**Report on item 1 on the agenda of the Extraordinary Shareholders' Meeting**

**Approval of a share capital increase, free of charge, in one or more tranches, pursuant to Article 2349 of the Italian Civil Code, for a maximum amount of Euro 1,776,780, to be carried out through the issue of new shares without nominal value, to be used as part of the incentive plan called "*LTI Plan*", with related amendments to the By-Laws and granting of the relevant powers to the administrative body. Related and consequent resolutions.**

Dear Shareholders,

the Extraordinary Shareholders' Meeting of Nexi S.p.A. (the "**Company**"), called for May 5th, 2022 is called to discuss and resolve upon the proposal to increase the share capital, free of charge and divisible, to be carried out in several tranches, pursuant to Article 2349 of the Italian Civil Code, within the term of May 31st, 2027, for a maximum amount of Euro 1,776,780, including the share premium, by means of the issue, also in several tranches, of a maximum of no. 19,652,874 ordinary shares, without any indication of their nominal value, in order to meet the purposes set out below in this report (the "**LTI Capital Increase**").

In this regard, please note that, pursuant to Article 6 of the By-Laws, *"[...] the allocation of profits and/or reserves from profits to employees of the Company or its subsidiaries is permitted, in the manners and forms provided for by law, through the issue, up to the amount corresponding to the profits, of shares to be assigned individually to employees, pursuant to Article 2349, paragraph one, of the Italian Civil Code, establishing rules regarding the form, mode of transfer and the rights due to shareholders [...]*".

That being said, on March 10th, 2022, the Board of Directors - having acknowledged the assignment relating to the last cycle of the previous incentive plan - resolved to submit to the Extraordinary Shareholders' Meeting the approval of a new *long-term incentive plan* (the "**LTI Plan**") reserved for the Chief Executive Officer and General Manager, as well as for additional employees, including Executives with Strategic Responsibilities, of the Company and/or its subsidiaries (collectively, the "**Group**"). The LTI Plan is better described in the information document drawn up pursuant to Article 84-*bis* of the Consob Resolution No. 11971 dated May 14th, 1999, as subsequently amended and supplemented (respectively, the "**Information Document**" and the "**Issuers' Regulation**"), approved by the Board of Directors and made available to the Shareholders for the examination of item 6 of the agenda of the Ordinary Shareholders' Meeting on the Company's website www.nexigroup.com, section Group/Governance/Shareholders' Meeting/Extraordinary and Ordinary Shareholders' Meeting May 5th, 2022.

In particular, the LTI Plan provides for the free assignment to the persons identified as beneficiaries, over a medium-long term, divided into three assignment cycles on a three-year basis (2022-2024, 2023-2025 and 2024-2026), of two categories of rights, performance shares and restricted shares, which, under the terms and conditions set out more in detail in the Information Document, allow the respective beneficiaries to receive shares of the Company. Since the LTI Plan provides for three-year cycles, the shares will be granted to the beneficiaries in several tranches, the last of which will be in 2027 – following the approval of the financial statements for the year 2026.

In order to ensure a sufficient number of shares to be granted on the basis of the rights assigned under the LTI Plan, the Board therefore hereby submits to your attention the proposal to increase the share capital free of charge.

This report, approved by the Board of Directors during the meeting held on March 10th, 2022, has been draw up in compliance with the provisions of Article 2349, paragraph 1, of the Italian Civil Code, Article 125-*ter* of Legislative Decree No. 58 dated February 24th, 1998 as well as Article 72 of the Consob Resolution No. 11971 dated May 14th, 1999, as subsequently amended and supplemented (the "**Issuers' Regulation**") and related Annex 3A, Schedule 2.

## 1. Reasons for and purpose of the LTI Capital Increase

The Company, consistently with market practice and in accordance with the provisions of the Corporate Governance Code, deems the LTI Plan to be a tool used to drive corporate performance in the medium/long term by aligning management behaviour with corporate strategy and risk management policies, as well as to retain the Group's key people, who hold high-impact positions for the company and have significant skills, which can represent a competitive advantage for the Group: these purposes justify the exclusion of option rights in favour of Shareholders.

The LTI Capital Increase is exclusively envisaged to service the LTI Plan, as described above, and is therefore intended to create the supply of shares to be allocated to the beneficiaries of the aforementioned LTI Plan (*i.e.*, the Chief Executive Officer and General Manager and other employees, including Key Management Personnel, of the Group).

The shares may also be issued in several tranches over the term of the capital increase resolution described above, and in any event by the final date of May 31st, 2027.

