

InPost S.A.

InPost: Transforming E-commerce Last Mile

June 2023



Redefining e-commerce

Our business

Poland – The Locker Case Study

The International Opportunity



Redefining e-commerce

” Transforming Europe’s e-commerce last mile delivery



To-door delivery does not work well

Inconvenient experience



- Consumers need to be at home during delivery
- Consumers lack control of delivery times

Massive last mile cost



- Last mile about half of total delivery cost
- Missed deliveries costly for merchants and customers

Pollution and congestion



- Almost 0,3 kg of CO₂ of emissions in last-mile only
- More than 4x higher fuel consumption per parcel of to-door vs APM delivery

Simple, quick and convenient solution – the APM

24/7 availability

No need to queue

**Intuitive and quick pick up/drop off
Customer Journey**

QR code scanner

**Multiple parcels for the same customer
in the same locker**

Convenient location

EV charger



Contactless locker opening

Parcel tracking and redirection

Courier's phone number

Pick-up time extension

Sending parcels without label

Quick returns

Share pick-up code with a friend



**Browsing
and Ordering**



**Parcel Tracking
& Notifications**



**Contactless
Parcel Pick-up**



Returns

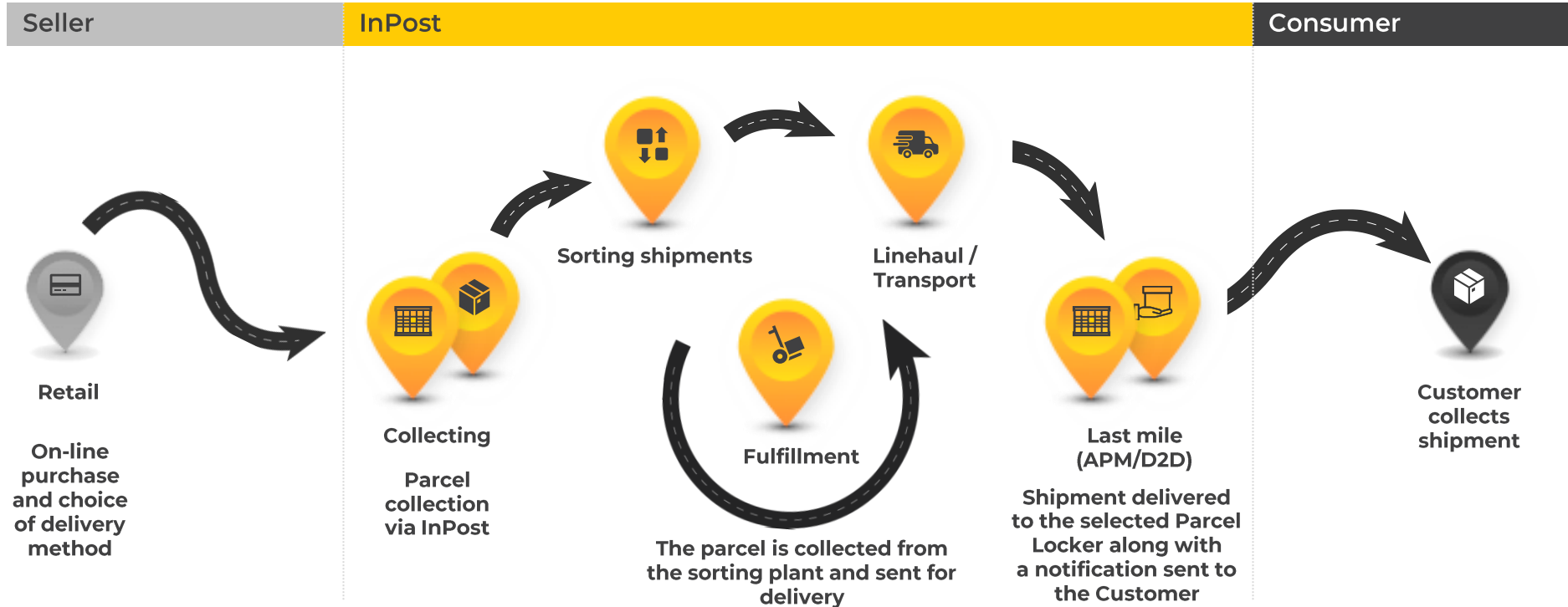


