The Leading PayTech
Redefining Payments in Italy
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Acquisition of Intesa Sanpaolo’s Merchant Acquiring Business

19th December 2019
Key Highlights

The Transaction: Acquisition by Nexi of Intesa Sanpaolo’s Merchant Acquiring Business

- **Acquisition of Intesa Sanpaolo's merchant acquiring business** for €1.0bn cash consideration (plus potential earn-out payable in 2025)
  - ~180k merchants\(^1\) and ~€66bn of transaction volumes\(^2\)
  - 2020E EBITDA and earnings of ~€95m and ~€61m\(^3\) respectively
    - Implied multiples: 10.5x EV/EBITDA 2020E, 16.4x P/E 2020E
  - 100% cash consideration, with committed bridge financing already in place
- **Deeping of strategic partnership with Intesa Sanpaolo in merchant acquiring**
  - Acquisition of Intesa Sanpaolo’s merchant acquiring business
  - Marketing and distribution agreement for merchant acquiring, with 25 years duration until 2044
- **Extension of remaining existing processing contract** in relation to issuing and ATM acquiring services (from original 2026 to 2044, in line with new framework)
- **Marginal additional ordinary Capex**; limited extraordinary integration Capex
- **Expected leverage ratio pro-forma of ~3.4x net leverage by year-end 2020**, in line with leverage range guidance at IPO
  - ~2.0x-2.5x target leverage confirmed over medium / long-term
- **Reterating financial guidance on a larger and more resilient business**
- **Transaction expected to be cash EPS accretive in the high teens from 2020**
- **Closing of the transaction is expected before summer 2020** subject to customary regulatory approvals

Other Considerations

- Separate transaction being agreed by our shareholder Mercury UK HoldCo to sell a 9.9% stake in Nexi to Intesa Sanpaolo after closing of the Nexi transaction
- No changes to Nexi’s governance framework or board composition as result from this separate transaction

\(^1\) As of Sept-2019. Figure already reflected in Nexi’s reported KPIs in light of existing processing activities.
\(^2\) As of 9M 2019 LTM. Figure already reflected in Nexi’s reported KPIs in light of existing processing activities.
\(^3\) For illustrative purposes, target earnings figure before any potential impacts from financing or any non-recurring items associated with the transaction.
A Strategic Transaction Strengthening Nexi Role as the Leading Italian PayTech

1. Enhanced platform and positioning in the acquiring segment

2. Greater coverage of the acquiring value chain and enhanced ability to drive further innovation and value for merchants

3. Increased scale with diversification of revenue streams

4. Value enhancing transaction with cash EPS accretion in the high teens from 2020E

5. Deepening of partnership across businesses with the largest bank in Italy
Transaction Overview

Key Components of the Transaction

Acquisition of Intesa Sanpaolo’s Merchant Acquiring for €1.0bn (Plus Potential Earn-Out Payable in 2025)

- Acquisition of merchant acquiring business of Intesa Sanpaolo
  - ~180k merchants\(^{(1)}\)
  - €66bn of transaction volumes\(^{(2)}\)
- Marketing and distribution agreement for merchant acquiring activities
  - 25 years duration until 2044
  - Comprehensive commercial, marketing and distribution framework
  - Alignment of interests through rebate mechanism to Intesa Sanpaolo and jointly agreed performance targets
  - Downside protection for Nexi in relation to potential business losses from merchants

Extension of Remaining Existing Contract with Mercury Payment Services

- Extension of remaining existing processing contract in relation to issuing and ATM acquiring services
- Duration extended until 2044, in line with new partnership framework

Key P&L Figures of Intesa Sanpaolo’s Merchant Acquiring

Incremental Economics for Nexi (€m)

<table>
<thead>
<tr>
<th>Key Items</th>
<th>2020E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenues</td>
<td>~106</td>
</tr>
<tr>
<td>EBITDA</td>
<td>~95</td>
</tr>
<tr>
<td>Net Income</td>
<td>~61(^{(3)})</td>
</tr>
</tbody>
</table>

---

\(^{(1)}\) As of Sept 2019. Figure already reflected in Nexi’s reported KPIs in light of existing processing activities.

\(^{(2)}\) As of 9M 2019 LTM. Figure already reflected in Nexi’s reported KPIs in light of existing processing activities.

\(^{(3)}\) For illustrative purposes, target earnings figure before any potential impacts from financing or any non-recurring items associated with the transaction.
Transaction Impact on the Merchant Acquiring Value Chain

Technological Platform | Operations | Products / Solutions | Sales & Customer Mgmt
Processing | Clearing & Settlement | Operations | POS Mgmt / Front-End | Scheme Membership | Product Design and Marketing | Pricing and Sales | Customer Mgmt

Status Quo

nexi

INTESA SANPAOLO

Marketing and Distribution Agreement Until 2044

nexi

INTESA SANPAOLO

Post Transaction
### Key Financial and Business Mix Impacts

#### Net Revenues 2020E

<table>
<thead>
<tr>
<th></th>
<th>Nexi Consensus</th>
<th>Incremental Contribution of ISP Acquiring (after rebates)</th>
<th>Nexi Pro Forma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source</td>
<td>1,048</td>
<td>106</td>
<td>1,154</td>
</tr>
</tbody>
</table>

#### EBITDA 2020E

<table>
<thead>
<tr>
<th></th>
<th>Nexi Consensus</th>
<th>Incremental Contribution of ISP Acquiring</th>
<th>Nexi Pro Forma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source</td>
<td>568</td>
<td>95</td>
<td>663</td>
</tr>
</tbody>
</table>

#### Merchant Services & Solutions Net Revenues Mix 2020E

<table>
<thead>
<tr>
<th></th>
<th>Nexi Consensus</th>
<th>Nexi Pro Forma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source</td>
<td>~49%</td>
<td>~54%</td>
</tr>
</tbody>
</table>

#### Cash EPS Accretion

Transaction expected to be cash EPS accretive in the high teens from 2020E

Source: Company information and Nexi consensus estimates as of December 2019.
Update on Leverage

**Net Financial Debt / LTM EBITDA**

<table>
<thead>
<tr>
<th>Nexi Standalone</th>
<th>Nexi Pro Forma for the Transaction (Assuming Issuance of €1.0bn New Debt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>IPO Guidance</td>
<td>^3-3.5x</td>
</tr>
<tr>
<td>FY 2019 Expected</td>
<td>^3.0x</td>
</tr>
<tr>
<td>Medium to Long-Term</td>
<td>^2-2.5x</td>
</tr>
<tr>
<td>2020E</td>
<td>^3.4x</td>
</tr>
<tr>
<td>Medium to Long-Term</td>
<td>^2-2.5x</td>
</tr>
</tbody>
</table>
Reiterating Financial Guidance on a Larger and More Resilient Business

**Current Guidance**

- **Net Revenues**
  - 5 - 7% annual net revenues growth over medium-term

- **EBITDA**
  - 13 - 16% annual EBITDA growth over medium-term

- **Capex**
  - 8-10% ordinary Capex as % of net revenues over long term
  - Transformation Capex on top of ordinary Capex of ~€180m cumulative (2H19 –c.2023)

- **Capital Structure**
  - Target Net Debt of ~2.0-2.5x EBITDA over medium to long-term

**Update on Guidance After for the Transaction**

- **Net Revenues**
  - Reiterated
  - *Increased scale and resilience, with further diversification*

- **EBITDA**
  - Reiterated
  - *Marginal fixed cost impact*

- **Capex**
  - Improved
  - *Marginal incremental ordinary Capex on larger revenue base*
  - Limited extraordinary integration Capex
  - Increased cash conversion

- **Capital Structure**
  - Reiterated
  - *Strong organic deleveraging*

**Improved cash EPS and cash flows conversion**
9M 2019 Results Presentation
Executive Summary

Strong focus on financial delivery

- EBITDA +19.2% y/y growth, at 368.5 €M in 9M 2019
- Revenues +6.8% y/y underlying growth excluding run-off of zero-margin hardware reselling contracts from acquisitions. +5.6% y/y reported growth at 718.4 €M in 9M 2019

Continued progress on key business initiatives

- Merchant Services and Solutions (48% of Revenues): good progress on SmartPOS proposition, continued growth on E-Commerce and Nexi Business data app penetration
- Cards and Digital Payments (40% of Revenues): continued growth of International Debit, YAP millennials payments app and CVM up/cross selling activities
- Digital Banking Solutions (12% of Revenues): return to growth in Q3 supported by new propositions acceleration and unwinding of revenue impact from banking consolidation in prior year
- Cost initiatives and integration synergies contributing to -5.7% y/y reported costs reduction, -3.8% y/y excluding run-off of zero-margin hardware reselling contracts, despite continued investments
- Transformation costs below EBITDA ~-60% y/y
- 825 €M refinanced in October 2019, weighted average coupon per annum further reduced from 3.1% post IPO to 1.9%, with yearly cash coupon (after tax)\(^1\) at 27 €M compared to 186 €M before July 2018

Overall 9M results well on track to deliver updated Financial Guidance (2019 expected EBITDA at ~500 €M, +18% y/y, and 2019 Net financial Debt/EBITDA at ~3.0x EBITDA)

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Note: (1) Cash coupon only (net of taxes) excluding extraordinary items
Healthy Revenue growth and strong EBITDA performance

**Net Revenues (€M)**

- **Underlying performance** (excl. run-off of zero-margin HW reselling contracts from acquisitions)

