

Start of the year in line with guidance. Results supported by strong mail revenues and growth at Radial North America, partly mitigating unfavourable macro-economic environment

First quarter 2022 highlights

- **Group operating income** at 1,038.5 mEUR, +1.8% compared with the same period last year.
- **Group adjusted EBIT** at 93.0 mEUR (margin of 9.0%) decreased by -22.6 mEUR compared to prior year. **Group reported EBIT** at 90.0 mEUR.
- **Belgium**
 - Total operating income at 568.9 mEUR (-2.7%) driven by positive mail price and mix impact offsetting volume decline.
 - Underlying mail volume decline of -5.4% and higher revenues from the 7th Management Contract.
 - Parcels B2X volume decreased by -14.8% against high comparable, reflecting decrease in consumer spending and Amazon insourcing.
 - Adjusted EBIT at 75.1 mEUR (13.2% margin) down by -16.4 mEUR (-17.9%) vs high comparable in the first quarter of 2021, and adversely impacted by two recent salary indexations and higher energy costs. Reported EBIT at 74.9 mEUR.
- **E-Logistics Eurasia**
 - Total operating income at 143.9 mEUR (-15.4%) driven by the continued expansion of Radial EU and Active Ants (+11.7%) but more than offset by ongoing pressure on Asian Cross-border and Dyna volumes.
 - Adjusted EBIT at 10.5 mEUR (7.3% margin), down by -6.0 mEUR (-36.4%) as lower variable OPEX from lower Cross-border and Dyna volumes more than offset by inflation and higher OPEX from e-commerce logistics' growth and expansion costs. Reported EBIT at 9.7 mEUR.
- **E-Logistics North America**
 - Total operating income at 343.5 mEUR (+13.5% at constant exchange rate), reflecting Radial's growth (+24.3%) driven by customers launched in 2021.
 - Adjusted EBIT at 15.2 mEUR, up by +6.9 mEUR or almost doubling and improving margin, mainly due to Radial's contribution. Reported EBIT at 13.1 mEUR.

CEO quote

Dirk Tirez, CEO of bpostgroup: *"I am proud of all my colleagues for delivering the first quarter on track and welcome the good results. Our e-commerce logistics activities in North America and in Europe prove to be the key engines of growth. In Belgium, where we are currently facing Amazon's insourcing, inflationary pressures on costs and demand and the lack of fair competition in the last mile delivery of parcels, Management is intensifying action plans to deliver on the transformation of our operating model. We see the first results of our efforts, but will also be taking additional short-term and medium-term measures to ensure a long-term sustainable future in Belgium.*

While the headwinds from inflation, salary indexations, transport and energy costs, and customer confidence bring uncertainty for the following quarters and create a downside risk to our guidance, we leave no stone unturned to continue ambitiously the economic, social and environmentally sustainable transformation journey to an international e-commerce logistics group. We keep on strengthening our core activities by diligently executing the key management priorities and investing in the growth of our businesses."

Outlook for 2022

First quarter financial performance was in line with the full year 2022 EBIT guidance of 280-310 mEUR issued on February 24, 2022.

However, recent disruptions in the market bring uncertainty. There could be a potential downside risk of up to 40 mEUR to the guidance in the remaining part of the year related to:

- inflation in Belgium and internationally
- uncertain consumer behaviour linked to inflation impact on demand and post-pandemic parcel volume normalisation

Management is taking actions with increased sales efforts, price increases where appropriate and cost reductions.

The above reflects the current perspective on overall market conditions. An element of uncertainty remains, especially with regards to peak of the fourth quarter 2022.

Status on Management priorities 2022

Regardless of the macro-economic shocks bpost continues to invest in its future and in its transformation, and to execute on its Management priorities set for the year 2022 as introduced with the fourth quarter 2021 results. These include operational efficiency improvement within the Belgian operations, continued development of the European and American e-commerce logistics activities, ESG initiatives, reduction in overhead and headquarter costs as well as the evolution towards a customer centric organization. Each initiative is currently well on track and allows the transformation of bpostgroup to gather pace. Going forward bpostgroup will leverage the ongoing disruptions in the market to further accelerate this transformation momentum.

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Key figures¹

1st quarter (in million EUR)					
	Reported		Adjusted		% Δ
	2021	2022	2021	2022	
Total operating income	1,019.9	1,038.5	1,019.9	1,038.5	1.8%
Operating expenses (excl. D&A)	842.7	878.1	842.7	878.1	4.2%
EBITDA	177.2	160.4	177.2	160.4	-9.5%
Depreciation and amortization	64.9	70.4	61.7	67.4	9.3%
EBIT	112.3	90.0	115.5	93.0	-19.5%
Margin (%)	11.0%	8.7%	11.3%	9.0%	
Result before tax	109.8	85.0	113.0	87.9	-22.2%
Income tax expense	29.2	23.7	29.9	24.4	-18.4%
Net result	80.6	61.3	83.0	63.5	-23.5%
FCF	147.4	289.0	160.0	290.3	81.4%
Net debt/(Net cash) as of 31 March	388.3	281.6	388.3	281.6	-27.5%
CAPEX	19.6	26.5	19.6	26.5	34.7%
Average FTE & Interims	37,602	37,819	37,602	37,819	0.6%

¹ Adjusted figures are not audited and definition of adjusted is included in section Alternative Performance Measures.

