

GROUP FINANCIAL RESULTS AS OF JUNE 30th 2022 APPROVED ACCELERATING VOLUME AND FINANCIAL PERFORMANCE

- *Revenues at € 808.2 million in 2Q22, +10.2% Y/Y; € 1,520.8 million in 1H22, +8.7% Y/Y*
- *EBITDA at € 395.0 million in 2Q22, +20.5% Y/Y; € 702.4 million in 1H22, +19.1% Y/Y, with ~+4 p.p. EBITDA Margin expansion*
- *Double-digit volume growth compared to previous year across all geographies, with travel already above 2019 Group level*
- *Integration workstreams for creating the European PayTech Leader fully on track, with confirmed ~€ 100 million cash synergies to be delivered in 2022*
- *2022 Ambition confirmed: expected revenues between +7% and +9% Y/Y and EBITDA between +13% and +16% Y/Y*

Milan, July 29th 2022 – The Board of Directors of Nexi S.p.A. approved the Group's consolidated financial results as of June 30th 2022.

In the second quarter of 2022, the Group delivered a strong volume and financial performance. In particular, acquiring volumes¹ in Italy grew double-digit compared to last year, reaching +18% Y/Y (+27% vs 2019) in June, with Foreign cards back to growth compared to pre-Covid level (+16% vs 2019). In the Nordics and in the DACH region, 2Q22 acquiring volumes grew +22% Y/Y and +13% Y/Y respectively and continued to recover versus 2019.

Travel acquiring volumes fully recovered in 2Q22 at Group level, with volumes well above 2019.

Furthermore, SME value of transactions accelerating at +38% y/y in 1H22, faster than large merchants and positively contributing to revenue growth.

¹ Volumes data include sales, International schemes and exclude SIA. For Italy: data also include national schemes for ISP merchant book only. For Nordics and DACH region: data include regular business and exclude non-card based transactions from e-commerce.

Key consolidated financial managerial results²

€M	1H21	1H22	Δ% vs. 1H21	2Q21	2Q22	Δ% vs. 2Q21
Merchant Services & Solutions	699.4	799.8	+14.3%	372.0	430.6	+15.8%
Cards & Digital Payments	460.3	482.8	+4.9%	240.4	252.4	+5.0%
Digital Banking & Corporate Solutions	239.1	238.3	-0.3%	121.2	125.2	+3.3%
Operating revenue	1,398.8	1,520.8	+8.7%	733.6	808.2	+10.2%
Personnel Costs	(367.0)	(373.5)	+1.8%	(184.0)	(185.9)	+1.0%
Operating Costs	(442.1)	(444.9)	+0.6%	(221.8)	(227.4)	+2.5%
Total Costs	(809.1)	(818.4)	+1.2%	(405.8)	(413.3)	+1.8%
EBITDA	589.7	702.4	+19.1%	327.9	395.0	+20.5%
Ordinary D&A	(187.0)	(223.9)	+19.7%			
Normalized Interests & financing costs	(80.0)	(82.6)	+3.3%			
Normalized Pre-tax profit	322.7	396.0	+22.7%			
Income taxes	(104.6)	(128.4)	+22.7%			
Minorities	(1.0)	(1.3)	+31.5%			
Normalized Net profit	217.1	266.2	+22.6%			

In 2Q22 the Group delivered an accelerated financial performance. In particular, revenues reached € 808.2 million, +10.2% versus 2Q21. EBITDA was at € 395.0 million, +20.5% versus 2Q21, with EBITDA margin at 49%, up by 4 p.p. versus 2Q21.

In 1H22, revenues reached € 1,520.8 million, +8.7% versus 1H21. EBITDA delivered € 702.4 million, +19.1% versus 1H21. The EBITDA margin was at 46%, up 4 p.p. compared to 1H21.

Group revenues in 2Q22 reflected a strong financial performance across geographies with Nordics, DACH Region & Poland and SE Europe & Other growing double-digit compared to same period last year.

Nexi Group's operating segments delivered the following results in 1H22:

- **Merchant Services & Solutions**, representing approximately 53% of Group's total revenues, reported revenues of € 799.8 million, +14.3% Y/Y. In 1H22, 7,555 million transactions were processed, +18.8% Y/Y, with value of processed transactions at € 356.7 billion, +19.1% Y/Y. Transactions value performance continued strongly across the Group, primarily driven by International schemes, and the in-store channel accelerating versus E-Commerce following the easing of restrictions started in 1Q22.

In 2Q22, Merchant Services & Solutions revenues accelerated, reaching € 430.6 million of revenues, +15.8% Y/Y, with a double-digit growth for both Nexi and Nets.

The main initiatives realized in MS&S in the first half of 2022 include:

- SoftPOS roll-out: the SoftPOS tap-on-phone proposition was launched in Greece, after Nordics and Hungary, with Italy launch under preparation. Good commercial traction on retail and hospitality verticals;
- Easy eCommerce collecting PSP proposition: continued strong performance in the Nordics, with backbook migration completed; progressing roll-out in Germany;

² 2021 and 2022 data at constant scope and FX, not including the M&A deals recently announced. Underlying figures.

