



**Report on item 3 on the agenda of the Ordinary Shareholders' Meeting**

**Proposed authorization to purchase and dispose of treasury shares, subject to revocation of the authorization granted by the Shareholders' Meeting of May 4, 2023 for the portion which was not implemented. Related and consequent resolutions.**



Dear Shareholders,

The Ordinary Shareholders' Meeting called for April 30, 2024 is called upon to discuss and resolve on this proposal concerning the authorization to purchase and dispose of treasury shares, for the purposes, under the terms and in the manner illustrated below, subject to revocation of the previous authorization approved by the Ordinary Shareholders' Meeting held on May 4, 2023, for the portion which was not implemented.

This report, approved by the Board of Directors' meeting held on March 6, 2024, was drafted for submission to your approval, pursuant to Articles 2357 and 2357-ter of the Italian Civil Code and Article 132 of Legislative Decree No. 58 dated February 24, 1998, as subsequently amended and supplemented (the “CFA”), in accordance with the provisions of Article 73 of the Regulation adopted by Consob with Resolution No. 11971 of May 14, 1999, as subsequently amended and supplemented (the “**Issuers' Regulation**”) and the relevant Annex 3A, Schedule 4, of the authorization to purchase and dispose of, on one or more occasions, a maximum number of ordinary shares of Nexi S.p.A. (the “**Company**”) that will lead the Company, where the right to purchase is exercised in full, to hold a stake not exceeding 20% of the pro tempore share capital of the Company (at the date of this report, therefore, maximum no. 262,470,105 ordinary shares), as provided by the applicable laws.

In light of the fact that the authorization to purchase treasury shares approved by the Ordinary Shareholders' Meeting held on May 4, 2023 will expire on November 4, 2024 the Board of Directors deems it appropriate to submit for the approval of the Ordinary Shareholders' Meeting a new proposal for authorization to purchase and dispose of treasury shares, with effect from the date of the Shareholders' Meeting, subject to revocation of the previous authorization.

## 1. Grounds for the proposed authorization

The request for authorization to purchase and dispose of treasury shares referred to under this report is part of the activities envisaged by the Board of Directors in view of the substantial cash availability and strong growth in current and expected *excess cash*, for which the market was provided with a *guidance* for the financial year 2024 and a forecast for the medium term.

In particular, following the results recorded in 2023, while continuing to support the expected debt reduction and the limited M&A opportunities foreseen for the future, the Board of Directors proposes to make, as of now, a purchase of Nexi shares (so called *share buy-back* program) for a whole disbursement of a maximum of Euro 500,000,000.00 as shareholder remuneration and to a minor extent to cover commitments arising from the share incentive plans in place from time to time.

The aforesaid *buy-back* program constitutes an operating solution considered, given the current market conditions, more effective for the remuneration of shareholders than the distribution of a dividend, also taking into account the possible positive effect on the market's appreciation of Nexi's shares, in a phase of strong pressure on the share prices of companies in the sector. The execution of the aforementioned program is also compatible with the Company's progressive *de-leveraging* plan.

It should be noted that the Board of Directors simultaneously submits to the Shareholders' Meeting, convened in extraordinary session, the proposal to cancel the shares that may be purchased under the *buy-back* program, except for the number of shares that, taking into account those already held in the Company's portfolio, are needed to cover the commitments arising from the incentive plans from time to time.

For further information on the proposed cancellation of Nexi's treasury shares, it is recommended to refer to the Board of Directors' report under item 1 on the extraordinary agenda.

In line with the above and with the objective of still providing the Board of Directors with the appropriate operational flexibility for the period of the authorization, the request for authorization to purchase and dispose of treasury shares submitted to the Shareholders' meeting is based on the opportunity to provide the Company with an effective instrument that allows the same to:

- (i) have treasury shares available to serve existing and future share incentive plans, reserved for directors and/or managers of the Company or companies belonging to the Nexi Group;
- (ii) have treasury shares available to serve, if necessary, any extraordinary equity transactions or financing transactions entailing the award or disposal of treasury shares;

- (iii) take action, in compliance with the provisions in force and through intermediaries, to stabilize the shares and to regulate the trading dynamics and prices, in response to distortions due to excessive volatility or a lack of liquidity in trades;
- (iv) to carry out activities to support market liquidity, optimise capital structure, remunerate shareholders in specific market situations, all within the limits set by applicable regulations;
- (v) to seize opportunities for the creation of value and the efficient use of liquidity in relation to market trends;
- (vi) for any purpose that the relevant Authorities may classify as a permitted market practice under applicable European and domestic regulations, and in the manner set forth therein

and, in any case, pursue the purposes permitted by the current regulatory provisions, including those under Regulation (EU) 596/2014, as well as, where appropriate, by the market practices accepted by CONSOB.

