for in Article 17.2 of the Servicing Agreement (pursuant to Article 15.1 of the Arbitration Rules of the National and International Arbitration Chamber of Milan), against Credito Valtellinese S.p.A. in order to recover the credit related to the compensation accrued for an indemnity, amounting to 6,294 thousand euros and not yet paid at the date of this report.

On March 7, 2021, Cerved Group S.p.A. announced that, as part of the evaluations relating to the valuation of the Credit Management division, negotiations are underway - without any exclusivity obligation - with private equity funds for the sale of the subsidiary Cerved Credit Management Group S.r.l.

On March 8, 2021, Castor S.r.l. with sole shareholder, announces that it has taken the decision, at the same date, to promote a voluntary tender offer concerning all the ordinary shares of Cerved Group S.p.A., including treasury shares directly or indirectly held, from time to time, by the Issuer (the "Offer"), pursuant to and for the purposes of Article 102, paragraph 1, of Legislative Decree No. 58 of February 24, 1998, as subsequently amended (the "TUF"), as well as Article 37 of the regulation adopted by Consob with Resolution No. 11971 of May 14, 1999, as subsequently amended (the "Issuers' Regulation"). Evaluation and analysis of the Offer and its terms by the Company's Board of Directors, which will be the subject of the press release that the Company is required to publish pursuant to art. 103 TUF, have begun and are currently underway. In order to support the Board of Directors in carrying out these activities, the Company appointed UBS AG - London Branch and Mediobanca - Banca di Credito Finanziario S.p.A. as financial advisors and Studio Legale BonelliErede and Studio Legale Carbonetti as legal advisors.

On March 25, 2021, the Bidder announced that on the same date it had taken the decision to promote the Offer through a newly established joint-stock company called Castor Bidco SpA ("Bidco"). In this context, an equity commitment letter was signed between Bidco and the Offeror, pursuant to which the latter undertook to make capital contributions and/or shareholder loans in favor of Bidco, intended to meet the financial coverage of the maximum disbursement of the Offer. The Bidder and/or Bidco reserve the right to cover a portion of the maximum disbursement of the Offer through a bank loan, whose the terms and conditions - if necessary - will be disclosed to the market.

Likewise, on March 25, 2021, the Bidder announced that the Antitrust Authority had decided not to proceed with the investigation of the transaction in question, as it does not give rise to the establishment or strengthening of dominant position, such as to substantially and permanently eliminate or reduce competition.

Lastly, on March 25, 2021, Bidco announced (i) that it had filed with CONSOB on the same date, pursuant to Article 102, paragraph 3 of the TUF, as well as Article 37-ter of the Issuers' Regulation, the offer document, intended for publication, relating to the Offer promoted by Bidco, and (ii) to have submitted to the competent Authorities, pursuant to Article 102, paragraph 4 of the TUF and Article 37-ter, paragraph 1, lett. b) of the Issuers' Regulation, the communications and requests for obtaining the authorisations required by the applicable regulations in relation to the Offer.

Information on the Covid-19 phenomenon

GENERAL FOREWORD

Starting from January 2020, first in China and from February 2020 also in Italy, the spread of COVID-19 has affected health and economic systems worldwide, being declared as a pandemic by the WHO in March 2020. The evolution of this phenomenon is significantly impacting on the prospects for future growth, influencing the general macroeconomic scenario and the financial markets, with a significant influence on the Italian economic scenario in the light of the measures adopted by the government to contain the spread of the epidemic.

In this complex context, the Cerved Group has dealt with the crisis situation promptly, establishing an internal Covid Monitoring Committee, and implementing a series of actions intended, first of all, to protect the health of our employees, and then to ensure the company's business continuity.

The Group has from the start committed energy, activities and means aimed to help employees and collaborators in the management of the COVID-19 emergency to promote their wellbeing, health, engagement and development.
All this was implemented through concrete initiatives to help people to remain in contact with the organisation and to protect their health and safety, such as:

- immediate activation of smart working;
- implementation of a strict operating procedure to assess the possible gradual inclusion of employees in the various operating offices in the utmost safety and in accordance with the government regulations from time to time issued;
- an insurance cover against the effects of the COVID-19 disease;
- various activities to support remote work, such as:
  - psychological assistance;
  - conventions with Gympass (an online platform to access sports activities);
  - creation of a community on Work Place, Share & Learn, to distribute knowledge and competences within the organisation, and Smart Management, which offers People Managers a space to communicate to create new ways of working that maximise people's productivity and engagement;
  - free English courses via EF during the lockdown period;
  - training modules on Problem Solving through e-learning channels.

With regard to the Italian companies belonging to the Group with CCNL Commercio (Trade Nation Labour Agreement), the Fondo Integrativo Salariale (Wage Integration Fund - F.I.S.) incentive was used in view of the reduction of the activities caused by the COVID-19 emergency, for a total of 20,688 hours of F.I.S., equal to 0.55% of the total hours, with a benefit of 295 thousand euros.

Impacts of COVID-19 on some financial statement items

At December 31, 2020:

i) goodwill was subjected to a new impairment test, which, in addition to the impairments recorded in the interim financial statements at March 31, 2020 on goodwill amounting to 11,924 thousand euros in respect of the Growth CGU and 2,863 thousand euros in respect of the ClickAdv CGU, this valuation showed a further impairment of both CGUs, equal to 2,029 thousand euros and 5,982 thousand euros respectively. Please refer to the following "Goodwill" section for more details;

ii) the review of the expected income flows used as a basis for the evaluation of put option rights assigned by the Cerved Group to the minority shareholders of MBS Consulting S.p.A. to sell in tranches a shareholding of 49.41% of the company by the end of the first half of 2024, to take place on the occurrence of specific conditions. This valuation led to an update of the value of the liability, and therefore to the recognition of a financial charge of 5,125 thousand euros;

iii) the review of the expected income flows used as a basis for the evaluation of put option rights assigned by the Cerved Group to the minority shareholders of Pro Web Consulting S.r.l. to sell in tranches a shareholding of 20% of the company by the end of the first half of 2022, to take place on the occurrence of specific conditions. This valuation led to an update of the value of the liability, and therefore to the recognition of a financial income of 881 thousand euros;

iv) the recognition of the IRAP tax benefit of 1,073 thousand euros deriving from the non-payment of the 2019 IRAP balance and the first 2020 IRAP advance payment in compliance with the provisions of the so-called "Relaunch Decree" (Art. 24 of Italian Decree Law No. 34 of May 19, 2020, subsequently converted into Law No. 77 of July 17, 2020).

As regards the assessment of the long-term Incentive and Retention Plan (Performance Share Plan or PSP), we note that, despite the fact that the reference business plan indicated a reduction in the achievement of PBTA targets, the Compensation and Nominating Committee and the Board of Directors have approved corrective measures to the calculation parameters of the plans by modifying the conditions of the Plan Regulations in relation to the achievement of non-market objectives in order to neutralise the negative impacts of Covid. For further details, please see the paragraph "Performance Share Plan" below.

At December 31, 2020, the analysis was updated with regard to the recoverability of trade receivables in the portfolio at the end of the period under consideration. After this analysis, with respect to the comparative period ended on December 31, 2019, an allocation was recognised to the provision for impairment of receivables for a total of 7,992 thousand euros, against an increase in the credit exposure to third parties of 23,815 thousand euros, from 247,456 thousand euros at December 31, 2019 to 271,271 thousand euros at December 31, 2020.

(in thousands of euros)	At December 31, 2020	At December 31, 2019
Trade receivables from external customers	271,271	247,456
Provision for impairment of receivables	(18,893)	(14,031)
Related-party receivables	1,798	727
Total	**254,176**	**234,152**

Business outlook and forecasts of the group's economic and financial performance

In the weak phases of the economic cycle our services become even more important in limiting financial contagions and, already in the past, our business model has proven to be resilient. In this context, we have also made our wealth of data, technologies and tools available to customers and institutions to assess the impact of COVID-19 on businesses: thanks to our analysis, we have estimated the effects of the emergency on different segments and the effects on default rates.

As this stage, having made the assessments possible on the basis of the available information framework, and in light of the results achieved at December 31, 2020, with respect to the 2020 forecast stress test, prepared at March 31, 2020 and then updated at June 30, 2020, it is confirmed that there are no risks relating to business continuity.

2019-2021 Performance share plan

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

The Plan is articulated into three Cycles (2016, 2017 and 2018), each of the duration of three years, and relates to rights to receive free of charge a maximum number of 2,925,000 shares equal to 1.5% of the share capital of the Company, which can be assigned in the three Cycles of the Plan, subject to adjustments resolved by the Board of Directors, by virtue of the powers assigned to it for the implementation of the Plan.

The performance targets identified in the Plan are:

- 70% "PBTA Target": the growth, expressed in percentage, of the "Adjusted Profit Before Taxes" per share in the reference three-year period, with the premise that the growth of the "Adjusted Profit Before Taxes": (i) is intended as the compounded annual growth rate and excludes the accounting effects deriving from the Plan itself from the calculation; (ii) excludes the effects of the so-called Forward Start refinancing contract from the year 2015. Furthermore, in order to neutralise the impact of COVID-19, the Compensation and Nominating Committee and then the Board of Directors, at a meeting held on July 30, 2020, approved an amendment to the regulations discounting the growth calculated on the 2017 PBTA value by 17%.

- 30% “TSR Target”: the Company’s “Total Shareholder Return” compared with that of companies included, for each Plan Cycle and the entire duration of the corresponding performance period, in the FTSE Mid Cap Index Italia, generated by Borsa Italiana S.p.A..

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

On February 12, 2020, the Board of Directors of the Company, based on the objectives achieved and set out in the Regulation and on the proposal of the Compensation and Nominating Committee, approved the allocation of 427,106 shares, equal to 70% of the options exercised for the Second Cycle 2017.

The status of the rights in place at December 31, 2020 is reported below:

(in thousands of euros)	Options awarded and outstanding at December 31, 2019	Awarded options	Options expired/ revoked	Exercised options	Options outstanding at December 31, 2020
2019-2021 Performance Shares Second Cycle 2017	610,155			(610,155)	-
2019-2021 Performance Shares Third Cycle 2018	704,722		(12,797)		691,925
2019-2021 Performance Shares additional Third Cycle	663,760		(15,539)		648,221
Total	**1,978,637**	**-**	**(28,336)**	**(610,155)**	**1,340,146**

The accrued cost recognised at December 31, 2020 for the aforementioned plans amounted to 3,620 thousand euros and was included among Personnel costs.

2022-2024 Performance share plan

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

The Plan is articulated into three Cycles (2019, 2020 and 2021), each of the duration of three years, and relates to rights to receive free of charge a maximum number of 4,881,874 shares equal to 2.5% of the share capital of the Company, which can be assigned in the three Cycles of the Plan, subject to adjustments resolved by the Board of Directors, by virtue of the powers assigned to it for the implementation of the Plan.

The performance targets identified in the Plan are:

- 70% “PBTA Target”: the growth, expressed as a percentage, of Adjusted Profit Before Taxes per Share in the period 2019-2021, with the premise that the growth in Adjusted Profit Before Taxes is intended as an annual compound growth rate and excludes from the calculation the accounting effects deriving from the Plan itself. The Board of Directors meeting of the Parent Company held on February 11, 2021, in order to ensure the effectiveness of the Plan as a retention tool, proposed and approved a change to the regulation by discounting the growth calculated on the 2018 and 2019 PBTA value by 17%;

- 15% "Mid Cap TSR Target": the Company's Total Shareholder Return compared with that of companies included, for each Plan Cycle and the entire duration of the corresponding performance period, in the FTSE Mid Cap Index Italia generated by Borsa Italiana S.p.A.;
- 15% "TSR Sector Target": the percentage deviation of the Company's Total Shareholder Return, for each Plan Cycle and for the entire duration of the related performance period, compared to the Total Shareholder Return of the FTSE Mid Cap Index Italia generated by Borsa Italiana S.p.A..

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

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

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

On July 30, 2020, the Company's Board of Directors, upon a recommendation by the Compensation and Nominating Committee, approved the identification and assignment of 1,607,060 options for each beneficiary of the Second Cycle of the 2022-2024 Plan (of which 1,550,860 options actually assigned).

On the grant date of July 30, 2020, the fair value of each option related to the Plan's Mid Cap TSR and Sector TSR Targets (so-called "market" conditions) was equal to 3,742 euros and 4,139 euros respectively, while the fair value of each option related to the Plan's PBTA condition (so-called "non-market" and 100% valued at December 31, 2020) was 4,960 euros.

The table below shows the status of the options for the first two cycles outstanding at December 31, 2020:

(in thousands of euros)	Options awarded and outstanding at December 31, 2019	Awarded options	Options expired/ revoked	Exercised options	Options outstanding at December 31, 2020
2021-2024 Performance Shares First Cycle 2019	1,694,000		(33,000)		1,661,000
2021-2024 Performance Shares First Cycle 2019 - integration	80,000		(70,000)		10,000
2021-2024 Performance Shares Second Cycle 2019	-	1,550,860			1,550,860
Total	**1,774,000**	**1,550,860**	**(103,000)**	**-**	**3,221,860**

The accrued cost recognised at December 31, 2020 for the aforementioned plans amounted to 3,532 thousand euros and was included among Personnel costs.

Main risks and uncertainties

The company is exposed to the following financial risks: market risks (interest rate risk and price risk), liquidity risk and credit risk.

Liquidity risk is addressed by carefully managing and controlling operating cash flows.

The company is also exposed to the price risk for the services it purchases (cost of raw data), which it manages by executing agreements with its counterparties, the terms of which include predefined prices within the framework of an industry agreement.

The credit risk refers exclusively to commercial receivables, but the company does not view the risks associated with this area as significant, as its sales policies are structured with the aim of dealing only with customers with an appropriate size and credit profile.

Additional information about the main risks and uncertainties to which the company's financial statements are exposed is provided in the "Financial Risk Management" section of the Notes to the Financial Statements.

With regard to the COVID-19 phenomenon, please refer to the paragraph "Impacts of COVID-19 on some financial statement items".

Information about treasury shares

At December 31, 2020, the Company held 2,993,169 treasury shares valued at the purchase price of 22,608 thousand euros.

Financial instruments

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

Information concerning the environment

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

See the information provided in the Non-financial Statement for additional details.

Information about corporate governance

The Company has made its system of corporate governance compliant with the relevant provisions of Legislative Decree No. 58/1998 (“TUF”) and the Corporate Governance Code for Listed Companies approved by the Corporate Governance Committee and promoted by Borsa Italiana, ABI, Ania, Assogestioni, Assonime and Confindustria (the “Corporate Governance Code”).

For additional information about the Company’s governance, please see the corresponding page of the Company’s website: company.cerved.com/it/documenti.

Human resources

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

We have reacted to the pandemic with resilience and, riding the wave of digital transformation, we have also seized the opportunities generated by smart working, effectively rethinking the management of projects and processes.

TRAINING

Even in a year as peculiar as 2020, employee training continued to be a central asset that represents for Cerved an investment that generates double value: for the organisation and for the people who belong to it. By offering development paths and programmes aimed at increasing and enhancing the skills of each individual, Cerved has proposed paths that are based on the strategic priorities of the company and the various business lines, which contribute significantly to the upskilling of the various professional families.

In view of the Covid emergency, in 2020, the traditional methods of providing training were completely revised: we transformed traditional teaching into virtual classrooms, workshops and live classes, adapting content and time slots with the aim of guaranteeing very high-quality standards.

With regard to Managerial Training, Cerved’s commitment continues with Performance Leadership, a training course active since 2019 structured into different editions lasting about two months. With the aim of supporting managers in the development of their leadership skills, stimulate their desire to achieve excellence level performance, promote a feedback culture and foster a process of sharing and exchanging required for effective team leadership, we have carried out coaching courses for executives and middle managers.

With regard to Professional Training, the greatest effort was directed towards the most typical professional families of our business with a view to enhancing the talent within the organisation:

- *Road To Credit Manager is the career acceleration program dedicated to the hiring and training of recent post/under-graduates to be trained in the role of Credit Manager.*
- *Data Scientist Program is a course dedicated to our data scientists.*
- *Sales Academy is the module dedicated to new entrants in the sales networks.*

In 2020, we also followed up on the request for ad hoc training courses based on the specific requests of teams.

HIRING AND ATTRACTING TALENTS

Considering the importance of attracting the best talents on the market, a careful selection of events was carried out in 2020, choosing those that would guarantee a high added value in terms of experience for participants and education.

Whilst working in partnership with universities selected on the basis of strategic profiles for our business (e.g. Bocconi, Scuola Sant'Anna di Pisa) we participated in virtual Career Days and, thanks to the flexibility provided by remote work, we also reached students from universities in Southern Italy in a more widespread and timely manner. A concrete example was the collaboration with the University of Calabria with which we activated a partnership for the Masters in Data Science and for which we organised a training workshop to provide useful advice to students on how to prepare for a selection interview, providing them with concrete tools for entering the labour market. With a view to social responsibility, to provide added value to the wider community, the "Career Lab" initiative was launched, consisting of three digital workshops aimed at the relatives of employees and collaborators aged between 18 and 24 years old, with the aim of helping to develop awareness of company dynamics and provide useful tools and information for the search for job opportunities.

The year was also focused on developing the talent of Cerved's people with the aim of creating retention, enhancing their strengths, supporting them in increasing their awareness of their managerial impact and therefore improving their effectiveness.

For the first time at Cerved, an internal Appointment to Executives process has been designed internally, developed in collaboration with an external supplier for the assessment part based on the Cerved Leadership model.

With a view to encouraging internal mobility and the spreading of skills within the organisation, in 2020, 30 positions were shared on BraIn, the internal job posting system, giving all colleagues the opportunity to apply for and take up a new professional challenge within the Group.

WELFARE, WORK-LIFE BALANCE AND COMPANY CLIMATE

In 2020, Cerved promoted Company Welfare for the third consecutive year, in continuity with that established in previous years, guaranteeing a system of flexible benefits to most of its employees. All this was possible thanks to the support of a dedicated platform, with a wide range of products, from reimbursements for education, transport and welfare expenses to the purchase of vouchers, leisure packages, travel bookings and more.

In order to better manage the Covid emergency, Cerved immediately implemented several initiatives aimed at protecting the health and well-being of its people, facilitating remote work and ensuring health prevention through serological tests and swabs, direct contact on the company's social collaboration tool with doctors and experts, and the activation of the Immuni App on company smartphones. In addition, a 24/7 telephone psychological support service and an agreement with a digital platform connected to a network of partners in the world of online fitness and well-being were proposed. In addition, COVID-19 insurance coverage and life insurance coverage were activated, which can be voluntarily integrated with one's own welfare credit within the dedicated platform.

COMPENSATION POLICIES

The Compensation Policy of the Cerved Group, for which reference should be made to the Compensation Report for all necessary details.

For office staff and middle managers, the compensation package is comprised of a fixed portion and a variable portion. The former, which reflects a meritocratic approach, is reviewed annually and, if needed, is adjusted consistent with the principles of competitiveness with the external environment, internal fairness and individual performance. The latter consists of a performance bonus, agreed upon with the labour unions and benchmarked based on an incentive system for Company targets.

Based on the provisions of Italian Law No. 208 of 28/12/2015, as amended and supplemented, each employee benefiting from the performance bonus will be able to exercise the so-called Welfare Option, choosing to use all or part of the individual performance bonus accrued and due for services and works for social purposes, paid in kind or in the form of the reimbursement of expenses.

For part of the company population, the variable compensation also includes a premium linked to individual performance and company results (Performance Bonus). The process involves the definition of clear and shared objectives for each employee, reviewed with their manager, and is based on continuous evaluative feedbacks of the work and results achieved.

The final value of the Performance Bonus is composed of a component based on the achievement of a predefined level of Group EBITDA and individual objectives.

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

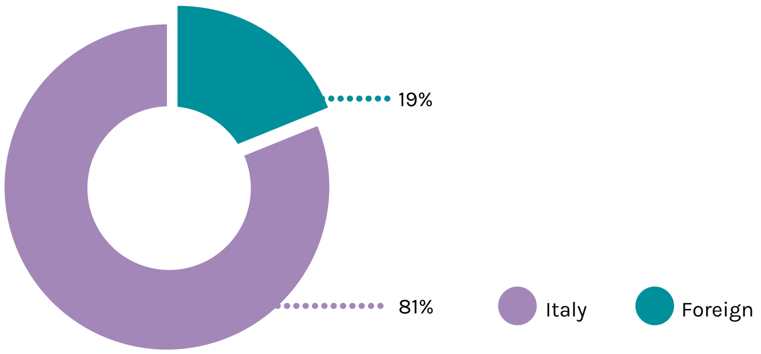
The performances of the sales organisations are rewarded with special incentive systems based on quantitative and qualitative KPIs.

The Cerved Group continued to implement for 2020 a Company Welfare program aimed at enhancing the value of the company's human resources and integrating social security and welfare benefits deriving from legal or contractual obligations.

HUMAN RESOURCES

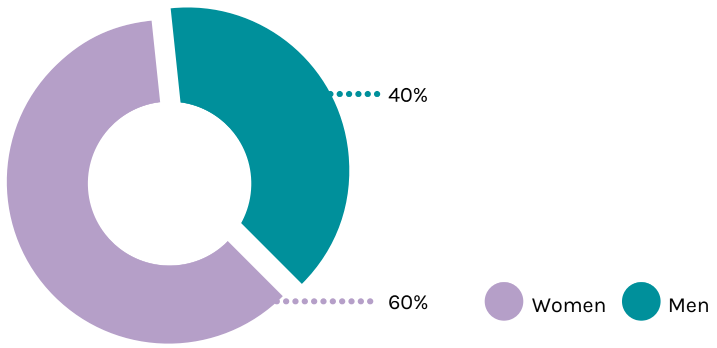
In 2020, the staff of the Cerved Group averaged 2,642 full time equivalent (FTE) employees located 81% in Italy and the remaining 19% abroad in Europe.

Geographic area	Average HC 2020	%	Average HC 2019	%
Italy	2.138	81%	2.005	81%
Foreign	504	19%	467	19%
Total	**2,642**	**100%**	**2,472**	**100%**



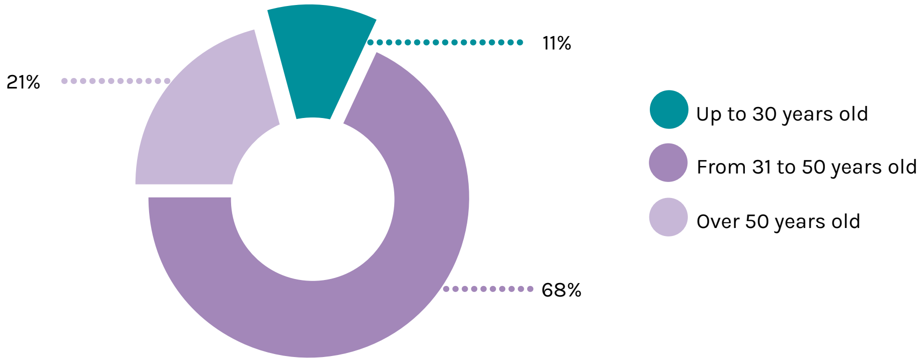
At December 31, 2020, women accounted for about 60% of the Group's staff.

Sex	"HC at December 31, 2020"	%	"HC at December 31, 2019"	%
Men	1,051	40%	999	39%
Women	1,605	60%	1,571	61%
Total	**2,656**	**100%**	**2,570**	**100%**



Also at December 31, 2020, a breakdown of employees by age group was as follows:

"Breakdown by age groups"	"HC at December 31, 2020"	Women			Men		
		Executives	Middle managers	Office staff	Executives	Middle managers	Office staff
Up to 30 years old	290	0	1	156	0	4	129
From 31 to 50 years old	1,804	7	111	1,003	56	169	458
Over 50 years old	562	8	62	257	39	85	111
Total	**2,656**	**15**	**174**	**1,416**	**95**	**258**	**698**



The table below shows the composition of the Board of Directors at December 31, 2020:

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

Directors of the female gender accounted for 36% of the Board; 91% of the Board members was older than 50 years of age, while the remaining 9% were between 30 and 50 years old.

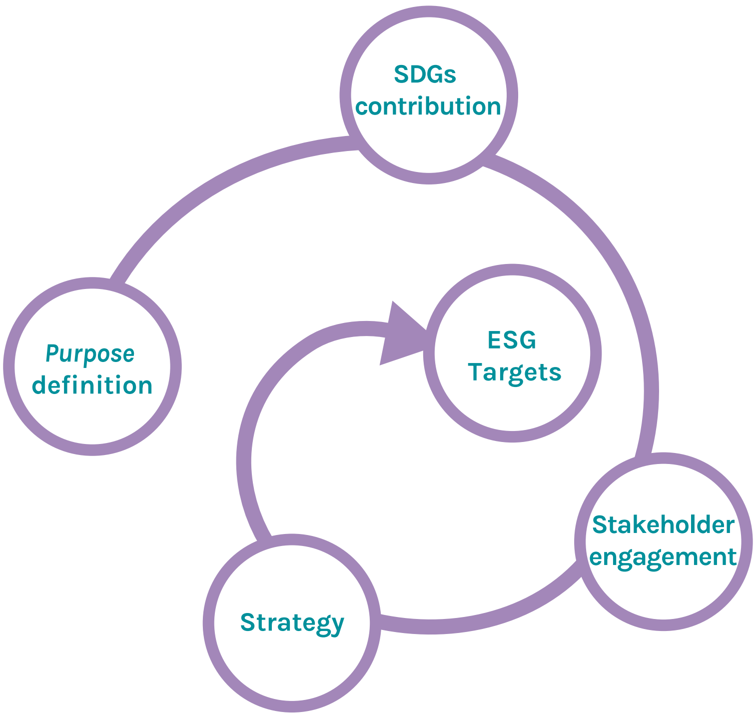
Non-financial statement and sustainability

Cerved continues its path aimed at providing ever greater concreteness and emphasis to its purpose of "helping the national economy to protect itself from risk and grow in a sustainable way, putting data, technology and talent at the service of people, companies, banks and institutions". A sustainability strategy aimed at generating value for all stakeholders in the long term and an ambitious challenge, especially in the context of complexity and uncertainty generated by COVID-19 and which has impacted on Italian productivity and on the growth of the country.

Cerved's commitment is aimed at supporting the 2030 Agenda and the achievement of the United Nations Sustainable Development Goals (SDGs), contributing, in particular to SDG 9, by supporting businesses and promoting innovation and infrastructure with the aim of increasing access to financial services and credit.

During 2020, Cerved updated its stakeholder engagement process, aimed at investigating and analysing the main topics relevant to the business and, at the same time, affirming its social role through dialogue and discussion. An extensive activity that involved internal stakeholders (management, employees and the network of sustainability ambassadors) and external stakeholders (investors, institutional and regulatory players, analyses, customers and suppliers), both through targeted interviews and the activation of ad hoc surveys.

From this feedback activity, fundamental inputs were derived for updating the materiality matrix and for defining the main issues on which to focus both the 2020 Non-Financial Statement and the Group's ESG strategy.



With the ambition to provide greater consistency to its sustainability path, ESG targets have been defined that are strongly linked to the material topics of the Group and represent diversified objectives able to have a transversal impact on business activities, on the promotion of talent and diversity and reducing CO_2 emissions.

The ESG targets are an important evolution of the commitments that the Group had declared in the last Non-Financial Statement, with respect to which an important stage of progress was reached in their implementation and realisation.

The targets will guide the strategy and operations of the Group in the coming years, contributing to further improve the sustainability profile of Cerved and strengthen the commitment of the management and the entire company. Through these, Cerved hopes to leverage its social role for a more sustainable growth of its value chain and, at the same time, to generate a leverage effect on the market and on the production system.

The ESG targets, which will have a short and medium-term horizon, were defined on the basis of quantitative parameters in order to make the related monitoring and measurement process more immediate. This will allow the Group to use them as objective inputs for the definition of the variable component of Management remuneration, in line with the consolidated best practices of the market.

Quantitative ESG targets at 2023

SDGs	Commitment area	Target	Baseline 2020	Target 2021	Target 2023
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	**Impact Assessment**	Carry out the Cerved Group impact assessment	-	Completed	Implementation
13 CLIMATE ACTION	**Emission reduction**	Renew the car fleet through purchases with reduced environmental impact (CO_2 Scope 2)	-	<140 gCO_2/km	<130 gCO_2/km
13 CLIMATE ACTION	**Use of renewable sources**	Increase the percentage of direct purchases of electricity from renewable sources in Italy (CO_2 Scope 2)	97.8%	>95%	100%
5 GENDER EQUALITY, 10 REDUCED INEQUALITIES	**Diversity**	Increase the number of women in managerial positions	Managers: 40.1% Executives: 13.6%	At least 50% new female managers and 30% new female executives	Managers: ~41-43% Executives: ~15-18%
8 DECENT WORK AND ECONOMIC GROWTH	**Education and training**	Increase the average number of training hours per employee	16.5 hours	18 hours	24 hours
8 DECENT WORK AND ECONOMIC GROWTH	**Health and safety**	Obtain ISO 45001 health and safety certification*	-	Certification process management for Cerved Group SpA	Extension of certification to other Legal Entities
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**Ethics and integrity**	Obtain ISO 37001 anti-corruption certification	-	Certification for Cerved Group S.p.A.	KPIs Monitoring
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**Sustainable supply chain**	Increase the percentage of suppliers evaluated according to ESG criteria	-	100% suppliers > 500k euro	100% suppliers > 100k euro
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**Customer satisfaction**	Maintain high customer satisfaction**	91.3%	91.3%	91.3%

** In 2022, obtain ISO 45001 certification for Cerved Group S.p.A.*

*** Considering a 5% margin of error referring to the Customer Satisfaction Analysis methodology.*

The definition of ESG targets represents, for the entire Group, the drive to raise the bar and to set itself increasingly challenging and significant objectives. For this reason, a number of reflections have been launched, which will find space and concreteness in the coming years, with respect to: the strategic implementation of the outputs of the activities linked to the impact assessment; adaptation to the new Corporate Governance Code, taking advantage of the opportunity for a broader reasoning on the relationship with all stakeholders in the definition of sustainable success; the launch of an in-depth analysis linked to the adoption of the IIRC (International Integrated Reporting Council) framework for the preparation of the integrated financial statements; the assessment of actions and objectives to achieve carbon neutrality.

In recognition of the Group's commitment to sustainability issues, analysts and international ESG rating agencies further improved their opinion expressed during 2020. In particular, the ISS Quality Score, at December 31, 2020, assigned the maximum score to the Group's ESG performance (equal to 1/10) for aspects related to Social and Governance dimensions and a score equal to 2/10 with respect to Environmental issues. For ISS-ESG, the Cerved Group was recognised as a "Prime" company in the reporting of ESG issues, obtaining the qualification of "Industry Leader" for the above-average performance from a panel of comparable peers.

The Company has prepared its Sustainability Report at December 31, 2020, which also represents the Non-Financial Statement (NFS) pursuant to Legislative Decree No. 254/16, in accordance with the Guidelines published by the European Union in July 2017 and Consob Regulation No. 20267 of January 18, 2018. The NFS is subject to approval by the Board of Directors on March 25, 2021.

Research and development

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

Cerved and the stock market

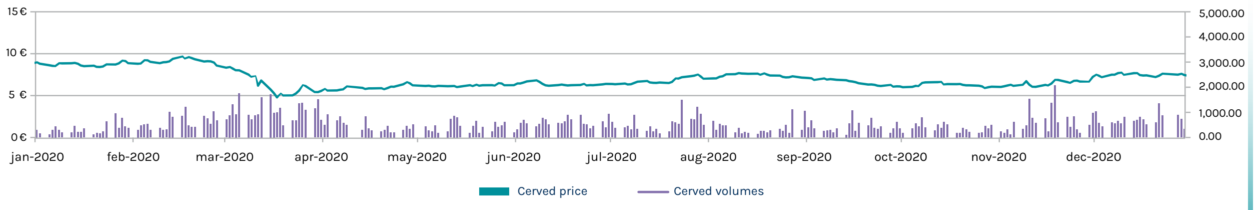
PERFORMANCE OF THE COMPANY STOCK

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

The strong uncertainty with the global economic outlook triggered strong turbulence on the stock markets which, at a global level, were reflected in large falls in share prices and in an increase in volatility. The impact was different depending on the geographic area and sector, depending on the exposure to the pandemic and the effects of the lockdown measures.

For these reasons, in 2020 the FTSE Italia Mid Cap index decreased by -6.8%, following the negative trend of the FTSE MIB index, which recorded a performance of -6.7% from January 2, 2020 to December 30, 2020. Cerved's share price recorded a -17.0% fall from 9.0 euros, the first official price recorded on January 2, 2020. On its last day of trading in Piazza Affari, the Cerved share closed 2020 with an official price of 7.5 euros, resulting in a market capitalisation of approximately 1.454 billion euros. The daily average of volumes traded stood at around 557 thousand shares traded, an increase compared to the previous year (+37.0%).

During the month of March 2020, i.e. during the first week of the lockdown, the price of the Cerved share recorded a sharp decline. However, after the sharp decline in the first few weeks, the stock recorded a slow recovery and then stabilised over the following months.



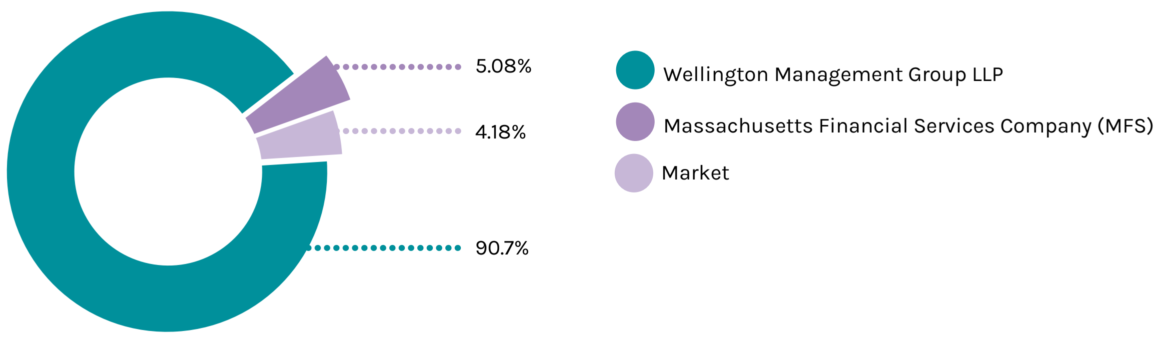
The table below summarises the data for the period from January 2, 2020 to December 30, 2020:

Highlights	Euros	Date
Low for the year	4.8	March 18, 2020
High for the year	9.7	February 17, 2020
First official closing price	9.0	January 2, 2020
Last official closing price	7.5	December 30, 2020
Capitalisation	1,454,798,439	December 30, 2020
Number of shares outstanding	195,274,979	December 30, 2020
Share float (%)	90.7%	December 30, 2020

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

At December 31, 2020, Cerved's shareholding structure, with reference to significant shareholdings and on the basis of the communications received by Consob pursuant to law, was as follows:



Source: Consob

RELATIONS WITH THE FINANCIAL COMMUNITY

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

The objective of the Investor Relations activities is to help the financial community understand Cerved's objectives, strategies and growth prospects through communications that are transparent, timely, complete and consistent, with the aim of reducing uncertainty and unequal access to information. The Cerved Group has long believed that the integration of sustainability in business strategies is a fundamental element for its long-term vision. In this regard, the Investor Relations function oversaw the activities related to the management of sustainability with the aim of activating an organic and integrated monitoring with respect to the requests of the market, the authorities and public opinion to receive more extensive, transparent and responsible corporate information so that stakeholders may have a more complete view of the risks of the opportunities and challenges that the Cerved Group faces today and that it will face in the near future.

In 2020, the Investor Relation activities focused on a strategy based mainly on the following activities:

- preparing and providing documents concerning quarterly results and documents for the Shareholders' Meeting;
- participation in events with the financial community and conference calls with investors, at the request of brokers, and at the direct request of the investors themselves;
- carrying out investor care and prospect targeting activities;
- monitoring analyst estimates and internal reconstruction of consensus estimates;
- monitoring the performance of the Cerved stock;
- monitoring and providing updates on the main changes introduced in the regulatory framework that could affect relations with the financial community;
- management of activities related to sustainability issues and related communication.

The Cerved stock was followed in the 2020 reporting year by ten sell-side analysts belonging to the major Italian and foreign brokerage institutions who regularly published their research, promoting the disclosure of the company's financial information to the financial community.

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, 2020	Net profit for 2020
Parent shareholders' equity and net profit	**525,021**	**(296)**
Consolidated companies	353,904	42,372
Reversal of carrying amount of investments in associates	(363,938)	-
Fair value of options executed with minority shareholders	(54,783)	(5,032)
Equity-method consolidation of associated companies	(45)	(151)
Recognition of goodwill	52,450	(7,460)
Consolidated shareholders' equity and net profit	**512,609**	**29,433**

Oversight and coordination activity

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

Information about the "opt out" alternative

As required by provisions of Article 70, paragraph 8, of the Issuers' Regulation, the Company indicates that on April 2, 2014, concurrently with the filing of an application to list its shares on the MTA, it chose to adopt the "opt out" system provided under Article 70, paragraph 8, and Article 71, paragraph 1-bis, of the Issuers' Regulation, thereby availing itself of the exemption from the obligation to publish the information memoranda required in connection with material transactions involving mergers, demergers, capital increases through conveyances of assets in kind, acquisition and divestments.

