

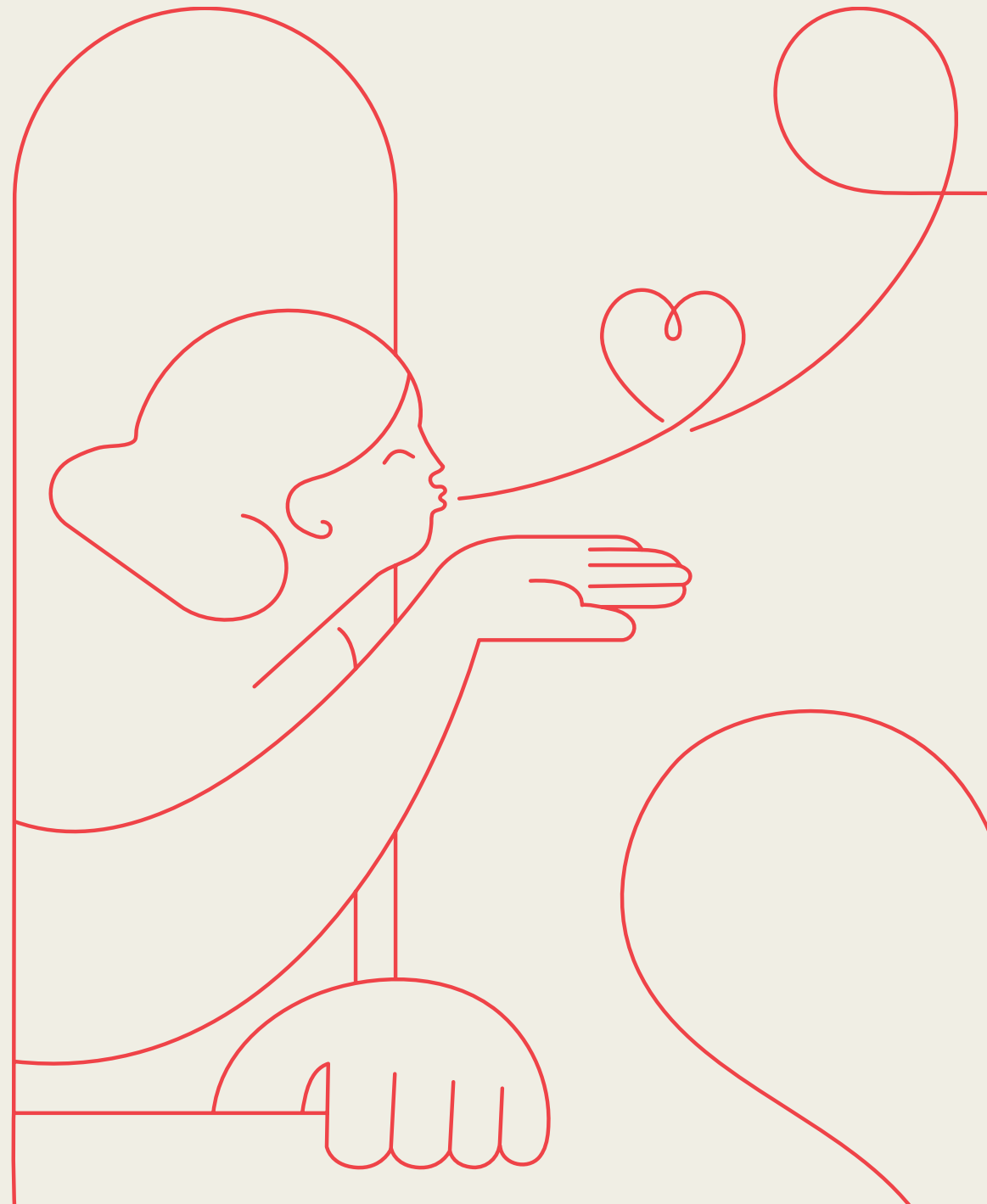
Update on compliance reviews

Analyst call

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September 25th, 2023

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Today we share the results of bpostgroup's internal investigations – We are now starting engagement with FPSs to establish a resolution path

