

POSTE ITALIANE Q1 2023 FINANCIAL RESULTS

SOLID Q1-23 FINANCIAL PERFORMANCE, WELL ON TRACK TO MEET 2023 GUIDANCE

NET PROFIT AT €540M IN Q1-23 UP BY A ROBUST 9.4% Y/Y

SOLID Q1-23 OPERATING PROFIT OF €767M, UP 11.2% Y/Y, WITH POSITIVE CONTRIBUTIONS FROM ALL BUSINESSES

STRONG Q1-23 REVENUE GROWTH, UP 8.1% Y/Y TO €3.0BN SUPPORTED BY POSITIVE COMMERCIAL TRENDS

VISIBLE COST BASE – COST DISCIPLINE MITIGATING INFLATION IMPACT

DIVIDEND BALANCE OF €0.44 PER SHARE TO BE PAID ON 21 JUNE 2023 (€571M)

NET INSURANCE TENDER OFFER SUCCESSFULLY COMPLETED IN LINE WITH EXPECTATIONS

- REVENUES FOR THE PERIOD WERE EQUAL TO €3.0BN, INCREASING BY 8.1% COMPARED TO €2.8 BILLION IN THE FIRST QUARTER OF 2022:
 - IN Q1-23 MAIL, PARCEL & DISTRIBUTION SEGMENT REVENUES CAME RESILIENT TO €893M (-0.9% Y/Y). MAIL REVENUES UP 2% SUPPORTED BY REPRICING ACTIONS AND IMPROVED MIX. PARCEL REVENUES STABLE Y/Y WITH POSITIVE CONTRIBUTION FROM B2C.
 - FINANCIAL SERVICES SEGMENT REVENUES ROSE TO €1.4BN, +7.9% Y/Y, DRIVEN BY NET INTEREST INCOME.
 - INSURANCE SEGMENT REVENUES TOTALLED €393M IN THE FIRST QUARTER OF 2023, INCREASING BY 5.5% COMPARED TO A STRONG PREVIOUS YEAR'S LEVEL OF €373M AND IN A CHALLENGING MARKET SCENARIO. Q1-23 LIFE GWP AT €6.0BN (+21.1% Y/Y), WITH POSITIVE NET INFLOWS OF €2.1BN. P&C GWP UP 63% Y/Y TO €201M DRIVEN BY WELFARE POLICIES.
 - PAYMENTS AND MOBILE SEGMENT REVENUES ROSE MARKEDLY BY 48.2% TO €343M IN THE FIRST QUARTER OF 2023, DRIVEN BY IMPRESSIVE CONTRIBUTIONS FROM ALL PRODUCT LINES, LIS

CONSOLIDATION AND THE NEW ENERGY OFFER.

- Q1-23 TOTAL COSTS TOTALLED €2.3BN, INCREASING BY 7.0% COMPARED TO €2.1BN OF THE PREVIOUS YEAR IN LINE WITH EXPECTATIONS. EXCLUDING THE EFFECT OF IFRS17 AND M&A, HR COSTS WERE BROADLY STABLE WITH LOWER FTEs MITIGATING HIGHER SALARY AND COMPENSATION COSTS. COGS INCREASED DUE TO INFLATION AND ENERGY BUSINESS START-UP COSTS. D&A INCREASED ON THE BACK OF HIGHER CAPEX. THE CHANGE IN PERIMETER RELATED TO M&A ACTIVITIES HAD AN ADDITIONAL IMPACT OF €65M IN NON-HR COSTS.
- EBIT FOR THE PERIOD WAS EQUAL TO €767M, UP BY 11.2% Y/Y COMPARED TO €690M IN THE FIRST QUARTER OF 2022, SUPPORTED BY ALL BUSINESSES. MAIL PARCEL AND DISTRIBUTION WAS THE KEY CONTRIBUTOR WITH EBIT UP 58%, FINANCIAL SERVICES (+11% Y/Y) AND PAYMENT & MOBILE (+14% Y/Y) GREW DOUBLE DIGIT WHILE INSURANCE SERVICES INCREASED BY 3% COMPARED TO A STRONG Q1-22 EBIT.
- Q1-23 NET PROFIT CAME TO €540M, 9.4% OVER THE PREVIOUS YEAR'S LEVEL OF €494M.
- TFAs REACHED €579BN IN THE QUARTER SUPPORTED BY NET INFLOWS OF €0.8BN AND POSITIVE PERFORMANCE EFFECT OF €2.6BN SINCE DECEMBER¹. POSITIVE NET INFLOWS OF €0.5BN IN Q1-23 IN SAVING AND INVESTMENT PRODUCTS² WITH POSITIVE INFLOWS IN INSURANCE, DEPOSITS AND MUTUAL FUNDS AND A REVAMPED POSTAL SAVINGS COMMERCIAL OFFER.
- STRONG CAPITAL POSITION: BANCOPOSTA TOTAL CAPITAL RATIO AT 23.7% (OF WHICH CET1 RATIO AT 20.9%), LEVERAGE RATIO AT 3.1% AND POSTE VITA GROUP SOLVENCY II RATIO AT 267%, WELL ABOVE MANAGERIAL AMBITION.

