

## GROUP FINANCIAL RESULTS AS OF JUNE 30TH 2021 APPROVED VOLUME AND FINANCIAL PERFORMANCE ACCELERATION

- **Revenues at € 539.5 million in 1H21, +12.9% Y/Y; € 280.9 million in 2Q21, +22.6% Y/Y**
- **EBITDA at € 298.2 million in 1H21, +13.9% Y/Y; € 158.3 million in 2Q21, +26.9% Y/Y**
- **Volume acceleration in the second quarter, with strong performance in Basic Consumption, continued recovery in Discretionary Consumption and fast recovery in High impact Consumption. From mid-July all macro-sectors back to grow versus 2019, double-digit growth on Italian cards**
- **Journey for creating the European PayTech Leader well progressing. Nets' merger effective from July 1<sup>st</sup>. Possible 10%+ upside of recurring cash synergies in the long term in addition to the previously announced € 320 million**
- **Nexi+Nets results: Revenues at € 1,039.5 million in 1H21, +9.3% Y/Y (€ 547.4 million in 2Q21, +18.4% Y/Y) and EBITDA at € 446.1 million in 1H21, +10.8% Y/Y (€ 246.0 million in 2Q21, +23.5% Y/Y)**
- **Improved 2021 Nexi+Nets Ambition with revenue ambition at c.+10% Y/Y and EBITDA ambition between +11% Y/Y to +13% Y/Y on a larger and more diversified base**

**Milan, July 30<sup>th</sup> 2021** – The Board of Directors of Nexi S.p.A. approved the Group's consolidated financial results as of June 30th 2021.

Following the gradual easing of the restrictions imposed at national level starting from mid-April, 2Q21 transaction volumes (acquiring + issuing) strongly recovered at 116 €B, + 31% vs 2Q20 and -2% vs 2Q19. In particular, 2Q21 Italian Cards accelerated the growth compared to pre-Covid levels while Foreign Cards volumes, although still negative, recovered fast. Looking at the macro consumption categories, Basic consumptions strongly performed with a double-digit growth (+18% vs 2Q20 and +32% vs 2Q19)<sup>1</sup>, Discretionary consumptions continued their recovery trend compared to 2019 and, finally, High impact consumptions strongly accelerated (in particular restaurants and bars).

In the first semester E-commerce continued to strongly perform with volumes up +54% vs 1H19 and +15% vs 1H20, net of high impact consumption sectors (i.e. travel/tourism related sectors, restaurants)<sup>1</sup>.

<sup>1</sup> Data include International schemes only for Nexi Payments, International and national schemes for MePS. Sales volumes only



Starting from mid-July, acquiring volumes recorded a double-digit growth vs 2019, with all macro-categories growing compared to 2019<sup>2</sup>. Basic consumption category confirmed a double-digit growth (+31% vs 2019), Discretionary consumption category continued the strong recovery (+8% vs 2019) and High impact consumption sector registered a significant recovery (+4% vs 2019). Furthermore, Italian cards volumes (+26% compared to 2019) recorded growth in all sectors.

All the above trends further confirm the signs of acceleration of digital payments in Italy started last year and now clearly visible across sectors.

*"The first six months of 2021 were characterized by a significant volume growth and financial performance acceleration, more visible in the second quarter, as well as by continuous progresses in the creation of the Italian PayTech leader in Europe" comments Paolo Bertoluzzo, CEO of the Nexi Group. "The volume acceleration across all sectors highlights not only the consumption recovery, which hopefully means an economic restart in our Country, but also a shift from cash to digital payments. In particular, while basic consumptions continued their accelerated growth, also restaurants, travels and tourism strongly recovered. Furthermore, during this semester, we have strongly been committed in pursuing our journey for creating the leading PayTech in Europe: after the merger with Nets, which became effective on July 1<sup>st</sup>, we expect to close the merger with SIA in the next few months, once receiving the necessary authorizations from the competent Authorities. Nexi will add an European dimension to its strong Italian roots playing a leading role in a highly competitive and strategic sector both in Italy and Europe".*

