Commitment with Purpose

Integrated Report **2024**

ctt

Key figures

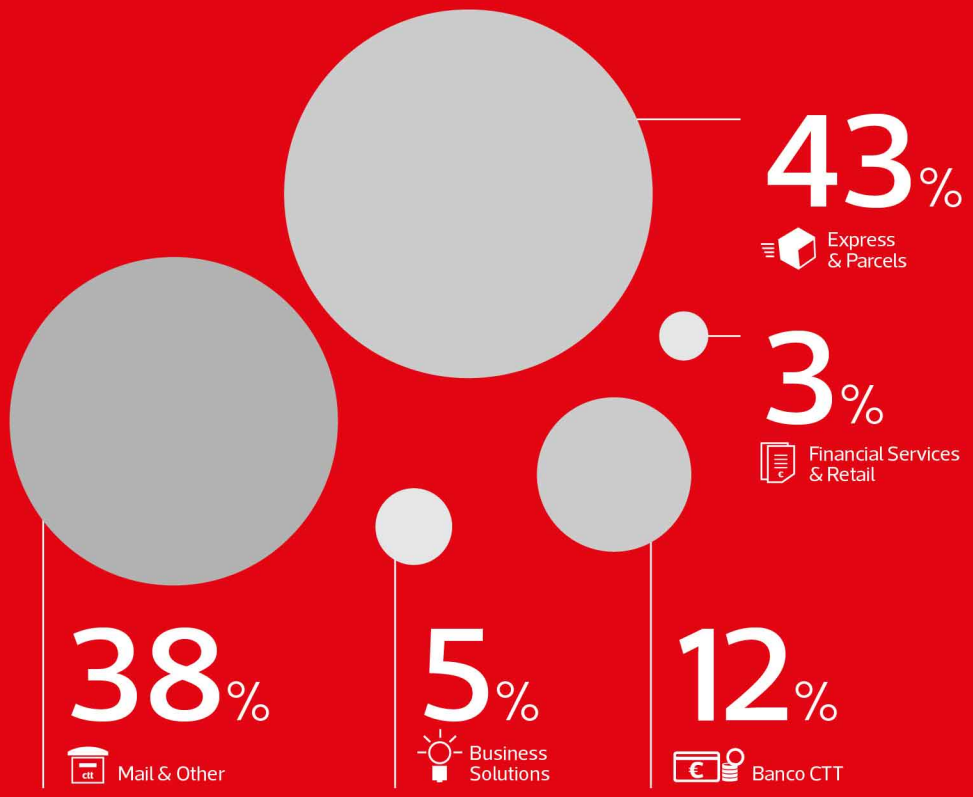
Financial and operational indicators

Guidance Delivered

€85m
Recurring EBIT

€1,107m
+12% Revenues

28% Derived from Spain
+9 p.p.



Express & Parcels	142m +41% Total Volumes	1,065 Installed Locky Lockers	1,250 Contracted Locky Lockers
Banco CTT	681k +34k No. of current accounts	+€1.2bn Business volumes (resources & credit)	+31% Customer deposits
Financial Services & Retail	€2bn Public Debt Certificates (subscriptions)	Mail & Other	385m Addressed mail volumes

Note: Changes in % compared to 2023

Key figures

Environmental and social indicators

150 ktCO2e
Carbon emissions from scopes 1, 2, and 3

+140k
Trees planted since 2014

Science-Based Target (SBT)
GHG emissions reduction goal aligned with 1.5°C

90%
Mail and E&P offerings made with recycled materials

35%
Eco-friendly vehicles in last-mile delivery

13,592
CTT employees

38%
Gender parity in leadership

efr certification
Family responsible company

1,248
Volunteer participations in community support actions

1%
of Recurring EBIT invested in the community

2,362
CTT points accessible to the entire community and customers

Table of Contents

1. INTRODUCTION TO CTT 6
   1.1 Statement of the Chair of the Board of Directors 7
   1.2 Statement of the Chief Executive Officer 9
   1.3 Explanation of the nature of the Integrated Report 13
   1.4 How we are organised 14
   1.5 Key figures 17
   1.6 External awards and distinctions 20
2. STRATEGIC BACKGROUND 23
   2.1 Economic, sectoral and regulatory environment 24
   2.2 Strategic lines 35
   2.3 Risk management 44
   2.4 Opportunity management 53
   2.5 Impact management 57
3. CTT BUSINESS UNITS 63
   3.1 Logistics 65
   3.2 Bank & Financial Services 69
   3.3 Future perspectives 72
4. ECONOMIC AND FINANCIAL PERFORMANCE 74
5. SUSTAINABILITY STATEMENTS 82
   5.1 ESG Commitments and the Sustainable Development Goals 83
   5.2 General disclosures 93
   5.3 Environment 108
   5.4 Social 138
   5.5 Governance 165
6. CORPORATE GOVERNANCE 179
7. PROPOSAL FOR THE APPROPRIATION OF RESULTS 270
8. CONSOLIDATED AND INDIVIDUAL FINANCIAL STATEMENTS 273
9. DECLARATION OF CONFORMITY 471
10. AUDIT REPORT, REPORT AND OPINION OF THE AUDIT COMMITTEE AND INDEPENDENT LIMITED ASSURANCE REPORT 474
11. INVESTOR SUPPORT 500
12. WEBSITE 503

ANNEX I – *CURRICULA* 505
ANNEX II – TRANSACTIONS OF CTT SHARES 529
ANNEX III – ESG INDICATORS 536
ANNEX IV – CSRD INDEX 542
ANNEX V – CTT'S IMPACTS, RISKS AND OPPORTUNITIES 556
CONTACTS 561

01

Introduction to CTT

1.1 Statement of the Chair of the Board of Directors
1.2 Statement of the Chief Executive Officer
1.3 Explanation of the nature of the Integrated Report
1.4 How we are organised
1.5 Key figures
1.6 External awards and distinctions

1.1 Statement of the Chair of the Board of Directors

Raúl Galamba de Oliveira

1.1
Statement of the Chair of the Board of Directors

On behalf of the Board of Directors, I am pleased to welcome you to the 2024 Integrated Report. In this introductory note, I will, as usual, leave our shareholders and other stakeholders with a few notes on the Company's performance over the last 12 months, while also taking advantage of the end of the year to share more general reflections on where we are and what lies ahead.

Starting with the most obvious - the year's performance was clearly positive and essentially fulfilled the high expectations we had. The company accelerated its trajectory from previous years, with strong growth of 12.4% (8.7% in the previous year), thereby offsetting the pressure on the margin resulting from the extraordinary downturn in the distribution of financial products. With revenues of 1.1 billion euros and an recurring EBIT margin of 85 million euros, CTT confirmed the vitality of its business model and the commitment to delivery it has accustomed the market in recent years.

This result is all the more remarkable given that, as is well known, the business context was not favourable, conditioned by addressed mail volumes falling clearly above expectations (-8.5% compared to 2023), and public debt remaining at very low levels, given the unchanged product conditions. In adverse circumstances, the company adapted: it cut costs in mail, reallocated commercial capacity in retail to other products, accelerated in public debt upon change of caps by IGCP, and carried out an extraordinary 'peak season', particularly in the Spanish operation.

Anyone who follows us regularly will recognise in this performance a pattern common to previous years. The company's success lies in the adaptability that CTT has built up, particularly since the pandemic, to respond to the challenges, with strong investments in the innovation of its offer, commercial capacity to serve more customers, and a leadership model geared towards execution. It is therefore up to the Board of Directors to congratulate the CTT team - the managers and employees who take on responsibility for their company every day with enormous commitment - for another successful year and for the results achieved.

Five years on since the pandemic, we recognise signs of growing confidence in the future in the day-to-day running of the Company - and they are reflected in the CEO's message on the following pages of this Report. 2024 will indeed be remembered as a landmark year in the history of CTT's transformation, with a clear affirmation, supported by the results obtained, as an e-commerce logistics operator on an Iberian scale, with the ambition to lead this market. The operations announced at the end of the year - the acquisition of Cacesa S.A. and the partnership with DHL - will reinforce the foundations of this transformation and open a new stage in CTT's development.

In parallel with the advances on the business front, throughout the year CTT continued to work on corporate responsibility - as it understands that sustainability is not a fad, but an essential element for the resilience of the Company. The objectives set at Capital Markets Day in June 2022 for the environmental, social and governance aspects have already been achieved to a large extent, but they do not limit CTT's ambition. The ongoing programmes to implement the Code of Ethics and the adoption of the new integrated reporting model in accordance with the CSRD directive and the Taxonomy Regulation, for example, illustrate the company's commitment in these areas.

In a nutshell - given all the challenges we faced, 2024 was also unquestionably a year of excellent performance, marking the start of a new phase for the Company. The Board of Directors believes that the company now has the assets, the business model and the corporate culture needed to ensure its business success in an increasingly competitive Iberian context. It is therefore with confidence, but also without complacency, that we approach the challenge of establishing CTT's new strategic plan in 2025, which will mark the Company's development for the period 2026-2028.

We would like to thank the Shareholders for their support over the past year.

Raúl Galamba de Oliveira
Chair of the Board of Directors

1.2 Statement of the Chief Executive Officer

João Bento

1.2
Statement of the CEO

A new cycle

As 2024 drew to a close, we were not only concluding another challenging and intense year, but we were also closing a cycle. Perhaps one of the most crucial in the company's recent history.

As anticipated in last year's statement, 2024 was particularly relevant in conducting the profound transformation process that CTT was focused on to meet the business 2025 targets announced at the Capital Markets Day 2022.

The success of this transformation depended greatly on the results to be achieved in 2024, paving the way for a new cycle of expansion and profitability, boosted by our growth levers: Express & Parcels (E&P) and Banco CTT.

The cycle that is now ending, of a **postal operator undergoing** a profound and successful **transformation**, is followed by that of an **e-commerce logistics operator** with an Iberian scale seeking market leadership in the E&P business.

For the first time in CTT's history, Mail was no longer the business area that contributed the most to the company's revenues, passing the baton to the E&P area. This resulted from the stabilisation of mail revenues and the fact that CTT was the fastest-growing E&P operator on the Iberian Peninsula in 2024.

To embody our ambition of becoming the top reference in the E&P market in Iberia, we announced two groundbreaking operations in the final stretch of the year – the acquisition of Cacesa and the partnership with DHL Parcel Iberia – which will make a significant contribution to shaping this new cycle.

Commitment

We knew how challenging 2024 would be, given the global context of continued geopolitical uncertainty and anaemic economic growth in Europe, despite the easing of inflationary pressure and some specific favourable conditions inherent to our businesses. As main expectations for the year, I would highlight the ability to maintain very strong levels of growth in E&P, the evolution of mail volumes and the scenario of a return to normality emerging for the placement of public debt after an atypical 2023.

While in the first three quarters of the year, mail volumes remained under significant downward pressure, and there was no change in the conditions of public debt products, E&P continued to show clear signs of a vigorous performance, with sustained growth and consolidation of interesting levels of profitability, especially in the Spanish operation. The bank maintained a path of persistent growth on all fronts, notably gaining market share in deposit-taking.

This trajectory, and in particular the uncertainty regarding the dynamics of the placement of public debt, led us, in the presentation of the 3rd quarter results, to break down the EBIT guidance, explicitly assuming commitments for the Logistics businesses (Mail + E&P) plus Banco CTT, which we set at €70m. At the same time, a range of between €80m and €90m was set for the Group's EBIT, depending on the evolution of the public debt placement. We did this because, even though, in the meantime, there had been a favourable change in public debt conditions, with the increase in investment ceilings per saver, there was still uncertainty about the practical effect of that change.

It was imperative to execute a robust final quarter, and to this end, a plan was drawn up for focused actions, commercial training and operational efficiency. It was essential to ensure a powerful peak season in E&P, to significantly adjust the capacity of the mail network given the more contained demand observed from the summer onwards, and, finally, to leverage the commercial capacity of the retail network to relaunch the placement of public debt, including communication, commercial incentives and increased focus by the teams.

It is fair to conclude that we succeeded in a disciplined execution throughout the year, which allowed us to deliver what we had committed to.

We closed 2024 surpassing the one-billion-euro revenue threshold (€1,107m), representing over 12% growth. With regards to recurring EBIT, the €85m achieved position us clearly within the guidance range, and it is perhaps most important to note that the ambitious target of €70m for the Logistics and Banking businesses was more than accomplished, with the €70.9m result, a growth higher than 38%, which more than doubles the figure achieved two years earlier.

Solid performance

The results we are now presenting were based on a capacity for focused and rigorous execution, especially in the last quarter of the year, given the need to counteract headwinds and accelerate on the fronts where the context was more favourable.

We can summarise the year's performance in three crucial aspects: the strength of E&P, with revenue growth of over 40% and EBIT growth of over 80%, a performance that is unmatched in the Iberian market; the consistency of execution by Banco CTT, which, once again, showed turnover growth of over 20%, maintaining a significant contribution to the Group's profitability; and, finally, the ability to act in a determined and assertive manner in Mail and Financial Services, catapulting the results of the last quarter, as opposed to the first nine months of the year.

The transformation effort materialised in dozens of initiatives that have been completed or are underway, guided by three axes: customer experience, efficiency and quality of operations, and productivity in support functions, all of which continued to make a decisive contribution to this performance.

The commitment to people and their talent, as key pillars in implementing our strategy, was reinforced with numerous measures aimed at team alignment and development. Training at the various levels of the organisation, including radical reskilling in the programming, for example, received a significant boost. The aim was to improve the employee experience and strengthen the benefits and tools for interacting with the company. On the other hand, policies to align incentives and recognise merit were a priority in 2024 and have seen noteworthy progress, particularly in the operational areas.

Despite the hesitations that are emerging more and more frequently in several economies, we have remained committed to the sustainability of our activity, and 2024 has seen meaningful progress. On the environmental front, we exceeded 35% of electric vehicles in last-mile distribution, strengthened our private charging network to 689 chargers, and installed 23 solar neighbourhoods on rooftops of our physical infrastructure. I should also mention the progress made on the social side, highlighting our people's ability to mobilise and commit, more than doubling the participation in voluntary actions compared to the previous year.

I should also highlight the considerable progress in integrated reporting, the corollary of which is this present document, drawn up following a new model laid down in the Corporate Sustainability Reporting Directive (yet to be transposed) and the Taxonomy Regulation.

A clear and promising future

The path is now clear and unequivocal: we are an e-commerce logistics operator searching for market leadership in Iberia. This goal will guide all our decisions and actions, making us aware that there is a path not without challenges and barriers to overcome.

By guaranteeing, in the execution of the strategy, the necessary balance for the sustainability of the company in all its areas and taking into account all stakeholders, we will continue to be a group with a diversified but increasingly consistent portfolio in which each business area, all of them relevant for the future of CTT, has specific challenges and objectives.

The present year closes the period for which we have presented financial performance goals at the Capital Markets Day 2022. I recall the targets announced at that time for 2025: revenues between 1.1 billion and

1.25 billion euros, recurring EBIT between 100 million and 120 million euros and profitability of the Bank (RoTE) in the 11-13% range. We believe we are clearly on track to meeting or exceeding all these targets, having already anticipated revenue growth with the 2024 performance.

Our conviction of achieving the targets we have set is based on the fact that, as mentioned on other occasions, we have a strong and growing presence in the Iberian market, which has very significant e-commerce growth potential and is expected to be one of the European markets with scale that will expand the most in the coming years; we have already demonstrated the agility, energy and focus needed to execute our strategy; we have taken structuring steps to prepare for the future, both organically, with CTT's transformation process, which is continuing, and inorganically, seeking to gain scale and relevance.

On this last point, a final word to review the strategic rationale present in the operations we announced at the end of 2024 – the acquisition of Cacesa and the Partnership with DHL Parcel Iberia: acceleration towards leadership by strengthening the value proposition for customers; risk diversification, with a broader presence in the value chain and market segments (namely B2B); strengthening our position in the international segment, which will be the primary driver of e-commerce growth in the coming years and, finally; maximising future opportunities by incorporating new capabilities, making us an even more competent operator.

The speed and consistency of our Iberian integration will be critical to materialising the synergies already identified and boosting new sources of growth and profitability, which will not only enable us to achieve leadership but also to do so on a sustained basis.

As I report on another very challenging but very successful year of activity, I must thank everyone who made it possible: in particular, first and foremost, to our people, but also to the clients who have continued to trust us, to the partners who have travelled this road with us and to all the investors who wanted to become or to remain our shareholders.

João Bento

Chief Executive Officer

1.3 Explanation of the nature of the Integrated Report

CTT publishes its integrated report for the seventh time. This report contains CTT's financial and non-financial information, complying with the individual and consolidated management reporting requirements, namely as stipulated in articles 65, 66, 66-A, 66-B, and 508 to 508-G of the Portuguese Companies Code, as amended by Decree-Law no. 89/2017 of 28 July, with a focus on CTT's business and its performance for all stakeholders.

The integrated report contains information on the strategy, management and performance of the Group's main business units, from a perspective of sustainable value creation. The risks, opportunities and the impacts inherent to the activity are also analysed, as well as the way CTT deals with the commitments and challenges of sustainability. In addition to the economic performance, the main innovations and the ESG (Environmental, Social and Governance) performance are presented. The environmental reporting gives an account of CTT's efforts to significantly reduce the carbon impact of its activity by the end of this decade, in order to contribute to the fight against climate change and the reduction of atmospheric pollution. The social component is supported by three pillars dedicated to: the development and well-being of its own workforce and that of the value chain; the involvement with the communities; and, lastly, CTT customers.The governance information aggregates the topics of business conduct, ethics, anti-corruption, data privacy and cybersecurity, as well as business transformation.

The sustainability statements are prepared in accordance with the European Corporate Sustainability Reporting Directive (CSRD) and ESRS standards adopted by the European Commission. The disclosures included in the sections of chapter 5 have been assessed as material in accordance with the double materiality assessment that has been carried or are mandatory in accordance with ESRS standards. The CSRD Index may found in Annex IV. They also include information aimed at facilitating sustainable investment, complying with the requirements of the European Taxonomy (Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020). All greenhouse gas emissions (GHG) are reported based on the Greenhouse Gas (GHG) Protocol. The verifying entity, Ernst & Young Audit & Associados - SROC, S.A., assessed compliance with the benchmark.

Additionally, this report contains information about Corporate Governance, in chapter 6, which includes the information concerning the remuneration report provided for in Article 26-G of the Portuguese Securities Code (PSC) issued by the Portuguese Securities Market Commission (CMVM). The report also deals with CTT's Individual and Consolidated Financial Statements. As in previous years, with reference to the reporting model featured in CMVM Regulation and the recommendations of the Portuguese Institute of Corporate Governance (IPCG) Code, CTT continues to comply with a significant number of recommendations relating to corporate governance.

This report discloses the results relative to the financial year ended 31 December 2024, presenting, whenever available, aggregate information on CTT, S.A. and on all its subsidiaries, together referred to as CTT. During the reporting period, CTT incorporated no new companies and did not significantly change the scope of the reporting in relation to the previous year.

CTT - Correios de Portugal, S. A. is a public limited liability company listed on the stock exchange since 2013, with 100% of its capital dispersed among institutional and private shareholders. As at 31 December 2024, as well as the present date the Board of Directors is composed of eleven executive and non-executive Directors. The members of the corporate bodies were elected for the 2023-2025 term of office at the General Meeting held on 20 April 2023.

The essential principles for the definition of the contents of this report are transparency, relevance, comprehensiveness and completeness, in order to provide a convenient and objective presentation to the stakeholders that will use this document.

1.4 How we are organised

Corporate bodies and committees[a]

Board of the General Meeting

CHAIR
Teresa Sapiro Anselmo Vaz Ferreira Soares

VICE-CHAIR
José Luís Pereira Alves da Silva

Board of Directors

CHAIR
Raúl Catarino Galamba de Oliveira

MEMBERS
João Afonso Ramalho Sopas Pereira Bento (Chief Executive Officer)
Guy Patrick Guimarães de Goyri Pacheco (Executive Director)
João Carlos Ventura Sousa (Executive Director)
Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia
Steven Duncan Wood
Duarte Palma Leal Champalimaud
Jürgen Schröder
Margarida Maria Correia de Barros Couto
María del Carmen Gil Marín
Susanne Ruoff

Executive Committee

CHAIR
João Afonso Ramalho Sopas Pereira Bento

MEMBERS
Guy Patrick Guimarães de Goyri Pacheco
João Carlos Ventura Sousa

[a] With reference to the date of approval of this Integrated Report

Audit Committee

CHAIR
Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia

MEMBERS
María del Carmen Gil Marín
Jürgen Schröder

Ethics Committee

CHAIR
Margarida Maria Correia de Barros Couto

MEMBERS
Raúl Catarino Galamba de Oliveira
Ana Maria Machado Fernandes
Patrícia Alexandra Pinto Neto Durães Carolino
Rui Pedro Dias Fonseca Silva
Sílvia Maria Correia

Corporate Governance and Risk Committee

CHAIR
Raúl Catarino Galamba de Oliveira

MEMBERS
Susanne Ruoff
Margarida Maria Correia de Barros Couto
Duarte Palma Leal Champalimaud

Sustainability Committeee

CHAIR
Raúl Catarino Galamba de Oliveira

MEMBERS
João Afonso Ramalho Sopas Pereira Bento
Margarida Maria Correia de Barros Couto
Susanne Ruoff
Nuno Manuel Teiga Luís Vieira
Maria José Oliveira Maia Rebelo

Remuneration Committee

CHAIR
Fernando Paulo de Abreu Neves de Almeida

MEMBERS
Manuel Carlos de Melo Champalimaud
Christopher James Torino

Statutory Auditor

STATUTORY AUDITOR
Ernst & Young Audit & Associados – SROC, S.A. represented by Luís Pedro Magalhães Varela Mendes or by Rui Abel Serra Martins

ALTERNATE STATUTORY AUDITOR
Pedro Miguel Borges Marques

Guy Pacheco
CFO
Executive Director

João Bento
CEO
Chief Executive Officer

João Sousa
CMO
Executive Director

Executive Committee

1.5 Key Figures

1.5.1 Economic and financial indicators

€ thousand or %, except where otherwise indicated

	'23	'24	Δ 24/23
Revenues[1]	985,219	1,107,282	12.4%
Operating costs EBITDA	833,338	946,987	13.6%
EBITDA[1]	151,881	160,294	5.5%
Depreciation & amortisation	64,330	75,150	16.8%
Recurring operating costs	897,668	1,022,137	13.9%
Recurring EBIT	87,551	85,145	(2.7%)
Specific items	9,773	11,362	16.3%
Operating costs	907,441	1,033,499	13.9%
EBIT	77,778	73,783	(5.1%)
EBT	61,538	56,340	(8.4%)
Net profit before non-controlling interests	60,442	47,033	(22.2%)
Net profit for the period	60,511	45,536	(24.7%)
Earnings per share (euro)	0.43	0.33	(22.1%)
EBITDA margin	15.4%	14.5%	(0.9 p.p.)
Recurring EBIT margin	8.9%	7.7%	(1.2 p.p.)
EBIT margin	7.9%	6.7%	(1.2 p.p.)
Net profit margin	6.1%	4.1%	(2.0 p.p.)
Capex	36,096	46,426	28.6%
Operating cash flow	114,415	93,881	(17.9%)
Free Cash Flow	94,351	62,798	(33.4%)
	'31.12.23	**'31.12.24**	**Δ 24/23**
Cash and cash equivalents	351,610	315,912	(10.2%)
Own cash	307,996	294,396	(4.4%)
Assets	4,756,642	5,708,799	20.0%
Equity	253,253	308,263	21.7%
Liabilities	4,503,389	5,400,535	19.9%
Share capital	71,958	69,220	(3.8%)
Number of shares issued	143,915,000	138,440,000	(3.8%)
Average number of shares during the period	141,773,213	136,973,837	(3.4%)

[1] Excluding specific items.

1.5.2 Operating Indicators

	'23	'24	Δ 24/23
Mail and Others			
Addressed mail volumes (million items)	421.1	385.4	(8.5%)
Transactional mail	365.1	336.4	(7.9%)
Editorial mail	25.1	24.0	(4.4%)
Advertising mail	30.9	25.1	(18.8%)
Unaddressed mail volumes (million items)	259.1	236.0	(8.9%)
Payments (number of transactions; millions)	52.7	55.6	5.5%
Expresso e Encomendas			
Volumes (million items)	100.6	141.7	40.9%
Serviços Financeiros			
Savings and insurance (subscriptions; €m)	12,590.3	2,088.7	(83.4%)
Banco CTT			
Number of current accounts	646,852	681,319	5.3%
Deposits (€k)	3,106,178.7	4,060,444.2	30.7%
Savings book, net (off balance sheet) (€k)	938,219.3	1,045,467.5	11.4%
Mortgage loans book, net (€k)	727,469.0	800,557.2	10.0%
Auto loans and leasing book, net (€k)[2]	862,162.8	938,314.3	8.8%
Off balance consumer credit production (€k)	41,430.10	38,158.80	(7.9%)
LDR (including 321 Crédito)	51.5%	43.1%	(8.5 p.p.)
Number of branches	212	212	0.0%
Cost of risk	1.3%	0.7%	(0.6 p.p.)
Staff			
Staff as at 31 December	13,670	13,592	(0.6%)
FTE	13,203	13,671	3.5%
Retail, Transport and Distribution Networks			
CTT access points	2,375	2,362	(0.5%)
Retail network (post offices)	569	569	0.0%
Postal agencies	1,806	1,793	(0.7%)
Payshop agents	5,063	4,746	(6.3%)
Postal delivery offices	219	220	0.5%
Postal delivery routes	4,089	3,902	(4.6%)
Fleet (number of vehicles)	4,415	4,608	4.4%

[2] Consolidated.

1.5.3 ESG Indicators

	'23	'24	Δ 24/23
Environmental performance (E)			
Total CO_2e emissions, *scopes* 1, 2 & 3 (ton.)[3]	133,066.2	149,933.2	12.7%
Energy consumption (Mwh)[4]	107,983.9	104,558.6	(3.2%)
Last-mile electrification[5]	20.1%	35.0%	14.9 p.p.
Recyclability of the offer[6]	82.4%	90.1%	9.3 %
Social performance (S)			
Women in management positions[7]	39.9 %	38.4 %	(-1,5 p.p.)
Training (hours)	156,028.6	211,974.60	35.9%
Employee turnover	18.7	20.9	2.2 p.p.
Number of labour accidents	865	974	12.6%
Investment in the community (% of recurring EBIT)	0.6%	1.0 %	(0,4 p.p.)
Purchases from local suppliers (Iberian)[8]	99.5 %	79.9 %	-19.6 p.p.
Corporate volunteering (hours)	1,834.0	5,118.0	179.1%
Governance performance (G)			
Frequency of reporting ESG issues to top management (number)[9]	8	6[10]	-25.0%
Training on good conduct, harassment and corruption and money laundering policies (hours)	43,793.3	44,962.8	2.7%

[3] Update of 2023 data. Including green energy. Excluding the subsidiary CORRE.Market based emissions of scope 2

[4] Update of 2023 data.

[5] Update of 2023 data. Includes only delivery vehicles in operation. Excluding the subsidiary CORRE.

[6] Percentage of recycled and/or reused material incorporated into CTT's offer.

[7] Top and middle management (Board of Directors, Heads of Department (1st level) and Division (2nd level)).

[8] This relates to the activity of CTT - Correios de Portugal, S.A., CTT Expresso and CTT Contacto.

[9] Number of meetings with the Corporate Governance and Risk Committee.

[10] In addition to four meetings of the ESG Committees (Steering and Board), one meeting of the Corporate Governance and Risk Committee and one meeting of the Audit Committee, all with an ESG agenda, these issues were regularly discussed and analysed by the Extended Executive Committee throughout the year.

1.6 External Awards and Distinctions

CTT voted 'Recommended Brand' for the second year running

For the second year running, CTT won the Recommended Brand award from Consumers Trust in the Postal Mail category, achieving the best average Satisfaction Index.

CTT rises to fourth place in the ranking of companies with the best reputation on the Lisbon Stock Exchange

CTT has risen three places in the ranking of companies with the best reputation on the Portuguese Stock Index (PSI), to fourth place with 73.6 points.

CTT honoured with ESG - Transparency & Performance award

CTT won the Caixa ESG - Transparency & Performance Award at the 1st Caixa ESG Awards organised by Caixa Geral de Depósitos to honour companies that stand out for including good ESG (Environmental, Social and Governance) practices in their management within the sector of their economic activity.

CTT continues to be 'Trusted Brand' of the Portuguese

CTT was voted Trusted Brand of the Portuguese for the 17th time, once again taking first place in the Mail and Logistics Services category, with 88.4% of the votes.

CTT with top performance worldwide in two sustainability rankings

CTT was honoured with top performance worldwide in two sustainability rankings: Climate Change area from the Carbon Disclosure Project and the Sustainability Measurement and Management System of the International Post Corporation.

CTT considered the most attractive company to work for in Portugal in the Transport sector

CTT was recognised as the most attractive company to work for in Portugal in the Transport sector, according to the Randstad Employer Brand Research 2024 ranking.

NewSpring won three Silver trophies at the APCC Best Award 2024

NewSpring, the CTT group's outsourcing consultancy and process management company specialising in back-office and front-office services, won three Silver awards at the APCC Best Awards 2024, organised by the Portuguese Association of Contact Centres (APCC), for the CTT Private Service Line (Distribution and Commerce Category), the Multicare Line (Health Category) and the Fidelidade Line (Insurance Category).

CTT Trainee Programme recognised by the Mindforward Alliance

The CTT Trainee Programme was distinguished by the Mindforward Alliance, an organisation that aims to protect and promote mental health in the workplace.

CTT in the top 3 postal operators of the year at the World Post & Parcel Awards

CTT was in the top 3 of the best Postal Operators of 2024 at the international level of the World Post & Parcel Awards, the Oscars of the World Postal Industry. At this event, CTT - Correios de Portugal won the Best Innovation Strategy category and the Postal Evolution category.

CTT wins APLOG logistics excellence award

CTT won the 2024 Company Logistics Excellence Award from the Portuguese Logistics Association (APLOG).

CTT is one of the most valued Portuguese brands in 2024

CTT was one of the national brands that increased the most in value compared to the previous year (+29.6%), according to the annual study of the Most Valuable Portuguese Brands by the consultancy OnStrategy.

CTT voted the best company to work for in 2024

CTT was voted the most attractive company to work for in Portugal in 2024, in the Goods Transport and Logistics category, according to Merco - Corporate Reputation Business Monitor.

Smart System CTT among the six best in Europe and a finalist for the ELA Award Project of the Year 2024

CTT's Smart System, which aims to revolutionise logistics processes through sequence optimisation and intelligent automation, has been internationally recognised as one of the six best projects in Europe, and qualified to compete for the prestigious ELA Award Project of the Year 2024, promoted by the European Logistics Association (ELA).

CTT honoured at the PostEurop 2024 General Assembly

CTT stood out at the PostEurop 2024 General Assembly. The efr - family responsible company project made the top 5 finalists in the Coups de Cœur 2024 competition and Helena, a chatbot with generative artificial intelligence for customer service, has been recognised at the PostEurop Innovation Awards 2024.

‘A Letter for Everyone’ wins trophy at APPM Marketing Awards

CTT won the silver award in the Internal Communication category of the APPM Marketing Awards with ‘Uma Carta para Todos’ (A Letter for Everyone), an initiative based on a letter written by António Faria, a postman at the Arroios CDP, about his 30 years with the company and CTT values.

Helena project distinguished by the European Contact Centre & Customer Service

CTT was a finalist in the Greatest Impact of AI (In-house) category in the 2024 European Contact Centre & Customer Service (ECCCSA) awards, announced at the gala held in London.

CTT wins 'Fleet of the Year' and 'Green Fleet' awards

CTT received Fleet of the Year Award and the Green Fleet Award at the Fleet Awards 2024, which were presented at the 12th Fleet Management Conference, and which recognise the people and companies that have stood out the most for their work or their importance to the Fleet sector in Portugal.

CTT wins three first prizes at the Iberian Equity Awards 2024

CTT received the Most Improved Investor Relations Programme, Best Investor Relations Programme (Industrials - Iberia) and Most Improved Environment Social Governance Programme awards at the Iberian Equity Awards, which annually recognise the best listed companies in Spain and Portugal.

Helena project wins UPAEP Annual Award for Innovation

CTT was honoured with the PUASP Annual Award for Innovation for its Helena project at the Ministerial Meeting of the Postal Sector and the Consultative and Executive Council of the PUASP (Postal Union of the Americas, Spain and Portugal).

02

Strategic Background

2.1 Economic, sectoral and regulatory environment
2.2 Strategic lines
2.3 Risk management
2.4 Opportunity management
2.5 Impact management

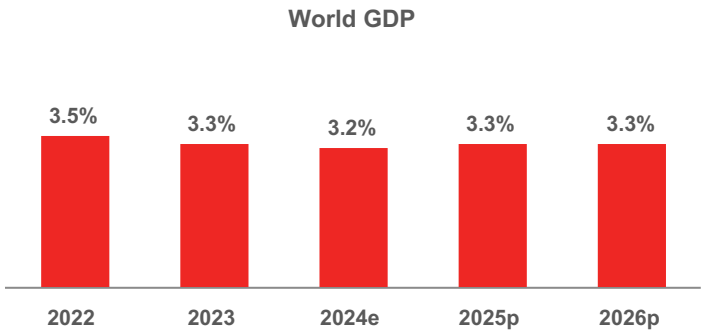
2. STRATEGIC BACKGROUND

2.1 Economic, sectoral and regulatory environment

2.1.1 Economic framework

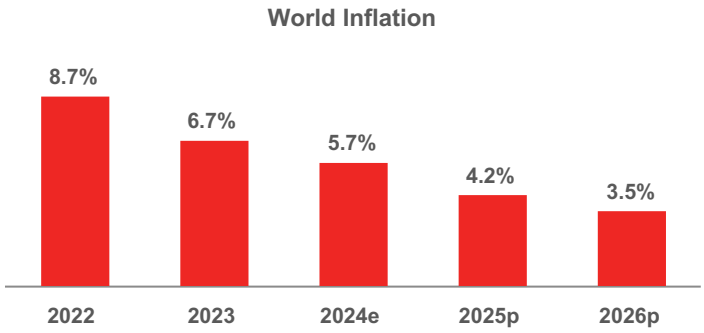
International economy

The world economy continued to show resilience last year. Faced with the challenges of recent years, most notably the sharp rise in inflation and restrictive monetary policies, growth expectations for the world economy were exceeded. By the end of 2023 there was widespread expectation that the world economy would slow down. Even so, the IMF points to growth of 3.2% in 2024. For this year and 2026, forecasts point to world growth stabilising at 3.3%.



Source: World Economic Outlook – Update, International Monetary Fund | January 2025

World inflation also continued to show signs of slowing down, after 8.7% in 2022 and 6.8% in 2023, by 2024 inflation should have fallen to 5.7%. The IMF[11] estimates a return to normality, forecasting 4.2% in 2025 and 3.5% in 2026.



Source: World Economic Outlook – Update, International Monetary Fund | January 2025

The Eurozone economy continued to grow modestly, with an estimated growth of just 0.8%, with the negative highlight being another year of contraction in economic activity in Germany. A positive note for Spain, which grew by 3.1%.

The United States maintained its dynamic economic activity and a robust labour market. The estimate for 2024 points to growth of 2.8%, despite the fact that until September the key interest rates were in the restrictive range of 5.25-5.50%.

[11] World Economic Outlook – Update, International Monetary Fund | January 2025

National economy

The Portuguese economy continues to show dynamism by growing by 1.9%[12] in 2024, with the last quarter standing out for its 2.7% year-on-year growth due to the acceleration in private consumption.

The inflation rate continued its downward trend. After 5.3% in 2023, inflation fell to 2.7% in 2024.

The labour market remained particularly robust. In 2024, the annual average of the employed population was 5.1 million people, 61,000 more than in 2023. The unemployment rate was 6.4%, 0.1 percentage points less than in 2023, with the unemployed population stable at 351k people[13].

Public accounts continue to show budget surpluses. The Directorate-General for the Budget anticipates an overall positive balance of 354.1 million euros in public accounts.

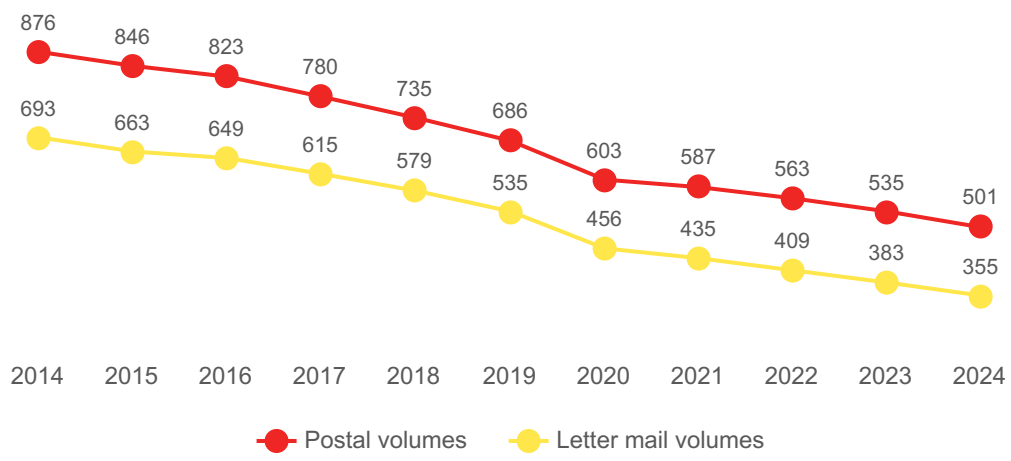
The deleveraging of the Portuguese economy continued, albeit more progressively. Public debt fell by 2.6 percentage points in 2024 to 95.3%. This improving trend reinforces the favourable rating that Portugal has regained in recent years.

2.1.2 Sectoral framework

Mail

Postal volumes in Portugal **continued their downward trend,** falling by 6.4% (34.1 million)[14] compared to 2023.

Evolution of postal and letter mail volumes in Portugal
(2014-2024; million items)



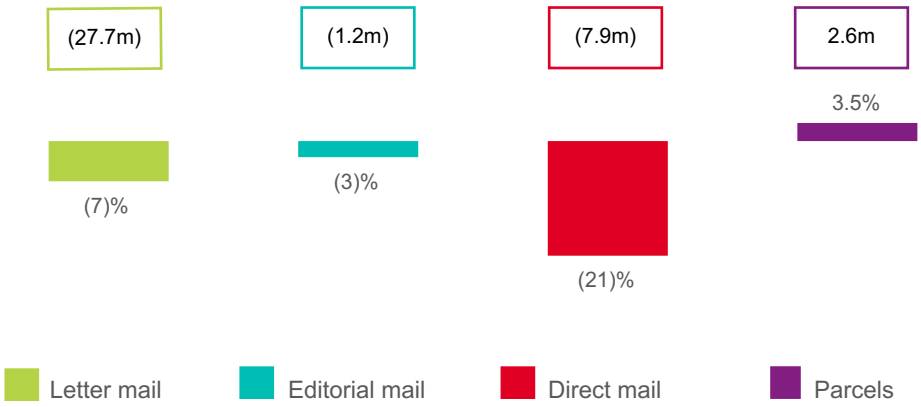
Source: ANACOM Quarterly Reports - Postal Services

Postal volumes are made up of different types of items, and their trend was similar to that of the previous year in Portugal. In 2024, **parcels** were once again the only type of postal item to show growth compared to the previous year (+2.6m; +3.5% y.o.y). The other categories show a sharper drop in volumes compared to 2023: letter mail (-27.7m; -7.2% y.o.y), editorial mail (-1.2m; -3% y.o.y) and direct mail (-7.9m; -20.8% y.o.y).

[12] Quarterly National Accounts (Base 2021) – 30-day flash estimate 4th Quarter 2024 and Year 2024 – INE (National Statistics Institute)
[13] Employment Statistics 4th Quarter 2024 – INE
[14] ANACOM – Statistical Information: Postal Services

Evolution of postal volumes in Portugal by type of item

(2023 - 2024; millions; %)

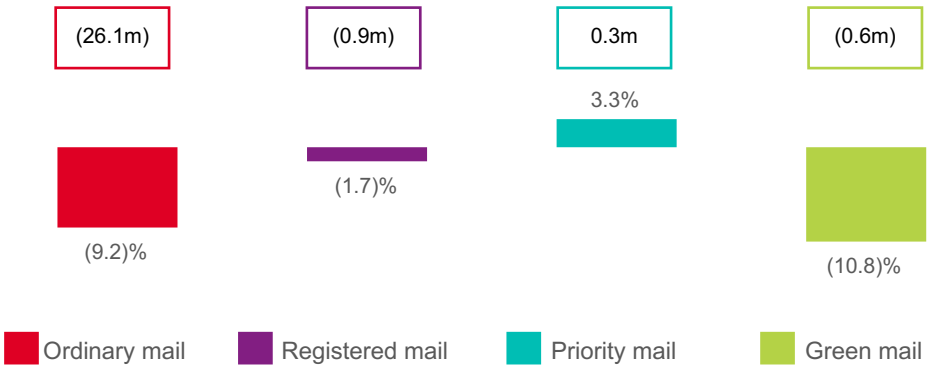


Source: ANACOM Quarterly Reports - Postal Services

At CTT, in 2024, **letter mail fell in line with ANACOM's result** (-29.9m; -7.7% y.o.y). Within CTT's **letter mail** offer there may be found four types of solutions, each associated with a type of need: ordinary mail (economy), registered mail (security), priority mail (speed) and green mail (convenience). In 2024, only priority mail showed a growth in volumes compared to the previous year (0.3m; 3.3%), representing a noteworthy evolution, given that in 2023 it was the offer with the biggest decline in volumes. Among the others, **ordinary mail** is the solution with the highest volumes compared to the total, and **its decrease** (-26.1m; -9.2% y.o.y) **is the main reason for the overall decline**. Direct mail, as part of CTT's advertising offer, once again showed a drop in volumes compared to the previous year (-5.8m; -18.8% y.o.y)[15], in line with the results presented by ANACOM. In addition, and similar to what happened in 2023, **parcel volumes decreased** compared to the previous year (-20.5k; -9.5% y.o.y), going against the growth trend shown in ANACOM's results.

Evolution of letter mail volumes by type of item

(2023 - 2024; millions; %)



Source: Internal data

Express & Parcels

The year **2024 was a year of consolidation for the global e-commerce growth trend**. The European Commission estimates that this market will grow by 8%[16] compared to the previous year, reaching 958 billion euros. The Iberian market follows the European trend, with an estimated growth in the sales

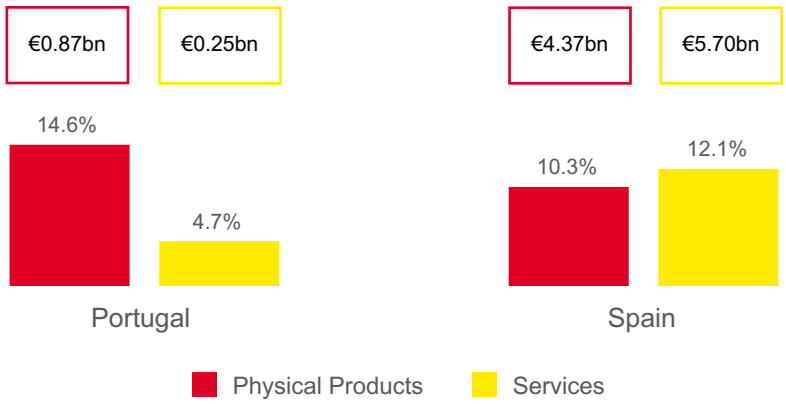
[15] Source: CTT internal data

[16] European E-commerce Report 2024 (estimated figures for 2024)

market compared to the same period last year, totalling €12.26bn[17] in Portugal (+10.0% y.o.y) and €99.6bn in Spain (+11.3% y.o.y).

Annual change in e-commerce sales in Iberia

(2023-2024; %; €bn)



Source: IMR Market Quantification (estimated figures for 2024)

The growth in e-commerce in Iberia noted above is justified by the **increase in spending per e-buyer on e-commerce** (PT: €1,287; ES: €1,730). In Portugal, this was strongly fuelled by the increase in the number of purchases (25.1/year). In Spain, it was boosted by an increase in the number of purchases (32.7/year) and an increase in the average value per purchase (€52.9). In addition, both countries show an **increase in the number of online shoppers** (PT: +2.0%, totalling 5.2m e-shoppers in 2024, representing 53.1% of the total population; ES: +3.0%, totalling 27.0m e-shoppers, representing 58.3% of the total population)[18] compared to the actual data for 2023.

E-buyer's online shopping profile

Portuguese e-buyer profile		Spanish e-buyer profile	
€51.3 **(€55.61 in 2023)** Average purchase amount	**€1,287** **(€1,073 in 2023)** e-commerce spending (in products)	**€52.9** **(€44.90 in 2023)** Average purchase amount	**€1,730** **(€1,320.9 in 2023)** e-commerce spending (in products)
25.1/year **(19.3 in 2023)** Number of product purchases	**4.3** **(4.83 in 2023)** Average no. of products per purchase	**32.7/year** **(29.4 in 2023)** Number of product purchases	**4.5** **(5.76 in 2023)** Average no. of products per purchase
48.5% **(45.6% in 2023)** Weight of the products < 500g	**37.0%** **(35% in 2023)** Heavy e-buyers (no. of annual purchases > 20)	**48.3%** **(49.4% in 2023)** Weight of the products < 500g	**38.0%** **(33.4% in 2023)** Heavy e-buyers (no. of annual purchases > 20)

Source: E-commerce Report 2024

With regard to the characteristics of online shopping, 2024 was again a year marked by generalised growth in the various categories of online shopping, especially in Portugal, signalling the aforementioned increase in the number of online shoppers. At an Iberian level, the categories of **clothing and footwear** (PT: 73.4%; ES: 76.5%) and **electronic and computer equipment** (PT: 54.4%;

[17] E-commerce Report (estimated figures for 2024)
[18] IMR Market Quantification (estimated figures for 2024)

ES: 51.0%) **maintain their position as the leading categories for online purchases**, followed by the **hygiene and cosmetics** category (PT: 43.4%; ES: 44.9%) and the **books and films** category (PT: 40.0%; ES: 46.2%), which in 2024 occupy third and fourth place.

Consumers' main reasons for buying online remained similar to the 2023 results, with **ease of purchase** in first place (PT: reason chosen by 73.6% of respondents; ES: 71.3%), followed by a new factor in Spain: the **possibility of being able to make a purchase at any time** (ES: 52.8%; PT: 58.4%) and in Portugal followed by the reason for the **lowest price** (PT: 63.6%; ES: 47.1%).

Regarding the online shops where **consumers usually make their purchases**, in **Portugal**, the positions remained the same as in 2023, with **Worten** in first place (60% of the population surveyed makes purchases in this shop)[19], and **Amazon** in second place (58.2%). In **Spain**, **Amazon** remains in first place (88.8%) followed by Decathlon (33.9%). On the other hand, when analysed by the **website where consumers make the most purchases**, **Amazon** (PT: 23.2%; ES: 64.3%) is the Iberian leader, whereby its representativeness in Spain stands out, followed by **Shein** (PT: 12.8%; ES: 5.2%).

The growth of e-commerce is once again boosting CTT's Iberian volumes. In 2024, **Iberian volumes grew by 41%**, reinforcing the strong growth trend that has been observed. As in 2023, the ES-PT relationship was the main driver of this growth (+106% y.o.y). This growth was fuelled by both large global marketplaces and international e-sellers.

Finally, in Portugal 94%[20] of consumers use CTT to send parcels (postal or express), making it the most used operator, recognising the dispersion of its network throughout the country as a relevant advantage.

Financial markets[21]

In 2024, investors maintained their appetite for risk. The stock market, when measured by the FTSE Global All Cap Total Return Index, which includes developed and emerging markets, rose 16.7% in 2024, continuing the rising trend of 2023. European banking appreciated 29.9% when looking at the Euro Stoxx Banks index, a higher return than the EuroStoxx 50 European index, which appreciated 11%.

The European Central Bank began the process of normalising interest rates in June 2024. The deposit rate fell from 4% at the start of the year to 3% at the end of the year. To a lesser extent, the Federal Reserve in the United States also reduced the main USD reference rate in September, starting the reduction with a jumbo cut of 0.5%, ending the year in the 4.25%-4.50% range.

The interest rate on 10-year public debt in Germany ended the year at 2.37%, up from 2.02% at the end of 2023. In the United States, 10-year Treasuries rose further to 4.57% at the end of the year, compared to 3.88% at the start of 2024.

The spread between Portuguese and German 10-year sovereign debt has continued its downward trend. Portugal is already one of the countries with the lowest spreads. It ended the year at 48 basis points over 10 years, lower than the spreads recorded in Spain and France, for example.

Corporate credit spreads also remained benign. The 5-year CDS Markit iTraxx Europe Senior index ended the year practically unchanged at 58 basis points, in a relatively quiet year in which the maximum was 69 basis points and the minimum 50 basis points, historically low values.

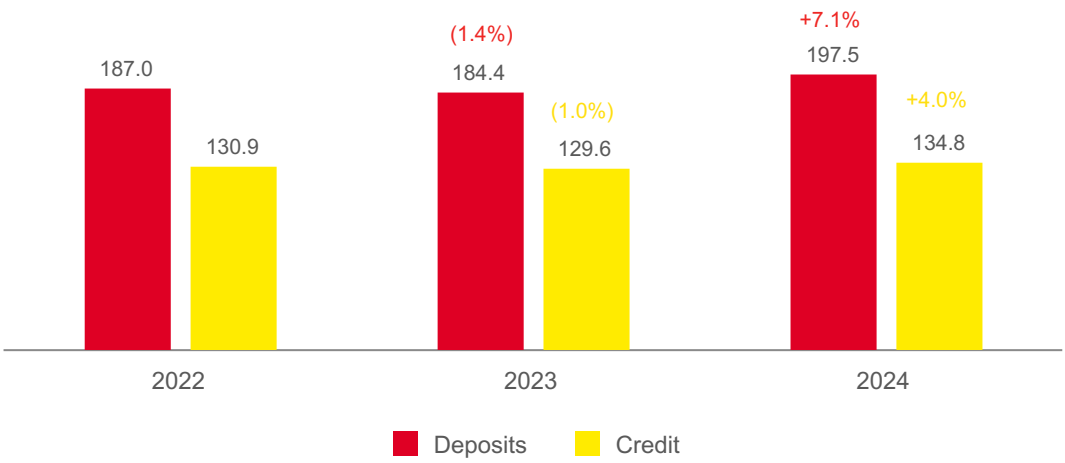
[19] IMR, E-Buyers' Behaviour, Portugal and Spain
[20] Mail Portfolio Study - Private Segment - IMR, 2023 (value reading note: non-exclusive use)
[21] Source: Bloomberg

Portuguese banking system[22]

National banks' total assets rose to 464.3 billion euros in 3Q24, according to the latest figures released, mainly due to an increase in loans to customers.

Within retail, in 2024 deposits increased by 7.1% to 197.5 billion euros. Loans also rose 4.0% to 134.8 billion euros, reversing the downward trend seen in 2023.

Deposits and consumer credit
(2022-2024; €bn)



Source: European Central Bank via Bloomberg

The sector's transformation ratio remained stable at 75% in September 2024, reflecting a highly liquid financing structure. The LCR ratio stands at 270%, well above the regulatory requirement.

The system's profitability in the first 9 months of 2024 continued to improve, with return on assets reaching 1.46% and return on equity standing at 16.1%. The increase in profitability was due to a reduction in impairments and an increase in net interest income.

The system remains well capitalised, with the total equity ratio standing at 20.4% and the core capital ratio at 17.7%.

2.1.3 Regulatory Framework

Postal sector

The postal service is provided by CTT under the **Universal Postal Service Concession Agreement** signed on 6 January 2022 between the Portuguese Government and CTT and Decree-Law no. 22-A/2022, published on 7 February 2022, which amended the legal framework applicable to the provision of postal services under Law no. 17/2012, of 26 April (Postal Law). This Agreement shall remain in force until 31 December 2028.

In addition to the concessionary services, CTT can provide other postal services, as well as carry out other activities, namely those that allow for the profitability of the universal postal service network, directly or through the incorporation or participation in companies or through other forms of cooperation

[22] Portuguese Banking System: recent developments 3rd Quarter 2024 - Banco de Portugal.

between companies. These activities include the provision of services of public interest or general interest under conditions that may be agreed with the Portuguese government.

The changes introduced by Directive 2008/6/EC of 20 February 2008 of the European Parliament and of the Council to the regulatory framework governing the provision of postal services were transposed into the Portuguese legal framework by Law no. 17/2012 of 26 April ("Postal Law"), repealing Law no. 102/99 of 26 July. It is still in force, with the amendments introduced in the meantime by Decree-Law no. 160/2013, of 19 November and Law no. 16/2014, of 4 April, Decree-Law no. 49/2021, of 14 June and Decree-Law no. 22-A/2022 published on 7 February 2022. The Postal Law establishes the legal framework applicable to the provision of postal services, in full competition, within the national territory, as well as international services to and from the national territory.

Thus, since 2012, the postal market in Portugal has been fully open to competition. For reasons of general interest, only the following activities and services remained reserved for the concessionaire: the sitting of letter boxes on the public highway for the collection of postal items, the issue and sale of postage stamps bearing the mention Portugal and the registered mail service used in judicial or administrative proceedings.

The scope of the **universal postal service** therefore includes the following national and international services:

- A postal service for letter mail items, excluding direct mail, books, catalogues, newspapers and periodicals up to 2 kg in weight;
- A postal parcel service weighing up to 10kg, as well as the delivery within national territory of postal parcels received from other European Union Member States weighing up to 20kg; and
- A registered items service and an insured items service.

The **concession agreement** signed between the Portuguese State and CTT covers:

- The universal postal service, as defined above;
- The reserved services: (i) the right to place letter boxes on the public highway for the collection of postal items, (ii) the issue and sale of postage stamps bearing the mention "Portugal", and (iii) the registered mail service used in judicial or administrative proceedings;
- The provision of the special payment orders service, which allows funds to be transferred electronically and physically, both nationally and internationally, known as the postal money order service, on an exclusive basis; and
- The Electronic Post Office Box service, on a non-exclusive basis.

On 23 December 2021, the Council of Ministers announced the approval, on the same date, of the law amending the legal regime applicable to the provision of postal services in Portugal, the respective law having been promulgated on 5 February 2022 and Decree-Law no. 22-A/2022 published on 7 February 2022. The new concession agreement came into force on 8 February 2022 and will last for approximately seven years - until 31 December 2028. The main **changes to the new regulatory framework** arising from the law and the new concession agreement are as follows:

1. **With regard to pricing:**

- Under the terms of the law, the pricing criteria shall be defined by agreement between CTT, ANACOM and the Consumer Directorate-General for periods of three years or, if there is no agreement, by the Government; such definition shall take into account the sustainability and

economic and financial viability of the USO provision, and shall also take into account the variation in volumes, the change in relevant costs, the quality of the service provided and the incentive for the efficient provision of the universal postal service;

- In the context of the regulatory framework in force since February 2022 and the Agreement on the criteria to be met in setting the prices of the postal services that make up the universal service basket (Universal Postal Service Price Convention) for the three-year period 2023-2025, of 27 July 2022, the prices of these services were updated on 1 February 2024, as communicated to the market on 4 January 2024. The update corresponded to an average annual price change of 9.49%. The overall average annual price change, which also reflects the effect of updating the special bulk mail prices, was 8.91%.

- Effective from 1 February 2025, in the context of the aforementioned Price Convention, the prices of the basket of letter mail, editorial mail and parcels services were updated, corresponding to an average annual price change of 6.90%. As part of the company's pricing policy for 2025, this update corresponds to an average annual price change of 6.53%, which also reflects the effect of updating the special prices for bulk mail.

2. With regard to quality of service indicators and performance targets:

- The indicators and performance targets defined by ANACOM on 29 April 2021 remain in force until the definition of new indicators and respective performance targets;

- On 23 September 2024, Ministerial Order no. 216/2024/1 was published in the Portuguese Official Gazette, governing the quality of service indicators applicable to the provision of the Universal Postal Service to be complied with by CTT from 1 January 2025 until the end of the current Concession Contract. The Order sets out the quality of service parameters (QSP), the respective quality of service indicators (QSI) and the performance targets associated with the provision of the universal postal service, which CTT, as the universal service provider (USP), is obliged to fulfil. Although a high level of demand is maintained, this decision translates into the introduction of a very positive flexibility compared to the current framework. There was also a reduction in the number of indicators, from 22 to 7, with the elimination of the 2 quality indicators relating to bulk mail and the measurement of the quality of service of items sent to the Autonomous Regions now takes into account the impact of external constraints on CTT's control capacity that affect air transport in these flows. The new QSPs, which are to be applied from 1 January 2025, are in line with best practices in the European Union, reducing the number of indicators from 24 to 7, simplifying their definition and implementation, and ensuring greater stability and predictability in the provision of the universal postal service. The new QSIs are in force from 1 January 2025;

- With regard to the compensation mechanism applicable for any non-compliance with the quality of service indicators, as long as the current indicators remain in force, if penalties are applied, they will be translated into investment obligations that result in improvements for the benefit of the provision of services and end users, without prejudice to the possibility of applying other fines or contractual penalties provided for in the law and the concession agreement. Following the definition of the new quality indicators, the penalties to be applied by the government will take the form of investment obligations or price revisions, in accordance with the principles of proportionality, adequacy, non-discrimination and transparency. Meanwhile, Ministerial Order no. 30/2025/1, published on 7 February 2025, established the criteria and procedures for applying the compensation mechanism for non-compliance with the performance targets associated with the provision of the universal postal service and amended Order no. 216/2024/134. This ordinance stipulates that, in the event of non-compliance with the performance targets, the compensation mechanism must be applied in the year following the year of non-compliance,

except in the case of investment obligations, which can be extended for a maximum of two years.

3. **With regard to the density of the postal network:**

- The criteria for density and minimum service offers remain in force, and it is up to CTT to propose changes, which depend on ANACOM's approval;

- On 7 November 2023, ANACOM approved changing the reporting of postal network density targets and minimum service offers by reference to the 2021 Census, replacing the 2011 Census, in order to update the data with recent information.

In accordance with Article 6 of Regulation (EU) 2018/644 on cross-border parcel delivery services and the corresponding notification to the European Commission, ANACOM approved, on 28 June 2024, the assessment of cross-border single-piece parcel tariffs for the year 2024.

Financial sector

In 2024, the regulatory framework introduced into the national and European panorama, which is effectively up-to-date, sought to meet the concerns felt worldwide involving the accelerated development of a digital market, which takes into account cybersecurity and the resilience of technologies, includes artificial intelligence and safeguards the necessary transition to a sustainable economy, placing challenging timetables on institutions for the implementation of increasingly stringent requirements.

Prudential priorities have thus been based on analysing the sector's main risks and vulnerabilities, with legislation helping to ensure that, in line with these developments, the banking system is more solid, more efficient and more trustworthy for its users and the market.

Regulatory monitoring is therefore a cornerstone of the agendas of institutions that want to be competitive, not least because to be compliant, even though it is a demanding task on a daily basis, is to be safe, to be trustworthy and not to be unexpectedly surprised.

Despite the digital evolution and the resulting insurmountable change in the commercial relationship with the customer, with a reduction in physical presence, the customers remain the central element and, for them, it is necessary that institutions have the capacity to adapt to these transformations, often by re-evaluating their business models, adapting their products and services and innovating in technological investment.

In this context, Banco CTT continued to pay close attention to compliance, highlighting the following regulatory and legislative developments, both national and European:

Digitalisation and Cybersecurity

Climate change and digitalisation entail transition risks and unquestionably play an essential and challenging role for the financial stability of institutions, and these phenomena must be actively incorporated into their risk analyses. In order to deal with them, they must invest in the reconversion and/or adaptation of their production structures and make essential updates to their IT systems, with a view to safeguarding against not only the growing risks of cyber-attacks (in terms of volume and complexity), but also those of concentration in critical systems suppliers.

In this context, the legislative outputs produced **under the Digital Operational Resilience Act (DORA** - Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022, entering into force in January 2025) stand out, namely the European Supervisory Authorities' (EBA, EIOPA and ESMA - the ESAs) final drafts of technical standards and guidelines, embodied in

JC/2023/83 to 86 of 10 January, JC/2024/29, JC/2024/33 to 36 and JC/2024/54, all of 17 July and, with regard to subcontracting, JC/2024/53 of 26 July.

With a view to ensuring the application of this new regulatory framework, the European supervisory authorities have also published Statement JC/2024/99, reinforcing to both financial institutions and the ICT service providers concerned that they must make every effort to comply with it within the established legal deadlines.

At a time when the DORA Regulation is about to come into force, special attention is being paid to the choice of members of the management and supervisory bodies and heads of institutions. As it is vital that the management of operational risks, particularly those associated with ICT and security, be strengthened, the Bank of Portugal issued Circular Letter 2024/27 on 16 September, setting out its supervisory expectations regarding the **suitability of the members of the management and supervisory bodies and those responsible** for the information and communication technology, security and associated risk management units.

Both at national level (although the transposition of NIS2 is still awaited) and at international level, the attention paid to **cybersecurity** is also notable, examples of which are the Circular Letter 2024/09 issued by the Bank of Portugal on 11 March, regarding expectations and recommendations on cybersecurity controls, or Commission Delegated Regulations 2024/1772 and 2024/1773 and 2024/1774, all issued on 13 March, which supplement Regulation (EU) 2022/2554 of the European Parliament and of the Council with regard to the regulatory technical standards specifying:

a. the first one, the criteria for the classification of ICT-related incidents and cyber threats, setting out materiality thresholds and specifying the details of reports of major incidents;

b. the second one, the detailed content of the policy regarding contractual arrangements on the use of ICT services supporting critical or important functions provided by ICT third-party service providers

c. and the third one, ICT risk management tools, methods, processes, and policies and the simplified ICT risk management framework.

Artificial Intelligence Regulation

Regulation 2024/1689 produced by the European Parliament and Council on 13 June - the **Artificial Intelligence Regulation** - stands out, as it creates harmonised rules on artificial intelligence and addresses the risks inherent to it. It establishes the world's first comprehensive legal framework on artificial intelligence, placing Europe at the forefront and in a leading role in this area, seeking to contribute to the development of fully trustworthy AI, guaranteeing security and fundamental rights.

Electronic operations

Directly related to this growing digitalisation of the market, there has been a profusion of regulations on **payment systems**, particularly electronic ones, and especially with regard to **instant transfers**, enacted by:

a. the Bank of Portugal: Instruction 01/2024 of 1 February, which amends the maximum limits for electronic payments; Notice 1/2024 of 6 February, which regulates the application of amount limits to electronic payment transactions in which the Tax and Customs Authority and the Treasury and Public Debt Management Agency are beneficiaries; Instruction 2/2024 of 8 February, which amends the SICOI Regulations and the Price List to be applied to its participants, and Circular Letter 2024/51 of 28 November, which sets out the obligations related to the provision of instant transfers in euro (SEPA and SICOI);

b. the national legislator: Decree-Law 72/2024 of 16 October, which prohibits charges for the provision of payment services and ATM operations;

c. and also by the European authorities: Regulation (EU) 2024/886 of 13 March on instant credit transfers in euro.

Seeking to ensure the proper functioning and security of payment systems, reinforcing the transparency and trust of payers when carrying out payment transactions using payment references and direct debits, and avoiding payment transactions to undesired beneficiaries, the Bank of Portugal established the obligation for payment service providers to ensure that, in these transactions, the payer has access to the **identification of the final beneficiary of the funds**, as well as the **identification of the payment service provider** of the final beneficiary of the funds (Notice 4/2024 of 19 November).

New rules on advertising financial products and services

Aware that the evolution of advertising activity accompanies growing digitalisation in the market and also in the marketing of financial products, the Bank of Portugal approved Notice 5/2024 (**Notice on advertising**), which creates a set of new principles and rules for the advertising of financial products and services subject to its supervision, and the entities covered must review their advertising procedures and actions by the date of entry into force of the Notice, which will occur on 1 July 2025, in order to ensure compliance with the new rules.

Activating the countercyclical capital reserve

Taking advantage of the country's neutral phase, with no accumulation of systemic risk, but aware of the importance of being prudent in setting up impairments and conserving capital, as was already the case in other European Union countries, a countercyclical own funds reserve was also activated in Portugal, with the Bank of Portugal setting the percentage of this reserve at 0.75% of the total amount of exposures at risk, which credit institutions with head offices in Portugal will have to create as of 1 January 2026 (Notice 7/2024 of 31 December 2024).

Credit agreements and information obligations regarding the Government guarantee on mortgage loans

In the area of mortgage credit agreements, note should be taken of Instruction 12/2024 of 18 June, which eliminates redundancies in the provision of information to the Bank of Portugal by exempting credit institutions from reporting information already obtained by another means (CRC).

However, in terms of consumer support, the regime of the **Government guarantee for the granting of loans for own and permanent housing to young people up to the age of 35** undoubtedly stands out, as a policy measure determined by the government that aims to facilitate bank financing for the purchase of first homes by young people, seeking to minimise this difficulty that they experience.

Approved by Decree-Law 44/2024 of 10 July, which establishes the conditions under which the Government can provide a personal guarantee to credit institutions with a view to making it possible to grant loans for permanent housing to young people up to the age of 35, this scheme was regulated by Order 236-A/2024 on 27 September and supplemented by Order 14916/2024 of 18 December (Protocol).

The Bank of Portugal is expected to monitor these credit agreements through Circular Letter 2024/32 of 15 October and Notice 6/2024 of 31 December, which regulates the provision of information to bank customers about this regime.

As a follow-up to the protection of bank customers facing difficulties, the Bank of Portugal communicated to institutions the understandings and good practices to be observed in the prevention and resolution of non-compliance with credit agreements with Circular Letter 2024/33, as well as its supervisory expectations on policies and procedures for identifying and marking debtors in financial

difficulties and loans restructured due to financial difficulties of individuals, with Circular Letter 2024/35, both of 17 October.

Prevention of money laundering and terrorist financing - AML

The prevention of money laundering and terrorist financing was also a major issue in national and international legislation.

Firstly, with the establishment of the **Authority for Anti-Money Laundering and Countering the Financing of Terrorism** by Regulation (EU) 2024/1620 of 31 May of the European Parliament and of the Council, which, on the same date, issued Regulation (EU) 2024/1624 and Directive (EU) 2024/1640, the former on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing and the latter on the **mechanisms to be put in place by Member States** for the prevention of the use of the financial system for the purposes of money laundering or terrorist financing.

At national level, the Bank of Portugal issued Circular Letter 2024/23 on 23 July, informing about the framework and operation of the service for the banking system to disseminate information on the loss, theft, robbery, forgery, counterfeiting and illicit use of personal identification documents, through the PERTO Platform; on 2 September, Circular Letter 2024/25, on the subscription and use of BPnet services, within the scope of activities related to the prevention of money laundering and terrorist financing; and on 11 December, Circular Letter 2024/52 on procedures for updating identification details, within the scope of the **vital duty of identification and customer due diligence**.

New BPR reporting model

Following a public consultation, the Bank of Portugal published two pieces of legislation establishing a new reporting model for the prevention of money laundering and terrorist financing (AML): Instruction 8/2024, which establishes a new AML model to be sent annually to the Bank of Portugal by the financial entities subject to its supervision for the prevention of money laundering and terrorist financing, replacing the current reporting model, and Notice 3/2024, which adapts Notice 1/2022 to the approved reporting model.

Banco de Portugal public consultations

Finally, it should be noted that, during 2024, the Bank of Portugal clearly demonstrated its close monitoring of consumers, companies and the banking sector, having produced **eight Public Consultations** and implemented six of the projects put out for consultation in 2024.

Only Public Consultation 6/2024 of 15 November, on the draft regulations **amending Notice 3/2020** and Instruction 18/2020 - governance and internal control systems and organisational culture, whose long-awaited Notice is expected to be published in the first few months of 2025, has yet to be completed.

2.2. Strategic lines

A company undergoing profound and rapid change

CTT is a centuries-old company, historically the postal operator in Portugal. As a result of digitalisation and changing consumption patterns, the use of mail has been falling sharply, particularly in the last 20 years. Today, mail volumes in Portugal are about a third of what they were at the beginning of the century, a reality that has left CTT, and all other postal operators, facing the need to reinvent themselves in order to survive.

So, going back to 2018, the mail business represented around 70% of CTT's revenues and more than 100% of its operating results (EBIT). At this time, the diversification areas were still in a development phase, consuming resources without reaching the scale needed to generate positive results.

The need for the company to transform itself was crucial to guarantee its sustainability, and it was imperative to do so quickly and effectively, thus resorting to developing the growth and diversification areas and profoundly transforming processes and the customer experience, particularly through technological and digital intensity.

With the goal of transforming itself from a postal operator into an e-commerce logistics operator on an Iberian scale, CTT is leveraging its strategic assets, such as the last-mile and retail networks, and investing in the incorporation of innovation and technology, while ensuring a clear focus on the people and companies we aim to serve on a daily basis.

In 2024, for the first time, the Express & Parcels business area was the Group's most representative with more than 40% of revenue and EBIT. This growth was strongly driven by the Spanish market, which accounts for more than 50% of this business unit. So today we can say that the crucial part of the journey has been completed: reducing dependence on mail and establishing a strong position in e-commerce in Iberia. CTT's ambition is to lead e-commerce logistics in this geography.

CTT currently has a diversified portfolio with strong exposure to areas of growth and innovation, which will continue to contribute to the Company's transformation.

CTT's strategy embodies our Purpose, Vision, Mission and Values, with the following pillars: **Customers**, as our main focus; **People**; the **Planet** and the **Community**. Hence, with a view to meeting and harmonising the needs of all stakeholders, we maintain a medium and long-term perspective in terms of the company's sustainability. This is set out in the strategic goals and lines of action for the Business Areas, taking into account the specificity and nature of each one's contribution, supported by the Operation and Transformation process to which the company is committed. These are the two great transversal facilitators of the strategy execution process, shaping the specific performance of each of the business areas across the organisation, in order to guarantee consistency and synergy, focusing on efficiency and technological integration and on the customer and digital experience.

In addition, the alignment between the strategic axes and the active management of material impacts, risks and opportunities aims to strengthen the company's resilience by guaranteeing the capitalisation of positive effects, such as opportunities, and the control of negative impacts on the activity, anticipating adverse scenarios and promoting their mitigation.

In a context of transformation, CTT's strategy allows it to face the enormous challenges that impact the business. This includes innovation cycles, customer attraction and retention, the emergence of new competitors and the response to digital threats, which pose pressing and current risks.

Environmental challenges are also important, as the growth of the activity requires greater consumption, especially energy, which challenges the ambitious goals of reducing greenhouse gas emissions, as well as existing electrification and decarbonization solutions and technologies.

In the social field, the need to strengthen and train its human resources is essential to the Company's growth and transformation, not only because of the decline of some business activities, which impacts certain functions, but also the current lack of talent in the job market for others, such as for more analytical functions.

Likewise, at the level of the value chain, there are challenges associated not only with its alignment with the sustainability objectives of the CTT group and its ethical principles, integrity and respect for human rights, but also associated with responding to regulations that tend to be more demanding in terms of control and due diligence in CTT's geographies.

GOVERNANCE

PURPOSE | **VISION** | **MISSION** | **VALUES**

BUSINESS AREAS

Mail
Promote the sustainability of the mail

Business Solutions
Develop the business by strengthening relationships with companies

Express & Parcels
To be one of the preferred partners in Iberia for Express and Parcels

Banco CTT & Retail Network
To be one of the preferred partners for Financial Services among the Portuguese

Enablers

OPERATION
Strengthen the most convenient and efficient network in Iberia, leveraging technological and digital integration to deliver a high level of quality

TRANSFORMATION
Accelerate and deepen the change in the company, with a particular focus on digital, process agility, and team engagement, ensuring resilience against cyber threats

Pillars

CLIENT
Enhance customer focus by delivering exceptional experiences in every interaction

PEOPLE
Ensure the well-being of CTT employees and fostering a diverse experience

PLANET
Decarbonize CTT's offerings and strengthening resilience to climate risks

COMMUNITY
Promote proximity with the local community

PURPOSE – OUR ESSENCE

Delivering the future by connecting people and business in a sustainable way.

	For Businesses	For People
VISION WHERE WE WANT TO BE	To be the companies' reference partner, developing e-commerce and simplifying their physical and digital presence.	To be people's trusted brand in shipping, financial services and insurance.
MISSION HOW WE ARE GOING TO GET THERE	To innovate constantly, offering logistics solutions and support services, with quality, focused on customer needs.	Simplify the people's lives in physical communication, financial services, and insurance.

VALUES – OUR IDENTITY

Focus on the customer
We are customer centric in everything we do. We serve with quality and answer to their needs, with the aim of exceeding their expectations

Proximity
We are close and we bring people and companies together. We connect people and companies. We work with our focus on the needs and expectations of our customers.

Sustainability
We are responsible in the social, environmental and economic dimensions with everyone we interact with. We protect our future and that of new generations.

Trust
We develop our activity with honesty and consistency, building relationships of trust that generate credibility with all stakeholders.

Commitment
We work with commitment, dedication, and diligence, resiliently, to achieve our goals vis-à-vis all stakeholders.

Economic sustainability

In the economic sphere, the CTT Group's performance has followed a consistent path with a view to achieving the proposed targets for 2025 (revenues between €1100m and €1,250m and EBIT between €100m and €120m). The year 2024 was another milestone of transformation and growth, driven by the implementation of several high-impact initiatives for the business, of which we highlight:

In the **Mail** area, the strategy to promote the sustainability of the business has been outlined based on four main axes: commercial action focused on both retaining and recovering relevant customers; improving efficiency and quality, wherein various initiatives have been implemented resulting in an improvement in some quality indicators, such as forwarding times in mainland Portugal; the development of value-added service solutions, such as the implementation of the tracking solution for ordinary and priority mail and, finally, the updating of prices in line with the value forecast for the three-year period 2023-2025.

Mail: Promote the Mail Sustainability	
Role	***Action***
• Continue to be an important source of revenue • Strong operational synergies with Express & Parcels and retail networks • Presence in corporate and institutional customers	• Adjust prices to ensure service sustainability • Use greater flexibility in pricing policy to mitigate churn • Increase penetration of digital services, with greater retention effect • Incorporate technology and adjust processes to increase efficiency and quality of service

In the **Business Solutions** area, following the strategy of developing the business by strengthening relations with companies, the year was marked by the relaunch of ViaCTT and its presence on the CTT App. ViaCTT is a solution that centralises communications from different entities in an organised and spam-free way, with around 100 active entities in 2024. In addition, the year was boosted by the extension of the payments portfolio, providing a more complete and competitive offer of payment services. And finally, the launch of the 'Stories with Impact' campaign, which consisted of various communication actions using real-life testimonies to highlight the advantages and potential of Direct Mail as a communication tool.

Business Solutions: Develop business by strengthening relations with companies	
Role	***Action***
• Additional link to companies, strengthening connections • Synergistic services with mail digitalisation • Development of innovative solutions, particularly in the BPO area • Source of additional growth	• Develop integrated solutions, particularly in the areas of processes, communication and payments • To serve as a lever for a more extensive presence among business customers • Increase penetration of communication services complementary to mail (e.g. Via CTT)

In the **Express & Parcels** (CEP) area, 2024 was a year of affirmation in the Iberian market, with a significant increase in annual volumes (+41% y.o.y), strongly driven by growth in Spain (60% y.o.y). Progress in Iberian consolidation was one of the year's major milestones, reflected in a standardisation of approaches, processes and experiences. It was also a year of developments with an impact on the customer experience, such as: the launch of Safeplace, an option for customers to receive their parcels at a location close to their address when they are not at home; the development of the first phases of the optimisation of delivery time windows, with the establishment of 2 to 6 hour windows and the expansion of the Collectt Network and its utilisation, totalling a network with 20k Iberian points in 2024

(+6k points y.o.y) and with 85% more utilisation than the previous year. Also, at the end of 2024, Amazon made this network available to its customers in Portugal as a delivery and collection point for their orders. The expansion of the Logistics business was also a highlight for this business unit, with the area having been expanded to a total of 50,000 m^2 with the incorporation of a new location. Thus, in 2024, the number of items sent from CTT logistics centres increased by 75% compared to the previous year.

However, 2024 was truly marked by the acquisition of Cacesa and the partnership with DHL. On the one hand, Cacesa, as a company that specialises in and is the market leader in customs clearance for extra-EU volumes, particularly Asian flows, with a presence in 15 countries, allows CTT to strengthen its presence in the international e-commerce value chain. On the other hand, the partnership with DHL is a historic milestone in the process of transforming CTT into a full e-commerce logistics operator, boosting brand recognition in Iberia. This partnership is celebrated with the exchange of shareholdings between the two companies and the full acquisition of DHL Parcel Portugal's operations (B2C and B2B) by CTT. This partnership will result in significant synergies in terms of B2B and B2C market knowledge, culminating in a more efficient operation in each of the segments. To summarise, this partnership will result in an operation whose combined figures are as follows: more than one million items per day, around 23,000 PUDOs and around 150m items delivered per year.

Express & Parcels: Be one of the preferred partners in Iberia for Express & Parcels	
Role	***Action***
• Key axis of the Group's positioning - to be the leading e-commerce logistics operator in Iberia • The Group's main driver of revenue growth and profitability • The Group's innovation and transformation dynamo, due to its exposure to the e-commerce sector	• Accelerate towards Iberian leadership, adding to the organic dynamics the synergies of the acquisition of Cacesa and the Joint Venture with DHL • Expand its presence in the e-commerce value chain to offer increasingly integrated services • Target the cross-border segment, in partnership with DHL • Invest heavily in the customer experience, especially in out-of-home delivery (OOH) and the digital field (Super Portal B2B, Super App B2C) • Innovate in the e-commerce offer, in complementary services and future growth segments (eg returns and C2C/re-commerce shipments) • Reinforce efforts in operational innovation and transformation, with a focus on efficiency and quality of service

In the **Financial Services & Retail** area, the strategy for the network continued to be implemented, responding to the objective of being one of the Portuguese people's favourite partners in financial services. In the public debt field, 2024 was an important year for getting closer to normal placement levels, with various internal and external initiatives that had a positive impact on the number of subscriptions. Of particular note, externally, was the digitalisation of the subscription and reinforcement of Savings Certificates with the launch of Aforro Digital (Digital Savings) on the CTT website and App, resulting in an online placement volume that exceeded those accumulated by the rest of the market since liberalisation. In addition, the multi-service platform concept was boosted by strong growth in generalised revenue from the express package, insurance and the CTT health plan, as well as the development of the new post office concept, implemented in 2024 in two of the Group's post offices - Cascais and Maia. This new layout is made up of specialised service areas: fast, consultancy and Banco CTT, as well as self-service areas. The year 2024 was also a year of continued reinforcement of the self-service areas throughout the entire network of post offices, with 243 lockers available 24/7, saving considerable service times and boosting customer satisfaction.

For **Banco CTT**, 2024 was the continuation of solid and consistent growth, surpassing the target of 850,000 customers and reaching the Top 3 in Portugal in terms of customer recommendations, as a result of an NPS (Net Promoter Score) of over 40. This continued growth has been boosted by the strategy defined, which emphasises increasing technological capacity, strengthening the digital service and increasing the face-to-face service. The strategic partnership already announced with Generali was also formalised in 2024.

Banco CTT and Retail Network: Be one of the Portuguese people's favourite partners for Financial Services	
Banco CTT	
Role	***Action***
• Leverage for future growth, contributing to a more diversified portfolio • Profitable operation with relevance to the Group's results • Strong synergy with the CTT Retail Network	• Grow the tied customer base, becoming the primary bank for the majority of its customers • Achieve a level of savings per customer similar to that of the incumbent banks • Accelerate growth in consumer finance, focusing on consumer credit and credit cards • Boost experience, with a new digital platform and specialised branches (CTT store in store)
Retail Network	
Role	***Action***
• Proximity to private customers and small businesses, unrivalled in Portugal • Multi-service platform that fosters partnerships (e.g. BancoCTT) • Infrastructure to support the self-care and convenience strategy • Source of incremental profitability for the Group	• Increase commercial efficiency, focusing on the Private and Small Business segments, boosting proximity and knowledge of customers (e-commerce, business solutions) • Simplify the customer experience, with self-service and greater omni-channel integration (phygital) • Grow business in partnership, through network placement capacity (Insurance, Health Plans)

Social sustainability

During 2024, CTT continued its path of implementing measures aimed at achieving the sustainability goals and commitments related to CTT People, Communities and Customers, assumed within the scope of the 2022-2030 strategy.

In terms of CTT People, CTT has developed numerous initiatives focused on **well-being, talent development, diversity, inclusion and reconciliation**, such as:

- Road Prevention Programme and the Telemetry Project, to prevent and reduce road accidents;
- Fast Track and Young talent leadership programmes, promoting employee appreciation, career development and leadership;
- CTT Reboot for the appreciation and upgrading of talent and the development of competences;
- Equality Plan 2025;
- Renewal of efr certification;
- Flexible benefits programme suitable for all generations of employees;
- Housing support measures, such as subsidised mortgage loans.

These initiatives enabled the CTT Group to be recognised as the **most attractive company** to work for in Portugal in the Freight Transport and Logistics sector, according to the Randstad Employer Brand Research 2024 ranking and Merco - Monitor Empresarial de Reputação Corporativa (Corporate Reputation Monitor).

As far as the main social indicators are concerned, in 2024 there were 974 **accidents at work** (+12.6% y.o.y), 42% of which were road accidents, and there were no associated fatalities.

With regard to **gender parity**, specifically in the company's top and middle management, the percentage of women in leadership positions fell slightly to 38.4% (-1.5 p.p. compared to the end of 2023), and is below the targets set for 2025 (40-60% gender representation). This decrease is the result of the increase in male representation in the 2nd level managers in office. The Company will continue to address this trend with a view to achieving the parity target set for 2025.

In terms of training and skills development, during 2024, employee training totalled 211,974.60 hours.

Employees' internal skills also play an important role in society since, combined with the use of CTT's business skills, they contribute to **supporting the surrounding communities** by sharing information and making CTT's operations available to them. In this context, and by way of example, two partnerships carried out in 2024 are highlighted below.

Through a partnership with Serviin, CTT now provides a dedicated customer service channel for the Deaf Community. This innovative a video interpretation service in Portuguese sign language (LPG) handled 223 contacts, who recognise it as an asset to their daily lives and value the removal of communication barriers. Having a positive local impact also means promoting accessibility and inclusion in the services provided by CTT.

Mention should also be made of CTT's partnership with Koiki, an express and parcel delivery service provider that uses partnerships with social support institutions to employ people in situations of prolonged unemployment, social exclusion and risk of poverty ('koikis'). Since the partnership began, the koikis have distributed 10,780 CTT items.

In addition, CTT also carried out projects to support the educational and professional development of young people through **volunteering activities** and partnerships with the Junior Achievement and EPIS organisations. In 2024, it was possible to support 1,700 students with the participation of 190 volunteers who dedicated around 1,000 hours.

The number of hours spent by employees on volunteering activities totalled 5,118 hours in 2024 (+3,284 compared to 2023), signalling the greater **investment in initiatives** that strengthen ties within teams, guaranteeing an effective and immediate impact **on communities**.

Also with a view to promoting a positive social impact on communities, CTT invested 1.0% of its recurring EBIT in social initiatives in 2024 (+0.4 p.p. compared to 2023).

CTT also excels in local proximity through the capillarity, granularity and universality of its logistics and retail networks, **promoting the proximity of products and services to the local communities in the geographies where it operates**. The network of contact with the public included 2,362 access points in operation in 2024, comprising 569 CTT post offices and 1,793 postal agencies. In addition to these, there were 3,902 postman routes. These networks, unique in Portugal, guarantee the availability and accessibility of the customer service and distribution, establishing itself as a convenience and multi-service platform.

Also in the area of products and services, the continuous focus on improving the range of products and services offered to customers, including the diversification and availability of new customer service

channels, has enabled CTT to retain and attract new customers, not only by offering a wider and more adapted range of services, but also by taking care to ensure their satisfaction. In 2024, the improvement of the offer consisted of boosting the Pack Expresso, personalising the customer experience, including virtual assistants and developing the Safeplace Project, New Concept post offices, Special Letterboxes, among others.

Environmental sustainability

With regard to environmental performance in 2024, the CTT Group reinforced its investment and proceeded with the transition plan defined to achieve a reduction of greenhouse gases (GHG) emissions (scopes 1, 2 and 3) by 55% in 2030, compared to 2021. It should be noted that this commitment was validated, externally, by the **Science-Based Target initiative** (SBTi) and it is in line with the ambition to limit the increase of the global temperature in 1.5ºC.

With a view to achieving this goal, CTT is focus in ensuring that CTT's last-mile fleet is made up of 50% environmentally friendly vehicles by 2025 and 100% by 2030. At the end of 2024 the CTT Group had 1,100 vehicles in operation, an increase of 77.4% compared to 2023, reaching the milestone of 35.0% (+14.9 p.p. compared to 2023) of electric vehicles in distribution of last-mile. It is noteworthy that 40 of these new electric vehicles acquired were in Spain, the first time this region has operated with its own fleet vehicles in its distribution.

Also noteworthy was the reinforcement of the charging infrastructure with the installation of 581 chargers in 121 facilities, which not only made it possible to increase the electrification of delivery offices, but also to increase the number of 100% electric delivery offices to 20.

In terms of energy consumption, **100% of the electricity consumed by CTT comes from renewable sources**. In this context, the CTT Group continued to expand its solar neighbourhood with solar energy production centres, with 23 already in place throughout Portugal.

As part of the result of its efforts, CTT reduced its scope 1 emissions by -10.3%. This reduction also included the pilot project to use HVO in its own heavy goods vehicles, which, although on a smaller scale, also contributed to reducing emissions in this area.

As for scope 3 GHG indirect emissions the performance reflects an inverse trend, having increased by 16.8%, mainly due to the increase in emissions in category 4 - upstream transport and distribution, due to the increase in express activity. This occurred mainly in Spain, where volumes increased by 59.6%.

In addition to actively mitigating GHG emissions from its activities, CTT also carried out carbon offsetting initiatives for its emissions resulting from its own green mail transport and distribution activity, by financing the 'Conservation of Forests' projects in Portugal and the 'Amapá REDD+ Project' in Brazil, as part of the promotion of sustainable forest management.

Still on the subject of forests, the CTT Group celebrated the launch of the 11th edition of the ''A Tree for the Forest'' campaign, marked by the launch of a new physical kit, an ecological totebag made from organic cotton, worth a native tree to be planted in protected areas and classified forest areas in Portuguese territory.

In addition, CTT also promotes circular economy initiatives, whereby 90% of the products in the mail, parcels and express offer already incorporate recycled or reused materials, demonstrating the Company's enormous commitment to achieving the target of incorporating this type of material into 100% of this offer by the end of the decade.

Lastly, these initiatives and the progress made during the reporting year enabled CTT to reinforce its position as leaders and pioneers in sustainability issues, both at a national level and at a sectoral level,

by achieving 5th place in the International Post Corporation (IPC) Sustainability Measurement and Management System rating. In the Carbon Disclosure Project (CDP) rating, the Company maintained its Leadership level in the Climate Change area, with an A- score.

2.3 Risk management

Description of the risk management process

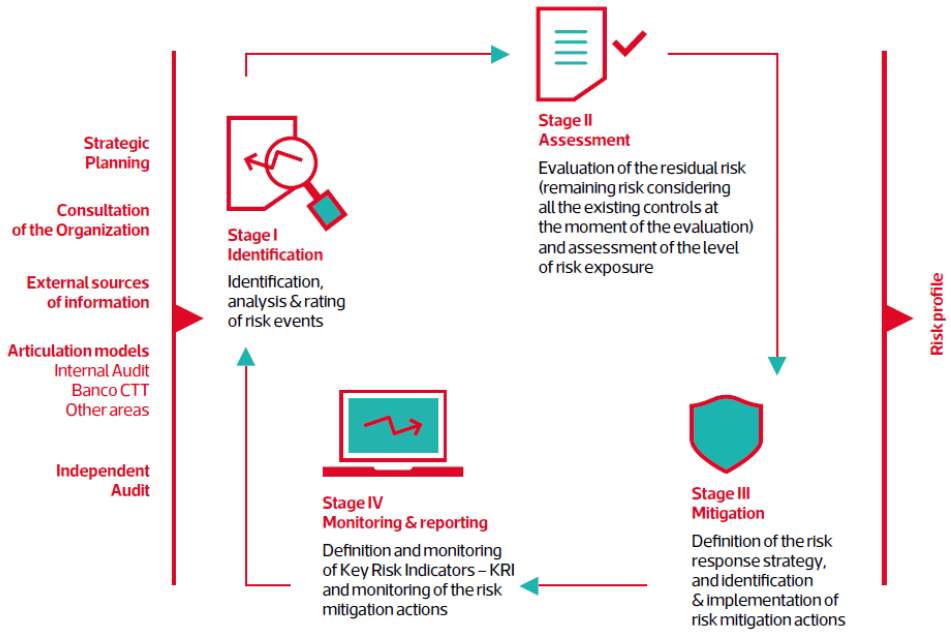
The risks arising from the activity of CTT and its subsidiaries are managed pursuant to the manner described in the **Regulations of the Risk Management System** approved by the Board of Directors. This document, in addition to establishing guiding standards, principles and procedures for Risk Management, defines duties, responsibilities and governance model, ensuring the implementation of a framework supporting the decision making process, taking into consideration the risks to which CTT is exposed.

Under the banking activity, Banco CTT has an independent risk management system, based on a set of concepts, principles, rules and on an organisational model applicable and adjusted to the specificities and to the regulatory framework of its activity. However, a model has been established for articulation between the areas responsible for the Risk Management of CTT and Banco CTT, to ensure an alignment relative to the main interdependent risks.

The **risk profile** is viewed as the main output of the process, reflecting the vision of a given moment on events that, should they occur, could adversely affect the achievement of the strategic objectives, compromising CTT's sustainability. The review and continuous updating of the Risk Profile is, therefore, fundamental, and is based on a dynamic process consisting of four sequential and interrelated phases, fed by a series of inputs, as illustrated in the figure below:

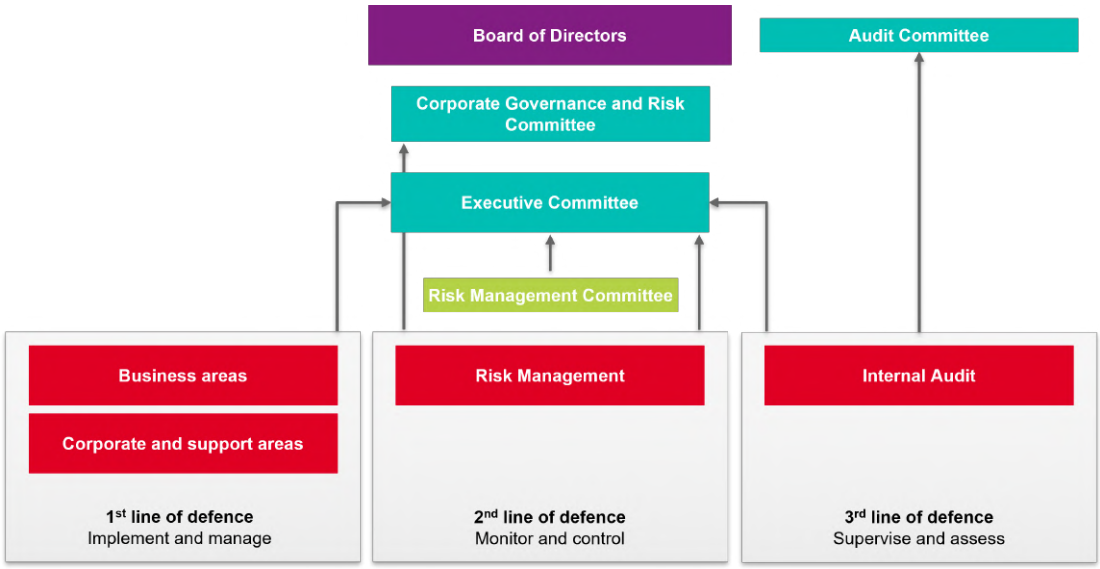
Risk management

Integrated Risk Management System



Governance Model

At CTT, risk management and control are undertaken by the entire organisational structure, involving top management down to the more operational levels, through a model of "3 lines of defence" based on best practices and aligned with CTT's Internal Control Policy:



The **Board of Directors** establishes the CTT Group's risk orientation, in particular by approving the objectives/limits and the main risk policies, ensures the effectiveness of the risk management system and annually assesses compliance with the risk orientation, approving the necessary adjustments.

The **Audit Committee** monitors the effectiveness and adequacy of the risk management system, evaluating it annually and proposing measures to improve its operation to the Executive Committee. In conjunction with the Board of Directors and the Executive Committee, it also evaluates the risk policy, giving its opinion on the work plans and resources allocated to the risk management function and periodically monitoring its work.

The **Corporate Governance and Risk Committee** advises the Board of Directors and the Audit Committee on all risk management issues and continuously monitors the activities carried out, namely the main risk indicators inherent to CTT's activity, the level of actual exposure and its potential evolution, as well as the effectiveness of the mitigation plans for the main risks. It also advises the Board of Directors on the current and future general risk policy and strategy and on risk appetite.

The **Executive Committee** manages CTT's risk profile and levels of exposure to risk, as well as the models, processes and procedures for risk management, in addition to the proposed mitigation initiatives, ensuring their implementation and considering the terms and objectives defined and approved by the Board of Directors.

The **Risk Management Committee** supports the Executive Committee in the process of management and approval of Risk Management strategies and policies, monitoring their implementation.

The **Risk Management function**, performed by the Risk Management division of the Audit, Compliance & Risk department, is responsible for the centralised coordination of the CTT Risk Management System and the planning and implementation of risk management programmes supported by the Company's Regulation of the Risk Management System.

The **Internal Audit function**, performed by the Internal Audit division of the Audit, Compliance & Risk department, assesses the quality and efficacy of the Risk Management system, and identifies and characterises risk events under the audit activities carried out.

The **business units and the corporate support areas** put in place the approved Risk Management policies and procedures and propose mitigation actions for the main risks identified.

Identification of risks and CTT response

According to some general principles related to the nature, causes and way they are managed, CTT's risks are divided into three main categories: strategic, operational and financial.

- **Strategic risks:** these are essentially the result of external factors which, by exploiting internal constraints and weaknesses, could have a negative impact on the company's economic performance, competitiveness and/or medium-term resilience. This category includes risks related to business interruption, competitive market forces, demand for products and services and operating in a highly regulated environment, in particular universal postal service obligations. The level of exposure to strategic risks is monitored and discussed throughout the year by the Risk Management Committee.

- **Operational risks:** result from failures in carrying out business processes, namely in complying with standards and regulations, and can cause major financial or reputational damage and affect the resilience of the business in the medium term. This category includes risks related to non-compliance with statutory, regulatory and legal obligations, the ownership, operation, development, capacity and dependence of information systems in the company's activity, environmental, social and governance (ESG) factors, labour practices and organisational culture and failures in the quality of the service provided to the Customer. The level of exposure to operational risks is monitored on a monthly basis through a set of Key Risk Indicators (KRI).

- **Financial risks:** result from exogenous and/or internal factors that can jeopardise the efficient management of financial resources, altering the company's net worth in a material and unexpected way. This category includes interest rate, liquidity, capital, liabilities related to employee benefits and financial reporting risks, among others. The level of exposure to financial risks is monitored at least quarterly through a set of Key Risk Indicators (KRI). A more detailed overview of specific financial risk management is presented in note 17 of chapter 8 (Consolidated and Individual Financial Statements) of this report.

The following table presents some of the most relevant risks CTT is exposed to:

CAPTION: Mail | Express | Business Solutions | Bank & Financial Services | Portugal | Iberian Peninsula | Mozambique

Low (Impact < €250m) | Meaningful (Impact between €250m-€1M) | High (Impact >€1M) | Increasing | Decreasing | Stabilization

Risk	Description	Financial effect		CTT response - main mitigators
		Current year	Anticipated	
Natural Disasters CATEGORY Strategic IMPACTED BUSINESSES COVERAGE CURRENT TREND	The increase in the frequency and severity of extreme meteorological events is a concern due to their potentially devastating effects and the resulting direct and indirect financial losses. In this scenario, the need to adapt (or even relocate) CTT's buildings and infrastructures in order to adequately prepare them for these occurrences also emerges as a challenge, ensuring the well-being and safety of people and the protection of physical resources.	Impact refers to the property damage and costs associated with the interruption of activity resulting from the floods that occurred in the Valencia region at the end of October. Other extreme phenomena in Portugal had no significant financial impact.	Given that extreme meteorological phenomena will tend to increase in frequency and severity in the future, we anticipate an increase in the financial effect of the risk in the coming years.	• Analysis of the company's resilience to climate risks; • Development of business continuity plans for operations and contingency plans for operational buildings; • Maintenance of buildings and air conditioning systems; • Relocation of buildings to regions less susceptible to extreme weather events. *More information on initiatives to materialise the opportunity can be found in the Climate Change section.*
Pace of Energy Transition CATEGORY Strategic IMPACTED BUSINESSES COVERAGE CURRENT TREND	CTT's commitment to decarbonisation may be challenged by a number of external factors and thus lead to an unexpected increase in costs. In particular, the market's response in terms of the solutions available may not be sufficient or may not fully meet the acceleration needs that are required, whether due to the unavailability of new electric vehicles, the lack of parts to maintain vehicles that have been purchased in the meantime or the lack of charging stations. The intermittency and difficulty of storing renewable energy could also put the electricity system under pressure and cause major fluctuations in prices.	Impact referring to the additional costs incurred compared to what was planned as part of the decarbonisation process.	The commitments made to reduce carbon emissions by 2030 could be challenged by various factors, including the growth of e-commerce. In this scenario, additional investments may have to be made in order to fulfil the defined objectives, so the financial effect of the risk may increase in the medium term.	• Transition plan for climate change mitigation; • Investment in own electric charging infrastructure in view of the current gaps in coverage; • Search for alternative solutions to electrification for the heavy fleet. *More information on initiatives to materialise the opportunity can be found in the Climate Change section.*

Risk	Description	Financial effect		CTT response - main mitigators
		Current year	Anticipated	
Health and safety CATEGORY Strategic IMPACTED BUSINESSES COVERAGE CURRENT TREND	The occurrence of accidents at work constitutes a significant risk in a workforce as vast and geographically dispersed as that of CTT. While CTT is particularly exposed to the risk of road accidents in its operational areas, at the level of its stores and other points of contact with the public, situations of physical and/or psychological violence (namely assaults) to which CTT employees may be subjected are cause for concern.	Impact referring to the increase in costs with the payment of premiums for work accident policies.	Despite the commitment made by CTT to reduce workplace accidents, namely road accidents and, in particular, motorcycle accidents, the expected growth in the volume of parcel traffic will lead to greater vehicle circulation, which is why an increase in accidents and a consequent gradual increase in the financial effect of the risk can be expected.	• Training and awareness raising for workers on health and safety at work; • Road Safety Program (RSP) and occupational mortality • Annual targets for reducing the number of accidents caused by road traffic, per kilometre travelled, and a 5% reduction in workplace accidents and days lost annually. *More information on initiatives to mitigate risk can be found in the Own Workforce section.*
Cybersecurity Incidents CATEGORY Strategic IMPACTED BUSINESSES COVERAGE CURRENT TREND	Cybercrime is one of the most serious economic and national security challenges facing governments around the world. Given the increasing dependence on information technology in CTT's business, the security and protection of information is therefore an extremely important issue. Of particular concern is the growing volume and sophistication of cybersecurity incidents.	Impact relating to the payment of specialised services (e.g. incident response, forensic audit, etc.) in the context of attacks on CTT's infrastructure.	Supported by generative artificial intelligence technologies, cyber attacks will tend to become more personalised and sophisticated, increasing their potential to cause damage and unavailability of CTT's activities. In this scenario, the financial effect of the risk will tend to increase.	• Active monitoring of cybercrime • Governance model for information security and information security policy regulations • Employee training and awareness-raising *More information on risk mitigation initiatives can be found in the Data privacy and information security section.*

Caption

Risk	Description	Financial effect		CTT response - main mitigators
		Current year	Anticipated	
Business models disruption CATEGORY Strategic IMPACTED BUSINESSES COVERAGE CURRENT TREND	With ever shorter innovation cycles and the rapid technological and digital development of companies, it is possible that new business models will emerge with the potential to disrupt the current ones on which CTT's activity is based, leading to a perception on the part of the public of obsolescence and inefficiency in the services and products offered.	Impact related to the loss of revenue resulting from the emergence of disruptive business models on the market.	Although to date no new business models have been identified that could constitute an effective threat to the models on which CTT's core business is based, it is possible that they could emerge over a longer timeframe, thus increasing the potential financial effect of the risk.	• CTT Innovation Agenda • Development of new products and services; • Development of innovation and operational efficiency; • Development of corporate innovation tools. *More information on risk mitigation initiatives can be found in the Business transformation section.*
Customer acquisition and retention CATEGORY Operational IMPACTED BUSINESSES COVERAGE CURRENT TREND	Dependence on a specific business area for a very limited number of customers could result in significant revenue losses when there is a change in consumption patterns. In this context, there is growing concern and awareness on the part of customers about the ecological footprint of products/ services and the principles of the circular economy, and these factors may condition their choices, leading them to opt for other companies.	Impact referring to the decrease in revenue resulting from the (total or partial) loss of turnover with relevant clients.	The transfer of volumes from a large CTT customer to another operator is a possibility that cannot be ruled out in the future, taking into account market dynamics. In this scenario, the financial effect of the risk could increase substantially, despite the mitigation efforts that have been made, particularly in terms of customer diversification and responding to specific customer requirements in the area of sustainability.	• Diversification and improvement of the CTT offer; • Satisfaction survey and listening to customer needs. *More information on initiatives to mitigate risk can be found in the Customer Satisfaction and Experience section.*

Caption

Risk	Description	Financial effect		CTT response - main mitigators
		Current year	Anticipated	
Quality of service CATEGORY Operational IMPACTED BUSINESSES COVERAGE CURRENT TREND	Operating in a highly competitive market, CTT's growth and sustainability are strongly dependent on the provision of services with high levels of quality. Operational failures or other anomalous events, whether in the handling or distribution of items, could negatively affect customers' perception of CTT's quality of service and result in complaints and compensation processes.	Impact on the payment of compensation to customers for failures to provide the service.	As the Iberian e-commerce market is expected to continue to grow in the coming years, it is not expected that the increase in volumes will reduce (in absolute value) the amount of compensation paid to customers for failures to provide the service, so the financial effect of the risk will tend to increase. Even so, CTT is strongly committed to continuing to reduce the ratio of compensation per item handled.	• Programme for continuous improvement and correction of operational faults; • Quality Seal of the Portuguese Association of Contact Centres (APCC); • Customer satisfaction survey. *More information on initiatives to mitigate risk can be found in the Customer Satisfaction and Experience section.*
Universal Postal Service Obligations CATEGORY Operational IMPACTED BUSINESSES COVERAGE CURRENT TREND	As the concessionaire of the Universal Postal Service in Portugal until 31 December 2028, CTT is subject to a number of obligations, including price-setting criteria, quality of service indicators, postal network density targets and minimum service offerings. Breach of any of these obligations may result in the application of the sanctioning regime provided for, namely the imposition of fines.	Impact related to the payment of penalties and fines imposed by ANACOM in connection with the provision of the Universal Postal Service.	Given the ongoing proceedings to challenge fines applied by ANACOM for alleged breaches of Universal Postal Service obligations and if the court decisions that are handed down are not favourable to CTT's interests, it is possible to foresee, in the medium term, an increase in the financial effect of this risk.	• Daily monitoring of EP density indicators, letter-boxes and minimum service offers; • Quarterly report to ANACOM. *More information on risk mitigation initiatives can be found in Community Engagement section.*

Caption

Risk	Description	Financial effect		CTT response - main mitigators
		Current year	Anticipated	
Third-Party conduct CATEGORY Operational IMPACTED BUSINESSES COVERAGE CURRENT TREND	Non-compliance by suppliers and partners with the legislation and regulations in force or with the values and rules of ethics and conduct contractually defined with CTT could have an impact on the company's image and reputation and undermine the trust placed in the brand.	Impact regarding the payment of fines applied by the Authority for Working Conditions (ACT) as a jointly and severally liable entity.	Given the efforts that CTT has been making to promote fair and safe labour practices, including respect for human rights throughout its value chain and, in particular, with subcontracted transport and distribution suppliers, it is expected that the financial effect of this risk will tend to decrease in the coming years.	• Code of Ethics extended to all stakeholders in CTT's value chain; • Application of the Responsible Procurement Policy for the qualification of suppliers; • Ethics Channel for reporting whistleblowing; • Regular inspections related to fraud and collections. *More information on initiatives to mitigate risk can be found in the Business Conduct section.*
Economic Instability CATEGORY Strategy IMPACTED BUSINESSES COVERAGE CURRENT TREND	Uncertainties related to geopolitical factors such as wars and conflicts, political and social tensions, electoral processes, China's economic slowdown, terrorist attacks or fluctuations in fossil energy prices, among others, could negatively impact the macroeconomic outlook, markets and investments and, consequently, CTT's financial results.	Impact related to the increase in fuel costs compared to what was initially forecast for 2024.	Although the uncertainty associated with the evolution of geopolitical factors makes it difficult to anticipate their effects on CTT's financial results in the medium and long term, with specific regard to fluctuations in fossil fuel prices, we expect that their impact will tend to diminish as CTT's dependence on this type of energy will be increasingly reduced as a result of the ongoing energy transition process.	• Replacement of combustion fleet with electric; • Solar Neighbourhoods Project *More information on initiatives to mitigate risk can be found in the Climate Change section.*

Caption

Risk	Description	Financial effect		CTT response - main mitigators
		Current year	Anticipated	
Labour Legislation CATEGORY Operational IMPACTED BUSINESSES COVERAGE CURRENT TREND	In the context of the labour relationship, violations of rules or failure to comply with duties laid down by law are sanctioned through labour administrative offences, with fines imposed, and, in the most serious cases, labour crimes. As an employer, one of the largest in Portugal, CTT is thus exposed to the application of this sanctioning regime.	Impact relating to the payment of fines imposed by the Labour Conditions Authority (ACT) and the costs associated with court decisions in labour cases.	Given the track record of fines imposed by ACT and the volume of pending labour cases awaiting a court decision, it is not expected that the financial effect of the risk will change significantly in the medium term.	• Active monitoring of the number of temporary contracts and identification of better conditions; • Control of contractual succession and legal compliance. *More information on initiatives to mitigate risk can be found in the Own Workforce section.*
Talent shortage CATEGORY Strategic IMPACTED BUSINESSES COVERAGE FUTURE TREND	The talent shortage phenomenon has been increasing in recent years, driven by digital transformation, the emergence of new business models or, more recently, the adoption of AI and automation in companies. In this scenario, organisations are forced to make a permanent effort to anticipate and renew the set of technical and human skills essential for their sustainability and growth. With the labour market in deficit due to the high demand for specific profiles, training and (re)qualification of employees is emerging as an essential strategy to respond to this risk to which CTT is also exposed.	Impact regarding investment in employee retraining.	Given that the adoption of new technologies will make certain current functions obsolete and that changes to the business itself will lead to the need for new skills that will tend to be scarce and in demand in the job market, we anticipate that the financial impact of this risk will increase in the medium term.	• Development of a training impact assessment model using key metrics and internal monitoring tools. • Training pivots with a more active role in promoting and managing training. • Development of strategic collaborative partnerships with educational institutions and experts. • Stimulating employee involvement by using innovative methodologies that reinforce participation in training. *More information on the initiatives to materialise the opportunity can be found in the Own Workforce section.*

Caption

2.4 Opportunity management

2.4.1 Description of the opportunity management process

Based on this integrated process, CTT ensures that the management of opportunities drives the company's growth and contributes to the creation of value for all stakeholders and the promotion of a positive impact on the socio-economic and environmental context. In 2025, the governance model will be structured and established to ensure that the process described is properly monitored.

CTT integrates the identification, evaluation and management of opportunities into its overall management process, aligning these practices with its business strategy and sustainability objectives. This process is conducted in a transversal and collaborative manner, ensuring that the opportunities identified are characterised by market dynamics, CTT customer needs, regulatory requirements and technological and environmental trends. The opportunities process is described by the following phases:

- **Identification:** recognising potential opportunities for the business based on market evolution, technological advances, sector trends and regulatory changes, involving the business stakeholders in order to meet their needs and expectations while promoting joint value creation. This phase culminates in an annual strategic reflection, involving the various hierarchical levels responsible for the topic, defining the main angles for action.

- **Market and business quantification:** assessment of the impact and feasibility of the opportunity in financial, social and environmental terms, ensuring alignment with the CTT Group's strategic priorities.

- **Planning and Implementation:** inclusion of the approved opportunities in the Company's strategic and operational plans, ensuring alignment with the different stakeholders in order to fulfil the commitments established for the development of the initiative.

- **Monitoring based on performance indicators:** management of intermediate results through the monitoring of previously defined KPIs.

Based on this integrated process, CTT ensures that the management of opportunities drives the company's growth and contributes to the creation of value for all stakeholders and the promotion of a positive impact on the socio-economic and environmental context. In 2025, the governance model will continue to be structured and strengthened to ensure adequate monitoring of the process described.

2.4.2. Identification of opportunities and CTT response

CAPTION: Mail | Express | Business Solutions | Bank & Financial Services | Portugal | Iberian Peninsula | Mozambique | Increasing | Decreasing | Stabilization

Low (Impact < €1M) | Meaningful (Impact between €1M-€5M) | High (Impact >€5M) | Short Term (ST): < 1 year | Medium Term (MT): 1-3 years | Long Term (LT): 3-5 years

Opportunity	Description	Financial effect		CTT response - main amplifiers
		Current year	Anticipated	
Climate Change Mitigation CATEGORY **Strategic** IMPACTED BUSINESSES COVERAGE FUTURE TREND	Consumers are increasingly aware of climate change and value companies that migrate to renewable and low-carbon energy sources. For CTT, decarbonisation offers a competitive advantage, attracting and retaining customers and talent, as well as improving operational efficiency and reducing costs. Investors also tend to value companies with a sustainable profile more favourably	On the overall balance sheet, the impact of this opportunity materialises as . This result is reflected in the significant costs incurred as a result of the electrification of 35% of its own last-mile network and the respective investments (<€1m) to ensure the efficient operation of the network. As a result, in 2024, nearly 10m km were travelled in green deliveries (+16% on the previous year). In terms of savings, it was a year with low effects, around 60% of which were derived from more efficient energy solutions installed in buildings, particularly photovoltaic panels and LEDs.	The overall balance for the following timeframes remains the same, due to the high costs necessary for the evolution of network electrification. An HVO pilot for heavy vehicles (Hydrotreated Vegetable Oil) will also be started in the CP. Savings have stabilised in the significant annualised effect range since the ST, and will increase as the group's energy capacity improves, a major focus for the ST. In short, it is expected that the opportunity will materialise as real in a period subsequent to the analysis, in line with the conclusions of current European studies when reflecting the specificities of Portugal and the high consumption of the urban circuits on which the CTT fleet circulates.[23]	• The electrification vector brings financial gains, since the Total Cost of Ownership (TCO) of electric vehicles (EVs) will become lower than that of combustion vehicles; • Solar Neighbourhoods bring financial gains associated with electricity consumption and reduce CTT's dependence on fossil fuels; • Guarantee of Origin Certificates to ensure the purchase of green energy for 100% of needs; • The supply and installation of electric vehicle chargers; • Energy capacity building for the group. *More information on the initiatives to realise the opportunity can be found in the Climate Change section.*

[23] Mckinsey (2022) - Getting to carbon-free commercial fleets

Opportunity	Description	Financial effect		CTT response - main amplifiers
		Current year	Anticipated	
Customer relations management CATEGORY Operational IMPACTED BUSINESSES COVERAGE FUTURE TREND	The continuous focus on improving the offer of products and services to customers, including the diversification and availability of new customer service channels, allows CTT to increase satisfaction and improve the experience of its customers, reach wider target audiences and, consequently, achieve positive financial impacts in terms of revenue generation and churn reduction.	The improvements implemented this year resulted in an overall effect, as it was a year of significant investment, especially in the development of the b2b portal and the ctt app. On the other hand, the revenue effect was significant, with the Expresso Pack (prepaid at a reduced price compared to express unit prices) having a significant impact on the result.	ST and MT are highly favoured by the development and growth of Pack Expresso and C2C shipments. During this period, a unique Iberian experience for the Express area is expected to be realised. In LT, the overall balance is realised at, with an average annual revenue increase similar to MT. It's during this period when costs are rising sharply, but also when savings are characterised as significant.	• Extending the offer to the digital channel. • Developing an intuitive interface for real-time management of point network occupancy, relevant to C2C. • Investing in communication campaigns for customers. • Developing digital platforms to add more services, particularly financial and logistics services. *More information on the initiatives to materialise the opportunity can be found in the Customer satisfaction and experience section.*
Technological innovations CATEGORY Operational IMPACTED BUSINESSES COVERAGE FUTURE TREND	The development of innovative projects focused on the creation of new products and services and on the operational efficiency of the organisation have the potential to promote optimisation in the use of resources and a lower impact on the environment, and also constitute an opportunity to strengthen and differentiate CTT's offer, improve the customer experience and increase its operational efficiency, translating into a potential increase in turnover and cost reduction.	In the current year, the overall financial effects resulting from processes and innovations aimed at promoting operational efficiency were, with the Collectt Network making a strong contribution to this figure, with the positive effects of point-of-delivery services (revenue-costs) and the implementation of projects that in this first year have resulted in savings of <€1m in the areas of data capture, artificial intelligence and automation and robotics. This year also saw the development of a telemetry programme with savings expected in the following year.	In the ST, investments (<€1m) are expected in this opportunity in terms of artificial intelligence and data capture, thus boosting the savings generated. It is at MT that this opportunity has an overall effect, with the evolution of the Collectt Network and associated revenues playing a large part in this figure.	• Increasing the Collectt Network in customers' preferred locations. • Implement scalable Gen AI, advanced sensors and AI for data analysis. • Develop Mobi CTT and update sorting systems. • Create an AI data governance ensuring the ingestion of new data for the creation of new use cases and compliance with standards. • Centralise data for real-time analysis, optimise operations. • Collaborate with academic institutions and startups to co-develop innovative solutions. *More information on the initiatives to materialise the opportunity can be found in the Business transformation section.*

Caption

Opportunity	Description	Financial effect		CTT response - main amplifiers
		Current year	Anticipated	
Development of the product and service offer CATEGORY Operational IMPACTED BUSINESSES COVERAGE FUTURE TREND	The diversification and creation of new business lines with good geographical coverage, including new CEP product references, up & cross selling and partnerships with third parties, combined with attractive prices and good service quality indices, promote a greater and more competitive offer and a better customer experience and bring opportunities for CTT to improve its overall results and increase its turnover.	The opportunity materialises in the current year with an overall effect, being the result of a balance between revenue, savings, investments and costs of a significant level.	The short term will be characterised by the continuous development of new business lines and strongly boosted by the introduction of new logistics and payment services. In the medium term, the opportunity will evolve into a global effect, being a period of consolidation and leverage of new businesses.	• Development of the offer to support the digital transition of companies. • Increasing resources and partnerships to leverage business growth. • Investment in new technologies suited to the evolution of the business. • Investing in incentive programmes and ongoing training to ensure the evolution of market coverage. *More information on the initiatives to materialise the opportunity can be found in the Business transformation section.*

Caption

2.5 Impact management

2.5.1 Description of the impact management process

Aware that its activity generates various impacts on society and the environment and of the importance of adopting an effective management approach, CTT is committed to creating long-term value for its shareholders, employees, communities and other stakeholders. The impact management process is integrated into the various business areas and relies on the regular involvement of various corporate and operational areas to identify, monitor and mitigate (in the case of negative impacts) or promote (in the case of positive impacts) the impacts arising from CTT's activity. To this end, the following steps are implemented:

- **Identification and prioritisation of impacts:** the double materiality analysis is an important tool for identifying and prioritising impacts, which, with the support of stakeholders, are analysed and revisited on a frequent basis, keeping priorities aligned with the most critical impacts.