It should be noted that, if the grounds for the buyback cease to exist, treasury shares purchased in execution of this authorization may be allocated to any other of the abovementioned purposes or traded as well as that the aforementioned purposes will be pursued in compliance with the applicable laws, fulfilling the obligations set forth therein, such as, *inter alia*, the disclosure obligations relating to the purchase of treasury shares.

## **2. Maximum number, category and nominal value of shares to which the authorization refers**

The share capital of the Company currently amounts to Euro 118,647,177 and consists of no. 1,312,350,527 ordinary shares without no par value. By the authorization resolution submitted to the Shareholders' meeting, the Board of Directors requests authorization to purchase, within the period referred to in paragraph 4 below, a maximum number of ordinary shares of the Company which, taking into account those held in the portfolio by the Company and its subsidiaries, do not exceed 20% of the Company's pro tempore share capital, as provided by the applicable laws for an amount not exceeding Euro 500.000.000.

Except for the proposal to cancel Nexi's treasury shares, for which it is recommended to refer to the Board of Directors' report under item 1 on the extraordinary agenda, the authorization also includes the right to subsequently dispose of (in whole or in part, on one or more occasions) the shares in the portfolio, even before having reached the maximum number of shares that can be purchased and, if necessary, to repurchase those shares to such an extent that the treasury shares held by the Company and, where appropriate, by its subsidiaries, do not exceed the limit established by the authorization. Without prejudice to the above, it should be noted that following any authorization by the Shareholders' Meeting, the Board of Directors shall take into account the contractual undertakings of the Company in force from time to time when implementing the plan for the purchase and disposal of treasury shares.

## **3. Information relating to compliance with the provisions of Article 2357, paragraphs 1 and 3, of the Italian Civil Code**

As of the date of the approval of this Report, the Company holds no. 558,564 treasury shares, purchased in execution of the treasury share purchase program ended on March 14, 2023, intended to build up a portfolio of treasury shares to service the commitments arising from the share incentive plans.

It should be noted that, pursuant to Article 2357, paragraph 1, of the Italian Civil Code, the purchase of treasury shares is permitted within the limits of the distributable profits and the available reserves reported in the latest duly approved financial statements.

In such respect, it is recommended to refer to the draft financial statements for the year ended as of December 31, 2023, submitted for approval to the Shareholders' Meeting called for April 30, 2024 (assuming that the relevant approval by the Shareholders' Meeting will occur under the terms proposed by the Board of Directors), which shows available reserves amounting to Euro 11,550,141,370. These available reserves result from the total amount of: (i) the available reserves resulting from the financial statements for the year ended 2023 reduced as a result of the coverage of the loss for the year of Euro 576,680,143 (from revenue reserves in the amount of Euro 517,582,861 and, for the remaining portion equal to Euro 59,097,282, from the share premium reserve); to which it should be added (ii) the amount made available from the Share Premium Reserve, amounting to Euro 11,526,335,990, remaining from the allocation of Euro 1,826,618 to the Legal Reserve, until it is completely filled,

submitted at the same time to the Shareholders' Meeting at the time of the approval of the 2023 financial statements, as per item 1 of the agenda.

It should be noted that the Board of Directors shall verify compliance with the conditions set forth by Article 2357, paragraphs 1 and 3, of the Italian Civil Code each time a purchase of treasury shares is executed. Whenever shares are purchased, disposed of, exchanged, contributed or impaired, the appropriate accounting entries shall be made, in compliance with the applicable laws and accounting standards. In the event of disposal, exchange, contribution or impairment, the corresponding amount may be allocated to further purchases, until the expiry of the term of the Shareholders' Meeting authorisation, without prejudice to the quantitative and spending limits, as well as the conditions established by the Shareholders' Meeting and any contractual commitments existing from time to time. The subsidiaries will be given specific instructions for them to promptly report any acquisition of shares made pursuant to Article 2359-bis of the Italian Civil Code.