**Customer
Care**

Our business



Our business at a glance



We are the leading out-of-home e-commerce delivery company in Europe



Markets

9



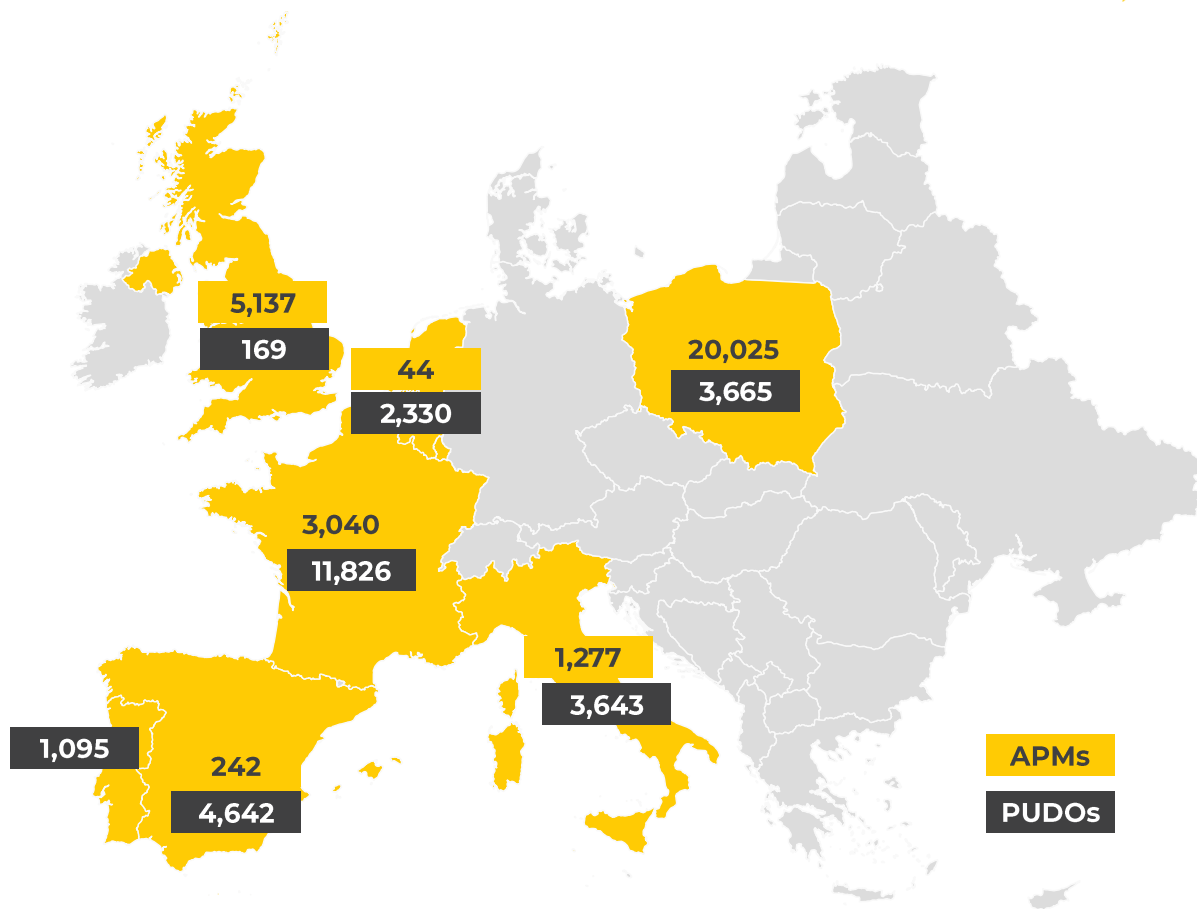
Total APM

29,765



Total PUDO

27,370



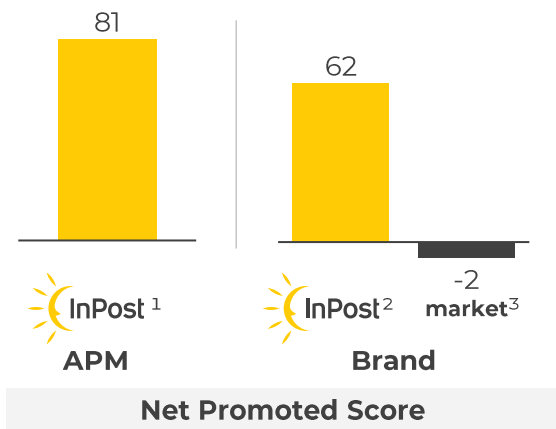
APMs

PUDOs

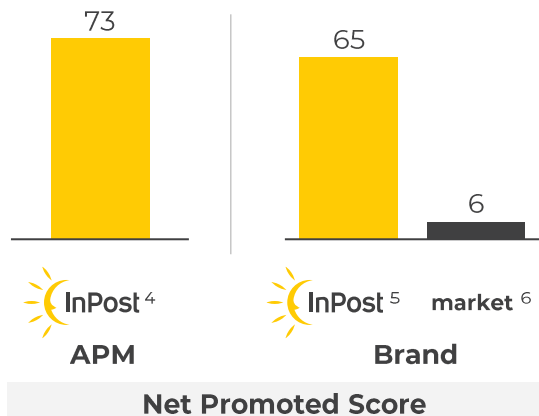
InPost APMs – The best for customers, merchants and environment



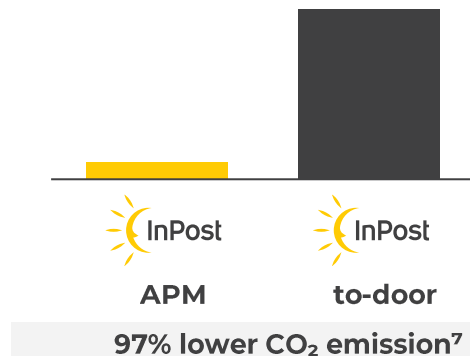
Customers' first choice



Merchants' best delivery option



More environmentally friendly



1) The willingness to recommend InPost Parcel Lockers (sending and receiving) – KANTAR, Research Report, December 2022; 2) The willingness to recommend InPost – KANTAR, Research Report, December 2022; 3) Average NPS for DPD, DHL, FedEx, GLS, UPS, Polish Post, Pocztex – KANTAR, Research Report, December 2022 4) The willingness to recommend InPost from merchants who use only InPost Parcel Lockers, 2022; 5) The willingness to recommend InPost - survey, 2022; 6) Average NPS for DPD, DHL, UPS, AliExpress, TNT, GLS, Polish Post and Orlen Paczka, Allegro One, Geis – survey 2022; 7) Compared to emissions resulting from InPost to-door delivery on the last mile (weighted average); data for Poland – Company data;
Source: KANTAR report, December 2022; Company data

