



Cerved Group S.p.A.

Interim Report on Operations at

March 31, 2020



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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

COMPOSITION OF THE COMPANY'S GOVERNANCE BODIES

Board of Directors¹	Gianandrea De Bernardis	Executive Chairperson
	Andrea Mignanelli	Chief Executive Officer
	Andrea Casalini	Independent Director
	Mara Anna Rita Caverni	Independent Director
	Fabio Cerchiai	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 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 Auditors²	Antonella Bientinesi	Chairperson
	Paolo Ludovici	Statutory Auditor
	Costanza Bonelli	Statutory Auditor
	Laura Acquadro	Alternate Auditor
	Antonio Mele	Alternate Auditor
Independent Auditors	PricewaterhouseCoopers S.p.A.	
Corporate Accounting Documents Officer³	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.

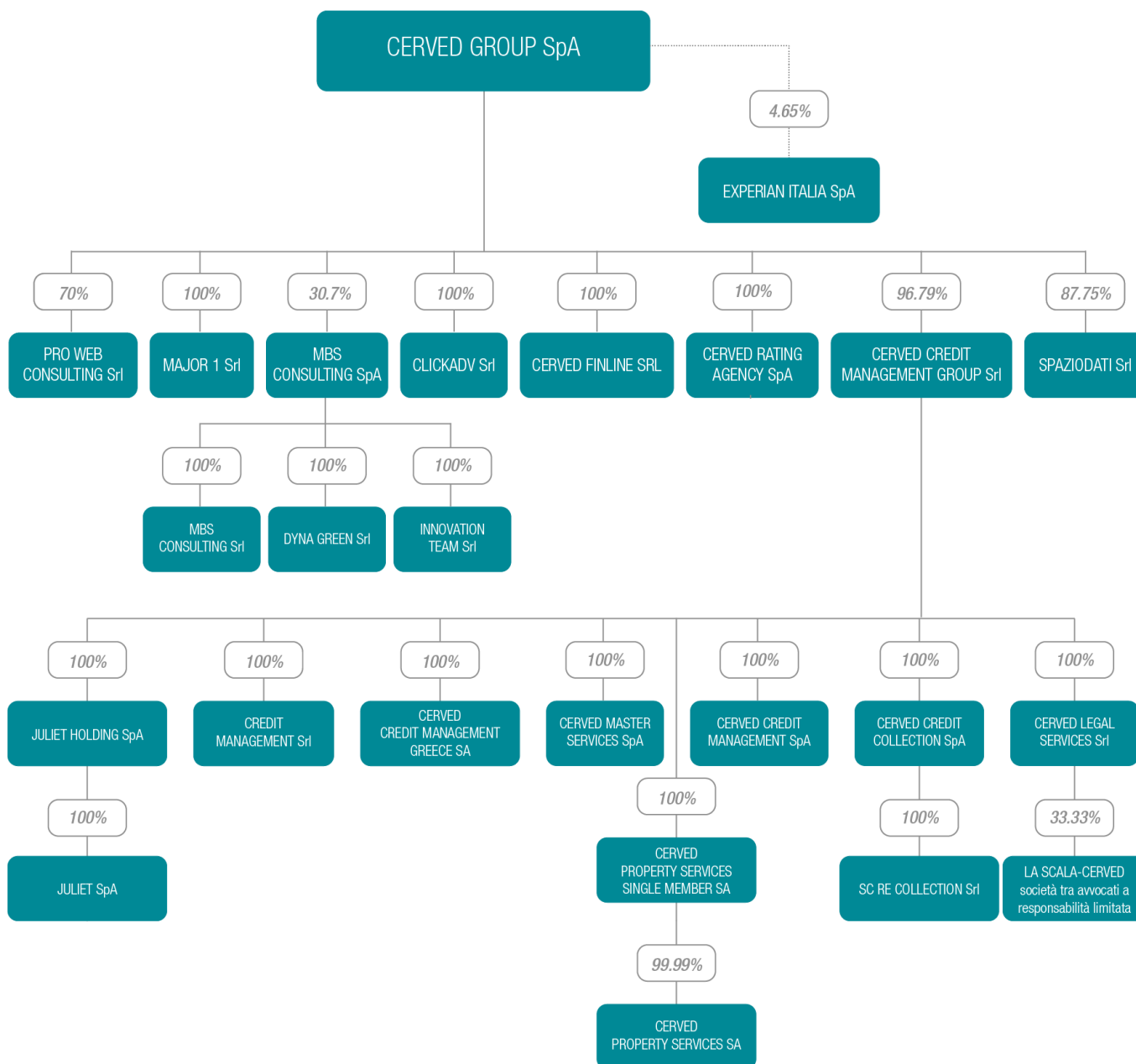
² Elected by the Shareholders' Meeting on April 13, 2017 for a term of office ending with the approval of the statutory financial statements at December 31, 2019.

³ Appointed by the Board of Directors on April 19, 2019.

STRUCTURE OF THE GROUP

The Cerved Group is the leading Italian operator in offering credit assessment and management services to banks, companies and professionals. Through Cerved Credit Management Group S.r.l. and its subsidiaries, it is one of the leading independent players in the management of non-performing loans and, through Cerved Rating Agency, one of the leading European rating agencies.

The diagram that follows depicts the structure of the Cerved Group at March 31, 2020:



Interim Report on Operations

1. FOREWORD

Insofar as the three-month period ended March 31, 2020 (hereinafter “**March 31, 2020**”) is concerned, the numerical information and comments provided in the Interim Report on Operations are intended to present an overview of the Group’s financial position and operating performance, as well as the changes that took place during the reporting period and any significant events that may have occurred and their impact on the result for the period.

2. ORGANISATIONAL PROFILE 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.

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 this by putting data, technology and talent
at the service of people,
businesses, 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.

