CONSOLIDATED INTERIM FINANCIAL REPORT

AS AT 30 JUNE

2025

This is the English translation of the original Italian document “Relazione Finanziaria Semestrale Consolidata al 30 giugno 2025”.
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.

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CORPORATE BODIES

At the date of the meeting of the BoD of 30 July 2025

Board of Directors

Term of office: approval of financial statements as at 31 December 2027

Chair	Marcello Sala
Chief Executive Officer	Paolo Bertoluzzo
Directors	Ernesto Albanese (**)
	Elena Antognazza (****)
	Luca Bassi
	Marina Brogi (***) (****)
	Elena Dimanina (***)
	Johannes Korp
	Antonella Lillo (****)
	Francesco Renato Mele
	Marina Natale (**) (***)
	Federica Seganti (**)
	Enrico Trovati

(**) Members of the Risk Control Committee

(***) Members of the Remuneration and Appointment Committee

(****) Members of the Innovation and Sustainability Committee

Board of Statutory Auditors

Chair	Giacomo Bugna
Statutory Auditors	Luigi Borrè
	Nathalie Brazzelli
Alternate auditors	Serena Gatteschi
	Sonia Peron

Office of the General Manager

General Manager	Paolo Bertoluzzo

Financial Reporting Manager

Enrico Marchini

Independent Auditors

PricewaterhouseCoopers SpA

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CONSOLIDATED INTERIM MANAGEMENT REPORT

CONSOLIDATED INTERIM MANAGEMENT REPORT

Introduction

The Consolidated Interim Financial Report for Nexi Group as at 30 June 2025 (hereinafter "Interim Report"), drafted pursuant to art. 154-ter of Italian Legislative Decree 58/98, reports a net income of approximately Euro 88 million.

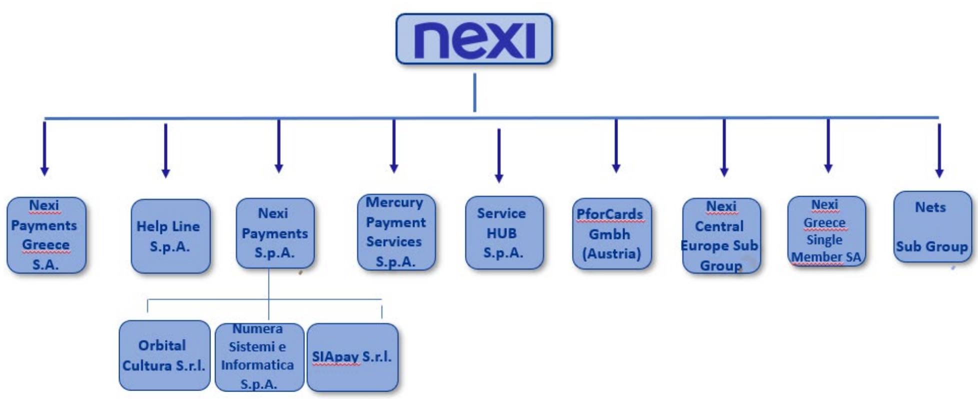
The Interim Report as at 30 June 2025 was drafted pursuant to IAS/IFRS international accounting standards issued by the International Accounting Standards Board (IASB) and the pertinent interpretation documents of the International Financial Reporting Interpretations Committee (IFRIC), ratified by the European Commission, as provided for by Regulation (EC) No. 1606 of 19 July 2002.
In particular, the Interim Report has been drafted pursuant to the provisions set forth under paragraph 10 of IAS 34 concerning statements in condensed form.

The Interim Report includes the interim management report, the condensed consolidated interim financial statements and, pursuant to art. 154 bis, paragraph 5 of Italian Legislative Decree 58/98 of the TUF (Italian Consolidated Law on Finance), the joint certification of the CEO and the Financial Reporting Officer.
As provided for by article 154 of the TUF, the interim report is subject to limited audit by the independent auditors PricewaterhouseCoopers SpA and is published on Nexi's website, at www.nexigroup.com.

Nexi Group

The Group's Parent Company is Nexi SpA, listed on Borsa Italiana's Euronext Milan as of 16 April 2019.

The Nexi Group remains the main operator in Italy and one of the main operators in Europe in the paytech sector, and as at 30 June 2025 is comprised of the parent company Nexi SpA and the subsidiaries listed in the Explanatory Notes (section "Accounting Policies"). Compared to 31 December 2024, the Group's scope did not change significantly.
Below is a list of companies directly controlled by Nexi SpA. With regard to the "Sub Group Nets" and the "Sub Group Nexi Central Europe", please refer to the aforementioned section of the Notes.



Based on representations provided pursuant to art. 120 of Italian Legislative Decree 58/98 and on further information available, as at 30 June 2025, Nexi SpA's major shareholders are:

- Evergood H&F Lux S.à.r.l: 21.19%
- Cassa Depositi e Prestiti SpA: 18.25%
- Mercury UK HoldCo Ltd: 3.01%
- Eagle (AIBC) & Cy SCA: 6.47%
- AB Europe Investment S.à.r.l: 2.14%
- Float: 48.94%

Macroeconomic Landscape

In recent months, the global environment has undergone several changes that have led to some revisions to growth estimates: global growth for 2025 was revised downward compared to the original forecasts at the start of the year (+2.7%). The main reason is the increase in US tariffs, which – alongside rising protectionism – is generating uncertainty, slowed investment and inflationary risks.
At the regional level, the United States is expected to decline from +2.8% in 2024 by over 1 percentage point, mainly impacted by trade measures and political uncertainty. In contrast, the Eurozone remains stable around 1%, currently showing a degree of resilience, albeit with an uncertain and uneven trend among countries, and volatile inflation near the 2% target.
While down from its peak of over 9% in 2022 to 4-4.7% in the first quarter of 2025, global inflation still remains above the pre-pandemic level. Indeed, price pressures in services and inflation expectations remain high, still justifying restrictive monetary policies.
In China, the trend in trade talks for a commercial agreement with the United States underscores the cyclical fragility of its economy. Following growth of +5% in 2024, 2025 is expected to decelerate, with GDP at +4.7%, slowed by tariffs and weaker exports, only partly offset by fiscal stimulus and measures to support domestic demand.
The overall environment points to a global economy that remains under pressure: slowly declining inflation leaves room for possible monetary easing, but uncertainty on tariffs, persistent geopolitical tensions and high levels of public debt continue to cloud prospects for a robust recovery.

The European Economy

In 2024, Euro Area GDP grew by 0.9%, confirming modest expansion, with essentially unchanged expectations for 2025 and 2026. The main causes remain: (i) weak demand from key foreign markets, with slowing exports (only +0.7% forecast in 2025); (ii) geopolitical tensions – war in Ukraine, instability in the Middle East – weighing on confidence and investment; (iii) the ECB's restrictive monetary policy, adopted to counter inflation, which has dampened consumption and spending.
Overall inflation has now returned to around the 2% target, but core inflation remains higher, supported by wages and domestic costs.
On the debt front, member states continue to contain the debt-to-GDP ratio (around 83-87% in the EU in 2025), partly due to a revision of fiscal rules aimed at combining discipline with flexibility. At the same time, significant expansionary fiscal measures are under way, in particular infrastructure and defence spending, to support domestic demand.
The labour market remains solid: employment increased and the unemployment rate fell to 6.3% (its lowest since before the global financial crisis), with further reductions expected by 2026. Real wages continue to benefit from disinflation, supporting consumption despite economic uncertainty.
In summary, the Euro Area shows signs of stabilisation, but the recovery remains fragile due to risks related to international trade, geopolitics and debt costs.

The Italian Economy

In 2024 Italian GDP recorded moderate annual growth of +0.7%, in line with the EU average and with projections pointing to broadly similar performance this year (+0.6%), followed by a slight increase in subsequent years (+0.7 to +0.8%).
The first quarter of 2025 saw an acceleration driven by domestic demand and investments mainly linked to NRRP funds.
The strong rise in both imports and exports may signal an advance in trade in anticipation of – and due to fears of – US tariffs.
Against this backdrop of partial optimism but also uncertainty, domestic demand remains the main driver of growth, with private consumption estimated at around +1% in 2025, supported by employment and real income.
Investments are on the rise in the first part of the year across all major components, and this positive trend is expected to be confirmed by the NRRP initiatives, which should particularly support so-called intangible investments, mainly through measures for digitalisation in both the private and public sectors.
In real terms, the early months of 2025 showed continued recovery from the loss in purchasing power during 2022-2023, although the gap in real contractual wages remains.
After the strong expansion of recent years, employment is expected to continue growing at rates slightly below those of GDP (0.5% on average). The unemployment rate, which averaged 6.6% in 2024, is expected to decline further during the year and stabilise at the average values of the next two years.
Consumer inflation in Italy is forecast to remain around 1.5% in both 2025 and 2026, rising to 2.0% in 2027, with core inflation expected to fall and stabilise around 1.5% for the entire three-year period.
In summary, Italy is undergoing a phase of moderate stabilisation, with encouraging signs in employment and inflation, but still constrained by low productivity, geopolitical uncertainty and debt pressures. Effective implementation of the NRRP and a more balanced European fiscal policy will be key to supporting domestic demand and improving medium-term prospects.

Reference Markets

Market trends in 2024 confirm a further slowdown in digital payments as a result of the weakening consumer economy (falling from +12% in 2022 to +5% in 2023, and to +2% in 2024 in nominal terms), although digital payment penetration has continued to grow steadily by around 2 percentage points each year since the pandemic. This confirms the vibrancy of the sector itself, both in terms of the supply of payment and acceptance solutions, and in terms of demand in increasingly embracing their added value.
Data from Banca d'Italia show that cash withdrawals are falling even more than in the previous year (-1% in 2023 and -3% in 2024), while payments continue to rise, albeit more slowly, recording +7.5%.
The economic slowdown affected the various product types in a similar way, all seeing slowdowns of 4-5 points compared to 2023. Debt is the type showing the highest growth (+9.2%), benefiting from the progressive substitution of credit products by the banking channel. Indeed, the credit product segment is expanding by less than half (+3.4%), while prepaid cards show a growth rate halfway between the other two products (+7.3%).
Structural dynamics are also accompanying the transition to digital payments, but they also slowed. According to the Banca d'Italia's Annual Report, there were 3.332 thousand physical POS devices in circulation at the end of 2024, an increase of +2% over the 6.9% of the previous year, while the number of ATMs fell from 46 thousand in 2023 to 44.7 thousand in 2024 (-2.8%).

Looking at the dynamics of digital payments in Europe, three brackets of countries broken down by rate of development emerge. In the fastest-growing group, above 15%, are several countries from the eastern area: Bulgaria, Serbia, Croatia and Romania. A second group of countries with more moderate but still double-digit growth includes Slovakia, Ireland, Hungary, Czech Republic, Slovenia, Luxembourg, Portugal, Poland, Lithuania, Belgium and Austria. In the third bracket, with single-digit increases, we find countries that are on average more penetrated by digital tools, typically the Nordics and other Western European nations (Spain, Germany, Netherlands, France, United Kingdom, Switzerland), as well as Greece, Latvia and Estonia.

According to Banca d'Italia's statistics on the payment system, 2024 figures for Home and Corporate Banking stations totalled 63.3 million household installations (+8%) and 4.6 million business installations (+3%). The number of active corporate customers remained steady at 1.3 million (+0.1%).

Significant Events During the Reporting Period

Acquisition of Merchant Acquiring Activities from Banca Popolare di Puglia e Basilicata

The acquisition of the merchant acquiring business from Banca Popolare di Puglia e Basilicata ("BPPB"), which was signed on 17 October 2024, was closed on 30 May 2025. The agreement concerns the transfer of the merchant acquiring business to the Nexi Group and the creation of a long-term partnership aimed at the promotion and exclusive placement of all merchants acquiring products and services of the Nexi Group through BPPB's commercial network.
The transaction above is a business combination that was accounted for in accordance with IFRS 3. For further information, please refer to section 34 of the Notes.

Divestment of Capital Market Businesses

On 19 December 2024 a sale agreement was signed between Nexi Payments and Base Digitale (Sesa Group) regarding part of the Capital Markets perimeter, focused on the provision of specialised services in the management of financial markets and stock exchanges, a business that generated Euro 3.6 million in revenue in 2024.

The closing of the transaction took place on 28 February 2025.

Sale of the e-Boks Business

On 10 March 2025 an agreement was signed between Nets, PostNord and CataCap for the sale of E-boks, a secure digital platform for communication, document delivery and archiving of important documents, with approximately 5.3 million Danish users among enterprises, public administrations and the general public.

Closing took place in the early days of July 2025.

In accordance with IFRS 5, the related investment was classified in the Interim Report under "Non-current assets held for sale".

Changes in Group Debt

The Group's financial structure changed in H1 2025 mainly due to the following:

- On 7 January 2025 the bank financing agreement signed with the European Investment Bank on 25 September 2024 (the "EIB Loan Agreement") was partially drawn, for an amount of Euro 202.2 million, to be repaid under an amortisation plan with final maturity on 7 January 2033 (the "EIB Credit Line"). This loan is aimed to cover the funding needs related to new investments for the development of innovative products and services by the Group, as envisaged in the investment plan submitted to and approved by the European Investment Bank.
- On 21 January 2025, Nexi SpA signed a bilateral financing agreement (the "CDP Loan Agreement") under which Cassa Depositi e Prestiti SpA granted Nexi SpA a 100 Euro million credit line (the "CDP Credit Line"), fully drawn on 17 April 2025 and repayable under an amortisation plan with final maturity on 21 January 2031. This loan covers the needs arising from new investments to be made in Italy in innovation and digital technology in the 2025-2026 period, as envisaged in the investment plan submitted to and already approved by the European Investment Bank, in addition to the financial support already granted thereby.

- On 10 March 2025, Nexi S.p.A. entered into a floating-rate syndicated financing agreement with a pool of leading banks (the "2025 Loan"). The 2025 Loan comprises three credit facilities:
    1) a Euro 1 billion bullet credit facility (the "2025 Term Loan Line A1"), fully disbursed on 31 March 2025, with 31 March 2030 maturity, intended to fund the early full repayment of the so-called term credit facility of Euro 1 billion maturing in May 2026 (the "IPO Term Line") under the floating-rate loan agreement signed at the time of the 2019 listing (the "IPO Loan").
    2) a Euro 900 million bullet credit facility (the "2025 Term Loan Line A2"), also fully disbursed on 31 March 2025, with 31 March 2030 maturity, intended to fund the early full repayment of the syndicated bank loan entered into in 2022 worth Euro 900 million maturing in August 2027 (the "2022 Term Loan"). Note also that the 2025 Term Loan Line A2 was entirely subject to a hedging transaction that qualifies for hedge accounting, and specifically as a cash flow hedge, realised through the subscription of interest rate swap derivative instruments finalised in the first quarter of 2025. The contractual terms of the 2025 Term Loan Line A2 include an option to extend the facility's maturity by an additional 12 months, exercisable by the Parent Company and subject to approval by the lending banks.
    3) a Euro 1 billion revolving credit facility, with the same maturity of 31 March 2030, usable for corporate purposes and in multiple tranches and durations (the "2025 Revolving Line"). As at today's date, the 2025 Revolving Line – replacing an Euro 350 million revolving credit facility previously granted to the Parent Company under the IPO Loan (the "IPO Revolving Line") – is fully available. The 2025 Revolving Line may also be used by Nexi Payments.
- On 31 March 2025, Nexi SpA fully repaid the IPO Term Line and the 2022 Term Loan for the respective amounts of Euro 1 billion and Euro 900 million. These repayments were funded by the disbursement on the same date of the 2025 Term Loan Line A1 and 2025 Term Loan Line A2 under the 2025 Loan.
  At the same time, on 31 March 2025 Nexi SpA cancelled the IPO Revolving Line, which was replaced on the same date by the 2025 Revolving Line under the 2025 Loan.
- On 21 May 2025 a senior unsecured bond loan was issued with a nominal value of Euro 750 million, maturing on 21 May 2031 (the "2031 Bonds"), issued at 99.89% of the nominal value. The 2031 notes have an annual fixed coupon of 3.875%. The transaction marks the first issuance under the Euro Medium Term Notes (EMTN) Programme for a total maximum amount of up to Euro 4 billion, established in April 2025. These securities have been admitted to trading on the "Euro MTF" multilateral trading facility of the Luxembourg Stock Exchange and on the "MOT" trading system of Borsa Italiana as from the issue date. The proceeds from the issuance of the 2031 Bond are intended to fund Group's general corporate purposes including the refinancing of existing indebtedness.
- On 30 June 2025, Nexi S.p.A. fully repaid at maturity the syndicated loan disbursed on 30 June 2020, amounting to Euro 366.5 million, under which some financial institutions had granted a floating-rate term credit facility (the "Term Loan"). This repayment was financed through the use of already available financial resources.

As a result, the Group's gross financial debt as at 30 June 2025 stood at Euro 7,108 million and consists – besides the already mentioned EIB Credit Line, CDP Credit Line, 2025 Term Loan Line A1, 2025 Term Loan Line A2 and 2031 Bonds – mainly of the following third-party financing granted to Nexi SpA:

- a bank loan contract signed by Nexi SpA disbursed on 23 December 2021, pursuant to which Banco BPM SpA granted a variable rate credit line for a total original amount of Euro 200 million (the "BBPM Credit Line"). The BBPM Credit Line was partially repaid for 30% of the amount (Euro 60 million) on 16 December 2024, while the remaining 70% is to be repaid with the second and final instalment on 15 December 2025;

- a bank loan contract signed by Nexi SpA and disbursed on 14 July 2022, pursuant to which BPER Banca SpA granted Nexi SpA a variable rate credit line governed by Italian law, for a total amount of Euro 50 million (the "BPER Credit Line"); The BPER Credit Line has been fully used and is to be repaid in a lump sum on 30 April 2026;
- a bond loan with a current nominal amount of Euro 926 million, with a semi-annual coupon at a fixed rate of 1.625% p.a., issued at par by Nexi SpA on 29 April 2021 and expiring on 30 April 2026 (the "2026 Bonds");
- an equity-linked bond loan of a nominal amount of Euro 500 million, convertible into ordinary shares of Nexi SpA, issued at par on 24 April 2020, with a semi-annual fixed rate coupon of 1.75% p.a. and maturity on 24 April 2027 (the "2027 Convertible Loan");
- an equity-linked bond loan of a nominal amount of Euro 1 billion, convertible into ordinary shares of Nexi SpA, and issued at par on 24 February 2021, that does not pay interest and with maturity on 24 February 2028 (the "2028 Convertible Loan");

- a bond loan with a nominal amount of Euro 1,050 million, with a semi-annual coupon at a fixed rate of 2.125% p.a., issued at par by Nexi SpA on 29 April 2021 and expiring on 30 April 2029 (the "2029 Bonds" and, together with the 2026 Bonds and 2031 Bonds, the "Bond Loans").

Note that as at 30 June 2025 all covenants envisaged by the Group's medium- and long-term financing, described in section 35, had been complied with.

In summary, as at 30 June 2025, the breakdown of the gross debt was as follows:

(Amounts in million euros)

	June 30, 2025	Dec. 31, 2024
Funding:	**2,443**	**2,544**
Term Loan	-	371
IPO Loan	-	1.013
BBPM Credit Line	140	140
BPER Credit Line	50	50
Ratepay funding	47	73
2022 Term Loan	-	897
EIB Credit Line	205	-
CDP Credit Line	100	-
2025 Term Loan Facility Tranche A1	1,004	-
2025 Term Loan Facility Tranche A2	896	-
Securities issued:	**4,146**	**3,383**
2027 Convertible Bond	484	479
2028 Convertible Bond	941	931
2026 Bonds	927	926
2029 Bonds	1,048	1,047
2031 Bonds	746	-
Other financial liabilities	**519**	**523**
Total	**7,108**	**6,450**

The item "Other financial liabilities" mainly includes the lease liability (Euro 130 million), liabilities related to earn-outs or deferred prices mainly connected to certain M&A transactions executed by the Group (Euro 372 million), in addition to the negative fair value of derivatives (Euro 11 million).

Group Activities

Present in over 25 countries, Nexi is one of the leading players operating in the digital payments sector in Europe. The Group holds a consolidated leadership position in Italy and the Nordic markets (historically served by Nets) as well as a strong presence in Central Europe (primarily Germany, also thanks to recent strategic investments) and South-eastern Europe.

During H1 2025, directly or through its partner banks, the Nexi Group managed an aggregate volume of 20 billion transactions for the entire value chain on the acquiring front and on the issuing front, corresponding to a total amount of Euro 845 billion.

The Group conducts its business through three business lines: Merchant Solutions, Issuing Solutions and Digital Banking Solutions.

Merchant Solutions

Through this business line, which also includes the E-commerce Business Unit, the Group provides the services necessary to enable merchants to accept digital payments, including through commercial relationships with partner banks, for transactions carried out physically at retail outlets and digital transactions on the internet (*e-commerce*).

The services provided by this company unit can be subdivided into payment processing services, payment acceptance services (or acquiring services), and POS management services. Nexi operates under several service models, which vary depending on the nature of the Group's relationships with partner banks, which vary and, therefore, determine value chain presence, and the relative activities are managed internally and/or outsourced depending on the service models. Payment services on the acquiring side encompass the entire range of services that allow a merchant to accept payments either through cards or other digital payment instruments belonging to credit or debit schemes.
POS management services include configuration, activation and maintenance of POS terminals, their integration within merchant accounting software, fraud prevention services, dispute management, as well as customer support services via a dedicated call centre.
Thanks to the breadth of services offered, the different types of payment accepted, geographical coverage and value-added services, the Nexi Group can offer a one-stop-shop model for merchants from various European countries. The offer of this business area includes end-to-end solutions aimed at guaranteeing payment acceptance, such as to allow merchants to use the Nexi Group as a single supplier.
Furthermore, a wide range of value-added services is offered to merchants based on their growth and changing needs throughout their business life cycle, including but not limited to invoice and receipt management, consumer financing (as well as for the merchants themselves), as well as loyalty and omni-channel solutions.

Issuing Solutions

Via this business line, the Group and its partner banks provide a wide range of issuing services, namely services relating to the supply, issue and management of private and corporate payment cards, with advanced fraud prevention systems ensuring fast, reliable and secure user authentication and fast payments. Furthermore, the Group provides processing and administrative services such as payment tracking and the production of monthly statements, data analysis and price-setting support services, customer service and dispute management, as well as communication and customer development services through promotional campaigns and loyalty programmes.
The Issuing Solutions division provides services for the issue of payment cards almost exclusively through partner banks (issuance in partnership with banks).
The majority of cards issued envisage monthly repayment of the exposure by the holders ("balance"), while cards that allow the holder to repay in instalments ("revolving") are used exclusively in the case of issuance in partnership in order to limit credit risk by having the partner banks assume the risk of holders' insolvency. Therefore, the credit risk in this business line is entirely shouldered by partner banks. The Group issues a limited number of deferred debit cards and prepaid cards without the assistance of a partner bank.
The business division also includes operations and processing services provided in relation to national debit card schemes in Denmark ("Dankort") and Norway ("BankAxept").

Digital Banking Solutions

Through this business line, the Group provides ATM terminal management, clearing, digital corporate banking, as well as network services.
The Group is responsible for installing and managing ATMs on behalf of partner banks. Of the ATMs managed, more than half are so-called "cash in" machines, which allow both withdrawing cash and making deposits. The service can provide for the complete management of the machines (so-called full fleet), or only part of the services (so-called outsourcing).
In the Italian market, the Group operates as an Automated Clearing House (ACH) for domestic payments pursuant to standard interbank regimes. By means of a dedicated platform, the Group offers member banks the possibility of exchanging flows containing collection and payment instructions, as well as the calculation of bilateral and multilateral balances to be settled

at a later date (so-called settlement). For international clearing services, the Group continues to be the platform provider of EBA Clearing (the leading European clearing house for SEPA products), both for traditional SEPA transactions and innovative instant payments.

The Group provides partner banks' corporate customers with digital banking services for the management of current accounts and payments. The latter fall within the following four categories:

- Electronic/mobile banking services: development of dedicated e-banking platforms.
- CBI, pension and collection services: development of payment platforms capable of providing group accounts and payment management services and provision of the CBI service, which has become a payment centre connected with public authorities.
- CBI Globe – Open Banking: provision of the service that allows the interconnection between banks and third parties through dedicated platforms to make the management of bank accounts by customers easier and more efficient, offering both information and instruction services, taking advantage of the business opportunities introduced by PSD2.
- Digital and multichannel payment support services: provision of applications for invoice management and storage, prepaid card reloading, bill payments, postal payments and other services through the internet, smartphones and ATMs.

The Group also provides a wide range of network services in the domestic sphere through the RNI (National Interbank Network) and, at the international level, through ESMIG access services to the Eurosystem's Target Services and to the main European and American stock markets.

Group Financial and Business Performance

During the period ending 30 June 2025, the Group recorded – on a comparable basis – revenue growth of 3.4% to Euro 1,715 million and EBITDA growth of 5.2% to Euro 869 million, with the margin improving.

Main Group indicators		
n. 20 billion transactions managed (+3.4%)	Euro 1,715 million in operating revenues (+3.4%)	Euro 172 million in Capex
Euro 845 billion in transactions managed (+0.1%)	Euro 869 million in EBITDA (+5.2%)	Net Financial Position Euro (5,186) million

Note: the changes indicated above have been calculated on a yearly basis. Revenue and EBITDA are shown on a pro-forma basis (please refer to the "Group Performance" section). The Capex above does not include the effects of IFRS 16.

Financial and Business Performance of the Business Units

In the first 6 months of 2025, **Merchant Solutions** recorded revenue of Euro 980 million,[1] up 3.9% year-on-year excluding the effects of exchange rate changes, despite fewer working days and the expected impact of the loss of certain Italian banking clients involved in M&A transactions. During the period, the Group processed approximately 10 billion transactions, an increase despite the factors mentioned above (+3.3%), with a transaction value of Euro 409 billion (+0.3%), driven by positive trends in international schemes in all geographies. In continuity with what was observed in recent years, volumes in the e-commerce channel grew at a higher rate, exceeding 5%.
In the Italian market, the Group strengthened its multichannel commercial strategy. Development of Face-to-Face, direct and indirect sales channels accelerated further compared to the 2024 commercial structure, especially in the Small and Medium Enterprise segment. As part of initiatives conducted with banking partners, new commercial actions were launched both to boost acquisition contract distribution and to strengthen the customer base, with continued distribution across Retail outlets and all digital channels. Sales efforts for products based on advanced solutions (SmartPOS and SmartPOS Register) saw a further increase. Mobility and acceptance expansion solutions also contributed significantly, especially the smartphone app (SoftPOS) in both Android and Apple versions. During the half-year the "Dona Italia" initiative was also developed: an innovative, secure and accessible digital tool for all Third Sector Entities based on QR-code technology and designed to simplify donations. In the LAKA segment, the focus continued on specific verticals, with dedicated payment solutions targeting clients in Fuel,

[1]Including the non-material effects of the Banca Popolare Puglia & Basilicata transaction from the closing date.

Transport/Mobility, Utilities/Telco and Retail, leveraging acquiring services, omni-channel gateway-based acceptance, and integration and customisation services. On the M&A front, the integration of Banca Popolare di Puglia e Basilicata merchant acquiring and POS management business was successfully completed.
Across the Nordic markets, repeating patterns from last year and with the purpose of maintaining its leadership and expanding in selected markets, Nets kept rolling out certain services welcome by its customer base, such as "Nets financing" cash advance (a key funding tool for SMEs working capital), DCC and digital receipt functionalities. In addition, the collaboration with Integrated Software Vendors (ISVs) has continued, backing the ongoing convergence of digital payments and software solutions for SMEs. This included various commercial model ranging setting up strong partnerships to the direct integration of software solutions in Nexi product and value proposition. Finally, local teams have recently started looking into Denmark's proposals to rejuvenate widely-used payment method Dankort (national debit card scheme), serviced by Nets within a specific fee-revenue framework. In the E-commerce space, Easy solutions continued to deliver robust volume and revenue growth.
In the first half of 2025, the DACH region sustained its strategic focus on SMEs, deepening its partnership with Computop to embed and promote Nexi Checkout as the standard mid-market e-commerce solution. Plus, the Group further strengthened its digital-wallet offerings by becoming an official Wero acquirer under the European Payments Initiative. Through this agreement, Nexi Germany is licensed to onboard merchants for Wero acceptance - both online and, in due course, in physical stores. Computop serves as the technical gateway provider for Wero, delivering the necessary interfaces to ensure seamless merchant onboarding and transaction processing. Separately, the Group saw an increased synergy with Orderbird by leveraging the "Nexi Partner Portal" for faster point-of-sale integrations and advanced cooperation with Planet, global provider of integrated technology and payments solutions for retail and hospitality customers, to launch bundled terminal and online payment services enhanced with value-added merchant features. These initiatives have positioned Nexi DACH to drive sustainable growth in the SME segment and strengthen its partner ecosystem for continued expansion.
As for the CSEE region, the subsidiary PeP (Polish e-Payments) obtained Visa and Mastercard principal member status, which will reinforce its leadership in the local cashless payment sector. This prestigious status, granted to only a few selected financial institutions and fintechs, marks a pivotal step in Nexi's strategic development in the region, unlocking new business and operational opportunities, while further strengthening customer trust.

Issuing Solutions generated revenue of Euro 555 million in the half year, an annual growth of 2.9% against more than 10 billion transactions handled, an increase of 3.6% compared to the same period last year and corresponding to Euro 436 billion in value, a decrease of 0.1%.
In the Italian market, the first half of 2025 also saw strong customer interest in advanced international debit cards (+1.5 million YoY), which are driving the continued decline in cash withdrawals in favour of sales transactions. Credit products remained broadly stable in volume (bank clients under Licensing agreements), confirming a stronger focus on the premium and corporate segments. The renewal of the range of products aimed at the youth target (14-30 years old) was completed during the period, with native solutions integrated into digital channels in order to provide the new generations with products closer to their needs and with a high focus on Sustainability, including through the use of green materials. Transaction volumes for "mobile payments" continued to grow, along with rising demand for "Buy now pay later" solutions (+6.4% with approximately 665 thousand plans activated).
It should be noted that in 2024 Nexi entered into a partnership with Bancomat where Nexi will provide the centralised application and technology infrastructure that will provide participating Issuers and Acquirers with routing, clearing and control services on Bancomat circuits. As of January 2025, the migration of the first participants marked the operational launch of the new Bancomat infrastructure, which will gradually replace the current application centres (with Issuing centres evolving into Authorisation centres).
In the Nordics region, overall performance was driven by continued market growth (including the effects of certain project activities) and by investments aimed at maintaining and further improving the quality and variety of solutions offered to clients.
Furthermore, the critical migration to the UNI platform continued to be a strong focus area, with key milestones progressing as planned.
In the DACH region, the Group made significant progress in the implementation of the landmark partnership with Commerzbank, serving around 11 million retail customers in Germany. Phase 2 of the partnership was successfully implemented and went live in April, with the final Phase 3 proceeding smoothly on schedule. The ramp-up of Commerzbank-sourced volumes helped fuel regional KPI growth on an underlying basis.

Finally, in the half-year Digital Banking Solutions recorded revenue of Euro 181 million, up 1.6% year-on-year, with continued strong growth in volumes on SEPA Clearing platforms thanks to the new fraud prevention function for transfers and instant payments (FPAD), expansion of the international client base served with network solutions for ESMIG access, and promotion of the Banks Payment Hub solution, enabling the Group's domestic and international clients to meet obligations under EU Instant Payment Regulation 2024 (Instant Payments, fraud prevention, Embargo and "VoP" modules).