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<sup>2</sup> Data refer to the last week rolling (12th – 18th July). Data include International schemes only for Nexi Payments, International and national schemes for MePS. Sales volumes only

## Key financial results

€M	1H20	1H21	Δ% vs. 1H20	2Q20	2Q21	Δ% vs. 2Q20
Merchant Services & Solutions	242.9	271.8	+11.9%	114.6	143.4	+25.2%
Cards & Digital Payments	180.1	206.2	+14.5%	87.5	106.9	+22.2%
Digital Banking Solutions	54.6	61.5	+12.6%	27.0	30.5	+12.9%
<b>Revenues</b>	<b>477.6</b>	<b>539.5</b>	<b>+12.9%</b>	<b>229.1</b>	<b>280.9</b>	<b>+22.6%</b>
Personnel & related expenses	(79.5)	(92.0)	+15.7%	(38.9)	(47.2)	+21.4%
Operating Costs	(136.3)	(149.3)	+9.6%	(65.4)	(75.3)	+15.1%
<b>Total Costs</b>	<b>(215.8)</b>	<b>(241.3)</b>	<b>+11.8%</b>	<b>(104.3)</b>	<b>(122.5)</b>	<b>+17.4%</b>
<b>EBITDA</b>	<b>261.8</b>	<b>298.2</b>	<b>+13.9%</b>	<b>124.8</b>	<b>158.3</b>	<b>+26.9%</b>
D&A	(66.1)	(73.7)	+11.5%			
Interests & financing costs	(61.1)	(61.1)	+0.0%			
<b>Normalized Pre-tax Profit</b>	<b>134.6</b>	<b>163.3</b>	<b>+21.3%</b>			
Income taxes	(49.9)	(59.4)	+19.0%			
Minorities	(0.8)	(1.0)	+30.1%			
<b>Normalized Net Profit</b>	<b>83.9</b>	<b>102.9</b>	<b>+22.6%</b>			

Strong financial performance in the first semester of 2021, with Revenues at € 539.5 million, +12.9% vs 1H20 and +6.1% vs 1H19. EBITDA reached € 298.2 million, +13.9% vs 1H20 and +9.9% vs 1H19, and yearly stable EBITDA Margin at 55%, despite the extraordinary Covid-19 cash cost containment plan implemented in 2020.

In the second quarter of 2021, Revenues reached € 280.9 million, +22.6% vs 2Q20 (+6.7% vs 2Q19) and EBITDA increased at € 158.3 million, +26.9% vs 2Q20 (+10.6% vs 2Q19). The EBITDA Margin was up 56%, +2 p.p. compared to both 2Q20 and 2Q19.

Nexi's operating segments delivered the following results in the first semester of 2021:

- **Merchant Services & Solutions**, which represented 50% of the Group's total revenues, reported revenues of € 271.8 million, +11.9% Y/Y. Transactions – both in terms of volumes and number – registered a double-digit growth compared to last year. In 1H21, 1,816 million transactions were managed, +33.7% Y/Y, with value of managed transactions at € 114.1 billion, +16.0% Y/Y. E-commerce performance registered a strong acceleration in transaction volumes, +54% vs 1H19 and +15% vs 1H20, net of high impact consumption sectors (i.e. travel/tourism related sectors and restaurants)<sup>3</sup>. In 2Q21, Merchant Services & Solutions reached € 143.4 million of revenues, +25.2% Y/Y supported by the accelerated volume growth;
- **Cards & Digital Payments**, which represented 38% of the Group's total revenues, reported revenues of € 206.2 million, up by 14.5% Y/Y. Transactions – both in terms of volumes and number – registered a double-digit growth compared to last year. In 1H21, 1,489 million transactions were managed, +30.2% Y/Y, with value of managed transactions at € 100.4 billion, up by 14.7% Y/Y. In 2Q21, Cards & Digital