Below is a more detailed description of the two new Business Units (BUs) and Service Lines that have been identified within each BU:

BU	Service Line Cluster	Service Line
Risk Management	Credit Information & Services	<ul style="list-style-type: none"> ✓ Business Information ✓ Risk Analytics ✓ Real Estate ✓ Cerved Rating Agency
	Compliance & Regulatory Technologies	<ul style="list-style-type: none"> ✓ KYC, Anti Money Laundering, AntiFraud ✓ Grants Finance ✓ Regulatory Technology (Warning systems) ✓ ESG solutions
	Big Data & Advanced Analytics	<ul style="list-style-type: none"> ✓ Marketing Solutions & Customer Analytics ✓ Artificial intelligence & Platforms for Sales & Marketing ✓ Advisory & Advanced Analytics
Growth Services	Digital Services	<ul style="list-style-type: none"> ✓ Digital Lending ✓ Academy ✓ Digital Marketing & Strategy

Below is a brief description of the contents of each Service Line:

- **Credit Information & Services**
 - **Business Information:** data and scoring for the evaluation of creditworthiness, modular software for the management of the e2e credit process, customisable software.
 - **Risk Analytics:** 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:** property register document reports, monitoring and real estate document services; real estate appraisals; technical services and Due Diligence.
 - **Cerved Rating Agency:** “regulatory” rating (ECAI, solicited); “non-regulatory” rating (“second opinion”, self-diagnosis); ancillary services (ratings, scores, analysis & research, other products).

- **Compliance & Regulatory**
 - **KYC, Anti Money Laundering, AntiFraud:** AML software; Suite Hawk: application modules compliant with AML regulations; Visius: “due diligence” platform from Cerved and providers; Anti-Fraud Lists; Graph for You; Anti-Fraud Score, selling of partner products (Experian), BPO Services.
 - **Grants Finance:** outsourcing in favour of Banks and Credit Guarantee Consortia for the management of the Central Guarantee Fund (L. 662/96); “Cerca il Bando” IT platform for searching for calls for Grants Finance.
 - **Regulatory Technology (Warning systems):** software, professional services, training.
 - **ESG solutions:** ESG Rating and Sustainability Report for Key Clients, ESG Assessment for Large Clients, ESG Score for SMEs.

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

- **Digital Services**
 - **Digital Lending:** outsourcing of the Money&GO platform; “direct” Money&GO platform: Invoice Financing and Reverse Factoring.
 - **Academy:** Classroom courses, e-learning platform.
 - **Digital Marketing & Strategy:** consulting services for large companies with dedicated work teams; digital services for large clients focused on performance marketing; Data insight (B2B & B2C).

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.

Finally, the Business Unit dedicated to **Credit Management** remains unchanged, which through the Cerved Credit Management Group and its subsidiaries is the first independent player on the Italian market to offer assessments based on certified information and quantitative data. Services include specialised competencies in various areas, from the assessment of loans to their management through out-of-court settlements and through court proceedings and up to the management of personal property

and real estate. Cerved can help identify the most effective solutions over a loan's entire life cycle, making it possible to take action quickly and professionally and shorten money collection time.

Business Units represented above correspond to the new "operating segments", 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.

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

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

3. RESULTS OF THE GROUP AT MARCH 31, 2020

The table that follows shows a condensed statement of comprehensive income at March 31, 2020 compared with the quarter ended March 31, 2019:

	March 31, 2020	%	March 31, 2019	%	Change	Change %
(in thousands of euros)						
Revenues	121,384	99.7%	117,354	99.9%	4,030	3.4%
Other income	374	0.3%	139	0.1%	235	169.1%
Total revenues and income	121,758	100.0%	117,494	100.0%	4,264	3.6%
Cost of raw materials and other materials	249	0.2%	253	0.2%	(4)	-1.6%
Cost of services	29,730	24.4%	28,984	24.7%	746	2.6%
Personnel costs	36,471	30.0%	32,144	27.4%	4,327	13.5%
Other operating costs	1,783	1.5%	2,031	1.7%	(248)	-12.2%
Impairment of receivables and other provisions	1,215	1.0%	1,166	1.0%	49	4.2%
Total operating costs	69,448	57.0%	64,578	55.0%	4,870	7.5%
Adjusted EBITDA	52,310	43.0%	52,916	45.0%	(606)	-1.1%
<i>Performance Share Plan</i>	(1,790)	-1.5%	1,423	1.2%	(3,213)	-225.8%
EBITDA⁽¹⁾	54,100	43.6%	51,493	45.3%	2,607	9.4%
Depreciation and amortization	22,173	18.2%	20,103	17.1%	2,070	10.3%
Operating profit before non-recurring items	31,927	26.2%	31,390	26.7%	537	1.7%
Non-recurring items ⁽²⁾	16,798	13.8%	2,359	2.0%	14,439	612.1%
Operating profit	15,129	12.4%	29,031	24.7%	(13,902)	-47.9%
Financial income	(13,371)	-11.0%	(6)	0.0%	(13,365)	222750.0%
Financial charges	5,280	4.3%	4,535	3.9%	745	16.4%
Income taxes	6,838	5.6%	7,565	6.4%	(727)	-9.6%
Net profit	16,382	13.5%	16,937	14.4%	(555)	-3.3%

Notes:

- 1) EBITDA correspond to the operating profit before depreciation and amortisation and non-recurring charges/(income). EBITDA is not designated as an accounting measurement tool in the IFRS and, consequently, must be treated as an alternative gauge to assess the Group's performance at the operating level. Because the composition of EBITDA is not governed by the reference accounting standards, the computation criterion applied by the Group could be different from those adopted by other parties and, consequently, not comparable.
- 2) Non-recurring items at March 31, 2020 relate to the impairment of goodwill relating to ClickAdv for 2,863 thousand euros and to Growth goodwill for 11,924 thousand euros following impairment tests, to cost of services for 1,485 thousand euros and to personnel costs for 436 thousand euros, and have been classified under operating profit. At March 31, 2019, non-recurring items included cost of services of 1,724 thousand euros and personnel costs of 635 thousand euros.

The table that follows shows a breakdown of the items included in adjusted net profit, which is used to represent the Group's operating performance, net of non-recurring and non-core items. 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 homogeneous data for the two periods that are being represented.

(in thousands of euros)	At March 31, 2020	At March 31, 2019
Net profit	16,382	16,937
Non-recurring items	2,011	2,359
Amortisation of gains allocated to the Business Combinations	12,049	9,830
Financing fees – amortised cost	909	869
Impairment of goodwill	14,787	-
Adjustment to fair value of options	(13,298)	-
Tax effect	(4,121)	(3,563)
Adjusted net profit	28,720	26,432
Adjusted net profit attributable to non-controlling interests	1,320	2,077
Adjusted net profit attributable to owners of the parent	27,400	24,355
Adjusted net profit attributable to owners of the parent % / Revenues	22.5%	20.7%

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

- non-recurring costs mainly for early retirement incentives and cost of services related to extraordinary transactions managed during the period;
- amortisation of intangible assets recognised in connection with business combinations carried out in previous years;
- 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;
- impairment of the goodwill of CGU ClickAdv and CGU Growth as per the impairment test;
- adjustment of the liability linked to options executed with minority shareholders at Fair Value;
- tax effect of the items described above.

