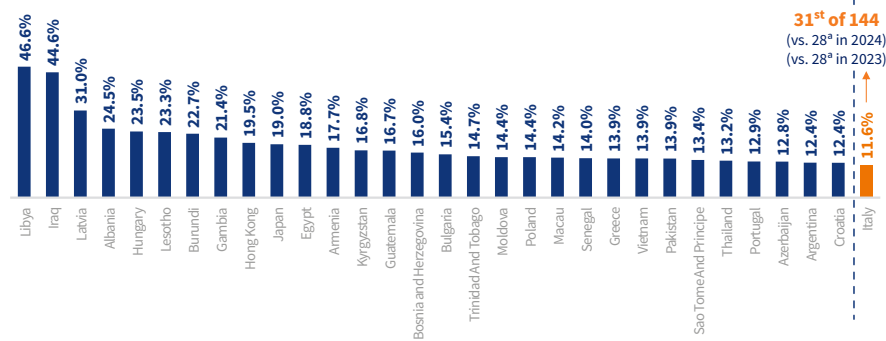


CONCEPT MAP

The starting point: The international Observatory and the comparison indexes of the Cashless Society Community

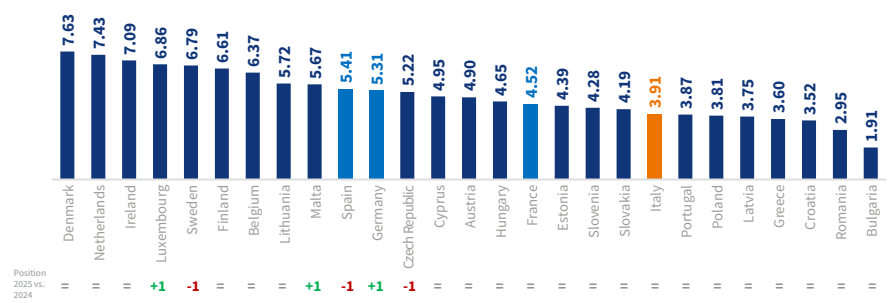
In Italy the value of cashless transactions reached **€453 bln in 2023**, with a growth rate of **+13.3%** compared to 2022, accounting for 42.2% of consumption
For 2024, transactions are estimated to be around **€470 bln** (+13% vs. 2022) with a **43.8%** share of consumption
Cash Intensity in Italy is still very high, but Observatory findings reveal a consolidation in the trend toward a cashless society

In the 2025 report, Italy emerges from the **30 worst economies for cash intensity**, ranking **31st**, improving by 3 places from 2024



Cash Intensity Index 2025 (% cash in circulation to national GDP): the 30 worst economies globally
Source: TEHA Group elaboration of national central banks, CIA World Factbook and World Bank data, 2025

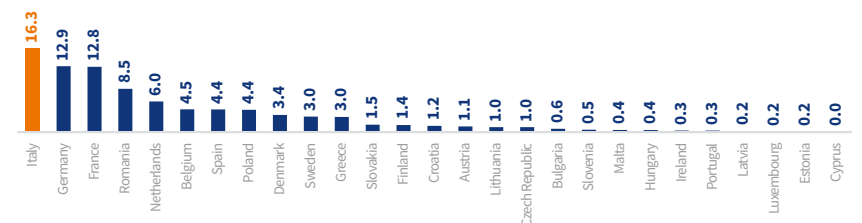
In the **Cashless Society Index 2025**, Italy is confirmed in **20th place in the European Union** in terms of advancement toward the cashless society



Cashless Society Index 2025 (CSI 2025): the position of Italy and the other EU-27 countries (scale 1=min to 10=max) together with changes in rankings in 2025 compared with 2024. N.B.: In 2024, Italy was ranked 21st, but following the update of the calculation methodology for certain indicators by Eurostat in 2025, the 2024 index was also recalculated, placing Italy in 20th place
Source: TEHA Group elaboration, 2025

