

POSTE ITALIANE Q2 & H1 2021 FINANCIAL RESULTS

BUSINESS RECOVERY ON TRACK WITH REVENUES UP ACROSS ALL SEGMENTS AND ABOVE PRE-PANDEMIC LEVELS

H1-21 NET PROFIT UP 42% AT €773M (UP 36% IN Q2-21 TO €326M)

HIGHLIGHTING STRONG EXECUTION OF 24SI/ PLAN

STEADY REVENUE GROWTH YTD UP 14% AT €5.7BN (UP 19% TO €2.8BN IN Q2)

MAIL REVENUES RECOVERING COUPLED WITH PARCEL GROWTH

SUPPORTED BY B2C

INSURANCE SERVICES AND PAYMENTS & MOBILE CONSTANTLY GROWING

NEW LABOUR CONTRACT SIGNED – ENHANCING VISIBILITY ON HR COSTS

TFA AT €576BN, REACHING FY-21 TARGET

24SI TARGETS WELL ON TRACK WITH A LIMITED EXECUTION RISK

- Q2-21 REVENUES AT €2.8BN, +18.7% Y/Y (+14.0% H/H TO €5.7BN IN H1-21). SOUND AND SUSTAINABLE BUSINESS MODEL, LEVERAGING ON UPWARD BUSINESS TRENDS:
 - Q2-21 MAIL, PARCEL & DISTRIBUTION REVENUES AT €909M, +29.8% Y/Y (+24.1% H/H TO €1.8BN IN H1-21) WITH MAIL REVENUES UP FROM VOLUMES RECOVERY AND NEXIVE CONSOLIDATION AS WELL AS SIGNIFICANT B2C PARCEL REVENUE GROWTH;
 - Q2-21 FINANCIAL SERVICES GROSS REVENUES AT €1.3BN, +5.6% Y/Y (+2.0% H/H TO €2.8BN IN H1-21) WITH LOWER NET INTEREST OFFSET BY INVESTMENT PRODUCTS' REVENUE;
 - Q2-21 INSURANCE SERVICES REVENUES AT €552M, +43.9% Y/Y (+42.0% H/H TO €1.0BN IN H1-21). TOTAL GWP AT €4.5BN IN Q2-21, 64% GENERATED BY MULTICLASS PRODUCTS;
 - Q2-21 PAYMENTS & MOBILE REVENUES AT €207M, +20.0% Y/Y (+18.3% H/H TO €399M): BOOSTED BY CARD PAYMENTS.
- Q2-21 TOTAL COSTS AT €2.3BN, +16.6% Y/Y (+9.8% H/H AT €4.6BN) BALANCING COST DISCIPLINE AND SUPPORT TO BUSINESS GROWTH. ACCELERATED FTE REDUCTION WITH LOWER HR COSTS ON REVENUES.
- Q2-21 EBIT AT €429M, +32.0% Y/Y (+37.1% H/H AT €1.0BN) SUPPORTED BY INSURANCE PRODUCTS, MAIL & PARCEL GROWTH AND CARD PAYMENTS.
- Q2-21 NET PROFIT AT €326M, +36.4% Y/Y (+41.8% AT €773M) WITH A DIVERSIFIED STRATEGY CONTINUING TO DELIVER.
- TFAs AT €576BN IN LINE WITH 24SI TARGET FOR FY-21, DRIVEN BY €5.8BN NET INFLOWS AND BOOSTED BY LIFE INSURANCE MULTICLASS PRODUCTS.

Q2 & H1 2021 Operational Segment Highlights

- **Mail, Parcel & Distribution:** Italy's largest e-Commerce logistics hub inaugurated in Landriano (Northern Italy), extending over 80,000 square metres and an automated daily sorting capacity 300,000 items, contributing to reduce per unit parcel costs. New Group labour contract signed, highlighting a constructive relationship with trade unions; the new contract will be in force until 2023, providing visibility on HR costs evolution.
- **Financial Services:** Poste Italiane is fully capturing business opportunities coming from new government initiatives aimed at strengthening the recovery of the Italian economy, with tax credit purchases having now reached a nominal value of €2.2 billion¹; Financit joint venture launched with BNP Paribas to distribute salary and pension backed loans.
- **Insurance Services:** agreement signed with Intesa Sanpaolo for a joint venture in real asset investments with the Poste Italiane Group owning a 40% equity stake. The agreement is in line with 24SI Strategic Plan, contributing to Poste Vita's investment portfolio diversification. P&C offer roll-out well on track, reducing underinsurance levels in Italy, resulting in higher average tickets in the non-motor business. The motor insurance offer is now available in almost 4 thousand post offices.
- **Payments & Mobile:** the migration to the Vodafone network underway, already enabling significant variable cost savings starting from the second half of 2021. Sustained growth of digital and card payments transactions boosting Poste's omnichannel strategy.

¹ As at 31 July 2021

POSTE ITALIANE CONTINUES TO PLAY A CENTRAL ROLE IN ITALY'S ECONOMIC AND SOCIAL FABRIC, DRIVING SUSTAINABLE GROWTH THROUGH INNOVATION AND DIGITALISATION.

