AUTHORISATION OF THE CONVERSION OF THE € 500,000,000 1.75% EQUITY-LINKED BONDS DUE 2027 AND OF A DIVISIBLE SHARE CAPITAL INCREASE, EXCLUDING SHAREHOLDER PRE-EMPTION RIGHTS, IN SERVICE TO THE AFORESAID BONDS VIA THE ISSUE OF ORDINARY SHARES – RELEVANT AND SUBSEQUENT RESOLUTIONS

Dear Shareholders,

the Board of Directors of Nexi S.p.A. (hereinafter, "**Nexi**" or the "**Company**") has convened this Extraordinary Shareholders' Meeting to address and pass a resolution as to, inter alia, the proposal to authorise the conversion into Nexi ordinary shares of equity-linked bonds of aggregate principal amount of € 500,000,000 (five hundred million) due 24 April 2027, directed at qualified investors, named "€ 500,000,000 1.75 per cent. Equity Linked Bonds due 2027", issued on 24 April 2020 (hereinafter the "**Bonds**") and, consequently, as to a share capital increase excluding shareholder pre-emption rights pursuant to article 2441(5) of the Italian Civil Code, in service to the Bonds for a maximum amount of € 500,000,000 (five hundred million), including any share premium, all or some only said bonds to be converted via the issue of dividend-paying ordinary shares providing terms equal to ordinary shares in issue (the "**Capital Increase**").

The Company is, therefore, proposing the Capital Increase for the purposes of issuing new shares under the circumstances provided for by the Bonds' contract provisions.

This report aims to illustrate the capital increase proposal pursuant to article 2441, paragraph 6 of the Italian Civil Code and to article 72 of the Conditions adopted with CONSOB resolution no. 11971 of 14 May 1999 (the "**Issuers Regulation**") and to article 125b of Legislative Decree of 24 February 1998, no. 58 (the "**TUF**" [*Testo Unico Finanziario – Consolidated Law on Finance*]).

1 Characteristics of the transaction

1.1 <u>Basis and purpose of the Capital Increase</u>

The Capital Increase falls within the scope of the issue of the Bonds to Italian and foreign qualified investors (as defined by the applicable governing regulations), excluding the United States of America or other jurisdictions where the offering or placement of bonds would be subject to specific authorisations, (hereinafter, for the sake of brevity, "**Institutional Investors**"), excluding, in any case, any offer to the general public, whose issue was approved by the Board of Directors on 15 April 2020 with pricing set on 17 April 2020, following the placement procedure. The main characteristics and purposes of the Bonds are illustrated below.

1.2 <u>Scope and basis of the Bond issue</u>

The issue of bonds (the "**Bonds**") and the main terms and conditions of the Bonds were the subject of approval by the Board of Directors on 15 April 2020. The placement of the Bonds began on 16 April 2020 and was completed the following day, with the pricing being defined on 17 April 2020.

The aggregate principal amount of the Bonds is € 500 million.

The placement of the Bonds is for Institutional Investors that are specialised in equity-linked instruments owing to, on the one hand, the complexity of the Bonds' financial characteristics, which, by their very nature, require an understanding by investors possessing remarkable technical expertise and, on the other, a desire to ensure the positive outcome of the transaction in the short run, which is not compatible with the requirements and timing of placements with other categories of investors, including retail investors. The offer of the Bonds to Institutional Investors has allowed for a prompt gathering of financial resources from the non-banking capital market, enabling the Company to take advantage of opportunities offered by both the favourable market situation and the placement conditions deriving from the equity-linked elements of the Bonds. The Board of Directors deems that the issue of the Bonds is in the interests of the Company, in that it has gathered financial resources from the market at conditions favourable both in terms of cost and duration.

In resolving to proceed with the issue of the Bonds – and with the hereby proposal requesting approval, pursuant to article 2441, paragraph 5 of the Italian Civil Code, of the Capital Increase – the Board of Directors took due account of the main benefits attached to the transaction, as set in place and with reference to the current market context as characterised by high volatility in light of impacts including, among others, the Covid-19 emergency, namely:

(a) the opportunity to swiftly benefit, given said volatility, from favourable windows of opportunity as and when they may arise, by way of timely placement with Institutional Investors, in a benchmark market that is compatible, as regards potential investors, with the envisaged amount and with a quick placement;

(b) extremely rapid implementation times, which have thus minimised the Company's exposure to market risks as compared to alternative instruments, such as, for instance, the issue of non-convertible Bonds, syndicated loans, capital increase with shareholder pre-emption rights). In weighing up the relative advantages of certainty as regards to issue terms and conditions, on the one hand, and of granting shareholder pre-emption rights on the other, we the Board prioritised the former, deeming it the choice that best meets our shareholders' interests, since it allows the Company to issue, at the best possible price, a relatively limited number of shares if and when the circumstances warranting conversion were to arise. Concurrently, the timing of the placement, which started following the market closure, has mitigated the risk that the announcement be followed by speculative actions with respect to the relevant shares that may have stood to potentially undermine final issue pricing.