- Continuing eCommerce/omnichannel proposition evolution: Transaction Risk Analysis launched in Italy, 1-click checkout capabilities to APMs in Poland expanded, and, omni acceptance for QR-code wallet payments in Nordics extended;
 - Microsoft partnership: Nexi selected as one of the main eCommerce payment providers for key markets; joint effort for ISVs software/payments integration and go-to-market, products co-development and cloud transformation of technology infrastructure and platforms.
- **Cards & Digital Payments**, representing approximately 32% of Group's total revenues, reported revenues of € 482.8 million, +4.9% Y/Y. In 1H22, 8,278 million transactions were processed, +18.7% Y/Y, with value of processed transactions at € 391.7 billion, +18.1% Y/Y. Transaction volumes showed a strong performance versus last year, mainly driven by International schemes. In 2Q22, Cards & Digital Payments reached € 252.4 million of revenues, +5.0% Y/Y with strong growth in Italy (at +7.1% Y/Y). The commercial effort for extending Nexi value propositions (e.g. CVM) to bank customer base across Europe continued in 2Q22.
 - **Digital Banking & Corporate Solutions**, representing approximately 16% of Group's total revenues, reported revenues of € 238.3 million, down at 0.3% Y/Y. In 2Q22, Digital Banking & Corporate Solutions reached € 125.2 million of revenues, +3.3% Y/Y, mainly thanks to key business initiatives and projects. Good progress on new services to Corporates (e.g. PagoinConto, Check IBAN, smart onboarding) and positive performance of Open Banking.

In 1H22, **Total Costs** were at € 818.4 million, thanks to operating leverage, cost control and M&A synergies' delivery. The slight increase Y/Y in 2Q22 (+1.8%) is mainly connected to volume and business growth. In 1H22 total costs benefitted from ca. € 20 million of M&A synergies' delivery with only a limited impact from the synergies' reinvestment plan in key business areas, which will accelerate in the second half of the year.

Nexi confirmed its commitment on investments in technology and innovation, with **total Capex** at € 218 million for 1H22, equal to 14.3% net revenues. In particular, € 87 million (5.8% of net revenues) were related to standalone and new Group transformation initiatives, and € 130 million (8.6% of net revenues) were related to the ordinary innovation of products and services, maintenance of high-quality services and security and POS and ATM purchase.

D&A, excluding customer contracts amortization ("*Customer Contracts*"), were at € 223.9 million in 1H22, +19.7% Y/Y mainly due to significant investments in software and technological developments made in the last years.

Normalized net Interest costs were € 82.6 million in 1H22. Reported interest costs of € 73.3 million include FX gains and other minor items.



Transformation and integration costs, below EBITDA, were € 76.2 million in 1H22 (of which € 46.8 million transformation costs and € 29.4 million integration costs), down 47% versus 1H21. Non-recurring items (€ 106.4 million in 1H22) included also: M&A related fees and others (€ 10.2 million), LTI (€ 9.1 million), as well as the IPO costs sustained by the Financial Sponsors (€ 10.9 million).

Normalized net profit in 1H22 was € 266.2 million, up by 23% Y/Y.

As of June 30th 2022, the **Net Financial Debt** was at € 5,160 million, while the Net Financial Debt/ EBITDA ratio reached 3.4x, in reduction compared to December 2021. The pro-forma Net Financial Debt / EBITDA ratio including the run-rate synergies was at ~2.9x, in line with the plan.

Nexi, assuming no material changes to the current Covid-19 and macro scenario, confirms the 2022 Ambition announced to the market in February 2022, with net debt / EBITDA targeting ~2.5x including run-rate synergies, proforma at ~3.0x considering all recent M&A transactions.

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In 1H22 the Group continued to strengthen and focus on the business portfolio, with a disciplined M&A activity, announcing the acquisition of the BPER and Banco di Sardegna merchant book, the acquisition of the ISP merchant book in Croatia, as well as, the sale of the Capital Markets business. The Group has closed the sale of EDIGard, the sale of Non-SEPA Clearing, the acquisition of Orderbird and the joint venture with Alpha Bank, also reaching an agreement to increase its stake in the JV from 51% to 90.01%.

* * *

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.

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Disclaimer: This is the English translation of the original Italian press release "Approvati i risultati finanziari di Gruppo al 30 giugno 2022". In any case of discrepancy between the English and the Italian versions, the original Italian document is to be given priority of interpretation for legal purposes.