IN LINE WITH KEY GROWTH TRENDS HIGHLIGHTED IN OUR 24SI PLAN, WE CONTINUE TO CREATE LONG-TERM VALUE, WITH POSITIVE IMPACTS ON CUSTOMERS, COLLEAGUES AND COMMUNITIES.

SOME KEY ACHIEVEMENTS IN Q2 2021 INCLUDE:

- **Italian Recovery and Resilience Plan (Piano Nazionale di Ripresa e Resilienza):** Poste Italiane confirms its role of strategic pillar for Italy, contributing to the national recovery plan, with a key project aimed at supporting local communities and remote areas, at reducing the digital divide, sustaining their economic growth and enhancing social cohesion: 1) the creation in all municipalities with no more than 15,000 inhabitants of a user-friendly digital and physical access point to Public Administration services, via the technological transformation of about 7,000 post offices in smaller municipalities; 2) a network of 250 nationwide co-working areas, for local communities and businesses, with training spaces offered at affordable rates. These projects will also contribute to support the Group's green transition with energy-efficiency solutions and vehicle recharging services for citizens.
- **Piccoli Comuni Post Offices regeneration:** 1,000 post offices in municipalities with less than 5,000 residents have been renovated with a particular focus on the removal of architectural barriers has been undertaken as part of wider ESG projects embedded in 24SI.
- **Top Employers Italia eBook 2021:** Poste Italiane has been included in the 2021 Top Employers Italia eBook with a particular dedicated section on "Diversity & Inclusion". Poste is considered one of 15 best practises in Italy designing the new normal following the disruption caused by the Covid-19 pandemic.
- **Poste Delivery campaign wins the 18th Press, Outdoor & Promotion Key Award:** the national campaign featuring the Azzurri manager Roberto Mancini was awarded the prize in the Finance, Insurance and Commerce category.
- **Poste Italiane and Guardia di Finanza memorandum of understanding:** the signing of the new memorandum strengthens Poste's commitment to promoting a culture of legality and transparency as a pillar of its growth strategy, operations and business management.

Rome, 4 August 2021, yesterday, the Board of Directors of Poste Italiane S.p.A. (“Poste Italiane” or the “Group”), chaired by Maria Bianca Farina, approved the first half 2021 Financial Results.

Matteo Del Fante, Poste Italiane CEO and General Manager, commented:

“Our second quarter results confirm our commitment to successfully executing 24SI, highlighting the strength of both our physical and digital networks and our continued progress on our strategic priorities. Three key milestones give us increased visibility, significantly reducing the execution risk attached to our plan. Firstly, in July we signed a new Group labour contract which will be in place until 2023. Secondly, early in 2021, a three-year partnership has been renewed with Amazon, enabling volume and revenue growth, balancing urban and rural area volumes and introducing higher value-added services such as scheduled deliveries. Finally, our Universal Service Obligation contract covers our entire plan horizon, embedding the Next Generation EU initiatives with our new digital solutions and increased cooperation with small municipalities.

Our diversified business model continues to deliver strong financial results with net profit at €773 million in the first half of the year and just four months into the 24SI strategic plan we already have a clear visibility to meet 2021 guidance and have confidence in our numbers.

Revenues are above pre-pandemic levels and fully in line with the trends envisaged in the 24SI plan, up by a remarkable 18.7% in the second quarter. Our operating profit was up 32% to €429 million, more than tripling on a yearly basis taking into consideration the one-off cost savings realised in Q2-20. The revenue mix has changed significantly since then, with mail decline offset by Nexive consolidation along with a strong parcel revenue increase; financial and insurance services have experienced a decline related to the impact of ultra-low interest rates which has been more than offset by our focus on investment product distribution and in particular life insurance products. Payments & Mobile revenues strongly increased, supported by ongoing payments digitalization.

As a strategic pillar for Italy, we are involved in the EU recovery plan, pursuing the implementation of key national projects with the goal of supporting local communities and enhancing social cohesion, while contributing to our green transition as outlined in 24SI.

As always, I am proud of the dedication and resilience of our people, who work tirelessly to help Italians achieve their goals with a constant focus on innovation and improved customer experience.”

POSTE ITALIANE Q2 & H1 2021 Results

4 August 2021 - 13:30 CEST

To attend click here: [Poste Italiane Q2 & H1 2021 Results Webcast](#)

A listen only audio conference is also available: **+39 02 8020927**

For further information:

Poste Italiane S.p.A. Investor Relations
Tel. +39 06 5958 4716
Mail: investor.relations@posteitaliane.it

Poste Italiane S.p.A. Media Relations
Tel. +39 06 5958 2097
Mail: ufficiostampa@posteitaliane.it