(c) funding on favourable, cost and duration terms in due consideration, also, of the equity-linked nature of the Bonds;

(d) placement of capital at a 50% premium in respect of market price at the time of the Bonds' issue in lieu of a capital increase with preferential subscription which, as per market standard, would have required a discount;

(e) greater diversification of financial resources and investors;

(f) strengthening of the Company's liquidity, including in view of the prospective acquisition of Intesa Sanpaolo SpA's merchant acquiring business, as reported to the market in December 2019;

(g) extension of the debt's average maturity, since the deadline is set for 2027 compared with 2024 for the previous debt.

The capital increase as submitted by the Board of Directors for approval by the Shareholders' Meeting falls within the scope of the Bond issue and, as such, warrants the Company's interest in excluding shareholder pre-emption rights.

The provisions governing the Bonds, set forth under the Trust Deed, which also includes the Terms & Conditions (hereinafter, the "**Conditions**", available at www.nexi.it), establishes that, following the approval of the capital increase, Nexi shall release a statement, following which any Bond conversion shall be settled in ordinary shares of the Company (hereinafter, "**Additional Ordinary Shares**"), without prejudice to cash settlements (if any) as provided for by the Conditions. If, however, the Capital Increase were not to be passed by 31 December 2020, the Bonds may not be converted into Additional Ordinary Shares and Nexi shall have the right to perform early redemption of the Bonds, pursuant to the provisions described below (cf. "early redemption" under paragraph 1.3 below).

1.3 Basis of the Capital Increase in service to the conversion of the Bonds

The Conditions establishes that, should the Shareholders' Meeting not pass the Capital Increase in service to the conversion of Bonds by 31 December 2020 (the so-called "**Long-Stop Date**") the Company may effect a cash-settled early redemption of all but not some only of the Bonds at the greater of (i) 102% of the principal amount of the Bonds and (ii) 102% of the Fair Bond Value (together with, in each case, accrued but unpaid interest).

Should the Shareholders' Meeting resolve to approve the convertibility of the Bonds and, consequently, to approve the capital increase to service the conversion of the Bonds, the Company shall give notice to the Bondholders (the "**Physical Settlement Notice**"), in virtue of which the Bondholders shall be entitled, as of the date specified therein (the "**Physical Settlement Date**") – which shall be not earlier than 10 nor later than 20 Milan business days after the date on which the Physical Settlement Notice is given – to exercise the right to convert their bonds into the Company's ordinary shares from the Physical Settlement Date to the seventh day prior to the Bonds' maturity date, pursuant to provisions and limitations set forth under the Conditions.

Any conversion of the Bonds into newly issued shares will allow the Company to bolster its capital structure and diversify its financial structure, concurrently limiting cash outflow as regards to financial charges and principal at maturity, as well as to expand its shareholder base, with Institutional Investors joining in the share capital.

For the aforesaid reasons, the Board of Directors deems it important that the Bonds be converted into Company shares. As highlighted above, the reasons for excluding any shareholder pre-emption rights pursuant to article 2441, paragraph 5 of the Italian Civil Code, as with reference to the proposed Capital Increase, are the same which have led to the issue of the Bonds.

The Board of Directors therefore deems that excluding shareholder pre-emption rights is entirely justified given the characteristics, timing and scope of the Bond issue.

