

POSTE ITALIANE Q3 & 9M 2021 RESULTS

**FULL-YEAR 2021 GUIDANCE UPGRADED: EBIT TO €1.8BN AND NET PROFIT TO €1.3BN¹
CONFIRMED INTERIM DIVIDEND OF €0.185 (+14%Y/Y) ON 2021 RESULTS
STRONG Q3-21 REVENUE GROWTH MOMENTUM, UP 7% TO €2.8BN (UP 12% TO €8.4BN IN
9M-21)
Q3-21 EBIT UP 18% TO €566M (UP 30% IN 9M-21 TO €1.6BN), CONFIRMING SUCCESSFUL
EXECUTION OF 24SI
NET PROFIT UP 14% TO €401M IN Q3-21 (UP 31% TO €1.2BN IN 9M-21)
SOLID OPERATING PERFORMANCE ABOVE PRE-PANDEMIC LEVELS
CONTINUED GROWTH IN ALL PARCEL SEGMENTS AND RECOVERING MAIL REVENUES
PAYMENTS & MOBILE STEADY GROWTH CONTINUING
FINANCIAL AND INSURANCE SERVICES SUPPORTED BY STRONG COMMERCIAL
ACTIVITY - TFAs AT €582BN, ABOVE FY-21 TARGET
24SI WELL ON TRACK WITH REDUCED EXECUTION RISK ENHANCING VISIBILITY, OVER
AND BEYOND 24SI**

- Q3-21 REVENUES TO €2.8BN, +7.3% Y/Y (+11.7% 9M/9M TO €8.4BN IN 9M-21). POSTE ITALIANE'S SUSTAINABLE BUSINESS MODEL FULLY RETURNING BACK TO PRE-PANDEMIC LEVELS:
 - Q3-21 MAIL, PARCEL & DISTRIBUTION REVENUES TO €849M, +9.0% Y/Y (+18.9% 9M/9M TO €2.7BN IN 9M-21) WITH MAIL REVENUES UP FROM VOLUMES RECOVERY AND NEXIVE CONSOLIDATION AND PARCEL REVENUES GROWING ACROSS ALL SEGMENTS;
 - Q3-21 FINANCIAL SERVICES GROSS REVENUES TO €1.5BN, +9.3% Y/Y (+4.4% 9M/9M TO €4.3BN IN 9M-21) SUPPORTED BY STRONG COMMERCIAL ACTIVITIES AND ACTIVE PORTFOLIO MANAGEMENT;
 - Q3-21 INSURANCE SERVICES REVENUES TO €406M, -10.4% Y/Y (+22.1% 9M/9M TO €1.5BN IN 9M-21) IN LINE WITH EXPECTATIONS. TOTAL GWP AT €3.8BN IN Q3-21 OF WHICH 66% LIFE GWP GENERATED BY MULTICLASS PRODUCTS;
 - Q3-21 PAYMENTS & MOBILE REVENUES TO €220M, +19.2% Y/Y (+18.6% 9M/9M TO €619M): BOOSTED BY CARD PAYMENTS AND INCREASING TELCO CUSTOMERS
- Q3-21 TOTAL COSTS TO €2.2BN, +4.8% Y/Y (+8.1% 9M/9M TO €6.8BN) WITH HR COSTS DOWN SUPPORTED BY LOWER FTEs AND NON-HR-COSTS RELATED TO BUSINESS GROWTH.

¹ Excluding SIA revaluation

- Q3-21 EBIT TO €566M, +18.3% Y/Y (+29.8% 9M/9M TO €1.6BN) SUPPORTED BY STRONG UNDERLYING TRENDS.
- Q3-21 NET PROFIT AT €401M, +13.6% Y/Y (+30.7% 9M/9M TO €1.2BN) WITH A DIVERSIFIED STRATEGY CONTINUING TO DELIVER.
- TFAs TO €582BN OUTPACING THE 24SI TARGET FOR FY-21, DRIVEN BY STRONG INFLOWS IN DEPOSITS AND LIFE INSURANCE MULTILCASS PRODUCTS.