Flywheel concept – a virtuous circle that underpins our growth strategy

What we provide:

for merchant

More sales

- ✓ Increased checkout conversion & repeat sales
- ✓ End-users declare APMs motivate them to more frequent shopping¹

Reliability

- ✓ No failed home delivery

Low delivery cost

- ✓ Cheaper than to-door
- ✓ Lower fuel and labour costs than to-door

Sustainability

- ✓ Lower carbon footprint vs to-door
- ✓ Opportunity to work towards declaring climate neutrality alongside InPost (Scope 3 of SBTi)



and consumer

Convenience and flexibility

- ✓ Customer owns the pick-up time
- ✓ APMs deployed in highly residential areas, hence close to the consumer

Reliability

- ✓ Vast majority of APM parcels delivered next day
- ✓ Lower likelihood of consumer complaint vs to-door

Ease of use

- ✓ Mobile app
- ✓ Contactless sending, pickup & return
- ✓ Labelless sending and returns

Sustainability

- ✓ Opportunity to consciously select a more sustainable delivery choice
- ✓ Lower congestion due to fewer vehicles on the road vs to-door

Fundamentals of our activities lie in 3 pillars of our ESG strategy

IN_CLIENT



WE CHANGE the lifestyle of tomorrow

- **More than 40 Polish cities in Green City programme**
- Launch of **Green city project in France**
- Two services launched (**Eco-returns** – service which allows customers to return unwanted textiles, smartphones etc. in our APMs, **Appkomat** – screenless APM)

IN_PLANET



WE DELIVER low-carbon e-commerce

- **NET-ZERO target set** – full climate neutrality by 2040
- Share of **recycled polymailers: 80%** (Poland)
- **InPost EcoBox** – seamless reusable packaging launched (PL)
- **Decarbonization strategy**
- Investment in **EV fleet**

IN_PEOPLE



WE MOTIVATE our employees and business partners

- InPost Help – introduction of corporate **volunteering** programmes
- APM Accessibility Audit for People with **disabilities**
- Silver generation programme **against digital exclusion** dedicated to seniors
- Support for Ukraine
- Employee engagement monitored in Poland and France

APMs will gain share internationally, at the expense of to-door delivery

Great momentum for the international APM expansion

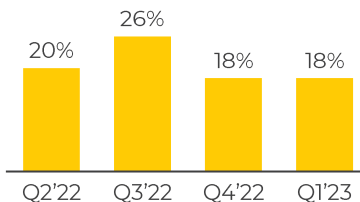
- Successful track record in Poland
- Inflationary cost pressures on retailers supportive for our business
- High-quality standardized service to consumers
- Customers, merchants and regulators focus on ESG

Positive signs coming from the international markets

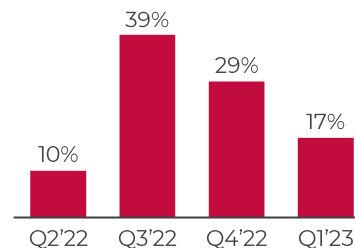
InPost volume growth rate (% YoY)