¹ EoP figures, Insurance Reserves of €157 billion, restated to exclude the Deferred Policyholders' Liabilities "DPL" (-14bn as of Dec-22), in line with local GAAP.

² Includes net flows into Mutual Funds, Moneyfarm, Postal Bonds, Insurance reserves, and Assets under Custody.

POSTE ITALIANE CONTINUES TO CREATE LONG-TERM VALUE FOR ALL STAKEHOLDERS

SUPPORTING COUNTRY'S SUSTAINABLE GROWTH THROUGH DIGITALISATION, SOCIAL COHESION INITIATIVES AND OUR CONTRIBUTION TO THE GREEN TRANSITION

CONTINUED FOCUS ON HUMAN CAPITAL AS OUR KEY ASSET

KEY ACHIEVEMENTS IN THE QUARTER:

- **Polis Project milestones.** Since the launch of Polis Project at the end of January, more than 200 post offices were refurbished and in 8 small municipalities the one-stop-shop, to directly access the services of the Ministry of Justice, is up and running.
- **Inaugurated the new Fraud Prevention Centre** for a 24/7 monitoring of financial transactions carried out in post offices, on-line and through payment cards. With experts and advanced technologies in Fraud Management and Fraud Intelligence activities, this centre contributes to further enhance the level of security for the Group and our clients.
- **As part of Poste Italiane's transition journey towards carbon neutrality by 2030**, the delivery fleet renewal and energy efficiency programs continued, as well as the replacement of current payment cards with cards made of eco-sustainable materials. At the end of March, the number of low emissions vehicles was about 23,500 (of which c.4,300 are electric), c.1,800 buildings were part of the Smart Building project and finally, the weight of eco-friendly cards on total payment cards stock went up to 22% (was 6% in Q1-22).
- **"Blooming Program" is continuing**, a talent development program for our employees, which includes a series of initiatives (educational, relationship and experienced based) offering personalised development paths. This program is in line with Poste Italiane's commitment in valuing our people, as key asset for Group's sustainable growth.
- **Launch of "BancoPosta Universo Tematico"**, flexible and multi-manager thematic fund of BancoPosta Fondi SGR that promotes environmental and social characteristics (pursuant to art.8 of EU Regulation 2019/2088 – SFDR). Its investment strategy aims to benefit from the medium-long term growth potential of three megatrends (Planet, Innovation, Population) while considering also sustainable finance criteria for the selection of financial instruments.

Rome, 4 May 2023. Yesterday, the Board of Directors of Poste Italiane S.p.A. (“Poste Italiane” or the “Group”), chaired by Maria Bianca Farina, approved First Quarter 2023 Financial Results (unaudited).

Matteo Del Fante, Poste Italiane Chief Executive Officer and General Manager commented: *“First quarter results are very strong, significantly increasing visibility on 2023 guidance with a solid financial performance and profitable contributions from all businesses, while confirming cost discipline. Commercial trends have been supportive in all businesses as customers continue to see Poste Italiane as a safe haven for their savings and a majority of their daily needs. Our financial products shield our clients from market volatility throughout the economic cycle, with over 90% of customers’ TFAs protected from market turbulence.*

Our B2C parcel volumes increased compared to a stable wider market, whilst mail revenues improved thanks to repricing actions and higher value-added services.

In Financial Services, favourable interest rates supported higher recurring NII, while postal savings distribution fees are on track to meet our FY 2023 guidance.

This quarter has been a busy one for Insurance Services with IFRS17 adoption. We posted strong results in a challenging market, with strong net inflows of €2.1 billion coupled with a consistently low lapse rate below 4%. We have also completed the Net Insurance tender offer to accelerate the growth of our Protection business.

Payments & Mobile recorded, yet again, double-digit growth, fully capturing the increase in cashless payments in Italy with transaction value up 18% year-on-year supported by strong e-commerce growth. The PosteEnergia offer has been very well received by our customers, reaching around 200 thousand contracts signed to date.