Group overview

First quarter 2022

Compared to last year, **total operating income** increased by +18.6 mEUR or +1.8% to 1,038.5 mEUR, driven by E-Logistics North America.

- External operating income Belgium decreased by -10.7 mEUR given the current pressure on parcels, partially offset by mail revenue supported by price increase, retail (excluding Ubiway deconsolidation) and VAS revenue.
- External operating income of E-Logistics Eurasia decreased by -24.8 mEUR mainly driven by the anticipated decline in revenue from continued pressure on Asian volumes following new VAT regulation and continued pressure on Dyna volumes.
- E-Logistics North America external operating income increased by +61.2 mEUR driven by Radial's new customers launched in 2021.
- Corporate external operating income decreased by -7.1 mEUR in line with lower sales buildings.

Operating expenses (including D&A) increased by -40.9 mEUR impacted by higher variable opex in line with revenue development E-Logistics North America (interim costs, transport costs), higher payroll cost (2 recent salary indexations in Belgium, continued wage rate pressure in fulfilment in the US) and energy costs, partially offset by lower material costs mainly due to the deconsolidation of Ubiway Retail and lower opex in line with the revenue development E-Logistics Eurasia.

As a result the **reported EBIT** decreased by -22.3 mEUR compared to last year, including 7.1 mEUR corporate EBIT decline in line with lower sales buildings.

Net financial result decreased by -2.4 mEUR compared to last year.

Income tax expense decreased by +5.5 mEUR compared to last year mainly due to the lower profit before tax.

Group net profit decreased by -19.3 mEUR compared to last year at 61.3 mEUR.

Description of the business units

In 2021 the Board of Directors of bpost approved bpostgroup's ambition to become a growth company as an e-commerce logistics player, in Belgium as well as in Europe and the United States. Effective as of January 1, 2022 bpost's internal structure changed to face the transformation, amongst others the bundling of the parcel activities and Mail & Retail activities into one Belgium business unit. This implies a new business unit structure with: Belgium, E-Logistics Eurasia and E-Logistics North America, replacing Mail & Retail, Parcels & Logistics Eurasia and Parcels & Logistics North America. This new structure allows to recognize different strategic imperatives, namely transform Belgium, build E-Logistics Eurasia and grow E-Logistics North America and allows full P&L accountability at business unit level. Changes are limited and consist of moving the Belgian parcels out of Parcels & Logistics Eurasia to Belgium, next to the existing Mail & Retail business. On the other hand regroup Dynalogic and Dynasure together with Radial Europe, Active Ants, Leen Menken and Dynafix in E-Logistics Eurasia.

bpost operates through three business units and support units providing services to these business units:

The business unit Belgium oversees the commercial activities related to Transactional, Advertising mail, Press and Parcels and the operational activities of collecting, transporting, sorting and distributing of addressed and non-addressed mail, printed documents, newspapers, periodicals and parcels in Belgium. Furthermore Belgium offers Value added services including document management and related activities and offers proximity and convenience retail through its retail network in Belgium composed out of post offices and postal points. It also sells banking and financial products, as part of the Proximity and convenience retail network, under an agency agreement with bpost bank and AG Insurance. The business unit also carries out Services of General Economic Interest on behalf of the Belgian State (SGEI).

The business unit E-Logistics Eurasia oversees the commercial and operational activities related to e-commerce logistics (fulfillment, handling, distribution and return management) and cross-border (inbound, outbound and import services) for parcels in Europe & Asia and for international mail worldwide. The business unit runs several operations centers across Europe. DynaGroup, Radial, Active Ants, Leen Menken and Landmark Global entities in Europe & Asia are part of this business unit.

The business unit E-Logistics North America is in charge of the commercial and operational activities related to e-commerce logistics (fulfillment, handling and distribution, return management, customer service and value-added technology services) in North America and Australia and cross-border parcels and international mail in North America. Radial North-America and Landmark Global entities in North America are part of this business unit.

Corporate and Support units ("Corporate") consist out of the 3 support units and the corporate unit. The support units offer as a sole provider business solutions to the 3 business units and to Corporate and includes Finance & Accounting, Human Resources & Service Operations, ICT & Digital. The Corporate unit includes Strategy, M&A, Legal, Regulatory and Corporate Secretary. The EBIT generated by the support units is recharged to the 3 business units as OPEX while the depreciation remains in Corporate. Revenues generated by the Support Units, including sales building are disclosed in Corporate.

No operating segments have been aggregated to form the above reportable operating segments.

Services and products offered between legal entities are at arm's length whereas the service and products offered between business units of the same legal entity are generally based on incremental costs. Services provided by support units to business units of the same legal entity are based on full cost.

