



Cerved Group S.p.A.

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

Evaluations of the Board of Directors of Cerved Group S.p.A. on the integration request of the agenda of the ordinary Shareholders' Meeting jointly submitted by Gruppo MutuiOnline S.p.A. and Centro Istruttorie S.p.A. pursuant to art. 126-bis, 1 paragraph, of the Legislative Decree no. 58 dated 24 February 1998

On 6 April 2021 the shareholders Gruppo MutuiOnline S.p.A. and Centro Istruttorie S.p.A. (the "**Shareholders**"), holding jointly a stake of 3.326% of the share capital of Cerved Group S.p.A. ("**Cerved**" or the "**Company**") have requested, pursuant to art. 126-*bis*, paragraph 1, of Legislative Decree no. 58 dated 24 February 1998 (the "**Consolidated Law on Finance**"), that the agenda of the shareholders' meeting of the Company called on 25 March 2021, on a single call, in ordinary session for 27 April 2021 (the "**Shareholders' Meeting**") be integrated with the addition of the following further item to be submitted to the Shareholders' Meeting: "*Distribution to the Shareholders of an extraordinary dividend of € 0.50 (Euro fifty cents) for each outstanding share, through the use of the available reserves, even in the absence of a distributable profit; related and consequent resolutions*" (the "**Integration Request**").

Together with the Integration Request, the Shareholders have prepared, pursuant to art. 126-*bis*, paragraph 4, of the Consolidated Law on Finance, an explanatory report that summarizes the reasons and the purpose of the request (the "**Shareholders' Report**"). The Shareholders' Report includes the following resolution proposal that the Shareholders have requested to submit to the approval of the Shareholders' Meeting:

"1) to approve the distribution of an extraordinary dividend of € 0.50 (euro fifty cents) for each ordinary outstanding share, through the use of the available reserves, even in the absence of a distributable profit;

2) to establish that the payment of the dividend will take place with detachment of the coupon on 3 May 2021, record date on 4 May 2021 and payment from 5 May 2021."

This report displays the evaluations of the Board of Directors of the Company on the Integration Request, pursuant to art. 126-*bis*, paragraph 4, of the Consolidated Law on Finance.

These evaluations prepared by the Board of Directors pursuant to art. 126-*bis*, paragraph 4, of the Consolidated Law on Finance, together with the Integration Request inclusive of the Shareholders' Report, and with the notice of call of the Shareholders' Meeting and its related excerpt, integrated on the base of the Integration Request, are made available to the public, at the present date, at the Company's registered

office, on the Company website (<https://company.cerved.com/>), section “Governance/Shareholders’ Meeting”) and at the authorised storage system (www.emarketstorage.com). The excerpt of the notice of call of the Shareholders’ Meeting, integrated as indicated below, is also published on the newspaper “Il Giornale” on 13 April 2021.

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A. The Integration Request is compliant with the requirements set forth under applicable law

Preliminarily, the Board of Directors has assessed the compliance of the Integration Request with the requirements set forth under applicable law. In this respect, the Board of Directors notes that the Integration Request meets the minimum legal requirements required by the law, both from a subjective standpoint (given that it has been submitted by shareholders that represent at least one fortieth of the share capital) and from an objective standpoint (having the Integration Request been submitted within the terms indicated in the notice of call of the Shareholders’ Meeting and being it accompanied by a “report that explains the rationale of the resolution proposals on the new items which are proposed to be discussed”, as requested under art. 126-bis, paragraph 4, of the Consolidated Law on Finance).