In Italy, the development of innovative services continued with the pilot launch of the RTP service, in collaboration with CBI, EBA and PagoPA. Ahead of the October regulatory deadline for "VoP", an infrastructure enhancement programme was also launched with CBI and EBA to handle the high volumes that will be generated by banks enrolled on both service platforms. In the area of Digital Corporate Banking, the above-mentioned Regulation also enabled the development of new initiatives to adapt internet banking platforms. With regard to the Public Administration, note the launch of the new Entity Treasury service for digital dialogue with Banca d'Italia and the development of a service to digitalise legally valid communications between the public administration and citizens. Lastly, in the ATM area, the Group acquired new banking customers, expanded the VAS (Value-Added Services) range and further expanded its DCC service coverage in Italy and South-East Europe.

Group Performance

Reclassified Consolidated Income Statement as at 30 June 2025

The reclassified consolidated Income Statement highlights, in a multi-step format, net result determinants for the period by reporting items commonly used to provide a condensed overview of company performance.

Said items are ranked as "Alternative Performance Measures" (APMs) pursuant to the Consob communication of 3 December 2015 which, in turn, encompasses the European Securities and Markets Authority (ESMA) guidelines of 5 October 2015. Please refer to the appropriate section on disclosures pursuant to said communication.

Note that in continuation with the Group financial statements as at 31 December 2024, the subsidiary Ratepay (Germany) engaged in the "Buy now, pay later" segment, is considered a "non-core" activity from a strategic point of view. The following table therefore excludes the contribution to revenues and EBITDA and shows the net result among the "non-recurring items".

(Amounts in million euros)

	Reported Income Statement June 2025	Proforma Adjustments 2025 (**)	Proforma Income Statement June 2025	Reported Income Statement June 2024	Proforma Adjustments 2024 (**)	Proforma Income Statement June 2024	Delta % Reported	Delta % Proforma
Merchant Solutions	982	(2)	980	943	-	942	4.2%	3.9%
Issuing Solutions	555	-	555	539	-	539	2.9%	2.9%
Digital Banking Solutions	181	-	181	178	-	178	1.6%	1.6%
Net operating revenues	**1,718**	**(2)**	**1,715**	**1,660**	**(1)**	**1,660**	**3.5%**	**3.4%**
Personnel-related costs	(377)	-	(377)	(394)	-	(395)	(4.3%)	(4.5%)
Operating costs	(470)	-	(469)	(439)	-	(439)	7.0%	7.0%
Total costs	(847)	1	(846)	(833)	-	(833)	1.7%	1.6%
EBITDA (*)	**871**	**(2)**	**869**	**827**	**(1)**	**826**	**5.3%**	**5.2%**
Depreciation and amortization	(459)			(446)			2.9%	
Interests & financing costs	(129)			(125)			3.5%	
Non recurring items	(62)			(203)			-69.4%	
Result before taxes	**221**			**53**			**313.3%**	
Income taxes	(132)			(86)			53.0%	
Minorities	(1)			0			-805.0%	
Profit/(loss) attributable to the Group	**88**			**(33)**			**-369.1%**	

(*) The EBITDA shown above is "Normalised EBITDA" whose definition is provided in the "Alternative Performance Measures" section.

(**) Figures at constant exchange rates, which also include the – insignificant – results of the Banca Popolare Puglia e Basilicatamerchant book from the date of closing (May 2025).

Thanks to greater contributions from all business units, Group revenue as at 30 June 2025 grew by 3.4% compared to the same period of the previous year, which, being a leap year, included one additional business day. Similar to last year, Merchant Solutions generated 57% of Group revenues, while Issuing Solutions and Digital Banking Solutions contributed 32% and 11% respectively. In terms of geographical distribution, the DACH and Italy regions recorded the highest growth rates, while revenue generation was weaker in some markets in south-eastern Europe.

Total costs for the period (excluding depreciation/amortisation) increased by 1.6% year-on-year. The reduction in personnel-related costs, attributable to the 2024 early retirement incentive plan and resulting headcount reduction, fully offset the increase in other operating costs, mainly related to positive business and volume dynamics as well as inflationary pressures.

This resulted in an increase in Group EBITDA of 5.2%, with the EBITDA margin improving compared to the same period last year. At current exchange rates, EBITDA for the half-year amounted to Euro 871 million (+5.3%).

Depreciation and amortisation totalled Euro 459 million, up slightly year-on-year, while interest on debt and similar charges was Euro 129 million.

Non-recurring charges recorded under EBITDA amounted to Euro 62 million, including digital transformation and integration costs (Euro 35 million), non-monetary charges related to the long-term incentive plans incurred by the Group and Sponsors ("LTI plans" and "Stock Grant plans", respectively, for a total of Euro 8 million) and costs directly related to M&A transactions, as well as components related to "non-core" activities.
Note that non-recurring charges in the first half of 2024 included costs of approximately Euro 135 million related to the early retirement incentive plan agreed with Trade Unions in Italy and to staff agreements reached in other countries.

As a result of the above and after taxes and minorities, there was a profit for the period of Euro 88 million.

Financial Position Highlights

The main financial position indicators are listed below.

Capex

The following table details Capex investments in the first half of 2025.

(Amounts in million euros)

	I Half 2025	I Half 2024
Purchase of owned assets in property:	**172**	**192**
Intangible fixed assets	126	147
Tangible fixed assets	46	45
Property investments	-	-
Increase of Rights of use (IFRS 16):	**30**	**15**
Tangible and intangible fixed assets	30	15
Total Investments (Capex)	**202**	**207**

Net Financial Position

The Net Financial Position changed in the first half of 2025, as shown below:

(Amounts in million euros)

	Jun. 30, 2025	Dec. 31, 2024
A. Cash (*)	1,922	1,405
B. Cash equivalents	-	-
C. Other current financial assets	-	-
D. Liquidity (A) + (B) + (C)	**1,922**	**1,405**
E. Current financial debt	(1,353)	(765)
F. Current portion of long-term debt	(50)	(45)
G. Current financial debt (E) + (F)	**(1,403)**	**(810)**
H. Net current financial debt (G) - (D)	**519**	**595**
I. Non-current financial debt	(2,486)	(2,257)
J. Debts instruments	(3,219)	(3,383)
K. Trade liabilities and other non-current financial liabilities	-	-
L. Non current financial debt (I) + (J) + (K)	**(5,705)**	**(5,640)**
M. Net financial position (H) + (L)	**(5,186)**	**(5,045)**

(*) The item includes "Cash and cash equivalents" net of the portion required for the settlement of net liabilities related to transaction payment activities.

Alternative Performance Measures

In line with guidelines published on 5 October 2015 by the European Securities and Markets Authority (ESMA/2015/1415), and subsequent updates, and for the purposes of these consolidated financial statements, Nexi Group, as well as reporting figures for income statement and net financial position envisaged under the International Financial Reporting Standards (IFRS), also submits alternative performance measures derived from the aforesaid, providing management with a further means to evaluate Group performance.
The alternative performance measures adopted by the Group were substantially unchanged compared with the previous financial year, in terms of both definition and calculation method.
Pursuant to standing rules and regulations, the following sections further detail Group APMs.

Net Operating Revenues

Nexi defines Net Operating Revenues as the normalised operating revenues, excluding non-recurring income and expense items. Excluded from net operating revenues are those from non-core businesses, including companies or business units being divested. The following table shows the reconciliation of Net Operating Revenues in the Financial Statements with Net Operating Revenues in the first half of 2025 and the first half of 2024.

(Amounts in million euros)

	I Half 2025	I Half 2024
Statutory Net operating revenues	1,742	1,718
Non recurring revenues	(23)	(50)
Other differences	(2)	(8)
Net operating revenues	1,718	1,660

Normalised EBITDA

Nexi defines normalised EBITDA as the gross operating margin adjusted for non-cash expenses related to LTI and Stock Grant plans, non-recurring income and expenses, including those from non-core businesses/entities, M&A and transformation costs.
The following table details reconciliation of Gross operating margin of the period and normalised EBITDA for the first half of 2025 and the first half of 2024.

(Amounts in million euros)

	I Half 2025	I Half 2024
Gross operating margin	808	624
Net non recurring costs	54	194
Equity based compensation costs (non-cash)	8	9
EBITDA (Normalised)	871	827

Investments (Capex)

Nexi defines investments as tangible and intangible assets acquired in the period, as listed in the relevant table in the Notes, concerning changes to tangible and intangible assets. Such an Alternative Measure does not include property, plant and equipment and intangible assets acquired following business combination transactions. The specific item also includes the Capex related to the Rights of Use accounted for in accordance with IFRS 16.

Net Financial Position

The Net Financial Position is the balance between current and non-current financial liabilities and financial assets. More specifically, financial liabilities comprise the carrying amounts of the following financial statement items:

- Cash and cash equivalents net of the portion required for the settlement of net liabilities related to transaction payment activities (i.e. Own cash)
- Non-current financial debts
- Non-current hedging derivatives
- Current financial debts
- Current hedging derivatives

Governance and Control Structures

Board of Directors

On 30 April 2025, the Shareholders' Meeting appointed the Board of Directors until the date of approval of the financial statements as at 31 December 2027, setting the number of members at 13.

Below is the composition of the Board of Directors as at 30 June 2025:

Chair	Marcello Sala
Chief Executive Officer and General Manager	Paolo Bertoluzzo
Directors	Ernesto Albanese
	Elena Antognazza
	Luca Bassi
	Marina Brogi
	Elena Dimanina
	Johannes Korp
	Antonella Lillo
	Francesco Renato Mele
	Marina Natale
	Federica Seganti
	Enrico Trovati

On 7 May 2025, the Board of Directors resolved on the appointment of the members of the Internal Board Committees. Below is the composition as at 30 June 2025.

Remuneration and Appointment Committee(*)

Chair	Marina Natale
Members	Elena Dimanina,
	Marina Brogi

Control and Risk Committee(*)

Chair	Federica Seganti
Members	Ernesto Albanese
	Marina Natale

Innovation and Sustainability Committee(*)

Chair	Marina Brogi
Members	Elena Antognazza
	Antonella Lillo

(*) Committees established as per the Corporate Governance code

Board of Statutory Auditors

On 30 April 2025, the Shareholders' Meeting appointed the members of the Board of Statutory Auditors until the date of approval of the financial statements as at 31 December 2027.

Chair	Giacomo Bugna
Statutory Auditors	Luigi Borrè
	Nathalie Brazzelli
Alternate auditors	Serena Gatteschi
	Sonia Peron

Financial Reporting Manager

The role of the Financial Reporting Manager, provided for by article 154 bis of the TUF, is held by Enrico Marchini.

Group Internal Control Systems

As regards the periodic assessment of the Internal Control System (ICS), during the period the Audit Function continued its efforts to constantly improve the underlying assessment framework, involving other corporate control functions in a structured manner, each within its purview. The new ICS assessment framework will be implemented starting from the assessment as at 30 June 2025, and subsequently the results of the assessments of the Companies within scope will be analysed. New features of the updated assessment framework include:

- Alignment of the scope of entities assessed for ICS purposes with the strategic and significant entities within the COAAS perimeter;
- Update of the qualitative questionnaire to simplify it and include feedback from other control functions;
- Revision of the quantitative questionnaire, with the introduction of new KPIs to adequately reflect the results of services provided by the control functions.

In the wake of the continuous monitoring of the level of attention of the senior management of each relevant Legal Entity of the Group, the Group Internal Audit Function continued the awareness campaign with each CEO and Regional Head in order to proceed with the prompt closure of the improvement actions identified by the local audit functions, including through targeted meetings in each Region of the Group. This in order to maintain a level of risk mitigation consistent with the expectations and recommendations received from the Group's Board of Directors.

With regard to the on-site audits carried out in H1 2025, note that a significant number of them – especially in Italy – concerned external audits initiated by the various client banks. A further aggravation on this front is expected following the adoption and implementation of the recent European legislation called DORA. In this regard, the Group Internal Audit Function and the individual audit functions in the Legal Entities started monitoring activities and their implementation in each company as early as 2024. In order to contain operational impacts and maximise operational efficiency, the Parent Company Function continued collaborating with a number of client banks in order to avoid duplicate audits of the same services. In the coming months the initiative will be extended to other client banks in order to further mitigate the operational impact on the structures involved in the provision of services.

The Group Audit Function regularly attended the meetings of the Risk Control and Sustainability Committee of Nexi S.p.A., the Board of Statutory Auditors, the SB, the Group Executive Committee as well as the Group Management team. On these occasions, based on the different requirements, the Function provided a dedicated information flow on the results of verification activities as well as on assurance activities on the main risk issues identified or emerging for the Group. To this end, regular information flows were established between the audit managers of the Nexi Group companies to the Group Audit Function.

Finally, with regard to the work programme defined with the Group SBs, the Audit Function supported the Body in the assessments of impact analysis that emerged following the corporate and organisational merger, as well as of the outcomes of reports received via the whistleblowing channel.

Second level controls, which aim to help define the business risk measurement methods and check that operations of individual production areas are consistent with assigned risk-return objectives and business operating rules, are entrusted to structures other than the operational ones, and specifically to:

- the Risk Management Function, at Group and local levels;

- the Compliance Function, at Group and local levels.

Risk Management performs the function of identifying, managing and monitoring risks. The Function has an Enterprise Risk Management (ERM) Framework that – in line with top management's vision and the recommendations within the Code of Conduct for Listed Companies pertaining to risk management and control – focuses on the identification and handling of top risks impinging on value creation and protection. To that end, it is tasked with injecting a risk management culture and practices thereto pertaining in corporate processes relevant to strategic planning and performance management.

Nexi Group's ERM model aims to achieve the following goals:

identify, prioritise and periodically monitor main corporate risks in order to direct investments and resources towards the most critical and relevant risks for the Group's business;

assign roles and responsibilities for a clear and shared management of corporate risks;

give due value to the existing Risk Management units, coordinating them and enhancing them if possible;

spread a culture of risk awareness and a risk-based approach in the Group's decision-making processes, raising management's awareness of the major risks the company is exposed to.

With regard to recurring activities carried out during the first half of 2025, the Risk Management Function updated the ERM risk assessment to identify risks that could impact the Company over the next three years and continued to monitor the implementation of mitigation plans on priority risks. The ERM methodology has been implemented in all strategically important Group companies.
In 2025 the Risk Management function is leading the conclusion of the so-called "Transformation Phase" of the DORA project to ensure the Group's companies comply with the regulation. At the same time, it is conducting extensive IT risk assessments to verify resilience internally and at suppliers, monitoring the progress of related mitigations. The function is also continuing efforts to progressively enhance the oversight of risk linked to the Group's strategic projects (with particular focus on AI-related topics), and to evolve the ERM methodology in order to facilitate alignment with ESG material topics.

The Group Compliance Function is responsible for the Group Compliance Policies and Guidelines issued as part of the Group Internal Rules System. These regulations constitute one of the instruments used by the Parent Company to direct and exercise management and coordination while safeguarding the autonomy, responsibilities and independence of its subsidiaries.

In the first half of 2025 the Group Compliance function played a central role in strengthening the Group-wide regulatory oversight, directly leading strategic regulatory initiatives and actively supporting the Legal Entities in their implementation. Specifically, the activities focused on:

- *AI Act Compliance Programme*: the Function took responsibility for leading the compliance programme for the Artificial Intelligence Regulation (AI Act), with the aim of:
    - Defining a structured compliance framework aligned with regulatory requirements;
    - Promoting the spread of risk culture through a Group-wide training and awareness programme;
    - Providing regulatory impact analysis and specialised support on privacy matters, particularly for projects based on AI technologies.

- *Data Privacy & Consent Management*: the function continued to improve the control framework and technological tools supporting privacy compliance, focusing on process optimisation and the adoption of solutions for managing data subject consent and declarations of intent.
- *EU Accessibility Act*: oversight of the process of complying with the provisions of the EU Accessibility Act continued, in order to ensure the timely adoption of the measures required by the regulation.

- *Cross-cutting regulatory support and local programme compliance*
    - Strengthening the role of guidance and support to subsidiaries, with particular attention to corrective regulatory actions;
    - Improving the monitoring of local compliance risks through enhanced information flows from local Compliance and AML Functions;
    - Reinforcing the compliance risk assessment approach for strategically significant Group companies.

- *Emerging regulations*: the Function initiated preparatory impact analyses aimed at ensuring timely and coordinated compliance with several key upcoming EU regulations relevant to the Group:
    - AML Package
    - PSD3 and PSR Package
    - EU Data Act

Group Compliance regularly reports to the Group Management team and the Control and Risk Committee of Nexi S.p.A. on the main risks of non-compliance relevant to the Group, with particular attention to the main regulatory areas such as Anti-Money Laundering, Data Privacy and Payment Services regulations (e.g. PSD2). In support of this reporting, regular information flows have been established from Nexi Group companies to the Group Compliance function.

In the second half of 2025 the Group Compliance Function will continue to strengthen regulatory compliance oversight and further develop the related control frameworks with regard to the main regulatory areas. Special attention will be paid to the implementation of strategically significant emerging regulations, including continuation of the AI Act Compliance Programme and preparations for the implementation of the AML, PSD3/PSR and EU Data Act regulatory packages.
These initiatives will be managed in synergy with the main corporate functions and with the involvement of the local functions of the Nexi Group companies, with the aim of ensuring a coordinated, consistent approach.

Nexi Group Organisational Structure

In 2025 the organisational model was updated to strengthen alignment with the principle "European by scale, Local by nature", empowering the Regions for greater customer proximity and further centralising strategy and product development in the Business Units. In this respect, the commercial activities of eCommerce and Issuing were reallocated to the relevant Regions, and the eCommerce Business Unit was merged into Merchant Solutions. A new Strategy & Development Corporate Function was also established, reporting directly to the CEO, to guide medium-term strategy and investments.

The organisational model is therefore structured as follows:

- 3 Group Business Units (Merchant Solutions, Issuing Solutions, Digital Banking Solutions) promoting international reach, economies of scale and innovation and long-term development.
- 4 Region Units (Italy, Nordics, Dach, CSEE) that promote market and customer proximity as well as ensure the management of local specificities.

The organisational structure also envisages Group support functions (Corporate Functions: Group Corporate and External Affairs & ESG, Finance & Transformation, Strategy & Development, HR, IT, Group Risk Management, Group Audit) that allow centralised exploitation of the advantages of scale in technology, processing platforms, digital, operations, talent/skills through investment and process standardisation.

Finally, the "local" aspect is represented by the individual countries. The coordination between the Region/Country and the Business Units takes place through corporate governance that allows the leaders of each Region, Business Unit or Function to discuss the most critical issues and find common solutions.

Group IT System

In the first half of 2025 (as in previous years) the IT Department's activities were mainly aimed at implementing the business development strategy, continuing the multi-year technological transformation programme of the Group's information system and maintaining a strong focus on service quality and security. Finally, the entire technological ecosystem continues to be the subject of recurring optimisation and efficiency initiatives.

In addition to day-to-day IT service management, the most significant projects – both for business development and for technological transformation – in the various areas include the following:

- Issuing Solutions: the multi-year innovation programme for Unicredit's card division was launched in Italy. The project to implement the new platform for the Bancomat national debit card scheme is proceeding as planned.

In the Nordics and other international markets, the most relevant initiatives include the completion of the card migration project for the client CommerzBank to the Group's target platforms, and the continuation of the migration of cards for the main banking client in Greece (AlphaBank). An innovation project is also underway to manage cards according to the "Payments as a Service" model;

- Merchant Solutions: the migration of customer merchants to the new Core Acquiring and Merchant Onboarding platforms is being finalised in Italy. Moreover, in foreign markets several initiatives were launched to innovate service models and develop new products, including those targeting ISVs;

- Digital Banking Solutions: several projects are in place to implement the strategy for upgrading payment platforms, especially in Corporate Banking, Instant Payments, Corporate Payments and Banking Payments. The multi-year programme to transform and consolidate the related application platforms is also nearing completion;

- Digital: numerous initiatives are under way in collaboration with the relevant IT factories (Issuing, Merchant, eCom, Digital Banking) to integrate digital components for the innovation of payment products and services;

- Data & Analytics: work continues on the development and expansion of technologies and usage models at the Group level for its information assets, particularly within the Nordics perimeter;

- Corporate Systems: multi-year Group-level transformation programmes continue for platforms managing Finance and HR processes. Additionally, in the area of corporate systems, initiatives are in place to ensure compliance with laws and regulatory requirements. Lastly, a study was launched to assess convergence measures for Customer Management platforms.

A programme for the progressive adoption of Generative AI across various technological domains is being rolled out, launched to achieve operational efficiency goals and guided by the dedicated IT organisational unit established in the second half of 2024.

As far as initiatives related to technology infrastructure are concerned, the consolidation and rationalisation of the Group's Data Centres continues according to plan, having a particular impact on the Italian perimeter again in 2025. The planned development of the open source and network components is also ongoing. Finally, particular attention continues to be paid to the initiative to further develop the processes for monitoring the service levels provided by the Group.

Finally, efforts aimed at the monitoring and continuous improvement of Information Security and Business Continuity continue, as well as the Group-wide standardisation of information system protection solutions.

Human Resources

The Group's workforce (including fixed-term resources) is as follows:

	June 30, 2025	Dec 31, 2024
Average number of employees	9,262	9,378
Total employees (*)	**9,293**	**9,230**

(*) The number of employees shown above is the figure for the last day of the month in question.

Main Risks and Uncertainties

Risks Related to Macroeconomic Conditions, Exogenous International Events and Political Uncertainty in Italy and Europe, in the Countries Where the Group Operates

The Nexi Group is exposed to the European and non-European market and the related economic and political conditions of the countries where the Group operates. The revenues that the Nexi Group generates depend in part on the number and volume of payment transactions (so-called volume-driven revenues). These elements depend in turn on the penetration of digital payments and overall spending of consumers, businesses and public administration.

General economic conditions in Italy and Europe affect the climate of confidence, consumer spending, the amount of income available for consumption, as well as changes in consumers' purchasing habits.

Nonetheless, the conditions for stronger GDP growth in the area remain in place. In fact, higher real wages and employment, less restrictive financing conditions (especially following recent monetary policy decisions) and a recovery in external demand should combine to support a gradual upturn. Furthermore, the increased penetration of digital payments is expected to be a supporting factor for the Nexi Group's revenue growth.

Risks Associated with Group Growth Initiatives

The business plan includes ambitious growth targets related to commercial initiatives that, together with the increase in nominal consumption and the expected higher penetration of digital payments, aim to foster a greater spread of established products and/or ensure an effective entry into unexplored segments and/or markets.
The risk, which could have a medium-high economic impact and a medium-low probability of occurrence, is therefore represented by the possibility of not achieving the set growth targets in the areas of greatest interest and within the set time frame. This also in light of the complexity of organising business initiatives while integration operations (e.g. IT systems) are still ongoing.

Risks Related to Customer Concentration

A significant part of the activities of the Nexi Group is carried out through commercial relationships with banks, thanks also to their network and branch networks.

The concentration of relationships with partner banks, together with the constantly evolving consolidation of the market, especially in Italy, exposes the Nexi Group to the risk that the performance of the banking and financial institutions sector, as well as possible integrations within such sector, could have possible negative effects on the Nexi Group itself. The loss of a partner bank could also have an impact on revenues, profitability and cash flows.

The loss of business relations with one or more of the main customers would result in a reduction in the Nexi Group's revenues, causing negative effects of an average size on its economic, equity and financial situation. Considering the strong ties the Nexi Group has with its main partners, this event is considered to have a medium to low probability of occurrence.

Risks Linked to Competition within Nexi Group's Operations

The European market is becoming increasingly competitive in the digital payments sector and is undergoing a period of rapid transformation due to customer habits, technological innovation and the recent harmonisation of legislation at an international level.

On the other hand, of note is the entry into the market of new national and international players and the expansion of services offered by existing competitors. A growing trend in Europe involves specific initiatives for individual domestic sectors where vertical fintech specialists and integrated software vendors try to establish themselves adopting advanced digital solutions that respond quickly and flexibly to customer needs, also in the context of payment services.

Failure to adapt in time to changing market dynamics can lead to loss of business and can have an economic and reputational impact. Due to the highly competitive landscape, this event is considered to have a medium-high impact and a medium probability of occurrence.

Risks Linked to the Group's Ability to Attract, Retain and Motivate Skilled Professionals

The Group's performance and the future success of its businesses are significantly dependent on its ability to attract, retain and motivate certain very specific skills sets in middle and senior management, namely individuals with significant levels of specialisation and technical knowhow.

Furthermore, the Group's performance and the future prospects of its business are also dependent on its ability to advantageously adapt to rapidly unfolding technological, social, economic and regulatory changes. This requires a large staff of highly specialised personnel in the fields of engineering, IT, technical support, finance and control, sales, administration and management.

The market for highly qualified personnel is fiercely competitive and this could hamper the Group's ability to recruit additional personnel, replace outgoing staff with equally qualified professionals or retain people who are essential for growth. The risk has a medium probability of occurrence and low potential reputational impacts.

In this respect, the Group places particular emphasis on the selection, hiring and training of human resources, with the aim of maintaining the highest standards.

Operational Risks

Cybersecurity and Data Breach Risk

As part of its operations the Nexi Group processes personal data, including data relating to payment transactions, cardholders and merchants, and is therefore exposed to the risk of cyber security attacks and/or incidents resulting in potential data breaches or interruptions of business.

Furthermore, Nexi is aware of the risks arising from the activities of third parties, such as service providers or business partners. In addition to including contractual clauses to ensure the security and confidentiality of data, Nexi is committed to mitigating these threats through vigilance and close cooperation.

Nexi is bound by data protection and privacy laws, as well as the rules of international circuits such as Visa and Mastercard. Compliance with these rules involves adopting data protection standards and maintaining industry certifications, such as those required by the PCI (Payment Card Industry) consortium.

The number and complexity of cyber attacks are increasing with the use of AI-enhanced tactics, the spread of ransomware-as-a-service, and the development of advanced social engineering methods that allow threat actors to overcome traditional defences. The risk of a security incident is considered critical, with a low probability of occurrence. In the worst case, security threats could result in system downtime, compromised critical IT systems, potential breaches of confidential information, or misuse of payment information. Similarly, the loss or unauthorised disclosure of customers' personal or other sensitive information could result in regulatory or legal sanctions, significant fines, substantial remediation costs, and damage to the company's reputation.

The Nexi Group is actively engaged in mitigating cyber security risks. In addition to having an adequate insurance policy, Nexi implements specific IT security measures, organises training to make staff aware of risks and best practices, and maintains a constant monitoring of services and a business continuity plan to ensure an effective response to any crisis.

Operational Risks Related to the Business continuity of IT, Communication and Technological Infrastructure (So-Called ICT Infrastructure) and to the Malfunction Thereof

The reliability, operational performance, integrity and continuity of the ICT infrastructure of the Nexi Group and the technological networks are crucial to the Group's business, prospects and reputation.

The merchant acquisition and card issuing platforms are a crucial part of the ICT infrastructure. These systems handle the authorisation and processing of digital payments, the issuing and management of cards, and the management of payment terminals and services, all subject to interbank standards.

Unexpected platform downtime could affect the availability of our services, causing potential violations of service level agreements and reliability in processing customer transactions. This could lead to a loss of revenue and an increase in operating expenses. Moreover, the Nexi Group could suffer reputational damage in the event of prolonged or repeated incidents of inactivity. Therefore, this risk is considered to have a high economic, operational and reputational impact, although with a low probability of occurrence.

Nexi has adopted an IT risk management model that is integrated with the operational risk management framework and consistent with the overall system of internal controls. A dedicated IT security unit is responsible for defining protection strategies, supervising business continuity and managing related incidents, ensuring that security standards are applied. The infrastructure management unit, on the other hand, oversees the continuity of IT services, manages IT incidents, coordinates the transition of new services, systems, applications and changes in production, and is responsible for the design, implementation and technical operation of Nexi's technology infrastructure. In particular, the Group has implemented a Business Continuity Management System (BCMS) aimed at boosting the resilience of its processes and services. The Business Continuity Plan (BCP) ensures the continuity of activities and services in the event of temporary disruption or partial unavailability, and includes a Disaster Recovery Plan (DRP) designed to ensure the resilience of critical IT and payment infrastructures through coordinated emergency response mechanisms that include system redundancies and the geographical diversification of critical assets.

Risks Related to the Management of Relations with Suppliers

In order to conduct its business, the Nexi Group relies on third-party service providers and product suppliers. The main suppliers include (i) payment processors, (ii) ICT and application maintenance providers, (iii) card, POS and ATM providers, (iv) contact units.

Partnering with third parties allows Nexi to attain greater efficiency, to optimise operating costs and to focus on its core business. However, increased reliance on third parties may breed levels of dependence that may expose Nexi to risks in respect of service level oversight, data management and protection, systems continuity, concentration, compliance and reputation.

Risk events related to the supply chain are considered to have a medium to low probability of occurrence and a medium potential impact.

Risks Linked to Exposure to Credit/Counterparty Risk

For the Nexi Group, credit risk mainly originates in the area of:

- Acquiring activities, and specifically in the form of:

- chargeback risk: in the event of non-delivery of a product/service purchased on a prepaid basis, the cardholder may receive an advance from the acquirer, who only then sees reimbursement from the merchant;
- return risk: if a cardholder decides to exercise the right of withdrawal for online purchases of products/services, the acquirer is obliged to make the refund and only then is the amount settled with the merchant;

- risk associated with non-payment of fees (i.e. Merchant Fees) in cases where net settlement is not applied.

- Issuing activities. Nexi manages “Retail” credit cards (in the name of individuals) and “Corporate” credit cards (in the name of legal entities). Nexi debits the expenditures of credit card customers on a date that is later than the date on which the payments were made, thus establishing a receivable due from the cardholders.
- Buy now pay later (“BNPL”) activities where the credit risk is inherent in the type of service provided.
- Processing activities, and in particular in relation to trade receivables generated by non-payment of invoices.

Note that the Nexi Group has policies in place to manage and mitigate credit risk. The various mitigation levers include the request for bank guarantees or other types of collateral (e.g. Rolling Reserve, deferred settlement, Business Damage).

Medium impact in case of default of major customers, but with a low probability of occurrence thanks to the mitigation measures put in place and robust monitoring systems.

Risks Linked to Merchant, Cardholder, Supplier or Other Third-Party Payment Fraud

The Nexi Group may incur liabilities and may suffer damages, including reputational ones, related to fraudulent digital payment transactions, fraudulent receivables claimed by merchants or other parties, or fraudulent sales of goods and services.
Examples of merchant fraud include phishing attacks on cardholders, marketing of counterfeit products, fraudulent use of stolen or counterfeit credit or debit cards, recordings of fictitious sales or transactions by merchants or third parties through the misuse of payment card numbers, processing of invalid cards, and wilful failure to deliver goods or services as part of an otherwise valid transaction.

The parties engaging in criminal counterfeiting and fraud resort to increasingly sophisticated methods. There has also been an increase in fraud cases related to the development of advanced social engineering methods enhanced by the use of artificial intelligence. Failure to identify theft, as well as ineffective risk management and fraud prevention, could lead to increased disputes between customers and the Group, as well as possible fines or penalties. The impacts can extend to a worsening of the online customer experience and a significant reputational impact that would affect consumer confidence in using digital payment systems.

The Nexi Group’s sophisticated monitoring and detection systems make it possible to prevent and stop potential cases of significant fraud that our customers might suffer.

Compliance Risks

Risks Linked to Continuous Developments in the Regulatory Environment

The constantly changing regulatory environment requires continuous adaptation to the various regulations and measures at European and national levels. As part of the perimeter of systemically important payment systems, the Nexi Group is exposed to the risk of audit by the competent national authorities and the European Central Bank.
Specific to the sector it operates in, the main directives/regulations the Group must comply with include the following:

i) AML for regulations on anti-money laundering, aimed at improving safeguards against money laundering and terrorist financing. With the finalisation of the AML Package, further regulatory changes will have to be implemented in the coming years;

ii)GDPR for the protection of personal data and privacy;

iii) PSD2 for information security reporting requirements, interoperability of systems and the protection of payment service users’ funds (note that this directive is currently under revision with the subsequent introduction of PSD3);

iv) Antitrust in the area of competition law;

v)Binding rules issued periodically by the International Circuits;

vi) AI Act regarding the new European regulatory framework on artificial intelligence.