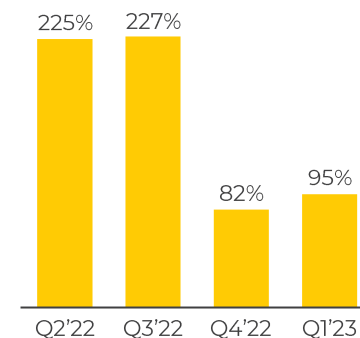
Poland



Mondial Relay



UK



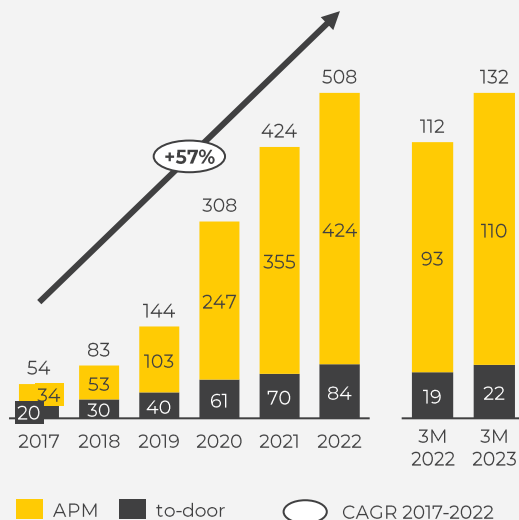


Poland – The Locker Case Study

Track record of superior shareholder value creation

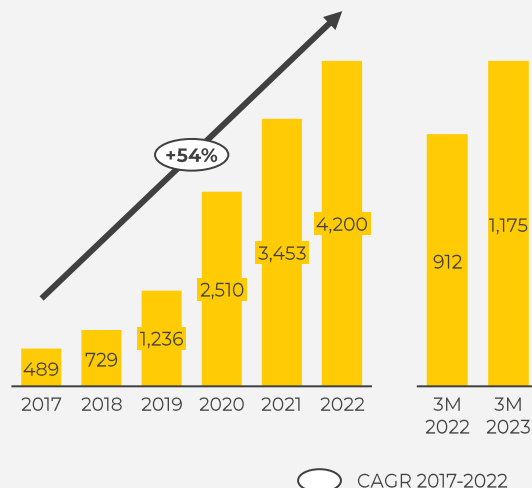
Parcel volume in Poland

million



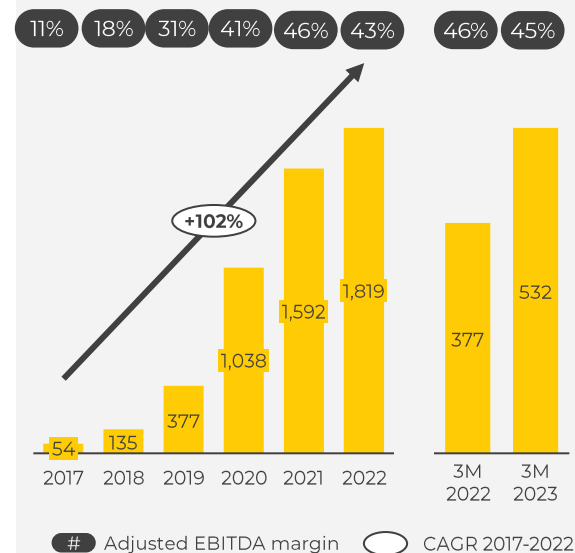
Revenue in Poland²

PLN million



Adjusted EBITDA in Poland

PLN million



1) Eligible market consists of B2C Domestic, B2C International (inbound), C2X; 2) Revenue and Other Operating Income
 Source: Company data

We offer unparalleled locker density

3M 2023

APMs 20.0k

lockers 3.0m

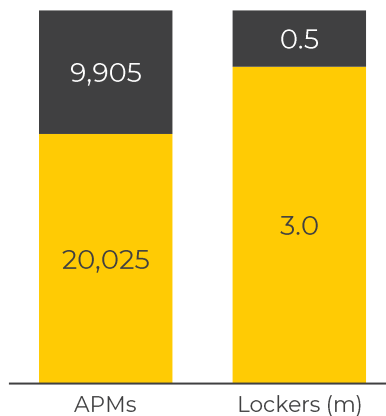


% population within 7 mins walk from InPost APMs 56%

% population within 5 mins walk from InPost APMs 45%

We are undisputed APM leader

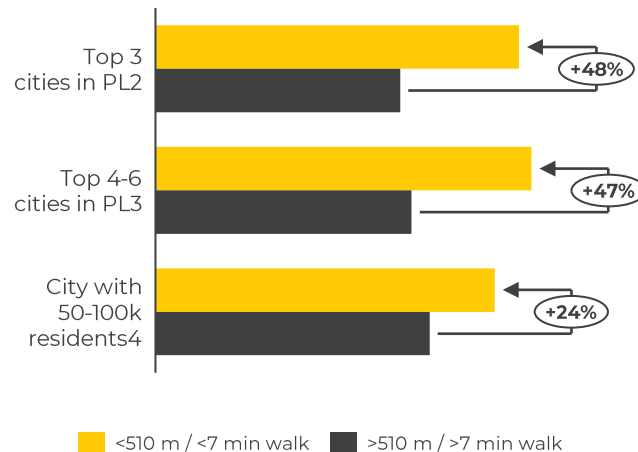
APMs, #m lockers, 3M 2023



Competitors InPost

Why density matters and why do we keep investing to increase it?

Average annual number of parcels per user vs. their estimated distance to the nearest APM, 2022¹



1. Statistics based on company internal data; 2. Warszawa, Krakow, Lodz; 3. Poznan, Wroclaw, Gdansk; 4. Due to large number of small cities, representative sample selected for analysis. Source: Company data

InPost APMs remain unchallenged as the top e-commerce delivery choice in Poland

88%

Trustworthy brand¹

81% +6 p.p.

Very high **NPS level for customers** (trust index for APMs)¹

94% ↔

Internet users choose Parcel locker as the most frequent **delivery form**¹

#1

Brand Imprint Index **at the level of 116**²

71% +5 p.p.

used label-less (by mobile) shipping¹

84% ↔

respondents believe that InPost Parcel Lockers are the most ecological form of delivery and shipping¹

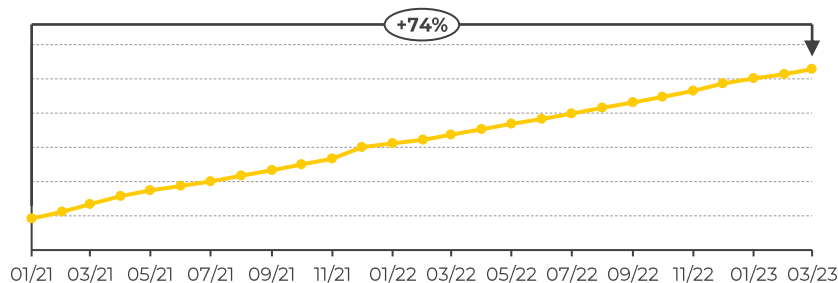


1) KANTAR, Research Report, December 2022; p.p. change vs. previous measurement; 2) Brand Imprint Index – KANTAR, Research Report, February 2023
Source: KANTAR reports