CONSOLIDATED FINANCIAL RESULTS SUMMARY

€m	Q2 20	Q2 21	Y/Y%	H1 20	H1 21	H/H%
GROUP						
Revenues	2,317	2,751	+18.7%	4,988	5,684	+14.0%
EBIT	325	429	+32.0%	766	1,049	+37.1%
Net Profit	239	326	+36.4%	546	773	+41.8%
MAIL, PARCEL & DISTRIBUTION						
External Revenues	701	909	+29.8%	1,472	1,826	+24.1%
EBIT	(157)	(159)	-1.2%	(194)	(102)	+47.4%
Net Profit	(104)	(106)	-2.6%	(135)	(69)	+49.0%
FINANCIAL SERVICES						
External Revenues	1,060	1,082	+2.1%	2,440	2,409	-1.2%
EBIT	175	156	-11.0%	398	362	-9.1%
Net Profit	117	112	-4.5%	273	264	-3.3%
INSURANCE SERVICES						
External Revenues	384	552	+43.9%	739	1,049	+42.0%
EBIT	248	370	+49.4%	435	658	+51.3%
Net Profit	186	270	+45.0%	317	480	+51.4%
PAYMENTS & MOBILE						
External Revenues	172	207	+20.0%	338	399	+18.3%
EBIT	59	62	+4.8%	126	131	+4.1%
Net Profit	39	50	+28.7%	90	99	+8.9%

In addition to the standard financial indicators required by IFRS, Poste Italiane discloses alternative performance indicators to provide a better understanding of business performance and financial position. These indicators are described in the Half Year Report for the six months ended 30 June 2021, in line with the ESMA/2015/1415 Guidelines of 5 October 2015.

The Poste Italiane Group consolidated balance sheet and consolidated statement of profit/(loss) and consolidated statement of cash flows, are attached to this press release.

MAIL, PARCEL & DISTRIBUTION – STRONG REVENUE INCREASE BOOSTED BY ALL BUSINESS LINES – IMPROVING UNDERLYING EBIT

€m	Q2 20	Q2 21	Y/Y%	H1 20	H1 21	H/H%
SEGMENT REVENUES	701	909	+29.8%	1,472	1,826	+24.1%
INTERSEGMENT REVENUES	997	1,072	+7.5%	2,256	2,346	+4.0%
TOTAL REVENUES	1,697	1,981	+16.7%	3,728	4,173	+11.9%
EBIT	(157)	(159)	-1.2%	(194)	(102)	+47.4%
EBIT Margin (%)	-9.3%	-8.0%	n.m.	-5.2%	-2.4%	n.m.
NET PROFIT	(104)	(106)	-2.6%	(135)	(69)	+49.0%
KPI's						
Mail Volumes (#m)	523	641	+22.6%	1,137	1,294	+13.8%
Parcels delivered by mailmen (#m)	19	19	-3.0%	33	39	+17.7%
Parcel Volumes (#m)	52	61	+18.7%	90	127	+41.4%
B2C Revenues (€m)	145	174	+19.7%	254	362	+42.7%

In Q2 Mail, Parcel & Distribution segment revenues are up 29.8% y/y to €909m (+24.1% h/h to €1.8bn in H1). For the second consecutive quarter revenues post record high increases (+19% in Q1 21).

Mail revenues in Q2 are up 25.7% y/y to €512m (+10.5% h/h to €1.0bn in H1) positively influenced by volume recovery across all product lines and Nexive consolidation. Volumes were up 22.6% y/y (+13.8% h/h) supported by higher tariff products in the quarter (lower in H1).

Parcel revenues posted strong growth of 28.2% y/y to €336m in Q2 (+48.8% h/h to €704m).

In Q2 B2C volumes were up 22.5% y/y to 44m items (+49.2% h/h to 92m items) now trending downwards towards a normalized trajectory; B2B volumes up 1.9% y/y to 10m (+20.6% h/h to 21m items) and C2X volumes down 10.4% y/y to 1.4m items, where during the lockdown in Q2-20 Poste was the only operator open for business with 3.2 million items delivered in H1 (+13.5% h/h). However, Poste has continued to innovate with new omnichannel delivery solutions being rolled out, with C2X online orders more than doubling compared with 2019.

Landriano e-Commerce hub was inaugurated in June as part of the sorting facility transformation programme, with an automated sorting capacity of 300,000 parcels daily. In H1 over 1 million parcels were handled daily with *Postini* delivering 39 million parcels, up 17.7% h/h.

Distribution revenues in Q2 were up 7.5% y/y to €1.1bn (+4.0% h/h to €2.3bn) with a favorable comparison versus June 2020, which was impacted by last year's stricter lockdown.

Segment EBIT stable in Q2-21, totalling €-159m from €-157m in Q2-20, with underlying EBIT significantly growing, taking into account €170m one-off savings accounted in Q2-20 and activated to face effects from the pandemic. H1 EBIT up 47% h/h to €-102m.

