InPost S.A.

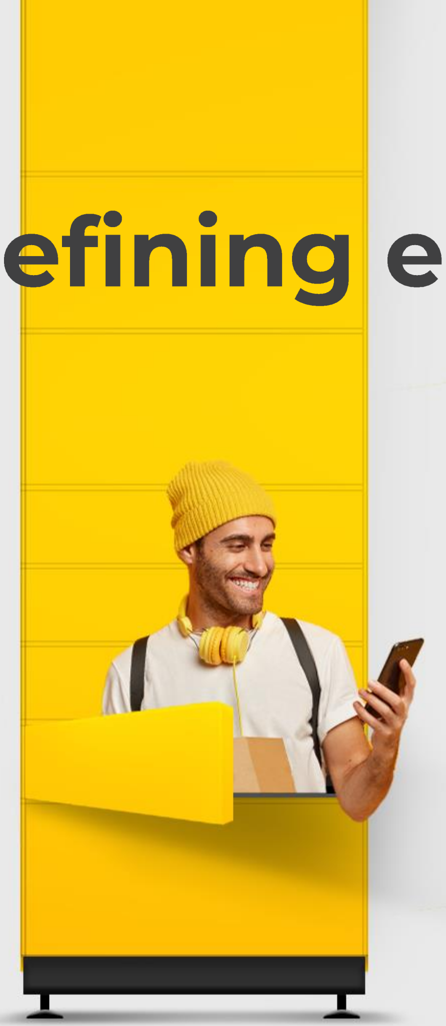
InPost: Transforming E-commerce Last Mile

June 2022

agenda

- Redefining e-commerce
- Poland – The Locker Case Study
- The International Opportunity

Redefining e-commerce



Our Mission

Leveraging our success with automated lockers in Poland, we seek to redefine the consumer experience, economics and sustainability of Europe's e-commerce last mile

Source: Company strategy

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 CO_2 of emissions in last-mile only
- More than 4x higher fuel consumption per parcel of to-door vs APM delivery

Source: Company strategy

Simple, quick and convenient solution – the APM

24/7 availability

No need to queue

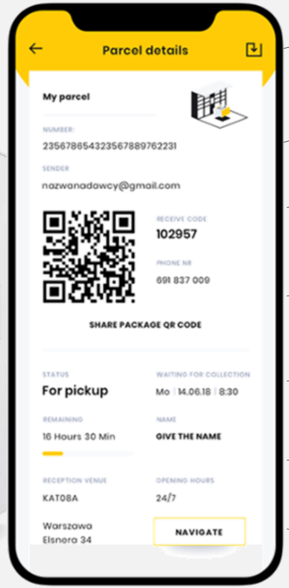
Intuitive and quick pick up/drop off Customer Journey

QR code scanner

Multiple parcels for the same customer in the same locker

Convenient location

EV charger



Contactless locker opening

Parcel tracking and redirection

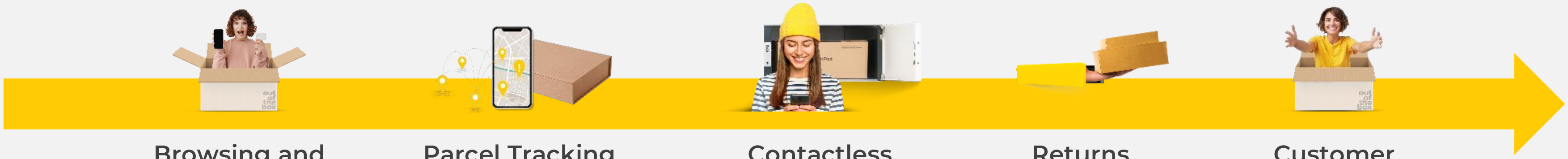
Courier's phone number

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

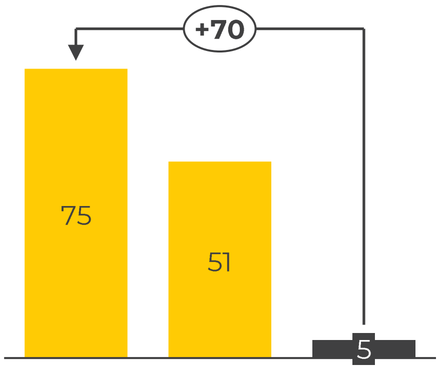
Hard data proves APM superiority

InPost

We solve key e-commerce challenges – customers, merchants and cities all benefit from APMs

