CONSOLIDATED INTERIM FINANCIAL REPORT

AS AT 30 JUNE

2024

This is the English translation of the original Italian document "Relazione Finanziaria Semestrale Consolidata al 30 giugno 2024".
In any case of discrepancy between the English and the Italian versions, the original Italian document is to be given priority of interpretation for legal purposes.

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CORPORATE BODIES

At the date of the meeting of the BoD of 31 July 2024

Board of Directors

Term of office: approval of financial statements as at 31 December 2024

Chair	Michaela Castelli (*) (**) (***)
Chief Executive Officer	Paolo Bertoluzzo (*)
Directors	Elena Antognazza (****)
	Ernesto Albanese (**)
	Luca Bassi (*)
	Maurizio Cereda (***)
	Elisa Corghi (***) (****)
	Johannes Korp (*)
	Marina Natale (**) (****)
	Luca Velussi
	Francesco Casiraghi (*)
	Francesco Pettenati (*)
	Marinella Soldi

(*) Strategic Committee members
(**) Members of the Risk and Sustainability Committee
(***) Members of the Remuneration and Appointments Committee
(****) Members of the Related Parties Committee

Board of Statutory Auditors

Chair	Giacomo Bugna
Statutory auditors	Eugenio Pinto
	Mariella Tagliabue
Alternate auditors	Serena Gatteschi
	Sonia Peron

Office of the General Manager

General Manager	Paolo Bertoluzzo

Financial Reporting Manager

Enrico Marchini

Independent Auditors

PricewaterhouseCoopers S.p.A.

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CONSOLIDATED INTERIM MANAGEMENT REPORT

CONSOLIDATED INTERIM MANAGEMENT REPORT

Introduction

The Consolidated Interim Financial Report for Nexi Group as at 30 June 2024 (hereinafter "Interim Report"), drafted pursuant to art. 154-ter of Italian Legislative Decree 58/98, report a net loss of approximately Euro 32.6 million.

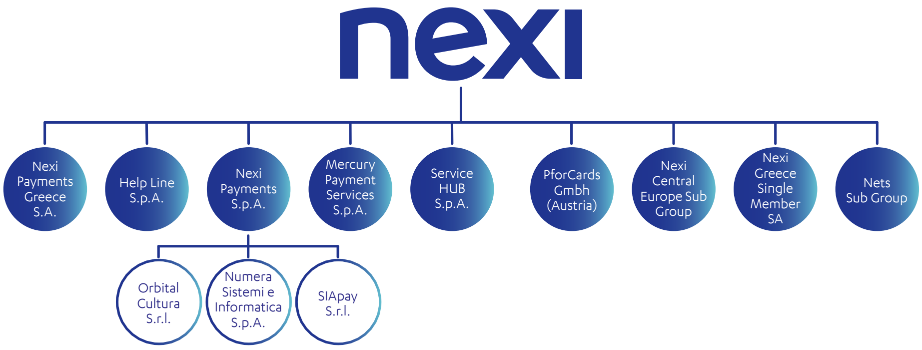
The Interim Report as at 30 June 2024 was drafted pursuant to IAS/IFRS international accounting standards issued by the International Accounting Standards Board (IASB) and the pertinent interpretation documents of the International Financial Reporting Interpretations Committee (IFRIC), ratified by the European Commission, as provided for by Regulation (EC) No. 1606 of 19 July 2002.
In particular, the Interim Report has been drafted pursuant to the provisions set forth under paragraph 10 of IAS 34 concerning statements in condensed form.

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

The Nexi Group

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

The Nexi Group remains the main operator in Italy and one of the main operators in Europe in the paytech sector, and as at 30 June 2024 is comprised of the parent company Nexi SpA and the subsidiaries listed under section 1 of the Notes. Compared to 31 December 2023, the Group's scope did not change significantly.
Below is a list of companies directly controlled by Nexi SpA. With regard to the "Sub Group Nets" and the "Sub Group Nexi Central Europe", please refer to the aforementioned section of the Notes.



Based on representations provided pursuant to art. 120 of Italian Legislative Decree 58/98 and on further information available, as at 30 June 2024, Nexi SpA's major shareholders are:

- Evergood H&F Lux S.à.r.l: 19.89%
- Cassa Depositi e Prestiti SpA: 13.55%
- Mercury UK HoldCo Ltd: 9.27%
- Eagle (AIBC) & Cy SCA: 6.07%
- Poste Italiane SpA: 3.54%
- AB Europe Investment S.à.r.l: 2.01%
- Neptune BC: 2.01%
- Float: 43.66%

Macroeconomic Landscape

The first half of 2024 confirmed the resilience of the world's major economies. Despite a deceleration from the end of 2023, the US remained around +3% YoY, and the EU weakly resumed growth (in Q1 +0.3% compared to -0.1% in Q4 2023). China maintained the momentum of late 2023, with +5.3% YoY, buoyed by exports.
Inflation remains under close watch, with a less significant reduction than expected in the USA and still high dispersion among the various EU countries, despite a generally satisfactory decline. In China, on the other hand, persistent zero inflation indicates still weak domestic demand.
While in the post-election period European countries will have to forcibly rethink their defence strategies, according to leading research institutes the world economy will slow slightly in 2024 due to the simultaneous deceleration of the planet's main economic areas.
Moreover, precisely because of expectations of a general slowdown in the world's major economies, cost pressures on the international trade side remained subdued, despite persistent tensions in the Middle East and technical problems in the Panama Canal, which lengthened trade routes and increased transport costs.

The European Economy

In 2024, gross product trends in Europe are performing consistently and moderately positively. Inflation trends are also rather encouraging: the harmonised index confirms a gradual cooling, especially of the core component, with the services sector in particular returning to its lowest level in 20 months. However, due to differences in the impact of energy costs, differences in the price dynamics of different European countries remain noticeable, which could lead to some delay in the loosening of restrictive monetary policies. Notwithstanding these considerations, the process started with the first rate cut by the ECB in June, which, according to announcements, will be followed by others in the course of the year. Thus the timing and intensity of monetary policy actions have been confirmed, unlike in the US, compared to what was expected at the end of 2023. This will lead to a temporal misalignment between monetary policies on both sides of the Atlantic. In the US, the slow return of inflation to target values and the high dynamics of domestic demand are contributing to the Fed's continued caution to abandon its restrictive posture. Consequently, the gradual cut in US rates will reasonably materialise in the course of 2025, with the expected stabilisation of price dynamics.

The Italian Economy

The figures for the first half of 2024 show some acceleration in growth compared to the previous quarter. The faster decline in imports than in exports had a net positive contribution, albeit partly offset by the domestic component. Evidence from industrial sectors points to the construction sector still playing a leading role, in contrast to the decline in manufacturing output. This dynamic is expected to diminish as early as the second quarter due to the disappearance of building renovation incentives, the negative effect of which, according to the research institutes, will only be partly offset by the activities promoted by the Recovery and Resilience Plan.
The scenario for consumption is one of gradual normalisation. On the one hand, after the sharp rise during the pandemic and the subsequent rebound, the propensity of households to save has returned, due to the attempt to protect their stocks from the inflationary spike of the past months, restoring household wealth levels to 2019 levels. This despite the very partial recovery of purchasing power due to wage adjustments. On the other hand, the labour market continued to support employment, due to labour-intensive economic activities such as construction, low labour costs and the attempt of companies not to release skilled labour at a time of a weak economy, for fear of displacement in a forthcoming recovery.
Inflation is falling due to lower energy costs, but is expected to pick up in the second half of the year to stabilise at around 2%.
The biggest unknowns are the public sector, on which the impact of domestic restructuring incentives has been revised upwards. The debt-to-GDP ratio will therefore rise despite the fall in the deficit due to the expected contraction in current expenditures, making it likely that the European Commission will initiate the excessive deficit procedure.

Reference Markets

Market trends in 2023 confirm the forecasts of six months ago, with a slowdown in digital payments as a result of the weakening consumer economy (falling from +14% in 2022 to +7% in 2023 in nominal terms), but confirming the vibrancy of the sector itself, both in terms of the supply of payment and acceptance solutions, and in terms of demand in increasingly embracing their added value.
The Bank of Italy data show first of all that, except in the case of the exogenous shock of the recent pandemic and the consequent lockdown, this is the first time that cash withdrawals have contracted year-on-year (-1.4%). This change also "mathematically" certifies the trend towards replacing cash payments with digital alternatives, the growth of which the Bank of Italy itself places at +11.5%.
The economic slowdown affected the various product types in a similar way, with slowdowns of 7-8 points compared to 2022. Debt is the type showing the highest growth (+13.1%), benefiting from the progressive substitution of credit products by the banking channel. In fact, the credit product itself expanded by just over half (+7.6%), while prepaid cards maintained a double-digit increase (+11.8%).
Structural dynamics area also accompanying the transition to digital payments. According to the Bank of Italy's Annual Report, there were 3,268 thousand POS devices in circulation at the end of 2023, an increase of +6.9%, while the number of ATMs fell from 47 thousand in 2022 to 46 thousand in 2023 (-2.1%).

Looking at the dynamics of digital payments in Europe, three brackets of countries broken down by rate of development emerge. In the fastest-growing bracket, above 20%, are several eastern countries: Lithuania (26%), Bulgaria (26%), Serbia (25%), Romania (25%), Croatia (23%), Czech Republic (21%), Hungary (20%). Then there is a group of countries with more moderate but still double-digit growth, such as Poland (19%), Spain (18%), Austria (15%), Slovakia (13%), Slovenia (13%), Germany (12%), Luxembourg (12%), Greece (11%) and Russia (11%). In the third bracket, with high-single-digit increments, we find countries that are on average more penetrated by digital options, typically the Nordics and Central-Western Europe: Norway (10%), Sweden (9%), Finland (7%), Denmark (7%), the Netherlands 10%, Ireland 9%, France 9%, Estonia 8%, the United Kingdom 8%, Belgium 8%, Latvia 7%, Switzerland 7%, Portugal 6%.

According to the Bank of Italy's Annual Report, the 2023 stock of Home and Corporate Banking stations amounted to 58,582 thousand household installations (+8%) and 4,485 thousand corporate (-9%). The number of active client companies fell from 1,471 to 1,318 thousand.

Significant Events during the Reporting Period

Establishment of a Long-Term Strategic Partnership with Banco Sabadell

During the first half of 2024, activities continued for the closing of the transaction to acquire the merchant acquiring book of Banco Sabadell (the "Bank"), based on the agreement signed in February 2023. In June formal regulatory approval was obtained from the Bank of Spain, thus completing the necessary authorisation process. However, note that the closing of the transaction has not yet taken place in light of the launch of the tender offer by BBVA on the Bank's outstanding shares.

Sale of the eID Business

On 9 November 2023, Nexi SpA signed an agreement with IN Groupe, a specialist in secure digital identities and services, which will take over ownership of the eID business.

Completion of the transaction is subject to the usual closing conditions and approval by the Danish government of IN Groupe's suitability and capabilities as an eID solution provider. Assets held for sale were accounted for in accordance with IFRS 5. For further information, please refer to section 11 of the Notes.

Acquisition of Merchant Acquiring Activities from the Sparkasse Group

With regard to the acquisition of the merchant acquiring business from the Sparkasse Group, which was signed on 29 December 2023, on 27 May 2024 the transfer of the business units of Sparkasse and Civibank to Nexi Payments was signed, valid from 1 June 2024, against the issue of new shares in Nexi Payments.

On 31 May 2024, on the other hand, the deed of transfer of the aforementioned shares of Nexi Payments from the two Banks to Nexi SpA was signed, also valid from 1 June 2024, against payment of the agreed price of Euro 30,850,000.

Voluntary Resignation Plan

As already reported in the 2023 financial statements, on 28 February 2024 an agreement was reached with the Italian trade unions to facilitate access to the Credit Solidarity Fund, as well as early termination of employment through individual incentives, for a total of about 400 employees.
In the first half of 2024 total expenses of approximately Euro 135 million were paid, including agreements reached in other countries the Group operates in.

Share Buy-Back Plan

On 9 May 2024, Nexi S.p.A., as per the authorization granted by the Shareholders meeting held on 30 April, 2024, initiated the share buy-back programme for a maximum amount of Euro 500 million scheduled to last 18 months and now accelerated to be completed by end of 2024.
As at 30 June 2024, some 19.7 million own shares had been bought for a market value of Euro 117.9 million.

Changes in Group Debt

The Group's financial structure changed during the first half of 2024 mainly due to the 8 April 2024 repayment of the bond loan issued by Nassa Topco AS in the amount of Euro 220 million (the "Nassa Topco Bond Loan") by using financial resources already available.
Consequently, the Group's gross financial debt at 30 June 2024 was Euro 6,939 million and consisted of the following third-party financing granted to Nexi SpA:

- a bond loan currently with a nominal amount of Euro 476 million, with a semi-annual coupon at a fixed rate of 1.75% p.a., issued at par by Nexi SpA on 21 October 2019 and expiring on 31 October 2024 (the "2024 Bond Loan");
- a bank loan contract signed by Nexi SpA disbursed on 23 December 2021, pursuant to which Banco BPM SpA granted a variable rate credit line for a total amount of Euro 200 million (the "BBPM Credit Line"). The BBPM Credit Line has been fully used and must be repaid in two instalments, for an amount equal to 30% of the total on 15 December 2024 and for the remaining 70% on 15 December 2025;
- a bond loan with a current nominal amount of Euro 926 million, with a semi-annual coupon at a fixed rate of 1.625% p.a., issued at par by Nexi SpA on 29 April 2021 and expiring on 30 April 2026 (the "2026 Bonds");
- a bank loan contract signed by Nexi SpA and disbursed on 14 July 2022, pursuant to which BPER Banca SpA granted Nexi SpA a variable rate credit line governed by Italian law, for a total amount of Euro 50 million (the "BPER Credit Line"). The BPER Credit Line has been fully used and is to be repaid in a lump sum on 30 April 2026;
- a loan agreement signed by Nexi SpA and disbursed on 30 June 2020, pursuant to which certain lending institutions have granted a so-called variable rate term credit line, for a total current amount of Euro 366.5 million (the "Term Loan"). The Term Loan is fully used and will have to be repaid in a lump sum upon expiry on 30 June 2025;
- a variable rate loan agreement (the "IPO Loan") stipulated on 20 March 2019 by Nexi SpA (as subsequently amended), under which certain financial institutions have granted (i) a so-called term credit line for an amount currently equal to Euro 1,000 million (the "IPO Term Line"), fully disbursed and having a maturity in a single settlement on 31 May 2026; and (ii) a revolving credit line of Euro 350 million with the same maturity as the IPO Term Line, usable for multiple purposes and in multiple solutions, durations, currencies (the "IPO Revolving Line"), which was never used, and therefore today remains fully available;
- an equity-linked bond loan of a nominal amount of Euro 500 million, convertible into ordinary shares of Nexi SpA, issued at par on 24 April 2020, with a semi-annual fixed rate coupon of 1.75% p.a. and maturity on 24 April 2027 (the "2027 Convertible Loan");
- a variable rate loan contract (the "2022 Term Loan") stipulated on 2 August 2022 by Nexi SpA, under which certain financial institutions granted a credit line totalling Euro 900 million, fully used and due in a single payment on 2 August 2027. In order to limit the risk of exposure to interest rates, the 2022 Term Loan was entirely subject to a hedging transaction that qualifies for hedge accounting, and specifically as a cash flow hedge realised through the subscription of interest rate swap derivative instruments finalised in the fourth quarter of 2022. In July 2023, the 2022 Term Loan was successfully converted to a sustainability-linked loan format;
- an equity-linked bond loan of a nominal amount of Euro 1,000 million, convertible into ordinary shares of Nexi SpA, and issued at par on 24 February 2021, that does not pay interest and with maturity on 24 February 2028 (the "2028 Convertible Loan");
- a bond loan with a nominal amount of Euro 1,050 million, with a semi-annual coupon at a fixed rate of 2.125% p.a., issued at par by Nexi SpA on 29 April 2021 and expiring on 30 April 2029 (the "2029 Bonds" and, together with the 2024 Bond Loan, the 2026 Bonds, the "Bond Loans").

As at 30 June all covenants provided for by the Group's medium/long-term financing (described under section 39) were complied with.

In summary, as at 30 June 2024, the breakdown of the gross debt was as follows:

(Amounts in million euros)

	June 30, 2024	Dec. 31, 2023
2024 Bond Loan	477	477
2027 Convertible Bond	475	470
Term Loan	365	365
IPO Loan	1,000	999
2028 Convertible Bond	920	910
2026 Bonds	925	924
2029 Bonds	1,047	1,046
BBPM Credit Line	200	199
BPER Credit Line	50	50
2022 Term Loan	896	896
Nassa Topco Bond	-	219
Ratepay funding	68	110
Other financial liabilities	516	549
Total	**6,939**	**7,215**

The item "Other financial liabilities" includes the lease liabilities (Euro 142 million), as well as liabilities related to earn-outs or deferred prices connected to certain M&A transactions executed by the Group (Euro 366 million), in addition to the negative fair value of hedging derivatives (Euro 8 million).

The Macroeconomic Repercussions of the Conflict in Ukraine

Impact on Half-Year Business Performance

The military conflict in Ukraine, with its uncertain developments in a changing political environment on both sides of the Atlantic, continued to generate uncertainty about the state and prospects of European economies.

Starting in the fourth quarter of 2023, geopolitical tensions have been further exacerbated by the israelian-palestinian conflict threatening to spread to other military powers in the Middle East.

During the period under review, although recovering steadily, consumer confidence indicators remained below their long-term averages. In real terms, private consumption in the euro area grew very moderately, thus continuing the stagnant trend observed last year, as the post-pandemic recovery phase came to an end. A positive contribution was made by the tourism sector, which on a European scale recorded flows above pre-Covid levels for the first time, and in Italy and Greece passenger traffic at airports rose by double digits.

However, after a relatively weak start to 2024 there has been no lack of signs in recent months of an economic recovery that, barring unforeseen exogenous events, is expected to gain momentum in the second half of the year.

Long-Term Impacts on Operations, Strategies and Economic-Financial Performance

The military conflict in Ukraine and the consequent restrictive and sanctioning measures adopted on an international scale – including the blocking of payment schemes and instruments used by natural and legal persons from Russia and Belarus – did not have any significant direct effects on the period's economic and financial performance. Nor were specific acts of cyber aggression against the Group's systems, networks and infrastructure identified. See the section "Risks Associated with the Russia/Ukraine Conflict" of this Report for further details.

As regards the impact of the ongoing conflict on long-term economic and financial performance, with specific reference to the potential impairment of financial assets, see the information referred to in the section "Nexi Group Risks" of the Notes.

Finally, there was no significant impact of international geopolitical tensions on the Group's procurement policies.

Group Activities

Present in more than 25 countries, Nexi is one of the main players operating in Europe in the digital payments sector by virtue of a consolidated leadership in Italy and the Scandinavian markets, historically overseen by Nets, as well as a strong presence in Central and South-Eastern Europe.

During the half year, directly or through its partner banks, the Nexi Group managed an aggregate volume of more than 19 billion transactions for the entire value chain on the acquiring front and on the issuing front, corresponding to a total amount of Euro 845 billion.

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

Merchant Solutions

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

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

Issuing Solutions

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

Digital Banking Solutions

Through this business line, the Group provides ATM terminal management, clearing, digital corporate banking, as well as network services.
The Group is responsible for installing and managing ATMs on behalf of partner banks. Of the ATMs managed, more than a third are so-called "cash in" machines, which allow both withdrawing cash and making deposits. The service can provide for the complete management of the machines (so-called full fleet), or only part of the services (so-called outsourcing).
In the Italian market, the Group operates as an Automated Clearing House (ACH) for domestic and international payments pursuant to standard interbank regimes. By means of a dedicated platform, the Group offers member banks the possibility of exchanging flows containing collection and payment instructions, as well as the calculation of bilateral and multilateral balances to be settled at a later date (so-called settlement). The range is completed by the "ACH Instant Payments" service, focused on the management of instant credit transfers, which stands out for its speed of execution and continuous availability of the service. For international clearing services, the Group continues to be the platform provider of EBA Clearing (the leading European clearing house for SEPA products).