Q3 & 9M 2021 Operational Segment Highlights

- **Mail, Parcel & Distribution:** “Instant Delivery” service in the C2C segment launched in Rome and Milan. The innovative service offers a new ninety-minute delivery service in addition to the “Today” and “Tomorrow” services, with a guaranteed home pick-up to delivery with an hour-and-a-half from the moment the customer orders the service with a click.
- **Financial Services:** “Poste Business Link Conto” business current account launched aimed at SME’s, self-employed professionals and sole traders. The new multichannel business account can be managed exclusively via web or app thus further simplifying all daily banking activities with an exclusive cash-back scheme for account cardholders.
- **Insurance Services:** “Poste Mobile Qui” launched as part of the modular insurance offer with satellite geo-localization services for pets to keep constant track of them if lost or stolen. This service is part of the wider “Protezione Animali Domestici” pet insurance policy offering veterinary, as well as protection from damage caused by the pet.
- **Payments & Mobile:** Postepay debit card launched for all BancoPosta retail and business accounts: the new cards issued by Postepay will replace all BancoPosta cards not only guaranteeing current services but also offering differentiating value-added services, part of the Postepay ecosystem. PosteCasa Ultraveloce fibre-to-the-home broadband offer has been launched for the public, following the successful trial deployment amongst employees.

POSTE ITALIANE PLAYS A STRATEGIC ROLE IN ITALY TO DRIVE SUSTAINABLE GROWTH THROUGH INNOVATION AND DIGITISATION.

IN LINE WITH OUR 24SI PLAN, WE ARE SUCCEEDING IN CREATING LONG-TERM VALUE, DELIVERING SHARED GROWTH AMONG OUR STAKEHOLDERS AND THE COMMUNITIES WHERE WE OPERATE, WITH A STRONG COMMITMENT TO OUR ENVIRONMENTAL, SOCIAL AND GOVERNANCE GOALS.

SOME KEY ACHIEVEMENTS IN 9M 2021 INCLUDE:

- **Poste Italiane joins the MIB ESG index of Euronext and Borsa Italiana:** Poste Italiane has joined the new MIB® ESG index launched by Euronext and Borsa Italiana, ranking first among the companies included in the index. The new basket is dedicated to blue chip companies listed in Italy who adopt the best environmental, social and governance (ESG) practices. The index combines measurement of economic performance with ESG considerations, in line with the United Nations (UN) Global Compact principles. Poste Italiane also ranks first in the governance scoring.
- **Vigeo-Eiris ESG Overall Score:** Poste Italiane holds the highest position in the “Advanced” range, in the Vigeo Eiris classification. For the first time the group not only was ranked first in the Universe of 4,964 companies analysed but also in its “Transport & Logistics” reference universe comprised of 1,628 EMEA companies.
- **Digital Communication Awards - Internal Channel - Intranet, Digital Workplace & App:** NoidiPoste corporate intranet portal app awarded silver medal in the 2021 awards. The tool is capable of involving, informing and effectively communicating with everyone in Poste Italiane. A device that can be used anywhere and anytime, accessible from public stores, with content and services that are fully customisable. The app has been downloaded over 120,000 times.
- **Italian Recovery and Resilience Plan (PNRR):** Poste Italiane confirms its role as a strategic pillar for Italy, contributing to the National Recovery Plan with key projects aimed at supporting local communities and remote areas, reducing digital divide, supporting their economic growth and strengthening social cohesion. First, 7,000 post offices in smaller municipalities will be targeted to provide citizens with easy access to government services reducing each community’s carbon footprint by shortening the distances travelled to reach the Public Administration offices of larger centres. A second line of activity is the creation of a network of 250 co-working points nationwide, for local communities and businesses, with training spaces offered at affordable rates. These projects will also help support the Group’s green transition with energy-efficiency solutions and vehicle charging services for citizens.

Rome, 11 November 2021, yesterday, the Board of Directors of Poste Italiane S.p.A. (“Poste Italiane” or the “Group”), chaired by Maria Bianca Farina, approved 9M 2021 Financial Results (unaudited).

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

“We have reported strong results as the Italian economy continues to improve and all segments regained an even better growth momentum than before the pandemic, demonstrating the benefits of our diversified business model. Against that backdrop, we remain focused on balancing cost efficiencies with investments for growth opportunities.

Mail volumes are recovering as we return to “normality” and parcels continue to grow, trending to a ‘new normal’. Deposit growth was strong and our tax credits’ purchase offer met the favour of a rapidly growing customer base, supporting net interest income even as interest rates remained low. In Insurance services we confirm our ambitious 2021 targets with 66 per cent of life gross written premiums related to our multiclass offer. Within our growing payments and digital offer, the energy business start-up is progressing in line with our envisaged timeline.