Motion to appropriate the result for the year

Dear Shareholders,

We would like to point out that the draft financial statements that we invite you to approve closed with a loss of 296,070 euros.

This result is attributable to the fact that in 2020 the Company incurred non-recurring costs for a total of 40,950 thousand euros, of which:

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

Given the above, in asking you to approve the Financial Statements and the Report, as submitted to you, we also invite you to approve the coverage of the loss for the year, amounting to 296,070 euros, through the use of retained earnings.

San Donato Milanese, March 25, 2021

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

2

Consolidated Financial Statements at December 31, 2020

Consolidated Statement of Comprehensive Income

(In thousands of euros)	Notes	At December 31, 2020	At December 31, 2019
Revenues	7	484,979	519,266
- amount with related parties	*43*	*1,884*	*1,164*
Other income	8	8,842	41,367
- amount from non-recurring transactions	*15*	*6,023*	*40,000*
Total Revenues and Income		**493,821**	**560,633**
Cost of raw materials and other materials	9	(671)	(1,282)
Cost of services	10	(126,618)	(133,877)
- amount with related parties	*43*	*(3,289)*	*(2,372)*
Personnel costs	11	(153,707)	(152,852)
- amount with related parties	*43*	*(5,625)*	*(5,107)*
Other operating costs	12	(7,545)	(8,776)
Impairment of receivables and other provisions	13	(8,308)	(5,363)
Depreciation, amortisation and write-downs	14	(104,947)	(144,178)
- amount from non-recurring transactions	*15*	*(24,861)*	*(59,212)*
Operating profit		**92,026**	**114,305**
Income from/(charges for) investments in associates		19	(36)
- portions of the results of investments valued by the equity method	*22*	*19*	*(36)*
- amount with related parties	*43*	*19*	*(36)*
Financial income	16	2,942	840
- amount with related parties	*43*	*20*	*19*
Financial charges	17	(40,196)	(29,836)
- amount from non-recurring transactions	*15*	*(16,457)*	*-*
- amount with related parties	*43*	*-*	*(969)*
Profit before taxes		**54,791**	**85,273**
Income taxes	18	(25,358)	(27,052)
- amount from non-recurring transactions	*15*	*487*	*5,248*
Net profit		**29,433**	**58,222**
Amount attributable to non-controlling interests		3,778	3,601
Net profit attributable to owners of the parent		**25,655**	**54,621**
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		*(752)*	*(263)*
- Tax effect		*181*	*63*
- Gains/(Losses) from the measurement of investments at fair value through OCI		*(172)*	*834*
- Tax effect		*41*	*(200)*
Items that will be later reclassified to the income statement			
- Hedge accounting gains/(losses)		*3,773*	*(1,762)*
- Tax effect		*(906)*	*341*
Gains/(Losses) from conversion of foreign companies' financial statements		*(44)*	*16*
Comprehensive net profit		**31,553**	**57,635**
- attributable to owners of the parent		*27,775*	*54,034*
- attributable to non-controlling interests		*3,778*	*3,601*
Basic earnings per share (in euros)		0.131	0.279
Diluted earnings per share (in euros)		0.130	0.279

Consolidated Statement of Financial Position

(In thousands of euros)	Notes	At December 31, 2020	At December 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	19	58,574	61,957
Intangible assets	20	361,734	401,077
Goodwill	21	746,850	764,553
Investments in companies valued by the equity method	22	3,115	3,096
Other non-current financial assets	23	8,562	9,367
- amount with related parties	*43*	*700*	*700*
Total non-current assets		**1,178,836**	**1,240,050**
Current Asset			
Trade receivables	24	254,176	234,152
- amount with related parties	*43*	*1,800*	*728*
Tax receivables	25	2,865	7,821
Other receivables	26	3,578	2,839
- amount with related parties	*43*	*14*	*31*
Other current assets	27	13,480	13,735
Cash and cash equivalents	28	56,516	86,211
Total current assets		**330,616**	**344,759**
TOTAL ASSETS		**1,509,452**	**1,584,809**
Share Capital	29	50,521	50,521
Statutory reserve	29	10,104	10,104
Additional paid-in capital	29	432,181	432,180
Other reserves	29	(27,273)	(62,681)
Net profit attributable to owners of the parent		25,655	54,621
Total shareholders' equity attributable to owners of the parent		**491,188**	**484,745**
Total Shareholders' equity attributable to non-controlling interests	29	21,421	33,940
TOTAL SHAREHOLDERS' EQUITY		**512,609**	**518,685**
Non-current liabilities			
Non-current loans	31	609,573	619,422
Employee benefits	33	18,036	15,812
Provision for risks and charges	34	4,767	5,249
Other non-current liabilities	35	41,160	58,458
Deferred tax liabilities	36	75,778	88,340
Total non-current liabilities		**749,315**	**787,282**
Current liabilities			
Current loans	31	34,628	16,241
Trade payables	37	46,908	55,572
- amount with related parties	*43*	*2,549*	*1,571*
Current tax payables	38	4,621	27,288
Other tax payables	39	9,796	6,072
Other payables	40	151,574	173,669
- amount with related parties	*43*	*1,214*	*15,985*
Total current liabilities		**247,527**	**278,843**
TOTAL LIABILITIES		**996,842**	**1,066,124**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,509,452**	**1,584,809**

Consolidated Statement of Cash Flows

(In thousands of euros)	Notes	At December 31 2020	At December 31 2019
Profit before taxes		54,791	85,273
Depreciation and amortisation	14	104,947	144,178
Impairment of receivables and other provisions, net	13	8,308	5,363
Performance Share Plan	42	7,320	9,453
Capital gain on disposals		(1,463)	-
Net financial charges	17	37,255	28,997
Income from investments	22	(19)	35
Cash flow from/(used in) operating activities before changes in working capital		**211,138**	**273,299**
Change in operating working capital		(30,059)	(37,551)
Change in other working capital items		(3,233)	19,597
Change in provisions for risks and charges, deferred taxes and other liabilities		(2,870)	(16,520)
Cash flow from changes in working capital		**(36,161)**	**(34,474)**
Income taxes paid		(57,728)	(30,704)
Cash flow from/(used in) operating activities		**117,249**	**208,121**
Additions to intangible assets	20	(32,873)	(30,658)
Investments in property, plant and equipment	19	(4,673)	(5,337)
Disposals of intangible assets and property, plant and equipment	19-20	4,379	756
Financial income	16	611	840
Acquisitions net of acquired cash	5	(1,118)	(29,526)
Spazio Dati, Cerved Finline and Euro Legal Services deferred price payment	22	(3,033)	-
Change in other non-current financial assets		896	(971)
Acquisition of non-controlling interests		(85,014)	(11,677)
Disbursement of loan to La Scala Cerved		-	(200)
Cash flow from/(used in) investing activities		**(120,824)**	**(76,775)**
Change in short-term financial debt	32	(356)	(5,712)
Utilisation of Revolving Line	32	10,000	(10,000)
Repayment of Forward Start, Cariravenna and Creval loans	32	(570,000)	-
Raising of Term Loan	32	563,000	-
Charges linked to the raising of the new Term Loan	15	(7,865)	-
Charges linked to the termination of IRS hedge contracts linked to the Forward Start loan	15	(6,492)	-
Capital increase subscribed by third parties		-	2,460
Purchase of treasury shares	30	-	(704)
Interests paid		(14,407)	(15,043)
Dividends paid/non-controlling interests		-	(58,499)
Cash flow from/(used in) financing activities		**(26,120)**	**(87,498)**
Net change in cash and cash equivalents		**(29,695)**	**43,848**
Cash and cash equivalents at the beginning of the period		86,211	42,363
Cash and cash equivalents at the end of the period		56,516	86,211
Difference		**(29,695)**	**43,848**

Statement of Changes in Consolidated Shareholders' Equity

(In thousands of euros)	Share capital	Statutory reserve	Additional paid-in capital	Other reserves	Net profit attributable to owners of the parent	Consolidated equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total shareholders' equity
Balance at December 31, 2017	**50,450**	**10,090**	**438,981**	**(16,827)**	**52,734**	**535,428**	**7,453**	**542,881**
Impact of first-time adoption of IFRS 16				(878)		(878)	(23)	(901)
Balance at December 31, 2017 Restated	**50,450**	**10,090**	**438,981**	**(17,705)**	**52,734**	**534,550**	**7,430**	**541,980**
Appropriation of the 2017 result				52,734	(52,734)	-		-
Dividend distribution (0.245 euros per share)				(47,842)		(47,842)		(47,842)
Distribution of additional paid-in capital			(4,882)			(4,882)		(4,882)
Performance Share Plan				4,981		4,981		4,981
Recognition of a non-controlling interest through a capital increase (Consit)	71			1,596		1,667	(1,667)	-
Acquisition of non-controlling interests				2,854	-	2,854	(2,130)	724
Recognition of a put option				(4,179)		(4,179)		(4,179)
Purchase of treasury shares				(29,296)		(29,296)		(29,296)
Underwriting of minority interest in the capital increase of Quaestio Cerved Credit Management							2,956	2,956
Total transactions with owners	**71**	**-**	**(4,882)**	**(19,152)**	**(52,734)**	**(76,697)**	**(841)**	**(77,538)**
Net profit					84,795	84,795	3,994	88,789
Other changes in statement of comprehensive income				(2,240)		(2,240)	(24)	(2,264)
Comprehensive net profit	**-**	**-**	**-**	**(2,240)**	**84,795**	**82,555**	**3,970**	**86,525**
Balance at December 31, 2018 Restated	**50,521**	**10,090**	**434,099**	**(39,097)**	**84,795**	**540,408**	**10,559**	**550,967**
Appropriation of the 2018 result				84,795	(84,795)	-		-
Reclassification to statutory reserve		14		(14)		-		-
Dividend distribution				(56,580)		(56,580)		(56,580)
Distribution of additional paid-in capital			(1,918)			(1,918)		(1,918)
Performance Share Plan				7,923		7,923		7,923
Performance Share Plan - Spazio Dati				1,530		1,530		1,530
Purchase of treasury shares				(704)		(704)	-	(704)
Recognition of non-controlling interest (MBS)							22,289	22,289
Acquisition of non-controlling interests				2,509		2,509	(2,509)	-
Recognition of liability for option held by minority shareholders				(62,050)		(62,050)		(62,050)
Total transactions with owners	**-**	**14**	**(1,918)**	**(22,591)**	**(84,795)**	**(109,290)**	**19,780**	**(89,510)**
Net profit					54,621	54,621	3,601	58,222
Other changes in statement of comprehensive income				(994)		(994)		(994)
Comprehensive net profit	**-**	**-**	**-**	**(994)**	**54,621**	**53,627**	**3,601**	**57,228**
Balance at December 31, 2019	**50,521**	**10,104**	**432,181**	**(62,682)**	**54,621**	**484,745**	**33,940**	**518,685**
Appropriation of the 2019 result				54,621	(54,621)			-
Performance Share Plan				7,328		7,328	(9)	7,319
Acquisition of non-controlling interest				(28,659)		(28,659)	(16,291)	(44,950)
Total transactions with owners	**-**	**-**	**-**	**33,290**	**(54,621)**	**(21,331)**	**(16,299)**	**(37,631)**
Net profit					25,655	25,655	3,778	29,433
Other changes in statement of comprehensive income				2,120		2,120	1	2,121
Comprehensive net profit	**-**	**-**	**-**	**2,120**	**25,655**	**27,775**	**3,779**	**31,554**
Balance at December 31, 2020	**50,521**	**10,104**	**432,181**	**(27,272)**	**25,655**	**491,189**	**21,420**	**512,609**

Notes to the Consolidated Financial Statements at December 31, 2020

GENERAL INFORMATION

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

This document was prepared by the Company's Board of Directors, meeting on March 25, 2021, for approval by the Shareholders' Meeting scheduled for April 27, 2021. The Board of Directors authorised the Chairman and the Chief Executive Officer to make any changes to the financial statements that may be necessary or appropriate for completing the presentation of this document in the period between March 25, 2021, and the date when it will be approved by the Shareholders' Meeting.

1 OVERVIEW OF THE ACCOUNTING STANDARDS

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

1.1 BASIS OF PREPARATION

The Consolidated Financial Statements were prepared in accordance with the going concern assumption, the Directors having verified the absence of any financial, operational or other indicators signalling the existence of issues concerning the Group's ability to meets its obligations in the foreseeable future and over the next 12 months specifically. A description of the methods by which the Group manages financial risks is provided in Note 2 "Financial Risk Management".
The Consolidated Financial Statements were prepared based on the IFRS international accounting standards, understood to include all "Internation-

al Financial Reporting Standards", all "International Accounting Standards" (IAS) and all interpretations issued by the "International Financial Reporting Interpretations Committee" (IFRIC), previously called "Standing Interpretations Committee" (SIC) that, on the date of these Consolidated Financial Statements, had been adopted by the European Union in accordance with the procedure required by Regulation (EC) No. 1606/2002 of July 19, 2002 of the European Parliament and the European Council.
These Consolidated Financial Statements are denominated in euros, which is the currency of the prevailing economic environment in which the Group operates. Unless otherwise stated, the amounts listed in this document are presented in thousands of euros.
The financial statement presentation format and the corresponding classification criteria adopted by the Group among the options provided by IAS 1 "Presentation of Financial Statements" are reviewed below:

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

In addition, pursuant to Consob Resolution No. 15519 of July 28, 2006, within the income statement, income and expenses from non-recurring transactions, if any, 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".

It should be noted that, in order to improve the representation of non-recurring income and expenses in line with the Consob Resolution, the Group has taken steps from 2020 (and jointly on the 2019 comparative figures) not to represent as non-recurring the costs for services related to extraordinary transactions and personnel costs for early retirement incentives.

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, 2020 is provided below:

	Registered office	Share capital (in thousands of euros)	% interest held (direct and indirect)	Consolidation method
Cerved Group S.p.A. (Parent Company)	San Donato Milanese	50,521	-	*Line by line*
Cerved Credit Collection S.p.A.	San Donato Milanese	150	100.00%	*Line by line*
Cerved Credit Management Group S.r.l.	San Donato Milanese	56	100.00%	*Line by line*
Cerved Credit Management S.p.A.	San Donato Milanese	1,000	100.00%	*Line by line*
Cerved Legal Services S.r.l.	San Donato Milanese	50	100.00%	*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	100.00%	*Line by line*
Spazio Dati S.r.l.	Trento	22	87.75%	*Line by line*
S.C. Re Collection S.r.l.	Romania	110	100.00%	*Line by line*
Clickadv S.r.l.	San Donato Milanese	10	100.00%	*Line by line*
Major 1 S.r.l.	San Donato Milanese	11	100.00%	*Line by line*
Juliet Holding S.p.A.	San Donato Milanese	6,000	100.00%	*Line by line*
Credit Management S.r.l.	Bari	30	100.00%	*Line by line*
Juliet S.p.A.	Siena	50	100.00%	*Line by line*
Cerved Credit Management Greece S.A.	Atene (Grecia)	500	100.00%	*Line by line*
Pro Web Consulting S.r.l.	San Donato Milanese	100	80.00%	*Line by line*
Cerved Property Services Single Member S.A.	Atene (Grecia)	666	100.00%	*Line by line*
Cerved Property Services S.A.	Romania	115	100.00%	*Line by line*
Cerved Finline S.r.l.	Torino	10	100.00%	*Line by line*
MBS Consulting S.p.A.	Milano	264	50.60%	*Line by line*
MBS Consulting S.r.l.	Milano	30	50.60%	*Line by line*
Dyna Green S.r.l.(liquidated in 2020)	Milano	30	50.60%	*Line by line*
Innovation team S.r.l.	Milano	40	50.60%	*Line by line*
Experian Italia S.p.A.	Roma	1,980	4.65%	*Shareholders' equity*
La Scala - Cerved società tra avvocati a responsabilità limitata	Milano	75	33.33%	*Shareholders' equity*
Palio 2	Milano	10	100.00%	*Line by line*
Galileo SPV 10 S.r.l.	San Donato Milanese	10	100.00%	*Line by line*
Galileo SPV 20 S.r.l.	San Donato Milanese	10	100.00%	*Line by line*
Galileo SPV 30 S.r.l.	San Donato Milanese	10	100.00%	*Line by line*
Galileo SPV 40 S.r.l.	San Donato Milanese	10	100.00%	*Line by line*
Galileo SPV 50 S.r.l.	San Donato Milanese	10	100.00%	*Line by line*
Galileo SPV 60 S.r.l.	San Donato Milanese	10	100.00%	*Line by line*
Galileo SPV 70 S.r.l.	San Donato Milanese	10	100.00%	*Line by line*
Galileo SPV 80 S.r.l.	San Donato Milanese	10	100.00%	*Line by line*
Galileo SPV 90 S.r.l.	San Donato Milanese	10	100.00%	*Line by line*
Galileo SPV 100 S.r.l.	San Donato Milanese	10	100.00%	*Line by line*
Hawk AML S.r.l.	Roma	52	100.00%	*Line by line*
Hawk BV S.r.l.	Roma	39	100.00%	*Line by line*
White List Warranty S.r.l.	Roma	10	100.00%	*Line by line*

All subsidiaries close their financial statements on the same date as Cerved Group S.p.A., the Group's Parent Company, except for Experian Italia S.p.A., which closes its financial statements on March 31. The financial statements of subsidiaries that were prepared in accordance with accounting standards different from the IFRSs adopted by the Group's Parent Company were restated as necessary to make them consistent with the Parent Company's accounting standards.

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

	December 31, 2020		December 31, 2019	
	Average exchange rate	Exchange rate at 12/31	Average exchange rate	Exchange rate at 12/31
New Romanian LEU	4.8383	4.8683	4.7779	4.7830
Swiss Franc	1.0705	1.0802	1.1344	1.1318

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 recognised in the "Other reserves" account of shareholder' equity.

Consolidation Criteria and Business Combinations

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

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

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

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

- The assets and liabilities, income and expense of the subsidiaries are included line by line, allocating to minority shareholders, 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 recognised, 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 recognised 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 recognised in accordance with the respective reference accounting standards. The difference between the acquisition cost and the fair value of the acquired assets and liabilities, if positive, is recognised 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 recognised directly in profit or loss, as a gain. Incidental transaction costs are recognised in profit or loss when incurred;

- In cases when total control is not achieved, the interest in shareholders' equity of non-controlling interests is determined based on the pro rata share of the fair values attributed to assets and liabilities on the date control is achieved, excluding any goodwill allocated to them (called the partial goodwill method). Alternatively, the full amount of the goodwill generated by the acquisition is recognised, 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, recognised at its fair value on the date when control is acquired. The consideration transferred also includes the fair value of any assets or liabilities for contingent consideration provided for in the contract and subject to the occurrence of future events. Subsequent changes in fair value are recognised in the income statement or the statement of comprehensive income if the contingent consideration is a financial asset or liability. Contingent consideration classified as shareholders' equity is not remeasured and its subsequent extinguishment is recognised directly in equity;
- If business combinations through which control is acquired are executed in multiple steps, the Group remeasures the interest that it held previously in the acquiree against the respective fair value on the acquisition date and recognises 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 recognised 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 realised with respect to third parties are eliminated, with the exception that losses are not eliminated when the transaction provides evidence that the transfer asset was impaired. All significant positions involving payables and receivables, costs and expenses and financial expense and income are also eliminated;
- Put/call options exchanged by the Parent Company and minority shareholders are recognised considering the risks and benefits transferred with the contract. Specifically, the Group recognises 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 recognised in profit or loss.

Associated Companies

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

- the carrying amount of these investments is aligned with the underlying shareholders' equity, adjusted when necessary to reflect the adoption of the IFRS and includes the recognition of the higher/lower values assigned to the assets and liabilities and any goodwill, as identified at the time of acquisition;

- gains or losses attributable to the Group are recognised as of the date when the significant influence began and until the date when the significant influence ends. If, because of losses, a company valued by the equity method shows a negative shareholders' equity, the carrying amount of the investment is written off and any excess attributable to the Group, if the Group has agreed to fulfil the statutory or constructive obligations of the investee company or otherwise to cover its losses, is recognised in a special provision; changes in the equity of companies valued by the equity method not attributable to the result in the income statement are recognised directly in the statement of comprehensive income;
- unrealised gains and losses generated by transactions executed by the Company/subsidiaries with an investee company valued by the equity method, including distributions of dividends, are eliminated consistently with the value of the equity stake held by the Group in the investee company in question, except for losses when these represents and impairment of the underlying asset.

Business Combinations of Entities Under Common Control

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

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

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

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

1.3 VALUATION CRITERIA

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

Property, plant and equipment

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

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

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

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

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

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

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

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

Lease

On the date of entering into a contract, the company verifies whether the contract contains or represents a lease, i.e. whether it confers the right to control the use of an identified asset for a specified period of time in return for payment. This right exists if the right to substantially obtain all the economic benefits deriving from the use of the asset and the right to direct its use are held over the period of use.

At the commencement date of the lease contract (i.e. the date on which the asset is made available for use), the lessee shall recognise, in the statement of financial position, an asset representing the right to use of the asset (hereinafter also referred to as "right-of-use asset"), and a liability representing the obligation to make payments under the contract (hereinafter also referred to as the "lease liability"). In particular, the lease liability is initially recognised at an amount equal to the present value of the following lease payments not yet made at the start date: (i) fixed (or substantially fixed) payments, net of any inducements to receive; (ii) variable payments that depend on indices or rates; (iii) an estimate of the payment to be made by the lessee as security for the residual value of the leased asset; (iv) payment of the exercise price of the purchase option, if the lessee is reasonably certain to exercise the option; and (v) payment of contractual penalties for termination of the lease, if the lessee is reasonably certain to exercise the option. The present value of the above payments is calculated using a discount rate equal to the interest rate implicit in the lease or, if this cannot be easily determined, using the lessee's incremental financing rate. The latter is defined mainly taking into account the duration of the lease contracts.

After initial recognition, the lease liability is measured at amortised cost and is restated, generally as an offsetting entry to the carrying amount of the related right-of-use asset, in the presence of a change in payments due for the lease essentially as a result of: (i) contractual renegotiations that do not represent a separate lease; (ii) changes in indices or rates (to which the variable payments are related); or (iii) changes in the valuation regarding the exercise of the contractually envisaged options (purchase options of the leased asset, options to extend or terminate the contract).

The right to use a leased asset is initially recognised at cost, determined as the sum of the following components: (i) the initial amount of the lease liability; (ii) the initial direct costs incurred by the lessee; (iii) any payments made at or before the commencement date, net of any incentives received from the lessor; and (iv) an estimate of the costs that the lessee expects to incur in decommissioning, removing the underlying asset and clearing the site or restoring the asset to the condition under the contract. After initial recognition, the right-of-use asset is adjusted to take account of accumulated depreciation, any accumulated impairment losses and the effects of any restatements of the lease liability.

The determination of the reasonable certainty of whether or not to exercise an extension and/or termination option under a lease contract is the result of a process that involves complex judgements on the part of management. In this regard, the reasonable certainty of exercising these options is verified at the commencement date, considering all the facts and circumstances that generate an economic incentive to exercise them, as well as when significant events or changes occur in the circumstances that are under the lessee's control and that influence the valuation previously made.

Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance, controllable and capable of generating future economic benefits. These assets are initially recognised 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 recognised within the Group:

(a) Goodwill

Goodwill is classified as an intangible asset with an indefinite useful life and is initially recognised 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 recognised at cost, as described above, net of accumulated amortisation and any impairment losses.

Software Development Costs

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

Database Costs

Costs incurred to acquire financial information (databases) are recognised 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 recognised 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 recognised at their purchase or production cost and amortised on a straight-line basis over their estimated useful lives; the amortisation 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 recognised prospectively in the separate consolidated income statement.

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

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

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

Intangible Assets from Business Combinations

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

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

Impairment of Property, Plant and Equipment and Intangible Assets

(a) Goodwill

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

CGU, the remaining excess is allocated to the assets included in the CGU in proportion to their carrying amount. The bottom limit of this allocation is represented by the largest of the following amounts:

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

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

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

On each reference date of the financial statements, a check is performed to determine whether there are indicators that items of property plant and equipment and intangible assets may have been impaired. Both internal and external information sources are used for this purpose. With regard to internal sources, the following are taken into account: the obsolescence or physical deterioration of an asset, any material changes in the use of the asset and the asset's economic performance compared with expectations. Insofar as external sources are concerned, the following is taken into consideration: trends in market prices for the assets, any technological, market or regulatory discontinuities and trends in market interest rates or the cost of capital used to value investments.
If the presence of such indicators is detected, an estimate is made of the recoverable value of the aforementioned assets, recognising any write-downs of their carrying amounts in profit or loss. The recoverable value of an asset is the greater of its fair value, net of cost to sell, and its value in use, understood to mean the present value of the estimated future cash flows from the asset in question. In determining value in use, the expected future cash flows are discounted to present value using a pre-tax discount rate that reflects current market valuation of the cost of money, in relation to the investment period and taking into account the asset's specific risks. For an asset that does not generate largely independent cash flows, the recoverable value is determined in relation to the cash generating unit to which the asset belongs.

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

Financial instruments

(a) Financial assets – Debt Instruments

Based on the characteristics of the financial instrument and the corresponding management business model adopted, financial assets that represent debt instruments are classified into the following three categories: *(i)* financial assets valued at amortised cost; *(ii)* financial assets measured at *fair value* through other comprehensive income (hereinafter also OCI); and *(iii)* financial assets measured at fair value through profit or loss.
Initial recognition of such activities is made at fair value; for trade receivables that lack a significant financial component, the initial recognition value is the transaction price.
Subsequent to initial recognition, financial assets that generate contractual cash

flows consisting exclusively of principal and interest are valued at amortised cost if held for the purpose of collecting the contractual cash flows (so-called hold to collect business model). Under the amortised cost model, the initial recognition value is then adjusted to reflect principal repayments, any impairment losses and the amortisation of the difference between the repayment amount and the initial recognition amount.
Amortisation is carried out based on the effective internal interest rate, which represents the rate which, at the moment of initial recognition, makes the present value of the expected cash flows equal to the initial recognition value.
Receivables and other financial assets valued at amortised cost are shown in the statement of financial position net of the corresponding provision for impairment.
Financial assets that represent debt instruments whose business model allows for the option of both collecting the contractual cash flows and generating a gain through a sale (so-called hold to collect and sell business model) are measured at fair value through OCI (hereinafter also FVTOCI).
In such cases, any changes in the fair value of the financial instrument are recognised in equity among other components of comprehensive income. The cumulative amount of the changes in fair value, posted to the equity reserve where other components of comprehensive income are recognised, is reversed into profit or loss when the instrument is derecognised. Interest income computed using the effective interest rate, foreign exchange difference and impairment losses are recognised in profit or loss.
A financial asset representative of a debt instrument that is not valued at amortised cost or FVTOCI is measured at fair value with the effects recognised in profit or loss (hereinafter FVTPL); financial assets held for trading belong to this category.
When the purchase or sale of financial assets is executed through a contract that calls for the transaction to be settled and the asset to be delivered within a specific number of days, determined by the market government entity or in accordance with market practices (e.g. purchase of securities on regulated market), the transaction is recognised on the settlement date.
When financial assets are sold, they are eliminated from the statement of financial position upon the expiration of the contractual rights connected with obtaining the cash flows associated with the financial instrument or if the rights are transferred to a third party.

(b) Impairment of Financial Assets

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

(c) Minority Equity Interests

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

Inventory

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

Cash and cash equivalents

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

Transactions in Currencies Different from the Functional Currency

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

Shareholders’ equity

Share capital

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

Additional paid-in capital

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

Other reserves

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

Retained Earnings

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

Borrowings and Other Financial Liabilities

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

Financial liabilities are recognised on the date the corresponding transactions are executed and are removed from the financial statements when they are extinguished or after the Group has transferred all of the risks and charges inherent in the financial instruments.

Derivatives

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

and foreign exchange rate non-hedging derivatives are recognised in the income statement under "Financial income and charges".
Derivatives embedded in financial assets are not separated for accounting purposes; in such instances, the complete hybrid instrument is classified in accordance with the general classification criteria of financial assets. Derivatives embedded in financial liabilities and/or non-financial assets are separated from the main contract and recognised separately if the embedded instrument: *(i)* meets the requirements to qualify as a derivative; *(ii)* as a whole, it is not valued at fair value through profit or loss (FVTPL); *(iii)* if the characteristics and risks of the derivative are not closely linked with those of the main contract. The verification of the existence of embedded derivatives that must be detached and valued separately is made at the moment when the entity becomes a party to the contract and, subsequently, when the terms of the contract are amended in a manner that creates significant changes in the cash flows generated by the contract.

Employee benefits

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

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

Share-Based Compensation Plans

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

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

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

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

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

Provisions for Risks and Charges

The provisions for risks and charges are recognised 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 recognised only when there is a current statutory or constructive obligation that will cause a future outflow of economic resources as a result of past events and it is probable that the aforementioned outflow will be required to fulfil the obligation. The amount of the provisions represents the best estimate of the charge required to extinguish the obligation.

Risks for which the occurrence of a liability is only possible are listed in a separate disclosure of contingent liabilities (see Note 35) and no provision is set aside to cover them.

Trade Payables and Other Liabilities

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

Segment Information

Information about the sectors of activity was prepared in accordance with IFRS 8 "Operating Segments", which requires that information be presented in a manner consistent with the approach used by management to make operating decisions. Consequently, the identification of the operating segments and the information presented were defined based on the internal reports used by management for the purpose of allocating resources to the different segments and analysing their performance.

IFRS 8 defines an operating segment as a component of an entity i) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), ii) whose operating results are reviewed regularly by the entity's chief operating decision makers to make decisions about resources to be allocated to the segment and assess its performance, and iii) for which separate financial information is available.

The operating segments identified by management, which encompass all of the services and products supplied to customers, are:
(i) *Risk Management*
(ii) *Growth Services*
(iii) *Credit Management*

Revenues from Contracts with Customers

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

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

Costs

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

Financial Charges and Income

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

Income Taxes

Income taxes are recognised 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 recognised 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 recognised 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 recognised in the financial statements and the corresponding amounts recognised 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 recognised only when it is probable that sufficient taxable income will be generated in future years to recover them.

Earnings per Share

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

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

1.4 ACCOUNTING STANDARDS

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

The table below lists the international accounting standards, interpretations and amendments to existing accounting standards and interpretations or specific provisions set forth in standards and interpretations approved by the IASB, showing which ones were endorsed or not endorsed for adoption in Europe as of the date of this document:

Description	Endorsed as of the date of this document	Effective date of the standard
IFRS 17 Insurance Contracts	No	Years beginning on or after January 1, 2023
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current	No	Years beginning on or after January 1, 2023
Amendments to IFRS 3 Business Combinations	No	Years beginning on or after January 1, 2022
Amendments to IAS 16 Property, Plant and Equipment	No	Years beginning on or after January 1, 2022
Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets	No	Years beginning on or after January 1, 2022
Annual Improvements 2018-2020	No	Years beginning on or after January 1, 2022
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies	No	Years beginning on or after January 1, 2023
Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	No	Years beginning on or after January 1, 2023

It should be noted that no accounting standards and/or interpretations have been applied in advance, which have not been endorsed and whose application would be mandatory for periods beginning after January 1, 2020.
The Group is currently evaluating the possible impact of adopting the above principles.

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 optimise 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 utilisation of bank account overdraft facilities to finance working capital.

The following section provides qualitative and quantitative disclosures on the impact of such risks on the Group.

Market Risks

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

Interest Rate Risk
The Group uses external financial resources in the form of borrowings and invests available liquid assets in bank deposits. Changes in market interest rates affect borrowing costs and the yields of different types of investments, with an impact on the level of the Group's financial charges and financial income.
The Group, being exposed to fluctuations in interest rates insofar as they affect the 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.

Between June 30, 2020 and July 1, 2020 interest rate swap (IRS) contracts were underwritten with eight primary banks, for a nominal value of 545 million euros, for the total hedge of the interest rate risk of the "Term Loan Facility A" contract.

The fair value of derivatives at December 31, 2020, amounting to 2,868 thousand euros, already net of the tax effect (amounting to 906 thousand euros), was recognised directly in the statement of other components of comprehensive income.

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

Detailed information about financial instruments outstanding at the reporting date is provided in Note 32 "Current and non-current borrowings".

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

Within the scope of the assumptions made, the effects on the Group's income statement and shareholders' equity for 2020 resulting from a hypothetical variation in market rates that reflect an increase or decrease of 100 bps were determined. The computation method applied the hypothetical variation to: the annual average balance of the Group's bank deposits, the actual balances of gross financial debt and the interest rate paid during the year to remunerate variable rate liabilities.

The table below shows the results of the analysis performed:

(in thousands of euros)	Impact on profit		Impact on shareholders' equity	
	-100 bps	+100 bps	-100 bps	+100 bps
2020 [(1) (2)]	(31)	(1,930)	(31)	(1,930)

Credit Risk

Financial Credit Risk

The financial credit risk refers to the inability of a counterparty to fulfil its obligations.
At December 31, 2020, 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 minimise the credit risk related to commercial counterparties, the Group established internal procedures that call for a preventive verification of a customer's solvency prior to accepting a contract through a rating analysis based on Cerved data.

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

Lastly, trade receivables carried in the financial statements are individually analysed and when positions are found to present conditions that make them partially or fully uncollectible, they are written down. The amount of the impairment 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 recognised on an aggregate basis. See Note 25 for additional information about the provision for impairment of receivables.

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, 2020.

The following table provides a breakdown of trade receivables and other current receivables at December 31, 2020 grouped by days in arrears, net of the provision for impairment of receivables.

(in thousands of euros)	At December 31, 2020	Current	90 days in arrears	From 90 to 240 days in arrears	More than 240 days in arrears
Trade receivables	273,069	218,814	18,612	16,784	18,859
Provision for impairment of receivables	18,893	3,992	1,225	2,806	10,869
Net amount	**254,176**	**214,822**	**17,387**	**13,979**	**7,989**
Other receivables	3,578	3,578			
Total	**257,754**	**218,400**	**17,387**	**13,979**	**7,989**

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, 2020, the top 10 customers, the majority of whom are financial institutions, represented approximately 12% of all receivables. However, there are no specific concentration risks because the counterparties in question do not present material solvency risks and, moreover, enjoy a very high credit rating.

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

Liquidity Risk

The liquidity risk refers to the potential inability to secure, on affordable terms, the financial resources needed for the Group's operations. The two main factors that affect the Group's liquidity are:

- The financial resources generated or absorbed by the operating and investing activities;
- The maturity characteristics of financial debt.

The Group's liquidity needs are monitored by the central cash management function with the aim of ensuring the effective procurement of financial resources and an adequate investment of/return on liquid assets.

Management believes that the funds and credit lines currently available, combined with those that will be generated by the operating and financing activities, will enable the Company to meet its needs with regard to investing activities, working capital management and the repayment of debt at the contractual maturities, also in the light of the negative impacts of the COVID-19 health emergency. At December 31, 2020 the Group has the option to use 150 million euros relative to the Revolving Credit Facility, utilised for 10 million euros.

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

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

(in thousands of euros)	At December 31, 2020	< 1 year	2 - 5 years	> 5 years	Total
Non-current loans					
IFRS 16	43,794	6,636	24,894	16,017	47,547
Long-term facilities	565,779	21,092	605,266	-	626,358
Current loans					
Current portion of long-term facilities	6,680	9,189			9,189
IFRS 16	6,467	6,467			6,467
Other financial liabilities	21,481	21,481			21,481
Other non-current liabilities	41,160			41,160	41,160
Trade payables	46,908	46,908			46,908
Other current liabilities	68,811	68,811			68,811

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

2.2 CAPITAL MANAGEMENT

The Group's objective is to create value for its shareholders. Special attention is paid to the debt level relative to shareholders' equity and Adjusted EBITDA, while pursuing objectives of profitability and operating cash flow generation.

2.3 ESTIMATING FAIR VALUE

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

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

- **Level 1**: determination of fair value based on listed prices (unadjusted) for identical financial instruments in active markets;
- **Level 2**: determination of fair value based on valuation techniques that reference variables observable in active markets;
- **Level 3**: determination of fair value based on valuation techniques that reference variables not observable in active markets.

The fair value of the investments determined using techniques similar to Level 3, was determined based on the discounting of the expected dividend flow.

	At December 31, 2020			
(in thousands of euros)	Level 1	Level 2	Level 3	Total
1. Financial assets measured at fair value through OCI	54		4,991	5,045
2. Financial assets measured at fair value through profit or loss		403		403
Total assets	**54**	**403**	**4,991**	**5,045**
1. Derivatives		(8,383)		(8,383)
Total liabilities	**-**	**(8,383)**	**-**	**(8,383)**

The fair value of the derivative instruments was estimated on the basis of the expected contractual flows, defined on the basis of the forward rate curve, discounted according to the net present value approach *at the reporting date.*

3 FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

The table that follows provides a breakdown by category of financial assets and liabilities at December 31, 2020:

	At December 31, 2020			
(In thousands of euros)	Financial instruments at amortised cost	Financial assets and liabilities measured at fair value through OCI	Financial instruments at fair value	Total
Other non-current financial assets	3,114	5,045	403	8,562
Trade receivables	254,176			254,176
Tax receivables	2,865			2,865
Other receivables	3,578			3,578
Other current assets	13,480			13,480
Cash and cash equivalents	56,516			56,516
Total assets	**333,730**	**5,045**	**403**	**339,178**
Current and non-current borrowings	635,818	8,383		644,201
Trade payables	46,908			46,908
Tax payables	14,417			14,417
Other payables	151,735			151,735
Other non-current liabilities	41,160			41,160
Total liabilities	**890,038**	**8,383**	**-**	**898,421**

The fair value 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 amortised cost method did not differ appreciably from the respective carrying amounts at December 31, 2020, as they consist mainly of assets underlying commercial transactions scheduled for settlement over the near term.