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

- *Electronic/mobile banking services: development of dedicated e-banking platforms*.
- CBI, pension and collection services: development of payment platforms capable of providing group accounts and payment management services and provision of the CBI service, which has become a payment centre connected with public authorities.
- CBI Globe – Open Banking: provision of the service that allows the interconnection between banks and third parties through dedicated platforms to make the management of

bank accounts by customers easier and more efficient, offering both information and instruction services, taking advantage of the business opportunities introduced by PSD2.
- Digital and multichannel payment support services: provision of applications for invoice management and storage, prepaid card reloading, bill payments, postal payments and other services through the internet, smartphones and ATMs.

The Group also provides network and access services to the Eurosystem's Target Services.

Finally, for the Scandinavian market the business unit provides e-Security and digitisation services, which include the provision of e-Security solutions through "MitID" (Denmark), digitisation services that allow customers to simplify workflows, as well as services to support digital transformation. As described below, the contribution of this business segment is excluded from operating revenues and EBITDA referred to in section "Group Financial and Business Performance" as it is considered "non-core" from a strategic point of view and classified as a discontinued operation (with application of IFRS 5 on the basis of the disposal agreement signed on 9 November 2023).

Group Financial and Business Performance

In the first half of the year closed as at 30 June 2024, the Group recorded – on a comparable basis – revenue growth of 5.9% to Euro 1,660 million and EBITDA growth of 8.0% to Euro 827 million, with the margin improving to around 50%.

Main Group indicators		
n. 19.5 billion transactions managed (+8.5%)	Euro 1,660 million in Operating Revenues (+5.9%)	Euro 196 million in Capex
Euro 845 billion in transactions managed (+4.2%)	Euro 827 million in EBITDA (+8.0%)	Net Financial Position Euro (5,069) million

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

Business Unit: Financial and Business Performance

Merchant Solutions posted revenue of Euro 943 million[1] in the first half of the year, a year-on-year increase of 7.0% adjusted for the insignificant effects of exchange rate fluctuations. During the period the Group handled 9.5 billion transactions, up 8.7%, for a value of Euro 407 billion, up 3.8%, thanks to the contribution of international schemes, reflecting the sustained performance of tourist flows. Volumes in the e-commerce channel grew by double digits, resulting in a robust revenue dynamic, especially in the Italian market and in Poland.
Across the Nordic markets Nets pressed ahead with the execution of strategic and commercial initiatives to maintain its market leading position overall and to further expand in selected markets, also via rolling-out adjacent services that help customers driving business, such as "Nets financing" cash advance (recently launched also on E-com channels in Finland), helping SMEs fund working capital, DCC and digital receipt functionalities. The positive NPS developments confirmed the quality of the customer service in key-markets. In addition, the collaboration with Integrated Software Vendors (ISVs) has been fostered in line with our overall strategy aimed at backing the ongoing convergence of digital payments and software for SMEs. This included various commercial model ranging setting up strong partnerships to the direct integration of software solutions in Nexi product and value proposition.
In the Italian market, particularly in the SME segment, the Group accelerated its strategy of developing new distribution channels. In particular, alongside the marketing and promotion conducted together with banking partners, sales through retail outlets and digital channels, the presence of the direct network was further strengthened. The product offering was marketed to customers with a strong focus on both advanced solutions (SmartPOS) and mobile and extended acceptance solutions (MPOS and SoftPOS). SoftPOS, a new app-based acceptance solution for smartphones, saw the launch of the Apple iOS version, which, alongside the Android version already launched in H2 2023, made this new acceptance product available to all target customers. In the E-commerce market, the extension of the partnership agreement with Compass (Mediobanca Group) is worthy of note, which provides for the integration of the PagoLight service with the Nexi XPay offer in order to provide a flexible and complete range of solutions and simplify the purchase process with payment in instalments. On the commercial side, there was excellent growth in SME acquisitions, with new gateway activation volumes more than doubling compared to H1 2023. For the LAKA segment, the evolution of the omni-channel gateway offer and services continued, with important commercial successes in specific vertical segments (in particular fuel, utilities/telco, groceries and retail). Finally, the integration of Sparkasse's Group merchant acquiring and POS management business was completed.
DACH & Poland made important steps ahead in the area of customer service and onboarding, as confirmed by increasing Net Promoter Scores month over month, on top of robust payment volume growth. On the back of a clear strategic focus on the SME space, the Group continued to scale up partnerships in the integrated software and cashier segments, leveraging fully-owned Orderbird as lighthouse partner, which launched "Nexi Partner Portal", a next-generation payment platform designed for ISVs across different industries in Germany, including retail and hospitality. E-Commerce continued to market Nexi Checkout (off-the-shelf product for the mid-market) with enhanced capabilities (Apple Pay and BNPL), on top of tailor-made solutions. Thanks to its well-consolidated footprint, supported by strong direct sales channels, and to the successful roll-out of value-added services, Poland kept delivering double-digit growth, notwithstanding the phasing-out of the local Government-backed cashless program. In particular, the E-com business made significant progress across multiple strategic initiatives, including BNPL, merchant financing, and instalments.
KPIs in the South-East Europe region grew by double digits, with solid business dynamics in key markets, thanks to partnerships with local ISVs serving SME customers.

1. Including the insignificant effects of the Sparkasse transaction as of the closing date.

Issuing Solutions recorded revenues of Euro 539 million, an annual growth of 5.1%, against 9.9 billion transactions handled, an increase of 8.3% compared to 2023 and corresponding to Euro 438 billion in market value, an increase of 4.6%.
In the Italian market, the drive to sell the updated international debit product continued (+2.3 million cards YoY) and positive signs were seen in the numbers of credit cards (bank customers under Licensing), with greater focus on the premium segment and on corporate credit cards. The range of products aimed at the youth target (14-30 years old) was renewed, with native solutions integrated into digital channels in order to provide the new generations with products closer to their needs and with a high focus on sustainability, including through the use of green materials. Strong demand continued for "Buy now, Pay later" solutions (use up by 10% for over 625 thousand plans activated), and growth in mobile payment transaction volumes (+70%) with over 8.4 million payment cards registered. In the first half of 2024 Nexi entered into a partnership with Bancomat where Nexi will provide the centralised application and technology infrastructure that will provide participating issuers with routing, clearing and control services on BANCOMAT schemes and will fully replace the current application centres.
In the Nordic region, the overall performance was marked by incremental sales growth and significant improvement in other business KPIs. The Group's comprehensive solutions have been highly regarded, facilitating advanced discussions regarding Customer Value Management products tailored for issuer clients. Furthermore, the critical migration to the UNI platform has been progressing smoothly in Finland and Norway, with key milestones achieved successfully without any operational disruptions.
In the DACH region & Poland, the Group made significant strides in expanding its geographical footprint and market share. This progress is exemplified by the landmark partnership with Commerzbank, serving around 11 million retail customers in Germany. Phase 1 of this partnership was successfully implemented and went live in June, with Phase 2 proceeding smoothly on schedule. Finally, the multiple initiatives around value-added services kept delivering promising results.

Digital Banking Solutions posted revenue of Euro 178 million, up 2.4% year-on-year, due to significant volume growth of the SEPA Clearing platforms and thanks to the new anti-fraud functionality for credit transfers and instant payments (FPAD), the expansion of the international customer base served with ESMIG access network solutions and the promotion of the Banks Payment Hub solution.
In Italy, the development of innovative services, starting with the new "CBI Hub Cloud" multi-bank corporate banking system, and the growth of Open Banking volumes and functions continued. As far as the Public Administration is concerned, worthy of note are the awarding of the European tender for services related to the management of the "pagoPA" platform ("Payment Hub" and Payment Gateway), as well as the expansion of the offering with new digital services. In the ATM area, the Group acquired new banking customers, expanded the VAS (Value Added Services) range and further expanded its Dynamic Currency Conversion service coverage in Italy and South-East Europe.

Group Performance

Reclassified Consolidated Income Statement as at 30 June 2024

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

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

Note that in continuation with the Group financial statements as at 31 December 2023, the subsidiary Ratepay (Germany) engaged in the "Buy now pay later" segment, and the e-Security and digitisation business unit (Denmark)[2] are considered "non-core" from a strategic point of view. The following table therefore excludes the contribution to revenues and EBITDA and shows the net result among the "non-recurring items".

2. Note that for the financial statements the e-Security and digitisation business unit of the Nets sub-group is accounted for as a "discontinued operation" in accordance with IFRS 5, unlike the German subsidiary Ratepay, for which the conditions were not met.

(Amounts in million euros)

	Reported Income Statement I Half 2024	Proforma effects I Half 2024 (**)	Proforma Income Statement I Half 2024	Reported Income Statement I Half 2023	Proforma effects I Half 2023 (**)	Proforma Income Statement I Half 2023	Delta % Reported	Delta % Proforma
Merchant Solutions	943	0	943	870	11	881	8.3%	7.0%
Issuing Solutions	539	(0)	539	515	(2)	513	4.8%	5.1%
Digital Banking Solutions	178	-	178	174	-	174	2.4%	2.4%
Operating revenues	**1,660**	**0**	**1,660**	**1,559**	**9**	**1,568**	**6.5%**	**5.9%**
Personnel-related costs	(394)	(0)	(395)	(371)	(1)	(373)	6.2%	5.9%
Operating costs	(439)	(0)	(439)	(429)	(1)	(430)	2.4%	2.1%
Total costs	**(833)**	**(0)**	**(833)**	**(800)**	**(3)**	**(802)**	**4.2%**	**3.9%**
EBITDA (*)	**827**	**(0)**	**827**	**759**	**7**	**766**	**8.9%**	**8.0%**
Depreciation and amortization	(446)			(439)			1.6%	
Interests & financing costs	(125)			(108)			15.0%	
Non recurring items	(203)			(75)			171.4%	
Result before taxes	**53**			**137**			**-61.0%**	
Income taxes	(86)			(104)			-17.0%	
Minorities	0			(1)			n.s.	
Profit/(loss) attributable to the Group	**(33)**			**32**			**n.s.**	

(*) The EBITDA shown above is "Normalised EBITDA" whose definition is provided in the "Alternative Performance Measures" section.
(**) Figures at constant exchange rates, which for the period ending 30 June 2024 also include the – insignificant – results of the Sparkasse merchant book from the date of closing.

Overall, Group revenues grew by 5.9% compared to H1 2023, thanks to increased contributions from all three business units (as detailed below). Merchant Solutions generated 57% of Group revenues, consistent with the previous year, while Issuing Solutions and Digital Banking Solutions contributed 32% and 11% respectively. In the face of a substantially stagnant macroeconomic landscape, especially in the first part of the year, revenue growth benefited from market momentum, particularly in the main Southern European regions, and from some effective commercial development initiatives.

Total costs for the period (excluding depreciation and amortisation) amounted to Euro 833 million, an increase of 3.9% year-on-year, mainly attributable to higher personnel expenses, which increased by 5.9% as a result of new hires in strategically important business areas, salary adjustments and variable components. Due in part to integration synergies in the most important IT expenditure items, other operating expenses increased more moderately despite higher payment volumes.

This resulted – on a comparable basis – in an EBITDA increase of 8.0% in H1 to Euro 827 million, with margins (approximately 50%) improving by 1 percentage point compared to the same period in 2023. Depreciation and amortisation totalled Euro 446 million, essentially stable on an annual basis, while interest on debt and similar charges increased on a net basis by 15% to Euro 125 million, mainly as a result of the changed market landscape.

Non-recurring items recorded under EBITDA amounted to Euro 203 million, including costs related to the personnel restructuring plan (approximately Euro 135 million), digital transformation and integration costs (Euro 37 million, down sharply from last year), non-cash charges related to the long-term incentive plans incurred by the Group and Sponsors ("LTI plans" and "Stock Grant plans", respectively, for a total of Euro 9 million) and costs directly related to M&A transactions (Euro 4 million), as well as components related to "non-core" activities.

As a result of the above, there was a half-year net loss of Euro 33 million for the period to 30 June 2024.

Financial Position Highlights

The main financial position indicators are listed below.

Capex

The following table details Capex investments in the first half of 2024 and in the first half of 2023.

(Amounts in million euros)

	June 30, 2024	June 30, 2023
Purchase of owned assets on property:	**192**	**211**
Ordinary tangible and intangible assets	159	153
IT and Strategy Transformation projects	33	57
Property investments	-	-
Increase of Rights of use (IFRS 16):	**15**	**79**
Tangible and intangible assets	15	79
Total Investments (Capex)	**207**	**290**

The "Ordinary tangible and intangible assets" item accounts for electronic systems (mostly connected to POSs and ATMs) as well as software and technology development.
The "IT & Strategy Transformation Projects" item refers to investments earmarked for the development of the Group's IT platforms and systems.

The item "Purchases of Rights of Use" refers to the "increases" in lease contracts resulting from the signing of new lease contracts as well as the extension of the term of existing lease contracts as at 31 December 2023.

Net Financial Position

The Net Financial Position changed in the first half of 2024, as shown below:

(Amounts in million euros)

	At June 30, 2024	At December 31, 2023
A. Cash equivalents (*)	1,870	1,889
B. Cash-like items	-	-
C. Other current financial assets	-	-
D. Liquidity (A) + (B) + (C)	**1,870**	**1,889**
E. Current financial debt	(912)	(810)
F. Current portion of long-term debt	(107)	(104)
G. Current financial debt (E) + (F)	**(1,020)**	**(914)**
H. Net current financial debt (G) - (D)	**850**	**975**
I. Non-current financial debt	(2,553)	(2,951)
J. Debt instruments	(3,366)	(3,350)
K. Trade liabilities and other non-current financial liabilities	-	-
L. Non-current financial debt (I) + (J) + (K)	**(5,919)**	**(6,300)**
M. Net financial position (H) + (L)	**(5,069)**	**(5,326)**

(*) The item includes the liquidity of the parent company Nexi shown in the item "Cash and cash equivalents" and the available liquidity generated during the period by the operating companies, shown in the financial statements under "Financial assets at amortised cost".

Note that as at 30 June 2024 all covenants envisaged by the Group's medium- and long-term financing had been complied with. For a description of the covenant and negative pledge see section 39 of the Notes.
The Net Financial Position presented above ranks as an "Alternative Performance Measure" (APM), as detailed in the relevant section below.
The following is a reconciliation between the Statement of Cash Flows, in which only the liquidity of the parent company Nexi SpA is shown, and the Group's liquidity, which also includes the liquidity available in the operating companies and is shown under "Financial assets at amortised cost".

(Amounts in million euros)

	Statement of Cash Flows(1)	Reconciliation (*)	Group Liquidity (2)
Profit/(Loss) for the period	(33)	-	(33)
Depreciation/amortisation, unpaid taxes and other non-cash items	638	-	638
Cash flow of operations	**605**	**-**	**605**
Cash flow absorbed by financial assets/liabilities	(306)	306	(0)
Operating cash flow	**299**	**306**	**605**
Cash flow absorbed by investment activities	(223)	-	(223)
Cash flow absorbed by financing activities	(401)	-	(401)
Cash flow generated/absorbed in the period	**(325)**	**306**	**(19)**
Opening cash and cash equivalents	800	1,089	1,889
Closing cash and cash equivalents	**475**	**1,395**	**1,870**

(1) Consolidated Statement of Cash Flows, reporting cash available at Parent Company level only as "cash and cash equivalents".
(2) Liquidity of the Group included in the Net Financial Position: in addition to the parent company's cash, the definition of "cash and cash equivalents" also includes the liquidity generated by the Operating Companies.
(*) Difference resulting solely from the different definition of «cash and cash equivalents» equal to:
- the cash flow generated by operating companies in the first half of the year (Euro 306 million)
- cash available from operating companies at the beginning of the year (Euro 1.089 million), which is expected to the partially distributed to Nexi SpA in the second half.

Alternative Performance Measures

In line with guidelines published on 5 October 2015 by the European Securities and Markets Authority (ESMA/2015/1415), and subsequent updates, and for the purposes of these consolidated financial statements, Nexi Group, as well as reporting figures for income statement and net financial position envisaged under the International Financial Reporting Standards (IFRS), also submits alternative performance measures derived from the aforesaid, providing management with a further means to evaluate Group performance.
In H1 2024, the alternative performance measures adopted by the Group were substantially unchanged compared with the previous financial year, in terms of both definition and calculation method.
Pursuant to standing rules and regulations, the following sections further detail Group APMs.

Operating Revenues

Nexi defines Operating Revenues as the Financial and Operative Income normalised in respect of non-recurring expenses and income, excluding, where applicable, net financial charges on Bond Loans and Financing. Excluded from operating revenues are those from non-core businesses, including companies or business units being divested. The following table details the reconciliation of the financial and operating income to Operating Revenues in the first half of 2024 and in the first half of 2023.

(Amounts in million euros)

	I Half 2024	I Half 2023
Financial and operating income	1,569	1,517
Interests and financing costs (*)	125	108
Non-recurring costs/(income) (**)	(26)	(71)
Operating costs/(income)	(8)	5
Operating Revenues	**1,660**	**1,559**

(*) For the period 30 June 2024, this item mainly includes interests and commissions on the funding of Nexi SpA and net interests and other financial expenses of operating companies.
These charges are classified under "financial and operational management results" in the Financial Statements.
(**) For the period ending 30 June 2024 the item consists mainly of revenues related to the business classified as "non-core" as indicated above.

Normalised EBITDA

Nexi defines normalised EBITDA as profits/losses for the period adjusted for: (i) income (loss) after tax from discontinued operations; (ii) income tax on continuing operations; (iii) profit/loss on equity investments and disposals; (iv) net financial expenses related to Bond Loans (included in the net interest income); (v) net value adjustments/write-backs on tangible and intangible assets; (vi) non-recurring expenses and income, including those from non-core businesses/entities.
The following table details reconciliation of Group profits/losses for the period and normalised EBITDA for the first half of 2024 and the first half of 2023.

(Amounts in million euros)

	I Half 2024	I Half 2023
Profit/(Loss) for the period	(33)	33
Profits/(Losses) after tax from discontinued operations	3	0
Income taxes	86	104
Profit/(Loss) on equity investments and disposals of investments	(2)	(1)
Interests and financing costs (*)	125	108
Net value adjustments/write-backs on tangible and intangible assets	445	439
Non-recurring financial and operating income (*)	(26)	(71)
Other non-recurring expenses/income impacting EBITDA (**)	229	147
EBITDA	**827**	**759**

(*) Please refer to table above.
(**) For the period ending 30 June 2024, this item mainly consists on costs related to the restructuring plan (Euro 135 million), digital transformation and integration costs (Euro 37 million) non cash expenses related to the shares of Stock Grant and LTI (Euros 9 million), from expenses related to M&A transactions (Euros 4 million), in addition to expenses related to non-core activities.

Investments (Capex)

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

Net Financial Position

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

- bond loans issued and financing stipulated by the Group, included under "Financial liabilities measured at amortised cost";
- liabilities deriving from business combination transactions, consisting of the earn-out payables recognised under "Financial liabilities at fair value through profit or loss" and by the deferred financing cost recognised under "Financial liabilities measured at amortised cost";
- other financial liabilities, mostly consisting of liabilities under IFRS 16 (lease contracts) and included under "Financial liabilities measured at amortised cost" and any hedging derivatives with a negative fair value.

The item "Cash equivalents" includes the cash equivalents of Nexi SpA classified under "Cash and cash equivalents", and the liquidity available from the subsidiaries, included in the item "Financial assets measured at amortised cost" of the Statement of Financial Position.

Governance and Control Structures

Board of Directors

On 5 May 2022, the Shareholders' Meeting appointed the Board of Directors until the date of approval of the financial statements as at 31 December 2024, setting the number of members at 13.

On the same date, the Board of Directors appointed the Chair and the Chief Executive Officer in continuity with the previous mandate.

Below is the composition of the Board of Directors as at 30 June 2024:

Chair	Michaela Castelli
CEO and General Manager	Paolo Bertoluzzo
Directors	Ernesto Albanese
	Elena Antognazza
	Luca Bassi
	Francesco Casiraghi
	Maurizio Cereda
	Elisa Corghi
	Johannes Korp
	Marina Natale
	Luca Velussi (*)
	Francesco Pettenati
	Marinella Soldi

(*) On 30 April 2024 the resignation of Director Bo Nilsson due to professional commitments became effective. On 8 May 2024 the Board of Directors, with the favourable opinion of the Remuneration and Appointment Committee and the Board of Statutory Auditors, co-opted Luca Velussi as a new non-executive and non-independent member.

Internal Board Committees

On 5 May 2022, the Board of Directors resolved on the appointment of the members of the Internal Board Committees. Below is the composition as at 30 June 2024.