Customers love our APMs and the app

We drive strong growth of our mobile app user base

#m active app users as per company definition¹



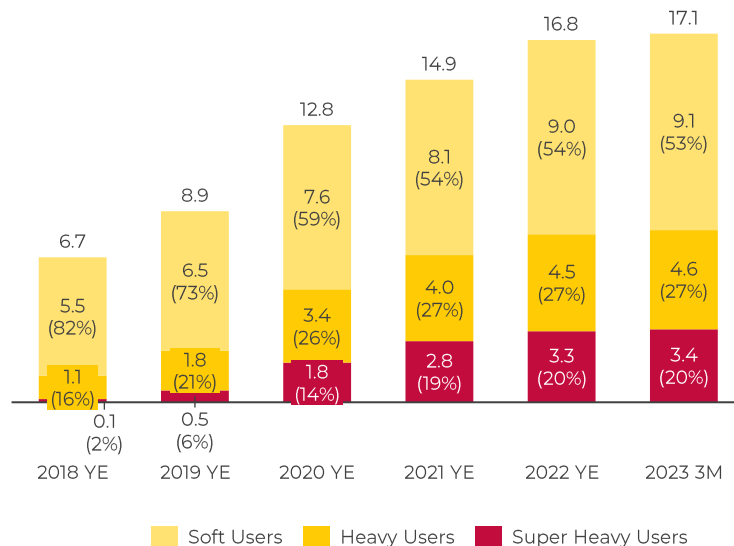
Selected app functionalities:

- Labelless sending and returns
- ECOreturns
- Google Pay payments
- Ukrainian language
- Direct contact with call center and the chatbot
- Parcel Sharing (enabling another person to pick-up a parcel)



...hence increasing our heavy user base²

#m of APM users by type

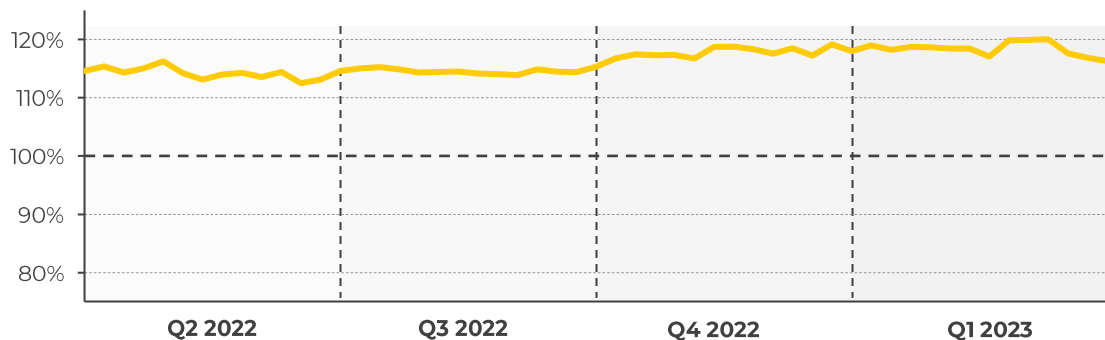


1. Company defines an active user as someone that „downloaded and registered the app“; 2. Super Heavy User – received at least 40 APM parcels within last 12 months; Heavy User – received at least 13 APM parcels within last 12 months; Soft User – received at least 1 APM parcel within last 12 months; Source: Market reports, Company data

Customers continue to choose InPost APMs

APMs with competition nearby continue doing better than the ones without

KPI = $\frac{\text{Average weekly parcels delivered to APMs near competitors' APMs}^1}{\text{Average weekly parcels delivered to APMs away from competitors' APMs}^2}$



In Q1 2023, InPost's APMs remained resilient against competitors' APMs located nearby, proving proof of customer loyalty and unique value proposition of the company



1) APMs within 100m distance from the APM deployed by one or more of the following competitors: Swipbox, Aliexpress, Orlen, Allegro. Sample size between ~600 and ~1900, depending on week;

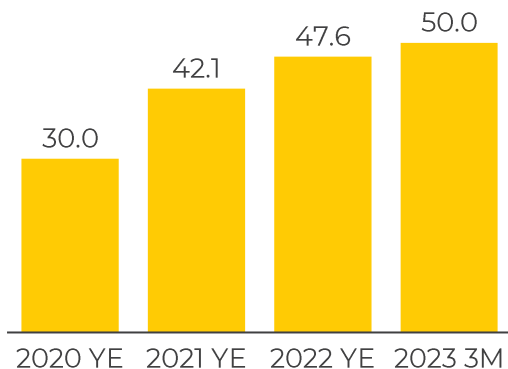
2) Control group consisting of APMs in the same cities or city classes (cities similar in terms of number of residents) as those near competitors' APMs. Sample size >1900;