As a listed company, Nexi SpA is subject to the entire range of special listing rules, which include but are not limited to the Italian Consolidated Law on Finance, Consob regulations, the EU's MAD II Directive and MAR Regulation, Italian Law 262/2005, CSRD corporate sustainability reporting, as well as the codes of conduct and best practice rules applicable to regulated markets.

Continuous developments within the European regulatory framework impose new obligations and growing expectations on payment institutions, as in the recent cases of the Payment Service Directive 3 package, the Anti-Money Laundering package and the Artificial Intelligence Act.

Note that in recent years some companies belonging to the Nexi Group have been subject to inspections or administrative procedures, both of an ordinary nature (mostly) and of an extraordinary nature by competent authorities including recently the German Federal Financial Supervisory Authority (BaFin) and the Italian Supervisory Authority (Banca d'Italia) in relation to various areas, including anti-money laundering, and the provisions introduced by PSD2.

A lack of regulatory compliance could potentially lead to recommendations and fines by local regulators or central banks. In addition, the Nexi Group could suffer reputational damage in the event of data breaches, facilitation of money laundering, delayed implementation of new regulatory requirements, etc. This risk could have a medium to high impact in case of an event, but a low probability of occurrence.

Financial Risks

The Nexi Group has a significant financial debt, and the corresponding high financial charges could among other things trigger negative effects on its ability to generate cash, and consequently to repay the debt at maturity, bearing in mind however that at the time this report was prepared no critical issues had been identified. The Nexi Group, whose debt is currently classified as "sub-investment grade" or "high yield" for one ratings agency out of three, with the greater difficulty in accessing credit that this entails, has nevertheless benefited in recent years from certain upgrades to its creditworthiness that have allowed the Group to reach the rating levels of BBB- for Fitch and S&P (with stable outlook) and Ba1 for Moody's (with positive outlook). Issuers of debt instruments that are not "full investment grade" may face greater difficulties in accessing credit, especially in times of financial market volatility, therefore there is a risk of not being able to easily access new financing if necessary and/or refinance its existing debt in time. The effective maintenance or improvement of the current ratings also depends on the Group's ability to continue to increase its economic and financial health and reduce financial debt over time. Any deviation from the path outlined, even in terms of financial policy, could worsen the Group's creditworthiness and lead to a negative change in the ratings assigned by agencies. The same effect with similar impacts could also occur if there is a deterioration in the creditworthiness ascribed to the Italian State or in the national and international macroeconomic environment.
As of 30 June 2025, considering the effect of hedging derivatives, approximately 23% of the Nexi Group's medium-long term Financial Liabilities expressed at nominal value (consisting of bond loans, including equity-linked bond loans, and bank, bilateral and syndicated financing) were exposed to sources of funding at a variable interest rate, and specifically to the Euribor index. Nexi periodically monitors the forward curves of the relevant variable rates, paying particular attention to trends relating to the 1/3/6-month Euribor rate. To mitigate this risk, it carries out interest rate risk hedging operations when necessary using the appropriate financial instruments.

In the first half of 2025, the ECB cut interest rates three consecutive times, including on 5 June 2025. On that date, the ECB Governing Council decided to reduce the ECB's three key interest rates by 25 basis points. Accordingly, the interest rates on the deposit facility with the central bank, the main refinancing operations and the marginal lending facility were respectively reduced to 2.00%, 2.15% and 2.40% effective 11 June 2025.
Meanwhile, the APP and PEPP portfolios are shrinking at a measured and predictable pace, as the Eurosystem is no longer reinvesting principal payments from maturing securities.

If there were significant fluctuations in variable interest rates in the future and the risk hedging policies possibly adopted by the Nexi Group were not adequate, there could be an increase in the financial charges, with consequent impacts on the Nexi Group's economic and financial results and prospects.

Indeed, it is not possible to rule out that at a future date the Nexi Group may have to refinance its financial debt at due date or that, for whatever reason, it may have to replace its current factoring lines or other credit lines and that that may lead to higher charges and costs and/or lead to disruptions or delays in service provision also due to the required timeframe for replacement, to the extent that that may compromise Group operations.

The likelihood of such risks is considered low.

Business Outlook

The overall performance of the European economy was moderately positive in the early months of 2025, supported by limited growth in consumption and by exports to the United States in anticipation of announced or threatened trade restrictions.

For the remainder of the year, domestic demand is still expected to be the main driver of growth, supported by the recovery in household purchasing power in a disinflationary environment with high employment. The most recent macroeconomic forecasts continue to point to moderate growth in private consumption for the current year in Italy, Germany and the Nordic countries. A much stronger expansion is expected in Greece and above all in Poland, in line with trends seen in 2024.

However, uncertainty remains high regarding the impact that war, geopolitical and trade tensions and the resulting risks of further increases in the cost of living may have on consumer confidence, which has already been declining since the start of the year and remains below historical averages.

It goes without saying that payment flows for purchased goods and services – and ultimately the majority share of the Group' revenue – depend on the evolution of financial conditions and consumer confidence. That said, the Group's revenue will continue to benefit in both the short and long term from the growing penetration of card, smartphone and other non-cash transactions in the core Central and Southern European markets.

In the above-described macro and industry scenario, also in view of the Group's overall performance in the first half and its operational flexibility demonstrated in recent years, the following financial targets have been confirmed for 2025:

- Revenues: low-to-mid-single digit y/y growth, influenced by exceptionally high impacts related to the sale of the acquiring business by some banks and renegotiations of large contracts. Net of these impacts, underlying revenue growth is expected to accelerate y/y;
- EBITDA margin expansion: at least 50 basis points y/y;
- Excess cash generation[2] of at least Euro 800 million.

These targets are expressed on an organic (stand-alone) basis, and the underlying growth expected to accelerate y/y reinforces the Group's future business growth forecasts, confirming the medium-term outlook discussed with the market at the presentation of the 2023 financial results.

The share buyback plan of approximately Euro 300 million launched in May pursuant to the shareholders' resolution of 30 April 2025 will be completed in the second half of the year. Together with the distribution of an equivalent dividend amount as from 21 May, this plan represents an effective value creation and shareholder remuneration tool.

Related-Party Transactions

Pursuant to relevant rules and regulations, the Group has set up a Procedure for Related-Party Transactions, the contents of which are published on its website. This procedure was updated in 2021 in order to incorporate the changes introduced by Consob Resolution no. 21624 of 10 December 2020 effective from 1 July 2021.

[2]2 Metric of a management nature, which is not part of the IFRS alternative performance measures described above.

During the period, the Group did not execute any transactions qualifying as “major” or “minor” or transactions that had a material impact on the financial position or results of the Nexi Group.

Information pertaining to financial and economic transactions between Nexi Group companies and related parties are detailed under the specific section of the Notes to these Financial Report (section 32 of the Notes), to which reference should be made.

Unusual or Non-Recurring Transactions

No unusual or non-recurring transactions, other than those described under section “Significant Events during the Reporting Period”, were carried out in 2025.

Research & Development

Note that the Group did not undertake any research and development activities in 2025. Please refer to the section "Group Information System" for information on the execution of project initiatives and activities involving the Group's applications during 2025.

Treasury Shares

As at 30 June 2025 the parent company Nexi SpA held no. 36,041,149 shares for a market value of Euro 182,235 thousand.

As at 30 June 2025 the other Group companies did not hold any shares in the parent company Nexi SpA.

Financial Instruments

In addition to receivables arising from the activities of the operating companies, the Group holds Visa Class C shares, which are convertible into ordinary shares, listed shares of Banca Popolare di Sondrio, unlisted shares of Acorns, and a number of derivative contracts to hedge the interest rate risk associated with outstanding floating-rate financing. The Group also has two outstanding convertible bond loans and two equity derivatives relating to subsidiaries or jointly controlled companies. For further information, see the Notes.

Registered Office

The registered office of the Parent Company is Corso Sempione 55, Milan.

Going Concern

The Directors confirm the reasonable expectation that the Group will continue to operate on a going concern basis in the foreseeable future. Note also that, based on the Company’s financial and equity structure and on its business performance, nothing would suggest any cause for uncertainty as to going concern.

Rating

In H1 2025, following the improvement of the business and financial situation, the S&P rating agency revised Nexi SpA's rating and the Bond Loans upwards compared to 31 December 2024, while the Moody's rating agency changed its outlook on Nexi SpA from "stable" to "positive".
Furthermore, on 27 June 2025 the Fitch rating agency assigned the subsidiary Nexi Payments SpA a BBB- rating (Long-Term Issuer Default Rating) with "stable" outlook.

The ratings of Nexi SpA as at the reporting date are summarised in the table below:

Nexi SpA	Moody's	S&P Global Ratings	Fitch Ratings
LT Corporate Family Rating LT Issuer Credit Rating LT Issuer Default Rating	Ba1	BBB-	BBB-
Outlook	Positive	Stable	Stable
Last Review Date	04-apr-25	24-mar-25	18 Dec 2024

Significant Events after the Reporting Period

No significant events occurred after the end of the period.

Milan, 30 July 2025
The Board of Directors

2

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2.1

FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2025

CONSOLIDATED INCOME STATEMENT

(Amounts in million euros)

	Notes	I Half 2025	of which: Related Parties	I Half 2024	of which: Related Parties
Operating Revenues	3	2,971	83	2,920	84
Interchange, scheme fees and other direct costs	3	(1,229)	(3)	(1,202)	(3)
Net Operating Revenues		**1,742**	**80**	**1,718**	**81**
Personnel expenses	4	(413)	(5)	(558)	(5)
Operating Costs	5	(517)	(16)	(528)	(12)
Net accruals for risks	6	(4)	-	(8)	-
Gross operating margin		**808**	**60**	**624**	**64**
Net value adjustments/write-backs on tangible and intangible assets	7	(459)	-	(445)	-
Profits/(losses) on equity investments	8	(2)	-	3	-
Interest and similar expenses	9	(139)	-	(147)	-
Interest and similar income	9	7	-	18	-
Net non-operating income/costs	9	5	-	3	-
Profit (loss) before taxes from continuing operations		**221**	**60**	**56**	**64**
Income taxes	10	(132)	-	(86)	-
Profit (loss) from continuing operations		**89**	**60**	**(30)**	**64**
Income (loss) after tax from discontinued operations	11	-	-	(3)	-
Profit (loss) for the period		**89**	**60**	**(33)**	**64**
Profit (Loss) for the period attributable to the parent company	**24**	**88**	**-**	**(33)**	**-**
Profit (Loss) for the period attributable to non-controlling interests	24	1	-	-	-
Basic result per share	36	0.07		(0.02)	
Diluted result per share	36	0.07		(0.02)	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts in million euros)

	I Half 2025	I Half 2024
Profit (Loss) for the period	89	(33)
Items that will not be reclassified subsequently to profit or loss		
Equity instruments measured at Fair Value through other comprehensive income	14	2
Defined benefit plans	(0)	(3)
Items that will be reclassified subsequently to profit or loss		
Exchange rate changes	32	(7)
Cash flow hedges	(6)	18
Other comprehensive income (net of tax)	40	9
Total comprehensive income	129	(24)
Consolidated comprehensive income attributable to non-controlling interests	1	(0)
Consolidated comprehensive income attributable to the parent company	128	(24)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts in million euros)

	Notes	Jun. 30, 2025	of which Related parties	Dec. 31, 2024	of which Related parties
Tangible assets	12	500	-	510	-
Goodwill	13	12,015	-	11,983	-
Other intangible assets	13	3,953	5	4,185	5
Equity investments	14	77	-	70	-
Deferred tax assets	15	248	-	251	-
Non-current financial assets	16	80	1	81	1
Other non-current assets	17	21	-	10	-
Total non current assets		**16,894**	**6**	**17,090**	**6**
Trade and other receivables	19	882	59	931	67
Current tax assets	15	17	-	16	-
Current financial assets	20	3,562	7	3,397	14
of which transaction payment assets		*3,429*	-	*3,224*	-
Other current assets	21	321	-	300	-
Cash and cash equivalents	22	3,061	231	2,755	256
Total current assets		**7,843**	**297**	**7,399**	**337**
Non-current assets held for sale and discontinued operations	23	25	-	6	-
Total assets		**24,762**	**302**	**24,496**	**343**

	Notes	Jun. 30, 2025	of which Related parties	Dec. 31, 2024	of which Related parties
Share capital	24	119	-	119	-
Treasury shares	24	(182)	-	(5)	-
Reserves	24	10,554	-	10,653	-
Profit (Loss) for the period attributable to the parent company	24	88	-	167	-
Equity attributable to non-controlling interests (+/-)	24	20	-	23	-
Total shareholders' Equity		10,599	-	10,957	-
Non-current Financial debts	25	5,701	159	5,625	151
Provisions for risks and charges	26	141	-	164	-
Deferred tax liabilities	15	914	-	922	-
Other non-current liabilities	27	79	-	115	-
Non-current hedging derivatives	18	4	-	15	-
Total non current liabilities		6,839	159	6,842	151
Current Financial debts	25	1,397	-	802	-
Trade and other payables	28	964	13	1,108	20
Current tax liabilities	15	189	-	64	-
Current hedging derivatives	18	7	-	8	-
Current financial liabilities	29	4,622	11	4,613	10
of which transaction payment liabilities		4,567	-	4,573	-
Other current liabilities	30	145	-	102	-
Total current liabilities		7,323	24	6,697	30
Liabilities associated with non-current assets held for sale and discontinued operations	23	1	-	1	-
Total liabilities and Equity		24,762	183	24,496	181

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY IN H1 2025

(Amounts in million euros)

				Allocation of prior year profit		Changes in the period		Comprehensive Income 2025		
	Balance as at Dec. 31, 2024	Changes in opening balance	Balance as at Jan. 1, 2025 Restated	Reserves	Dividends	Change in reserves	Transactions on net equity	Profit/(loss)	Other comprehensive income items	Shareholders' equity as at Jun. 30, 2025
1. Group Equity	**10,934**	**-**	**10,934**	**-**	**(307)**	**9**	**(184)**	**88**	**40**	**10,579**
Share capital	119	-	119	-	-	-	-	-	-	119
Treasury shares	(5)	-	(5)	-	-	7	(184)	-	-	(182)
Share premium	-	-	-	-	-	-	-	-	-	-
Reserves	10,841	-	10,841	167	(307)	2	-	-	-	10,703
Valuation Reserves	(188)	-	(188)	-	-	-	-	-	40	(149)
Profit (loss) for the period	167	-	167	(167)	-	-	-	88	-	88
2. Equity attributable to non-controlling interests	**23**	**-**	**23**	**-**	**(4)**	**-**	**-**	**1**	**-**	**20**
Total shareholders' equity	**10,957**	**-**	**10,957**	**-**	**(311)**	**9**	**(184)**	**89**	**40**	**10,599**

For more details, see the relevant section of the Explanatory Notes.

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY IN 2024

(Amounts in million euros)

				Allocation of prior year profit		Changes in the year		Comprehensive Income 2024		
	Balance as at Dec. 31, 2023	Changes in opening balance	Balance as at Jan. 1, 2024 Restated	Reserves	Dividends	Change in reserves	Transactions on net equity	Profit/(loss)	Other comprehensive income items	Shareholders' equity as at Dec. 31, 2024
1. Group Equity	**11,274**	**-**	**11,274**	**-**	**-**	**(483)**	**2**	**167**	**(27)**	**10,934**
Share capital	119	-	119	-	-	-	-	-	-	119
Treasury shares	(7)	-	(7)	-	-	-	2	-	-	(5)
Share premium	11,587	-	11,587	(59)	-	(11,528)	-	-	-	-
Reserves	714	-	714	(947)	-	11,074	-	-	-	10,841
Valuation Reserves	(132)	-	(132)	-	-	(29)	-	-	(27)	(188)
Profit (loss) for the year	(1,006)	-	(1,006)	1.006	-	-	-	167	-	167
2. Equity attributable to non-controlling interests	**23**	**-**	**23**	**-**	**(3)**	**(0)**	**-**	**4**	**-**	**23**
Total shareholders' equity	**11,297**	**-**	**11,297**	**-**	**(3)**	**(483)**	**2**	**171**	**(27)**	**10,957**

CONSOLIDATED STATEMENT OF CASH FLOWS (INDIRECT METHOD)

(Amounts in million euros)

	I Half 2025	I Half 2024
Profit (loss) for the period	**89**	**(33)**
Adjustments for:		
Net value adjustments/write-backs on tangible and intangible assets	459	445
(Profits)/losses on equity investments	2	(3)
Uncollected/paid net financial (income)/costs	28	34
Equity settled share based payments	8	10
Unpaid taxes, duties and tax assets	107	67
Changes in Provision/Employees benefit plans	(24)	(4)
Changes in Net Working Capital and other adjustments (**)	(63)	89
Cash flow by operating activities	**606**	**605**
Investments in tangible and intangible assets	(172)	(193)
Investments/divestments in equity investments/business units	(49)	(34)
Dividends received	6	3
Cash flow by investing activities	**(215)**	**(224)**
Issues of debt instruments and new loans/Repayments of financial debts (*)	621	(283)
Dividends paid	(311)	-
Issues/purchases of equity instruments	(184)	(118)
Cash flow by financing activities	**126**	**(401)**
Cash flow from net settlement (asset)/liability	(211)	(286)
Cash flow generated/used for the period	**306**	**(305)**
Cash and cash equivalent at the beginning of the period	2,755	2,723
Cash and cash equivalent at the end of the period	**3,061**	**2,418**

(*) In 2025 the item is mainly composed of changes in funding in Nexi spa (increase of Euro 642 million) as described in the Management Report.

(**) The effect of the change in net working capital, amounting to Euro 63 million, includes the reclassification of the effects of the securitisation transaction under financial assets, as well as other transactions for a total of Euro 14 million.

Own cash reconciliation

Set out below is the reconciliation between the Cash Flow presented in the foregoing statement and the Cash Flow determined with reference to Own Cash, which — as specified in the management report — excludes the portion of bank current accounts required for the settlement of net liabilities relating to the transaction payment activities carried out by the Group.

	I Half 2025	I Half 2024
Own cash at the start of the period	**1,405**	**1,889**
Cash flow by operating activities	606	605
Cash flow by investing activities	(215)	(224)
Cash flow by financing activities	126	(401)
Cash flow generated/used for the period (own cash)	**517**	**(19)**
Own cash at the end of the period	**1,922**	**1,870**

2.2

NOTES TO THE INTERIM FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

Accounting Policies

Basis of Preparation

In accordance with the provisions of art. 154 of Italian Legislative Decree no. 58 of 24 February 1998, the Group has prepared these Condensed Consolidated Interim Financial Statements as at 30 June 2025 according to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the relevant interpretations of the International Financial Interpretations Committee (IFRIC), as approved by the European Commission and transposed into Italian Law via Legislative Decree 38/2005 pursuant to Regulation (EC) 1606/2002. The contents of these Condensed Consolidated Interim Financial Statements as at 30 June 2025 were drafted in keeping with international accounting standard pertaining to interim financial statements (IAS 34).

With regard to the information provided, the condensed consolidated interim financial statements as at 30 June 2025 have been prepared in summary form in accordance with IAS 34 “Interim Financial Reporting”. The condensed consolidated interim financial statements were drawn up clearly and present a true and fair view of the financial position, financial performance and results of Nexi SpA and its subsidiaries as at 30 June 2025, as described in the section “Scope of Consolidation”.

In preparing this Consolidated Interim Report, particular attention was paid to the latest guidance provided by ESMA in its statement dated 24 October 2024 titled “European Common Enforcement Priorities for 2024 corporate reporting” and by Consob in its communication dated 20 December 2024 titled “Climate disclosures in financial statements”.

The Condensed Consolidated Interim Financial Statements as at 30 June 2025 comprise the Statement of Financial Position, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows, the Notes detailing the criteria employed in preparing said financial statements and the related comparative information. The Condensed Consolidated Interim Report also include the Board of Directors’ Management Report addressing the Group’s operating performance, its economic results and its equity and financial position.

In addition to the amounts for the financial year, the Financial Statements and the Notes thereto present comparative figures as at 30 June 2024 for the income statement figures and as at 31 December 2024 for the balance sheet figures.

The Condensed Consolidated Interim Report as at 30 June 2025 are prepared in euros which is the Company’s functional currency. Unless otherwise stated, amounts in the financial statements and notes are expressed in millions of euros.
As also specified in the Management Report, the measurement criteria are adopted considering the corporate business as a going concern with entries made on an accruals basis, respecting principles of relevance and significance of the accounting information and substance over form. Furthermore, no compensation is made between costs and revenues or between assets and liabilities except in cases expressly provided for or accepted by the accounting standards in force. The accounting principles adopted for the preparation of these Condensed Consolidated Interim Report with respect to the stages of classification, recognition, measurement and derecognition of assets and liabilities in the financial statements, as well as for the methods of recognising revenues and costs, remained unchanged from those adopted for the preparation of the 2024 Consolidated Financial Statements.

No derogations were made from the IAS/IFRS standards.

The following changes in accounting standards apply from 1 January 2025:

- *Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates:*

As of 1 January 2025, amendments to IAS 21 are mandatory in the case of hyperinflationary or non-exchangeable currencies; they provide the following:

- specify when a currency is exchangeable into another currency and when it is not: a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specific purpose; a currency is not exchangeable into the other currency if the entity can obtain only an insignificant amount of the other currency;
- specify how the entity determines the exchange rate to be applied when a currency is not exchangeable: when a currency is not exchangeable at the measurement date, the entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect prevailing economic conditions;
- require additional disclosures when a currency is not exchangeable: when a currency is not exchangeable, an entity discloses information that would enable users of its financial statements to evaluate how the lack of exchangeability of a currency affects or is expected to affect its results of operations, financial position and cash flows.

The amendments to IAS 21 had no impact on the Group's interim financial report.

IFRS and IFRIC Accounting Standards, Amendments and Interpretations Endorsed by the European Union, not yet Mandatorily Applicable and not Early Adopted by the Group as at 30 June 2025

- *Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)*

From 1 January 2026 amendments to IFRS 9 will become mandatory regarding the derecognition of a financial liability extinguished through an electronic payment and the classification of financial assets that:

- have contractual terms consistent with a basic lending arrangement;
- are secured and for which the debtor is liable only up to the cash flows generated by the collateral;
- whose payment is linked to a basket of underlying assets.

Moreover, with specific reference to the classification of financial instruments with contractual terms consistent with a basic lending arrangement, the guidance for the application of IFRS 9 has been amended to provide indications on how an entity should assess whether cash flows are consistent with those of a basic lending arrangement when such cash flows depend on ESG factors. The amendment clarifies that contractual cash flows are not consistent with a basic lending arrangement if they are indexed to a variable that does not represent a fundamental lending risk or cost, or if they represent a share of the issuer's revenue or profit, even if such contractual terms are common in the market in which the entity operates.

As of 1 January 2026 amendments to IFRS 7 will also become mandatory, concerning the disclosure requirements related to investments in equity instruments measured at fair value through other comprehensive income, and the contractual terms that could change the timing or amount of cash flows upon the occurrence (or non-occurrence) of a specified event.

No impacts are expected on the Group's interim financial report from the adoption of these amendments.

IFRS and IFRIC Accounting Standards, Amendments and Interpretations not yet Endorsed by the European Union and not Applicable as at 30 June 2025

The table below shows the standards for which amendments have been issued but not yet approved by the European Union.

Documenti IASB	Date di pubblicazione dello IASB
IFRS 18 Presentation and Disclosure in Financial Statements	09/04/2024
IFRS 19 Subsidiaries without Public Accountability: Disclosures	09/05/2024
Annual Improvements Volume 11:	18/07/2024
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	18/12/2024

Since none of them has yet been endorsed by the European Union, there are no impacts on the Group's interim financial report. The Group will launch specific initiatives to assess any impacts arising from the application of the new standards.

Contents of the Accounting Statements

The consolidated financial statements consist of the Statement of Financial Position, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and the Notes to the Financial Statements. The consolidated financial statements are prepared on a going-concern basis using the historical cost method, except for the financial statement items that under IFRS are recognised at fair value as indicated in the measurement criteria for the individual items, and for non-current assets and disposal groups classified as held for sale, which are measured at the lower of carrying amount and fair value less costs to sell.
Starting from 1 January 2025, the Group completed the project for defining the new financial statement formats, with the aim of providing greater comparability with major competitors. These statements, prepared in accordance with international accounting standards, were used in this interim report as at 30 June 2025, and the corresponding figures as at 31 December 2024 were restated accordingly. This restatement did not result in any adjustment to the balances of the previous financial year. Among the main differences compared with the layouts used up to the financial statements as at 31 December 2024, assets and liabilities were classified as current or non-current in the statement of financial position, while for the income statement the classification of costs and revenue was made based on their nature. For more details on the content of the financial statements and the breakdown of the items, see the following paragraphs.

Statement of Financial Position

The format of the Statement of Financial Position includes line items, sub-items and additional explanatory details. In the consolidated statement of financial position, assets and liabilities are classified according to the "current/non-current" criterion, with separate presentation of assets classified as held for sale and liabilities included in disposal groups classified as held for sale. Current assets (including cash and cash equivalents) are those expected to be realised, sold or consumed in the Group's normal operating cycle, are held primarily for trading purposes and are expected to be realised within twelve months of the reporting date. Current liabilities are those expected to be settled in the Group's normal operating cycle, are held primarily for trading purposes and are expected to be settled within twelve months of the reporting date. Liabilities are non-current if the entity has a substantive right at the end of the reporting period to defer settlement of the liability for at least twelve months.

Income Statement

The Income Statement includes line items, sub-items and additional details. The Income Statement presents a classification of revenue and costs by nature, with separate presentation of net profit (loss) from continuing operations and that from discontinued operations attributable to the Parent Company's shareholders and to non-controlling interests. In the Income Statement, revenues are indicated with no sign, while costs are preceded by the minus sign.

Statement of Comprehensive Income

The Statement of Comprehensive Income starts out from the profit (loss) for the period to show the items of income recognised as counter-entries in the valuation reserves, net of the relevant tax effect, in compliance with the international accounting standards. Consolidated comprehensive income is presented with separate evidence of the income components that will not be recognised in the income statement in the future and those that may otherwise be reclassified to profit (loss) for the year under certain conditions. The statement also distinguishes the share of profitability pertaining to the Parent Company from that pertaining to minority shareholders. Negative amounts are preceded by a minus sign.

Statement of Changes in Equity

The Statement of Changes in Equity shows the changes to shareholders' equity accounts that took place during the year covered by the financial statements and the previous year, divided up into share capital, reserves (capital reserves and net income reserves), valuation reserves and the profit (loss) for the period. Any treasury shares reduce shareholders' equity. The "Equity" components included in the Bond Loans issued, net of the direct transaction costs, increase equity.

Statement of Cash Flows

The statement of cash flows provides information on cash flows for the period under review and the previous period, and has been prepared using the indirect method whereby, in reporting cash flows from operating activities, profit or loss is adjusted for the effects of non-monetary transactions.

Cash flows are broken down into those generated by operating, investing and financing activities. Note that as required by IAS 7.43, cash flows from investing activities were excluded that did not require the use of cash or cash equivalents, including lease transactions.

The cash flows generated in the period are indicated with no sign, while the cash flows absorbed in the period are preceded by the minus sign.

Contents of the Notes

The Notes to the Financial Statements provide all information envisaged by the international accounting standards.

Other Aspects

With regard to the amendments to IAS 12 relating to the Pillar Two Model, the following is an update to the information provided in the Consolidated Financial Statements as at 31 December 2024.

International Tax Reform - Pillar Two Model - Amendments to IAS 12 - At the end of 2021 more than 135 countries, accounting for more than 90% of global GDP, reached an agreement on international tax reform introducing a Global Minimum Tax for large multinational corporations. In detail, these countries adhered to the OECD Inclusive Framework on Base Erosion and Profit Shifting, which introduces a two-pillar model to address tax issues arising from the digitisation of the economy. In Europe, the directive implementing the minimum tax component of the

OECD reform was approved by the European Commission on 12 December 2022. Following the overcoming of reservations by some Member States, unanimous agreement was reached in the EU for the adoption of the proposed EU Directive to achieve a minimum level of effective taxation of 15% for multinational groups with total revenues exceeding Euro 750 million per year. Directive No. 2523/2022 was published in the EU Official Journal on 22 December 2022 and applies from the 2024 tax year. Other non-EU countries may implement the same internationally derived legislation in their national laws. With the publication of the amendments to IAS 12, the IASB sought to respond to the concerns of several stakeholders on the potential implications of the application of the Pillar Two rules on tax accounting. Specifically, the amendments to the standard introduced a mandatory temporary exception that allows not recognising deferred taxation deriving from the implementation of the Pillar Two Framework. The exception, which the Group also uses for the purposes of this disclosure, is immediately applicable and retroactive. Specific disclosure obligations are also imposed on impacted companies (applicable as from the annual financial statements beginning on or after 1 January 2024), with different disclosure requirements to be met in periods when Pillar Two legislation is enacted or substantially enacted but not yet in force, and in periods when tax reform is in force.

Transposing the aforementioned legislation through Italian Legislative Decree 209/2023, the Italian legislature introduced:
- the additional minimum tax (IRR), payable by Italian-located parents of multinational or domestic groups in relation to low-taxed enterprises forming part of the group;
- the supplementary minimum tax (UTPR), payable by one or more enterprises of a multinational group located in Italy with respect to enterprises belonging to the group subject to low taxation when the equivalent additional minimum tax in other countries has not been fully or partially applied (but applicable in accordance with the procedures envisaged in Articles 57 and 60 of Italian Legislative Decree 209/2023);
- the national minimum tax (QDMTT), payable with respect to companies of a multinational or domestic group subject to low taxation located in Italy.

Currently the Nexi Group is engaged in activities aimed at implementing a Group tool as well as the most appropriate processes and the most effective ways to manage this compliance given the involvement of more than 70 companies and subsidiaries located in more than 20 jurisdictions (all European, with the exception of a permanent establishment in South Africa).
Analyses were also performed to check that the simplified transitional Safe Harbour requirements are applicable in the jurisdictions the Group operates in, which – if met – would not result in tax payments arising from the application of the aforementioned new law.

The Consolidated Financial Statements, approved by the Board of Directors of Nexi SpA on 30 July 2025, are accompanied by a statement by the Managing Director - CEO and by the Financial Reporting Manager, in accordance with Article 154 bis of the TUF and subjected to an audit by the independent auditors PricewaterhouseCoopers SpA, in application of the assignment conferred on said company by the shareholders' resolution of 13 February 2019.

Consolidation Criteria

The Group has established the consolidation scope in accordance with IFRS 10 - Consolidated financial statements. Accordingly, the concept of control is fundamental to consolidation of all types of entities. It exists when the investor concurrently:
- has power over the entity relevant activities;
- is exposed, or has rights, to variable returns from its involvement with the entity;
- has the ability to affect those returns through its power over the entity.

The Group therefore consolidates all types of entities when all three control elements are present. As a rule, when an entity is mainly managed through voting rights, control derives from the holding of more than half of the voting rights.

Assessment of whether control exists may be more complex in other circumstances and requires a greater use of judgement as it is necessary to consider all the factors and circumstances that give control over the entity (*de facto* control).

In the context of the Nexi Group, all the consolidated entities are mainly controlled through voting rights. Accordingly, Nexi did not have to exercise judgements or make significant assumptions in order to establish the existence of control over subsidiaries and significant influence over associates.

For the preparation of the Consolidated Interim Financial Report as at 30 June 2025, the following were used: i) the financial statements for the period of the Parent Company Nexi SpA and ii) the accounting results as at 30 June 2025, approved by the competent bodies and functions of the fully consolidated Companies.

Controlled companies have been consolidated by recognising all the assets, liabilities, revenue and costs on a line-by-line basis of the Statement of Financial Position and Income Statement aggregates of the accounting situations of subsidiaries. To this end, the following adjustments were made:
- the carrying amount of equity investments held by the Parent Company and the corresponding share of the shareholders' equity have been eliminated;
- recognising the equity and profits or losses of non-controlling interests separately.