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

4 ESTIMATES AND ASSUMPTIONS

In the preparation of the Consolidated Financial Statements, Directors are required to apply accounting standards and methods that, in some cases, are based on difficult and subjective assessments and estimates, based on historical experience and assumptions that, in each case, are deemed reasonable and realistic in the corresponding circumstances. The adoption of these estimates and assumptions affects the amounts shown in the financial statement schedules, including the statement of financial position, the comprehensive income statement 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 standards 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 recognised by means of a write-down, 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 amortisation

The cost of property, plant and equipment and intangible assets is depreciated and amortised, 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 recognised 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 recognised in the financial statements depends on independent 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 trading, are measured at fair value through profit or loss and are classified into other current or non-current assets or liabilities. The fair value of financial derivatives is determined based on market prices or, if these are not available, it is estimated with appropriate valuation techniques based on up-to-date financial variables used by market operators and, whenever possible, taking into account recorded prices for

recent transactions involving similar financial instruments. When there is objective evidence of impairment, asset-side derivatives are shown net of the amounts set aside in the corresponding provision for impairment.
Derivatives are classified as hedging instruments when the relationship between the derivative and the hedged item is formally documented and the effectiveness of the hedge, tested periodically, is high. Compliance with the requirements defined in IAS 39 to qualify for hedge accounting is verified periodically. Changes in the fair value of derivatives that do qualify for hedge accounting are recognised in profit or loss.
Option contracts concerning non-controlling interests in subsidiaries executed with minority shareholders are recognised, 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 recognised in profit or loss.

f) Business Combinations

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

5 BUSINESS COMBINATIONS

Acquisition of Integrate S.r.l.

On April 24, 2020 the subsidiary Cerved Rating Agency S.p.A. finalised the acquisition of the entire share capital of Integrate S.r.l., an innovative start-up established in 2017 in Milan that operates in the Environmental, Social and Governance ("ESG") sector.

The purchase price paid at the time of signing the contract amounts to 600 thousand euros, following the subsequent price adjustment and considering that a different price was agreed upon, the final consideration was determined at 815 thousand euros.

The table below shows the results of the business combination:

(In thousands of euros)	
Purchase price paid at subscription	600
Price adjustment	24
Deferred price	191
Adjusted consideration	**815**
Net acquired assets	27
Provisional goodwill	**788**

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

(In thousands of euros)	**Carrying amounts**
Property, plant and equipment	4
Intangible assets	134
Deferred tax assets	16
Trade receivables	2
Tax receivables	53
Other receivables	1
Other current assets	13
Cash and cash equivalents	32
Acquired assets	**254**
Non-current loans	(155)
Employee benefits	(3)
Trade payables	(31)
Other tax payables	(15)
Other liabilities	(24)
Assumed liabilities	**(227)**
Net acquired assets	**27**

The transaction led to the recognition of a goodwill of 788 thousand euros, which was temporarily recognised as the Group availed itself of the option, granted by IFRS 3, of evaluating the price paid and the fair value of the net assets acquired within 12 months from the date of acquisition. At June 30, 2020 the price paid was of 600 thousand euros.
The table below shows the net cash flow deriving from the acquisition of Integrate S.r.l.:

(In thousands of euros)	
Consideration paid	**(624)**
Cash and cash equivalents on the date of acquisition	32
Net cash flow deriving from the acquisition	**(592)**

The transaction costs incurred, amounting to 10 thousand euros, were recognised in full in the income statement.

Acquisition of Hawk Aml S.r.l., Hawk BV S.r.l., and White list warranty S.r.l.

On December 1, 2020, the Cerved Group strengthened its range of anti-money laundering services through the acquisition of the Hawk Group, a company already a partner of Cerved's, specialising in modular solutions to meet all the requirements of Italian legislation on anti-money laundering.
The purchase price, initially set at 654 thousand euros, was subsequently adjusted in accordance with the aforementioned contract. Contractually, a deferred price of 200 thousand euros is provided for and to this price an *earn-out* of up to a maximum of 2,890 thousand euros could be added, based on the achievement of economic results in the period until 2022.

The table below shows the results of the business combination:

(in thousands of euros)	
Purchase price paid at subscription	654
Provisional price adjustment	65
Valuation of earn-out and deferred price	2,841
Adjusted consideration	**3,561**
Net acquired assets	1,122
Provisional goodwill	**2,439**

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

(In thousands of euros)	Carrying amounts
Property, plant and equipment	493
Intangible assets	506
Other non-current financial assets	305
Deferred tax assets	3
Trade receivables	2,716
Tax receivables	149
Other receivables	65
Cash and cash equivalents	127
Acquired assets	**4,364**
Non-current loans	(256)
Employee benefits	(338)
Current loans	(175)
Trade payables	(1,282)
Current tax payables	(39)
Other tax payables	(796)
Other liabilities	(354)
Assumed liabilities	**(3,242)**
Net acquired assets	**1,122**

The transaction resulted in the recognition of goodwill of 2.4 million euros, which was recognised on a provisional basis as the Group exercised the option, granted by IFRS 3, to measure the price paid and the fair value of the net assets acquired within the 12-month period from the acquisition date.
The table below shows the net cash flow deriving from the acquisition of the Hawk Group:

(In thousands of euros)	
Consideration paid	**(654)**
Cash and cash equivalents on the date of acquisition	127
Net cash flow deriving from the acquisition	**(527)**

The transaction costs incurred, amounting to 244 thousand euros, were recognised in full in the income statement.
This acquisition produced an increase in the revenues and Adjusted EBITDA of the 2020 reporting year amounting to 532 thousand euros and 194 thousand euros, respectively. If the acquisition had been recorded at January 1, 2020, the contributions to revenues and Adjusted EBITDA would have been 4,807 thousand euros and 249 thousand euros, respectively.

6 SEGMENT INFORMATION

The Board of Directors identified the following operating segments, which encompass all of the services and products supplied to customers:
- *Risk Management*;
- *Growth Services*;
- *Credit Management*.

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

Moreover, management believes that Adjusted EBITDA provides a good indication of performance because it is not affected by the tax laws or depreciation and amortisation policies.

The table below shows the revenues and Adjusted EBITDA of the operating segments at December 31, 2020 and 2019:

	Period from January 1 toDecember 31, 2020				Period from January 1 to December 31, 2019			
(in thousands of euros)	Risk Management	Growth Services	Credit Management	Total	Risk Manage-ment	Growth Services	Credit Management	Total
Revenues by segment	275,475	61,824	155,782	493,081	285,758	51,618	187,317	524,693
Intra-segment revenues	(1,200)	(2,076)	(3,543)	(6,819)	(1,605)	(118)	(2,337)	(4,060)
Total divisional revenues from third parties	**274,275**	**59,748**	**152,239**	**486,262**	**284,154**	**51,499**	**184,980**	**520,633**
Divisional Adjusted EBITDA	**139,137**	**16,143**	**46,770**	**202,050**	**152,027**	**12,914**	**71,661**	**236,601**
Divisional Adjusted EBITDA %	**50.7%**	**27.0%**	**30.7%**	**41.6%**	**53.5%**	**25.1%**	**38.7%**	**45.4%**
Non-audit revenues				1,536				-
Adjusted EBITDA				**203,586**				**236,601**
Performance Share Plan				(7,320)				(9,452)
Non-operating components				(24,154)				(27,877)
Depreciation and amortisation				(80,087)				(84,966)
Operating profit				**92,026**				**114,306**
Financial income				2,961				840
Financial charges				(40,197)				(29,872)
Profit before taxes				**54,791**				**85,274**
Income taxes				(25,358)				(27,052)
Net result from continuing operations				**29,433**				**58,222**

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

7 REVENUES

A breakdown of “Revenues” is provided below:

(in thousands of euros)	At December 31, 2020	At December 31, 2019
Sales in Italy	466,093	495,941
International sales	18,218	16,318
Total sales	**484,311**	**512,259**
Change in deferred revenues at December 31	668	7,007
Total	**484,979**	**519,266**

Deferred revenues originate from services invoiced at December 31, 2020 but not yet provided to customers and deferred to the following period in accordance with the accrual principle. The Group's revenues are generated mainly in Italy; an analysis by business segment is provided in Note 6 Segment Information.

8 OTHER REVENUES

A breakdown of the item is provided below:

(in thousands of euros)	At December 31, 2020	At December 31, 2019
Sundry income	2,719	1,174
Insurance settlements	100	193
Other non-recurring revenues	6,023	40,000
Total	**8,842**	**41,367**

Sundry income, amounting to 2,719 thousand euros and up by 1,545 thousand euros compared to the previous year, includes the capital gain on the sale of the building used as offices of the Turin office, amounting to 1,463 thousand euros, as it is no longer functional to the needs of the Group.

The item "Other non-recurring revenues" included the income related to the compensation due by Credito Valtellinese for 6,023 euros to Cerved Credit Management S.p.A. following the disposal of a portion of the loans portfolio; for further details, please refer to the description in Note 15 Non-recurring income and charges.

9 COST OF RAW MATERIALS AND OTHER MATERIALS

A breakdown of the item is provided below:

(in thousands of euros)	At December 31, 2020	At December 31, 2019
Consumables	199	263
Cost of sales	38	188
Fuel	434	831
Total	**671**	**1,282**

The "Cost of sales" refers to the asset management and reselling activity carried out by the subsidiary Cerved Credit Management Group S.r.l. through its "Markagain" division, now discontinued.

"Consumables" and "Fuel" refer mainly to costs for company-owned cars used by employees, down due to the effect of the lockdown.

10 COST OF SERVICES

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

(in thousands of euros)	At December 31, 2020	At December 31, 2019
Information services	37,325	37,677
Costs for credit collection services	36,961	39,296
Agents and sales agreement costs	17,246	17,058
Tax, administrative and legal consulting services	5,001	3,882
Advertising and marketing expenses	1,618	2,251
Maintenance and technical support costs	10,083	8,838
Sundry utilities	2,441	2,390
Outsourced asset management services	624	802
Travel expenses and per diems	1,286	3,823
Costs for digital marketing services	3,011	5,752
Other consultancy and services costs	8,164	6,565
Costs for extraordinary transactions	2,857	5,543
Total	**126,618**	**133,877**

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

- the "cost for information services", equal to 37,325 thousand euros at December 31, 2020, is substantially in line with the previous year:
- "costs for credit recovery services", amounting to 36,961 thousand euros (-5.9%), reflect the decline suffered by the Credit Management business unit mainly due to the slowdown in court activities, particularly marked during the lockdown in the second quarter;
- the "agents and sales agreement costs", equal to 17,246 thousand euros (+1.1%), reflects *(i)* the dynamics of the incidence of customers managed by the Corporate territorial network and *(ii)* the initiatives launched during the year (competitions, incentives, etc.) to support the network in an exceptionally complex economic context;
- tax, administrative and legal consultancies amounted to 5,001 thousand euros, up compared to the previous period (+28.8%) mainly because greater costs were incurred in the period for legal and notary services and for personnel administration consultancies, also because of the change in the consolidation scope;
- "maintenance and technical support costs", equal to 10,083 thousand euros, increased compared to the previous period (+ 14.1%) mainly because higher costs for software licenses were incurred during the year;
- "other consultancy and service costs", equal to 8,164 thousand euros, increased compared to the previous period (+ 24.4%) mainly because higher costs were incurred during the year for technical consultancy and IT consultants and higher costs related to the employee insurance.

At December 31, 2020, the item "Costs for extraordinary transactions" includes costs related to services rendered for due diligence activities and consultancy for extraordinary transactions amounting to 2,857 thousand euros.

11 PERSONNEL COSTS

A breakdown of the item is provided below:

(in thousands of euros)	At December 31, 2020	At December 31, 2019
Wages and salaries	97,157	92,103
Social security charges	29,353	29,013
Provision for severance indemnities	6,999	6,729
Other personnel costs	1,217	6,585
Performance Share Plan	7,320	9,452
Restructuring costs	2,327	2,520
Total staff costs	**144,372**	**146,402**
Associates' fees and social security contributions	2,094	1,390
Directors' fees and social security contributions	7,241	5,060
Total fees	**9,335**	**6,450**
Total	**153,707**	**152,852**

The increase in the items "Wages and salaries" and "Social security charges", of 5,054 thousand, is essentially attributable to the carry-over of the effect of the inclusion in the scope of consolidation of the CPS S.A. Group from April 2019, of Cerved Finline S.r.l. and Euro Legal Services S.r.l. from July 2019 and of the MBS Consulting S.p.A. Group from August 2019.

The decrease in the item "Other personnel costs" of 5,368 thousand euros compared to December 31, 2019, mainly relates to the interruption of the contract for the temporary secondment of BMPS employees to Juliet S.p.A. This interruption was gradually implemented in the second half of 2019, and was completed in March 2020.

The increase in the item "Directors' fees and social security contributions", of 2,181 thousand euros, is attributable to the effect of the inclusion in the scope of consolidation of the new companies acquired during 2019.

"Restructuring costs" refer to early retirement incentives paid to some employees as part of the integration and reorganisation process of Group companies.

Detailed information about "Provision for severance indemnities" is provided in Note 33.

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

Employees by category	At December 31, 2020	At December 31, 2019
Executives	110	96
Middle managers	432	402
Office workers	2,114	2,072
Total	**2,656**	**2,570**

12 OTHER OPERATING COSTS

(in thousands of euros)	At December 31, 2020	At December 31, 2019
Rent - additional expenses	1,240	1,484
Fees	1,177	2,419
Expenses for company cars	1,139	1,241
Other costs	1,148	517
Janitorial services	1,087	654
Employee cafeteria and meal vouchers	1,623	1,858
Tobin Tax - extraordinary transactions	132	602
Total	**7,545**	**8,776**

Rental expenditure, down by 244 thousand euros, was affected by the combined effect of *(i)* the reduction in rental expenditure relating to the company Juliet following the termination of the contract by Monte dei Paschi di Siena, *(ii)* the increase in rental expenditure of the companies acquired during 2019.

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

13 IMPAIRMENT OF RECEIVABLES AND OTHER PROVISIONS

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

(in thousands of euros)	At December 31, 2020	At December 31, 2019
Impairment of receivables	7,992	5,103
Other provisions for risks, net of reversals	317	259
Total	**8,308**	**5,363**

For more detailed information about the changes that occurred in the provision for impairment of receivables and the provision for risks and charges, see the analysis provided in Note 24 "Trade receivables" and Note 34 "Provisions for risks and charges".

14 DEPRECIATION AND AMORTISATION

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

(in thousands of euros)	At December 31, 2020	At December 31, 2019
Amortisation of intangible assets	68,805	74,152
Depreciation of property, plant and equipment	11,281	10,413
Write-down of intangible assets - non-recurring	3,931	59,212
Non-recurring write-downs of goodwill	20,930	402
Total	**104,947**	**144,178**

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

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

15 NON-RECURRING INCOME AND COSTS

As required by Consob Communication of July 28, 2006, the table below summarises the Group's non-recurring income and costs for the year ended December 31, 2020:

(in thousands of euros)	At December 31, 2020	At December 31, 2019
Indemnities	6,023	40,000
Growth and ClickAdv CGU goodwill write-down	(20,930)	(402)
Write-down of intangible assets - non-recurring Purchase Price Allocation, net of taxes	(2,834)	(58,810)
Non-recurring financial income/(charges)	(16,457)	-
Non-recurring taxes on indemnities	(1,681)	5,248
Non-recurring taxes for 2019/2020 IRAP tax benefits	1,073	
Total	**(34,809)**	**(13,964)**

During the reporting period, the Group incurred non-recurring costs and income totalling 34,809 thousand euros, as summarised below:

- with regard to the partial early termination of the *Servicing* agreement of Cerved Credit Management S.p.A., an income relating to the indemnity paid by Credito Valtellinese of 6,023 thousand euros was recognised;
- the write-down of the goodwill of the Growth and ClickAdv CGUs following the impairment test for 20,930 thousand euros. For further details please see the paragraph "Goodwill" of this document;
- the write-down of certain intangible assets allocated to ClickAdV CGU for 1,346 thousand euros, net of tax and the devaluation of the value of the Servicing Contract allocated as part of the Purchase Price Allocation of San Giacomo Credits S.p.A. in 2015 to 1,488 thousand euros, net of the tax effect;
- financial charges, of which: *(i)* 7,298 thousand euros, linked to the Forward Start loan repaid in advance in May 2020 with the recognition in the income statement of the difference between the nominal value repaid and the carrying value at that date, *(ii)* 6,383 thousand euros, linked to the early termination of IRS hedge contracts linked to the Forward Start loan, *(iii)* 6,109 thousand euros, for the recognition of the fair value of the new IRS derivative hedge contracts linked to the Term Loan, underwritten on June 30, 2020, *(iv)* partially offset for 3,333 thousand euros by the income linked to the acceptance of the amendment of the economic conditions of the loan contract, underwritten in May 2020 and subsequently amended on June 30, 2020 to include an amendment of the loan variable interest rate floor from 0 to -2%;
- the IRAP tax benefit of 1,073 thousand euros deriving from the failed payment of the 2019 IRAP balance in compliance with the provisions of the so-called "Relaunch Decree" (Art. 24 of Italian Decree Law No. 34 of May 19, 2020, subsequently converted into Law No. 77 of July 17, 2020).

16 FINANCIAL INCOME

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

(in thousands of euros)	At December 31, 2020	At December 31, 2019
Bank interest income	32	14
Adjustment to the value of the liability for put options	881	-
Foreign exchange gains	113	99
Other interest income	467	270
Release of earn-out debt for failure to achieve objectives	1,448	-
Dividends	-	457
Total	**2,942**	**840**

The item includes the amount of 1,448 thousand euros relating to the release of the earn-out of Cerved Property Services Single Member SA, defined on the basis of the results achieved in 2020, which was not achieved.

17 FINANCIAL CHARGES

A breakdown of the item is provided below:

(in thousands of euros)	At December 31, 2020	At December 31, 2019
interest expense on loan	10,332	10,210
Fair value measurement of IRS derivatives	1,177	1,631
Adjustment to the value of the liability for put options	5,172	7,965
Interest expense related to discounting of payables for put options and earn-outs	1,699	1,619
Amortised cost of financing	2,140	3,591
Derivatives	-	1,395
Non-recurring financial charges	16,457	-
Fees and other interest expense	3,115	3,271
Financial component of employee benefits	104	154
Total	**40,196**	**29,836**

"Interest expense on loan" refers to interest related to the Term Loan Facility disbursed in January 2016 in favour of Cerved Group and terminated in May 2020 and interest related to the new Senior Term Loan Facility A contract entered into in June 2020.

The item "Fees and other interest expense" includes "Commitments" and "Agency fees" linked to the Senior Term Loan Facility A contract and interest on other lines in addition to interest linked to lease contracts accounted for in accordance with IFRS 16.

The item "Fair value measurement of IRS derivatives" includes charges arising from IRS derivatives, entered into by Cerved Group S.p.A. with effective dates on June 30 and July 1, 2020, for a nominal value of 545 million euros, to hedge the interest rate risk of the "Term Loan Facility A" contract, with a fixed interest rate of 0.08% with floor at -2% and a duration of 5 years.

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

The item "Interest expense related to discounting of payables for put options and earn-outs" mainly includes interests expense on short and long-term payables linked to put/call options underwritten with the minority shareholders of MBS Consulting S.p.A. and the earn-outs agreed in conjunction with the acquisition of the companies Euro Legal Services S.r.l. and Cerved Property Services S.A.

Please also note the presence of "non-recurring" financial charges of 16,457 thousand euros. See Note 15 "Non-recurring Income and Costs" for additional information.

18 INCOME TAXES

A breakdown of "Income taxes" is provided below:

(in thousands of euros)	At December 31, 2020	Al 31 dicembre 2019
Current regional income taxes (IRAP)	7,115	8,365
Current corporate income tax (IRES)	32,474	36,419
Prior-period tax (benefits)/charges	(383)	(828)
Deferred tax assets and liabilities	(14,334)	(11,656)
Non-recurring taxes	487	(5,248)
Total	**25,358**	**27,052**

Current taxes were determined based on the tax rates currently in effect. See the information provided in Note 36 for details concerning deferred tax assets and liabilities.

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

(in thousands of euros)	At December 31, 2020	Tax rate
Profit before taxes	54,791	
Income taxes at the statutory rate	13,150	24.0%
Theoretical taxes - IRAP	2,137	3.9%
Prior-period tax charges	(383)	
Differences on Impairment and PPA	12,609	
Other permanent differences	(2,154)	
Income taxes actually paid, net of non-recurring items	**25,358**	**46.3%**

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

The company has decided to avail itself of the option granted to the subjects that adopt the international accounting standards, together with the right for the OIC-adopters, to realign the divergences between tax and accounting values relating to certain tangible and intangible assets, within the scope of "Urgent measures to support and relaunch the economy "promulgated by the Government to support entrepreneurial activities depressed by the state of health emergency in place since last March 2020.

In light of the ministerial requests for corrective measures and regulatory interpretations that emerged in March 2021 and are still pending, if the current regulatory framework were confirmed by the end of June 2021, the company would proceed as follows, availing itself of the possibility offered by Article 110, par. 8 and 8-*bis* of Decree Law no. 104 of August 14, 2020 to realign the tax value of the Customer Relationship and the Trademarks to their higher book value recorded in the company's financial statements as at 31 December 2020, equal to 224,238 thousand euros and 15,927 thousand euros, respectively, through the payment of a 3% substitute tax calculated on the amount subject to realignment.

As a result of this transaction, the company would record the effects of the realignment, which can be summarized as follows from the tax year in which the regulation will become effective, therefore in the year 2021:

(i) recognition of a substitute tax of 7,205 thousand euros, whose payment deadline of the first instalment expires upon payment of the balance of income taxes relating to the 2020 tax period (i.e. by the last day of June 2021), with the possibility of spreading the amounts due in (a maximum of) three annual instalments of the same amount (the first expiring in June 2021, the second and third, respectively, in June 2022 and 2023, in accordance with the current tax deadlines);

(ii) recognition in profit and loss of the related deferred tax liabilities, amounting to 67,006 thousand euros;

(iii) set up of a specific tax-deferred reserve, to which the provisions of Art. 13, par. 3 of the aforementioned Law No. 342/2000, binding - through an intervention in the draft financial statements of the Company at December 31, 2020 to be proposed for the approval of the Shareholders' Meeting - part of the "Additional Paid-in Capital";

In the event that the current regulatory framework is not confirmed by the end of June 2021, the Company will evaluate the impact of the changes and whether it is appropriate to continue to apply the tax realignment rule.

At December 31, 2019, current taxes included a tax benefit, amounting to 2,397 thousand euros, paid to Cerved Group following the Ruling Agreement with the Revenue Agency in relation to the optional «Patent Box» reduced tax scheme (Article 1, paragraphs 37 to 45, of Law No. 190 of December 23, 2014, Article 5 of Decree-Law No. 3 of January 24, 2015) for the five-year period 2015-2019. This benefit is not reflected in the financial statements at December 31, 2020 in consideration of the fact that the agreement with the Revenue Agency for the application of the same on the basis of the new criteria for the five-year period 2020-2024 has not yet been defined and agreed.

During the 2020 financial year, the Group carried out activities that fall under the eligibility criteria provided for by Law 160/2019, and in this sense it dedicated a significant commitment of its resources to the implementation of specific projects. It is hoped that the positive outcome of these innovations will generate good results in terms of turnover with favourable effects on the company›s economy. For R&D&I (Research & Development & innovation) activities, the company intends to avail itself of the tax credit provided by Law 160/2019, Art. 1, paragraph 198/209 as amended by Law 178/2020 Art. 1, paragraph 1064.

19 PROPERTY, PLANT AND EQUIPMENT

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

At December 31, 2020

(in thousands of euros)	Land and buildings	Rights of use IFRS 16	Electronic equipment	Furniture and fixtures	Other assets	Total
Balance at December 31, 2019	**6,528**	**42,145**	**3,139**	**1,717**	**8,430**	**61,957**
Change in scope of consolidation	**0**	**403**	**39**	**30**	**24**	**496**
Breakdown:						
- Historical cost		*713*	*67*	*60*	*95*	*935*
- Accumulated depreciation		*(310)*	*(28)*	*(30)*	*(71)*	*(439)*
Additions	**-**	**5,524**	**823**	**421**	**3,429**	**10,197**
Disposals – historical cost	(9,170)	(1,675)	(245)	(6)	(1,664)	**(12,761)**
Disposals – accumulated depreciation	7,104	1,207	205	5	1,443	**9,964**
Disposals	**(2,066)**	**(469)**	**(39)**	**(2)**	**(221)**	**(2,797)**
Depreciation and amortisation	(501)	(5,150)	(1,827)	(381)	(3,422)	**(11,281)**
Balance at December 31, 2020	**3,961**	**42,453**	**2,137**	**1,785**	**8,240**	**58,574**
Breakdown:						
- Historical cost	*6,883*	*57,984*	*26,774*	*5,281*	*28,209*	*125,130*
- Accumulated depreciation	*(2,921)*	*(15,531)*	*(24,636)*	*(3,497)*	*(19,968)*	*(66,553)*

At December 31, 2019

(in thousands of euros)	Land and buildings	Rights of use IFRS 16	Electronic equipment	Furniture and fixtures	Other assets	Total
Balance at December 31, 2018 Restated	**7,123**	**35,747**	**3,219**	**1,699**	**7,788**	**55,576**
Change in scope of consolidation	**0**	**3,876**	**218**	**80**	**679**	**4,853**
Breakdown:						
- Historical cost		*4,196*	*604*	*340*	*1,510*	*6,650*
- Accumulated depreciation		*(320)*	*(386)*	*(260)*	*(831)*	*(1,797)*
Additions	**14**	**7,360**	**1,633**	**272**	**3,420**	**12,699**
Disposals – historical cost		(498)	(188)	(732)	(1,555)	**(2,973)**
Disposals – accumulated depreciation		52	138	725	1,301	**2,216**
Disposals	**-**	**(445)**	**(50)**	**(7)**	**(254)**	**(756)**
Depreciation and amortisation	(609)	(4,393)	(1,881)	(327)	(3,202)	**(10,413)**
Balance at December 31, 2019	**6,528**	**42,145**	**3,139**	**1,717**	**8,430**	**61,957**
Breakdown:						
- Historical cost	*16,053*	*53,423*	*26,128*	*4,806*	*26,349*	*126,759*
- Accumulated depreciation	*(9,524)*	*(11,278)*	*(22,989)*	*(3,090)*	*(17,918)*	*(64,800)*

Additions for the period amounted to 10,199 thousand euros and mainly refer to *(i)* 5,525 thousand euros for sub-lease contracts entered into in 2019 and accounted for in accordance with IFRS 16; *(ii)* 1,295 thousand euros to replace the Company's vehicle fleet; *(iii)* 825 thousand euros to replace hardware with the aim of making the organisation more efficient; and *(iv)* 1,626 thousand euros for leasehold improvements.
At December 31, 2020 there were no restrictions on the ownership and possession of property, plant and equipment or purchase commitments.

20 INTANGIBLE ASSETS

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

At December 31, 2020

(in thousands of euros)	Software	Trademarks and other rights	Customer Relationships	Economic information databases	Other Intangible assets	Total
Balance at December 31, 2019	**35,525**	**21,752**	**284,344**	**18,091**	**41,365**	**401,077**
Change in scope of consolidation	**477**				**163**	**639**
Breakdown:						
- Historical cost	*866*	*5*			*241*	*1,111*
- Accumulated depreciation	*(389)*	*(5)*	*-*		*(77)*	*(472)*
Additions	19,150	5	-	11,888	1,830	32,873
Disposals - historical cost	(232)				(19)	(251)
Disposals - accumulated depreciation	113				19	132
Disposals	(119)	-	-	-	-	(119)
Depreciation and amortisation	(15,887)	(6,817)	(23,777)	(12,454)	(9,869)	(68,804)
Non-recurring PPA write-downs		(199)	(1,348)		(2,384)	(3,931)
Balance at December 31, 2020	**39,146**	**14,740**	**259,219**	**17,525**	**31,105**	**361,735**
Breakdown:						
- Historical cost	*189,840*	*38,683*	*439,925*	*322,412*	*192,785*	*1,183,646*
- Accumulated depreciation	*(150,694)*	*(23,943)*	*(180,707)*	*(304,887)*	*(161,680)*	*(821,912)*

At December 31, 2019

(in thousands of euros)	Software	Trademarks and other rights	Customer Relationships	Economic information databases	Other Intangible assets	Total
Balance at December 31, 2018 *Restated*	**31,874**	**21,618**	**278,354**	**18,426**	**110,151**	**460,423**
Change in scope of consolidation	**5,117**	**2,758**	**31,655**	**-**	**3,828**	**43,358**
Breakdown:						
- Historical cost	*5,237*	*2,758*	*31,655*		*4,589*	*44,239*
- Accumulated depreciation	*(120)*				*(761)*	*(881)*
Additions	16,706	-	-	12,374	1,578	30,658
Disposals – historical cost						-
Disposals – accumulated depreciation						-
Disposals	-	-	-	-	-	-
Depreciation and amortisation	(18,172)	(2,624)	(25,665)	(12,709)	(74,192)	(133,363)
Balance at December 31, 2019	**35,525**	**21,752**	**284,344**	**18,091**	**41,365**	**401,077**
Breakdown:						
- Historical cost	*170,056*	*38,873*	*441,273*	*310,524*	*193,118*	*1,153,844*
- Accumulated depreciation	*(134,531)*	*(17,121)*	*(156,930)*	*(292,433)*	*(151,753)*	*-752,768*

Additions for the period, which totalled 32,873 thousand euros, refer mainly to projects carried out during the period to develop new products and software (18,815 thousand euros) and investments in economic information databases (11,888 thousand euros).

The item "Non-recurring PPA write-downs" refers to *(i)* the write-down of the residual historical cost of the assets recognised in the Purchase Price Allocation at the time of the acquisition of the company ClickAdv S.r.l., for an amount of 1,868 thousand euros, following the impairment test, and *(ii)* the write-down of the residual historical cost of the value of the Servicing Agreement allocated in the Purchase Price Allocation of San Giacomo Crediti and due to the early termination of the contract for 2,063 thousand euros.

The change in scope of consolidation, amounting to 639 thousand euros, refers to the effects of the business combinations completed during the year and described in Note 5 Business Combination.

21 GOODWILL

Following the reorganisation that affected the Group and led to the creation of the new "Risk Management" and "Growth Services" operating segments, the goodwill of the various CGUs linked to the previous "Credit Information" and "Marketing Solutions" operating segments was reclassified, in line with the new organisational structure.

The table below illustrates the reconciliation of the goodwill presented in the financial statements at December 31, 2019 of the previous sectors and the new current sectors previously described.

(in thousands of euros)	At December 31, 2019	Reclassification	At December 31, 2019
Credit Information → Risk Management	636,743	(19,778)	616,965
Marketing Solutions → Growth Services	51,497	19,778	71,275
Credit Management	76,315	-	76,315
Total	**764,553**	**-**	**764,553**

The reclassifications relative to the FinLine and Spazio Dati CGUs were included in the Growth operating sector.

At December 31, 2020, the Cerved goodwill was allocated among the different operating segments/CGUs as follows:

(in thousands of euros)	At December 31, 2019	Increases	Write-downs in 2020	At December 31, 2020
Risk Management	616,393			616,393
Risk Management – FinLine	570			570
Risk Management - Integrate	-	788		788
Risk Management - Hawk	-	2,439		2,439
Growth – Cerved Group	41,872		(13,953)	27,919
Growth – Spazio Dati	8,387			8,387
Growth – MBS	11,391			11,391
Growth – ClickAdv	6,977		(6,977)	-
Growth – ProWeb	2,648			2,648
Credit Management	68,794			68,794
Credit Management – Bari	3,499			3,499
Credit Management – CPS	4,022			4,022
Total	**764,553**	**3,227**	**(20,930)**	**746,850**

In line with the requirements of the reference accounting standards, Goodwill was tested for impairment at December 31, 2020.

Following the uncertainty due to the global COVID-19 pandemic that has affected the entire world since the first few months of 2020, ESMA issued guidelines for the preparation of the financial statements for 2020. Specifically, these guidelines also concerned the impairment test exercise pursuant to IAS 36.

In light of the considerations of ESMA[1], which recommended the use of multiple scenarios to estimate the future cash flows of a CGU, and Consob warning notice no. 1/21 of 16/02/2021, and the uncertainties related to future developments due to the crisis caused by COVID-19, the Board of Directors of Cerved has decided to develop two plan scenarios, to be used in the determination of the recoverable amounts of the CGU and the Investments on the basis of the multi-scenario approach, as suggested by ESMA, and in particular:

(i) **Baseline scenario**: represents the numerical transposition for impairment purposes of the new strategic-business plan of the Cerved group and which summarises the development guidelines of the Company's business units for the next three years and represents management's best estimate of the business outlook, since it takes into account the effects of COVID-19 in the 2021 budget and a gradual recovery of the business in subsequent years;

(ii) **Worst scenario**: this is a version created exclusively with a view to stress testing on the Baseline plan for impairment testing purposes.

The determination of value in use for the purpose of the impairment test carried out at December 31, 2020 is based on the discounting of the forecast data of each CGU ("DCF Method") relating to the three-year period from 2021 to 2023, as approved by the Company's Board of Directors on February 23, 2021. The two scenarios described above were prudently weighted by management for the purpose of determining the value in use at 70% Base Scenario and 30% Worst Scenario.

[1] *ESMA Recommendation of October 28, 2020.*

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

- 6.9% for the CGUs linked to the Risk operating sector, and is the result of the weighted average of the cost of capital, equal to 7.4% (92.9%) - including a market risk premium of 6% - and an after tax debt cost of 1.1% (7.1%). The structure of the objective capital used for weighted average purposes was determined based on an average for the capital structures of comparable companies and not independent of the financial structure of individual CGUs/companies;
- 9.2% for the CGUs linked to the Growth operating sector, and is the result of the weighted average of the cost of capital, equal to 10.0% (90.1%) - including a market risk premium of 6% and a size premium of 3.2% - and an after tax debt cost of 2.7% (9.9%). The structure of the objective capital used for weighted average purposes was determined based on an average for the capital structures of comparable companies and not independent of the financial structure of individual CGUs/companies;
- 6.5% for the Credit Management and Credit Management - Bari CGUs, and is the result of the weighted average of the cost of capital, equal to 15.5% (36.8%) - including a market risk premium of 6% and a size premium of 3.2% - and an after tax debt cost of 1.3% (63.2%). The structure of the objective capital used for weighted average purposes was determined based on an average for the capital structures of comparable companies and not independent of the financial structure of individual CGUs/companies;
- 6.8% for the Credit Management - CPS CGU, and is the result of the weighted average of the cost of capital, equal to 16.1% (36.8%) - including a market risk premium of 6% and a size premium of 3.2% - and an after tax debt cost of 1.3% (63.2%). The structure of the objective capital used for weighted average purposes was determined based on an average for the capital structures of comparable companies and not independent of the financial structure of individual CGUs/companies.

The conclusive evaluations of the Impairment Test as at December 31, 2020, taking into account the write-downs recorded in the previous quarters following the impairment tests carried out during the year, highlighted impairments on the goodwill allocated to the Growth CGU for 13,953 thousand euros and allocated to the Click CGU for 6,977 thousand euros.

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, 2020**
CGU Risk - Cerved	399,495
CGU Risk - FinLine	23,968
CGU Risk - Hawk	13,407
CGU Growth -Spazio Dati	41,222
CGU Growth - MBS	26,194
CGU Growth - Cerved	(13,953)
CGU Growth - ClickAdv	(6,977)
CGU Growth - Pro Web	16,307
CGU Credit Management	166,612
CGU Credit Management - QCCM/Juliet	200,246
CGU Credit Management - CM Bari	9,305
CGU Credit Management - CPS	18,190
Total	**984,016**

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

(in thousands of euros)	-10%	-5%	5%	10%
Risk Management	231,751	315,623	483,367	567,239
Risk Management – FinLine	20,857	22,412	25,523	27,078
Risk Management - Hawk	10,930	12,168	14,646	15,884
Growth – Cerved Group	(5,306)	(3,668)	(390)	1,248
Growth – Spazio Dati	33,867	37,545	44,900	48,578
Growth – MBS	16,857	21,526	30,863	35,531
Growth – ProWeb	12,610	14,459	18,156	20,005
Credit Management	124,305	145,459	187,766	208,919
Credit Management – Bari	6,774	8,039	10,570	11,836
Credit Management – CPS	14,526	16,358	20,022	21,854
Credit Management – Juliet	178,792	189,519	210,973	221,700
Total	**645,963**	**779,440**	**1,046,396**	**1,179,872**

The table below shows the change in the surplus recoverable value of each CGU based on a change of 100 points and 200 points in the value of the WACC, all other parameters being equal:

(in thousands of euros)	-2%	-1%	1%	2%
Risk Management	937,459	622,962	232,536	103,058
Risk Management – FinLine	34,865	28,500	20,573	17,934
Risk Management - Hawk	21,159	16,624	11,008	9,152
Growth – Cerved Group	6,507	1,723	(5,051)	(7,537)
Growth – Spazio Dati	56,429	47,899	35,857	31,453
Growth – MBS	50,398	36,827	17,640	10,609
Growth – ProWeb	24,743	20,008	13,338	10,905
Credit Management	316,486	227,954	121,609	87,191
Credit Management – Bari	21,481	14,281	5,664	2,887
Credit Management – CPS	30,753	23,379	14,341	11,373
Credit Management – Juliet	294,096	238,666	172,050	150,477
Totale	**1,794,376**	**1,278,823**	**639,565**	**427,502**

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

(in thousands of euros)	WACC	EBITDA %
Risk Management	9,9%	-23,5%
Risk Management – FinLine	49,9%	-76,9%
Risk Management - Hawk	24,0%	-51,1%
Growth – Spazio Dati	38,6%	-55,9%
Growth – MBS	13,2%	-28,0%
Growth – ProWeb	20,1%	-42,8%
Credit Management	12,9%	-39,2%
Credit Management – Bari	9,9%	-36,5%
Credit Management – CPS	17,4%	-48,8%
Credit Management – Juliet	126,8%	-93,3%

22 INVESTMENTS IN ASSOCIATES VALUED BY THE EQUITY METHOD

At December 31, 2020, this item amounted to 3,115 thousand euros and includes:

- the value of the equity investment in the associated company Experian Italia S.p.A. for 3,082 thousand euros;
- the value of the equity investment in the partnership “La Scala Cerved Società tra avvocati” for 33 thousand euros.