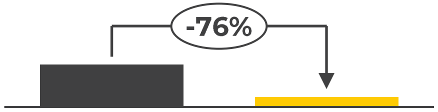
More convenient

Net Promoter Score in Poland (NPS)

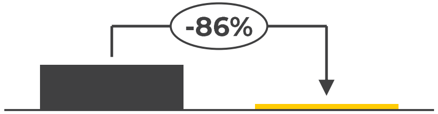


Cheaper

Difference in fuel consumption APM vs. to-door in Poland (liters/parcel)

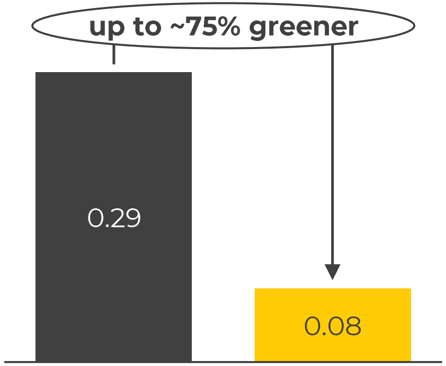


Last-mile labour intensity in Poland (couriers required per 1000 parcels)



Greener

Last mile CO_2 emissions in Poland[2]



1. Average NPS for DPD, DHL, FedEx, GLS, UPS, Polish Post and Pocztex as of October 2021; 2. Estimates based on CO_2 calculator co-created with Polish Academy of Sciences and Foundation of Administration and Public Economy. Calculation was based on GHG Methodology and ECOINVENT database, using the ILCD MIDPOINT+(EC-JCR Global) calculation method.
Source: Company data, Market reports, National Statistics Bureau "Average monthly gross wage and salary in national economy 1950-2021"

Lockers are innately sustainable and environmentally friendly

Our actions have tangible effects...

InPost efficiency results in

~30%

cheaper delivery for a client

4 bn PLN

added to Polish GDP in 2006–2020

100 m

short walks to APMs instead of driving a car or taking a bus

One APM in Poland reduces an estimated[1]

53 kg

of CO_2 **daily!**

One tree in Poland absorbs an estimated[2]

6 kg

of CO_2 **annually!**

One APM...

=

~3 thousand trees!

54 m

litres of petrol saved in 2021 with delivery to lockers instead of to-door

Up to

75%

lower CO_2 emissions per parcel (last mile)

1. vs. to-door, assuming 150 parcels delivered to an APM per day; 2. https://www.cire.pl/artykuly/serwis-informacyjny-cire-24/152208-w-finlandii-zmierzono,-ile-co2-pochlania-jedno-drzewo
Source: InPost ESG Strategy

We developed a comprehensive ESG approach

1 Pillars	2 What have we done so far?	3 Our commitments
IN_PLANET We deliver low-carbon e-commerce	UN Global Compact; The Climate Pledge – Paris… 10 years Early; EVcom; 80% Foil with Blue Angel certificate	• **We declare climate neutrality until 2025** in Scope 1 & 2 and **until 2040 in the entire supply chain (Scope 3)** in line with SBTi • By 2024, **100% of packaging in our own operations will come from recycled materials** with possibility to be recycled again
IN_CLIENT We change the lifestyle of tomorrow	InPost Green City; Diamenty Sustainable Economy	• We set the direction of changes in the industry by implementing at least **2 sustainable consumer solutions a year** • InPost is **the first choice of customers** (industry leading NPS on all markets) • We create **community involvement programs reaching 2m beneficiaries**
IN_PEOPLE We drive our employees and business partners	31 nationalities within the company in 2020; Kincentric Best Employers; Top Women w e-biznesie – Program edukacyjny; Forbes Poland's Best Employers 2021	• The level of commitment of our employees **will not be lower than 50%** (according to the Kincentric methodology) • We create a diverse and gender equal workplace **(30% of the Management Board and N-1 of the InPost Group are women by 2026)**