The differences resulting from the above adjustments, if positive, are recognised after any allocation to items of the assets or liabilities of the subsidiary as goodwill or as other intangible assets in the item "Intangible Assets" as at the date of first consolidation. Any negative differences are recognised in the Income Statement.

Intragroup assets and liabilities, income and expenses, as well as profits and losses are eliminated.

Acquisitions of companies are accounted for according to the "acquisition method" envisaged in IFRS 3, on the basis of which the identifiable assets acquired and the identifiable liabilities assumed (including potential liabilities) are to be recognised at their respective Fair Values at the acquisition date. Moreover, for each business combination, any non-controlling interest in the acquiree may be recognised at Fair Value or in proportion to the non-controlling interest's share of the acquiree's identifiable net assets. Any excess of the consideration transferred (represented by the Fair Value of the assets sold, liabilities incurred and equity instruments issued) and the Fair Value of the minority interests over the Fair Value of the assets and liabilities acquired is recognised as goodwill. If the price is lower, the difference is recognised in the income statement. The Group applies the Partial Goodwill method and therefore accounts for minority interests at the carrying amount.

The "acquisition method" is applied from the date of acquisition, i.e. when control of the acquired company is effectively obtained. Therefore, the economic results of a subsidiary acquired during the reporting period are included in the consolidated financial statements from the date of its acquisition. Similarly, the results of operations of a transferred subsidiary are included in the consolidated financial statements up to the date on which control ceased. The difference between the sale consideration and the carrying amount at the date of disposal (including exchange rate differences recognised in equity at the time of consolidation) is recognised in the income statement.
In a multi-stage business combination, the Fair Value at the acquisition date must also be determined by reference to the interests in the acquiree previously held by the acquirer.

Pursuant to IAS 28, the Group Consolidated financial statements also include the results of investees, i.e., entities over which the Group has significant influence and the power to participate in directing its financial and operating policies without having control or joint control, as well as equity investments subject to joint control in accordance with IFRS 11. Such equity investments are measured using the shareholders' equity method which entails the initial recognition of the investment at cost and its subsequent adjustment based on the Group's share of the investee's shareholders' equity. The Group's share of the investee's profit or loss for the period is recognised separately in the consolidated Income Statement.

The difference between the investment's carrying amount and the Group's share of its shareholders' equity is included in the investment's carrying amount.

If there is indication of impairment, the Group estimates the investment's recoverable amount, considering the discounted future cash flows that the investee may generate, including the investment's costs to sell. When the recoverable amount is less than the investment's carrying amount, the difference is recognised in the Income Statement.

All the assets and liabilities of the subsidiaries that prepare their financial statements in currency other than the euro (so-called Foreign Operation) and that fall within the consolidation area are translated using the exchange rates in force at the reporting date (current exchange method), while the related revenues and costs are translated at the average exchange rates for the period. The translation exchange differences resulting from the application of this method are classified as a shareholders' equity item until the equity investment is disposed of in full or when the investee ceases to qualify as a subsidiary. On partial disposal, without loss of control, the portion of exchange rate differences relating to the portion of the equity investment disposed of is allocated to the shareholders' equity of the minority interests. In preparing the consolidated statement of cash flows, the cash flows of consolidated foreign companies expressed in currencies other than the euro are translated using the average exchange rates for the period. Goodwill and Fair Value adjustments generated when allocating the purchase cost of a foreign company are recognised in the related currency and are translated using the period-end exchange rate.

Scope of Consolidation

The following table shows the list of subsidiaries in the Nexi Group as at 30 June 2025:

Company	Structure	Currency	Investor	% ownership	Registered office
Nexi Payments S.p.A. (*)	subsidiary	EUR	Nexi SpA	99,49	Milan, Italy
Nexi Payments Greece S.A. (*)	subsidiary	EUR	Nexi SpA	90,01	Athens, Greece
Mercury Payment Services S.p.A.	subsidiary	EUR	Nexi SpA	100	Milan, Italy
Help Line S.p.A.	subsidiary	EUR	Nexi SpA	69,24	Milan, Italy
Help Line S.p.A.	subsidiary	EUR	Nexi Payments SpA	1,06	Milan, Italy
Orbital Cultura Srl (ex Bassmart)	subsidiary	EUR	Nexi Payments SpA	100	Florence, Italy
Service HUB S.p.A.	subsidiary	EUR	Nexi SpA	100	Milan, Italy
SIApay S.r.l. (*)	subsidiary	EUR	Nexi Payments SpA	100	Milan, Italy
Nexi Central Europe A.S.	subsidiary	EUR	Nexi SpA	100	Bratislava, Slovakia
Nexi Greece Single Member S.A.	subsidiary	EUR	Nexi SpA	100	Athens, Greece
Numera Sistemi e Informatica S.p.A.	subsidiary	EUR	Nexi Payments SpA	100	Sassari, Italy
PforCards GmbH (Austria)	subsidiary	EUR	Nexi SpA	100	Wien, Austria
Nexi Hungary Zrt	subsidiary	HUF	Nexi Central Europe a.s.	100	Budapest, Hungary
Nexi RS d.o.o. Beograd	subsidiary	RSD	Nexi Central Europe a.s.	100	Beograd, Serbia
SIA Croatia d.o.o.	subsidiary	EUR	Nexi Central Europe a.s.	100	Zagreb, Croatia
Nexi Czech Republic, s.r.o.	subsidiary	CZK	Nexi Central Europe a.s.	100	Prague, Czech Republic
SIA Payment Services	subsidiary	EUR	Nexi Central Europe a.s.	100	Bratislava, Slovakia
BillBird S.A. (*)	subsidiary	PLN	Centrum Rozliczen Elektronicznych Polskie ePlatnosci S.A.	100	Krakow, Poland
Centrum Rozliczen Elektronicznych Polskie ePlatnosci S.A.	subsidiary	PLN	Nets Denmark A/S	100	Tajęcina, Poland
Nexi Germany GmbH	subsidiary	EUR	Nexi Germany Holding GmbH	100	Eschborn, Germany
Nexi Austria GmbH	subsidiary	EUR	Nexi Germany GmbH	100	Vösedorf, Austria
Nexi Germany Holding GmbH	subsidiary	EUR	Evergood Germany 1 GmbH	100	Eschborn, Germany
Nexi Germany Sales GmbH	subsidiary	EUR	Nexi Germany Holding GmbH	100	Köln, Germany
Evergood Germany 1 GmbH	subsidiary	EUR	Nets Holdco 1 ApS	100	Eschborn, Germany
Nexi Croatia Ltd (*)	subsidiary	EUR	Nexi Germany Holding GmbH	100	Zagreb, Croatia
Nexi Slovenia Ltd	subsidiary	EUR	Nexi Croatia Ltd	100	Ljubljana, Slovenia
Nets Denmark A/S (*)	subsidiary	DKK	Nets Holdco 5 AS	100	Ballerup, Denmark
Nets Estonia A/S	subsidiary	EUR	Nets Denmark A/S	100	Tallinn, Estonia
Nets Holdco 1 ApS	subsidiary	DKK	Nexi SpA	100	Ballerup, Denmark
Nets Holdco 5 AS	subsidiary	DKK	Nets Holdco 1 ApS	100	Oslo, Norway
Nets Sweden AB	subsidiary	SEK	Nets Denmark A/S	100	Stockholm, Sweden
Nexi Schweiz AG	subsidiary	CHF	Nexi Germany GmbH	100	Wallisellen, Switzerland
Orderbird GmbH	subsidiary	EUR	Nexi Germany GmbH	100	Berlin, Germany
Paytech Payment Provider GmbH	subsidiary	EUR	Nexi Germany GmbH	100	Eschborn, Germany
P24 Dotcard Sp. Z o.o.	subsidiary	PLN	Nets Denmark A/S	100	Warszawa, Poland
PayPro S.A. (*)	subsidiary	PLN	P24 Dotcard Sp. z o.o.	100	Poznań, Poland
Paytrail Oyj (*)	subsidiary	EUR	Nets Denmark A/S	100	Jyväskylä, Finland
Paytrail Technology Oy	subsidiary	EUR	Paytrail Oyj	100	Jyväskylä, Finland
Polskie ePlatnosci Sp. z o.o. (*)	subsidiary	PLN	Centrum Rozliczen Elektronicznych Polskie ePlatnosci S.A.	100	Jasionka, Poland
Nexi Digital Finland Oy	subsidiary	EUR	Nets Denmark A/S	100	Espoo, Finland
Ratepay GmbH (*)	subsidiary	EUR	Nexi Germany Holding GmbH	100	Berlin, Germany
Team4U Sp. z o.o.	subsidiary	PLN	Centrum Rozliczen Elektronicznych Polskie ePlatnosci S.A.	75	Bydgoszcz, Poland

(*) = companies conducting regulated activities subject to restrictions under local supervisory regulations.

Note that during 2025 the scope of consolidation did not change, except for the acquisition of an equity interest in Nexi Payments S.p.A. following the closing of the acquiring book acquisition from Banca Popolare Puglia e Basilicata, as described in note 34.

Note that during the first half of 2025 the following reorganisation transactions were completed:

- establishment of Nexi Hungary Zrt. through the demerger of the relevant branch of Nexi Central Europe;
- liquidation of the subsidiary Orderbird AT Gmbh.

Being business combinations under common control, these transactions had no impact on the consolidated financial statements.

The consolidation area of the financial statements of Nexi Group as at 30 June 2025 includes not only the companies listed above and consolidated on a line-by-line basis, but also the following companies, which, considering the percentage held and/or related relevance, are measured using the shareholders' equity method (no quoted market price exists for these equity investments):

Company	Structure	Currency	Investor	% ownership	Registered office
QRTAG Sp. z.o.o.	significant influence	PLN	Centrum Rozliczen Elektronicznych Polskie ePlatnosci S.A.	45	Poznań, Poland
e-Boks Development A/S	joint control	DKK	e-Boks Group A/S	50	Hellerup, Denmark
e-Boks GCC ApS	joint control	DKK	e-Boks International A/S	50	Hellerup, Denmark
e-Boks Group A/S	joint control	DKK	Nets Denmark A/S	50	Hellerup, Denmark
e-Boks International A/S	joint control	DKK	e-Boks Group A/S	50	Hellerup, Denmark
e-Boks Nordic A/S	joint control	DKK	e-Boks Group A/S	50	Hellerup, Denmark
WEAT Electronic Datenservice GmbH (*)	significant influence	EUR	Nexi Germany GmbH	40	Düsseldorf, Germany
Computop Paygate GmbH	joint control	EUR	Nexi Germany Holding GmbH	51	Bamberg, Germany
Computop inc. (USA)	joint control	USD	Computop Paygate Gmbh	51	Delaware, United States
Computop ltd. (UK)	joint control	GBP	Computop Paygate Gmbh	51	London, United Kingdom
Computop Finance GmbH in liquidation (Germany)	joint control	EUR	Computop Paygate Gmbh	51	Bamberg, Germany
Nexi Digital S.r.l.	significant influence	EUR	Nexi SpA	49	Bari, Italy
Nexi Digital Polska sp z o.o.	significant influence	PLN	Nexi Digital Srl	49	Warszawa, Poland
Digital Commerce Finland Oy	significant influence	EUR	Paytrail Oyj	16,67	Eteläranta, Finland

(*) = companies conducting regulated activities subject to restrictions under local supervisory regulations.

(**) = for indirect subsidiaries with significant influence/joint control, the percentage pertaining to Nexi was indicated.

The following events occurred during the first half-year:

- the agreement for the sale of the equity investment in E-Boks was signed, as described in the management report. As a result, the investment was classified under non-current assets held for sale, in accordance with IFRS 5.
- the liquidation of RS Record Store was completed.
- the derivative for the purchase of the second tranche of Computop was settled. Note that, pursuant to the existing shareholders' agreements with the partners of Computop, the Nexi Group exercises joint control over the company, and that exclusive control will be exercised by the Nexi Group upon purchase of the final tranche, bringing the Group's ownership interest to 100%.

Significant Assessments and Assumptions Made to Determine the Scope of Consolidation

As mentioned above, according to the provisions of IFRS 10, companies in which the Group is exposed to variable returns or holds rights to such returns arising from its relationship with them, and at the same time has the ability to affect returns by exercising power over those entities, are considered subsidiaries. Control can only take place if the following elements are present at the same time:

- the power to direct the relevant activities of the investee;
- the exposure or rights to variable returns arising from the relationship with the entity invested in;
- the capacity to exercise its power over the investee company to affect the amount of its returns.

Since control does not depend solely on the ownership of the majority of voting rights, but rather on the substantive rights each investor holds over the investee, Management judgement is required to assess specific situations that give rise to substantive rights granting the Group the power to direct the relevant activities of the investee so as to affect its returns.

Specifically, the Group considers the following factors when assessing the existence of control:

- the purpose and structure of the investee, in order to identify the entity's objectives, its relevant activities, i.e. those that most influence its performance, and how these activities are governed;
- power, in order to understand whether the Group has contractual rights that confer the ability to direct the relevant operations;

- exposure to the variability of the investee's returns, in order to assess whether the return received by the Group may potentially vary depending on the results achieved by the investee.

Furthermore, in order to assess the existence of control, with the aim in particular of assessing whether the entity operates as a principal or as an agent, the Group considers the following factors:

- decision-making power over the relevant activities of the investee;
- rights held by other parties;
- the remuneration the Group is entitled to;
- the Group's exposure to the variability of returns from any investment held in the investee.

IFRS 10 identifies as "material assets" only those assets that significantly affect the performance of the investee company. In general terms, when material assets are managed through voting rights, the following factors provide evidence of control:

- ownership, directly or indirectly through its subsidiaries, of more than half of the voting rights of an entity, unless – in exceptional cases – it can be clearly demonstrated that such ownership does not constitute control;
- ownership of half or less of the votes exercisable at the shareholders' meeting and the practical ability to unilaterally govern the relevant activities through:
- control of more than half of the voting rights by virtue of an agreement with other investors;
- the power to determine the financial and operating policies of the entity by virtue of provisions of the articles of association or a contract;
- the power to appoint or remove the majority of the members of the board of directors or equivalent corporate governance body;
- the power to exercise the majority of voting rights at meetings of the board of directors or equivalent corporate governance body.

In order to exercise the power, it is necessary that the Group's rights over the investee entity be substantial. To be substantial, those rights must be practically exercisable when decisions on the relevant activities are to be made. Where substantial, the existence and effect of potential voting rights are taken into account when assessing whether or not there is the power to direct the financial and management policies of another entity. It may sometimes be the case that "de facto control" is exercised over certain entities when, even in the absence of a majority of voting rights, one owns such rights as to enable one to direct the relevant activities of the investee entity in a unidirectional manner. Conversely, cases may arise where, despite owning more than half of the voting rights, one does not have control of the entities invested in because, as a result of agreements with other investors, the exposure to variable returns from the relationship with those entities is not considered significant.

Subsidiaries may also include any "structured entities" in which voting rights are not the determining factor for the assessment of control, including special purpose vehicles (SPE/SPV) and investment funds. Structured entities are considered to be controlled where one has power through contractual rights to govern the relevant assets and is exposed to variable returns from those assets. Note that having considered all relevant facts and circumstances, the Group has concluded that in certain specific cases, despite holding more than half of the voting rights, control as defined by IFRS 10 does not exist, but rather that joint control exists as defined by IFRS 11. As a result, such equity investments are not fully consolidated but are accounted for using the equity method.

Structured entities

Control of structured entities (i.e. entities for which voting rights are not considered sufficient to determine control) is deemed to exist where the Group holds contractual rights to manage the relevant activities of the structured entity and is simultaneously exposed to the risks associated with those activities.

The Nexi Group carried out an assessment to determine whether as at 30 June 2025 it was necessary to consolidate the only structured entity within the Group's scope, represented by a vehicle used for the securitisation transaction (ABS - Asset-Backed Security) finalised on 15 April 2025 by the German subsidiary Ratepay, with funding provided by a leading Italian banking player acting as the "Senior Funding Provider" for a total amount of Euro 125 million, backed by Ratepay's short-term "Buy Now Pay Later" (BNPL) consumer credit portfolio.

For this vehicle, based on the requirements of IFRS 10 the key elements identified as relevant for determining control and thus the need for consolidation were the following:

- the power over the entity;
- exposure or rights to variable returns arising from involvement with the structured entity;
- the ability to exercise its power over the investee entity to affect the amount of its returns.

Based on the assessment conducted, the Nexi Group remains exposed to variable returns from its involvement with the structured entity since the subsidiary Ratepay currently holds 20% of the Junior Notes but is not able to exercise power to influence those returns because:

- it holds no equity interest in the vehicle, the management of which is delegated to an independent third-party provider;
- the selection of receivables underlying the securitisation is predetermined and concerns receivables from holders arising from BNPL operations with respect to all merchants classified as "eligible";

- although Ratepay acts as the Servicer for the vehicle, the contract provides for the possibility of "replacing" the company without notice and/or cause, and a so-called back-up servicer has already been appointed.

Based on the assessment conducted, the Group therefore does not have the power to influence the relevant activities described above, nor any veto power. As a result, the structured entity is not subject to consolidation.

Assessment of the Existence of Joint Control and of the Type of Joint Control Agreement

According to IFRS 11, a joint control agreement is an arrangement whereby two or more parties have joint control. Joint control exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint control agreement may take the form of a joint venture or a joint operation. A joint venture is a joint control agreement in which the parties with joint control have rights to the net assets of the agreement. By contrast, a joint operation is a joint control agreement whereby the parties with joint control have rights to the assets and obligations for the liabilities relating to the agreement.

In order to determine the existence of joint control and the type of joint control agreement, Management is required to exercise judgement to assess the rights and obligations arising from the agreement. To this end, Management considers the structure and legal form of the agreement, the terms in the contractual arrangement agreed to by the parties and other facts and circumstances where relevant. The Group reviews the existence of joint control when facts and circumstances indicate that there has been a change in one or more of the elements considered in the assessment of the existence of joint control and the type of joint control agreement.

Assessment of the Existence of Significant Influence Over an Associate

Associate companies are entities over which the Group exercises significant influence, i.e. the power to participate in the financial and operating policy decisions of the investee without having control or joint control over those policies. In general, unless there is evidence to the contrary, it is presumed that the Group has significant influence when it holds an interest of at least 20%. In order to determine the existence of significant influence, Management is required to exercise judgement by assessing all facts and circumstances. The Group reviews the existence of significant influence when facts and circumstances indicate that there has been a change in one or more of the elements considered in the assessment of the existence of such influence.

Significant Restrictions

As for significant restrictions applicable to the transfer of resources within the Nexi Group, note that, as specified in the "Scope of Consolidation" section, some companies of the Group are subject to prudential rules under supervisory regulations in order to preserve adequate capitalisation based on the risks taken. The ability of such companies to distribute capital or dividends is, therefore, subject to compliance with the relevant provisions on equity requirements.

Conversely, there are no significant limitations or restrictions to the exercise of voting rights held in subsidiaries.

Other Information

No accounting records of subsidiaries used in preparing the consolidated financial statements refer to non-homogeneous accounting standards or a date other than that of the consolidated financial statements.

As noted in the management report, the Directors confirm the reasonable expectation that the Group will continue to operate on a going concern basis in the foreseeable future.

In this regard, the Directors believe that no risks and uncertainties have arisen that would raise doubts as to the Group's ability to continue as a going concern, and believe that the Group has a reasonable expectation of being able to continue operating in the foreseeable future.

For the purpose of expressing the aforesaid opinion, the Directors also evaluated the effects of the uncertainties related to the relevant macroeconomic landscape, taking into account the current geopolitical tensions, which could reasonably lead to negative repercussions on the Company's future results. However, the magnitude of these effects is deemed not to give rise to any uncertainties as to the Group's ability to continue as a going concern, also in consideration of the current and prospective solidity of the Group's equity and financial structure.

For information on the Group's risks and related controls see Note 31, "Information on Risks and Related Hedging Policies" in these Notes to the Financial Statements, as well as in the Management Report on Group Operations.

Main Accounting Policies

Financial Instruments

Financial instruments are recognised and measured in accordance with IAS 32 and IFRS 9. A financial asset or liability is recognised in the consolidated financial statements when, and only when, the Group becomes a party to the contractual provisions of the instrument.

Trade receivables arising from contracts with customers within the scope of IFRS 15 are initially measured at the transaction price (as defined in IFRS 15) if such receivables do not contain a significant financing component or where the Group applies the practical expedient allowed by IFRS 15 in cases where the period between the transfer of the good/service and the expected payment date is less than 12 months. These receivables are subsequently measured at amortised cost in accordance with the business model adopted and their contractual characteristics, as further described below.

Financial assets other than trade receivables are initially measured at fair value, which generally corresponds to the transaction price, plus transaction costs for financial assets not measured at fair value through profit or loss.

At the date of initial recognition, financial assets are classified as financial assets at amortised cost, at fair value through other comprehensive income, or at fair value through profit or loss, based on both of the following factors:

- the Group's business model for managing financial assets, that is, how the Group manages its financial assets to generate cash flows (i.e., by collecting contractual cash flows, selling financial assets, or both); and
- the contractual cash flow characteristics of the instrument, to determine whether the instrument generates cash flows that are solely payments of principal and interest under the so-called "SPPI test".

For subsequent measurement purposes, financial assets are classified under IFRS 9 into the following categories:

- financial assets measured at amortised cost;
- financial assets at fair value through other comprehensive income, including equity instruments for which the Group has elected this measurement criterion;
- financial assets measured at Fair Value through Profit or Loss.

Financial Assets Measured at Amortised Cost

This category comprises financial assets other than derivatives held in the "Held-to-Collect" business model, the contractual terms of which solely generate cash flows that are payments of principal and interest (SPPI criterion). This category primarily includes accounts relating to settlement operations, receivables from cardholders, receivables arising from the "BNPL" (buy now pay later) solution, and positions with international networks classified under the statement of financial position item "Current financial assets", trade receivables from the sale of goods and services (net of impairment provisions), receivables from merchants and other receivables (such as items pending settlement and tax items not recognised under a specific line item) classified under item "Trade and other receivables" in the statement of financial position. Under IFRS 9 general requirements on the reclassification of financial assets, reclassifications to other categories of financial assets are only permitted if an entity changes the business model within which the financial assets are held. Such cases, the occurrence of which should be extremely infrequent, allow reclassification of financial assets measured at amortised cost to one of the other two categories designated by IFRS 9 (i.e. "Financial assets at fair value through OCI" or "Financial assets at FVPL"). The transfer value, which is applied prospectively from the reclassification date, is recognised as the Fair Value at time of reclassification. Gains or losses generated by the difference between the amortised cost of financial assets and their fair value are recognised either to profit or loss, where the assets are reclassified as "Financial assets at FVPL", or to Shareholders' Equity (and to the relevant valuation reserve), where the assets are reclassified as "Financial assets at fair value through OCI".

Financial assets measured at amortised cost are initially recognised at the agreement signing date based on the financial instrument's Fair Value, which usually equals the nominal value of the receivable including direct transaction costs/proceeds. After initial recognition, assets included in this item are measured at amortised cost using the effective interest method, and are subject to impairment testing at each year-end or interim reporting date.

For these financial instruments the Group applies the general approach under IFRS 9 and impairment is determined on the basis of an expected loss concept. Given the specific features of the Group's credits portfolio, the expected 12-month loss is itself the expected lifetime loss.

Regarding the trade receivables, the Group made use of the option to apply the simplified approach of IFRS 9 by measuring the expected loss over the life of the instrument without applying the three-stage approach.

Regarding the impairment process, the Group has defined procedures to monitor the credit quality of portfolios of financial assets measured at amortised cost. To estimate the expected credit losses mentioned above, in addition to historical statistical data, the Group incorporates all information available as at the reporting date, including forward-looking information on the potential worsening of historical losses recorded.

Impairment losses are recognised in profit or loss as net impairment losses.

An entity recognises an impairment gain on credit-impaired debt instruments when the reasons for the impairment no longer exist and the gain is objectively related to an event that took place after recognition of the impairment loss. Impairment gains are recognised in the Income Statement and may not exceed the amortised cost the asset would have had had the impairment loss not been recognised.

Financial Assets at Fair Value Through OCI

Financial assets at fair value through OCI are assets held in a business model whose objective is both to collect contractual cash flows and to sell financial assets, and whose contractual cash flows represent, at specific dates, solely payments of principal and interest on the principal amount outstanding. Changes in the fair value of such financial assets are recognised in the statement of comprehensive income, as are impairment adjustments.

This category also includes equity instruments not held for trading and not qualifying as sole control, connection and joint control, for which the option to classify them as financial assets at fair value through OCI applies. This option is exercisable at the time of the initial registration of the individual financial instrument and is irrevocable (so-called OCI election).

Specifically, as at the reporting date, the Group's financial assets at fair value through OCI include only equity instruments other than those held for trading, for which the fair value through other comprehensive income option was elected, and which are classified under the statement of financial position item "Non-current financial assets".
In fact, the non-derivative financial assets held within the scope of the "Held to Collect and Sell" business model in accordance with IFRS 9 do not have a balance at the reporting date as they are sold on a daily basis as part of a factoring contract.

After initial recognition, equity instruments designated under this category are measured at fair value. Gains and losses arising from changes in fair value are recognised with a balancing entry in a specific equity reserve and the amounts recognised in this reserve will never be recycled in the income statement, not even if the asset is sold; in this case, it will be necessary to reclassify to another equity item. These assets are not subject to any impairment process and the only component recognised in the Income Statement is the dividend income from these investments.

Cash and Cash Equivalents

This category includes the Parent Company's bank current accounts of operating companies that are available on demand or in the very short term, as well as short-term, highly liquid financial investments that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. Specifically, with regard to the cash and cash equivalents of companies engaged in transaction payment activities, the total amount of bank current accounts is included in this item. At the bottom of the Statement of Cash Flows is disclosed the reconciliation between the cash and cash equivalents shown in the financial statements and those included in the Net Financial Position (i.e Own Cash), which excludes the portion of bank current accounts required to settle the assets/liabilities arising from the Group's transaction payment activities. Assets and liabilities related to transaction payment activities are shown separately in the Statement of Financial Position as "of which" in "Current financial assets" and "Current financial liabilities".

Financial Liabilities Measured at Amortised Cost

A financial instrument issued is classified as a liability when, on the basis of the substance of the contractual agreement, a contractual obligation is held to deliver money or another financial asset to a third party. This category mainly includes outstanding financing and credit facilities supporting the Group's transaction payment activities, lease liabilities and the "debt" component of issued convertible bond loans classified under the statement of financial position items "Non-current financial payables" and "Current financial payables", as well as trade payables related to the supply of goods and services and other liabilities classified under item "Trade and other payables" in the statement of financial position.

Financial liabilities measured at amortised cost are recognised on the contract signing date, which generally corresponds to the time when funds are received or debt instruments issued, and are initially measured at fair value, normally equal to the amount received or the issue price plus directly attributable costs/income (excluding internal administrative costs).

After initial recognition, financial liabilities are measured at amortised cost using the effective interest method, which is the rate that exactly discounts estimated future payments or receipts over the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or liability.

Financial Assets and Liabilities Measured at Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss include equity instruments for which the Group has not elected fair value through other comprehensive income and are classified under the statement of financial position item "Current financial assets". As at the date of the consolidated financial statements, financial liabilities measured at fair value through profit or loss include contingent consideration (so-called earn-outs) relating to business combinations carried out, and derivative financial instruments entered into by the Group that are not designated as hedging instruments under IFRS 9 (including options on shares of associates or subsidiaries) classified under the statement of financial position item "Non-current financial liabilities". All the assets and liabilities included in this item are measured at Fair Value with the allocation of the result of the measurement to the Income Statement.

Derecognition of Financial Assets and Liabilities

Financial assets are derecognised when one of the following conditions is met:
- the contractual right to receive the cash flows from the asset has expired;
- the Group has substantially transferred all the risks and rewards of the asset by transferring its rights to receive the cash flows from the asset or by assuming a contractual obligation to pass those cash flows to one or more recipients under a contract that meets the requirements of IFRS 9;
- the Group has neither transferred nor retained substantially all the risks and rewards of the financial asset, but has transferred control of the asset.

Upon derecognition of a financial asset, the Group recognises the difference between the carrying amount (measured at the derecognition date) and the consideration received in the Income Statement. When financial assets at fair value through OCI, other than those designated as such at initial recognition, are derecognised (e.g. upon sale), the cumulative gains and losses previously recognised in equity are reclassified to the Income Statement.

Financial liabilities are derecognised when they are extinguished, i.e. when the contractual obligation is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender under substantially different terms, or the terms of an existing liability are substantially modified, such replacement or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the respective carrying amounts is recognised in the Income Statement.

Hedging Transactions

Hedges seek to mitigate potential recognisable losses on a particular financial instrument or group of financial instruments attributable to a specific risk by offsetting them with recognisable gains on a different financial instrument or group of financial instruments. The following types of hedging relationships are envisaged in IFRS 9 based on the risk to be covered:
- fair value hedge: a hedge of the exposure against changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or a component thereof, that is attributable to a particular risk and could affect profit (loss) for the period;
- cash flow hedge: a hedge of the exposure against variability in cash flows attributable to a particular risk associated with all or a component of recognised assets or liabilities (such as all or only some future interest payments on variable rate debt) or a highly probable planned transaction that could affect profit (loss) for the period;
- hedges of a net investment in a foreign operation as defined in IAS 21.

In the consolidated financial statements, the designation of a derivative as a hedging instrument is only possible if it is entered into with a counterparty outside the Group. Any results attributable to internal transactions between different Group entities are eliminated.

As established by IFRS 9, derivative instruments are designated as hedging instruments provided that the hedging relationship between the hedged instrument and the hedging instruments is formally documented and meets all the requirements of the standard, including those relating to hedge effectiveness. At the inception of the hedge, the Group documents the hedging relationship, identifying the hedging instruments, the hedged items, the risk management strategy and objectives. The Group regularly assesses and documents hedge effectiveness, ensuring that the instruments used adequately offset changes in the fair value or cash flows of the hedged items.

To qualify as effective, a hedge must meet the following requirements:

- there must be an economic relationship between the hedging instrument and the hedged item;
- counterparty credit risk must not dominate changes in value of the economic relationship;
- the hedge ratio at the time of designation must be consistent with the one used for risk management purposes, i.e. it must reflect the actual quantity of the hedged item covered and the quantity of the hedging instrument used.

The Group has only entered into cash flow hedge transactions.

Hedging derivatives are initially recognised at Fair Value at the date of the transaction and subsequently measured at Fair Value. For cash flow hedges, changes in the Fair Value of the derivative are recognised in equity for the effective portion of the hedge, and are only recognised in the income statement when a change in the cash flows to be offset occurs or if the hedge proves ineffective with respect to the hedged item.

The hedging relationship is terminated if the hedge effectiveness test fails or the risk management objective underlying the hedging relationship has changed. In such case, the derivative instrument is classified as a trading transaction. The hedging relationship is discontinued when the hedged item is sold or repaid, the hedge is terminated early or the derivative expires, is sold, terminated or exercised.

Hedging transactions are classified under the statement of financial position items “Non-current hedging derivatives” and “Current hedging derivatives”.

Equity Investments in Associates and Joint Ventures

In the consolidated financial statements, equity investments in associates and joint arrangements are accounted for in accordance with IAS 28 (Investments in Associates and Joint Ventures) and IFRS 11 (Joint Arrangements) and are classified under the item “Equity investments” in the statement of financial position. In this regard, associates are entities over which the Group has significant influence, whereas a joint venture is an arrangement over which the Group has joint control and rights to the net assets of the arrangement.

Equity investments in associates and joint ventures are accounted for using the equity method, under which such investments are initially recognised at cost, with any goodwill resulting from the difference between the cost of the investment and the Group’s share in the net fair value of the investee’s identifiable assets and liabilities at the acquisition date allocated to the carrying amount.