Therefore the Integration Request is to be implemented, through the integration of the Shareholders’ Meeting’s agenda as follows:

“AGENDA

1. *The annual financial statements at 31 December 2020; presentation of the consolidated financial statements at 31 December 2020; the Directors’, Board of Statutory Auditors’ and Independent Auditors’ Reports:*
 - 1.A *Approval of the annual financial statements; related and consequent resolutions;*
 - 1.B *Allocation of the annual result; related and consequent resolutions.*
- 1-bis. *Distribution to the Shareholders of an extraordinary dividend of € 0.50 (Euro fifty cents) for each outstanding share, through the use of the available reserves, even in the absence of a distributable profit; related and consequent resolutions.*
2. *Report on remuneration policy and fees paid pursuant to Article 123-ter, paragraphs 3-bis and 6 of Legislative Decree 58/98:*
 - a. *binding resolution on the first section relating to the remuneration policy, prepared pursuant to Article 123-ter paragraph 3 of Legislative Decree 58/98;*
 - b. *non-binding resolution on the second section relating to the fees paid, prepared pursuant to Article 123-ter paragraph 4 of Legislative Decree 58/98.*
3. *Authorisation for purchase and disposal of treasury shares, after revocation of the previous authorisation granted by the Shareholders’ Meeting on 20 May 2020; related and consequent resolutions.*
4. *Appointment of the independent auditor for the period 2023-2031 and determination of the fee. Related and consequent resolutions”.*

B. The decision of the Board of Directors not to submit to the Shareholders’ meeting a resolution proposal relating to the distribution of dividends – Full referral to the Explanatory Report of the Board of Directors of the Company on the first item on the agenda of the Shareholders’ Meeting

The reasons for which the Board of Directors of the Company has decided not to submit to the Shareholders’ Meeting the distribution of part of the available reserves are detailed in the Explanatory Report of the Board of Directors of the Company on the first item on the agenda, the content of which is

hereby fully referred to. Such report is available on the Company website (<https://company.cerved.com/>, section “Governance/Shareholders’ Meeting”).

The aforementioned reasons remain valid and the circumstances that have brought the Board of Directors to take such a decision, that is hereby confirmed by the Board of Directors, are not decayed, nor are changed.

More specifically, as highlighted in the aforementioned explanatory report, the Board of Directors recalls that the effectiveness of the voluntary public tender offer (the “Offer”) referred to in the notice dated 8 March 2021 disseminated by Castor S.r.l. pursuant to Article 102, paragraph 1, of the Consolidated Law on Finance and Article 37 of the Regulation adopted by CONSOB through decision no. 11971 of 14 May 1999 (the “Notice”) is subject to the occurrence of several conditions among which the circumstance that “between the date of [the Notice] and the Payment Date [of the consideration of the Offer], the corporate bodies of the Issuer (and/ or of one of its directly or indirectly controlled or associated companies) do not perform or undertake to perform (including through conditional agreements and/ or partnerships with third parties) any action or transaction (i) that may result in a material change, including prospective change, in the capital, the assets, economic and financial situation and/ or activity of the Issuer (and/ or of one of its directly or indirectly controlled or associated companies), or (ii) that are in any case inconsistent with the Offer and the underlying industrial and commercial rationale [...]; the foregoing shall be understood as referring, by way of example only to [...] **distributions of reserves, payment of extraordinary dividends [...]**” (bold added).

C. The capacity of the available reserves of the Company

With respect to the Shareholders’ Request to distribute the available reserves for an amount equal to Euro 0.50 for each share (the “Distribution”), the Board of Directors has examined the actual capacity of the reserves registered in the financial statements.

The composition of the shareholders’ net equity of the Company as at 31 December 2020 is shown in the following table:

(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

In this respect, the Board of Directors highlights that: (i) from an equity-related standpoint, the financial statements as at 31 December 2020 register distributable reserves for a total amount of Euro 464,692,000; (ii) the statutory reserve has already reached the amount of one fifth of the share capital, therefore – within the limits of what has been indicated in the 2020 financial statements dossier – the items “Additional paid-in capital”, “Other reserves” and “Retained earnings reserves” identify distributable financial statements reserves.

In light of the above, the Board of Directors, without prejudice to the reservations on the amount of the Distributions requested by the Shareholders detailed in the next sections of this document, notes that the

available reserves of the Company are capacious in order to proceed with the Distribution, if approved by the Shareholders' Meeting.

D. Amount of the distribution referred to in the Integration Request: evaluations on the Guidance 2020-2023 and on the dividend policy of the Company and on the impact on the consolidated net equity of the Company

The Board of Directors has evaluated the consistency of the amount of the Distribution as requested by the Shareholders with the practice followed in the last financial years and with the Guidance 2020-2023 and with the *dividend policy* of the Company.