## 2. Modalities of the transaction

The LTI Plan provides for the free assignment of shares to the persons identified as beneficiaries, of a maximum of 19,652,874 ordinary shares, at the conditions set out in the LTI Plan itself; in this regard, please note that the LTI Plan is divided into three assignment cycles (2022-2024; 2023-2025; 2024-2026).

Following the approval of the financial statements for the last year of each vesting period (*i.e.*, the 2024, 2025 and 2026 financial years) and subject to the assessment of the conditions set forth in the LTI Plan for the different types of rights, as detailed in the Information Document, the Board of Directors shall determine the number of shares to be granted free of charge to each person identified as a beneficiary.

In particular, pursuant to Article 2349 of the Italian Civil Code, the LTI Capital Increase shall be carried out by using profits and/or available reserves to be allocated for this purpose. In this regard, the Board of Directors intends to withdraw the relevant amount from the Company's available reserve denominated "*Profits/Losses Carried Forward*", equal to Euro 121,600,229, as resulting from the Company's consolidated financial statements, approved by the Company's Board of Directors on March 10th, 2022 and relating to the financial year ended December 31st, 2021 and submitted for approval to the Ordinary Shareholders' Meeting, convened on May 5th, 2022. This amount will be allocated in full to capital.

Please note that the aforementioned "*Profits/Losses Carried Forward*" reserve, as resulting in the draft financial statements referred to above, amounts to Euro 121,600,229 and, following the withdrawal, will amount to Euro 119,823,449.

Accordingly, the Board of Directors will be entitled, from time to time, to issue shares, in several tranches, from the LTI Capital Increase, based on the terms of the allocation of the shares, and the fulfilment of the conditions, set forth in the LTI Plan.

The Board of Directors proposes the date of May 31st, 2027 as the final date within which to execute the LTI Capital Increase, considering that the third grant cycle of the LTI Plan will end in 2026.

Considering that the LTI Capital Increase is characterised by the requirement of divisibility, if the total number of shares provided for under the LTI Plan is not allocated by May 31st, 2027, the capital will increase by an amount calculated on the basis of the allocations made only.

Any surplus in the unallocated reserve for the LTI Capital Increase as of December 31st, 2026 will be carried forward to retained earnings.

The maximum total number of shares to be granted under the LTI Capital Increase represents 1.5% of the currently outstanding ordinary shares.

## 3. Characteristics of the shares

On the relevant issue date, the shares of the Company under the LTI Plan Capital Increase, granted to the beneficiaries of the LTI Plan, will be automatically admitted to trading on Euronext Milan, will have regular dividend rights and will grant to their holders the same rights as the ordinary shares of the Company circulating in the market on that date.

## 4. Amendments to the By-Laws

In light of the foregoing, it is proposed to amend Article 6 of the Company's By-Laws as indicated in the following table, which compares the text of Article 6 of the current By-Laws with the text that would result from approval of the proposed amendments.

In order to facilitate the identification of the amendments to the By-Laws, please note that the following procedure has been followed for each provision subject to proposed amendment:

- the text of the current By-Laws is shown in the column on the left of the table;
- the text proposed for adoption is shown in the column on the right of the table, where the parts added are highlighted and the parts removed are crossed out.

| Current By-Laws | Amendments to the current By-Laws |
|---|---|
| **ARTICLE 6 - CAPITAL AND SHARES** | **ARTICLE 6 - CAPITAL AND SHARES** |
| **6.1** The share capital is equal to Euro 118,451,992, divided into 1,310,191,586 without par value shares, all vested with equal rights. | *Unchanged text* |
| **6.2** Shares are indivisible, registered and freely transferable. Each share entitles the holder to one vote at all the Company's Shareholders' Meetings. | *Unchanged text* |
| **6.3** Pursuant to the laws and regulations in force from time to time, the Company may issue classes of shares with different rights to those of the shares already issued, determining their content in the relevant issue resolution. The Shareholders' Meeting may also resolve to issue participatory financial instruments pursuant to Article 2346 of the Italian Civil Code, provided with dividend rights or even voting rights, in accordance with the applicable provisions. | *Unchanged text* |
| **6.4** The allocation of profits and/or profit reserves from profits to employees of the Company or its subsidiaries is permitted, in the manners and forms provided for by law, through the issue, up to the amount corresponding to the profits, of shares to be assigned individually to employees, pursuant to Article 2349, paragraph one, of the Italian Civil Code, establishing rules regarding the form, mode of transfer and rights due to the shareholders. The Extraordinary Shareholders' Meeting may also resolve to assign to employees of the Company or of its subsidiaries financial instruments, other than shares, with attached dividend rights or even voting rights, excluding | *Unchanged text* |