The successful implementation of 24SI underpins the upgrade of our 2021 guidance. We are now expecting revenues for the full year 2021 to increase by approximately €100 million compared to our original target, reflecting the strong performance year-to-date and our continued good prospects for the remainder of the year. We continued to demonstrate strong cost control over the course of the year and we now expect lower total costs leading to an EBIT of around €1.8 billion, compared to our original target of €1.7 billion. Upgraded Net Profit now stands at approximately €1.3 billion compared to our previous guidance figure of €1.2 billion, excluding SIA revaluation.

Since the launch of 24SI, several initiatives have been secured both within the Group and externally, paving the way for a successful implementation of the plan, reducing the execution risk to focus on longer-term priorities. We have agreed a new universal service with the Government; confirmed our long-term partnership with Amazon in e-commerce; strengthened the relationship with the workforce with a new labour contract; continued our commitment to postal savings distribution, the most stable source of retail funding for the government; leveraged on new business opportunities such as tax credit purchases and we are playing a key role within Polis linked to the Italian Recovery and Resilience Plan - PNRR. We strongly believe that these are the foundations for Poste Italiane to be successful continually over and beyond the plan horizon.

Each day clients entrust us with more of their business. Our people continue to do a remarkable job, and I couldn't be prouder of how they stepped up to support our clients and deliver another

quarter of outstanding results.

I am proud of the role that Poste continues to play for the country's economic wellbeing and I am pleased that our efforts in ESG have been rewarded. In fact, in October, we ranked number one in the ESG Overall Score by Vigeo-Eiris and we have been included in Borsa Italiana's first ESG Index.

Our impressive business results allow us to confirm our 2021 dividend policy, with the distribution in November of an interim dividend of 0.185 euro, with a yearly growth of 14 per cent, to recognize to our investors a very visible and progressive dividend once again with confidence in future growth.

The pre-pandemic growth machine has kicked back in and the execution of 24SI is fully on track, giving us the confidence that our longer-term priorities are totally within our reach. I look forward to working with all colleagues across the group in continuing to further deliver sustainable, long-term returns for our shareholders, whilst meeting the needs of broader stakeholders."

POSTE ITALIANE Q3 & 9M 2021 Results

11 November 2021 - 14:30 CET

To attend click here: [Q3 & 9M 2021 Financial Results](#)

or via QR code for Android and iOS users:



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

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CONSOLIDATED FINANCIAL RESULTS SUMMARY

€m	Q3-20	Q3-21	Y/Y%	9M-20	9M-21	9M/9M %
GROUP						
Revenues	2,574	2,761	+7.3%	7,562	8,445	+11.7%
EBIT	479	566	+18.3%	1,244	1,615	+29.8%
Net Profit	353	401	+13.6%	898	1,174	+30.7%
MAIL, PARCEL & DISTRIBUTION						
External Revenues	779	849	+9.0%	2,251	2,675	+18.9%
EBIT	(50)	78	n.m.	(244)	(24)	+90.1%
Net Profit	(42)	45	n.m.	(177)	(24)	+86.3%
FINANCIAL SERVICES						
External Revenues	1,157	1,286	+11.2%	3,596	3,695	+2.8%
EBIT	181	180	-0.5%	579	542	-6.4%
Net Profit	134	130	-3.3%	407	393	-3.3%
INSURANCE SERVICES						
External Revenues	454	406	-10.4%	1,192	1,455	+22.1%
EBIT	279	235	-15.7%	714	893	+25.1%
Net Profit	206	175	-15.1%	523	655	+25.2%
PAYMENTS & MOBILE						
External Revenues	185	220	+19.2%	522	619	+18.6%
EBIT	69	73	+6.0%	196	205	+4.7%
Net Profit	55	52	-5.5%	145	150	+3.5%

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 Interim Report for the nine months ended 30 September 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 statement of cash flows, are attached to this release.