<sup>3</sup> Data include International schemes only for Nexi Payments, International and national schemes for MePS. Sales volumes only

Payments reached € 106.9 million of revenues, +22.2% Y/Y supported by the solid volume growth and the installed base positive trend;

- **Digital Banking Solutions**, which represented 11% of the Group's total revenues, reported revenues of € 61.5 million, up by 12.6% Y/Y mainly attributable to some specific projects related to banks' M&A, in addition to business initiatives, e.g. Digital Banking and Open Banking, and value added services offered. In 2Q21, Digital Banking Solutions reached € 30.5 million of revenues, +12.9% Y/Y

In the first semester of 2021, Nexi confirmed the usual strong focus on cost control. **Total Costs** were at € 241.3 million, +1.6% vs 1H19. The Y/Y comparison (+11.8% vs 1H20) is affected by the extraordinary Covid-19 cash cost containment plan implemented in 2020.

Nexi also confirmed the strong focus on investments in technology and innovation, with **total Capex**, excluding the acquisition of the Milan headquarters, at € 66 million, equals to 12% of 1H21 Net revenues. In particular, € 21 million (4% of Net Revenues) was related to transformation initiatives and projects and extraordinary innovation and € 45 million (8% of Net Revenues) was related to the ordinary innovation of products and services, to the maintenance of high quality services and security and to the POS and ATM purchase. ~€ 82 million Transformation Capex are expected to be completed in the next years, in addition to Ordinary Capex equal to ~8-10% of Net Revenues. Following the announced M&A transactions, ~40 €M of savings from synergies are expected, thus reducing the remaining Transformation Capex to ~42 €M.

**D&A**, excluding customer contracts amortization ("*Customer Contracts*"), were at € 73.7 million in 1H21, +11.5% Y/Y due to significant investments in software and technological developments made in the last three years, aimed at the digital transformation of the Group.

**Normalized net Interest costs** were € 61.1 million in 1H21. Reported interest costs of € 77.7 million were affected by certain non-recurring costs mainly related to the bridge loan facility granted to Nexi in the context of the signing of the binding merger agreements with Nets and to the Nets and SIA debt refinancing, carried out in advance by Nexi during the first semester of 2021.

**Transformation costs**, below EBITDA, were € 11.1 million in 1H21, down by 58% vs 1H19 and up by € 0.8 million vs 1H20. Non-recurring items (€ 95.3 million in 1H21) include, among others, one-offs costs related to the SIA and Nets M&A transactions (€ 30.2 million) and the integration costs related to the SIA and Nets M&A transactions (€ 13.3 million), as well as the IPO costs sustained by the Financial Sponsors (€ 15.3 million).

**Normalized net profit** in 1H21 was € 102.9 million, up by 23% Y/Y.

As of June 30th 2021, **Net Financial Debt** was at € 1,928 million while the Net Financial Debt/ EBITDA ratio stood at 3.0x, in reduction compared to the previous quarters.

The journey for creating the European PayTech Leader is progressing according to plan. On June 21<sup>st</sup>, 2021 the merger of SIA into Nexi was approved by the Extraordinary Shareholders' Meeting and the regulatory approvals are expected between September and October with the closing of the merger expected in 4Q21. For both integrations, the transformation plan is fully operational, with the different workstreams focused on the execution of the planned activities and on the realization of the synergies. A possible 10%+ total recurring cash synergies' upside in the long term in addition to the previously announced 320 €M is expected.

## **Combined financial results – Nexi+Nets**

On a combined basis, the new Group resulting from the merger of Nets into Nexi registered a solid financial performance during 1H21. In particular, combined Revenues reached € 1,039.5 million, +9.3% Y/Y, and EBITDA reached € 446.1 million, +10.8% Y/Y. The new Group is characterized by a well diversified revenue base, both in terms of businesses and geographies, with exposure to structurally attractive and fast growing European markets (e.g. Italy, DACH region and Poland).

