



NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE IN OR INTO THE UNITED STATES OF AMERICA, CANADA, JAPAN OR AUSTRALIA

This announcement is an advertisement and not a prospectus and not an offer of securities for sale in or into the United States, Canada, Japan or Australia.

**Results announced for the financial year ending 31 December 2018**  
**Significant investments made in technology, innovation and new product development**  
**New 2019 - 2023 business plan approved confirming Nexi's investment strategy to strengthen its role as the leading Italian PayTech in the development of digital payments in partnership with Banks**

**Listing process on Borsa Italiana launched**

*Milan, 1<sup>st</sup> March 2019* - Nexi S.p.A. ("**Nexi**", the "**Company**" or the "**Group**") announces its results for the year ended 31 December 2018, which was marked by strong operational and financial performance and the launch of a number of important initiatives aimed at driving growth and operational excellence.

The Board of Directors has also recently approved the new 2019 - 2023 business plan (the "**Plan**") confirming Nexi's strategy to consolidate its role as the Italian PayTech leader in developing digital payments in partnership with banks. The Plan sets new organic growth targets and the foundation for the Company's initial public offering.

**Consolidated financial results for the year ended 31 December 2018**

For the year ended 31 December 2018, Nexi recorded Net Operating Revenues of €550 million and Normalized EBITDA<sup>1</sup> of €287 million (see Appendix A.1).

The financial statements for the year ended 31 December 2018 are the first fully consolidated financial statements published by Nexi in its current corporate form; the Company was not required to prepare consolidated financial statements before 31 December 2017, which was the period prior to the recent reorganisation of the Group. Consequently, comparative data are not presented.

The Group's financial structure has changed significantly in recent years as a result of a number of extraordinary transactions, including acquisitions and disposals executed since 2016, as well as the corporate reorganisation completed in July 2018 that was aimed at focusing the Group exclusively on its core business of digital payments and the development of digital payments technology.

---

<sup>1</sup> Normalised EBITDA is defined as EBITDA adjusted for impact of extraordinary and non-recurring items, including those relating to the corporate reorganisation, acquisitions made and transformation projects. For further information see Appendix A.6.

In light of the above, special purpose carve-out financial statements have been prepared for the three-year period 2016-2018 (see Appendix A.2), which represent the historical accounting data for the individual entities and businesses that are currently in the Group's consolidated financials. Given that the results of acquired businesses are included from the dates on which the relevant acquisitions took effect without adjusting for pro-forma effects, the carve-out financial data do not allow a complete representation of the development of the Group's result of operations and financial performance for the three-year period 2016-2018. For this reason, aggregated and pro-forma financial data are also presented.

On the basis of aggregated financial data, Nexi has experienced strong organic growth over the last three years with Net Operating Revenues and Normalized EBITDA growing at CAGRs of 7.8% and 15.5% respectively<sup>2</sup> on a like-for-like basis (see Appendix A.3). Nexi's financial performance was supported by significant transformation and growth investments made in recent years.

On the basis of pro-forma financial data for the year ended 31 December 2018, Nexi reported Net Operating Revenues of € 931 million and Normalized EBITDA of € 424 million<sup>3</sup> (see Appendix A.4).

In recent years, a number of significant new initiatives have been aimed at reducing operating costs, generating synergies resulting from recent acquisitions and innovation and customer value management (the "Initiatives"). The Company's management has estimated the EBITDA improvement to be equal to €126 million, once these Initiatives have been realized and fully implemented by 2020. €31 million of EBITDA improvement was realized in 2018 and is therefore reflected in the above financial data. Consequently, as of December 31, 2018, the estimated unrealized EBITDA improvement from the Initiatives is €95 million, of which we expect to realize a portion in 2019, with the remaining amount to be realized in 2020.

In 2018, Nexi continued to focus on investments in technology, innovation, capabilities, bank partnerships and development of the market, with total capital expenditure in 2018 increasing to €150 million (equal to 16% of Net Operating Revenues). €85 million was related to ordinary investments and the remaining €65 million was related to initiatives and transformation projects.

Please see Appendix A.5 for further details on other alternative performance measures for the purposes of monitoring the Group's results of operations and financial performance.

For further information on extraordinary and non-recurring items recorded over the period 2016-2018, please refer to Appendix A.6 of this press release.

---

<sup>2</sup> Based on Aggregated Financial Data and prepared to provide for full-year effects of completed M&A over the period 2016-2018.