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

€m	Q3-20	Q3-21	Y/Y%	9M-20	9M-21	9M/9M %
SEGMENT REVENUES	779	849	+9.0%	2,251	2,675	+18.9%
INTERSEGMENT REVENUES	1,124	1,237	+10.1%	3,380	3,583	+6.0%
TOTAL REVENUES	1,902	2,086	+9.6%	5,630	6,258	+11.1%
EBIT	(50)	78	n.m.	(244)	(24)	+90.1%
EBIT Margin (%)	-2.6%	+3.7%	-	-4.3%	-0.4%	-
NET PROFIT	(42)	45	n.m.	(177)	(24)	+86.3%
KPI's						
Mail Volumes (#m)	540	595	+10.1%	1,677	1,889	+12.6%
Parcels delivered by mailmen (#m)	20	16	-19.6%	53	55	+3.9%
Parcel Volumes (#m)	50	54	+7.4%	140	181	+29.3%
B2C Revenues (€m)	145	160	+10.4%	398	522	+31.0%

In Q3 Mail, Parcel & Distribution segment revenues were up 9.0% y/y to €849m (+18.9% 9m/9m to €2.7bn in 9M-21).

Mail revenues in Q3 were up 9.7% y/y to €497m (+10.3% 9m/9m to €1.5bn in 9M-21) positively impacted by volumes' recovery with resuming notifications from Public Administrations and Nexive consolidation. Volumes were up 10.1% y/y (+12.6% 9m/9m) with stable tariffs.

Parcel revenues posted continued growth of 7.8% y/y to €314m in Q3 (+33.2% 9m/9m to €1.0bn).

Other revenues in Q3 were up 9.4% y/y to €38m (27.0% 9m/9m to €138m) as a result of national vaccination plan expense recovery and tax-credit purchases contribution.

In Q3 B2C volumes were up 7.4% y/y to 38m items (+33.9% 9m/9m to 130m items) trending towards a "new normal" trajectory; B2B volumes were up 4.5% y/y to 9m items (+15.2% 9m/9m to 31m items) and C2X volumes down 4.2% y/y to 1.2m items (+8.2% 9m/9m to 4.4m items) compared to a particularly strong Q3-20 affected by the lockdown and in line with 2021 targets. Poste continues to innovate by introducing new instant ninety-minute delivery solutions initially in Rome and Milan as a response to C2X online orders more than doubling compared to 2019.

In 9M-21, almost 1 million parcels were handled daily with *Postini* delivering 55 million parcels, up 3.9% 9m/9m.

Distribution revenues in Q3 were up 10.1% y/y to €1.2bn (+6.0% 9m/9m to €3.6bn) benefitting from higher rebates from Financial Services.

Segment EBIT improving considerably in Q3-21, thanks to market and intersegment revenue growth and totalling €78m from €-50m in Q3-20. 9M-21 EBIT up 90% 9m/9m to €-24m.

FINANCIAL SERVICES – WEALTH MANAGEMENT AT THE CORE OF COMMERCIAL ACTIVITY

€m	Q3-20	Q3-21	Y/Y%	9M-20	9M-21	9M/9M %
SEGMENT REVENUES	1,157	1,286	+11.2%	3,596	3,695	+2.8%
INTERSEGMENT REVENUES	183	180	-2.1%	479	560	+16.8%
TOTAL REVENUES	1,340	1,466	+9.3%	4,076	4,255	+4.4%
EBIT	181	180	-0.5%	579	542	-6.4%
EBIT Margin (%)	+13.5%	+12.3%	n.m.	+14.2%	+12.7%	n.m.
NET PROFIT	134	130	-3.3%	407	393	-3.3%
KPI's						
TOTAL FINANCIAL ASSETS - TFAs (€bn)	-	-	-	556	582	+4.6%
Average Current Account Deposits (€bn)	-	-	-	66.4	77.3	+16.5%
Average Postal Savings Deposits (€bn)	-	-	-	316.1	318.8	+0.9%
Postal Savings Net Inflows (€m)	(1,917)	(1,623)	+15.3%	(426)	(4,290)	n.m.
Unrealized gains (€m)	-	-	-	2,067	4,146	+100.6%

In Q3 Financial Services segment revenues were up 11.2% y/y to €1.3bn (+2.8% 9m/9m to €3.7bn) with stable Net Interest Income. In Q3 gross revenues (including distribution revenues) were up 9.3% y/y to €1.5bn (+4.4% 9m/9m to €4.3bn) and resilient, supported by active portfolio management and wealth management activities.

In Q3 net interest income was up 1.0% y/y at €390m (-4.5% 9m/9m to €1.1bn) with net inflows from deposits and tax credit purchases contribution mitigating the impact of lower rates.

Postal savings' distribution fees were down 10.1% y/y to €432m (-4.7% 9m/9m to €1.3bn) compared to a strong Q3-20 but are on track to meet 2021 targets.