- **Definition of strategies and objectives:** based on the results of the double materiality analysis, CTT defines strategies and objectives aimed at mitigating negative impacts and promoting positive impacts, in line with the ESG commitments made by the company and best practices in terms of sustainable development.

- **Implementation:** in order to implement the defined objectives, initiatives are planned and integrated into the CTT Group's processes, operations and strategic decisions, thus guaranteeing the alignment of the entire company in the effective management of impacts. Policies and internal awareness-raising actions are developed for this alignment and integration.

- **Monitoring and evaluation:** in order to guarantee the effectiveness of the actions implemented, their progress is regularly monitored through internal working groups or performance monitoring metrics (KPIs), and subsequently reported to CTT's governance, management and supervisory bodies.

In addition to this process, CTT also has ISO 14001, 9001, 27001 EIC and 45001 certifications in the areas of environmental management systems, quality, information security and occupational health and safety, respectively. These certifications, together with the impact management process, allow CTT to reinforce its commitments and lead responsibly, minimising the negative impacts of its activities while creating value for society in order to guarantee the sustainability of future generations.

2.5.2 Identification of impacts and CTT response

CAPTION: Mail | Express | Business Solutions | Bank & Financial Services | Portugal | Iberian Peninsula | Mozambique

Short Term (ST): < 1 year | Medium Term (MT): 1-3 years | Longo Term (LT): 3-5 years | Increasing | Decreasing | Stabilization

Impact	Description[24]	Effect on society and the environment		CTT response - main levers
		Current year	Anticipated	
Climate Change Mitigation CATEGORY Strategic IMPACTED BUSINESSES COVERAGE CURRENT TREND	The direct and indirect emission of greenhouse gases resulting from CTT's activity and its value chain contributes to the effects of climate change, such as the worsening of global warming, negatively impacting the planet and society (-). CTT, as a postal and express operator, concentrates large volumes of items for delivery through routes optimised for efficiency, a centralised logistics network and an extensive and highly convenient customer contact network (post offices, partner points and lockers). This promotes a lower carbon impact per delivery when compared to individual transport by consumers to collect their products in the traditional retail model (+). Likewise, the availability and commercialisation in the retail network of offers aimed at market segments with an appetite for services with environmental characteristics, such as carbon sinks / reforestation, makes a positive contribution to promoting awareness of the need to look after our common home and to combating the global effect of climate change (+).	Aggravation of global warming due to the emission of greenhouse gases associated with transport and distribution activities, with damage to the environment and society.	Promotion of activities and projects that contribute to mitigating the effects of climate change - raising awareness of these issues through CTT's retail network. Direct and indirect reduction of GHG emissions through the implementation of decarbonisation measures, electrification of CTT's value chain activity and the optimisation and efficiency of logistics networks, increasing the sector's resilience.	• Target of reducing the global carbon footprint by 55% by 2030 compared to 2021; • CTT's decarbonisation strategy which includes short, medium and long-term action and investment plans for its own and subcontracted fleets and for the acquisition and production of electricity from renewable sources; • Reforestation initiatives that promote natural CO_2 sinks and the mitigation of GHG emissions in the respective geographies. *More information on initiatives to mitigate climate change can be found in the Climate Change section.*

[24] (+) positive impact; (-) negative impact

Impact	Description[25]	Effect on society and the environment		CTT response - main levers
		Current year	Anticipated	
Emissions of atmospheric pollutants and air quality CATEGORY Strategic IMPACTED BUSINESSES COVERAGE CURRENT TREND	CTT's transport and distribution activities are carried out using fossil-fuelled vehicles, emit atmospheric pollutants that have a negative impact on air quality and consequently on people's health (respiratory and cardiovascular) (-).	Use of non-renewable resources and degradation of air quality through the emission of atmospheric pollutants.	A marked reduction in the emission of atmospheric pollutants due to the electrification of the fleet, contributing to the improvement of air quality in cities and minimising the impact on people's health.	• Electrification plan for own and subcontracted fleet; • Operate exclusively with own 'green' vehicles in the last mile by 2030; • Promote the decarbonisation of the subcontracted road fleet by 2030. *More information on initiatives to mitigate the emission of atmospheric pollutants can be found in the Pollution section.*
Energy management CATEGORY Strategic IMPACTED BUSINESSES COVERAGE CURRENT TREND	The use of fossil fuels emits GHGs and promotes the extraction and use of finite resources with limited reserves, contributing to their scarcity and greater pressure on energy markets (-). The focus on the production and use of electricity from exclusively renewable sources contributes to saving the use of natural resources, reducing CTT's energy dependence on fossil fuels and its carbon footprint (+).	Impacts on ecosystems due to the extraction and use of finite resources with limited reserves, contributing to their scarcity; Greater pressure on energy markets, resulting in higher prices with an impact on society.	Greater energy sustainability of activities through the production and consumption of electricity from renewable sources, promoting the production of electricity from alternative energies in the energy sectors and greater accessibility to their use in the surrounding community.	• Solar Neighbourhoods project in partnership with EDP, which promotes the production of green energy for self-consumption at CTT facilities and in the surrounding community; • Annual purchase of 100% electricity from renewable sources through Guarantee of Origin certificates; • Implementation of energy efficiency measures; • Production of photovoltaic energy for own consumption; • Reducing electricity and fuel consumption. *More information on initiatives to manage energy consumption can be found in the Climate Change section.*

Caption

[25] (+) positive impact; (-) negative impact

Impact	Description[26]	Effect on society and the environment		CTT response - main levers
		Current year	Anticipated	
Health and safety at work CATEGORY Operational IMPACTED BUSINESSES COVERAGE CURRENT TREND	CTT's transport and distribution activity carried out using road vehicles is naturally exposed to road accidents, involving both CTT employees, its distributors and subcontracted transport providers, as well as society, through the impact of accidents on third parties (-). In addition, CTT's activity, especially the activity of the Express & Parcels and Mail & Other business segments due to their nature associated with the transport of goods on behalf of customers, is exposed to accidents at work and/or physical wear and tear which can negatively impact the health of CTT's employees and contracted staff (-).	Decreased health and quality of life for employees, contracted staff and the value chain; and the local community due to injuries caused by road and labour accidents.	Lower occurrence and/or severity of accidents and injuries to own workforce, workers in the value chain and the surrounding community through investment in prevention and training in occupational and road health and safety.	• Training for workers in health and safety at work; • Road prevention programme (PPR); • Reduce the number of road accidents by 5% per kilometre travelled; • Prevention of labour mortality; • Ambition to reduce accidents at work and days lost by 5% each year. *More information on initiatives to promote health and safety can be found in the Own Workforce and in the Workers in the value chain sections.*
Secure employment CATEGORY Operational IMPACTED BUSINESSES COVERAGE CURRENT TREND	The continued diversification of the business, in response to the decline of CTT's main sector of activity, makes it possible to secure current jobs and eventually expand the workforce in a sustainable manner, as well as promoting the placement of employees in higher value-added roles (+).	Employees with greater confidence in the company, stability and fulfilment in their professional lives.	Increased employability and stability of working life in society in general, promoting an increase in its economic power..	• Business diversification as a key mechanism for secure employment and talent retention; • Career progression plan; • Company agreements; • Developing and valuing talent through upskilling and reskilling programmes. *More information on initiatives to promote secure employment can be found in the Own Workforce section.*

Caption

[26] (+) positive impact; (-) negative impact

Impact	Description[27]	Effect on society and the environment		CTT response - main levers
		Current year	Anticipated	
Equality, diversity and inclusion CATEGORY Operational IMPACTED BUSINESSES COVERAGE CURRENT TREND	Promoting gender equality in leadership positions allows for greater diversity and enhances improvements in decision-making, enabling greater openness to innovative strategies and ideas, the generation of new business and a better understanding of the needs and preferences of a wider audience (+). Promoting gender equality in leadership positions allows for greater diversity and enhances improvements in decision-making, enabling greater openness to innovative strategies and ideas, the generation of new business and a better understanding of the needs and preferences of a wider audience (+).	Equal access to opportunities; More inclusive and diverse work environment and company culture, promoting tolerance and non-discrimination.	A more diverse business world, promoting a more inclusive and integrated society.	• CTT Equality Plan; • Raising awareness and training on Diversity, Equity and Inclusion; • Inclusive recruitment practices. *More information on initiatives to promote secure employment can be found in the Own Workforce section.*
Work-life balance CATEGORY Operational IMPACTED BUSINESSES COVERAGE CURRENT TREND	The implementation of measures and benefits for employees that allow for a better work-life balance has the potential impact of improving the well-being and satisfaction of employees and their families (+).	Greater satisfaction and well-being of employees and their families through the use of benefits and programmes provided by CTT in the areas of time and space flexibility and support for employees' families.	Motivated and satisfied employees, with conditions for career development without jeopardising their family and personal life balance.	• EFR certification • Training in conciliation and associated measures; • SOU CTT benefits plan. *More information on initiatives to promote a work-life balance can be found in the Own Workforce section.*

Caption

[27] (+) positive impact; (-) negative impact

Impact	Description[28]	Effect on society and the environment		CTT response - main levers
		Current year	Anticipated	
Access to adequate housing CATEGORY Operational IMPACTED BUSINESSES COVERAGE CURRENT TREND	Facilitating access to adequate housing, namely through the provision of special housing credit conditions, is crucial to promoting the quality of life of workers, affecting health, safety and well-being and can contribute positively to retaining employee talent or be a differentiating and facilitating aspect in recruitment processes (+).	Greater satisfaction and well-being of employees and their families through access to better housing conditions.	Employees and their families with a better quality of life.	• Bonus Housing Credit; • Project to support financing and construction of houses for workers in Mozambique; • SOU CTT benefits plan. *More information on initiatives to promote a work-life balance can be found in the Own Workforce section.*
Proximity to products and services CATEGORY Operational IMPACTED BUSINESSES COVERAGE CURRENT TREND	The capillarity, granularity and universality of CTT's logistics and retail networks allow the population to access postal, express and parcel services, financial and banking services, including savings and payments, and to receive subsidies and other social benefits, even in remote areas (+). Adapting CTT's offer to the needs of disabled citizens improves their quality of life through convenient access to services (+). Likewise, the use of CTT's business and internal competences to benefit vulnerable communities in the geographies where the company operates reinforces the company's positive social impact and proximity to communities and promotes motivation and talent retention (+).	Reduced social isolation of rural communities through access to various services due to the capillarity, granularity and universality of CTT's logistics and retail networks; Surrounding communities are better able to deal with their vulnerabilities by sharing CTT's competences with them.	Reducing social inequalities for special needs and vulnerable groups through equal access to services and social impact initiatives and programmes. Increasing the quality of life of citizens with special needs by offering adapted services.	• CTT capillarity in 100% of municipalities and rural areas; • Accessible offer adapted to the needs of disabled citizens; • Volunteering and social impact programmes developed by CTT employees. *More information on initiatives for proximity to CTT products and services can be found in the Community engagement section.*

Caption

[28] (+) positive impact; (-) negative impact

03

CTT Business Units

3.1 Logistics
3.2 Bank & Financial Services
3.3 Future perspectives

3. CTT BUSINESS UNITS

In 2024 (FY24), CTT revenues[29] reached €1,107.3m (+€122.1m; +12.4% y.o.y[30]). This evolution reflects a record performance of Express & Parcels (E&P), a significant growth in Banco CTT (which has already surpassed the targets set for 2025) and an upturn in Mail & Other and Financial Services segments in 4Q24. In 2024, revenues from the E&P segment surpassed those of Mail & Other, marking a successful transformation of CTT, an e-commerce logistics player in Iberia.

- Logistics totalled €949.6m in FY24 (+19.6% y.o.y), accounting for 86% of CTT's total revenues.
- Express & Parcels (E&P) achieved €479.0m in revenues, corresponding to an increase of +40.6% y.o.y, marked by record volumes (+40.9% y.o.y) and revenue.
- The Bank totalled €129.9 million, on the back of strong growth in business volumes, already surpassing the €7bn target announced in CMD2022 for 2025. It also achieved record profitability, with RoTE[31] of 13%, topping the target range for 2025.
- Financial Services reached €27.7m, marked by a significant drop in the level of public debt placements due to the imposition of caps on their placement. The removal of these limits in the last quarter of the year led to normal levels of placement in 4Q24 (+209.8% y.o.y).

The normalisation of the placement of public debt enabled a record recurring EBIT of €30.5m (+56.5% y.o.y) to be achieved in 4Q24, with a margin of 9.7%. For the year, it totalled €85.1m (-2.7% y.o.y).

- Logistics totalled €44.3m (+46.4% y.o.y) in FY24. This performance was driven by E&P, with €36.1m (+82.9% y.o.y), underpinned by the strong operating leverage resulting from the significant increase in volumes (>141m items delivered) and revenue.
- Bank & Financial Services recorded €40.8m (-28.7% y.o.y). Banco CTT reached €26.6m, an increase of +26.2% y.o.y. Financial Services (-60.6% y.o.y.) reflected the lower volume of public debt placements in the first nine months of the year, returning to normal levels in 4Q24.

Operating cash flow stood at €93.9m in 2024 (compared to +€114.4m in 2023). It should be noted that in 4Q24 there was a strong cash flow generation (€64.8m; +€26.6m compared to 4Q23). Excluding Banco CTT, the operating cash flow grew by 6.7% to €70.3m (in 4Q24 it amounted to €68.9m, +€49.5m compared to 4Q23).

Net profit[32] of €45.5m in FY24 (-15.0% vs. FY23). This represented a drop of €15.0m compared to 2023, despite a difference of only €2.4m in recurring EBIT, due to: (i) an increase in specific items (-€1.6m) resulting from the conclusion of the Generali transaction, the acquisition of Cacesa and the partnership with DHL; (ii) lower financial results (-€1.2m); (iii) changes in taxes (-€8.2m); (iv) and minority interests (-€1.6m).

[29] Excluding specific items.
[30] y.o.y - year on year.
[31] Accumulated recurring RoTE (Return on Tangible Equity) which excludes specific items, normalised assuming tangible capital of 15% of RWAs, compatible with the target disclosed in CMD 2022. With the current capital structure, RoTE is 10.0% for FY24.
[32] Attributable to equity holders.

€ million

	2023	2024	Δ	Δ%	4Q23	4Q24	Δ	Δ%
Revenues[29]	**985.2**	**1,107.3**	**122.1**	**12.4%**	**269.8**	**315.0**	**45.2**	**16.8%**
Logistics	794.1	949.6	155.6	19.6%	227.2	271.0	43.8	19.3%
Express & Parcels	340.6	479.0	138.4	40.6%	111.1	148.5	37.4	33.7%
Bank & Financial Services	191.1	157.6	(33.5)	(17.5%)	42.6	44.0	1.4	3.4%
Operating costs	**833.3**	**947.0**	**113.6**	**13.6%**	**233.5**	**265.3**	**31.8**	**13.6%**
EBITDA[29]	**151.9**	**160.3**	**8.4**	**5.5%**	**36.3**	**49.7**	**13.4**	**37.0%**
Depreciation & amortisation	64.3	75.1	10.8	16.8%	16.8	19.2	2.4	14.4%
Recurring EBIT	**87.6**	**85.1**	**(2.4)**	**(2.7%)**	**19.5**	**30.5**	**11.0**	**56.5%**
Logistics	30.3	44.3	14.0	46.4%	9.6	17.4	7.7	80.4%
Express & Parcels	19.7	36.1	16.4	82.9%	7.7	12.0	4.4	57.0%
Bank & Financial Services	57.3	40.8	(16.4)	(28.7%)	9.9	13.1	3.3	33.1%
EBIT	**77.8**	**73.8**	**(4.0)**	**(5.1%)**	**20.7**	**25.8**	**5.1**	**24.7%**
Net profit for the period[31]	**60.5**	**45.5**	**(15.0)**	**(24.7%)**	**25.0**	**17.8**	**(7.2)**	**(28.8%)**

	31.12.2023	31.12.2024	Δ	Δ%
Equity	253.3	308.2	55.0	21.7%
Net Debt	(39.0)	(68.1)	(29.2)	(74.8%)
Net debt with Banco CTT under equity method	177.3	205.8	28.5	16.0%
Net debt/EBITDA (LTM) with Banco CTT under equity method	1.4	1.6	0.2	14.0 %

3.1. Logistics

Logistics revenues totalled €949.6m in FY24 (+€155.6m; +19.6% y.o.y). This performance was underpinned by the growth of Express & Parcels (+40.6% y.o.y). E&P has thus surpassed the Mail & Other business and became the most relevant area for CTT, including in revenues.

€ million

Logistics	2023	2024	Δ	Δ%	4Q23	4Q24	Δ	Δ%
Revenues	794.1	949.6	155.6	19.6%	227.2	271.0	43.8	19.3%
Operating costs	706.9	838.7	131.8	18.7%	202.8	236.8	34.0	16.8%
EBITDA	87.2	110.9	23.7	27.2%	24.5	34.3	9.8	39.9%
Recurring EBIT	30.3	44.3	14.0	46.4%	9.6	17.4	7.7	80.4%
EBIT	20.6	33.1	12.5	60.5%	10.8	12.7	1.9	18.0%

3.1.1 Express & Parcels

Express & Parcels **revenues** broke records, amounting to €479.0m in FY24 (+€138.4m; +40.6% y.o.y), with volumes exceeding 141 million items (+40.9% y.o.y). The results confirm the trust placed in the company by its customers, reflecting the quality of the service offered, a differentiating factor compared to the competition that contributes to the continuous increase in volumes entrusted to CTT.

2024 was marked by the uniformisation of the business in Spain and Portugal, and the creation of an Iberian offer. This included standardising the product portfolio, the commercial approach, customer segmentation and pricing methodology. Commercial coordination between Portugal and Spain was also strengthened in the management of international key accounts. This standardisation is crucial, given that most clients operate throughout the Iberian Peninsula and therefore prefer an integrated service that covers the entire economic region.

The expansion of the E&P segment is the result of the growing adoption of e-commerce and the gain in market share, which reflects investments in the expansion and capacity of the network, the extension and differentiation of the portfolio of services offered and the quality of delivery. In order to continue its strategic growth and expansion plan, at the end of 2024 the CTT group announced the purchase of the Spanish company Cacesa and a partnership with DHL.

CACESA specialises in international e-commerce customs clearance, using a highly automated platform and a proprietary software-based model that allows for profitable and scalable growth. It is present in 15 countries, with Spain, Italy, Belgium and Poland being its main markets.

From a strategic perspective, against a backdrop where marketplaces are progressively integrating more activities, this acquisition aligns perfectly with CTT's strategic roadmap of establishing itself as an e-commerce logistics player as it will (i) increase CTT's presence in the cross-border e-commerce flows, which are expected to grow at double digit over the coming years; (ii) strengthen CTT's foothold in customs clearance, which is a critical step in cross-border fulfilment and in forward-located inventory; (iii) reinforce CTT's value proposition for its customers with a wider scope of services; (iv) expand CTT's geographical footprint across Europe, thus providing optionality to expand in the last mile segment by targeting high margin and high return routes; (v) capture sizeable operational synergies with low materialisation risk; and (vi) accelerate CTT's business transformation with an increasing focus on e-commerce logistics and CEP activities.

The strategic partnership with DHL is poised to generate efficiencies and address the growth opportunities of the e-commerce and parcel delivery markets across Spain and Portugal which, combined, form the fourth largest market in Europe[33], and to generate operating efficiencies.

To crystallise the partnership, (i) CTT Expresso will fully acquire DHL Parcel Portugal; (ii) CTT will further acquire an indirect 25% stake in DHL Parcel Iberia; and (iii) DHL will acquire a 25% stake in CTT Expresso. Both Parties will grant each other an option to increase, in the future and upon the fulfilment of certain conditions, their mutual shareholdings up to a stake of 49% in the respective companies.

In Spain, CTT Express, the Spanish subsidiary of CTT Expresso, will focus on B2C services, while DHL eCommerce in Spain will handle B2B operations, creating highly efficient networks for parcel processing and last-mile distribution, thus improving the customer experience throughout the Iberian Peninsula.

In the international/cross-border segment, a key source of future e-commerce growth, this partnership will leverage cross-border flows in Europe and inbound flows from the USA by combining DHL's cross-border expertise with CTT's wide Iberian e-commerce last-mile network. In the Iberian B2C market, the combination of DHL's well recognised brand with CTT's competitive B2C operation will fuel additional penetration in large Iberian accounts.

The Joint Venture will combine (i) the network of CTT Expresso, the leading parcel delivery company in Portugal and the fastest growing in Spain, which includes 20,000 service stations (PUDOs) within the colleCTT network, 22 hubs and 260 depots across Iberia, along with more than 1,000 parcel lockers under the Locky brand and (ii) DHL eCommerce footprint in Spain, with over 3,000 service points, 7 hubs, and 73 depots. The integration of both networks is aimed at enhancing customer convenience by allowing them, for example, to drop off and pick up packages at parcel stations or service stations from either partner. It is planned to expand the joint out-of-home network by deploying 10,000 new parcel lockers over the next years.

Supported by strong volume growth and operating leverage, **recurring EBIT** generated by the E&P business increased from €19.7m in 2023 to €36.1m in 2024 and the margin increased from 5.8% to 7.5% (+1.7 pp y.o.y).

[33] Euromonitor International, 2023 data.

Sustainable portfolio

The Ciclo CTT service, a solution launched in partnership with Loop Co. and FNAC, aims to promote the sale of reconditioned products from its customers, thus contributing to reducing the carbon footprint and promoting the reuse of goods while maintaining their value and usefulness. Since the service began, more than 355 items of electronic equipment have been transported and reconditioned.

CTT has strengthened its efforts to incorporate recycled materials into its parcels and express offer in Portugal and Spain, and has already reached a 100% commitment to using this type of material in CTT's offer.

At the same time, in Spain, CTT Express continues to invest in the sale of new packaging formats that incorporate recycled plastics and are recyclable. These packages have the Blue Angel label, a German certification that proves the adoption of good ecological practices applied to the manufacture and operation of a product or service.

3.1.2 Mail & Other

Mail & Other **revenues** amounted to €470.6m (+€17.1m; +3.8% y.o.y) in FY24, with significant growth in 4Q24 (+5.5%). This growth was mainly due to the performance of the revenue from addressed mail (+ €9.2m; +2.6% y.o.y), business solutions (+€6.3m; +14.0% y.o.y) and payments (+€2.0m; +10.4% y.o.y).

In 2024, the mail business benefited from the volumes generated by the legislative elections in March. Excluding this effect, addressed mail revenues would have grown by 0.4% y.o.y and revenues from Mail & Other would have increased by 2.1% y.o.y.

The overall average price change of the universal postal service[34] in 2024 was +8.91% y.o.y. Mail revenues benefited from an increase in average revenue per item, as a result of the price increase and the evolution of the mix, which offset the decline in mail volumes.

In FY24, business solutions recorded revenues of €51.0m and the complementarity between the physical and digital worlds was exploited in order to improve the customer experience. The business process outsourcing (BPO) and contact centre solutions businesses continued to grow, as a result of attracting new customers in different sectors.

Mail & Other **recurring EBIT** reached its highest margin in 4Q24 (4.4%) since 2022, driven by a significant increase in revenues (+5.5% y.o.y), thanks to the less marked decline in volumes, the effective implementation of the cost control programme and the recovery of the public debt placement. In 2024, however, there was a decrease to €8.2m, penalised by cost inflation, which was not fully offset by the increase in revenue as the price increase only offset the decline in mail volumes, and by the decrease in public debt subscriptions seen in the first nine months of the year.

Sustainable portfolio

More sustainable options are favoured for mail solutions, especially in terms of the selection of materials used.

Green mail is a 100% ecological offer that focuses on convenience combined with environmental protection, guaranteeing carbon offsetting of direct emissions resulting from the processing, transport and distribution of its products that could not be avoided, at no additional cost to customers. On average, for each item of green mail delivered by CTT, 96.8 grams of CO_2e are emitted as a result of

[34] Includes letter mail, editorial mail and parcels of the universal postal service, excluding international inbound mail.

the company's direct activity. With this in mind, CTT is acquiring carbon credits by financing two projects: a national project, 'Conservation of forests', which aims to create and care for forests of native species, trees and shrubs that are original to the Portuguese flora, with a view to enhance the value of these species and recovering the Portuguese forest; and an international project, located in Brazil and called the 'Amapá REDD+ Project', which aims to protect forests and prevent unplanned and illegal deforestation of the native Amazonian forest, promoting sustainable forest management. Green Mail envelopes are also produced using 100% recycled paper. Despite a drop (-10.8%), the Green Mail eco range accounted for around 4.7 million items sold.

The 'eco' range of direct marketing services provides a distinctive symbol for campaigns that stand out positively for their environmental performance. It aims to project the use of the mail channel with ecological merit, through the use of ecological raw materials, responsible production processes and appropriate end-of-life cycle management. The eco range accounted for around 6.7 million items, a relative weight of 26.8% of Direct Mail's national volumes.

At the moment, 83.7% of the mail offer already incorporates recycled and reused materials, bringing the company closer to fulfilling its commitment to reach the entire offer by 2030.

Philately

From 1962 to 2024, CTT was awarded 41 major philatelic design awards, to which must be added another 10 prizes for the graphic quality and contents of the books. With 51 of these distinctions granted, mostly by independent international juries, CTT's Philately is considered the most award-winning in Europe and one of the most awarded in the world.

Commemorative philatelic issues of 2024	
• 200 Years of the Vista Alegre Porcelain Factory • The *Podence Caretos* • 25 April – 50 Years • 25 April – Joint issue Angola - Cape Verde - Portugal • Camões – 500 Years • EUROMED – Sports in the Mediterranean • The Azores in Celebration • Alcobaça Monastery – Unesco World Heritage • Portuguese Rice	***National and International Events***
• Europa – Underwater Fauna and Flora • King's Pine Forest	***Environment and Sustainability***

Book editions
• Portuguese Rice – A Gastronomic World • Portugal in Stamps

Automatic franking labels
• World Organisation for Animal Health - 100 Years
• Firefighters of Portugal

Personalised Stamps
• 75 Years of the Portuguese Society of Cardiology
• 45 Years of the National Health Service
• Breast Cancer Prevention
• Faro – Historical Heritage
• Moura – Historical Heritage
• Minho River Fisheries
• 140 Years of the Zoo
• Portimão – Centenary City

In 2024, three issues stand out, which were printed on 100% uncoated recycled paper and fulfil the strict environmental criteria of the Blue Angel certification:

- The issue "25 April – 50 Years";
- The issue "Europa – Underwater Fauna and Flora"; and
- The issue "King's Pine Forest".

More information on the plan of philatelic issues of CTT at:
https://www.ctt.pt/particulares/filatelia/plano-emissoes/

3.2 Bank & Financial Services

Banco CTT **revenues** reached €157.6m in FY24 (-€33.5m; -17.5% y.o.y). This performance, when compared to the previous year's, is strongly impacted by the performance of public debt certificates, as Banco CTT continues to grow in assets and customers. Public debt placement volumes increased significantly from October onwards, reflecting the change in the maximum investment ceiling for Savings Certificates per subscriber (from €50,000 to €100,000) and CTT's strong commercial proactivity.

€ million

Bank & Financial Services	2023	2024	Δ	Δ%	4Q23	4Q24	Δ	Δ%
Revenues	191.1	157.6	(33.5)	(17.5%)	42.6	44.0	1.4	3.4%
Recurring EBIT	57.3	40.8	(16.4)	(28.7%)	9.9	13.1	3.3	33.1%
Recurring EBIT margin (p.p.)	30.0 %	25.9 %	(4.1 p.p.)		23.2 %	29.8 %	6.6 p.p.	

3.2.1 Bank

Banco CTT's **revenues** totalled €129.9m in FY24 (+1.4m; +1.1% y.o.y) with net interest income reaching €98.0m (-€0.8m; -0.8% y.o.y). Excluding the impact of the end of the Universo credit card partnership, the growth in revenues would have been 11.8%, with an expansion in net interest income

of 13.3%. Interest received rose €44.3m compared to the same period last year, benefiting from the growth in business volumes. Interest paid increased by €45.1m compared to the same period in 2023, due to the increase in customer deposits.

At the end of 2024, the number of current accounts totalled 681k (34k more than in December 2023).

Customer deposits (Banco CTT consolidation) totalled €4,043.7m in FY24 (+30.8% compared to December 2023). There was a 56.4% increase in term deposits and a 9.9% increase in sight deposits compared to December 2023.

Interest from auto loans amounted to €60.9m in FY24 (+€7.8m; +14.7% y.o.y), amounting to a portfolio net of impairments of €937.5m (+9.0% compared to December 2023). Auto loans production stood at €272.5m in FY24 (+0.8% y.o.y).

Interest from mortgage loans stood at €30.8m in the period (+€7.6m; +32.6% y.o.y).This growth benefited from the positive evolution of Euribor rates since 1H23. The mortgage loan portfolio net of impairments totalled €800.6m in FY24 (+10.0% compared to December 2023). Mortgage loan production totalled €187.5m in FY24 (-€24.7m; -11.6% y.o.y).

Also worthy of note is that the Bank's investment portfolio saw an increase of €43.5m in interest received in FY24 compared to FY23, due to the investment of larger amounts in sovereign debt securities. Other interest received increased by €7.0m in the same period, to which essentially contributed the liquidity surplus at Banco de Portugal.

Commissions received in this business unit reached €29.8m in FY24 (+€2.6m; +9.5% y.o.y). The following positive contributions in the year stand out: (i) commissions received from accounts and cards, which totalled €13.2m (+€0.5m; +4.0% y.o.y); (ii) from mortgage loans, which totalled €1.4m (+€1.0m; +249.0% y.o.y); and (iii) from insurance, which amounted to €4.4m (+€0.9m; +24.5% y.o.y).

As at 31 December 2024, the loan-to-deposit ratio was 43.1%.

The net allocation to impairments and loan provisions totalled €13.0m in 2024 (compared to €25.5m in 2023, -€12.5m, -48.9% y.o.y) and a cost of risk of 0.7% (compared to 1.3% in 2023). The 2024 figure is positively influenced by the end of Universo credit card partnership and the gain from the sale of the non-performing car loan portfolio (the cost of risk excluding this gain would be 0.9%).

Recurring EBIT totalled €26.6m (+26.2% y.o.y) mainly due to strong growth in business volumes, particularly in deposits and mortgage and auto loans, the evolution of the average interest rates and the reduction in credit risk costs.

Banco CTT's main goal is to expand its business volumes, based on the stable growth of its customer base and the deepening of its relationships with customers. To this end, it has invested in systems and human resources in order to encourage each customer to expand the range of products they have with Banco CTT.

Banco CTT is well positioned to achieve the 2025 objectives, having already surpassed some of those disclosed in September 2023:

- Reach 700k to 750k accounts (compared to 681k as at the end of 2024);
- Grow in customer resources and loans to customers to business volumes of over €7b (target already exceeded, having reached €7.0bn at the end of 2024);
- Deliver on profitability, with pre-tax profits between €25m and €30m (a target that has also already been achieved, having reached €26.4m in FY24).

Sustainable portfolio

Banco CTT's offer of sustainable savings and investment solutions includes the Sustainable Mortgage Loan product, which favours the purchase of energy-efficient homes with special mortgage loan conditions, the Personal Renewable Energy Loan aimed at improving the energy efficiency of the home, with special conditions for the purchase of solar panels and other equipment, and the New Electric Car Loan with special financing conditions for the purchase. There is also the 'Banco CTT Sustainable Investment' product, commercialised in partnership with Zurich, an insurance linked to an investment fund for companies and institutions that incorporate principles and objectives aligned with the United Nations 2030 Agenda.

The new Banco CTT debit cards sent to customers are made 100% from recycled plastic. Of particular note in this context is Banco CTT's participation in the Merece Movement, which promotes the collection and recovery of waste from expired and unused bank cards, transforming them into street furniture and also converting this collection into a considerable number of planted trees. Since the partnership began, around 95k cards have been recycled.

This year, a new criterion was launched for exemption from the account maintenance fee: in addition to having an active debit card, it is necessary to subscribe to the statement and other communications in digital format. This measure has led to 74% of customers signing up to the digital statement.

3.2.2 Financial Services

Financial Services **revenues** amounted to €27.7m in FY24 (-€34.9m; -55.7% y.o.y). This unfavourable performance occurred mainly in the first 9M24, with public debt subscriptions returning to normal levels in the last quarter, given the change in the ceilings per saver.

Public debt certificates (Savings Certificates and Treasury Certificates Savings Growth) posted revenues of €13.5m in 2024 (-€31.0m; -69.7% y.o.y).

In the first half of 2023, public debt certificates reached all-time highs, driven by the product's greater attractiveness when compared to bank deposits. The change in marketing conditions in June 2023 reduced the appeal of this product for savers, due to the reduction in interest rates, and limited marketing capacity, as a result of the drastic reduction in the maximum investment ceilings per subscriber.

At the beginning of October 2024, the Government announced a change in the marketing conditions for Savings Certificates, with the maximum investment limit per subscriber increasing from €50,000 to €100,000 for the F series and from €250,000 to €350,000 for the accumulated E and F series. This change in limits triggered a significant increase in subscriptions in the quarter, with income from savings certificates reaching €6.3m (the highest figure since 2Q23).

CTT has carried out marketing campaigns over the last few months, highlighting the attractiveness of Savings Certificates when compared to other alternatives.The year 2024 also marked the launch of Aforro Digital in July, which saw a very positive evolution, with a total of 32,591 customers linking their Aforro account to the CTT App. The total number of operations carried out on the CTT App was also significant, totalling 183,838 operations. In addition, the daily average amount subscribed in the CTT App showed remarkable and sustained growth, from around €70k per day in July to €326k per day in December, reflecting customer confidence and interest in the product. In 2024, the total amount subscribed was over 29 million euros. This positive trend was further reinforced in January 2025, with a sharp rise in the average daily amount subscribed to €606k. In January 2025, the total amount subscribed was 13.9 million euros, representing 47% of the full year 2024.

In FY24, subscriptions of these certificates amounted to €2,087.1m, half of which in the last quarter of the year, and therefore over one billion euros, on a par with the quarterly average seen between 2019 and 2021.

In addition to the distribution of public debt, CTT has been repositioning its retail network for the distribution of services from other entities (retail as a service). This strategy includes the distribution of: (i) public debt; (ii) insurance products; (iii) health plans; and (iv) other convenience services for citizens.

In this context, CTT reinforced the commercial dynamism in the area of non-life insurance, including auto, health, personal accidents, among others, based on the distribution agreement with Generali, but also benefiting other distribution agreements with other institutions, namely in terms of health plans.

Health plans offer customers significant discounts on a wide network of private healthcare providers. The high level of satisfaction with this product is reflected in the low drop-out rates, thus creating a recurring income base for CTT. There has also been strong take-up by SMEs, which are thus able to provide healthcare support for their employees. At the end of 2024, the number of users exceeded 25,800, generating an average annual revenue of €32 per user.

From a functional perspective of the network, the strategy involves offering mail and express & parcels products and services mostly in self-service. Strong focus is also placed on omnichannel through the interconnection between virtual and in-person experience, but favouring the use of remote channels, especially for evaluation, purchase preparation and servicing.

Taking into account the aforementioned framework, **recurring EBIT** in FY24 stood at €14.3m. In 4Q24, due to the return to normalised levels of public debt placement, recurring EBIT totalled €5.1m (+44.7% y.o.y), representing 36% of the full year.

3.3 Future Perspectives

In 2024, CTT **made substantial progress on its transformation path, becoming an Iberian e-commerce operator**, with the **Express & Parcels** segment accounting for the largest share of revenues and recurring EBIT. Record volumes were also achieved in Iberia, driven not only by the growth of the Iberian e-commerce market, but also by gains in market share. The increase in volumes entrusted to CTT by its customers is due to the high quality of its service. This is a differentiating factor compared to the competition, which will sustain future growth.

CTT announced ambitious growth targets for **Banco CTT**, both in terms of the number of customer accounts and in terms of business volume and profitability. In line with these objectives, Banco CTT achieved already in 2024 the targets set out in the strategic plan for 2025 regarding business volume, earnings before taxes (EBT) and profitability (record RoTE of 13.0%[35]). Banco CTT will continue to invest in improving the customer experience (IT systems and sales force) with the aim of deepening and intensifying the customer relationship and thus increasing engagement with current and future customers.

In **Financial Services**, the ceiling per subscriber of Savings Certificates was increased from €50,000 to €100,000 in October, triggering a significant increase in daily subscriptions to this product. The new functionality of the CTT app, which makes it possible to manage savings certificates digitally and more conveniently for customers, has been very popular. CTT continues to grow in retail service products such as insurance (Generali) and health plans.

In **Mail**, the strategy involves guaranteeing the sustainability of the business and exploring digitalisation opportunities, optimising the customer experience. As in 2023, a price increase was successfully

[35] Accumulated recurring RoTE (Return on Tangible Equity) which excludes specific items, normalised assuming tangible capital of 15% of RWAs, compatible with the target disclosed in CMD 2022. With the current capital structure, RoTE is 10.0% for FY24.

implemented in 2024 in order to offset the decline in volumes due to increased digitalisation. The focus remains thus on controlling costs and selling business solutions to our customers, boosting growth with innovative solutions and strengthening customer relations.

In 2025, CTT intends to: (i) conclude the transactions and successfully complete the integration of the inorganic growth opportunities that arose during 2024, namely the acquisition of the Spanish customs clearance company Cacesa and the strategic partnership with DHL; (ii) invest organically in the Iberian express and parcel market in order to take advantage of the growing e-commerce trend; (iii) continue to foster Banco CTT's growth, which is underpinned by balance sheet optionality and potential equity and industry partnerships; (iv) continue to launch new recurring revenue services and thus increase the profitability of the retail network; (v) continue to carry out transformation initiatives in order to maintain mail productivity; (vi) look for new opportunities for inorganic growth, particularly in the logistics and fulfilment segments.

CTT will focus on minimising the impact of relevant and persistent macro and industry risks, including geopolitical uncertainty, inflation, the cost of energy and raw materials, or the imposition of tariffs that affect global trade.

Against this backdrop, CTT reiterates the objectives for 2025 disclosed at the 2022 Capital Markets Day, anticipating revenues between €1.1bn and €1.25bn (already achieved in 2024) and organic recurring EBIT above €100m. Growth will be driven by the strong expansion of the Express & Parcels segment, greater engagement with Banco CTT customers and normalisation of public debt placement.

CTT remains committed to its principles of capital allocation and financial flexibility, as announced in June 2022 during the Capital Markets Day: (1) enabling CTT to continue to pursue its investment objectives in business growth and to be a leading Iberian player in logistics and e-commerce; (2) implementing an attractive shareholder remuneration policy, providing an adequate source of income for its shareholders; and (3) combining, within specific market conditions, a recurring dividend-based shareholder remuneration with a case-by-case shareholder remuneration, based on the repurchase and subsequent cancellation of shares. In this context, CTT will continue to implement the ongoing €25m share buyback programme[36] announced on 19 July 2024, of which €19m have already been acquired.

On 20 March 2025, CTT announced the intention of its Board of Directors to propose to the 2024 AGM the payment of a dividend of 17.0 cents of euro per share. This proposal represents a dividend yield of 3.1% and a payout ratio of 52%. The proposal is subject to a number of conditions, namely market conditions, CTT's financial situation and assets, as well as legal and regularly applicable terms and conditions. Simultaneously, CTT also announced the intention of its Board of Directors to propose to the 2025 AGM, within the scope of the share buyback programme that began in 2024 and is currently underway, the cancellation of up to 8,500,000 representative shares of up to 6.1% of the share capital already acquired or to be acquired under the share buyback programme, as well as related reserves.

[36] This share buyback programme, with a total value of €25m, will be implemented until 22 July 2025, and has the following sole objectives: (i) the buyback of a maximum of up to 8,500,000 shares, representing a maximum nominal value of €4,250,000 (which corresponds to 6.14% of the share capital on this date), not exceeding in any case the overall maximum investment amount mentioned; and (ii) the reduction of the share capital by the same amount through the cancellation of the own shares acquired.

04

Economic and Financial Performance

4. Economic and financial performance

Income statement

€ million

	2023	2024	Δ	Δ%	4Q23	4Q24	Δ	Δ%
Revenues	**985.2**	**1107.3**	**122.1**	**12.4 %**	**269.8**	**315.0**	**45.2**	**16.8 %**
Logistics	794.1	949.6	155.6	19.6 %	227.2	271.0	43.8	19.3 %
Express & Parcels	340.6	479.0	138.4	40.6 %	111.1	148.5	37.4	33.7 %
Mail & Other	453.5	470.6	17.1	3.8 %	116.1	122.5	6.3	5.5 %
Bank & Financial Services	191.1	157.6	(33.5)	(17.5)%	42.6	44.0	1.4	3.4 %
Financial Services	62.6	27.7	(34.9)	(55.7)%	8.0	10.4	2.3	29.3 %
Banco CTT	128.5	129.9	1.4	1.1 %	34.5	33.6	(0.9)	(2.6)%
Operating costs	**897.7**	**1,022.1**	**124.5**	**13.9%**	**250.3**	**284.5**	**34.2**	**13.7%**
Staff costs	382.6	405.4	22.7	5.9%	99.8	106.4	6.6	6.6%
ES&S	391.5	496.9	105.4	26.9%	120.4	147.9	27.4	22.8%
Impairments and provisions	25.8	15.3	(10.5)	(40.8%)	5.3	2.3	(3.0)	(57.2%)
Other costs	33.4	29.4	(4.0)	(11.9%)	8.0	8.7	0.7	9.4%
Operating costs (EBITDA)	**833.3**	**947.0**	**113.6**	**13.6%**	**233.5**	**265.3**	**31.8**	**13.6%**
Depreciation and amortisation	64.3	75.1	10.8	16.8%	16.8	19.2	2.4	14.4%
Recurring EBIT	**87.6**	**85.1**	**(2.4)**	**(2.7%)**	**19.5**	**30.5**	**11.0**	**56.5%**
Logistics	30.3	44.3	14.0	46.4%	9.6	17.4	7.7	80.4%
Express & Parcels	19.7	36.1	16.4	82.9%	7.7	12.0	4.4	57.0%
Mail & Other	10.5	8.2	(2.3)	(22.0%)	2.0	5.4	3.4	170.5%
Bank & Financial Services	57.3	40.8	(16.4)	(28.7%)	9.9	13.1	3.3	33.1%
Financial Services	36.2	14.3	(22.0)	(60.6%)	3.5	5.1	1.6	44.7%
Banco CTT	21.1	26.6	5.5	26.2%	6.4	8.0	1.7	26.7%
Specific items	9.8	11.4	1.6	16.3%	(1.2)	4.7	5.9	492.4%
Business restructuring and strategic projects	(17.4)	3.2	20.6	118.3%	(21.9)	0.5	22.5	102.5%
Costs with strategic studies and projects	2.1	4.5	2.4	114.3%	0.5	3.1	2.6	518.8%
Other non-recurring income and expenses	25.1	3.7	(21.4)	(85.4%)	20.2	1.1	(19.2)	(94.7%)
EBIT	**77.8**	**73.8**	**(4.0)**	**(5.1%)**	**20.7**	**25.8**	**5.1**	**24.7%**
Financial results (+/-)	(16.2)	(17.4)	(1.2)	(7.4%)	(4.6)	(4.3)	0.3	6.4%
Financial income, net	(16.2)	(17.4)	(1.2)	(7.4%)	(4.6)	(4.3)	0.3	6.4%
Financial costs and losses	(16.9)	(17.9)	(1.0)	(5.9%)	(4.6)	(4.5)	0.1	1.8%
Financial income	0.6	0.4	(0.2)	(32.7%)	0.0	0.2	0.2	»
Gains/losses in subsidiaries, associated companies and joint ventures	0.0	0.0	0.0	(594.2%)	0,0	0.0	0.0	(463.2%)
Income tax	1.1	9.3	8.2	749.4%	(8.9)	2.9	11.7	132.5%
Non-controlling interest	(0.1)	1.5	1.6	»	0.0	0.8	0.9	»
Net profit for the period[37]	60.5	45.5	(15.0)	(24.7%)	25.0	17.8	(7.2)	(28.8%)

[37] Attributable to equity holders.

Revenues

CTT revenues[38] totalled €1,107.3m in 2024, up by €122.1m; (+12.4% y.o.y) compared to 2023, reflecting the growth of Express & Parcels (+€138.4m; +40.6% y.o.y), the recovery of Mail & Other (+ €17.1m; +3.8% y.o.y), the stability of Banco CTT (+€1.4m; +1.1% y.o.y) and the significant decrease in Financial Services & Retail (-€34.9m; -55.7% y.o.y). It should be noted that the guidance given at the Capital Markets Day 2022 for the year 2025 has already been achieved in 2024.

Express & Parcels was, in 2024 and for the first time, the business that contributed most to the CTT group's revenues, overtaking the Mail & Other segment. Express & Parcels already represents 43% of CTT's revenues (+8.7 p.p. compared to 2023).

Operating Costs

In 2024, **operating costs** totalled €1,022.1m (+€124.5m; +13.9% y.o.y).

Staff costs increased by €22.7m (+5.9% y.o.y) in the period, mostly due to the salary increase (+ €13.5m), particularly the national minimum wage. Given the current economic situation, these increases reflect a significant additional effort on the part of the company. On the other hand, the growth in activity, namely in the Express & Parcels business, as well as in the contact centre and document management in the corporate solutions business line, also explains the remainder of the variation in staff costs.

External supplies & services costs increased by €105.4m (+26.9% y.o.y), essentially due to the direct costs of services associated with growing businesses, such as Express & Parcels (+€105.8m).

Impairments and provisions decreased by €10.5m (-40.8% y.o.y) as a result of the reduction in impairments in the Banco CTT business (-€12.5m), mainly as a result of the sale of a portfolio of non performing auto loans in the end of 2023.

Other costs decreased by €4.0m (-11.9% y.o.y.), with a significant contribution from the retail business (-€4.8m) due to the repositioning of the network to a services platform, discontinuing the marketing of several products.

Depreciation & amortisation increased by €10.8m (+16.8% y.o.y), essentially due to investments in information systems (€2.9m), buildings and facilities (€3.3m) and fleet (€4.3m).

Specific items amounted to €11.4m, mostly due to: (i) restructuring, including employment contracts suspension agreements (€3.2m); (ii) costs associated with strategic projects (€4.5m); and (iii) transaction costs associated with the start-up of the Real Estate business (€1.2m).

Recurring EBIT

Recurring EBIT stood at €85.1m in FY24 (-€2.4m; -2.7% y.o.y), with a margin of 7.7%, reflecting the strong growth of Express & Parcels (+€16.4m; +82.9% y.o.y.), Banco CTT (+€5.5m; +26.2% y.o.y), but penalised by the declines in Financial Services & Retail (-€22.0m; -60.6% y.o.y) in Mail & Other (-€2.3m; -22.0% y.o.y.).

As a result of this performance, CTT fulfilled its commitment to achieve a recurring EBIT between €80m and €90m and increase the recurring EBIT of Logistics and the Bank by over 36% to >€70m. In fact, the recurring EBIT of Logistics and the Bank totalled €70.9m (+38.1% y.o.y) in FY24.

In 2024, the Express & Parcels recurring EBIT represented €36.1m (+€16.4m; +82.9% y.o.y). Express & Parcels was, in 2024 and for the first time in the full year, the business that contributed most to CTT's

[38] Excluding specific items.

recurring EBIT and already represents 42% of this indicator (+19.8 p.p. compared to 2023). This strong growth is the result of the positive evolution of volumes, revenues and the operating leverage, reaching a margin of 7.5% (+1.7 p.p. compared to 2023).

In 4Q24, recurring EBIT grew by 56.5% y.o.y to €30.5m (+€11.0m compared to 4Q23), with all business areas contributing to this strong growth.

Net Profit

Consolidated financial results amounted to -€17.4m (-€1.2m; -7.4% y.o.y) in FY24.

Financial costs and losses incurred amounted to €17.9m, mainly incorporating financial costs related to post-employment and long-term employee benefits of €5.9m, the decrease of which is essentially due to the reduction of the liability with the CTT Social Support Plan in 2023, interest paid on lease liabilities linked to the implementation of IFRS 16 for an amount of €5.3m and interest expense on bank loans for an amount of €6.2m, which increased due to the continued use of the Commercial Paper and Factoring line programmes.

In FY24, CTT obtained a **consolidated net profit** attributable to CTT group equity holders of €45.5m(-€15.0m compared to FY23). The evolution of consolidated net profit was influenced by the decrease in recurring EBIT (-€2.4m vs. FY23) as well as by the evolution of income tax for the period (+ €8.2m vs. FY23).

Taxes recorded in 2024 increased to €9.3m (+€8.2m compared to 2023). It should be noted that in 2023 the taxes recorded were exceptionally low, due to (i) the recovery of income tax from previous years, (ii) deferred taxes related to the temporary difference generated in the sale & leaseback operation associated with the transfer of a number of properties to CTT IMO Yield and (iii) the amounts related to tax benefits from previous years and the year itself. Also noteworthy is the growth in the Express & Parcels business, particularly in Spain.

Cash flow statement

€ million

	2023	2024	Δ	Δ%	4Q23	4Q24	Δ	Δ%
EBITDA	151.9	160.3	8.4	5.5%	36.3	49.7	13.4	37.0%
IFRS16 affecting EBITDA	(30.7)	(39.3)	(8.5)	(27.8%)	(7.8)	(10.1)	(2.3)	(29.7%)
Impairments and provisions	24.8	14.3	(10.4)	(42.1%)	5.0	2.0	(2.9)	(59.5%)
Specific items *	(9.8)	(11.4)	(1.6)	(16.3%)	1.2	(4.7)	(5.9)	«
Capex	(36.1)	(46.4)	(10.3)	(28.6%)	(19.5)	(20.2)	(0.8)	(4.0%)
Δ Working capital	14.4	16.3	1.9	13.5%	23.0	48.1	25.1	109.3%
Operating cash flow	**114.4**	**93.9**	**(20.5)**	**(17.9%)**	**38.2**	**64.8**	**26.6**	**69.7%**
Employee benefits	(18.5)	(18.6)	(0.1)	(0.4%)	(5.8)	(5.0)	0.8	14.2%
Tax	(1.6)	(12.5)	(10.9)	«	(2.6)	(5.6)	(3.0)	(112.1%)
Free cash flow	**94.4**	**62.8**	**(31.6)**	**(33.4%)**	**29.8**	**54.3**	**24.5**	**82.1%**
Debt (principal + interest)	77.2	(86.4)	(163.6)	«	58.1	(11.3)	(69.5)	(119.4%)
Dividends	(17.9)	(25.0)	(7.1)	(39.6%)	0.0	(1.6)	(1.6)	«
Acquisition of own shares	(10.2)	(20.7)	(10.6)	(104.0%)	(5.6)	(6.7)	(1.0)	(18.1%)
Disposal of buildings	0.0	0.3	0.2	»	0.0	0.2	0.2	»
Investments in associated companies and joint ventures	(1.7)	55.4	57.2	»	(1.5)	24.9	26.4	»
Change in adjusted cash	**141.8**	**(13.6)**	**(155.4)**	**(109.6%)**	**80.8**	**59.8**	**(21.0)**	**(26.0%)**
Δ Liabilities related to Financial Serv. & others and Banco CTT, net[39]	(237.4)	(31.4)	205.9	86.8%	(3.2)	44.2	47.4	»
Δ Other[40]	(9.3)	9.3	18.6	»	2.9	2.1	(0.8)	(26.8%)
Net change in cash	**(104.9)**	**(35.7)**	**69.2**	**66.0%**	**80.6**	**106.2**	**25.6**	**31.7%**

*Specific items affecting EBITDA.

Cash Flow

In FY24, the Company generated an operating cash flow of €93.9m (-€20.5m compared to FY23). The evolution of operating cash flow benefited from the positive performance in terms of EBITDA generated (+€8.4m to €160.3m) and working capital (+€1.9m), although this was not enough to offset the effect of the €10.3m increase in the level of investment, to €46.4m in 2024, the variation in IFRS16 affecting EBITDA (-€8.5m) and in impairments and provisions (-€10.4m). The evolution in investment is explained above all by the investment made in the express & parcels business in Spain, particularly in sorters and mini-sorters in order to support the strong growth that has been taking place in the activity and is expected to continue in the future. In addition, the CTT Group maintained its focus on improving its IT systems, especially in Banco CTT, reinforcing its investment in business support computer systems. The evolution of IFRS16 affecting EBITDA is mostly due to investment in fleet electrification and in facilities, leading to the growth in payments relative to IFRS 16 liabilities. The change in impairments and provisions was mainly due to the reduction in impairments in the Banco CTT business.

In terms of working capital,the positive evolution observed in EBITDA-related items (+13.5%) should be noted, with particular emphasis on the more efficient management of accounts receivable, namely in terms of collections, with a positive impact on the average collection period.

[39] The change in net liabilities of Financial Services and Banco CTT reflects the evolution of credit balances with third parties, depositors or other banking financial liabilities, net of the amounts invested in credit or investments in securities/banking financial assets, of entities of the CTT Group providing financial services, namely the financial services of CTT, Payshop, Banco CTT and 321 Crédito.

[40] The change in other cash items reflects the evolution of Banco CTT's sight deposits at Banco de Portugal, outstanding cheques/ clearing of Banco CTT cheques, and impairment of sight and term deposits and bank applications.

With regard to the free cash flow generated in 2024, totalling €62.8m (-€31.6m), this was also influenced by the level of taxes paid (€12.5m). Taxes paid in 2023 were exceptionally low due to the recovery of income tax from the previous year and the receipt of amounts related to tax benefits from previous years. It should also be noted that the amount of taxes paid in 2024 increased due to greater activity in Express & Parcels, particularly in Spain.

Consolidated statement of financial position

€ million

	31.12.23	31.12.24	Δ	Δ%
Non-current assets	2,354.7	2,519.9	165.2	7.0%
Current assets	2,402.0	3,188.9	786.9	32.8%
Assets	**4,756.6**	**5,708.8**	**952.2**	**20.0%**
Equity	**253.3**	**308.3**	**55.0**	**21.7%**
Liabilities	**4,503.4**	**5,400.5**	**897.1**	**19.9%**
Non-current liabilities	689.6	603.9	(85.7)	(12.4%)
Current liabilities	3,813.8	4,796.6	982.9	25.8%
Equity and consolidated liabilities	**4,756.6**	**5,708.8**	**952.2**	**20.0%**

The key aspects of the comparison between the **consolidated balance sheet** as of 31.12.2024 and that as of 31.12.2023 are as follows:

Assets reached €5.7bn (+€952.2m vs. FY23). This growth is mainly due to the increase in (i) credit to banking clients (+€148.3m), (ii) tangible fixed assets (+ €41.7m) and (iii) investment in debt securities at amortised cost (+€1,329.7m) following Banco CTT's investment in public debt and supranational debt. This increase was partially offset by the decrease in other banking financial assets (-€570.9m) as a result of the reduction of Banco CTT's investments in central banks.

Equity totalled €308.3m (+€55.0m vs. FY23). This evolution reflects essentially: (i) the €45.5m net profit attributable to equity holders of the CTT Group in 2024; (ii) the €23.3m dividend payment made by CTT, S.A. on 16 May 2024; (iii) the €20.7m acquisition of own shares carried out throughout the year; (iv) the reduction in other changes in equity (-€4.6m) as a result of the recognition of actuarial changes relating to the 2024 valuation; and (v) the increase in non-controlling interests (+€59.1m) as a consequence of the sale of 26.3% of CTT IMO Yield and the capital increase in Banco CTT by Generali, which now holds 8.71% of its capita.

Liabilities amounted to €5.4bn (+€897.1m vs. FY23), This increase essentially reflects (i) the increase in banking clients' deposits and other loans (+€952.8m) and (ii) the increase in accounts receivable (+ €105.0m) partly explained by the increase in public debt subscriptions in the end of the year. This increase was partially offset by the reduction in debt securities issued at amortised cost (-€94.5m) following redemptions made, as well as by the reduction in short and long-term debt (-€42.8m) essentially as a consequence of the combined effect of the amortisation of short and long-term debt and the increase in lease liabilities.

Consolidated net debt

The **consolidated net debt** reached a negative amount of €68.1m in 2024 (i.e. a net cash position). It evolved favourably compared to 2023 in the amount of €29.2m. The key aspects of the comparison between the consolidated net debt at 31.12.2024 and that as at 31.12.2023 are as follows:

Adjusted cash decreased by €13.6m, as a result of the operating cash flow generated (+€93.9m), the receipt of €32.4m following the sale of 26.3% of CTT IMO Yield and the receipt of €25.0m as a result of the capital increase in Banco CTT by Generali. These were more than offset by (i) payments of

employee benefits (-€18.6m), (ii) the payment of dividends (-€25.0m), (iii) the acquisition of own shares (-€20.7m), (iv) tax payments (-€12.5m) and (v) the settlement of bank loans and interest paid (-€86.4m).

Short-term & long-term debt decreased by €42.8m, essentially due to the combined effect of the increase in lease liabilities (+€38.1m), the amortisation of loans with Novo Banco and BBVA/Bankinter (-€14.1m) and the amortisation of short-term debt (-€60.0m).

€ million

	31.12.23	31.12.24	Δ	Δ%
Net debt	**(39.0)**	**(68.1)**	**(29.2)**	**(74.8%)**
ST & LT debt	**269.0**	**226.3**	**(42.8)**	**(15.9%)**
of which Finance leases (IFRS16)	118.3	156.4	38.1	32.2%
Adjusted cash (I+II)	**308.0**	**294.4**	**(13.6)**	**(4.4%)**
Cash & cash equivalents	**351.6**	**315.9**	**(35.7)**	**(10.2%)**
Cash & cash equivalents at the end of the period (I)	**315.2**	**270.2**	**(45.0)**	**(14.3%)**
Other cash items	36.4	45.7	9.3	25.7%
Other Financial Services liabilities, net (II)	**(7.2)**	**24.2**	**31.4**	**»**

Consolidated Balance Sheet with Banco CTT under equity method

€ million

	31.12.23	31.12.24	Δ	Δ%
Non-current assets	713.0	783.1	70.1	9.8%
Current assets	506.7	514.1	7.4	1.5%
Assets	**1,219.6**	**1,297.2**	**77.6**	**6.4%**
Equity	**253.4**	**281.0**	**27.6**	**10.9%**
Liabilities	**966.2**	**1,016.2**	**50.0**	**5.2%**
Non-current liabilities	333.8	342.7	9.0	2.7%
Current liabilities	632.4	673.5	41.0	6.5%
Equity and consolidated liabilities	**1,219.6**	**1,297.2**	**77.6**	**6.4%**

Consolidated net debt with Banco CTT under equity method

€ million

	31.12.23	31.12.24	Δ	Δ%
Net debt with Banco CTT under equity method	**177.3**	**205.8**	**28.5**	**16.0%**
ST & LT debt	**265.7**	**221.9**	**(43.7)**	**(16.5%)**
of which Finance leases (IFRS16)	114.9	152.0	37.1	32.3%
Adjusted cash (I+II)	**88.3**	**16.1**	**(72.2)**	**(81.7%)**
Cash & cash equivalents	**276.3**	**236.9**	**(39.4)**	**(14.2%)**
Cash & cash equivalents at the end of the period (I)	**276.3**	**236.9**	**(39.4)**	**(14.2%)**
Other cash items	0,0	0,0	0,0	53.0%
Other Financial Services liabilities, net (II)	**(188.0)**	**(220.8)**	**(32.8)**	**(17.5%)**

Liabilities related to employee benefits

€ million

	31.12.23	31.12.24	Δ	Δ%
Total liabilities	**173.5**	**185.8**	**12.3**	**7.1%**
Healthcare	154.2	157.9	3.6	2.3%
Healthcare (321 Crédito)	1.1	1.2	0.1	10.7%
Suspension agreements	11.4	16.3	4.9	42.7%
Other long-term employee benefits	4.7	4.9	0.2	4.9%
Other long-term benefits (321 Crédito)	0.2	0.2	0.0	10.7%
Pension plan	0.2	0.2	0.0	(5.6%)
Other benefits	1.7	5.1	3.5	205.9%
Deferred tax assets	(49.4)	(50.6)	(1.2)	2.4%
Current amount of after-tax liabilities	**124.1**	**135.2**	**11.1**	**9.0%**

Liabilities related to employee benefits (post-employment and long-term benefits) stood at €185.8m in December 2024, up by 7.1% compared to December 2023, broken down as shown in the table above. The €12.3m increase in gross liabilities is due to: (i) a €12.5m provision for employment contract suspension agreements, of which €10.3m results from the transfer of the restructuring provisions item made in 2023, following the formalisation of the suspension agreements throughout 2024; (ii) €5.9m relating to the financial costs associated with total liabilities; and (iii) €12.5m relating to movements that mainly include differences in the experience curve, essentially in the health plan, partially offset by the payment of €18.6m in liabilities.

These liabilities related to employee benefits are associated with deferred tax assets amounting to €50.6m, which brings the current amount of liabilities related to employee benefits net of deferred tax assets associated with them to €135.2m.

05

Sustainability Statements

5.1 ESG Commitments and the Sustainable Development Goals
5.2 General disclosures
5.3 Environment
5.4 Social
5.5 Governance

5. SUSTAINABILITY STATEMENTS

5.1 ESG Commitments and the Sustainable Development Goals

CTT's sustainability strategy is supported by commitments that the group has been pursuing for several years and which aim to care for employees, minimise the environmental impact resulting from the CTT Group's activities, promote proximity to communities, ensure a good customer experience and guarantee the long-term resilience of the business.

With the Planet, People, Community and Customers as its strategic pillars, CTT has defined a specific and measurable programme of actions and targets, as shown in the table below, which allows for the active management of its material impacts, risks and opportunities (IRO), as well as achieving its commitments. It should be noted that these are aligned with the United Nations Sustainable Development Goals (SDGs). In addition, CTT subscribes to the Ten Principles of the United Nations Global Compact, which relate to Human Rights, Labour Practices, Environmental Practices and Anti-corruption, and supports the adoption of these principles in its sphere of influence.

The following section presents CTT's material IROs that resulted from the double materiality assessment. More detailed information on each topic, including policies, actions, targets and performance data, can be found in the subsequent thematic sections, under Environment, Social and Governance.

Table of CTT's ESG Commitments[41]

ESG strategic commitments and goals	CTT goals	Time frame	Accomplished in 2024		CTT IROs	CTT policies
ACCELERATE THE DECARBONISATION OF THE CTT OFFER IN IBERIA Reduce the carbon footprint in order to avoid global warming of more than 1.5 ºC 	Achieve 100% of own green vehicles in the last mile	2030 (50% by 2025)	35.0% (+14.9 p.p. than in 2023)	✓	Rising prices and regulation on fossil energy use Use of fossil fuels Production of electricity from renewable sources in buildings Increased cost of renewable energies due to unavailability and/or storage difficulties Operational and reputational improvements and business resilience associated with the decarbonisation strategy Availability of market solutions to ensure the energy transition and electrification of the fleet Decreased air quality due to emissions of atmospheric pollutants	Environment and Climate Policy, Integration policy of ESG factors in investment analysis and decision process, Responsible Procurement Policy, Well Being and Quality, Policy
	Purchase annually 100% of electricity from renewable sources	2030	100% Green Energy purchased with a Guarantee of Origin certificate	✓		
	Increase photovoltaic energy production (UPAC+UPP)	2024	4,136.4 Mwh (+15.0%)	✓		
	Increase phtovoltaic energy consumption	2025-2030	New target	▬		
	Expand the installation of LED lighting	Annual	Intervention at 43 buildings, with an area of 14,000m^2	✓		
	Reduce fuel consumption	-5% in 2024 -5% in 2025	-7.4% compared to 2023	✓		

[41] All targets identified cover the CTT Group (activities and regions where it operates) and, in some cases, its value chain, with these situations being duly highlighted. These goals are analysed and monitored every six months and reviewed on an annual basis.

ESG strategic commitments and goals	CTT goals	Time frame	Accomplished in 2024		CTT IROs	CTT policies
ACCELERATE THE DECARBONISATION OF THE CTT OFFER IN IBERIA Reduce the carbon footprint in order to avoid global warming of more than 1.5 ºC	Reduce absolute GHG emissions (scopes 1, 2 and 3) by 55% in 2030 compared to 2021 (SBT)[42]	-11% by 2024 -5% by 2025 -55% by 2030	+13.7%	✓		Environment and Climate Policy Responsible Procurement Policy Integration policy of ESG factors in investment analysis and decision process Internal Control Policy
	Mitigate scope 1 and 2 CO_2e emissions compared to 2021 (cumulative change)[43]	+1% by 2024 -17% by 2025 -67% by 2030	-8.2%	✓		
	Mitigate scope 1 CO_2e emissions (annual variation)	-5% in 2024 -10% in 2025	-10.3%	✓	Aggravation of global warming due to greenhouse gas emissions	
	Mitigate CO_2e emissions from outsourced road activity compared to 2021 (cumulative change)[44]	-6% by 2025	+15.3%	✗	Concentration of postal, express and parcel items and delivery efficiency	
	Offset direct carbon emissions from CTT's offer	Annual	353.23 tonnes of CO_2 offset for Green Mail offers in Portugal	✓	Operational and reputational improvements and business resilience associated with the decarbonisation strategy	
	Reduce CO_2 emissions (scopes 1, 2 and 3) by 30% compared to 2013 (SBT)[45]	2013-2025	Target replaced by the one above	✓	Availability of market solutions to ensure the energy transition and electrification of the fleet	
	Reduce the carbon intensity per postal item by 20% (scopes 1, 2 and 3), compared to 2013 (SBT)	2013-2025	Target replaced by the one above	✗		
	Incorporate recycled and/or reused material into the mail, express and parcel offerings	80% in 2024 90% in 2025 100% in 2030	Incorporation of 90.1% (+7, p.p.)	✓		
	Carry out a new climate scenario study	2024	New climate scenario study carried out according to the IPCC, which includes at least one high severity scenario	✓	Rehabilitation and adaptation of buildings to extreme weather events Interruption of operations due to extreme weather events	
	Promote active reforestation of the national territory: 6,500 more A Tree for the Forest kits	Annual	In 2024, 9734 kits from the 10th and 11th editions were sold. Since the campaign was launched, 6871 kits have been sold.	✓	Promotion of active reforestation	

[42] Science-based 1.5°C target considering scope of consolidation; Market-based scope 2 emissions. This target covers CTT's value chain (upstream and downstream).
[43] Market-based scope 2 emissions
[44] This target covers CTT's value chain (upstream).
[45] Science-based target (well-below 2ºC) does not include Corre and CTT Express emissions in all the scopes; in scope 3 it only includes emissions from road transport, air transport and commuting

ESG strategic commitments and goals	CTT goals	Time frame	Accomplished in 2024		CTT IROs	CTT policies
CARE FOR CTT PEOPLE AND THE DIVERSITY EXPERIENCE Be a benchmark employer, leveraged by a people-centred culture, by 2030 	Reduce the number of road accidents by 5% per kilometre travelled	Annual	Increase of 23.4% compared to 2023	✗		
	Increase attendance rate to 93%[46]	2025	92.8% (+0.1 p.p.)	✓		
	Prevention of labour mortality (own responsibility): 0 deaths	Annual	0 fatal accidents	✓	Road accidents Labour accidents Accidents at work, occupational diseases and associated reputational damage, applicable to the workforce and workers in the value chain	Human Rights Policy Well Being Quality Policy Diversity and Inclusion Policy
	Reduce accidents at work by 5%	Annual	974 accidents (+12.6% on the previous year)	✗		
	Reduce lost days by 5%	Annual	+12.6% more days lost to accidents and occupational illnesses than in the previous year	✗		
	Monitoring the accident performance of critical road subcontractors[47]	Annual	Consultation of critical road subcontractors was carried out	✓	Road accidents among workers in the value chain	
	Activate a support plan in 100% of recorded situations	Annual	New Target	▬	Exposure to physical and psychological violence	

[46] The concept of absenteeism considered excludes absences due to parental leave, holidays, study, bereavement, trade union activity or other planned absences.
[47] This target covers CTT's value chain (downstream).

ESG strategic commitments and goals	CTT goals	Time frame	Accomplished in 2024		CTT IROs	CTT policies
CARE FOR CTT PEOPLE AND THE DIVERSITY EXPERIENCE Be a benchmark employer, leveraged by a people-centred culture, by 2030	Monitor the working conditions of temporary hiring companies	Annual	Temporary employment companies were consulted	✓	Temporary hiring of workers	Human Rights Policy Quality, Health and Safety Policy Diversity and Inclusion Policy
	Monitoring and evaluation of the welcome and integration of new employees who have requalified for a new function (Programming) - CTT Reboot Programme	2025	Reboot Programme implemented in 2024 with the participation of 73 employees in bootcamp pre-phase (selection pre-phase). In 2025, there will be the selection of the finalists, who will be integrated in new functions.	✓	Job security and workforce stability associated with business diversification	
	Rate of workers trained (CTT workforce) of 90%	Annual	83.0%	✓	Empowering employees through training and developing talent programmes.	
	Apply a welcome and integration programme to all new hires, to enhance the employee's experience	Annual	Welcome and integration involved 847 participations and 11,141 hours (corresponding to 26.6% of new arrivals in 2024)	✓		
	Ascertain the level of employee satisfaction: biennial survey	Annual	The organisational climate survey is expected to be available in the first half of 2025	✗		
	Create and implement the new onboarding programme to integrate new employees	2025	The first phase of the new onboarding programme was implemented	✓		
	Training of 70% of operational managers in leadership skills	2025-2026	New Target	–		
	Training and upskilling of 20% of the employees of the store chain in commercial skills	2025	New Target	–		
	Create opportunities and professional occupation for people with disabilities by hiring 50 workers since 2022	2025	2.4% of CTT employees have a disability (+0.1 p.p. compared to 2023) 10 disabled employees hired	✓	Promotion of diversity and Inclusive recruitment	
	Maintain certification as a Family Responsible Company	Annual	Maintenance accomplished	✓	Promote balance between employees' personal, family and professional lives Promotion of access to adequate housing for workers	

ESG strategic commitments and goals	CTT goals	Time frame	Accomplished in 2024		CTT IROs	CTT policies
CARE FOR CTT PEOPLE AND THE DIVERSITY EXPERIENCE Be a benchmark employer, leveraged by a people-centred culture, by 2030	Achieve gender parity in senior and middle management positions (45%)	2025	38.4% (-1.5 p.p.)	✗		Human Rights Policy Diversity and Inclusion Policy Code of Good Conduct for Preventing and Combating Harassment at Work
	Publish and implement the CTT Equality Plan	Annual	Equality Plan 2025 published	✓	Improvements in decision-making processes to promote gender equality in leadership positions Promotion of diversity and Inclusive recruitment	
	Create and implement the new training programme on equal opportunities and non-discrimination, aimed at recruitment, managers and the internal public in general	2023-2025	Initiatives were developed in the 1st half of the year for the general public. Launch of a compulsory course on the Code of Ethics for the entire organisation.	✓		
PROMOTE PROXIMITY TO THE LOCAL COMMUNITY Strengthen the Iberian presence and the active involvement of employees in actions with a positive impact on communities	Promote 11 corporate volunteering and corporate social support actions	Annual	45 actions carried out	✓		Code of Ethics Human Rights Policy Diversity and Inclusion Policy
	Promote the active participation of employees in up to three days of volunteering per year	2025	Annual average per CTT participant: 4.1 hours (-0.3 than in 2023). 5118 hours of volunteering (+94.5%) carried out by 896 (+423) employees	✓	Value sharing and proximity to communities	
	Invest 1% of recurring EBIT in social impact projects	2025	1.0% of Recurring EBIT in 2024. Total investment: €886,297.32 (+45.3% on the previous year)	✓		
	Extend the Serviin partnership to CTT Stores	2025	In 2024,it was carried out a survey on the needs to adapt CTT stores to provide services to deaf people	✓	Improve accessibility to services for people with disabilities	
	Maintain CTT capillarity with one post office for each municipality	Annual	Accomplished	✓	Capillarity, granularity and universality of the logistics and retail networks Non-compliance with the universal postal service contract	

ESG strategic commitments and goals	CTT goals	Time frame	Accomplished in 2024		CTT IROs	CTT policies
DELIVER THE BEST OFFER AND QUALITY TO CTT CUSTOMERS Improve customer experience and satisfaction through the personalisation and convenience of networks	Maintain the 1st contact resolution rate for Customer Service lines above 90%	Annual	93.2% (+ 0.2 p.p. compared to 2023)	✓		Code of Ethics Human Rights Policy Diversity and Inclusion Policy
	Increase the service rate by Virtual Assistants to 40%	2026	30% (+2.0 p.p. compared to 2023)	✓	Compensation and penalties for operational failures	
	Average Response Time to Universal Service Complaints National service target: <= 15 days International service target: <= 56 days	Annual	National scope: 6.7 days International scope: 18.9 days	✓		
	Maintain the level of satisfaction (response to the CSAT survey) in Customer Service channels above 60%	Annual	63.3% (+ 3.3 p.p. compared to 2023)	✓		
	Create and implement the new 'Programatic Advertising' platform for managing advertising campaigns	2025	New target	▬		
	Increase the number of active customers on the super app and super portal digital platforms by 30%	2025	In 2024, the super app and super portal digital platforms had 20,000 and 340 active customers respectively.	✓	CTT's attractiveness to wider target audiences and customer satisfaction due to diversification and improvement of the offer and customer experience	
	Increase the NPS by 5 points compared to the average for all CTT post offices	2025	New target	▬		
	Incorporate 70% of the interpretation of comments by Generative AI in the Touchpoint comments	2025	New target	▬		

ESG strategic commitments and goals	CTT goals	Time frame	Accomplished in 2024		CTT IROs	CTT policies
TRANSFORM THE BUSINESS THROUGH DIVERSIFICATION AND INNOVATION 	Increase the revenues of new products and services	Annual	During the year 2024, new solutions in the CTT offer were created and implemented, which will, in 2025, be analysed according with the evolution of economic indicators	✓	Investment in innovative projects to strengthen CTT's offer, improve the customer experience and increase operational efficiency Increase the speed of innovation and transformation cycles Increase competitiveness and revenues by developing the offer and creating new business lines Dependence on services and customers for revenue protection	Code of Ethics Integration policy of ESG factors in investment analysis and decision process Responsible Procurement Policy
	Increase productivity and decrease operational expenses	Annual	In 2024, the CTT Group continued to invest in and develop technologies based on the use of Artificial Intelligence, enabling, in particular, greater productivity in customer service.	✓		
	Optimise information systems by promoting operational efficiency and innovation	Annual	In 2024, the implementation of the Iberian Platform will begin, which aims to unify and optimise information systems, operations and processes between Portugal and Spain, ensuring efficient and high-quality operations.	✓		
	Increase customer satisfaction	Annual	During the year 2024, new solutions were designed and implemented in the CTT offer in order to achieve greater customer satisfaction. In 2025, the CTT Group will analyse this result by monitoring the contact channels and NPS surveys	✓		

ESG strategic commitments and goals	CTT goals	Time frame	Accomplished in 2024		CTT IROs	CTT policies
	Maintain subscription to the 10 principles of the United Nations Global Compact (UNGC)	Annual	Continued membership of the UNGC and the Business Ambition for 1.5º C initiative ensured	✓		
	Score in the Leadership position in the Carbon Disclosure Project - Climate Change	Annual	Leadership A- position	✓		
	Score 90% in the sustainability proficiency rating (SMP) of the IPC's Sustainability Measurement System (SMMS) programme	2030	Score of 85% 5th place worldwide	✓		
CREATE A BENCHMARK GOVERNANCE MODEL Ensure the engagement of CTT people in the Company's culture and strategic objectives	Reinforce the alignment of the ESG programme in meetings with Senior Management - Sustainability Committee	Annual (bimonthly meetings)	The ESG Committees (Board and Steering) met four times. One Corporate Governance, Evaluation and Nominating Committee meeting and one Audit Committee meeting were also held with an ESG agenda. In addition, ESG issues were regularly discussed and analysed by the Extended Executive Committee throughout the year.	✓	Reputational damage due to unethical practices by corporate bodies, employees, suppliers and partners	Code of Ethics Well Being and Quality Policy Whistleblowing Policy
	Introduce ESG incentives in the 50% objectives of top and middle management	Annual	Introduced a cross-cutting ESG performance target	✓		
	Promote open and trusting communication channels with Stakeholders	Annual (regular activity)	Segmented communication of results. Contact channels with stakeholders used frequently.	✓		
	Train 90% of employees in the 'Green Planet' environmental programme	2020-2025	2,759 trainees successfully completed the training in total (26% of the workforce on 31 December 2024)	✓	Use of fossil fuels	

ESG strategic commitments and goals	CTT goals	Time frame	Accomplished in 2024		CTT IROs	CTT policies
CREATE A BENCHMARK GOVERNANCE MODEL Ensure the engagement of CTT people in the Company's culture and strategic objectives 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Disseminate the new CTT Code of Ethics to all employees	2023-2024	Code of Ethics published online and sent to each employee's home	✓	Reputational damage due to unethical practices by corporate bodies, employees, suppliers and partners	Code of Ethics Well Being and Quality Policy Whistleblowing Policy
	Maintain certification of CTT operations	Annual	Maintenance achieved	✓		
	Maintain certification of subsidiary companies	Annual	Maintenance of CTT Expresso, CTT Express and CTT Contacto certifications	✓		
	Maintain corporate certification (ISO 14001, 9001, 45001 standards)	Annual	Maintenance achieved	✓		
	Maintain or improve its position in the IPC Letter-mail Interconnect Remuneration Agreement Europe ranking, K+1	Annual	18th position (same position on the previous year)	✓		
	Maintain the result in the UPU Global Monitoring System, inbound, above target	Annual	92.7% (-0.7% compared to 2023)[48]	✓		
ENSURE THE RESILIENCE OF THE ORGANISATION AGAINST DIGITAL THREATS 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Achieve the advanced level in the rating scorecard in all CTT Group companies	2025	The CTT Group moved from an intermediate level in all companies to an advanced level in all but one.	✓	Cybersecurity requirements and associated incidents	General Information Security Policy
	Increase the level of maturity in detection and response capabilities through the services Security Operation Center (SOC) and strategy of Data Lost Protection (DLP)	2025	In 2024, the CTT Group started implementing the DLP strategy and launched a public consultation for the award of SOC services. In 2025, CTT's focus will be on implementing the services and strategy. In 2025, CTT will focus on the implementation of services and strategy.	✓		
	Carry out an attack simulation (tabletop) established in the continued business plan	2025	In 2024, a simulation was designed, which will be performed according with the continued business plan, in 2025.	✓		

[48] Provisional figure.

5.2 General disclosures

Basis for preparation

CTT has aligned its sustainability reporting with the requirements of the European Corporate Sustainability Reporting Directive (CSRD) and the associated European Sustainability Reporting Standards (ESRS). The organisation recognises the importance of adopting them, as they bring greater clarity, consistency and comparability to the disclosure of sustainability information, and guarantees the disclosure of all necessary and relevant information for this purpose.

This reporting process was based on the results of the double materiality analysis carried out by CTT, which included the contribution of stakeholders and was fundamental in identifying the impacts, risks and opportunities relevant to the company's activities and its value chain in terms of sustainability. It should be noted that CTT's value chain, as it plays an important role in this matter, is considered throughout this report, including in CTT's policies, actions and targets, where applicable.

In this regard, CTT's objective is to provide its stakeholders with transparent, reliable and comparable information on the Company's sustainability performance on a consolidated basis for the period between 1 January 2024 and 31 December 2024, in accordance with the same principles and scope as the financial statements and ESRS standards, and no information has been omitted due to intellectual property issues or ongoing negotiations. The boundaries of this report include all the entities over which CTT has operational control. The policies, actions and targets selected also extend to the value chain, where relevant.

The indicators included in the Environment, Social and Governance dimensions were assessed as material according to CTT's double materiality analysis and identified for disclosure under ESRS with the support of Appendix E of ESRS 1.

The data for this report was obtained through various internal information systems and validated through a internal and external review process. It should be noted that actual results may differ from those projected, since this report contains forward-looking statements that may be subject to risks and uncertainties and also due to the unavailability of information and automated processing for part of the data, which may impact the quality of the results. Faced with these situations, CTT works regularly to improve this process and provide the most accurate information to its stakeholders, through the implementation of control mechanisms and the periodic review of quantitative and qualitative information by the internal areas and corporate bodies responsible. In addition to internal controls, the information contained in this sustainability report of the CTT Group is verified by the independent external auditor Ernst & Young who issues a limited assurance report, detailed in Audit Report, Report and Opinion of the Audit Committee and Independent Limited Assurance Report.

Finally, CTT has chosen to present part of the information responding to the ESRS 2 standard (general information) as part of the Strategic Background and Corporate Governance chapters, as these topics are naturally interconnected and duly integrated, allowing for a better reading and understanding of CTT's activities. This information is duly identified throughout this report and in the CSRD Index.

Disclosures in relation to specific circumstances

Time frame

In order to ensure that the time frames considered result in relevant information, the definition of medium and long term was adapted for the identification and management of risks, opportunities and impacts so as to better correspond to the reality of their expected effects. Thus, CTT considers the following intervals:

- short term: one year after the reporting period, corresponding to the year 2025;
- medium term: duration between the end of the short term and the following two years, corresponding to 2026 and 2027;
- long term: duration between the end of the medium term and the following three years, corresponding to 2028, 2029 and 2030.

Furthermore, regarding the analysis of climate scenarios in chapter 5.2, it was necessary to define other time frames to make the analysis more expressive. Thus, the decade of 2020 was considered for the short term, the decade of 2030 for the medium term and the decade of 2040 for the long term.

Sources of estimation and outcome uncertainty, including the value chain

With regard to the calculation of scope 3 GHG emissions, the emission factors used come directly from suppliers or from recognised databases, in the latter case referring to emission factors of more general application than the previous ones.

As it was not possible to determine energy consumption by type of vehicle in the company's own fleet at the time of report's production, the inventory of atmospheric pollutants for this segment of the fleet was carried out based on the energy profile for the year 2023.

Changes in preparation or presentation of sustainability information

During 2024, several improvements were implemented to ensure greater comprehensiveness of the carbon inventory, including the following:

1. Scope 1

- Emissions relating to the use of postmen's own vehicles are now included in scope 1, instead of scope 3, since CTT has operational control over this activity and it is considered a direct emission;
- The source of the emission factors in use for stationary combustion and emissions resulting from activity carried out in postmen's vehicles has been changed to DEFRA instead of the WRI GHG emissions factor compilation.

2. Scope 2

- The sources of the in-use emission factors for electricity consumption (based on location) have been changed to APREN in Portugal and Red Eletrica in Spain, as they have more recent values than the previous ones.

3. Scope 3

- The GHG emissions inventory for categories 1, 2, 3, 5, 11, 12, 14 and 15 of scope 3 was carried out and included in this disclosure exercise;
- The calculation of GHG emissions for categories 4, 6 and 7 of scope 3 is now based on the Well to Wheel methodology, instead of Tank to Whell; additionally, the sources of the emission factors for these categories have also been revised, now making use of more recent databases and, whenever possible, specific to CTT service providers (e.g. national transport companies).

- For category 4 of scope 3, the EURO class of vehicles in use by subcontracted road hauliers in all geographies has been taken into account and emissions resulting from the freight service have been included.

As a result of the improvements to the carbon inventory, the carbon footprint results have been updated retroactively, in 2023, and have increased compared to what was previously published in the last integrated report (+61.7%).

It should be noted that a significance threshold of 5% has been set for the inventory of GHG emissions categories, below which the company does not consider it relevant to calculate and/or make retroactive changes to the amounts disclosed.

Sustainability governance model

The ESG governance model stems from the Board of Directors and is led by the Chief Executive Officer, supported by the Sustainability Department and the Sustainability Committees[49] created for this specific purpose, one of which reports to the Board of Directors and the other to the executive management, as detailed in points 21.3 and 21.6 of chapter 6). The CEO is charged with the key responsibility for sustainability issues and for the implementation of the ESG policies, with the support of the Company's relevant departments and, where applicable, the aforementioned committees. The general governance processes, controls and procedures that CTT has in place to monitor, manage and supervise sustainability topics are described in chapter 6. Corporate Governance.

The Board of Directors establishes objectives and guidelines, and is responsible for approving policies. These policies are made available to the public on the CTT website.

The company's internal monitoring and continuous improvement processes, as well as CTT's internal information and communication mechanisms, make it possible to track, monitor and improve the environmental and social performance of the entire company with a view to achieving the strategic objectives and targets set. It should be noted that the management of the IROs, as described in chapter 2. Strategic Background, is carried out to allow the mitigation of negatives impacts and risks, and to promote the positives impacts and the opportunities inherent to developed activities. The monitoring and results of these processes are regularly communicated by CTT's administrative, management and supervisory bodies which supports decision making and manages discussions related, for example, to the implementation process of the CSRD, the exercise of double materiality, the policy and the setting of carbon and sustainability targets.

In the governance model and sustainability processes, the Corporate Governance and Risk Committee also plays a role, which, among other responsibilities detailed in point 21.4 of the aforementioned chapter, oversees risk supervision. Furthermore, it is relevant to mention that the sustainability report is integrated into the internal control system of CTT. In collaboration with the functions involved in the reporting processes, risks related to the integrity and accuracy of data, estimates, and calculations are analysed. These are evaluated based on the materiality of the indicators and the complexity of the process. The Audit Committee monitors the integrated reporting process, including the preparation of sustainability information, as detailed in chapter 6.2.3 Oversight.

Additionally, to ensure the Company's alignment with the assumed strategic sustainability goals, CTT has a remuneration policy for directors, as described in chapter 6.4 Remunerations.

[49] Further information on the Board of Directors and the management and supervisory bodies of CTT, including their composition and diversity, roles, responsibilities and independence, expertise and competences, is described in 1.4 on the organisation of the company, in chapter 6.2.2 Management and Supervision and in Annex I - Curricula.

Double materiality

Process and impacts, material risks and opportunities

The European Union's Corporate Sustainability Reporting Directive (CSRD) is central to the operationalisation of the European Green Deal and establishes a new paradigm with regard to companies' disclosure obligations. The Directive provides for the obligation to report on the impacts related to companies' activities, including their value chain, and its alignment with international rules, and also liaises with the EU Taxonomy Regulation. The CSRD was complemented by the Commission approving a Delegated Regulation on European Sustainability Reporting Standards (ESRS) relating to environmental, social and governance issues, including climate change, biodiversity and human rights.

CTT began an exercise aimed at preparing the company for the requirements of these new European standards, with regard to the impacts that its activity is likely to have on the environment and society (inside-out perspective) and, at the same time, the financial risks and opportunities that the external component represents for the company (outside-in perspective). This obligation to report ESG (Environment, Social, Governance) information meant that a dual materiality study had to be carried out to identify and classify material topics and their respective impacts, risks and opportunities.

The assessment was carried out through a phased process culminating in the definition of a double materiality matrix and subsequent validation of the final classification and reporting strategy. In the first phase, ESG topics and subtopics were defined, based on a benchmark analysis of companies in the sector, the results of the previous stakeholder consultation exercise (finalised in 2021), ESRS standards and material themes according to ESG reference ratings, in this case MSCI and SASB. During this exercise, an analysis was conducted to define the impacts, risks and opportunities (IRO), with the involvement of the internal areas associated with each subtopic and CTT Group subsidiaries, which contributed to identifying, defining and categorising the potentially material topics for CTT.

The impacts identified were used to determine the preliminary impact materiality, which considered as criteria the severity of the impacts caused (assessed according to criteria of scale, scope and irremediability, the latter only for negative impacts) and the probability of occurrence. In terms of the risks and opportunities identified, the potential magnitude of the financial effects caused and the likelihood of occurrence were also considered.

After producing a preliminary matrix with the provisional results of the double materiality exercise, a calibration workshop was held with directors of the CTT areas most involved in the ESG agenda, even before the review with top management, which consisted of discussing CTT's position on potentially material topics with the Extended Executive Committee and the ESG Board Committee. This process culminated, at the beginning of 2024, in the approval of CTT's double materiality matrix and material topics, weighted from the materiality threshold defined for high scores (assessment above 3, on a scale up to 5), having been disclosed in the previous reporting cycle. During the reporting period, the dual materiality exercise was reviewed with a view to reassessing and adjusting the effects and impacts of the IROs in the light of the various events during the year, as well as the integration of dual materiality exercise of Banco CTT[50] in CTT Group's analysis.

The result of the double materiality exercise led to a total of 36 material IROs for the CTT Group, of which 17 are impacts, 15 risks and 4 opportunities, in the environmental, social and governance dimensions, as detailed in the following table. These IROs are interdependent in that the impacts can generate risks but also create opportunities for CTT, and vice versa, the risks identified can mitigate negative effects or even transform challenges into competitive advantages, translating into possible opportunities. It is in this sense that CTT monitors its IROs in a connected way, supporting decision-making in the development of the business by mitigating threats to its continuity and creating long-term value.

[50] Different double materiality analyses were carried out for CTT Bank and CTT Group, although with methodologies aligned with each other. Even so, it is important to highlight, as the main methodological difference, the definition of different materiality thresholds in the two years: threshold equal to or greater than 2.5 in the first case and greater than 3 in the consolidated.

Climate change ESRS E1					
Subtopic	**IRO**	**Category**	**Time frame**	**Relevance for CTT**	**Strategic target**
Climate change adaptation	Rehabilitation and adaptation of buildings to extreme weather events	Risk		Direct operations	**Decarbonise CTT's offer and strengthen resilience to climate risks**
	Interruption of operations due to extreme weather events	Risk		Direct operations and value chain (upstream)	
Climate change mitigation	Worsening global warming due to greenhouse gas emissions	Impact (-)		Direct operations and value chain (upstream and downstream)	
	Operational and reputational improvements and business resilience associated with decarbonisation	Opportunity		Direct operations	
	Availability of market solutions to ensure the energy transition and electrification of the fleet	Risk		Direct operations and value chain (upstream and downstream)	
	Concentration of postal, express and parcel items and delivery efficiency	Impact (+)		Direct operations and value chain (upstream and downstream)	
	Promotion of active reforestation	Impact (+)		Direct operations and value chain (upstream and downstream)	
Energy	Rising prices and regulation on fossil energy use	Risk		Direct operations	
	Use of fossil fuels	Impact (-)		Direct operations and value chain (upstream and downstream)	
	Production of electricity from renewable sources in buildings	Impact (+)		Direct operations	
	Increased cost of renewable energy due to unavailability and/or storage difficulties	Risk		Direct operations	

Pollution ESRS E2					
Subtopic	**IRO**	**Category**	**Time frame**	**Relevance for CTT**	**Strategic target**
Atmospheric pollution	Decreased air quality due to the emission of atmospheric pollutants	Impact (-)		Direct operations and value chain (upstream and downstream)	**Decarbonise CTT's offer and strengthen resilience to climate risks**

short term medium term long term

Own workforce ESRS S1					
Subtopic	**IRO**	**Category**	**Time frame**	**Relevance for CTT**	**Strategic target**
Working conditions	Road accidents	Impact (-)	short term	Direct operations and value chain (upstream and downstream)	Care for CTT people and the diversity experience
	Occupational accidents	Impact (-)	short term	Direct operations	
	Work accidents, occupational diseases and associated reputational damage, applicable to the workforce and workers in the value chain	Risk	short term	Direct operations and value chain (upstream and downstream)	
	Temporary hiring of workers	Risk	short term	Direct operations	
	Job security and workforce stability associated with business diversification	Impact (+)	short term	Direct operations	
	Promoting balance between employees' personal, family and professional lives	Impact (+)	short term	Direct operations	
Equal treatment and opportunities for all	Employee empowerment through training and development of talent programs	Risk	short term	Direct operations	
	Improvements in decision-making processes to promote gender equality in leadership positions	Impact (+)	short term	Direct operations and value chain (downstream)	
	Promote diversity and inclusive recruitment	Impact (+)	short term	Direct operations and value chain (downstream)	
	Exposure to physical and psychological violence	Risk	short term	Direct operations and value chain (downstream)	
Other rights related to work	Promotion of access to adequate housing condition for workers.	Impact (+)	short term	Direct operations	

Workers in the value chain ESRS S2					
Subtopic	**IRO**	**Category**	**Time frame**	**Relevance for CTT**	**Strategic target**
Working conditions	Road accidents among workers in the value chain	Impact (-)	short term	Value chain (upstream and downstream)	Care for CTT people and the diversity experience

Community Engagement ESRS S3 [voluntary]					
Subtopic	**IRO**	**Category**	**Time frame**	**Relevance for CTT**	**Strategic target**
Proximity to products and services *CTT-specific subtopic*	Capillarity, granularity and universality of logistics and retail networks	Impact (+)	short term	Direct operations and value chain (downstream)	Promote proximity to the local community
	Non-compliance with the universal postal service contract	Risk	short term	Direct operations	
	Improving accessibility to services for people with disabilities	Impact (+)	medium term	Value chain (downstream)	
	Value sharing and proximity to communities	Impact (+)	short term	Direct operations and value chain (downstream)	

short term medium term long term

Customer satisfaction and experience ESRS S4 [voluntary]					
Subtopic	**IRO**	**Category**	**Time frame**	**Relevance for CTT**	**Strategic target**
Customer Relations Management *CTT-specific subtopic*	CTT's attractiveness to wider target audiences and customer satisfaction due to diversification and improvement of the offer and customer experience	Opportunity	short term	Direct operations	**Deliver the best offer and quality to CTT customers**
	Compensation and penalties for operational failures	Risk	short term	Direct operations	

Business conduct ESRS G1					
Subtopic	**IRO**	**Category**	**Time frame**	**Relevance for CTT**	**Strategic target**
Corporate culture, whistleblower protection, corruption and bribery	Reputational damage due to unethical practices by corporate bodies, employees, suppliers and partners	Risk	short term	Direct operations and value chain (upstream and downstream)	**Create a reference governance model**

Data privacy and information security CTT-specific topic					
Subtopic	**IRO**	**Category**	**Time frame**	**Relevance for CTT**	**Strategic target**
Cybersecurity	Cybersecurity requirements and associated incidents	Risk	short term	Direct operations and value chain (upstream and downstream)	**Ensure the organisation's resilience against cyber threats**

Business transformation CTT-specific topic					
Subtopic	**IRO**	**Category**	**Time frame**	**Relevance for CTT**	**Strategic target**
Technological innovations	Investment in innovative projects that strengthen CTT's offering, improve customer experience and increase its operational efficiency	Opportunity	medium term	Direct operations	**Transform the business through diversification and innovation**
	Increasing the speed of innovation and transformation cycles	Risk	short term	Direct operations	
Development of products and services	Increasing competitiveness and revenue by developing the offer and creating new business lines	Opportunity	long term	Direct operations	
	Dependence on services and customers for revenues protection	Risk	short term	Direct operations	

short term medium term long term

Impact, risk and opportunity management

Given the nature of CTT's activity, the main environmental impacts are related to the worsening effects of climate change due to GHG emissions, especially due to the use of fossil fuels in the fleet. In addition, there are a number of associated risks such as natural disasters that can impact operations and more stringent regulations on the use of fossil fuels. Over the last few years, CTT has invested in actively mitigating these impacts and risks, through its efforts, commitments and opportunities to reduce emissions, electrify its own and subcontracted fleet and produce photovoltaic solar energy. However, this investment has been reinforced by the current risk that the market may not be able to keep up with the needs of the energy transition.

The opportunity to transform the business, which has focused on expanding the activities of the Express & Parcels business in response to the decline in postal activity, has led to an increase in exposure to road accident risks, both in terms of own and subcontracted labour, also resulting in a greater need for precarious hiring to cover peak season times, as well as the adaptation of the functions performed. In this context, CTT has invested in the health and safety of its workers, especially in terms of road safety prevention, and in their job security through talent programmes aimed at reskilling and upskilling training, promoting the development of internal skills.

Also in terms of CTT's businesses, the commitment to deliver the best offer and quality to its customers allows it to mitigate the risks associated with the occurrence of operational failures, by constantly looking for new opportunities to improve the offer in favour of satisfaction, which translates into numerous projects and initiatives carried out by CTT every year, with a high investment in innovation associated with its offer.

In addition, CTT excels in the proximity and accessibility of its services to the entire community, supported by the capillarity and granularity of the postal network, assuming a high commitment to not only fulfil the demanding obligations of the universal postal service contract, including the risks that this service entails, but also to go further in promoting a positive social impact on the surrounding communities.

Likewise, the ever-expanding and transforming activity presents challenges in terms of ethics, integrity and human rights in the extensive value chain. Ensuring the adoption of ethical principles and practices, aligned with CTT's values and commitments, by all stakeholders has been promoted through the implementation of policies, procedures and training actions for the internal and external dissemination of these practices.

The management of CTT's material IROs is ensured by the Company's management processes, as described under Strategic Background, and by the definition of policies, actions and targets to avoid, mitigate and remedy actual and potential negative impacts, address risks and/or exploit material opportunities.

The definition of policies, applicable to the entire Company and the value chain, is crucial for the management of IROs, as it allows the activity to be guided and aligned with the Group's strategic objectives in these matters, guaranteeing the application of best practices and, consequently, preparing and increasing CTT's capacity to respond to the various challenges and uncertainties of today and the future.

In this regard, during the 2024 financial year, the CTT Group undertook a significant review of its ESG-relevant policy framework, reformulating existing policies and approving new ones, with the aim of ensuring alignment with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, including the principles and rights established in the fundamental conventions identified in the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work and in the International Bill of Human Rights. Also in this

context, the responsibilities of the various areas covered by the Company's policies have been clarified, distinguishing those responsible for decision and review, execution, verification and control and dissemination.

Of note in this process is the creation of the Human Rights, Responsible Investment and Internal Control Policies; as well as the Sustainability Commitment Statement, which expressly states the fundamental principles of the CTT Group, such as the protection of the Planet and the fight against climate change, social responsibility, the centrality of the value chain and due diligence.

The CTT Group's due diligence processes involve an effort to identify, prevent, mitigate and extinguish the actual or potential negative effects, in the short, medium and long term, arising from its own operations and business relationships established along the value chain. The Responsible Purchasing Policy materialises this process, which aims to obtain contractual guarantees that business partners are committed to ensuring compliance with the regulatory framework in force and that CTT may consider any breach of the rules and principles to be a breach of contract.

In addition, CTT expects its suppliers to promote the dissemination of this policy among their employees and to adopt commitments similar to those contained in this policy with regard to their own suppliers and subcontractors, in order to ensure that they do not violate human rights, environmental, social and labour regulations.

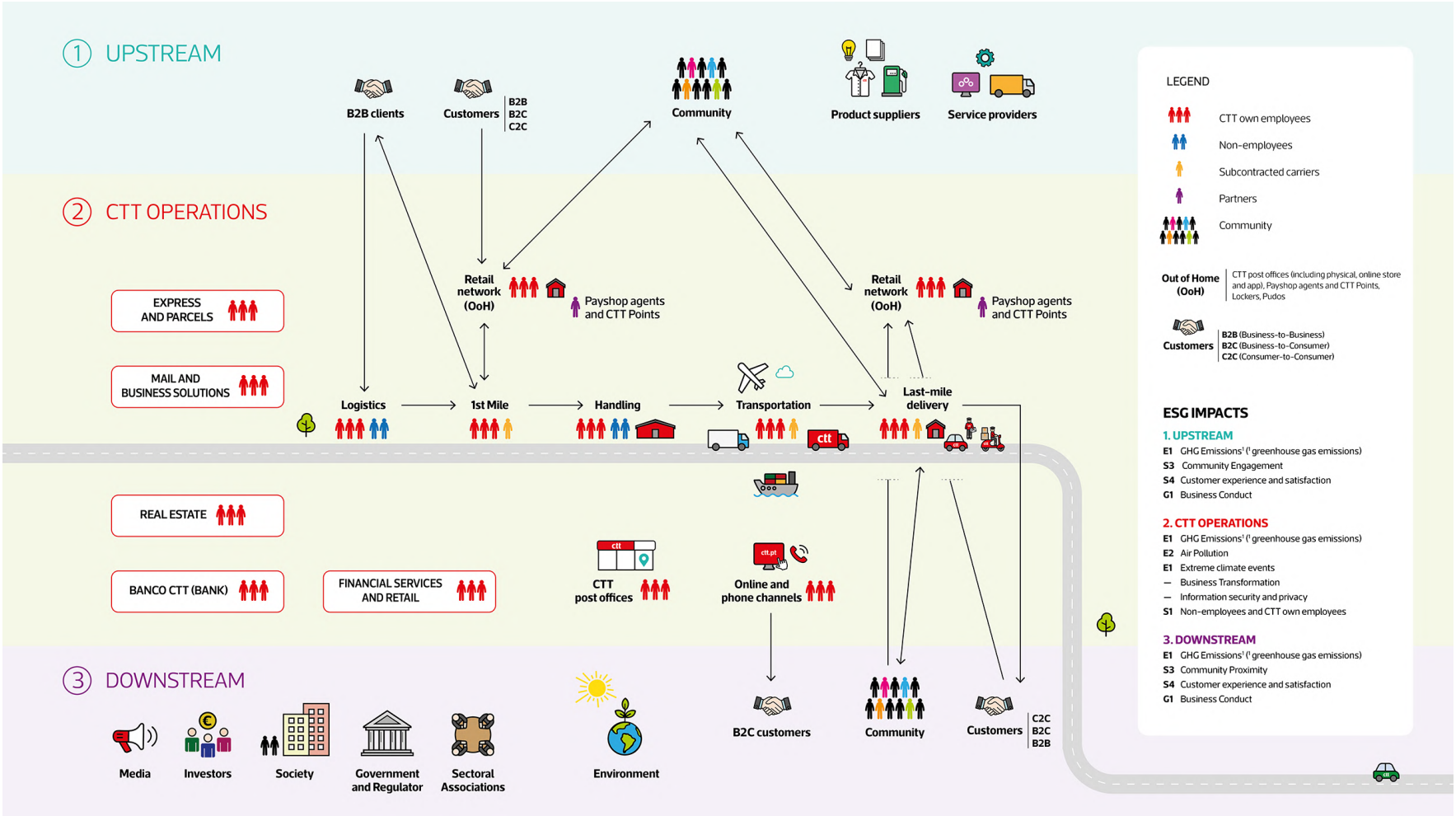
This work has also made it possible to empower CTT in terms of due diligence, establishing a robust basis in terms of its essential elements:

- Integrating due diligence into governance, strategy and the business model, through the Corporate Governance and Risk Committee, the Ethics Committee and the Sustainability Committee (Corporate Governance);
- Engage in dialogue with affected stakeholders at all key stages of due diligence, through the various channels of frequent and collaborative engagement, focusing on the expectations and needs of CTT's main stakeholders (Value Chain and Stakeholder Engagement);
- Identify and assess negative impacts, through double materiality analysis and its periodic review, as well as internal risk management, opportunity management and impact management processes, enabling active monitoring of IROs arising from the Company's activities in the value chain;
- Taking measures to respond to these negative impacts by developing policies, actions and targets (Environment, Social and Governance);
- Monitor the effectiveness of these efforts and communicate internally and externally, on a quarterly basis, regarding CTT's key metrics (ESG Commitments and the Sustainable Development Goals).

Alongside this exercise, the governance model in ESG matters was also analysed, and the role of the Board of Directors in terms of Sustainability and Internal Control was maintained.

In addition to the implementation of the CTT Group's policies by employees and, where applicable, also by the value chain, short- and long-term action plans and targets are defined and implemented with the main aim of promoting the integration of sustainability into CTT's strategy and operations and the appropriate management of material impacts, risks and opportunities. The following chapters, dedicated to the various sustainability themes, describe in greater depth all the policies, actions and metrics for monitoring them, developed in the current year and planned for the next reporting cycle, as well as the targets set for each of the material IROs, in order to ensure alignment between CTT's ambitions, strategy and teams.

Value Chain and Stakeholder Engagement



In light of its full commitment to deliver, the CTT Group recognises the importance of promoting transparent, collaborative and trusting relationships with its most relevant stakeholders, which fall into 10 main categories, identified through a mapping process according to the criteria of responsibility, influence and dependence.

CTT carries out an extensive external stakeholder consultation exercise in accordance with the guidelines of the AA1000SES - Stakeholder Engagement Standard on a regular basis and whenever business changes justify it, although in 2024 it did not do so, because in 2023 it carried out an internal consultation extended to the entire CTT Group and an external consultation with sustainability specialists and sectoral groups of which CTT is a member, within the scope of the Double Materiality process.

The aim is to keep the strategy up to date and to support the management bodies in understanding the needs and expectations of stakeholders, regarding the Company's impacts, and in defining and implementing measures in their favour (for more information see section Sustainability governance model).

In 2024, CTT strengthened this involvement with its stakeholders through an effective, active and transparent dialogue through several of its own communication channels, as identified in the following table.

Table 1 - List of stakeholders and forms of involvement

Stakeholders	Expectations and needs	Forms of communication with and consultation of stakeholders	Measures adopted
Shareholders and investors	Provision of clear, transparent and timely information that provides insight into the company's economic, financial, non-financial and governance evolution and reality Alignment of management with shareholder guidelines Guarantee commitment to ensuring the company's long-term sustainability Guarantee value creation by aligning the interests of the various stakeholders	Quarterly, half-yearly and annual reporting presented in a rigorous, reliable and consistent manner through presentations, press releases, half-yearly and annual reports and accounts, disclosed to the market and general public through the CTT and CMVM websites Participation in conferences, roadshows, meetings and conference calls with investors and market analysts Clarification of questions from shareholders and other investors through the telephone line and mailbox made available for this purpose	Permanent communication with research analysts, seeking to increase the number of analysts covering CTT shares Proactive, structured and continuous initiatives to seek out and contact new investors with potential interest in CTT's investment case Maintaining and deepening engagement with stakeholders through participation in conferences, roadshows, meetings, teleconferences and webcasts to disclose results and communicate management guidance on corporate strategy Participation in corporate environmental and sustainability ratings
Customers	Improved responsiveness and engagement with the customer - customer care More effective incident management process and need to improve self-care tools in order to simplify the problem-solving process Increased detail of services, such as parcel tracking, delivery events, transport links Closer and more frequent communication with the customer (newsletters, portals, focus groups, satisfaction assessment studies, etc.). Need for better management of customer expectations, complying with procedures and scheduled and communicated events Security of postal items (liability) and banking operations Geographical coverage and accessibility Responsibility and environmental image	Consultation channels related to quality of service Call centre/call lines, SMS/email, social networks and Helena chatbot Surveys (NPS, satisfaction of Business Customers with a contractual and regular commercial relationship with CTT, on distribution and customer services) Information and support campaigns for the community and environment, advertising and accessibility of information Decentralised meetings of the Board of Directors with business customers School sessions and autograph sessions in CTT post offices Creation of a communication channel for the Deaf, through the Serviin platform: video interpretation channel in Portuguese Sign Language	Improve customer satisfaction Launch and reformulation of new business solutions tailored to the customer More than 4,000 ColeCTT points in Portugal and more than 20,000 CTT Delivery points for parcel drop-off and pick-up in Portugal and Spain More environmentally responsible operating model (fleet and buildings) Studies into the suitability of products and services on offer Consolidation of the ecological portfolio (products and services)

Stakeholders	Expectations and needs	Forms of communication with and consultation of stakeholders	Measures adopted
Suppliers	Equal opportunities and transparency (clear rules) Compliance with payment deadlines Increased volume of new supplies Tightening of relations Registration of suppliers for the different purchasing categories Supplier qualification and evaluation	Supplier portal - ctt.pt/grupo-ctt/a-empresa/fornecedores Regular evaluation meetings to draw up action plans Information and communication of company projects Sustainable procurement policy – contractual clauses Regular communication on non-compliance in supplies – opportunity for improvement Electronic platform	High standards in social, human rights and environmental requirements Eco-friendly Procurement Policy – compliance with objectives Participation in the development of new products/services and improvement of existing ones Invitation of suppliers to meetings for presentation of products/services provided Monitoring the use of the electronic platform
Competitors	Participation in initiatives of common interest Sector benchmarking Give access to the postal network	Participation in forums Participation in benchmarking exercises Representation in bodies of the postal sector	Compliance with market rules Intervention in joint projects, in the context of sectoral bodies Implementation of measures that ensure access to the network on transparent and non-discriminatory terms
Employees	Stability (employment security, wage, social protection) Adequate remunerations Opportunities for career development and professional progression Good working conditions Merit-based performance reward Participative management Maintenance of social support measures Equal opportunities and management of diversity Better work-family balance Retirement conditions	Team meetings Written internal communication (newsletters, electronic media, letters, intranet, MyCTT) Training and awareness raising actions Forums Efr ambassadors Systems for suggestions Internal satisfaction surveys	Hygiene & Safety Programmes continuity, assessment of working conditions and training on safe/defensive/ecological driving Participate in forums and organisations for Equality, Diversity and Inclusion and adherence to public commitments for Equality and Diversity Talent programmes (trainees, Ponto Zero - Empowering Women Career Program, 'À Conversa Com Elas' and Breakfast with the CEO) Family-responsible company certification, flexibility measures and Well-being programme Benefits and support for employees (SouCTT Discounts, Subsidised Mortgage Loan, Childhood Voucher and Social Action Plan) Line dedicated to employees: "Tou CTT" and Team of social assistants

Stakeholders	Expectations and needs	Forms of communication with and consultation of stakeholders	Measures adopted
Trade Unions/Workers' Committee	Proximity in the relationship with the organisations representing the workers aiming at their involvement Feedback and proposals for approaches on labour issues Management of collective bargaining Respect for their opinions/positions Transparent negotiation Consultation on matters of corporate responsibility Participation in collective bargaining and contracting processes Compliance with Public Service Obligations Maintenance of social support measures to employees and their families	Meetings, briefings, emails and press releases Written internal communication (magazine, electronic media, letters, intranet) Relevant management communication	Monthly and extraordinary meetings with the Workers' Committee of CTT and CTT Expresso and senior management Regular meetings with the CTT and CTT Expresso trade unions Meetings with Workers' Sub-Committees and Representative Associations Start of negotiations with the Unions on Careers and Progression within the scope of the CTT Company Agreement (AE) Start of the CTT Social Support Plan Consultation with Workers' Representatives on Safety and Health at Work and other relevant matters
Community	Compliance with Public Service obligations Presence on the ground and proximity to the population Stimulation of the local economy Capacity of dialogue with local partners Accessibility to services Good corporate citizenship, in social and environmental terms	CTT website and presence in the social media Direct contact with the postman and customer service personnel Philatelic issues and book publishing, among other items. Topics: culture, history, national and international events, and good sustainability habits Other CTT products with an ESG component, such as Green Mail or Green Deliveries (made with electrical distribution) and use of recycled materials in an increasing percentage of CTT products	Sale of Pirilampo Mágico (Magic Firefly), "A Tree for the Forest" kits, two philatelic issues produced with 100% recycled paper and one issue dedicated to CTT's approach to ESG issues 15 participations in voluntary, both targeted and ongoing actions, in favour of the environment and people Renovation of CTT post offices premises Initiatives with a call for public participation, such as the selection of carbon offsetting projects or "A Tree for the Forest" and "Solidarity Father Christmas" Targeted measures to improve energy efficiency in electricity and fuels, including enhancing sustainable mobility Increase of the waste recovery rate Initiatives to protect biodiversity and raise environmental awareness
Media	Access to reliable and relevant information Communication to the market	Media Advisory Press releases Press conferences Media reports	Disclosure of information on services, projects, results and other aspects of corporate life

Stakeholders	Expectations and needs	Forms of communication with and consultation of stakeholders	Measures adopted
Regulators	Quality of service of the Universal Postal Service Prices of the Universal Postal Service Criteria for density of the postal network and minimum service offers Compliance with competition rules Establishment of a relationship of greater proximity and dialogue to improve the effectiveness of regulation	Information on services Participation in hearings and/or public consultations of draft decisions Regular report of indicators and response to requests for information and clarification	Procedure for collecting and organising information to comply with reporting obligations Compliance with universal service obligations in terms of quality, prices and network coverage Maintenance of a cost accounting system and calculation of the net cost of universal service Monitoring of the application of EU and national principles and rules on market competition: procedures for verifying conformity of business practices Response to Regulators' requests for information
Other Legal Authorities	Maintaining accessibility to the postal network (post offices and postal agencies) Maintaining cooperative relations with all local entities Audits Clarification meetings Legislative compliance	Company best practices Company strategy Regular reporting	Regular provision of information Compliance with legal and contractual requirements Protocol with the National Association of Parishes

5.3 Environment

5.3.1 Climate Change

CTT has a strong position in terms of sustainability, particularly with regard to its environmental performance due to the nature of its activity, which is mainly supported by the transport and distribution of mail, parcels and express deliveries. In this sense, the decarbonisation of its activities has been a top priority and will remain so in the coming years.

