

## **The Board of Directors approves the consolidated financial results and the draft financial results of Nexi S.p.A. as of December 31st 2019**

- **Preliminary data announced on February 12th, 2020 confirmed**
- **Call of the Annual General Shareholders' Meeting to be held on May 5th, 2020**

*Milan, March 6th 2020* – The Board of Directors of Nexi S.p.A. approved the Group consolidated financial results as of December 31st 2019 and the draft financial results of Nexi S.p.A. as of December 31st 2019, confirming the preliminary data already presented in the press release published on February 12th, 2019.

### **Non-financial statement**

The Board of Directors approved the first consolidated non-financial statement as of December 31st 2019 prepared pursuant to Legislative Decree 254/2016. Non-financial statement will be published in a separate document from the consolidated Financial Report as of December 31st, 2019.

### **Annual General Shareholders' Meeting**

The Board of Directors resolved to convene the Annual General Shareholders' Meeting for May 5th, 2020 - single call – to agree resolutions on the following matters:

1. Approval of the draft financial statements of Nexi S.p.A. as of December 31st 2019, together with the Report of the Board of Directors, the Report of the Board of Statutory Auditors and the Report of the external Statutory Auditor. Inherent and consequent resolutions. Presentation of the Consolidated Financial Statements as of 31st December 2019 and of the consolidated non-financial statement prepared pursuant to Legislative Decree 254/2016.
2. Remuneration Report prepared pursuant to art. 123-*ter* of Legislative Decree 58/1998 and art. 84-*quater* of the regulation adopted with Consob resolution no. 11971 of May 14th, 1999. Inherent and consequent resolutions.
3. Appointment of a Director to integrate the Board of Directors following co-optation. Inherent and consequent resolutions.
4. Proposal for authorization to purchase and dispose treasury shares. Inherent and consequent resolutions.

The notice of call and the documentation related to the individual items in the agenda, including the Corporate Governance and Ownership Structure Report and the Remuneration Report, will be published within the terms and conditions provided for by current law provisions.

### **Allocation of the result of the year 2019**

With regard to the draft financial statements at December 31st 2019, the distribution of dividends for the year 2019 will not be proposed to the Shareholders' Meeting, coherently with the dividend policy announced during the listing of the Company and with the investments in technology and capabilities at record high level in Europe. It is proposed to retain earnings the profit for the year.

### **Authorization to purchase and dispose treasury shares**

As regards the proposal to authorize the purchase and disposal of treasury shares, the Board of Directors will submit to the Shareholders' Meeting for approval a new proposal to authorize the purchase and disposal of treasury shares, effective from the date of the Shareholders' Meeting, due



to the fact that the period within the resolution approved in the 2019 Shareholders' Meeting will expire on September 13th 2020.

\* \* \*

Pursuant to paragraph 2 of article 154 bis of the Consolidated Finance Act, the undersigned, Enrico Marchini, in his capacity as the manager in charge of preparing Nexi's financial reports, declares that the accounting information contained in this press release corresponds to the accounting documents, books and records of Nexi S.p.A..

\* \* \*

Results under review by PWC that will release its report in accordance with law.

### **About Nexi**

Nexi is the leading PayTech company in Italy, listed on MTA of Borsa Italiana. We operate in strong partnership with ~150 partner banks. Our integrated end-to-end omni-channel technology connects banks, merchants and consumers enabling digital payments. We help simplify payments for our clients and digitalize the Italian economy. Nexi operates in three market areas: Merchant Services & Solutions, Cards & Digital Payments and Digital Banking Solutions:

**Merchant Services & Solutions:** Nexi, together with its partner Banks, serves c. 890,000 merchants and manages 1.4 million POS terminals;

**Cards & Digital Payments:** Nexi, together with its partner Banks, manages 41 million payment cards for c.30 million cardholders;

**Digital Banking Solutions:** Nexi manages 13,400 ATMs, approximately 420,000 e-banking workstations and over 900 million clearing transactions in 2018. In addition, Nexi developed the open banking system in collaboration with the CBI consortium to which the main Italian banks have already adhered.