1.4 Main characteristics of the Bond

Pursuant to the resolutions of the Board of Directors, to the Terms and Conditions and to the executive decision of the Chief Executive Officer as with reference to the issue, the Bonds have the following characteristics:

- aggregate principal amount: € 500,000,000 (five hundred million);
- minimum denomination of the bonds: principal amounts of € 100,000.00 (one hundred thousand/00) each;
- maturity: 7 (seven) years, Maturity Date being 24 April 2027;
- currency: Euro;
- issue price: 100% of the Bonds' par value;

– <u>interest rate</u>: fixed rate, 1.75% (one point seventy-five per cent) per annum, payable semi-annually in arrear on 24 April and 24 October in each year, commencing on 24 October 2020;

– <u>initial conversion price</u>: € 19.47 (nineteen point forty-seven) per share, subject to adjustments as per Conditions, consistent with the applicable and governing market procedures for this kind of financial instrument;

– <u>accrual date</u>: from issue date;

– <u>conversion right</u>: subject to the Shareholders' passing of the Capital Increase by no later than the Long-Stop Date;

– <u>redemption</u>: at maturity all but not some only of the Bonds at their principal amount, unless previously redeemed;

– <u>early redemption by the Issuer</u>: early redemption subject to the limited circumstances provided in the Conditions, or as customary clean-up call, soft call or redemption for taxation reasons, as of specific notice date;

– <u>change of control or free float event</u>: Bondholders may require early redemption of their Bonds at principal amount together with accrued and unpaid interest, if: (i) a change of control, as defined by the Conditions, occurs, or (ii) if a free float event, as defined in the Conditions, occurs. Furthermore, should a change of control or free float event occur, each bondholder may (i) request redemption Company of their Bonds at principal amount together with accrued and unpaid interest; or (ii) convert the Bonds into Company shares according to a separate conversion ratio, based on a conversion price that is lower than the initial conversion price and calculated as described in the Conditions;

– <u>listing</u>: Vienna MTF, operated by the Vienna Stock Exchange;

– <u>governing law</u>: English law, save for aspects that are subject to compliance with Italian law.

1.5 <u>Basis for excluding rights issues</u>

The Bond issue, the Capital Increase and the approval of the convertibility of the Bonds into convertible bonds represent a single transaction designed to equip the Company with a means of procurement that is ideally suited to rapidly collect funds from capital markets on terms favourable (with regards to cost and duration) to the Company. To this end, completion of the transaction requires the approval of a capital increase in service to the Bonds, excluding shareholder pre-emption rights. The Board of Directors deems that excluding such rights is in the interest of the Company with reference to article 2441, paragraphs 5 and 6 of the Italian Civil Code, for the following reasons:

(a) the basis for directing the Bonds at Institutional Investors only, thus excluding shareholders' pre-emption rights as regards to the subsequent Capital Increase, is the extreme complexity and the characteristics of equity-linked financial instruments, which make them unsuitable for a retail investors (thus including the Company’s shareholders). The equity-linked instrument, by its nature (given the chosen structure and characteristics of the Bonds, as offered, inter alia, in principal amounts of € 100,000.00) and by its solely being addressed to and directed at Institutional Investors, constitutes an efficient means to source non-bank financing on terms that are both very favourable and well suited to the current requirements of the Company, and stands to provide improvements with respect to financial position and charges not otherwise attainable (more so not attainable with reference to conventional convertible bonds that carry shareholder subscription rights);

(b) the issue and placement of equity-linked instruments requires such rapid market timing and implementation as to entail the exclusion of shareholder pre-emption rights and of any public offer of the Bonds, as these entail a higher burden of duties for the Company, as well as slower timing, greater costs and higher implementation risks;

(c) approval of the Capital Increase along with rights to convert the Bonds voids Bondholder rights to cash settlements, other than where redemption is provided for pursuant to the conditions described under paragraph 1.4, thus potentially stabilising the resources acquired by means of the Bonds;

(d) any prospective conversion of Bonds into Nexi shares, or, in any case, the issue of shares pursuant to the terms and conditions of the Bonds, will enable the Company to (i) bolster its capital structure and diversify its financial structure, concurrently limiting cash outflow as regards to financial charges and principal at maturity and to (ii) expand its shareholder base.

1.6 Conversion of Bonds into share capital

The conversion price, which corresponds to the issue price of new shares proceeding from the Capital Increase, is € 19.47, save for possible adjustments to the conversion price as described herein.

The issue price per share shall be recognised at € 0.09 (or at the smaller amount of the conversion price) as share equity and, for any remainder, as share premium.

The number of shares to be issued or transferred for the conversion will be determined by dividing the aggregate principal amount of the Bonds by the conversion price in effect at the relevant conversion date, rounding down to the nearest whole number of ordinary shares. No share fractions shall be issued or delivered and no cash payment or adjustment will be made in lieu of such fractions.