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

(in thousands of euros)	Experian Italia	La Scala Cerved	Totale
Balance at December 31, 2019	**3.067**	**29**	**3.096**
Profit (Losses) from valuation by the equity method	15	4	19
Balance at December 31, 2020	**3.082**	**33**	**3.115**

At December 31, 2020, Experian and the Cerved Group own 95.35% and 4.65% of Experian Italia’s share capital, respectively. The Group qualified this investment as an investment in an associated company by virtue of governance stipulations set forth in the shareholders’ agreements that enable the Group to exercise considerable influence, as specified in IAS 28.

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

(in thousands of euros)	Totale Attivo	Totale Patrimonio netto	Totale Ricavi	Utile/Perdita del periodo
Experian Italia S.p.A[1]	17.857	6.149	22.965	381
La Scala Cerved [2]	8.465	97	4.889	4

Note 1: financial statements closed at March 31, 2020.

Note 2: data from the financial statements at December 31, 2020.

23 OTHER NON-CURRENT FINANCIAL ASSETS

(in thousands of euros)	At December 31, 2020	At December 31, 2019
Other investments	5,068	5,240
Other financial receivables	2,892	3,515
Security deposits and sundry items	602	612
Total	**8,562**	**9,367**

At December 31, 2020, "Other non-current financial assets" included: *(i)* the value of the other equity investments held by the Group totalling 5,068 thousand euros and measured at fair value; *(ii)* several guarantee deposits, *(iii)* a loan receivable from La Scala Cerved of 700 thousand euros disbursed to support this company during start-up and while it becomes fully operational; *(iv)* 1,406 thousand euros for a capitalisation policy of the provision for severance indemnities issued by Consit Italia S.p.A., subsequently merged into Cerved Group S.p.A. in 2018.

Unconsolidated Equity Investments Held by the Group

(in thousands of euros)	Registered office	Share capital	Shareholders' equity at December 31, 2019	% control (indirect)	December 31, 2020	December 31, 2019
SIA-SSB	Milan	22,275	316,239	0.76%	4,991	5,130
Class Editori S.p.A.	Milan	43,100	29,198	0.29%	54	87
Other minor securities					23	23
Total					**5,068**	**5,240**

The amounts shown are drawn from the statutory financial statements prepared in accordance with the reference accounting standards of the individual companies. At December 31, 2020, there were no impairment indicators requiring that the investments be written down.

24 TRADE RECEIVABLES

"Trade receivables" totalled 254,176 thousand euros, net of the corresponding provision for impairment of receivables, as detailed below:

(in thousands of euros)	At December 31, 2020	At December 31, 2019
Trade receivables from external customers	271,269	247,456
Provision for impairment of receivables	(18,893)	(14,031)
Related-party receivables	1,800	727
Total	**254,176**	**234,152**

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

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

(in thousands of euros)	Provision for impairment of receivables
At December 31, 2019	**14,031**
Change in scope of consolidation	14
Accruals	7,992
Utilisations	(3,144)
At December 31, 2020	**18,893**

The accrual to the Provision for impairment of receivables reflects the estimated realisable value of receivables that were still deemed collectible at December 31, 2020. Utilisations for the period were recognised 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.

25 TAX RECEIVABLES

A breakdown of "Tax receivables" is as follows:

(in thousands of euros)	At December 31, 2020	At December 31, 2019
VAT receivable	418	1,358
IRAP receivable	589	458
IRES receivable	833	289
Other tax receivables	1,026	5,717
Total	**2,865**	**7,821**

The main components of Other tax receivables include the following:
- 766 thousand euros relating to withholding taxes to be paid in January 2021;
- 38 thousand euros for the residual 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.

The change compared to the previous year is essentially attributable to the use of the receivable relating to the Patent Box for 3,774 thousand euros.

26 OTHER RECEIVABLES

A breakdown of “Other receivables” at December 31, 2020 is as follows:

(in thousands of euros)	At December 31, 2020	At December 31, 2019
Advances to agents	918	741
Other receivables	2,645	2,067
Other receivables from related parties	14	31
Total	**3,578**	**2,839**

Other receivables mainly relate to: (i) 227 thousand euros for a receivable owed by some former controlling companies for an IRES receivable resulting from the deductibility from IRES of the IRAP paid in the years in which some Group companies filed a consolidated tax return; (ii) 106 thousand euros for advances to suppliers; (iii) 805 thousand euros for receivables from employees for advances and welfare payments; and (iv) 798 thousand euros in receivables from tax collectors and principals for debt collection activities.

27 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 recognised in profit or loss based on customer usage progress.

A breakdown of the item is provided below:

(in thousands of euros)	At December 31, 2020	At December 31, 2019
Prepaid commercial costs	9,624	9,546
Other prepaid expenses	3,843	4,172
Other receivables	13	17
Total	**13,480**	**13,735**

“Other prepaid expenses” consist mainly of maintenance fees.

28 CASH AND CASH EQUIVALENTS

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

A breakdown of this item is provided below:

(in thousands of euros)	At December 31, 2020	At December 31, 2019
Deposits in bank and postal accounts	56,487	86,186
Cash on hand	30	25
Total	**56,516**	**86,211**

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

29 SHAREHOLDERS' EQUITY

At the date of these Financial Statements, the fully subscribed and paid-in share capital amounted to 50,521 thousand euros and was comprised of 195,274,979 common shares without par value.

At December 31, 2020, the Company held 2,993,169 treasury shares for a purchase price of 22,608 thousand euros.

The changes in equity reserves are shown in this report's financial statement schedules.

In 2020, no dividends were paid 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 8 IRS contracts are posted, as described in Note 31 "Current and non-current borrowings," and the reserve established to offset the recognition of the cost of the share-based incentive plan, whose value is 14,155 thousand euros.

30 EARNINGS PER SHARE

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

	At December 31, 2020	At December 31, 2019
Net profit attributable to owners of the parent (in thousands of euros)	25,384	54,621
Number of common shares at the end of the period	195,274,979	195,274,979
Average weighted number of shares outstanding for basic earnings per share purposes	195,274,979	195,274,979
Adjustment for "Performance Share Plan"	4,562,006	3,752,637
Adjustment for "Treasury Shares"	(2,993,169)	(3,420,275)
Average weighted number of shares outstanding for diluted earnings per share purposes	196,843,816	195,607,341
Basic earnings per share (in euros)	**0.130**	**0.279**
Diluted earnings per share (in euros)	**0.129**	**0.279**

Diluted earnings per share are affected by the "Performance Share Plan", which is described in Note 43 below, which calls for grants totalling up to 4,562,006 options, and by purchases of treasury shares (2,993,169 shares at December 31).
The dilutive effect was determined based on the maximum number of options that could vest by the end of the three-year measurement period.

31 CURRENT AND NON-CURRENT BORROWINGS

The table below provides a breakdown of “Current borrowings” and “Non-current borrowings” at December 31, 2020 and 2019:

(in thousands of euros)					At December 31, 2020		At December 31, 2019	
Current and non-current borrowings	**Original amount**	**When issued**	**Maturity**	**Rate charged**		**Current portion**		**Current portion**
Term Loan Facility A	160,000	2016	paid off	*Euribor +1.50%*	-	-	148,000	-
Term Loan Facility B	200,000	2016	paid off	*Euribor +1.875%*	-	-	200,000	-
Term Loan Facility C	200,000	2016	paid off	*Euribor +2.05%*	-	-	200,000	-
Term Loan Facility A	545,000	2020	2025	*Euribor +2.00%*	545,000	-	-	-
Term Loan Facility B	18,000	2020	2025	*Euribor +2.00%*	18,000	-	-	-
Liability for financial charges					1,179	1,179	2,283	2,283
Vendor Loan Credito Valtellinese	16,000	2015	2022	*Euribor 3m+ 1.80%*	12,000	8,000	16,000	4,000
Cassa Risparmio Ravenna loan	18,000	2017	2022	*Euribor 6m +1.5%*	-	-	18,000	3,546
Banco BPM - Innovation Team S.r.l. loan					-	-	84	84
Banco BPM - MBS S.p.A. loan					-	-	336	336
Financial debt IFRS 16					50,260	6,467	49,721	4,905
Revolving line drawdown					10,000	10,000	-	-
Fair value IRS					8,383	2,272	6,659	1,592
Other financial liabilities					9,219	9,219	3,230	3,230
Incidental borrowing costs					(9,840)	(2,509)	(8,649)	(3,734)
Total					**644,201**	**34,628**	**635,663**	**16,241**

Term loan facilities

On April 24, 2020, the Cerved Group Parent Company entered into with a pool of banks composed of Banca IMI S.p.A., BNP Paribas - Italian Branch, Banco BPM S.p.A., Crédit Agricole Corporate and Investment Bank - Milan Branch, Crédit Agricole Italia S.p.A., Mediobanca - Banca di Credito Finanziario S.p.A., UBI Banca S.p.A., and UniCredit S.p.A. binding agreements, relative to the subscription, subject to the occurrence of standard conditions in similar transactions, of credit agreements for 713 million euros. The new lines are composed of the Term Loan A for 545 million euros, the Term Loan B for 18 million euros and a Revolving Credit Facility for 150 million euros with final maturity of five years, and have allowed for the refinancing of the Forward Start credit lines subscribed for 648 million euros and stipulated on January 15, 2016, and which had reimbursement dates from January 2021. The loan agreements and the relative use of credit facilities were finalised on May 12, 2020.

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

	Annual margin %		
Leverage Ratio	**Facility A**	**Facility B**	**Revolving Facility**
> 4	3.50	3.50	3.50
between 3.5 – 4	3.00	3.00	3.00
between 3 – 3.5	2.50	2.50	2.50
between 2.5 – 3.0	2.25	2.25	2.25
between 2 – 2.5	2.00	2.00	2.00
between 1.5 – 2	1.85	1.85	1.85
between 1 - 1.5	1.70	1.70	1.70
< 1	1.55	1.55	1.55

During 2020 the Revolving credit line was utilised for a drawdown of 130 million euros, of which 120 million euros were repaid.

At December 31, 2020, the leverage ratio was within the 2.5%-3.0% range.

Financial debt IFRS 16

The "financial debt IFRS 16", equal to 50,260 thousand euros, includes the accounting of the effects deriving from the application of the above mentioned standard due to the discounting back of future cash flows linked to the payment of lease payments for the Group's legal, operational and commercial offices.

Other Current Financial Debt

The main components of "Other current financial debt", amounting to 9.129 thousand euros, include the following:
- payables owed to factors amounting to 8,800 thousand euros;
- payables owed to principals for collections on their behalf amounting to 114 thousand euros.

Derivatives

On June 30, 2020 interest rate swaps (IRS) were underwritten with seven primary banks, for a nominal value of 486 million euros, to hedge the interest rate risk of the Term Loan Facility A, with a fixed interest rate of 0.08% and a floor of -2%. The IRS contracts run from July 1, 2020 and have a duration of five years. At the execution date, the fair value of the financial instruments was negative for 6,057 thousand euros and was fully recognised in the income statement.

At December 31, 2020, the fair value of these financial instruments was negative for 8,383 thousand euros and was recognised under financial liabilities, with counter entry under financial charges for the ineffectiveness portion and the cash flow hedge reserve for the effectiveness portion based on the tests performed.

32 NET FINANCIAL DEBT

The table below presents the Group's net financial debt at December 31, 2020, 2019 and 2018, 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, 2020	At December 31, 2019	At December 31, 2018
A. Cash	30	25	14
B. Other liquid assets	56,487	86,187	42,349
C. Securities held for trading	-	-	-
D. Liquidity (A)+(B)+(C)	**56,516**	**86,212**	**42,364**
E. Current loans receivable	-	-	-
F. Current bank debt	(203)	(201)	(178)
G. Current portion of non-current borrowings	(6,680)	(6,515)	(2,866)
H. Other current financial debt	(27,235)	(9,525)	(14,265)
I. Current financial debt (F)+(G)+(H)	**(34,118)**	**(16,241)**	**(17,310)**
J. Net current financial debt (D)+(E)+(I)	**22,398**	**69,970**	**25,054**
K. Non-current bank debt	(559,669)	(569,539)	(573,393)
L. Bonds outstanding	-	-	-
M. Other non-current financial debt	(50,414)	(49,884)	(42,755)
N. Non-current financial debt (K)+(L)+(M)	**(610,083)**	**(619,422)**	**(616,148)**
O. Net financial debt (J)+(N)	**(587,684)**	**(549,452)**	**(591,094)**

At December 31, 2020, the Group's net financial debt totalled 587,684 thousand euros, compared with 549,452 thousand euros at December 31, 2019.

33 EMPLOYEE BENEFITS

At December 31, 2020, "Employee Benefits" included a provision for severance indemnities amounting to 18,036 thousand euros.

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

(in thousands of euros)	Provision for severance indemnities
At December 31, 2019	**15,812**
Change in scope of consolidation	341
Current cost	1,774
Financial charges	104
Actuarial losses/(gains)	752
Contributions added – Benefits paid	(748)
At December 31, 2020	**18,036**

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

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

Discount rate	0.32%
Inflation rate	1.00%
Rate of wage growth	2.50%
Expected mortality rate	RG48 from Government Accounting Office
Expected disability rate	INPS Model 2010 projections
Expected resignations/advances (annual)	5.00%/3.00%

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

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 summarised 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	**15,760**	**17,375**	**16,671**	**16,307**	**16,033**	**17,277**

There are no defined-benefit plan assets.

34 PROVISIONS FOR RISKS AND CHARGES

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

(in thousands of euros)	Provision for agents’ indemnity	Provisions for risks and charges	Total
At December 31, 2019	**1,600**	**3,648**	**5,249**
Change in scope of consolidation	-	-	-
Accruals net of reversals	418	(101)	317
Utilisations	(595)	(203)	(798)
At December 31, 2020	**1,423**	**3,343**	**4,767**

The “Provision for agents’ indemnity”, which had a balance of 1,423 thousand euros at December 31, 2020, was estimated based on the legislation that governs agency relationships and is deemed to be sufficient to cover any liabilities that may arise in the future.

The “Provisions for risks and charges”, which amounted to 3,343 thousand euros, refer mainly to tax disputes and disputes with employees and suppliers.

35 OTHER NON-CURRENT LIABILITIES

“Other non-current liabilities” of 41,160 thousand euros mainly refers:

- for 32,097 thousand euros to the non-current liability for the put option granted by the company Cerved Group to the majority shareholders of MBS Consulting S.p.A., empowering them to sell in instalments, by the end of the first half of 2024, a 33.63% stake in the company, conditional on certain conditions being met. The aggregate value of this liability was estimated at 47,250 thousand euros; the current portion was included in “Other liabilities”;
- for 2,614 thousand euros to the non-current liability for the put option granted by Cerved Group to the minority shareholders of Pro Web Consulting S.r.l., empowering them to sell instalments, by the end of the first half of 2022, a 10% interest in the company, conditional on certain conditions being met. The aggregate value of this liability was estimated at 5,928 thousand euros; the current portion was included in “Other liabilities”;
- for 1,171 thousand euros to the non-current liability relative to the earn-out assigned to the former shareholders of Cerved Property Services S.A. subject to certain conditions being met. The aggregate value of this liability was estimated at 3,119 thousand euros; the current portion was included in “Other liabilities”;
- for 2,957 thousand euros to the non-current liability related to the earn-out attributed to the former shareholders of Euro Legal Services S.r.l subject to certain conditions being met. The aggregate value of this liability was estimated at 4,031 thousand euros; the current portion was included in “Other liabilities”;
- for 2,127 thousand euros to the non-current liability related to the earn-out attributed to the former shareholders of the Hawk Group subject to certain conditions being met. The aggregate value of this liability was estimated at 2,856 thousand euros; the current portion was included in “Other liabilities”;
- for 191 thousand euros to the non-current liability related to the earn-out attributed to the former shareholders of Integrate S.r.l subject to certain conditions being met.

36 DEFERRED TAX ASSETS AND LIABILITIES

A breakdown of "Deferred tax liabilities" at December 31, 2020 is provided below:

(in thousands of euros)	Balance at December 31, 2019	Change in scope of consolidation	Additions/Reversals in profit or loss	Additions/Reversals in comprehensive income	Balance at December 31, 2020
Deferred tax assets					
Tax deductible goodwill	206		(22)		184
Provision for impairment of receivables	2,798		1,119		3,917
Provisions for risks and charges	926		(133)		793
Provision for employee benefits and agents indemnity	954			177	1,131
Hedge accounting	1,516			(906)	610
Write-down of receivables Decree Law No. 83/2015	1,536		(283)		1,253
Other	2,185	18	(253)		1,950
Total deferred tax assets	**10,121**	**18**	**427**	**(729)**	**9,837**
Deferred tax liabilities					
Customer Relationships	(79,572)		7,081		(72,491)
Trademarks	(6,043)		1,957		(4,086)
Buildings	(295)		295		0
Software	(1,639)		725		(914)
Contracts	(10,344)		2,745		(7,600)
Other equity investments – Measurement at fair value	(565)			41	(525)
Total deferred tax liabilities	**(98,458)**	**-**	**12,803**	**41**	**(85,616)**
Total net deferred tax assets/ liabilities	**(88,337)**	**18**	**13,230**	**(688)**	**(75,778)**

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

37 TRADE PAYABLES

(in thousands of euros)	At December 31, 2020	At December 31, 2019
Payables to outside suppliers	44,359	54,002
Payables to related parties	2,549	1,571
Total	**46,908**	**55,572**

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.

38 CURRENT TAX PAYABLES

A breakdown of this item is provided below:

(in thousands of euros)	At December 31, 2020	At December 31, 2019
Corporate income tax (IRES) payables	3,107	23,653
Regional income tax (IRAP) payables	1,514	3,634
Total	**4,621**	**27,288**

39 OTHER TAX PAYABLES

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

(in thousands of euros)	At December 31, 2020	At December 31, 2019
VAT payable	3,240	1,311
Withholdings payable	5,981	4,191
Other sundry payables	575	570
Total	**9,796**	**6,072**

40 OTHER LIABILITIES

(in thousands of euros)	At December 31, 2020	At December 31, 2019
Social security contributions payable	11,244	11,568
Payables owed to employees	22,475	22,389
Payables for deferred revenues	87,546	88,375
Miscellaneous liabilities	28,745	34,880
Accrued expenses	349	473
Other related-party payables	1,215	15,985
Total	**151,575**	**173,669**

The item "Miscellaneous liabilities" also includes the short-term liability recognised for the Options underwritten with the majority shareholders of MBS Consulting S.p.A. and Pro Web Consulting S.r.l. and the minority shareholders of Pro Web Consulting S.r.l., as well as the short-term payable for the acquisition of a further portion from minority shareholders Spazio Dati S.r.l., and the liability relating to the earn-out relating to the purchase of Euro Legal Services S.r.l., Cerved Property Services S.A. and the Hawk Group.

This liability refers:
- for 15,153 thousand euros to the current portion of the liability for the put option granted by the company Cerved Group to the majority shareholders of MBS Consulting S.p.A, empowering them to sell, by the end of 2021, a 15.86% interest in the company, conditional on certain conditions being met;
- for 1,605 thousand euros to the current liability attributed by the company Cerved Group to the minority shareholders of Spazio Dati S.r.l., empowering them to sell, by end of 2020, an 8.26% interest in the company, conditional on certain conditions being met;
- for 3,314 thousand euros to the current portion of the liability for the put option granted by the company Cerved Group to the minority shareholders of Pro Web

Consulting S.r.l., empowering them to sell, by the end of 2021, a 10% interest in the company, conditional on certain conditions being met;
- for 1,074 thousand euros to the current liability related to the earn-out attributed to the former shareholders of Euro Legal Services S.r.l when certain conditions are met;
- for 1,948 thousand euros to the current portion of the liability relative to the earn-out assigned to the former shareholders of Cerved Property Services S.A. subject to certain conditions being met;
- for 729 thousand euros to the current liability related to the earn-out attributed to the former shareholders of the Hawk Group subject to certain conditions being met.

41 OTHER INFORMATION

Contingent Liabilities

A dispute is currently pending between the indirect subsidiary Cerved Credit Management S.p.A. ("CCM") and Credito Valtellinese S.p.A. ("Creval") in relation to the interpretation and execution of the servicing agreement signed on April 1, 2015 and subsequently amended and supplemented (the "Servicing Agreement").
The dispute originates, in particular, from the non-payment, by Creval, of the fee accrued for an indemnity, amounting to 6,294 thousand euros and not yet paid. In the absence of any concrete settlement propensity from Creval, on January 19, 2021, CCM filed the aforementioned request for arbitration with the National and International Arbitration Chamber of Milan, thus formally initiating arbitration no. 321, which is still pending.
In the meantime, almost at the same time that CCM sent the request for arbitration to Creval, Creval sent CCM a letter with which it made claims for damages against CCM for certain alleged breaches in relation to the performance of contractual services. These claims were confirmed by the counterparty in the counterclaim filed when it joined the arbitration proceedings.

The initial stage of the dispute does not currently allow for reliable forecasts to be made regarding its possible outcome, but on the basis of an initial examination of Creval's response to the request for arbitration and the additional information currently available to us, also following some preliminary discussions with Creval, the company, supported by its lawyers, believes that:
- CCM has a good chance of obtaining a favourable decision with respect to the receivables claimed against Creval and pursued by outstanding invoices, given that such receivables derive from the full application of certain provisions of the *Servicing* Agreement;
- the risk of CCM losing the case against the restitution and/or compensation claims brought by Creval by way of counterclaim is remote, at least at present, and quantifiable for approximately 4.1 million euros, taking into account, among other things, that, prior to January 11, 2020, Creval had never significantly raised any dispute regarding CCM's alleged negligence in the performance of such activities;
- lastly, there is a possible risk of CCM losing the case with regard to the items of damage represented by the losses allegedly suffered by Creval as a result of errors in the management of the positions entrusted to CCM and the indemnities paid (or to be paid) to the assignees of the receivables and quantified by the counterparty at around 3.6 million euros; in this regard, we also note that some of these claims were considered more likely to be lost and consequently allocated to the provision for risks for an amount of around 0.1 million euros.

Commitments

Please note that at December 31, 2020, the Group had undertaken commitments not reflected in the financial statements, totalling 6,262 thousand euros, consist-

ing mainly of sureties provided:
- by Unicredit for 2,148 thousand euros for the benefit of the lessor of the new San Donato headquarters;
- by Generali and other banking institutions for 728 thousand euros in connections with the submission of bids and/or the successful outcome of some tenders;
- by Generali for 1,000 thousand euros for the benefit of Infocamere;
- by Unicredit for 640 thousand euros for the benefit of the customer Banca d'Italia.

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

Third Party Assets Held in Storage and on Deposit

At December 31, 2020, the Group managed assets held on deposit valued at 13,907 thousand euros. These assets consist of personal property not owned deriving from finance leases for which Cerved Credit Management Group S.r.l. provides custodial services, operational management, sales and any services related to or instrumental for those activities.

Compensation of Directors and Statutory Auditors

The table below shows the compensation awarded to Directors and Statutory Auditors at December 31, 2020:

Directors

(in thousands of euros)

Name and surname	Post held	Expiration of office	Fees for post held	Non-monetary benefits	Bonus and other incentives	Other compensation(1)	Total compensation
Gianandrea De Bernardis	Executive Chairperson	Approval of fin. statements at 12/31/21	400			-	400
Andrea Mignanelli	CEO	Approval of fin. statements at 12/31/21	500		350		850
Sabrina Delle Curti	Director	Approval of fin. statements at 12/31/21	-				-
Umberto Carlo Maria Nicodano[(1)]	Director	Approval of fin. statements at 12/31/21	50			10	60
Fabio Cerchiai	Independent Director	Approval of fin. statements at 12/31/21	85			10	95
Andrea Casalini[(1)]	Independent Director	Approval of fin. statements at 12/31/21	50				50
Aurelio Regina	Independent Director	Approval of fin. statements at 12/31/21	50			25	75
Mara Anna Rita Caverni	Independent Director	Approval of fin. statements at 12/31/21	50			10	60
Mario Francesco Pitto[(1)]	Independent Director	Approval of fin. statements at 12/31/21	50				50
Alessandra Stabilini[(1)]	Independent Director	Approval of fin. statements at 12/31/21	50			25	75
Valentina Montanari	Independent Director	Approval of fin. statements at 12/31/21	50			20	70
Total			**1,335**	**-**	**350**	**100**	**1,785**

[(1)] *attendance fees of 1,000 euros for A. Casalini and 500 euros for U. Nicodano, M. Pitto, A. Stabilini for the Compensation and Nominating Committee.*

Statutory Auditors

(in thousands of euros)

Name and surname	Post held	Expiration of office	Fees for post held	Non-monetary benefits	Bonus and other incentives	Other remuneration	Total compensation
Antonella Bientinesi	Chairperson	Approval of fin. statements at 12/31/22	60				60
Costanza Bonelli	Statutory Auditor	Approval of fin. statements at 12/31/22	40				40
Gilberto Comi[(2)]	Statutory Auditor	Approval of fin. statements at 12/31/22	24.4				24.4
Paolo Ludovici [(3)]	Statutory Auditor	Until May 20, 2020	15.6				15.6
Paolo Baruffi	Alternate Auditor	Approval of fin. statements at 12/31/22	-				-
Antonio Mele	Alternate Auditor	Approval of fin. statements at 12/31/22	-				-
Total			**140**				**140**

[(2)] *the Statutory Auditor G. Comi was appointed on May 20, 2020 and his office provides for an annual fee of 40 thousand euros. His remuneration for 2020 amounts to 24.4 thousand euros.*
[(3)] *the Statutory Auditor P. Ludovici resigned from office when the previous Board of Statutory Auditors expired.*

Independent Auditors

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

(in migliaia di Euro)	PwC S.p.A.	Other entities in the PwC network	Total PwC network
Auditing Services [(1)]	**772**	**46**	**818**
- *Certification services*	*14*		*14*
Other services [(2)]	**148**	**289**	**437**
- Agreed audit engagements	8		8
- Other	140	289	429
Total	**920**	**335**	**1,255**

[(1)] *The auditing services refer for 334 thousand euros to the Parent Company Cerved Group S.p.A. and for 509 thousand euros to the subsidiaries and basically include: auditing the statutory financial statements and consolidated financial statements of Cerved Group and its subsidiaries, the limited audit of the semi-annual financial report, the accounting reviews performed during the reporting year pursuant to Article 155, paragraph 1, of Legislative Decree No. 58/1998 and the limited audit of the Non-Financial Statement.*
[(2)] *Other services refer to the following activities carried out for the parent company Cerved Group: (i) 8 thousand euros for services relating to the certification of the financial covenant, (ii) 140 thousand euros for services rendered to subsidiaries for opinions issued to the pursuant to Article 2501-bis, paragraphs 4 and 5, in favor of a subsidiary of the Group; (iii) 289 thousand euros for software development activties and advisory services related to PSD2 project. Please note that by a resolution adopted by the Company's Board of Directors on February 22, 2018, the Group approved the adoption of a procedure governing the award of "non-audit" engagements, in accordance with Legislative Decree No. 135/2016.*

42 DESCRIPTION OF INCENTIVE PLANS (IFRS 2)

The following table shows the changes in the options assigned to the company's managers during 2020 in relation to the share incentive plans adopted by the group for the three-year periods 2019-2021 and 2022-2024.

	Awarded options	Options expired/ revoked	Exercised options	Options outstanding at December 31, 2020
2019-2021 Performance Shares Second Cycle 2017	628,996	(18,841)	(610,155)	-
2019-2021 Performance Shares Third Cycle 2018	719,118	(27,193)		691,925
2019-2021 Performance Shares additional Third Cycle	677,123	(28,902)		648,221
2021-2024 Performance Shares First Cycle 2019	1,734,000	(73,000)		1,661,000
2021-2024 Performance Shares First Cycle 2019 - integration	80,000	(70,000)		10,000
2021-2024 Performance Shares Second Cycle 2020	1,550,860			1,550,860
Total	**5,390,097**	**(217,936)**	**(610,155)**	**4,562,006**

2019-2021 Performance Share Plan

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

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

An incentivising curve has been established for each Performance Target, linking the number of Shares awardable, based on the Target achieved:
- a minimum performance threshold, below which no share will be awarded;
- a maximum performance cap upon the achievement of which the beneficiary will be awarded the maximum number of shares.

The Shares subject of the 2019-2021 Performance Share Plan will be awarded upon the verification of the achievement of the performance conditions in the 2018-2020 three-year period.

The performance conditions are explained below:
- 70% "PBTA Target": this indicates the growth of the Adjusted Profit Before Taxes per Share, which shall be understood to mean the profit before taxes excluding non-recurring income and charges, the financial charges incurred to obtain financing facilities and recognised in the income statement by the amortised cost method and the surpluses generated by the business combination processes and allocated to intangible assets (consistent with the computation of the adjusted net profit in the Offering Prospectus of Cerved Group (formerly Cerved Information Solution S.p.A.) filed with Consob on June 6, 2014, before tax

effect). The growth of the Adjusted Profit Before Taxes shall be understood to mean the annual compound growth rate, excluding from the computation the accounting effects of the Plan itself, and excluding the effects of the refinancing agreement. The target reflects different levels of achievement based on the growth rate of the Cerved Group's PBTA:
  - less than 6%: 0%
  - 6% (threshold): 40%
  - between 6% and 10%: by linear interpolation
  - 10% (cap): 100%
  - more than 10%: 100%
- 30% "Total Shareholder Return Target" of Cerved Group (formerly Cerved Information Solution S.p.A.) compared with that of companies included in the FTSE Mid Cap Index Italia published by Borsa Italiana S.p.A. The TSR is measured for the period between January 1, 2018 and December 31, 2020. 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 shares awarded
  - equal to the median (threshold): 50% of the rights assigned
  - between the median and the 75th percentile: by linear interpolation
  - 75th percentile (cap): 100%
  - more than 75th percentile: 100%

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

On February 12, 2020, the Board of Directors of the Company, based on the objectives achieved and set out in the Regulation and on the proposal of the Compensation and Nominating Committee, approved the allocation of 427,106 shares, equal to 70% of the options exercised for the Second Cycle 2017.

The accrued cost recognised at December 31, 2020 for the third residual cycle for the 2019-2021 period amounts to 3,620 thousand euros and was included among Personnel costs.

2022-2024 Performance Share Plan

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

The Plan is articulated into three Cycles (2019, 2020 and 2021), each of the duration of three years, and relates to rights to receive free of charge a maximum number of 4,881,874 shares equal to 2.5% of the share capital of the Company, which can be assigned in the three Cycles of the Plan, subject to adjustments resolved by the Board of Directors, by virtue of the powers assigned to it for the implementation of the Plan.

The performance targets identified in the Plan are:
- "PBTA Target" – the growth, expressed as a percentage, of Adjusted Profit Before Taxes per Share in the period 2019-2021, with the premise that the growth in Adjusted Profit Before Taxes is intended as an annual compound growth rate and excludes from the calculation the accounting effects deriving from the Plan itself.

- “TSR Mid Cap Target” – the Company’s “Total Shareholder Return” compared with that of companies included, for each Plan Cycle and the entire duration of the corresponding Performance Period, in the FTSE Mid Cap Index Italia generated by Borsa Italiana S.p.A.
- “TSR Sector Target” – the percentage deviation of the Company’s Total Shareholder Return, for each Cycle of the Plan and for the entire duration of the relative Performance Period, from the Total Shareholder Return of the FTSE Italia Industria index of Borsa Italiana.

On July 30, 2020, the Company’s Board of Directors, upon a recommendation by the Compensation and Nominating Committee, approved the identification and assignment of 1,607,060 options for each beneficiary of the Second Cycle of the 2022-2024 Plan (of which 1,550,860 options actually assigned).

The fair value of the options granted in 2020, against the first assignment of the 2021-2024 Performance Share Plan, was calculated using the so-called “Monte Carlo method” using the computation parameters set out below:
- risk-free interest rate: -0.63%, based on the interest rate of a zero coupon bond by a Eurozone governmental entity;
- expected dividends: 4%
- volatility of 25%

The accrued cost recognised at December 31, 2020 for the two cycles of the aforementioned plan amounted to 3,808 thousand euros and was included among Personnel costs.

Spazio Dati Stock Options Plan

In November 2020: (i) all beneficiaries of the stock option plan approved by SpazioDati S.r.l. (“SpazioDati”) on November 22, 2016 (with the exception of one beneficiary), exercised in accordance with the relevant regulation the stock options they held, acquiring for effect category “B” quotas of SpazioDati with a total nominal value of 853.9 euros, representing 3.946% of the relevant share capital, (ii) all the quotas referred to in point (i) above were acquired by Cerved Group S.p.A, and were therefore converted into ordinary quotas; (iii) by resolution of the shareholders’ meeting of November 19, 2020, SpazioDati’s share capital was reduced and simultaneously increased free of charge by a total of 11.66 euros, corresponding to the value of the unopted quota, through the issue of an ordinary quota in the Company with a nominal value of 11.66 euros, allocated proportionally to all SpazioDati shareholders. The accrued cost of SpazioDati’s 2020 stock option plan was 168 thousand euros.

43 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 summarised receivables and payables arising from transactions with related parties:

RELATED PARTIES – STATEMENT OF FINANCIAL POSITION DATA

(in thousands of euros)	Experian Italia S.p.A.	La Scala – Cerved Società tra avvocati a r.l.	Board of Directors and executives with strategic responsibilities	Other related parties	Total	Total financial statement item	% of financial statement item
Trade receivables							
At December 31, 2019	44	684			728	234,152	0.3%
At December 31, 2020	80	1,719			1,800	254,176	0.7%
Other non-current financial assets							
At December 31, 2019		700			700	9,367	7.5%
At December 31, 2020		700			700	8,562	8.2%
Other receivables							
At December 31, 2019	31				31	2,839	1.1%
At December 31, 2020	14				14	3,578	0.4%
Trade payables							
At December 31, 2019	(595)	(976)			(1,571)	(55,572)	2.8%
At December 31, 2020	(326)	(2,222)			(2,549)	(46,908)	5.4%
Other payables							
At December 31, 2019	(7)	(22)	(15,956)(1)		(15,985)	(173,669)	9.2%
At December 31, 2020		(7)	(1,207)		(1,214)	(151,735)	0.8%

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

RELATED PARTIES – INCOME STATEMENT DATA

(in thousands of euros)	Experian Italia S.p.A.	La Scala – Cerved Società tra avvocati a r.l.	Board of Directors and executives with strategic responsibilities	Other related parties	Total	Total financial statement item	% of financial statement item
2019							
Revenues	625	535		4	1,164	560,657	0.2%
Pro rata interest in the results of companies valued by the equity method	(36)				(36)	(36)	100.0%
Cost of services	(1,127)	(1,245)			(2,372)	(133,873)	1.8%
Personnel costs		35	(5,142)		(5,107)	(152,852)	3.3%
Financial income		19			19	840	2.3%
Financial charges			(969)		(969)	(29,836)	3.3%

(in thousands of euros)	Experian Italia S.p.A.	La Scala - Cerved Società tra avvocati a r.l.	Board of Directors and executives with strategic responsibilities	Other related parties	Total	Total financial statement item	% of financial statement item
2020							
Revenues	746	1,138			1,884	493,174	0.4%
Pro rata interest in the results of companies valued by the equity method	19				19	19	100.0%
Cost of services	(1,599)	(1,691)			(3,289)	(126,618)	2.6%
Personnel costs		(61)	(5,565)		(5,625)	(153,764)	3.7%
Financial income		20			20	2,942	0.7%

RELATED PARTIES - CASH FLOW DATA

	ASSOCIATED COMPANIES						
(in thousands of euros)	Experian Italia S.p.A.	La Scala - Cerved Società tra avvocati a r.l.	Board of Directors and executives with strategic responsibilities	Other related parties	Total	Total financial statement item	% of financial statement item
2019							
Cash flow from/(used in) operating activities	(381)	(356)	(4,938)		(5,674)	208,121	-2.7%
Cash flow from/(used in) investing activities	(36)				(36)	(76,575)	0.0%
Cash flow from/(used in) financing activities		(181)	(1,874)		(2,055)	(87,698)	2.4%

(in thousands of euros)	Experian Italia S.p.A.	La Scala - Cerved Società tra avvocati a r.l.	Board of Directors and executives with strategic responsibilities	Other related parties	Total	Total financial statement item	% of financial statement item
2020							
Cash flow from/(used in) operating activities	(1,148)	(417)	(20,314)		(21,879)	117,390	-18.6%
Cash flow from/(used in) investing activities	158				19	(126,488)	-0.0%
Cash flow from/(used in) financing activities		20			20	(20,596)	-0.1%

The transactions listed above were executed on market terms.