- In this year's report, **the gap between Italy and the top-3 best performers** (Ireland, Denmark and the Netherlands) **remained unchanged**, consolidating the slow-down in the **reduction trend** seen starting in 2016. In fact, the 2025 findings show a gap of **47%**, marking a decrease of 14.1 percentage points from 2016 and 5.9 percentage points from 2022
- Specifically, **the speed of cashless development in Italy** attained a score of 26.4 (+1.1 points on a scale of 1 to 100) and confirms the positive trend of the past 5 years, in which Italy has **more than tripled the speed of cashless growth**, a result confirmed by the increase in cashless transactions per capita (+202.7% since 2020)

Despite an overall reduction, VAT gap values remain high across Europe, particularly in Italy



VAT gap in European Union countries (€ billions), 2022. Source: TEHA Group elaboration of European Commission data, 2025

- In Italy, the shadow economy amounted to **€201.6 bln** in 2022, up from €184 bln in 2021, but stable in relation to the country's GDP (**10.1%** vs. 10.0% in 2021)
- The shadow economy has implications for the **"VAT gap"**: again this year, Italy holds the negative record among EU-27 countries, with VAT evasion amounting to **€16.3 bln (18.3%** of the European total vs. 24.1% in 2021)
- However, a significant and general increase in the VAT gap was recorded at EU level, rising from **€75.9 bln** in 2021 to **€89.3 bln** in 2022 (+17.6%). In Italy, the increase was lower, **+10.8%**
- Italy remains **first among Europe's major economies in VAT gap on GDP**: its value (**0.8%**) is **1.5 times the EU average** (0.6%), **1.7 times France's** (0.5%) and **2.5 times Germany's** (0.3%) and **Spain's** (0.3%), ranking it 9th in the EU-27

The Cashless Revolution's contribution to sustainability

- In the model to quantify the benefits of the Cashless Society, the Community identified a **systemic benefit**: the greater **environmental sustainability of cashless transactions** compared to cash
- The amount of **CO₂ emissions resulting from cashless transactions compared to cash payments** was taken as a starting point, i.e. the difference in the environmental impact of the two types of transactions, with cashless standing at **-72.4%** compared to cash



Environmental impact of payment methods in the Italian payment structure (g/CO₂ per single transaction)
Source: TEHA Group elaboration of EDPIA-Oxford Economics and Dutch Central Bank data, 2025

- The main component of environmental impact for a cash payment in Italy is transportation (including for withdrawal), which accounts for **84% of total emissions**; for cashless payments on the other hand, POS terminals are the main source of pollution (**66% of total emissions**)
- Based on this data, it has been estimated that from 2015 to 2023 **in Italy**, cashless payments obviated over **250 mln kg of CO₂** (and **in Europe** approximately **13.1 bln kg of CO₂**)
- Despite the significant cashless sustainability results, Italy shows **further room for improvement** when compared to countries like **Finland**, a **benchmark** in the implementation of a **payment structure** that strongly promotes cashless transactions*, and Germany, which has an advanced digital infrastructure

Country	Cash transaction	Cashless transaction	Cash vs. Cashless
Finland	51.8 g / CO ₂	2.2 g / CO ₂	-183.7%
Germany	18.07 g / CO ₂	3.06 g / CO ₂	-142.1%
Italy	11.5 g / CO ₂	5.39 g / CO ₂	-72.4%

Environmental impact of a cash vs. cashless payment by country (g/CO₂ per single transaction). (*) In addition, major distances, low population density and the 5th-lowest presence of ATMs for withdrawals per mln inhab. in EU-27 makes cashless more sustainable. Transportation for withdrawals accounts for 6.47 g/CO₂ in Germany; 4.9 g/CO₂ in Italy and 40.2 g/CO₂ in Finland. Source: TEHA Group elaboration of EDPIA-Oxford Economics and Dutch Central Bank data, 2025

The thematic focuses and use cases to foster the spread of the Cashless Society in Italy

- The Community identified **3 key areas** to promote the spread of cashless payments

