

## 4. Poste Italiane Group Financial Statements at 31 December 2022

### 4.1 Consolidated Financial Statements

#### Consolidated Statement of Financial Position

Assets (€m)	Notes	31 December 2022	of which related parties	31 December 2021	of which related parties
<b>Non-current assets</b>					
Property, plant and equipment	[A1]	2,404	-	2,267	-
Investment property	[A2]	31	-	32	-
Intangible assets	[A3]	1,817	-	873	-
Right-of-use assets	[A4]	1,334	-	1,116	-
Investments accounted for using the equity method	[A5]	267	267	277	277
Financial assets	[A6]	191,850	3,578	221,226	3,780
Trade receivables	[A8]	3	-	3	-
Deferred tax assets	[C12]	2,044	-	1,245	-
Other receivables and assets	[A9]	4,118	2	4,012	2
Tax credits Law no. 77/2020	[A10]	7,458	-	5,551	-
Technical provisions attributable to reinsurers		44	-	50	-
<b>Total</b>		<b>211,370</b>		<b>236,652</b>	
<b>Current assets</b>					
Inventories	[A7]	157	-	155	-
Trade receivables	[A8]	2,179	435	2,508	575
Current tax assets	[C12]	140	-	115	-
Other receivables and assets	[A9]	1,096	10	1,146	8
Tax credits Law no. 77/2020	[A10]	1,563	-	905	-
Financial assets	[A6]	34,290	11,986	27,630	12,855
Cash and deposits attributable to BancoPosta	[A11]	5,848	-	7,659	-
Cash and cash equivalents	[A12]	4,983	1,991	7,958	1,991
<b>Total</b>		<b>50,256</b>		<b>48,076</b>	
<b>Total Assets</b>		<b>261,626</b>		<b>284,728</b>	

Liabilities and Equity	Notes	31 December 2022	of which related parties	31 December 2021	of which related parties
<b>Equity</b>					
Share capital	[B2]	1,306	-	1,306	-
Reserves	[B4]	(352)	-	3,599	-
Treasury shares		(63)	-	(40)	-
Retained earnings		8,002	-	7,237	-
<b>Total equity attributable to owners of the Parent</b>		<b>8,893</b>		<b>12,102</b>	
Equity attributable to non-controlling interests		44	-	8	-
<b>Total</b>		<b>8,937</b>		<b>12,110</b>	
<b>Non-current liabilities</b>					
Technical provisions for insurance business	[B5]	139,986	-	159,089	-
Provisions for risks and charges	[B6]	804	55	693	59
Employee termination benefits	[B7]	705	-	922	-
Financial liabilities	[B8]	10,939	201	15,122	154
Deferred tax liabilities	[C12]	700	-	953	-
Other liabilities	[B10]	2,004	-	1,749	-
<b>Total</b>		<b>155,138</b>		<b>178,528</b>	
<b>Current liabilities</b>					
Provisions for risks and charges	[B6]	551	12	575	13
Trade payables	[B9]	2,234	72	2,029	82
Current tax liabilities	[C12]	60	-	16	-
Other liabilities	[B10]	2,000	69	1,860	73
Financial liabilities	[B8]	92,706	4,377	89,610	3,646
<b>Total</b>		<b>97,551</b>		<b>94,090</b>	
<b>Total Liabilities and Equity</b>		<b>261,626</b>		<b>284,728</b>	