The CTT Group is committed to reducing its global GHG emissions by 55% by 2030, compared to 2021, in line with the ambition of limiting global warming to 1.5ºC by 2030, considering the United Nations' 2030 global agenda and the priorities of its stakeholders.

To achieve this commitment, CTT has defined a transition plan for decarbonisation, strongly supported by the electrification of its fleets, with the aim of carrying out last-mile distribution exclusively in electric vehicles by 2030. The efforts made by the CTT Group in this area have enabled its electric fleet to quadruple since 2021, having travelled 8.5 million kilometres in the last year (+80% compared to the previous year), in addition to the 4.0 million kilometres travelled on foot per year.

Furthermore, the Company annually purchases green electricity for all its consumption and has also been expanding its production of photovoltaic solar energy. To this end, CTT has established two strategic partnerships: one for the installation of 581 electric vehicle chargers in 121 CTT facilities, corresponding to one of the largest private networks in Portugal; and another for the installation of solar energy production centres at CTT locations (up to 6MWp) throughout the country, creating solar neighbourhoods and selling excess energy to communities at more affordable prices. The latter has allowed the CTT Group to increase the production of renewable energy for self-consumption by 1.4GWh since 2021.

The energy transition is a cross-cutting theme across all CTT business areas, which contribute to achieving the ambitious goals set, supporting investment in the energy transition of fleets and reducing dependence on fossil fuels (see section 5.3.3 European Taxonomy).

The Environment and Climate Policy materialises CTT's commitment to protecting the environment and combating Climate Change, promoting responsible action and adequate management of the risks and impacts of its activity, seeking more efficient strategies and solutions with less adverse impact.

In strict compliance with applicable standards and good practices, this Policy applies to the Group and its external relations, with the objectives of protecting the environment, promoting mitigation and adaptation to climate change, promoting energy efficiency and the use and production of renewable energy, reducing air pollution in urban centres, preserving natural resources and supporting the preservation of biodiversity.

In addition to the previously mentioned references and safeguards of the United Nations, OECD and ILO, the Environment and Climate Policy is also related to the G20/OECD 2023 Corporate Governance Principles, with the Paris Agreement, with environmental certifications, such as the ISO 14001 environmental standard, and with the BCSD Portugal Charter of Principles 2017.

Transition plan for climate change mitigation[51]

In alignment with CTT Group's strategic pillars, CTT has made efforts to decarbonise its activity, having set itself the goal of an absolute reduction of scope 1, 2 and 3 GHG emissions by 55% in 2030, compared to the base year of 2021[52].

The main focus of this target is to ensure that the last-mile fleet is made up of 50% 'green' last-mile vehicles by 2025 and 100% by 2030. This is reflected in the ongoing transition plan set out by the Executive Board for 2030.

It should be noted that CTT has started its efforts to reduce its carbon footprint for more than a decade, with positive results. Part of this reduction is due to the fact that since 2016 CTT has been purchasing electricity solely and exclusively from renewable sources, through guarantee certificates at source, resulting in zero scope 2 emissions, depending on the market-based method. This was the first step taken towards decarbonisation, and it was complemented in 2021 and since with the production and self-consumption of renewable energy from photovoltaic solar panels. Also in this context, since 2023 the company has stopped consuming thermal energy due to the change of facilities, having also mitigated these emissions.

With regard to the reduction of scope 1 emissions, for the most part, from the activity of the company's own fleet, the expansion plan for the company's own fleet electrification was continued and it was verified a significantly increase in 2024, as a reflection of the big investment made for the acquisition of electric goods vehicles. This initiative has made a significant contribution to reducing emissions, and since 2021, scope 1 has reduced its emissions by 8.3%, by replacing vehicles with high fuel consumption and associated with routes with a high number of daily kilometres.

In addition to these activities, it is also important for CTT's value chain to follow the desired decarbonization trajectory, as it has a particular weight in the Group's overall carbon footprint. CTT focus in particular on emissions associated with upstream transport and distribution (category 4), with a focus on decarbonising the subcontracted road transport fleet, which currently accounts for 52.1% of total emissions in this scope. Given the various challenges it has recently faced in this scope, CTT will devote the next few years to planning and implementing actions in order to achieve the desired goal.

Prioritizing the path of contribution to climate change mitigation, CTT increased its eligible investments under the EU Taxonomy, which represents 70 million euros in 2024 and the aligned activities, classified as sustainable according to this regulation, represents 27.4% of total consolidated turnover.

Despite the efforts made and in the plan for implementation in this scope, it is important to note that CTT and its value chain carry out activities with transport typologies and fleet segments that bring many challenges from an economic and technological point of view, namely those related to air and sea transport of mail, express and parcels and, more representatively, the emissions from the heavier fleet segment that has a TCO (Total Cost of Ownership) that is not yet favourable. For this segment in particular, it is important to note that CTT has been testing alternatives that contribute to the mitigation of the associated carbon footprint and that are detailed in the action plan for the mitigation of climate change.

Carbon reduction target progress

The target for the reduction of CTT Group's global carbonic footprint for 2030 was validated by the Science-Based Target initiative (SBTi) and it is aligned with the global objective to limit the global

[51] The transition plan referred to in this disclosure is applicable to the scope of consolidation referred to in chapter 5.2 General disclosures, and may be subject to updating as a result of future acquisitions.

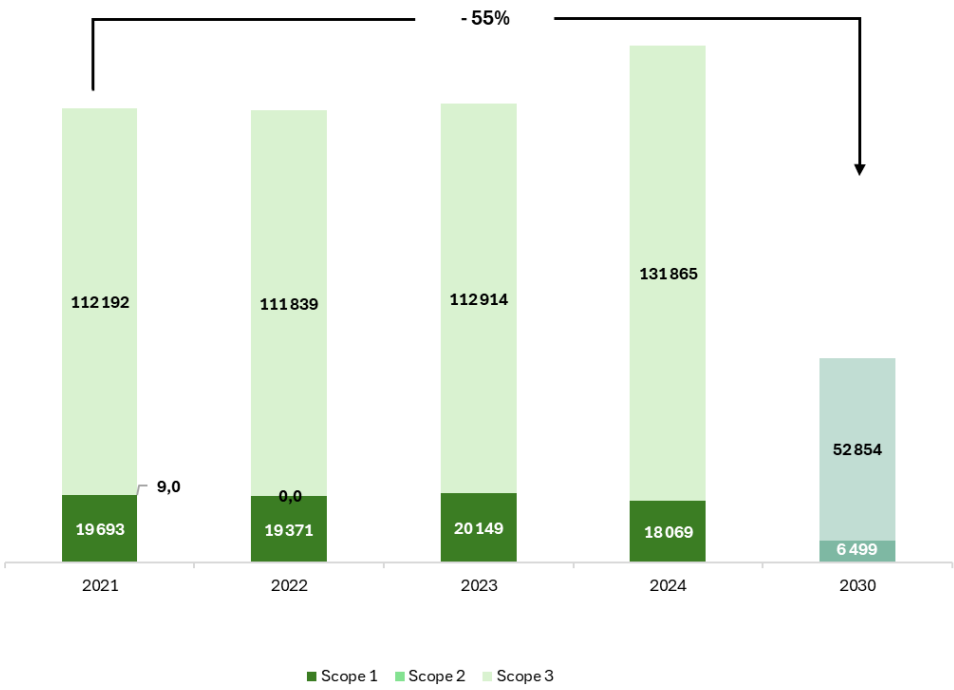
[52] Scope 2 emissions are market-based; the base year of the target is 2021, as this was the year when the increase in express objects began to have an exponential increase.

warming in 1.5ºC. It reinforces CTT's commitment to supporting the fight against climate change, which was already established when CTT joined the 'Business Ambition for 1.5ºC' initiative of the United Nations Global Compact.

It should be noted that it revises the previous SBT (science-based target) target of a 30% reduction in scopes 1, 2 and 3 CO_2e emissions in 2025, compared to 2013, as it did not cover the CTT Express subsidiary in Spain, since, when the target was drawn up, it was not representative of CTT's activity.

The trend since the target base year has been an increase in the number of emissions, with total emissions in 2024 being 13.1% higher than in 2021. This increase is particularly due to the rise in express activity, especially in Spain. In this regard, the focus on decarbonising the value chain is particularly important.

Evolution of the SBT decarbonisation target



Climate scenario analysis and resilience

Scenario analysis

Physical and transition risks were assessed for the CTT group's building stock[53]. For the assets in Spain and Mozambique, all properties were considered and their respective revenue value. For the assets in Portugal, the book value of owned properties was taken into account, and in the case of owned and leased production and logistics centres and operations centres, the value of revenues was also considered.

This assessment was carried out through an external platform, using the various IPCC climate change scenarios, associated with their severity (high, medium-high, medium and low) and considering the decades of 2020, 2030, and 2040. On this platform, we link the assets to be analysed with the previously specified values, geographic coordinates, and property categories (office, operations centre, industrial center, or retail store). In this way, it was possible to quantify the climate change impact in physical and operational integrity of CTT's buildings.

[53] The exception applies to some smaller buildings leased by CTT for which it was not possible to ascertain the asset value.

It should be noted that the net book values and operational values considered for the building stock analysed represent, respectively, 13.4% and 86.6% of their total value. The expected financial losses due to physical and transition risks are segmented according to this information.

- **Physical risks**

The classification of climate-related hazards was carried out taking into account table II of the Commission Delegated Regulation (EU) 2021/2039, and the following hazards were taking into account for CTT's assets:

Hazards	Temperature-related	Wind-related	Water-related	Solid mass-related
Chronic	NA	NA	Water stress	NA
Acute	Heat waves, Cold wave/frost (extreme temperature)	Cyclones	Drought	Landslide
	Wildfire	NA	Flood (coastal, fluvial, pluvial, ground water)	NA

Expected annual financial loss due physical risks

Climate Scenario and Type of hazard/Time Frame (Millions of euros)		High severity climate scenario SSP5-8.5		Medium-high severity climate scenario SSP3-7.0		Medium severity climate scenario SSP2-5.5		Low severity climate scenario SSP1-2.6	
		Chronic	Acute	Chronic	Acute	Chronic	Acute	Chronic	Acute
Short term - 2020 Decade	Net Book Value	0.08	0.72	0.09	0.64	0.07	0.74	0.07	0.70
	Operational Value	0.52	4.68	0.61	4.16	0.43	4.76	0.43	4.50
Medium term - 2030 Decade	Net Book Value	0.12	0.98	0.11	0.88	0.09	0.86	0.09	0.83
	Operational Value	0.78	6.32	0.69	5.72	0.61	5.54	0.61	5.37
Long term - 2040 Decade	Net Book Value	0.21	1.17	0.15	1.02	0.13	0.98	0.13	0.94
	Operational Value	1.39	7.53	0.95	6.58	0.87	6.32	0.87	6.06

For the three time frames and in the four climate scenarios, the physical risk with the greatest impact concerns extreme temperatures, followed by water stress and wildfires.

In geographical terms, extreme temperatures have a greater impact on assets in mainland Portugal more significantly, while water stress puts assets in Spain at greater risk in comparison. Landslides are particularly relevant to the Azores archipelago and cyclones, in particular on the island of São Miguel. Pluvial flooding is more prevalent in Mozambique.

The building stock analysed is covered by the group's climate change adaptation action plan, which includes possible rehabilitation and reinforcement of buildings, their maintenance and the creation of emergency plans.

- **Transition risks**

The transition risks assessed in the model correspond to technological and market changes, reputational effects, as well as modifications to the applicable legislation and the carbon price.

Expected annual financial loss due to transition risks

Climate Scenario/Time Frame (Millions of euros)		High severity climate scenario SSP5-8.5	Medium-high severity climate scenario SSP3-7.0	Medium severity climate scenario SSP2-5.5	Low severity climate scenario SSP1-2.6
Short term - 2020 Decade	Net Book Value	0.15	0.15	0.15	0.15
	Operational Value	1.00	0.95	0.98	0.95
Medium term - 2030 Decade	Net Book Value	0.19	0.18	0.18	0.18
	Operational Value	1.25	1.17	1.18	1.20
Long term - 2040 Decade	Net Book Value	0.25	0.22	0.20	0.21
	Operational Value	1.60	1.44	1.32	1.36

For the three time frames and the four climate scenarios, the transition risk with greater impact is technological, followed by reputational and the market risk. To be noted is that all transition risks analysed affect assets in Mozambique more significantly.

The analysed building stock is covered by the group's energy transition plan and is the target of various initiatives that contribute to mitigating climate change, such as the installation of solar panels, the use of LED lighting, waste management, ISO 14001 certification, among others.

Resilience analysis

The resilience analysis carried out by CTT in the reporting year included the assessment of the scenario analysis mentioned above, which covered its own operations, in the short, medium and long term. This assessment is extremely important for the CTT Group, as it makes it possible to evaluate the resilience of the business model, since the loss of these buildings could jeopardise the continuity of operations, ensuring an adequate identification of climate change adaptation and mitigation actions that allow the resilience of its operations. In addition, the resilience analysis also takes into account the identification and monitoring of climate-related IROs, assessed during the double materiality analysis process. These also contribute to the decision-making of the actions to be developed in CTT's operations and value-chain, in which the transition to a low-carbon economy stands out, through the transition plan mentioned in this chapter.

Climate Change Adaptation

IRO	Main actions carried out and/or planned	Expected objective of the actions	Associated target
Rehabilitation and adaptation of buildings to extreme weather events	HVAC replacement in Portugal	Increase resilience to extreme temperature variations through the use of equipment with the latest technologies, combined with a 15% increase in energy efficiency	Carry out a new climate scenario study
	Air conditioning system remodelling Portugal		
	Opening of new operational centres in Spain	Increase resilience to extreme temperature variations by using more sustainable buildings	
	Regular building maintenance in Mozambique	Ensure the resilience of facilities in the face of extreme weather events	
	Relocation of facilities due to flooding in Mozambique		
Interruption of operations due to extreme weather events	Contingency plans for operational buildings in Portugal	Guarantee minimum services to customers and the quality of the postal service on the mainland and islands	
	Business continuity plans for operations in Portugal	Mitigate risk associated with operational losses	
	Relocation of facilities due to flooding in Mozambique	Ensure the resilience of facilities in the face of extreme weather events	

CTT has been addressing initiatives related to the **rehabilitation and adaptation of buildings to extreme weather events.** In Portugal, CTT has annually invested in the renovation of existing HVAC systems in buildings, which in addition to better energy efficiency, allows for better performance of this equipment in terms of extreme temperature variations, thus ensuring thermal comfort during heat waves or intense cold. In Spain, two operational centres were leased, which are newer and better adapted to extreme weather events. In Mozambique, due to the territory's greater exposure to extreme weather events, actions to ensure that the facilities are being maintained and remodelled were acrried out to reduce the impact of these events. Additionally, CTT saw the need to change the location of some of its facilities because they were in areas prone to flooding. Spending on these initiatives in 2024 in Portugal and Spain was significant, while investments in Mozambique had a low impact.

With regard to the **interruption of operations due to extreme weather events,** business continuity plans were created, which include contingency plans associated with occurrence of the various scenarios of interruption of operations. These plans also list all the resources needed for the operation to run with the least possible constraints, in order to guarantee the mail, express and parcel services to customers. The evaluation of the results of these actions taken to adapt to climate change were based on monthly expenditure in the respective financial headings and associated budget control.

Energy

IRO	Main actions carried out and/or planned	Expected objective of the actions	Associated target
Rising prices and regulation on fossil energy use	Purchase of electric vehicles in Portugal and Spain	Reduced dependence on fossil fuels	Achieve 100% green own vehicles in the last mile Reduce fuel consumption
Use of fossil fuels	LED project in Portugal	Installation of 287,000m^2 of LED lighting	Increase LED installation by 3% per year
	Training in environmental programmes	Raise awareness among CTT employees of environmental practices, with a view to adopting energy rationalisation practices	Train 90% of employees in the 'Green Planet' environmental programme Reduce fuel consumption
	Awareness-raising activities for operational teams to reduce consumption		
Production of electricity from renewable sources in buildings	Solar Neighbourhoods Project	Installation of 6.5Mwp of photovoltaic energy by 2030	Increase photovoltaic energy production (UPAC+UPP)
Increased cost of renewable energies due to unavailability and/or storage difficulties	Evaluation of market solutions	No actions were taken to mitigate this risk in the reporting year, since the CTT Group is not yet affected by it	CTT does not currently have a defined target for this risk, as it is expected that it will only impact the company in the long term.

The risk of **rising prices and regulation on fossil energy use**, as well as the negative impact of the **use of fossil fuels**, are interlinked. The actions developed to mitigate this risk and negative impact are associated with CTT's transition plan, with a focus on reducing CTT's dependence on fossil fuels.

Over the years, CTT has promoted the adoption of energy efficiency measures and more efficient and less polluting technologies (high CAPEX and low OPEX). The measures adopted in 2024 include:

- **Intensive Energy Consumption Management System Programme (SGCI)**, for modernising systems, improving energy efficiency and reducing energy consumption at the Northern Production and Logistics Centre located in Maia. With this programme, it is expected a result of 60% reduction in energy consumption, over eight years, in this facility, through the installation of energy enhancement systems and improvement measures outlined in the plan that resulted from this year of exercise and an energy audit by an external organisation.

- Development of an **energy certification** programme for around 400 buildings in Portuguese territory, which resulted in two **PDEE (Building Energy Performance Plan) processes**, that is, two CTT buildings, in addition to two others previously included. These reports are carried out by an external organisation in order to identify improvement actions to be implemented to optimise energy consumption over the next 8 years;

- **Energy monitoring programme**, in partnership with an external entity LMIT, since 2020, through the Wisemetering application, in 50 facilities with the highest energy consumption in Portugal. This measure makes it possible to monitor these facilities and their respective energy standards, carrying out audits and action plans in the face of divergent results, thus making it possible to identify any waste and audit processes that result in a reduction in energy consumption, which is a continuity action in the future;

- The **LED Project** consists of equipping CTT facilities in Portugal with state-of-the-art LED lighting. The first phase involved 261 installations, in Portugal, with an ROI (return on

investment) of <3 years, and the second phase is underway with 172 installations with an ROI of <4.5 years. The new phases are being evaluated, and this action aims to achieve an estimated 60% reduction in electricity consumption in the buildings.

There are also other measures which, despite having been implemented several years ago in the operational centres, continue to make a contribution to energy reduction, such as the use of lighting sensors, skylights to obtain natural light and the use of heat generated by mail sorting machines to heat/cool operational areas.

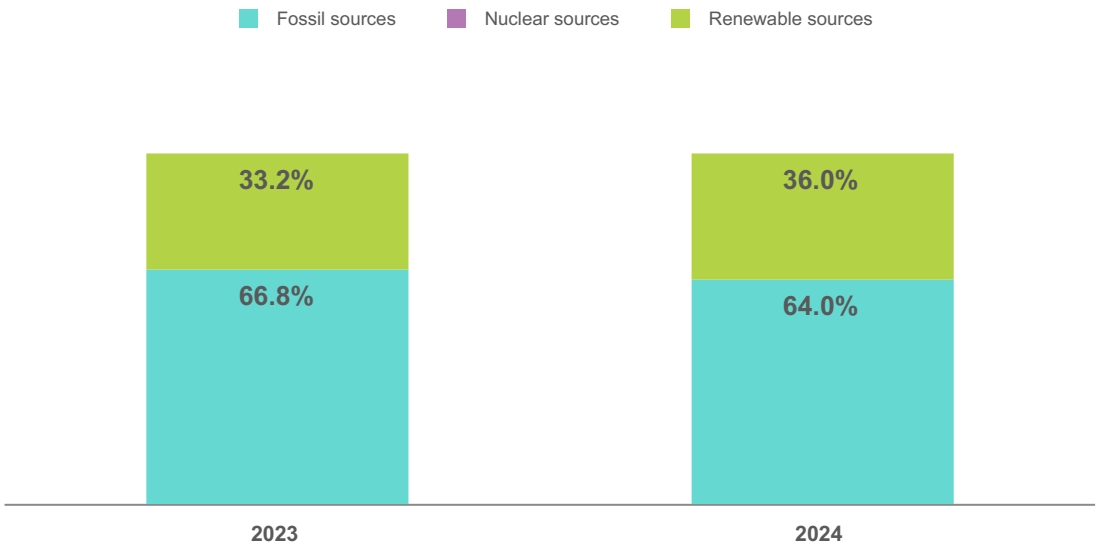
In addition, CTT provides its employees with training on environmental issues ('Green Planet'), promoting the adoption of responsible consumption habits and behaviour. Furthermore, the operational centres are ISO 14001 certified and there is an Integrated Management System Manager (IMSR) who regularly raises awareness among the teams.

In terms of the positive impact associated with the **production of electricity from renewable sources** in buildings, the 'Solar Neighbourhoods' project, in partnership with EDP since 2022, stands out. Through the installation of photovoltaic solar panels on CTT's infrastructures, electricity is produced from renewable energy for self-consumption and makes the surplus energy produced accessible to the surrounding community at more affordable prices. Currently, this project covers 23 CTT facilities, with plans to increase this to 30 by the end of 2025, in order to reach 6.5 MWp of installed power and an estimated reduction of 1,600 tCO_2e/year. CTT also has a self-consumption production unit (UPAC) and three small production units (UPP).

The performance of the actions mentioned is monitored through annual audits and the respective reports carried out by external organisations and validated by official national bodies, consumption monitoring and regular project management.

In 2024, a reduction of -3.2% in energy consumption is estimated compared to last year, due in particular to the reduction in energy consumption from fossil fuels, which represents 64.0% of total consumption in 2024.

Consumption trends by energy source



Energy consumption

Mwh	'23	'24	Δ '24/'23
Fuel consumption from coal	—	—	0.0%
Fuel consumption from oil	71,951.8	66,645.2	-7.4%
Fuel consumption from natural gas	41.3	40.6	-1.8%
Consumption of fuel from other fossil sources (propane gas)	149.6	127.2	-15.0%
Consumption of purchased electricity, heat, steam, heating and cooling from fossil sources	—	—	0.0%
Total consumption of energy from fossil sources	**72,142.8**	**66,813.0**	**-7.4%**
Consumption from nuclear sources	**—**	**—**	**0.0%**
Consumption of fuel from renewable sources, including biomass (HVO)	**—**	**101.4**	**—**
Consumption of purchased electricity, heat, steam, heating and cooling from renewable sources[54]	**34,273.2**	**36,148.2**	5.5%
Consumption of self-produced electricity from renewable sources	**1,567.9**	**1,496.0**	-4.6%
Total consumption of energy from renewable sources	**35,841.1**	**37,745.6**	**5.3%**
Total energy consumption	**107,983.9**	**104,558.6**	**-3.2%**

Consumption of electricity from the grid accounted for around 96.0% of total electricity consumed, an increase of 5.5%, in the reporting period. It should be noted that CTT acquires guarantee certificates at source for all these consumptions.

Charging electric vehicles accounts for 6.1% of the total electricity consumed, and this consumption increased by 378.6% compared to last year, influencing the CTT Group's performance in this regard. Also noteworthy was the 35.3% increase in electricity consumption at CTT Express due to the increase in activity and consequent increase in facilities.

Self-produced electricity consumption fell by -4.6%, despite the increase of solar neighbourhood installations, allowing CTT to produce 4 136.3 MWh (+15% compared to last year) in CTT's facilities.

Fossil fuel consumption fell by -7.4%, particularly impacted by the reduction in diesel consumption, as light goods vehicles using this type of fuel were replaced by electric vehicles.

The logistics and distributions sector is considered a sector with a high carbon impact. This sector includes the consumption and revenues of the parent company CTT SA and the subsidiaries CTT Contacto, CTT Expresso, CTT Express and CORRE, broken down by mail & other, express & parcels segments, in the revenues presented in chapter 4. Economic and financial performance.

The energy intensity of this sector fell by -19.8%, fuelled by the reduction in total energy consumed and the increase in revenues.

Energy intensity of the logistics activity[55]

Energy intensity by revenues	'23	'24	Δ '24/'23
Total energy consumed in logistics (Mwh)	106,298.0	101,943.5	-4.1%
Logistics revenues (€)	794,071,034.0	949,633,788.0	19.6%
Energy intensity	**133.9**	**107.4**	**-19.8%**

[54] Month of December with estimated data for Azores and Madeira (CTT SA); from indicated sources, CTT only consumes electricity.
[55] Energy intensity has been multiplied by a factor of 1,000,000 to allow for better readability.

The CTT Group's energy intensity improved (-13.8% compared to last year), as a result of the decrease in consumption and the increase in revenues in 2024.

CTT Group energy intensity[56]

Energy intensity by revenues	'23	'24	Δ '24/'23
Total energy consumed (Mwh)	107,983.9	104,558.6	-3.2%
Revenues (€)	985,219,324.0	1,107,281,731.0	12.4%
Energy intensity	**109.6**	**94.4**	**-13.8%**

[56] Energy intensity has been multiplied by a factor of 1,000,000 to allow for better readability.

Climate Change Mitigation

IRO	Main actions carried out and/or planned	Expected objective of the actions	Associated target
Aggravation of global warming due to greenhouse gas emissions	Purchase of electric vehicles (EVs) and newer combustion vehicles	Market-based reduction of direct Scope 1 and indirect Scope 2 GHG emissions, related with fleet activity and owned buildings	Reduce absolute GHG emissions (scopes 1, 2 and 3) by 55% in 2030 compared to 2021 (SBT) Mitigate scope 1 and 2 CO_2e emissions compared to 2021 (cumulative change) Mitigate scope 1 CO_2e emissions (annual variation) Mitigate CO_2e emissions from outsourced road activity compared to 2021 (cumulative change)
	Charging EVs at own facilities using renewable energy		
	Use of electricity from renewable sources in public and/or supplier network charging		
	Pilot test using HVO in heavy vehicles		
Operational and reputational improvements and business resilience associated with the decarbonisation strategy	Purchase of EVs	Expand the fleet of ecological vehicles to 100% of the distribution activity in the last mile	Achieve 100% green own vehicles in the last mile Reduce absolute GHG emissions (scope 1, 2 and 3) by 55% in 2030 compared to 2021 (SBT) Mitigate CO_2e emissions from subcontracted road activity compared to 2021 (cumulative change) Acquire 100% of electricity from renewable sources annually Increase phtovoltaic energy consumption Offset the direct carbon emissions of the CTT offer
	MODICO project	Optimisation of vehicle space by using containers instead of pallets	
	Purchase of GO certificates for 100% of electricity consumption	Use renewable electricity throughout the CTT group's activity, ensuring zero market-based Scope 2 GHG emissions	
	Use of electricity from renewable sources in CTT, public and/or supplier network charging		
	Creation of walking delivery routes in Spain	Eliminate CO_2e consumption on routes where delivery can be made on foot.	
Availability of market solutions to ensure the energy transition and electrification of the fleet	Creation of own charging infrastructure in Portugal	Ensure greater availability of charging access	Achieve 100% of own green vehicles in the last mile
	Pilot test using HVO in heavy vehicles	Search for alternative solutions to electrification for heavy vehicles, where available solutions are less accessible	
Promotion of active reforestation	'A Tree for the Forest' Campaign	Through the sale of physical and digital kits promote national afforestation	Promoting active reforestation in Portugal: more than 6,500 'A Tree for the Forest' kits
	Banco CTT's Merece Movement	Reverse cardboard recycling into planted trees	
Concentration of postal, express and parcel items and delivery efficiency	Use of route optimisation software	Reducing the number of routes travelled, increasing efficiency	Mitigate total scope 1, 2 and 3 CO_2e emissions compared to 2021 (cumulative change)

The main action taken throughout 2024 to mitigate the negative impact of **worsening global warming through greenhouse gas emissions** is the acquisition of electric vehicles for the Company's own fleet

and charging them with electricity from renewable sources. The investment associated with these acquisitions is shown in section 5.3.3 European Taxonomy.

Overall, this acquisition corresponded to 500 new electric goods vehicles in operation in Portugal and 40 electric goods vehicles in Spain, the latter being the first electric vehicles to go into operation as an own fleet in Spain. This measure is the one that most contributes to the reduction of emissions resulting from own fleet activity, with an estimated saving of 1,544.5 tCO_2e, which represents 77.5% of scope 1 emissions. It should also be noted that when these vehicles were purchased, their performance in terms of energy consumption was taken into account as a criterion for awarding the contract, favouring those with the best performance.

At the end of 2024, the purchase of 100 light goods vehicles was also awarded and these will be put into operation at the beginning of 2025.

The renewal of the CTT fleet during the reporting period did not only involve the transformation of the combustion fleet into an electric fleet, as there are specific needs to renew the combustion fleet for circuits where electrification is not yet possible. To this end, 272 combustion-powered light goods vehicles began operating in 2024, but with more recent technology in terms of atmospheric emissions, and 175 vehicles were also awarded contracts at the end of the same year. The impact of this combustion fleet renewal measure corresponds to 20.9% of scope 1 emissions, corresponding to a estimated saving of 417.1 tCO_2e. Environmental criteria were also taken into account in these acquisitions, namely, energy performance and pollutant and CO_2 emissions of the vehicles.

With regard to mitigating greenhouse gas emissions from the transport of heavy vehicles, in 2024 CTT developed a partnership with two suppliers of HVO (Hydrotreated Vegetable Oil) biofuel, with the aim of testing the compatibility of using this alternative fuel in four of its own vehicles, with no mechanical incidents having been recorded to date. The use of this biofuel as an alternative to traditional fuels has enormous potential in terms of reducing emissions in this type of vehicle, as there are no CO_2 emissions associated with their use (Ministerial Order 110-A/2023 of 24 April). As this is only a pilot test, the reduction in CO_2e from HVO consumption has an impact of only 1.6% of the total reduction in emissions from own fleet consumption, with a reduction of 31.4 tCO_2e.

CTT awaits market developments and more competitive prices for the heavy goods transport segment. Nevertheless, CTT expects a small heavy-duty electric goods vehicle to be tested in 2025. In addition, it is planned to renew the fleet of heavy-duty combustion vehicles with newer.

The current **(un)availability of market solutions to ensure the energy transition and electrification of the fleet** may have an impact on CTT, in that it may not help the company achieve its electrification goals within the planned timeframes.

It should be noted that CTT invested significantly in the installation of 581 electric vehicle chargers in 121 of its infrastructures. This installation was a crucial measure to ensure the charging needs of CTT electric fleet and to minimize the use of the public charging network. As a result of this initiative, significant investments were made in the supply and installation of chargers, operation and maintenance and the respective management service.

The private charging network also contributes to obtain potential **operational and reputational improvements and business resilience,** guaranteeing convenient, operationally and financially charging, for the majority of these vehicles in facilities with renewable energy contracts, ensured by the acquisition of guarantee of origin certificates.

With regard to operational improvements that have promoted CTT's carbon reduction, the MODICO project took place in Portugal, characterised by the implementation of direct gates for freight containers

in the Expresso network. The containers were designed with measures that optimise the use of vehicle space, reducing empty spaces and the number of journeys required.

Foot deliveries are part of the daily activity of postmen and distributors in Portugal and were also adopted by CTT in Spain, resulting in a total of 3.8% of the kilometres travelled by the group during 2024.

The **concentration of mail, express and parcel items and efficiency in delivery** is essential, and this is achieved by constantly monitoring routes using proprietary software. In Spain, this method has already been used since the start of CTT Express operations, and in addition to optimising routes, it is an advanced system that prioritises deliveries and groups items efficiently according to the delivery priorities established. This practice was extended to the activity in Portugal, in 2024. Through the study carried out in 2024, a reduction of 187 routes is expected, which is equivalent to around 8,200 kms/day with its implementation in 2025.

Lastly, a mention to two initiatives with impact on Portuguese forests and beyond, which CTT promotes and supports ion an ongoing basis.

The 'One Tree for the Forest' initiative reached its 11th edition in partnership with CTT and Quercus and aims to contribute to the **promotion of active reforestation** in Portugal. Within the scope of this initiative, CTT sells kits in its store network, which revert into trees and shrubs of native species planted in protected areas and burnt areas of Portuguese territory by hundreds of volunteers who have joined this cause. In 2024, four planting actions were carried out and approximately 12,408 trees were planted.

In 2024, Banco CTT continued to maintain the **'Movimento Merece'** initiative. From the start of the partnership, around 95,000 cards were collected (176kg of cards collected in the reporting year) and sent for recycling. The Merece programme guarantees for every kg of cards collected, a tree is planted.

The success of these actions is measured according to the year's performance and the level of compliance with the objectives established for them.

Greenhouse Gas Emissions

Direct emissions from CTT's activity (**scope 1**) fell compared to the previous year, both in stationary and mobile combustion.

In this scope, which includes emissions from the company's own fleet and postmen's own vehicles, the increase in electrification stands out, contributing 74.4% to the total reduction in this segment. With regard to stationary combustion, emissions related to the consumption of natural gas and propane gas in the canteens and bath heating at the Production and Logistics Centres (South and North) and at the Coimbra Logistics and Distribution Centre are included.

Scope 1 GHG emissions[57]

tCO_2e[58]	'23	'24	Δ '24/'23
Stationary combustion	41.0	36.3	-11.5%
Mobile combustion	20,107.9	18,032.4	-10.3%
Total Scope 1 emissions	**20,148.9**	**18,068.7**	**-10.3%**

[57] Emission factors used belonging to the Portuguese Environment Agency's NIR for mobile diesel and petrol combustion in the company's own fleet; DEFRA for HVO emissions, mobile combustion in the postmen's own vehicles and stationary combustion.

[58] Does not include emissions from subsidiary CORRE or fugitive emissions, which are excluded from the inventory as they represent <5% of scope 1+2 emissions.

As far as indirect **scope 2** emissions are concerned, these only arise from the purchase and consumption of electricity, excluding the categories of steam, heating and cooling. Emissions calculated on the basis of the market are zero, given the purchase of renewable electricity for 100% of CTT's consumption, through the purchase of guarantee certificates at source.

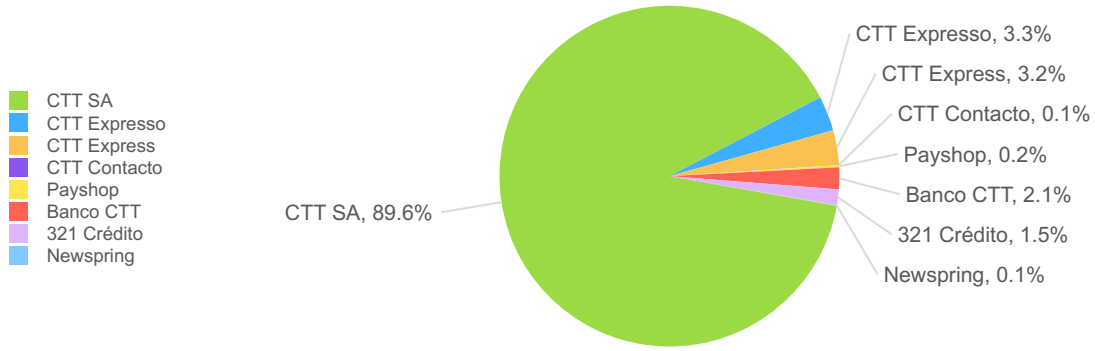
Scope 2 GHG emissions[59,60]

tCO_2e	'23	'24	Δ '24/'23
Location-based	3,032.4	3,154.7	4.0%
Market-based	—	—	0.0%

In 2024, emissions from electricity consumption accounted for by the location-based method increased by 4.0%, mainly as a result of the increase in grid electricity consumption to supply the electric fleet.

In terms of scope 1 and 2 emissions, parent company CTT S.A. has the greatest impact on total emissions of these scopes, since it is the company with the group's largest own fleet, contributing 89.6% of total own fleet emissions.

Scope 1 and 2 GHG emissions by CTT Group company[61]



In terms of **scope 3** emissions, CTT carried out a survey of emissions from all categories applicable, following the GHG Protocol methodology. This survey resulted in categories 8, 9, 10 and 13 not being relevant or applicable to CTT and are therefore not disclosed.

[59] Emission factors used belonging to APREN (Renewable Energy Association) in Portugal and Red Electrica in Spain.
[60] Does not include emissions from the subsidiary CORRE, which are excluded from the inventory because they represent <5% of scope 1+2 emissions.
[61] Scope 2 emissions are presented on a market basis.

Scope 3 GHG emissions[62,63,64]

tCO_2e	'23	'24	Δ '24/'23
Category 1 - Purchase of goods and services	**15,550.2**	**15,065.2**	-3.1%
Category 2 - Capital goods	**4,194.0**	**6,748.7**	60.9%
Category 3 - Fuel and energy-related activities (not included in scopes 1 and 2)	**4,482.3**	**4,122.2**	-8.0%
Category 4 - Upstream transport and distribution[65]	**74,928.2**	**91,853.6**	22.6%
Category 5 - Waste generated in operations	**6.3**	**296.6**	4645.4%
Category 6 - Business travel	**183.0**	**279.9**	52.9%
Category 7 - Commuting	**6,786.6**	**6,501.7**	-4.2%
Category 8 - Upstream leased assets	**—**	**—**	0.0%
Category 9 - Downstream transport and distribution	**—**	**—**	0.0%
Category 10 - Processing of products sold	**—**	**—**	0.0%
Category 11 - Use of products sold	**10.2**	**12.2**	20.2%
Category 12 - End-of-life treatment of products sold	**255.4**	**84.7**	-66.8%
Category 13 - Downstream leased assets	**—**	**—**	0.0%
Category 14 - Franchises	**246.6**	**282.0**	14.4%
Category 15 - Investments	**6,271.3**	**6,617.7**	5.5%
Total scope 3 emissions	**112,913.9**	**131,864.5**	**16.8%**

Category 1, relating to the acquisition of goods and services, is the second most representative category of this scope 3, with a slight reduction in emissions compared to the same period last year. The purchase of paper and consultancy services were the most significant acquisitions, accounting for 39.3% of total emissions in this category.

In **category 2**, relating to the acquisition of capital goods, there was a 60.9% increase in emissions, resulting from the acquisition of sorting machines and operational equipment, as well as the increase in work carried out on the conservation and rehabilitation of premises.

Category 3 includes emissions resulting from the production and transport of energy from fossil fuels consumed in scope 1, as well as emissions resulting from energy losses in the electricity grid (scope 2). These emissions fell by -8.0% compared to 2023, due to the reduction in fuel consumption.

The most representative category in scope 3 is **category 4**, with 70.0% of emissions in this scope, which includes emissions from subcontracted road, air and sea transport, freight services and distribution in the country of destination of outbound international mail.

Emissions from the subcontracted road fleet account for 74.3% of total emissions in this category, which, despite the decrease in the parent company CTT S.A., increased in CTT Expresso and CTT Express. It should be noted that the latter saw an increase in volumes of around 59.6%, reducing its carbon footprint by 11% to 176 gCO_2e/item transported.

Air and sea transport saw their emissions increase by 16% as a result of the increase in volumes, mainly at CTT Express. Emissions from the freight service fell by 39%, as there was a reduction in the amount of freight transported.

[62] Emission factors used from DEFRA for categories 1, 2, 3, 4 (WTT, air and sea transport), 5, 7, 11, 12 and 13 (WTT); PNAC for category 5; supplier/manufacturer for categories 4 (freight service and TTW Spain), category 7 and category 15 (TTW); NIR from the Portuguese Environment Agency for category 4 (TTW Portugal); IPC (International Post Corporation) for category 4 (distribution in the destination country of outbound mail), which in this latter case, a weighting factor is used to calculate the emission factor in WTW, as it is only available in TTW from the source

[63] Does not include emissions from the subsidiary CORRE, which are excluded from the inventory because they represent <5% of scope 3 emissions.

[64] 25.8% of scope 3 emissions were calculated using primary data obtained from suppliers

[65] TTW for Spain only considers CO_2 instead of CO_2e due to the manufacturer's unavailability of CH_4 and N_2O emission factors.

Finally, emissions associated with the distribution of outbound mail in the country of destination increased slightly (2%), due to the increase in EMS volumes originating in Portugal and the fact that the amount paid to the destination postal operators increased on mail items.

Category 5 significantly increased its emissions from waste going to landfill or incineration, due to CTT Express now carrying out more rigorous accounting of waste going to landfill.

Emissions associated with business travel, relating to **category 6**, increased by 52.9%, due to the higher number of journeys made compared to the previous year, resulting in +68% of kilometres travelled and +23% of passengers.

Category 7, corresponding to commuting by CTT employees, saw a decrease of -4.2% in emissions, due to the 9% decrease in kilometres travelled on these journeys, as well as the decrease in the number of employees (5% at CTT S.A. compared to the previous year).

Category 11, the use of products sold, takes into account emissions from CTT Lockys, which increased by 20.2%, due to the increase to 1,080 pieces of equipment in Portugal and Spain.

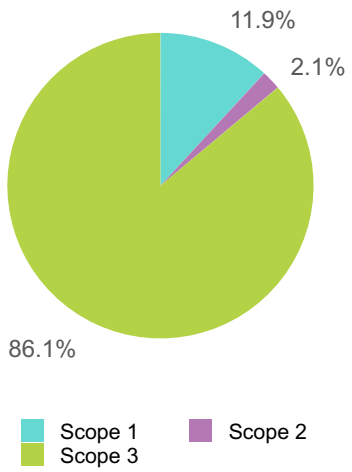
The end-of-life treatment of products sold (**category 12**) includes emissions relating to the dispatch of paper and plastic packaging sold by CTT. These emissions were significantly reduced by DEFRA's updating of the emission factor due to a methodological error.

Category 14 concerns emissions resulting from road transport carried out by franchised agencies in Spain, rather than subcontracting. These emissions fell by 14.4% as a result of this type of service being discontinued.

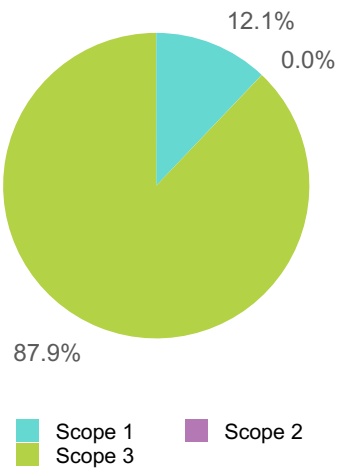
Category 15 includes issues relating to Banco CTT's mortgage loans, which increased by 5.5% due to changes in the property portfolio.

Scope 3 is the most representative of the CTT Group's emissions, corresponding to 87.9% of total GHG emissions, considering the market-based calculation method.

Total location-based emissions



Total market-based emissions



Emissions and revenues increased compared to the previous year, both at sector level and within the CTT Group. However, the logistics sector's operating income increased at a higher rate than its carbon emissions, resulting in an improvement in energy intensity. In the case of the CTT Group, energy intensity stabilised at 0.4%.

GHG emissions intensity by revenues in the logistics sector[66]

Carbon intensity by net revenue	'23	'24	Δ '24/'23
Total location-based emissions 1+2+3	128,971.7	145,212.6	12.6%
Total market-based emissions 1+2+3	125,955.4	142,075.0	12.8%
Logistics revenues (€)	794,071,034.0	949,633,788.0	19.6%
Location-based GHG intensity	**162.4**	**152.9**	**-5.9%**
Market-based GHG intensity	**158.6**	**149.6**	**-5.7%**

GHG emissions intensity by revenues in the CTT Group[57,67]

Carbon intensity by net revenue	'23	'24	Δ '24/'23
Total location-based emissions 1+2+3	136,095.2	153,087.9	12.5%
Total market-based emissions 1+2+3	133,062.8	149,933.2	12.7%
Revenues (€)	985,219,324.0	1,107,281,731.0	12.4%
Location-based GHG intensity	**138.1**	**138.3**	**0.1%**
Market-based GHG intensity	**135.1**	**135.4**	**0.3%**

GHG removal and mitigation financed through carbon credit projects

Every year, CTT voluntarily finances projects aimed at carbon offsetting direct GHG emissions through green mail.

A new participatory process was launched in 2024 in order to allocate the 353.2 tCO_2e of GHG emissions for 2023 resulting from the processing, transport and distribution of green mail items, which could not be avoided.

Thus, CTT acquired carbon credits through the financing of two projects: 'Conservation of forests[68]', which aims to create and care for forests of native species, trees and shrubs original to the Portuguese flora in order to valorise these species and recover the Portuguese forest; and another international project, 'Amapá REDD+ Project', located in Brazil, within the scope of protecting and preventing unplanned and illegal deforestation of the native Amazonian forest, promoting sustainable forest management, therefore, 100% of the emissions were allocated to removal projects.

This latter project has been certified by the Verified Carbon Standard (VCA), and 176.6 tCO_2 of GHG emissions have been removed (50% of the emissions) . The purchase of 455.9 tCO_2e is planned for 2025, but the amount to be allocated to this international project has not yet been defined.

5.3.2 Pollution

Pollution is a material issue for CTT, as their activities involve distribution and road transport of goods. Their operations directly depend on a fleet of vehicles that, traditionally, use fossil fuels.

In line with the CTT Group's strategy to combat climate change by decarbonising its activities, CTT has invested in renewing its combustion fleet by using electric vehicles, in order to have an impact on reducing these pollutants, promoting better air quality in the locations where it operates and, consequently, reducing the impact on the health of the surrounding populations.

[66] Energy intensity has been multiplied by a factor of 1,000,000 to allow for better readability.
[67] Does not include CORRE, since its emissions are excluded from the emissions inventory.
[68] 50% of the emissions allocated to projects in the European Union.

The Environment and Climate Policy, mentioned in the previous section, materialises CTT's commitment to environmental matters, promoting sustainable and responsible action and adequate management of the risks and impacts of its activity, seeking more efficient strategies and solutions with less adverse impact.

Bearing in mind the negative material impacts resulting mainly from the transport and distribution activity, the CTT Group has taken on quantifiable objectives and commitments to reduce pollution in its different areas, to make a significant contribution to mitigation climate change and promoting improved air quality, which mainly affects, local communities in the areas where CTT operates daily.

Atmospheric pollution

IRO	Main actions carried out and/or planned	Expected objective of the actions	Associated target
Decrease in air quality due to the emission of atmospheric pollutants	Acquisition of electric vehicles in Portugal and Spain to replace combustion vehicles	Reduction of local atmospheric pollution	Achieve 100% green own vehicles in the last mile
	Increase in the number of green delivery offices	Ensure better air quality in the locations surrounding these offices	

CTT's main influence in mitigating the negative impact of the reduction in air quality due to the emission of atmospheric pollutants is related to the renewal of the combustion fleet for electric vehicles, already mentioned in the topic of climate change mitigation.

With this initiative, CTT has reached the milestone of 20 delivery offices where 100% of deliveries are made by fully electric vehicles. The expenses associated with this initiative includes the acquisition of electric vehicles and are explained in section 5.3.3 European Taxonomy. Both of these initiatives promote the reduction of atmospheric pollutants emissions and the alignment with CTT's activity with the requirements of this regulation, since the acquisition of electric vehicles in question contributes substantially to the climate change mitigation without significantly harming the pollution objective.

The acquisition of electric vehicles is one of the main components of the transition plan expected until 2030, which will progressively allow to expand the number of "green" deliveries centres. CTT currently has a 35.0% electrified last-mile fleet.

CTT's eco-friendly fleet[69]

	'23	'24	Δ '24/'23
Eco-friendly last-mile vehicles	620	1,100	77.4%
Total last-mile vehicles	3,081	3,144	2.0%
% last-mile fleet	**20.1%**	**35.0%**	**73.9%**
Total eco-friendly vehicles	736	1,323	79.8%
Total vehicles	4,203	4,373	4.0%
% total electric fleet	**17.5%**	**30.3%**	**72.8%**

CTT monitors the emissions resulting from its road transport activity based on the fuel consumption of its own fleet, using the emission threshold defined in Annex II of Regulation (EC) No 166/2006 as a

[69] Does not include CORRE fleet, as the topic of climate change mitigation is not material to this geography.

basis for its reporting. In 2024, according to the table below, none of the atmospheric pollutants are above the emission threshold.

It should be noted that emissions of atmospheric pollutants fell compared to the previous year due to the reduction in fuel consumption (which decreased by -7.4% compared to the previous year) and in proportion to the energy mix and vehicles typologies. Despite the decrease in the vast majority of air pollutants, the increase in CH_4, NH_3, CO and NMVOC due to the increase in petrol consumption stands out.

Atmospheric pollutant emissions[70]

Atmospheric pollutant (kg)	Emission threshold	'23	'24	Δ '24/'23
CO_2	100,000,000.0	17,457,565.0	15,286,537.3	-14.2%
CH_4	100,000.00	1,702.90	2,366.80	28.1%
N_2O	10,000.00	6,354.80	5,094.10	-24.7%
NO_x	100,000.00	87,261.30	72,714.50	-20.0%
Polycyclic aromatic hydrocarbons (PAH)(14)	50.00	0.10	0.10	0.0%
NH_3	10,000.00	113.60	232.00	51.0%
TSP (Total Suspended Particulates)	50,000.00	4,963.80	4,108.40	-20.8%
CO	500,000.00	100,338.90	150,256.90	33.2%
NMVOC	100,000.00	31,570.30	50,023.30	36.9%
Pb	200.0	7.3	6.2	-17.7%

5.3.3 European Taxonomy

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 establishes a framework to facilitate sustainable investment (hereinafter referred to as "Taxonomy" or "Regulation"). The purpose of this Regulation is to establish a standardised, mandatory classification system for determining whether an economic activity qualifies as 'environmentally sustainable' in the European Union.

The Taxonomy is a list of sustainable economic activities recognized as sustainable by the European Union. An activity is eligible if it is described in the European Taxonomy Delegated Regulations[71].

Eligible activities can also be discriminated according to the primary objective whose achievement is sought. The EU published a catalogue of sustainable activities concerning six environmental objectives:

1. Climate change mitigation (CCM);
2. Climate change adaptation (CCA);
3. Sustainable use and protection of water and marine resources (WTR);
4. Transition to a circular economy (CE);
5. Pollution prevention and control (PPC); and
6. Protection and restoration of biodiversity and ecosystems (BIO).

[70] The emission factors for CO_2, CH_4 and N_2O are from the Portuguese Environment Agency's NIR. For the others, emission factors from the European Environment Agency were used.

[71] Delegated Regulation (UE) 2021/2139 of Commission, in Annexes I or II of Delegated Regulation (UE) 2023/2485 of Commission, that amends the Annexes I and II of Delegated Regulation (UE) 2021/2139 of Commission, respectively, or in Annexes I, II, III or IV of Delegated Regulation (UE) 2023/2486 of Commission.

An economic activity is qualified as environmentally sustainable, and hence aligned, if, cumulatively it:

a. Contributes substantially to one or more of the environmental objectives established in the Taxonomy;

b. Does not significantly harm (DNSH) any of the remaining environmental objectives;

c. Is carried out in compliance with the minimum safeguards; and

d. Complies with technical screening criteria that have been established for said activity.

Eligible activities

CTT's activities included in the eligible categories correspond primarily to mail, express and parcels activities and to the leasing of CTT Group buildings. Therefore, activities related to the Bank[72] & Payments and Financial Services & Retail segments are not eligible.

Revenues from the mail, express and parcels business segments were broken down by the various activities considered in each of the segments, excluding activities not related to the transport, sorting and distribution of goods. Hence, the non-eligible activities of the mail and other segment essentially correspond to the activities of business solutions and other sales and services provided in post offices, especially philately; while the non-eligible activities of the express & parcels segment correspond to logistics activities and other related services that do not include transport, sorting or distribution.

Activity type	Mail & Other	Express & Parcels	Financial Services & Retail	Bank & Payments	Total
Eligible activities	384,797,232	472,980,507	0	0	857,777,740
Non-eligible activities	85,834,924	6,021,124	27,728,399	129,919,545	249,503,992
Total (€)	**470,632,156**	**479,001,632**	**27,728,399**	**129,919,545**	**1,107,281,731**

CTT's business is thus distributed over a set of activities, defined in Delegated Regulations Annexes, associated with: freight transport (6.4, 6.5, 6.6, 6.10 e 6.18); facilities dedicated to operations of transshipment of goods between transport modes (6.15 -1b) and; acquisition and ownership of buildings (7.7). These activities are listed below, and all of them were considered eligible for the climate change mitigation objective (CCM).

Activity
CCM 6.4 – Infrastructure for personal mobility, cycle logistics
CCM 6.5 – Transport by motorbikes, passenger cars and light commercial vehicles
CCM 6.6 – Freight transport services by road
CCM 6.10 – Sea and coastal freight water transport, vessels for port operations and auxiliary activities
CCM 6.15 – Infrastructure enabling low-carbon road transport and public transport
CCM 6.18 – Aircraft financial lease
CCM 7.3 – Installation, maintenance and repair of energy efficiency equipment[73]
CCM 7.4 – Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) [73]
CCM 7.7 – Acquisition and ownership of buildings

[72] For indicators related to financial activity (bank), please refer to the annual disclosure of Banco CTT.
[73] Only eligible for CAPEX.

It should be noted that, for 2024, the activities identified by CTT in the previous financial year were maintained. However, changes were made to the methodology for determining Turnover, CAPEX and OPEX associated with each activity to integrate the clarifications to the Taxonomy provided by the European Union and to ensure a greater alignment with the reports of Europeans partners. In this sense, the calculation of Turnover, Capex and OPEX in 2023 was revised according to the methodology adopted in 2024 to ensure comparability.

Proportion of eligible activities

The total revenue (€1,107,281,731) corresponds to the consolidated amount of services provisions, sales and other operational profit, determined based on consolidated financial statements on 31 December 2024.

It is not possible to make a direct allocation of Revenue to eligible activities under the EU Taxonomy, with the exception of air transport (6.18) and buildings ownership (7.7) activities. In the remaining eligible activities of the European Taxonomy is not possible to segregate the revenues associated with each type of transport and the distribution infrastructure identified, since one delivery can be realized through a combination of several land and sea transports and infrastructures. For this reason, it was developed a methodology base on extrapolating to revenue the proportion of costs allocated to the different land and sea transports (activities 6.4, 6.5, 6.6 and 6.10) and to the processing and operational centres (6.15).

The total CAPEX (€118,503,798) corresponds to the sum of (1) acquisitions of tangible assets, intangible assets and investment properties carried out in 2024, totalling €46,425,852; (2) new contracts and remeasurements of vehicle lease contracts registered as right-of-use assets amounting to €36,649,783; and (3) new contracts and remeasurements of building lease contracts amounting to €35,428,163.

The amount of CAPEX of the year was directly allocated to each Turnover eligible activities, having also identified two more eligible activities only for CAPEX purposes: Activity 7.3 – Installation, maintenance and repair of equipment with energetic efficiency and Activity 7.4 – Installation, maintenance and repair of electric vehicles charging stations installed in the buildings (and parking space associated with buildings).

Although most of the year's CAPEX can be directly allocated to each of the eligible activities, investments in electric batteries and route optimization software applications were distributed among activities 6.4 and 6.5 based on the respective revenues generated. Compared to the methodology used in the previous exercise, costs associated with activity 6.15, such as costs with lockers, buildings (maintenance works, security equipment, and new lease contracts), and equipment (such as sorters), were added, so the 2023 CAPEX was revised accordingly to be comparable.

Although the majority of CAPEX amount of the year could be directly allocated to each eligible activities, the investments in electric batteries and route optimisation software application, were distributed across 6.4 and 6.5 activities according to respective revenues calculated. Compared to the methodology used in the previous year, the costs of lockers, infrastructure and equipment (such as sorters) associated with 6.15 activity including new lease contracts were added, so the CAPEX of 2023 was revised accordingly to be comparable.

The European Taxonomy OPEX amounts to €9,356,587, an amount considered non-material as it represents less than 5% of total operating costs. Therefore it was not considered in this exercise.

The consolidated values for the eligible activities are as follows:

		Eligible Activities		Non-eligible activities	
	Total (€)	Amount (€)	%	Amount (€)	%
Turnover	1,107,281,731	857,777,740	77%	249,503,992	23%
CAPEX	118,503,798	70,379,773	59%	48,124,025	41%

Proportion of aligned activities

We present below an overview of the alignment assessment carried out for each eligible activity:

Activity	Alignment assessment (Turnover)
CCM 6.4 Infrastructure for personal mobility, cycle logistics	The assets associated with this activity correspond essentially to bicycles, which meet the criteria of substantial contribution to climate change mitigation. In addition, compliance with the requirements of DNSH 4 (Transition to a circular economy) was verified, both in the sale and scrap of bicycles at the end of their useful life, as well as the requirements of DNSH 2 (Adaptation to climate change). The revenues made through on-foot deliveries were also included in this activity, which were considered aligned. This activity was considered **100%** aligned.
CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles	Only electric vehicles of classes L (motorcycles) and N1 (transport of goods with gross wight not exceeding 2.5 t) meet the requirements for substantial contribution to climate change mitigation, as they do not have any CO_2 emissions. Additionally, it was verified that electric vehicles meet the requirements of DNSH 2 and DNSH 4 and almost all vehicles meet the requirements of DNSH 5 (Pollution prevention and control). The remaining vehicles do not meet the requirements for the substantial contribution and have thus been classified as non-aligned. It was not possible to individualize the revenue from the use of each single vehicle, so the percentage of alignment was determined based on the weight of the number of vehicles that met the alignment criteria in the universe of vehicles related to this activity. This activity was considered **22%** aligned.
CCM 6.6 Freight transport services by road	Only electric vehicles of class N1 (transport of goods with gross wight not exceeding 2.5 t) meet the requirements for substantial contribution to climate change mitigation, as they do not have any CO_2 emissions. In addition, all of these vehicles meet the requirements of DNSH 2 and DNSH 4 and the vast majority also meet the requirements of DNSH 5. However, there are still some of these electric vehicles that do not meet the requirements of DNSH 5 in terms of tire class. It should be noted that, for the first time, the line-up includes vehicles allocated to operations in Spain, where 40 new N1 class electric vehicles were purchased in 2024. The remaining vehicles do not meet the requirements for the substantial contribution and have been classified as non-aligned. It was not possible to individualize the revenue from the use of each single vehicle, so the percentage of alignment was determined based on the weight of the number of vehicles that met the alignment criteria in the universe of vehicles related to this activity. This activity was considered **18%** aligned.
CCM 6.10 Sea and coastal freight water transport, vessels for port operations and auxiliary activities	This activity is related to transport from mainland Portugal to the islands of the Madeira and Azores archipelagos, and between the islands of these archipelagos. This activity is fully reported as **non-aligned** because the vessels used in the Group's activity do not meet the criteria for substantial contribution to climate change mitigation.
CCM 6.15 Infrastructure enabling low-carbon road transport and public transport	This activity is related to facilities dedicated to transshipment operations of goods between transport modes, as provided in the technical evaluation criteria 1.b of activity 6.15 of Annex of the Delegated Acts. Revenues associated with this activity are related with activities carried out in 54 operational and processing centres located in Portugal and Spain. The infrastructures meet the requirements of DNSH 2, DNSH 3 (Sustainable use and protection of water and marine resources), DNSH 4, DNSH 5 and DNSH 6 (Protection and restoration of biodiversity and ecosystems). This activity was considered **100%** aligned.
CCM 6.18 Aircraft Financial lease	This activity is entirely reported as **non-aligned**, because the aircrafts used in CTT Group's activities do not meet the requirements for the criteria for substantial contribution to climate change mitigation.
CCM 7.7 Acquisition and ownership of buildings	The revenues associated with this activity results from rents paid by third parties on properties owned by CTT Group (including CTT IMO YIELD and CTT). The activity is entirely reported as **non-aligned**, since the properties assigned to this activity do not meet the requirements for the criteria for substantial contribution to climate change mitigation, namely, a certificate of energy performance of class A or higher.

CAPEX values classified as aligned correspond essentially to investments in electric fleet, locker systems installation, installation of vehicles electrical chargers, improvements in the air conditioning environment of the facilities, improvements of lighting systems, improvements of electrical panels, software that allows route optimisation and the reduction of greenhouse gas emissions, investments in equipment and infrastructure.

The amount of aligned CAPEX is much higher, when compared with the last year's amount, in result of a higher investment, carried out in 2024, in new contracts of electric vehicles (€21m), equipment of processing of goods/sorters (€8m) and in new contracts of infrastructure lease to processing of goods, namely, in operational centres in Spain (€17m).

The non-aligned CAPEX includes new contracts and remeasurements of contracts of non-electric vehicle lease and buildings non-assigned to sorting activity. Activity 7.3 was considered non-aligned due to insufficient information to validate compliance with the DNSH Pollution criteria.

OPEX values classified as aligned correspond to expenses with vehicles used in CCM activity 6.4 and CCM activity 6.5, specifically, maintenance and conservation expenses and expenses with short term leases, namely related to electric fleet. It was not identified the OPEX activity 6.15, due to the difficulty in segregating amounts related to infrastructure of processing of goods that ends up being incorporated into the amount of non-eligible activities.

Minimum safeguards

In addition to the criteria of significant contribution and the criteria of DNSH, the Taxonomy establishes that an activity is considered aligned only if it is also developed in compliance with the minimum safeguards.

Minimum safeguards consist of procedures applied by companies to ensure alignment with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the International Labour Organisation Declaration on Fundamental Principles and Rights at Work and the International Charter of Human Rights. Beyond human rights, the minimum safeguards take into account procedures to mitigate issues related to bribery and corruption, taxation, and fair competition.

Human Rights

In 2021, CTT signed the Ten Principles of the United Nations Global Compact, and the Group is committed to ensuring that the Ten Principles are reflected in the organisation strategy, culture and daily operations.

The topic of 'respect for human rights' was also considered to be of high importance in the last stakeholder consultation, and for this reason, CTT created a mechanism for anonymous reporting of irregularities through Compliance Department and the Ethics Commission. All findings and irregularities were communicated to the Board of Directors and the Audit Committee.

Bribery and Corruption

In the last stakeholder assessment, the topic 'Ethics, transparency and anti-corruption' was considered material. CTT has presented a Code of Conduct, a Regulation on the Assessment and Control of Transactions with Related Parties and the Prevention of situations of Conflict of Interest and a Regulation on the Control Function of Regulatory Compliance in Matters of Prevention of Money Laundering and the Financing of Terrorism. The documents include best practices, instructions and compliance commitments on the topics of corruption, collusion, money laundering, bribery, external influences, conflicts of interest and private transactions.

Taxation

CTT has developed appropriate strategies and processes for managing tax risk at the CTT Group. All operations are subject to analysis from a tax perspective, using specialists whenever the complexity of the issues requires it.

In the most recent stakeholder consultation, the issue of taxation was not identified as a material or relevant risk issue, since the Group has a very limited history of tax litigation.

Fair competition

CTT has developed a Code of Conduct, a Code of Conduct for Senior Officers and Insiders and a Regulation on Assessment and Control of Transactions with Related Parties and Prevention of Conflicts of Interest. The documents include best practices, instructions and compliance commitments related to the topics of confidential and privileged information, market manipulation, fair competition, business practices in compliance with the law and regulation and professional secrecy. Additionally, the Code of Conduct for Senior Officers and Insiders also presents templates for forms to be filled out by the workers regarding the number of financial instruments and voting rights, management transactions and securities and a list of transactions specific to each employee.

CTT evaluated compliance with these minimum safeguard requirements considering, for this, the guidelines presented in the “Platform on Sustainable Finance”. In this regard, and, taking into consideration that at the closing date of this report there were no relevant judicial proceedings in this context, it was concluded that the activities of CTT are developed in accordance with the principles of minimum safeguards.

More information on the processes and practices implemented in the areas related to minimum safeguards can be found in chapter 6. Corporate Governance of this Integrated Report.

With regard to the minimum safeguards, CTT continues to seek to improve its policies and procedures to seek better alignment with the OECD Guidelines for multinational companies and with the United Nations Principles on Business and Human Rights.

Proportion of turnover of aligned activities in 2024

Financial year 2024				Substantial Contribution Criteria						DNSH Criteria ('Does Not Significantly Harm')									
Economic activities	Code	Turnover €	Proportion of Turnover, 2024 %	Climate Change Mitigation (CCM) Y/N ;N/EL	Climate Change Adaptation (CCA) Y/N ;N/EL	Water (WTR) Y/N ;N/EL	Pollution (PPC) Y/N ;N/EL	Circular Economy (CE) Y/N ;N/EL	Biodiversity (BIO) Y/N ;N/EL	Climate Change Mitigation (CCM) Y/N	Climate Change Adaptation (CCA) Y/N	Water (WTR) Y/N	Pollution (PPC) Y/N	Circular Economy (CE) Y/N	Biodiversity (BIO) Y/N	Minimun Safeguards Y/N	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Turnover, 2023 %	Category - Enabling activity E	Category - Transitional activity T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Operation of personal mobility devices, cycle logistics	CCA/ **CCM 6.4**	€25,812,955	2.3%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y[74]	Y	Y[74]	Y[74]	Y	2.2%			
Transport by motorbikes, passenger cars and light commercial vehicles	CCA/ **CCM 6.5**	€116,167,884	10.5%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y[74]	Y	Y	Y[74]	Y	7.0%			
Freight transport services by road	CCA/ **CCM 6.6**	€17,892,208	1.60%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y[74]	Y	Y	Y[74]	Y	0.1%			
Infrastructure enabling low-carbon road transport and public transport	**CCM 6.15**	€143,954,337	13.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	10.7%	C		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		**€303,827,384**	**27.4%**	**27.4%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	Y	Y	Y	Y	Y	Y	**20.0%**			
Of which Enabling		**€143,954,337**	**13.0%**	13.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	10.7%	**C**		
Of which Transitional		**€—**	0.0%	0.0%						Y	Y	Y	Y	Y	Y	0.0%			**T**
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Transport by motorbikes, passenger cars and light commercial vehicles	CCA/ **CCM 6.5**	€404,533,179	36.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							37.5%			
Freight transport services by road	CCA/ **CCM 6.6**	€81,887,619	7.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							8.8%			
Sea and coastal freight water transport, vessels for port operations and auxiliary activities	CCA/ **CCM 6.10**	€5,175,890	0.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							0.3%			
Aircraft Financial lease	**CCM 6.18**	€61,267,406	5.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							5.4%			
Acquisition and ownership of buildings	CCA/ **CCM 7.7**	€1,086,263	0.1%	N/EL	EL	N/EL	N/EL	N/EL	N/EL							0.1%			
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		€553,950,356	50.0%	49.9%	0.1%	0.0%	0.0%	0.0%	0.0%							52.1%			
Turnover of Taxonomy eligible activities (A.1. + A.2.)		**€857,777,740**	**77.5%**	**77.4%**	0.1%	0.0%	0.0%	0.0%	0.0%							**72.2%**			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		**€249,503,992**	**22.5%**																
TOTAL		**€1,107,281,731**	**100%**																

[74] No DNSH criteria established.

	Proportion of turnover / Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	27.4%	77.5%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

The CTT Group's aligned activities represent 27.4% (2023: 20.0%) of the total consolidated turnover, and 35.4% (2023: 72.2%) of the turnover from eligible activities. The group's eligible activities represent 77.5% (2023: 72.8%) of the total consolidated turnover.

Proportion of CAPEX of aligned activities in 2024

Financial year 2024				Substantial Contribution Criteria						DNSH Criteria ('Does Not Significantly Harm')									
Economic activities	Code	CAPEX €	Proportion of CAPEX, 2024 %	Climate Change Mitigation (CCM) Y/N ;N/EL	Climate Change Adaptation (CCA) Y/N ;N/EL	Water (WTR) Y/N ;N/EL	Pollution (PPC) Y/N ;N/EL	Circular Economy (CE) Y/N ;N/EL	Biodiversity (BIO) Y/N ;N/EL	Climate Change Mitigation (CCM) Y/N	Climate Change Adaptation (CCA) Y/N	Water (WTR) Y/N	Pollution (PPC) Y/N	Circular Economy (CE) Y/N	Biodiversity (BIO) Y/N	Minimun Safeguards Y/N	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CAPEX, 2023 %	Category - Enabling activity E	Category - Transitional activity T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Infrastructure for personal mobility, cycle logistics	CCA/ **CCM 6.4**	€98,829	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y[75]	Y	Y[75]	Y[75]	Y	0.0%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCA/ **CCM 6.5**	€4,060,009	3,4%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y[75]	Y	Y	Y[75]	Y	2.4%		
Freight transport services by road	CCA/ **CCM 6.6**	€13,543,413	11.4%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y[75]	Y	Y	Y[75]	Y	0.0%	C	
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	€31,786,809	26.8%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	19.3%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCA/ **CCM 7.4**	€367,353	0.3%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y[75]	Y[75]	Y[75]	Y[75]	Y	0.0%	C	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		**€49,866,414**	**42.1%**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	**Y**	Y	Y	Y	Y	Y	Y	**21.7%**		
Of which Enabling		€32,164,164	27.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	**Y**	Y	Y	Y	Y	Y	Y	19.3%	**C**	
Of which Transitional		€0	0.0%	0.0%						**Y**	Y	Y	Y	Y	Y	Y	0.0%		**T**
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Transport by motorbikes, passenger cars and light commercial vehicles	CCA/ **CCM 6.5**	€4,597,954	3.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								7.0%		
Freight transport services by road	CCA/ **CCM 6.6**	€14,961,896	12.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Installation, maintenance and repair of energy efficiency equipment	CCA/ **CCM 7.3**	€953,509	0.8%	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								2.0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		**€20,513,359**	**17.3%**	**17.0%**	0.0%	0.0%	0.0%	0.0%	0.0%								**9.1%**		
CapEx of Taxonomy eligible activities (A.1. + A.2.)		**€70,379,773**	**59.4%**	**17.0%**	0.0%	0.0%	0.0%	0.0%	0.0%								**30.8%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		**€48,124,025**	**40.6%**																
TOTAL		**€118,503,798**	**100%**																

[75] No DNSH criteria established

	Proportion of CAPEX / Total CAPEX	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	42.1%	59.4%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

The CAPEX of the aligned activities represents 42.1% (2023: 21.7%) of the total consolidated CAPEX and 70.9% (2023: 70.5%) of the CAPEX of the eligible activities. The CTT Group's eligible activities represent 59,4% (2023: 30.8%) of the total consolidated CAPEX.

5.4 Social

5.4.1 Own workforce

CTT has a unique history of dedication, commitment and professionalism, which has brought the Portuguese and the world closer together for centuries. The focus on continuing to be a world-class postal and e-commerce logistics operator, geared towards sustainable growth and centred on the ideals of excellence, proximity and innovation, is only possible through the workforce that builds the success of the CTT Group on a daily basis.

In the context of the company's profound transformation in recent years, marked by challenging times and times yet to come, CTT's own workforce is an important pillar of its strategy for achieving material opportunities and mitigating risks and negative impacts. For its success, it is essential to guarantee employees fair working conditions, respect for their human and labour rights, as well as all the possibilities for developing talent and skills, with a view to their professional and personal fulfilment.

In 2024, CTT employed 13,592 workers to carry out activities in the Mail, Express & Parcels, CTT Bank and Financial Services & Retail segments. The majority of these are allocated to the Mail & Other and Express & Parcels business areas, corresponding to 95% of the company's workforce.

Headcount by gender

Gender	31.12.2023	31.12.2024	Δ	Δ%
Male	8,344	8,163	-181	-2.2%
Female	5,326	5,429	103	1.9%

Headcount by country

Country	31.12.2023	31.12.2024	Δ	Δ%
Portugal	12,637	12,226	-411	-3.3%
Spain	873	1,155	282	32.3%
Mozambique	160	211	51	31.9%

Headcount by type of contract and working hours, segregated by gender[76]

	31.12.2023		31.12.2024		Total		Δ	Δ%
Type of contract/ working hours	Male	Female	Male	Female	2023	2024		
Total, of which	**8,344**	**5,326**	**8,163**	**5,429**	13,670	13,592	-78	-0.6%
Permanent	7,134	4,252	7,226	4,408	11,386	11634	248	2.2%
Temporary	1,210	1,074	937	1,021	2,284	1,958	-326	-14.3%
Total	8,069	5,067	7,879	5,143	13136	13022	-114	-0.9%
Parcial	275	259	284	286	534	570	36	6.7%

[76] CTT does not have any workers with contractual non-guaranteed hours.

Headcount by type of contract and working hours, segregated by country[77]

	31.12.2023			31.12.2024			Total		Δ	Δ%
Type of contract/ working hours	Portugal	Spain	Mozambique	Portugal	Spain	Mozambique	2023	2024		
Total, of which	**12,637**	**873**	**160**	**12,226**	**1,155**	**211**	13,670	13,592	-78	-0.6%
Permanent	10,431	866	89	10,356	1,153	125	11386	11634	248	2.2%
Temporary	2,206	7	71	1,870	2	86	2,284	1,958	-326	-14.3%
Total	12,286	726	124	11,879	981	162	13136	13022	-114	-0.9%
Parcial	351	147	36	347	174	49	534	570	36	6.7%

Compared to the previous year, CTT's workforce decreased -0.6%, due to the reduction of the number of workers in Portugal, despite the meaningful increase of workforce in Spain and Mozambique.

The number of employees leaving was 2,847 (+11.1% compared to the previous year) and the turnover rate was 20.9% (+2.2 % compared to the previous year).

Regarding the accounting of non-salaried workers[78], the process was revised and multi-time, temporary and task workers whose processing and logistics functions are performed at CTT operations centres were taken into account. The number of FTEs registered in 2024 was 1,036, a slight increase of 0.6% (compared to the previous year)[79].

In general, all workers are impacted by CTT's activity, however, employees and non-employees in the transport and distribution business perform highly stressful functions, not only due to the distribution of items with greater volume and in greater quantity, but also due to exposure to the risk of road accidents, which means that the majority of work accidents recorded are due to this cause.

Furthermore, on the one hand, the expansion of these activities has led to a greater need for temporary labour to fill peak seasons, resulting in a greater number of fixed-term contracts. On the other hand, investment in the transformation and diversification of the company's businesses has made it possible to ensure the stability and security of the jobs of employees who currently carry out functions in the declining business activities.

CTT's Human Resources Management strategy continues to define and implement policies and actions with the aim of mitigating negative impacts on employees and maximising the employee experience by promoting positive impacts on them. This strategy thus aims to promote a responsible organisational culture, guaranteeing equal opportunities in terms of access to health, well-being, work-life balance, qualifications and progression, investing in the development of talent skills.

To this end, CTT has made this commitment to all CTT employees through its policies, applicable to the entire company and its stakeholders, on human rights, conduct, combating harassment, diversity, inclusion, and quality and well-being:

- CTT's Human Rights Policy aims to promote and respect human rights in the development of its various activities and relationships, in line with the Ten Principles of the Global Compact, as well as to promote equal opportunities and prohibit any form of discrimination, including, but not limited to, race, ethnic origin, colour, sex, gender, sexual orientation, age, religious belief, nationality, marital status, socioeconomic status, disability, and political conviction, ensuring a

[77] CTT does not have any workers with contractual non-guaranteed hours.
[78] Non-salaried workers only from operations in Portugal.
[79] The revised number of FTEs for 2023 was 1029

fair and inclusive working environment for all. The company also prohibits child labour and forced or coerced labour in all its activities and value chain, promoting free and voluntary employment and ensuring that no one is forced to work by force, coercion or any form of punishment;

- The Code of Good Conduct for Preventing and Combating Harassment at Work signals the CTT Group's position of zero tolerance for any conduct contrary to the fundamental values of equality, diversity, integrity and dignity of the human person in the labour context, as well as any conduct qualified as a form of harassment at work;

- Quality and Well-Being Policy which focuses on promoting and protecting the health of employees and preserving a high level of safety and protection to guarantee the integrity of its people, assets and facilities. In particular, and given the materiality of its operations, CTT also has the CTT Road Safety Commitment, which is published and accessible, covering various dimensions of road safety including the vehicle fleet and its maintenance, the environment and driving;

- The Diversity and Inclusion Policy contains the Company's specific commitments related to inclusion, in four specific areas: gender, age, disability and culture, with a view to developing actions with a positive impact on particularly vulnerable groups, such as under-represented groups in general and people with special needs, namely due to disability.

These material principles are accompanied by procedural safeguards, which also relate to the fulfilment of the duty of diligence, and are embodied in control and monitoring mechanisms. In this regard, the Ethics Channel stands out, allowing everyone (employees and other stakeholders) to report complaints with the guarantee of the whistleblower's identity confidentiality. Additionally, there is a continuous monitoring system, which includes audits and periodic reviews, and a risk management process that involves monitoring risks related to human rights and determining corrective actions and improvement measures whenever necessary. The Ethics Channel's activity and the complaints registered during the reporting year are described in 5.5.1 Business conduct.

The company also has mechanisms for internal and external dissemination and training of this policy, which is also accessible and published; ongoing training and awareness-raising initiatives, reinforcing the importance and adoption of practices that respect human rights.

Engagement with employees is ensured through areas dedicated to human resources and talent management, as well as various representative bodies, including the two Workers' Committees (CT) at CTT Correios de Portugal, S.A. and CTT Expresso, and the 128 Subcommittees established at CTT Correios de Portugal, S.A., which exercise the competencies assigned to them by law. CTT maintains permanent contact with the CTs through monthly or occasional meetings, whenever necessary, with each of the Committees and with each of the unions affiliated with CTT.

Working conditions

Health and safety

IRO	Main actions carried out and/or planned	Expected objective of the actions	Associated target
Road accidents	Training and awareness programmes: - CTT Road Prevention Programme - Theoretical and practical training programmes - Internal communication	Promote the reduction of road accidents and safer driving by raising awareness and promoting good driving practices	Reduce the number of road accidents by 5% per kilometre travelled; Increase the attendance rate to 93%; Prevention of occupational mortality (own responsibility): 0 deaths; Reduce occupational accidents by 5%; Reduce lost days by 5%.
	Telemetry project	Monitor information on fleet utilisation through driving performance indicators in order to promote safe driving.	
	Platform shared with partners to raise awareness of road accidents among contracted delivery workers	Raise awareness of road safety among partners and promote the adoption of good practices among them and their employees	
Occupational accidents	Programmes for physical and mental well-being: - Estrela (Star) - Vitória (Victory) - Viver (Live)	Improve awareness of well-being issues; Reduce absenteeism; Prevent illness; Strengthen preventive culture.	
	Health plan	Provide access to medical care for CTT employees and their families	
	Risk and working conditions assessment, periodic monitoring of Occupational Health and Safety Technicians (OHSTs) in risk assessment and mitigation projects	Implementation of best safety practices, ensuring a safer working environment.	
	CADI project	Greater safety and health by reducing injuries, thus improving the health and well-being of postmen and women	
	Measures to mitigate/reduce physical effort; Awareness-raising and regular specific training for workers; Safety Data Sheets; Use of personal protective equipment (PPE)	Decrease in the number of accidents, injuries and absenteeism	
Work accidents, occupational diseases and associated reputational damage, applicable to the workforce and workers in the value chain	Preventive measures: - Consultation with workers; - Analysing accident statistics; - Carrying out risk assessments and follow-up visits.	Identify: - actions aimed at improving working conditions and consequently mitigating accidents and occupational illnesses; - areas and critical causes of greater labour accidents, including the most frequent accidents.	

During 2024, CTT carried out a majority of continuity actions, i.e. those carried out on an annual basis, as follows:

Road accidents

- **CTT's Road Prevention Programme** aims to intervene preventively by training and raising awareness among all CTT fleet drivers, with relevant measures and actions to reduce road accidents and ensure safer driving. 8,107 employees were covered in a total of 4,216 hours of training and 32 non-employees were covered in a total of 64 hours of training, the effectiveness of which is assessed on the basis of the number of employees covered and satisfaction surveys;

- **Telemetry Project**, which consists of a system for automatically collecting data on driving activities along distribution and transport routes, with the aim of reducing accidents by promoting safer driving through healthy competition to achieve objectives (gamification). This project is currently under development and will be completed in 2025, with a large CAPEX investment having been made.

Labour accidents

- **Programmes to promote and prevent health and well-being: Estrela**, dedicated to creating a healthier working environment, focused on productivity and quality, with lower absenteeism, greater motivation and satisfaction; **Vitória**, with the aim of adjusting tasks and reassigning workers with work restrictions to new roles, as well as assessing cases of conditioned aptitude using a defined model; and **Viver**, which aims to raise awareness of prevention and health promotion through the monthly publication of content encouraging a healthier lifestyle and choices and the development of monthly health promotion initiatives;

- **Periodic risk assessment and monitoring by Occupational Health and Safety Technicians** (OHSTs) of the company's various projects and buildings, including changes to facilities and equipment, ensuring that all resources and operational processes comply with safety standards, within the scope of ISO 45001 certification. To this end, internal and external audits are carried out, using the MARAT method to identify hazards and assess risks to employees.

  In 2024, 334 interventions were carried out at CTT workplaces in Portugal and Spain to assess working conditions.

- The **CADI project**, which consists of more ergonomic, resistant and spacious distribution assistance equipment, can mitigate the negative impact that the change in volume has on workers' health and safety. This project is currently under development and is expected to be completed in 2025, with a low investment in CAPEX.

Accidents at work, occupational illnesses and associated reputational damage, applicable to own workforce and workers in the value chain

- **Adoption of preventive measures**, through active consultation with CTT employees who identify more effective solutions, not only reducing accidents and occupational illnesses, but also contributing to the continuous improvement of safety policies, aligning them with the needs of workers and promoting a safer and more collaborative working environment.

  Monthly statistics on accidents at work are also analysed, making it possible to identify the areas with the highest accident rates, their causes and the types of work most affected. This data helps to prioritise actions, promote a safer and healthier environment and strengthen prevention, since identifying recurring causes allows efforts to be directed towards preventive measures, such as specific training.

In 2024, there were 974 accidents at work, an increase of 12.6% compared to 2023, with an associated accident rate of 45.9 (measure in number of accidents per 1 million hours worked). The same trend can be seen in the number of days lost, totalling 27,071 days lost, 71.9% of which were attributed to male workers. A total of 25 cases of occupational illnesses were recorded, of which 11 were female and 14 male.

No fatalities from accidents at work or occupational diseases were recorded in the reporting period.

Accidents at work in the CTT Group

Group	Number	Number of days lost[80]	Accident rate[81]
Female	282	7,599	33.7
Male	692	19,472	53.9
Total	**974**	**27,071**	**45.9**

Overall, the reasons that contributed most to accidents in the CTT Group were:

- Road accidents: 417 accidents (42.8% of total accidents), which include road accidents involving only one or more vehicles;
- Slips, trips and falls: 197 accidents (20.2%);
- Excessive effort and false movements: 61 accidents (6.3%).

It should be noted that the number of road accidents in two-wheeled vehicles increased very significantly, almost 50%, compared to 2023, justified by the relevant increment of solicitations for EMS services, especially at the end of the year.

For non-employees, it was possible to carry out an analysis of the universe of temporary workers, for whom 10 work accidents were recorded (of which seven corresponded to male workers and the remaining three to female workers) which corresponded to 248 days lost, with no record of occupational diseases or fatalities.

Regarding the coverage of the health and safety management system, CTT has three ISO 45001 certifications, which cover operations, corporate areas and the subsidiary CTT Expresso in Portugal. In 2024, 14% of CTT employees were covered by these certifications.[82]

[80] The calculation is made using all calendar days, i.e. working days, public holidays and weekends.

[81] The Accident Rate is the ratio between the total number of accidents (i.e. reported to the Labour Conditions Authority) and total hours worked. The figure calculated has been multiplied by a factor of 1,000,000 to allow for better readability.

[82] Only workers who perform functions in areas certified by the ISO 45001 certification are covered. Nevertheless, all CTT Group employees are covered by the Company's own occupational health and safety system.

Secure employment

IRO	Main actions carried out and/or planned	Expected objective of the actions	Associated target
Temporary hiring of workers	Identification of temporary work situations that can be changed to contractual situations under a direct fixed-term contract with CTT; Change from precarious employment to open-ended employment; Control of contractual succession and legal compliance.	Promotion of objectives in the decent work agenda; Greater control of legal compliance; Greater stability, lower turnover due to greater worker motivation, lower legal risk.	Consult and monitor temporary employment agencies
Job security and workforce stability associated with business diversification	Application of the guaranteed salary progressions provided for in the Company Agreements	Recognition of employees according to their level of performance.	Monitoring and evaluation of the welcome and integration of new employees who have requalified for a new function (Programming) - CTT Reboot Programme
	Job mapping and evaluation	Greater clarity in the structure of the company and the functions that support it; Support in defining human resources projects and policies.	
	Talent review process and succession pools	Ensuring continuity of leadership by identifying successors for critical roles, guaranteeing the implementation of development and career plans.	
	CTT Reboot	Retrain a number of employees with diverse profiles to take on new roles at CTT, particularly in the area of programming	

During 2024, in order **to fill the temporary contracting of workers**, CTT identified its workers who may undergo changes in relation to the temporary contract, either to have a direct contract with CTT or to be hired for an indefinite term.

This analysis allows the company to relate the temporary human resources to structural need, with a view to a possible transition to indefinite term contracts. In the reporting year, there was eight temporary workers which labour contracts were improved (to indefinite term contracts).

In terms of **job security**, in addition to the annual application of salary progression, in accordance with the Company Agreements, the CTT Group structured and developed the following actions in 2024, which will be continued in 2025:

- Mapping and evaluation of functions according to their organisational impact and required technical skills, as well as comparing them with the market. This process is carried out using the methodology of an external consultant, in line with best practice. In 2024, the management functions were mapped and evaluated, with the mapping of the technical functions planned for 2025.

  This process provides fundamental information for defining human resources projects and policies, namely career paths, compensation and benefits, and decisions on mobility and promotion processes.

- Planning the talent review process, which will consist of identifying potential successors for key positions in the company, as well as identifying the respective strengths, areas for improvement, risk and impact of leaving. Subsequently, succession pools will be created and personal development plans, training actions and career paths will be defined for employees identified with potential;

- **Reboot CTT**, which consists of a re-qualification programme in terms of digital transformation and valuing internal talent, developed in partnership with Code for All and made up of three phases:
    - Pre-Bootcamp (selection phase): training in the fundamentals of programming, lasting 60 hours; sessions to get to know the future area/function (IS) and a selection interview;
    - CTT Bootcamp: intensive retraining in programming, lasting 14 weeks, equivalent to 650 hours;
    - Welcome and integration into a new role: onboarding, integration plan and monitoring of the new role and on-the-job training.

The Reboot programme allows employees to diversify their skills, facilitating a career change into digital areas such as programming. This initiative not only promotes personal and professional development, but also boosts employees' confidence, employability and alignment with the organisation's challenges and vision for the future.

Sevety-three employees took part in this initiative, and success was analysed through the number of applications and success rates in the Pre-Bootcamp phase (selection phase) and intermediate and final evaluations of the Bootcamp.

Work-life balance

IRO	Main actions carried out and/or planned	Expected objective of the actions	Associated target
Promoting balance between employees' personal, family and professional lives	efr certification - Reconciliation measures; - Reconciliation training; - Survey on employee satisfaction - Inclusion of reconciliation criteria in the selection of suppliers	Improvement in the balance between employees' private, family and professional lives, resulting in greater satisfaction; Promotion of employees' quality of life; Prevention and reduction of situations of stress and burnout, promoting a healthier working environment; Increased talent retention.	Maintain certification as a Family Responsible Company
	Benefits, compensation and support: - Implementation of the flexible benefits management platform. - Sou CTT Discounts; - 100% salary maintenance for major illnesses; - Subsidies to support workers displaced from their homes; - Flexible compensation.		
	CTT's Social Support Plan: - CTT/Medis health plan; - Beneficiary credit contribution; - Health plan fee exemption for children up to 25 years old, as students; - Disabled children aged 25+; - 100% health expense contribution for seriously ill patients; - Social support for employees and their families, pensioners, retired people; - Allocation of study allowances.		

Over the last few years, CTT has invested in promoting work-life balance of its employees, with numerous supporting initiatives, in particular the CTT Social Support Plan, which establishes the social protection of CTT employees covered by the social works scheme in the areas of healthcare, social security benefits and social action.

This plan includes various supports for employees and, in some cases, their families, such as providing access to the Healthcare Plan for active employees and their family members and for retirees and pre-retirees, upon payment of a monthly fee. There is also other support within the plan, including subsidies and reimbursement of expenses due to illness or economic need.

In terms of benefits and compensation, during the reporting period, the flexible benefits programme was developed to suit all generations of employees, with a view to their satisfaction and which will be improved in the coming years by increasing the OPEX budget and carrying out eNPS satisfaction surveys.

The investment in actively promoting work-life balance at CTT has been awarded the efr seal of Family-Responsible Company, which was renewed in 2024.

Within the scope of the efr certification, a series of work-life balance measures have been implemented and are ongoing, with the aim of responding to the needs of CTT employees and seeking a better balance between personal, family and professional life. During 2024, eight Measures were integrated, totalling the 44 measures that currently exist, grouped into the five pillars of CTT's efr management model: Professional and Personal Development, Family Support, Temporal and Spatial Flexibility, Equal Opportunities and Quality at Work.

In order to disseminate all the work-life balance measures and how they can be used by employees, a massive training programme was created during the reporting year, available on the My CTT platform, aimed at all employees of all covered companies[83]. This training was attended by 7,518 employees.

In addition, in order to ensure the continuous improvement of efr measures, a questionnaire was made available to employees to gauge their level of knowledge, satisfaction, use and appreciation. Internal and external audits are also carried out annually to ensure compliance with the benchmarks associated with certification.

The efr certification is a management tool used internally, but it is also focused on extending the reconciliation objectives to the company's value chain, including suppliers. To this end, in 2024, reconciliation criteria were included in the selection of suppliers to ensure that they are aware of CTT's policies on the importance of reconciliation.

At CTT, all employees (100%) are entitled to take parental leave and family support. In 2024, 11.2% of workers exercised this right, and the leaves taken by female workers corresponded to 6.3% (more than half of the total of these leaves). There was, therefore, an inversion of the trend observed in the previous year, in which most of the leaves were taken by male workers.

[83] Covers CTT, CTT Expresso, CTT Contacto, Payshop and Banco CTT.

Equal treatment and opportunities for all

Training and skills development

IRO	Main actions carried out and/or planned	Expected objective of the actions	Associated target
Employee empowerment through training and development of talent programs	Fast Track leadership training programme	Development of leadership skills and promotion of behavioural change, with a focus on strengthening the ability to inspire, manage teams effectively and align behaviour with the organisation's strategic objectives	Rate of workers trained (CTT headcount) of 90% Apply a welcoming and integration programme to all new hires, to enhance the worker experience Survey the level of worker satisfaction: quarterly survey Create and implement the new onboarding programme to integrate new workers Training of 70% of operational managers in leadership skills Training and upskilling of 20% of the employees of the store chain in commercial skills
	Young Talent Development	Promote the appreciation, career development and leadership of employees	
	Reskilling/Upskilling training programme (IEFP)	Develop relevant and transversal competences, providing professional and personal development for employees	
	Promotion of Continuous Learning and Self-Learning	Facilitate access to continuous and personalised training; Develop critical skills for current performance and career development; Promote autonomy and a culture of self-learning; Create training paths for specific functions, areas or training needs	
	Co-payment for higher and advanced training	Promotion of employee professional development	

Throughout 2024, CTT promoted the following training and talent development programmes and initiatives:

- **Fast Track Programme**, started in 2023 and held annually, which aims to fulfil CTT leaders' desire for transformation, in response to business challenges and the results of the internal consultation with employees who expressed their ambition for a leadership culture that promotes motivation and sustainability.

  Fast Track strengthens essential leadership skills in terms of effective team management and behaviours related to organisational objectives. This transformation contributes to a more collaborative, motivating and results-oriented working environment, benefiting both leaders and their teams.

  This programme involved 788 participants and 3,847 hours of training, the effectiveness of which is measured by the number of employees covered and the satisfaction survey. The Company had low operating expenses associated with this programme.

- **Young Talent Development**, which consisted of training provided by Ponto Zero on two topics: Unlocking Overachievers, aimed at young employees and related to tips and strategies in the areas of mentality, attitude and productivity; and career development, for all employees. In both cases, the 254 employees who took part were asked for their feedback and satisfaction with the initiatives.

  These training programmes boosted skills development, promoted intergenerational learning and strengthened employee motivation, productivity and professional growth.

- **Reskilling** training, developed annually in partnership with the IEFP (Employment and Vocational Training Institute), with 405 employees taking part, totalling 8,969 hours of training. This action not only addresses training needs identified in the various areas of the company, but

also supports the professional and personal development of employees, strengthens their ability to work as a team, adapt to change and learn continuously, contributing to the growth and motivation of employees in the organisational context.

CTT also promotes the spirit of continuous and autonomous learning, using the LinkedIn Learning platform for this purpose, which offers access to diverse and high-quality content.

Through this initiative, employees can develop technical and behavioural skills at their own pace, aligning learning with individual and organisational needs. To this end, specific Learning Paths have been created by function or area in response to specific training needs, and the effectiveness of the initiative is assessed by the number of licences granted and the percentage increase in activity on the platform.

During the reporting year, 1,022 licences were granted, with 19% more activity on the platform.

In addition to the actions mentioned above, each year the CTT Group also promotes the enhancement and development of skills through financial contributions to employees for academic training, such as specialised training administered by external entities.

The contribution is awarded on the basis of the level of criticality of the training for the performance of the current function and/or career development, and the successful completion rate of the training in question is also assessed. In 2024, this contribution was given to eleven workers.

It should also be noted that, in Mozambique, the Company actively encourages employees to continue studying in order to complete their courses and increase their level of qualification.

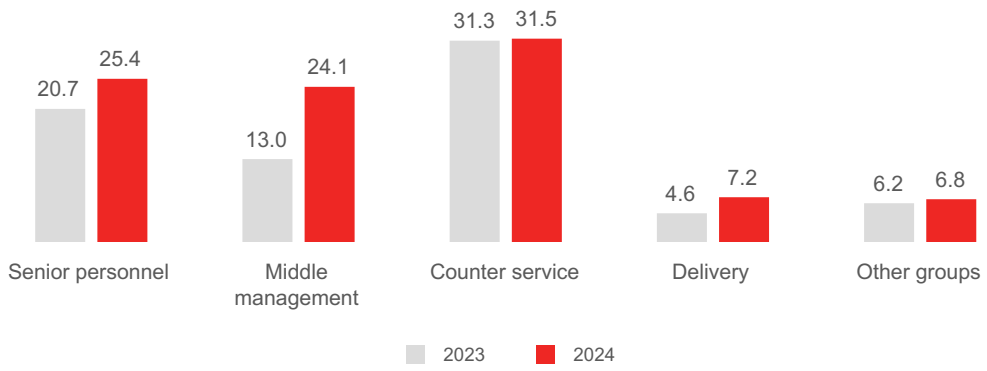
These actions, which have resulted in low operating costs for the Company, encourage professional development, aligning individual needs and interests with the objectives of the CTT Group, making it possible to value employees, reinforce the culture of excellence and promote motivation and talent retention.

In 2024, the average number of hours of training per employee was 15.6 hours (+0.2% compared to 2023).

Average number of training hours by gender

Gender	31.12.2023	31.12.2024	Δ	Δ%
Female	18.8	20.6	1.8	0.1
Male	8.9	12.3	3.4	0.4
Total	**12.5**	**15.6**	**3.1**	**0.2**

The volume of training (in average hours) was distributed as follows by the occupational categories of the workers:



Employees that participated in regular performance and career development reviews

%	31.12.2023	31.12.2024[84]	Δ
By gender			
Female	68.1	74.9	6.8 p.p
Male	75.0	77.9	2.9 p.p
By professional category			
Senior personnel	68.0	75.7	7.7 p.p
Middle management	80.2	63.2	-17.0 p.p
Counter service	100.0	95.8	-4.2 p.p
Delivery	83.3	83.2	-0.1 p.p
Other groups	13.1	32.4	11.2 p.p
Total	**72.3**	**76.7**	**7.7 p.p**

Gender equality and equal pay for work of equal value

IRO	Main actions carried out and/or planned	Expected objective of the actions	Associated target
Improvements in decision-making processes to promote gender equality in leadership positions	Annual preparation of the CTT Equality Plan	Increasing gender representation in under-represented positions, including leadership; Reducing any pay gap and promoting equal opportunities between different groups	Achieve gender parity in senior and middle management positions (45%) Publish and implement the CTT Equality Plan Create and implement the new training programme on equal opportunities and non-discrimination, aimed at recruitment, managers and the internal public in general
	Female Leadership	Promotion and advancement of women in professional careers and leadership positions through awareness-raising, education and professional training.	
	Dissemination of training and information content throughout the Company on Equality and Equity between Women and Men		
	Social grants under the EPIS / CTT partnership	Promoting equal opportunities and gender equality in youth society, especially in the STEM (Science, Technology, Engineering and Math) areas, boosting female empowerment in an area of the Portuguese labour market that is over-represented by men.	

[84] At the date of publication of the CTT Integrated Report, the performance assessment process was still ongoing, so the data is provisional and may be subject to subsequent changes.

Within the scope of achieving the CTT Group's objectives related to the promotion of equal opportunities, the following actions were carried out in 2024:

- **CTT Equality Plan**, drawn up annually, with the aim of ensuring alignment with national and international targets, including the fulfilment of SDG 5, in terms of gender equality and strengthening the commitment to policies and good practices in terms of equality.

  To this end, the plan includes a number of measures that were implemented and monitored throughout the year, based on the progress and fulfilment of each one; as well as the identification of new ones for next year, promoting gender equality in leadership and reducing inequalities.

- Within the scope of **female leadership**, CTT launched the 'Talking to Women' initiative with the aim of empowering and inspiring the development and growth of CTT's female employees through role models. In this context, training courses, mentoring programmes and networking events emerged, in which partnerships with PWN Lisbon and Ponto Zero played a key role.

  In addition, the Advanced and Executive Training Programmes on female leadership were provided in partnership with AESE and VdA, as well as other internal leadership training actions.

  These initiatives were aimed at female employees of the CTT Group with leadership potential or who already hold leadership positions, and their effectiveness was analysed through satisfaction surveys regarding their participation in the events. In order to continue holding these events, the Company spent low OPEX resources this year, and the same amount is planned for the following years.

- **Preparation of training and information content** to be included in training and publicity programmes related to the promotion of equal opportunities in career advancement and equality and equity between women and men. During the reporting year, content related to these themes was produced for the leadership training programme (Fast Track), clarification sessions for appraisers in the context of performance appraisal and dissemination in external forums.

  CTT also has an intranet page dedicated to publishing content that encourages the deconstruction of prejudices about women's ability to intervene in decisions, awareness of the value of unpaid work and the fact that maternity is not an impediment to career advancement. To analyse the success of disseminating this content, the company consults feedback from the areas and analyses the number of applications from women for leadership positions.

In terms of recruitment processes, CTT promotes equal opportunities, basing these processes on the assessment of candidates' abilities and suitability for the specific requirements of the position on offer, regardless of their gender, with the aim of selecting the profile that best suits the needs of the position and adds value to the company, promoting diversity and inclusion at all organisational levels.

Nevertheless, it is through the promotion of initiatives related to female leadership that the CTT Group empowers its female employees to hold a leadership position.

Also with a view to guaranteeing equal access to opportunities, but with a focus on young people, five young women were awarded Social Scholarships as part of CTT's partnership with EPIS (Entrepreneurs for Social Inclusion) for a degree in technological areas.

Also in the context of equal opportunities, but also with a focus on young people, Social Scholarships were awarded to five young women for a degree in technological areas, as part of a partnership with

EPIS (Entrepreneurs for Social Inclusion). In addition to combating school dropout motivated by lack of socioeconomic conditions, EPIS scholarships aim to grant opportunities to women in STEM (Science, Technology, Engineering and Math) areas, in which men are overrepresented, to develop their technical/professional skills, thrive in the job market and become leaders, stimulating female empowerment. Social grants correspond to donations allocated to CTT's operating expenses, with low impact, in the current year and in the others in which the expenditure is already scheduled.

In terms of leadership in top and middle management (i.e. on the Board of Directors and as 1st and 2nd Level Managers), women represented 38.4% in 2024 (-1.5 p.p. than in the previous year). The proportion of female 1st level managers rose by 5.3 p.p. to 26.5%. As for 2nd level leadership, there was a reduction of 3.9 p.p. to 41.4%, which ultimately led to a decrease in overall terms.

CTT leadership by gender

Gender	Board of Directors	1st level Managers	2nd level Managers	Total
Female	4	13	84	**101**
Male	7	36	119	**162**

Diversity, employment and inclusion of people

IRO	Main actions carried out and/or planned	Expected objective of the actions	Associated target
Promotion of diversity and Inclusive recruitment	Publicising internal and external recruitment and drawing up a recruitment manual	Increase transparency and trust in CTT's recruitment process Train the team of recruiters in the importance of multiculturalism, with different religions, sexual orientation, level of disability and diverse characteristics	Create and implement the new training programme on equal opportunities and non-discrimination, aimed at recruitment, managers and the internal public in general
	Training and awareness-raising on Diversity and Inclusion (DEI): - DEI training (general scope) - Training for recruiters in diverse and inclusive candidate selection	Promote behavioural changes towards a more inclusive, balanced corporate culture aligned with organisational values in terms of DEI	Create opportunities and professional occupation for people with disabilities, by hiring 50 workers, since 2022

Within the scope of promoting diversity and inclusive recruitment, CTT carried out the following actions in 2024:

- Preparation of an **Inclusive Recruitment Manual**, made available to recruitment teams, helping to increase the representation of people with different diversity markers and reduce any barriers to hiring them. This manual sets out CTT's policy and commitments on diversity and inclusion.

  Drawing up this manual, as well as publicising recruitment, makes it possible to increase transparency and trust in the process, improve the organisational climate through an environment of respect and belonging, where employees feel valued; and also reduce prejudice and discrimination, through a culture of equality from recruitment onwards, promoting a fairer environment.

- **Awareness-raising on DEI**, to all CTT employees, in order to emphasise the importance of CTT People in implementing a corporate culture of DEI; and to recruitment teams, through internal and external actions, to train the team in diverse and inclusive recruitment.

The promotion of diversity and inclusion at CTT is done actively, with awareness-raising playing an important role in integrating best practices into a welcoming and respectful working environment, where everyone feels valued and satisfied. To this end, the company monitors this issue through the number of employees involved in the actions and by surveying their satisfaction with them.

CTT employees by age brackets

	Total
Under 30	**1,611**
30-50	**6,449**
Over 51	**5,532**

The percentage of disabled employees remained stable at 2.4% (+0.1 p.p. compared to the previous year), which corresponds to 326 CTT employees. Of this percentage, 1.16% are female and 1.24% are male.

Measures against violence and harassment in the workplace

IRO	Main actions carried out and/or planned	Expected objective of the actions	Associated target
Exposure to physical and psychological violence	Temporary paid or proximity policing and human surveillance when policing is not possible	Apply mitigating measures to protect CTT workers in the event of violence	Activate a support plan in 100% of recorded situations
	Installation of video surveillance, intrusion detection, connection of intrusion to an alarm reception and monitoring centre		
	Involvement with local security forces and town councils to identify actions and operational needs		
	Internal security manual for the post offices, identifying measures to be followed on a daily basis and to be taken in the event of violence		
	Social support provided in the event of violence	Ensure prevention and specialised social/psychological support in crisis situations	

Ensuring the protection of CTT employees, who have direct contact with the general public, from exposure to and aggression against them is a concern of the Company. To this end, there are mitigating and preventive measures in place in terms of post office security, whether through the use of video surveillance equipment or the hiring of security guards.

In addition, the CTT Group has an internal security manual for its own post offices, which sets out the measures that should be adopted on a daily basis to guarantee security at these premises, as well as the guidelines to be followed in the event of violence.

During 2024, 14 incidents were recorded, mostly related to customer disturbances and thefts during operation and closing.

The Company's concern goes beyond the physical well-being of employees. These situations are dealt with by social workers within the scope of the Social Service activity, including ‘Crisis Intervention’,

which is provided in the event of robberies, violence, suicide, sudden death, natural disasters or any other situation likely to cause a period of social/psychological imbalance in the employee or family member.

The activity is circumstantial, but it essentially involves contacting and supporting the person in order to provide personalised support and appropriate guidance for the situation in question.

Initially, contact is made with the employee affected and, if appropriate, their manager, in order to stabilise and prevent any social/psychological imbalance that may have been caused by the crisis situation. In this contact, support is provided for whatever the person involved deems necessary, active listening about what has happened and an explanation of the symptoms that may be considered normal for the type of situation that has occurred.

Regardless of the monitoring that the concrete situation justifies and imposes, subsequently, a new contact is made after 24/48 hours to follow up on the situation, providing support if necessary before then.

Whenever the assessment made by the Social Service reveals the need for specialised follow-up in the area of mental or clinical health, the person is referred, whenever possible, to doctors or psychologists contracted with the CTT Médis Health Plan. During 2024, the Social Service intervened in three workplaces related to violence or robbery.

Other work-related rights

IRO	Main actions carried out and/or planned	Expected objective of the actions	Associated target
Promotion of access to adequate housing for workers	Subsidised mortgage loans with better conditions for CTT Group workers Project to support the construction of houses for workers in Mozambique Support for financing the purchase of housing for workers in Mozambique	Facilitate access to adequate housing, promoting the quality of life of CTT employees and their families	Maintain certification as a Family Responsible Company

The CTT Group, aware of the current situation of housing conditions in the territories where it operates, continued, in 2024, with the measures implemented in this area, namely the Subsidised Mortgage Loan Programme for employees, which aims to provide more favourable conditions, compared to the general public, in Mortgage Loan contracts, with the allocation of 0% spread financing, for the acquisition, construction and works in permanent own housing.

This initiative is organised through Banco CTT and applies to all CTT Group employees. Two rounds of applications were held throughout the year, benefiting 260 employees.

It is also worth highlighting the action in this area in Mozambique, where the company has a project dedicated to supporting the construction of houses for employees and financing the purchase of housing for employees. Since interest rates in Mozambique are very high, the loan is taken out at company level in order to obtain lower and more advantageous interest rates for the employees, who then pay through their salary.

5.4.2 Workers in the value chain

CTT's transport and distribution activity, both in Portugal and in Spain, is carried out using subcontracted transport providers. The employees of these companies, who are the workers in CTT's value chain, are naturally exposed to road accidents, which can cause significant damage to their health and lives, as well as to society, through the impact of accidents on third parties.

Considering the relationship and dependence of these workers on the Company's activity, CTT is committed to promoting fair and safe labour practices, including respect for human rights, throughout its value chain and especially with subcontracted transport companies. In this sense, the CTT Group assumes the fundamental principle of due diligence, identifying, preventing, mitigating and remedying negative impacts along the value chain; and of promoting responsible business conduct and efficient management of supply chains, in close communication with stakeholders.

This principle of applying the Company's standards to the value chain and protecting the labour force in the value chain is also affirmed in the Human Rights and Well Being and Quality Policies, as a condition for admitting/hiring suppliers and partners, under penalty of ineligibility or exclusion.

CTT also has a Responsible Procurement Policy which determines that its suppliers are regularly assessed to ensure that these companies know and operate in accordance with the standards expressed not only in this policy, but also in the Codes of Ethics and Good Conduct for Preventing and Combating Harassment in the Workplace and the Whistleblowing Policy. Its application also extends to the value chains of CTT's direct suppliers.

Health and safety

IRO	Main actions carried out and/or planned	Expected objective of the actions	Associated target
Road accidents among workers in the value chain	Incorporation of mandatory contractual clauses in the tender documents for the provision of transport services related to the obligations of the provider company to guarantee the promotion of worker health and safety, which includes risk prevention, training and accident monitoring and medical examinations	Ensure compliance with adequate standards in terms of the working conditions of subcontracting companies for these workers and inform CTT about them; Ensure that subcontracted transport companies are aligned with CTT's ethical and labour practices and principles.	Consulting and monitoring critical road subcontractors
	Application of CTT's Responsible Purchasing Policy and Code of Ethics to all suppliers of these services;		
	Certification of express and logistics activities by ISO 45001, which includes auditing suppliers for the provision of these activities.		

The actions identified are carried out every year and when there is a need to establish new and/or updated contractual relationships with distribution and road transport service providers. With the support of the Ariba Spend Management platform, which centralises and manages consultation processes, contracts and suppliers, all subcontracted transport companies wishing to provide this service to CTT are obliged to accept the Code of Ethics and the Responsible Procurement Policy, which include clear expectations and obligations for suppliers in the social, environmental and ethical fields. Without this step it is impossible to become a CTT partner.

The inclusion of these contractual clauses, as well as the mandatory acceptance of CTT's Responsible Procurement Policy and Code of Ethics in contracts with suppliers and other partners along the value

chain, is an essential tool for prevention, mitigation and remediation of negative impacts related to working conditions, namely the health, safety and well-being of workers in CTT's value chain.

Similarly, the certification of transport and distribution activities under the ISO 45001 standard not only guarantees the existence of an internal management system in line with best practices, but also includes the involvement of partners not only to ensure that these practices are complied with in the value chain, but also that health and safety in the workplace is not compromised.

In line with the growing importance that the workers of subcontracted road transport companies have been assuming in the Company's activity, CTT recognises the need to establish and improve the means of monitoring and engaging with its value chain, in order to guarantee the prevention, mitigation and remediation of the material negative impacts of its activity on these workers.

CTT's engagement with these employees is carried out through the representative of these companies with the Purchasing and Logistics department and respective CTT contract managers, as described in Value Chain and Stakeholder Engagement, and a culture of sharing and transparency is fostered, as well as consultation with the Ethics Committee and use of the Ethics Channel, as a permanently accessible communication line, aimed at identifying issues or situations that conflict with the Company's values or duties, opportunities for improvement, making suggestions and providing a productive and constructive dialogue with the CTT Ethics Committee.

In any situation reported to the Ethics Committee, CTT guarantees the confidentiality of the identity, non-retaliation and fair treatment of the subject of the complaint, by providing confidential and secure reporting channels to report violations, ensuring adequate treatment and protection of whistleblowers (Whistleblowing Policy). The Ethics Channel's activity and the complaints registered during the reporting year are described in 5.5.1 Business conduct.

The effectiveness of the identified actions is analysed by monitoring the subcontracted transport suppliers that register on the aforementioned platform and accept the CTT Code of Ethics and Responsible Purchasing Policy, as well as of any non-compliant occurrences related to these documents concerning these suppliers. Moreover, during the reporting period, CTT launched a questionnaire to its suppliers of transport and distribution services, specifically last mile, in order to monitor the accident rate of workers in the value chain who carry out these activities. 16 accidents were reported, mostly associated with male workers, which resulted in 133 lost days.

5.4.3 Community engagement

CTT strives to be close to the surrounding communities, especially isolated communities in more remote regions, and to play an active role in promoting a positive social and environmental impact on vulnerable groups. It is in this sense that CTT seeks, through its activities, internal competences and business, to contribute to the development and enrichment of communities, acting to mitigate poverty and social exclusion and to promote culture, education, health and environmental protection.

The positive material impacts on the affected communities are intrinsically linked to CTT's strategy, activity and commitments to strengthen its presence in the regions where it operates and actively involve the Company in actions with a positive impact on the communities.

On the one hand, the capillarity, granularity and universality of CTT's logistics and retail networks play an important role in mitigating social exclusion, as they enable the population to access postal, express and parcel services, financial and banking services and to receive subsidies and other social benefits, as well as improving accessibility to services in terms of adapting CTT's offer to the needs of disabled citizens, which improves their quality of life.

On the other hand, the use of CTT's business and internal skills to benefit vulnerable communities in the geographies where the Company operates, whether through the provision of transport and distribution networks, the retail network, the promotion of training programmes, the dissemination of knowledge and the development of partnerships, reinforces the Company's positive social impact and proximity to communities.

At the same time, the obligations of the universal postal service in Portugal and Mozambique, which serves the entire population, presuppose compliance with a set of demanding obligations, which expose CTT to the risk of non-compliance and, consequently, to regulatory fines and damage to CTT's image and reputation.

With regard to the CTT Group's commitments to affected communities and the mitigation and remediation of any adverse impacts arising from its activity, the Code of Ethics assumes the responsibility of proximity, dialogue, knowledge of needs and contribution to improving the lives of populations, as well as the defence and promotion of human rights, within the scope of the Human Rights Policy, through proximity to local communities as a distinctive factor of the CTT Group, which generates a relationship of trust and solidarity.

CTT undertakes to respect the fundamental rights and freedoms of local communities, the stability of community relations and pre-existing ways of life, especially their customs and traditions, and to strive to minimise the adverse effects of its activities, such as displacement or possible relocation, if any, and also to ensure the right of communities to be heard, promoting open dialogue and providing transparent information about CTT's activity.