Source: InPost ESG Strategy

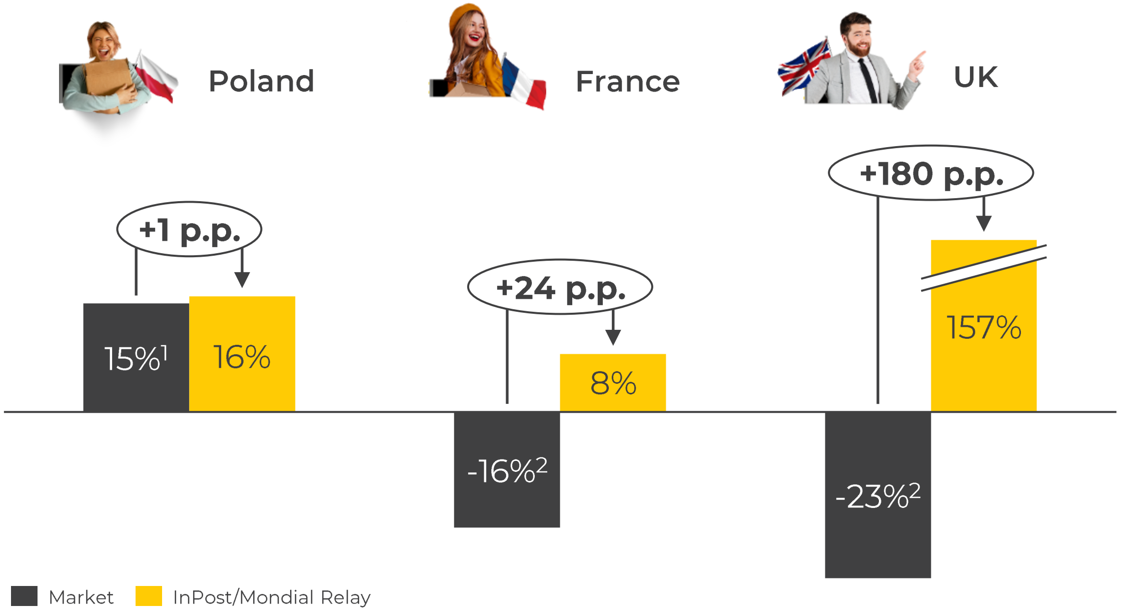
APMs will gain share internationally, at the expense of to-door delivery

Great momentum for the international APM expansion

- With **48% B2C market share in Poland**, InPost has proven that consumers prefer lockers when locations are convenient, and service quality is high
- In **years of deflation**, the cost of **subsidizing to-door delivery** has been treated more as investment for growth
- **In a current inflationary environment**, retailers who fail to cut distribution costs will either **lose margin** or **lose sales** as they attempt to pass the cost on to consumers
- Even huge to-door marketplaces are now **incentivizing consumer use of lockers**
- Costs and rising merchant, consumer and municipal **sensitivity to sustainability** are further creating a **perfect momentum for APM adoption**

Early positive signs coming from the international markets

InPost and E-commerce volume growth rate Q1 2022 (%, YoY)



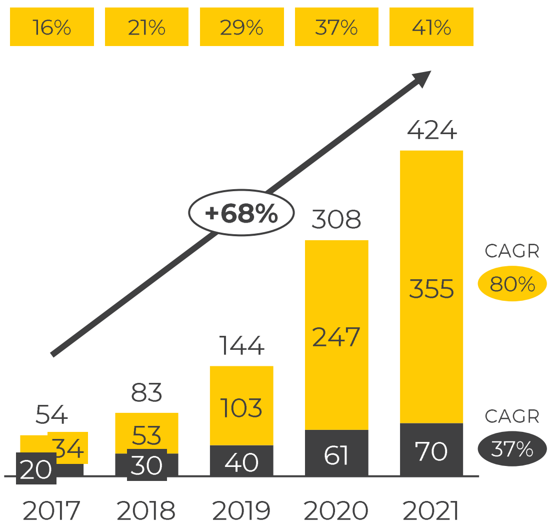
1. Company estimate based on Polish Statistics report of 30% YoY GMV growth in Q1 2022; 2. Salesforce, The Shopping Index: Global online shopping statistics and ecommerce growth trends on 26.04.2022
Source: Company data

