

A NETWORK UNITING THE COUNTRY

Poste Italiane constitutes the largest service distribution network in Italy, covering activities that range from logistics, letter and parcel delivery and financial and insurance services to payment systems and telecommunications.

With our 160-year history, 12,800 post offices, approximately 121,000 employees, total financial assets of €586 billion and 35 million customers, the Group occupies a unique position in the country in terms of size, recognisability, reach and customer loyalty, making a major contribution to Italy's economic, social and productive fabric.

Our activities, which in 2021 generated turnover of €11.2 billion, have a significant impact on the country's economy in terms of GDP, tax revenue, jobs and household income: in 2021, the total value of our direct, indirect and induced impacts on the Italian economy amounted to €12.5 billion in terms of GDP and €2 billion in terms of tax revenue. It is possible to estimate that Poste Italiane made a direct and indirect contribution to the distribution of income paid to workers of €7.3 billion by supporting a total of 183 thousand jobs throughout the production chain.

In March 2021, Poste Italiane launched the "2024 Sustain & Innovate" Business Plan (24SI), with the aim of extracting even greater value from our omnichannel distribution network and becoming the unique point of access to solutions responding to all the needs of our over 35 million customers. The Plan aims to grow revenue to €12.7 billion, alongside a competitive and sustainable dividend policy and more than €3 billion in investment, most of which focusing on innovation, sustainable growth and the Group's industrial transformation.

The 2024 Sustain & Innovate Plan sets out the Group's pathway to becoming number one in the e-commerce parcel market, consolidating our leadership in digital payments and the main provider of financial and insurance services. The Plan also renews our commitment to supporting communities and the country, alongside government institutions, and continues to put sustainability at the heart of our strategies, as demonstrated by our goal of making Poste Italiane a zero emissions company by 2030.

Listed on the Milan Stock Exchange since 2015, Poste Italiane's free float accounts for approximately 35% of the shares in issue; around 65% of the shares are held by the Ministry of the Economy and Finance, with a 29.26% stake, and Cassa Depositi e Prestiti, with a 35% interest.

Since April 2017, Maria Bianca Farina has been the Company's Chairwoman and Matteo del Fante its Chief Executive Officer and General Manager. Giuseppe Lasco was appointed Co-General Manager in May 2020.

Poste Italiane - Financial results for 2021

2021 saw the pace of Poste Italiane's revenue growth outstrip the level seen prior to the pandemic across all areas of business. This confirms the validity of the diversified business model chosen by the Group and the successful implementation of the new 24SI Business Plan. The Company successfully responded to a period of great uncertainty and beat expectations for 2021 in terms of revenue, operating result and net profit, which benefitted from the Group's integrated multichannel distribution platform.

This solid performance enabled Poste Italiane to propose that shareholders approve an increase in the dividend per share from the €0.486 of the previous year to €0.59 for 2021, bringing forward payment of the dividend originally due to be paid for 2022. The results have also allowed us to raise our guidance for 2022, with Group revenue now expected to reach €11.7 billion, compared with the earlier guidance in the 24SI Plan of €11.6 billion.

At the same time, Poste Italiane has confirmed its strategic role at the heart of the lives of citizens, businesses and local communities, continuing to pursue the creation of long-term value for the public benefit and contributing to economic growth with a positive cumulative impact on Italian GDP of over €49 billion between 2018 and 2021. The Group is continuing to work with the Government on driving the country's digitalisation and innovation. We are also continuing to support communities by making our IT and logistics infrastructure available to enable Covid-19 vaccines to be distributed and members of the public to book their jobs. During the pandemic, the Company delivered more than 30 million doses of the vaccines and a total of 40 million bookings were made thanks to our multichannel platform offered free of charge and used in 8 regions. This allowed a third of the Italian population to book their job online or via a postman or woman, our call centre or a Postamat ATM (figures at the end of February 2022).

The Group reports a **net profit of €1.6 billion** for 2021, marking record growth of 31% compared with the previous year thanks to our diversified strategy that continues to create value. **Operating profit of €1.8 billion** was up 21.1% compared with 2020, driven by ongoing growth in the parcels segment, an upturn in revenue from mail services and continued growth in the Payments and Mobile segment. **Revenue of €11.2 billion** was

up 6.6% year on year. Costs of €9.4 billion were up 4.1% on the previous year, as the cost of supporting growth was carefully offset by cost efficiencies.