In light of this comparison, the Board of Directors highlights that, as to the quantitative profile, the amount of the Distribution (i.e., 0.50 Euro per share) exceeds the average of the amounts of dividends resolved in the preceding five-year period (see table below), even without taking into account 2020, during which the uncertainty of the impacts of COVID-19 has brought the Board of Directors not to propose any dividend distribution, even in the presence of a positive 2019 net result and significant reserves.

Historic Trend of Dividend Per Share (DPS) 2015-2020

Year of payment	DPS (€)
2015	0.205
2016	0.230
2017	0.247
2018	0.270
2019	0.305
2020	-

The Board of Directors highlights also that – as pointed out by the Board of Statutory Auditors of the Company – the impact of the amount, in absolute value, of the Distribution (equal to Euro 97,637,489.50) on the consolidated net equity of the Company would be equal to 18.6%, value that exceeds the average impact on the net equity of the amounts of dividends resolved in the preceding five-year period (see table below).

Year of payment	DPS (€)	% statutory net equity of the preceding year
2015	0.205	6.8%
2016	0.230	7.6%
2017	0.247	8.2%
2018	0.270	9.0%
2019	0.305	11.3%
2020	0.000	0.0%

Moreover, as anticipated, the Distribution requested by the Shareholders is not in line with the contents of the *Guidance 2020-2023* and with the Company's objectives in terms of remuneration of the shareholders dictated by the *dividend policy*.

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

The Adjusted Net Income of the group headed by the Company (the “**Group**”) as at 31 December 2020 is equal to Euro 92,666,868; while assuming a *pay-out* of 50% of this amount – and therefore in the highest part of the range of the *dividend policy* adopted by the Company – the ordinary dividend to be possibly distributed would be equal to Euro 0.24 per share.

E. The adequacy of the amount of the distribution referred to in the Integration Request in light of the uncertainty linked to the pandemic deriving from Covid-19

The Board of Directors has also evaluated the Distribution requested by the Shareholders in light of the persistent uncertainty linked to the pandemic deriving from Covid-19.

Although, as said above, the asset and financial situation of the Company is solid, the continuation of the emergency status and the uncertainty of the recovery of the Italian and European economy, suggest prudent choices to be made.

Moreover, the Board of Directors has acknowledged the recommendation made by the Board of Statutory Auditors according to which it is necessary that the shareholders consider in a careful manner and in a way based on appropriate prudence, the amount of the requested Distribution (that, as already stated in Paragraph D above, results to be higher than the average of the distributions made by the Company in normal periods) in the light of the macro-economic framework and of the uncertainty linked to the reopening of the productive activities and of the recovery of the economic system that the Company might face.

F. The impacts that the distribution referred to in the Integration Request would have on the capacity of the Company to reach the objectives of the Industrial Plan 2021-2023, announced to the market on 26 March 2021

The Board of Directors has carried out an analysis on the sustainability from a financial perspective of the Distribution for the Group and on the impact that the Distribution might have on the capacity to reach the objectives of the Industrial Plan 2021-2023.

For this purpose, the Board of Directors has examined the data on the Group’s cash to date, together with the forecast data included in the budget and in the industrial plan announced to the market on 26 March 2021 (the “**Industrial Plan**” and the budget data and the Plan data collectively the “**Prospective Data**”). In particular the Board of Directors, starting from the value of the expected cash at the end of each exercise of the three-year period 2021-2023, has simulated the effect of the Distribution.

In light of this analysis, the Group, while maintaining adequate available resources for the period 2021-2023, might see partially limited its own flexibility of action, with particular reference to the growth strategy through external lines reported in the Industrial Plan (also known as bolt-on M&A). The simulations made by the Board of Directors show, indeed, that should the disposal of the credit management division not be done within a reasonable time, the cash available for the financing of possible opportunities of external growth may be limited.