Poland – The Locker Case Study

Track record of superior shareholder value creation

Parcel volume in Poland

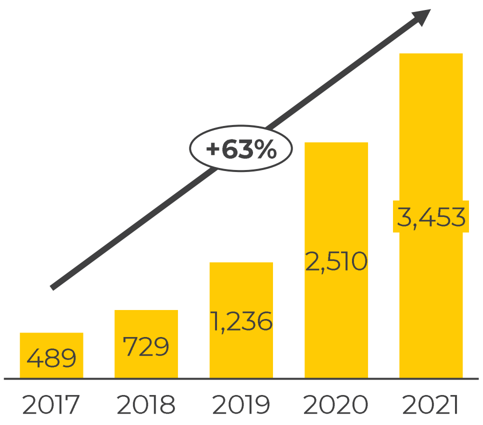
million



InPost market share in total egilible market[1]

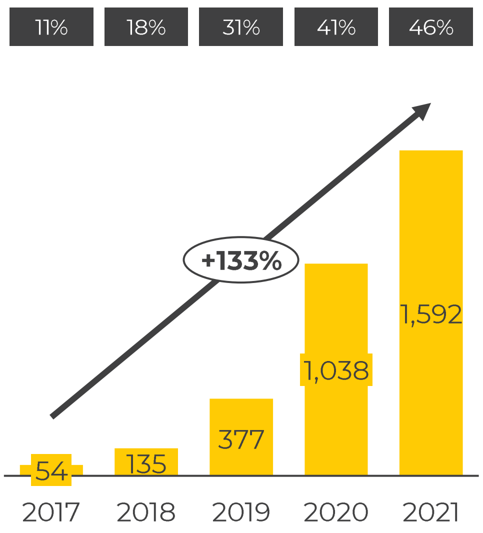
Revenue in Poland[2]

PLN million



Adjusted EBITDA in Poland

PLN million



Adjusted EBITDA margin

APM to-door

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

The InPost APM flywheel is at the center of our growth

What we provide:

for merchant

More sales

- ✔ Increased checkout conversion & repeat sales
- ✔ End-users declare APMs motivate them to more frequent shopping[1]

Reliability

- ✔ No failed home delivery

Low delivery cost

- ✔ Cheaper than to-door
- ✔ Lower fuel 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 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

1. Gemius, E-commerce w Polsce 2021
Source: Company data, market reports

We offer unparalleled locker density

	2019	2020	2021
# APMs	7.2k	10.8k	16.4k
# lockers	0.83m	1.5m	2.4m

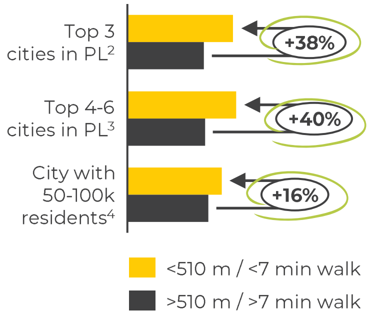
	2019	2020	2021
% population within 7 mins walk from InPost APMs	43%	50%	56%
% population within 7 mins walk from main competitor's APMs	0%	0%	7%

We are undisputed APM leader

APMs, #m lockers, 2021

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[1]



Closer, more convenient APMs encourage heavier usage

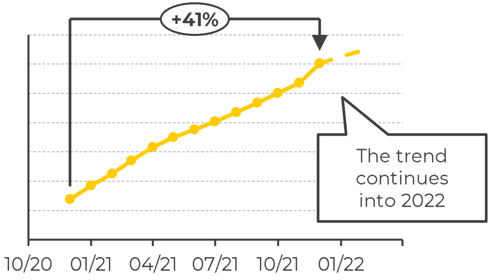
1. Statistics based on company internal data; 2. Warszawa, Krakow, Lodz; 3. Poznan, Wroclaw, Gdansk; 4. Due to large number of small cities, representative sample selected for analysis
Source: Company data

Customers love our APMs and the app

InPost

We drive strong growth of our mobile app user base...

#m active app users as per company definition[1]



New app functionalities in 2021:

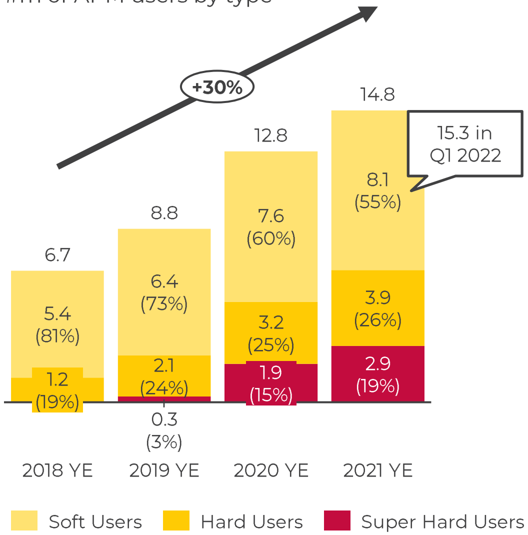
- Pick-up time extension
- Parcel redirection
- Easy Access Zone
- Air quality sensors
- Courier's number

...making it 2nd most popular and top-rated retail app...