FINANCIAL SERVICES – WEALTH MANAGEMENT STRATEGY OFFSETTING NII DECLINE

€m	Q2 20	Q2 21	Y/Y%	H1 20	H1 21	H/H%
SEGMENT REVENUES	1,060	1,082	+2.1%	2,440	2,409	-1.2%
INTERSEGMENT REVENUES	136	181	+33.3%	296	380	+28.6%
TOTAL REVENUES	1,195	1,263	+5.6%	2,735	2,789	+2.0%
EBIT	175	156	-11.0%	398	362	-9.1%
EBIT Margin (%)	14.7%	12.4%	-	14.6%	13.0%	-
NET PROFIT	117	112	-4.5%	273	264	-3.3%
KPI's						
TOTAL FINANCIAL ASSETS - TFAs (€bn)	-	-	-	548	576	+5.0%
Average Current Account Deposits (€m)	-	-	-	65.4	75.7	+15.9%
Average Postal Savings Deposits (€bn)	-	-	-	316.4	319.6	+1.0%
Postal Savings Net Inflows (€m)	241	(1,536)	n.m.	1,491	(2,667)	n.m.
Unrealized gains (€m)	-	-	-	(1,411)	4,335	n.m.

In Q2 Financial Services segment revenues were up 2.1% y/y to €1.1bn (-1.2% h/h to €2.4bn) with reduced NII. In Q2 gross revenues (including distribution revenues) were up 5.6% y/y to €1.3bn (+2.0% h/h to €2.8bn) and resilient, supported by a focus on investment products, mainly related to life insurance products.

In Q2 net interest income was down 7.9% y/y at €358m (-7.3% h/h to €720m) with persistently low interest rates partially mitigated by higher volumes coming from new deposits.

Postal savings' distribution fees were down 5.1% y/y to €428m (-1.8% h/h to €880m) compared to a strong Q2-20; H1-21 is on track to meet 2021 targets.

In Q2 loan and mortgage distribution fees were up significantly to €68m (+56.8% h/h to €133m) as a result of volume recovery from increased commercial activities over the past quarters with a growing market share.

In Q2 transaction banking fees were up 6.4% y/y to €196m (-1.4% h/h to €395m) with higher volumes from digital and third-party channels for payment slips and recovering from low business activity in Q2-20.

Q2 asset management fees were up 27.9% y/y to €29m (+20.8% h/h to €57m) supported by positive net inflows driven by new ESG funds.

Total Financial Assets reached €576bn in H1-21 (up €7bn since December 2020) driven by €5.8bn net inflows and €1.5bn positive market effect and already in line with 24SI plan targets. Net Technical Reserves increased €2.7bn driven by €4.2bn net inflows, and Deposits increased by €3.5bn with customers preference remaining in liquidity and higher inflows from corporates.

In Q2 EBIT is down 11.0% y/y to €156m (down 9.1% h/h to €362m) mainly as a result of €15m funds release in Q2-20 related to the conclusion of customer refund procedures related to real estate funds dating back to early 2000's.

INSURANCE SERVICES – STRONG OPERATING PROFIT GROWTH DRIVEN BY LIFE PRODUCT DIVERSIFICATION

€m	Q2 20	Q2 21	Y/Y%	H1 20	H1 21	H/H%
SEGMENT REVENUES	384	552	+43.9%	739	1,049	+42.0%
Life (inc. Private Pension Plan)	345	516	+49.4%	664	975	+46.8%
P&C	39	36	-5.8%	74	74	-0.7%
INTERSEGMENT REVENUES	0	0	n.m.	0	1	n.m.
TOTAL REVENUES	384	553	+44.0%	739	1,050	+42.2%
EBIT	248	370	+49.4%	435	658	+51.3%
EBIT Margin (%)	64.5%	66.9%	-	58.9%	62.7%	-
NET PROFIT	186	270	+45.0%	317	480	+51.4%
KPI's						
Gross Written Premiums (€m)	3,147	4,486	+42.6%	7,746	10,331	+33.4%
GWP - Life + Private Pension Plans (€m)	3,095	4,418	+42.7%	7,617	10,167	+33.5%
GWP - P&C (€m)	52	68	+31.7%	128	163	+27.3%

In Q2 Insurance segment revenues were up by an impressive 43.9% y/y to €552m (+42.0% h/h to €1.0bn) on the back of increasing volumes and higher margin multiclass products.

In Q2 life revenues were up 49.4% y/y to €516m (+46.8% h/h to €975m) supported by higher multiclass products sales representing over 64% of new production of €4.4bn Gross Written Premiums in the quarter. Life revenues also benefitted from a higher investment margin, taking advantage of favourable market conditions and contributing to secure the full year target.

Non-life revenues -5.8% y/y to €36m (-0.7% h/h to €74m) impacted by one-offs in Q2-21 from COVID-19 insurance coverage extension and one-off provisions on dormant policies.

Poste Italiane continues to contribute to the reduction of underinsurance in Italy with the P&C offer roll-out well on track and as a result higher than expected average tickets in the non-motor business. The motor insurance offer is now available in almost 4,000 post offices.

In Q2 EBIT was up 49.4% y/y to €370m (+51.3% h/h to €658m), the largest contributor to Group EBIT.

At the end of June 2021, Poste Vita Group's Solvency II Ratio stood at 288%, with transitional measures providing an additional buffer to address potential market volatility. Starting from the end of July, the Solvency Ratio will be 6 pp higher, further strengthened by an intercompany restricted Tier1 for €300 million.