1 Use cases enabled by payment digitalization in B2B e-commerce processes

- Today, **only about 10%** of Italian companies (with >10 employees) use **B2B e-commerce**, which grew by **+57.6%** between 2021 and 2023
- Italy is in the **top-10** of European countries with **delays** in B2B and G2B payments (54 days vs. the EU-27 average of 47)

2 Current status of European payment regulations and development of the digital Euro

- The development of digital payments is currently impacted by a **range of regulations** in force and/or under discussion, particularly PSD3 and PSR that update the Open Finance Framework
- The EU is the only entity with **rules** on cryptocurrencies (**MiCA**)

3 Enhancement of cashless payments and related use cases in the new mobility models

- In Italy, **76%** of travel occurs within an urban context with a **gap** in terms of the use of **collective mobility**
- In mobility ecosystems, there are **trends** that redefine B2C and B2B payments (e.g., **In-Car payments**)

Strategic directions that emerged from the thematic study

- Need to provide **fiscal incentives**, e.g. by extending the scope of the **Transition Plan 5.0**
- Promote agreements to **reduce transaction costs for SMEs**
- Reinforce the **role of DEPs** (Digital Enterprise Points) with **specific B2B cashless programs**
- Standardization and interoperability** of payment platforms
- Promote incentives for the **participation of banks, PSPs and Fintech**, a framework like the **TIPS2** (instant payments) and **FIDA** (Financial Data Access)
- Integrate the **Digital Identity Wallet** into payment standards (PSD3 and PSR)
- Promote the **interoperability of the digital Euro** with other electronic payment instruments to avoid **fragmentation**
- Increase the services offered by MaaS operators through **enhancing local service coverage and increasing the "depth" of services** (e.g. by increasing the use of dynamic data)
- Promote **protocols** to increase **data sharing** to enable operators to further optimize the **user experience**



2025 Cashless Society Community

10th year

STRATEGIC PARTNER



PARTNER



CONCEPT MAP

Surveys performed by the Cashless Society Community in the 2024/2025 report

SURVEY OF THE ITALIAN PUBLIC

- SAMPLE:** 1,000 Italians representative of the national population
- Goal:** Measure the **population's attitude** toward cashless payments and investigate the main **use cases** that support cashless payments

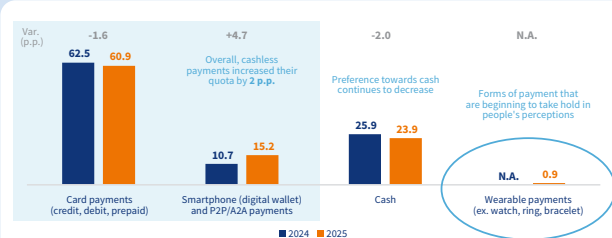
SURVEY OF MERCHANTS

- SAMPLE:** 500 Italian merchants representative of the country's economic-productive framework
- Goal:** Investigate the role of cashless payments in **merchant digitalization** and identify the **main obstacles** to acceptance of cashless payments

SURVEY OF COMPANIES

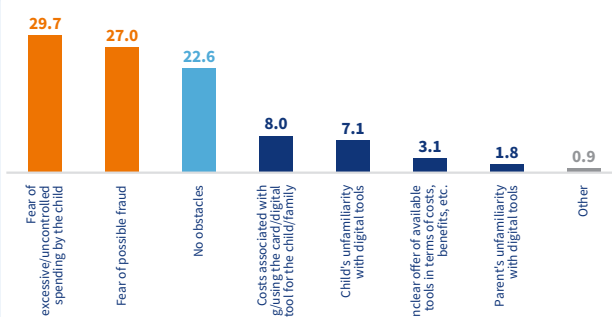
- SAMPLE:** 500 Italian companies representative of the country's economic-productive framework
- Goal:** Understand current status and potential critical issues perceived by Italian companies regarding **digitalization of B2B processes**

- In 2025, there was an increase in preferences toward cashless and, in particular, choices through channels with **smartphone and P2P** (+4.7 p.p.)