After the acquisition date, the carrying amount of the investment is adjusted to recognise the Group’s share of the investee’s profit (loss) with an impact on the Group’s income statement. Adjustments to the carrying amount may also be necessary due to changes in the Group’s share in the associate or joint venture resulting from items recognised in the investee’s statement of comprehensive income. The Group’s share of such changes is recognised in its own other comprehensive income. Dividends received from equity investments in associates and joint ventures are recognised as a reduction in the carrying amount of the equity investment.

Gains and losses resulting from transactions between the Group and an associate or joint venture are recognised in the consolidated financial statements only to the extent of third parties’ interests in the associate or joint venture.

The financial statements of associates and joint ventures are prepared for the same accounting period as the Group.

After applying the equity method, the Group assesses whether it is necessary to recognise an impairment loss on its investment in the associate or joint venture. If there is objective evidence of impairment, the entire carrying amount of the investment is subject to an impairment test in accordance with IAS 36 as a single asset.

When an investment ceases to be an associate or joint venture, any retained interest in the entity is measured at fair value (with a corresponding post in the Income Statement). All amounts previously recognised in the statement of comprehensive income relating to such investments are accounted for as if the investee had directly disposed of the related assets or liabilities. If the Group reduces its interest in an associate or joint venture without losing significant influence or joint control, it continues to apply the equity method, and the portion of previously recognised other comprehensive income relating to the reduction is accounted for as if the Group had directly disposed of the related assets or liabilities.

A joint operation is a joint control agreement whereby the Group, holding joint control, has rights to the assets and obligations for the liabilities relating to the agreement. For each joint operation, the Group recognises assets, liabilities, income and expenses based on the terms of the arrangement rather than its ownership interest. Where there is an increase in the interest in a jointly controlled activity that qualifies as a business:

- if the Group obtains control and previously held rights to the assets and obligations for the liabilities relating to the jointly controlled activity prior to the acquisition date, the transaction is treated as a business combination achieved in steps, and the previously held interest is remeasured at fair value on each acquisition date;
- if the Group obtains joint control (i.e. previously had an interest in the jointly controlled activity without holding joint control), the previously held interest is not remeasured.

Property, Plant and Equipment

Property, plant and equipment includes land, instrumental properties, furniture, furnishings, fine art, POSs and ATMs, electronic machinery and equipment of all types, expected to be used for more than one year. Property, plant and equipment held for use in production or for the supply of goods and services are classified as “Property and equipment” under IAS 16. Property held for investment purposes held to earn rentals or for capital appreciation or both is classified as “Investment property” under IAS 40.

Property, plant and equipment acquired on the market are recognised as assets when the main risks and rewards connected with the asset are transferred. Initial recognition is at cost, including all directly attributable costs incurred to bring the asset to the location and condition necessary for its intended operation and use.

Land is recognised separately, even when purchased jointly with the building, taking a component-based approach. The breakdown of the value of the land and that of the building is prepared on the basis of independent expert appraisals.

Subsequent costs are recognised as an increase in the carrying amount of the related asset when it is probable that the future economic benefits associated with the cost incurred to replace part of the asset will flow to the Group and the cost can be measured reliably. If not, the cost is recognised in the Income Statement in the year it is incurred. The costs of major repairs which increase the future economic benefits associated with the asset are recognised in the carrying amount of the asset, when the criteria for capitalisation are met, while the costs of day-to-day servicing are recognised in the Income Statement.

Property and equipment (for operational use and held as an investment) with a finite useful life are subsequently measured at cost adjusted for accumulated depreciation and any impairment losses and reversals.
The depreciable value of property, plant and equipment, equal to the cost of the assets insofar as the residual value at the end of the depreciation process is held to be insignificant, is split systematically on a straight-line basis throughout the estimated useful life, according to a criterion of allocation that reflects the technical-economic duration and the residual possible use of the individual elements and starts when the asset is available for use. For more information on the estimate of useful life, reference should be made to the section “Use of Estimates and Assumptions in Preparing the Consolidated Financial Statements”.

The useful life with reference to the different categories of property, plant and equipment is at most as follows:
- Civil/industrial buildings for functional use: 33 years;
- Civil/industrial buildings held for investment purposes: 33 years;
- POSs: 5 years;
- ATMs: 7 years;
- Electrical systems 7 years;
- Data centres: 7 years;
- Air-conditioning systems: 7 years;
- Alarm and security systems: 5 years;
- Fire-fighting systems: 7 years;
- Telephone and telecommunications equipment: 3 years;
- Hardware: 5 years;
- Furniture: 7 years;
- Furnishings: 7 years.

Land is not depreciated insofar as it has an undefined useful life that cannot be estimated and its value normally increases over time. The useful life of improvements to leased assets is determined based on the duration of the lease contract, or if shorter the duration of the benefits arising from the improvement.

At each reporting date, the Group weighs up whether or not there is any indication showing that property, plant and equipment and rights of use may have suffered a loss in value. If there is evidence of any such loss, the carrying amount is compared with the recoverable value.

Property, plant and equipment are derecognised when disposed of (i.e. on the date the recipient obtains control) or when no future economic benefits are expected from their use or disposal. Any gain or loss recognised in the Income Statement is calculated as the difference between the net disposal proceeds, determined in accordance with IFRS 15 provisions on transaction price, and the net carrying amount of the disposed assets.

Leases

Property, plant and equipment also includes rights of use acquired through lease contracts, as envisaged by IFRS 16. At the lease commencement date, the Group assesses whether the contract meets the definition of a lease as set out in IFRS 16, which is met when the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

When the Group acts as lessee, it recognises a right-of-use asset and a lease liability at the lease commencement date (i.e. the date the underlying asset is made available for use). Rights of use accounted for under IFRS 16 are recognised as the sum of the present value of future lease payments to be made over the lease term, lease payments made on or before the lease term, any incentives received, initial direct costs, and any estimated costs of dismantling or restoring the underlying asset, as the lessee has a financial obligation to make payments due to the lessor to compensate for its right to use the underlying asset during the lease term. The lease liability recognised corresponds to the present value of the lease payments due over the lease term. After the commencement date, the lease liability is measured at amortised cost using the effective interest rate method and remeasured upon the occurrence of certain events.

Right-of-use assets accounted for under IFRS 16 are depreciated on a straight-line basis over the shorter of the estimated useful life of the right-of-use assets or the lease term. The lease term is determined taking into account periods covered by an option to extend the lease and an option to terminate the lease where the exercise of those options is reasonably certain. If the lease transfers ownership of the underlying asset to the Group at the end of the lease term, or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, depreciation is calculated based on the estimated useful life of the underlying asset.

For the purpose of determining the discount rate for measuring lease liabilities, the Group uses the interest rate implicit in the lease (if available) for each lease contract. If this rate is not available or cannot be readily determined without estimation, the Group uses the incremental borrowing rate at the lease commencement date based on market yield curves and the lessee's spread.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers those payments occurs.

The Group generally applies the recognition exemption for short-term leases (i.e. with a term of 12 months or less from the commencement date) and, for certain asset/contract types, the exemption for leases where the underlying asset is of low value. Accordingly, the related lease payments are recognised as an expense on a straight-line basis over the lease term.

Intangible Assets

Intangible assets are non-monetary, non-physical assets that are identifiable, controlled by the Group and capable of generating future economic benefits through their use, and their cost can be measured reliably. They include goodwill and other intangible assets as defined by IAS 38.

Intangible assets are recognised at acquisition cost at the time when the risks and rewards associated with the asset are transferred, or at internal production cost for internally generated assets. These are recognised as intangible assets only when the Group can demonstrate the technical feasibility, intention and availability of resources to complete the asset and its ability to use or sell it. The cost includes directly attributable ancillary charges necessary to make the assets ready for use. Otherwise, the cost of the intangible asset is recognised in the Income Statement in the period in which it is incurred.

The cost of software development includes only the expenses incurred that can be directly attributed to the development process. Intangible assets related to customers, recognised in connection with business combinations, arising from customer contracts and established customer relationships are originally valued by discounting, using a rate that is representative of the time value of money and the specific risks of the asset, of the flows representative of the income margins over a period expressing the residual, contractual or estimated duration of the relationships in place at the time of the combination transaction. The brand, which is also recognised in combination transactions, is valued using the "royalty relief" criterion.

All intangible assets recognised in the Group's financial statements – other than goodwill – are considered to have a finite useful life and are stated net of accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated on a straight-line basis over the estimated useful life of the asset, which is reviewed at least annually. Any changes in amortisation criteria are applied prospectively. For further details on the estimate of useful life, reference should be made to the section "Use of Estimates and Assumptions in Preparing the Consolidated Financial Statements". Amortisation begins when the intangible asset is available for use. Accordingly, intangible assets not yet available for use are not amortised but are subject to annual impairment testing.

Intangible assets based on technology, such as application software purchased with permanent user's licenses and the costs for software development, are amortised according to their expected technological obsolescence and in any case in general over a period of five years, save for particular cases connected to the development of new platforms, analysed from time to time based on the technical characteristics, the useful life of which is estimated to be equal to a maximum of 25 years. Intangible assets arising from the purchase price allocation of business combination have a useful life estimated individually for each transaction:

- Customer contracts: based on contractual terms and in any case not exceeding 30 years;
- Customer relationship: approximately 20 years;
- Brand: 5 years.

If there is any indication that an intangible asset with a finite useful life may be impaired, the asset's recoverable amount is estimated and the amount of the loss, recognised in the income statement, is equal to the difference between the asset's carrying amount and its recoverable amount.

An intangible asset is derecognised on disposal or when no future economic benefits are expected.

Goodwill

Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. It is recognised in the consolidated financial statements at the date control of the business is acquired.
To this end, the Group accounts for business combinations using the acquisition method, which pursuant to IFRS 3 requires the identification of the acquirer, determination of the cost of the combination and purchase price allocation.

According to IFRS 3, an acquirer is identified for all business combinations. The acquirer is the entity that obtains control over another entity, which is the power to determine the financial and management policies of that entity in order to receive benefits from its activities. The purchase cost, i.e. the consideration transferred, is equal to the fair value at the acquisition date of the assets acquired, liabilities incurred or assumed and any equity instruments issued by the acquirer. The consideration transferred by the acquirer in exchange for the acquired entity includes the fair value of any contingent consideration assets and liabilities.
Based on the purchase method, on the acquisition date, the acquirer must allocate the cost of the combination (so-called PPA, "Purchase Price Allocation") to the identifiable assets acquired and the liabilities measured at the relative Fair Value on that date, also recognising the value of the minority interests of the acquired entity.

Goodwill is defined as any excess of the sum of the consideration transferred, measured at fair value at the acquisition date, the amount of any non-controlling interests and any previously held equity interest in the acquiree (in a business combination executed in steps) over the net value of the identifiable assets acquired and liabilities assumed, measured at fair value. The carrying amount of non-controlling interests is determined either in proportion to the non-controlling shareholders' share in the net identifiable assets of the acquiree or at their fair value at the acquisition date.

Among other things, IFRS 3 also requires that:
- costs directly attributable to the acquisition are recognised in the Income Statement;
- if the business combination is achieved in steps, at the time control is acquired any previously held equity interests in the acquiree are remeasured at fair value and any resulting gain or loss is recognised in the Income Statement;
- any contingent consideration is recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration, classified as an asset or a liability – i.e. as a financial instrument under IFRS 9 – are recognised in the

Income Statement. Otherwise it is measured in accordance with the applicable IFRS/IAS. Contingent consideration classified as equity is not remeasured, and its settlement is accounted for within equity;
- if the fair value of the assets, liabilities and contingent liabilities can only be determined provisionally, the business combination is recognised using such provisional values. Any adjustments arising from the completion of the measurement process are recognised within 12 months of the acquisition date, restating the comparative figures.

Goodwill arising from the acquisition of subsidiaries is recognised separately, and after initial recognition is not amortised but is tested for impairment at least annually. For this purpose, goodwill is allocated to the Cash Generating Units (CGUs) or groups of CGUs that are expected to benefit from the synergies of the combination. Further information on impairment testing is provided in the paragraph "Use of Estimates and Assumptions in Preparing the Consolidated Financial Statements".

Goodwill related to equity investments in associates and joint ventures is included in the carrying amount of such investments.

Impairment of Non-Current Assets

Pursuant to IAS 36, at each reporting date property, plant and equipment, investment property measured at cost, intangible assets, right-of-use assets, goodwill and equity investments in associates and joint ventures are assessed for indicators (both internal and external) of possible impairment.

CGUs to which goodwill has been allocated, intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment annually or more frequently if there are indicators suggesting that such assets may be impaired. If there is an indication of impairment, the recoverable amount of each affected asset is estimated based on its use and future disposal, in accordance with the most recent Group Business Plan. For details on the estimation of recoverable amount, please refer to the paragraph "Use of Estimates and Assumptions in Preparing the Consolidated Financial Statements". The recoverable amount is calculated with reference to a single asset, unless the asset is not capable of generating cash inflows that are largely independent of those from other assets or groups of assets. In such case, the recoverable amount is referred to the CGU the asset belongs to. If the carrying amount of the asset or of the relevant CGU it belongs to exceeds its recoverable amount, an impairment loss is recognised in the Income Statement and presented under "Impairment losses and reversals of impairment losses on property, plant and equipment and intangible assets". Impairment losses of a CGU are allocated first to reduce the carrying amount of any goodwill allocated to that CGU and then to reduce the carrying amounts of the other assets in the CGU, proportionally to their carrying amount.

If the conditions for a previously recognised impairment no longer exist, the carrying amount of the asset is reinstated with recognition in the Income Statement under "Impairment losses and reversals of impairment losses on property, plant and equipment and intangible assets", up to the carrying amount the asset would have had (net of amortisation) if no impairment loss had been recognised. The original value of goodwill is not reinstated even if the reasons for the impairment no longer apply in subsequent years.

Inventories

The inventories included in the item "Other current assets" are related to POSs and ATMs (including spare parts) and plastics for cards managed by the Group. Pursuant to IAS 2, inventories are measured at the lower of cost and net realisable value, except for those held for trading, which are measured at fair value through profit or loss. The cost is determined using the weighted average cost method for POS and ATM inventories and includes attributable ancillary costs. The cost of plastic inventories is determined using the FIFO method. Net realisable value refers to the estimated selling price in the ordinary course of business less the estimated costs to sell, or the replacement cost where applicable.

At the end of the year, impairment losses are eventually recognised if the Fair Value minus the selling costs is lower than the carrying amount.

Non-Current Assets or Groups of Assets/Liabilities Held for Sale

"Non-current assets held for sale and discontinued operations" (in the assets) and "Liabilities associated with assets held for sale and discontinued operations" (in the liabilities) include all non-current assets or groups of assets/liabilities for which a decision has been made to dispose and the sale of which is considered extremely likely.

Pursuant to IFRS 5, non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This classification criterion applies only if the non-current assets (or disposal groups) are available for immediate sale in their present condition and the sale is highly probable. For further details on the criteria to assess whether a sale is highly probable, see the paragraph "Use of Estimates and Assumptions in Preparing the Consolidated Financial Statements".

When the Group is involved in a sale plan that results in the loss of control of a subsidiary and the IFRS 5 criteria are met, all assets and liabilities of the subsidiary are classified as held for sale regardless of whether the Group retains a non-controlling interest in the entity after the sale. The Group applies the IFRS 5 classification criteria to equity investments or interests in associates or joint ventures. The residual interest in associates or joint ventures not classified as held for sale is accounted for using the equity method until disposal of the portion classified as held for sale.

Amounts presented for non-current assets or assets and liabilities of a disposal group classified as held for sale are not reclassified or restated for comparative periods. Immediately before the initial classification of non-current assets (or disposal groups) as held for sale, the carrying amounts of the asset (or group) are measured in accordance with the specific accounting standard applicable to such assets or liabilities.

These assets/liabilities are measured at the lower of their carrying amount and their Fair Value less costs to sell, with the exception of certain types of assets for which IFRS 5 specifically provides that the valuation criteria of the relevant accounting standard must be applied (e.g. financial assets within the scope of IFRS 9). Non-current assets are not depreciated while they are classified as held for sale or included in a disposal group classified as held for sale.

Income and expenses (net of the tax effect) attributable to groups of assets held for disposal or recognised as such during the period, are presented in the Income Statement in a separate item.

Employee Benefits

Employee benefits are all types of remuneration disbursed by the company in exchange for the work of employees. Employee benefits are divided up into:

- short-term benefits (other than benefits due to employees for the termination of the contract of employment and remunerative benefits in the form of a share in the capital), expected to be paid in full within twelve months of the end of the period during which the employees worked and recorded fully on the Income Statement at the time they are accrued (this category includes, for example, wages, salaries and "extraordinary" provisions);
- post-employment benefits due after the termination of the contract of employment that oblige the company to make a future payment to employees, divided into:
  • defined contribution plans that mainly comprise: supplementary pension funds involving a defined amount of contributions by the company; the severance pay provision, limited to the portions accrued since 1 January 2007 for companies with more than 50 employees, regardless of the allocation option chosen by the employee; the portions of severance pay accrued since 1 January 2007 and allocated to supplementary pension funds, in the case of companies with fewer than 50 employees; and supplementary health care funds;
  • defined benefit plans or company pension funds, which mainly include: severance pay, limited to the portion accrued up to 31 December 2006 for all companies, as well as the portions accrued from 1 January 2007 and not allocated to supplementary pension plans for companies with fewer than 50 employees; supplementary pension funds whose terms and conditions provide for the payment of a defined benefit to members; and seniority bonuses, which provide for an extraordinary payment to employees upon reaching a certain level of seniority;
- benefits for the termination of the contract of employment, i.e. compensation that the company acknowledges to employees in exchange for the termination of the contract of employment following its decision to terminate the contract of employment ahead of the standard retirement date;
- long-term benefits other than the foregoing, which are not expected to be extinguished in full within twelve months after the end of the period in which the employees worked.

Post-Employment Benefits

With particular regard to post-employment benefits, note that in defined contribution plans the reporting company's obligation is determined on the basis of the contributions due for that year, and therefore the valuation of the obligation does not require the application of actuarial methods. On the contrary, the accounting of defined benefit plans is characterised by the Group's use of an actuarial method employed by independent experts to determine the value of the obligation. Specifically, these benefits are recognised using the "Projected Unit Credit" method, which involves projecting future disbursements on the basis of historical statistical analyses and the demographic curve, and discounting these flows on the basis of a market interest rate.

The various components of defined benefit plans are recognised as follows:
- service cost and net interest on the net liability (asset) in the Income Statement;
- revaluations of the net defined benefit liability (asset) in the Statement of Comprehensive Income;
- actuarial gains and losses in the Statement of Comprehensive Income, with an offsetting entry to Shareholders' equity (valuation reserve).

For discounting purposes, the rate used is determined by reference to the market yield on bonds of leading companies, taking into account the average remaining life of the liability, weighted by the percentage of the amount paid and advanced for each maturity with respect to the total amount to be paid and advanced until the final repayment of the entire obligation.

Moreover, the Group is involved in defined contribution plans under which it pays fixed contributions to a separate entity (external pension funds) and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all benefits owed to employees in respect of current and prior service. These plans are generally established to supplement pension benefits payable after termination of employment. The costs relating to such plans are recognised in the Income Statement based on the contributions made during the period and are classified under "Other non-current liabilities" in the statement of financial position.

Benefits for Termination of Employment

In accordance with IAS 19, liabilities for termination benefits payable to employees arise from the Group's decision to terminate an employee's employment before the normal retirement date or from an employee's decision to accept an offer of such benefits from the Group in exchange for termination of employment. Such benefits are recognised at the earlier of when the Group can no longer withdraw the offer or when the Group recognises the costs of a restructuring that falls within the scope of IAS 37 and involves the payment of termination benefits. The Group determines such liabilities based on the nature of the benefit granted.

Share-based Payments

The Group implements transactions with payment based on shares settled with equity instruments as part of the remuneration policy adopted. The personnel remuneration plans based on shares provide for the award of an incentive to beneficiaries in the form of a share-based component settled with equity instruments that vests upon meeting certain conditions. To deliver the share-based component by awarding free shares, share buyback programmes have been approved to service these plans.

Pursuant to IFRS 2, all remuneration plans fall under the category "equity settled" and therefore the Group recognises the services rendered by employees as personnel costs over the period in which the service and performance conditions must be satisfied, and estimates their value and the corresponding increase in equity indirectly based on the fair value of the financial instruments granted (i.e. shares of the issuing company) at the grant date.

The total cost recognised is adjusted at each reporting date until the vesting date to reflect the Group's best estimate of the number of equity instruments for which the service and performance conditions – other than market conditions or non-vesting conditions – are expected to be met at the end of the vesting period.

If options are present, their Fair Value is determined using a valuation technique that takes into account the specific terms and conditions of the stock option plan in place, in addition to information such as the exercise price and the life of the option, the current price of underlying shares, the expected volatility of the share price, dividends expected on the shares and the risk-free interest rate for the life of the option. The measurement model measures, separately, the option and the probability of fulfilment of the conditions on which basis the options have been assigned. The combination of the two values is the Fair Value of the stock option. Any reduction in the number of financial instruments assigned is recognised as the cancellation of a portion of such.

Provisions for Risks and Charges

Pursuant to IAS 37, provisions for risks and charges include all provisions made in relation to current obligations originating from past events for which an economic outlay is probable for the fulfilment of such obligations, as long as a reliable estimate can be made of the relevant amount.

A provision is recognised if and only if there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision represents the best estimate of the expenditure required to settle the obligation existing at the date of the financial statements and reflects risks and uncertainties that inevitably characterise a number of facts and circumstances.

A restructuring provision relates to a programme planned and controlled by management that significantly changes the scope of a business undertaken by the Group or the way the business is managed. Such provision is recognised when a constructive obligation arises, meaning that the Group has approved a detailed formal restructuring plan and has either commenced its implementation or communicated the main characteristics to the affected parties.

Provisions do not include liabilities related to uncertain income tax treatments, which are recognised as tax liabilities.

At each reporting date, provisions are reviewed and any changes in estimates are recognised in the Income Statement in the period in which the change occurs.

Income Taxes

IAS 12 sets out the requirements for the recognition of current and deferred tax assets and liabilities. Uncertainty in determining income tax liabilities is addressed in line with the requirements of IFRIC 23.

Current Income Tax Expenses
Current income tax expenses are calculated in accordance with national tax legislation, and are accounted for as a cost on an accruals basis, in line with the method of recognition in the financial statements of the costs and revenues that generated them. Current tax expenses are recognised in the income statement under "Income tax for the financial year on current operations" with the exception of that relating to cost or revenue components recorded outside the Income Statement (defined benefit plans, financial instruments measured at Fair Value through other comprehensive income and related hedging derivatives); these latter are instead allocated directly to equity.

Current tax assets and liabilities include the net balance of the Group companies' positions vis-à-vis Italian and foreign tax authorities attributable to direct taxation. More specifically, these items include the net balance between past and current tax liabilities for the year, calculated on the basis of a prudent forecast of the tax liability for the year, determined in accordance with current tax regulations, and current tax assets represented by advance payments, withholding taxes incurred or other tax credits.

Current tax expenses, determined on the basis of the "national tax consolidation", not yet paid as at the reporting date, in full or in part, is included amongst the "Current tax liabilities". If the payment of current tax expenses for the period or current tax expenses for the previous years has exceeded the related tax payable, the surplus is entered amongst the assets of the statement of financial position, under "Current tax assets".

Deferred and Prepaid Income Taxes
Deferred tax liabilities and deferred tax assets are computed in respect of the temporary differences arising between the carrying amount assigned to an asset or a liability, and their corresponding assumed value for tax purposes. For these purposes, "taxable temporary differences" are those that will result in taxable amounts in future periods and "deductible temporary differences" are those that will result in deductible amounts in future periods. Deferred taxation is calculated by applying the tax rates set forth in the applicable law to taxable temporary differences for which there is a probability that taxes will actually be incurred, and to deductible temporary differences for which there is a reasonable certainty that there will be future taxable income at the time when the related tax deductibility will arise.

Deferred tax liabilities are recognised on all taxable temporary differences, except where these liabilities arise: a) from the initial recognition of goodwill; or b) from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction does not affect either accounting profit or taxable income and does not give rise to equal taxable and deductible temporary differences; or c) in relation to taxable temporary differences associated with equity investments in subsidiaries, associates and joint ventures, where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets relate to all deductible temporary differences, as well as tax loss carryforwards and unused tax credits. For details on the recoverability of such assets, see the paragraph "Use of Estimates and Assumptions in Preparing the Consolidated Financial Statements".

Deferred tax assets and liabilities are determined using the tax rates expected to be applied in the period in which the tax asset is realised or the tax liability will be extinguished, in accordance with current tax legislation enacted at the reporting date, and are recognised in the Income Statement, except for those relating to items recognised outside the Income Statement, which are recognised directly in equity.

Deferred tax assets and liabilities are systematically measured to reflect any alterations to tax rules or rates as well as any possible changes in the Group companies' subjective positions.

Deferred tax assets and liabilities are recognised as equity with open balances and without netting, stating the first under "Deferred tax assets" and the second under "Deferred tax liabilities".

Operational Revenue

The Group recognises operational revenue from contracts with customers in an amount that reflects the consideration the Group expects to be entitled to in exchange for goods and services provided, in accordance with the IFRS 15 model and upon satisfaction of the following conditions:

- the contract with the customer must have been identified, and to this end the parties must have approved the contract (in writing or in compliance with other standard commercial practices) and must have undertaken to fulfil their respective obligations;
- the performance obligations – i.e. the promises in the contract to transfer goods or services – have been identified;
- the transaction price has been determined at contract inception, taking into account any variable consideration, non-cash consideration received from the customer and amounts payable to the customer, and significant financing components;
- the consideration has been allocated to the individual performance obligations contained in the contract - if a contract envisages the delivery/supply of multiple goods or services, the prices agreed must be allocated to the individual goods/services;
- revenue must be recognised when (or as) each performance obligation in the contract is satisfied and the promised goods or services have been effectively transferred to the customer.

If the performance obligation is part of an existing contract with an original expected duration of no more than one year, or if the Group recognises revenue from the satisfaction of the performance obligation in the amount it is entitled to invoice the customer, information on the remaining performance obligations is not provided.

In accordance with IFRS 15, the service is transferred to the customer and, therefore, revenues can be recognised:
- at a specific moment in time, when the entity fulfils the obligation to do, transferring the good or service promised to the customer, or
- over time, gradually, as the entity fulfils the obligation to do, transferring the good or service promised to the customer.

Specifically:
- association fees are entered on the Income Statement according to the credit card validity date;
- commission income from merchants (merchant fees) and commission income from systems (interchange fee income) are entered on the Income Statement, according to the trading date of expenses incurred by the holders;
- up-front revenues connected with the start of new customers and new products are recorded throughout the expected term of the contracts;
- revenue from project-based activities requested by customers is recognised during the development phase (over time) if any of the following conditions are met: a) the customer simultaneously receives and consumes the benefits provided as the services are performed; b) the service is performed on an asset owned by the customer; c) the asset created has no alternative use and the Group has an enforceable right to payment for performance completed to date. If not, the costs and revenues of the project are suspended and recorded at the end of the design phase;
- the revenues connected with recurring services (mainly maintenance and rental of POSs and ATMs and processing services) are split in a linear fashion throughout the contract term.

It is also noted that, in application of IFRS 15, the value of the commission income is rectified in order to take the Fair Value of the premiums connected with the Loyalty programme into account. The Fair Value of the premium catalogue is calculated as the average unitary value of the points with respect to the market value of the premiums, including VAT and delivery expenses. The unitary Fair Value is applied to the number of points in circulation, net of the points that, on the basis of the analysis performed, are expected not to be redeemed (on the basis of the redemption estimates). Deferred commission is recognised in the Income Statement according to point redemption.

Further details regarding the application of this revenue recognition model are provided in the paragraph "Use of Estimates and Assumptions in Preparing the Consolidated Financial Statements".

Fees included in amortised cost for the purpose of determining the effective interest rate, which are recognised under interest income, are excluded from revenue from contracts with customers.

Operating Costs

Costs for goods and services received and commission expenses (other than those included in amortised cost) are recognised when incurred or when the related revenue is recognised. Costs for the implementation of the contract with the customer (such as, for example, costs for the emission of cards and ICT services incurred during the start-up of new customers/products or non-substantial contractual changes) are recognised on a straight-line basis in connection with the useful life of the underlying contracts.

Interest Income and Expense

Interest income and expense is recognised on the Income Statement for all instruments measured in accordance with the amortised cost criterion, using the effective interest method, including commissions and transaction costs.

Dividends

Under IFRS 9, dividends are recognised in the Income Statement when the right to receive payment is established, i.e. when their distribution is approved. Dividends payable to the Parent Company's shareholders are recognised as a change in equity at the date they are approved by the Shareholders' Meeting.

Conversion of Transactions into Foreign Currency

In accordance with IAS 21, transactions in foreign currencies other than those in the functional currency are initially recognised at the spot exchange rate on the transaction date. Subsequently, monetary assets and liabilities in a currency other than the functional currency are translated using the spot exchange rate at the reporting date.

Non-monetary assets and liabilities in foreign currencies that are measured at historical cost are translated using the exchange rate at the date of the initial transaction, whereas non-monetary assets and liabilities in foreign currencies that are measured at fair value are translated using the exchange rate at the fair value measurement date.

Any exchange differences are recognised in the Income Statement in the period they arise; those relating to non-monetary items are recognised in Shareholders' equity or in the Income Statement consistently with the method of entering profits and losses that include this component.

In determining the spot exchange rate to be used for the initial recognition of an asset, cost or revenue related to the derecognition of a non-monetary asset or liability arising from the payment or receipt of an advance in a foreign currency, the transaction date is the date on which the Group initially recognises the non-monetary asset or liability related to the advance.

Translation of Financial Statements in Foreign Currencies

In the consolidated financial statements, income, expenses, assets and liabilities are stated in euros, which is the presentation currency of the Parent Company. In accordance with IAS 21 and for the purpose of preparing the consolidated financial statements, the financial statements of consolidated companies whose functional currency differs from the presentation currency of the consolidated financial statements are translated into euros by applying the exchange rate at the closing date to assets and liabilities, including goodwill and adjustments made at the level of consolidation, and the average exchange rate for the year to income statement items, provided it approximates the exchange rates prevailing at the transaction dates.

The resulting exchange differences are recognised directly in equity and in a specific reserve which is reclassified to the Income Statement proportionally upon partial or total disposal of the investment.

Use of Management Estimates and Judgements in Preparing the Consolidated Financial Statements

In accordance with the IASs/IFRSs, the implementation of some accounting standards illustrated above for the several balance sheet aggregates can entail the adoption, by Corporate Management, of estimates and assumptions capable of significantly impacting the values recognised in the Statement of Financial Position and in the Income Statement.

The drafting of such estimates implies the use of the information available at the date of preparation of the interim report as at 30 June 2025 and the adoption of subjective evaluations, also based on historical experience, used for the purpose of formulating reasonable assumptions for the reporting of management-related issues. In the presence of significant uncertainties and/or activities subject to measurement of particular materiality, the valuation is supported by external experts/appraisers, by fairness opinions and/or independent assessments.

By nature, the estimations and assumptions used may vary from year to year and, therefore, it cannot be ruled out that in subsequent financial periods the values posted to the financial statements may also vary significantly as a result of changes in the subjective evaluations used. Specifically, the measurement process is particularly complex, considering how uncertain the macroeconomic and market contexts are, hence it is not possible to rule out that the envisaged hypotheses, while being reasonable, may not be confirmed in the future scenarios in which the Group shall operate. The parameters and information used to check the aforesaid amounts are therefore considerably affected by such factors, which may quickly change in a way that is not currently foreseeable, to the point that future balance sheet amounts might be affected.

The main factors of uncertainty that could affect the future scenarios the Group will operate in include macroeconomic impacts related to interest rate trends, inflation and market trends.

