VEB Questions and Answers
18 May 2022

Agenda item 2. Presentation of the report from Management Board and Supervisory Board

Q1 InPost's shares currently trade roughly a third of the IPO price of 16 euro.

a. **Does InPost believe the low valuation makes the company vulnerable to a takeover?**

With the current valuation and the strategic potential of the business to automate Europe's e-commerce last mile, we appreciate the potential for strategic interest. We believe the current shareholder structure would make a hostile take-over unlikely.

b. **In case of takeover interest, could InPost assure it will adequately represent the interest of minority shareholders?**

The Management and Supervisory Board have a fiduciary duty to protect the interests of all stakeholders, including the minority shareholders, while acting in the long-term interests of the company.

c. **In a scenario takeover interest by Advent, which systems and procedures are in place to deal with the inherent conflict of interest and information advantage of Advent?**

The Company has clear protocols and processes for Advent being recused from Supervisory Board discussions where any conflicts of interest may exist. The Supervisory Board furthermore consists of a majority of independent directors who are committed to act in the long-term interests of the company and all its stakeholders.

Q2 Return on invested capital is depressed due to the takeover of Mondial Relay. In last year's AGM, InPost noted that the "expected value accretion from the proposed acquisition is going to become increasingly visible over the short and medium-term"

a. **What ROI is required on this acquisition so that the deal is value accretive?**

Given the extremely high return on capital that InPost generates as part of core business in Poland, it was always assumed that any inorganic growth would by definition provide lower return on invested capital but still well in excess of our weighted cost of capital. InPost returns on invested capital remain well above industry as our differentiated, highly automated business model provides unit cost advantages versus traditional door to door carriers. Furthermore, part of the international strategy is to – beyond optimising capital returns – also achieve other objectives which are very important for strategic value creation and for the long-term success of the business. These include:

i. Accessing new growth markets;

ii. Reducing concentration risk in a single geography; and

iii. Reducing concentration risk on a single customer.

The Mondial Relay acquisition allows the Company to achieve those objectives.

b. How does InPost define 'short and medium term'?

We have communicated our value creation ambitions for Mondial Relay in incremental EBITDA terms. InPost still maintains its view that the Mondial Relay transformation should allow the company to generate incremental 100-150m EUR of EBITDA in the mid-term (3-5 years) on top of the Mondial Relay EBITDA which was communicated at the time of acquisition (EUR 60m annual EBITDA). Delivering on this additional EBITDA growth would generate returns on capital materially in excess of our weighted average cost of capital.

Q3: The acquisition of Mondial Relay has been effectuated. Is the integration proceeding according to the original plan, and what are the key challenges?

We are happy with the progress on implementing the value creation plan, including the early adoption levels we are seeing of our APM solution in the French market. A clear challenge for all players is the current macro environment and the impact thereof on consumer demand. The French e-commerce market was down mid-teens in Q1'22 year on year – however InPost volumes in France grew 10% year on year over this period.

Q4: Could InPost provide a split between the revenue earned with fixed-price contracts and contracts indexed to inflation?

In general, all of InPost contracts (with the exception of Allegro contract where the degree of provided disclosure is high) are floating price contracts where price indexation mechanism will vary depending on the segment and size of the merchant. Contracts will typically have inflation indexation ratchets which kick in around the end of this year. We have made price increases to the significant majority of other InPost revenues which were implemented in April and May.

Q5: InPost does not have a separate department for the internal audit function; however, it is in the progress of establishing the function. Could InPost provide the timeline for installing the internal audit function?

The Internal Audit function has been now established and is operating since the beginning April.

Q6: VEB considers the level of disclosure in the remuneration report subpar as - amongst other - only an overall score for the short- and long-term targets is published. Why doesn't InPost disclose how the actual performance compared to the 'minimum', 'at target', and 'maximum' performance levels for the STI and LTI targets?

The Company welcomes feedback on how reporting can be improved given this is our first annual report as a public company. InPost commits to improving the level of ex post disclosure on its remuneration KPIs.

Q7: In the remuneration report, it is mentioned that the supervisory board decided not to impose the condition that shares, that have vested under the STI-plan, will be forfeited if board members leave the company within three years after the pay-out. In the remuneration report, the supervisory board mentions it will re-examine the decision not to forfeit bonus shares as part of a broader compensation plan review, and amendments will be proposed at the 2023 AGM.

a. Could InPost clarify the rationale for this decision?

The purpose of the annual bonus is to incentive superior performance in a specific year – whilst aligning to long term value creation- and there are situations where the Company feels it would be inappropriate for the annual bonus to be forfeited for example if the executive needed to leave the business through ill health or a similar reasonable and amicable departure.

b. Why didn't InPost postpone this decision to next year so that the shareholders could vote on the amendment?

The company is intending to undertake a fuller review of compensation structures in 2022, including how to build targets from its recently launched sustainability strategy into management remuneration, and believes it makes sense to propose an integrated set of packages for shareholder vote at next year's AGM. The Company plans to consult with its shareholders and shareholder representative bodies in the course of 2022 to solicit their views on the remuneration policy.

<u>Agenda item 8. Acknowledgment and approval of the Remuneration Report 2021</u>

Q8: In the annual report, it is stated that the exit date for the purpose of the share-based program-valuation was extended as a result of the decreasing market valuation. Could InPost explain why it believes this adjustment is appropriate?