PAYMENTS & MOBILE – STRONG REVENUE GROWTH BOOSTED BY PAYMENTS

€m	Q2 20	Q2 21	Y/Y%	H1 20	H1 21	H/H%
SEGMENT REVENUES	172	207	+20.0%	338	399	+18.3%
<i>Cards Payments</i>	86	107	+25.1%	170	208	+22.7%
<i>Other Payments</i>	16	23	+42.5%	28	39	+38.8%
<i>Telecom</i>	71	77	+8.8%	139	152	+8.7%
INTERSEGMENT REVENUES	81	84	+3.2%	172	167	-2.4%
TOTAL REVENUES	254	291	+14.6%	509	567	+11.3%
EBIT	59	62	+4.8%	126	131	+4.1%
EBIT Margin (%)	23.2%	21.3%	-	24.8%	23.2%	-
NET PROFIT	39	50	+28.7%	90	99	+8.9%
KPI's						
Postepay cards (#m)	-	-	-	21.7	21.7	+0.3%
<i>of which Postepay Evolution cards(#m)</i>	-	-	-	7.3	8.1	+11.5%
Total payment cards transactions (#bn)	-	-	-	0.7	0.9	+33.9%
<i>of which eCommerce transactions (#m)</i>	-	-	-	180.9	248.1	+37.1%
Mobile & land-line (#m) *	-	-	-	4.6	4.8	+5.8%
Digital e-Wallets (#m)	-	-	-	6.4	8.4	+31.6%

In Q2 Payments and Mobile segment revenues grew by a strong 20.0% y/y to €207m (+18.3% h/h to €399m) in total revenues, confirming PostePay's leadership in the fast-growing and evolving digital payments market in Italy. Card payments were up 25.1% y/y to €107m (+22.7% h/h to €208m) and Telco up 8.8% y/y to €77m (+8.7% h/h to €152m). The shift towards higher recurring margin Evolution cards continued, with the total stock now at 8.1 million cards (up 11.5% h/h).

In Q2, Other payments were up 42.5% y/y to €23m (+38.8% h/h to €39m), mainly thanks to recovering tax-related payments.

Telco revenues were up 8.8% y/y to €77m in Q2 (+8.7% h/h to €152m) benefitting from the solid customer base of 4.8 million users (+5.8% y/y from 4.6 million in Q2-20).

The number of e-commerce transactions rose further in H1 to 248m (+37.1% h/h), supporting the digital strategy outlined in 24SI.

In Q2 Segment EBIT was up 4.8% y/y to €62m, with increasing digital payments and strong card payments growth (+25% y/y). The new telco traffic wholesale contract has already started to provide efficiencies which will be visible in H2-21.

RECENT EVENTS AND BUSINESS OUTLOOK

The first half of 2021 was characterised by a general economic scenario still strongly affected by the health emergency and, despite a gradual recovery in mobility and economic activities, by the continuation of the expansionary policies adopted by States to support the economy, although signs of an exit are emerging with uncertain timing.

According to the most recent scenarios², Italy's economic recovery will consolidate over the next few months, although some factors of uncertainty remain regarding the extent and timing of this rebound. The main factor of uncertainty is represented by the evolution of the pandemic with the spread of any variants, which is accompanied by other variables: from possible delays in the vaccination campaign to those on the implementation of projects and reforms provided by the National Recovery Plan approved by the European Commission on 22 June 2021 and by the Economic and Financial Council of the European Union on 13 July 2021.

During the first half of the year, the Group continued its social commitment in support of public institutions, confirming that it is a key player in supporting economic recovery and taking a leading role in the vaccination campaign. It has made available its IT infrastructure and its logistics network for the booking and distribution of vaccines with about 15 million³ vaccines delivered throughout the country, as well as having implemented a company vaccination plan for its employees.

The positive economic and financial results for the first half of 2021 demonstrate the validity of the Group's strategic direction included in the "24SI" Plan presented to the financial community on 19 March 2021, its ability to adapt to change and intercept emerging customer needs by leveraging emerging business trends. The Group will continue to evolve its offerings for the entry into the energy market expected during 2022 and the development of the strategic segments of parcels, e-money, protection, motor and broadband. In addition, to support the economic recovery, the Group will continue to purchase tax credits related to the so-called Relaunch Law Decree.

The new 24SI Strategic Plan aims to confirm the company's role as a strategic pillar for the country, with renewed attention to the issues of sustainability of business strategies and omnichannel service models.

In order to maximise the value of Italy's main omnichannel distribution network, significant investments in technology and logistics are planned to accelerate the Group's transformation

² GDP growth Italy 2021: European Commission +5%, Bank of Italy +5.1%, for the MEF it is possible to exceed 5% growth in 2021.
³ As at July 2021

process, innovating the business model and expanding the range of products and services in terms of content, channels and delivery methods.

Poste Italiane aims to support the "restart of the country" also through its involvement in the National Recovery and Resilience Plan by facilitating the digital transition, also in relations with the Public Administration, and promoting the inclusion of small communities.

Digital transformation is accompanied by a commitment to ecological transformation for sustainable growth throughout the Plan period; the environmental strategy provides for important green initiatives and investments including, by way of example, the energy efficiency of buildings and the reduction of emissions from the company fleet. These actions will accompany the Group towards the carbon neutrality expected by the year 2030.

