

INTERIM REPORT FOR THE NINE
MONTHS ENDED 30 SEPTEMBER
2024

 **Postenibilità**
SUSTAINABILITY INCLUDES A NEW WORD, OURS.

Postenibilità

SUSTAINABILITY INCLUDES A NEW WORD, OURS.

General index



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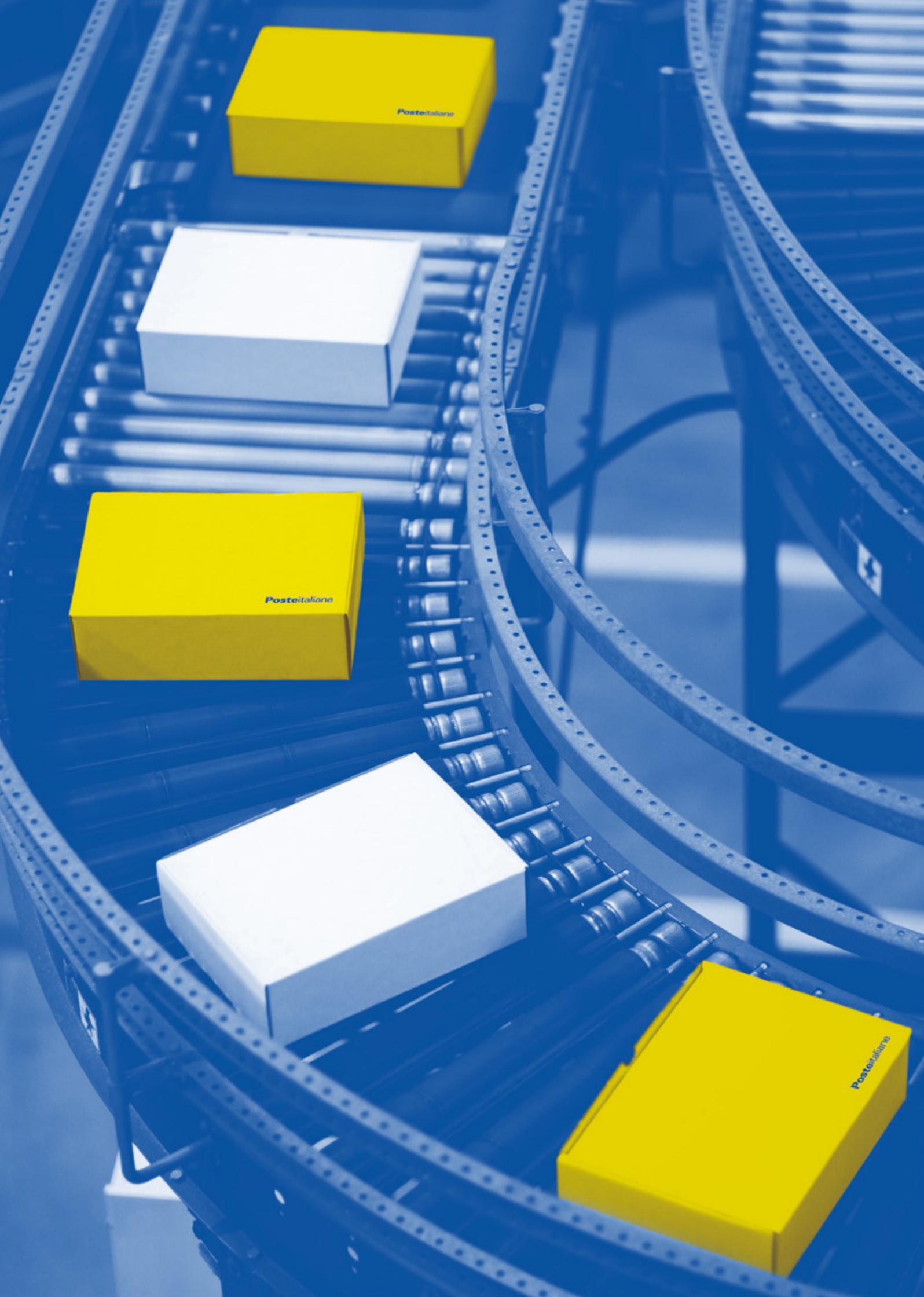
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Interim Report
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Interim Report on Operations at 30 September 2024

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1. Reading guide

This Interim Report at 30 September 2024 has been prepared, on a voluntary basis, in compliance with the provisions pursuant to Article 82 *ter* of the CONSOB Issuers' Regulations "Additional Periodic Financial Information" in order to ensure continuity and regularity of information to the financial community. The Interim Report at 30 September 2024 includes the Interim Report on Operations and, exceptionally, the Condensed Consolidated Interim Financial Statements at 30 September 2024 prepared in accordance with IAS 34 - Interim Financial Reporting and Article 154-ter (paragraph 5) of the Consolidated Financial Act.

The consistency and correctness of the disclosures contained in this document is guaranteed, as is comparability of the related information with the corresponding disclosures included in previously published financial reports.

The values presented in this Interim Report on Operations at 30 September 2024 are compared with the corresponding values for the same period of the previous year, except for the Statement of financial position, which is compared with the corresponding statement at 31 December 2023.

In order to provide an interpretation of the new energy business, more consistent with the view used by management, as the Group is not an energy producer, a net revenue presentation was adopted in 2023. Consequently, some values presented in the following document reflect a management reclassification with respect to the accounting data; the respective figures for the period of comparison have been restated to take this representation into account.

Furthermore, in order to make the results of the period comparable with those of the same period of the previous year and to provide the market with a representation of the Group's results consistent with the strategic guidelines and representations contained in the latest strategic plan "2024-2028 The Connecting Platform" presented in March 2024, an adjusted view of the Operating Result (adjusted EBIT) has been introduced in this Interim Report, which does not include the provision for the first nine months for the contribution to the Life Insurance Guarantee Fund¹ (pursuant to Law no. 213 of 30 December 2023 - Budget Law) and any extraordinary components.

It is highlighted that in the document, amounts shown in millions of euros have been rounded, with the result that the sum of the rounded figures does not always tally with the rounded total.

The following infographics are used in this document:



to indicate that it is possible to elaborate on the subject in Chapter 10 "Glossary" in the Report on Operations section of the 2023 Annual Report;



to indicate, by means of a hyperlink, that it is possible to return to the beginning of the chapter and the general index;



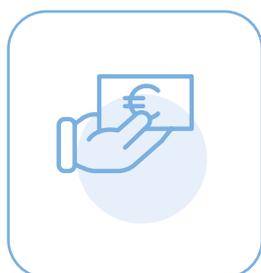
to indicate that it is possible to elaborate on the subject in Chapter 10 "Glossary" in the Report on Operations section of the 2023 Annual Report.

1. Please refer to the section "Alternative Performance Indicators" in chapter 9 "Appendix" for the reconciliation of EBIT and adjusted EBIT.

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2. Highlights

In the first nine months of 2024, the path of shared value creation undertaken by the Poste Italiane Group generated excellent results at system level, through the significant investments in the six forms of capital which underpin the Company: financial, human, physical-structural, intellectual, social-relational and natural, and in line with the United Nations Sustainable Development Goals framework.



FINANCIAL



Revenue: €9.2 bn (+4.8% y/y)

Adjusted EBIT*: €2.3 bn (+8.2% y/y)

Net profit: €1.6 bn (+4.8% y/y)

Nine-month record for the share, which reached around €13, with a high of €13.5 per share in October

Total financial assets: €593 bn (+€12 bn vs December 2023)

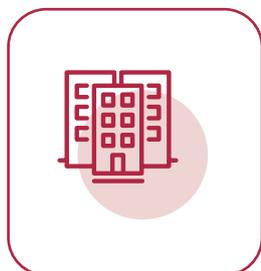
Assets under management: net inflows of €3.2 bn (approx. 2x y/y)

Life investment products net inflows: positive €0.7 bn

Minority stake acquired in N&TS Group, a leading Italian company in software solutions for electronic payments

Poste Logistics SpA established to strengthen the integrated logistics business

* It does not include the provision for the Life Insurance Guarantee Fund and extraordinary income and expenses. For the reconciliation of EBIT and adjusted EBIT, please refer to section 9.2 "Alternative Performance Indicators".



PHYSICAL STRUCTURAL



16 July 2024: Agreement with Trade Unions on the Reorganisation of the Group Logistics Network

12,755 Post Offices and roughly 118 thousand people employed (zero offices closed in small municipalities during the period)

Omnichannel Strategy: 24.8 mln (+9.7% y/y) daily interactions

Expansion of the parcel logistics network: start-up in May 2024 of the Piacenza HUB with an area of 24 thousand square metres, 3 thousand square metres of photovoltaic panels and a handling capacity of up to 130 thousand parcels a day; start-up in October 2024 of the Caserta HUB with an area of 48 thousand square metres, 3 thousand square metres of photovoltaic panels and a handling capacity of up to 110 thousand parcels a day

Poste Italiane and Ferrovie dello Stato: two agreements signed for digitisation in passenger and freight transport

Locker Italia Joint Venture established, as part of the strategic partnership with DHL for parcels, for international business development and the first of the 10,000 lockers to be activated throughout Italy inaugurated in Rome

SPV Cosenza established to manage the first public-private partnership in healthcare logistics for the Poste Group



INTELLECTUAL



Poste Italiane wins the AIFIn "Financial Innovation - Italian Awards" 2024, taking 1st place as the most innovative financial institution of the year in the "Other Financial Institutions" category

PostePay's "Pay and Withdraw" service, which allows small cash withdrawals at authorised Punto LIS tobacconists, i.e. without having to go to an ATM, is Product of the Year 2024 in the Smart Innovation Services category

The new "Poste Italiane" app, elected Product of the Year 2024 in the "App - Simple Experience" category, is among the winners of the MF Banking Innovation Award in the "Value Proposition for Private Customers" category and of the Digital Xperience Awards by Contentsquare, for the category "Best Mobile App Experience"

Postecasa Ultraveloce's advertising campaign won gold in the 6th edition of the Branded Content & Entertainment Festival in the category "Video Digital/Social- Comedy sketch" and in the category "Integrated digital campaigns"

Poste Italiane confirms Platinum Medal from Ecovadis on sustainability along the supply chain and remains in the top 1% of best companies globally

Poste Italiane consolidates AA rating from Morgan Stanley Capital International (MSCI) and confirms ESG overall score 79/100 from Moody's



HUMAN



23 July 2024: CCNL (National Collective Bargaining Agreement) renewed for the period 2024-2027

Approx. 3.7 million training hours provided in the first nine months of 2024

Launch of "INSIEME Connecting Ideas", the third edition of the engagement programme designed to enhance each individual's contribution to the successful implementation of the Group's ESG strategy

Record number of roughly 41 thousand sign-ups for the Corporate Welfare programme: +47.5% compared to 2023: additional welfare credits granted in the event of conversion of the performance bonus into benefits, works and services with a social purpose

Casina Poste and River Park: multi-purpose site reopens for sports, leisure and social activities for employees, former employees and their families

Poste Italiane is awarded the Best D&I certification (Rina and Fortune Italia) that rewards companies that excel in the area of diversity and inclusion, highlighting strategies that promote a fair and stimulating working environment

Stelle al Merito del Lavoro (Order of Merit for Labour): 71 Poste Italiane employees honoured by the President of the Republic



SOCIAL RELATIONAL



March 2024: presented the new Strategic Plan 2024-2028 "The Connecting Platform", which places the new business service model and logistics transformation at the centre of the strategy. 53 new ESG targets identified

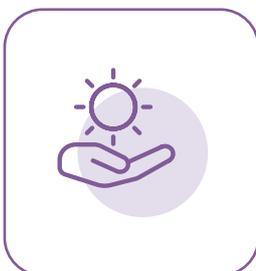
Polis-Home of Digital Services Project: at the end of September 2024, a number of Public Administration services are already active at Polis Post Offices (POs), including: the Voluntary Jurisdiction Acts (at 232 authorised POs), the issuance of Pension Certificates (at 6,929 authorised POs), including: the pay slip, the Single Certification and the Obis/M, the service of Issuing Civil Registry Certificates (at 587 authorised POs) and the Passport Request service (at 212 authorised POs)

For the 2nd consecutive year, Poste Italiane is among the top three companies in the Identity Corporate Index (ICI) 2024 thanks to its ESG policies and its ability to create value for the country-system

Poste Italiane will be premium logistic partner of the Milan Cortina 2026 Olympic and Paralympic Winter Games

Poste Italiane among the 100 iconic Italian brands at the exhibition "Identitalia, The Iconic Italian Brands", dedicated to the most important historical brands of the companies that have made, and continue to make, the history of the country

Poste Italiane expands its presence on social media, opening a WhatsApp channel: online TGPoste services, updates and information on the largest service network in Italy



NATURAL



The Poste Italiane Group is successfully continuing its green electricity and gas offer of the new energy business: about 641 thousand customers have been reached

Establishment of Postego, a long-term rental company Group to support, among other things, the objectives of the green transition

Approx. 27,900 low-emission vehicles in the company fleet, of which around 6,000 electric

Green Index for greenhouse gas emission data collection: certification obtained from the Smart Freight Centre, in accordance with the Global Logistics Emissions Council Framework for Logistics Emissions Methodologies

2,144 buildings involved in the Smart Building project*, and 445 photovoltaic systems at 30 September with an installed capacity of approximately 18,150 kWp

Letter of intent signed between Poste Italiane and Enilive for the supply of biofuels (HVO and SAF) with the common objective of contributing to the decarbonisation of road and air transport

* Automated and remote management of buildings to achieve energy efficiencies.

3. Outlook

The Italian economy expanded modestly during the first half of the year. According to the most recent Bank of Italy estimates², GDP continued to grow moderately in the third quarter and is expected to continue at this pace until the early months of next year and then to strengthen over the two-year period 2025-2026, with the support of consumption and exports, which will benefit from the recovery of household purchasing power and international trade, provided that there is no aggravation of the ongoing international conflicts, with tensions that would affect the financial and energy commodity markets.

Against this backdrop, the Poste Italiane Group accelerated performance across all lines of business in the second quarter of the year, with revenue growth and careful control of costs that has helped it reduce the effects of inflation. The positive financial performance recorded in the first nine months of the year, particularly in the mail segment and on the net interest income, prompted management to revise upwards the plan guidance of the year-end adjusted EBIT³ to €2.8 billion as early as July. In line with the dividend policy in force, the payment of the 2024 interim dividend of €0.33 cents per share in November 2024 was also confirmed.

The new “2024 - 2028 Strategic Plan - The Connecting Platform”, presented to the financial community in March 2024, lays the foundations on:

- i. a new business service model that maximises the value of the “platform” company in a diversified, integrated and sustainable way;
- ii. the Group’s transformation to a complete logistics operator, ensuring the financial sustainability of the Mail, Parcels and Distribution segment.

The new service model aims to optimise customer coverage and management based on an omnichannel approach, directing advisors’ efforts into “relational” rather than “transactional” activities, generating value for the Group.

In the context of the logistical transformation towards an end-to-end logistics operator, note should be taken of the evolution of the postal network, increasingly geared towards parcel management, the development of international business and integrated logistics. As part of the broader strategic partnership with DHL signed in 2023, this strategy includes the establishment in April 2024 of Locker Italia SpA for the development in Italy of a network of lockers on which last mile parcel deliveries will be made. In September, the first of the 10,000 lockers that will be activated nationwide was inaugurated. Thanks to their extensive coverage and technology, they will further improve the quality of services supporting e-commerce. In order to accelerate and co-finance the Group’s logistics transformation process, work continued on the forthcoming establishment of a joint venture to manage the Poste Italiane Group’s logistics infrastructure in a state-of-the-art manner and according to the highest quality and ESG standards.

The establishment of NewCo Poste Logistics SpA in March 2024 also helps bolster integrated logistics. Finally, the hospital logistics market includes the establishment of the company SPV Cosenza, for the execution of the first Public Private Partnership for the management and rationalisation of integrated healthcare logistics for the Cosenza Provincial Health Authority.

The focus will remain, as a matter of priority also during the remainder of the year, on offering products/services that keep pace with evolving customer needs, confirming the centrality of Postal Savings in the Poste Italiane Group’s offer. In the insurance sector, and specifically in the Life Investment and Pension segment, the Group is committed to evolving its commercial offer, taking into account both market dynamics and the optimisation of service quality, in order to protect savings from market risks and inflation with the launch of financial instruments with features suited to customers’ needs, such as the new Multi-branch policy “Poste Progetto Obbligazionario Bonus” launched in July 2024. In the protection sector, the Group confirms its ambition to reduce the country’s under-insurance by making insurance protection more accessible through the evolution of the offer and an integrated advisory model, including through Net Insurance.

2. Bank of Italy - Economic Bulletin 4/2024 - October 2024.

3. Adjusted EBIT is defined as the operating and intermediation result excluding the cost of the provision for the Life Insurance Guarantee Fund and extraordinary income and expenses (amounting to €56 million and €0 million in the first nine months of 2024, respectively).

Benefiting from the growth of e-commerce and cashless payments, the PostePay business will evolve towards digital and innovative payment solutions so as to increase the level of customer loyalty, stock and, in particular, the use of payment cards. In the pursuit of the development of the telephony offer, the main project initiative in 2024 will concern the extension of fixed telephony services to Small Business Customers. In the energy business, during the year, the Group will focus on the growth and retention of the customer base, while concentrating on strategies related to the change in the reference scenario regarding the end of the protected market and on the completion of the sales and after-sales service offer.

Major omnichannel initiatives will include the completion of the migration of functionalities and customer base to the Poste Italiane app. The app now includes the main functions for managing financial products such as current accounts, Postepay cards, Postal Savings and Insurance products, and managing Poste Energia supplies; thanks to cutting-edge technology and artificial intelligence, the new app will be the single point of access to the Group's "phygital" platform, guaranteeing a high degree of customisation of content and customer engagement rules, adapting to the behaviour and needs of individual customers.

In the area of transformation and technological innovation, the technological and infrastructural renovation of post offices and delivery centres will also continue during the year.

On 16 July 2024, an agreement was reached with the trade unions aimed at introducing effective organisational solutions to adapt the postal network to the profound transformation that the postal market is undergoing, characterised by a decline in volumes of traditional mail and a growth in parcels. The project involves an overall reorganisation of the Group's logistics network that will adapt the postal network to this change, strengthening the company's competitiveness on parcels and logistics.

Consistent with the plan guidelines, the agreement will i) proceed with the rationalisation of the postal network, ii) ensure a focus and specialisation of the chain on parcel processing and delivery, and iii) ensure adequate flexibility tools to better respond to the needs of the reference market, providing new ways of performing work.

In addition, on 23 July 2024, the National Collective Labour Agreement which expired at the end of 2023 was renewed, allowing the Group to develop its people as the key to success in implementing the new Strategic Plan. The economic-financial impacts of this renewal are sustainable with respect to the provisions of the plan period.

As part of the National Recovery and Resilience Plan, the Group will continue with the implementation of "Polis", a strategic project to support the country's social cohesion, which involves approximately 7,000 municipalities with less than 15 thousand inhabitants, in which the Post Office will be transformed into a hub of digital services for rapid and easy access to the Public Administration's 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 transition path undertaken towards carbon neutrality expected by 2030, investments and strategic initiatives will continue, such as the renewal of the delivery fleet with low CO₂ emission vehicles, the installation of photovoltaic panels for energy supply and efficiency of properties; the replacement of current Postepay cards with cards made with eco-sustainable materials and digital cards will also continue, as will the development of specific offers aimed at enhancing customers' sustainable behaviour. As part of the green transition, we also note the establishment in May 2024 of the new company Postego SpA, which aims to progressively internalise Poste Italiane's car fleet.

Among the recent initiatives that enhance Poste Italiane's social vocation, the recent partnership signed in view of the 2026 Winter Games, during which the Company will be premium logistics partner of the Milan-Cortina 2026 Olympic and Paralympic Games, managing the transport and logistics of all the goods, equipment and materials required for the success of the event at the Olympic and Paralympic venues, is noteworthy.

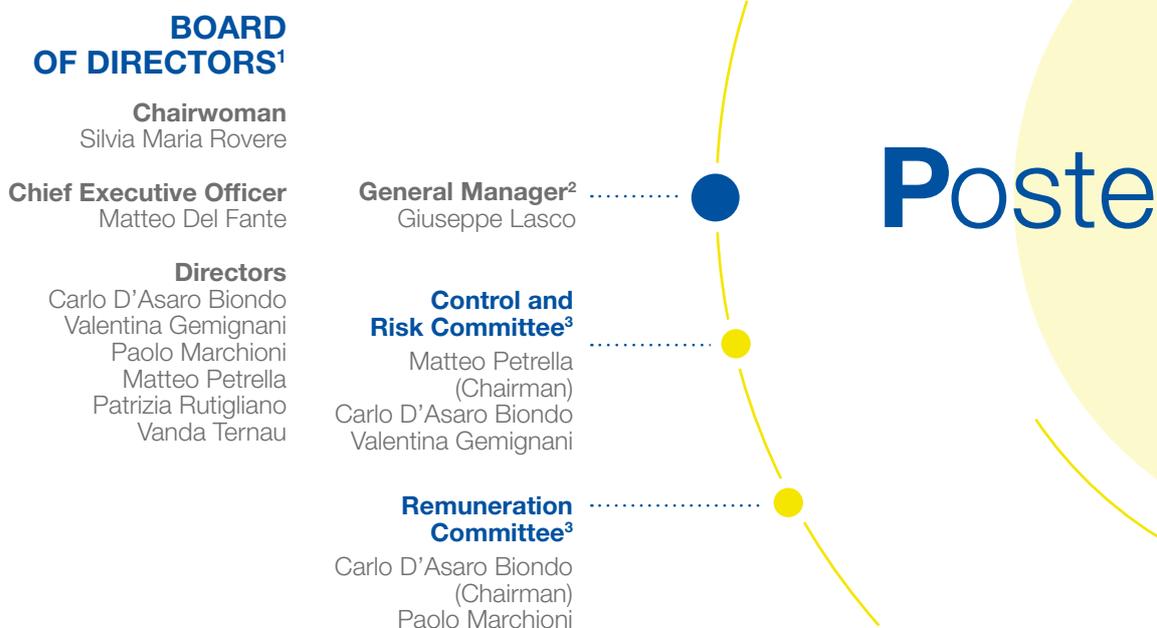
4. Group structure, Corporate Governance and organisational structure

IN THIS CHAPTER:



- Poste Italiane's Corporate Governance
- Poste Italiane's organisational structure
- Ownership and share performance
- Group structure and main corporate actions during the period

4.1 Poste Italiane's Corporate Governance



1. The Board of Directors was elected by the Ordinary General Meeting held on 8 May 2023 to serve for a period of three years and will remain in office until the Annual General Meeting's approval of the financial statements for the year ended 31 December 2025. Board Member Armando Ponzini resigned from his office effective as of 31 July 2024. Mr. Ponzini, in his role as Chairman of the Related and Connected Parties Committee, was replaced - as of 1 August 2024 - by Director Paolo Marchioni, as resolved by the Board of Directors on 29 July 2024.

2. The Board of Directors, upon the proposal of CEO Matteo Del Fante, who concurrently resigned as General Manager, by resolution of 28 February 2024 appointed Giuseppe Lasco as **General Manager**, formerly Joint General Manager. Director General Giuseppe Lasco participates in Board meetings without voting rights.

3. Committee members were appointed by the Board of Directors' meeting of 30 May 2023. See also note 1 on the Related and Connected Parties Committee.



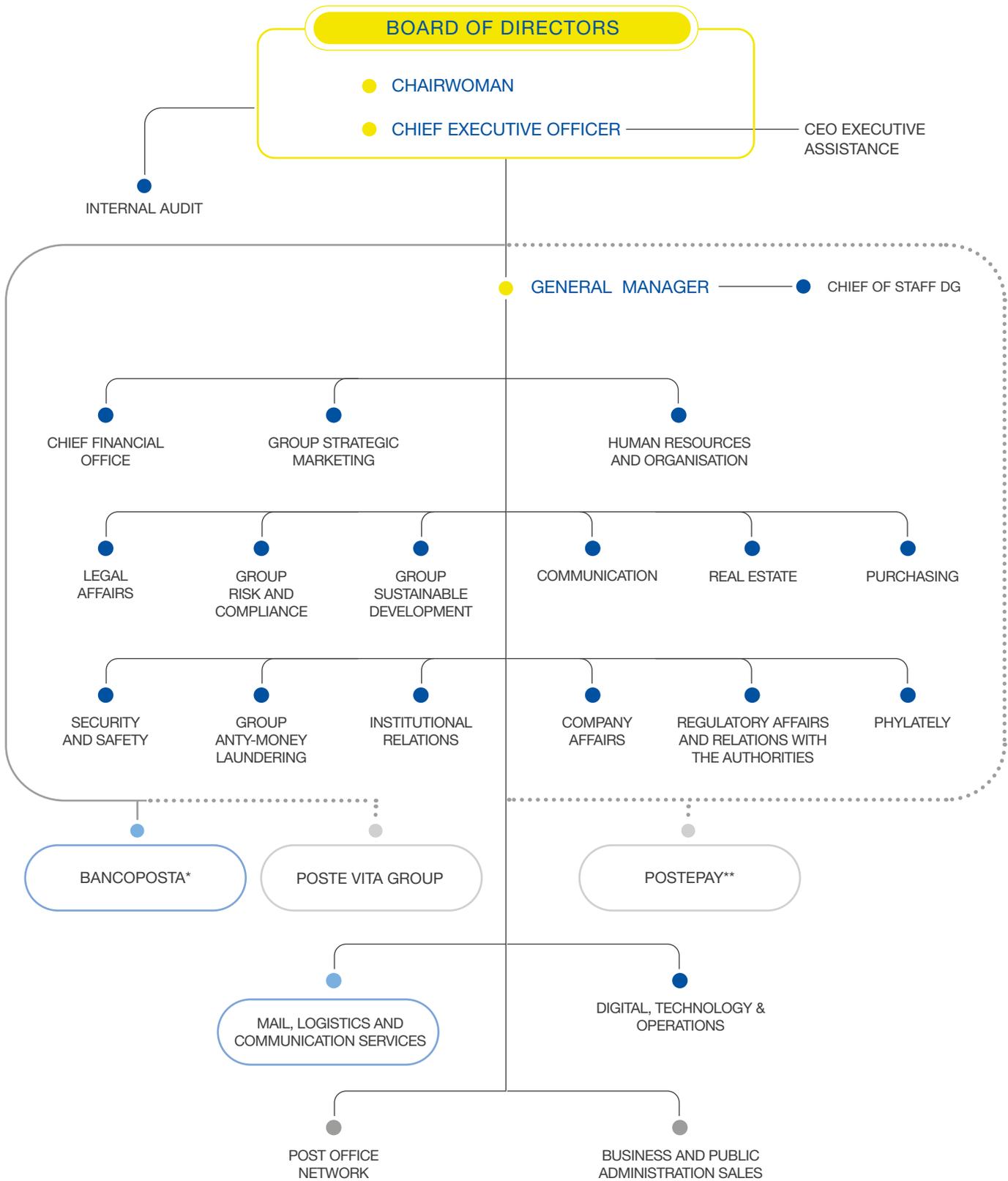
4. The Board of Statutory Auditors was elected by the Ordinary General Meeting of 27 May 2022 to serve for a period of three years and will remain in office until the General Meeting's approval of the financial statements for the year ending 31 December 2024.
5. The Supervisory Board was renewed by the Board of Directors' at the meeting of 28 September 2022 for a three-year term and will remain in office until 28 September 2025. All members were confirmed.
6. The only internal member, Head of Poste Italiane SpA's Internal Auditing.
7. Assigned by the Court of Auditors with effect from 1 January 2024.
8. Company appointed to audit the accounts for the financial years 2020 - 2028 by resolution of the Ordinary General Meeting of 28 May 2019. Deloitte&Touche has been appointed for the entire Group.

4.2 Poste Italiane's organisational structure

In line with the strategic guidelines set out in the Strategic Plan, the Group's activities are divided into four Strategic Business Units (also referred to as operating segments in the Poste Italiane financial statements): Mail, Parcels and Distribution; Financial Services; Insurance Services; and Postepay Services (formerly Payments and Mobile), the latter renamed at the presentation of the new Strategic Plan 2024-2028 "The Connecting Platform" to the financial community on 20 March 2024.



Below is Poste Italiane's organisational structure.



- CORPORATE FUNCTION
- DISTRIBUTION CHANNELS
- BUSINESS AREAS
- GROUP COMPANIES

* BancoPosta's Internal Audit function reports directly to the Board of Directors and the Board of Statutory Auditors.
 ** Reports to the Chief Executive Officer in respect of the payment and e-money business areas; reports to the General Manager for the remaining business areas.

The organisation of Poste Italiane SpA envisages **business functions**⁴ specialising in the main areas of offer that cover the Group's 4 business sectors and **two commercial** channels responsible for sales of products/services, which are supported by **corporate functions** of guidance, governance, control and provision of services in support of **business processes**. The objective of transforming the Group into a Platform Company and the inherent Group customer focus are pursued with the help of the two cross-company functions Digital, Technology & Operations and Group Strategic Marketing.

In February 2024, it became necessary to adjust the Company's organisational structure through a redistribution of responsibilities and competencies among the top corporate governance functions in order to make it even more responsive to the current business environment and to more effectively achieve the challenging objectives of the new strategic plan.

The decision was therefore taken to focus the strategic development and establishment of corporate strategies on the Chief Executive Officer, with particular reference to the "supervised" businesses and to entrust the management of the Group's industrial businesses to the **General Manager**, reporting directly to him, with the responsibility of supervising and coordinating the activities of all organisational structures (with the exception of the Internal Auditing function, the BancoPosta function and the insurance, asset management, payment and card payments sectors).

During the first quarter of 2024, moreover, considering the important role played by the logistics business in the overall strategy and the transformation required to cope with the continuous and profound developments of the related market, the tools available to the Mail, Logistics and Communication Services function were further strengthened to develop, on the one hand, the integrated logistics business and oversee, on the other, network, process and supply engineering activities as well as service quality.

In July 2024, in the **Business Market and Public Administration sector**, with the aim of strengthening and consolidating the Poste Italiane Group's position in the express and parcel delivery business, a review of the service model was necessary in order to optimise commercial action and ensure better management of customer needs. The new model is based on the following drivers:

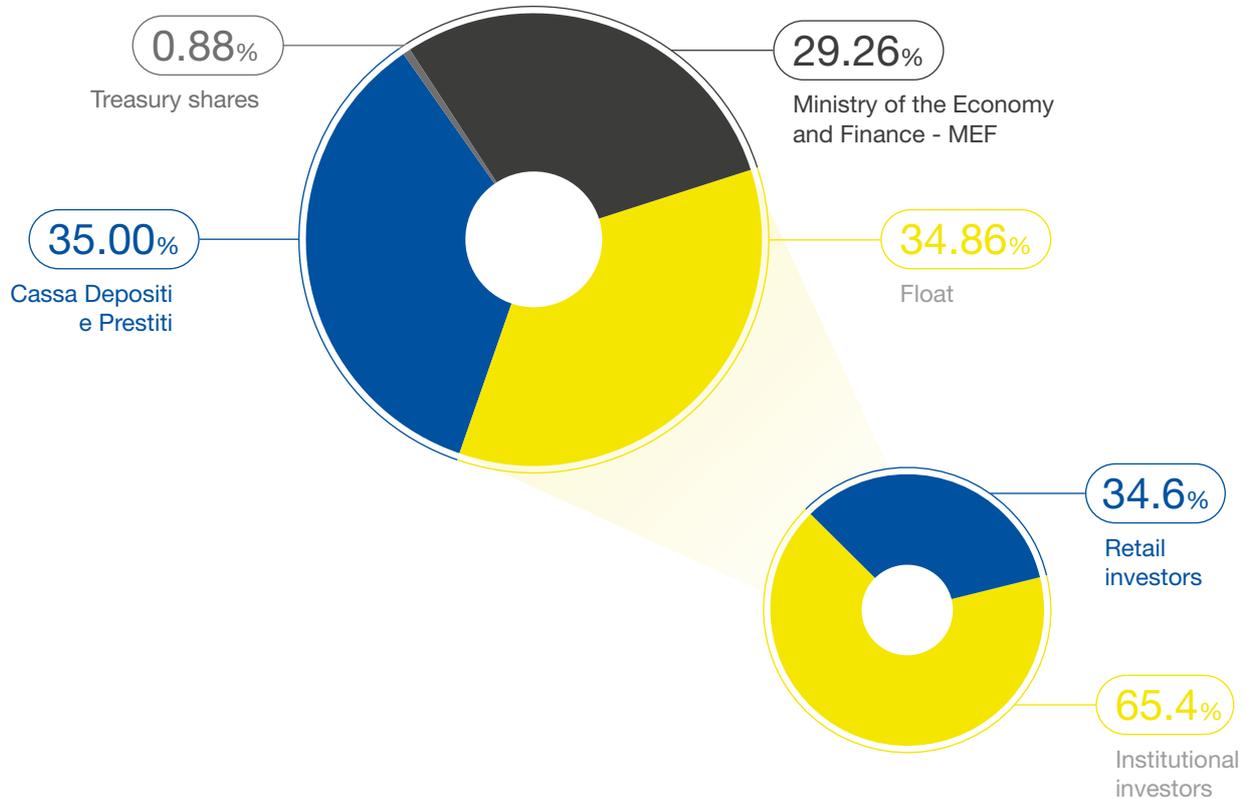
- preserving the effectiveness of the specialised model per industry, to protect the highest value customers;
- optimising the commercial coverage of Medium and Low-end Large customers, improving geographical coverage according to a proximity approach;
- strengthening the direct sales network dedicated to express courier and parcel offers by redistributing portfolios and rebalancing between parcel and mail sellers.

Finally, the following functions reporting directly to the General Manager were created: **Chief of Staff DG, Group Risk and Compliance** and **Group Sustainable Development**.

4. These are the Mail, Logistics and Communication functions for the offer of mail, parcels and commercial communication services and BancoPosta as placement intermediary for the financial and insurance offer. The other two business areas are covered by PostePay for the payments, telephony and energy sales services offering and by Poste Vita Group for the insurance range.

4.3 Ownership and share performance

4.3.1 Poste Italiane's Ownership



Poste Italiane has issued shares listed on the Mercato Telematico Azionario (Electronic Stock Exchange - MTA) organised and managed by Borsa Italiana SpA as of 27 October 2015. At 30 September 2024, the Company is 29.26% owned by the Ministry of the Economy and Finance (MEF) and 35% owned by Cassa Depositi e Prestiti SpA (CDP), also controlled by the MEF. The remaining shares are held by institutional and retail investors. A total of 33.9%⁵ of the shares held by institutional investors of Poste Italiane SpA belong to investors who follow ESG (Environment, Social, Governance) criteria in their investment choices. The share capital of Poste Italiane SpA consists of 1,306,110,000 ordinary shares, of which 1,294,617,396 are outstanding at 30 September 2024. Poste Italiane SpA, in execution of the authorisation to purchase treasury shares resolved by the Shareholders' Meeting of 31 May 2024, announced to the market on the same date the start of the treasury share purchase programme aimed at fulfilling the obligations deriving from the variable remuneration to be paid in Poste Italiane shares to Poste Italiane Group directors and employees. Under this programme, Poste Italiane SpA acquired a total of 1,877,469 shares for a total equivalent value of €23,317,707.94 (between 3 and 10 June 2024 it acquired 1,166,667 shares for a total equivalent value of €14,938,498.18 at an average price of €12.804423 and between 7 and 9 August 2024 it purchased 710,802 shares for a total equivalent value of €8,379,209.76 at an average unit price of €11.788388). Following the transaction, considering also the treasury shares in the portfolio deriving from previous buy-back transactions and the delivery to the beneficiaries of the incentive plans, at 30 September 2024, Poste Italiane holds 11,492,604 treasury shares, equal to 0.88% of the share capital.

5. Source: Nasdaq Corporate Solutions.

On 17 September 2024, the Council of Ministers approved the Decree of the Presidency of the Council of Ministers, which provides for the sale, also in several stages, of a portion of the shareholding held by the Ministry of the Economy and Finance (MEF) in the share capital of Poste Italiane SpA, without prejudice to the maintenance of a State shareholding in the Company's capital, including through its direct or indirect subsidiaries, in excess of 50%. During the month of October, Poste Italiane, together with the Ministry of the Economy and Finance (MEF), initiated the procedure at Consob for the approval of the prospectus for the share offer by the MEF itself, following the approval of the Decree of the Presidency of the Council of Ministers of 17 September. This process is currently halted pending ongoing decisions and evaluations regarding the modalities and timing of the offer.

4.3.2 Share performance

+142.1%

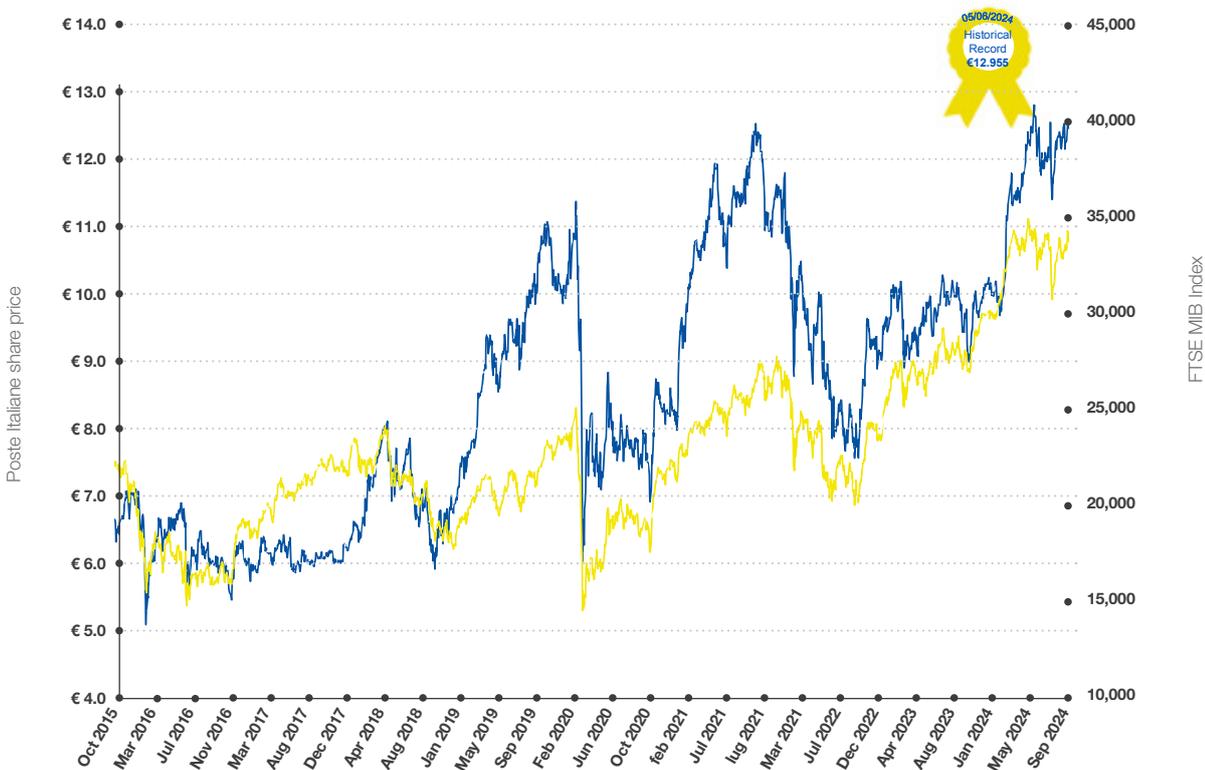
TSR performance vs
FTSE MIB median
2022/2024*

* 01/01/2022-30/09/2024

The value of the Poste Italiane share in the first nine months of 2024 recorded an increase of 21.41%, going from €10.370 at the beginning of the year to €12.590 at the end of September 2024. From the date of listing on the stock exchange (27 October 2015) to 30 September 2024, Poste's share price increased by 86.52% (while the [FTSE MIB ^{A2}](#) index increased by 50.80% in the same period), guaranteeing an overall return for shareholders (TSR) of 210.2% while the main Italian stock exchange index recorded an increase of 109.6%.

On 5 June 2024, Poste Italiane's share price reached an all-time high of €12.955, and on 21 October 2024, it recorded a new all-time high of €13.495.

The graph below shows the comparison between Poste Italiane's share price and the FTSE MIB INDEX from the date of the company's listing (27 October 2015) to the reporting date.



Fonte: Bloomberg.

● Poste Italiane SpA

● FTSE MIB Index

The table below shows the main information on the stock and on the Company's dividend policy as well as the relative performance recorded during the period compared to previous periods.

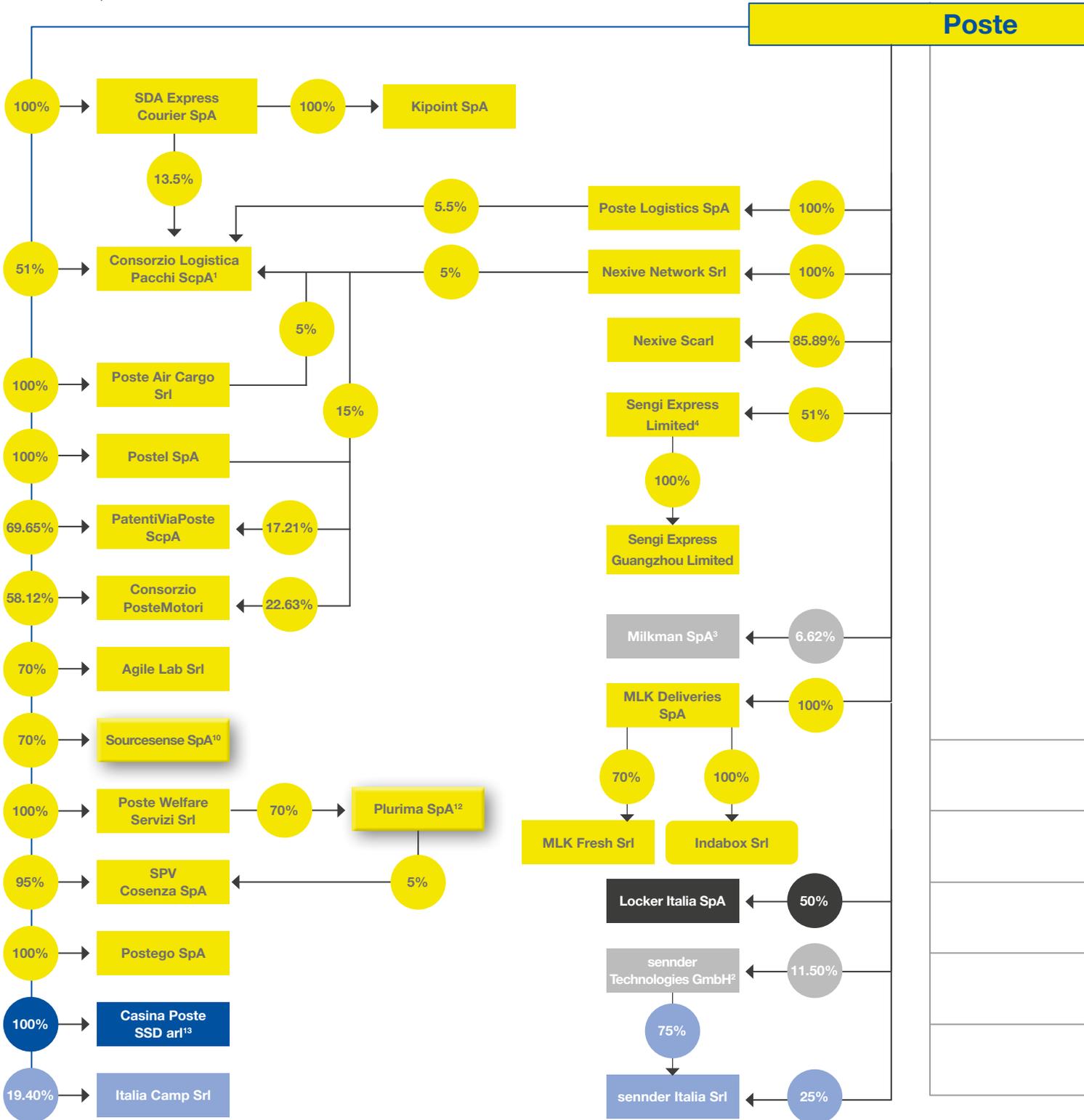
POSTE ITALIANE (PST-IT0003796171)	9M 2024	FY 2023	9M 2023	FY 2022
Closing price at the end of the period (€)	12.590	10.275	9.968	9.126
Minimum price of the period (€)	9.792	9.012	9.012	7.658
	09/02/2024	17/03/2023	17/03/2023	29/09/2022
Maximum price of the period (€)	12.955	10.410	10.410	11.940
	05/06/2024	28/07/2023	28/07/2023	03/02/2022
Average price of the period (€)	11.683	9.826	9.831	9.373
Stock exchange <i>capitalisation</i>  at the end of the period (€m)	16,444	13,362	13,019	11,920
TSR of the period (%)	28.26	20.52	14.21	(15.42)
Earnings per share* (€)	1.22	1.48	1.17	1.16

Source: Bloomberg.

* The indicators shown in the 9M 2024 and 9M 2023 columns are calculated as: Group net profit for the period (9M)/average number of shares outstanding in the period.

4.4 Group structure and main corporate actions during the period

At 30 September 2024, the Group held, directly and indirectly, equity investments in 57 companies and consortia, of which 39 are consolidated on a line-by-line basis, one is a subsidiary and valued using the equity method, 9 are associates and valued using the equity method, one is an associate classified under assets held for sale pursuant to IFRS 5, one is subject to joint control valued using the equity method and 6 represent minority stakes. In addition, Poste Italiane fully consolidates, as of 30 September 2024, 11 Multi-Asset Funds (MAFs) as further detailed below and in the consolidated interim financial statements at 30 September 2024.



Principal corporate actions during the period

Below are the main transactions that took place during the first nine months of the year and after 30 September 2024.



MAIL, PARCELS AND DISTRIBUTION

MLK FRESH SRL → On 31 January 2024, through the establishment of the NewCo named “MLK Fresh Srl” (“MLK Fresh”), the partnership in the Fresh Food sector between MLK Deliveries SpA (MLK) and Mazzocco Srl (“Mazzocco”), an Italttrans Group company operating as a national refrigerated courier, was formalised.

MLK Fresh, 70% owned by MLK and 30% by Mazzocco, will be the vehicle through which the parties will offer advanced delivery services in Italy dedicated to the fresh food segment in the Business To Consumer (B2C) e-commerce and/or scheduled deliveries market. These services will be offered using: (i) the logistics infrastructure provided by the Italttrans Group company; (ii) the technology enabling the Scheduled and Same Day⁶ delivery services provided by MLK; and (iii) commercial services mainly provided by Poste Italiane through its Business and Public Administration channel.

LOCKER ITALIA SPA → On 18 April 2024 the company Locker Italia SpA (also “JV Poste Italiane - DHL”) was established - owned by Poste Italiane SpA and Deutsche Post International BV with equal stakes of 50% respectively - which will be dedicated to the development in Italy of a network of lockers for last mile deliveries of parcels managed by Poste Italiane SpA and the e-commerce division of the DHL Group. The Poste Italiane - DHL JV is part of the broader strategic partnership in the Italian and international parcel market signed in 2023 between the Poste Italiane Group and DHL Group.



INSURANCE SERVICES

MULTI ASSET FUNDS (MAF) → During the course of 2023, the Poste Italiane Group launched a project to “replace” the Luxembourg-law multi-compartment SICAV sub-funds, in which Poste Vita SpA had invested a portion of the assets (around €25 billion) pertaining to the Separately Managed Accounts, with 11 newly established Italian-law UCITS managed by BancoPosta Fondi SpA SGR.

The project ended on 13 September 2024 following the completion of the cross-border merger by incorporation of the SICAV’s sub-funds into the new UCITS funds, through which the financial instruments and sums of money previously held in the SICAV’s sub-funds were transferred to the latter.

At 30 September 2024, the 11 UCITS are fully consolidated in the Consolidated Financial Statements of the Poste Italiane Group. For further details, please refer to the chapter Material events in the Condensed Consolidated Interim Financial Statements at 30 September 2024.

6. Scheduled Delivery allows the customer to customise the delivery by choosing the date and time of receipt and to have a detailed tracking service. Same Day (same-day delivery).

Other transactions

On 28 February 2024, PostePay signed an agreement to acquire 20% of **N&TS GROUP Networks & Transactional Systems Group SpA** (“**N&TS GROUP**”), a leading Italian company in software solutions for electronic payments. The transaction, the closing of which was 15 April 2024 following the fulfilment of conditions precedent, aims to enhance PostePay technological expertise in order to support its expansion strategy in the digital payments market.

Intra-group transactions

On 12 October 2023, Postel SpA acquired the shares in **Address Software Srl** held by third-party shareholders amounting to 49% of the company's capital; consequently, from that date and until 24 January 2024, Postel SpA held 100% of the shares in Address Software Srl.

On 24 January 2024, with the aim of standardising, evolving and engineering the operating processes of the Group's technology platforms, as well as streamlining and rationalising the operating structure, also with a view to achieving a reduction in the typical costs of each corporate structure, Postel sold its entire stake in Address Software Srl to the parent company Poste Italiane SpA. This transaction was in preparation for the start of the process of merger by incorporation of Address Software Srl into Poste Italiane SpA. The merger transaction, which was submitted in February 2024 for approval to the shareholders' meeting of the company to be merged and to the Board of Directors of Poste Italiane (as allowed by its by-laws), with the application of the simplifications provided for by the regulations for mergers of wholly-owned companies, was formalised on 27 May 2024, with legal effect from 1 June 2024, while for accounting and tax purposes it was backdated to 1 April 2024.

On 4 March 2024, **Poste Logistics SpA** was established, whose share capital is wholly-owned by Poste Italiane SpA and which will be dedicated to integrated logistics activities for the Poste Italiane Group, benefiting from the business unit of SDA Express Courier SpA (“**SDA**”) concerning the integrated logistics business, through a partial demerger transaction. With this transaction, the Group aims to strengthen its presence in the integrated logistics business, a business that covers inbound, warehouse handling, Full Truck Load (FTL) and Less Than Truck Load (LTL) transport, warehousing and international logistics. The partial demerger transaction, which was resolved by the Extraordinary Shareholders' Meetings of SDA and Poste Logistics SpA on 27 March 2024, was formalised on 25 June 2024, effective as of 1 July 2024.

On 9 May 2024, **Postego SpA**, a wholly-owned subsidiary of Poste Italiane, was established with the aim of progressively internalising the Poste Italiane car fleet (about 30,000 delivery vehicles). The transaction will make it possible to accelerate the Poste Group's green transition, to select and customise technologies and vehicle models to the needs of Poste Italiane, as well as to modulate the duration of the related services, thus enabling the pursuit of economies of scale and synergies.

Taking into account the scope of operations of the investee company **Conio Inc.** (“**Conio**”), as well as the experimental, digital and innovative nature of the related business and the new projects under development, on 22 May 2024 Poste Italiane SpA transferred to Postepay SpA - a specialised Poste Group company and market leader in digital payments in Italy - the entire stake held in Conio, amounting to 16.29% of its share capital.

On 17 June 2024, the Extraordinary Shareholders' Meetings of **Plurima SpA**, respectively. (“**Plurima**”) and Logos SpA (“**Logos**”), a wholly-owned subsidiary of Plurima, resolved on the merger by incorporation of Logos into Plurima. The operation, whose merger project was approved by the respective boards of directors last May, is aimed at streamlining the management of the two companies, with the primary objective of achieving savings in structural costs and in the use of available resources.

On 25 June 2024, **SPV Cosenza SpA** was established, a company 95% owned by Poste Italiane SpA and 5% by Plurima SpA, dedicated to the performance of all the services covered by the public-private partnership contract for the management and rationalisation of integrated healthcare logistics for the Cosenza Provincial Health Authority.

On 27 June 2024, the deed of sale of a stake held by **SDA Express Courier SpA** in the Consorzio Logistica Pacchi SCpA in the amount of 5.5% in favour of Poste Logistics SpA was signed: thus, SDA's shareholding in the Consorzio increased from 19% to 13.5%.

Further partnerships

On 14 March 2024, Poste Italiane SpA and the **Ferrovie dello Stato (FS) Group** signed two separate agreements:

- a Memorandum of Understanding in the area of passenger transport aimed at fostering the development of joint solutions in the area of electronic payments to make the experience of purchasing tickets from physical and online channels even simpler and more immediate;
- a Letter of Intent in the area of freight transport, for the development of a sustainable and digitalised logistics network and to enhance intermodality in logistics. In particular, Mercitalia Logistics (leader of the FS Group's Logistics Cluster) and sender will work together to expand the intermodal freight logistics network in Europe.

On 1 August 2024, a Letter of Intent was signed that launches the collaboration between **Poste Italiane and ENI Live** in the supply of biofuels produced mainly from waste, such as waste cooking oil and animal fats, and from residues from the agri-food industry that Enilive processes in its biorefineries. Specifically, for road transport, the agreement provides for the supply of diesel from renewable raw materials* HVOlution, available at more than 1,000 service stations in Italy, which will be managed through Multicard, Enilive's commercial card service. For aviation, moreover, the collaboration covers the supply at some Italian domestic airports of JET A1+Eni Biojet, whose Sustainable Aviation Fuel (SAF) component is produced by Enilive from 100% biological materials and is suitable for use in blends with conventional jet, up to 50%.

5. Strategy, innovation and digitalisation, risk management

IN THIS CHAPTER:



- Mail, Parcels and Distribution Strategic Business Unit
- Financial Services Strategic Business Unit
- Insurance Services Strategic Business Unit
- Postepay Services Strategic Business Unit
- Omnichannel approach, innovation and digitalisation
- Risk management

5.1 Mail, Parcels and Distribution Strategic Business Unit

Macroeconomic context

The international economy maintained a growth momentum in the first half of 2024, albeit with different trends across geographic areas, with stability expected in the third quarter of the year⁷. Inflation slowed down due to falling energy commodity prices and the restrictive monetary policies. Labour market conditions remained robust in many areas, with low unemployment rates.

In August 2024, the world composite Purchasing Managers' Index (PMI), excluding the euro area, increased from the July figure to 53.2 points, supported by above-average index levels in the services sector, while in the manufacturing sector it fell just above the neutral threshold (50 points). The most recent quantitative and qualitative data⁸ suggest that the global manufacturing cycle is slowing down in a context of still restrictive monetary policies and moderating wage growth.

Overall, the outlook⁷ for the coming months is moderately positive, although characterised by significant uncertainty due mainly to persistent geopolitical tensions in various strategic areas.

After an expansion of 3.5% in 2023, the most recent ECB forecasts show global GDP growth of +3.4% in 2024 and 2025 and +3.5% in 2026⁷, still characterised by a geographically heterogeneous performance. This reflects: a still restrictive monetary policy stance in the early years of the projection horizon, increased geopolitical tensions and significant uncertainty about economic policies.

7. ECB Economic Bulletin, no. 6 - 2024 of September 2024.

8. Bank of Italy Economic Bulletin no. 4, October 2024.

In the euro area, GDP in the first three months of 2024 increased by 0.3% on a cyclical basis⁹, after the slight contraction in the two previous quarters (-0.1% in both) and by 0.2%¹⁰ in the second quarter of 2024 compared to the previous quarter.

The latest data⁷ indicate the continuation, albeit at a slow pace, of economic expansion in the third quarter of 2024, and the services sector continues to drive the recovery, thanks to the significant boost provided in the third quarter by the Paris Olympics. At the same time, the industrial sector continues to show signs of weakness, both in terms of output and orders, against a background of high uncertainty. Looking ahead, GDP in real terms should continue to recover, due to a further increase in real incomes, a strengthening of foreign demand and the fading of the restraining effects of restrictive monetary policy (please refer to the section Financial markets of the Financial Services SBU).

This outlook is broadly reflected in the macroeconomic projections for the euro area formulated by ECB experts in September 2024⁷, which forecast annual real GDP growth of 0.8% in 2024, rising to 1.3% and 1.5% in 2025 and 2026, respectively.

Regarding inflation dynamics¹¹, in September 2024 inflation in the euro area declined to 1.7% y/y, after 2.2% in August 2024 (at the lowest since April 2021) and the ECB's own expectations include a temporary rise for the fourth quarter of the year due to statistical base effects on energy. The decline is due not only to the energy sector but also to the service sector.

After a period of growth at rates above those of the Eurozone, which characterised the first post-Covid phase, the Italian economy is currently going through a phase of modest expansion in line with that of the euro area in aggregate terms. Over the last four quarters, Italy's GDP grew by an average of 0.2 % y/y, a pace that has remained largely stable since the spring months. In trend terms, GDP grew by 0.6 % in the second quarter of this year compared to the second quarter of 2023, driven by services (0.7%), in the presence of a significant slowdown in industry (-0.7%). A dynamic that could continue to characterise the remainder of 2024, and the first months of 2025. In the coming quarters, the recovery is expected to continue, albeit moderately, basically driven by domestic demand, while foreign trade, after having contributed positively to GDP growth this year (but due to a much more pronounced drop in imports than in exports), could make a progressively more residual contribution in the next two years due to the slightly worsening outlook for global trade.

Further growth expected in 2024 in the parcel and integrated logistics market

Overall, the Eurosystem's¹² projections for 2024 estimate GDP growth of 0.6% (0.8% excluding the working day adjustment) and predict an acceleration in the following two years, in which GDP would expand cumulatively by more than 2%.

Consumer inflation will remain low at 1.1% in 2024 and 1.6% in both 2025 and 2026¹³. In the current year in particular, pressures from accelerating wages will be offset by the subdued dynamics of imported goods prices and falling profit margins.

The postal market continues to undergo a period of radical change linked to the digital transformation, which, on the one hand, leads to a continuous structural decline in traditional mail volumes, stimulating the emergence and development of new digital communication markets (e-substitution), and, on the other hand, to an increase in the volume of parcels sent thanks to the growth of e-commerce.

9. Cyclical variation measures the difference in a given variable between one period and the immediately preceding one.
10. Eurostat estimates in the ECB Economic Bulletin, no. 6 - 2024, September 2024.
11. Eurostat - inflation in the euro area <https://ec.europa.eu/eurostat/statistics-explained/>.
12. Bank of Italy - Economic Bulletin no. 4 - 2024.
13. Bank of Italy - Macroeconomic projections for the Italian economy - 11 October 2024.

In particular, for the **letter mail segment**, a further structural decrease of the market in terms of volume is expected in 2024 (in 2023 volumes decreased by 5% compared to 2022 compared to substantial stability in value¹⁴).

In the **parcels segment**, further growth in the market value of online shopping (€38.2 billion) is expected in 2024, albeit with at a slower pace (+5%) compared to 2023¹⁵.

The **logistics market** in Italy is seeing steady growth in the outsourcing of logistics services by industrial and commercial operators to specialised entities capable of covering the entire value chain.

In particular, the market for Integrated Logistics Services in 2022 will be worth around €13.6 billion¹⁶, up 14% year-on-year.

A lower level of growth is estimated for 2024 compared to 2023 (about +5%)¹⁷. The market, although very competitive, is relatively fragmented. However, some concentration phenomena have taken hold, typically stimulated by major industrial players seeking integration synergies between the different stages of the supply chain.

14. Internal calculations based on AGCom data (quarterly observatories and annual report 2023) and the latest available financial statements of companies operating in the postal sector, including Poste Italiane.

15. Source: Politecnico di Milano, B2C eCommerce Observatory - October 2024.

16. Source: Polimi Contract Logistics Observatory - April 2024 Edition - Reference to the Logistics Operators Market.

17. Source: Internal estimate on drivers - Polimi Contract Logistics Observatory - 2023 Edition, Cerved Operatori Logistici - December 2023.

Regulatory context and evolution of the regulatory scenario

The main legislative and regulatory interventions subject to significant updates in the first nine months of 2024 are shown below. For a complete discussion of the regulatory environment and scenario of the Mail, Parcels and Distribution Strategic Business Unit, please refer to Chapter 4 “The Poste Italiane Group and its Business Model” of the 2023 Annual Report.

Expense of the Universal Postal Service

→ On 30 December 2019, Poste Italiane and the Ministry of Economic Development signed the Contratto di Programma (Service Contract) for the years 2020-2024; it is effective from 1 January 2020 to 31 December 2024.

On 1 December 2020, the European Commission approved the compensation for public service obligations provided for in the 2020-2024 Service Contract in the amount of €262 million per year. The compensation system for the public service obligations undertaken by the Company was deemed to be fully compliant with the applicable EU rules on State aid.

Work is in progress to extend the current Service Contract, which expires on 31 December 2024, in order to bring its expiry date into line with that of the universal postal service, which is entrusted to Poste Italiane SpA by law (Article 23, paragraph 2, Legislative Decree 261 of 1999, as amended) until 30 April 2026. In particular, the national approval process, in preparation for the signing of the extension act, was completed. At the same time, the European authorisation process was started, through pre-notification to the European Commission.

With AGCom Resolution 28/23/CONS, published on 24 February 2023, the Authority initiated the verification procedure for calculating the net cost of the universal postal service for the years 2020 and 2021. On 14 March 2024, AGCom Resolution 62/24/CONS was published, concluding the procedure to verify the net cost of the universal postal service incurred by Poste Italiane for the years 2020 and 2021. In particular, the cost of the Universal Postal Service for these years has been quantified at €585 and €480 million respectively. The Authority also established that the universal service charge for the years 2020 and 2021 is inequitable and that, for the same years, unlike with what was established in previous years, the necessary procedure will be initiated for assessing the injection of resources to the Compensation Fund referred to in article 10 of Legislative Decree no. 261/1999. At the Council meeting of 10 July 2024, Resolution 257/24/CONS initiating the proceedings was approved.

Publisher tariff subsidies

→ Law Decree no. 162 of 30 December 2019 - as converted by Law no. 8 of 28 February 2020 - ordered that reimbursements of publisher tariff subsidies to Poste Italiane continue “for a duration equal to that of the universal postal service” (i.e. until April 2026). The application of the regulation is subject to approval by the European Commission.

In July 2023, the procedure was initiated for notification of the Service of General Economic Interest (SGEI) to the European Commission for the period 2020-2026, currently being finalised.

The 2022 Budget Law (Law no. 234 of 30 December 2021) defined the allocations for the years 2022, 2023 and 2024, amounting to €52.5 million per year.

The 2023 Budget Law (Law no. 197 of 30 December 2022) stipulated that the reimbursement of publishing postal subsidies would be made through the resources of the Fund for Pluralism and Innovation in Information. To this end, the Fund was supplemented with the amount of €75.9 million for the year 2023 and €55 million as of 2024, instead of the amounts provided for in the previous Budget Law.

**Autorità per le Garanzie
nelle Comunicazioni
(AGCom - the Italian
Communications
Authority)**

Tariff Manoeuvre

→ With AGCom Resolution 454/22/CONS of 30 December 2022, the new universal basic tariffs of the subsidised publishing products included in the Universal Service were defined. The Resolution provided for a gradual increase in basic tariffs as of 1 September 2022, with further increases as from 1 January 2024, 2025 and 2026, with no impact on the subsidised tariffs paid by senders and with a consequent increase in the compensation received by Poste Italiane per item sent at the subsidised tariff.