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

(in thousands of euros)	Wages, salaries and social security contributions
Directors' fees [1]	2,165
Executives with strategic responsibilities	3,400
Total	**5,565**

[1] *the amount shown includes the remuneration component of the director Delle Curti and the social security contributions linked to the emoluments of the entire Board of Directors.*

44 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.

45 EVENTS OCCURRING AFTER THE END OF YEAR

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

46 OTHER INFORMATION

Pursuant to the provisions of Law No. 124 of August 4, 2017 (Article 1, paragraphs from 125 to 129), also called "Transparency Law", it should be noted that the Cerved Group did not receive any contributions relating to Research and Development costs during 2020.

All transactions of a commercial nature carried out with public administrations and related companies in the course of 2020 were executed in exchange for a consideration to remunerate the services provided by the companies of the Group on market terms and in the normal course of business.

In 2020, the Group invoiced to public companies or companies owned by public companies a total of 16,528 thousand euros, including 8,306 thousand euros collected during the year.

San Donato Milanese, March 25, 2021

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

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

1 The undersigned Andrea Mignanelli, in his capacity as Chief Executive Officer, and Francesca Perulli, in her capacity as Corporate Accounting Documents Officer of Cerved Group S.p.A., certify, also taking into account the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree No. 58 of February 24, 1998:
- the adequacy in relation to the characteristics of the business enterprise; and
- the effective application of the administrative and accounting procedures for the preparation of the Annual Consolidated Financial Statements during the year from January 1 to December 31, 2020.

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

3 We further certify that:

3.1 The Annual Consolidated Financial Statements:
- were prepared in accordance with the applicable international accounting standards recognised in the European Union pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and Council, of July 19, 2002;
- are consistent with the data in the Company's books of accounts and other accounting records;
- are suitable for providing a truthful and fair presentation of the financial position, earnings and cash flow of the Company and all of the companies included in the scope of consolidation.

3.2 The Report on Operations provides a reliable analysis of the Group's performance and result from operations, as well as of the financial position of the issuer and all of the companies included in the scope of consolidation, together with a description of the main risks and uncertainties to which they are exposed.

San Donato Milanese, March 25, 2021

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

3

Financial Statements at December 31, 2020

Statement of comprehensive income

(in thousands of euros)	Notes	At December 31, 2020	At December 31, 2019
Revenues	7	287,883,119	298,796,012
- amount with related parties	*43*	*(7,051,777)*	*(2,524,389)*
Other Income	8	13,953,117	10,637,488
- amount with related parties	*43*	*11,990,765*	*10,361,680*
Total Revenues and Income		**301,836,236**	**309,433,500**
Cost of raw materials and other materials	9	389,815	807,462
Cost of services	10	94,842,332	87,902,503
- amount with related parties	*43*	*31,036,678*	*18,702,084*
Personnel costs	11	74,729,186	78,933,593
- amount with related parties	*43*	*5,271,525*	*4,807,946*
Other operating costs	12	4,130,469	3,983,922
- amount with related parties	*43*	*16,894*	*35,105*
Impairment of receivables and other provisions	13	4,756,356	2,793,428
Depreciation and amortisation	14	69,038,577	59,625,254
- amount from non-recurring transactions	*15*	*13,470,000*	*-*
Operating profit		**53,949,502**	**75,387,337**
Income from/(charges for) investments in associates	16	(11,079,972)	(2,251,551)
- amount from non-recurring transactions	*16*	*(11,079,972)*	*(2,709,000)*
Financial income	17	2,546,475	1,237,234
- amount with related parties	*43*	*2,286,123*	*1,148,508*
Financial charges	18	(32,321,067)	(17,409,710)
- amount from non-recurring transactions	*15*	*(16,400,181)*	*-*
- amount with related parties	*43*	*(97,290)*	*(54,146)*
Financial income/(charges), net		**(40,854,565)**	**(18,424,027)**
Profit before taxes		**13,094,937**	**56,963,310**
Income taxes	19	(13,391,007)	(15,432,948)
Result for the year		**(296,070)**	**41,530,362**
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		*(209,251)*	*(263,259)*
- Tax effect		*50,220*	*63,182*
- Gains/(Losses) from the measurement of investments at fair value through OCI		*(172,031)*	*385,339*
- Tax effect		*41,288*	*(200,481)*
Items that will be later reclassified to the income statement			
- Hedge accounting gains/(losses)		*3,773,378*	*(1,869,386)*
- Tax effect		*(905,611)*	*448,637*
Comprehensive net profit		**2,281,922**	**40,544,395**

Statement of financial position

(in thousands of euros)	Notes	At December 31, 2020	At December 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	20	43,610,576	46,701,075
Intangible assets	21	285,910,802	308,033,907
Goodwill	22	692,518,475	705,988,475
Investments in associates	23	134,944,557	97,203,914
Other non-current financial assets	24	92,325,386	95,641,361
- amount with related parties	*43*	*85,250,000*	*87,750,000*
Total non-current assets		**1,249,309,796**	**1,253,568,733**
Current Asset			
Inventory			
Trade receivables	25	126,995,209	110,541,824
- amount with related parties	*43*	*3,424,662*	*1,963,227*
Tax receivables	26	596,646	6,007,863
Other receivables	26	40,687,080	16,002,169
- amount with related parties	*43*	*38,760,055*	*14,503,559*
Other current assets	28	12,214,155	12,212,543
Cash and cash equivalents	29	46,398,785	65,493,415
Total current assets		**226,891,876**	**210,257,814**
TOTAL ASSETS		**1,476,201,671**	**1,463,826,547**
Share capital	30	50,521,142	50,521,142
Statutory reserve	30	10,104,228	10,104,228
Additional paid-in capital	30	468,436,058	468,436,058
Other reserves	30	(3,744,770)	(55,004,976)
Net profit attributable to owners of the parent		(296,070)	41,530,362
TOTAL SHAREHOLDERS' EQUITY		**525,020,589**	**515,586,816**
Non-current liabilities			
Non-current loans	31	596,731,123	583,158,081
Employee benefits	33	7,855,925	7,767,300
Provision for risks and charges	34	3,442,123	4,103,370
Other non-current liabilities	35	2,127,050	737,115
Deferred tax liabilities	36	62,969,800	69,366,164
Total non-current liabilities		**673,126,022**	**665,132,030**
Current liabilities			
Current loans	31	122,854,807	132,437,557
- amount with related parties	*43*	*99,449,116*	*126,560,436*
Trade payables	37	44,149,239	33,773,197
- amount with related parties	*43*	*21,628,212*	*9,232,097*
Current tax payables	38	2,054,331	7,489,633
Other tax payables	39	3,343,680	2,530,716
Other payables	40	105,653,004	106,876,597
- amount with related parties	*43*	*4,231,408*	*4,194,279*
Total current liabilities		**278,055,060**	**283,107,700**
TOTAL LIABILITIES		**951,181,082**	**948,239,731**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,476,201,671**	**1,463,826,547**

Statement of cash flows

(in thousands of euros)	Notes	At December 31, 2020	At December 31, 2019
Profit before taxes		13,094,937	56,963,310
Depreciation and amortisation	14	55,568,577	59,625,254
Provision for impairment of receivables	13	4,663,534	2,993,675
Provisions for risks	13	92,822	(200,247)
Cost for Performance Share Plans	11	5,627,266	6,485,630
Income from/(charges for) investments in associates	16	11,079,972	2,251,551
Gains on disposal of assets	8	(1,463,410)	-
Impairment of goodwill	22	13,470,000	-
Net financial charges/(income)	17	29,774,592	16,172,476
Cash flow from/(used in) operating activities before changes in working capital		**131,908,290**	**144,291,649**
Change in operating working capital		(10,512,572)	(13,229,568)
Change in other working capital items		7,435,913	6,973,686
Change in provisions		(832,991)	(545,287)
Cash flow from changes in working capital		**(3,909,649)**	**(6,801,169)**
Income taxes paid		(28,203,788)	(19,045,330)
Cash flow from/(used in) operating activities		**99,794,853**	**118,445,150**
Investments in property, plant and equipment	20	(3,320,512)	(3,231,482)
Additions to intangible assets	21	(25,767,626)	(25,863,274)
Disposals of intangible assets and property, plant and equipment	20/21	3,720,699	-
Financial income	16	1,697,306	1,237,234
Dividends received	16	-	457,449
Financing provided to investee companies		(23,345,207)	(28,800,044)
Acquisitions of equity investments		(44,172,189)	(34,052,597)
Cash flow from/(used in) investing activities		(91,187,529)	**(90,252,714)**
Dividends paid		-	(58,498,307)
Change in short-term financial debt	30	(24,407,751)	87,527,608
Receipt of Term Loan	30	563,000,000	-
Repayment Forward Start loan	30	(548,000,000)	-
Interest Rate Swaps termination	30	(6,492,000)	-
Utilisation of Revolving Line	30	10,000,000	-
Repayment of Revolving Line		-	(10.000.000)
Charges related to the repayment of the Senior Loan		(7,865,000)	-
Purchase of treasury shares	29	-	(703,925)
Interests paid		(13,937,204)	(14,047,335)
Cash flow from/(used in) financing activities		**(27,701,955)**	**4,278,042**
Net change in cash and cash and equivalents		**(19,094,630)**	**32,470,477**
Cash and cash equivalents at the beginning of the period	28	65,493,415	33,022,938
Cash and cash equivalents at the end of the period	28	46,398,785	65,493,415
Difference		**(19,094,630)**	**32,470,477**

Statement of changes in shareholders' equity

(in thousands of euros)	Share capital	Statutory reserve	Additional paid-in capital	Other reserves	Net profit	Total shareholders' equity
Balance at December 31, 2017	**50,450,000**	**10,090,000**	**475,235,910**	**2,536,858**	**48,434,906**	**586,747,674**
Impact of first-time adoption of IFRS 16				(715,944)		(715,944)
Balance at December 31 Restated	**50,450,000**	**10,090,000**	**475,235,910**	**1,820,914**	**48,434,906**	**586,031,730**
Deficit of Cerved Group S.p.A. merger				(62,531,675)		(62,531,675)
Surplus of Consit Italia S.p.A. merger	71,142			23,736,840		23,807,982
Total merger impacts	**50,521,142**	**10,090,000**	**475,235,910**	**(36,973,921)**	**48,434,906**	**547,308,037**
Appropriation of result				48,434,906	(48,434,906)	-
Dividend distribution				(47,842,370)		(47,842,370)
Distribution of reserves			(4,881,874)			(4,881,874)
Performance Share Plan				4,980,653		4,980,653
Purchase of treasury shares				(29,296,005)		(29,296,005)
Total transactions with owners	**-**	**-**	**(4,881,874)**	**(23,722,816)**	**(48,434,906)**	**(77,039,596)**
Net profit					58,098,109	58,098,109
Actuarial gains/(losses) on defined-benefit plans for employees, net of tax effect				(2,046,552)		(2,046,552)
Comprehensive net profit	**-**	**-**	**-**	**(2,046,552)**	**58,098,109**	**56,051,557**
Balance at December 31, 2018 Restated	**50,521,142**	**10,090,000**	**470,354,036**	**(62,743,289)**	**58,098,109**	**526,319,998**
Appropriation of result				**58,098,109**	**(58,098,109)**	**-**
Portion in statutory reserve		14,228		(14,228)		-
Dividend distribution			(1,917,977)	(56,580,332)		(58,498,309)
Performance Share Plan				7,924,659		7,924,659
Purchase of treasury shares				(703,925)		(703,925)
Total transactions with owners	-	14,228	(1,917,977)	8,724,282	(58,098,109)	(51,277,576)
Net profit					**41,530,362**	**41,530,362**
Other changes in statement of comprehensive income				(985,969)		(985,969)
Comprehensive net profit	-	-	-	(985,969)	41,530,362	40,544,394
Balance at December 31, 2019	**50,521,142**	**10,104,228**	**468,436,059**	**(55,004,976)**	**41,530,362**	**515,586,816**
Appropriation of result				**41,530,362**	**(41,530,362)**	**-**
Performance Share Plan				7,151,850		7,151,850
Total transactions with owners	-	-	-	48,682,212	(41,530,362)	7,151,850
Net profit					**(296,070)**	**(296,070)**
Other changes in statement of comprehensive income				2,577,992		2,577,992
Comprehensive net profit	-	-	-	2,577,992	(296,070)	2,281,922
Balance at December 31, 2020	**50,521,142**	**10,104,228**	**468,436,059**	**(3,744,771)**	**(296,070)**	**525,020,589**

Cerved Group S.p.A. Notes to the Statutory Financial Statements at December 31, 2020

GENERAL INFORMATION

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

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

This document was prepared by the Company's Board of Directors, meeting on March 25, 2021, for approval by the Shareholders' Meeting scheduled for April 27, 2021. The Board of Directors authorised the Chairman and the Chief Executive Officer to make any changes to the financial statements that may be necessary or appropriate for completing the presentation of this document in the period between March 25, 2021, and the date when it will be approved by the Shareholders' Meeting.

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

OVERVIEW OF THE ACCOUNTING STANDARDS

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

2.1 BASIS OF PREPARATION

These Financial Statements were prepared in accordance with the going concern assumption, the Directors having verified the absence of any financial, operational or other indicators signalling the existence of issues concerning the Company's ability to meets its obligations in the foreseeable future and over the next 12 months specifically. A description of the methods by which the Company manages financial risks is provided in Note 3 "Financial Risk Management".

The Financial Statements were prepared based on the IFRS international accounting standards, understood to include all "International Financial Reporting Standards", all "International Accounting Standards" (IAS) and all interpretations issued by the "International Financial Reporting Interpretations Committee" (IFRIC), previously called "Standing Interpretations Committee" (SIC) that, on the date of these 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 drafted in euros, which is the Company's functional currency.
Unless otherwise stated, the amounts listed in this document are presented in thousands of euros.
The financial statement presentation format and the corresponding classification criteria adopted by the Company among the options provided by IAS 1 "Presentation of Financial Statements" are reviewed below:

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

In addition, pursuant to Consob Resolution No. 15519 of July 28, 2006, within the income statement, income and expenses from non-recurring transactions, if any, 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".
It should be noted that, in order to improve the representation of non-recurring income and expenses in line with the Consob Resolution, the Company has taken steps from 2020 (and jointly on the 2019 comparative figures) not to represent as non-recurring the costs for services related to extraordinary transactions and personnel costs for early retirement incentives.
The Financial Statements were prepared based on the conventional historical cost criterion, except for the measurement of financial assets and liabilities in those cases in which the use of the fair value criterion is mandatory.

2.2 VALUATION CRITERIA

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

Property, Plant and Equipment

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

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

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

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

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

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

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

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

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

Lease

On the date of entering into a contract, the company verifies whether the contract contains or represents a lease, i.e. whether it confers the right to control the use of an identified asset for a specified period of time in return for payment. This right exists if the right to substantially obtain all the economic benefits deriving from the use of the asset and the right to direct its use are held over the period of use.
At the commencement date of the lease contract (i.e. the date on which the asset is made available for use), the lessee shall recognise, in the statement of financial position, an asset representing the right to use of the asset (hereinafter also referred to as "right-of-use asset"), and a liability representing the obligation to make payments under the contract (hereinafter also referred to as the "lease liability"). In particular, the lease liability is initially recognised at an amount equal to the present value of the following lease payments not yet made at the start date: (i) fixed (or substantially fixed) payments, net of any inducements to receive; (ii) variable payments that depend on indices or rates; (iii) an estimate of the payment to be made by the lessee as security for the residual value of the leased asset; (iv) payment of the exercise price of the purchase option, if the lessee is reasonably certain to exercise the option; and (v) payment of contractual penalties for termination of the lease, if the lessee is reasonably certain to exercise the option. The present value of the above payments is calculated using a discount rate equal to

the interest rate implicit in the lease or, if this cannot be easily determined, using the lessee's incremental financing rate. The latter is defined mainly taking into account the duration of the lease contracts.
After initial recognition, the lease liability is measured at amortised cost and is restated, generally as an offsetting entry to the carrying amount of the related right-of-use asset, in the presence of a change in payments due for the lease essentially as a result of: (i) contractual renegotiations that do not represent a separate lease; (ii) changes in indices or rates (to which the variable payments are related); or (iii) changes in the valuation regarding the exercise of the contractually envisaged options (purchase options of the leased asset, options to extend or terminate the contract).
The right to use a leased asset is initially recognised at cost, determined as the sum of the following components: (i) the initial amount of the lease liability; (ii) the initial direct costs incurred by the lessee; (iii) any payments made at or before the commencement date, net of any incentives received from the lessor; and (iv) an estimate of the costs that the lessee expects to incur in decommissioning, removing the underlying asset and clearing the site or restoring the asset to the condition under the contract. After initial recognition, the right-of-use asset is adjusted to take account of accumulated depreciation, any accumulated impairment losses and the effects of any restatements of the lease liability.
The determination of the reasonable certainty of whether or not to exercise an extension and/or termination option under a lease contract is the result of a process that involves complex judgements on the part of management. In this regard, the reasonable certainty of exercising these options is verified at the commencement date, considering all the facts and circumstances that generate an economic incentive to exercise them, as well as when significant events or changes occur in the circumstances that are under the lessee's control and that influence the valuation previously made.

Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance, controllable and capable of generating future economic benefits. These assets are initially recognised 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 recognised within the Group:

(a) Goodwill

Goodwill is classified as an intangible asset with an indefinite useful life and is initially recognised 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 recognised at cost, as described above, net of accumulated amortisation and any impairment losses.

Software Development Costs

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

Database Costs

Costs incurred to acquire financial information (databases) are recognised 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 recognised 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 recognised at their purchase or production cost and amortised on a straight-line basis over their estimated useful lives; the amortisation 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 recognised prospectively in the separate income statement.

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

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

Intangible Assets from Business Combinations

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

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

Impairment of Property, Plant and Equipment and Intangible Assets

(a) Goodwill

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

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

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

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

On each reference date of the financial statements, a check is performed to determine whether there are indicators that items of property plant and equipment and intangible assets may have been impaired. Both internal and external information sources are used for this purpose. With regard to internal sources, the following are taken into account: the obsolescence or physical deterioration of an asset, any material changes in the use of the asset and the asset's economic performance compared with expectations. Insofar as external sources are concerned, the following is taken into consideration: trends in market prices for the assets, any technological, market or regulatory discontinuities and trends in market interest rates or the cost of capital used to value investments.
If the presence of such indicators is detected, an estimate is made of the recoverable value of the aforementioned assets, recognising any write-downs of their carrying amounts in profit or loss. The recoverable value of an asset is the greater of its fair value, net of cost to sell, and its value in use, understood to mean the present value of the estimated future cash flows from the asset in question. In determining value in use, the expected future cash flows are discounted to present value using a pre-tax discount rate that reflects current market valuation of the cost of money, in relation to the investment period and taking into account the asset's specific risks. For an asset that does not generate largely independent cash flows, the recoverable value is determined in relation to the cash generating unit to which the asset belongs.

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

Financial instruments

(c) Financial assets – Debt Instruments

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

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

Subsequent to initial recognition, financial assets that generate contractual cash flows consisting exclusively of principal and interest are valued at amortised cost if held for the purpose of collecting the contractual cash flows (so-called hold to collect business model). Under the amortised cost model, the initial recognition value is then adjusted to reflect principal repayments, any impairment losses and the amortisation of the difference between the repayment amount and the initial recognition amount.
Amortisation is carried out based on the effective internal interest rate, which represents the rate which, at the moment of initial recognition, makes the present value of the expected cash flows equal to the initial recognition value.

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

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

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

A financial asset representative of a debt instrument that is not valued at amortised cost or FVTOCI is measured at fair value with the effects recognised in profit or loss (hereinafter FVTPL); financial assets held for trading belong to this category.

When the purchase or sale of financial assets is executed through a contract that calls for the transaction to be settled and the asset to be delivered within a specific number of days, determined by the market government entity or in accordance with market practices (e.g. purchase of securities on regulated market), the transaction is recognised on the settlement date.

When financial assets are sold, they are eliminated from the statement of financial position upon the expiration of the contractual rights connected with obtaining the cash flows associated with the financial instrument or if the rights are transferred to a third party.

(d) Impairment of Financial Assets

The assessment of the recoverability of financial assets representative of debt instruments that are not measured at fair value through profit or loss is made in accordance with the so-called "Expected credit loss model".

More specifically, expected losses are generally determined as the combined result of the following factors: (i) the exposure existing with the counterparty net of mitigating factors (so-called "Exposure at Default"); (ii) the probability that the counterparty will default on its payment obligation (so-called "Probability of Default"); (iii) an estimate, stated in percentage terms, of the quantity of the receivable that may not be recoverable in the event of default (so-called "Loss Given Default"), defined based on past experience and possibly available collection efforts (e.g., out-of-court settlements, judicial disputes, etc.).

Taking into consideration the characteristics of the regulated markets, credit exposures deemed to be in default are exposure that are more than 90 days past due or, in any case, credit exposures that are in dispute or are the subject of restructurings or renegotiations. Exposures in dispute are exposures for which credit recovery actions through legal/judicial proceedings have been activated or are being activated.

Impairments of trade receivables and other receivables are recognised in the income statement, net of any recoveries, under "Impairment of receivables and other provisions".

(e) Minority Equity Interests

Financial assets representative of minority equity interests, when not held for trading, are measured at fair value through the equity reserve to which the other components of comprehensive income are posted, with no expectation of their reversal into profit or loss when realised.

Dividends originating from these equity interests are recognised in the income statement under "Financial income". The valuation at cost of a minority equity interest is allowed when cost represents an adequate estimate of its fair value.

INVESTMENTS IN SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

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

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

Control can be exercised either by virtue of the direct or indirect possession of a majority of the shares with voting rights or by virtue of contractual stipulations or statutory provisions, irrespective of share ownership. The existence of any potential voting rights exercisable on the date of the financial statements is taken into account to determine control.
As a rule, control is presumed to exist when a company holds, directly or indirectly, more than half of the voting rights.

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

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

CASH AND CASH EQUIVALENTS

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

TRANSACTIONS IN CURRENCIES DIFFERENT FROM THE FUNCTIONAL CURRENCY

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

SHAREHOLDERS' EQUITY

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

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

Other reserves
This item includes the most commonly used reserves, which can have a generic

or specific destination. As a rule, they do not derive from results of previous years.

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

BORROWINGS AND OTHER FINANCIAL LIABILITIES

Borrowings and other financial liabilities are initially recognised at fair value, net of directly attributable incidental costs, and are later valued at amortised 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 recognised on the date the corresponding transactions are executed and are removed from the financial statements when they are extinguished or after the Company has transferred all of the risks and charges inherent in the financial instruments.

DERIVATIVES

Financial derivatives, including embedded derivatives, are assets and liabilities that are recognised at fair value.
Within the framework of the strategy and objectives defined for risk management purposes, the qualification of transactions as hedges requires: (i) verification of the existence of an economic relationship between the hedged item and the hedging instrument sufficient to balance the corresponding changes in value and that this relationship is not nullified by the counterparty's level of credit risk; and (ii) the definition of a hedge ratio consistent with the risk management objectives, within the framework of the defined risk management strategy, executing, when necessary, appropriate rebalancing actions. Any changes to the risk management objectives, the failure to continue meeting the requirements mentioned above to qualify the transactions as hedges or the execution of rebalancing transactions determine the total or partial prospective discontinuation of the hedging.
When hedging derivatives hedge the risk of changes in the value of the hedged instruments (fair value hedge; e.g., hedging for the variability of the fair value of fixed-rate assets/liabilities), derivatives are measured at fair value through profit or loss; consequently, the hedged instruments are adjusted to reflect in the income statement the changes in fair value associated with the hedged risk, irrespective of the availability of a different valuation criterion generally applicable to the type of instrument in question.
When derivatives hedge the risk of changes in the cash flows generated by the hedged instruments (cash flow hedge; e.g., hedging for the variability of the cash flows of assets/liabilities due to fluctuations in interest rates or foreign exchange rates), any changes in the fair value of derivatives deemed effective are initially recognised in the equity reserve for other components of comprehensive income and subsequently posted to the income statement consistent with the economic effects produced by the hedged transaction. When hedging future transactions that entail the recognition of a non-financial asset or liability, the cumulative amount of the changes in the fair value of the hedging derivatives, recognised in equity, is applied to restate the initial recognition value of the hedged non-financial asset or liability (so-called basis adjustment).

The ineffective portion of the hedge is recognised in the income statement under "Financial income and charges".
Changes in the fair value of derivatives that do not meet the conditions to qualify as hedges, including any ineffective components of hedging derivatives, are recognised in profit or loss. More specifically, changes in the fair value of interest rate and foreign exchange rate non-hedging derivatives are recognised in the income statement under "Financial income and charges".
Derivatives embedded in financial assets are not separated for accounting purposes; in such instances, the complete hybrid instrument is classified in accordance with the general classification criteria of financial assets. Derivatives embedded in financial liabilities and/or non-financial assets are separated from the main contract and recognised separately if the embedded instrument: (i) meets the requirements to qualify as a derivative; (ii) as a whole, it is not valued at fair value through profit or loss (FVTPL); (iii) if the characteristics and risks of the derivative are not closely linked with those of the main contract. The verification of the existence of embedded derivatives that must be detached and valued separately is made at the moment when the entity becomes a party to the contract and, subsequently, when the terms of the contract are amended in a manner that creates significant changes in the cash flows generated by the contract.

EMPLOYEE BENEFITS

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

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

SHARE-BASED COMPENSATION PLANS

The "Performance Share Plan" should be treated as involving a share-based payment 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 recognised under "Personnel costs", for Company employees, and under "Investments in associates", for employees of the subsidiaries, over the period from the grant date to the vesting date, with the offsetting entry posted to a "Reserve for performance shares".

The Plan is deemed to be equity settled.

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

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

The cost for each one of the Plan's conditions is recognised by the entity that employs the beneficiary proportionately over the vesting period and, on each reporting date, the entity recognises 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 recognising the effects in the income statement, net of any previously recognised accumulated cost. Please note that, by virtue of the adoption of IFRS 2, the failure to fulfil the TSR market condition does not determine the remeasuring of the Plan's cost.

PROVISIONS FOR RISKS AND CHARGES

The provisions for risks and charges are recognised 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 recognised only when there is a current statutory or constructive obligation that will cause a future outflow of economic resources as a result of past events and it is probable that the aforementioned outflow will be required to fulfil the obligation. The amount of the provisions represents the best estimate of the charge required to extinguish the obligation.
Risks for which the occurrence of a liability is only possible are listed in a separate disclosure of contingent liabilities (see Note 35) and no provision is set aside to cover them.

TRADE PAYABLES AND OTHER LIABILITIES

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

SEGMENT INFORMATION

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

- *Risk Management*
- *Growth Services*

REVENUES

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

In particular:

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

COSTS

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

FINANCIAL CHARGES AND INCOME

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

INCOME TAXES

The income taxes shown in the income statement include both current and deferred taxes. Income taxes are recognised 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 recognised in the financial statements and the corresponding amounts recognised 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 recognised only when it is probable that sufficient taxable income will be generated in future years to recover them.

2.3 RECENTLY PUBLISHED ACCOUNTING STANDARDS

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

The table below lists the international accounting standards, interpretations and amendments to existing accounting standards and interpretations or specific provisions set forth in standards and interpretations approved by the IASB, showing which ones were endorsed or not endorsed for adoption in Europe as of the date of this document:

Description	Endorsed as of the date of this document	Effective date of the standard
IFRS 17 Insurance Contracts	No	Years beginning on or after January 1, 2023
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current	No	Years beginning on or after January 1, 2023
Amendments to IFRS 3 Business Combinations	No	Years beginning on or after January 1, 2022
Amendments to IAS 16 Property, Plant and Equipment	No	Years beginning on or after January 1, 2022
Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets	No	Years beginning on or after January 1, 2022
Annual Improvements 2018-2020	No	Years beginning on or after January 1, 2022
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies	No	Years beginning on or after January 1, 2023
Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	No	Years beginning on or after January 1, 2023

It should be noted that no accounting standards and/or interpretations have been applied in advance, which have not been endorsed and whose application would be mandatory for periods beginning after January 1, 2020.

The Company is currently evaluating the possible impact of adopting the above principles.

3 FINANCIAL RISK MANAGEMENT

3.1 FINANCIAL RISK FACTORS

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

The Company's objective is to maintain over time a balanced handling of its financial exposure, capable of ensuring that the structure of its liabilities is in harmony with the asset composition in its financial statements and delivering the necessary operating flexibility through the combined use of liquidity generated by current operating activities and bank financing.

The ability to generate liquidity through the operating activities, coupled with its borrowing ability, enables the Company to adequately meet its operating needs, in terms of financing its operating working capital and funding its investments, and meet its financial obligations.

The Company's financing policy and the management of the related financial risks are guided and monitored at the central level. Specifically, the central Finance Department is responsible for assessing and approving projected financing needs, monitoring developing trends and, when necessary, taking corrective action. In addition, the central Finance Department contributes to the development of the Company's financing and cash management policies, seeking to optimise the management of financial and cash flows and related risks. This activity is carried out in cooperation with the management of the Company and its subsidiaries, as all decisions are made specifically taking into consideration the Company's operating needs, as approved and revised by the Board of Directors.

The following section provides qualitative and quantitative disclosures on the impact of such risks on the Company.

Market Risks

Foreign Exchange Risk

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

Interest Rate Risk

The Company uses external financial resources in the form of borrowings and in-

vests 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 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 recognition of changes in the fair value of derivatives at December 31, 2020, amounting to 2,868 thousand euros, were recognised directly in the statement of other components of comprehensive income. The Euribor is the interest rate to which the Company is most exposed. Detailed information about financial instruments outstanding at the reporting date is provided in Note 29 "Current and non-current borrowings".

Sensitivity Analysis Relating to Interest Rate Risk

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

Within the scope of the assumptions made, the effects on the Company's income statement and shareholders' equity for 2020 resulting from a hypothetical variation in market rates that reflect an increase or decrease of 100 bps were determined. The computation method applied the hypothetical variation to: the annual average balance of the Company's bank deposits, the actual balances of gross financial debt and the interest rate paid during the year to remunerate variable rate liabilities.

The table below shows the results of the analysis performed:

(In thousands of euros)	Impact on profit		Impact on shareholders' equity	
	-100 bps	+100 bps	-100 bps	+100 bps
2020 [1]	**(31)**	**(847)**	**(31)**	**(847)**

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, 2020.

Credit Risk

Financial Credit Risk

The financial credit risk refers to the inability of a counterparty to fulfil its obligations. At December 31, 2020, the Company's liquid assets were invested in bank accounts with top-rated credit institutions.

Commercial Credit Risk

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

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

Lastly, trade receivables carried in the financial statements are individually analysed and when positions are found to present conditions that make them partially or fully uncollectible, they are written down. The amount of the impairment 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 recognised 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, 2020 grouped by days in arrears, net of the provision for impairment of receivables.

(In thousands of euros)	At December 31, 2020	Current	90 days in arrears	From 90 to 240 days in arrears	More than 240 days in arrears
Trade receivables	137,687	112,943	7,299	5,874	11,571
Provision for impairment of receivables	10,691	2,135	525	1,210	6,821
Net amount	**126,995**	**110,808**	**6,773**	**4,664**	**4,750**
Other receivables	40,687	40,687	-	-	-
Total	**167,682**	**151,495**	**6,773**	**4,664**	**4,750**

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

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

Liquidity Risk

The liquidity risk refers to the potential inability to secure, on affordable terms, the financial resources needed for the Company's operations. The two main factors that affect the Company's liquidity are:

- The financial resources generated or absorbed by the operating and investing activities;
- The maturity characteristics of financial debt.

The Company's liquidity needs are monitored by the central cash management function with the aim of ensuring the effective procurement of financial resources and an adequate investment of/return on liquid assets.

Management believes that the funds and credit lines currently available, combined with those that will be generated by the operating and financing activities, will enable the Company to meet its needs with regard to investing activities, working capital management and the repayment of debt at the contractual maturities.

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

(In thousands of euros)	At December 31, 2020	< 1 year	2 - 5 years	> 5 years	Total
Non-current loans					
Long-term facilities	563,000	12,808	601,208	-	614,017
IFRS 16	34,952	3,406	12,907	22,107	38,420
Current loans					
Current portion of long-term facilities	(1,352)	1,157			1,157
IFRS 16	3,401	3,401			3,401
Other financial liabilities	120,806	120,806			120,806
Trade payables	44,149	44,149			44,149
Other current liabilities	30,123	30,123			31,123

3.2 CAPITAL MANAGEMENT

The Company's objective is to create value for its shareholders. Special attention is paid to the debt level relative to shareholders' equity and EBITDA, while pursuing objectives of profitability and operating cash flow generation.

3.3 ESTIMATING FAIR VALUE

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

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

- **Level 1**: determination of fair value based on listed prices (unadjusted) for identical financial instruments in active markets;
- **Level 2**: determination of fair value based on valuation techniques that reference variables observable in active markets;
- **Level 3**: determination of fair value based on valuation techniques that reference variables not observable in active markets.

	AT DECEMBER 31, 2020			
(In thousands of euros)	Level 1	Level 2	Level 3	Total
1. Financial assets measured at fair value through OCI	54	-	4,991	5,045
2. Available-for-sale financial assets	-	-	-	-
Total	**54**	**-**	**4,991**	**5,045**
1. Financial liabilities measured at fair value through profit or loss	-	-	-	-
2. Derivatives	-	(8,383)	-	(8,383)
Total	**-**	**(8,383)**	**-**	**(8,383)**

The fair value of the investments determined using techniques similar to Level 3, was determined based on the discounting of the expected dividend flow.
The fair value of the derivative instruments was estimated on the basis of the expected contractual flows, defined on the basis of the forward rate curve, discounted according to the net present value approach at the reporting date.

4 FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

The fair value of trade receivables, other receivables and other financial assets and of trade payables and other liabilities and other financial liabilities, listed among the “current” line items in the statement of financial position and valued by the amortised 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, 2020.

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

The table that follows provides a breakdown by category of financial assets and liabilities at December 31, 2020:

	AT DECEMBER 31, 2020			
(In thousands of euros)	Financial instruments at amortised cost	Financial assets and liabilities measured at fair value through OCI	Financial instruments at fair value	Total
Other non-current financial assets	87,280	5,045		92,325
Trade receivables	126,995			126,995
Tax receivables	597			597
Other receivables	40,687			40,687
Other current assets	12,214			12,214
Cash and cash equivalents	46,399			46,399
Total assets	**314,172**	**5,045**	**-**	**319,217**
Current and non-current financial debt	711,203	8,383		719,586
Trade payables	44,149			44,149
Tax payables	3,344			3,344
Other payables	105,653			105,653
Total liabilities	**864,349**	**8,383**	**-**	**872,732**

5 ESTIMATES AND ASSUMPTIONS

In the preparation of financial statements, Directors are required to apply accounting standards and methods that, in some cases, are based on difficult and subjective assessments and estimates, based on historical experience and assumptions that, in each case, are deemed reasonable and realistic in the corresponding circumstances. The adoption of these estimates and assumptions affects the amounts shown in the financial statement schedules, including the statement of financial position, the comprehensive income statement 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 standards applied by the Company, property, plant and equipment and intangible assets must be tested to determine if an impairment has occurred, which is recognised by means of an impairment, when there are indicators showing that it may be difficult to recover the net carrying amount of the assets through their use. The determination of the existence of such indicators requires, on the part of the Directors, the development of subjective valuations, based on information available within the Company and in the market and on past experience. Moreover, if it can be determined that a potential impairment may have occurred, the Company must quantify the impairment using appropriate valuation techniques. The correct identification of the elements indicating the existence of a potential impairment of property, plant and equipment and intangible assets and the estimates required to measure the impairment are based on factors that can vary over time, with an impact on the valuations and estimates made by the Board of Directors.

b) Depreciation and amortisation

The cost of property, plant and equipment and intangible assets is depreciated and amortised, 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 recognised in the financial statements depends on actuarial computations and various assumptions taken into consideration. Any changes in these assumptions or the discount rate applied are promptly reflected in the computation of the present value and could have a significant impact on financial statement data. The assumptions used for actuarial computation purposes are reviewed each year.

The present value is determined by discounting future cash flows at an interest rate equal to that of high-quality corporate bonds issued in the currency in which the liability will be settled and taking into account the duration of the corresponding pension plan. For additional information see Note 11 “Personnel costs” and Note 32 “Employee benefits”.
Estimates and assumptions are reviewed periodically and the effects of any change are reflected immediately in profit or loss.

e) Derivatives

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

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

6 SEGMENT INFORMATION

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

- *Risk Management,* which includes the supply of corporate, commercial and economic-financial information;
- *Growth Services,* which includes the supply of market information and analyses.