Given such parameters, namely an initial conversion price of € 19.47 per share, no more than 25,680,534 ordinary shares shall be issued.

The Conditions of the Bonds envisage that the initial conversion price will be subject to adjustments, in a manner in accordance with customary market practice for such financial instruments, upon occurrence, inter alia, of the following events, including but not limited to: consolidation or subdivision of ordinary shares in issue; the issue of ordinary shares for no consideration (excluding capital increases in service to compensation plans based on financial instruments as defined under article 114(a) of the TUF); distribution of dividends in kind or of dividends in cash for ordinary shares; allocation to ordinary shareholders and/or issue of ordinary shares; financial instruments convertible into ordinary shares, rights or options giving the right to subscribe ordinary shares at a price lower than market price and not offered to Bondholders (excluding capital increases for financial compensation plans based on financial instruments as defined under article 114(b) of the TUF); modification of rights attaching to financial instruments previously issued that entail the right or obligation to convert such instruments into ordinary shares, so as to enable the acquisition of ordinary shares at a price lower than fair market value.

Bonds offer the investor greater protections compared with future dividends paid by the Company. In fact, should the Company decide to distribute dividends, whatever their amount, for ordinary shares throughout the term of the Bonds, the conversion price of the Bond shall be adjusted based on the formulas set forth under the Terms and Conditions of the Bonds, in order to compensate Bondholders for the amount of the distributed dividends.

Should a change of control or free float event occur, as subject to and as defined by the Conditions, investors may be granted a separate conversion ratio for a limited period (60 days), said ratio being adjusted and lower than the initial conversion price, based on a formula that shall factor in the time at which the relevant event occurs and the overall duration of the Bonds, so as to reflect the value of any rights attaching to the Bonds that may not have been exercised, all as set forth and determined within the Terms and Conditions.

2 Breakdown of short-term and medium to long-term financial indebtedness

The following table details Nexi Group's Net Financial Position as at December 31, 2019 and as at December 31, 2018 on a pro-forma basis.

(Amount in Euro million)	As at December 31 2019	As at December 31 2018 Pro-forma*
A. Cash	115.4	40.7
B. Cash equivalents	133.0	-
C. Securities held for trading	-	-
D. Liquidity (A) + (B) + (C)	**248.4**	**40.7**
E. Current financial receivables	**-**	**-**
F. Current bank payables	(13.6)	(20.4)
G. Current portion of long-term debt		(7.2)
H. Other current financial liabilities	-	-
I. Current financial debt (F) + (G) + (H)	**(13.6)**	**(27.6)**
J. Net current financial position (I) + (E) + (D)	**234.8**	**13.0**
K. Non-current bank debt	(15.3)	(7.5)
L. Bonds issued	(819,0)	(2,569.7)
M. Other non-current financial liabilities	(992,6)	-
N. Non-current financial debt (K) + (L) + (M)	**(1,826.9)**	**(2,577.2)**
O. Net financial position (J) + (N)	**(1,592.1)**	**(2,564.2)**

*2018 data are on a pro-forma basis to retroactively reflect the significant effects of certain disposals of assets held for sale during the 2019 financial year.

The following table details Nexi SpA's Net Financial Position as at December 31, 2019 and as at December 31, 2018 on a pro-forma basis.

(Amount in Euro million)	As at December 31 2019	As at December 31 2018 Pro-forma*
A. Cash	115.4	40.7
B. Cash equivalents	-	-
C. Securities held for trading	-	-

D. Liquidity (A) + (B) + (C)	**115.4**	**40.7**
E. Current financial receivables	**-**	**-**
F. Current bank payables	-	-
G. Current portion of long-term debt	-	-
H. Other current financial liabilities	-	-
I. Current financial debt (F) + (G) + (H)	**-**	-
J. Net current financial position (I) + (E) + (D)	**115.4**	**40.7**
K. Non-current bank debt	-	-
L. Bonds issued	(819.0)	(2,569.7)
M. Other non-current financial liabilities	(992.6)	-
N. Non-current financial debt (K) + (L) + (M)	**(1,811.6)**	**(2,569.7)**
O. Net financial position (J) + (N)	**(1,696.2)**	**(2,529.0)**

* 2018 data are on a pro-forma basis to retroactively reflect the significant effects of certain disposals of assets held for sale during the 2019 financial year.