With Resolution 29/23/CONS, published on 14 February 2023, the Authority decided to initiate a further procedure to determine new maximum tariffs for universal postal services. On 27 June 2023, by Resolution 160/23/CONS, the new tariffs of the universal service were defined, which Poste Italiane acknowledged in two phases: the first in force from 24 July 2023 and the second from 18 December 2023.

**AGCom - the Italian
Communications
Authority**

Access Obligations

→ With Resolution 171/22/CONS, the AGCom amended and supplemented the access obligations defined by the AGCM in the context of the acquisition of Nexive and with Resolution 302/23/CONS approved Poste Italiane's wholesale offers currently in force.

In accordance with the regulatory provisions, the new access offers proposed by Poste Italiane SpA for the year 2025 have been communicated to AGCom and were published on Poste Italiane's website by 31 July 2024. On 18 September 2024, with Resolution 314/24/CONS, the public consultation by AGCom was launched with the aim of approving the offers, which will come into force on 1 January 2025.

By means of Resolution no. 75/24/CONS of 27 March 2024, the AGCom initiated the proceedings relating to the updating of the criteria and identification of the delivery areas with exclusive coverage of the universal postal service network (EU2 areas¹⁸), in order to update the current regulations on the subject, currently governed by Resolution no. 27/22/CONS.

**Autorità Garante
della Concorrenza e
del Mercato (AGCM
- the Italian Antitrust
Authority)**

Nexive commitments

→ As part of the acquisition of Nexive, finalised in January 2021, in December 2023, Poste Italiane sent its annual report on compliance with the behavioural measures prescribed by the AGCM. In March 2024, the Letter of Acknowledgement was received from the AGCM on the correct compliance - valid for 2023 - with the measures prescribed in the measure authorising the acquisition of Nexive by Poste Italiane, also taking into account the amendments made by AGCOM to the measures themselves. In addition, a supplement to the annual report was submitted in March 2024.

**AGCom - the Italian
Communications
Authority**

**Licences for offering
postal services to the
public**

→ Under Resolution no. 2/24/CONS of 10 January 2024, the AGCom initiated proceedings concerning the revision of the regulation on licences for the public offering of postal services (Resolution no. 129/15/CONS) by submitting a series of preliminary questions to all interested parties. With Resolution no. 203/24/CONS, published on 21 June 2024, the AGCom initiated the public consultation on the draft regulation that will constitute the new regulation on the subject, in which Poste Italiane SpA also took part.

**AGCom - the Italian
Communications
Authority**

**Revision of the Service
Charter Directive**

→ On 17 May 2024, the AGCom, with Resolution no. 116/24/CONS, initiated proceedings and the associated public consultation for the adoption of the "New General Directive on Postal Service Charters and Provisions for the Benefit of Users", in order to update Resolution no. 413/14/CONS in connection with the developments in the postal market in the meantime. Poste Italiane SpA participated in the public consultation by providing its own contribution.

18. Rural delivery areas in which the main competitors of Poste Italiane are not present.

Other information

Energy supply distribution through the post office network

By means of a measure adopted at a meeting held on 30 January 2024 and notified to Poste Italiane on 7 February 2024, the AGCM, without taking into account the exemption enjoyed by Poste Italiane from the application of Article 14 of Law 287/1990, initiated investigative proceedings against the Company in order to ascertain the existence of a possible breach of Article 8, paragraph 2-quater of the aforesaid Law. At the same time, the Authority initiated proceedings to verify the actual existence of the requirements for the adoption of precautionary measures pursuant to Article 14-bis of the same Law. Specifically, the Authority observed that Poste Italiane, through its subsidiary PostePay SpA, is active in the electricity and gas supply sector and has allegedly denied two of the latter's competing companies access - pursuant to Article 8, paragraph 2-quater of Law no. 287/90 - to the resources made available to PostePay, which it has exclusive access to as a result of its activities within the perimeter of the universal postal service. On 14 February, the Company filed its memorandum in the precautionary proceedings, contesting the Authority's approach and, in particular, the non-application of the provisions of Article 1, paragraph 6 of Decree Law no. 59/2021 as amended and supplemented, exempting Poste from the application of Article 8, paragraph 2-quater, of Law 287/1990 until 31 December 2026. On 2 April 2024, the AGCM notified Poste of Order no. 31138 by which it decided to adopt precautionary measures pursuant to Article 14-bis of Law no. 287/1990. The company challenged the measure in court. The Council of State on 20 May 2024 upheld the appeal and cautiously suspended the effectiveness of the precautionary measures. At its meeting on 16 July 2024, the Authority passed the final decision notified to the Company on 19 July. The AGCM is of the opinion that there are no grounds to justify an absolute refusal such as the one opposed by Poste to the persons requesting access pursuant to Article 8, paragraph 2-quater, and that such refusal is not justified, since the exemption provided for in Article 1, paragraph 6 of Decree Law no. 59/2021 (the "Polis Waiver") does not extend to all Post Offices but only to those included in the Polis Project. According to the Authority, the access methods pursuant to Article 8, paragraph 2-quater must in any case be defined by Poste Italiane on the basis of the negotiating autonomy granted to it and on the basis of the information at its sole disposal, in order to reasonably and proportionately balance the conflicting needs related to access requests and the protection of other interests. For these reasons, Poste Italiane shall guarantee, to PostePay's competitors who so request, access pursuant to Article 8, paragraph 2-quater to all Post Offices not included in the Polis Project, according to modalities defined by Poste Italiane, which need not be identical to those guaranteed to PostePay. To this end, Poste Italiane must appoint a trustee ("Monitoring Trustee") responsible for monitoring compliance with the obligations set forth in Article 8, paragraph 2-quater, submitting the appointment to the Authority for approval, within sixty days from the notification of the measure. However, it is necessary to point out that Article 8, paragraph 2-quater was repealed by Decree Law no. 113 of 9 August 2024 (Article 10, paragraph 2), converted into Law no. 143 of 7 October 2024, with the consequent disappearance of the access obligations for Poste Italiane. In any case, in order to assert the legitimacy of its actions even before the repeal of the rule in question, on 18 October, the Company challenged the measure before the Lazio Regional Administrative Court.

For the main pending proceedings and further relations with the Authorities, please refer to the condensed consolidated interim financial statements at 30 September 2024 in the chapter "Proceedings pending and principal relations with the Authorities".

Operating review

In the first nine months of 2024, the Mail, Parcels and Distribution Strategic Business Unit (SBU) continued on the path of transforming the Group into a complete logistics operator, according to the objectives outlined in the new Strategic Plan presented to the market in March 2024.

The following table shows the main activities of the SBU during the period.

SEGMENT	OPERATING REVIEW
<p>PARCELS/LOGISTICS</p>	<p>postegofresh In February 2024, PosteGoFresh was launched, the refrigerated transport service for home delivery of fresh food products purchased online. PosteGoFresh, created by the newly established MLK Fresh, is the first service that guarantees the transport of food products at a controlled temperature along the entire supply chain and is already available in more than thirty cities, including Rome, Milan, Turin, Genoa, Verona, Bologna, Florence, Como, Varese, Cuneo, Aosta and Pescara.</p> <p>As part of the logistical transformation and solutions to support the development of e-commerce presented at the Capital Markets Day 2024-2028 “The Connecting Platform” in March 2024, a first pilot site for the Microfulfilment project was launched in June 2024, at the Naples Sorting Centre¹⁹. The project aims to meet the growing demand for same-day and zero-emission delivery solutions through the construction of micro-fulfilment logistics platforms within the main hubs of the postal network, located close to large population centres²⁰. The distinctive element of the project is the exclusive use of electric vehicles for deliveries, guaranteeing a 100% green service.</p> <p>As part of the objectives to support the Group’s green transition, the Green Index was developed during the period. This is a CO₂ emission calculation indicator that allows the Group to monitor the emissions produced for each individual parcel delivered with the aim of reducing its carbon footprint. This indicator was certified by the Smart Freight Centre in July, in accordance with the Global Logistics Emissions Council Framework for Logistics Emissions Methodologies (GLEC Framework).</p> <p>Under the public-private partnership contract of June 2024, for the management and rationalisation of integrated healthcare logistics for the Azienda Sanitaria Provinciale (A.S.P.) of Cosenza, the centralised warehouse located in Rende (CS) and the management of macrologistics services (management and transport from the warehouse to the hospital and territorial units) and micrologistics services (distribution to the wards) for drugs, devices and economical goods for all the hospital and territorial units of the A.S.P. are envisaged.</p> <div data-bbox="488 1529 788 1711">  </div> <p>As part of the initiatives to trial new technologies to support the development and decarbonisation of logistics services, in July 2024 the experimental project “Minor Islands Pilot Service”, promoted by Poste Italiane and Leonardo and developed within the MoSt research and innovation programme²¹, was launched. This initiative involves the use of remotely supplied and piloted cargo drones that take off from Bagnoli (NA) and land with their cargo on the island of Procida. The trial, which will also continue in the fourth quarter of 2024, involves the transfer of mail and parcels with a progressive increase in the volumes transported and aims to validate a new model of fast and flexible freight transport that reduces the environmental impact and guarantees operational continuity.</p>

19. The test covers both the city of Naples and part of the province, with the aim of verifying customer satisfaction, scalability of the model and manageable volumes.
20. Orders placed before 12 noon are delivered by 8 p.m. the same day, thanks to a network of postmen operating in the afternoon. The merchant’s web platform locates the ordered item and assigns the order to the microfulfilment centre of Poste Italiane, where it is then picked, packed and finally delivered to the customer. The warehouses will store the goods of the shipping customers and manage the entire process from order receipt to preparation of the shipment and same-day delivery.
21. MoSt Programme - National Centre for Sustainable Mobility, funded by the Ministry of University and Research (MUR) with funds from the National Recovery and Resilience Plan.

5.2 Financial Services Strategic Business Unit

Market context

Financial markets

The first nine months of 2024 ended on a positive note for global equity markets, which outperformed expectations despite a period of severe turbulence in August, which was later recovered thanks in part to decelerating inflation data. In the US, the S&P 500 index reached new highs in September thanks to the US central bank's decision to cut interest rates. The announcement of major stimuli by China also contributed to the positive end to September.

Over the same period, the Italian FTSE MIB stock index rose by 12.4%, benefiting from the sector composition.

The highly restrictive approach of the major central banks therefore changed during the course of the year, taking note of the disinflationary process that took hold in 2023 in both the US and the Eurozone.

In the first part of the year, the Fed kept the range of the fed funds rate²² at 5.25-5.50% and only slowed down the rate at which it reduced the stock of securities on its balance sheet from June, while the ECB reduced the benchmark deposit rate by 25 bps at its meeting on 6 June 2024, after nine months at 4%.

At its meeting on 18 September 2024, the FED cut the official rate by 50 bps to a range of 4.75-5.0% and further cuts of 50 bps are expected by the end of the year and by 100 bps in 2025, with the final rate set at 2.9% in 2026²³. The ECB also cut the reference rate by 25 bps at its meeting on 12 September 2024, and the deposit rate stood at 3.5%. The Governing Council will also continue to adopt a "data-dependent" approach, with a focus on inflation dynamics, which is expected at the 2% target in the second half of 2025.

The markets welcomed the Fed's half-percentage point cut, which was not fully anticipated, also comforted by the healthy performance of the quarterly reports. EU indices at the end of September recovered more slowly on a quarterly basis, impacted by the downward revision of analysts' estimates on corporate earnings and despite the positive effects of the decline in Bund yields. Euro area government bond yields have been falling since July. The tensions at the beginning of August generated a re-composition of portfolios towards financial assets perceived as less risky, accentuating the fall in the yield of the ten-year Bund; this led to a slight widening of yield differentials between the bonds of the other countries in the area and the German bond, which was rapidly reabsorbed everywhere except in France, in the face of the uncertain political situation.

Central banks' caution in the first part of the year in cutting rates prompted markets to reprice expectations of policy rate cuts in the current year, contributing to a steepening of the government yield curve. In the third quarter, the change of attitude of central banks led to a fall in yields.

In the first half, spreads for investment grade securities decreased by an average of about 11 bps, while for high yield securities the reduction was just over 42 bps. During the third quarter of 2024, spreads of European investment grade bonds increased on average by about 2-3 bps, while European high yield bonds decreased by about 5 bps.

With regard to the Italian BTP, despite the important issuance programme supported by the MEF, the 10-year BTP - Bund spread narrowed from 167 bps at the beginning of 2024 to 133 bps at the end of September.

22. Reserve funds that US banks are required to hold in the form of deposits with the Federal Reserve under the regulatory and prudential supervisory regulations for the credit system.

23. Projections of Federal Open Market Committee (FOMC) members - September 2024.

Below is the table that represents the precise returns expressed in percentage terms at the end of the period for BTP government bonds and Interest Rate Swaps²⁴ and the trend in the 10-year BTP-SWAP spread in the last year.

	Sept 2023	Dec 2023	Mar 2024	June 2024	Sept 2024
10-year BTP	4.78	3.70	3.68	4.07	3.45
10-year SWAP	3.39	2.49	2.59	2.84	2.35
10-year BTP - SWAP SPREAD	1.39	1.21	1.09	1.24	1.11
15-year BTP	5.04	4.05	3.95	4.42	3.80
15-year SWAP	3.43	2.56	2.61	2.86	2.45
30-year BTP	5.25	4.37	4.24	4.62	4.13
30-year SWAP	3.09	2.33	2.33	2.55	2.27

Banking system

Based on available estimates provided by the Italian Banking Association (ABI)²⁵, at the end August 2024, customer deposits of all banks in Italy, represented by deposits from resident customers (current accounts, certificates of deposit and repurchase agreements) and bonds, increased by 3.2% on an annual basis, settling at approximately €2,049 billion (up slightly compared to the end of December 2023, amounting to €2,041 billion). This reflected an increase of around €29 billion in bond funding (+12.2% y/y), and a 12-month increase in deposits from resident customers of around €35 billion (+2% y/y).

In August 2024, the average cost of bank funding (which includes the return on deposits, bonds and repos from households and non-financial companies) was around 1% (1.17% at 31 December 2023).

Asset Management

€2,406 bn
the total assets
of Italian asset
management at
31 August 2024

Assogestioni data show, at 31 August 2024²⁶ total assets of €2,406 billion, up 2.9% on the €2,338 billion at the end of 2023. With regard to portfolio management, assets amounted to approximately €1,108 billion, up 1.2% from €1,095 billion at 31 December 2023. With regard to Collective asset management, assets went from about €1,243 billion at the end of December 2023 to about €1,298 billion at the end of August 2024 (+4.4%). With regard to open-ended *investment funds*  alone, client assets stood at around €1,232 billion at the end of August 2024, up 7.2% from roughly €1,149 billion at the end of December 2023. In terms of net inflows, the asset management industry presents a negative balance of around €9 billion in the first eight months of 2024 (compared to a negative balance of around €26.3 billion in the same period of 2023).

24. Source: Bloomberg.

25. Source: ABI, Monthly Outlook September 2024.

26. Assogestioni, Monthly map of asset management, published on 27 September 2024.

Regulatory context

Below are the main regulatory initiatives updated or newly issued in the third quarter of 2024. Please refer to the 2023 Annual Report and the Interim Report on Operations at 30 June 2024 for a complete discussion of the regulatory context of the Financial Services Strategic Business Unit.

Bank of Italy

Circular no. 285 of 17 December 2013

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During the first half of the year, the Authority published the 45th, 46th and 47th updates to Circular no. 285 of 17 December 2013; for details on the regulatory updates please refer to section “4.5 Omnichannel approach and business segments” of the Interim Report on Operations at 30 June 2024. In addition, on 20 June 2024, the Authority published the 48th update of the Circular concerning methodologies for measuring the interest rate risk of non-trading book assets in terms of changes in economic value and net interest income. The update is relevant to BancoPosta’s assets and is being analysed and studied by the competent functions.

On 24 July 2024, the Authority published the 49th update of the circular containing new provisions on “Capital Reserves”. In particular, the amendments concern the provisions on the leverage ratio reserve for Global Systemically Important Institutions (G-SIIs) and as such are not relevant to BancoPosta’s assets.

With regard to the 44th update of the circular of 19 December 2023, which is of particular interest to BancoPosta, the company is currently in the process of transposing it and finalising the latest developments for the submission of the new interest rate risk report, with a reference date of 30 September 2024, in compliance with the submission deadline set for other quarterly prudential reports on 11 November 2024.

Bank of Italy

Circular 320 of March 2024 “Reporting on cash access points”

→

With reference to Circular no. 320 published on 20 March 2024 and relating to “Reporting on cash access points” (for details of which please refer to section “4.5 Omnichannel approach and business segments” of the Interim Report on Operations at 30 June 2024), in September 2024, the first reports were made by the relevant departments of the Company.

European Delegation Act 2022-2023

(Act no. 15 of 21 February 2024)

Cybersecurity

→

On 24 February 2024, Law no. 15 of 21 February 2024 (European Delegation Law 2022-2023) was published in the Official Gazette, delegating the Government to transpose European Directives and implement other acts of the European Union.

In particular, the law provides for the definition of principles and criteria for the transposition into national law of the Directive (EU) 2022/2555, revising the NIS Directive²⁷ and laying down measures for a common high level of cybersecurity in the European Union (“NIS Directive 2”).

In addition, the law delegates the Government to adapt national regulations to the provisions of the European MiCAR and DORA Regulations, for details of which please refer to section “4.5 Omnichannel approach and business segments” of the Interim Report on Operations at 30 June 2024.

The European Delegation Act 2022-2023 has now been amended by an amendment that makes explicit, in Article 15, the inclusion of Poste Italiane Patrimonio BancoPosta in the list of entities to which the DORA Regulation applies.

Poste Italiane has launched a Group-wide initiative to take the necessary actions to ensure the regulatory compliance of all the Group’s supervised entities, including BancoPosta and PostePay.

27. Network and Information Security.

European Parliament and Council (Regulation 2024/886 of 13 March 2024)



During the course of 2024, on the basis of the analyses conducted by BancoPosta and PostePay, initiatives were planned, and for the most part already implemented, in preparation for the correct transposition of the changes introduced by Regulation 2024/886 of the European Parliament and of the Council amending the European regulation²⁸ on the subject of instant credit transfers in euros, complying with the obligations set out in the different time-frames (of 2025) indicated by the legislator.

Instant Transfers

European Parliament



On 19 June 2024, the anti-money laundering package was published in the Official Journal of the European Union. For more details on the regulatory contents of the package, please refer to section “4.5 Omnichannel approach and business segments” of the Interim Report on Operations at 30 June 2024.

Anti-Money Laundering Package

European Parliament and Council



On 19 June 2024, the following measures were published in the Official Journal of the European Union, which complete the process of transposing the reform of bank capital requirements into the European Union, pursuant to the amendments to the Basel Accord (Basel 3 plus):

Basel 3 plus

- Directive (EU) 2024/1619 of the European Parliament and of the European Council of 31 May 2024 amending Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches and environmental, social and governance risks. States will have to enact transposition provisions by 10 January 2026.
- Regulation (EU) 2024/1623 (CRR 3) of the European Parliament and of the European Council of 31 May 2024 amending Regulation (EU) no. 575/2013 (Capital Requirements Regulation - CRR) as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor. The Regulation will apply from 1 January 2025.

The Basel 3 plus regulatory framework is relevant to BancoPosta's capital, in particular for the new Standardised Approach for calculating the minimum capital requirement for operational risk, and its implementation is in progress.

Legislative Decree no. 134 of 4 September 2024 (ERC Directive)



On 23 September 2024, Legislative Decree no. 134 of 4 September 2024 implementing Directive (EU) no. 2022/2557, so called CER (Critical Entities Resilience) Directive on Critical Entities Resilience was published in the Official Journal. The Decree establishes measures to ensure that essential services for the maintenance of vital societal functions, economic activities, public health and safety are provided without hindrance, defining criteria for the identification of critical actors, as well as obligations for critical entities to strengthen their resilience and capacity to provide essential services.

Critical Entities Resilience

The legislation is being examined by the relevant functions to assess its potential impact on the Poste Italiane Group.

28. Regulations (EU) no. 260/2012 and (EU) 2021/1230 and Directives 98/26/EC and (EU) 2015/2366.

Other information

Bank of Italy

On 27 February 2024, a Report was received from the Bank of Italy containing the results of an inspection, conducted on the Poste Italiane site limited to BancoPosta's activities, aimed at assessing the degree of compliance with the Transparency Provisions. On 26 April 2024, the Company submitted its response letter also containing an action plan in view of the comments submitted.

On 29 April 2024, the Bank of Italy sent a request for an in-depth examination of the application of the product governance process on the offer of both credit and insurance products combined with them, the controls adopted (also with reference to the incentive system for the sales network) and the monitoring of any anomaly indicators. The relevant feedback was sent on 28 June 2024.

On 16 August 2024, the Bank of Italy sent a Note containing the results of a Mystery shop²⁹ conducted at 12 post offices and aimed at verifying the effective compliance by the operators of the commercial network with the guidelines contained in the Transparency Provisions on the active use of transparency documentation from the first stages of contact with customers requesting information on the offer of payment accounts. On 16 October 2024, the Company sent the letter of reply.

CONSOB

On 29 July 2024, CONSOB requested an update on the previous request of 29 January 2024, which was answered on 23 February 2024. In particular, the subject of the request was different areas of in-depth investigation including: i) service model, ii) customer profiling, iii) concentration control, iv) reports of alleged commercial pressure. The relevant feedback was provided on 30 September 2024.

The Italian Data Protection Authority

On 16 April 2024, the Garante per la protezione dei dati personali (GPDP) opened a preliminary investigation with a request for information in relation to the same event that led to the initiation of proceedings PS/12768 of ACGM³⁰, i.e. the anti-fraud messages received by BancoPosta and PostePay account holders, who use the services through the relevant apps installed on their Android devices, when accessing them from the first days of April 2024. On 30 April 2024, Poste Italiane sent a memorandum to the GPDP in which it provided a response to the request for information, detailing, inter alia, the fraud prevention nature of the activity and specifying the regulatory requirement, deriving from Delegated Regulation (EU) 2018/389, Articles 2 and 18, that made the functionality necessary. On 17 July 2024, an inspection took place, which had been announced the day before, in which the GPDP gathered further information relating to the specific processing of personal data.

On 23 July 2024, the GPDP delivered to Poste Italiane a request for information concerning a complaint received from an employee/customer of the Company. The customer/employee complained that, in connection with his own loan application, the banking partner inserted information concerning his financial situation in a notes field of the management application. Poste Italiane had already taken steps in the first quarter of the year to delete this data, following a report by the person concerned. Poste Italiane responded on 12 September 2024.

For the main pending proceedings and further relations with the Authorities, please refer to the condensed consolidated interim financial statements at 30 September 2024 in the chapter "Proceedings pending and principal relations with the Authorities".

29. Bank of Italy agents carried out "incognito" visits at some post office counters asking for information about opening a payment account. The objective was to verify compliance with the rules of transparency and fairness at the stage of first contact with the customer and the ability of the counter staff to explain the characteristics of the products on offer and to recommend the ones best suited to customers' needs.

30. For more information, please refer to the chapter "Proceedings pending and principal relations with the Authorities" in the Condensed Consolidated Interim Financial Statements at 30 September 2024.

Operating review

The following table shows the main activities of the Financial Services Strategic Business Unit during the period.

SEGMENT	OPERATING REVIEW
<p style="text-align: center;">POSTAL SAVINGS</p>	<p>On 1 August 2024, a new Agreement was signed between Poste Italiane SpA and Cassa Depositi e Prestiti SpA for the Postal Savings collection service for the three-year period 2024-2026. For more details, see Chapter 7 “Transactions of greater importance”.</p> <p>During the first nine months of 2024, the placement of products dedicated to customers bringing new liquidity³¹ into Poste Italiane continued:</p> <ul style="list-style-type: none"> • Supersmart Premium 540-day offer, aimed at Libretto Smart holders, placed from 15 November 2023 to 10 January 2024 with a gross annual rate to maturity of 4.00% and volumes raised of approximately €1,092 million in 2024; • Supersmart Premium 366-day offer for Libretto Smart holders, available from 23 January to 7 March 2024, with a gross annual rate to maturity of 3.00%, and volumes raised of €902 million; • Supersmart Premium 366 offer, aimed at Libretto Smart holders, placed from 19 March 2024 to 9 May 2024 with a gross annual rate to maturity of 3.50% and volumes raised of €1,452 million; • Buono Premium (Premium Voucher), aimed at Libretto Smart holders, with a term of 1 year and a gross annual yield to maturity of 3.50%, whose placement began on 23 May and ended on 13 July 2024 with volumes raised of €2,791 million; • Supersmart Premium deposit³², aimed at Libretto Smart holders, placed from 22 July to 12 September 2024 with a term of 366 days and an gross annual rate to maturity of 3.00% and volumes raised of €861 million; • Buono Premium (Premium Voucher), reserved for Libretto Smart holders, with a term of 1 year and a gross annual yield to maturity of 3.00% placed from 24 September 2024 to 18 October 2024 and volumes raised of €863 million; • In March 2024, the 10-year Italian inflation-indexed Postal bonds was launched, offering a revaluation of the principal and accrued fixed interest based on the evolution of the inflation rate. <p>In April 2024, the Buono Rinnova (Rinnova Voucher) was replaced by the new 4-year Rinnova Voucher, also dedicated to customers with expired and redeemed Vouchers, which pays a gross annual yield at maturity of 2.25% (2.50% until 18 September 2024).</p> <p>In July 2024, there were important changes:</p> <ul style="list-style-type: none"> • Renaming of Supersmart Offers (OSS) to Supersmart Deposits (DSS) to make the product more understandable to customers and comparable to competitor products; • Lowering of the minimum amount that can be set aside in DSS (from €1,000 to €500) to make the product more accessible to savers; • Launch of the Supersmart Young Deposit, intended for holders of a Libretto Smart, where at least one of the holders is aged between 18 and 35 years (until the day before they turn 36), with a term of 180 days and a gross annual yield to maturity of 2.50% (3.00% until 23 September 2024).

31. New liquidity means all sums contributed exclusively by bank transfer, payment of bank and bank drafts, credit of salaries and pensions, and credited to the Libretto Smart, to current accounts and/or postal savings books bearing the same header/co-header as the Libretto Smart chosen to join the offer.

32. Starting from 21 July 2024, the Offerta Supersmart (Supersmart Offer) has been renamed Deposito Supersmart (Supersmart Deposit) to make the product more recognizable and easily comparable with deposit accounts offered on the market.

SEGMENT



CURRENT ACCOUNTS

OPERATING REVIEW



In April 2024, the “Digital 2024 Promotion” was launched, dedicated to customers who open a current account online by 31 July 2024 using the Promotion Code³³. The account options covered by the promotion are: Start, Medium and Start Youth. In addition, from June 2024, a radio advertising campaign was launched to support current account openings and, from an omnichannel perspective, the possibility of opening the current account using promotional codes was also extended to Post Offices.

As of 22 July 2024, the BancoPosta Premium Account offer has been adapted to the new Premium service model, which includes the introduction of two customer choice profiles: Top and Smart, which differ in the type of current account fees³⁴.

In September 2024, the marketing of the “BancoPosta Incasso Smart” service was extended to the entire “Business and Public Administration” network. This allows cash to be managed more efficiently and securely using smart safes and cash collection and transport services provided by a specialised partner³⁵.

During the first nine months of 2024, the enrichment of the financial services available on digital channels and relating to retail (new Poste Italiane app) and business (website and new Poste Italiane app) current accounts also continued; please refer to the section “Strengthening of digital channels” in the document for more details.

ASSET MANAGEMENT



During the first nine months of 2024, the distribution of the target-date bond mutual funds³⁶ and the expansion of the Asset Management range with sustainable solutions including ESG (Environmental, Social and Governance) and flexible components

continued. In particular, the Fondo BancoPosta Obbligazionario Italia 4 anni and the Fondo Bancoposta Obbligazionario Dicembre 2029 were launched in January 2024 and May 2024, respectively. These bond funds aim to achieve, over an investment horizon, a portfolio return in line with the average return on corporate and government bonds of a similar duration, through an investment in securities denominated in euros, mainly of Italian issuers, and to distribute an annual income.

In June 2024, the placement of two new Asset Management lines started in cooperation with Moneyfarm:

- Liquidity+ line: characterised by an investment approach in short-term money market funds;
- Multitrend line: characterised by an investment approach in multi-thematic Exchange Traded Funds (ETFs) on megatrends (e.g. artificial intelligence, environmental sustainability, global warming, smart cities, innovation in healthcare and cyber security).

In July 2024, the BancoPosta Universo ObbligazionarioPiù mixed bond fund was launched. The fund aims to seize, over a medium/long-term investment horizon, the return opportunities offered by global bond markets, through the investment of assets in a portfolio of financial instruments, selected also by taking into account sustainable finance criteria, and the distribution of a six-monthly income.

In addition, the placement of Funds managed by third parties specifically selected by Poste Italiane and dedicated to customers in the Premium segment started in July 2024.

33. The promotion, which is valid for new account holders, offers zero monthly fees for a maximum of 24 months from the month the account is opened: for the first 12 months by using the promotional code PROMODIGITAL24 when opening the current account and from the 13th month if the current account is credited with a monthly salary/pension or a monthly incoming transfer of at least €700, or, an average monthly account balance of more than €2,500 is maintained.

34. Premium customers (i.e. with assets > €500,000) who choose the Top profile will have the zero fee Premium Option account, while Premium customers who choose the Smart profile will incur the account maintenance fees of the aforementioned list but, until June 2025, the fee will be zero.

35. The Partner installs the smart safe at the customer's point of sale and the value of the cash acquired by the safe is credited to the customer's bank account and made available within the next business day at the latest. The Partner then performs the service of counting, collecting and transporting the sums paid to the Poste Italiane vaults.

36. They are mainly bond or balanced bond funds on specific themes. The Target Date Bond Funds aim to achieve - over a defined time horizon from the end of the Placement Period - a portfolio return in line with that offered on average by corporate and government bond financial instruments of similar duration, mainly denominated in euro, while the Balanced Bond Funds combine a portion of bond investments - equal to at least 50% of the portfolio - with a portion invested in flexible instruments and equities on particular themes such as ESG issues.

SEGMENT



ASSETS UNDER ADMINISTRATION



In February 2024, Poste Italiane participated in the third issue of the BTP Valore, on placement from 26 February to 1 March 2024, dedicated exclusively to small savers (retail) with a 6-year duration and quarterly coupons set according to a series of coupon rates increasing over time (step-up). In May 2024, Poste Italiane also participated in the fourth issue of the BTP Valore, on placement from 6 to 10 May 2024, again dedicated exclusively to small savers (retail) with a 6-year duration and quarterly coupons set according to a series of coupon rates increasing over time (step-up).

In January 2024, the “PostePremium Obbligazione - tasso fisso 4,25% callable” (PostePremium Bond - fixed rate 4.25% callable) was also placed, exclusively in Poste Italiane’s offices (no off-site or online funnel), reserved for the Premium segment.

OPERATING REVIEW



DISTRIBUTION OF LOANS AND OTHER THIRD-PARTY PRODUCTS

During the first nine months of 2024, a number of commercial initiatives continued, supported by sales campaigns with the objectives of increasing the customer base of the BancoPosta Loans offer and building the loyalty of customers acquired through the “Prestito BancoPosta Consolidamento”³⁷.

“Green” promotions for the purchase of electric or hybrid vehicles and for Home Renovation were also launched during the period, as well as promotions of the Prestito BancoPosta Classico e Consolidamento.

During the period, in order to increase the customer base and consolidate existing customers, promotional offers were also launched for Mutuo BancoPosta and Quinto BancoPosta Pensionati e Dipendenti Pubblici products. Moreover, in order to meet the growing credit needs of pensioners, as of 15 July 2024, for the Quinto BancoPosta product, managed by partners Unicredit and Financit, the maximum age at which the loan amortisation plan can be completed has been extended from 84 to 86.

With regard to business customers, in May 2024, the placement of a new short-term liquidity advance product on the basis of POS³⁸ transactions was launched, dedicated to companies that are BancoPosta current account holders and have subscribed to the PostePay acquiring service.

OTHER ACTIVITIES

As of 1 January 2024, the provision of the service known as “Assegno di inclusione” (Inclusion Allowance)³⁹ started. This measure replaces the citizenship income and pension, the effects of which will run out in the course of 2024.

37. Prestito BancoPosta Consolidamento makes it possible to combine previously subscribed loans into a single financing solution.

38. The POS transaction advance is a service for business customers that allows them to request the opening of a credit line, whose amount is defined on the basis of the applicant’s POS transaction. The merchant can then benefit from future POS receipts, in the form of an advance, thanks to the opening of a dedicated account on which a sum is made available to the business customer. This product is provided by Igea Digital Bank and assisted by the Central Guarantee Fund for SMEs.

39. Law no. 85 of 3 July 2023 “Urgent measures for social inclusion and access to employment”.

5.3 Insurance Services Strategic Business Unit

Market context

In the first half of 2024, the market in the Investment and Pension business continued to be affected by the still high interest rates and inflation rates, although the disinflationary trend continued; this uncertainty was particularly reflected in the increase in surrenders (with a significant rise in surrenders of class III products). Despite the challenging market environment, Poste Vita's performance bucked the market trend (total life net inflows⁴⁰ negative by €8.5 billion at the end of June 2024) with positive net inflows from investments of €0.7 billion at the end of September 2024 (albeit down by €2.7 billion compared to the same period in 2023). Specifically, in the first nine months of 2024, gross inflows of the Company's investment products amounted to €13.4 billion, down €0.9 billion compared to the same period in 2023 due to the decrease in inflows of traditional build-up products (-€2.6 billion), only partially offset by the increase (+€1.7 billion) in the inflows of multi-class products. At 30 September 2024, the redemption rate was 6.6%, up from 4.0% at 30 September 2023, and significantly lower than the market redemption rate recorded at 30 June 2024 (last available), which was 11.19%⁴⁰.

Also in the first half of 2024, the Protection insurance market continued on a path of robust growth in terms of premium income, recording, at 30 June 2024, €14.1 billion in premiums for non-motor non-life business (+6.3% compared to the same period in 2023), and €9.7 billion in premiums for motor business (+10.4% compared to the first half of 2023), due not only to the positive trend in demand, but also to an increase in rates to adjust them to the level of prices. Against this backdrop, there was also significant growth in Life Protection business, with market growth of +35.3% compared to the same period in 2023.

Below is a breakdown of gross inflows of investment and protection products at 30 June 2024 compared with the figures at 30 June 2023.

Investment products

Gross inflows related to investment products⁴¹ amounted to approximately €54.2 billion at the end of June 2024 (+15.9% compared to the same period in 2023). If new Life business reported by EU companies is taken into account, the figure reaches €58.9 billion (+15.8% compared to the same period of 2023).

GROSS INFLOWS BY CLASS* (figures updated to June 2024 in €m)

Premiums by class/product	Premiums YTD	% change 06 2024 vs 06 2023
Life - class I	37,740	11.7%
Unit - Linked - class III	14,020	31.7%
Capitalisations - class V	822	41.5%
Pension funds - class VI	1,665	-6.5%
Italian insurers - non-EU	54,247	15.9%
EU insurers**	4,603	14.0%
Total	58,850	15.8%

* Source: ANIA.

** The term "EU insurers" refers to the Italian subsidiaries of undertakings with a registered office in an EU country operating under the right of establishment and freedom to provide services. The figures refer solely to undertakings taking part in the survey. New production data is available for this category.

40. Source: Report ANIA - Trends Life Flows and Reserves Year XIV - no. 02 - published on 9 September 2024.

41. Source: Report ANIA - Trends Life Flows and Reserves Year XIV - no. 02 - published on 9 September 2024.

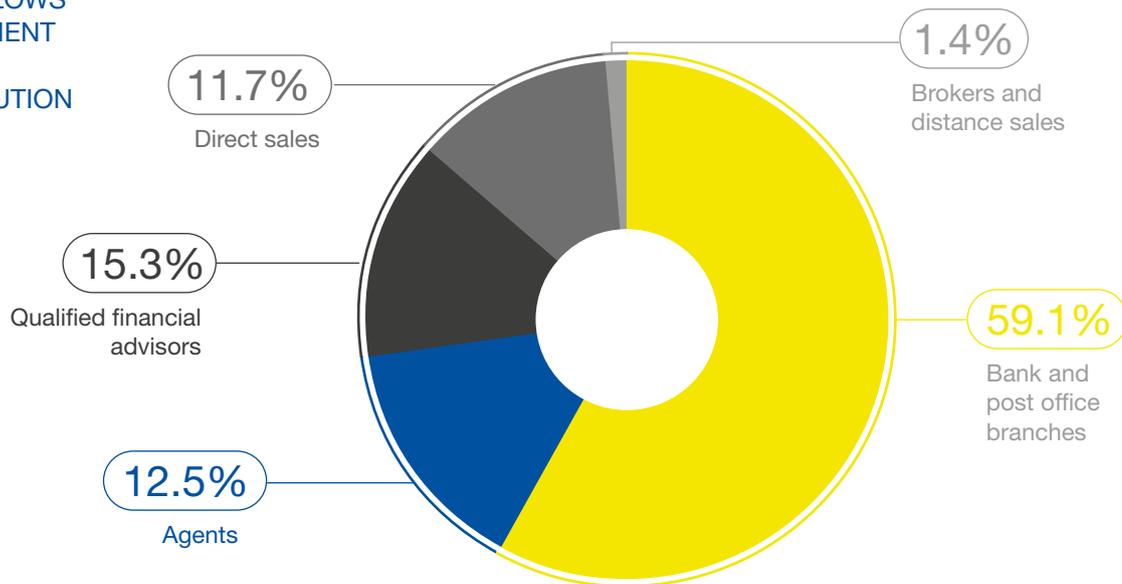
Premiums from Class I investment products amounted to €37.7 billion at the end of the period (+11.7% compared to the same period of the previous year), confirming their prevalence, with roughly a 70% share of the total at the end of June 2024. With regard to premiums written in Class III (in the exclusive unit-linked form) at the end of the first half of 2024, there was an increase of 31.7% compared to the figure for the same period in 2023, against total volumes of €14 billion. Although residual inflows from capitalisation products (amounting to €0.8 billion) marks an increase of 41.5% in the reference period compared to the figure recorded in the same period of the previous year. The new contributions relating to the management of pension funds recorded inflows of €1.7 billion, down 6.5% compared to the first half of 2023.

With regard to the distribution channel, 59.1% of inflows from investment products was obtained through banks and post offices at the end of June 2024, with premium revenue of €32.1 billion, a slight increase (9.6%) compared with the same period of 2023. With regard to the agency channel as a whole, gross inflows in the period under review reached €13.1 billion, up on the figure for the first half of 2023 (€11.4 billion) and accounting for 24.2% of total intermediated inflows.

Gross premium revenue through the authorised financial advisors channel amounted to €8.3 billion, up 48% compared with the amount placed in the same period of the previous year, accounting for 15.3% of total intermediated premiums.

Lastly, the broker and distance sales channel recorded an increase in the period of 38.4% compared to the same period of 2023, with a volume of premiums placed equal to €0.8 billion (equal to 1.4% of the total intermediated).

GROSS INFLOWS OF INVESTMENT PRODUCT BY DISTRIBUTION CHANNEL



Source: ANIA.

As regards the protection products market, the total premiums of the Italian direct portfolio, thus including the production carried out in our country by Italian companies and the representations of foreign ones, based on the latest official data available⁴², amounted to €25.1 billion at the end of June 2024, an increase of 9.1% compared to the same period in 2023, of which €9.7 billion related to the motor protection sector, €14.1 billion to the non-motor protection sector and the remainder (€1.3 billion) to premiums from Life protection products.

42. ANIA Report - Year IX - no. 38 - published on 11 September 2024.

DIRECT PROTECTION PORTFOLIO PREMIUMS BY CLASS* (figures updated to June 2024 in €m)

Premiums by segment**	Premiums YTD	% change 06 2024 vs 06 2023
Car damage protection	9,674	10.4%
Non-car damage protection	14,136	6.3%
Life protection***	1,285	35.3%
Total	25,095	9.1%

* Source: ANIA

** Premiums refer to Italian and non-EU undertakings and EU undertakings.

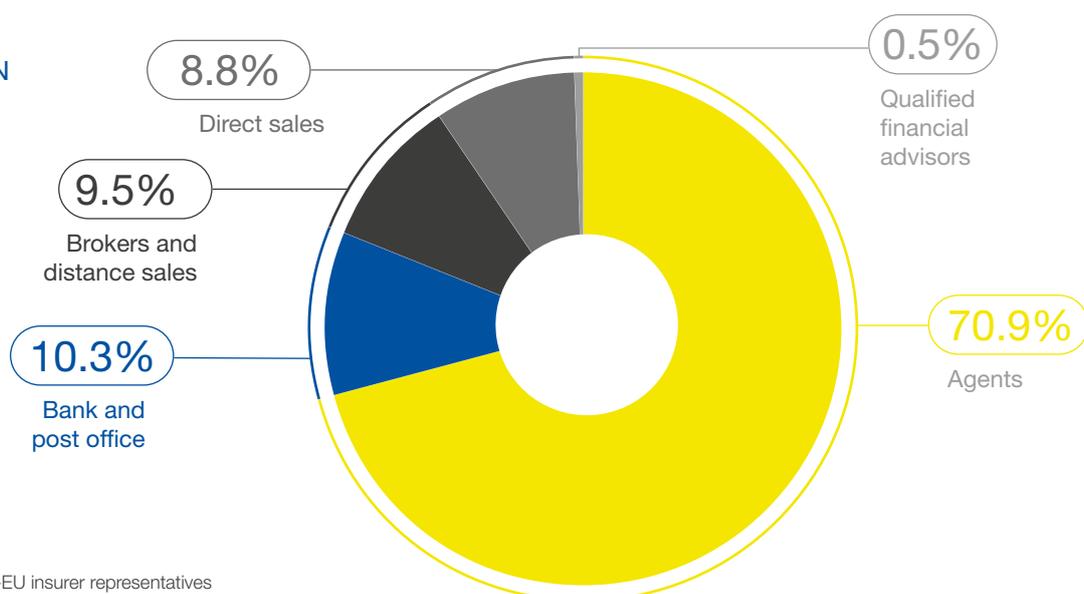
*** Policies combined with mortgages and consumer credit (CPI) are excluded.

The aforementioned growth of €2.1 billion is mainly attributable to the motor protection sector (+€0.9 billion), due mainly to the increase in premiums from the Motor Vehicle TPL segment (+€0.6 billion) and partly also the Land Vehicles Hull Insurance business, which recorded an increase in premiums of €0.3 billion, and the development of the non-motor protection sector (+€0.8 billion). With regard to the latter, the lines of business with the greatest weight in terms of premiums written, which showed a positive change during the period, were: accident insurance with premiums of €2,056 million, up 2%; health insurance with premiums of €2,410 million, up 12.1%; the general liability line of business, with premiums of €2,777 million, up 0.9%; the other property damage line of business, with premiums of €2,327 million, up 8.6%; and the fire and natural forces line of business, with premiums of €1,743 million, up 11.6% for the period.

Finally, with regard to Life protection, pure risk products⁴³ (e.g. TCM, LTC) showed significant growth compared to the first half of 2023, amounting to €0.3 billion (+35.3%).

As far as distribution channels are concerned, the agency channel remains the leader with a market share of 70.9% at the end of June 2024 (equal to the figure recorded at the end of the first half of 2023). The broker and distance sales channel represents the second largest premium distribution channel with a market share of 9.5% (13.3% at the end of the first half of 2023), while bank and post offices recorded a market share of 10.3% (9.8% at the end of June 2023). The remaining 9.3% refers to intermediated inflows through direct sales, which accounted for 8.8% in the first six months of 2024 (5.6% recorded at the end of June 2023), and secondly to intermediated inflows through authorised financial advisors, which accounted for 0.5% of total volumes at the end of June 2024 (0.4% in the same period in 2023).

DISTRIBUTION COLLECTION OF PROTECTION PRODUCTS BY DISTRIBUTION CHANNEL*



Source: ANIA.

* Italian insurers and non-EU insurer representatives operating as an establishment.

43. Policies combined with mortgages and consumer credit (CPI) are excluded.

Regulatory context

Below are the main regulatory initiatives that will be updated in the course of the first nine months of 2024. Please refer to the 2023 Annual Report for a complete discussion of the regulatory context of the Insurance Services Strategic Business Unit.

IVASS - Istituto per la Vigilanza sulle Assicurazioni (the insurance regulator)

The Life Insurance Guarantee Fund



The 2024 Budget law⁴⁴ has established the “Life insurance guarantee fund”, an associative body established between insurance companies and participating intermediaries with the aim of intervening to protect those who are entitled to benefit from the insurance benefits of those companies. Please refer to the 2023 Annual Report, in the chapter “Omnichannel approach and business segments” of the Report on Operations, for more details on the nature and functioning of the Fund. With regard to Poste Vita, the amount of the contribution at 30 September 2024, determined on the basis of the technical provisions at 31 December 2023, is estimated at around €43.5 million (€58 million over the entire 2024 financial year), while with reference to Net Insurance Life, the amount of the contribution is estimated for the same period at €29 thousand (€44 thousand over the entire 2024 financial year); Bancoposta’s Ring-Fenced Capital - RFC will contribute an estimated €12 million to the Fund at 30 September 2024 (€16 million over the entire 2024 financial year).

IVASS (the insurance regulator)

Consultation Document no. 7/2024 for amendments to Reg. ISVAP 7/2007



On 17 September 2024, IVASS published Consultation Document no. 7/2024 containing the Institute’s proposed amendments to ISVAP Regulation no. 7 of 13 July 2007, in order to improve the information transparency and comparability of insurance financial statements prepared in accordance with IAS/IFRS.

The Institution, in considering the need to include standardised quantitative information in order to facilitate greater comparability of data on liquidity risk and in compliance with IFRS 17 and IFRS 7, therefore considers it appropriate to include three additional tables in the Notes to the Financial Statements showing the following data:

- the distribution by time brackets of the cash flows fulfilling insurance contracts issued and outwards reinsurance that constitute liabilities;
- the amount payable on demand and the carrying amount of insurance contracts with surrender clauses;
- the time distribution by remaining contractual life of financial assets and liabilities.

The consultation was completed on 18 October 2024.

IVASS (the insurance regulator)

Measure 147 simplifying pre-contractual information



On 20 June 2024, IVASS published Measure 147 on amendments and additions to IVASS Regulations 40/2018 and 41/2018, aimed at simplifying and rationalising pre-contractual information, as well as on sustainable finance. The aim of the revised disclosure is to increase policyholder protection by simplifying pre-contractual documentation and eliminating information redundancies.

In particular, IVASS has provided for a Single Pre-contractual Model (MUP) for insurance products, to be delivered to customers and in which the information hitherto divided into separate documents is integrated (for insurance investment products, a specific IBIPs MUP is to be delivered). In addition, a revision of the contents of the Additional Pre-contractual Information Documents is planned. BancoPosta and Poste Vita have started the operational tables in order to comply with the new obligations within 12 months of the entry into force of the Measure (June 2025).

44. Law no. 213 of 30 December 2023. “State budget for the financial year 2024 and multi-year budget for the three-year period 2024-2026” published in Official Journal no. 303 of 30 December 2023.

MEF

Temporary suspension of capital losses for non-durable securities in 2024 financial statements

On 27 September 2024, the Ministry of the Economy and Finance (MEF) published the decree⁴⁵ on the temporary suspension, in relation to the financial year 2024, of valuation capital losses for securities intended to be held not durably in financial statements prepared in accordance with the provisions of the Italian Civil Code. With this Decree, the MEF, considering the continuing turbulent situation in the financial markets, deemed it appropriate for companies that do not adopt the international accounting standards⁴⁶ to extend to the entire 2024 financial year the option of valuing “non-durable” securities on the basis of their value reported in the last approved annual financial statements, instead of the realisable value inferable from market trends, except for durable losses.

In addition, it decided to make provision for adequate capital safeguards through the obligation to allocate to unavailable reserves all profits in the amount corresponding to the difference between the values recorded in application of the aforementioned provisions and the market values recorded at the closing date of the reference period, net of the relevant tax charge.

Other information

For the main pending proceedings and relations with the Authorities, please refer to the condensed consolidated interim financial statements at 30 September 2024 in the chapter “Proceedings pending and principal relations with the Authorities”.

45. Decree of the Ministry of the Economy and Finance pursuant to Article 45, paragraph 3-undecies of Decree Law no. 73 of 21 June 2022, converted, with amendments, by Law no. 122 of 4 August 2022.

46. For the Poste Italiane Group, the rule applies to insurance companies that are also required by law to present financial statements in accordance with national accounting standards.

Operating review

The following table shows the main activities of the Insurance Services Strategic Business Unit during the period.

SEGMENT



INVESTMENTS AND PENSIONS

OPERATING REVIEW



In the area of **Class I** investment products, **Poste Prospettiva Valore Gold II** was placed in February 2024, a life insurance investment product in mixed form, with a single premium and a duration of 10 years, which provides for the annual revaluation of the invested capital at a certain and predetermined rate for the first year of the contract (obtained on the basis of previously acquired assets - Specific Provision of Assets, and on the basis of the result achieved by the segregated account (Poste Vita Valore Solidità) over the following years. The product promotes environmental and/or social characteristics within the meaning of Article 8 of Regulation (EU) 2019/2088. In May 2024 and June 2024, new editions of the product were placed, **Poste Prospettiva Valore Gold III** and **Poste Prospettiva Valore Gold IV** respectively, with the same characteristics as the previous placement.

In May 2024, the new Class I **Poste Valore Solidità Più** policy was placed, a mixed-form life insurance policy with a single recurring premium whose benefits are linked to the performance of the Separately Managed Accounts⁴⁷ "Posta ValorePiù" and "Poste Vita Valore Solidità" in which the premium is invested, net of costs. The contract duration is 15 years.

Placement of the new multi-branch policy **Poste Progetto Obbligazionario Bonus** began in July 2024, a single-premium insurance investment product with a duration of 15 years that, for the first 6 years, envisages the investment of the premium in a unit-linked fund and, for the following 9 years or so, the annual revaluation of the invested capital based on the result achieved by the two Separately Managed Accounts (Posta ValorePiù and Poste Vita Valore Solidità), with the aim of maximising performance also through the payment of bonuses.

PROTECTION

During the first half of 2024, the marketing of the new **Poste protezione Affetti 360 New** term life insurance policy was launched, which expands the age requirements for subscription while introducing greater integration with the pure non-life product⁴⁸.

47. The revaluation of benefits is linked in equal parts to both Separately Managed Accounts: 50% of the amount paid in by the customer, net of costs, will be invested within the Separately Managed Account "Posta ValorePiù", the other 50% will be invested within the Separately Managed Account "Poste Vita Valore Solidità". The return will refer to the return realised, in quota, by each Account, giving rise to two simultaneous revaluations. The sum of these two capital amounts will represent the valuation of the client's capital and the amounts to be paid out, for all benefits under the contract.

48. Although it is a Poste Vita product, it can also be purchased in combination with the Poste Vivere Protetti product as these are covers that complement the non-life covers.

5.4 Postepay Services Strategic Business Unit

Market context

€215 bn

card transaction value in Italy in the first half of 2024: +6.3% y/y

The latest available data⁴⁹ on the Italian **payment cards**  market in the first half of 2024 show a total domestic transaction value of approximately €215 billion, up 6.3% compared to the same half of 2023 and confirming the continued expansion of digital payments in Italy. The number of transactions grew by 13% over the first half of 2023 to 5 billion, a sign of an increasingly consolidated daily use of cards, also thanks to more widespread use of digital payments by merchants (e-commerce and contactless payments). **Debit card** transactions grew by 15% compared to the first half of 2023, confirming their position as the most used by Italians, accounting for 61% of total transactions and a transaction value of €127 billion (+8% compared to the same period in 2023) and with an average transaction value of around €43, which is around €2.6 (-5.7%) lower than in the first half of 2023. The use of **credit cards** has increased slightly, especially for larger payments, with transactions and transaction value up by 7% and 3% respectively compared to the first half of 2023. **Prepaid cards** also recorded a positive performance (+12% of transactions and +6% of transaction value compared to the same period in 2023), thanks to the continued development of e-commerce and increased penetration at physical points.

At 30 June 2024, the number of **active cards** on the market stood at 102 million, an increase compared to December 2023 (+1.4%): the trend is supported by the performance of debit cards (+1.5% compared to December 2023) for a total of 68 million active cards. There was also a slight increase in the stock of prepaid cards to 34 million (+1.6% compared to December 2023) and credit cards to 13.6 million active cards (+0.4% compared to December 2023).

The **mobile telephone market**⁵⁰ is essentially stable in terms of the stock of Human-to-Human (H2H) SIMs⁵¹ compared to the end of 2023 (78.5 million⁵² of H2H SIMs) (+0.2%) at 78.6 million. In particular, the number of SIM cards of virtual operators (Mobile Virtual Network Operators - MVNOs) continues to grow (+4.6% compared to the end of 2023), while the stock of incumbent operators continues to decline (-0.7% compared to the end of 2023). Poste Mobile, which accounts for 33% of MVNOs, recorded slight growth (+1.1% of H2H SIMs compared to December 2023) with a market share of 5.5% in June 2024.

The **energy market** in the first nine months of 2024 was characterised by the full liberalisation as of 10 January 2024 for gas and as of 1 July 2024 for electricity. In this context, during the period, the energy market consolidated the gradual rebalancing path of the year 2023 after the effects of the geopolitical crisis triggered by the Russian-Ukrainian conflict and the tensions in the Middle East on the energy commodity markets (primarily gas, but also affecting the electricity market⁵³).

In particular, during the third quarter of 2024, the market was characterised by increased volatility on the gas and electricity wholesale markets, albeit within a less marked variation than the price fluctuations recorded during 2022 and 2023. In the gas sector, this volatility stemmed mainly from international geopolitical tensions, both on the Russian-Ukrainian front and in the Middle East with the ongoing Israeli-Palestinian conflict.

49. Calculations and estimates on Bank of Italy data - Payment System 23 May 2024 and 2023 Annual Report.

50. Estimated first half 2024 financial statement data of telephone operators.

51. H2H (Human-to-Human) SIMs are those in everyday use in smartphones that allow calls and data connections.

52. Source: AGCom Observatory on communications no. 3/2024, referred to June 2024.

53. In Italy and many other European countries, the marginal price of electricity is often defined by the generation costs of natural gas-fired thermal power plants.

However, the gas market, given the considerable growth in the trade of Liquefied Natural Gas (LNG) by ship, has increasingly taken on an international dimension, ensuring greater diversification while being influenced not only by the international geopolitical and economic environment, but also by any problems or maintenance of gas infrastructure in the various countries of the world.

Gas storage facilities in September 2024 are already almost full both in Italy and at European level, significantly strengthening the security of gas supply for the coming winter 2024/2025.

In the electricity sector, the effects of the volatility of gas compounded the effects of the above-average temperatures recorded in Italy in July and August 2024, in addition to the variability factors increasingly typical of this market, such as the level of productivity of renewable energies, influenced by the availability of sources (sunlight, wind, water cycle, etc.).

Regulatory context

Below are the main regulatory initiatives updated or newly issued in the third quarter of 2024. Please refer to the 2023 Annual Report and the Interim Report on Operations at 30 June 2024 for a complete discussion of the regulatory context of the Postepay Services Strategic Business Unit.

Electronic money

→ Please refer to the regulatory framework of the Financial Services SBU for more details. 

TLC Terminating voice calls

→ Within the framework of Delegated Regulation 2021/654 adopted by the European Commission of 18 December 2020, regarding a single maximum termination rate for calls to mobile and fixed networks in the European Union, the new rates are applicable as of 1 January 2024. In addition, on 28 February 2024, the AGCom, by means of Resolution no. 46/24/CONS, initiated proceedings aimed at identifying the markets for mobile voice call termination services.

For more details, please refer to section “4.5 Omnichannel approach and business segments” of the Interim Report on Operations at 30 June 2024.

TLC Customer assistance

→ On 8 August 2024, the AGCom published Resolution no. 255/24/CONS⁵⁴ regulating the customer care service in the telecommunications sector, in order to ensure maximum accessibility of the customer care service (both through the telephone channel, which remains mandatory, and in digital mode), the transparency and traceability of complaint handling procedures, and the quality of the customer care service. The obligations will come into force on 8 August 2025. PostePay has directed its activities to comply in the manner and within the time-frame prescribed by the regulations.

TLC Concessions for consumers with disabilities

→ On 7 August 2024, the AGCom published Resolution 281/24/CONS containing the provisions on measures reserved for consumers with disabilities for fixed and mobile electronic communication services. This resolution structurally extended the concessions provided for the deaf and blind also to people with severe walking limitations. In order to monitor the trend in the concessions, operators are required to notify the Authority, by 30 January of each year, of the number of concessions in place at 31 December of the previous year, broken down by type of service - fixed and mobile - and by category of disability.

54. This Resolution was approved at the end of the public consultation initiated by Resolution no. 436/22/CONS, in which PostePay also participated.

TLC

Copyright

→

With reference to the Provisions for the prevention and suppression of the unlawful dissemination of copyright-protected content through electronic communication networks⁵⁵, for details of which reference should be made to section “4.5 Omnichannel approach and business segments” of the Interim Report on Operations at 30 June 2024, PostePay has accredited itself on the dedicated “Piracy Shield” platform⁵⁶ and, through its access providers, fulfils its obligations under the law. The current contracts with Wholesale Operators entered into by PostePay as a Telco Operator have been extended until December 2024 and will be renegotiated in the course of next year.

TLC

AGCom - Operating charges

→

On 4 September 2024, the AGCom published Resolution no. 270/24/CONS “Measure and modalities of payment of the contribution to the operating costs for the exercise of the tasks arising from the designation of the Communications Guarantee Authority as coordinator of digital services - year 2024”. The total amount of charges that AGCom expects to incur in 2024 for carrying out these activities is estimated at €1.5 million. The contribution of intermediary service providers established in Italy is 0.135 per thousand of the revenue derived from the provision of such services.

PostePay, within the deadlines set by the regulations, declared the data instrumental to the determination of the contribution and paid the relevant fee, amounting to approximately €45 thousand.

ENERGY

Liberalisation of the gas retail market - PLACET offer

→

The first quarter of 2024 saw the completion of the liberalisation process of the natural gas retail market. Please refer to section “4.5 Omnichannel approach and business segments” of the Interim Report on Operations at 30 June 2024 for more details on the relevant regulatory developments.

With Resolution 309/2024/R/com of 23 July 2024, ARERA defined the terms and conditions for the renewal of the Free Price Offer Under Conditions Equivalent to Protection - PLACET as an exception⁵⁷ applied during 2024. The measure stipulates that the seller shall send a notice to the customer by 30 September 2024 informing him/her of the new conditions that will apply to him/her for the year 2025. These conditions are those for which the estimated annual expenditure for the customer is the cheapest between:

- the PLACET Offer as an exception, which leaves only the fixed marketing component (PFI component⁵⁸) free to the seller, with possible upward or downward adjustment of the same with respect to that defined for the year 2024;
- the ordinary PLACET Offer, which leaves both the fixed and the variable marketing component free to the seller.

PostePay carried out the activities required by the Measure to inform its customers of the new economic conditions applied.

55. AGCom Resolution no. 189/23/CONS of 26 July 2023, which came into force on 1 January 2024, transposing Law 93/2023.

56. The Piracy Shield platform, which has been in operation since 1 February 2024, enables the automated handling of alerts following a precautionary order issued by the Italian Communications Authority under Article 9-bis, paragraph 4-bis of the Regulation.

57. Offer introduced by ARERA to accompany non-vulnerable gas customers in the transition to the free market in 2024. The PLACET offer as an exception, with economic and contractual conditions defined by the Authority but with an annual fixed component (Pfix) defined by the seller, was applied in 2024 to non-vulnerable customers, households and apartment blocks, who had not yet signed a supply contract in the free market when the gas protection ended (Source: www.arera.it).

58. This is the fixed fee (PFI component), expressed in €/PDR/year and billed in monthly instalments.

ENERGY

Electricity retail market liberalisation

In parallel with the regulatory developments involving the removal of the Protection Service in the natural gas retail market, the liberalisation of the electricity retail market ended on 1 July 2024.

In implementation of Decree Law no. 181 of 9 December 2023 and the subsequent ARERA Resolution no. 600/2023/R/eel of 19 December 2023, the end of the Greater Protection Service for non-vulnerable domestic electric customers is set for July 2024. For these customers, ARERA has provided for a gradual path to give everyone the opportunity to choose the offer on the free market that best suits their needs, ensuring adequate information obligations on the part of sellers. In fact, it is envisaged that if non-vulnerable customers do not choose an operator on the free market by 1 July 2024, the supply of electricity, with a price structure defined by ARERA, will switch to the "Gradual Protection Service", which will be provided by sellers selected by the Single Buyer⁵⁹ through specific competitive procedures (which took place on 10 January 2024). Vulnerable domestic customers⁶⁰ however, will be able to continue to use the Greater Protection Service.

On 2 February 2024, Law no. 11 converting Decree Law no. 181 of 9 December 2023⁶¹, (Energy Decree) was approved. The Energy Decree envisages that the Greater Protection Service for vulnerable electricity customers will be replaced by the Electricity Vulnerability Service.

On 27 June 2024 ARERA, following Consultation 169/2024/R/eel⁶² of 8 May 2024, published Resolution 262/2024/R/eel, which provides for the updating of the DispBt component⁶³ and of the PCV fee⁶⁴ relating to the marketing of electricity of the Greater Protection Service for vulnerable domestic customers, effective from 1 July 2024.

PostePay adjusted by applying the value of 1.3183 €/POD/year of the DispBt Component as defined and periodically updated by ARERA.

59. A public company that was initially set up to supply electricity to customers served within the "Greater Protection Service" and that over the years has expanded its scope of activity, in particular by incorporating processes aimed at improving the functioning of the energy market (e.g. management of the Integrated Information System and the Offer Portal).

60. Vulnerable electricity customers are those who are in one of the following conditions: i) economically disadvantaged (social bonus recipients); ii) are disabled persons within the meaning of Article 3 of Law 104/92; iii) have a utility in an emergency housing structure following calamitous events; iv) are over 75 years of age; v) have a utility in the non-interconnected minor islands; and vi) use medical-therapeutic equipment necessary to maintain life powered by electricity.

61. "Urgent provisions for the energy security of the country, the promotion of the use of renewable sources of energy, support for energy-intensive businesses and regarding rebuilding in the areas affected by the exceptional flooding events that occurred from 1 May 2023".

62. Consultation Document 169/2024/R/eel: "Greater protection service for vulnerable domestic customers - guidelines for the revision of the methods for determining the retail pcv and rcv components".