During 2024, the CTT Group promoted dialogue with its communities through its post offices, campaigns and various channels about their needs and expectations, as well as through ethics and customer support channels, to expose and report situations or behaviours that do not comply with the Code of Ethics.

Proximity to products and services

IRO	Main actions carried out and/or planned	Expected objective of the actions	Associated target
Value sharing and proximity to communities	Projects related to Business Skills, namely: - offering philatelic material in schools; - supporting people's health; - Koiki partnership; - issuing philatelic products relating to social and environmental campaigns; - supporting communities affected by the floods in Valencia; - Father Christmas Solidarity; - Ask an Ecologist; - Regala Sonrisas.	Leverage CTT's network and resources to promote social inclusion and access to essential goods and services, creating a positive and lasting impact on the community; Promote education, written communication and support for children and young people, creating meaningful ties with the community.	Invest 1% of recurring EBIT in social impact projects Promote the active participation of employees in up to three days of volunteering per year Release eight philatelic issues on sustainability themes
	Projects related to Internal Skills: - Junior Achievement; - EPIS (Tutoring and Social Scholarships).	Support the educational and professional development of young people, promoting social inclusion, equal opportunities and training for the labour market.	
Capillarity, granularity and universality of logistics and retail networks	Daily monitoring of postal network density and supply indicators: - distribution of postal establishments letter boxes and mailboxes; - minimum service offers.	Provide the universal postal service throughout the territory, preserving the relationship of proximity and trust that CTT has maintained with the population and ensuring quality of service.	Maintain CTT capillarity to 100% of municipalities and rural areas with at least one CTT post office
Non-compliance with the universal postal service contract	Quarterly report to ANACOM		
Improved accessibility to services for people with disabilities	Video interpretation service in sign language for customer service in partnership with Serviin	Break down existing communication barriers and contribute to a more inclusive society.	Extend the Serviin partnership to CTT Stores

Value sharing and proximity to communities

The actions developed can be categorised into projects related to business competences and projects related to internal competences. The vast majority of actions fall into the first category because they are based on CTT's business to contribute to and help the surrounding communities, whether through information sharing or the use of CTT services. The development of these actions involved operating costs totalling €3.4 million.

In this context, CTT carries out a number of initiatives every year, most of which began in previous years, in particular the partnership with Koiki, which began in 2024. Koiki is an express and parcel delivery service provider that uses partnerships with social support institutions to employ people who are in situations of long-term unemployment, especially social exclusion and at risk of poverty, known as 'koikis'. In addition to the positive social impact, deliveries are made on foot or by bicycle to mitigate environmental impacts and based on proximity to the community. Since the partnership began, CTT has received three koikis that have distributed approximately 10,780 items. This partnership is still only taking place in Portugal, but the company intends to extend its scope to Iberia.

In addition to the initiatives mentioned above, CTT also carries out projects related to the use of internal skills to support the educational and professional development of young people, promoting social inclusion, equal opportunities and training for the labour market. To this end, CTT employees use their

skills in various areas and subjects through volunteering activities. Within the scope of partnerships with the Junior Achievement and EPIS organisations, in 2024 it was possible to support 1,700 students with the participation of 190 volunteers who dedicated around 1,000 hours.

In terms of the partnership with Junior Achievement, in 2024 CTT strengthened this partnership, having promoted various educational programmes, namely the Basic Education Programme, whereby volunteers teach classes of students on topics such as Financial Literacy and Entrepreneurship, as well as participation in the Junior Markets in Vila Real, Porto, Coimbra and Lisbon, whereby five volunteers had an impact on more than 250 students. In addition, the partnership included initiatives such as Braço Direito (Right Arm), the Digital Competition and JAP in a Day, promoting skills for employability and entrepreneurship. In 2025, CTT intends to consolidate the partnership with participation in the Company Programme, with volunteers supporting teams of students throughout the school year in their mini-companies.

CTT believes that corporate volunteering plays a fundamental role in strengthening its relations with the surrounding community by supporting its needs. By actively encouraging employees in these actions, the Company not only contributes to improving the quality of life of vulnerable populations, but also promotes values of social responsibility and empathy among employees, strengthening their commitment to CTT values.

With regard to volunteering activities in general, promoted by CTT in 2024, 45 activities were carried out in Portugal and Spain, involving more than 1,240 volunteers (+197% compared to 2023) who dedicated more than 5,550 hours (+89% compared to 2023) to various social and environmental volunteering activities. The initiative with the highest number of participants during the reporting year was World Cleanup Day, a global initiative organised by Let's Do It World with the aim of taking action on marine waste and debris. For the second year running, the Company joined this initiative and the 250 CTT volunteers collected a total of 320kg of waste in the clean-up actions carried out on the beaches of Portugal.

Capillarity, granularity and universality of the logistics and retail networks

The size of the postal network is determined by two critical factors: the capacity to generate business and the obligations to provide the aforementioned universal public service. This universal service means that CTT is an operator that is committed to providing service throughout the entire territory, permanently, even in the most remote places, without exceptions and at the same price.

In this context and when necessary, CTT establishes solutions with local partners, preferably Parish Councils, thus preserving the relationship of proximity and trust that it has maintained with customers and the population and ensuring the quality of service.

As provided for in the Concession Agreement, there are postal network density objectives, which consider factors such as the distance customers have to travel to access the nearest access point, considering the urban or rural nature of geographic areas, as well as citizens' accessibility to the various postal services and the times at which they can use them.

Full compliance with the defined objectives reinforces the CTT Group's intention to maintain a network of proximity and convenience for customers and the general population.

CTT provides the largest contact network in Portugal, acting as a structuring and decisive element for the social cohesion of the territory and, in 2024, had 61,251 customers per day in its stores (+10% compared to 2023). It is also relevant to note the average of 4,379 inhabitants per access point, which provides a clear understanding of the relevance, socially and otherwise, of the CTT network and its effective presence throughout the Portuguese territory and the proximity of its products and services.

Fulfilling the demanding obligations of the Universal Postal Service concession and in response to the objectives of postal network density, based on geo-referencing and population study systems (CENSOS), the CTT Group actively monitors various indicators and reports them quarterly to the Autoridade Nacional de Comunicações ('National Communications Authority' - ANACOM), which is responsible for regulating and supervising the postal sector. These indicators are:

- **Density of postal establishments**, analysed according to the distribution of the population in the national territory, distance between access points, the urban or rural nature of the areas covered and the evolution of volumes and demand. For these indicators, the company has ensured the following in 2024:
    - Density, at national level, with 4,379 inhabitants (on average) per geographical access point to a postal establishment;
    - A maximum distance of 6,000 metres from the place of residence to a postal establishment for 97.4% of the national population, 11,000 metres in predominantly rural areas for 97.6% of the population, and 4,000 metres in predominantly and medium-urban areas for 96.8% of the population;
    - 100% density of at least one postal establishment in parishes with 10,000 - 20,000 inhabitants and, in parishes with > 20,000 inhabitants, also one postal establishment providing all the concessionary services and an additional one providing the same services for each additional 20,000 inhabitants.

For each postal establishment, the type, name, address, district, municipality, parish, services provided, opening hours and geographical coordinates are identified.

- **Density of letter boxes / post boxes**, measured by indicators of inhabitants per letter box at national level, by urban or rural nature of the areas covered and by parishes served by at least one facility. CTT guaranteed this in 2024:
    - Density per geographical point of access to a letter box of 1,077 inhabitants at national level, 402 inhabitants in predominantly rural areas; 1,664 inhabitants and 7,763 inhabitants in predominantly urban and medium-urban areas, respectively;
    - 100% density of at least one letter box per parish, guaranteeing at least one letter box access point in each parish for depositing ordinary domestic mail.

For each letter box / post box, the type, address, district, municipality, parish where it is located, the time of last collection and geographical coordinates are identified.

- **Minimum service offers**, for which the indicators are analysed in relation to the postal establishments that provide all the concessionary services and with significantly reduced opening hours and their location, for which CTT guarantees the following:
    - Visually impaired customers are offered a specific product - literature for the blind (cecograma);
    - 100% density of municipalities with at least one postal establishment, with 99.7% of municipalities having one or more postal establishment that operates every working day for a minimum daily period of 6 hours and the remaining 0.3% for a minimum daily period of 3 hours;
    - 93.1% of postal establishments provide all concessionary services for the occasional segment;
    - In terms of the maximum distance from a postal establishment: 98.8% of the national population with access to concession services at a maximum distance of 8,500 metres, 98.9% of the population in urban areas at a maximum distance of 5,500

metres and 99.3% of the population in rural areas with access at a maximum distance of 15,000 metres. The maximum distance for the entire population to access concession services was 28,329 metres;

- In terms of rural areas, these were identified in order to guarantee the travelling service of postmen and women;
- 75.4% of the total number of postal establishments with a service for court summons and postal notifications;
- 0.7% of the total number of postal establishments with reduced opening hours nationwide and in each municipality, 100% of the postal establishments comply with the conditions of a maximum of 20% of the postal establishments in each municipality, or one postal establishment in municipalities with less than 5 postal establishments with reduced opening hours.

Whenever, for some reason, there is a change in the operating model with an impact on the community, CTT carefully analyses the situation based on the information gathered on site by internal and external agents, in order to guarantee the satisfaction of the population. Likewise, whenever there is a need to close a point, this can only be done if there is already another point in operation to replace it.

At the end of 2024, the public contact network consisted of 2,362 access points in operation, including 569 CTT post offices and 1,793 postal agencies, as well as 3,902 postman routes, which ensured the availability and accessibility of the customer service and distribution, establishing itself as a convenience and multi-service platform. The network of letter-boxes consisted of 10,717 facilities, located in 9,607 geographical locations nationwide.

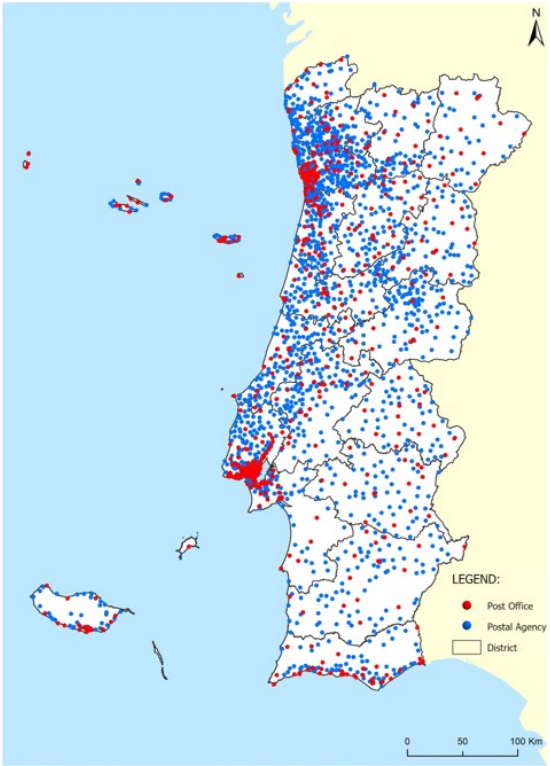
In European terms and based on the available data, which can be seen in the table below, CTT continues to show a good level of postal service accessibility, with a postal coverage density above the EU average.

Postal density and coverage[85]

	Inhabitants per postal establishment						Km^2 per postal establishment					
	2019	2020	2021	2022	2023	2024	2019	2020	2021	2022	2023	2024
EU average	5 030	4 967	5 081	5 080	5 185	n.d.	43	46	48	47	48	n.d.
Portugal	4 346	4 354	4 392	4 417	4 482	4 506	39	39	39	39	39	39

[85] Source: Universal Postal Union. For this purpose, fixed postal establishments were considered. European Averages data, not available in CTT Integrated Report 2022, were disclosed in the meantime. Portuguese data were slightly updated regarding the number of inhabitants per postal establishment.

Retail network of post offices and postal agencies



Improving accessibility to services for people with disabilities

CTT's main concern is the most vulnerable, whether they are employees, customers or other stakeholders. With regard to people with disabilities, CTT not only asserts itself as a socially responsible employer (Human Rights Policy) but also aims to be relevant in the inclusion and well-being of all.

Since the beginning of 2024, CTT, in partnership with Serviin, has provided a free video interpretation service in Portuguese Sign Language for customer service, breaking down communication barriers and contributing to a more inclusive society. This service is accessible via the Serviin APP or the Deaf Citizen Portal, allowing communication via mobile phone, tablet or computer with a camera.

Currently, this service is only implemented on the customer service line, and is expected to be integrated into CTT post offices in 2025, reinforcing the commitment to inclusion and accessibility. In 2024, this innovative service handled 223 contacts, whose feedback from users has been very satisfactory, recognising the difference this service is making to their lives, by promoting inclusion and accessibility, removing communication barriers.

For the blind community, Banco CTT provides inclusive debit cards to facilitate use by visually impaired citizens. This card features the bank's identification in tactile Braille writing, as well as a format that allows the user to distinguish the correct side for insertion into automatic teller machines (ATMs) and automatic payment terminals (TPA).

These features enable visually impaired citizens to use their bank card more independently, improving not only the customer experience, but also ensuring their privacy and security.

5.4.4 Customer satisfaction and experience

CTT offers a diverse range of products and services, namely express and parcels, mail, business solutions, financial and banking services, printing and finishing.

Each customer, whether private (B2C) or business (B2B), in their different types, is guaranteed regular, dedicated, face-to-face and specialised attention, allowing for a global and integrated offer of services and products aimed at creating value and boosting each business activity.

CTT's customers include: (i) private individuals in Portugal who receive mail and parcels or subscribe to services in post offices; (ii) private individuals in Spain who receive parcels; (iii) business customers who rely on CTT to deliver goods to their customers and benefit from the company's business solutions. These customers are naturally impacted by CTT's activity, through its direct operations and the services and products it offers. Likewise, the Company is also impacted by them, but in a more material way, due to the dependence and need for customer satisfaction that dictates the success of the business, which translates into an opportunity for greater attractiveness and attraction of new customers or, if not, the risk of penalisation for operational failures and quality in the performance of the services provided.

In order to guarantee the management of the Company's material IROs at the level of its customers and the safeguarding of the CTT Group's principles and commitments towards them in terms of Human Rights, especially in relation to the protection of privacy and personal data, CTT's Human Rights Policy applies to the entire value chain, including customers, ensuring the respect and active promotion of Human Rights in all its operations and commercial relations. Under the terms of this policy, the Company undertakes to publicly disclose the principles, policies and regulations, to ensure access to them by all customers and to provide confidential and secure reporting channels for reporting violations, ensuring adequate treatment and protection of the whistleblower.

Still on this subject, within the scope of its Whistleblowing Policy, the CTT Group undertakes to promote the involvement of all stakeholders in order to achieve the policy's objectives and commitments, namely, (i) to prevent the occurrence of irregularities, (ii) to respond effectively in the remediation or mitigation of detected infringements and their adverse effects, (iii) guaranteeing the security and integrity of the whistleblowing channels and the confidentiality of the information and identity of the whistleblower, (iv) reporting and disseminating information on the number and the subject of whistleblowing reports submitted, as well as their treatment and resolution and (v) pursuing the goal of continuous improvement with a view to a high level of performance, without irregularities.

CTT promotes numerous forms of communication with its customers with the aim of listening to their expectations and needs, which essentially focus on improvements in responsiveness, customer care and self-care tools, in order to simplify the problem-solving process and make incident management more effective. These customer perspectives were taken into account when defining the policies described, and in particular the Whistleblowing Policy, the rights and guarantees of whistleblowers.

Customer Relationship management

IRO	Main actions carried out and/or planned	Expected objective of the actions	Associated target
CTT's attractiveness to wider target audiences and customer satisfaction due to diversification and improvement of the offer and customer experience	Boosting the Pack Expresso pre-paid product	Increase the use of Express delivery among customers without a contract and the sales arguments in the CTT retail network	Maintain the level of satisfaction (response to the CSAT survey) in the Customer Service channels above 60% Create and implement the new 'Programatic Advertising' platform for managing advertising campaigns Increase the number of active customers on the super app and super portal digital platforms by 30% Increase the NPS by 5 points compared to the average for all CTT post offices Incorporate 70% of the interpretation of comments by Generative AI in the Touchpoint comments
	Implementation of a C2C offer on an Iberian scale, leveraged on the PUDOs network and the possibility of direct sales	Offer the same facilities available to companies in the C2C segment, through competitive services and the same customer experience and traditional e-commerce offer	
	Enriching the experience of using the Super App and Super Portal	Optimise the B2B experience by providing full control over logistics and financial services	
	Inclusion of Generative Artificial Intelligence in the B2C Customer Forum	Improved NPS as a result of faster analysis of comments and recommendations	
	Personalisation of the customer experience	Create unified customer profiles for a personalised experience	
	Provision of customer service channels (face-to-face, technological and/or digital), including virtual assistants	Ensuring adequate, modern and neighbourly service levels, fostering a culture of praise and reducing the number of customer recurrences	
	Safeplace Project	Reducing waiting times in post offices and optimising routes in Distribution	
	New Concept post offices	Personalised service combined with self-service areas	
	Special Letter Boxes	Making the most of the existing network of letter boxes, offering additional services on a self-service basis	
	Savings Certificates on the CTT App	Increasing functionalities in the app by dematerialising processes	
	Digital Advice of Receipt (AR), proof of delivery and stamp	Allowing relevant data to be read digitally by associating a certificate of authenticity with legal value, as well as a graphic text with essential information	
	Platform for creating and managing advertising campaigns	Presentation of metrics with campaign results in real time	
Compensation and penalties for operational failures	Continuous improvement programme and correction of operational faults	Implementation of improvement actions by systematising operational data and the opinions collected in satisfaction surveys as a way of anticipating failures and complaints	Maintain the first-contact resolution rate on Customer Service lines above 90% Increase the rate of service by Virtual Assistants to 40% Average Response Time to Universal Service Complaints Domestic target: <= 15 days International target: <= 56 days
	One time password (OTP) systems	Implementing an OTP system as an effective security measure to help protect deliveries and user data, reducing compensation and improving quality of service	

The vast majority of these actions, which required low investment and expenses, were implemented throughout the current year and are expected to be completed in the short and medium term, with the following actions planned for the next short and medium term:

- Inclusion of Generative Artificial Intelligence in the B2C Customer Forum: the use of artificial intelligence will make it possible to speed up the analysis of comments recorded at the

various points of contact with customers, identifying patterns and correlations of points for improvement by the Company;

- Customisation of the customer experience: implementation of a new approach centred on customising the customer experience, which with the integration of new technologies will make it possible to create unified customer profiles that include the history of interactions and behavioural data;

- Savings Certificates on the CTT App: increase the App's functionalities in terms of the ability to open an account without having to go to CTT post offices, as well as dematerialising and simplifying the processes associated with Savings Certificates;

- Advice of Receipt (AR), proof of delivery and digital stamp: the development/acquisition of an API that can be installed on the equipment used by postmen will allow the information to be collected digitally when these items are delivered, associating a certificate of authenticity with legal value. In terms of the digital stamp, its development will prove that postage has been paid, that it has a unique ID and that it can be validated in the operational circuit. The implementation of these actions will require a low CAPEX;

- Platform for creating and managing advertising campaigns: the launch of this 'Programmatic Advertising' campaign management platform will offer companies various functions, including testing the target audience with predefined filters, designing multichannel campaigns based on best practices, receiving suggestions for improvement in real time, showing the scope of the campaign, estimating costs and presenting metrics in real time. In addition, it is intended to include CTT post office advertising services on this platform to improve the CTT Ads offer.

As for the metrics used to measure the effectiveness of the actions, the results of the NPS survey, the number of active customers on the platforms, the degree of product utilisation per service provided and the revenue generated associated with the products and services are taken into account.

It is through these actions that CTT seeks to retain and attract new customers, not only by offering a wider and more adapted range of services, but also by taking care to ensure their satisfaction. To this end, the dissatisfaction processes are a unique and privileged way of continuously improving internal processes, as well as detecting anomalies in the use of products and services in the CTT universe.

CTT endeavours to guarantee the rights of its customers through various mechanisms and tools, helping to strengthen trust in customer relations. The conditions for the provision of CTT services are provided to customers when they purchase or subscribe to products and services and are always accessible for consultation. These conditions establish the terms for the submission of complaints by customers about service failures, as well as the process of financial compensation in proven cases of CTT's responsibility.

CTT's Customer Support area is responsible for disseminating the voice of the customer throughout the company, identifying any impacts on customers and seeking new solutions to increase customer satisfaction, as well as promoting various initiatives in the area of quality of service and continuous improvement; namely the Farol (Lighthouse) internal improvement, QoS operational monitoring and compensation programmes. Service failures and other operational inefficiencies are dealt with by the Voz do Cliente (Customer Voice) continuous improvement system, which systematises operational data and customer feedback collected in satisfaction surveys, resulting in integrated analyses and plans for implementing improvement actions.

All complaints are recorded in the system and assigned to the Customer Service area responsible for analysing them. The resolution of complaints includes the appropriate response to the customer and the

handling of compensation processes for service failure, with the aim of providing a detailed response and an appropriate solution within the established legal deadline of 15 working days. During the process, CTT maintains transparent communication with the customer, informing them of the progress and measures taken.

In order to guarantee the adoption of best practices and the continued recognition and trust of its customers, CTT Customer Support is certified in terms of quality by the ISO 9001 Standard, within the scope of the Company's corporate certifications and the Customer Support contact centre has the Quality Seal of the Portuguese Association of Contact Centres (APCC), a certification that consists of an auditing and advisory service on good management practices in the sector.

In 2024, a total of 237,696 service complaints were received in the Mail and Express business areas, an increase of 10% compared to 2023 (216,732 cases). The most frequent complaints were related to lost items and/or delays in delivery (108,346 cases, 46% of the total).

With regard to compensation to customers, during 2024, an overall amount of €2,814,122 was approved, representing an increase of 26% compared to the same period of the previous year. Of this amount, €2,387,837 corresponds to compensation approved for Contractual customers, with a growth of 35% compared to 2023.

In the Occasional and Addressee customer segment, during 2024, 26,648 compensation cases were processed in the Mail business area, worth €337,897, representing a decrease of 8% compared to the same period of the previous year. In the Express segment, 10,870 were processed, worth €88,711.00, representing a decrease of 3% compared to 2023. The most frequent causes of compensation are the loss of objects, corresponding to 60% of the total amount compensated.

5.5 Governance

5.5.1 Business conduct

Corporate culture

CTT's activities are guided by respect for the principles of legality, good faith, responsibility, transparency, integrity, professionalism and confidentiality, both in its relations with shareholders, regulatory and supervisory bodies, customers, suppliers, service providers, the media, public and private organisations and the general public, and in internal relations between employees.

Believing that only through the application of ethical principles is it possible to generate and maintain the trust of all stakeholders, CTT has a Code of Ethics that consolidates the elements that characterise the ethical culture, conveying the fundamental values of the CTT Group and the Company's position on matters that have a transversal impact on governance and management practices. The Code of Ethics also guides the actions to be adopted by CTT employees in the way they relate to each other and to other stakeholders.

The Code of Ethics is disseminated internally through dedicated training sessions for all CTT employees, and is published and accessible on the intranet. Externally, the CTT Code of Ethics is accessible to any stakeholder via the CTT website.

Likewise, when integrating and qualifying new suppliers on the Ariba Spend Management platform, CTT informs suppliers of the Code of Ethics, and it is mandatory for them to sign a declaration that includes reference to this document. If they do not sign, their registration process will be withheld and they will not be able to submit their bids.

To ensure that these principles are applied, CTT has appointed bodies and developed prevention and control mechanisms. The Ethics Committee's mission is to independently and impartially monitor the application and observance of the provisions of the CTT Group's Code of Ethics and the Code of Good Conduct for the Prevention and Combat of Harassment at Work, receiving reports of violations of these Codes through the means of communication of the Ethics Channel (comissao.etica@ctt.pt) available on the CTT website.

In addition, this body also ensures the existence of internal communication mechanisms and that they comply with the legal rules, in terms of confidentiality in the treatment of information and guarantee of non-retaliation against whistleblowers.

CTT's Whistleblowing Policy complies with the principles of confidentiality of reports and the identity of the whistleblower and protection of the security, integrity and privacy of the information reported, independence and impartiality in the internal handling of the reports received, co-operation with the stakeholders involved and the competent authorities and the adoption of the best applicable practices.

This policy aims to ensure the continuous improvement of the CTT Group's activity and behaviour by preventing the occurrence of irregularities, responding effectively to remedy or mitigate detected infractions and their adverse effects, guaranteeing the security and integrity of whistleblowing channels, the confidentiality of information and the identity of the whistleblower, and reporting and publicly disclosing information on the number and subject matter of whistleblowing complaints, as well as their treatment and resolution.

The regulation also details a set of commitments to protect the Company's whistleblowing workers against possible reprisals, such as not dismissing, threatening, suspending, repressing, harassing, withholding or suspending payments of wages and/or benefits, or taking any retaliatory action against those who legally report an irregularity or provide information or assistance in the context of investigating the complaints made.

Protection from retaliation against whistleblowing employees is further conferred through a broad notion of retaliation, covering any act or omission, direct or indirect, which occurs in a context related to the professional activity and/or relationship maintained with the CTT Group, motivated by internal or external whistleblowing, and which causes or may cause unjustified pecuniary or non-pecuniary damage to the whistleblower, including the threat or attempt of such acts or omissions. In this context, the whistleblower (if identified) is informed of the measures envisaged or adopted within a maximum period of three months from the date of receipt of the report.

The daily practice of an ethical culture and conduct is also supported by the policy of mandatory training for all employees on the topics of ethics, human rights and corruption and related infringements.

Ethics, transparency and anti-corruption

The CTT Group is committed, both internally and externally, to the highest values in terms of preventing corruption and related infringements, recognising the importance of applying ethical principles in the development of its activity. In this sense, with the aim of preventing, detecting and sanctioning acts of corruption and related offences, CTT has a regulatory compliance programme, in accordance with Decree-Law 190-E-2021 and in line with the United Nations Convention against Corruption, which includes:

- A Regulatory Compliance Officer (RCN), appointed by the Executive Committee;
- A Corruption Prevention Department;
- A Code of Conduct for the Prevention of Corruption and Related Infringements, approved by the Board of Directors and available for consultation;

- A Plan for the Prevention of Risks of Corruption and Related Infringements ('PPR'), which essentially aims to identify the risks of corruption at CTT, their assessment and the respective mitigation measures implemented, approved by the Board of Directors and also available for consultation;
- A training programme on the prevention of corruption and related infringements for all managers and employees, based on six modules, dedicated to the legal framework of the General Regime for the Prevention of Corruption and Related Infractions, definitions of what is or is not corruption and related infractions, principles and rules of conduct for internal action and with third parties; situations and consequences of non-compliance and reporting channel and dissemination of the Code of Conduct and PPR;
- An Internal whistleblowing channel that guarantees the anonymity and confidentiality of the whistleblower and the report.

CTT's Corruption Prevention department manages the system for preventing, detecting, investigating and responding to allegations or cases related to corruption and bribery, which follows a procedure based on predicting the likelihood of risk events occurring, taking into account the suitability of mitigation measures, as well as the history of events that have occurred in the last three years.

For the risks that have been identified, a methodology is applied that predicts the level of impact according to the value involved and the negative reputation that a risk event may entail for CTT. After assessing the risk, mitigation measures are identified and their sufficiency analysed, which may result in the need to implement additional measures to strengthen the internal control system.

Within the scope of the PPR, 13 processes with greater exposure to risk were identified and 58 processes are being monitored, 10 of which have a significant level of risk. The functions with the greatest exposure to the risk of corruption and related infringements were also identified, and these relate to the procurement of goods and services, postal waste, the hiring of human resources, subcontracting for distribution, accountability with financial transaction partners and indemnities, information security and information technology projects, treasury management and real estate management, fleet and building maintenance; as well as all the functions performed by the Executive Committee.

The Code of Conduct for the Prevention of Corruption and Related Infringements and the PPR are monitored annually and, in accordance with this new programme, two reports are drawn up every year to monitor the risks identified in the PPR and communicated to the management and supervisory bodies. In terms of stakeholders, CTT has incorporated a clause for the prevention of corruption into its contracts, in order to involve and commit CTT's customers, partners, suppliers and other stakeholders in these matters.

In 2024, as part of the periodic review, CTT approved the fourth version of its Money Laundering and Financing Prevention Policy, in addition to the regulations on the Evaluation and Control of Transactions with Related Parties and Prevention of Conflict of Interest Situations and the Regulatory Compliance Control Function for the Prevention of Money Laundering and Terrorist Financing.

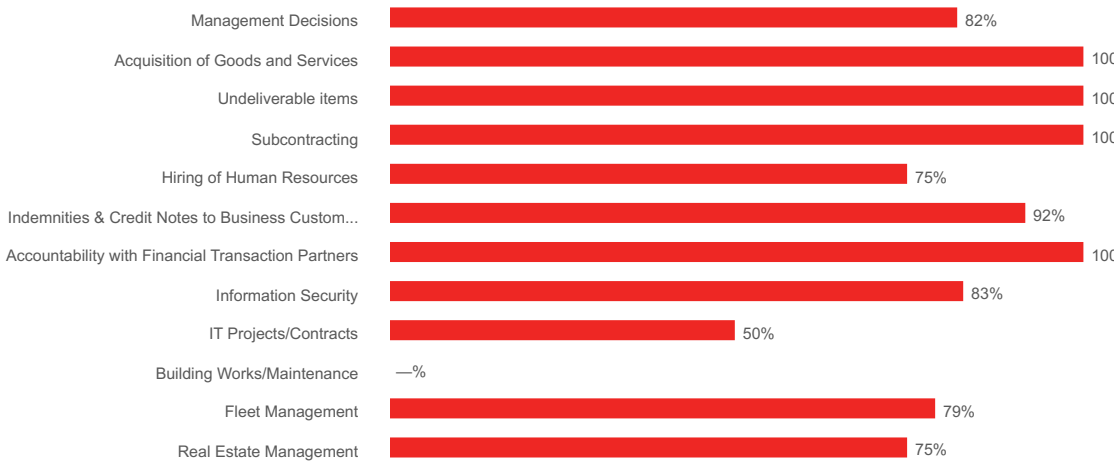
These documents include best practices, instructions and compliance commitments on the topics of corruption, collusion, money laundering, bribery, external influences, conflicts of interest and private transactions.

IRO	Main actions carried out and/or planned	Expected objective of the actions	Associated target
Reputational damage due to unethical practices by corporate bodies, employees, suppliers and partners	Training actions within the scope of the Prevention of Corruption and Related Infringements and the Code of Ethics	Training for a Culture of Responsibility Stimulate reflection and debate in the Company to reduce the risk of unethical practices at CTT	Disseminate the new CTT Code of Ethics to all employees Promote open and trust in communication channels with Stakeholders
	Ethics Channel for reporting whistleblowing		
	Regular inspections related to fraud and collections		
	Application of the Responsible Procurement Policy for the qualification of suppliers		

During the course of 2024, CTT organised several training sessions on the ethical principles and practices adopted by the Company, of which the following stand out:

- Actions in which the anti-corruption policies and procedures adopted by the organisation were communicated had 14,299 participations and a total of more than 44,962 hours, including members of CTT's management and supervisory bodies administrative. At the level of the functions considered to be at risk in terms of corruption and related infringements, training on this subject in 2024 covered (%):

Percentage of training for risk functions



- Training sessions for the internal dissemination of the Code of Conduct involving 1,059 participants who successfully completed the course, totalling 1,572 hours. In order to ensure maximum dissemination of the Code of Ethics, the Ethics Committee organised training sessions to disseminate the contents of the document and held workshops and debates to ensure that all employees were properly aware of the principles of action and commitments set out in the Code of Ethics;

- Training in policies and procedures relating to aspects of human rights involved 10,582 participations, totalling 11,663 hours.

These actions reinforce the fundamental values of the CTT Group, promoting strategic alignment and creating a solid basis for ethical behaviour on a daily basis, and are monitored through the successful completion rate of the online training and the satisfaction evaluation.

By empowering the Company, reflection, debate and sharing are encouraged in safe environments, reducing the risk of bad ethical practices and strengthening trust in teams. This joint work allows each employee to take ownership of the Code of Ethics' guidelines, guaranteeing tools for dealing with ethical dilemmas and contributing to a more ethical, safe and inclusive organisational culture.

In terms of the activity of the Ethics Channel, 80 communications were received through the Ethics Channel, mostly related to harassment, relations with stakeholders and labour rights, which were processed and investigated, and whose analysis resulted in there being no practice of any illegal and/or irregular act or conduct, nor any incident related to the violation of workers' human rights, including forced or child labour and human trafficking. Similarly, no fines, penalties or compensation for damages were recorded.

With regard to regular inspection activities, in the reporting period no cases were recorded and no sanctions imposed for corruption and related infringements, either within the CTT Group or among external stakeholders.

Nevertheless, as a result of the audit and inspection actions, 38 cases of embezzlement or embezzlement of use at CTT were identified, the nature of which corresponded to appropriation of values, tampering with items/theft and misuse of a facility granted by the Company, in Portugal only. Of these, there was one case relating to workers in which the penalty of dismissal was applied and two situations in which a service contract was terminated.

In 2024, the audit and inspection actions made it possible to audit 116 CTT post offices, 61 CTT agencies and 65 postal delivery offices, representing 20%, 17% and 30% of the eligible universe, respectively.

5.5.2 Data privacy and information security

Protection of personal data

CTT is committed to ensuring the security and privacy of the personal data of all its stakeholders, namely, customers, employees, suppliers, service providers and business partners. Thus, its actions are guided by strict respect for the privacy of the different categories of data subjects, as set out in its Code of Conduct and Privacy Policies.

CTT has a Central Governance Model as regards the protection of personal data, having appointed a single Data Protection Officer (DPO) for the Group's companies. The DPO is, in the case of Banco CTT, assisted by a DPO Manager, who acts as a local agent for privacy issues, bridging the gap between the DPO and the rest of the organisation.

In the various business and support areas of the CTT Group companies, the Model also includes Privacy Pivots who act as contacts on this issue, acting as experts within the scope of their areas.

The DPO, in close cooperation with the Information Security and Legal departments, plays a central role in the management of privacy at CTT, advising and supervising the various topics within its scope and liaising with the DPO Manager and Privacy Pivots in order to have the necessary visibility to pursue its activities. The DPO and his support structure also guide internal awareness and training actions on this topic.

In the cases of Banco CTT, 321 Crédito, Instituição Financeira de Crédito S.A., CTT Express and NewSpring Services, S.A., CTT maintained the existing DPOs when these companies were acquired, taking into account the particularities of these operations and the in-depth knowledge they had of the internal procedures as well as of the history of those entities.

The governance structure of the DPOs of the companies that integrate CTT is subject to frequent assessment, and CTT is committed to ensuring, as efficiently as possible, compliance with the provisions of the GDPR and the protection of the personal data processed.

CTT has also defined a set of methodologies and procedures across the Group in order to ensure data protection in all new projects, products and services, assessing and monitoring how these may impact the private sphere of data subjects, namely through risk and impact assessments and ensuring Privacy by Design.

Additionally, the processes for exercising and responding to the exercise of data subjects' rights, registration of processing activities, assessment of subcontractors and response to privacy incidents are defined.

In addition to implementing technical measures in line with the best practices in order to provide personal data processed with adequate security conditions in view of the risks, CTT considers that raising employees' awareness and sensitivity to privacy is a critical component to ensure the protection of personal data. For this reason, the Training Plan of the CTT Group now includes mandatory training actions on this matter.

CTT seeks to ensure transparency with regard to the processing of personal data. In this sense, it provides information on the processing of personal data not only in the privacy policies of employees and customers that it discloses but also in the terms and conditions of the services it provides and in the websites and applications it makes available.

This documentation also provides the contact details of the DPO, as well as the necessary information for data subjects to exercise their rights, request additional information or clarifications and lodge complaints regarding the processing of their personal data.

Cybersecurity at CTT

IRO	Main actions carried out and/or planned	Expected objective of the actions	Associated target
Cybersecurity requirements and associated incidents	Monitoring cybercrime Establishing a governance model for information security Development of a standardised body of information security policies Training and awareness-raising for employees	Minimising risk and increasing the CTT Group's security posture	Achieve the advanced level in the rating scorecard in all CTT Group companies Increase the level of maturity in detection and response capabilities Carry out an attack simulation (tabletop) established in the continued business plan

Computer crime in the Portuguese cyberspace increased in 2024, with ransomware, Distributed Denial of Service (DDoS) attacks, phishing and smishing, online scams and account compromise being the most relevant cyberthreats.

CTT has experienced phishing attacks, smishing (sometimes accompanied by the deceptive use of the authentic entity's SMS identifier, also known as spoofing), fraudulent telephone calls (some also with

mobile phone number spoofing). These attacks happen because trust in the CTT brands is high, making the Company a desirable target for malicious actors. The increasing trend of exposure to the risk of these attacks may have a financial impact on the CTT Group, with this effect being described in the section relating to risk management.

The annual ENISA Threat Landscape 2024 report confirms the main cyberthreats in Europe in 2024, with a focus on threats to availability, followed by ransomware and threats to data. According to it, it can be seen that the activities carried out by the CTT Group are among the activities most targeted by cybercriminals.

Cybercriminals have improved classic tactics and exploitation of cloud vulnerabilities with automated tools and artificial intelligence. It has been observed that the Deep and Dark Web market offers a wide range of automated intrusion tools, such as phishing kits and Ransomware-as-a-Service. Artificial intelligence (AI) is expected to further enhance these offerings.

That said, in terms of cybersecurity, the two milestones achieved in 2024 stand out:

1. Establishment of a governance model for information security

- Formalisation of corporate roles and responsibilities, thus enabling the existence of a coherent and consistent base of practices in all the CTT Group's entities.
- The model specifies the existence of a corporate CISO function, which is responsible for managing information security at group level, providing for a person responsible in each of the CTT's entities.
- This model advocates three lines of defence, in line with good risk management practices:
  - 1st line focused on IT architecture, operation and monitoring
  - 2nd line focused on information security governance, compliance and risk management
  - 3rd line to audit

2. Development of a normative body of information security policies

- Establishment of a General Information Security Policy that defines a common basis of understanding in terms of information security for all CTT Group entities.
- Definition of what constitutes information security, specifying the properties with regard to confidentiality, integrity and availability.

The security posture towards the market (rating scorecard) was a constant concern throughout 2024, which was a year of great challenges, but also of great results. The CTT Group went from an intermediate level in all companies to an advanced level in all but one.

Brand protection recorded the highest level of activity ever, peaking at 63 takedowns in one month (killing malicious sites using the CTT brand). In terms of threat protection, the average of 65 DDoS attacks defended per day (high intensity attacks) stands out.

In terms of compliance, the scenario is increasingly demanding. Hence, CTT is directly targeted by the NIS2 (Network and Information Systems) directive as an important entity in the provision of critical services and is targeted by the DORA (Digital Operational Resilience Act) regulation as a financial entity (Banco CTT and Payshop), as well as a third party providing critical ICT services to financial entities (internal and external).

From the outset, CTT adopted a reference framework for information security (NIST - CSF - National Institute of Standards and Technology - Cybersecurity Framework), making it possible to establish the functions and processes for information security management. During 2024 there were many achievements around the core pillars of the framework, of which the following stand out:

Govern

- **Governance model, policy and regulations for information security:** definition, approval and dissemination
- **Security incidents**: implementation of typology and definition of SLAs
- **Vulnerability management:** setting up a process

Identify

- ***Active Directory and* Office 365**: definition and implementation of the remediation roadmap
- **Vulnerability management platform:** acquisition and setup
- **NIS2 e DORA**: assessment of gaps
- **Gestão de identidades**: implementation of a technological solution

Proteger

- **Training and awareness-raising:** information sharing, courses and campaigns to simulate phishing and malware attacks
- **Integrated/federated authentication:** for critical applications: *SAP HANA (cloud), R3, Success Factor e Ariba*
- **External pentesting**: implementation of a remediation plan

Detect

- **Security events:** increased capacity for handling and customising use cases
- **Detection capacity:** massification of detection solution (XDR) on managed assets (end-point, servers and network)

Respond

- **SOC:** market enquiry for contracting specialised security services
- **Automated response**: customisation of playbooks

Recover

- **Ciphers:** discontinuation of Microsoft protocols
- **Legacy assets:** technological renewal of network assets

Through these initiatives, CTT has reinforced its commitment to strengthening its cybersecurity activity in order to minimise risk and increase the security posture of the CTT Group, as well as protecting and managing corporate information.

Training and awareness-raising, policies and controls are a means of reaching a higher stage in which we want cybersecurity to become an integral part of CTT's culture.

5.5.3 Business transformation

Development of the offer and technological innovations

The transformation of the CTT Group's business is a continuous and strategic process, driven by the need to adapt to changes in the market and consumers. CTT has invested in diversifying its service offer, expanding into the areas of e-commerce, financial solutions and digital services, seeking to innovate and improve the customer experience.

The CTT Group has thus evolved from a traditional postal company to an integrated service provider with a more diversified, innovative and sustainable business model.

Innovation is at the heart of the CTT's transformation process, through the modernisation of infrastructures and the implementation of new technologies, which result in greater efficiency and speed in the services provided; and the integration of advanced logistics solutions, making it possible to keep up with global trends and respond to the needs of an increasingly dynamic and competitive market, strengthening the CTT Group's position in the market and improving the customer experience.

Thus, CTT integrates transformation and innovation into various areas of activity, namely the development of new products and services, the development of innovation and operational efficiency and the development of corporate innovation tools.

IRO	Principais ações desenvolvidas e/ou planeadas	Objetivo esperado das ações	Meta associada
Increasing competitiveness and revenues by developing the offer and creating new business lines Dependence on services and customers for revenue protection Investment in innovative projects to strengthen CTT's offer, improve the customer experience and increase operational efficiency Increasing the speed of innovation and transformation cycles	Development of new products and services Development of operational and corporate innovation Development of corporate innovation tools	Increase market competitiveness Increase customer satisfaction and experience Modernise and optimise logistics operations, increasing market competitiveness and customer experience	Increased revenue from new products and services Increased productivity and lower operating costs Optimising information systems to promote operational efficiency and innovation Increased customer satisfaction

Creation of new products and services

During the reporting period, CTT developed its offer through the implementation of new products and services:

- Correio Inteligente (Smart Mail) - improves mail management through automated solutions such as Smart Sorter, increasing efficiency and reducing operating costs;
- Nova Via CTT - a digital platform that facilitates the management of letter mail and parcels, improving the customer experience and promoting the digitalisation of processes, accompanied by an analysis of the evolution of digital shipments;

- Envios Pack Expresso (Pack Expresso Shipments) - a range of products and services adjustable to different levels of consumption, promoting customer loyalty and revenue stability. In order to monitor the success of the offer, the company actively analyses the number of packs sold and used;

- Digital Savings on the App - allows customers to check their Savings Account balance and make subscriptions directly on the app, promoting the use of digital financial services. CTT monitors the success of this initiative through the evolution of the number of savings accounts in the CTT App;

- Portal Empresas (Enterprise Portal) - centralised platform for managing mailings and other corporate services, improving operational efficiency and corporate customer satisfaction, and its use is monitored in terms of the number of mailings generated through the portal;

- Locky lockers - allows CTT to offer new self-service services, diversifying its offer and attracting new customers. The convenience and efficiency provided by Locky lockers encourages more customers to use CTT post office services, resulting in an increase in revenue (shipments and drop-off), and its effectiveness is monitored by analysing the use of smart lockers, with the aim of reducing unwanted volumes in the post offices and increasing convenience for customers. The adoption of innovative technologies such as the Locky lockers positions CTT as a leader in the delivery solutions market, increasing the company's competitiveness. It should be noted that, by allowing the concentration of objects in a single location and reducing the need for multiple delivery attempts at customers' homes, lockers also help to minimize the carbon impact of the group (this effect is reflected in the European Taxonomy section for activity 6.5).

Also noteworthy is the launch, in partnership with the 360Hyper supermarket platform, of a refrigerated locker at the Campo Grande metro station in Lisbon. This is a click&collect locker for 360Hyper customers, with 22 doors, six of them refrigerated, allowing the storage of products that require controlled temperature.

Through Locky, the CTT Group currently has the largest network of smart lockers in Portugal (more than 1,000), both public, click&collect and corporate, located at various points from north to south, namely at intermodal transport platforms, shopping centres, university campuses, physical retail chains, or in the case of corporate lockers, at companies.

The adoption of innovative technologies such as Lockys positions CTT as a leader in the delivery solutions market, increasing the company's competitiveness.

- New generation letterboxes - Launch of the new generation of letterboxes which transform the letterboxes into authentic self-service shops available 24 hours a day.

  These structures will make it possible to receive and send parcels in the integrated Locky locker, buy postal products through a vending machine and, of course, will continue to allow letter mail to be placed in the postal receptacle, while communicating the news of the CTT universe on the two screens.

- Easy Returns (Labeless) - easy returns in all situations involving private customers, the main feature of which is to improve the customer experience by harmonising the capabilities of the various Delivery Point networks (CTT post offices, CTT Agencies, Lockers, Payshops);

- Super Experiences - super app, in terms of the Digital B2C experience, CTT continued to develop in order to digitalise its offer for private customers, particularly with regard to financial services, such as digital savings and access to integrated solutions (Via CTT). In terms of the B2B digital experience, the super portal continued to be developed in order to create a single mail and express portal for business customers;

- Self-Service Programme - a comprehensive initiative aimed at improving the customer experience through various simple self-service functionalities. It includes mail collection, stamp sales and the use of self-service equipment such as lockers, vending machines and printers. The aim is to ensure a uniform and autonomous experience for customers in various parts of the country, involving the adaptation and integration of different components of mail products and services, as well as the digitisation of processes such as the acceptance of regisered mail and ordinary/priority mail.

  This programme is monitored by analysing customer satisfaction through surveys and at the different points of contact, reducing waiting times in post offices, using lockers, vending machines and self-service printers, as well as increasing revenue and expanding margins by implementing new features and services.

Operational and corporate innovation

- Data Capture - Data capture is an essential technology for optimising operations and logistics, allowing information to be collected and analysed in real time with high precision. Through solutions such as sensors, barcode readers, RFID and computer vision, it is possible to increase traceability, improve process quality and speed up processing times. Thus, the customer experience is not changed directly, but benefits indirectly with faster and more accurate deliveries.

  This approach guarantees more efficient management of operations, increasing productivity and reducing costs. In addition, it could contribute to revenue by supporting new products such as ''Smart Mail''. To materialise it, there are associated capital expenses related to the acquisition of sensors, advanced reading equipment and computer vision systems, as well as the need for strategic partnerships with technology specialists to speed up the development and integration of solutions.

- Artificial Intelligence - CTT uses artificial intelligence to increase the efficiency of internal processes and improve the customer experience, such as the Helena ChatBot for Modern Channels customer service.

  The Helena Chatbot is powered by Generative Artificial Intelligence (ChatGPT) and based on Microsoft Azure OpenAI technology, making it possible to provide real-time assistance, a more personalised interaction with greater scope for dynamics, bringing it closer to a conversation between the customer and the assistant (question and answer).

  Helena takes advantage of an entire knowledge base that goes from the website to other internal documents, as well as being linked to internal software that allows specific and up-to-date information to be shared with the customer, in order to reduce the abandonment rate and increase the deflection rate.

  CTT is preparing to adapt the response to make it available in more languages, such as English, French and Spanish, with the expectation of realising 5,000 contacts answered through virtual channels.

  With the development of Predict, it will be possible to obtain increasingly accurate time windows for the delivery of items, contributing to customer satisfaction. Mail counting on sorting cases can also be applied to other similar processes with a view to optimising them.

  The use of Generative Artificial Intelligence will allow CTT to meet the needs of its customers, offering them options that are more suited to their profile, while also enabling transactionality at the time of contact.

  The Company also plans to develop an internal chatbot, where employees can ask and receive a response to any question.

- Telemetry and Full Traceability - The Internet of Things IoT can be used to guarantee telemetry and full traceability throughout the logistics chain, enabling the collection and analysis of real-time data on the status, location and transport conditions of goods. This approach improves asset and resource management, optimises operational efficiency and offers added-value services to municipalities and companies, promoting sustainability and convenience for citizens.

  CTT is carrying out pilot initiatives in partnership with Universities and Startups, using IoT sensors and devices to collect detailed data on the location and status of logistics assets, such as smart lockers and vehicles. These initiatives, which are part of the PRR Route25 and Be.Neutral Mobilising Agendas, enable continuous (end-to-end) tracking and control of critical assets, creating the basis for a more transparent and effective logistics operation.

  For customers (municipalities, companies and consumers), the IoT solution offers full traceability through centralised dashboards that display transport status, location and delivery forecasts in real time. This data enables quick and informed actions, supporting more effective logistics decisions and ensuring greater confidence in the services provided.

  This solution will directly impact CTT's operations and logistics, by improving the efficiency and traceability of operations; municipalities and companies in the B2B segment, interested in advanced logistics services with full visibility of assets and shipments; and end consumers, who benefit from greater transparency and predictability in services.

  Implementation of the solution will initially focus on strategic cities and the main national logistics centres, with the possibility of expanding to Iberian and international operations. The investment will include capital expenditure, such as the acquisition of IoT devices and network infrastructure, as well as strategic partnerships with startups, universities and technology companies.

- Automation and Robotics - allow for greater efficiency, cost reduction and improvements in the accuracy and speed of processes. From the use of robots in warehouses to the automation of sorting and tracking processes, these technologies offer powerful solutions for optimising logistics and operations, increasing competitiveness and responsiveness to market demands.

  CTT has already implemented and is implementing pilot initiatives and automation and robotics projects in several critical areas, which include robotic solutions for consolidating packages in sorting, autonomous movement of rolling cages, to improve organisation and efficiency in delivery offices; collaborative robots to support postmen during delivery routes; and automation of the placement of express items in containers, eliminating manual tasks and optimising processes.

  Automation and robotics are integrated directly into operational flows, replacing manual tasks with automated systems and reducing physical effort for operators. It also has an indirect impact on customers by improving their e-commerce experience through faster, more efficient and higher quality services.

  CTT also plans to expand automation in delivery offices, increasing the number of robots and automated systems; collaborate with startups and universities to develop new technological solutions; and explore new models of collaborative robots for logistics support and intelligent sorting, to increase efficiency and improve working conditions.

  In order to implement these solutions, the CTT Group invests in technology and its infrastructures in order to adapt the logistics centres to support the implementation of these solutions; and develops partnerships with academic institutions and startups and training actions to enable the teams to use these systems.

- Iberian Platform - a planned initiative aimed at unifying and optimising a single architecture for information systems, operations and processes between Portugal and Spain. The project involves the integration of systems and processes to guarantee efficient, high-quality operations

in both countries, through a single IT architecture, unification of Iberian data, operational KPIs, customer and incident management, marketing solutions, among others.

- Smart Systems - a solution developed by CTT that covers the entire End2End process, comprising three main components, all dedicated to improving the productivity and quality of service of operational processes in the first and last mile:
  - Smart Sorting: Capacity management by means of a decision algorithm that makes it possible to autonomously and quickly manage the allocation of volumes to a given distribution network (own or by contractors);
  - Modico: Tool that supports manual sorting by capturing information from the item and sending it to the Smart System;
  - Mobi: Mobility solution that facilitates the management and execution of distribution activities.

Corporate innovation tools

- Culture of innovation (CTT 1520 INOV+ 1520 *Innovation Awards*) - Corporate platform for managing ideas, INOV+. During the reporting period, a PitchDay was held for selected ideas from the 13th cycle, in an initiative to promote the company's collaborative innovation culture. The launch of the 14th cycle of challenges was also carried out.

  Launch of the CTT 1520 Innovation Awards with a view to promoting awareness of the importance of Innovation, recognizing, distinguishing and rewarding the most relevant projects and/or initiatives in the context of the organisation's normal activity (through its employees), in the following three categories: Solutions, Products and Services, Internal Transformation and Environmental or Social Impact.

- Open innovation (CTT 1520 *Open Innovation*) - In 2024, CTT took part in the Open Innovation 'Emerging Tech' programme, organised by Unlimit; and in the Junitec innovation programme at the Instituto Superior Técnico, specifically in the Industry and Fintech verticals, which culminated in the Unicorn Day session. In this session, pitches from selected startups were presented to angel investors, venture capitalists and large companies, fostering innovation, collaboration and investment.

  Participation in an international open innovation program, dedicated to tMarketing Strategy and Innovation in Service Design, with ISCTE Business School and several international universities (Université Gustave Eiffel - Paris, France -, KISD TH Köln - Cologne, Germany - and Laurea University of Applied Sciences - Helsinki, Finland). Based on the challenge "Design an engaging Customer Journey for reusable packaging in e-commerce, through CTT's Super App", around 50 students from different academic specializations were brought together, divided into work groups, for an intensive one-week bootcamp. The result was the pitch of a set of magnificent innovative ideas that promised to benefit the customer journey and promote sustainability in the sector.

  Additionally, leading the 'Green Buildings & Mobility' vertical, CTT is focused on identifying technological solutions to accelerate innovation in the area of sustainable logistics, promoting the adoption of greener transport alternatives, as well as accelerating the transition to more sustainable buildings.

  With a base of mainly international start-ups, start-ups have emerged dedicated to topics as varied as autonomous driving support software, mini urban electric vehicles dedicated to the last mile, and even out-of-the-box solutions for drone deliveries.

On the green building solutions side, there were mainly projects to make the energy management of buildings more profitable, as well as advanced initiatives to harness solar energy.

- Investment funds - The CTT 1520 Innovation Fund (formerly known as the Techtree Fund) launched by CTT to support innovation activities in small and medium-sized enterprises and start-ups, participated in the funding round of two promising start-ups: Ubirider and Gofact.

  Ubirider is a Portuguese start-up responsible for developing a 'mobility as a service' (MaaS) platform, the Ubirider Platform, which allows transport and mobility operators to digitally manage all aspects of their business with real-time information.

  The platform also includes a mobile application, Pick, which allows travellers to plan multimodal journeys, pay the associated fares and, when on the move, have support based on contextual information, also in real time.

  GoFact is a start-up that develops integrated management solutions for companies and individuals, providing greater efficiency and democratisation of financial and document management processes.

- Research incentive programmes - In the reporting period, execution continued on the three RRP Mobilising Agendas in which CTT participates - Produtech R3, Route 25, Be.Neutral; as well as the submission CTT Group's SIFIDE application for the 2023 tax year. The application was approved and the execution of a RRP Test Bed was launched, in which CTT participates in a consortium to test circular economy processes and reusable packaging.

- Participation in European innovation networks and associations - CTT continued to take part in various initiatives organised by COTEC and the BRP Association. As part of the latter, in the field of Intellectual Capital, the dynamisation of the Working Group dedicated to Innovation stands out, with particular emphasis on promoting the theme of Business Doctorates. The role of chair of PostEurop's Innovation Forum continued.

06

Corporate Governance

6. Corporate Governance Report[86]

TABLE OF CONTENTS

PART I – INFORMATION ON SHAREHOLDER STRUCTURE, ORGANISATION AND CORPORATE GOVERNANCE **185**

6.1 SHAREHOLDER STRUCTURE **185**

6.1.1 Capital Structure **185**

1. Capital Structure (share capital, number of shares, distribution of capital among shareholders, etc.), including an indication of shares not admitted to trading, different classes of shares, rights and duties of same and the capital percentage that each class represents (Art. 29-H(1)(a)) 185
2. Restrictions on the transfer of shares, such as clauses on consent for disposal, or limits on the ownership of shares (Art. 29-H(1)(b)) 187
3. Number of own shares, the percentage of share capital that it represents and corresponding percentage of voting rights that corresponded to own shares (Art. 29-H(1)(a)) 187
4. Important agreements to which the company is a party and that come into effect, are amended or terminated in cases such as a change in the control of the company after a takeover bid, and the respective effects, except where due to their nature, the disclosure thereof would be seriously detrimental to the company; this exception does not apply where the company is specifically required to disclose said information pursuant to other legal requirements (Art. 29-H(1)(j)) 188
5. A system that is subject to the renewal or withdrawal of countermeasures, particularly those that provide for a restriction on the number of votes capable of being held or exercised by only one shareholder individually or together with other shareholders 189
6. Shareholders' agreements that the company is aware of and that may result in restrictions on the transfer of securities or voting rights (Art. 29-H(1)(g)) 189

6.1.2 Shareholdings and bonds held **189**

7. Details of the natural or legal persons who, directly or indirectly, are holders of qualifying holdings (Art. 29-H(1)(c) & (d) and Art. 16), with details of the percentage of capital and votes attributed and the source and causes of the attribution 189
8. A list of the number of shares and bonds held by members of the management and supervisory boards. [NOTE: the information should be provided so that art. 447(5) of the PCC is complied with] 190
9. Special powers of the Board of Directors, especially as regards resolutions on the capital increase (Art. 29-H(1)(i)) with an indication as to the allocation date, time period within which said powers may be carried out, the upper ceiling for the capital increase, the amount already issued pursuant to the allocation of powers and mode of implementing the powers assigned 191
10. Information on any significant business relationships between the holders of qualifying holdings and the company 191

6.2 CORPORATE BODIES AND COMMITTEES **191**

6.2.1 General Meeting **191**

11. Details and position of the members of the Presiding Board of the General Meeting and respective term of office (beginning and end) 191
12. Any restrictions on the right to vote, such as restrictions on voting rights subject to holding a number of percentage of shares, deadlines for exercising voting rights, or systems whereby the financial rights attaching to securities are separated from the holding of securities (article 29-H(1)(f)) 192
13. Maximum percentage of voting rights that may be exercised by a single Shareholder or by Shareholders related to the former in any of the ways set out in article 20(1) of the Portuguese Securities Code 192
14. Shareholder resolutions for which the Articles of Association require a qualified majority, in addition to those stipulated by law 192

6.2.2 Management and Supervision **193**

15. Details of corporate governance model adopted 193
16. Articles of association rules on the procedural requirements governing the appointment and replacement of members of the Board of Directors, the Executive Board and the General and Supervisory Board, where applicable. (Article 29-H(1)(h)) 193

[86] References to points and Parts in this chapter 6 (part I – Information on shareholder structure, organisation and corporate governance, Points 1 to 92 and Part II – Assessment of Corporate Governance) should be considered within chapter 5.2 itself, unless expressly stated otherwise.

17. Composition of the Board of Directors, the Executive Board and the General and Supervisory Board, where applicable, with articles of association's minimum and maximum number of members, duration of term of office, number of effective members, date when first appointed and end of the term of office of each member 194

18. Distinction to be drawn between executive and non-executive directors and, as regards non-executive members, details of members that may be considered independent, or, where applicable, details of independent members of the General and Supervisory Board 195

19. Professional qualifications and other relevant curricular information of each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable 196

20. Customary and meaningful family, professional or business relationships of members of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, with shareholders that are assigned qualifying holdings that are greater than 2% of the voting rights 198

21. Organisational charts or flowcharts concerning the allocation of powers between the various corporate boards, committees and/or departments within the company, including information on delegating powers, particularly as regards the delegation of the company's daily management 199

22. Availability and place where rules on the functioning of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, may be viewed 207

23. The number of meetings held and the attendance report for each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable 207

24. Indication of the governing bodies which are competent to carry out the assessment of the performance of the executive directors 208

25. Predetermined criteria for assessing the performance of the executive Directors 208

26. The availability of each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, and details of the positions held at the same time in other companies within and outside the group, and other relevant activities undertaken by members of these boards throughout the financial year 208

27. Details of the committees created within the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, and the place where the rules on the functioning thereof is available 209

28. Composition of the Executive Board and/or details of the Board Delegate/s, where applicable 209

29. Powers of each committee created and overview of the activities carried out in the exercise of those powers 209

6.2.3 Oversight 214

30. Details of the Supervisory Body representing the model adopted 214

31. Composition of the Supervisory Board, the Audit Committee, the General and Supervisory Board or the Financial Matters Committee, where applicable, with the articles of association's minimum and maximum number of members, duration of term of office, number of effective members, date of first appointment and date of end of the term of office for each member and reference may be made to the section of the report where said information already appears pursuant to paragraph 17 215

32. Details of the members of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, which are considered to be independent pursuant to Article 414(5) CSC and reference to the section of the report where said information already appears pursuant to paragraph 18 215

33. Professional qualifications of each member of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, and other important curricular information, and reference to the section of the report where said information already appears pursuant to paragraph 21 216

34. Availability and place where the rules on the functioning of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, may be viewed, and reference to the section of the report where said information already appears pursuant to paragraph 24 219

35. The number of meetings held and the attendance report for each member of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, and reference to the section of the report where said information already appears pursuant to paragraph 25 219

36. The availability of each member of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, indicating the positions held simultaneously in other companies inside and outside the group, and other relevant activities undertaken by members of these bodies throughout the financial year, and reference to the section of the report where such information already appears pursuant to paragraph 26 220

37. A description of the procedures and criteria applicable to the supervisory body for the purposes of hiring additional services from the external auditor 220

38. Other duties of the supervisory body and, where appropriate, the Financial Matters Committee 220

6.2.4 Statutory auditor 222

39. Details of the statutory auditor and the partner that represents same 222

40. State the number of years that the statutory auditor consecutively carries out duties with the company and/or group 223

41. Description of other services that the statutory auditor provides to the company 223

6.2.5 External Auditor 223

42. Details of the external auditor appointed in accordance with Article 8 and the partner that represents same in carrying out these duties, and the respective registration number at the CMVM 223

43. State the number of years that the external auditor and respective partner that represents same in carrying out these duties consecutively carries out duties with the company and/or group 223

44. Rotation policy and schedule of the external auditor and the respective partner that represents said auditor in carrying out such duties 224

45. Details of the Board responsible for assessing the external auditor and the regular intervals when said assessment is carried out 224

46. Details of services, other than auditing, carried out by the external auditor for the company and/or companies in a control relationship and an indication of the internal procedures for approving the recruitment of such services and a statement on the reasons for said recruitment 224

47. Details of the annual remuneration paid by the company and/or legal entities in a control or group relationship to the auditor and other natural or legal persons pertaining to the same network and the percentage breakdown relating to the following services (For the purposes of this information, the network concept results from the European Commission Recommendation No. C (2002) 1873 of 16 May) 225

6.3 INTERNAL ORGANISATION 225

6.3.1 Articles of Association 225

48. The rules governing amendment to the articles of association (Article 29-H(1)(h)) 225

6.3.2 Reporting irregularities (whistleblowing) 226

49. Reporting means and policy on the reporting of irregularities in the company 226

6.3.3 Internal control and risk management 228

50. Individuals, boards or committees responsible for the internal audit and/or implementation of the internal control systems 228

51. Details, even including organisational structure, of hierarchical and/or functional dependency in relation to other boards or committees of the company 229

52. Other functional areas responsible for risk control 229

53. Details and description of the major economic, financial and legal risks to which the company is exposed in pursuing its business activity 229

54. Description of the procedure for identification, assessment, monitoring, control and risk management 229

55. Core details on the internal control and risk management systems implemented in the company regarding the procedure for reporting financial information (Article 29-H(1)(l)) 229

56. Department responsible for investor assistance, composition, functions, the information made available by said department and contact details 230

57. Market Liaison Officer 230

58. Data on the extent and deadline for replying to the requests for information received throughout the year or pending from preceding years 230

6.3.4 Website 231

59. Address(es) 231

60. Place where information on the firm, public company status, headquarters and other details referred to in Article 171 of the Commercial Companies Code is available 231

61. Place where the articles of association and regulations on the functioning of the boards and/ or committees are available 231

62. Place where information is available on the names of the members of governing bodies, the market relations representative, the investor relations office or equivalent structure, their respective duties and contact details 231

63. Place where the documents are available and relate to financial accounts reporting, which should be accessible for at least five years and the half-yearly calendar on company events that is published at the beginning of every six months, including, inter alia, general meetings, disclosure of annual, half-yearly and where applicable, quarterly financial statements 231

64. Place where the notice convening the general meeting and all the preparatory and subsequent information related thereto is disclosed 231

65. Place where the historical archive on the resolutions passed at the company's General Meetings, share capital and voting results relating to the preceding three years are available 231

6.4 REMUNERATION 232

6.4.1 Power to establish 232

66. Details of the powers for establishing the remuneration of corporate boards, members of the executive committee or chief executive and directors of the company 232

6.4.2 Remuneration Committee 232

67. Composition of the remuneration committee, including details of individuals or legal persons recruited to provide services to said committee and a statement on the independence of each member and advisor 232

68. Knowledge and experience in remuneration policy issues by members of the Remuneration Committee 233

6.4.3 Remuneration structure 234

69. Description of the remuneration policy of the Board of Directors and Supervisory Boards as set out in Article 2 of Law No. 28/2009 of 19 June 234

70. Information on how remuneration is structured so as to enable the aligning of the interests of the members of the board of directors with the company's long-term interests and how it is based on the performance assessment and how it discourages excessive risk taking 236

71. Reference, where applicable, to there being a variable remuneration component and information on any impact of the performance appraisal on this component 239

72. The deferred payment of the remuneration's variable component and specify the relevant deferral period 241

73. The criteria whereon the allocation of variable remuneration on shares is based, and also on maintaining company shares that the executive directors have had access to, on the possible share contracts, including hedging or risk transfer contracts, the corresponding limit and its relation to the total annual remuneration value 242

74. The criteria whereon the allocation of variable remuneration on options is based and details of the deferral period and the exercise price 243

75. Main parameters and grounds of any annual bonus scheme and any other non-cash benefits 244

76. Key characteristics of the supplementary pensions or early retirement schemes for directors and state date when said schemes were approved at the general meeting, on an individual basis 244

6.4.4 Disclosure of remuneration 245

77. Details on the amount relating to the annual remuneration paid as a whole and individually to members of the company's board of directors, including fixed and variable remuneration and as regards the latter, reference to the different components that gave rise to same 245

78. Any amounts paid, for any reason whatsoever, by other companies in a control or group relationship, or are subject to a common control 248

79. Remuneration paid in the form of profit sharing and/or bonus payments and the reasons for said bonuses or profit sharing being awarded 248

80. Compensation paid or owed to former executive directors concerning contract termination during the financial year 249

81. Details of the annual remuneration paid, as a whole and individually, to the members of the company's supervisory board for the purposes of Law No. 28/2009 of 19 June 249

82. Details of the remuneration in said year of the Chairman of the Presiding Board to the General Meeting 249

6.4.5 Agreements with remuneration implications 249

83. The envisaged contractual restraints for compensation payable for the unfair dismissal of directors and the relevance thereof to the remunerations' variable component 249

84. Reference to the existence and description, with details of the sums involved, of agreements between the company and members of the board of directors and managers, pursuant to Article 29-R(3) of the Securities Code that envisages compensation in the event of resignation or unfair dismissal or termination of employment following a takeover bid (Article 29-H(1)(k)) 250

6.4.6 Share-Allocation and/or Stock Option Plans 250

85. Details of the plan and the number of persons included therein 250

86. Characteristics of the plan (allocation conditions, non-transfer of share clauses, criteria on share-pricing and the exercising option price, the period during which the options may be exercised, the characteristics of the shares or options to be allocated, the existence of incentives to purchase and/or exercise options) 250
87. Stock option plans for the company employees and staff 250
88. Control mechanisms provided for in any employee-share ownership scheme in as much as voting rights are not directly exercised by those employees (Article 29-H(1)(e)) 253
6.5 TRANSACTIONS WITH RELATED PARTIES 253
6.5.1 Control mechanisms and procedures 253
89. Mechanisms implemented by the Company for the purpose of controlling transactions with related parties 253
90. Details of transactions that were subject to control in the referred year 254
91. Procedures and criteria applicable to the supervisory body when same provides preliminary assessment of the business deals to be carried out between the company and the holders of qualifying holdings 255
6.5.2 Data on business deals 255
92. Place where the financial statements including information on business dealings with related parties are available, in accordance with IAS 24 255
PART II – CORPORATE GOVERNANCE ASSESSMENT 256

Part I – Information on shareholder structure, organisation and corporate governance

6.1 SHAREHOLDER STRUCTURE

6.1.1 Capital Structure

1. Capital Structure (share capital, number of shares, distribution of capital among shareholders, etc.), including an indication of shares not admitted to trading, different classes of shares, rights and duties of same and the capital percentage that each class represents (Art. 29-H(1)(a))

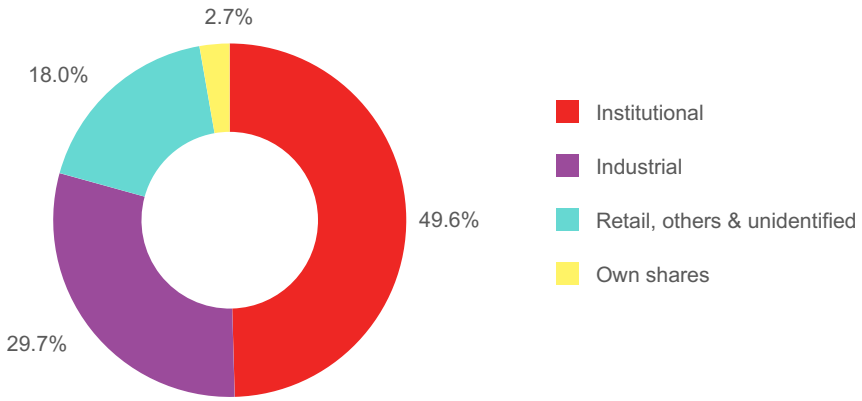
CTT's share capital is €69,220,000.00, fully paid-up and underwritten, being represented by 138,440,000 ordinary (there are no different categories), registered, book-entry shares with nominal value of €0.50 each, listed for trading on the regulated market managed by Euronext Lisbon - Sociedade Gestora de Mercados Regulamentados, S.A. ("Euronext Lisbon").

Characterisation of the capital structure

As in previous years, a study was conducted, based on information provided by Interbolsa with reference to 31 December 2024, aimed at characterising CTT's capital structure.

With regard to the **profile of CTT's investors**, the study identified 151 institutional shareholders holding around 50% of the Company's share capital, two industrial shareholders who held approximately 30%, while around 18% was held by retail and other investors. As at the end of December 2024, 2.7% of the share capital was made up of the Company's own shares, as can be seen in the following graph:

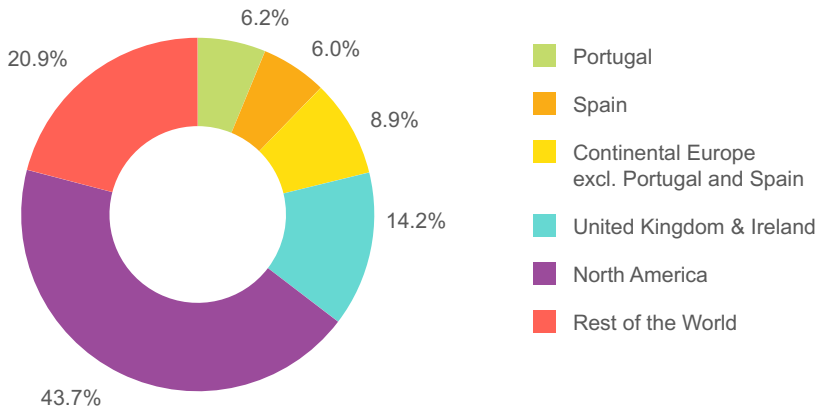
CAPITAL STRUCTURE BY INVESTOR PROFILE



As far as the **geographical breakdown** is concerned, according to the same survey, CTT's institutional shareholder base was predominantly located in North America (44%), followed by the European countries, including **Portugal and Spain** and the United Kingdom, which together accounted for around

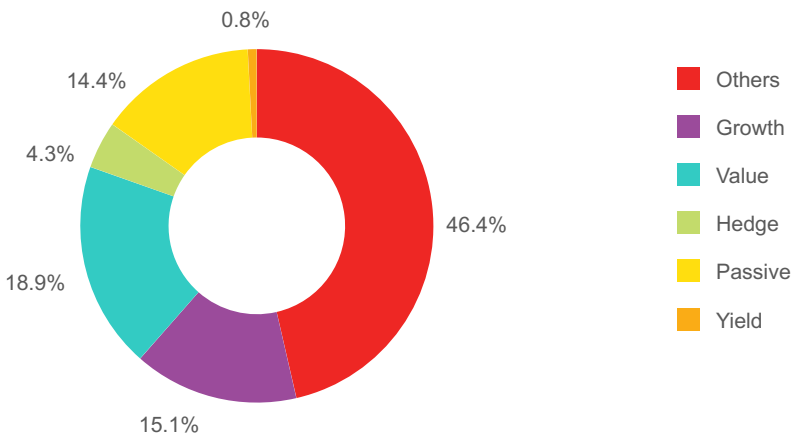
35% of the Company's institutional shareholder base. Some 21% of this shareholder base was dispersed throughout the rest of the world. This geographical breakdown is illustrated in the following graph:

GEOGRAPHICAL BREAKDOWN - INSTITUTIONAL INVESTORS



The study also included an analysis of CTT's institutional shareholder composition by **investment strategy**. According to this analysis, at the end of 2024, institutional investors with a Value investment strategy accounted for approximately 19%, followed by investors with a Growth strategy that accounted for around 15%. Passive investors represented more than 14%. Investors with Alternative and Deep Value strategies accounted for approximately 6% each and those following a Growth strategy accounted for just over 4% of institutional investment in CTT. Institutional investors with other investment strategies accounted for just over 16%, as illustrated graphically below:

INVESTMENT STRATEGY - INSTITUTIONAL INVESTORS



Finally, the study demonstrated that, at the end of 2024, the 10 largest CTT shareholders (including institutional and industrial) held circa 61% of the Company's capital, compared to 52% at the end of 2023, while the 25 largest held more than 71%. At the end of 2023, this percentage was 60%.

2. Restrictions on the transfer of shares, such as clauses on consent for disposal, or limits on the ownership of shares (Art. 29-H(1)(b))

CTT shares are **not subject to any limitations** (whether statutory or legal) regarding their transfer or ownership, in compliance with **Recommendation III.3. of the IPCG Governance Code ("IPCG Code")**.

Although CTT's shares are freely transferable, their acquisition implies, as of the commercial registration date of Banco CTT (a credit institution majority-owned by CTT), **compliance with the legal requirements on direct or indirect qualified shareholdings** established in the Legal Framework of Credit Institutions and Financial Companies laid down in Decree-Law No. 298/92, of 31 December, in its current version, in particular in the articles 102 and 104.

3. Number of own shares, the percentage of share capital that it represents and corresponding percentage of voting rights that corresponded to own shares (Art. 29-H(1)(a))

As at 31 December 2023, CTT had a share buyback programme underway, which began on 26 June 2023 with the purpose of reducing share capital, by cancelling its own shares, whereby it had acquired 3,031,168 shares. At that date, CTT also held 1,388,132 shares, acquired under the share buyback programme which began on 18 May 2021 and ended on 22 June 2021, with the aim of acquiring own shares to implement the stock option plans for Directors and top Managers. The total number of own shares held as at 31 December 2023 was therefore 4,409,300 shares, corresponding to 3.06% of CTT's share capital, with all the inherent rights being suspended by force of the provisions of article 324(1)(a) of the Portuguese Companies Code ("PCC"), with the exception of the right to receive new shares in the event of a capital increase by incorporation of reserves.

The share buyback programme initiated on 26 June 2023 was concluded on 9 May 2024, whereby the Company acquired a total of 5,475,000 shares, representing 3.80% of CTT's share capital, which were cancelled under the share capital reduction decided at the Annual General Meeting held on 23 April 2024 and entered in the Commercial Registry Office on 17 July 2024. As a result of this reduction, CTT's share capital totalled € 69,220,000.00, represented by 138,440,000 shares with a nominal value of €0.50 per share, and article 4, paragraphs 1 and 2 of the Company's Articles of Association were consequently amended.

In May 2024, CTT handed over 90,086 shares to the Directors and top Managers covered by the stock option plans, approved for the 2020/2022 term of office, and consequently held 1,288,046 of its own shares.

On 19 July 2024, the Company approved the implementation of a new share buyback programme amounting to the overall value of €25,000,000.00, equivalent to 4.01% of CTT's market capitalisation[87]. This programme, to be implemented over the following 12 months, aims to repurchase a maximum of 8,500,000 shares, representing a maximum nominal value of €4,250,000.00, corresponding to 6.14% of the share capital, with the sole objective of reducing the share capital by the same amount through the cancellation of the own shares acquired.

On 22 July 2024, CTT started trading in the context of the share buyback programme with JB Capital Markets, S.V., S.A.U. as the financial intermediary in charge of the execution of said programme. The transactions carried out under this programme from 22 July 2024 until 13 March 2025, the date of the most recent communication to the market on the subject, are detailed in Annex II of this Report.

[87] With reference to the closing price registered in the regulated market of Euronext Lisbon on 18 July 2024.

A proposal to approve the reduction of the share capital by up to €4,250,000.00 for the purpose of releasing excess capital, through the cancellation of up to 8,500,000 shares representing up to 6.14% of the share capital already acquired or to be acquired under the aforementioned Buyback Programme, is to be submitted to the next General Meeting.

As at 31 December 2024, **CTT held,** 3.792.047 **own shares, with the nominal value of €0.50 each, corresponding to** 2.74% **of its share capital**.

As at 13 March 2025, the date of the most recent interim report on the transactions carried out in the context of the share buyback programme, **CTT held 5,122,661 own shares, with the nominal value of €0.50 each, corresponding to 3.70% of its share capital**, with all the inherent rights being suspended by force of the provisions of article 324(1)(a) of the Portuguese Companies Code, with the exception of the right to receive new shares in the event of a capital increase by incorporation of reserves.

4. Important agreements to which the company is a party and that come into effect, are amended or terminated in cases such as a change in the control of the company after a takeover bid, and the respective effects, except where due to their nature, the disclosure thereof would be seriously detrimental to the company; this exception does not apply where the company is specifically required to disclose said information pursuant to other legal requirements (Art. 29-H (1)(j))

As at 31 December 2024, and on the present date, the following contracts of strategic relevance to CTT were and are in force, with clauses related to change of control:

- The contract concluded on 20 September 2018 and renewed for a period of 5 years, with effect from 31 December 2023 with **Western Union Payment Services Network EU/EEA Limited ("Western Union")** and **Western Union Payment Services Ireland Limited ("WUPSIL")** for the provision of fund transfer services, which establishes the possibility of unilateral termination of the contract by Western Union in the event of a change of CTT's shareholder control;
- The three **contracts concluded on 18 November 2015 between CTT and Banco CTT** (institution which, with reference to 31 December 2024 and on the present date, is 91.29% owned by CTT and which exercises its activity through personal attendance in CTT's Retail Network), which regulate the **provision of means inherent to the Retail Network and CTT/Banco CTT partnership relative to the CTT Channel, the employer plurality regime adopted in the context of employment contracts with employees of the Retail Network and the provision of services between the parties (the latter was revoked and replaced with another contract in 2022)**, establishing the possibility, by initiative of any of the parties, of a renegotiation of the respective bargaining/financial balance, in good faith and based on normal market conditions, in case of the end of the controlling or group relationship or an event leading to CTT being controlled by a competitor of Banco CTT.

The aforesaid clauses constitute **normal market conditions in this type of contract** (especially for protection of the parties in the case of acquisition of control of the counterpart by competitors) **and neither seek nor are able to hamper the free transferability of CTT shares.**

On the other hand, the Company is **not a party of any other significant agreements which enter into force, are amended or cease (nor the respective effects) in the event of CTT's change of control following a takeover bid.**

No measures have been adopted, nor is CTT a party in any significant agreements that determine the requirement of payments or the undertaking of costs by the Company in the case of transition of control or change of composition of the governing body and which appear capable of hindering the free

transferability of CTT shares and the free appraisal by the shareholders of the performance of the members of the management body of CTT.

5. A system that is subject to the renewal or withdrawal of countermeasures, particularly those that provide for a restriction on the number of votes capable of being held or exercised by only one shareholder individually or together with other shareholders

The Articles of Association set no limits to the number of votes that may be held or exercised by a single Shareholder, individually or jointly with other Shareholders.

6. Shareholders' agreements that the company is aware of and that may result in restrictions on the transfer of securities or voting rights (Art. 29-H(1)(g))

The Company is **not aware of any shareholder agreements** regarding CTT, namely on matters of transfer of securities or voting rights.

6.1.2 Shareholdings and bonds held

7. Details of the natural or legal persons who, directly or indirectly, are holders of qualifying holdings (Art. 29-H(1)(c) & (d) and Art. 16), with details of the percentage of capital and votes attributed and the source and causes of the attribution

In accordance with the communications made to the Company, on 31 December 2024 the structure of the qualified holdings in CTT, calculated under the terms of article 20 of the Portuguese Securities Code ("PSC"), was as follows (notwithstanding changes disclosed to the market up to the date hereof and also identified in the table below):

Shareholders		Number of Shares	% Share Capital	% Voting Rights
Global Portfolio Investments, S.L. [1]		21,609,052	15.609%	15.609%
Indumenta Pueri, S.L. [1]	**Total**	**21,609,052**	**15.609%**	**15.609%**
Manuel Champalimaud, SGPS, S.A.		19,246,815	13.903%	13.903%
Manuel Carlos de Melo Champalimaud		500,185	0.361%	0.361%
Manuel Carlos de Melo Champalimaud	**Total**	**19,747,000**	**14.264%**	**14.264%**
Green Frog Investments Inc	**Total**	**13,500,000**	**9.752%**	**9.752%**
GreenWood Builders Fund I, LP [2]		9,762,000	7.051%	7.051%
GreenWood Investors LLC [2]	**Total**	**9,777,400**	**7.063%**	**7.063%**
CTT, S.A. (ações próprias)	**Total**	**3,792,047**	**2.739%**	**2.739%**
Restantes acionistas	**Total**	**70,014,501**	**50.574%**	**50.574%**
TOTAL		**138,440,000**	**100.000%**	**100.000%**

(1) Global Portfolio Investments, S.L. is controlled by Indumenta Pueri, S.L. On 11 February 2025, Indumenta Pueri, S.L. announced a reduction in its shareholding in CTT to 14.9975% of the Company's share capital (see the announcement of 14 February 2025 on the CTT website).

(2) GreenWood Investors, LLC, of which Steven Wood, Non-Executive Director of CTT, is Managing Member, exercises the voting rights not in its own name but on behalf of GreenWood Builders Fund I, LP as its management company. The full chain of controlled undertakings through which the voting rights are held includes GreenWood Investors, LLC and GreenWood Performance Investors, LLC. GreenWood Investors LLC's shareholding includes 15,400 shares directly held by Steven Duncan Wood.

8. A list of the number of shares and bonds held by members of the management and supervisory boards. [NOTE: the information should be provided so that art. 447(5) of the PCC is complied with]

The tables below show the number of shares held by the members of the managing and supervisory bodies who exercised functions in 2024, and still do as at the present date, and who are persons discharging managerial responsibilities according to Regulation (EU) No 596/2014, of 16 April ("Regulation EU"), as per communications made to the Company, as well as their closely related parties, including all their acquisitions, encumbrances or transfers of ownership, as follows:

Board of Directors[a]	Number of shares as at 31.12.2023	Date	Acquisition	Encumbrance	Disposal	Price (€)	Number of shares as at 31.12.2024
Raul Catarino Galamba de Oliveira [b]	40,000	31.07.2024 31.07.2024 31.07.2024 07.08.2024 07.08.2024 07.08.2024	2,604 1,236 1.160 2,912 1,272 816	---	---	4.1550[b] 4.1600[b] 4.1650[b] 4.1400[b] 4.1450[b] 4.1500[b]	50,000
João Afonso Ramalho Sopas Pereira Bento [c] [d]	51,907	10.05.2024 31.07.2024 31.07.2024 31.07.2024	20,407 1,000 1,000 1,000	---	---	0[c] 4.1300[d] 4.1650[d] 4.1900[d]	75,314
Guy Patrick Guimarães de Goyri Pacheco[c]	19,661	10.05.2024	11,661	---	---	0[c]	31,322
João Carlos Ventura Sousa[c]	12,097	10.05.2024	8,746	---	---	0[c]	20,843
Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	0	---	---	---	---	---	0
Steven Duncan Wood	15,400	---	---	---	---	---	15,400
Duarte Palma Leal Champalimaud	0	---	---	---	---	---	0
Jürgen Schröder	0	---	---	---	---	---	0
Margarida Maria Correia de Barros Couto	0	---	---	---	---	---	0
María del Carmen Gil Marín	0	---	---	---	---	---	0
Susanne Ruoff	1,200	---	---	---	---	---	1,200

(a) Includes the members of the Executive Committee and the Audit Committee.

(b) Acquisitions disclosed to the market in management transactions press releases of 31 July 2024 and 07 August 2024 available on CTT website.

(c) Acquisition as long-term variable remuneration. The closing price on Euronext Lisbon on the date of payment was € 4.38, as disclosed to the market in management transactions press releases of 15 May 2024 available on CTT website - CEO, CFO and CMO.

(d) Acquisitions disclosed to the market in a management transactions press release of 31 July 2024 available on CTT website.

Closely Related Parties	Number of shares as at 31.12.2023	Date	Acquisition	Encumbrance	Disposal	Price (€)	Number of shares as at 31.12.2024
Manuel Champalimaud SGPS, S.A. [a]	19.246.815	—	—	—	—	—	19.246.815
GreenWood Builders Fund I, LP [b]	9,762,000	—	—	—	—	—	9,762,000

(a) Entity closely related to Duarte Palma Leal Champalimaud, in which the Non-Executive Director of CTT is Member of the Board of Directors.

(b) Entity closely related to Steven Duncan Wood, Non-Executive Director and Managing Member of GreenWood Investors, LLC, management company of the GreenWood Builders Fund I, LP.

Statutory Auditor	Number of shares as at 31.12.2023	Date	Acquisition	Encumbrance	Disposal	Price (€)	Number of shares as at 31.12.2024
Ernst & Young Audit & Associados – SROC, S.A.	0	—	—	—	—	—	0
Luís Pedro Magalhães Varela Mendes	0	—	—	—	—	—	0
Rui Abel Serra Martins	0	—	—	—	—	—	0
Pedro Miguel Borges Marques [(a)]	0	—	—	—	—	—	0

[(a)] Alternate Statutory Auditor.

9. Special powers of the Board of Directors, especially as regards resolutions on the capital increase (Art. 29-H(1)(i)) with an indication as to the allocation date, time period within which said powers may be carried out, the upper ceiling for the capital increase, the amount already issued pursuant to the allocation of powers and mode of implementing the powers assigned

The powers attributed to the Board of Directors of CTT are described in point 21 of part I below. Statutorily, **there are no provisions attributing special powers to the Board of Directors regarding capital increases**, since this is a matter of the exclusive competence of the General Meeting.

10. Information on any significant business relationships between the holders of qualifying holdings and the company

There are no significant commercial relations between the Company and the holders of qualifying holdings during the 2024 financial year.

6.2 CORPORATE BODIES AND COMMITTEES

6.2.1 General Meeting

a) <u>Composition of the Presiding Board of the General Meeting</u>

11. Details and position of the members of the Presiding Board of the General Meeting and respective term of office (beginning and end)

Under the terms of article 10 of the Articles of Association of CTT, the Board of the General Meeting is composed of **a Chair and a Vice-Chair,** elected every 3 years at the General Meeting.

As at 31 December 2024, and currently, the composition of the Board of the General Meeting was, and is, as follows:

Members	Position	Term of office
Teresa Sapiro Anselmo Vaz Ferreira Soares	Chair	2023/2025
José Luís Pereira Alves da Silva	Vice-Chair	2023/2025

Pursuant to that same statutory provision, the members of the Board of the General Meeting are assisted by the Secretary of the Company, duties performed in 2024 and currently by Maria da Graça Farinha de Carvalho.

b) Exercise of voting rights

12. Any restrictions on the right to vote, such as restrictions on voting rights subject to holding a number of percentage of shares, deadlines for exercising voting rights, or systems whereby the financial rights attaching to securities are separated from the holding of securities (article 29-H(1)(f))

CTT's Articles of Association **do not provide for any limitations in terms of voting rights** or any systems detaching voting rights from ownership rights, so CTT considers, under **Recommendation III.1. of the IPCG Code**, the **sub-recommendation III.1.(1)** as complied with and **sub-recommendation III.1.(2)** as not applicable.

Pursuant to articles 7 and 8 of the Articles of Association, the right to vote at the General Meeting is given to shareholders who, on the **record date,** corresponding to 0 hours (GMT) of the 5th trading day prior to the General Meeting, hold at least **1 share**. Under these same provisions, for each share correspond 1 vote and the right to vote can be exercised by representation, correspondence or electronic means and can cover all the matters presented in the Notice to Convene. The exercise of the right to vote by any of these methods should be carried out under the terms and within the stipulated periods and through the mechanisms established in detail in the Notice to Convene in order to encourage shareholder participation.

In 2024, the General Meeting took place exclusively by telematic means through a remote visualisation and communication system. The shareholders could vote in advance by correspondence (e-mail or registered mail) or by electronic means (electronic voting platform), as well as during the General Meeting by electronic means, under the terms described in the Notice to Convene and in accordance with **Recommendations III.4. and III.5. of the IPCG Code**.

The Company also ensured that, both prior to and during the General Meeting, all the clarifications and information on the matters to be decided and the respective proposals requested by the shareholders were provided.

13. Maximum percentage of voting rights that may be exercised by a single Shareholder or by Shareholders related to the former in any of the ways set out in article 20(1) of the Portuguese Securities Code

CTT's Articles of Association **do not contain any limitation on percentage of voting rights** that may be exercised by a single shareholder or by shareholders related to the former in any of the ways set out in article 20(1) of the PSC.

14. Shareholder resolutions for which the Articles of Association require a qualified majority, in addition to those stipulated by law

CTT's Articles of Association **do not provide for qualified majorities** in order to pass resolutions beyond those prescribed by law.

6.2.2 Management and Supervision

a) Composition

15. Details of corporate governance model adopted

The Company has endorsed an **Anglo-Saxon type of governance model**. Its corporate bodies include the General Meeting, the Board of Directors, which is responsible for the Company's management, the Audit Committee and the Statutory Auditor, the last two being responsible for its supervision.

System of Checks and Balances

- The **General Meeting** has powers to: (i) elect the members of the corporate bodies (including the members of the Board of the General Meeting, the Board of Directors and the Audit Committee as well as the Statutory Auditor, the latter upon proposal of the Audit Committee), (ii) assess the annual report of the Board of Directors and the opinion of the Audit Committee, (iii) determine the allocation of profits and (iv) pass resolutions amending the Articles of Association.
- Under its management duties, the **Board of Directors** has delegated day-to-day management powers to an Executive Committee (see description in point 21 of part I below), whose action is supervised by the non-executive Directors, namely by the Corporate Governance and Risk Committee (formerly Corporate Governance, Evaluation and Nominating Committee) which is currently composed of four non-executive Directors, half of whom are independent, including the Chair who has a casting vote (when carrying out the duties referred to in the same point).
- The **Audit Committee** (composed of non-executive directors who are all independent), together with the **Statutory Auditor,** perform the duties of supervision that arise from the applicable legal and regulatory provisions, and is responsible namely for supervising the preparation and disclosure of financial information, promoting and monitoring the independence of the Statutory Auditor and the Company's internal audit, and for supervising the efficacy of the internal control systems, including risk management, compliance and internal audit (see description in point 38 of part I below).
- Furthermore, the **Remuneration Committee** (composed of members who are in the majority independent in relation to the management and elected by the General Meeting) is responsible for establishing the remunerations of the corporate bodies (see description in point 66 of part I below).

This governance model has enabled the consolidation of CTT's governance structure and practices, in line with the best national and international practices, promoting the effective performance of duties and coordination of the corporate bodies, the proper operation of a system of checks and balances and the accountability of its management to its Shareholders and other stakeholders.

16. Articles of association rules on the procedural requirements governing the appointment and replacement of members of the Board of Directors, the Executive Board and the General and Supervisory Board, where applicable. (Article 29-H(1)(h))

Pursuant to articles 9 and 12 of the Articles of Association, the General Meeting is entrusted with electing the members of the Board of Directors, by a majority of the votes cast by the shareholders present or represented (or by the most voted proposal in the event of several proposals), and one of the members of the Board of Directors can be elected from among persons proposed in lists submitted by groups of shareholders, provided that none of these groups holds shares representing more than 20% and less than 10% of the share capital.

The replacement of members of the Board of Directors is subject to the provisions of the PCC, as there is no provision in the Articles of Association on the matter. Under the terms of article 16 of the Articles of Association, it is provided for that the absence of a Director at more than 2 meetings of this body,

whether consecutive or interspersed, without a reason accepted by the Board of Directors, shall be deemed definitively absent and shall be replaced pursuant to the PCC.

No other procedural and substantive requirements are defined in the Company's Articles of Association for the purpose of appointment or replacement of members of the Board of Directors.

The criteria and requirements regarding the profile of new members of the corporate bodies are described in point 19 of part I below.

17. Composition of the Board of Directors, the Executive Board and the General and Supervisory Board, where applicable, with articles of association's minimum and maximum number of members, duration of term of office, number of effective members, date when first appointed and end of the term of office of each member

Pursuant to article 12 of the Articles of Association, the Board of Directors is composed of 5 to 15 members, for a 3 year, renewable, term of office under the applicable law.

As at 31 December 2024 and currently, the Board of Directors was, and is, composed of the following 11 Directors, **3 of whom are members of the Executive Committee**.

Members	Board of Directors	Executive Committee	Audit Committee	Independence [1]	Date of 1st Appointment [2]
Raul Catarino Galamba de Oliveira	Chair			Yes	29/04/2020
João Afonso Ramalho Sopas Pereira Bento	Member	Chair			20/04/2017
Guy Patrick Guimarães de Goyri Pacheco	Member	Member			19/12/2017
João Carlos Ventura Sousa	Member	Member			18/09/2019
Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	Member		Chair	Yes	20/04/2017
Steven Duncan Wood	Member				23/04/2019
Duarte Palma Leal Champalimaud	Member				19/06/2019
Jürgen Schröder	Member		Member	Yes	29/04/2020
Margarida Maria Correia de Barros Couto	Member				29/04/2020
María del Carmen Gil Marín	Member		Member	Yes	29/04/2020
Susanne Ruoff	Member			Yes	29/04/2020

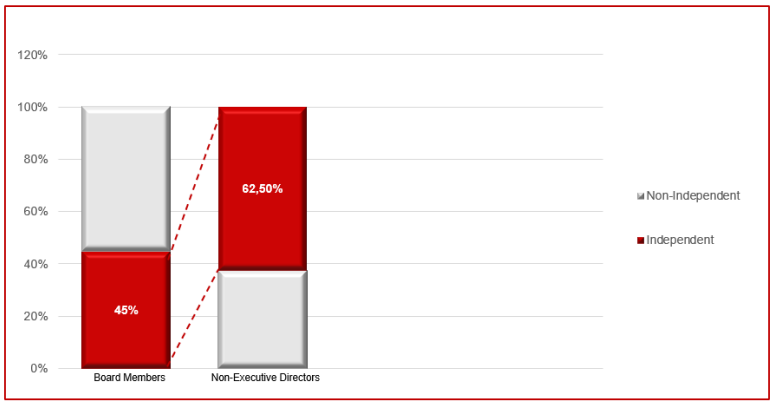
(1) The assessment of independence was conducted in accordance with the criteria defined in point 18.1 of Annex I of CMVM Regulation 4/2013, and the provisions of **Recommendation IV.2.4. of the IPCG Code**, as amended, and in Article 414(5) of the PCC for Non-Executive Directors who are members of the Audit Committee.

(2) The date of the first appointment to a management body at CTT is presented here.

18. Distinction to be drawn between executive and non-executive directors and, as regards non-executive members, details of members that may be considered independent, or, where applicable, details of independent members of the General and Supervisory Board

As at 31 December 2024, the Board of Directors was composed of **3 executive members and 8 non-executive members, including 5 independent members, among whom the Chairman of the Board of Directors**, according to the table in point 17 of part I above.

Forty-five percent (45%) of the total number of members of the Board of Directors and 62.5% of its non-executive members, are deemed independent, pursuant to the criteria defined in point 18.1 of Annex I of CMVM Regulation 4/2013 (and pursuant to international criteria and practices):



In order to assess the independence of the members of the Board of Directors and of its non-executive members, the criteria referred to in **Recommendations IV.2.4. and IV.2.5. of the IPCG Code** were also considered.

The Board of Directors includes a sufficient number of non-executive and independent members with a view to the efficient performance of the functions entrusted to them and appropriate to the size and complexity of the different sectors of activity and geographies in which the Company operates, thus contributing to the effective functioning and performance of the Board of Directors, as well as safeguarding the interests of all stakeholders.

Furthermore, the number of executive and non-executive members and, among these, the number of independent members, as identified in the table in point 17 of part I above, also allows for an effective supervision and evaluation of the executive performance, which the Company considers to be suited and balanced to its interests, and therefore it is considered that **Recommendations IV.2.2., IV.2.3. and IV.2.4. of the IPCG Code** are broadly complied with.

With a view to ensuring coordination and effectiveness in the performance of duties by the Non-Executive Directors, the Company has adopted, in addition to the mechanisms aimed at making the Executive Committee's supervision effective (see point 21.2 of part I below), the following procedures:

The Non-Executive Directors (including the members of the Audit Committee) may request:

a. From the Chair of the Board of Directors or from the Chair of the Executive Committee the provision of the necessary or convenient information to carry out their tasks, competences and duties, in particular, information relative to the competences delegated to the Executive Committee and its performance, the implementation of the budget, annual and multi-annual plans and the state of the management. This information should be provided in an appropriate and timely manner;

b. The presence at meetings of said bodies/committees of members of the corporate bodies, senior staff or other employees of the CTT Group, in articulation with the Executive Committee.

19. Professional qualifications and other relevant curricular information of each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable

CTT has revised its Diversity and Inclusion Policy, the updated version of which is available for consultation on the CTT website (www.ctt.pt), covering all employees, regardless of their affiliation to the Company, including members of corporate bodies. The promotion of an inclusive culture based on the principles of equal opportunities and non-discrimination, fairness, freedom and dignity of people is the main objective of this policy.

The general principles mentioned above are also reflected in the diversity policy and in the Terms of Reference applicable to the composition of the Board of Directors, approved by the Corporate Governance, Evaluation and Nominating Committee, which aim to ensure the implementation of transparent processes for selecting the Company's Directors, expressly providing for:

- Guidelines on the quantitative and qualitative composition of the Board of Directors and a Matrix of Skills; and

- Recommendations concerning the election of the members of the corporate bodies, which are based on the knowledge, experience, dedication, requirements on independence and incompatibilities, and merit of the candidates recommended for election or re-election.

The election of the members of the governing bodies for the current term of office took into account the diversity policy and the Terms of Reference indicated above, disclosed to the Shareholders in March 2023 and available for consultation on the CTT website (www.ctt.pt), allowing for adequate diversity within the management and supervisory bodies, as a crucial factor for the successful performance of the duties, namely in terms of:

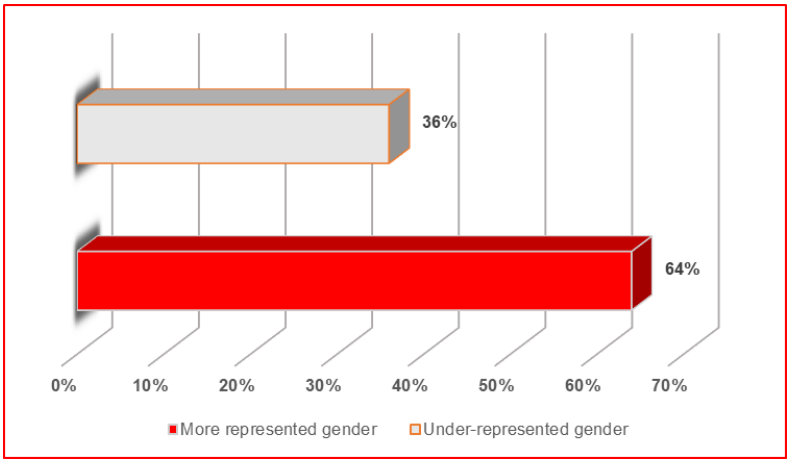
- Skills, knowledge, experience and diversity of gender;

- A suitable balance of ages and cultural background (arising, for example, from nationality and role in civil society, etc.);

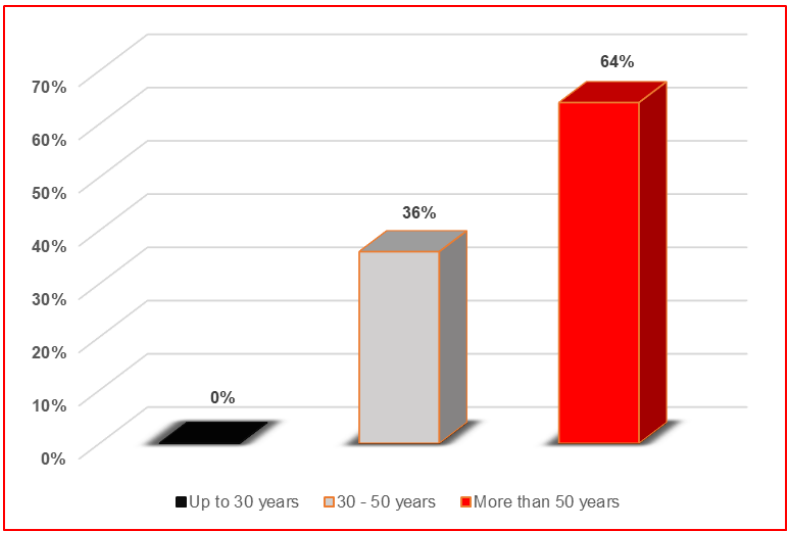
- Representation in these bodies of a diverse range of knowledge and academic experience - Leadership, Strategy and Management; Finance and Risk; Accounting and Audit; Sector/Industry (mail, express & parcels, financial services, banking); Legal and Regulations; Human Resources; Marketing/Commercial and Communication; Information and Technology Systems; Corporate Governance, Social Responsibility and Ethics - given the challenges CTT is faced with.

The graphs below present the result of this action by referring in this point to Annex I of this Report, where the curricula of the members of the Board of Directors of CTT are available for consultation. The graphs below highlight the following level of **diversity of this body in terms of gender, age, independence and professional background** as at 31 December 2024:

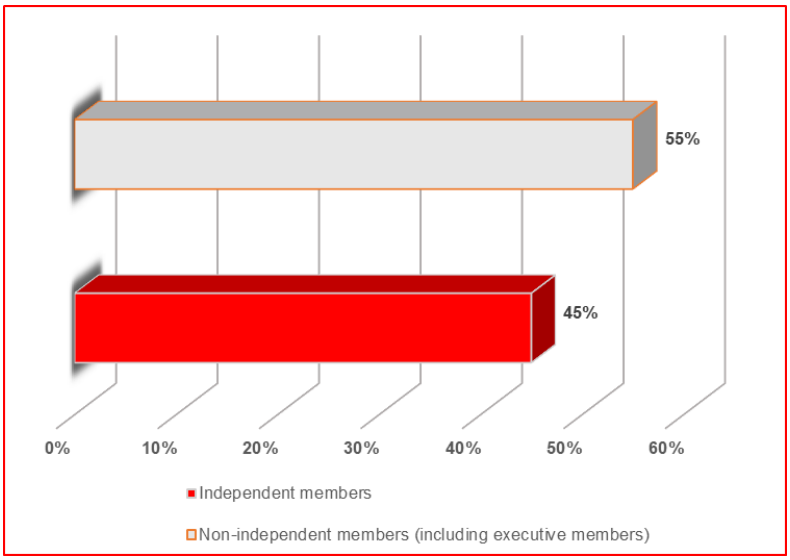
Gender
36% of Directors of the under-represented gender



Age
Average age of 55 years



Independence



Professional background
Balance of skills and relevant experience

20. Customary and meaningful family, professional or business relationships of members of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, with shareholders that are assigned qualifying holdings that are greater than 2% of the voting rights

The **Non-Executive Director** Duarte Palma Leal Champalimaud is the son of Manuel Carlos de Melo Champalimaud, to whom the qualified shareholding held in CTT by the company Manuel Champalimaud SGPS, S.A. is attributable. Additionally, he is a Member of the Board of Directors of the aforementioned company.

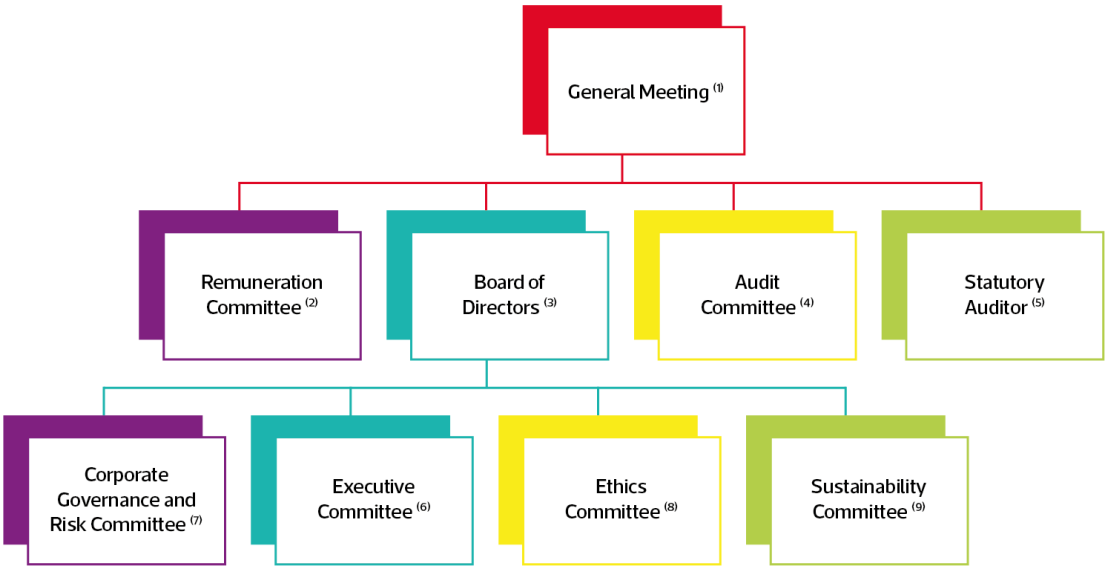
The **Non-Executive Director** Steven Duncan Wood is the founder and Managing Member of GreenWood Investors LLC, the management company of GreenWood Builders Fund I, LP, qualified shareholder of CTT.

The shareholder structure may be consulted at the CTT website (at www.ctt.pt).

Whether by reference to 31 December 2024 or to the present date, and except as provided for in the previous paragraphs, CTT has not been informed of the existence of any other regular and significant family, professional or business relationships of the members of the Board of Directors with Shareholders to whom a qualifying holding of more than 5% is attributable, as provided for in Article 16 of the PSC.

21. Organisational charts or flowcharts concerning the allocation of powers between the various corporate boards, committees and/or departments within the company, including information on delegating powers, particularly as regards the delegation of the company's daily management

As at 31 December 2024 and the present date, the powers of CTT's corporate bodies and committees were and are divided as follows, as further detailed in the points of Part I indicated below:



(1) See in particular the powers of the General Meeting described in point 15 above.

(2) See in particular the powers of the Remuneration Committee and its articulation with the Corporate Governance and Risk Committee described in points 15, 21.4. and 66 of this chapter.

(3) See in particular the powers of the Board of Directors described in point 21.1. of this chapter.

(4) See in particular the powers of the Audit Committee described in points 15, 37 and 38 of this chapter.

(5) See in particular the powers of the Statutory Auditor described in points 15 and 38 of this chapter.

(6) See in particular the powers delegated by the Board of Directors to the Executive Committee, as well as the committees supporting the Executive Committee, under the terms described in points 15, 21.2. and 21.3. of this chapter.

(7) See in particular the powers of the Corporate Governance and Risk Committee and its articulation with the Remuneration Committee described in points 15, 21.4. and 66 of this chapter.

(8) *See* in particular the duties of the Ethics Committee, described in point 21.5. of this chapter.

(9) *See* in particular the duties of the Sustainability Committee, described in point 21.6. of this chapter.

The composition of the corporate bodies and internal committees may be consulted on CTT's website (www.ctt.pt).

21.1 Board of Directors

The Board of Directors is the corporate body responsible for the Company's management and representation, under the legal and statutory terms, being entrusted to practice all acts and operations

relative to the corporate object that are outside the competence attributed to other bodies of the Company, under the terms defined in article 13 of the Articles of Association and in article 5 of its Regulations, which was reviewed and amended as approved at the meeting of the Board of Directors held on 13 February 2025.

Main powers of the Board of Directors

- Stipulate the strategic guidelines and risk profile of the CTT Group;
- Approve the objectives and main management and risk policies and the general aspects of the business structure of the CTT Group;
- Ensure the effectiveness of the internal control, risk management and internal audit systems of the CTT Group, annually assessing their compliance and approving the necessary adjustments;
- Approve the annual and multi-annual activity, strategic, investment and/or financial plans and the annual budgets of the CTT Group, as well as any amendments that prove necessary;
- Pass resolutions on relocations of registered offices and share capital increases or reductions, mergers, demergers and transformations and amendments to the Articles of Association to be submitted to the Company's General Meeting;
- Approve the annual, half-yearly and quarterly reports and accounts;
- Pass resolutions on the provision of bonds and personal or asset guarantees, as provided by law;
- Define, with the prior binding opinion of the Audit Committee, the procedure for approval, disclosure and verification of transactions with related parties and the conflicts of interest policy of the CTT Group;
- Establish the policies on selection and diversity and the standards of conduct enforced in the CTT Group;
- Present notices to convene the General Meetings of the Company;
- Co-opt Directors of the Company;
- Appoint the Company Secretary and his/her alternate;
- Annually assess the overall performance of the Board of Directors, its internal committees and members;
- Prepare the annual report on remuneration of the members of the management and supervisory bodies, or chapter in the annual report on corporate governance that replaces it, to be submitted annually for consideration by the General Meeting and to be disclosed on the Company's website.

Role of the Independent Chair of the Board of Directors

- Represent the Board of Directors in and out of court;
- Coordinate the activity of this body, allocating matters to Directors, when advisable for management purposes, and calling and chairing the respective meetings;
- Exercise the casting vote in the context of the Board of Directors' resolutions;
- Oversee the correct implementation of the Board of Directors' resolutions;
- Promote communication between the Company and all its stakeholders;
- Follow-up and consult the Executive Committee on the performance of the competences delegated thereto;
- Contribute to the effective performance of duties and powers by non-executive Directors and the internal committees of the Board of Directors, ensuring that their work is coordinated and that the necessary mechanisms are in place for them to receive, in a timely fashion, the appropriate information for them to make independent and informed decisions;
- Coordinate the assessment of the Board of Directors' performance with respect to compliance with the strategic guidelines and risk profile, the plans, budgets and internal control, risk management and internal audit systems of the CTT Group, and the overall performance of the Board of Directors, its internal committees and members.

The Board of Directors did not use, in the development of its activity, artificial intelligence mechanisms as a decision-making tool (either with a support function or with a consulting or replacement function, in the context of such decisions) for the purposes of **Recommendation VII.9. of the IPCG Code**.

21.2 Executive Committee

The Executive Committee discharges the powers delegated to it by the Board of Directors, as set out under article 13 of the Articles of Association and article 6 of the Regulations of the Board of Directors.

Matters of relevance for the strategic lines, general policies and structure of the CTT Group, as well as those that should be considered strategic due to their amount, risk or special characteristics, are excluded from the aforesaid delegation of competences.

Matters reserved to the Board of Directors, excluded from the current management delegated to the Executive Committee

- Acquisitions of shareholdings (i) in countries where the Group is not present, (ii) in new business units for the Group, or (iii) of value per operation greater than €20m;
- Investments by the Group not included in the annual budget whose value per operation exceeds €10m and cancellation of investments by the Group of value per operation greater than €10m;
- Disposals or encumbrances of shares (i) that result in the Group's exiting a certain country or area of business , or (ii) whose value per operation is greater than €20m;
- Taking on debt, in the form of financing or the issue of securities, in a value per operation greater than €150m or whose maturity exceeds 5 years;
- Any other business or operation that entails liabilities or obligations greater than €50m, per transaction or act, for the Group;
- The matters indicated as main powers in point 21.1 above, except for powers related to the provision of bonds and personal or asset-backed guarantees under the legal terms.

Role of the Chair of the Executive Committee

- Ensure that all information on the Executive Committee's activity and resolutions is provided to the other members of the Board;
- Ensure compliance with the limits to the delegation of power and the Company's strategy and proposing to the Board of Directors a list of the management issues that should be specifically entrusted to each Executive Committee's member;
- Coordinate the Executive Committee's activities, chairing its meetings, overseeing execution of resolutions and distributing among its members the preparation or monitoring of the issues to be analysed or decided by the Executive Committee;
- Exercise the casting vote in the context of the Executive Committee's resolutions.