3 Underwriters and/or placement syndicate, members, intervention procedures

The Capital Increase shall not involve the establishment of an underwriters syndicate and/or placement since the scope of said Capital Increase is the service of prospective bond conversions.

Note that the offering of the Bonds saw BofA Securities, Banca IMI, Goldman Sachs International, HSBC and J.P. Morgan act as Joint Global Coordinators and Joint Bookrunners. and Banco Akros S.p.A. – Gruppo Banco BPM, Mediobanca – Banca di Credito Finanziaro S.p.A and UBI Banca act as Joint Bookrunners (together, the "**Joint Bookrunners**").

4 Other forms of placement

No other form of placement is envisaged.

5 Price-setting criteria for the issue of new ordinary shares

The Company's Board of Directors, upon due consideration of the characteristics of both the Bonds and the Capital Increase, has resolved to submit to Shareholders for approval that the issue price of the shares proceeding from the Capital Increase equal conversion price of the Bonds, without prejudice to the criteria set forth under article 2441(6) of the Italian Civil Code pursuant to which the issue price shall not be less than the price determined based on Company equity and shall, furthermore, duly account for the prior semester's Company stock performance on the Italian Stock Exchange's *Mercato Telematico Azionario*.

The initial conversion price of the Bonds – given the nature of the Bonds and their being subject to conversion into ordinary shares provided the Extraordinary Shareholders' Meeting so approves – was determined, in keeping with customary market practice for such financial instruments and upon placement of the Bonds, based on the fair market value of the Company's ordinary shares and on the quantity and quality of demand for the Bonds during placement.

More specifically, for the purposes of determining the fair market value of the ordinary shares, these were benchmarked against the reference share price of the Company's ordinary shares placed by the Joint Bookrunners concurrent to the placement of the Bonds, the "**Concurrent Equity Offering**", on behalf of the subscribers of the bonds wishing to hedge the market risk of an investment in the Bonds.

Such price, set at €12.98, namely the closing price on the Italian Stock Exchange at that date, was determined by way of an accelerated bookbuilding process.

The price was then adjusted by a 50% conversion premium as determined based on opinions submitted by the Joint Bookrunners and on market conditions, delivering a final conversion price of €19.47. Such an adjustment premium was also favoured by market conditions favourable to Nexi all of which despite substantial domestic and international volatility as also driven by developments in the Covid-19 pandemic.

Pursuant to provisions under article 2441(6) of the Italian Civil Code, for the purposes of setting the issue price of the new ordinary shares in service to any prospective conversion of the Bonds, the Board of Directors factored in the book value per share of Nexi SpA's equity as at 31 December 2019, namely €2.01, as well as the arithmetic average of the price of the Company's ordinary shares based on Italian Stock Exchange listings for the prior semester ending 14 April 2020, namely €11.7408.

It is worth noting that, as per the Terms and Conditions, the initial conversion price may be adjusted on the conversion date in accordance with customary market practice for such financial instruments, upon occurrence of such events as are listed, but are not limited to, in paragraph 1.6 above.

Pursuant to such assessments, the Board of Directors deems the criteria adopted in determining the initial conversion price of the Bonds and of the issue price of the Additional Ordinary Shares (and of the relevant conversion ratio) to be consistent with the criteria set forth under article 2441(6) of the Italian Civil Code and, as such, suitable in respect of establishing a pricing that, given the exclusion of shareholder pre-emption rights, best reflects the equity interests of the Company's shareholders.

As regards any change of control or free float event, as subject to and as defined by the Conditions, any adjustment of the conversion price is justified by the relevant events heretofore outlined. More specifically, should any such relevant event occur, investors may be granted a separate conversion ratio for a limited period (60 days), said ratio being adjusted and lower than the initial conversion price, based on a formula that shall factor in the time at which the relevant event occurs and the overall duration of the Bonds, so as to reflect the value of any rights attaching to the Bonds that may not have been exercised, all as set forth and determined within the Terms and Conditions.

6 Shareholders willing to subscribe for shares to be issued in proportion to their shareholdings – preferential subscriptions rights not exercised

As previously outlined, the Capital Increase shall be solely in service to any prospective conversion of the Bonds into Nexi ordinary shares to be issued. Hence, as per the reasons previously described, shareholders shall not be entitled to exercise shareholder pre-emption rights pursuant to article 2441(5) of the Italian Civil Code.

7 Time to completion of the transaction

The Capital Increase shall be carried to the extent of the conversion of the Bonds during the term of the Bonds.

