



Nets: Q4 2020 Results Presentation

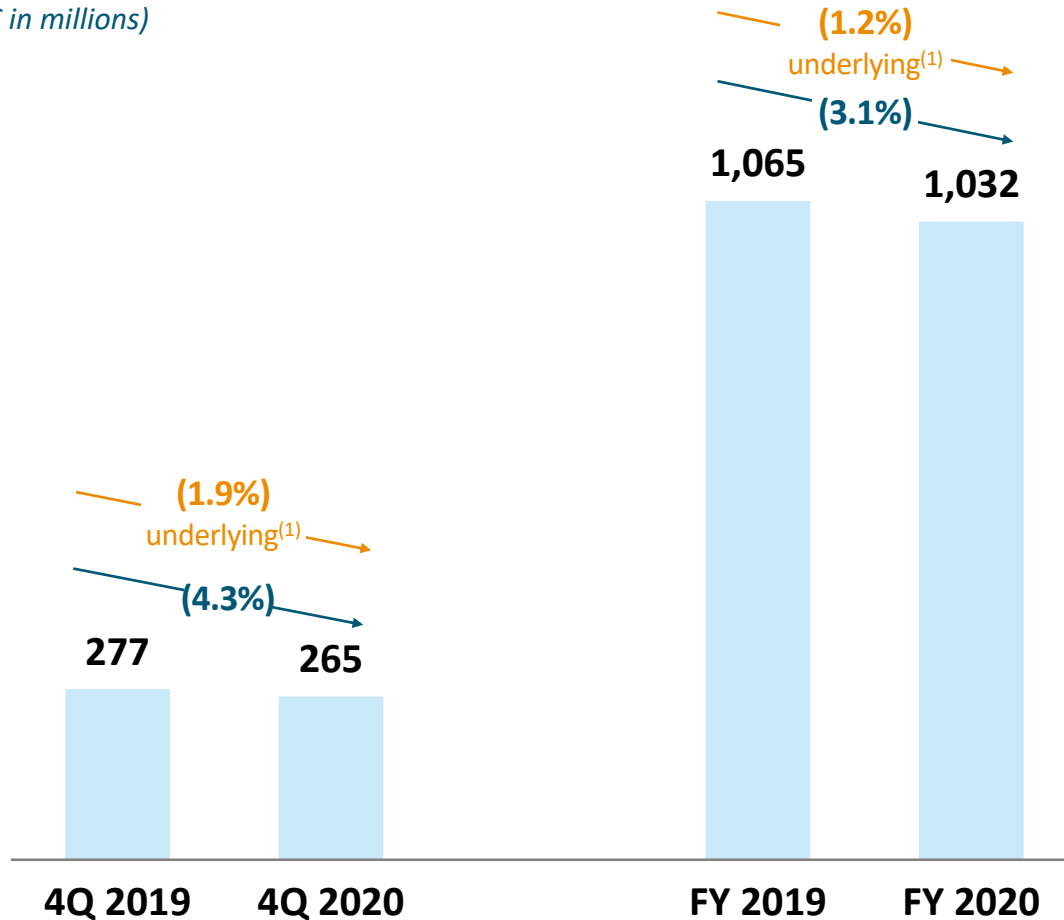
February 2021

nets 

Resilient underlying top-line performance & underlying EBITDA expansion

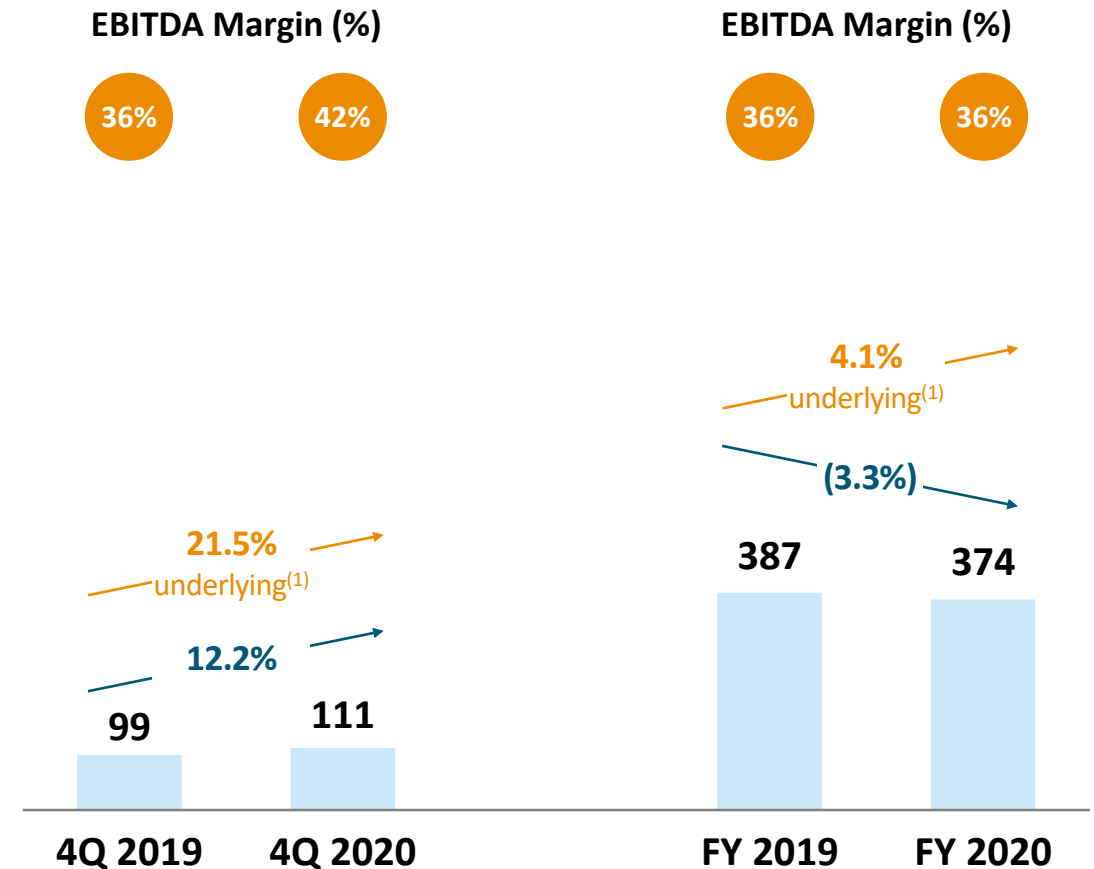
Net revenue

(€ in millions)



EBITDA⁽²⁾

(€ in millions)



- Resilient underlying top-line performance, despite successive COVID-19 waves, supported by healthy growth in eCom and SME acquiring

- Underlying EBITDA expansion (~4% YoY for 2020) driven by continued cost transformation, resilience and general cost discipline

Note: Figures presented in constant FX, pro-forma for Przelewy 24, PoplaPay and Polskie ePłatności acquisitions but excluding CCV acquisition. Figures exclude the Corporate Services division agreed to be sold to Mastercard (pending closing).