- 🔄 bpostgroup took the lead in **driving the compliance reviews**, uncovering any (potential) wrongdoings, reporting them to competent authorities, and initiating compliance audits
- 🔄 All the ongoing **compliance audits** (679, ELP & CBF) are **closed**, and bpostgroup has taken all appropriate actions, incl. terminated collaboration with the people involved
- 🔄 Compliance reports have been **submitted to the external counsel of the FPSs**, bpostgroup now starts engaging with them to establish a resolution path
- 🔄 bpostgroup will **repay** any amount of overcompensation which is due, as a part of this commitment bpostgroup has taken a **provision of EUR 75 m**
- 🔄 bpostgroup fully appreciates the **necessity of acting upon the uncovered malpractices**, and has taken the necessary **measures** to rectify these abuses and strengthen its governance

bpostgroup is going to the bottom of things to solve all compliance issues

Since the start of the compliance issues in August '22 we have established **a framework** to look for other wrong doings, based on 5 criteria:

- 1**  **Importance / value** of the tender
- 2**  **Public tenders**, where bpostgroup has been the **incumbent** or the **historic** service provider
- 3**  Involvement of the **same competitors**
- 4**  Involvement of **same governmental body**
- 5**  Involvement of the **same bpostgroup individuals** implicated in previous reviews