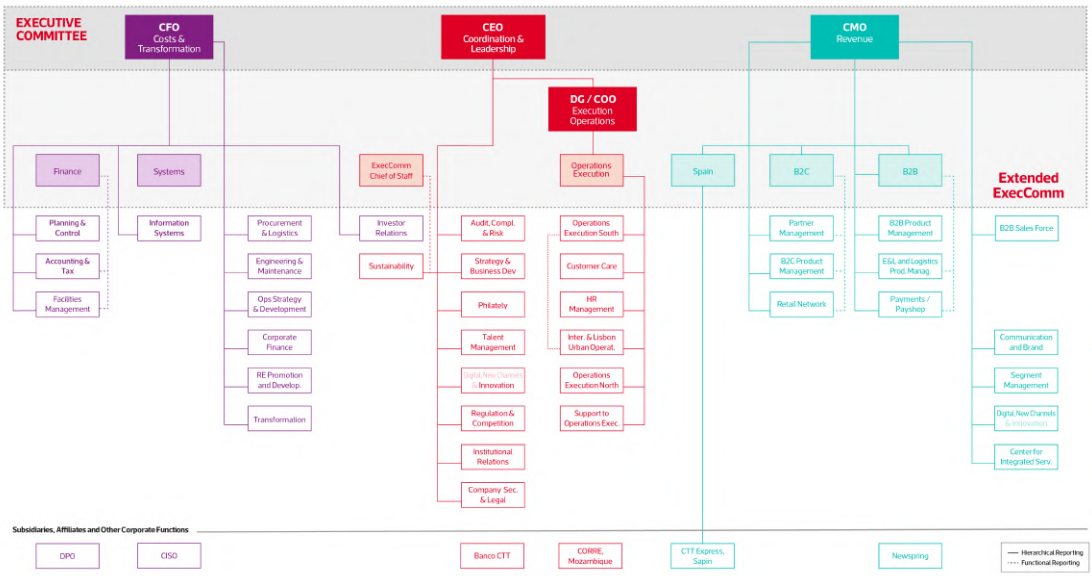
Under the Board of Directors and Executive Committee Regulations, the Company adopts the following mechanisms to better oversee the Executive Committee:

- At the Board of Directors' meetings, the Chair of the Executive Committee presents the summarised information deemed relevant on the activities carried out by the Company since the last meeting and the status of the quality of service;
- The Executive Committee is also obliged to provide the members of the Board of Directors and all other members of the corporate bodies and committees with any additional or supplementary clarifications and information that are requested on the performance of their attributions, duties and competences, in due time and appropriately;
- Non–executive members of the Board of Directors shall actively take part in the decisions deemed strategic for the Company due to their amount or risk, as well as in the definition of the main management and risk policies, and in the general aspects of the Group CTT business structure by means of regular Board of Directors'

meetings, and shall request the members of the Executive Committee to provide them with clarifications and hold specific meetings, including with the heads of the business units involved.

Under its delegated competences, the Executive Committee can entrust one or more of its members to deal with certain matters and sub-delegate to one or more of its members the exercise of some of its delegated powers.

On the present date the powers of the Executive Committee are allocated to its members as follows:



In addition to reporting hierarchically to the CEO, the Audit, Compliance and Risk Department reports functionally to the Audit Committee with regard to the internal audit component, insofar as this Committee is responsible for general supervision of the internal control system. With regard to the Risk component, in addition to the above-mentioned hierarchical reporting, this Department reports functionally to: (i) the Corporate Governance and Risk Committee, which is responsible for monitoring risk management activities carried out, the level of exposure to risk, the effectiveness of the mitigation plans for the main risks and support for assessing the functioning of the internal control system; and (ii) the Audit Committee, which is responsible for overseeing the effectiveness and suitability of the risk management system.

The Sustainability Department reports hierarchically to the CEO and functionally to the Coordinating Director responsible for Supporting the Executive Committee. This department also reports functionally to the two Sustainability Committees set up under the ESG governance model (so-called ESG Board Committee and ESG Steering Committee), as detailed in point 21.3. below.

21.3 Executive Committee support Committees

The Executive Committee's support Committees as at 31 December 2024, and on the present date, were, and are, as follows:

MANAGEMENT SUPPORT COMMITTEES AND THEIR GOALS	
Risk Management Committee	
Composed of the members of the Executive Committee, the Coordinating Directors of the Extended Executive Committee, the Head of Audit,Compliance and Risk and the responsible for the risk management area. The Committee is chaired by the Director in charge of Audit Compliance and Risk, and is coordinated by the Head of Audit Compliance and Risk. Other Heads of Department may participate whenever invited.	Strengthen organisational engagement around the topic of risk, aggregating the different visions and sensitivities of the areas involved and promoting the integration of risk management in business processes, described in further detail in subchapter 2.3. Risk Management, of this Report, as referred to in paragraph 52 of part I below. This Committee should meet quarterly, but in 2024 it only held 2 meetings.
ESG Steering Committee	
Composed of the executive Directors, the Coordinating Directors who make up the Extended Executive Committee and the Directors with responsibility for Sustainability, Human Resources and Talent, Communication and Brand. The Committee is chaired by the Chair of the Executive Committee and coordinated by the Head of Sustainability. Other Heads of Department may participate when invited.	Monitoring the implementation of the 2022-2030 sustainability programme underway, promoting the debate with the main business and support areas, defining short and long-term sustainability targets and supporting the implementation of sustainability measures and ESRS reporting (CSRD), as well as taxonomy. This Committee should meet quarterly and held 4 meetings in 2024.
Innovation Committee	
Composed of the executive Directors, the heads of Digital, New Channels & Innovation, B2C Product Management, Segment Management, Management of E&P, Cargo & Logistics Products, B2B Product Management, Strategy and Development of Operations and Engineering & Maintenance. The Committee is chaired by the Chair of the Executive Committee and coordinated by the Head of Digital, New Channels and Innovation. Other Heads of Department may participate when invited by any of the Directors.	Support the definitions of the main lines of CTT's innovation strategy, monitoring the implementation of its Innovation Agenda, ensure CTT's continued involvement in the overall progression of the components of the program named +INOVAÇÃO by CTT and the main trends of innovation in its various dimensions (technological, economic, cultural, social, organisational, etc.) and to develop CTT's intra-entrepreneurship programmes. This Committee held 2 meetings in 2024.

21.4 Corporate Governance and Risk Committee

Due to the assignment to the Corporate Governance, Evaluation and Nominating Committee of competences and functions related to risk management, its name has been changed to Corporate Governance and Risk Committee. The main competences laid down in the Regulations of the Board of Directors and in the Internal Regulations of this Committee are as follows:

Corporate governance structure and practices, and ethics

- Assist the Board of Directors in the definition and assessment of CTT's governance model, principles and practices;
- Collaborate in preparing the annual corporate governance report of the Company;
- Oversee the definition and monitoring of the ethics and conduct standards within the Group;
- Draft recommendations to the Board of Directors concerning corporate governance requirements and good practices, conflicts of interest, incompatibilities, independence and specialisation;
- Prepare a report on the operation and effectiveness of the governance model, principles and practices of the Company, as well as on the Company's level of compliance with the applicable requirements;
- Assess the corporate image of CTT among the shareholders, investors, financial analysts, the market in general and supervisory authorities, monitor the activity of the Company's competent services;

- Support and monitor the Board's definition of the Company's social responsibility and sustainability policies and strategies.

Performance assessment and remunerations

- Propose or issue an annual opinion to the Remuneration Committee on the remuneration policy and remuneration principles for members of the management and supervisory bodies, to be submitted by the Remuneration Committee to the General Meeting, at least every four years and whenever a material change occurs in the remuneration policy in force or when its proposal has not been approved by the General Meeting;
- Support the Board of Directors in preparing the report on remuneration of the members of the management and supervisory bodies;
- Monitor and support the annual assessment of the Board of Directors' overall performance, as well as of the Board's internal committees and of the Executive Committee's members, taking into account, in particular, compliance with the Company's strategic plan, the budget and risk management;
- Propose to the Remuneration Committee the result of the qualitative assessment of executive Directors' performance in the context of the overall assessment model for the purpose of stipulating the variable remuneration to be defined by that Committee;
- Propose or issue an opinion to the Board of Directors and the Remuneration Committee, as applicable, on share assignment plans, stock options, or stock options based on Company share price variations.

Nominations

- Draft and update recommendations ("terms of reference") on qualifications, knowledge and experience (including proposals for a selection and diversity policy to be approved by the Board of Directors, considering both the individual profile and diversity requirements for each position, including gender) in carrying out corporate duties for selecting members for CTT's management and supervisory bodies, after hearing the Chair and, in the case of executive Directors, the CEO;
- Monitor, support and make recommendations within the scope of the processes of selection and appointment of members of the management and supervisory bodies of CTT and its subsidiaries (including in situations of filling vacant positions), after hearing the Chair and, in the case of executive members, the CEO (in particular to promote transparent selection processes that include effective mechanisms for identifying potential candidates, and that those with the greatest merit, best suited to the requirements of the position and that promote, within the organisation, adequate diversity, including of gender, are chosen for proposal);
- Monitor the processes of selecting the group's top managers and corporate bodies' members of other companies that CTT is entitled to appoint;
- Monitor the drafting, together with the Executive Committee, of succession plans regarding the internal structures and bodies of the Company;
- Propose to the Board of Directors the termination of office of Executive Committee's members, following an assessment and consultation with the CEO;
- Issue opinions relative to the performance, by members of the Executive Committee, of executive duties in companies which are not part of the Group;
- Analyse, at the request of the Board of Directors, the accumulation by Directors of functions outside the CTT Group with the functions performed in the Company from the perspective of incompatibilities and conflicts of interests.

Risk Management

- To advise the Board of Directors and the Audit Committee on all risk management issues and permanently monitor the activities carried out;
- To advise the Board of Directors on the current and future general risk policy and strategy and on risk appetite;

- To advise the Board of Directors on the risk management system, including processes and methodologies for identifying, evaluating, monitoring and controlling risks;
- To evaluate and monitor the main risk indicators related to CTT's activity, the level of effective exposure and its potential evolution, as well as to monitor the effectiveness of the mitigation plans for the main risks;
- To assist the Board of Directors in supervising the implementation of the risk strategy and compliance with the principles of the risk policy;
- To provide opinions and recommendations required or requested by the Board of Directors, including on the risk policy and strategy;
- To assist the Audit Committee in evaluating the performance of the internal control system.

21.5 Ethics Committee

The mission of the Ethics Committee is to ensure the monitoring and compliance with the rules contained in the Code of Ethics and the Code of Good Conduct to Prevent and Fight Harassment at the Workplace in force in the CTT Group, as well as to mitigate the risks of non-compliance,receiving questions and reports of violations of the aforementioned Codes made through the Ethics Channel, available via e-mail and mail post (*remessa livre*), according to information on the CTT website (www.ctt.pt), as well as those sent to the Human Resources Management Department on ethical issues. The Ethics Committee deals with these matters in accordance with rules of confidentiality in the handling of information and a guarantee of non-retaliation against whistleblowers.

The Ethics Committee´s entire work is carried out through in an independent and impartial manner, exercising its powers in accordance with the highest standards of ethics and professionalism, under the terms of the respective Internal Regulation and always in coordination with the other corporate bodies, committees and structures of the Group, as well as with the Departments of the organisational structure, to the extent of the powers delegated to them.

This Committee is responsible for:

CTT Group's Code of Ethics

- Promoting the disclosure, application and compliance with the CTT Group's Code of Ethics, for this purpose defining plans and channels of communication for all hierarchical levels, as well as preventive training actions for their dissemination and compliance, supporting the Board of Directors, the Executive Committee and the Corporate Governance and Risk Committee in performing their duties.
- Issuing opinions on matters covered by the Code of Ethics, whenever requested to do so by the corporate bodies, committees or structures of the CTT Group and act as a channel for clarifying any doubts raised by employees or other stakeholders;
- Promoting constructive dialogue within the CTT Group on any topic of ethical relevance;
- Receiving and dealing with any reports of alleged incorrect or irregular acts and behaviour or breaches of the provisions of the Code of Ethics, ensuring that they are followed up, in coordination with the Human Resources and the Audit, Compliance and Risk Management;
- Preparing, annually,a report on the activities carried out in the previous year in terms of applying the Code of Ethics, which shall include all the cases involving complaints made, whether they are in progress or have been finalised.

Code of Good Conduct to Prevent and Fight Harassment at the Workplace

- Promoting disclosure, implementation and compliance with the Code of Good Conduct to Prevent and Fight Harassment at the Workplace by all those who work in CTT Group, including the members of the corporate

bodies, top and middle managers in their relationship with superiors, fellow workers and subordinates, ensuring the organisation of training courses, workshops and debates on the topics set out in this Code;

- Receiving and dealing with any complaints/reports from victims or third parties of conduct considered to be harassment at work, including those to which the complainant is a direct or indirect witness, ensuring that they are followed up, in coordination with Human Resources Management;

- Preparing, annually, a report on the activities carried out in the previous year in terms of applying the Code of Good Conduct to Prevent and Fight Harassment at the Workplace, which shall include all the cases involving complaints made, whether they are in progress or have been finalised.

More detailed information on the responsibilities of the Ethics Committee, including its composition and activities in 2024, is available in section 29.3 of part I below.

In addition to these mechanisms, and for the purposes of preventing and controlling infringements, CTT also has:

- **Code of Conduct for Senior Officers and Insiders:** the Code of Conduct for Senior Officers and Insiders establishes general rules on the handling of inside information and transactions in shares or other financial instruments issued by CTT or related thereto by Senior Officers and Insiders, as well as the information duties they impose on Senior Officers, thus responding to the requirements arising from the EU Regulation on this matter;

- **Code of Conduct for the Prevention of Corruption and Related Infringements**: this Code is an extremely important instrument, which represents an internal and external commitment to the highest values in terms of the prevention of corruption and related infringements, concretising the principles of action, through rules of action aimed at preventing, detecting and sanctioning the practice of acts of corruption and related infringements carried out against or through any of the companies of the CTT Group;

- **Whistleblowing Policy and Regulation on the Procedures regarding the Report of Infringements:** see point 49 of part I of this chapter 6. Corporate Governance Report.

The Codes and Regulations identified above and in force at all times are public and available for consultation by all stakeholders on the CTT website (www.ctt.pt).

21.6 Sustainability Committee

Within the scope of the ESG strategy assumed by CTT for the period 2022-2030, the ESG governance model in force at CTT includes two Sustainability Committees, one at the level of the Board of Directors and the other to support executive management (ESG Steering Committee), the latter identified in point 21.3 of part I above.

The main mission of the Sustainability Committee, which operates within the scope of the Board of Directors, is to promote, supervise and guarantee that CTT adopts sustainability principles, policies and practices, as well as monitoring and advising on initiatives to ensure the development of CTT's 2022-2030 sustainability programme, based on short and long-term goals for the period. For further details, see point 29.4 of part I below.

21.7 Prevention of Conflicts of Interest

Pursuant to the Regulations of the Board of Directors and corporate committees, as well as the Regulation on Assessment and Control of Transactions with Related Parties and Prevention of Conflict of Interests, which can be consulted on **CTT website** (www.ctt.pt), the Company adopts mechanisms to prevent the existence of conflicts of interest between the members and the Company, under the following terms:

Mechanisms to prevent the existence of conflicts of interest

- Members of the management and supervisory bodies and of their corporate committees shall inform the corresponding body/committee (through the respective Chair, if the conflict does not concern said Chair, and through the Company Secretary) of any situations or facts that may constitute or generate a conflict of interest for the member in question (either directly or indirectly), promptly after becoming aware of the facts or situation in question.
- If any member of the corporate bodies or committees is prevented from passing a resolution on the matter under consideration at the meeting due to a potential conflict of interest, he/she must declare him/herself impeded from participating and abstain from participating and interfering in the respective discussion and voting, under the terms detailed in the respective internal regulations and without prejudice to the respective duties to provide information on the situations in question.
- The impediment must be recorded in the minutes of the meeting of the body or committee concerned.
- Within the scope of preventing situations of conflict of interest, the Audit Committee has, among others, the following duties: (i) submit recommendations to the Board of Directors regarding measures to prevent and identify conflicts of interest; and (ii) make reference in its annual activity report to the adequacy of the Regulation on Assessment and Control of Transactions with Related Parties and Prevention of Conflicts of Interest to the purposes of prevention and resolution of conflicts of interest.
- To enable the prevention and detection of situations of conflict of interest, the managers and directors of CTT subsidiaries shall also inform the Company Secretary and the Audit Committee of: (i) the identification of their close relatives; (ii) the identification of the entities, regardless of whether their registered office is in Portugal or abroad, controlled by them or by their close relatives; (iii) other persons or entities that may be considered as Interposed Persons under the terms and for the purposes of articles 397 and 423-H of the PCC; and (iv) the management and/or supervisory positions held in other entities, regardless of whether their registered office is in Portugal or abroad.

b) Functioning

22. Availability and place where rules on the functioning of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, may be viewed

The full text of the Board of Directors' and Executive Committee's internal Regulations are available on **CTT website** (www.ctt.pt).

23. The number of meetings held and the attendance report for each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable

The Board of Directors held **13 meetings in 2024** (see **CTT website** (www.ctt.pt) with the following attendance by its members:

Members	Percentage attendance (1)	Attendance	Representation	Absences
Raul Catarino Galamba de Oliveira	100%	13	0	0
João Afonso Ramalho Sopas Pereira Bento	100%	13	0	0
Guy Patrick Guimarães de Goyri Pacheco	100%	13	0	0
João Carlos Ventura Sousa	100%	13	0	0
Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	100%	13	0	0
Steven Duncan Wood	100%	13	0	0
Duarte Palma Leal Champalimaud	92%	12	0	1
Jürgen Schröder	85%	11	0	2

Members	Percentage attendance [1]	Attendance	Representation	Absences
Margarida Maria Correia de Barros Couto	100%	13	0	0
María del Carmen Gil Marín	100%	13	0	0
Susanne Ruoff	100%	13	0	0

[1] Percentage in relation to attendance.

Minutes of the meetings of the Board of Directors are drawn up and signed by all members attending the meetings.

24. Indication of the governing bodies which are competent to carry out the assessment of the performance of the executive directors

Pursuant to article 9 of CTT's Articles of Association, the **Remuneration Committee** is responsible for stipulating remuneration of corporate body members and, consequently, defining the management body's remuneration policy and principles and the overall assessment model for the variable remuneration of the executive Directors, under the terms described in points 66 and following of part I below.

In turn, pursuant to its Regulation, the **Corporate Governance and Risk Committee** is responsible for supporting the Remuneration Committee and the Board of Directors in the annual assessment process of the overall performance of the management body and of its internal committees and their members (in the case of the members of the Executive Committee, after hearing its Chair), as described in point 21 of part I above and in points 70 and 71 of part I below.

25. Predetermined criteria for assessing the performance of the executive Directors

For this issue points 66 and following of part I below present details on the remuneration policy and principles for the management body, including a description of the criteria, objectives and limits of the variable remuneration of the executive Directors, with particular emphasis to **point 71 of part I below which details the applicable performance evaluation criteria.**

26. The availability of each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, and details of the positions held at the same time in other companies within and outside the group, and other relevant activities undertaken by members of these boards throughout the financial year

Offices held simultaneously in other companies, in and outside the Group, and other activities carried out by the Company's Directors are detailed in Annex I of this Report.

The performance of executive duties by the executive Directors in entities that were not part of the CTT Group is subject to the issue of an opinion by the Corporate Governance and Risk Committee, pursuant to the Regulations of this Committee (see point 27 of part I below).

As supplementary information, we highlight:

- The full availability of the executive Directors to perform their duties in 2024, which can be confirmed by their 98% attendance of the 13 meetings of the Board of Directors and 94% attendance at the 59 meetings of the Executive Committee and by their performance of executive duties exclusively within the Group;

- The Non-Executive Directors also demonstrated a high degree of availability in 2024, as shown by their 97% average attendance of the 13 meetings of the Board of Directors, 13 meetings of the Audit Committee and 7 meetings of the Corporate Governance, Evaluation and Nominating Committee (current Corporate Governance and Risk Committee.

c) Committees within the management or supervisory body and delegated directors

27. Details of the committees created within the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, and the place where the rules on the functioning thereof is available

See point 21 of part I above on the committees created within the Board of Directors. Concerning the Audit Committee, please also see point 38 of part I below. The aforesaid committees have adopted internal regulations whose full texts are available on **CTT website** (www.ctt.pt).

28. Composition of the Executive Board and/or details of the Board Delegate/s, where applicable

As at 31 December 2024, and on this date, the Executive Committee was, and is, composed of **3 members**, as follows:

Members	Position
João Afonso Ramalho Sopas Pereira Bento	Chair
Guy Patrick Guimarães de Goyri Pacheco	Member
João Carlos Ventura Sousa	Member

29. Powers of each committee created and overview of the activities carried out in the exercise of those powers

See point 21 of part I above on the powers of the committees created within the Board of Directors and of the Executive Committee.

29.1 Executive Committee

Maintaining the objective of ensuring the ability to execute the strategy defined for the Company with greater agility and with the alignment indispensable for achieving the objectives of transformation, Iberian integration and sustainable growth, the Executive Committee continues to count on the participation at its meetings of a group of Coordinating Directors responsible for various key areas of the Company, who integrate the so-called Extended Executive Committee.

During 2024, the Executive Committee held **59 meetings** (see **CTT website** (www.ctt.pt)) having passed resolutions on various matters within its powers, namely the following:

- Regular monitoring of operational and business activity in the different areas of the group's activities and the company's financial performance;

- Launch of Digital Savings in the CTT Super App, the commercialisation of Health Plans (for private individuals and companies), the Pilot bundle of deliveries and approval of the volumetric price for express mail;

- Definition of a new strategy for retail, refurbishment of the Cascais and Maia post offices with a new layout and implementation of self-service equipment for CTT post offices;
- Launch and follow-up of the project to move the facilities from Cabo Ruivo to MARL;
- Monitoring the evolution of service quality and definition of operational measures to improve it in all business areas and peak season management in Portugal and Spain;
- Regular monitoring of stock market performance and markets, as well as Investor Relations activity;
- Launch and monitoring of the share buyback programme;
- Definition of strategy for the future of Information Systems; IS architecture and Iberian convergence, approval of the Galaxy project and development of a new version of SW and HW for the partner network;
- Approval of Information Security Models, with a view to their internal implementation, demonstrating CTT's high focus on the protection of information;
- Monitoring of the implementation of the transformation and digital innovation agendas and analysis of the evolution of the Innovation 1520 Fund;
- Approval of the data governance model;
- Approval of the Business Continuity Plan (BCP);
- Monitoring the implementation of the Sustainability agenda in its various aspects (Environment, Social and Government) and the ESRS Report (CSRD), as well as the governance model of the CSRD implementation program and Taxonomy;
- Various partnerships in the ESG area, namely EPIS, Koiki - Unipessoal, Lda., SPECO - Sociedade Portuguesa de Ecologia; Quercus, Junior Achievement Portugal e Junior Achievement Spain;
- Approval of the 'Equality Plan 2025';
- Implementation of Flexible Benefits for employees;
- Discussion and approval of the new performance management model;
- Monitoring of internal audit work and risk management, the latter in the Risk Management Committee;
- Preparation of the budget for 2025 and medium-term plan for 2025-2027;
- Monitoring of the negotiation process with the Grantor of new QSI and the mechanism for compensation for non-compliance with 2022 QSI;
- Price update of the basket of the universal postal service and the offer of access;
- Monitoring the development of the activity of the CTT IMO YIELD and the internal area of development and real estate development of the CTT;
- Monitoring of the partnership with Generali/ Tranquilidade for participation in the share capital of Banco CTT, with a position of 8.71%, and for distribution of insurance in the CTT Network;
- Preparation and monitoring of the negotiation process for the acquisition of the entire share capital of Compañía Auxiliar al Cargo Express, S.A.U. (CACESA), based in Spain, dedicated to customs clearance operations;

- Preparation and monitoring of the negotiation process for a strategic partnership between CTT and Deutsche Post International, B.V. ("DHL" or DHL Group"), for the collection and distribution of parcels in Portugal and Spain.

Minutes of the meetings of the Executive Board are drawn up and signed by all members attending the meetings.

Notwithstanding the fact that CTT uses artificial intelligence mechanisms as a means of supporting the development of its operational activities, such as the chatbot powered by Generative Artificial Intelligence - 'Helena' - implemented by CTT in 2023, in its customer support service and that it has implemented internally the use of the Copilot tool - a Generative Artificial Intelligence assistant provided by Microsoft - which allows the combination of data and the execution of functions in the Company's main software, playing a relevant role in the management of operational and administrative tasks, the Executive Committee has not used artificial intelligence mechanisms as a decision-making tool in the course of its activity, for the purposes of **Recommendation VII. 9. of the IPCG Code** (either in a support role or in an advisory or replacement role, in the context of making such decisions).

29.2 Corporate Governance and Risk Committee

As at 31 December 2024, and on the present date, the Corporate Governance and Risk Committee (formerly Corporate Governance, Evaluation and Nominating Committee) was, and is, composed of **4 non-executive Directors**, in a proportion of 50% independent members, including its Chair, who has a casting vote in the deliberations of the Committee:

Members	Position
Raul Catarino Galamba de Oliveira	Chair
Susanne Ruoff	Member
Margarida Maria Correia de Barros Couto	Member
Duarte Palma Leal Champalimaud	Member

This Committee held **7 meetings** in **2024,** (see **CTT website** (www.ctt.pt)), with the following attendance by its members:

Members	Percentage attendance [1]	Attendance	Representation	Absences
Raul Catarino Galamba de Oliveira (Chair)	100%	7	0	0
Susanne Ruoff	100%	7	0	0
Margarida Maria Correia de Barros Couto	100%	7	0	0
Duarte Palma Leal Champalimaud	86%	6	0	1

[1] Percentage in relation to attendance.

During this year, the Committee carried out the following main activities:

- Definition and monitoring of the implementation of the main ESG (Environment, Social & Governance) priorities for 2024;
- Assessment of the sustainability and social responsibility policies;
- Appreciation and monitoring of the new Remuneration Policy for the 2023/2025 term of office, submitted by the Remuneration Committee for approval at the Annual General Meeting held on 23 April 2024;

- Monitoring of the processes of accumulation, by members of the Board of Directors, of duties outside the CTT Group, with the duties performed at CTT from the perspective of possible incompatibilities and conflicts of interest, as well as availability for their exercise;

- Monitoring the appointment of members of corporate bodies for CTT subsidiary companies;

- Monitoring and supporting the annual assessment of the overall performance of the Board of Directors and of the Executive Committee and the Committee's self-assessment for the 2023 financial year and defining the assessment processes for the 2024 financial year, to be carried out at the beginning of 2025 using a computer platform provided by Better Boards (an international company specialising in the assessment of boards of directors);

- Assessment of the level of achievement, by each executive Director, of each of the non-financial Key Performance Indicators (KPIs) defined for 2023 for the purposes of determining the Annual Variable Remuneration, and assessment of the individual non-financial KPIs for executive Directors for 2024 to be proposed to the Remuneration Committee;

- Assessment of the models and evaluation of the independence and absence of incompatibilities of the members of CTT's corporate bodies;

- Monitoring of objectives relating to human resources management and talent management policies, in particular the talent mapping programme in the top two management lines and the efforts to implement the Gender Diversity Plan within the CTT Group;

- Assessment and monitoring of the main activities carried out by the CTT Group Ethics Committee;

- Assessment and monitoring of the implementation of the main objectives for the year 2024 in terms of Risk Management, as well as the evolution of the activities and the functioning of the governance of CTT's risk management system;

- Monitoring CTT's corporate image, with regard to the perception of the CTT brand by the different stakeholders and the corporate initiatives for its annual management;

- Preparation of the Committee's Activity and Self-Assessment Report for 2023 and definition of the agenda of activities to be carried out in 2025 and revision of the Committee's Internal Regulations;

- Preparation of the 2023 Assessment Report on the Corporate Governance Model and Practices and the Overall Performance of the Board of Directors.

Minutes of the Corporate Governance and Risk Committee meetings are drawn up and signed by all members attending the meetings.

29.3 Ethics Committee of the CTT Group

As at 31 December 2024 and on the present date, the Ethics Committee was, and is, composed of the following **6 members** appointed for the 2023/2025 term of office, thus complying with the Internal Regulations, which establish a composition of between 3 and 7 members:

Members	Position
Margarida Maria Correia de Barros Couto	Chair
Raul Catarino Galamba de Oliveira	Member
Ana Maria Machado Fernandes [1]	Member
Patrícia Alexandra Pinto Neto Durães Carolino [2]	Member
Rui Pedro Dias Fonseca Silva [3]	Member
Sílvia Maria Correia [4]	Member

[1] She joined the Ethics Committee on 26 July 2023, as a Member of the Board of Directors and of the Audit Committee of Banco CTT.
[2] As Head of Talent Management.
[3] As Head of Audit, Compliance & Risk.
[4] As Head of Human Resources Management.

During 2024, this Committee held **6 meetings** (see CTT's website (www.ctt.pt)). In 2024, the Ethics Committee endeavoured not only to build on the foundations laid in 2023, but also to expand its work in order to bring ethics to an ever more prominent place in the Company, building and maintaining a robust ethical system through the dissemination of essential principles such as integrity, transparency and good conduct practices, fostering employee involvement in ethical issues and strengthening stakeholder trust in the Group's internal processes.

This period was characterised not only by the continuity of planned activities, but also by the maturing of actions that had been started, in particular the consolidation of the role of Ethics Ambassadors, training in the Code of Ethics, the launch of a robust communication campaign and the Ethical Climate survey.

The Committee continued its commitment to promoting a solid ethical culture within the CTT Group, deepening its efforts to strengthen the pillars of integrity, transparency, organisational sustainability and good management practices. Furthermore, in 2024, this Committee dedicated itself to consolidating its work with employees, improving the mechanisms for responding to and monitoring issues raised by them.

As far as requests/reports are concerned, 80 requests were received through the available channels in the reporting year, all of which were categorised, processed, investigated and submitted to the Commission for appraisal. As regards the categorisation of the requests, they were mostly related to moral harassment, community relations and labour rights. Of the 80 requests/complaints analysed by the Ethics Committee:

- 56 were concluded, of which 55 were closed because no breach of the Code of Ethics was identified, and 1 request/complaint was found to be subject to ethical reproach;
- 24 were carried over to 2025 as the investigation process was still ongoing.

It should be noted that of the complaints that have been finalised, although no unlawful conduct or disciplinary infraction has been established, some in the ethical context, the Chair of the Committee has taken the initiative to speak to those involved. This practice is related to a decision by the Committee to launch a series of initiatives aimed at reinforcing the importance of ethical issues within the organisation.

In order to record the activities carried out at the Ethics Committee meetings, minutes are drawn up and signed by all the members who take part, and a final report is presented each year summarising the main work carried out and the conclusions reached.

29.4 Sustainability Committee

As at 31 December 2024, and at the present date, the Sustainability Committee is made up of **6 members**, appointed by the Board of Directors on 26 July 2023 to carry out duties during the 2023/2025 term of office:

Members	Position
Raul Catarino Galamba de Oliveira	Chair
João Afonso Ramalho Sopas Pereira Bento	Member
Margarida Maria Correia de Barros Couto [1]	Member
Susanne Ruoff[1]	Member
Nuno Manuel Teiga Luís Vieira[2]	Member
Maria José Oliveira Maia Rebelo[3]	Member

[1] Non-executive Directors with experience in ESG matters.
[2] As Coordinating Director who is chief of staff of the Executive Committee and is responsible for coordinating the Sustainability area.
[3] As Head of Sustainability.

During 2024, this Committee held **2 meetings** (see **CTT's website** (www.ctt.pt)) in which it was discussed the new European requirements in terms of sustainability reporting, with the definition of the double materiality analysis process and the gap analysis with an impact on the ESG information management process, progress in relation to the ESG targets, work being carried out under the 2022-2030 decarbonisation programme, as well as the debate on the definition of a social impact programme for CTT.

Minutes of the meetings of the Sustainability Committee are drawn up and signed by all members attending the meetings.

6.2.3 Oversight

a) Composition

30. Details of the Supervisory Body representing the model adopted

The supervision of the Company's activity is entrusted to the **Audit Committee and Statutory Auditor.** For further details on this topic, see point 15 of part I above.

31. Composition of the Supervisory Board, the Audit Committee, the General and Supervisory Board or the Financial Matters Committee, where applicable, with the articles of association's minimum and maximum number of members, duration of term of office, number of effective members, date of first appointment and date of end of the term of office for each member and reference may be made to the section of the report where said information already appears pursuant to paragraph 17

Pursuant to article 19 of CTT's Articles of Association, the Audit Committee is composed of **3 Directors**, one of whom is its Chair. All are elected at the General Meeting (for a renewable term of office of 3 years), together with all the other directors, where the proposed lists for the composition of the Board of Directors should detail the members that are intended to be part of the Audit Committee and indicate its Chair.

As at 31 December 2024, and on the present date, in compliance with Article 423-B of the PCC, Article 3 of Law 148/2015 of 9 September, in its wording in force at this date, and Article 19 of the Articles of Association, the Audit Committee elected for the 2023/2025 term of office was and is composed of the following **non-executive Directors**, **who meet the applicable incompatibilities, independence and expertise requirements**, having academic qualifications that are legally required and appropriate to the exercise of their duties and having at least one of its members knowledge of accounting:

Members	Position	Date of 1st appointment (1)	Independence (2)
Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	Chair	20/04/2017	Yes
María del Carmen Gil Marín	Member	29/04/2020	Yes
Jürgen Schröder	Member	20/04/2023	Yes

(1) The date of the first appointment to a supervisory body at CTT is presented here.
(2) The assessment of independence was conducted in accordance with the provisions in 414(5) of the PCC.

Thus, the supervisory body of the Company has a number of non-executive members, **all** of them independent, which complies with Article 414(5) of the PCC and **Recommendation V.2. and sub-recommendations V.2.(1) and V.2.(2) of the IPCG Code** and is considered appropriate to its size and the complexity of the risks inherent to its activity, as well as sufficient to ensure the efficient performance of the duties entrusted to them, particularly in view of the profile of the members of said supervisory body, namely their seniority, academic skills and recognised professional experience as detailed in point 33 below.

32. Details of the members of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, which are considered to be independent pursuant to Article 414(5) CSC and reference to the section of the report where said information already appears pursuant to paragraph 18

See point 31 of part I above.

33. Professional qualifications of each member of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, and other important curricular information, and reference to the section of the report where said information already appears pursuant to paragraph 21

As noted in point 19 of part I above, CTT has an **internal diversity policy** approved by the Board of Directors, pursuant to which individual criteria and attributes are defined, namely competence, independence, integrity, availability and experience relative to the profile that the Board of Directors' members, including the Audit Committee members, should have and which, pursuant to the legal and regulatory terms, are mandatory requirements for the appropriate performance of these duties.

The table below presents a summary of the academic and professional qualifications and other curricular elements that were considered pertinent in the application of the individual criteria and attributes established in the diversity policy in relation to each one of CTT's Audit Committee members:

Members	Position	Academic Qualifications	Professional experience
Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	Chair	1991: Degree in Management, Universidade Católica Portuguesa (UCP) 1999: Master in Economics, Universidade do Porto 2002: Statutory Auditor, Ordem dos Revisores Oficiais de Contas (OROC) 2009: PhD in Management, ISCTE-Instituto Universitário de Lisboa	She has over 25 years of academic experience, namely as a Professor of Accounting and Tax and Director of the Master's Degree course in Auditing and Tax at Faculdade de Economia e Gestão of UCP, and Scientific Coordinator of the Católica Porto Business School of UCP. She also has over 10 years of experience of functions in supervisory bodies of large (listed and non-listed) companies in Portugal, where she performs specifically duties as Non-Executive Member of the Board of Directors and Member of the Audit Committee of Impresa, SGPS, S.A., since 2008 and Chairwoman of the Supervisory Board of Sogrape, SGPS, S.A..From 2017 to 2021 she was Chairwoman of the Supervisory Board of Centro Hospitalar Universitário de S. João, EPE. In August 2021, she was elected as Non-Executive Member of the Board of Directors and Member of the Audit Committee of Banco Português de Fomento, S.A., having been appointed in August 2023 as Chairwoman of this Committee. In May 2022, she was appointed non-executive member of the Board of Directors of Sierra IG - Gestão de Fundos, SGOIC, S.A., a company that, following the merger project, incorporated SierraGest - Gestão de Fundos, SGOIC, S.A. in which she served as a non-executive Member of the Board of Directors between 2016 and 2023. As a Statutory Auditor for more than 15 years, she was member of the Management Board of Ordem dos Revisores Oficiais de Contas (Statutory Auditors Bar (OROC)) - between 2012 and 2018 she was Chairwoman of the Supervisory Board of this Bar - and represented this entity at the General Council and the Executive Committee of Comissão de Normalização Contabilística (Commission of Accounting Standards). Since 2021 she has been an invited member of the Executive Committee at the Commission of Accounting Standards. Since 2011 she has been Tax Arbitrator at CAAD (Portuguese Administrative Arbitration Centre) and Member of the Scientific Council of Associação Fiscal Portuguesa (Portuguese Tax Association).

Members	Position	Academic Qualifications	Professional experience
María del Carmen Gil Marín	Member	1996: Higher Degree in Electrotechnical Engineering, Universidad Pontificia Comillas (ICAI), Spain (National Award) 1999: Academic cycle of the PhD in Environment and Alternative Energies, UNED, Spain 1999: MBA Programme, INSEAD, France (Dean's List) 2019: The Women's Leadership Forum, Harvard Business School, USA 2019: Corporate Governance: The Leadership of Boards, Nova School of Business & Economics Executive Education 2019: Santander-UCLA W50, UCLA Anderson School of Management, USA 2020: Cyber Security and Executive Strategy, Stanford University, USA 2021: Enrolled in the International Directors Programme (IDP), INSEAD, France	She started her professional career in 1996 as a Consultant at The Boston Consulting Group, Madrid office, having participated in several strategic projects related to sectors such as electricity, telecommunications, oil & gas and retail. Between 1999 and 2000 she was Professor of Industrial Marketing for the Industrial Engineering and Management degree at Universidad Pontificia Comillas (ICAI) in Madrid, and in 1999 she was also an Associate at Lehman Brothers, an Investment Bank in London and New York, where she was involved in acquisitions and IPO operations in different economic sectors. She started in 2001 her professional career at Novabase Group where she currently performs duties as member of the Board of Directors of Novabase, SGPS, S.A. (she was executive member (COO, CIO and CISO) of the Board from 2018 to 2020), Chairwoman of the Board of Directors of Novabase Capital, Sociedade de Capital de Risco, S.A. (she was executive member of the Board from 2001 to 2021), and member of the Board of Directors of Celfocus - Soluções Informáticas para Telecomunicações, S.A.. Since December 2021 and currently, she also carries out duties as independent non-executive member of the Board of Directors of Caixa Geral de Depósitos, S.A. and integrates the Audit Committee and the Nomination, Evaluation and Remuneration Committee of this company. She is also an independent and non-executive Member of the Board of Directors of Santalucía, S.A., Compañía de Seguros y Reaseguros in Spain.
Jürgen Schröder	Member	1988: Degree in Economics, Ruhr-Universität Bochum, Germany 1993: PhD in Economics, Ruhr-Universität Bochum, Germany	He started his professional career at McKinsey & Company in 1994, and from 2007 he has been a Senior Partner at the Düsseldorf office. Throughout his career at McKinsey & Company, he has assumed management and supervisory functions as responsible for the Travel, Transport and Logistics practice in Germany, as well as Chairman of the Regional Pricing Committee Europe, of the German Finance and Infrastructure Committee and of the Orphoz Board in Germany and Member of the Boards of eFellows.net and Lumics GmbH & Co. KG. He was also a member of the German Client Committee and the German OpCo (Board). Until 2020, he was responsible for the Global Marketing and Sales practice at McKinsey & Company and the transport and logistics sector in Germany and is the founder of the Digital Marketing Factory, with extensive experience in the Postal and Logistics sectors, in the Marketing and Sales and Digital Marketing areas, as well as in transformational programmes that contribute to improving the performance of companies through the use of agile methods and digital technologies to enhance their commercial transformation.

Currently, **all** members of the Audit Committee are independent, according to the annual statements submitted to CTT. On this issue, refer to point 31 of part I above as well as Annex I of this Report presenting the curricula of the members of the supervisory board of CTT with further details on the professional qualifications and other relevant curricular elements of each of these members.

b) Functioning

34. Availability and place where the rules on the functioning of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, may be viewed, and reference to the section of the report where said information already appears pursuant to paragraph 22

The full text of the internal regulations of the Audit Committee can be consulted on CTT website (www.ctt.pt).

35. The number of meetings held and the attendance report for each member of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, and reference to the section of the report where said information already appears pursuant to paragraph 23

In 2024, the Audit Committee met **13 times** (see **CTT website** (www.ctt.pt)) with the following attendance by its members:

Members	Percentage attendance [1]	Attendance	Representation	Absences
Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia (Chair)	100%	13	0	0
María del Carmen Gil Marín	100%	13	0	0
Jürgen Schröder	92%	12	0	1

[1] Percentage in relation to attendance.

During the year 2024, the Audit Committee carried out the activities best identified in Chapter 10 of this Report.

Minutes of the meetings of the Audit Committee are drawn up and signed by all members attending the meetings.

36. The availability of each member of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, indicating the positions held simultaneously in other companies inside and outside the group, and other relevant activities undertaken by members of these bodies throughout the financial year, and reference to the section of the report where such information already appears pursuant to paragraph 26

Positions held simultaneously in other companies, within and outside the CTT Group, and other activities carried out by the Company's Audit Committee's members are detailed in the *curricula* provided for consultation in Annex I of this Report. On this matter, also see points 26 and 33 of part I above.

c) Powers and duties

37. A description of the procedures and criteria applicable to the supervisory body for the purposes of hiring additional services from the external auditor

When engaging non-audit services, CTT, Banco CTT and 321 Crédito, as entities of public interest held by CTT, comply with the rules in the respective regulations on the Provision of Services by the Statutory Auditor, according to which **CTT's Audit Committee, Banco CTT's Audit Committee and the Supervisory Board of 321 Crédito** are responsible for assessing the requests for engaging the Statutory Auditor for non-audit services by CTT, by their parent company or by the entities under their control (as applicable), with its engagement being subject to the **prior authorisation** of these bodies, except for the services required by law from the Statutory Auditor of the Company.

The referenced oversight bodies take into account therein mainly the following criteria:

- Whether the services are prohibited and whether the provision of the services will affect the Statutory Auditor's independence;
- Whether the engagement of this service from the Statutory Auditor does not exceed the maximum limits of fees legally applicable to non-audit services, whenever such limits exist;
- The Statutory Auditor's experience and knowledge of the Company.

38. Other duties of the supervisory body and, where appropriate, the Financial Matters Committee

The **Audit Committee,** as a supervisory body, has the following main powers established by law, the Company's Articles of Association and its Regulations, which were revised and amended as approved by this body on 11 December 2024:

Oversight of financial information quality and integrity

- Assess whether the accounting policies and procedures and valuation criteria are consistent with generally accepted accounting principles and whether they are suitable to the correct presentation and valuation of the Company's assets, liabilities and results;
- Supervise compliance with and correct application of accounting principles and standards;
- Issue an opinion on the annual management report, including the non-financial statement, the accounts for the year and the proposals presented by the Company's management;

- Oversee the preparation and disclosure of financial information;
- Certify whether the Company's annual corporate governance report includes all the items referred to in article 29-H of the PSC.

Supervision of the internal control system, including internal audit, compliance and risk management

- Supervise the effectiveness and adequacy of the internal audit and compliance systems, by annually assessing these systems and proposing, to the Executive Committee, measures aimed at improving their functioning as proven necessary;
- Monitor and annually assess the internal controls relative to (i) the process of preparation and disclosure of financial information, (ii) accounting and audit matters, and (iii) matters on prevention of money laundering and terrorist financing;
- Issue an opinion on the work plans and resources of the Company's Audit, Compliance & Risk Department, assigned to the services of the internal control system, including the risk management, compliance and internal audit functions, and assess their objectivity and independence;
- Receive reports from the Audit, Compliance & Risk Department, within the scope of the services of the internal control system, at least when matters related to financial reporting, the identification or resolution of conflicts of interest and the detection of possible irregularities are at stake;
- Monitor, in coordination with the Board of Directors and the Executive Committee, issues related to internal audit and compliance, appraising the reports of the Audit, Compliance & Risk Department made by the Compliance and Internal Audit functions, and requesting from the Audit, Compliance and Risk Department any information deemed relevant, including with regard to internal audit procedures and controls;
- Define and implement, together with the Board of Directors, and oversee the procedures for receiving and dealing with (i) complaints regarding accounting, internal accounting controls and risks, insider dealing, fraud or corruption, banking and financial crime and money laundering and terrorist financing, as well as (ii) other reports of irregularities submitted by shareholders, employees and others;
- Take note of the Company's strategic guidelines and to assess and express an opinion on the risk policy, prior to its approval by the Board of Directors;
- Oversee the effectiveness and suitability of the risk management system, carrying out its annual assessment and proposing to the Executive Committee any necessary measures to improve its operation;
- Assess, in articulation with the Board of Directors and the Executive Committee, the risk policy, issuing an opinion on the work plan and resources allocated to the management and risk function and periodically monitoring its work, appraising the content of its reports and requesting from this function the information considered relevant, including with respect to risk management procedures related to financial reporting, the detection of irregularities and the resolution and identification of conflicts of interest and promoting an annual assessment of the degree of compliance and performance of the risk management policy and system;
- Issue a prior and binding opinion, directed at the Board of Directors, on the internal procedure on approval of significant transactions with related parties and the CTT Group policy on conflicts of interest ;
- Issue an opinion on transactions with members of the Board of Directors and transactions with related parties deemed significant (because they were not carried out within the scope of the current activity or under market conditions or due to their amount), under the established legal and regulatory terms and the procedure referred to in the previous paragraph;
- Assess every six months all transactions with related parties not requiring its prior opinion and that are submitted to it for subsequent appraisal by the Executive Committee;
- Monitor and supervise the mechanisms implemented for purposes of approval, control and disclosure of transactions with related parties.

Oversight of the statutory auditor

- Select the Statutory Auditor, after appraisal of qualifications and independence for the performance of duties, and proposing to the General Meeting its nomination and issuing an opinion to the Executive Committee on the

terms of the contract for provision of services in conformity with the terms detailed in the specific procedure that has been approved on the topic by the Audit Committee;

- Annually assess the work conducted by the Statutory Auditor and its adequacy to perform the duties, and proposing its dismissal to the General Meeting and termination of the contract for provision of services of the Statutory Auditor to the Board of Directors, when on the grounds of fair cause;
- Verify, monitor, oversee and assess the Statutory Auditor's independence as prescribed by law and assess the annual confirmation of its independence vis-à-vis the Company (including the Statutory Auditor's own independence and that of his/her partners and other senior officers/managers, as prescribed by law);
- Verify the adequacy of and give prior consent, in a substantiated manner, to the Statutory Auditor's providing non-audit services to CTT and to the entities under its direct or indirect control, as well as assess the Statutory Auditor's annual statement therein related, in conformity with the terms detailed in the specific procedure that has been approved on the topic by the Audit Committee;
- Discuss threats to its independence with the Statutory Auditor and the safeguards implemented to mitigate them;
- Propose the Statutory Auditor's remuneration to the competent bodies;
- Permanently monitor the activity and contractual ties with the Statutory Auditor, in particular as regards financial information and the effectiveness of internal control mechanisms, namely by (i) procuring the latter is endowed with the conditions necessary to carry out its activity, (ii) being the Statutory Auditor's main liaison within the Company, and (iii) receiving all its reports (never after any other body or committee), and being aware of the exchange of correspondence with the Statutory Auditor relative to the Company and the companies in controlling or group relations with the Company;
- Monitor and oversee the annual individual and consolidated statutory audit, namely its execution, and assess the content of the annual statutory audit reports and audit reports with the Statutory Auditor, namely as regards any possible reservations presented thereby, in order to make recommendations to the Board of Directors and Executive Committee;
- Assess the Statutory Auditor's additional report, which namely sets out the results/issues deemed fundamental to the statutory audit that has been carried out (including debating with the Statutory Auditor those fundamental results/issues);
- Include, in the Audit Committee's annual report on its activities, information about the results of the legal review of accounts and the way that it contributed to the integrity of the process of preparation and disclosure of financial information, as well as the role of the Audit Committee in the process;
- Monitor the situation of the work involved in the legal review of accounts least on a quarterly basis in order to supervise the integrity and quality of the quarterly and half-yearly financial information.

For the purposes of **Recommendation VII.9. of the IPCG Code**, the Audit Committee did not use artificial intelligence mechanisms in its decision-making.

In turn, the **Statutory Auditor** is responsible for examining the Company's accounts, pursuant to the law and Regulation on the Provision of Services by the Statutory Auditor referred to above.

The official review of accounts and audit duties performed by the Statutory Auditor, which include, among others, the verification that the corporate bodies' remuneration policies and systems approved by the Remuneration Committee, as well as the verification of all the data required by law in the remuneration report are applied, the effectiveness and operation of internal control mechanisms and reporting of any deficiencies to the Audit Committee of CTT, are conducted by the entity referred to in points 39 and following of part I below.

6.2.4 Statutory auditor

39. Details of the statutory auditor and the partner that represents same

At the Annual General Meeting held on 29 April 2020, on a proposal from the Audit Committee, Ernst & Young Audit & Associados – SROC, S.A. ("EY"), (statutory audit firm registered with the Portuguese

Institute of Chartered Accountants ("OROC") under no. 178 and with the CMVM under no. 20161480), represented by Luís Pedro Magalhães Varela Mendes (statutory auditor registered with the OROC under no. 1841 and with the CMVM under no. 20170024) or by Rui Abel Serra Martins (statutory auditor registered with the OROC under no. 1119 and with the CMVM under no. 20160731) as effective statutory auditor and João Carlos Miguel Alves (statutory auditor registered with the OROC under no. 896 and with the CMVM under no. 20160515) as alternate statutory auditor, was elected as the Company's Statutory Auditor for the 2021/2023 term of office, effective as from 1 January 2021.

At the end of the term of office, on a proposal from the Audit Committee, Ernst & Young Audit & Associados - SROC, S.A. (statutory audit firm registered with the Portuguese Institute of Chartered Accountants ("OROC") under no. 178 and with the CMVM under no. 20161480), represented by Luís Pedro Magalhães Varela Mendes (statutory auditor registered with the OROC under no. 1841 and with the CMVM under no. 20170024), or by Rui Abel Serra Martins (statutory auditor registered with the OROC under no. 1119 and with the CMVM under no. 20160731) was reappointed as effective statutory auditor of the Company for the 2024/2026 term of office, and Pedro Miguel Borges Marques (statutory auditor registered with the OROC under no. 1801, and with the CMVM under number 20161640) was elected as alternate statutory auditor, for the 2024/2026 term of office.

40. State the number of years that the statutory auditor consecutively carries out duties with the company and/or group

EY has been CTT's statutory auditor since 1 January 2021, and its term of office was renewed for the three-year period 2024/2026 at the Annual General Meeting held on 23 April 2024. On 31 December 2024, EY completed its fourth consecutive year in office at CTT.

41. Description of other services that the statutory auditor provides to the company

See points 46 and 47 of part I below on the services rendered by the Statutory Auditor to the Company in 2024.

6.2.5 External Auditor

42. Details of the external auditor appointed in accordance with Article 8 and the partner that represents same in carrying out these duties, and the respective registration number at the CMVM

EY, **registered with the CMVM under no. 20161480** and represented by the partner Luís Pedro Magalhães Varela Mendes or by the partner Rui Abel Serra Martins, carries out the duties of CTT's Statutory Auditor.

43. State the number of years that the external auditor and respective partner that represents same in carrying out these duties consecutively carries out duties with the company and/or group

EY has been the Statutory Auditor since 1 January 2021, represented by Luís Pedro Magalhães Varela Mendes or Rui Abel Serra Martins, i.e. on 31 December 2024 it completed its 4th consecutive year in office at CTT.

44. Rotation policy and schedule of the external auditor and the respective partner that represents said auditor in carrying out such duties

The rotation policy and schedule of the Statutory Auditor at CTT are defined in the Regulation on the Provision of Services by the Statutory Auditor, which lays down the maximum and minimum time limits legally established for the performance of statutory audit duties by the Statutory Auditor and by the partner responsible for the guidance or direct execution of the statutory audit.

At CTT the selection of the Statutory Auditor complies with the applicable legal framework, which is set out in the Statutes of the Portuguese Institute of Statutory Auditors approved by Law 140/2015, of 7 September, and the Legal Framework of Audit Supervision approved by Law 148/2015, of 9 September, both as amended, and in article 16 of Regulation (EU) No 537/2014. It is preceded by the application of the criteria and of the entire selection process established in the Regulation on the Provision of Services by the Statutory Auditor, namely: (i) Experience of the Statutory Auditor/Statutory Audit firm and of the team assigned to the provision of the Audit Services, in particular given the size of the Company and the different business areas of the CTT Group; (ii) Quality and completeness of the proposal presented; (iii) Guarantees of good standing, independence and absence of conflict of interest; (iv) Capacity to execute the proposal presented; and (v) Commercial conditions.

45. Details of the Board responsible for assessing the external auditor and the regular intervals when said assessment is carried out

See point 38 of part I above on the **Audit Committee'**s powers as regards the Statutory Auditor **annual assessment**. In exercising its powers, the Audit Committee verified the Statutory Auditor's independence and positively assessed its work during the 2024 financial year.

46. Details of services, other than auditing, carried out by the external auditor for the company and/or companies in a control relationship and an indication of the internal procedures for approving the recruitment of such services and a statement on the reasons for said recruitment

In 2024, EY carried out for CTT and the companies in a control relationship with CTT the following non-audit services, hereinafter "**Non-Audit Services rendered in 2024**":

- Verification work on the data provided by Banco CTT and 321 Crédito to calculate the 2024 ex-ante contribution to the Single Resolution Fund ('SRF');
- Limited review of the half-yearly interim financial statements of CTT and Banco CTT for the period ended 30 June 2024;
- Procedural review and quality assurance services on the sustainability information of CTT;
- Services relative to the assessment of the adequacy of the process for quantifying the impairment of the loan portfolio by the External Auditor, as well as the reporting procedures of Banco CTT and 321 Crédito.

The **Regulation on the Provision of Services by the Statutory Auditor** currently in force includes procedures for the engagement of non-audit services by CTT or the entities under its control, as indicated in point 37 of part I above.

Accordingly, the authorisation for engaging EY for these non-audit services engaged was based in particular on the analysis and confirmation that the services in question are not included in the list of

prohibited services and do not constitute a threat to the independence and objectivity of EY in the context of statutory auditing work, and do not generate any personal interest situation.

As seen from the analysis of the information in the table presented in point 47 below, the non-audit services engaged in 2024, represent 21.3% of the total amount of the services hired from the Statutory Auditor in the same period, of which 5.2% concern non-audit services not required by law.

47. Details of the annual remuneration paid by the company and/ or legal entities in a control or group relationship to the auditor and other natural or legal persons pertaining to the same network and the percentage breakdown relating to the following services (For the purposes of this information, the network concept results from the European Commission Recommendation No. C (2002) 1873 of 16 May)

The table below shows the amounts corresponding to the fees of EY and the entities of its network/ group, relative to 2024:

	Engaged Services [1]		Accounted Services [2]		Paid Services [1]	
	Amount (€)	%	Amount (€)	%	Amount (€)	%
By the Company	**1,002,339**	**36.7%**	**311,155**	**31.7%**	**395,657**	**35.7%**
Amount of Statutory Audit	666,857	24.4%	205,334	20.9%	238,432	21.5%
Amount of Quality Assurance Services	335,482	12.3%	105,821	10.8%	131,856	11.9%
Amount of Tax Consultancy Services	0	0.0%	0	0.0%	0	0.0%
Amount of Non-audit services	0	0.0%	0	—%	25,369	2.3%
Other Companies within CTT Group	**1,730,819**	**63.3%**	**670,505**	**68.3%**	**712,778**	**64.3%**
Amount of Statutory Audit	1,483,220	54.3%	537,814	54.8%	529,508	47.7%
Amount of Quality Assurance Services	247,599	9.0%	132,691	13.5%	166,050	15.0%
Amount of Tax Consultancy Services	0	0.0%	0	0.0%	0	0.0%
Amount of Non-audit services	0	0.0%	0	0.0%	17,220	1.6%
TOTAL	**2,733,158**	**100.0%**	**981,660**	**100.0%**	**1,108,435**	**100.0%**
Total Audit Services	**2,150,077**	**78.7%**	**743,147**	**75.7%**	**767,940**	**69.3%**
Total Non-Audit Services [3]	**583,082**	**21.3%**	**238,513**	**24.3%**	**340,495**	**30.7%**
Required by law or equivalent	*441,632*	*16.2%*	*191,637*	*19.5%*	*275,151*	*24.8%*
Not required by law or equivalent	*141,450*	*5.2%*	*46,876*	*4.8%*	*65,344*	*5.9%*

[1] Including VAT at the applicable legal rate in force.
[2] Includes invoiced amounts and specialised amounts of the financial year.
[3] See point 46 of this chapter above.

6.3 INTERNAL ORGANISATION

6.3.1 Articles of Association

48. The rules governing amendment to the articles of association (Article 29-H(1)(h))

The General Meeting is responsible for passing resolutions on any amendment to the Articles of Association. CTT's Articles of Association do not contain special provisions for the amendment thereof. The general rules provided for in the PCC apply thereto.

6.3.2 Reporting irregularities (whistleblowing)

49. Reporting means and policy on the reporting of irregularities in the company

The CTT Group considers whistleblowing to be a fundamental instrument for the prevention, detection, investigation, treatment and correction of possible illicit or inappropriate conduct, functioning as a simultaneous procedural safeguard of its corporate principles and purposes, as well as its strategic objectives and commitments, in general, and ESG, including matters of ethics and conduct, in particular.

To this end, a Whistleblowing Policy was approved, which enshrines, in general terms, respect for the guiding principles of the CTT Group's actions, in terms of whistleblowing as one of the pillars on which the control of a good governance model is based, which are materialised in the Regulation on the Procedures Regarding the Report of Infringements (Whistleblowing), which has since been reviewed and approved by the competent bodies.

Pursuant to this Regulation which sets out and details the internal procedures for the reception, retention and handling of infringement communications, in line with best practices in this area, CTT's **Audit Committee** is responsible for receiving irregularity reports presented by the Whistleblowers, including the members of any corporate body, employees, equity holders, service providers, contractors, subcontractors and suppliers and other Stakeholders, in order to ensure the necessary independence of these procedures.

The communication of any infringement that impedes compliance with the Code of Conduct for Senior Officers and Insiders and the Code of Conduct for the Prevention of Corruption and Related Infringements, as well as the various internal Policies, namely the Prevention of Money Laundering and Terrorist Financing, and also those listed in the Regulation of Procedures for the Communication of Irregularities, must be addressed to the CTT Audit Committee, by the following means of communication:

a) CTT Complaints Platform, available at www.ctt.pt, in accordance with the instructions contained therein;

b) PO Box: Remessa Livre 8335, Loja de Cabo Ruivo, 1804-001 Lisboa.

Whistleblowing will be processed as follows:

REPORT AND COMMUNICATION	Once a report has been submitted via the CTT Complaints Platform, the Whistleblower receives, within 7 (seven) days of receipt, a notification of receipt of the report and information on the requirements, competent authorities, form and admissibility of an external report regarding the facts presented. In the case of an anonymous report submitted by post, it is not possible to notify the Whistleblower under these terms.
PRE-ASSESSMENT	After receiving and registering a report of an infringement, the Audit Committee will make a pre-assessment and promote the necessary actions to confirm the existence of sufficient grounds to carry out an investigation, and may conclude: a) For a Preliminary Close due to lack of grounds or relevance or unfeasibility of the investigation, preparing a competent report to substantiate the decision; or b) That an investigation procedure should be opened, depending on the nature of the infringement, preparing a report that includes: the nature of the infringement, namely whether or not it falls within the scope of the matters identified in the Regulation on the Procedures Regarding the Report of Infringements; the feasibility of the investigation; and the people involved and those who may have knowledge of facts relevant to the investigations. In this case, the report will be forwarded to the area responsible for the matter.
RESEARCH AND REPORTING	The investigation process is conducted by the Audit Committee, using the services of the Audit, Compliance and Risk Department and/or, if necessary, other employees or responsible areas of the CTT Group, or by hiring external means (auditors or experts) to support the investigation. The investigation shall be conducted in compliance with the applicable law and internal rules of CTT Group. Persons involved in an investigation must be informed of their right to legal advice before making statements within the scope of the investigation. In situations of manifest urgency or gravity, the Audit Committee shall take or promote the measures deemed appropriate for the protection of CTT Group's interests in the face of the irregularities detected.
DECISION	As a result of the investigation carried out, the Audit Committee shall decide on: a) The filing; b) The adoption or submission of recommendations for the adoption of an appropriate measure or measures by the competent body of the CTT Group, as described in the Regulation on the Procedures Regarding the Report of Infringements. The Whistleblower will be informed, within a maximum of 3 (three) months from the date of receipt of the report, of the measures planned or adopted to follow up on the report, with the respective grounds.

Within these procedures, the following **rights and guarantees** are granted to the Whistleblowers, in particular:

- Confidentiality of reports and the identity of the Whistleblower and protection of the security, integrity and privacy of the information reported;
- Independence and impartiality in the internal handling of complaints received;
- Accountability for acting towards the Whistleblowers and dealing effectively with infringement reports;
- Co-operation with the stakeholders involved and the relevant authorities, by reason of the matter;
- Transparency regarding the operation of the whistleblowing procedure and the respective whistleblowing channels;
- Adoption of the best practices applicable to the matter with a view to the continuous improvement of the activity and behaviour within the CTT Group;
- Right of access, rectification of inaccurate, incomplete or equivocal data and erasure of data communicated, as well as the rights to object, restriction of processing or portability of personal data;

- CTT sets out the commitment not to dismiss, threaten, suspend, repress, harass, withhold or suspend payments of salaries and/or benefits or take any retaliatory measure against anyone who legally reports an infringement or provides any information or assistance in the investigation of the infringement reported.

The full text of the Regulation on the Procedures Regarding the Report of Infringements (Whistleblowing) is available on the CTT website (www.ctt.pt).

During the financial year 2024, no occurrence of any infringement was communicated to the Audit Committee.

6.3.3 Internal control and risk management

50. Individuals, boards or committees responsible for the internal audit and/or implementation of the internal control systems

According to the Internal Control Policy in force at CTT, the Board of Directors is the body responsible for establishing and maintaining an internal control system with the necessary competences to guarantee the adequate monitoring of the group's activities and businesses and the reliability and integrity of the information disclosed or reported.

The Internal Control System is based on a model of **three lines of defence**, in accordance with best practices in auditing and internal control, as follows:

- The **1st Line of Defence** is composed of corporate, operational, business and support areas responsible for implementing internal controls associated with the organisation's processes, ensuring they are conducted with integrity, efficiency and in compliance with internal and external guidelines, as well as managing associated risks;

- The **2nd Line of Defence** is composed of areas responsible for risk management, compliance, internal control, financial control and information security functions. These areas suggest policies and perform supervisory, control and support functions, ensuring that risks are properly managed;

- The **3rd Line of Defence** is conducted by the internal audit function, which independently oversees and assesses the effectiveness of controls and risk management processes implemented by the other lines of defence.

The risk management and compliance functions and the internal audit function are carried out independently and autonomously and are considered by the organisation to be essential functions, positioned at top management level, reporting to the Audit and Corporate Governance and Risk Committees, which are made up of non-executive directors, the majority of whom are independent, who liaise with and report to the Board of Directors.

The Corporate Governance and Risk Committee monitors risk management activities, the level of risk exposure, the effectiveness of major risk mitigation plans and supports the evaluation of the internal control system's functioning. It also advises the Board of Directors on current and future general risk policies and strategies, as well as risk appetite.

The Audit Committee, as CTT's supervisory body, is responsible for supervising the effectiveness of the risk management, internal audit and internal control systems, expressing its opinion on the resources allocated to the functions of risk management, compliance and internal audit.

The internal audit function is ensured by the Audit division and provides internal audit services within the CTT Group in order to guarantee the assessment of the internal control system, as well as compliance with legal obligations and/or those determined by supervisory entities or regulators, in

observance of internationally recognised and accepted internal audit principles. The Audit department regularly informs and alerts the Audit Committee, through its reports and participation in meetings, about any relevant facts, identifying opportunities for improvement, promoting their implementation and ensuring the respective follow-up cycle.

The compliance function, performed by the Compliance division, ensures compliance with legal and regulatory obligations within the scope of the prevention of money laundering and terrorist financing with regard to financial operations.

The risk management function, carried out by the Risk Management division, ensures the execution, in a centralised and independent manner, of the risk management policies and system of the CTT Group, the planning and implementation of risk management programmes supported in the CTT Risk Management System Regulation.

51. Details, even including organisational structure, of hierarchical and/or functional dependency in relation to other boards or committees of the company

The organisation and governance structure of internal control and risk management is based on the three lines of defence model, represented in the organisational chart on subchapter 2.3. Risk Management.

52. Other functional areas responsible for risk control

See subchapter 2.3. Risk Management.

53. Details and description of the major economic, financial and legal risks to which the company is exposed in pursuing its business activity

See subchapter 2.3. Risk Management (Identification of risks and CTT response).

54. Description of the procedure for identification, assessment, monitoring, control and risk management

See subchapter 2.3. Risk Management.

55. Core details on the internal control and risk management systems implemented in the company regarding the procedure for reporting financial information (Art. 29-H(1)(l))

CTT prepares its financial statements in accordance with International Financial Reporting Standards - IAS/IFRS, as adopted by the European Union, having defined a set of policies and procedures, namely the consolidation of accounts, to support the application of those standards. The internal control environment on which is based the set of policies and procedures leading to the preparation of financial statements was established in order to ensure the reliability, accuracy, timeliness, consistency and integrity of the information disclosed. The process of preparing the information is based on execution and validation processes characteristic of an adequate control environment, with a view to ensuring that operations are carried out according to a predefined authorisation system based on the segregation of functions and sequential validation mechanisms.

The preparation of the financial statements is based on duly identified processes and procedures and rules leading to the consolidation of accounts contained in the Consolidation Manual and on the

consistency of duly defined accounting policies. Consolidated income statements are prepared monthly, with a view to adequate management control.

The risks involving the preparation of financial reporting are thus mitigated through the segregation of responsibilities and the implementation of controls that involve, namely, limiting access to the systems.

In addition, the Company has implemented a computer platform to monitor its inside information, including financial information and information on persons with access to such information - Insider Manager -, and a Code of Conduct for Senior Officers and Insiders, which establishes general rules on the treatment of inside information and transactions of shares, or other financial instruments related thereto, issued by CTT, carried out by persons discharging managing responsibilities and insiders, as well as the information duties incumbent upon the persons discharging managing responsibilities, thus responding to the requirements arising from the EU Regulation on this matter.

The documents that disclose financial information to the market are prepared by the **Investor Relations Department**, based on the financial statements, including the respective notes, and management information provided by the **Accounting & Taxes Department** and the **Planning & Control Department**.

The **Audit, Compliance & Risk Department**, in its capacity as Internal Auditor, contributes to the reliability and efficiency of the process of preparation of financial information by identifying and testing the effectiveness of appropriate controls to the defined procedures.

The **Statutory Auditor**, within the scope of the review of the accounting system and internal control to an extent as deemed necessary to issue an opinion on the financial statements, makes recommendations which are analysed, discussed and implemented always with the aim of improving the process of preparation and disclosure of financial information.

The **Audit Committee** supervises the process of preparing and disclosing financial information. In this context, the Audit Committee holds meetings, at least quarterly, to monitor the process with the CFO of CTT and its Subsidiaries, with the Statutory Auditor and with the heads of Accounting and Planning & Control, also meeting with the heads of other Departments whenever deemed necessary. The Audit Committee is the main recipient of the documents issued by the Statutory Auditor.

The financial information is disclosed to the market only after its approval by the Board of Directors.

I. INVESTOR SUPPORT

56. Department responsible for investor assistance, composition, functions, the information made available by said department and contact details

See chapter 11. Investor Support.

57. Market Liaison Officer

See chapter 11. Investor Support.

58. Data on the extent and deadline for replying to the requests for information received throughout the year or pending from preceding years

See chapter 11. Investor Support.

6.3.4 Website

59. Address(es)

See chapter 12. Website.

60. Place where information on the firm, public company status, headquarters and other details referred to in Article 171 of the Commercial Companies Code is available

See chapter 12. Website.

61. Place where the articles of association and regulations on the functioning of the boards and/or committees are available

See chapter 12. Website.

62. Place where information is available on the names of the members of governing bodies, the market relations representative, the investor relations office or equivalent structure, their respective duties and contact details

See chapter 12. Website.

63. Place where the documents are available and relate to financial accounts reporting, which should be accessible for at least five years and the half-yearly calendar on company events that is published at the beginning of every six months, including, inter alia, general meetings, disclosure of annual, half-yearly and where applicable, quarterly financial statements

See chapter 12. Website.

64. Place where the notice convening the general meeting and all the preparatory and subsequent information related thereto is disclosed

See chapter 12. Website.

65. Place where the historical archive on the resolutions passed at the company's General Meetings, share capital and voting results relating to the preceding three years are available

See chapter 12. Website.

6.4 REMUNERATION

6.4.1 Power to establish

66. Details of the powers for establishing the remuneration of corporate boards, members of the executive committee or chief executive and directors of the company

The remuneration of corporate bodies, including the members of the Executive Committee, is set by the **Remuneration Committee**, appointed for such purpose by the General Meeting pursuant to article 9 of the Articles of Association and in compliance with **Recommendation VI.2.2. of the IPCG Code**.

Under the terms of article 26-B of the Portuguese Securities Code, the Remuneration Committee submitted to the **Annual General Meeting**, which took place on 23 April 2024, the **proposal of remuneration policy for the 2023/2025 term of office**.

In drawing up the proposal, the Remuneration Committee had the support of the **Corporate Governance and Risk Committee**, which, as detailed in section 21.4 of part I above, has advisory powers, among others, in matters of performance assessment and remuneration, supporting the Remuneration Committee in setting remuneration.

The attribution of these advisory competences is in line with best practices (namely of the financial sector), in that the body which defines the remuneration should be supported by a committee within the Board of Directors, which contributes with its independence, knowledge and experience to the definition of a remuneration policy suited to the particularities of the sector and the Company, especially with detailed knowledge on its strategic and risk profile.

6.4.2 Remuneration Committee

67. Composition of the remuneration committee, including details of individuals or legal persons recruited to provide services to said committee and a statement on the independence of each member and advisor

As at 31 December 2024, and on the present date, the composition of the Remuneration Committee was, and is, as follows:

Members	Position	Date of 1st appointment [1]
Fernando Paulo de Abreu Neves de Almeida	Chair	29/04/2020
Manuel Carlos de Melo Champalimaud	Member	28/04/2016
Christopher James Torino	Member	29/04/2020

[1] The date of the first appointment to a corporate body at CTT is presented here.

The Remuneration Committee elected for the 2023/2025 term of office is composed of **3 members**, the majority of whom are independent members, including the respective Chair, vis-à-vis the management of CTT considering as independence criteria: (i) not being part of any corporate body of the Company, nor of any company within a control or group relationship with CTT; and/or (ii) not having any family relationship (i.e., through the spouse, relatives and/or kin in a direct line up to the third degree inclusive) with any Board member. Only the Member Manuel Champalimaud is not independent vis-à-vis CTT's

management as he is a direct relative of the Non-Executive Director Duarte Champalimaud. The presence on the Remuneration Committee of a non-independent Member does not determine the loss of independence of this Committee vis-à-vis CTT's management, which is why it is considered that **Recommendation VI.2.1. of the IPCG Code** is complied with, and the following should be taken into account:

- The reason for Manuel Champalimaud's non-independence vis-à-vis CTT's management is a family relationship with a director, in a universe of 11 directors, who does not perform executive functions;
- His presence represents, in fact, an added value given his vast experience in company management and knowledge of the sector and industry in which CTT operates, given his investment in CTT (Manuel Champalimaud SGPS, S.A. is an holder of a qualified shareholding in CTT, and the shareholding held by this company in CTT is indirectly attributable to Manuel Champalimaud).

As part of the Remuneration Committee's activity developed throughout the year 2024,the member of the Remuneration Committee Christopher James Torino attended the Annual General Meeting held on 23 April 2024, due to the impossibility for the Chair of this Committee to attend, and provided the information and clarifications requested by the shareholders. Therefore, **Recommendation VI.2.4. of the IPCG Code** is deemed to have been complied with.

In 2024, CTT's Remuneration Committee requested that the Company hire Mercer, a consultancy specialising in remuneration matters, to provide services for calculating the annual variable remuneration of the members of the Executive Committee for the 2023 financial year, taking into account Mercer's long-standing experience in defining remuneration policies, its positioning in the market as leading consultant in theses matters, as well as the rigour with which, over the years, it has always provided the services it has been requested to provide.

Within this scope, the Remuneration Committee has the power to decide freely on the contracting by the Company of any consultancy services that may prove necessary or convenient for the carrying out of its activity.

Considering that Mercer usually provides other services to the Company, namely in the field of actuarial calculations, and that in 2024 it was intended that it could continue to provide these or other services, the Remuneration Committee considered the fact that Mercer has always adopted a principle of allocating different teams to the work, as well as maintaining the appropriate procedures (chinese walls) in order to ensure the necessary conditions of independence, objectivity, exemption and impartiality in the provision of services, and decided to authorise Mercer to provide services to the Company in other areas, in addition to advising the Remuneration Committee. For this reason, **Recommendations from VI.2.5. to VI.2.7. of the IPCG Code** are considered to be complied with.

68. Knowledge and experience in remuneration policy issues by members of the Remuneration Committee

The *curricula vitae* of the members of the Remuneration Committee, elected for the 2023/2025 term of office on 20 April 2023, are presented in Annex I of this Report. As shown therein, all the members of this Committee have **appropriate knowledge** to analyse and decide on the matters within their power, in view of their training and extensive professional experience, namely via:

- Their experience in the areas of remuneration policy, performance evaluation systems and human resources, particularly in academic, human resources consultancy aspects and the performance of functions in remuneration committees (including in companies of considerable size and with shares listed on the stock exchange);
- Their performance of executive and non-executive administrative positions in various sectors, in Portugal and abroad, in companies of considerable size and with shares listed on the stock exchange, as well the holding of positions in the area of investments;
- Abilities and experience in general in areas of corporate governance, and finance and risk;

- The performance of duties in this Committee during the previous term of office.

6.4.3 Remuneration structure

69. Description of the remuneration policy of the Board of Directors and Supervisory Boards as set out in Article 2 of Law No. 28/2009 of 19 June

The remuneration policy for the members of the management and supervisory bodies for the 2023/2025 term of office, approved at the Annual General Meeting of 23 April 2024, ("**Remuneration Policy**") was based on the proposal of the Remuneration Committee, as per point 66 of part I above, presented following a process of reflection and discussion with the support of an external consultant of international reputation and the Corporate Governance and Risk Committee.

The Remuneration Policy, approved and applied in 2024, maintained the remuneration structure of the policy in force during the previous mandate and is based on the following key principles:

- **The Company's economic and financial situation** and its structure and size;

- The promotion of the alignment of management interests with CTT's current strategic objectives (through performance assessment criteria and financial and non-financial targets) and with the pursuit of the Company's **long-term sustainability** and the sustainable development of its businesses (including in terms of sustainability);

- The management's consideration of the interests of the company's various **stakeholders**, in particular the interests of employees (promoting measures to improve the balance of remuneration conditions for employees and members of the corporate bodies) and the interests of shareholders (contributing to the creation of value for shareholders); and

- The specific characteristics and remuneration practices of the sector at European level and the remuneration practices of the companies listed on the PSI-20.

According to the Remuneration Policy in force, the remuneration of the Executive Directors comprises a fixed component and a variable component.

The aforementioned **fixed component**, established in the Remuneration Policy, was defined taking into account, in particular, the following criteria:

- The sustainability of CTT's performance;

- The nature and complexity of the functions (which is why the remuneration of the CEO is different from that of the other executive directors), with special emphasis on the reduction in the number of members of the Executive Committee and the skills required and added responsibilities inherent to these functions; and

- The balance of remuneration conditions for employees and members of corporate bodies.

The fixed component of the remuneration includes the **Annual Base Remuneration** ("**ABR**") paid 14 times per year and the annual meals allowance (which can be reviewed annually by the Remuneration Committee), as well as the benefits detailed in points 75 and 76 of part I below.

In turn, the **variable remuneration** ("**VR**") of the executive Directors is composed of:

- An **annual component ("Annual Variable Remuneration" or "AVR")**, conditional on the predefined quantifiable financial and non-financial objectives being achieved in each annual evaluation period and paid in cash, according to the rules and subject to the conditions described in points 71 and 72 of part I below;

- A **long-term component ("Long-Term Variable Remuneration" or "LTVR")**, in the form of participation in the options plan, that grants the right to allot shares representing CTT's share capital, as described in points 71, 72 and 74 of part I below ("**Options Plan**").

The **non-executive Directors** (including the members of the Audit Committee) **exclusively earn an annual fixed remuneration,** paid 14 times a year, and are not given an annual meal allowance, variable remuneration or any other benefit.

The amount of the non-executive Directors' fixed remuneration was defined, cumulatively, considering the following criteria:

- the remuneration practice of the Company;

- the level of commitment in terms of time and dedication (with a differentiated additional remuneration being attributed to the non-executive Directors who are members of committees);

- the level of complexity and responsibility of each position determining a valuation of the performance of duties in the Audit Committee (in view of the duties of this supervisory body) and of the Corporate Governance and Risk Committee and the positions of chairing committees and within the Board of Directors (in particular the role of Chair described in 21.1. of part I above, whether in the leadership of the Board or before the Company's stakeholders with a dispersed capital structure).

In this context, the Remuneration Policy and for the term of office underway (2023/2025) is based on the following pillars and principles in line with **best governance practices:**

Remuneration mix	• Exclusively fixed remuneration for non-executive Directors (including members of the Audit Committee); • Balance between ABR and VR for executive Directors; • Combination of VR, including both cash and stock options components, with net share (75%) and net cash settlement (25%).
Performance measures	• Combination of financial and non-financial goals; • Performance measures that consider the Company's strategy and are oriented towards the pursuit of the Company's long-term sustainability and the sustainable development of its businesses, while also taking into account the interests of employees and shareholders.

Alignment of interests	• Definition of a minimum performance level to achieve the VR; • Definition of the maximum performance level from which there is no additional payment of VR (cap of AVR and fixed number of stock options attributed within the Options Plan as LTVR); • Deferral and withholding mechanisms of the VR; • Adjustment mechanisms to determine the reduction or reversal of the attribution and/or payment of VR (malus/clawback provisions); • Absence of dilution effect since, according to the Options Plan, the delivery of CTT shares as LTVR is made following the purchase of own shares (the aforementioned Options Plan and the authorisation for the acquisition of own shares being subject to shareholder approval); • Prohibition on the executive Directors entering into agreements or other instruments, either with the Company or with third parties that have the effect of mitigating the risk inherent to the variability of VR.
Transparency	• Remuneration Committee composed of three members, mostly independent in relation to CTT's management, assisted by specialised consultants and by a specialised internal Board of Directors' committee; • Alignment with the strategic goals of the Company; • Overall remuneration set by CTT's Remuneration Committee, in the event of the performance of duties in companies in a controlling or group relationship with CTT; • Presence of the Chair or of another member of the Remuneration Committee, at the Annual General Meeting and in any others, if the agenda includes an issue related to the remuneration of members of the Company's bodies and committees, or if this presence has been requested by the shareholders.

These principles and structural elements of the remuneration policy of the members of the management and supervisory bodies of CTT are detailed in the following points of this chapter 6. and in the **Remuneration Policy** in force.

The Remuneration Policy includes disclosure of the information required under article 26-C of the PSC and **Recommendations VI.2.8. to VI.2.11. of the IPCG Code**.

70. Information on how remuneration is structured so as to enable the aligning of the interests of the members of the board of directors with the company's long-term interests and how it is based on the performance assessment and how it discourages excessive risk taking

70.1 Setting limits of the annual base remuneration, the AVR and the LTVR, discouraging excessive risk taking and balance of remuneration components

The **amount of fixed remuneration** is defined according to the criteria indicated in point 69 of part I above, focused on the sustainability of CTT's performance, the Company's practice, the nature, complexity and responsibility of the functions performed and the alignment of the interests of the different stakeholders, with the aim of ensuring that this component is adequate to discourage excessive risk taking.

Non-executive Directors receive exclusively fixed remuneration. In turn, the **AVR of the executive Directors** is subject to maximum caps defined in the Remuneration Policy, namely by reference to the ABR and takes into account allocation rules that consider short and long-term objectives, as well as discouraging excessive risk-taking, as follows:

- The target **AVR for the financial year of 2024** is 55% of the ABR for each executive Director. Therefore, in a scenario in which 100% of the annual variable remuneration goals are attained, each executive Director will be entitled to AVR in cash of the value of 55% of his/her ABR. If the goals attained surpass this target, the maximum AVR each executive Director may receive is 85% of the respective ABR, with the exception of the situation in which the recorded performance fulfils the objective set for the financial criteria by more than

130% and each and every one of the other financial criteria has a degree of achievement of the objective of at least 100% (excluding the organic growth of revenues which is not subject to minimum achievement criteria), in which case the AVR in relation to the financial objectives to be awarded to each executive Director may be up to 100% of the respective ABR on a linear basis;

- The **weight of the financial performance evaluation criteria** for the purposes of the 2024 performance evaluation is 70%;
- The **weight of the non-financial performance evaluation criteria** that, for the purposes of the performance evaluation in 2024 take the form of quantifiable key performance indicators, have a weight of 30% focused on strategic and sustainability objectives on a long-term, as described in point 71 of part I below;
- If the **minimum achievement thresholds** described in point 71 of part I below are not met, no AVR will be granted;
- The **payment of 50% of the AVR is deferred for 3 years**, which also contributes to balancing the pursuit of sustained performance and discouraging excessive risk-taking.

If **the target AVR objectives are attained, the annual fixed remuneration component will represent on average 65% and the AVR will represent on average 35% of the total annual remuneration** (not considering any potential LTVR) for the executive Directors as a whole.

The **LTVR model for executive Directors** in the current term of office (2023/2025) through participation in the Options Plan in force, promotes an alignment of interests with the Company's performance and provides the following incentives to pursue sustainable performance without excessive risk–taking, as described in points 72 and 74 of part I below:

- The **Options Plan sets out the number of options allocated** that may be exercised by each executive Director, with **different tranches,** which are distinguished only by their distinct exercise price or strike price (establishing three differentiated strike prices, with an identical number of options attached to each one, in a gradual logic);
- The Options Plan also provides for mechanisms for **deferring the exercise of options** (the exercise date is 1 January 2026 considering the end of the three-year term of office 2023/2025) and **retaining** part of the shares to be delivered (throughout the period from the exercise date and the fifth trading day immediately following the end of the month, after the date of approval of the accounts for 2027 at the annual general meeting to be held in 2028, or as at 31 May 2028);
- The Options Plan also sets out **adjustment mechanisms** to discourage conducts that may jeopardise the Company's sustainability.

70.2 Performance assessment criteria and resulting alignment of interests

The award and amount of the **AVR are conditional on compliance in each evaluation period (calendar year) with quantifiable goals measured using short and long-term performance evaluation criteria,** described in point 71 of part I below, and its **payment in cash is deferred** by 50% and is also subject to the performance of the Company and individual performance. This component will thus vary according to:

- The degree of achievement of a series of goals established according to financial and non-financial performance evaluation criteria, focused either on the implementation of **CTT's long-term strategic objectives** or on the **promotion of best ESG** (Environmental, Social and Governance) **practices**;
- The balance between the **financial and non-financial** assessment criteria, bearing in mind that: (i) without reaching a minimum threshold for the financial criteria, no AVR will be awarded; and that (ii) the non-financial criteria have an overall weight of 30%, and are related to (a) the implementation of strategic objectives and (b) the promotion of stakeholders' long-term interests and necessarily include an annual objective related to the implementation of the Company's ESG strategy, with a weighting of no less than 5% (to be achieved annually by the Remuneration Committee);
- Non-financial targets only give rise to the attribution and payment of AVR if the assessment of quantitative financial targets results in the award and payment of any amount of AVR;

- The payment of the AVR in cash is divided in 2 tranches, with the **payment of 50% of the AVR deferred proportionally** over the deferral period of 3 years and subject to the positive performance and sustainable financial situation of the Company and the positive performance of each executive Director as mentioned below.

In turn, the **LTVR for the 2023/2025 term of office in the form of participation in the Options Plan**, also depends on the Company's performance and aims to align interests with this performance in the long-term, to the extent that, as described in points 72 and 74 of part I below:

- The Options Plan sets out the **number of options** allocated that may be exercised by the CEO and the remaining executive Directors and their exercise price or strike price;
- The number of shares to be received depends on the **strike price and the share price** (calculated according to the arithmetic average price, weighted by their transaction volumes, of the Company's shares traded on the Euronext Lisbon regulated market in the sessions held in the 120 days prior to the exercise date - 1 January 2026);
- The LTVR, attributed under the Options Plan, is subject to the **positive evolution of the Share Price and the positive performance of the Company** and to **eligibility conditions** related to the non-verification of the situations that give rise to the application of the adjustment mechanisms mentioned below, nor to material breaches of the terms of the Options Plan;
- The Options Plan also provides for mechanisms for **deferring** the exercise of options and **retaining** shares which result from the combination of two aspects: (i) the date of the exercise of all options (1 January 2026, considering the end of the three-year term of office 2023/2025); and (ii) a retention period of part of the shares allocated (throughout the period from the exercise date and the fifth trading day immediately following the end of the month, after the date of approval of the accounts for, respectively, 2026 and 2027 at the annual general meeting to be held in 2027 and 2028, or as at 31 May 2027 or 31 May 2028).

Moreover, in terms of the Remuneration Policy, the executive Directors **cannot conclude contracts or other instruments, either with the Company or with third parties, whose effect is mitigating the risk inherent to the variability of the VR**.

Thus, via these performance assessment criteria, achievement goals and conditions of attribution and payment or delivery of each remuneration component, as described in points 71, 72 and 74 of part I below, a **remuneration mix was established that promotes the alignment of the interests of the members of the management body with the interests of CTT and its long-term performance**, as follows:

- The **fixed component** serves as a reference for the allocation of AVR, is subject to limits, and can be reviewed annually by the Remuneration Committee thus providing an adequate balance between these two components;
- The **AVR** depends on the assessment of gradual financial and non-financial performance criteria with an assessment period that matches the financial year, and the **LTVR** depends on the CTT Share Price evolution as well as the Company's performance beyond the end of the term of office;
- The **AVR** and **LTVR** are subject to eligibility conditions and adjustment mechanisms, as well as the positive performance of the Company, aimed at encouraging the pursuit of long-term performance;
- The **AVR** and **LTVR** are also subject to mechanisms of deferral as described above.

Therefore, the remuneration policy to be applied in each year of the current term of office, as described above, **fully complies with the Recommendations from VI.2.8. to VI.2.11. of the IPCG Code**.

71. Reference, where applicable, to there being a variable remuneration component and information on any impact of the performance appraisal on this component

The attribution of AVR and LTVR depends on the performance assessment, as mentioned above, carried out in accordance with the criteria set out below and reflects the sustained performance of the Company, demonstrating **full compliance with Recommendation VI.2.8. of the IPCG Code**.

71.1 Criteria for performance assessment of the AVR

According to the Remuneration Policy approved at the Annual General Meeting of 23 April 2024, the amount of AVR to be earned by the executive Directors for their performance in 2024 results from the assessment of quantifiable criteria (70% of a financial nature and 30% of a non-financial nature). These criteria have been fine-tuned, in relation to the policy in force during the previous term of office, with a view to continually strengthening the alignment of the interests of the executive management with the business objectives and strategy, namely in their formulation, weights in the attribution and calculation of the AVR, as indicated below:

- **Free Cash Flow per Share (25%)**: Quantifiable financial performance criterion related to the business capacity to generate cash flows; amounts related to Financial Services and customer deposits and loans from Banco CTT are excluded from the calculation of this criterion;
- **Adjusted Consolidated Recurring EBIT (25%)**: Quantifiable financial performance criterion related to the operational performance of the business;
- **Earnings per Share (10%)**: Quantifiable financial performance criterion related to the capacity to pay out dividends per share;
- **"Organic" Revenue Growth (10%)**: Quantifiable financial performance criterion related to the "organic" growth of revenues generated by sales and services compared to the previous year;
- **Annual Non-Financial Targets (30%)**: Quantifiable non-financial performance criteria related to (i) the implementation of strategic objectives (reflected in the business plan or budget for the period previously approved by the Board of Directors) and (ii) the promotion of the long-term interests of the Company's stakeholders, one of which is related to the implementation of the ESG (Environmental, Social and Governance) strategy, which may not have a weighting of less than 5%.

These criteria are implemented annually by the Remuneration Committee (after hearing the Corporate Governance and Risk Committee), depending on the development of CTT's business and strategy, taking into account the following aspects:

- objectives relating to the sustainability of the growth of the Company's business segments;
- operational or commercial performance goals of CTT's activity;
- objectives related to the quality of service;
- objectives related to the implementation of strategic projects for CTT;
- environmental targets related to CTT's activity;
- to the extent possible, the responsibilities of each executive Director.

The award of AVR is also dependent on a weighted average of achieving the objectives in the above-mentioned financial performance assessment criteria of more than 80%.

When this condition is met, the recorded performance in each financial year in terms of the referred financial and non-financial criteria and objectives is remunerated by weighing them 70% and 30%,

respectively, in the value of the AVR and **gradually, according to the degree of achievement**, in particular:

- If the recorded performance corresponds to less than 80% of the set goal, no AVR will be awarded for that target (with the exception of organic revenue growth, which has no minimum achievement);
- If the recorded overall performance is between 80% and 130% of the set goals, an amount between 35% and 85% of the ABR of each executive Director is due, on a linear basis;
- If the recorded overall performance meets the set goals by more than 130%, an amount corresponding to 85% of the ABR of each executive Director is due, except in the case of the achievement of at least 100% of each and every one of the financial objectives (excluding the organic growth of revenues which is not subject to minimum achievement criteria), in which case the maximum value of the AVR attributable to each executive Director may go up to 100% of the respective ABR, on a linear basis, in order to encourage the overall achievement of objectives).

The assessment carried out in 2024, in relation to the 2023 financial year, took into account the financial and non-financial objectives and their respective weight provided for in the remuneration policy in force for the 2020/2022 term of office.

As part of the assessment carried out in 2024 in relation to the performance verified in the 2023 financial year, the AVR performance assessment criteria were applied as follows:

Financial Criteria [1]	Weight	Level of achievement		
Free cash flow per share	30%	155.9%		
Recurring consolidated EBIT	20%	123.7%		
Earnings per share	10%	243.0%		
'Organic' Revenue Growth	10%	103.5%		
	70%	152.0%		
Non-financial Criteria [3]	**Weight**	**Level of achievement of each of the executive directors**		
Net Promotor Score [4]	10%	Minimum 95% and maximum 105%	Minimum 100% and maximum 120%	Minimum below 80% and maximum 120%
Growth sustainability [5]	5%			
Operational/commercial performance [5]	5%			
Strategic projects [5]	5%			
ESG and transformation [5]	5%			
	30%	100% [2]	107% [2]	90% [2]
	100%			

[1] Criteria applied to all executive directors in office on 31 December 2023, each of the criteria being measured by reference to objectives defined according to the company's budget. 100% of the RBA was awarded, considering the above ranges.
[2] Weighted degree of achievement.
[3] The Corporate Governance, Evaluation and Nominating Committee assessed the degree of achievement of the non-financial key performance indicators, based on: (a) factual information on the level of achievement and gathering input from the CEO in relation to the other executive directors; (b) the assessment carried out by the non-executive directors in accordance with the assessment model defined by that committee for the 2023 financial year. These criteria gave rise to the allocation of the following percentage of ABR to each of the executive directors in ascending order of achievement: 45%, 55%, 62%.
[4] Quantifiable non-financial performance criterion related to customer experience and business growth capacity, assessed on the basis of tools for collecting customer feedback and touch-points directly in customer management processes.
[5] Key performance indicators for 2023 related to: corporate projects (e.g. Banco CTT, Arbitrage, Lego); quality of service and productivity; transformation of people and culture; improvement of operational planning; technological evolution for business and operations; cost optimisation; health benefits; profitability of express and parcels; commercial turnaround in express and parcels in Spain; repositioning of the retail network; development of the business solutions business; and development of ESG and quality of ongoing initiatives.

71.2 Criteria for assessing LTVR's performance under the Options Plan

The LTVR model for the current term of office (2023/2025) is based on the Options Plan, whose rules for attribution, exercise and delivery are set out in point 74 of part I below and which is included in the Remuneration Policy of the members of CTT's management and supervisory bodies, submitted by the Remuneration Committee and approved at the Annual General Meeting held on 23 April 2024.

72. The deferred payment of the remuneration's variable component and specify the relevant deferral period

The **payment of the AVR** that may eventually be awarded, under the terms described in points 69 and following of part I above, takes place in cash and is made as follows:

- The payment of 50% of the AVR occurs in the month following the date of approval by the General Meeting of the accounts related to the financial year corresponding to the assessment period; and
- The payment of **the remaining 50% of the AVR is deferred proportionately over a period of 3 years** counting from said date of approval of accounts and is **subject to the positive performance and sustainable financial situation of the Company and the positive performance of each executive Director**, including the non-verification of the situations that give rise to the application of the adjustment mechanisms.

In turn, the Options Plan also establishes a deferral period of the exercise of the options and a **retention period of the shares awarded as LTVR,** as follows:

- The automatic **exercise date** of all options is 1 January 2026, given the end of the three-year term of office 2023/2025;
- If stock options are granted based on stock market performance and the Company's positive performance is verified, the options will be subjected to settlement over the deferral/retention period;
- **50% of the LTVR** is settled on the fifth trading day immediately following the date of the annual general meeting of the Company approving the accounts for the 2025 financial year to be held in 2026, subject to verification of positive performance with respect to each of the 2023 to 2025 financial years, half by way of net cash settlement in cash (i.e., 25% of the options on a pro rata basis with respect to each of its 3 tranches) and the other half (i.e., 25% of the options also on a pro rata basis with respect to each of its 3 tranches) by way of net share settlement through the delivery of CTT shares;
- The **remaining 50% of the LTVR** (i.e., 50% of the options equally on a pro rata basis with respect to each of its 3 tranches) are settled through the delivery of CTT shares (net share settlement), in 2 parts of 1/2 of the shares retained, respectively for each part: (i) retention of the first instalment until the fifth trading day immediately following the end of the month after the date of approval of the accounts relating to financial year 2026 at the annual general meeting of the Company to be held in 2027, or on 31 May 2027 and subject to the positive performance of the Company in each of the financial years 2023 to 2026; and (ii) retention of the second instalment until the fifth trading day immediately following the end of the month after the date of approval of the accounts for the financial year 2027 at the annual general meeting of the Company to be held in 2028, or on 31 May 2028 and subject to the positive performance of the Company in each of the financial years 2023 to 2027;
- During the retention period, the participant does not acquire ownership or the social or economic rights inherent in the shares retained, without prejudice to being entitled to the amount in cash equivalent to the value of the dividend that such shares would generate if they were held during that retention period, in accordance with point 74 of part I below.

In addition, the award of the AVR and the exercise and settlement of the options relating to the LTVR are conditional (as a condition of eligibility) on **the executive Director remaining with the Company,** as follows:

- If the executive Director leaves the Company for any reason, with the exception of dismissal for cause or another situation that gives rise to the application of an adjustment mechanism (as described below), after the assessment period but before payment of the **AVR**, it will be paid in full to the extent corresponding to that period;
- The payment of the **AVR** in respect of an assessment period in which there is termination of duties will not be due, nor will the settlement of the **LTVR** under the above mentioned Options Plan be due in the event of early termination of duties, as its exercise and settlement require the conclusion of the term of office for which the executive Director was appointed (continued performance), except in situations of termination by mutual agreement, retirement, death, disability or other case of early termination of the term of office for reasons not attributable to the Director (namely in case of change of control of the Company), in which case

the Remuneration Committee shall define a *pro rata* attribution of the AVR and the *pro rata* cancellation of the LTVR granted under the Options Plan;

- The taking up of duties during the current term of office by new executive Directors gives rise to AVR on a *pro rata* basis determined by the Remuneration Committee, and to LTVR taking into account the period of office held during the term of office.

The AVR and LTVR are also subject to the following adjustment mechanisms:

- The **reduction of the VR** whose attribution and/or payment/settlement does not yet constitute an established right (malus provision) through **retention and/or return of the VR** whose payment/settlement already constitutes an established right (clawback provision), as a supplementary mechanism to the reduction;
- Applicable to part or the whole of the **VR (attributable, attributed and/or paid)**;
- When the following **situations** occur: the Director, in the exercise of the respective duties, participated directly and decisively or was responsible for an action that resulted in significant losses; serious or fraudulent non-compliance with the Code of Ethics or internal regulations with significant negative impact, or situations that justify just cause for dismissal; and/or false statements and/or materially relevant errors or omissions in the financial statements to which an objective conduct of the Director has decisively contributed.

The Remuneration Committee (after hearing the Corporate Governance and Risk Committee) assesses annually whether there is room for application of said adjustment mechanisms (conditions for eligibility of VR), as a result of which it may, as applicable, conclude that:

- No **AVR** will be attributed or paid to the Director concerned in relation to the relevant assessment period and the attribution of options to the Director in question as **LTVR** is reversed (through the cancellation of the options whose exercise is conditioned to the non-verification of the referred situations);
- The **AVR** already attributed and/or paid to the Director in question to be reversed, in whole or in part, under which terms the right to the payment of the AVR amounts already attributed is subject to the non-verification during the deferral period of the referred situations and that the amounts paid as AVR shall be subject to this adjustment mechanism from the date of approval by the General Meeting of the accounts relating to the financial year corresponding to the assessment period until the next annual meeting of the Remuneration Committee called to deliberate on the application of these mechanisms;
- The **LTVR** already attributed to the Director in question is reversed, and the exercise of the options and their settlement (in cash or through the delivery of shares) subject to the non-verification of situations that give rise to the application of adjustment mechanisms or situations of material non-compliance with the Options Plan, in which terms, should such situations occur until the meetings of the Remuneration Committee called to decide on its application (to be held as of the exercise and before the settlement of the LTVR or the end of each retention period pursuant to the plan), there may be no payment of the amount due as net cash settlement of the LTVR or the delivery of the retained shares, or they may have to be returned by the Director, under the terms set forth in the Options Plan.

These rules thus seek to align the interests of the management team in a long-term perspective with the interests of the Company, the Shareholders and all other stakeholders, whose pursuit, in view of the particularities of the Company and sector, **fully complies with Recommendations from VI.2.8. to VI.2.10. of the IPCG Code**.

73. The criteria whereon the allocation of variable remuneration on shares is based, and also on maintaining company shares that the executive directors have had access to, on the possible share contracts, including hedging or risk transfer contracts, the corresponding limit and its relation to the total annual remuneration value

Not applicable. See point 71 of part I above.

74. The criteria whereon the allocation of variable remuneration on options is based and details of the deferral period and the exercise price

The **Options Plan** contained in the Remuneration Policy provides for:

- The allocation to its participants (the executive Directors of CTT that adhere to the plan) of **options which confer the right to allocate shares representing CTT's share capital**, subject to certain conditions applicable to the exercise and settlement of the options (options of a non-transferable nature even between participants, except in the case of succession by death);
- The **number of options granted** to be exercised by each executive Director, differentiating between the nature and complexity of the duties in question (among CEO and other executive Directors) according to the table below, the date of attribution corresponding to the date of the referred plan's approval at the General Meeting;
- Three tranches of options that differ only by their different exercise price or strike price, as shown in the table below:

Tranche	Number of Options per participant			Exercise Price or Strike Price
	CEO	CFO	CMO	
1	1,166,667	833,334	833,334	€ 4,00
2	1,166,667	833,333	833,333	€ 6.00
3	1,166,666	833,333	833,333	€ 8.00

- The **exercise date** of all the options is 1 January 2026;
- The **number of CTT shares eventually to be awarded to the participants**, following the automatic exercise of the options on the exercise date, depends on the **exercise price** (**strike price**) and the **share price,** i.e., the arithmetic average of prices, weighted by their transaction volumes, of the Company's shares traded on the Euronext Lisbon regulated market in the sessions carried out in the 120 days prior to the exercise date, i.e., on 1 January 2026 and results from the application of the following formula (rounded down):

  No. of Shares = No. of Options Exercised x [(Share Price - Exercise Price (Strike Price)) / Share Price)]

  Thus, subject to the eligibility conditions and the retention mechanism referred to in this point 74 and in point 72 of part I above, each participant is entitled to receive the total number of CTT shares resulting from the sum of the number of shares due for each tranche, calculated according to the referred formula.
- The share and strike prices will only be altered, by decision of the Remuneration Committee, in the event of financial transactions carried out by the Company during the term of the Options Plan that may significantly affect the value of the shares, to the extent necessary to neutralise the effect of these transactions and preserve the economic value of the options (such as a reduction or increase in share capital, stock splits issue of warrants or other rights to acquire assets of the Company or its subsidiaries, distribution of shareholder remuneration, mergers or other corporate restructuring). When dividends are to be paid or assets distributed to shareholders, the share price and the strike price will be subject to adjustment without the need for a prior resolution of the Remuneration Committee, under the terms set forth in item 5.4. of the Options Plan;
- The Options Plan provides for the **net cash settlement of 25% of the options** and the **net share settlement of 75% of the options**, without prejudice to, exceptionally and in a scenario where the number of own shares held by CTT is not sufficient, determining that the Remuneration Committee establishes a compensation mechanism through the allocation of a cash amount and net cash settlement of the options whose net share settlement is not possible;
- In the event that shares are granted depending on stock market performance and the Company's positive performance as defined in the Options Plan, the options will be subject to settlement over the deferral/ retention period, as described in point 72 of part I above;

- The Options Plan thus provides for **deferral and retention** mechanisms that, combined, ensure compliance with the **Recommendations VI.2.9. and VI.2.10. of the IPCG Code**;
- The exercise of the options and their settlement are also subject to the **eligibility conditions** referred to in point 72 of part I above ;
- The Options Plan for the 2023/2025 term of office also provides that the executive Directors will be entitled to the amount in cash equivalent to the value of the dividend that the shares retained by the Company would generate if they were in their ownership and possession during the retention period, even if this does not occur during that period and until the shares are transferred to them;
- The payment of this amount in cash will become due and must be made in respect of the tranche of shares withheld on the date the respective tranche of shares is released and is subject to the conditions of eligibility and exercise of the options, the positive performance, the adjustment mechanisms and the transfer of the respective tranche of shares to the executive Director;
- This Options Plan will not have a diluting effect on Shareholders, since it is intended that the shares eventually to be delivered under the Options Plan are **own shares** acquired by the Company, under the authorisation of the General Shareholders' Meeting to acquire and dispose of own shares.

75. Main parameters and grounds of any annual bonus scheme and any other non-cash benefits

The Company has not adopted any system of annual bonuses or other non-cash benefits, without prejudice to that referred in the following paragraph.

Supplementing the provisions in point 76 of part I below, the executive Directors earn the following **non-cash supplementary benefits, of a fixed nature**: entitlement to use a vehicle (including fuel and tolls), life and personal accident insurance (including during travel) and access to the health benefit system – CTT Social Action Plan (SAP) – under the same terms as the Company employees.

76. Key characteristics of the supplementary pensions or early retirement schemes for directors and state date when said schemes were approved at the general meeting, on an individual basis

The Company's Remuneration Policy applied in 2024, **does not not include the attribution of retirement supplements** or the attribution of any compensation in the event of the early retirement of its Directors, without prejudice to the matter referred to in the following paragraph.

The **ABR** of the executive Directors includes an amount defined by the Remuneration Committee intended for allocation to a defined contribution pension plan or retirement saving plan (or other retirement saving instruments), specifically chosen by each executive Director (amounting to 10% of the annual base remuneration).

6.4.4 Disclosure of remuneration

77. Details on the amount relating to the annual remuneration paid as a whole and individually to members of the company's board of directors, including fixed and variable remuneration and as regards the latter, reference to the different components that gave rise to same

The tables below indicate the gross remuneration paid in 2024 by the Company to the **members of the Board of Directors and the Audit Committee** (as fixed remuneration and, in the case of executive Directors, as fixed remuneration and annual and long-term variable remuneration):

Table 1

Member	Position	Amounts								
		Fixed Remuneration [1]	AVR 2021 [2]	AVR 2022 [3]	AVR 2023 [4]	LTVR [5]	Total VR [6]	% [7]	Total	Personal Income Tax (IRS) withheld
João Afonso Ramalho Sopas Pereira Bento	Chief Executive Officer (CEO)	€563,141.13	€64,940.00	€64,090.00	€220,575.00	€89,382.66	€438,987.66	44%	€1,002,128.79	€411,497.00
Guy Patrick Guimarães de Goyri Pacheco	Executive Director (CFO)	€442,075.68	€48,117.00	€50,374.50	€177,200.00	€51,075.18	€326,766.68	43%	€768,842.36	€319,555.00
João Carlos Ventura Sousa	Executive Director (CMO)	€442,178.53	€44,940.00	€44,880.00	€167,000.00	€38,307.48	€295,127.48	40%	€737,306.01	€310,051.00
Total remuneration of the Executive Committee		€1,447,395.34	€157,997.00	€159,344.50	€564,775.00	€178,765.32	€1,060,881.82	42%	€2,508,277.16	€1,041,103.00

(1) Amount of fixed remuneration earned by the executive Directors. This amount includes: (i) the annual base remuneration ("ABR"), (ii) the amount of the annual meal allowance per working day of each month, 12 times a year, and (iii) the fixed amount paid annually to the retirement savings plan corresponding to 10% of the ABR.

(2) Corresponds to the last instalment of 1/3 of 50% of the AVR awarded for the performance in the 2021 financial year, the payment of which took place in 2024 as it was deferred over 3 years and conditional on the Company's positive performance and the non-verification of adjustment mechanisms.

(3) Corresponds to the second instalment of 1/3 of 50% of the amount awarded as AVR for performance in the 2022 financial year, the payment of which took place in 2024 as it was deferred over 3 years and conditional on the Company's positive performance and the non-verification of adjustment mechanisms.

(4) Corresponds to 50% of the amount attributed as AVR for the performance in 2023, with the payment of the remaining 50% deferred proportionally over the following 3 years and subject to the Company's positive performance and the non-verification of adjustment mechanisms.

(5) Amount of the LTVR received in 2024 regarding the 2020/2022 term of office, which corresponds to the net share settlement of 25% of the options exercised on 1 January 2023, which were withheld by the Company under the terms of the Options Plan, conditional on the Company's positive performance and the non-verification of adjustment mechanisms.

(6) Total variable remuneration (AVR and LTVR) paid in 2024, calculated as indicated in the previous notes.

(7) Weight of the VR in the total remuneration paid in 2024.

Table 2

Member	Position	Amount [1]	Personal Income Tax (IRS) withheld
Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	Non-executive Director and Chair of the Audit Committee	€100,000.04	€33,153.00
Jürgen Schröder	Non-executive Director and Member of the Audit Committee	€74,999.96	€18,748.80
María del Carmen Gil Marín	Non-executive Director and Member of the Audit Committee	€74,999.96	€22,205.00
Total remuneration of the Audit Committee		€249,999.96	€74,106.80
Raul Catarino Galamba de Oliveira	Chair of the Board of Directors and Chair and Member of Committees other than the Audit Committee	€350,000.00	€147,661.00
Duarte Palma Leal Champalimaud	Non-executive Director and Member of a Committee other than the Audit Committee	€65,000.04	€18,459.00
Steven Duncan Wood	Non-executive Director	€50,000.02	€12,496.50
Margarida Maria Correia de Barros Couto	Non-executive Director and Chair of a Committee other than the Audit Committee	€74,999.96	€21,603.00
Susanne Ruoff	Non-executive Director and Chair of a Committee other than the Audit Committee	€65,000.04	€16,247.10
Total remuneration of the non-executive Directors who are not members of the Audit Committee		€605,000.06	€216,466.60
Total remuneration of the non-executive Directors from the Board of Directors		€855,000.02	€290,573.40
Total remuneration of the Board of Directors including the Audit Committee and the Executive Committee members		€3,363,277.18	€1,331,676.40

[1] Amount of annual base remuneration (ABR) earned by non-executive Directors.

In 2024, there was no deviation from the application of or derogation from the remuneration policy applicable to members of the management and supervisory bodies, and this report has taken into account the unanimous approval of the financial statements for 2023, including the corporate governance report, which in turn includes the remuneration report.

As described in this section, the Remuneration Policy for the 2023/2025 term of office aims to continue to promote the alignment of management interests with CTT's strategic objectives and with the pursuit of the Company's long-term sustainability.

In this context, information is presented below on the evolution of the remuneration of CTT's corporate bodies and employees and the Company's performance, from 2019 to 2024.

The comparative table below shows the annual percentage change in the remuneration awarded to the members of the Board of Directors and the Audit Committee of the Company currently in office, between 2019 and 2024:

Table 3

Members	Date of 1st Appointment [1]	Position [2]	Remuneration											
			2024 vs 2023			2023 vs 2022			2022 vs 2021		2021 vs 2020		2020 vs 2019	
			FIXED[3]	VR[4]		FIXED[3]	VR[4]		FIXED[3]	AVR	FIXA[3]	AVR[5]	FIXED[3]	AVR[5]
				AVR	LTVR		AVR	LTVR						
Raul Catarino Galamba de Oliveira [6][7]	29/04/2020	Chair of the Board of Directors	0%	n.a.	n.a.	0%	n.a.	n.a.	17.64%[6]	n.a.	48.76% [7]	n.a.	n.a.	n.a.
João Afonso Ramalho Sopas Pereira Bento [8]	20/04/2017	Chief Executive Officer	0%	14.72%	—%	0%	-1.3%	—%	0%	—%	3.93%	—%	61.8% [8]	—%
Guy Patrick Guimarães de Goyri Pacheco	19/12/2017	Executive Director	1.13%	17.25%	—%	2.14%	4.7%	—%	0%	—%	1.8%	—%	-4.33%	—%
João Carlos Ventura Sousa [9]	18/09/2019	Executive Director	3.68%	24.03%	—%	7.09%	0%	—%	-9%	—%	11.2%	—%	4.00%[9]	—%
Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	20/04/2017	Non-Executive Director and Chair of the Audit Committee	4.08%	n.a.	n.a.	6.75%	n.a.	n.a.	0%	n.a.	5.2%	n.a.	2.79%	n.a.
Steven Duncan Wood [10]	23/04/2019	Non-Executive Director	43.89%	n.a.	n.a.	—%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Duarte Palma Leal Champalimaud [11]	19/06/2019	Non-Executive Director	0%	n.a.	n.a.	0%	n.a.	n.a.	0%	n.a.	5.2%	n.a.	5.00%[11]	n.a.
Jürgen Schröder [7]	29/04/2020	Non-Executive Director and Member of the Audit Committee	10.20%	n.a.	n.a.	36.12%	n.a.	n.a.	0%	n.a.	48.76%[7]	n.a.	n.a.	n.a.
Margarida Maria Correia de Barros Couto [7]	29/04/2020	Non-Executive Director	0%	n.a.	n.a.	0%	n.a.	n.a.	0%	n.a.	65,1%[7]	n.a.	n.a.	n.a.
María del Carmen Gil Marín [7]	29/04/2020	Non-Executive Director and Member of the Audit Committee	0%	n.a.	n.a.	0%	n.a.	n.a.	0%	n.a.	48.8%[7]	n.a.	n.a.	n.a.
Susanne Ruoff [7]	29/04/2020	Non-Executive Director	6.55%	n.a.	n.a.	22.00%	n.a.	n.a.	0%	n.a.	48.8%[7]	n.a.	n.a.	n.a.

(1) The date of the first appointment to a corporate body at CTT is presented here.

(2) Current position in CTT.

(3) Fixed remuneration includes (i) the annual base remuneration ("ABR") and also for the executive Directors, (ii) the amount of the annual meal allowance per working day of each month, 12 times a year, and (iii) the fixed amount paid annually to the retirement savings plan corresponding to 10% of the ABR.

(4) The VR takes into account the AVR and the LTVR for the 2020/2022 term of office and the AVR for the 2023/2025 term of office. There is no annual percentage change for the PVR, since it was only earned in 2023 and there is no subsequent year of comparison.

(5) The result of the assessment carried out in respect of the 2019 financial year led to the attribution of AVR to the executive Directors, the payment of which was made in 2021. The assessment for the 2020 financial year did not result in the awarding of an AVR to the executive Directors, and for this reason no annual percentage change is presented for 2019 vs 2020 and 2020 vs 2021 in terms of AVR.

(6) The annual base remuneration includes the 15% waiver in 2021.

(7) The annual change of 2020 vs 2021 reflects the calculation in relation to the remuneration earned in 2020 as from the date of appointment.

(8) From 23/04/2017 to 22/05/2019 he performed the duties of non-executive Director in CTT, having been appointed Chief Executive Officer (CEO) by resolution of the Board of Directors of 13/05/2019, effective as of 22/05/2019. The annual percentage change of 2019 vs 2020 reflects the calculation in relation to the remuneration earned as a non-executive member of the Board of Directors and subsequently as Chief Executive Officer (CEO).

(9) Co-opted by resolution of the Board of Directors dated 03/09/2019 effective as of 18/09/2019. The annual variation of 2019 vs 2020 reflects the calculation with respect to the remuneration earned in 2019 as of the effective date of his co-option.

(10) The non-executive Director began to be remunerated as from 20 April 2023, the date of his election for the 2023/2025 term of office.

(11) Co-opted by resolution of the Board of Directors dated 19/06/2019. The annual variation of 2019 vs 2020 reflects the calculation with respect to the remuneration earned in 2019 as of the effective date of his co-option.

The table below shows the annual percentage variation of the following economic and financial indicators of CTT (on a consolidated basis) between 2019 and 2024:

Table 4

Performance indicators	2024 vs 2023	2023 vs 2022	2022 vs 2021	2021 vs 2020	2020 vs 2019
Revenues	12.4%	8.7%	6.9%	13.8%	0.7%
Operating costs[1]	13.6%	7.2%	6.5%	13.7%	2.5%
Net profit for the year attributable to CTT equity holders	-24.8%	66.2%	-5.2%	130.4%	-42.9%

(1) Excluding depreciation/amortisation, and specific items in 2021 vs 2020 and 2022 vs 2021. In the previous years, Operating Costs excluded impairments, provisions, depreciation/amortisation, the impact of IFRS 16 and specific items.

