

GROUP FINANCIAL RESULTS AS OF SEPTEMBER 30TH 2020 APPROVED. BACK TO GROWTH IN 3Q20

- **Revenues at € 276.0 million in 3Q20, +1.0% Y/Y; € 753.6 million in 9M20, -3.6% Y/Y**
- **EBITDA at € 167.0 million in 3Q20, +7.0% Y/Y; € 428.9 million in 9M20, +0.4% Y/Y**
- **Volumes rapidly recovering during the third quarter. Acquiring transactions on Italian Cards back to pre Covid-19 growth levels**
- **Since October slowdown in volumes due to Covid-19 second wave and progressive related restrictions**

Milan, November 11th 2020 – The Board of Directors of Nexi S.p.A. approved the Group's consolidated financial results as of September 30th 2020. The Board of Directors also acknowledged the progress made towards the potential signing of a binding agreement between Nexi and Nets for the merger of the two groups, as announced on November 2nd, and reiterated its full support to the transaction. Furthermore, the Board of Directors acknowledged the extension of the exclusivity period between the Parties until November 16th, 2020.

The third quarter of the year, following the ease of the restrictive measures adopted during the spring in the health emergency period, has been characterized by a rapid recovery of volumes across all categories, with a strong acceleration especially in August. During the third quarter, the value of acquiring transactions on Italian cards returned to pre Covid-19 growth levels, despite Foreign card transactions remain down Y/Y due to the lower foreign tourism given the widespread international health emergency.

Transaction volumes (acquiring+issuing) were equal to € 118 billion, -4.1% Y/Y, in 3Q20 and equal to € 304 billion, -12.4% Y/Y, in 9M20, after recording a decrease of ~50% following the lockdown measures in place during the peak of the health emergency.

E-commerce performance registered a strong Y/Y increase in transaction volumes up +35% Y/Y in the first nine months 2020 and +35% Y/Y in the third quarter 2020¹ net of high impact consumption sectors (i.e. travel/tourism related sectors, restaurants). Overall, E-commerce declined less sharply compared to physical sales (value of managed transactions down by 1.1% Y/Y).

The month of October showed a progressive slowdown due to Covid-19 second wave and the relative restrictions introduced in the Country. Compared to last spring, this second phase is characterized by more limited restrictions from a geographical point of view - being limited only to some areas most impacted by the health emergency - in terms of length and the activities involved with the aim to limit, as much as possible, the economic impacts in the Country.

Nexi, as leading Paytech in Italy, faces this new phase benefiting from the experience gained and all the innovation developed and provided to the Partner Banks during the previous national

¹ Data include International schemes only for Nexi Payments, International and national schemes for MePS

emergency period. Furthermore, the strong volume elasticity showed in the recent months and the evolution of consumer habits in favor of digital payments are key elements in addressing this second wave.

Key financial results

€M	9M19	9M20	Δ% vs. 9M19	3Q19	3Q20	Δ% vs. 3Q19
Merchant Services & Solutions	411.1	393.6	-4.3%	146.2	150.7	+3.1%
Cards & Digital Payments	286.0	276.3	-3.4%	98.2	96.1	-2.1%
Digital Banking Solutions	84.7	83.8	-1.1%	28.8	29.2	+1.1%
Revenues	781.8	753.6	-3.6%	273.2	276.0	+1.0%
Personnel & related expenses	(123.7)	(114.9)	-7.2%	(38.4)	(35.4)	-7.9%
Operating Costs	(230.7)	(209.9)	-9.0%	(78.6)	(73.6)	-6.4%
Total Costs	(354.4)	(324.7)	-8.4%	(117.0)	(108.9)	-6.9%
EBITDA	427.4	428.9	+0.4%	156.2	167.0	+7.0%

2019 and 2020 P&L data including ISP merchant acquiring book acquisition

In the first nine months of 2020, Group's EBITDA reached € 428.9 million, up by 0.4% Y/Y. The EBITDA Margin in the first nine months of 2020 increased by ~2 p.p. to 57% compared to the same period of 2019 also thanks to the implementation of the cash cost containment plan. In particular, in the third quarter of 2020, Group's EBITDA reached € 167.0 million, +7.0% compared to the same period of 2019.

In the first nine months of 2020, Revenues reached € 753.6 million, down by 3.6% Y/Y. In the third quarter of 2020 Revenues reached € 276.0 million, up by 1.0% Y/Y.

