



Press release

15 March, 2021

InPost S.A. announces proposed acquisition of Mondial Relay and provides preliminary full year 2020 financial highlights

- Proposed acquisition of Mondial Relay, the leading French e-commerce out-of-home parcel delivery platform, for approximately €565 million
 - Creates Europe's leading out-of-home solution for e-commerce
 - Significantly expands addressable market, fast-tracking InPost's international strategy
 - Provides immediate footprint in highly attractive e-commerce market with strong foundation for accelerated growth
 - Accelerates "flywheel effect" and offers a greener solution for e-commerce
 - Approximately EUR 100-150 million of incremental EBITDA enhancements identified over the medium term
- Strong preliminary FY 2020 unaudited results for Integer.pl¹, supported by record Q4 performance
 - 104% YOY increase in FY 2020 revenue to PLN2,532 million
 - 184% YOY increase in FY 2020 Operating EBITDA to PLN994 million, a 39.3% margin
 - Parcel volume growth for first two months of FY2021 ahead of expectations

Rafal Brzoska, Founder and CEO of InPost:

"I am delighted that we have today announced the proposed acquisition of Mondial Relay, the leading independent out-of-home e-commerce parcel delivery service in France. As we outlined during our recent IPO, international expansion is a key element of InPost's growth strategy and Mondial Relay would give us an immediate footprint in one of Europe's largest e-commerce markets, providing multiple levers to accelerate our overall growth and create shareholder value."

Today's announcement follows an outstanding year for InPost having delivered 310 million parcels and expanded our APM network by almost 50% over the course of 2020. This incredibly strong operational growth has translated into an exceptional financial performance. In 2020, we doubled our revenues, increased EBITDA by 184% and improved our free cash flow conversion to 38%. This strong momentum has continued into 2021, with parcel volumes in the first two months of the year more than doubling vs. the same period last year, and I remain very excited about the long-term growth opportunity ahead of us as we continue to redefine the last mile for e-commerce."

¹ The presented results are those of Integer.pl, a fully-owned subsidiary of InPost S.A., which encompasses all of the material operating entities of the InPost group in Poland and other geographies

Michael Rouse, CEO International of InPost:

“Mondial Relay’s extensive network of approximately 16,000 pick-up and drop-off points fits perfectly with our innovative APM solutions and we see significant opportunity for the combination to unlock untapped demand and re-define the last mile delivery experience for consumers. This proposed acquisition would make InPost the leading Pan-European out-of-home solution for e-commerce, significantly accelerating the benefits of our APM flywheel to consumers, merchants, business partners and the environment.”

InPost is being advised by Citigroup Global Markets Europe AG and Goetzpartners in relation to the proposed acquisition.

Conference call and audio webcast

Rafal Brzoska (Founder and CEO), Adam Aleksandrowicz (Group CFO) and Michael Rouse (CEO International) will host a conference call for analysts and institutional investors at 10.15am CET on Monday 15 March 2021.

Analyst and investor conference call

InPost S.A. will today host a conference call and audio webcast for analysts and investors at 10.15am CET via the following links:

Audio webcast: <https://webcasting.brrmedia.co.uk/broadcast/604a3b871e24d464e23ed9bf>

Conference call details:

Netherlands dial-in	+31 (0)20 703 8259
Poland dial-in	+48 22 583 9095
France dial-in	+33 (0)1 76 77 25 07
UK dial-in:	+44 (0)330 336 9434
Access code:	5594682

Please note questions will only be taken via the conference phone, and not the audio webcast.

A replay will subsequently be available via the same link and on the Group’s website via www.inpost.eu/investors/announcements

InPost announces proposed acquisition of Mondial Relay to create Europe's leading out-of-home automated solution for e-commerce

InPost S.A. ("InPost" or the "Company") today announced the proposed acquisition of Mondial Relay, the French out-of-home parcel delivery provider, for a transaction value of €565 million (approximately PLN2.5 billion), in cash. The proposed transaction, subject to its completion, would be financed through a committed 12 month bridge facility, provided by a consortium of seven banks. At the discretion of the Company, it has the option to extend the facility for an additional 12 months.

The proposed acquisition is subject to consultation with the Workers' Council of Mondial Relay and the subsequent signing of the transaction agreement. The Company currently expects the transaction to be completed by the end of the second quarter of 2021, subject to customary closing conditions, including the receipt of regulatory approvals.