The results of the operating segments are measured through an analysis of the trend for Adjusted EBITDA, defined as earnings for the period before the Performance Share Plan, non-recurring income and charges, depreciation and amortisation, financial income and charges, gains or losses on investments in associates and income taxes. Operating depreciation and amortisation was also allocated to the respective CGUs in order to represent the efficiency of the investments carried out.

In order to make the two reference scenarios comparable, the figures for the first quarter of 2019 were reclassified to the two new Risk Management and Growth Services Business Units.

The table that follows shows the revenues and EBITDA of the business segments:

(in thousands of euros)	Period from January 1, to March 31, 2020				Period from January 1, to March 31, 2019			
	Risk Management	Growth Services	Credit Management	Total	Risk Management	Growth Services	Credit Management	Total
Revenues by segment	66,768	14,918	41,115	122,802	70,413	8,832	39,230	118,475
Inter-segment revenues	(439)	(517)	(462)	(1,418)	(422)	(138)	(561)	(1,121)
Total revenues from third-parties	66,329	14,402	40,653	121,384	69,991	8,694	38,669	117,354
Adjusted EBITDA	35,139	3,129	14,042	52,310	38,502	1,061	13,352	52,916
Adjusted EBITDA %	53.0%	21.7%	34.5%	43.0%	55.0%	12.2%	34.5%	45.0%
Performance Share Plan				1,790				(1,423)
Non-recurring income/(charges)				(16,798)				(2,359)
Depreciation and amortization				(22,173)				(20,103)
Operating profit				15,130				29,031
Financial income				13,371				6
Financial charges				(5,280)				(4,535)
Profit before taxes				23,221				24,502
Income taxes				(6,838)				(7,565)
Net profit				16,382				16,937

Review of the Group's Performance in the Period Ended March 31, 2020

The performance during the quarter, although positive compared to the previous period, was affected, starting from the end of February, by the impact of the COVID-19 virus, as described in more detail in the "COVID-19 information" section. The closure of production activities (the lockdown from the beginning of March throughout Italy) has slowed down or interrupted certain commercial activities and reduced the provision of services to customers whose production activities have been blocked by ministerial decree.

In spite of this, our Group has continued to work in a smart working mode with immediate effect, managing to ensure business continuity in all production segments.

Total Revenues and Income increased from 117,494 thousand euros in the first quarter of 2019 to 121,758 thousand euros in the first quarter of 2020, an increase of 4,264 thousand euros or 3.6% due to the change in the scope of consolidation compared to 2019, with the entry of Cerved Property Services S.A. from April 1, 2019, Cerved Finline S.r.l. and Euro Legal Services S.r.l. from July 1, 2019 and MBS Consulting S.p.A. from August 1, 2019.

Below are more detailed comments per reference Business Units:

Risk Management Revenues

The revenues of the Risk Management Business Unit decreased from 69,991 thousand euros in 2019 to 66,329 thousand euros in 2020, down 5.2% compared to the previous period:

- the business segment recorded a decrease compared to the first quarter of 2019 (-6.3%); the negative impact of the lockdown on the territorial network led to the interruption of many commercial negotiations, to which a fall in consumption due to the induced effect of the total blockage of business on the majority of corporate customers was added;
- the financial institution segment also recorded a decrease compared to 2019 (-3.6%), mainly in the Real Estate Appraisals and Cadastral Survey Service Lines, segments most affected by the blockage of business. There was a

positive and countertrending impact on products linked to the Guarantee Fund, on which significant increases in volumes had already been reported in March.

Growth Services Revenues

The revenues of the Growth Services Business Unit grew from 8,694 thousand euros in 2019 to 14,402 thousand euros in 2020, for an increase of 5,707 thousand euros (+65.6%) compared to the previous period, mainly:

- as a result of the consolidation of the MBS Consulting Group acquired in August 2019;
- as a result of the increases made on the products of the “Artificial Intelligence” Service Line, in particular the Atoka platform, created by the subsidiary Spazio Dati. Both on the corporate segment and the financial institution segment.

Credit Management Revenues

The revenues of the Credit Management Business Unit grew from 38,669 thousand euros in 2019 to 40,653 thousand euros in 2020, for an increase of 1,984 thousand euros, equal to 5.1%. This segment, which benefited from the entry of the two companies acquired in 2019, began to feel the impact of COVID-19 from the closure of activities in the courts and land registries, which led to a slowdown in judicial recovery activities.

Adjusted EBITDA Performance and Operating Costs

Adjusted EBITDA was equal to 43% of revenues, compared to 45% in the previous period, from 52,916 thousand euros in 2019 to 52,310 thousand euros in 2020. The slight reduction in margins is essentially attributable to the Business Unit Risk, where the decline in revenues was not reflected in the operating leverage, due to the higher incidence of fixed overheads.

Operating costs rose from 64,578 thousand euros in 2019 to 69,448 thousand euros in 2020, for an increase of 4,870 thousand euros (+7.5%), as described below:

- the cost of raw materials and other costs contracted by 4 thousand euros, falling from 253 thousand euros in 2019 to 249 thousand euros in 2020;
- cost of services increased by 746 thousand euros, from 28,984 thousand euros in 2019 to 29,730 thousand euros in 2020 (+2.6%), mainly due to the consolidation of the companies acquired during 2019;
- personnel costs grew by 4,327 thousand euros, rising from 32,144 thousand euros in 2019 to 36,471 thousand euros in 2020 (+13.5%). This increase is mainly due to the effect of the consolidation of the CPS S.A. Group from April 2019, Cerved Finline S.r.l. and Euro Legal Services S.r.l. from July 2019 and MBS Consulting S.p.A. Group from August 2019;
- other operating costs decreased by 248 thousand euros, falling from 2,031 thousand euros in 2019 to 1,783 thousand euros in 2020;
- accruals to the provisions for risks and impairment of receivables increased by 49 thousand euros, up from 1,166 thousand euros in 2019 to 1,215 thousand euros in 2020, following a detailed assessment of loan losses and contingent liabilities.

Performance Share Plan, at March 31, 2020, following the COVID-19 emergency, the projected figures and thus the PBTA target achievement percentages have been revised downwards. For this reason, a net positive effect was recorded, related to the allocation of the rights relating to the Cycles of the “2019-2021 Performance Share Plan” and the “2022-2024 Performance Share Plan”, valued at 1,790 thousand euros. For more details please refer to the “Performance Share Plan” note.