In Q3 loan and mortgage distribution fees were down 4.8% to €55m (+31.7% 9m/9m to €188m) impacted by the accounting of potential early repayments provisions in a low interest rate environment.

In Q3 transaction banking fees were down 5.2% y/y to €197m (-2.7% 9m/9m to €592m) due to lower overall payment slips' volumes mitigated by the repricing introduced in August.

Q3 asset management fees were up 25.3% y/y to €30m (+22.3% 9m/9m to €88m) supported by the effective advisory model in place as well as the successful introduction of ESG and multi-asset funds in the product offer.

Total Financial Assets reached €582bn in 9M-21 (up €13bn since December 2020) above 24SI plan targets, driven by €10.5bn net inflows and €2.9bn positive market effect. Net Technical Reserves increased €4.7bn driven by €6.2bn net inflows, and Deposits net inflows at €7.8bn² supported by all categories.

In Q3 EBIT is stable at -0.5% y/y to €180m (down 6.4% 9m/9m to €542m) mainly as a result of higher intersegment costs towards the network.

² Includes Assets Under Custody.

INSURANCE SERVICES – STRONG PERFORMANCE IN LINE WITH 24SI, SUPPORTED BY FAVOURABLE MARKET CONDITIONS

€m	Q3-20	Q3-21	Y/Y%	9M-20	9M-21	9M/9M %
SEGMENT REVENUES	454	406	-10.4%	1,192	1,455	+22.1%
<i>Life (inc. Private Pension Plan)</i>	417	376	-10.0%	1,081	1,351	+24.9%
<i>P&C</i>	36	31	-16.0%	111	104	-5.7%
INTERSEGMENT REVENUES	0	1	n.m.	0	2	n.m.
TOTAL REVENUES	454	407	-10.3%	1,192	1,457	+22.2%
EBIT	279	235	-15.7%	714	893	+25.1%
EBIT Margin (%)	+61.4%	+57.7%	-	+59.9%	+61.3%	-
NET PROFIT	206	175	-15.1%	523	655	+25.2%

KPI's						
Gross Written Premiums (€m)	4,678	3,815	-18.4%	12,424	14,146	+13.9%
<i>GWP - Life + Private Pension Plans (€m)</i>	4,622	3,740	-19.1%	12,239	13,907	+13.6%
<i>GWP - P&C (€m)</i>	56	75	+33.7%	185	239	+29.3%

In Q3 Insurance segment revenues were down 10.4% y/y to €406m (+22.1% 9m/9m to €1.5bn) and in line with expectations.

In Q3 life revenues were also down 10.0% y/y to €376m (+24.9% 9m/9m to €1.4bn) as the investment margin was impacted by higher rebates to policyholders, after a record high second quarter which benefitted from favourable market conditions.

Non-life revenues were down 16.0% y/y to €31m (-5.7% 9m/9m to €104m), impacted by lower claims in 2020 due to lockdown and an increasing share of welfare policies, which are characterised by higher claims, as well as an increase of share of the modular offer with higher value recognised to the policyholder.

Commercial performance is progressing well in both life and P&C, with P&C gross written premiums up 33.7% y/y to €75m (+29.3% 9m/9m to €239m) with higher-than-expected average tickets.

In Q3 EBIT was down 15.7% y/y to €235m (+25.1% 9m/9m to €893m) and in line with our ambitious targets.

At the end of September 2021, Poste Vita Group's Solvency II Ratio stood at 289%, with transitional measures providing an additional buffer to address potential market volatility.

PAYMENTS & MOBILE – STRONG REVENUE GROWTH BOOSTED BY ALL BUSINESS LINES

€m	Q3-20	Q3-21	Y/Y%	9M-20	9M-21	9M/9M %
SEGMENT REVENUES	185	220	+19.2%	522	619	+18.6%
<i>Cards Payments</i>	94	113	+19.8%	264	321	+21.7%
<i>Other Payments</i>	19	28	+42.4%	48	67	+40.3%
<i>Telecom</i>	71	80	+12.0%	211	231	+9.8%
INTERSEGMENT REVENUES	89	79	-11.5%	260	246	-5.5%
TOTAL REVENUES	274	299	+9.2%	783	866	+10.6%
EBIT	69	73	+6.0%	196	205	+4.7%
EBIT Margin (%)	+25.3%	+24.6%	-	+25.0%	+23.7%	-
NET PROFIT	55	52	-5.5%	145	150	+3.5%
KPI's						
Postepay cards (#m)	-	-	-	21.6	21.5	-0.3%
<i>of which Postepay Evolution cards(#m)</i>	-	-	-	7.4	8.4	+13.3%
Total payment cards transactions (#bn)	-	-	-	1.1	1.5	+30.8%
<i>of which eCommerce transactions (#m)</i>	-	-	-	274.7	374.0	+36.1%
Mobile & land-line (#m)	-	-	-	4.6	4.8	+4.8%
Digital e-Wallets (#m) *	-	-	-	7.4	8.8	+19.2%