Remuneration and Appointment Committee (*)

Chair	Elisa Corghi
Members	Michaela Castelli
	Maurizio Cereda

Risk, Control and Sustainability Committee (*)

Chair	Ernesto Albanese
Members	Michaela Castelli
	Marina Natale

Related Party Transactions Committee (*)

Chair	Marina Natale
Members	Elena Antognazza
	Elisa Corghi

(*) Committees established as per the Corporate Governance code.

Strategic Committee

The breakdown of the Strategic Committee as at 30 June 2024 is the following:

Chair	Paolo Bertoluzzo
Members	Luca Bassi
	Francesco Casiraghi
	Michaela Castelli
	Johannes Korp
	Francesco Pettenati

Board of Statutory Auditors

On 5 May 2022, the Shareholders' Meeting appointed the members of the Board of Statutory Auditors until the date of approval of the financial statements as at 31 December 2024.

Chair	Giacomo Bugna
Statutory auditors	Eugenio Pinto
	Mariella Tagliabue
Alternate auditors	Serena Gatteschi
	Sonia Peron

Financial Reporting Manager

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

Independent Auditors

The independent audit of the Group's consolidated financial statements for the financial years 2019-2027 and the limited audit of the Group's consolidated statements for the half-years ending on 30 June of said financial years has been entrusted to Pricewaterhouse-Coopers SpA.

Group Internal Control System

With regard to the six-monthly evaluation of the Internal Control System (ICS), the Audit Department worked during the period in question to increase awareness on the part of the structures concerned and the efficiency of the process. An adequacy and update review was also conducted with the proactive support of the Group Risk Management Function for the part within its purview. The Function's constant and proactive support of the process of updating the Management, Organisation and Control Models pursuant to Italian Legislative Decree 231/2001 was therefore maintained for all the Italian companies of the Nexi Group whose processes were impacted by significant changes both for regulatory purposes, and of course to take due account of the organisational changes that had occurred (e.g. TOM implementation).

Consequently, the exercise carried out in all Legal Entities of the Group relating to the assessment of the internal control system reported an overall positive and stable result with progress recorded in Poland as a result of the positive work of the local Internal Audit department and other control functions.

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

As far as on-site audits are concerned, there was a further increase in "unplanned" actions related to external audits from the various client banks in Italy. A further aggravation on this front is expected following the full adoption and implementation of the recent European legislation called DORA. In this regard, the Group Internal Audit Function and the individual audit functions in the Legal Entities are monitoring the activities and their implementation in each company. In order to contain operational impacts and maximise operational efficiency, the Parent Company Function started collaborating with a number of client banks in order to avoid duplicate audits of the same services. In the coming months the initiative will be extended to other client banks in order to further limit the operational impact on the structures involved in the provision of services.

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

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

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

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

Nexi Group's ERM model aims to achieve the following goals:
- identify, prioritise and periodically monitor main corporate risks in order to direct investments and resources towards the most critical and relevant risks for the Group's business;
- assign roles and responsibilities for a clear and shared management of corporate risks;
- give due value to the existing Risk Management units, coordinating them and enhancing them if possible;
- spread a culture of risk awareness and a risk-based approach in the Group's decision-making processes, raising management's awareness of the major risks the company is exposed to.

With regard to recurring activities carried out in the first half of 2024, the Risk Management Function updated the ERM risk assessment to identify risks that could impact the Company over the next three years and continued to monitor the implementation of mitigation plans on priority risks on a quarterly basis. The ERM methodology has been implemented in all strategically important Group companies. Moreover, through controls at the local level the Risk Management Function ensured continuous monitoring of operational and IT risks (in cooperation with the CISO Area), the service risk analysis and managed the insurance package to cover the Group's main risks. Furthermore, note the continued strengthening of credit risk assessment and monitoring, the analysis of risks related to ESG issues and analysis of third-party risks. Finally, the Risk Management function is leading the project to implement the necessary measures to ensure compliance with the new DORA regulation.

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

In the first half of 2024, Group Compliance has focused on:
- strengthening its oversight role in coordinating and sharing of best practices across Legal Entities of the Group;
- enhancing of Group Compliance frameworks in key regulatory areas such as Data Privacy with the deployment of enhanced Compliance tooling; and
- providing extensive compliance enablement support to several Group initiatives.

Group Compliance reports regularly to the Group Management team and Nexi S.p.A Control Risk and Sustainability Committee the main Compliance risk highlights relevant to the Group with particular focus on key regulatory areas such as Anti-Money Laundering, Data Protection and Payment Service-related regulations (e.g. PSD2).

An update to the Management and Organizational Model pursuant to Italian Legislative Decree 231/2001 for Nexi S.p.A. was approved in February 2024. The Model was further reviewed and approved in July 2024.

In the second half of 2024 Group's Compliance function will continue its efforts on strengthening the regulatory compliance and control frameworks for key regulatory areas and also focusing on preparatory work for upcoming regulatory changes.

Nexi Group Organisational Structure

In 2024 there were no changes to the organisational model, which as in 2023 is structured as follows:

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

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

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

Group IT Systems

Also during H1 2024, the IT Function's activities were mainly focused on initiatives supporting Business objectives and the continuation of the Group's technological transformation programme, while ensuring the delivery of timely, reliable and secure services.

The main activities carried out in addition to those put in place to ensure day-to-day operations for the management of services concern the following areas:

- Issuing Solutions: in Italy the migration of the card portfolio of the Intesa Sanpaolo Group's new digital bank was completed. Work also continues with the Bancomat Consortium for the implementation of the new national debit circuit platform. In the Nordic countries, development of the processing systems and the delivery of digital services related to the card life cycle continues, while in Greece the migration programme of Issuing systems to the new technology platform is active.
- Merchant Solutions: the migration of customer merchants to the new Core Acquiring and Merchant Onboarding platforms continues in Italy. Furthermore, with regard to foreign markets, of particular note is the completion of the migration to the new merchant acquiring platform in Germany.
- Digital Banking Solutions: the connection of over 1,000 financial institutions with the new European Fraud Detection system for Sepa transactions and Instant Payments was completed. In addition, the new Italian NRRP management platform for the PagoPA service was released.
- Digital: several innovation initiatives were launched including the releases of Apple TAP to Pay in Italy, SmartPay in Switzerland and the new Nexi Pay. In addition, e-Commerce delivery activities continued in various countries (Italy, Greece and Central Europe). Several initiatives are also ongoing for the adoption of new generative AI technologies in specific contexts.
- Data & Analytics: work was aimed at expanding the use of available data at the Group level, especially in the Nordic countries, while pursuing the development of Analytics tools for partner banks and Business Units.
- Group Corporate Systems: programmes continued for the transformation and convergence at the Group level of platforms dedicated to the management of all Finance and

HR processes. Furthermore, various initiatives were completed in the area of regulatory systems and those concerning the management of cards in the context of the merger/ integration operations of banking customers that took place during the period.

As far as initiatives in the area of technology infrastructure are concerned, the consolidation of the Group's Data Centres continues according to plan, having a particular impact on the Italian perimeter in H1 2024. The planned development of the open source and network components is also ongoing. Finally, of particular note is the initiative to further develop the processes for monitoring the service levels provided at the Group level.

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

Human Resources

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

	June 30, 2024	Dec 31, 2023
Average number of employees	9,915	10,265
Total employees (*)	**9,526**	**10,303**

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

The reduction is mainly due to the effects of the early resignation incentive plans launched by the Group during the period.

Main Risks and Uncertainties

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

Nexi Group is exposed to the European and non-European market, and the related economic and political conditions of the countries where the Group operates. The revenues that Nexi Group generates partly depend on the number and volume of payment transactions (so-called volume-driven revenues), which are tied to digital payments penetration and overall consumer, business, and public administration spending.

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

A prolonged deterioration of general economic conditions could have a potential high economic impact on revenues due to the decrease in the number of digital payment transactions or expenditures per transaction, as well as a lower number of cards issued or POSs distributed to merchants, thus negatively affecting the profitability of the Group.
However, the event is considered to have a low probability for the current year. In fact, despite increased geopolitical tensions, due to the conflicts in Ukraine and the Middle East and the attacks on Red Sea shipping, the European economy, after seeing a moderate growth in 2023, is expected to continue to strengthen in 2024, supported by real disposable income rises, falling inflation, robust wage growth and resilient employment. In any case, the increase in the digital payments' penetration can support the revenues growth.

Risks Associated with Group Growth Initiatives

The business plan includes ambitious growth targets related to commercial initiatives that, together with the increase in nominal consumption and the expected higher penetration of digital payments, aim to foster a greater spread of established products and/or ensure effective entry into unexplored segments and/or markets.
The risk, that could have a medium economic impact and a medium-low probability of happening, is therefore represented by the possibility of not achieving the planned growth targets in the areas of greatest interest and over the established period, due to internal and external causes. This also in light of the complexity of organizing the commercial initiatives while integration operations are still under way (e.g., IT systems).

Risks Related to Customer Concentration

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

The concentration of relationships with partner banks, especially in the Italian market, exposes the company the risk that the performance of the banking and financial institutions sector, as well as possible integrations within such sector, could have possible negative effects on Nexi Group itself. Also, the loss of a partner bank could have an impact on revenues, profitability, and cash flows.
Moreover, the loss of commercial relations with one or more of the major customers would entail a reduction in the revenues of Nexi Group causing medium negative effects on its economic, equity and financial position. Considering the strong relationship that Nexi Group has with major partners, this event is considered to have a medium-low probability of happening.

Risks Linked to Competition within Nexi Group's Operations

The European market is becoming increasingly competitive in the digital payments sector and is transforming rapidly due to customer habits, technological innovation, and the recent harmonization of legislation at an international level.

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

Failing to timely adapt to the changing market dynamics can lead to loss of business and may have an impact on our economics and reputation. Due to the highly competitive landscape, this event is considered to have a medium-high impact and medium probability of happening.

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

The Group's performance and the future success of its businesses are significantly dependent on its ability to attract, retain and motivate very specific skills sets in middle and senior management.

In addition, the Group's performance and the future prospects of its business are also dependent on its ability to profitably adapt to technological, social, economic and regulatory changes. To that end, the Group must leverage a broad set of diverse specialist skills in the fields of engineering, computer science, technical servicing, finance and control, sales, administration, and management.

The competitive high-skills labour market may hinder the Group's ability to hire additional staff, replace outgoing staff with equally skilled personnel, or retain key personnel essential for growth. The risk has a medium probability of happening and potential low reputational impacts.

In that respect, the Group places a special emphasis on selecting, recruiting and training its human resources, with a view to maintaining the utmost standards.

Operational Risks

Cyber Risk

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

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

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

The risk of a security incident is considered to have a critical impact and low probability of happening. In fact, at worst, the above-mentioned security threats could lead to system downtime, compromise of critical IT systems, potential breaches of confidential information or misuse of payment information. Similarly, the loss or otherwise unauthorised or accidental disclosure of personal customer information or other sensitive information could result in regulatory or legal sanctions and/or fines, substantial remediation costs and a weakening of our corporate brand and reputation.

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

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

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

A crucial part of the ICT infrastructure are the merchant acquiring and card issuing platforms. These systems handle digital payments' authorisation and settlement processing, card issuing and management, payment terminal and services management – all subject to interbank standards.

Unexpected platform downtime would impact the availability of our services, potentially causing Service Level Agreement (SLA) breaches, and unreliability in the processing of customers' transactions. This could lead to loss of business revenues and increased operating expenses. In addition, Nexi Group could suffer reputational damage in case of prolonged or repeated downtime incidents. For these reasons, this risk could have high economic, operational, and reputational impacts with a low probability of happening.

Nexi has adopted an IT risk management model integrated with its operational risk management framework and with internal control system. An IT security unit defines protection strategies, oversees business continuity and incident management, and ensures security standards are applied. The infrastructure management unit oversees IT services continuity, manages IT incidents, the transition of new services, systems, applications and changes into production, and the design, implementation, and technical operation of Nexi's technological infrastructures.

Risks Associated with Dependence on Suppliers

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

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

Supply chain-related risk events are considered to have a low probability of occurrence and a potential medium impact.

Risks Linked to Exposure to Credit/Counterparty Risk

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

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

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

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

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

Nexi Group may incur liabilities and may suffer damages, including reputational ones, related to fraudulent digital payment transactions, fraudulent receivables claimed by merchants or other parties, or fraudulent sales of goods and services.
Examples of commercial fraud may include phishing attacks to cardholders, the sale of counterfeit goods, the malicious use of either stolen or counterfeit credit or debit cards, use by merchants or other parties of payment card numbers or of other card details to register a false sale or transaction, the processing of an invalid card, and the malicious failure to deliver goods or services sold within the scope of an otherwise valid transaction.

Considering that the parties engaging in criminal counterfeiting and frauds, are using increasingly sophisticated methods, a failure to identify thefts and to effectively manage fraud risk and prevention may increase the number of disputes between clients and the Group or cause the Group to incur other liability, including fines and sanctions. Moreover, impacts could be related to the worsening of the online customer experience and a significant reputational impact that would affect consumer confidence in using digital payment systems.

The risk is considered to have a low economic impact and medium probability of occurrence, thanks to Nexi Group sophisticated monitoring and detection systems to prevent and block potential relevant fraud cases that our clients may suffer.

Compliance Risks

Risks Linked to Continuous Developments in the Regulatory Environment

The constantly changing regulatory environment requires Nexi to continuously adapt to the various regulations and measures at European and national levels. As it is considered to have systemically important payment systems, the Group is exposed to the risk of audits by the relevant National Authorities and by the European Central Bank.
Specific to the sector it operates in, the main directives/regulations the Group must comply with include the following:

i) AML for regulations on anti-money laundering, aimed at improving safeguards against money laundering and terrorist financing.

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

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

iv) Antitrust in the area of competition law.

v) Binding rules issued periodically by the international schemes.

As a listed company, Nexi SpA adheres to various special listing rules, including Italian financial laws, Italian Consob regulations, EU directives like MAD II and MAR, Italian Law 262/2005, CSRD sustainability reporting, and market-specific codes of conduct.

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

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

A lack of regulatory compliance may potentially result in recommendations and fines from local regulators or central banks. In addition, Nexi Group may suffer reputational damage in case of data breaches, facilitation of money laundering, late implementation of new regulatory requirements etc. This risk could have medium-high impact in case of event, but a low probability of happening.

Financial Risks

The Nexi Group has a significant financial debt, and the corresponding high financial charges could among other things trigger negative effects on its ability to generate cash, and consequently to repay the debt at maturity, bearing in mind however that at the time this report was prepared no critical issues had been identified. The Nexi Group, whose debt is currently classified as "sub-investment grade" or "high yield", with the greater difficulty in accessing credit that this entails, has nevertheless benefited in recent years from certain upgrades to its creditworthiness that have allowed the Group to reach the rating levels of Ba1 for Moody's and BB+ for Fitch and S&P (the latter also assigned a positive outlook). Issuers of high yield debt instruments may face greater difficulties in accessing credit, especially in times of financial market volatility, therefore there is a risk of not being able to easily access new financing if necessary and/or refinance its existing debt in time. The effective maintenance or improvement of the current ratings also depends on the Group's ability to continue to increase its economic and financial health and reduce financial debt over time. Any deviation from the path outlined, even in terms of financial policy, could worsen the Group's creditworthiness and lead to a negative change in the ratings assigned by agencies. The same effect with similar impacts could also occur if there is a deterioration in the creditworthiness ascribed to the Italian State or in the national and international macroeconomic environment.

As of 30 June 2024, considering the effect of hedging derivatives, approximately 25% of the Nexi Group's medium-long term Financial Liabilities expressed at nominal value (consisting of bond loans, including equity-linked bond loans, and bank, bilateral and syndicated financing) were exposed to sources of funding at a variable interest rate, and specifically to the Euribor index. Nexi periodically monitors the forward curves of the relevant variable rates, paying particular attention to trends relating to the 1/3/6-month Euribor rate. To mitigate this risk, it carries out interest rate risk hedging operations when necessary using the appropriate financial instruments.

After almost two years of very restrictive monetary policy aimed at preserving price stability and ensuring a return of inflation towards its medium-term target of 2%, on 6 June 2024 the ECB Governing Council decided to cut the three key interest rates by 25 basis points to 3.75%, 4.25% and 4.50% for deposits with the central bank, the main refinancing operations and the marginal lending operations, respectively. The decision was taken following an updated assessment of the inflation outlook and macroeconomic dynamics. The ECB confirmed that the future development of reference rates will be driven, not least, by data and how these will change its assessment of the outlook for prices in the medium term.

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

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

The likelihood of such risks is considered low.

Business Outlook

After the economic stagnation of 2023, which particularly affected Germany and some Scandinavian countries, and the weak start to 2024, the most recent forecasts point to a strengthening of European economies from the second half of the year. The latest available data show a slight but gradual improvement in retail sales expectations, as well as robust demand for tourist bookings for the summer season, especially from non-EU countries.

Net of new exogenous shocks, household consumption – which a significant component of the Group's payment flows and hence revenues depends on – is expected to gradually benefit from the recovery of purchasing power of salaries and the resilience of employment levels. Adjusted for price changes, this results in a gradually accelerating consumer spending forecast compared to 2023 (+0.5% in the Eurozone), also supported by an increased propensity to purchase durable goods.

While cooling inflation and expectations of a gradual decline in interest rates are boosting consumer confidence and spending power, especially in countries where household debt is highest, downside risks remain on the macroeconomic front, starting with geopolitical tensions and the new, post-pandemic course of fiscal policies.

Against the backdrop of the macroeconomic scenario described and a payment ecosystem that remains dynamic and competitive, the Group confirms its financial targets for the year 2024, which are summarised below, also in light of the positive operating performance recorded in the first half of the year:

- *Mid-single-digit* growth in revenues on an annual basis;
- *Mid-to-high single digit* EBITDA growth year-on-year, with margin up more than 100 basis points;
- Excess cash generation[3] over Euro 700 million;
- Net financial leverage[3] down below 2.9x EBITDA, including the M&A transactions announced and the effects of the treasury share buyback programme.

In view of the substantial cash on hand and the increasing generation of excess cash[3], the share buy-back plan of Euro 500 million initiated on 9 May will be continued in the second half of the year, initially planned with a duration of 18 months and now accelerated in order to complete it in 2024.

In the medium term, assuming continued strong growth in digital payment penetration in the Group's key geographies and a gradual macroeconomic recovery, Nexi forecasts:

- Revenues gradually re-accelerating from mid-single digit growth year-on-year;
- EBITDA margin continuously expanding by more than 100 basis points per year;
- Continued strong growth in organic cash3 generation, expected to reach around Euro 1 billion in 2026;
- Target financial leverage3 of ~2.0x-2.5x EBITDA by 2026 after further return of capital to shareholders (1.5x on an organic basis).

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

Related-Party Transactions

Pursuant to relevant rules and regulations, the Company has set up a procedure for related-party transactions, the contents of which are published on its website. This procedure was updated in 2021 in order to incorporate the changes introduced by Consob Resolution 21624 of 10 December 2020 effective from 1 July 2021.

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

Information pertaining to financial and economic transactions between Nexi Group companies and related parties are detailed under the specific section of the Notes to these Financial Report (section 36 of the Notes), to which reference should be made.

Unusual or Non-Recurring Transactions

No unusual or non-recurring transactions were carried out in H1 2024, other than those described under section "Significant Events during the Reporting Period".

Research & Development

Note that the Group did not undertake any research and development activities in 2024. Please refer to the section "Group Information System" for information on the execution of project initiatives and activities involving the Group's applications during 2024.

Treasury Shares

As at 30 June 2024 the parent company Nexi SpA held no. 20,351,869 treasury shares for a market value of Euro 123,740 thousand.
As at 30 June 2024 the other Group companies did not hold any shares in the parent company Nexi SpA.

Financial Instruments

In addition to receivables arising from the activities of the operating companies, the Group holds Visa Class C shares, which are convertible into ordinary shares, listed shares of Banca Popolare di Sondrio, unlisted shares of Acorns, and a number of derivative contracts to hedge the interest rate risk associated with outstanding floating-rate loans. Furthermore, the Group has two convertible bond loans outstanding as at 30 June 2024. For further information, see the Notes.