<sup>3</sup> Pro-forma financial information: relating to the financial year ended 31 December 2018 prepared in accordance with CONSOB regulation No. DEM/1052803 dated 5 July 2001 only for the purpose of illustrating the expected effects on the 2018 historical financial statements of M&A completed in 2018 and 2019 or in relation to which binding agreements are in place, the reorganisation (including the Notes) and certain agreements with DepoBank as if they had occurred on the first day of the period presented (*i.e.* 1 January 2018). While the Pro-forma financial information have been prepared to retroactively reflect the effects of subsequent transactions, there are inherent limits to this data, which is presented for information purposes only and is not intended to represent or be indicative of our financial condition or results of operations that we would have reported had the transactions and adjustments described above actually occurred during the period and as of the dates presented. The Pro-Forma financial information does not purport to project our results of operations or financial condition for any future period.

## Strategy and future outlook

The Board of Directors recently approved the Plan, which will build on Nexi's vision and strategy that every payment will become digital and that technology and innovation will be the core drivers and enablers of this transformation. The Plan is a continuation of the strategic path of the previous business plan approved in 2017, with further investments envisaged.

Nexi's strategy as the leading PayTech in Italy aims to facilitate and encourage the development of digital payments in partnership with Italian banks. To this end, Nexi has also entered into important partnerships with the main system operators such as Bancomat and CBI consortium (promoted by ABI to encourage innovation in the payments sector) for which it is developing the open-banking system, CBI Globe. Nexi's strategy is based on the following five pillars: i) growing through the offering of innovative and high-tech products across all digital payments segments, ii) investing in cutting-edge technology capabilities development, iii) developing operational excellence, iv) continuing to develop international expertise focused on digital payments and v) strengthening the platform through potential strategic partnerships and acquisitions aimed at creating additional shareholder value.

In the context of the Plan, the Company aims to achieve the following targets (the "**Target Data**")<sup>4</sup>:

- **Net Operating Revenues:** Medium term Net Operating Revenues CAGR of 5-7%, with 2019 growth targeted to be in the lower end of this range;
- **Normalised EBITDA:** Medium-term EBITDA CAGR of 13-16%, with 2019 growth targeted to be in the upper end, also thanks to continuous focus on driving operating efficiencies;
- **Capital Expenditure:** Total capital expenditure (including ordinary capex and transformation capex) is targeted between 16-17% of total Net Operating Revenues for 2019. Ordinary capex targeted at c. 8-10% of total Net Operating Revenues over the long term with total capex trending towards this level over the medium to long term.

The Company expects >60% reduction of non-recurring items in 2019 which have been excluded from Normalized EBITDA and a rapid further decrease of such non-recurring items thereafter.

## Approval to apply for listing on Borsa Italiana

Nexi's shareholders' meeting and its Board of Directors recently approved a process to list the Company's ordinary shares on the Mercato Telematico Azionario (MTA) of Borsa Italiana S.p.A.

At the same time, the Board of Directors has also approved a potential capital increase in the range of €600 million to €700 million to be carried out in the context of the listing, subject to approval by the extraordinary shareholders' meeting and whose final terms will be determined in the period prior to the listing.

---

<sup>4</sup> Please refer to Appendix B for additional information on Target Data.



## **About Nexi**

Nexi is the leading PayTech company in Italy. We operate in strong partnership with ~150 partner banks covering 80% of the system in Italy in terms of number of branches. Our integrated end-to-end omni-channel technology connects banks, merchants and consumers enabling digital payments. We help simplify payments for our clients and digitalise the Italian economy. Nexi operates across three market areas: Merchant Services & Solutions, Cards & Digital Payments and Digital Banking Services:

*Merchant Services & Solutions:* Nexi has a c.70%<sup>5</sup> market share in merchant acquiring in Italy, serves c.890,000 merchants and manages 1.4 million POS terminals;

*Cards & Digital Payments:* Nexi has a c.60%<sup>5</sup> market share in card issuing in Italy and manages 41 million cards for c. 30 million cardholders;

*Digital Banking Solutions:* Nexi manages 13,400 ATMs (with a market share of c.29%<sup>6</sup>), approximately 420,000 corporate banking workstations (c.25%<sup>7</sup> market share in digital corporate banking) and completed over 900 million clearing transactions in 2018. In addition, Nexi is developing the open-banking system in collaboration with the CBI consortium.