| | |
|---|---|
| the right to vote at the General Meeting, and may set rules regarding the conditions for exercising the rights assigned, the possibility of transfer and any causes for forfeiture or redemption. | |
| **6.5** In the event of a capital increase, the newly issued shares may also be paid up by way of contributions of receivables or assets in kind. | *Unchanged text* |
| **6.6** With respect to resolutions for the increase of share capital, the Shareholders' Meeting may resolve upon paid capital increases and with limitation and/or exclusion of the pre-emption right pursuant to Article 2441 of the Italian Civil Code. | *Unchanged text* |
| **6.7** Without prejudice to the other cases of exclusion or limitation of the pre-emption right provided for by laws and regulations in force at the time, with respect to resolutions for paid share capital increases, the pre-emption right may be excluded up to a maximum of 10% (ten percent) of the pre-existing share capital, provided that the issue price corresponds to the market value of the shares and that this is confirmed in a specific report by an auditor or an auditing company. | *Unchanged text* |
| **6.8** The Extraordinary Shareholders' Meeting held on March 12th, 2019 resolved to delegate to the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, the power to increase the share capital, within a period of 60 months from the date of the resolution, in a divisible manner and in one or more tranches, without payment in accordance with Article 2349, paragraph 1, of the Italian Civil Code, through the use of available profits or reserves, for a maximum amount of Euro 1,000,000.00 to be allocated in full to share capital, with the issue of a total number of shares not exceeding 1.5% of the number of shares of the Company existing at the end of the listing, with regular dividend entitlement, to be used for the LTI Plan. For the purpose of exercising the above delegation of powers, the Board of Directors is vested with all powers to identify, for each individual exercise of the delegation of powers, the amount of the capital increase, the number and dividend entitlement of newly issued | *Unchanged text* |

| | |
|---|---|
| shares, within the limits of the applicable laws and regulations. | |
| **6.9** The Extraordinary Shareholders' Meeting held on June 29th, 2020 resolved to approve a divisible share capital increase, excluding shareholder pre-emption rights pursuant to Article 2441(5) of the Italian Civil Code, worth, including any share premiums, Euro 500,000,000 (five hundred million), in service to the conversion of the "€500,000,000 1.75 per cent. Equity Linked Bonds due 2027", to be converted, whether all or some only, via one or more issues, into dividend-paying ordinary shares of the Company, for a maximum total amount of Euro 500,000,000 (five hundred million), solely in service to the Bonds issued by the Company as "€500,000,000 1.75 per cent. Equity Linked Bonds due 2027", pursuant to provisions thereto under the Terms and Conditions, without prejudice to the closing date for subscription of the shares to be issued at April 30th, 2027 and, should the Capital Increase not be fully subscribed by such date, to approve such capital being recognised as increased by an amount equal to the subscriptions effected and as of the subscription date thereof, and to grant express authorisation to the Board of Directors to issue, from time to time, new shares as such shares are subscribed. Fractions of shares shall not be issued, transferred or delivered and no payment in cash or adjustment shall be made in lieu thereof**.** | *Unchanged text* |
| **6.10** The Extraordinary Shareholders' Meeting held on March 3rd, 2021, in the context of the approval of the merger plan relating to the merger by incorporation of Nets Topco 2 S.à r.l., a limited liability company (*société à responsabilité limitée*) incorporated under the laws of the Grand Duchy of Luxembourg, with registered office at boulevard F.W. Raiffeisen 15, L-2411, Luxembourg, Grand Duchy of Luxembourg, resolved upon the possible issuance of further no 40,000,000 shares, without capital increase, to service the EBITDA Earn-out (as defined in the aforesaid merger plan). | *Unchanged text* |
| **6.11** The Extraordinary Shareholders' Meeting held on October 15th, 2021 resolved to approve a | *Unchanged text* |

