



NEXI AND BANCO SABADELL ENTER INTO A LONG-TERM STRATEGIC PARTNERSHIP REGARDING THE MERCHANT ACQUIRING BUSINESS IN SPAIN

Milan, February 27, 2023 – Nexi S.p.A. (“Nexi”) and Banco de Sabadell, S.A. (“Sabadell”) have reached an agreement to establish a long-term partnership in the Spanish market.

According to the terms of the transaction, **Nexi will acquire 80% of Sabadell’s merchant acquiring business**, after its carve-out into PayComet, S.L. (“PayComet”), a fully owned Sabadell company and already a licensed payment institution, for 280 €M upfront cash consideration reflecting an Enterprise Value of 350 €M for 100%¹. Nexi will finance the transaction entirely through available cash resources. A long-term exclusive distribution partnership is also agreed, with an initial term of 10 years and two potential renewals of five years each.

Following completion of the transaction, Nexi will acquire over 380k merchants and approximately 48 €B of transaction volumes as of December 2022. The merchant acquiring business is expected to generate an EBITDA of around 30 €M based on 2023 figures, resulting in an implied EV/EBITDA 2023E of ~11.5x.

Sabadell is committed to the payments sector and intends to become a strategic partner of Nexi in Spain, while also being the exclusive distributor for innovative Nexi solutions in the country, unlocking access to superior banking distribution capabilities with around 1,200 branches. The partnership will see full alignment of interests to drive accelerated growth and further upside through rebate mechanism plus potential earn-outs mainly subject to the achievement of accelerated growth financial targets.

This transaction, which takes place in the context of an increasingly competitive European market, is consistent with the strategic vision of Nexi and will contribute to the strengthening of its presence in Europe, further expanding its merchant acquiring operations, while increasing revenue diversification. Spain is the fourth largest economy in the Euro area, with a positive macro-economic outlook and a sizable payments market with high consumer spending, underpinned by low card penetration at 38% and significant growth potential.

Sabadell is the second-largest merchant acquirer in Spain with a significant market share across the full acquiring value chain. It also has a differentiated and innovative client value proposition and a highly experienced management team, focused primarily on the fast growing and higher margin SME segment.

As a result of the transaction, Sabadell customers will be able to benefit from the technological solutions and the innovative services developed by Nexi, leveraging its distinctive acquiring capabilities to manage digital payments acceptance. Sabadell thus underlines its commitment to continuing to improve its value proposition and customer

¹ Subject to customary adjustments as of the date of completion of the transaction.



experience in a key market for the Bank, thanks to the technological capabilities and advanced digital services that Nexi supplies to provide user friendly, faster and safer solutions to customers.

Paolo Bertoluzzo, CEO of Nexi, said: *"We are very proud to have been chosen by Banco Sabadell, the best possible Spanish strategic partner, for our deep product and technology capabilities. With this partnership, we enter Spain from a strong position, a market that we have always considered highly attractive for digital payments with great potential for further profitable and sustainable long-term growth, quite similar to Italy. This initiative, that expands our growth opportunities further, is a very important step ahead in our strategy as leading European PayTech combining at best European scale with market and customer proximity. The partnership with Banco Sabadell will allow us to be deeply entrenched in the market with a partner that fully shares our ambition to accelerate the development of the Spanish digital payments further through product and commercial innovation. We have strong confidence in the combined capabilities of our teams and their willingness to drive strong growth together."*

The transaction is expected to close by 4Q23, subject to obtaining all applicable corporate and regulatory approvals and consents.

For Nexi, Jefferies and Rothschild & Co are acting as financial advisors, while BCG, KPMG and Allen & Overy are acting as industrial, due diligence and legal advisor respectively.

Nexi

Nexi is Europe's PayTech company operating in high-growth, attractive European markets and technologically advanced countries. Listed on Euronext Milan, Nexi has the scale, geographic reach and abilities to drive the transition to a cashless Europe. With its portfolio of innovative products, e-commerce expertise and industry-specific solutions, Nexi provides flexible support for the digital economy and the entire payment ecosystem globally, across a broad range of different payment channels and methods. Nexi's technological platform and the best-in-class professional skills in the sector enable the company to operate at its best in three market segments: Merchant Solutions, Issuing Solutions and Digital Banking Solutions. Nexi constantly invests in technology and innovation, focusing on two fundamental principles: meeting, together with its partner banks, customer needs and creating new business opportunities for them. Nexi is committed to supporting people and businesses of all sizes, transforming the way people pay and businesses accept payments. It offers companies the most innovative and reliable solutions to better serve their customers and expand. By simplifying payments and enabling people and businesses to build closer relationships and grow together, Nexi promotes progress to benefit everyone. www.nexi.it/en
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