The proposed acquisition would allow InPost to take a major step in its ambition to become Europe's leading out-of-home automated solution for e-commerce.

About Mondial Relay

Founded in 1997, Mondial Relay is a leading out-of-home delivery player in the European market with approximately 15,800 PUDO points across France, Benelux and Iberia (as of February 2021) and serviced 131 million parcels (LTM December 2020). Mondial Relay operates the second largest Pick-up Drop-off ("PUDO") network in France via a network comprising 24 depots and 4 hubs and around 11,000 PUDO points (as of February 2021), making it the largest independent PUDO player by volume in the country.

Mondial Relay supports many of the largest e-commerce marketplaces in France, as well as individual merchant retailers. Outside of France, it operates a network of approximately 4,800 PUDO points across Benelux and Iberia (as of February 2021), integrated within the broader France network.

In the twelve months to 31 December 2020, Mondial Relay achieved revenues of €437 million and Operating EBITDA of €60 million.

Compelling strategic rationale aligned with InPost's previously announced criteria

Significantly accelerates InPost's international expansion strategy and reinforces the Company as Europe's leading of out-of-home automated solutions for e-commerce

The proposed combination of InPost and Mondial Relay delivered more than 440 million parcels in 2020, supported by a network of approximately 28,000 locations across APM and PUDO points (as of February 2021). Mondial Relay, with its extensive network of PUDO points and broad pan-European merchant relationships, would allow InPost to fast forward its international expansion plans and positions the Company as the largest independent out-of-home automated solutions provider in Europe.

Secures immediate footprint in one of Europe's largest and most attractive e-commerce markets with a strong foundation for accelerated growth

The proposed acquisition would immediately provide InPost with an established and fully integrated e-commerce delivery platform in Europe's third largest e-commerce market. At an estimated ~€56bn, the French e-commerce market is approximately 5x the size of Poland's. The French e-commerce market also boasts one of the highest out-of-home penetration rates, estimated to be approximately 40%, in Europe. In

addition, Mondial Relay's scaled logistics network, broad pan-European merchant relationships and strong consumer recognition would provide a strong foundation for accelerated growth.

Opportunity to unlock untapped demand and re-define the last-mile delivery experience for consumers

Like many other European countries, the rapid growth in parcel volumes in France, accelerated by the COVID-19 pandemic, has created challenges for the existing out-of-home delivery experience. The Company sees significant opportunity to enhance the capacity, speed and convenience of Mondial Relay's existing PUDO service. This includes the deployment of a technology-driven APM network and leveraging the innovations, unique value proposition and experience InPost has brought to merchants and consumers in Poland to accelerate Mondial Relay's growth.

Accelerates "flywheel effect" and offers a greener solution for e-commerce deliveries

InPost's growth strategy is underpinned by the "flywheel effect" that drives consumers and merchant adoption, as well as its financial performance. The Company believes that the proposed acquisition would significantly accelerate the "flywheel effect" for its international business. The combination of Mondial Relay's leading market position and InPost's high net promoter score (NPS) consumer proposition, with a fully scaled, technology-driven and efficient APM network at its core, would create a compelling new value proposition for consumers, merchants, business partners and France's cities. APM deliveries offer significant benefits to the environment, reducing pollution and congestion as well as supporting merchants with their sustainability policies. Compared to traditional to-door deliveries, APMs reduce CO2 emissions by approximately two-thirds in urban areas, and by approximately 90% in rural areas. In addition, APM deliveries significantly reduces traffic congestion, particularly in large cities.

Complementary and diverse merchant portfolio provides attractive pan-European cross-selling opportunities

Given InPost's and Mondial Relay's highly complementary pan-European merchant customer bases, the combination would provide attractive cross-selling opportunities to drive incremental parcel volume growth. The Company believes this would further accelerate the "flywheel effect". In addition, InPost plans to leverage its strong and extensive pan-European landlord relationships to support, among other items, the deployment of its APM network.

Compelling financial rationale with multiple levers to accelerate growth

Transforms InPost's Pan-European earnings profile and value creation opportunity

The proposed acquisition of Mondial Relay would transform InPost's international scale, offering and market opportunity, while also diversifying the Company's overall footprint. In the twelve months to December 31 2020, Mondial Relay generated revenues of €437 million. Upon closing of the proposed acquisition, the proportion of InPost's International revenue and Operating EBITDA would increase to approximately 44% and 18% respectively.