MATERIAL EVENTS DURING THE PERIOD AND SUBSEQUENT TO 30 JUNE 2021**Acquisition and corporate restructuring of the Nexive Group**

On 29 January 2021, the transaction was completed and Poste Italiane acquired the entire share capital of Nexive from PostNL European Mail Holdings B.V. and Mutares Holding – 32 GmbH at a price of €34.4 million, based on an enterprise value of €50 million and net debt of €15.6 million. Following the price adjustment provided for in the contractual agreements, the final consideration amounted to €30.7 million.

Subsequently, on 11 May 2021, Poste Italiane SpA's Board of Directors approved the plans for the merger and demerger relating to the reorganisation, within the Poste Italiane Group. In particular, the above-mentioned corporate reorganisation is divided into the following phases:

- the merger by incorporation of Nexive Group and Nexive Servizi into Poste Italiane;
- the partial demerger of Nexive Network (i) in favour of Poste Italiane, as regards the mail delivery business, which includes the shareholding in Nexive Scarl, and (ii) in favour of Postel SpA, a company also wholly and directly controlled by Poste Italiane, as regards the printing business.

The transaction will take effect on 1 October 2021.

BNL Finance ("Financit")

The closing of the transaction was completed on 1 July 2021 for Poste Italiane to acquire a 40% equity investment in BNL Finance, a BNL Gruppo BNP Paribas company that is a leader in the salary backed loans market, following the approval from the Italian Supervisory Authorities and the completion of the de-merger by BNL Finance's in favour of its parent company BNL of the out-of-scope activities.

Also with effect from 1 July 2021, BNL Finance S.p.A. changed its name to Financit S.p.A..

Sengi Express Limited

On 19 January 2021, Poste Italiane SpA and Cloud Seven Holding Limited signed a binding framework agreement for strengthening the partnership in the e-commerce market between China and Italy. The framework agreement provided for the acquisition by Poste Italiane of 51% of the voting capital (40% of the total capital) of Sengi Express Limited ("Sengi Express"), a company wholly owned by Cloud Seven Holding Limited based in Hong Kong. Sengi Express is a leading company in the creation and management of cross-border

logistics solutions for Chinese e-commerce merchants active in the Italian market. The closing of the transaction was completed on 1 March 2021.

Eurizon Capital Real Asset SGR ("ECRA")

On 25 June 2021, Poste Vita and BancoPosta Fondi SGR signed definitive agreements to acquire 40% of the share capital of Eurizon Capital Real Asset SGR S.p.A. ("ECRA"), a company specialising in investments in support of the real economy controlled by Eurizon, which currently has assets under management of approximately €3.4 billion. The closing is expected by the end of the year, once the regulatory authorities have given their approval. It should be noted that upon completion of the transaction ECRA will continue to be controlled and consolidated by Eurizon.

Hybrid Bond issue

Poste Italiane S.p.A., with a settlement date of 24 June 2021, placed its first hybrid subordinated perpetual bond issue with an 8-year non-call period for institutional investors, with a total nominal value of €800 million, with the aim of strengthening the Group's capital structure, and, in particular, BancoPosta's Leverage Ratio (Basel III) and Tier 1 ratio, as well as Poste Vita's Solvency II ratio, thus helping to support the Group's long-term growth in accordance with the strategic guidelines of the "24 SI" Business Plan.

ALTERNATIVE PERFORMANCE INDICATORS

In keeping with the guidelines published by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415), in addition to the financial disclosures required by IFRS, Poste Italiane has included a number of indicators in this report that have been derived from them. These provide management with a further tool for measuring the Group's performance.

The following alternative performance indicators are used:

EBIT (Earnings before interest and taxes) - this is an indicator of operating profit before financial expenses and taxation.

EBIT margin – this is an indicator of the operating performance and is calculated as the ratio of operating profit (EBIT) to total revenue. This indicator is also presented separately for each Strategic Business Unit.

GROUP NET CASH POSITION: the sum of financial assets, tax credits Law no. 77/2020, cash and deposits attributable to BancoPosta, cash and cash equivalents, technical provisions for the insurance business (shown net of technical provisions attributable to reinsurers) and financial liabilities. This indicator is also shown separately for each Strategic Business Unit.

NET CASH POSITION OF THE MAIL, PARCELS AND DISTRIBUTION STRATEGIC BUSINESS UNIT: is the financial indebtedness shown according to the format recommended by ESMA, the European Securities and Markets Authority (ESMA32-382-1138 of 4 March 2021) excluding non-current trade and other payables for which there is a significant financing component, either implicitly or explicitly, and including: non-current financial assets, tax credits Law no. 77/2020, current derivative assets used for hedging purposes and intersegment financial receivables and borrowings.