Source: Company data

Wider merchant adoption

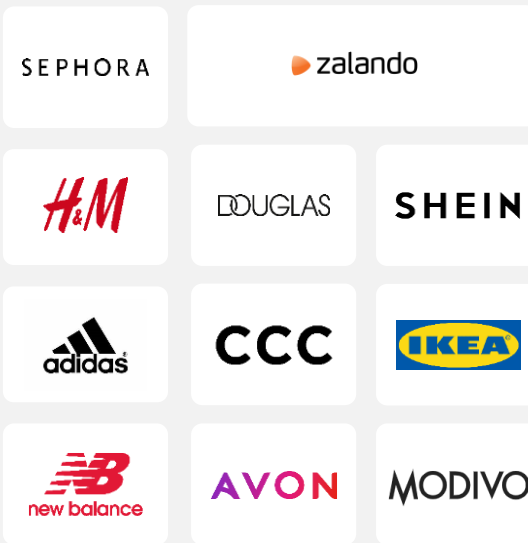
Growing number of merchants

50.0k #k integrated merchants in Poland

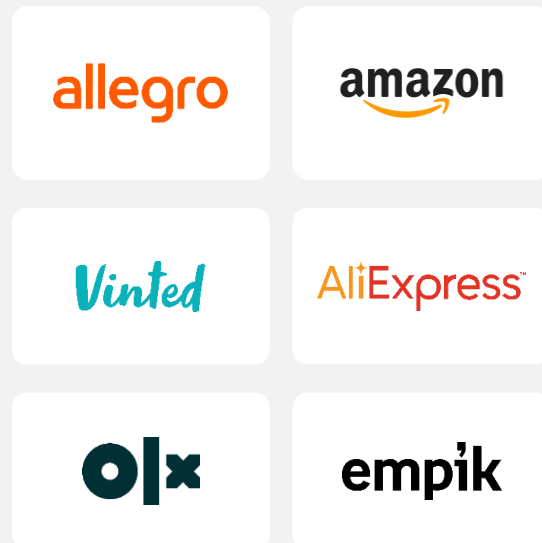


We cooperate with key merchants and all key marketplaces

Integrated merchants in Poland



Integrated market-places in Poland





The International Opportunity

What makes the pan-European opportunity attractive?



1 Poor CX of existing solutions

- **High failure rate of to-door delivery** – e.g., roughly 6%¹ of first to-door deliveries in the UK fail
- **Poor value for money** – expensive home delivery puts a strain on the revenues of e-tailers who, in an inflationary environment, are increasingly focused on margins
- **Limited and inconvenient pick-up time** vs 24/7 availability of APM



2 First-mover advantage

- Existing APM solutions in a **very early stage** or in a form of **closed networks** (e.g., Amazon)
- Expansion into the **two of the largest e-commerce markets** in Europe – the UK and France
- Further **growth opportunity** and **revenue streams diversification**



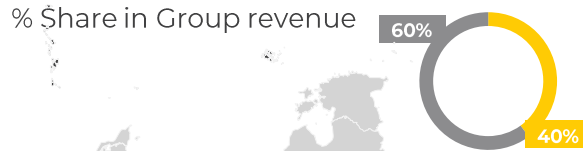
3 Cross-border opportunity

- Strong foundation to **win new contracts with large international merchants and platforms** (e.g., Vinted)
- Opportunity to **increase share of checkout** with already integrated international merchants
- Becoming **strategic partner to local merchants** who plan selling products abroad





¹ Loquate, Fixing Failed Deliveries, 2021
 Source: Company information, market reports

France and the United Kingdom are our priority markets

We are present in several EU markets with growing international markets share in Group revenues...



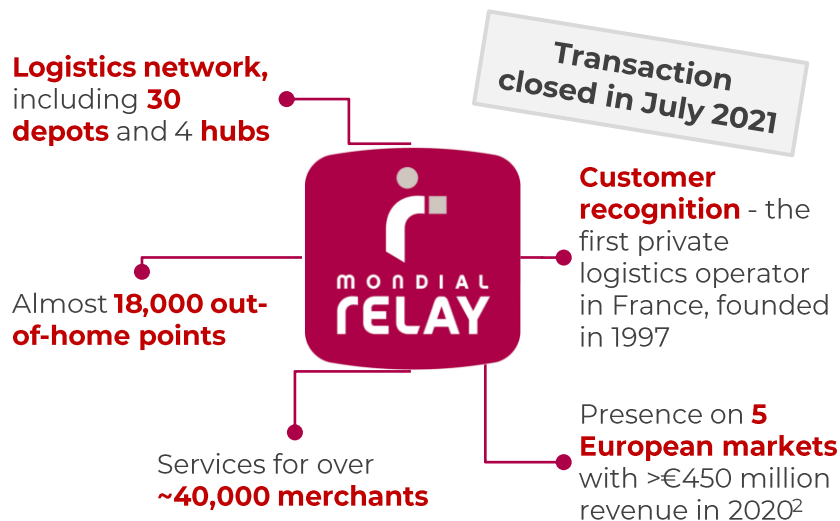
...however, two are of particular priority

	 France	 UK
Growth approach	 M&A	 Organic
What makes the market attractive?	<ul style="list-style-type: none"> ▪ 3rd largest European e-commerce market ▪ Out-of-home is well-established: PUDO estimated to account for +35% of parcel volumes ▪ Competitive dynamics: After La Poste, Mondial Relay is 2nd largest OOH player 	<ul style="list-style-type: none"> ▪ Largest European e-commerce market ▪ Demand for APMs due to high return levels: ~33% returns levels for fashion online purchases in UK¹ ▪ First-mover advantage: existing networks are closed ones, e.g., Amazon

¹. The Times, Your free return is a £7bn nightmare for UK retailers., 2022
 Source: Company data, Market reports

Mondial Relay: An excellent platform for international expansion

Mondial Relay as of acquisition



Saving years in the business development to jump ahead of the potential competitors