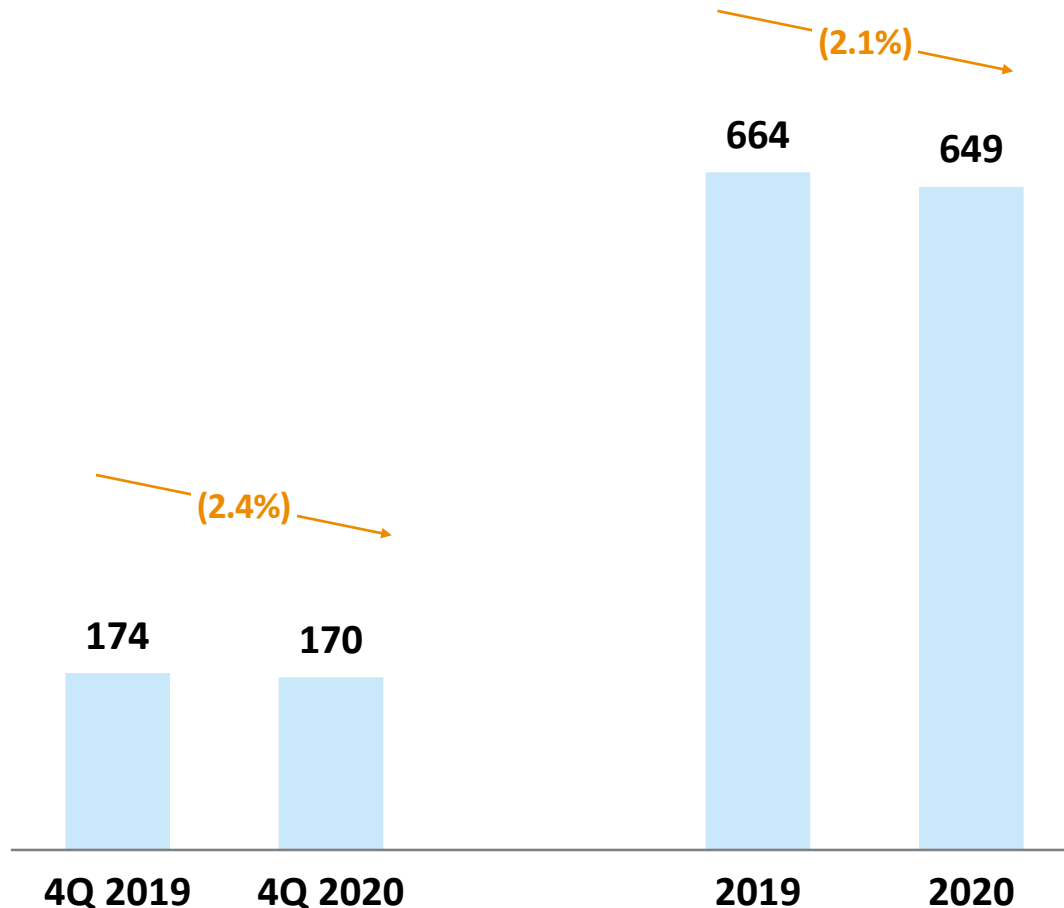
(1) Adjusted for commercial rebasing and non-recurring eID revenue related to Issuer & eSecurity Services.

(2) Before special items.

Merchant services performance driven by eCom acceleration

Merchant Services net revenue

(€ in millions)



Note: Figures presented in constant FX, pro-forma for Przelewy 24, PoplaPay and Polskie ePłatności acquisitions but excluding CCV acquisition.
(1) "RGU" refers to revenue generating unit.