The strong start to the year puts us well on track to achieve our 2023 targets. Most importantly we are committed to rewarding all our stakeholders with a sustainable performance in 2023 and beyond, starting with the dividend balance of €0.44 per share to be paid on 21 June.”

POSTE ITALIANE Q1 2023 RESULTS

Thursday 4 May 2023 - 12:00 CEST

To attend click here: [Poste Italiane Q1 2023 Results Webcast](#)

or via QR code:



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	Q1-22	Q1-23	Y/Y%
GROUP			
Revenues	2,816	3,044	+8.1%
EBIT	690	767	+11.2%
Net Profit	494	540	+9.4%
MAIL, PARCEL & DISTRIBUTION			
External Revenues	901	893	-0.9%
EBIT	56	88	+57.7%
Net Profit	31	41	+31.3%
FINANCIAL SERVICES			
External Revenues	1,311	1,414	+7.9%
EBIT	231	256	+10.8%
Net Profit	171	187	+9.2%
PAYMENTS & MOBILE			
External Revenues	231	343	+48.2%
EBIT	78	89	+14.0%
Net Profit	55	67	+20.5%
INSURANCE SERVICES			
External Revenues	373	393	+5.5%
EBIT	325	334	+2.8%
Net Profit	235	245	+4.1%

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 first three months ended 31 March 2023, 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 – RESILIENT MARKET REVENUES AND IMPROVING OPERATING PROFITABILITY

€m	Q1-22	Q1-23	Y/Y%
SEGMENT REVENUES	901	893	-0.9%
<i>Mail Revenues</i>	510	520	+1.9%
<i>Parcel Revenues</i>	333	333	+0.1%
<i>Other Revenues</i>	58	40	-30.8%
INTERSEGMENT REVENUES	1,269	1,382	+9.0%
TOTAL REVENUES	2,170	2,276	+4.9%
EBIT	56	88	+57.7%
EBIT Margin (%)	+2.6%	+3.9%	-
NET PROFIT	31	41	+31.3%
KPI's			
Mail Volumes (#m)	649	617	-5.0%
Parcels delivered by mailmen (#m)	15	18	+17.7%
Parcel Volumes (#m)	57	59	+3.0%
B2C Revenues (€m)	170	187	+10.1%

In Q1-23 Mail, Parcel & Distribution segment revenues were resilient (-0.9% y/y to €893m).

Mail revenues in Q1 grew 1.9% y/y to €520m, supported by favorable product mix and repricing actions. Lower margin unrecorded mail decline was compensated by higher value-added recorded mail and integrated services such as notifications from public administration services.

Parcel revenues were stable (+0.1% y/y to €333m in Q1-23), with higher B2C volumes, up 9.8% y/y to 45m items. The average tariff was down due to volumes' mix effect, with stable B2C tariffs. Distribution revenues in Q1 were up 9.0% y/y to €1,382m, mirroring the positive performance of Financial Services business.

Segment EBIT grew by 57.7% y/y totaling €88m in Q1-23, thanks to higher distribution fees in a challenging market environment.

FINANCIAL SERVICES – REVENUE GROWTH DRIVEN BY NET INTEREST INCOME AND INSURANCE FEES

€m	Q1-22	Q1-23	Y/Y%
SEGMENT REVENUES	1,311	1,414	+7.9%
<i>Active Portfolio Management</i>	176	168	-4.8%
<i>Interest Income</i>	420	546	+30.0%
<i>Postal Savings</i>	434	425	-2.0%
<i>Transaction banking</i>	181	202	+11.9%
<i>Loan & Mortgage distribution</i>	69	44	-35.8%
<i>Asset Management</i>	31	29	-7.2%
INTERSEGMENT REVENUES	196	234	+19.0%
TOTAL REVENUES	1,507	1,648	+9.3%
EBIT	231	256	+10.8%
EBIT Margin (%)	+15.4%	+15.6%	-
NET PROFIT	171	187	+9.2%
KPI's			
TOTAL FINANCIAL ASSETS - TFAs (€bn)	576	579	+0.5%
Average Current Account Deposits (€bn)*	86	86	-0.3%
Average Postal Savings Deposits (€bn)	319	316	-1.1%
Postal Savings Net Inflows (€m)	(4,645)	(2,337)	+49.7%

* Not including treasury and Poste Italiane's liquidity

In Q1 Financial Services revenues were up 7.9% y/y to €1.4bn.

Gross revenues (including intersegment revenues) were up 9% y/y to €1.6bn with higher contribution from insurance distribution fees and NII.

In Q1 net interest income was up 30% y/y to €546m driven by higher interest rates and increasing retail deposits; active portfolio management totalled €168 million in line with full year target for 2023.