63. DispBT (dispatching component) serves to compensate for the difference between the total amounts paid through the Commercialisation Component (PCV) and the commercial management costs recognised to sales companies in the protected regime (other than those of sales companies in the free market, taken into account by the PCV component). It is applied as a fixed amount (euro/year), to the customer's credit, and for utilities in dwellings of registered residence, also to the energy consumed (euro/kWh), with a lower price for consumption up to 1,800 kWh/year.

64. PCV (Prezzo Commercializzazione Vendita - Marketing-Sale Price) corresponds to the fixed costs incurred in carrying out the commercial management of customers; it is based on the average costs attributable to sales companies operating in the free market and is compensated through the DispBT component. It applies as a fixed amount (euro/year).

ENERGY

GME PUN Index and PLACET Offer



Where the Single National Price⁶⁵ (PUN) is exceeded (Article 19 of Decree Law 181/2023), the Ministry of the Environment and Energy Security (MASE), with the Decree of 18 April 2024 established the conditions and criteria for the application to end customers, as of 1 January 2025, of zonal prices defined on the basis of trends in the wholesale electricity market. The Gestore Mercati Energetici (GME) will calculate the reference price of electricity traded in the wholesale market as the average of the zonal prices weighted by the quantities purchased in respect of zonal withdrawal portfolios in each geographical market zone. ARERA will have to define a transitional equalisation mechanism for end customers to compensate for any differential between the zonal price and the reference price calculated by GME, applicable for the entire year 2025.

With Resolution no. 304/2024/R/eel published on 25 July 2024, confirming the provisions of Article 19 of Decree Law no. 181/2023, ARERA confirmed, as of 1 January 2025, the indexing to the GME PUN Index⁶⁶ of the price components covering the costs of purchasing electricity and the PLACET Offer. In order to ensure adequate transparency, the final values of the GME PUN Index will be published by ARERA on its website, a possible institutional information activity will be evaluated and, in the case of free market contracts indexed to the Single National Price (PUN) and in the process of being implemented on 1 January 2025, the seller will have to inform the customer of the automatic replacement of the index with the GME PUN Index in the first bill in which the new index will be applied. If, on the other hand, the seller decides to replace the PUN with a different index, it must provide a unilateral notification of change with three months' notice, in accordance with the ordinary rules.

PostePay is following developments in order to adapt in time in case of impacts on its processes.

ENERGY

ARERA - calamitous events



With reference to the details of the regulatory measures in favour of customers affected by the calamitous events, please refer to section "4.5 Omnichannel approach and business segments" of the Interim Report on Operations at 30 June 2024.

ENERGY

ETS2 authorisation



On 20 August 2024, the Ministry of the Environment and Energy Security (MASE) published Resolution no. 127/2024, which defines the modalities for issuing greenhouse gas emission permits to ETS2 entities⁶⁷ that start operations on or after 1 January 2025. The obligations are related to Directive 2003/87/EC, as implemented in Italy by Legislative Decree no. 47/2020 on CO₂ emissions, which states that:

- i. as from 1 January 2025, no "regulated entity" shall conduct business unless it is authorised by a competent authority;
- ii. starting in 2026, for each calendar year from 2025, emissions corresponding to the quantities of fuels released for consumption shall be monitored and reported to the competent authority.

PostePay, being an obligated party⁶⁸, submitted, by the deadline of 21 October 2024, the documentation to obtain further authorisation from the MASE in order to continue its activities.

ENERGY

ARERA consultations



With Consultation Document 200/2024/R/com ARERA outlined its guidelines on the updating and streamlining of the Code of Business Conduct, for the benefit of electricity and natural gas end customers. For a summary of the guidelines of the planned regulatory initiatives, please refer to section "4.5 Omnichannel approach and business segments" of the Interim Report on Operations at 30 June 2024.

65. The Single National Price is the wholesale price for the supply of electricity exchanged between producers and suppliers on the national market of the Italian Power Exchange.

66. The GME PUN Index is a weighted average of hourly zonal prices and will be used instead of the Single National Price.

67. ETS2 is the regulatory extension of the EU Emissions Trading Scheme: The new system, which is different and separate from the traditional ETS ("ETS1"), is aimed at monitoring and reducing greenhouse gas emissions in the road transport, building and small industry sectors not already covered by ETS1.

68. PostePay is an obligated party as it can be identified as: (i) "regulated entity", since it is liable for excise duty pursuant to Article 21, paragraph 6 of Legislative Decree no. 504/1995; (ii) active in one of the sectors covered by Chapter IV-bis of Directive 2003/87/EC (see annex 3, page 114).

Operating review

The following table shows the main activities of the Postepay Services Strategic Business Unit during the period.

SEGMENT	OPERATING REVIEW
<p style="text-align: center;">ENERGY</p>	<p>The energy offer is characterised by being 100% green for electricity (thanks to an offer with electricity coming only from Italian renewable sources certified by guarantees of origin from the Gestore Servizi Energetici) and 100% CO₂ offset for gas.</p> <p>During the first nine months of 2024, the commercial offer benefited from the end of the protected gas market first and then the electricity market, and, in continuity with the final months of 2023, focused on acquiring new customers. During the period, PostePay also optimised the new “Gas Vulnerability Protection Service” offer⁶⁹ and activated the supply of electricity to Poste Italiane Group companies, thus completing the internalisation of the supply of gas and power commodities.</p> <p>Please also refer to the section “Group’s omnichannel platform” for supply management functionalities via the Poste Italiane app.</p> 
<p style="text-align: center;">ELECTRONIC MONEY/ COLLECTIONS AND PAYMENTS</p>	<p>In the area of acquiring, in order to develop the Small Economic Operator (POE) target, Postepay adhered, for the physical POS product, to the POS Protocol by launching a promotion on micro-payment fees.</p> <p>During the period, we cooperated with the partner UNIPOLMove to extend the On Board Unit (OBU) pick-up service⁷⁰ on the PUNTOLIS network, entering into contracts with roughly 5,000 affiliated points authorised to provide the UNIPOLMove service.</p> <p>As of the end of January 2024, the delivery of Inclusion Cards, the prepaid payment cards for households benefiting from the Assegno di Inclusione (ADI)⁷¹ started at the Post Office network. In the first nine months of 2024, PostePay continued to support government initiatives aimed at supporting specific population groups with the production and management of the Carta Postepay Borsa di Studio, the Carta IoStudio Postepay and the Carta Dedicata a Te.</p> <p>As part of the improvement issuing programme⁷² during the period, the extension of debit and prepaid card operations to the night-time period was finalised through the implementation of down-option rules⁷³ to guarantee e-commerce transactions and ATM withdrawals during times when the systems are inoperative (e.g. overnight).</p>  

69. Natural gas supply service to which vulnerable customers are entitled made available from January 2024, pursuant to Decree Law no. 115 of 9 August 2022. The offer envisages the application of economic and contractual conditions regulated by ARERA (Regulatory Authority for Energy Networks and the Environment); no additional services or conditions are envisaged.

70. It is a device using toll collection technology for the automatic collection of the toll aimed at drastically reducing toll payment times; in fact it is no longer based on direct payment by the driver of the vehicle at the time of passage but on recognition of the vehicle passing through.

71. National measure to combat poverty, fragility and social exclusion of the weaker sections of the population through paths of social inclusion, as well as training, employment and active labour policy, established as of 1 January 2024 by Article 11 of Decree Law no. 48 of 4 May 2023, converted with amendments by Law no. 85 of 3 July 2023.

72. It is a customer experience programme that consists of listening to the customer, analysing the feedback received and developing periodic and continuous improvement actions.

73. The down option allows withdrawal or payment transactions even in the absence of a telematic connection.

SEGMENT



FIBRE

OPERATING REVIEW



During the first nine months of 2024, PostePay continued its multi-channel communication strategy (physical channel, web, e-mail, etc.) on the PosteCasa Ultrafast offer range and launched actions aimed at promoting its fibre connections in a number of small municipalities.

As of June 2024, in line with the targets communicated at the presentation of the new Strategic Plan “2024-2028 The Connecting Platform”, for fixed network offers PosteCasa Ultrafast and Ultrafast Start, the new Fibre To The Home (FTTH) speed profile is available which allows speeds of up to 2.5 Gigabits per second.



5.5 Omnichannel approach, innovation and digitalisation

The Poste Italiane omnichannel platform strategy

Poste Italiane has embarked on a transformation path towards a “Platform Company” and aims to connect citizens, companies and the Public Administration by distributing products and services with an omnichannel model that allows customers to be served through the channel they prefer.

In the first nine months of 2024, the Poste Italiane omnichannel interaction platform reached 24.8 million total daily interactions⁷⁴ (+9.7% compared to 22.6 million total daily interactions in the first nine months of 2023).

The model is supported by a profound technological transformation based on a strong push for cloud adoption, investment in artificial intelligence, the next-generation distributed data platform (data mesh⁷⁵), acquisition of specialised companies and insourcing of core competencies.

In 2023, the single Poste Italiane app infrastructure was created, in which all Poste Italiane services will converge, offering customers single access to services.

The Poste Italiane app represents the “tip of the iceberg” of the company’s technological transformation, enabling the integration of businesses and the transformation of Poste Italiane into a “Platform Company”.

The new single app will progressively integrate the Group’s apps⁷⁶, thus allowing customers to access all services of the platform in an integrated manner, while also being able to communicate remotely with the Company. The new app will adapt to the behaviour and needs of the individual customer thanks to a high degree of customisation of content and rules of engagement, including through the use of artificial intelligence.

24.8 mln

daily interactions
as part of the
omnichannel
approach

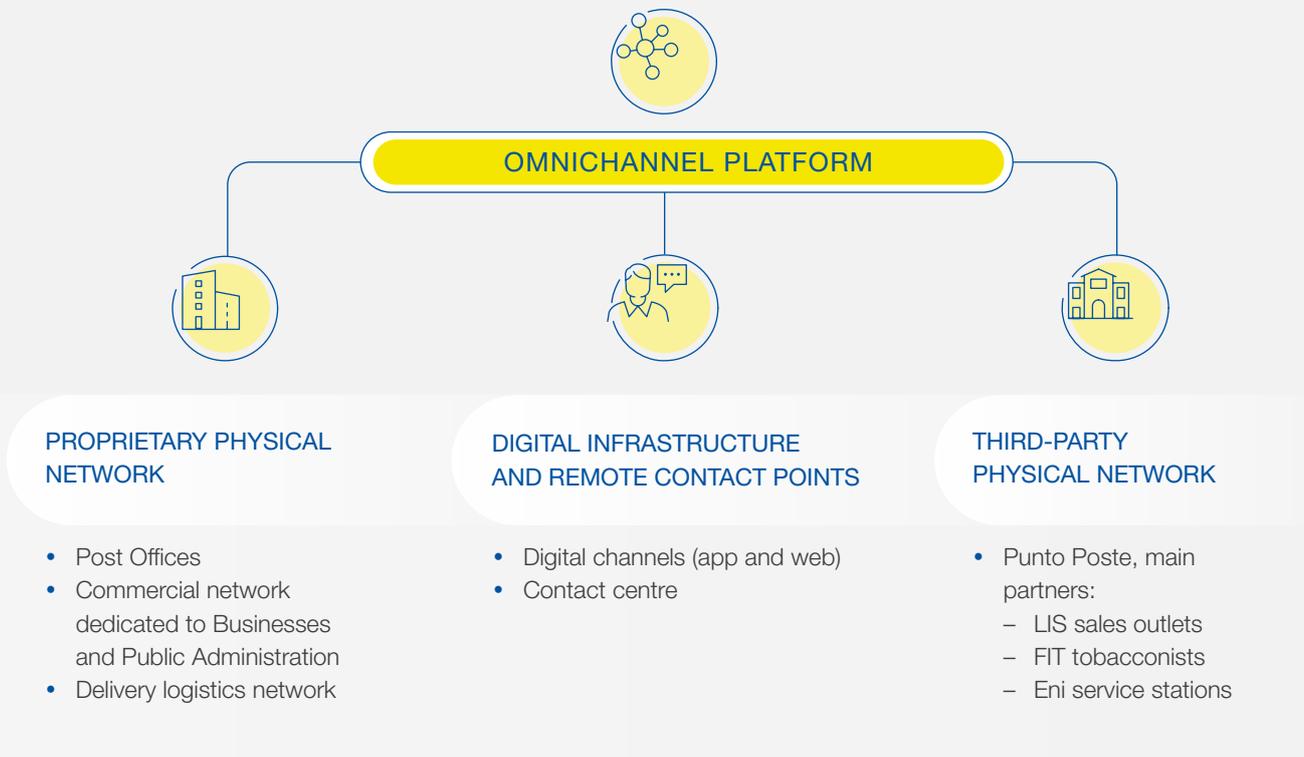
74. These are the daily contacts of customers with the Group’s omnichannel platform and include: visits to the Poste Italiane Group’s website and apps, calls to the contact centre, customers served in Post Offices, transactions carried out at ATM and third-party networks, transactions on physical POS and e-commerce.

75. The data mesh is a decentralised data architecture that organises data according to a specific business domain. In this type of architecture, data is conceived as a “product”, in fact reference is made to “data product”.

76. PT App (already integrated), BP App and PP App.

In order to enable the omnichannel experience, in recent years, Poste Italiane has invested in the development of digital and remote channels in collaboration with the physical channel, the Poste Italiane historical asset.

Below is a representation of the Group's omnichannel platform.



The Group's omnichannel platform provides for the monitoring of customers and the provision of services through **3 main types of channels**:

- the **proprietary physical network**: this consists of the Post Offices, the sales force for business customers and the logistics network for mail and parcel delivery;
- a **digital infrastructure and remote contact points**: made up of all the Group's *digital channels* (apps and web) and the contact centre, capable of serving the entire national population;
- the **third-party physical network**: made up of more than 51 thousand⁷⁷ points, the result of commercial partnership agreements for the marketing of Group products and services managed also through the acquisition of the company LIS.

77. Figures at 30 June 2024.

Digital infrastructure and remote contact points

The Group has implemented a programme of “digital transformation” of all its service and offer models in order to guarantee its customers contact experiences based on an omnichannel approach.

During the period, the Group continued to work on improving the digital channel experience (app and web) both in terms of simplicity of interactions and operations and in terms of strengthening the digital sales channel; it also paid special attention to the development of the new single app Poste Italiane.

The Group’s digital channels (app and web) are as follows:



Poste Italiane app (formerly Ufficio Postale app): during the course of 2023, a profound transformation and enrichment process was initiated that will see it become the only Poste Italiane app.

In the first nine months of 2024, the main functionalities used by Poste’s customers were completed.

With the new app, customers can purchase and manage cards, accounts, vouchers, pass-books and policies from a single access point. In particular, for the first time it is possible to manage life insurance policies on the app.

Also to support the integration with the physical channel, through the new app it is possible to book appointments at the Post Office through a simplified process, send mail and parcels and check the status of your shipments, pre-fill forms to speed up certain operations at the Post Office, and consult your notice board with receipts of operations carried out on both the physical and digital channels.

For further functionalities of the new Poste Italiane app, please refer to what is explained later in this document (“Strengthening of digital channels”).

The app will be progressively completed with all the functions relating to Poste Italiane services and will become for the customer and the user a single point of reference for all their needs. The new Poste Italiane app was elected Product of the Year 2024 in the category “App - Simple Experience”. In addition, it was among the winners of the MF Banking Innovation Award, in the category “Value Proposition for Private Customers” and of the Digital Xperience Awards, in the category “Best Mobile App Experience”.



Postepay app: app for purchasing and managing Postepay payment cards, telco products and offers Energy; mobile payments can also be made via the app;



BancoPosta app: app to purchase and manage the Group’s financial/insurance offer on the move: current accounts, postal savings and insurance policies;



Poste.it website; Poste.it is the Group’s consumer and business portal, where the range of services offered to customers is available. The portal also allows customers to consult and manage the products in their possession.

In addition, Poste Italiane also manages:



postelD app: Poste Italiane’s Digital Identity app (SPID - Sistema Pubblico d’Identità Digitale).

Key omnichannel KPIs

In the context of Poste Italiane's omnichannel and digital transformation, aimed at guaranteeing its customers contact experiences in an omnichannel logic, the main KPIs related to digital channels and the omnichannel platform in the first nine months of 2024 are shown below.

Key omnichannel KPIs	9M 2024	9M 2023	Changes	
Total daily interactions (m)	24.8	22.6	+2.2	+9.7%
Digital KPIs				
Digital interactions (e-commerce + digital channel app and web) per day (m)	10.1	8.8	+1.3	+14.2%
Incidence of digital interactions on total interactions*	48%	48%		
Daily digital operations (e-commerce + digital channel app and web) (m)	2.3	2.1	+0.3	+13.3%
Digital transactions as a percentage of total transactions*	28%	27%		
Active digital customers (m)	16.7	16.0	+0.7	+4.1%
App Users Stickiness**	24.4%	24.1%		
Poste Italiane digital e-wallets (m)	13.1	11.6	+1.5	+12.9%
Issued SPID digital identities (m)	28.4	27.0	+1.4	+5.3%

* Calculated on total volumes and not on daily averages.

** Calculated as the ratio between average daily and monthly visitors of all apps (Poste Italiane, BancoPosta, Postepay) in the reference period.

Total daily interactions: daily contacts of customers with the Group's omnichannel platform: visits to the Poste Italiane Group's website and apps, calls to the contact centre, customers served in Post Offices, transactions carried out at **ATM**  and third-party networks, transactions on physical **POS**  and e-commerce.

Active digital customers: customers who have logged in at least once on the app and/or web during the reference period.

Approx.
16.7 mln

Active digital
customers
(+4.1% y/y)

In the first nine months of 2024, the Poste Italiane Group achieved a total number of daily interactions of 24.8 million (22.6 million total daily interactions in the first nine months of 2023). The number of active digital customers also grew during the first nine months of the year, reaching 16.7 million, up 4.1% compared to the previous year. Daily transactions on digital channels also recorded double-digit growth (+13.3%), accounting for 28% of total daily transactions. Digital customers enabled to operate online through **e-wallets**  reached 13.1 million at 30 September 2024 and frequently use the Poste Italiane Group's apps, recording an App Users Stickiness of 24.4%.

28%
of transactions on
digital channels
in 2024

Moreover, Poste Italiane is confirmed as the first SPID Digital Identity Manager, with a market share of around 74% and a customer base of around 28.4 million Identities Digital public databases issued, of which 24 million active.

Strengthening of digital channels

In the first nine months of 2024, the Group continued the evolution of digital channels with a view to ensuring a seamless, omnichannel experience for its customers based on the following main drivers of evolution:

Focus on the roadmap of the new Poste Italiane app

Consistent with the strategy of simplifying the experience of accessing Poste Italiane's services, through the creation of a single app that integrates all services, a development roadmap has been defined that envisages, after the integration of the functionalities of the PT (Poste Italiane) app, the integration of all the functionalities currently distributed on the BancoPosta and PostePay apps.

In addition to what was already available during 2023 on cross-cutting functionalities, the following functionalities were integrated in the first nine months of 2024:

- the new "Postal Savings" section was introduced, where it is possible to view and manage Libretti Smart and Interest-bearing Postal Certificates (BFP) in self-care and in particular:
 - activate and manage Super Smart Offers;
 - view and manage the Libretti Ordinari (Ordinary Books);
 - view Postal Bonds settled on the Libretto Ordinario and Libretto Minori;
 - purchase the Libretto Smart and Libretto Minori online (online purchase already available with the BancoPosta app);
 - set spending goals and budgets with the digital piggy bank⁷⁸;
- the new "Insurance" section was introduced where, for the first time, it is also possible to view and manage Investment and Pension policies, in addition to Protection and Motor TPL policies;
- the possibility to view receipts of PagoPA Bills paid at the Post Office directly in the app's Notice Board was introduced;
- the possibility of purchasing the BancoPosta account online on the new app was introduced (online sales already provided with the BancoPosta app);
- the possibility of accessing and enabling the products in the user's possession on the Poste Italiane app from another Poste Italiane app was introduced (already installed and with access performed on the same device), by means of authentication in app2app mode through the use of a biometric factor or PostelD code;
- the possibility of purchasing the Postepay Evolution card online on the new app (online sales already provided with the Postepay app) was introduced;
- the "Bills and Payments" section was enhanced with the possibility of paying MAV slips⁷⁹;
- the possibility of changing energy supplier, making changes and managing Poste Energia supplies, was introduced;
- the Pwallet, a digital wallet where customers can find their payment cards and upload images of their identity and loyalty cards so that they can quickly retrieve them should they need them, was introduced;
- the rules for sending push notifications were revised by only sending on one app, possibly giving priority to the Poste Italiane app.

Other digital retail channel enhancements interventions

- The new "PosteCertifica" PEC offer was made available, conceived with a Registered Electronic Mail (REM⁸⁰) perspective and with renewed features aligned to those of the market's top players; the purchase funnel and webmail interface were completely redesigned and optimised to offer continuous improvement of the customer experience;
- the online Personal Loans simulator has been supplemented with a feature that allows customers to simulate a loan by indicating their sustainable instalment;
- on the Guided Advice Platform, the necessary development work was completed to consider and assess customer preferences on ESG issues and offer products in line with the preferences expressed;
- in order to improve the customer experience for holders of Postepay prepaid and debit cards, digital functionalities were made available with regard to their activation, online uploading of the report related to cases of replacement due to theft/loss;

78. A service that makes it possible to accumulate small sums of money in order to reach savings goals, choosing the category, the date by which to reach them and the sum to be saved up, also thanks to automatic deposits such as rounding off amounts spent with the Postepay Evolution card and/or Postepay debit card.

79. The MAV (Payment By Notice) slip is a pre-printed slip associated with an identification code. It is generally used to pay public bodies and large organisations.

80. REM - Registered Electronic Mail - is the new European standard that will replace the one used in Italy. With the EMN, an IT protocol is established that fulfils the requirements of European Regulation 910/2014 eIDAS (electronic IDentification Authentication and Signature) regarding electronic identification and trust services.

- as of 20 June 2024, the free PostePlus service is available on the Poste Italiane website and app, complementing the Ritiro Digitale service, which allows recipients to manage and personalise their consignments and digitally collect their mail (registered mail and court documents), improving efficiency and the user experience;
- the telephone appointment booking service⁸¹ at the Post Office was activated, using Artificial Intelligence (voicebot), for the collection of an unreturned item;
- as of 7 August 2024, the new “Shipment Search” is available, allowing customers to search more easily for shipments of interest. In particular, the descriptions of the processing status of shipments were simplified, the display of the parcel route was optimised to give immediate visual feedback to the customer on the status of the shipment, and the possibility of directly booking an appointment at the post office for shipments available for collection was integrated.

Strengthening digital business channels

- A dashboard for subscribing to and managing the lifecycle of SEPA direct debit payments (SDD direct debits) has been introduced in the digital business ecosystem, for customers with a BancoPosta Business Link account or Postepay Evolution Business prepaid card; in addition, from the second quarter of 2024, these customers will be able to make instant credit transfers both from the web channel and via the PosteBusiness app;
- on digital channels, for customers holding a Postepay Evolution Business debit or prepaid card, the possibility of making automatic online top-ups⁸² of Postepay prepaid cards was extended.

81. Customers can contact the dedicated number on the inactivity notice and schedule a visit to the post office for collection in one of the two useful slots offered by the voicebot.

82. Automatic reloading of Postepay prepaid cards is the service that allows you to make automatic “time-based” (e.g. weekly, fortnightly or monthly) or “threshold” top-ups, performed whenever the available balance on the card to be reloaded falls below an amount defined by you.

P O L I S DAI PICCOLI CENTRI SI FA GRANDE L'ITALIA

POLIS PROJECT - HOME OF DIGITAL SERVICES

Within the framework of the "National Plan for Complementary Investments" (Decree Law no. 59 of 6 May 2021, converted, with amendments, into Law no. 101 of 1 July 2021) of the National Recovery and Resilience Plan (PNRR), with the aim of promoting the economic, social and territorial cohesion of the country and overcoming the digital divide in small towns and inland areas, the Polis Project - Home of Digital Services was approved.



The two lines of intervention



SPORTELLO UNICO (ONE-STOP SHOP): makes provision for the digital renovation and upgrading by 2026 of **6,933 Post Offices** to enable Italians resident in municipalities with **fewer than 15,000 inhabitants**, equipped with at least one Post Office, to easily use the services of the Public Administration. The Post Office will be transformed into a hub for physical and digital services, through the introduction of new technologies and tools to enable complete, fast, easy and digital use of services 24 hours a day.



SPACES FOR ITALY: envisages the creation of a national network of **coworking** and training spaces with a widespread presence in Italy. Workstations, meeting spaces, shared services, event and training areas will be open to private individuals, companies and public administration, universities and research centres. ricerca.

Initiatives planned until 2026

€1.2 bn Financial investment plan	€0.8 bn Public Funds in the National Plan Complementary to the National Recovery and Resilience Plan	6,933 Post offices involved with < 15,000 inhabitants	250 Coworking spaces	5,000 Charging columns
1,000 Photovoltaic plants	4,000 Digital showcases	7,000 Evolved ATMs	4,000 Self-service totems	1,000 Equipped outdoor spaces

Some PA services provided at the One-stop shop at 30 September 2024

Identity Documents

- Passport

Personal Data Certificates

- Birth
- Citizenship
- Residence
- Civil Status
- Family status

Court Certificates

- Acts of voluntary jurisdiction

Social Security Certificates

- Model OBIS/M
- Pension Coupon
- Single Certification

Initiatives at 30 September 2024

- **One-stop Shop:** in the first nine months of 2024, real estate and technology upgrades were started in Post Offices at 1,289 sites (a total of **3,055** works started since the beginning of the project) and works in 1,373 Post Offices were completed (a total of **2,318** works completed since the beginning of the project until the end of September 2024).
- **Spaces for Italy:** during the first nine months of 2024 renovation work continued on the buildings owned by the Company and at 30 September 2024 a total of **80** building works on the project sites had been commenced and **47** had been completed.

Sustainable development goals

With the Polis Project, Poste Italiane intends to play a leading role in the country's recovery for the benefit of citizens and their participation in public life by adopting a responsible approach in order to reduce its environmental footprint and contribute to the low-carbon transition of the economy and the entire country. The initiative is consistent with Poste Italiane's broader strategy of sustainable, digital and inclusive development.

The Polis Project generates significant impacts throughout the territory, also with a view to achieving the Sustainable Development Goals (SDGs).

For more information on the project, please refer to the website under **Polis project**.



5.6 Risk management

The Poste Italiane **Internal Control and Risk Management System** (SCIGR) is a combination of tools, procedures, rules and organisational structures, designed to ensure that the business is managed in a way that is sound, fair and consistent with the corporate objectives, and to pursue sustainable success, through an adequate definitions of players, duties and responsibilities of the various Corporate Bodies and control functions as well as through the identification, measurement, management and monitoring of the main risks, and through the structuring of adequate reporting lines a timely flow of information.

This System is a fundamental element of the Poste Italiane corporate governance system, as it enables the Board of Directors to guide the Company in its pursuit of long-term value creation, defining the nature and level of risk compatible with its strategic objectives, and including in its assessments all elements that may be relevant to sustainable success.

Poste Italiane has adopted a Risk Management model based on the Enterprise Risk Management (ERM) framework, with the aim of providing an organic, integrated vision and an effective, standardised response to the risks to which the Group is exposed. The Group Risk and Compliance function ("RCG") is responsible for ensuring that these objectives are met. This is primarily done through the definition of an integrated risk management process that relies on the coordinated involvement of all the actors in the Internal Control and Risk Management System, above all the specialist forms of second-level control, the use of standardised models and metrics based on Group-wide criteria, and the design and implementation of shared tools for assessing and managing risk. In this latter regard, the Group implemented an integrated Governance, Risk and Compliance (GRC) platform in 2018 to support the integrated risk management process. The IT tool allows the analysis and management of strategic, operational and reputational risks, in accordance with Legislative Decree no. 231/01, pursuant to Law 262/05, anti-corruption, privacy, fraud, IT security, physical security, tax and ESG, as well as compliance with regulations applicable to financial, insurance and payment services. The platform is continuously being extended and has been further expanded in recent months through the introduction of some functionalities pertaining to existing modules (e.g. Fiscal Risk Management, 262, Integrated Compliance) as well as the creation of application dynamics for the assessment of impacts in the event of non-availability of processes/products/services (BIA) and corresponding definition/execution of business continuity procedures. Further work was also carried out to strengthen and extend the application integration aspects between the specific GRC system with other systems in the company and with external providers (e.g. ABICS for the automatic acquisition of regulatory alerts). In this way, the tool that enables the Group to maximise integration of the risk management process is created and continuously improved, ensuring that risk assessment methods are shared across all the specialist second-level control functions. At the same time, it has improved communication with senior management and corporate bodies and between the various control functions, minimising the risk of inadequate or redundant information.

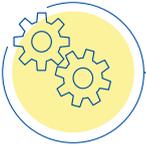
For more information on the objectives of the platform, please refer to the 2023 Annual Report in Chapter 6 "Risks and Opportunities".

The **principal risks** to which the Poste Italiane Group is exposed are described below.



STRATEGIC

Risks that may affect the achievement of the objectives set in the Strategic Plan.



OPERATIONAL

Operational risks refer to the risk of losses resulting from inadequate or failed internal processes, people and systems at Group level, or from external events.



COMPLIANCE

This refers to risks of breaches of laws and regulations, such as the risks connected with Legislative Decree no. 231/01, Law 262/05, Data Protection and Market Abuse regulations or the introduction of new legislation or regulations (or new interpretations legislation and regulations) of either general importance (e.g. regarding administrative, accounting, tax matters, etc.) or specific to the sectors in which the Poste Italiane Group operates.



REPUTATIONAL

Risks that may arise from a negative perception by the Group's stakeholders. Elements of reputational risk include the performance of the market mainly attributable to the placement of postal savings products and investment instruments issued by third parties or by Group companies, as well as the quality of service perceived and provided on services related to the mail and parcel delivery business.



ESG

Risks arising from factors related to environmental, social and governance issues (in particular, linked to human rights, climate change and sustainable finance).



FINANCIAL AND INSURANCE

Risks regulated and supervised by the Authorities (Bank of Italy and IVASS) mainly related to the operations of the Bancoposta and EMI PostePay RFC, asset financing and lending operations as well as investments made by the Poste Vita insurance group (financial risks). This category includes spread risk, price risk, credit risk, liquidity risk, fair value interest rate risk, cash flow interest rate risk, cash flow inflation risk and currency risk.

The risks of insurance management relate to the conclusion of insurance contracts and relative conditions envisaged. In technical terms, mortality is one of the main risk factors for Poste Vita, i.e. any risk associated with the uncertainty of a policyholder's life expectancy, alongside the risk associated with redemptions.

For a complete discussion on the description and control of financial and other risks, please refer to the chapter "Risks and Opportunities" in the 2023 Annual Report - Section Report on operations and the chapter "Risk Analysis and Control" in the 2023 Annual Report - Section I Financial Statements of Poste Italiane.

6. Creation of value

IN THIS CHAPTER:



- Group operating results
 - Mail, Parcels and Distribution Strategic Business Unit
 - Financial Services Strategic Business Unit
 - Insurance Services Strategic Business Unit
 - Postepay Services Strategic Business Unit
- Group financial position and cash flow

6.1 Group operating results

9M 2024

Revenue
€9.2 bn (+4.8% y/y)

Adjusted EBIT*
€2.3 bn (+8.2% y/y)

Net profit
€1.6 bn (+4.8% y/y)

* does not include the provision for the Life Insurance Guarantee Fund (€56 million).

Group revenue for the first nine months of the year increased by 4.8% compared to the first nine months of 2023. The operating result for the period, without taking into account the provision for the Life Insurance Guarantee Fund for the nine months of 2024 (adjusted EBIT), shows a growth of 8.2% compared to the same period in 2023.

In order to provide an interpretation of the new energy business, more consistent with the view used by management, as the Group is not an energy producer, a net revenue presentation was adopted in 2023. Consequently, some values shown below (including the respective comparative values), reflect a management reclassification with respect to the accounting data: specifically, revenue is shown net of costs related to the purchase of raw materials, system charges and the transport of electricity and gas. Please refer to the reclassified income statement tables in the chapter "Appendix" section of this Interim Report on Operations for the reconciliation of the management values with the accounting values.

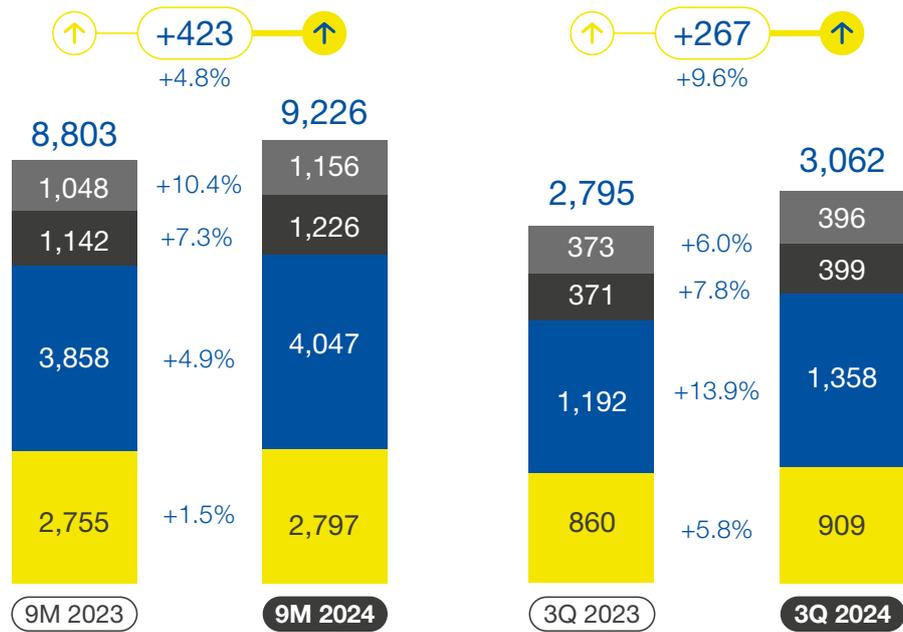
(€m)	9M 2024	9M 2023	Changes		3Q 2024	3Q 2023	Changes	
Revenue*	9,226	8,803	+423	+4.8%	3,062	2,795	+267	+9.6%
Total costs*	7,005	6,698	+307	+4.6%	2,292	2,256	+36	+1.6%
EBIT	2,221	2,105	+116	+5.5%	770	539	+231	+43.0%
Adjusted EBIT**	2,277	2,105	+172	+8.2%	789	539	+250	+46.4%
EBIT Margin %	24.1%	23.9%			25.1%	19.3%		
NET PROFIT	1,595	1,522	+73	+4.8%	569	382	+187	+48.9%
Net earnings per share	1.22	1.17	+0.05	+4.5%	0.44	0.29	+0.14	+49.7%
CAPEX	468	392	+77	+19.5%	200	143	+57	+39.9%
% of revenue	5.1%	4.5%			6.5%	5.1%		

* The items include the management reclassification of the costs of the energy business.

** For the reconciliation between EBIT and adjusted EBIT, please refer to the reconciliation table in the section Alternative Performance Indicators in Chapter 9 "Appendix".

REVENUE⁸³
(€m)

- Postepay Services
- Insurance Services
- Financial Services
- Mail, Parcels and Distribution



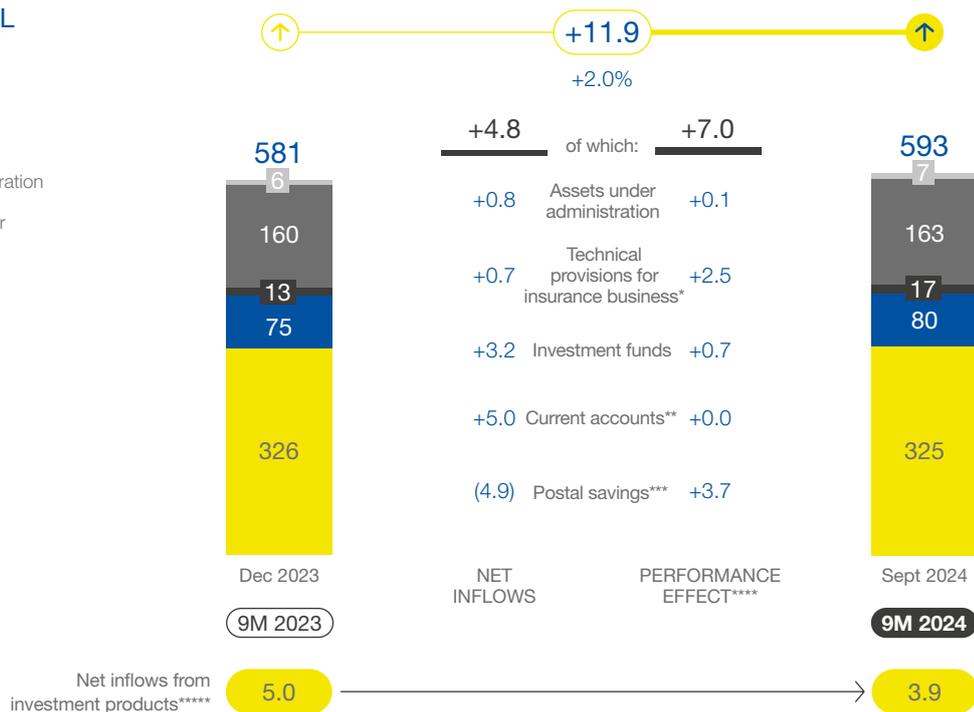
Group revenue in the first nine months of 2024 amounted to €9,226 million, an increase of €423 million compared to the first nine months of 2023 (+4.8%) thanks to the positive contribution of all Strategic Business Units: Financial Services (+€189 million or +4.9%), Postepay Services (+€109 million or +10.4%), Insurance Services (+€84 million or +7.3%) and Mail, Parcels and Distribution (€42 million or +1.5%).

Group revenue in the third quarter of 2024 amounted to €3,062 million, marking an increase of €267 million compared to the third quarter of 2023 (+9.6%) with the positive contribution of the Financial Services (+€166 million or +13.9%), Mail, Parcels and Distribution (€50 million or +5.8%), Insurance Services (+€29 million or +7.8%) and Postepay Services (+€23 million or +6%) Strategic Business Units.

83. The Group's accounting external revenue amounted to €9,448 million in the first nine months of 2024 (€3,137 in the third quarter of 2024), €8,878 in the first nine months of 2023 (€2,827 in the third quarter of 2023). The accounting revenue from third parties of the Postepay Services SBU amounted to €1,378 million in the first nine months of 2024 (€470 million in the third quarter of 2024), €1,122 million in the first nine months of 2023 (€405 million in the third quarter of 2023).

TOTAL FINANCIAL ASSETS (€bn)

- Assets under administration
- Technical provisions for insurance business*
- Investment funds
- Current accounts**
- Postal savings***



* Insurance reserves of Poste Vita calculated in accordance with Poste Vita SpA's local financial reporting principles. * Values do not include the protection line of the Life business. For more details, please refer to the alternative performance indicator "Total financial assets" in section 9.2.
 ** Current accounts do not include REPO and Poste Italiane's liquidity.
 *** Includes capitalisation of interest.
 **** Mainly includes the impact of macroeconomic variables (spreads, rates, etc.) on the stocks of the insurance, managed funds and assets under administration segments, as well as the capitalisation of interest for the period on the stocks of postal interest-bearing certificates/postal savings books
 ***** Includes net inflows on: Investment Funds, Moneyfarm, Life and Retirement Savings.

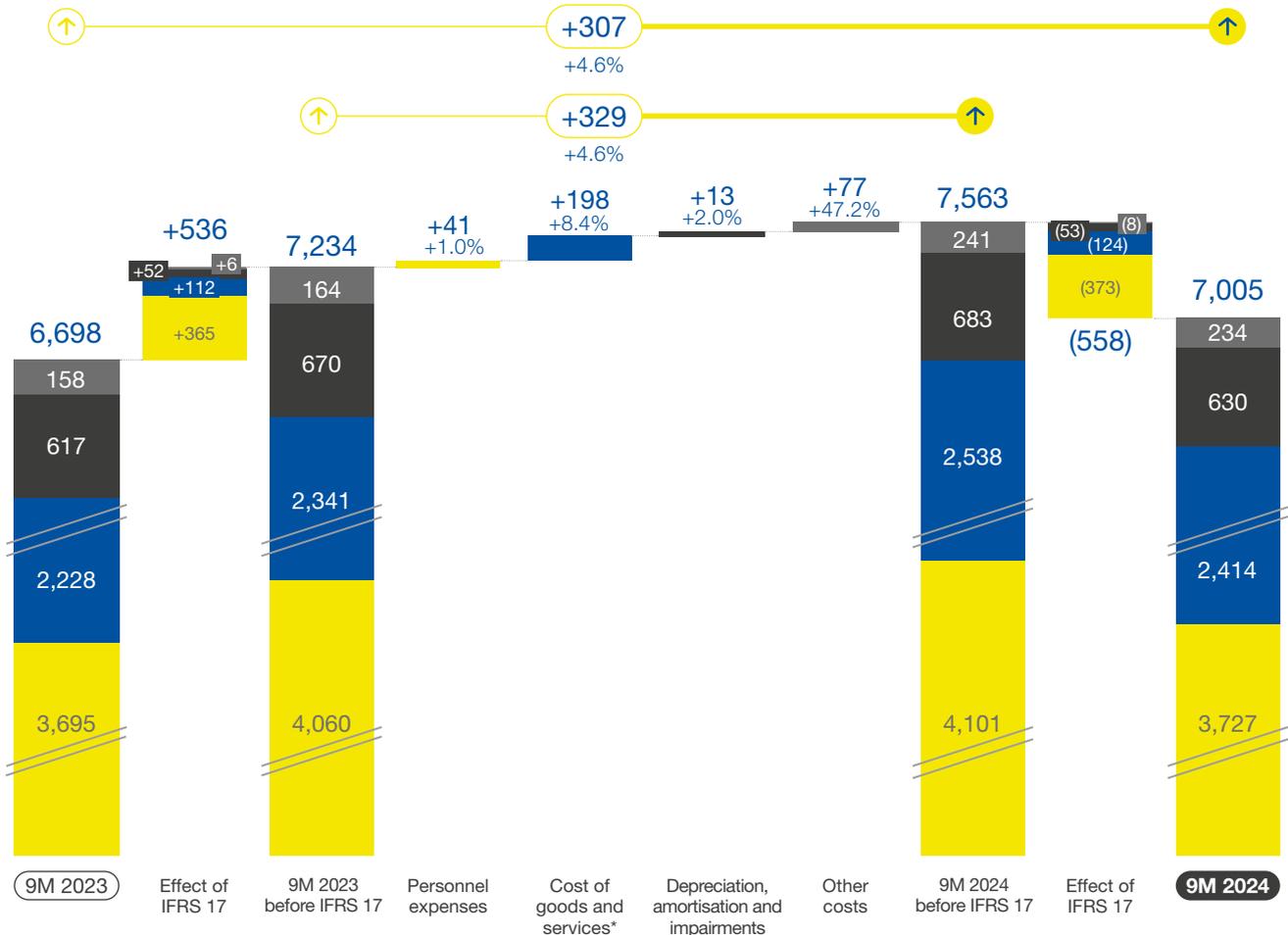
€593 bn
Total Financial Assets

At 30 September 2024, **total financial assets** amounted to €593 billion and showed growth of 2% (+€11.9 billion) compared to €581 billion at 31 December 2023. This change is attributable to positive net inflows on Current Accounts (+€5 billion), Investment Funds (+€3.2 billion), assets under administration (+€0.8 billion) and on Insurance Reserves (+€0.7 billion), partially offset by negative net inflows on Postal Savings (roughly -€4.9 billion). An overall performance effect of €7 billion was also recorded, mainly due to the positive performance of Postal Savings (+€3.7 billion) and Insurance Reserves (+€2.5 billion).

TOTAL COSTS (€m)

- Other costs
- Depreciation, amortisation and impairments
- Cost of goods and services*
- Personnel expenses

Following the entry into force of the new IFRS 17 standard, the costs incurred by the Group and directly attributable to insurance policies, from the time of their placement and until their settlement, are considered within insurance liabilities and released periodically in the statement of profit or loss (among insurance net revenue). For the purpose of understanding the trends presented below, the total value of costs incurred by the Group is shown, also considering those attributable to insurance contracts.



* This item takes into account the management reclassification of costs related to the purchase of raw materials, system charges and the transportation of electricity and gas, which are classified as a direct reduction of energy segment revenue. Please refer to Chapter 9 "Appendix" for a reconciliation with the respective accounting data.

In accordance with the accounting standard IFRS 17, total costs stood at €7,005 million, an increase compared to the €6,698 million in the first nine months of 2023 (+€307 million), mainly due to the increase in the items cost of goods and services, other costs and personnel expenses.

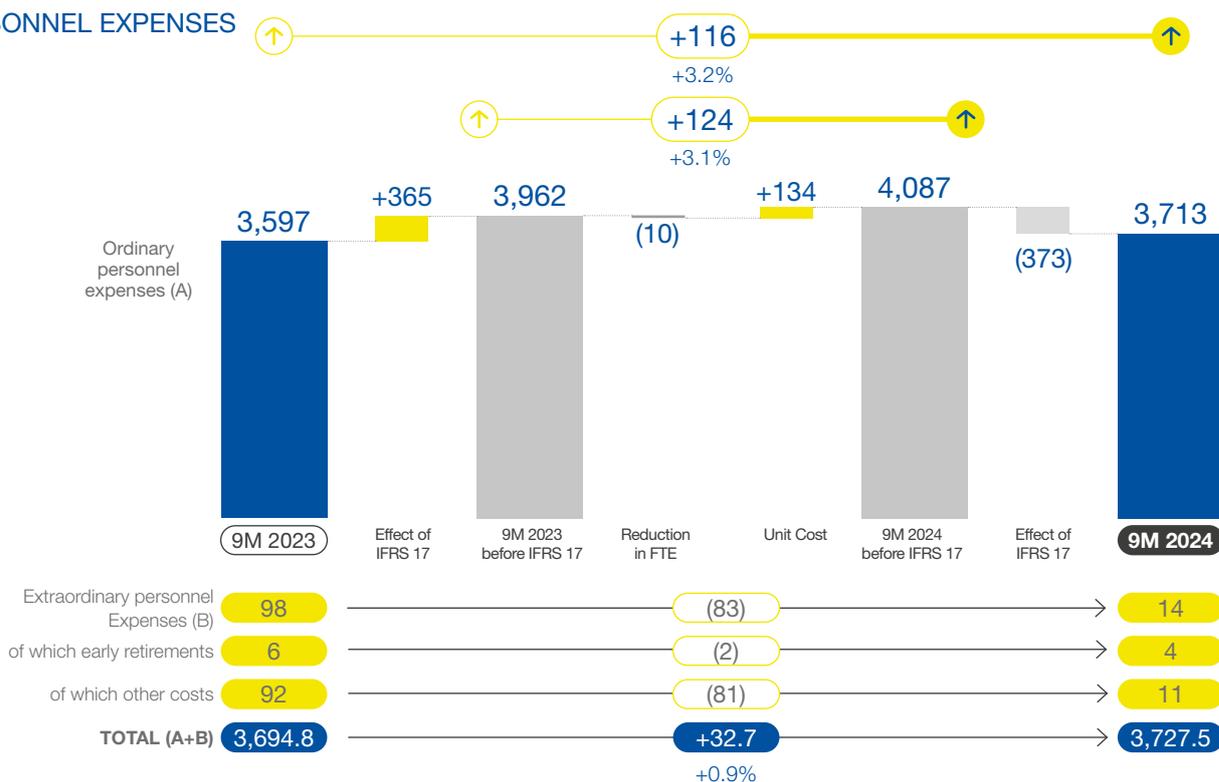
Personnel expenses amounted to €3,727.5 million, marking an increase of €32.7 million compared to the first nine months of 2023 (€3,694.8 million) and, net of the effect generated by the application of IFRS 17, increased by €41 million (+1%) from €4,060 million in the first nine months of 2023 to €4,101 million in the first nine months of 2024.

The cost of goods and services recorded an increase of €186 million, going from €2,228 million in the first nine months of 2023 to €2,414 million in the same period of 2024. Net of the effects of the application of the new standard, the cost of goods and services recorded an increase of €198 million (+8.4%), going from €2,341 million in the first nine months of 2023 to €2,538 million in the same period in 2024.

Costs for depreciation, amortisation and impairments rose by €12 million from €617 million in the first nine months of 2023 to €630 million in the same period of 2024. Net of the effects of the application of the new standard, costs for depreciation, amortisation and impairments increased by €13 million (+2%) compared to the first nine months of 2023.

Other expenses increased by €76 million from €158 million in the first nine months of 2023 to €234 million in the same period of 2024, mainly due to the provision in the first nine months of 2024 to the Life Insurance Guarantee Fund (€56 million). Net of the effects of the application of the new standard, other expenses increased by €77 million (+47.2%) compared to the first nine months of 2023.

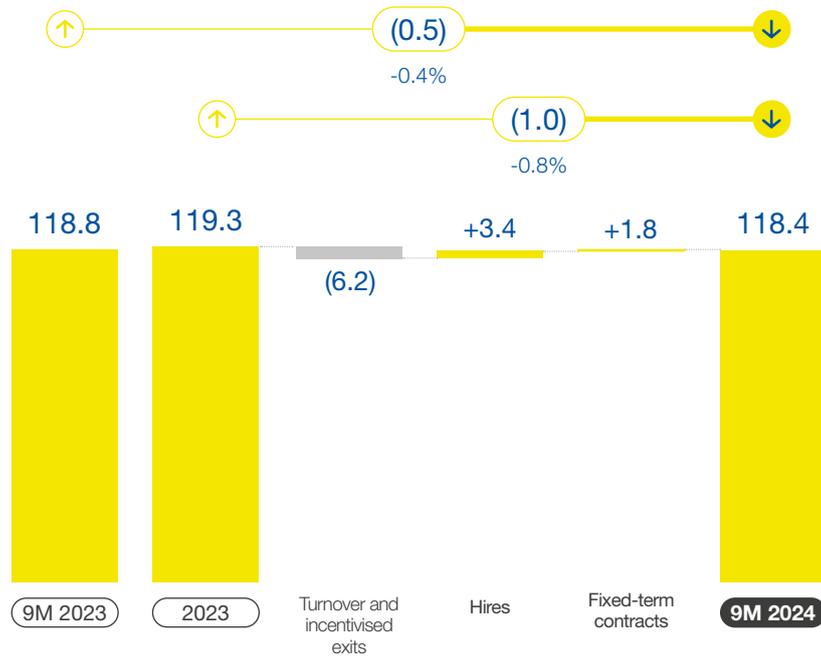
PERSONNEL EXPENSES (€m)



Ordinary personnel expenses, net of the effect generated by the application of IFRS 17, increased by €124 million (+3.1%) from €3,962 million in the first nine months of 2023 to €4,087 million in the first nine months of 2024. This change is related to the rise in the unit cost (+€134 million), attributable to the increase in the minimum contractual minimums triggered in July 2023 (provided for by the national collective labour agreement signed on 23 June 2021), to the accrued portion of the one-off payment made in September 2024 (provided for by the new national collective labour agreement signed on 23 July 2024) and to the variable performance-related component, mitigated by the reduction in the workforce (-€10 million with respect to approximately -0.5 thousand average FTEs). Extraordinary personnel expenses decreased by €83 million compared to the first nine months of 2023, attributable to the extraordinary performance bonus paid in November 2023 (under the agreement signed on 1 August 2023). Total personnel expenses rose by €32.7 million (+0.9%) compared to the first nine months of 2023.

NUMBER OF RESOURCES
(average Full Time Equivalent in thousands)

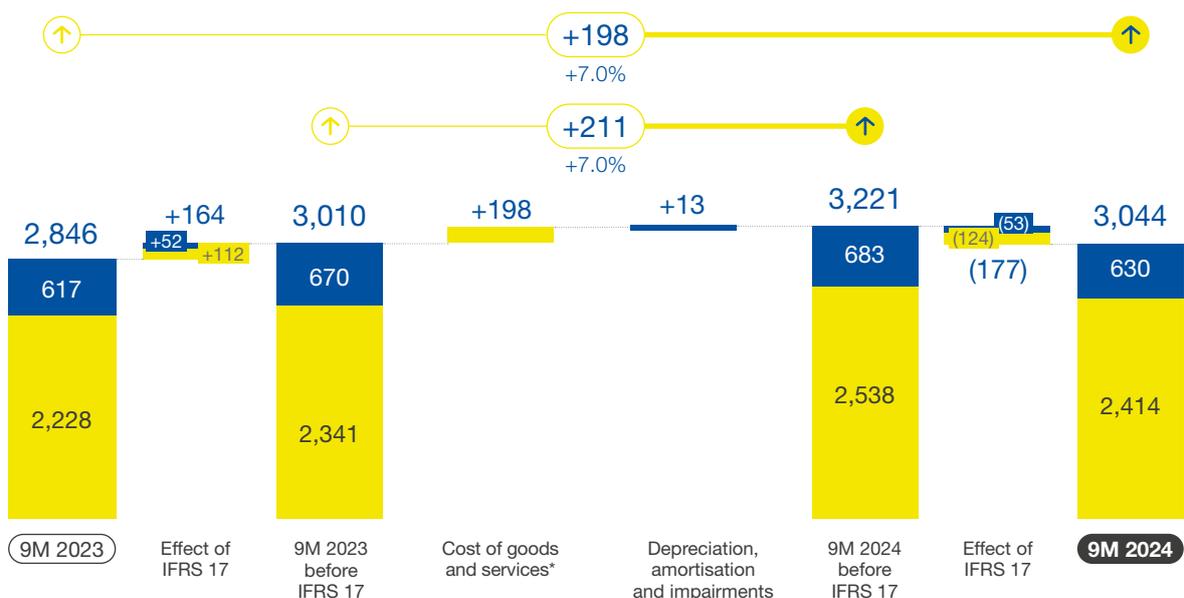
The number of staff who left the Group in the first nine months of 2024, including incentivised redundancies, is 6.2 thousand (average FTE) on permanent contracts, against new hires of 5.2 thousand (average FTE), of which 3.4 thousand (average FTE) on permanent contracts.



COST OF GOODS AND SERVICES AND DEPRECIATION AND AMORTISATION
(€m)

The following table shows the development of the cost of goods and services and depreciation and amortisation compared to the first nine months of 2023, showing the effects of the application of IFRS 17.

- Depreciation, amortisation and impairments
- Cost of goods and services*



* This item takes into account the management reclassification of costs related to the purchase of raw materials and the transportation of electricity and gas, which are classified as a direct reduction of energy segment revenue. Please refer to Chapter 9 "Appendix" for a reconciliation with the respective accounting data.

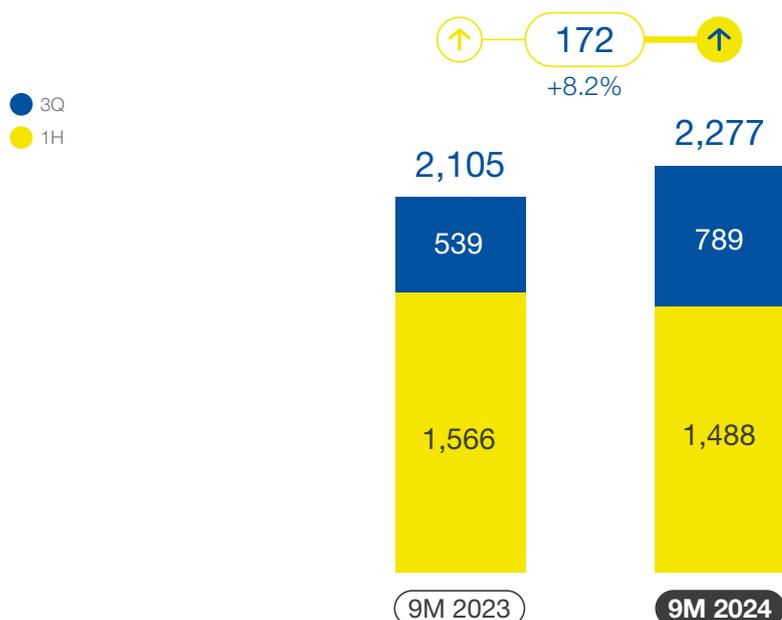
Net of the effects of the application of the new standard, the cost of goods and services increased by €198 million from €2,341 million in the first nine months of 2023 to €2,538 million in 2024. In addition to the incurring of variable costs to support the business (mainly parcels and payments), the change is also related to the persistent effects of the international inflationary scenario (for €89 million). Depreciation, amortisation and impairments, net of the effects of applying IFRS 17, amounted to €683 million, an increase of €13 million compared to the first nine months of 2023, mainly due to higher depreciation on Property, plant and equipment and Rights-of-use assets.

**ADJUSTED
 GROUP EBIT
 (€m)**

Adjusted operating profit (EBIT)⁸⁴ amounted to €2,277 million, up by €172 million (+8.2%) compared with the same period of the previous year (€2,105 million).

Excluding the net capital gains generated as part of the proactive management of the securities portfolio (€168 million in the first nine months of 2023 and €16 million in the first nine months of 2024), the capital gain related to the sender transaction (approximately €109 million recognised in the second quarter of 2023), the portion accrued of the extraordinary performance bonus paid out to employees in November 2023 (€91 million), adjusted EBIT shows 17.8% growth compared to the same period in 2023.

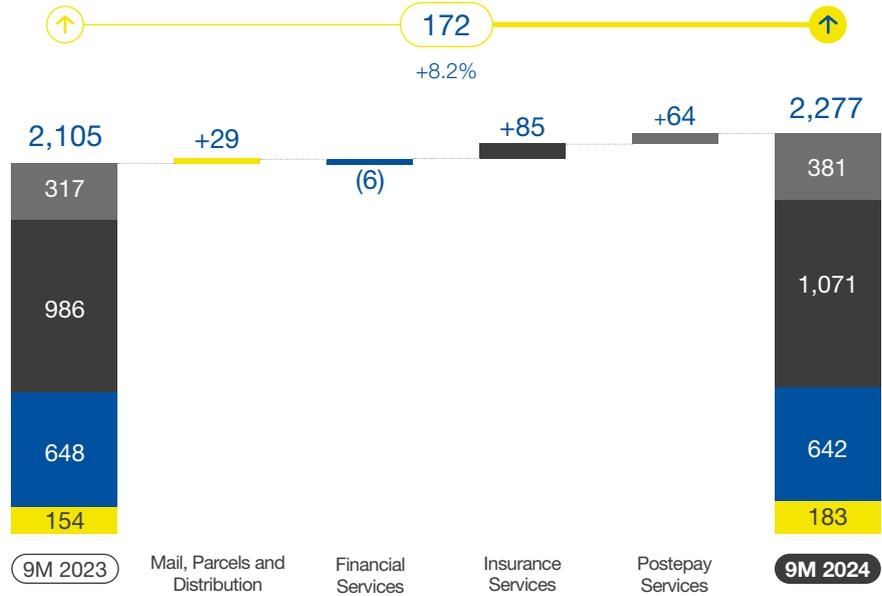
Below is a representation of the contribution of the individual SBUs to the operating profit for the period (adjusted values).



84. This does not include the cost of the provision for the Life Insurance Guarantee Fund (€56 million in the first nine months of 2024, of which €44 million for the Insurance Services SBU and €12 million for the Financial Services SBU). Please refer to the reconciliation table in the paragraph on Alternative Performance Indicators in the Appendix.

ADJUSTED EBIT BY STRATEGIC BUSINESS UNIT (€m)

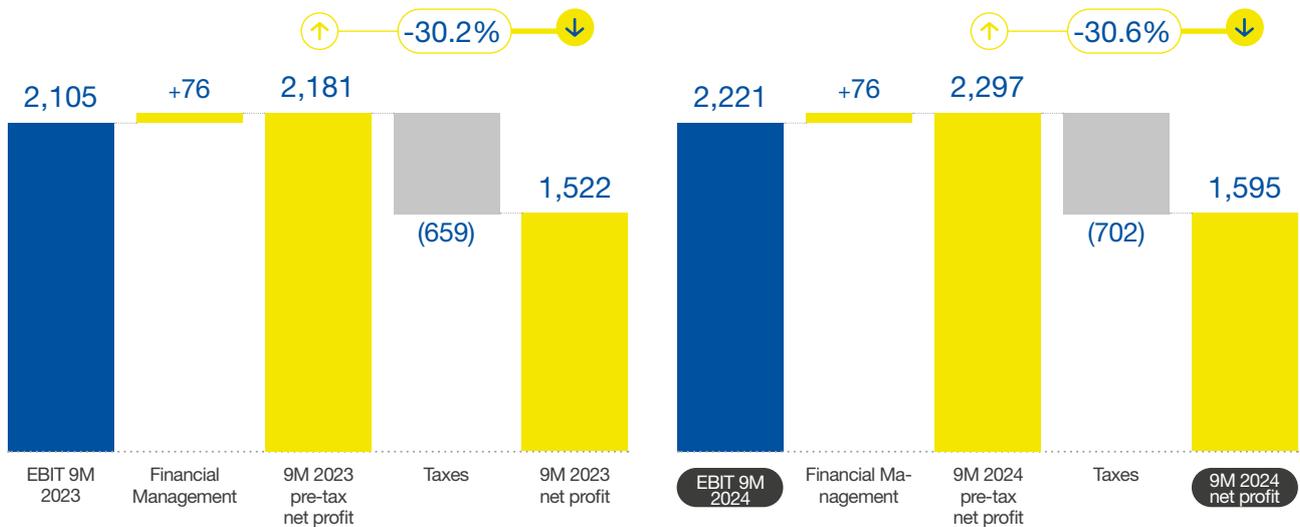
- Postepay Services
- Insurance Services
- Financial Services
- Mail, Parcels and Distribution



In the first nine months of 2024, the Group's adjusted EBIT growth benefited from the performance of the following Strategic Business Units: i) Insurance Services, with adjusted operating profit of €1,071 million, up €85 million compared to the first nine months of 2023 (€986 million); ii) Postepay Services, with operating profit of €381 million, up €64 million compared to the same period last year; iii) Mail, Parcels and Distribution with an operating profit of €183 million, up by €29 million compared to the value recorded in the same period of 2023 (€154 million); iv) Financial Services with an adjusted operating profit of €642 million, down €6 million compared to the first nine months of 2023.

For more detailed information on the performance of the individual Strategic Business Units, please refer to the dedicated paragraphs later in the chapter.

FINANCIAL MANAGEMENT AND TAXES (€m)



Net profit for the first nine months of 2024 amounted to €1,595 million, an increase of €73 million (+4.8%) compared to the same period of 2023 (€1,522 million), and takes into account financial management, amounting to €76 million, which is in line with the value of the first nine months of 2023.

Income taxes for the period show an increase of €43 million, going from €659 million in the first nine months of 2023 to €702 million in the same period of 2024.

6.1.1 Mail, Parcels and Distribution Strategic Business Unit

In the first nine months of 2024, the Mail, Parcels and Logistics Strategic Business Unit recorded a better performance than the same period in 2023 and an operating profit for the period up by approximately 19% compared to the same period in 2023.