Registered Office

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

Going Concern

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

Rating

Nexi SpA and Bond Loans ratings at the reporting date are listed in the table below:

	Moody's	S&P Global Ratings	Fitch Ratings
LT Corporate Family Rating	Ba1	BB+	BB+
LT Issuer Credit Rating			
LT Issuer Default Rating			
Outlook	Stable	Positive	Stable
Last Review Date	**4 Aug 2023**	**24 July 2024**	**1 Feb 2024**

Significant Events after the Reporting Period

Please note that the Ordinary and Extraordinary shareholders' meeting will be called for September 12th, 2024 to resolve upon the confirmation of Mr. Luca Velussi as Director and an amendment to the company by-laws.

Milan, 31 July 2024
The Board of Directors

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CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS


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Financial Statements

CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts in thousand euros)

ASSETS	Notes	June 30, 2024		Dec. 31, 2023	
Cash and cash equivalents	3		**475,489**		**800,172**
Financial assets at Fair Value	4		**132,426**		**129,189**
Financial assets measured at amortised cost:	5		**6,844,482**		**5,708,585**
a) loans and receivables with banks		2,184,654		2,225,657	
b) loans and receivables with financial entities and customers		4,659,828		3,482,928	
Hedging derivatives	6		**2,542**		**1,571**
Equity investments	7		**72,777**		**71,960**
Tangible assets	8		**527,406**		**549,053**
Intangible assets	9		**16,378,860**		**16,584,054**
of which: Goodwill		12,013,549		11,999,223	
Tax assets	10		**253,055**		**248,922**
a) current		13,975		15,837	
b) deferred		239,080		233,085	
Non-current assets held for sale and discontinued operations	11		**143,351**		**105,139**
Other assets	12		**2,433,888**		**2,151,143**
Total assets			**27,264,276**		**26,349,788**

(Amounts in thousand euros)

LIABILITIES	Notes	June 30, 2024		Dec. 31, 2023	
Financial liabilities measured at amortised cost	13		**11,643,384**		**11,095,636**
a) due to banks		4,348,273		4,130,544	
b) due to financial entities and customers		3,451,890		2,919,348	
c) securities issued		3,843,221		4,045,744	
Financial liabilities at Fair Value through profit or loss	14		**250,810**		**246,313**
Hedging derivatives	6		**7,739**		**24,419**
Tax liabilities	10		**1,157,558**		**1,089,958**
a) current		154,098		37,777	
b) deferred		1,003,460		1,052,181	
Liabilities associated with non-current assets held for sale and discontinued operations	11		**51,341**		**14,774**
Other liabilities	15		**2,785,767**		**2,373,133**
Post-employment benefits	16		**30,830**		**32,000**
Provisions for risks and charges	17		**174,973**		**176,409**
Share capital	18		**118,719**		**118,647**
Treasury shares (-)	18		**(123,740)**		**(7,013)**
Share premium	18		**-**		**11,587,260**
Reserves	18		**11,303,378**		**713,900**
Valuation reserves	18		**(123,447)**		**(132,390)**
Profit (loss) for the period	19		**(32,600)**		**(1,005,989)**
Equity attributable to non-controlling interests (+/-)	18		**19,564**		**22,731**
Total liabilities and equity			**27,264,276**		**26,349,788**

CONSOLIDATED INCOME STATEMENT

(Amounts in thousand euros)

	Notes		I Half 2024		I Half 2023 Restated
Fees for services rendered and commission income	20		2,932,369		2,735,185
Fees for services received and commission expense	21		(1,180,514)		(1,110,002)
Net fee and commission income			**1,751,855**		**1,625,183**
Interest and similar income	22		93,723		55,071
Interest and similar expense	23		(236,334)		(171,940)
Net interest income			**(142,611)**		**(116,869)**
Profit (loss) on hedging/financial assets and liabilities at Fair Value through profit or loss/derecognition of assets and liabilities at amortised cost	24		(6)		2,034
Dividends and profit (loss) from sale of assets at Fair Value through other comprehensive income	25		(40,299)		(35,687)
Financial and operating income			**1,568,939**		**1,474,661**
Administrative expenses	26		(1,064,363)		(915,312)
Personnel-related costs	*26.1*	*(556,531)*		*(405,967)*	
Other administrative costs	*26.2*	*(507,832)*		*(509,345)*	
Other operating income/expenses, net	27		2,183		3,086
Net value adjustments on assets measured at amortised cost	28		(2,213)		(1,403)
Net accruals to provisions for risks and charges	29		(5,742)		(879)
Net value adjustments/write-backs on tangible and intangible assets	30		(444,775)		(440,344)
Operating margin			**54,029**		**119,809**
Profit (loss) from equity investments and disposals of investments	31		2,060		595
Profit (loss) before taxes from continuing operations			**56,089**		**120,404**
Income taxes	32		(86,186)		(103,071)
Income (loss) after tax from discontinued operations	33		(2,670)		14,492
Profit (loss) for the period			**(32,767)**		**31,825**
Profit (loss) for the period attributable to the parent company			**(32,600)**		**30,961**
Profit (loss) for the period attributable to non-controlling interests	34		(167)		864
Basic result per share	40		**(0.02)**		**0.02**
Diluted result per share	40		**(0.02)**		**0.02**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts in thousand euros)

	I Half 2024	I Half 2023 Restated
Profit (Loss) for the period	**(32,767)**	**31,825**
Items that will not be reclassified subsequently to profit or loss		
Equity instruments measured at Fair Value through other comprehensive income	2,003	11,706
Defined benefit plans	(3,399)	(61)
Items that will be reclassified subsequently to profit or loss		
Exchange rate changes	(7,299)	(115,253)
Cash flow hedges	17,666	3,984
Other comprehensive income (net of tax)	**8,971**	**(99,624)**
Total comprehensive income	**(23,796)**	**(67,799)**
Consolidated comprehensive income attributable to non-controlling interests	(140)	915
Consolidated comprehensive income attributable to the parent company	**(23,656)**	**(68,714)**

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY IN H1 2024

(Amounts in thousand euros)

				Allocation of prior year profit		Changes in the period		2024 Comprehensive income		
	Balance as at January 1, 2024	**Change in opening balance**	**Balance as at January 1, 2024 Restated**	**Reserves**	**Dividends**	**Change in Reserves**	**Transaction on net equity**	**Profit/ (Loss) for the period**	**Other comprehen-sive income items**	**Sharehol-ders' equity as at June 30, 2024**
1. Group equity:	**11,274,415**	**-**	**11,274,415**	**-**	**-**	**8,278**	**(116,726)**	**(32,600)**	**8,944**	**11,142,310**
Share capital	118,647		118,647				72			118,719
Tresuary shares	(7,013)		(7,013)				(116,727)			(123,740)
Share premium	11,587,260		11,587,260	(59,097)		(11,528,163)				-
Reserves	713,900		713,900	(946,892)		11,536,441	(71)			11,303,378
Valuation reserves	(132,391)		(132,391)						8,944	(123,447)
Profit/(Loss) for the period	(1,005,989)		(1,005,989)	1,005,989				(32,600)		(32,600)
2. Shareholders' equity attributable to non-controlling interests:	**22,731**	**-**	**22,731**	**-**	**(2,944)**	**(83)**	**-**	**(167)**	**27**	**19,564**
Total shareholders' equity	**11,297,146**	**-**	**11,297,146**	**-**	**(2,944)**	**8,195**	**(116,726)**	**(32,767)**	**8,971**	**11,161,874**

Note: for further information, see section 18.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN 2023

(Amounts in thousand euros)

				Allocation of prior year profit			Changes in the year	2023 Comprehensive income		
	Balance as at January 1, 2023	**Change in opening balance**	**Balance as at January 1, 2023 Restated**	**Reserves**	**Dividends**	**Change in Reserves**	**Transaction on net equity**	**Profit/(Loss) for the year**	**Other comprehen-sive income items**	**Sharehol-ders' equity as at December 31, 2023**
1. Group equity:	**12,219,590**	**15,073**	**12,234,663**	**-**	**-**	**-**	**26,567**	**(1,005,989)**	**19,174**	**11,274,415**
Share capital	118,583		118,583				64			118,647
Tresuary shares	(4,440)		(4,440)				(2,573)			(7,013)
Share premium	11,587,260		11,587,260							11,587,260
Reserves	468,390	16,101	484,491	138,995		61,338	29,076			713,900
Valuation reserves	(90,226)		(90,226)			(61,338)			19,174	(132,390)
Profit/(Loss) for the year	140,023	(1,028)	138,995	(138,995)				(1,005,989)		(1,005,989)
2. Shareholders' equity attributable to non-controlling interests:	**18,147**	**4,322**	**22,470**	**-**	**(3,144)**	**-**	**48**	**3,228**	**129**	**22,731**
Total shareholders' equity	**12,237,737**	**19,395**	**12,257,133**	**-**	**(3,144)**	**-**	**26,615**	**(1,002,761)**	**19,303**	**11,297,146**

CONSOLIDATED STATEMENT OF CASH FLOWS (INDIRECT METHOD)

(Amounts in thousand euros)

	I Half 2024	I Half 2023 Restated
A. OPERATING ACTIVITIES		
1. Operations	**605,439**	**495,997**
Profit/(loss) for the period	(32,767)	31,825
Gains/losses on hedging/ financial assets and liabilities measured at FVTPL/ derecognition of assets and liabilities at amortised cost	-	(2,034)
Net accruals to provisions for risks and charges and other costs/revenues	5,742	879
Amortisation, depreciation and net impairment losses on tangible and intangible assets	444,775	440,344
Unpaid taxes, duties and tax assets	67,077	86,437
Other adjustments (**)	120,612	(61,454)
2. Cash flows generated/(used) by financial assets	**(1,494,078)**	**461,466**
Loans and receivables with banks	22,595	14,085
Loans and receivables with customers	(1,148,610)	393,575
Other assets	(368,063)	53,806
3. Cash flows generated/(used) by financial liabilities	**1,187,971**	**(691,772)**
Payables to banks	254,467	(111,007)
Payables to customers	527,647	(358,423)
Other liabilities	405,857	(222,342)
Net cash flows generated/(used) by operating activities	**299,332**	**265,691**
B. INVESTING ACTIVITIES		
Acquisitions of tangible assets	(45,801)	(64,324)
Acquisitions of intangible assets	(146,928)	(146,318)
Sale/purchase of subsidiaries, business units and other non-current assets	(31,094)	(191,081)
Dividends received	3,482	617
Sale/purchase of non-controlling interests	(3,100)	-
Net cash flows generated/(used) in investing activities	**(223,441)**	**(401,106)**
C. FINANCING ACTIVITIES		
Repayments of loans and securities (*)	(282,628)	(37,763)
Dividends paid	(6)	-
Issues/purchases of equity instruments	(117,940)	(4,735)
Issues of debt instruments and new loans	-	150,000
Net cash flows generated/(used) by financing activities	**(400,574)**	**107,502**
NET CASH FLOWS GENERATED/(USED) FOR THE PERIOD	**(324,683)**	**(27,913)**
Net cash generated/used during the period	(324,683)	(27,913)
Cash and cash equivalents at the start of the year	800,172	448,778
Cash and cash equivalents at the end of the period	**475,489**	**420,865**

(*) In the first half of 2024 mainly consisting of the repayment of the Nassa Bond (Euro 221 million) and lease debt (Euro 34 million) and repayment of funding to support the BNPL solution (Euro 28 million).

(**) In the first half of 2024 mainly comprised of non-cash costs/revenues related to LTI/Stock Grant plans (about Euro 9 million), amortised cost and other interest not collected/paid (around Euro 34 million), as well as the positive effect of changes in net working capital (Euro 94 million).

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Notes to the Interim Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

Basis of Preparation

In accordance with the provisions of art. 154 of Italian Legislative Decree no. 58 of 24 February 1998, the Group has prepared these Condensed Consolidated Interim Report as at 30 June 2024 in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the relevant interpretations of the International Financial Interpretations Committee (IFRIC), as approved by the European Commission and transposed into Italian Law via Legislative Decree 38/2005 pursuant to Regulation (EC) 1606/2002. The content of this Condensed Consolidated Interim Report as at 30 June 2024 complies with the international accounting standard governing interim financial statements (IAS 34). Based on paragraph 10 of IAS 34, the Group opted to prepare these Consolidated Interim Report in condensed form.
It should be noted that pursuant to IAS 10 the publication of the Nexi Group's interim financial report as at 30 June 2024 was authorised by a resolution of the Board of Directors on 31 July 2024.

The Condensed Consolidated Interim Report as at 30 June 2024 comprise the Statement of Financial Position, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and the Notes detailing the criteria employed in preparing said financial statements. The Condensed Consolidated Interim Report also include the Board of Directors' Management Report addressing the Group's operating performance, its economic results and its equity and financial position.
In addition to the amounts for the reporting period, the Financial Statements and Notes present comparative figures as at 30 June 2023 for the income statement and 31 December 2023 for the financial position.

The Condensed Consolidated Interim Report as at 30 June 2024 are prepared in euros which is the Company's functional currency.
Unless otherwise specified, figures in the Financial Statements and the Notes thereto are stated in thousands of euros.
As also specified in the Management Report, the measurement criteria are adopted considering the corporate business as a going concern with entries made on an accruals basis, respecting principles of relevance and significance of the accounting information and substance over form. Furthermore, no compensation is made between costs and revenues or between assets and liabilities except in cases expressly provided for or accepted by the accounting standards in force.

As well as providing all information mandatory pursuant to international accounting standards, the law, Consob and ESMA, the Management Report and the Notes also provide non-mandatory information deemed useful for the purposes of presenting a true and fair view of the Group's situation.

The accounting principles adopted for the preparation of these Condensed Consolidated Interim Report with respect to the stages of classification, recognition, measurement and derecognition of assets and liabilities in the financial statements, as well as for the methods of recognising revenues and costs, remained unchanged from those adopted for the preparation of the 2023 Consolidated Financial Statements, to which reference should be made for a complete presentation. Note also that no derogations were made from the IAS/IFRS standards.

The following changes in accounting principles apply from 1 January 2024:

1) *Amendments to IFRS 16 Leases: Lease liability in a sale and leaseback.*
   From 1 January 2024 amendments to IFRS 16 are mandatory, which specify how the lessee-seller subsequently assesses sale and leaseback transactions that meet the requirements of IFRS 15 to be accounted for as a sale.
   IFRS 16 clarifies that if the selling lessee transfers the asset to another entity (the purchasing lessor) and leases back the asset from the purchasing lessor, both the selling lessee and the purchasing lessor must account for the transfer agreement and the lease under IFRS 16. To determine whether the transfer of the asset constitutes a sale, entities shall apply the requirements for determining when the obligation to do something is discharged under IFRS 15. Similarly, IFRS 15 shall be applied to determine whether the transfer of the asset is accounted for as a sale of the asset. A sale and leaseback qualify as a sale if the lessor purchaser obtains control of the underlying business.
   The seller-lessee measures a leaseback asset as the percentage of the former carrying amount of the asset that relates to the retained right of use. The gain (or loss) recognised by the seller is limited to the percentage of the total gain (or loss) that relates to the rights transferred to the buyer-lessee. Any difference between the sale proceeds and the fair value of the asset is a prepayment of lease instalments (if the purchase price is below market terms) or additional financing (if the purchase price is above market terms). The same logic applies if the lease payments are not at market rates.

2) *Amendments to IAS 1: Presentation of liabilities as current and non-current*

   The amendments to IAS 1 clarify that an entity must classify a liability as current when:

   a) it is expected to settle the liability in its normal operating cycle;

   b) it possesses it primarily for the purpose of negotiating it;

   c) the liability must be discharged within 12 months after the end of the financial year; or

   d) at the end of the reporting period it does not have the right to defer settlement of the liability for at least twelve months after the end of the reporting period.

   All other liabilities are to be classified as non-current.
   Liabilities arising from financing arrangements may be classified as non-current when the entity's right to defer settlement of those liabilities is subject to the entity's compliance with the terms within twelve months after the reporting period. In such situations in the notes an entity must disclose information that enables users of its financial statements to understand the risk that the liabilities may become repayable within 12 months after the reporting period. The amendments also clarify that for the purposes of classifying a liability as current or non-current, settlement refers to a transfer to the counterparty that results in the settlement of the liability.

3) *Amendments to IAS 7 and IFRS 7: Supplier financing agreements*

   The objective of the disclosures referred to in the amendment to IAS 7 is to enable users of financial statements to evaluate the effects of supplier finance arrangements on an entity's liabilities and cash flows and on the entity's exposure to liquidity risk.
   To achieve this, an entity must describe the following:

   • Terms and conditions of the agreement.

   • At the beginning and end of the financial year:

   (i) The carrying amounts of suppliers' financial liabilities and the items of the financial liabilities they are presented in.

   (ii) The carrying amounts and related items of the financial liabilities referred to in (i) above for which the suppliers have already received payment from the credit institutions.

   (iii) The range of payment dates for both the financial liabilities indicated in (i) above and for comparable trade payables that are not part of a supplier finance agreement. If payment due date intervals are long, explanations of these intervals or additional intervals (e.g. stratified intervals) are required.

   • The type and effect of changes, for example the effect of business combinations, exchange differences or other transactions that do not require the use of cash or cash equivalents.

The Amendments to IFRS 7 incorporated supplier finance arrangements as an additional relevant factor for liquidity risk.

These changes had no impact on the Group.

Accounting Standards, Amendments and IFRS and IFRIC Interpretations Not Yet Endorsed by the European Union and Not Applicable as at 30 June 2024

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

IASB documents	IASB publication date
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	15/08/2023
IFRS 18 Presentation and Disclosure in Financial Statements	09/04/2024
IFRS 19 Subsidiaries without Public Accountability: Disclosures	09/05/2024
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	30/05/2024

Since none of them were approved by the European Union, they had no impact on the Consolidated Interim Financial Report as at 30 June 2024. The Group will launch a project to understand the impacts of applying the new standards.

Contents of the Accounting Statements

Statement of Financial Position and Income Statement

The Statement of Financial Position and the Income Statement consist of items, sub-items and additional, more detailed information. In the Income Statement, revenues are indicated with no sign, while costs are preceded by the minus sign.

Statement of Comprehensive Income

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

Statement of Changes in Equity

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

Statement of Cash Flows

The statement of cash flows provides information on cash flows for the period under review and the previous period, and has been prepared using the indirect method whereby, in reporting cash flows from operating activities, profit or loss is adjusted for the effects of non-monetary transactions.
Cash flows are broken down into those generated by operating, investing and financing activities. Note that as required by IAS 7.43, cash flows from investing activities were excluded that did not require the use of cash or cash equivalents, including lease transactions.
The cash flows generated in the period are indicated with no sign, while the cash flows absorbed in the period are preceded by the minus sign.

Contents of the Notes

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

Other Aspects

With regard to the amendments to IAS 12 relating to the Pillar Two Model, the following is an update to the information provided in the Consolidated Financial Statements as at 31 December 2023.

At the end of 2021 more than 135 countries, accounting for more than 90% of global GDP, reached an agreement on international tax reform introducing a Global Minimum Tax for large multinational corporations. In detail, these countries adhered to the OECD Inclusive Framework on Base Erosion and Profit Shifting, which introduces a two-pillar model to address tax issues arising from the digitisation of the economy. In Europe, the Directive to implement the minimum tax component of the OECD reform was approved by the European Commission on 12 December 2022. Following the overcoming of reservations by some Member States, unanimous agreement was reached in the EU for the adoption of the proposed EU Directive to achieve a minimum level of effective taxation of 15% for multinational groups with total revenues exceeding Euro 750 million per year. Directive No. 2523/2022 was published in the EU Official Journal on 22 December 2022 and applies from the 2024 tax year. Other non-EU countries may implement the same internationally derived legislation in their national laws. With the publication of the amendments to IAS 12, the IASB intends to respond quickly to the concerns of several stakeholders on the potential implications of the application of the Pillar Two rules on tax accounting, given the imminent entry into force of the new tax provisions in some jurisdictions. Specifically, the amendments to the standard introduce a mandatory temporary exception not to recognise deferred taxation resulting from the implementation of the Pillar Two Framework. The exception, which the Group also uses for the purposes of this disclosure, is immediately applicable and retroactive. There are also specific disclosure requirements for impacted companies (applicable as from the annual financial statements beginning on or after 1 January 2024), with different disclosure requirements to be met in periods when Pillar Two legislation is enacted or substantially enacted but not yet in force, and in periods when tax reform is in force.
Transposing the aforementioned legislation through Italian Legislative Decree 209/2023, the Italian legislature introduced:

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

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

These estimates showed that:

- this simplification is applicable to the jurisdictions involved, with the exception of Hungary (due to an ETR – effective tax rate – of 9.27%);
- the QDMTT is in force in that jurisdiction (as of 01/01/2024);
- Nexi Central Europe's permanent establishment is the only branch of the Group present there;
- the economic impact on the Nexi Group, estimated in the consolidated financial statements as at 30 June 2024, is expected to be approximately Euro 300 thousand.