Postal savings' distribution fees were down 2% y/y to €425m in line with FY23 guidance. Postal saving net outflows reached €2.3bn with a solid improvement year-on-year, thanks to revamped commercial offer successfully meeting customers' needs.

In Q1 loan and mortgage distribution fees were down 36% y/y to €44m impacted by higher partners' cost of funding notwithstanding higher volumes, signalling a positive commercial

trend.

Transaction banking fees were up 12% y/y to €202m benefitting from repricing of current account fees set in the second half of 2022.

Fees from asset management were down 7% y/y to €29m affected by financial market performance.

Total Financial Assets reached €579.4bn in Q1-23 (up €3.4bn since December 2022), driven by €0.8bn net inflows and €2.6bn positive market effect.

Net inflows were positively supported by strong performance in Insurance, Deposits and mutual funds, confirming once again Poste Italiane as a safe harbour and financial partner of choice for our customers' savings.

Insurance Reserves were up by €3.2bn, supported by strong quarterly results in terms of net inflows (+€2.1bn) and positive performance effect.

Deposits & Others grew by €1bn driven by Public Administration accounts.

In Q1 EBIT was up 10.8% y/y to €256m.

INSURANCE SERVICES – POSITIVE NET FLOWS AND LOW LAPSE RATE – OUTPERFORMING A CHALLENGING MARKET

€m	Q1-22	Q1-23	Y/Y%
SEGMENT REVENUES	373	393	+5.5%
<i>Life</i>	351	381	+8.3%
<i>P&C</i>	21	12	-41.8%
INTERSEGMENT REVENUES	(38)	(49)	-27.5%
TOTAL REVENUES	335	344	+3.0%
EBIT	325	334	+2.8%
EBIT Margin (%)	+97.1%	+96.9%	-
NET PROFIT	235	245	+4.1%
Release CSM Insurance Services	354	313	-11.6%
KPI's			
Gross Written Premiums (€m)	5,115	6,245	+22.1%
<i>GWP - Life (€m)</i>	4,991	6,044	+21.1%
<i>GWP - P&C (€m)</i>	124	201	+62.7%

In Q1 Insurance segment revenues were up 5.5% to €393m.

In Q1 Life revenues were up 8.3% to €381m, supported by increasing volumes and margins. In line with Q4-22 trend, life net inflows continued to be positive in the first quarter of 2023, outperforming the market and supporting constant growth in insurance reserves.

In Q1 non-life revenues went down to €12m comparing to a total of €21m in Q1-22 due to a strong increase of welfare business. The change in product mix and the timing of recognition of additional reserves as per IFRS17 standard, resulted in a temporary increase of P&C combined ratio to 94%, whilst confirming 2023 target of about 88%.

The Contractual Service Margin amounted to a strong €13.2 billion as of March 2023, after the release of €313m in the quarter.

Life gross written premiums were up 21% y/y to €6.0bn. P&C gross written premiums were up 63% y/y to €201m, supported by positive contribution from all product lines, with Welfare GWP doubling year-on-year.

EBIT for the first quarter of the year was up 2.8% y/y to €334m.

The tender offer on Net Insurance was completed early in Q2-2023 as expected.

At the end of March 2023, Poste Vita Group's Solvency II Ratio stood at 267%, well above the managerial ambition.

PAYMENTS AND MOBILE – STRONG PERFORMANCE CONFIRMED ACROSS ALL BUSINESS LINES – ENERGY BUSINESS UP & RUNNING

€m	Q1-22	Q1-23	Y/Y%
SEGMENT REVENUES	231	343	+48.2%
<i>Cards Payments</i>	120	162	+35.2%
<i>Other Payments</i>	35	87	n.m.
<i>Telco</i>	77	79	+2.9%
<i>Energy</i>	-	15	-
INTERSEGMENT REVENUES	67	66	-1.1%
TOTAL REVENUES	298	409	+37.1%
EBIT	78	89	+14.0%
EBIT Margin (%)	+26.1%	+21.7%	-
NET PROFIT	55	67	+20.5%
KPI's			
Postepay cards (#m)	20.9	21.3	+1.6%
<i>of which Postepay Evolution cards (#m)</i>	8.6	9.6	+10.9%
Total payment cards transactions (#bn)	0.5	0.6	+18.5%
<i>of which eCommerce transactions (#m)</i>	140.2	166.2	+18.6%
Mobile & land-line (#m)	4.9	4.9	+0.2%
Digital e-Wallets (#m)	9.5	11.0	+15.7%

In Q1 Payments and Mobile segment revenues continued to grow by an impressive 48.2% y/y to €343m, with LIS generating €68m incremental contribution in Q1-23 and PostePay confirming the role played as leader in the fast-growing and evolving digital payments environment in Italy.