	#m of app users at 2021 YE as per external party definition[2]	Rating in App Store
allegro	10.2	4.8
InPost	9.2 (9.6 in Q1 2022)	5.0
OLX	8.9	3.8
AliExpress	8.4	4.8
żabka	7.6	3.4

...hence increasing our hard user base[3]

#m of APM users by type



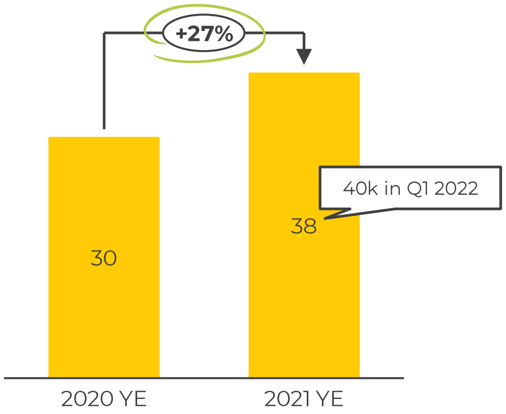
1. Company definition of a user more stringent than external definition. Company defines an active user as someone that „downloaded and registered the app and generated at least one event in the last 3 months"; 2. Gemius, Mediapanel, December 2021 and March 2022; 3. Super Hard User – ordered within last 12 months in at least 8 distinct months at least 30 parcels collectively, from at least 6 different sellers and has the mobile app installed; Hard User – ordered parcels within last 12 months in at least 6 distinct months and collectively at least 12 parcels; Soft User – all other; Source: Market reports, Company data

More than 40k merchants trust us in Poland, incl. all key marketplaces

InPost

We exceeded 40k merchants in Q1 2022

#k integrated merchants in Poland



We cooperate with key merchants…

Integrated merchants in Poland

LIDL
DOUGLAS
INDITEX
H&M
zooplus
SHEIN
SEPHORA
IKEA
new balance
AVON

…and all key marketplaces in Poland

Integrated marketplaces in Poland

allegro
Vinted
Shopee
amazon
AliExpress
empik
olx

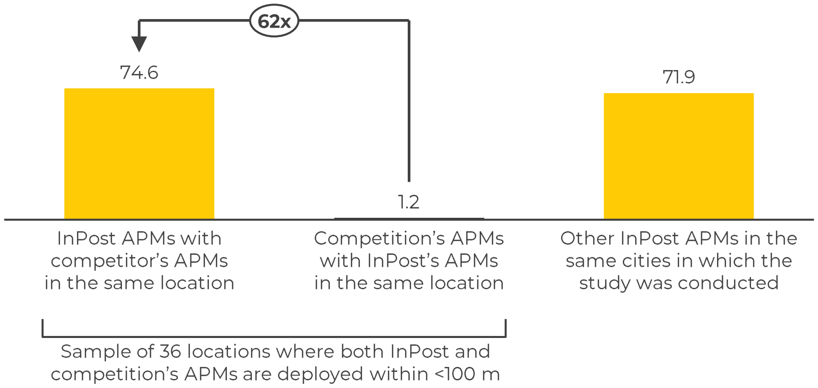
Source: Company data

Our APMs are resilient to competition

InPost APMs performance unaffected by competitive APMs in the same location

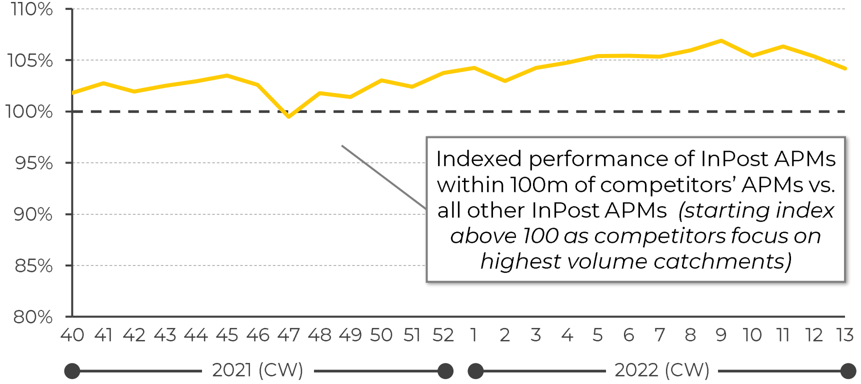
3rd party study

Average number of customer parcel collections per day[1]