As corporate treasury, associates, joint ventures and tax are centrally managed for the group the net financial result, income tax and share of profit of associates and joint ventures are only disclosed at the level of the group.

Business Unit performance: Belgium

Belgium	1 st quarter		
In million EUR	2021	2022	Change %
External operating income	567.3	556.6	-1.9%
Transactional mail	190.2	194.7	2.4%
Advertising mail	47.6	48.0	0.8%
Press	86.0	85.7	-0.4%
Parcels Belgium	120.3	106.0	-11.9%
Proximity and convenience retail network	95.0	90.8	-4.4%
Value added services	28.2	31.3	11.1%
Intersegment operating income	17.3	12.3	-28.6%
TOTAL OPERATING INCOME	584.6	568.9	-2.7%
Operating expenses	471.2	472.4	0.3%
EBITDA	113.4	96.5	-14.9%
Depreciation, amortization (reported)	22.4	21.6	-3.5%
RESULT FROM OPERATING ACTIVITIES (EBIT Reported)	91.1	74.9	-17.7%
Margin (%)	15.6%	13.2%	
RESULT FROM OPERATING ACTIVITIES (EBIT Adjusted)	91.5	75.1	-17.9%
Margin (%)	15.6%	13.2%	

Total operating income in the first quarter 2022 amounted to 568.9 mEUR and showed a decrease of -15.7 mEUR or -2.7% compared to the same period 2021 as the **external operating income** amounted to 556.6 mEUR and showed a decrease of -10.7 mEUR or -1.9% compared to the same period of 2021. Lower intersegment income (-4.9 mEUR or -28.6%) reflects lower Cross-border volumes handled in the network.

Revenues from **Domestic mail** (i.e. Transactional, Advertising and Press combined) increased by +4.5 mEUR to 328.4 mEUR. **Transactional mail** noted an underlying volume decline of -5.8% for the quarter against -9.6% underlying volume decline for the first quarter 2021. Admin mail trend was still supported by COVID-19 communication (estimated at 5.0 mEUR). There was no change in the known structural trends of continued e-substitution. **Advertising mail** realized an underlying volume decrease of -2.3% against -5.4% for the same period last year. **Press** volume decreased on an underlying basis by -7.1% against -1.0% in the first quarter last year.

Total Domestic mail volume decrease impacted revenues by -14.6 mEUR (-5.4% underlying volume decline against -7.8% in the first quarter 2021) and was compensated by +0.9 mEUR working day impact and the net improvement in price and mix which amounted to +18.3 mEUR.

Belgium	1Q21	2Q21	3Q21	4Q21	YTD 21	1Q22
Evolution underlying volumes						
Domestic mail	-7.8%	+1.4%	-7.5%	-8.9%	-5.9%	-5.4%
Transactional mail	-9.6%	-1.3%	-9.5%	-11.1%	-8.0%	-5.8%
Advertising mail	-5.4%	+15.6%	-2.9%	-1.1%	+0.9%	-2.3%
Press	-1.0%	-1.1%	-3.4%	-8.4%	-3.5%	-7.1%
Parcels B2X volume	+54.1%	+2.9%	+8.9%	-7.5%	+10.3%	-14.8%

Parcels Belgium decreased by -14.3 mEUR (or -11.9%) to 106.0 mEUR resulting from parcels volume decline of -14.8% against high comps of +54.1% in the first quarter 2021 and reflecting a drop in consumer confidence coupled to inflation impacts on consumer spending. Underlying volume decline of -8.1% excluding Amazon's insourcing (-46.1% quarter year-over-year), partly offset by an improved price/mix of +3.0% from prices increases and favourable customer mix. First quarter 2022 compared to the same period in 2020 (pre-pandemic period) shows an increase of +32.0% reflecting a structural volume growth.

Proximity and convenience retail network decreased by -4.1 mEUR to 90.8 mEUR. This decrease was mainly driven by the deconsolidation impact of Ubiway Retail as of the 1st March 2022 (-9.3 mEUR impact). Excluding the deconsolidation, revenues increased by +5.1 mEUR or +7.9% mainly driven by the new Management Contract.

Value added services amounted to 31.3 mEUR and showed an increase of +3.1 mEUR versus last year due to higher revenues from fines solutions and additional revenues charged for setup and change requests in solutions.

Operating expenses (including D&A) remained nearly stable despite inflationary pressure (slight increase by -0.4 mEUR), mainly driven by (1) lower fleet and subcontractor costs and less FTE's from lower parcels volumes, lower material costs in line with deconsolidation of Ubiway Retail, and (2) higher payroll costs per FTE (2 recent salary indexations of +2% and change in night shift regulation) and energy costs.

Driven by lower parcel volumes and inflationary impacts on payroll and energy costs, **reported EBIT** and **adjusted EBIT** decreased and respectively amounted to 74.9 mEUR with a margin of +13.2% and 75.1 mEUR with a margin of 13.2%.