Nexi's operating segments delivered the following results in the first nine months of the year:

- Merchant Services & Solutions**, which represented 52% of the Group's total revenues, reported revenues of € 393.6 million in 9M20, down by 4.3% Y/Y. Revenues have been positively impacted by the Italian Cards volume performance, while Foreign Cards are still suffering. Transactions – both in terms of volumes and number – showed a progressive recovery starting from May and continuing during the third quarter. In the first nine months of 2020, 2,250 million transactions were managed, down by 13.9% Y/Y (-4.8% Y/Y in 3Q20), with value of managed transactions at € 161.9 billion, down by 15.7% Y/Y (-7.7% Y/Y in 3Q20). E-commerce declined less sharply compared to physical sales (value of managed transactions down by 1.1% Y/Y), with a strong acceleration net of high impact consumptions, i.e. travel/tourism related sectors and restaurants (+35% Y/Y in 9M20 and +35% Y/Y in 3Q20)². In Q3 2020, Merchant Services & Solutions reached € 150.7 million of revenues (+3.1% Y/Y);
- Cards & Digital Payments**, which represented 37% of the Group's total revenues, reported revenues of € 276.3 million in 9M20, down by 3.4% Y/Y. Revenues have been negatively affected by the strong reduction of domestic travellers abroad and by lower commercial cards volumes. In the first nine months of 2020, 1,856 million transactions were managed, down by 4.7% Y/Y (+3.7% Y/Y in 3Q20), with volumes of € 142.2 billion, down by 8.3% Y/Y (+0.4% Y/Y in 3Q20). Transactions – both in terms of volumes and number – showed a

² Data include International schemes only for Nexi Payments, International and national schemes for MePS

progressive recovery starting from May and a return to growth in 3Q20, in particular on international schemes (number of transactions +1.9% Y/Y). In Q3 2020, Cards & Digital Payments reached € 96.1 million of revenues (-2.1% Y/Y);

- **Digital Banking Solutions**, which represented 11% of the Group's total revenues, have experienced a more limited impact from the lockdown measures introduced in March, with 9M20 revenues equal to € 83.8 million (-1.1% Y/Y). In Q3 2020, Digital Banking Solutions reached € 29.2 million of revenues, up by 1.1% Y/Y after the phasing of certain low margin banks-related projects in 2Q20.

In the first nine months of 2020, **total Costs** were at € 324.7 million, down by 8.4% Y/Y. The reduction is triggered by the continuous work on efficiency as well as to the implementation of the € 100+ million cash cost containment plan announced on May 12th, 2020. The actions envisaged in the plan aimed to mitigate the impact of Covid-19 on EBITDA and cash flow, through a strict cost control and a rephasing of certain less strategic projects and investments. In particular, in 9M20 63% of the plan has been delivered (59% of the volume-base costs plan, 78% of the operating expenses and transformation costs plan and 47% of the Capex plan). All announced initiatives are on track versus the delivery plan.

As of September 30th 2020, **Net Financial Debt** was at € 2,198 and Net Financial Debt/ EBITDA was at 3.7x temporarily affected by Covid-19.

Significant subsequent events

- On October 5th, Nexi and SIA S.p.A. announced to have signed a memorandum of understanding regarding the integration of the two groups through the merger by incorporation of SIA into Nexi.

Thanks to the integration of two highly-complementary businesses, the New Group, will be able to offer a wide range of best-in-class solutions entirely developed in-house, making it strongly competitive in terms of digital innovation, technology and efficiency, essential requirements for supporting, as an independent and strategic partner, the entire banking and digital payments system in Italy and in Europe.

Taking into account expected synergies, the new company will benefit of aggregate revenues pro-forma as at 31 December 2019 equal to €1.8 billion, an Adjusted EBITDA equal to €1.0 billion and Operating Cash Flow equal to €0.8 billion.

The transaction is conditional, among other things, upon the satisfactory outcome of a confirmatory due diligence, the required approvals by the corporate bodies, as well as upon the obtainment of required consents and authorizations, of both contractual and regulatory nature.

Subject to the above, the Parties aim to complete the transaction by the 3Q2021³.

- Moreover, on November 2nd, Nexi announced to have agreed an exclusivity period with Nets to reach a potential binding agreement for the merger of the two Groups operating in the digital payments sector in Europe. The combination between Nexi and Nets would be carried out in the context of the quickly developing consolidation of the European and global digital payments sector, as already framed as part of the announced merger with SIA.

³ Assuming Antitrust process completed in phase 1

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Pursuant to paragraph 2 of article 154 bis of the Consolidated Finance Act, the undersigned, Enrico Marchini, in his capacity as the manager in charge of preparing Nexi's financial reports, declares that the accounting information contained in this press release corresponds to the accounting documents, books and records of Nexi S.p.A..

Nexi

Nexi is the leading PayTech company in Italy, listed on MTA of Borsa Italiana. We operate in strong partnership with ~150 partner banks. Our integrated end-to-end omni-channel technology connects banks, merchants and consumers enabling digital payments. We help simplify payments for our clients and digitalize the Italian economy. Nexi operates in three market areas: Merchant Services & Solutions, Cards & Digital Payments and Digital Banking Solutions:

Merchant Services & Solutions: Nexi, together with its partner Banks, serves c. 900,000 merchants;

Cards & Digital Payments: Nexi, together with its partner Banks, manages 41.6 million payment cards;

Digital Banking Solutions: Nexi manages 13,100 ATMs, approximately 469,000 e-banking workstations and 947 million clearing transactions in 2019. In addition, Nexi developed the open banking system in collaboration with the CBI consortium to which the main Italian banks have already adhered.

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