**EBITDA (€M)**

- **Margin**
  - 45%
  - 51%

<table>
<thead>
<tr>
<th>Period</th>
<th>Revenues</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>3Q18</td>
<td>238.0</td>
<td>114.9</td>
</tr>
<tr>
<td>3Q19</td>
<td>251.1</td>
<td>135.6</td>
</tr>
<tr>
<td>9M18</td>
<td>680.1</td>
<td>309.0</td>
</tr>
<tr>
<td>9M19</td>
<td>718.4</td>
<td>368.5</td>
</tr>
</tbody>
</table>

Note: (1) Proforma for Group reorganization and OASI / Bassilichi non core disposal
Merchant Services & Solutions: continued strong growth

**Net Revenues (€M)**
- Underlying performance (excl. run-off of zero-margin HW reselling contracts from acquisitions)
- 3Q18 1
- 3Q19
- 9M18 1
- 9M19
- 48%
- 8.3%
- 6.1%
- 7.7%
- 5.6%

**Managed Transactions (#M)**
- 9M18 1
- 9M19
- 2,344
- 2,612
- 11.5%

**Value of Managed Transactions (€B)**
- 9M18 1
- 9M19
- 183.6
- 192.1
- 4.6%

**Key Highlights**
- SmartPOS proposition progressing well: strong demand for SmartPOS Cassa³ and SmartPOS Mini (full mobility proposition). Frontbook penetration up to 40% with CVM-supported campaigns
- Nexi Business data app: >40% penetration on target customer base, >70% for early adopter banks
- Continued E-Commerce growth (+18% y/y transaction value)
- Value of managed transactions sustained by International Schemes growth (+10.9% y/y), partially offset by reduction in certain domestic debit low value/margin services and fewer inbound International travellers in August

Note: (1) 2018 pro-forma figures. (2) Contribution to total 9M Group Revenues. (3) Electronic cash register
Cards & Digital Payments: continued strong growth

**Net Revenues (€M)**

- 3Q18: 92.2
- 3Q19: 98.2
- 9M18: 266.5
- 9M19: 286.0

- Increase: 7.3% (9M19 vs 9M18)

**Managed Transactions (#M)**

- 9M18: 1,716
- 9M19: 1,884

- Increase: 9.8% (9M19 vs 9M18)

**Value of Managed Transactions (€B)**

- 9M18: 143.7
- 9M19: 149.5

- Increase: 4.0% (9M19 vs 9M18)

**Key Highlights**

- Contribution to growth from up/cross selling, engagement and usage stimulation initiatives (e.g. pay in installments option)

- Continued growth on YAP, with ~650k enrolled clients to date. YAP bank- connect now live

- Value of managed transactions sustained by International Scheme (+10.9% y/y) with strong Debit growth (+31% y/y), partially offset by reduction in certain domestic debit low value/margin services and fewer domestic travellers abroad in August

*Note: (1) 2018 pro-forma figures. (2) Contribution to total 9M Group Revenues*
Digital Banking Solutions: return to growth in Q3 thanks to new propositions

Net Revenues (€M)

- Underlying performance (excl. run-off of zero-margin HW reselling contracts from acquisitions)

3Q18 ²
28.3
3Q19
28.8
9M18 ²
86.1
9M19
84.7

Key Highlights

Self-banking: continued shift from traditional to advanced ATMs and roll out of new higher value self banking products/platform

Digital Corporate Banking: continued growth of installed workstations and roll out new advanced platform

Open Banking Gateway (CBI Globe): 280+ banks / financial institutions live (>78% Italian market) and 60+ third parties connected to date

Note: (1) 2018 pro-forma figures. (2) Contribution to total 9M Group Revenues
Costs: strong reduction despite continuous investment in development initiatives

**Total Costs (€M)**

<table>
<thead>
<tr>
<th></th>
<th>3Q18 1</th>
<th>3Q19</th>
<th>9M18 1</th>
<th>9M19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Costs</td>
<td>36.6</td>
<td>37.7</td>
<td>114.3</td>
<td>121.9</td>
</tr>
<tr>
<td>Operating Costs</td>
<td>86.6</td>
<td>77.7</td>
<td>256.9</td>
<td>228.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>123.1</td>
<td>115.5</td>
<td>371.2</td>
<td>349.9</td>
</tr>
</tbody>
</table>

**Underlying performance** *(excl. run-off of zero-margin HW reselling contracts from acquisitions)*

- **-4.1%** Q/Q
- **-6.2%** Y/Y
- **-3.8%**
- **-5.7%**

**Key Highlights**

- Strong decrease in operating costs driven by saving initiatives and accelerated integration of acquired businesses
- Early results in terms of improved efficiency from implementation of IT strategy
- Continuous investment in people capabilities, Q3 personnel costs positively impacted by holidays accrual
- IFRS 16 impact ~9.3 €M in 9M 2019
- Non-recurring items below EBITDA in 9M ~35 €M (~-60% y/y)

**Note:** (1) 2018 pro-forma figures.
Cost of Debt strongly improved thanks to refinancing

- Gross debt amount (€M)
- Weighted average coupon

<table>
<thead>
<tr>
<th>Yearly cash coupon (€M)</th>
<th>Before Reorganization</th>
<th>Reorganization (July 2018)</th>
<th>After IPO (May 19)</th>
<th>Current</th>
</tr>
</thead>
<tbody>
<tr>
<td>186</td>
<td>8.1%</td>
<td>3.8%</td>
<td>3.1%</td>
<td>1.9%</td>
</tr>
<tr>
<td>2,300</td>
<td></td>
<td>2,600</td>
<td>1,825</td>
<td>1,825</td>
</tr>
</tbody>
</table>

Key Highlights

- 825 €M 1.75% Senior Unsecured Notes (due Oct 2024) issued in October to repay the outstanding 825 €M 4.125% Senior Secured Notes (due Nov 2023)
- Indebtedness now fully unsecured
- Weighted average coupon per annum further reduced from 3.1% post IPO to 1.9%, with yearly cash coupon at 27 €M compared to 186 €M before July 2018
- On Oct 10th Fitch upgraded Nexi IDR to BB with Stable outlook. New Notes rated BB as well

Issuer LT Rating

- Ba2/BB
- Ba3/BB-
- B1/B+
- B2/B
- B3/B-

Note: (1) Bonds/ Loans excluding other financial debt (mainly IFRS16).
(2) Cash coupon only (net of taxes). Normalized yearly interest expenses, including other financial costs and fees (mainly non-cash items i.e. amortized costs) currently stand at 43 €M gross of taxes (33 €M net of taxes). Extraordinary items (e.g. payment of make-whole premium) are excluded from such calculation.
Net Financial Debt / EBITDA expected to be ~3.0x at year-end

### Net Financial Debt (€M)

<table>
<thead>
<tr>
<th></th>
<th>Dec 18</th>
<th>Jun 19</th>
<th>Sept 19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Financial Debt</td>
<td>2,605</td>
<td>1,845</td>
<td>1,878</td>
</tr>
<tr>
<td>Cash</td>
<td>(41)</td>
<td>(231)</td>
<td>(271)</td>
</tr>
<tr>
<td>Cash Equivalents</td>
<td>(110)</td>
<td>(92)</td>
<td>(90)</td>
</tr>
<tr>
<td>Net Financial Debt</td>
<td>2,454</td>
<td>1,523</td>
<td>1,517</td>
</tr>
</tbody>
</table>

### Net Financial Debt / EBITDA (€M)

<table>
<thead>
<tr>
<th></th>
<th>FY18</th>
<th>LTM 2Q19</th>
<th>LTM 3Q19</th>
<th>FY19 - Expected</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>424</td>
<td>463</td>
<td>484</td>
<td>~500</td>
</tr>
<tr>
<td>Net Fin Debt / EBITDA</td>
<td>5.8x</td>
<td>3.3x</td>
<td>3.1x</td>
<td>~3.0x</td>
</tr>
</tbody>
</table>

Note: (1) Visa preferred shares held by the Company, VISA Europe deferred compensation (until Q1 2019) and Oasi earn-out
Annex
## P&L