Composition of net financial position* (€m):

	MAIL, PARCEL & DISTRIBUTION	FINANCIAL SERVICES	INSURANCE SERVICES	PAYMENTS & MOBILE	ADJUSTMENTS	CONSOLIDATED
Balance at 30 June 2021						
Financial liabilities	4,670	92,374	304	8,417	(10,565)	95,200
Technical reserves for the insurance business	0	0	156,484	0	0	156,484
Financial assets	(899)	(87,261)	(157,862)	(8,749)	9,943	(244,828)
Tax credits Law no. 77/2020	(466)	(1,045)	0	0	0	(1,511)
Technical reserves attributable to reinsurers	0	0	(52)	0	0	(52)
Cash and deposits attributable to BancoPosta	0	(7,071)	-	-	0	(7,071)
Cash and cash equivalents	(2,103)	(2,015)	(1,918)	(32)	612	(5,456)
Net Financial Position*	1,202	(5,018)	(3,044)	(364)	(10)	(7,234)
Balance at 31 December 2020						
Financial liabilities	5,438	95,295	304	7,459	(10,266)	98,230
Technical reserves for the insurance business	0	0	153,794	0	0	153,794
Financial assets	(1,310)	(92,385)	(155,953)	(7,753)	9,518	(247,883)
Tax credits Law no. 77/2020	(35)	0	0	0	0	(35)
Technical reserves attributable to reinsurers	0	0	(54)	0	0	(54)
Cash and deposits attributable to BancoPosta	0	(6,391)	0	0	0	(6,391)
Cash and cash equivalents	(2,254)	(2,020)	(964)	(16)	738	(4,516)
Net Financial Position*	1,839	(5,501)	(2,873)	(310)	(10)	(6,855)

* Net financial position: (Surplus) / Net debt

TABLES
POSTE ITALIANE GROUP'S FINANCIAL STATEMENTS
CONSOLIDATED BALANCE SHEET (€M)

ASSETS	30 June 2021	31 December 2020
Non-current assets		
Property, plant and equipment	2,175	2,134
Investment property	32	31
Intangible assets	790	755
Right-of-use assets	1,189	1,200
Investments accounted for using the equity method	622	615
Financial assets	215,953	217,877
Trade receivables	2	2
Deferred tax assets	1,103	1,123
Other receivables and assets	3,705	3,839
Tax credits Law no. 77/2020	1,273	29
Technical provisions attributable to reinsurers	52	54
Total	226,896	227,659
Current assets		
Inventories	162	165
Trade receivables	2,631	2,373
Current tax assets	344	187
Other receivables and assets	1,235	1,054
Tax credits Law no. 77/2020	238	6
Financial assets	28,875	30,006
Cash and deposits attributable to BancoPosta	7,071	6,391
Cash and cash equivalents	5,456	4,516
Total	46,012	44,698
TOTAL ASSETS	272,908	272,357
LIABILITIES AND EQUITY	30 June 2021	31 December 2020
Equity		
Share capital	1,306	1,306
Reserves	4,527	3,909
Treasury shares	(40)	(40)
Retained earnings	6,706	6,327
Equity attributable to owners of the Parent	12,499	11,502
Equity attributable to non-controlling interests	6	5
Total	12,505	11,507
Non-current liabilities		
Technical provisions for insurance business	156,484	153,794
Provisions for risks and charges	530	625
Employee termination benefits	933	1,030
Financial liabilities	14,020	18,366
Deferred tax liabilities	1,140	1,229
Other liabilities	1,503	1,576
Total	174,610	176,620
Current liabilities		
Provisions for risks and charges	789	771
Trade payables	1,760	1,837
Current tax liabilities	317	13
Other liabilities	1,747	1,745
Financial liabilities	81,180	79,864
Total	85,793	84,230
TOTAL EQUITY AND LIABILITIES	272,908	272,357

CONSOLIDATED STATEMENT OF NET PROFIT (LOSS) (€M)

	1H 2021	1H 2020
Revenue from Mail, Parcels & other	1,826	1,472
Net revenue from Financial Services	2,409	2,440
Revenue from Financial Services	2,469	2,535
Expenses from financial activities	(60)	(95)
Revenue from Insurance Services after movements in technical provisions and other claims expenses	1,050	739
Insurance premium revenue	10,291	7,720
Income from insurance activities	2,211	1,559
Net change in technical provisions for insurance business and other claims expenses	(11,240)	(7,687)
Expenses from insurance activities	(212)	(853)
Revenue from Payments & Mobile	399	337
Net operating revenue	5,684	4,988
Cost of goods and services	1,423	1,149
Personnel expenses	2,693	2,632
Depreciation, amortisation and impairments	398	339
Capitalised costs and expenses	(17)	(18)
Other operating costs	118	64
Impairment loss/(reversal) on debt instruments, receivables and other assets	20	56
Operating profit/(loss)	1,049	766
Finance costs	39	35
Finance income	62	53
Impairment loss/(reversal of impairment losses) on financial asset	(1)	1
Profit/(Loss) on investments accounted for using the equity method	15	(10)
Profit/(Loss) before tax	1,088	773
Income tax expense	315	227
NET PROFIT FOR THE PERIOD	773	546
of which, attributable to owners of the Parent	772	546
of which, attributable to non-controlling interests	1	-
Earnings per share	0.594	0.419
Diluted earnings per share	0.594	0.419

CONSOLIDATED STATEMENT OF CASH FLOWS (€M)