Business Unit performance: E-Logistics Eurasia

E-Logistics Eurasia In million EUR	1 st quarter		
	2021	2022	Change %
External operating income	163.5	138.7	-15.2%
E-commerce logistics	68.4	65.2	-4.6%
Cross-border	95.1	73.5	-22.7%
Intersegment operating income	6.6	5.2	-21.5%
TOTAL OPERATING INCOME	170.1	143.9	-15.4%
Operating expenses	149.0	127.4	-14.5%
EBITDA	21.1	16.5	-21.9%
Depreciation, amortization (reported)	5.4	6.7	25.6%
RESULT FROM OPERATING ACTIVITIES (EBIT Reported)	15.7	9.7	-38.0%
Margin (%)	9.3%	6.8%	
RESULT FROM OPERATING ACTIVITIES (EBIT Adjusted)	16.5	10.5	-36.4%
Margin (%)	9.7%	7.3%	

Total operating income decreased by -26.2 mEUR (-15.4%) driven by the decrease of the **external operating income** by -24.8 mEUR or -15.2% compared to the same period of 2021. This decrease was mainly due to Cross-border (-21.6 mEUR).

E-commerce logistics operating income in the first quarter 2022 amounted to 65.2 mEUR, a decrease of -3.2 mEUR or -4.6% compared to the same period of 2021. The revenue growth of Radial Europe and Active Ants of +11.7%, mainly from new customer onboarding, was offset by a decline in revenue at DynaLogic due to lower consumer confidence and at DynaFix/Sure due to a shortage of electronic spare parts and less devices to be repaired.

Cross-border operating income in the first quarter 2022 amounted to 73.5 mEUR, a decrease of -21.6 mEUR (or -22.7%) compared to the same period of 2021, mainly driven by lower Asian volumes still not recovering from the new VAT regulation (as from the 1st of July 2021) and impacted by recent COVID lockdowns in China.

Operating expenses (including D&A) were down +20.2 mEUR or -13.1%, mainly thanks to lower transport costs and lower intersegment OPEX charged by Belgium due to lower Asian volumes, lower material costs, lower interims and transport costs in line with lower volumes at Dyna, partially offset by higher payroll costs from inflation and recent sites openings, in line with expansion and strategic development initiatives.

Reported EBIT and adjusted EBIT decreased by -6.0 mEUR compared to last year same period and respectively amounted to 9.7 mEUR and 10.5 mEUR.

Business Unit performance: E-Logistics North America

E-Logistics North America In million EUR	1 st quarter		
	2021	2022	Change %
External operating income	281.1	342.4	21.8%
E-commerce logistics	263.5	342.4	30.0%
International mail	17.7	0.0	-100.0%
Intersegment operating income	0.9	1.1	15.2%
TOTAL OPERATING INCOME	282.1	343.5	21.8%
Operating expenses	256.7	306.6	19.4%
EBITDA	25.4	36.9	45.2%
Depreciation, amortization (reported)	19.2	23.8	23.8%
RESULT FROM OPERATING ACTIVITIES (EBIT Reported)	6.2	13.1	111.6%
Margin (%)	2.2%	3.8%	
RESULT FROM OPERATING ACTIVITIES (EBIT Adjusted)	8.2	15.2	84.0%
Margin (%)	2.9%	4.4%	

Total operating income amounted to 343.5 mEUR and increased by +61.4 mEUR, this is an increase of +21.8% (+13.5% at constant exchange rate). **External operating income** in the first quarter 2022 amounted to 342.4 mEUR and showed an increase of +61.2 mEUR or +21.8% (+13.5% at constant exchange rate) compared to the same period of 2021, reflecting mainly the continued strong revenue development of Radial's new customers launched in 2021.

E-commerce logistics increased by +78.9 mEUR to 342.4 mEUR or +30.0% (+21.2% at constant exchange rate) mainly driven by Radial from new customers contribution, launched in 2021 and accelerating since June onwards. Compared to the first quarter of 2021, 2020 and 2019 the operating income of Radial respectively increased by 24%, 43% and 64% from structural e-commerce logistics growth and expansion plan. Landmark US and Apple Express recorded continued volume growth from existing customers and new customers won in 2021.

Radial North America (*) In million USD (Adjusted)	1 st quarter	
	2021	2022
Total operating income	247.1	307.3
EBITDA	17.4	26.8
Profit from operating activities (EBIT)	0.0	6.1

(*) Business unit performance expressed in USD of the consolidated Radial entities held by bpost North America Holdings Inc.

The decline of **International mail** was driven by the divestment and deconsolidation of the Mail Group as of August 5, 2021.

Operating expenses (including D&A) increased by -54.5 mEUR or +19.7% (or +11.3% at constant exchange rate) resulting from higher variable OPEX in line with revenue development, including higher labour costs from continued wage rate pressure in fulfilment, mitigated by productivity gains, and higher costs from new sites openings.

Reported EBIT amounted to 13.1 mEUR up by +6.9 mEUR (or +111.6%) with a margin of 3.8%, **adjusted EBIT** almost doubling to 15.2 mEUR (up by +6.9 mEUR) with improved margin of 4.4%.