These Condensed Consolidated Interim Report include the CEO and the Financial Reporting Manager's joint certification as mandated by article 154 bis of the TUF, and are subject to a limited audit by PricewaterhouseCoopers SpA.

Consolidation Criteria

The Group has established the consolidation scope in accordance with IFRS 10 - Consolidated financial statements. Accordingly, the concept of control is fundamental to consolidation of all types of entities. It exists when the investor concurrently:

- has power over the entity relevant activities;
- is exposed, or has rights, to variable returns from its involvement with the entity;
- has the ability to affect those returns through its power over the entity.

The Group therefore consolidates all types of entities when all three control elements are present. As a rule, when an entity is mainly managed through voting rights, control derives from the holding of more than half of the voting rights.
Assessment of whether control exists may be more complex in other circumstances and requires a greater use of judgement as it is necessary to consider all the factors and circumstances that give control over the entity (*de facto* control).

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

The preparation of the Condensed Consolidated Interim Financial Report as at 30 June 2024 required the use of i) the annual financial statements of the parent company Nexi SpA and ii) the accounting as at 30 June 2024 of the in-scope companies, approved by the competent corporate bodies and functions.
Controlled companies have been consolidated by recognising all the assets, liabilities, revenue and costs on a line-by-line basis of the Statement of Financial Position and Income Statement aggregates of the accounting situations of subsidiaries. To this end, the following adjustments were made:

- the carrying amount of equity investments held by the Parent Company and the corresponding share of the shareholders' equity have been eliminated;
- recognising the equity and profits or losses of non-controlling interests separately.

The differences resulting from the above adjustments, if positive, are recognised after any allocation to items of the assets or liabilities of the subsidiary as goodwill or as other intangible assets in the item "Intangible Assets" as at the date of first consolidation. Any negative differences are recognised in the Income Statement.
Intragroup assets and liabilities, off-balance sheet transactions, income and expenses, as well as profits and losses are eliminated.
Acquisitions of companies are accounted for according to the "acquisition method" envisaged in IFRS 3, on the basis of which the identifiable assets acquired and the identifiable liabilities assumed (including potential liabilities) are to be recognised at their respective Fair Values at the acquisition date. Moreover, for each business combination, any non-controlling interest in the acquiree may be recognised at Fair Value or in proportion to the non-controlling interest's share of the acquiree's identifiable net assets. Any excess of the consideration transferred (represented by the Fair Value of the assets sold, liabilities incurred and equity instruments issued) and the Fair Value of the minority interests over the Fair Value of the assets and liabilities acquired is recognised as goodwill. If the price is lower, the difference is recognised in the income statement. The Group applies the Partial Goodwill method and therefore accounts for minority interests at the carrying amount.

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

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

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

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

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

Scope of Consolidation

The following table shows the list of subsidiaries in the Nexi Group as at 30 June 2024:

Company	Structure	Currency	Investor	% ownership	Registered Office
Nexi Payments SpA (*)	subsidiary	EUR	Nexi SpA	99,49	Milan, Italy
Nexi Payments Greece S.A. (*)	subsidiary	EUR	Nexi SpA	90,01	Athens, Greece
Mercury Payment Services SpA	subsidiary	EUR	Nexi SpA	100	Milan, Italy
Help Line SpA	subsidiary	EUR	Nexi SpA	69,24	Milan, Italy
Help Line SpA	subsidiary	EUR	Nexi Payments SpA	1,06	Milan, Italy
Orbital Cultura srl (ex Bassmart)	subsidiary	EUR	Nexi Payments SpA	95	Florence, Italy
Service HUB SpA	subsidiary	EUR	Nexi SpA	100	Milan, Italy
SIApay S.r.l. (*)	subsidiary	EUR	Nexi Payments SpA	100	Milan, Italy
Nexi Central Europe AS	subsidiary	EUR	Nexi SpA	100	Bratislava, Slovakia
Nexi Greece Single Member SA	subsidiary	EUR	Nexi SpA	100	Athens, Greece
Numera Sistemi e Informatica SpA	subsidiary	EUR	Nexi Payments SpA	100	Sassari, Italy
PforCards GmbH (Austria)	subsidiary	EUR	Nexi SpA	100	Wien, Austria
Nexi RS d.o.o. Beograd	subsidiary	RSD	Nexi Central Europe a.s.	100	Beograd, Serbia
SIA Croatia d.o.o.	subsidiary	EUR	Nexi Central Europe a.s.	100	Zagreb, Croatia
Nexi Czech Republic, s.r.o.	subsidiary	CZK	Nexi Central Europe a.s.	100	Prague, Czech Republic
SIA Payment Services, s.r.o.	subsidiary	EUR	Nexi Central Europe a.s.	100	Bratislava, Slovakia
BillBird S.A. (*)	subsidiary	PLN	Centrum Rozliczen Elektronicznych Polskie ePlatnosci S.A.	100	Krakow, Poland

Company	Structure	Currency	Investor	% ownership	Registered Office
Centrum Rozliczen Elektronicznych Polskie ePlatnosci S.A.	subsidiary	PLN	Rementi Investments S.A.	100	Tajęcina, Poland
Checkout Finland Oy (*)	subsidiary	EUR	Paytrail Oyj	100	Tampere, Finland
Nexi Germany GmbH	subsidiary	EUR	Nexi Germany Holding GmbH	100	Eschborn, Germany
Nexi Austria GmbH	subsidiary	EUR	Nexi Germany GmbH	100	Vösedorf, Austria
Nexi Germany Holding GmbH	subsidiary	EUR	Evergood Germany 1 GmbH	100	Eschborn, Germany
Nexi Germany Sales GmbH	subsidiary	EUR	Nexi Germany Holding GmbH	100	Köln, Germany
eCard S.A. (*)	subsidiary	PLN	P24 Dotcard Sp. z o.o.	100	Warszawa, Poland
Orderbird AT GmbH	subsidiary	EUR	Orderbird GmbH	98,15	Wien, Austria
Evergood Germany 1 GmbH	subsidiary	EUR	Nets Holdco 1 ApS	100	Eschborn, Germany
Nassa Topco AS	subsidiary	DKK	Nets A/S	100	Oslo, Norway
Nets A/S	subsidiary	EUR	Nets Holdco 5 AS	100	Ballerup, Denmark
Nets Cards Processing A/S	subsidiary	DKK	Nets Denmark A/S	100	Ballerup, Denmark
Nexi Croatia Ltd (*)	subsidiary	HRK	Nexi Germany Holding GmbH	100	Zagreb, Croatia
Nexi Slovenia Ltd	subsidiary	EUR	Nexi Croatia Ltd	100	Ljubljana, Slovenia
Nets DanID A/S	subsidiary	DKK	Nets Denmark A/S	100	Ballerup, Denmark
Nets Denmark A/S (*)	subsidiary	DKK	Nassa Topco AS	100	Ballerup, Denmark
Nets Estonia AS	subsidiary	EUR	Nets Denmark A/S	100	Tallinn, Estonia
Nets Holdco 1 ApS	subsidiary	DKK	Nexi SpA	100	Ballerup, Denmark
Nets Holdco 5 AS	subsidiary	DKK	Nets Holdco 1 ApS	100	Oslo, Norway
Nets Sweden AB	subsidiary	SEK	Nets Denmark A/S	100	Stockholm, Sweden
Nexi Schweiz AG	subsidiary	CHF	Nexi Germany GmbH	100	Wallisellen, Switzerland
Orderbird GmbH Germany (ex Orderbird AG)	subsidiary	EUR	Nexi Germany GmbH	100	Berlin, Germany
Paytech Payment Provider GmbH	subsidiary	EUR	Nexi Germany GmbH	100	Eschborn, Germany
P24 Dotcard Sp. z o.o.	subsidiary	PLN	Nets Denmark A/S	100	Warszawa, Poland
PayPro S.A. (*)	subsidiary	PLN	P24 Dotcard Sp. z o.o.	82	Poznań, Poland
PayPro S.A.(*)	subsidiary	PLN	eCard S.A.	18	Poznań, Poland
Paytrail Oyj(*)	subsidiary	EUR	Nets Denmark A/S	100	Jyväskylä, Finland
Paytrail Technology Oy	subsidiary	EUR	Paytrail Oyj	100	Jyväskylä, Finland
Polskie e Platnosci Sp. z o.o.(*)	subsidiary	PLN	Centrum Rozliczen Elektronicznych Polskie ePlatnosci S.A.	100	Jasionka, Poland
Nexi Digital Finland Oy	subsidiary	EUR	Nets Denmark A/S	100	Espoo, Finland
Ratepay GmbH(*)	subsidiary	EUR	Nexi Germany Holding GmbH	100	Berlin, Germany
Rementi Investments S.A.	subsidiary	PLN	Nets Denmark A/S	100	Warszawa, Poland
Signaturgruppen A/S	subsidiary	DKK	Nets Denmark A/S	100	Aarhus, Denmark
Team4U Sp. z o.o.	subsidiary	PLN	Centrum Rozliczen Elektronicznych Polskie ePlatnosci S.A.	75	Bydgoszcz, Poland
Trust Services Aps	subsidiary	DKK	Nassa Topco AS	100	Ballerup, Denmark

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

Note that the scope of consolidation did not change during 2024, with the exception of the acquisition of all minority interests in Orderbird (amounting to 1.85%) and the increase in the shareholding in Nexi Payments following the closing of the Sparkasse transaction as described in Note 38.

The merger by incorporation of Poplatek Payments Oy into Nets Denmark took effect on 1 January 2024. Being a business combination under common control, this transaction had no impact on the consolidated financial statements.

The consolidation area of the financial statements of Nexi Group as at 30 June 2024 includes not only the companies listed above and consolidated on a line-by-line basis, but also the following companies, which, considering the percentage held and/or related relevance, are measured using the shareholders' equity method:

Company	Structure	Currency	Investor	% ownership (***)	Registered Office
QRTAG Sp. z.o.o. (**)	significant influence/joint control	PLN	Centrum Rozliczen Elektronicznych Polskie ePlatnosci S.A.	45	Poznań, Poland
Rs Record store (in liquidation)	significant influence/joint control	EUR	Nexi Payments SpA	30	Genova, Italy
e-Boks Development A/S	significant influence/joint control	DKK	e-Boks Group A/S	50	Hellerup, Denmark
e-Boks GCC ApS	significant influence/joint control	DKK	e-Boks International A/S	50	Hellerup, Denmark
e-Boks Group A/S	significant influence/joint control	DKK	Nets Denmark A/S	50	Hellerup, Denmark
e-Boks International A/S	significant influence/joint control	DKK	e-Boks Group A/S	50	Hellerup, Denmark
e-Boks Nordic A/S	significant influence/joint control	DKK	e-Boks Group A/S	50	Hellerup, Denmark
WEAT Electronic Datenservice GmbH (*)	significant influence/joint control	EUR	Nexi Germany GmbH	40	Düsseldorf, Germany
Computop Paygate GmbH (**)	significant influence/joint control	EUR	Nexi Germany Holding GmbH	30	Bamberg, Germany
Computop inc. (USA) (**)	significant influence/joint control	USD	Computop Paygate Gmbh	30	Delaware, United States
Computop ltd. (UK) (**)	significant influence/joint control	GBP	Computop Paygate Gmbh	30	London, United Kingdom
Computop Shanghai Co.Ltd (**)	significant influence/joint control	CNY	Computop Paygate Gmbh	30	Shanghai, China
Computop Finance GmbH (Germany) (**)	significant influence/joint control	EUR	Computop Paygate Gmbh	30	Bamberg, Germany
Nexi Digital S.r.l.	significant influence/joint control	EUR	Nexi SpA	49	Bari, Italy
Nexi Digital Polska sp z o.o.	significant influence/joint control	PLN	Nexi Digital Srl	49	Warszawa, Poland
Digital Commerce Finland Oy	significant influence/joint control	EUR	Paytrail Oyj	16,67	Eteläranta, Finland

(*) Companies conducting regulated activities subject to restrictions under local supervisory regulations.
(**) Companies acquired in 2023.
(***) For indirect subsidiaries with significant influence/joint control, the percentage pertaining to Nexi was indicated.

Significant Assessments and Assumptions Made to Determine the Scope of Consolidation

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

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

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

- the purpose and structure of the investee, in order to identify the entity's objectives, its relevant activities, i.e. those that most influence its performance, and how these activities are governed;
- power, in order to understand whether the Group has contractual rights that confer the ability to direct the relevant operations;
- exposure to the variability of the investee's returns, in order to assess whether the return received by the Group may potentially vary depending on the results achieved by the investee.

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

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

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

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

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

Subsidiaries may also include any "structured entities" in which voting rights are not the determining factor for the assessment of control, including special purpose vehicles (SPE/SPV) and investment funds. Structured entities are considered to be controlled where one has power through contractual rights to govern the relevant assets and is exposed to variable returns from those assets.

As mentioned above, no circumstances arose that required the exercise of subjective evaluations or significant assumptions to determine the scope and method of consolidation.

Significant Restrictions

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

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

Other Information

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

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

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

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

For information on the Group's risks and related controls see Note 35, "Information on Risks and Related Hedging Policies" in these Notes to the Financial Statements, as well as in the Group Management Report.

Use of Estimates and Assumptions in Preparing the Consolidated Financial Statements

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

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

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

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

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

While stressing that the use of reasonable estimates is key when drafting financial statements, without this factor being held to affect their reliability, below are the items in which the use of estimates and assumptions is most significant, both in terms of the materiality of the values to be recognised in the balance sheet and impacted by such policies, and in terms of the complexity of the measurements, which entails the resorting to estimates and assumptions by Corporate Management:

- valuation of the financial assets and liabilities measured at Fair Value not listed on active markets;
- Fair Value measurement of assets and liabilities within the Purchase Price Allocation processes carried out following the completion of business combinations as described in the specific section;
- measurement of the financial assets measured at amortised cost and loan commitments;
- stock valuation;
- quantification of the useful life of intangible assets with a finite useful life and tangible assets;
- estimate of the recoverable amount of goodwill for impairment testing purposes;
- quantification of employee benefits and share-based payments;
- quantification of provisions made for risks and charges and payables for Loyalty programmes;
- assessment of the recoverability of deferred taxation.

For some of the cases listed above, the main factors can be identified that are subject to estimates by the Group and therefore contribute to determining the value at which assets and liabilities are recognised in the financial statements. Without claiming to be exhaustive, note that:

- to determine the Fair Value of financial instruments not listed on active markets, if it is necessary to use parameters that cannot be deduced from the market, the main estimates concern, on the one hand, the development of future cash flows (or even income flows, in the case of equities), possibly conditioned by future events, and on the other hand the level of certain input parameters not listed on active markets;
- to determine the value of goodwill and other intangible assets with a finite useful life arising from business combinations, with regard to the Cash Generating Units (CGUs) of the Group, the future cash flows in the analytical forecast period and the flows used to determine the so-called terminal value generated by the CGU are estimated separately and appropriately discounted, and in the case of assets with a finite useful life the estimated useful life. The cost of capital is also included in the estimated elements;
- to quantify employee benefits requiring actuarial valuation, the present value of the obligations is estimated taking into account the appropriately discounted flows resulting from historical statistical analyses, and the demographic curve;
- when quantifying provisions for risks and charges, where possible an estimate is made of the amount of disbursements required to fulfil obligations, taking into account the actual likelihood of having to use resources;
- to determine deferred taxation items, the probability of actual future taxable income (taxable temporary differences) and the degree of reasonable certainty – if any – of future taxable income at the time when tax deductibility will arise (deductible temporary differences and tax loss carryforwards) are estimated.

Events after the Reporting Period

No events occurred after the date of the financial statements that had an impact thereon.

Transfers of Financial Assets Between Portfolios

No transfers of financial assets between portfolios occurred.

Fair Value Disclosure

The international accounting standards IAS/IFRS prescribe the Fair Value measurement for financial products classified as "Financial assets at Fair Value through OCI" and "Financial assets at FVPL".
Accounting standard IFRS 13 regulates the Fair Value measurement and related disclosure.
More specifically, the Fair Value is the price that would be received for the sale of an asset, or which would be paid for the transfer of a liability in a regular transaction between market operators (i.e. not in a compulsory liquidation or sale below cost) as at the valuation date.

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

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

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

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

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

Qualitative Disclosure

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

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

Assets and Liabilities Measured at Fair Value on a Recurring Basis

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

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

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

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

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

Fair Value Hierarchy

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

Information on "Day One Profit or Loss"

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

2. Statement of Financial Position

(Amounts in thousand euros)

ASSETS

3. Cash and Cash Equivalents

	June 30, 2024	Dec. 31, 2023
a) Cash	47	46
b) Deposits and current accounts	475,442	800,128
Total	**475,489**	**800,172**

The item "Deposits and current accounts" refers to the liquid funds in the current accounts of Nexi SpA and is included in the Net Financial Position presented in the Management Report. The decrease is mainly due to the plan to buy back own shares, for intra-group transactions related to the repayment of the Nassa Bond, in addition to the effects of costs incurred by the parent company.

4. Financial Assets Measured at Fair Value

4.1 BREAKDOWN OF FINANCIAL ASSETS MEASURED AT FAIR VALUE

	June 30, 2024	Dec. 31, 2023
Financial assets measured at Fair Value through profit or loss	8,990	9,648
Financial assets measured at Fair Value through OCI	123,436	119,540
Total	**132,426**	**129,189**

4.2 BREAKDOWN OF FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

This item, totalling Euro 9 million, is mainly composed of:

- "Financial assets measured at Fair Value through profit or loss" for Euro 3 million, including Euro 2 million of Fair Value of Class A and Class C Visa shares held through the Nets Group and related to Financial liabilities measured at Fair Value, as well as other minor investments in equity instruments that do not confer any influence on the investee company.
- "Other financial assets mandatorily measured at Fair Value" for Euro 6 million that refer to the Fair Value as of the reporting date of derivatives related to the purchase of tranches II and III of the shares in Computop GmbH, a company over which the Group exercises joint control at the reporting date. Note that the strike price for the settlement of these derivatives, estimated at the reporting date, totalled approximately Euro 105 million.

4.3 BREAKDOWN BY PRODUCT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI

	June 30, 2024	Dec. 31, 2023
Debt instruments	-	-
Equity instruments	123,436	119,540
Financing	-	-
Total	**123,436**	**119,540**

4.4 BREAKDOWN BY ISSUER OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI

	June 30, 2024	Dec. 31, 2023
a) Banks	30,328	30,501
b) Financial institutions	77,817	73,747
- Visa Inc.	*66,810*	*63,703*
- Other financial companies	*11,006*	*10,044*
c) Non-financial institutions	15,292	15,292
Total	**123,436**	**119,540**

The item "Financial assets at Fair Value through OCI" mainly refers to Visa Inc shares held by the Group's operating companies (Euro 67 million), Acorns shares (Euro 11 million) and Banca Popolare di Sondrio shares (Euro 30 million) acquired during the first half of 2024. With respect to these equity investments, the Group does not exercise control, joint control or significant influence. Also during the first half of the year shares previously held in Monte dei Paschi di Siena were sold.
Note that the Visa shares in portfolio are made up of Visa Series C Shares eligible for conversion into Visa Class A ordinary Shares at a variable conversion rate dependent on expenses arising from contingent liabilities associated with the former Visa Europe.

5. Financial Assets Measured at Amortised Cost

5.1 LOANS AND RECEIVABLES WITH BANKS: BREAKDOWN BY PRODUCT

	June 30, 2024					Dec. 31, 2023				
	Carrying amount		Fair Value			Carrying amount		Fair Value		
	Stages 1 & 2	Stage 3	Level 1	Level 2	Level 3	Stages 1 & 2	Stage 3	Level 1	Level 2	Level 3
Loans and receivables with banks										
Deposits and current accounts	1,898,011	-	-	1,898,011	-	1,876,717	-	-	1,876,717	-
Prepaid cards liquidity	44,692	-	-	44,692	-	46,153	-	-	46,153	-
Restricted deposits	214,489	-	-	214,489	-	231,978	-	-	231,978	-
Other assets	27,462	-	-	27,462	-	70,809	-	-	70,809	-
Total	**2,184,654**	**-**	**-**	**2,184,654**	**-**	**2,225,657**	**-**	**-**	**2,225,657**	**-**

The current account balance includes the daily settlement balance of transactions processed by the Group on behalf of Intesa Sanpaolo and the liquidity at the level of the operating entities only.