#### **4. Period for which authorization is requested**

Authorization to purchase is requested for the maximum duration permitted by Article 2357, paragraph 2, of the Italian Civil Code and, therefore, for a period of 18 months from the date of authorization by the Ordinary Shareholders' Meeting, so until October 31<sup>st</sup>, 2025. Within the period of any authorization that may be granted, the Board of Directors may purchase shares on one or more occasions, also on a revolving basis, at any time, to the extent and at the times freely determined, in compliance with the applicable rules and the quantitative limits indicated above, and gradually as deemed appropriate in the interest of the Company. The authorization to dispose of any treasury shares that may be purchased is requested without any time limits, due to the absence of any time limits under current provisions and due to the fact that the Board of Directors should enjoy maximum flexibility, also in terms of time, to perform the acts of disposal of the shares.

#### **5. Minimum and maximum price**

The Board of Directors hereby proposes that the unit price for the share purchases shall be established each time for each individual transaction, having regard to the method adopted for performing the transaction and in compliance with legislative and regulatory requirements, as well as established market practices, where applicable. The minimum purchase price shall not be lower than 10% the reference price that the share recorded in the stock exchange session on the day prior to the completion of each purchase transaction, while the maximum price may not be 10% higher than the reference price that the stock will have recorded in the stock exchange session on the day preceding the completion of each individual purchase transaction, depending on the technical methods identified by the Board of Directors and, where applicable, in compliance with the price limits indicated by the law, including regulations, pro-tempore in force.

The acts of disposal and/or use of the treasury shares in the portfolio or purchased on the basis of the authorization proposed herein will be carried out, without any time constraint, on one or more occasions, in the manner deemed most appropriate in the interest of the Company and in any case in compliance with legislative and regulatory requirements and accepted practices in force, where applicable, according to the procedures specified below:

(i) where the treasury shares are subject to sale, exchange, contribution or other act of disposal, for acquisitions of equity investments and/or real estate and/or the conclusion of agreements (including commercial agreements) with strategic partners, and/or for the implementation of industrial projects or extraordinary finance transactions or for the service of equity transactions or other corporate and/or financial transactions and/or financing, at a price established from time to time by the Board of Directors in relation to criteria of appropriateness, it being understood that such a price must optimize the economic effects on the Company; (ii) as part of share incentive plans, in the manner and terms indicated in the regulations of the plans; and (iii) in all other cases, according to the price determined from time to time by the Board of Directors in the best interest of the Company and, in any case, in compliance with applicable legislative and regulatory provisions.

#### **6. Methods by which purchases and acts of disposal will be carried out**

The purchase transactions will start and end within the time limits established by the Board of Directors subsequent to any authorization by the Ordinary Shareholders' Meeting. In view of the various purposes that can be pursued through transactions on treasury shares, the Board proposes that the authorization shall be granted for making purchases in any of the manners permitted by the applicable Italian and European legislation, including Article 132 of the CFA and Article 144-bis of the Issuers' Regulation, Regulation (EU) No. 596/2014 and Delegated Regulation (EU) No. 2016/1052, as well as, where appropriate, by accepted market practices recognized by

Consob, to be identified from time to time at the discretion of the Board of Directors in any case respecting the principle of equal treatment of the shareholders. With regard to the transactions of disposal of any treasury shares purchased by the Company, the Board of Directors proposes that the authorisation should allow the adoption of any method that is appropriate for the purposes that will be pursued, including sales outside the markets and block trades.

In particular, such purchases may be made (i) by means of a takeover bid or exchange offer; (ii) on regulated markets in accordance with the operating procedures set forth in the regulations for the organization and management of the markets themselves, which do not allow the direct matching of trading proposals for purchase with predetermined trading proposals for sale (iii) through the proportional allocation to shareholders of put options to be assigned within 15 months of the date of the shareholders' authorization resolution and exercisable within 18 months of the same; (iv) through the purchase and sale of derivative instruments traded on regulated markets that provide for the physical delivery of the underlying shares, complying with the additional provisions of Article 144-bis of the Issuers' Regulations issued by Consob, as well as pursuant to Articles 5 and 13 of Regulation (EU) No. 596/2014.