Approximately €100-150 million of incremental EBITDA enhancements identified over the medium term

In addition to the enhanced scale and diversification benefits of the proposed acquisition, the Company sees significant opportunity to accelerate Mondial Relay's growth and create shareholder value. The incremental EBITDA enhancements to the acquired Mondial Relay business are expected to be realised through:

- **commercial enhancements** via the roll-out of APMs at PUDO points that are approaching saturation point, and the cross-integration of merchant partners to broaden the product offering to our end-consumers.
- **network design improvements**, focused on leveraging big data to roll out APMs at new locations, will also optimise the consumer's experience as well as;

- **operational improvements**, focused on increasing depot density and automation, and applying the best practices developed by InPost in Poland.

Proposed acquisition expected to be immediately accretive, strong cash flow generation and EBITDA growth to support rapid deleveraging

The proposed acquisition, fully debt-funded through a new committed bridge facility, is expected to be immediately earnings and cashflow accretive. Subject to the completion of the proposed acquisition, and on a pro-forma basis, the Company's net leverage is expected to reach approximately 3.5x. Supported by the Company's strong cash flow generation and EBITDA growth, further enhanced by the proposed acquisition, its capital allocation priority would be on deleveraging its balance sheet. The Company would target to return to a net leverage ratio of approximately 2.0-2.5x within 18-24 months following the completion of the proposed acquisition, while continuing to invest to support growth in existing and new key geographies - most notably Poland, the U.K. and France.

Outlook

The Company has also updated its near and mid-term outlook for the Company's International segment, adjusted for the proposed acquisition of Mondial Relay. It now expects:

- The number of APMs to increase to 2,000-3,000 in the near term and 18,000-21,000 in the mid-term, while the number of PUDOs is expected to remain stable
- International parcel volume to grow to 455-555 million in the mid-term, supported by the rollout of APMs across the UK, France and other targeted geographies
- International revenue to reach PLN4,800-5,900 million in the mid-term while Operating EBITDA margin is expected to expand from the low teens in the near-term, to low-to-mid-twenties in the mid-term driven by operational enhancements and improved increased operating leverage
- In order to support the acceleration in growth of the International segment, capital expenditure of between 10-15% of its International revenue in the mid term

The Company's outlook for its segments in Poland remain unchanged, as outlined in its prospectus, dated January 20, 2021.

Summary pro forma outlook for the International segment

	Near Term	Mid Term
Number of APMs (#)	2,000-3,000	18,000-21,000
Number of PUDOs (#)	Maintain stable PUDO network	
Parcel volumes (million)	180-195	455-555
Revenue (PLN million)	2,260-2,380	4,800-5,900
Operating EBITDA margin (%)	Low teens	Low to mid 20s
Capex (PLN million)	250-320	10-15% of Revenue

Preliminary unaudited FY 2020 financial highlights

A summary of Integer's² unaudited financial highlights for its full year 2020 is provided below:

- Total Revenue and Operating EBITDA increased by 104% and 184% YOY to PLN2,532 million and PLN994 million (39.3% margin) respectively, with Operating EBITDA margin expanding by 11pp primarily due to operating leverage and ongoing efficiency initiatives
- In Poland, parcel volume increased by 114% YOY to 308 million parcels, supported by a 50% YOY increase in the number of APMs deployed to 10,776
- International parcel volumes increased by 318% YOY to 2.2 million parcels, supported by a 27% YOY increase in the number of APMs deployed to 1,478
- Capex for the year was PLN537 million, or 21% of revenue, increased by 68% YOY
- Free cash flow of PLN 380 million, free cash flow conversion (pre-tax and lease payments) of 38%

Summary of operational performance

	FY 2019	FY 2020	YoY growth
No. of APMs (#)	8,352	12,254	+47%
Of which Poland	7,186	10,776	+50%
Of which International	1,166	1,478	+27%
Poland parcel volumes (million)	144	308	+114%
Of which APM	103	247	+140%
Of which to-door	40	61	+53%
International parcel volumes (million)³	0.5	2.2	+318%

Summary of financial performance

<i>PLN million unless otherwise specified</i>	FY 2019	FY 2020	YoY growth
Revenue	1,243	2,532	+104%
Of which Poland	1,236	2,514	+103%
Of which International	7	18	+153%
Operating EBITDA	350	994	+184%
Of which Poland	376	1,038	+176%
Of which International	(26)	(44)	
Operating EBITDA Margin	28%	39%	
Capex	(320)	(537)	+68%
% revenue	26%	21%	
Free Cash Flow	35	380	+988%
Conversion ⁴	10%	38%	
Net Leverage⁵	2.2x	2.4x	

Further information about the Group's full year results for FY2020 will be provided on 30 March 2021.