<https://nexi.it/>

**For further information please contact:**

**Investor Relations**

**Corso Sempione, 55 | Milan, Italy**

**email addresses: [investor.relations@nexi.it](mailto:investor.relations@nexi.it)**

\*\*\*\*\*

---

<sup>5</sup> Market share estimated by management allocating proportionally other issuers' cards volumes among Nexi's clients and other merchants for total market volumes. Data refer to international card schemes only.

<sup>6</sup> Self banking market share based on total ATMs in Italy of 46k as per RBR report

<sup>7</sup> Digital Corporate Banking market share based on SIA codes over 2.2 million firms subscribed to CBI.

## **DISCLAIMER**

These materials are not for publication or distribution, directly or indirectly, in or into the United States (including its territories and possessions, any State of the United States and the District of Columbia). These materials do not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States, Australia, Canada or Japan or in any jurisdiction to whom or in which such offer or solicitation is unlawful. The Company's shares (the "Shares") mentioned herein have not been, and will not be, registered under the United States Securities Act of 1933 (the "Securities Act") or under the applicable securities laws of Australia, Canada or Japan.

The Shares may not be offered or sold in the United States except pursuant to an exemption from the registration requirements of the Securities Act. There will be no public offer of securities in the United States, Australia, Canada or Japan or elsewhere.

This communication is distributed in any member state of the European Economic Area which applies Directive 2003/71/EC (this Directive together with any implementing measures in any member state, the Prospectus Directive) only to those persons who are qualified investors for the purposes of the Prospectus Directive in such member state, and such other persons as this document may be addressed on legal grounds, and no person that is not a relevant person or qualified investor may act or rely on this document or any of its contents. For these purposes, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in a Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU. Investors should not subscribe for any securities referred to in this document except on the basis of information contained in the prospectus or the international offering circular which include detailed information regarding the Company and the risks involved in investing in the securities. This communication does not constitute an offer of the Company' shares to the public in the United Kingdom. No prospectus has been or will be approved in the United Kingdom in respect of the Shares. The distribution of this press release is not made, and has not been approved, by an "authorized person" within the meaning of Article 21(1) of the Financial Services and Markets Act 2000. This communication is directed only at (i) persons who are outside the United Kingdom or (ii) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended from time to time (the Order) or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(A) to (D) of the Order or (iv) certified high net worth individuals and certified and self-certified sophisticated investors as described in Articles 48, 50, and 50A respectively of the Order or (v) persons to whom this communication may otherwise be lawfully communicated (all such persons together being referred to as relevant persons). Any investment activity to which this communication relates will only be available to and will only be engaged with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents. This press release is not a prospectus which has been approved by the Financial Conduct Authority or any other United Kingdom regulatory authority for the purposes of Section 85 of the Financial Services and Markets Act 2000.

The contents of this document are for information purposes only and are not to be construed as providing investment advice. The statements contained herein have not been independently verified. No representation or warranty, either express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness, correctness or reliability of the information contained herein. Neither Nexi S.p.A. (the "Company" and together with its consolidated subsidiaries, the "Group") nor any of its representatives or advisers shall accept any liability whatsoever (whether in negligence or otherwise) arising in any way in relation to such information or in relation to any loss arising from its use or otherwise arising in connection with this document. By accessing these materials, you agree to be bound by the foregoing limitations.

This press release contains statements that are, or may be deemed to be, "forward-looking statement", projections, objectives, estimates and forecasts reflecting management's current views with respect to certain future events. Forward-looking statements, projections, objectives, estimates and forecasts are generally identifiable by the use of the words "may", "will", "should", "plan", "expect", "anticipate", "estimate", "believe", "intend", "project", "goal", or "target" or the negative of these words or other variations on these words or comparable terminology. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts, including, without limitation, those regarding the Company's future financial position and results of operations, strategy, plans, objectives, goals and targets and future developments in the markets where the Company or any Group company participates or is seeking to participate. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements as a prediction of actual results: forward-looking statements may and often do differ materially from actual results. The Group's ability to achieve its projected objectives or results is dependent on many factors which are outside management's control. Actual results may differ materially from (and be more negative than) those projected or implied in the forward-looking statements. Such forward-looking information involves risks and uncertainties that could significantly affect expected results and is based on certain key assumptions. All forward-looking statements included herein are based on information available to the Group as of the date hereof. No Group company undertakes any obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required by applicable law. All subsequent written and oral forward-looking statements attributable to any Group company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements.