Resulting in the launch of **3 follow-up compliance reviews**



Cross Border Fines

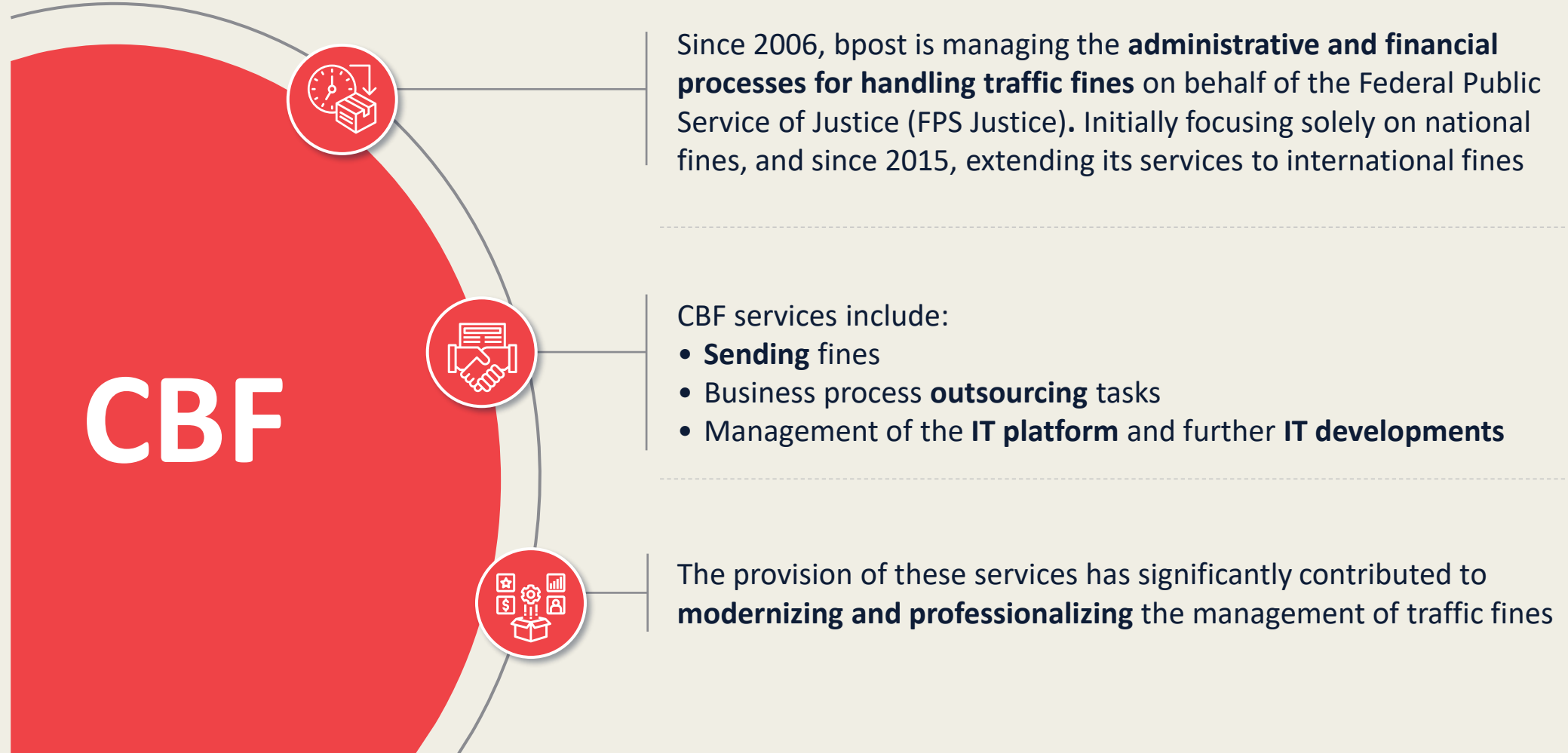


679 accounts



European License Plates

“CBF” services: bpostgroup handles the administrative and financial processing of traffic fines on behalf of the Belgian state



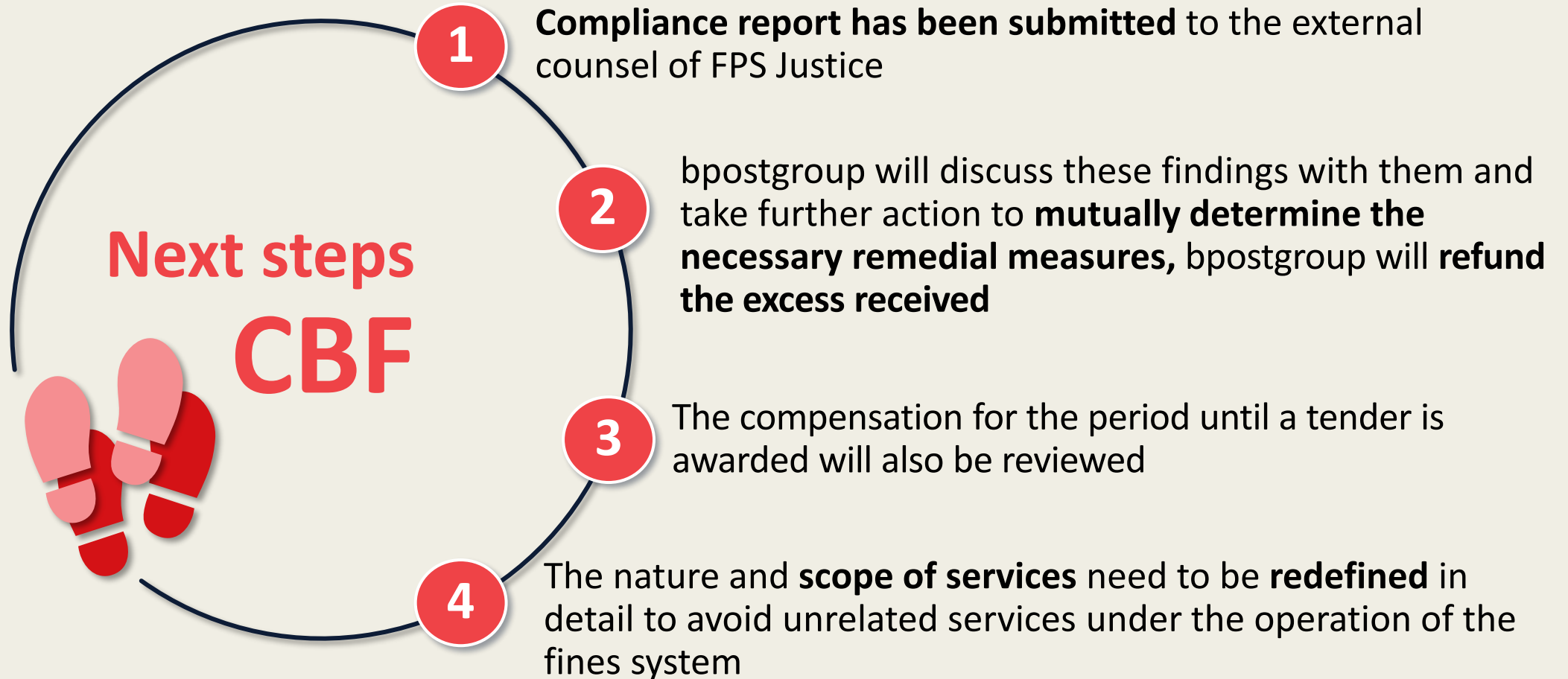
Results of the compliance investigations on CBF:

CBF

- 1 Compensation received by bpost may in part constitute unlawful State aid**
- 2 Improper use of CBF contract for other services**
- 3 Not communicating on discovered invoicing mistakes**

Engagement with FPS Justice is currently ongoing to define a resolution path

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“679” services: bpostgroup manages payment accounts of public institutions

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679



Since 1912, bpost has **managed the bank accounts** for the government and more than 200 public agencies (such as VAT payments)



The FPS Finance entrusted this historical service to bpost on the basis of **contracts without initiating a tender procedure**



A tender procedure is currently ongoing and on 31 March 2023 the bpost/speos consortium was one of the three candidates selected to participate

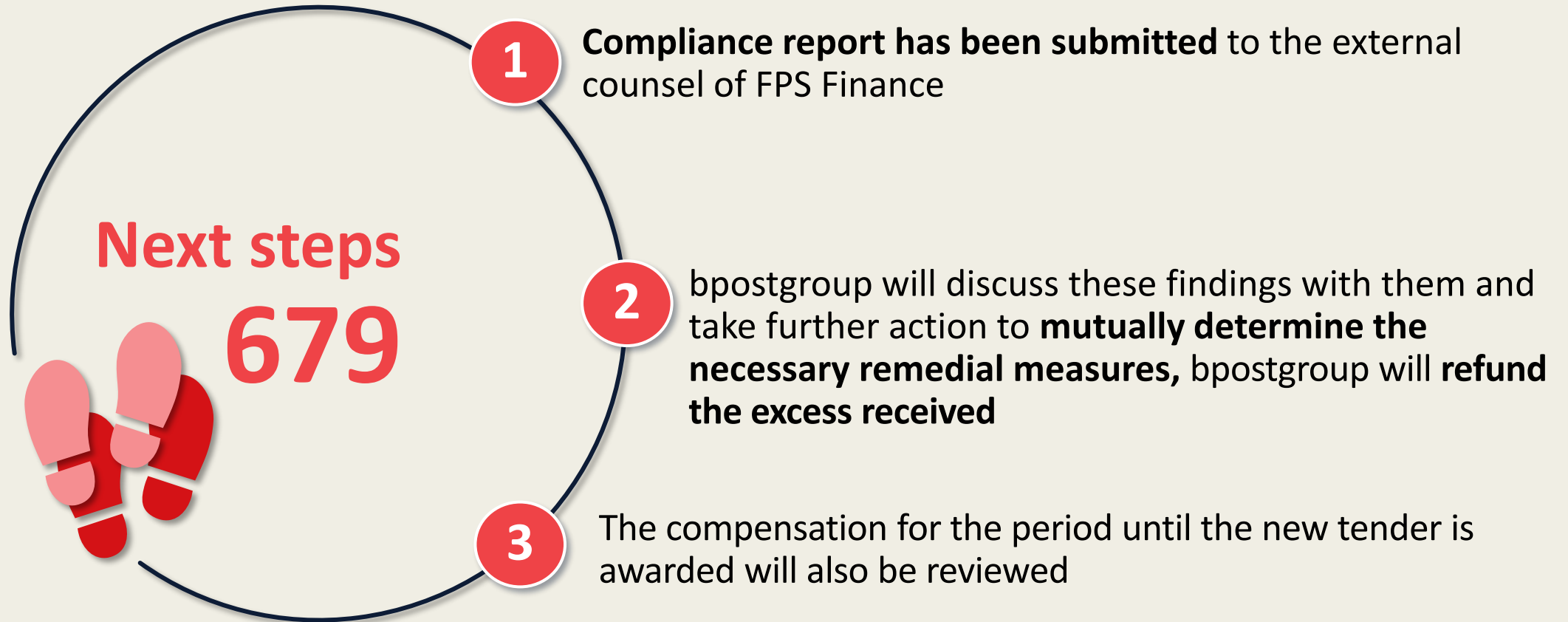
Results of the compliance investigations on 679:

679

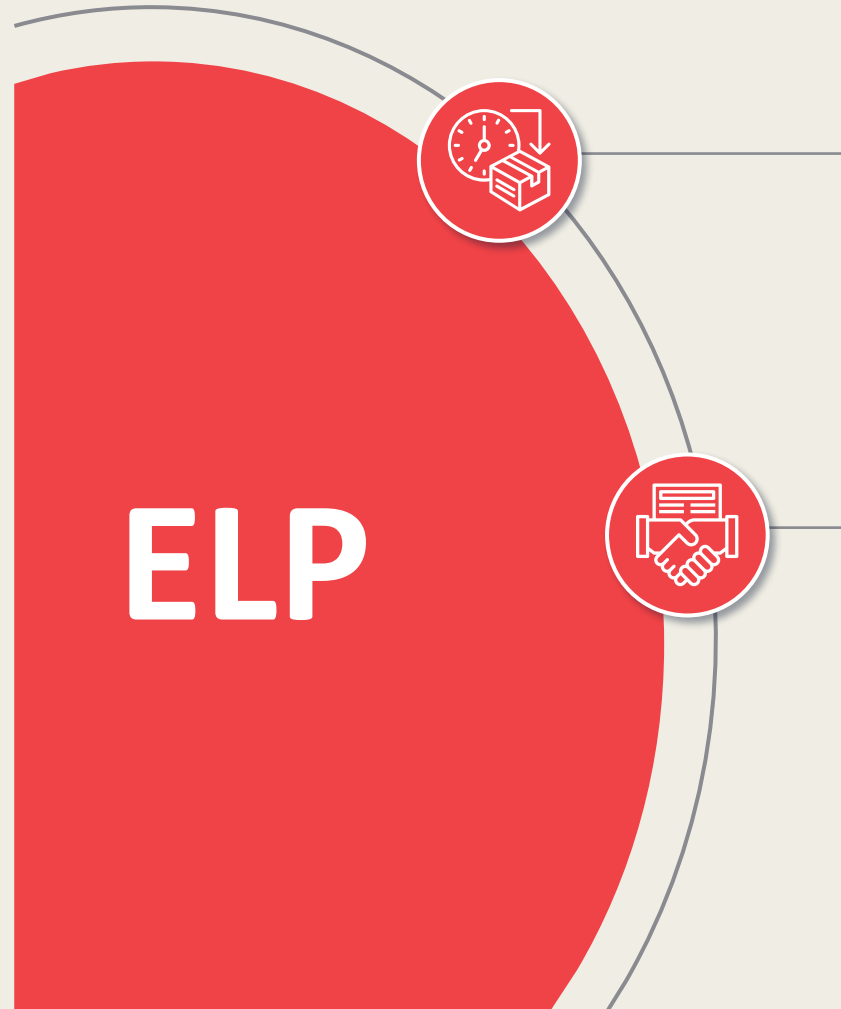
- 1 The compensation received by bpost may be partly considered to be unlawful State aid
- 2 Incorrect presentation of costs to the FPS Finance