Card payments climbed to €162m up 35.2% y/y thanks to (i) increasing usage and transaction value, (ii) LIS consolidation contribution (+€23m additional revenues), (iii) continuing increase of higher recurring margin Evolution cards, whose total stock stands at the end of March at 9.6 million cards (up 11% y/y).

E-commerce transactions continued the upward trend in the first three months of the year to 166.2m from 140.2m, up 18.6% y/y.

In Q1 Other payments recorded a strong growth reaching €87m, more than doubled in the quarter y/y (€35m in Q1-22) mainly thanks to (i) payment transactions directly managed by PostePay as Payment Service Provider and (ii) LIS contribution (€46m additional incremental revenues).

Telco revenues were up 2.9% y/y to €79m in Q1, benefitting from a loyal customer base of 4.9 million users with a low churn rate in a competitive market.

The new energy offer, launched in June 2022 for Poste's employees and retirees and now publicly available to market, contributed with €15m revenues in Q1-23 with a total number of about 200 thousand contracts signed as of today.

PosteID (Poste Italiane's National Digital ID solution) in Q1-23 has now been adopted by 24.2m clients (+8% vs Q1-22).

In Q1 EBIT was up 14% y/y to €89m driven by revenue growth and LIS contribution more than offsetting energy business start-up costs, net of which EBIT reached the record high level of €108m.

MATURING BONDS

Issuer: Poste Italiane SpA

25 October 2023 is the expiry date of the bond loan issued by Poste Italiane SpA on 25 October 2013 for a nominal value of € 50 million.

OUTLOOK

Following the economic stagnation that characterised the fourth quarter of 2022, the first quarter of 2023 saw modest growth in Italy, driven by the manufacturing sector, which benefited from falling energy prices and the easing of supply chain bottlenecks. Household consumption remained stable, suffering from an uncertain economic scenario with persistently high inflation.

Against this backdrop, the Poste Italiane Group ended the first quarter of the year with record results thanks to the positive performance of all business lines, with revenues and operating profit up compared to the first quarter of 2022. The Poste Italiane Group, in addition to distinguishing itself through a diversified business structure that allows it to benefit from a balancing effect between the trends affecting its businesses, has historically demonstrated resilience in times of economic uncertainty and financial turbulence, indeed establishing itself as a "safe harbour" for savers, thanks to a portfolio of financial offerings characterised by products with reduced risk exposure and volatility, which ensure churn and lapse rates far below market levels. The Group's cost structure is flexible, with a significant revenue-related variable cost component. In addition, the Group benefits from the effects of actions implemented during favourable market periods, aimed at mitigating price fluctuations of production inputs or hedging transactions against the risk of fluctuations in fuel prices and gas and energy supplies. The National Collective Labour Agreement in force is valid until the end of 2023.

On 30 March 2023, the strategy update for the current year was presented to the financial community, reviewing the outlook of the various Strategic Business Units and improving the dividend policy for the years 2022 and 2023. The objective of configuring Poste Italiane as a platform company evolving towards a diversified and integrated business model to offer Italians a single, omnichannel access point for an increasingly wide range of products/services was confirmed.

In the Mail, Parcels and Distribution Strategic Business Unit: after a 2022 of substantial stability in the parcels and logistics segment, a return to a growth path is expected for the current year, however conditioned by the uncertainty of the macroeconomic reference variables. Within this scenario, the Group aims to speed its transformation into an "all-round" logistics operator. This strategy includes the acquisition of Plurima, finalised in 2022, to enter the hospital logistics sector, the renewal of the partnership with Amazon for another five years, the recent partnership with DHL, which confirms the Group's commitment to

international business development, and a new partnership to launch the fresh express courier service for home delivery of food products. In the mail segment, the Group will continue to adapt its range and rates, managing the structural decline linked to e-substitution.

In the Financial Services Strategic Business Unit, postal savings will remain at the centre of the Group's financial services offering, with a renewed and competitive commercial proposition, confirming itself as a simple and transparent tool for savers; at the same time, the net interest income will continue to contribute to revenue supported by market rates.