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 Services & Solutions, Cards & Digital Payments and Digital Banking & Corporate 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 www.nexigroup.com

Nexi - External Communication & Media Relations

Daniele de Sanctis

daniele.desanctis@nexigroup.com

Mobile: +39 346/015.1000

Direct: +39 02/3488.4491

Matteo Abbondanza

matteo.abbondanza@nexigroup.com

Mobile: +39.348/406.8858

Direct: +39 02/3488.2202

Valentina Piana

valentina.piana@nexigroup.com

Mobile: +39.342/046.7761

Søren Winge

soeren.winge@nexigroup.com

Mobile: +45 29 48 26 35

Nexi - Investor Relations

Stefania Mantegazza

stefania.mantegazza@nexigroup.com

Mobile: +39.335.5805703

Direct: +39 02/3488.8216

1H 2022 P&L – Reported vs Normalized

€M	1H22 Reported	Delta	1H22 Managerial
Merchant Services & Solutions	798	2	800
Cards & Digital Payments	483	0	483
Digital Banking & Corporate Solutions	216	22	238
Revenues	1,496	24	1,521
Personnel & related expenses	-376	2	-374
Operating Costs	-430	-15	-445
Total Costs	-806	-13	-818
EBITDA	691	12	702
D&A	-351	127	-224
Interests & financing costs	-73	-9	-83
Non recurring items	-99	99	0
Pre-tax Profit	167	229	396
Income taxes	-77	-52	-128
Minorities	-1	0	-1
Net Profit	89	177	266

Reported data at current FX include EDIGard and Capital Markets business classified as “non-current assets held for sale” according to IFRS5, below EBITDA. Normalized data at constant FX exclude non-recurring items and other one-offs (e.g. D&A of customer contracts).

Income Statement

(€'000)	1H 2022	1H 2021
Fees for services rendered and commission income	2,449,979	918,212
Fees for services received and commission expense	(931,556)	(372,719)
Net fee and commission income	1,518,423	545,493
Interest and similar income	26,128	7,536
Interest and similar expense	(105,768)	(83,365)
Net interest income	(79,640)	(75,829)
Profit (loss) on trading activity / hedging/ financial assets and liabilities designated at Fair Value through profit or loss	810	(7,158)
Dividends and profit (loss) from investments and sale of assets at Fair Value through other comprehensive income	(4,320)	(2,656)
Financial and operating income	1,435,273	459,850
Administrative expenses	(927,734)	(331,339)
<i>Personnel-related costs</i>	<i>(419,302)</i>	<i>(113,893)</i>
<i>Other administrative costs</i>	<i>(508,432)</i>	<i>(217,446)</i>
Other operating income/expenses, net	(2,673)	13,391
Net value adjustments on assets measured at amortised cost	(10,976)	(2,360)
Net accruals to provisions for risks and charges	14,281	(14,890)
Net value adjustments/write-backs on tangible and intangible assets	(349,336)	(87,039)
Operating margin	158,835	37,613
Profit (loss) from equity investments and disposals of investments	4,001	(85)
Profit (loss) before taxes from continuing operations	162,836	37,528
Income taxes	(76,625)	12,379
Income (loss) after tax from discontinued operations	4,224	(37)
Profit (loss) for the period	90,435	49,870
Profit (loss) for the period attributable to the parent company	89,130	48,871
Profit (loss) for the period attributable to non-controlling interests	1,305	999

Balance Sheet

ASSETS (€'000)	30/06/2022	31/12/2021 Restated
Cash and cash equivalents	673,288	1,546,116
Financial assets at Fair Value	89,087	74,508
Financial asset measured at amortised cost:	3,398,878	3,398,230
a) loans and receivables with banks	1,444,626	1,595,782
b) loans and receivables with financial entities and customers	1,954,252	1,802,448
Equity investments	42,445	63,779
Tangible assets	533,743	549,532
Intangible assets	17,425,953	17,489,859
of which: Goodwill	13,990,638	13,962,384
Tax assets	237,228	237,740
a) current	24,218	25,080
b) deferred	213,010	212,660
Non-current assets held for sale and discontinued operations	139,477	1,790
Other assets	1,340,624	1,275,150
Total assets	23,880,723	24,636,704

LIABILITIES (€'000)	30/06/2022	31/12/2021 Restated
Financial liabilities measured at amortised cost	8,982,028	9,912,122
a) due to banks	2,607,034	3,649,309
b) due to financial entities and customers	1,909,211	1,813,534
c) securities issued	4,465,783	4,449,279
Financial liabilities at Fair Value through profit or loss	170,761	168,529
Tax liabilities	816,784	742,476
a) current	129,192	47,571
b) deferred	687,592	694,905
Liabilities associated with non-current assets held for sale and discontinued operations	8,866	641
Other liabilities	1,391,086	1,284,285
Post-employment benefits	32,498	39,847
Provisions for risks and charges	160,655	180,636
Share capital	118,583	118,452
Treasury shares (-)	(4,493)	(4,493)
Share premium	11,587,260	11,587,260
Reserves	580,255	523,080
Valuation reserves	(69,212)	36,729
Profit (loss) for the period	89,130	37,729
Equity attributable to non-controlling interests (+/-)	16,522	9,411
Total liabilities and equity	23,880,723	24,636,704