The liquidity of the prepaid cards relates to the electronic money business carried out on said cards. Such liquidity is considered separate from operational liquidity to the extent that it is deposited in a restricted current account, transactions on which are limited to covering uses of prepaid cards by cardholders.

The item "Time deposits" includes the escrow accounts connected with the Nexi Payments factoring transactions on the balances of credit cards (Euro 3.6 million) as well as Euro 48.4 million in deposits to guarantee deferred payments made to merchants as part of the acquiring activity. A Euro 0.5 million pledge in favour of the factoring company is attached to said restricted accounts.

The total of the item includes Euro 1,395 million of liquidity in the operating companies' bank accounts, which has been included in the Group's Net Financial Position in the Management Report.

5.2 LOANS AND RECEIVABLES WITH FINANCIAL ENTITIES AND CUSTOMERS: BREAKDOWN BY PRODUCT

	June 30, 2024						Dec. 31, 2023					
	Carrying amount			Fair Value			Carrying amount			Fair Value		
	Stages 1 & 2	Purchased	Stage 3 Other	Level 1	Level 2	Level 3	Stages 1 & 2	Purchased	Stage 3 Other	Level 1	Level 2	Level 3
Ordinary credit cards	462,915	-	-		462,915		145,828	-	-		145,828	
Receivables from schemes	3,526,318	-	-	-	3,526,318	-	2,592,928	-	-	-	2,592,928	-
Revolving credit cards	244,069	-	531	-	244,069	531	305,053	-	523	-	305,053	523
Receivables from "Buy Now Pay Later" solution	84,243	-	25,888	-	84,243	25,888	92,679	-	17,558	-	92,679	17,558
Receivables from merchants	156,414	-	-	-	156,414	-	142,134	-	2	-	142,134	2
Other assets	156,680	-	2,771	-	156,680	2,771	184,234	-	1,988	-	184,234	1,988
Total	**4,630,639**	**-**	**29,189**	**-**	**4,630,640**	**29,189**	**3,462,857**	**-**	**20,070**	**-**	**3,462,857**	**20,070**

The "Ordinary credit cards" item refers to charge cards and is the balance at the end of each month of the amount cumulatively spent up to that date by the cardholders during the last operative month. Via the partner banks this amount is generally debited to the current accounts of holders on the 15th day of the following month. The group adopts a model according to which the receivables deriving from ordinary credit cards are the object of factoring operations that envisage the daily sale of receivables. The balance at 30 June 2024 included Euro 71.3 million worth of receivables sold on a with recourse basis and which therefore have not been derecognised.
As at 30 June 2024 the assigned derecognised receivables amounted to Euro 1,783.9 million.

"Other assets" mainly include the amount due from the factoring company of Nexi Payments SpA of Euro 154.2 million connected with the balance to be settled daily with the counterparty.

6. Hedging Derivatives

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

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

	Fair Value June 30, 2024				Fair Value Dec. 31, 2023			
	Carrying amount	Level 1	Level 2	Level 3	Carrying amount	Level 1	Level 2	Level 3
Derivatives with positive Fair Value								
Fair Value hedge								
Cash flow hedge	2,542		2,542		1,571		1,571	
Total	**2,542**	**-**	**2,542**	**-**	**1,571**	**-**	**1,571**	**-**
Derivatives with negative Fair Value								
Fair Value hedge								
Cash flow hedge	7,739		7,739		24,419		24,419	
Total	**7,739**	**-**	**7,739**	**-**	**24,419**	**-**	**24,419**	**-**

The negative Fair Value of hedging derivative, amount of Euro 8 million, has been included in the Net Financial Position. The total notional amount of outstanding hedging derivatives, represented by plain vanilla interest rate swaps, is Euro 900 million.

7. Equity Investments

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

Name	Direct ownership	Carrying amount June 30, 2024	Carrying amount Dec. 31, 2023
A. Companies subject to joint control			
e-Boks A/S, Denmark	Nets Denmark A/S	22,013	20,648
Computop Paygate GmbH	Nexi Germany Holding GmbH	44,233	44,249
B. Companies subject to significant influence			
QRTAG Sp. z.o.o.	Centrum Rozliczen Elektronicznych Polskie e Platnosci S.A.	1,351	1,292
Digital Commerce Finland Oy	Paytrail Oyj	50	50
Nexi Digital	Nexi SpA	723	1,385
Rs-Record Store S.p.A. in liquidazione	Nexi Payments SpA	-	-
WEAT Electronic Datenservice GmbH, Germany	Nexi Germany GmbH	4,408	4,336
Total		**72,777**	**71,960**

During the first half of 2024 there were no entries or exits of equity investments, the change in the item is maily related to the effects of valuation using the equity method.

8. Tangible Assets

8.1 TANGIBLE ASSETS: BREAKDOWN OF ASSETS BY DESTINATION

	June 30, 2024	Dec. 31, 2023
Property and equipment	526,239	547,849
Investment property	1,168	1,204
Total	**527,406**	**549,053**

8.2 PROPERTY AND EQUIPMENT: BREAKDOWN

	June 30, 2024	Dec. 31, 2023
Owned		
a) Land	42,175	42,175
b) Buildings	63,980	65,944
c) POS and ATM	165,241	159,371
d) Machinery and electronic equipment/systems	101,937	114,951
e) Furniture and furnishings	6,877	7,405
f) Other	12,713	13,098
Rights of use from leasing contracts		
a) Land	-	-
b) Buildings	90,386	98,731
c) POS and ATM	6,088	11,751
d) Machinery and electronic equipment/systems	21,836	21,932
e) Furniture and furnishings	-	-
f) Other	15,005	12,491
Total	**526,239**	**547,849**

With regard to item "Owned", note the following:

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

The "Rights of use from lease contracts" item refers to assets recognised following the application of IFRS 16.

At the reporting date there are no restrictions as to the usage of such rights of use. Note that for some categories of assets and/or agreements the Nexi Group exercised the right to exclude contracts with a duration of less than 12 months and/or contract value worth less than Euro 5,000 (low value contracts) from IFRS 16.
Note that commitments already undertaken in connection with the purchase of tangible fixed assets amount to Euro 1.5 million and are mainly represented by the purchase of lease rights.

8.3 PROPERTY AND EQUIPMENT: CHANGES

June 30, 2024	Land	Buildings	POS and ATM	Machinery and electronic equipment/ systems	Furniture and furnishings	Other	Total
A. Opening balance - Gross	**44,388**	**295,392**	**495,302**	**475,124**	**19,783**	**51,838**	**1,381,827**
A.1 Depreciation Fund	(2,213)	(130,717)	(324,181)	(338,242)	(12,379)	(26,250)	(833,980)
A.2 Net Opening balance	**42,175**	**164,676**	**171,122**	**136,883**	**7,405**	**25,589**	**547,849**
B. Increases	**-**	**5,042**	**41,393**	**14,633**	**1,764**	**6,293**	**69,124**
B.1 Purchases	-	172	36,876	6,908	1,763	81	45,801
B.2 Capitalised improvement costs	-	-	-	-	-	-	-
B.3 Reversals of impairment losses	-	-	-	-	-	-	-
B.4 Positive Fair Value adjustments	-	-	-	-	-	-	-
B.5 Business combination	-	-	-	-	-	-	-
B.6 Transfers from investment property	-	-	-	-	-	-	-
B.7 Other increases	-	4,870	2,557	5,704	0	6,210	19,342
of which of Rights of use	-	*4,870*	*13*	*5,339*	-	*4,642*	*14,865*
B.8 Currency translation adjustment	-	-	1,960	2,020	0	2	3,982
C. Decreases	**-**	**15,352**	**41,185**	**27,742**	**2,291**	**4,165**	**90,734**
C.1 Sales	-	-	271	1,012	-	37	1,321
C.2 Depreciation	-	15,046	38,737	26,730	2,292	4,056	86,861
of which of Rights of use	-	*12,156*	*3,015*	*4,830*	-	*2,984*	*22,986*
C.3 Impairment losses	-	-	13	-	-	(1)	12
C.4 Negative Fair Value adjustments	-	-	-	-	-	-	-
C.5 Business combination	-	-	-	-	-	-	-
C.6 Transfers	-	-	-	-	-	-	-
a) investment property	-	-	-	-	-	-	-
b) non-current assets held for sale and discontinued operations	-	-	-	-	-	-	-
C.7 Other decreases	-	306	2,163	-	(1)	24	2,492
C.8 Currency translation adjustment	-	-	-	-	-	48	48
D. Closing balance - Gross	**44,388**	**300,128**	**534,260**	**488,745**	**21,547**	**58,023**	**1,447,091**
D.1 Depreciation Fund	(2,213)	(145,762)	(362,918)	(364,971)	(14,671)	(30,306)	(920,841)
D.2 Net Closing balance	**42,175**	**154,366**	**171,330**	**123,773**	**6,877**	**27,717**	**526,239**

8.4 INVESTMENT PROPERTY: BREAKDOWN OF ASSETS MEASURED AT COST

	June 30, 2024				Dec. 31, 2023			
	Carrying amount	Fair Value			Carrying amount	Fair Value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
1. Owned								
a) land	180	-	-	-	180	-	-	-
b) buildings	988	-	-	-	1,024	-	-	-
2. Rights of use acquired through leasing								
a) land	-	-	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-	-	-
Total	**1,168**	**-**	**1,360**	**-**	**1,204**	**-**	**1,360**	**-**

As calculated at 31 December 2023, this item includes the property located in Monteriggioni (SI) (Via delle Frigge) owned by Nexi Payments SpA, the book value of which decreased due to depreciation in the half-year.

As at the date of reference, there are no:

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

9. Intangible Assets

9.1 INTANGIBLE ASSETS: BREAKDOWN BY TYPE OF ASSET

	June 30, 2024		Dec. 31, 2023	
	Finite useful life	Indefinite useful life	Finite useful life	Indefinite useful life
A.1 Goodwill		12,013,549		11,999,223
A.2 Intangible assets - Customer contracts	3,071,046		3,241,122	
A.3 Other intangible assets	1,294,265		1,343,709	
- internally generated assets	776,336		770,043	
- externally purchased assets	509,243		563,662	
- leased intangible assets	8,686		10,005	
Total	**4,365,312**	**12,013,549**	**4,584,831**	**11,999,223**

Goodwill mainly resulting from the acquisitions of the Nets Group, the SIA Group and the book acquisitions by the Group's operating companies, increased in the half-year mainly due to the recognition of provisional goodwill arising from the acquisition of the Sparkasse acquiring book (Euro 30.7 million), partially offset by the exchange rate effects on past goodwill (Euro 16 million).

As in the financial statements for the year ended 31 December 2023, the following three Cash Generating Units were identified:

- Merchant Solutions;
- Issuing Solutions;
- Digital Banking Solutions.

These CGUs correspond to the operating segments described in Section 41.

With regard to the method of allocation of goodwill to the various CGUs identified, see Section 9.3 "Intangible Assets: Impairment Testing" below.

The other intangible assets consist of:

- purchases of software and technological developments: the item also includes the effects of software revaluations performed as part of the Purchase Price Allocation Processes concluded in the previous years. Note that ongoing projects not yet completed amount to Euro 306 million;
- intangible assets with a finite useful life resulting from the Purchase Price Allocation processes described above are mainly composed of customer contracts and customer relationships resulting from the Purchase Price Allocation processes completed in previous years, amounting to Euro 3,071 million.

Note that commitments already undertaken in connection with the purchase of intangible assets amount to Euro 35.6 million.

9.2 INTANGIBLE ASSETS: CHANGES

June 30, 2024	Goodwill	Customer Contracts	Other intangible assets:			Total
			internally generated assets	externally purchased assets	leased intangible assets	
A. Net opening balance	**11,999,223**	**3,241,122**	**770,043**	**563,662**	**10,005**	**16,584,054**
B. Increases	**30,694**	**-**	**121,256**	**32,985**	**272**	**185,207**
B.1 Purchases	-	-	116,501	30,427	-	146,928
B.2 Reversals of impairment losses	-	-	-	-	-	-
B.3 Positive Fair Value adjustments	-	-	-	-	-	-
B.4 Business combination	30,694	-	-	-	-	30,694
B.5 Other increases	-	-	-	2,558	-	2,558
of which of Rights of use	-	-	-	-	-	-
B.6 Currency translation adjustment	-	-	4,755	-	272	5,027
C. Decreases	**16,368**	**170,076**	**114,963**	**87,404**	**1,591**	**390,401**
C.1 Sales	-	-	-	-	-	-
C.2 Amortisation	-	167,498	103,029	85,797	1,591	357,915
of which of Rights of use	-	-	-	-	*1,591*	*1,591*
C.3 Impairment losses	-	-	-	-	-	-
C.4 Business combination	-	-	-	-	-	-
C.5 Negative Fair Value adjustments	-	-	-	-	-	-
C.6 Transfers to non-current assets held for sale and discontinued operations	-	-	8,768	-	-	8,768
C.7 Other decreases	-	-	3,166	(3,376)	-	(209)
C.8 Currency translation adjustment	16,368	2,578	-	4,983	-	23,928
D. Net closing balance	**12,013,549**	**3,071,046**	**776,336**	**509,243**	**8,686**	**16,378,860**

9.3 INTANGIBLE ASSETS: IMPAIRMENT TESTING

As required by international accounting standard IAS 36.12, the Nexi Group verified the presence of any impairment indicators with respect to goodwill and intangible assets with a finite useful life deriving from business combinations.
With regard to intangible assets with a finite useful life, no indicators of impairment emerged. Conversely, with regard to goodwill, it was necessary to perform an impairment test because the market capitalisation of Nexi S.p.A. as at 30/06/2024 was lower than the Group's book equity.

The goodwill is allocated to the following Cash Generating Units.

(Amounts in million euros)

Name of CGU	Goodwill (*)	Carrying amount (**)
Merchant Solutions	8,422	10,677
Issuing Solutions	3,420	4,461
Digital Banking Solutions	342	891
Total	**12,184**	**16,029**

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

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

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

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

For the purposes of this impairment test, in addition to the value in use, the Fair Value (income approach) of the CGUs defined above was also estimated in order to reflect the effects of future restructuring, the benefits of which must be neutralised from the estimated value in use pursuant to IAS 36.44.

Regarding the determination of the recoverable value, for both measurements indicated above the method of discounted cash flow in the unlevered version ("DCF") was adopted. Such method is based on the general concept that the value of a company is equivalent to the discounted amount of:

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

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

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

where:

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

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

$$Ke = Rf + ß * (Rm – Rf)$$

where:

- Rf = risk-free rate, equal to the average yield to maturity of 10-year government bonds for the last month weighted on average with respect to the countries the Group operates in for each CGU identified;
- Beta = beta coefficient expressing systematic risk. This parameter was estimated based on an analysis of the betas of comparable companies;
- Rm - Rf = equity risk premium, namely the additional return requested by a risk averse investor compared with the return of risk-free assets; it is equivalent to the difference between the average return of the stock market and the risk-free rate. The risk premium considered is 5.95%, applicable to European companies (source: Berec BoR (24) 102).

The debt cost must be considered net of the tax rate "t", in order to take into account the tax shield on interest costs. This parameter was estimated based on an analysis of bond yields of comparable companies, consistent with the target financial structure assumed in the WACC calculation.
For the purpose of estimating the long-term growth rate (g rate), the long-term inflation rate of the countries in which the CGUs operate estimated by IMF (World Economic Outlook) as at April 2024 was used.

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

- CGU Merchant Solutions: wacc = 9.86% and g = 2.03%.
- CGU Issuing Solutions: wacc = 9.95% and g = 2.02%.
- CGU Digital Banking Solutions: wacc = 9.98% and g = 2.00%.

The estimate of the recoverable amount is obtained by starting from the estimates of the expected results for H2 2024 and the 2025-2028 Plan already used for the purpose of the 31 December 2023 impairment test.

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

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

Name of the CGU	Increase of WACC	Decrease of growth rate (g)	Shift parallel to decrease of EBITDA
Merchant Solutions	0.03%	(0.04%)	(0.28%)
Issuing Solutions	0.46%	(0.60%)	(4.71%)
Digital Banking Solutions	0.07%	(0.09%)	(0.15%)

10. Tax Assets and Liabilities

10.1 CURRENT TAX ASSETS AND LIABILITIES

As of 30 June 2024, the Financial Statements show Euro 14 million (Euro 16 million as at 31 December 2023) related to current tax assets and Euro 154 million (Euro 38 million as of 31 December 2023) related to current tax liabilities.
Current tax assets mainly consist of receivables for taxes paid abroad.
Current tax liabilities include payables for the balance of the domestic tax consolidation as well as payables for Irap and taxes owed by foreign subsidiaries.
Note that, in addition to the parent company Nexi SpA, the current national tax consolidation scheme involves the subsidiaries Mercury Payment Services SpA, Nexi Payments SpA, Help Line SpA, Service Hub SpA, SIApay Srl and Numera Sistemi and Informatica SpA.

10.2 DEFERRED TAX ASSETS: BREAKDOWN

	June 30, 2024	Dec. 31, 2023
Deferred taxes assets		
- of which: recognised in equity	2,227	2,256
- of which: recognised in profit and loss	236,853	230,828
Total	**239,080**	**233,085**

Deferred tax assets amounted to Euro 239 million (233 million in December 2023) and were composed as follows:

- tax recognised in Shareholders' Equity mainly arising from deferred tax assets relating to severance pay;
- taxes recognised with a balancing entry in the Income Statement, mainly relating to deferred tax assets arising from the redemption of goodwill recognised in the financial statements of Nexi Payments and Nexi SpA. The item also includes deferred tax assets relating to adjustments to receivables, provisions for risks and charges, as well as the residual tax asset arising from the spin-off of certain equity investments from DEPObank SpA to Nexi, and deferred tax assets on tax losses.

As at 30 June 2024 the Group had unused tax losses of Euro 277 million, of which Euro 11 million can be carried forward over 3 years and the balance in more than 3 years.
With regard to these tax losses, according to available estimates, deferred tax assets of Euro 41 million were recognised. The assessment of the recoverability of tax loss assets is based on the positive taxable income expected within the next three to five years.

Unrecognised tax assets, for which there is no evidence of short-term use, were not recognised and amounted to Euro 21 million, corresponding to tax losses of approximately Euro 94 million.

10.3 DEFERRED TAX LIABILITIES: BREAKDOWN

	June 30, 2024	Dec. 31, 2023
Deferred tax liabilities		
- of which: recognised in equity	3,722	4,277
- of which: recognised in profit and loss	999,738	1,047,904
Total	**1,003,460**	**1,052,181**

Deferred tax liabilities amounted to Euro 1,003 million (Euro 1,052 million as at December 2023) and consisted mainly of deferred taxes recognised as a result of the Purchase Price Allocations, specifically of Nets and SIA completed in previous years.

Specifically:

- tax recognised in Shareholders' equity mainly arising from deferred tax relative to the Fair Value measurement of the Visa Shares in portfolio;
- tax recognised in the Income Statement arising from temporary differences in goodwill and deferred taxes identified in the Purchase Price Allocation of the business combination transactions carried out by the Group.

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

	June 30, 2024	Dec. 31, 2023
A. Assets held for sale		
A.1 Financial assets	33,763	362
A.2 Tangible assets	1,612	1,954
A.3 Intangible assets	62,962	67,838
A.4 Other assets	45,014	34,985
Total (A)	**143,351**	**105,139**
B. Liabilities associated with assets held for sale		
B.1 Financial liabilities	161	189
B.2 Other liabilities	51,181	14,585
Total (B)	**51,341**	**14,774**

As mentioned in the 2023 financial statements, in November 2023 Nexi signed an agreement with IN Groupe to sell the Digital Banking business in the Nordics region, referred to as the eID business. Consequently, from 31 December 2023 these assets were classified as "non-current assets held for sale". Note in particular that this business includes the companies Nets DanID, Signaturgruppen and a business unit of Nets Denmark A/S.

This category also includes the assets and liabilities relating to Orbital Cultura and a property held by the Group, which is currently being disposed of.