<table>
<thead>
<tr>
<th>€M</th>
<th>9M18</th>
<th>9M19</th>
<th>Δ% vs. 9M18</th>
<th>Δ% vs. 9M18</th>
<th>3Q18</th>
<th>3Q19</th>
<th>Δ% vs. 3Q18</th>
<th>Δ% vs. 3Q18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Merchant Services &amp; Solutions</td>
<td>327.5</td>
<td>347.7</td>
<td>+8.3%</td>
<td>+6.1%</td>
<td>117.5</td>
<td>124.1</td>
<td>+7.7%</td>
<td>+5.6%</td>
</tr>
<tr>
<td>Cards &amp; Digital Payments</td>
<td>266.5</td>
<td>286.0</td>
<td>+7.3%</td>
<td>+7.3%</td>
<td>92.2</td>
<td>98.2</td>
<td>+6.5%</td>
<td>+6.5%</td>
</tr>
<tr>
<td>Digital Banking Solutions</td>
<td>86.1</td>
<td>84.7</td>
<td>-0.3%</td>
<td>-1.6%</td>
<td>28.3</td>
<td>28.8</td>
<td>+3.3%</td>
<td>+1.8%</td>
</tr>
<tr>
<td><strong>Operating revenue</strong></td>
<td>680.1</td>
<td>718.4</td>
<td>+6.8%</td>
<td>+5.6%</td>
<td>238.0</td>
<td>251.1</td>
<td>+6.7%</td>
<td>+5.5%</td>
</tr>
<tr>
<td>Personnel &amp; related expenses</td>
<td>(114.3)</td>
<td>(121.9)</td>
<td>+6.6%</td>
<td>+6.6%</td>
<td>(36.6)</td>
<td>(37.7)</td>
<td>+3.3%</td>
<td>+3.3%</td>
</tr>
<tr>
<td>Operating Costs</td>
<td>(256.9)</td>
<td>(228.1)</td>
<td>-8.7%</td>
<td>-11.2%</td>
<td>(86.6)</td>
<td>(77.7)</td>
<td>-7.4%</td>
<td>-10.2%</td>
</tr>
<tr>
<td><strong>Total Costs</strong></td>
<td>(371.2)</td>
<td>(349.9)</td>
<td>-3.8%</td>
<td>-5.7%</td>
<td>(123.1)</td>
<td>(115.5)</td>
<td>-4.1%</td>
<td>-6.2%</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>309.0</td>
<td>368.5</td>
<td>+19.2%</td>
<td>+19.2%</td>
<td>114.9</td>
<td>135.6</td>
<td>+18.0%</td>
<td>+18.0%</td>
</tr>
</tbody>
</table>

Note: 2018 pro-forma figures

Underlying growth excluding run-off of zero-margin HW reselling contracts from acquisitions

Underlying growth excluding run-off of zero-margin HW reselling contracts from acquisitions
## Financial guidance (updated in H1 2019 results presentation)

### Net Revenues
- 5-7% annual net revenue growth over medium term
- 2019 growth at lower end of range due to one-time effect of selected contracts run-offs; growth after 2019 at higher end of the range

### EBITDA
- 13-16% annual EBITDA growth over medium term
- 2019 EBITDA ~500 €M (~+18% y/y)
- Continued strong operating leverage

### Non-recurring Items
- >60% reduction in non-recurring items in 2019
- Rapid further decrease of non-recurring items affecting reported EBITDA thereafter

### Capex
- 8-10% ordinary capex as % of net revenues over long term
- Transformation capex on top of ordinary capex of ~180 €M cumulative (2H19 – c.2023)
- Total capex to trend towards ordinary capex as % of net revenues over medium to long term

### Capital Structure & Capital Allocation
- 2019 net debt of ~3.0x EBITDA
- Organic de-leveraging with target net debt of ~2.0-2.5x EBITDA over medium to long term
- Invest in organic growth; potentially consider accretive and strategically compelling M&A
- Progressive moderate dividend policy, targeting pay-out ratio of 20-30% of distributable profits in medium to long term

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Notes:
1. Run-off of zero margin HW reselling contracts of acquired businesses
2. Non-recurring items affecting reported EBITDA in 2019, excluding extraordinary IPO/refinancing expenses
Nexi in a nutshell
Italy: Large and underpenetrated market with unique structural characteristics

<table>
<thead>
<tr>
<th>Feature</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>#4 Largest economy in Europe(^{(1,3)})</td>
<td></td>
</tr>
<tr>
<td>One of the most underpenetrated card payments markets in Europe</td>
<td></td>
</tr>
<tr>
<td>Strong and resilient secular growth</td>
<td></td>
</tr>
<tr>
<td>Unique structural characteristics</td>
<td></td>
</tr>
<tr>
<td>€841bn</td>
<td>2018 Consumer spend(^{(1)})</td>
</tr>
<tr>
<td>3.7m</td>
<td>Largest SME population in Europe(^{(2)})</td>
</tr>
<tr>
<td>24%</td>
<td>Italy vs 45% Western Europe card payment penetration(^{(1)})</td>
</tr>
<tr>
<td>+ ~9%</td>
<td>Card payments transaction value 15-18 CAGR(^{(4)})</td>
</tr>
</tbody>
</table>

Note: Total Consumer Spending is defined as the sum of Card Payment Transactions (Excl Commercial), Cash Transactions, Other Paper Payment Transactions and Electronic Direct/ACH Transactions. This tracks retail purchases, purchases of services, utility payments, rent payments, etc. Excluded transactions include peer-to-peer payments, taxes, fines, loan interest charges, and investments (including real estate). Card Payment Penetration is defined as Card Payment Transactions (Excl Commercial) divided by Total Consumer Spending. Consumer Card Payments is defined as Card Payment Transactions (Excl Commercial).

\(^{(1)}\) Euromonitor International Consumer Finance 2020 Edition. \(^{(2)}\) Eurostat 2015. \(^{(3)}\) Based on Total Consumer Spending. \(^{(4)}\) Bank of Italy – Appendix to the Annual Report 2018 as published in May 2019; based on value of card payment transactions (including credit, debit and prepaid cards).
Nexi: The leading PayTech with full coverage of the payment ecosystem

<table>
<thead>
<tr>
<th>Business Activities</th>
<th>Scale</th>
<th>Share of Served Market</th>
<th>Clients Served</th>
</tr>
</thead>
<tbody>
<tr>
<td>Merchant Services &amp; Solutions</td>
<td>48%</td>
<td>~70%</td>
<td>~890k Merchants served</td>
</tr>
<tr>
<td>Cards and Digital Payments</td>
<td>39%</td>
<td>~60%</td>
<td>41m Payment Cards Managed</td>
</tr>
<tr>
<td>Digital Banking Solutions</td>
<td>13%</td>
<td>16-70%</td>
<td>936m Number of Clearing Transactions</td>
</tr>
</tbody>
</table>

**Merchant Services & Solutions**
- One-stop solution provider for merchants of all categories and size
- SME solutions
- Large merchants omni-channel
- XPay e-commerce & Invisible Payments
- Data-enabled products

**Cards and Digital Payments**
- Comprehensive portfolio, leading towards complete digitalisation of payments
- Consumer Cards
- Commercial Cards
- Mobile Payments
- Payment Apps

**Digital Banking Solutions**
- Driving adoption of advanced banking solutions and developing Open Banking
- Instant Payments
- Self Banking
- Digital Corporate Banking
- PSD2 & Open Banking

**Scale**
- ~890k Merchants served
- €249bn Value of Transactions
- 3.2bn Number of Transactions
- ~70%
- ~90%

**Share of Served Market**
- 41m Payment Cards Managed
- €197bn Value of Transactions
- 2.4bn Number of Transactions
- ~60%

**Clients Served**
- ~30m Cardholders
- >800k SMEs
- 150 Banks
- ~420k Corporate Banking Workstations

Source: Company information. Note: leading Italian PayTech in terms of revenues. (1) 2018 data. (2) Merchant Acquiring and Card Issuing data refer to International Schemes only 2018; Digital Banking solutions shares are based on 2018 data (excl. Clearing based on 2017). (3) Spending Flows through Nexi. Market share calculated as a ratio of Nexi’s Net Issuing + Acquiring volumes on Total Market Acquiring volumes, estimated allocating proportionally Other Issuers’ cards volumes among Nexi’s clients and Other Merchants. Data refer to International Schemes only (VISA and MC) for 2018.
Nexi: The leading PayTech redefining payments in Italy

1. Europe’s most attractive payments market with strong secular growth drivers
2. Established market leader at scale with extensive payments ecosystem coverage
3. Long term, extensive and value-oriented partnerships with Italian banks
4. Superior products driving multiple growth opportunities
5. Leading technology capabilities driving innovation and Next Generation Platform deployment
6. Attractive financial profile combining profitable growth, resilience, operating leverage and strong cash flow generation
7. Strong leadership team with proven track record across all value creation levers
Large and attractive market with secular growth tailwinds

2018 Card Payments Penetration (% by Value)\(^{(1)}\)

<table>
<thead>
<tr>
<th>Country</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Europe</td>
<td>24%</td>
<td>21%</td>
<td>21%</td>
<td>21%</td>
</tr>
<tr>
<td>Italy</td>
<td>24%</td>
<td>21%</td>
<td>21%</td>
<td>21%</td>
</tr>
<tr>
<td>France</td>
<td>6.8%</td>
<td>6.1%</td>
<td>6.1%</td>
<td>6.1%</td>
</tr>
<tr>
<td>Germany</td>
<td>5.8%</td>
<td>6.1%</td>
<td>6.1%</td>
<td>6.1%</td>
</tr>
<tr>
<td>UK</td>
<td>6.7%</td>
<td>6.7%</td>
<td>6.7%</td>
<td>6.7%</td>
</tr>
</tbody>
</table>

Growth of Italian Card Payments Values Outperforming Italian Nominal GDP and Consumer Spending

Index as of 100

<table>
<thead>
<tr>
<th>Year</th>
<th>Card Payments Transactions(^{(5,6)})</th>
<th>Nominal GDP(^{(4)})</th>
<th>Consumer Spending(^{(5)})</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>2010</td>
<td>101</td>
<td>101</td>
<td>101</td>
</tr>
<tr>
<td>2011</td>
<td>102</td>
<td>102</td>
<td>102</td>
</tr>
<tr>
<td>2012</td>
<td>103</td>
<td>103</td>
<td>103</td>
</tr>
<tr>
<td>2013</td>
<td>104</td>
<td>104</td>
<td>104</td>
</tr>
<tr>
<td>2014</td>
<td>105</td>
<td>105</td>
<td>105</td>
</tr>
<tr>
<td>2015</td>
<td>106</td>
<td>106</td>
<td>106</td>
</tr>
<tr>
<td>2016</td>
<td>107</td>
<td>107</td>
<td>107</td>
</tr>
<tr>
<td>2017</td>
<td>108</td>
<td>108</td>
<td>108</td>
</tr>
<tr>
<td>2018</td>
<td>109</td>
<td>109</td>
<td>109</td>
</tr>
</tbody>
</table>

Note: Selected countries include Western European countries and exclude Turkey and countries with data based on modelled assumptions made by Euromonitor International. Total Consumer Spending is defined as the sum of Card Payment Transactions (Excl. Commercial), Cash Transactions, Other Paper Payment Transactions and Electronic Direct/ACH Transactions. This tracks retail purchases, purchases of services, utility payments, rent payments, etc. Excluded transactions include peer-to-peer payments, taxes, fines, loan interest charges, and investments (including real estate). Card Payment Penetration is defined as Card Payment Transactions (Excl. Commercial) divided by Total Consumer Spending.