InPost study

KPI = Avg. weekly parcels delivered to APMs near competitors' APMs[2] / Avg. weekly parcels delivered to APMs away from competitors' APMs[3]



1. Study commissioned by InPost with a 3rd party (Minds & Roses), conducted on 14-20 March 2022, aimed at counting customer collections 24/7 at locations where both InPost and either of Allegro's, AliExpress' or DPD's APMs are placed
2. APMs within 100m distance from the APM deployed by one or more of the following competitors: Allegro, Swipbox, Aliexpress, Orlen. Sample size between ~200 and ~1000, depending on week;
3. Control group consisting of APMs in the same cities as those near competitors' APMs. Sample size >1000; Source: Company data

We want to futher transform the e-commerce landscape

Continue to **densify network and reinforce the competitive moat**, e.g., partner with largest convenient chains in Poland

Strengthen and broaden our **merchant relationships**, e.g., Allegro, Shopee, SMEs

Drive **innovation** across our **offering**, e.g., new app functionalities, screenless APM, same day delivery

Push for **sustainability**, e.g., leverage hard data to promote our sustainable last-mile solution, electric vehicles fleet, solar-powered APMs

Develop **adjacent services**, e.g., fulfillment

The International Opportunity

What makes the pan-European opportunity attractive?

InPost

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 to-door deliveries represent up to 10% of e-tailers revenue
- **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

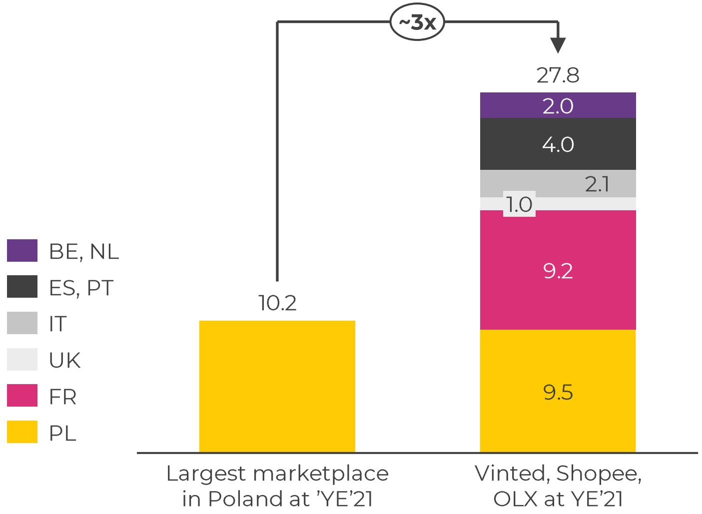
1. Loquate, Fixing Failes Deliveries, 2021
Source: Company information, market reports

Our pan-European strategy unlocks huge end-customer potential

InPost

New long-term framework contracts have an estimated ~3x bigger potential than the largest PL marketplace…

#m estimated monthly active mobile app users



…and there is still huge potential to extent our cooperation with several pan-European merchants

				Other[1]
Vinted	✓	✓	✓	✓
ebay	(✓)	✓	✓	(✓)
amazon	✓	✓	(✓)	(✓)
AliExpress	✓	✓	(✓)	(✓)
INDITEX	✓	✓	✓	✓
SHEIN	✓	✓	(✓)	✓
H&M	✓	✓	(✓)	(✓)