The exit date related to the share-based programme which was put in place under AI Prime's (consisting of Advent and its co-investors) ownership and which crystallises as AI Prime sells down its equity position. Given equity market conditions and the fact that AI Prime remain supportive owners, the accounting assumptions reflect a likely longer holding period. Please note, that the share-based programme will be cash settled by AI Prime from their proceeds. as they sell down and has no dilution impact on the company.

<u>Agenda item 9. Granting authorization to the Company to acquire its own shares, subject to the following terms and conditions</u>

Q9: The company seeks authorization to purchase InPost shares for five years. Why does InPost propose such an extraordinarily long period?

The object is to secure the company's ability to purchase shares to settle LTIPs in the future. The first LTIP settlement will not happen before 2024 dependent on meeting 2023 objectives but the company wishes to have the ability to buy shares in the market as a natural hedge against these future LTIP settlements. Although the Company realises it is asking for a longer authorisation period than is common for most Dutch listed companies, the term is in line with what is market practice for Luxembourg listed companies.

Agenda item 10. Renewal if appointment of the external auditor

Q10: InPost published an addendum regarding the renewal of the appointment of the auditor as rating agencies raised questions about the auditor's independence due to high and unexplained non-audit fees.

a. Does InPost agree that the disclosure in the annual report regarding the audit fee is subpar?

The Company has provided a clarification letter on its website of the fees paid to PWC, including the fact that whilst technically categorised as "non-audit" they services were primarily audit-related services for the IPO and bond issues, which are customary for the appointed auditors to perform.

b. Could InPost explain the difference between the total audit fees disclosed in the annual report of 1,9 million PLN compared to 2,18 million PLN in the addendum?

The difference stems from different classification of 2 remuneration items: (i) procedures related to the audit of PPA resulting from acquisition of Mondial Relay in the amount of PLNm 0.15 and (ii) verification of ESEF/XBRL reporting in the amount of PLNm 0.02. These two items making up PLNm 0.17 of the gap were classified as non-audit fees in InPost Annual Report while in fact they were audit related fees. This classification was not done consistently with our Annual Report and hence caused confusion for which we apologize. The remainder of the difference in the amount of PLNm 0.11 comes from FX differences when PLN denominated fees were translated into EUR using the specified year-end rate as opposed to spot rate at which the fees were booked.

c. Could InPost explain why the fee for the issuance of the comfort letter looks relatively high at 1,56 million PLN?

Fees are a function of level of complexity of the services that need to be undertaken. InPost believes that the fees paid for the Comfort Letter related to the IPO Prospectus are in line with market rates for this type of service for similar IPO size transactions from Big 4 audit firms. In 2021, the company completed two complex, international transactions:

i. IPO in January 2021 - which involved PwC providing comfort from both the Poland and Luxembourg perspectives on Q3 2020 financial data and the period beyond Q3;

ii. bonds issue in June 2021 - which again involved PwC teams from Poland and Luxembourg and also from France with respect to pro forma comfort on the Mondial Relay acquisition.

As a result, fees for the comfort letters relate in fact to two separate transactions, both highly complex and both requiring the involvement of multiple PwC offices orchestrating efforts to meet demanding timelines and diligence requirements. InPost would furthermore like to draw attention to the fact that IPO costs incurred by the company were very low compared to the transaction size – the full cost was c.a. as per disclosure PLN 21.9 million, c.a. 0.2% of the IPO value.

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The Hague, 13 May 2022

subject: VEB questions AGM InPost S.A.

VEB registration number: 409867

Dear Board members,

With respect to the Annual General Meeting (**'AGM'**) of InPost S.A. **('InPost')** of 19 May 2022 European Investors-VEB would like to submit several questions which are outlined below.

We appreciate receiving substantive answers to these questions during the AGM.

QUESTIONS VEB

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    b. In case of takeover interest, could InPost assure it will adequately represent the interests of minority shareholders?

    c. In a scenario of takeover interest by Advent, which systems and procedures are in place to deal with the inherent conflict of interest and information advantage of Advent?

2. Return on invested capital is depressed due to the takeover of Mondial Relay. In last year's AGM, InPost noted that the "expected value accretion from the proposed acquisition is going to become increasingly visible over the short and medium-term".

    a. What ROI is required on this acquisition so that the deal is value accretive?

    b. How does InPost define 'short and medium term'?

3. The acquisition of Mondial Relay has been effectuated. Is the integration proceeding according to the original plan, and what are the key challenges?

4. Could InPost provide a split between the revenue earned with fixed-price contracts and contracts indexed to inflation?

5. InPost does not have a separate department for the internal audit function; however, it is in the progress of establishing the function. Could InPost provide the timeline for installing the internal audit function?

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7. In the remuneration report, it is mentioned that the supervisory board decided not to impose the condition that shares, that have vested under the STI-plan, will be forfeited if board members leave the company within three years after the payout.

   In the remuneration report, the supervisory board mentions it will re-examine the decision not to forfeit bonus shares as part of a broader compensation plan review, and amendments will be proposed at the 2023 AGM.

   a. Could InPost clarify the rationale for this decision?

   b. Why didn't InPost postpone this decision to next year so that shareholders could vote on the amendment?

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Agenda item 10. Renewal of appointment of the external auditor

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Yours sincerely,

European Investors-VEB