## Appendix A – Financial Information

The following financial information relating to the Company is provided below

<p><b>1. Nexi Group Income Statement and Balance Sheet for the financial year ended on 31 December 2018:</b> as indicated above, Nexi S.p.A. has prepared its first consolidated financial statements as of and for the year ended 31 December 2018 as in such year the Group was established following the completion of the reorganisation of the Mercury UK Group on 1st July 2018. As a result, while the balance sheet already represents the Group's assets, which includes the full effects of the reorganisation, the income statement, with the exception of Mercury Payment Services and Nexi S.p.A., includes the contribution of the various legal entities and businesses that joined the Group's perimeter only from 1 July 2018. Therefore, it does not include the results for the first half of the year of Nexi Payments, Bassilichi, Helpline and the business unit transferred to Nexi Payments by DepoBank. The income statement set forth below is presented in accordance with a managerial view.</p>	Page 8-9
<p><b>2. Nexi Group's carve-out Income Statement and Balance Sheet for the financial years ended on 31 December 2016, 2017 and 2018:</b> the carve-out represents the perimeter of the legal entities and businesses existing within the Mercury UK Holdco Group year by year, from which it was extracted on a continuing basis of book values. It therefore represents the historical accounting data of all the components included in the current perimeter of the Nexi Group; the economic contributions of the businesses of the entities subject to acquisition are included from the closing dates without the application of pro-forma effects. The carve-out balance sheet as of 31 December 2018 matches to the Nexi Group's consolidated balance sheet. The income statement shown below is taken from the segment reporting of the carve-out financial statements based on a management representation method.</p>	Page 10-11
<p><b>3. Aggregate Financial Data for the years ended on 31 December 2016, 2017 and 2018:</b> unaudited management information prepared to illustrate the effects on the Group's historical financial statements of the acquisitions completed over the period 2016-2018, as if they had occurred on the first day of the reference period (i.e. 1 January 2016).</p>	Page 12
<p><b>4. Nexi Group Pro-Forma Income Statement and Balance Sheet for the financial year ended on 31 December 2018:</b> Pro-Forma financial information: referring to the 2018 financial year, and prepared in accordance with CONSOB Communication no. DEM/1052803 of 5 July 2001 to illustrate the expected effects on the Group's 2018 financial statements of: i) acquisitions and disposals closed in 2018 and 2019 or for which binding agreements are in place, ii) of the reorganisation (including the Notes) and iii) of certain agreements with DepoBank, as if they had occurred on the first day of the reference period (i.e. 1 January 2018).</p>	Page 13-14
<p><b>5. Nexi Group Operating and Management Information:</b> alternative economic, equity and financial performance indicators that management considers relevant for the purpose of monitoring the Group's economic and financial performance. These indicators are not identified as accounting measures in the framework of the IFRS and,</p>	Page 15-16

<p>therefore, must not be considered as substitutes for the indicators provided by Nexi's financial statements for the assessment of the Group's economic performance, cash flows and financial position. Since the definitions of these indicators, which are not governed by IFRS, may not be consistent with those adopted by other companies/groups and are therefore not comparable with similarly titled measures used by other companies/groups.</p>	
<p><b>6. Extraordinary and non-recurring items:</b> extraordinary and non-recurring items recorded over the period 2016-2018 with effects on EBITDA and/or net income.</p>	Page 17

## A.1 - Nexi Group Income Statement and Balance Sheet 2018

**Note:** As indicated above, Nexi S.p.A. has prepared its first consolidated financial statements as at 31 December 2018, the year in which the Group was established following the completion of the Reorganisation of Mercury UK Group on 1st July 2018. As a result, while the balance sheet already represents the Nexi Group's assets, which includes the full effects of the reorganisation, the income statement, with the exception of Mercury Payment Services and Nexi S.p.A., includes the contribution of the various legal entities and businesses that joined the Group's perimeter only as from 1 July 2018. Therefore, it does not include the results for the first half of the year of Nexi Payments, Bassilichi, Helpline and the business unit transferred to Nexi Payments by DepoBank.

The income statement set forth below is presented in accordance with a managerial view.

### 2018 Income Statement

<b>€ million</b>	<b>2018</b>
Net Operating revenues	<b>550</b>
Payroll & personnel costs	(90)
Non-Personnel operating costs <sup>8</sup>	(172)
<b>Total operating costs</b>	<b>(262)</b>
<b>Normalised EBITDA</b>	<b>287</b>
Depreciation and amortisation	(48)
<b>Normalised EBIT</b>	<b>240</b>
Depreciation and amortisation (Customer contracts)	(37)
interests	(26)
No-recurring / extraordinary items	(93)
Income taxes	(40)
Net income / (loss) from assets under disposal	(7)
Income (loss) for the period of Minority	(1)
Interests	(1)
<b>Group net profit</b>	<b>36</b>

<sup>8</sup> Non-Personnel Operating Costs include other operating gains/losses and provisions for risks and charges.