Business Unit performance: Corporate

Corporate In million EUR	1 st quarter		
	2021	2022	Change %
External operating income	7.9	0.8	-90.1%
Intersegment operating income	102.6	100.2	-2.3%
TOTAL OPERATING INCOME	110.6	101.0	-8.6%
Operating expenses	93.3	90.5	-3.0%
EBITDA	17.3	10.5	-39.1%
Depreciation, amortization (reported)	17.9	18.3	1.8%
RESULT FROM OPERATING ACTIVITIES (EBIT Reported)	(0.6)	(7.7)	
Margin (%)	-0.6%	-7.7%	
RESULT FROM OPERATING ACTIVITIES (EBIT Adjusted)	(0.6)	(7.7)	
Margin (%)	-0.6%	-7.7%	

External operating income in the first quarter 2022 decreased by -7.1 mEUR driven by lower building sales.

Net operating expenses (including D&A) decreased by -2.2% year-over-year (-2.5 mEUR) driven by overhead payroll decrease (-3.7% FTEs and interims) partially offset by salary indexations, IT and consultancy costs to accelerate the transformation of bpostgroup. This being reflected in lower intersegment income.

Reported & adjusted EBIT at -7.7 mEUR down by -7.1 mEUR.

Cash flow statement

1st quarter (in million EUR)						
	Reported			Adjusted		
	2021	2022	Δ	2021	2022	Δ
Cash flow from operating activities	157.1	172.3	15.2	169.7	173.5	3.9
out of which CF from operating activities before Δ in WC & provisions	165.1	177.9	12.8	165.1	177.9	12.8
Cash flow from investing activities	(9.7)	116.7	126.4	(9.7)	116.7	126.4
Free cash flow	147.4	289.0	141.6	160.0	290.3	130.3
Financing activities	(193.5)	(31.5)	162.0	(193.5)	(31.5)	162.0
Net cash movement	(46.1)	257.5	303.6	(33.5)	258.8	292.3
Capex	19.6	26.5	6.8	19.6	26.5	6.8

In the first quarter 2022, the net cash flow increased compared to the same period last year by 303.6 mEUR to 257.5 mEUR. This increase was mainly due to the sale of bpost bank and last year's decision not to roll over maturing commercial papers.

Reported and adjusted free cash flow amounted respectively to 289.0 mEUR and 290.3 mEUR.

Cash flow from operating activities before change in working capital and provisions remained stable compared to the first quarter 2021. The negative adjusted EBITDA variation was compensated by a favourable settlement in corporate income tax payments.

Cash flow related to collected proceeds due to Radial's clients was 11.3 mEUR higher (1.2 mEUR outflow in the first quarter 2022 compared to an outflow of EUR 12.6 mEUR in the same period last year) in line with the remittance calendar.

The variance in change in working capital and provisions (-8.9 mEUR) was mainly explained by decreased suppliers' balances and phasing of 2021 bonus payment to employees to alleviate pressure on purchasing power (usually paid in the second quarter), partially offset by last year's unwinding of extended payment terms with some suppliers initiated at the beginning of the pandemic.

Investing activities resulted in a cash inflow of 116.7 mEUR in the first quarter 2022, compared to a cash outflow of 9.7 mEUR for the same period last year. The evolution in the first quarter 2022 was mainly explained by the provisional settlement of the sale of bpost bank and Ubiway Retail (141.8 mEUR including the reimbursement of the subordinated loan granted to bpost bank) partially offset by higher capex (-6.8 mEUR) and the lower proceeds from sale of assets (-8.6 mEUR).

Capex stood at 26.5 mEUR in the first quarter 2022 and was mainly spent on continued e-commerce logistics expansion of Radial and Active Ants mainly.

In 2022 the cash outflow relating to **financing activities** amounted to -31.5 mEUR compared to -193.5 mEUR last year, mainly explained by the decision not to roll over maturing commercial paper in 2021 (+165.0 mEUR).

Unaudited Interim Condensed Consolidated Financial Statements

Interim Condensed Consolidated Income Statement (unaudited)

In million EUR	1st quarter	
	2021	2022
Revenue	1,007.4	1,034.0
Other operating income	12.5	4.5
TOTAL OPERATING INCOME	1,019.9	1,038.5
Material costs	(45.0)	(34.5)
Services and other goods	(399.1)	(431.7)
Payroll costs	(391.3)	(403.7)
Other operating expenses	(7.2)	(8.2)
Depreciation, amortization and impairment	(64.9)	(70.4)
TOTAL OPERATING EXPENSES	(907.6)	(948.5)
RESULT FROM OPERATING ACTIVITIES (EBIT)	112.3	90.0
Financial income	3.7	3.2
Financial costs	(6.2)	(8.2)
Share of results of associates and joint ventures	0.0	(0.1)
RESULT BEFORE TAX	109.8	85.0
Income tax expense	(29.2)	(23.7)
RESULT FOR THE PERIOD (EAT)	80.6	61.3
Attributable to:		
Equity holders of the parent	80.7	61.7
Non-controlling interests	(0.1)	(0.4)