The Insurance Services Strategic Business Unit is confirming its importance to the Group's profitability, building on its leading position in the life business and aiming to develop the P&C business with an integrated modular offering of customised protection, assistance and service solutions. As planned, the tender offer of Net Insurance was also finalised, which will accelerate the Group's growth and profitability in the protection business. The new accounting standard IFRS17, applied with effect from 1 January 2023, introduced a new model for measuring insurance contracts that includes, among other elements, the recognition of the contractual service margin (CSM), which represents the expected value of the margin for the services offered. The CSM stood at €13.2 billion as of 31 March 2023, up from the transitional value recognised (1 January 2022) of approximately €10.5 billion. The new accounting Standard has also introduced a new way of measuring and representing insurance revenue: in profit or loss, profitability is now shown by margins through the allocation to revenue of all costs directly related to insurance contracts, including costs aimed at remunerating the distribution network for the placement and distribution activities of insurance contracts performed by the Parent Company.

With regard to the Payments and Mobile Strategic Business Unit, the acquisition of LIS in 2022, a leader in proximity payments, will ensure an acceleration of the Group's omnichannel strategy, with the development of new services and leveraging the complementary nature of the tobacconist network with post offices and digital channels. During the period, the new Poste Energia offer for electricity and gas was launched on the market. It is also available online and via app channels, with around 200 thousand contracts subscribed since the offer launch until April. The offer exemplifies the clarity of the business proposition and ease of use of Poste Italiane's services, ensuring a unique omnichannel customer experience.

Continuing its commitment to the Group's digital transformation by supporting citizens, businesses and the PA in the digitalisation process, Poste Italiane confirms its role as a

strategic pillar by effectively and efficiently connecting the country. The acquisitions of Sourcesense and Agile Lab, finalised in 2022, which operate in IT and data management, respectively, are designed to expedite this digital transformation process by the Group.

As part of the National Recovery and Resilience Plan, the Group will invest in the implementation of "Polis", a strategic project to support the country's social cohesion with particular reference to approximately 7,000 municipalities with a population of less than 15,000 inhabitants, turning post offices into the "home of the public administration's digital services". Some 250 co-working spaces nationwide are also planned, as well as the implementation of numerous initiatives to support the country's energy transition.

In the path of transition towards carbon neutrality by 2030, investments and strategic initiatives will continue, such as the renewal of the delivery fleet with low-emission vehicles, the installation of photovoltaic panels for energy supply and the enhancement of building efficiency. The replacement of current Postepay cards with cards made of eco-sustainable materials and with digital cards will also continue, as well as the development of specific offers aimed at enhancing customers' sustainable behaviour.

SIGNIFICANT EVENTS DURING THE PERIOD AND EVENTS AFTER 31 MARCH 2023

PRINCIPAL CORPORATE ACTIONS

Net Insurance S.p.A.

On 28 September 2022, the Board of Directors of Poste Vita approved the promotion of a voluntary total cash takeover bid for ordinary shares and warrants of Net Insurance S.p.A. ("Net Insurance"), in consultation with certain shareholders. Net Insurance, a company with shares traded on the regulated market known as Euronext STAR Milan ("ESM") organised and managed by Borsa Italiana S.p.A., is an insurance company whose offer is dedicated to insurance coverage related to the credit sector and, in particular, of salary and pension-backed loans, protection and insurtech³ thanks to agreements with technology partners.

the squeeze-out procedure was finalised on 20 April 2023. As a result, Net Holding (a corporate vehicle directly controlled by Poste Vita that promoted the bids) holds a controlling interest in Net Insurance of 97.84%, and the current CEO of Net Insurance, who acted in concert with the takeover bid, holds a minority interest of 2.16%. The total disbursement paid by Net Holding amounted to approximately €180.8 million.

On 21 April 2023, IBL Banca S.p.A., in accordance with its commitment in the event of a successful bid, acquired a 40% stake in Net Holding for a consideration of €73.1 million. The total outlay for the acquisition of the stake by the Poste Group amounted to €108.5 million.

sennder Technologies GmbH

On 3 April 2023, as a result of the capital increase reserved for the shareholder sennder Technologies GmbH, Poste Italiane's stake moved from 65% to 60%.

The following corporate actions also took place in the first quarter of 2023.

- On 24 January 2023, Sourcesense finalised the acquisition of **Eco-Mind Ingegneria Informatica S.r.l.** and its subsidiary **HeadApp S.r.l.**, IT companies operating as software factories specialising in the design and development of business, mobile and cloud-native solutions and augmented and virtual reality solutions, for a consideration of €1.1 million.
- On 24 November 2022, binding agreements were signed for Poste Italiane to participate, with an investment of approximately €3 million, in a further capital increase

³ Insurtech identifies the entire digitisation process of the insurance industry, from policy underwriting to claims management, through the use of technologies such as Big Data Analytics, Artificial Intelligence and Application Program Interfaces (APIs).

promoted by Moneyfarm in order to finance part of the purchase price of 100% of **Profile Financial Solutions Ltd**, a company active in the pension fund consolidation business in the UK under the Profile Pensions brand. The transaction is expected to be closed in the second quarter of 2023.