## Consolidated Statement of Profit or Loss

(€m)	Notes	FY 2022	of which related parties	FY 2021	of which related parties
Revenue from Mail, Parcels and other	[C1]	3,651	839	3,694	466
Net revenue from Financial Services	[C2]	4,938	2,048	4,783	1,909
Revenue from Financial Services		5,125	2,052	4,931	1,917
Expenses from financial activities		(187)	(4)	(148)	(8)
Revenue from Insurance Services after changes in technical provisions and other claim expenses	[C3]	2,153	16	1,861	15
Insurance premium revenue		17,518	-	17,829	-
Income from insurance activities		4,437	16	4,374	15
Change in technical provisions for insurance business and other claim expenses		(13,794)	-	(19,964)	-
Expenses from insurance activities		(6,008)	-	(378)	-
Revenue from Payments and Mobile	[C4]	1,147	51	882	49
<b>Net operating revenue</b>		<b>11,889</b>		<b>11,220</b>	
Cost of goods and services	[C5]	2,960	167	2,873	161
Personnel expenses	[C6]	5,226	71	5,467	73
Depreciation, amortisation and impairments	[C7]	830	-	790	-
Capitalised costs and expenses	[C8]	(41)	-	(33)	-
Other operating costs	[C9]	519	5	253	6
<i>of which non-recurring costs</i>		320	-	-	-
Impairment losses/(reversals of impairment losses) on debt instruments, receivables and other assets	[C10]	104	1	24	(4)
<b>Operating profit/(loss)</b>		<b>2,291</b>		<b>1,846</b>	
Finance costs	[C11]	126	2	73	2
Finance income	[C11]	169	1	369	1
<i>of which non-recurring income</i>		-	-	225	-
Impairment losses/(reversals of impairment losses) on financial assets		-	-	-	-
Profit/(Loss) on investments accounted for using the equity method	[A5]	(6)	-	26	-
<b>Profit/(Loss) before tax</b>		<b>2,328</b>		<b>2,168</b>	
Income tax expense	[C12]	817	-	588	-
<i>of which, non-recurring costs/(income)</i>		-	-	-	-
<b>Profit for the year</b>		<b>1,511</b>		<b>1,580</b>	
of which attributable to owners of the Parent		1,506		1,578	
of which attributable to non-controlling interests		5		2	
<b>Earnings per share</b>	<b>[B1]</b>	<b>1.158</b>		<b>1.214</b>	
<b>Diluted earnings per share</b>		<b>1.158</b>		<b>1.214</b>	

### Consolidates Statement of comprehensive income

(€m)	Notes	FY 2022	FY 2021
<b>Profit/(Loss) for the year</b>		<b>1,511</b>	<b>1,580</b>
<b>Items to be reclassified in the Statement of profit or loss for the year</b>			
FVOCI debt instruments			
Increase/(decrease) in fair value during the year	[tab. B4]	(4,747)	(1,052)
Transfers to profit or loss from realisation	[tab. B4]	(161)	(424)
Increase/(decrease) for expected losses		4	(6)
Cash flow hedges			
Increase/(decrease) in fair value during the year	[tab. B4]	279	(178)
Transfers to profit or loss	[tab. B4]	(409)	(8)
Taxation of items recognised directly in, or transferred from, equity to be reclassified in the Statement of profit or loss for the year		1,440	475
Share of after-tax comprehensive income/(loss) of investees accounted for using equity method		1	-
Change in translation reserve		(1)	1
<b>Items not to be reclassified in the Statement of profit or loss for the year</b>			
Equity instruments measured at FVOCI - increase/(decrease) in fair value during the period		(315)	75
Actuarial gains/(losses) on employee termination benefits	[tab. B7]	125	(4)
Taxation of items recognised directly in, or transferred from, equity not to be reclassified in the Statement of profit or loss for the year		(30)	2
Share of after-tax comprehensive income/(loss) of investees accounted for using equity method		-	-
<b>Total other comprehensive income</b>		<b>(3,814)</b>	<b>(1,119)</b>
<b>Total comprehensive income for the year</b>		<b>(2,303)</b>	<b>461</b>
of which attributable to owners of the Parent		(2,309)	459
of which attributable to non-controlling interests		6	2

## Consolidated Statement of changes in equity

(€m)	Equity													Total equity
	Share capital	Treasury shares	Reserves							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	Translation reserve	Reserve for investments accounted for using equity method				Incentive plans reserve	
<b>Balance at 1 January 2021</b>	<b>1,306</b>	<b>(40)</b>	<b>299</b>	<b>1,210</b>	<b>-</b>	<b>2,294</b>	<b>98</b>	<b>-</b>	<b>2</b>	<b>6</b>	<b>6,327</b>	<b>11,502</b>	<b>5</b>	<b>11,507</b>
Total comprehensive income for the year	-	-	-	-	-	(987)	(132)	1	-	-	1,577	459	2	461
Dividends paid	-	-	-	-	-	-	-	-	-	-	(421)	(421)	-	(421)
Interim dividend	-	-	-	-	-	-	-	-	-	-	(241)	(241)	-	(241)
Incentive plans	-	-	-	-	-	-	-	-	-	7	-	7	-	7
Equity instruments - perpetual hybrid bonds	-	-	-	-	800	-	-	-	-	-	(4)	796	-	796
Other changes	-	-	-	-	-	-	-	-	1	-	(1)	-	1	1
<b>Balance at 31 December 2021</b>	<b>1,306</b>	<b>(40)</b>	<b>299</b>	<b>1,210</b>	<b>800</b>	<b>1,307</b>	<b>(34)</b>	<b>1</b>	<b>3</b>	<b>13</b>	<b>7,237</b>	<b>12,102</b>	<b>8</b>	<b>12,110</b>
Total comprehensive income for the year	-	-	-	-	-	(3,811)	(93)	(1)	-	-	1,596*	(2,309)	6	(2,303)
Dividends paid	-	-	-	-	-	-	-	-	-	-	(526)	(526)	(3)	(529)
Interim dividend	-	-	-	-	-	-	-	-	-	-	(273)	(273)	-	(273)
Purchase of treasury shares	-	(25)	-	-	-	-	-	-	-	-	-	(25)	-	(25)
Transactions with minority shareholders	-	-	-	-	-	-	-	-	-	-	(69)	(69)	-	(69)
Incentive plans	-	2	-	-	-	-	-	-	-	6	-	8	-	8
Coupons paid to holders of perpetual hybrid bonds	-	-	-	-	-	-	-	-	-	-	(16)	(16)	-	(16)
Other changes	-	-	-	-	-	(54)	-	-	2	-	54	2	-	2
Change in scope of consolidation	-	-	-	-	-	-	-	-	-	-	(1)	(1)	33	32
<b>Balance at 31 December 2022</b>	<b>1,306</b>	<b>(63)</b>	<b>299</b>	<b>1,210</b>	<b>800</b>	<b>(2,558)</b>	<b>(127)</b>	<b>-</b>	<b>5</b>	<b>19</b>	<b>8,002</b>	<b>8,893</b>	<b>44</b>	<b>8,937</b>