In that respect, please also note that an estimate can be adjusted following changes to the circumstances on which it was based or new information or even additional experience. Any change to the estimate is applied prospectively and therefore impacts the Income Statement of the period in which the change is made and, potentially, those of future years.

In stressing that the use of reasonable estimates is an essential part of preparing financial statements, without this factor being held to affect their reliability, below are the items in which the use of estimates and assumptions is most significant:

- determination of the fair value of financial instruments, including assets and liabilities, as part of the purchase price allocation process carried out following the completion of business combinations;
- impairment of non-financial assets, including goodwill;
- recognition of expected losses on financial assets;
- stock valuation;
- measurement of employee benefits;
- quantification of provisions made for risks and charges and payables for customer loyalty programmes;
- recoverability of deferred tax assets.

For the cases listed above, the main factors that are subject to estimates by the Group and therefore contribute to determining the value at which assets and liabilities are recognised in the financial statements are identified below. For more information, see the specific section of the Explanatory Notes.

Determination of the fair value of financial instruments

The fair value of financial instruments is determined based on quoted market prices, where available, or for unquoted financial instruments using specific valuation techniques (mainly based on present value) that maximise the use of observable market inputs. In the rare circumstances where this is not possible, inputs are estimated by Management based on the characteristics of the instruments being measured. For more details, see the paragraph on fair value disclosures.

Determination of impairment of non-financial assets

Assets such as property, plant and equipment, investment property measured at cost, intangible assets, right-of-use assets, goodwill and equity investments in associates/joint ventures are impaired when their carrying amount exceeds their recoverable amount, defined as the higher of fair value less costs of disposal and value in use. The recoverable amount of such assets is tested in accordance with the criteria set out in IAS 36.

In accordance with IAS 36, all intangible assets with an indefinite useful life must be tested for impairment at least annually to assess whether their carrying amount is recoverable. Moreover, the standard provides that the results of the annual test may be used for subsequent interim evaluations, provided there is a remote likelihood that the recoverable amount of the intangible assets is lower than the carrying amount. This assessment may be based on an analysis of events and circumstances that have changed since the most recent annual impairment test. In determining the recoverable amount of goodwill as part of the impairment test, which is performed at least annually, the Group applies the value in use approach, which is the present value of future cash flows expected to arise from the asset being tested, discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the specific risks associated with the asset. The expected future cash flows used to determine value in use are based on the most recent business plan approved by Management, which includes forecasts of volumes, revenues, costs and investments. These forecasts generally cover a three-year period and for the subsequent years consider assumptions regarding the long-term evolution of the key variables used in the cash flow projections and a long-term growth rate in line with inflation based on the country and the business.

The recoverable amount is sensitive to the estimates and assumptions used in determining the amount of cash flows and the discount rates applied. However, potential changes in the underlying assumptions of these calculations could result in different recoverable amounts. The analysis of each group of non-financial assets is unique and requires management to use estimates and assumptions deemed prudent and reasonable in the specific circumstances.

In conducting the impairment test for goodwill recorded in the Consolidated Financial Statements, the following was also taken into account:

- ESMA's Public Statement of 24 October 2024 "European common enforcement priorities for 2024 annual financial reports" as reported in the previous section, which among other things reiterates a number of recommendations already present in its previous Public Statement published in October 2023.
- Discussion paper no. 1/2022 "Impairment test of non-financial assets (IAS 36)" published on 29 June 2022 by the Organismo Italiano di Valutazione ("OIV") following the war in Ukraine, which incorporates the contents of ESMA's Public Statement of 13 May 2022 (the subject of Consob's Call for Attention of 19 May 2022) and provides operational guidance for dealing with the uncertainty of the current environment in the context of the possible exercise of the impairment test.

For more details, see explanatory note 13 – Intangible assets.

<u>Recognition of expected losses on financial assets</u>

At the end of each reporting date, the Group recognises a provision for expected losses on trade receivables, financial receivables and other financial assets measured at amortised cost, as well as on debt instruments measured at fair value through other comprehensive income. The provisions for expected losses on financial assets are based on assumptions concerning default risk and the measurement of expected losses, in forming which Management exercises its professional judgement based on the Group's historical experience, current market conditions and forward-looking estimates at each reporting date. For trade receivables and contract assets, the Group primarily applies a collective approach based on grouping into clusters, taking into account the specific regulatory and business environment. A more detailed approach is applied only to trade receivables that Management deems individually significant and where specific information indicates a significant increase in credit risk.

For more details, see explanatory note no. 19 – Trade and other receivables and no. 20 – Current financial assets.

<u>Stock valuation</u>

Inventory items that are obsolete or slow-moving are periodically tested for impairment and written down when their net realisable value is lower than their carrying amount. The write-downs reflect Management's estimates of the expected losses in value, based on historical experience and actual results.

For more details, see explanatory note no. 21 – Other current assets.

<u>Quantification of employee benefits</u>

The calculation of the costs and liabilities associated with plans requiring actuarial valuation is based on estimates made by independent experts using a combination of statistical/actuarial factors, including historical statistical data and projections of future costs. These estimates also consider mortality and retirement indices, assumptions regarding the future development of discount rates, salary growth rates and inflation rates. Such estimates may differ significantly from actual results due to changes in economic and market conditions, increases or decreases in retirement rates and the life expectancy of the participants. These differences may significantly affect the quantification of pension expenses and related charges.

For more details, see explanatory note no. 28 – Non-current financial liabilities.

<u>Quantification of provisions made for risks and charges</u>

In the normal course of its business, the Group is exposed to and may be involved in various civil, administrative and tax proceedings that could give rise to significant liabilities, the outcome of which cannot always be objectively determined. The assessment of the risks related to these proceedings is based on complex elements that by their nature require judgement by the Directors, also taking into account information obtained from external legal counsels assisting the Group with reference to the classification of these matters as contingent liabilities or as provisions.

As regards the identification of any onerous contracts, the Group estimates the non-discretionary costs required to fulfil the contractual obligations (including any penalties) and the economic benefits expected to be obtained from such contract.

For details see explanatory note 26 - Provisions for risks and charges.

Recoverability of deferred tax assets

The recoverability of deferred tax assets, related to the recognition of tax losses or tax credits usable in future years and to temporary deductible differences, is dependent upon the achievement of sufficient taxable income in future years to absorb the losses and use the benefits of the other deferred tax assets. Significant judgement by Management is required to assess the likelihood of recovery of deferred tax assets, considering all available evidence.

For more details, see explanatory note no. 15 – Tax assets and liabilities.

The following situations are significantly influenced by Management judgement:

- identification of operating segments;
- identification of cash-generating units (CGUs);
- determination of the useful life of non-financial assets;
- assessment of whether control exists, as described in the section on consolidation criteria;
- assessment of whether joint control exists and the type of joint arrangement, and of whether significant influence exists over an associate, as described in the section on consolidation criteria;
- determination of non-current assets (or disposal groups) held for sale and discontinued operations;
- revenue from contracts with customers;
- hedge accounting;
- leases;
- uncertainty over income tax treatments.

Identification of operating segments

In accordance with the requirements of IFRS 8, the Group's operating segments are represented by business lines, identified as components:

- that engage in business activities from which they may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);
- whose operating results are regularly reviewed by Management to make decisions about resources to be allocated to the segment and to assess its performance;
- for which discrete financial information is available.

Identification of cash-generating units (CGUs)

For the purposes of the impairment test, where it is not possible to estimate the recoverable amount of an individual asset, the Group identifies the smallest group of assets that generates largely independent cash inflows. A CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The process of identifying such CGUs involves judgement by Management with respect to the specific nature of the assets and the business they belong to (e.g. geographical area, business area, etc.). This process also considers the way in which the activities included in the CGU are managed and monitored, and whether there is evidence that the cash inflows from the group of assets are largely independent of the cash inflows from other assets or groups of assets. The number and scope of CGUs are systematically updated to reflect the effects of new business combinations and reorganisations undertaken by the Group.

Starting from the financial statements for the year ended 31 December 2022, within the Nexi Group, Cash Generating Units matches to the Business Units represented in the segment reporting.

Determination of the useful life of non-financial assets

In determining the useful life of property, plant and equipment and of intangible assets with a finite useful life, the Group considers not only the future economic benefits expected to be derived from their use, but also many other factors such as physical wear and tear, product or service obsolescence (technical, technological or commercial), legal restrictions or similar constraints (e.g. safety, environmental, etc.) on the use of the asset, and whether the useful life of the asset depends on the useful life of other assets.

Determination of non-current assets (or disposal groups) held for sale and discontinued operations

An asset is classified as "held for sale" when its sale is highly probable. To assess whether a sale is highly probable, the Group considers whether:

- Management is committed to a plan to sell the asset (or disposal group), and all necessary actions have been initiated to locate a buyer and complete the plan;
- the sale is expected to be completed within one year from the date of classification of the asset as held for sale, subject to extension where the delay is caused by events or circumstances beyond the Group's control and there is sufficient evidence that the Group remains committed to the plan to sell;
- the actions required to complete the plan to sell indicate that it is unlikely that the plan will be significantly changed or withdrawn.

Moreover, an asset (or group of assets) is presented by the Group as a discontinued operation when it is classified as held for sale, and:

- it represents a major autonomous line of business or geographical area of operations;
- it is part of a single coordinated plan to dispose of a separate major autonomous line of business or geographical area of operations; or
- it is a subsidiary acquired exclusively to be sold.

Revenue from contracts with customers

The Group carefully analyses the terms and conditions of contracts under local jurisdiction to determine whether a contract exists and whether it gives rise to enforceable rights and obligations, so that IFRS 15 is applied only to such contracts.

If a contract includes multiple promised goods or services, the Group assesses whether these must be accounted for separately or together, considering both the individual characteristics of the goods/services (i.e. whether they are distinct or whether they form a series of distinct goods or services that are substantially the same and are transferred to the customer in the same way over time), and the nature of the promise in the contract. To this end, all facts and circumstances related to the specific contract in its legal and regulatory context must also be considered. To assess when a performance obligation is satisfied, the Group evaluates the point in time when control of the goods or services is transferred to the customer, primarily from the customer's perspective.

For each performance obligation, and depending on the type of transaction:

- if it is satisfied over time, as in the case of providing a service, revenue is recognised over time based on the progress towards complete satisfaction of the performance obligation. Progress towards satisfaction of a performance obligation is measured using either an output method or an input method, both for performance obligations and similar circumstances. More specifically, the cost-to-cost method is deemed appropriate unless a specific analysis of the contract suggests the use of a more suitable method. Where the Group is unable to reasonably measure progress towards satisfaction of a performance obligation, it recognises revenue only to the extent of the costs incurred that are expected to be recoverable;
- if the performance obligation is satisfied at a point in time, as in the case of goods supplied, revenue is recognised at the point in time the customer obtains control of the promised asset, considering all relevant indicators as a whole.

If the Group determines that a contract includes an option for additional goods or services (e.g. customer loyalty programmes or renewal options) that confers a material right to the customer, the transaction price is allocated to such option on the basis that it represents an additional performance obligation.

The Group assesses the recoverability of incremental costs to obtain a contract both at the individual contract level and for a group of contracts, where such costs relate to a group of contracts. The Group supports the recoverability of such costs based on its experience with similar arrangements and by assessing various factors, including potential renewals, modifications and follow-on contracts with the same customer. The Group amortises such costs over the average duration of the relationship with the customer or group of associated customers. To determine the expected period of benefit from the contract, the Group relies on its past experience (e.g. the “churn rate”), forward-looking indications drawn from similar contracts and information available on market trends.

Hedge accounting

Hedge accounting is applied to derivatives in order to reflect the effects of the Group’s risk management strategies in the financial statements. To this end, as required by IFRS 9, at the inception of the transaction the Group documents the relationship between the hedging instrument and the hedged item, as well as the objectives and risk management strategy. The Group also assesses (both at inception and on an ongoing basis) whether the hedging instruments are highly effective in offsetting changes in the cash flows of the hedged items. Based on Management’s judgement, the assessment of effectiveness (based on the existence of an economic relationship between the hedging instruments and the hedged items) and the measurement of ineffectiveness are conducted using either a qualitative assessment or a quantitative calculation, depending on the specific facts and circumstances and the characteristics of the hedging instruments and hedged items.
With respect to cash flow hedges of future transactions, Management assesses and documents that such transactions are highly probable and expose the Group to cash flow variability that affects the Income Statement.

Leases

Given the complexity involved in assessing lease contracts, combined with their long-term duration, application of IFRS 16 requires significant use of professional judgement. In fact, this is necessary to:
- apply the definition of a lease to arrangements typical of the sectors in which the Group operates;
- identify the service component within lease contracts;
- assess any renewal and termination options in the contracts in order to determine lease term, considering both the likelihood of exercising such options and any significant improvements to the underlying assets;
- identify any variable payments linked to indices or rates to determine whether changes in those indices or rates may impact future lease payments and the carrying amount of the right-of-use asset;
- estimate the discount rate to calculate the present value of lease payments where not specifically stated in the contract.

Uncertainty over income tax treatments

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments, and whether to reflect the effect of the uncertainty using the most likely amount method or the expected value method, selecting the one that, according to its projections, best predicts the resolution of the uncertainty, taking into account local tax laws. The Group makes significant use of professional judgement in identifying uncertainties regarding income tax treatments and revisits the judgements and estimates made whenever facts and circumstances change in a way that could affect the conclusion on the acceptability of a given tax treatment or the estimate of the effects of the uncertainty, or both.

Fair Value Disclosure

For all fair value measurements and related disclosures in the notes to the financial statements, the Group applies IFRS 13 as required or permitted by international accounting standards. The Fair Value is the price that would be received for the sale of an asset, or which would be paid for the transfer of a liability in a regular transaction between market operators (i.e. not in a compulsory liquidation or sale below cost) as at the valuation date.

Fair Value measurement assumes that the sale of the asset or the transfer of the liability takes place in the principal market, i.e. the market with the highest volume and level of activity for the asset or liability. In the absence of a principal market, it is assumed that the transaction takes place in the most advantageous market accessible to the Group, meaning the market that would maximise the value of the asset sale or minimise the amount to be paid to transfer the liability.

The Fair Value of an asset or liability is determined using the assumptions that market participants would use in pricing the asset or liability, assuming that they act in their best economic interest. Market participants are independent, knowledgeable buyers and sellers who are able and willing to enter into a transaction for the asset or liability, but not obliged or otherwise compelled to do so. In measuring Fair Value, the Group considers the characteristics of the specific asset or liability, namely:

- for non-financial assets, it considers the ability of a market participant to generate economic benefits from using the asset in its highest and best use or by selling it to another market participant that would use it in its highest and best use;
- for liabilities, Fair Value includes the risk that the Group may not be able to fulfil its obligations, including the Group's own credit risk among other things.

In determining the Fair Value of a financial instrument, IFRS 13 establishes a hierarchy of criteria in terms of the reliability of the Fair Value, according to the degree of discretion applied to businesses, giving precedence to the use of parameters that can be observed on the market, which reflect the assumptions that the market participants would use in the valuation (pricing) of the asset/liability. Three different levels of input are identified:

- Level 1: inputs consisting of listed prices (unadjusted) on active markets for identical assets or liabilities that can be accessed at the measurement date;
- Level 2: inputs other than the listed prices included on Level 1, which can be observed, directly (as in the case of prices) or indirectly (insofar as deriving from the prices) for assets or liabilities to be measured;
- Level 3: inputs for assets or liabilities that are not based on observable market data.

In measuring the Fair Value of assets and liabilities, the Group uses valuation techniques appropriate to the circumstances and for which sufficient data are available to measure Fair Value, maximising the use of observable inputs and minimising the use of unobservable inputs.

The measurement method defined for a financial instrument is adopted continuously over time and modified only following significant changes in market conditions or subjective conditions of the financial instrument issuer.

For financial assets and liabilities recognised on the financial statements at cost or amortised cost, the Fair Value given in the Notes is determined according to the following method:

- for bonds issued: Fair Value obtained from active markets where the liability is traded;
- for assets and liabilities at fixed rates in the medium/long-term (other than securities issued): discounting of future cash flows at a rate obtained from the market and rectified to include the credit risk;
- for variable rate, on demand assets or those with short-term maturities: the carrying amount recognised net of the analytical and collective impairment is considered a good approximation of the Fair Value, insofar as it incorporates the change in rates and the change in the counterparty's credit risk;
- for variable rate and short-term fixed rate liabilities: the carrying amount is considered a good approximation of the Fair Value, for the reasons given above.

Qualitative Disclosure

Fair Value Levels 2 and 3: Measurement Techniques and Inputs Used

The information requested by IFRS 13 concerning accounting portfolios measured at Fair Value on a recurring basis and not measured at Fair Value or measured at Fair Value on a non-recurring basis is reported below.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

At the date of the consolidated financial statements, the following instruments valued at Fair Value were mainly in place:

- Visa Preferred Class C Shares: these are measured according to the market value of Visa Inc Class A shares, listed on active markets where the portfolio shares (class C) will be converted, adjusting the value to reflect both the liquidity risk of class C shares and the potential adjustments to the conversion ratio, as communicated by Visa under the specific section of the company's website, which varies depending on potential future liabilities to European merchants of Visa Europe, a company that has been incorporated into Visa Inc US.
- Acorns shares in the portfolio, Fair Value was estimated using models generally used by market operators (Market multiples as main method and Discounted Cash Flow as control method) based partially on market-driven parameters.
- Banca Popolare di Sondrio shares in portfolio, listed on active markets and valued according to market prices.
- Contingent consideration: Fair Value is estimated as the present value of expected cash outflows, based on contractually agreed Earn-out mechanisms, using the weighted average cost of capital (WACC) at the valuation date.
- Derivatives on shares of unlisted companies: Fair Value is estimated using models generally used by market participants (Black & Scholes) and supplemented where possible with parameters derived from the market.
- Hedging derivatives: outstanding derivatives consist of plain vanilla interest rate swaps, the fair value of which is estimated using valuation models in line with market practice. Specifically, since these derivatives are not listed on active markets and are not subject to Credit Support Annexes (CSA), the Fair Value is determined as the sum of the risk-free (mid-market) reference value and the Credit Value Adjustment (CVA), understood as the counterparty risk premium linked to the possibility that the counterparties to the contract may not honour their commitments. The CVA is calculated using valuation models that take into account the Loss Given Default (LGC) and Probability of Default (PD), which are determined on the basis of market information, where available.

Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis

Financial instruments not measured at Fair Value (FV), including loans and receivables with customers and banks are not managed on a Fair Value basis. For said assets, Fair Value is calculated solely for the purpose of complying with the request of disclosure to the market and has no impact on the financial statements or on profit and loss. Furthermore, since these assets are not generally traded, the determining of Fair Value is based on the use of internal parameters not directly detectable on the market, as defined under IFRS 13.

- Cash and cash equivalents: given their short-term nature and their negligible credit risk, the carrying amount of cash and cash equivalents is practically equal to the Fair Value.
- Financial assets measured at amortised cost: for variable rate, on demand assets or those with short-term maturities, the carrying amount recognised net of the analytical and collective impairment is considered a good approximation of the Fair Value, insofar as it incorporates the change in rates and the change in the counterparty's credit risk.
- Investment property: the Fair Value of Investment property is determined on the basis of a measurement made by independent experts holding duly acknowledged and pertinent professional expertise, who conduct their measurement mainly on the basis of an indirect knowledge of assets through the information made available by the holders with reference to property location, consistency, venue use, and in view of market analyses.
- Financial liabilities measured at amortised cost: the carrying amount is considered to approximately be equivalent to Fair Value for variable and fixed rate, short term liabilities. As for debt instruments issued, Fair Value is calculated based on active markets where liabilities have been traded.

Fair Value Hierarchy

Transfers between Fair Value levels derive from the empirical observation of intrinsic phenomena of the instrument taken into account or the markets on which it is traded.
Changes from Level 1 to Level 2 are brought about by a lack of an adequate number of contributors or the limited number of investors holding the float in issue.
Conversely, securities that at issue are not very liquid but have high numbers of contracts - thereby classified as Level 2 - are transferred to Level 1 when the existence is seen of an active market.
There have been no transfers between categories of financial assets and liabilities between Level 1, Level 2 or Level 3.

Information on “Day One Profit or Loss”

Not reported to the extent that for Nexi Group no transactions are recorded that are ascribable to this item.

Income Statement

(Amounts in million euros)

3. Net Operating Revenues

3.1 Operating Revenues

	I Half 2025	I Half 2024
Merchant fees and other revenues from merchants	1,899	1,837
Interchange fee revenues	125	141
Revenues from cardholders	225	228
Revenues from other services	722	713
Operating Revenues	2,971	2,920

The item "Merchant fees and other revenues from merchants" includes not only merchant fees from the acquiring service, but also revenue from terminal rentals.
The item "Interchange fee revenues" refers mainly to interchange fees from issuing activities.
The item "Revenues from other services" mainly includes revenue from servicing/outsourcing activities related to issuing and acquiring, revenue related to ATM management as well as revenue related to payment services provided by Group companies.

3.2 Interchange, Scheme fees and Other Direct Costs

	I Half 2025	I Half 2024
Interchange and scheme fees	(1,086)	(1,037)
Distribution fees related to partnership with banks	(95)	(108)
Other direct costs	(47)	(5784)
Interchange, scheme fees and other direct costs	(1,229)	(1,202)

The item "Distribution fees related to partnership with banks " includes costs related to retrocession agreements determined according to revenue sharing mechanisms.

4. Personnel expenses

	I Half 2025	I Half 2024
Wages and salaries	(288)	(302)
Social security charges and similar cost	(67)	(66)
Post-employment benefits	(19)	(19)
Costs of share-based payment plans	(8)	(10)
Other employee benefits	(19)	(149)
Employees	**(401)**	**(546)**
Other personnel	(12)	(11)
Personnel expenses	**(413)**	**(558)**

The item "Costs of share-based payment plans" includes costs linked to the Stock Grant plan (guaranteed by Mercury UK) for Nexi Group employees and the costs connected with the Long-Term Incentive plan, as further detailed in Note 33.

Furthermore, capitalised personnel costs amounted to Euro 47 million.

5. Operating Costs

	I Half 2025	I Half 2024
IT and processing costs	(202)	(220)
Rental costs	(32)	(31)
Maintenance	(56)	(59)
Indirect taxes	(17)	(16)
Professional services	(34)	(36)
Commercial and promotional costs	(35)	(32)
Other general expenses	(127)	(113)
Other net operating expenses	(13)	(21)
Operating Costs	**(517)**	**(528)**

6. Net Accruals for Risks

	I Half 2025	I Half 2024
Net value adjustments on receivables	(8)	(2)
Net accruals to provisions for risks and charges	4	(6)
Net accruals for risks	**(4)**	**(8)**

The item "Net value adjustments on receivables" refers to net impairment adjustments on receivables to customers.

The item "Netaccruals to provision for risks and charges" reflects the effects of changes in the provision for risks and charges.

6.1 Net Value Adjustments on Receivables: Details

	I Half 2025	I Half 2024
Value adjustments on receivables	(8)	(3)
Reversals of value adjustments on receivables	-	-
Net value adjustments on receivables	**(8)**	**(2)**

6.2 Net Accruals to Provisions for Risks and Charges: Details

	I Half 2025	I Half 2024
Provisions for risks and charges	(2)	(9)
Releases of Provisions for risks and charges	6	3
Net accruals to provisions for risks and charges	**4**	**(6)**

7. Net value adjustments/write-backs on tangible and intangible assets

	I Half 2025	I Half 2024
Depreciations on tangible assets	(83)	(87)
Impairment losses/Reversals of impairment losses on tangible assets	-	-
Amortisations on intangible assets	(375)	(358)
Impairment losses/Reversals of impairment losses on other Intangible assets	-	-
Net value adjustments/write-backs on tangible and intangible assets	**(459)**	**(445)**

The item “Depreciation of tangible assets” refers mainly to terminals and electronic machines used by the Group’s operating companies. For more details, see Section 12 (Tangible assets).

The item “Amortisation of intangible assets” refers mainly to customer contracts arising from purchase price allocation processes and to software.

8. Profits/(losses) on equity investments

	I Half 2025	I Half 2024
Share of profit/(loss) from Equity method valuation	(2)	3
Profits/(losses) on equity investments	**(2)**	**3**

9. Net Financial/Non-Operating Income/Costs

These items are made up as follows:

	I Half 2025	I Half 2024
Interest and similar expenses	(126)	(137)
NetLosses on exchange rates	(12)	(10)
Interest and similar expenses	**(139)**	**(147)**

	I Half 2025	I Half 2024
Interest and similar income	6	18
Fair Value adjustments on assets and liabilities measured at Fair Value	1	-
Interest and similar income	**7**	**18**

	I Half 2025	I Half 2024
Dividends	4	3
Profits/(Losses) on sale of investments	1	(1)
Net non-operating income/costs	**5**	**3**

The interest expenses shown above mainly refer to charges related to the Group's Financial Debt.

The item "Fair Value measurement of assets and liabilities at Fair Value" refers mainly to the effects of the fair value measurement of earn-outs.

The item "Dividends" refers to dividends declared by investee companies other than subsidiaries, associates and jointly controlled companies.

10. Income Taxes

	I Half 2025	I Half 2024
Current taxes	(185)	(130)
Change in deferred tax assets	(7)	8
Change in deferred tax liabilities	60	35
Income taxes	**(132)**	**(86)**

11. Income/(Loss) After Tax from Discontinued Operations

The figure as at 30 June 2024 referred to gains/losses related to Nets's eID activities, which were sold during the second half of 2024.

Statement of Financial Position

(Amounts in million euros)

ASSETS

12. Tangible Assets

	Jun. 30, 2025	Dec. 31, 2024
Property and equipment	499	509
Investment property	1	1
Total	**500**	**510**

12.1 - Property and equipment: Breakdown

	Jun. 30, 2025	Dec. 31, 2024
Owned		
a) Land	41	41
b) Buildings	53	56
c) POS and ATM	177	173
d) Machinery and electronic equipment/systems	86	108
e) Furniture and furnishings	3	6
f) Other	7	4
Rights of use from lease contracts		
a) Land		
b) Buildings	93	86
c) POS and ATM	0	4
d) Machinery and electronic equipment/system	25	17
e) Furniture and furnishings	-	-
f) Other	13	14
Total	**499**	**509**

With regard to item “Owned”, note the following:

- the value of real estate includes the effect of the write-back to Fair Value of the assets acquired in 2015 with the establishment of the Mercury Group, as a result of the completion of the price allocation process (PPA);
- the item “POS and ATM” refers to assets acquired by the Group and covered by contracts with customers;
- the item “Machinery and electronic equipment/systems ” mainly includes hardware used by the Group's operating companies. The amount entered is net of depreciation up until the reporting date;
- the “Rights of use from lease contracts” item refers to assets recognised following the application of IFRS 16.

At the reporting date there are no restrictions as to the usage of such rights of use. Note that for some categories of assets and/or agreements the Nexi Group exercised the right to exclude contracts with a duration of less than 12 months and/or contract value worth less than Euro 5,000 (low value contracts) from IFRS 16.

Note that there are no commitments already entered into in connection with the purchase of tangible fixed assets.

12.2 - Property and equipment: Changes

	Land	Buildings	POS and ATM	Machinery and electronic equipment/systems	Furniture and furnishings	Other	Total
A. Opening balance - Gross	45	317	627	525	21	57	1,592
A.1 Depreciation Fund	(4)	(175)	(450)	(398)	(16)	(40)	(1,083)
A.2 Net Opening balance	41	142	177	127	5	17	509
B. Increases	-	20	39	42	0	9	109
B.1 Purchases	-	0	36	9	0	1	46
B.2 Reversals of impairment losses	-	-	-	-	-	-	-
B.3 Business combination	-	-	-	-	-	-	-
B.4 Transfers from investment property	-	-	-	-	-	-	-
B.5 Other increases	-	20	2	33	0	8	63
of which of Right of use	-	*18*	-	*9*	-	*1*	*29*
B.6 Currency translation adjustment	-	0	0	0	-	0	0
C. Decreases	-	16	38	58	2	5	120
C.1 Sales	-	0	0	8	-	0	8
C.2 Depreciation	-	15	10	51	2	5	83
of which of Right of Use	-	*12*	*2*	*4*	-	*4*	*22*
C.3 Impairment Losses	-	-	0	-	-	-	0
C.4 Bussiness Combination	-	-	-	-	-	-	-
C.5 Transfers of non-current assets held for sale and discontinued operations	-	-	-	-	-	-	-
C.6 Transfers to investment Property	-	-	-	-	-	-	-
C.7 Other decreases	-	-	28	-	0	-	28
C.8 Currency translation adjustment	-	-	-	0	0	0	0
D. Closing balance - Gross	*45*	*336*	*638*	*559*	*21*	*66*	*1,665*
D.1 Depreciation Fund	*(4)*	*(190)*	*(460)*	*(448)*	*(18)*	*(45)*	*(1,166)*
D.2 Net Closing balance	*41*	*146*	*177*	*111*	*3*	*20*	*499*

12.3 – Investment Property

As calculated at 31 December 2024, this item includes the property located in Monteriggioni (SI) (Via delle Frigge) owned by Nexi Payments SpA, the carrying amount of which decreased due to depreciation in the period.

As at the date of reference, there are no:

- restrictions or limits to the sale of property or collection of rental charges;
- obligations or contractual commitments, construction, development, repair or extraordinary maintenance of these properties.

13. Intangible Assets

	Jun. 30, 2025	Dec. 31, 2024
Goodwill	12,015	11,983
Other intangible assets	3,953	4,185
Total intangible assets	**15,968**	**16,168**

13.1 - Goodwill

Goodwill, mainly resulting from the acquisitions of the Nets Group, the SIA Group and the acquiring books by the Group's operating companies, increased in 2025 mainly due to the recognition of goodwill arising from the acquisition of the acquiring book of Banca Popolare di Puglia e Basilicata (Euro 17 million included in the Cash Generating Unit Merchant Solutions), partially offset by the sale of the Capital Market Branch (Euro 5 million) and the positive exchange rate effects on previous goodwill (Euro 20 million).

As in the financial statements for the year ended 31 December 2024, the following three Cash Generating Units were identified:
- Merchant Solutions;
- Issuing Solutions;
- Digital Banking Solutions.

These CGUs correspond to the operating segments described in Section 37.

With regard to the method of allocation of goodwill to the various CGUs identified, see the Section "Intangible Assets: Impairment Testing" below.

Changes in the period are shown below.

	Jun. 30, 2025	Dec. 31, 2024
Opening balance	**11,983**	**11,999**
Increases	**37**	**26**
- Business combination	17	26
- Exchange Rate Differences	20	-
Decreases	**5**	**42**
- Disposals	5	-
- Exchange Rate Differences	-	42
Closing balance	**12,015**	**11,983**

13.2 - Other Intangible Assets

	Jun. 30, 2025	Dec. 31, 2024
Customer Contracts	2,743	2,907
Internally generated assets	887	775
Externally purchased assets	313	496
Leased intangible assets	10	7
Total	3,953	4,185

The other intangible assets consist of:

- purchases of software and technological developments: the item also includes the effects of software revaluations performed as part of the Purchase Price Allocation Processes concluded in the previous years. Note that ongoing projects not yet completed amount to Euro 320 million;
- intangible assets with a finite useful life resulting from the Purchase Price Allocation processes concluded in previous years, mainly composed of customer contracts and customer relationships amounting to Euro 2,743 million.

Note that commitments already undertaken in connection with the purchase of intangible assets amount to Euro 16.4 million.