12. Other Assets

	June 30, 2024	Dec. 31, 2023
Tax receivables	68,212	78,232
Other assets for commissions to be collected	627,691	755,982
Deferred costs	294,647	240,431
Inventory	53,741	52,094
Unsettled transactions	1,371,385	1,003,321
Other receivables	18,213	21,084
Total	**2,433,888**	**2,151,143**

Accounts relative to e-money settlements are excluded from the calculation of the working capital, and are presented, instead, under "Unsettled transactions", above.

The item "Other assets for commissions to be collected" refers to receivables net of the relevant risk provisions.
The inventory mainly refers to ATMs, POSs and spare parts net of the relevant depreciation.
The "Deferred costs" item includes deferred expenses relating to costs to fulfil contracts with customers and similar items for Euro 155.8 million and deferred expenses for costs paid but not yet accrued equal to about Euro 135.8 million.
The item "Unsettled transactions" refers to transactions associated with different processing stages of the settlement of transactions generally completed in the first days of the following month.

LIABILITIES

13. Financial Liabilities Measured at Amortised Cost

13.1 FINANCIAL LIABILITIES DUE TO BANKS (BREAKDOWN BY PRODUCT)

	June 30, 2024				Dec. 31, 2023			
	Carrying amount	Fair Value			Carrying amount	Fair Value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
1. Financing	4,212,780	-	4,212,780	-	3,958,052	-	3,958,052	-
2. Other liabilities	135,494	-	135,494	-	172,492	-	172,492	-
3. Lease liabilities	-	-	-	-	-	-	-	-
Total	**4,348,273**	**-**	**4,348,273**	**-**	**4,130,544**	**-**	**4,130,544**	**-**

The item "Financing" mainly includes the Group's funding, composed as follows:

- the IPO Term Line for Euro 1.000 million. The carrying amount as at the reporting date included direct residual transactions costs, not yet amortised, for Euro 4.5 million;
- the Term Loan for Euro 365 million. The carrying amount as at the reporting date included direct residual transaction costs, not yet amortised, for Euro 1.1 million;
- the BBPM Credit Line for Euro 200 million. The carrying amount as at the reporting date included direct residual transaction costs, not yet amortised, of Euro 0.5 million;
- the 2022 Term Loan for Euro 896 million. The carrying amount as at the reporting date included direct residual transaction costs, not yet amortised, of Euro 3.8 million;
- the BPER loan agreement amounting to Euro 50 million;
- the payable to Alpha Bank in the amount of Euro 120 million for the deferred payment of the purchase of Nexi Payments Greece;
- Rate Pay funding to support the operation of pay-later services in the amount of Euro 68 million.

Moreover, the item includes credit lines used by the Group for settlements.

The item "Other liabilities" mainly refers to payables for fees and other retrocessions to partner banks.

The item total includes Euro 2,700 million in bank financing included in the Net Financial Position discussed in the Management Report.

13.2 FINANCIAL LIABILITIES DUE TO FINANCIAL ENTITIES AND CUSTOMERS: BREAKDOWN BY PRODUCT

	June 30, 2024				Dec. 31, 2023			
	Carrying amount	Fair Value			Carrying amount	Fair Value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
1. Financing	139,810	-	139,810	-	189,775	-	189,775	-
2. Other liabilities	3,170,369	-	3,170,369	-	2,566,050	-	2,566,050	-
3. Lease liabilities	141,711	-	141,711	-	163,523	-	163,523	-
Total	**3,451,890**	**-**	**3,451,890**	**-**	**2,919,348**	**-**	**2,919,348**	**-**

The item "Financing" mainly refers for Euro 74.3 million to payables to the factoring company for advances on ordinary credit cards sold with recourse. The item also includes payables to merchants related to the Buy now pay later product (which are included for the purpose of calculating the effects of working capital) in the amount of Euro 45 million (net of the associated escrow accounts) (Euro 22 million as at December 2023).
This Lease Liabilities item of Euro 142 million is included in the Net Financial Position.

13.3 SECURITIES ISSUED: BREAKDOWN BY PRODUCT

	June 30, 2024				Dec. 31, 2023			
	Carrying amount	Fair Value			Carrying amount	Fair Value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
1. Fixed rate securities	3,843,221	-	3,633,406	-	4,045,744	-	3,841,097	-
2. Floating rate securities	-	-	-	-	-	-	-	-
Total	**3,843,221**	**-**	**3,633,406**	**-**	**4,045,744**	**-**	**3,841,097**	**-**

Note: with reference to the convertible bonds, the Fair Value above refers to financial liability for the issue as a whole.

As more fully explained in the Directors' Report, the item refers to:

- the 2026 Bonds in the amount of Euro 925 million, including direct transaction costs not yet amortised in the amount of Euro 3.9 million;
- the 2029 Bonds in the amount of Euro 1,047 million, including direct transaction costs not yet amortised in the amount of Euro 7.2 million;
- the 2027 Convertible Loan, in the amount of Euro 475 million, including direct transaction costs not yet amortised in the amount of Euro 2.7 million attributed to the "Payable" component;
- the 2028 Convertible Loan, in the amount of Euro 920 million, including direct transaction costs not yet amortised in the amount of Euro 6.6 million attributed to the "Payable" component;
- the 2024 Bond Loan in the amount of Euro 477 million, including direct transaction costs not yet amortised in the amount of Euro 0.4 million.

Note that during the first half of the year the Nassa Topco Bond Loan recorded in the 2023 financial statements was repaid in the amount of Euro 219 million.

This item is entirely included in the Net Financial Position shown in the Management Report.

14. Financial Liabilities at Fair Value through Profit or Loss

14.1 FINANCIAL LIABILITIES AT FVTPL: BREAKDOWN

	June 30, 2024				Dec. 31, 2023			
	Carrying amount	Fair Value			Carrying amount	Fair Value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial liabilities measured at Fair Value	1,022	-	1,022	-	1,033	-	1,033	-
Other financial liabilities mandatorily measured at Fair Value	249,788	-	249,099	689	245,280	-	244,591	689
Total	**250,810**	**-**	**250,121**	**689**	**246,313**	**-**	**245,624**	**689**

The item "Financial liabilities measured at Fair Value" refers to the liability linked to Visa shares as described in more detail in section 4.2. The item "Other financial liabilities mandatorily measured at Fair Value" refers to the contingent considerations provided for by contracts with reference to the business combination transactions.
The item also includes the Fair Value of the call option granted to Alpha Bank with respect to the sale of up to 39% of Nexi Payments Greece at a maximum strike of Euro 214 million.
This item is included in Net Financial Position for Euro 246 million reported in the Management Report.

15. Other Liabilities

	June 30, 2024	Dec. 31, 2023
Tax liabilities and social security debts	41,438	88,994
Payables due to employees	235,714	155,695
Other liabilities for fees and commissions	665,463	714,796
Unsettled transactions	1,747,891	1,342,629
Deferred loyalty fees and other revenues	84,000	69,818
Other debts	11,260	1,201
Total	**2,785,767**	**2,373,133**

Accounts relative to e-money settlements are excluded from the calculation of the working capital, and are presented, instead, under "Unsettled transactions", above. Note that the balances of "Other assets" and "Other liabilities" as at 30 June 2024 relating to eID assets, classified under IFRS 5, amounted to Euro 77 million (Euro 34 million as at 31 December 2023) and Euro 50 million (Euro 14 million as at 31 December 2023), respectively. Note that the item "Payables to employees" includes Euro 109 million related to redundancy incentives (Euro 5 million as at 31 December 2023).

The item "Other liabilities for fees and commissions" includes payables to suppliers and other counterparties for commercial services received.

The item "Deferred loyalty fees and other revenues" mainly includes liabilities associated with Loyalty programmes in place, worth Euro 52.5 million, aside from the liabilities deriving from customer contracts, worth Euro 31.5 million, mainly associated with revenues invoiced in advance and one-off revenues for projects concerning the goodwill of new clients or new products.
The item "Unsettled transactions" refers to transaction associated with different processing stages of the settlement of transactions in the first days of the following month.

16. Post-employment Benefits

	June 30, 2024	Dec. 31, 2023
Defined benefit plan	30,830	32,000
Contribution plan	-	-
Total	**30,830**	**32,000**

The item includes defined benefit plans in place at the Group's operating companies based on local legislation or supplementary agreements.

17. Provisions for Risks and Charges

17.1 PROVISIONS FOR RISKS AND CHARGES: BREAKDOWN

	June 30, 2024	Dec. 31, 2023
1. Internal pension funds	-	-
2. Other provisions for risks and charges	174,973	176,409
2.1 Legal and tax disputes	107,008	107,438
2.2 Employees expenses	2,360	1,716
2.3 Other provisions	65,605	67,255
Total	**174,973**	**176,409**

The item "Legal and tax disputes" of Euro 107 million (Euro 107 million as at 31 December 2023) refers mainly to the provisions made for litigation and pre-litigation, including estimated legal fees, for which the risk is considered probable.

The item "Other provisions" of Euro 65 million (Euro 67 million as at 31 December 2023) mainly refer to:
a. Provision to cover contractual commitments undertaken at the time of the acquisition of the equity investment in Bassilichi amounting to approximately Euro 4 million, slightly reduced compared to last year following a revision of the relative estimate;
b. Provision to cover the cost of divesting the Bassilichi Group's non-core equity investments, amounting to Euro 1 million in line with the previous year;
c. Provision to cover risks mainly related to pending disputes and other disputes related to ordinary operations amounting to approximately Euro 21 million. The increase over the previous year (Euro 19 million) is related to provisions made net of uses during the period;
d. Provision for fraudulent transactions, mainly in issuing, of Euro 2 million, an increase compared to the previous year (Euro 1 million);
e. Provision to cover charge back and other risks related to the acquiring business in the amount of approximately Euro 17 million, in line with the balance as at 31 December 2023;
f. Provisions to cover risks recorded as an adjustment to the opening balances related to the merger with Nets and SIA equal to Euro 19 million, in line with the previous year;
g. Provisions related to onerous contracts and contractual penalties were reduced to zero in H1 2024 (Euro 3 million as at 31 December 2023) as a result of uses in the period.

18. Shareholders' Equity

	June 30, 2024	Dec. 31, 2023
Share capital	118,719	118,647
Treasury shares	(123,740)	(7,013)
Share premium	-	11,587,260
Reserves	11,303,378	713,900
Valuation reserves	(123,447)	(132,390)
Profit (Loss) for the period	(32,600)	(1,005,989)
Equity attributable to non-controlling interests (+/-)	19,564	22,731
Total Shareholders' Equity	**11,161,874**	**11,297,146**

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

The "Equity attributable to non-controlling entities" item of Euro 19.6 million mainly refers to minority stakes in Nexi Payments SpA (Euro 12.5 million), Help Line SpA (Euro 1.7 million) and Nexi Payments Greece (Euro 5.9 million).

As at 30 June 2024 the share capital was comprised of no. 1,313,139,688 ordinary shares, all fully paid up. The increase in the period is related to the share capital increase resolved to service the LTI plan.

The reduction of the premium is related to its allocation to the legal reserve to service the buy-back programme resolved during the half-year.

The treasury shares in portfolio amounted to no. 20,351,869. Specifically, during the period:

- with reference to the buy back plan, 19,702,573 own shares were purchased for a market value of approximately Euro 118 million;
- 884,035 treasury shares were used to service the LTI plan, for a market value of Euro 6 million;
- there was an increase of 796,161 treasury shares as a result of the free capital increase indicated above, for a value equal to Euro 5 million.

The item "Reserves" increased mainly due to the effects of share-based plans (approximately Euro 10 million) and the carry-forward of the profit from the previous period.

The change in the item "Valuation reserves" is related to the increase in the Valuation reserve related to Visa shares in portfolio, the similarly positive effect of the Cash Flow Hedge Reserve, partially offset by the increase in the Conversion Reserve and the IAS 19 reserve.

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

(Amounts in thousand euros)

	Shareholders' equity	Profit/(Loss) for the period
Balance of accounts for Parent Company at June 30, 2024	**12,346,874**	**490,586**
Effect of consolidation of subsidiaries	(1,097,085)	54,098
Effect of measurement at equity method	(16)	1
Other adjustments including comprehensive income	(107,463)	-
Dividends collected in the period	-	(577,285)
Balance of consolidated accounts at June 30, 2024	**11,142,310**	**(32,600)**

19. Income Statement

(Amounts in thousand euros)

20. Fees for Services Rendered and Commission Income

	I Half 2024	I Half 2023 Restated
Issuing & Acquiring fees:	1,929,719	1,789,261
- fees and commissions from counterparties	*1,815,551*	*1,478,614*
- fees and commissions from cardholders	*114,167*	*310,647*
Revenues from services	1,002,651	945,924
Total	**2,932,369**	**2,735,185**

The item "Issuing & acquiring fees" item mainly consists of:

- the item "Fees and commissions from counterparties", which includes the interchange fees recognised by the schemes, the acquiring commissions paid by merchants and the commissions for processing issuing/acquiring and servicing paid by partner banks;
- the item "Fees and commissions from cardholders", which includes commissions debited to licensed cardholders, mainly relating to charges.

The item "Revenues from services" mainly consists of POS and ATM rental and maintenance charges, of revenue from Digital & Corporate Banking services, and revenue from activities linked to Payment Services and revenues connected with Help Desk services.

21. Fees for Services Received and Commission Expense

	I Half 2024	I Half 2023
Bank charges:	(1,135,564)	(1,051,984)
- fees due to correspondents	*(974,374)*	*(884,159)*
- fees due to banks	*(161,190)*	*(167,825)*
Other fees	(44,950)	(58,018)
Total	**(1,180,514)**	**(1,110,002)**

This item mainly comprises:

- the item "Fees due to correspondents", mostly consisting of interchange fees and other charges debited by the schemes;
- the item "Fees due to banks", mainly consisting of fees paid to partner banks and commissions retroceded within the framework of the master and distribution agreements in place with regard to acquiring books acquired in recent years.

22. Interest and Similar Income

	I Half 2024	I Half 2023 Restated
Interest income related to Financial assets measured at amortised cost:	82,831	34,006
Interest income related to Financial assets measured at FVTPL:	-	-
Differentials related to Hedging derivatives	3,646	-
Interest income related to Other assets	-	2,179
Other financial income	7,246	18,887
Total	**93,723**	**55,071**

23. Interest and Similar Expense

	I Half 2024	I Half 2023 Restated
Interest expenses related to Financial liabilities measured at amortised cost:	(200,037)	(143,766)
- lease contracts	*(2,573)*	*(4,505)*
- due to banks and customers	*(153,322)*	*(95,558)*
- securities issued	*(44,142)*	*(43,703)*
Interest expenses related to Financial liabilities at Fair Value through profit or loss:	(11,546)	(11,891)
Differentials related to Hedging derivatives	-	(2,082)
Interest expenses related to Other liabilities/provisions	(10)	-
Other financial charges	(24,740)	(14,201)
Total	**(236,334)**	**(171,940)**

Interest expense mainly refers to:

- recourse credit facilities attached to the factoring agreement entered in 2018 by Nexi Payments SpA, included in the item "Financial liabilities measured at amortised cost";
- securities issued as described in the Directors' Report and section 36;
- outstanding financing as described in the Directors' Report and section 14.1.

24. Profits (Losse) on Hedging/Financial Assets and Liabilities at Fair Value through Profit or Loss/Derecognition of Assets and Liabilities at Amortised Cost

This item, amounting to Euro 6 thousand, mainly includes the net effect of valuations made during the semester.

25. Dividends and Profit (Loss) from Sale of Assets at Fair Value through Other Comprehensive Income

	I Half 2024	I Half 2023
Dividends	2,724	292
Profit/(loss) from disposal of financial assets at FVTOCI	(43,023)	(35,979)
Net income	**(40,299)**	**(35,687)**

The item's balance mainly refers to, under the scope of the factoring contract, expense due to transfer without recourse by Nexi Payments SpA of a significant portion of the loans portfolio attached to credit cards issued.
It also includes dividends distributed by the Group's investee companies, other than subsidiaries and associates, which are classified as "Financial assets at Fair Value through OCI".

26. Administrative Expenses

26.1 PERSONNEL-RELATED COSTS: BREAKDOWN

	I Half 2024	I Half 2023 Restated
1) Employees		
a) wages and salaries	(303,059)	(281,719)
b) social security charges and similar cost	(67,275)	(66,783)
c) post-employment benefits	(18,970)	(16,257)
- defined contribution plans	*(9,474)*	*(6,018)*
- defined benefit plans	*(9,496)*	*(10,239)*
d) costs of share-based payment plans	(9,563)	(10,905)
e) other employee benefits	(145,674)	(16,524)
2) Other personnel	**(11,991)**	**(13,779)**
Total	**(556,531)**	**(405,967)**

Payroll costs also include costs linked to the Stock Grant plan (guaranteed by Mercury UK) for Nexi Group employees and the costs connected with the Long-Term Incentive plan, as further detailed in Note 38.
Item e) Other employee benefits includes Euro 135 million of total charges related to voluntary resignation plans.
Furthermore, capitalised personnel costs amounted to Euro 39 million.

26.2 OTHER ADMINISTRATIVE COSTS: BREAKDOWN

	I Half 2024	I Half 2023 Restated
1. Third-party services	(176,875)	(151,328)
2. Lease and building management fees	(7,623)	(8,586)
3. Insurance	(4,543)	(5,443)
4. Rentals	(25,035)	(2,720)
5. Maintenance	(62,081)	(80,619)
6. Shipping costs	(11,655)	(10,590)
7. Telephone and telegraph	(17,557)	(17,847)
8. Cards and accessories	(6,894)	(7,863)
9. Printed matter and stationery	(1,048)	(1,674)
10. Other taxes	(15,738)	(14,323)
11. Legal, notary and consultancy services	(49,588)	(73,305)
12. Agents' commissions and expense reimbursement	(251)	(73)
13. Advertising	(5,549)	(4,266)
14. Promotional materials and competition prizes	(21,953)	(19,425)
15. Other commercial costs	(4,817)	(5,092)
16. Other general expenses	(96,625)	(106,189)
Total	**(507,832)**	**(509,345)**

27. Other Operating Income/Expenses, Net

	I Half 2024	I Half 2023
Other operating income	4,667	6,959
Other operating expenses	(2,484)	(3,874)
Total	**2,183**	**3,086**

28. Net Value Adjustments on Assets Measured at Amortised Cost

	Impairment losses		Reversals of Impairment losses		I Half 2024	I Half 2023
	Stages 1& 2	Stage 3	Stages 1& 2	Stage 3	Total	Total
A. Loans and receivables with banks	(734)	-	-	-	(734)	1,200
B. Loans and receivables with customers	(695)	(1,266)	482	-	(1,478)	(2,603)
Total	**(1,429)**	**(1,266)**	**482**	**-**	**(2,213)**	**(1,403)**

The item refers to the net value adjustments applied to receivables due from customers mainly connected with direct issuing and acquiring operations carried out by the Group's operating companies.

29. Net Accruals to Provisions for Risks and Charges

	I Half 2024	I Half 2023
Provisions for risks and charges	(8,618)	(1,046)
Releases	2,876	167
Total	**(5,742)**	**(879)**

The item reflects changes to the provision for risks and charges.

30. Net Value Adjustments/Write-backs on Tangible and Intangible Assets

	I Half 2024	I Half 2023 Restated
Depreciation and net impairment loss on tangible assets	(86,861)	(86,764)
Amortisation and net impairment loss on intangible assets	(357,915)	(353,580)
Total	**(444,775)**	**(440,344)**

31. Profit (Loss) from Equity Investments and Disposals of Investments

	I Half 2024	I Half 2023
Profit		
Profits on equity investments	2,694	595
Profits on sale of investments	67	16
Loss		
Loss on equity investments	-	-
Loss on sale of investments	(701)	(17)
Net Result	**2,060**	**595**

32. Income Taxes

	I sem. 2024	I sem. 2023 Restated
Current taxes	(129,337)	(153,900)
Changes in current taxes in previous years	(257)	114
Change in deferred tax assets	8,321	(95)
Change in deferred tax liabilities	35,087	50,810
Total	**(86,186)**	**(103,071)**

Income taxes amounted to Euro 86 million, compared to Euro 103 million in the previous period restated.

