

A NETWORK UNITING THE COUNTRY

Poste Italiane constitutes the largest integrated, omnichannel service platform in Italy, covering sectors ranging from logistics, letter and parcel delivery, financial and insurance services and payment systems through to telecommunications.

With our 160-year history, approximately 120,000 employees and 12,800 post offices, total financial assets of €571 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 carbon neutral 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 the first half of 2022

Poste Italiane recorded an extremely strong financial performance in the first half of 2022, with revenue and earnings up significantly compared with the same period of 2021 and the Group's EBIT setting a new record for Poste Italiane. The Group's diversified, resilient and sustainable business model continues to produce solid results across the Group, consistently exceeding pre-pandemic levels despite ongoing macroeconomic uncertainty. EBIT guidance for 2022 is on track to meet the targets set in the 24SI Plus business plan, doubling the figure for 2016. At the same time, the Company has continued to make a major contribution to the country's economic and social development, making our integrated, omnichannel distribution platform available to households, businesses, government institutions and the public sector with the aim of meeting the continually changing needs of customers and communities.

In the first half of 2022, the **Group's revenue** continued to grow, with the figure of €5.9 billion marking an increase of 3.2% on the same period of 2021. There was a significant improvement in earnings, with **operating profit (EBIT)** of €1.4 billion up 32.6% year-on-year **net profit** of €964 million rising 24.7% year-on-year. Total costs of €4.5 billion are down 3.5% compared with the first half of 2021.

The **Mail, Parcels and Distribution** segment recorded revenue of €1.8 billion (slightly down on the first half of 2021: -1.4%), with revenue from letter post stable at €1 billion (up 0.5% compared with the same period of the previous year) thanks to growth in integrated services, which offset the 5.8% decline in parcel revenue to €663 million. Parcel revenue reflected a decline in consumer spending in response to inflationary pressures, whilst continuing to record a structural increase in volumes compared with pre-pandemic levels (55 million items in the second quarter of 2022 compared with 34 million in the second quarter of 2019). A total of 112 million parcels were delivered in the first six months of 2022.

Total gross revenue from **Financial Services** (including revenue from distribution) amounted to €2.9 billion in the first half of 2022, marking growth of 4.1% year-on-year. This was driven by increased revenue from the distribution of insurance products and by proactive management of the portfolio, in line with the targets for 2022.

Total financial assets (TFA) amounted to €571 billion at the end of June 2022 (down €15 billion compared with December 2021), reflecting net overall inflows of €2.7 billion offset by a €18.1 billion decline in the market value of assets. This primarily reflected the negative performance of the insurance segment's technical provisions as a result of higher interest rates.

Insurance Service revenue rose to €1.1 billion (up 2.7% year-on-year) with P&C revenue of €76 million up 9.8% compared with the first half of 2021 thanks to the growing contribution from health products. The insurance segment is performing well and in line with expectations, with the P&C business in particular recording gross premium revenue of €199 million, up 21.7% compared with the first half of 2021.

The Poste Vita Insurance Group's Solvency II ratio was 222% at the end of June 2022. This is well ahead of the target of 200% set by management for the period covered by the business plan, with transitional measures providing an additional buffer against potential market volatility.

The **Payments and Mobile** segment continued to see strong growth in the first half of 2022, with revenue up by a solid 20.7% year-on-year. Revenue of €482 million confirmed PostePay's key role in Italy's fast-growing and rapidly developing digital payments sector.

Revenue from card payments rose 19.5% year-on-year to €249 million, whilst also other forms of payment recorded a 92.9% increase in revenue to €76 million, primarily thanks to transactions handled directly by PostePay, acting as payment service provider, through an innovative omnichannel platform.

Telecommunications revenue is up 3.4% year-on-year, benefitting from a loyal customer base totalling 4.9 million (up 1.1% year-on-year compared with the 4.8 million of the first half of 2021) in a highly competitive market.