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

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

The table below shows the revenues and EBITDA of the operating segments at December 31, 2020

(In thousands of euros)	PERIOD FROM JANUARY 1 TO DECEMBER 31, 2020 Risk Management	Growth Services	Total	PERIOD FROM JANUARY 1 TO DECEMBER 31, 2019 Risk Management	Growth Services	Total
Revenues by segment	266,400	21,483	287,883	277,664	21,132	298,796
Divisional Adjusted EBITDA	**130,041**	**1,176**	**131,217**	**147,732**	**1,856**	**149,588**
Divisional EBITDA %	***48,8%***	***5.5%***	***45,6%***	***53.2%***	***8.8%***	***50.1%***
Non-divisional revenues			1,463			-
Total Adjusted EBITDA			132,680			149,588
Total EBITDA %			**46,1%**			**50.1%**
Performance Share Plan			(5,627)			(6,486)
Non-operating components			(17,535)			(8,088)
Depreciation and amortisation			(55,569)			(59,625)
Operating profit			**53,950**			**75,388**
Income from/(charges for) investments in associates			(11,080)			(2,252)
Financial income			2,546			**1,237**
Financial charges			(32,321)			(17,410)
Profit before taxes			**13,095**			**56,963**
Income taxes			(13,391)			**(15,433)**
Net profit			**(296)**			**41,530**

7 REVENUES

A breakdown of the item is provided below:

(In thousands of euros)	At December 31, 2020	At December 31, 2019
Sales in Italy	282,955	294,158
International sales	4,928	4,638
Total	**287,883**	**298,796**

The Company's revenues are generated mainly in Italy; an analysis by business segment is provided in Note 6 Segment Information.

8 OTHER REVENUES

(In thousands of euros)	At December 31, 2020	At December 31, 2019
Sundry income	1,962	251
Insurance settlements	-	25
Revenues from related parties	11,991	10,362
Total sales	**13,953**	**10,638**

Sundry income, amounting to 1,962 thousand euros and up by 1,711 thousand euros compared to the previous year, includes the capital gain on the sale of the building used as offices of the Turin office, amounting to 1,463 thousand euros, as it is no longer functional to the needs of the Company.

Revenues from related parties refer to the amounts charged by Cerved Group S.p.A. to other Group companies for costs incurred by the Parent Company for rent on the San Donato and Rome headquarters, the outsourcing of administrative, legal and corporate services, as well as for all central functions, company cafeteria and certain software maintenance fees.

9 COST OF RAW MATERIALS AND OTHER MATERIALS

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

(In thousands of euros)	At December 31, 2020	At December 31, 2019
Consumables	73	128
Fuel	316	679
Total	**390**	**807**

10 COST OF SERVICES

A breakdown of “Cost of services” is provided in the table that follows:

(In thousands of euros)	At December 31, 2020	At December 31, 2019
Database costs	18,351	19,929
Partner costs	21,536	10,688
- of which with related parties	17,278	7,140
Other costs for accessory production services	8,211	7,650
Experts	5,679	8,288
Agent costs	17,067	16,542
Tax, administrative and legal consulting services	6,105	3,285
Advertising and marketing expenses	1,380	1,982
Maintenance and technical support costs	8,168	6,659
Travel expenses and per diems	651	2,128
Civil liability insurance policies	783	713
Utilities	1,546	1,548
Training and recruitment	532	698
Sundry expenses	2,925	2,786
Extraordinary transactions costs	1,909	5,007
Total	**94,842**	**87,903**

Regarding the trend of “cost of services”, some comments are in order:

The “database cost”, equal to 18,351 thousand euros, mainly includes costs for the purchase of Infocamere databases for 17,070 thousand euros and property register data for 7,150 thousand euros, net of a capitalized component for data with a multi-year useful life of 11,769 thousand euros; costs relating to foreign correspondents for 1,806 thousand euros and other costs for value-added services for 2,942 thousand euros.

The item “Partner costs” includes costs incurred toward strategic partners involved in the production and marketing of technologically advanced and/or specialised products and services. The main partners are represented by companies that have become part of the Group over the last few years.

Agents costs of 17,067 thousand euros refers to the commissions and related accessory costs paid to the external Corporate sales network.

At December 31, 2020, the item “Costs for services” included costs for “extraordinary” transactions and related to services for due diligence and consultancy on acquisitions amounting to 1,909 thousand euros.

11 PERSONNEL COSTS

A breakdown of the item is provided below:

(In thousands of euros)	At December 31, 2020	At December 31, 2019
Wages and salaries	45,366	47,079
Social security charges	15,830	16,747
Provision for severance indemnities	3,757	3,851
Other personnel costs	5,807	6,998
Restructuring costs	2,111	2,479
Total staff costs	**72,871**	**77,154**
Directors’ fees and social security contributions	1,858	1,780
Total fees	1,858	1,780
Total	**74,729**	**78,934**

“Other personnel costs”, amounting to 5,807 thousand euros, includes 5,627 thousand euros (6,486 thousand euros at December 31, 2019) 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 42 for a description of the Plan’s rules.

“Restructuring costs” refer to early retirement incentives paid to several employees as part of the process of integrating merged companies and reorganisation.

Detailed information about “Provision for severance indemnities” is provided in Note 33.

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

Average number of employees (in units)	At December 31, 2020	At December 31, 2019
Executives	57	55
Office workers	757	752
Middle managers	270	263
Total	**1,084**	**1,070**

12 OTHER OPERATING COSTS

A breakdown of the item is provided below:

(In thousands of euros)	At December 31, 2020	At December 31, 2019
Rent	1,905	1,439
Automobile rentals and expenses for company cars	33	31
Other costs	453	222
Janitorial services	961	524
Employee cafeteria and meal vouchers	732	1,165
Incidental costs of extraordinary transactions	45	602
Total	**4,130**	**3,984**

Incidental costs relating to extraordinary transactions, amounting to 45 thousand euros in 2020, relate to the Tobin Tax for the purchase of an additional interest in MBS Consulting S.p.A..

13 IMPAIRMENT OF RECEIVABLES AND OTHER PROVISIONS

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

(In thousands of euros)	At December 31, 2020	At December 31, 2019
Impairment of receivables	4,664	2,993
Other provisions for risks, net of reversals	93	(200)
Total	**4,756**	**2,793**

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

14 DEPRECIATION AND WRITE-DOWNS OF FIXED ASSETS

“Depreciation and amortisation” includes:

(In thousands of euros)	At December 31, 2020	At December 31, 2019
Amortisation of intangible assets	47,933	52,082
Depreciation of property, plant and equipment	7,636	7,543
Non-recurring write-downs of goodwill	13,470	-
Total	**69,039**	**59,625**

The item write-downs refers to the write-down of the goodwill of the Growth CGU for 13,470 thousand euros. For further details please see the paragraph “Goodwill” of this document, Note 22.

See Notes 20 and 21 for additional information on amortisation.

15 NON-RECURRING INCOME AND COSTS

As required by Consob Communication of July 28, 2006, the table below summarises the Group's non-recurring income and costs for the year ended December 31, 2020:

(In thousands of euros)	At December 31, 2020	At December 31, 2019
Write-downs of fixed assets	13,470	-
Write-down of equity investments	11,080	-
Non-recurring financial charges	16,400	-
Total non-recurring costs	**40,950**	**-**

During the reporting period, the Company incurred non-recurring costs and income totalling 40.950 thousand euros, which included:

- 13,470 thousand euros, relating to the write-down of the goodwill of the Growth CGU following the *impairment* test;
- 11.080 thousand euros relating to the write-down of the equity investment in Click Adv Srl following an *impairment* test;
- 16,400 thousand euros in financial expenses, broken down as follows:
  - 7,241 thousand euros, for the recognition in the income statement of the residual charges linked to the Forward Start loan underwritten in 2016, following its early repayment in May 2020, as described in "Significant events of the period";
  - 6.383 thousand euros, for financial charges incurred in conjunction with the early termination of hedge derivative contracts (IRS) linked to the previous Term Loan, which led to the recognition in the income statement of the entire cash flow hedge reserve following the early repayment of the underlying loan;
  - 6,109 thousand euros, for the recognition of the fair value of the new IRS derivative contracts hedging the Term Loan, underwritten between June 30, 2020 and July 1, 2020;
  - 3,333 thousand euros, for income linked to the acceptance of the amendment of the economic conditions of the new loan contract, underwritten in May 2020 and subsequently amended on June 30, 2020, to include an amendment of the loan variable interest rate floor from 0 to -2%.

16 INCOME FROM/(CHARGES FOR) INVESTMENTS IN ASSOCIATES

The item Income from/(Charges for) investments in associates includes the write-down of the investment in ClickAdv S.r.l. following the impairment test for 11,080 thousand euros, as described in paragraph 22 Goodwill.

17 FINANCIAL INCOME

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

(In thousands of euros)	At December 31, 2020	At December 31, 2019
Bank interest income	31	13
Foreign exchange gains	34	3
Other interest income	2,481	1,221
Total	**2,546**	**1,237**

"Other interest income" of 2,481 thousand euros refers for 2,286 thousand euros to interest on facilities provided to subsidiaries and cash pooling.

18 FINANCIAL CHARGES

A breakdown of the item is provided below:

(In thousands of euros)	At December 31, 2020	At December 31, 2019
Interest expense on loan	10,332	10,210
Interest expense for derivatives	1,177	1,631
Fees and other interest expense	2,284	2,011
Amortised cost of financing	2,129	3,558
Non-recurring financial charges	16,400	-
Total	**32,322**	**17,410**

"Interest expense on loan" refers to the interest accrued on the Forward Start loan, until early repayment on May 12, 2020, and to the interest accrued on the new loan.

The main components of "Fees and other interest expense" include "Commitments" and "Agency fees" for the revolving facility.

The item "Interest expense for derivatives" includes charges related to IRS derivative instruments underwritten by the Company, for a nominal value of 545 million euros, to hedge the interest rate risk of the "Term Loan Facility A" contract, and with a fixed interest rate of 0.08% with floor at -2%. The IRS contracts run from July 1, 2020 and have a duration of five years.

For non-recurring financial charges, please refer to note 15 "Non-recurring income and charges".

19 INCOME TAXES

A breakdown of "Income taxes" is provided below:

(In thousands of euros)	At December 31, 2020	At December 31, 2019
Regional income tax (IRAP)	4,457	4,421
Current corporate income tax (IRES)	15,888	18,083
Prior-period tax (benefits)/charges	257	(911)
Deferred tax assets and liabilities	(7,210)	(6,161)
Total	**13,391**	**15,432**

Current taxes were determined based on the tax rates currently in effect. See the information provided in Note 35 for details concerning deferred tax assets and liabilities.

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

(in thousands of euros)	2020	Tax rate %
Profit before taxes	13,095	
Income taxes at the statutory rate	3,143	24.00%
Regional income tax (IRAP)	511	3.90%
Prior-period tax benefits	257	
Differences on impairment	6,849	
Other permanent differences	2,631	
Income taxes actually paid	**13,391**	**102.26%**

The company has decided to avail itself of the option granted to the subjects that adopt the international accounting standards, together with the right for the OIC-adopters, to realign the divergences between tax and accounting values relating to certain tangible and intangible assets, within the scope of "Urgent measures to support and relaunch the economy "promulgated by the Government to support entrepreneurial activities depressed by the state of health emergency in place since last March 2020.

In light of the ministerial requests for corrective measures and regulatory interpretations that emerged in March 2021 and are still pending, if the current regulatory framework were confirmed by the end of June 2021, the company would proceed, availing itself of the possibility offered by Article 110, par. 8 and 8-*bis* of Decree Law no. 104 of August 14, 2020 to realign the tax value of the Customer Relationship and the Trademarks to their higher book value recorded in the company's financial statements as at 31 December 2020, equal to 224,238 thousand euros and 15,927 thousand euros, respectively, through the payment of a 3% substitute tax calculated on the amount subject to realignment.

As a result of this transaction, the company would record the effects of the realignment, which can be summarized as follows from the tax year in which the regulation will become effective, therefore in the year 2021:

(i) recognition of a substitute tax of 7,205 thousand euros, whose payment deadline of the first instalment expires upon payment of the balance of income taxes relating to the 2020 tax period (i.e. by the last day of June 2021), with the possibility of spreading the amounts due in (a maximum of) three annual instalments of the same amount (the first expiring in June 2021, the second and third, respectively, in June 2022 and 2023, in accordance with the current tax deadlines);
(ii) release of the related deferred tax liabilities, amounting to 67,006 thousand euros;
(iii) set up of a specific tax-deferred reserve, to which the provisions of Art. 13, par. 3 of the aforementioned Law No. 342/2000, binding - through an intervention in the draft financial statements of the Company as at December 31, 2020 to be proposed for the approval of the Shareholders' Meeting - part of the "Additional Paid-in Capital".

In the event that the current regulatory framework is not confirmed by the end of June 2021, the Company will evaluate the impact of the changes and whether it is appropriate to continue to apply the tax realignment rule.

At December 31, 2019, current taxes included a tax benefit, amounting to 2,397 thousand euros, recognised following the Ruling Agreement with the Revenue Agency in relation to the optional «Patent Box» reduced tax scheme (Article 1, paragraphs 37 to 45, of Law No. 190 of December 23, 2014, by Article 5 of Decree-Law

No. 3 of January 24, 2015) for the five-year period 2015-2019. This benefit is not reflected in the financial statements at December 31, 2020 in consideration of the fact that the agreement with the Revenue Agency for the application of the same on the basis of the new criteria for the five-year period 2020-2024 has not yet been defined and agreed.

During the 2020 financial year, the Company carried out activities that fall under the eligibility criteria provided for by Law 160/2019, and in this sense it dedicated a significant commitment of its resources to the implementation of specific projects. It is hoped that the positive outcome of these innovations will generate good results in terms of turnover with favourable effects on the company›s economy.
For R&D&I (Research & Development & Innovation) activities, the company intends to avail itself of the tax credit provided by Law 160/2019, Art. 1, paragraph 198/209 as amended by Law 178/2020 Art. 1, paragraph 1064.

20 PROPERTY, PLANT AND EQUIPMENT

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

Property, plant and equipment *(in thousands of euros)*	Land and buildings	Rights of Use (IFRS 16)	Electronic equipment	Furniture and fixtures	Other assets	Total
Balance at December 31, 2018 Restated	**7,124**	**28,742**	**2,363**	**1,450**	**6,926**	**46,605**
- Historical cost	*16,039*	*37,044*	*21,462*	*4,099*	*20,041*	*98,685*
- Accumulated depreciation	*(8,915)*	*(8,301)*	*(19,099)*	*(2,649)*	*(13,115)*	*(52,079)*
Additions	**14**	**4,502**	**1,041**	**119**	**2,124**	**7,800**
Disposals – historical cost		-	(185)	(575)	(999)	(1,760)
Disposals – accumulated depreciation			157	574	868	1,599
Disposals – net	**-**	**-**	**(28)**	**(1)**	**(132)**	**(161)**
Depreciation and amortisation	(609)	(2,748)	(1,322)	(253)	(2,610)	(7,543)
Balance at December 31, 2019	**6,529**	**30,496**	**2,054**	**1,315**	**6,308**	**46,701**
Breakdown:						
- Historical cost	*16,053*	*41,545*	*22,318*	*3,643*	*21,165*	*104,724*
- Accumulated depreciation	*(9,524)*	*(11,049)*	*(20,264)*	*(2,328)*	*(14,857)*	*(58,023)*

Property, plant and equipment *(in thousands of euros)*	Land and buildings	Rights of Use (IFRS 16)	Electronic equipment	Furniture and fixtures	Other assets	Total
Balance at December 31, 2019	**6,529**	**30,496**	**2,054**	**1,315**	**6,308**	**46,701**
- Historical cost	*16,053*	*41,545*	*22,318*	*3,643*	*21,165*	*104,724*
- Accumulated depreciation	*(9,524)*	*(11,049)*	*(20,264)*	*(2,328)*	*(14,857)*	*(58,023)*
Additions	**-**	**3,531**	**557**	**324**	**2,431**	**6,851**
Disposals – historical cost	(9,170)	(182)	(426)	(3)	(1,180)	(10,961)
Disposals – accumulated depreciation	7,104	182	426	3	988	8,703
Disposals – net	**(2,066)**	**-**	**-**	**-**	**(192)**	**(2,257)**
Depreciation and amortisation	(501)	(2,987)	(1,240)	(286)	(2,664)	(7678)
Balance at December 31, 2020	**3,963**	**31,040**	**1,370**	**1,353**	**5,884**	**43,610**
Breakdown:						
- Historical cost	6,883	*44,894*	*22,449*	*3,965*	*22,416*	*100,607*
- Accumulated depreciation	*(2,920)*	*(13,854)*	*(21,079)*	*(2,611)*	*(16,533)*	*(56,997)*

Additions for the period amounted to 6,843 thousand euros and mainly refer to (i) 3,531 thousand euros for sub-lease contracts entered into in 2020 and accounted for in accordance with IFRS 16; (ii) 963 thousand euros to replace the Company's vehicle fleet; (iii) 565 thousand euros to replace hardware with the aim of making the organisation more efficient; and (iv) 1,332 thousand euros for improvements to offices, in particular for the Naples and Turin offices.

Disposals for the period amounted to 2,257 thousand euros and mainly related to the sale of the Turin office.

At December 31, 2020, there were no restrictions on the ownership and possession of property, plant and equipment or purchase commitments other than those described in Note 41.

21 INTANGIBLE ASSETS

The table below details the changes that occurred in "Intangible assets" during the reporting year:

Intangible assets *(in thousands of euros)*	Software	Trademarks and other rights	Customer Relationships	Economic information databases	Other Intangible assets	Total
Balance at December 31, 2018 Restated	**23,394**	**20,873**	**268,410**	**18,144**	**3,432**	**334,253**
Additions	**12,562**	**-**	**-**	**12,379**	**920**	**25,862**
Disposals – historical cost						-
Disposals – accumulated depreciation						-
Disposals – net	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation and amortisation	(12,905)	(2,473)	(22,086)	(12,536)	(2,081)	(52,082)
Balance at December 31, 2019	**23,051**	**18,399**	**246,324**	**17,987**	**2,271**	**308,033**
Breakdown:						
- Historical cost	*140,198*	*35,301*	*397,230*	*309,462*	*61,555*	*943,747*
- Accumulated depreciation	*(117,147)*	*(16,902)*	*(150,906)*	*(291,475)*	*(59,284)*	*(635,714)*

Intangible assets *(in thousands of euros)*	Software	Trademarks and other rights	Customer Relationships	Economic information databases	Other Intangible assets	Total
Balance at December 31, 2019	**23,051**	**18,399**	**246,324**	**17,987**	**2,271**	**308,033**
Additions	**13,714**	**-**	**-**	**11,888**	**166**	**25,768**
Disposals – historical cost	(236)				(19)	(255)
Disposals – accumulated depreciation	236				19	255
Disposals	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation and amortisation	(9,585)	(2,472)	(22,059)	(12,349)	(1,426)	(47,891)
Balance at December 31, 2020	**27,180**	**15,928**	**224,265**	**17,526**	**1,011**	**285,910**
Breakdown:						
- Historical cost	*153,676*	*35,301*	*397,230*	*321,350*	*61,702*	*969,259*
- Accumulated depreciation	*(126,496)*	*(19,373)*	*(172,965)*	*(303,824)*	*(60,692)*	*(683,350)*

Additions for the period, which totalled 25,768 thousand euros, refer mainly to projects carried out during the period to develop new products and software (13,714 thousand euros) and investments in economic information databases (11,888 thousand euros).

22 GOODWILL

Following the reorganisation of the Group which led to the creation of the new "Risk Management" and "Growth Services" operative sectors, the goodwill of the various CGUs linked to the previous "Credit Information" and "Marketing Solutions" operative sectors was reclassified, in accordance with the new organisational structure.

The table below illustrates the current operating segments described above:

(in thousands of euros)	Year	At December 31, 2019	Increases / Decreases	At December 31, 2020
Risk		**607,426**	**-**	**607,426**
Cerved Data Services (CDS) goodwill	2013	707		707
CERVED Group goodwill	2013	601,085		601,085
RLValue goodwill	2014	1.170		1,170
Fox goodwill	2016	4,240		4,240
Bauciweb goodwill	2018	224		224
Growth		**41,389**	**(13,470)**	**27,919**
CERVED Group goodwill	2013	41,389	(13,470)	27,919
Credit Management		**57,174**	**-**	**57,174**
Credit Management goodwill	2013	57,174	-	57,174
Total		**705,989**	**(13,470)**	**692,519**

Following the uncertainty due to the global COVID-19 pandemic that has affected the entire world since the first few months of 2020, ESMA issued guidelines for the preparation of the financial statements for 2020. Specifically, these guidelines also concerned the impairment test exercise pursuant to IAS 36.

In light of the considerations of ESMA[1], which recommended the use of multiple scenarios to estimate the future cash flows of a CGU, and Consob warning notice no. 1/21 of 16/02/2021, and the uncertainties related to future developments due to the crisis caused by COVID-19, the Board of Directors of Cerved has decided to develop two plan scenarios, to be used in the determination of the recoverable amounts of the CGU and the Investments on the basis of the multi-scenario approach, as suggested by ESMA, and in particular:

(i) Baseline scenario: represents the numerical transposition for impairment purposes of the new strategic-business plan of the Cerved group and which summarises the development guidelines of the Company's business units for the next three years and represents management's best estimate of the business outlook, since it takes into account the effects of COVID-19 in the 2021 budget and a gradual recovery of the business in subsequent years;

(ii) Worst scenario: this is a version created exclusively with a view to stress testing on the Baseline plan for impairment testing purposes.

The determination of value in use for the purpose of the impairment test carried out at December 31, 2020 is based on the discounting of the forecast data of each CGU ("DCF Method") relating to the three-year period from 2021 to 2023, as approved by the Company's Board of Directors on February 23, 2021.
The two scenarios described above were prudently weighted by management for the purpose of determining the value in use at 70% Base Scenario and 30% Worst Scenario.

The terminal value of each CGU was determined based on the criterion of the perpetual annuity of the cash flow of each CGU with reference to the latest period of

[1] *ESMA Recommendation of October 28, 2020.*

projected data considered, assuming a growth rate of zero and using an after-tax discounting rate (WACC) of:

- 6.9% for the CGUs linked to the Risk operating sector, and is the result of the weighted average of the cost of capital, equal to 7.4% (92.9%) - including a market risk premium of 6% - and an after tax debt cost of 1.1% (7.1%). The structure of the objective capital used for weighted average purposes was determined based on an average for the capital structures of comparable companies and not independent of the financial structure of individual CGUs/companies;
- 9.2% for the CGUs linked to the Growth operating sector, and is the result of the weighted average of the cost of capital, equal to 10.0% (90.1%) - including a market risk premium of 6% and a size premium of 3.2% - and an after tax debt cost of 2.7% (9.9%). The structure of the objective capital used for weighted average purposes was determined based on an average for the capital structures of comparable companies and not independent of the financial structure of individual CGUs/companies;
- 6.5% for the Credit Management and Credit Management - Bari CGUs, and is the result of the weighted average of the cost of capital, equal to 15.5% (36.8%) - including a market risk premium of 6% and a size premium of 3.2% - and an after tax debt cost of 1.3% (63.2%). The structure of the objective capital used for weighted average purposes was determined based on an average for the capital structures of comparable companies and not independent of the financial structure of individual CGUs/companies;
- 6.8% for the Credit Management - CPS CGU, and is the result of the weighted average of the cost of capital, equal to 16.1% (36.8%) - including a market risk premium of 6% and a size premium of 3.2% - and an after tax debt cost of 1.3% (63.2%). The structure of the objective capital used for weighted average purposes was determined based on an average for the capital structures of comparable companies and not independent of the financial structure of individual CGUs/companies.

The final assessments of the impairment test at December 31, 2020 revealed impairment losses on the goodwill allocated to the Growth CGU for 13,470 thousand euros. 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, 2020
Risk Management	335,655
Growth Services	(13,470)
Credit Management	265,160

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

(in thousands of euros)	-10%	-5%	5%	10%
Risk Management	176,577	256,116	415,194	494,733
Growth Services	(5,306)	(3,668)	(390)	1,248
Credit Management	195,204	230,182	300,139	335,117
Total	**366,475**	**482,630**	**714,943**	**831,098**

The table below shows the change in the surplus recoverable value of each CGU based on a change of 100 points and 200 points in the value of the WACC, all other parameters being equal:

(in migliaia di Euro)	-2,00%	-1,00%	1,00%	2,00%
Risk Management	842,485	546,190	178,354	56,364
Growth Services	6,507	1,723	-5,051	-7,537
Credit Management	533,623	375,088	184,472	122,736
Total	**1,382,615**	**923,001**	**357,775**	**171,563**

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

(in thousands of euros)	WACC	EBITDA
Risk Management	9.50%	-20.90%
Growth Services	n.a.	n.a.
Credit Management	13.30%	-44.30%

23 INVESTMENTS

Changes in investments are shown below:

Subsidiaries *(in thousands of euros)*	Carrying amount at 12/31/2019	Increases	Write-downs	Performance Share Plan	Carrying amount at 12/31/2020
Credit Cerved Management Group S.r.l.	37,994	14,780		1,307	54,081
Cerved Rating Agency S.p.A.	748			151	899
ClickAdv S.r.l.	17,674		(11,080)		6,594
Major 1 S.r.l.	3,938				3,938
Spazio Dati S.r.l.	5,939	3,316		64	9,319
Pro Web Consulting S.r.l.	5,400	2,942		3	8,346
Cerved Finline S.r.l	1,110			16	1,126
MBS Consulting S.p.A.	21,265	22,681			43,946
Hawk AML S.r.l	-	3,170			3,170
White List Warranty S.r.l.	-	289			289
Hawk BV S.r.l.	-	101			101
Total investments in subsidiaries	**94,068**	**47,280**	**(11,080)**	**1,540**	**131,809**

Note 1: data from the financial statements at December 31, 2020.

A breakdown of this item is provided below:

Subsidiaries [1] *(in thousands of euros)*	Registered office	Share capital	Shareholders' equity	Net profit/ (loss)	% ownership	Carrying amount at 12/31/2019	Carrying amount at 12/31/2020
Credit Cerved Management Group S.r.l.	San Donato M.se	56	96,713	(1,832)	100.00%	37,994	54,081
Cerved Rating Agency S.p.A.	San Donato M.se	150	4,702	157	100.00%	748	899
ClickAdv S.r.l.	San Donato M.se	10	6,594	(2,090)	100.00%	17,674	6,594
Major 1 S.r.l.	Novara	11	1,271	286	100.00%	3,938	3,938
Spazio Dati S.r.l.	Trento	22	9,604	4,127	91.74%	5,939	9,319
Pro Web Consulting S.r.l.	San Donato M.se	100	4,830	1,742	80.00%	5,400	8,346
Cerved Finline S.r.l	Turin	10	2,950	2,574	100.00%	1,110	1,126
MBS Consulting S.p.A.	Milan	162	24,225	7,957	50.60%	21,265	43,946
Hawk AML S.r.l	Rome	52	942	(49)	100.00%	-	3,170
White List Warranty S.r.l.	Rome	10	209	68	100.00%	-	289
Hawk BV S.r.l.	Rome	39	102	26	65.00%	-	101
Total investments in subsidiaries						**94,068**	**131,809**

The amounts shown are drawn from the statutory financial statements prepared in accordance with the reference accounting standards of the individual companies

SAssociated companies [2] *(in thousands of euros)*	Registered office	Share capital	Shareholders' equity	Profits/ (Loss)	% ownership	Carrying amount at 12/31/2019	Carrying amount at 12/31/2020
Experian Italia S.p.A.	Rome	1,980	6,148	381	4.65%	3,135	3,135
Total investments in associated companies						**3,135**	**3,135**
Total investments						**97,204**	**134,944**

Note 2: data from the financial statements at March 31, 2020.

Increases during the period refer to:

- the purchase of additional shares in Credit Cerved Management Group S.r.l., MBS Consulting S.p.A. ("MBS"), SpazioDati S.r.l. and Pro Web Consulting S.r.l., described in the section "Significant events of the group" in the Report on Operations;
- acquisition on December 1, 2020 of 100% of the share capital of Hawk AML S.r.l. and its subsidiaries. Hawk BV S.r.l. and White List Warranty S.r.l., former partners of Cerved and specialised in modular solutions to meet all the requirements of Italian legislation on anti-money laundering.

During the year, the carrying amount of subsidiaries increased by a total of 1,540 thousand euros due to the recognition of share-based incentive plans assigned by the Parent Company Cerved Group to employees of subsidiaries. For further details on the performance share plans, please refer to Note 42 below.

At the reporting date, the company conducted an impairment test on all investments in order to verify the recoverability of their value. The impairment test, based on the positive performance of the business and the expected development plans, confirmed the recoverability of all carrying amounts, with the sole exception of the subsidiary ClickAdv S.r.l., for which an impairment of 11,080 thousand euros was recorded.

In light of the considerations of ESMA, which recommended the use of multiple scenarios to estimate the future cash flows of a CGU, and Consob warning notice no. 1/21 of 16/02/2021, and the uncertainties related to future developments due to the crisis caused by COVID-19, the Board of Directors of Cerved has decided to develop two plan scenarios, to be used in the determination of the recoverable amounts of the Investments on the basis of the multi-scenario approach, as suggested by ESMA, and in particular:

(i) **Baseline scenario**: represents the numerical transposition for impairment purposes of the new strategic-business plan of the Cerved group and which summarises the development guidelines of the Company's business units for the next three years and represents management's best estimate of the business outlook, since it takes into account the effects of COVID-19 in the 2021 budget and a gradual recovery of the business in subsequent years;

(ii) **Worst scenario**: this is a version created exclusively with a view to stress testing on the Baseline plan for impairment testing purposes.

The value in use was determined by discounting the forecast data of the investee company ("**DCF Method**") for the three-year period from 2021 to 2023, as approved by the Company's Board of Directors on February 23, 2021. The two scenarios described above were prudently weighted by management for the purpose of determining the value in use at 70% Base Scenario and 30% Worst Scenario.

24 OTHER NON-CURRENT FINANCIAL ASSETS

A breakdown of this item is provided below:

(In thousands of euros)	At December 31, 2020	At December 31, 2019
Financial receivables from subsidiaries	85,250	87,750
Other investments	5,045	5,217
Other investment securities	1,786	2,413
Security deposits and sundry items	244	261
Total	**92,325**	**95,641**

Other non-current financial assets include: *(i)* three interest bearing loans provided to the subsidiary Cerved Credit Management Group S.r.l. totalling 85,250 thousand euros (6/3 month Euribor + spread 2.85%), with maturity in 2022 (for 17 million euros), 2023 (for 25 million euros) and 2024 (for 43 million euros); *(ii)* a policy relating to the capitalisation of the provision for severance indemnities issued by Assicurazioni Generali and Unipol for 1,406 thousand euros; *(iii)* the value of the investments in other companies summarised below for 5,045 thousand euros; and *(v)* security deposits for the balance.

Other investments [1] *(In thousands of euros)*	Registered office	Share capital	Shareholders' equity	% ownership	Carrying amount at 12/31/2020
SIA-SBB	Milan	22,275	316,239	0.76%	4,991
Class CNBC S.p.A.	Milan	43,101	29,198	0.29%	54
Total investments in other companies					**5,045**

The amounts shown are drawn from the statutory financial statements prepared in accordance with the reference accounting standards of the individual companies.

25 TRADE RECEIVABLES

"Trade receivables" totalled 126,995 thousand euros, net of the corresponding provision for impairment of receivables, as detailed below:

(In thousands of euros)	At December 31, 2020	At December 31, 2019
Trade receivables	134,262	117,256
Provision for impairment of receivables	(10,691)	(8,677)
Related-party receivables	3,425	1,963
Total	**126,995**	**110,542**

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

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, 2019	**(8.677)**
Accruals	(4,664)
Utilisations	2,649
At December 31, 2020	**(10,692)**

The accrual to the Provision for impairment of receivables reflects the estimated realisable value of receivables that were still deemed collectible at December 31, 2020. Utilisations for the period were recognised in the case of receivables for which elements of certainty and accuracy, or the existence of composition with creditors proceedings, required that the position be written off.

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

26 TAX RECEIVABLES

A breakdown of "Other receivables" at December 31, 2020 is as follows:

(In thousands of euros)	At December 31, 2020	At December 31, 2019
VAT receivable	-	389
Other tax receivables	597	5,619
Total	**597**	**6,008**

The main components of "Other tax receivables" include:
- 498 thousand euros for receivables resulting from the amount withheld under the agency contract, which will be recovered when filing the tax return;
- 12 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.

In 2020, the credit related to the Patent Box for a total of 3,774 thousand euros was used to offset the IRES balance and the IRAP balance.

27 OTHER RECEIVABLES

A breakdown of the item is provided below:

(In thousands of euros)	At December 31, 2020	At December 31, 2019
Advances to agents	858	728
Receivables from employees	267	265
Receivables from former controlling companies for tax refunds	203	203
Other receivables	599	303
Other receivables from related parties	38,760	14,504
Total	**40,687**	**16,002**

The main components of "Other receivables from related parties" include:

- 32,199 thousand euros for receivables deriving from the cash pooling in place with the other companies of the Cerved Group. The contract between the Company, which operates as treasurer, and its subsidiaries provides for a remuneration

for Cerved Group S.p.A. equal to the average of the one-month Euribor increased by 50 basis points (with a minimum limit of 0.10%) for receivables and equal to the average of the one-month Euribor decreased by 25 basis points (with a minimum limit of 0.10%) for debt positions;
- an interest-bearing loan granted to the subsidiary Cerved Credit Collection S.p.A. for 2,500 thousand euros (6-month Euribor rate + 2.85% spread) expiring on June 30, 2021;
- 1,406 thousand euros in IRES receivables from subsidiaries under the consolidated Group tax filing contract valid for the 2018-2020 period;
- 1,153 thousand euros for VAT receivables from subsidiaries that opted for group VAT filing.

28 OTHER CURRENT ASSETS

A breakdown of the item is provided below:

(In thousands of euros)	At December 31, 2020	At December 31, 2019
Prepaid commercial costs	9,195	9,054
Other prepaid commercial expenses	3,019	3,158
Total	**12,214**	**12,212**

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 recognised in profit or loss based on customer usage progress.

29 CASH AND CASH EQUIVALENTS

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

(In thousands of euros)	At December 31, 2020	At December 31, 2019
Deposits in bank and postal accounts	46,394	65,489
Cash on hand	4	4
Total	**46,399**	**65,493**

The carrying amount of "Cash and cash equivalents" approximates its fair value; this item is not the subject of any utilisation restriction.

See Note 31 for additional information about the Company's financial position.

30 SHAREHOLDERS' EQUITY

At the date of these Financial Statements, the fully subscribed and paid-in share capital amounted to 50,521 thousand euros and was comprised of 195,274,979 common shares without par value.

At December 31, 2020, the Company held 2,993,169 treasury shares, for a purchase value of 22,608 thousand euros and classified under "Other reserves".

The changes in equity reserves are shown in this report's financial statement schedules.

In 2020, no dividends were paid to the shareholders of the Parent Company.

With regard to the degree of availability of the components of shareholders' equity, the table below shows the status at the closing date of the financial statements.

(In thousands of euros)	Balance	Usage option	Available amount	Distributable amount
Share capital	50,521		-	-
Statutory reserve	10,104	B	10,104	-
Additional Paid-in Capital	468,436	A,B,C	468,436	415,915
Other reserves	(52,521)		-	-
Retained Earnings	48,777	A,B,C	48,777	48,777
Total	**525,317**		**527,317**	**464,692**

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

31 CURRENT AND NON-CURRENT BORROWINGS

The table below provides a breakdown of "Current borrowings" and "Non-current borrowings" at December 31, 2020:

(In thousands of euros)					At December 31, 2020		At December 31, 2019	
Current and non-current borrowings	Original amount	When issued	Maturity	Rate charged		Current portion		Current portion
Term Loan Facility A	545,000	2020	2025	*Euribor +2.00%*	545,000	-	-	-
Term Loan Facility B	18,000	2020	2025	*Euribor +2.00%*	18,000	-	-	-
Term Loan Facility A	160,000	2016	Paid off	*Euribor +1.50%*	-	-	148,000	-
Term Loan Facility B	200,000	2016	Paid off	*Euribor +1.875%*	-	-	200,000	-
Term Loan Facility C	200,000	2016	Paid off	*Euribor +2.05%*	-	-	200,000	-
Liability for financial charges					1,254	1,254	2,337	2,337
Revolving line					10,002	10,002	-	-
Financial debt IFRS 16					38,352	3,401	37,739	2,767
Fair value IRS					8,383	2,272	6,659	1,592
Other minor borrowings					108,435	108,435	129,442	129,442
Amortised Cost Adjustment					(9,840)	(2,509)	(8,581)	(3,700)
Total					**719,586**	**122,855**	**715,596**	**132,438**

Term loan facilities

On April 24, 2020, Cerved Group subscribed with a pool of banks composed of Banca IMI S.p.A., BNP Paribas - Italian Branch, Banco BPM S.p.A., Crédit Agricole Corporate and Investment Bank - Milan Branch, Crédit Agricole Italia S.p.A., Mediobanca - Banca di Credito Finanziario S.p.A., UBI Banca S.p.A., and UniCredit S.p.A. binding agreements, relative to the subscription, subject to the occurrence of standard conditions in similar transactions, of credit agreements for 713 million euros. The new lines are composed of the Term Loan A for 545 million euros, the Term Loan B for 18 million euros and a Revolving Credit Facility for 150 million euros with final maturity of five years, and have allowed for the refinancing of the Forward Start credit lines subscribed for 648 million euros and stipulated on January 15, 2016, and which had reimbursement dates from January 2021. The loan agreements and the relative use of credit facilities were finalised on May 12, 2020.