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.

INSURANCE RESERVES: the obligations assumed towards the policyholders as well as gross written premiums net of loadings. The Technical Reserves are calculated, in compliance with the application rules identified in Annex 14 of ISVAP Regulation No. 22 of 4 April 2008, analytically, contract by contract with reference to the portfolio issued by the Insurance Company and in force at the valuation date (Mathematical Provisions). The item also includes the Reserves for amounts to be paid and Other Technical Reserves (reserves for future expenses, reserves for supplementary insurance premiums, reserves for profit sharing and rebates).

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 31 March 2023						
Financial liabilities	5,096	95,385	338	9,366	(12,843)	97,342
Insurance contracts liabilities	-	-	147,181	-	(1)	147,180
Financial assets	(1,096)	(81,475)	(147,493)	(10,592)	11,500	(229,156)
Tax credits Law no. 77/2020	(530)	(9,004)	-	-	-	(9,534)
Reinsurance contract assets	-	-	(41)	-	-	(41)
Cash and deposits attributable to BancoPosta	-	(4,855)	-	-	-	(4,855)
Cash and cash equivalents	(949)	(274)	(3,805)	(143)	1,322	(3,850)
Net Financial Position*	2,520	(224)	(3,821)	(1,369)	(21)	(2,915)
Balance at 31 December 2022						
Financial liabilities	4,918	100,941	303	9,557	(12,074)	103,644
Insurance contracts liabilities	-	-	141,381	-	(1)	141,380
Financial assets	(1,083)	(83,701)	(142,351)	(10,545)	11,539	(226,141)
Tax credits Law no. 77/2020	(420)	(8,601)	-	-	-	(9,021)
Reinsurance contract assets	-	-	(44)	-	-	(44)
Cash and deposits attributable to BancoPosta	-	(5,848)	-	-	-	(5,848)
Cash and cash equivalents	(575)	(2,018)	(2,732)	(172)	515	(4,983)
Net Financial Position*	2,839	773	(3,442)	(1,161)	(22)	(1,012)

* Net financial position: (Surplus) / Net debt

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

ASSETS (€m)	31 March 2023	31 December 2022	1 January 2022
Non-current assets			
Property, plant and equipment	2,373	2,404	2,267
Investment property	30	31	32
Intangible assets	1,799	1,817	873
Right-of-use assets	1,326	1,334	1,116
Investments accounted for using the equity method	272	267	277
Financial assets	199,959	191,851	221,226
Trade receivables	4	3	3
Deferred tax assets	2,271	2,566	1,608
Other receivables and assets	3,978	4,119	4,012
Tax credits Law no. 77/2020	7,845	7,458	5,551
Reinsurance contract assets	41	44	48
Total	219,898	211,891	237,012
Current assets			
Inventories	163	157	155
Trade receivables	2,315	2,179	2,508
Current tax assets	147	140	115
Other receivables and assets	823	986	1,097
Tax credits Law no. 77/2020	1,689	1,563	905
Financial assets	29,197	34,290	27,630
Cash and deposits attributable to BancoPosta	4,855	5,848	7,659
Cash and cash equivalents	3,850	4,983	7,958
Total	43,041	50,146	48,027
TOTAL ASSETS	262,939	262,037	285,039
LIABILITIES AND EQUITY (€m)	31 March 2023	31 December 2022	1 January 2022
Equity			
Share capital	1,306	1,306	1,306
Reserves	430	(509)	3,676
Treasury shares	(63)	(63)	(40)
Retained earnings	7,603	7,064	6,226
Total equity attributable to owners of the Parent	9,276	7,798	11,168
Equity attributable to non-controlling interests	44	44	8
Total	9,320	7,842	11,176
Non-current liabilities			
Insurance contracts liabilities	147,180	141,380	160,334
Provisions for risks and charges	828	804	693
Employee termination benefits	676	705	922
Financial liabilities	9,925	10,939	15,122
Deferred tax liabilities	794	815	953
Other liabilities	1,919	2,004	1,750
Total	161,322	156,647	179,774
Current liabilities			
Provisions for risks and charges	622	551	575
Trade payables	1,992	2,234	2,029
Current tax liabilities	324	60	16
Other liabilities	1,942	1,997	1,860
Financial liabilities	87,417	92,706	89,610
Total	92,297	97,548	94,090
TOTAL EQUITY AND LIABILITIES	262,939	262,037	285,039

