

THE BOARD OF DIRECTORS APPROVES THE CONSOLIDATED FINANCIAL RESULTS AND THE DRAFT FINANCIAL RESULTS OF NEXI SpA AS OF DECEMBER 31st 2020

- *Preliminary data announced on February 11th, 2021 confirmed*
- *Call of the Annual General Shareholders' Meeting to be held on May 5th, 2021*

Milan, March 11th 2021 – The Board of Directors of Nexi S.p.A. approved the Group consolidated financial results as of December 31st 2020 and the draft financial results of Nexi S.p.A. as of December 31st 2020, confirming the preliminary data already presented in the press release published on February 11th, 2021.

Non-financial statement

The Board of Directors approved the consolidated non-financial statement as of December 31st 2020 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, 2020.

Annual General Shareholders' Meeting

The Board of Directors resolved to convene the Annual General Shareholders' Meeting for May 5th, 2021 - 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 2020, 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. Presentation of the Consolidated Financial Statements as of 31st December 2020 and of the consolidated non-financial statement prepared pursuant to Legislative Decree 254/2016. Inherent and consequent resolutions.
2. Resolutions pursuant to art. 123-ter, paragraph 6 of Legislative Decree no. 58 of February 24th, 1998 related to the second section of the Remuneration Report prepared pursuant to art. 123-ter of Legislative Decree no. 58 of February 24th, 1998 and art. 84-quater of the regulation adopted with Consob resolution no. 11971 of May 14th, 1999.
3. Proposal for authorization to purchase and dispose treasury shares, subject to revocation of the authorization conferred by the Ordinary Shareholders' Meeting of May 5th, 2020. 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 2020

With regard to the draft financial statements at December 31st 2020, the distribution of dividends for the year 2020 will not be proposed to the Shareholders' Meeting. 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 2020 Shareholders' Meeting will expire on November 5th 2021.

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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..

Data awaiting validation by the auditing firm PricewaterhouseCoopers



About Nexi

Nexi is the leading PayTech company in Italy, the reference point for the digital payments in the Country. The company, listed on MTA of Borsa Italiana, operates in strong partnership with ~150 partner banks: thanks to its end-to-end omni-channel technology connects banks, merchants and consumers with the aim of changing the way people and companies pay and collect money every day, thus accelerating the spread of digital payments and the transition to a cashless society, which is essential for the modernization of the Country. 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. 900,000 merchants;

Cards & Digital Payments: Nexi, together with its partner Banks, manages c. 43 million payment cards;

Digital Banking Solutions: Nexi manages c. 12.800 ATMs, c. 480,000 e-banking workstations and c. 900 million clearing transactions. In addition, Nexi, as a technological partner, developed the CBI S.c.p.a. open banking system, to which the main Italian banks have already adhered.

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Key financial results – P&L Normalized

€M	FY19	FY20	Δ% vs. FY19	4Q19	4Q20	Δ% vs. 4Q19
Merchant Services & Solutions	569.2	549.9	-3.4%	158.2	156.4	-1.1%
Cards & Digital Payments	387.4	380.0	-1.9%	101.4	103.8	+2.4%
Digital Banking Solutions	117.7	114.0	-3.1%	32.9	30.2	-8.4%
Revenues	1074.3	1043.9	-2.8%	292.4	290.3	-0.7%
Personnel & related expenses	(169.1)	(156.3)	-7.6%	(45.4)	(41.4)	-8.6%
Operating Costs	(318.4)	(286.2)	-10.1%	(87.7)	(76.3)	-13.0%
Total Costs	(487.6)	(442.5)	-9.2%	(133.1)	(117.8)	-11.5%
EBITDA	586.7	601.4	+2.5%	159.3	172.5	+8.3%
D&A	(121.0)	(144.8)	+19.7%			
Interests & financing costs	(76.9)	(76.9)	+0.0%			
Normalized Pre-tax Profit	388.8	379.7	-2.3%			
Income taxes	(135.2)	(132.2)	-2.2%			
Minorities	(1.5)	(1.7)	+14.7%			
Normalized Net Profit	252.1	245.8	-2.5%			

2019 and 2020 P&L managerial data as they include ISP merchant acquiring book acquisition since the beginning of the period