## 2018 Balance Sheet

<b>€ million</b>	<b>2018</b>
Cash and cash equivalents	41
Financial assets at fair value with impact on the Income Statements	0
Financial assets at fair value with impact on comprehensive income	100
Financial assets at amortised cost	1,668
a) Loans to banks	561
b) Loans to customers	1,107
Equity investments	1
Tangible assets	159
Intangible assets	2,668
o/w Goodwill	2,097
Tax assets	63
a) current	29
b) deferred	34
Non-current assets and assets under disposal	80
Other assets	406
<b>Total assets</b>	<b>5,187</b>
Financial liabilities at amortised cost	3,717
a) Due to banks	793
b) Due to clients	354
c) Securities issued	2,570
Financial liabilities held for trading	3
Hedging derivatives	17
Tax liabilities	163
a) current	31
b) deferred	132
Liabilities related to assets under disposal	39
Other liabilities	716
Severance pay	14
Provisions for risks and charges	47
<b>Total liabilities</b>	<b>4,716</b>
Total equity	471
<b>Total liabilities and equity</b>	<b>5,187</b>

## A.2 - Carve-out Income Statement and Balance Sheet for the financial years ended on 31 December 2016, 2017 and 2018

**Note:** the carve-out represents the perimeter of the legal entities and businesses existing within the Mercury UK Holdco Group year by year, from which it was extracted on a continuing basis of book values. It therefore represents the historical accounting data of all the components included in the current perimeter of the Nexi Group; the economic contributions of the businesses of the entities subject to acquisition are included from the closing dates without the application of pro-forma effects. The carve-out balance sheet as of 31 December 2018 matches to the Nexi Group's consolidated balance sheet.

The income statement shown below is taken from the segment reporting of the carve-out financial statements based on a management representation method.

### Carve-out Income Statement

€ million	2016	2017	2018
Merchant Services & Solutions <sup>9</sup>	243	382	468
Cards & Digital Payments	208	342	361
Digital Banking Solutions	60	97	114
<b>Net revenues</b>	<b>511</b>	<b>822</b>	<b>942</b>
Payroll & personnel costs	(88)	(133)	(158)
Non-Personnel operating costs <sup>10</sup>	(252)	(351)	(365)
<b>Total operating costs</b>	<b>(340)</b>	<b>(484)</b>	<b>(523)</b>
<b>Normalised EBITDA</b>	<b>171</b>	<b>338</b>	<b>419</b>
Depreciation and amortisation	(27)	(55)	(75)
<b>Normalised EBIT</b>	<b>144</b>	<b>283</b>	<b>344</b>
Depreciation and amortisation (Customer contracts)	0	(33)	(40)
Bond interests	0	0	(32)
No-recurring / extraordinary items	(50)	(131)	(131) <sup>11</sup>
Income taxes	(34)	(47)	(67)
Net income / (loss) from assets under disposal	2	0	(6)
Minority interests	(4)	1	(1)
<b>Group net profit</b>	<b>58</b>	<b>73</b>	<b>67</b>

<sup>9</sup> Includes "Other Services" such as Helpline.

<sup>10</sup> Non-Personnel Operating Costs include other operating gains/losses and provisions for risks and charges.

<sup>11</sup> Includes €21m capital gain from the disposal of "Banche venete" acquiring books.

## Carve-out Balance Sheet

€ million	2016	2017	2018
Cash and cash equivalents	8	134	41
Financial assets at fair value	48	83	100
Financial assets at amortised cost	2,878	3,112	1,668
a) Loans to banks	330	333	561
b) Loans to customers	2,548	2,779	1,107
Equity investments	0	0	1
Tangible assets	116	163	159
Intangible assets	1,906	2,608	2,668
o/w Goodwill	1,501	2,072	2,097
Tax assets	46	54	63
a) current	23	28	29
b) deferred	23	26	34
Non-current assets and assets under disposal	54	66	80
Other assets	263	340	406
<b>Total assets</b>	<b>5,320</b>	<b>6,561</b>	<b>5,187</b>
Financial liabilities at amortised cost	1,957	2,606	3,717
a) Due to banks	1,859	2,493	793
b) Due to clients	98	113	354
c) Securities issued	0	0	2,570
Financial liabilities held for trading	0	1	3
Hedging derivatives	0	6	17
Tax liabilities	146	134	163
a) current	17	3	31
b) deferred	130	131	132
Liabilities related to assets under disposal	12	23	39
Other liabilities	474	721	716
Severance pay	16	18	14
Provisions for risks and charges	17	33	47
<b>Total liabilities</b>	<b>2,623</b>	<b>3,541</b>	<b>4,716</b>
Total equity <sup>12</sup>	2,697	3,020	471
<b>Total liabilities and equity</b>	<b>5,320</b>	<b>6,561</b>	<b>5,187</b>