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

Leverage Ratio	Facility A	Facility B	Revolving Facility
> 4	3.50	3.50	3.50
3.5 - 4	3.00	3.00	3.00
3 - 3.5	2.50	2.50	2.50
2.5 - 3.0	2.25	2.25	2.25
2 - 2.5	2.00	2.00	2.00
1.5 - 2	1.85	1.85	1.85
1 - 1.5	1.70	1.70	1.70
< 1	1.55	1.55	1.55

During 2020 the Revolving credit line was utilised for a drawdown of 130 million euros, of which 120 million euros were repaid.

At December 31, 2020, the leverage ratio was within the 2.5-3.0% range.

Financial debt IFRS 16

The "financial debt IFRS 16", equal to 38,352 thousand euros, includes the accounting of the effects deriving from the application of the above mentioned standard due to the discounting back of future cash flows linked to the payment of lease payments for the Group's legal, operational and commercial offices.

Other Current Financial Debt

The main components of "Other current financial debt", amounting to 108,435 thousand euros, include the following:

- payables for cash pooling to subsidiaries for 99,352 thousand euros;
- payables owed to factors amounting to 8,880 thousand euros.

Derivatives

On June 30, 2020 interest rate swaps (IRS) were underwritten with seven primary banks, for a nominal value of 486 million euros, to hedge the interest rate risk of the Term Loan Facility A, with a fixed interest rate of 0.08% and a floor of -2%. The IRS contracts run from July 1, 2020 and have a duration of five years. At the execution date, the fair value of the financial instruments was negative for 6,057 thousand euros and was fully recognised in the income statement.

At December 31, 2020, the fair value of these financial instruments was negative for 8,383 thousand euros and was recognised under financial liabilities, with counter entry under financial charges for the ineffectiveness portion and in the cash flow hedge reserve for the effectiveness portion based on the base of the results of the tests performed.

32 NET FINANCIAL DEBT

The table below presents the Company's net financial debt at December 31, 2020, 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, 2020	At December 31, 2019
A. Cash	4	4
B. Other liquid assets	46,394	65,489
C. Securities held for trading	-	-
D. Liquidity (A)+(B)+(C)	**46,399**	**65,493**
E. Current loans receivable	34,699	9,213
F. Current bank debt	(203)	(189)
G. Current portion of non-current borrowings	1,350	1,417
H. Other current financial debt	(124,002)	(133,666)
I. Current financial debt (F)+(G)+(H)	**(122,855)**	**(132,438)**
J. Net current financial debt (D)+(E)+(I)	**(41,757)**	**(57,732)**
K. Non-current bank debt	(555,669)	(543,119)
L. Bonds outstanding	-	-
M. Other non-current financial debt	(41,062)	(40,039)
N. Non-current financial debt (K)+(L)+(M)	**(596,731)**	**(583,158)**
O. Net financial debt (J)+(N)	**(638,488)**	**(640,890)**

33 EMPLOYEE BENEFITS

This item includes the provision for severance indemnities (TFR).
At December 31, 2020, the provision for severance indemnities amounted to 7,855 thousand euros. The table below shows the changes that occurred in this provision:

(in thousands of euros)	Employee benefits
At December 31, 2018 Restated	**7,792**
Current cost	900
Financial charges	(85)
Actuarial losses/(gains)	(263)
Contributions added - Benefits paid	(576)
At December 31, 2019	**7,768**

(in thousands of euros)	Employee benefits
At December 31, 2019	**7,768**
Current cost	249
Financial charges	49
Actuarial losses/(gains)	209
Contributions added - Benefits paid	(420)
At December 31, 2020	**7,855**

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	0.32%
Inflation rate	1.00%
Rate of wage growth	2.50%
Expected mortality rate	RG48 from Government Accounting Office
Expected disability rate	INPS Model 2010 projections
Expected resignations/advances (annual)	5.00% / 3.00%

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

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 summarised 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	6,997	7,598	7,370	7,206	7,214	7,461

There are no defined-benefit plan assets.

34 OTHER NON-CURRENT LIABILITIES

This item refers to the non-current liability related to the earn-out attributed to the former shareholders of the Hawk Group subject to certain conditions being met, for 2,127 thousand euros. The total value of this liability was estimated at 2,856 thousand euros; the current portion was included in "Other liabilities"

35 PROVISIONS FOR RISKS AND CHARGES

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

(In thousands of euros)	Balance at December 31, 2019	Accruals net of reversals	Utilisations	Balance at December 31, 2020
Provisions for risks and charges	2,503	(325)	(159)	2,019
Provision for agents' indemnity	1,600	418	(595)	1,423
Total	**4,103**	**93**	**(754)**	**3,442**

The "Provision for agents' indemnity", which had a balance of 1,423 thousand euros at December 31, 2020, 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 provision for risks and charges, amounting to 2,019 thousand euros, mainly relates to labour disputes

36 DEFERRED TAX ASSETS AND LIABILITIES

A breakdown of "Deferred tax liabilities" at December 31, 2020 is provided below:

(In thousands of euros)	Balance at December 31, 2019	Additions/ Reversals in profit or loss	Additions/ Reversals in comprehensive income	Balance at December 31, 2020
Deferred tax assets				
Provision for impairment of receivables	1,939	463		2,402
Provisions for risks and charges	698	(169)		529
Provision for employee benefits and agents indemnity	691	-	50	741
Hedge accounting	1,516		(906)	610
Other	571	(293)		278
Total deferred tax assets	**5,415**	**-**	**(855)**	**4,560**
Deferred tax liabilities				
Customer Relationships	(68,812)	6,225		(62,587)
Trademarks	(5,109)	690		(4,419)
Buildings	(295)	295		-
Other equity investments – Measurement at fair value	(565)		41	(524)
Total deferred tax liabilities	**(74,782)**	**7,210**	**41**	**(67,530)**
Total net deferred tax assets/liabilities	**(69,366)**	**7,210**	**(814)**	**(62,970)**

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 recognised because the Company believes that they are recoverable in future years in the light of its prepared tax plan.

Deferred tax liabilities mainly refer to intangible assets that were recognised in connection with past merger transactions not relevant for tax purposes. There are no deferred tax assets that are not offsettable.

37 TRADE PAYABLES

A breakdown of this item is provided below:

(In thousands of euros)	At December 31, 2020	At December 31, 2019
Payables to outside suppliers	22,521	24,541
Payables to related parties	21,628	9,232
Total	**44,149**	**33,773**

Payables to related parties mainly concern outsourcing services; activities carried out by seconded employees; the provision of information services, for further details please refer to Note 43 "Related party transactions".

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.

38 CURRENT TAX PAYABLES

Details about "Current tax payables" are provided below:

(In thousands of euros)	At December 31, 2020	At December 31, 2019
Corporate income tax (IRES) payables	1,152	7,096
Regional income tax (IRAP) payables	902	393
Total	**2,054**	**7,490**

The tax liabilities for IRES refer to the payable arising from the Group tax consolidation, which sees Cerved Group S.p.A. acting as consolidating company with some Group subsidiaries.

Under the contract, an entity that contributed to the Group tax losses usable in the consolidated income tax return or a company that contributed interest expense deductible from operating income before taxes of the Group is entitled to receive a tax benefit.

39 OTHER TAX PAYABLES

Details about "Current tax payables" are provided below:

(In thousands of euros)	At December 31, 2020	At December 31, 2019
VAT payable	802	-
Withholdings payable	1,972	1,961
Other sundry payables	570	570
Total	**3,344**	**2,531**

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

40 OTHER LIABILITIES

(In thousands of euros)	At December 31, 2020	At December 31, 2019
Social security contributions payable	6,680	7,115
Payables owed to employees	10,848	11,249
Payables for deferred revenues	78,874	78,202
Miscellaneous liabilities	4,802	5,870
Accrued expenses	218	246
Other related-party payables	4,231	4,194
Total	**105,653**	**106,877**

At December 31, 2020, "Other liabilities" included payables for deferred revenues of 78,874 thousand euros, payables owed to employees for 11,955 thousand euros and social security contributions payable for 6,680 thousand euros.

Other related-party payables refers *(i)* for 1,107 thousand euros to payables owed to the Board of Directors, general managers and executives with strategic responsibilities; *(ii)* for 2,156 thousand euros to the amount owed to subsidiaries under the contract for the consolidated tax return; and *(iii)* for 781 thousand euros to the liability towards subsidiaries included in the VAT Group filing.

41 OTHER INFORMATION

Contingent Liabilities

Other than those mentioned in Note 35 “Provisions for risks and charges”, there are no pending judicial or tax proceedings that involve the Company.

Commitments

Please note that at December 31, 2020, the Company had undertaken commitments not reflected in the financial statements totalling 5,154 thousand euros, consisting mainly of sureties provided:

- by Unicredit for 2,148 thousand euros for the benefit of the lessor of the new San Donato headquarters;
- by Unicredit for 640 thousand euros for the benefit of the customer Banca d’Italia.
- by Generali for 1,000 thousand euros for the benefit of the supplier Infocamere.

Compensation of Directors and Statutory Auditors

As required by law, the table below shows the compensation awarded to Directors and Statutory Auditors at December 31, 2020:

Name and surname	Post held	Expiration of office	Fees for post held	Non-monetary benefits	Bonus and other incentives	Other compensation (1)	Total compensation
Gianandrea De Bernardis	Executive Chairperson	Approval of fin. statements at 12/31/21	400				400
Andrea Mignanelli	CEO	Approval of fin. statements at 12/31/21	500		350		850
Sabrina Delle Curti	Director	Approval of fin. statements at 12/31/21	-				0
Umberto Carlo Maria Nicodano (1)	Director	Approval of fin. statements at 12/31/21	50			10	60
Fabio Cerchiai	Independent Director	Approval of fin. statements at 12/31/21	85			10	95
Andrea Casalini (1)	Independent Director	Approval of fin. statements at 12/31/21	50				50
Aurelio Regina	Independent Director	Approval of fin. statements at 12/31/21	50			25	75
Mara Anna Rita Caverni	Independent Director	Approval of fin. statements at 12/31/21	50			10	60
Mario Francesco Pitto (1)	Independent Director	Approval of fin. statements at 12/31/21	50				50
Alessandra Stabilini (1)	Independent Director	Approval of fin. statements at 12/31/21	50			25	75
Valentina Montanari	Independent Director	Approval of fin. statements at 12/31/21	50			20	70
Total			**1,335**	**-**	**350**	**100**	**1,785**

Note (1) attendance fees of 1,000 euros for A. Casalini and 500 euros for U. Nicodano, M. Pitto, A. Stabilini for the Compensation and Nominating Committee.

Statuatory Auditors

Name and surname	Post held	Expiration of office	Fees for post held	Non-monetary benefits	Bonus and other incentives	Other remuneration	Total compensation
Antonella Bientinesi	Chairperson	Approval of fin. statements at 12/31/22	60				60
Costanza Bonelli	Statutory Auditor	Approval of fin. statements at 12/31/22	40				40
Gilberto Comi(2)	Statutory Auditor	Approval of fin. statements at 12/31/22	24.4				24.4
Paolo Ludovici (3)	Statutory Auditor	Until May 20, 2020	15.6				15.6
Paolo Baruffi	Alternate Auditor	Approval of fin. statements at 12/31/22	-				-
Antonio Mele	Alternate Auditor	Approval of fin. statements at 12/31/22	-				-
Total			**140**				**140**

Note (2) the Statutory Auditor G. Comi was appointed on May 20, 2020 and his office provides for an annual fee of 40 thousand euros. His remuneration for 2020 amounts to 24.4 thousand euros.
Note (3) the Statutory Auditor P. Ludovici resigned from office when the previous Board of Statutory Auditors expired.

Independent Auditors

Pursuant to Article 149-duodecies, second paragraph, of Consob Resolution No. 11971 of May 14, 1999, as amended, the fees for the year owed to the Independent Auditors PricewaterhouseCoopers S.p.A. for services provided to the Parent Company Cerved Group S.p.A. at December 31, 2020 are listed below:

(In thousands of euros)	PwC S.p.A.	Other entities in the PwC network	Total PwC network
Auditing Services	**326**	**-**	**326**
- Certification services			
Other services	**8**	**289**	**297**
- Agreed audit engagements	*8*	*-*	*8*
- Other	*-*	*289*	*289*
Total	**334**	**289**	**623**

42 DESCRIPTION OF INCENTIVE PLANS (IFRS 2)

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

	Options outstanding at December 31, 2019	2020 awarded options	Options expired/ revoked	Exercised options	Options outstanding at December 31, 2020
2019-2021 Performance Shares (Second Cycle - 2017)	540,114			(540,114)	-
2019-2021 Performance Shares (Third Cycle - 2018)	498,528		(12,797)		485,731
2019-2021 Performance Shares (Third Additional Cycle)	545,715		(15,539)		530,176
Performance Shares 2022-2024 (First Cycle)	1,469,000		(103,000)		1,366,000
Performance Shares 2022-2024 (Second Cycle)		1,281,380			1,281,380
Total	**3,053,357**	**1,281,380**	**(131,336)**	**(540,114)**	**3,663,287**

2019-2021 Performance Share Plan

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

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

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

- a minimum performance threshold, below which no share will be awarded;
- a maximum performance cap upon the achievement of which the beneficiary will be awarded the maximum number of shares.

The Shares subject of the 2019-2021 Performance Share Plan will be awarded upon the verification of the achievement of the performance conditions in the 2018-2020 three-year period.

The performance conditions are explained below:

- 70% "PBTA Target": this indicates the growth of the Adjusted Profit Before Taxes per Share, which shall be understood to mean the profit before taxes excluding non-recurring income and charges, the financial charges incurred to obtain financing facilities and recognised in the income statement by the amortised cost method and the surpluses generated by the business combination processes and allocated to intangible assets (consistent with the computation of the adjusted net profit in the Offering Prospectus of Cerved Group (formerly Cerved Information Solution S.p.A.) filed with Consob on June 6, 2014, before tax effect). The growth of the Adjusted Profit Before Taxes shall be understood to mean the annual compound growth rate, excluding from the computation the accounting effects of the Plan itself, and excluding the effects of the refinancing agreement. The target reflects different levels of achievement based on the growth rate of the Cerved Group's PBTA:
  - less than 6%: 0%
  - 6% (threshold): 40%
  - between 6% and 10%: by linear interpolation
  - 10% (cap): 100%
  - more than 10%: 100%
- 30% "Total Shareholder Return Target" of Cerved Group (formerly Cerved Information Solution S.p.A.) compared with that of companies included in the FTSE Mid Cap Index Italia published by Borsa Italiana S.p.A. The TSR is measured for the period between January 1, 2018 and December 31, 2020. 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 shares awarded
  - equal to the median (threshold): 50% of the rights assigned
  - between the median and the 75th percentile: by linear interpolation
  - 75th percentile (cap): 100%
  - more than 75th percentile: 100%

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

On February 12, 2020, the Board of Directors of the Company, based on the objectives achieved and set out in the Regulation and on the proposal of the Compensation and Nominating Committee, approved the allocation of 427,106 shares, equal to 70% of the options exercised for the Second Cycle 2017.

The accrued cost recognised at December 31, 2020 for the third residual cycle of the plan for the 2019-2021 period amounts to 2,723 thousand euros and was included among Personnel costs.

2022-2024 Performance Share Plan

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

The Plan is articulated into three Cycles (2019, 2020 and 2021), each of the duration of three years, and relates to rights to receive free of charge a maximum number of 4,881,874 shares equal to 2.5% of the share capital of the Company, which can be assigned in the three Cycles of the Plan, subject to adjustments resolved by the Board of Directors, by virtue of the powers assigned to it for the implementation of the Plan.

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

On July 30, 2020, the Company's Board of Directors, upon a recommendation by the Compensation and Nominating Committee, approved the identification and assignment of 1,607,060 options for each beneficiary of the Second Cycle of the 2022-2024 Plan (of which 1,550,860 options actually assigned).

The accrued cost recognised at December 31, 2020 for the two cycles of the plan for the 2022-2024 period amounts to 2,889 thousand euros and was included among Personnel costs.

43 RELATED-PARTY TRANSACTIONS

The table below summarises transactions with related parties:

RECEIVABLES AND PAYABLES WITH RELATED PARTIES

(in thousands of euros) **Receivables from related parties at December 31, 2019**

Company	Trade Receivables	Other receivables	Other financial receivables	Cash pooling	Total
Subsidiaries					
Cerved Rating Agency S.p.A.	338	162			500
ClickAdv S.r.l.	6	27			33
Major 1 S.r.l.	56	895			950
Pro Web Consulting S.r.l.	66	529		281	876
Spazio Dati S.r.l. (from 1/08/2018)	456	816			1,273
Cerved Credit Management Group S.r.l.	116	892	85,250		86,258
Cerved Credit Collection S.p.A.	405	1,416	2,500	6,460	10,879
Cerved Credit Management S.p.A.	103				103
Cerved Legal Services S.r.l.	57	321		511	889
Cerved Master Services S.p.A.	1	189			190
Juliet Holding S.p.A.		0		1,601	1,602
Credit Management S.r.l.	2	371			374
Juliet S.p.A.	3				3
Cerved Finline S.r.l.	126				126
MBS S.p.A.	128				128
Total subsidiaries	**1,865**	**5,619**	**87,750**	**8,854**	**104,087**
Other related parties					
Board of Directors, executives with strategic responsibilities and other related parties	-				-
Experian Italia S.p.A.	44	31			75
La Scala - Cerved società tra avvocati a r.l.	54				54
Total other related parties	**99**	**31**	**-**	**-**	**129**
Total receivables from related parties	**1,963**	**5,650**	**87,750**	**8,854**	**104,216**

(in thousands of euros) **Receivables from related parties at December 31, 2020**

Company	Trade Receivables	Other receivables	Other financial receivables	Centralised treasury / short-term financial receivables	Total
Subsidiaries					
Cerved Rating Agency S.p.A.	1,133				1,133
ClickAdv S.r.l.	37				37
Major 1 S.r.l.	192	461			653
Pro Web Consulting S.r.l.	102	427		1,723	2,251
Spazio Dati S.r.l.	483	813			1,296
Cerved Credit Management Group S.r.l.	32	903	85,250	13,897	100,082
Cerved Credit Collection S.p.A.	690	3,420		8,175	12,286
Cerved Credit Management S.p.A.	44	33			77
Cerved Legal Services S.r.l.	13	371		2,084	2,468
Cerved Master Services S.p.A.	18	94			112
Juliet Holding S.p.A.	18	2		2,951	2,971
Credit Management S.r.l.	18				18
Juliet S.p.A.	23				23
Cerved Finline S.r.l.	285	21		3,370	3,676
MBS S.p.A.	6				6
Cerved Property Sevices S.A. (Greece)	8				8
Cerved Property Sevices S.A. (Romania)	5				5
Re Collection S.r.l.	18				18
Innovation team S.r.l.	5				5
Cerved Credit Management Greece S.A.	2				2
Total subsidiaries	**3,132**	**6,547**	**85,250**	**32,199**	**127,128**
Other related parties					
Board of Directors, executives with strategic responsibilities and other related parties					
Experian Italia S.p.A.	80	14			
La Scala - Cerved società tra avvocati a r.l.	212				
Total other related parties	**293**	**14**	**-**	**-**	**-**
Total receivables from related parties	**3,425**	**6,561**	**85,250**	**32,199**	**127,128**

(in thousands of euros) **Payables to related parties at December 31, 2019**

Company	Trade Payables	Other liabilities	Short-term loans payable	Total
Subsidiaries				
Cerved Rating Agency S.p.A.	(1,675)	(277)	(3,943)	(5,895)
ClickAdv S.r.l.	(46)	(408)	(3,890)	(4,344)
Major 1 S.r.l.	(273)	(344)	(1,168)	(1,786)
Pro Web Consulting S.r.l.	(8)			(8)
Spazio Dati S.r.l. (from 1/08/2018)	(4,783)		(2,666)	(7,449)
Cerved Credit Management Group S.r.l.	(138)	(317)	(56,632)	(57,086)
Cerved Credit Collection S.p.A.	(1,192)	(0)		(1,192)
SC Re Collection S.r.l.	(95)			(95)
Cerved Credit Management S.p.A.	(15)	(1,639)	(1,756)	(3,409)
Cerved Legal Services S.r.l.	(7)		(1)	(8)
Cerved Master Services S.p.A.				
Credit Management S.r.l.			(1,623)	(1,623)
Juliet S.p.A.			(54,874)	(54,874)
Cerved Finline S.r.l.	(406)		(6)	(412)
MBS S.p.A.				
Total subsidiaries	**(8,637)**	**(2,985)**	**(126,560)**	**(138,182)**
Other related parties				
Board of Directors, executives with strategic responsibilities and other related parties		(1,203)		(1.203)
Experian Italia S.p.A.	(595)	(7)		(602)
Total other related parties	**(595)**	**(1,209)**		**(1,804)**
Total payables to related parties	**(9,232)**	**(4,194)**	**(126,560)**	**(139,574)**

(in thousands of euros) **Payables to related parties at December 31, 2020**

Company	Trade Payables	Other liabilities	Short-term loans payable	Total
Subsidiaries				
Cerved Rating Agency S.p.A.	(4,178)	(254)	(477)	(4,909)
ClickAdv S.r.l.	(400)	(445)	(4,528)	(5,374)
Major 1 S.r.l.	(502)		(1,484)	(1,986)
Pro Web Consulting S.r.l.	(1,952)			(1,952)
Spazio Dati S.r.l.	(1,109)		(9,342)	(10,451)
Cerved Credit Management Group S.r.l.	(130)	(683)	(1)	(814)
Cerved Credit Collection S.p.A.	(2,242)	(311)		(2,553)
SC Re Collection S.r.l.	(21)			(21)
Cerved Credit Management S.p.A.	26	(547)	(5,972)	(6,482)
Cerved Legal Services S.r.l.	(3)			(3)
Credit Management S.r.l.		(887)	(2,709)	(3,596)
Juliet S.p.A.			(53,479)	(53,479)
Cerved Finline S.r.l.	(8,499)			(8,499)
MBS S.p.A.	(589)	10	(17,142)	(17,720)
MBS S.r.l.			(2,439)	(2,439)
Innovation Teams S.r.l.		5	(1,876)	(1,890)
Hawk AML S.r.l.	(1,090)			(1,090)
Total subsidiaries	**(20,688)**	**(3,125)**	**(99,449)**	**(122,206)**
Other related parties				
Board of Directors, executives with strategic responsibilities and other related parties		(1,107)		(1,107)
Experian Italia S.p.A.	(941)			(941)
Total other related parties	**(941)**	**(1,107)**	**-**	**(2,047)**
Total payables to related parties	**(21,628)**	**(4,231)**	**(99,449)**	**(124,253)**

Trade receivables and payables originate from ordinary commercial transactions executed during the year.

Transactions with subsidiaries have included the following:

- financial relationships for cash-pooling contracts;
- 2.5 million euros for the loan granted to the subsidiary Cerved Credit Collection S.p.A. on June 24, 2016 at a rate of 2.85% plus Euribor (6-month average), shown as a short-term financial receivable since it matures in June 2021;
- the provision of services centralized at the Parent Company for activities of an administrative nature, central purchasing, personnel management and technological infrastructure management;
- commissions for the commercial activity carried out;
- activities carried out by seconded employees;
- the charge for the costs of subletting the premises and related ancillary charges;
- the provision of information services;
- application of the tax consolidation contract;
- transactions arising from the consolidation of group VAT;
- relationships of a financial nature relating to various long-term loans:
  (i) 17 million euros for the loan granted to Cerved Credit Management Group S.r.l. on March 29, 2017 (maturity date: March 29, 2022) at the rate of 2.85% plus Euribor (6-month average);
  (ii) 25 million euros for the loan granted to Cerved Credit Management Group S.r.l. on May 7, 2018, in order to finance the acquisition of Juliet S.p.A. (maturity on June 30, 2023) at the rate of 1.88% plus Euribor (6-month average);
  (iii) 43.25 million euros for the loan granted to Cerved Credit Management Group S.r.l. on December 20, 2019 (maturity date: December 20, 2024) at the rate of 2.85% plus Euribor (6-month average).

Other receivables and other payables relate to the effects of the Group tax consolidation.

REVENUES AND EXPENSES WITH RELATED PARTIES

(in thousands of euros) — **REVENUES AND EXPENSES WITH RELATED PARTIES AT DECEMBER 31, 2020**

Company	Revenues	Other income	Financial income	Personnel costs	Cost of services	Other operating costs	Financial charges
Subsidiaries							
Cerved Rating Agency S.p.A.	108	2,896			(5,184)		(4)
ClickAdv S.r.l.		264			(801)	0	(4)
Major 1 S.r.l.		140			(1,769)	(14)	(1)
Pro Web Consulting S.r.l.		130	1	(27)	(1,945)		
Spazio Dati S.r.l.		157			(7,777)		(8)
Cerved Credit Management Group S.r.l.	15	805	2,200		(1,683)		(1)
Cerved Credit Collection S.p.A.	(8,907)	3,988	82	(53)	(216)		
SC Re Collection S.r.l.					(133)		
Cerved Credit Management S.p.A.	283	1,028			(136)	0	(6)
Cerved Legal Services S.r.l.	258	566	1		(2)	(3)	
Cerved Master Services S.p.A.		86					
Juliet Holding S.p.A.		68	2				
Credit Management S.r.l.		135			(1)		(2)
Juliet S.p.A.		743				0	(59)
Cerved Finline S.r.l.	234	904	0		(7,876)		
MBS S.p.A.	11	6			(1,917)		(10)
MBS S.r.l.							(0)
Innovation Team S.r.l.	24						(1)
Cerved Credit Management Greece S.A.		2					
Cerved Property Services (Greece)		8					
Cerved Property Services (Romania)		5					
Total subsidiaries	**(7,974)**	**11,930**	**2,286**	**(80)**	**(29,438)**	**(17)**	**(97)**
Other related parties							
Board of Directors, executives with strategic responsibilities and other related parties				(5,191)			
Experian Italia S.p.A.	746				(1,599)		
La Scala - Cerved società tra avvocati a r.l.	177	61					
Total other related parties	**923**	**61**		**(5,191)**	**(1,599)**	**-**	**-**
Total revenues and expenses with related parties	**(7,052)**	**11,991**	**2,286**	**(5,272)**	**(31,037)**	**(17)**	**(97)**

(in thousands of euros) **REVENUES AND EXPENSES WITH RELATED PARTIES AT DECEMBER 31, 2019**

Company	Revenues	Other income	Financial income	Personnel costs	Cost of services	Other operating costs	Financial charges
Subsidiaries							
Cerved Rating Agency S.p.A.	118	2,688		(35)	(5,819)		(4)
ClickAdv S.r.l.		84			(575)		(4)
Major 1 S.r.l.		139			(1,651)	(19)	(1)
Pro Web Consulting S.r.l.		135	0		(62)		0
Spazio Dati S.r.l. (from 1/08/2018)		156			(6,570)		(2)
Cerved Credit Management Group S.r.l.	125	792	1,071		(1,639)		(5)
Cerved Credit Collection S.p.A.	(4,356)	3,531	78	(23)	(212)		
SC Re Collection S.r.l.					(284)		
Cerved Credit Management S.p.A.	478	1,068			(125)	(12)	(8)
Cerved Legal Services S.r.l.	326	579			(9)	(3)	(1)
Cerved Master Services S.p.A.		83					0
Juliet Holding S.p.A.		69					
Credit Management S.r.l.		137					(2)
Juliet S.p.A.	17	742					(27)
Cerved Finline S.r.l.	20	115			(620)		
MBS S.p.A.	105						
Total subsidiaries	**(3,167)**	**10,319**	**1,149**	**(58)**	**(17,566)**	**(34)**	**(54)**
Other related parties							
Board of Directors, executives with strategic responsibilities and other related parties				(4,751)			
Experian Italia S.p.A.	625	8			(1,135)		
La Scala - Cerved società tra avvocati a r.l.	18	35					
Total other related parties	**643**	**43**	**-**	**(4,751)**	**(1,135)**	**-**	**-**
Total revenues and expenses with related parties	**(2,524)**	**10,362**	**1,149**	**(4,809)**	**(18,701)**	**(34)**	**(54)**

CASH FLOWS WITH RELATED PARTIES

(in thousands of euros)	CASH FLOWS WITH RELATED PARTIES IN 2019		
Company	**Cash flow from/(used in) operating activities**	**Cash flow from/(used in) investing activities**	**Cash flow from/(used in) financing activities**
Subsidiaries			
Cerved Rating Agency S.p.A.	(1,464)		(407)
ClickAdv S.r.l.	(362)		(1,523)
Major 1 S.r.l.	(1,988)		663
Pro Web Consulting S.r.l.	(546)		(307)
Spazio Dati S.r.l.	(3,412)		2,665
Cerved Credit Management Group S.r.l.	(779)		18,342
Cerved Credit Collection S.p.A.	5,109		(2,901)
SC Re Collection S.r.l.	(226)		
Cerved Credit Management S.p.A.	5,911		(4,024)
Cerved Legal Services S.r.l.	548		(3,403)
Cerved Master Services S.p.A.	(237)		0
Juliet Holding S.p.A.	68		848
Credit Management S.r.l.	(234)		753
Juliet S.p.A.	760		49,722
Cerved Finline S.r.l.	(205)		6
MBS S.p.A.	(23)		
Total subsidiaries	**2,921**		**60,435**
Other related parties			
Board of Directors, executives with strategic responsibilities and other related parties	(5,120)		
Experian Italia S.p.A.	(381)		
La Scala - Cerved società tra avvocati a r.l.	3		
Total other related parties	**(5,498)**	**-**	
Total receivables from related parties	**(2,577)**		**60,435**
Total financial statement items	**118,445**	**(90,253)**	**4,278**
% of financial statement item	**-2%**	**0%**	**1413%**

(in thousands of euros) **CASH FLOWS WITH RELATED PARTIES IN 2020**

Company	Cash flow from/(used in) operating activities	Cash flow from/(used in) investing activities	Cash flow from/(used in) financing activities
Subsidiaries			
Cerved Rating Agency S.p.A.	(3,765)		(3,765)
ClickAdv S.r.l.	(1,611)		(1,611)
Major 1 S.r.l.	(1,549)		(1,549)
Pro Web Consulting S.r.l.	(5,160)		(5,160)
Spazio Dati S.r.l.	(10,666)		(10,666)
Cerved Credit Management Group S.r.l.	43,881		43,881
Cerved Credit Collection S.p.A.	(7,870)		(7,870)
Cerved Credit Management S.p.A.	(1,873)		(1,873)
Cerved Legal Services S.r.l.	825		825
Cerved Master Services S.p.A.	(1,501)		(1,501)
Juliet Holding S.p.A.	146		146
Credit Management S.r.l.	(3,210)		(3,210)
Juliet S.p.A.	2,435		2,435
Cerved Finline S.r.l.	(14,872)		(14,872)
MBS S.p.A.	(23,191)		(23,191)
MBS S.r.l.	(2,317)		(2,317)
Cerved Property Services (Greece)	8		8
Cerved Property Services (Romania)	5		5
SC Re Collection S.r.l.	(59)		(59)
Innovation Team S.r.l.	(1,853)		(1,853)
Cerved Credit Management Greece S.A.	2		2
Total subsidiaries	**(32,197)**	**116%**	**(32,197)**
Other related parties			
Board of Directors, executives with strategic responsibilities and other related parties	(5,095)		
Experian Italia S.p.A.	(1,211)		
La Scala - Cerved società tra avvocati a r.l.	80		
Total other related parties	**(6,227)**	**-**	**-**
Total receivables from related parties	**(38,423)**	**-**	**(32,197)**
Total financial statement items	**99,794**	**(91,188)**	**(27,702)**
% of financial statement item	**-39%**	**n.a.**	**116%**

Transactions with related parties were executed by the Company in the regular course of business on standard market terms and in the interest of the Company and the Group.

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

(In thousands of euros)	Wages, salaries and social security contributions
Directors' fees [1]	2,165
Executives with strategic responsibilities	3,026
Total	**5,191**

[1] the amount shown includes the remuneration component of the director Delle Curti and the social security contributions linked to the emoluments of the entire Board of Directors.

44 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.

45 EVENTS OCCURRING AFTER THE END OF YEAR

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

46 OTHER INFORMATION

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

All transactions of a commercial nature carried out with public administrations and related companies in the course of 2020 were executed in exchange for a consideration to remunerate the services provided by the companies of the Group on market terms and in the normal course of business.

In 2020, the Company invoiced to public companies or companies owned by public companies a total of 11,561 thousand euros, including 3,655 thousand euros collected during the year.

San Donato Milanese, March 25, 2021

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

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

1 The undersigned Andrea Mignanelli, in his capacity as Chief Executive Officer, and Francesca Perulli, in her capacity as Corporate Accounting Documents Officer of Cerved Group S.p.A., certify, also taking into account the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree No. 58 of February 24, 1998:
- the adequacy in relation to the characteristics of the business enterprise; and
- the effective application of the administrative and accounting procedures for the preparation of the Statutory Financial Statements during the year from January 1, 2020 to December 31, 2020.

2 The implementation the administrative and accounting procedures applied to prepare the Statutory Financial Statements at December 31, 2020 did not uncover any significant findings.

3 We further certify that:
- The Statutory Financial Statements:
  (i) were prepared in accordance with the applicable international accounting standards recognised in the European Union pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and Council, of July 19, 2002;
  (ii) are consistent with the data in the Company's books of accounts and other accounting records;
  (iii) are suitable for providing a truthful and fair presentation of the financial position, earnings and cash flow of 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, March 25, 2021

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

Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the Shareholders of Cerved Group SpA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Cerved Group (hereinafter, also, "the Group"), which comprise the consolidated statement of financial position as of 31 December 2020, 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 2020, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of Cerved Group SpA (the Company) pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	*Auditing procedures performed in response to key audit matters*
Revenue recognition *Note 7 "Revenues" to the consolidated financial statements as of 31 December 2020.* Cerved Group operates in three business segments with different products, services and customers. This diversity is also reflected in the revenue recognition method applied for each of these segments. We focused on the revenue recognition of revenues from the Risk Management business (Euro 274 million) because these revenues accounted for about 56% of the Group's total revenues and are characterised by a large number of transactions with a delay between the timing of billing and recognition of revenues. As a result, revenue from services billed but not yet rendered are recorded as deferred revenues at the reporting date. Revenues of the Risk Management segment were considered a key matter due to 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 sale terms applied to counterparties, the existence of any period-end entries and the underlying approval process.	We analysed, understood and assessed the internal control system related to the revenue recognition process. We identified and validated the operativeness and effectiveness of the key controls (manual and automated) over the revenue recognition process, using also the support of experts in IT systems and business process analysis of the PwC network. We verified the reconciliation between the general ledger values for revenues/deferred revenue and those extracted from the IT system. 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 tested the correct recognition of amounts billed to customers and related deferred revenue for a sample of transactions involving all products of the Risk Management segment in order to verify the existence of the transaction, the accuracy of the data entered to the system upon recognition of the sales contract and proper cut-off. We also analysed the correct recognition of revenues and related deferred income for a sample of contracts showing a significant amount of deferred income at the reporting date.
Assessment of the recoverability of goodwill *Note 21 "Goodwill" to the consolidated financial statements as of 31 December 2020.* The sum of goodwill booked over time as a consequence of a number of extraordinary transactions amounts to Euro 747 million as of	We analysed the reasonableness of the considerations made by the directors about the CGUs identified and the process of allocation of

Key Audit Matters	*Auditing procedures performed in response to key audit matters*
December 31, 2020. The Group directors assess the recoverability of goodwill at least annually based on the greater of the fair value less cost to sell and value in use of each cash generating unit ("CGU") to which goodwill has been allocated. The recoverable value of each CGU was estimated on the basis of the value in use, determined by discounting the expected future cash flows for the next three years (2021-2023) and the terminal value determined by applying a multi-scenario approach, as suggested by ESMA. The directors developed two scenarios: one (the so-called Base) which represents the numerical transposition for the purposes of impairment of the new strategic business plan of the Cerved group and one (the so-called Worst) prepared exclusively with a view to stress test the Base scenario. The inputs used for the preparation of the recoverability test, both the Base and Worst scenario, have been approved by the Board of Directors at the meeting held on 23 February 2021. For the purposes of determination of the value in use, the directors have opted for the weighting of the two scenarios by applying the 70% of the Base plan and 30% of the Worst plan. The recoverable amount of each CGU has been compared with the carrying amount, resulting from the sum of assets and liabilities pertaining to the CGU, including the value of goodwill. The amount of the impairment loss of goodwill in 2020, as a result of the final assement of the impairment test, was equal to Euro 14 million for the Growth CGU and a Euro 7 million for the ClickAdv CGU. We considered goodwill as a key matter due to the amount involved and to the elements of estimation and uncertainty normally inherent to	goodwill to the various CGUs, verifying its consistency with the structure of the Group and of the segments in which it operates. In order to confirm the directors' forecasting ability, we have verified that actual results achieved in previous years were consistent with the forecasts contained in multi-year plans. We have verified that the economic and financial plans of each cash generating unit used for the valuation of the recoverability of goodwill were those approved by the Board of Directors at the meering held on 23 February 2021. We analysed the key assumptions underlying the revenues and costs of each CGU by verifying their reasonableness in line of the actual amounts reported in the previus years, contracts already signed and expected market developments. We verified the method used to prepare the impairment test, the mathematical accuracy of the model and the reasonableness of the assumptions used in relation to the definition of the terminal value. We verified the accuracy of the values of assets and liabilities pertaining the single CGU, including goodwill, used to the comparison with the value in use. We engaged experts belonging to the PwC network for the analysis of models used to forecast cash flows and the assessment of the discount rate. We analysed the sensitivity analyses performed by the directors concerning the impact on the recoverability of goodwill as a result of possible changes in estimated cash flows or in the discount rate used. Furthermore, we analysed the changes in cash flows or the discount rate that would cancel the excess of the recoverable amount of each CGU over its book value.