Depreciation and amortisation increased from 20,103 thousand euros in 2019 to 22,173 thousand euros in 2020, mainly due to the inclusion of amortisation relating to Purchase Price Allocation (PPA) resulting from the Business Combinations carried out following the various acquisitions made over the years, up by 2,218 thousand euros, from 9,831 thousand euros to 12,049 thousand euros due to the acquisitions made during 2019.

Non-recurring items increased by 14,439 thousand euros, growing from 2,359 thousand euros in 2019 to 16,798 thousand euros in 2020, due mainly to the following factors:

- the impairment of the goodwill of the Growth CGU and the ClickAdv CGU following the impairment test for 14,787 thousand euros, for further details please refer to the “Goodwill” section of this document;
- costs related to non-recurring services amounting to 1,485 thousand euros for incidental charges incurred in connection with extraordinary transactions executed during the reporting period;
- staff incentives provided in connection with the integration of Group companies for 436 thousand euros.

Financial income increased by 13,365 thousand euros, from 6 thousand euros in 2019 to 13,371 thousand euros in 2020, mainly due to the impact on the fair value adjustment of the options on MBS Consulting S.p.A. and Pro Web Consulting S.r.l. following the adjustment of the calculation in relation to the impact of COVID-19. For more details see the “COVID-19 information” section.

Recurring **financial charges** increased by 745 thousand euros, from 4,535 thousand euros in 2019 to 5,280 thousand euros in 2020, mainly due to the recognition of interest expense on long and short term debt related to the put/call options subscribed with minority shareholders of MBS Consulting S.p.A. and Cerved Credit Management Group S.r.l. and to the earn-outs contractually agreed upon when Euro Legal Services S.r.l. and Cerved Property Services S.A. were purchased.

Income taxes for the period decreased by 727 thousand euros, falling from 7,565 thousand euros at March 31, 2019 to 6,838 thousand euros at March 31, 2020, due primarily to the effect to the recognition of prepaid taxes on the business combinations executed the previous year.

4. STATEMENT OF FINANCIAL POSITION OF THE CERVED GROUP

The schedule below shows a statement of financial position of the Group, reclassified by “Sources and Uses,” at March 31, 2020, at December 31, 2019 and at March 31, 2019:

	At March 31, 2020	At December 31, 2019	At March 31, 2019
(in thousands of euros)			
Uses			
Net working capital	(4,226)	(4,053)	19,669
Non-current assets	1,211,206	1,240,050	1,264,133
Non-current liabilities	(147,762)	(167,859)	(143,137)
Net invested capital	1,059,218	1,068,137	1,140,665
Sources			
Shareholders' equity	490,726	518,685	566,633
Net financial debt	568,492	549,452	574,032
Total financing sources	1,059,218	1,068,137	1,140,665

The table that follows shows a breakdown of net working capital at March 31, 2020, at December 31, 2019 and at March 31, 2019:

	At March 31, 2020	At December 31, 2019	At March 31, 2019
(in thousands of euros)			
Net working capital			
Inventory	-	-	106
Trade receivables	239,334	234,152	200,788
Trade payables	(50,913)	(55,572)	(51,703)
Payables for deferred revenues, net of selling costs	(75,374)	(78,829)	(83,223)
Net commercial working capital (A)	113,047	99,751	65,968
Other current receivables	13,533	7,029	8,248
Net current tax payables	(39,188)	(25,538)	(11,227)
Other current liabilities net of "Payables for deferred revenues"	(91,618)	(85,295)	(43,320)
Other net working capital components (B)	(117,273)	(103,804)	(46,299)
Net working capital (A + B)	(4,226)	(4,053)	19,669

At March 31, 2020, net working capital amounted to 4,226 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 239,334 thousand euros at March 31, 2020, for a gain of 5,182 thousand euros that reflects invoicing dynamics during the period;
- trade payables fell from 55,572 thousand euros at December 31, 2019 to 50,913 thousand euros at March 31, 2020, for a decrease of 4,659 thousand euros mainly related to payment dynamics during the period;
- payables for deferred revenues, net of the corresponding selling costs, which refer to services invoiced but not yet provided to customers, decreased by 3,455 thousand euros, due to the growth dynamics in the consumption of prepaid services invoiced the previous year;
- other current receivables increased from 7,029 thousand euros at December 31, 2019 to 13,533 thousand euros at March 31, 2020, for a gain of 6,504 thousand euros, due to the increase of the deferrals of the costs related to future periods.
- other current liabilities, shown net of payables for deferred revenues, increased from 85,295 thousand euros at December 31, 2019 to 91,618 thousand euros at March 31, 2020.

The main components of non-current assets, which totalled 1,211,206 thousand euros at March 31, 2020, include goodwill and other intangible assets.

The Group's net investments in property, plant and equipment and intangibles totalled 8,423 thousand euros for the period.

Non-current liabilities mainly reflect the following:

- 35,287 thousand euros for the amount of long-term liability recognised 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.;
- 6,189 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;

- 85,421 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 date, deferred taxes mainly included the tax liabilities recognised on the value of Customer Relationships.

5. NET FINANCIAL DEBT OF THE CERVED GROUP

The table that follows shows a breakdown of the Group's net financial debt at March 31, 2020, at December 31, 2019 and at March 31, 2020:

	At March 31, 2020	At December 31, 2019	At March 31, 2019
(in thousands of euros)			
A. Cash	28	25	16
B. Other liquid assets	165,789	86,187	67,975
C. Securities held for trading	-	-	-
D. Liquidity (A)+(B)+(C)	165,817	86,212	67,991
E. Current loans receivable	-	-	-
F. Current bank debt	(119)	(201)	(122)
G. Current portion of non-current borrowings	(158,117)	(6,515)	1,987
H. Other current financial debt	(108,931)	(9,525)	(26,367)
I. Current financial debt (F)+(G)+(H)	(267,166)	(16,241)	(24,502)
J. Net current financial debt (D)+(E)+(I)	(101,350)	69,970	43,489
K. Non-current bank debt	(418,220)	(569,539)	(574,294)
L. Bonds outstanding	-	-	-
M. Other non-current financial debt	(48,922)	(49,884)	(43,228)
N. Non-current financial debt (K)+(L)+(M)	(467,142)	(619,422)	(617,521)
O. Net financial debt (J)+(N)	(568,492)	(549,452)	(574,032)

At March 31, 2020, the Group's net financial debt totalled 568,492 thousand euros, compared with 549,452 thousand euros at December 31, 2019. Note the reclassification of the short-term portion of 148,000 thousand euros from "Non-current bank debt" to "Current portion of non-current borrowings" relating to the portion of the Term Loan Facility A expiring in January 2021. It should also be noted under "Other current financial debt" the use, in March 2020, of the revolving line for 100,000 thousand euros to guarantee adequate safety margins for the Group's liquidity.