<sup>12</sup> This item is referred to as "Net Investment" in the carve-out balance sheet, which as of 31 December 2018 corresponds to the total equity of the Nexi Group.

## A.3 - Aggregate Financial Data for the years ended on 31 December 2016, 2017 and 2018.

**Note:** unaudited management information prepared to illustrate the effects on the Group's historical financial statements of the acquisitions completed over the period 2016-2018, as if they had occurred on the first day of the reference period (i.e. 1 January 2016). The data included in the following table has been compiled starting from the financial statements of the companies or business lines acquired or from the consolidated financial statements of their respective parent companies. These data have been added together and then added to the data contained in the carve-out Financial Statements without further processing or pro-forma adjustment and are therefore arithmetic sums. The following data do not represent the results that would have been achieved if the acquisitions had actually been made by Nexi in the period presented. The Aggregate Financial Data are for informational purposes only and represent on a like-for-like basis the trends during the reference period. Therefore, if the transactions subject to adjustment had actually taken place on the reference dates of the Aggregated Financial Data, the results shown below would not necessarily have been achieved.

Income Statement	Aggregate Financial Data <sup>13</sup>			
€ million	2016	2017	2018	CAGR
Merchant Services & Solutions <sup>14</sup>	375	415	448	9.3%
Cards & Digital Payments	315	342	361	7.0%
Digital Banking Solutions	101	109	112	5.0% <sup>15</sup>
<b>Net revenues</b>	<b>791</b>	<b>866</b>	<b>920</b>	<b>7.8%</b>
Payroll & personnel costs	(132)	(137)	(147)	5.7%
Non-Personnel operating costs <sup>16</sup>	(342)	(360)	(349)	1.1%
<b>Total operating costs</b>	<b>(474)</b>	<b>(497)</b>	<b>(497)</b>	<b>2.4%</b>
<b>Normalised EBITDA</b>	<b>317</b>	<b>369</b>	<b>424</b>	<b>15.5%</b>

<sup>13</sup> The data included in the table has been compiled starting from the financial statements of the companies or business lines acquired or from the consolidated financial statements of their respective parent companies. These data have been added together and then added to the data contained in the carve-out Financial Statements without further processing or pro-forma adjustment and are therefore arithmetic sums. The following data do not represent the results that would have been achieved if the acquisitions had actually been made by Nexi in the period presented. The Aggregate Financial Data are for informational purposes only and represent on a like-for-like basis the trends during the reference period. Therefore, if the transactions subject to adjustment had actually taken place on the reference dates of the Aggregated Financial Data, the results shown would not necessarily have been achieved.

<sup>14</sup> Includes "Other Services" such as Helpline.

<sup>15</sup> DBS results of financial and operational management and costs growth overstated by 10M€ vs. underlying performance (no EBITDA impact) due to European prospectus accounting rules limiting pro-forma to only one year.

<sup>16</sup> Non-Personnel Operating Costs include other operating gains/losses and provisions for risks and charges.

## A.4 - Nexi Group Pro-Forma Income Statement and Balance Sheet for the financial year ended on 31 December 2018

**Note:** Pro-Forma financial information: referring to the 2018 financial year, and prepared in accordance with CONSOB Communication no. DEM/1052803 of 5 July 2001 to illustrate the expected effects on the Group's 2018 financial statements of: i) acquisitions and disposals closed in 2018 and 2019 or for which binding agreements are in place, ii) of the reorganisation (including the Notes) and iii) of certain agreements with DepoBank, as if they had occurred on the first day of the reference period (i.e. 1 January 2018).