The **Mail, Parcels and Distribution** segment recorded revenue of €3.7 billion in 2021, an increase of 15.1% compared with the previous year. The performance was the result of a recovery in the volume of letter post and by record revenue from parcel services. Letter post recorded revenue of €2.1 billion (up 9.7% on 2020), reflecting a 12.2% upturn in volumes, driven by the integration of Nexive which is ahead of the schedule set out in the Business Plan. Parcel revenue continued to grow, rising to €1.4 billion (up 21% on 2020), driven by record volumes in the B2C segment in the first half of 2021.

Close to 1 million parcels a day were handled in 2021, with a total of approximately 249 million deliveries made (up 18.3% on 2020) and postmen and women delivering 80 million parcels, an 8.7% increase on the previous year. Investment in further expansion of the business continued with the aim of turning the Group into a fully-fledged logistics operator.

Total gross revenue from **Financial Services** (including revenue from distribution) amounted to €5.5 billion in 2021 (down 1.2% compared with the previous year). The interest margin fell 3.4% during the year with respect to 2020 due to the downward pressure on yields. This was partially offset by an increase in deposits, proactive management of the portfolio and the positive contribution from investment in tax credits.

Total financial assets (TFA) had risen to €586 billion by the end of 2021 (up €17 billion compared with December 2020), driven by record net inflows of €15.1 billion.

Insurance Service revenue also recorded healthy growth, with revenue of €1.9 billion in 2021 up 13.9% compared with the previous year. Sales in both the P&C and Life businesses performed well, with revenue up 16% compared with 2020 to €1.7 billion. The increase was driven by multiclass products, which now account for 58% of gross premium revenue.

The Poste Vita Insurance Group's Solvency II ratio was 261% at the end of December 2021, with transitional measures providing an additional buffer against potential future market volatility.

The **Payments and Mobile** segment continued to see strong growth, with revenue of €882 million in 2021 marking a year-on-year increase of 19.6% and confirming PostePay's leadership in the rapidly developing and expanding digital payments market.

Revenue from card payments rose 22.4% to €457 million, whilst mobile service revenue was up 8.8% year-on-year. This reflects the strong customer base, with 4.7 million users (up 2.2% year-on-year compared with the 4.6 users of 2020) and a low churn rate.

The number of card transactions also rose, with 2 billion completed in 2021 (up 29% on 2020), as did the number of e-commerce transactions, which amounted to 519.9 million, an increase of 31% compared with 2020. The number of e-wallets in use rose to 9.1 million (up 23.4% compared with 2020), thanks to increased use of the Postepay app, and the number of customers using a PostelD (Poste Italiane's national digital identity solution) at the end of 2021 amounted to 21.2 million (up 73.2% on 2020).

Mail, parcels and distribution

Delivering innovation

Poste Italiane is Italy's largest logistics provider, able to take advantage of the opportunities linked to the growth in e-commerce, thanks to our extensive payments and digital expertise.

This segment, which includes mail delivery, logistics, parcels and express delivery, has always formed a key part of Poste Italiane's identity and also includes Italy's Universal Postal Service. We provide these services via our unique postal logistics network, consisting of over 30 thousand postmen and women, 1,430 delivery centres, 16 sorting centres, 7 aircraft operating on 11 routes and more than 13,000 Punto Poste collection and shipping points operating alongside the post office network.

The successful industrial transformation, our investment and the innovation process embarked on in recent years enabled the Group to sort approximately 2.5 billion letters in 2021 (2.3 billion in 2020), deliver more than 249 million parcels (210 million in 2020) and handle more than a million parcels per day.

The segment generated revenue of €3.7 billion in 2021, with major growth in the parcels segment (up 21% on 2020) and a recovery in letter post (up 12.2% on 2020).

In 2021, Poste Italiane has continued with the progressive transformation of the logistics and delivery network, with the aim of consolidating Italy's most extensive distribution network and improving its efficiency. June 2021 saw the opening of the Landriano e-commerce hub, occupying an area of 80,000 square metres and capable of the automated handling of 300,000 items a day. The new hub joins the major sorting centres located in Bologna and near Rome, enabling us to cut the unit cost per parcel.

The Joint Delivery Model (the new service model that also provides for afternoon and

weekends deliveries) is now fully operational, with postmen and women delivering over 80 million parcels in 2021. The new “Instant Delivery” service was launched in Rome and Milan, offering delivery within 90 minutes and marking an addition to the existing same day (“Today”) and next day (“Tomorrow”) services. The new service provides door-to-door collection and delivery within an hour and a half of the customer requesting the service with a click.

Punto Poste, the new readily accessible network that complements the network of post offices, was further enlarged and now consists of over 13,000 delivery points, including lockers, offering a non-stop 24-hour, 7-day service, and participating physical collection points, such as tobacconists.