6. COVID-19 INFORMATION

General foreword

Starting from January 2020, firstly 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 having a significant impact on the overall prospects for future growth, influencing the general macroeconomic framework and the financial markets, with a significant impact on the Italian economy in light of the decisions taken by the government to contain the spread of the epidemic.

Within this complex context, the Cerved Group tackled the crisis situation promptly, implementing a series of initiatives aimed primarily at protecting the health of our people, and therefore at following up business continuity practices.

Thanks to the widespread use of smartworking systems at all Italian sites, which we had already successfully tested, the Group is responding well to the emergency. In addition, internal crisis management committees have been set up with the objectives of: (i) monitoring the extraordinary maintenance activities of the offices and the organisational and instrumental activities preparatory to

the return from the lockdown period; (ii) ensuring the functioning of all business continuity services and tools; (iii) developing and updating the strategies for the development of services and the commercial offer to customers in order to cope with a deeply changing macroeconomic environment.

Outlook for the Group's economic and financial performance

In times of weakness in the economic cycle, our services become even more important for limiting financial contagion and, 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.

At this stage, having made the possible assessments on the basis of the available information framework, it was considered appropriate to carry out a stress test on the 2020 forecast accounts with a view to verifying the availability of liquid financial resources for business continuity purposes. On the basis of these assessments, and taking into account the possibility that such an emergency may pass in the following months thanks to the containment measures envisaged by governments, it is considered that this scenario does not represent a factor of uncertainty as to the ability of the company to continue to operate as a going concern.

Impacts of COVID-19 on certain balance sheet items in the Interim Report on Operations

In light of the stress test, the items in the financial statements that were impaired at March 31, 2020 were assessed to reflect their recoverable value in view of the changed macroeconomic situation.

With this in mind, we have proceeded:

- i) to subject Goodwill to a new impairment test at March 31, 2020, in order to incorporate the impact of COVID-19 with regard to future income flows. This valuation led to an impairment of goodwill of 11,924 thousand euros for the Growth CGU and 2,863 thousand euros for the ClickAdv CGU. Please refer to the following "Goodwill" section for more details;
- ii) the revision of the expected income flows used as the basis for the fair value measurement of the put option rights granted by the Cerved Group to the majority shareholders of MBS Consulting S.p.A., empowering them to sell in tranches, by the end of the first half of 2024, a 49.49% interest in the company, conditional on certain conditions being met. This valuation led to an impairment of the liability, and therefore to the recognition of a financial income of 12,240 thousand euros;
- iii) the revision of the expected income flows used as a basis for the fair value measurement of the put option rights granted by Cerved Group to the minority shareholder of Pro Web Consulting S.r.l., empowering them to sell, in tranches, by the end of the first half of 2022, a 20% interest in the company, conditional on certain conditions being met. This valuation led to an impairment of the liability, and therefore to the recognition of a financial income of 1,105 thousand euros;
- iv) finally, the fair value of the various tranches of the Performance Share Plans was recalculated. As a result of the reduction in growth with respect to the projected plans, it was deemed necessary to write down the value attributed to these plans by 2,904 thousand euros at March 31, 2020. Please refer to the following "Performance Share Plan" section for more details.

7. 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 provides the reconciliation of the goodwill shown in the financial statements for the year ended December 31, 2019, between the previous segments and the current operating segments described above.

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

Reclassifications relate to the FinLine and Data Space CGUs that have been included in the Growth sector.

At March 31, 2020, Cerved’s goodwill was allocated as follows to the different operating segments/CGUs:

(in thousands of euros)	At December 31, 2019 Restated	Impairments	At March 31, 2020
Risk	616,395	-	616,395
Risk – FinLine	570	-	570
Growth – Cerved Group	41,872	(11,924)	29,948
Growth – Spazio Dati	8,387	-	8,387
Growth – MBS	11,391	-	11,391
Growth – ClickAdv	6,977	(2,863)	4,114
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	(14,787)	749,766

In line with the requirements of the reference accounting standards, on the occasion of clear indicators of impairment, such as the economic effects produced by the COVID-19 emergency, Goodwill was subjected to an impairment test at March 31, 2020.

The determination of value in use for the purposes of the impairment test carried out at March 31, 2020 is based on the discounting of the forecast data of each CGU (“DCF Method”) relating to the three-year period from 2020 to 2022, as approved by the Company’s Board of Directors on February 12, 2020, suitably revised downwards in order to reflect the presumed economic and financial effects of the COVID-19 health emergency.

The terminal value of each CGU was computed 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:

- 6.77% for the CGUs linked to the Risk operating segment, and is the result of the weighted average of the cost of capital, equal to 7.29% (91.6%) - including a market risk premium of 5.5% - and an after tax debt cost of 1.11% (8.4%). 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;

- 9.28% for the CGUs linked to the Growth operating segment, and is the result of the weighted average of the cost of capital, equal to 10.4% (86.5%) - including a market risk premium of 5.5% and a size premium of 3.2% - and an after tax debt cost of 2.12% (13.5%). 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;
- 6.15% for the Credit Management and Credit Management - Bari CGUs, and is the result of the weighted average of the cost of capital, equal to 14.29% (37.9%) - including a market risk premium of 5.5% and a size premium of 3.2% - and an after tax debt cost of 1.18% (62.1%). 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;
- 6.42% for the Credit Management - CPS CGU, and is the result of the weighted average of the cost of capital, equal to 15.02% (37.9%) - including a market risk premium of 5.5% and a size premium of 3.2% - and an after tax debt cost of 1.18% (62.1%). 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;

The final assessments of the impairment test revealed impairment losses on the goodwill allocated to the Growth CGU, for 11,924 thousand euros, and on the goodwill allocated to the Growth ClickAdv CGU, for 2,863 thousand euros. These impairment losses have been reflected in the interim financial statements at March 31, 2020 through write-downs recorded in the income statement.