In turn, the table below shows the annual variation of 2019 vs 2024 of the average remuneration of full-time employees of the CTT Group, excluding the members of the management and supervisory bodies, by professional category:

Table 5

Employees[1]	2024 vs 2023[2]	2023 vs 2022[3]	2022 vs 2021[4]	2021 vs 2020[4]	2020 vs 2019[4]
Senior and middle management	4.5%	4.8%	0.8%	-1.3%	-3.6%
Counter service	7.1%	4.4%	1.1%	0.4%	-0.4%
Delivery	6.6%	3.2%	2.2%	2.7%	-0.5%
Other	6.5%	6.4%	2.7%	-0.6%	2.7%
Overall	**6.1%**	**3.5%**	**1.8%**	**1.6%**	**—%**

(1) For comparison purposes, the following criteria were taken into account: (a) accounting of the population according to the headcount reported at the end of the year, excluding members of the administration and supervisory bodies; and (b) basic remuneration.

(2) The employees of the CTT Group companies Correio Expresso de Moçambique, S.A. (CORRE), NewSpring Services, S.A., Medspring, S.A. e CTT - Soluções Empresariais, S.A. are not included.

(3) The employees of the CTT Group companies Correio Expresso de Moçambique, S.A. (CORRE), NewSpring Services, S.A., Medspring, S.A. e CTT -Soluções Empresariais, S.A. are not included, while the employees of the company Open Lockers, S.A. have been included.

(4) The employees of the CTT Group companies Correio Expresso de Moçambique, S.A. (CORRE), HCCM Outsourcing Investment, S.A. and NewSpring Services, S.A. are not included.

78. Any amounts paid, for any reason whatsoever, by other companies in a control or group relationship, or are subject to a common control

During the 2024 financial year, the companies in a controlling or group relationship with the Company **did not pay the members of the Board of Directors any remunerations** or amounts for any reason.

79. Remuneration paid in the form of profit sharing and/or bonus payments and the reasons for said bonuses or profit sharing being awarded

In 2024, no amounts were paid to the members of CTT's Board of Directors in the form of profit-sharing or bonuses.

80. Compensation paid or owed to former executive directors concerning contract termination during the financial year

The Remuneration Policy provides that, in the event of termination of duties of the members of the Board of Directors, the **legally established compensatory rules** shall apply.

Reference is also made in this regard to points 72 above and 83 below both of part I, where the **consequences of early termination of duties with regard to the AVR and the LTVR** and the legal rules on compensation are detailed.

81. Details of the annual remuneration paid, as a whole and individually, to the members of the company's supervisory board for the purposes of Law No. 28/2009 of 19 June

See point 77 of part I above with respect to the members of the Audit Committee.

82. Details of the remuneration in said year of the Chairman of the Presiding Board to the General Meeting

During the 2024 financial year, the amount of the remunerations of the Chair and the Vice-Chair of the Board of the Shareholders' General Meeting were ten thousand euros and four thousand euros, respectively.

6.4.5 Agreements with remuneration implications

83. The envisaged contractual restraints for compensation payable for the unfair dismissal of directors and the relevance thereof to the remunerations' variable component

The members of CTT's corporate bodies **have not entered into any remuneration or compensation agreements with the Company.**

According to **the Remuneration Policy** in force, in the event of termination of office of the members of the Board of Directors, the **legally established compensatory rules** shall apply.

- The compensation legally due to members of the Board of Directors (including executive Directors), in the event of their dismissal without just cause, corresponds to the indemnity for damages suffered thereby, as prescribed by law and may not exceed the remuneration that the Board member would presumably receive until the end of the period for which he/she was elected.

Thus, considering the absence of individual agreements in this area and the terms of the Remuneration Policy, in the event of a dismissal that does not arise from a serious breach of duty nor from the inability to carry out duties normally, but that is nonetheless due to inadequate performance, the Company will only be obliged to pay compensation as prescribed by law.

In turn, according to the Remuneration Policy for the 2023/2025 term of office as well as the corresponding Options Plan, the early termination of duties determines the **consequences in relation to the allocation and payment of the VR** to the executive Directors described in point 72 of part I above.

In the 2024 financial year, no director left office.

In view of the consequences of the early termination of duties described above, the Company is considering complying with **Recommendation VI.2.3. of the IPCG Code** , since the maximum amount

of compensation to be paid as a result of such termination will result from the application by the Remuneration Committee (with the support of the Corporate Governance and Risk Committee) of the above-mentioned legal criteria and other criteria established in the above-mentioned internal regulations for the situations handled therein.

84. Reference to the existence and description, with details of the sums involved, of agreements between the company and members of the board of directors and managers, pursuant to Article 29-R(3) of the Securities Code that envisages compensation in the event of resignation or unfair dismissal or termination of employment following a takeover bid (Article 29-H(1)(k))

On this issue, it should be noted that CTT's Board of Directors considers that the Company's Managers, within the meaning of the EU Regulation, correspond only to the members of the management and supervisory bodies of CTT.

Accordingly, during 2024, **there were no agreements between the Company and the members of the Board of Directors or the Audit Committee** which provided for compensation in the event of resignation, dismissal without just cause or termination of employment following a change of control in the Company, without prejudice to the provisions in points 72 and 83 of part I above.

6.4.6 Share-Allocation and/or Stock Option Plans

85. Details of the plan and the number of persons included therein

As better defined in points 69, 71 and 74 of part I above, according to the Remuneration Policy approved at the Annual General Meeting held on 23 April 2024, and related to the 2023/2025 term of office, the **LTVR** is based on the executive Directors' participation in the Options Plan.

86. Characteristics of the plan (allocation conditions, non-transfer of share clauses, criteria on share-pricing and the exercising option price, the period during which the options may be exercised, the characteristics of the shares or options to be allocated, the existence of incentives to purchase and/or exercise options)

Point 74 of part I above describes the characteristics of the Options Plan, which is incorporated in the Remuneration Policy approved in force, including the respective conditions of attribution, clauses on the inalienability of shares, criteria relative to the option exercise price, the period during which the options may be exercised, the characteristics of the shares or options to be assigned, the existence of incentives to acquire shares and/or exercise options.

87. Stock option plans for the company employees and staff

87.1 Long-Term Incentive Programmes - Options Plan for the 2023/2025 term of office

Following the approval of the Remuneration Policy of the Company's management and supervisory bodies for the 2023/2025 term of office, in April 2024, CTT's Executive Committee approved two Long-Term Incentive Programmes - Options Plans, one aimed at the members of the Extended Executive Committee who are not Executive Directors and the other for the most senior Directors of the company,

in general directly reporting to the Executive Committee of CTT or the Board of Directors of the subsidiary companies, as well as the Directors or Managers of CTT Expresso in Spain (jointly referred to as '**Options Plans**').

These Options Plans, which replicate the options plan for executive Directors approved under the Remuneration Policy, help to strengthen the alignment of the interests of the different stakeholders with the Company's performance, encouraging the pursuit of its sustainable growth as well as promoting greater alignment of the remuneration conditions of employees and members of the corporate bodies.

Pursuant to the Options Plans, the participants who adhered to it, are granted **options that confer the right to acquire shares representing CTT's share capital**, subject to the following rules applicable to the attribution and the exercise and net cash and net share settlement of the options and delivery and retention of the shares (options of a non-transferable nature even between participants, except in the case of succession by death):

- In accordance with the Options Plans, each participant is entitled to receive **three different option tranches**, each with a different **exercise price (strike price)** and depending on the **number of options** assigned to them by the Executive Committee, as per the table below:

Tranche	Total number of options to be granted to all the participants	Exercise Price (Strike Price)
1	2,010,000	€4.00
2	2,010,000	€6.00
3	2,010,000	€8.00

- All the option tranches comprise a single tranche for exercise purposes and are considered to have been granted to the participants in the Options Plans on the date of the Shareholders' General Meeting, which took place on 23 April 2024. The attribution of options after that date shall be made in proportion to the time spent in office, taking into account the duration of those Plans;

- The automatic **exercise date** of all options will be on 1 January 2026;

- After the exercise, the options awarded under the Plans confer the right to be granted shares via **net share settlement** by means of calculation to be made as follows:

  No. of Shares = No. of Options exercised x [(Share Price - Exercise Price (Strike Price)) / Share Price] where:

  - the **exercise price (strike price)** corresponds to that indicated in the table above;

  - the **share price** corresponds to the arithmetic average of the prices, weighted by the respective trading volumes, of the transactions of Company's shares traded on the Euronext Lisbon regulated market in the stock market sessions held during the 120 (one hundred and twenty) days prior to the exercise date, that is, on 1 January 2026.

- In the event that shares are granted depending on the stock market performance and the Company's positive performance, from the attribution date to the exercise date and during the retention period, the options will be subject to settlement over the deferral/retention period;

- Under the Long-Term Incentive Programme - Options Plan for the members of the Extended Executive Committee, each participant exercising options is entitled to:

  - In relation to 25% of the options (proportional to each tranche of options) allocated under the plan, to receive the cash amount corresponding to the value of the shares that results from the calculation made according to the formula described above (net cash settlement) and in relation to the remaining 25% of the options (proportional to each tranche of options) allocated under the plan, to be received the number of shares corresponding to the result of the sum of the physical settlement, with ownership of the number of shares transferred to each participant (net share settlement), in both cases subject to the positive performance of the Company in each of the financial years 2023, 2024 and 2025 on the fifth trading day

immediately following the date of approval of the 2025 accounts at the annual general meeting of the Company for 2026, by giving its holder the right to trade freely;

- For the remaining 50% of the options (proportional to each tranche of options), the number of shares corresponding to the result of the sum of the net share settlement is subject to the application of the Retention Period by the Company, being unlocked in two instalments of 25% each, respectively on the fifth trading day immediately following the end of the month after the date of approval of the accounts for the years 2026 and 2027 at the general meeting to be held, respectively in 2027 and 2028 and subject to the positive performance of the Company in each of the financial years from 2023 to 2026 and from 2023 to 2027.

- Under the Long-Term Incentive Programme - Options Plan for Top Managers and others, each participant exercising options is entitled:

  - With regard to 50% of the options (on a pro rata basis with respect to each tranche of options) granted under the plan, to receive the number of shares corresponding to the result of the sum of the net share settlement; those shares will be transferred to each participant, subject to the positive performance of the Company in each of the financial years 2023, 2024 and 2025, on the fifth trading day immediately following the date of approval of the 2025 accounts by the annual general meeting of the Company held in 2026, and its holder will then be entitled to freely trade them;

  - Regarding the remaining 50% of the options (on a pro rata basis with respect to each tranche of options), to receive the number of shares corresponding to the result of the sum of the net share settlement, subject to a Retention Period by the Company and to be released in two parts of 25%, respectively, on the fifth trading day immediately following the end of the month after the date of approval of the accounts for the financial years 2026 and 2027 at an annual general meeting of the Company to be held in 2027 and 2028, respectively, subject to the positive performance of the Company in each of the financial years 2023 to 2026 and 2023 to 2027.

- The participant in the Plan is also entitled to the amount in cash equivalent to the value of the dividend that the shares retained by the Company would generate if they were in the ownership and possession of the participant during the Retention Period, even if this does not occur during that period, and until the shares are transferred to the participant. Payment of this amount in cash is due and will be made, in respect of the tranche of shares withheld, on the respective release date;

- The **share price and the strike price** may be altered or adjusted under the same terms as the alteration or adjustment under the Options Plan in force for executive Directors for the 2023/2025 term of office.

- The exercise of options is subject to **eligibility conditions**, particularly the achievement of objectives or performance targets by the Company, since **the attribution of shares on the exercise date** is conditional on the evolution of the market price of the shares and the attribution of shares on the exercise date and the respective payment/delivery and release at the end of each retention period, as well as the payment of the amount equivalent to the value of the dividend that the retained shares would generate, subject to the positive performance by the Company, from the attribution date until the exercise date and during the retention period;

- The exercise of options may be cancelled in the event of termination of the participant's employment contract or equivalent by his own initiative, or by the employer's initiative based on just cause for dismissal, or in the event of non-compliance by the participant with any substantial provision of the terms and conditions of the Options Plan for Directors that triggers an adjustment mechanism;

- Similarly to the options plan approved for the executive Directors in force for the 2023/2025 term of office, and as in the previous term of office, these Options Plans will not have a dilutive effect on shareholders, since the shares that may be delivered under the Options Plans will be own shares acquired by the Company under the authorisation of the General Meeting of Shareholders for the acquisition and sale of own shares.

87.2 Long-Term Incentive Programmes - Options Plan for the 2023/2025 term of office

In 2024, in compliance with the Options Plan for Directors, the ownership of the shares corresponding to 25% of the options, the exercise of which occurred on 1 January 2023 and which were subject to the

Retention Period (first shares released), was transferred to the participants of the Plan, in a total of 49,272 shares, in the amount of €215,811.36, considering the CTT share price at the close of the session on the date of delivery and having confirmed the positive performance of the Company.The number of shares referred to includes 17,492 shares transferred to directors whose mandate expired in April 2023 and who were not reappointed.

The remaining shares, corresponding to the second parcel of 25% will be subject to net share settlement by the fifth trading day immediately following the end of the month after the date of approval of the accounts for the financial year 2024, subject to the positive performance of the Company from the date of award until the end of the retention period for each tranche and the non-verification of any situations that could lead to the cancellation of the exercise of the options or the application of adjustment mechanisms.

The Company's accounts reflect the liabilities for the net share settlement of the shares awarded to the participants in the Options Plan for Directors for the 2020/2022 term of office, under the terms referred to above, and the Company has the number of own shares needed for the net share settlement of those shares when the attribution takes place.

88. Control mechanisms provided for in any employee-share ownership scheme in as much as voting rights are not directly exercised by those employees (Article 29-H(1)(e))

There were no systems of participation of the workers in the capital in force at CTT during 2024 and there are none currently in force.

6.5 TRANSACTIONS WITH RELATED PARTIES

6.5.1 Control mechanisms and procedures

89. Mechanisms implemented by the Company for the purpose of controlling transactions with related parties

Since 2014, the Company has been implementing procedures aimed at ensuring strict compliance with the legal and accounting rules and current best practices concerning transactions with related parties and the pursuit of CTT's interests in this regard, in particular through the **Regulation on Assessment and Control of Transactions with Related Parties and Prevention of Conflicts of Interest ("Regulation")**.

The **Regulation on Assessment and Control of Transactions with Related Parties and Prevention of Conflicts of Interest,** in force at CTT, is published on CTT's website, at www.ctt.pt.

Under the Regulation, the following are considered "Related Parties":

- Any Shareholder with at least 2% of CTT's share capital, whether directly or indirectly, pursuant to article 20 of the Portuguese Securities Code;
- Members of CTT's management and supervisory bodies and any officers who, although not members of these corporate bodies are so classified under the referenced Regulation;
- Members of the management bodies of CTT subsidiaries;
- Any third-party entity that is related to any of the persons identified in the previous three points through relevant business or personal interest;
- Subsidiaries, associated companies and jointly controlled entities (joint ventures) of CTT.

According to that Regulation, “Transactions with Related Parties” (i.e. all legal transactions or acts resulting in a transfer of resources, services or obligations, regardless of whether a price is charged, between, on the one hand, CTT and/or subsidiaries and, on the other hand, a related party) shall adhere to the following principles:

- They must always be formalised in writing, specifying their terms and conditions;
- They shall be carried out (i) in accordance with the legislation in force, in particular in full respect of the interests of the Company and its subsidiaries, as applicable; (ii) ensuring the fair/ equitable and reasonable character of the transaction from the point of view of the Company and shareholders who are not related parties (including minority shareholders) and (iii) within the current activity and under market conditions, as defined in the regulation, unless it is demonstrated that the transaction that does not comply with these requirements is suitable for the interests of the Company and subsidiary companies and the fair/equitable and reasonable character mentioned above, and cumulatively the transaction is approved by the Board of Directors, with prior opinion of the Audit Committee;
- The following should be clearly and accurately disclosed (i) relevant transactions, i.e., whose value is equal to or exceeds 2.5% of CTT's consolidated assets according to the latest audited financial information approved by CTT's corporate bodies (calculated in relation to a single transaction or to the set of transactions carried out during any 12-month period or during the same financial year with the same related party), and that, cumulatively, have not been carried out within the scope of the current activity and/or under market conditions, (ii) and most Transactions with Related Parties, in the notes to the Company's financial statements, with sufficient details to identify the "Related Party" and the essential conditions related to the transactions;
- Loans and guarantees to "Related Parties" are expressly prohibited, except to subsidiaries, associated companies or jointly controlled entities (joint ventures);
- “Significant Transactions”, i.e., of an amount greater than €1,000,000.00 relating to a single business or to a series of business transactions carried out during any 12-month period or during the same financial year with the same related party, and those intended to be carried out outside the scope of the current activity and/or outside market conditions, must be subject to a "prior opinion" by the supervisory body, unless they are exempt transactions under the terms of the Regulation (i.e. transactions entered into between CTT and a subsidiary that is in a controlling relationship with CTT and in which no related party has interests and transactions proposed to all CTT shareholders under the same terms, where the equal treatment of all shareholders and the protection of CTT's interests are ensured);
- Similarly, transactions to be carried out by CTT Directors and/or subsidiaries (directly or through an intermediary) with the company and/or subsidiaries shall be subject to a "prior favourable opinion" by the supervisory body and are subject to prior authorisation from the Board of Directors, except when they are included in the actual trade of the company in question and no special advantage is granted to the director directly or through an Intermediary;
- All "Transactions with Related Parties" not subject to a "prior opinion" from the Audit Committee are subject to subsequent appreciation by this body.

See point 91 of part I below on the prior and subsequent mechanisms for the Audit Committee to control transactions with related parties.

90. Details of transactions that were subject to control in the referred year

In accordance with the internal control procedures implemented, and for the purposes of article 66(5)(e) and article 397 of the Portuguese Companies Code, the Board of Directors decided on 29 July 2024, and with the prior opinion of the Audit Committee, to hire Pentapack - Sistema de Embalagem, S.A., a company whose Chair of the Board of Directors is Duarte Palma Leal Champalimaud, who is also a non-executive Director of CTT, for the sale by CTT of boxes for postal items within the scope of the B2B segment (for exclusive sale in bulk), aimed at e-commerce (customisable). This operation constitutes a transaction subject to internal control, under the procedures described in the Regulation on the Assessment and Control of Transactions with Related Parties and the Prevention of Conflicts of Interest mentioned in points 89 and 91 of part I of this chapter.

In addition, transactions were subject to subsequent **control by the aforementioned body,** almost all of which correspond to to services provided within the scope of the day-to-day activities of the Company and its subsidiaries.

For further details on Transactions with Related Parties, see Note 52 - Related Parties of the consolidated and individual financial statements in chapter 8 of this Report.

91. Procedures and criteria applicable to the supervisory body when same provides preliminary assessment of the business deals to be carried out between the company and the holders of qualifying holdings

According to the Regulation on Assessment and Control of Transactions with Related Parties and Prevention of Conflicts of Interest, the following are submitted by the Executive Committee to the **prior opinion of the Audit Committee**:

- "Significant Transactions", i.e., transactions of an amount exceeding €1,000,000.00 related to a single transaction or to a set of transactions carried out during any 12-month period or during the same financial year with the same related party, and those intended to be carried out outside the scope of the current activity and/or outside market conditions, unless they are exempted transactions under the Regulation (i.e. transactions entered into between CTT and a subsidiary that is in a control relationship with CTT and in which no related party has an interest and transactions proposed to all CTT shareholders under the same terms, where the equal treatment of all shareholders and the protection of CTT's interests are ensured); and
- Transactions to be entered into between, on the one hand, members of the management bodies of CTT and/ or subsidiaries (directly or through an Intermediary) and, on the other hand, CTT and/or subsidiaries, pursuant to and for the purposes of the provisions of articles 397 and 423-H of the PCC, except when they are included in the actual trade of the company in question and no special advantage is granted to the director directly or through an Intermediary.

In this context, the Audit Committee analyses, in particular, the terms, the conditions, the objective and opportunity of the transaction, the interest of the related party, any limitations that could be imposed on CTT as a result of the transaction, the pre-contractual procedures implemented, the mechanisms adopted to resolve or prevent potential conflicts of interest and demonstration that the operation will be carried out within the scope of the Company's current activity or under normal market conditions.

All other "Transactions with Related Parties" are communicated to the Audit Committee for subsequent appraisal, namely in the context of the annual activity report, by the last day of July or February, according to whether the transaction occurred in the 1st or 2nd semester of the year.

6.5.2 Data on business deals

92. Place where the financial statements including information on business dealings with related parties are available, in accordance with IAS 24

The relevant transactions with related parties are described in Note 52 - Related Parties to the consolidated and individual financial statements in chapter 8 of this Report and were carried out within the scope of the Company's current activity and under normal market conditions.

Part II – CORPORATE GOVERNANCE ASSESSMENT

1. Identification of the adopted Corporate Governance Code

In conformity with the provisions of article 2(1) of CMVM Regulation No. 4/2013, CTT has adopted the Corporate Governance Code of the Portuguese Institute of Corporate Governance ("IPCG Code") of 2018, revised in 2023, which can be consulted at www.cgov.pt.

2. Analysis of compliance with the adopted corporate governance code

Recommendations of the IPCG Code		Comply or explain	Points of Chapter 6 - Corporate Governance
General Principles			
General principle A.	Corporate governance promotes and fosters the pursuit of the respective long-term interests, performance and sustained development, and is structure in order to allow the interests of shareholders and other investors, staff, clients, creditors, suppliers and other stakeholders to be weighed, contributing to the strengthening of confidence in the quality, transparency and ethical standards of administration and supervision, as well as to the sustainable development of the community the companies from part of and to the development of the capital market.		
General principle B.	The Code is voluntary and compliance is based on the comply or explain principle, applicable to all Recommendations.		
I. Company's relationship with shareholders, interested parties and the community at large			
Principle I.A.	In their organisation, operation and in the definition of their strategy, companies shall contribute to the pursuit of the Sustainable Development Goals defined within the framework of the United Nations Organisation, in terms that are appropriate to the nature of their activity and their size.		
Principle I.B.	The company periodically identifies, measures and seeks to prevent negative effects related to the environmental and social impact of the operation of its activity, in terms that are appropriate to the nature and size of the company.		
Principle I.C.	In its decision-making processes, the management body considers the interests of shareholders and other investors, employees, suppliers and other stakeholders in the activity of the company.		
I.1.	The company specifies in what terms its strategy seeks to ensure the fulfilment of its long-term objectives and what are the main contributions resulting herefrom for the community at large. I.1.(1) The company specifies in what terms its strategy seeks to ensure the fulfilment of its long-term objectives I.2.(2) and what are the main contributions resulting herefrom for the community at large.	I.1.(1) Adopted I.1.(2) Adopted	2.2. Strategic lines 5.1. ESG Commitments and Sustainable Development Goals 5.4. Social
I.2.	The company identifies the main policies and measures adopted with regard to the fulfilment of its environmental and social objectives. I.2.(1) The company identifies the main policies and measures adopted with regard to the fulfilment of its environmental objectives I.2.(2) and for the fulfilment of its social objectives.	I.2.(1) Adopted I.2.(2) Adopted	I.2.(1) 2.2. Strategic lines 5.1. ESG Commitments and Sustainable Development Goals 5.3. Environment I.2.(2) 2.2. Strategic lines 5.1. ESG Commitments and Sustainable Development Goals 5.4. Social

Recommendations of the IPCG Code		Comply or explain	Points of Chapter 6 - Corporate Governance
II. Composition and functioning of the Corporate Bodies			
II. 1. Information			
Principle II.1.A.	Companies and, in particular, their Directors treat shareholders and other investors in an equitable manner, namely by ensuring mechanisms and procedures for the adequate treatment and disclosure of information.		
II.1.1.	The company establishes mechanisms to adequately and rigorously ensure the timely circulation or disclosure of the information required to its bodies, the company secretary, shareholders, investors, financial analysts, other stakeholders and the market at large.	Adopted	18, 21, 38, 55, 56 to 63 (see chapters 11. Investor Support and 12. Website)
II. 2. Diversity in the Composition and Functioning of the Corporate Bodies			
Principle II.2.A.	Companies have adequate and transparent decision-making structures, ensuring maximum efficiency in the functioning of their bodies and committees*. *(*Committees*, *company committees*, *specialised committees* or *internal committees* are understood to mean committees made up for the most part of members of the corporate bodies, to whom the company attributes company functions within the company ambit, excluding the Remuneration Committee appointed by the General Meeting, pursuant to Article 399 of the Portuguese Commercial Companies Code, unless the Code expressly states otherwise).		
Principle II.2.B.	Companies ensure diversity in the composition of their management and supervisory bodies and the adoption of individual merit criteria in the respective appointment processes, which shall be the exclusive responsibility of shareholders.		
Principle II.2.C.	Companies ensure that the performance of their bodies and committees is duly recorded, namely in minutes of meetings, that allow for knowing not only the sense of the decisions taken but also their grounds and the opinions expressed by their members.		
II.2.1.	Companies establish, previously and abstractly, criteria and requirements regarding the profile of the members of the corporate bodies that are adequate to the function to be performed, considering, notably, individual attributes (such as competence, independence, integrity, availability and experience), and diversity requirements (with particular attention to equality between men and women), that may contribute to the improvement of the performance of the body and of the balance in its composition.	Adopted	16, 18, 19, 26 and 33
II.2.2.	The management and supervisory bodies and their internal committees are governed by regulations – notably regarding the exercise of their powers, chairmanship, the frequency of meetings, operation and the duties framework of their members – fully disclosed on the website of the company, whereby minutes of the respective meetings shall be drawn up. II.2.2.(1) The management body is governed by regulations – notably regarding the exercise of it's powers, chairmanship, the frequency of meetings, operation and the duties framework of it's members – fully disclosed on the website of the company II.2.2.(2) *Idem* for the supervisory body. II.2.2.(3) *Idem* for internal committees. II.2.2.(4) Minutes of the meetings of the management body shall be drawn up. II.2.2.(5) *Idem* for the supervisory body. II.2.2.(6) *Idem* for internal committees.	II.2.2.(1) Adopted II.2.2.(2) Adopted II.2.2.(3) Adopted II.2.2.(4) Adopted II.2.2.(5) Adopted II.2.2.(6) Adopted	21, 22, 23, 27, 29, 34, 35 and chapter 12. Website

Recommendations of the IPCG Code		Comply or explain	Points of Chapter 6 - Corporate Governance
II.2.3.	The composition and number of meetings for each year of the management and supervisory bodies and of their internal committees are disclosed on the website of the company. II.2.3.(1) The composition of the management and supervisory bodies and of their internal committees are disclosed on the website of the company. II.2.3.(2) The number of meetings for each year of the management and supervisory bodies and of their internal committees are disclosed on the website of the company.	II.2.3.(1) Adopted II.2.3.(2) Adopted	21, 23, 26, 29, 35 and 61 (for point 61, see chapter 12. Website).
II.2.4.	The companies adopt a whistle-blowing policy that specifies the main rules and procedures to be followed for each communication and an internal reporting channel that also includes access for non-employees, as set forth in the applicable law. II.2.4.(1) The companies adopt a whistle-blowing policy that specifies the main rules and procedures to be followed for each communication II.2.4.(2) and an internal reporting channel that also includes access for non-employees, as set forth in the applicable law.	II.2.4.(1) Adopted II.2.4.(2) Adopted	49
II.2.5.	The companies have specialised committees for matters of corporate governance, remuneration, appointments of members of the corporate bodies and performance assessment, separately or cumulatively. If the Remuneration Committee provided for in Article 399 of the Portuguese Commercial Companies Code has been set up, the present Recommendation can be complied with by assigning to said committee, if not prohibited by law, powers in the above matters. II.2.5.(1) The companies have specialised committees for matters of corporate governance. II.2.5.(2) *Idem* on remuneration. II.2.5.(3) *Idem* on the appointment of members of the corporate bodies. II.2.5.(4) *Idem* on performance assessment.	II.2.5.(1) Adopted II.2.5.(2) Adopted II.2.5.(3) Adopted II.2.5.(4) Adopted	21 and 29

II.3. Relations between Corporate Bodies

Principle II.3.A.	The corporate bodies create the conditions for them to act in a harmonious and articulated manner, within the scope of their responsibilities, and with information that is adequate for carrying out their functions.

Recommendations of the IPCG Code		Comply or explain	Points of Chapter 6 - Corporate Governance
II.3.1.	The Articles of Association or equivalent means adopted by the company set out the mechanisms to ensure that, within the limits of the applicable laws, the members of the management and supervisory bodies have permanent access to all necessary information to assess the performance, situation and development prospects of the company, including, specifically, the minutes of the meetings, the documentation supporting the decisions taken, the convening notices and the archive of the meetings of the executive management body, without prejudice to access to any other documents or persons who may be requested to provide clarification.	Adopted	18 and 21
II.3.2.	Each body and committee of the company ensures, in a timely and adequate manner, the interorganic flow of information required for the exercise of the legal and statutory powers of each of the other bodies and committees.	Adopted	18 and 21

II. 4. Conflicts of Interest

Principle II.4.A.	The existence of current or potential conflicts of interest between the members of bodies or committees and the company shall be prevented, ensuring that the conflicted member does not interfere in the decision-making process.		
II.4.1.	By internal regulation or an equivalent hereof, the members of the management and supervisory bodies and of the internal committees shall be obliged to inform the respective body or committee whenever there are any facts that may constitute or give rise to a conflict between their interests and the interest of the company.	Adopted	21
II.4.2.	The company adopts procedures to ensure that the conflicted member does not interfere in the decision-making process, without prejudice to the duty to provide information and clarification requested by the body, committee or respective members.	Adopted	21

II.5. Transactions with Related Parties

Principle II.5.A.	Transactions with related parties shall be justified by the interests of the company and shall be carried out under market conditions, being subject to principles of transparency and adequate supervision.		
II.5.1.	The management body discloses, in the corporate governance report or by other publicly available means, the internal procedure for verification of transactions with related parties.	Adopted	89 and 91

III. Shareholders and General Meeting

Principle III.A.	The adequate involvement of shareholders in corporate governance constitutes a positive factor for the efficient functioning of the company and the achievement of its corporate objective.
Principle III.B.	The company promotes the personal participation of shareholders at general meetings as a space for reflection on the company and for shareholders to communicate with the bodies and committees of the company.
Principle III.C.	The company implements adequate means for shareholders to attend and vote at the general meeting without being present in person, including the possibility of sending in advance questions, requests for clarification or information on the matters to be decided on and the respective proposals.

Recommendations of the IPCG Code		Comply or explain	Points of Chapter 6 - Corporate Governance
III.1.	The company does not set an excessively large number of shares to be entitled to one vote and informs in the corporate governance report of its choice whenever each share does not carry one vote. III.1.(1) The company does not set an excessively large number of shares to be entitled to one vote, III.1.(2) and informs in the corporate governance report of its choice whenever each share does not carry one vote.	III.1.(1) Adopted III.1.(2) n.a.	12
III.2.	The company that has issued special plural voting rights shares identifies, in its corporate governance report, the matters that, pursuant to the company's Articles of Association, are excluded from the scope of plural voting.	n.a.	12
III.3.	The company does not adopt mechanisms that hinder the passing of resolutions by its shareholders, specifically fixing a quorum for resolutions greater than that foreseen by law.	Adopted	2 and 14
III.4.	The company implements adequate means for shareholders to participate in the general meeting without being present in person, in proportion to its size.	Adopted	12
III.5.	The company also implements adequate means for the exercise of voting rights without being present in person, including by correspondence and electronically.	Adopted	12
III.6.	The Articles of Association of the company that provide for the restriction of the number of votes that may be held or exercised by one single shareholder, either individually or jointly with other shareholders, shall also foresee that, at least every five years, the general meeting shall resolve on the amendment or maintenance of such statutory provision – without quorum requirements greater than that provided for by law – and that in said resolution, all votes issued are to be counted, without applying said restriction.	n.a.	5 and 13
III.7.	The company does not adopt any measures that require payments or the assumption of costs by the company in the event of change of control or change in the composition of the management body and which are likely to damage the economic interest in the transfer of shares and the free assessment by shareholders of the performance of the Directors.	Adopted	4
IV. Management			
IV.1. Management Body and Executive Directors			
Principle IV.1.A.	The day-to-day management of the company shall be the responsibility of executive directors with the qualifications, skills, and experience appropriate for the position, pursuing the corporate goals and aiming to contribute to its sustainable development.		
Principle IV.1.B.	The determination of the number of executive directors shall take into account the size of the company, the complexity and geographical dispersion of its activity and the costs, bearing in mind the desirable flexibility in the running of the executive management.		

Recommendations of the IPCG Code		Comply or explain	Points of Chapter 6 - Corporate Governance
IV.1.1.	The management body ensures that the company acts in accordance with its object and does not delegate powers, notably with regard to: i) definition of the corporate strategy and main policies of the company; ii) organisation and coordination of the corporate structure; iii) matters that shall be considered strategic due to the amounts, risk and particular characteristics involved. IV.1.1.(1) The management body ensures that the company acts in accordance with its object and does not delegate powers, notably with regard to: i) definition of the corporate strategy and main policies of the company; IV.1.1.(2) (ii) organisation and coordination of the corporate structure; IV.1.1.(3) (iii) matters that shall be considered strategic due to the amounts, risk and particular characteristics involved.	IV.1.1.(1) Adopted IV.1.1.(2) Adopted IV.1.1.(3) Adopted	21
IV.1.2.	The management body approves, by means of regulations or through an equivalent mechanism, the performance regime for executive directors applicable to the exercise of executive functions by them in entities outside the group.	Adopted	26
IV.2. Management Body and Non-Executive Directors			
Principle IV.2.A.	For the full achievement of the corporate objective, the non-executive directors shall exercise, in an effective and judicious manner, a function of general supervision and of challenging the executive management, whereby such performance shall be complemented by commissions in areas that are central to the governance of the company.		
Principle IV.2.B.	The number and qualifications of the non-executive directors shall be adequate to provide the company with a balanced and appropriate diversity of professional skills, knowledge and experience.		
IV.2.1.	Notwithstanding the legal duties of the chairman of the board of directors, if the latter is not independent, the independent directors – or, if there are not enough independent directors, the non-executive directors – shall appoint a coordinator among themselves to, in particular (i) act, whenever necessary, as interlocutor with the chairman of the board of directors and with the other directors, (ii) ensure that they have all the conditions and means required to carry out their duties, and (iii) coordinate their performance assessment by the administration body as provided for in Recommendation VI.1.1.; alternatively, the company may establish another equivalent mechanism to ensure such coordination.	n.a.	17, 18 and 21
IV.2.2.	The number of non-executive members of the management body shall be adequate to the size of the company and the complexity of the risks inherent to its activity, but sufficient to ensure the efficient performance of the tasks entrusted to them, whereby the formulation of this adequacy judgement shall be included in the corporate governance report.	Adopted	17 and 18
IV.2.3.	The number of non-executive directors is greater than the number of executive directors.	Adopted	17 and 18

Recommendations of the IPCG Code		Comply or explain	Points of Chapter 6 - Corporate Governance
IV.2.4.	The number of non-executive directors that meet the independence requirements is plural and is not less than one third of the total number of non-executive directors. For the purposes of the present Recommendation, a person is deemed independent when not associated to any specific interest group in the company, nor in any circumstances liable to affect his/her impartiality of analysis or decision, in particular by virtue of: i. Having carried out, continuously or intermittently, functions in any corporate body of the company for more than twelve years, with this period being counted regardless of whether or not it coincides with the end of the mandate; ii. Having been an employee of the company or of a company that is controlled by or in a group relationship with the company in the last three years; iii. Having, in the last three years, provided services or established a significant business relationship with the company or with a company that is controlled by or in a group relationship with the company, either directly or as a partner, director, manager or officer of a legal person; iv. Being the beneficiary of remuneration paid by the company or by a company that is controlled by or in a group relationship with the company, in addition to remuneration stemming from the performance of the functions of director; v. Living in a non-marital partnership or being a spouse, relative or kin in a direct line and up to and including the 3rd degree, in a collateral line, of directors of the company, of directors of a legal person owning a qualifying stake in the company or of natural persons owning, directly or indirectly, a qualifying stake; vi. Being a holder of a qualifying stake or representative of a shareholder that is holder of a qualifying stake.	Adopted(1)	17, 18, 19, 20 and 78
IV.2.5.	The provisions of paragraph (i) of the previous Recommendation do not prevent the qualification of a new Director as independent if, between the end of his/her functions in any corporate body and his/her new appointment, at least three years have elapsed (cooling-off period).	n.a.	17 and 18

V. Supervision

Principle V.A.	The supervisory body carries out permanent supervision activities of the administration of the company, including, also from a preventive perspective, the monitoring of the activity of the company and, in particular, the decisions of fundamental importance for the company and for the full achievement of its corporate object.
Principle V.B.	The composition of the supervisory body provides the company with a balanced and adequate diversity of professional skills, knowledge and experience.

Recommendations of the IPCG Code		Comply or explain	Points of Chapter 6 - Corporate Governance
V.1.	With due regard for the competences conferred to it by law, the supervisory body takes cognisance of the strategic guidelines and evaluates and renders an opinion on the risk policy, prior to its final approval by the administration body. V.1.(1) With due regard for the competences conferred to it by law, the supervisory body takes cognisance of the strategic guidelines, prior to its final approval by the administration body. V.1.(2) With due regard for the competences conferred to it by law, the supervisory body evaluates and renders an opinion on the risk policy, prior to its final approval by the administration body.	V.1.(1) Adopted V.1.(2) Adopted	38
V.2.	The number of members of the supervisory body and of the financial matters committee should be adequate in relation to the size of the company and the complexity of the risks inherent to its activity, but sufficient to ensure the efficiency of the tasks entrusted to them, and this adequacy judgement should be included in the corporate governance report. V.2.(1) The number of members of the supervisory body shall be adequate in relation to the size of the company and the complexity of the risks inherent to its activity, but sufficient to ensure the efficiency of the tasks entrusted to them, and this adequacy judgement shall be included in the corporate governance report. V.2.(2) *Idem* for the number of members of the financial matters committee.	V.2.(1) Adopted V.2.(2) n.a.	17, 18 and 31
VI. Performance Assessment, Remuneration and Appointments			
VI.1. Annual Performance Assessment			
Principle VI.1.A.	The company promotes the assessment of performance of the executive body and its individual members as well as the overall performance of the management body and its specialised committees.		
VI.1.1.	The management body – or committee with relevant powers, composed of a majority of non-executive members – evaluates its performance on an annual basis, as well as the performance of the executive committee, of the executive directors and of the company committees, taking into account the compliance with the strategic plan of the company and of the budget, the risk management, its internal functioning and the contribution of each member to that end, and the relationship between the bodies and committees of the company.	See below	See below

Recommendations of the IPCG Code		Comply or explain	Points of Chapter 6 - Corporate Governance
VI.1.1.	VI.1.1.(1) The management body - or committee with relevant powers, composed of a majority of non-executive members - evaluates its performance on an annual basis, taking into account the compliance with the strategic plan of the company and of the budget, the risk management, its internal functioning and the contribution of each member to that end, and the relationship between the bodies and committees of the company. VI.1.1.(2) *Idem* for the performance of the executive committee / executive directors. VI.1.1.(3) *Idem* for the performance of the company committees.	VI.1.1.(1) Adopted VI.1.1.(2) Adopted VI.1.1.(3) Adopted	21, 24, 29, 66, 70 and 71
VI.2. Remunerations			
Principle VI.2.A.	The remuneration policy for members of the management and supervisory bodies shall allow the company to attract qualified professionals at a cost that is economically justified by their situation, provide for the alignment with the interests of the shareholders – taking into consideration the wealth effectively created by the company, the economic situation and the market situation – and shall constitute a factor for developing a culture of professionalism, sustainability, merit promotion and transparency in the company.		
Principle VI.2.B.	Taking into consideration that the position of directors is, by nature, a remunerated position, directors shall receive a remuneration: i) that adequately rewards the responsibility undertaken, the availability and competence placed at the service of the company; ii) that ensures a performance aligned with the long-term interests of shareholders and promotes the sustainable performance of the company; and iii) that rewards performance.		
VI.2.1.	The company constitutes a remuneration committee, whose composition shall ensure its independence from the board of directors, whereby it may be the remuneration committee appointed pursuant to Article 399 of the Portuguese Commercial Companies Code.	Adopted	15, 21, 24, 66 and 67
VI.2.2.	The remuneration of the members of the management and supervisory bodies and of the company committees is established by the remuneration committee or by the general meeting, upon proposal of such committee.	Adopted	15, 21, 24, 66 and 67
VI.2.3.	The company discloses in the corporate governance report, or in the remuneration report, the termination of office of any member of a body or committee of the company, indicating the amount of all costs related to the termination of office borne by the company, for any reason, during the financial year in question.	Adopted	83
VI.2.4.	In order to provide information or clarification to shareholders, the president or another member of the remuneration committee shall be present at the annual general meeting and at any other general meeting at which the agenda includes a matter related to the remuneration of the members of bodies and committees of the company, or if such presence has been requested by the shareholders.	Adopted	67 and 69
VI.2.5.	Within the budget constraints of the company, the remuneration committee may freely decide to hire, on behalf of the company, consultancy services that are necessary or convenient for the performance of its duties.	Adopted	67
VI.2.6.	The remuneration committee ensures that such services are provided independently.	Adopted	67

Recommendations of the IPCG Code		Comply or explain	Points of Chapter 6 - Corporate Governance
VI.2.7.	The providers of said services are not hired by the company itself or by any company controlled by or in group relationship with the company, for the provision of any other services related to the competencies of the remuneration committee, without the express authorisation of the committee.	Adopted	67
VI.2.8.	In view of the alignment of interests between the company and the executive directors, a part of their remuneration has a variable nature that reflects the sustained performance of the company and does not encourage excessive risk-taking.	Adopted	69, 70, 71, 72 and 77
VI.2.9.	A significant part of the variable component is partially deferred over time, for a period of no less than three years, and is linked to the confirmation of the sustainability of performance, in terms defined in the remuneration policy of the company.	Adopted	69, 70, 72 and 74
VI.2.10.	When the variable remuneration includes options or other instruments directly or indirectly subject to share value, the start of the exercise period is deferred for a period of no less than three years.	Adopted	69, 70, 71, 72, 74, 85 and 86
VI.2.11.	The remuneration of non-executive directors does not include any component whose value depends on the performance of the company or of its value.	Adopted	69 and 70
VI.3. Appointments			
Principle VI.3.A.	Regardless of the method of appointment, the knowledge, experience, professional background, and availability of the members of the corporate bodies and of the senior management* shall be adequate for the job to be performed. *(In this Code, *senior management* is understood as persons who are part of the senior management as defined (under the name "management") by European and national legislation regarding listed companies, excluding members of the corporate bodies.)		
VI.3.1.	The company promotes, in the terms it deems adequate, but in a manner susceptible of demonstration, that the proposals for the appointment of members of the corporate bodies are accompanied by grounds regarding the suitability of each of the candidates for the function to be performed.	Adopted	19, 21 and 29
VI.3.2.	The committee for the appointment of members of corporate bodies includes a majority of independent directors.	Adopted	21, 29 and 66
VI.3.3.	Unless it is not justified by the size of the company, the task of monitoring and supporting the appointments of senior managers shall be assigned to an appointment committee.	n.a.(2)	21,29 and 66
VI.3.4.	The committee for the appointment of senior management provides its terms of reference and promotes, to the extent of its powers, the adoption of transparent selection processes that include effective mechanisms for identifying potential candidates, and that for selection those are proposed who present the greatest merit, are best suited for the requirements of the position and promote, within the organisation, an adequate diversity including regarding gender equality.	n.a.(2)	21, 29 and 66
VII. Internal Control			
Principle VII.A.	Based on the medium and long-term strategy, the company shall establish a system of internal control, comprising the functions of risk management and control, compliance and internal audit, which allows for the anticipation and minimisation of the risks inherent to the activity developed.		

Recommendations of the IPCG Code		Comply or explain	Points of Chapter 6 - Corporate Governance
VII.1.	The management body discusses and approves the strategic plan and risk policy of the company, which includes setting limits in matters of risk-taking. VII.1.(1) The management body discusses and approves the strategic plan. VII.1.(2) The management body discusses and approves the risk policy of the company, which includes setting limits in matters of risk-taking.	VII.1.(1) Adopted VII.1.(2) Adopted	21, 50, 52 and 54 (for points 52 and 54, see subchapter 2.3. Risk Management)
VII.2.	The company has a specialised committee or a committee composed of specialists in risk matters, which reports regularly to the management body.	Adopted	21, 31, 38, 50, 52 e 54 (for points 52 and 54, see subchapter 2.3. Risk Management)
VII.3.	The supervisory body is organised internally, implementing periodic control mechanisms and procedures, in order to ensure that the risks effectively incurred by the company are consistent with the objectives set by the administration body.	Adopted	38
VII.4.	The internal control system, comprising the risk management, compliance and internal audit functions, is structured in terms that are adequate to the size of the company and the complexity of the risks inherent to its activity, whereby the supervisory body shall assess it and, within the ambit of its duty to monitor the effectiveness of this system, propose any adjustments that may be deemed necessary.	Adopted	38 and subchapters 2.3. Risk Management and 5.5. Governance
VII.5.	The company establishes procedures of supervision, periodic assessment and adjustment of the internal control system, including an annual assessment of the degree of internal compliance and performance of such system, as well as the prospects for changing the previously defined risk framework.	Adopted	21, 31, 38, 50, 52 and 54 (for points 52 and 54, see subchapter 2.3. Risk Management)
VII.6.	Based on its risk policy, the company sets up a risk management function, identifying (i) the main risks to which it is subject in the operation of its business, (ii) the probability of their occurrence and respective impact, (iii) the instruments and measures to be adopted in order to mitigate such risks, and (iv) the monitoring procedures, aimed at following them up. VII.6.(1) Based on its risk policy, the company sets up a risk management function, identifying (i) the main risks to which it is subject in the operation of its business, VII.6.(2) (ii) the probability of their occurrence and respective impact, VII.6.(3) (iii) the instruments and measures to be adopted in order to mitigate such risks and VII.6.(4) (iv) the monitoring procedures, aimed at following them up.	VII.6.(1) Adopted VII.6.(2) Adopted VII.6.(3) Adopted VII.6.(4) Adopted	50 to 55 (for points 52 to 54, see subchapter 2.3. Risk Management and Identification of risks and CTT response)

Recommendations of the IPCG Code		Comply or explain	Points of Chapter 6 - Corporate Governance
VII.7.	The company establishes processes to collect and process data related to the environmental and social sustainability in order to alert the management body to risks that the company may be incurring and propose strategies for their mitigation.	Adopted	2.2. Strategic lines 5.1. ESG Commitments and Sustainable Development Goals 5.2. General disclosures 5.3. Environment 5.4. Social
VII.8.	The company reports on how climate change is considered within the organisation and how it takes into account the analysis of climate risk in the decision-making processes.	Adopted	2.2. Strategic lines 2.3. Risk Management 5.3. Environment
VII.9.	The company informs in the corporate governance report on the manner in which artificial intelligence mechanisms have been used as a decision-making tool by the corporate bodies.	Adopted	21, 29 and 38
VII.10.	The supervisory body pronounces on the work plans and resources allocated to the services of the internal control system, including the risk management, compliance and internal audit functions, and may propose adjustments as deemed necessary.	Adopted	38, 51, 52 and 54 (see subchapter 2.3. Risk Management and Identification of risks and CTT response)
VII.11.	The supervisory body is the addressee of reports made by the internal control services, including the risk management, compliance and internal audit functions, at least when matters related to accountability, identification or resolution of conflicts of interest and detection of potential irregularities are concerned.	Adopted	38, 51, 52 and 54 (see subchapter 2.3. Risk Management and Identification of risks and CTT response).
VIII. Information and Statutory Audit of Accounts			
VIII.1. Information			
Principle VIII.1.A.	The supervisory body, diligently and with independence, ensures that the management body observes its responsibilities in choosing policies and adopting appropriate accounting criteria and establishing adequate systems for financial and sustainability reporting, and for internal control, including risk management, compliance and internal audit.		
Principle VIII.1.B.	The supervisory body promotes a proper articulation between the work of the internal audit and that of the statutory audit of accounts.		
VIII.1.1.	The regulations of the supervisory body requires that the supervisory body monitors the suitability of the process of preparation and disclosure of information by the management body, including the appropriateness of accounting policies, estimates, judgements, relevant disclosures and their consistent application from financial year to financial year, in a duly documented and reported manner.	Adopted	38
VIII.2. Statutory Audit and Supervision			
Principle VIII.2.A.	It is the responsibility of the supervisory body to establish and monitor formal, clear, and transparent procedures as to the relationship between the company and the statutory auditor and the supervision of compliance, by the statutory auditor, with the rules of independence imposed by law and by professional standards.		
VIII.2.1.	By means of regulation, the supervisory body defines, in accordance with the applicable legal regime, the supervisory procedures to ensure the independence of the statutory auditor.	Adopted	37 and 38

Recommendations of the IPCG Code		Comply or explain	Points of Chapter 6 - Corporate Governance
VIII.2.2.	The supervisory body is the main interlocutor of the statutory auditor within the company and the first addressee of the respective reports, and is competent, namely, for proposing the respective remuneration and ensuring that adequate conditions for the provision of the services are in place within the company. VIII.2.2.(1) The supervisory body is the main interlocutor of the statutory auditor within the company and the first addressee of the respective reports, VIII.2.2.(2) and is competent, namely, for proposing the respective remuneration and ensuring that adequate conditions for the provision of the services are in place within the company.	VIII.2.2.(1) Adopted VII.2.2.(2) Adopted	38
VIII.2.3.	The supervisory body annually evaluates the work carried out by the statutory auditor, its independence and suitability for the exercise of its functions and shall propose to the competent body its dismissal or termination of the contract for the provision of its services whenever there is just cause to do so.	Adopted	38 and 45

Comply or Explain

(1) **Recommendation IV.2.4.**

"The number of non-executive directors that meet the independence requirements is plural and is not less than one third of the total number of non-executive directors. For the purposes of the present Recommendation, a person is deemed independent when not ***associated to any specific interest group in the company, nor in any circumstances liable to affect his/her impartiality of analysis or decision****, in particular in virtue of:*

i. Having carried out, continuously or intermittently, functions in any corporate body of the company for more than twelve years, with this period being counted regardless of whether or not it coincides with the end of the mandate;
ii. Having been an employee of the company or of a company that is controlled by or in a group relationship with the company in the last three years;
iii. Having, in the last three years, provided services or established a significant business relationship with the company or with a company that is controlled by or in a group relationship with the company, either directly or as a partner, director, manager or officer of a legal person;
iv. Being the beneficiary of remuneration paid by the company or by a company that is controlled by or in a group relationship with the company, in addition to remuneration stemming from the performance of functions of director;
v. Living in a non–marital partnership or being a spouse, relative or kin inn a direct line and up to and including the 3rd degree, in a collateral line, of directors of the company, of directors of a legal person owning a qualifying stake in the company or of natural persons owning, directly or indirectly, a qualifying stake;
vi. Being a holder of a qualifying stake or representative of a shareholder that is holder of a qualifying stake."

Although there is no total coincidence of criteria for assessing the independence of non–executive members of the Board of Directors, between, on the one hand, CMVM Regulation No. 4/2013 (Point

18.1 of Annex I to said Regulation) which, in the case of the members of the Board of Directors who are also members of the Audit Committee, refers to the Portuguese Companies Code, and, on the other hand, the IPCG Code which generally refers to independence requirements without expressly referring to the regime of the Portuguese Companies Code as regards the members of the Audit Committee, **the Company fully complies with Recommendation IV.2.4. of IPCG Code** to the extent that, in accordance with the criteria defined for the purposes of this Recommendation, 45% of all its Directors are independent. The percentage rises to 62.5%, when measured solely in terms of its Non-Executive Directors.

(2) **Recommendations VI.3.3. and VI.3.4.**

According to the complementary Guidelines for the application and acceptance of the 2018 IPCG Corporate Governance Code (Amended in 2023), which brought together in a single document the interpretations previously set out in Interpretative Note no. 3, which has since been revoked, it was considered that **Recommendation VI.3.3. and, consequently, Recommendation VI.3.4.** of the IPCG Code **are not applicable to CTT, as these recommendations refer to the nominating committee whose function is to monitor and support the appointments of senior management and CTT does not qualify as Senior Management**, within the meaning of the EU Regulation, **any person other than members of the management and supervisory bodies, and the appointment of these members is monitored and supported by the Corporate Governance and Risk Committee** (see adoption of sub-recommendation II.2.5.(3) of the IPCG Code above).

07

Proposal for the Appropriation of Results

7. PROPOSAL FOR THE APPROPRIATION OF RESULTS

Under the terms of article 23 of the Articles of Association of CTT - Correios de Portugal, S.A. ("CTT" or "Company"), the annual net profit, duly approved, will be appropriated as follows:

a. a minimum of 5% will be transferred to the legal reserve, until the required amount is reached;

b. a percentage will be distributed to the shareholders as dividends and as decided by the General Meeting;

c. the remaining amount will be appropriated as deliberated by the General Meeting in the interest of the Company.

Under the terms of article 295(1) of the Portuguese Companies Code ("PCC"), a minimum of 5% is intended for the constitution of the legal reserve and, if necessary, its reintegration until this reserve reaches 20% of the share capital. As the share capital is €69,220,000.00, 20% is calculated at €13,844,000.00.

Considering that the legal reserve on 31 December 2024 was €15,000,000.00, the amount of the legal reserve is above the global minimum required by the Articles of Association and the PCC.

Pursuant to article 294(1) of the PCC, save for a bylaw provision to the contrary or a resolution passed with a majority of 3/4 of the votes corresponding to the share capital in a General Meeting called for that purpose, half of the financial year's distributable profits must be distributed to shareholders, as set out by law. CTT's Articles of Association contain no provision contrary to the referenced legal provision.

Distributable profits are the financial year's net profit after the constitution or increase of the legal reserve and after negative retained earnings have been covered, if applicable. As at 31 December 2024, the legal reserve is fully constituted and retained earnings are positive. For the financial year ended 31 December 2024, net profit for the year in the individual accounts amounted to €45,488,951.00.

Given the accounting rules in force, an amount of €5,372,308.00 is already reflected in the stated net profit regarding profit sharing with CTT employees and executive Board members.

Accordingly, and in compliance with the provisions applicable under the law and the Articles of Association, the Board of Directors proposes that:

a. The net profit for the 2024 financial year, totalling €45,488,951.00, as per the individual financial statements, is allocated as follows:

Dividends*	€23,534,800.00
	(€0.17 per share)
Retained Earnings	€21,954,151.00

b. A maximum amount of €5,372,308.00 (already considered in the individual financial statements) is allocated to CTT employees and executive Board members as profit sharing.

* Including own shares held by the company (as at 31 December 2024 there were 3,792,047 own shares); the amount of dividends corresponding to own shares held by the company on the payment date, in the amount of €0.17 per share, will be allocated to Retained Earnings.

Lisbon, 20 March 2025

The Board of Directors

08

Consolidated and Individual Financial Statements

8. CONSOLIDATED AND INDIVIDUAL FINANCIAL STATEMENTS

CTT-CORREIOS DE PORTUGAL, S.A.
CONSOLIDATED AND INDIVIDUAL STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 AND 31 DECEMBER 2024 (Euros)

	NOTES	Group		Company	
		31.12.2023	31.12.2024	31.12.2023	31.12.2024
ASSETS					
Non-current assets					
Tangible fixed assets	5	296,994,666	338,723,263	176,432,707	186,738,030
Investment properties	7	5,975,987	5,173,925	1,440,356	1,043,782
Intangible assets	6	70,639,785	73,446,787	33,842,415	32,428,686
Goodwill	9	80,256,739	80,256,739	—	—
Investments in subsidiary companies	10	—	—	488,885,561	500,318,462
Investments in associated companies	11	481	481	—	—
Investments in joint ventures	12	22,174	18,995	—	—
Other investments	13	3,200,797	3,280,828	6,394	6,394
Group Companies	52	—	—	11,980,000	19,280,000
Accounts receivable	19	—	—	596,036	617,000
Prepayments	21	—	3,417,674	—	980,732
Financial assets at fair value through profit or loss	15	13,532,000	6,283,361	—	—
Debt securities at amortised cost	14	364,706,177	357,983,106	—	—
Other non-current assets	23	3,533,009	3,760,479	2,764,552	3,026,075
Credit to banking clients	20	1,444,412,021	1,573,398,545	—	—
Other banking financial assets	16	—	—	—	—
Deferred tax assets	51	71,395,868	74,153,787	66,134,899	59,713,958
Total non-current assets		**2,354,669,703**	**2,519,897,970**	**782,082,919**	**804,153,120**
Current assets					
Inventories	18	6,663,470	6,518,678	6,116,951	5,598,406
Accounts receivable	19	153,061,555	188,399,079	77,599,554	110,167,044
Credit to banking clients	20	148,801,874	168,148,789	—	—
Group Companies	52	—	—	4,207,339	17,001,281
Income taxes receivable	37	8,268	—	—	—
Prepayments	21	9,946,772	10,984,102	4,821,962	6,148,400
Debt securities at amortised cost	14	364,759,821	1,701,153,508	—	—
Other current assets	23	92,545,537	94,075,485	46,108,082	49,908,418
Other banking financial assets	16	1,274,575,121	703,709,006	—	—
Cash and cash equivalents	22	351,609,634	315,912,146	221,989,472	140,212,683
		2,401,972,052	3,188,900,792	360,843,360	329,036,233
Non-current assets held for sale		200	—	—	—
Total current assets		**2,401,972,251**	**3,188,900,792**	**360,843,361**	**329,036,233**
Total assets		**4,756,641,954**	**5,708,798,762**	**1,142,926,281**	**1,133,189,353**
EQUITY AND LIABILITIES					
Equity					
Share capital	25	71,957,500	69,220,000	71,957,500	69,220,000
Own shares	26	(15,624,632)	(15,831,386)	(15,624,632)	(15,831,386)
Reserves	26	48,113,244	31,993,036	48,113,244	31,993,036
Retained earnings	26	83,269,152	117,846,899	74,330,434	119,189,667
Other changes in equity	26	3,402,039	(1,182,098)	2,971,088	(1,457,081)
Net profit		60,511,368	45,536,317	70,805,389	45,488,951
Equity attributable to equity holders		251,628,671	247,582,768	252,553,022	248,603,188
Non-controlling interests	29	1,624,181	60,680,510	—	—
Total equity		**253,252,852**	**308,263,277**	**252,553,022**	**248,603,188**
Liabilities					
Non-current liabilities					
Accounts payable	33	—	—	309,007	309,007
Medium and long term debt	30	161,080,105	176,378,401	195,121,779	189,300,674
Employee benefits	31	149,740,115	159,255,264	148,302,105	157,046,388
Provisions	32	26,338,865	12,075,945	19,365,000	7,351,961
Debt securities issued at amortised cost	34	347,131,609	252,641,611	—	—
Prepayments	21	671,689	976,301	656,216	960,827
Deferred tax liabilities	51	4,670,707	2,571,698	768,975	668,871
Total non-current liabilities		**689,633,090**	**603,899,219**	**364,523,082**	**355,637,728**
Current liabilities					
Accounts payable	33	373,961,102	478,987,413	307,348,732	375,401,056
Banking clients' deposits and other loans	35	3,090,962,551	4,043,717,816	—	—
Group Companies	52	—		7,639,356	3,957,522
Employee benefits	31	22,049,283	23,593,264	21,994,957	23,566,551
Income taxes payable	37	6,666,412	6,527,689	5,047,516	4,183,856
Short term debt	30	107,934,852	49,874,003	92,554,629	39,837,232
Financial liabilities at fair value through profit or loss	15	13,744,154	6,408,818	—	—
Debt securities issued at amortised cost	34	243,468	251,012	—	—
Prepayments	21	5,110,098	8,294,793	2,376,096	2,275,233
Other current liabilities	36	145,324,271	147,104,317	88,888,890	79,726,986
Other banking financial liabilities	16	47,759,822	31,877,142	—	—
Total current liabilities		**3,813,756,012**	**4,796,636,266**	**525,850,176**	**528,948,436**
Total liabilities		**4,503,389,101**	**5,400,535,485**	**890,373,258**	**884,586,165**
Total equity and liabilities		**4,756,641,954**	**5,708,798,762**	**1,142,926,281**	**1,133,189,353**

The attached notes are an integral part of these financial statements.

CTT-CORREIOS DE PORTUGAL, S.A.

CONSOLIDATED AND INDIVIDUAL INCOME STATEMENT FOR THE TWELVE MONTH PERIODS ENDED 31 DECEMBER 2023 AND 31 DECEMBER 2024

Euros

	NOTES	Group				Company			
		Twelve months ended		Three months ended		Twelve months ended		Three months ended	
		31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024
Sales and services rendered	4/40	844,606,406	965,853,487	230,478,529	277,729,219	466,669,945	441,721,768	109,182,780	116,660,506
Financial margin	41	98,791,460	97,984,706	26,695,755	24,903,335	—	—	—	—
Other operating income	42	41,821,459	43,299,779	12,622,802	12,297,935	60,025,506	67,601,319	18,999,247	18,260,183
		985,219,324	1,107,137,972	269,797,086	314,930,489	526,695,450	509,323,087	128,182,027	134,920,689
Cost of sales	18	(14,245,311)	(8,376,727)	(3,363,774)	(3,085,851)	(12,122,329)	(6,972,801)	(2,868,623)	(2,581,608)
External supplies and services	43	(394,021,022)	(503,657,073)	(121,039,603)	(151,518,844)	(132,533,993)	(137,788,759)	(34,721,931)	(36,657,313)
Staff costs	44	(365,020,038)	(408,574,321)	(77,659,960)	(106,979,415)	(276,297,899)	(298,014,995)	(53,356,899)	(77,324,402)
Impairment of accounts receivable, net	45	(3,626,435)	(1,175,286)	(2,154,526)	595,763	845,007	182,151	333,813	495,501
Impairment of other financial banking assets	45	(24,986,597)	(12,657,389)	(6,903,191)	(2,238,408)	—	—	—	—
Fair value, net	13	181,827	(511,672)	181,827	38,328			—	—
Provisions, net	32	(1,108,602)	(2,057,598)	(88,866)	(856,262)	(355,424)	(1,241,044)	(362,346)	(439,289)
Depreciation/amortisation and impairment of investments, net	46	(65,735,145)	(75,173,099)	(13,824,557)	(19,227,663)	(38,830,229)	(44,442,976)	(4,928,510)	(10,910,768)
Net gains/(losses) of assets and liabilities at fair value through profit or loss	15/47	852,271	40,283	358,687	82,647	—	—	—	—
Net gains/(losses) of other financial assets at fair value through other comprehensive income		—	(217)	—	(635)	—	—	—	—
Gains / (losses) on derecognition of financial assets and liabilities at amortised cost	47	(44,730)	—	(44,730)	—	—	—	—	—
Other operating costs	48	(39,874,904)	(21,723,995)	(24,698,304)	(6,372,396)	(18,816,808)	(10,430,103)	(11,494,791)	(3,449,985)
Gains/losses on disposal/ remeasurement of assets	49	187,206	512,095	132,039	444,561	139,776	(224,153)	121,407	(282,925)
		(907,441,480)	(1,033,354,998)	(249,104,958)	(289,118,175)	(477,971,898)	(498,932,679)	(107,277,880)	(131,150,789)
		77,777,844	**73,782,974**	**20,692,128**	**25,812,314**	**48,723,552**	**10,390,408**	**20,904,147**	**3,769,900**
Interest expenses	50	(16,869,829)	(17,864,054)	(4,582,693)	(4,499,446)	(15,178,822)	(21,103,642)	(4,532,247)	(5,322,165)
Interest income	50	630,582	424,695	(19,577)	193,679	3,776,298	774,612	687,015	256,584
Gains/losses in subsidiary, associated companies and joint ventures	10/11/12	(458)	(3,179)	(452)	(2,548)	29,650,816	55,839,658	10,298,216	19,835,855
		(16,239,706)	(17,442,539)	(4,602,722)	(4,308,315)	18,248,292	35,510,628	6,452,984	14,770,274
Earnings before taxes		**61,538,139**	**56,340,435**	**16,089,406**	**21,503,999**	**66,971,844**	**45,901,036**	**27,357,130**	**18,540,174**
Income tax for the period	51	(1,095,699)	(9,307,000)	8,854,402	(2,875,319)	3,833,545	(412,085)	7,952,011	(768,716)
Net profit for the period		**60,442,439**	**47,033,435**	**24,943,808**	**18,628,680**	**70,805,389**	**45,488,951**	**35,309,141**	**17,771,458**
Net profit for the period attributable to:									
Equity holders		60,511,368	45,536,317	24,983,983	17,784,716	—	—	—	—
Non-controlling interests	29	(68,929)	1,497,118	(40,175)	843,964	—	—	—	—
Earnings per share:	28	**0.43**	**0.33**	**0.18**	**0.13**	**0.50**	**0.33**	**0.25**	**0.13**

The attached notes are an integral part of these financial statements.

CTT-CORREIOS DE PORTUGAL, S.A.

CONSOLIDATED AND INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME FOR THE TWELVE MONTH PERIODS ENDED 31 DECEMBER 2023 AND 31 DECEMBER 2024

Euros

	NOTES	Group				Company			
		Twelve months ended		Three months ended		Twelve months ended		Three months ended	
		31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024
Net profit for the period		**60,442,439**	**47,033,435**	**24,943,808**	**18,628,680**	**70,805,389**	**45,488,951**	**35,309,142**	**17,771,460**
Adjustments from application of the equity method (non re-classifiable adjustment to profit and loss)	26	32,674	40,087	30,903	49,399	(14,081)	27,553	(15,852)	36,865
Employee benefits (non re-classifiable adjustment to profit and loss)	26/31	(5,716,054)	(6,326,785)	(5,716,054)	(6,326,785)	(5,713,716)	(6,323,160)	(5,713,716)	(6,323,160)
Deferred tax/Employee benefits (non re-classifiable adjustment to profit and loss)	26/51	1,555,423	1,735,685	1,555,423	1,735,685	1,599,841	1,728,906	1,599,841	1,728,906
Other changes in equity	26/29	(40,907)	(495,063)	(42,678)	19,443	—	—	—	—
Other comprehensive income for the period after taxes		**(4,168,864)**	**(5,046,076)**	**(4,172,406)**	**(4,522,258)**	**(4,127,956)**	**(4,566,701)**	**(4,129,727)**	**(4,557,389)**
Comprehensive income for the period		**56,273,576**	**41,987,359**	**20,771,402**	**14,106,422**	**66,677,433**	**40,922,250**	**31,179,415**	**13,214,071**
Attributable to non-controlling interests		(109,836)	1,507,249	(82,853)	863,407				
Attributable to shareholders of CTT		56,383,412	40,480,110	20,854,255	13,243,015				

The attached notes are an integral part of these financial statements.

CTT-CORREIOS DE PORTUGAL, S.A.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2023 AND 31 DECEMBER 2024

Euros

	NOTES	Share capital	Own Shares	Reserves	Other changes in equity	Retained earnings	Net profit for the year	Non-controlling interests	Total
Balance on 31 December 2022		**72,675,000**	**(10,826,390)**	**53,844,057**	**6,857,207**	**64,647,067**	**36,406,519**	**1,326,016**	**224,929,476**
Share capital decrease	25/26	(717,500)	5,293,313	(4,575,813)	—	—	—	—	—
Appropriation of net profit for the year of 2022		—	—	—	—	36,406,519	(36,406,519)	—	—
Dividends	27	—	—	—	—	(17,817,109)	—	—	(17,817,109)
Acquisition of own shares	26	—	(10,541,092)	—	—	—	—	—	(10,541,092)
Attribution of own shares	26	—	449,537	(1,155,000)	705,463	—	—	—	—
Other movements	26	—	—	—	—	—	—	408,000	408,000
		(717,500)	**(4,798,242)**	**(5,730,813)**	**705,463**	**18,589,410**	**(36,406,519)**	**408,000**	**(27,950,201)**
Other movements	26/29	—	—	—	—	—	—	(40,907)	(40,907)
Actuarial gains/losses - Health Care, net from deferred taxes	26	—	—	—	(4,160,631)	—	—	—	(4,160,631)
Changes to fair value reserves	26	—	—	—	—	—	—	—	—
Adjustments from the application of the equity method	26	—	—	—	—	32,674	—	—	32,674
Net profit for the period		—	—	—	—	—	60,511,368	(68,929)	60,442,439
Comprehensive income for the period		**—**	**—**	**—**	**(4,160,631)**	**32,674**	**60,511,368**	**(109,836)**	**56,273,576**
Balance on 31 December 2023		**71,957,500**	**(15,624,632)**	**48,113,244**	**3,402,039**	**83,269,152**	**60,511,368**	**1,624,181**	**253,252,852**
Share capital decrease	25/26	(2,737,500)	20,111,920	(17,374,420)	—	—	—	—	—
Appropriation of net profit for the year of 2023	25/26	—	—	—	—	60,511,368	(60,511,368)	—	—
Dividends	27	—	—	—	—	(23,315,758)	—	(1,622,403)	(24,938,160)
Acquisition of own shares	26	—	(20,648,165)	—	—	—	—	—	(20,648,165)
Attribution of own shares	26	—	329,492	(841,648)	512,156	—	—	—	—
Share plan	26	—	—	2,095,860	—	—	—	—	2,095,860
Shareholdings sale	26	—	—	—	—	—	—	32,952,531	32,952,531
Shareholdings acquisition	26	—	—	—	—	(504,747)	—	(934,253)	(1,439,000)
Share capital increase subscription in subsidiaries by third parties	26	—	—	—	—	(2,153,204)	—	27,153,204	25,000,000
		(2,737,500)	**(206,754)**	**(16,120,207)**	**512,156**	**34,537,659**	**(60,511,368)**	**57,549,079**	**13,023,066**
Other movements	26/29	—	—	—	(505,194)	—	—	10,131	(495,063)
Actuarial gains/losses - Health Care, net from deferred taxes	15	—	—	—	(4,591,100)	—	—	—	(4,591,100)
Adjustments from the application of the equity method	26	—	—	—	—	40,087	—	—	40,087
Net profit for the period		—	—	—	—	—	45,536,317	1,497,118	47,033,435
Comprehensive income for the period		**—**	**—**	**—**	**(5,096,294)**	**40,087**	**45,536,317**	**1,507,249**	**41,987,359**
Balance on 31 December 2024		**69,220,000**	**(15,831,386)**	**31,993,036**	**(1,182,098)**	**117,846,899**	**45,536,317**	**60,680,510**	**308,263,277**

The attached notes are an integral part of these financial statements.

CTT-CORREIOS DE PORTUGAL, S.A.
INDIVIDUAL STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2023 AND 31 DECEMBER 2024
Euros

	NOTES	Share capital	Own Shares	Reserves	Other changes in equity	Retained earnings	Net profit for the year	Total
Balance on 31 December 2022		**72,675,000**	**(10,826,390)**	**53,844,057**	**6,379,500**	**64,452,619**	**37,307,258**	**223,832,044**
Appropriation of net profit for the year of 2022		—	—	—	—	37,307,258	(37,307,258)	—
Share capital decrease	25/26	(717,500)	5,293,313	(4,575,813)	—	—	—	—
Dividends	26	—	—	—	—	(17,817,109)	—	(17,817,109)
Acquisition of own shares	26	—	(10,541,092)	—	—	—	—	(10,541,092)
Attribution of own shares	26	—	449,537	(1,155,000)	705,463	—	—	—
Other movements	26	—	—	—	—	(9,598,253)	—	(9,598,253)
Share plan	26	—	—	—	—	—	—	—
		(717,500)	**(4,798,242)**	**(5,730,813)**	**705,463**	**9,891,896**	**(37,307,258)**	**(37,956,454)**
Actuarial gains/losses - Health Care, net from deferred taxes	26	—	—	—	(4,113,875)	—	—	(4,113,875)
Adjustments from the application of the equity method	26	—	—	—	—	(14,081)	—	(14,081)
Net profit for the period		—	—	—	—	—	70,805,389	70,805,389
Comprehensive income for the period		**—**	**—**	**—**	**(4,113,875)**	**(14,081)**	**70,805,389**	**66,677,433**
Balance on 31 December 2023		**71,957,500**	**(15,624,632)**	**48,113,244**	**2,971,088**	**74,330,434**	**70,805,389**	**252,553,022**
Share capital decrease	25/26	(2,737,500)	20,111,920	(17,374,420)	—	—	—	—
Appropriation of net profit for the year of 2023	25/26	—	—	—	—	70,805,389	(70,805,389)	—
Dividends	27	—	—	—	—	(23,315,758)	—	(23,315,758)
Acquisition of own shares	26	—	(20,648,165)	—	—	—	—	(20,648,165)
Attribution of own shares	26	—	329,492	(841,648)	512,156	—	—	—
Share plan	26			2,095,860				2,095,860
Shareholdings sale	26	—			(346,071)	—	—	(346,071)
Shareholdings acquisition	26					(504,747)		(504,747)
Other impacts of the application of the equity method - Share capital increase	26	—	—	—	—	(2,153,204)	—	(2,153,204)
		(2,737,500)	**(206,753)**	**(16,120,208)**	**166,086**	**44,831,680**	**(70,805,389)**	**(44,872,085)**
Actuarial gains/losses - Health Care, net from deferred taxes	26	—	—	—	(4,594,254)	—	—	**(4,594,254)**
Adjustments from the application of the equity method	26	—	—	—	—	27,553	—	27,553
Net profit for the period		—	—	—	—	—	45,488,951	45,488,951
Comprehensive income for the period		**—**	**—**	**—**	**(4,594,254)**	**27,553**	**45,488,951**	**40,922,250**
Balance on 31 December 2024		**69,220,000**	**(15,831,386)**	**31,993,037**	**(1,457,081)**	**119,189,667**	**45,488,951**	**248,603,188**

The attached notes are an integral part of these financial statements.

CTT-CORREIOS DE PORTUGAL, S.A.
CONSOLIDATED AND INDIVIDUAL CASH FLOW STATEMENT FOR THE TWELVE MONTH PERIODS ENDED 31 DECEMBER 2023 AND 31 DECEMBER 2024
Euro

	NOTES	Group		Company	
		31.12.2023	31.12.2024	31.12.2023	31.12.2024
Cash flow from operating activities					
Collections from customers		861,167,090	1,030,292,803	534,966,290	527,279,973
Payments to suppliers		(432,065,542)	(590,025,014)	(158,279,950)	(181,129,016)
Payments to employees		(361,411,760)	(389,429,522)	(275,825,335)	(283,936,584)
Banking customer deposits		833,574,737	940,922,284	—	—
Credit to bank clients		203,606,686	(135,686,178)	—	—
Cash flow generated by operations		**1,104,871,210**	**856,074,374**	**100,861,005**	**62,214,373**
Payments/receivables of income taxes		(1,582,874)	(12,530,800)	747,740	(8,963,365)
Other receivables/payments		(96,516,278)	88,372,306	(197,744,279)	2,950,315
Cash flow from operating activities (1)		**1,006,772,058**	**931,915,880**	**(96,135,534)**	**56,201,323**
Cash flow from investing activities					
Receivables resulting from:					
Tangible fixed assets		13,440	256,538	461,152	212,538
Investment properties		—	—	1,102,538	—
Investment subsidies		103,028	2,479	87,555	2,479
Financial investments	8	—	32,447,343	—	32,447,343
Investment in securities at amortized cost	14	210,961,600	1,291,500,000	—	—
Investment in securities at fair value through profit or loss		27,468,531	—	—	—
Applications at the Central Bank		—	615,350,000		
Other banking financial assets	16	34,720,000	23,310,000	—	—
Interest income		2,362,479	1,284,043	2,143,231	628,699
Dividends		—	—	62,620	7,844,394
Loans granted		—	—	12,000,000	6,592,148
Payments resulting from:					
Tangible fixed assets		(14,832,739)	(20,745,310)	(9,290,065)	(8,565,865)
Intangible assets		(16,008,104)	(17,234,372)	(7,859,712)	(6,832,143)
Financial investments	8	(2,249,180)	(2,030,706)	(29,212,146)	—
Investment in securities at amortized cost	14	(405,659,071)	(2,577,928,966)	—	—
Demand deposits at Bank of Portugal		(5,439,600)	(11,821,800)	—	—
Applications at the Central Bank		(809,457,000)	—	—	—
Other banking financial assets		(36,750,000)	(68,200,000)	—	—
Loans granted	52	—	—	(3,550,000)	(13,510,000)
Cash flow from investing activities (2)		**(1,014,766,616)**	**(733,810,750)**	**(34,054,827)**	**18,819,593**
Cash flow from financing activities					
Receivables resulting from:					
Loans obtained	30	94,757,177	49,576,223	94,686,630	49,486,223
Capital realizations and other equity instruments		408,000	25,000,000	—	—
Other credit institutions' deposits		1,000,000	434,847,351	—	—
Payments resulting from:					
Loans repaid	30	(16,964,205)	(134,175,881)	(16,641,983)	(125,987,105)
Other credit institutions' deposits		(1,000,000)	(434,847,351)	—	—
Interest expenses		(2,557,800)	(3,072,344)	(2,731,931)	(2,885,115)
Lease liabilities	30	(37,045,659)	(40,271,961)	(25,266,623)	(33,382,085)
Acquisition of own shares	26	(10,153,539)	(20,717,148)	(10,153,539)	(20,717,148)
Debt securities issued	34	(98,130,907)	(94,522,445)	—	—
Dividends	27	(17,888,170)	(24,967,663)	(17,817,109)	(23,315,758)
Cash flow from financing activities (3)		**(87,575,103)**	**(243,151,220)**	**22,075,445**	**(156,800,988)**
Net change in cash and cash equivalents (1+2+3)		(95,569,661)	(45,046,090)	(108,114,915)	(81,780,072)
Cash and equivalents at the beginning of the period		410,798,975	315,229,314	330,108,157	221,993,241
Cash and cash equivalents at the end of the period	22	315,229,314	270,183,224	221,993,241	140,213,168
Cash and cash equivalents at the end of the period		**315,229,314**	**270,183,224**	**221,993,241**	**140,213,168**
Sight deposits at Bank of Portugal		28,625,500	40,447,300	—	—
Outstanding checks of Banco CTT / Checks clearing of Banco CTT		7,758,807	5,283,468	—	—
Impairment of slight and term deposits		(3,988)	(1,846)	(3,768)	(485)
Cash and cash equivalents (Statement of financial position)		**351,609,634**	**315,912,146**	**221,989,472**	**140,212,683**

The attached notes are an integral part of these financial statements.

CTT – CORREIOS DE PORTUGAL, S.A.

Notes to the consolidated and individual financial statements
(Amounts expressed in Euros)

TABLE OF CONTENTS

7. CONSOLIDATED AND INDIVIDUAL FINANCIAL STATEMENTS **274**
1. INTRODUCTION **284**
1.1 CTT – Correios de Portugal, S.A. (parent company) **284**
1.2 Business **285**
2. MATERIAL ACCOUNTING POLICIES **288**
2.1 Basis of presentation **288**
2.1.1 New standards or amendments adopted by the Group and the Company 289
2.1.2 New standards, amendments and interpretations issued, but without effective application to the years starting on 1 January 2024 or not early adopted 290
2.1.2.1 The Group and the Company decided to opt for not having an early application of the following standards and/or interpretations endorsed by the EU: 290
2.1.2.2 Standards, amendments and interpretations issued that are not yet effective for the Group and the Company not yet endorsed by the EU: 290
2.2 Consolidation principles **293**
2.3 Segment reporting **294**
2.4 Transactions and balances in foreign currency **294**
2.5 Tangible fixed assets **294**
2.6 Intangible assets **295**
2.7 Investment properties **296**
2.8 Impairment of tangible fixed assets and intangible assets, except goodwill **296**
2.9 Goodwill **297**
2.10 Concentration of corporate activities **297**
2.11 Financial assets **298**
2.11.1 Financial assets at amortised cost 299
2.11.2 Derecognition of financial assets 300
2.11.3 Loans written off 301
2.11.4 Modification of financial assets 301
2.12 Equity **302**
2.13 Financial liabilities **302**
2.14 Offsetting financial instruments **303**
2.15 Share Base Payments **304**
2.16 Securitisation operations **304**
2.17 Impairment of financial assets **304**
2.18 Inventories **307**
2.19 Distribution of dividends **308**
2.20 Employee benefits **308**
2.21 Provisions and contingent liabilities **313**
2.22 Revenue **314**
2.23 Subsidies obtained **317**
2.24 Leases **317**
2.25 Borrowing costs **319**
2.26 Taxes **319**
2.27 Accrual basis **320**
2.28 Provision of the insurance mediation service **320**
2.29 Judgements and estimates **321**
2.31 Cash Flow Statement **324**
2.31 Subsequent events **325**
3. CHANGES TO ACCOUNTING POLICIES, ERRORS AND ESTIMATES **325**

4. SEGMENT REPORTING ... 325
5. TANGIBLE FIXED ASSETS ... 333
6. INTANGIBLE ASSETS ... 341
7. INVESTMENT PROPERTIES ... 344
8. COMPANIES INCLUDED IN THE CONSOLIDATION ... 346
9. GOODWILL ... 350
10. INVESTMENTS IN SUBSIDIARY COMPANIES ... 353
11. INVESTMENTS IN ASSOCIATED COMPANIES ... 355
12. INVESTMENTS IN JOINT VENTURES ... 356
13. OTHER INVESTMENTS ... 357
14. DEBT SECURITIES ... 358
15. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS ... 360
16. OTHER BANKING FINANCIAL ASSETS AND LIABILITIES ... 363
17. FINANCIAL RISK MANAGEMENT ... 363
18. INVENTORIES ... 380
19. ACCOUNTS RECEIVABLE ... 382
20. CREDIT TO BANKING CLIENTS ... 385
21. PREPAYMENTS ... 393
22. CASH AND CASH EQUIVALENTS ... 394
23. OTHER NON-CURRENT AND CURRENT ASSETS ... 397
24. ACCUMULATED IMPAIRMENT LOSSES ... 399
26. EQUITY ... 401
26. OWN SHARES, RESERVES, OTHER CHANGES IN EQUITY AND RETAINED EARNINGS ... 402
27. DIVIDENDS ... 406
28. EARNINGS PER SHARE ... 406
29. NON-CONTROLLING INTERESTS ... 407
30. DEBT ... 407
31. EMPLOYEE BENEFITS ... 410
32. PROVISIONS, GUARANTEES PROVIDED, CONTINGENT LIABILITIES AND COMMITMENTS ... 421
33. ACCOUNTS PAYABLE ... 427
34. DEBT SECURITIES ISSUED AT AMORTISED COST ... 429
35. BANKING CLIENTS' DEPOSITS AND OTHER LOANS ... 429
36. OTHER CURRENT LIABILITIES ... 434
37. INCOME TAXES RECEIVABLE /PAYABLE ... 434
38. FINANCIAL ASSETS AND LIABILITIES ... 435
39. SUBSIDIES OBTAINED ... 441
40. SALES AND SERVICES RENDERED ... 441
41. FINANCIAL MARGIN ... 442
42. OTHER OPERATING INCOME ... 443
43. EXTERNAL SUPPLIES AND SERVICES ... 444
44. STAFF COSTS ... 445
45. IMPAIRMENT OF ACCOUNTS RECEIVABLE AND IMPAIRMENT OF OTHER FINANCIAL BANKING ASSETS ... 450
46. DEPRECIATION/AMORTISATION (LOSSES/REVERSALS) ... 451
47. NET GAINS/(LOSSES) OF FINANCIAL BANKING ASSETS AND LIABILITIES ... 452
48. OTHER OPERATING COSTS ... 452
49. GAINS/LOSSES ON DISPOSAL/ REMEASUREMENT OF ASSETS ... 453
50. INTEREST EXPENSES AND INTEREST INCOME ... 454
51. INCOME TAX FOR THE PERIOD ... 454
52. RELATED PARTIES ... 460
53. FEES AND SERVICES OF THE EXTERNAL AUDITORS ... 465

54. INFORMATION ON ENVIRONMENTAL MATTERS **465**
55. PROVISION OF INSURANCE MEDIATION SERVICE **465**
56. OTHER INFORMATION **467**
57. SUBSEQUENT EVENTS **470**

1. Introduction

1.1 CTT – Correios de Portugal, S.A. (parent company)

CTT – Correios de Portugal, S.A. ("CTT" or "Company"), with head office at Avenida dos Combatentes, 43, 14º floor, 1643-001 in Lisbon, had its origin in the "Administração Geral dos Correios Telégrafos e Telefones" government department and its legal form is the result of successive re-organisations carried out by the Portuguese state business sector in the communications area.

Decree-Law no. 49.368, of 10 November 1969 founded the state-owned company CTT - Correios e Telecomunicações de Portugal, E. P., which started operating on 1 January 1970. By Decree-Law no. 87/92, of 14 May, CTT – Correios e Telecomunicações de Portugal, E. P., was transformed into a legal entity governed by private law, with the status of a state-owned public limited company. Finally, with the foundation of the former Telecom Portugal, S.A. by spin-off from Correios e Telecomunicações de Portugal, S.A. under Decree-Law no. 277/92, of 15 December, the Company's name was changed to the current CTT – Correios de Portugal, S.A..

On 31 January 2013 the Portuguese State through the Order 2468/12 – SETF, of 28 December, determined the transfer of the investment owned by the Portuguese State in CTT to Parpública – Participações Públicas, SGPS, S.A.

At the General Meeting held on 30 October 2013, the registered capital of CTT was reduced to 75,000,000 Euros, being from that date onward represented by 150,000,000 shares, as a result of a stock split which was accomplished through the reduction of the nominal value from 4.99 Euros to 0.50 Euros.

During the financial year ended 31 December 2013, CTT's capital was opened to the private sector. Supported by Decree-Law no. 129/2013, of 6 September and the Resolution of the Council of Ministers ("RCM") no. 62-A/2013, of 10 October, the RCM no. 62-B/2013, of 10 October and RCM no. 72-B/2013, of 14 November, the first phase of privatisation of the capital of CTT took place on 5 December 2013. From this date, 63.64% of the shares of CTT (95.5 million shares) were owned by the private sector, of which 14% (21 million shares) were sold in a Public Offering and 49.64% (74.5 million shares) by Institutional Direct Selling. On 31 December 2013 the Portuguese State, through Parpública - Participações Públicas, SGPS, S.A. held 36.36% of the shares of CTT, 30.00% by holding and 6.36% by allocation.

On 5 September 2014, the second phase of the privatisation of CTT took place. The shares held by Parpública - Participações Públicas, SGPS, S.A., which on that date represented 31.503% of CTT's capital, were subject to a private offering of Shares ("Equity Offering") via an accelerated book building process. The Equity Offering was addressed exclusively to institutional investors.

At the meeting of the Company's Board of Directors held on 16 March 2022, it was unanimously decided to approve the implementation of a Buy-back programme for the Company's own shares, including the related terms and conditions, with the sole purpose of reducing the Company's share capital through the cancellation of shares acquired under the aforementioned programme, subject to prior approval by the General Meeting.

At the General Meeting held on 21 April 2022, was approved the maximum number of shares to be acquired under the Buy-back Programme.

Subsequently, on 7 November 2022, the Company's share capital reduction in the amount of 2,325,000 euros, through the cancellation of 4,650,000 shares representing 3.1% of the share capital, was

registered in the Commercial Register Office, with the Company's share capital to be composed of 145,350,000 shares with the nominal value of 0.50 Euros each.

Subsequently, at the Annual General Meeting held on 20 April 2023 and still following the share buyback programme mentioned above, and whose scope was extended on 27 July 2022, the share capital reduction of 717,500 Euros was approved. On 21 April 2023, the share capital reduction of the aforementioned amount was entered in the commercial register, through the extinction of 1,435,000 own shares representing 0.997% of the acquired CTT share capital.~

On 17 July 2024, a reduction of CTT's share capital in the amount of 2,737,500 Euros was registered before the Commercial Registry Office through the cancellation of 5,475,000 shares held by the Company, representing 3.80% of its share capital and acquired under the share buyback programme carried out from 26 June 2023 to 9 May 2024. This share capital reduction was carried out following a resolution of the Annual General Meeting of CTT Shareholders held on 23 April 2024 which approved the share capital reduction in the amount of up to 3,825,000 Euros corresponding to the cancellation of up to 7,650,000 own shares already acquired or to be acquired by 25 June 2024 for the special purpose of implementing the share buyback programme and corresponding release of excess capital.

Thus, CTT's share capital now amounts to 69,220,000 Euros, represented by 138,440,000 shares with a nominal value of fifty cents per share, with the Company's Articles of Association being consequently amended.

The financial statements attached herewith are expressed in Euros, as this is the functional currency of the **Group** and the **Company**.

The shares of CTT are listed on Euronext Lisbon.

These financial statements were approved by the Board of Directors and authorised for issue on 20 March 2025.

1.2 Business

The main activity of CTT and its subsidiaries ("Group CTT" or "Group"): CTT - Expresso – Serviços Postais e Logística, S.A. and its branch in Spain, Payshop Portugal, S.A., CTT Contacto, S.A., Corre – Correio Expresso de Moçambique, S.A., Banco CTT, S.A., 321 Crédito – Instituição Financeira de Crédito, S.A., CTT Soluções Empresariais S.A., 1520 Innovation Fund, NewSpring Services, S.A., CTT IMO - Sociedade Imobiliária, S.A., Open Lockers, S.A., MedSpring, S.A., CTT IMO Yield, S.A. and CTT Services, S.A. is to ensure the provision of universal postal services, to render postal services and financial services.

During 2015, within the scope of its financial services, CTT Group extended the scope of its activity with the establishment of Banco CTT, S.A., whose main activity is performing banking activities, including all the accessory, connected and similar operations compatible with the banking activity and allowed by law.

In 2020, within the scope of the activities provided in business solutions, the group once again expanded the scope of its activity to provide business consulting and support for business management and administration, namely, in the areas of human resources, sustainability, administrative management, information technologies, advertising and communication.

In 2021, with the entry into the consolidation perimeter of the entities HCCM - Outsourcing Investment (merged by incorporation into CTT Soluções Empresariais as at to 1 January 2022) and NewSpring Services, the Group once again expanded the scope of its activity to provide technical back-office services, advice, support and logistical support for technological activities and processing and

document production; provision of services and Know-how to companies in the area of new technologies and provision of services in the area of technical and commercial support.

Also in 2021, with the establishment of the company CTT IMO - Sociedade Imobiliária, S.A., the Group expanded the scope of its activity to the purchase, exchange, sale and lease of real estate, and the resale of those acquired for this purpose, the promotion and the real estate management, as well as the administration of own real estate.

With the establishment of the company Open Lockers, S.A., the Group activity begin to incorporate the management, purchase, sale, production, installation, storage and maintenance of electronic or automatic lockers or other equipment for the storage, storage and collection of goods and merchandise and/or the possibility for the respective return, namely in the context of electronic commerce or traditional commerce.

The CTT Group also provides complementary services, such as the marketing of goods or provision of services on its own account or on behalf of third parties, provided that they are related with the normal operations of the public postal network, namely, the provision of information services, and the provision of public interest or general interest services.

The postal service is provided by CTT under the Concession Agreement of the Universal Postal Service celebrated into on 6 January 2022 between the Portuguese Government and CTT, as well as Decree-Law no. 22-A/2022 published on 7 February 2022, which changed the legal framework applicable to the provision of postal services in Portugal that was laid down by Law no. 17/2012, of 26 April (Postal Law). This Agreement will remain in force until 31 December 2028.

In addition to the services under concession, CTT may provide other postal services, as well as carry out other activities, namely those allowing for the profitability of the universal service network, directly or by incorporating or holding stakes in companies or through other forms of cooperation between companies. Within these activities the provision of services of public interest or of general interest under conditions to be agreed with the Government stands out.

The amendments introduced by Directive 2008/6/EC of 20 February 2008 of the European Parliament and of the Council to the regulatory framework that governs the provision of postal services, in 2012 were transposed into the national legal order by Law no. 17/2012, of 26 April ("Postal Law"), which revoked Law No. 102/99, of 26 July, and is still force with the amendments introduced in the meantime by Decree-Law No. 160/2013, of 19 November and by Law No. 16/2014, of 4 April, by Decree-Law no. 49/2021, of 14 June, and by Decree-Law no. 22-A/2022 published on 7 February 2022. The Postal Law establishes the legal framework for the provision of postal services in full competition in the national territory, as well as international services with origin or destination in the national territory.

Thus, since 2012, the postal market in Portugal has been fully open to competition. For reasons of general interest, only the following activities and services remained reserved: sitting of letter boxes on the public highway intended for the deposit of postal items, issue and sale of postage stamps bearing the word "Portugal" and the registered mail service used in court or administrative proceedings.

The scope of the universal postal service thus includes the following services, of national and international scope:

- A postal service for letter mail (excluding direct mail), books, catalogues, newspapers and other periodicals up to 2 kg;
- A postal service for postal parcels up to 10 kg, as well as delivery in the country of parcels received from other Member States of the European Union weighing up to 20kg; and
- A delivery service for registered items and a service for insured items.

The concession agreement signed between the Portuguese Government and CTT covers:

- The universal postal service as defined above;
- The reserved services: (i) the right to place letter boxes on public highways for the acceptance of postal items, (ii) the issue and sale of postage stamps bearing the word "Portugal" and (iii) the service of registered mail used in court or administrative proceedings;
- The provision of special payment orders which allows the transfer of funds electronically and physically, at national and international level, designated by postal money order service, on an exclusive basis; and
- The Electronic Mailbox Service, on a non-exclusive basis.

On 23 December 2021, the Council of Ministers communicated the approval, on that date, of the decree that changed the legal framework applicable to the provision of postal services in Portugal, that was promulgated on 5 February 2022 and the Decree-Law no. 22-A/2022 published on 7 February 2022. The new Concession Agreement entered in force on 8 February 2022 and will have a duration of approximately seven years - until 31 December 2028. The main amendments of the new legal framework arising from the law and the new concession agreement are as follows:

1. **With regard to pricing:**

- Pursuant to the law, pricing criteria will be defined by agreement between CTT, ANACOM and the Consumer Directorate-General for periods of three years or, if no agreement is reached, by the Government. This definition shall take into consideration the sustainability and the economic and financial viability of the universal postal service (USO) provision, and shall also consider the variation in volumes, the change in relevant costs, the quality of the service provided and the incentive to an efficient provision of the universal service;
- In the context of the regulatory framework in force since February 2022 and the Agreement on the criteria to be met in setting the prices of the postal services that make up the universal service basket (Universal Postal Service Price Convention) for the three-year period 2023-2025, of 27 July 2022, the prices of these services were updated on 1 February 2024, as communicated to the market on 4 January 2024. The update corresponded to an average annual price change of 9.49%. The overall average annual price variation, which also reflects the effect of updating the special bulk mail prices, was 8.91%.
- Effective from 1 February 2025, in the context of the Universal Postal Service Price Convention for 2023-2025, which was entered into on 27 July 2022, the prices of the basket of letter mail, editorial mail and parcels services were updated, corresponding to an average annual price change of 6.90%. As part of the company's pricing policy for 2025, this update corresponds to an average annual price variation of 6.53%, which also reflects the effect of the update of the special prices for bulk mail.

2. **Regarding to quality of service indicators and performance targets:**

- The indicators and performance targets defined by ANACOM on 29 April 2021 remain in force until the definition of new indicators and respective performance targets;
- On 23 September 2024, Ministerial Order no. 216/2024/1 was published in the Portuguese Official Gazette, governing the quality of service indicators applicable to the provision of the Universal Postal Service to be complied with by CTT from 1 January 2025 until the end of the current Concession Contract. The Order sets out the quality of service parameters (QSP), the respective quality of service indicators (QSI) and the performance targets associated with the

provision of the universal postal service, which CTT, as the universal service provider (USP), is obliged to fulfil. Although a high level of demand is maintained, this decision translates into the introduction of a very positive flexibility compared to the current framework. There was also a reduction in the number of indicators, from 22 to 7, with the elimination of the 2 quality indicators relating to bulk mail and the measurement of the quality of service of items sent to the Autonomous Regions now takes into account the impact of external constraints on CTT's control capacity that affect air transport in these flows. The new QSPs, which are to be applied from 1 January 2025, are in line with best practices in the European Union, reducing the number of indicators from 24 to 7, simplifying their definition and implementation, and ensuring greater stability and predictability in the provision of the universal postal service. The new QSIs are in force from 1 January 2025;

- Regarding to the compensation mechanism applicable for any non-compliance with the quality of service indicators, as long as the current indicators remain in force, if penalties are applied, they will be translated into investment obligations that result in improvements for the benefit of the provision of services and end users, without prejudice to the possibility of applying other fines or contractual penalties provided for in the law and the concession agreement. Following the definition of the new quality indicators, the penalties to be applied by the government will take the form of investment obligations or price revisions, in accordance with the principles of proportionality, adequacy, non-discrimination and transparency. Meanwhile, Ministerial Order no. 30/2025/1, published on 7 February 2025, sets out the criteria and procedures for applying the compensation mechanism for non-compliance with the performance targets associated with the provision of the universal postal service and amends Ministerial Order no. 216/2024/134. This ordinance establishes that, in the event of non-compliance with the performance targets, the compensation mechanism must be applied in the year following the year of non-compliance, except in the case of investment obligations, which may be extended for a maximum of two years.

3. **Density of the postal network:**

- The criteria for density and minimum service offers remain in force, and it is up to CTT to propose changes, which depend on ANACOM's approval;

- On 7 November 2023, ANACOM approved changing the reporting of postal network density targets and minimum service offers by reference to the 2021 Census, replacing the 2011 Census, in order to update the data with recent information.

Under Article 6 of Regulation (EU) 2018/644 on cross-border parcel delivery services and the respective communication to the European Commission, ANACOM approved on 28 June 2024 the assessment of cross-border single-piece parcel tariffs for the year 2024.

2. Material accounting policies

The material accounting policies adopted by the **Group** and the **Company** in the preparation of the consolidated and individual financial statements are those mentioned hereinafter.

2.1 Basis of presentation

The consolidated and individual financial statements were prepared under the assumption of going concern and are prepared under the historical cost convention, except for the assets and liabilities accounted at fair value, and in accordance with the International Financial Reporting Standards, as adopted by the European Union as at 31 December 2024.

These standards include the IFRS issued by the International Accounting Standards Board ("IASB"), the IAS issued by the International Accounting Standards Committee ("IASC") and the respective interpretations – IFRIC and SIC, issued, respectively, by the International Financial Reporting Interpretation Committee ("IFRIC") and by the Standing Interpretation Committee ("SIC"). Hereinafter, these standards and interpretations are generally referred to as "IFRS".

In addition to the standards that became effective as of 1 January 2024, described in Note 2.1.1, and which are set out in the accounting policies adopted in the preparation of the consolidated and individual financial statements as at 31 December 2024 and described in Note 2.2 through Note 2.31, there are additional issued standards and interpretations, described in Note 2.1.2, which did not become mandatory in the year starting on 1 January 2024.

2.1.1 New standards or amendments adopted by the Group and the Company

The standards and amendments recently issued, already effective and adopted by the **Group** and the **Company** in the preparation of these financial statements, are as follows:

- **Amendments to IAS 1 - Classification of liabilities as current and non-current and Non-current liabilities subject to covenants -** These amendments clarify the existing guidance in IAS 1 regarding the classification of financial liabilities as current and non-current, clarifying that the classification should be assessed based on the right that an entity has to defer its payment, at the end of each reporting period. In particular, the amendments (i) clarify the concept of 'settlement' by indicating that if an entity's right to defer the settlement of a liability is subject to compliance with future covenants, the entity has the right to defer the settlement of the liability even if it does not comply with those covenants at the end of the reporting period; and (ii) clarify that the classification of liabilities is not affected by the entity's expectation (based on whether or not the right exists, disregarding any probability of exercising or not such right), or by events occurring after the reporting date, such as the breach of a covenant. If the right to defer settlement for at least twelve months is subject to certain conditions being met after the statement of financial position date, those criteria do not affect the right to defer settlement for the purpose of classifying a liability as current or non-current.

  This amendment applies retrospectively.

- **Amendments to IAS 7 and IFRS 7 Disclosures: Supplier financing arrangements -** These amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures aim to clarify the characteristics of a supplier financing arrangement, and introduce additional disclosure requirements when such arrangements exist. The disclosure requirements are intended to assist users of financial statements in understanding the effects of supplier financing arrangements on the entity's liabilities, cash flows and liquidity risk exposure.

- **Amendments to IFRS 16 - Lease liabilities in sale and leaseback transactions** - This amendment to IFRS 16 Leases introduces guidance on the subsequent measurement of lease liabilities relating to sale and leaseback transactions that qualify as a "sale" under the principles of IFRS 15, with a greater impact when some or all of the lease payments are variable lease payments that are not index or rate-dependent. In subsequently measuring the lease liability, the

seller-lessee shall determine the "lease payments" and "revised lease payments" in such a way that they do not recognise gains/(losses) in respect of the right of use they retain.

This amendment applies retrospectively.

The **Group** and the **Company** did not register significant changes with the adoption of these standards and interpretations.

2.1.2 New standards, amendments and interpretations issued, but without effective application to the years starting on 1 January 2024 and not early adopted

2.1.2.1 The Group and the Company decided to opt for not having an early application of the following standards and/or interpretations endorsed by the EU:

- **Amendments to IAS 21 - The Effects of Changes in Exchange Rates:** Lack of Interchangeability – This amendment aims to clarify how to assess the interchangeability of a currency, and how the exchange rate should be determined when it is not exchangeable for an extended period. The amendment specifies that a currency should be considered interchangeable when an entity is able to obtain the other currency within a period that allows for normal administrative management, and through an exchange mechanism or market in which an exchange transaction creates enforceable rights and obligations. If a currency cannot be exchanged for another currency, an entity should estimate the exchange rate at the measurement date of the transaction. The objective will be to determine the exchange rate that would be applicable, at the measurement date, for a similar transaction between market participants. The amendments also state that an entity may use an observable exchange rate without making any adjustments.

  The amendments come into effect for the period beginning on or after 1 January 2025. Early adoption is permitted, but the transition requirements applied must be disclosed.

  The **Group** and the **Company** did not proceed with the early application of this standard in the financial statements in the twelve-month period ended 31 December 2024. No significant impacts on the financial statements resulting from their adoption are estimated.

2.1.2.2 Standards, amendments and interpretations issued that are not yet effective for the Group and the Company, not yet endorsed by EU:

- **Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments -** These amendments result essentially from the draft review of IFRS 9 Financial Instruments (Post Implementation Review – PIR IFRS 9) and clarify the following aspects relating to financial instruments:

  - Clarifies that a financial liability is derecognised on the "settlement date", i.e. when the related obligation is settled, cancelled, expires or the liability otherwise qualifies for derecognition. However, it introduces the possibility for an entity to elect to adopt an accounting policy that allows it to derecognise a financial liability that is settled through an electronic payments system, before the settlement date, provided that certain conditions are met.

- Clarifies how an entity should assess the characteristics of the contractual cash flows of financial assets that include environmental, social and governance (ESG) variables and other similar contingent characteristics.

- Requires additional disclosures for financial assets and liabilities subject to a contingent event (including ESG variables) and equity instruments classified at fair value through other comprehensive income.

The amendments are effective for the period beginning on or after 1 January 2026. Early adoption is permitted. This amendment is applicable retrospectively. However, an entity is not required to restate the comparative period and the potential impacts of applying this amendment are recognised in retained earnings in the period in which the amendment is applicable.

- **Amendments to IFRS 9 and IFRS 7 – Contracts negotiated with reference to electricity generated from renewable sources -** The amendments refer specifically to renewable energy purchase agreements whose source of production is dependent on nature, so that supply cannot be guaranteed at specific times or volumes. In this sense, these amendments clarify the application of the "own use" requirements in power purchase agreements, as well as the fact that hedge accounting is permitted when such contracts are used as hedging instruments.

The amendments are effective for annual periods beginning 1 January 2026, with earlier application permitted, except that guidance regarding hedge accounting must be applied prospectively to new hedging relationships so designated on or after the date of initial application.

- **Annual Improvements to IFRS (Volume 11) -** Improvements are introduced cyclically to clarify and simplify the application of international standards, through minor changes considered non-urgent. The main changes included in this volume refer to:

- **IFRS 1 (Hedge accounting for first-time adoption of IFRSs):** This amendment aims to update the cross-references in paragraphs B5 and B6 of IFRS 1 - First-time Adoption of International Financial Reporting Standards to the hedge accounting eligibility criteria in IFRS 9 for paragraphs 6.4.1(a), (b) and (c).

- **IFRS 7 (Gain or loss on derecognition):** This amendment aims to update the language related to unobservable market data included in paragraph B38 of IFRS 7 Financial Instruments: Disclosures, as well as adding references to paragraphs 72 and 73 of IFRS 13 Fair Value Measurement.

- **IFRS 7 (Implementation guidance):** Several paragraphs related to the IFRS 7 implementation guidance have been changed for reasons of consistency and clarity.

- **IFRS 9 (Derecognition of lease liabilities):** This amendment clarifies that when a financial liability is extinguished in accordance with IFRS 9, the lessee shall apply paragraph 3.3.3 of IFRS 9 and recognise the gain or loss resulting from such derecognition.

- **IFRS 9 (Transaction price):** With this amendment, the reference to “transaction price” in paragraph 5.1.3 of IFRS 9 is replaced by “amount determined by applying IFRS 15”.

- **IFRS 10 (Determination of ‘de facto’ agent):** Amendment made to paragraph B74 of IFRS 10, which clarifies that the relationship described in that paragraph is only one example of several possible relationships between the investor and other parties acting as de facto agents. The purpose of this amendment is to remove the inconsistency with the requirement in paragraph

B73 that an entity should use its judgement in assessing whether other parties may act as 'de facto' agents.

- **IAS 7 (Cost method):** Replacement of the term "cost method" by "at cost" in paragraph 37 of IAS 7 after the elimination of the definition of "cost method".

The amendments are effective for annual periods beginning 1 January 2026, with earlier application permitted.

- **IFRS 18 – Presentation and disclosure in financial statements -** IFRS 18 replaces IAS 1 Presentation of Financial Statements and is a response to requests from investors seeking information on financial performance. With the introduction of the new requirements of IFRS 18, investors will have access to more transparent and comparable information on the financial performance of companies, thus aiming to make better investment decisions. IFRS 18 essentially introduces three sets of new requirements to improve the disclosure of financial performance:

- Income statement comparability: IFRS 18 introduces three defined categories for income and expenses – operating, investing and financing – to improve the structure of the income statement and requires all companies to provide new defined subtotals, including operating income. The new structure and subtotals will give investors a consistent starting point for analysing companies' performance and make it easier to compare them.

- Transparency of management-defined performance measures: IFRS 18 requires additional disclosure of specific company performance indicators related to the income statement, called management-defined performance measures.

- Aggregation and disaggregation of items in financial statements: IFRS 18 provides guidance on how items in the income statement should be aggregated.

IFRS 18 shall come into force for the financial year beginning on or after 1 January 2027 and shall be applied retrospectively. Early adoption is permitted provided that the option is disclosed.

- **IFRS 19 – Subsidiaries not subject to public disclosure of financial information: Disclosures -** IFRS 19 allows eligible entities to prepare financial statements in IFRS with reduced disclosure requirements than those required by IFRS, while maintaining the obligation to apply all measurement and recognition requirements of IFRS. The reduction in disclosures defined by IFRS 19 covers most IFRS standards. Entities considered eligible are those that: (i) are subsidiaries of a group that prepares consolidated financial statements in IFRS for public disclosure; and (ii) are not subject to the obligation to publicly disclose financial information, because they do not have listed debt or equity securities, are not in the process of being listed, and do not have as their main activity the safekeeping of assets in a fiduciary capacity.

IFRS 19 comes into force for financial years beginning on or after 1 January 2027 and its application is optional. Early application is permitted. Early adopting entities must disclose and align disclosures in the comparative period with those in the current period.

These standards have not yet been adopted ("endorsed") by the European Union and, as such, were not applied by the **Group** and the **Company** in the twelve-month period ended 31 December 2024. The **Group** and the **Company** are currently assessing the impacts on the financial statements of adopting these standards.

2.2 Consolidation principles

The consolidated financial statements comprise financial statements of the **Company** and its subsidiaries.

Investments in companies in which the **Group** holds the control ("subsidiaries"), in other words, where the **Group** is exposed, or has rights, to variable returns from its involvement with the relevant activities of the investee and has the ability to affect those returns through its power over the investee activities, were consolidated in these financial statements by the full consolidation method. The companies consolidated by the full consolidation method are shown in Note 8.

Equity and net profit for the period corresponding to third-party participation in subsidiaries are reflected separately in the consolidated financial position statement and consolidated income statement and comprehensive income statement in the caption Non-controlling interests. The gains and losses attributable to non-controlling interests are allocated to them.

The **Group** applies the purchase method to account for the acquisition of subsidiaries. The acquisition cost is measured at the fair value of the assets delivered, the equity instruments issued and the liabilities incurred or assumed on the acquisition date.

The assets and liabilities of each **Group** company are initially measured at fair value as of the date of acquisition, as established in IFRS 3. Any excess of cost over the fair value of the net assets and liabilities acquired is recognised as goodwill. If the difference between the acquisition value and the fair value of the assets and liabilities acquired is negative, it is recorded as income of the year.

Transaction costs directly attributable to business combinations are immediately recognised in profit and loss.

Non-controlling interests include the third parties' portion of the fair value of the identifiable assets and liabilities as of the date of acquisition of the subsidiaries.

Subsidiaries are consolidated using the full method from the date on which control is transferred to the **Group**. In the acquisition of additional shares of capital in companies already controlled by the **Group**, the difference between the percentage of capital acquired and the respective acquisition value is recorded directly in equity under the caption Retained earnings. When, on the date of acquisition of control, the **Group** already holds a previously acquired shareholding, the fair value of that shareholding contributes to the determination of goodwill or negative goodwill.

In the case of disposals of shares resulting in the loss of control over a subsidiary, any remaining shareholding is revalued at market value on the date of sale and the gain or loss resulting from this revaluation is recorded in the income statement, as well as the gain or loss resulting from such disposal. Subsequent transactions involving the sale or acquisition of shares to non-controlling interests, which do not imply a change in control, do not result in the recognition of gains, losses or goodwill, and any difference between the transaction value and the book value of the transacted participation is recognised in the Equity, in "Other changes in equity".

The results of subsidiaries acquired or sold during the year are included in the consolidated income statement from the date of acquisition up to the date of disposal.

Whenever necessary, adjustments are made to the financial statements of the subsidiaries to be in accordance with the **Group**'s accounting policies. Transactions (including unrealised gains and losses on sales between **Group** companies), balances and dividends distributed between **Group** companies are eliminated in the consolidation process.

The investments in associated companies and joint ventures are booked in the financial statements using the equity method.

2.3 Segment reporting

The **Group** presents the operational segments based on internal management information.

In accordance with IFRS 8, an operating segment is a **Group** component:

(i) that engages in business activities from which it may earn revenues and incur expenses;
(ii) whose operating results are reviewed regularly by the entity's chief operating decision maker in order to make decisions about resources to be allocated to the segment and assess its performance; and
(iii) for which distinct financial information is available.

The **Group** did not apply the aggregation criteria provided for in paragraph 12 of IFRS 8.

2.4 Transactions and balances in foreign currency

Transactions in foreign currency (a currency different from the **Group** and the **Company** functional currency) are recorded at the exchange rates in force on the transaction date. At each reporting date, the carrying values of the monetary items in foreign currency are updated at the exchange rates on that date. The carrying values of non-monetary items recorded at historical cost in foreign currency are not updated.

Favourable and unfavourable currency translation differences arising from the use of different exchange rates in force on the transaction dates and those in force on the recovery, payment or reporting dates are recognised in the profit or loss for the year.

The elements included in the Statement of Financial Position of each **Group** entity included in the consolidation perimeter (note 8) are measured using the currency of the economic environment in which the entity operates (functional currency). The **Group**'s assets and liabilities expressed in a currency other than the Group's presentation currency (Euro) are translated using the exchange rates at the end of the period, and the average exchange rate in the case of the translation of results.

The following exchange rates were used in the translation of the balances and financial statements in foreign currency:

	2023		2024	
	Close	Average	Close	Average
Mozambican Metical (MZN) (1)	69.87000	68.49417	65.73000	68.37250
United States Dollar (USD) (1)	1.10500	1.08285	1.03890	1.08078
Special Drawing Right (SDR) (2)	1.21753	1.22668	1.25482	1.25023

(1) Source: Bank of Portugal
(2) Source: Deutsche Bundesbank Bank

2.5 Tangible fixed assets

Tangible fixed assets are recorded at their acquisition or production cost, minus accumulated depreciation and impairment losses, where applicable. The acquisition cost includes: (i) the purchase price of the asset, (ii) the expenses directly attributable to the purchase, and (iii) the estimated costs of dismantlement or removal of the asset and restoration of the location (Notes 2.21 and 32).

The depreciation of tangible assets, minus their residual estimated value, is calculated in accordance with the straight-line method, from the month when the assets are available for use, over their useful lives, which are determined according to their expected economic utility. The depreciation rates that are

applied correspond, on average, to the following estimated useful lives for the different categories of assets:

	Years of useful life
Buildings and other constructions	10 – 50
Basic equipment	4 – 10
Transport equipment	4 – 7
Tools and utensils	4
Office equipment	3 – 10
Other property, plant and equipment	5 – 10

Lands are not depreciated.