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## Key financial results <sup>(1)</sup>

€/M	FY18	FY19	Δ% vs. FY18 <sup>(2)</sup>	Δ% vs. FY18	4Q18	4Q19	Δ% vs. 4Q18 <sup>(2)</sup>	Δ% vs. 4Q18
Merchant Services & Solutions	448.2	479.0	+8.1%	+6.9%	120.7	131.4	+7.7%	+8.9%
Cards & Digital Payments	360.6	387.4	+7.4%	+7.4%	94.1	101.4	+7.7%	+7.7%
Digital Banking Solutions	121.7	117.7	+1.8%	-3.3%	35.6	32.9	+7.9%	-7.6%
<b>Revenues</b>	<b>930.6</b>	<b>984.1</b>	<b>+7.1%</b>	<b>+5.7%</b>	<b>250.4</b>	<b>265.7</b>	<b>+7.7%</b>	<b>+6.1%</b>
Personnel & related expenses	(155.3)	(166.6)	+7.3%	+7.3%	(41.0)	(44.7)	+9.1%	+9.1%
Operating Costs	(351.2)	(315.0)	-7.6%	-10.3%	(94.3)	(86.9)	-4.4%	-7.9%
<b>Total Costs</b>	<b>(506.4)</b>	<b>(481.6)</b>	<b>-2.9%</b>	<b>-4.9%</b>	<b>(135.3)</b>	<b>(131.6)</b>	<b>-0.1%</b>	<b>-2.7%</b>
<b>EBITDA</b>	<b>424.1</b>	<b>502.5</b>	<b>+18.5%</b>	<b>+18.5%</b>	<b>115.1</b>	<b>134.1</b>	<b>+16.4%</b>	<b>+16.4%</b>
D&A	(74.8)	(120.5)	+61.1%	+61.1%				
Interests & financing costs	(64.4)	(42.6)	-33.8%	-33.8%				
<b>Normalized Pre-tax Profit</b>	<b>285.0</b>	<b>339.4</b>	<b>+19.1%</b>	<b>+19.1%</b>				
Income taxes	(95.8)	(115.8)	+20.9%	+20.9%				
Minorities	(1.5)	(0.9)	-39.1%	-39.1%				
<b>Normalized Net Profit</b>	<b>187.7</b>	<b>222.6</b>	<b>+18.6%</b>	<b>+18.6%</b>				

(1) FY 2019 results normalized for non-recurring items below EBITDA. Interest & financing costs based on new debt structure, fully realized as of October 21<sup>st</sup> 2019. FY 2018 results pro-forma based on current perimeter and post IPO debt structure in order to provide a better Y/Y comparison.

(2) Y/Y revenues and costs performance excluding zero-margin hardware reselling contracts. Please refer to Annex for Y/Y performance on a reported basis.

## FY 2019 P&L reported vs P&L normalized

€/M	Reported FY19	Delta	Normalized FY19
Merchant Services & Solutions	479.0		479.0
Cards & Digital Payments	387.4		387.4
Digital Banking Solutions	117.7		117.7
<b>Revenues</b>	<b>984.1</b>		<b>984.1</b>
Personnel & related expenses	(166.6)		(166.6)
Operating Costs	(315.0)		(315.0)
<b>Total Costs</b>	<b>(481.6)</b>		<b>(481.6)</b>
<b>EBITDA</b>	<b>502.5</b>		<b>502.5</b>
D&A	(157.8)	37.2	(120.5)
Interests & financing costs	(159.9)	117.3	(42.6)
Non recurring items	(44.6)	44.6	-
<b>Pre-tax Profit</b>	<b>140.3</b>	<b>199.1</b>	<b>339.4</b>
Income taxes	(4.2)	(111.7)	(115.8)
Minorities	(0.9)		(0.9)
<b>Net Profit</b>	<b>135.2</b>	<b>87.5</b>	<b>222.6</b>

Transformation costs <sup>1</sup> (51.9) (51.9)

(1) Transformation costs included in Reported Non recurring items

The consolidated income statement, compared to the preliminary version provided on February 12<sup>th</sup> 2020, includes the changes made to Nexi Payments' financial statements mainly related to the final calculation of taxes.