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 March 31, 2020
Risk	344,131
Risk – FinLine	27,277
Growth – Cerved Group	(11,924)
Growth – Spazio Dati	5,199
Growth – MBS	7,439
Growth – ClickAdv	(2,863)
Growth – ProWeb	5,899
Credit Management	378,886
Credit Management Bari	31,549
Credit Management – CPS	24,390
Total	809,983

8. SIGNIFICANT EVENTS OCCURRING DURING THE FIRST QUARTER

On January 30, 2020, the direct subsidiary Cerved Credit Management Group S.r.l. acquired 50.1% of the capital of Quaestio Cerved Credit Management S.p.A. ("QCCM") from Quaestio Holding S.A. at a price of 43,250,000 euros. 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.

9. SIGNIFICANT EVENTS OCCURRING AFTER THE END OF THE PERIOD

On April 24, 2020, the subsidiary Cerved Rating Agency S.p.A. finalised the acquisition of 100% of the share capital of Integrate S.r.l. ("Integrate"), an innovative start-up established in 2017 in Milan that operates in the Environmental, Social, Governance ("ESG") sector, which has developed an ESG rating model in line with international standards and owns an ESG database. The consideration for the transaction, equal to 950 thousand euros less the amount of the net financial position at the date of execution, will be subject to any adjustment based on the actual net financial position at the closing date.

On April 24, 2020, Cerved Group subscribed with a pool of banks comprising 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 relating to the signing, subject to the occurrence of standard conditions in similar transactions, of loan agreements that will govern the terms and conditions of credit lines of 695 million euros. The new lines consist of a Term Loan of 545 million euros and a Revolving Credit Facility of 150 million euros with a final maturity of 5 years, and will make it possible to refinance the actual "Forward Start" finance lines for 648 million euros entered into on January 15, 2016, which have repayment dates starting from January 2021. The new credit lines will have economic conditions substantially in line with the "Forward Start" lines. The signing of the final financing contracts and the drawdown of the credit lines are scheduled for the beginning of May 2020.

10. BUSINESS OUTLOOK

The Company carried out an impact analysis on the 2020 forecast accounts based on a pessimistic scenario, with a view to verifying the availability of liquid financial resources for going concern purposes. This analysis confirms the economic and financial soundness of the Group. Given the uncertain economic scenario and with a view to prudence, the Board of Directors has decided not to distribute dividends and it has suspended the Financial Outlook 2018-2020, looking forward to the next Investor Day scheduled for the second half of 2020.

The prospective impacts of COVID-19 are highly dependent on exogenous factors related to pandemic evolution and legislative interventions. In any case, the Board of Directors, the control bodies and the management of the Company will continue to

constantly monitor the evolution of the emergency resulting from the spread of COVID-19, and to take all the necessary decisions and measures to deal with it, and will promptly update the market on its potential impact on the Company.

According to the main institutional and scientific sources, it may occur that the Covid-19 impact reaches a peak in the months of April and May to begin to decrease from the month of June; upon the occurrence of this circumstance, difficulties may continue in the second quarter, with a possible gradual recovery in the second half of the year.

11. TREASURY SHARES

At March 31, 2020, the Company held 3,420,275 treasury shares for a purchase value of 25,834 thousand euros.

12. PERFORMANCE SHARE PLAN

i) 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 for several of the Group's key figures, identified among Directors, managers and other members of top management.

The Plan is structured into three Cycles (2016, 2017 and 2018), each with a duration of three years; subject of the Plan is the award of options to receive, free of charge, up to 2,925,000 shares, equal to 1.5% of the Company's share capital, attributable over the Plan's three Cycles, barring any amendments approved by the Board of Directors pursuant to the powers assigned to the Board for the Plan's implementation.

The performance targets identified in the Plan are:

- 70% "PBTA Target" – Growth, stated as a percentage of "Adjusted Profit Before Taxes" per share during the reference three-year period, it being understood that the growth of the "Adjusted Profit Before Taxes": (i) shall be understood to mean the annual compound growth rate, excluding from the computation the accounting effects of the Plan itself; and (ii) excludes the effects of the "Forward Start" refinancing agreement starting in 2015;
- 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.

The table below shows the status of the options for the three cycles and the third supplemental cycle outstanding at March 31, 2020:

	Options outstanding at December 31, 2019	Options awarded	Options expired/revoked	Options exercised	Options outstanding at March 31, 2020
2019-2021 Performance Shares 2nd Cycle 2017	610,155				610,155
2019-2021 Performance Shares 3rd Cycle 2018	704,722				704,722
2019-2021 Performance Shares Supplemental 3rd Cycle	663,760				663,760
Total	1,978,637	-	-	-	1,978,637

At March 31, 2020, following the explosion of the COVID-19 emergency, the projected data and thus the PBTA target achievement percentages have been revised downwards. For this reason, at March 31, 2020, the following was noted: (i) the income, equal to 2,119 thousand euros, for the release of provisions that had been set aside in previous years with a view to achieving 100% of the PBTA Objectives; (ii) the cost for the period, equal to 545 thousand euros, based on PBTA target achievement percentages revised downwards.

ii) 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 several of the Group's key figures, identified among Directors, managers and other members of top management.

The Plan is structured into three Cycles (2019, 2020 and 2021), each with a duration of three years; the purpose of the Plan is the award of options to receive, free of charge, up to 4,881,874 shares, equal to 2.5% of the Company's share capital, attributable over the Plan's three Cycles, barring any amendments approved by the Board of Directors pursuant to the powers assigned to the Board for the Plan's implementation.

The performance targets identified in the Plan are:

- 70% "PBTA Objective" – 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;
- 15% "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;
- 15% "TSR Sector Objective" – 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.

The table below shows the status of the options for the first cycle outstanding at March 31, 2020:

	Options awarded and outstanding at December 31, 2019	Options awarded	Options expired/revoked	Options exercised	Options outstanding at March 31, 2020
2021-2024 Performance Shares 1st Cycle 2019	1,694,000		(3,000)		1,691,000
2021-2024 Performance Shares 1st Cycle 2019 - integration	80,000				80,000
Total	1,774,000		(3,000)		1,771,000

At March 31, 2020, following the explosion of the COVID-19 emergency, the projected data and thus the PBTA target achievement percentages have been revised downwards. For this reason, at March 31, 2020, the following was recorded: (i) income equal to 785 thousand euros, for the release of provisions that had been set aside in previous years with a view to achieving 100% of the PBTA Objectives; (ii) the cost for the period, equal to 569 thousand euros, based on PBTA target achievement percentages revised downwards.