Depreciation terminates when the assets are re-classified as held for sale.

Tangible fixed assets in progress correspond to tangible fixed assets that are still under construction/ production and are recorded at acquisition or production cost. These assets are depreciated from the month when they fulfil the necessary conditions to be used for their intended purpose.

The costs related to maintenance and repair of current nature are recorded as costs in the period these are incurred. Major repairs which lead to increased benefits or increased in expected useful lives are recorded as tangible fixed assets and depreciated at the rates corresponding to their expected useful life. Any replaced component is identified and written off.

The gain or loss arising from the disposal of tangible fixed assets is defined by the difference between the sale proceeds and the carrying amount of the assets and is recorded in the consolidated income statement under the heading Gains/losses on disposal/remeasurement of assets.

2.6 Intangible assets

Intangible assets are registered at acquisition cost, less accumulated amortisation and impairment losses, when applicable. Intangible assets are only recognised when it is probable that they will result in future economic benefits for the **Group** and the **Company**, and they can be measured reliably.

Intangible assets are essentially composed of expenses related to patents, software (whenever this is separable from the hardware and associated to projects where the generation of future economic benefits is quantifiable), licenses and other user rights. Also included the expenses related to the development of R&D projects whenever the intention and technical capacity to complete this development is demonstrated, for the purpose of the projects being available for marketing or use. Research costs incurred in the search of new technical or scientific knowledge or aimed at the search of alternative solutions, are recognised through profit or loss when incurred.

Intangible assets are amortised through the straight-line method, from the month when they are available for use, during their expected useful life, which varies between 3 and 20 years:

	Years of useful life
Development projects	3 – 6
Industrial property	3 – 20
Customer Contracts	5
Software	3 – 10

The exceptions to the assets related to industrial property and other rights, which are amortised over the period of time during which their exclusive use takes place and intangible assets with indefinite

useful life, which are not amortised, but, rather, are subject to impairment tests on an annual basis and whenever there is indication that they might be impaired.

Gains or losses arising from the disposal of intangible assets, are determined by the difference between the sales proceeds and the respective carrying value on the date of the disposal, are recorded in the consolidated income statement under the heading Gains/losses on disposal/remeasurement of assets.

2.7 Investment properties

Investment properties are properties (land or buildings) held by the **Group** and the **Company** to obtain rentals or for capital appreciation or both, rather than for:

a) use in the production or supply of goods or services or for administrative purposes, or
b) sale in the ordinary course of business.

Investment properties comprise mainly properties that the **Group** and the **Company** did not affect to the rendering of services and holds to earn rentals or for capital appreciation.

An Investment property is initially measured at its acquisition or production cost, including any transaction costs which are directly attributable to it. After their initial recognition, investment properties are measured at cost less any accumulated depreciation and accumulated impairment losses, when applicable.

The depreciation rates considered are between 10 and 50 years.

The **Group** and the **Company** ensure that an annual assessment of assets qualified as investment properties is carried out in order to determine any impairment and to disclose their fair value.

Costs incurred in relation to investment properties, namely with maintenance, repairs, insurance and property taxes are recognised as costs for the period in which they are incurred. Improvements which are expected to generate additional future economic benefits are capitalised.

2.8 Impairment of tangible fixed assets, intangible assets and rights of use, except goodwill

The **Group** and the **Company** carry out impairment assessments of its tangible, intangible assets and rights of use, whenever any event or situation occurs, which may indicate that the amount by which the asset is recorded might not be recovered. In case of the existence of such evidence, the recoverable amount of the asset is determined in order to measure the extent of the impairment loss. When it is not possible to determinate the recoverable amount of an individual asset, then the recoverable amount of the cash generating unit to which this asset belongs is estimated.

The recoverable amount of the asset or cash generating unit is the highest value between (i) its fair value minus the costs of selling it and (ii) its value in use. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The value in use arises from the future estimated discounted cash flows of the assets during their estimated useful life. The discount rate used in the discounted cash flows reflects the current market assessments of the time value of money and the specific risk of the asset.

Whenever the carrying amount of the asset or cash generating unit is higher than its recoverable amount, an impairment loss is recognised. The impairment loss is recorded in the Consolidated and individual income statement.

The reversal of impairment losses recognised in prior years is recorded whenever there is evidence that the recognised impairment losses no longer exist or have decreased, being recognised in the Consolidated and individual income statement. However, the reversal of the impairment loss is made up to the amount that would have been recognised (net of amortisation or depreciation) if the impairment loss had not been recorded in the previous years.

2.9 Goodwill

Goodwill represents the excess of the acquisition cost compared with the fair value of the identifiable assets, liabilities and contingent liabilities of each entity that is acquired and included by the full consolidation method, or subsidiary, on the respective acquisition date, in accordance with IFRS 3 (Revised) – Business Combinations.

Goodwill is not amortised, but subject to impairment tests. In the assessment of the goodwill impairment, this amount is allocated to the cash generating unit or units it refers to. The value in use is determined by discounting the estimated future cash flows of the cash generating unit. The recoverable amount of the cash generating units to which the goodwill refers is determined based on the assets' value in use and is calculated using valuation methodologies which are supported by discounted cash flow techniques, considering the market conditions, the time value and business risks. The discount rate used for discounting cash flows corresponds to the WACC before taxes ("Weighted Average Cost of Capital") estimated according to the rates and capital structures of the entities sector. The impairment tests are carried out on each reporting date, or earlier if impairment risk indicators were identified.

Impairment losses related to Goodwill are not reversible.

In the sale or loss of control of a cash generating unit, the corresponding goodwill is included in the determination of the capital gain or loss.

2.10 Concentration of corporate activities

Subsidiary companies

Investments in subsidiary companies are recorded in the individual statement of financial position by the equity method (Note 10).

A subsidiary company is an entity over which the **Group** and/or the **Company** exercises control. Control is presumed to exist when the **Group** and / or the **Company** is exposed or has the right to variable returns arising from its involvement in the subsidiary relevant activities and has the ability to influence those returns due to its power over the subsidiary regardless of the percentage over its equity.

In accordance with the equity method, the investments are initially recorded at their cost and subsequently adjusted by the value corresponding to the investment in the net profit or loss of the subsidiary and associated companies against "Gain/losses in subsidiary, associated companies and joint ventures", and by other changes in equity in Other comprehensive income" and by the received dividends.

Additionally, investments in subsidiary and associated companies may also be adjusted through the recognition of impairment losses. Whenever there are indications that the assets may be impaired, an assessment is carried out and the existing impairment losses are recorded in the income statement.

The excess of the acquisition cost over the fair value of the identifiable assets and liabilities of each subsidiary and/or associated company at the date of acquisition is recognised as goodwill and presented as part of the financial investment in the caption Investments in subsidiaries and/or associates. If the difference between cost and fair value of the assets and liabilities acquired is

negative, it is recognised in the income statement under "Gain/losses in subsidiary, associated companies and joint ventures", after confirmation of the fair value.

Whenever the losses in subsidiary and/or associated companies exceed the investment made in these entities, the investment carrying value is reduced to zero and the recognition of future losses will be discontinued, except in what concerns the part in which the **Group** and/or the **Company** incurs in any legal or constructive obligation of assuming all these losses on behalf of the subsidiary and/or associated company, in which case a provision is recorded (note 2.21).

With the exception of goodwill impairment, if the impairment losses recorded in previous years are no longer applicable, these are reversed.

The dividends received from subsidiary and associated companies are recorded as a decrease in the carrying value of "Investments in subsidiary companies" and "Investments in associated companies", respectively.

Unrealised gains and losses on transactions with subsidiary and associated companies are eliminated in proportion to the **Group**'s interest in the subsidiary and/or associated companies, recorded against the investment in the same entity. Unrealised losses are also eliminated but only up to the point that the losses do not reflect that the transferred asset is impaired.

In the case of business combinations between entities under common control, the **Group** and the **Company** apply the Book Value Method or Predecessor Accounting Method, and no goodwill is recognised.

A business combination between entities under common control is a combination in which the acquired companies or businesses are ultimately controlled by the same entity(ies), both before and after the merger.

By applying the Book-Value Method, the acquiring entity must recognise the assets acquired and the liabilities and contingent liabilities assumed at the respective cost, not needing carry out any measurement at fair value, nor is there any recognition of goodwill (or negative goodwill) or any impact in profit or loss in the individual financial statements of both entities.

2.11 Financial assets

Classification, initial recognition and subsequent measurement

At initial recognition, financial assets are classified into one of the following categories:

i) Financial assets at amortised cost;
ii) Financial assets at fair value through other comprehensive income; or
iii) Financial assets at fair value through profit or loss.

The classification is made taking into consideration the following aspects:

i) the **Group**'s and **Company**'s business model for financial asset management; and
ii) the characteristics of the contractual cash flows of the financial asset.

Business Model Evaluation

The **Group** carries out an evaluation of the business model in which the financial instrument is held at the portfolio level, since this approach reflects the best way assets are managed and how the information is made available to management bodies. The information considered in this evaluation included:

- the policies and objectives established for the portfolio and the practical operationality of these policies, including how the management strategy focuses on receiving contractual interest or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the **Group**'s management bodies;
- assessing the risks that affect the performance of the business model (and the financial assets held under this business model) and how these risks are managed;
- the frequency, volume and frequency of sales in previous periods, the reasons for such sales and expectations about future sales. However, sales information should not be considered in isolation but as part of an overall assessment of how the **Group** establishes financial asset management objectives and how cash flows are obtained;
  and
- Evaluation if the contractual cash flows correspond only to the receipt of principal and interest (SPPI - Solely Payments of Principal and Interest).

For the purposes of this assessment, "Principal" is defined as the fair value of the financial asset at initial recognition. "Interest" is defined as the consideration for the time value of money, the credit risk associated with the amount owed over a given period and for other risks and costs associated with the activity (e.g., liquidity risk and administrative costs), and as a profit margin.

In the evaluation of the financial instruments in which contractual cash flows refer exclusively to the receipt of principal and interest, the **Group** considered the original contractual terms of the instrument. This evaluation included the analysis of the existence of situations where contractual terms could modify the periodicity and amount of cash flows so that they do not fulfil the SPPI condition. In the evaluation process, the **Group** took into consideration:

- contingent events that may modify the periodicity and amount of cash flows;
- characteristics that result in leverage;
- prepayment and extension of maturity clauses;
- clauses that may limit the **Group**'s right to claim cash flows in relation to specific assets (e.g., contracts with clauses that prevent access to assets in default cases); and
- characteristics that may modify the compensation for the time value of money.

In addition, an advance payment is consistent with SPPI criteria, if:

- the financial asset is acquired or originated with a premium or discount in relation to the contractual nominal value;
- prepayment represents substantially the nominal amount of the contract plus accrued but unpaid contractual interest (may include reasonable compensation for prepayment); and
- the fair value of the prepayment is insignificant at the initial recognition.

Reclassification between categories of financial instruments

If the **Group** changes its financial asset management business model, which is expected to occur not frequently and exceptionally, it reclassifies all the affected financial assets in accordance with the requirements set forth in IFRS 9 - "Financial instruments". The reclassification is applied prospectively from the date it becomes effective. Pursuant to IFRS 9 - "Financial instruments", reclassifications of equity instruments for which the option to valuation at fair value has been included by the counterpart of other comprehensive income or to financial assets and liabilities classified at fair value in the fair value option are not allowed.

2.11.1 Financial assets at amortised cost

Classification

A financial asset is classified in the category "Financial assets at amortised cost" if it meets all of the following conditions:

- the financial asset is held in a business model whose main objective is the holding of assets to collect its contractual cash flows; and
- their contractual cash flows occur on specific dates and correspond only to payments of principal and interest on the outstanding amount (SPPI).

The "Financial assets at amortised cost" category includes investments in credit institutions, credit to clients, debt securities managed based on a business model whose purpose is to receive their contractual cash flows (government and corporate bonds) and accounts receivable.

Initial recognition and subsequent measurement

Investments in credit institutions and credit to clients are recognised at the date the funds are made available to the counterparty (settlement date). Debt securities are recognised on the trade date, that is, on the date the **Group** commits itself to acquire them.

Financial assets at amortised cost are initially recognised at fair value, plus transaction costs, and subsequently measured at amortised cost. In addition, they are subject, from their initial recognition to the measurement of impairment losses for expected credit losses, which are recorded against the caption "Impairment of other financial banking assets".

Interest on financial assets at amortised cost is recognised under the caption "Financial margin", based on the effective interest rate method and in accordance with the criteria described in note 2.22.

The gains or losses generated at the time of their derecognition are recorded under the caption "Gains/ (losses) on derecognition of financial assets and liabilities at amortised cost", under the caption "Impairment of other banking financial assets" and "Impairment of accounts receivable, net" in the case of accounts receivable.

2.11.2 Derecognition of financial assets

i) The **Group** and the **Company** derecognises a financial asset when, and only when:
   - contractual rights to cash flows arising from the financial asset expire; or
   - transfers the financial asset as defined in points ii) and iii) below and the transfer meets the conditions for derecognition in accordance with point iv).

ii) The **Group** transfers a financial asset if, and only if, one of the following occurs:
   - transfer the contractual rights to receive the cash flows resulting from the financial asset; or
   - retain the contractual rights to receive the cash flows arising from the financial asset but assume a contractual obligation to pay the cash flows to one or more recipients in an agreement that satisfies the conditions set out in point (iii).

iii) When the **Group** retains the contractual rights to receive cash flows from a financial asset (the 'original asset') but assumes a contractual obligation to pay those cash flows to one or more entities (the 'final recipients'), the **Group** treats the transaction as a transfer of a financial asset if, and only if, all three conditions are satisfied:
   - the **Group** has no obligation to pay amounts to final recipients unless it receives equivalent amounts resulting from the original asset. The short-term advances by the entity with the right to full recovery of the amount borrowed plus interest at market rates do not violate this condition;
   - the **Group** is prohibited by the terms of the transfer agreement from selling or pledging the original asset other than as a guarantee to final recipients for the obligation to pay them cash flows; and
   - the **Group** has an obligation to remit any cash flow it receives on behalf of the final recipients without significant delays. In addition, you are not entitled to reinvest these cash flows, except in the case of investments in cash or cash equivalents (as defined in IAS 7 Cash Flow Statements) during the short liquidation period between the date of receipt and the date of delivery required of final recipients, and interest received as a result of such investments is passed on to final recipients.

iv) When the **Group** transfers a financial asset (see item ii above), it must assess to what extent it retains the risks and benefits arising from the ownership of that asset. In this case:
- if the **Group** transfers substantially all the risks and benefits arising from the ownership of the financial asset, it derecognises the financial asset and separately recognises as assets or liabilities any rights and obligations created or retained with the transfer;
- if the **Group** retains substantially all the risks and rewards of ownership of the financial asset, it continues to recognise the financial asset.
- if the **Group** does not transfer or substantially retain all risks and rewards of ownership of the financial asset, it must determine whether it has retained control of the financial asset. In this case:
  - if the **Group** has not retained control, it must derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained with the transfer; and
  - if the **Group** has retained control, it must continue to recognise the financial asset to the extent of its continued involvement in the financial asset.

v) The transfer of risks and benefits referred to in the previous point is assessed by comparing the **Group's** exposure, before and after the transfer, to the variability of the amounts and times of occurrence of the net cash flows resulting from the transferred asset.

vi) The question whether the **Group** retained the control or not (see item iv above) of the transferred asset depends on the ability of the transferee to sell the asset. If the transferee has the practical capacity to sell the asset in its entirety to an unrelated third party and is able to exercise that capacity unilaterally and without the need to impose additional restrictions on the transfer, the entity is deemed not to have retained control. In all other cases, the entity shall be deemed to have retained control.

2.11.3 Loans written off

The **Group** recognises a credit written off when it does not have reasonable expectations to recover an asset in whole or in part. This recognition occurs after all the recovery actions developed by the **Group** prove to be fruitless. Credits written-off from assets are recorded in off-balance sheet accounts.

2.11.4 Modification of financial assets

If the conditions of a financial asset are modified, the **Group** and the **Company** assesses whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, the contractual rights to the cash flows of the original financial asset are considered to have expired and the principles described in note 2.11.3 Derecognition of financial assets.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in the derecognition of the financial asset, then the **Group** first recalculates the gross book value of the financial asset by applying the original effective interest rate of the asset and recognises the resulting adjustment as gain or loss of the modification in the profit or loss statement. For variable rate financial assets, the original effective interest rate used to calculate the gain or loss of the modification is adjusted to reflect current market conditions at the time of the modification. Any costs or fees incurred, and fees received as part of the modification adjust the gross book value of the modified financial asset and are amortised over the remaining term of the modified financial asset.

2.12 Equity

As instrument is classified as an equity instrument when there is no contractual obligation for its settlement to be carried out through the delivery of cash or another financial asset, regardless of its legal form, showing a residual interest in the assets of an entity after deducting all its liabilities.

Transaction costs directly attributable to the issue of equity instruments are recognised against equity as a deduction to the value of the issue. Amounts paid or received due to sales or acquisitions of equity instruments are recorded in equity, net of transaction costs.

Costs related to an issue of equity which has not been completed are recognised as costs.

Distributions to holders of equity instruments are debited directly from the equity as dividends when declared.

Own shares are recorded at their acquisition value, as a reduction in equity, under the caption “Own shares” and the gains or losses inherent to their disposal are recorded in “Other reserves”.

The extinction of own shares is reflected in the financial statements as a reduction in share capital and in the caption Own shares, at nominal and acquisition value, respectively, with the difference between the two amounts recorded in Other reserves.

2.13 Financial liabilities

An instrument is classified as a financial liability when it contains a contractual obligation to transfer cash or another financial asset, independently from its legal form.

Debt

Loans are recorded as liabilities at the carrying value received, net of issuance expenses, corresponding to the respective fair value on that date. They are subsequently measured at amortised cost, with the corresponding financial costs calculated based on the effective interest rate and stated through the income statement according to the accrual basis assumption, with the due and unpaid amounts as at the reporting date being classified under the item of “Debt” (Note 30).

The effective interest rate is the rate that discounts future payments over the expected life of the financial instrument to the net carrying amount of the financial liability.

Accounts payable

Accounts payable classified as current liabilities are registered at their nominal value, which is substantially equivalent to their fair value.

Accounts payable classified as non-current liabilities, for which there is no contractual obligation to pay interest, are initially measured at their net present value and subsequently measured at their respective amortised cost, determined in accordance with the effective interest rate method.

Accounts payable (balances of suppliers and other creditors) are liabilities related to the acquisition of goods or services, in the normal course of its business. If their payment falls due within one year or less, then they are classified as current liabilities. Otherwise, they are classified as non-current liabilities.

Confirming

The **Group** and the **Company** contract confirming operations with financial institutions, which are classified as reverse factoring agreements. Within the scope of these protocols, some suppliers freely

enter into agreements with these financial institutions that allow them to anticipate the receivable of covered credits. When the economic substance of financial liabilities does not change, the **Group** and the **Company** maintain the accounting classification of those credits under the caption "Accounts payable" until their due date under the normal terms of the supply contract entered into between the **Group** and the supplier, which occurs whenever:

i. the maturity period corresponds to a period usually practised in the industry in which the **Group** and the **Company** operate, fact verified because there are no changes in payment terms for terms outside the range that is normally applicable to other suppliers that have not adhered to the aforementioned programme,

ii. The **Group** and the **Company** does not support additional charges with the advance payment operation, compared to the alternative payment on normal maturity.

When the nature of the operations does not meet the requirements defined above, the group reclassifies the liability to "Debt".

Supplier confirming operations are classified as "Cash flow from operating activities" in the statement of cash flows, when they meet the criteria defined above.

Derivative financial instruments

Derivative financial instruments are recorded at fair value on the date on which the Group negotiates the contracts and are subsequently measured at fair value. Fair value is obtained through quoted market prices in active markets, including recent market transactions, and valuation models, namely: discounted cash flow models and option valuation models. Derivatives are considered as assets when their fair value is positive and as liabilities when their fair value is negative. Revaluation results are recognised in "Results from assets and liabilities at fair value through profit or loss".

Certain derivatives embedded in other financial instruments, such as indexing the performance of debt instruments to the value of shares or share indices, are bifurcated and treated as separate derivatives, when their risk and economic characteristics are not clearly related to those of the contract. host and this is not measured at fair value with changes recognised in profit or loss. These embedded derivatives are measured at fair value, with subsequent changes recognised in the income statement.

Derivatives are also recorded in off-balance sheet accounts at their theoretical value (notional value).

Non- derivatives banking financial liabilities
The non-derivatives banking financial liabilities include mainly deposits from costumers. These financial liabilities are recognised (i) initially at their fair value less the transaction costs and (ii) subsequently at amortised cost, based on the effective interest rate method.

The **Group** ant the **Company** derecognise financial liabilities when they are cancelled, extinguished or expired.

2.14 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.15 Share-based payments

The benefits granted to the executive members of the Board of Directors and CTT's top management under the long-term remuneration plans are recorded in accordance with the requirements of IFRS 2 – Share-based payments.

In accordance with IFRS 2, the benefits granted to be paid on the basis of own shares (equity instruments), are recognised at fair value at the date of allocation.

Since it is not possible to estimate reliably the fair value of the services received from employees, their value is measured by reference to the fair value of equity instruments.

The fair value determined at the date of allocation of the benefit is recognised as a linear cost over the period in which it is acquired by the beneficiaries as a result of their services, with the corresponding increase in equity.

When settlement is made in cash, the amount of these liabilities is determined at the time of assignment and subsequently updated, at the end of each reporting period, depending on the number of shares or stock options assigned and their fair value at the date of reporting. The liability is recorded in "Staff costs" and "Other liabilities", in a straight-line manner between the date of attribution and the maturity date, in proportion to the time elapsed between those dates.

2.16 Securitisation operations

The **Group** has three consumer credit securitisation operations in progress (Chaves Funding No.8, Ulisses Finance No.2 and Ulisses Finance No.3) and one finance lease securitisation operation (Fénix 1), in which it was the originator of the securitised assets. Regarding the Chaves Funding No.8, Ulisses Finance No.2 and Ulisses Finance No.3 operations, the **Group** maintained control over the assets and liabilities to the extent that it acquired their residual tranches. These entities are consolidated in the Group's financial statements in accordance with accounting policy 2.2.

2.17 Impairment of financial assets

Impairment losses

The **Group** determines the expected credit losses of each operation as a result of the deterioration of credit risk since its initial recognition. For this purpose, operations are classified in one of the following three stages:

- Stage 1: operations in which there is no significant increase in credit risk since its initial recognition are classified in this stage. Impairment losses associated with operations classified at this stage correspond to the expected credit losses that result from a default event that may occur within 12 months after the reporting date (credit losses expected to 12 months).
- Stage 2: operations in which there has been a significant increase in credit risk since its initial recognition, but which are not impaired, are classified in this stage. Impairment losses associated with operations classified at this stage correspond to the expected credit losses resulting from default events that may occur over the expected residual life of the operations (expected lifetime losses).
- Stage 3: operations in an impairment situation are classified in this stage. Impairment losses associated with operations classified at this stage correspond to expected lifetime losses. Credit operations purchased or originated in impairment situation (Purchased or Originated Credit-Impaired – POCI) are also classified in stage 3.

Forward looking information

For models based on history, particularly those applicable to Auto Credit, the use of a Forward-Looking component based on macroeconomic variables with historical series and projections from reputable bodies that are considered relevant for the purposes of estimating the probabilities of default is envisaged.

In the case of mortgage credit, whose historical data on default are very insignificant, it proved impossible to apply a statistically-based forward-looking component, so it was decided to apply parameters (PD and LGD) based on judgement.

Significant increase in credit risk (SICR)

Banking activity

Significant increase in credit risk (SICR) is determined according to a set of mostly quantitative but also qualitative criteria, in order to detect significant increases in the Probability of Default (PD), complemented by another type of information in which it stands out the behaviour of customers to entities of the financial system. However, regardless of the observation of a significant increase in credit risk in an exposure, it is classified in Stage 2 when one of the following conditions is met:

- Credit with late payment over 30 days (backstop); or
- Credit with qualitative triggers subject to risk, namely those contained in Banco de Portugal Circular Letter No. 02/2014 / DSP.

Non-banking activity

A significant increase in credit risk occurs if there is an objective evidence that the financial asset is impaired, by the existence of observable data, such as the following loss events: significant financial difficulty of the debtor; restructuring of an amount due to the **Group** and **Company** in terms that it would not consider otherwise; a breach of contract, such as a default or delay in interest or principal payments; if it becoming probable that the borrower will enter bankruptcy, among others factors.

Definition of financial assets in default and in impairment

Customers who meet at least one of the following criteria are considered in default:

- Existence of instalments of principal or interest overdue for more than 90 days;
- Debtors in bankruptcy, insolvency or liquidation;
- Claims in litigation;
- Cross-default credits;
- Credits restructured due to financial difficulties with economic loss;
- Credits in quarantine default;
- Claims for which there is a suspicion of fraud or confirmed fraud; and;
- Credits with amounts written-off from assets.

Estimates of expected credit losses - Individual analysis

Clients who meet one of the following conditions are the subject of an individual analysis:

- CTT Bank's private clients with exposures above 500,000 Euros,
- Exposures to credit institutions, sovereign entities, central banks or companies through debt securities in stages 2 or 3;
- Clients from 321 Crédito with a factoring product;
- Clients with an equipment leasing product, whose active operations have an exposure greater than 70,000 Euros;

- Customers with a real estate rental product whose active operations have exposure exceeding 30,000 euros or whose LTV ratio is greater than 50% or non-existent, or a residual term of more than 12 months or a residual term equal to or less than 12 months and an overdue balance (principal and interest) exceeding 500 euros.

Estimates of expected credit losses - Collective analysis

Transactions that are not subject to an individual impairment analysis are grouped taking into account their risk characteristics and subject to a collective impairment analysis. The **Group**'s credit portfolio is divided by internal risk grades and according to the following segments:

Financial assets

Retail Offer	**Mortgage Loans**	Consists of the Bank's mortgage lending offer which has a residential real estate property as collateral, regardless of the degree of completion of its construction
	Overdrafts	Includes the Bank's overdraft offer and credit overrunning
	Car Credit	Includes 321 Crédito's used car loan with reservation of ownership
Sovereign debt and International Organizations		Eurozone public debt securities and International Organizations
Corporate		Deposits and investments in other credit institutions, other financing granted to other credit institutions and corporate debt securities
Other		Legacy portfolios of 321 Credit in run-off phase

The expected credit losses are estimates of credit losses that are determined as follows:

- financial assets with no signs of impairment at the reporting date: the present value of the difference between the contractual cash flows and the cash flows that the **Group** expects to receive;
- financial assets with impairment at the reporting date: the difference between the gross accounting value and the current value of the estimated cash flows;
- unused credit commitments: the present value of the difference between the resulting contractual cash flows if the commitment is made and the cash flows that the **Group** expects to receive;

The main inputs used to measure expected credit losses on a collective basis include the following variables:

- Probability of Default (hereinafter referred to as "Probability of Default" or "PD");
- Loss Given Default (hereinafter referred to as "Loss Given Default" or "LGD"); and
- Exposure at Default (hereinafter referred to as "Exposure at Default" or EAD).

These parameters are obtained through internal models, and other relevant historical data, taking into account already existing regulatory models adapted according to the requirements of IFRS 9.

PDs are calculated based on historical data, when available, or benchmarks, in the remaining cases. If there is a change in the degree of risk of the counterparty or exposure, the estimate of the associated PD also varies. The PDs are calculated considering the contractual maturities of exposures.

The **Group** collects performance and default indicators on its credit risk exposures with analysis by type of customers and products.

LGD is the magnitude of the loss expected to occur if the exposure defaults. In the case of contracts secured by real estate, LTV (loan-to-value) ratios are a highly relevant parameter in determining LGD. The Group generally estimates LGD parameters based on history.

The EAD represents the expected exposure if the exposure and / or customer defaults. The **Group** derives EAD values from the counterparty's current exposure and potential changes to its current value as a result of contractual conditions. For commitments, the value of the EAD considers both the amount of credit used and the expectation of future potential value that may be used according to the contract.

As described above, with the exception of financial assets that consider a 12-month PD as they do not present a significant increase in credit risk, the **Group** calculates the amount of expected credit losses taking into account the risk of default during the maximum maturity period contract, even if, for the purposes of risk management, it is considered to be a longer period. The maximum contractual period shall be considered as the period up to the date on which the **Group** has the right to demand payment or terminate the commitment or guarantee.

For financial assets "Deposits in other credit institutions", "Investments in other credit institutions" and "Investments in securities", impairments are calculated by allocating:

i) a probability of default derived from the external rating of the issuer or counterparty, respectively; and
ii) a Loss Given Default (LGD) defined by the **Group**, based on data from Moody's rating agency, and depending on the type of counterparty (Corporate or Sovereign entity).

Estimated expected credit losses - Receivables under IFRS 15

For receivables under IFRS 15, the **Group** and the **Company** apply a simplified impairment model, applying the practical expedient foreseen in IFRS 9, whereby several matrices were applied for the expected loss calculation based on the experience of actual historical losses over the period considered to be statistically significant (2 years), estimating loss rates by company and / or customer typology for the entire asset period, and not only for 12 months. The expected credit losses also incorporate a Forward-Looking component based on macroeconomic variables with historical series and suitable organisms' projections that are considered relevant for the purposes of default probabilities estimation, in this case the Gross Domestic Product.

The **Company** and the **Group** applied several matrices to calculate the expected losses of amounts receivable under IFRS 15, segmenting the expected losses calculation according to the company and the type of customer, considering the following different matrices:

- CTT customers - general customers;
- CTT Contacto customers - general customers;
- CTT Expresso customers - general customers with three distinct matrices depending on segmentation (Small and Medium Enterprises; Corporate Customers and Strategic Customers);
- CTT Expresso, branch in Spain customers – general customers;
- CTT Soluções Empresariais customers – general customers; and
- Payshop customers – general customer

The historical losses incurred are reviewed in order to reflect the differences between the expected economic conditions and those of the historical period used.

The expected losses are updated whenever there is a significant change in the credit risk in the company, changes in the type of customers or changes in the business or macroeconomic environment.

2.18 Inventories

Goods and raw materials, subsidiary materials and consumables are valued at the lowest cost between the acquisition cost and net realisable value, using the weighted average cost as the costing method.

The acquisition cost includes the invoice price and transport and insurance costs.

Net realisable value corresponds to the normal selling price less costs to complete production and costs to sell.

Whenever cost exceeds net realisable value, the difference is recorded in the operating costs caption "Cost of sales".

2.19 Distribution of dividends

The distribution of dividends, when approved by the shareholders at the Annual General Meeting of the **Company**, is recognised as a liability.

2.20 Employee benefits

The **Group** and the **Company** adopt the accounting policy for the recognition of its responsibilities for the payment of post-retirement healthcare and other benefits, the criteria set out in IAS 19, namely using the Projected unit credit method (Note 31).

In order to obtain an estimate of the value of the liabilities (Present value of the defined benefit obligation) and the cost to be recognised in each period, an annual actuarial study is prepared by an independent entity under the assumptions considered appropriate and reasonable. The present value of the defined benefit obligation is recorded as a liability under Employee benefits.

Actuarial gains and losses resulting from experience adjustments and changes in actuarial assumptions for post-employment benefits are recorded in other comprehensive income in the period in which they occur. Actuarial gains and losses resulting from experience adjustments and changes in actuarial assumptions for other long-term benefits are recorded in the "Staff costs" caption.

The **Company** and the **Group** recognise in the "Staff Costs" caption the costs of current and past services. The net interest on the liability is recognised as a financial result in the caption "Interest expenses".

Liabilities for Past Services or plan changes are recognised in the income statement when incurred under Personnel Expenses.

Post-employment benefits – healthcare

- Plan of Social Action

Workers who are integrated in "Caixa Geral de Aposentações" ("CGA", General Retirement Pension Fund) and workers who are beneficiaries of the Portuguese state pension scheme (recruited as permanent staff of the Company after 19 May 1992 and up to 31 December 2009) are entitled to the healthcare benefits established in the CTT's Plan of Social Action Regulation. These benefits are extended to all permanent workers of the company, whether they are still working, or are pensioners, or in a situation of pre-retirement or retirement.

Workers hired by the company after 31 December 2009, are only entitled to the benefits provided for in the CTT's Plan of Social Action Regulation while they remain bound to the Company by an individual employment contract, having no rights when they become pensioners, or in a situation of pre-retirement or retirement.

Healthcare benefits include contributions to the cost of medication, medical and surgical and nursing services, as well as auxiliary diagnostic means and hospital services, as defined in the CTT's Plan of Social Action Regulation.

With the aim of ensuring the future sustainability of the Social Works Regime, as well as its maintenance and quality, the Company entered into a negotiation process with the Workers' Collective Representation Structures (Estruturas de Representação Coletiva dos Trabalhadores - "ERCT") to reach an agreement with them, proposing and accommodating a set of measures to amend the aforementioned Regime. As it was not possible to reach an agreement with all ERCT and with the aim of having a continuity solution, the Social Works Regulation was denounced, with effect on 31 December 2023, and an equivalent internal regulation was approved where some healthcare conditions were adjusted, with the Plan of Social Action coming into force on 1 January 2024.

The financing of the post-retirement healthcare plan is ensured mostly by the Company and by the beneficiaries' co-payment upon the use of certain services, and the remaining costs are covered by the fees paid by the beneficiaries.

The maintenance of the post-employment healthcare plan benefits requires that the beneficiaries (retirees and pensioners) pay a fee corresponding to 2.75% of their respective pension.

Resulting from the amendment to the Healthcare Plan, the fee was unified, and the same fee is paid for each family member enrolled. In certain special situations, an exemption from the payment of the fee may be granted, either for the beneficiaries or for family members.

The healthcare plan is regulated by CTT's Plan of Social Action and the management is ensured by Wellbeing Management of the CTT Human Resources Department,, which in turn, hired Médis – Companhia Portuguesa de Seguros de Saúde, S.A. (Médis - Portuguese healthcare insurance company) to provide healthcare services. The contract with Médis has been in force since 1 January 2015.

The future liabilities with post-employment benefits arising from the past services of the **Group**'s employees are reflected in the **Group**'s financial statements through the recognition of a specific liability, with no plan or funding arrangement having been constituted to cover these responsibilities, being its financing made through the **Group**'s regular activity.

- Insurance policy

Following the Human Resources Optimisation Programme, initiated in 2016, the Company assured the workers, as part of the incentive package, the maintenance of a Healthcare Plan through a health insurance with identical coverage and co-payments, as laid down in the Plan of Social Action ("PAS"), in accordance with the following criteria:

- Workers aged 50 and over: maintenance of healthcare benefits for themselves and their family members enrolled according to PAS, through a health insurance policy, with payment of quotas in the same amount as they were paying (2.75% of their income), or higher if the future payments (if they will exist) will be higher, with mandatory delivery of income proof;

- Workers under the age of 50: maintenance of healthcare benefits according to "PAS", through a health insurance policy, for a period of two years, exempt from the payment of the quota, after which they will not benefit from any healthcare solution supported by the Company.

At present, the management of this plan is carried out by Médis - Companhia Portuguesa de Seguros de Saúde, S.A..

- Post-Retirement Medical Care– SAMS

The company 321 Crédito, S.A. is responsible for paying medical care benefits to all its employees in a situation of retirement, as well as for survival pensioners.

The provision of this medical care is ensured by the Social Medical Assistance Service (SAMS) whose post-retirement charges, for the member, are defined in clause 92 of the ACT of the banking sector published in Labor and Employment Bulletin ("BTE") nº 38 of 2017 of 15 October.

For the liability calculation, the values of Annex III in the ACT are considered, which takes into consideration the growth rate of the salary table. For the length of service rendered, the seniority date in the group was considered.

On each reporting date, the company keeps a liability recorded based on an actuarial study prepared by a specialised and independent entity that quantifies the responsibilities for the payment of medical care charges as mentioned above.

The present value of the defined benefit obligation and the cost of current services and past services are measured using the projected unit credit method.

As at 31 December 2024, there were 162 active beneficiaries and 2 pensioners, benefiting from this type of health care.

Post-employment benefits – Pension Plan

The company CTT Expresso - Serviços Postais e Logística, S.A. pays to a closed group of employees of Transporta – Transportes Porta a Porta, S.A. (which was merged into CTT Expresso during the year 2019) in retirement situation, a supplementary retirement pension over the amounts paid by the Social Security.

At each reporting date, the **Group** maintains a liability based on an actuarial study prepared by a specialised and independent entity that quantifies the liabilities for the payment of supplementary pensions to employees of the company at the time it was acquired from the Portuguese State.

The present value of the defined benefit obligation and the cost of current services and past services are measured using the projected unit credit method.

As at 31 December 2024, there were 13 beneficiaries receiving this type of Complementary Pension Benefit.

Other long-term benefits

The **Group** and the **Company** also assumed, towards certain groups of workers, a series of constructive and contractual obligations, namely:

- Suspension of contracts, redeployment, pre-retirement contracts, and release from employment

Liabilities for the payment of salaries to employees under a system of release from work, suspension of employment contract, pre-retirement or equivalent, are recognized in the Income Statement, in full, when the employee transfers to those systems.

- Telephone subscription fee

CTT has assumed the obligation of the life-long payment, to a closed group of retired workers and surviving spouses (3,541 beneficiaries as at 31 December 2023 and 3,524 beneficiaries as at 31 December 2024) to those who benefited from it as at 01/06/2004, of the telephone rental charges, to a monthly amount of 15.30 Euros. During the year of 2013, the Board of Directors of CTT, decided to modify the economic benefit. Thus, from 1 January 2014, the cash payment was replaced by a benefit in kind.

- Pensions for work accidents

The liabilities related to the payment of pensions for work accidents is restricted to workers integrated in CGA.

According to the legislation in force concerning employees integrated in CGA, CTT is liable for the costs incurred with pensions that have been attributed for damages resulting from accidents at work, and which have resulted in permanent disability or death of the worker. The value of these pensions is updated pursuant to a legal diploma.

The liabilities incurred up to 31 December 2015 will continue to be borne by CTT. As of 1 January 2016, CTT contracted an insurance policy to cover these responsibilities, as is already the case for Social Security workers.

As at 31 December 2023 and 31 December 2024 there were 58 and 59 beneficiaries, respectively, receiving this type of pension.

- Monthly life annuity (SMV)

This is an annuity provided for in the family benefits legal system set out in Decree-Law no. 133-B/97, of 30 May, as amended by the Declaration of Rectification no. 15-F/97, of 30 September, amended by Decree-Law no. 248/99, of 2 July, no. 341/99 of 25 August, no. 250/2001, of 21 September, and no. 176/2003, of 2 August.

Beneficiaries are workers, still working or retired, who have descendants over 24 years old, with physical, organic, sensorial, motor or mental disabilities, who are in a situation that prevents them from normally providing for their subsistence through the exercise of professional activity. In the case of beneficiaries integrated in the CGA, the cost of the monthly life annuity is the responsibility of CTT.

However, the SMV has been replaced by the Social Provision for Inclusion (which is intended to support persons with disabilities with the costs due to disability), established by Decree-Law no. 126-A/2017, of 6 October. This supplement was in force until 31 December 2023 and, therefore, from 2024 onwards, it was no longer paid by CTT.

On 31 December 2023, there were 6 beneficiaries in these conditions, receiving a monthly amount of 177.64 Euros, 12 months a year, until the end of 2023.

- End of Career Awards

Under clause 69 of the ACT of the banking sector published in BTE nº 38 of 2017 of 15 October, 321 Crédito, S.A. undertook the commitment to, on the retirement date, due to disability or old age, grant the employee a premium in the amount equal to 1.5 times the effective monthly remuneration earned on that date. In the event of death on the job, a premium shall be paid in the amount equal to 1.5 times the effective monthly remuneration that the worker earned at the date of death.

For this purpose, the base salary, seniority and all extra components are considered. It is presumed that their salary growth will be higher than that of the salary table in order to consider possible progressions.

The seniority periods are calculated according to the value established in Annex II of the ACT, including the increase resulting from the number of years of service.

The liability was established based on an actuarial study prepared by a specialised and independent entity and measured using the projected credit unit method.

- Death allowance resulting from an accident at work

In the sphere of 321 Crédito, death arising from a work accident shall give rise to the payment of a capital sum – death allowance – as defined in Clause 72 of the collective bargaining agreement referred to above. For the liability related to allowances due to death arising from a work accident, the calculation uses the value established in Annex II of the collective bargaining agreement, considering the growth rate of the salary table and the probabilities of death due to a work accident.

The liability was established based on an actuarial study prepared by a specialised and independent entity and measured using the projected unit credit method.

- Defined contribution plan – Open Pension Fund or Retirement Savings Plan

Following the remuneration model of the Statutory Bodies defined by the Remuneration Committee, a fixed monthly amount was determined to be allocated to an Open Pension Fund or Retirement Savings Plan to be attributed to the executive members of the Board of Directors.

This contribution falls into the definition of a defined contribution plan. Under a defined contribution plan, fixed contributions are paid into a fund but there is no legal or constructive obligation to further payments being made if the fund does not have sufficient assets to pay all of the employees' entitlements to post-employment benefits. The obligation is therefore effectively limited to the amount agreed to be contributed to the fund and the actuarial and investment risk is effectively placed on the employee. For defined contribution plans, the amount recognised in the period is the contribution payable in exchange for services rendered by employees during the period. Contributions to a defined contribution plan which are not expected to be wholly settled within 12 months after the end of the annual reporting period in which the employee renders the related service are discounted to their present value.

- Subsidised mortgage loan for employees

In October 2023, a protocol was established within the CTT Group that covers the permanent employees of the companies CTT, S.A., CTT Expresso, S.A., Payshop, S.A., CTT Contacto, S.A., Newspring, S.A., Open Lockers, S.A., CTT Soluções Empresariais, S.A., Banco CTT, S.A. and 321 Crédito, S.A. with the aim of enabling access to mortgage loans with more advantageous conditions. This protocol is applicable to housing loans granted by Banco CTT and aims to provide employees with the possibility, with regard to their own permanent home, of:

a. Purchase of a home already built;

b. Construction of a home on their own land;

c. Improvement or extension works to their own home;

d. Transfer of loans that are in progress with other credit institutions, provided that the requirements of Banco CTT's Credit Policy in force on the date scheduled for the aforementioned transfer are met.

The maximum loan limit to be granted per employee is 200,000 Euros, and the maximum loan term is that which is stipulated in Banco CTT's Credit Policy in force on the date the loan is granted. The conditions to be observed when granting these loans will be as follows:

- The interest rate applied to the financed amount will be based on the Euribor rate marketed by Banco CTT, which is in force on the date the loan is contracted, with a spread of 0%;

- Exemption from Initial Processing Fees related to mortgage loans, under the terms set out in Banco CTT's general price list on the date the loan is contracted.

On 31 December 2024, there were 215 active contracts relating to mortgage loans covered by this protocol.

2.21 Provisions and contingent liabilities

Provisions (Note 32) are recognised when, cumulatively: (i) there is a present obligation (legal or constructive) arising from a past event, (ii) it is probable that its payment will be demanded, and (iii) there is a reliable estimate of the value of this obligation.

The amount of the provisions corresponds to the present value of the obligation, with the financial updating being recorded as a financial cost under the heading Interest expenses (Note 50).

The provisions are reviewed on every reporting date and are adjusted in order to reflect the best estimate at that date.

Provision for financial investments

Whenever losses in the subsidiaries or associated companies exceed the investment made in these entities, the carrying value is reduced to zero and the recognition of future losses is discontinued, except in what concerns the part in which the **Group** or the **Company** incurs in any legal or constructive obligation to assume all these losses on behalf of the associated or subsidiary company, in which case a Provision is recorded for investments in associated companies.

Restructuring provisions

Restructuring provisions are made whenever a detailed formal restructuring plan has been approved by the **Group** and it has been launched or publicly disclosed, which identifies:

- The business or part of the business concerned;
- The main affected locations;
- The location, function and approximate number of employees who will be compensated for the cease of their services;
- The expenditures that will be undertaken;
- When the plan will be implemented; and
- It raised a valid expectation in those affected that it would carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

The restructuring provision includes direct expenditures arising from the restructuring, which are those entailed by the restructuring.

The restructuring provision does not include the costs of retraining or relocating continuing staff, marketing and investments in new systems and distribution networks and are recognised on the same basis as if they appeared independently of a restructuring in the period that they occur.

The expected gains on assets disposals are not taken into account in a restructuring provision measurement, even if the assets sale is seen as part of the restructuring.

Dismantling costs provisions

Provisions are made for dismantling costs, costs of removal of the asset and costs of restoration of the site of certain assets, when these assets are in use and it is possible to reliably estimate the respective obligation, or when there is a contractual commitment to restore the spaces rented by third parties. When the time value effect is material, the environmental liabilities that are not expected to be settled in the near future are measured at their present value.

Provisions for litigations in progress

A provision for litigation in progress is recorded when there is a reliable estimate of costs to be incurred due to legal actions brought by third parties, based on the evaluation of the probability of payment based on the opinion of the lawyers.

Contingent assets and liabilities

Whenever any of the conditions for the recognition of provisions is not met, the events are disclosed as contingent liabilities (Note 32). Contingent liabilities are: (i) possible obligations which arise from past events and whose existence will only be confirmed by the occurrence, or not, of one or more future events that are uncertain and not fully under the **Company**'s control, or (ii) present obligations which arise from past events, but which are not recognised because it is not probable that an outflow of resources which incorporates economic benefits will be necessary to settle the obligation, or the value of the obligation cannot be measured with sufficient reliability. Contingent liabilities are disclosed unless the possibility of an outflow of resources is remote.

Contingent assets and liabilities are evaluated continuously to assure that the developments are reflected properly in the financial statements.

If it becomes probable that an outflow of future economic benefits will be demanded for an item previously treated as a contingent liability, a provision is recognised in the financial statements of the period when that change in probability occurs.

If it becomes virtually certain that an economic benefits inflow will occur, the asset and related revenue are recognised in the financial statements of the period when the change will probably occur.

The **Group** does not recognise contingent assets and liabilities.

2.22 Revenue

The revenue is measured by the amount that the entity expects to be entitled to receive under the contract entered into with the customer.

The revenue recognition model is based on five steps in order to determine when the revenue should be recognised and the amount:

1) Identify the contract with a customer;
2) Identify the performance obligations in the contract;
3) Determine the transaction price;
4) Allocate the transaction price; and
5) Recognise revenue.

The revenue is recognised only when the “performance obligation” is met and depends on whether the “performance obligations” are satisfied over the period or, on the contrary, the control of the goods or services is transferred to the customer at a given point in time. Revenue is measured at the fair value of the consideration received or receivable, net of VAT, rebates and discounts.

The revenue regarding the provision of postal services, namely the sales of philatelic and pre-paid products, is recognised only when the performance obligation is satisfied, i.e., only at the moment of the effective utilisation of the products for mail delivery purposes. However, as some of these products have never been used by the clients, for example the philatelic products for stamps collection, CTT performed a customer survey in order to obtain information regarding the use pattern of these products and, in this way, assess the percentage of the products that are not expected to be used. In these situations, the revenue should be recognised at the time of the sale. In the remaining situations, the revenue is deferred in accordance with the referred standard of use.

The revenue from the rendering of express services is recognised only when the performance obligation is satisfied, i.e., only when the mail or parcel is delivered to the final customer, being the revenue deferred until that moment.

The revenue from the sale of merchandising products from postal business is recognised when the products are transferred to the buyer, which usually occurs at the time of the transaction, being at that time fulfilled the "performance obligation".

The revenue from PO Boxes is recognised over the term of the contracts. By subscribing to the "PO Boxes" service, CTT customers can receive their mail at a PO box in a CTT store instead of receiving mail at their home or company headquarters. Customers pay a single annual fee for subscribing to the service, with no additional fee being paid depending on the amount of correspondence received. Thus, a single performance obligation was identified corresponding to the provision of the PO box over the period of 1 year, with revenue fully allocated to the only performance obligation identified and recognised linearly over the contract period (1 year).

The revenue and costs relative to international mail services, estimated based on surveys and indexes agreed with the corresponding postal operators, are recognised in temporary accounts in the month that the traffic occurs. The initial revenue amount is recognised in the caption "Sales and services rendered" and accounts receivable. Thus, a temporary account is an account receivable, whose amount is the best CTT's estimate for the amount that will be invoiced by the corresponding postal operators. This temporary amount is subject to the confirmation of the counterparties, namely the volume/ weights carried and the process is managed by a compensation camera.

At the time of the final confirmation moment, the differences between the temporary amount from account receivables and the confirmed amount is recognised in the caption "Sales and services rendered" in the income statement. Historically, these differences are not significant.

The fees from collections made and from the sale of financial products are recognised on the date that the client is charged. Only the fee from collections charged by CTT is recognised as revenue, as CTT acts as an agent. The recognised revenue corresponds only to the commission charged by CTT, which acts as an agent. The amounts are settled by offsetting accounts. Regarding this, CTT deducts to the amount delivered to its customers for the collections made on customers behalf and for the financial products sales in CTT stores, the commissions amount owed in the scope of its agent performance.

The performance obligation underlying the recognition of revenue resulting from collections made by the issuer and the sale of financial products corresponds to financial intermediation in the sale / placement / redemption of financial products and collection of invoices on behalf of counterparties in intermediation contracts. The remuneration of these contracts is variable according to IFRS 15, as CTT is entitled to receive a fixed amount as a "bonus performance" when selling / placing / redeeming financial products or collecting invoices on behalf of counterparties in intermediation contracts, considering the goals/ targets defined in the contracts. This component is estimated according to the "most likely amount", considering the intermediation amounts of the year.

Recognition of revenue in the "business solutions" line occurs when the performance obligation is satisfied, that is, on the effective date of the provision of the service to the customer. The contracts associated with each project are broken down by task (performance obligations), and the amount to be applied to each transaction is determined and the recognition made on the date on which it is satisfied. In the case of product sales, revenue is recognised only when the product is delivered to the customer. Revenue from outsourcing projects is recognised as a single performance obligation on a straight-line basis over the period, with the exception of projects that vary depending on the service actually provided whose revenue is recognised at the time this provision occurs.

The main entities with "customer" contractual position and the frequency of the account offset are as follow:

Product/ Service	Partner/ Customer	Frequency/ account offset
Postal savings certificates/ treasury	IGCP	daily
Postal collection	All entities that request the postal collection service to CTT, but essentially are the utilities companies and city councils	daily
Insurance/ RSP	Fidelidade, Mapfre and Metlife	daily
Western Union	Western Union	twice a week
Penalties	ANSR	daily
Collection titles	Unions	daily

The **Group** acts as an agent in these transactions to the extent that:

- Does not obtain control of the goods or services provided to end customers;
- It does not have any inventory risk (not applicable in this type of services);
- It is not identified by the end customer as the party responsible for fulfilling the performance obligations; and
- The price of the financial product is not defined by the **Group** and the **Company.**

The definition of prices for services provided within the scope of the Universal Postal Service concession, it is explained in detail in note 1.2 - Activity.

The revenue from interest is recognised using the effective interest rate method, provided that it is probable that economic benefits will flow into the **Group** and the **Company**, and their amount can be measured reliably.

The **Group** and the **Company** register a portion of the interest received from deposits in other operating income, specifically interest from short-term deposits in the Financial Services segment. The **Group** and the **Company** consider the temporary investment of funds received and to be paid to third parties as one of the main operational objectives of its Financial Services segment. In the cash flow statement, this portion of interest is recognised as operating cash flow.

Within the scope of banking activity, the income from services, fees and commissions is recognised as follows:

- Fees and commissions that are earned in the execution of a significant act, are recognised as income when the significant act has been completed;
- Fees and commissions earned over the period in which the services are provided are recognised as income in the period that the services are provided; and
- Fees and commissions that are an integral part of the effective interest rate of a financial instrument are recorded through profit or loss using the effective interest rate method.

In the banking activity, interest income and expense for financial instruments measured at amortised cost and at fair value through other comprehensive income are recognised in Financial margin, through the effective interest rate method.

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, for a shorter period, to the net carrying amount of the financial asset or financial liability. The effective interest rate is established in the initial recognition of financial assets or liabilities and is not subsequently reviewed.

For calculating the effective interest rate, it is estimated future cash flows considering all contractual terms of the financial instrument but without considering future impairment losses. The calculation

includes all fees paid or received considered as included in the effective interest rate, transaction costs and all other premiums or discounts directly related to the transaction.

In the case of financial assets or groups of similar financial assets for which impairment losses have been recognised, interest recorded in interest and similar income is determined based on the interest rate used to measure the impairment loss.

The **Group** and the **Company** do not recognise interest for financial assets in arrears for more than 90 days.

The revenue recognition criteria associated to the provision of the insurance mediation service is presented in note 2.28.

2.23 Subsidies obtained

Subsidies are recognised when there is reasonable assurance that they will be received and that the **Group** and the **Company** will comply with the conditions required for their attribution.

Investment subsidies associated to the acquisition or production of tangible fixed assets are initially recognised in non-current liabilities and are subsequently allocated, on a systematic basis, as revenue for the period, consistent and proportional to the depreciation of the assets acquired through these subsidies.

Operating subsidies, namely those for employee training, are recognised in the income statement, within the periods necessary to match them with the expenses incurred, to the extent that these subsidies are not refundable.

2.24 Leases

The **Group** leases several buildings and vehicles. Lease contracts are usually negotiated for fixed periods, but extension options may exist, although in most contracts the renewal periods require the agreement of the lessor and lessee. Rental terms and conditions are negotiated on an individual basis.

The **Group** and the **Company** determine whether a contract is a lease or includes a lease on the contract's start date.

When it comes to a lease agreement, the **Group** and the **Company** account right-of-use (RoU) assets, which are recognised in the item of Tangible fixed assets with the corresponding lease liabilities, on the date when the control over the use of the asset leased is transferred to the **Group** or the **Company.**

The **Group** and the **Company** use the practical expedients permitted by IFRS 16 of not considering short-term leases (12 months or less) or leases of low-value underlying assets, and the respective payments are considered for the determination of the right-of-use assets.

The **Group** and the **Company** use the practical expedient allowed by IFRS 16 to not separate the lease and non-lease components.

Lease liabilities are initially measured at the present value of the lease payments that fall due after the lease comes into effect, discounted at the implied interest rate of the contract. When this rate cannot be determined, the **Group'**s incremental interest rate is used, corresponding to the interest rate that the lessee would have to pay to obtain an asset of similar value in an economic environment with comparable terms and conditions.

Lease payments included in the measurement of lease liabilities include: fixed payments, less lease incentives receivable; variable payments that depend on an index or rate; amounts expected to be paid by the lessee as guarantees of residual value; the exercise price of a call option if the lessee is reasonably certain to exercise that option; penalty payments to terminate the lease, if the lease term reflects the exercise of the termination option.

The lease liability is measured at amortised cost, using the effective interest method and is remeasured when there are changes to future payments resulting from the application of indexes or rates or if there are other changes such as the change in the lease term, change in expectation about exercising a purchase option, renewing the term or terminating the contract. In these cases, the **Group** and the **Company** recognise the amount of the remeasurement of the Lease Liability as an adjustment to the Assets under the Right- of-Use. When the Liabilities remeasured are greater or less than the Assets of the right of use, the difference is recognised in the income statement under "Gains/losses on disposal/ remeasurement of assets".

For the lease term determination, the **Group** and the **Company** consider:

- the broader economics of the contract, and not only contractual termination payments, evaluating if either a party has an economic incentive not to terminate the lease such that it would incur a penalty on termination that is more than insignificant, the contract is considered enforceable beyond the date on which the contract can be terminated; and

- whether each of the parties has the right to terminate the lease without permission from the other party with no more than an insignificant penalty, a lease is no longer enforceable only when both parties have such a right. Consequently, if only one party has the right to terminate the lease without permission from the other party with no more than an insignificant penalty, the **Group** and the **Company** consider that the contract is enforceable beyond the date on which the contract can be terminated by that party.

The Rights-of-Use assets are presented in an isolated class, integrating the item of Tangible fixed assets, initially measured at the cost model, which comprises the initial value of the lease liability, adjusted for any payment made before the start date of the contract. lease, plus any initial costs incurred and an estimate for costs of dismantlement (when applicable), less any incentives received. The Right-to-Use asset is subsequently depreciated using the straight-line method in accordance with the lease term. The Right-of-Use is periodically adjusted by certain remeasurements to the Lease liabilities, namely by updating indexes or price renegotiations, and by impairment losses (if any).

Variable rents that do not depend on an index or rate are not included in the measurement of the Lease Liability or the Right-of-Use asset. Such payments are recognised as expenses in the period in which the event or condition giving rise to payments occurs.

When the **Group** or the **Company** transfers an asset to a third party, and simultaneously enters into a lease agreement for the same asset with that third party, the **Group** and the **Company** apply the requirements of IFRS 15 to determine whether the transfer qualifies as a sale of the asset.

If the transfer qualifies as a sale transaction, the **Group** and the **Company** will measure the Right-of-Use asset of the leaseback as a proportion of the previous net book value that relates to the Right-of-Use retained by the **Group** or **Company**, recording a gain or loss in proportion to the rights transferred to the third party.

If the fair value of the sale's retribution of the asset is not equivalent to its fair value, or if the lease payments do not correspond to market values, the **Group** or **Company** will make the following adjustments to measure the results of the sale at fair value: Any terms below the market will be

recorded as prepayment of the lease; and any terms above market will be accounted as an additional financing provided by the third party to the **Group** or **Company.**

When the **Group** or **Company** subleases part of the Right-of-Use asset to another entity, it starts to act as lessee in relation to the main lessor and as sublease in relation to the sublease.

As a sublease, the **Group** and the **Company** determine at the lease start date, whether the lease qualifies as financial or operational, considering: i) as the underlying asset of the sublease contract, the Right-of-Use asset recognised in the main lease agreement ; and ii) as the discount interest rate, the interest rate implicit in the sublease or the incremental interest rate of the main lease.

When the sublease contract qualifies as a finance lease, the **Group** and the **Company** derecognise the Right-of-Use asset, and record a balance receivable from the sub-leaseholder, which is subsequently settled by recording accrued interest and repayments made by the sub-leaseholder.

2.25 Borrowing costs

Financial charges related to loans are recognised in net profit, when incurred. However, interest expenses are capitalised when loans are directly attributable to the acquisition or construction of an asset that requires a substantial period of time (over one year) to reach its intended use.

Financial charges on loans obtained are recorded as financial expenses in accordance with the effective interest rate method.

2.26 Taxes

Corporate income tax (“IRC”)

Corporate income tax corresponds to the sum of current taxes and deferred taxes. Current taxes and deferred taxes are recorded under net income, unless they refer to items recorded directly in equity. In these cases, deferred taxes are also recorded under equity.

Current tax payable is based on the taxable income for the period of the **Group** companies included in the consolidation, calculated in accordance with the tax criteria prevailing at the financial reporting date. Taxable income differs from accounting income, since it excludes various costs and revenues which will only be deductible or taxable in other financial years. Taxable income also excludes costs and revenues which will never be deductible or taxable. The amount of current tax payable or receivable is the best estimate of the amount expected to be paid, reflecting the existence of uncertainty about the tax treatment of income taxes, if any, according to IFRIC 23 - Uncertainty about tax treatment of income tax. The estimate is made based on the most likely method, or, if the resolution can dictate ranges of values in question, use the expected value method.

Deferred taxes refer to temporary differences between the amounts of assets and liabilities for accounting purposes and the corresponding amounts for tax purposes.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for deductible temporary differences. However, this recognition only takes place when there are reasonable expectations of sufficient future taxable profits to use these deferred tax assets, or when there are deferred tax liabilities whose reversal is expected in the same period that the deferred tax assets may be used. On each reporting date, a review is made of these deferred tax assets, which are adjusted according to expectations on their future use.

Deferred tax assets and liabilities are measured using the tax rates which are in force on the date of the reversal of the corresponding temporary differences, based on the taxation rates (and tax legislation)

which are enacted, formally or substantially, on the reporting date, reflecting the existence of uncertainty about the tax treatment of income taxes.

CTT is covered by the special regime applicable to the taxation of groups of companies, which includes all companies in which CTT holds, directly or indirectly, at least 75% of the share capital and which are simultaneously resident in Portugal and taxed under IRC except, 1520 Innovation Fund and CTT IMO Yield. The remaining companies are taxed individually according to their respective taxable income at the applicable tax rates.

Regarding Banco CTT Group, it is considered as a "tax sub-consolidated" within the regime in which CTT – Correios de Portugal, S.A. are the dominant society. In this way, the subsidiary of Banco CTT makes the IRC settlements to Banco CTT, and the latter pays or receives the net amount determined for the Banco CTT Group to the aforementioned controlling company. In the event that there are historical amounts to be received from CTT by the Bank, any IRC payments to CTT are settled by using/reducing the amount to be received, with effective payment only occurring after there are no historical amounts to be received. The balances to be paid by the controlling company are currently interest-bearing debt to the subsidiary.

Value Added Tax ("VAT")

For purposes of VAT, the **Company** follows the normal monthly regime, in accordance with the provisions of paragraph 1(a) of article 41 of the Portuguese VAT Code, having several exempted operations in its activity that fall under the provisions of article 9 of the Portuguese VAT Code, as well as to other non-exempted operations which are subject to VAT, and for this reason, using the effective allocation method and the pro rata method. In a similar situation is also Banco CTT, which due to the nature of its operations, essentially financial operations, also uses the pro rata method for VAT purposes. The other **Group** companies, with fiscal residence in Portugal, also follow the normal monthly regime, in accordance with the provisions of paragraph 1(a) of article 41 of the Portuguese VAT Code, performing mostly non-exempted operations, thus being subject to VAT.

2.27 Accrual basis

The revenues and costs are recorded according to the accrual basis, and therefore, are recognised as they are generated, regardless of the time they are received or paid. Differences between the revenues and costs generated and the corresponding amounts invoiced are recorded in "Other current assets" or in "Other current liabilities". Prepaid revenues and costs paid in advance are recorded under the heading Prepayments, under liabilities and assets, respectively.

2.28 Provision of the insurance mediation service

CTT, S.A., Banco CTT, 321 Crédito, and MedSpring, S.A. are entities authorised by the Insurance and Pension Funds Supervisory Authority ("ASF") to practice insurance mediation, in the category of Linked Insurance Mediator, according to the article 8, subparagraph a), subparagraph i), of Decree-Law no. 144/2006, of July 31, developing the activity of insurance mediation in the life and non-life lines.

Within the scope of insurance mediation services, the **Group** and the **Company** sell insurance contracts. As remuneration for insurance brokerage services, the **Group** and the **Company** receives insurance contract brokerage commissions, which are defined in agreements / protocols established with Insurance Companies.

Commissions received by insurance mediation services are recognised in accordance with the principle of accrual basis, so commissions whose receipt occurs at a different time in the period to which they refer are recorded as an amount receivable under an "Other current assets" caption.

2.29 Judgements and estimates

In the preparation of the consolidated and individual financial statements, judgements and estimates were used which affect the reported amounts of assets and liabilities, as well as the reported amounts of revenues and costs during the reporting period. The estimates and assumptions are determined based on the best existing knowledge and on the experience of past and/or current events considering certain assumptions relative to future events. However, situations might occur in subsequent periods which, due to not having been predictable on the date of approval of the financial statements, were not considered in these estimates. Changes to estimates which occur after the date of the financial statements will be corrected prospectively. For this reason and in view of the associated degree of uncertainty, the real outcome of the situations in question might differ from their corresponding estimates.

The main judgements and estimates made in the preparation of the financial statements arise in the following areas:

i) Tangible fixed and intangible assets / estimated useful lives (notes 5 and 6)

Depreciation/amortisation is calculated on the acquisition cost using the straight-line method, from the month when the asset is available for use. The depreciation/amortisation rates that are applied reflect the best knowledge on the estimated useful life of the assets. The residual values of the assets and their respective useful lives are reviewed and adjusted, when deemed necessary.

ii) Impairment of Goodwill and investment in subsidiaries, associated companies and joint ventures (notes 9, 10, 11 and 12)

The **Group** and the **Company** test the goodwill and investments in subsidiaries, associated and joint ventures are tested at least once a year, with the purpose of verifying if they are impaired, in accordance with the policy referred to in Note 2.9. The calculation of the recoverable amounts of the cash generating units involves a judgment and substantially relies on the analysis of the Management related to the future developments of the respective subsidiary. The assessment underlying the calculations that have been made uses assumptions based on the available information, both concerning the business and macro-economic environment. The variations of these assumptions can influence the results and consequent recording of impairments.

iii) Impairment of accounts receivable (note 24)

The **Group** and the **Company** record expected credit losses of each operation as a result of the deterioration of the credit risk since its initial recognition. In case of expected losses in account receivables in the scope of IFRS 15 the **Group** and the **Company** applied the simplified method calculating expected credit losses until maturity for all account receivables based on past records of credit losses throughout the period considered statistically relevant, estimating the rate of expected losses by companies and customer typology.

iv) Financial instruments – IFRS 9

Classification and measurement (notes 14, 15, 20, 34 and 35)

The classification and measurement of financial assets depends on the results of the SPPI test (analysis of the characteristics of the contractual cash flows, to conclude on whether they correspond only to payments of principal and interest on the principal in debt) and the business model test.

The **Group** determine the business model taking into account the manner in which the groups of financial assets are managed as a whole to achieve a specific business goal. This assessment requires judgement, as the following aspects must be considered, among others: the way that asset

performance is assessed; and the risks that affect the performance of the assets and how these risks are managed.

The **Group** monitors the financial assets measured at amortised cost and at fair value through other comprehensive income that are derecognised before their maturity, in order to understand the reasons underlying their divestment and to determine if they are consistent with the objective of the business model defined for these assets. This monitoring is inserted within the **Group'**s process of continuous assessment of the business model of the financial assets that remain in the portfolio, in order to determine whether it is appropriate, and if it not, whether there has been a change of the business model and consequently a prospective change of the classification of these financial assets.

Impairment losses in financial assets at amortised cost and debt instruments at fair value through other comprehensive income (note 24)

The determination of the impairment losses of financial instruments involves judgements and estimates relative to the following aspects, among others:
Significant increase of credit risk: Impairment losses correspond to the expected losses in case of default over a time frame of 12 months for assets at stage 1, or estimated maturity if lower, and the expected losses considering the probability of occurrence of a default event any time up to the maturity date of the financial instrument for assets at stage 2 and 3. An asset is classified at stage 2 whenever there has not been a significant increase in its credit risk since its initial recognition. The **Group**'s assessment of the existence of a significant increase of credit risk considers qualitative and quantitative information, reasonable and sustainable.
Definition of group of assets with common credit risk features: When the expected loan losses are measured on a collective basis, the financial instruments are grouped together based on common risk features. This procedure is necessary to ensure that, in case there is a change of the credit risk features, the segmentation of the assets is reviewed. This review can give rise to the creation of new portfolios or to the transfer of the assets to existing portfolios, which better reflect their credit risk features.
Probability of default: The probability of default represents a determinant factor in the measurement of the expected loan losses. The probability of default corresponds to an estimate of the probability of default in a particular time period, calculated based on benchmarks or using market data.
Loss given default: Corresponds to an estimated loss in a default scenario. This is based on the difference between the contractual cash flows and those that the **Group** expects to receive, via cash flows generated by the business of the client or credit collateral. Loss given default is calculated based on, among other aspects, the different scenarios of recovery, historical information, market information, the costs involved in the recovery process and the estimated valuation of the collateral associated to credit operations.

Fair value of derivative financial instruments (note 15))

Fair value is based on market quotations when available and, in their absence, is determined based on the use of prices from recent, similar transactions carried out under market conditions or based on valuation methodologies, based on cash flow techniques. discounted cash futures considering market conditions, the effect of time, the yield curve and volatility factors. These methodologies may require the use of assumptions or judgments in estimating fair value. Consequently, the use of different methodologies or different assumptions or judgments in the application of a given model could lead to results different from those reported.

v) Deferred taxes (note 51)

The recognition of deferred tax assets assumes the existence of future net profit and taxable income. The deferred tax assets and liabilities were determined based on the tax legislation

currently in force, or on legislation that has already been published for future application. Amendments to tax legislation may influence the value of the deferred taxes.

vi) Employee benefits (note 31)

The determination of the liabilities related to the payment of post-employment benefits, namely with healthcare plans, requires the use of assumptions and estimates, including the use of actuarial projections, discount rates and other factors that could have an impact on the costs and liabilities associated to these benefits. Any changes in the assumptions used, which are described in Note 31, will have an impact in the carrying amount of the employees' benefits. CTT has a policy of periodically reviewing the major actuarial assumptions, if its impact is material on the financial statements.

vii) Provisions (note 32)

The **Group** and the **Company** exercise considerable judgement in the measurement and recognition of provisions. Judgement is required in order to assess the probability of litigation having a successful outcome. Provisions are recorded when the current lawsuits are expected to lead to the outflow of funds, the loss is probable and may be estimated reasonably. Due to the uncertainties inherent to the process of assessment, actual losses might be different from those originally estimated in the provision. These estimates are subject to changes as new information becomes available. Reviews to the estimates of these losses might affect future results.

viii) Lease liabilities (note 30)

The lease liabilities amount calculation requires the determination of the lease enforceable period, considering the lease economic aspects, and not just the termination payments, namely the existence of economic incentive from either party not to terminate the lease . Any changes in the lease term will have an impact on the lease liabilities book value. CTT periodically review the lease terms.

Sources of uncertainty in the estimates:

The main sources of uncertainty in the estimates performed are detailed below:

i) Information on CTT Group's material environmental, social and governance metrics and commitments

All the indicators included in the Environment, Social and Governance dimensions were assessed as material in accordance with CTT's double materiality analysis, which relates the impact caused on the environment and society to the financial risks and opportunities they represent for CTT. From this exercise, 13 impacts were identified, with 21 associated financial risks and opportunities for CTT, related to the topics of climate change adaptation and mitigation, energy, air pollution, own employees, contracted employees and employees within the value chain, communities, customers, business conduct, business transformation, and privacy and data security.

For all these topics, CTT discloses, in this report in response to the EU Corporate Sustainability Reporting Directive (CSRD), metrics and targets, as well as investments and associated costs in the current year and short, medium and long-term future forecasts, which include, in some cases, information from CTT's value chain (direct and indirect upstream and downstream sources). Naturally, even though there are various internal systems and review processes, this information is subject to some uncertainties, partly internal, such as the unavailability of information and the manual input and processing of data by many agents; but above all external, over which the Group has no control.

In the field of climate change and energy, the Group's efforts to decarbonise its activities by 55% of its direct and indirect emissions by 2030 (compared to 2021), in line with the very transformation of the business and customer satisfaction, are impacted by governmental changes, technological

developments, physical and transition risks, market perception and price volatility, influencing the **Group** and the **Company**'s assets, liabilities, gains and losses, as provided for by IFRS. In this regard, CTT has carefully assessed whether climate change issues have affected the assumptions used to estimate expected cash flows. Where necessary, the **Group** and the **Company** also took into account the long-term impact of climate change.

In the social field, in view of CTT's commitments to its employees, associated with its certification as a family-responsible company, in terms of promoting health and safety, skills development, diversity, equity and inclusion and professional, personal and family balance, there are factors that impact the estimates in the financial statements, such as restructuring, contract terminations, compensation and benefits, changes in working conditions, union negotiations and possible litigation, as well as changes in tax policies or tax rates. In view of these situations, CTT has thoroughly assessed all the risks and opportunities associated with attracting, retaining and losing talent on these issues and how they have affected the assumptions used to estimate the financial items associated with employees.

Finally, with regard to the issues of corporate conduct, ethics, corruption and bribery and data privacy, CTT subscribes to the ten principles of the United Nations Global Compact (UNGC) and establishes various commitments in line with the Sustainable Development Goals (SDGs). In addition, with the growing need to reinforce compliance with these principles and practices, CTT has codes and policies that can be extended to its value chain. However, failure to adopt these practices can generate a number of uncertainties in the context of IFRS standards, involving loss of reputation and trust in the company, complexity in recognising forecasts for future losses arising from sanctions or fines, and compromising transparency in the financial statements due to the lack of full disclosure of involvement in unethical practices. With the aim of preventing, detecting and sanctioning acts of corruption and related infringements, CTT has a regulatory compliance programme, in accordance with Decree-Law 190-E-2021, and the processes with the greatest exposure to this type of risk are actively and meticulously monitored, with reports being drawn up every six months and the situations and measures adopted duly communicated.

The **Group** and the **Company** continue to advance in its commitment to leading the energy transition, being family responsible and committed to the development of a medium and long-term sustainable business model. To this end, all risks related to its ESG performance are considered, prioritising the contribution to the achievement of the Sustainable Development Goals established by the United Nations in the preparation of the consolidated financial statements as at 31 December 2024, which adequately reflect the effect of these goals on assets, liabilities, gains and losses, incorporating, if necessary, the material and foreseeable impacts as required by the IFRS.

2.30 Cash Flow Statement

The Cash Flow Statement is prepared according to the direct method, through which cash receipts and payments relative to operating, investment and financing activities are disclosed.

Operating activities cover receipts from customers, payments to suppliers, payments to staff and other related to operating activity, namely income tax.

Investment activities namely include acquisitions and disposals in participated companies, payments and receipts arising from the purchase and sale of assets, and receipts of interest and dividends. Financing activities include payments and receipts relative to loans received, financial lease contracts, interest paid and payments of dividends.

Cash and cash equivalents

Cash and cash equivalents include the amounts recorded in the statement of financial position with a maturity less than three months from the balance sheet date, which includes cash and cash equivalents at credit institutions. It also includes other short-term investments, of high liquidity, insignificant risk of

amount changes and convertible into cash, and also mandatory sight deposits with Banco de Portugal in order to satisfy the minimum cash reserves legal requirements (nota 22).

2.31 Subsequent events

Events occurring after the closing date until the date of approval of the financial statements by the Board of Directors, and which provide additional information about conditions existing at the date of the financial reporting, are reflected in the financial statements. Events occurring after the closing date, which indicate conditions arising after the date of the financial reporting, are disclosed in the notes to the financial statements, if considered relevant.

3. Changes to accounting policies, Errors and Estimates

In the year ended 31 December 2024, no accounting policy changes and no prior year's material errors were recognised in the preparation of the financial statements. The accounting policies have been consistently applied in all the present periods and for all **Group** companies.

The underlying estimates and assumptions were determined based on the best knowledge of the on-going events and transactions, at the time the financial statements were approved, as well as on the experience of past and/or current events. However, situations might occur in subsequent periods which, due to not having been predictable on the date of approval of the financial statements, were not considered in these estimates. Changes to estimates which occur after the date of the financial statements will be corrected prospectively. For this reason and in view of the associated degree of uncertainty, the real outcome of the transactions in question might differ from their corresponding estimates.

4. Segment reporting

In accordance with the provisions of IFRS 8, the Group presents financial reporting by segments.

The Board of Directors regularly reviews segmental reports, using them to assess and communicate each segment performance, as well as to decide on how to allocate resources.

From 30 June 2024, the Group began reporting on two new aggregating areas: "Logistics" and "Bank & Financial Services", in order to align with the existing business lines and simplifying business reporting.

These two areas aggregate the business segments "Mail & Others" and "Express & Parcels" as "Logistics", and "Bank" and "Financial Services & Retail" as "Bank and Financial Services", maintaining the same level of disclosure of all relevant business drivers and captions.

"Payments" business was migrated to the "Mail & Others" in order to align all B2B commercial streams under the same ownership, ensuring only bank statutory entities in the Bank business segment.

Other small adjustments were also made as part of the reorganization of the company's commercial portfolio, namely the migration of the "Tax Payments" and "Money Transfers" from "Financial Services & Retail" segment to "Mail & Others".

The comparative information, as of 31 December 2023, has been restated in accordance with the changes described.

Thus, **Logistics** is made up of the following entities:

- **Mail & Others** – CTT Contacto, S.A., CTT Soluções Empresariais, S.A., New Spring Services S.A., CTT IMO - Sociedade Imobiliária, S.A. MedSpring, S.A., CTT IMO Yield, S.A., CTT Services, S.A, Payshop, S.A. and CTT, S.A. excluding:
    - Business related to postal financial services and retail products - Financial Services & Retail;
    - The money transfer business of both CTT, S.A. and Payshop S.A.

- **Express & Parcels** – includes CTT Expresso S.A., CORRE S.A., 1520 Innovation Fund and Open Lockers, S.A.;

Bank & Financial Services includes:

- **Financial Services & Retail** - Postal Financial Services and the sale of products and services in the retail network of CTT, S.A. and the money transfer business of both CTT S.A. and Payshop S.A.

- **Bank** – Banco CTT S.A., S.A. and 321 Crédito S.A.

The business segregation by segment is based on management information produced internally and presented to the **Group**' Extended Executive Committee ("chief operating decision maker").

The segments cover the three CTT business areas, as follows:

- Postal Market and Real State Market, covered by the "Mail & others" segment;
- Express and Parcels Markets, covered by the Express & Parcels segment; and
- Financial Market, covered by the Financial Services & Retail and Bank segments.

The amounts reported in each business segment result from the aggregation of the subsidiaries and business units defined in each segment perimeter and the elimination of transactions between companies of the same segment.

The statement of financial position of each subsidiary and business unit is determined based on the amounts booked directly in the companies that compose the segment, including the elimination of balances between companies of the same segment, and excluding the allocation in the segments of the adjustments between segments.

The income statement for each business segment is based on the amounts booked directly in the companies' financial statements and related business units, adjusted by the elimination of transactions between companies of the same segment.

However, as CTT, S.A. has assets in more than one segment it was necessary to split its income and costs by the several operating segments. The Internal Services Rendered refer to services provided across the different CTT, S.A. business areas, and the income is calculated according to standard activities valued through internally set transfer prices. The Mail segment provides internal services essentially related to the retail network (included in the Mail segment). Additionally, the Financial Services Segment uses the Retail network to sell its products. The use of the Retail network by other segments, as Express & Parcels and CTT Bank is, equally, presented in the line "Internal Services Rendered".

Initially, CTT, S.A. operating costs are allocated to the different segments by charging the internal transactions for the services mentioned above. After this initial allocation, costs relating to corporate and support areas (CTT Central Structure) are allocated by nature to the Mail segment and others.

The consolidated income statement by nature and segment of 2023 and 2024 are as follows:

Thousand Euros	31/12/2023 "restated"						
	Mail	Express & Parcels	Logistics	Financial Services & Retail	Bank	Bank & Financial Services	Total
Revenues	**453,485**	**340,586**	**794,071**	**62,646**	**128,502**	**191,148**	**985,219**
Sales and services rendered	444,740	339,497	**784,238**	60,369	—	**60,369**	**844,606**
Services rendered	*437,053*	*339,358*	***776,411***	*53,349*	—	***53,349***	***829,761***
Sales	*7,687*	*140*	***7,827***	*7,019*	—	***7,019***	***14,846***
Financial Margin	—	—	**—**	—	98,791	**98,791**	**98,791**
Other operating income	8,745	1,088	**9,833**	2,278	29,711	**31,988**	**41,821**
Operating costs - EBITDA	**401,867**	**305,025**	**706,892**	**26,285**	**100,161**	**126,446**	**833,338**
Staff costs	311,700	39,934	**351,635**	3,147	27,867	**31,013**	**382,648**
External supplies and services	87,895	263,008	**350,903**	1,780	38,784	**40,564**	**391,467**
Other costs	16,762	1,936	**18,698**	7,089	7,602	**14,691**	**33,389**
Impairment and provisions	(1,392)	1,672	**280**	7	25,548	**25,555**	**25,835**
Internal services rendered	(13,098)	(1,526)	**(14,624)**	14,263	360	**14,624**	**—**
EBITDA	**51,618**	**35,561**	**87,179**	**36,361**	**28,341**	**64,702**	**151,881**
Depreciation/amortisation and impairment of investments, net	41,093	15,826	**56,919**	136	7,275	**7,411**	**64,330**
EBIT recurring	**10,525**	**19,735**	**30,260**	**36,226**	**21,066**	**57,291**	**87,551**
Specific items	5,988	3,665	**9,653**	—	121	**121**	**9,773**
Business restructurings	(17,779)	384	**(17,395)**	—	—	**—**	**(17,395)**
Strategic studies and projects costs	1,694	412	**2,106**	—	—	**—**	**2,106**
Other non-recurring income and expenses	22,072	2,869	**24,941**	—	121	**121**	**25,062**
EBIT	**4,537**	**16,070**	**20,607**	**36,225**	**20,945**	**57,170**	**77,778**
Financial results							**(16,240)**
Interest expenses							***(16,870)***
Interest income							***631***
Earnings before taxes (EBT)							**61,538**
Income tax for the period							**1,096**
Net profit for the period							**60,442**
Non-controlling interests							**(69)**
Equity holders of parent Company							**60,511**

Thousand Euros	31.12.2024						
	Mail	Express & Parcels	Logistics	Financial Services & Retail	Bank	Bank & Financial Services	Total
Revenues	**470,632**	**479,002**	**949,634**	**27,728**	**129,920**	**157,648**	**1,107,282**
Sales and services rendered	462,698	477,585	**940,283**	26,004	—	**26,004**	**966,287**
Services rendered	*456,227*	*477,404*	***933,631***	*23,796*	—	***23,796***	***957,427***
Sales	*6,471*	*181*	***6,652***	*2,208*	—	***2,208***	***8,860***
Financial Margin	—	—	—	—	97,985	**97,985**	**97,985**
Other operating income	7,934	1,416	**9,351**	1,725	31,935	**33,659**	**43,010**
Operating costs - EBITDA	**415,803**	**422,932**	**838,735**	**13,280**	**94,972**	**108,253**	**946,987**
Staff costs	320,230	50,868	**371,099**	1,288	33,001	**34,290**	**405,388**
External supplies and services	85,915	368,798	**454,713**	2,203	39,967	**42,170**	**496,883**
Other costs	15,613	2,657	**18,270**	2,281	8,861	**11,142**	**29,411**
Impairment and provisions	1,163	1,098	**2,261**	—	13,044	**13,044**	**15,305**
Internal services rendered	(7,118)	(490)	**(7,608)**	7,508	99	**7,608**	**—**
EBITDA	**54,829**	**56,070**	**110,899**	**14,448**	**34,947**	**49,395**	**160,294**
Depreciation/amortisation and impairment of investments, net	46,620	19,978	**66,599**	178	8,373	**8,551**	**75,150**
EBIT recurring	**8,209**	**36,091**	**44,300**	**14,270**	**26,575**	**40,844**	**85,145**
Specific items	8,860	2,366	**11,226**	4	132	**136**	**11,362**
Business restructurings	3,025	161	**3,186**	—	—	**—**	**3,186**
Strategic studies and projects costs	3,223	1,084	**4,307**	—	206	**206**	**4,514**
Other non-recurring income and expenses	2,612	1,121	**3,733**	4	(75)	**(71)**	**3,662**
EBIT	**(651)**	**33,726**	**33,074**	**14,266**	**26,443**	**40,709**	**73,783**
Financial results							**(17,443)**
Interest expenses							***(17,864)***
Interest income							***425***
Gains/losses in subsidiary, associated companies and joint ventures							***(3)***
Earnings before taxes (EBT)							**56,340**
Income tax for the period							**9,307**
Net profit for the period							**47,033**
Non-controlling interests							**(1,497)**
Equity holders of parent Company							**45,536**

As at 31 December 2024, specific items amounted to 11.4 million euros, mainly due to: (i) restructuring, including agreements to suspend employment contracts (+3.2 million euros) (ii) costs associated with strategic projects (+4.5 million euros) and (iii) transaction costs associated with the start-up of the Real Estate business (+1.2 million euros).

As at 31 December 2024, the revenue of “Mail”, “Express & Parcels” and “Bank” segments represented 43%, 43% and 12%, respectively, of the consolidated revenue. However, the external supplies and services costs allocated to those segments amounted to 17%, 74% and 8%, respectively, and the Staff costs amounted to 79%, 13% and 8%, respectively. The income statement captions for each segment have the underlying amounts booked directly in the companies’ financial statements and related business units, adjusted by the elimination of transactions between companies of the same segment.

Therefore, the distribution of external supplies and services caption by each business areas results directly from the cost structure and resources effectively consumed by each entity of the related segment. For example, CTT Expresso has a cost structure with increased use of internal labour (Staff costs). The differences in the business of the several segments, namely, the subcontracting or use of internal labour, explain the difference between the weighting of each segment for the revenue and the

services and external supplies and staff costs, namely in the Mail and Express & Parcels segments. Additionally, these differences are explained either by the expense's allocation mechanism related to corporate areas and supporting to the several segments through the internal services rendered previously mentioned.

The revenues are detailed as follows:

Thousand Euros	2023 "Restated"	2024
Logistics	**794,071**	**949,634**
Mail & Others	**453,485**	**470,632**
Transactional mail	342,620	351,947
Editorial mail	11,692	11,679
Parcels (USO)	7,575	7,360
Advertising mail	12,957	12,725
Philately	4,427	4,275
Business Solutions	44,751	51,010
Payments	19,338	21,355
Other	10,125	10,281
Express & Parcels	**340,586**	**479,002**
Portugal	149,078	167,682
Parcels	135,830	154,981
Cargo	3,950	3,013
Banking network	4,266	4,485
Logistics	3,895	4,895
Other	1,137	309
Spain	186,814	305,630
Mozambique	4,694	5,690
Bank & Financial Services	**191,148**	**157,648**
Financial Services & Retail	**62,646**	**27,728**
Savings & Insurance	44,862	14,508
Money orders	5,454	5,940
Credit Products	201	108
Retail Products and Services	10,752	6,398
Other	1,377	775
Bank	**128,502**	**129,920**
Net interest income	98,791	97,985
Interest income (+)	132,653	176,995
Interest expense (-)	(33,862)	(79,011)
Fees & commissions income (+)	27,221	29,796
Credits	5,008	6,391
Savings & Insurance	8,114	8,943
Accounts and Cards	14,010	14,459
Other commissions received	89	3
Other	2,490	2,139
	985,219	**1,107,282**

The main changes in the **Group**'s revenue compared with the previous year, are explained as follows:

- The 4% increase in the "Mail and Others" segment was, above all, influenced by the performance of the revenue from addressed mail , business solutions and payments. In 2024, the mail business benefited from the volumes generated by the legislative elections in March. The overall average price change of the universal postal service in 2024 was +8.91%. Mail revenues benefited from an increase in average revenue per item, as a result of the price increase and the evolution of the mix, which offset the decline in mail volumes.

- The "Express & Parcels" segment saw an increase of 41% compared to the same period last year, mainly due to an increase in traffic in both Portugal and Spain. This growth was essentially

driven by e-commerce customers (B2C), with a particular focus on large global marketplaces and international e-sellers, and by CTT's ability to grow in various dimensions, from machines to sorters and investment in IT.

- The “Financial Services & Retail” segment saw a decrease of 56%, when compared to 2023. In the first half of 2023, public debt certificates reached all-time highs, driven by the product's greater attractiveness when compared to bank deposits. The change in marketing conditions in June 2023 reduced the appeal of this product for savers, due to the reduction in interest rates, and limited marketing capacity, as a result of the drastic reduction in the maximum investment limits per subscriber. In October 2024, a new revision of the maximum placement limits per subscriber, combined with a lower interest rate environment, made the product attractive again, leading to a positive impact in last quarter of 2024.

- The “Bank” segment saw a 1% increase in revenue. This growth was fuelled by the positive performance of financial margin. Interest received rose €44.3m compared to the same period last year, benefiting from the rise in interest rates and volume growth. Interest paid increased by €45.1m compared to the same period in 2023, due to higher rates of return on customer deposits and car loan securitisations

The revenue detail, related to sales and services rendered and financial margin, for the year ended 31 December 2023 and 31 December 2024, by the revenue’s sources identified in note 2.22 – Revenue, are detailed as follows:

Nature	2023 “restated”						
	Mail	Express & Parcels	Logistics	Financial Services & Retail	Bank	Banck & Financial Services	Total
Postal Services	409,368,531	—	**409,368,531**	—	—	—	**409,368,531**
Express services	—	339,497,401	**339,497,401**	—	—	—	**339,497,401**
Merchandising products sales	—	—	—	1,363,871	—	**1,363,871**	**1,363,871**
PO Boxes	—	—	—	1,448,803	—	**1,448,803**	**1,448,803**
International mail services (*)	16,223,054	—	**16,223,054**	—	—	—	**16,223,054**
Financial Services fees	19,148,857	—	**19,148,857**	57,555,890	98,791,460	**156,347,350**	**175,496,207**
"Sales and Services rendered" and "Financial Margin" total	**444,740,442**	**339,497,401**	**784,237,843**	**60,368,563**	**98,791,460**	**159,160,023**	**943,397,866**

(*) Inbound Mail

Nature	2024						
	Mail	Express & Parcels	Logistics	Financial Services & Retail	Bank	Bank & Financial Services	Total
Postal Services	426,272,506	—	**426,272,506**	—	—	—	**426,272,506**
Express services	—	477,585,178	**477,585,178**	—	—	—	**477,585,178**
Merchandising products sales	—	—	—	1,182,315	—	**1,182,315**	**1,182,315**
PO Boxes	—	—	—	1,428,793	—	**1,428,793**	**1,428,793**
International mail services (*)	15,346,776	—	**15,346,776**	—	—	—	**15,346,776**
Financial Services fees	21,078,501	—	**21,078,501**	23,392,752	97,984,706	**121,377,458**	**142,455,959**
"Sales and Services rendered" and "Financial Margin" total	**462,697,783**	**477,585,178**	**940,282,961**	**26,003,860**	**97,984,706**	**123,988,566**	**1,064,271,527**

(*) Inbound Mail

The assets by segment are detailed as follows:

Assets (Euros)	31/12/2023 "Restated"							
	Mail	Express & Parcels	Logistics	Financial Services & Retail	Bank	Bank & Financial Services	Non allocated assets	Total
Intangible assets	36,911,202	9,372,295	**46,283,497**	370,257	21,270,246	**21,640,503**	2,715,785	**70,639,785**
Tangible fixed assets	211,579,132	78,938,956	**290,518,089**	2,440	5,338,284	**5,340,724**	1,135,853	**296,994,666**
Investment properties	—	—	—	—	—	—	5,975,987	**5,975,987**
Goodwill	16,622,338	2,955,753	**19,578,091**	—	60,678,648	**60,678,648**	—	**80,256,739**
Deferred tax assets	—	—	—	—	—	—	71,395,868	**71,395,868**
Accounts receivable	—	—	—	—	—	—	153,061,555	**153,061,555**
Credit to bank clients	—	—	—	—	1,593,213,895	**1,593,213,89**	—	**1,593,213,895**
Financial assets at fair value through profit or loss	—	—	—	—	13,532,000	**13,532,000**	—	**13,532,000**
Debt securities at amortised cost	—	—	—	—	729,465,998	**729,465,998**	—	**729,465,998**
Other banking financial assets	—	—	—	—	1,274,575,121	**1,274,575,12**	—	**1,274,575,121**
Other assets	21,167,800	33,497,865	**54,665,666**	14,756,030	32,571,217	**47,327,247**	13,927,595	**115,920,508**
Cash and cash equivalents	—	34,360,429	**34,360,429**	—	90,545,373	**90,545,373**	226,703,832	**351,609,634**
Non-current assets held for sale	—	—	—	—	200	**200**	—	**200**
	286,280,472	**159,125,299**	**445,405,772**	**15,128,727**	**3,821,190,982**	**3,836,319,70**	**474,916,475**	**4,756,641,954**

Assets (Euros)	31.12.2024							
	Mail	Express & Parcels	Logistics	Financial Services & Retail	Bank	Bank & Financial Services	Non allocated assets	Total
Intangible assets	33,685,120	11,037,573	**44,722,693**	531,832	24,090,481	**24,622,312**	4,101,782	**73,446,787**
Tangible fixed assets	218,796,448	111,057,246	**329,853,695**	88,753	7,261,930	**7,350,683**	1,518,885	**338,723,263**
Investment properties	—	—	—	—	—	—	5,173,925	**5,173,925**
Goodwill	16,622,338	2,955,753	**19,578,091**	—	60,678,648	**60,678,648**	—	**80,256,739**
Deferred tax assets	—	—	—	—	—	—	74,153,787	**74,153,787**
Accounts receivable	—	—	—	—	—	—	188,399,079	**188,399,079**
Credit to bank clients	—	—	—	—	1,741,547,334	**1,741,547,334**	—	**1,741,547,334**
Financial assets at fair value through profit or loss	—	—	—	—	6,283,361	**6,283,361**	—	**6,283,361**
Debt securities at amortised cost	—	—	—	—	2,059,136,614	**2,059,136,614**	—	**2,059,136,614**
Other banking financial assets	—	—	—	—	703,709,006	**703,709,006**	—	**703,709,006**
Other assets	16,467,136	27,991,955	**44,459,091**	11,929,433	26,489,875	**38,419,308**	39,178,323	**122,056,722**
Cash and cash equivalents	—	62,751,227	**62,751,227**	—	95,743,500	**95,743,500**	157,417,418	**315,912,146**
	285,571,043	**215,793,754**	**501,364,797**	**12,550,018**	**4,724,940,749**	**4,737,490,767**	**469,943,200**	**5,708,798,762**

The non-current assets acquisitions by segment, are detailed as follows:

	2023 "restated"						
	Mail	Express & Parcels	Logistics	Financial Services & Retail	Bank	Bank & Financial Services	Total
Intangible assets	9,271,573	3,417,750	**12,689,323**	173,119	5,537,646	**5,710,764**	**18,400,088**
Tangible fixed assets	13,652,763	15,872,734	**29,525,497**	26,888	1,770,322	**1,797,210**	**31,322,707**
	22,924,337	**19,290,484**	**42,214,821**	**200,006**	**7,307,968**	**7,507,974**	**49,722,794**

	2024						
	Mail	Express & Parcels	Logistics	Financial Services & Retail	Bank	Bank & Financial Services	Total
Intangible assets	9,486,495	3,199,091	**12,685,586**	96,060	9,021,725	**9,117,785**	**21,803,371**
Tangible fixed assets	40,139,885	48,684,782	**88,824,668**	75,079	4,142,552	**4,217,630**	**93,042,298**
	49,626,380	**51,883,874**	**101,510,254**	**171,138**	**13,164,277**	**13,335,415**	**114,845,668**

The detail of the underlying reasons to the non-allocation of the following assets to any segment, is as follows:

- "Intangible assets" (4,101,782 Euros): the unallocated amount is related to part of the intangible assets in progress, which are allocated to the underlying segment in the moment they become firm assets;
- "Tangible fixed assets" (1,518,885 Euros): This amount corresponds to the tangible fixed assets in progress and advances payments to suppliers, which are allocated to the respective segment at the time of the transfer to firm assets;
- "Investment properties" (5,173,925 Euros): These assets are not allocated to the operating activity, which is why they are not allocated to any segment;
- "Deferred tax assets" (74,153,787 Euros): These assets are mainly comprised of deferred tax assets associated with employee benefits, being those related to the CTT, S.A. Health Plan the most relevant amount, as detailed in note 51 - Income tax for the period. Bearing in mind that CTT, S.A. is allocated to different segments, as already mentioned, the allocation of these assets to the different segments does not seem possible to be carried out reliably;
- "Accounts receivables" (188,399,079 Euros): This amount cannot be allocated, due to the existence of multi-products customers, whose receivable amounts correspond to more than one segment;
- "Other assets" (39,178,323 Euros): This amount is mainly related to some captions of prepayments and other current and non-current assets, mostly related to CTT S.A., which are allocated to different segments and this allocation is not possible to be carried out reliably;
- "Cash and cash equivalents (157,417,418 Euros): the unallocated amount is related, essentially, to the cash and cash equivalents of CTT S.A., as this company concentrates the business segments' Mail, Financial Services & Retail and Bank, and it is not possible to split the amounts of cash and bank deposits by each CTT's businesses.

Debt by segment is detailed as follows:

	31/12/2023 "Restated"						
	Mail	Express & Parcels	Logistics	Financial Services & Retail	Bank	Bank & Financial Services	Total
Non-current debt	**112,610,378**	**46,244,965**	**158,855,343**	**18,990**	**2,205,773**	**2,224,763**	**161,080,105**
Bank loans	33,390,061	—	**33,390,061**	—	—	—	**33,390,061**
Commercial Paper	34,947,466	—	**34,947,466**	—	—	—	**34,947,466**
Lease liabilities	44,272,851	46,244,965	**90,517,816**	18,990	2,205,773	**2,224,763**	**92,742,578**
			—			—	
Current debt	**89,590,406**	**17,185,189**	**106,775,595**	**6,940**	**1,152,317**	**1,159,257**	**107,934,852**
Bank loans	74,541,219	7,854,338	**82,395,558**	—	—	—	**82,395,558**
Commercial Paper	22,067	—	**22,067**	—	—	—	**22,067**
Lease liabilities	15,027,119	9,330,851	**24,357,970**	6,940	1,152,317	**1,159,257**	**25,517,227**
	202,200,784	**63,430,153**	**265,630,938**	**25,930**	**3,358,090**	**3,384,020**	**269,014,958**

	31.12.2024						
	Mail	Express & Parcels	Logistics	Financial Services & Retail	Bank	Bank & Financial Services	Total
Non-current debt	**108,182,003**	**65,329,789**	**173,511,792**	**66,742**	**2,799,867**	**2,866,609**	**176,378,401**
Bank loans	16,614,022	—	**16,614,022**	—	—	—	**16,614,022**
Commercial Paper	34,979,743	—	**34,979,743**	—	—	—	**34,979,743**
Lease liabilities	56,588,238	65,329,789	**121,918,027**	66,742	2,799,867	**2,866,609**	**124,784,636**
			—			—	
Current debt	**36,920,901**	**11,392,044**	**48,312,944**	**22,256**	**1,538,803**	**1,561,059**	**49,874,003**
Bank loans	16,971,313	—	**16,971,313**	—	—	—	**16,971,313**
Commercial Paper	1,331,778	—	**1,331,778**	—	—	—	**1,331,778**
Lease liabilities	18,617,810	11,392,044	**30,009,853**	22,256	1,538,803	**1,561,059**	**31,570,913**
	145,102,904	**76,721,832**	**221,824,736**	**88,998**	**4,338,670**	**4,427,668**	**226,252,404**

The **Group** is domiciled in Portugal. The result of its Sales and services rendered by geographical segment is disclosed below:

Thousand Euros	2023	2024
Revenue - Portugal	582,827	587,816
Revenue - other countries	261,779	378,037
	844,606	965,853

The revenue rendered in other countries, includes the revenue from the Express & Parcels rendered in Spain by CTT Expresso branch in this country, in the amount of 294,732 thousand Euros (2022: 178,893 Euros).

5. Tangible fixed assets

During the years ended 31 December 2023 and 31 December 2024, the movements occurred in Tangible fixed assets, as well as the respective accumulated depreciation, regarding the **Group** were as follows:

Group	2023									
	Land and natural resources	Buildings and other constructions	Basic equipment	Transport equipment	Office equipment	Other tangible fixed assets	Tangible fixed assets in progress	Advance payments to suppliers	Rights of use	Total
Tangible fixed assets										
Opening balance	35,608,901	343,254,451	181,158,903	3,649,503	74,307,835	28,567,252	4,018,810	152,577	257,604,568	928,322,799
Acquisitions	—	377,331	5,907,723	38,854	4,397,337	992,122	5,963,623	18,583	—	17,695,573
New contracts	—	—	—	—	—	—	—	—	13,627,135	13,627,135
Disposals	—	—	(988,366)	(4,053)	(502)	—	—	—	—	(992,921)
Transfers and write-offs	—	3,575,999	2,315,415	—	195,229	(208,079)	(8,175,333)	(100,908)	(14,766,030)	(17,163,708)
Terminated contracts	—	—	—	—	—	—	—	—	(1,667,586)	(1,667,586)
Remeasurements	—	—	—	—	—	—	—	—	21,942,433	21,942,433
Adjustments	—	(1,000)	(85,934)	(1,893)	(1,903)	22,119	52,144	—	150,020	133,554
Closing balance	35,608,901	347,206,781	188,307,741	3,682,410	78,897,996	29,373,413	1,859,244	70,252	276,890,540	961,897,279
Accumulated depreciation										
Opening balance	3,561,803	238,669,491	145,112,462	3,505,640	68,299,578	22,570,731	—	—	139,745,187	621,464,892
Depreciation for the period	—	10,259,034	4,874,132	65,497	1,820,743	1,469,622	—	—	33,667,816	52,156,843
Disposals	—	—	(685,376)	(3,725)	(309)	—	—	—	—	(689,410)
Transfers and write-offs	—	(1,203,258)	(24,940)	—	(12,843)	(101,548)	—	—	(5,151,501)	(6,494,090)
Terminated contracts	—	—	—	—	—	—	—	—	(1,574,152)	(1,574,152)
Adjustments	—	(461)	(30,400)	(1,268)	(1,514)	(1,315)	—	—	59,681	24,724
Closing balance	3,561,803	247,724,805	149,245,878	3,566,144	70,105,656	23,937,490	—	—	166,747,031	664,888,807
Accumulated impairment										
Opening balance	—	218,840	—	—	—	16,125	—	—	3,417,162	3,652,127
Increases	—	280,550	—	—	—	—	—	—	4,896,310	5,176,860
Reversals	—	(499,390)	—	—	—	(2,319)	—	—	(8,313,472)	(8,815,181)
Closing balance	—	—	—	—	—	13,806	—	—	—	13,806
Net Tangible fixed assets	**32,047,098**	**99,481,976**	**39,061,863**	**116,266**	**8,792,340**	**5,422,117**	**1,859,244**	**70,252**	**110,143,510**	**296,994,666**

Group	2024									
	Land and natural resources	Buildings and other constructions	Basic equipment	Transport equipment	Office equipment	Other tangible fixed assets	Tangible fixed assets in progress	Advance payments to suppliers	Rights of use	Total
Tangible fixed assets										
Opening balance	35,608,901	347,206,781	188,307,741	3,682,410	78,897,996	29,373,413	1,859,244	70,252	276,890,540	961,897,279
Acquisitions	—	458,623	5,602,573	15,286	1,676,555	1,587,882	15,163,796	117,764	—	24,622,481
New contracts	—	—	—	—	—	—	—	—	68,419,817	68,419,817
Disposals	(303,401)	(741,448)	(853,314)	—	(85,696)	—	(22,322)	—	—	(2,006,181)
Transfers and write-offs	—	4,381,482	5,486,210	—	388,269	(16,671)	(10,937,314)	—	(1,496,977)	(2,195,001)
Terminated contracts	—	—	—	—	—	—	—	—	(194,492)	(194,492)
Remeasurements	—	—	—	—	—	—	—	—	5,044,231	5,044,231
Adjustments	(90,151)	(268,567)	73,260	4,010	3,679	1,036,574	—	—	(2,540)	756,264
Closing balance	35,215,349	351,036,872	198,616,470	3,701,707	80,880,803	31,981,198	6,063,404	188,016	348,660,580	1,056,344,399
Accumulated depreciation										
Opening balance	3,561,803	247,724,805	149,245,878	3,566,144	70,105,656	23,937,490	—	—	166,747,031	664,888,807
Depreciation for the period	—	10,169,141	5,743,391	56,518	2,429,241	1,370,287	—	—	36,176,959	55,945,538
Disposals	—	(398,034)	(784,314)	—	(80,862)	—	—	—	—	(1,263,210)
Transfers and write-offs	—	(134,215)	(34,894)	—	(19,049)	(48,444)	—	—	(1,530,015)	(1,766,617)
Terminated contracts	—	—	—	—	—	—	—	—	(275,983)	(275,983)
Adjustments	—	(11,172)	83,299	2,836	2,822	1,708	—	—	—	79,492
Closing balance	3,561,803	257,350,525	154,253,360	3,625,498	72,437,809	25,261,040	—	—	201,117,992	717,608,027
Accumulated impairment										
Opening balance	—	—	—	—	—	13,806	—	—	—	13,806
Increases	—	—	—	—	—	—	—	—	—	—
Reversals	—	—	—	—	—	(697)	—	—	—	(697)
Closing balance	—	—	—	—	—	13,109	—	—	—	13,109
Net Tangible fixed assets	**31,653,546**	**93,686,347**	**44,363,110**	**76,209**	**8,442,994**	**6,707,049**	**6,063,404**	**188,016**	**147,542,588**	**338,723,263**

The depreciation recorded in the **Group** amounting to 55,945,538 Euros (52,156,843 Euros on 31 December 2023), is booked under the caption Depreciation/amortisation and impairment of investments, net (Note 46).

During the years ended 31 December 2023 and 31 December 2024, the movements occurred in Tangible fixed assets, as well as the respective accumulated depreciation, regarding the **Company** were as follows:

	2023									
Company	Land and natural resources	Buildings and other constructions	Basic equipment	Transport equipment	Office equipment	Other tangible fixed assets	Tangible fixed assets in progress	Advance payments to suppliers	Rights of use	Total
Tangible fixed assets										
Opening balance	32,522,423	318,930,965	129,609,557	2,522,434	64,916,132	25,773,478	2,567,203	51,668	172,347,109	749,240,967
Acquisitions	—	—	1,903,992	38,854	3,738,840	736,994	2,533,736	18,583	—	8,971,000
New contracts	—	—	—	—	—	—	—	—	57,553,755	57,553,755
Disposals	(25,760,202)	(208,996,323)	(521,727)	—	—	—	—	—	—	(235,278,252)
Transfers and write-offs	—	2,333,242	(3,786)	—	(18,298)	(180,703)	(4,034,847)	—	(14,276,953)	(16,181,346)
Remeasurements	—	—	—	—	—	—	—	—	22,554,425	22,554,425
Adjustments	—	—	—	—	—	21,147	—	—	—	21,147
Closing balance	6,762,221	112,267,883	130,988,036	2,561,288	68,636,675	26,350,915	1,066,091	70,252	238,178,335	586,881,696
Accumulated depreciation										
Opening balance	3,561,803	226,523,405	113,824,354	2,481,053	60,021,946	21,004,188	—	—	106,898,889	534,315,638
Depreciation for the period	—	5,661,307	2,263,415	13,413	1,444,786	1,241,160	—	—	23,514,120	34,138,202
Disposals	(2,640,049)	(148,952,541)	(479,919)	—	—	—	—	—	—	(152,072,510)
Transfers and write-offs	—	(1,125,542)	(1,010)	—	(6,271)	(111,674)	—	—	(4,761,331)	(6,005,828)
Adjustments	—	79,155	(79,155)	—	—	—	—	—	59,681	59,681
Closing balance	921,754	82,185,784	115,527,685	2,494,467	61,460,461	22,133,674	—	—	125,711,359	410,435,183
Accumulated impairment										
Opening balance	—	218,840	—	—	—	16,125	—	—	3,417,162	3,652,127
Increases	—	280,550	—	—	—	—	—	—	4,896,310	5,176,860
Reversals	—	(499,390)	—	—	—	(2,319)	—	—	(8,313,472)	(8,815,181)
Closing balance	—	—	—	—	—	13,806	—	—	—	13,806
Net Tangible fixed assets	**5,840,467**	**30,082,100**	**15,460,351**	**66,821**	**7,176,213**	**4,203,436**	**1,066,091**	**70,252**	**112,466,976**	**176,432,707**

Company	2024									
	Land and natural resources	Buildings and other constructions	Basic equipment	Transport equipment	Office equipment	Other tangible fixed assets	Tangible fixed assets in progress	Advance payments to suppliers	Rights of use	Total
Tangible fixed assets										
Opening balance	6,762,221	112,267,883	130,988,036	2,561,288	68,636,675	26,350,915	1,066,091	70,252	238,178,335	586,881,696
Acquisitions	—	—	707,388	—	794,683	814,969	3,404,583	—	—	5,721,624
New contracts	—	—	—	—	—	—	—	—	31,060,140	31,060,140
Disposals	—	—	(784,314)	—	—	—	—	—	—	(784,314)
Transfers and write-offs	—	3,022,041	(208)	—	(9,397)	(622)	(3,022,041)	—	(325,624)	(335,850)
Remeasurements	—	—	—	—	—	—	—	—	8,002,659	8,002,659
Adjustments	—	—	—	—	—	964,626	—	—	—	964,626
Closing balance	6,762,221	115,289,925	130,910,902	2,561,288	69,421,961	28,129,889	1,448,633	70,252	276,915,510	631,510,580
Accumulated depreciation										
Opening balance	921,754	82,185,784	115,527,685	2,494,467	61,460,461	22,133,674	—	—	125,711,359	410,435,183
Depreciation for the period	—	3,931,262	2,425,629	17,586	1,908,203	1,138,787	—	—	25,930,407	35,351,873
Disposals	—	—	(784,314)	—	—	—	—	—	—	(784,314)
Transfers and write-offs	—	—	(208)	—	(9,397)	(415)	—	—	(233,280)	(243,300)
Closing balance	921,754	86,117,045	117,168,792	2,512,053	63,359,267	23,272,045	—	—	151,408,486	444,759,441
Accumulated impairment										
Opening balance	—	—	—	—	—	13,806	—	—	—	13,806
Increases	—	—	—	—	—	—	—	—	—	—
Reversals	—	—	—	—	—	(697)	—	—	—	(697)
Closing balance	—	—	—	—	—	13,109	—	—	—	13,109
Net Tangible fixed assets	**5,840,467**	**29,172,879**	**13,742,110**	**49,235**	**6,062,694**	**4,844,734**	**1,448,633**	**70,252**	**125,507,025**	**186,738,030**

The depreciation recorded in the **Company** amounting to 35,351,873 Euros (34,138,202 Euros on 31 December 2023), is booked under the caption Depreciation/amortisation and impairment of investments, net (Note 46).

As at 31 December 2023, as part of the real estate asset transaction, described in detail in note 8, on 27 November 2023, the **Company** transferred 360 properties to CTT IMO Yield, resulting in the derecognition of tangible fixed assets at a net book value of 83,163 thousand Euros and investment properties with a net book value of 4,691 thousand Euros (note 7). The **Company** then carried out a leaseback operation for the properties used within the scope of its operational activity. This operation resulted in the recognition of a right of use of 54,050 thousand euros, as well as the respective lease liability of 85,578 thousand euros. The capital gains generated in the operation total 1,625 thousand euros for the Company. Considering that this is an operation between group companies, no impacts were recognised on the **Company**'s results for the period. It should also be noted that this operation had no impact on the **Group**'s consolidated accounts.

According to the concession contract in force (Note 1) at the end of the concession, the assets included in the public and private domain of the State revert automatically, at no cost, to the conceding entity. As the postal network belongs exclusively to CTT, not being a public domain asset, only the assets that belong to the State revert to it, and as such, at the end of the concession CTT will continue to own its assets. The Board of Directors, supported by CTT's accounting records and the statement of Directorate General of Treasury and Finance ("Direção Geral do Tesouro e Finanças"), the entity responsible for the Information System of Public Buildings ("Sistema de Informação de Imóveis do Estado" – SIIE) concludes that CTT's assets do not include any public or private domain assets of the Portuguese State.

As under the concession contract, the grantor does not control any significant residual interest in CTT's postal network and CTT being free to dispose of, replace or encumber the assets that integrate the postal network, IFRIC 12 - Service Concession Agreements is not applicable to the universal postal service concession contract.

During the year ended 31 December 2024, the most significant movements in Tangible Fixed Assets were the following:

Buildings and other constructions:

The movements associated with acquisitions and transfers concern to capitalisation works in own and third-party buildings in several CTT and CTT Expresso facilities.

Basic equipment:

The amount relating to acquisitions mainly concerns: acquisition of computer equipment amounting to 141 thousand Euros; the acquisition of racks amounting to 339 thousand Euros; the acquisition of containers amounting to 1,167 thousand Euros and the acquisition of PDAs amounting to 1,133 thousand Euros by CTT Expresso; as well as the acquisition of distribution vehicles amounting to 511 thousand Euros by CORRE and the acquisition of lockers amounting to 1,135 thousand Euros by Open Lockers.

Office equipment:

The amount relating to acquisitions mainly concerns to the acquisition of several computer equipment amounting to 576 thousand Euros and the acquisition of postal furniture amounting to 128 thousand Euros by CTT, as well as the acquisition of several computer equipment worth 295 thousand Euros and the acquisition of furniture amounting to 283 thousand Euros by Banco CTT.

Other tangible fixed assets:

The acquisitions caption essentially includes prevention and security equipment amounting to approximately 361 thousand Euros at CTT and 187 thousand Euros by CTT Expresso and the acquisition of equipment for counting notes amounting to 428 thousand Euros at Banco CTT.

Tangible fixed assets in progress and advance payments to suppliers:

The acquisitions of tangible fixed assets in progress caption essentially includes works on own and third-party buildings in various facilities, as well as the development of sorters for CTT Expresso, a branch in Spain, which will be transferred to the items of the respective nature after their completion.