Percentage of responses to the question: "What is the payment method you prefer most?" (%), 2025. Source: TEHA Group elaboration of the results of the Cashless Society Community public survey of Italians, 2025

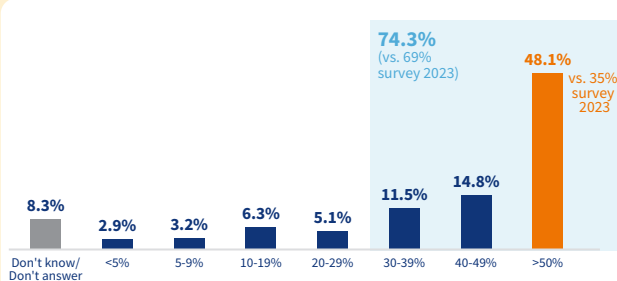
- CASHLESS PAYMENTS ARE AN "ATTRACTIVENESS" FACTOR FOR CONSUMERS:** 4 out of 5 Italians consider having the option to pay cashless in commercial establishments as "important" or "very important"
- Young people** and those living in the **South and Islands** are the ones who have increased their use of cashless the most in the past year (respectively, 61.7% and 44.9% vs. the 41.1% national average), while more than 1 in 2 individuals intend **reducing their reliance on cash in the coming years**
- Among **young people of generation Z** there is a high use of **cash** (57% vs. 16.4% payment cards) and, as a result, only 1 in 3 makes use of cashless **every day or several times a week**: This is due to **parental concern about excessive or uncontrolled spending** and **potential fraud**



Percentage of responses to the question: "What are the biggest obstacles in providing a minor aged at least 14 in your household with digital payment tools?" (select one), 2025. Source: TEHA Group elaboration of the results of the Cashless Society Community public survey of Italians, 2025

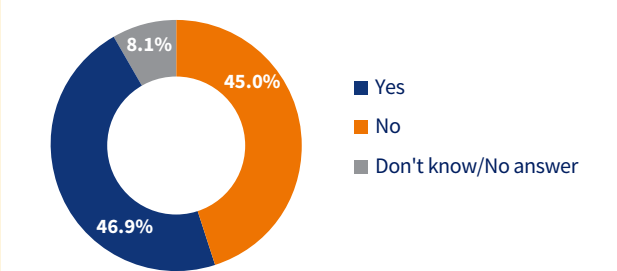
- There is a prevailing share of cashless payments in **different ecosystems** (except for **vending machines** where only one-third of the transacted business is cashless) and with a range of cash shares (from **9%** for hotels to about **30%** for gas stations and culture and sports)
- For online payments, **Buy Now Pay Later (BNPL)** is increasingly becoming a new payment solution: **2 out of 5 Italians** have used it in the past year and it currently accounts for **>10% of their online purchases**

- 96%** of merchants in Italy accept cashless payments, with **payment cards** being the first cashless mode accepted (by 2 out of 5 merchants)
- In addition, today, for 1 out of 2 merchants, cashless payments account for **more than 50% of turnover** and for 3 out of 4 merchants this share reaches **75%**



Percentage of responses to the question: "What is the share of revenue generated through cashless payments by your business?" (%), 2024. Source: TEHA Group elaboration of the results of the Cashless Society Community survey of Italian merchants, 2025.

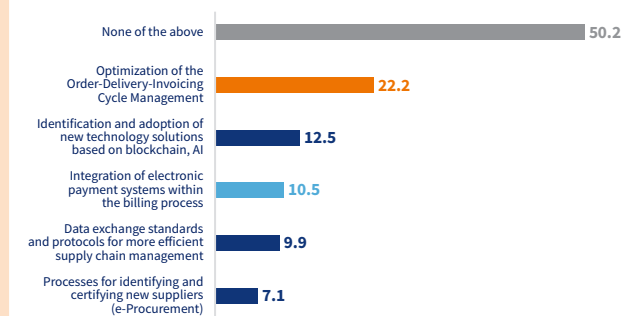
- Approximately 1 in 2 merchants has **increased acceptance of cashless payments** in recent years, driven by increased demand from customers (**51%** of responses), as well as the regulatory and security push
- Approximately 1 in 2 merchants (45%) believes they would **lose customers** if they stopped accepting cashless payments, up to **1 out of 2 customers** for **35%** of merchants