Where the Capital Increase is not fully subscribed at the closing date for conversion, the Company's share capital shall be recognised as increased by the amount equivalent to that subscribed by such closing date and as of the same having been subscribed.

8 Accrual date of the ordinary shares to be issued

The ordinary shares to be issued on exercise of conversion of the Bonds will be fully paid and will in all respects rank pari passu with the fully paid ordinary shares in issue on the relevant conversion date.

9 Pro-forma equity and financial criteria reflecting the transaction's prospective effects on equity and financial position – Share value effects

For the purposes of equity and financial estimates it is assumed that the Bonds shall be converted the Company's ordinary shares at the maturity date (24 April 2027).

<u>Nexi Consolidated and Separate Financial Statements</u>

Based on the above assumptions, the Bonds stand to deliver:

i. at the issue date and/or during the relevant period thereto, a partial reduction in net financial debt equal to Bondholder payments receivable/received (net of issue expenses) and in the debt component of the financial instrument as issued (net of issue expenses thereto). While the debt component shall be recognised as the fair market value of any such debt instrument issued by the Company without conversion rights, the remainder, based on payments receivable, shall be recognised under net equity (i.e. residual method). Issue costs are recognised according to their relative proportions under liabilities and equity.

ii. at maturity, a reduction of up to €500 million in net financial debt as a result of the conversion of the Bonds into Nexi ordinary shares;

iii. an equivalent increase in net equity (namely, as with reference to the Consolidated Financial Statements, an increase in “Equity attributable to the owners of the parent”), net of interest accrued up to the maturity (net of withholding or deductions for tax); such interest shall negatively impact net financial position for the duration of the Bonds.

Based on the number of fully paid shares in the share capital of the Company as at 24 April 2020, if the Bonds were to be fully converted at the relevant date into the maximum number of Nexi ordinary shares (i.e. 25,680,534 ordinary shares), compared to an initial theoretical stake of 1% in the Company's share capital, Shareholders, upon conversion, shall hold a 0.96% stake in the Company's share capital, as illustrated in the table below:

	Share capital as at 24 April 2020	Potential number of shares to be issued in service to the Bonds	Share capital as at 24 April 2020 + maximum capital increase in service to the Bonds
Ordinary shares in issue	627,777,777	25,680,534	653,458,311
TOTAL SHARES	**627,777,777**	**25,680,534**	**653,458,311**
Number of ordinary shares equivalent to 1% of share capital in issue as at 24 April 2020	6,277,778		6,277,778
Percentage of ordinary stock	*1.00%*		*0.96%*

10 Modifications to By-Laws

As a result of the Capital Increase that is the subject of the present report, the Board hereby further proposes the introduction of a new closing paragraph to article 6 of the Company By-Laws, worded as follows:

“The Extraordinary Shareholders' Meeting held on [•] 2020 resolved to approve a divisible share capital increase, excluding shareholder pre-emption rights pursuant to article 2441(5) of the Italian Civil Code, worth, including any share premiums, €500,000,000 (five hundred million), in service to the conversion of the €500,000,000 1.75 per cent. Equity Linked Bonds due 2027, to be converted, whether all or some only, via one or more issues, into dividend-paying ordinary shares of the Company, for a maximum total amount of €500,000,000 (five hundred million), and solely in service to the Bonds issued by the Company as “€500,000,000 1.75 per cent. Equity Linked Bonds due 2027”, pursuant to provisions thereto under the Terms and Conditions, without prejudice to the closing date for subscription of the shares to be issued at 30 April 2027 and, should the capital increase not be fully subscribed by such date, to approve such capital being recognised as increased by an amount equal to the subscriptions effected and as of the subscription date thereof, and to grant express authorisation to the Board of Directors to issue, from time to time, new shares as such shares are subscribed. Fractions of shares shall not be issued, transferred or delivered and no payment in cash or adjustment shall be made in lieu thereof.”

Note that modifications to the Company By-Laws as proposed herein do not constitute entitlement to exercise any redemption rights pursuant to standing laws and regulations.