Engagement with FPS Finance is currently ongoing to define a resolution path

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“ELP” services: production and delivery of license plates



ELP services include:

- **Production and delivery of number plates** and related registration certificate for new and used cars in Belgium
- **Cancellation** of license plates
- **Collection of payment** for relevant services

The **bpost/speos consortium** won the contract for these services in **two successive tenders**, launched by DIV (Vehicle Registration Department of the Ministry of Mobility) in 2010 and 2019

Results of the compliance investigations on ELP:

ELP

1

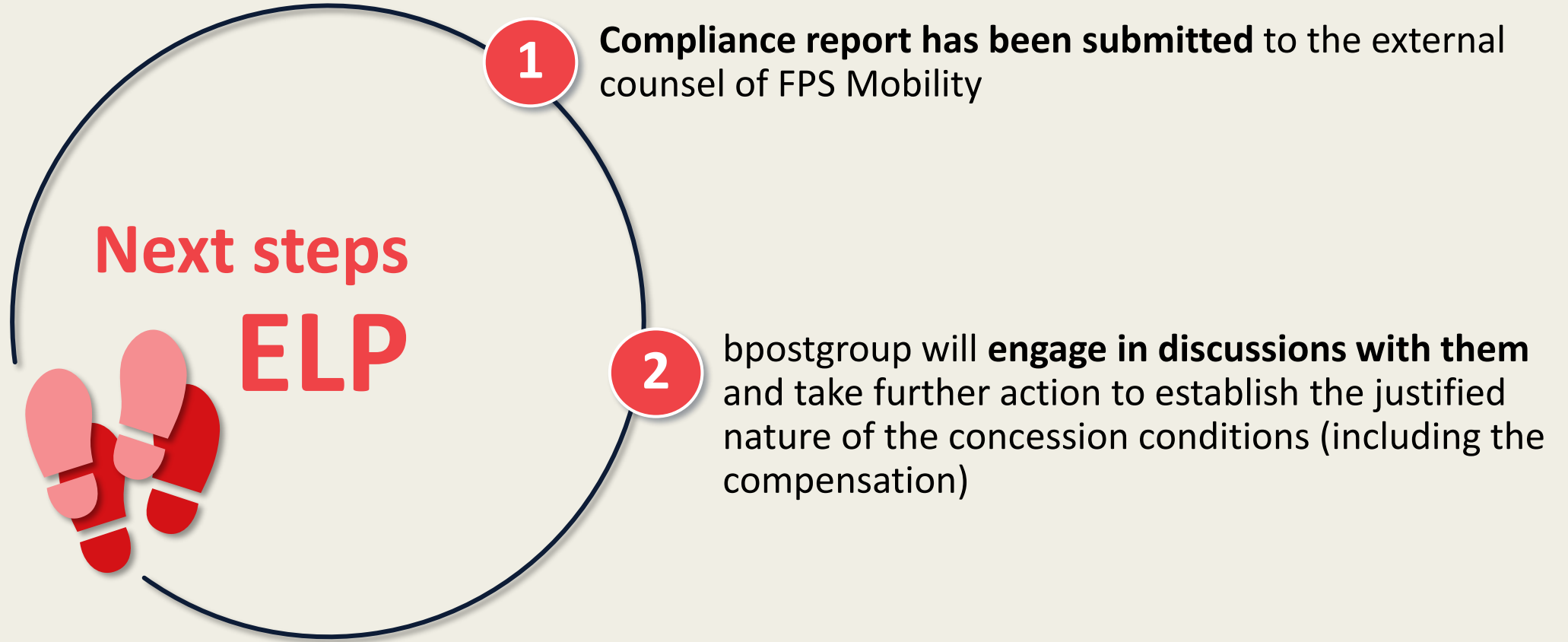
No practices restricting the competition law were found within the framework of the two tenders under which the concession was awarded