Mail, Parcels and Distribution (€m)	9M 2024	9M 2023	Changes	
External revenue	2,797	2,755	+42	+1.5%
Revenue from other sectors	4,120	3,870	+250	+6.4%
Total revenue	6,917	6,625	+292	+4.4%
Costs	6,705	6,445	+260	+4.0%
Costs vs other sectors	29	26	+3	+12.1%
Total costs	6,734	6,471	+263	+4.1%
EBIT	183	154	+29	+18.7%
NET RESULT	68	123	(55)	-44.6%

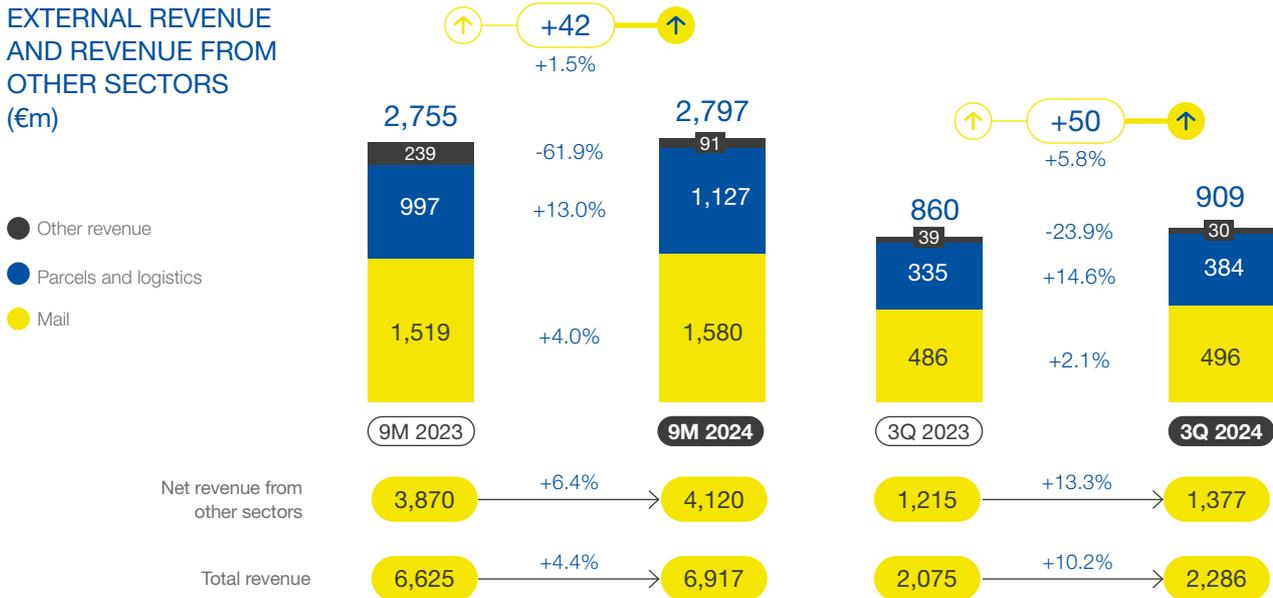
Operating KPIs	9M 2024	9M 2023	FY 2023	Changes	
Mail, Parcels and Logistics					
Revenue/FTE (€k)	59.3	56.5		+2.8	+4.9%
Parcels that can be delivered as standard mail (volumes in m)	85	60		+25	+40.8%
No. Pick-Up Drop-Off Points (PUDO) ¹	28,456		27,497	+959	+3.5%
of which: New Rete Punto Poste ²	16,683	15,844	15,724	+959	+6.1%
Parcels collected and delivered on the Punto Poste Network (in m)	16.5	13.2		+3.3	+24.7%
Distribution					
Number of financial customers (m)	35.6	35.0		+0.5	+1.5%
Number of Post Offices	12,755		12,755	+0	+0.0%
Rooms dedicated to consultancy	7,985		7,907	+78	+1.0%
Postamat ATM network	8,311		8,135	+176	+2.2%
ESG					
Green fleet (electric vehicles)	6,014		5,822	+192	+3.3%
Charging points installed	5,637		5,637	+0	+0.0%
SMART mailboxes	707		707	+0	+0.0%
No. buildings involved in Smart Building ³	2,144		1,996	+148	+7.4%
Photovoltaic panels (no. of buildings)	445		308	+137	+44.5%

1. (PUDO): includes the Punto Poste Network, Post Offices with poste restante and Lockers.

2. Rete Punto Poste includes Lockers, Tobacconists and other Collect Points.

3. Automated and remote management of buildings to achieve energy efficiencies.

EXTERNAL REVENUE AND REVENUE FROM OTHER SECTORS (€m)



External revenue of the Strategic Business Unit went from €2,755 million in the first nine months of 2023 to €2,797 million in the same period of 2024 (+€42 million, or +1.5%). This increase was mainly attributable to the positive performance of the Parcels and Logistics segment (+€130 million, or +13%), driven by the constant acceleration of the Business to Consumer/ Business (B2X) component, in terms of higher shipments, which generated an increase in revenue with an acceleration in the third quarter of 2024 (+€49 million, or +14.6%).

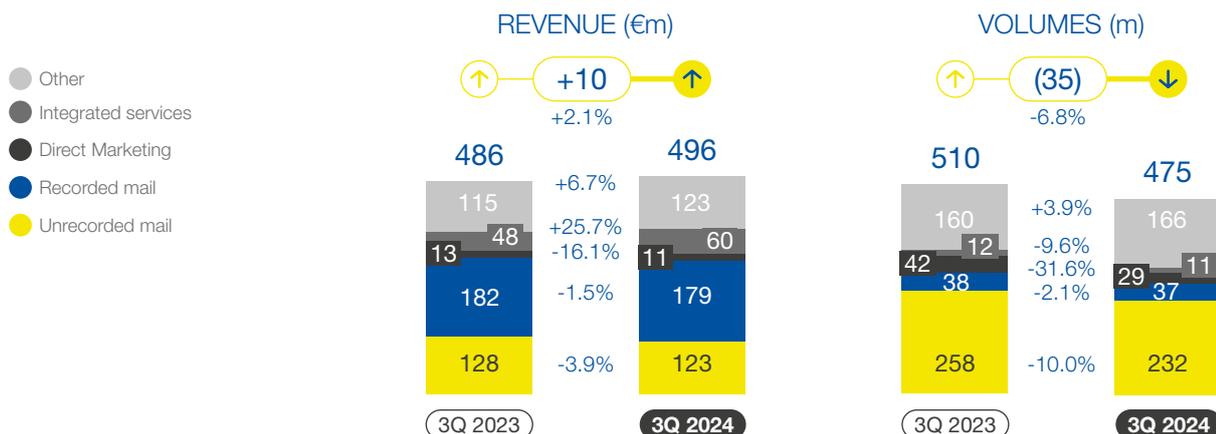
In the first nine months of 2024, the Mail segment also recorded growth (+€61 million, +4%) linked mainly to tariff adjustments on universal service⁸⁵ and non-universal service products, which, together with some positive effects in terms of mix, made it possible to offset the lower volumes.

The growth of the Strategic Business Unit was mitigated by the performance of other revenue and income, which was affected by the capital gain of approximately €109 million generated in the first half of 2023 by the sale of the controlling interest in the company sender and the conclusion of the contract with PatentiViaPoste for the driver's licence delivery service, reported until November 2023 in other revenue (€23 million in the first nine months of 2023), subsequently awarded to Poste Italiane SpA and reported in the Mail segment.

MAIL



85. Resolution no. 160/23/CONS "Determination of new maximum tariffs for Universal Services" in force from 24 July 2023 and 18 December 2023.



Unrecorded Mail: standard mail service with mailbox delivery.

Recorded Mail: delivery to the person with proof of delivery and tracking for retail and business customers. This category includes in particular: registered mail, insured mail and judicial acts.

Direct Marketing: service for the sending by companies and Public Administration entities of communications with advertising, promotional or informative content.

Integrated Services: integrated and customised offers for specific customer segments, in particular Public Administration, large companies and professional firms. The most relevant integrated service is the Integrated Notification Service, for the management of the entire process of notification of administrative and judicial acts (e.g. violations of the Highway Code).

Other: services for publishers, multi-channel services, printing, document management, other basic services. This item also includes tariff subsidies relating to external revenue earned on products and services discounted in accordance with the law and the Universal Postal Service Compensation (also includes compensation relating to ordinary parcels).

The performance of the Mail services recorded by the Group in the first nine months of 2024 shows a drop in volumes of 7.8% (-133 million items), with growth in revenue of 4% (+€61 million) compared to the same period of 2023. A similar trend can be seen in the third quarter of 2024, with growth in revenue (+€10 million or +2.1%) despite the decline in volumes (-€35 million items, or -6.8%). This performance can be attributed to a different product mix related to the growth in 2024 in the volumes of some higher-value products in the Integrated Services families, against a decline in lower unit-value products.

Recorded Mail posted a 1.8% drop in volumes in the first nine months of 2024 (-2 million items), against a 0.6% increase in revenue (+€3 million) compared with the same period of 2023, mainly due to effect of the above-mentioned tariff manoeuvre and the repricing of major contracts.

Compared to the first nine months of 2023, Unrecorded Mail showed a reduction in both volumes (-78 million items, -9.3%) and revenue (-€9 million, -2.3%) despite the positive impact of the tariff manoeuvre, continuing to be affected by the natural drop in shipments, in line with the previous year's trend.

Integrated Services recorded growth compared to the first nine months of 2023, both in terms of volumes (+5 million shipments, or 16.7%) and revenue (+€58 million, or +41.3%) mainly due to shipments of the Posta Patenti service⁸⁶. In addition, this product family benefited in the second quarter of 2024 from a particularly positive trend in terms of revenue due to the higher one-off mailings of certificates and voter cards abroad for the European Elections held in June 2024.

Direct Marketing recorded a decrease in volumes of 21.9% (-34 million items), resulting in negative change in revenue of approximately €6 million (-12.3%), attributable to the e-substitution phenomenon.

86. Until November 2023, this service was accounted for by the PatentiViaPoste Consortium under "Other revenue" of the Mail, Parcels and Distribution Strategic Business Unit.

The item Other, which also includes services marketed by Postel, showed a drop in volumes in the first nine months of 2024 of 4.3% (-24 million items) and an increase in revenue (+3.9%; +€14 million) compared to the same period in 2023, mainly due to the decline in Printing services as a result of the drop in the print market. The item Other also includes the Universal Service Charge of €197 million in the first nine months of 2024, in line with the same period in 2023, and the tariff additions on the publishing service, essentially in line with the same period of 2023 (+€0.3 million, or +0.9%).

PARCELS AND LOGISTICS



In the first nine months of 2024, the parcels and logistics segment recorded significant growth in both volume (+42 million shipments, +23.6%) and revenue (+€130 million, +13.0%), compared to the same period in 2023. The same positive performance was also recorded in the third quarter of 2024, with volumes showing a positive change of 23.8% (+15 million shipments) and revenue up by €49 million (+14.6%) compared to the third quarter of 2023.

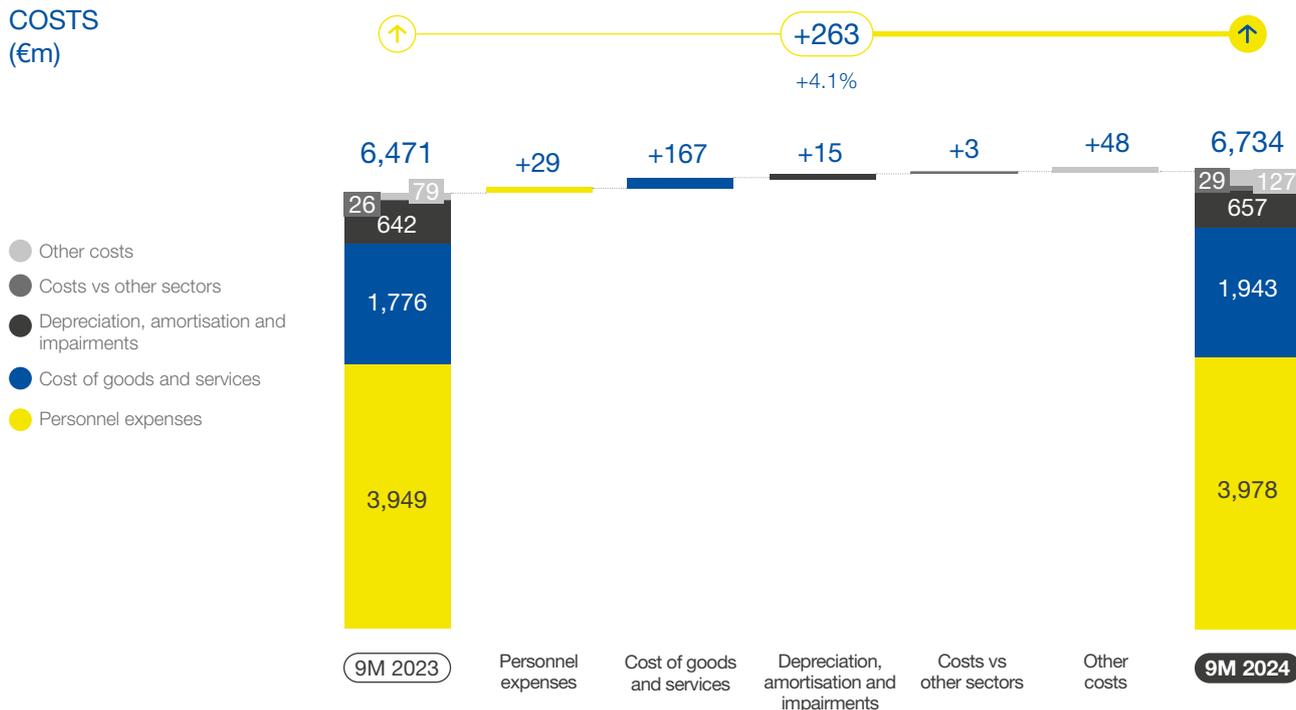
E-commerce continues to represent the strategic business sector, thanks to constantly better performances compared to the first nine months of 2023. The Business to Consumer/Business (B2X) segment grew in the first nine months of 2024 compared to the same period in 2023 due to the positive performance of the main large customers and the second hand segment.

Revenue growth in the parcels and logistics segment in the first nine months of 2024 compared to the same period of 2023 (+€130 million, +13.0%), although positive, is less pronounced than the change in volumes (+23.6% compared to the first nine months of 2023), mainly due to the combined effect of the following factors: i) a higher incidence of revenue from products with a lower delivery cost (e.g. delivery at PUDOs); ii) less revenue from the deconsolidation of sender (-€11 million); iii) lower revenue related to logistics services provided during the Covid-19 pandemic emergency (-€7 million).

The healthcare logistics business operated by the company Plurima generated revenue of €43 million in the first nine months of 2024, essentially in line with the same period in 2023.

Revenue from other sectors rose from €3,870 million in the first nine months of 2023 to €4,120 million in the same period of 2024 (+6.4%) as a result of the positive performance of the commercial business and higher network remuneration.

COSTS (€m)



Costs, including depreciation, amortisation and impairments for the first nine months of 2024, amounted to €6,734 million, an increase of 263 million (+4.1%), compared to the same period of 2023. Personnel expenses, which amounted to €3,978 million, increased by €29 million (+0.7%) compared to the same period of 2023, due to increases in unit labour costs attributable to the increase in the contractual minimums triggered in July 2023, the accrued portion of the one-off bonus paid in September 2024 (provided for in the new national collective labour agreement signed on 23 July 2024) and the performance-related variable component, mitigated by the reduction in headcount; on the other hand, there was a decrease in the extraordinary personnel expenses due to the extraordinary performance bonus paid in November 2023 (€91 million accrued for the first nine months of 2023). Cost of goods and services also shows an increase of €167 million (+9.4%), reaching €1,943 million in the first nine months of 2024. This trend can be attributed both to the higher variable costs related to the higher volumes of the parcels and logistics sector and the increase in costs generated by the inflationary pressures on factors of production. In the first nine months of 2024, depreciation, amortisation and impairments increased by €15 million (+2.4% compared to the same period in 2023).

In light of the foregoing, the Mail, Parcels and Distribution Strategic Business Unit presents an operating profit of €183 million for the first nine months of 2024, up on the operating profit for the same period of 2023 of €154 million (+€29 million, +18.7%).

6.1.2 Financial Services Strategic Business Unit

The performance of the Financial Services Strategic Business Unit in the first nine months of 2024 showed increased revenue mainly due to higher net interest income earned on the securities portfolio and higher revenue from the postal savings collection and management service supported by improved net inflows. The BancoPosta Total Capital Ratio at 30 September 2024, up compared to 31 December 2023, stood at 24.3%.

Financial Services (€m)	9M 2024	9M 2023	Changes	
External revenue	4,047	3,858	+189	+4.9%
Revenue from other sectors	672	661	+11	+1.7%
Total revenue	4,718	4,519	+200	+4.4%
Costs	112	119	(7)	-5.9%
Costs vs other sectors	3,976	3,751	+225	+6.0%
Total costs	4,088	3,870	+218	+5.6%
EBIT	630	648	(18)	-2.8%
Adjusted EBIT*	642	648	(6)	-0.9%
NET PROFIT	477	483	(5)	-1.1%

* For the reconciliation between EBIT and adjusted EBIT, please refer to the reconciliation table in the section Alternative Performance Indicators in Chapter 9 "Appendix".

Operating KPIs	9M 2024	9M 2023	FY 2023	Changes	
Total financial assets (€bn)	593		581	+12	+2.0%
Net inflows (€bn)	4.8	(2.0)		+6.8	n.s.
Performance Effect* (€bn)	7.0	5.7		+1.3	+22.5%
Current accounts (average deposits for the period in €bn)	87.9	92.6		(4.7)	-5.1%
Net return on deposits**	2.87%	2.42%	2.44%		
Postal savings (average deposits in €bn)	311.6	313.3		(1.7)	-0.5%
Loans (disbursed in €m)	2,785	2,594		+191	+7.3%

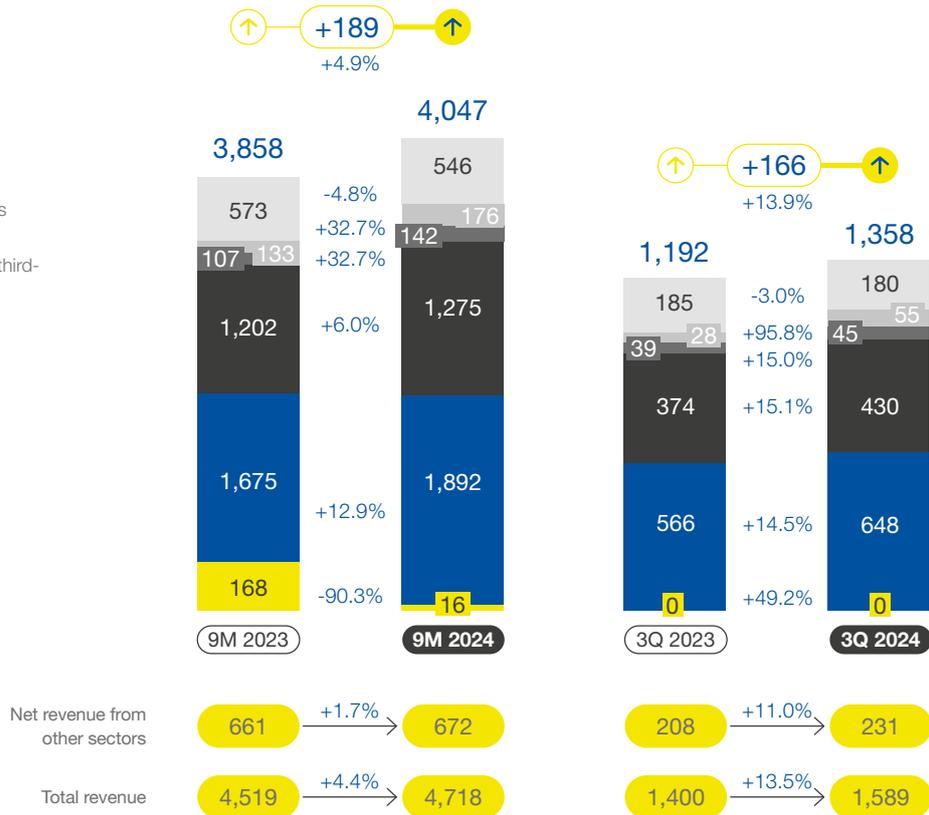
n.s.: not significant.

* The performance effect mainly includes the impact of macroeconomic variables (spreads, rates, etc.) on the stocks of the insurance, managed funds and assets under administration segments, as well as the capitalisation of interest for the period on the stocks of postal interest-bearing certificates/postal savings books.

** Excluding returns from pro-active portfolio management.

EXTERNAL REVENUE AND REVENUE FROM OTHER SECTORS (€m)

- Collection and payment services
- Distribution of loans and other third-party products
- Asset management
- Postal savings deposits
- Net interest income
- Pro-active management of the securities portfolio



Pro-active portfolio management: gains from the sale of securities in the BancoPosta Portfolio, net of losses.

Net interest income: income from investment of liquidity revenue via postal current account deposits, net of interest expense and other financial transaction costs. Including profits from tax credits.

Postal savings deposits: funds deposits through Postal Interest-bearing Certificates and Postal Savings Books issued by Cassa Depositi e Prestiti.

Asset management: collective asset management through mutual investment funds and management of individual portfolios relating to institutional mandates attributable to the Group.

Distribution of loans and other third-party products: distribution of products disbursed/issued by third-party partners (financing, mortgages, loans, salary-backed loans, credit cards, etc.).

Collection and payment services: slips, collections and payments P.P.A.A., transfer of funds and ancillary services for current accounts.

External revenue for the first nine months of 2024 amounted to €4,047 million, up €189 million from €3,858 million in the first nine months of 2023 (+4.9%).

In detail, the period under review shows: (i) higher net interest income compared to the same period of 2023 (+€216 million, +12.9%) mainly due to higher yields related to the Retail and Corporate segment (+€259 million) and higher net interest income related to the Treasury segment (+€9 million), partly mitigated by lower yields from the use of current account balances in the Public Administration segment (-€48 million) (ii) lower net capital gains realised as part of pro-active portfolio management compared to the figure for the first nine months of 2023 (-€151 million, -90.3%); (iii) revenue from the postal savings collection and management service amounting to €1,275 million, an increase of 6% (+€73 million) compared to the same period of 2023 and taking into account the terms and conditions of the new agreement between Poste Italiane and Cassa Depositi e Prestiti signed in August 2024, regarding the service for the management of postal savings for the three-year period from 1 January

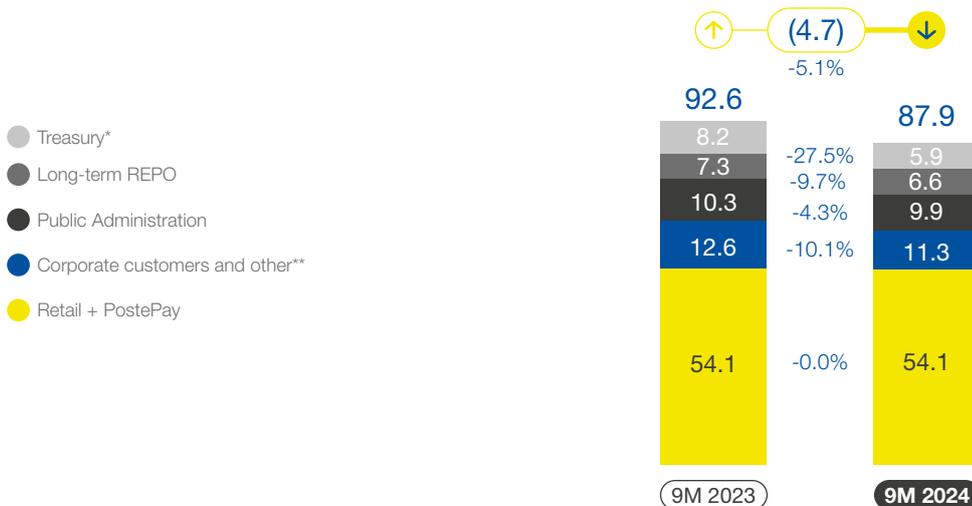
2024 to 31 December 2026; iv) revenue from collection and payment services, which amounted to €546 million and were down year-on-year (-€27 million, or -4.8%), mainly due to a decrease in revenue from account-keeping expenses (-€15 million) following the repricing that took place in April 2023; v) revenue from the distribution of loans and other third-party products, which amounted to €176 million, up €43 million (+32.7%) compared with €133 million in the first nine months of 2023. This increase was mainly attributable to higher revenue from personal loans and salary-backed loans, which benefited from the growth in volumes and higher up-front commissions paid by financial partners; vi) revenue from Asset Management, which amounted to €142 million, an increase of €35 million (+32.7%) compared to the previous year, mainly due to higher volumes of mutual funds placed and the associated assets managed.

Revenue from other sectors amounted to €672 million, (+€11 million compared to 2023, +1.7%). The positive change is attributable to growth in revenue from the placement of PostePay products and higher commissions from the insurance business.

The third quarter of 2024 shows external revenue up €166 million (+13.9%) compared to the same period of 2023, mainly attributable to higher revenue deriving from net interest income (+€82 million, or +14.5%), revenue relating to the postal savings collection and management service (+€56 million, or +15.1%) and revenue from the distribution of loans and other third-party products (+€27 million, or +95.8%). These positive changes compensate for lower revenue from collection and payment services (-€6 million, -3%).

Revenue from other sectors showed growth compared to the third quarter of 2023 (+€23 million, or +11%), mainly attributable to the insurance segment.

AVERAGE CURRENT ACCOUNT DEPOSIT (€bn)

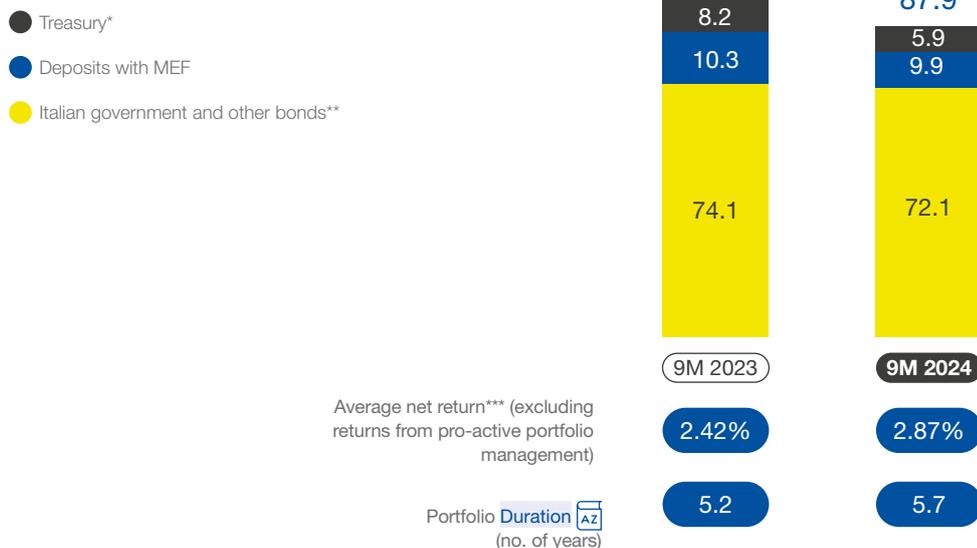


* Includes short-term REPO and collateral.

** Includes corporate current accounts and PostePay Business, Poste Italiane's liquidity and payables of other customers.

In the first nine months of 2024, the **Average current account deposit** decreased compared to the same period of the previous year, going from €92.6 billion to €87.9 billion. This decrease, amounting to €4.7 billion (-5.1%), was mainly attributable to the contraction in the Treasury component (-€2.3 billion, -27.5%), Corporate customer deposits (-€1.3 billion, -10.1%), the decline in long-term REPOs (-€0.7 billion, -9.7%) and Public Administration deposits (-€0.4 billion, -4.3%). The retail component (including the balance of Postepay prepaid cards) was stable compared to the first nine months of 2023, at €54.1 billion.

INVESTMENT PORTFOLIO COMPOSITION (AVERAGE DEPOSIT in €bn)



* Includes REPO and short-term bonds and collateral.

** Includes tax credits and cash on deposit with the MEF on the operating current account ("Buffer" account).

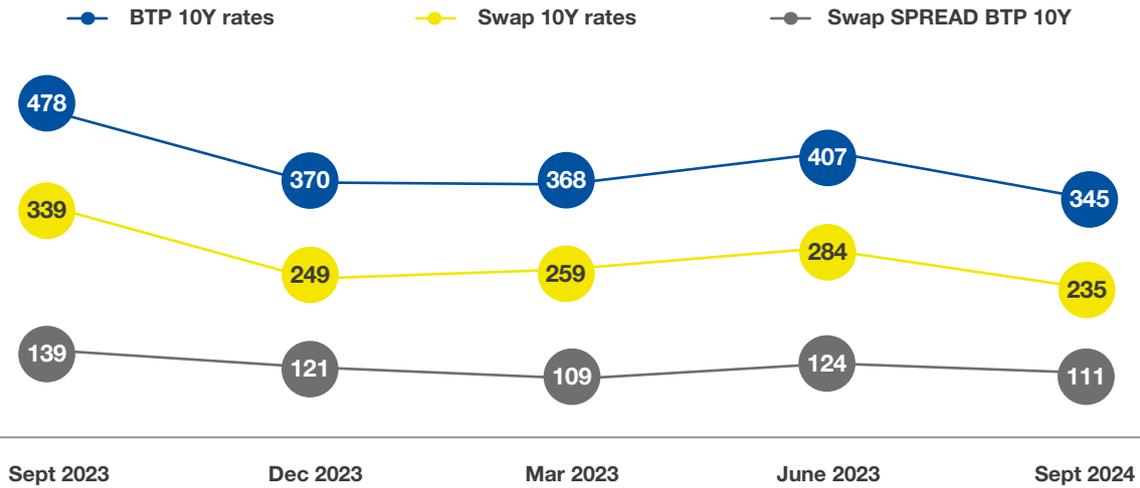
*** Calculated as net interest on average stock.

The average deposit of the investment portfolio consists primarily of Italian government securities and debt securities issued by Cassa Depositi e Prestiti and guaranteed by the Italian State (approximately €64.8 billion), in which inflows from private customers on postal current accounts is invested, and tax credits (whose average balance amounted to roughly €6.9 billion at 30 September 2024). The investment portfolio also includes the Deposits with the MEF (€9.9 billion) represented by deposits from postal current accounts belonging to public customers.

Regarding international monetary policy, the FED reduced the deposit rate by 50 bps in September 2024 with the expectation of further 50-75 bps cuts by the end of this year, while the ECB reduced the rate by 25 bps in both June and September with the expectation of further reductions of 25-50 bps by the end of 2024. During the first nine months, the 10-year BTP - Bund spread narrowed from 167 bps at the beginning of 2024 to 133 bps at the end of September (reaching a low of 122 bps in mid-March).

The market environment characterised by the prospect of a future reduction in interest rates, in addition to leading to a significant improvement in the market value of the securities in the portfolio, has led BancoPosta's securities portfolio management to focus on strategies aimed at reducing the portfolio's variable component and improving the portfolio's income profile. With regard to the objective of reducing the variable component of the portfolio, the following actions were taken: i) sale of securities in asset swaps (around €500 million with realisation of around €20 million in capital gains); ii) early settlement of hedging derivatives for €700 million, which were brought back to fixed interest rates in order to stabilise the interest margin at a higher yield than the initial one. In order to improve the yield of the securities portfolio, two different relative value strategies were instead implemented⁸⁷: i) the purchase and sale of two long-term securities (for about €2 billion), with an improvement in yield both for the current year and for future years; ii) the switch of Treasury Credit Certificates (TCC) on long-term maturities for an amount of about €340 million, with an improvement in the position's margin of about 40 bps and with the realisation of almost zero capital losses.

87. Relative value strategies exploit price anomalies by buying undervalued assets and selling overvalued assets.



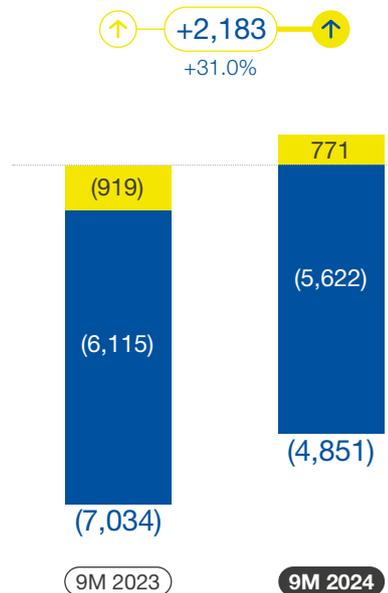
During the third quarter of the year, portfolio yield enhancement⁸⁸ strategies also continued; for details please refer to the interim report.

Finally, in August 2024, a programme was launched to bring forward the purchases planned for the first months of the year 2025, in order to lock in the yields of securities with a maturity of 10-15 years, before subsequent interest rate cuts by Central Banks, in particular by the ECB, lead to a reduction in interest rates.

All the strategies implemented resulted in net capital gains of approximately €16 million at the end of September 2024, in the expectation of a further imminent rate cut. In order to stabilise the interest margin, yield hedging deriving from a part of the loans of the Public Administration was also carried out.

POSTAL SAVINGS NET INFLOWS (€m)

- Postal Bonds
- Savings Books



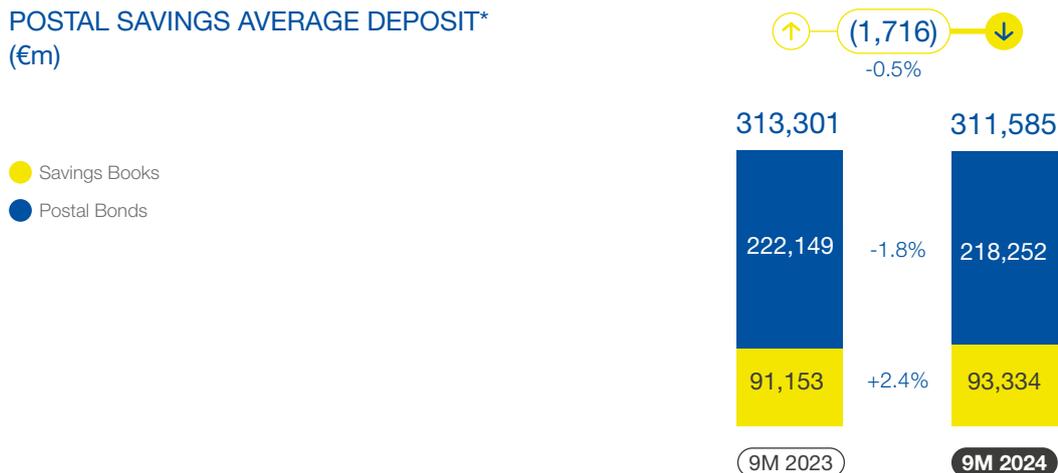
At 30 September 2024, net inflows from postal savings amounted to approximately €4.85 billion, around €2.2 billion higher than the first nine months of 2023. The positive Net Book Inflows (RNL) of around €0.8 billion increased by about €1.7 billion compared to the figure for the same period in 2023. The effects on RNL are mainly due to the initiatives dedicated to the provision of new liquidity during the first nine months of 2024, as well as the final placement period of the initiative launched in November 2023.

88. Yield enhancement strategies aim to generate an increase in the initial return on investment.

With regard to Postal Bonds, a negative value of €5.6 billion was recorded; the change in Net Inflows compared to the figure for the first nine months of 2023 was positive by about €0.5 billion: lower subscriptions (-€4.7 billion, or -14.6%) were more than offset by lower redemptions (-€5.1 billion).

The changed economic and financial conditions led to a reduction in yields on Postal Bonds in place since the beginning of 2024, compounded by the downward repricing in the third quarter of 2024. All this generated a reduction in early redemptions with respect to the same period of 2023 (-€9.5 billion), which more than offset the increase in redemptions of Postal Bonds reaching natural maturity (+€3.9 billion), which was related to the higher maturities in the period (+61%) compared to those in the first nine months of 2023.

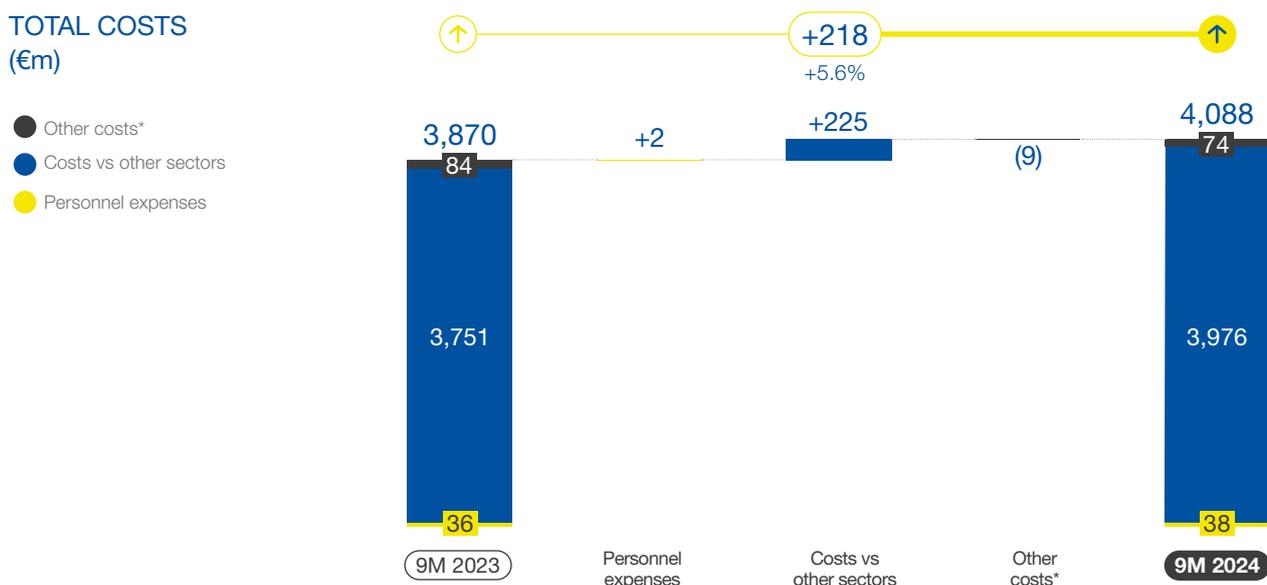
POSTAL SAVINGS AVERAGE DEPOSIT* (€m)



* The amount of the average deposit includes the interest accrued (net of withholding tax) at the reporting date and payable by the client on redemption of the postal savings certificates or credited to the books.

The postal savings average deposit decreased by about €1.7 billion compared to the first nine months of 2023. The value of books is influenced not just by the results of 2023 but the particularly positive result of deposits related to the new liquidity initiative in the first nine months of 2024, while the decrease in average deposits of Postal Bonds is mainly attributable to the results of 2023, which penalised the initial balance of 2024, only partially offset by the capitalisation of interest and the improved net deposits in the first nine months of 2024 (+€0.5 billion compared to the same period in 2023).

TOTAL COSTS (€m)



* This item includes costs for goods and services, adjustments/reversals, depreciation/amortisation and other costs and expenses.

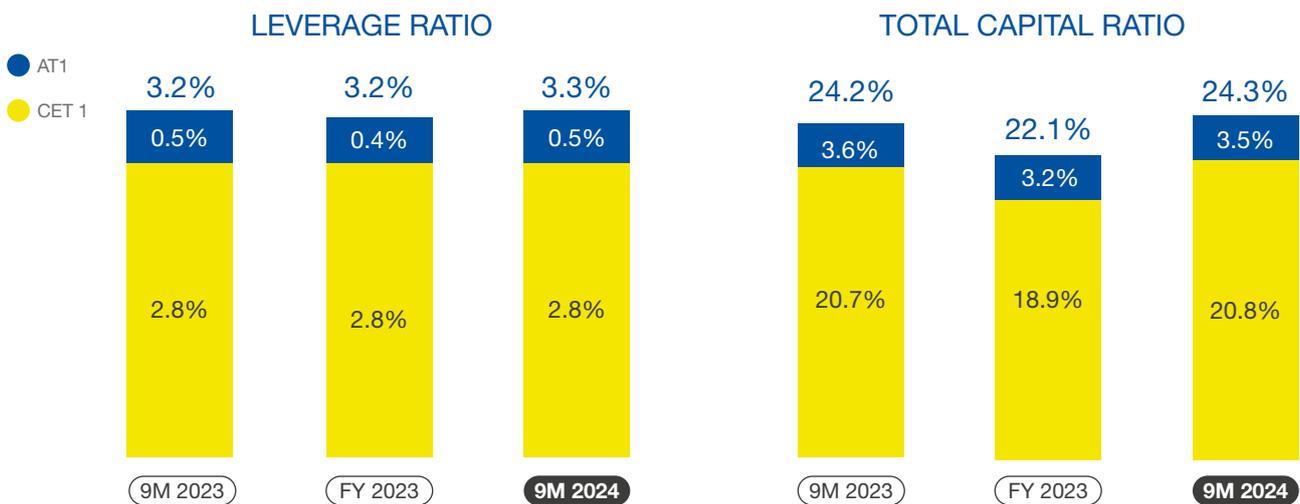
Total costs of the Strategic Business Unit amounted to €4,088 million, an increase of €218 million (+5.6%) on the €3,870 million realised in the first nine months of 2023, mainly as a result of the higher fees attributable to the Operating Guidelines in relation to the activities entrusted to Poste Italiane. Other expenses decreased due to lower net credit risk adjustments (-€10 million).

Adjusted operating profit (adjusted EBIT), i.e. after deducting the amount estimated and set aside for the first nine months of 2024⁸⁹ as a contribution to the Guarantee Fund established by the 2024 Budget Law, amounted to €642 million, down €6 million year-on-year (-0.9%).

With a positive financial management of €34 million and taking into account taxes for the period (€187 million), the net result of the Financial Services Strategic Business Unit in the first nine months of 2024 amounted to €477 million, a decrease of €5 million compared to the €483 million of the same period of 2023 (-1.1%).

FINANCIAL KPIs

€m	9M 2023	FY 2023	9M 2024
CET1 CAPITAL	2,599	2,654	2,637
TOTAL CAPITAL	3,049	3,104	3,087
TOTAL ASSETS	97,712	98,145	96,035
RWA - Risk Weighted Assets	12,584	14,077	12,682



At 30 September 2024, the Leverage Ratio stands at 3.3%, up slightly compared to 31 December 2023 as a result of the decrease in balance sheet assets - including Leverage Adjustments - of about €2.2 billion, mainly due to "Financial assets measured at amortised cost" and risk exposure in derivatives. The CET1 Ratio at 30 September 2024 stood at 20.8%, while the Total Capital Ratio including Additional Tier 1 was 24.3%, confirming BancoPosta's capital solidity. The increase in both indicators is linked to the reduction in Risk Weighted Assets (RWA), particularly credit and counterparty risk.

Details of the various areas of risk and the methods used for their measurement and prevention are provided in the Annual Report for the year ended 31 December 2023.

89. Equal to approximately €12 million; for more details on this measure, please refer to the Regulatory context of the Insurance Services SBU.

6.1.3 Insurance Services Strategic Business Unit

The SBU's financial results for the first nine months of 2024 were up when compared to the same period of the previous year and should be read in an industry context that continues to be challenging. The Solvency Ratio at 30 September 2024 stood at 322%, confirming the insurance group's high solvency ratio and well above the managerial aspiration (about 200%).

Insurance Services (€m)	9M 2024	9M 2023	Changes	
External revenue	1,226	1,142	+84	+7.3%
Revenue from other sectors	(117)	(116)	(1)	-0.9%
Total revenue	1,109	1,026	+83	+8.1%
Costs*	61	19	+43	n.s.
Costs vs other sectors	20	22	(2)	-7.8%
Total costs	82	41	+41	+100.4%
EBIT	1,028	986	+42	+4.3%
Adjusted EBIT**	1,071	986	+85	+8.7%
NET PROFIT	761	685	+76	+11.0%

Operating KPIs	30 September 2024	31 December 2023	Changes	
Net technical provisions Poste Vita Group (€bn) ¹	164.5	161.1	+3.4	+2.1%
Contractual Service Margin (CSM) ² (€bn)	13.6	13.7	(0.1)	-0.9%
Solvency Ratio	322%	307%		

Investments and Pensions	9M 2024	9M 2023	Changes	
Gross premium - Investments and Pensions (€m) ³	13,420	14,286	(866)	-6.1%
<i>of which: Classes I-III-V</i>	8,294	10,861	(2,566)	-23.6%
<i>of which: Multi-class⁴</i>	5,126	3,426	+1,700	+49.6%
Net inflows (€m)	723	3,390	(2,667)	-78.7%
Lapse rate	6.6%	4.0%		
Poste Vita products with ESG elements ⁵	79%	73%		

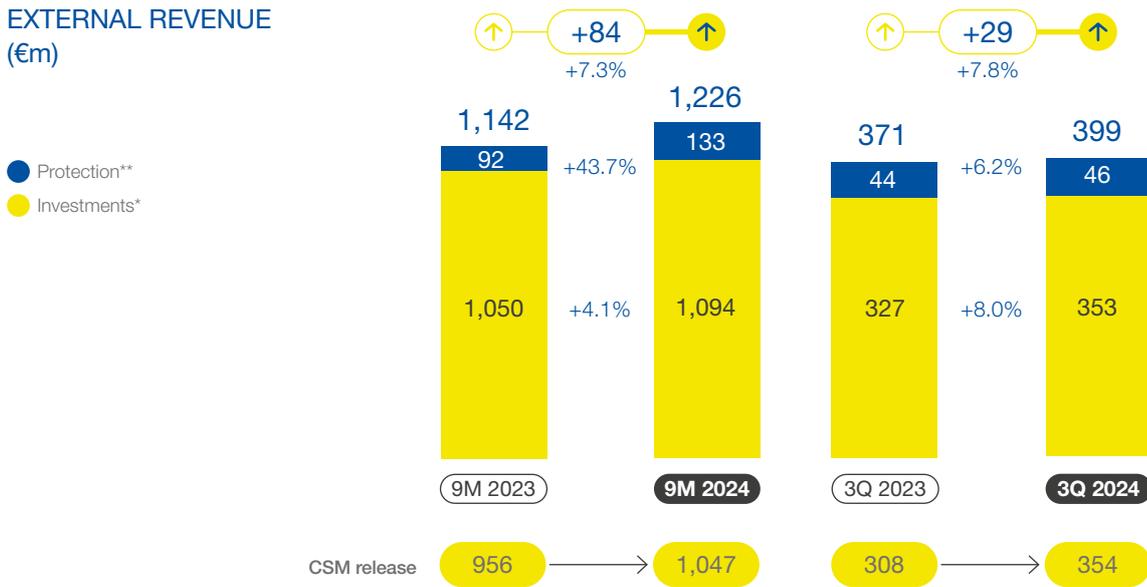
Protection	9M 2024	9M 2023	Changes	
Gross premium - Protection (€m) ⁶	771	633	+138	+21.9%
Combined protection ratio (net reinsurance) ⁷	82.7%	85.4%		

* In the nine months of 2024, this item includes the contribution to the Life Insurance Guarantee Fund in the amount of €44 million.

** For the reconciliation between EBIT and adjusted EBIT, please refer to the reconciliation table in the section Alternative Performance Indicators in Chapter 9 Appendix.

1. Technical provisions of the insurance business (Investments & Pensions and Protection) determined in accordance with the national accounting standards used to prepare the separate financial statements of the Group's insurance companies.
2. Represents the current value of the expected, not yet realised profit that the Group will recognise on an accrual basis in the statement of profit or loss over the life of the contract.
3. Includes written Investments and Welfare premiums, gross of reinsurance and intercompany portions of the Poste Italiane Group.
4. Includes gross premiums from Class I and Class III of Multi-Class products.
5. All products with sustainability content consistent with the "Guidelines for defining the sustainability characteristics of products" approved by the CEO of Poste Vita in October 2023.
6. Includes Protection gross premium revenue before the change in the premium reserve, outward reinsurance and intra-group portions of the Poste Italiane Group, as well as motor premiums intermediated.
7. Corresponds to the ratio of total costs incurred (claims and settlement expenses + net reinsurance expenses + attributable/non-attributable operating expenses + other technical expenses and income) to gross insurance revenue.

EXTERNAL REVENUE
(€m)



* Including Investments and Pensions.

** Includes Poste Assicura, Net Insurance, Net Insurance Life, Poste Insurance Broker and the protection business of Poste Vita.

Investment revenue: release of the **Contractual Service Margin (CSM)** ^{AZ}, expected claims and benefits deriving from the release of expected cash flows, release of the **Risk Adjustment** ^{AZ}, recovery of contract acquisition costs, claims occurring in the reporting period (excluding investment components) and other directly attributable expenses, losses on groups of onerous insurance contracts and the amortisation of expenses for the acquisition of insurance contracts issued, change in **Liability for Incurred Claims (LIC)** ^{AZ}, maintenance and collection commissions and other acquisition costs charged entirely to the income statement, investment management costs to which the **Variable Fee Approach (VFA)** ^{AZ} method is applied, net finance income/expenses relating to investments and financial costs/revenue relating to insurance contracts issued (with reference to contracts valued using the VFA method, the "mirroring effect").

Protection revenue: release of Contractual Service Margin (CSM), expected claims and benefits arising from the release of expected cash flows, release of Risk Adjustment, recovery of contract acquisition costs, incurred claims in the reporting period and other directly attributable expenses, losses on groups of onerous insurance contracts and amortisation of acquisition costs of insurance contracts issued, change in Liability for Incurred Claims (LIC), commissions and other acquisition costs charged in full to the statement of profit or loss, net investment-related finance income/expenses and financial costs/revenue related to insurance contracts issued and outward **reinsurance** ^{AZ}, the balance of expenses and income arising from reinsurance (active and passive) and with respect to contracts valued using only the **Premium Allocation Approach (PAA)** ^{AZ} method, the change in the **Liability for Remaining Coverage premi (LRC)** ^{AZ}.

External revenue amounted to €1,226 million in the first nine months of 2024, an increase of €84 million (+7.3%) compared to €1,142 million in the same period of 2023, and were mainly attributable to the Investments business, which contributed revenue of €1,094 million, and, to a lesser extent but up sharply, the Protection business, which generated revenue of €133 million.

In detail, net revenue of the Investment business increased by €43 million compared to the first nine months of 2023 (+4.1%) due to the higher CSM release of +€86 million compared to the same period of 2023 and the greater contribution of net income from financial management (+€15 million). This improvement was partially mitigated primarily by a lower risk adjustment release of €51 million, attributable to the lower contractual maturities recognised in the period compared to the same period of the previous year.

Net revenue of the Protection business amounted to €133 million, up €40 million (+43.7%) compared to the same period of 2023, partly linked to Net Insurance and Net Insurance Life, consolidated from 1 April 2023 (+€22 million), but also the organic growth linked to both increased volumes and improved profitability. The Combined Ratio of the Protection business net of reinsurance stood at 82.7%, an improvement on the value recorded at the end of September 2023 (85.4%).

Taking into account revenue from other sectors, which was a negative €117 million (in line with -€116 million observed in the same period in 2023), the Strategic Business Unit's total net revenue amounted to €1,109 million, an increase of €83 million (+8.1%) compared to the first nine months of 2023.

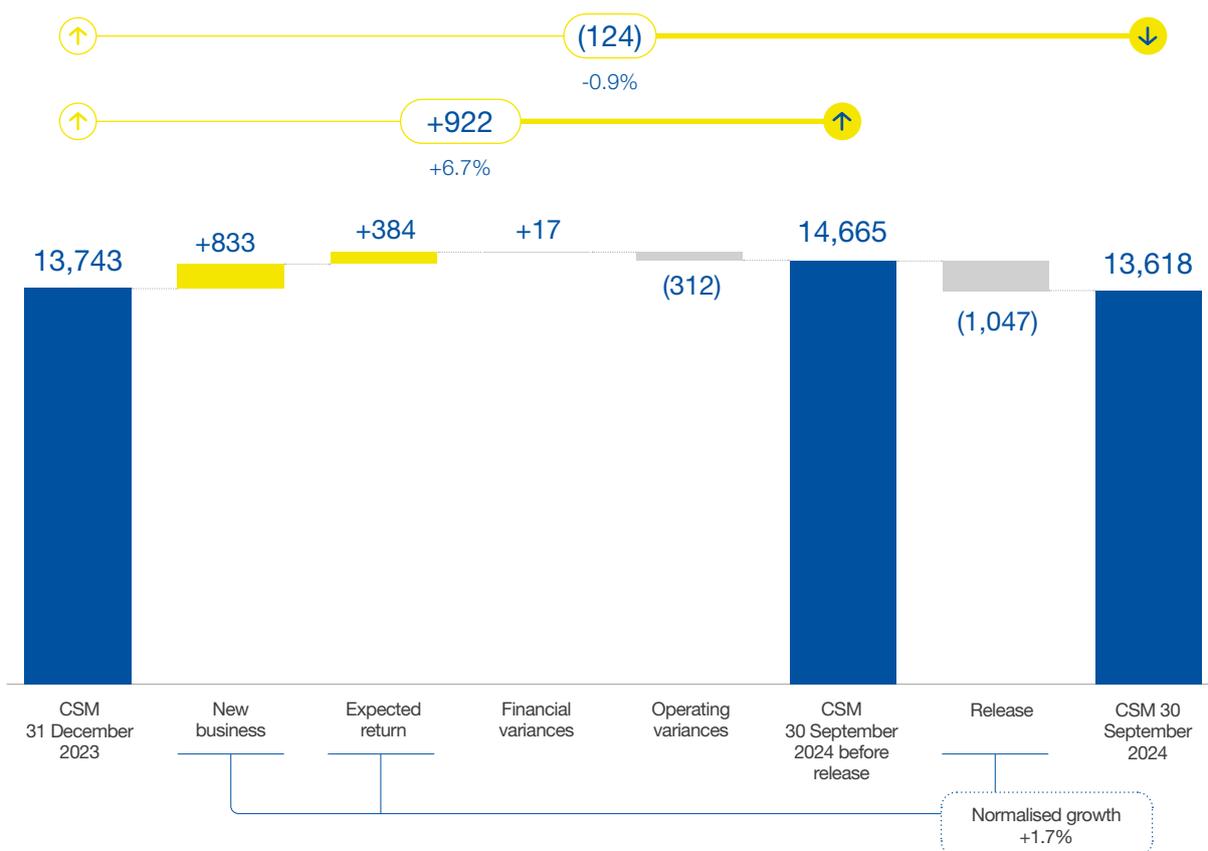
The third quarter of 2024 showed external revenue of €399 million, an increase of €29 million (+7.8%) compared to the same period in 2023, with the Investments and Pensions business contributing revenue of €353 million and the Protection business achieving revenue of €46 million.

In detail, net revenue from the Investments and Pensions business increased by €26 million compared to the third quarter of 2023 (+8%) as a result of: i) a higher CSM release of €45 million and ii) a higher contribution from net income from financial management (+€19 million). These positive changes were partly offset by a lower risk adjustment release of €18 million due to the lower contractual maturities recognised in the period compared to the previous year, and by the decrease compared to the third quarter of 2023 (-€21 million) in the balance of claims and expenses actually realised compared to expectations.

Net revenue from the Protection business amounted to €46 million, up €3 million (+6.2%) compared to the third quarter of 2023, mainly due to organic growth linked to both increased volumes and improved profitability.

CONTRACTUAL SERVICE MARGIN (€m)

The Contractual Service Margin (CSM) shows a balance at the end of the period of €13,618 million, down €124 million compared to the figure at the end of 2023 and up compared to the balance of €13,477 million at 30 June 2024.



New business: the item includes the present value of new business associated with the premiums recorded in the period and the associated estimated outlays (expenses and settlements).

Expected return: CSM growth independent of financial and technical management performance. It is calculated as the sum of the accrued and capitalised interest on the CSM (based on the risk free yield curve) at the reporting date and the result of the difference between the real word yield curve and the expected risk neutral yield curve.

Financial variances: the item includes the impact on the CSM resulting from the realisation of financial assumptions (e.g. interest rate spread, and the consequent effect on the fair value of the portfolio of segregated funds) at the end of the reporting period different from those expected at the beginning of the period, as well as the change in the financial assumptions on future flows.

Operating variances: the item includes experience-related changes (changes between estimated and actual flows), changes in technical assumptions (e.g. actuarial assumptions, mortality rate, etc.).

Release: this item represents the share for the reporting period determined on the basis of the coverage unit, as well as the adjustment related to the additional release component.

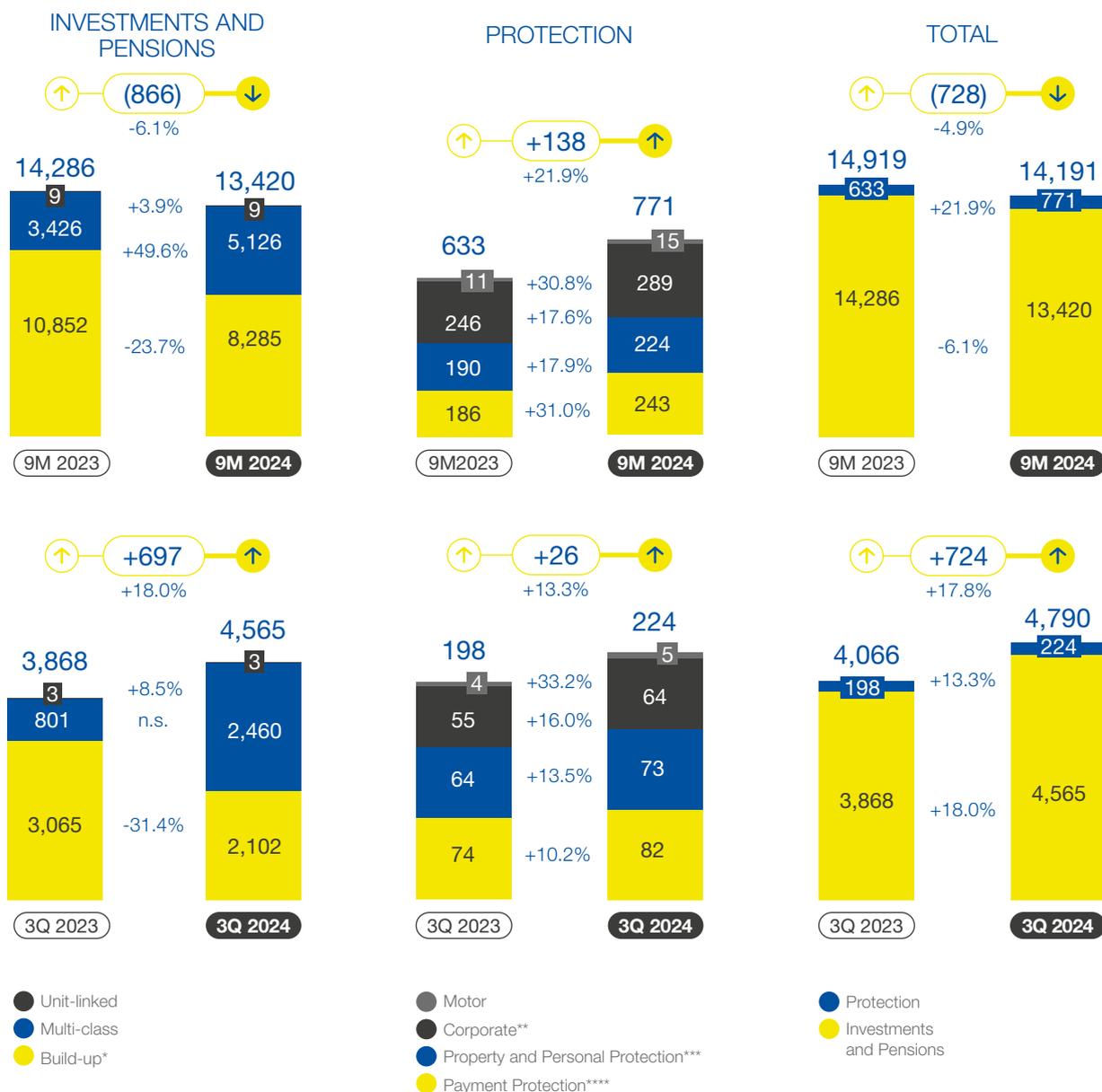
Normalised growth: this represents the CSM growth for the period adjusted for exogenous components (i.e. financial market trends and policyholder behaviour). It is calculated as the ratio of the CSM of new production increased by the expected yield and decreased by the release of the period compared to the CSM at the end of the previous year (linearised over 12 months in intermediate periodic situations).

In detail, during the first nine months of 2024 there was: i) a positive change of €833 million mainly related to Poste Vita's inflows of around €8.4 billion⁹⁰ in the nine months of 2024; ii) a positive change in the expected return of €384 million generated essentially by the accrued and capitalised interest component on the CSM; iii) the positive result of financial variances of €17 million as a result of the recovery in value of the assets underlying the insurance contracts due to a lower short-term market interest rate curve; iv) a negative balance of operating variances of €312 million due to the variation between the expected and actual values of the technical items (lapses, additional payments and claims); v) the release of the CSM during the period totalling €1,047 million (of which €925 million determined on the basis of the coverage unit, and €122 million relating to the additional release component).

Adjusting for exogenous components (financial market trends and policyholder behaviour) out of the CSM trend, the normalised growth in the first nine months of 2024 was €170 million compared to the value at 31 December 2023 (+1.7% on an annualised basis, up from 1.3% in the first half of 2024).

90. The value includes Poste Vita SpA's premium income on new placements while it excludes renewals and additional payments on existing policies.

GROSS PREMIUMS (€m)



* Includes Pensions.

** Includes Welfare (Poste Vita, Poste Assicura), the integrated Life/Death offer, Inter-company contracts and Net Insurance and Net Insurance Life corporate policies.

*** Includes the Modular offering, LTC-TCM retail life policies and property and personal policies distributed on third-party networks.

**** Includes Credit Protection Insurance (CPI) and cessione del quinto (salary-backed loan) policies.

In the first nine months of 2024, gross premiums in the Investments business amounted to €13.4 billion, a decrease of €0.9 billion (-6.1%) compared to the first nine months of 2023, due to a decrease of €2.6 billion (-23.7%) in inflows from traditional build-up products and pension products only partly offset by an increase of €1.7 billion (+49.6%) in inflows from Multi-class products equal to €5.1 billion (€3.4 billion in the first nine months of 2023), with a share of total inflows up from 24% at 30 September 2023 to 38% at 30 September 2024.