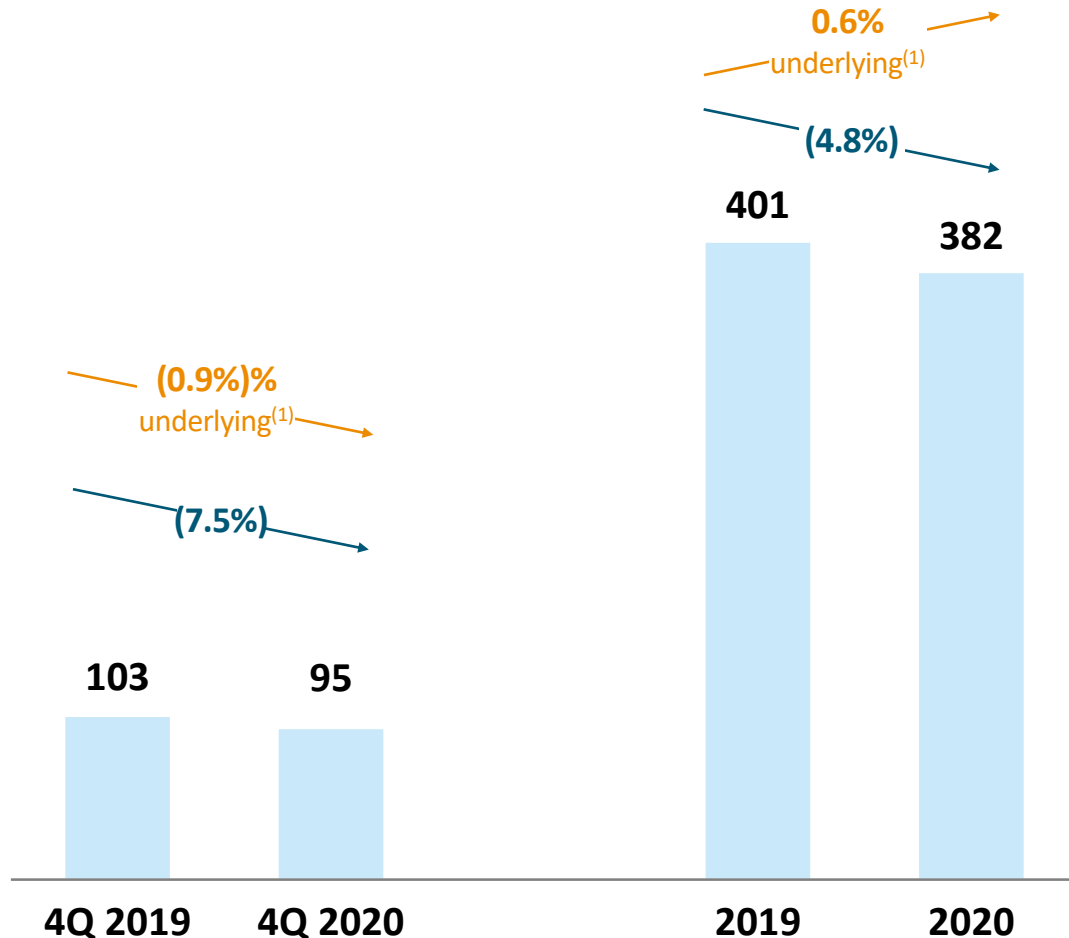
Key business update

- **Strong growth in eCom Net Revenue (high-20s) in 2020:**
 - **Very strong merchant and revenue growth of Easy** next-gen collecting one-click PSP proposition in the Nordics
 - **Very strong growth in attractive Poland eCom region** driven by **shift to online and market share expansion** on the back of successful P24/DotPay/eCard integration
 - **Strong PayLater growth from strong back-book merchant growth** during COVID-19 (e.g. fashion retailers) and **expansion into Reseller segment**
- **Resilient SME top-line** despite acquiring volumes negatively impacted by COVID-19
 - **DACH: Strong sales momentum** driven by **market-leading Direct Sales channel** (25%+ RGU YoY growth)⁽¹⁾
 - **Integrated SmartPay proposition** sales making up 2/3 of front-book sales in Germany (Q4) **boosting customer life time value**
 - Long-term rental base increased 10% YoY, in December, **driving market share expansion**
 - COVID-19 volume compression partly offset by **card-conversion acceleration**
 - **Nordics: Strong resilience with modest volume impact** from COVID-19 and with **strong Q3 rebound**
 - **Poland: High-teens net revenue growth** from **market share expansion and cash conversion**
- LAKA volume reduction from COVID-19 and **planned exits of low-margin merchants**

Issuer & eSecurity Services performance supported by Digital business performance

Issuer & eSecurity Services net revenue

(€ in millions)



Note: Figures presented in constant FX.

(1) Adjusted for commercial rebasing and non-recurring eID revenue related to Issuer & eSecurity Services.

Key business update

- **2020** YoY underlying growth of 0.6%, **confirming business resilience** supported by **robust growth in Digital business** experiencing volume and fee expansion
- **Minor decline in Issuer business** on the back of COVID-19 related volume drop (particularly at the beginning of the pandemic) followed by gradual improvement in Q3, before **2nd COVID lockdown restrictions** negatively impacted volumes
- **Q4 2020** YoY underlying decline of (0.9%) **driven by similar trends as the full year** i.e. Digital business facing growth in volumes and additional fees partially offset by Issuer business
- **Underlying revenue** for Issuer & eSecurity Services **excludes one-offs and pricing rebasing**
 - One-offs relate to both (i) legacy issuing contracts and (ii) eID-related revenue
 - Pricing rebasing arising from first commercial contract renewals since 2014 de- mutualisation

Recent commercial and business successes

Merchant Services



Next-gen eCom payment platform

- High demand for seamless and quick check-out experience driving shift towards Nets' EASY "all-in-one" check-out solution
- 250%+ YoY growth in new customer onboarding in Q4 2020 (from 400+ to 1,100+ merchants)