### Pro-Forma Income Statement<sup>(17)</sup>

<b>Income Statement</b>	<b>Pro-Forma</b>
<b>€ million</b>	
Merchant Services & Solutions <sup>18</sup>	448
Cards & Digital Payments	361
Digital Banking Solutions	122
<b>Net revenues</b>	<b>931</b>
Payroll & personnel costs	(150)
Non-Personnel operating costs <sup>19</sup>	(357)
<b>Total operating costs</b>	<b>(506)</b>
<b>Normalised EBITDA</b>	<b>424</b>
Depreciation and amortisation	(75)
<b>Normalised EBIT</b>	<b>349</b>
Depreciation and amortisation (Customer contracts)	(40)
Bond interests	(108)
No-recurring / extraordinary items	(131) <sup>20</sup>
Income taxes	(49)
Net income / (loss) from assets under disposal	0 <sup>21</sup>
Minority interests	(2)
<b>Group net profit</b>	<b>20</b>

<sup>17</sup> Pro-Forma financial information: referring to the 2018 financial year, and prepared in accordance with CONSOB Communication no. DEM/1052803 of 5 July 2001 to illustrate the expected effects on the Group's 2018 financial statements of: i) acquisitions and disposals closed in 2018 and 2019 or for which binding agreements are in place, ii) of the Reorganisation (including the Notes) and iii) of certain agreements with DepoBank, as if they had occurred on the first day of the reference period (i.e. 1 January 2018). While the Pro-forma financial information have been prepared to retroactively reflect the effects of subsequent transactions, there are inherent limits to this data, which is presented for information purposes only and is not intended to represent or be indicative of our financial condition or results of operations that we would have reported had the transactions and adjustments described above actually occurred during the period and as of the dates presented. The Pro-Forma financial information does not purport to project our results of operations or financial condition for any future period.

<sup>18</sup> Includes "Other Services" such as Helpline.

<sup>19</sup> Non-Personnel Operating Costs include other operating gains/losses and provisions for risks and charges.

<sup>20</sup> Includes €21m capital gain from the disposal of "Banche venete" acquiring books.

<sup>21</sup> Reflects ~€319k related to BassmArt.

## Pro-Forma Balance Sheet <sup>(22)</sup>

€ million	2018
Cash and cash equivalents	187
Financial assets at fair value	100
Financial assets at amortised cost	1,668
a) Loans to banks	561
b) Loans to customers	1,107
Equity investments	1
Tangible assets	159
Intangible assets	2,668
o/w Goodwill	2,097
Tax assets	63
a) current	29
b) deferred	34
Non-current assets and assets under disposal	2
Other assets	406
<b>Total assets</b>	<b>5,255</b>
Financial liabilities at amortised cost	3,717
a) Due to banks	793
b) Due to clients	354
c) Securities issued	2,570
Financial liabilities held for trading	3
Hedging derivatives	17
Tax liabilities	164
a) current	32
b) deferred	132
Liabilities related to assets under disposal	1
Other liabilities	716
Severance pay	14
Provisions for risks and charges	47
<b>Total liabilities</b>	<b>4,679</b>
Total equity <sup>23</sup>	576
<b>Total liabilities and equity</b>	<b>5,255</b>

<sup>22</sup> Pro-Forma financial information: referring to the 2018 financial year, and prepared in accordance with CONSOB Communication no. DEM/1052803 of 5 July 2001 to illustrate the expected effects on the Group's 2018 financial statements of: i) acquisitions and disposals closed in 2018 and 2019 or for which binding agreements are in place, ii) of the Reorganisation (including the Notes) and iii) of certain agreements with DepoBank, as if they had occurred on the first day of the reference period (i.e. 1 January 2018). While the Pro-forma financial information have been prepared to retroactively reflect the effects of subsequent transactions, there are inherent limits to this data, which is presented for information purposes only and is not intended to represent or be indicative of our financial condition or results of operations that we would have reported had the transactions and adjustments described above actually occurred during the period and as of the dates presented. The Pro-Forma financial information does not purport to project our results of operations or financial condition for any future period.

<sup>23</sup> Corresponding to the pro-forma consolidated total equity of the Nexi Group as of 31 December 2018

## A.5 - Nexi Group Operating and Management Information

**Note:** the following describes certain alternative economic, equity and financial performance indicators that management considers relevant for the purpose of monitoring the Group's economic and financial performance. These indicators are not identified as accounting measures in the framework of the IFRS and, therefore, must not be considered as substitutes for the indicators provided by Nexi's financial statements for the assessment of the Group's economic performance, cash flows and financial position. Since the definitions of these indicators, which are not governed by IFRS, may not be consistent with those adopted by other companies/groups and are therefore not comparable with similarly titled measures used by other companies/groups.