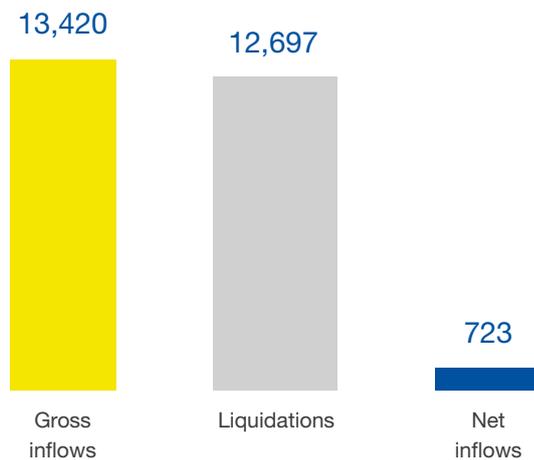
In the third quarter of 2024, gross premiums in the Investments and Pensions business amounted to €4.6 billion, an increase of 18% (+€0.7 billion) compared to the €3.9 billion recorded in the third quarter of 2023, due to the increase in inflows on Multi-class products (+€1.7 billion) partially offset by the decrease in inflows on build-up products (-€1 billion).

The Group's business model and diversified offer portfolio, in a context characterised, for large parts of the nine months of the year, by the continuation of high interest and inflation rates and the placement of government bonds with high coupons, allowed it to sustain the overall level of the Group's investment inflows, through the offer of products suitably configured to the needs of the moment (e.g. bond mutual funds and "specific assets" policies⁹¹).

Gross premiums from the Protection business amounted in the period to €771 million, up €138 million (+21.9%) compared to the first nine months of 2023 (€633 million), driven primarily by: i) the increase in premiums relating to the "Credit Protection" line (+€58 million, +31%), mainly attributable to the contribution of Net Insurance Life and Net Insurance; ii) the "property and personal protection" line, which increased by €34 million (+17.9%) to €224 million iii) growth (+€43 million, +17.6%) in the "Corporate" segment, whose premiums rose from €246 million in the first nine months of 2023 to €289 million in the same period of 2024.

Gross premiums for the Protection business amounted to €224 million in the third quarter of 2024, up €26 million (+13.3%) compared to the third quarter of 2023 (€198 million), mainly driven by: i) the growth of the "Corporate" segment (+€9 million, +16%), whose premiums rose from the €55 million recorded in the third quarter of 2023 to €64 million in the third quarter of 2024; ii) the "property and personal protection" line, which increased by €9 million (+13.5%) to €73 million; iii) the increase in premiums relating to the "Credit Protection" line (+€8 million, +10.2%) resulting from the increase recorded on both salary-backed loans and CPI policies.

**INVESTMENT AND PENSIONS
NET INFLOWS AT 30 SEPTEMBER 2024
(€m)**



Net inflows in the Investments and Pensions business amounted to €0.7 billion, down when compared to the same period in 2023 (€3.4 billion) as a result of the performance of gross inflows (-€0.9 billion compared to the first nine months of 2023) and liquidations (+€1.8 billion compared to the same period in 2023), but remained positive thanks in particular to the performance of multi-class products, confirming the resilience of the business in a market characterised by negative net flows.

The **lapse rate** ^{ANZ} at 30 September 2024 was 6.6%, up from 4.0% at 30 September 2023 and compared to 4.4% in December 2023, but still well below the average market figure of 11.19% at 30 June 2024⁹².

91. Reference is made to the "Poste Prospettiva Valore Gold" family of products, characterised by benefits initially linked to a specific asset pool and to a Separate Account subsequently.

92. Source: Report ANIA - Trends Life Flows and Reserves Year XIV - no. 02 - published on 9 September 2024.

LIABILITIES UNDER INSURANCE CONTRACTS (€m)

- LIC
- LRC



Liabilities under insurance contracts at 30 September 2024 totalled €161,303 million, of which €160,099 million consisted of *Liability for Remaining Coverage (LRC)* ^{A2}, which includes the Contractual Service Margin (CSM) of €13,618 million, and €1,203 million from the Liability for Incurred Claim (LIC).

The 3.8% increase in the period (+€5,964 million) is almost exclusively attributable to the increase in LRC (+€6,001 million), which is mainly attributable to the increase in the present value of future cash flows as a result of the increase in premium income and the financial effect related to the capitalisation of interest for the period; these effects are only partly mitigated by operational changes (effect on future cash flows generated by the experience of the period).

INSURANCE PROVISIONS⁹³ (€m)

- Multi-class
- Unit linked
- Build-up*
- Protection**



* Includes Pensions and other provisions.

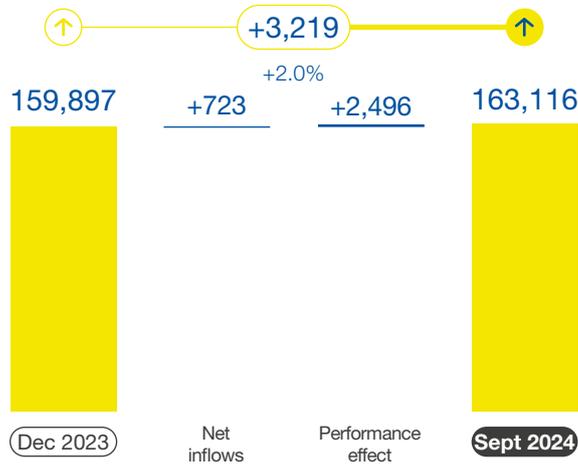
** Includes provisions pertaining to the non-life business and the protection line of the Life business.

The Poste Vita Group's technical provisions amounted to €164.5 billion and increased by about €3.4 billion compared to 31 December 2023.

93. Technical provisions of the insurance business (Life and P&C) determined in accordance with the national accounting standards used to prepare the individual financial statements of the Group's insurance companies.

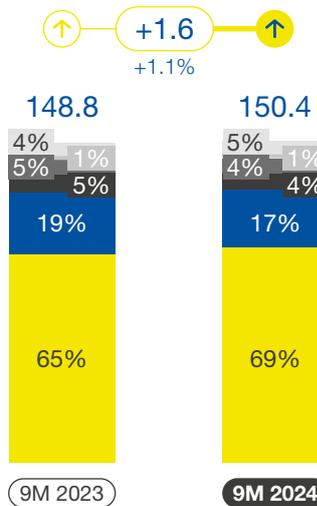
The technical provisions of the Investments and Pensions business amounted to €163.1 billion and increased by approximately €3.2 billion compared to 31 December 2023 due to the positive net inflows recorded in the first nine months of 2024 (€0.7 billion) and the positive performance effect (€2.5 billion). Technical provisions pertaining to the Protection segment amounted to €1,391 million at the end of the first nine months of 2024 (of which roughly €600 million related to the Life business and €254 million to Net Insurance), up from the €1,182 million recorded at 31 December 2023.

CHANGES IN INSURANCE RESERVES, INVESTMENTS AND PENSIONS⁹⁴ (€m)



BREAKDOWN OF THE INVESTMENT PORTFOLIO⁹⁵ (€bn)

- Alternative Investments*
- Equity
- Emerging Markets
- High Yield Bonds
- Corporate Bonds
- Government Bonds



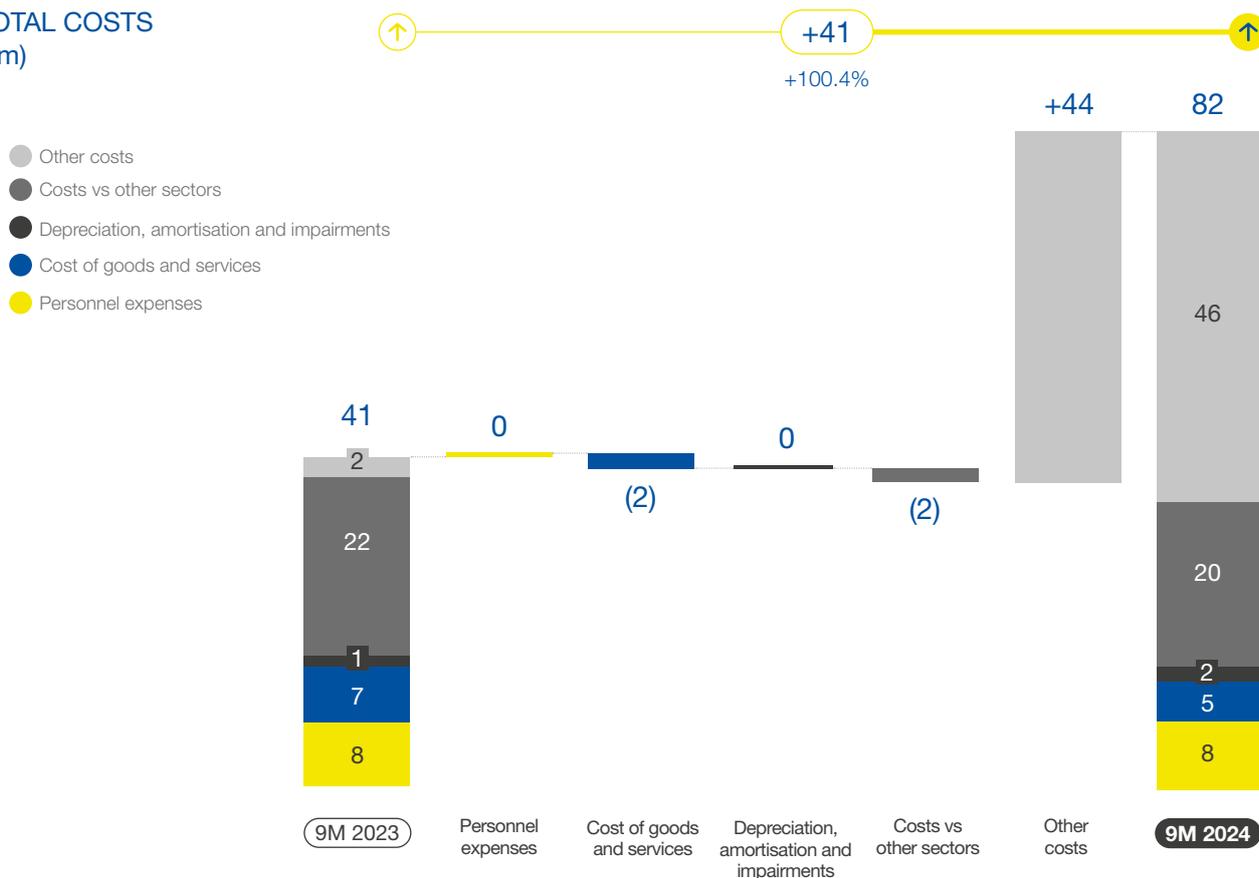
* Financial instruments that are not listed on regulated markets. The category includes several asset classes such as: Private Debt, Real Estate Debt, Real Estate Equity, Infrastructure, Private Equity and Hedge Funds.

The latest Strategic Asset Allocation (SAA), approved by the company in March 2024, is based on the assumption that, in the current market scenario, traditional asset classes (government bonds and corporate bonds) are relatively more attractive than in the past due to their ability to generate stable returns and mitigate interest rate risk with respect to the evolution of policyholder liabilities (insurance liabilities). In this context, the process of diversifying investments continued with: i) an increase in the government share and a focus on diversifying the basket of government bonds; ii) a marginal reduction in the share of corporate bonds, with the simultaneous improvement in the average quality profile of the securities in the portfolio.

94. Determined in accordance with the national accounting standards used to prepare the individual financial statements of the insurance company Poste Vita SpA.

95. The value of the investment portfolio includes all class C investments (i.e. Class I, Class V) and investments pertaining to the Free Capital of Poste Vita SpA, while it does not include class D investments (i.e. Class III).

TOTAL COSTS (€m)



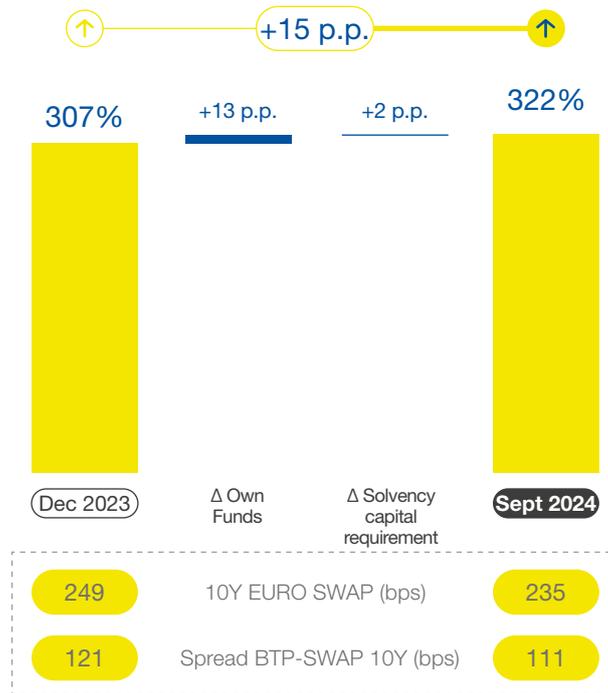
The costs discussed in the remainder of this paragraph are only those not directly attributable to insurance contracts. In light of the entry into force of the new IFRS 17 standard, costs directly attributable to insurance policies are in fact shown as a direct reduction of insurance revenue. These costs, moreover, at the time the contract is concluded are considered within insurance liabilities and released periodically in the statement of profit or loss (within net insurance income).

Non-attributable costs at 30 September 2024 (mainly referring to other operating costs, personnel expenses, commercial expenses, IT service costs and professional consultancy/services) amounted to €82 million and increased (+€41 million) compared to the same period in 2023, due essentially to the amount estimated and set aside for the first nine months of 2024, amounting to approximately €44 million, as a contribution to the Life Insurance Guarantee Fund established by the 2024 Budget Law (please refer to the Regulatory context of the Insurance Services SBU for more details on this measure).

In light of the results illustrated, the economic performance of the Insurance Services Strategic Business Unit highlights EBIT of €1,028 million, an increase of €42 million (+4.3%) compared to the same period of 2023. Excluding the contribution to the Life Insurance Guarantee Fund, which amounted to €44 million in the period, adjusted EBIT for the nine months (i.e. net of the contribution to the Life Insurance Guarantee Fund) amounted to €1,071 million and increased compared to the same period in 2023 by approximately €85 million (+8.7%).

Taking into account the positive financial management of €48 million (€32 million in the same period of 2023) and the taxes for the period, equal to €315 million (-€17 million, -5.2% compared to the same period of 2023), the Insurance Services Strategic Business Unit achieved a net result of €761 million at 30 September 2024, an increase of 11% (+€76 million) compared to 30 September 2023.

SOLVENCY RATIO PERFORMANCE



The **Solvency Ratio** ^{AZ} of the Poste Vita Group stood at 322% at 30 September 2024, increasing compared to the 307% recorded in December 2023 (+15 p.p.), remaining at levels well above regulatory constraints and managerial aspiration (about 200%).

The change in the period was due to an increase in available own funds (+13 p.p. on the solvency ratio) and a decrease in the capital requirement (+2 p.p. on the solvency ratio).

In particular, the reduction of the 10-year swap rate (-14 bps) and of the BTP-Swap Spread (-10 bps) lead to an increase in the value of **Own Funds**, despite the fact that they are affected by the dividend expected for the current year (-16 p.p. on the solvency ratio).

The slight reduction in the **Capital Requirement** is mainly due to the reduction in market risk due to the favourable economic scenario of the period and lower operational risks due to lower premium income in the period⁹⁶.

96. Period: 1/10/2023-30/09/2024 compared to the period 1/10/2022-30/09/2023.

6.1.4 Postepay Services Strategic Business Unit

The SBU's performance in the first nine months of 2024 was solid and up compared to the same period in 2023, driven mainly by revenue in the payments segment due to the growth of e-commerce and the increasing use of payment cards, as well as the new energy business.

Postepay Services (€m)	9M 2024	9M 2023	Changes	
External revenue*	1,156	1,048	+109	+10.4%
Revenue from other sectors*	205	196	+9	+4.8%
Total revenue*	1,362	1,244	+118	+9.5%
Costs*	568	550	+18	+3.2%
Costs vs other sectors	413	376	+37	+9.8%
Total costs*	981	926	+54	+5.9%
EBIT	381	317	+64	+20.0%
EBIT Margin %	28.0%	25.5%		
NET PROFIT	290	232	+57	+24.6%

* This item takes into account the management reclassification of costs related to the purchase of raw materials and the transportation of electricity and gas, which are classified as a direct reduction of energy segment revenue. The comparative values shown in the 9M 2023 column have been adjusted to reflect this reclassification. Please refer to Chapter 9 "Appendix" for a reconciliation with the respective accounting data.

Operating KPIs	9M 2024	9M 2023	FY 2023	Changes	
Electronic money and payments					
Total value of card transactions ("on us" and "off us") (€m)*	62,919	58,431		+4,489	+7.7%
Total value of card transactions ("off us") (€m)**	50,330	46,969		+3,360	+7.2%
Number of cards (m)***	30.2		29.6	+0.6	+2.0%
of which Eco-sustainable Cards (m)	15.2		10.6	+4.6	+43.5%
of which Prepaid Postepay Cards (m)	22.7		22.1	+0.6	+2.8%
of which Postepay Evolution cards (m)****	10.4		10.0	+0.4	+3.9%
Number of card transactions (m)	2,169	1,963		+207	+10.5%
of which number of e-commerce transactions (m)*****	508	437		+71	+16.2%
Incidence of Postepay top-ups on new channels***** (in %)	80%	74%			
TLC					
SIM PosteMobile landlines and mobile telephones (stock in thousands)	4,837		4,732	+105	+2.2%
of which mobile Sim (stock in thousands)	4,390		4,326	+64	+1.5%
of which Casa Sim (stock in thousands)	447		406	+41	+10.2%
of which Fibra Sim (stock in thousands)	186		143	+43	+30.2%
Energy					
Active customer base (in thousands)	641		350	+291	+83.2%

* Transactions relating to payments made with Postepay Debit and Postepay on internal and external payment circuits ("on us" and "off us").

** Transactions relating to payments made with Postepay Debit and Postepay on external payment circuits ("off us").

*** Includes Postepay cards and debit cards.

**** Including business customers and Postepay Connect.

***** Includes e-commerce transactions + web (on Poste Italiane's digital properties) Incoming transfers are excluded from the perimeter.

***** Includes transactions carried out on third-party networks (Post Office Point Network, Tobacconists, HORECA and other LIS points) and digital channels (Poste Italiane Retail, Business and Other Digital Channel Properties).

EXTERNAL REVENUE (€m)

As reported in the paragraph "Group operating results", starting from the 2023, the energy business has been represented on a net revenue basis, i.e. the revenue is shown net of costs associated with the purchase of raw materials, system charges and the transport of electricity and gas.



Payments: prepaid cards (top-ups, payments, withdrawals, fees, issuance), debit cards (Postepay debit - interchange fee on card transactions; from October 2021 also withdrawals, P2P top-ups and fees to customers); **acquiring** services (transaction fee, fees and services) linked to the supply of **POS** (mobile, physical, virtual) for accepting card payments (debit, credit, prepaid). Telephone top-ups for all mobile network operators (MNO) and virtual mobile operators (MVNO), commercial services for tobacconists/HORECAs: tax payment service through acceptance of the F23 and F24 models; funds transfer for sending money abroad via Moneygram and Western Union, post giro transfers and direct debit made by Postepay Evolution, payments on the PagoPA system, MAV, payment collection, revenue stamps, acceptance of postal pay slips and other direct LIS payments.

TLC: mobile phones (revenue from traffic, and the sale of mobile phones and routers from PO corners) and fixed line (PosteMobile Casa and PosteCasa Ultraveloce offers).

Energy: revenue from electricity and gas sales following the start of the employee and family promotion in mid-June 2022 (mass market offer starting from January 2023) and revenue from energy management portfolio optimisation activities⁹⁷.

External revenue amounted to €1,156 million, marking an increase of €109 million compared to the same period of 2023 (+10.4%).

The growth of €109 million compared to the nine months of 2023 is mainly due to the increase of €65 million in the payments business and of €46 million in the energy business, while the telecommunications business decreased slightly by €2 million (-1%).

In particular, revenue in the payments segment increased by €65 million (+8.2%) from €793 million in the first nine months of 2023 to €858 million in the same period of 2024, due to growth in fee revenue from Postepay Evolution cards and Postepay debit cards (+€31 million) as well as higher revenue from acquiring services (+€11 million), PagoPA payment services (+€12 million) and transfers from Postepay Evolution cards (+€10 million).

97. Electricity and gas trading in wholesale markets aimed at guaranteeing supplies to end customers by managing their physical balancing.

In the first nine months of 2024, the energy segment recorded around €53 million in revenue, thanks to the contribution of both the Electricity (€42 million in revenue) and Gas (€12 million in revenue) offers. In the first nine months of 2024, 470 thousand subscriptions were recorded (of which 306 thousand for the Electricity line and 164 thousand for gas).

Lastly, the Telecommunications segment recorded a slight decrease in revenue of €2 million (-1%) from €247 million in the first nine months of 2023 to €245 million recorded in the same period of 2024, mainly attributable to lower acquisitions in the mobile telephony service.

Revenue from other sectors increased by €9 million to €205 million in the first nine months of 2024 from €196 million in the first nine months of 2023, mainly due to the remuneration of deposits on Postepay cards by BancoPosta and revenue from other group companies for energy sales.

The third quarter of the year confirmed sustained growth in the Energy and Payments segments.

In detail, the energy segment recorded revenue of €19 million in the third quarter of 2024, an increase of €11 million (+131.9%) compared to the same quarter of 2023, thanks to the expansion of the customer base. Revenue from the payments segment amounted to €294 million, up from the same period of 2023 (+€13 million, +4.6%), mainly due to the increase in fee revenue from Postepay Evolution cards and debit cards (+€11 million) as well as higher revenue from acquiring services (+€3 million) and the contribution of PagoPA payment services (+€2 million) and transfers from Postepay Evolution cards (+€4 million). Finally, the telecommunications segment achieved revenue of €82 million in the third quarter of 2024, a slight decrease compared to the same period in 2023 (-€1 million, -1.7%) mainly attributable to lower revenue from the mobile telephony service due to a smaller customer base compared to the same period last year, mitigated by fibre revenue.

CARD STOCK (figures in millions)

● Postepay debit

● Postepay prepaid



At 30 September 2024, the total stock of prepaid Postepay and Postepay Debit cards amounted to 30.2 million, an increase of 0.6 million (+2%) compared to the end of 2023. The total transaction volume⁹⁸ in the first nine months of 2024 totalled €62.9 million, up by roughly €4.5 million (+7.7%) compared with the same period of 2023.

Prepaid Postepay cards in place amounted to 22.7 million (up by 2.8% compared to December 2023) and of these, Postepay Evolution cards, equal to approximately 10.4 million, showed an increase of 3.9% compared to the value at 31 December 2023. The sale of Postepay Connect⁹⁹ continued in the first nine months of 2024, with 65 thousand activations and a stock of 612.8 thousand cards (+1.4% compared to December 2023). The stock of Green cards also grew strongly, from 10.6 million in December 2023 to 15.2 million in September 2024 (+43.5%).

98. The figures refer to on-us and off-us payment transactions.

99. Offer integrating the Postepay Evolution prepaid card and the Postemobile SIM.

30.2 mln

the card stock at 30 September 2024

In the first nine months of 2024, payment card transactions stood at 2,169 million, up 10.5% (+207 million transactions) compared to the same period in 2023, thanks in part to the contribution of e-commerce and web transactions, which stood at 508 million (up by 71 million compared to the same period of 2023 or +16.2%).

In the area of acquiring, against a number of POS terminals installed at 30 September 2024 of about 308 thousand, a transaction volume of €24.3 billion was developed (+12%, an increase of +€2,554 billion compared to the first nine months of 2023).

SIM STOCK
(figures in thousands)

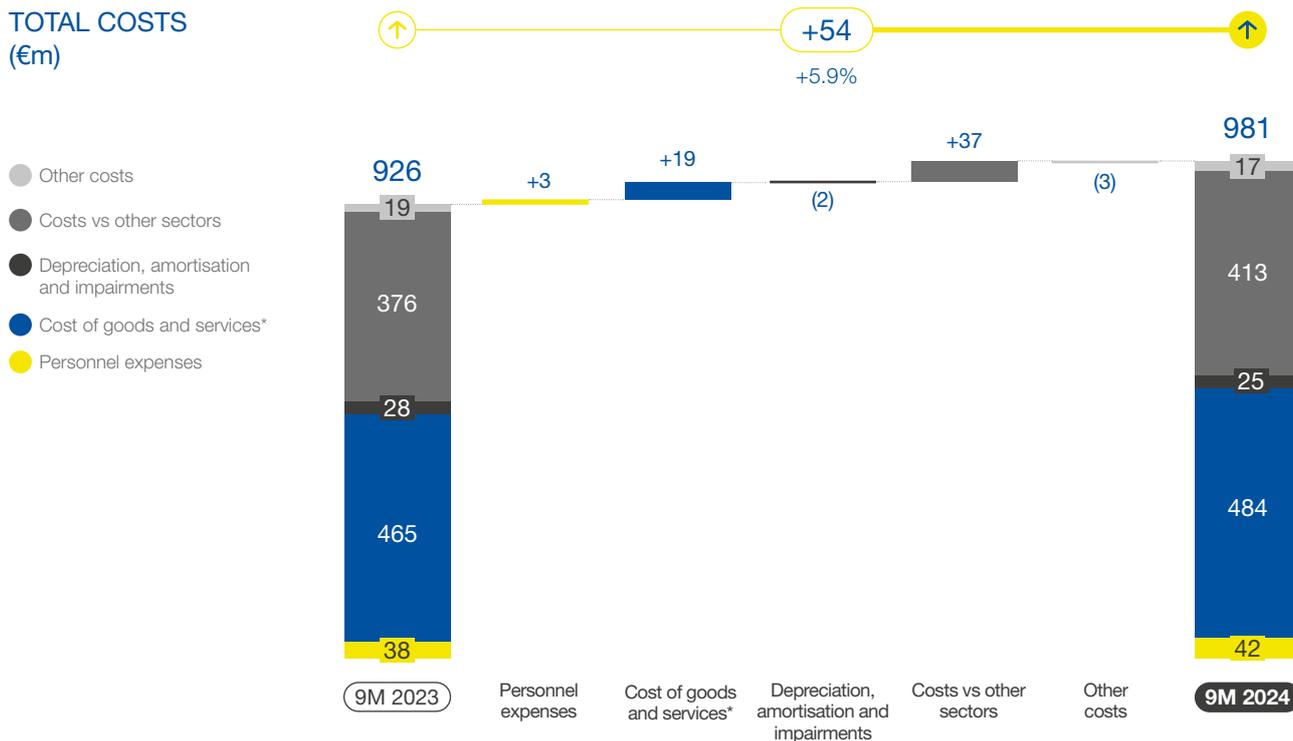
- Mobile SIM
- Fixed Lines



In Telecommunications, the customer base related to mobile telephony services, at September 2024 is represented by approximately 4.4 million lines, up slightly compared to the end of 2023 (4.3 million lines). With reference to Fixed Telephony services, the "PosteMobile Casa" offer and the "PosteCasa Ultraveloce" fibre optic data connectivity offer recorded a 10.2% increase in lines, rising from 406 thousand lines in December 2023 to 447 thousand lines in September 2024.

In detail, the increase is due to the "PosteCasa Ultraveloce" (Fibre) lines, which reached 186 thousand in September 2024, an increase of 43 thousand lines compared to December 2023, marking growth of 30.2%.

TOTAL COSTS (€m)



* This item takes into account the management reclassification of costs related to the purchase of raw materials and the transportation of electricity and gas, which are classified as a direct reduction of energy segment revenue. Please refer to Chapter 9 "Appendix" for a reconciliation with the respective accounting data.

The total costs of the PostePay Services SBU (including depreciation, amortisation and impairments) amount to €981 million, an increase of +5.9% (+€54 million) compared to the €926 million incurred in the first nine months of 2023.

The increase in the cost of goods and services (+€19 million, +4.2% compared to the first nine months of 2023) was mainly due to the growth in sales and management commissions, which rose by €22 million (+18%) due to the increased operation of payment cards, as well as the increase in fees under the new contracts with international circuits.

The increase in costs to other sectors (+€37 million, +9.8% compared to September 2023) was mainly due to higher outsourcing costs to the Parent Company, with particular reference to back office and information services activities.

Personnel expenses amounted to €42 million, an increase of €3 million (+8.9%) compared to the first nine months of 2023 as a result of the increase in the workforce.

In light of the results described, the financial performance of the PostePay Services Strategic Business Unit in the first nine months of 2024 shows an operating result (EBIT) of €381 million, up +20% compared to the same period of 2023 (+€64 million).

The profit achieved in the first nine months of 2024 amounted to €290 million, an increase of +24.6% compared to the same period of 2023 (+€57 million).

The free capital ratio of PostePay EMI at 30 September 2024 amounted to 27.4%, up from the figure of September 2023 (15.9%).

The PostePay EMI total capital ratio was 8.26% at 30 September 2024 (7.14% in September 2023).

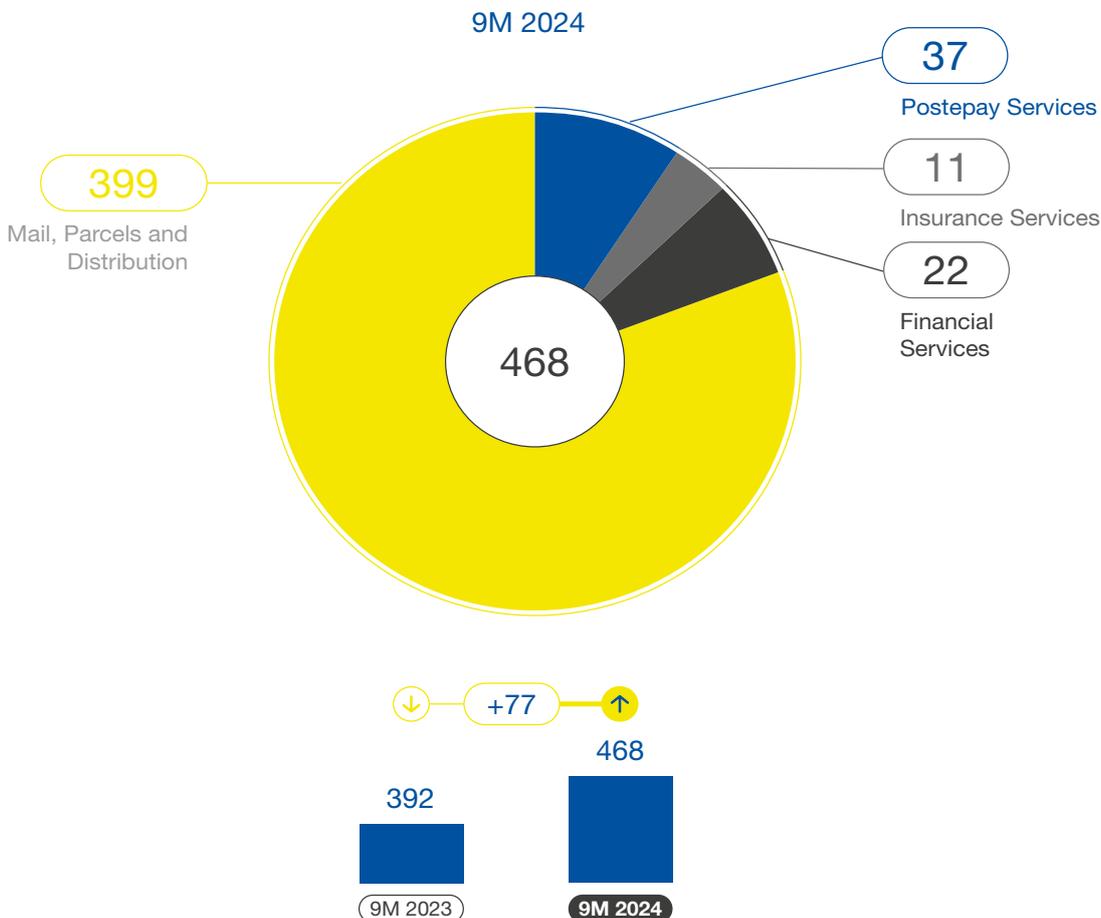
6.2 Group Financial position and cash flow

€m	30 September 2024	31 December 2023	Changes	
NON-CURRENT ASSETS	6,126	6,195	(69)	-1.1%
NET WORKING CAPITAL	1,520	1,096	+424	+38.7%
GROSS INVESTED CAPITAL	7,646	7,291	+355	+4.9%
FUNDS AND SUNDRY ASSETS/LIABILITIES	(1,229)	(715)	(514)	-71.9%
NET INVESTED CAPITAL	6,417	6,578	(161)	-2.5%
EQUITY	12,046	10,439	1,608	+15.4%
NET DEBT/(FUNDS)	(5,629)	(3,861)	(1,768)	-45.8%
<i>of which: Net financial position (deficit) of the Mail, Parcels and Distribution SBU</i>	1,902	2,755	(853)	-31.0%

The Poste Italiane Group's **non-current assets** at 30 September 2024 amounted to €6,126 million, a decrease of €69 million compared with the end of 2023. Investments of €468 million contributed to the formation of fixed assets and an increase in rights of use for new stipulations, renewals and contractual changes net of terminations falling within the scope of application of IFRS 16 equal to a total of €103 million. These changes were more than offset by depreciation and amortisation of €685 million.

Also contributing to the balance of this item are equity investments in companies accounted for using the equity method for a total of €332 million; the change compared to 31 December 2023 mainly relates to the recognition of the investments in N&TS Group for €17 million and Locker Italia for €15 million.

(€m)





The Group's **investments** in the first nine months of 2024 amounted to €468 million. Investments classified as ESG, i.e. complying with the reference principles of the Group's 8 Pillars of Sustainability, represent roughly 70% of the total value. The main projects include initiatives relating to the Polis Project "Home of digital citizenship services", the energy efficiency initiatives of the real estate assets, the automation and evolution of the sorting and delivery network from a green perspective, the improvement of the customer experience of the products and services offered to customers from a multi-channel and digital perspective, the evolution of the Cloud infrastructure, as well as the adoption of management systems, equipment and infrastructures in the field of health and safety.

In line with the investment programme for the period 2024-2028, designed to support the objectives of the Strategic Plan called "The Connecting Platform", around 85% of the Group's investments (€399 million) focused on the automation and modernisation of the Mail, Parcels and Distribution Strategic Business Unit.

In particular, the renewal of the fleet dedicated to delivery continued in the first nine months of 2024, with the introduction of about 1,700 new vehicles, of which about 192 electric, 1,029 hybrid and the remainder with low emissions. At 30 September 2024, the total fleet consisted of about 27,900 new low-emission vehicles, of which about 6,000 are full-green vehicles and about 8,800 are hybrids. In addition, at 30 September 2024, approximately 5,600 electric vehicle charging stations are installed.

The main initiatives related to the evolution of the logistics network during the first nine months of 2024 include the start-up of the SDA HUB in Piacenza and the continuation of the construction of the new SDA HUB in Caserta, which started up on 9 October 2024. The strengthening of the network is aimed at enhancing the parcel network in terms of sorting capacity and widespread presence, to support the growth in parcel volumes and the increasing demand for fast delivery.

Property investments concerned the redevelopment of Post Offices, the creation of new spaces for commercial specialists and mobile consultants. In the area of reducing environmental impacts, work continued on automation and remote control of facility management (more than 140 buildings involved in the Smart Building project in the first nine months of 2024) in order to reduce electricity consumption and CO2 emissions. Work also continued on the replacement of conventional lamps with LED technology (roughly an additional 13,120 additional lamps in the first nine months of 2024) and 135 photovoltaic systems were installed in the first nine months of 2024, totalling 445 systems with an installed capacity of roughly 18,150 KWp.

In the first nine months of 2024, work continued on the routine management of security in the workplace, in particular with the distribution of security equipment at the territorial branches, and on IT security through threat prevention and countering cyber attacks. Work continued on the Poste Italiane video surveillance service for sites not yet served and existing systems were improved by progressively replacing digital video recorders (DVR) and obsolete anti-intrusion control units. In particular, more than 110 cameras and roughly 40 Intrusion Control Panels were replaced. In addition, the annual 2024 TAPA - FSR (Transported Asset Protection Association - Facility Security Requirements) certification¹⁰⁰ was obtained in the first nine months of 2024 at the Brescia Operations Centre and 5 additional Sorting/Delivery Centres, for a total of 9 sites certified at 30 September 2024.

Approx.
27,900

Low-emission vehicles available in the fleet, of which approximately **6,000 electric**

Approx.
2,145

Buildings involved in the **smart building** investments at 30 September 2024

Approx.
446 thousand

LED lamps installed at 30 September 2024

100. TAPA certification involves the implementation of physical security systems and the adaptation of security systems (access control, video-surveillance, anti-intrusion, etc.) at the logistics sites of Mail, Communication and Logistics, as well as the adoption of specific rules, procedures and audit plans so that what is implemented is aimed at protecting assets and spreading a culture of security, in compliance with company regulations, in order to ensure the reduction of exposure to the risk of theft, compliance with the international TAPA-FSR standard according to which sites will be certified, the maintenance of air security certification (regulated agent, airport handler) and the transport of dangerous goods under ADR (Accord Dangereuses Route - road) and DGR (Dangerous Goods Regulation - air transport). (Regulatory requirement on civil aviation security Reg. EU 300/2008; Reg. EU 2015/1998 and following).

Within the scope of Technological Transformation and Engineering, the migration of existing digital services to the new infrastructure based on Hybrid Cloud continued, through a "containerisation" procedure of application components. In addition, in the area of Customer Service, the evolution of all-round assistance processes continues, aimed at increasing self-service and strengthening the support tools for operators.

Net working capital at 30 September 2024 amounted to €1,520 million and increased by €424 million compared to the end of 2023 mainly due to:

- lower trade payables of €594 million and less trade receivables of €487 million;
- net increase in other assets and liabilities of approximately €235 million;
- increase in current tax receivables, net of current tax payables, of €82 million.

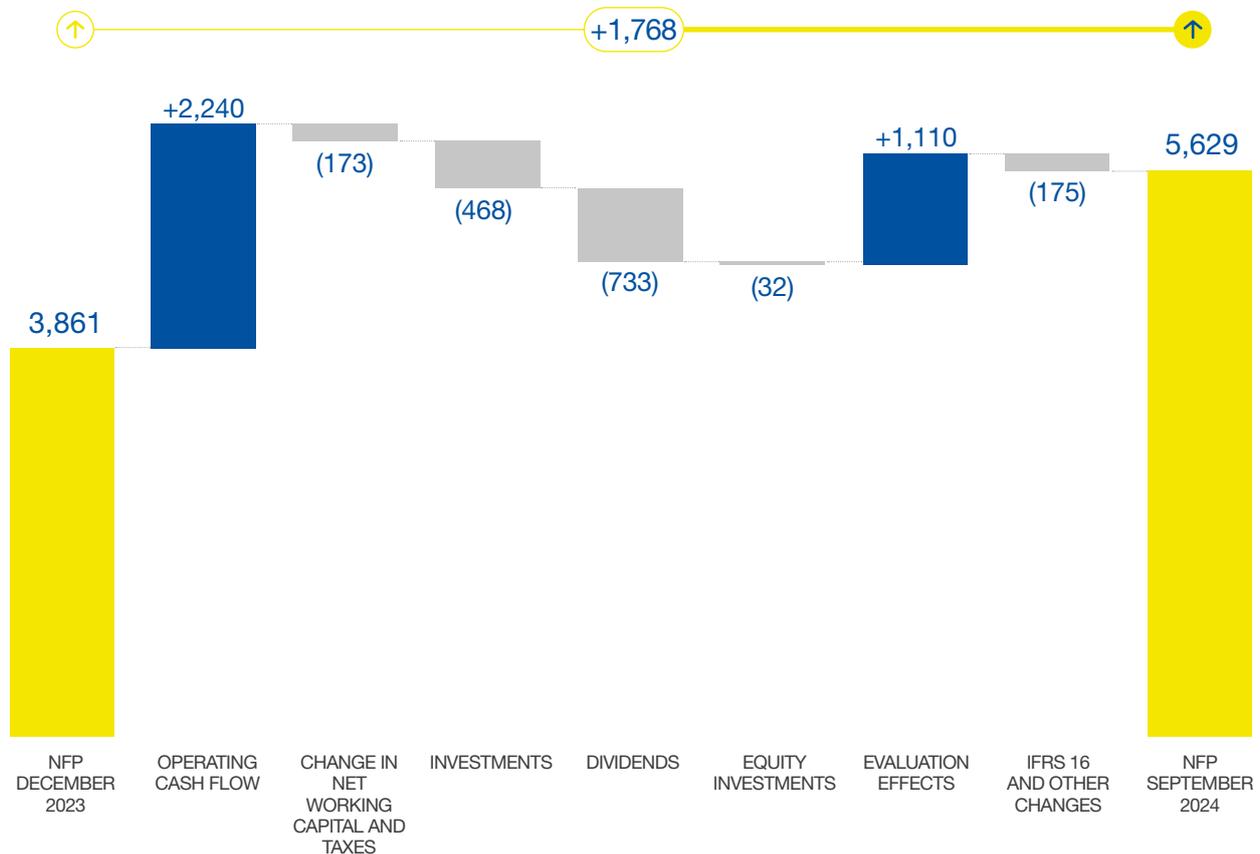
The balance of **Provisions and Sundry Assets/Liabilities** at 30 September 2024 amounted to approximately €1,229 million and increased by €514 million compared to 31 December 2023, mainly due to lower net deferred tax receivables and payables of €635 million, partially offset by the decrease in provision for risks and charges and employee termination benefits totalling €121 million.

Equity at 30 September 2024 amounted to €12,046 million, an increase of €1,608 million compared to 31 December 2023. This change is mainly attributable to:

- the positive effect of the profit for the period of €1,595 million;
- the negative effect from the distribution of dividends in the amount of €733 million;
- the net positive change in the fair value reserve, net of the reserve for insurance contracts, of about €704 million for the fair value fluctuation of investments held mainly by the Financial Services Strategic Business Unit.

Total net debt/(funds) at 30 September 2024 showed funds of €5,629 million, an improvement of €1,768 million from 31 December 2023 (funds of €3,861 million).

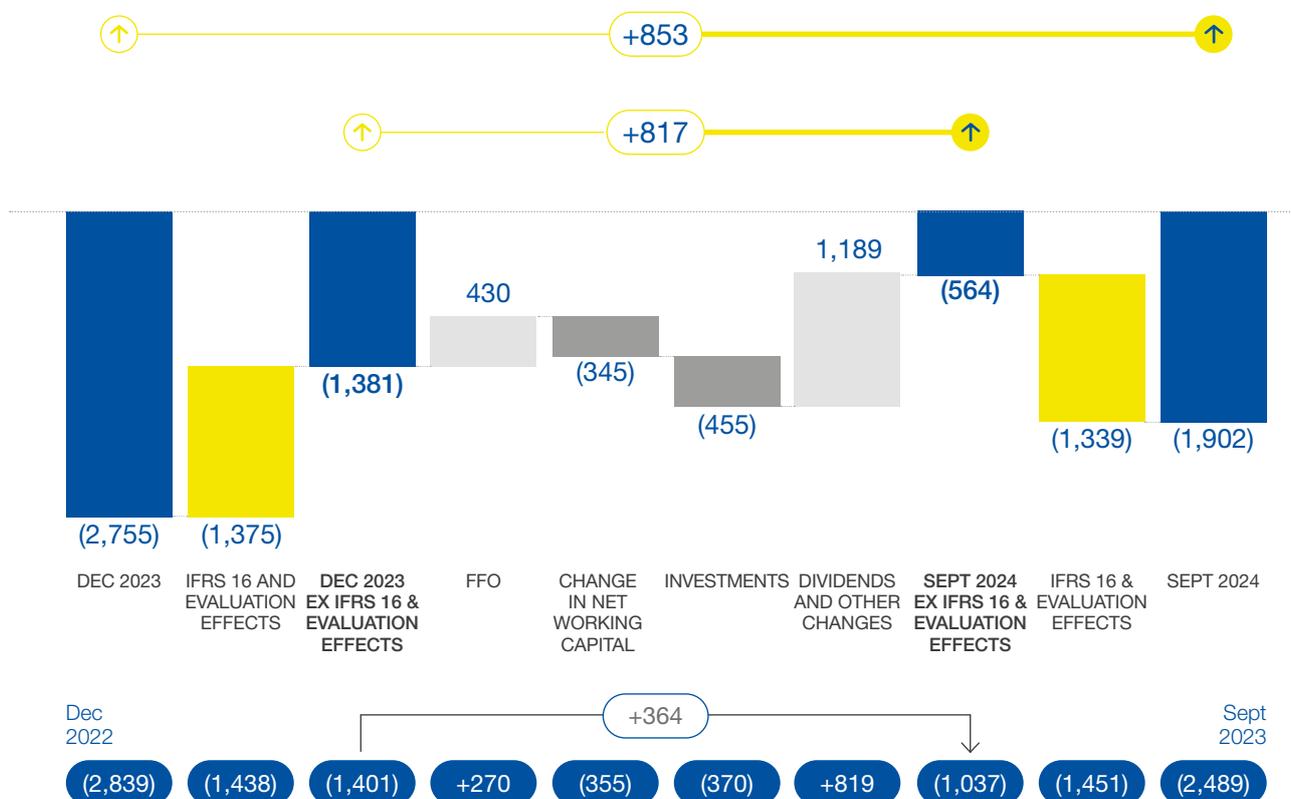
GROUP NET DEBT/(FUNDS) (€m)



The following mainly contributed to this change:

- a positive operating result of €2,240 million (of which €1,595 million referable to the profit for the period, €685 million to depreciation/amortisation and residually from the net change in provisions for risks, employee termination benefits and other items for a total of €40 million);
- the negative effect from the distribution of dividends in the amount of €733 million;
- the negative effect of the change in working capital and taxes amounting to approximately €173 million;
- investments in fixed assets for €468 million;
- equity investments of approximately €32 million related to the acquisition of N&TS and the establishment of Locker Italia;
- the positive valuation effects for the period amounting to €1,110 million, mainly attributable to fluctuations in the fair value of investments classified as FVTOCI, held mainly by the Financial Services Strategic Business Units;
- other decreases totalling €175 million, mainly attributable to the increase in financial liabilities for leases falling under IFRS 16 for €129 million and, residually, to the purchase of treasury shares and coupons paid to holders of hybrid perpetual bonds.

ANALYSIS OF THE NET DEBT/(FUNDS) OF THE MAIL, PARCELS AND DISTRIBUTION STRATEGIC BUSINESS UNIT (€m)



The **Net debt/(funds) of the Mail, Parcels and Distribution Strategic Business Unit** at 30 September 2024 showed a debt of €1,902 million (€564 million net of lease liabilities and valuation effects), an improvement of €853 million compared to 31 December 2023, when it showed a debt of €2,755 million (€1,381 million net of lease liabilities and valuation effects).

Net of lease liabilities and valuation effects in the period, the change amounting to €817 million reflected:

- a positive operating result (FFO) of €430 million due to the result for the period of €73 million, depreciation and amortisation (excluding rights of use) for €450 million and of the net uses of the provision for employee termination benefits and other minor changes for around €93 million (essentially due to the reduction in the voluntary early retirement provision allocated by the parent company);
- a negative effect related to the change in net working capital of €345 million, mainly attributable to the variation in net trade payables and receivables of around €353 million;
- new investments in fixed assets for €455 million;
- a net positive cash flow from dividends and other changes of about €1,189 million mainly due to the net effect of dividends received from companies (€1,902 million) and paid to shareholders outside the Group (€729 million).

The **Payables** shown in the net debt/(funds) of the Mail, Parcel and Distribution Strategic Business Unit primarily relate to:

- an EIB loan of €173 million maturing in March 2026;
- an EIB loan of €400 million maturing in October 2026;
- an EIB loan of €150 million maturing in May 2028;
- an EIB loan of €100 million maturing in May 2028;
- a CEB loan of €125 million maturing in December 2030;
- a CEB loan of €115 million maturing in January 2031;
- two senior unsecured bonds issued on 10 December 2020 with a total nominal value of €1 billion, the first of €500 million maturing in December 2024 and the second of €500 million maturing in December 2028.

ANALYSIS OF THE ESMA NET DEBT/(FUNDS) OF THE MAIL, PARCELS AND DISTRIBUTION STRATEGIC BUSINESS UNIT

Description (€m)	At 30.09.2024	At 31.12.2023
A. Cash and cash equivalents	(1,324)	(650)
B. Cash equivalents	-	-
C. Other current financial assets	(12)	(6)
D. Liquidity (A + B + C)	(1,336)	(656)
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	801	813
F. Current portion of the non-current financial payable	6	1
G. Current financial debt (E + F)	807	814
H. Net current financial debt (G + D)	(529)	158
I. Non-current financial debt (excluding current portion and debt instruments)	2,090	2,058
J. Debt instruments	498	498
K. Trade payables and other non-current payables	15	15
L. Non-current financial debt (I + J + K)	2,604	2,571
M. Total financial debt (H + L)	2,075	2,729

ESMA FINANCIAL DEBT RECONCILIATION WITH NET DEBT/(FUNDS) INCLUDING INTERSEGMENT TRANSACTIONS

Description (€m)	At 30.09.2024	At 31.12.2023
M. Total financial debt (H + L)	2,075	2,729
Non-current financial assets	(592)	(647)
K. Trade payables and other non-current payables	(15)	(15)
Tax credits Law no. 77/2020	(406)	(407)
Net debt/(funds)	1,062	1,661
Intersegment financial receivables and payables	840	1,094
Net debt/(funds) including intersegment transactions	1,902	2,755

Existing cash and credit lines are sufficient to cover expected financial requirements. More specifically, at 30 September 2024, the cash and cash equivalents of the Mail, Parcels and Distribution Strategic Business Unit amounted to €1.3 billion (relating mainly to the Parent Company), while unused committed and uncommitted lines (short-term loans) to support liquidity totalled approximately €3.4 billion.

The table below provides details of the credit lines at 30 September 2024 and 31 December 2023.

Description (€m)	Balance at 30.09.2024	Balance at 31.12.2023
Committed credit lines	2,450	2,450
Short-term loans	2,450	2,450
Uncommitted credit lines	2,277	2,201
Short-term loans	960	960
Current account overdrafts	185	185
Unsecured loans	1,132	1,056
Total credit lines	4,727	4,651
Uncommitted uses	640	569
Short-term loans	-	-
Unsecured loans	640	569
Total uses	640	569

7. Other information

IN THIS CHAPTER:



- Significant events after 30 September 2024
- Significant transactions
- Industrial Relations, Welfare and Corporate University

7.1 Significant events after 30 September 2024

Events occurring after the reporting date of the Interim Report for the period ended 30 September 2024 are described in the other sections of this document and in section 7 "Material events after the end of the reporting period" of the Condensed Consolidated Interim Financial Statements at 30 September 2024.

7.2 Significant transactions

Poste Italiane SpA's Board of Directors, in its meeting of 3 May 2023, having obtained the favourable opinion of the Related and Connected Parties Committee issued on 2 May 2023, approved the transaction concerning the amendment, for the years 2023 and 2024, of the Agreement between Poste Italiane SpA - BancoPosta RFC and Cassa Depositi e Prestiti SpA governing the postal savings collection service. The parties subsequently consolidated the terms of the Amendment to the Agreement with reference to the terms applicable to the year 2023 only, and the Amendment Deed was finalised on 30 January 2024. The value of the Amended Agreement for the year 2023 is between €1.55 (floor) and €1.85 (cap) billion in total, with a finalised value for the year 2023 of approximately €1.7 billion, while the total value of the Agreement for the period 2021 - 2024, as amended, is between €6.50 and €7.05 billion. On 6 February 2024, the relevant Information Document was made available to the public at the Company's registered office, at Borsa Italiana SpA, on the Company's website, as well as on the website of the authorised storage mechanism "eMarket Storage".

At its meeting of 13 December 2023, Poste Italiane SpA's Board of Directors, having obtained the favourable opinion of the Related and Connected Parties Committee issued on 12 December 2023, passed the Framework Resolution authorising financial transactions with the counterparty Cassa Depositi e Prestiti SpA up to a maximum total amount of €2 billion and for a duration of one year starting from 1 January 2024. In particular, financial transactions relate to the spot purchase and sale of Euro-government and/or Italian government-guaranteed securities and repurchase agreements for lending and funding to be carried out within the limits of the "Poste Italiane Financial Management" Guidelines, the BancoPosta Risk Appetite Framework and/or the resolutions of the Board of Directors. Financial operations take the form of support activities for BancoPosta ordinary operations and are therefore of an ordinary nature within the meaning of Consob regulations. In the first nine months of 2024, no transactions were carried out to implement the Framework Resolution.

At its meeting of 13 December 2023, Poste Italiane SpA's Board of Directors, having obtained the favourable opinion of the Related and Connected Parties Committee issued on 12 December 2023, passed the Framework Resolution authorising financial transactions with the counterparty Banca Monte dei Paschi di Siena SpA up to a maximum total amount of €4 billion and for a duration of one year starting from 1 January 2024. In particular, financial transactions relate to the spot and forward purchase and sale of government and/or Italian government-guaranteed securities, repurchase agreements for lending and funding, and hedging financial derivatives to be carried out within the limits of the Poste Italiane Financial Management Guidelines, BancoPosta's Risk Appetite Framework and/or the resolutions of the Board of Directors. Financial operations take the form of support activities for BancoPosta ordinary operations and are therefore of an ordinary nature within the meaning of Consob regulations. In the first nine months of 2024, 8 interest rate swap transactions were carried out to hedge interest rate risk and 15 transactions to buy and sell government bonds for a total amount of €890.3 million in implementation of the Framework Resolution. The transactions were concluded at market conditions.

Poste Italiane SpA's Board of Directors, in its meeting of 13 December 2023, having obtained the favourable opinion of the Related and Connected Parties Committee issued on 12 December 2023, approved the stipulation of the three-year distribution agreement between Poste Italiane SpA - BancoPosta RFC and Poste Vita SpA for the placement of insurance products. The Distribution Agreement, which qualifies as a Transaction of Greater Importance in the ordinary course of business and on market- or standard-equivalent terms, has an estimated value of approximately €2,277 million for the total term of the agreement (1 January 2024 - 31 December 2026). The agreement was finalised on 30 January 2024.

Poste Italiane SpA's Board of Directors, in its meeting of 15 May 2024, having obtained the favourable opinion of the Related and Connected Parties Committee issued on 13 May 2024, authorised the signing of the new Agreement between Poste Italiane SpA - BancoPosta RFC and Cassa Depositi e Prestiti SpA governing the postal savings collection service for the three-year period 2024-2026. The value of the agreement, within the reference time horizon of 3 years, is in the range of €4.65 to €5.70 billion.

The agreement was finalised on 1 August 2024 and the Information Document relating to the transaction was made available to the public on 5 August 2024 at the Company's registered office, at Borsa Italiana SpA, on the Company's website, as well as on the website of the authorised storage mechanism "eMarket Storage".

7.3 Industrial relations, Welfare and Corporate University

National Collective Labour Agreement

**CCNL
renewed
until 2027**

On 23 July 2024, the renewal of the National Collective Labour Agreement (CCNL) for the non-managerial staff of Poste Italiane and the Group companies falling within its scope was signed with the trade unions, which was also extended to Poste Insurance Broker, SDA Express Courier and Poste Logistics (the latter with effect from 1 July 2025). The CCNL will be in force, for both the regulatory and economic parts, until 31 December 2027.

With reference to the economic part, an average gross pay increase of €230 has been envisaged, which will be spread over the entire term of the contract, with an increase in the minimum wage of €192 gross on average, while the value of the daily meal ticket will be increased by €1.26 when fully implemented. In relation to regulatory profiles, the regulations of certain institutions were reviewed, with the dual objective of strengthening the system of protections and workers' rights while incorporating the legislative changes made, in keeping with the best-favour approach already adopted by the Company. Highlights include the strengthening of gender and parental protections as well as protections for employees with disabilities or serious illnesses with respect to sick leave. The institution of solidarity holidays has also been regulated.

With regard to the corporate welfare system, the benefits included in the Basic Package of the Supplementary Health Care Plan were strengthened, with maximum limits raised for highly specialised diagnostics and specialist visits. Plans were also put in place for the launch of a 12-month pilot project for psychological support, making 2 specialist sessions available to employees.

Finally, with regard to the industrial relations system, the already consolidated system of joint company-union bodies was further strengthened.

National Joint Committee for Occupational Health and Safety

On 19 February 2024, work resumed within the framework of the National Joint Committee (OPN), where three topics were discussed in depth: heatwaves, the gradual reduction of Covid-19 preventive measures and the delivery of diagnostic kits by postal carriers. With reference to heatwaves, the company illustrated the findings of the heatwave-related thermal stress risk assessment for postal workers, as well as the protective measures identified to mitigate this risk. Regarding the positive evolution of the epidemiological situation from Covid-19, the company will proceed with the removal of the plexiglass installed in the consulting rooms.

On 20 May 2024 at the National Joint Committee (OPN), the Company, on the one hand, illustrated the results of the analysis aimed at determining the level of risk of Work-Related Stress (SLC) and, on the other hand, with reference to the assessment of the risk of thermal stress for delivery activities in the Mail, Communication and Logistics area, confirmed its commitment to continue with all the actions necessary to mitigate the relative risk (e.g. delivery of thermal water bottles and summer uniforms). For further agreements signed with the Trade Unions, please refer to the Interim Report at 30 June 2024.

Welfare - Diversity & Inclusion

Poste Mondo Welfare 2024

Membership records:
> 41,000; +47.5%
compared to 2023



The Company's commitment to safeguarding the well-being of people continues through initiatives aimed at strengthening the welfare system with interventions in favour of employees and their families in a logic of growing proximity and personalisation of caring.

As part of the initiatives in favour of the new generations, the **"Next Generation"** programme for school orientation and the development of soft skills for young people from vulnerable social backgrounds was concluded, to bring them closer to the labour market and prepare them for the jobs of the future.

In addition, the **two-year "School4Life 2.0"** project was renewed for a second edition, which aimed to help combat school drop-outs by supporting educational quality through intervention plans by Company professionals as role models, mentors and masters of trades in secondary and high schools throughout Italy.

A "Future Lab" programme was also set up for the children of employees to stimulate reflection on their personal development plan and develop their ability to design their own study and career path.

In the context of contractual welfare, the **Poste Mondo Welfare 2024** programme was launched, which allows employees, on a voluntary basis, to convert all or part of the Performance Bonus into goods and services characterised by specific social, educational, recreational and welfare purposes, accessing the tax advantages associated with current legislation and additional welfare credits envisaged in the programme. The initiative saw more than 41,000 registrations, +47.5% compared to last year, confirming the value of the programme and the intensive dissemination support plan put in place.

As part of the actions to support active parenthood, three awareness-raising webinars were held to support families in their evolving relationship with their children, and the **"Lifed Parents"** course for employees with children up to the age of 18 was also relaunched with a dedicated corporate webinar.

As regards inclusive welfare actions for vulnerabilities, **summer stays** for disabled children of employees, supported entirely by the Company, were concluded, providing two 15-day holiday periods in accessible tourist facilities.

With a view to promoting cross-cultural exchanges, 18 scholarships abroad were awarded to children of employees.

To accompany the actions in support of the Diversity & Inclusion business plan, project priorities and implementation time-lines were identified in line with the strategic objectives. Within this framework, the **Employee Resource Groups (E.R.G.)** - communities within the company formed by employees linked by shared backgrounds or interests - were opened to the entire corporate population through dedicated launch webinars on the topics of Generations, Gender, LGBTQ+, Vulnerability and Interculturality.

The **"We Are Here"** initiative dedicated to employees with serious illnesses, chronic diseases or who find themselves in vulnerable situations continues.

The Company, which has always been active in supporting the values of diversity and inclusion through the adoption of corporate, organisational and management mechanisms marked by respect for people's rights and freedom, approved in February 2024, the **LGBTQ+ Inclusion Policy** whose main objective is to give concrete expression to the principle of inclusion in order to create a positive working environment where everyone is respected, treated equally and free from prejudice.

In May 2024, a webinar was organised in collaboration with A.G.E.D.O, an association that brings together parents, relatives, and friends of LGBTQ+ people, with the aim of getting people to reflect, through sharing stories of coming out to the family, on the importance and value of including diversity in all contexts and the sense of connection this generates.

During the period, the Diversity Innovation Meeting cycle started again in cooperation with Italiacamp. The first two meetings dealt with the themes of Generations with a focus on exploring motivations and characteristics of Generation Z in the working and social world, observed through the relationship and intersection with other generations and Gender, exploring the influence of language in behaviour.

In terms of raising awareness of affective/sexual orientation, the initiatives organised by the association **Parks, Liberi e Uguali**, to which the Company has adhered, continue, with events extended to the entire company population.

Moreover, as part of the initiatives aimed at strengthening the sense of belonging to the Company, 71 employees of the Poste Italiane Group were awarded the "**Star of Labour Merit**", a prestigious honour bestowed on workers who have distinguished themselves for singular merits of skill, industriousness and good moral conduct.

Corporate University

Approx.
3.7 mln

Hours of training
provided at 30
September 2024

In the **first nine months of 2024** a total of **approximately 3.7 million hours of training were provided**.

Meetings aimed at the entire population of the Poste Italiane Group of the "**LabAI Literacy**" Path continue. A further four meetings were held in the third quarter of 2024, during which the participants had the opportunity to learn more about the origin and historical development of Artificial Intelligence, examining its evolutionary stages, the errors and distortions that can arise from its use, and the opportunities involved. In addition, initiatives continue to explore topics falling under **Diversity and Inclusion**.

With a view to encouraging participation in role-specific initiatives, from September, **Smart Learning** was introduced for the operational populations of the Post office network and Mail, Communication and Logistics, i.e. the possibility of carrying out training in Agile Working mode.

The focus on **regulatory and compulsory topics** for the entire corporate population is confirmed, mostly delivered online (Safety in the Workplace, Legislative Decree no. 231/01, Integrated Quality and Corruption Prevention System, etc.). In the third quarter of 2024, the new versions of the courses "Information Security" and "Legislative Decree no. 231/01" got under way, which respond to recent internal company developments and changes in the regulatory framework. Both courses were designed in line with accessibility and inclusion criteria. Lastly, on the subject of **Anti-Money Laundering**, in July, the new dedicated basic course was extended to the Corporate, Digital Technology & Operation functions and the Group's Supervised Companies.

The training projects planned, both cross-company and business-specific, continued and aimed at implementing role skills at different levels of specialisation. **Education** initiatives continue with **Financial, Digital and Postal Education** programmes with the aim of raising citizens' awareness on issues of financial inclusion, technological evolution and sustainability in logistics.

For further training initiatives adopted within the framework of the Group's Corporate University, please refer to section "7.3 Industrial Relations, Welfare and Corporate University" in the 2024 Interim Report.

8. Declaration of the Financial Reporting Manager

The Financial Reporting Manager, Alessandro Del Gobbo, declares, pursuant to paragraph 2 of article 154-*bis* of the Consolidated Law on Finance, that the accounting information contained in this Interim Report at 30 September 2024 is consistent with the underlying accounting records.