\* This item includes profit for the year (Group portion) of €1,506 million and actuarial gains on provisions for employee termination benefits of €91 million, after the related current and deferred taxation.

## Consolidated Statement of cash flows

(€m)	Notes	FY 2022	FY 2021
<b>Cash and cash equivalents at beginning of year</b>		<b>7,958</b>	<b>4,516</b>
<b>Profit/(Loss) before tax</b>		<b>2,328</b>	<b>2,168</b>
Depreciation, amortisation and impairments	[tab. C7]	830	790
Impairments/(Reversals of impairments) of investments	[tab. C11.1]	-	(225)
Net provisions for risks and charges	[tab. B6]	439	363
Use of provisions for risks and charges	[tab. B6]	(354)	(501)
Provisions for employee termination benefits	[tab. B7]	2	1
Employee termination benefits	[tab. B7]	(118)	(129)
(Gains)/Losses on disposals		(1)	2
Impairment losses/(reversals of impairment losses) on financial assets		(1)	-
(Dividends)	[tab. C11.1]	-	-
Dividends received		-	-
(Finance income realised)	[tab. C11.1]	(1)	(3)
(Finance income in form of interest)	[tab. C11.1]	(158)	(136)
Interest received		146	133
Interest expense and other finance costs	[tab. C11.2]	118	64
Interest paid		(78)	(32)
Losses and impairment losses/(reversals of impairment losses) on receivables	[tab. C10]	97	33
Income tax paid	[tab. C12.3]	(509)	(394)
Other changes		6	(20)
<b>Cash flow generated by operating activities before movements in working capital</b>	<b>[a]</b>	<b>2,746</b>	<b>2,114</b>
<b>Movements in working capital:</b>			
(Increase)/decrease in Inventories	[tab. A7]	2	11
(Increase)/decrease in Trade receivables		261	(184)
(Increase)/decrease in Other receivables and assets		192	(45)
Change in tax credits Law no. 77/2020		11	(526)
Increase/(decrease) in Trade payables		91	129
Increase/(decrease) in Other liabilities		233	244
<b>Cash flow generated by/(used in) movements in working capital</b>	<b>[b]</b>	<b>790</b>	<b>(371)</b>
<b>Increase/(decrease) in liabilities attributable to financial activities, payments, cards and acquiring and insurance</b>		<b>5,077</b>	<b>10,813</b>
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		(17,954)	(13,294)
(Increase)/decrease in cash and deposits attributable to BancoPosta	[tab. A11]	1,810	(1,268)
Increase/(decrease) in net technical provisions for insurance business		4,076	10,334
(Income)/Expense and other non-cash components		3,635	(4,144)
<b>Cash generated by/(used for) financial assets/liabilities attributable to financial activities, payments, cards and acquiring and insurance</b>	<b>[c]</b>	<b>(3,356)</b>	<b>2,441</b>
<b>Net cash flow from/(for) operating activities</b>	<b>[d]=[a+b+c]</b>	<b>180</b>	<b>4,184</b>
- of which related party transactions		1,971	(5,975)
<b>Investing activities:</b>			
Property, plant and equipment	[tab. A1]	(341)	(342)
Investment property	[tab. A2]	-	-
Intangible assets	[tab. A3]	(469)	(412)
Investments		(3)	(50)
Other financial assets		(132)	(4)
Investments in consolidated companies net of cash acquired		(678)	(40)
Disposals:			
Property, plant and equipment, investment property, intangible assets and assets held for sale		5	3
Other financial assets		12	423
<b>Net cash flow from/(for) investing activities</b>	<b>[e]</b>	<b>(1,606)</b>	<b>(422)</b>
- of which related party transactions		(7)	(1)
Proceeds from/(Repayments of) long-term borrowings	[tab. B8.4]	110	(87)
(Increase)/decrease in loans and receivables		-	-
Increase/(decrease) in short-term borrowings	[tab. B8.4]	(812)	(366)
(Purchase)/sale of treasury shares		(25)	-
Dividends paid	[B3]	(801)	(662)
Equity instruments - perpetual hybrid bonds		(21)	0
Other transactions with minority shareholders		-	794
<b>Net cash flow from/(for) financing activities and shareholder transactions</b>	<b>[f]</b>	<b>(1,549)</b>	<b>(321)</b>
- of which related party transactions		(512)	(422)