Poste Italiane also continued to invest in modernisation of the vehicle fleet, making it more environmentally friendly with the introduction of electric and hybrid vehicles: the Group now operates over 10,000 low-emission vehicles, including approximately 1,700 electric vehicles (including three- and four-wheeled scooters and cars). The first two zero-emission distribution centres were opened in Imperia and Viareggio to offer a fully green delivery service. The aim of these initiatives is to arrive at 28,000 low-emission vehicles by 2024, thereby achieving a 40% cut in emissions by the same year and helping Poste Italiane achieve our goal of being a zero emissions company by 2030.

In 2021, the Group acquired 51% of the voting shares issued by Sengi Express Limited – a leader in the creation and management of cross-border logistics solutions – to further drive growth in the international side of the business. The acquisition has boosted the efficiency of shipping services and the volume of parcels sent from China to Italian consumers. We have also further consolidated the key partnerships entered into with the specialist technology start-ups sender GmbH, which uses technology to maximise long-distance road transport saturation and flexibility, and Milkman, a digital home delivery start-up, which has helped improve the e-commerce customer experience thanks to its offering of personalised last-mile delivery solutions.

Finally, on the back of our performance in the parcels market, the Group is beginning to diversify our activities with the aim of becoming a fully-fledged logistics operator. This has involved initiatives such as the acquisition of Plurima (a company focused on the niche hospital logistics sector), following the signature of a binding agreement in March 2022.

Payments and Mobile

PostePay SpA, the digital payments ecosystem

Poste Italiane is one of Italy’s leading payment system providers, exploiting the Group’s integrated multichannel distribution platform based on its physical post office network

and latest-generation digital infrastructure.

PostePay SpA, the Group company specialising in the development and processing of mobile and digital payments, is the leader in payment systems, having issued approximately 29 million cards. To speed up and drive a successful transition from cash to digital payments in Italy, the company has invested in the development of innovative solutions. One example is *Codice PostePay*, the QR Code digital payment service that allows merchants to collect payments using a QR code and shoppers to pay for their purchases using just their mobile phone, without the need for a POS terminal.

Poste Italiane's Payments and Mobile segment registered revenue of €882 million in 2021, a 19.6% increase compared with the previous year. This was driven by the new payment solutions offered by the Group and the growing volume of both online and offline transactions. Card payments numbered 2 billion (up 29% on 2020), whilst the number of e-commerce transactions rose sharply (31%) to 519.9 million, thanks to growth in payments using digital channels.

The number of e-wallets in use rose to 9.1 million (up 23.4% compared with 2020) and the number of customers using a PostelD (Poste Italiane's national digital identity solution) at the end of 2021 amounted to 21.2 million (up 73.2% on 2020). During the year, the number of customers registered with Poste Italiane's digital channels (the website and apps) rose to 33.8 million, with 4.3 million people accessing Poste Italiane's digital channels each day and Poste Italiane's apps downloaded 70.3 million times.

At the beginning of 2021, PostePay SpA and Bancomat entered into an agreement aimed at further expanding the range of services offered to Poste Italiane's customers and accelerating the country's digital transformation, by promoting the use of cashless transactions. In February 2022, the Group agreed to acquire a 100% stake in LIS Holding SpA (LIS) with the objective of consolidating Poste Italiane's growth in contactless payments and strengthening our offering of acquiring services and products for SMEs, in line with the integrated multichannel strategy set out in the 24SI Business Plan.

Financial and insurance services

Credibility is our goal

Poste Italiane plays a leading role in the distribution of savings and financial products, thanks to our distribution network and the brand's long-standing reputation for dependability. We are the sole distributor on behalf of Cassa Depositi e Prestiti of Postal

Savings products – Savings Books and Interest-bearing Certificates – and offer our customers innovative payment solutions, current account services, investment and asset management products, insurance solutions and third-party consumer credit products.

In 2021, Poste Italiane renewed the agreement with CDP covering the distribution of Postal Savings products through to 2024. This provides for the payment of recurring management fees that will rise over time, ensuring sustainability throughout the life of the Business Plan.

The Group is continuing to invest heavily in diversification of its offering to take maximum advantage of our distribution network. In recent years, we have further extended our range of products and services, focusing not only on our long-standing relationship with Cassa Depositi e Prestiti, but also on distribution agreements with leading market players and on partnerships with innovative businesses, such as the one entered into with the start-up, Moneyfarm, an independent company specialising in digital wealth management. This strategy of expanding and diversifying the offering, which envisages the gradual multichannel rollout of financial services across a range of digital channels, has already borne fruit. The strategy aims to enable Poste Italiane to successfully respond to all the financial and insurance needs of our customers, offering them the chance to access the best solutions available on the market.