Card Payments CAGR 15-18 by Value\(^{(2,3)}\)

- Western Europe: 4.2%
- France: 6.1%
- Germany: 5.8%
- UK: 6.7%

Note: (1) Euromonitor International Consumer Finance 2020 Edition. (2) Refers to card payments market. (3) Consumer card payments CAGR 15-18 by value for Nordics based on fixed 2019 euro exchange rates and for all other countries based on local currency. (4) ISTAT, Nominal current market prices. (5) Bank of Italy – Appendix to the Annual Report as published in May 2019. (6) Value of card payment transactions (including credit, debit and prepaid cards).
Extensive payments ecosystem coverage extending to digital and technology solutions

### Covering Traditional Card Payments Rails...
- Merchant Acceptance
- Merchant Processing
- Co-issuing (no credit risk)
- Card Issuer Processing
- POS terminal lifecycle management
- Antifraud, disputes and chargebacks

### ...Relevant Adjacent Digital Services...
- Advanced POS Solutions
- SME Software
- E-Commerce & Invisible Payments
- Mobile Payments
- Data-Enabled Products
- Engagement Platforms

### ...and Extended Payment Solutions
- Instant Payments
- Self Banking
- Digital Corporate Banking
- B2B & e-invoicing
- Omni Acceptance
- PSD2 Gateway & Open Banking
Long-term, extensive and value-oriented partnerships with 150 banks across all segments

Sources: Company information

(1) In terms of branches.

Nexi value contribution to partner banks

Mission Critical Services
Quality of Service and Reliability
Extensive Portfolio of Superior Products
Broad Range of Service Models
Payments Advanced Knowledge Transfer
Scale Benefits / Advantages
Support to Commercial Activity
A rich portfolio of growth drivers and emerging opportunities

**Merchant Services & Solutions**
- SmartPOS
- Large Merchant Omnichannel
- E-Commerce & Invisible Payments
- Omniacceptance
- Merchant App

**Cards & Digital Payments**
- Credit Full Potential
- Corporate Cards Solutions
- Debit evolution
- Mobile Payments
- Next Generation CVM

**Digital Banking Solutions**
- Self Banking
- Instant Payments Solutions
- Digital Corporate Banking for Large-Mid
- ...and for Small/Micro Business
- PSD2 Gateway & Open Banking

**Growth Drivers**

**Emerging Growth Opportunities**
- YAP Millennials Mobile Payments
- Data Enabled Solutions
- B2B/Corporate Payments
- Dual-sided Opportunities
Merchant Services and Solutions: Empowering merchants and simplifying their lives

<table>
<thead>
<tr>
<th>PRODUCT/ INITIATIVE</th>
<th>DESCRIPTION</th>
<th>NEW BUSINESS</th>
<th>CUSTOMER VALUE INCREASE</th>
<th>LAUNCH DATE</th>
</tr>
</thead>
</table>
| SMARTPOS            | • Smart Point-of-Sale comprehensive proposition  
                     • Advanced ECR software for an "all-in-one device"  
                     • Proprietary App store, covering full range of business needs  
                     • Vertical/Industry solutions for SME and bespoke tech, integrated solutions for Large Merchants |  |  | Q3 18 |
| LARGE MERCHANTS OMNICHANNEL | • Omni-channel payments solutions for Large/Key Accounts  
                              • Dedicated sales support, delivery and service model  
                              • Customized solutions for industry verticals |  |  | Q1 19 |
| XPAY E-COMMERCE     | • Comprehensive E-commerce payment gateway  
                              • Easy-to-deploy solution (plug-ins for developers)  
                              • Digital Onboarding in 24/48 h  
                              • Invisible payments-specific solutions, IoT-ready |  |  | Q2 17 |
| OMNIACCEPTANCE      | • Acceptance extension to Additional Rails (e.g. meal voucher, alternative schemes)  
                              • Simplification of merchants’ experience (“one-POS”) |  |  | Q1 19 |
| MERCHANT APP        | • Data-centric mobile app with real-time smart tracking  
                              • Business Intelligence services  
                              • Smart access to self-care activities |  |  | Q4 17 |

Source: 2018 Company information
Cards and Digital Payments:
Expanding portfolio, unlocking usage, leading mobile transformation

<table>
<thead>
<tr>
<th>PRODUCT/ INITIATIVE</th>
<th>DESCRIPTION</th>
<th>NEW BUSINESS</th>
<th>CUSTOMER VALUE INCREASE</th>
<th>LAUNCH DATE</th>
</tr>
</thead>
</table>
| CREDIT FULL POTENTIAL | • Flexible instalment function, “Easy Shopping”
  • Smart/ Dynamic plafond management
  • Full range of solutions, including Black, first contactless metal card in Europe | ![Icon] | ![Icon] | Q4 17 |
| CORPORATE CARDS SOLUTIONS | • Comprehensive portfolio of corporate solutions
  • Centralized virtual account for B2B payments to enter the “procure to pay” segment
  • Lodged virtual card (capture business travel spend) | ![Icon] | ![Icon] | Q2 19 |
| DEBIT EVOLUTION | • International Debit Best-in-class card enabling e-commerce, mobile payments and full international spending
  • National Debit evolution enabling e-commerce and selected mobile payments use cases | ![Icon] | ![Icon] | Q2 17 |
| MOBILE PAYMENTS | • New “mobile-centric” paradigm: instant issuing, card tokenization and Apple, Samsung, Google Pay offering
  • Nexi Pay app: expense monitoring, card management and access to value added services | ![Icon] | ![Icon] | Q4 17 |
| NEXT GENERATION CVM | • CVM campaigns focused on behaviours
  • Fully renovated comprehensive engagement program
  • Frequency of usage and card spending driving initiatives | ![Icon] | ![Icon] | Q2 17 |

Source: 2018 Company information

- +3.8m cards in stock 2018 (+33% YoY)
- ~50 signed and being rolled out
- 4 negotiations ongoing with 4 major banks

- 200 campaigns in 2018
- +8pp on activated cards in welcome campaign
- +73% incremental spending with ad hoc campaign
- +9pp cards reactivation in renewal campaigns
Digital Banking Solutions: Driving advanced banking solutions and developing Open Banking

**INSTANT PAYMENTS SOLUTIONS**
- Highly reliable, secure and efficient solution for instant money transfer
- Nexi Gateway and VAS
- Full pan-European interoperability

**DIGITAL CORPORATE BANKING**
- Advanced solution for Corporates:
  - E-invoice management platform
  - Dedicated mobile app for CFOs
  - Digital signature document exchange platform
- Unique dedicated solution for Small Business

**SELF BANKING**
- Comprehensive end-to-end value proposition
- Innovative “App-like” frontend
- Unique features: “one-click” fast processes, interactive CRM functions, cardless withdrawals
- Full advanced management/outsourcing offer

**OPEN BANKING**
- PSD2 gateway solution for the Italian banking system
- Open Banking value added services and solutions

---

**PRODUCT/ INITIATIVE** | **DESCRIPTION** | **NEW BUSINESS** | **CUSTOMER VALUE INCREASE** | **LAUNCH DATE**
--- | --- | --- | --- | ---
**INSTANT PAYMENTS SOLUTIONS** | - Highly reliable, secure and efficient solution for instant money transfer  
- Nexi Gateway and VAS  
- Full pan-European interoperability | | | **Q2 18**

**DIGITAL CORPORATE BANKING** | - Advanced solution for Corporates:  
  - E-invoice management platform  
  - Dedicated mobile app for CFOs  
  - Digital signature document exchange platform  
- Unique dedicated solution for Small Business | | | **Q1 19**

**SELF BANKING** | - Comprehensive end-to-end value proposition  
- Innovative “App-like” frontend  
- Unique features: “one-click” fast processes, interactive CRM functions, cardless withdrawals  
- Full advanced management/outsourcing offer | | | **Q1 19**

**OPEN BANKING** | - PSD2 gateway solution for the Italian banking system  
- Open Banking value added services and solutions | | | **Q3 19**

---

Source: Company information
Note: Digital Corporate Banking data are inclusive of existing platform and recently launched platform.