13. CRITERIA FOR THE PREPARATION OF THE INTERIM REPORT ON OPERATIONS

This Interim Report on the Group's Operations at March 31, 2020 was prepared pursuant to Article 154 ter, paragraph 5, of the Consolidated Law on Finance (*Testo Unico della Finanza* - TUF), introduced by Legislative Decree 195/2007, implementing Directive 2004/109/EC. On May 12, 2020, this Interim Report on Operations was approved by the Board of Directors of Cerved Group S.p.A., which authorised its publication on the same day.

This Interim Report on the Group's Operations at March 31, 2020, was not audited by the Independent Auditors.

14. OVERVIEW OF THE ACCOUNTING STANDARDS

The accounting standards applied to develop the quantitative data presented in the income statement, statement of financial position and statement of cash flows at March 31, 2020, are the International Accounting Standards (IAS), the International Financial Reporting Standards (IFRS) and the corresponding interpretations published by the IASB and endorsed by the European Union as of the end of the reporting period.

The accounting standards and consolidation criteria adopted to prepare this Interim Report on Operations at March 31, 2020 are consistent with those adopted to prepare the aggregate consolidated financial statements of the Group for the year ended December 31, 2019.

In the preparation of this Interim Report on Operations, management is required to apply estimates and assumptions that affect the amounts shown in the financial statements for revenues, costs, assets and liabilities and the disclosures concerning contingent assets and liabilities at the end of the reporting period. If in the future these estimates and assumptions, which are based on the best estimates by the Board of Directors, were to differ from actual circumstances, they will be appropriately revised in the period in which the aforementioned circumstances may occur.

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, 2021
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	No	Years beginning on or after January 1, 2022
Amendments to IFRS 3 Definition of a business	No	Years beginning on or after January 1, 2020
Amendments to IFRS 9, IAS 39 and IFRS 17: Interest Rate Benchmark Reform	Yes	Years beginning on or after January 1, 2020
Amendments to IAS 1 and IAS 8: Definition of Material	Yes	Years beginning on or after January 1, 2020
Amendments to References to the Conceptual Framework in IFRS Standards	Yes	Years beginning on or after January 1, 2020

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.

15. SCOPE OF CONSOLIDATION AND CONSOLIDATION CRITERIA

The Consolidated Financial Statements include the financial statements of the Group's Parent Company and those of companies in which the Parent Company controls, directly or indirectly, a majority of the votes exercisable at the Ordinary Shareholders' Meeting.

A list of companies consolidated line by line or by the equity method at March 31, 2020 is provided below:

	Registered office	Share capital (in thousands of euros)	% ownership (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	96.79%	Line by line
Cerved Credit Management Group S.r.l.	San Donato Milanese	56	96.79%	Line by line
Cerved Credit Management S.p.A.	San Donato Milanese	1,000	96.79%	Line by line
Cerved Legal Services S.r.l.	San Donato Milanese	50	96.79%	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	96.79%	Line by line
Spazio Dati S.r.l.	Trent	22	87.75%	Line by line
S.C. Re Collection S.r.l.	Romania	110	96.79%	Line by line
ClickAdv S.r.l.	Pozzuoli	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	96.79%	Line by line
Credit Management S.r.l.	Bari	30	96.79%	Line by line
Juliet S.p.A.	Siena	50	96.79%	Line by line
Cerved Credit Management Greece S.A.	Athens (Greece)	500	96.79%	Line by line
Pro Web Consulting S.r.l.	San Donato Milanese	100	70.00%	Line by line
Cerved Property Services Single Member S.A.	Athens (Greece)	666	96.79%	Line by line
Cerved Property Services S.A.	Romania	115	96.79%	Line by line
Cerved Finline S.r.l.	Turin	10	100.00%	Line by line
MBS Consulting S.p.A.	Milan	264	30.70%	Line by line
MBS Consulting S.r.l.	Milan	30	30.70%	Line by line
Dyna Green S.r.l.	Milan	30	30.70%	Line by line
Innovation team S.r.l.	Milan	40	30.70%	Line by line
Experian Italia S.p.A.	Rome	1,980	4.65%	Equity method
La Scala – Cerved società tra avvocati a responsabilità limitata	Milan	75	31.73%	Equity method
Palio 2	Milan	10	96.79%	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 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.

16. 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.

17. INFORMATION ABOUT THE "OPT OUT" ALTERNATIVE

As required by the provisions of Article 70, paragraph 8, of the Issuers' Regulation, the Company announced that, on April 2, 2014, concurrently with the filing of the application to list its shares on the MTA, it adopted the "opt out" alternative provided pursuant to Article 70, paragraph 8, and Article 71, paragraph 1-bis, of the Issuers' Regulation, thereby availing itself of the right to be exempt from the obligation to publish the information memoranda required in connections with material transactions involving mergers, demergers, capital increases through conveyances in kind, acquisitions and divestments.