✓ Already cooperating with InPost on this market

(✓) Present in this market, but not cooperating with InPost

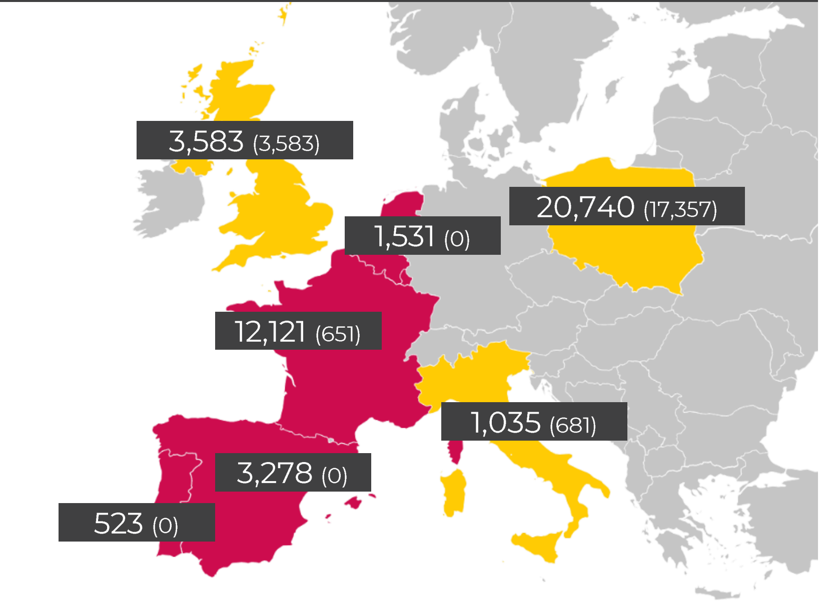
1. Any of: Belgium, Netherlands, Italy, Spain
Source: Company data, Market reports

France and the United Kingdom are our priority markets

We are present in several EU markets…

Number of PUDO and APMs as of Q1 2022

Total out-of-home points: 43,492 (of which 22,272 APMs)



…however, two are of particular priority

	France	UK
Growth approach	**M&A**	**Organic**
What makes the market attractive?	▪ **3rd largest European e-commerce market:** 56b EUR retail value in 2021[1] ▪ **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	▪ **Largest European e-commerce market:** 131b EUR e-commerce market size in 2021[1] ▪ **Demand for APMs due to high return levels:** ~33% returns levels for fashion online purchases in UK[2] ▪ **First-mover advantage:** existing networks are closed ones, e.g., Amazon

1. Excl. Sales Tax, 2. 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

We developed clear, strategic expansion criteria…

Strategic M&A target criteria

- ✓ **Presence in at least one of the priority markets** for the Group
- ✓ **Brand recognition** and **end-user advocacy**
- ✓ Existence of a **nationwide logistics network**
- ✓ At least some **experience in operating an out-of-home last mile network**
- ✓ Existing e-tailer (merchant) relationships and **significant parcel volume**
- ✓ Acquisition **price allowing to realize significant shareholder value creation**

…and Mondial Relay matched them all

Transaction closed in July 2021

Fully developed **logistics network,** including **24 depots** and **3 hubs**

Almost **16,000 out-of-home points**, including **11,000** in France

Services for over **~20,000 merchants** in France[1]

Customer recognition - the first private logistics operator in France, founded in 1997

Presence on **5 European markets** with >€450 million revenue in 2020[2]

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

1. Customers with at least 1 parcel ordered in May 2021; 2. 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

Mondial Relay: Development Plan under way to drive growth

Our ambitions

Greater convenience
Deploy up to 3,000 APMs in France by the end of 2022

Improved customer experience
Update branding and introduce mobile app to to boost UX

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

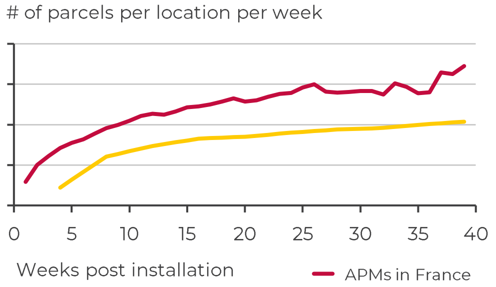
Wider merchant adoption
Pursue B2C opportunity: Currently 7% market share in B2C OOH

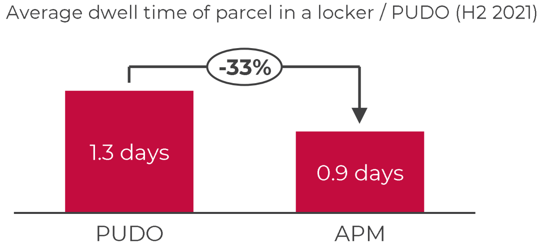
Organization
Strengthen management team across all business functions