9. Appendix

IN THIS CHAPTER:



- Reclassified statement of profit or loss and statement of financial position
- Alternative Performance Indicators

9.1 Reclassified statement of profit or loss and statement of financial position

RECLASSIFIED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(€m)	9M 2024	9M 2023	Changes		3Q 2024	3Q 2023	Changes	
Revenue	9,226	8,803	+423	+4.8%	3,062	2,795	+267	+9.6%
<i>of which:</i>								
Mail, Parcels and Distribution	2,797	2,755	+42	+1.5%	909	860	+50	+5.8%
Financial Services	4,047	3,858	+189	+4.9%	1,358	1,192	+166	+13.9%
<i>of which pro-active management of the securities portfolio</i>	16	168	(151)	-90.3%	(0)	(0)	0	+49.2%
Insurance Services	1,226	1,142	+84	+7.3%	399	371	+29	+7.8%
Postepay Services	1,156	1,048	+109	+10.4%	396	373	+23	+6.0%
Costs	6,375	6,081	+295	+4.8%	2,076	2,056	+20	+1.0%
<i>of which:</i>								
Total personnel expenses	3,727	3,695	+33	+0.9%	1,192	1,263	(71)	-5.6%
<i>of which ordinary personnel expenses</i>	3,713	3,597	+116	+3.2%	1,185	1,170	+15	+1.3%
<i>of which early retirement incentives</i>	4	6	(2)	-36.3%	2	2	+0	+1.6%
<i>of which disputes and other extraordinary items</i>	11	92	(81)	-88.3%	5	91	(86)	-94.3%
Other operating expenses	2,648	2,386	+262	+11.0%	884	793	+91	+11.5%
EBITDA	2,851	2,723	+128	+4.7%	986	739	+247	+33.4%
Depreciation, amortisation and impairments	630	617	+12	+2.0%	216	200	+15	+7.7%
EBIT	2,221	2,105	+116	+5.5%	770	539	+231	+43.0%
EBIT Margin %	24.1%	23.9%			25.1%	19.3%		
ADJUSTED EBIT*	2,277	2,105	+172	8.2%	789	539	+250	+46.4%
Finance income/(costs)	76	76	(1)	-0.7%	23	12	+11	+97.3%
Gross profit	2,297	2,181	+116	5.3%	793	550	+243	+44.1%
Taxes	702	659	+43	6.5%	224	168	+56	+33.1%
Net profit	1,595	1,522	+73	+4.8%	569	382	+187	+48.9%
Net earnings per share (€)	1.22	1.17	+0.1	+4.5%	0.44	0.29	+0.1	+49.7%

n.s.: not significant.

* Adjusted EBIT does not include the estimated provision at 30 September 2024 to the Life Insurance Guarantee Fund. For the reconciliation of Reported EBIT and Adjusted EBIT, please refer to the Alternative Performance Indicators in Chapter 9 "Appendix".

RECONCILIATION OF MANAGEMENT REVENUES WITH FINANCIAL REVENUES

(€m)	9M 2024	9M 2023	Changes		3Q 2024	3Q 2023	Changes	
Group management revenue	9,226	8,803	+423	+4.8%	3,062	2,795	+267	+9.6%
Costs for raw materials, system charges and electricity and gas transport of the energy business for third-party customers	221	75	+147	n.s.	75	32	+43	n.s.
Group accounting revenue	9,448	8,878	+570	+6.4%	3,137	2,827	+310	+11.0%

n.s.: not significant.

RECONCILIATION OF MANAGEMENT OPERATING COSTS WITH FINANCIAL OPERATING COSTS

(€m)	9M 2024	9M 2023	Changes		3Q 2024	3Q 2023	Changes	
Group management operating costs	7,005	6,698	+307	+4.6%	2,292	+2,256	+36	+1.6%
Costs for raw materials, system charges and electricity and gas transport of the energy business for third-party customers	221	75	+147	n.s.	75	32	+43	n.s.
Group accounting operating costs	7,226	6,773	+454	+6.7%	2,367	2,289	+78	+3.4%

n.s.: not significant.

CONTRIBUTION OF STRATEGIC BUSINESS UNITS TO THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

September 2024 (€m)	Mail, Parcels and Distribution	Servizi Finanziari	Insurance Services	Postepay Services	Adjustments and eliminations	Total
Total revenue	6,917	4,718	1,109	1,362	(4,880)	9,226
Revenue from third parties	2,797	4,047	1,226	1,156	-	9,226
Intersegment revenue	4,120	672	(117)	205	(4,880)	0
Total costs	6,734	4,088	82	981	(4,880)	7,005
Total personnel expenses	3,978	38	8	42	(338)	3,727
<i>of which ordinary personnel expenses</i>	3,963	37	8	42	(338)	3,713
<i>of which early retirement incentives</i>	3	0	0	0	-	3
<i>of which disputes and other extraordinary items</i>	11	0	0	0	-	11
Other operating expenses	2,070	74	51	501	(48)	2,648
Depreciation, amortisation and impairments	657	0	2	25	(55)	630
Intersegment costs	29	3,976	20	413	(4,438)	(0)
EBIT	183	630	1,028	381	(0)	2,221
EBIT MARGIN %	2.6%	13.4%	92.6%	28.0%	-	24.1%
ADJUSTED EBIT*	183	642	1,071	381	(0)	2,277
Finance income/(costs)	(30)	34	48	23	(0)	76
Gross profit	152	665	1,076	404	(0)	2,297
Taxes	84	187	315	115	-	702
Net profit	68	477	761	290	(0)	1,595

* Adjusted EBIT does not include the estimated provision at 30 September 2024 to the Life Insurance Guarantee Fund. For the reconciliation of Reported EBIT and Adjusted EBIT, please refer to the Alternative Performance Indicators in Chapter 9 "Appendix".

Statements of profit or loss by Strategic Business Unit

MAIL, PARCELS AND DISTRIBUTION STRATEGIC BUSINESS UNIT

(€m)	9M 2024	9M 2023	Changes		3Q 2024	3Q 2023	Changes	
Revenue	6,917	6,625	+292	+4.4%	2,286	2,075	+211	+10.2%
Mail	1,580	1,519	+61	+4.0%	496	486	+10	+2.1%
Parcels	1,127	997	+130	+13.0%	384	335	+49	+14.6%
Other revenue	91	239	(148)	-61.9%	30	39	(9)	-23.9%
Intersegment revenue	4,120	3,870	+250	+6.4%	1,377	1,215	+161	+13.3%
Costs	6,077	5,829	+248	+4.2%	1,972	1,961	+12	+0.6%
<i>of which:</i>								
Total personnel expenses	3,978	3,949	+29	+0.7%	1,279	1,340	(61)	-4.5%
<i>of which ordinary personnel expenses</i>	3,963	3,852	+111	+2.9%	1,272	1,248	+25	+2.0%
<i>of which early retirement incentives</i>	3	5	(2)	-35.6%	2	2	0	+1.6%
<i>of which disputes and other extraordinary items</i>	11	91	(80)	-88.2%	5	91	(86)	-94.2%
Other operating expenses	2,070	1,854	+216	+11.6%	684	610	+73	+12.0%
Intersegment costs	29	26	+3	+12.1%	9	10	(1)	-6.8%
EBITDA	840	796	+44	+5.5%	313	114	+199	n.s.
Depreciation, amortisation and impairments	657	642	+15	+2.4%	227	207	+20	+9.5%
EBIT	183	154	+29	+18.7%	87	(93)	+180	n.s.
EBIT Margin %	2.6%	2.3%			3.8%	-4.5%		
Finance income/(costs)	(30)	5	(35)	n.s.	(8)	(5)	(3)	-61.7%
Gross profit	152	159	(6)	-4.0%	78	(98)	+176	n.s.
Taxes	84	36	+48	+134.7%	26	(31)	+57	n.s.
Net profit	68	123	(55)	-44.6%	52	(67)	+119	n.s.

n.s.: not significant.

FINANCIAL SERVICES STRATEGIC BUSINESS UNIT

(€m)	9M 2024	9M 2023	Changes		3Q 2024	3Q 2023	Changes	
Revenue	4,718	4,519	+200	+4.4%	1,589	1,400	+189	+13.5%
Pro-active management of the securities portfolio	16	168	(151)	-90.3%	(0)	(0)	+0	+49.2%
Net interest income	1,892	1,675	+216	+12.9%	648	566	+82	+14.5%
Postal savings deposits	1,275	1,202	+73	+6.0%	430	374	+56	+15.1%
Collection and payment services	546	573	(27)	-4.8%	180	185	(6)	-3.0%
Distribution of loans and other third-party products	176	133	+43	+32.7%	55	28	27	+95.8%
Asset management	142	107	+35	+32.7%	45	39	+6	+15.0%
Intersegment revenue	672	661	+11	+1.7%	231	208	+23	+11.0%
Costs	4,088	3,870	+218	+5.6%	1,366	1,207	+159	+13.2%
<i>of which:</i>								
Total personnel expenses	38	36	+2	+5.9%	12	11	+0	+4.1%
<i>of which ordinary personnel expenses</i>	37	35	+3	+7.5%	12	11	+0	+4.1%
Other operating expenses	74	83	(9)	-11.0%	27	20	+7	+35.4%
Intersegment costs	3,976	3,751	+225	+6.0%	1,327	1,176	+151	+12.9%
EBITDA	631	649	(18)	-2.8%	222	192	+30	+15.6%
Depreciation, amortisation and impairments	0	0	0	+7.1%	0	0	0	+7.6%
EBIT	630	648	(18)	-2.8%	222	192	+30	+15.6%
EBIT Margin %	13.4%	14.3%			14.0%	13.7%		+0.0%
ADJUSTED EBIT*	642	648	(6)	-0.9%	226	192	+34	+17.7%
Finance income/(costs)	34	18	+17	+93.7%	9	10	(0)	-3.3%
Gross profit	665	666	(1)	-0.2%	231	202	+30	+14.7%
Taxes	187	183	+4	+2.2%	62	56	+7	+12.0%
Net profit	477	483	(5)	-1.1%	169	146	+23	+15.7%

n.s.: not significant.

* Adjusted EBIT does not include the estimated provision at 30 September 2024 to the Life Insurance Guarantee Fund. For the reconciliation of Reported EBIT and Adjusted EBIT, please refer to the Alternative Performance Indicators in Chapter 9 "Appendix".

INSURANCE SERVICES STRATEGIC BUSINESS UNIT

(€m)	9M 2024	9M 2023	Changes		3Q 2024	3Q 2023	Changes	
Revenue	1,109	1,026	+83	+8.1%	358	336	+21	+6.3%
Insurance revenue from insurance contracts issued	1,461	1,405	+56	+4.0%	469	461	+8	+1.7%
Costs for insurance services arising from insurance contracts issued	(424)	(396)	(28)	-7.1%	(144)	(143)	(2)	-1.1%
Insurance revenue/costs from outward reinsurance	0	(0)	+0	n.s.	0	(1)	+1	n.s.
Income and expenses from financial operations and other income/expenses	5,129	3,414	+1,715	+50.2%	2,302	463	+1,840	n.s.
Net financial costs/revenue relating to insurance contracts issued	(5,072)	(3,373)	(1,700)	-50.4%	(2,274)	(454)	(1,820)	n.s.
Net financial revenue/costs related to outward reinsurance	-	-	-	-	-	-	-	-
Investment and Pension Income	1,094	1,050	+43	+4.1%	353	327	+26	+8.0%
Insurance revenue from insurance contracts issued	574	467	+107	+23.0%	195	181	+14	+8.0%
Costs for insurance services arising from insurance contracts issued	(434)	(374)	(60)	-16.0%	(145)	(139)	(6)	-4.6%
Insurance revenue/costs from outward reinsurance	(28)	(11)	(17)	n.s.	(9)	(2)	(7)	n.s.
Income and expenses from financial operations and other income/expenses	29	14	+15	+112.1%	8	5	+3	+46.5%
Net financial costs/revenue relating to insurance contracts issued	(17)	(8)	(9)	-110.9%	(5)	(4)	(1)	-33.6%
Net financial revenue/costs related to outward reinsurance	6	4	+3	+72.4%	2	2	+0	+26.0%
Protection revenue	131	91	+40	+43.8%	46	43	+3	+6.2%
Other revenue and income	2	1	+0	+36.2%	1	1	+0	+5.7%
Intersegment revenue	(117)	(116)	(1)	-0.9%	(42)	(34)	(8)	-22.4%
Costs	82	41	+41	+100.4%	28	15	+13	+89.6%
<i>of which:</i>								
Total personnel expenses	8	8	+0	+6.4%	3	3	(1)	-22.9%
<i>of which ordinary personnel expenses</i>	8	8	+0	+6.4%	3	3	(1)	-22.9%
<i>of which early retirement incentives</i>	-	-	-	n.s.	-	-	-	n.s.
Other operating expenses	51	9	+42	n.s.	18	4	+14	n.s.
Intersegment costs	20	22	(2)	-7.8%	7	7	(0)	-6.4%
EBITDA	1,029	987	+42	+4.3%	330	321	+9	+2.8%
Depreciation, amortisation and impairments	2	1	+0	+32.2%	1	(0)	+1	n.s.
EBIT	1,028	986	+42	+4.3%	330	322	+8	+2.5%
EBIT Margin %	92.6%	96.0%			92.1%	95.6%		
ADJUSTED EBIT*	1,071	986	+85	+8.7%	344	322	+22	+7.0%
Finance income/(costs)	48	32	+16	+50.8%	15	(1)	+16	n.s.
Gross profit	1,076	1,018	+58	+5.7%	345	321	+24	+7.5%
Taxes	315	333	(17)	-5.2%	96	107	(11)	-10.0%
Net profit	761	685	76	+11.0%	249	214	+35	+16.2%

n.s.: not significant.

* Adjusted EBIT does not include the estimated provision at 30 September 2024 to the Life Insurance Guarantee Fund. For the reconciliation of Reported EBIT and Adjusted EBIT, please refer to the Alternative Performance Indicators in Chapter 9 "Appendix".

POSTEPAY SERVICES STRATEGIC BUSINESS UNIT (INCOME STATEMENT WITH NET REVENUE)

(€m)	9M 2024	9M 2023	Changes		3Q 2024	3Q 2023	Changes	
Revenue	1,362	1,244	+118	+9.5%	463	437	+26	+5.9%
Revenue from third parties	1,156	1,048	+109	+10.4%	396	373	+23	+6.0%
of which Payments	858	793	+65	+8.2%	294	281	+13	+4.6%
of which TLC	245	247	(2)	-1.0%	82	83	(1)	-1.7%
of which Energy	53	7	+46	n.s.	19	8	+11	+131.9%
Intersegment revenue	205	196	+9	+4.8%	68	64	+3	+5.0%
Costs	956	899	+57	+6.3%	323	310	+13	+4.1%
<i>of which:</i>								
Total personnel expenses	42	38	+3	+8.9%	13	12	+1	+5.9%
<i>of which ordinary personnel expenses</i>	42	38	+4	+9.5%	13	12	+1	+7.9%
Other operating expenses	501	484	+17	+3.4%	172	172	+0	0.3%
Intersegment costs	413	376	+37	+9.8%	138	127	+12	+9.2%
EBITDA	406	345	+61	+17.7%	140	127	+13	+10.2%
Depreciation, amortisation and impairments	25	28	(2)	-8.9%	8	9	(1)	-11.5%
EBIT	381	317	+64	+20.0%	132	118	+14	+11.9%
EBIT Margin %	28.0%	25.5%			28.5%	27.0%		
Finance income/(costs)	23	22	+2	+7.3%	6	7	(1)	-16.6%
Gross profit	404	339	+65	+19.2%	138	125	+13	+10.2%
Taxes	115	107	+8	+7.5%	39	37	+2	6.7%
Net profit	290	232	+57	+24.6%	99	89	+10	+11.6%

n.s.: not significant.

RECONCILIATION OF MANAGEMENT REVENUES (NET OF ENERGY COSTS) WITH FINANCIAL REVENUES

(€m)	9M 2024	9M 2023	Changes		3Q 2024	3Q 2023	Changes	
Management revenue from third parties - Postpay Services	1,156	1,048	+109	+10.4%	396	373	+23	+6.0%
Costs for raw materials, system charges and electricity and gas transport of the energy business for third-party customers	221	75	+147	n.s.	75	32	+43	n.s.
Accounting revenue from third parties - Postpay Services	1,378	1,122	+255	+22.7%	470	405	+65	+16.1%
Management revenue from other sectors - Postpay Services	205	196	+9	+4.8%	68	64	+3	+5.0%
Costs for raw materials, system charges and electricity and gas transport of the energy business for Group consumption	92	1	+91	n.s.	31	1	+31	n.s.
Accounting revenue from other sectors - Postpay Services	297	196	+100	+51.1%	99	65	+34	+52.4%
Total management revenue - Postpay Services*	1,362	1,244	+118	+9.5%	463	437	+26	+5.9%
Costs for raw materials, system charges and electricity and gas transport of the energy business (for third-party customers and Group consumption)	313	75	+238	n.s.	106	33	+73	n.s.
Total Financial Revenue - Postpay Services	1,674	1,319	+356	+27.0%	569	470	+99	+21.1%

n.s.: not significant.

* This item represents the alternative performance indicator "Revenue - Postpay Services SBU net of energy costs" mentioned in chapter 9 "Appendix".

RECONCILIATION OF MANAGEMENT COSTS WITH FINANCIAL COSTS

(€m)	9M 2024	9M 2023	Changes		3Q 2024	3Q 2023	Changes	
Total operating costs - Postpay Services	981	926	+54	+5.9%	331	319	+12	+3.7%
Costs for raw materials, system charges and electricity and gas transport of the energy business (for third-party customers and Group consumption)	313	75	+238	n.s.	106	33	+73	n.s.
Total Accounting Operating Costs - Postpay Services	1,294	1,002	+292	+29.2%	437	352	+85	+24.2%

n.s.: not significant.

Financial position

NET INVESTED CAPITAL AND RELATED FUNDING

(€m)	30 September 2024	31 December 2023	Changes	
Tangible fixed assets	2,616	2,574	42	1.6%
Intangible fixed assets	2,011	2,062	(52)	-2.5%
Right-of-use assets	1,167	1,265	(98)	-7.7%
Investments	332	294	38	13.0%
Non-current assets	6,126	6,195	(69)	-1.1%
Trade receivables, Other receivables and assets and Inventories	7,405	7,714	(309)	-4.0%
Trade payables and Other liabilities	(5,943)	(6,595)	652	9.9%
Current tax assets/(liabilities)	59	(23)	82	n/s
Net working capital	1,520	1,096	424	38.7%
Gross invested capital	7,646	7,291	355	4.9%
Provisions for risks and charges	(1,279)	(1,336)	57	4.3%
Employee termination benefits	(573)	(637)	64	10.0%
Prepaid/deferred tax assets/(liabilities)	573	1,208	(635)	-52.6%
Non-current assets and disposal groups held for sale and liabilities related to assets held for sale	50	50	-	n/s
Net invested capital	6,417	6,578	(161)	-2.5%
Equity	12,046	10,439	1,608	15.4%
<i>of which profit for the period</i>	1,595	1,933	(338)	-17.5%
<i>of which fair value reserve*</i>	(256)	(960)	704	73.3%
Financial liabilities	92,937	95,393	(2,457)	-2.6%
Insurance contracts payable net of reinsurance	160,995	155,105	5,890	3.8%
Financial assets	(242,107)	(237,159)	(4,948)	-2.1%
Tax credits Law no. 77/2020	(7,489)	(8,318)	829	10.0%
Cash and deposits attributable to BancoPosta	(4,482)	(4,671)	189	4.0%
Cash and cash equivalents	(5,483)	(4,211)	(1,272)	-30.2%
Net debt/(funds)	(5,629)	(3,861)	(1,769)	-45.8%

n.s.: not significant.

* Included Reserve for insurance contracts issued and outward reinsurance.

30 September 2024 (€m)	Mail, Parcels and Distribution	Financial Services	Insurance Services	Postepay Services	Eliminations and adjustments	Consolidated
Tangible fixed assets	2,563	1	16	37	-	2,616
Intangible fixed assets	1,225	-	145	641	-	2,011
Right-of-use assets	1,159	2	9	12	(15)	1,167
Investments	3,022	276	157	17	(3,140)	332
Non-current assets	7,969	278	327	708	(3,156)	6,126
Trade receivables, Other receivables and assets and Inventories	2,317	3,454	2,488	424	(1,278)	7,405
Trade payables and Other liabilities	(2,994)	(2,243)	(1,213)	(769)	1,275	(5,943)
Current tax assets/(liabilities)	75	(11)	17	(22)	-	59
Net working capital	(601)	1,200	1,292	(367)	(3)	1,520
Gross invested capital	7,368	1,478	1,618	341	(3,158)	7,646
Provisions for risks and charges	(1,040)	(164)	(59)	(16)	-	(1,279)
Employee termination benefits	(566)	(2)	(1)	(4)	-	(573)
Prepaid/deferred tax assets/(liabilities)	246	74	280	(26)	-	573
Non-current assets and disposal groups held for sale and liabilities related to assets held for sale	-	-	50	-	-	50
Net invested capital	6,008	1,385	1,887	295	(3,158)	6,417
Equity	4,105	3,452	6,465	1,165	(3,140)	12,046
<i>of which profit for the period</i>	68	477	761	290	(0)	1,595
<i>of which fair value reserve*</i>	(338)	156	(75)	0	1	(256)
Financial liabilities	4,831	90,086	581	10,983	(13,545)	92,937
Insurance contracts payable net of reinsurance	-	-	160,997	-	(2)	160,995
Financial assets	(1,199)	(79,821)	(161,897)	(11,764)	12,575	(242,107)
Tax credits Law no. 77/2020	(406)	(7,083)	-	-	-	(7,489)
Cash and deposits attributable to BancoPosta	-	(4,482)	(0)	-	-	(4,482)
Cash and cash equivalents	(1,324)	(766)	(4,258)	(88)	954	(5,483)
Net debt/(funds)	1,902	(2,067)	(4,577)	(870)	(18)	(5,629)

* Included Reserve for insurance contracts issued and outward reinsurance.

31 December 2023 (€m)	Mail, Parcels and Distribution	Financial Services	Insurance Services	Postepay Services	Eliminations and adjustments	Consolidated
Tangible fixed assets	2,515	1	16	42	0	2,574
Intangible fixed assets	1,268	-	145	649	(0)	2,062
Right-of-use assets	1,257	2	10	13	(17)	1,265
Investments	3,009	267	157	-	(3,138)	294
Non-current assets	8,049	269	328	704	(3,155)	6,195
Trade receivables, Other receivables and assets and Inventories	2,483	3,380	2,421	322	(892)	7,714
Trade payables and Other liabilities	(3,327)	(2,131)	(1,321)	(703)	887	(6,595)
Current tax assets/(liabilities)	(77)	(0)	(33)	87	-	(23)
Net working capital	(922)	1,249	1,067	(293)	(5)	1,096
Gross invested capital	7,127	1,518	1,396	412	(3,160)	7,291
Provisions for risks and charges	(1,130)	(164)	(17)	(25)	(0)	(1,336)
Employee termination benefits	(629)	(2)	(1)	(4)	-	(637)
Prepaid/deferred tax assets/(liabilities)	272	377	593	(33)	-	1,208
Non-current assets and disposal groups held for sale and liabilities related to assets held for sale	-	-	50	-	-	50
Net invested capital	5,639	1,728	2,020	350	(3,158)	6,578
Equity	2,883	2,811	6,439	1,443	(3,138)	10,439
<i>of which profit for the period</i>	(46)	647	993,911	338	355	1,933
<i>of which fair value reserve*</i>	(281)	(544)	(136)	2	-	(960)
Financial liabilities	5,017	93,076	429	10,478	(13,606)	95,393
Insurance contracts payable net of reinsurance	-	-	155,106	-	(1)	155,105
Financial assets	(1,205)	(80,636)	(156,394)	(11,507)	12,582	(237,159)
Tax credits Law no. 77/2020	(407)	(7,912)	-	-	-	(8,318)
Cash and deposits attributable to BancoPosta	-	(4,671)	-	-	-	(4,671)
Cash and cash equivalents	(650)	(940)	(3,561)	(65)	1,004	(4,211)
Net debt/(funds)	2,755	(1,082)	(4,420)	(1,093)	(21)	(3,861)

* Included Reserve for insurance contracts issued and outward reinsurance.

Changes 30.09.2024 vs 31.12.2023 (€m)	Mail, Parcels and Distribution	Financial Services	Insurance Services	Postepay Services	Eliminations and adjustments	Consolidated
Tangible fixed assets	48	(0)	(0)	(5)	(0)	42
Intangible fixed assets	(43)	-	(0)	(8)	0	(52)
Right-of-use assets	(97)	(0)	(1)	(1)	2	(98)
Investments	13	9	(0)	17	(2)	38
Non-current assets	(80)	9	(2)	3	(0)	(69)
Trade receivables, Other receivables and assets and Inventories	(165)	74	66	102	(386)	(309)
Trade payables and Other liabilities	334	(112)	108	(66)	388	652
Current tax assets/(liabilities)	152	(11)	50	(109)	-	82
Net working capital	321	(49)	224	(74)	3	424
Gross invested capital	241	(40)	223	(71)	2	355
Provisions for risks and charges	90	(0)	(42)	9	0	57
Employee termination benefits	64	0	(0)	(0)	-	64
Prepaid/deferred tax assets/(liabilities)	(26)	(303)	(313)	7	-	(635)
Net invested capital	369	(343)	(132)	(55)	0	(161)
Equity	1,222	642	25	(278)	(2)	1,608
<i>of which profit for the period</i>	114	(170)	(233)	(48)	(1)	(338)
<i>of which fair value reserve*</i>	(57)	700	61	(1)	1	704
Financial liabilities	(185)	(2,990)	152	504	62	(2,457)
Insurance contracts payable net of reinsurance	-	-	5,890	-	(1)	5,890
Financial assets	6	815	(5,503)	(257)	(7)	(4,948)
Tax credits Law no. 77/2020	1	828	-	-	-	829
Cash and deposits attributable to BancoPosta	-	189	(0)	-	-	189
Cash and cash equivalents	(674)	174	(697)	(24)	(51)	(1,272)
Net debt/(funds)	(947)	716	430	386	4	589

* Included Reserve for insurance contracts issued and outward reinsurance.

9.2 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 the International Financial Reporting Standards (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.

Please refer to the Annual Report for the main alternative performance indicators used:

NET WORKING CAPITAL: this indicator represents the sum of inventories, trade receivables and other receivables and assets, current tax assets, trade payables and other liabilities, and current tax liabilities.

This indicator is also shown separately for each Strategic Business Unit.

NON-CURRENT ASSETS: this indicator represents the sum of property, plant and equipment, intangible assets and investments measured using the equity method. This indicator is also shown separately for each Strategic Business Unit.

NET INVESTED CAPITAL: this indicator represents the sum of non-current assets and net working capital, deferred tax assets, deferred tax liabilities, provisions for risks and charges and severance pay. This indicator is also shown separately for each Strategic Business Unit.

CET 1 CAPITAL: consists of Primary Tier 1 capital, as defined in Regulation (EU) no. 575/2013, and includes the Capitalised Earnings Reserve created upon appropriation of assets and the Retained Earnings Reserves, taking into account the transitional regime.

CET 1 RATIO: this ratio measures the adequacy of Tier 1 capital with respect to the weighted exposure to Pillar 1 risks (operational, credit, counterparty and foreign exchange). It is the ratio of CET1 Capital to total Risk Weighted Assets (RWA).

PROTECTION COMBINED RATIO (net of reinsurance): technical indicator of protection business, determined as the ratio of total costs incurred (claims and claims adjustment expenses, net reinsurance expenses, attributable/non-attributable operating expenses and other technical expenses and income) to gross insurance revenue.

UNIT DIVIDEND (DPS): represents the amount of dividends paid by the company for each outstanding share. It is calculated as Dividends paid/Number of shares outstanding.

EBIT (Earnings Before Interest and Taxes): this is an indicator of operating profit before financial expenses and taxation.

ADJUSTED EBIT: the reconciliation between EBIT and adjusted EBIT is shown below; the latter is determined as the algebraic sum of the operating and intermediation result (EBIT), excluding the cost of the provision for the Life Insurance Guarantee Fund and extraordinary costs and income, as shown in the table below:

(€m)	9M 2024
Group EBIT	2,221
Overall adjustment	56
<i>of which provision for BancoPosta Guarantee Fund</i>	12
<i>of which provision for Poste Vita Guarantee Fund</i>	44
<i>of which extraordinary (income)/expenses</i>	0
Group Adjusted EBIT	2,277

(€m)	9M 2024
Financial Services SBU EBIT	630
Provision for BancoPosta Guarantee Fund	12
Extraordinary (income)/expenses	0
Financial Services SBU Adjusted EBIT	642

(€m)	9M 2024
Insurance Services SBU EBIT	1,028
Provision for Poste Vita Guarantee Fund	44
Extraordinary (income)/expenses	0
Insurance Services SBU Adjusted EBIT	1,071

EBIT margin: this is an indicator of the operating performance and is calculated as the ratio of operating profit (EBIT) to total revenue.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation): this is an indicator of operating profit before financial expenses and taxation, and depreciation, amortisation and impairment of non-current assets.

FUND FROM OPERATIONS (FFO): financial indicator represented by the Group's net result, adjusted for non-monetary costs and revenue (depreciation and amortisation, Expected Credit Loss - ECL of receivables, financial expenses from discounting) and the net change in provisions for risks and severance pay. In the Mail, Parcels and Distribution SBU, the indicator is also neutralised by the IFRS 16 effect (amortisation and financial expenses) and includes financial outlays for rents.

LAPSE RATE: this is an indirect measure of customer loyalty. It is based on redemptions during the period as a percentage of average statutory technical provisions of the period.

It is calculated as a percentage of Redemptions/Average civil technical provisions (linearised over 12 months in the intermediate periodic situations).

LEVERAGE RATIO: this is the ratio between Total Capital (Own Funds) and total assets, the latter including adjustments for derivatives and off-balance sheet exposures.

TOTAL FINANCIAL ASSETS: they represent the amount of assets/liabilities managed or administered by the Group and are obtained from the sum of Postal Savings collected by the Parent Company in the name and on behalf of Cassa Depositi e Prestiti, deposits on postal current accounts, and assets managed by the subsidiary BancoPosta Fondi SpA SGR, as well as the investments made on behalf of customers in investment products other than the above (equities, bonds, Moneyfarm products, etc.) and the Insurance Technical Provisions of the Life insurance business, which represent the obligations taken on vis-à-vis policyholders and tariff premiums net of loadings. The presence within this indicator of Insurance Technical Provisions, calculated analytically contract by contract, in accordance with the application rules set out in Annex 14 of ISVAP Regulation no. 22 of 4 April 2008 (Mathematical Provisions), i.e., in accordance with the standards for preparing the statutory financial statements of Poste Vita SpA, does not make it possible to perform a reconciliation with the insurance obligations presented in the financial information for the period.

GROUP NET DEBT/(FUNDS): the sum of financial assets, tax credits under Law no. 77/2020, cash and deposits attributable to BancoPosta, cash and cash equivalents, liabilities under insurance contracts, assets for outward reinsurance and financial liabilities. This indicator is also shown separately for each Strategic Business Unit.

NET DEBT/(FUNDS) OF THE MAIL, PARCELS AND DISTRIBUTION STRATEGIC BUSINESS UNIT: this is the financial debt calculated according to the scheme recommended by ESMA European Securities and Markets Authority (ESMA32-382-1138 of 4 March 2021) net of trade payables and other non-current payables with a significant implicit or explicit financing component and including the following items: non-current financial assets, tax credits under Law no. 77/2020, current hedging derivatives assets, inter-segment financial receivables and payables.

NET DEBT/(FUNDS) OF THE MAIL, PARCELS AND DISTRIBUTION STRATEGIC BUSINESS UNIT AS PER IFRS 16: calculated as the net financial position of the Mail, Parcels and Distribution Services Strategic Business Unit excluding the financial liabilities for leasing (IFRS 16) and the fair value and cash flow hedge reserves.

AVERAGE PORTFOLIO RETURN EXCLUDING PRO-ACTIVE PORTFOLIO MANAGEMENT (%): average portfolio yield calculated as the ratio between interest income and average current account balances (excluding the value of proactive portfolio management).

POSTEPAY SERVICES SBU REVENUE NET OF ENERGY COSTS: this is an indicator of the operating performance of the Postepay Services Strategic Business Unit, within which the new business involving the sale of electricity and natural gas is represented. This indicator is calculated by subtracting the costs associated with the purchase of raw materials and the transport of electricity and gas from the revenue of the entire SBU.

ROE (Return On Equity): calculated as the ratio between the Net result and the average value of the Group's "Equity" (net of fair value and cash flow hedge valuation reserves) at the beginning and at the end of the reporting period.

RWA (Risk Weighted Assets): this indicator measures the risk exposure of assets in accordance with Basel regulations. Risk-Weighted Assets, or RWA, are calculated by applying a weighting to assets that takes into account the level of exposure to credit, counterparty, market and operational risks.

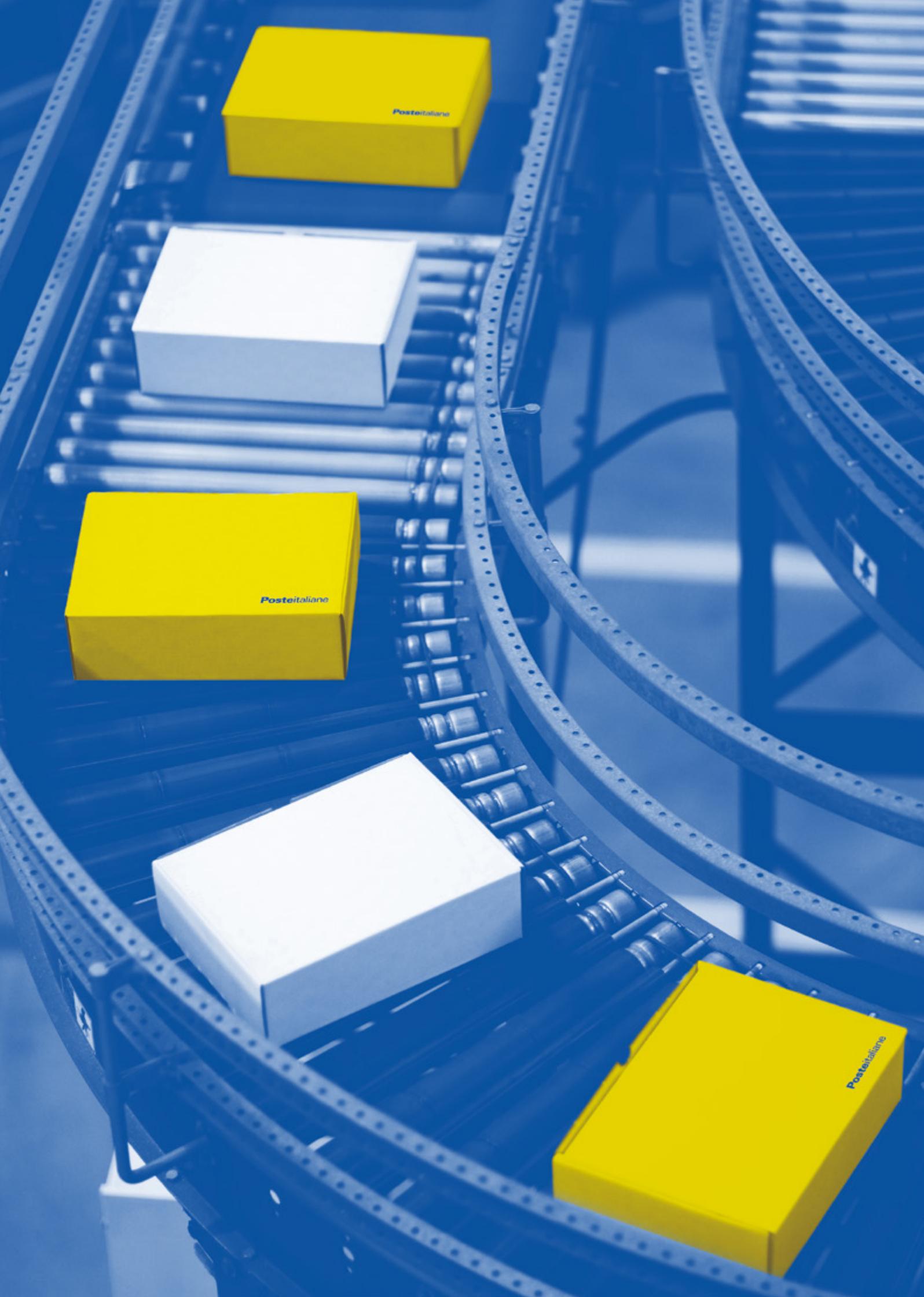
TOTAL ASSETS: total assets in the Statement of Financial Position of BancoPosta Ring-Fenced Capital - RFC.

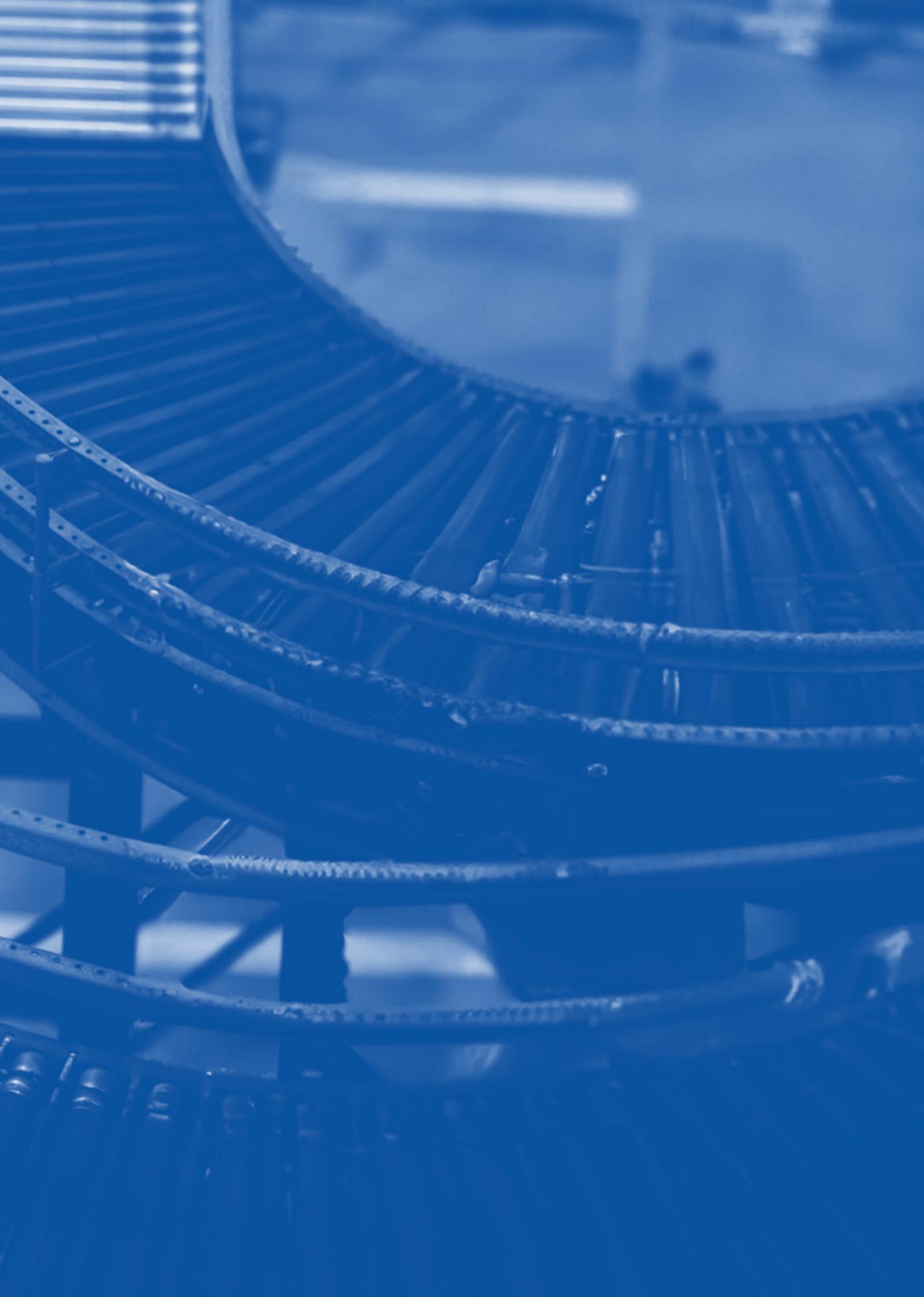
TOTAL CAPITAL (OWN FUNDS): consists, as defined by Regulation (EU) no. 575/2013, of the sum of Tier 1 capital, consisting of CET 1 Capital and Additional Tier 1 capital (AT1, which for BancoPosta includes the hybrid instrument contributed by Poste Italiane), and Tier 2 capital (not relevant for BancoPosta).

TOTAL CAPITAL RATIO: is the coefficient that expresses the adequacy of Total Capital (Own Funds) with respect to the weighted exposure to Pillar 1 risks (operating, credit, counterparty, exchange rate). Ratio of Total Capital (Own Funds) to Total Risk Weighted Assets (RWA).

TSR (Total Shareholder Return): it measures the total annual return for an investor and is calculated by adding the increase in the share price over a determinate period of time to the impact of dividends per share paid in the same period.

EARNINGS PER SHARE: basic earnings per share is calculated by dividing the Group's profit for the year by the weighted average number of Poste Italiane SpA's ordinary shares in issue during the period.







02

Condensed
Consolidated
Interim Financial
Statements

at 30 September **2024**

02 Condensed Consolidated Interim Financial Statements at 30 September 2024



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1. Introduction

The condensed consolidated interim financial statements refer to the first nine months of 2024, and have been prepared on a voluntary and an exceptional basis, in accordance with IAS 34 - Interim Financial Reporting, on the assumption that the Parent Company, Poste Italiane SpA, and its subsidiaries and consolidated companies will continue to operate as a going concern, also taking into account the economic and financial outlook inferred from the Strategic Plan approved by the Board of Directors of Poste Italiane SpA on 19 March 2024.

The condensed consolidated interim financial statements at 30 September 2024 include the accounts of Poste Italiane SpA and its subsidiaries and have been prepared in euro, which is the functional presentation currency of the Parent Company. All amounts in the financial statements and the notes are shown in millions of euros and rounded (without decimal figures), unless stated otherwise. It follows that the sum of the rounded amounts may not coincide with the rounded totals.

The financial statements consolidated on a line-by-line basis have been specifically prepared at 30 September 2024, after appropriate adjustment, where necessary, to align accounting policies with those of the Parent Company.

The Group's activities are not significantly subject to seasonality and/or cyclicity.

The Condensed Consolidated Interim Financial Statements are accompanied by the Certification of the Financial Reporting Manager pursuant to article 154-bis of Legislative Decree no. 58/1998.

2. Basis of presentation, methodologies and accounting policies applied

2.1 Basis of presentation

In application of the option granted by IAS 34 - Interim Financial Reporting, the information provided in said financial statements are drafted in summary form and, therefore, do not include the complete information required by the annual financial statements, as they are intended to provide an update on the activities, events and circumstances occurred in the first nine months of the reference year - to the extent considered relevant - as well as certain minimum additional information required by said standard; for this reason, said document must be read together with the consolidated financial statements of the Poste Italiane Group at and for the year ended 31 December 2023.

The accounting standards and the recognition, measurement and classification criteria adopted, as well as the consolidation methods applied to these condensed consolidated interim financial statements are the same as those used for the preparation of the Consolidated Financial Statements at 31 December 2023, to which reference should be made for a more detailed discussion, with the exception of what is reported in section 2.2 - New accounting standards and interpretations.

In these condensed consolidated half-year financial statements, the statement of financial position values are compared with those at the end of the previous financial year, while the statement of profit or loss values are compared with those at the end of the same period of 2023.

2.2 New accounting standards and interpretations

Accounting standards and interpretations applicable from 1 January 2024

- **Amendments to IFRS 16 - Leases: Lease liabilities in a sale and leaseback transaction.** The purpose of the amendment is to specify how the selling lessee is to measure the lease liability arising from a sale and leaseback transaction in such a way that it does not recognise income or loss in respect of the retained right of use;
- **Amendments to IAS 1 - Presentation of Financial Statements** aimed at providing clarification on how entities should classify payables and other liabilities between current and non-current; and to improve the information that an entity must provide when its right to defer settlement of a liability for at least twelve months is subject to covenants;
- **Amendments to IFRS 7 - Financial Instruments: Disclosures, and IAS 7 - Statement of Cash Flows Statement of Cash Flows,** aimed at introducing specific disclosure requirements that enable users of financial statements to effectively assess the effects of⁵⁸ supply financing arrangements on the company's liabilities, cash flows and exposure to liquidity risk.

58. IAS 7, para. 44G, indicates that such arrangements "are characterised by the presence of one or more lenders who pay the amounts owed by the entity to its suppliers, while the entity agrees to pay [the lenders] in accordance with the terms and conditions of the arrangements, on or after the date on which the suppliers are paid" [...]. The same paragraph also specifies that instruments such as letters of credit or the use of credit cards do not constitute supply financing arrangements.

The adoption of the above amendments did not affect the financial reporting in these condensed consolidated interim financial statements.

2.3 Changes to accounting policies

With retroactive effect from 1 January 2024, the Poste Italiane Group has adopted the provisions of IFRS 9 - Financial Instruments for hedge accounting, replacing the provisions previously set out in IAS 39.

With reference to hedge accounting aspects, IFRS 9 rewrites the rules for designating a hedging relationship and verifying its effectiveness, with the aim of ensuring greater alignment between the accounting representation of hedges and the underlying risk management logic/activities.

In order to transition to the provisions of IFRS 9, a specific project was launched in 2023, involving the internal functions of Poste Italiane SpA and Group companies, with the aim of identifying any impacts deriving from the transition, as well as updating the relevant internal regulations (IFRS 9 guidelines, corporate processes and procedures, including the IFRS 9 hedging sheets⁵⁹).

For hedging transactions in place at 1 January 2024⁶⁰, by virtue of the fact that the provisions of IFRS 9, in terms of accounting treatment and types of hedging transactions, do not differ in substance from the provisions of IAS 39, the adoption of IFRS 9 for hedge accounting did not have any transitional accounting impact on the measurement of hedging derivatives in the portfolio; therefore, the transactions themselves were maintained and accounted for in accordance with IFRS 9.

2.4 Use of estimates

For the preparation of this Interim Report, a more extensive use of estimation methods was made compared to the annual report, also taking into account the macroeconomic and geopolitical uncertainty arising from the continuation of conflicts still in progress (with particular reference, in the Middle East, to the Israeli-Palestinian conflict and, in Europe, to the Russia-Ukraine conflict).

Described below are the accounting treatments for which there have been changes in estimates from those used for the 2023 Annual Report, to which reference is made for a full discussion.

In compliance with the provisions of IAS 36 - *Impairment of Assets*, as the qualitative/quantitative analysis conducted on internal and external information sources did not reveal any elements that would suggest the need to perform a new test, the impairment tests on the value of goodwill and other fixed assets were not performed at the reporting date of these consolidated interim financial statements.

Finally, it should be noted that income taxes, in accordance with IAS 34, have been recognised based on the best estimate of the weighted average tax rate expected for the full year 2024.

59. The hedging sheets formally document the hedging relationship, indicating the risk management objectives and hedging strategy. Such documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the entity will assess whether the hedging relationship meets the hedge effectiveness requirements at the inception of the hedge and prospectively over the life of the hedge (including an analysis of the sources of hedge ineffectiveness and how it determines the hedge relationship).

60. The hedging report meets the eligibility criteria if:

- consists of hedging instruments and eligible hedged items;
- there is a formal designation and documentation of the hedging relationship, risk management objectives and hedging strategy at the outset;
- coverage is expected to be effective.

Impairment and stage allocation for financial instruments

For calculating the impairment of financial instruments and for determining the stage allocation, the main factors estimated by the Poste Italiane Group, relating to the internal model developed for Sovereign, Banking and Corporate counterparties, are as follows:

- rating per counterparty;
- Probability of Default "PD" for counterparty.

During the first nine months of the year, the Poste Italiane Group updated the rating and Probability of Default of its Sovereign, Banking and Corporate counterparties. With particular reference to the Sovereign model, the new forecast scenarios of the International Monetary Fund for the year 2024 were used; this update led to a slight decrease in the PD of Italy and the other Sovereign counterparties compared to those used in the assessments of the 2023 Annual Report, to which reference should be made for a detailed description of the inputs and assumptions used to calculate the expected loss and staging allocation.

The Life Insurance Guarantee Fund

One of the changes introduced by Law no. 213 of 30 December 2023 - the "Budget Law", effective from 1 January 2024 - is the establishment of the Life Insurance Guarantee Fund (hereinafter the "Fund"). In particular, the Budget Law provides for the formalities necessary for the establishment and operation of the Fund, including, in particular, the drafting of the Fund's statutes and their approval by IVASS.

The endowment of the Fund, which, when fully operational in 2035, will have to reach 0.4 per thousand of the amount of the life business technical provisions held by the member companies at 31 December of the previous year, is made up of at least annual loans from the members, the amount of which is communicated by the Fund from year to year and at least 80% is payable by the member companies, while the remaining 20% is payable by the member intermediaries. In particular, for the first year, companies contribute 0.4 per thousand of the life insurance technical provisions determined in accordance with the criteria set out in the Solvency directive, while banking, postal and financial intermediaries (registered in section D of the RUI, Article 109 of the CAP, including Poste Italiane spa - Divisione servizi di BancoPosta) contribute 0.1 per thousand of the technical provisions corresponding to the contracts intermediated. It is also envisaged that the contribution can be split between a cash payment and an irrevocable commitment to pay, according to a percentage not exceeding 50% of the total amount until the allocation reaches 75% of the target amount, and then rising to 60%.

Although the MEF, IVASS and the Fund being formed have not yet approved the secondary regulations for the Fund's entry into force, for the purposes of these consolidated interim financial statements, based on the information available and taking into account the provisions of IAS 37 - Provisions, Contingent Liabilities and Contingent Assets and IFRIC21 - Taxes, an estimate of the contribution has been made (the first year of application of the regulations is currently confirmed to be 2024). Accordingly, in the consolidated interim financial statements, a special provision was set aside in the amount of approximately €56 million (of which €44 million for the insurance companies operating in the Group's life insurance business and €12 million for the Parent Company Poste Italiane SpA, within BancoPosta), based on the estimated total contribution for 2024.

However, it is emphasised that the above analyses and estimates of the costs can only be considered definitive once the regulatory process for the establishment and operation of the Fund has been completed and the Fund's Bylaws are available.

Insurance contracts

Pursuant to the provisions of IFRS 17 §B137, it should be noted that in the preparation of these interim financial statements, there was no change in the treatment of accounting estimates made for the purposes of the consolidated financial statements at 31 December 2023.

Employee termination benefits

The measurement of Employee termination benefits is also based on calculations performed by independent actuaries. The calculation takes account of termination benefits accrued for the period of service to date and is based on various demographic and economic-financial assumptions.

The demographic technical bases did not change with respect to the close of 2023, while the economic-financial technical bases applied in the calculation of the employee termination benefits at 30 September 2024 are as follows:

ECONOMIC AND FINANCIAL ASSUMPTIONS

	30.09.2024
Discount rate	3.49%
Inflation rate	2.00%
Annual rate of increase of employee termination benefits	3.00%

Conversion of the financial statements into foreign currencies

The financial statements of companies that operate in a functional currency other than the euro are translated into the presentation currency using the closing rate at the reporting date for assets and liabilities, including goodwill and consolidation adjustments, and the average exchange rate for the period (if this reasonably approximates the exchange rate at the date of the respective transactions) for revenue and costs. All the resulting exchange rate differences are recognised in other comprehensive income and shown separately in a specific equity reserve; this reserve is reversed proportionally to the statement of profit or loss at the time of the (total or partial) disposal of the relevant investment.

The exchange rates used to convert the financial statements of consolidated companies in foreign currencies are those published by the Bank of Italy and the European Central Bank and presented in the table below:

Currency	2024		2023	
	Exact exchange rate on 30 September	Average exchange rate first nine months	Exact change rate on 31 December	Average exchange rate first nine months
Chinese Yuan Renminbi	7.8511	7.8248	7.851	7.6235
US dollar	1.1196	1.087	1.105	1.0833
British Pound Sterling	0.8354	0.8514	0.8691	0.8707

3. Material events

3.1 Main changes to the scope of consolidation

During the period under review, the scope of consolidation changed due to the transactions described below:

- **Multi-Asset Funds Project**

During the course of 2023, the Poste Italiane Group launched a project to "replace" the Luxembourg-law multi-compartment SICAV sub-funds, in which Poste Vita SpA had invested a portion of the assets (around €25 billion) pertaining to the Separately Managed Accounts, with 11 newly established Italian-law UCITS managed by BancoPosta Fondi SpA SGR.

The objective of this project was to create a structure that would allow the insurance company - within the legal and regulatory limits of reference - to benefit from a model better suited to respond to the best practices of the domestic insurance industry, in terms of investments in "complex assets".

The project ended on 13 September 2024 following the completion of the cross-border merger by incorporation of the SICAV's sub-funds into the new UCITS funds, through which the financial instruments and sums of money previously held in the SICAV's sub-funds were transferred to the latter.

At the date of these Condensed consolidated interim financial statements, the 11 UCITS comply with the requirements of IFRS 10 - Consolidated Financial Statements for the existence of control and, consequently, are fully consolidated in the Consolidated financial statements of the Poste Italiane Group as:

- i. Poste Vita SpA owns 100% of the units of the Funds in which the assets pertaining to the Separately Managed Accounts are invested;
- ii. BancoPosta Fondi SpA SGR, the manager of the Funds, contractually holds the power to influence their performance;
- iii. both of the above companies are wholly-owned subsidiaries of Poste Italiane SpA.

For more details on the effects of this transaction on the insurance segment's financial assets, please refer to Note "A6 - Financial assets".

- **MLK Fresh**

On 31 January 2024, through the establishment of the NewCo called "MLK Fresh Srl", a partnership in the Fresh Food sector was formalised between MLK Deliveries SpA and Mazzocco Srl, an Italtrans Group company that operates as a national refrigerated courier.

MLK Fresh Srl, 70% owned by MLK and 30% by Mazzocco Srl, will be the vehicle through which the parties will offer advanced delivery services in Italy dedicated to the fresh food segment in the B2C e-commerce and/or scheduled deliveries market.

- **Poste Logistics**

On 4 March 2024, Poste Logistics SpA was established, whose share capital is wholly-owned by Poste Italiane SpA; the company will be dedicated to integrated logistics activities for the Poste Italiane Group, benefiting from the business unit of SDA Express Courier SpA ("SDA") concerning the integrated logistics business, through a partial demerger transaction. The partial demerger transaction, which was resolved by the Extraordinary Shareholders' Meetings of SDA and Poste Logistics SpA on 27 March 2024, was formalised on 25 June 2024 effective as of 1 July 2024

- **N&TS Group Networks & Transactional Systems Group**

On 28 February 2024, PostePay signed an agreement to acquire 20% of N&TS GROUP Networks & Transactional Systems Group SpA, a leading Italian company in software solutions for electronic payments. The closing of the transaction took place on 15 April 2024 following the fulfilment of the conditions precedent.

By virtue of the option provided for in paragraphs 45 et seq. of IFRS 3 to complete the valuation of the business combination within twelve months from the date of the transaction, the difference between the agreed consideration (€17.6 million) and the fair value of the portion of the net assets acquired (€2.9 million) was provisionally allocated to goodwill in the amount of €14.7 million and is included in the carrying amount of the investment, which is valued using the equity method due to the connection relationship

- Locker Italy

On 18 April 2024 the company Locker Italia SpA was established - owned by Poste Italiane SpA and Deutsche Post International BV with equal stakes of 50% respectively - with the objective of developing, in Italy, a network of lockers for last mile deliveries of parcels managed by Poste Italiane SpA and the e-commerce division of the DHL Group.

- Postego

On 9 May 2024, Postego SpA was established, a benefit company wholly-owned by Poste Italiane, with the aim of progressively internalising the Poste Italiane car fleet (about 30 thousand delivery vehicles).

- Address Software

On 24 January 2024, Postel sold its entire stake in Address Software Srl to Poste Italiane SpA. This transaction was in preparation for the start of the process of merger by incorporation of Address Software Srl into Poste Italiane SpA. The merger transaction was formalised on 27 May, with legal effect from 1 June 2024, while the accounting and tax effects were backdated to 1 April.

- Casina Poste

On 21 June 2024, Casina Poste was established as an amateur sports company with limited liability (Casina Poste SSD a r.l.), wholly-owned through Poste Italiane SpA (72%), PostePay SpA (7%), Postel SpA (7%), Poste Vita SpA (7%) and SDA Express Courier SpA (7%), for the organisation and management as well as the promotion, enhancement and dissemination of amateur sporting activities.

- SPV Cosenza

On 25 June 2024, SPV Cosenza SpA was established, a company 95% owned by Poste Italiane SpA and 5% by Plurima SpA, dedicated to the performance of all the services covered by the public-private partnership contract for the management and rationalisation of integrated healthcare logistics for the Cosenza Provincial Health Authority.

The following corporate actions also took place in the first half:

- on 22 May 2024, Poste Italiane SpA transferred to Postepay SpA its entire stake in Conio Inc. amounting to 16.29% of the relevant share capital;
- on 17 June 2024, the Extraordinary Shareholders' Meetings of Plurima SpA, respectively. ("Plurima") and Logos SpA ("Logos"), a wholly-owned subsidiary of Plurima, resolved on the merger by incorporation of Logos into Plurima. The formalisation of the deed of merger, which was approved by the respective boards of directors last May, is expected by the end of 2024;
- on 27 June 2024, the deed of sale of a stake held by SDA Express Courier SpA in the Consorzio Logistica Pacchi ScpA in the amount of 5.5% in favour of Poste Logistics SpA was signed: thus, SDA's shareholding in the Consorzio increased from 19% to 13.5%.

3.2 Conclusion of the valuation of business combinations from the previous year

With reference to the corporate transactions that took place in 2023 for which Poste Italiane availed itself of the option set forth in paragraphs 45 et seq. of IFRS 3 to complete the valuation of the business combination within twelve months from the date of acquisition, at 30 September 2024 the process was concluded, confirming the results already represented at 31 December 2023. A summary of them is given below:

- Sender Italia

It was confirmed that the difference between the consideration (€20.7 million) and the fair value of the portion of the net assets acquired (€1.8 million) is entirely attributable to goodwill (included in the carrying amount of the investment) in the amount of €18.9 million.

3.3 Other events

- Purchase of treasury shares

In execution of the authorisation to purchase treasury shares resolved by the Shareholders' Meeting of Poste Italiane on 31 May 2024, aimed at acquiring a supply of shares to be allocated to directors and employees of the Group who are beneficiaries of the variable incentive plans, the launch of which was communicated to the market on 31 May 2024, from 3 to 10 June 2024, Poste Italiane purchased 1,166,667 treasury shares, at an average unit price of €12.804423, for a total value of €14,938,498.18. Subsequently, in the period between 7 August 2024 and 9 August 2024, Poste Italiane purchased 710,802 treasury shares at an average unit price of €11.788388, for a total value of €8,379,209.76.

At the close of the second tranche of the programme, considering also the treasury shares in the portfolio deriving from previous buy-back transactions and the delivery to the beneficiaries of the incentive plans, at 30 September 2024, Poste Italiane holds 11,492,604 treasury shares, equal to 0.880% of the share capital.