² The presented results are those of Integer.pl, a wholly-owned subsidiary of InPost S.A., which encompasses all of the material operating entities of the InPost group in Poland and other geographies and the net debt is presented on a pro-forma basis due to the reorganisation described in the Company's Prospectus, dated 20 January 2021

³ Includes UK and Italy. Italy no. of APMs remained constant throughout the time periods considered, at 344.

⁴ (Operating EBITDA – Change in Net Working Capital - Capex) ÷ Operating EBITDA.

⁵ Pro-forma Net Debt ÷ Operating EBITDA.

About InPost S.A.

In-Post SA ("InPost") is the leading e-commerce enablement platform. Founded in 1999 by Rafal Brzoska in Poland, InPost provides delivery services through its network of more than 12,000 Automated Parcel Machines ("APMs"), including over 1,100 in the UK, as well as to-door couriers and fulfilment services to e-commerce merchants. In 2020, InPost handled 249 million parcel deliveries through its APMs, working with over 26,000 merchants. Strategically positioned in the fast-growing e-commerce ecosystems, InPost benefits from supportive market trends which drives further APM adoption. APMs provide consumers with a lower cost, flexible, convenient, environmentally friendly and contactless delivery option. Through its APM delivery services, InPost is creating a greener solution for e-commerce, as locker delivery results in a reduction of CO2 emissions by two-third compared to to-door deliveries in urban areas and 90% in rural areas as well as significant reduction in congestion. In addition, APMs provide a more convenient solution to parcel delivery for consumers, allowing for 24/7 access without the need for consumers to remain at home. Highly efficient IT infrastructure and rapid adoption of new technology underpin InPost's operations and growth. InPost's mobile application 'InPost Mobile' is one of the most successful apps in Poland with approximately 5.7 million active users.

Disclaimer

This press release contains inside information relating to the Company within the meaning of Article 7(1) of the EU Market Abuse Regulation.

This press release contains forward-looking statements. Other than reported financial results and historical information, all statements included in this press release, including, without limitation, those regarding our financial position, business strategy and management plans and objectives for future operations, are, or may be deemed to be, forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements are based on the Company's beliefs, assumptions and expectations regarding future events and trends that affect the Company's future performance, taking into account all information currently available to the Company, and are not guarantees of future performance. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future, and the Company cannot guarantee the accuracy and completeness of forward-looking statements. A number of important factors, not all of which are known to the Company or are within the Company's control, could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement as a result of risks and uncertainties facing the Company. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release and are subject to change without notice. Other than as required by applicable law or the applicable rules of any exchange on which our securities may be traded, we have no intention or obligation to update forward-looking statements.

This press release contains an outlook for the near term and mid-term. The Company has not defined and does not intend to define by reference to specific periods the terms "near term" or "mid-term" and the targets should not be read as indicating that they represent or otherwise commit to achieve any of these metrics or objects for any particular fiscal year or reporting period. These objectives should not be regarded as forecasts or expected results or otherwise as a representation by the Company or any other person that it will achieve these objectives in any financial year or reporting period. The Company's ability to meet these objectives is based on various assumptions and it may be unable to achieve these objectives.

The reported financial results are presented in Polish Zloty (PLN) and all values are rounded to the nearest million unless otherwise stated. As a consequence, rounded amounts may not add up to the rounded total in all cases.

Enquiries:

InPost

Sherief Bakr, Investor Relations

SBakr@inpost.co.uk

+44 7756 205 027

Wojciech Kądziołka, Spokesman

wkadziolka@inpost.pl

+48 725 25 09 85

Powerscourt

James White and Elly Williamson

inpost@powerscourt-group.com

+44 7855 432 699 / +44 7970 246 725