- **Q2 18** - 4 Banking Groups onboarded
- **Q1 19** - 15 client banks
- **Q2 18** - 3.6k branches (~14% of total banks’ branches in Italy)
- **Q3 19** - 100+ banks already signed
- **Q1 19** - ~420k workstations
- **Q1 19** - >70% of Italian Banking Market coverage
- **Q3 19** - 13.4k Self Banking terminals (~1/3 Advanced ATM)
- **Q1 19** - 30 seconds one-click withdrawal
Nexi already well positioned to capture additional emerging opportunities

<table>
<thead>
<tr>
<th>Market opportunity</th>
<th>Nexi assets</th>
<th>Nexi progress &amp; outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 6m Millennials in Italy (high propensity to spend, digital consumers of tomorrow)</td>
<td>• Complete range of mobile payments solutions</td>
<td>• YAP app offering both P2B and P2P (to drive virality)</td>
</tr>
<tr>
<td>• Often disconnected from traditional banks</td>
<td>• Instant issuing digital prepaid cards</td>
<td>• Good traction achieved in 6 months (300k+ users) with very high consumer rating (4.7 stars iOS, 41 NPS trending up)</td>
</tr>
<tr>
<td>• Large market opportunity (3.7m enterprises in Italy, ~€85bn EMEA addressable market)</td>
<td>• Strong position in enterprise front-ends (~420k DCB workstations)</td>
<td>• Comprehensive proposition and strategy under development (i.e. e-invoicing, virtual accounts)</td>
</tr>
<tr>
<td>• Rising demand from SMEs and Corporates to digitalize enterprise payments</td>
<td>• Strong position in Corporate Cards, Instant Payments, Open Banking and Merchant Services</td>
<td>• European best practice on anti fraud</td>
</tr>
<tr>
<td>• Unique data capital, leveraging on 5.6bn managed transactions per year</td>
<td>• Opportunities for differentiating solutions through visibility of both “sides” of a transaction</td>
<td></td>
</tr>
<tr>
<td>• Big data &amp; advanced analytics opening new opportunities in payments</td>
<td>• As co-issuer and acquirer, Nexi uniquely positioned to “see” both sides of a significant portion of overall market</td>
<td></td>
</tr>
<tr>
<td>• Opportunities for differentiating solutions through visibility of both “sides” of a transaction</td>
<td></td>
<td>• “On-us” cost benefits and improved frauds detection and chargebacks</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Multiple additional opportunities under development (i.e. large merchants customer profiling..)</td>
</tr>
</tbody>
</table>

Source: Company disclosure
Investing in Technology leading capabilities to drive quality and security, innovation and Next Generation Platform deployment

**People and Capabilities**
- IT Team & Tech capabilities in place
- 6 Digital Factories, 3 specialized structures, 4 CoE in place
- Bassilichi and Sparkling integration
- ~70% new IT managers
- ~110 new hiring
- 72% y-o-y improvement in Service Stability Index
- 99.99% core service availability in 2018
- No data and GDPR breaches
- 4,200 new IT releases in 2018 vs. 1,400 in 2017
- 6 digital factories

**Plan Forward**
- 330+ FTEs (end 2018)
- 72% y-o-y improvement in Service Stability Index
- 99.99% core service availability in 2018
- No data and GDPR breaches
- 4,200 new IT releases in 2018 vs. 1,400 in 2017
- 6 digital factories

**What we delivered (2016-2018)**
- Live service process 24x7x365
- Hot line with main Banks
- Robotic check and prevention
- Security framework and capabilities
- SmartPOS, E-Com, Merchant App
- Mobile Payments, Credit Installment, Debit Evolution, next-gen CVM
- Instant Payments, new Digital Corporate Banking, Self Banking/new ATMs
- YAP, Data, ...
- Data Center insourcing
- POS and ATM management platform
- Merchant Services sales tools and Issuing Onboarding ready
- Clear integrated architectural vision
- Step by step modular execution on going

**Extraordinary Transformation Effort**
- Omni-channel payment gateway
- Digital Corp. Banking completion
- Open banking gateway completion

**Ordinary Effort**
- Ordinary continuous improvement

**Ordinary continuous improvement**
- Ordinary continuous improvement

**Ordinary continuous improvement**
- Data & Analytics implementation
- CRM and ops transformation
- Processing Hubs consolidation
- ...

---

**2016 - 2018**

**WIP**

**December 2018**
Cumulative Transformation Capex required to complete transformation program by 2023 of c.180 €M (included in guidance) on top of 8-10\% Ordinary Capex

Transformation Capex for Extraordinary Innovation and Next Generation Platform deployment:
- 40\% program spend completed to date
- c.180 €M expected to complete (H2 19 – c.2023)
- ~15 IT projects
- average capex of ~12 €M per project, max ~ 30 €M

8-10\% of net revenues
~40\% of program progress
6\% Capex
13\% Capex
7\% Capex
13\% Capex
Attractive financial profile combining profitable growth, resilience, operating leverage and strong cash flow generation (1)

<table>
<thead>
<tr>
<th>Category</th>
<th>Metric 1</th>
<th>Metric 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unmatched Scale in Italy</td>
<td>€931m</td>
<td>€519m</td>
</tr>
<tr>
<td>Consistent Profitable Organic Growth</td>
<td>7.8%</td>
<td>15.5%</td>
</tr>
<tr>
<td>Resilient and Diversified Recurring Revenues</td>
<td>7.2x</td>
<td>47% / 53%</td>
</tr>
<tr>
<td>Proven Operating Leverage</td>
<td>64%</td>
<td>46%</td>
</tr>
<tr>
<td>Strong Cash Flow Generation</td>
<td>€312m</td>
<td>74%</td>
</tr>
</tbody>
</table>

- 2018 Pro-Forma Net Revenues
- 2018 Pro-Forma EBITDA Incl. Initiatives (2)
- 2016-2018 Revenues CAGR Organic
- 2016-2018 EBITDA CAGR Organic
- Cards Spend vs. Consumer Spend CAGR ‘09-’18 in Italy
- Revenue Split (Volume-Driven / Installed Base)
- Fixed Costs as % of Opex
- 2018 EBITDA Margin
- 2018 Operating Cash Flow (3)
- 2018 Cash Flow Conversion (4)

Source: Company information. (1) Selected financials include Aggregated financials for Net Revenue CAGR, Normalised EBITDA CAGR and Fixed Costs as % of Operating Costs. (2) Normalised EBITDA incl. impact of Announced Initiatives expected to be fully realised by 2020. (3) Operating cash flow calculated as Normalised EBITDA minus Ordinary Capex and minus Working Capital. (4) Defined as Normalised Operating Cash Flow as % of Normalised PF EBITDA.
Consistent and solid revenue growth

Net revenues evolution over time

€M – Aggregated

Digital Banking Solutions

Cards & Digital Payments

Merchant Services & Solutions (1)

CAGR: 7.8%(2)

Healthy growth in core markets

Combination of organic growth and delivery of Initiatives

High quality, predictable and recurring revenue model

High resilience driven by product portfolio and large customer base

Source: Company disclosure and Management information.
(1) Includes “Other Services” such as Hotline. (2) Revenues and costs growth overstated by 10M€ vs. underlying performance (no EBITDA impact) due to European prospectus accounting rules limiting pro-forma to only one year.

Pro-Forma

2016-2018 CAGR Aggregated

2016-2018

5.0%(2)

7.0%

9.3%
Consistent and strong EBITDA growth; tangible further uplift from Announced Initiatives

Normalised EBITDA evolution(1) Impact of initiatives

€M

40%  43%  46%  46%

CAGR: 15.5%

317  369  424  424  95  519

2016  2017  2018  Pro-Forma 2018  Announced Initiatives(2)  2018 EBITDA Incl. Initiatives

Strong EBITDA growth
Significant degree of operating leverage (64% fixed operating costs(3))
Efficiency and cost reduction
Substantially enhanced profitability
Tangible EBITDA uplift from Announced Initiatives and realisation of synergies

Consistent and strong EBITDA growth; tangible further uplift from Announced Initiatives

Normalised EBITDA Margin

Source: Company disclosure.
Note: (1) Aggregated figures. (2) Expected to be fully realized by 2020. (3) 2018 Pro Forma.
Strong investments, with Transformation Capex on top of Ordinary Capex

2018 Capital Expenditure\(^{(1)}\)

<table>
<thead>
<tr>
<th>% of Net Revenues (Pro Forma)</th>
<th>16%</th>
<th>7%</th>
<th>9%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Capex</td>
<td>150</td>
<td>65</td>
<td>85</td>
</tr>
</tbody>
</table>

**Transformation Capex**
- Quality and security transformation
- Product portfolio transformation
- Next-Generation Platform deployment
- M&A and corporate separation

**Ordinary Capex**
- Ongoing product innovation
- Ongoing evolutionary maintenance
- Revenue-driven POS and ATM spend

Source: Company and management information.\(^{(1)}\) Net of customer contracts acquisition expenses.
Strong and experienced extended Leadership Team...

Paolo Bertoluzzo
Group CEO

Enrico Trovati
Merchant Services & Solutions

Andrea Mencarini
Cards & Digital Payments

Renato Martini
Digital Banking Solutions

Roberto Catanzano
Business Development

Giuseppe Dallona
CIO

Bernardo Mingrone
Group CFO

Marco Ferrero
Commercial Division

Stefania Gentile
Mercury Payments

Federico Ferlenghi
Operations & Help Line

Silvia Beraldo
CAO

Saverio Tridico
Corporate & External Affairs

Daniela Bragante
Compliance & AML

Emanuele Boati
Audit

Alessia Carnevale
Risk

Source: Company disclosure.