In light of the change in the reference perimeter following the completion of the merger with Nets, Nexi revised the Ambition 2021 announced to the market on May 13<sup>th</sup> 2021, confirming the expected revenue growth and improving the expected EBITDA growth on a larger and more diversified perimeter. In detail, assuming a continued recovery from Covid-19 with no new material restrictions across geographies, Nexi expects:

- Revenue growth between +11% and +13% y/y in 2H21 and ~+10% y/y in FY21;
- EBITDA growth between +13% and +16% y/y in 2H21 and between +11% and +13% y/y in FY21;
- EBITDA margin up by 1 p.p. vs 2020, +3 p.p. vs 2019;
- Broadly stable Capex intensity ratio, anticipating M&A synergies;
- Continued strong organic cash flow generation and progressive de-leverage in the medium term.

## **Significant subsequent events**

- On July 1<sup>st</sup> 2021, Nexi announced that the cross-border merger by incorporation of Nets into Nexi became effective. A total amount of 406,628,176 Nexi shares, with no express par value, were issued to service the Nets Merger, and allocated to Nets shareholders, for a capital increase of € 36,966,198.00.
- On July 10<sup>th</sup> 2021, as a result of the determination of the Actual Centurion Proceeds and in accordance with the provisions of the cross-border merger plan by incorporation of Nets into Nexi, Nexi issued by way of earn-out an aggregate amount of 5,731,575 ordinary shares of Nexi in favor of the former shareholders of, in proportion of the ordinary shares in the capital of Nets held by each former shareholder of Nets immediately prior to the effectiveness of the merger between Nets and Nexi occurred on July 1, 2021. The shares were issued on July 12<sup>th</sup>. As a result,



Nexi's share capital amounts to € 94,036,905.00, divided into 1,040,137,528 ordinary shares.

\* \* \*

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..

Reported results under review by PricewaterhouseCoopers that will release limited revision.

#### **About Nexi**

Nexi is Europe's leading PayTech - present in high-growth, attractive European markets and technologically advanced countries in Northern Europe.

Listed on the Milan Stock exchange MTA of Borsa Italiana, Nexi has the scale, geographical reach and capabilities to drive digital payments and accelerate the transition to a cashless society. Through its portfolio of innovative products, e-commerce capabilities and sector-specific solutions Nexi is able to provide flexible support for the digital economy and entire payments ecosystem globally across a wide range of different channels and payment methods.

Nexi's technological platform and best-in-class capabilities allow the Company to operate in three market segments: Merchant Services & Solutions, Cards & Digital Payments and Digital Banking & Corporate Solutions. Nexi constantly invests in technology and innovation, focusing on two fundamental principles: satisfying our banking partners' needs, and creating new opportunities for more prosperous businesses.

We are committed to supporting people and enterprises of all sizes and shaping the way they pay and collect money every day. This is how we drive progress for everyone's benefit: simplifying transactions and empowering people and businesses to enjoy closer relationships and prosper together.

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## 1H 2021 Reported vs Normalized P&L

€M	1H21	Delta	Normalized 1H21
Merchant Services & Solutions	271.8		271.8
Cards & Digital Payments	206.2		206.2
Digital Banking Solutions	61.5		61.5
<b>Revenues</b>	<b>539.5</b>		<b>539.5</b>
Personnel & related expenses	(92.0)		(92.0)
Operating Costs	(149.3)		(149.3)
<b>Total Costs</b>	<b>(241.3)</b>		<b>(241.3)</b>
<b>EBITDA</b>	<b>298.2</b>		<b>298.2</b>
D&A	(87.7)	14.0	(73.7)
Interests & financing costs	(77.7)	16.6	(61.1)
Non recurring items	(95.3)	95.3	-
<b>Pre-tax Profit</b>	<b>37.5</b>	<b>125.8</b>	<b>163.3</b>
Income taxes	12.4	(71.8)	(59.4)
Minorities	(1.0)		(1.0)
<b>Net Profit</b>	<b>48.9</b>	<b>54.1</b>	<b>102.9</b>
<i>Transformation costs</i> <sup>1</sup>	<i>(11.1)</i>		<i>(11.1)</i>