13.3 - Other Intangible Assets: Changes

	Customer contracts	Internally Generated Assets	Externally Purchased Assets	Leased intangible assets	Total
A Net Opening Balance	2,907	775	496	7	4,185
B. Increases	5	260	16	2	283
B.1 Purchases	-	111	16	-	126
B.2 Reversals of impairment losses	-	-	-	-	-
B.3 Business combinations	-	-	-	-	-
B.4 Other increases	-	147	1	2	150
of which: of rights of use	-	-	1	-	1
B.5 Currency translation adjustments	5	2	0	-	7
C. Decreases	169	147	198	-	514
C.1 Sales	-	-	-	-	-
C.2 Amortisation	169	147	59	-	375
of which: of rights of use	-	-	-	-	-
C.3 Impairment losses	-	0	-	-	0
C.4 Business combinations	-	-	-	-	-
C.5 Transfers to non-current assets held for sale and discontinued operations	-	-	-	-	-
C.6 Other decreases	-	-	139	-	139
C.7 Currency translation adjustments	-	-	-	-	-
D. Net closing balance	2,743	887	313	10	3,953

13.4 Intangible Assets: Impairment Testing

As required by international accounting standard IAS 36.12, the Nexi Group verified the presence of any impairment indicators with respect to goodwill and intangible assets with a finite useful life deriving from business combinations.
With regard to intangible assets with a finite useful life, no indicators of impairment emerged. Conversely, with regard to goodwill, it was necessary to perform an impairment test because the market capitalisation of Nexi SpA as at 30 June 2025 was lower than the Group's book equity.

The goodwill is allocated to the following Cash Generating Units.

(Amounts in million euros)

Name of CGU	Goodwill (*)	Carrying amount (**)
Merchant Solutions	8,455	10,4
Issuing Solutions	3,418	4,502
Digital Banking Solutions	313	788
Totale	**12,186**	**15,794**

(*) Goodwill expressed at 100%, including minority interests.
(**) Net invested capital including goodwill

As required by IAS 36, the recoverable amount of the CGUs coincides with the greater of:

- Value in Use;
- Fair Value less costs of disposal.

The impairment test is passed if one of the two configurations (value in use or Fair Value) is higher than the carrying amount of the CGUs goodwill is allocated to.

For the purposes of this impairment test, the value in use of the CGUs defined above was estimated. Indeed, the determination of the recoverable amount was based on the discounted cash flow method in its unlevered version (Discounted Cash Flow Method or "DCF"). Such method is based on the general concept that the value of a company is equivalent to the discounted amount of:

- the cash flows it will generate within the specific forecast horizon;
- residual value, i.e. the value of the income that the business is expected to generate beyond the explicit forecast period.

Cash flows are discounted using the weighted average capital cost (WACC) which is the weighted average of the cost of equity and the cost of debt, after taxation. The cost of capital was estimated using a fundamental approach and then compared with the median cost of capital used by analysts (consensus). The cost of capital estimated based on fundamentals was substantially in line with the consensus median.
The formula for estimating WACC is the following:

$$WACC = Ke * \frac{E}{D+E} + Kd*(1-t)* \frac{D}{D+E}$$

where:

- Ke = cost of equity;
- E/(D+E) = equity as a percentage of total enterprise value (equity + net financial debt);
- Kd = cost of debt capital before taxes;
- t = tax rate ("tax shield");
- D/(D+E) = percentage of debt to total enterprise value.

The cost of equity represents the expected return on investments in shares of companies in the same sector as Nexi and is calculated using the Capital Asset Pricing Model, the formula of which is as follows:

$$Ke = Rf + \beta * (Rm - Rf)$$

where:

- Rf = risk-free rate, equal to the average yield to maturity of 10-year government bonds for the last month weighted on average with respect to the countries the Group operates in for each CGU identified;
- Beta = beta coefficient expressing systematic risk. This parameter was estimated based on an analysis of the betas of comparable companies;
- Rm - Rf = equity risk premium, namely the additional return requested by a risk averse investor compared with the return of risk-free assets; it is equivalent to the difference between the average return of the stock market and the risk-free rate. The risk premium considered is 5.96%, applicable to European companies (source: Berec BoR (25) 64).

The debt cost must be considered net of the tax rate "t", in order to take into account the tax shield on interest costs. This parameter was estimated based on an analysis of bond yields of comparable companies, consistent with the target financial structure assumed in the WACC calculation.
For the purpose of estimating the long-term growth rate (g rate), the long-term inflation rate of the countries in which the CGUs operate estimated by IMF (World Economic Outlook) as at April 2025 was used.

The WACC and g rate used for the purpose of the impairment test are as follows:

- CGU Merchant Solutions: wacc = 9.42% and g =2.04%.
- CGU Issuing Solutions: wacc = 9.45% and g = 2.03%.
- CGU Digital Banking Solutions: wacc = 9.48% and g = 1.95%.

The estimate of the recoverable amount is obtained starting from the estimates of the expected results of the 2025 Budget and the 2026-2029 Projections approved by the parent company's board of directors.

The Nexi Group's plan takes into account the effects of the conflict between Russia and Ukraine, relying on macroeconomic parameters of expected consumption and nominal growth provided by external sources to develop the projections.
With regard to the effects of climate change, the company has already implemented projects to simplify its operating platforms and related computing centres, which include data centres and IT infrastructure. These projects not only provide economic synergies, but also reduce the company's consumption through the use of renewable energy sources and energy efficiency solutions. In fact, the Nexi Group has taken on the "Net Zero by 2040" challenge endorsed by the Science Based Targets initiative (SBTi), setting climate targets as early as 2030 in order to ensure compliance with the emission reduction targets of the Paris Agreement climate objectives.

The recoverable value was higher than the carrying amount for all CGUs indicated above.

Since the recoverable value (value in use) is determined through estimates and assumptions that may feature elements of uncertainty, sensitivity analyses were conducted – as provided for by IAS/IFRS standards – for verifying the sensitivity of the results obtained upon variation of some basic parameters and hypotheses. Specifically, it was deemed appropriate to identify changes in key parameters (also extended to the terminal value) sufficient to make the recoverable amount equal to the value of the invested capital (breakeven case).

Name of CGU	Increase of WACC	Decrease of growth rate (g)	Parallel shift to decrease the EBITDA
Merchant Solutions	0.92%	(1.20%)	(8.60%)
Issuing Solutions	0.81%	(1.07%)	(8.23%)
Digital Banking Solutions	2.46%	(3.46%)	(14.99%)

14. Equity Investments

The balance of this item consists of the following Equity Investments:

Name	Direct Ownership	Carrying amount June 30, 2025	Carrying amount Dec. 31, 2024
A. Companies subject to joint control			
e-Boks A/S, Denmark	*Nets Denmark A/S*	-	19
Computop Paygate GmbH	*Nexi Germany Holding GmbH*	70	44
B. Companies subject to significant influence			
QRTAG Sp. z.o.o.	*Centrum Rozliczen Elektronicznych Polskie ePlatnosci S.A.*	1	1
Digital Commerce Finland Oy	*Paytrail Oyj*	-	-
Nexi Digital	*Nexi SpA*	1	2
WEAT Electronic Datenservice GmbH, Germany	*Nexi Germany GmbH*	5	4
Total		77	70

Note that in the first half of 2025:

- the equity investment in e-Boks A/S was classified among non-current assets held for sale as described in the Management Report

- the equity investment in Computop increased as a result of the exercise of the put/call agreement concerning a 21% ownership interest.

15. Tax Assets and Liabilities

	Jun. 30, 2025	Dec. 31, 2024
Deferred tax assets	248	251
- of which: Recognised in Equity	11	9
- of which: Recognised in Profit and Loss	237	242
Current tax assets	17	16
Deferred tax liabilities	914	922
- of which: Recognised in Equity	5	4
- of which: Recognised in Profit and Loss	909	918
Current tax liabilities	189	64

With regard to the table above, note the following:

- Current tax assets mainly consist of receivables for IRAP of Italian subsidiaries and receivables for taxes paid abroad.
- Current tax liabilities include payables for the balance of the domestic tax consolidation as well as taxes owed by foreign subsidiaries. Note that, in addition to the parent company Nexi SpA, the current national tax consolidation scheme involves the subsidiaries Mercury Payment Services SpA, Nexi Payments SpA, Help Line SpA, Service Hub SpA, SIApay Srl and Numera Sistemi e Informatica SpA.
- Deferred tax assets with a balancing entry to Equity mainly relate to deferred tax assets on employee severance indemnities.
- Deferred tax assets with a balancing entry in the Income Statement mainly relate to deferred tax assets arising from the redemption of goodwill recognised in the financial statements of Nexi Payments and Nexi SpA. The item also includes

deferred tax assets relating to adjustments to receivables, provisions for risks and charges, as well as the residual tax asset arising from the spin-off of certain equity investments from DEPObank SpA to Nexi, and deferred tax assets on tax losses.

- Deferred tax liabilities recognised with a balancing entry in Equity mainly refer to deferred tax relative to the Fair Value measurement of the Visa Shares in portfolio.
- Deferred tax liabilities recognised with a balancing entry in the Income Statement consist mainly of deferred taxes recognised as a result of the Purchase Price Allocation – in particular of Nets and SIA – completed in previous years, and deferred taxes related to temporary differences on recognised goodwill.

16 Non-Current Financial Assets

	Jun. 30, 2025	Dec. 31, 2024
Equity instruments measured at Fair Value	65	66
Non current derivative assets	15	15
Non-current financial assets	**80**	**81**

The item "Equity Instruments measured at Fair Value" refers to shares held by Group companies over which Nexi does not exercise control, joint control or significant influence. In particular, note that this item also includes Visa Series C Shares for Euro 34 million, eligible for conversion into Visa Class A ordinary shares at a variable conversion rate dependent on expenses arising from contingent liabilities associated with the former Visa Europe.

17 Other Non-Current Assets

	Jun. 30, 2025	Dec. 31, 2024
Assets related to contracts with customers	18	10
Other assets	3	-
Other non-current assets	21	10

Note that the above-mentioned items, relating to prepaid expenses connected to the Group's ordinary operations , are included in the calculation of Net Working Capital.

18. Hedging Derivatives

During 2022 Nexi SpA entered into cash flow hedging transactions related to outstanding variable-rate financing. These transactions fall under the type of cash flow hedges envisaged by IFRS 9.

In 2025, as a result of new funding raised by Nexi SpA and the early termination of certain existing lines of credit, some derivatives were closed early and new derivative contracts were entered into with maturities aligned with the Group's floating-rate funding.

At the reporting date the derivatives stipulated had the following values:

	Jun. 30, 2025	Dec. 31, 2024
Cash Flow Hedge		
Current derivatives	7	8
Non Current derivatives	4	15
Total derivatives with negative Fair Value	**11**	**23**

The negative Fair Value of hedging derivative, amount of Euro 11 million, has been included in the Net Financial Position.
The total notional amount of outstanding hedging derivatives, represented by plain vanilla interest rate swaps, is Euro 900 million.

19. Trade and Other Receivables

	Jun. 30, 2025	Dec. 31, 2024
Trade receivables for services rendered	759	824
Other receivables	122	106
Trade and other receivables	**882**	**931**

The item "Trade receivables for services rendered" refers to trade receivables of the Group's operating companies for services rendered, net of the related allowance for doubtful accounts.
The item "Other receivables" primarily refers to Receivables from the tax authorities for VAT and other taxes other than current tax expenses.
The total balance of the item "Trade and other receivables" in question is included in the calculation of Net Working Capital.

20. Current Financial Assets

	Jun. 30, 2025	Dec. 31, 2024
Current Financial assets at Fair Value	56	39
Current financial assets related to transaction payment assets	3,429	3,224
Financial assets not related to settlement	78	134
Current financial assets	**3,562**	**3,397**

Current financial assets at fair value include equity instruments in listed companies not controlled or significantly influenced by the Nexi Group.

The item "Current financial assets related totransaction payment assets"includes receivables and other assets arising from transaction paymentactivities carried out by the operating companies, consisting mainly of Receivables from Circuits related to daily settlement balances, Bank accounts dedicated to settlement, Receivables from cardholders related to issuing activities, and unsettled transactions linked to the various stages of the settlement process. With regard to receivables related to issuing guaranteed by partner banks (which represent the majority), note that, for charge cards settlement takes place via direct debit from cardholders' current accounts on the 15th of the following month.

These receivables are subject to factoring transactions that involve the daily sale of receivables. Receivables sold without recourse and derecognised amount to Euro 1,842.7 million, while the balance of receivables sold with recourse as at 30 June 2025, which have not been derecognised, amounts to Euro 38.8 million.

The item “Financial assets not related to settlement” mainly includes Receivables arising from the “Buy Now Pay Later” business, as well as other financial assets measured at amortised cost, and is included in the calculation of Net Working Capital. Note that in the first half of 2025, as described in section 35, a securitisation transaction was carried out on receivables arising from the “Buy Now Pay Later” business through the establishment of a vehicle that issued Senior notes subscribed by third-party banks and Junior notes subscribed by the Group through its subsidiary Rate Pay.
As described in section “Accounting Policies”, based on the contractual terms and shareholders’ agreements, it was concluded that the Vehicle was not consolidated. With reference to the derecognition rules of IFRS 9, the Group transferred part of the risks and rewards associated with the receivables portfolio. As a result, partial derecognition of the receivables portfolio was carried out, retaining on the books the receivables corresponding to the maximum portion of the risk retained by the Group. Specifically, the assigned receivables amounted to Euro 63 million.

21. Other Current Assets

	Jun. 30, 2025	Dec. 31, 2024
Deferred costs	282	246
Inventory	39	54
Other current assets	**321**	**300**

The "Deferred costs" item includes deferred expenses relating to costs to fulfil contracts with customers and similar items for Euro 105.5 million and deferred expenses for costs paid but not yet accrued equal to about Euro 174.6 million.
The inventory mainly refers to ATMs, POSs and spare parts net of the relevant depreciation.
The entire amount of item “Other current assets” is included in the calculation of Net working capital.

22. Cash and Cash Equivalents

	Jun. 30, 2025	Dec. 31, 2024
Deposits and current accounts	347	75
Liquidity of operating companies	2,714	2,680
Cash and cash equivalents	**3,061**	**2,755**

The item “Deposits and current accounts” refers to the liquidity in the bank accounts of Nexi SpA, while the item “Liquidity of operating companies” refers to the current account balances of the operating companies.

23. Non-Current Assets Held for Sale and Discontinued Operations and Liabilities Associated with Assets Held for Sale and Discontinued Operations

	Jun. 30, 2025	Dec. 31, 2024
Tangible assets	4	2
Other assets	2	4
Equity investments	19	-
Total Assets held for sale	**25**	**6**
Other Liabilities	1	1
Total Liabilities associated with assets held for sale	**1**	**1**

The item primarily includes properties owned by Group companies in the process of being sold and the equity investment in E-boks, for which a sale agreement was signed in the first half of 2025 and completed in early July 2025.

LIABILITIES

24. Shareholders' Equity

	Jun. 30, 2025	Dec. 31, 2024
Share capital	119	119
Treasury shares	(182)	(5)
Share premium	-	-
Reserves	10,703	10,841
Valuation reserves	(149)	(188)
Profit (Loss) for the period	88	167
Equity attributable to non-controlling interests (+/-)	20	23
Shareholders' Equity	**10,599**	**10,957**

The shares of Nexi SpA are listed in Italy (FTSE index). The Group provides itself with the necessary capital to finance its business development and operational needs; its sources of financing are a balanced mix of risk capital, contributed on a permanent basis by shareholders, and debt capital, to ensure a balanced financial structure and the minimisation of the overall cost of capital, thus benefiting all stakeholders. The debt capital is structured in different maturities to ensure adequate diversification of funding sources and efficient access to external sources of finance.
The remuneration of risk capital is proposed by the Board of Directors to the Shareholders' Meeting that is convened to approve the annual financial statements, based on market trends and business performance, once all other obligations, including debt service, have been met. Therefore, in order to ensure an adequate return on capital and safeguard business continuity and development, the Group constantly monitors the evolution of the debt and the marginality of operating activities.

The "Equity attributable to non-controlling entities" item of Euro 20 million mainly refers to minority stakes in Nexi Payments SpA (Euro 12 million), Help Line SpA (Euro 2 million) and Nexi Payments Greece (Euro 6 million).

The share capital as at 30 June 2025 consisted of 1,230,192,275 ordinary shares, unchanged compared to 31 December 2024, all fully paid-up and without nominal value.

The treasury shares in portfolio amounted to 36,041,149. Specifically, during the period:

- 36,380,075 treasury shares were purchased as part of the buyback plan, for a market value of approximately Euro 184 million;
- 1,171,984 treasury shares were used to service the LTI plan, for a market value of Euro 6.6 million.

The item “Reserves” decreased mainly due to the effect of the distribution of the dividend, partly offset by the recognition of the effects of share-based plans (about Euro 8 million).

The change in the item “Valuation reserves” is related primarily to the increase in the Valuation reserve related to Visa shares in portfolio, the further positive effect of the Conversion Reserve, partially offset by the negative effect of the Cash Flow Hedging Reserve.

The table below details reconciliation between Shareholders’ equity and profits of Parent Company Nexi SpA and their corresponding value in the consolidated financial statements for Nexi Group.

	Shareholders’ equity	Profit/(Loss) for the period
Balance of accounts for Parent Company at June 30, 2025	11,559	662
Effect of consolidation of subsidiaries	(856)	202
Effect of measurement at equity method of associates	11	(2)
Other adjustments including comprehensive income	(135)	-
Dividends collected from subsidiaries in the period	-	(774)
Balance of consolidated accounts at June 30, 2025	**10,579**	**88**

25. Financial Debts

	Jun. 30, 2025	Dec. 31, 2024
Securities issued	3,219	3,383
Funding from banks	2,330	2,082
Leasing liabilities	86	93
Earn-out and deferred prices	59	60
Other Financial debts	6	6
Non-current Financial Debts	**5,701**	**5,625**
Securities issued	927	
Funding from banks	237	584
Leasing liabilities	43	37
Earn-out and deferred prices	189	180
Other Financial debts	-	1
Current Financial Debts	**1,397**	**802**

As further detailed in the Directors’ Report, the item “Securities issued” for the non-current part refers to:

- the 2029 Bonds in the amount of Euro 1,048 million, including direct transaction costs not yet amortised in the amount of Euro 5.8 million;
- the 2027 Convertible Bond, in the amount of Euro 484 million, including direct transaction costs not yet amortised in the amount of Euro 1.8 million attributed to the "Payable" component;
- the 2028 ConvertibleBond, in the amount of Euro 941 million, including direct transaction costs not yet amortised in the amount of Euro 4.8 million attributed to the "Payable" component;
- the 2031 Bonds in the amount of Euro 746 million, including direct transaction costs not yet amortised in the amount of Euro 7.7 million.

For the current part the item "Securities issued" refers to the 2026 Bonds in the amount of Euro 927 million, including direct transaction costs not yet amortised in the amount of Euro 1.8 million.

The item "Funding from banks", for the non-current part, is composed as follows:

- the EIB Loan Agreement in the amount of Euro 205 million, including direct transaction costs not yet amortised in the amount of Euro 0.2 million;
- the CDP Loan Agreement in the amount of Euro 100 million, including direct transaction costs not yet amortised in the amount of Euro 0.3 million;
- the 2025 Loan in the amount of Euro 1,900 million, including direct transaction costs not yet amortised in the amount of Euro 8.9 million;
- the payable to Alpha Bank in the amount of Euro 124 million for the deferred payment of the purchase of Nexi Payments Greece.

The item reflects the effects of the early termination of the IPO line (Euro 1,103 million as at December 2024) and the 2022 Term Loan (Euro 895 million as at December 2024), the subscription of new financing as described in the management report and the repayment at maturity of the Term Loan (Euro 370 million as at December 2024).

The item "Funding from banks", for the current part, includes:

- the BPER loan agreement amounting to Euro 50 million;
- the BBPM Credit Line in the amount of Euro 140 million, including residual direct transaction costs not yet amortised in the amount of Euro 0.1 million;
- rate Pay funding to support the operation of pay-later services in the amount of Euro 47 million.

The item "Earn-out and deferred prices" refers to the contingent considerations provided for by contracts with reference to the business combination transactions.

26. Provisions for Risks and Charges

	Jun. 30, 2025	Dec. 31, 2024
Legal disputes and tax risks	89	105
Employees provisions	2	2
Other provisions	50	57
Provisions for risks and charges	141	164

The item "Legal and tax disputes" of Euro 89 million (Euro 105 million as at 31 December 2024) refers mainly to the provisions made for litigation and pre-litigation, including estimated legal fees, for which the risk is considered probable.

The item "Other provisions" of Euro 50 million (Euro 57 million as at 31 December 2024) mainly refer to:

a. Provision to cover contractual commitments undertaken at the time of the acquisition of the equity investment in Bassilichi amounting to approximately Euro 1.6 million, reduced compared to last year following a revision of the relative estimate;

b. Provision to cover the cost of divesting the Bassilichi Group's non-core equity investments, amounting to Euro 1 million in line with the previous year;

c. Provisions for risks connected with transactions placed on hold and other disputes relating to routine operations, for approximately Euro 16 million, consistent with the previous year;

d. Provision for fraudulent transactions, mainly in issuing, of Euro 2 million in line with the previous year;

e. Provision to cover charge back and other risks related to the acquiring business in the amount of approximately Euro 16 million, in line with the balance as at 31 December 2024;

f. Provisions to cover risks recorded as an adjustment to the opening balances related to the merger with Nets and SIA equal to Euro 11 million, in line with the previous year.

27. Other Non-Current Liabilities

	Jun. 30, 2025	Dec. 31, 2024
Defined benefit plans	29	30
DEfined contribution plans	-	-
Other liab ilities	50	85
Other non-current liabilities	**79**	**115**

The item “Other liabilities” at the reporting date mainly refers to payables to employees for the incentive plan launched in 2024, as well as deferred income related to contracts with customers, and is included in the calculation of Net working capital.

28. Trade and Other Payables

	Jun. 30, 2025	Dec. 31, 2024
Trade payables	761	880
Tax liabilities and social security debts	44	56
Payables due to employees	151	163
Other debts	8	9
Trade and other payables	**964**	**1,108**

The entire amount of item “Trade and other payables” is included in the calculation of Net working capital.

29. Current Financial Liabilities

	Jun. 30, 2025	Dec. 31, 2024
Current financial liabilities related to transaction payment assets	4,567	4,573
Other current financial liabilities	54	41
Current financial liabilities	**4,622**	**4,613**

The item "Current financial liabilities related to transaction payment assets" mainly includes financing lines taken out for the settlement of transaction payment activities carried out by the Group, settlement payables to circuits and merchants related to the acquiring activity, as well as balances referred to prepaid cards and unsettled transactions related to the various phases of the processes regarding the settlement of transactions, which are settled in the first few days of the following month.

The item "Other current financial liabilities" mainly includes payables to merchants related to the Buy Now Pay Later product, which are included in the calculation of the effects on net working capital.

30. Other Current Liabilities

	Jun. 30, 2025	Dec. 31, 2024
Deferred Loyalty fees and deferred income	145	102
Other current liabilities	-	-
Other current liabilities	**145**	**102**

The item "Deferred loyalty fees and deferred income" mainly includes liabilities associated with Loyalty programmes in place, worth Euro 41.6 million, aside from the liabilities deriving from customer contracts, worth Euro 68.2 million, mainly associated with revenues invoiced in advance and one-off revenues for projects concerning the goodwill of new clients or new products.
The entire amount of item "Other current liabilities" is included in the calculation of Net working capital.

31. Information on Risks and Related Hedging Policies

The Nexi Group oversees strategic, operational, compliance and financial risks. These Notes to the Financial Statements analyse some more relevant cases of operational and financial risks. For other risks, please refer to the "Main Risks and Uncertainties" section of the Management Report.

Risk Management at Nexi Group

The Risk Management and Internal Control System adopted by the Nexi Group (RMICS) consists of a set of rules, procedures and organisational structures aimed at the effective and efficient identification, measurement, management and monitoring of the main risks in order to contribute to the company's sustainable success.

This system is integrated into the more general organisational and corporate governance structures adopted by the companies of the Nexi Group, takes into account the recommendations of the Corporate Governance Code and is inspired by current national and international best practices.

The Nexi Group's Risk Management and Internal Control System is divided into three lines of defence for its companies. Specifically:

- First level of control - line controls, aimed at ensuring the smooth running of operations. The operational and business structures are primarily responsible for the internal control and risk management process. In the course of day-to-day operations, these structures are called upon to identify, measure or assess, monitor, mitigate and report risks arising from ordinary business operations in accordance with the risk management process and applicable internal procedures.

- Second level of control – risk management and regulatory compliance controls, responsible for overseeing and monitoring risks and compliance with rules and regulations through control frameworks, tools, processes and activities, enabling a Group-wide risk management system.
- Third level of control consisting of the controls of the Internal Audit function. This includes controls aimed at detecting violations of procedures and regulations, as well as the periodic assessment of the completeness, functionality and adequacy of the risk management and internal control system, including those on the information system (ICT Audit), at a predetermined frequency in relation to the nature and intensity of the risks. This activity is carried out by a different function that is independent of the operational functions, including through on-site audits.

In the Companies of the Nexi Group, the Audit Function is placed under the direct authority of the Board of Directors and does not directly take part in the provision of the services they are required to audit.

The second- and third-level Control Functions have the authority, resources and skills necessary for the performance of their tasks. These Functions may intervene in corporate activities, including those that have been outsourced, have access to all the documentation necessary for the performance of their duties and, if necessary, promote the involvement of other Organisational Units concerned by any issues that may arise.

The subsidiaries of Nexi SpA ensure the establishment and maintenance of an adequate and effective RMICS, implementing the Guidelines defined by the Parent Company in compliance with the regulations applicable to each Subsidiary and Supervised Company.

Nexi Group Risks

Liquidity and Interest Rate Risks

The Group has significant financial indebtedness, as described in the section "Changes in Group Debt". Sustainability of Nexi Group's debt level is correlated, first and foremost, to its operating results and thus to its capacity to generate sufficient liquid funds and to refinance debt at maturity.
It is not possible to rule out that at a future date the Nexi Group may have to refinance its debt at due date or that, for whatever reason, it may have to replace its current factoring lines or other credit lines and that that may lead to higher charges and costs and/or lead to disruptions or delays in service provision also due to the required timeframe for replacement, to the extent that may compromise Group operations.
The Group is also exposed to the risk that significant changes may take place with respect to interest rates and that the policies adopted to neutralise such changes may prove inadequate. The fluctuation of interest rates depends on various factors, which are outside the Group's control, such as monetary policies, macroeconomic performance and economic and political conditions in Italy, which could also affect Nexi's creditworthiness and consequently the cost of raising financial resources on the capital market. The potential impacts of the ongoing conflicts between Russia and Ukraine and in the Middle East were not considered material for the time being, considering the regions where the Group operates.

In the first half of 2025, the ECB cut interest rates three consecutive times, including on 5 June 2025. On that date, the ECB Governing Council decided to reduce the ECB's three key interest rates by 25 basis points. Accordingly, the interest rates on the deposit facility with the central bank, the main refinancing operations and the marginal lending facility were respectively reduced to 2.00%, 2.15% and 2.40% effective 11 June 2025.
Meanwhile, the APP and PEPP portfolios are shrinking at a measured and predictable pace, as the Eurosystem is no longer reinvesting principal payments from maturing securities.
The central bank stated that the decision to reduce the deposit facility rate resulted from the updated assessment of the inflation outlook, core inflation dynamics and the strength of monetary policy transmission.
Inflation currently stands close to the medium-term target of 2% pursued by the Governing Council. According to the new projections of the Eurosystem experts, overall inflation is expected to average 2.0% in 2025, 1.6% in 2026 and 2.0% in 2027.
The Governing Council is determined to ensure that inflation stabilises sustainably at its medium-term target of 2%.
However, in the current market conditions marked by exceptional uncertainty, particularly due to ongoing trade tensions, the monetary policy stance will be determined based on a data-dependent approach, under which decisions are made meeting by

meeting. The Governing Council's decisions on interest rates will be based on its assessment of the inflation outlook in view of the new economic and financial data, the dynamics of core inflation and the intensity of monetary policy transmission, without tying itself to a particular interest rate path.

At 30 June 2025 approximately 23% of the Nexi Group's medium- to long-term Financial Liabilities expressed at nominal values net of the effect of rate risk hedging transactions were exposed to sources of funding at a variable interest rate, and specifically to the Euribor index. Nexi periodically monitors the forward curves of the relevant variable rates, paying particular attention to trends relating to the 1/3/6-month Euribor rate. To mitigate the risk, it carries out interest rate risk hedging operations when deemed necessary using the appropriate financial instruments. In this regard, among other things the company performs interest rate sensitivity analyses, also considering stress scenarios of the forward rate curve, in order to monitor the related exposure and analyse the impact of potential increases in borrowing costs.

With respect to the liabilities exposed to interest rate risk (certain term loans corresponding to 23% of the total medium-/long-term market financial debt), at the end of 2025 the Nexi Group would have had to bear an increase in pre-tax financial expenses of around Euro 15 million if the actual three- or six-month Euribor rates had been on average one percentage point higher.

Also in light of the foregoing, it cannot be excluded that there may be an increase in the financial charges, with consequent significant impacts on the Nexi Group's results and prospects. Moreover, with specific reference to the Group's funding liquidity risk, while no critical elements were identified as of the date of these Notes to the Financial Statements, considering the current maturity of the existing financial debt, it cannot be excluded that in the future the level of this risk may increase, even significantly, to the point of generating significant impacts on the results and prospects of the Group. Nevertheless, the Group has procedures in place to identify, monitor and manage liquidity and interest rate risk.

With particular regard to Nexi Payments, the following monitoring tools were set up, among others:

- a set of specific financial risk indicators, mainly aimed at containing liquidity risk by assessing and monitoring the main risk factors;
- a Contingency Funding Plan with indicators (1st and 2nd level), both specific and systemic, aimed at guaranteeing the company's business continuity in the event of serious and/or prolonged liquidity crises by defining a set of actions to be taken if the thresholds set for the indicators are exceeded.

Operational Risk

Operational risks relate to the execution of processes in an inefficient and/or ineffective manner, including ICT, security, legal and contractual risks, which could adversely affect the Company's operations and/or performance. Operational Risk Management is applied to all organisational units. Each organisational unit is thus involved in the management of operational risks related to its own activity and is responsible for the economic impacts resulting from these risks.

The reliability, operational performance, integrity and continuity of the ICT infrastructure of the Nexi Group and the technological networks are crucial to the Group's business, prospects and reputation. Particularly important in the context of the ICT infrastructure in question are the merchant acquiring and card issuing platforms. The availability of such platforms and other systems and products may be compromised by damage or malfunctions to the Group's or its third-party service providers' ICT systems. Malfunctions can be caused by migrations to new technological or application environments, in the case of significant changes in the production environment, or by human error, insufficient and incomplete testing, cyber-attacks, unavailability of infrastructure services (e.g. electrical or network connectivity) or natural phenomena (e.g. floods, fires or earthquakes).
In line with the high degree of technological innovation of the services supplied by the Group and given the sensitive nature of operations involving the management of payment data, specific policies and methods have been set in place to identify and manage IT risk (including cybersecurity risk) and specific organisational measures have been implemented under the scope of the Information Security Management System for line controls and risk management control. During 2023 ICT Key Risk Indicators were developed with reference to the scope of Nexi Payments and monitored on a monthly basis in order to detect anomalies at an early stage and strengthen IT&Security controls.
Other significant risks worthy of consideration are that the Group may incur liability and, therefore, may suffer damages, including to its reputation, in connection with fraudulent digital payment transactions, fraudulent loans made by merchants or other parties or fraudulent sales of goods or services, including fraudulent sales made by Group merchants.

Examples of fraud may include the intentional use of stolen or counterfeit debit or credit cards, of payment card numbers or other credentials to book sales or false transactions by merchants or other parties, the sale of counterfeit goods, the intentional failure to deliver goods or services sold under the scope of a transaction that is otherwise valid. Failure to identify thefts and the failure to effectively manage fraud risk and prevention may increase the Group's charge-back liability or cause the Group to incur other liability, including fines and sanctions. The Group has sophisticated systems in place for transaction control and detection and suitable organisational measures to prevent fraud and control risk management.
For operational risks, the risk management objective is mitigation of the impact and/or probability from a cost/benefit perspective, in line with the defined risk appetite. Nexi has adopted policies, processes and instruments to identify, manage and monitor these risks, in line with the national and international regulatory provisions and requirements and best practices in the sector.