EARNINGS PER SHARE

In EUR	1st quarter	
	2021	2022
► basic, result for the period attributable to ordinary equity holders of the parent	0.40	0.31
► diluted, result for the period attributable to ordinary equity holders of the parent	0.40	0.31

In accordance with IAS 33, diluted earnings per share amounts have to be calculated by dividing the net result attributable to ordinary equity holders of the parent (after adjusting for the effects of all dilutive potential ordinary shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

As far as bpost is concerned, no effects of dilution affect the net result attributable to ordinary equity holders and the weighted average number of ordinary shares as there are no dilutive potential shares in issuance.

Interim Condensed Consolidated Statement of Financial Position

In million EUR	31 December 2021 (audited)	31 March 2022 (unaudited)
Assets		
Non-current assets		
Property, plant and equipment	1,263.5	1,326.2
Intangible assets	797.0	801.7
Investments in associates and joint ventures	0.0	0.0
Investment properties	4.2	4.2
Deferred tax assets	32.8	32.8
Trade and other receivables	23.9	25.5
	2,121.3	2,190.3
Current assets		
Inventories	20.7	20.5
Income tax receivable	16.1	2.0
Trade and other receivables	912.4	721.9
Cash and cash equivalents	907.5	1,166.7
	1,856.8	1,911.2
Assets held for sale	163.3	1.8
TOTAL ASSETS	4,141.3	4,103.3
Equity and liabilities		
Issued capital	364.0	364.0
Reserves	238.2	489.6
Foreign currency translation	32.4	47.6
Retained earnings	250.2	61.3
Equity attributable to equity holders of the Parent	884.8	962.5
Equity attributable to non-controlling interests	0.5	0.2
TOTAL EQUITY	885.3	962.6
Non-current liabilities		
Interest-bearing loans and borrowings	1,261.2	1,329.5
Employee benefits	298.2	298.0
Trade and other payables	33.3	33.3
Provisions	14.7	14.7
Deferred tax liabilities	6.4	6.4
	1,613.9	1,682.0
Current liabilities		
Interest-bearing loans and borrowings	116.4	118.7
Provisions	11.1	10.6
Income tax payable	3.6	29.4
Derivative instruments	0.3	0.2
Trade and other payables	1,470.9	1,299.7
	1,602.4	1,458.6
Liabilities directly associated with assets held for sale	39.7	0.0
TOTAL LIABILITIES	3,256.0	3,140.6
TOTAL EQUITY AND LIABILITIES	4,141.3	4,103.3

Property, plant and equipment increased as the capital expenditure and the increase in the right-of-use assets and leases outpaced the depreciation.

Trade and other receivables decreased driven by the settlement of the SGEI for the delivery of newspapers and periodicals for 2021 and the peak sales of year-end 2021.

Equity increased mainly explained by the realized profit and the exchange differences on translation of foreign operations.

Cash & cash equivalents increased following the sale of bpost bank and the collection of the SGEI.

Interests-bearing loans and borrowings increased mainly due to higher lease liabilities.

The decrease of trade & other payables was mainly due to the decrease of social and trade payables, partially offset by the advance payment received for the SGEI compensation for the delivery of newspapers and periodicals. The decrease of the trade payables was mainly a phasing element given the peak season at year-end.

The assets held for sale and liabilities held for sale should be reviewed together, the net decrease is explained by sale of bpost bank and Ubiway Retail in the first quarter 2022 (transaction prices to be finalized).

Interim Condensed Consolidated Statement of Cash Flows (unaudited)

In million EUR	1st quarter	
	2021	2022
Operating activities		
Result before tax	109.8	85.0
Depreciation, amortization and impairment losses	64.9	70.4
Impairment on debtors	(0.6)	1.2
Gain on sale of property, plant and equipment	(7.1)	0.0
Gain on disposal of subsidiaries	0.0	0.0
Other non-cash items	7.5	7.0
Change in employee benefit obligations	(1.6)	(0.2)
Share of results of associates and joint ventures	(0.0)	0.1
Income tax (paid)/received	(7.6)	(6.0)
Income tax (paid)/received on previous years	(0.1)	20.5
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL AND PROVISIONS	165.1	177.9
Decrease/(increase) in trade and other receivables	168.2	171.9
Decrease/(increase) in inventories	1.1	1.0
Increase/(decrease) in trade and other payables	(161.9)	(176.7)
Increase/(decrease) in collected proceeds due to clients	(12.6)	(1.2)
Increase/(decrease) in provisions	(2.9)	(0.5)
NET CASH FROM OPERATING ACTIVITIES	157.1	172.3
Investing activities		
Proceeds from sale of property, plant and equipment	10.0	1.4
Disposal of subsidiaries, net of cash disposed of	0.0	116.8
Acquisition of property, plant and equipment	(16.7)	(24.1)
Acquisition of intangible assets	(2.9)	(2.4)
Loan to associate	0.0	25.0
Acquisition of subsidiaries, net of cash acquired	0.0	0.0
NET CASH USED IN INVESTING ACTIVITIES	(9.7)	116.7
Financing activities		
Proceeds from borrowings	60.0	0.0
Payments related to borrowings	(225.7)	(0.4)
Payments related to lease liabilities	(27.8)	(31.1)
NET CASH FROM FINANCING ACTIVITIES	(193.5)	(31.5)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(46.1)	257.5
NET FOREIGN EXCHANGE DIFFERENCE	9.0	1.7
CASH CLASSIFIED AS ASSETS HELD FOR SALE		
Cash and cash equivalent less bank overdraft as of 1st January	948.1	907.5
Cash and cash equivalent less bank overdraft as of 31st March	911.0	1,166.7
MOVEMENTS BETWEEN 1st JANUARY AND 31st MARCH	(37.1)	259.3