Issuer & eSecurity Services

Nordic Fuel Company

Signed partnership with Nordic fuel company

- New partnership with a Nordic fuel company
- Partnership to provide a new fleet card with processing, VAS
- Initial 5 year term signed after a competitive tender process

Nets Group



Growth in digital payments

- Continued shift from cash-to-digital payments across Nordics in daily spend categories such as food and groceries⁽²⁾
- Cash-to-digital acceleration underpinning volume growth in DACH; 40%+ in supermarkets and 65%+ in department stores

M&A



Acquisition of Checkout Finland⁽¹⁾

- Expansion of Nets' foothold in Finland
- Strengthening both eCom and physical store offerings, including a range of payment options and mobile solutions
- ~8k eCom merchants added to Nets' ecosystem

Integrated Solution Selling in SME

Winning propositions

- Strategic SME focus on simple-to-use, integrated and digitally enabled propositions to SME merchants covering acquiring, terminals and VAS
- Strong track record in Nordics - 2.6x Q4 YoY growth with NetsPay SME proposition
- Successful market launch of SmartPay proposition in Germany making up ~2/3 of Q4 front-book sales



Partnership agreement with Yoba

- Framework agreement announced with Yoba – a Luxemburg tech company
- Nets has been selected to provide processing, CMS and risk management services for a new corporate credit card, targeted at SMEs across Europe



Continued cost transformation

- Robust delivery on cost transformation initiatives (mainly post-merger integration) in 2020 with costs lower 4% YoY, resulting in strong exit run rate momentum into 2021
- New Infrastructure Transformation program launched with tangible results already implemented around Converged Operations and a promising plan for further efficiency gains in Application Modernisation & Automated Services



Acquisition of CCV Schweiz SA

- Expansion of Nets' foothold in Switzerland
- Expansion of offering to POS terminals and cash register systems integrations at POS
- Portfolio of ~34k POS terminals across Switzerland

(1) Signed agreement announced on 5 January 2021. Completion subject to regulatory approval.
 (2) Based on "Supermarkets" vertical.

Details on Nets Reported vs Underlying Performance

Nets Group Revenue (€m)	2018	2019	2020	4Q19	4Q20
Reported revenue	1,016	1,065	1,032	277	265
<i>Growth</i>		4.8%	(3.1%)		(4.3%)
Underlying revenue⁽¹⁾	918	988	976	259	254
<i>Growth</i>		7.6%	(1.2%)		(1.9%)
Merchant services					
Reported revenue	611	664	649	174	170
<i>Growth</i>		8.6%	(2.1%)		(2.4%)
Issuer & eSecurity Services					
Reported revenue	405	401	382	103	95
<i>Growth</i>		(0.9%)	(4.8%)		(7.5%)
Normalization adjustments	(98)	(77)	(56)	(18)	(11)
Underlying revenue⁽¹⁾	308	324	326	85	84
<i>Growth</i>		5.4%	0.6%		(0.9%)
Nets Group EBITDA					
EBITDA	376	387	374	99	111
<i>Growth</i>		2.8%	(3.3%)		12.2%
<i>Margin</i>	37.0%	36.3%	36.2%	35.8%	42.0%
Normalization adjustments	(58)	(41)	(14)	(9)	(2)
Underlying EBITDA⁽¹⁾	318	345	360	90	109
<i>Growth</i>		8.8%	4.1%		21.5%
<i>Margin</i>	34.6%	35.0%	36.8%	34.8%	43.1%

Notes: Any data and financial information contained in this document are preliminary. Figures presented in constant FX, pro-forma for Przelewy 24, PoplaPay and Polskie ePłatności acquisitions but excluding CCV acquisition. Figures exclude the Corporate Services division agreed to be sold to Mastercard (pending closing). EBITDA of €374m for FY 2020 was €7m lower in reported FX compared to constant FX – primarily driven by NOK movement during Q2/Q3.

(1) Adjusted for commercial rebasing and non-recurring eID revenue related to Issuer & eSecurity Services. Illustrative underlying EBITDA estimates assuming one-off customer losses related to legacy issuing contracts and one-off eID related revenue at 2019 EBITDA margin, price rebasing with full pass-through EBITDA.



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