Despite the downward pressure on yields, the **Financial Services** segment recorded a solid operating performance in 2021: total gross revenue of €5.5 billion was supported by an increase in deposits, proactive management of the portfolio and the positive contribution from investment in tax credits.

Total financial assets continued to grow, with the figure reaching €586 billion at the end of 2021 (an increase of €17 billion compared with December 2020) driven by record net inflows of €15.1 billion.

In January 2021, Poste Italiane and BNL (a BNP Paribas group company) signed a binding framework agreement, finalised in July of the same year, designed to strengthen their partnership in the assignment of up to one-fifth of wages or pensions. The agreement also entailed Poste Italiane's acquisition of a 40% stake in BNL Finance, a BNL company, with the aim of further developing our commercial offering and range of salary loan products, improving the terms offered to customers. From 1 July 2021, BNL Finance changed its name to Financit Spa.

Insurance services are provided by the Poste Vita group, which offers customers a range of solutions designed to meet demand for supplementary pensions, insurance investment products and personal and property protection. The group is the leading

Italian life insurance provider, generating revenue of €1.9 billion in 2021, an increase of 13.9% compared with the previous year.

In the life insurance segment, Poste Italiane continues to focus on diversification, including the offer of multiclass products. This has led to significant results, with revenue amounting to €1.7 billion in 2021, an increase of 16% on 2020. Non-life products also performed well, reflecting the accelerated development of products, in line with the diversification of the insurance offering provide for in the Business Plan.

The Poste Vita Insurance Group's Solvency II ratio was 261% at the end of December 2021, with transitional measures providing an additional buffer against potential future market volatility.

Sustainability at the heart of the Company's strategy

Over recent years, Poste Italiane has embarked on an important sustainability path, with a view to turning market challenges into opportunities for the creation of shared value for the benefit of Italy's economic growth.

The Company has drawn up an ESG (Environmental, Social, Governance) plan, including all the Company's specific quantitative and qualitative sustainability goals. The ESG plan forms an integral part of the 2024 Sustain & Innovate (24SI) Business Plan and is based on eight pillars that coincide with the ESG aspects relevant to the Group: *Integrity and Transparency, People Development, Diversity and Inclusion, Value for Local Communities, Customer Experience, Innovation, the Green Transition and Sustainable Finance.*

Poste Italiane has also undertaken specific actions such as, for example, joining the United Nations Global Compact (UNCG), with the aim of promoting a corporate culture focused on achieving sustainability throughout the value chain.

As a result of these initiatives and the concrete actions provided for in the Business Plan, the Company has made rapid progress towards achieving a number of objectives. This has led to recognition of our leadership in terms of sustainability, with Poste Italiane featuring in the most important global ESG indices, thus confirming that we are on the right path.

In November 2021, Poste Italiane was included for the third year running in the "World" and "Europe" segments of the Dow Jones Sustainability Index, the most prestigious sustainability index that only includes companies deemed to be among the best in the world in terms of sustainable management of their business. The Group was

also assigned the highest Vigeo-Eiris ESG Overall Score, which measures and assesses over 300 indicators relating to companies' policies regarding the environment, respect for human rights, development of human capital, stakeholder relations, corporate governance and code of ethics, integrity and efforts to combat bribery, the prevention of social and environmental dumping in the chain of contractors and subcontractors. In the same period, Poste Italiane had been included in the new MIB® ESG index launched by Euronext and Borsa Italiana, having achieved the highest ranking among the Italian blue-chips that make up the index in terms of ESG practices.

The progress made by the Group as regards social issues has been above all recognised through the assignment of an "A" rating by Morgan Stanley Capital International, whilst our environmental performance has earned the Group a score of "A-" in the annual rankings drawn up by CDP (the Carbon Disclosure Project). For the third year running, Poste Italiane has also been included in the FTSE4GOOD index. The international rating agency, FTSE Russel, has significantly upgraded Poste Italiane's rating compared with earlier assessments: the scores assigned for the three ESG aspects were higher than the average for the sector to which the Group belongs and above the average scores for Italy as a whole. The categories in which the Group scored highest were Human Rights & Community, Labour Standards, Corporate Governance and Anti-Corruption.

Finally, in January 2022, Poste Italiane's gender equality policies were rewarded with the Company's inclusion, for the third consecutive year, in the Gender-Equality Index (GEI) for 2022, the main global benchmark index for investors looking for information on companies' gender equality performance, based on an assessment of 400 companies worldwide. Poste Italiane has further improved its ranking in the 2022 edition compared with previous years, once again scoring significantly higher than the average for the companies ranked in the GEI. The score was reached following an assessment covering five dimensions: female leadership and the talent pipeline, equal pay, inclusive culture, sexual harassment policies and pro-women branding.