~2000 FTEs; ~1000 new vs. 2016

350 new talent hired coming from >100 corporates

83% new in Top 100
...with proven track record of delivery across all value creation levers

Outstanding Financial Performance

+15.5% EBITDA Organic CAGR ’16-’18\(^{(1)}\)

Value-Accretive M&A

Corporate Reorganisation

From Banking group to Technology group

Broadened and Strengthened Product Offering

Full Digital Payments Portfolio

IT and Technology Transformation

Investment of €325M in 3 years

Strengthened Capabilities and Team

260+ new hires

Rebranding

260+ new hires
Nexi: Best poised to capture multiple avenues for future value growth

1. **Italian Market Strong Tailwinds**
   - One of the most underpenetrated card payments markets in Europe
   - Strong and resilient growth
   - National Agenda towards a cashless society

2. **Ongoing Growth Product Initiatives**
   - Broad portfolio of product initiatives across all business segments:
     - Merchant Services & Solutions
     - Cards & Digital Solutions
     - Digital Banking Solutions

3. **Capture Future Strategic Growth Opportunities**
   - B2B / corporate payments
   - Open banking
   - Millennials / mobile centric payments
   - Data products and propositions

4. **Further Margin Expansion**
   - IT strategy
   - Operations transformation
   - Continued operational efficiencies

5. **Potential Local M&A Opportunities**
   - Further consolidation
   - Value chain expansion (e.g. books)
   - Capabilities enhancement in strategic product/tech areas

6. **Potential International M&A Opportunities**
   - International acquisitions
   - Actor in pan-European consolidation

“Future-Ready”
- Breadth of portfolio
- Market entrenchment
- Full set of capabilities
Supporting Materials
Italy - Acceptance infrastructure already in place, enabling market growth

Italy’s Infrastructure is ready for further card payment penetration (1,2)

- Size of flag bubble represents relative total consumer spend (2)

Note: Selected countries include Western European countries and exclude Turkey and countries with data based on modelled assumptions made by Euromonitor International. Total Consumer Spending is defined as the sum of Card Payment Transactions (Excl Commercial), Cash Transactions, Other Paper Payment Transactions and Electronic Direct/ACH Transactions. This tracks retail purchases, purchases of services, utility payments, rent payments, etc. Excluded transactions include peer-to-peer payments, taxes, fines, loan interest charges, and investments (including real estate). Card Payment Penetration is defined as Card Payment Transactions (Excl Commercial) divided by Total Consumer Spending.

SME and physical dominated market. E-commerce still at inception

---

**SME and physical dominated market**

- **Total Acquiring Market 2018: €220bn**
  - International Large Brick and Mortar: ~€5bn
  - National Large Brick and Mortar: ~€15bn
  - National Large Multichannel Players: ~€60bn
  - Global Multichannel Players: ~€23bn
  - Large Pure Digital Players: ~€15bn
  - SMEs: ~€102bn

**Segment dominated by purely physical SMEs**
- (multichannel and purely digital SMEs representing approx. 5% of volumes)

**Largest SME population in Europe (3.7M)**

---

**Italy has the lowest E-commerce penetration...**
- 2018 online share of total retail consumption: 6.5%
- 2017-18 growth in value of online transactions (2017-18): 16.0%

**...and the highest recent growth rates**
- 2017-18 growth in value of online transactions (2017-18):
  - France: 14.0%
  - Germany: 9.0%
  - UK: 12.0%
  - Italy: 12.0%

---

**Value of Total Acquiring Market 2018:**
- Large Pure Digital Players: ~€15bn
- National Large Brick and Mortar: ~€15bn
- National Large Multichannel Players: ~€60bn
- International Large Brick and Mortar: ~€5bn
- Global Multichannel Players: ~€23bn
- SMEs: ~€102bn

---

(1) Euromonitor International Consumer Finance, 2019 Edition for size of card transaction values; Management estimates for segmentation. (2) Politecnico, Osservatorio eCommerce B2c, Oct 2018. (3) E-commerce penetration calculated as the ratio between online spending and total spending (online and physical). Online spending includes purchases of products and services, excluding digital-only contents. Total spending is calculated on those categories of products that are sold online but that are also available offline (i.e. excluding cigarettes, gaming, betting etc.).
Reference Market and Nexi’s Share of Served Market
Merchant Services & Solutions

Italian consumer card payments market (transactions, €B)

<table>
<thead>
<tr>
<th>Year</th>
<th>Physical</th>
<th>E-commerce (1)</th>
<th>CAGR 18-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>167</td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>180</td>
<td>26</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>189</td>
<td>31</td>
<td>8%</td>
</tr>
</tbody>
</table>

Nexi’s share of served market (2) (2018)

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Nexi</th>
<th>Other Italian players</th>
<th>International acquirers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquiring International schemes</td>
<td>14%</td>
<td>14%</td>
<td>2%</td>
</tr>
<tr>
<td>o/w Physical</td>
<td>72%</td>
<td>15%</td>
<td>70%</td>
</tr>
<tr>
<td>o/w E-commerce</td>
<td>83%</td>
<td>10%</td>
<td>21%</td>
</tr>
<tr>
<td>o/w E-commerce excluding Top 20 Global Players(3)</td>
<td>38%</td>
<td>20%</td>
<td>42%</td>
</tr>
</tbody>
</table>

Leading share of served market in Italian acquiring

Note: Euromonitor International Consumer Finance – 2019 Edition; Total Consumer Spending is defined as the sum of Card Payment Transactions (Excl Commercial), Cash Transactions, Other Paper Payment Transactions and Electronic Direct/ACH Transactions. This tracks retail purchases, purchases of services, utility payments, rent payments, etc. Excluded transactions include peer-to-peer payments, taxes, fines, loan interest charges, and investments (including real estate). Consumer Card Payments is defined as Card Payment Transactions (Excl Commercial).

Source: Euromonitor International Consumer Finance – 2019 Edition. (1) e-comm market volumes estimated allocating proportionally Other Issuers’ cards volumes among Nexi clients and Other Merchants. Data refer to International Schemes only. (2) Internal estimates for Acquiring International volumes, on the hypothesis of a proportional distribution of Other Issuers’ cards volumes among Nexi’s clients and Other Merchants. Acquiring international volumes (POS and ATM transactions). (3) Management estimates.
Reference Market and Nexi’s Share of Served Market
Cards & Digital Payments

Italian Issuing Market Transactions at POS and ATM (€B)

  - 2016: +4.5%
  - 2017: +18.1%
  - Of which:
    - Int’l debit: +53%
    - Nat’l debit: +22%

  - 2018: +2.8%
  - Of which:
    - Int’l debit: 22%
    - Nat’l debit: 78%

  - 2018: +4.6%

2018 Nexi’s Shares of Served Market (by Value of Transactions)(1)

- Nexi: 23% (Credit), 61% (Debit), 77% (Prepaid)
- Others: 77% (Credit), 39% (Debit), 23% (Prepaid)

Main Differences Compared to Other EU Countries

- Credit: mainly charge cards with low credit limit
- Debit: legacy and shrinking share of National debit; International debit only recently introduced and accelerating
- Prepaid: high number of cards with low level of activation; mainly used for e-commerce

Leading served market share across segments in a growing issuing landscape, still dominated by National debit products

Source: Bank of Italy; Management estimates.
(1) Includes POS and ATMs issuing transactions; Market shares calculated as a ratio of Nexi’s volumes on total market volumes provided by Global Data.
Established market leader at scale covering all value chain activities, in the same country

- **Issuing and Acquiring core processing, both on International and National schemes**
  - Performed either through in-house platforms or selected outsourcing partners

- **Card production factory**
  - Antifraud and fraud management
  - Disputes and chargebacks
  - Cards produced: ~10m

- **POS terminal lifecycle management (Multi–HW on multi OEM)**
  - Terminals managed:
    - 1.4m POS
    - 13.4k ATM

- **6 Digital Factories**
  - 500+ Product and Technology professionals
  - Dedicated customer value management teams
  - Co-branded banks marketing campaigns deployment

- **Banks pricing support tools**
  - Sales advisory and trade marketing teams

- **Largest payments-focused Customer Care**
Serving Banks with multiple business models to fit their strategic needs

Nexi Business Models

Technological Platform
- Processing
- Clearing & Settlement

Operations
- Operations
- POS Mgmt / Front-end
- Scheme Member-ship
- Product Design and Marketing

Products / Solutions
- Pricing and Sales
- Customer Mgmt

Sales & Customer Mgmt

Key Characteristics

- End to End value creation also supporting customer facing activities
- End to End products / services including VAS and CVM
- Full exploitation of innovation roadmap

Referral (acquiring merchant books)

Licensing

Associate

Servicing

Source: Company disclosure. (1) Disputes, Frauds, Customer care, Account statement.
Established, deep, robust and value-oriented bank relationships