FY 2020 P&L – Reported vs Normalized

€M	Reported FY20	Delta	Normalized FY20
Merchant Services & Solutions	500.0	50.0	549.9
Cards & Digital Payments	380.0		380.0
Digital Banking Solutions	114.0		114.0
Revenues	993.9	50.0	1,043.9
Personnel & related expenses	(155.1)	(1.3)	(156.3)
Operating Costs	(285.1)	(1.1)	(286.2)
Total Costs	(440.2)	(2.3)	(442.5)
EBITDA	553.7	47.7	601.4
D&A	(177.0)	32.2	(144.8)
Interests & financing costs	(65.3)	(11.5)	(76.9)
Non recurring items	(102.3)	102.3	-
Pre-tax Profit	209.0	170.7	379.7
Income taxes	(79.7)	(52.5)	(132.2)
Minorities	(1.4)	(0.3)	(1.7)
Net Profit	127.9	117.9	245.8

Reported data include ISP merchant book consolidation since 30.06.2020. Normalized data include ISP merchant book acquisition since 01.01.2020 and exclude non-recurring items and other one-offs (incl. D&A of customer contracts)

Income Statement

(€'000)	FY 2020	FY 2019
Fees for services rendered and commission income	1,644,025	1,642,500
Fees for services received and commission expense	(637,796)	(647,071)
Net fee and commission income	1,006,229	995,429
Interest and similar income	15,375	18,036
Interest and similar expense	(87,930)	(183,543)
Net interest income	(72,555)	(165,507)
Profit / loss on trading activity / hedging/ financial assets and liabilities designated at fair value through profit or loss	(119)	(7,526)
Dividends and profit / loss from investments and sale of assets at fair value through OCI (former AFS)	(6,574)	(8,685)
Financial and operative income	926,981	813,711
<i>Personnel - related costs</i>	<i>(180,572)</i>	<i>(223,721)</i>
<i>Other administrative costs</i>	<i>(350,015)</i>	<i>(391,016)</i>
Total administrative costs	(530,587)	(614,737)
Other operating income, net	(4,388)	(2,056)
Net value adjustments on assets measured at amortized cost	(6,880)	(6,239)
Net accruals to provisions for risks and charges	157	6,455
Net value adjustments / write-backs on tangible and intangible assets	(175,315)	(155,817)
Operating margin	209,968	41,317
Profits (Loss) from equity investments and disposal of investments	(212)	(598)
Pre-tax profit /(loss) from continuing operations	209,756	40,719
Income taxes	(79,709)	(4,180)
Income (Loss) after tax from discontinued operations	(739)	99,547
Profit for the period	129,308	136,086
Profit (loss) for the period attributable to the parent company	127,926	135,166
Profit (loss) for the period attributable to non-controlling interests	1,382	920

Balance Sheet

ASSETS (€'000)	31/12/2020	31/12/2019
Cash and cash equivalents	159,084	115,388
Financial assets at fair value through OCI	151,700	118,581
Financial asset measured at amortised cost:	1,540,583	1,595,709
<i>a) loans and receivables with banks</i>	578,696	507,024
<i>b) loans and receivables with financial entities or customers</i>	961,887	1,088,685
Equity investments	-	-
Property, equipment	186,906	193,102
Investment property	2,101	2,229
Intangible assets	3,707,369	2,684,671
<i>Goodwill</i>	2,856,460	2,093,428
Tax assets	54,991	101,909
<i>a) current</i>	4,447	37,614
<i>b) deferred</i>	50,544	64,295
Non-current assets held for sale and discontinued operations	1,697	2,262
Other assets	481,670	474,442
Total assets	6,286,101	5,288,293

LIABILITIES (€'000)	31/12/2020	31/12/2019
Financial liabilities measured at amortised cost	3,862,904	3,140,389
<i>a) due to banks</i>	2,226,418	1,952,072
<i>b) due to financial entities and customers</i>	370,753	369,303
<i>c) securities issued</i>	1,265,733	819,014
Financial liabilities measured at fair value through profit and loss	22,912	-
Tax liabilities	243,274	131,896
<i>a) current</i>	19,125	1,820
<i>b) deferred</i>	224,149	130,076
Liabilities associated with non-current assets held for sale and discontinued operations	509	335
Other liabilities	557,511	644,628
Post-employment benefits	14,808	14,528
Provisions for risks and charges	26,433	31,967
Share capital	57,071	57,071
Share premium	1,082,204	1,082,204
Reserves	236,846	29,428
Valuation reserves	44,018	13,609
Profit (loss) for the period (+/-)	127,926	135,166
Equity attributable to non-controlling interests (+/-)	9,685	7,072
Total liabilities and equity	6,286,101	5,288,293