Finally, it should be noted that pursuant to the exemption under Article 132, paragraph 3, of the CFA, the aforementioned operating procedures do not apply in the event of the purchase of treasury shares from employees of the Company, its subsidiaries or the parent company that are awarded to them as part of a share incentive plan pursuant to Articles 2349 and 2441, paragraph 8 of the Italian Civil Code or arising from remuneration plans approved pursuant to Article 114-bis of the CFA. Completed transactions for the purchase and disposal of treasury shares shall be disclosed to the market within the terms and in the manner referred to in the regulatory provisions in force.

#### **7. Cancellation without reduction of share capital**

At the same time, the Board of Directors submits to the Shareholders' Meeting, convened in extraordinary session, the proposal to cancel any treasury shares purchased in execution of the authorization that is the subject of this report, except for the number of shares that, taking into account those already held in the Company's portfolio are necessary to cover the commitments deriving from the incentive plans in force from time to time, for the reasons and under the terms indicated in the report of the related item on the agenda, with the specification that the cancellation will be carried out without reducing the share capital at par value, in consideration of the lack of par value of the Company's shares.

For further information on the cancellation of shares, it is recommended to refer to the Board of Directors' report under item 1 on the extraordinary agenda.

#### **8. Effects of the approval of the resolution authorizing the purchase of treasury share pursuant to Art. 44-bis of the Issuers' Regulation**

It should be noted that, pursuant to Art. 44-bis, paragraph 1, of the Issuers' Regulation, treasury shares held by the Company, also indirectly, are not computed in the share capital for the purposes of calculating the thresholds to launch a mandatory tender offer pursuant to Article 106, paragraphs 1, 1-bis, 1-ter and 3, letter b) of the CFA.

Furthermore, it should be noted that, pursuant to Art. 44-bis, paragraph 2, of the Issuers' Regulation, the abovementioned provision under Art. 44-bis, paragraph 1, of the Issuers' Regulation does not apply where the thresholds provided under Article 106 of the CFA are exceeded as a result of treasury shares purchased, directly or indirectly, by the Company under a shareholders' meeting resolution approved through the so-called *whitewash* procedure.

To that end, notwithstanding the provisions of Articles 2368 and 2369 of the Italian Civil Code, a white-wash resolution has also to be approved with the favourable vote of the majority of the shareholders in attendance at the meeting, other than the shareholder or shareholders who, jointly or severally, hold the majority interest, including a relative majority interest, provided that it exceeds 10% of share capital.

In light of the above, Shareholders are hereby informed that, should the Shareholders' Meeting resolution authorizing the purchase of treasury shares of the Company provided for in this report be approved with the majorities provided under Article 44-bis, paragraph 2, of the Issuers' Regulation, the treasury shares purchased by the Company under such resolution would not be excluded from the Company's share capital – and therefore will be calculated as part of it – for the purposes of calculating whether one or more shareholders have exceeded the thresholds relevant for the purposes of Article 106 TUF, with the consequent exempting effect from the obligation



of a full takeover bid provided for therein.

In any case, pursuant to Article 44-bis, paragraph 4, of the Issuers' Regulation, treasury shares purchased as a result of transactions undertaken: (i) according to the methods indicated by Consob resolution No. 16839 dated March 19, 2009, to be stocked and used as consideration in extraordinary transactions, including exchanges of shares, that have already been approved; and (ii) as part of transactions undertaken in performance of obligations arising from compensation plans approved by the Shareholders' Meeting under Article 114-bis of the CFA, shall not be excluded from the share capital on which mandatory tender offer thresholds are computed.

### **Resolutions proposed to the Shareholders' Meeting**

Dear Shareholders, in relation to the foregoing, if you are in agreement, we would invite you to approve the following proposal:

"The Ordinary Shareholders' Meeting of Nexi S.p.A.

- having examined the Board of Directors' report drafted pursuant to Article 73 as well as Annex 3A, Schedule no. 4, of the Issuers' Regulation;
- having noted that, as of the date of this Shareholders' Meeting, Nexi S.p.A. holds no. 558,564 treasury shares in the portfolio and that no company controlled by it holds shares in Nexi S.p.A.;
- having noted the financial statements for the year ended 31 December 2023 approved by today's Shareholders' Meeting;
- on the assumption that the Shareholders' Meeting, when approving the financial statements for the year ended 31 December 2023, resolved to allocate part of the Share Premium Reserve, amounting to Euro 1,826,618, to the Legal Reserve, thus resulting in the same being entirely filled;
  - having noted the opportunity to issue an authorization to purchase and dispose of treasury shares that allows the Company to carry out transactions for the purchase and disposal of treasury shares for the purposes and in the manner indicated in the Board of Directors' report,
  - acknowledged that the authorization to proceed with transactions for the purchase and disposal of treasury shares granted by the Shareholders' Meeting of 4 May 2023 was only partially executed,