## Income Statement

(€'000)	2019	2018 Restated
Fee for services rendered and commission income	1,642,500	906,948
Fee for services received and commission expense	(647,071)	(328,118)
<b>Net fee and commission income</b>	<b>995,429</b>	<b>578,830</b>
Interest and similar income	18,036	45,640
Interest and similar expense	(183,543)	(79,741)
<b>Net interest income</b>	<b>(165,507)</b>	<b>(34,101)</b>
Profit / loss on trading activity / hedging on financial assets and liabilities designated at fair value through profit or loss	(7,526)	(265)
Dividends and profit / loss from investments and sale of assets at fair value through OCI (ex AFS)	(8,685)	(5,470)
<b>Financial and operative income</b>	<b>813,711</b>	<b>538,994</b>
<i>Personnel expense</i>	<i>(223,721)</i>	<i>(105,444)</i>
<i>Other administrative expenses</i>	<i>(391,016)</i>	<i>(270,955)</i>
<b>Total administrative expenses</b>	<b>(614,737)</b>	<b>(376,399)</b>
Other operating income, net	(2,056)	(264)
Net value adjustments on assets measured at amortized cost	(6,239)	100
Net accruals to provisions for risks and charges	6,455	(14,353)
Net value adjustments / write-backs on tangible and intangible assets	(155,817)	(84,434)
<b>Operating margin</b>	<b>41,317</b>	<b>63,644</b>
Share of profits (losses) of investees and net gains (losses) on sales of investments	(598)	20,717
<b>Pre-tax profit from continuing operations</b>	<b>40,719</b>	<b>84,361</b>
Income taxes	(4,180)	(40,247)
Income (Loss) after tax from discontinued operations	99,547	(7,431)
<b>Profit for the period</b>	<b>136,086</b>	<b>36,683</b>
Profit for the period attributable to the owners of the parent	135,166	35,905
Profit for the period attributable to non-controlling interests	920	778

## Balance Sheet

ASSETS (€'000)	31/12/2019	31/12/2018 Restated
Cash and cash equivalents	115,388	40,688
Financial assets at fair value through profit or loss	-	10
Financial assets at fair value through OCI	118,581	100,114
Financial asset measured at amortised cost	1,595,709	1,668,452
a) loans and receivables with banks	507,024	561,209
b) loans and receivables with financial companies and customers	1,088,685	1,107,243
Equity investments	-	730
Property, equipment	193,102	156,193
Investment property	2,229	3,151
Intangible assets	2,684,671	2,668,298
goodwill	2,093,428	2,093,428
Tax assets	101,909	62,873
a) current	37,614	29,299
b) deferred	64,295	33,574
Non-current assets held for sale and discontinued operations	2,262	80,498
Other assets	474,442	405,705
<b>Total assets</b>	<b>5,288,293</b>	<b>5,186,712</b>

LIABILITIES (€'000)	31/12/2019	31/12/2018 Restated
Financial liability measured at amortised cost	3,140,389	3,716,834
a) due to banks	1,952,072	792,896
b) due to financial companies and customers	369,303	354,249
c) securities issued	819,014	2,569,689
Financial liabilities held for trading	-	3,154
Financial liabilities designated at fair value	-	16,557
Tax liabilities	131,896	163,180
a) current	1,820	31,124
b) deferred	130,076	132,056
Liabilities associated with non-current assets held for sale and discontinued operations	335	39,069
Other liabilities	644,628	716,375
Post-employment benefits	14,528	14,084
Provisions for risks and charges	31,967	46,552
Share capital	57,071	50,000
Treasury shares (-)	-	-
Equity instruments	-	-
Share premium	1,082,204	389,275
Reserves	29,428	(47,735)
Valuation reserves	13,609	36,899
Profit for the period (+/-)	135,166	35,905
Equity attributable to non-controlling interests (+/-)	7,072	6,562
<b>Total liabilities and equity</b>	<b>5,288,293</b>	<b>5,186,712</b>