Financial Statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euros)	At March 31, 2020	At March 31, 2019
Revenues	121,384	117,354
- amount with related parties	851	270
Other income	374	139
Total revenues and income	121,758	117,494
Cost of raw materials and other materials	249	253
Cost of services	31,215	30,708
- amount from non-recurring transactions	1,485	1,724
- amount with related parties	1,164	219
Personnel costs	35,116	34,203
- amount from non-recurring transactions	436	635
- amount with related parties	1,283	1,298
Other operating costs	1,873	2,031
- amount from non-recurring transactions	89	-
Impairment of receivables and other provisions	1,215	1,166
Depreciation and amortisation	36,960	20,103
- amount from non-recurring transactions	14,787	-
Operating profit	15,129	29,031
Pro rata interest in the result of companies valued by the equity method	-	-
Financial income	13,371	6
Financial charges	(5,280)	(4,535)
- amount with related parties	(112)	-
Profit before taxes	23,221	24,503
Income taxes	(6,838)	(7,565)
Net profit	16,382	16,937
Amount attributable to non-controlling interests	652	1,295
Net profit attributable to owners of the parent	15,730	15,642
Other components of the statement of comprehensive income:		
<i>Items that will not be later reclassified to the income statement:</i>		
- Actuarial gains/(losses) on defined-benefit plans for employees	1,095	(767)
- Tax effect	(263)	214
- Hedge accounting gains/(losses)	(53)	(2,049)
- Tax effect	13	572
Gains/(Losses) from conversion of foreign companies' financial statements	(94)	43
Comprehensive net profit	17,081	14,950
- attributable to owners of the parent	16,374	13,671
- attributable to non-controlling interests	707	1,279
<i>Basic earnings per share (in Euro)</i>	<i>0.084</i>	<i>0.080</i>
<i>Diluted earnings per share (in euros)</i>	<i>0.084</i>	<i>0.081</i>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of euros)	At March 31, 2020	At March 31, 2019
ASSETS		
Non-current assets		
Property, plant and equipment	59,765	61,957
Intangible assets	389,545	401,077
Goodwill	749,766	764,553
Investments in companies valued by the equity method	3,096	3,096
Other non-current financial assets	9,034	9,367
- amount with related parties	700	700
Total non-current assets	1,211,206	1,240,050
Current assets		
Inventory	-	-
Trade receivables	239,334	234,152
- amount with related parties	1,630	728
Tax receivables	6,867	7,821
Other receivables	3,414	2,839
- amount with related parties	14	31
Other current assets	19,145	13,735
Cash and cash equivalents	165,817	86,211
Total current assets	434,577	344,759
TOTAL ASSETS	1,645,783	1,584,809
Share capital	50,521	50,521
Statutory reserve	10,104	10,104
Additional paid-in capital	432,180	432,180
Other reserves	(45,515)	(62,681)
Net profit attributable to owners of the parent	15,730	54,621
Total Shareholders' equity attributable to owners of the parent	463,021	484,745
Total Shareholders' equity attributable to non-controlling interests	27,705	33,940
TOTAL SHAREHOLDERS' EQUITY	490,726	518,685
Non-current liabilities		
Non-current loans	467,142	619,422
Employee benefits	14,986	15,812
Provision for risks and charges	5,144	5,249
Other non-current liabilities	42,211	58,458
Deferred tax liabilities	85,421	88,340
Total non-current liabilities	614,904	787,282
Current liabilities		
Current loans	267,167	16,241
Trade payables	50,913	55,572
- amount with related parties	1,729	1,571
Current tax payables	37,076	27,288
Other tax payables	8,980	6,072
Other liabilities	176,018	173,669
- amount with related parties	16,683	15,985
Total current liabilities	540,154	278,843
TOTAL LIABILITIES	1,155,057	1,066,124
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,645,783	1,584,809

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)	At March 31, 2020	At March 31, 2019
Profit before taxes	23,221	24,503
Depreciation and amortisation	36,960	20,103
Impairment of receivables and other provisions, net	1,215	1,166
<i>Performance Share Plan</i>	(1,790)	1,423
Net financial charges	(8,091)	4,529
Cash flow from/(used in) operating activities before changes in working capital	51,514	51,724
Change in operating working capital	(14,333)	(16,531)
Change in other working capital items	1,468	(2,590)
Change in provisions for risks and charges, deferred taxes and other liabilities	(61)	741
Cash flow from changes in working capital	(12,926)	(18,380)
Income taxes paid	-	58
Cash flow from/(used in) operating activities	38,588	33,402
Additions to intangible assets	(7,858)	(8,316)
Additions to property, plant and equipment	(565)	(1,296)
Financial income	73	6
Acquisition of non-controlling interests	(44,866)	(1,383)
Acquisitions net of acquired cash	-	225
Change in other non-current financial assets	298	(4)
Disbursement of the La Scala Cerved loan	-	(200)
Cash flow from/(used in) investing activities	(52,918)	(10,968)
Change in short-term financial debt	(1,721)	(1,205)
Utilisation of revolving line	100,000	9,140
Purchase of treasury shares	-	(704)
Interest paid	(4,343)	(4,038)
Cash flow from/(used in) financing activities	93,936	2,793
Change in cash and cash equivalents	79,606	25,627
Cash and cash equivalents at the beginning of the period	86,211	42,364
Cash and cash equivalents at the end of the period	165,817	67,991
Difference	79,606	25,627

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Statutory reserve	Additional paid-in capital	Other reserves	Net profit attributable to owners of the parent	Group consolidated shareholders' equity	Shareholders' equity attributable to non-controlling interests	Total shareholders' equity
<i>(in thousands of euros)</i>								
Balance at December 31, 2018 Restated	50,521	10,090	434,099	(39,100)	84,795	540,406	10,559	550,965
Appropriation of the 2018 result				84,795	(84,795)	-		-
Performance Share Plan				1,423		1,423		1,423
Purchase of treasury shares				(704)		(704)		(704)
Total transactions with owners	-	-	-	85,515	(84,795)	719	-	719
Net profit					15,642	15,642	1,295	16,937
Other changes in statement of comprehensive income				(1,971)		(1,971)	(16)	(1,988)
Comprehensive net profit	-	-	-	(1,971)	15,642	13,671	1,279	14,950
Balance at March 31, 2019	50,521	10,090	434,099	44,444	15,642	554,796	11,838	566,634

	Share capital	Statutory reserve	Additional paid-in capital	Other reserves	Net profit attributable to owners of the parent	Group consolidated shareholders' equity	Shareholders' equity attributable to non-controlling interests	Total shareholders' equity
<i>(in thousands of euros)</i>								
Balance at December 31, 2019	50,521	10,104	432,180	(62,682)	54,621	484,745	33,940	518,685
Appropriation of the 2019 result				54,621	(54,621)	-		-
Performance Share Plan				(1,790)		(1,790)		(1,790)
Acquisition of non-controlling interests				(36,308)		(36,308)	(6,942)	(43,250)
Total transactions with owners	-	-	-	16,523	(54,621)	(38,098)	(6,942)	(45,040)
Net profit					15,730	15,730	652	16,382
Other changes in statement of comprehensive income				644		644	55	699
Comprehensive net profit	-	-	-	644	15,730	16,374	707	17,081
Balance at March 31, 2020	50,521	10,104	432,180	(45,515)	15,730	463,021	27,705	490,726

CERTIFICATION PURSUANT TO ARTICLE 154 BIS, PARAGRAPH 2 OF THE TUF

Pursuant to Article 154 bis, paragraph 2, of the Consolidated Law on Finance (*Testo Unico della Finanza* - TUF), the Corporate Accounting Documents Officer declares that the accounting information contained in this document corresponds to the documented results, books and accounting records.

Milan, May 12, 2020

Francesca Perulli

Corporate Accounting Documents Officer

(Signed on the original)