Mondial Relay in Q1 2023

Greater convenience

23,200 out-of-home points including 3,000 APMs

Improved customer experience

Mobile app launched – over 400,000 downloads

Invest in logistics, automation & lean processes to improve delivery time

Wider merchant adoption

46,000 merchants; First time B2C YoY growth in Q1 2023

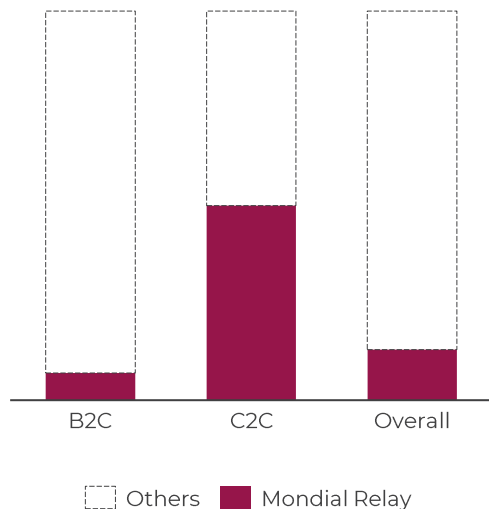
Organization

Strengthen management team across all business functions

;1. In comparison, in 2020 InPost generated over €560 million, at the weighted average monthly exchange rate for 2020 of 4.4742 PLN / EUR
Source: Company data, Market reports

Huge B2C growth potential for Mondial Relay in France

Mondial Relay market share in France (%)



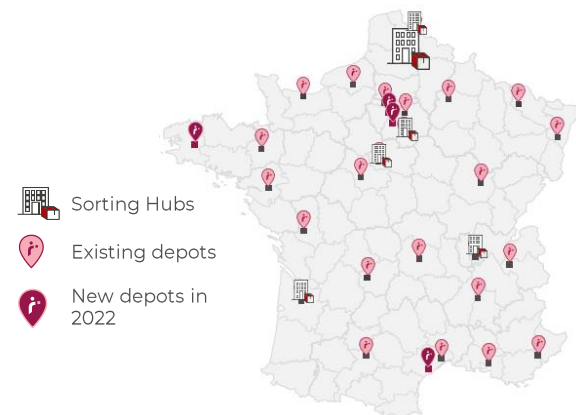
B2C action plan

- **Wider merchant adoption**
Developing current merchant base
- **Further development of network** Adding new APMs & PUDO points
- **Improvement in logistics**
Expanding sorting capacity, improving couriers' efficiency

Logistics improvement

30 Depots
4 new in 2022

5 Sorting Hubs
2 New in 2022 (Réau, Harnes)





Positive results of our actions in France in Q1 2023

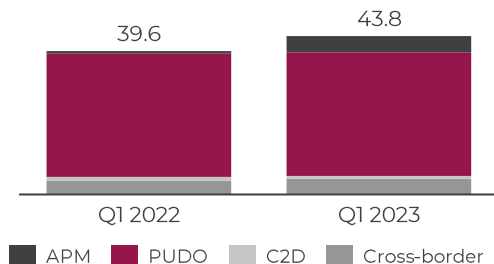


Taking market share – performance well ahead of market

11% increase in MR FR volumes in Q1 2023 YoY vs 1% growth of the FR market¹
volume growth proportional to our Locker expansion

10% of total Mondial Relay volume in France in Q1 2023 **delivered via APM**

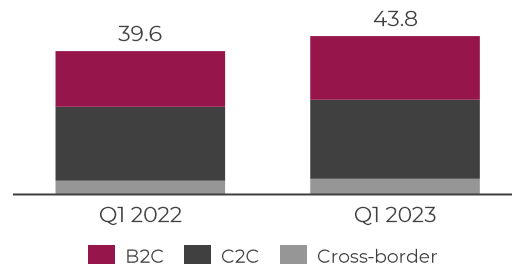
Parcel volume in Q1 2023 by point of delivery [m]



High increase in the B2C segment

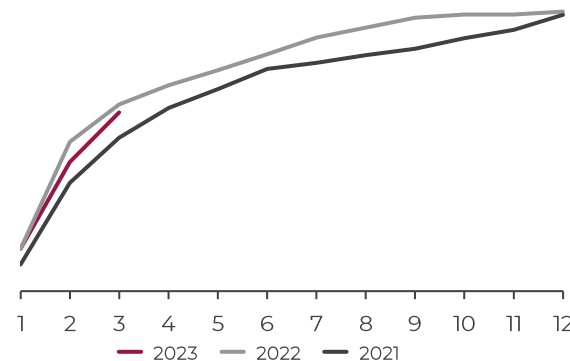
15% growth in **B2C** volumes YoY due to the attractive pricing and promotion of lockers at checkout

Parcel volume in Q1 2023 by source [m]