Key Audit Matters	*Auditing procedures performed in response to key audit matters*
the valuations made by the directors in relation to its recoverability. The key elements of uncertainty and estimation are related to the correct definition and identification of the CGUs, the estimation of the future cash flows of each CGU and the definition of the interest rate used to discount the future cash flows.	We verified the completeness and accuracy of the disclosures reported in the notes to the consolidated financial statements.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate Cerved Group SpA or to cease operations, or has no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.
As part of an audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit.

Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) No 537/2014

On 25 March 2014, the shareholders of Cerved Group SpA in general meeting engaged us to perform the statutory audit of the Company's and the consolidated financial statements for the years ending 31 December 2014 to 31 December 2022.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/10 and Article 123-bis, paragraph 4, of Legislative Decree No. 58/98

The directors of Cerved Group SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of the Cerved Group as of 31 December 2020 including their consistency with the relevant consolidated financial statements and their compliance with the law.
We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the consolidated financial statements of the Cerved Group as of 31 December 2020 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the consolidated financial statements of Cerved Group SpA as of 31 December 2020 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Statement in accordance with article 4 of Consob's Regulation implementing Legislative Decree No. 254 of 30 December 2016

The directors of Cerved Group SpA are responsible for the preparation of the non-financial statement pursuant to Legislative Decree No. 254 of 30 December 2016.
We have verified that the directors approved the non-financial statement.

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016, the non-financial statement is the subject of a separate statement of compliance issued by ourselves.

Milan, 2 April 2021

PricewaterhouseCoopers SpA

Signed by

Andrea Martinelli
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers

Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the Shareholders of Cerved Group SpA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Cerved Group SpA (hereinafter, also, "the Company"), which comprise the statement of financial position as of 31 December 2020, 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 2020, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers SpA

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Key Audit Matters	*Auditing procedures performed in response to key audit matters*
Revenue recognition *Note 7 "Revenues" to the financial statements as of 31 December 2020.* Cerved Group SpA operates in two business segments with different products, services and customers. This diversity is also reflected in the revenue recognition method applied for each of these segments. We focused on the revenue recognition method from the Risk Management business (Euro 266 million) because these revenues accounted for about 93% of the Company's total revenues and are characterised by a large number of transactions with a delay between the timing of billing and recognition of revenues. As a result, revenue from services billed but not yet rendered are recorded as deferred revenues at the reporting date. Revenues of the Risk Management segment were considered a key matter due to 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 sale terms applied to counterparties, the existence of any period-end entries and the underlying approval process.	We analysed, understood and assessed the internal control system related to the revenue recognition process. We identified and validated the operativeness and effectiveness of the key controls (manual and automated) over that process, using also the support of experts in IT systems and business process analysis of the PwC network. We verified the reconciliation between the general ledger values for revenues/deferred revenue and those extracted from the IT system. 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 traced the correct recognition of amounts billed to customers and related deferred revenue for a sample of transactions involving all products of the Risk Management segment in order to verify the existence of the transaction, the accuracy of the data entered to the system upon recognition of the sales contract and proper cut-off. We also analysed the correct recognition of revenues and related deferred income for a sample of contracts showing a significant amount of deferred income at the reporting date.
Assessment of the recoverability of goodwill *Note 22 "Goodwill" to the financial statements as of 31 December 2020.* The sum of goodwill booked over time as a consequence of a number of extraordinary transactions amounts to Euro 693 million as of 31 December 2020.	We analysed the reasonableness of the considerations made by the directors about the CGUs identified and the process of allocation of goodwill to the various CGUs, verifying its

Key Audit Matters	*Auditing procedures performed in response to key audit matters*
The Group directors assess the recoverability of goodwill at least annually based on the greater of the fair value less cost to sell and value in use of each cash generating unit ("CGU") to which goodwill has been allocated. The recoverable value of each CGU was estimated on the basis of the value in use, determined by discounting the expected future cash flows for the next three years (2021-2023) and the terminal value determined by applying a multi scenario approach, as suggested by ESMA. The directors developed two scenarios: one (the so-called Base) which represents the numerical transposition for the purposes of impairment of the new strategic business plan of the Cerved group and one (the so-called Worst) prepared exclusively with a view to stress test the Base scenario. The inputs used for the preparation of the recoverability test, both the Base and Worst scenario, have been approved by Board of Directors at the meeting held on 23 February 2021. For the purposes of determination of the value in use, the directors have opted for the weighting of the two scenarios by applying the 70% of the Base plan and 30% of the Worst plan. The recoverable amount of each CGU has been compared with the carrying amount, resulting from the sum of assets and liabilities pertaining to the CGU, including the value of goodwill. The amount of the impairment loss of goodwill in 2020, as a result of the final assement of the impairment test, was equal to Euro 13 million for CGU Growth. We considered goodwill as a key matter due to the amount involved and to the elements of estimation and uncertainty normally inherent to the valuations made by the directors in relation to its recoverability.	consistency with the structure of the Group and of the segments in which it operates. In order to confirm the directors' forecasting ability, we have verified that actual results achieved in previous years were consistent with the forecasts contained in multi-year plans. We have verified that the economic and financial plans of each cash generating unit used for the valuation of the recoverability of goodwill were those approved by the Board of Directors at the meeting held on 23 February 2021. We analysed the key assumptions underlying the revenues and costs of each CGU by verifying their reasonableness in line of the actual amounts reported in the previus years, contracts already signed and expected market developments. We verified the method used to prepare the impairment test, the mathematical accuracy of the model and the reasonableness of the assumptions used in relation to the definition of the terminal value. We verified the accuracy of the values of assets and liabilities pertaining the single CGU, including goodwill, used to the comparison with the value in use. We engaged experts belonging to the PwC network for the analysis of models used to forecast cash flows and the assessment of the discount rate. We analysed the sensitivity analyses performed by the directors concerning the impact on the recoverability of goodwill as a result of possible changes in estimated cash flows or in the discount rate used. Furthermore, we analysed the changes in cash flows or discount rate that would cancel the excess of the recoverable amount of each CGU over its book value.

Key Audit Matters	*Auditing procedures performed in response to key audit matters*
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 verified the completeness and accuracy of the disclosures reported in the notes to the financial statements.

Responsibilities of Directors and the Board of Statutory Auditors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) No 537/2014

On 25 March 2014, the shareholders of Cerved Group SpA in general meeting engaged us to perform the statutory audit of the Company's and consolidated financial statements for the years ending 31 December 2014 to 31 December 2022.
We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to those charged with governance, in their capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/10 and Article 123-bis, paragraph 4, of Legislative Decree No. 58/98

The directors of Cerved Group SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of Cerved Group SpA as of 31 December 2020, including their consistency with the relevant financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the financial statements of Cerved Group SpA as of 31 December 2020 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the financial statements of Cerved Group SpA as of 31 December 2020 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, 2 April 2021

PricewaterhouseCoopers SpA

Signed by

Andrea Martinelli
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers

(Courtesy translation from Italian)

CERVED GROUP S.P.A.
Share Capital 50,521,142.00 euros fully paid-in
Registered Office: San Donato Milanese (MI), Via Dell'Unione Europea 6A, 6B
Milan Monza Brianza Lodi Company Register No. 08587760961

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REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDERS' MEETING CONVENED TO APPROVE THE 2020 FINANCIAL STATEMENTS

Pursuant to Article 153 of Italian Legislative Decree No. 58/1998 and Article 2429 of the Italian Civil Code.

Dear Shareholders,

The Board of Statutory Auditors is required to report to the Shareholders' Meeting on the activities it performed during the year, pursuant to Article 153 of Italian 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, 2020, carried out its institutional functions in compliance with the provisions of the Italian Civil Code, Legislative Decree No. 58/2010 and Legislative Decree No. 39/2010 and the company Bylaws, taking also into account the rules of conduct published by the National Board of Certified Public Accountants and Accounting Experts and the communications issued by the CONSOB regarding corporate oversight and the activities of the Board of Statutory Auditors. For 2020, as required by Legislative Decree No. 39/2010, the Board of Statutory Auditors also acted as the Internal Control and Auditing Committee (ICAC), as required by Article 19 of the abovementioned Decree.

Please keep in mind that the Board of Statutory Auditors currently in office is composed of the following members: Antonella Bientinesi (Chairperson), Costanza Bonelli and Gilberto Comi (standing auditors), it was appointed by the Shareholders' Meeting held on 20 May 2020 and will therefore end its mandate with the next shareholders' meeting to approve the financial statements for the year ending as at 31 December 2022.

1) Oversight Activity Regarding Compliance with the Law, the Bylaws and the Principles of Sound Management

The Board of Statutory Auditors obtained all information necessary for the performance of its control and oversight function by attending the meetings of the Board of Directors, the Control, Risks and Sustainability Committee, the Related-Party Committee and the Nominating and Compensation Committee, meetings with the Company's senior management and department managers, as well as the independent auditors

PricewaterhouseCoopers S.p.A. and the Oversight Board established pursuant to Legislative Decree 231/2001, meeting and exchanging information with the Boards of Statutory Auditors of the subsidiaries and analysing information obtained from members of the Company's organisations.

More specifically, the Board of Statutory Auditors met 16 times in 2020; the meetings had an average duration of 2 hours. The Board of Statutory Auditors attended the 23 meetings of the Board of Directors, the 8 meetings of the Nominating and Compensation Committee, the 14 meetings of the Control, Risks and Sustainability Committee, the 6 meetings of the Related Parties Committee and a further meeting of the Related Party Committee for the Keplero Project; they also attended one Shareholders' Meeting and also participated in *induction* sessions promoted by the company's management.

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 as well as on particularly significant economic and financial transactions that were approved and implemented during the year, carried out by the Company and other Group companies, also in accordance with Article 150, Section 1, of the T.U.F.

The Board of Statutory Auditors can provide a reasonable assurance that the transactions approved and implemented were compliant with the applicable laws, the Bylaws and the principles of sound management and were not manifestly imprudent, reckless, potentially in a conflict of interest, in contrast with the resolutions adopted by the Shareholders' Meeting or capable of undermining the integrity of the Company's assets.

A detailed description of the transactions that were particularly significant from an economic, and financial standpoint is provided in the Report on Operations annexed to the Consolidated Statements of the Group for 2020 reporting year (in the sections entitled "Significant Events of the Group" and "Significant events after the end of the reporting year").

The following transactions were particularly noteworthy ("Significant events of the Group"):

a) On January 30, 2020, the direct subsidiary Cerved Credit Management Group S.r.l. (CCMG) acquired from Quaestio Holding S.A. 50.1% of the share capital of Quaestio Cerved Credit Management S.p.A. ("QCCM") at a price of 43,250,000 euros. As a result of this acquisition, CCMG becomes the sole shareholder of QCCM, a company already fully consolidated within the Cerved Group, which, through its subsidiary Juliet, performs special servicing activities on non-performing loan portfolios. With effect from 5 February 2020, the indirect subsidiary QCCM changed its name to Juliet Holding S.p.A.

b) On January 30, 2020, an additional 8.27% interest in Spazio Dati s.r.l. was acquired at a price of 1,616 thousand euros (equity interest held after this purchase: 87.75%;

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c) On March 20, 2020, the exclusivity granted to Intrum Italy S.p.A. for the negotiation of the potential sale of the Credit Management Business Unit expired, and in light of the particular economic and financial situation caused by the COVID-19 epidemic, negotiations were interrupted;

d) On April 24, 2020, the subsidiary Cerved Rating Agency S.p.A. finalised the acquisition of the entire share capital of Integrate S.r.l. ("Integrate"), an innovative start-up established in 2017 in Milan operating in the Environmental, Social and Governance ("ESG") sector, which has developed an ESG rating model in line with international standards and owns an ESG database. The consideration of the transaction, of 600 thousand euros, was subjected to a price adjustment of 25 thousand euros, on the basis of the current net financial position at the closing date, while an estimated deferred price of 191 thousand euros is also envisaged;

e) On April 24, 2020, Cerved Group entered into binding agreements with a pool of banks composed of Banca IMI S.p.A., BNP Paribas - Italian Branch, Banco BPM S.p.A., Crédit Agricole Corporate and Investment Bank - Milan Branch, Crédit Agricole Italia S.p.A., Mediobanca - Banca di Credito Finanziario S.p.A., UBI Banca S.p.A., and UniCredit S.p.A. relating to the signing of loan agreements governing the terms and conditions of similar transactions, of credit lines amounting to €713 million. The new lines consist of Term Loan A amounting to €545 million, Term Loan B amounting to €18 million and a Revolving Credit Facility of €150 million with a final maturity of 5 years. This made it possible to refinance the "Forward Start" credit lines, signed for €648 million and stipulated on January 15, 2016 and which had repayment dates starting from January 2021. The new credit facilities provide economic conditions that are substantially in line with the "Forward Start" lines. The loan agreements and related drawdown of credit lines were finalised on May 12, 2020;

f) On May 21, 2020, an additional 10.00% stake in the share capital of Pro Web Consulting s.r.l. was acquired at a price of €2,942 thousand (equity interest held after this purchase: 80.00%);

g) On June 11, 2020, an additional 3.21% stake in the share capital of Cerved Credit Management Group S.r.l. was purchased at a price of €14,780 thousand (equity interest held after this purchase: 100.00%);

h) On June 17, 2020, an additional 19.90% interest in the share capital of MBS Consulting S.p.A. was purchased at a price of €22,681 thousand (equity interest held after this purchase: 50.60%);

i) On June 30, 2020, the IRS and Forward Start contracts in place were terminated in advance for an overall disbursement of 6,492 thousand euros and eight "Interest Rate Swap"(IRS) contracts were entered into with seven primary banks, for a nominal value of 486 million euros, to hedge the interest rate risk of the Term Loan Facility A, with a fixed interest rate of 0.08% and a floor of -2%;

l) On July 1, 2020, Banca Popolare di Bari notified the subsidiary Credit

Management S.r.l. of the transfer to AMCO (Asset Management Company S.p.A.) of a significant portion of the portfolio of NPL and UTP loans that Credit Management S.r.l. managed. The value of the indemnity to be paid to the Cerved Group is currently being determined in light of the fact that AMCO has assigned the sub-servicing debt management and recovery service to the Cerved Group only for a sub-perimeter of the portfolio.

m) On September 7, 2020, the subsidiary Cerved Credit Management Group S.r.l. paid the first earn-out for a value of 1,167 thousand euros, envisaged in the agreement for the purchase of the entire equity investment in Euro Legal Services S.r.l.

n) On December 1, 2020, its range of anti-money laundering services was strengthened through the acquisition of the Hawk Group, a company that was already a Cerved partner, specialising in modular solutions to meet all the requirements of the Italian anti-money laundering legislation.

“Significant events occurring after the end of the reporting year” include:

1) On January 20, 2021, the Board of Directors of Cerved Group S.p.A. resolved, with a favourable opinion of the Nominating and Compensation Committee, to adhere to the New Corporate Governance Code for Listed Companies promoted by Borsa Italiana.

2) In January 2021, the indirect subsidiary Cerved Credit Management S.p.A. commenced the arbitration procedure envisaged in Article 17.2 of the Servicing Agreement against Credito Valtellinese S.p.A. in order to recover the loan related to the compensation accrued for an indemnity, amounting to 6,294 thousand euros, and which was not yet unpaid as at the date of this report.

3) On March 7, 2021, Cerved Group S.p.A. announced that, as part of the evaluations relating to the valuation of the Credit Management division, negotiations are underway - without any exclusivity obligation - with private equity funds for the sale of the subsidiary Cerved Credit Management Group S.r.l.;

4) On March 8, 2021, Castor S.r.l., a company with a sole shareholder, announced that it had decided to promote a voluntary tender offer for all the ordinary shares of Cerved Group S.p.A., including treasury shares directly or indirectly held, from time to time, by the Issuer (the "Offer"), pursuant to and for the purposes of Article 102, Section 1, of the T.U.F., as well as Article 37 of the regulation adopted by CONSOB with Resolution No. 11971 of 14 May 1999, as subsequently amended (the "Issuers' Regulation"). Evaluation and analysis of the Offer and its terms by the Company’s Board of Directors, which will be the subject of the press release that the Company is required to publish pursuant to Article 103 OF the T.U.F. have begun and are currently underway.

5) On March 25, 2021 the Bidder (Castor S.r.l.) announced that it had taken the decision to promote the offer through a newly incorporated joint-stock company called Castor Bidco S.p.A. In this context, an equity commitment letter was signed between Bidco and the Offeror, pursuant to which the latter undertook to make capital contributions and/or shareholder loans to Bidco, intended to cover the maximum disbursement of the Offer. The Offeror and/or Bidco reserve the right to cover a portion of the maximum disbursement of the Offer by means of a bank loan, the terms and conditions of which - if applicable - will be disclosed to the market.

6) Lastly, on March 25, 2021, Bidco announced (i) that it had filed with CONSOB on the same date, pursuant to Article 102, Section 3 of the T.U.F., as well as Article 37-ter of the Issuers' Regulation, the offer document, intended for publication, relating to the Offer promoted by Bidco, and (ii) to have submitted to the competent Authorities, pursuant to Article 102, Section 4 of the T.U.F., and Article 37b, Section 1, b) of the Issuers' Regulation, the communications and requests for obtaining the authorisations required by the applicable regulations in relation to the Offer.

The Report also contains information concerning the Covid-19 pandemic, its impact and the actions taken by the Group to mitigate its effects, with particular attention to the welfare and health of employees, which the Board has followed very closely.

The Board of Statutory Auditors reports that, on 25 March 2021, the Board of Directors approved the Cerved Group's 2021-2023 business plan, and that on 26 March 2021, Consob announced that it had initiated the administrative procedure relating to the abovementioned takeover offer, pursuant to Articles 102 and 106, Section 4, of Legislative Decree No. 58/1998.

In view of the above, the Board of Statutory Auditors does not have any specific issues to report with regard to the activities it carried out for the purpose of verifying compliance with the relevant laws, the Bylaws and respect for the principles of sound management.

In addition, the Board of Statutory Auditors reports that it has not uncovered any atypical and/or unusual transactions with other Group companies, with third parties or with related parties, nor has it received any indications in this regard from the Board of Directors, the independent auditors or the Control, Risks and Sustainability Committee.

2) Oversight Activities Regarding the Adequacy of the Company's Organisation

The reorganisation carried out during 2019 had led to the creation of two business units: the "Risk Management" division (formerly "Credit Information", focused on solutions that help customers hedge themselves against risk, and the "Growth Services" division, which offers growth support services. However, the Group continued to develop the credit management platform in synergy with both banking and corporate customers. During 2020, the organisational structure described above was confirmed.

The Board of Statutory Auditors monitored the adequacy of the Company's organisational structure in terms of its structure, procedures, competencies and responsibilities in relation to the size of the Company (and more generally of the Cerved Group), as well as with regard to the nature and pursuit of the corporate purpose with respect to the aspects within its competence, by gathering information from managers of the Company's relevant departments, meetings or exchanges of information with the Boards of Statutory Auditors of the subsidiaries, meetings with the Control, Risks and Sustainability Committee, and meetings with representatives of PricewaterhouseCoopers S.p.A., also for the purpose of exchanging relevant data and information, from which no critical issues emerged.

It should be noted that a positive assessment of the adequacy of the organisational structures of both the Company and the Group was issued on 16 March 2021 by the Control, Risks and Sustainability Committee, and by the Board of Directors on 25 March 2021.

3) Oversight Activities 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 manager of the Company's Internal Auditing Department as well as through constant attendance at all meetings of the Control, Risks and Sustainability Committee.

The Board of Statutory Auditors has taken note of the information contained in the Report on Corporate Governance and Ownership Structures, with regard to the internal control and risk management system.

The Internal Auditing Function, in its annual report submitted to the Board of Directors on 23 March 2021, stated that "based on the available information relating to the 2020 financial year, as at the date of the report there existed no elements indicating that the Cerved Group's internal control and risk management system is not suitable, i.e. not adequate in light of the Company's characteristics and the assumed risk profile, or is not functioning in relation to its actual operations".

In addition, the Control, Risks and Sustainability Committee, on 16 March 2021 and the Board of Directors, on 25 March 2021, expressed a favourable opinion on the adequacy of the internal control and risk management system - SCIeGR adopted by the Group.

With regard to internal auditing, the Board of Statutory Auditors was also informed about the 2021 Audit Plan prepared by the Internal Auditing Function and approved by the Board of Directors on 23 March 2021.

In light of the verification carried out and in the absence of any indication of significant problems, the Board of Statutory Auditors is of the opinion that the internal control and risk management system is adequate and effective.

4) Oversight Activity Regarding the Adequacy of the Accounting System and the Activity of the Independent Auditors

The Board of Statutory Auditors also assessed and monitored, for issues under its jurisdiction pursuant to Article 19 of Legislative Decree No. 39/2010, the financial reporting process, as well as the effectiveness of the accounting control systems and their reliability for the purpose of a correct representation of the Company's operations, through:

i. a periodic exchange of information with the Chief Executive Officer and the Corporate Accounting Documents Officer, as required by the provisions of Article 154 bis of the T.U.F.;

ii. a review of the reports prepared by the manager of the Internal Auditing function, including information about the result of any corrective actions undertaken further to the outcome of audit engagements;

iii. the acquisition of information from the heads of corporate functions;

iv. meetings and exchanges of information with the Auditing 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. participation in the work of the Control, Risks and Sustainability Committee.

The Board acknowledges that the Cerved group is working to strengthen the structure of second-level controls relating to the internal control system on financial reporting. In this regard, the Internal Control over Financial Reporting (ICFR) function was established in January 2021, which will have the task of managing compliance activities pursuant to Law no. 262/2005.

The Chief Executive Officer and the Corporate Accounting Documents Officer, in a special report regarding the 2020 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 of the European Parliament and European Council of July 19, 2002; 3) the financial statements matched the data in the Company's ledgers and other accounting documents and were suitable for providing a truthful and accurate presentation of the Company's economic and financial position; 4) the Report on Operations annexed to the financial statements provides a reliable analysis of the performance and result from operations and the Company's position, together with a description of the main risks and uncertainties to which the Company is exposed. A similar certification was provided with regard to the Group's consolidated financial statements for the 2020 reporting year.

The Board of Statutory Auditors engaged in a comprehensive exchange of information in relation to the 2020 financial statements with the independent auditors PricewaterhouseCoopers S.p.A., meeting with them in the course of three specific audits and in connection with three meetings of the Control, Risks and Sustainability Committee.

The Board of Statutory Auditors discussed in detail and analysed with PricewaterhouseCoopers S.p.A. key issues of the audit in the 2020 Financial Statements and the 2020 Consolidated Financial Statements, i.e. 1) the assessment of revenue recognition; 2) the assessment of revenue recognition; 3) the assessment of the recoverability of goodwill), as well as those regarding the 2020 statutory financial statements, i.e. 1) the assessment of revenue recognition; 2) the assessment of the recoverability of goodwill). The aspects of attention relating to the 2020 financial statements were also discussed and in particular: 1) the project for the enhancement of Cerved Credit Management Group Srl (CCMG); 2) impairment testing of goodwill and equity investments; 3) the contract with the company Rubicon SPV SrL; 4) relations with Credito Valtellinese SpA; 5) the compensation to be received from Banca Popolare di Bari (BPB); 6) the accounting-tax realignment pursuant to Article 110 of Law Decree 104/2020 (converted with amendments by Law 126/2020); 7) examination of the put option contracts signed with the minority shareholders of some subsidiaries; 8) the *Performance Share plan*; 9) the Valentine contract (DeA); 10) the benefit pursuant to Article 24 of Italian Law Decree 34/2020 Cura Italia Decree (converted by Law 77/2020); 11) ESEF financial statements.

After completing its activity, PricewaterhouseCoopers S.p.A., on April 2, 2021, issued its reports on the 2020 statutory financial statements and the 2020 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 issues of the audit of the 2020 consolidated financial statements, PricewaterhouseCoopers S.p.A. indicated:

1. the "**revenue recognition process**." The independent auditors focused on the revenues generated by the Risk Management sector, as they account for about 56% of the Group's revenues and are characterized by a high number of transactions with a significant temporary difference between the time of invoicing and the time of recognition. PricewaterhouseCoopers S.p.A. analysed the internal control system, identified and validated the importance of the controls applied to the process (relying also on IT support and corporate process analysis experts belonging to its network), verifying on a sampling basis the reconciliations of revenue and deferred income accounting data with those extracted from the information systems;

2. the “**assessment of the recoverability of goodwill**” recognized in connection with the various extraordinary transactions executed consecutively over time, in view of the estimated input and uncertainties normally inherent in the valuations performed by Directors with regard to recoverability. The independent auditors analysed the reasonableness of the considerations made by management consistent with the economic-financial plans approved by the Board of Directors, assessing the methodology applied for the preparation of the impairment test and verifying the correct determination of the financial statement balances attributable to the individual CGUs; The recoverable value of each CGU was estimated on the basis of the value in use determined by discounting future cash flows expected for the following three-year period (2021-2023) and the terminal value determined by applying a multi-year approach scenario, as recommended by ESMA. PricewaterhouseCoopers SpA acknowledged that the directors have developed two scenarios: one (the base case scenario) which represents the numerical transposition for the purposes of impairment of the new strategic business plan of the Cerved group and one (the worst-case scenario) prepared exclusively with a view to stress testing under the first scenario. The forecast plans used to prepare the test were approved by the Board of Directors on 23 February 2021 under both the base-case and worst-case scenarios. The directors opted to weigh the two plans at 70% (base case) and 30% (worst case) in order to determine their value in use.

As for the key issues of the Audit Report on the 2020 statutory financial statements, the independent auditors referred to the same points as above.

In addition, also on April 2, 2021, 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, on the same day, forwarded to the Board of Directors without any remarks. Among the annexes to the aforementioned 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, 2020 (Chapter 41 - Other Information) contain information regarding the fees accrued for the year attributable to the independent auditors PricewaterhouseCoopers S.p.A. for statutory independent auditing services (772,000.00 euros), non-auditing services (148,000.00 euros) and amounts payable to its network for audit services (46,000.00 euros) and non-auditing activities (289,000.00 euros).

The Board of Statutory Auditors points out that the current procedure for the assignment of non-auditing services approved by the Company provides for the prior submission to the Board of Statutory Auditors of any assignment for non-auditing services that it might be deemed necessary to assign to the auditor or its network. An even more stringent procedure is in the process of being issued.

5) 2020 Statutory Financial Statements, Consolidated Financial Statements and Sustainability Report

Based on the information provided by the Company, the <u>2020 statutory financial statements</u> **1**) were prepared in accordance with the going concern assumption, the Directors having verified that there are no financial, operational or other indicators that might indicate critical issues regarding the Company's ability to meet its obligations in the foreseeable future and in particular in the next 12 months; **2**) were prepared in accordance with the IFRS international accounting principles, this expression being understood to mean all “International Financial Reporting Standards,” all “International Accounting Standards” (IAS), all interpretations of the “International Financial Reporting Interpretations Committee” (IFRIC) that at the closing date of the financial statements had been approved by the European Union in accordance with the procedure required under EC Regulation No. 1606/2002 of the European Parliament and European Council of July 19, 2002; **3**) were prepared based on the conventional historical cost criterion with the exception of the measurement of financial assets and liabilities, in those cases in which the use of the fair value criterion is mandatory.

Similarly, as indicated by the Company, the <u>2020 consolidated financial statements</u> **1**) have been prepared on a going concern basis, as the Directors have verified the absence of any financial, operational or other indicators signalling the existence of issues concerning the Group’s ability to meets its obligations in the foreseeable future and over the next 12 months specifically. In this regard, in the Report on Operations, in the chapter 'Business Outlook', the Company states that it will continue to constantly monitor the evolution of the emergency resulting from the spread of Covid-19 and that it will adopt all decisions and measures necessary to deal with the emergency, updating the market on the potential impact on the Company; **2**) have been prepared in accordance with IFRS international accounting standards, meaning all the International Financial Reporting Standards, all the International Accounting Standards (IAS), all the interpretations of the International Reporting Interpretations Committee (IFRIC) which, at the closing date of the consolidated financial statements, have been endorsed by the European Union in accordance with the procedure provided for by Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of Europe; **3**) have been prepared on the basis of the conventional criterion of historical cost except for the valuation of financial assets and liabilities, in those cases in which the application 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, the statutory and consolidated financial statements and the Report on Operations to the Board of Statutory Auditors. 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 April 2, 2021. The Board of Statutory Auditors does not have any remarks to submit to the Shareholders’ Meeting.

The Board of Statutory Auditors examined the proposal formulated by the Board of Directors to cover the 2020 loss through the use of retained earnings.

Lastly, the Auditing Body, as required by Article 3, Section 7, of Legislative Decree No. 254 of December 30, 2016, monitored compliance with the provision of the aforementioned decree regarding the Non-financial Statement (NFS or Sustainability Report). The purpose of that document is to share with the shareholders the economic, social and environmental performances of Cerved Group S.p.A. and its subsidiaries, providing a clear and transparent representation of the activities promoted by the Group in the sustainability area, to the extent necessary to ensure an understanding of the Company's business operations, its performance, its results and the impact it produced in terms of improving Italy's overall system. The Board notes that the drafting of the content has been developed in accordance with the "GRI Sustainability Reporting Standards" (2016) published by the Global Reporting Initiative (GRI), under the "Core" option.

The Sustainability Report was accompanied by a limited audit report issued by PricewaterhouseCoopers S.p.A. on April 2, 2021.

The Sustainability Report for 2020 was approved by the Board of Directors on March 25, 2021.

6) Oversight activity regarding the implementation of the Corporate Governance Code

The Auditing Body has supervised the implementation of the Corporate Governance Code for Listed Companies promoted by Borsa Italiana S.p.A. and adopted by the Company. The Board of Statutory Auditors monitored the proper adherence to the new Corporate Governance Code (January 2020 edition). Detailed information about the Company's corporate governance system is provided in the 2020 Report on Corporate Governance and the Ownership Structure, approved by the Board of Directors on March 25, 2021.

The Board of Directors and the Committees have prepared/adopted their own regulations also taking into account the suggestions made by the Chairperson of the Corporate Governance Committee in a communication dated December 22, 2020.

7) Oversight activity regarding transactions with subsidiaries

The Board of Statutory Auditors points out that it met, directly or via telephone connection, for a profitable exchange of information, with the auditors of the subsidiaries Pro Web Consulting S.r.l., Cerved Legal Services S.r.l., Cerved Credit Management Group S.r.l., Cerved Credit Management S.p.A, Cerved Rating Agency S.p.A., MBS Consulting S.p.A., Credit Management S.r.L., MBS Consulting S.r.l., Spazio Dati S.r.L., Cerved Master Services S.p.A., Juliet Holding S.p.A., Juliet S.p.A., Cerved Credit Collection S.p.A, Innovation Team S.r.l., ClickAdV S.r.l. and Hawk AML S.r.L. Starting in July 2020, the Board determined that it will conduct such information exchanges on a semi-annual basis, once in writing, once in person (or by remote connection).

It should be noted that in 2020, a number of problems were encountered in relation to the active cycle of the subsidiary ClickAdV s.r.l. and in particular in relation to invoices to be issued and the write-down of certain loans. The amounts involved had little significant impact at Group level. The Cerved Group, although in the midst of a pandemic, has taken immediate action to identify what happened and to determine the necessary remedies from both an organisational and administrative-accounting perspective. As a result of these actions, the situation can be considered adequately under control, and the Board of Directors and the Board of Statutory Auditors of ClickAdV s.r.l. have also expressed this opinion. On June 22, 2020, this Board informed the Consob of the facts and information it had gathered and, where necessary, made such communication pursuant to Article 149 of the TUF.

The Board 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 Auditing Body acknowledges that the Board of Directors, in the Report on Operations (section entitled Related-party Transactions), provided an illustration of the effects of ordinary transactions deemed to be highly material economically and financially, executed with related parties (which were settled on standard market terms). Please consult the aforementioned section for information regarding the identification of the types of transactions in question and the corresponding economic and financial effects.

The Board of Statutory Auditors wishes to point out that since May 28, 2014 the Company adopted a procedure governing related-party transactions, as required by Consob Regulation No. 17221 of March 12, 2010 and Consob Communication No. 10078683 of September 24, 2010, with the aim of avoiding or managing transactions that entail conflicts of interest or personal interests on the part of Directors. This procedure was amended on December 21, 2017, as required by Article 2391-bis of the Italian Civil Code and the Related-party Regulation. Pursuant to Art. 4 of the aforementioned Regulation, the Board of Statutory Auditors verified that the procedures adopted were consistent with said Regulation and were being complied with. The procedure is currently being amended in light of Consob Resolutions Nos. 21623 and 21624 of December 10, 2020, which amended the Issuers' Regulation and Regulation No. 17221 of 2010 on the subject of transactions with related parties.

9) Oversight activity regarding other issues

On March 25, 2021, the Board of Statutory Auditors verified that the criteria and procedures adopted by the Board of Directors to assess the existence of the requirements of the law, the Bylaws and the Corporate Governance Code, including whether the members of the same Body meet the independence requirements, were properly applied. On June 11 and July 2, 2020 as well as on March 19, 2021, the Auditing Body carried out a similar assessment in relation to its members, as required by the TUF and the Corporate Governance Code. On July 14, 2020 and March 25, 2021, the Board of Directors ascertained that the members of the Board of Statutory Auditors met the requirements.

On March 16, 2016, the Board of Directors approved the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001 and appointed the Supervisory Board (whose members were confirmed by resolution of the Board of Directors on March 25, 2021); the Board of Statutory Auditors acknowledges having received the prescribed periodic reports and information from the Supervisory Board. The Model was last updated by a resolution of the Board of

Directors dated March 18, 2021.

The Auditing Body then noted that, on December 23, 2019, the Group's Code of Ethics was updated, which sets forth the Company's ethical commitments and responsibilities in the handling of its business and corporate activities and defines a set of values, principles and conduct guidelines that must be followed by the Group's management and anyone who is linked with the Group through an employment relationship and, in general, anyone who operates on the Group's behalf (irrespective of the linking relationship).

Given the importance of this issue at Cerved, for whom the processes for the collection, analysis and processing of data (in general, the processing of data, both as Data Controller and Data Processor) are the foundations of the products and services offered by the Group, the Board has closely monitored the compliance of the Group's Privacy Model with the requirements of the GDPR (General Data Protection Regulation).

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 Commission Implementing Regulation No. 2016/347 of March 10, 2016, the TUF and the Issuers' Regulation. This procedure was updated during the previous financial year 2018, also in light of the Consob Guidelines of October 13, 2017 and Legislative Decree No. 107 of 2018; the new procedure was approved by the Board of Directors on December 19, 2018.

Lastly, in view of the increase in cyber-attacks against companies and institutions, the Board strongly recommended that the Company assess and implement suitable IT security systems, asking for prompt and ongoing attention to be paid to this issue. This is also in light of the fact that this type of risk is highly significant in view of the type of economic activity carried out by the company and the Group.

The Company has a detailed plan of activities relating to the Information Security Management System, aimed at continuous improvement. The Company has obtained ISO 27001:2017 certification.

10) Opinions rendered by the Board of Statutory Auditors and examination of complaints submitted to the same

The Auditing Body rendered the following opinions:

i. a favourable opinion pursuant to Art. 2389, paragraph 3, of the Italian Civil Code, regarding the allocation of the variable components, so-called bonuses, to the Chief Executive Officer with reference to the objectives achieved for the 2019 financial year, at the meeting of the Board of Directors on February 26, 2020;

ii. a favourable opinion pursuant to Art. 2389 of the Italian Civil Code regarding the variable emolument to be paid to the Chief Executive Officer in relation to the achievement of new objectives, at the meeting of the Board of Directors on March 13, 2020;

iii. two favourable opinions regarding the amendment of the incentive plans, at the Board meeting of July 30, 2020.

In 2020, the Board of Statutory Auditors received two complaints pursuant to Article 2408 of the Italian Civil Code.

Both complaints were made by the shareholder Tommaso Marino and in particular:

1) with the first, dated June 9, 2020, the shareholder requested: (i) verification of the regularity of the non-competition agreement entered into by Marco Nespolo, previous CEO of Cerved; (ii) clarification of the employment of Francesca Perulli as a manager in the Company; (iii) information on the presence of Group directors involved in criminal proceedings or investigations;
2) with the second complaint, dated July 13, 2020, the shareholder requested further verifications to be carried out in relation to the fine imposed by the Antitrust Authority on the subsidiary Cerved Credit Collection S.p.A.

Following these complaints, the Board of Statutory Auditors immediately carried out the relevant investigations, availing itself of the appropriate corporate structures, in order to obtain more information and to verify and assess the grounds for the complaints. In both cases, the Board concurred with the information provided by the relevant departments and, following its investigation, found no irregularities that needed to be reported to the Shareholders' Meeting.

11) Conclusions

The oversight activities carried out in 2020 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 statutory independent auditors, acknowledging the certifications issued by the Chief Executive Officer and the Corporate Accounting Documents Officer, did not find, for issues under its jurisdiction, any reasons to object to the approval of the draft financial statements at December 31, 2020 and the coverage of the loss through the use of retained earnings, as formulated by the Board of Directors.

Milan, April 2, 2021

For the Board of Statutory Auditors
The Chairperson

Antonella Bientinesi

(signed on the original)

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