<table>
<thead>
<tr>
<th>Long, established and deep...</th>
<th>...value-oriented partnerships...</th>
<th>...underpinned by established agreements</th>
</tr>
</thead>
</table>
| • Most bank partnerships have been in place for more than 25 years | • Multiple product/service relationships with each bank  
• “Volume based” pricing allowing further future upside  
• Evolving towards more value-added models | • Multiple contracts per relationship: ~150 relationships for a total ~1,000 contracts  
• 54% of revenues in contracts/distribution agreements to 2023+  
• 86% of top 5 partner banks’ revenues committed to 2023+ (68% to 2025+)\(^{(1)}\)  
• Most of the remaining contracts with undated duration\(^{(3)}\) |
| • Top 10 partner banks\(^{(1)}\) have been customers for > 15 years | | |
| • No customer loss since 2015 change of ownership\(^{(2)}\) | | |
| • Customer concentration reflects Italian Banking sector | | |

Source: Company disclosure
\(^{(1)}\) By 2018 normalised revenues. \(^{(2)}\) Excluding banks’ consolidation transactions. \(^{(3)}\) Subject to termination by the client bank.
Nexi investing to drive the transition from cash to digital payments in Italy

**Key Limiting Factors For Digital Payments penetration**

**Acceptance Infrastructure**
- Infrastructure well in place and contactless-ready but...
- Still uneven distribution of POS terminals amongst merchants
- Low speed due to poor connectivity

**Cards infrastructure**
- Unbalanced mix, high share of prepaid and relatively low credit
- Credit mainly charge, with low plafond limit; revolving marginal
- Debit still dominated by national scheme with limitations

**Perception**
- Consumer perception on spending control
- Merchant perception on reliability, control and price complexity

**Proposed Solutions**
- “Start” simple bundled offer to address unpossed merchants
- m-POS, Smart POS mini 4G
- POS replacement/reconfiguration to broadband connectivity
- Accelerated transition to Contactless
- Revamped and extended credit portfolio
- CVM, installment/EasyShopping, smart allowance mgmt., ...
- International Debit, Next generation National scheme
- Nexi Pay, Spending control, #iocontrollo, 3DS, Biometrics
- Nexi Business, simplified packages, micro-payments offer
Continued investments in our IT platform resulting in impressive delivery across all areas

<table>
<thead>
<tr>
<th>AREA</th>
<th>1H 2017</th>
<th>2H 2017</th>
<th>1H 2018</th>
<th>2H 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product innovation</td>
<td>International debit</td>
<td>ApplePay</td>
<td>SmartPOS and app</td>
<td>New Nexi Pay</td>
</tr>
<tr>
<td></td>
<td>consumer</td>
<td>Nexi Business app</td>
<td>marketplace</td>
<td></td>
</tr>
<tr>
<td></td>
<td>X-Pay ecommerce</td>
<td>New portals (company and</td>
<td>PagoPa POS integration</td>
<td>YAP mobile payments app</td>
</tr>
<tr>
<td></td>
<td>gateway revamping and</td>
<td>cardholder)</td>
<td>New prepaid range</td>
<td></td>
</tr>
<tr>
<td></td>
<td>digital onboarding</td>
<td></td>
<td>International debit</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>business</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Samsung Pay</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>New #ioSi engagement</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>platform</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Bancomat contactless</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Bank API integration</td>
<td></td>
</tr>
<tr>
<td>IT transformation</td>
<td>Live service monitoring</td>
<td>Digital Factories set-up</td>
<td>POS Terminal Manager</td>
<td>Nexi Blue</td>
</tr>
<tr>
<td></td>
<td>/ Control Room</td>
<td></td>
<td>consolidation and</td>
<td>data center insourcing</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>insourcing</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>ATM terminal manager</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>insourcing</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Digital Factories 2.0</td>
<td></td>
</tr>
<tr>
<td>Bank transformation</td>
<td>UBI Banca Unica</td>
<td>Acquired banks merger in</td>
<td>Veneto banks merger into</td>
<td>Banco/BPM</td>
</tr>
<tr>
<td>projects</td>
<td>Consolidation</td>
<td>BPER (Carife)</td>
<td>ISP</td>
<td>merger</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Acquired banks merger in</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>CA / Cariparma</td>
</tr>
<tr>
<td>Corporate Transfor-</td>
<td>DB merchant books</td>
<td>Company rebranding</td>
<td>Sparkling18 operational</td>
<td>Banking activities</td>
</tr>
<tr>
<td>mation / M&amp;A</td>
<td>integration</td>
<td></td>
<td>integration</td>
<td>carve-out</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Bassilichi integration</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Carige merchant books</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>integration</td>
</tr>
</tbody>
</table>

Source: Company information.

+550 new IT releases
+850 new IT releases
+2,000 new IT releases
+2,200 new IT releases
Modular, progressive, evolutionary deployment of Next Generation Platform to boost innovation and cost-efficiency

- Clear integrated architectural vision, detailed design and execution plan
- Gradual step-by-step evolution
- Modular approach in controllable, self-standing, value-creating deliveries
- Best-of-breed combination of components, in-house and with Partners
- Nexi IP on key differentiating components (e.g. digital front-end, API-layer, ...)
- Full Nexi control through strong competences and governance
## Transaction processing layer: leveraging strategic partnerships and internal capabilities

<table>
<thead>
<tr>
<th>Terminal Management POS</th>
<th>Actual</th>
<th>Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mix of internal/external GT POS capabilities</td>
<td>Progressive rollout of Nexi POS TM</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Terminal Management ATM</th>
<th>Actual</th>
<th>Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group ATM platform ready and deployment started</td>
<td>Progressive rollout of Nexi ATM TM</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cards</th>
<th>Actual</th>
<th>Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mix of internal and outsourced processing technology for international cards</td>
<td>Next generation solution and operating model for card platform being assessed</td>
<td></td>
</tr>
<tr>
<td>Nexi routing capabilities based on standard national protocols for national debit</td>
<td>Deploying Nexi platform for prepaid by H1 2019</td>
<td></td>
</tr>
<tr>
<td>Full internal capabilities</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Acquiring</th>
<th>Actual</th>
<th>Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mix of internal and outsourced processing technology</td>
<td>Next generation solution and operating model for clearing and settlement being assessed</td>
<td></td>
</tr>
<tr>
<td>Full internal capabilities</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Payments</th>
<th>Actual</th>
<th>Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partnership with strategic providers</td>
<td>Continued gradual evolution of legacy platforms</td>
<td></td>
</tr>
<tr>
<td>Connections and gateway layer owned by Nexi</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Strategic M&A and corporate restructuring core to the reshaping of Nexi as a PayTech leader

**In (1)**

- **SETEFI INTESA SANPAOLO CARD** (12/2016)
- **Merchant Acquiring Business**
  - **Deutsche Bank** (6/2017)

**SPARKLING 18** (4/2018)

- **Rebranding**
  - **nexi** (11/2017)

**2016**

- **Merchant Acquiring Business**
- **Transfer Agent**
- **Pension Fund**
- **Brokerage and Market Making**

**2017**

- **"Non-core" real estate portfolio**

**2018**

- **"Non-core" real estate**
- **Fondo Italiano di Investimenti**

**2019**

- **DEPO Bank**
  - **BANCA CARIGE** (9/2018)
  - **BANCA DEPOSITARIA ITALIANA**

Source: Company disclosure.

(1) Including transactions concerning the former ICBPI Group
(2) Separated following the July 2018 Corporate Restructuring operations.
(3) Other Assets held for sale include BassmArt.
(4) Closing upon authorisation by Banca d’Italia.
Growth driven by disciplined M&A and organic development

**EBITDA evolution (€M)**

- **Scale in Payments**
  - CAGR: 15.5%
  - 95\(^{(2)}\) to 519

- **Grow Organically**
  - 2016
  - 2018

- **Refocus on Payments**
  - 227
  - 171

**Corporate Separation & Disposals**

**Accretive M&A**

**Organic Growth**

**Source:** Company disclosure and Management information.

\(^{(1)}\) Including transactions concerning the former ICBPI Group (now DepoBank).

\(^{(2)}\) Expected to be fully realised by 2020.
Nexi revenue growth drivers

**Nexi Initiatives**
- ✔ Customer Value Management
- ✔ Cross-sell / Up-sell
- ✔ New Products
- ✔ New Clients / Segments

**Volume Growth**
- ✔ Driven by market growth (transaction volumes and transaction values)
- ✔ Supported by strong secular tailwinds
- ✔ Recurring revenues

**Installed Base Growth**
- ✔ Driven by installed base across segments (e.g. POS, Cards)
- ✔ Slower growth vs. volume growth
- ✔ Recurring revenues

**Potential Additional Factors**
- • Market effects
- • Regulatory effects
- • Non-performing contracts
- • …
Strong evolution in our key operating KPIs

**Transaction volume (#M)**

- **Merchant Services & Solutions (1)**
  - 2016: 2,631
  - 2017: 2,855
  - 2018: 3,196
  - CAGR 2016-2018: 9.8%

- **Cards & Digital Payments (1)**
  - 2016: 1,955
  - 2017: 2,135
  - 2018: 2,357
  - CAGR 2016-2018: 5.5%

**Transaction value (€B)**

- 2016: 221
- 2017: 233
- 2018: 249
- CAGR 2016-2018: 5.5%

**Revenue breakdown (2018, Aggregated)**

- **Volume Driven Revenue**: 47%
- **Installed Base Driven Revenue**: 53%

**Predominantly all revenues are recurring in nature**

- **Volume Driven linked to Market Growth** (transactional based on transaction # or value)
- **Installed Base Driven linked to Client Units** (monthly or annual fees for POS rental, mobile apps, cards, etc.)