33. Income (Loss) after Tax from Discontinued Operations

As mentioned in section 11, as at 31 December 2023 assets related to Nets's eID (DBS) business were classified as non-current assets held for sale.
Since these assets are separate business lines, they also fall under the definition of "discontinued operations", and consequently, as required by IFRS 5, the related economic values were reclassified under this item.
Furthermore, as required by IFRS 5, the comparative consolidated income statement and the comparative comprehensive income table were restated to show discontinued operations separately from continuing operations (see also section 42). Note that intercompany transactions between continuing and discontinued operations were eliminated and are therefore not included in the figures reported here.

	I Half 2024	I Half 2023 Restated
1. Revenues	33,280	42,262
2. Costs	(35,950)	(27,770)
3. Valuation of disposal group and associated liabilities	-	-
4. Profit (Loss) from disposal	-	-
5. Tax and duty	-	-
Profit (Loss)	**(2,670)**	**14,492**

34. Profit (Loss) for the Period Attributable to Non-controlling Interests

These are minorities mainly referring to Nexi Payments SpA for Euro 1.0 million, Nexi Payments Greece negative for Euro 0.2 million and Help Line SpA, negative for Euro 1 million.

35. Information on Risks and Related Hedging Policies

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

Risk Management at Nexi Group

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

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

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

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

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

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

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

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

Nexi Group Risks

Liquidity and Interest Rate Risks

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

After almost two years of restrictive monetary policy, on 6 June 2024 the leaders of the European Central Bank indicated that based on an updated assessment of the inflation outlook, its dynamics and the intensity of monetary policy transmission, it was appropriate to moderate the level of monetary policy tightening after nine months of unchanged interest rates. The Governing Council of the ECB decided to cut the three key interest rates by 25 basis points. Thus, the interest rates on deposits with the central bank, the main refinancing operations and the marginal lending facility were reduced to 3.75%, 4.25% and 4.50% respectively. However, the European Central Bank recalled that, despite progress in recent quarters, strong domestic price pressures persist as wage growth is high and did not rule out that inflation is likely to remain above the target for most of next year. The ECB's Governing Council remains determined to ensure a timely return of inflation to the 2% medium-term objective and will keep key interest rates at sufficiently restrictive levels as long as necessary to achieve this goal, and will continue to follow a data-driven approach whereby decisions are determined on a case-by-case basis at each meeting. Changes in interest rates impact the market value of the company's financial assets and liabilities and the level of interest expenses, as some of the loans subscribed are variable rate.

At 30 June 2024 approximately 25% of the Nexi Group's medium- to long-term Financial Liabilities expressed at nominal values net of the effect of rate risk hedging transactions were exposed to sources of funding at a variable interest rate, and specifically to the Euribor index. Nexi periodically monitors the forward curves of the relevant variable rates, paying particular attention to trends relating to the 1/3/6-month Euribor rate. To mitigate the risk, it carries out interest rate risk hedging operations when deemed necessary using the appropriate financial instruments.

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

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

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

Operational Risk

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

The reliability, operational performance, integrity and continuity of the ICT infrastructure of the Nexi Group and the technological networks are crucial to the Group's business, prospects and reputation. Particularly important in the context of the ICT infrastructure in question are the merchant acquiring and card issuing platforms. The availability of such platforms and other systems and products may be compromised by damage or malfunctions to the Group's or its third-party service providers' ICT systems. Malfunctions can be caused by migrations to new technological or application environments, in the case of significant changes in the production environment, or by human error, insufficient and incomplete testing, cyber-attacks, unavailability of infrastructure services (e.g. electrical or network connectivity) or natural phenomena (e.g. floods, fires or earthquakes).
In line with the high degree of technological innovation of the services supplied by the Group and given the sensitive nature of operations involving the management of payment data, specific policies and methods have been set in place to identify and manage IT risk (including cybersecurity risk) and specific organisational measures have been implemented under the scope of the Information Security Management System for line controls and risk management control. During 2023 ICT Key Risk Indicators were developed with reference to the scope of Nexi Payments and monitored on a monthly basis in order to detect anomalies at an early stage and strengthen IT&Security controls.
Other significant risks worthy of consideration are that the Group may incur liability and, therefore, may suffer damages, including to its reputation, in connection with fraudulent digital payment transactions, fraudulent loans made by merchants or other parties or fraudulent sales of goods or services, including fraudulent sales made by Group merchants.
Examples of fraud may include the intentional use of stolen or counterfeit debit or credit cards, of payment card numbers or other credentials to book sales or false transactions by merchants or other parties, the sale of counterfeit goods, the intentional failure to deliver goods or services sold under the scope of a transaction that is otherwise valid. Failure to identify thefts and the failure to effectively manage fraud risk and prevention may increase the Group's charge-back liability or cause the Group to incur other liability, including fines and sanctions. The Group has sophisticated systems in place for transaction control and detection and suitable organisational measures to prevent fraud and control risk management.
For operational risks, the risk management objective is mitigation of the impact and/or probability from a cost/benefit perspective, in line with the defined risk appetite. Nexi has adopted policies, processes and instruments to identify, manage and monitor these risks, in line with the national and international regulatory provisions and requirements and best practices in the sector.

Credit Risk

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

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

Credit Risk Mitigation and Monitoring

The Group is committed to assessing and implementing all mitigation measures deemed necessary and/or most effective depending on the specific circumstances, based on risk-return analyses.
The main mitigation measures that the Group can adopt include the following:

- request for bank, insurance or cash collateral guarantees from the customer;
- inclusion of contractual provisions requiring bank or insurance guarantees if the customer exceeds certain risk thresholds.

Moreover, with specific reference to acquiring, we note the following:

- use of net settlement to credit the merchant with the amounts due, net of commissions, chargebacks, any refunds;
- deferral of payments due, depending on business model and characteristics of the merchants.

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

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

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

More specifically, with regard to the first half of 2024 note that:

- The trend in charge-back volumes attributed to merchants worsened slightly compared to the same period in 2023.
- The value of total outstanding debts from merchants before recoveries worsened slightly compared to the same period in 2023 due to an increase in the total volume (€) in Greece and DACH (in some cases covered by agreements with banks).
- Insolvencies in the Buy now pay later business are decreasing compared to the same period of 2023.

36. Related Parties

The purpose of IAS 24 (Related party disclosure) is to make sure that the financial statements of an entity contain the additional information necessary to highlight the possibility that the equity-financial position and economic results may have been altered by the existence of related parties and transactions and balances applicable with said parties.

In accordance with these indications, applied to the organisational and governance structure of the Nexi Group, the following are considered as related parties:

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

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

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

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

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

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

36.1 INFORMATION ON THE REMUNERATION OF KEY MANAGEMENT PERSONNEL

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

(Amounts in thousand euros)

	Directors	Board of Statutory Auditors	Executives holding strategic responsibility
Corporate bodies remunerations	752	203	-
Short-term benefits	-	-	3,967
Benefits subsequent to the termination of employment	-	-	266
Other long-term benefits	-	-	-
Indemnities for termination of employment	-	-	-
Total	**752**	**203**	**4,233**

36.2 INFORMATION ON RELATED-PARTY TRANSACTIONS

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

(Amounts in thousand euros)

	Controlling company	Other related parties	Directors, Executives and other Supervisory Bodies
Financial asset measured at amortised cost		13,102	-
Financial asset at Fair Value		-	-
Tangible assets		-	-
Intangible assets		2,363	-
Other assets		54,921	3
Financial liabilities measured at amortised cost		160,493	-
Other liabilities		8,210	-
Fees for services rendered and commission income		84,788	3
Fees for services received and commission expense		2,497	-
Interest and similar incomne		-	-
Interest and similar expense		437	-
Other administrative expenses		11,965	-
Other operating income/expenses		-	-

Credit and debit balances with related parties as of 30 June 2024 were not material with respect to the size of the Group's balance sheet. Likewise, the impact of income and expenses with related parties on the consolidated operating result was not material, nor was the impact of these transactions on the Group's cash flows.

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

37. Share-Based Payments

37.1 STOCK GRANT

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

In addition, during 2020, 2021 and 2023, Mercury UK together with other financial sponsors of Nexi adopted some new incentive plans based on the shares of Nexi SpA ("Nexi") and with a vesting period until 16 April 2022, 31 December 2022, 1 July 2024 and 30 June 2025. These plans are reserved for selected employees (the "Beneficiaries") of Group companies. These plans provide for Additional Shares assignable to employees depending on the market price of Nexi shares.

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

More specifically, IFRS 2 establishes that, in the plans settled with equity instruments with employees, the entity must:

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

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

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

Description	Number of Based shares
Outstanding rights to receive shares at the grant date	11,126,772
Rights assigned definitively in accordance with the Plans	(10,160,214)
Rights forfeited from the Plans	(443,682)
Outstanding rights at June 30, 2024	**522,876**

Based on the above, the overall cost of the Plans for H1 2024 is about Euro 3 million.

37.2 LONG TERM INCENTIVES

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

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

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

As of the date of these financial statements, all three cycles of the First LTI Plan have been assigned, as have the first two cycles of the Second Plan for which the vesting period expires respectively on 31 December 2024 and 31 December 2025.

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

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

These dates are the grant dates for the purpose of IFRS 2.

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

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

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

More specifically, with reference to Performance Share Rights:

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

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

Description	No. of Performance Share Rights	No. of Restricted Share Rights	Total
Outstanding rights to receive shares at the grant date	6,083,958	3,595,480	9,679,438
Right assigned definitively in accordance with the Plans	(2,561,509)	(1,243,409)	(3,804,918)
Rights forfeited from the Plans	(328,247)	(311,130)	(639,377)
Outstanding rights at June 30, 2024	**3,194,202**	**2,040,941**	**5,235,143**

The rights assigned were measured, reflecting the financial market conditions valid as at the grant date. Determination of the total plan value, as established by IFRS 2, is impacted by the number of rights that will accrue in accordance with the rules set out by the performance and Fair Value conditions of each right. Measurement was carried out considering the two components of the Performance Shares and Restricted Shares included in the plan, separately. Moreover, within the Performance Share component, consideration was given to the presence of the aforesaid specific objectives.
More specifically, the market-based component was estimated using the Monte Carlo Method, a stochastic simulation technique which, based on a set of starting conditions, produced a wide array of outcomes within a specified time horizon. More specifically, for each outcome scenario, share price projections are computed as of the initial value according to geometric Brownian motion. In this case it is:

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

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

The simulations were carried out by assuming a rate of return on the Nexi share calculated using the swap curve and a historical volatility of the share calculated with reference to the valuation date. Specifically, for the cycle assigned in 2023 these parameters respectively stand at 3.7% and about 35%.

For these components, with regard to the rights assigned during 2023 the unit value at the grant date was approximately Euro 3.8.

As for the likelihood of beneficiaries leaving, the annual exit probability was assumed to be zero. In accordance with IFRS 2, the non-market-based component is a condition that rather than be measured at the time of assignment is to be updated periodically at each reporting date, so as to take into account the expectations in relation to the number of rights that may accrue. For this component, with regard to the rights assigned in 2023, the Fair Value per unit is Euro 5.67 and Euro 5.79.

The overall cost of the plan for H1 2024 was about Euro 6 million.

38. Business Combination Operations

38.1 TRANSACTIONS CARRIED OUT DURING THE PERIOD

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

Acquisition of Merchant Acquiring Activities from Sparkasse

The acquisition of the merchant acquiring business from the Sparkasse Group, which was signed on 29 December 2023, was completed during H1 2024. Specifically:

- on 27 May 2024, the transfer of the business units of Sparkasse and Civibank to Nexi Payments was signed, valid from 1 June 2024, against the issue of new shares in Nexi Payments.
- on 31 May 2024, on the other hand, the deed of transfer of the aforementioned shares of Nexi Payments from the two Banks to Nexi SpA was signed, also valid from 1 June 2024, against payment of the agreed price of Euro 30,850,000.00. This consideration may increase in the event of the payment of an earn-out, the payment of which is conditional upon the achievement of certain economic and qualitative targets.

Pending the completion of the purchase price allocation process, this transaction resulted in the recording in accounts of a provisional goodwill of Euro 30.7 million, comprised as follows:

(Amounts in thousand euros)

	Carrying amount
Cash consideration paid	**30,850**
Contingent consideration/deferred price	**-**
Minority interests	**(156)**
Cash and cash equivalents	-
Tangible assets	5
Provision for risk and charges	(1)
Other liabilities	(4)
Net assets	**-**
Goodwill	**30,694**
Cash consideration	30,850
Cash acquired	-
Net cash consideration	**30,850**

38.2 RETROSPECTIVE ADJUSTMENTS

Retrospective adjustments were made during the first half of the year, limited to the Profit and Loss Account, as a result of the completion of the Purchase Price Allocation for the Bper and ISP Croatia business combinations at the end of 2023. For further information, see section 42.

38.3 TRANSACTIONS AFTER THE REPORTING PERIOD

There are no transactions to report.

39. Group Funding Transactions

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

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

Note that as at 30 June 2024 all the obligations envisaged in the loan agreements described above have been met.

40. Result per Share

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

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

BASIC RESULT PER SHARE

	I Half 2024	I Half 2023 Restated
Profit/(Loss) from continuing operations attributable to the company's ordinary shares	(0.02)	0.01
Income/(Loss) after tax from discontinued operations	0.00	0.01
Total Basic result per share attributable to the company's ordinary shares	**(0.02)**	**0.02**

DILUTED RESULT PER SHARE

	I Half 2024	I Half 2023 Restated
Profit/(Loss) from continuing operations attributable to the company's ordinary shares	(0.02)	0.01
Income/(Loss) after tax from discontinued operations	0.00	0.01
Total Diluted result per share attributable to the company's ordinary shares	**(0.02)**	**0.02**

RESULT ATTRIBUTABLE TO ORDINARY SHARES

(Amounts in thousand euros)

	I Half 2024	I Half 2023 Restated
Profit/(Loss) from continuing operations	(30,097)	17,333
Income/(Loss) after tax from discontinued operations	(2,670)	14,492
Total net income	**(32,767)**	**31,825**

AVERAGE NUMBER OF ORDINARY DILUTED SHARES

(no. of shares in thousands)

	I Half 2024	I Half 2023
Average number of ordinary shares used to compute basic earnings per share	1,309,223	1,311,144
Deferred Shares (*)	72,389	70,807
Average number of ordinary and potential shares used to compute diluted earnings per share	**1,381,612**	**1,381,951**

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

41. Segment Reporting

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

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

The geographical breakdown of revenues is also provided.
Section 41.2 presents a reconciliation of the Income Statement drafted by means of segment disclosure and the Income Statement prepared in the Financial Statements.

41.1 SEGMENT REPORTING: INCOME STATEMENT FOR THE PERIOD

(Amounts in million euros)

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

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

The breakdown of revenues by geographical area is as follows:

(Amounts in million euros)

	Italy	Nordics & Baltics	DACH & Polonia (*)	SE Europe & Other	Total
Merchant Solutions	469	208	206	59	**943**
Issuing Solutions	374	83	20	62	**539**
Digital Banking Solutions	133	2	2	41	**178**
Total Operating Revenues	**976**	**293**	**228**	**162**	**1,660**

(*) DACH includes Germany, Austria and Switzerland.

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

(Amounts in million euros)

	Total segment reporting	Reconciliation	Financial statements
Operating revenues/Financial and operating income	**1,660**	**(91)**	**1,569**
Personnel expenses	(394)	(162)	(557)
Other administrative expenses	(435)	(73)	(508)
Adjustments and net operating provisions	(4)	(2)	(6)
Operating costs net of amortization	**(833)**		
EBITDA	**827**		
Amortization and depreciation	(446)	1	(445)
Operating margin	**381**		
Interest and financial costs	(125)	125	-
Non-recurring items	(203)	203	(1)
Profit/(Loss) before taxes	**53**	**0**	**53**
Income taxes	(86)	0	(86)
Profit/(Loss) for the period	**(33)**	**0**	**(33)**
Profit for the period attributable to non-controlling interests	0	(0)	(0)
Profit/(Loss) attributable to the Group	**(33)**	**(0)**	**(33)**

42. 2023 Income Statement Restatement

2023 saw the completion of the Purchase Price Allocation (PPA) associated with the business combination transactions for the acquisition of the BPER and ISP Croatia acquiring books. As required by IFRS 3, the Group recognised the adjustments to the provisional amounts shown above as if the accounting for the business combination had been completed at the acquisition date. Furthermore, the DBS eID business was classified as a discontinued operation in 2023, in accordance with IFRS 5.

These changes resulted in the need to restate the comparative income statement figures for the first half of 2023 as shown below:

(Amounts in thousand euros)

INCOME STATEMENT	I Half 2023	PPA BPER	PPA ISP Croatia	DBS Nets	I Half 2023 Restated
Fees for services rendered and commission income	2,777,447			(42,262)	**2,735,185**
Fees for services received and commission expense	(1,110,002)				(1,110,002)
Net fee and commission income	**1,667,445**	**-**	**-**	**(42,262)**	**1,625,183**
Interest and similar income	55,188			(117)	55,071
Interest and similar expense	(171,952)			12	(171,940)
Net interest income	**(116,764)**	**-**	**-**	**(105)**	**(116,869)**
Profit (loss) on hedging/ financial assets and liabilities at Fair Value through profit or loss / derecognition of assets and liabilities at amortised cost	2,034				2,034
Dividends and profit (loss) from sale of assets at Fair Value through other comprehensive income	(35,687)				(35,687)
Financial and operating income	**1,517,028**	**-**	**-**	**(42,367)**	**1,474,661**
Administrative expenses	(943,046)	-	-	27,734	(915,312)
Personnel-related costs	*(415.114)*			*9,147*	*(405,967)*
Other administrative costs	*(527.932)*			*18,587*	*(509,345)*
Other operating income/expenses, net	3,086				3,086
Net value adjustments on assets measured at amortised cost	(1,403)				(1,403)
Net accruals to provisions for risks and charges	(879)				(879)
Net value adjustments/write-backs on tangible and intangible assets	(438,507)	(1,425)	(553)	141	(440,344)
Operating margin	**136,279**	**(1,425)**	**(553)**	**(14,492)**	**119,809**
Profit (loss) from equity investments and disposals of investments	595				595
Profit (loss) before taxes from continuing operations	**136,874**	**(1,425)**	**(553)**	**(14,492)**	**120,404**
Income taxes	(103,542)	471			(103,071)
Income (loss) after tax from discontinued operations	-			14,492	14,492
Profit (loss) for the period	**33,332**	**(953)**	**(553)**	**-**	**31,825**
Profit (loss) for the period attributable to the parent company	**32,463**	**(949)**	**(553)**	**-**	**30,961**
Profit (loss) for the period attributable to non-controlling interests	869	(5)			864


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

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

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

of the administrative and accounting procedures adopted in the drafting of the condensed consolidated interim financial statements as at June 30th, 2024.

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

3. We also certify that:
   3.1 the condensed consolidated interim financial statements:
      a) were drafted pursuant to the international accounting standards applicable within the European Union pursuant to the Regulation (EC) No. 1606/2002 of the European Council and of the Council dated July 19th, 2002, and more specifically pursuant IAS 34;
      b) are true to accounting records and entries;
      c) are suitable to providing a truthful and accurate representation of the assets and liabilities, financial position and profit or loss of both the issuer and the consolidated companies;
   3.2 the interim management report features reliable analysis of the relevant and major events that occurred during the first half of the year and of their effects upon the condensed consolidated interim financial statements, as well as a review of the main risks and uncertainties impinging on the remaining half of the year. The interim management report also includes reliable analysis of information pertaining to material related party transactions.

Milan, July 31, 2024

Paolo Bertoluzzo (Chief Executive Officer)	Enrico Marchini (Financial Reporting Manager)

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REPORT OF THE INDEPENDENT AUDITOR

REVIEW REPORT ON CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 JUNE 2024

NEXI SPA

pwc

REVIEW REPORT ON CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

To the shareholders of
Nexi SpA

Foreword

We have reviewed the accompanying condensed consolidated interim financial statements of Nexi SpA and its subsidiaries (the Nexi Group) as of 30 June 2024, comprising the balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and related notes. The directors are responsible for the preparation of the condensed consolidated interim financial statements in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of Nexi Group as of 30 June 2024 are not prepared, in all material respects, in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Milan, 8 August 2024

PricewaterhouseCoopers SpA

Signed by

Lia Lucilla Turri
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers

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Share Capital € 118,647,177 i.v.

Concept, Graphic design and production:

mercurio GP
www.mercuriogp.eu