| | |
|---|---|
| divisible share capital increase, excluding shareholder pre-emption rights pursuant to Article 2441(5) of the Italian Civil Code, worth, including any share premiums, Euro 1,000,000,000 (one billion), in service to the conversion of the "€ 1,000,000,000 Zero Coupon Equity Linked Bonds due 2028", to be converted, whether all or some only, via one or more issues, into dividend-paying ordinary shares of the Company, for a maximum total amount of Euro 1,000,000,000 (one billion), and solely in service to the Bonds issued by the Company as "€1,000,000,000 Zero Coupon Equity Linked Bonds due 2028", pursuant to provisions thereto under the Terms and Conditions, without prejudice to the closing date for subscription of the shares to be issued at March 10th, 2028 and, should the capital increase not be fully subscribed by such date, to approve such capital being recognised as increased by an amount equal to the subscriptions effected and as of the subscription date thereof, and to grant express authorisation to the Board of Directors to issue, from time to time, new shares as such shares are subscribed. Fractions of shares shall not be issued, transferred or delivered and no payment in cash or adjustment shall be made in lieu thereof. | |
| | **6.12 The Extraordinary Shareholders' Meeting held on May 5th, 2022 resolved to increase the share capital, pursuant to Article 2349 of the Italian Civil Code, free of charge and in divisible form, to be carried out in one or more tranches, by the end of May 31st, 2027, by a maximum amount of Euro 1,776,780 by issuing, also in several tranches, a total number of 19,652,874 ordinary shares, with no indication of par value, having the same characteristics as those in circulation and regular dividend rights, at an issue value equal to the accounting parity of the Company's shares on the date of execution, to be entirely allocated to capital, for a corresponding amount taken from the "Profits/Losses Carried Forward" reserve as shown in the Company's financial statements for the year ended December 31st, 2021, to** |

| | |
|---|---|
| | **service the incentive plan known as the "LTI Plan".** |

## 5. Assessments on the recurrence of the right of withdrawal

The proposed amendment to the By-Laws does not fall within any of the cases of withdrawal under By-Laws and the applicable law and regulations.

## 6. Resolutions proposed to the Extraordinary Shareholders' Meeting

Dear Shareholders, in relation to the above, if you agree, the Board of Directors now submits the following proposal for your approval:

"*The Extraordinary Shareholders' Meeting of Nexi S.p.A.,*

- *having examined the Board of Directors' explanatory report and the proposals for resolutions contained therein,*

***RESOLVES***

1) *to increase the share capital free of charge, pursuant to Article 2349 of the Italian Civil Code, in a divisible manner and to be carried out in several tranches, by the final date of May 31st, 2027, by issuing a maximum of no. 19,652,874 ordinary shares without any indication of the nominal value, subject to the dematerialisation regime, having the same characteristics as those in circulation and regular benefit, for a maximum amount of Euro 1,776,780, at an issue value equal to the accounting parity of the Company's shares on the date of execution to service the incentive plan called "LTI Plan";*
2) *to allocate entirely to capital an amount equal to maximum Euro 1,776,780, by withdrawing a corresponding amount from the reserve denominated "Profits/Losses Carried Forward" as resulting from the Company's latest financial statements for the year ended December 31st, 2021, approved on today's date, pursuant to Article 2349 of the Italian Civil Code;*
3) *to amend, as a consequence of the above, Article 6 of the By-Laws by introducing a new paragraph 11 with the following wording: "The Extraordinary Shareholders' Meeting held on May 5th, 2022 resolved to increase the share capital, pursuant to Article 2349 of the Italian Civil Code, free of charge and in divisible form, to be carried out in one or more tranches, by the end of May 31st, 2027, by a maximum amount of Euro 1,776,780 by issuing, also in several tranches, a total number of 19,652,874 ordinary shares, with no indication of par value, having the same characteristics as those in circulation and regular dividend rights, at an issue value equal to the accounting parity of the Company's shares on the date of execution, to be entirely allocated to capital, for a corresponding amount taken from the "Profits/Losses Carried Forward" reserve as shown in the Company's financial statements for the year ended December 31st, 2021, to service the incentive plan known as the "LTI Plan".";*
4) *to delegate to the Board of Directors, with the power to sub-delegate in favour of one or more Directors, all the necessary powers (i) relating to the execution of the aforementioned capital increase and, in particular, to the allocation and issue of the new shares, for each cycle, to service the aforementioned incentive plan, (ii) to make the appropriate accounting entries following the issue transactions, in compliance with the provisions of law and the accounting standards applicable from time to time and (iii) to make the consequent amendments to Article 6 of the By-Laws in order to adjust the amount of the share capital accordingly, it being understood that if the capital increase is not fully executed by May 31st, 2027 the share capital shall be deemed to be increased by an amount equal to the issue value of the shares issued from time to time; as well as (iv) to carry out the certification pursuant to art. 2444 of the Italian Civil Code and the filing, from time to time, of the Articles of Association showing the updated amount of the share capital pursuant to art. 2436 of the Italian Civil Code."*

Milan, April 5th, 2022

for the Board of Directors

The Chairwoman

Michaela Castelli