(€m)	Notes	FY 2022	FY 2021
Effect of exchange rate differences on cash and cash equivalents	[g]	-	1
Net increase/(decrease) in cash	[h]=[d+e+f+g]	(2,975)	3,442
Cash and cash equivalents at end of year	[tab. A12]	4,983	7,958
Restricted cash and cash equivalents at end of year		(3,755)	(5,369)
<b>Unrestricted cash and cash equivalents at end of year</b>		<b>1,228</b>	<b>2,589</b>

## 4.2 Notes to the Statement of Financial Position

### Assets

#### A1 – Property, plant and equipment (€2,404 million)

The following table shows movements in property, plant and equipment in 2022:

tab. A1 – Movements in property, plant and equipment

(€m)	Land	Properties used in operations	Plant and machinery	Industrial and commercial equipment	Leasehold improvements	Other assets	Assets under construction and advances	Total
Cost	76	3,219	2,402	349	670	2,024	93	8,833
Accumulated depreciation	-	(2,078)	(1,859)	(314)	(424)	(1,849)	-	(6,524)
Impairment losses	(0)	(17)	(9)	0	(10)	(6)	(0)	(42)
<b>Balance at 1 January 2022</b>	<b>76</b>	<b>1,124</b>	<b>534</b>	<b>35</b>	<b>236</b>	<b>169</b>	<b>93</b>	<b>2,267</b>
<b>Changes during the year</b>								
Acquisitions	0	45	72	10	36	70	107	341
Adjustments	-	-	-	-	-	-	-	-
Reclassifications	(0)	17	23	0	5	11	(56)	(0)
Disposals	(0)	(0)	(0)	(0)	(0)	0	(1)	(1)
Change in scope of consolidation	-	-	15	3	2		1	23
Depreciation	-	(31)	(63)	(13)	(46)	(77)	-	(230)
(Impairment losses)/Reversals	-	0	(0)	-	8	(4)	(0)	4
<b>Total changes</b>	<b>(0)</b>	<b>31</b>	<b>46</b>	<b>(0)</b>	<b>5</b>	<b>3</b>	<b>52</b>	<b>136</b>
Cost	77	3,278	2,542	363	707	2,056	145	9,167
Accumulated depreciation	-	(2,107)	(1,952)	(328)	(464)	(1,877)	-	(6,728)
Impairment losses	(0)	(16)	(10)	(1)	(1)	(7)	(0)	(35)
<b>Balance at 31 December 2022</b>	<b>76</b>	<b>1,155</b>	<b>580</b>	<b>34</b>	<b>241</b>	<b>173</b>	<b>145</b>	<b>2,404</b>

At 31 December 2022, property, plant and equipment includes assets belonging to the Parent Company located on land held under concession or sub-concession, which are to be handed over free of charge at the end of the concession term. These assets have a total carrying amount of €42 million.

Investments of €341 million in 2022 consists largely of:

- €45 million relating mainly to extraordinary maintenance of Post Offices and local head offices around the country (€17 million), personnel and management offices (€15 million) and mail and parcel sorting offices (€11 million);
- €72 million for plants, with the most significant expenditure made by the Parent Company, of which €34 million for the construction of plants related to buildings, €13 million for the construction and extraordinary maintenance of connectivity systems and €10 million for creation and extraordinary maintenance of video surveillance systems;