4. Poste Italiane Group Financial Statements at 30 September 2024

4.1 Consolidated Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (€m)	Notes	30 September 2024	31 December 2023
Non-current assets			
Property, plant and equipment	[A1]	2,589	2,546
Investment property	[A2]	27	28
Intangible assets	[A3]	2,011	2,062
Right-of-use assets	[A4]	1,167	1,265
Investments accounted for using the equity method	[A5]	332	294
Financial assets	[A6]	208,769	205,656
Trade receivables	[A8]	2	3
Deferred tax assets	[C12]	2,040	2,109
Other receivables and assets	[A9]	3,714	4,084
Tax credits Law no. 77/2020	[A10]	5,399	6,534
Assets for outward reinsurance	[A11]	308	233
Total		226,356	224,814
Current assets			
Inventories	[A7]	176	172
Trade receivables	[A8]	1,918	2,404
Current tax assets	[C12]	470	167
Other receivables and assets	[A9]	1,595	1,051
Tax credits Law no. 77/2020	[A10]	2,091	1,784
Financial assets	[A6]	33,338	31,503
Cash and deposits attributable to BancoPosta	[A12]	4,482	4,671
Cash and cash equivalents	[A13]	5,483	4,211
Total		49,553	45,963
Non-current assets and disposal groups held for sale		50	50
TOTAL ASSETS		275,958	270,827

LIABILITIES AND EQUITY	Notes	30 September 2024	31 December 2023
Equity			
Share capital	[B1]	1,306	1,306
Reserves	[B3]	1,844	1,083
Treasury shares		(109)	(94)
Retained earnings		8,878	8,027
Total equity attributable to owners of the Parent		11,920	10,322
Equity attributable to non-controlling interests		128	117
Total		12,046	10,439
Non-current liabilities			
Liabilities under insurance contracts	[B4]	161,303	155,338
Provisions for risks and charges	[B5]	787	782
Employee termination benefits	[B6]	573	637
Financial liabilities	[B7]	8,776	10,243
Deferred tax liabilities	[C12]	1,467	900
Other liabilities	[B8]	1,809	2,058
Total		174,715	169,958
Current liabilities			
Provisions for risks and charges	[B5]	492	554
Trade payables	[B8]	1,659	2,252
Current tax liabilities	[C12]	411	189
Other liabilities	[B9]	2,476	2,285
Financial liabilities	[B7]	84,160	85,150
Total		89,197	90,430
TOTAL LIABILITIES AND EQUITY		275,958	270,827

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Third quarter 2024	Third quarter 2023	(€m)	Note	First nine months 2024	First nine months 2023
909	860	Revenue from Mail, Parcels and other	[C1]	2,797	2,755
1,358	1,192	Net revenue from Financial Services	[C2]	4,047	3,858
1,490	1,369	<i>Revenue from Financial Services</i>		4,528	4,269
(133)	(177)	<i>Expenses from financial activities</i>		(481)	(411)
399	371	Net revenue from insurance services	[C3]	1,226	1,142
664	642	<i>Revenue from insurance contracts issued</i>		2,035	1,872
(289)	(281)	<i>Costs arising from insurance contracts issued</i>		(858)	(770)
(9)	(3)	<i>Revenue/(costs) from outward reinsurance</i>		(28)	(11)
2,311	469	<i>Income and (expenses) from financial operations and other income/expenses</i>		5,159	3,428
(2,280)	(458)	<i>Net financial (costs)/revenue relating to insurance contracts issued</i>		(5,089)	(3,380)
2	2	<i>Net financial revenue/(costs) related to outward reinsurance</i>		6	4
470	405	Revenue from Postepay services	[C4]	1,378	1,122
3,137	2,827	Net operating revenue		9,448	8,878
882	786	Cost of goods and services	[C5]	2,636	2,303
1,192	1,263	Personnel expenses	[C6]	3,727	3,695
216	200	Depreciation, amortisation and impairments	[C7]	630	617
(16)	(13)	Capitalised costs and expenses	[C8]	(46)	(40)
62	42	Other operating costs	[C9]	226	177
30	10	Impairment losses/(reversals of impairment losses) on debt instruments, receivables and other assets	[C10]	53	21
770	539	Operating profit/(loss)		2,221	2,105
31	30	Finance costs	[C11]	92	84
45	35	Finance income	[C11]	141	121
(0)	0	Impairment losses/(reversals of impairment losses) on financial assets	[A9]	(4)	(25)
8	6	Profit/(Loss) on investments accounted for using the equity method	[A5]	22	15
793	550	Profit/(Loss) before tax		2,297	2,181
224	168	Income tax expense	[C12]	702	659
569	382	PROFIT FOR THE PERIOD		1,595	1,522
565	379	of which attributable to owners of the Parent		1,582	1,516
4	3	of which attributable to non-controlling interests		14	6
0.436	0.292	Earnings per share	[B1]	1.221	1.169
0.436	0.292	Diluted earnings per share		1.221	1.169

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Third quarter 2024	Third quarter 2023	(€m)	Notes	First nine months 2024	FY 2023	First nine months 2023
569	382	Profit/(Loss) for the period		1,595	1,933	1,522
Items to be reclassified in the Statement of profit (loss) for the period						
<i>FVOCI debt instruments and receivables</i>						
5,452	(4,539)	Increase/(decrease) in fair value during the period	[tab. B2]	2,757	7,694	(485)
23	(82)	Transfers to profit or loss from realisation	[tab. B2]	94	223	241
(1)	(2)	Increase/(decrease) for expected losses		(18)	5	(1)
<i>Cash flow hedges</i>						
62	5	Increase/(decrease) in fair value during the period	[tab. B2]	79	80	11
15	11	Transfers to profit or loss	[tab. B2]	(4)	(318)	(293)
(3,974)	3,506	Financial revenue or costs relating to insurance contracts issued		(1,753)	(5,532)	934
3	(1)	Financial revenue or costs related to outward reinsurance		(2)	2	(1)
(457)	318	Taxation of items recognised directly in, or transferred from, equity to be reclassified in the Statement of profit/(loss) for the period		(336)	(565)	(64)
0	0	Share of after-tax comprehensive income/(loss) of investees accounted for using the equity method		3	0	0
0	0	Change in translation reserve		0	(0)	(0)
Items not to be reclassified in the Statement of profit/(loss) for the period						
19	(65)	Equity instruments measured at FVOCI - increase/(decrease) in fair value during the period		(61)	(5)	(73)
1	(0)	Actuarial gains/(losses) on employee termination benefits	[tab. B5]	19	(8)	5
(0)	1	Taxation of items recognised directly in, or transferred from, equity not to be reclassified in the Statement of profit/(loss) for the period		(3)	2	(0)
0	(0)	Share of after-tax comprehensive income/(loss) of investees accounted for using the equity method		(0)	(0)	(0)
1,142	(849)	Total other comprehensive income		775	1,578	274
1,711	(467)	TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD		2,370	3,511	1,796
1,706	(470)	of which attributable to owners of the Parent		2,356	3,500	1,790
4	3	of which attributable to non-controlling interests		14	11	6

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Patrimonio netto														Total equity	
	Share capital	Treasury shares	Reserve								Retained earnings	Total equity attributable to owners of the Parent	Equity attributable to non-controlling interests			
			Legal reserve	BancoPosta RFC reserve	Equity instruments - perpetual hybrid bonds	Fair value reserve	Cash flow hedge reserve	Reserve for insurance contracts issued and outward reinsurance	Translation reserve	Reserve for investees accounted for using equity method						Incentive plans reserve
(€m)																
Balance at 1 January 2023	1,306	(63)	299	1,210	800	(10,592)	(128)	7,876	(0)	5	19	7,100	7,834	44	7,878	
Total other comprehensive income for the period	-	-	-	-	-	(226)	(201)	697	0	0	-	1,520	1,790	6	1,796	
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	(570)	(570)	(3)	(573)	
Purchase of treasury shares	-	(34)	-	-	-	-	-	-	-	-	-	(0)	(34)	-	(34)	
Transactions with minority shareholders	-	-	-	-	-	-	-	-	-	-	-	(78)	(78)	-	(78)	
Incentive plans	-	3	-	-	-	-	-	-	-	-	5	(0)	8	-	8	
Coupons paid to holders of perpetual hybrid bonds	-	-	-	-	-	-	-	-	-	-	-	(16)	(16)	-	(16)	
Other changes	-	-	-	-	-	-	-	-	-	1	-	-	1	-	1	
Change in scope of consolidation	-	-	-	-	-	-	-	-	-	-	-	6	6	67	73	
Balance at 30 September 2023	1,306	(94)	299	1,210	800	(10,818)	(328)	8,573	(0)	5	25	7,962	8,941	114	9,055	
Total comprehensive income for the year	-	-	-	-	-	5,755	32	(4,471)	(0)	0	-	394	1,710	5	1,715	
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	(3)	(3)	
Interim dividend	-	-	-	-	-	-	-	-	-	-	-	(307)	(307)	-	(307)	
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transactions with minority shareholders	-	-	-	-	-	-	-	-	-	-	-	(23)	(23)	-	(23)	
Incentive plans	-	-	-	-	-	-	-	-	-	-	2	-	2	-	2	
Other changes	-	-	-	-	-	-	-	-	-	(1)	-	-	(1)	-	(1)	
Change in scope of consolidation	-	-	-	-	-	-	-	-	-	-	-	0	0	1	1	
Balance at 31 December 2023	1,306	(94)	299	1,210	800	(5,063)	(297)	4,102	(0)	4	27	8,027	10,322	117	10,439	
Total comprehensive income for the year	-	-	-	-	-	1,918	54	(1,214)	0	3	-	1,596	2,356	14	2,370	
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	(729)	(729)	(4)	(733)	
Purchase of treasury shares	-	(23)	-	-	-	-	-	-	-	-	-	(0)	(23)	-	(23)	
Incentive plans	-	8	-	-	-	-	-	-	-	-	0	0	9	-	9	
Coupons paid to holders of perpetual hybrid bonds	-	-	-	-	-	-	-	-	-	-	-	(16)	(16)	-	(16)	
Other changes	-	-	-	-	-	-	-	-	-	0	-	-	0	-	0	
Change in scope of consolidation	-	-	-	-	-	-	-	-	-	-	-	-	-	0	0	
Balance at 30 September 2024	1,306	(109)	299	1,210	800	(3,145)	(243)	2,888	0	8	27	8,878	11,920	128	12,046	

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(€m)	First nine months 2024	First nine months 2023
Unrestricted net cash and cash equivalents at the beginning of the period	1,635	1,228
Restricted net cash and cash equivalents at the beginning of the period	2,576	3,755
Cash and cash equivalents at the beginning of the period	4,211	4,983
Result for the period	1,595	1,522
Depreciation, amortisation and impairments	683	671
Losses and impairment losses/(Reversals of impairment losses) on receivables	63	19
(Gains)/Losses on disposals	(2)	(112)
Impairment losses/(reversals of impairment losses) on financial assets	(3)	(25)
(Increase)/decrease Inventories	(6)	(11)
(Increase)/Decrease Receivables and Other assets	(29)	75
Increase/(Decrease) Payables and Other liabilities	(477)	(94)
Change in tax credits Law no. 77/2020	2	(165)
Change in provisions for risks and charges	(57)	(132)
Change in employee termination benefits and Provision for retirement benefits	(46)	(70)
Difference in accrued finance expenses and income (cash adjustment)	49	37
Other changes	314	345
Net cash flow from/(for) non-financial operating activities	[a] 2,086	2,060
Increase/(Decrease) in liabilities attributable to financial activities, payments, cards and acquiring and insurance	(4,546)	(10,021)
Net cash generated by/(used for) financial assets and tax credits Law no. 77/2020 attributable to financial activities, payments, cards and acquiring and insurance	2,601	5,334
(Income)/Expense and other non-cash components	(1,616)	(1,475)
Increase/(Decrease) in net liabilities under insurance contracts	4,135	5,497
Cash generated by/(used for) financial assets/liabilities attributable to financial activities, payments, cards and acquiring and insurance	[b] 573	(665)
Net cash flow from /(for) operating activities	[c]=[a+b] 2,659	1,395
<i>Investing activities:</i>		
Property, plant and equipment, Inv. property and intangible assets	(468)	(392)
Investments	(27)	(2)
Other financial assets	(10)	(19)
<i>Investments in consolidated companies net of cash acquired and changes in scope</i>	-	(95)
Disposals:		
Property, plant and equipment, inv. property, intangible assets and assets held for sale	6	8
<i>Investments</i>	-	-
Other financial assets	4	1
Investments in consolidated companies net of cash acquired and changes in scope	3	-
Net cash flow from /(for) investing activities	[d] (493)	(499)
Proceeds from/(Repayments of) borrowings	(117)	(249)
(Purchase)/Sale of treasury shares	(23)	(34)
Dividends paid	(733)	(573)
Equity instruments - perpetual hybrid bonds	(21)	(21)
Net cash flow from/(for) financing activities and shareholder transactions	[e] (894)	(877)
Effect of exchange rate differences on cash and cash equivalents	[f] 0	0
Net increase/(decrease) in cash	[g]=[c+d+e+f] 1,272	19
Cash and cash equivalents at the end of the period	5,483	5,002
Restricted cash and cash equivalents at the end of the period	(2,386)	(3,388)
Unrestricted net cash and cash equivalents at the end of the period	3,097	1,614

4.2 Notes to the Statement of Financial position

Assets

A1 – Property, plant and equipment

TAB. A1 – MOVIMENTAZIONE DEGLI IMMOBILI, IMPIANTI E MACCHINARI

Description (€m)	Land	Properties used in operations	Plant and machinery	Industrial and commercial equipment	Leasehold improvements	Other assets	Assets under construction and advances	Total
Cost	85	3,371	2,630	372	765	2,098	203	9,525
Accumulated depreciation	-	(2,143)	(2,018)	(337)	(511)	(1,933)	-	(6,941)
Impairments	(0)	(16)	(10)	(1)	(1)	(8)	(0)	(37)
Balance at 1 January 2024	85	1,211	603	34	253	157	202	2,546
Changes during the period								
Acquisitions	-	26	49	9	44	45	63	235
Adjustments	-	-	0	(0)	0	-	(0)	(0)
Reclassifications	0	32	54	1	15	15	(118)	(0)
Disposals	-	(0)	(0)	(0)	(0)	(0)	(1)	(2)
Change in scope of consolidation	-	-	(0)	-	0	0	-	0
Depreciation	-	(27)	(55)	(9)	(42)	(55)	-	(188)
(Impairment losses)/Reversals	-	(0)	-	-	-	(2)	(0)	(2)
Total changes	0	30	48	2	17	3	(56)	43
Cost	85	3,428	2,733	382	825	2,158	147	9,758
Accumulated depreciation	-	(2,171)	(2,072)	(345)	(553)	(1,988)	-	(7,130)
Impairments	(0)	(16)	(10)	(1)	(1)	(10)	(0)	(39)
Total	85	1,241	651	36	270	160	146	2,589

Investments of €235 million in the first nine months of 2024 consists largely of:

- €26 million for operating buildings incurred by the Parent Company, of which €16 million for extraordinary maintenance costs of premises owned by the Parent Company and used as post offices located throughout the territory;
- €49 million for plant and machinery, of which €42 million supported by the Parent Company mostly for the construction of plants connected to buildings (€20 million) and for the construction and extraordinary maintenance of connectivity and video surveillance systems (€10 million) and the installation of ATMs (€8 million);
- €44 million invested in improving the plant and structural part of properties held under lease;
- €45 million relating to Other assets, including €37 million incurred by the Parent Company, of which €24 million related to the purchase of hardware to renew technological equipment at Post Offices and head offices and consolidate storage systems, and €12 million to the purchase of furniture and fittings, €6 million incurred by PostePay SpA, primarily regarding the purchase of devices for the PosteMobile Casa and PosteCasa Ultraveloce range of offers (€4 million) and, to a lesser extent, the purchase of mobile telephones and mobile phone equipment for rental;
- €63 million for investments in progress, of which €53 million supported by the Parent Company, attributable for €44 million to extraordinary maintenance works and infrastructural equipment of the commercial and production network, and €7 million for the purchase of hardware and other technological equipment not yet included in the production process, €6 million incurred by the company SDA Express Courier for the development of new sorting systems relating to the operating site of the Naples Hub.

In addition, reclassifications from tangible assets under construction, totalling €118 million, relate primarily to the acquisition cost of assets that became available and ready for use during the period. They mainly refer to the Parent Company for the completion of extraordinary renovations of owned buildings and improvements on leased properties (€74 million), the activation

of hardware and other technological equipment (€12 million), for the installation of connectivity systems (€8 million) and to the company SDA Express Courier for €17 million relating mainly to plant investments for the construction of the new Piacenza Hub site.

During the period under review, the Polis Project continued, for which the Parent Company made total investments of about €197 million, of which €100 million related to the first nine months of 2024.

Finally, it should be noted that, at 30 September 2024, the Poste Italiane Group's commitments to purchase property, plant and equipment amounted to approximately €231 million.

A2 – Investment property

Investment property in the period under review amounted to €27 million.

At 30 September 2024, the corresponding fair value totalling €63 million includes €52 million representing the sale price applicable to the service accommodation in accordance with Law 560 of 24 December 1993, while the remaining balance reflects market price estimates calculated internally by the Company⁶¹.

A3 – Intangible assets

TAB. A3 – MOVEMENTS IN INTANGIBLE ASSETS

Description (€m)	Industrial patents and intellectual property rights, concessions, licences, trademarks and similar rights	Assets under construction and advances	Goodwill	Other	Total
Cost	5,166	274	898	232	6,570
Accumulated amortisation and impairments	(4,381)	(1)	(102)	(24)	(4,508)
Balance at 1 January 2024	785	273	796	208	2,062
Changes during the period					
Acquisitions	102	130	-	0	233
Reclassifications	205	(205)	-	(0)	0
Transfers and disposals	(0)	(0)	-	-	(1)
Change in scope of consolidation	0	-	-	-	0
Amortisation and impairments	(275)	-	-	(9)	(284)
Foreign exchange differences	-	-	-	-	-
Total changes	32	(75)	-	(9)	(52)
Cost	5,473	199	898	232	6,802
Accumulated amortisation and impairments	(4,656)	(1)	(102)	(33)	(4,791)
Total	817	198	796	199	2,011

Investments in the first nine months of 2024 amounted to €233 million, including about €45 million in software development and the related accessory expenses, developed within the Group, primarily relating to personnel expenses (€31 million). Development costs, other than those incurred directly to produce identifiable software used, or intended for use, within the Group, are not capitalised. As part of the Energy Project, developed by PostePay, investments in application software amounted to approximately €8 million.

Group, are not capitalised. As part of the Energy Project, developed by PostePay, investments in application software amounted to approximately €8 million.

61. In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, service accommodation and other investment property qualify for level 3.

Investments relating to the item **Industrial patents and intellectual property rights, concessions, licences, trademarks and similar rights** relate primarily to the purchase and entry into service of new software programmes following the acquisition of software licences.

Intangible assets under construction mainly refer to the Parent Company (€125 million) for software development for infrastructure platforms (€70 million), for support to the sales network (€16 million), for the postal products platform (€14 million) and for BancoPosta services (€18 million).

During the period, reclassifications were made from Intangible assets under construction to Industrial patents and intellectual property rights amounting to €205 million due primarily to the completion and start-up of new software programs and the development of existing ones, related to the infrastructure platform (€90 million), BancoPosta services (€41 million), support for the sales network (€33 million), the postal products platform (€27 million) and the engineering of reporting processes for other business and staff functions (€12 million).

At 30 September 2024, the Parent Company:

- with reference to the Polis Project, total investments of approximately €7 million, of which €4 million relate to the first nine months of 2024.

Goodwill has not changed since the balance sheet date of 31 December 2023.

TAB. A3.1 – GOODWILL

Description (€m)	30.09.2024	31.12.2023	Changes
Mail, Parcels and Distribution SBU	213	213	-
Plurima	101	101	-
Poste Italiane	33	33	-
Sourcesense	24	24	-
Poste Welfare Servizi	18	18	-
Sengi Express Limited	16	16	-
Agile Lab	14	14	-
MLK Deliveries	5	5	-
Nexive Network	3	3	-
Sourcesense Platforms	1	1	-
Postepay Services SBU	459	459	-
LIS	459	459	-
Insurance Services SBU	124	124	-
Net Insurance	124	124	-
Total	796	796	-

The item of €796 million refers to goodwill allocated to the:

- Mail, Parcels and Distribution SBU for €213 million. The goodwill allocated to the segment originates from a series of acquisitions completed over time within the operating segment Mail, Parcels and Distribution. Due to the close integration of business processes, the cash flows generated by the individual legal entities belonging to the segment are closely interrelated and interdependent, and, consequently, goodwill is tested at the SBU level.
- SBU Postepay Services for €459 million. The goodwill recognised arises from the acquisition of Lis Holding and Lis Pay. Following the integration and reorganisation processes of the companies acquired within the Poste Italiane Group, the cash flows generated are largely independent of those generated by the Group's other operating sectors, but closely interrelated within the sector. Consequently, the CGU identified corresponds to the perimeter of the Postepay Services SBU, as the operating segment is based on single and integrated market and operational processes according to a unified logic.
- SBU Insurance Services for €124 million. This goodwill arose from the acquisition of Net Insurance and is tested at the level of the Net Insurance sub-group since the CGU identified as the cash-generating unit consists of Net Insurance and Net Insurance Life.

As reported in section 2.4 Use of estimates above, the qualitative/quantitative analysis activities carried out in relation to internal and external information sources did not reveal any elements as such to suggest the need to proceed with the execution of a new impairment test on the value of goodwill recognised.

A4 – Right-of-use assets

TAB. A4 – MOVEMENTS IN RIGHT-OF-USE ASSETS

Description (€m)	Properties used in operations	Company fleet	Vehicles for mixed use	Other assets	Total
Cost	1,777	385	37	50	2,249
Accumulated depreciation and impairments	(750)	(186)	(18)	(30)	(984)
Balance at 1 January 2024	1,027	199	18	20	1,265
Changes during the period					
New contract acquisitions	57	24	8	1	90
Adjustments	40	(3)	(1)	(1)	35
Reclassifications	(0)	-	-	-	(0)
Contract terminations	(19)	(3)	(0)	(0)	(22)
Change in scope of consolidation	8	-	0	-	8
Depreciation and impairments	(130)	(68)	(7)	(5)	(209)
Total changes	(44)	(50)	1	(5)	(98)
Cost	1,863	402	44	50	2,360
Accumulated depreciation and impairments	(880)	(253)	(25)	(35)	(1,193)
Total	984	149	19	15	1,167

The acquisitions for the period totalling €90 million refer to the Parent Company for €53 million and concern new contracts of a real estate nature (€25 million), rental of company vehicles for mail and parcel delivery activities (€23 million) and rental of vehicles for mixed use (€5 million) and for €25 million to SDA Express Courier mainly for new contracts of a real estate nature for the Piacenza HUB and Fara Sabina operating sites.

Adjustments, which are of a real estate nature, mainly relate to the renewal of contracts in place at the beginning of the period and contractual changes.

The item terminations refers to the early termination of existing contracts with respect to their natural maturity.

The increase in Right-of-use assets recognised during the period and related to lease contracts for electric, hybrid and endo-thermic vehicles considered to be "green" amounted to approximately €8 million.

A5 – Investments accounted for using the equity method

TAB. A5.1 – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Description (€m)	30.09.2024	31.12.2023	Changes
in associates			
Anima Holding SpA	232	219	13
Conio Inc	0	1	(0)
Consorzio Italia Cloud	0	0	-
Eurizon Capital Real Asset SGR	5	4	0
Financit SpA	29	35	(6)
ItaliaCamp Srl	1	1	0
N&TS Group Networks & Transactional Systems Group SpA	17	-	17
Replica Sim SpA	10	9	0
sennder Italia Srl	24	22	2
Total associates	317	290	27
in joint ventures			
Locker Italia SpA	15	-	15
Total joint ventures	15	-	15
in subsidiaries			
Address Software Srl	-	1	(1)
Casina Poste SSD a r.l.	0	-	0
Ecomind Srl	-	-	-
Kipoint SpA	-	3	(3)
Indabox Srl	-	1	(1)
Total subsidiaries	0	4	(4)
Total	332	294	38

The most significant changes during the first nine months are shown below:

- recognition of the investment in N&TS Group Networks & Transactional Systems Group SpA at a value of €17 million;
- registration of the investment in Locker Italia SpA worth €15 million;
- positive adjustment of the investment in Anima Holding SpA for approximately €13 million for the share pertaining to the economic results achieved by the investee in the nine-month period between 1 October 2023 and 30 June 2024, the date of the latest available financial statements, net of dividends received;
- adjustment of the investment in Financit SpA for negative €6 million for the share of the investee company's economic results, net of dividends received.

For more details on the transactions related to N&TS Group Networks & Transactional Systems Group SpA and Locker Italia SpA and the other changes in the consolidation area, please refer to Section 3.1 - Main changes to the scope of consolidation.

Finally, it should be noted that the investments in the subsidiaries Kipoint SpA and Indabox Srl have been consolidated on a line-by-line basis since 1 January 2024, and the subsidiary Address Software Srl has been merged by incorporation into Poste Italiane SpA with legal effect from 1 June 2024.

A list of subsidiaries, joint ventures and associates accounted for using the equity method is provided in Note 8 - *Additional information (Scope of consolidation)*.

A6 – Financial assets

TAB. A6 – FINANCIAL ASSETS

Description (€m)	Balance at 30.09.24			Balance at 31.12.23			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Financial services	65,939	13,139	79,078	64,414	15,642	80,056	(978)
Insurance services	142,231	19,560	161,791	140,588	15,556	156,145	5,646
Postal and Business Services	592	12	604	647	6	653	(49)
Postepay Services Operation	6	628	634	7	299	306	328
Total	208,769	33,338	242,107	205,656	31,503	237,159	4,947

Financial assets

TAB. A6.1 – FINANCIAL ASSETS - FINANCIAL SERVICES

Description (€m)	Balance at 30.09.24			Balance at 31.12.2023			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Financial assets at amortised cost	30,302	12,155	42,457	30,124	12,549	42,673	(216)
Loans	-	1	1	-	1,769	1,769	(1,768)
Receivables	-	11,843	11,843	0	10,505	10,505	1,338
Fixed income securities	30,302	311	30,613	30,124	274	30,398	215
Financial assets at FVTOCI	32,463	925	33,388	30,083	3,017	33,100	288
Fixed income securities	32,463	925	33,388	30,083	3,017	33,100	288
Financial assets at FVTPL	27	-	27	26	-	26	1
Equity instruments	27	-	27	26	-	26	1
Financial derivatives	3,147	58	3,205	4,180	77	4,257	(1,052)
Cash flow hedges	5	20	25	2	2	5	20
Fair value hedges	3,141	37	3,179	4,178	74	4,252	(1,073)
FVTPL	-	1	1	-	-	-	1
Total	65,939	13,139	79,078	64,414	15,642	80,056	(978)

Financial assets at amortised cost

The item **Loans** represents the net position for repurchase and reverse repurchase agreements with the Cassa di Compensazione e Garanzia (hereafter CC&G) in the amount of roughly €1 million (total volume before netting of about €1.8 billion); these transactions are aimed at the temporary use of liquidity from private funding. The decrease from 31 December 2023, is mainly attributable to the reduction in short-term financial liabilities for guarantee deposits and ordinary financing operations.

The item **Receivables** and the main changes are attributable to:

- **Deposits with the MEF**, for €9,781 million (€8,932 million at 31 December 2023), including public customers' postal current account deposits, which earn a variable rate of return, calculated on a basket of government bonds⁶². The increase in the deposits in question of €849 million was mainly due to the increase in the volume of deposits of some public administration customers.
- The balance of the **MEF account held at the Treasury** at 30 September 2024 was positive by €440 million as a result of changes in cash flows for advances mainly from INPS for the payment of pensions (negative balance of €5,371 million at 31 December 2023).

62. The variable rate in question is calculated as follows: 40% is based on the average return on six-month BOTs recognised monthly and the remaining 60% is based on the average ten-year BTP return recognised monthly.

- Other financial receivables for €970 million related to deposits as collateral for amounts paid to counterparties for repurchase agreements on fixed-income securities (collateral provided for by specific Global Master Repurchase Agreements), to the CC&G, to counterparties for interest rate swap transactions (collateral provided for by specific Credit Support Annexes) and for amounts paid as collateral under clearing systems with central counterparties for over-the-counter derivatives transactions.

The item **fixed income securities** is comprised of government bonds held by BancoPosta RFC and securities guaranteed by the Italian government, having a nominal value of €30,817 million. The carrying amount of €30,613 million, shown net of the related ECL in compliance with the provisions of IFRS 9 amounting to €13 million (€18 million at 31 December 2023), consists of non-hedged securities in the amount of €19,453 million and fair value hedged securities in the amount of €11,160 million. The increase in the period was mainly due to the combined effect of purchases, sales and redemptions (€272 million).

At 30 September 2024, the fair value⁶³ of these instruments is €29,423 million.

Financial assets at fair value through other comprehensive income

These concern euro area fixed income government securities, consisting of government bonds issued by the Italian government, held by BancoPosta RFC, with a nominal value of €33,669 million. The carrying amount of €33,388 million consists of non-hedged securities in the amount of €14,996 million, fair value hedged securities in the amount of €12,110 million, and CFH hedged securities in the amount of €6,282 million.

The change in the item in question is due mainly to the combined effect of sales and redemptions net of purchases (negative amount of €729 million) and the positive fair value fluctuation of €1,022 million recognised in the equity reserve for the portion not hedged by fair value hedges (€947 million), and in the statement of profit or loss for the portion hedged (€75 million). Accumulated impairments at 30 September 2024 amount to €14 million (€19 million at 31 December 2023).

Financial derivatives

TAB. A6.1.1 – DERIVATIVE FINANCIAL INSTRUMENTS

Description (€m)	Balance at 30.09. 2024		Balance at 31 dicembre 2023		Changes
	Nominal	Fair value	Nominal	Fair value	
Cash Flow hedges					
Interest rate swaps	5,556	(469)	3,287	(513)	44
Fair value hedges					
Interest rate swaps on securities at FVTOCI and AC	24,642	2,515	25,031	3,718	(1,203)
Interest rate swaps on repos	-	-	3,996	(83)	83
FVTPL					
Forward purchases	19	1	-	-	1
Forward sales	0	(3)	0	(3)	(1)
Financial derivatives	30,217	2,043	32,314	3,119	(1,075)
Of which:					
Derivative assets	18,104	3,205	19,665	4,257	(1,052)
Derivative liabilities	12,113	(1,162)	12,649	(1,138)	(24)

63. In terms of the fair value hierarchy, which reflects the relevance of the sources used to measure assets, €26,260 million of the total amount qualifies for inclusion in Level 1 and €3,163 million for inclusion in Level 2.

The net negative change in financial derivatives in the amount of €1,075 million is attributable for approximately €1,203 million to fair value hedges in interest rate swaps; the change is mainly due to the early extinguishment of interest rate swap assets, for which the underlying security was also sold, the settlement of differentials that occurred during the period, and the decrease in fair value due to the change in the interest rate curve.

Insurance services

TAB. A6.2 – FINANCIAL ASSETS - INSURANCE SERVICES

Description (€m)	Balance at 30.09. 2024			Balance at 31.12.2023			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Financial assets at amortised cost	1,951	222	2,173	1,922	200	2,123	51
Receivables	1	105	106	0	54	55	51
Fixed income securities	1,950	118	2,068	1,922	146	2,068	(0)
Financial assets at FVTOCI	95,389	13,412	108,801	91,643	14,209	105,852	2,949
Fixed income securities	95,384	13,412	108,796	91,638	14,209	105,847	2,949
Other investments	-	-	-	-	-	-	-
Equity instruments	5	-	5	5	-	5	(0)
Financial assets at FVTPL	44,891	5,876	50,768	47,023	1,147	48,170	2,598
Receivables	-	1,178	1,178	-	-	-	1,178
Fixed income securities	24,203	2,106	26,309	2,211	353	2,564	23,746
Units of mutual investment funds	20,666	828	21,494	44,790	308	45,098	(23,605)
Equity instruments	1	1,764	1,764	1	485	486	1,279
Other investments	22	0	22	21	1	22	(0)
Financial derivatives	-	49	49	-	-	-	49
Total	142,231	19,560	161,791	140,588	15,556	156,145	5,646

Financial assets at amortised cost

Financial **receivables** refer to receivables for management fees for Poste Vita's internal funds and receivables for fund units sold but not yet collected, while **fixed income securities** refer mainly to the free assets of Poste Vita SpA and Poste Assicura SpA, with a total fair value⁶⁴ of €1,900 million at 30 September 2024.

Financial assets at fair value through other comprehensive income

Fixed income securities relate primarily to investments held by Poste Vita SpA, totalling €107,935 million (a nominal value of €114,940 million) represented by instruments issued by countries and leading European companies. These securities are mainly used to hedge Separately managed accounts. The item also includes bonds issued by CDP SpA, with a fair value of €124 million.

The item recorded an overall net positive change of €2,949 million, mainly due to the net investments made during the period of €814 million and the positive change in fair value for the period of €1,808 million (of which a portion of €1,748 million contributed to the revaluation of insurance liabilities). Accumulated impairment at 30 September 2024 amounts to approximately €53 million, almost entirely reflected in insurance liabilities.

64. In terms of the fair value hierarchy, which reflects the relevance of the sources used to measure assets, €1,842 million of the total amount qualifies for inclusion in Level 1, €56 million for inclusion in Level 2 and €2 million in Level 3.

Financial assets at fair value through profit or loss

This item recorded an overall positive change of €2,598 million, mainly due to a positive change in fair value of €2.1 billion, in addition to net investments of approximately €383 million; this effect contributed almost entirely to the revaluation of insurance liabilities.

Units in mutual investment funds are held mainly by Poste Vita SpA to hedge Class I Separately Managed Accounts (€7,303 million) and Class III policies (€13,519 million); the supplement to the balance refers to investments of the company's free capital (€4 million).

Following the completion of the "Multi-Asset Project" (for further details, please refer to section 3.1 - Main changes to the scope of consolidation), the amounts previously included in **units in mutual investment fund** were reclassified at 30 September 2024, for a total net amount of €25,346 million, showing the individual assets and liabilities held by the newly consolidated UCITS Funds in their respective accounting items.

In accordance with the relevant accounting standards, the assets and liabilities in the Funds were classified at fair value through profit or loss (FVTPL) as they fall within the "Other business models" case of IFRS 9 - Financial Instruments. In determining the fair value of these items, the Poste Italiane Group has taken advantage of the exception provided for by international accounting standards (**Portfolio exemption**), according to which, in the presence of a group of financial assets and liabilities exposed to market risks and the credit risk of each of the counterparties, the fair value may be defined, not on the basis of the individual item, but considering the market value of the net exposure to these risks at the measurement date (in this specific case, the fair value of the net exposure to risks would correspond to the NAV of the Funds).

The combination of the above provisions made it possible to maintain a valuation in line with the synthetic valuation (NAV) of the Funds in the consolidated financial statements of the Poste Italiane Group without any impact on the statement of profit or loss, limiting the changes to the representative effects only (look through of the Funds with disclosure of the individual assets and liabilities comprising them).

Postal and business services

TAB. A6.3 – FINANCIAL ASSETS - POSTAL AND BUSINESS SERVICES

Description (€m)	Balance at 30.09. 2024			Balance at 31.12.2023			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Financial assets at amortised cost	2	12	14	2	6	8	7
Credits and other instruments	2	12	14	2	6	8	6
Financial assets at FVTPL	9	0	9	9	-	9	1
Bond	9	-	9	9	-	9	0
Financial assets at FVTOCI	580	0	580	636	0	636	(56)
Fixed income securities	102	0	102	99	0	99	3
Equity instruments	478	-	478	537	-	537	(59)
Total	592	12	604	647	6	653	(49)

The decrease in **Financial assets at FVTOCI** of €56 million compared to 31 December 2023 is mainly attributable to the negative fair value fluctuation of €62 million related to the Nexi SpA shares held by the Parent Company and recognised at a value of €283 million at the reporting date, whose change was recognised in the appropriate equity reserve (negative for €367 million at 30 September 2024).

Postepay services operation

TAB. A6.4 – FINANCIAL ASSETS - POSTEPAY SERVICES SECTOR

Description (€m)	Balance at 30.09.2024			Balance at 31.12.2023			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Financial assets at amortised cost	0	628	628	0	299	299	329
Receivables	0	628	628	0	299	299	329
Financial assets at FVTOCI	5	0	5	7	0	7	(1)
Equity instruments	5	0	5	7	0	7	(1)
Financial assets at FVTPL	1	0	1	1	0	1	0
Convertible bond	1	0	1	1	0	1	0
Total	6	628	634	7	299	306	328

The increase in the item is mainly attributable to the change in financial assets at amortised cost, mainly referring to receivables from international settlement circuits for the acquiring service and to items in progress to be settled on prepaid cards of the ring-fenced EMI. In particular, the change concerns transactions executed by prepaid card holders in the last days of the month and settled on accounts in the following days.

A7 – Inventories

TAB. A7 – INVENTORIES

Description (€m)	Balance at 31.12.2023	Increase/(decrease)	Balance at 30.09.2024
Properties held for sale	136	10	146
Work in progress, semi-finished and finished goods and goods for resale	28	(4)	24
Raw, ancillary and consumable materials	8	(1)	7
Total	172	4	176

Properties held for sale refer entirely to the portion of EGI SpA's real estate portfolio to be sold, whose fair value at 30 September 2024 amounts to approximately €278 million. It should be noted that during the period, EGI sold a property for €1.3 million, resulting in a capital gain at the consolidated level of the same value.

A8 – Trade receivables

TAB. A8 – TRADE RECEIVABLES

Description (€m)	Balance at 30.09.2024			Balance at 31.12.2023			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Due from customers	2	2,365	2,367	3	2,679	2,682	(314)
Due from the Parent Company (MEF)	-	168	168	-	281	281	(114)
Due from subsidiaries, associates and joint ventures	-	6	6	-	6	6	(0)
Prepayments to suppliers	(0)	0	0	-	0	0	0
Provisions for doubtful debts due from customers and from the parent company (MEF)	-	(621)	(621)	(0)	(562)	(562)	(59)
Total	2	1,918	1,920	3	2,404	2,407	(487)

The change in due to customers is attributable to:

- the reduction in due from Ministries and Public Entities due to the release of receipts related to the tariff additions made in 2020, 2021, 2022 and the first three quarters of 2023 for a total amount of €195 million (which until 31 December 2023 were shown under other liabilities for advances received, due to the constraint of unavailability) and the collection in March 2024 of a further €20 million related to the last quarter of 2023;
- the reduction in due from Cassa Depositi e Prestiti following the collection of the residual receivable for activities carried out in 2023, partially offset by the balance for fees accrued at 30 September 2024, which reflects the normal pattern of invoicing and collection timing on a monthly basis.

The decrease in **Due from the Parent Company** is attributable to the collection of the receivable for the remuneration on current accounts accrued in 2023 and almost entirely related to deposits of resources from accounts opened by the Public Administration, partially offset by the balance for the remuneration accrued at 30 September 2024.

Changes in the related provisions for doubtful debts (due from customers and from the Parent Company MEF) are as follows:

TAB. A8.1 – MOVEMENTS IN PROVISIONS FOR DOUBTFUL DEBTS DUE FROM CUSTOMERS AND FROM THE PARENT COMPANY MEF

Description (€m)	Balance at 31.12.2023	Net provisions	Deferred income	Uses	Balance at 30.09.2024
Private customers	342	31	(0)	(7)	366
Public administration entities	79	15	-	0	94
Overseas postal operators	11	(0)	-	-	11
	432	46	(0)	(7)	471
Interest on late payments	98	26	-	(7)	116
Due from the Parent Company	33	0	-	(0)	33
Total	562	72	(0)	(14)	621

Provisions increased as a result of higher exposures to customers in litigation or subject to bankruptcy proceedings; utilisations for the period refer to the write-off of receivables assessed to be irrecoverable, following the conclusion of bankruptcy proceedings or the settlement of agreements.

A9 – Other receivables and assets

TAB. A9 – OTHER RECEIVABLES AND ASSETS

Description (€m)	Balance at 30.09.2024			Balance at 31.12.2023			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Substitute tax paid	3,666	1,021	4,687	4,033	625	4,658	29
Due from social security agencies and pension funds (excl. fixed-term contract settlements)	-	51	51	-	73	73	(22)
Receivables relating to fixed-term contract settlements	28	73	101	33	73	107	(6)
Receivables for amounts that cannot be drawn on due to court rulings	-	59	59	-	58	58	1
Accrued income and prepaid expenses from trading transactions	-	154	154	-	62	62	92
Tax receivables	-	88	88	-	78	78	10
Other receivables due from subsidiaries	-	-	-	-	0	0	(0)
Interest accrued on IRES refund	-	46	46	-	46	46	-
Interest accrued on IRAP refund	-	-	-	-	0	0	(0)
Sundry receivables	23	223	246	22	142	164	82
Provisions for doubtful debts due from others	(4)	(120)	(124)	(4)	(108)	(111)	(13)
Total	3,714	1,595	5,308	4,084	1,051	5,135	174

The change in **Other Receivables and Assets** is mainly attributable to:

- the increase in **Withholding Tax Receivables** for advances paid to the Treasury for stamp duty to be discharged virtually in 2024 and 2025, partly offset by the decrease in receivables for stamp duty on Postal Bonds outstanding at 30 September 2024⁶⁵ and the recovery from holders of savings accounts of the stamp duty for the financial year 2023 that the Parent Company discharges virtually in accordance with current legal provisions;
- the increase in **Accrued income and prepaid expenses from trading transactions**, which refer for about €73 million to the one-off payment made in advance to employees in September to cover the fourth quarter of 2024 and the first eight months of 2025, in accordance with the provisions of the renewal of the National Collective Labour Agreement signed on 23 July 2024.

Changes in the **Provision for doubtful debts due from others** are as follows:

TAB. A9.1 – MOVEMENTS IN PROVISIONS FOR DOUBTFUL DEBTS DUE FROM OTHERS

Description (€m)	Balance at 31.12.2023	Net provisions	Uses	Balance at 30.09.2024
Interest accrued on IRES refund	20	-	(3)	17
Public Administration entities for sundry services	-	-	-	-
Receivables relating to fixed-term contract settlements	24	6	(0)	30
Other receivables	67	11	(0)	78
Total	111	16	(3)	124

65. For this case, a matching entry is recorded under "Other taxes payable" until expiration or early extinguishment of the Postal Bonds, i.e. the date on which the tax is payable to the tax authorities.

A10 – TAX CREDITS LAW NO. 77/2020

TAB. A10 – TAX CREDITS LAW NO. 77/2020

Description (€m)	Balance at 30.09. 2024			Balance at 31.12.2023			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Tax credits at amortised cost	5,399	2,091	7,489	6,534	1,784	8,318	(829)
Total	5,399	2,091	7,489	6,534	1,784	8,318	(829)
of which Financial Activities	5,164	1,919	7,083	6,246	1,665	7,911	(828)
of which Postal and Business Activities	235	171	406	288	119	407	(1)

The decrease in this item is attributable to the combined effect of purchases of €703 million, accrued interest of €258 million, net of offsets of €1,790 million. At 30 September 2024, the fair value⁶⁶ of the tax credits is €6,953 million.

As reported in the 2023 Annual Report, following a number of seizures promoted by the Public Prosecutor's Office, since 2022 Poste Italiane has activated an operational process, constantly updated in light of the information available from time to time, aimed at analysing the potential economic, financial and equity risks to which it could be exposed in the event that the tax credits acquired over time were to derive from fraudulent conduct perpetrated by third parties. Based on the analyses performed, all known facts and circumstances, including, inter alia, the requests for information received from the authorities (Public Prosecutor's Office and Tax Agency) and the measures issued by the same, also with the support of external legal, tax and accounting consultants, a specific provision was estimated, recorded in the liability item "Provisions for risks and charges", which amounted to €436 million (€400 million at 31 December 2023).

In addition, with regard to the requests for information received from the Inland Revenue, discussions were initiated in order to define, and at the same time reduce, the risk associated with the overall portfolio of tax credits.

While confirming the adequacy of the valuations underlying the provision recognised in this Interim Report, taking into account the information available, as well as the fact that the aforesaid discussions are still at a preliminary stage, it cannot however be excluded that in the future, as a result of these discussions, it may be necessary to recognise further and definitive charges, which cannot currently be estimated.

Finally, with regard to the losses related to the lack of offsets and the provision for risks on tax credits, in line with what was done in the 2023 Annual Report, also at 30 September 2024 these negative income components were conservatively evaluated as non-deductible.

A11 – Assets for outward reinsurance

Assets for outward reinsurance amounted to €308 million at 30 September 2024; the balance mainly includes €268 million for the **Present Value of Cash Flows**, €16 million for the Financial Risk Adjustment and €24 million for the **Contractual Service Margin**. This balance at 30 September 2024 increased by about €75 million mainly as a result of the increase in the present value of cash flows and the reduction in payables to reinsurers.

66. In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for level 3.

A12 – Cash and deposits attributable to BancoPosta

TAB. A12 – CASH AND DEPOSITS ATTRIBUTABLE TO BANCOPOSTA

Description (€m)	Balance at 30.09.2024	Balance at 31.12.2023	Changes
Cash and cash equivalents in hand	4,017	3,909	109
Bank deposits	465	762	(297)
Total	4,482	4,671	(189)

A13 – Cash and cash equivalents

TAB. A13 – CASH AND CASH EQUIVALENTS

Description (€m)	Balance at 30.09.2024	Balance at 31.12.2023	Changes
Bank deposits and amounts held at the Italian Treasury	4,717	3,270	1,447
Deposits with the MEF	702	873	(172)
Cash and cash equivalents in hand	64	68	(3)
Total	5,483	4,211	1,272

At 30 September 2024, the item includes restricted cash of approximately €2,386 million, including €2,316 million in liquidity covering technical provisions for the insurance business, €37 million in liquidity to be returned to principals as part of the management of collections and payments of the subsidiary LIS Pay, €14 million restricted as a result of judicial measures relating to disputes of various kinds and €19 million for cash received on delivery and other restrictions.

Equity

B1 – Share capital

The share capital of Poste Italiane SpA consists of 1,306,110,000 no-par value ordinary shares.

At 30 September 2024, the Parent Company holds 11,492,604 treasury shares (equal to 0.880 % of the share capital). All the shares in issue are fully subscribed and paid up. No preference shares have been issued.

B2 – Shareholder transactions

As resolved by the Shareholders' Meeting of 31 May 2024, subject to detachment of coupon no. 14 on 24 June 2024, on 26 June 2023 the Parent Company distributed dividends of €729 million (unit dividend equal to €0.563) as the balance for financial year 2023, in addition to the interim payment of 307 million (unit dividend equal to €0.237) already paid in November 2023.

B3 – Reserves

TAB. B3 – RESERVES

Description (€m)	Legal reserve	BancoPosta RFC reserve	Equity instruments - perpetual hybrid bonds	Fair value reserve	Cash flow hedge reserve	Reserve for insurance contracts issued and outward reinsurance	Translation reserve	Reserve for investees accounted for using equity method	Incentive plans reserve	Total
Balance at 1 January 2024	299	1,210	800	(5,062)	(297)	4,102	(0)	4	27	1,083
Increase/(decrease) in fair value during the year	-	-	-	2,697	79	(1,755)	-	-	-	1,021
Tax effect of changes in fair value	-	-	-	(827)	(23)	541	-	-	-	(309)
Transfers to profit or loss from realisation	-	-	-	94	(4)	-	-	-	-	90
Tax effect of transfers to profit or loss	-	-	-	(28)	1	-	-	-	-	(27)
Increase/(decrease) for expected losses	-	-	-	(18)	-	-	-	-	-	(18)
Share of after-tax comprehensive income/(loss) of investees accounted for using the equity method	-	-	-	-	-	-	-	3	-	3
Other changes	-	-	-	-	-	-	0	-	-	0
Gains/(losses) recognised in equity	-	-	-	1,918	54	(1,214)	0	3	-	761
Incentive plans	-	-	-	-	-	-	-	-	0	0
Other changes	-	-	-	-	-	-	-	0	-	0
Balance at 30 June 2024	299	1,210	800	(3,144)	(243)	2,888	0	8	27	1,845

The change in this item in the first half of the year is mainly attributable to the fair value reserve, which includes the changes in the value of financial assets at fair value recognised in other components of comprehensive income. In particular, the net positive change in fair value, totalling €2,697 million, refers to:

- €947 million related to the net positive change in financial instruments attributable to the Group's Financial Services segment;
- €1,808 million related to the net positive change in the value of financial instruments within the Group's Insurance Services segment, of which a portion of €1,748 million contributed to the revaluation of insurance liabilities;
- €57 million related to the net negative change in financial instruments attributable to the Group's Postal and Business Services segment;
- €1 million related to the net negative change in financial instruments attributable to the Postepay Services segment.

Liabilities

B4 – LIABILITIES UNDER INSURANCE CONTRACTS

TAB. B4 – LIABILITIES UNDER INSURANCE CONTRACTS

Description (€m)	Balance at 30.09. 2024			Balance at 31.12.2023			Changes
	GMM-VFA	PAA	Total	GMM-VFA	PAA	Total	
Liability for remaining coverage	160,117	(18)	160,099	154,106	(8)	154,098	6,001
Present value of future cash flows	143,778	(18)	143,760	137,600	(8)	137,592	6,168
Adjustment for non-financial risk	2,721	-	2,721	2,763	-	2,763	(42)
Contractual service margin	13,618	-	13,618	13,743	-	13,743	(124)
Liabilities for incurred claims	890	314	1,203	980	261	1,240	(37)
Present value of future cash flows	888	300	1,188	978	249	1,226	(38)
Adjustment for non-financial risk	2	14	15	2	12	14	2
Total	161,007	295	161,303	155,086	252	155,338	5,964

GMM: General Measurement Model.
VFA: Variable Fee Approach.
PAA: Premium Allocation Approach.

The **present value of future cash flows** increased by €6,168 million from the value recorded at the end of 2023. The change is mainly attributable to new placements made during the quarter, other than additional premiums collected during the period, which is higher than the flows released related to the portfolio already in place at the beginning of the period.

The component of **Adjustment for non-financial risk** relating to Liabilities for remaining coverage decreased by €42 million compared to the balance at 31 December 2023. This trend is mainly attributable to an improvement in the market scenario, which has reduced the non-financial risk to which liabilities are exposed.

The **Contractual service margin** recorded pre-release growth of €923 million, mainly related to the contribution of new business to future margins and the interest accrued on the Contractual service margin in the first nine months of 2024. The release of the Contractual service margin for the period amounted to €1,407 million, of which €122 million related to the additional release.

B5 – PROVISIONS FOR RISKS AND CHARGES

TAB. B5 – MOVEMENTS IN PROVISIONS FOR RISKS AND CHARGES IN THE FIRST NINE MONTHS OF 2024

Description (€m)	Provisions for risks and charges
Balance at 1 January 2024	1,336
Provisions	224
Finance costs	2
Absorptions to profit or loss	(37)
Uses	(247)
Change in scope of consolidation	0
Total at 30 September 2024	1,279
- non-current portion	787
- current portion	492

Compared to the situation presented in the Consolidated financial statements at 31 December 2023, to which reference should be made for further details, there were no new significant disputes in the period under review for which a possible risk (or contingent liability) has been estimated, except as reported in section 6. *Proceedings pending and principal relations with the Authorities below, or significant changes in the estimates of funds already budgeted.* In particular, **provisions for risks and charges** decreased by €57 million mainly due to utilisations for the period relating to the **provision for early retirement incentives** of €108 million and the **provision for personnel expenses** of €97 million (commercial incentives and other sundry items), partially offset by the estimated new liabilities relating to the **provision for personnel expenses** of approximately €90 million (commercial incentives and other sundry items) and the **Life Insurance Guarantee Fund** of €56 million (for further details, see section 2.4 - Use of estimates).

B6 – Employee termination benefits

TAB. B6 – MOVEMENTS IN EMPLOYEE TERMINATION BENEFITS

(€m)	First nine months 2024
Balance at 1 January	637
Change in scope	0
Current service cost	2
Interest component	16
Effect of actuarial (gains)/losses	(18)
Uses for the period	(64)
Balance at 30 September 2024	573

The current service cost is recognised in personnel expenses, whilst the interest component is recognised in finance costs.

B7 – Financial liabilities

TAB. B7 – FINANCIAL LIABILITIES

Description (€m)	Balance at 30.09.24			Balance at 31.12.23			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Financial services	6,071	72,373	78,444	7,571	74,009	81,581	(3,136)
Insurance services	109	200	309	108	52	160	149
Postal and Business Services	2,589	807	3,396	2,556	814	3,370	26
Postepay Services Operation	7	10,780	10,787	8	10,275	10,283	504
Total	8,776	84,160	92,937	10,243	85,150	95,393	(2,457)

Financial assets

TAB. B7.1 – FINANCIAL LIABILITIES - FINANCIAL SERVICES

Description (€m)	Balance at 30.09.24			Balance at 31.12.23			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Financial liabilities at amortised cost	4,867	72,415	77,282	6,480	73,962	80,443	(3,161)
Postal current accounts	-	66,767	66,767	-	61,908	61,908	4,858
Loans	4,867	1,325	6,192	6,480	1,736	8,217	(2,025)
MEF account held at the Treasury	-	-	-	-	5,371	5,371	(5,371)
Other financial liabilities	-	4,323	4,323	0	4,946	4,946	(623)
Financial derivatives	1,204	(42)	1,162	1,091	47	1,138	24
Cash flow hedges	524	(29)	495	530	(12)	518	(23)
Fair value hedges	680	(17)	664	558	59	617	46
Fair value through profit or loss	-	3	3	3	-	3	1
Total	6,071	72,373	78,444	7,571	74,009	81,581	(3,136)

Financial liabilities decreased by a total of €3,136 million, of which €3,161 million related to financial liabilities at amortised cost, mainly for:

- the overall increase in postal current account deposits of €4,858 million due to the increase in public deposits of €6,268 million, including remittances advanced by INPS for the payment of pensions in July 2024, net of the reduction in private deposits;
- the decrease in **loans** for repayments on maturity and early repayment of repurchase agreements;
- the elimination of the payable due to the **MEF account held at the Treasury**, which at 30 September 2024 shows a positive balance resulting from the remittances advanced by INPS for the payment of pensions in October 2024.

Insurance services

TAB. B7.2 – FINANCIAL LIABILITIES - INSURANCE SERVICES

Description (€m)	Balance at 30.09.24			Balance at 31.12.23			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Financial liabilities at amortised cost	10	110	120	10	49	59	61
Loans	10	0	10	10	0	10	0
Lease payables	1	1	1	0	1	1	0
Other financial liabilities	-	109	109	-	48	48	61
Financial liabilities at FVTPL	98	91	189	98	3	101	88
Financial liabilities for purchase of non-controlling interests	98	3	101	98	3	101	0
Other financial liabilities	-	88	88	-	-	-	88
Total	109	200	309	108	52	160	149

The increase in this item, compared to 31 December 2023, amounting to approximately €149 million, is attributable to the change in other financial liabilities in relation to amounts to be settled for the purchase of funds of Class III products for €61 million, and to the recognition of financial liabilities at fair value through profit or loss (mainly for accruals related to commissions and other management charges) following the completion of the "Multi-Asset project" (for further details, please refer to section 3.1 - Main changes to the scope of consolidation and Note A6 - Financial assets).

Postal and business services

TAB. B7.3 – FINANCIAL LIABILITIES - POSTAL AND BUSINESS SERVICES

Description (€m)	Balance at 30.09.24			Balance at 31.12.23			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Financial liabilities at amortised cost	2,514	807	3,321	2,486	814	3,300	21
Loans	1,561	506	2,068	1,446	502	1,948	120
Lease payables	950	288	1,238	1,037	293	1,330	(93)
Other financial liabilities	3	13	16	3	19	22	(6)
Financial liabilities at FVTPL	75	-	75	70	-	70	5
Total	2,589	807	3,396	2,556	814	3,370	26

The increase in this item, compared to 31 December 2023, is mainly attributable to the signing, on 25 January 2024, of the second tranche of the credit line signed with the CEB (Council of Europe Development Bank) for €115 million, with interest at a variable rate and maturity on 25 January 2031, partly offset by the reduction in lease payables for payments made during the period.

Postepay services operation

TAB. B7.4 – FINANCIAL LIABILITIES - POSTEPAY SERVICES OPERATION

Description (€m)	Balance at 30.09.24			Balance at 31.12.23			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Financial liabilities at amortised cost	7	10,780	10,787	8	10,275	10,283	504
Loans	-	5	5	-	-	-	5
Lease payables	7	1	9	8	1	9	(0)
Other financial liabilities	-	10,773	10,773	-	10,274	10,274	499
Total	7	10,780	10,787	8	10,275	10,283	504

The change in this item, compared to 31 December 2023, is mainly attributable to the increase in financial liabilities for the management of prepaid cards.

Net debt/(funds)

The following table provides an analysis of the Poste Italiane Group's net debt/(funds) at 30 September 2024 and 31 December 2023.

Balance at 30.09.2024 (€m)	Mail, parcels and distribution	Financial Services	Insurance Services	Postepay Services	Eliminations	Consolidated
Financial liabilities	4,831	90,086	581	10,983	(13,545)	92,937
Financial liabilities at amortised cost	3,321	78,236	120	10,787	(954)	91,511
Payables deriving from postal current accounts	-	67,699	-	-	(932)	66,767
Bonds	1,000	-	10	-	-	1,010
Amounts due to financial institutions	1,067	6,192	-	-	-	7,259
Other borrowings	-	-	-	-	-	-
Lease payables	1,238	0	1	9	-	1,248
MEF account, held at the Treasury	-	-	-	-	-	-
Other financial liabilities	16	4,345	109	10,778	(21)	15,226
Financial liabilities at FVTPL	75	-	189	-	-	264
Financial derivatives	0	1,162	-	-	-	1,162
Intersegment financial liabilities	1,436	10,688	272	196	(12,591)	-
Liabilities under insurance contracts	-	-	161,304	-	(2)	161,303
Financial assets	(1,199)	(79,821)	(161,897)	(11,764)	12,575	(242,107)
Financial instruments at amortised cost	(14)	(42,457)	(2,173)	(628)	-	(45,273)
Financial instruments at FVTOCI	(580)	(33,388)	(108,801)	(5)	-	(142,775)
Financial instruments at FVTPL	(9)	(27)	(50,768)	(1)	-	(50,805)
Financial derivatives	-	(3,205)	(49)	-	-	(3,254)
Intersegment financial assets	(596)	(744)	(106)	(11,130)	12,575	-
Tax credits Law no. 77/2020	(406)	(7,083)	-	-	-	(7,489)
Assets for outward reinsurance	-	-	(308)	-	-	(308)
Net debt/(net financial surplus)	3,226	3,181	(319)	(781)	(972)	4,335
Cash and deposits attributable to BancoPosta	-	(4,482)	(0)	-	-	(4,482)
Cash and cash equivalents	(1,324)	(766)	(4,258)	(88)	954	(5,483)
Net debt/(funds)	1,902	(2,067)	(4,577)	(870)	(18)	(5,629)

Balance at 31.12.2023 (€m)	Mail, parcels and distribution	Financial Services	Insurance Services	Postepay Services	Eliminations	Consolidated
Financial liabilities	5,017	93,076	429	10,478	(13,606)	95,393
Financial liabilities at amortised cost	3,300	81,446	59	10,283	(1,004)	94,084
Payables deriving from postal current accounts	0	62,913	-	-	(1,004)	61,908
Bonds	998	-	10	-	-	1,008
Amounts due to financial institutions	950	8,217	-	-	-	9,167
Other borrowings	-	-	-	-	-	-
Lease payables	1,330	0	1	9	-	1,341
MEF account, held at the Treasury	-	5,371	-	-	-	5,371
Other financial liabilities	22	4,946	48	10,274	-	15,290
Financial liabilities at FVTPL	70	-	101	-	-	171
Financial derivatives	0	1,138	-	-	-	1,138
Intersegment financial liabilities	1,646	10,492	269	195	(12,602)	-
Liabilities under insurance contracts	-	-	155,339	-	(1)	155,338
Financial assets	(1,205)	(80,636)	(156,394)	(11,507)	12,582	(237,159)
Financial instruments at amortised cost	(9)	(42,673)	(2,123)	(299)	(0)	(45,103)
Financial instruments at FVTOCI	(636)	(33,100)	(105,852)	(7)	-	(139,594)
Financial instruments at FVTPL	(9)	(26)	(48,170)	(1)	-	(48,205)
Financial derivatives	(0)	(4,257)	-	-	-	(4,257)
Intersegment financial assets	(552)	(581)	(249)	(11,201)	12,582	-
Tax credits Law no. 77/2020	(407)	(7,912)	-	-	-	(8,318)
Assets for outward reinsurance	-	-	(233)	-	-	(233)
Net debt/(net financial surplus)	3,405	4,528	(859)	(1,028)	(1,025)	5,021
Cash and deposits attributable to BancoPosta	-	(4,671)	-	-	-	(4,671)
Cash and cash equivalents	(650)	(940)	(3,561)	(65)	1,004	(4,211)
Net debt/(funds)	2,755	(1,082)	(4,420)	(1,093)	(21)	(3,861)

An analysis of the Net debt/(funds) of the Mail, Parcels and Distribution segment at 30 September 2024, in accordance with ESMA recommendation 32-382-1138, is provided below:

ESMA FINANCIAL DEBT

Description (€m)	At 30.09.2024	At 31.12.2023
A. Cash and cash equivalents	(1,324)	(650)
B. Cash equivalents	-	-
C. Other current financial assets	(12)	(6)
D. Liquidity (A + B + C)	(1,336)	(656)
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	801	813
F. Current portion of the non-current financial payable	6	1
G. Current financial debt (E + F)	807	814
H. Net current financial debt (G + D)	(529)	158
I. Non-current financial debt (excluding current portion and debt instruments)	2,090	2,058
J. Debt instruments	498	498
K. Trade payables and other non-current payables	15	15
L. Non-current financial debt (I + J + K)	2,604	2,571
M. Total financial debt (H + L)	2,075	2,729

RECONCILIATION OF FINANCIAL DEBT ESMA

Description (€m)	At 30.09.2024	At 31.12.2023
M. Total financial debt (H + L)	2,075	2,729
Non-current financial assets	(592)	(647)
K. Trade payables and other non-current payables	(15)	(15)
Tax credits Law no. 77/2020	(406)	(407)
Net debt/(funds)	1,062	1,661
Intersegment financial receivables and borrowings	840	1,094
Net debt/(funds) including intersegment transactions	1,902	2,755

B8 – Trade payables

TAB. B8 – TRADE PAYABLES

Description (€m)	Balance at 30.09. 2024	Balance at 31.12.2023	Changes
Due to suppliers	1,300	1,625	(325)
Contract liabilities	315	563	(249)
Due to subsidiaries	-	3	(3)
Due to associates	44	61	(17)
Total	1,659	2,252	(594)

The decrease in trade payables is mainly due to the reduction in due to suppliers and the offsetting of payables for advances received with receivables for refunds of tariff supplements to publishers, following the release of the related collections (see Note A8 - *Trade receivables*).

B9 – Other liabilities

TAB. B9 – OTHER LIABILITIES

Description (€m)	Balance at 30.09.24			Balance at 31.12.23			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Due to staff	7	709	717	10	682	692	24
Social security payables	15	389	405	16	434	450	(46)
Other taxes payable	1,584	958	2,542	1,826	913	2,739	(197)
Sundry payables	60	352	412	55	199	254	158
Accrued liabilities and deferred income	142	67	209	150	56	207	2
Total	1,809	2,476	4,285	2,058	2,285	4,343	(58)

The decrease in Other liabilities recognised during the period is mainly attributable to a decrease in **Other taxes payable** mainly due to stamp duty on Interest-bearing Postal Certificates outstanding at 30 September 2024 partially offset by an increase in **Sundry payables** mainly due to an increase in amounts payable to policyholders by Poste Vita.

4.3 Notes to the statement of profit or loss

C1 – Revenue from mail, parcels & other

TAB. C1 – REVENUE FROM MAIL, PARCELS & OTHER

Description (€m)	First nine months 2024	First nine months 2023	Changes
Mail	1,348	1,288	60
Parcels	1,127	997	130
Other revenue	91	239	(148)
Total external revenue	2,566	2,524	42
Universal Service compensation	197	197	-
Publisher tariff subsidies	35	34	0
Total revenue	2,797	2,755	42
of which Revenue from contracts with customers	2,459	2,434	25
recognised at a point in time	255	367	(112)
recognised over time	2,204	2,067	137

External revenue show an increase compared to the first nine months of 2023 of €42 million mainly attributable to revenue for Parcels (+€130 million), sustained by a steady acceleration of the Business to Exchange (B2X) component in terms of higher shipments, and higher revenue in the Mail segment (+€60 million), mainly related to tariff adjustments on universal⁶⁷ and non-universal service products, which, together with some positive effects in terms of mix, made it possible to offset the lower volumes. This increase is mitigated by other revenue (-€148 million), which were affected by the capital gain of approximately €109 million generated in the first half of 2023 by the sale of the controlling interest in the company sender.

C2 – Net revenue from financial services

TAB. C2 – REVENUE FROM FINANCIAL SERVICES

Description (€m)	First nine months 2024	First nine months 2023	Changes
Revenue from financial services	4,380	4,007	374
Income from financial activities	144	258	(114)
Other revenue and income	4	4	0
Expenses from financial activities	(481)	(411)	(71)
Total	4,047	3,858	189
of which Revenue from contracts with customers	2,107	1,418	689
recognised at a point in time	303	216	87
recognised over time	1,805	1,202	602

Net revenue from financial services increased by approximately €189 million compared to the first nine months of 2023, mainly due to higher net interest income (+€216 million), higher revenue from the distribution of loans and other third-party products (+€43 million) and postal savings collection and management (+€73 million), partially offset by lower net capital gains realised from pro-active portfolio management (-€151 million).

Revenue from the postal savings collection and management service amounted to €1,275 million, and take into account the terms and conditions set out in the new agreement stipulated on 1 August between CDP and Poste Italiane for the three-year period from 1 January 2024 to 31 December 2026.

67. Resolution no. 160/23/CONS "Determination of new maximum tariffs for Universal Services" in force from 24 July 2023 and 18 December 2023.