* As at 31/12/2020

In Q3 Payments and Mobile segment revenues continued to grow by a strong 19.2% y/y to €220m (+18.6% 9m/9m to €619m), confirming the role played by PostePay as leader in the fast-growing and evolving digital payments environment in Italy. Card payments were up 19.8% y/y to €113m (+21.7% 9m/9m to €321m). The shift towards higher recurring margin Evolution cards continued, with the total stock now at 8.4 million cards (up 13.3% 9m/9m).

In Q3, Other payments were up 42.4% y/y to €28m (+40.3% 9m/9m to €67m), mainly thanks to payment transactions directly managed by PostePay as Payment Service Provider.

Telco revenues were up 12.0% y/y to €80m in Q3 (+9.8% 9m/9m to €231m) benefitting from a consistent customer base of 4.8 million users (+4.8% 9m/9m from 4.6 million) and a low churn rate.

E-commerce transactions continue the upward trend in the first nine months of the year to 374m (+36.1% 9m/9m), supporting the digital strategy outlined in 24SI and PostePay cards remain a preferred on-line payment tool for Italians.

In Q3 EBIT was up 6.0% y/y to €73m, with increasing digital payments and strong card payments growth mitigating lower payment slips, higher telco traffic cost from post-covid new normal data usage, as well as embedding one-off costs. The new telco traffic wholesale contract with Vodafone is now fully in place and will be providing running efficiencies from the final quarter of the year.

INTERIM DIVIDEND

At the above-mentioned meeting held on 10 November 2021, Poste Italiane's Board of Directors:

- in light of (i) the financial position and results of operations of the Company at 30 June 2021, (ii) the performance for the following months, (iii) the business outlook, and (iv) the related expected economic prospects at 31 December 2021;
- taking into account the issue on 10 November 2021 by the Auditing Company Deloitte & Touche of the opinion required under Article 2433-bis of the Italian Civil Code; as well as
- in line with the Group's dividend policy effective since 2019, providing the distribution of the annual dividend in two tranches, one as an interim dividend and one as a balance dividend;

resolved to pay, as an interim dividend, part of the ordinary dividend for 2021, in the amount of € 0.185 per share gross of any due withholdings, for each ordinary share in circulation on the day scheduled as the ex-dividend date (as subsequently indicated), excluding treasury shares on that date.

The interim dividend will be payable from 24 November 2021, with "ex-dividend date" of coupon no. 9 coinciding with 22 November 2021 and record date (i.e. the date on which the dividend was entitled to be paid) coinciding with 23 November 2021.

RECENT EVENTS AND BUSINESS OUTLOOK

In the first nine months of 2021 the macroeconomic scenario, while continuing to improve, nonetheless continued to be impacted by the health emergency. The development of the pandemic, including progress in vaccine campaigns and the continuation of expansive policies adopted by governments allowed for economic recovery and growth which, while in a inhomogeneous manner, affected various domestic economies. In Italy, the Budget Law approved on 28 October 2021 by the Cabinet Office was intended to support growth and competitiveness in the country again in 2022, to support it in the recovery.

During the period, the Group demonstrated its vocation as a systemic operator, moving forward with its commitment to support institutions and playing a primary role in the vaccination campaign. It has in fact made available its IT infrastructure and its logistics network for the booking and distribution of vaccines with over 20 million vaccines delivered throughout the country, as well as having implemented a company vaccination plan for its employees.

The economic and financial results for the first nine months of 2021 are positive and show growth even with respect to pre-pandemic levels. The Group's expected results for the full year exceed the targets established and communicated to the financial community in the Capital Market Day in March of this year, confirming the validity of the strategic guidelines found in the 24SI Plan and execution of the same, demonstrating the Group's capacity to identify and meet emerging customer requirements such as proximity, flexibility, sustainability and security.