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Whereas the above, the Board of Directors submits the following Proposal to the approval of the Shareholders:

“Nexi SpA's Shareholders, as convened in the Extraordinary Shareholders' Meeting,

- having examined the report submitted by the Board of Directors;
- having reviewed the main terms and conditions of the Bonds as presented in the summary report provided by the Board of Directors,
- having reviewed the fairness opinion submitted pursuant to article 2441 of the Italian Civil Code and article 158 of the TUF;
- having reviewed the Board of Statutory Auditors' attestation to the effect that current share capital is fully paid up;

resolve

1. to allow for and authorise, pursuant to provisions set forth under the Terms and Conditions of the Bonds, the conversion of the equity-linked bonds of aggregate principal amount equal to €500,000,000 maturing 24 April 2027 (the “€500,000,000 1.75 per cent. Equity Linked Bonds due 2027”), and hence to approve a divisible share capital increase, excluding shareholder pre-emption rights pursuant to article 2441(5) of the Italian Civil Code, worth, including any share premiums, a maximum amount of €500,000,000 (five hundred million), in service to the conversion of the €500,000,000 1.75 per cent. Equity Linked Bonds due 2027 herein mentioned, to be issued in shares pursuant to the provisions of the Terms and Conditions, to be converted, whether all or some only, via one or more issues, into dividend-paying ordinary shares of the Company, for a maximum total amount of €500,000,000 (five hundred million), solely in service to the Bonds issued by the Company as “€500,000,000 1.75 per cent. Equity Linked Bonds due 2027”, pursuant to provisions thereto under the Terms and Conditions. Fractions of shares shall not be issued, transferred or delivered and no payment in cash or adjustment shall be made in lieu thereof;
2. to approve that the Chief Executive Officer, or any party delegated by such person, shall provide bondholders a physical settlement notice, pursuant to which bondholders shall be entitled to convert the Bonds into Nexi ordinary shares to be issued;
3. to agree that the issue price of any Additional Ordinary Shares as regards to the Capital Increase shall be determined based on the provisions of the Bonds' Terms and Conditions as per the above point 1, and as such shall be €19.47, save for adjustments and save for cases where the relevant conversion price shall be calculated differently pursuant to the provisions of the abovementioned Bonds' Terms and Conditions; and that issue price per share shall be recognised at € 0.09 (or at the smaller amount of the conversion price) as share capital and, for any remainder, as share premium;
4. to mandate the Board of Directors and the Board's legal representatives to execute the above approved Capital Increase and to determine, inter alia, from time to time and pursuant to the provisions of the Terms and Conditions (i) the issue price of the shares, as well as, having determined such issue price, (ii) the number of shares to be issued and the conversion ratio, as required for the purposes of fully implementing the provisions and criteria set forth under the Terms and Conditions; all of which without prejudice to, should the Capital Increase not be fully subscribed by 30 April 2027, share capital being

increased by an amount equal to the subscriptions effected and as of the subscription date thereof;

5. to introduce a new closing paragraph to article 6 of the Company By-Laws, worded as follows:

   "The Extraordinary Shareholders' Meeting held on [•] 2020 resolved to approve a divisible share capital increase, excluding shareholder pre-emption rights pursuant to article 2441(5) of the Italian Civil Code, worth, including any share premiums, €500,000,000 (five hundred million), in service to the conversion of the €500,000,000 1.75 per cent. Equity Linked Bonds due 2027, to be converted, whether all or some only, via one or more issues, into dividend-paying ordinary shares of the Company, for a maximum total amount of €500,000,000 (five hundred million), solely in service to the Bonds issued by the Company as "€500,000,000 1.75 per cent. Equity Linked Bonds due 2027", pursuant to provisions thereto under the Terms and Conditions, without prejudice to the closing date for subscription of the shares to be issued at 30 April 2027 and, should the Capital Increase not be fully subscribed by such date, to approve such capital being recognised as increased by an amount equal to the subscriptions effected and as of the subscription date thereof, and to grant express authorisation to the Board of Directors to issue, from time to time, new shares as such shares are subscribed. Fractions of shares shall not be issued, transferred or delivered and no payment in cash or adjustment shall be made in lieu thereof."

6. to grant the Board of Directors and, jointly and severally, any legal representatives thereof, all powers to execute the capital increase and to, from time to time, provide for the modifications to article 6 of the Company By-Laws and, as such, to provide for all obligations and mandatory disclosure requirements pursuant to governing laws and regulations, and to carry out all necessary formalities pursuant to the filing of the hereby resolutions with the Registry of Companies and to acknowledge and reflect any non-material modifications, additions and suppressions to said resolutions as requested by relevant authorities, and to grant all powers to fulfil all mandatory legal and regulatory requirements pursuant to the hereby approved resolutions."