G. For the payment of the amount of the distribution referred to in the Integration Request, the Company should use 50 million from the Revolving Credit Facility (i.e. Euro 50 million)

The Board of Directors highlights that, taking into account the projections of available cash at the end of May 2021, the Company would not have enough available cash for the full payment of the Distribution requested by the Shareholders and that, to this end, it should be necessary to use part of the *Revolving Credit Facility* for an amount equal to approximately Euro 50 million.

H. As a consequence of the use of part of the Revolving Credit Facility, the leverage ratio (Net Debt/Adjusted EBITDA) of the Group at the end of the financial year would be close to 3x and the cost of debt would increase of approximately 25 b.p. in the following financial year

The Board of Directors notes that (i) as a consequence of the use of the *Revolving Credit Facility* the *leverage ratio* of the Group (calculated as Net Debt/Adjusted EBITDA LTM) at the end of the financial year 2021 would be over the level of 2.5x and, therefore, (ii) the cost of debt would increase of approximately 25 b.p. in the first semester of the following financial year compared to the provisions of the Industrial Plan.

I. Timing for the payment of the Distribution

With reference to the dates indicated in the Shareholders' Report as to the date for the detachment of the coupon (3 May 2021), *record date* (4 May 2021) and payment date (5 May 2021), the Board of Directors considers that it is necessary to highlight that the Distribution, if approved in the Shareholders' Meeting, could not be completely executed pursuant to the timing indicated in the proposal referred to in the Integration Request.

The above is based on specific reasons of objective nature and technical-operating content, which are reflected in the regulatory provisions applicable to the Distribution.

More specifically, should the Shareholders' Meeting approve the Distribution, the dates indicated in the Shareholders' Report would be achievable only for the part of the Distribution that, pursuant to the Instructions to the Regulations for markets organized and managed by Borsa Italiana S.p.A. (the "**Instructions**"), would have "extraordinary" nature.

Borsa Italiana considers extraordinary the "*dividends characterized by elements that identify their additional nature to the normal policy on dividends*" implemented by the issuer. For these "extraordinary" dividends there are no operational restrictions on the date of the detachment of the coupon.

On the contrary, as to the so called ordinary dividends of the companies whose shares belong to the FTSE MIB index, or whose shares constitute the underlying of derivative contracts on shares traded on the IDEM market (which includes the Company), pursuant to Section IA.2.1.1 of the Instructions, the date of the detachment of the coupon is established by Borsa Italiana in the context of the markets calendar providing as reference date "*the first day of open market following the third Friday of each solar month*" and therefore, in the case at stake, on 24 May 2021.

Based on the Instructions and on the *dividend policy* on the Company, mentioned in section D above, should the Shareholders' Meeting approve the Distribution requested by the Shareholders: (i) the distribution of an amount equal to Euro 0.24 per share should be considered "ordinary" dividend, for which the date of the detachment of the coupon could only be the one provided in the markets calendar established by Borsa Italiana and, therefore, 24 May 2021, with a consequent *record date* on 25 May 2021 and *payment date* on 26 May 2021; (ii) the distribution of the remaining part of Euro 0.26 per share, if approved by the Shareholders Meeting, can follow the dates of the detachment of the coupon, *record date* and *payment date* indicated in the Shareholders Report and namely 3 May 2021 for the detachment of the coupon, 4 May 2021, for the record date and 5 May 2021 for the payment date.

In this regard, notice is hereby given that, by means of a communication received on 12 April 2021, the Shareholders have declared to have fully understood the reasons for the change of the payment dates of the dividends (as also explained in the press release of the Company disseminated on 11 April 2021) and have agreed to proceed as envisaged. The Board of Directors informs that point n. 2) of the resolution proposal included in the Shareholders' Report is to be therefore rephrased and replaced as follows:

“2) to establish that the payment of the dividend will take place, as to € 0.26, with detachment of the coupon on 3 May 2021, record date on 4 May 2021 and payment from 5 May 2021 and, as to € 0.24, with detachment of the coupon on 24 May 2021, record date on 25 May 2021 and payment from 26 May 2021;”

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San Donato Milanese, April 12, 2021

For the Board of Directors

The Chairman

(Gianandrea De Bernardis)