1. Basis for preparation and accounting policies

The interim condensed consolidated financial statements of bpost have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted for use by the European Union. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with bpost's annual consolidated financial statements as at December 31, 2021.

The interim financial statements have not been subject to review by the independent auditor. bpost has prepared the financial statements on the basis that it will continue to operate as a going concern as there are no material uncertainties and there are sufficient resources to continue operations.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of bpost's annual consolidated financial statements for the year ended December 31, 2021. There are no IFRS standards, amendments or interpretations taking effect for the first time for the financial year beginning 1 January 2022 that have a material impact on the 2022 accounts of bpost.

2. Contingent liabilities and Contingent assets

This interim financial report should be read in conjunction with bpost's annual financial statements as of December 31, 2021. The contingent liabilities and contingent assets are materially unchanged from those described in the note 6.31 of bpost's annual financial statements as of December 31, 2021, except that the EU Court of Justice ("ECJ") rendered its decision on March 22, 2022. The Court of Appeal will now have to decide in the light of the answers given by the ECJ. It is unlikely that a final decision will be made before 2023.

3. Events after the reporting period

No significant events impacting bpost's financial position have been observed after the statement of financial position date.

Alternative Performance Measures (unaudited)

bpost also analyses the performance of its activities in addition to the reported IFRS figures with alternative performance measures ("APMs"). The definitions of these alternative performance measures can be found below.

Alternative performance measures (or non-GAAP measures) are presented to enhance an investor's understanding of the operating and financial performance, to aid in forecasting and to facilitate meaningful comparison of the result between periods.

The presentation of alternative performance measures is not in conformity with IFRS and the APMs are not audited. The APMs may not be comparable to the APMs reported by other companies as those companies may compute their APMs differently from bpost.

The calculation of the adjusted performance measure and adjusted operating free cash flow can be found below the definitions. The APMs derived from items reported in the financial statements can be calculated with and reconciled directly to the items as disclosed in the definitions below.

Definitions:

Adjusted performance (adjusted operating income/adjusted EBITDA/adjusted EBIT/adjusted EAT): bpost defines the adjusted performance as operating income/EBITDA/EBIT/EAT excluding the adjusting items. Adjusting items represent significant income or expense items that due to their non-recurring character are excluded from performance analyses. bpost uses a consistent approach when determining if an income or expense item is adjusting and if it is significant enough to be excluded from the reported figures to obtain the adjusted ones. An adjusting item is deemed to be significant if it amounts to 20.0 mEUR or more. All profits or losses on disposal of activities are adjusted whatever the amount they represent, as well as the year-to-date amortization and impairment on the intangible assets recognized throughout the Purchase Price Allocation (PPA) of the acquisitions. Reversals of provisions whose addition had been adjusted are also adjusted whatever the amount they represent. The reconciliation of the adjusted performance is available below the definitions.

bpost's management believes this measure provides the investor a better insight and comparability over time of the economic performance of bpost.

Constant exchange rate: bpost excludes in the performance at constant exchange rate the impact of the different exchange rates applied in different periods for the segment E-Logistics North America. The reported figures in local currency of the prior comparable period are converted with the exchange rates applied for the current reported period.

bpost's management believes that the performance at constant exchange rate provides the investor an understanding of the operating performance of the entities part of the E-Logistics North America segment.

Capex: capital expenditure for tangible and intangible assets including capitalised development costs, excluding right of use assets.

Earnings Before Interests, Taxes, Depreciation and Amortization (EBITDA): bpost defines EBITDA as earnings from operating activities (EBIT) plus depreciations and amortizations and is derived from the consolidated income statement.

Net debt/(Net cash): bpost defines Net debt/(Net cash) as the non-current and current interest-bearing loans and borrowings plus bank overdrafts minus cash and cash equivalents and is derived from the consolidated statement of financial position.