C3 – Net revenue from insurance services

TAB. C3 – NET REVENUE FROM INSURANCE SERVICES

Description (€m)	First nine months 2024	First nine months 2023	Changes
Revenue from insurance contracts issued	2,035	1,872	164
Costs arising from insurance contracts issued	(858)	(770)	(88)
Revenue/(costs) from outward reinsurance	(28)	(11)	(17)
Income and (expenses) from financial operations and other income/ expenses	5,159	3,428	1,731
Net financial (costs)/revenue relating to insurance contracts issued	(5,089)	(3,380)	(1,708)
Net financial revenue/(costs) related to outward reinsurance	6	4	3
Total	1,226	1,142	84

Net revenue from insurance services showed a slight increase compared to the first nine months of 2023, from €1,142 million to €1,226 million. In particular, there was a higher release of the Contractual Service Margin (CSM) during the period (€1,047 million) than at 30 September 2023 (€956 million).

C4 – Revenue from postepay services

TAB. C4 – REVENUE FROM POSTEPAY SERVICES

Description (€m)	First nine months 2024	First nine months 2023	Changes
Electronic money	491	450	41
Fees for issue and use of prepaid cards	318	296	22
Acquiring fees	52	43	9
Other fees	122	111	11
Mobile	253	244	9
Payments services	356	342	13
Payment Slips	215	206	8
Commissions for processing tax payments using forms F23/F24	28	30	(2)
Money transfers	113	100	13
Other products and services	0	6	(6)
Revenue from energy services	275	82	193
Other revenue and income	3	4	(1)
Total	1,378	1,122	255
of which Revenue from contracts with customers	1,377	1,122	255
recognised at a point in time	541	466	75
recognised over time	836	656	180

Revenue from Postepay services increased by €255 million, compared to the same period in 2023, mainly due to the new energy business (€193 million) as well as the e-money and payment collection business due to the growth in e-commerce and the increasing use of payment cards.

C5 – Cost of goods and services

TAB. C5 – COST OF GOODS AND SERVICES

Description (€m)	First nine months 2024	First nine months 2023	Changes
Service costs	2,265	2,095	170
Lease expense	140	111	29
Raw, ancillary and consumable materials and goods for resale	335	194	140
Allocation of costs directly attributable to insurance contracts	(104)	(99)	(5)
Total	2,636	2,303	332

Costs of goods and services (adjusted by costs directly attributable to insurance contracts) increased by a total of €332 million compared to the first nine months of 2023. The change is mainly attributable to higher costs related to the purchase of raw materials, system charges and the transport of electricity and gas⁶⁸ and the international inflationary scenario, as well as the incurring of variable costs to support the parcels and payments business.

C6 – Personnel expenses

Personnel expenses include the cost of personnel seconded to other organisations. The recovery of such expenses is posted to Other operating income. Personnel expenses break down as follows:

TAB. C6 – PERSONNEL EXPENSES

Description (€m)	Note	First nine months 2024	First nine months 2023	Changes
Wages and salaries		3,031	3,009	22
Social security contributions		863	854	9
Employee termination benefits: current service cost	[tab. B6]	2	2	(0)
Employee termination benefits: supplementary pension funds and INPS		180	178	2
Remuneration and expenses paid to Directors		3	4	(0)
Early retirement incentives		4	7	(4)
Net provisions (reversals) for disputes with staff	[tab. B5]	13	3	10
Share-based payments		10	9	1
Other personnel expenses/(cost recoveries)		(9)	(7)	(2)
Allocation of costs directly attributable to insurance contracts		(371)	(365)	(5)
Total		3,727	3,695	33

Personnel expenses (adjusted by costs directly attributable to insurance contracts) increased by €33 million compared to the first nine months of 2023. This change is related to the increase in the unit cost, attributable to the increase in the contractual minimums triggered in July 2023 (envisaged by the national collective labour agreement signed on 23 June 2021), to the accrued portion of the one-off bonus paid in September 2024 (envisaged by the new national collective labour agreement signed on 23 July 2024) and to the variable component linked to results, only partly offset by the reduction in the workforce (approximately -500 average FTEs) and lower costs related to the additional and extraordinary performance bonus paid in November 2023, and the portion already accrued at 30 September 2023 (provided for by the agreement signed on 1 August 2023).

68. Costs related to the energy business for third-party customers amounted to €221 million in the first nine months of 2024 (€75 million in the first nine months of 2023).

C7 – Depreciation, amortisation and impairments

TAB. C7 – DEPRECIATION, AMORTISATION AND IMPAIRMENTS

Description (€m)	First nine months 2024	First nine months 2023	Changes
Depreciation of property, plant and equipment	188	181	7
Impairments/recoveries/adjustments of property, plant and equipment	2	2	(0)
Depreciation of investment property	1	1	(0)
Amortisation and impairments of intangible assets	284	283	1
Depreciation of right-of-use assets	211	202	9
Allocation of costs directly attributable to insurance contracts	(56)	(53)	(2)
Total	630	617	13

Depreciation, amortisation and impairments (adjusted for costs directly attributable to insurance contracts) showed an overall increase of €13 million compared to the first nine months of 2023, mainly due to higher depreciation on Property, Plant and Equipment and Rights-of-Use Assets.

C8 – Increases for internal work

The item Increases for internal work of €46 million at 30 September 2024 was in line with the same period of the previous year (€40 million).

C9 – Other operating costs

TAB. C9 – OTHER OPERATING COSTS

Description (€m)	First nine months 2024	First nine months 2023	Changes
Municipal property tax, urban waste tax and other taxes and duties	90	85	4
Insurance Guarantee Fund Contribution	56	-	56
Other current expenses	49	46	3
Net provisions for risks and charges made/(released)	32	38	(6)
Operational risk events	17	22	(5)
Capital losses	1	1	0
Allocation of costs directly attributable to insurance contracts	(18)	(14)	(4)
Total	226	177	49

The item **Other operating costs** (adjusted for costs directly attributable to insurance contracts) increased by €49 million compared to the comparative nine-month period, mainly due to the effect of the contribution to the life insurance guarantee fund (for further details see Note B5 - *Provisions for risks and charges and paragraph 2.4 - Use of estimates*).

C10 – Impairment losses/(reversals of impairment losses) on debt instruments, receivables and other assets

C10 - IMPAIRMENT LOSSES/(REVERSALS OF IMPAIRMENT LOSSES) ON DEBT INSTRUMENTS, RECEIVABLES AND OTHER ASSETS

Description (€m)	First nine months 2024	First nine months 2023	Changes
Net impairment losses and losses on receivables and other assets (uses of provisions)	63	19	44
Impairment losses (reversal of impairment losses) on debt instruments at FVTOCI	(5)	1	(5)
Impairment losses (reversal of impairment losses) on debt instruments at amortised cost	(5)	1	(6)
Value adjustments/(write-backs) cash and deposits BP	-	-	-
Total	53	21	32

The item Impairment losses/(Reversals of impairment losses) on debt instruments, receivables and other assets, amounting to €53 million, increased compared to the first nine months of 2023 (€21 million) due to higher net impairment losses on trade receivables due from customers (for further details see Note A8 - *Trade receivables* and Note A9 - *Other receivables and assets*).

C11 – Finance income and costs

Income from and costs incurred on financial instruments relate to assets other than those in which deposits collected by BancoPosta and the financial and insurance businesses are invested.

TAB. C11.1 – FINANCE INCOME

Description (€m)	First nine months 2024	First nine months 2023	Changes
Income from financial instruments at FVTOCI	42	44	(2)
Income from financial instruments at amortised cost	41	46	(5)
Income from financial instruments at FVPL	7	5	2
Other finance income	49	21	29
Foreign exchange gains	2	5	(3)
Total	141	121	21

TAB. C11.2 – FINANCE COSTS

Description (€m)	First nine months 2024	First nine months 2023	Changes
Finance costs on financial liabilities	38	29	9
Sundry costs on financial assets	3	3	(1)
Expenses from financial liabilities at FVTPL	5	3	2
Finance costs on provisions for employee termination benefits and pension plans	17	20	(3)
Finance costs on provisions for risks	2	3	(1)
Other finance costs	25	23	2
Foreign exchange losses	3	2	1
Total	92	84	8

C12 – Income tax expense

TAB. C12 – INCOME TAX EXPENSE

Description (€m)	First nine months 2024				First nine months 2023				Changes
	IRES	IRAP	Other	Total	IRES	IRAP	Other	Total	
Current tax expense	317	72	2	390	243	59	1	304	86
Deferred tax assets	(161)	5	(0)	(156)	(829)	3	(0)	(826)	669
Deferred tax liabilities	468	(0)	-	468	1,115	67	-	1,182	(713)
Total	624	77	1	702	530	129	1	659	42

Current tax expense

TAB. C12.1 – MOVEMENTS IN CURRENT TAX ASSETS/(LIABILITIES)

Description (€m)	Imposte correnti			Total
	IRES	IRAP	Foreign companies	
	Assets/ (Liabilities)	Assets/ (Liabilities)	Assets/ (Liabilities)	
Balance at 1 January	8	(30)	(1)	(23)
Payments	366	93	0	460
Provisions to profit or loss	(317)	(72)	(2)	(390)
Provisions to equity	(13)	(0)	-	(13)
Other	26	(1)	(0)	25
Balance at 30 September	70	(9)	(2)	59
Of which:				
Current tax assets	404	66	0	470
Current tax liabilities	(333)	(75)	(2)	(411)

Deferred tax assets and liabilities

TAB. C12.2 – MOVEMENTS IN DEFERRED TAX ASSETS AND LIABILITIES

Description (€m)	First nine months 2024
Balance at 1 January	1,208
Net income/(expense) recognised in profit or loss	(312)
Net income/(expense) recognised in equity	(322)
Change in scope of consolidation and other	(1)
Balance at 30 September	573
Of which:	
deferred tax assets	2,040
deferred tax liabilities	(1,467)

4.4 Operating segments

The identified operating segments, which are in line with the Group's strategic guidelines, are as follows:

- Mail, Parcels & Distribution
- Financial Services
- Insurance Services
- Postepay Services (previously Payments and Mobile)

The result for each segment is based on operating profit/(loss) and gains/losses on intermediation.

In order to provide an understanding of the energy business, included in the Postepay Services operating segment, according to an approach based on the net interest and other banking income, since the Group is not an energy producer, the values shown with an asterisk include a management reclassification that provides for the presentation of revenue related to the energy business net of costs related to the purchase of raw materials and the transport of electricity and gas. Therefore, values that deviate from the accounting data are specially marked and reconciled with the figures in the accounting statements. It should be noted that no change has been made to the scope of the segment with respect to what was reported in the financial statements at 31 December 2023, but this is merely a renaming to take into account the progressive relevance of the revenue generated by the energy business within the segment itself.

The following results, which are shown separately in accordance with the management view and with applicable accounting standards, should be read in light of the integration of the services offered by the distribution network within the businesses allocated to all four identified operating segments, also considering the obligation to carry out the Universal Postal Service.

ECONOMIC DATA BY OPERATING SEGMENT

First nine months of 2024 (€m)	Mail, Parcels and Distribution	Financial Services	Insurance Services	Postepay Services	Adjustments and eliminations	Total
Net external revenue from ordinary activities	2,797	4,047	1,226	1,156*	(0)	9,226*
Net intersegment revenue from ordinary activities	4,120	672	(117)	205	(4,880)	-
Net operating revenue	6,917	4,718	1,109	1,362*	(4,880)	9,226*
Total costs	(6,734)	(4,088)	(82)	(981)*	4,880	(7,005)*
Operating profit/(loss)	183	630	1,028	381	(0)	2,221
Finance income/(costs)	(37)	(1)	86	1	-	50
(Impairment losses)/reversal of impairment losses on debt instruments, receivables and other assets	3	0	1	0	-	4
Profit/(Loss) on investments accounted for using the equity method	2	20	-	0	-	22
Intersegment finance income/(costs)	1	15	(38)	23	(0)	-
Taxes for the period	(84)	(187)	(315)	(115)	-	(702)
Profit/(Loss) for the period	68	477	761	290	(0)	1,595

First nine months of 2023 (€m)	Mail, Parcels and Distribution	Financial Services	Insurance Services	Postpay Services	Adjustments and eliminations	Total
Net external revenue from ordinary activities	2,755	3,858	1,142	1,048*	-	8,803*
Net intersegment revenue from ordinary activities	3,870	661	(116)	196	(4,612)	-
Net operating revenue	6,625	4,519	1,026	1,244*	(4,612)	8,803*
Total costs	(6,471)	(3,870)	(41)	(926)*	4,611	(6,698)*
Operating profit/(loss)	154	648	986	317	(0)	2,105
Finance income/(costs)	(33)	(1)	69	1	-	36
(Impairment losses)/reversal of impairment losses on debt instruments, receivables and other assets	25	0	(0)	0	-	25
Profit/(Loss) on investments accounted for using the equity method	1	13	-	-	-	15
Intersegment finance income/(costs)	11	5	(37)	21	(0)	-
Taxes for the period	(36)	(183)	(333)	(107)	-	(659)
Profit/(Loss) for the period	123	483	685	232	(0)	1,522

Below is the reconciliation between the accounting figure and the management figure for the period under review and the comparative figure, reclassified to reflect the new exposure:

Description (€m)	First nine months 2024		First nine months 2023	
	Postpay Services	Group	Postpay Services	Group
Net external revenue from ordinary activities				
Accounting data	1,378	9,448	1,122	8,878
Reclassification	(221)	(221)	(75)	(75)
Management data	1,156	9,226	1,048	8,803
Net intersegment revenue from ordinary activities				
Accounting data	297		196	
Reclassification	(92)		(1)	
Management data	205		196	
Net operating revenue				
Accounting data	1,674	9,448	1,319	8,878
Reclassification	(313)	(221)	(75)	(75)
Management data	1,362	9,226	1,244	8,803
Total costs				
Accounting data	1,294	7,226	1,002	6,773
Reclassification	(313)	(221)	(75)	(75)
Management data	981	7,005	926	6,698

STATEMENT OF FINANCIAL POSITION DATA BY OPERATING SEGMENT

30 September 2024 (€m)	Mail, Parcels & Distribution	Financial Services	Insurance Services	Postpay Services	Adjustments and eliminations	Total
Assets	13,866	96,336	170,605	13,113	(17,961)	275,958
Liabilities	9,761	92,884	164,141	11,948	(14,822)	263,912

31 December 2023 (€m)	Mail, Parcels & Distribution	Financial Services	Insurance Services	Postpay Services	Adjustments and eliminations	Total
Assets	13,223	98,450	164,074	12,712	(17,633)	270,827
Liabilities	10,340	95,640	157,634	11,269	(14,496)	260,388

Disclosure about geographical segments, based on the geographical areas in which the various Group companies are based or the location of its customers, is of no material significance. At 30 September 2024, the entities consolidated on a line-by-line basis are mainly based in Italy and, on a residual and insignificant basis in China, Hong Kong and the United Kingdom⁶⁹; customers are mainly located in Italy: revenue from foreign customers does not account for a significant percentage of total revenue. Assets include those deployed by the segment in the course of ordinary business activities and those that could be allocated to it for the performance of such activities.

69. Total net revenue from ordinary operations by third parties recognised by the fully consolidated companies based in China, Hong Kong and the United Kingdom amounted to €187 million, while EBIT and net trading income amounted to €10 million.

4.5 Related party transactions

The Group include in external related parties the parent company MEF and its direct and indirect subsidiaries and associates. Related parties also include Poste Italiane SpA's key management personnel and the funds representing employment benefit plans for the personnel of BancoPosta RFC and its related parties.

The state and public sector entities other than the MEF are not classified as related parties. Related party transactions do not include those deriving from financial assets and liabilities represented by instruments traded on organised markets.

Impact of related party transactions on the financial position and profit or loss

IMPACT OF RELATED PARTY TRANSACTIONS ON FINANCIAL POSITION AT 30 SEPTEMBER 2024

Description (€m)	Balance at 30.09.2024							
	Financial assets	Trade receivables	Other assets	Other receivables	Cash and cash equivalents	Financial liabilities	Trade payables	Other liabilities
Subsidiaries								
Casina Poste società sportiva dilettantistica Srl	-	-	-	-	-	-	-	-
SPV Cosenza SpA	-	-	-	-	-	-	-	-
Joint ventures								
Locker Italia SpA	-	0	-	-	-	-	-	-
Associates								
Conio Inc.	-	-	-	-	-	-	-	-
Anima Holding Group	-	0	-	-	-	-	10	-
Italia Camp Srl	-	1	-	-	-	-	0	-
Financit SpA	-	4	-	-	-	-	15	-
Replica SIM SpA	-	-	-	-	-	-	-	-
Eurizon Capital Real Asset SGR	-	-	-	-	-	-	0	-
sennder Italia Srl	-	1	-	-	-	-	17	(0)
Cronos Vita Assicurazioni SpA	-	0	-	-	-	-	-	-
N&TS Group Networks & Transactional Systems Group SpA	-	-	-	-	-	-	2	-
External related parties								
MEF	10,226	269	2	702	1	2	0	0
Cassa Depositi e Prestiti Group	2,909	186	1	-	-	9	0	0
Enel Group	-	19	-	-	-	(0)	0	0
Eni Group	-	8	-	-	-	4	-	-
Equitalia Group	-	-	-	-	-	-	-	-
Sace Group	-	0	-	-	-	-	-	-
Leonardo Group	-	0	-	-	-	9	-	-
Montepaschi Group	155	2	-	1	306	-	-	-
Other external related parties	26	43	2	-	17	3	67	-
Provision for doubtful debts owing from external related parties	(25)	(43)	(0)	(0)	-	-	-	-
Total	13,291	491	5	702	324	70	67	

IMPACT OF RELATED PARTY TRANSACTIONS ON THE FINANCIAL POSITION AT 31 DECEMBER 2023

Description (€m)	Balance at 31.12.2023						
	Financial assets	Trade receivables	Other assets Other receivables	Cash and cash equivalents	Financial liabilities	Trade payables	Other liabilities
Subsidiaries							
Address Software Srl	-	0	-	-	0	1	0
Kipoint SpA	-	1	0	-	2	2	0
Indabox	-	0	-	-	0	0	0
Associates							
Anima Holding Group	-	0	-	-	-	7	-
Italia Camp Srl	-	1	-	-	-	0	-
Financit SpA	-	3	-	-	-	17	-
Eurizon Capital Real Asset SGR	-	-	-	-	-	0	-
sennder Italia Srl	-	1	-	-	-	36	(0)
Cronos Vita Assicurazioni SpA	-	0	-	-	-	-	-
External related parties							
MEF	8,937	370	19	873	5,376	4	1
Cassa Depositi e Prestiti Group	2,913	253	1	-	0	24	-
Enel Group	-	27	-	-	-	3	0
Eni Group	-	5	-	-	-	3	-
Equitalia Group	-	1	-	-	-	-	-
Sace Group	-	0	-	-	-	-	-
Leonardo Group	-	0	-	-	-	11	-
Montepaschi Group	224	2	-	0	351	(0)	-
Other external related parties	20	50	2	-	4	4	88
Provision for doubtful debts owing from external related parties	(27)	(32)	(6)	(0)	-	-	-
Total	12,066	681	17	874	5,734	113	90

At 30 September 2024, total provisions for risks and charges made to cover probable liabilities arising from transactions with related parties external to the Group attributable to trading relations amounted to €56 million (€59 million at 31 December 2023).

IMPACT OF RELATED PARTY TRANSACTIONS ON PROFIT OR LOSS AT 30 SEPTEMBER 2024

Description (€m)	Balance at 30.09.2024													
	Revenue					Costs								
	Revenue and income from Mail, Parcels and other	Revenue from PostePay Services	Revenue from Financial Services	Net revenue from Insurance Services	Finance income	Investments			Current expenses					Finance costs
						Property, plant and equipment	Intangible assets	Cost of goods and services	Personnel expenses	Other operating costs	Expenses from financial activities	Impairment losses/ (reversals of impairment losses) on debt instruments, receivables and other assets		
Joint ventures														
Locker Italia SpA	0			-	-	-	-	-	-	-	-	-	-	-
Associates														
Gruppo Anima Holding	2	-	-	-	-	-	-	7	-	-	-	-	-	-
Italia Camp Srl	-	-	-	-	-	-	-	0	(0)	-	-	-	-	-
Financit SpA	26	-	-	-	-	-	-	-	(0)	-	-	-	-	-
sennder Italia srl	0	-	-	-	-	-	-	179	(0)	-	-	-	-	-
Cronos Vita Assicurazioni SpA	0	-	-	-	-	-	-	-	(0)	-	-	-	-	-
N&TS Group Networks & Transactional Systems Group SpA				-	-			2	-	-				-
External related parties														
Ministero Economia e Finanze	601	27	351	-	12	(0)	0	1	-	2	-	(1)	0	
Gruppo Cassa Depositi e Prestiti	18	3	1,332	1	-	(4)	0	62	0	0	-	(0)	0	
Gruppo Enel	27	-	0	0	-	(0)	-	44	-	-	-	(0)	-	
Gruppo Eni	12	-	0	-	-	0	-	21	-	-	-	0	-	
Gruppo Equitalia	1	-	-	-	-	-	-	-	-	-	-	-	-	
Gruppo Sace	0	-	-	-	-	-	-	-	-	-	-	-	-	
Gruppo Leonardo	0	-	-	-	-	-	1	18	-	-	-	-	-	
Gruppo Montepaschi	13	-	10	-	-	-	-	1	-	0	5	-	0	
Altre correlate esterne	70	16	0	-	-	8	-	21	55	1	2	0	0	
Total	771	46	1,694	1	12	4	1	355	54	3	7	(1)	1	

IMPACT OF RELATED PARTY TRANSACTIONS ON PROFIT OR LOSS AT 30 SEPTEMBER 2023

Description (€m)	Balance at 30.09.2023												
	Revenue					Costs							
	Revenue and income from Mail, Parcels and other	Revenue from PostePay Services	Revenue from Financial Services	Net revenue from Insurance Services	Finance income	Investments			Current expenses				
						Property, plant and equipment	Intangible assets	Cost of goods and services	Personnel expenses	Other operating costs	Expenses from financial activities	Impairment losses/ (reversals of impairment losses) on debt instruments, receivables and other assets	Finance costs
Subsidiaries													
Address Software Srl	0	-	-	-	-	-	-	1	(0)	-	-	-	-
Kipoint SpA	1	-	-	-	-	-	-	2	(0)	-	-	-	0
Associates													
Gruppo Anima Holding	2	-	-	-	-	-	-	6	-	-	-	-	-
Indabox	0	-	-	-	-	-	-	0	-	-	-	-	-
Italia Camp Srl	-	-	-	-	-	-	-	0	(0)	-	-	-	-
Altre collegate del gruppo SDA	-	-	-	-	-	-	-	-	-	-	-	-	-
Financit SpA	18	-	-	-	-	-	-	-	(0)	-	-	-	-
sennder Italia srl	0	-	0	-	-	-	-	1	(0)	-	-	-	0
Cronos Vita Assicurazioni SpA	-	-	-	-	-	-	-	-	-	-	-	-	-
External related parties													
Ministero Economia e Finanze	635	30	382	-	11	-	-	1	-	1	-	(1)	0
Gruppo Cassa Depositi e Prestiti	16	2	1,256	14	-	1	0	34	0	0	-	0	0
Gruppo Enel	28	-	0	0	-	-	-	12	-	-	-	(0)	-
Gruppo Eni	16	-	0	-	-	0	-	36	-	-	-	-	-
Gruppo Equitalia	1	-	-	-	-	-	-	-	-	-	-	-	-
Gruppo Sace	0	-	-	-	-	-	-	-	-	-	-	-	-
Gruppo Leonardo	0	-	-	-	-	-	2	18	-	-	-	-	-
Gruppo Montepaschi	12	-	1	-	-	-	-	0	-	0	5	-	0
Altre correlate esterne	30	19	0	-	-	-	(0)	15	54	2	2	0	0
Total	759	51	1,639	14	11	1	2	125	54	2	7	(1)	0

The nature of the Parent Company's principal transactions with related parties external to the Group is summarised below:

- The fees recognised by the MEF mainly refer to the fee for the provision of the universal service (OSU), the fee for postal current account management services, the fee for delegated services, fees for the integrated notification service and for consignments without material postage.
- Amounts received from CDP SpA primarily relate to payment for the collection of postal savings deposits.
- Amounts received from the Enel Group primarily relate to payment for bulk mail shipments, unfranked mail, franking of mail on credit and postage paid mailing services. The costs incurred primarily relate to the supply of gas and electricity.
- Amounts received from the ENI Group primarily regard payment for mail shipments. The costs incurred relate to the supply of gas and of fuel for motorcycles and vehicles.
- Purchases from the Leonardo Group primarily relate to the supply, by Leonardo SpA, of equipment, maintenance and technical assistance for mechanised mail sorting equipment, and systems and IT assistance regarding the creation of document storage facilities, the supply of software licences and of hardware and the associated maintenance and specialist consulting services.
- Amounts received from the Monte dei Paschi di Siena group primarily regard payment for mail shipments.

Related party transactions have been carried out on terms equivalent to those prevailing in arm's length transactions between independent parties.

Key management personnel

Executives with strategic responsibilities are defined as the Directors and the General Manager, the members of the Board of Statutory Auditors and of the Supervisory Board, the heads of the functions reporting directly to the CEO and the General Manager who have the power and responsibility for the planning, management and control of the Parent Company's activities, the Head of Internal Control and the Manager in charge of preparing Poste Italiane's corporate accounting documents. The related remuneration, gross of expenses and social security contributions, of such key management personnel as defined above is as follows:

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Description (€m)	First nine months 2024
Remuneration to be paid in short/medium term	16.3
Post-employment benefits	0.5
Other benefits to be paid in longer term	0.6
Termination benefits	-
Share-based payments	3.1
Total	20.5

At 30 September 2024, the auditors' fees and expenses amounted to a total of €1,386 thousand, of which €1,339 thousand related to fees and the remainder to expenses.

The remuneration paid to members of the Parent Company's Supervisory Board amounts to approximately €48 thousand for the first half of 2024. In determining the remuneration, the amounts paid to managers of Poste Italiane who are members of the Supervisory Board is not taken into account, as this remuneration is passed on to the employer.

Transactions with personnel pensions funds

The Parent Company and the subsidiaries that apply the National Collective Bargaining Agreement are members of the Fondoposte Pension Fund, the national supplementary pension fund for Poste Italiane SpA personnel, established on 31 July 2002 as a non-profit entity. The Fund's officers and boards are the General Meeting of delegates, the Board of Directors, the Chair and Deputy Chair of the Board of Directors and Board of Statutory Auditors. Representation of members on the above boards is shared equally between the companies and the workers that are members of the Fund. The participation of members in the running of the Fund is guaranteed by the fact that they directly elect the delegates to send to the Shareholders' Meeting.

5. Fair value of financial instruments

5.1 Fair value measurement techniques

In accordance with **IFRS 13** - Fair value measurement, the assets and liabilities recognised at fair value, as well as the assets and liabilities recognised at cost or amortised cost for which the fair value is provided in the notes to the financial statements, are classified on the basis of a hierarchical scale that reflects the relevance of the sources used in making the valuations. The hierarchy consists of the following 3 levels.

Level 1: this level is comprised of fair values determined with reference to unadjusted prices quoted in active markets for identical assets or liabilities to which the entity has access on the measurement date.

Level 2: this level is comprised of fair values based on inputs other than Level 1 quoted market prices that are either directly or indirectly observable for the asset or liability ⁷⁰.

Level 3: this category includes the fair value measurement of assets and liabilities using inputs which cannot be observed, in addition to Level 2 inputs.

At 30 September 2024, the techniques adopted to measure the fair value of financial instruments were supplemented in order to take into account the new exposure within the Poste Italiane Group's securities portfolio of the individual components, measured in line with the techniques used for the valuation, for the purposes of the Bank of Italy regulations, of the Multi-asset Funds consolidated at the date of these interim financial statements.

For all instruments other than those pertaining to Multi-asset Funds, no changes were made to the valuation techniques used with respect to the 2023 Annual Report, to which reference is made for a full discussion.

⁷⁰. Given the nature of Poste Italiane Group's operations, the observable data used as input to determine the fair value of the various instruments include, for example, quoted prices provided by third parties (pricing or brokerage services), yield and inflation curves, exchange rates provided by the European Central Bank, ranges of rate volatility, inflation option premiums, interest rate swap spreads or credit default spreads which represent the creditworthiness of specific counterparties and any liquidity adjustments quoted by primary market counterparties.

5.2 Fair value hierarchy

The following table shows an analysis of financial instruments measured at fair value at 30 September 2024, classified by level in the fair value hierarchy.

Description (€m)	30.09.2024				31.12.2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Financial assets at FVTOCI	138,445	4,117	213	142,775	136,848	2,447	299	139,594
Equity instruments	283	0	205	488	345	0	204	549
Fixed income instruments	138,162	4,117	8	142,287	136,503	2,447	95	139,046
Financial assets at FVTPL	7,100	35,210	8,493	50,803	4,441	35,892	7,873	48,205
Receivables	-	967	211	1,178	-	-	-	-
Equity instruments	533	1,244	14	1,791	482	3	27	512
Fixed income instruments	3,666	22,642	1	26,309	2,440	120	3	2,564
Other investments	2,900	10,357	8,268	21,525	1,519	35,768	7,843	45,129
Financial derivatives	-	3,254	-	3,254	-	4,257	-	4,257
Total	145,545	42,581	8,706	196,832	141,289	42,596	8,172	192,056
Financial liabilities								
Financial liabilities at fair value		(88)		(88)	-	-	-	-
Financial derivatives	-	(1,159)	(3)	(1,162)	(0)	(1,136)	(3)	(1,138)
Total	-	(1,247)	(3)	(1,250)	(0)	(1,136)	(3)	(1,138)

Transfers between levels 1 and 2, relating entirely to the Poste Vita insurance group, are shown below:

TRANSFERS FROM LEVEL 1 TO LEVEL 2

Description (€m)	From Level 1 to Level 2		From Level 2 to Level 1	
	Level 1	Level 2	Level 1	Level 2
Transfers of financial assets				
Financial assets at FVTOCI	(1,292)	1,292	526	(526)
Equity instruments				
Fixed income instruments	(1,292)	1,292	526	(526)
Other investments				
Financial assets at FVTPL	(164)	164	1,452	(1,452)
Receivables				
Equity instruments	(0)	491	331	(331)
Fixed income instruments	(14)	14	22	(22)
Other investments	(150)	150	1,429	(1,429)
Net transfers	(1,456)	1,456	1,978	(1,978)

Reclassifications from level 1 to level 2, totalling €1,456 million, regard financial instruments whose value, at 30 September 2024, is not observable in a liquid and active market, as defined in the Group's Fair Value Policy. Reclassifications from level 2 to level 1, totalling €1,978 million, on the other hand, regard financial instruments whose value, at 30 September 2024, is observable in a liquid and active market.

Changes in level 3 during the first nine months of 2024 are shown below:

CHANGES IN FINANCIAL INSTRUMENTS - LEVEL 3

Description (€m)	Financial assets			Total
	Financial assets at FVTOCI	Financial assets at FVTPL	Financial derivatives	
Balance at 1 January 2024	299	7,873	-	8,172
Purchases/Issues	0	879	-	879
Sales/Extinguishment of initial accruals	(2)	(336)	-	(338)
Redemptions	-	(0)	-	(0)
Changes in fair value through profit or loss	-	86	-	86
Changes in fair value through equity	1	-	-	1
Transfers to profit or loss	-	0	-	0
<i>Gains/Losses in profit or loss due to sales</i>	-	5	-	5
Transfers to level 3	(85)	-	-	(85)
Transfers to other levels	-	(13)	-	(13)
Changes in amortised cost	0	-	-	0
<i>Write-off</i>	-	-	-	-
Other changes (including accruals at end of period)	-	-	-	-
Change in scope	-	0	-	0
Balance at 30 September 2024	213	8,493	-	8,706

Financial instruments classified in level 3 are held primarily by Poste Vita SpA and, to a residual extent, by Poste Italiane SpA, Net Insurance, Net Insurance Life, and Postepay SpA.

In the case of Poste Vita, instruments in level 3 regard funds that invest primarily in unquoted instruments, whose fair value measurement is based on the latest available NAV (Net Asset Value) as announced by the fund manager. This NAV is adjusted according to the capital calls and reimbursements announced by the managers and occurring between the latest NAV date and the measurement date. These financial instruments primarily consist of investments in private equity funds and, to a lesser extent, real estate funds associated entirely with Class I products related to separately managed accounts. Movements during the period regard the purchase of new investments, redemptions of units of unquoted close-end funds and changes in fair value during the period.

At 30 September 2024, in compliance with the internal guidelines on the calculation of fair value, with reference to the category in question, approximately €85 million of financial instruments were reclassified from level 3 fair value to level 1 and 2 fair value, referring mainly to corporate bonds which, at the measurement date, respect the necessary liquidity requirements.

6. Proceedings pending and principal relations with the authorities

The following information, provided in accordance with accounting standard IAS 37 - *Provisions, Contingent Liabilities and Contingent Assets*, only covers ongoing proceedings where there have been significant developments in the first nine months of 2024. Please refer to the 2023 Annual Report for a complete analysis.

Social security and tax disputes

Since 2012 and until 30 September 2024, the Istituto Nazionale per la Previdenza Sociale (INPS, the National Institute of Social Security) office at Genoa Ponente and Roma Eur has issued **Postel** some payment orders, for a total amount payable of €25.52 million, with which the payment of contributions funding income support, extraordinary income support, unemployment benefit and family benefits not covered by the contributions paid to IPOST was requested. Appeals against these requests were brought before the Court of Genoa.

On 20 and 21 February 2024, the Court of Cassation filed its judgements rejecting the first appeals brought by INPS and absorbing the cross-appeals brought by the Company. The Court stated that given the special and exclusive nature of the Ipost scheme - which is a self-contained social security and welfare system - nothing else is owed by the Company by way of social security and welfare contributions. Assessments are currently being conducted as to what action should be taken to recover the sums paid following the first and second instance judgements.

In addition, on 3 April 2024, in light of the principles affirmed by the Supreme Court of Cassation in the above-mentioned rulings (which affirmed that there was no obligation to pay the minor contribution and, until 31 December 2019, the CUAF contributions), the Company sent INPS a request for the cancellation, by way of self-defence, of all the adjustment notes issued in the social security file of Postel SpA relating to the claim for payment of CUAF, CIG, CIGS and Mobility contributions, and also requested the suspension of the issue of new adjustment notes.

On 3 October 2024, INPS announced that it had made the necessary adjustments to the social security classification of Postel and recalculated the adjustment notes issued to the Company on the social security file. The Company is currently verifying the changes in classification and the recalculation of the adjustment notes made by INPS in the social security file.

With reference to the judgements already decided and those awaiting settlement, with regard to the judgement of 19 September 2019, the Court of Genoa confirmed the position by sentencing Postel to pay INPS, by way of CUAF contributions relating to the period from May 2011 to November 2012, the sum of €0.08 million, deeming that the higher sums claimed in the debit notices (amounting in total to approximately €4 million) were not due. By judgement of 21 May 2021, the Court of Appeal of Genoa dismissed the main appeal and the cross-appeal. INPS appealed in cassation and Postel joined the proceedings. On 26 January 2023, the Court of Cassation ordered the case to be remitted to the register for processing together with other appeals. The hearing before the Court of Cassation was held on 10 October 2023. On 11 January 2024, the Court of Cassation declared that the appeal brought by INPS against the judgement published on 21 May 2021 was inadmissible because it was out of time, and ordered the Institute to reimburse the Company for its legal costs. On 11 July 2024, INPS lodged an appeal for revision against the latter judgement of the Supreme Court.

Taking into account the judgements issued thus far, the reasons given and the latest claims brought by INPS, the Company has adjusted its provisions for risks.

On 27 March 2024, the company SDA Express Courier was notified by the Economic and Financial Police Unit of the Guardia di Finanza (Finance Police), by order of the Public Prosecutor's Office of Rome, of a Search and Seizure Decree pursuant to Article 247 et seq. of the Italian Criminal Code, in order to acquire correspondence, contractual documents, invoices and accounting records relating to the relations in place with some commercial counterparties. The search covered the company's registered office and other locations. As part of the same proceedings, on 16 July 2024, the Economic and Financial Police Unit of the Guardia di Finanza also served an order to produce further administrative accounting documents. The proceedings are still at the preliminary investigation stage.

Principal proceedings pending and relations with the Authorities

Autorità Garante della Concorrenza e del Mercato (AGCM - the Italian Antitrust Authority)

On 9 March 2015, proceedings **PS/10009** were initiated against **Poste Italiane** for allegedly breaching Articles 20, 21 and 22 of the Consumer Code, concerning the "Libretto Smart". On 21 December 2015, the AGCM notified Poste Italiane of its final ruling in which it deemed the Company's conduct unfair and imposed a fine of €0.54 million, limited to a tenth of the maximum applicable amount taking into account the mitigating circumstance that Poste Italiane had adopted initiatives aimed at allowing customers to benefit from the bonus rate. The judgement of the Lazio Regional Administrative Court, which did not uphold the appeal against the aforesaid sanction, was appealed before the Council of State which, upholding the appeal lodged by Poste Italiane, annulled the contested measure, recognising that the failure to involve the competent sector Authority (CONSOB) in the course of the investigation carried out by the AGCM constitutes a procedural deficiency that translates into a legitimacy flaw in the administrative action such as to have a significant chronic impact on the final measure. Poste Italiane took steps to ask AGCM for the authorisation to return the sum paid for the payment of the sanction in execution of the Council of State's judgement, which was issued in August by AGCM to the Ministry of Enterprise and Made in Italy (MIMIT). MIMIT paid the sum in September 2024. Following the above-mentioned judgement of the Council of State, on 24 September 2024, the AGCM deemed it appropriate to reopen the proceedings against Poste Italiane and Cassa Depositi e Prestiti SpA, in order to obtain CONSOB's opinion, pursuant to Article 27, paragraph 1-bis of the Consumer Code.

On 19 November 2019, the AGCM initiated proceedings **PS/11563** against **Poste Italiane** in order to ascertain allegedly unfair commercial practice in the delivery of mail and, in particular, registered mail, in possible violation of Articles 20, 21 and 22 of the Consumer Code. In particular, according to some customers: i) the advertised features of the "registered mail delivery" service are not reflected in the service actually provided; ii) the advertising for the "digital registered mail collection" service does not make it clear that the service may no longer be free of charge in the near future and that, in any case, there are restrictions on its use, since it can only be accessed if the sender has authorised it. In January 2020, a number of consumer associations were admitted to the proceedings. At the conclusion of the proceedings, by way of a measure notified on 15 September 2020, the Authority imposed an administrative fine of €5 million, payment of which was made on 5 January 2021. The Authority acknowledged that Poste had correctly complied with the provision. However, the Company appealed to the Lazio Regional Administrative Court, which was not successful, and appealed to the Council of State. The Council of State in its judgement no. 3175 of 5 April 2024 upheld the appeal limited to a reduction of the penalty by 50%. Following the repayment request submitted by the Company, the Authority resolved to grant approval for the return of approximately €2.5 million (plus legal interest) from MIMIT, as the difference between the penalty recalculated by the Authority and the sums already paid by Poste Italiane. MIMIT made the payment in August 2024.

By means of a measure adopted at a meeting held on 30 January 2024 and notified to Poste Italiane on 7 February 2024, the AGCM, without taking into account the exemption enjoyed by Poste Italiane from the application of Article 14 of Law 287/1990, initiated investigative proceedings against the Company in order to ascertain the existence of a possible breach of Article 8, paragraph 2-quater of the aforesaid Law. At the same time, the Authority initiated proceedings to verify the actual existence of the requirements for the adoption of precautionary measures pursuant to Article 14-bis of the same Law. Specifically, the Authority observed that Poste Italiane, through its subsidiary PostePay SpA, is active in the electricity and gas supply sector

and has allegedly denied two of the latter's competing companies access - pursuant to Article 8, paragraph 2-quater of Law no. 287/90 - to the resources made available to PostePay, which it has exclusive access to as a result of its activities within the perimeter of the universal postal service. On 14 February, the Company filed its memorandum in the precautionary proceedings, contesting the Authority's approach and, in particular, the non-application of the provisions of Article 1, paragraph 6 of Decree Law no. 59/2021 as amended and supplemented, exempting Poste from the application of Article 8, paragraph 2-quater, of Law 287/1990 until 31 December 2026. On 2 April 2024, the AGCM notified Poste of Order no. 31138 by which it decided to adopt precautionary measures pursuant to Article 14-bis of Law no. 287/1990. The company challenged the measure in court. The Council of State on 20 May 2024 upheld the appeal and cautiously suspended the effectiveness of the precautionary measures. At its meeting on 16 July 2024, the Authority passed the final decision notified to the Company on 19 July. The AGCM is of the opinion that there are no grounds to justify an absolute refusal such as the one opposed by Poste to the persons requesting access pursuant to Article 8, paragraph 2-quater, and that such refusal is not justified, since the exemption provided for in Article 1, paragraph 6 of Decree Law no. 59/2021 (the "Polis Waiver") does not extend to all Post Offices but only to those included in the Polis Project. According to the Authority, the access methods pursuant to Article 8, paragraph 2-quater must in any case be defined by Poste Italiane on the basis of the negotiating autonomy granted to it and on the basis of the information at its sole disposal, in order to reasonably and proportionately balance the conflicting needs related to access requests and the protection of other interests. For these reasons, Poste Italiane shall guarantee, to PostePay's competitors who so request, access pursuant to Article 8, paragraph 2-quater to all Post Offices not included in the Polis Project, according to modalities defined by Poste Italiane, which need not be identical to those guaranteed to PostePay. To this end, Poste Italiane must appoint a trustee ("Monitoring Trustee") responsible for monitoring compliance with the obligations set forth in Article 8, paragraph 2-quater, submitting the appointment to the Authority for approval, within sixty days from the notification of the measure. However, it is necessary to point out that Article 8, paragraph 2-quater was repealed by Decree Law no. 113 of 9 August 2024 (Article 10, paragraph 2), converted into Law no. 143 of 7 October 2024, with the consequent disappearance of the access obligations for Poste Italiane. In any event, in order to assert the legitimacy of its actions regardless of the effects of the repeal of the rule in question, on 18 October the Company challenged the provision before the Lazio Regional Administrative Court.

On 22 April 2024, the AGCM notified **Poste Italiane** of the notice of initiation of proceeding **PS/12768** and the simultaneous request for information, in relation to certain anti-fraud messages that holders of BancoPosta and PostePay accounts, who use the services through the relevant Apps (installed on Android devices), allegedly received when accessing them, starting from the first days of April. According to the AGCM, the Company's conduct would constitute an aggressive or in any case unfair commercial practice, in that users would be "induced" to allow access to their data in a situation of undue conditioning, since failure to consent - after three accesses - would preclude them from continuing to use BancoPosta and PostePay services via the App. On 13 May 2024, Poste Italiane sent the AGCM a memorandum in which it replied to the request for information and to the objections contained in the writ. On 6 June 2024, the Company filed the integration of the previous defence memorandum and the commitment form containing the initiatives it undertakes to implement (subject to integration/amendment), on a voluntary basis, aimed at eliminating the Authority's concerns, without lending acquiescence to the objections raised in the proceedings. Some of the commitments presented were subsequently implemented by the Company, which, on 18 July 2024, replied to the second request for information on certain aspects that had emerged during the technical hearing with the Authority held on 18 June 2024 (e.g. on the subject of Bank of Italy controls and indications and the results of anti-fraud activities). On 10 September 2024, the Authority communicated to Poste Italiane the rejection of the commitments, deeming them "unsuitable to remedy the aspects of possible unfairness subject to investigation, insofar as they consist for the most part in merely informative measures, as such not responding to the critical issues contested at the time of the opening of the proceedings relating to the elements of aggressiveness, or in any case not resolving the objections formulated" and extending the deadline for the conclusion of the proceedings by 60 days (18 November 2024). On 26 September, the Authority sent a further request for information to which Poste Italiane replied on 17 October 2024.

Autorità per le Garanzie nelle Comunicazioni (AGCOM - the Italian Communications Authority)

On 24 January 2024, AGCom notified **PostePay** of the opening of an investigation, having assessed, on a preliminary basis and pending PostePay's considerations, that there might be a risk that certain aspects of the Offer and of the related conduct (the "Conduct"), in particular the adoption of measures to limit the speed of Internet connection for certain customers in relation to the telephony offer "PosteMobile Casa Web", might potentially prove to be in conflict with the applicable regulatory framework.

On this point, the Company clarified how its conduct was and is in line with the applicable legislative and regulatory framework and with the provisions of both the mobile network access contract signed with its network service provider for the latter's protection, and the Conditions of Contract signed by end customers.

This being the case, PostePay, without acknowledging the validity of the allegations made and without acquiescing to the Authority's determinations, in the spirit of utmost care and attention to its customers and cooperation with the Authority, decided to submit, on 18 March 2024, a proposal for commitments, extended to customers who had subscribed to all PostePay offers on mobile radio technology with "unlimited" data traffic, then approved by the Authority on 30 July 2024 by Resolution 280/24/CONS,

The Company has already internally started the activities aimed at implementing its commitments within the planned time-frame.

IVASS - Istituto per la Vigilanza sulle Assicurazioni (the insurance regulator)

With reference to the notice of objection for the alleged breach of article 183, paragraph 1, letter "a", of the Private Insurance Code, deriving from the alleged tardiness of the settlement of insurance benefits beyond the contractual deadline, notified to **Poste Vita SpA** on 27 February 2024 by the "Sanctions and Settlements Service" of the Ivass, a provision of €0.03 million was proposed.

With regard to this case, Poste Vita filed its counter-arguments within the deadlines provided for by the sector regulations; it is therefore waiting for Ivass's determinations.

Garante per la protezione dei dati personali (the Italian Data Protection Authority)

On 15 December 2023, the Garante per la Protezione dei Dati Personali (GPDP) notified Postel SpA of the commencement of proceedings for the adoption of measures and sanctions under Article 83 of the GDPR. On 23 October 2024, the Company, after having filed its defence briefs and having been heard at a hearing in January 2024, decided to lend acquiescence to the measure of the GPDP, notified on 23 September 2024, which ordered it to pay a fine in the amount of €0.9 million within 30 days from the notification of the same, under penalty of the adoption of the consequent executive acts pursuant to Article 27 of Law no. 689/1981, without prejudice to the right to settle the dispute through the payment of an amount equal to half of the fine imposed, within the term set forth in Article 10, paragraph 3, of Legislative Decree no. 150 of 1.9.2011 provided for the lodging of the appeal. The Company availed itself of this right, waiving its objection to the measure and paying a fine reduced to €0.45 million.

Finally, the Company has taken action in order to carry out all the necessary consequent actions and implement the security, organisational and technical measures indicated by the Italian Data Protection Authority in the Measure, which Postel must acknowledge to the Italian Data Protection Authority within one hundred and twenty days from the date of notification of the Measure.

7. Material events after the end of the reporting period

In relation to the provisions of IAS 10, concerning events occurring after the reporting date of these condensed consolidated interim financial statements, it should be noted that no events occurred after 30 September 2024, the reporting date of these interim financial statements, and until 6 November 2024, the date on which this Interim Report was approved by the Board of Directors of Poste Italiane SpA, as such to require an adjustment of the financial statement data.

The main events occurring after the reporting date that did not lead to a change in accounting balances are listed below:

During the month of October, Poste Italiane, together with the Ministry of the Economy and Finance (MEF), initiated the procedure at Consob for the approval of the prospectus for the share offer by the MEF itself, following the approval of the Decree of the Presidency of the Council of Ministers of 17 September. This process is currently halted pending ongoing decisions and evaluations regarding the modalities and timing of the offer.

8. Additional information

Exposure to sovereign debt

With regard to financial assets, as required by Communication DEM/11070007 of 5 August 2011, implementing Document 2011/266 published by the European Securities and Markets Authority (ESMA) and later amendments, the Group's exposure to sovereign debt at 30 September 2024⁷¹ is shown in the table below.

POSTE ITALIANE GROUP - EXPOSURE TO SOVEREIGN DEBT SECURITIES

Description (€m)	30.09.2024			31.12.2023		
	Nominal value	Carrying amount	Market Value	Nominal value	Carrying amount	Market Value
Italy	132,498	130,239	128,916	133,977	128,548	126,362
Financial assets at amortised cost	29,571	29,554	28,231	29,757	29,475	27,289
Financial assets at FVTOCI	102,829	100,587	100,587	104,207	99,060	99,060
Financial assets at FVTPL	98	98	98	13	13	13
Austria	1,102	1,062	1,062	1,023	1,003	1,003
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	963	937	937	1,023	1,003	1,003
Financial assets at FVTPL	138	125	125	-	-	-
Belgium	5,571	4,890	4,891	4,545	3,968	3,968
Financial assets at amortised cost	89	87	88	13	12	12
Financial assets at FVTOCI	5,187	4,521	4,521	4,532	3,956	3,956
Financial assets at FVTPL	295	282	282	-	-	-
Brazil	236	224	224	-	-	-
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	-	-	-	-	-	-
Financial assets at FVTPL	236	224	224	-	-	-
Finland	861	830	830	1,026	1,002	1,002
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	802	777	777	1,026	1,002	1,002
Financial assets at FVTPL	59	53	53	-	-	-
France	9,226	7,406	7,405	7,780	6,287	6,287
Financial assets at amortised cost	53	46	46	-	-	-
Financial assets at FVTOCI	8,173	6,406	6,406	7,780	6,287	6,287
Financial assets at FVTPL	1,000	954	954	-	-	-
Germany	1,493	1,475	1,475	1,183	1,133	1,133
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	804	765	765	1,183	1,133	1,133
Financial assets at FVTPL	690	710	710	-	-	-
Japan	201	208	208	-	-	-
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	-	-	-	-	-	-
Financial assets at FVTPL	201	208	208	-	-	-

71. The carrying amount of the exposure to Other Countries not detailed in the table does not individually exceed the threshold of €200 million.

Indonesia	327	333	333	-	-	-
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	-	-	-	-	-	-
Financial assets at FVTPL	327	333	333	-	-	-
Ireland	884	813	813	811	741	741
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	844	774	774	811	741	741
Financial assets at FVTPL	40	39	39	-	-	-
Mexico	415	387	387	-	-	-
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	1	1	1	-	-	-
Financial assets at FVTPL	414	386	386	-	-	-
Holland	210	189	189	328	335	335
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	90	91	91	328	335	335
Financial assets at FVTPL	120	98	98	-	-	-
Poland	229	227	227	-	-	-
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	2	2	2	-	-	-
Financial assets at FVTPL	227	225	225	-	-	-
Portugal	600	525	525	458	374	374
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	458	379	379	458	374	374
Financial assets at FVTPL	142	146	146	-	-	-
Spain	5,721	4,261	4,261	4,045	2,607	2,606
Financial assets at amortised cost	3	3	3	3	3	3
Financial assets at FVTOCI	4,449	3,062	3,062	4,042	2,604	2,604
Financial assets at FVTPL	1,268	1,195	1,195	-	-	-
South Africa	249	221	221	-	-	-
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	-	-	-	-	-	-
Financial assets at FVTPL	249	221	221	-	-	-
USA	1,893	1,737	1,737	111	100	100
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	186	180	180	111	100	100
Financial assets at FVTPL	1,707	1,557	1,557	-	-	-
Other countries	3,307	3,123	3,123	202	181	181
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	362	352	352	202	181	181
Financial assets at FVTPL	2,946	2,771	2,771	0	0	0
Total	165,024	158,150	156,827	155,489	146,278	144,092

Of the overall total of exposures to Other Countries (with a carrying amount of €3,123 million), about €33 million refer to bonds issued by countries characterised by significant macroeconomic and geopolitical uncertainty arising from the continuation of armed conflicts (Ukraine and Israel).

The carrying amount of government securities increased by €11,872 million in the period under review, of which €9,435 million related to securities held by the Multi-asset Funds (for a description of the transaction, see "Section 3.1 - Main changes to the scope of consolidation" and "A6 - Financial assets").

Scope of consolidation

SCOPE OF CONSOLIDATION

Name (€k)	Registered office	Currency	Share capital	Parent Company	% ownership	Total % Group
INVESTEES COMPANY:						
Poste Italiane SpA	Rome (Italy)	Euro	1,306,110			
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS:						
Agile LAB Srl*	Milan (Italy)	Euro	54	Poste Italiane SpA	70.00%	70.00%
BancoPosta Fondi SpA SGR	Rome (Italy)	Euro	12,000	Poste Italiane SpA	100.00%	100.00%
Bridge Technologies Srl	Milan (Italy)	Euro	20	Plurima	100.00%	70.00%
Consorzio Logistica Pacchi ScpA	Rome (Italy)	Euro	516	Poste Italiane SpA SDA Express Courier SpA Poste Air Cargo Srl Postel SpA Poste Assicura SpA Nexive Network Srl Poste Logistics SpA	51.00% 13.50% 5.00% 15.00% 5.00% 5.00% 5.50%	100.00%
ConsorzioServizi ScpA	Rome (Italy)	Euro	120	Poste Italiane SpA PostePay SpA	51.00% 49.00%	100.00%
Consorzio PosteMotori	Rome (Italy)	Euro	120	Poste Italiane SpA Postel SpA	58.12% 22.63%	80.75%
Indabox Srl	Rome (Italy)	Euro	50	MLK Deliveries SpA	100.00%	100.00%
Kipoint SpA	Rome (Italy)	Euro	500	SDA Express Courier SpA	100.00%	100.00%
Europa Gestioni Immobiliari SpA	Rome (Italy)	Euro	103,200	Poste Italiane SpA Poste Vita SpA	55.00% 45.00%	100.00%
LIS Holding SpA	Milan (Italy)	Euro	2,582	PostePay SpA	100.00%	100.00%
LIS Pay SpA	Milan (Italy)	Euro	56,600	PostePay SpA	100.00%	100.00%
Logos Srl	Milan (Italy)	Euro	10	Plurima	100.00%	70.00%
MLK Deliveries SpA	Rome (Italy)	Euro	335	Poste Italiane SpA	100.00%	100.00%
MLK Fresh Srl	Rome (Italy)	Euro	100	MLK Deliveries SpA	70.00%	70.00%
Net Holding SpA	Rome (Italy)	Euro	100	Poste Vita SpA	60.00%	60.00%
Net Insurance SpA*	Rome (Italy)	Euro	17,624	Net Holding SpA	97.84%	58.70%
Net Insurance Life SpA*	Rome (Italy)	Euro	15,000	Net Insurance SpA	100.00%	58.70%
Nexive Network Srl	Milan (Italy)	Euro	50	Poste Italiane SpA	100.00%	100.00%
Nexive Scarl	Milan (Italy)	Euro	28	Poste Italiane SpA	85.89%	85.89%
PatentiViaPoste ScpA	Rome (Italy)	Euro	120	Poste Italiane SpA Postel SpA	69.65% 17.21%	86.86%
Poste Air Cargo Srl	Rome (Italy)	Euro	1,000	Poste Italiane SpA	100.00%	100.00%
Plurima SpA	Milan (Italy)	Euro	8,544	Poste Welfare Servizi Srl	70.00%	70.00%
Poste Assicura SpA*	Rome (Italy)	Euro	25,000	Poste Vita SpA	100.00%	100.00%
Postego SpA	Trento (Italy)	Euro	50	Poste Italiane SpA	100.00%	100.00%
Poste Insurance Broker Srl	Rome (Italy)	Euro	600	Poste Assicura SpA	100.00%	100.00%
Poste Logistics SpA	Rome (Italy)	Euro	500	Poste Italiane SpA	100.00%	100.00%
PostePay SpA	Rome (Italy)	Euro	7,561	Poste Italiane SpA	100.00%	100.00%
Poste Vita SpA*	Rome (Italy)	Euro	1,216,608	Poste Italiane SpA	100.00%	100.00%
Poste Welfare Servizi Srl	Rome (Italy)	Euro	16	Poste Italiane SpA	100.00%	100.00%
Postel SpA	Rome (Italy)	Euro	20,400	Poste Italiane SpA	100.00%	100.00%
SDA Express Courier SpA	Rome (Italy)	Euro	5,000	Poste Italiane SpA	100.00%	100.00%
Sengi Express Limited*	Hong Kong (China)	Euro	541	Poste Italiane SpA	40.00%**	40.00%**
Sengi Express Guangzhou Limited*	Guangzhou (China)	CNY	5,000	Sengi Express Limited	100.00%	40.00%
Sourcesense SpA*	Rome (Italy)	Euro	880	Poste Italiane SpA	70.00%	70.00%
Sourcesense Digital Srl*	Rome (Italy)	Euro	32	Sourcesense SpA	100.00%	70.00%
Sourcesense Technology Srl*	Rome (Italy)	Euro	40	Sourcesense SpA	100.00%	70.00%
Sourcesense Limited**	Londra (UK)	GBP	-	Sourcesense SpA	100.00%	70.00%
Sourcesense Platforms Srl*	Rome (Italy)	Euro	50	Sourcesense SpA	100.00%	70.00%
SPV Cosenza SpA	Rome (Italy)	Euro	948	Poste Italiane SpA Plurima SpA	95.00% 5.00%	100.00%

* The figures shown for these companies were prepared in accordance with IFRS and, as such, may vary from those contained in the respective financial reports, which were prepared in accordance with the Italian Civil Code and Italian accounting standards or Local GAAP.

** Poste Italiane SpA holds 51% of the voting capital.

ISIN - Name	Currency	NAV	Investee company	% ownership	Total % Group
FULLY CONSOLIDATED STRUCTURED ENTITIES (***)					
IT0005579583-BancoPosta Global Multi-Asset Income	Euro	3,911,809	Poste Vita SpA	100.00%	100.00%
IT0005579625-BancoPosta Dynamic Multi-Asset	Euro	4,197,131	Poste Vita SpA	100.00%	100.00%
IT0005579708-BancoPosta Dynamic Long-Term Multi-Asset	Euro	561,439	Poste Vita SpA	100.00%	100.00%
IT0005579724-BancoPosta Olympium Dynamic Multi-Asset	Euro	4,803,830	Poste Vita SpA	100.00%	100.00%
IT0005579641-BancoPosta Global Optimal Multi-Asset	Euro	45,205	Poste Vita SpA	100.00%	100.00%
IT0005579740-BancoPosta Long-Term Optimal Multi-Asset	Euro	858,221	Poste Vita SpA	100.00%	100.00%
IT0005579765-BancoPosta Olympium Optimal Multi-Asset	Euro	45,735	Poste Vita SpA	100.00%	100.00%
IT0005579666-BancoPosta Strategic Insurance Distribution	Euro	4,635,392	Poste Vita SpA	100.00%	100.00%
IT0005579682-BancoPosta Olympium Insurance Multi-Asset	Euro	43,204	Poste Vita SpA	100.00%	100.00%
IT0005579567-BancoPosta Diversified Distribution	Euro	5,789,228	Poste Vita SpA	100.00%	100.00%
IT0005579609-BancoPosta Olympium Severum	Euro	456,252	Poste Vita SpA	100.00%	100.00%

*** Poste Vita SpA owns 100% of the Fund units, while BancoPosta Fondi SpA SGR is the company contractually appointed to manage the Funds. Both of the above companies are wholly-owned subsidiaries of Poste Italiane SpA.

Name	Registered office	Currency	Share capital	Parent Company	% ownership	Total % Group
COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD:						
Subsidiaries:						
Casina Poste Società Sportiva Dilettantistica a Responsabilità Limitata	Rome (Italy)	Euro	50	Poste Italiane SpA PostePay SpA Poste Vita SpA Postel SpA SDA Express Courier SpA	72.00% 7.00% 7.00% 7.00% 7.00%	100.00%
Associates:						
Anima Holding SpA	Milan (Italy)	Euro	7,292	Poste Italiane SpA	11.95%	11.95%
Conio Inc.	San Francisco (USA)	USD	13,356	PostePay SpA	16.29%	16.29%
Conio Srl	Milan (Italy)	Euro	115	Conio Inc.	100.00%	16.29%
Eurizon Capital Real Asset SGR SpA	Milan (Italy)	Euro	4,167	Poste Vita SpA BancoPosta Fondi SpA SGR	20.00% 20.00%	40%****
Financit SpA	Rome (Italy)	Euro	14,950	Poste Italiane SpA	40.00%	40.00%
ItaliaCamp Srl	Rome (Italy)	Euro	155	Poste Italiane SpA	19.40%	19.40%
N&TS Group Networks & Transactional Systems Group SpA	Mariano Comense (Italia)	Euro	1,000	PostePay SpA	20.00%	20.00%
Replica SIM SpA	Milan (Italy)	Euro	10,500	Poste Italiane SpA	45.00%	45.00%
sennder Italia Srl	Milan (Italy)	Euro	50	Poste Italiane SpA	25.00%	25.00%
JOINTLY CONTROLLED COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD						
LockerItalia SpA	Rome (Italy)	Euro	1,000	Poste Italiane SpA	50.00%	50.00%

**** Posta Vita and BancoPosta Fondi jointly hold 24.5% of the voting capital.

Postal savings

The following table provides a breakdown of postal savings deposits collected by the Parent Company in the name of and on behalf of Cassa Depositi e Prestiti, by category. The amounts are inclusive of accrued, unpaid interest.

POSTAL SAVINGS

Description (€m)	30.09.2024	31.12.2023
Post office savings books	92,781	91,729
Interest-bearing Postal Certificates	232,409	234,461
Cassa Depositi e Prestiti	197,708	195,320
Ministry of the Economy and Finance - MEF	34,701	39,141
Total	325,190	326,190

Assets under management

Assets under management by BancoPosta Fondi SpA SGR, measured at fair value using information available on the last working day of the period, amounted to €19,797 million at 30 September 2024.

Commitments

The Group's commitments break down as follows.

COMMITMENTS

Description (€m)	30.09.2024	31.12.2023
Lease arrangements	161	217
Contracts to purchase property, plant and equipment	231	124
Contracts to purchase intangible assets	78	20
Total	471	360

At 30 September 2024, the item Lease arrangements includes commitments that do not fall under IFRS 16 - Leases.

In addition, at 30 September 2024, PostePay takes over:

- purchases of electricity on forward markets for €143 million;
- purchases of natural gas on the futures markets for €106 million.

Guarantees

Unsecured guarantees issued by the Group are as follows:

GUARANTEES

Description (€m)	30.09.2024	31.12.2023
Sureties and other guarantees issued:		
by banks/insurance companies in the interests of Group companies in favour of third parties	693	623
by the Group in its own interests in favour of third parties	499	299
Total	1,193	922

Third-party assets

Third-party assets held by Group companies are shown below.

THIRD-PARTY ASSETS

Description (€m)	30.09.2024	31.12.2023
Bonds subscribed by customers held at third-party banks	6,834	6,033
Other assets	248	248
Total	7,082	6,281

The item **bonds subscribed by customers held at third-party banks** refers entirely to the Parent Company.

The item **Other assets** refers to the value of drugs held in the warehouses of Plurima SpA and Logos Srl and forming part of the logistics activities for customer hospitals.

Assets in the process of allocation

At 30 September 2024, the Parent Company has paid a total of €97 million in claims on behalf of the Ministry of Justice, for which, under the agreement between Poste Italiane SpA and the MEF, it has already been reimbursed by the Italian Treasury, whilst awaiting acknowledgement of the relevant account receivable from the Ministry of Justice.





Poste Italiane SpA

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Registered office: Viale Europa, 190

00144 Rome - Italy

www.posteitaliane.it

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