### **RESOLVES**

1. to revoke with effect from today's date the authorization for the purchase and disposal of treasury shares approved by the Shareholders' Meeting on May 4, 2023 for the portion which was not implemented
2. to authorise, pursuant to, for the purposes and within the limits of Article 2357 of the Italian Civil Code, the purchase, on one or more occasions and also on a revolving basis (so called *revolving*), of a maximum number of Nexi S.p.A. ordinary shares that leads the Company to hold, if the right granted herein is exercised in full within the maximum term indicated below, a number of shares equal to, at most – taking into account the shares held in the portfolio by the Company and by its subsidiaries – 20% of the pro tempore share capital, in compliance with all legal limits, for the pursuit of the purposes referred to in the Board of Directors' report and under the following terms and conditions:
  - the shares may be purchased until the end of the eighteenth month from the date of this resolution;
  - the authorization is granted for an outlay not exceeding € 500 million;
  - the unit price for the purchase of the shares will be established on a case-by-case basis for each transaction, having regard to the method chosen but, in any case, may not be 10% higher or lower than the reference price that the stock will have recorded in the stock exchange session on the day preceding the completion of each individual purchase transaction, depending on the technical methods identified by the Board of Directors and, where applicable, in compliance with the price limits indicated by the law, including regulations, pro-tempore in force;
  - the purchase may be made in any of the manners provided for and permitted by the applicable law provisions and, in particular, by Article 132 of the CFA and Article 144-bis of the Issuers' Regulation and, eventually, pursuant to the Delegated Regulation (EU) No. 1052/2016 and to the market practices pursuant to Article 13 of Regulation (EU) No. 596/2014 approved by Consob;

3. to authorize, pursuant to and for the purposes of Article 2357-ter of the Italian Civil Code, the execution of acts of disposal, on one or more occasions, of any treasury shares purchased pursuant to this resolution or already held by the Company at the date of today's Shareholders' Meeting, except for the shares to be cancelled in accordance with the resolution of the extraordinary part of this meeting, in compliance with legislative and regulatory provisions in force from time to time, for the pursuit of the purposes referred to in the Board of Directors' report and under the following terms and conditions:
  - a. shares may be transferred or otherwise disposed of at any time without time limits;
  - b. the disposal transactions may be carried out even before the purchase limits have been reached and may take place on one or more occasions to be carried out on the market, or out of the market or through block trades and/or by transfer in favour of directors, employees and/ or collaborators of the Company and/or of its subsidiaries, in implementation of incentive plans and/or by another act of disposal, as part of transactions in relation to which it is appropriate to proceed with the exchange or transfer of blocks of shares, including by exchange or contribution, or, finally, in the event of equity transactions involving the award or disposal of treasury shares;
  - c. the acts of disposal and/or use of treasury shares in the portfolio or purchased on the basis of the authorisation of the Shareholders' Meeting will be performed in the manner specified below: (i) where the treasury shares are subject to sale, exchange, contribution or other act of disposal, for acquisitions of equity investments and/or real estate and/or the conclusion of agreements (including commercial agreements) with strategic partners, and/or for the implementation of industrial projects or extraordinary finance transactions or for the service of equity transactions or other corporate and/or financial transactions and/or financing, at a price established from time to time by the Board of Directors in relation to criteria of appropriateness, it being understood that such a price must optimise the economic effects on the Company; (ii) as part of share incentive plans, in the manner and terms indicated in the regulations of the plans; and (iii) in all other cases, according to the price determined from time to time by the Board of Directors in the best interest of the Company and, in any case, in compliance with legislative and regulatory provisions from time to time in force;
4. to grant to the Board of Directors, with power to delegate, any and all powers necessary or appropriate to implement the above resolutions, including, without limitation, the power to approve every and any provision for the implementation of the buyback program.”

Milan, March 29, 2024

The Chairwoman

Michaela Castelli

\*\*

*Disclaimer:* This is the English translation of the Italian Report. In any case of discrepancy between the English and the Italian versions, the Italian document is to be given priority of interpretation for legal purposes.