Over the coming months the Group will move forward with its objective of helping the country to achieve responsible growth, inclusive and sustainable, through a process of digital transformation that will leverage significant investments in technology to support the spread of a digital culture among both its employees and its customers, to overcome the geographic and generational digital divide in Italy. The Group will also continue to evolve the offerings associated with its entry into the energy market planned for 2022 and to develop the strategic segments of parcels, e-money and protection. The Group will also support the go to market of new motor liability and ultra-broadband offerings, to improve market penetration in the post-launch phase. Further, to support the economic recovery, Poste Italiane will continue to purchase tax credits related to the Decree Law known as "Relaunch".

Poste Italiane aims to support the "restart of the country" by making its multi-channel distribution network available, as well as through involvement in the National Recovery and Resilience Plan, facilitating the digital transition 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, the reduction of emissions from the company fleet and photovoltaic generation. These actions will accompany the Group towards the carbon neutrality expected by the year 2030.

MATERIAL EVENTS DURING THE PERIOD AND SUBSEQUENT TO 30 SEPTEMBER 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 is effective from 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 AND DISTRIBUTION	FINANCIAL SERVICES	INSURANCE SERVICES	PAYMENTS AND MOBILE	ADJUSTMENTS	CONSOLIDATED
Balance at 30 September 2021						
Financial liabilities	5,798	97,807	310	8,469	(13,358)	99,026
Technical reserves for the insurance business	0	0	158,573	0	0	158,573
Financial assets	(951)	(88,716)	(157,786)	(8,883)	11,058	(245,278)
Tax credits Law no. 77/2020	(463)	(3,378)	0	0	0	(3,840)
Technical reserves attributable to reinsurers	0	0	(53)	0	0	(53)
Cash and deposits attributable to BancoPosta	0	(8,670)	-	0	0	(8,670)
Cash and cash equivalents	(2,575)	(2,018)	(4,743)	(45)	2,289	(7,092)
Net Financial Position*	1,809	(4,975)	(3,699)	(459)	(10)	(7,334)
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)

	(€m)	
ASSETS	30 September 2021	31 December 2020
Non-current assets		
Property, plant and equipment	2,190	2,134
Investment property	32	31
Intangible assets	780	755
Right-of-use assets	1,148	1,200
Investments accounted for using the equity method	677	615
Financial assets	223,064	221,134
Trade receivables	2	2
Deferred tax assets	1,087	1,123
Other receivables and assets	3,710	3,839
Tax credits Law no. 77/2020	3,275	29
Technical provisions attributable to reinsurers	53	54
Total	236,018	230,916
Current assets		
Inventories	163	165
Trade receivables	2,584	2,373
Current tax assets	348	187
Other receivables and assets	1,384	1,054
Tax credits Law no. 77/2020	565	6
Financial assets	22,214	26,749
Cash and deposits attributable to BancoPosta	8,670	6,391
Cash and cash equivalents	7,092	4,516
Total	43,020	41,441
TOTAL ASSETS	279,038	272,357
LIABILITIES AND EQUITY	30 September 2021	31 December 2020
Equity		
Share capital	1,306	1,306
Reserves	4,332	3,909
Treasury shares	(40)	(40)
Retained earnings	7,106	6,327
Equity attributable to owners of the Parent	12,704	11,502
Equity attributable to non-controlling interests	7	5
Total	12,711	11,507
Non-current liabilities		
Technical provisions for insurance business	158,573	153,794
Provisions for risks and charges	500	625
Employee termination benefits	900	1,030
Financial liabilities	14,334	18,366
Deferred tax liabilities	1,096	1,229
Other liabilities	1,476	1,576
Total	176,879	176,620
Current liabilities		
Provisions for risks and charges	631	771
Trade payables	1,750	1,837
Current tax liabilities	453	13
Other liabilities	1,922	1,745
Financial liabilities	84,692	79,864
Total	89,448	84,230
TOTAL EQUITY AND LIABILITIES	279,038	272,357

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

(€m)

