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PRESS RELEASE

COMPASS EXPANDS IN SWITZERLAND BY ACQUIRING 100% OF HEIDI PAY SWITZERLAND AG

- **COMPASS BECOMES A CONSUMER CREDIT OPERATOR IN SWITZERLAND THROUGH THIS ACQUISITION**
- **THE DEAL CONSOLIDATES COMPASS'S PARTNERSHIP WITH HEIDI PAY AG, THE SWISS FINTECH SPECIALIZING IN THE BUY NOW PAY LATER SEGMENT IN WHICH COMPASS ALREADY HELD A 19.5% STAKE**

Compass, the Mediobanca Group consumer credit arm, has signed an agreement to acquire 100% of **HeidiPay Switzerland AG** from HeidiPay AG. HeidiPay Switzerland AG is a fast-growing Swiss company specializing in the Buy Now Pay Later (BNPL) segment, with over 400 commercial agreements in place with major distributors, luxury brands and technology operators throughout the country.

With this acquisition, Compass will effectively become a consumer credit operator in the Swiss market, through the **distribution licence** held by HeidiPay Switzerland AG.

The agreement will enable Compass to consolidate its partnership with the holding company HeidiPay AG, a fintech specialized in the development of digital platforms to support BNPL in the world of e-commerce and for physical merchants, in which Compass holds a 19.5% stake since August 2022.

After closing, HeidiPay Switzerland AG will continue to benefit from the technology and services of HeidiPay AG, providing continuity for a BNPL product offering that is unique in the Swiss market and is being adopted by an increasing number of leading distributors and brands.

With its array of available risk management instruments (origination, collection and anti-fraud), and with its broad and deep customer database, Compass will be able to make its BNPL business scalable and sustainable in a distinctive manner, which will prove hard to be replicated by pure fintech operators.

The deal is consistent with the objectives of the new "One Brand One Culture" 2023-26 Strategic Plan, which include major enhancement of the Mediobanca Consumer Finance Division's distribution structure, by developing a cutting-edge digital platform, and strengthening the client base through expansion into new geographical markets.

The deal will enable Compass to unlock further value from PagoLight, the company's proprietary, full-digital BNPL solution which can be added into e-commerce websites, creating



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the basis for developing an international product offering to support multi-country merchants, which are typical needs of online players.

Initially launched in 2021 for physical stores only, Pagolight is currently used in Italy in over 12,000 physical POS (a network which continues to grow, with approx. 1,000 new installations per month), and in over 150 e-commerce platforms with an overall acquisition capacity of around 20,000 clients per month, enhanced by the recent acquisition of the fintech operator Soisy.

*"This deal has a strong industrial rationale and is consistent with the guidelines of our new 2023-26 Strategic Plan", said **Alberto Nagel, Chief Executive Officer of Mediobanca.** "With the acquisition of HeidiPay Switzerland AG we are launching the geographical diversification of our Consumer Finance division, on the back of cutting-edge digital platforms to grant credit, together with a value-driven management approach that leverages on the risk analysis and assessment capabilities that Compass has developed in over 60 years of business", **Alberto Nagel** added.*

*"The Swiss market is currently considered to be one of those with the highest growth potential in Europe for the Buy Now Pay Later segment", commented **Gian Luca Sichel, CEO of Compass.** "Being able to count on hundreds of commercial partnerships throughout the country enables us to lay the foundations to further grow our client base and expand our already broad consumer credit product offering, with a significant contribution to be made from the first year of activity", **Gian Luca Sichel concluded.***

The closing, which is subject to the relevant regulatory authorizations, is expected in the 2H 2023, and will have a negligible impact on the Mediobanca Group's Core Tier 1 capital ratio.

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