(1) Transformation costs included in Non recurring items

## Income Statement

(€'000)	1H 2021	1H 2020
Fees for services rendered and commission income	918,212	656,063
Fees for services received and commission expense	(372,719)	(223,643)
<b>Net fee and commission income</b>	<b>545,493</b>	<b>432,420</b>
Interest and similar income	7,536	8,040
Interest and similar expense	(83,365)	(38,150)
<b>Net interest income</b>	<b>(75,829)</b>	<b>(30,110)</b>
Profit / loss on trading activity / hedging/ financial assets and liabilities designated at fair value through profit or loss	(7,158)	99
Dividends and profit / loss from investments and sale of assets at fair value through OCI	(2,656)	(3,089)
<b>Financial and operative income</b>	<b>459,850</b>	<b>399,320</b>
<i>Personnel - related costs</i>	<i>(113,893)</i>	<i>(85,942)</i>
<i>Other administrative costs</i>	<i>(217,446)</i>	<i>(163,426)</i>
<b>Total administrative costs</b>	<b>(331,339)</b>	<b>(249,368)</b>
Other operating income, net	13,391	(1,486)
Net value adjustments on assets measured at amortized cost	(2,360)	(5,278)
Net accruals to provisions for risks and charges	-14,890	275
Net value adjustments / write-backs on tangible and intangible assets	(87,039)	(83,463)
<b>Operating margin</b>	<b>37,613</b>	<b>60,000</b>
Profits (Loss) from equity investments and disposal of investments	(85)	(138)
<b>Pre-tax profit (loss) from continuing operations</b>	<b>37,528</b>	<b>59,862</b>
Income taxes	12,379	(26,506)
Income (Loss) after tax from discontinued operations	(37)	(263)
<b>Profit for the period</b>	<b>49,870</b>	<b>33,093</b>
Profit (loss) for the period attributable to the parent company	48,871	32,644
Profit (loss) for the period attributable to non-controlling interests	999	449



## Balance Sheet

ASSETS (€'000)	30/06/2021	31/12/2020
Cash and cash equivalents	3,534,398	159,084
Financial assets at fair value through OCI	66,889	151,700
Financial asset measured at amortised cost:	1,254,588	1,540,583
a) loans and receivables with banks	305,565	578,696
b) loans and receivables with financial entities or customers	949,023	961,887
Property, equipment	213,675	186,906
Investment property	2,042	2,101
Intangible assets	3,698,302	3,707,369
Goodwill	2,856,460	2,856,460
Tax assets	91,553	54,991
a) current	5,316	4,447
b) deferred	86,237	50,544
Non-current assets held for sale and discontinued operations	1,391	1,697
Other assets	547,092	481,670
<b>Total assets</b>	<b>9,409,930</b>	<b>6,286,101</b>

LIABILITIES (€'000)	30/06/2021	31/12/2020
Financial liabilities measured at amortised cost	6,766,140	3,862,904
a) due to banks	2,300,637	2,226,418
b) due to financial entities and customers	251,465	370,753
c) securities issued	4,214,038	1,265,733
Financial liabilities measured at fair value through profit and loss	165,643	22,912
Tax liabilities	227,539	243,274
a) current	6,769.0	19,125
b) deferred	220,770	224,149
Liabilities associated with non-current assets held for sale and discontinued operations	245	509
Other liabilities	565,259	557,511
Post-employment benefits	14,205	14,808
Provisions for risks and charges	38,306	26,433
Share capital	57,071	57,071
Treasury shares (-)	(5,169)	-
Share premium	1,082,204	1,082,204
Reserves	386,491	236,846
Valuation reserves	54,198	44,018
Profit (loss) for the period (+/-)	48,871	127,926
Equity attributable to non-controlling interests (+/-)	8,927	9,685
<b>Total liabilities and equity</b>	<b>9,409,930</b>	<b>6,286,101</b>