Growth in the number of e-commerce transactions continued, with the figure totalling 279.8 million in the first half of 2022 (up 12.8% year-on-year), well ahead of pre-pandemic levels. The number of customers using a PostelD (Poste Italiane's national

digital identity solution) in the first half of 2022 amounted to 23.1 million. The new energy offering for Poste Italiane's employees and pensioners was launched in June 2022. Easy to understand, transparent and fully green, a total of approximately 10 thousand contracts had been signed by the end of July 2022.

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 responded positively 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.

At the same time, Poste Italiane has confirmed the Group's 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 continued to work with the Government on driving the country's digitalisation and innovation. We continued 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 reported 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.

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 and parcel delivery, logistics 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, 7 aircraft operating on 11 routes and approximately 13,500 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 approximately 250 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, an increase of 15.1% compared with the previous year, thanks to a recovery in letter post and record parcel volumes. Letter post revenue amounted to €2.1 billion (up 9.7% on 2020), whilst volumes were up 12.2% after benefitting from the integration with Nexive. Parcel revenue growth continued, with the figure of €1.4 billion up 21% on 2020, driven by record volumes in the B2C segment in the first half of 2021.

During the year, Poste Italiane 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, offering delivery within just 90 minutes, was launched in Rome and Milan, 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. “Posta Assicurata Market” services were launched in the first quarter of 2022, offering customers two attempts at delivery. The “Poste Delivery Business” service also launched, enabling online vendors and users to send packages from both post offices and via the Punto Poste network. The home delivery of prescription medicines was also extended in the first half of 2022 and launched in more than 170 towns. Delivery can be “instant” (within 90 minutes of purchase), at a chosen time or next-day.

Punto Poste, the new readily accessible network that complements the network of post offices, was further enlarged and now consists of approximately 13,500 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 2025, thereby achieving a 40% cut in emissions by the same year and helping Poste Italiane achieve carbon neutrality 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), completed in the first half of 2022 through Poste Welfare Servizi Srl (PWS), a wholly owned subsidiary of Poste Italiane.

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 our 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.

Revenue from card payments rose 22.4% to €457 million, whilst revenue from telecommunications services were up 8.8% year-on-year, reflecting a solid customer base numbering 4.7 million (up 2.2% on a year-on-year basis compared with the 4.6 million of 2020) and a low churn rate. The number of card transactions was also up, rising to 2 billion in 2021 (up 29% on 2020), as was the number of e-commerce transactions, which increased to 519.9 million (up 31% on 2020).

The number of e-wallets rose to 9.1 million in 2021, having risen 23.4% compared with 2020 (9.9 million at the end of the first half of 2022). The number of customers using a PosteID (Poste Italiane's national digital identity solution) at the end of 2021 amounted to 21.2 million (up 73.2% on 2020). During the same year, the number of customers registered with Poste Italiane's digital channels (the website and apps) rose to 33.8 million (35.6 million in the first half of 2022), with 4.3 million people accessing Poste Italiane's digital channels each day (5.6 million in the first half of 2022) and Poste Italiane's apps downloaded 70.3 million times (77.9 million times at the end of June 2022).

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. The transaction is expected to complete by the end of the third quarter of 2022.

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 the 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 (including revenue from distribution) 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 (TFA) reached €586 billion in 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 generated gross inflows of approximately €17.9 billion in 2021 and revenue of €1.9 billion, marking 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. P&C products also performed well, continuing to accelerate the 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 Group'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 Poste Italiane: *Integrity and Transparency, People Development, Diversity and Inclusion, Value for Local Communities, Customer Experience, Innovation, the Green Transition and Sustainable Finance*. The Company has also adopted the leading international standards and principles, including the United Nations Sustainable Development Goals, Global Compact and Women's Empowerment Principles (WEPs).

As a result of the concrete actions provided for in the ESG Plan, Poste Italiane 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 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’s ranking saw further improvement 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.