### Pro-Forma Net Financial Position

€ million	Pro-Forma 2018
Net Financial Position	2,418
Net Financial Position / Pro-Forma EBITDA	5.7x

As of 31 December 2018, the net financial position of the Nexi Group is equal to €2,418 million, resulting in a ratio of net financial position to Pro-Forma EBITDA of 5.7x.

Taking into consideration other cash equivalents, of which €84 million in Visa shares held by the Company (net of the related hedging costs) and €9 million in earn-out linked to the sale of Oasi S.p.A., the net financial position is equal to €2,325 million. At the end of 2018, for the purposes of calculating the financial covenants relating to the Notes, the net financial indebtedness (including other cash equivalents)/Pro-Forma EBITDA (including the Initiatives) is equal to 4.5x.

### Normalised Pro-Forma EBITDA to Cash Flow

€ million	2018
<b>Pro-Forma normalised EBITDA</b>	<b>424</b>
Ordinary capex	(85)
Change in WC	(27) <sup>24</sup>
<b>Normalised operating cash flows</b>	<b>312</b>
Interest expenses	(108)
Cash Taxes and Minorities	(91) <sup>25</sup>
<b>Normalised free cash flows</b>	<b>113</b>

Assuming for illustrative purposes interest expense equal to €60 million to reflect post-listing capital structure and including the benefits (net of taxes), in terms of cash, expected from the Initiatives, the normalised free cash flow would amount to €213 million.

<sup>24</sup> Management estimates.

<sup>25</sup> Tax impacts calculated on normalised pre-tax profit.

## Aggregate Alternative Performance Measures<sup>26</sup>

	2016	2017	2018
Acquiring transaction volume (#m)	2,631	2,855	3,196
Issuing transaction volume (#m)	1,955	2,135	2,357
Acquiring transaction value (€bn)	221	233	249
Issuing transaction value (€bn)	177	186	197

<sup>26</sup> Reflecting the full-year effects of completed acquisitions over the period 2016-2018.



## A.6 - Non-recurring and extraordinary items

**Note:** the following sets forth a breakdown of extraordinary and non-recurring items recorded over the period 2016-2018 with effects on EBITDA and/or net income.

### **Non-Recurring and Extraordinary Items**

<b>€ million</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Non-Recurring Items Affecting EBITDA</b>	<b>50</b>	<b>134</b>	<b>131<sup>27</sup></b>
Transformation projects	36	54	38
HR restructuring	16	51	21
M&A, corporate reorganisation & other items	(1)	29	72
<b>Extraordinary Items Below EBITDA</b>	<b>-</b>	<b>33</b>	<b>49</b>
PPA	-	33	40
Amortisation of bond costs / one-off rating agency fees	-	-	9

<sup>27</sup> Includes €21m capital gain from the disposal of "Banche venete" acquiring books.

## **Appendix B – Additional Information on Target Data**

The Target Data, which may be identified by the use of forward-looking terminology (e.g. “target(s)”) or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions, are based on a series of assumptions which by their nature are not under the Company’s control. These include: (1) Steady growth of the Italian digital payments and cards market driven by the progressive adoption of digital payment methods in place of cash; (2) Technology and innovation, with a focus on digital, will continue to reshape the Italian payments market; (3) The banking sector will remain the main distribution channel in Italy; and (4) in addition, there are no material changes to the Company’s business model in place in 2018 planned by management during the period covered by the Plan.

For completeness, it should be noted that because the Target Data are based on future events and actions to be undertaken by the management, they are characterized by inherent elements of subjectivity and uncertainty, also in the light of the time horizon of the Target Data (2023). As such, Target Data may and often do differ materially from actual results. In particular, the main assumptions underlying the Target Data may not happen, or happen in a scale and/or time differing from those foreseen, the Company may not be able to implement the actions foreseen, or however implement them according to the timetable and modalities foreseen and/or events could happen and/or actions may become necessary which were unpredictable at the moment of the preparation of the Target Data.

Any Target Data reflect the Company’s current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company’s business, results of operations, financial position, liquidity, prospects, growth or strategies. Target Data speak only as of the date they are made.

Consequently, there could also be significant deviations between actual figures and the Target Data. The Company undertakes no obligation to release the results of any revisions to any Target Data in this press release that may occur due to any change in its expectations or as a result of new information or to reflect events or circumstances after the date of this press release and the Company disclaim any such obligation.