	1H 2021	1H 2020
Unrestricted net cash and cash equivalents at beginning of period	2,811	1,265
Restricted net cash and cash equivalents at beginning of period	1,705	884
Cash and cash equivalents at beginning of period	4,516	2,149
Cash and cash equivalents at beginning of period	4,516	2,149
Profit/(loss) for the period	773	546
Depreciation, amortisation and impairments	398	339
Losses and impairments/(recoveries) on receivables	28	42
(Gains)/Losses on disposals	-	(1)
(Increase)/decrease in inventories	4	(34)
(Increase)/decrease in receivables and other assets	(357)	(242)
Increase/(decrease) in payables and other liabilities	95	(1,248)
(Increase)/decrease in Tax credits Law no. 77/2020	(497)	-
Movement in provisions for risks and charges	(85)	61
Movement in provisions for employee termination benefits and pension plans	(65)	(63)
Differences in accrued finance costs and income (cash correction)	16	25
Other changes	2	98
Net cash flow generated by/(used in) non-financial operating activities [a]	312	(477)
Increase/(decrease) in liabilities attributable to financial, payments, cards and acquiring, insurance activities	(423)	8,392
Cash generated by/(used for) financial asset and tax credit Law no. 77/2020 to financial, payment, cards and acquiring, insurance activities	(2,001)	(6,686)
(Income)/Expenses and other non-cash components	(2,570)	(1,326)
Increase/(decrease) in net technical provisions for insurance business	5,582	2,095
Cash generated by/(used for) financial assets and liabilities attributable to financial, payment, cards and acquiring, insurance activities [b]	588	2,475
Net cash flow from/(for) operating activities [c]=[a+b]	900	1,998
<i>Investing activities</i>		
Property, plant and equipment, investment property and intangible assets	(308)	(209)
Investments	-	(2)
Other financial assets	(4)	(35)
Investment in consolidated companies, net of cash acquired	(40)	-
<i>Disposals</i>		
Property, plant and equipment, investment property and intangible assets and assets held for sale	3	2
Investments	-	-
Other financial assets	410	7
Net cash flow from/(for) investing activities [d]	61	(237)
Proceeds from/(Repayments of) borrowings	(394)	1,828
(Purchase)/disposal of own shares	-	-
Dividends paid	(421)	(402)
Equity instrument - hybrid bond	794	-
Other transactions with non-controlling interests	-	1
Net cash flow from/(for) financing activities and shareholder transactions [e]	(21)	1,427
Net increase/(decrease) in cash [f]=[c+d+e]	940	3,188
Cash and cash equivalents at end of period	5,456	5,337
Cash and cash equivalents at end of period	5,456	5,337
Restricted net cash and cash equivalents at the end of period	(2,861)	(2,702)
Unrestricted net cash and cash equivalents at end of period	2,595	2,635

The document containing the Interim Financial Report as of 30 June 2021 will be published by the deadline set out by law, made available to the public at the Company's head office, on the Company's website (www.posteitaliane.it), on the website of the authorised storage system "eMarket Storage" (www.emarketstorage.com), and filed with Borsa Italiana S.p.A. (www.borsaitaliana.it), the Italian Stock Exchange.

Declaration by the Executive responsible for preparing the corporate accounting documents

The undersigned, Alessandro Del Gobbo, in his capacity as Executive responsible for preparing Poste Italiane's corporate accounting documents (*Dirigente Preposto*)

DECLARES

that, pursuant to art. 154-BIS, par. 2, of the Consolidated Financial Bill of February 24, 1998, accounting information disclosed in this document corresponds to document results and accounting books and records.

This document includes summary financial information and should not be considered a substitute for Poste Italiane Group Interim Financial Report as of 30 June 2021.

Rome, 4 August 2021

Forward looking statements and other important information

This document contains certain forward-looking statements that reflect Poste Italiane's management's current views with respect to future events and financial and operational performance of the Company and of the Company's Group.

These forward-looking statements are made as of the date of this document and are based on current expectations, reasonable assumptions and projections about future events and are therefore subject to risks and uncertainties. Actual future results and performance may indeed differ materially from what is expressed or implied in this presentation, due to any number of different factors, many of which are beyond the ability of Poste Italiane to foresee, control or estimate precisely, including, but not limited to, changes in the legislative and regulatory framework, market developments, price fluctuations and other risks and uncertainties, such as, for instance, risks deriving from the Covid-19 pandemic and from the restrictive measures taken by each Country to face it.

Forward-looking statements contained herein are not a guarantee of future performance and you are therefore cautioned not to place undue reliance thereon.

This document does not constitute a recommendation regarding the securities of the Company; it does not contain an offer to sell or a solicitation of any offer to buy any securities issued by Poste Italiane or any of its Group companies or other forms of financial assets, products or services.

Except as may be required by applicable law, Poste Italiane denies any intention or obligation to update or revise any forward-looking statements contained herein to reflect events or circumstances after the date of this presentation.

This presentation includes summary financial information and should not be considered a substitute for Poste Italiane's full financial statements.

Numbers in the document may not add up only due to roundings.