Credit Risk

For Nexi Group, credit risk mainly originates in the area of:
- Acquiring activities, and specifically in the form of:
  - Chargeback risk: in the event of non-delivery of a product/service purchased on a prepaid basis, the cardholder may receive an advance from the acquirer, who only then sees reimbursement from the merchant;
  - Return risk: if a cardholder decides to exercise the right of withdrawal for online purchases of products/services, the acquirer is obliged to make the refund and only then is the amount settled with the merchant;
  - Risk associated with non-payment of fees (i.e. Merchant Fees) in cases where Net Settlement is not applied;
- Issuing activities. Nexi Group manages "Retail" credit cards (in the name of individuals) and "Corporate" credit cards (in the name of legal entities). Nexi Group debits the expenditures of credit card customers on a date that is later than the date on which the payments were made, thus establishing a receivable due from the cardholders;
- Buy Now Pay Later ("BNPL") activities carried out by Ratepay, where the credit risk is inherent in the type of service provided;
- Processing activities, and in particular in relation to trade receivables generated by non-payment of invoices.

Credit Risk Mitigation and Monitoring

The Group is committed to assessing and implementing all mitigation measures deemed necessary and/or most effective depending on the specific circumstances, based on risk-return analyses.
The main mitigation measures that the Group can adopt include the following:
- request for bank, insurance or cash collateral guarantees from the customer;
- inclusion of contractual provisions requiring bank or insurance guarantees if the customer exceeds certain risk thresholds.

Moreover, with specific reference to acquiring, we note the following:
- use of net settlement to credit the merchant with the amounts due, net of commissions, chargebacks, any refunds;
- deferral of payments due, depending on business model and characteristics of the merchants.

In selected cases, following a risk-based analysis, the Group may also decide to reduce or terminate the relationship with the customer.

Within each Legal Entity, the first-level functions are responsible for the continuous monitoring of credit risk, initiating the appropriate mitigation and/or escalation measures in the event of signs of anomalies. Moreover, the second-level Risk Management functions contribute to the definition of credit risk governance policies, ensure proper monitoring of risk performance and provide adequate information to the Corporate Bodies on the outcome of the activities carried out.
The Nexi Group works very hard to estimate the current and future risk levels in the most vulnerable economic sectors, intensifying the monitoring of exposures.

The consideration of potential impacts arising from the macroeconomic environment is implicit in the tools used to calculate credit risk exposure, and therefore does not require the use of dedicated tools. Moreover, the Group's customer portfolio is concentrated in regions that are currently relatively unaffected by the ongoing conflicts between Russia and Ukraine and in the Middle East, reducing their potential impact.

At the date of these Notes to the Financial Statements, while faced with situations that are still potentially critical mainly stemming from macroeconomic turbulence, timely risk management, monitoring and applicable mitigation actions are effective tools in maintaining a low risk profile.

More specifically, with regard to the first half of 2025 note that:

- The trend in charge-back volumes received attributed to merchants decreased slightly compared to the same period last year.
- The value of total outstanding payables from merchants before recoveries increased slightly compared to the same period last year.
- Overall, the value of outstanding amounts in the Buy Now Pay Later business decreased compared to the same period last year.

Market Risk (Price and Exchange Rate Risk)

The Nexi Group is exposed to the risk of unfavourable movements in the price of shares in its portfolio, especially the Visa Inc. Class A and C shares, as well as negative effects on the value of said shares due to movements in the EUR/USD exchange rate. Furthermore, the Class C shares (convertible into Visa ordinary Class A shares at a conversion factor that varies based on the costs deriving from potential liabilities of the former Visa Europe, acquired by Visa Inc.) are illiquid financial instruments, and as such are characterised by possible obstacles (in law or de facto) or restrictions on divestment within a reasonable time and at fair market conditions.

As at the reference date of these Notes, based on the measurement at Fair Value of the stock in the current context of the reference markets, it was deemed unnecessary to hedge the market risk described above via financial instruments.
The Italian Group companies are also marginally exposed to the exchange rate risk, to the extent that the payments and collections, respectively for transactions to be paid or collected in relation to the Mastercard and Visa schemes, are mainly denominated in euros.

However, note that some of the Group's foreign companies operate mainly in Northern and Central Europe, and consequently the Group is exposed to exchange rate risk arising from its operations in DKK (Danish krone), NOK (Norwegian krone), SEK (Swedish krona), PLN (Polish zloty) and CHF (Swiss franc). The risk exposure of Danish kroner is considered to be low as it is a currency that has historically seen low volatility against the euro, while for the remaining currencies mentioned the exposure is not sufficiently significant to justify the adoption of countermeasures to date.

Climate Risk

In accordance with the recommendations of the Task Force for Climate-related Financial Disclosures (TCFD) and the European Commission's Non-Binding Guidelines on Climate Information Reporting, the Nexi Group assessed the risks and opportunities related to climate change in Nexi, although no risk area related to environmental aspects was identified.
Climate-related risks are integrated into the company-wide risk management process and evaluated regularly through analyses covering multiple time horizons – short, medium and long term – and different scenarios. Climate change risks are important to the Group given the potentially high strategic and reputational impacts such risks could have on the company and the speed with which such changes could occur, and are therefore constantly monitored.

32. Related Parties

The purpose of IAS 24 (Related party disclosure) is to make sure that the financial statements of an entity contain the additional information necessary to highlight the possibility that the equity-financial position and economic results may have been altered by the existence of related parties and transactions and balances applicable with said parties.
In accordance with these indications, applied to the organisational and governance structure of the Nexi Group, the following are considered as related parties:

a) parties that directly or indirectly, de jure or de facto, including through subsidiaries, trusts or intermediaries, exercise significant influence over Nexi; note that these parties include Bain Capital Investors LP, Advent International Corporation, Hellman & Friedman LLC, Cassa Depositi e Prestiti and its direct parent company represented by the MEF (Italian Ministry of Finance);

b) the subsidiaries or entities under the joint control of the entities listed at the point above;

c) the subsidiaries, associates or entities under the joint control of Nexi SpA;

d) key management personnel of the Nexi Group and its direct Parent Company and its subsidiaries, entities under its joint control or subject to its significant influence;

e) close family members of the natural persons included under letters a) and d) above;

f) the complementary pension fund established in favour of employees of Nexi SpA or its related entities.

32.1 INFORMATION ON THE REMUNERATION OF KEY MANAGEMENT PERSONNEL

Below are the fees due in the reference period to the directors and managers and key management personnel.

	Directors	Board of Statutory Auditors	Executives holding strategic responsibility
Corporate bodies remunerations	-	-	-
Short-term benefits	-	-	5
Benefits subsequent to the termination of employment	-	-	-
Total	**-**	**-**	**5**

32.2 INFORMATION ON RELATED-PARTY TRANSACTIONS

The effects of transactions with related parties, over and above the fees described above, are summarised in the table below:

	Shareholders with significant influence over the Parent Company	Other Related Parties	Directors, Executives and other Supervisory Bodies
Other Intangible Assets	-	5	-
Non-current financial assets	-	1	-
Trade and other receivables	1	59	-
Current financial assets	-	7	-
Cash and cash equivalents	-	231	-
Non-current Financial debts	100	59	-
Trade and other payables	-	13	-
Current financial liabilities	-	11	-
Operating Revenues	-	82	-
Interchange, scheme fees and other direct costs	-	(3)	-
Personnel expenses	-	-	(5)

Operating Costs	-	(14)	(1)

Credit and debit balances with related parties as of 30 June 2025 were not material with respect to the size of the Group's balance sheet. Likewise, the impact of income and expenses with related parties on the consolidated operating result was not material, nor was the impact of these transactions on the Group's cash flows.

The main contracts, all of which falling within ordinary operations, mainly refer to financing received from and services provided by related parties (especially consulting services, software development and card production) and services provided related to the ordinary business carried out by the Group, regulated by conditions in line with market conditions and in any case based on assessments of mutual economic convenience.

33. Share-Based Payments

33.1 STOCK GRANT

Mercury UK HoldCo Ltd ("Mercury UK") in 2019 adopted two incentive plans (the "Plans"), based on the shares of Nexi SpA ("Nexi"), which ended in 2021.

In addition, during 2020, 2021 and 2023, Mercury UK together with other financial sponsors of Nexi adopted some new incentive plans based on the shares of Nexi SpA ("Nexi") and with a vesting period until 16 April 2022, 31 December 2022, 1 July 2024 and 30 June 2026. These plans are reserved for selected employees (the "Beneficiaries") of Group companies. These plans provide for Additional Shares assignable to employees depending on the market price of Nexi shares.

On the basis of the provisions of IFRS 2, although not having made any commitments to Beneficiaries, as the Nexi Group is the entity that receives the services (the "receiving entity"), it must book, in its consolidated financial statements, the Plans in question on the basis of the accounting rules envisaged for the "plans settled with equity instruments".
More specifically, IFRS 2 establishes that, in the plans settled with equity instruments with employees, the entity must:

- measure the cost for the services it has received on the basis of the Fair Value of the representative instruments as at the assignment date;
- book the Fair Value of the services received, throughout the accrual period, making a counter-entry as an increase in Equity on the basis of the best estimate available of the number of equity instruments expected to accrue;
- review this estimate, if the subsequent information indicates that the number of equity instruments to be accrued differs from previous estimates.

For these Plans, Fair Value was determined, for base shares, considering the forward price, discounted at the valuation date, of Nexi shares at the expiry of the vesting period. As for additional shares, the Monte Carlo method was adopted in order to simulate, for an adequate number of scenarios, the number of additional shares and the price of Nexi stocks. In this context, the implicit volatility used was that obtained from info-providers as relevant to Nexi stock options with time-to-maturity set at equal to that of the plan.

Below are the changes in the rights (conventionally measured in terms of the number of based shares) relating to the aforementioned plans:

Stock Grant (IFRS2)	Number of Based shares
Outstanding rights to receive shares at the grant date	11,126,772
Right assigned definitively in accordance with the Plans	(10,160,214)
Rights forfeited from the Plans	(443,682)
Outstanding rights at June 30, 2025	**522,876**

Based on the above, the overall cost of the Plans for H1 2025 is Euro 0.6 million.

33.2 LONG TERM INCENTIVES

In 2019 a medium- to long-term incentive Plan (hereinafter the First LTI Plan) was approved, implementing the remuneration policy adopted by the Company. The Plan was structured in three cycles, each lasting three years (2019-2021 / 2020-2022 / 2021-2023), and involved the annual allocation of rights to receive ordinary shares of the Company. These shares are not subject to any restrictions to voting rights or dividend distribution.

In 2022 the Shareholders' Meeting of Nexi Spa approved a Second Long-Term Incentive Plan (hereinafter referred to as the Second LTI Plan). In keeping with the First LTI Plan, this second plan envisages the free assignment of a number of incentives to selected employees over a medium-long-term time horizon, divided into three three-year cycles (2022-2024, 2023-2025 and 2024-2026). All three cycles of this Plan have already been allocated.

These plans, according to the provisions of IFRS 2 described above with reference to the Stock Plan, must be accounted for as a transaction with employees to be settled with equity instruments of the entity.

As of the date of these financial statements, assignments had been completed for all three cycles of the First LTI Plan for which the vesting period ended on 31 December 2024, and all three cycles of the Second LTI Plan for which the vesting period ends on 31 December 2026.

More specifically, the process of assigning the rights to receive shares was carried out as follows:

- First tranche (First Plan): for most of the employees, in July 2019, and for new hires, on 30 September 2019;
- Second tranche (First Plan): for most of the employees, in July 2020, and for new hires, on 30 September 2020;
- Third tranche (First Plan): for most of the employees, in July 2021, and for new hires, in October 2021. With regard to this tranche, there was also the allocation in January 2022 to former SIA employees.
- First tranche (Second Plan): for most of the employees, in July 2022, and for new hires, in October 2022;
- Second tranche (Second Plan): in October 2023;
- Third tranche (Second Plan): for most of the employees, in August 2024, and for new hires, in October 2024. These dates are

the grant dates for the purpose of IFRS 2.

The rights to be assigned in the context of the LTI plan are divided up into:

- Performance Share Rights, i.e. the rights to receive ordinary shares in the Company, which accrue (and the same applies to the attribution of the related shares to the employee) only upon achieving predetermined business performance objectives, referring to a specific period of time;
- Restricted Share Rights, i.e. the rights to receive ordinary shares in the Company, which accrue (and the same applies to the attribution of the related shares to the employee) regardless of whether or not the predetermined business performance objectives are achieved. These rights will accrue after the vesting period, subject to the beneficiary remaining in the Company.

A condition for the accrual of the rights and, therefore, the attribution of the shares for both the types described above is that the employee remains in service until the delivery date of the share attribution letter.

More specifically, with reference to Performance Share Rights:

- accrual is first and foremost subject to achieving - at the end of the vesting period of each Cycle - at least 80% of the Operating Cash Flow Target (the "Entry Gate");
- once the Entry Gate is satisfied, accrual of Performance Shares Rights is also subject to achieving specific objectives at the end of the related vesting period, comprising two components:
- a market-based component, linked to the achievement of objectives related to the performance of the market price of Nexi shares with respect to a benchmark, during the measurement period (weighing for 50%). The benchmark is determined as the mathematical average of three market indicators identified in the Plan regulation;
- a non-market-based component, linked to the achievement of the Company's performance objectives in terms of Operating Cash Flow (weighing for 50%).

Changes in the number of rights assigned at the reporting date are reported below:

Long term Incentive (IFRS 2)	No. of Performance Share Rights	No. of Restricted Share Rights	Total
Outstanding rigths to receive shares at the grant	6,233,644	3,937,746	10,171,390
Rights assigned definitively in accordance with the Plans	(568,789)	(317,754)	(886,543)
Rights forfeited from the Plans	(1,477,337)	(1,074,269)	(2,551,606)
Outstanding rights at June 30, 2025	**4,187,518**	**2,545,723**	**6,733,241**

The rights assigned were measured, reflecting the financial market conditions valid as at the grant date. Determination of the total plan value, as established by IFRS 2, is impacted by the number of rights that will accrue in accordance with the rules set out by the performance and Fair Value conditions of each right. Measurement was carried out considering the two components of the Performance Shares and Restricted Shares included in the plan, separately. Moreover, within the Performance Share component, consideration was given to the presence of the aforesaid specific objectives.

More specifically, the market-based component was estimated using the Monte Carlo Method, a stochastic simulation technique which, based on a set of starting conditions, produced a wide array of outcomes within a specified time horizon. More specifically, for each outcome scenario, share price projections are computed as of the initial value according to geometric Brownian motion. In this case it is:

$$\Delta S = \mu \cdot S \cdot \Delta t + \sigma \cdot S \cdot \varepsilon \cdot \Delta t$$

and that is the change in the price of the share S over a period of time depends on the expected average change (▯) and its variability (▯) as well as on a random parameter (▯) with standardised normal distribution.

The simulations were carried out by assuming a rate of return on the Nexi share calculated using the swap curve and a historical volatility of the Nexi share calculated with reference to the valuation date. Specifically, for the cycle assigned in 2024 these parameters respectively stand at around 2.4% and 36%.

For these components, with regard to the rights assigned during 2024 the unit value at the grant date was approximately Euro 4.17 and Euro 4.61.

As for the likelihood of beneficiaries leaving, the annual exit probability was assumed to be zero. In accordance with IFRS 2, the non-market-based component is a condition that rather than being measured at the time of assignment is to be updated periodically at each reporting date, so as to take into account the expectations in relation to the number of rights that may accrue. For this component, with regard to the rights assigned in 2024, the Fair Value per unit is Euro 5.48 and Euro 5.91.

The overall cost of the plan for H1 2025 was about Euro 7.7 million.

34. Business Combination Operations

34.1 TRANSACTIONS CARRIED OUT DURING THE PERIOD

Below are the transactions carried out during the period that, falling within the definition of business combinations, have been accounted for in accordance with the provisions of IFRS 3: Business Combinations. Specifically, the latter defines a business combination as “a transaction or other event in which an acquirer obtains control of one or more businesses” and states that any assets acquired (including any intangible assets not featured in the acquiree’s statements at the date of acquisition) and any liabilities assumed or contingent are subject to Fair Value consolidation as at the acquisition date, also calculating the value of the minority interests of the entity acquired, and that the same applies for measurement at goodwill of the difference between the Fair Value of the net assets acquired and the considerations transferred during the transaction.

Acquisition of Merchant Acquiring Activities from Banca Popolare di Puglia e Basilicata

On 30 May 2025, the acquisition of the merchant acquiring business from Banca Popolare di Puglia e Basilicata ("BPPB") was completed, following the signing of the agreement on 17 October 2024 Specifically, on May 27, effective as of June 1, 2025, Banca Popolare di Puglia e Basilicata's business unit was contributed to Nexi Payments in exchange for the issuance of new shares of Nexi Payments. With the same effective date, on May 30 these shares were transferred to Nexi SpA in exchange for consideration of Euro 17 million.

The Purchase Price Allocation process, as also permitted by the international accounting standard IFRS 3, will be completed within 12 months of the acquisition date.

The provisional goodwill arising from said business combination totals Euro 17 million.

34.2 RETROSPECTIVE ADJUSTMENTS

No retrospective adjustments were made in H1 2025.

34.3 OTHER INFORMATION

There is no additional information to report.

34.4 TRANSACTIONS AFTER THE REPORTING PERIOD

There are no transactions to report.

35. Group Funding Transactions

As shown in the Management Report, the Group's financial structure changed significantly during the first half of the year. The following is a summary of the accounting impacts deriving from the refinancing and repayment transactions executed during the period ended 30 June 2025. See the Management Report for the exposure of the Group's Net Financial Position.

REPAYMENT OF FINANCIAL DEBT INSTRUMENTS AT MATURITY

During the first half of 2025 a repayment at maturity was made for various debt instruments, which improved the Group's financial structure. On 30 June 2025, the 2020 "Term Loan" bank financing was fully repaid in the amount of Euro 366.5 million.

VOLUNTARY EARLY REPAYMENT OF FINANCIAL DEBT INSTRUMENTS

During H1 2025 the following early repayments were made for debt instruments, which improved the Group's financial structure. Specifically:

- On 31 March 2025, the 2019 "IPO Loan" was fully repaid in the amount of Euro 1 billion, originally due on 31 May 2026;
- On 31 March 2025, the "2022 Term Loan" was fully repaid in the amount of Euro 900 million, originally due on 2 August 2027. The interest rate swap derivatives associated with the 2022 Term Loan were closed simultaneously with the signing of new interest rate swaps hedging the 2025 Term Loan Line A2.

EIB CREDIT LINE

On 25 September 2024 Nexi SpA signed the EIB Loan Agreement pursuant to which the European Investment Bank granted Nexi SpA an amortising credit line for an original total amount of Euro 220 million in order to finance certain projects for the development of products and services in the digital payments sector. On 7 January 2025 the loan in the amount of Euro 202.2 million was partially disbursed, to be repaid according to a repayment schedule with a final maturity date of 7 January 2033.

CDP CREDIT LINE

On 21 January 2025, Nexi SpA signed the CDP Loan Agreement under which Cassa Depositi e Prestiti SpA granted Nexi SpA an amortising credit line totalling Euro 100 million, fully disbursed on 17 April 2025 and repayable under an amortisation plan with final maturity on 21 January 2031. This loan covers the needs arising from new investments to be made in Italy in innovation and digital technology in the 2025-2026 period, as envisaged in the investment plan submitted to and already approved by the European Investment Bank, in addition to the financial support already granted thereby.

ISSUE OF BONDS

In the first half of 2025, Nexi SpA issued a bond loan under the Euro Medium Term Notes (EMTN) Programme, with the following key characteristics:

- settlement date: 21 May 2025;
- nominal amount: Euro 750 million of principal maturing in 2031;
- issue price: 99.89% of the nominal value;
- maturity: 21 May 2031;
- coupon: fixed annual rate of 3.875%.

These bonds are measured at amortised cost, including the direct transaction costs of approximately Euro 7.7 million. The corresponding carrying amount as at 30 June 2025 was approximately Euro 746 million.

2025 LOAN

On 10 March 2025, Nexi SpA signed the 2025 Loan with a pool of leading banks. The 2025 Loan comprises three credit facilities:

1) 2025 Term Loan Line A1, a Euro 1 billion credit line, fully disbursed on 31 March 2025, maturing in a single instalment on 31 March 2030;
2) 2025 Term Loan Line A2, a Euro 900 million credit line, also fully disbursed on 31 March 2025, maturing in a single instalment on 31 March 2030. Fully utilised at the date of these Notes to the Financial Statements, the 2025 Term Loan Line A2 was entirely subject to interest rate risk hedging transactions executed in the first quarter of 2025 through the subscription of interest rate swap derivative instruments that meet the requirements to be qualified as hedge accounting (so-called cash flow hedges). The contractual terms of the 2025 Term Loan Line A2 include an option to extend the facility's maturity by an additional 12 months, exercisable by the Parent Company and subject to approval by the lending banks;
3) 2025 Revolving Line, a revolving credit line of Euro 1 billion, also maturing on 31 March 2030. As at today's date, the 2025 Revolving Line – replacing the Euro 350 million IPO Revolving Line previously granted to the Parent Company under the IPO Loan – is fully available. That line may also be used by Nexi Payments.

SECURITISATION OF THE BUY NOW PAY LATER PORTFOLIO

On 15 April 2025, Ratepay and UniCredit completed a committed and scalable Euro 125 million securitisation transaction backed by a short-term "Buy Now Pay Later" (BNPL) consumer credit portfolio.

Ratepay will sell a significant portion of its future BNPL portfolio on a revolving basis to a securitisation vehicle funded by UniCredit as senior lender. The transaction was designed as a robust, scalable financing tool for the dynamic, growing BNPL business in Germany and Austria, enabling improved funding capacity and value proposition for the second-most preferred payment method in Germany: so-called "Payment-on-invoice".

Covenants and Other Guarantees Linked to Funding Transactions

In line with financing transactions of a similar complexity and nature, the Nexi Group's financial indebtedness is characterised by clauses containing commitments, limitations (including negative pledge clauses) and restrictions, representations and warranties, as well as cases of early repayment (in whole or in part), and events of default linked to contractual breaches. Obligations primarily include:

- financial maintenance covenant: at each "test date" (i.e. 30 June and 31 December of each year), respect for a financial leverage ratio at a consolidated level (essentially the "leverage ratio", the ratio of net debt and consolidated LTM – last twelve months – EBITDA), that will be tested with respect to the consolidated financial statements and consolidated interim reports and must not exceed the specific periodic thresholds indicated in the BBPM Credit Line, the BPER Credit Line, the 2022 Term Loan, the EIB Credit Line and the CDP Credit Line;
- negative pledge: Nexi SpA must abstain from establishing or allowing for the maintenance of (and must ensure that no other member of the Nexi Group establishes or maintains) liens or collateral against its assets, with the exception of certain expressly permitted guarantees and restrictions;
- prohibition against dispositive actions related to assets (sales, leases, transfers or other dispositive actions), except as expressly permitted under the relevant contracts.

Note that as at 30 June 2025 all the obligations envisaged in the loan agreements described above have been met.

36. Result per Share

The share capital of Nexi SpA is made up entirely of ordinary shares.
The indicator "Earnings per share" (or "EPS") is presented on both basic and diluted basis: the basic EPS is calculated by considering the ratio of profit theoretically attributable to shareholders to the weighted average of the shares issued, whilst the diluted EPS also takes into account the effects of any future issues.

Furthermore, as envisaged by IAS 33, below are details of earnings per share, deriving from the result of the continuing and discontinued operations:

BASIC EARNINGS PER SHARE

	I Half 2025	I Half 2024
Profit/(Loss) from continuing operations attributable to the company's ordinary shares	0.07	(0.02)
Income/(Loss) after tax from discontinued operations	-	-
Total Basic result per share attributable to the company's ordinary shares	**0.07**	**(0.02)**

DILUTED EARNINGS PER SHARE

	I Half 2025	I Half 2024
Profit/(Loss) from continuing operations attributable to the company's ordinary shares	0.07	(0.02)
Income/(Loss) after tax from discontinued operations	-	-
Total Diluted result per share attributable to the company's ordinary shares	**0.07**	**(0.02)**

EARNINGS ATTRIBUTABLE TO ORDINARY SHARES

	I Half 2025	I Half 2024
Profit/(Loss) from continuing operations	89	(30)
Income/(Loss) after tax from discontinued operations	-	(3)
Total net income	**89**	**(33)**

AVERAGE NUMBER OF ORDINARY DILUTED SHARES

(No. of shares in thousands)

	I Half 2025	I Half 2024
Average number of ordinary shares used to compute basic earnings per share	1,226,597	1,309,223
Deferred Shares (*)	79,231	72,389
Average number of ordinary and potential shares used to compute diluted earnings per share	**1,305,828**	**1,381,612**

(*) = shares attributed to employees according to the first tranche of the LTI Plan and potential shares in issue upon conversion of the convertible bond loans issued on 29 June 2020 and 17 February 2021.

37. Segment Reporting (Segment Disclosure)

The segment disclosure has been prepared in compliance with the IFRS 8 international accounting standard.
Consistent with the Group's organisational structure as well as the related management reporting methods, the following Operating Sectors were thus identified, coinciding with the CGUs used for the purposes of the Impairment Test (see paragraph 9.3):

- Merchant Solutions: through this business line, the Group provides the services necessary to enable merchants to accept digital payments, including through commercial relationships with partner banks, for transactions carried out physically at retail outlets and digital transactions on the internet (e-commerce);
- Issuing Solutions: through this business line, working with its partner banks the Group provides a broad spectrum of issuing services, i.e. relating to the procurement, issuing and management of payment cards;
- Digital Banking Solutions: through this business line, the Group provides ATM terminal management, clearing, digital corporate banking, as well as network services.

The geographical breakdown of revenues is also provided.

Section 37.2 presents a reconciliation of the Income Statement drafted by means of segment disclosure and the Income Statement prepared in the Financial Statements.

37.1 SEGMENT REPORTING: INCOME STATEMENT FOR THE PERIOD

H1 2025

	Merchant Solutions	Issuing Solutions	Digital Banking Solutions	Total segment
Net Operating revenues	**982**	**555**	**181**	**1,718**
Personnel expenses	(216)	(114)	(48)	(377)
Other administrative expenses	(228)	(165)	(62)	(455)
Adjustments and net operating provisions	(8)	(5)	(1)	(15)
Operating costs net of amortization	**(452)**	**(284)**	**(111)**	**(847)**
EBITDA	**529**	**271**	**71**	**871**
Amortization and depreciation				(459)
Interest and financial costs				(129)
Non-recurring items				(62)
Profit/(Loss) before taxes				**221**
Income taxes				(132)
Profit/(Loss) for the period				**89**
Profit for the year attributable to non-controlling interests				(1)
Profit/(Loss) attributable to the Group				**88**

The EBITDA presented above is the "normalised EBITDA" as described in the "Alternative Performance Measures" section of the Management Report.

H1 2024

	Merchant Solutions	Issuing Solutions	Digital Banking Solutions	Total segment
Net Operating revenues	**943**	**539**	**178**	**1,660**
Personnel expenses	(227)	(118)	(49)	(394)
Other administrative expenses	(233)	(139)	(63)	(435)
Adjustments and net operating provisions	(2)	(1)	(1)	(4)
Operating costs net of amortization	**(462)**	**(259)**	**(113)**	**(833)**
EBITDA	**481**	**281**	**66**	**827**
Amortization and depreciation				(446)
Operating margin				**381**
Interest and financial costs				(125)
Non-recurring items				(203)
Profit/(Loss) before taxes				**53**
Income taxes				(86)
Profit/(Loss) for the period				**(33)**
Profit for the year attributable to non-controlling interests				-
Profit/(Loss) attributable to the Group				**(33)**

The breakdown of revenues by geographical area is provided below:

(Amounts in million euros)

	Net operating revenues I Half 2025	Net operating revenues I Half 2024
Italy	1,015	976
Nordics & Baltics	302	293
DACH (*)	149	139
SE Europe & Other	251	252
Net operating revenues	**1,718**	**1,660**

(*) DACH includes Germany, Austria and Switzerland

37.2 SEGMENT REPORTING: RECONCILIATION OF SEGMENT REPORTING ON THE INCOME STATEMENT WITH INCOME STATEMENT FOR THE PERIOD

(Amounts in million euros)

	Total Segment Reporting	Reconciliation	Financial Statements
Net operating revenues	**1,718**	**24**	**1,742**
Personnel expenses	(377)	(35)	(413)
Operating Costs	(455)	(62)	(517)
Adjustments and net operating provisions	(15)	10	(4)
Total costs	**(847)**	**(87)**	**(934)**
EBITDA/Gross operating margin	**871**	**(62)**	**808**
Amortization and depreciation	(459)	0	(459)
Profits/losses on equity investments	-	(2)	(2)
Interest and financial costs / "Net financial and non-operating income/costs"	(129)	3	(127)
Non-recurring items / "Income/loss after tax from discontinued operations"	(62)	62	-
Profit/(Loss) before taxes	**221**	**0**	**221**
Income taxes	(132)	(0)	(132)
Profit/(Loss) for the period	**89**	**0**	**89**
Profit attributable to non-controlling interests	(1)	0	(1)
Profit/(Loss) attributable to the Group	**88**	**0**	**88**

3

CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ARTICLE 154-BIS OF ITALIAN LEGISLATIVE DECREE NO. 58/98

Certification of the Condensed consolidated interim financial statements pursuant to art. 154-bis, par. 5 of Legislative Decree 58/1998 and to art. 81-ter of Consob Regulation 11971/1999 and subsequent amendments and additions

1. The undersigned Paolo Bertoluzzo, as Chief Executive Officer, and Enrico Marchini, as Financial Reporting Manager of Nexi S.p.A. pursuant also to provisions under art. 154-bis, par. 3 and 4, of Legislative Decree no. 58 dated February 24th, 1998, hereby certify as to:

- the adequacy with respect to the nature of company and
- the effective application

of the administrative and accounting procedures adopted in the drafting of the condensed consolidated interim financial statements as at June 30th, 2025.

2. With reference to the latter, no significant issues were encountered.

3. We also certify that:

 3.1 the condensed consolidated interim financial statements:

  a) were drafted pursuant to the international accounting standards applicable within the European Union pursuant to the Regulation (EC) No. 1606/2002 of the European Council and of the Council dated July 19th, 2002, and more specifically pursuant IAS 34;

  b) are true to accounting records and entries;

  c) are suitable to providing a truthful and accurate representation of the assets and liabilities, financial position and profit or loss of both the issuer and the consolidated companies;

 3.2 the interim management report features reliable analysis of the relevant and major events that occurred during the first half of the year and of their effects upon the condensed consolidated interim financial statements, as well as a review of the main risks and uncertainties impinging on the remaining half of the year. The interim management report also includes reliable analysis of information pertaining to material related party transactions.

Milan, July 30, 2025

Paolo Bertoluzzo
(Chief Executive Officer)

Enrico Marchini
(Financial Reporting Manager)

4

REPORT OF THE INDEPENDENT AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 30/06/2025

REVIEW REPORT ON CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

To the shareholders of Nexi SpA

Foreword

We have reviewed the accompanying consolidated condensed interim financial statements of Nexi SpA and its subsidiaries (the Nexi Group) as of 30 June 2025, comprising the balance sheet, income statement, statement of comprehensive income, statement of changes in equity, cashflow statement and related notes. The directors are responsible for the preparation of the consolidated condensed interim financial statements in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and adopted by the European Union. Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our review.

Scope of Review

We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution No. 10867 of 31 July 1997. A review of consolidated condensed interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated condensed interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated condensed interim financial statements of Nexi Group as of 30 June 2025 are not prepared, in all material respects, in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and adopted by the European Union.

Milan, 6 August 2025

PricewaterhouseCoopers SpA

Signed by

Lia Lucilla Turri
(Partner)

This review report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

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