Third quarter 2021	Third quarter 2020		First nine months 2021	First nine months 2020
850	779	Revenue from Mail, Parcels & other	2,676	2,251
1,286	1,156	Net revenue from Financial Services	3,695	3,596
1,362	1,172	Revenue from Financial Services	3,831	3,707
(76)	(16)	Expenses from Financial activities	(136)	(111)
405	453	Revenue from Insurance Services after movements in technical provisions and other claims expenses	1,455	1,192
3,805	4,673	Insurance premium revenue	14,096	12,393
913	882	Income from insurance activities	3,124	2,441
(4,235)	(5,354)	Net change in technical provisions for insurance business and other claims expenses	(15,475)	(13,041)
(78)	252	Expenses from insurance activities	(290)	(601)
220	185	Revenue from Payments & Mobile	619	522
2,761	2,572	Net operating revenue	8,445	7,561
675	624	Cost of goods and services	2,098	1,773
1,241	1,246	Personnel expenses	3,934	3,878
199	178	Depreciation, amortisation and impairments	597	517
(7)	(9)	Capitalised costs and expenses	(24)	(27)
72	47	Other operating costs	190	111
15	9	Impairment loss/(reversal) on debt instruments, receivables and other assets	35	65
566	478	Operating profit/(loss)	1,615	1,244
15	19	Finance costs	54	54
30	30	Finance income	92	83
-	-	Impairment loss/(reversal of impairment losses) on financial asset	(1)	1
5	9	Profit/(Loss) on investments accounted for using the equity method	20	(1)
586	498	Profit/(Loss) before tax	1,674	1,271
185	146	Income tax expense	500	373
401	352	NET PROFIT FOR THE PERIOD	1,174	898
400	352	of which, attributable to owners of the Parent	1,172	898
1	-	of which, attributable to non-controlling interests	2	-
0.308	0.271	Earnings per share	0.903	0.691
0.308	0.271	Diluted earnings per share	0.903	0.691

CONSOLIDATED STATEMENT OF CASH FLOWS (€M)

	First nine months 2021	First nine months 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
Result for the period	1,174	898
Depreciation, amortisation and impairments	597	517
Losses and impairments losses/(reversal of impairment losses) on receivables	42	49
(Gains)/Losses on disposals	-	(2)
(Increase)/Decrease in inventories	3	(29)
(Increase)/Decrease Receivables and Other assets	(516)	(512)
Increase/(Decrease) Payables and Other liabilities	427	(594)
Change in tax credits Law no. 77/2020	(514)	-
Change in provisions for risks and charges	(273)	(134)
Change in employee termination benefits and Provision for retirement benefits	(99)	(94)
Differences in accrued finance costs and income (cash adjustment)	24	37
Other changes	44	38
Net cash flow from/(for) non-financial operating activities [a]	909	174
Increase/(Decrease) in liabilities attributable to financial activities, payments, cards and acquiring and insurance	5,936	9,851
Net cash generated by/(used for) financial asset and tax credit Law no. 77/2020 attributable to financial activities, payments, cards and acquiring and insurance	(8,981)	(10,626)
(Income)/Expenses and other non-cash components	(3,041)	(1,262)
Increase/(Decrease) in net technical provisions for insurance business	7,792	4,623
Cash generated by/(used for) financial assets/liabilities attributable to financial activities, payment, cards and acquiring and insurance [b]	1,706	2,586
Net cash flow from/(for) operating activities [c]=[a+b]	2,615	2,760
<i>Investing activities:</i>		
Property, plant and equipment, investment property and intangible assets	(455)	(370)
Investments	(50)	(2)
Other financial assets	(4)	(36)
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	4	4
Investments	-	-
Other financial assets	411	8
Net cash flow from/(for) investing activities [d]	(134)	(396)
Proceeds from/(Repayments of) borrowings	(278)	1,763
(Purchase)/Sale of treasury shares	-	-
Dividends paid	(421)	(402)
Equity instrument - perpetual hybrid bond	794	-
Other transactions with minority shareholders	-	1
Net cash flow from/(for) financing activities and shareholder transactions [e]	95	1,362
Net increase/(decrease) in cash [f]=[c+d+e]	2,576	3,726
Cash and cash equivalents at end of period	7,092	5,875
Cash and cash equivalents at end of period	7,092	5,875
Restricted net cash and cash equivalents at the end of period	(4,005)	(3,222)
Unrestricted net cash and cash equivalents at end of period	3,087	2,653

Poste Italiane presents its quarterly financial reports on a voluntary basis, with a focus on business highlights in compliance with art. 82-ter of the CONSOB Issuers Regulations (as amended by CONSOB Resolution no. 19770 of 26 October 2016), which gives listed companies whose Member State of origin is Italy, the faculty to voluntarily publish additional periodic financial information besides their annual and half-yearly reports.

The document containing the Interim Financial Report as of 30 September 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 September 2021.

Rome, 11 November 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.