Percentage of responses to the question: "Do you think you would lose some of your customer base if you decided to stop accepting cashless payments?" (select one), 2024. Source: TEHA Group elaboration of the results of the Cashless Society Community survey of Italian merchants, 2025

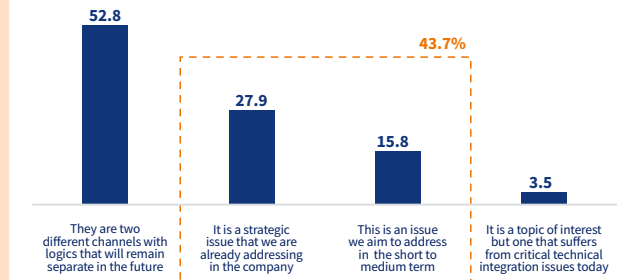
- Only for **1 out of 4** merchants accepting cashless payments below a certain amount is **unprofitable**: **costs** remain the main obstacle to the spread of cashless for 2 out of 5 merchants, despite being the **least important cost item for Italian merchants**
- Two-thirds** of merchants today consider the **availability of instruments for accepting cashless payments adequate**, and one-fourth of merchants have seen an improvement in this offering in recent years, primarily due to the **spread of MobilePos and SoftPOS**, as well as the reduction in costs
- Only 1 in 3 merchants believes that there are **people with advanced digital skills** in their business, and 7 out of 10 merchants are not in favor of **greater digitalization** because they believe it is **unnecessary**

- More than 7 out of 10 companies **do not believe more digitalization is necessary and do not recognize its benefits** (indicating significant limits in perception and awareness)
- Technological solutions for integrating with suppliers **remain limited to the more "classic" options**, such as the **exchange of documents in electronic format**. In this context, the use of technological developments that would enable **greater integration with the supply chain** remains limited
- Only 1 in 2 companies is experimenting with **digital solutions**, but mainly in terms of the **order-delivery-billing cycle**. Looking ahead, the **lack of strategic interest** (for more than 1 in 2 companies) and a service offering deemed unsatisfactory remain the main obstacles to widespread B2B e-commerce among Italian companies



Percentage of responses to the question: "In which areas is your company focusing most investment and/or testing new digital solutions?" (select a maximum of 3 preferences), 2024. Source: TEHA Group elaboration of the results of the Cashless Society Community survey of Italian companies, 2025

- Looking to the future, for 3 out of 5 companies it will be very important to **integrate payment systems** with their supply chain
- 1 in 4 companies has a B2C component, but only **27%** plan an ecommerce channel, and in 8 out of 10 cases they use **their own website** as their main channel. For the future, **2 in 5 companies** retain **integrating B2B and B2C e-commerce channels** to be strategic



Percentage of responses to the question: "How important do you think the integration of B2C e-commerce and B2B e-commerce is for your company's development?" (%), 2025. Source: TEHA Group elaboration of the results of the Cashless Society Community survey of Italian companies, 2025

What is needed to create a Cashless Society in Italy: the Cashless Society Community's 3 proposals in its 2024/2025 Report, starting from the systemic benefits of cashless

SYSTEMIC BENEFIT OF CASHLESS

CASHLESS IS EQUITY AND TRANSPARENCY

CASHLESS IS SUSTAINABILITY

CASHLESS IS INNOVATION AND DEVELOPMENT

PROPOSAL

- Create, in collaboration with the competent Authorities, the **regulatory and legal conditions** to make the **tourist tax cashless**

- Create, in collaboration with the MEF, the Internal Revenue Agency and trade associations, the **regulatory and legal conditions** for the **dematerialization of the commercial document of sale or service**

- Promote **"upstream" B2B data sharing** to optimize the **user experience** in the various service ecosystems (such as mobility)