Operating free cash flow (FCF) and adjusted Operating free cash flow: bpost defines FCF as the sum of net cash from operating activities and net cash used in investing activities and is derived from the consolidated statement of cash flows. Adjusted operating free cash flow is the operating free cash flow as defined excluding working capital impact of "the collected proceeds due to clients". The reconciliation is available below the definitions. In some cases, Radial performs the billing and receiving of payments on behalf of their customers. Under this arrangement, Radial routinely remits billed amounts back to the client, and performs periodical settlements with the client on amounts owed to or from Radial based

on billings, fees, and amounts previously remitted. Adjusted operating free cash flows excludes the cash Radial received on behalf of their customers as Radial has no or little impact on the amount or the timing of these payments.

Evolution Parcels B2X volume: bpost defines the evolution of Parcels B2X as the difference, expressed as a percentage, of the reported volumes between the current and prior comparable period of the B2X parcels processed by bpost SA/NV in the last mile delivery.

Radial North America Performance in USD: bpost defines the performance of Radial North America as the total operating income, EBITDA and EBIT expressed in USD following the consolidation of the group of Radial entities held by bpost North America Holdings Inc. Transactions between the group of Radial entities and other bpostgroup entities are not eliminated and are part of the total operating income, EBITDA and EBIT.

bpost's management believes this measure provides the investor a better insight in the performance of Radial and the scale up of its US presence and the expanding of its product offering into value-added activities that cover the entire value chain in e-commerce logistics and omnichannel technology.

Underlying mail volume (Transactional mail, Advertising mail and Press): bpost defines underlying mail volume as the reported mail volume including some corrections, for example the impact of the number of working days and mail volumes related to elections.

Reconciliation of reported to adjusted financial metrics

OPERATING INCOME

In million EUR	1st quarter		
	2021	2022	Change %
Total operating income	1,019.9	1,038.5	1.8%
ADJUSTED TOTAL OPERATING INCOME	1,019.9	1,038.5	1.8%

OPERATING EXPENSES

In million EUR	1st quarter		
	2021	2022	Change %
Total operating expenses excluding depreciation, amortization	(842.7)	(878.1)	4.2%
ADJUSTED TOTAL OPERATING EXPENSES EXCLUDING DEPRECIATION, AMORTIZATION	(842.7)	(878.1)	4.2%

EBITDA

In million EUR	1st quarter		
	2021	2022	Change %
EBITDA	177.2	160.4	-9.5%
ADJUSTED EBITDA	177.2	160.4	-9.5%

EBIT

In million EUR	1st quarter		
	2021	2022	Change %
Result from operating activities (EBIT)	112.3	90.0	-19.9%
Non-cash impact of purchase price allocation (PPA) (1)	3.2	2.9	-8.1%
ADJUSTED RESULT FROM OPERATING ACTIVITIES (EBIT)	115.5	93.0	-19.5%

RESULT FOR THE PERIOD (EAT)

In million EUR	1st quarter		
	2021	2022	Change %
Result for the period	80.6	61.3	-24.0%
Non-cash impact of purchase price allocation (PPA) (1)	2.5	2.2	-8.8%
ADJUSTED RESULT OF THE PERIOD	83.0	63.5	-23.5%

(1) In accordance with IFRS 3 and throughout the purchase price allocation (PPA) for several entities, bpostgroup recognized several intangible assets (brand names, know-how, customer relationships...). The non-cash impact consisting of amortization charges on these intangible assets is being adjusted.

Reconciliation of Reported free cash flow and adjusted free cash flow

In million EUR	1st quarter		
	2021	2022	Change %
Net Cash from operating activities	157.1	172.3	9.7%
Net Cash used in investing activities	(9.7)	116.7	
FREE CASH FLOW	147.4	289.0	96.1%
Collected proceeds due to clients	12.6	1.2	
ADJUSTED FREE CASH FLOW	160.0	290.3	81.4%

Forward Looking Statements

The information in this document may include forward-looking statements², which are based on current expectations and projections of management about future events. By their nature, forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other factors because they relate to events and depend on circumstances that will occur in the future whether or not outside the control of the Company. Such factors may cause actual results, performance or developments to differ materially from those expressed or implied by such forward-looking statements. Accordingly, no assurance is given that such forward-looking statements will prove to have been correct. They speak only as at the date of the Presentation and the Company undertakes no obligation to update these forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements.

² as defined among others under the U.S. Private Securities Litigation Reform Act of 1995

Glossary

- **Capex:** total amount invested in fixed assets
- **Constant Exchange Rate:** The reported figures in local currency of the prior comparable period are converted with the exchange rates applied for the current reported period
- **D&A:** Depreciation and amortization
- **EAT:** Earnings After Taxes
- **EBIT:** Earnings Before Interests and Taxes
- **EBITDA:** Earnings Before Interests, Taxes, Depreciation and Amortization
- **Effective tax rate:** Income tax expense/profit before tax
- **Belgium:** Mail, Parcels and Retail business unit Belgium
- **E-Logistics Eurasia:** E-Logistics Europe & Asia
- **E-Logistics N. Am.:** E-Logistics North America
- **SGEI:** Services of General Economic Interest
- **TCV:** Total Contract Value