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

(€m)	First quarter 2023	First quarter 2022
Revenue from Mail, Parcels & other	893	901
Net revenue from Financial Services	1,414	1,311
<i>Revenue from Financial Services</i>	1,520	1,362
<i>Expenses from financial activities</i>	(106)	(51)
Net revenue from Insurance Services	393	373
<i>Insurance service revenues from contract issued</i>	599	563
<i>Insurance service expenses from contract issued</i>	(226)	(175)
<i>Income/(expenses) from reinsurance contracts held</i>	(4)	(2)
<i>Finance income and (expenses) and other income</i>	1,578	(1,138)
<i>Insurance finance (costs)/income from contracts issued</i>	(1,554)	1,125
<i>Finance income/(costs) from reinsurance contracts held</i>	(0)	(0)
Revenue from Payments and Mobile	343	231
Net operating revenue	3,044	2,816
Cost of goods and services	763	660
Personnel expenses	1,235	1,224
Depreciation, amortisation and impairments	208	179
Capitalised costs and expenses	(13)	(8)
Other operating costs	83	53
Impairment losses/(reversals of impairment losses) on debt instruments, receivables and other assets	(0)	19
Operating profit/(loss)	767	690
Finance costs	29	24
Finance income	34	39
Impairment loss/(reversal of impairment losses) on financial asset	(0)	0
Profit/(Loss) on investments accounted for using the equity method	5	5
Profit/(Loss) before tax	777	709
Income tax expense	237	215
NET PROFIT FOR THE YEAR	540	494
of which attributable to owners of the Parent	539	492
of which attributable to non-controlling interests	1	1
Earnings per share	0.415	0.378
Diluted earnings per share	0.415	0.378

CONSOLIDATED STATEMENT OF CASH FLOWS (€M)

(€m)	First quarter 2023	First quarter 2022
Unrestricted net cash and cash equivalents at beginning of the period	1,228	2,589
Restricted net cash and cash equivalents at beginning of the period	3,755	5,369
Cash and cash equivalents at beginning of the period	4,983	7,958
Result for the period	540	494
Depreciation, amortisation and impairments	226	195
Losses and impairments losses/(reversal of impairment losses) on receivables	0	19
(Gains)/Losses on disposals	(2)	(1)
(Increase)/decrease in Inventories	(5)	5
(Increase)/decrease in Receivables and Other assets	64	152
Increase/(decrease) in payables and other liabilities	(36)	174
Change in tax credits Law no. 77/2020	(108)	(273)
Change in provisions for risks and charges	94	51
Change in employee termination benefits and Provision for retirement benefits	(29)	(47)
Difference in accrued financial expenses and income (cash adjustment)	14	6
Other changes	(29)	73
Net cash flow from/(for) non-financial operating activities	730	846
Increase/(Decrease) in liabilities attributable to financial activities, payments, cards and acquiring and insurance	(7,517)	729
Net cash generated by/(used for) financial asset and tax credit Law no. 77/2020 attributable to financial activities, payment, cards and acquiring and insurance	4,434	(4,593)
(Income)/Expenses and other non-cash components	(2,066)	760
Increase/(decrease) in net insurance contracts liabilities	3,421	961
Cash generated by/(used for) financial assets and liabilities attributable to financial activities, payment, cards and acquiring and insurance	(1,727)	(2,143)
Net cash flow from/(for) operating activities	(997)	(1,297)
<i>Investing activities</i>		
Property, plant and equipment, investment property and intangible assets	(112)	(77)
Investments	(1)	(3)
Other financial assets	(0)	(9)
<i>Disposals</i>		
Property, plant and equipment, investment property and intangible assets and assets held for sale	3	2
Other financial assets	14	1
Investment in consolidated companies, net of cash acquired	-	0
Net cash flow from/(for) investing activities	(96)	(86)
Proceeds from/(Repayments of) borrowings	(39)	(113)
Dividends paid	(1)	-
Net cash flow from/(for) financing activities and shareholder transactions	(39)	(113)
Net increase/(decrease) in cash	(1,133)	(1,496)
Cash and cash equivalents at end of the period	3,850	6,462
Restricted net cash and cash equivalents at the end of the period	(2,765)	(4,005)
Unrestricted net cash and cash equivalents at end of the period	1,084	2,458

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 31 March 2023 will be published by 15 May 2023, 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 31 March 2023.

Rome, 4 May 2023

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 risks deriving from the direct and indirect effects resulting from the international conflict in Eastern Europe.

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.