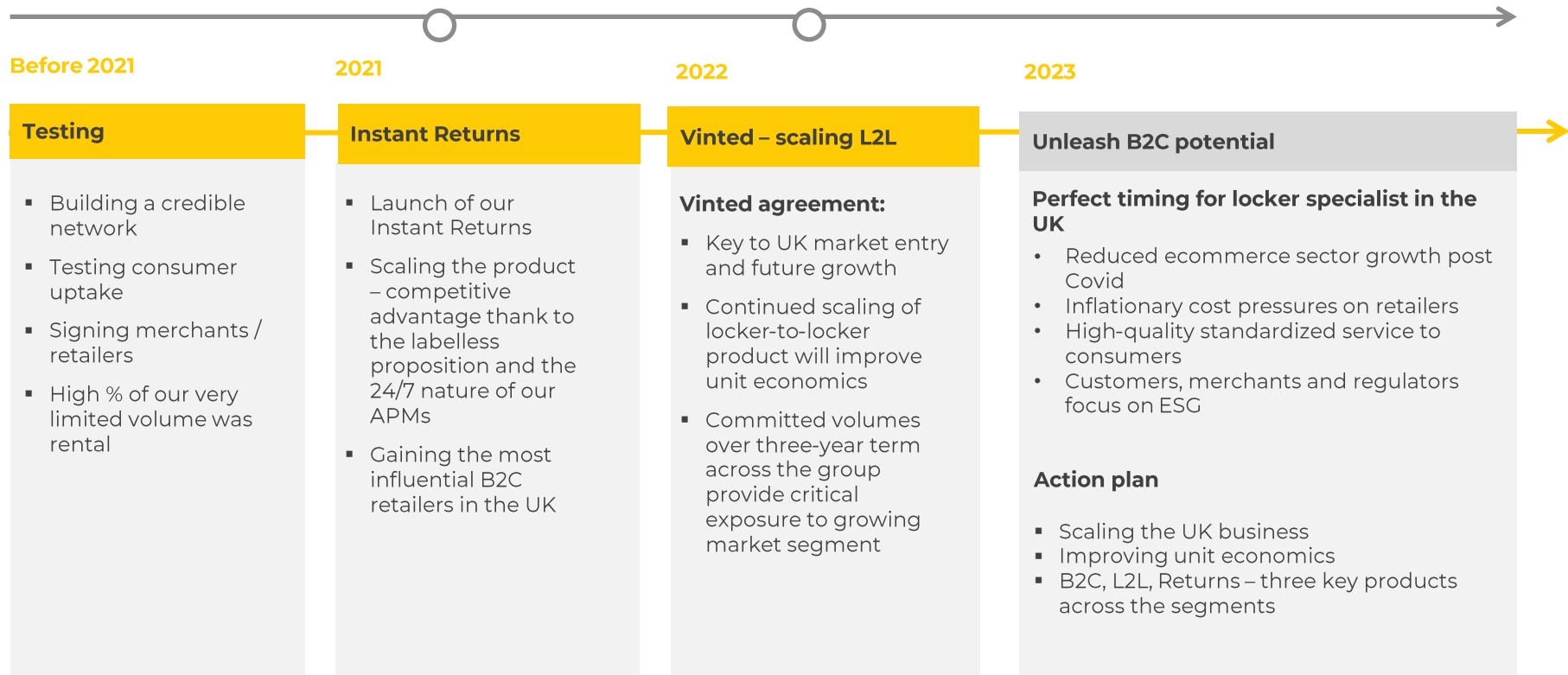
Higher adoption for new APMs

of parcels per APM by cohort per month post installation



¹) Salesforce, The Shopping Index: Global online shopping statistics and ecommerce growth trends, <https://www.salesforce.com/resources/research-reports/shopping-index/> accessed on 4.05.2023;
Source: Company data

InPost presence in the UK



Accelerated flywheel effect in the UK in Q1 2023

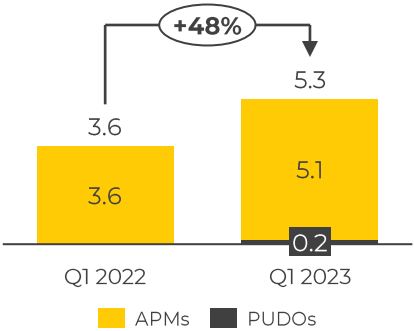


Network development

5.1k APMs

42% of core cities¹ population lives within a **7 min walk** from an InPost APM / PUDO

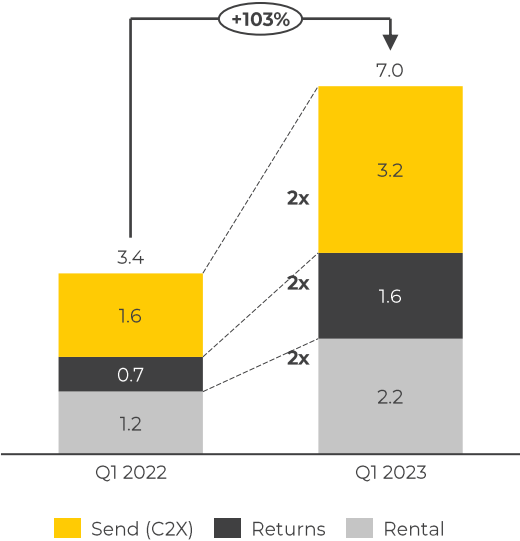
#k APMs and PUDOs



1) Population over 175,000; 2) Excluding B2C
Source: Company data

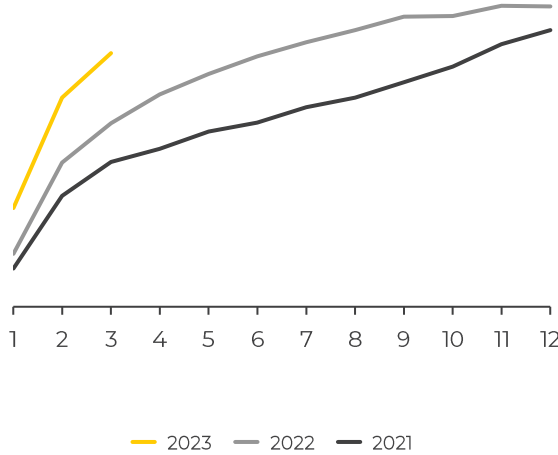
Strong volume growth in all service streams

UK parcel volume² (m)



Higher adoption for new APMs

of parcels per APM by cohort per month post installation



Contact details



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