Key developments as of Q1

- Intensification of the **internal change management** activities related to launch of the **Development Plan**
- Significant progress in the **recruitment of resources across all managerial and specialist levels**
- **Intensification of sales efforts** with existing clients (cross-sell of APMs) and new leads
- Further **knowledge transfer** between countries in InPost Group, especially in Sales and Operations
- Further **expansion of depo network**, to improve delivery times pre D+1 launch
- **Strength in C2C** drives strong Q1 volume outperformance vs. market

Positive signs after initial APM deployments





Source: Company data

UK: Several reasons for prioritizing this market

InPost

Huge addressable market for APMs

- **Largest European e-commerce market:** 113b GBP[1] e-commerce market size in 2021
- **Demand for APMs due to high return levels:** ~33%[2] returns levels for fashion online purchases in UK

First-mover advantage

- **The first APM network available to all e-merchants:** other networks are closed ones (e.g. Amazon's network)

Sustainability push

- **UK consumers opt for low carbon emission transport:** 1 in 5 UK consumers done so in 2021[3]
- **APMs address the sustainability challenge:** up to ~75% fewer CO_2 emissions per parcel (based on Poland example)

High population density/urbanization

- **One of the highest European urbanization rates:** 84%[4]
- **Densely populated cities/areas are attractive** for APMs

Customer displeasure with to-door

- **High rate of first delivery failure:** roughly 6%[5] of first 2-Door deliveries in the UK fail
- **All stakeholders bear failed delivery cost:** a total of £7-12[6] per failed 1st delivery

Source: 1. Market reports; 2. The Times, *Your free return is a £7bn nightmare for UK retailers*,, 2022; 3. Deloitte, *Shifting sands: Are consumers still embracing sustainability?*, 2021; 4. World Bank; 5. Loquate, Fixing Failes Deliveries, 2021; 6. IMRG, Valuing Home Delivery Review, 2021; 5. World Bank, 2020; Other: Company strategy

UK: Utilising InPost's know-how to fuel strong organic growth

Key milestones to accelerate expansion

Greater convenience

Secure 1st mover advantage with APMs: 4,500 machines by end 2022

Improved customer experience

Launch new customer and merchant solutions e.g., APM Returns

Wider merchant adoption

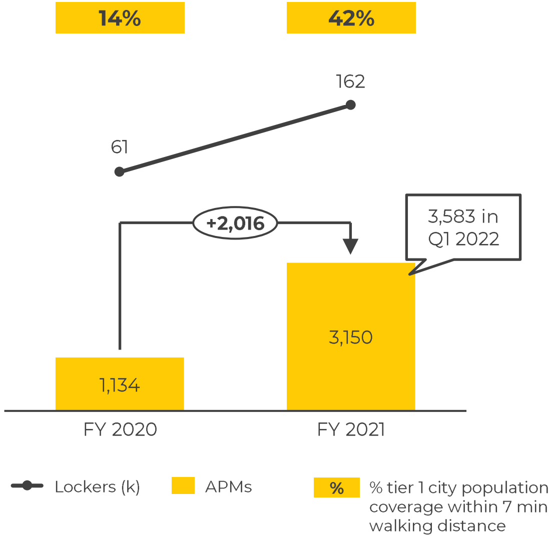
Secure partnerships with key platforms – Vinted and eBay

Scale economies

Internalise logistics network to improve unit costs and service quality

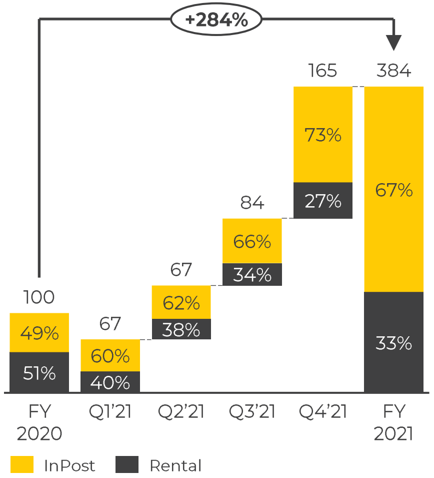
APM network now exceeds 3,000 APMs and…

of APMs in UK and tier 1 city[1] population coverage within 7 min walk from APM



…supports strong organic volume growth

Volume growth FY 2021 vs. FY 2020 (indexed)



1. London, Manchester, Birmingham
Source: Company data

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