Source: Company information

(1) Group figures for 2016-18 include the pro-forma impact of the full fiscal year contribution from the acquisitions of Mercury Payments, acquired merchant books, and Bassilichi. Figures include the total number of transactions managed under our licensing, servicing and direct issuing and acquiring models.
Revenues underpinned by strong bank partnerships

Revenues for top customers continue to grow; relative contribution aligned with market

Majority of revenues are based on large number of granular product-level contracts

Relationships with most large banks underpinned by multi-year framework agreements

Strong track record of contract renewals and early extension of framework agreements

No material customer losses during the last 3 years (3)

Value-based partnerships with partner banks

Mission critical services with high switching costs and increasing shift towards outsourcing

Source: Company disclosure and Management information.
Note: (1) By 2018 normalised revenues. (2) Subject to termination by the client bank. (3) Excluding banks’ consolidation transactions.
Established track record in delivering on Announced Initiatives

Cumulative EBITDA from Announced Initiatives (Since 2017)
- Cumulative EBITDA from Announced Initiatives already realized since 2017
- On average ~€50m of EBITDA from Announced Initiatives realised per annum

Includes initiatives announced in relation to disposed businesses and DepoBank separation perimeter

1. Cost Savings
   - Reduction of production costs, personnel expenses through voluntary exits and early retirements
   - Renegotiated IT processing contracts with key suppliers
   - Targeted actions on IT infrastructure insourcing
   - Run-rate savings from operations improvement

2. Integration Synergies
   - G&A and procurement savings
   - Rationalisation of acquired IT platforms and corporate systems
   - Corporate structure simplification

3. Innovation and CVM
   - E-commerce offering
   - Mobile payments (Apple Pay, Google Pay and Samsung Pay)
   - International debit
   - Commercial cards
   - Instant payments
   - Open Banking

Source: Company disclosure and Management information.
### Cost Area

<table>
<thead>
<tr>
<th>Description</th>
<th>2018 Cost Base (€M)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operations</strong></td>
<td>~120</td>
</tr>
<tr>
<td>• Customer Care: Continuous improvement on self-care tools and internal processes, leveraging on digital and improving customer experience</td>
<td></td>
</tr>
<tr>
<td>• Operations Effectiveness: End-to-end digital transformation of the main processes in the operations value chain; optimisation of production and stock management practices</td>
<td></td>
</tr>
<tr>
<td>• Data &amp; Analytics: Deployment of predictive tools enabled by big data analytics to further reduce frauds and increase customer satisfaction</td>
<td></td>
</tr>
<tr>
<td><strong>IT Costs</strong></td>
<td>~180</td>
</tr>
<tr>
<td>• IT strategy evolution: Develop a new IT architecture, with more activities and IT processes insourced and launch of next generation platforms with higher efficiency and scalability</td>
<td></td>
</tr>
<tr>
<td>• Other IT efficiencies: Maximization of synergies related to Bassilichi (ATM management) and MePs integration</td>
<td></td>
</tr>
<tr>
<td><strong>Other costs (G&amp;A, HR, ...)</strong></td>
<td>~200</td>
</tr>
<tr>
<td>• HR: Continuous focus on organisation optimisation in coherence with business evolution and outsourcing / insourcing mix</td>
<td></td>
</tr>
<tr>
<td>• Procurement: Further improve procurement processes and maintain strong control of renegotiations</td>
<td></td>
</tr>
<tr>
<td>• G&amp;A: automation of manual, low / non-value added activities; extend “Zero based budgeting” to all cost categories</td>
<td></td>
</tr>
</tbody>
</table>
Disposal of non-core assets provided internal funding of transformation and non-recurring costs

### Non-Recurring and Extraordinary Items

<table>
<thead>
<tr>
<th>Category</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformation</td>
<td>50</td>
<td>134</td>
<td>131(2)</td>
</tr>
<tr>
<td>• Extraordinary costs linked to transformation projects (including re-branding)</td>
<td>36</td>
<td>54</td>
<td>38</td>
</tr>
<tr>
<td>HR Restructuring</td>
<td>16</td>
<td>51</td>
<td>21</td>
</tr>
<tr>
<td>• Mainly Nexi in 2016 / 2017 and Bassilichi in 2018</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>M&amp;A, Corporate Reorganisation &amp; Other Items</td>
<td>(1)</td>
<td>29</td>
<td>72</td>
</tr>
<tr>
<td>• M&amp;A-related extraordinary items, DepoBank separation(3), Bond refinancing, start-up investments (e.g. YAP)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Cumulative ‘16-’18 impact of non-recurring items affecting reported EBITDA **€315m**

### Extraordinary Items Below EBITDA

<table>
<thead>
<tr>
<th>Category</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>PPA</td>
<td>-</td>
<td>33</td>
<td>49</td>
</tr>
<tr>
<td>• D&amp;A related to the acquisitions of Carige, MPS and DB books</td>
<td>-</td>
<td>33</td>
<td>40</td>
</tr>
<tr>
<td>Debt Pushdown</td>
<td>-</td>
<td>-</td>
<td>9</td>
</tr>
<tr>
<td>• One-off rating agencies fees as well as amortisation of the bond cost</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Proceeds from Disposals

<table>
<thead>
<tr>
<th>Disposals</th>
<th>EV (€M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fondo Italiano di Investimenti</td>
<td>25</td>
</tr>
<tr>
<td>TAPF (Transfer Agent Pension Fund)</td>
<td>114</td>
</tr>
<tr>
<td>Brokerage and Market Making</td>
<td>16</td>
</tr>
<tr>
<td>&quot;Non-core&quot; real estate portfolio</td>
<td>2</td>
</tr>
<tr>
<td>Bassilichi Business Services</td>
<td>73</td>
</tr>
<tr>
<td>&quot;Bassilichie CEE&quot;</td>
<td>0.1</td>
</tr>
<tr>
<td>Oasi</td>
<td>149</td>
</tr>
<tr>
<td>MoneyNet (3)</td>
<td>0.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>381</strong></td>
</tr>
</tbody>
</table>

Source: Company and management information.  
(1) Including transactions concerning the former ICBPI Group (former DepoBank). (2) Includes €21m capital gain from the disposal of "Banche venete" acquiring books. (3) Closing upon authorisation by Banca d’Italia.
Strong normalised net income

**Bridge from Normalised Pro-Forma EBITDA to Net Income** (adjusted for non-recurring items and PPA)

€M – Pro-Forma (2018)

- **Pro-Forma EBITDA**: 424
- **Less D&A**\(^{(2)}\): (75)
- **PF Interest Expense**\(^{(3)}\): (60)
- **PF Cash Taxes & Minorities**\(^{(4)}\): (103)
- **Normalised Net Income**: 186
- **Announced Initiatives (post-tax)**\(^{(1)}\): 64
- **Normalised Net Income Incl. Initiatives**: 250

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**Source:** Company disclosure and Management information.

1. €55m impact of Announced Initiatives expected to be fully realized by 2020, taxed at 27.5% IRES and 5.5% IRAP.
2. D&A: Ordinary D&A only, excludes D&A related to acquired customer contracts.
3. PF interest expense based on illustrative post-IPO PF Capital Structure excluding debt amortization costs.
Attractive normalised cash flow generation

Normalised Pro-Forma EBITDA to Cash Flow (2018)

€M – Pro-Forma Financials

<table>
<thead>
<tr>
<th>Component</th>
<th>Value (€M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pro-Forma EBITDA</td>
<td>424</td>
</tr>
<tr>
<td>Ordinary Capex</td>
<td>(85)</td>
</tr>
<tr>
<td>Change in WC</td>
<td>(27)</td>
</tr>
<tr>
<td>Normalised Operating Cash Flow</td>
<td>312</td>
</tr>
<tr>
<td>PF Interest Expense</td>
<td>(60)</td>
</tr>
<tr>
<td>PF Cash Taxes &amp; Minorities</td>
<td>(103)</td>
</tr>
<tr>
<td>Normalised Free Cash Flow</td>
<td>149</td>
</tr>
<tr>
<td>Announced Initiatives</td>
<td>64</td>
</tr>
<tr>
<td>Normalised FCF Incl. Initiatives</td>
<td>213</td>
</tr>
</tbody>
</table>

Cash Conversion as % of Pro-Forma EBITDA: 74%

Source: Company disclosure

(1) Based on management estimates; reflect cash in transit and fully matched settlement balances.
(2) PF interest expense based on illustrative post-IPO PF Capital Structure and excluding debt amortization costs.
(3) Cash Taxes based on PBT and illustrative post-IPO PF Capital Structure.
(4) €95m Impact of Announced Initiatives expected to be fully realized by 2020, taxed at 27.5% IRES and 5.5% IRAP.
Illustrative demonstration of issuing and acquiring payment flows

<table>
<thead>
<tr>
<th>Consumer</th>
<th>Makes a digital payment by presenting a payment card for its purchase at a merchant (which may be a retail outlet or online store)</th>
</tr>
</thead>
</table>
| Card Issuer | Bank or other service provider which manages the consumer’s payment card and underlying bank account or credit allowance  
| | Receives a digital request to authorize the card transaction, after verifying that the consumer has sufficient funds available |
| Card Scheme | Passes the payment to the merchant acquirer less a scheme fee and an interchange fee payable to the card issuer |
| Merchant Acquirer | Settles the transaction value with the merchant  
| | As compensation for its services to the merchant, it charges the merchant a gross merchandise service charge, based on a percentage of the transaction value |