2

bpost failed to comply with the service level agreements (SLAs) on a number of occasions

Engagement with FPS Mobility is currently ongoing to define a resolution path

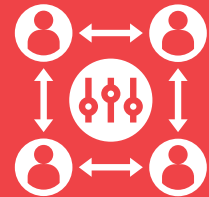
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bpostgroup has taken the necessary measures to rectify these abuses and to strengthen its governance

Compliance management

A compliance management system has been established to foster a culture of ethics and compliance



Examples of results

<p>New functions (+6 FTEs)</p>		<p>Additional resources are being onboarded within the Legal & Compliance department to strengthen focus on compliance, e.g, creating of a risk management function</p>
<p>Compliance trainings</p>		<p>Targeted compliance trainings are being implemented, amongst others:</p> <ul style="list-style-type: none"> • Group-wide annual compliance training • Bid compliance & competition compliance
<p>Speak-Up program</p>		<p>Rolled out a program to establish a safe and secure channel to be able to anonymously miscondacts</p>
<p>Code of Conduct</p>		<p>Mandatory group-wide training on (updated) Code of Conduct through e-learning platform with certification process</p>

bpostgroup's current assessment regarding the remuneration paid by the Belgian State for the three services leads to the following considerations:

EUR 75¹⁾ m
Provision booked

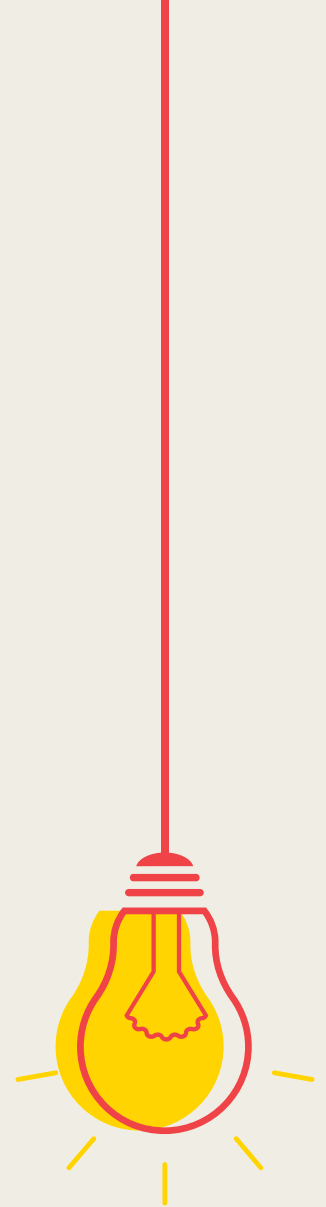
- As part of its commitment to **repay any overcompensation**, bpostgroup is booking a provision of **EUR 75 m¹⁾**.
- Based on its in-depth legal and economic assessment, bpostgroup believes that such number constitutes the **overcompensation to be repaid to the Belgian State** over the past years for the three contracts.
- Such number remains **preliminary**, as it does not yet reflect the views of the Belgian State.
- **bpost will provide an update** as soon as it would become apparent that the conclusion of the resolution efforts would result in a materially higher amount.

EUR 10 m
Adjusted EBIT impact 2023

- Concerning the **annualized negative EBIT impact in 2023** of repricing the services to the three ministries, the annual accrual has been reduced to **EUR 10 m** based on bpostgroup's own in-depth legal and economic assessment.
- This **replaces the accrual made** further to the preliminary estimates as initially communicated on **April 24, 2023**.
- Such number remains **preliminary** as it does not yet reflect the views of the Belgian State.
- The **final repricing impact** will depend on the conclusion of the **resolution efforts**.

1) The provision, as is customary concerning the repayment of State Aid, is already net of corporate income taxes paid on the incompatible aid principal amount. As a result, this amount is not tax deductible at the moment of its recognition and as a one-off exceeding the threshold of €20 million, as defined in bpostgroup's Alternative Performance Measures, this provision will be excluded from the Adjusted Financials.

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Q&A