Rights of Use

The **Group** and **Company** recognised rights of use, detailed by type of asset, as follows:

Group	2023			
	Buildings	Vehicles	Other assets	Total
Tangible fixed assets				
Opening balance	214,083,554	38,787,250	4,733,764	257,604,568
New contracts	11,501,538	2,125,596	—	13,627,135
Transfers and write-offs	(14,678,516)	(87,514)	—	(14,766,030)
Terminated contracts	(1,398,631)	(268,955)	—	(1,667,586)
Remeasurements	20,056,802	1,885,631	—	21,942,433
Adjustments	143,433	6,588	—	150,020
Closing balance	229,708,181	42,448,596	4,733,764	276,890,540
Accumulated depreciation				
Opening balance	113,723,712	24,204,805	1,816,670	139,745,187
Depreciation for the period	24,192,899	8,421,222	1,053,695	33,667,816
Transfers and write-offs	(5,053,679)	(97,821)	—	(5,151,501)
Terminated contracts	(1,316,765)	(257,387)	—	(1,574,152)
Adjustments	59,681	—	—	59,681
Closing balance	131,605,848	32,270,818	2,870,365	166,747,031
Accumulated impairment				
Opening balance	3,417,162	—	—	3,417,162
Increases	4,896,310	—	—	4,896,310
Reversals	(8,313,472)			(8,313,472)
Closing balance	—	—	—	—
Net Tangible fixed assets	**98,102,333**	**10,177,778**	**1,863,399**	**110,143,510**

Group	2024			
	Buildings	Vehicles	Other assets	Total
Tangible fixed assets				
Opening balance	229,708,181	42,448,596	4,733,764	276,890,540
New contracts	32,832,622	34,201,093	1,386,101	68,419,817
Transfers and write-offs	(1,227,994)	(268,983)	—	(1,496,977)
Terminated contracts	(91,141)	(103,351)	—	(194,492)
Remeasurements	2,595,541	2,448,690	—	5,044,231
Adjustments	(2,540)	—	—	(2,540)
Closing balance	263,814,669	78,726,045	6,119,866	348,660,580
Accumulated depreciation				
Opening balance	131,605,848	32,270,818	2,870,365	166,747,031
Depreciation for the period	22,853,446	12,191,171	1,132,342	36,176,959
Transfers and write-offs	(1,375,343)	(154,671)	—	(1,530,015)
Terminated contracts	(101,236)	(174,747)	—	(275,983)
Adjustments	—	—	—	—
Closing balance	152,982,714	44,132,570	4,002,708	201,117,992
Net Tangible fixed assets	**110,831,955**	**34,593,475**	**2,117,158**	**147,542,588**

The depreciation recorded, in the **Group,** in the amount of 36,176,959 Euros (33,667,816 Euros on 31 December 2023), is booked under the caption Depreciation/amortisation and impairment of investments, net.

As at 31 December 2023, the “Accumulated Impairment Losses” opening balance recorded an amount relating to the right of use associated with the lease agreement for the former CTT headquarters building - Edifício Báltico, corresponding to the period in which there was an expectation that the right of

use would not generate economic benefits for the Group due to the building being unoccupied. In 2023, the amount recorded in "Reversals" corresponded to the period of the contract already elapsed, with the impairment loss being reversed in proportion to the depreciation of the right of use. As the building remained unoccupied during the year, the impairment loss initially recognised in previous years was increased by 5,177 thousand Euros on 30 June 2023.

Still on 31 December 2023, an early termination of this lease contract was agreed with the counterparty, which resulted in the derecognition of the existing lease and the reversal of the remaining amount of impairment recorded and which had been partially reversed during the year in proportion to the depreciation of the right of use. The costs of ending the contract, in the amount of 8,005 thousand Euros, are recorded under the caption "Other Expenses and Losses" (note 48).

Company	2023			
	Buildings	Vehicles	Other assets	Total
Tangible fixed assets				
Opening balance	136,743,089	34,172,304	1,431,716	172,347,109
New contracts	56,189,330	1,364,425	—	57,553,755
Transfers and write-offs	(14,276,953)	—	—	(14,276,953)
Remeasurements	20,761,675	1,792,750	—	22,554,425
Closing balance	199,417,141	37,329,479	1,431,716	238,178,335
Accumulated depreciation				
Opening balance	84,399,714	21,624,854	874,320	106,898,889
Depreciation for the period	15,883,556	7,379,856	250,709	23,514,120
Transfers and write-offs	(4,761,331)	—	—	(4,761,331)
Adjustments	59,681	—	—	59,681
Closing balance	95,581,620	29,004,710	1,125,029	125,711,359
Accumulated impairment				
Opening balance	3,417,162	—	—	3,417,162
Increases	4,896,310	—	—	4,896,310
Reversals	(8,313,472)			(8,313,472)
Closing balance	—	—	—	—
Net Tangible fixed assets	**103,835,521**	**8,324,769**	**306,687**	**112,466,976**

Company	2024			
	Buildings	Vehicles	Other assets	Total
Tangible fixed assets				
Opening balance	199,417,141	37,329,479	1,431,716	238,178,335
New contracts	—	29,711,476	1,348,664	31,060,140
Transfers and write-offs	(325,624)	—	—	(325,624)
Remeasurements	5,627,363	2,375,297	—	8,002,659
Closing balance	204,718,880	69,416,251	2,780,379	276,915,510
Accumulated depreciation				
Opening balance	95,581,620	29,004,710	1,125,029	125,711,359
Depreciation for the period	14,862,018	10,680,371	388,017	25,930,407
Transfers and write-offs	(233,280)	—	—	(233,280)
Closing balance	110,210,358	39,685,081	1,513,046	151,408,486
Net Tangible fixed assets	**94,508,521**	**29,731,170**	**1,267,333**	**125,507,025**

The depreciation recorded, in the **Company**, in the amount of 25,930,407 Euros (23,514,120 Euros on 31 December 2023), is booked under the caption "Depreciation/amortisation and impairment of investments, net".

The information on the liabilities associated with these leases as well as the interest expenses can be found disclosed on Debt (Note 30) and Interest expenses and income (Note 50), respectively.

In 2024, no interest on loans was capitalised, in the **Group** and in the **Company**, as no loans were directly identified attributable to the acquisition or construction of an asset that requires a substantial period of time (greater than one year) to reach its status of use.

The **Group** and the **Company** assessed the existence of impairment indicators of tangible and intangible assets allocated to each segment as of 31 December 2024.

The tangible and intangible assets impairment allocated to the cash-generating unit Mailtec (Printing&Finishing), Transporta (Carga), CTT Expresso, banch in Span and 321 Crédito was assessed together with the impairment tests on Goodwill and investments (Note 9).

Regarding the tangible and intangible assets associated with the mail business developed by CTT and the business developed by Banco CTT, the **Group** assessed the existence of signs of impairment, comparing the amount of non-current assets allocated to the respective businesses with the respective operating results, not indications of impairment were identified in the aforementioned segments.

The **Group** did not also identify any impairment indicators in tangible and intangible assets of the Express & Parcels business in CTT Expresso, whose ratio compared to the related operating profit improved in the current year.

Therefore, according to the impairment tests carried out and the analysis of signs of impairment, no other events or circumstances were identified that indicate that the amount at which the tangible fixed assets of the **Group** and the **Company** are recorded may not be recovered.

There are no carrying amounts with restricted ownership or carrying amounts of tangible fixed assets given as collateral for liabilities.

The **Group** and the **Company** contractual commitments, related to Tangible fixed assets at 31 December 2024, amount to 4,247,485 Euros and 771,566 Euros, respectively (31 December 2023: 6 136 083 Euros and 3,618,341 Euros, respectively).

Sustainable investment

In 2024, the Group continued its investment sustainability programme, which amounted to 90 million Euros that included acquisitions of tangible assets, intangible assets and investment properties, as disclosed in notes 5, 6, and 7.

See more information about the European Green Taxonomy in section 5.3.3.

6. Intangible assets

During the years ended 31 December 2023 and 31 December 2024, the movements which occurred in the main categories of the **Group** Intangible assets, as well as the respective accumulated amortisation, were as follows:

Group	2023					
	Development projects	Computer Software	Industrial property	Other intangible assets	Intangible assets in progress	Total
Intangible assets						
Opening balance	4,380,552	169,466,935	19,591,397	2,309,070	9,434,984	205,182,938
Acquisitions	—	2,025,284	699,454	—	15,675,350	18,400,088
Transfers and write-offs	—	21,508,320	(440,115)	—	(21,198,220)	(130,015)
Adjustments	—	—	(14,639)	—	—	(14,639)
Closing balance	4,380,552	193,000,538	19,836,097	2,309,070	3,912,114	223,438,371
Accumulated amortisation						
Opening balance	4,380,552	115,896,437	14,571,483	925,857	—	135,774,330
Amortisation for the period	—	15,455,209	1,217,770	360,838	—	17,033,818
Disposals	—	—	—	—	—	—
Transfers and write-offs	—	418,966	(418,966)	—	—	—
Adjustments	—	—	(9,561)	—	—	(9,561)
Closing balance	4,380,552	131,770,613	15,360,727	1,286,695	—	152,798,587
Net intangible assets	**—**	**61,229,926**	**4,475,370**	**1,022,375**	**3,912,114**	**70,639,785**

Group	2024					
	Development projects	Computer Software	Industrial property	Other intangible assets	Intangible assets in progress	Total
Intangible assets						
Opening balance	4,380,552	193,000,538	19,836,097	2,309,070	3,912,114	223,438,371
Acquisitions	—	1,671,337	91,119	—	20,040,915	21,803,371
Disposals	—	(4,557,236)	—	—	—	(4,557,236)
Transfers and write-offs	—	15,714,171	—	—	(15,493,791)	220,380
Adjustments	—	—	25,700	—	—	25,700
Closing balance	4,380,552	205,828,811	19,952,916	2,309,070	8,459,237	240,930,586
Accumulated amortisation						
Opening balance	4,380,552	131,770,613	15,360,727	1,286,695	—	152,798,587
Amortisation for the period	—	17,808,048	1,055,378	360,838	—	19,224,263
Disposals	—	(4,557,236)	—	—	—	(4,557,236)
Adjustments	—	—	18,185	—	—	18,185
Closing balance	4,380,552	145,021,425	16,434,289	1,647,533	—	167,483,799
Net intangible assets	**—**	**60,807,387**	**3,518,627**	**661,537**	**8,459,237**	**73,446,787**

The amortisation in the **Group** for the year ended 31 December 2024, amounting to 19,224,263 Euros (17,033,818 Euros as at 31 December 2023) was recorded under Depreciation / amortisation and impairment of investments, net (Note 46).

As at 31 December 2024, the core banking system (Banco CTT's main operating software) had a net book value of 7 493 thousand euros (31 December 2023: 8,987 thousand euros). As at 31 December 2023, this asset had an estimated remaining useful life of 7 years. During the first half of 2024, the Group changed the estimated remaining useful life of this asset to approximately 2 years, assigning it an estimated residual value of approximately 6,000 thousand euros. This change is the result of the signing of a service provision agreement with the current licensing provider, which provides for the migration and upgrade of the current license (on premises) to access a software as a service license, which will incorporate a set of customizations and configurations that will be transferred from the current on premises system and to which a value similar to the aforementioned residual value is attributed, which is estimated to come into effect at the end of 2025.

During the years ended 31 December 2023 and 31 December 2024, the movements which occurred in the main categories of the **Company** Intangible assets, as well as the respective accumulated amortisation, were as follows:

Company	2023				
	Development projects	Computer Software	Industrial property	Intangible assets in progress	Total
Intangible assets					
Opening balance	3,717,326	92,456,490	10,584,142	6,375,169	113,133,128
Acquisitions	—	135,034	699,454	8,046,910	8,881,399
Transfers and write-offs	—	11,706,294	—	(11,706,294)	—
Closing balance	3,717,326	104,297,819	11,283,596	2,715,785	122,014,526
Accumulated amortisation					
Opening balance	3,717,326	68,772,958	7,404,015	—	79,894,299
Amortisation for the period	—	7,215,944	1,061,868	—	8,277,813
Closing balance	3,717,326	75,988,902	8,465,883	—	88,172,111
Net intangible assets	**—**	**28,308,917**	**2,817,713**	**2,715,785**	**33,842,415**

Company	2024				
	Development projects	Computer Software	Industrial property	Intangible assets in progress	Total
Intangible assets					
Opening balance	3,717,326	104,297,819	11,283,596	2,715,785	122,014,526
Acquisitions	—	52,478	91,119	8,280,221	8,423,818
Disposals	—	(5,136,861)	—	—	(5,136,861)
Transfers and write-offs	—	7,259,993	—	(7,259,993)	—
Closing balance	3,717,326	106,473,429	11,374,715	3,736,013	125,301,483
Accumulated amortisation					
Opening balance	3,717,326	75,988,902	8,465,883	—	88,172,111
Amortisation for the period	—	8,352,081	905,840	—	9,257,921
Disposals	—	(4,557,236)	—	—	(4,557,236)
Closing balance	3,717,326	79,783,746	9,371,724	—	92,872,797
Net intangible assets	**—**	**26,689,682**	**2,002,991**	**3,736,013**	**32,428,686**

The amortisation in the **Company,** for the year ended 31 December 2024, amounting to 9,257,921 Euros (8,277,813 Euros as at 31 December 2023) was recorded under Depreciation / amortisation and impairment of investments, net (Note 46).

The caption Industrial property in the **Group** includes the license of the trademark "Payshop International" of CTT Contacto, S.A., in the amount of 1,200,000 Euros. This license has an indefinite useful life, therefore it is not amortised, being subject to impairment tests on a minimum annual basis or when there are indications of impairment. See the main assumptions of the impairment test in note 9.

The transfers occurred in the year ended 31 December 2024 from Intangible assets in progress to Computer software refer to IT projects, which were completed during the year.

The amounts of 1,550,479 Euros and 2,695,678 Euros were capitalised in computer software or in Intangible assets in progress as at 31 December 2023 and 31 December 2024, respectively, related to **Company** staff costs incurred in the development of these projects.

As at 31 December 2024 the **Group** and the **Company** Intangible assets in progress, relate to IT projects which are under development, of which the most relevant are:

	Group	Company
Digital Channels	1,235,746	—
Client Area B2B - Software	718,122	718,122
Galaxy Software	710,508	710,508
Projeto Cards - Software Prod Terminal	691,780	—
CBS Upgrade	462,779	—
Immediate Transfers	323,374	—
Commvault	299,996	299,996
Platform - Investment Products	263,190	—
Via CTT Software Upgrade	239,135	239,135
	4,944,630	**1,967,760**

The **Group** and the **Company** have not identified any relevant uncertainties regarding the conclusion of ongoing projects, nor about their recoverability. Even so, the recoverability of the amounts of intangible assets in progress was tested in the scope of impairment tests of the assets of the Cash Generating Unit to which they belong, with particularly emphasis on the assets related to the **Group'**s businesses (Note 9).

As mentioned in note 5, according to the impairment tests performed and impairment indicators analysis, no events or circumstances were identified that indicate that the carrying amount of **Group**'s and **Company**'s intangible assets may not be recovered.

Most of the projects are expected to be completed in 2025.

Regarding the economic period of 2024, the **Group** and the **Company** are still identifying and quantifying the expenses incurred with R&D, as disclosed in Note 51.

There are no Intangible assets with restricted ownership or any carrying amount relative to any Intangible assets which have been given as a guarantee of liabilities.

In 2024, no interest on loans was capitalised, in the **Group** and in the **Company**, as no loans were directly identified attributable to the acquisition or construction of an asset that requires a substantial period of time (greater than one year) to reach its status of use.

Contractual commitments relative to the **Group** and the **Company,** at 31 December 2024, amount to 7,693,506 Euros and 1,998,354 Euros, respectively (31 December 2023: 6,892,706 Euros and 1,343,273 Euros, respectively).

7. Investment properties

As at 31 December 2023 and 31 December 2024, the **Group** have the following assets classified as investment properties:

Group	2023		
	Land and natural resources	Buildings and other constructions	Total
Investment properties			
Opening balance	2,862,247	11,052,892	13,915,139
Closing balance	**2,862,247**	**11,052,892**	**13,915,139**
Accumulated depreciation			
Opening balance	155,569	7,322,410	7,477,979
Depreciation for the period	—	183,591	183,591
Other movements	—	25,189	25,189
Closing balance	**155,569**	**7,531,191**	**7,686,759**
Accumulated impairment			
Opening balance	—	253,181	253,181
Impairment for the period	—	(788)	(788)
Closing balance	—	252,393	252,393
Net Investment properties	**2,706,679**	**3,269,308**	**5,975,987**

Group	2024		
	Land and natural resources	Buildings and other constructions	Total
Investment properties			
Opening balance	2,862,247	11,052,892	13,915,139
Disposals	(746,871)	(1,434,106)	(2,180,976)
Other movements	90,151	268,567	358,718
Closing balance	**2,205,528**	**9,887,353**	**12,092,881**
Accumulated depreciation			
Opening balance	155,569	7,531,191	7,686,759
Depreciation for the period	—	190,827	190,827
Disposals	(17,174)	(1,017,940)	(1,035,115)
Other movements	—	10,286	10,286
Closing balance	**138,394**	**6,714,363**	**6,852,758**
Accumulated impairment			
Opening balance	—	252,393	252,393
Reversals	—	(186,195)	(186,195)
Closing balance	—	66,199	66,199
Net Investment properties	**2,067,134**	**3,106,792**	**5,173,925**

Depreciation for the year ended on 31 December 2024, of 190,827 Euros (183,591 Euros on 31 December 2023) was recorded in the caption Depreciation/amortisation and impairment of investments, net (Note 46) for the Group.

As at 31 December 2023 and 31 December 2024, the **Company** have the following assets classified as investment properties:

Company	2023		
	Land and natural resources	Buildings and other constructions	Total
Investment properties			
Opening balance	2,862,247	11,052,892	13,915,139
Disposals	(1,514,883)	(9,910,560)	(11,425,443)
Closing balance	**1,347,365**	**1,142,332**	**2,489,696**
Accumulated depreciation			
Opening balance	155,569	7,322,410	7,477,979
Depreciation for the period	—	53,322	53,322
Disposals	(141,050)	(6,593,303)	(6,734,354)
Closing balance	**14,518**	**782,429**	**796,947**
Accumulated impairment			
Opening balance	—	253,181	253,181
Impairment for the period	—	(788)	(788)
Closing balance	—	252,393	252,393
Net Investment properties	**1,332,847**	**107,509**	**1,440,356**

Company	2024		
	Land and natural resources	Buildings and other constructions	Total
Investment properties			
Opening balance	1,347,365	1,142,332	2,489,696
Disposals	(562,695)	—	(562,695)
Closing balance	**784,670**	**1,142,332**	**1,927,002**
Accumulated depreciation			
Opening balance	14,518	782,429	796,947
Depreciation for the period	—	20,074	20,074
Closing balance	**14,518**	**802,503**	**817,021**
Accumulated impairment			
Opening balance	—	252,393	252,393
Reversals	—	(186,195)	(186,195)
Closing balance	—	66,199	66,199
Net Investment properties	**770,152**	**273,630**	**1,043,782**

Depreciation for the year ended on 31 December 2024, of 20,074 Euros (53,322 Euros on 31 December 2023) was recorded in the caption Depreciation/amortisation and impairment of investments, net (Note 46) for the **Company**.

These assets are not allocated to the **Group** and the **Company** operating activities, being in the market available for lease.

The amount recorded in disposals, on 31 December 2023, corresponds to the transfer of investment properties with a net book value of 4,691 thousand euros, within the scope of the transaction of real estate assets to CTT IMO Yield, explained in detail in note 5.

The market value of these assets, which are classified as investment property, in accordance with the valuations obtained at the end of the fiscal year 2024 which were conducted by independent entities, amounts to 6,843,465 Euros (10,437,353 Euros as at 31 December 2023).

As at 31 December 2024, the rents amount charged by the **Group** and **Company** for properties and equipment leases classified as investment properties was 5,967 Euros (31 December 2023: 33,773 Euros).

8. Companies included in the consolidation

Subsidiary companies

As at 31 December 2023 and 31 December 2024, the parent company, CTT - Correios de Portugal, S.A. and the following subsidiaries were included in the consolidation:

Company name	Place of business	Head office	2023			2024		
			Percentage of ownership			Percentage of ownership		
			Direct	Indirect	Total	Direct	Indirect	Total
Parent company:								
CTT - Correios de Portugal, S.A.	Portugal	Avenida dos Combatentes Nr. 43, 14º Floor 1643-001 Lisbon	—	—	—	—	—	—
Subsidiaries:								
CTT Expresso - Serviços Postais e Logística, S.A. ("CTT Expresso")	Portugal	Avenida dos Combatentes Nr. 43, 14º Floor 1643-001 Lisbon	100	—	100	100	—	100
Payshop Portugal, S.A. ("Payshop")	Portugal	Avenida dos Combatentes Nr. 43, 14º Floor 1643-001 Lisbon	100	—	100	100	—	100
CTT Contacto, S.A. ("CTT Con")	Portugal	Avenida dos Combatentes Nr. 43, 14º Floor 1643-001 Lisbon	100	—	100	100	—	100
CTT Soluções Empresariais, S.A. ("CTT Sol")	Portugal	Avenida dos Combatentes Nr. 43, 14º Floor 1643-001 Lisbon	100	—	100	100	—	100
Correio Expresso de Moçambique, S.A. ("CORRE")	Mozambique	Av. 24 de Julho, Building 24, nr 1097, 3rd floor, Bairro da Polana Maputo - Mozambique	50	—	50	50	—	50
Banco CTT, S.A. ("BancoCTT")	Portugal	Building Atrium Saldanha 1 Floor 3 1050 -094 Lisbon	100	—	100	91.29	—	91.29
1520 Innovation Fund ("TechTree")	Portugal	Av Conselheiro Fernando de Sousa, 19 13º Left 1070-072 Lisbon	37.50	62.50	100	37.50	62.50	100
321 Crédito - Instituição Financeira de Crédito, S.A. ("321 Crédito")	Portugal	Avenida da Boavista, Nr 772, 1.º, Boavista Prime Bulding 4100-111 Oporto	—	100	100	—	91.29	91.29
NewSpring Services, S.A. ("NSS")	Portugal	Avenida dos Combatentes Nr. 43, 14º Floor 1643-001 Lisbon	—	100	100	—	100	100
CTT IMO - Sociedade Imobiliária, S.A. ("CTTi")	Portugal	Avenida dos Combatentes Nr. 43, 14º Floor 1643-001 Lisbon	100	—	100	100	—	100
Open Lockers, S.A. ("Lock")	Portugal	Avenida dos Combatentes Nr. 43, 14º Floor 1643-001 Lisbon	—	66	66	—	100	100
MedSpring, S.A. ("MEDS")	Portugal	Avenida dos Combatentes Nr. 43, 14º Floor 1643-001 Lisbon	—	100	100	—	100	100
CTT Services, S.A. ("Serv")	Portugal	Avenida dos Combatentes Nr. 43, 14º Floor 1643-001 Lisbon	—	100	100	—	100	100
CTT Imo Yield, S.A. ("IMOY")	Portugal	Avenida dos Combatentes Nr. 43, 14º Floor 1643-001 Lisbon	100	—	100	73.70	—	73.70

In relation to the company CORRE, as the **Group** has the right to variable returns arising from its involvement and the ability to affect those returns, it is included in the consolidation.

As part of a corporate reorganisation in the Group, on 8 July 2022 the Board of Directors of Banco CTT approved the sale of its subsidiary Payshop Portugal, and its terms, to CTT. The completion of this operation was dependent on the regulator's non-opposition, a fact that occurred on 7 July 2023. The transfer of shares occurred 11 on August 2023. The sale of the investment in Payshop to CTT will allow in the future synergies to be captured with the remaining areas of CTT, namely product areas, commercial forces (B2B and store networks, outlets and agents), as well as full integration into the Group's strategy of a comprehensive value proposition for e-commerce and business solutions. The sale of Payshop investment by Banco CTT to CTT was carried out based on its equity book value and had no impact on the **Group** consolidated accounts. In the case of the **Company**'s accounts, it was also not necessary to carry out any measurement at fair value, nor was there any recognition of goodwill.

On 29 March 2023 and 29 May 2023, Open Lockers was subject to capital increases in the form of a supplementary capital in the amount of 396,000 Euros in each of the periods.

CTT IMO Yield

Real Estate Assets

CTT's real estate assets are organised into two different portfolios, depending on their respective characteristics and functionality (Yield Portfolio and Development Portfolio).

Yield Portfolio

In 2022, CTT began exclusive negotiations, with a third party, to manage this portfolio, which essentially comprised:

1. properties associated with CTT's retail network; and

2. warehouses and logistics and distribution centres of CTT's operational network in Portugal.

As a result of this negotiation, the company CTT IMO Yield was created on 31 October 2022, with the purpose of holding and managing this yield portfolio.

On 4 May 2023, CTT entered into a Share Sale and Purchase Agreement with Sierra Investments, SGPS, S.A. ("Sierra"), under which Sierra and a group of institutional investors would acquire an investment of 30.1% of the share capital of CTT IMO Yield (assuming the carve-in of all properties in the yield portfolio), an operation that was concluded at the beginning of 2024.

On 10 October 2023, and applying the provisions of paragraph b) of number 3 of article 22 of the Asset Management Regime, CMVM issued the SIC (collective investment company) registration code for CTT IMO Yield.

On 17 October 2023, the AdC (Competition Authority) also adopted a decision according to which the Transaction is not covered by the merger control procedure.

On 27 November 2023, the **Company** transferred its yield real estate portfolio, corresponding to 332 properties, to CTT IMO Yield in the form of a capital contribution in kind, in the amount of 116,858,055 Euros. This operation resulted in the issuance of 116,858,055 new shares with a nominal value of 1 Euro each. The remaining 31 properties were transferred to CTT IMO Yield through a purchase and sale transaction.

The amount of the contribution in kind corresponded to the fair value of the properties determined through an external assessment carried out by two independent experts. For each property subject to transfer, the average amount of the two valuations prepared by each of the independent experts was considered to determine its fair value. Subsequently, this operation was subject to evaluation by an Official Auditor independent of the Company, as established in the Commercial Companies Code.

On 9 November 2023 and 27 December 2023, CTT IMO Yield was subject to a capital increase through a cash contribution, in the amount of 17,600,000 Euros and 576,945 Euros, respectively. The capital increases resulted in the issuance of new shares in the amount of 17,600,000 shares and 576,945 shares, respectively, with a nominal value of 1 Euro each.

On 27 December 2023, the conversion of shareholders loans into share capital at CTT Expresso and CTT Soluções Empresariais was decided, through the conversion of 14,950,000 Euros of shareholders loans into capital at CTT Expresso and 14,500,000 of shareholders loans into capital at CTT Soluções Empresariais. The capital increase in CTT Expresso was achieved through an increase in the nominal amount of the 1,150,000 shares, which increased from 5 Euros to 18 Euros each, with their global nominal amount being 20,700,000 Euros. The capital increase of CTT Soluções Empresariais took place through the issuance of 14,500,000 new shares with a nominal amount of 1 Euro each, with the global nominal value of the share capital as of 31 December 2023 being 14,750,000 Euros.

On 4 January 2024, CTT IMO Yield concluded a conversion process into an alternative real estate investment organization (OIA) in a corporate form with fixed capital and private subscription, managed by a management entity that includes the business universe of Sierra Investments, the company Sierra IG - SGOIC, S.A. On the same date, CTT completed the sale of a 26.3% shareholder position in CTT IMO Yield to Sonae Investment SGPS, S.A. and other investors, as planned in the Share Purchase and Sale Agreement, which translated into a gross receipt of 32,447,343 Euros. Following this operation, the amount of 32,959,531 Euros was recognized under the caption minority interests in equity.

Other changes

On 18 April 2024, CTT Expresso acquired the minority stake in Open Lockers held by the entity's remaining shareholders, in the amount of 1,439,000 Euros. The Group will therefore hold a 100% equity interest in Open Lockers from that date onwards.

On 26 June 2024, Banco CTT subscribed an increase in the share capital in the subsidiary 321 Crédito, by making a cash contribution, in the amount of 5,000,000 Euros, resulting in the issuance of 5,000,000 new book-entry shares, ordinary, nominative shares with an issue value of 1 euro each. The amount of share capital of 321 Crédito in the amount of 30,000,000 Euros increased to 35,000,000 Euros.

On 6 November 2022, CTT Correios de Portugal, S.A. and its subsidiary Banco CTT, S.A. entered into a strategic partnership agreement with Generali Seguros, S.A. (Tranquilidade/Generali Seguros).

The transaction concluded between the parties included:

- Long-term distribution agreements, with an exclusivity period renewable every 5 years, for the distribution by CTT and Banco CTT of Tranquilidade/Generali Seguros' life and non-life insurance products;

- Subscription by Tranquilidade/Generali Seguros of a reserved share capital increase of 25 million euros in Banco CTT in exchange for an 8.71% shareholding investment. A Shareholders' Agreement will grant Tranquilidade/Generali Seguros a set of non-controling interests in line with the size of the shareholding investment.

On 29 November 2024, following approval by the competent authorities, CTT formalised with Generali Tranquilidade the strategic partnership for Banco CTT, announced at the end of 2022, under the terms described above.

The subscription of an increase in Banco CTT's share capital of 25 million euros by Tranquilidade/ Generali Seguros resulted in a minority equity interest of 8.71%, and a consequent reduction in CTT's stake, including Banco's subsidiary, 321 Crédito, to 91.29%, as at 29 November 2024. This transaction resulted in the recognition of non-controlling interests in the amount of 27,153,204 euros.

Joint ventures

As at 31 December 2023 and 31 December 2024, the **Group** held the following interests in joint ventures, registered through the equity method:

Company name	Place of business	Head office	2023			2024		
			Percentage of ownership			Percentage of ownership		
			Direct	Indirect	Total	Direct	Indirect	Total
NewPost, ACE	Portugal	Av. Fontes Pereira de Melo, 40 Lisbon	49	—	49	49	—	49
PTP & F, ACE	Portugal	Estrada Casal do Canas Amadora	51	—	51	51	—	51
Wolfspring, ACE	Portugal	Urbanização do Passil, nr 100-A 2890-1852 Alcochete	—	50	50	—	50	50

Associated companies

As at 31 December 2023 and 31 December 2024, the **Group** held the following interests in associated companies accounted for by the equity method:

Company name	Place of business	Head office	2023			2024		
			Percentage of ownership			Percentage of ownership		
			Direct	Indirect	Total	Direct	Indirect	Total
Mafelosa, SL (a)	Spain	Castellon - Spain	—	25	25	—	25	25
Urpacksur, SL (a)	Spain	Málaga - Spain	—	30	30	—	30	30

(a) Company held by CTT Expresso - Serviços Postais e Logística, S.A., branch in Spain (until 2018 was held by Tourline Mensajeria, SLU), which currently has no activity.

Structured entities

Additionally, considering the requirements of IFRS 10, the **Group's** consolidation perimeter includes the following structured entities:

Name	Constitution Year	Place of issue	Consolidation Method
Ulisses Finance No.1 (*) (**)	2017	Portugal	Full
Ulisses Finance No.2 (*)	2021	Portugal	Full
Ulisses Finance No.3 (*)	2022	Portugal	Full
Chaves Funding No.8 (*)	2019	Portugal	Full
Next Funding No.1 (*) (**)	2021	Portugal	Full

(*) Entities incorporated in the scope of securitisation operations, recorded in the consolidated financial statements in accordance with the Group's continued involvement, determined based on the percentage held in the residual interests (equity piece) of the respective vehicles and to the extent that the Group substantially owns the risks and rewards associated with the underlying assets and has the ability to affect these same risks and rewards.

(**) Entities left the consolidation perimeter during the period of 2023.

The credit securitisation operation Ulisses No1, originated by 321 Crédito in 2017, included a consumer credit portfolio amounting to 141.2 million euros. The operation included a clean-up call option clause that could be exercised by the originator when the securitised portfolio dropped below 10% of the initial amount, i.e., 14.1 million euros. This occurred after the IPD ("interest payment date") of June 2023, with

the clean-up call being exercised at the IPD of July 2023, with the **Group** reacquiring the entire securitised portfolio, closing the operation.

Following the termination of the partnership with Universo, described in greater detail in note 20, in December 2023, Banco CTT sold the note Next Funding Nº1 to Universo, IME, S.A. leaving on that date no exposure to this portfolio. Additionally, the overdraft line (Liquidity Facility) was cancelled. As part of the sale agreement, Banco CTT no longer granted this line of credit to the aforementioned securitisation operation.

The main impacts of the consolidation of these structured entities on the **Group**'s accounts are the following:

	31.12.2023	31.12.2024
Cash and cash equivalents	14,947,776	17,527,712
Financial assets at fair value through profit and loss (Derivatives)	13,532,000	6,283,361

Changes in the consolidation perimeter

During the period ended 31 December 2023, the structured entities Ulisses Finance Nº.1 and Next Funding Nº. 1 left the consolidation perimeter. There were no other changes to the consolidation perimeter.

During the period ended 31 December 2024, the following changes in the consolidated perimeter occurred: 1) with the sale of 26.3% of the equity interest in CTT IMO Yield, the group now holds 73.7% of the entity; 2) with the acquisition of the minority equity interests in Open Lockers held by the remaining shareholders of the entity, the Group now holds 100% of this entity and; 3) with the subscription of a capital increase by a third party in Banco CTT, the group now holds 91.29% of this entity, and indirectly, of its subsidiary 321C.

9. Goodwill

As at 31 December 2023 and 31 December 2024, the **Group** Goodwill was made up as follows:

Group	Year of acquisition	2023	2024
Mailtec Comunicação, S.A.	2004	6,161,326	6,161,326
Payshop Portugal, S.A.	2004	406,101	406,101
321 Crédito - Instituição Financeira de Crédito, S.A.	2019	60,678,648	60,678,648
Transporta, S.A.	2004	2,955,753	2,955,753
HCCM - Outsourcing Investment, S.A. / NewSpring Services, S.A.	2021	10,054,911	10,054,911
		80,256,739	**80,256,739**

During the years ended 31 December 2023 and 31 December 2024, the movements in Goodwill were as follows:

Group	2023	2024
Opening balance	80,256,739	80,256,739
Closing balance	**80,256,739**	**80,256,739**

Goodwill impairment assessment

The recoverable amount of Goodwill is assessed annually or whenever there is indication of a possible loss of value. The recoverable amount is determined based on the value in use of the assets, computed using calculation methodologies supported by discounted cash flow techniques, considering the market conditions, the time value and business risks.

During the current year, in order to determine the recoverable amount of its investments, the **Group** performed impairment tests as at 31 December 2023 and 31 December 2024 based on the following assumptions:

Company name	Activity	2023				
		Base for determining the recoverable amount	Explicit period for cash flows	Discount rate (WACC)	Discount rate (Cost of Equity)	Perpetuity rate growth
Mailtec Comunicação, S.A.	Documental services	Equity Value/DCF	5 years	8.60%	—%	2.0%
Transporta - Transportes Porta a Porta, S.A.	Cargo and Logistics	Equity Value/DCF	5 years	8.70%	—%	2.0%
Payshop (Portugal), S.A.	Payment network management	Equity Value/DCF	5 years	7.80 %	—%	2.0%
321 Crédito - Instituição Financeira de Crédito, S.A.	Consumer Credit	Equity Value/ DDM	10 years	— %	10.00%	1.5%
NewSpring Services, S.A.	Back office technical services	Equity Value/DCF	5 years	8.60 %	—%	2.0%

Company name	Activity	2024				
		Base for determining the recoverable amount	Explicit period for cash flows	Discount rate (WACC)	Discount rate (Cost of Equity)	Perpetuity rate growth
Mailtec Comunicação, S.A.	Documental services	Equity Value/DCF	5 years	8.50%	—%	2.0%
Transporta - Transportes Porta a Porta, S.A.	Cargo and Logistics	Equity Value/DCF	5 years	8.60%	—%	2.0%
Payshop (Portugal), S.A.	Payment network management	Equity Value/DCF	5 years	7.40%	—%	2.0%
321 Crédito - Instituição Financeira de Crédito, S.A.	Consumer Credit	Equity Value/ DDM	10 years	—%	10.00%	1.5%
NewSpring Services, S.A.	Back office technical services	Equity Value/DCF	5 years	8.50 %	—%	2.0%

Cash flow projections were based on historical performance and 5-year business plans approved by the Board of Directors.

In the case of 321C, cash flows were estimated based on projections of results and activity evolution, based on the business plan associated with the cash generating unit, as approved by Management. The aforementioned projections cover a period of 10 years (until 2034) which has been consistently applied since the moment of acquisition of 321 Crédito and which, in Management's judgment, best reflects the nature of the investment, the maturity of the portfolio and economic cycles / interest rate. Projections consider a compound annual asset growth rate of 3.8% over this period (2023: 4.3%). The assessment was based on the Dividend Discount Model methodology common in the banking sector. The logic of the methodology is that the investor observes two types of flows when evaluating the asset, the binomial dividends/capital reinforcement and the value of future dividends in perpetuity. The discount rate of 10.0% (after taxes) is consistent with internal references for evaluating projects and investments, remaining within the range typically used for the banking sector.

Based on this analysis and the perspectives of future evolution, it was concluded that there are no signs of impairment related to the goodwill allocated to this cash-generating unit.

The assets carrying amount assessed in the impairment tests includes, in addition to goodwill, the amounts of tangible and intangible assets allocated to the related cash-generating units with reference to 31 December 2024.

As a consequence of this impairment analysis, the **Group** concluded that as at 31 December 2023 and 31 December 2024 there were no indications of impairment losses to be recognised.

As at 31 December 2023 and 31 December 2024, the impairment losses registered in the **Group** are as follows:

	2023			
	Year of acquisition	Initial amount of Goodwill	Accumulated impairment losses	Carrying amount
Tourline Express Mensajería, SLU	2005	20,671,985	20,671,985	—
Mailtec Comunicação, S.A.	2004	7,294,638	1,133,312	6,161,326
		27,966,623	**21,805,297**	**6,161,326**

	2024			
	Year of acquisition	Initial amount of Goodwill	Accumulated impairment losses	Carrying amount
Tourline Express Mensajería, SLU	2005	20,671,985	20,671,985	—
Mailtec Comunicação, S.A.	2004	7,294,638	1,133,312	6,161,326
		27,966,623	**21,805,297**	**6,161,326**

Sensitivity analyses were performed on the results of the impairment tests, namely the following key assumptions: (i) reduction of 50 basis points in the growth rate in perpetuity and (ii) increase of 50 points in the different discount rates used.

In the case of 321 Crédito, sensitivity analyses were carried out on the results of the impairment tests, namely the following key variables: (i) reduction/increase of 0.5% in the CET1 ratio target or (ii) increase of 50 points in the different interest rates discount used.

For Mailtec Comunicação (Printing&Finishing), in 2024, the business recorded revenue growth driven by the renewal of several multi-year contracts and improved conditions, namely through price increases for its customers, as well as the capture of synergies from the Mail business. Additionally, P&F is expanding the proposal pipeline with the aim of increasing the winning of new contracts. Therefore, in the current year, the analysis carried out does not determine the existence of signs of impairment.

In view of the above mentioned, the results of the sensitivity analyse carried out do not determine the existence of signs of impairment in Goodwill.

10. Investments in subsidiary companies

During the years ended 31 December 2023 and 31 December 2024, the movements occurred in the **Company** in Investments in subsidiary companies were as follows:

	2023			2024		
	Investments in subsidiary companies	Provisions for investments in subsidiary companies	Total	Investments in subsidiary companies	Provisions for investments in subsidiary companies	Total
Opening balance	295,250,006	—	295,250,006	488,885,561	—	488,885,561
Equity method	31,016,357	—	31,016,357	58,097,576	—	58,097,576
Equity Method Adjustments (intra-group)	(1,365,540)	—	(1,365,540)	(2,257,918)	—	(2,257,918)
Distribution of dividends	(298,110)	—	(298,110)	(8,983,422)	—	(8,983,422)
Share capital increase	164,485,000	—	164,485,000	—	—	—
Acquisitions and new investment	11,035,201	—	11,035,201	—	—	—
Disposals	—	—	—	(32,793,413)	—	(32,793,413)
Other	(11,237,353)	—	(11,237,353)	(2,629,921)	—	(2,629,921)
Closing balance	**488,885,561**	**—**	**488,885,561**	**500,318,462**	**—**	**500,318,462**

As of 31 December 2023, the capital increases item consists of: 1) Capital increase in kind at CTT IMO Yield in the amount of 116,858,055 Euros; 2) Capital increases in cash in the global amount of 18,176,945 Euros at CTT IMO Yield; 3) Conversion of supplies into capital at CTT Expresso and CTT Soluções Empresariais, in the amount of 14,950,000 Euros and 14,500,000 Euros, respectively. The operations are explained in detail in note 8.

The amount of “acquisitions and new investments” relates to the acquisition of the investment in Payshop from Banco CTT. In the case of a combination of business activities between entities under common control, the stake was acquired at the value of Payshop's equity at the date of the transaction, with no need to carry out any measurement of fair value, nor is there any recognition of goodwill.

As of 31 December 2023, the amount recorded under the caption “Other” essentially relates to variations in the subsidiaries' equity captions, highlighting the transaction costs of increasing capital through contributions in kind in CTT IMO Yield, as explained in greater detail, in note 26.

The amount recorded in “Equity method adjustments” refers to the adjustment in the equity method of transactions between Group companies and the standardisation of accounting policies of subsidiaries.

As at 31 December 2024, the dividend distribution caption is mainly due to dividends receivable from CTT IMO Yield in the amount of 4,552,597 Euros, and the decision to pay dividends by the subsidiaries Payshop and CTT Contacto, respectively, in the amounts of 3,000,000 Euros and 1,430,825 Euros. The disposals caption corresponds to the impact of the disposal of a 26.3% equity interest in CTT IMO Yield, described in greater detail in Note 8.

As at 31 December 2023 and 31 December 2024, the detail by **Company** of Investments in subsidiaries of the Company was as follows:

	2023							
Company	% held	Assets	Liabilities	Equity	Net profit	Goodwill (note 9)	Investments	Proportion of net profit
CTT Expresso,S.A.	100%	254,721,688	214,792,815	39,928,873	8,571,788	2,955,753	40,956,481	9,597,142
CTT Contacto, S.A.	100%	8,130,940	1,860,449	6,270,490	686,623	—	6,270,491	686,421
CORRE - Correio Expresso Moçambique, S.A.	50%	3,127,898	1,985,150	1,142,749	319,067	—	653,466	159,534
Banco CTT, S.A.	100%	3,488,289,785	3,218,092,116	270,197,670	17,935,330	—	269,869,579	16,700,097
1520 Innovation Fund	37.50%	7,820,939	35,481	7,785,456	21,411	—	2,873,817	11,484
CTT Soluções Empresariais, S.A.	100%	26,245,026	7,099,735	19,145,291	2,275,223	—	19,145,291	2,275,223
CTT IMO - Sociedade Imobiliária, S.A.	100%	7,754,443	106,839	7,647,604	159,949	—	4,891,948	6,937
CTT Imo Yield, S.A.	100%	130,827,008	3,143,031	127,683,977	2,200,729	—	123,669,798	(188,431)
Payshop, S.A.	100 %	21,507,379	10,476,013	11,031,366	1,565,691	406,101	11,031,511	402,410
Mailtec Comunicação S.A.		—	—	—	—	6,161,326	—	—
						9,523,180	**479,362,381**	**29,650,816**

	2024							
Company	% held	Assets	Liabilities	Equity	Net profit	Goodwill (note 9)	Investments	Proportion of net profit
CTT Expresso,S.A.	100%	307,205,349	237,823,121	74,936,248	29,964,043	2,955,753	70,040,702	29,863,165
CTT Contacto, S.A.	100%	5,372,160	873,472	4,498,688	(340,977)	—	4,498,688	(340,977)
CORRE - Correio Expresso Moçambique, S.A.	50%	3,608,184	1,946,592	1,661,592	304,279	—	830,796	152,140
Banco CTT, S.A.	91.29%	4,496,799,279	4,181,596,774	315,202,505	19,995,740	—	287,257,382	19,532,705
1520 Innovation Fund	37.50%	7,201,635	16,212	7,185,423	(599,033)	—	2,641,219	(232,598)
CTT Soluções Empresariais, S.A.	100%	26,078,181	5,118,026	20,960,155	1,814,864	—	20,960,155	1,814,864
CTT IMO - Sociedade Imobiliária, S.A.	100.0%	7,938,625	124,354	7,814,271	166,666	—	4,936,678	44,730
CTT Imo Yield, S.A.	73.70%	132,751,965	3,994,379	128,757,586	7,248,609	—	89,750,676	3,158,155
Payshop, S.A.	100%	27,938,880	18,059,894	9,878,986	1,847,620	406,101	9,878,986	1,847,475
Mailtec Comunicação S.A.		—	—	—	—	6,161,326	—	—
						9,523,180	**490,795,282**	**55,839,658**

The amount of investments in subsidiaries is assessed whenever there are indications of an eventual loss of value. The recoverable amount is determined using methodologies based on discounted cash flow techniques, considering market conditions, time value and business risks.

For the years ended 31 December 2023 and 31 December 2024, the gains and losses in subsidiary companies arising from the application of the equity method, and stated under Gains/losses in

subsidiaries, associated companies and joint ventures in the Income statement were recognised against the following items on the balance sheet:

Company	2023	2024
Investment in subsidiaries		
CTT Expresso,S.A.	9,597,142	29,863,165
CTT Contacto, S.A.	686,421	(340,977)
CORRE - Correio Expresso Moçambique, S.A.	159,534	152,140
Banco CTT, S.A.	16,700,097	19,532,705
1520 Innovation Fund	11,484	(232,598)
CTT Soluções Empresariais, S.A.	2,275,223	1,814,864
CTT IMO - Sociedade Imobiliária, S.A.	6,937	44,730
CTT Imo Yield, S.A.	(188,431)	3,158,155
Payshop, S.A.	402,410	1,847,475
	29,650,816	**55,839,658**

CTT Expresso, S.A. includes CTT Expresso Portugal and its branch in Spain. The Branch in Spain presented, in 2024, a net profit for the year of 24,297,602 Euros (2023: 2,791,994 Euros). This very relevant increase in the branch's earnings is due to a notable increase in both revenue and volumes.

The **Company** appropriated the net profit of Payshop from the acquisition date (11 August 2023) until 31 December 2023, while in the year 2024 the total amount of the year's earnings has already been appropriated.

The company 321 Crédito – Instituição Financeira de Crédito, S.A. is owned by Banco CTT, and the bank's financial investment amount includes the gains and losses of this company.

The entities NewSpring Services, MedSpring, S.A. and CTT Services S.A. are owned by CTT Soluções Empresariais. Open Lockers is 100% owned by CTT Expresso, as of 1 April 2024, having previously been 66% owned. Therefore, the amount of financial investment of CTT Soluções Empresariais and CTT Expresso includes the gains and losses of these companies.

11. Investments in associated companies

For the years ended 31 December 2023 and 31 December 2024, the **Group** and the **Company** investments in associated companies had the following movements:

	Group		Company	
	2023	2024	2023	2024
Gross carrying value				
Opening balance	481	481	—	—
Closing balance	**481**	**481**	**—**	**—**

As at 31 December 2023 and 31 December 2024, the detail by company of the **Group** and the **Company** investments in associated companies were as follows:

	Group		Company	
	2023	2024	2023	2024
Urpacksur, S.L.	481	481	—	—
	481	**481**	**—**	**—**

Group	2023						
	% held	Assets	Liabilities	Equity	Net profit	Investments	Proportion of net profit
Mafelosa, SL (b) (c)	25%	n.a.	n.a.	n.a.	n.a.	—	n.a.
Urpacksur (b) (c)	30%	n.a.	n.a.	n.a.	n.a.	481	n.a.
						481	**—**

(a) Company held by CTT Expresso - Serviços Postais e Logística, S.A., branch in Spain.
(b) Companies without activity

Group	2024						
	% held	Assets	Liabilities	Equity	Net profit	Investments	Proportion of net profit
Mafelosa, SL (a) (b)	25%	n.a.	n.a.	n.a.	n.a.	—	n.a.
Urpacksur (a) (b)	30%	n.a.	n.a.	n.a.	n.a.	481	n.a.
						481	**—**

(a) Company held by CTT Expresso - Serviços Postais e Logística, S.A., branch in Spain.
(b) Companies without activity

12. Investments in joint ventures

As at 31 December 2023 and 31 December 2024, the detail of the **Group** investments in joint ventures were as follows:

Group	2023								
	% held	Assets	Liabilities	Equity	Net profit	Investment	Impairment	Provisions	Proportion of net profit
PTP & F, ACE	51%	—	—	—	—	—	—	—	—
NewPost, ACE	49%	616,868	616,868	—	—	—	—	—	—
Wolfspring, ACE	50%	238,798	182,366	56,432	(916)	22,174	—	—	(458)
						22,174	**—**	**—**	**(458)**

Group	2024								
	% held	Assets	Liabilities	Equity	Net profit	Investment	Impairment	Provisions	Proportion of net profit
PTP & F, ACE	51%	—	—	—	—	—	—	—	—
NewPost, ACE	49 %	240,729	240,729	—	—	—	—	—	—
Wolfspring, ACE	50%	381,288	343,298	37,990	(18,442)	18,995	—	—	(3,179)
						18,995	**—**	**—**	**(3,179)**

As at 31 December 2023 and 31 December 2024, the detail of the **Company** investments in joint ventures were as follows:

Company	2023								
	% held	Assets	Liabilities	Equity	Net profit	Investment	Impairment	Provisions	Proportion of net profit
PTP & F, ACE	51%	—	—	—	—	—	—	—	—
NewPost, ACE	49%	616,868	616,868	—	—	—	—	—	—
						—	**—**	**—**	**—**

Company	2024								
	% held	Assets	Liabilities	Equity	Net profit	Investment	Impairment	Provisions	Proportion of net profit
PTP & F, ACE	51 %	—	—	—	—	—	—	—	—
NewPost, ACE	49%	240,729	240,729	—	—	—	—	—	—
						—	—	—	—

13. Other investments

The amount of Other investments as at 31 December 2023 and 31 December 2024, in the **Group** and the **Company**, were as follows:

Group	Head office	Group	
		2023	2024
IPC-International Post Corporation	Brussels - Belgium	6,157	6,157
Lisgarante - SGM, S.A.	Lisbon - Portugal	5,000	5,000
KIT-AR LIMITED	London - UK	481,825	481,825
Sensefinity, Lda	Lisbon - Portugal	150,000	—
Habitat Analytics, Inc.	Delaware - USA	500,000	500,000
NeuralShift	Lisbon - Portugal	500,000	500,000
Ubirider, S.A.	Porto - Portugal	507,575	607,575
Paynest Portugal Unipessoal	Lisbon - Portugal	500,000	500,000
GoFact, S.A.	Braga - Portugal	—	491,706
Fraudio Portugal Unipessoal	Lisbon - Portugal	550,000	188,328
CEPT	Copenhagen - Denmark	237	237
		3,200,794	**3,280,828**

Entity	Head office	Company	
		2023	2024
IPC-International Post Corporation	Brussels - Belgium	6,157	6,157
CEPT	Copenhagen - Denmark	237	237
		6,394	**6,394**

On 31 December 2023, in the **Group**, the four new investments made by the 1520 Innovation Fund stand out.

As of 31 December 2024, the new investment made by the 1520 Innovation Fund in Go Fact S.A. stands out, as well as the update of the fair value of the investments.

The amount of "fair value increases/decreases" from the income statement, as at 31 December 2023 and 31 December 2024, in the Group and in were as follows:

Group	Head office	Group	
		2023	2024
KIT-AR LIMITED	London - UK	181,827	—
Sensefinity, Lda	Lisbon - Portugal	—	(150,000)
Fraudio Portugal Unipessoal	Lisbon - Portugal	—	(361,672)
		181,827	**(511,672)**

On 31 December 2023, the fair value of the investment in the entity "KIT-AR" was updated in the amount of 181,827 Euros. This amount was calculated based on a "*Pre-Money*" assessment carried out as part of a new investment in the entity by external investors.

Regarding the investment in Fraudio Portugal, after this company suffered severe financial and commercial difficulties in the first half of 2024, Fraudio was able to turn around and demonstrate the resilience and metrics necessary to continue operating. As of 31 December 2024, the Fund's investment in Fraudio was valued at 188,328 Euros, in accordance with the Annual Recurring Revenue ("ARR") multiple method, and already reflecting the existence of the SAFE of January 2025 that will allow the company to follow its business plan, resulting in a reduction in the fair value of the investment of 361,672 Euros.

Also on 31 December 2024, a write-off was made of the fund's investment in Sensefinity, in the amount of 150,000 Euros, due to lower-than-expected results, namely in relation to sales that are lower than expected, but also because it is understood that at this time it will be difficult to reverse the company's situation without a change in the management team.

For the remaining investments, these are valued in line with the amount at which the Fund participated in the respective investment rounds, given that there is no data subsequent to the investment that suggests that this value has changed, with each entity following its respective Business Plan.

14. Debt securities

As at 31 December 2023 and 31 December 2024, the caption Debt securities, in the **Group**, showed the following composition:

	31.12.2023	31.12.2024
Non-current		
Financial assets at amortised cost		
Government bonds	364,773,835	358,036,202
Impairment	(67,657)	(53,096)
	364,706,177	**357,983,106**
	364,706,177	**357,983,106**
Current		
Financial assets at amortised cost		
Government bonds	284,175,167	1,054,748,382
Supranational bonds	80,614,379	637,439,939
Bonds issued by other entities	—	9,015,432
Impairment	(29,726)	(50,245)
	364,759,821	**1,701,153,508**
	364,759,821	**1,701,153,508**
	729,465,998	**2,059,136,614**

The financial assets in this portfolio are managed based on a business model whose purpose is to receive contractual cash flows.

The increase in debt securities caption is essentially justified by the change in the positive exposure (nominal value) of 558 million euros of supranational debt, 219 million euros of Spanish public debt, 205 million euros of French public debt, 365 million euros of Belgian public debt, 12 million euros of

Portuguese public debt, 10 million euros of Austrian public debt and negative exposure of (38) million euros of German public debt.

The analysis of the Financial assets at amortised cost, by remaining maturity, as at 31 December 2023 and 31 December 2024 is detailed as follows:

	31.12.2023						
	Current			Non-current			Total
	Due within 3 months	Over 3 months and less than 1 year	Total	Over 1 year and less than 3 years	Over 3 years	Total	
Financial assets at amortised cost							
Government bonds							
National	6,729,393	—	6,729,393	18,576,142	143,668,654	162,244,796	168,974,189
Foreign	1,437,251	276,008,524	277,445,775	9,967,700	192,561,338	202,529,039	479,974,813
Supranational bonds	408,333	80,206,046	80,614,379	—	—	—	80,614,379
	8,574,977	**356,214,570**	**364,789,547**	**28,543,843**	**336,229,992**	**364,773,835**	**729,563,381**

	31.12.2024						
	Current			Non-current			Total
	Due within 3 months	Over 3 months and less than 1 year	Total	Over 1 year and less than 3 years	Over 3 years	Total	
Financial assets at amortised cost							
Government bonds							
National	13,184,741	4,935,974	18,120,715	37,554,006	124,259,693	161,813,699	179,934,414
Foreign	394,998,166	641,629,500	1,036,627,666	29,056,317	167,166,186	196,222,503	1,232,850,169
Supranational Bonds	508,519,817	128,920,122	637,439,939	—	—	—	637,439,939
Bonds issued by other entities	—	—	—	—	—	—	—
National	—	—	—	—	—	—	—
Foreign	9,015,432	—	9,015,432	—	—	—	9,015,432
	925,718,156	**775,485,597**	**1,701,203,752**	**66,610,323**	**291,425,879**	**358,036,202**	**2,059,239,954**

The impairment losses, for the period ended 31 December 2023 and 31 December 2024, are detailed as follows:

	2023					
	Opening balance	Increases	Reversals	Utilisations	Transfers	Closing balance
Non-current assets						
Debt securities at amortised cost	121,927	20,146	(43,919)	—	(30,497)	67,657
	121,927	**20,146**	**(43,919)**	**—**	**(30,497)**	**67,657**
Current assets						
Debt securities at amortised cost	9,674	8,851	(19,296)	—	30,497	29,726
	9,674	**8,851**	**(19,296)**	**—**	**30,497**	**29,726**
	131,601	**28,997**	**(63,215)**	**—**	**—**	**97,384**

	2024					
	Opening balance	Increases	Reversals	Utilisations	Transfers	Closing balance
Non-current assets						
Debt securities at amortised cost	67,657	25,440	(22,380)	—	(17,622)	53,096
	67,657	**25,440**	**(22,380)**	**—**	**(17,622)**	**53,096**
Current assets						
Debt securities at amortised cost	29,726	24,074	(21,178)	—	17,622	50,245
	29,726	**24,074**	**(21,178)**	**—**	**17,622**	**50,245**
	97,383	**49,514**	**(43,557)**	**—**	**—**	**103,342**

For the impairment losses of Financial assets at amortised cost, the movements by stages, in the periods ended on 31 December 2023 and 31 December 2024, they are detailed as follows:

	2023	2024
	Stage 1	Stage 1
Opening balance	**131,602**	**97,384**
Change in period:		
Increases due to origination and acquisition	28,628	49,494
Changes due to change in credit risk	(41,239)	(13,811)
Derecognised financial assets excluding write-offs	(21,607)	(29,726)
Impairment - Financial assets at amortised cost	**97,384**	**103,341**

The reconciliation of accounting movements related to impairment losses is presented below:

	2023	2024
	Stage 1	Stage 1
Opening balance	**131,602**	**97,384**
Change in period:		
ECL income statement change for the period	(34,218)	5,957
Impairment - Financial assets at amortised cost	**97,384**	**103,341**

According to the accounting policy described in Note 2.11, the **Group** regularly assesses whether there is objective evidence of impairment in its financial asset portfolios at amortised cost, following the criteria described in Note 2.29.

15. Financial Assets and Liabilities at fair value through profit and loss

As at 31 December 2023 and 31 December 2024, in the **Group**, the captions “Financial Assets at fair value through profit and loss” and “Financial Liabilities at fair value through profit and loss” showed the following composition:

	31.12.2023	31.12.2024
Non-current assets		
Derivatives	13,532,000	6,283,361
	13,532,000	**6,283,361**
Current liabilities		
Derivatives	13,744,154	6,408,818
	13,744,154	**6,408,818**

The Derivatives caption represents the fair value of derivative financial instruments contracted in the context of the **Group**'s interest rate risk management and associated with ongoing securitisation operations. The change in the caption results from the MTM (Mark to Market) of interest rate derivatives in the form of Cap Agreement (associated with the Ulisses 2 securitisation operation and a derivative existing at Banco CTT) and Interest Rate SWAP (associated with the Ulisses 3 securitisation operation and a derivative existing at Banco CTT).

Associated with derivative contracts, Banco CTT has, as at 31 December 2024, a cash and cash equivalents account with another Financial Institution, with an amount of 15,220 thousand euros (2023:

25,830 thousand euros) captive (margin call), being shown under the caption of "other current assets" (note 23).

The detail of the derivatives caption is presented as follows:

	31.12.2023			31.12.2024		
	Notional	Fair Values		Notional	Fair Values	
		Asset	Liability		Asset	Liability
Over-the-count						
Interest rate Contracts						
Interest rate Swaps						
Purchase	175,153,541	6,272,144	6,380,184	130,411,525	2,875,374	2,950,566
Sell	175,153,541			130,411,525		
Interest rate Options						
Purchase	200,575,978	7,259,856	7,363,970	163,677,080	3,407,987	3,458,251
Sell	200,575,978			163,677,080		
	—	**13,532,000**	**13,744,154**	—	**6,283,361**	**6,408,818**

The impact on results for the period of financial assets and liabilities at fair value through profit or loss is presented as follows:

	31.12.2023	31.12.2024
Profits from transactions with assets and liabilities at fair value through profit or loss		
Derivatives	5,501,463	207,293
Shares	990,005	—
	6,491,468	**207,293**
Losses from transactions with assets and liabilities at fair value through profit or loss		
Derivatives	(5,639,197)	(167,010)
	(5,639,197)	**(167,010)**
Results of Assets and Liabilities at Fair Value Through Profit or loss	**852,271**	**40,283**

The impact on results for the period of financial assets and liabilities at fair value through profit or loss is presented in note 47.

16. Other banking financial assets and liabilities

As at 31 December 2023 and 31 December 2024, the **Group** captions “Other banking financial assets” and “Other banking financial liabilities” showed the following composition:

	31.12.2023	31.12.2024
Current assets		
Investments in central banks	1,260,076,886	644,360,692
Investments in credit institutions	11,049,500	56,941,003
Loans to credit institutions	961,721	—
Impairment	(8,143)	(4,623)
Other	4,316,633	4,246,007
Impairment	(1,821,475)	(1,834,074)
	1,274,575,121	**703,709,006**
	1,274,575,121	**703,709,006**
Current liabilities		
Other	47,759,822	31,877,142
	47,759,822	**31,877,142**
	47,759,822	**31,877,142**

Investments in credit institutions and Loans to credit institutions

Regarding the above-mentioned captions, the scheduling by maturity is as follows:

	31.12.2023	31.12.2024
Up to 3 months	1,260,688,003	694,432,914
From 3 to 12 months	11,400,103	6,868,780
From 1 to 3 years	—	—
	1,272,088,106	**701,301,695**

The caption "Investments at credit institutions" showed an annual average return of 3.10% in 2024 (2023: 2.44%).

The amount of 644,360,692 Euros recorded in applications with central banks corresponds to overnight deposits with the Bank of Portugal. The decrease in the balance compared to the previous period is due to Banco CTT's liquidity management, which in 2024 involved increasing investment in the securities portfolio.

Impairment

The impairment losses, for the period ended 31 December 2023 and 31 December 2024, are detailed as follows:

	2023					
	Opening balance	Increases	Reversals	Utilisations	Transfers	Closing balance
Non-current assets						
Investments and loans in credit institutions	274	—	—	—	(274)	—
	274	**—**	**—**	**—**	**(274)**	**—**
Current assets						
Investments and loans in credit institutions	1,394	8,099	(1,625)	—	274	8,143
Other	1,805,945	30,962	(8,982)	(6,450)	—	1,821,475
	1,807,340	**39,061**	**(10,607)**	**(6,450)**	**274**	**1,829,619**
	1,807,615	**39,061**	**(10,607)**	**(6,450)**	**—**	**1,829,619**

	2024					
	Opening balance	Increases	Reversals	Utilisations	Transfers	Closing balance
Non-current assets						
Investments and loans in credit institutions	—	—	—	—	—	—
	—	**—**	**—**	**—**	**—**	**—**
Current assets						
Investments and loans in credit institutions	8,143	4,623	(8,143)	—	—	4,623
Other	1,821,475	19,464	(6,169)	(696)	—	1,834,074
	1,829,618	**24,087**	**(14,312)**	**(696)**	**—**	**1,838,696**
	1,829,618	**24,087**	**(14,312)**	**(696)**	**—**	**1,838,696**

Regarding the movements in impairment losses on investments and loans to credit institutions by stages, in the periods ended on 31 December 2023 and 31 December 2024, they are detailed as follows:

	2023	2024
	Stage 1	Stage 1
Opening balance	**1,669**	**8,143**
Change in period:		
Increases due to origination and acquisition	8,099	4,623
Changes due to change in credit risk	(230)	—
Decrease due to derecognition repayments and disposals	(1,394)	(8,143)
Impairment	**8,143**	**4,623**

The reconciliation of accounting movements related to impairment losses is presented below:

	2023	2024
	Stage 1	Stage 1
Opening balance	**1,669**	**8,143**
Change in period:		
ECL income statement change for the period	6,474	(3,520)
Impairment	**8,143**	**4,623**

The caption other current liabilities primarily record the banking operations' balances pending of financial settlement.

17. Financial risk management

The **Group** and the **Company** activities imply exposure to financial risks. Financial risk is defined as the probability of obtaining results that are different from those expected, whether positive or negative, thus changing the net worth of the **Group** in a material and unexpected way. Risk management focuses on the unpredictability of financial markets and seeks to mitigate the adverse effects arising from this unpredictability on the **Group** and the **Company'**s financial performance. Financial risks include credit risk, interest rate risk, exchange rate risk, liquidity risk, market risk, operational risk and capital risk.

Under the non-banking activity, financial risk management integrates the Risk Management System of the **Group** and the **Company** reporting directly to the Executive Committee. The Accounting and Tax department ensures the centralised management of financing operations, investment of surplus liquidity, exchange transactions as well as the counterparty risk management of the **Group** and the monitoring of the foreign currency exchange rate risk, according to the policies approved by the Executive Committee. Additionally, the Internal Audit, Compliance and Risk department is responsible for the identification, assessment, proposal and implementation of mitigating measures of financial risks that the **Group** and the **Company** are exposed to.

Under the banking activity, Banco CTT has an independent risk management system, based on a set of concepts, principles, rules and on an organisational model applicable and adjusted to the specificities and to the regulatory framework of its activity.

Banco CTT's risk management and internal control policy aims to maintain an adequate relationship between its equity and the activity developed, as well as the corresponding risk profile assessment/ return per business line. It also aims to support the decision-making process, being able to enhance, both in the short and long term, the ability to manage the risks to which Banco CTT is exposed and allow clear communication of the ways in which the risks arising from the business must be managed in order to create the basis for a solid operating environment. In this context, monitoring and control of the main types of risks to which the Bank's activity is subject becomes relevant.

Credit risk

Credit risk essentially refers to the risk that a third party fails on its contractual obligations, resulting in financial losses to the **Group** and the **Company**. Thus, credit risk basically resides in the accounts receivable from customers and other debtors, related to its operating and treasury activities.

The credit risk management is based on a set of standards and guidelines, part of the CTT's **Group** Credit Regulation and comprises the processes of credit granting, monitoring and debt recovery.

Considering the guiding principles of the **Group** and the **Company** Risk Management, a methodology of credit risk assessment is defined which allows, a priori, and based on the information available at the time, to evaluate the Customer's capacity to comply with all its obligations on time and within the conditions established. Based on this evaluation, a credit limit is defined for the customer, whose progress is regularly monitored.

The credit risk in the accounts receivable is monitored on a regular basis by each business of the **Group** companies and monthly monitored by the Credit Committee with the purpose of limiting the credit granted to Customers, considering the respective profile and the ageing of receivable of each customer, ensuring the follow-up of the evolution of credit that has been granted and analysing the recoverability of the receivables.

Under the non-banking activity, the deterioration of economic conditions or adversities which affect economies may lead to difficulty or incapacity of customers to pay their liabilities, with consequent

negative effects on the net income of the **Group** companies. For this purpose, an effort has been made to reduce the average receivable term and amount of credit granted to clients.

Banking activity

Regarding the banking activity, credit risk reflects the degree of uncertainty of the expected returns, due to the inability either of the borrower, or of the counterpart of a contract, to comply with the respective obligations.

Credit risk management at the Bank includes the identification, measurement, assessment and monitoring of different credit exposures, ensuring risk management throughout the successive phases of the credit life cycle.

The control and mitigation of credit risk are carried out through the early detection of signs of deterioration in the portfolio, namely through early warning systems and the pursuit of appropriate actions to prevent the risk of default, to regularise the effective default and to create conditions that maximise recovery results.

The **Group** considers that there is a concentration of risk when several counterparts are in a common geographic region, develop activities or have economic features that are similar which affect their capacity to comply with contractual obligations in the event of significant changes in macroeconomic conditions or other relevant changes for the activities carried out by the counterparts. Banco CTT has defined and implemented limits of concentration to mitigate this risk.

The analysis of risk concentration is essentially based on geographic concentration and concentration in the economic sector in which the counterparts operate.

The exposure subject to credit risk by country and risk class are detailed in this section, portraying the increased geographic diversification of the **Group'**s investments.

The activities developed by the counterparts show some level of concentration in investment in public debt products, namely in eurozone countries. However, this concentration is in accordance with the **Group'**s policy and is part of the liquidity risk management performed by the **Group**.

The quantification / measurement of credit risk is carried out on a monthly basis, through the assessment of the necessary impairment to cover credit to customers, resulting from the application of a collective and individual impairment model.

The monitoring and follow-up of credit risk, particularly with regard to the evolution of credit exposures and monitoring of losses, is carried out regularly by the Risk Department and the Capital, Risk and Sustainability Committee.

The biggest driver of the Bank's credit risk is the mortgage loan product. As at 31 December 2024, the exposures (net of impairment and including off-balance exposures) to this type of loan of credit stood at 800 600 thousand Euros (727,484 thousand Euros as at 31 December 2023).

The retail segment credit, more specifically in auto loans at point of sale, is of 938 314 thousand Euros of exposures (net of impairment and including off-balance exposures) compare with 864,362 thousand Euros of 2023.

In order to mitigate credit risk, mortgage loan transactions have associated guarantees, namely mortgages. The fair value of these guarantees is determined at the date the loan is granted, and their value is verified periodically. Auto loan transactions are made with reservation of title, and the value of the vehicle is assessed at the time the loan is granted.

The gross value of the loans and respective fair value of the collateral, in which the collateral is limited to the value of the associated loan, are presented below:

	2023		2024	
	Loans and advances to customers	Fair value	Loans and advances to customers	Fair value
Mortgage loans	728,888,426	1,350,180,108	801,848,113	1,551,091,228
Auto loans	905,849,232	925,846,938	980,642,657	1,074,702,130
Other	6,292,236	42,311,141	5,625,710	34,182,302
	1,641,029,894	**2,318,338,186**	**1,788,116,480**	**2,659,975,659**

Impairment

The impairment losses for accounts receivable are calculated considering essentially: (i) the ageing of the accounts receivable; (ii) the risk profile of each client; and (iii) the financial situation of the client. The amounts of accounts receivable were adjusted for bank guarantees and advance deposits for the purpose of calculating expected losses.

In the case of customers in the Mail, Express and Parcels and Financial Services segments, the existence of a reduced probability that the customer will pay in full its credit obligations is essentially determined based on the following criteria:

- Overdue credits with high seniority;
- Clients in bankruptcy, insolvency or liquidation; and
- Credits in litigation.

Regarding banking clients, those who meet at least one of the following criteria are considered to be default:

- Existence of payments of capital or interest overdue for more than 90 days;
- Debtors in bankruptcy, insolvency or liquidation;
- Credits in litigation;
- Cross-default credits;
- Restructured credits due to financial difficulties;
- Default quarantined credits; and
- Credits for which there is a suspected fraud or confirmed fraud.

Significant increase in credit risk (SICR) is determined according to a set of mostly quantitative but also qualitative criteria, to detect significant increases in the Probability of Default (PD), complemented by another type of information in which it stands out the behaviour of customers to entities of the financial system. However, regardless of the observation of a significant increase in credit risk in an exposure, it is classified in Stage 2 when one of the following conditions is met:

- Credit with late payment over 30 days (backstop);
- Credit with qualitative triggers subject to risk, namely those contained in Banco de Portugal Circular Letter No. 02/2014 / DSP.

The movement of impairment losses of accounts receivable is disclosed in Notes 24 and 45.

The impairment losses movements by financial instrument category, stage and movement type, are disclosed in each note, such as, Note 14 – Debt securities, Note 16 – Other banking financial assets and liabilities and Note 20 – Credit to banking clients.

As at 31 December 2024, the **Group** and the **Company** believe that impairment losses in accounts receivable are adequately estimated and recorded in the financial statements.

In addition, within the scope of treasury activities, the credit risk essentially results from the cash deposits investments made both by the **Group** and the **Company**. With the purpose of reducing that

risk, the **Group** and the **Company** policy is to invest in short/medium-term periods negotiated with several financial institutions, all with a relatively high credit rating (considering the rating of the Portuguese Republic).

The **Group** and the **Company** credit risk quality, as at 31 December 2024, related to these types of assets (Cash and cash equivalents as stated in Note 22, excluding the cash amount) whose counterparties are financial institutions are detailed as follows:

Rating [1]	2024	
	Group	Company
A1	17,545,945	18,232
A2	13,874,717	5,173,034
A3	117,151,635	65,236,082
Baa1	45,325,301	7,353,423
Baa2	50,010,842	16,596,409
Baa3	3,148,893	373,169
Ba1	378,367	348,415
Ba3 (2)	20,099	—
Caa1	12,586	—
Outros (3)	7,141,091	7,818,164
	254,609,476	**102,916,927**

(1) Rating assigned by Moody's.
(2) Conversion of BB- rating by Finch.
(3) Others with no rating.

As at 31 December 2024, the **Group** and the **Company** caption Cash and cash equivalents included term deposits, net of impairments, of 73,592,459 Euros e 71,396,898 Euros, respectively (107,049,550 Euros and 102,446,674 Euros as at 31 December 2023) (Note 22).

Due to the activity developed by CTT, namely, the requirements related to the Financial Services segment business, CTT are required to work with the majority of the financial institutions operating in Portugal, so the bank deposit amounts are spread over a wide range of financial institutions, some of which presenting a lower rate than the Portuguese Republic (Baa3). The assigned rating to the instruments rated below the Portuguese Republic was considered in the determination of Probability of Default ("PD") used to calculate the Expected Credit Loss ("ELC") as required by IFRS 9.

The following table includes the maximum exposure to credit risk associated with financial assets held by the **Group** and the **Company**. These amounts include only financial assets subject to credit risk and do not reconcile with the consolidated and individual balance sheet:

	Group		Company	
	2023	2024	2023	2024
Non-current				
Financial assets at fair value through profit or loss	13,532,000	6,283,361	—	—
Debt securities at amortised cost	364,706,177	357,983,106	—	—
Accounts receivable	—	—	596,036	617,000
Other assets	3,533,009	3,760,479	2,764,552	3,026,075
Credit to bank clients	1,444,412,021	1,573,398,545	—	—
Current				
Accounts receivable	153,061,555	188,399,079	77,599,554	110,167,044
Credit to bank clients	148,801,874	168,148,789	—	—
Debt securities at amortised cost	364,759,821	1,701,153,508	—	—
Other assets	12,435,400	13,435,443	13,518,535	11,764,043
Other banking financial assets	1,272,087,916	701,313,062	—	—
Cash and cash equivalents	265,473,944	254,609,476	161,297,724	102,916,927
	4,042,803,716	**4,968,484,848**	**255,776,401**	**228,491,089**

The main changes in financial assets subject to credit risk are explained as follows:

- The increase in investments in debt securities at current amortized cost essentially concerns investments in supranational debt securities, Spanish public debt, French public debt, Belgian public debt, Portuguese public debt and Austrian public debt.

- The decrease in the item “other bank financial assets” compared to the previous period is due to Banco CTT’s liquidity management, which in 2024 involved increasing investment in the securities portfolio.

- The increase in the item “loans to bank customers” is mainly due to the increase in the Bank’s activity.

The following table presents information on credit risk exposures of the banking activity (net of impairment and including off-balance exposures), on 31 December 2023 and 31 December 2024:

	2023	2024
Central administrations or Central banks	1,938,028,734	2,097,907,347
Multilateral developments banks	9,853,484	—
International organisations	70,755,998	637,433,720
Credit Institutions	58,561,158	96,482,918
Companies	5,828,301	10,711,788
Retail Clients	505,935,005	662,772,347
Real estate secured loans	743,460,667	811,154,787
Loans in default	28,007,367	38,724,515
Covered Bonds	—	9,015,249
Other elements	70,926,949	71,457,069
Risk items	**3,431,357,663**	**4,435,659,739**

As mentioned before, the analysis of risk concentration is essentially based on geographic concentration and concentration in the economic sector in which the counterparts operate, so the respective details are as follows:

	2023									
	Central Authorities or Central Banks	Multirateral developments banks	International organisations	Credit institutions	Companies	Retail customers	Loans secured by immovable assets	Non-performing loans	Other Items	Total
Portugal	1,458,119,073	—	—	33,124,108	5,828,301	505,935,005	743,460,667	28,007,367	70,926,949	2,845,401,470
Spain	167,622,867	—	—	—	—	—	—	—	—	167,622,867
France	169,892,769	—	—	18,281,558	—	—	—	—	—	188,174,327
Italy	105,594,967	—	—	—	—	—	—	—	—	105,594,967
United Kingdom	—	—	—	7,155,492	—	—	—	—	—	7,155,492
Germany	36,799,059	—	—	—	—	—	—	—	—	36,799,059
Luxembourg	—	9,853,484	70,755,998	—	—	—	—	—	—	80,609,482
Total	**1,938,028,734**	**9,853,484**	**70,755,998**	**58,561,158**	**5,828,301**	**505,935,005**	**743,460,667**	**28,007,367**	**70,926,949**	**3,431,357,662**

	2024									
	Central Authorities or Central Banks	International organisations	Credit institutions	Companies	Retail customers	Loans secured by immovable assets	Non-performing loans	Covered Bonds	Other Items	Total
Portugal	865,133,181	—	20,255,337	10,711,788	662,772,347	811,154,787	38,724,515	—	71,457,069	2,480,209,024
Spain	385,114,412	—	50,421,382	—	—	—	—	9,015,249	—	444,551,043
France	375,887,812	—	1,566,791	—	—	—	—	—	—	377,454,603
Italy	100,310,564	—	—	—	—	—	—	—	—	100,310,564
Austria	9,908,536	—	—	—	—	—	—	—	—	9,908,536
United Kingdom	—	—	11,285,937	—	—	—	—	—	—	11,285,937
Germany	—	—	12,953,470	—	—	—	—	—	—	12,953,470
Luxembourg	—	637,433,720	—	—	—	—	—	—	—	637,433,720
Belgium	361,552,841	—	—	—	—	—	—	—	—	361,552,841
Total	**2,097,907,347**	**637,433,720**	**96,482,918**	**10,711,788**	**662,772,347**	**811,154,787**	**38,724,515**	**9,015,249**	**71,457,069**	**4,435,659,739**

The gross credit exposure and related impairment detail for banking activity, by stages (excluding off-balance exposures) is as follows:

		2023							
		Central Authorities or Central Banks	Supranational	Credit institutions	Credit Portfolio				Total
					Mortgage Loans	Overdrafts	Car Credit	Others	
Stage 1	Gross Exposure	1,937,701,600	80,614,379	48,079,771	692,108,277	2,711,727	770,155,909	1,379,289	3,532,750,953
	Impairment Losses	(92,752)	(4,897)	(7,886)	(279,532)	(38,938)	(3,356,448)	(23,432)	(3,803,884)
	Net exposure	1,937,608,848	80,609,482	48,071,884	691,828,746	2,672,790	766,799,461	1,355,857	3,528,947,069
Stage 2	Gross Exposure	—	—	—	33,314,539	715,743	63,339,149	90,706	97,460,137
	Impairment Losses	—	—	—	(790,259)	(57,975)	(5,596,366)	(90)	(6,444,691)
	Net exposure	—	—	—	32,524,280	657,767	57,742,783	90,616	91,015,446
Stage 3	Gross Exposure	—	—	—	3,465,610	946,166	71,272,830	4,292	75,688,897
	Impairment Losses	—	—	—	(349,665)	(694,606)	(36,050,074)	(92)	(37,094,437)
	Net exposure	—	—	—	3,115,944	251,560	35,222,756	4,200	38,594,460
POCI (Stage 3)	Gross Exposure	—	—	—	—	—	1,081,344	444,313	1,525,657
	Impairment Losses	—	—	—	—	—	(578,502)	(20)	(578,523)
	Net exposure	—	—	—	—	—	502,842	444,292	947,134
Total	Gross Exposure	1,937,701,600	80,614,379	48,079,771	728,888,426	4,373,636	905,849,232	1,918,600	3,707,425,644
	Impairment Losses	(92,752)	(4,897)	(7,886)	(1,419,456)	(791,519)	(45,581,390)	(23,634)	(47,921,534)
	Net exposure	1,937,608,848	80,609,482	48,071,884	727,468,970	3,582,117	860,267,842	1,894,966	3,659,504,110

		2024							
		Central Authorities or Central Banks	Supranational	Credit institutions	Credit Portfolio				Total
					Mortgage Loans	Overdrafts	Car Credit	Others	
Stage 1	Gross Exposure	2,098,004,427	637,439,939	98,359,046	776,288,510	1,861,992	838,058,712	490,740	4,450,503,366
	Impairment Losses	(97,080)	(6,219)	(4,675)	(318,328)	(43,235)	(4,624,275)	(9,864)	(5,103,676)
	Net exposure	2,097,907,347	637,433,720	98,354,371	775,970,182	1,818,757	833,434,437	480,876	4,445,399,690
Stage 2	Gross Exposure	—	—	—	18,318,209	742,844	66,372,671	59,941	85,493,665
	Impairment Losses	—	—	—	(739,616)	(55,548)	(7,084,488)	(3,148)	(7,882,801)
	Net exposure	—	—	—	17,578,593	687,296	59,288,183	56,793	77,610,864
Stage 3	Gross Exposure	—	—	—	7,241,394	2,026,427	75,877,143	2	85,144,966
	Impairment Losses	—	—	—	(717,529)	(1,372,080)	(31,356,121)	—	(33,445,730)
	Net exposure	—	—	—	6,523,866	654,346	44,521,022	2	51,699,236
POCI (Stage 3)	Gross Exposure	—	—	—	—	—	334,131	443,763	777,894
	Impairment Losses	—	—	—	—	—	(65,966)	(178,947)	(244,913)
	Net exposure	—	—	—	—	—	268,165	264,817	532,981
Total	Gross Exposure	2,098,004,427	637,439,939	98,359,046	801,848,113	4,631,263	980,642,657	994,447	4,621,919,891
	Impairment Losses	(97,080)	(6,219)	(4,675)	(1,775,473)	(1,470,864)	(43,130,850)	(191,959)	(46,677,119)
	Net exposure	2,097,907,347	637,433,720	98,354,371	800,072,640	3,160,399	937,511,807	802,488	4,575,242,773

Banco CTT uses an impairment model that is based on IFRS 9 and the respective reference criteria of Bank of Portugal defined in Circular Letter nº 62 / 2018. In addition, the model considers the definitions and criteria that have been published by European Banking Authority (EBA).

The exposure to public debt, net of impairment, of eurozone countries is detailed as follows:

	2023	2024
	Other financial assets at amortised cost	Other financial assets at amortised cost
Portugal	168,946,854	179,913,479
Spain	167,622,867	385,114,412
Italy	105,594,967	100,310,564
France	169,892,769	375,887,812
Germany	36,799,059	—
Austria	—	9,908,536
Belgium	—	361,552,841
	648,856,515	**1,412,687,644**

Interest rate risk

Changes in interest rates have a direct impact on the financial results of the **Group** and the **Company**. The interest rate risk manifests itself in three forms: (i) through the remuneration obtained with the application of the surplus liquidity, (ii) by the amount of the charges with the bank loans obtained and (iii) with the determination, through the impact on the discount rate, the estimate of liabilities with benefits to employees.

In order to reduce the impact of interest rate risk, the **Group** and the **Company** monitor market trends on a regular and systematic basis, with a view to leveraging the term/rate ratio on the one hand and risk/yield on the other.

The **Group** and the **Company** generally negotiate their deposits at fixed rates, while loans are negotiated at variable rates.

The application of surpluses liquidity follows criteria of diversification of financial risks, both in terms of terms and institutions, which are regularly reviewed and updated.

In the **Group** the investment of surplus liquidity, on 31 December 2023 and 31 December 2024, generated interest income of 630,502 Euros and 422,109 Euros, respectively (Note 50). Additionally, interest income is recorded for financial services in the caption Other operating income, in the years of 2023 and 2024, amounting to 1,099,280 Euros and 460,260 Euros, respectively (Note 42).

In the **Company** the investment of surplus liquidity, on 31 December 2023 and 31 December 2024, generated interest income of 1,019,380 Euros and 167,948 Euros, respectively (Note 50). Additionally, interest income is recorded for financial services in the caption Other operating income, in the years of 2023 and 2024, amounting to 1,099,280 Euros and 460,260 Euros, respectively (Note 42).

Under the non-banking activity, if the interest rates had a variation of 0.25 b.p., during the year ended 31 December 2024, the effect in the interest would have been 299 thousand Euros in the **Group** and 188 thousand Euros in the **Company** (1260 thousand Euros and 878 thousand Euros as at 31 December 2023, respectively).

In the context of banking activities, Interest Rate Risk refers to losses arising from the impact that interest rate fluctuations have on sensitive balance sheet or off-balance sheet items.

Also in banking activities, as of 31 December 2024, one of the main instruments for monitoring balance sheet interest rate risk is based on the recent Instruction of the Bank of Portugal No. 10/2024, which repeals Instruction No. 34/2018, and which stipulates the adoption of standard methodologies and assumptions reflected in Delegated Regulation (EU) No. 2024/857 and Delegated Regulation (EU) No. 2024/856. This model groups together assets and liabilities that are sensitive to variations by maturity date or first review date of the interest rate, when the interest rate is indexed, from which a potential impact on the economic value is calculated.

	2023					
	Over than 3 months	Over than 3 months until 6 months	Over than 6 months until 1 Year	Over than 1 year Until 5 years	Over than 5 years	Sensitive Amounts
Assets	**1,705,394,570**	**245,987,671**	**647,520,258**	**904,156,690**	**481,541,675**	**3,984,600,864**
Central Bank & Cash	1,350,622,259	—	—	—	—	1,350,622,259
Credit to Banking Clients	349,059,203	177,851,217	342,981,340	763,257,826	224,398,089	1,857,547,675
Debt Securities	5,713,108	68,136,454	304,538,919	140,898,864	257,143,586	776,430,930
Liabilities	**1,074,521,245**	**463,732,550**	**868,745,529**	**609,417,094**	**465,001,591**	**3,481,418,008**
Debt Securities Issued	189,295,402	15,737,774	27,924,541	107,526,598	14,144,349	354,628,664
Deposits with no defined maturity	512,449,761	78,315,441	156,662,241	501,890,496	450,857,241	1,700,175,179
Term deposits	372,776,082	369,679,336	684,158,747	—	—	1,426,614,165
Off-Balance Sheet Items	**(222,486,397)**	**17,298,473**	**29,237,847**	**104,800,847**	**13,295,446**	**(57,853,783)**
Total	**408,386,928**	**(200,446,405)**	**(191,987,423)**	**399,540,443**	**29,835,531**	**445,329,073**

	2024					
	Over than 3 months	Over than 3 months until 6 months	Over than 6 months until 1 Year	Over than 1 year Until 5 years	Over than 5 years	Sensitive Amounts
Assets	**1,928,689,650**	**727,222,200**	**627,338,490**	**913,174,290**	**421,932,630**	**4,618,357,260**
Central Bank & Cash	716,195,430	—	—	—	—	716,195,430
Credit to Banking Clients	285,636,280	168,673,840	397,004,090	748,184,090	203,164,330	1,802,662,630
Debt Securities	926,857,940	558,548,360	230,334,400	164,990,200	218,768,300	2,099,499,200
Liabilities	**1,560,387,100**	**871,589,750**	**674,035,730**	**897,349,200**	**405,649,150**	**4,409,010,930**
Debt Securities Issued	134,641,270	11,228,970	20,401,810	100,960,810	—	267,232,860
Deposits with no defined maturity	413,601,780	98,723,400	196,987,640	796,388,390	405,649,150	1,911,350,360
Term deposits	1,012,144,050	761,637,380	456,646,280	—	—	2,230,427,710
Off-Balance Sheet Items	**(138,252,390)**	**53,468,910**	**24,828,030**	**100,698,700**	**2,392,760**	**43,136,010**
Total	**230,050,160**	**(90,898,640)**	**(21,869,210)**	**116,523,790**	**18,676,240**	**252,482,340**

The economic amount is calculated from the sum of the cash flows discounted to the current amount. This discount is based on a risk-free interest rate curve not subject to any type of shock, in which, for discounting purposes, the average terms of the time bands are assumed. As of 31 December 2024, the impact on the economic value of instantaneous and parallel changes in interest rates of +200 basis points is -8,797 thousand euros, which was the most serious of the shocks requested by the regulator (in 2023 the impact of this shock, also the most serious at the time, had been -12,810 thousand euros). The results of the Supervisory Outlier Test, with the impact of each of the 6 shocks foreseen in the regulation on the economic value of the Group in 2024 and 2023 were as follows:

Change in the economic amount in a certain shock scenario	Own funds impact	
Scenario	**31.12.2023**	**31.12.2024**
Parallel rise of the yield curve	(12,809,996)	(8,796,947)
Parallel fall of the yield curve	12,833,223	5,367,030
Increase in the slope of the yield curve	2,509,747	(2,986,879)
Decrease in the slope of the yield curve	(4,898,157)	563,871
Increase in short-term rates	(8,172,555)	(1,378,857)
Decrease in short-term rates	8,603,387	942,371

The main assumptions used in the Group's analyses in 2023 were as follows:

a. For Current Accounts: 18.20% on demand, 81.80% distributed non-linearly over 15 years, giving it a duration of 3.6 years;

b. Savings Accounts: 51.45% on demand, 48.50% distributed non-linearly over 15 years, giving it a duration of 2.1 years;

c. Annual prepayment rate of 10% for Mortgage Loans and 9% for Auto Loans;

d. Annual early withdrawal rate for Term Deposits of 1.27%.

For 2024, these were revised, within the scope of the annual review, with the following changes being introduced:

a. For Current Accounts: 18.46% on demand, 81.54% distributed non-linearly over 10 years, giving it a duration of 2.7 years;

b. Savings Accounts: 30.00% on demand, 70.00% distributed non-linearly over 10 years, giving it a duration of 2.2 years;

c. Change in the annual prepayment rate for Mortgage Loans from 10% to 12.5%, distributed proportionally over 12 months;

d. The annual prepayment rate for Auto Loans and the annual early withdrawal rate for Term Deposits remained unchanged at 9% and 1.27%, respectively.

In addition, the Group monitors the impact of changes in market interest rates on the 12-month financial margin. This exercise takes into account all assets, liabilities and off-balance sheet items that are sensitive to interest rate changes. The calculation is based on repricing characteristics and maturities, taking into account behavioural models and interest rate transmission coefficients (betas). Considering all else constant, a positive change in market interest rates of 200 bps, as at 31 December 2024 and at a consolidated level, would mean an increase of 4,214 thousand euros in the net interest income (2023: increase of 13,559 thousand euros), while a negative change in market interest rates of 200 bps, in the same period, would imply a decrease in the margin of 9,621 thousand euros (2023: decrease of 13,155 thousand euros). The lack of symmetry between the two impacts observed in 2024 and 2023 is, to a large extent, explained by the behavioural assumptions made in the modelling of deposits without a defined maturity, namely the different transmission coefficients of interest rate variations assumed for the scenarios of rising and falling interest rates.

Change in Financial Margin in a certain shock scenario	Own funds impact	
Scenario	31.12.2023	31.12.2024
Financial Margin with parallel shock +200 bp	13,558,826	4,000,291
Financial Margin with parallel shock -200 bp	(13,154,955)	(9,405,259)

Foreign currency exchange rate risk

Under the non-banking activity, exchange rate risk is related to the existence of balances in currencies other than the Euro, in particular balances arising from transactions with foreign Postal Operators recorded in Special Drawing Rights (SDR) and the related changes on the fair value of the financial assets and liabilities, as a result of changes in foreign currency exchange rates.

The management of foreign exchange risk relies on the periodic monitoring of the degree of exposure to the exchange rate risk of assets and liabilities, with the reference of previously defined objectives based on the evolution of the international business activities.

As at 31 December 2023 and 31 December 2024, the net exposure (assets minus liabilities) of the **Group** amounted to (14,912,427) SDR ((18,156,328) Euros at the exchange rate €/SDR 1.21753), and (9,164,179) SDR ((11,499,395) Euros at the exchange rate €/SDR 1.25482), respectively.

As far as the **Company** is concerned, as at 31 December 2023 and 31 December 2024, the net exposure (assets minus liabilities) amounted to (14,416,819) SDR ((17,552,909) Euros at the exchange rate €/SDR 1.21753), and (8,226,629) SDR ((10,322,939) Euros at the exchange rate €/SDR 1.25482), respectively.

In the sensitivity analysis performed for the balances of accounts receivable and payable to foreign Postal Operators, on 31 December 2023 and 31 December 2024, assuming an increase / decrease of 10% in the exchange rate € / SDR, the **Group**'s profit and losses would have been higher by (1,815,633) Euros and by (1,149,939) Euros, respectively. The impact on the **Company**'s profit and losses would have been higher by (1,755,291) Euros and by (1,032,294) Euros, respectively.

In the scope of the banking activity, Banco CTT does not incur in foreign currency exchange rate risk, since it only operates in the Euro currency.

Liquidity risk

Liquidity risk may occur if the funding sources, such as cash balances, operating cash flows and cash flows from divestment operations, credit lines and cash flows obtained from financial operations, do not match the **Group**'s financial needs, such as cash outflows for operating and financing activities and investments and shareholder remuneration. Based on the cash flow generated by operations and the available cash on hand, the **Group** and the **Company** believe that they have the capacity to meet their obligations.

The fact of the **Group**'s current liabilities is higher than its current assets as of 31 December 2024 does not derive from an effective liquidity risk but, mostly, is the result of 321 Crédito and Banco CTT subsidiaries consolidation, which, in view of its activities financial nature, they naturally present a current liability higher than the current asset, with the liquidity risk assessment of these activities carried out using regulatory indicators defined by the supervisory authorities.

Their main contractual obligations are related to the financing obtained (essentially financial leases) and respective interest, the operating leases and other non-contingent financial commitments.

The following tables detail the expected contractual obligations and financial commitments as at 31 December 2023 and 31 December 2024 for the **Group** and the **Company** and do not reconcile with the balance sheet:

Group	2023			
	Due within 1 year	Over 1 year and less than 5 years	Over 5 years	Total
Financial liabilities				
Debts	111,598,815	135,267,697	37,807,781	284,674,293
Accounts payable	344,342,348	—	—	344,342,348
Banking client deposits and other loans	3,090,962,551	—	—	3,090,962,551
Debt securities issued at amortised cost	243,468	347,131,609	—	347,375,077
Non-financial liabilities				
Non-contingent financial commitments (1)	12,767,987	—	—	12,767,987
	3,559,915,169	**482,399,306**	**37,807,781**	**4,080,122,255**

(1) The non-contingent financial commitments are essentially related to contracts signed with tangible fixed assets and intangible assets suppliers and a corresponding liability has not been recognised in the balance sheet (Notes 5 and 6).

Group	2024			
	Due within 1 year	Over 1 year and less than 5 years	Over 5 years	Total
Financial liabilities				
Debts	54,768,687	146,724,437	43,618,222	245,111,346
Accounts payable	428,850,145	—	—	428,850,145
Banking client deposits and other loans	4,043,717,816	—	—	4,043,717,816
Debt securities issued at amortised cost	251,012	252,641,611	—	252,892,623
Non-financial liabilities				
Non-contingent financial commitments (1)	13,254,103	—	—	13,254,103
	4,540,841,763	**399,366,048**	**43,618,222**	**4,983,826,033**

(1) The non-contingent financial commitments are essentially related to contracts signed with tangible fixed assets and intangible assets suppliers and a corresponding liability has not been recognised in the balance sheet (Notes 5 and 6).

Company	2023			
	Due within 1 year	Over 1 year and less than 5 years	Over 5 years	Total
Financial liabilities				
Debts	100,422,478	139,842,731	118,390,895	358,656,104
Accounts payable	283,442,438	309,007	—	283,751,445
Shareholders	3,663,372	—	—	3,663,372
Other current liabilities	35,057,618	—	—	35,057,618
Non-financial liabilities				
Non-contingent financial commitments (1)	4,951,346	—	—	4,951,346
	427,537,252	**140,151,738**	**118,390,895**	**686,079,885**

(1) The non-contingent financial commitments are essentially related to contracts signed with tangible fixed assets and intangible assets suppliers and a corresponding liability has not been recognised in the balance sheet (Notes 5 and 6).

Company	2024			
	Due within 1 year	Over 1 year and less than 5 years	Over 5 years	Total
Financial liabilities				
Debts	47,957,647	136,075,631	112,061,913	296,095,191
Accounts payable	327,170,997	309,007	—	327,480,004
Other current liabilities	26,960,639	—	—	26,960,639
Non-financial liabilities				
Non-contingent financial commitments (1)	4,083,031	—	—	4,083,031
	406,172,314	**136,384,638**	**112,061,913**	**654,618,865**

(1) The non-contingent financial commitments are essentially related to contracts signed with tangible fixed assets and intangible assets suppliers and a corresponding liability has not been recognised in the balance sheet (Notes 5 and 6).

Within the scope of banking activity, liquidity risk reflects the possibility of incurring significant losses arising from a deterioration in financing conditions (financing risk) and/or the sale of assets for values below market values (liquidity risk of market).

Overall, the liquidity risk management strategy is entrusted to the Board of Directors, which delegates it to the Executive Committee, and is carried out by the Treasury Department, based on constant vigilance of exposure indicators, being closely monitored by the Capital and Risk Committee.

The Capital and Risk Committee is responsible for controlling liquidity risk exposure, by analysing liquidity positions and assessing their conformity with the applicable regulatory rules and limitations, as well as with the goals and guidelines defined by the **Group**.

The **Group**'s liquidity risk is assessed through regulatory indicators defined by the supervision authorities, as well as through other internal metrics.

The Bank conducts liquidity stress tests aimed at identifying the main liquidity risk factors affecting its balance sheet and testing the Bank's resilience to liquidity crises.

As a liquidity contingency plan, the Bank has defined a series of measures that, when activated, will enable addressing and/or mitigating the effects of a liquidity crisis. These measures aim to respond to liquidity needs in stress scenarios.

Furthermore, the Bank conducts Internal Liquidity Adequacy Assessment Process (ILAAP) analyses, thus complying with Banco de Portugal Instruction 2/2019 and the European Banking Authority (EBA) guidelines (EBL/GL/2016/10).

At the level of the different assets, constant monitoring of the possibility of their transaction is maintained, duly framed by limits for operation in each market. Furthermore, under the periodic monitoring of the liquidity situation, the **Group** calculates the liquidity mismatch, Additional Liquidity Monitoring Metrics (ALMM), pursuant to the addenda issued in 2018 to Regulation (EU) 680/2014 of the Commission.

ALMM takes into account all the contracted outflows and inflows and uses a maturity ladder which enables confirming the existence or not of the **Group'**s liquidity mismatch, and also enables knowing its capacity to counterbalance any liquidity mismatch.

The liquidity mismatch is calculated for various timeframes, from overnight up to more than five years, taking into account the asset liability and off-balance sheet positions with expected and estimated financial flows that are scheduled according to the corresponding residual maturities or inflow/outflow date of the monetary flow.

As at 31 December 2024, the ALMM shows a positive liquidity mismatch (difference between contracted outflows and inflows) of 50,937 thousand Euros (227,159 thousand years at 31 December 2023).

Market Risk

Regarding the banking activity, Market Risk generally represents the possibility of negative impacts on results or capital, due to unfavourable movements in the market price of instruments in the trading portfolio, including fluctuations in interest rates, exchange rates, stock quotes, and commodity prices. Market risk arises mainly from short-term positions in debt and equity securities, foreign currency, commodities and derivatives.

The Group does not have a trading portfolio, and as of 31 December 2024, its entire debt securities portfolio is accounted for at amortised cost, with the main risk arising from its investments being credit risk and not the risk of Marketplace.

In order to limit possible negative impacts due to difficulties in a market, sector or issuer, the **Group** has defined a set of limits for the management of its own portfolio in order to ensure that the levels of risk incurred in the Group's portfolios are in line with pre-defined levels. - Defined risk tolerance. These limits are established at least annually and are regularly monitored by the Capital and Risk Committee, Audit Committee and Board of Directors.

Operational Risk

The **Group,** in view of the nature of its activity, is exposed to potential losses or reputational risk, as a result of human errors, failures of systems and/or processing, unexpected stoppage of activity or failures on the part of third parties in terms of supplies, provisions or execution of services.

The approach to operational risk management is underpinned by the end-to-end structure, ensuring the effective adequacy of the controls involving functional units that intervene in the process. The Group identifies and assesses the risks and controls of the processes, ensuring their compliance with the requirements and principles of the Internal Control System.

Capital risk

The **Group** and the **Company** manage their capital to safeguard the ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the **Group** and the **Company** may adjust the amount paid to shareholders in dividends, issue new debt or sell assets to reduce debt.

The balance of capital structure is monitored based on the adjusted solvency ratio, calculated as: Equity / Liabilities.

The solvency ratios at 31 December 2023 and 31 December 2024, were as follows:

	Group		Company	
	2023	2024	2023	2024
Equity	253,252,852	308,263,277	252,553,022	248,603,188
Liabilities	4,503,389,101	5,400,535,485	890,373,258	884,586,165
Amounts of third parties	191,333,681	207,803,333	191,318,407	207,806,371
Adjusted solvency ratio (1)	5.9%	5.9%	36.1%	36.7%

(1) Equity / (Liabilities - Amounts of third parties in Cash and cash equivalents)

Regarding Banco CTT, the definition of the strategy to be adopted in terms of capital management is the responsibility of the Board of Directors.

Banco CTT seeks to achieve high financial solidity by maintaining a total own funds ratio - the ratio between own capital and risk-weighted assets - comfortably above the legal minimum as set out in Directive 2013/36/EU and Regulation (EU) No. 575/2013 (CRR" - Capital Requirements Regulation), adopted on 26 June 2013 by the European Parliament and the Council.

The ICAAP (Internal Capital Adequacy Assessment Process) is an important process in the Group's risk management with the objective of identifying the necessary capital to adequately cover the risks that the Group incurs in the development of its current business strategy.

The Bank carries out this annual self-assessment exercise to determine the levels of capital adequacy in relation to its business model. This process, which is regulated by Bank of Portugal Instruction nº 3/2019 and the EBA guidelines, seeks to ensure that the risks to which institutions are exposed are correctly assessed and that the internal capital they have is adequate in relation to the respective risk profile.

The ICAAP is a tool that allows the Board of Directors to test the adequacy of the Bank's capitalisation to the risks of its activity, the sustainability of the strategic budget plan in the medium term and the respective framework within the risk limits defined in its Risk Appetite Statement. The ICAAP guides the Group in the assessment and quantification of the main risks to which it may be exposed, thus also constituting an important management tool in decision-making regarding the levels of risk to be assumed and the activities to be undertaken.

The **Group** calculates its internal capital using regulatory models, thus its internal capital is composed of its regulatory own funds.

Capital ratios – Banco CTT

The main goal of capital management is ensuring compliance with the Bank's strategic goals as regards capital adequacy, thereby complying and enforcing compliance with the minimum capital requirements stipulated by the supervisory authorities.

Banco CTT used, in calculating capital requirements, the standard method for credit and counterparty risks, and the basic indicator method for operational risk purposes.

Capital, calculated pursuant to Directive 2013/36/UE and Regulation (UE) no. 575/2013 of the European Parliament and of the Council and Bank of Portugal Notice 10/2017, include Common and additional Equity Tier 1 and Tier 2 capital. Tier 1 includes Common Equity Tier 1 (CET1) and additional Tier 1 capital.

The Bank's Common Equity Tier 1 includes: a) paid-up capital and retained earnings and reserves, b) regulatory deductions related to intangible assets and losses for the financial year underway and c) prudential filters. The Bank has no additional Tier 1 capital, nor Tier 2 capital.

The current legislation contemplates a transition period between the own funds' requirements according to national legislation and those calculated according to Community legislation in order to phase both the non-inclusion/exclusion of elements previously considered (phased-out) or the inclusion/deduction of new elements (phased-in). At the prudential framework level, institutions should report Common Equity Tier 1, tier 1 and total ratios of not less than 7%, 8.5% and 10.5%, respectively, including a 2.5% conservation buffer and a countercyclical buffer, in the case of the Bank, 0%

In order to promote the banking system capacity to perform this function adequately, and cumulatively with monetary policy measures, financial regulatory and supervisory authorities have introduced a wide range of measures. These measures went through the easing of a wide range requirements usually required to institutions. In the case of the banking system, the European Central Bank and the Bank of Portugal allowed the institutions directly supervised by them to operate temporarily with a level of own funds below the orientations and of the combined reserve of own funds, and with levels of liquidity lower than the liquidity coverage requirement. Bank of Portugal Notice 10/2017 governs the transition period set out in the CRR as regards capital, namely regarding the deduction related to deferred taxes generated before 2014 and to the subordinated debt and non-eligible hybrid instruments, both of which are not applicable to Banco CTT.

With the introduction of IFRS 9 the Bank chose to recognise in stages the respective impacts of the static component in accordance with article 473-A of the CRR.

As at 31 December 2023 and 31 December 2024, the Bank had the following capital ratios, calculated pursuant to the transitory provisions set out in the CRR:

	2023		2024	
	CRR Phasing in	*CRR Fully Implemented*	*CRR Phasing in*	*CRR Fully Implemented*
OWN FUNDS				
Capital	**296,400,000**	**296,400,000**	**321,400,000**	**321,400,000**
Retained Earnings	**(46,098,200)**	**(46,098,200)**	**(30,868,300)**	**(30,868,300)**
Legal Reserves	**3,036,522**	**3,036,522**	**4,830,055**	**4,830,055**
Eligible Earnings	**17,023,433**	**17,023,433**	**20,047,624**	**20,047,624**
Other Reserves	**350,497**	**350,497**	**359,592**	**359,592**
Prudential Filters	**(23,231)**	**(23,231)**	**(10,794)**	**(10,794)**
Fair value reserve (1)	—	—	—	—
Additional Valuation Adjustment (AVA) (2)	(23,231)	(23,231)	(10,794)	(10,794)
Deduction to the main Tier 1 elements	**(71,793,078)**	**(74,549,381)**	**(74,087,640)**	**(76,026,903)**
Losses for the period	—	—	—	—
Intangible assets	(13,174,030)	(13,174,030)	(14,453,708)	(14,453,708)
Goodwill	(60,678,648)	(60,678,648)	(60,678,648)	(60,678,648)
IFRS 9 adoption	2,061,600	(694,703)	1,244,561	(694,703)
Insufficient NPL Coverage	—	—	(197,844)	(197,844)
Securitisation deduction (1250%)	(2,000)	(2,000)	(2,000)	(2,000)
Items not deducted from Own Funds according to article 437 of CRR	**1,753,401**	**1,753,401**	**1,695,177**	**1,695,177**
Deferred tax assets	1,753,401	1,753,401	1,695,177	1,695,177
Common Equity Tier 1	**198,895,943**	**196,139,640**	**241,670,538**	**239,731,275**
Tier 1 Capital	**198,895,943**	**196,139,640**	**241,670,538**	**239,731,275**
Total Own Funds	**198,895,943**	**196,139,640**	**241,670,538**	**239,731,275**
RWA	947,577,336	945,528,243	1,131,227,622	1,129,947,974
Credit Risk	728,876,876	728,876,876	892,182,826	892,182,826
Operational Risk	188,984,037	188,984,037	219,138,230	219,138,230
CVA	29,716,423	29,716,423	19,906,567	19,906,567
IFRS 9 Adjustments	—	(2,049,093)	—	(1,279,648)
CAPITAL RATIOS				
Common Equity Tier 1	20.99%	20.74%	21.36%	21.22%
Tier 1 Ratios	20.99%	20.74%	21.36%	21.22%
Total Capital Ratio	20.99%	20.74%	21.36%	21.22%
REGULATORY MINIMUM RATIOS				
Common Equity Tier 1	7.00%	7.00%	7.00%	7.00%
Tier 1 Ratio	8.50%	8.50%	8.50%	8.50%
Total capital ratio	10.50%	10.50%	10.50%	10.50%

(1) Fair value reserve relating to gains or losses on financial assets valued at fair value.
(2) Additional value adjustments necessary to adjust assets and liabilities valued at fair value.

Use of External Rating Assessments:

Banco CTT uses the ECAI's ratings (External Credit Assessment Institutions), in particular, the ratings issued by Moody's, S&P, Fitch and DBRS, for credit institutions exposures with a residual maturity

greater than 3 months and for company exposures. Regarding this, the **Group** uses the standard relationship published by EBA between ECAIs and credit quality degrees.

Regarding the risk weight calculation to be applied in RWA calculation, the credit assessments allocation of the issuer occurs as follows:

a) debt securities positions are rated specifically for these issues;
b) If there are no specific credit ratings for the issues, as mentioned in a), the credit ratings attributed to the issuers of the same are considered, if any;
c) credit exposures that are not represented by debt securities receive only, and when they exist, the issuers' credit ratings.

At the reference dates, the Bank presented the following exposures:

		2023				2024			
Rating	Credit Quality Degree	Institutions, residual maturity > 3m	Sovereign	Central Bank	Supranational	Institutions, residual maturity > 3m	Sovereign	Central Bank	Supranational
AAA AA	1	—	206,707,460	—	80,614,379	—	747,380,495	—	637,439,939
A	2	961,721	167,646,135	—	—	65,956,434	565,055,611	—	—
BBB	3	11,049,500	274,581,840	—	—	—	100,331,172	—	—
BB	4	—	—	—	—	—	—	—	—
B	5	—	—	—	—	—	—	—	—
<B	6	—	—	—	—	—	—	—	—
Without rating	Without rating	—	—	1,260,076,886	—	—	—	644,360,692	—
		12,011,221	**648,935,435**	**1,260,076,886**	**80,614,379**	**65,956,434**	**1,412,767,277**	**644,360,692**	**637,439,939**

18. Inventories

As at 31 December 2023 and 31 December 2024, the **Group** and the **Company** Inventories are detailed as follows:

	2023					
	Group			Company		
	Gross amount	Impairment losses	Net amount	Gross amount	Impairment losses	Net amount
Merchandise	5,377,720	2,234,919	3,142,801	4,888,923	2,234,919	2,654,004
Raw, subsidiary and consumable materials	4,572,481	901,944	3,670,537	4,514,760	901,944	3,612,816
Advances on purchases	(149,869)	—	(149,869)	(149,869)	—	(149,869)
	9,800,332	**3,136,863**	**6,663,470**	**9,253,814**	**3,136,864**	**6,116,951**

	2024					
	Group			Company		
	Gross amount	Impairment losses	Net amount	Gross amount	Impairment losses	Net amount
Merchandise	5,207,973	2,060,117	3,147,856	4,317,165	2,060,117	2,257,048
Raw, subsidiary and consumable materials	4,582,696	1,044,436	3,538,260	4,553,423	1,044,436	3,508,987
Advances on purchases	(167,437)	—	(167,437)	(167,629)	—	(167,629)
	9,623,232	**3,104,553**	**6,518,679**	**8,702,959**	**3,104,553**	**5,598,406**

Cost of sales

During the years ended 31 December 2023 and 31 December 2024, the details of Cost of sales related to the **Group** and the **Company**, were as follows:

	2023					
	Group			Company		
	Merchandise	Raw, subsidiary and consumable materials	Total	Merchandise	Raw, subsidiary and consumable materials	Total
Opening balance	7,644,305	4,314,685	11,958,991	6,604,998	4,276,475	10,881,473
Purchases	7,524,671	5,028,916	12,553,587	5,977,921	4,983,998	10,961,919
Offers	(22,975)	(24,768)	(47,743)	(22,975)	(24,768)	(47,743)
Adjustments	(31,828)	(46,863)	(78,691)	(32,143)	(46,863)	(79,006)
Impairment of inventories	(283,414)	92,783	(190,632)	(283,414)	92,783	(190,632)
Closing balance	(5,377,720)	(4,572,481)	(9,950,201)	(4,888,923)	(4,514,760)	(9,403,683)
Cost of sales	**9,453,040**	**4,792,271**	**14,245,311**	**7,355,463**	**4,766,865**	**12,122,329**

	2024					
	Group			Company		
	Merchandise	Raw, subsidiary and consumable materials	Total	Merchandise	Raw, subsidiary and consumable materials	Total
Opening balance	5,377,720	4,572,481	9,950,201	4,888,923	4,514,760	9,403,683
Purchases	4,084,708	4,190,355	8,275,063	2,308,185	4,187,958	6,496,143
Offers	(33,812)	(19,738)	(53,550)	(32,430)	(19,738)	(52,168)
Adjustments	7,434	6,157	13,591	7,483	6,157	13,641
Impairment of inventories	(162,244)	144,334	(17,910)	(162,244)	144,334	(17,910)
Closing balance	(5,207,973)	(4,582,696)	(9,790,669)	(4,317,165)	(4,553,423)	(8,870,588)
Cost of sales	**4,065,833**	**4,310,894**	**8,376,727**	**2,692,753**	**4,280,048**	**6,972,801**

Impairment

During the years ended 31 December 2023 and 31 December 2024, the movements in the **Group** and the **Company** Accumulated impairment losses (Note 24) were as follows:

	2023				
Group and Company	Opening balance	Increases	Reversals	Utilisations	Closing balance
Merchandise	2,747,401	—	(283,414)	(229,068)	2,234,919
Raw, subsidiary and consumable	922,313	92,783	—	(113,152)	901,944
	3,669,714	**92,783**	**(283,414)**	**(342,220)**	**3,136,863**

	2024				
Group and Company	Opening balance	Increases	Reversals	Utilisations	Closing balance
Merchandise	2,234,919	—	(162,244)	(12,557)	2,060,117
Raw, subsidiary and consumable	901,944	144,334	—	(1,842)	1,044,436
	3,136,863	**144,334**	**(162,244)**	**(14,399)**	**3,104,553**

For the years ended 31 December 2023 and 31 December 2024, impairment losses of inventories were recorded in the **Group** and the **Company** net of reversals amounting to (190,632) Euros and (17,910) Euros, respectively, in the caption "Cost of sales".

19. Accounts receivable

As at 31 December 2023 and 31 December 2024 the **Group** and the **Company** caption Accounts receivable showed the following composition:

	Group		Company	
	31.12.2023	31.12.2024	31.12.2023	31.12.2024
Non-current				
Group companies (1)	—	—	596,036	617,000
	—	**—**	**596,036**	**617,000**
Current				
Third parties	130,969,841	129,501,788	37,860,117	37,237,742
Postal operators	21,680,644	58,659,332	19,344,916	56,060,670
Group companies (1)	411,070	237,959	20,394,521	16,868,632
	153,061,555	**188,399,079**	**77,599,554**	**110,167,044**
	153,061,555	**188,399,079**	**78,195,590**	**110,784,044**

(1) Includes subsidiary, associated and joint-ventures companies.

As at 31 December 2023 and 31 December 2024, the ageing of accounts receivable is detailed as follows:

Accounts receivable	2023					
	Group			Company		
	Gross amount	Accumulated impairment losses	Net amount	Gross amount	Accumulated impairment losses	Net amount
Non-overdue	88,529,203	(56,422)	88,472,781	38,189,373	(33,790)	38,155,584
Overdue (1):						
0-30 days	23,611,584	59,398	23,670,983	8,813,129	(4,600)	8,808,530
31-90 days	9,975,361	(584,767)	9,390,594	10,159,199	(1,563)	10,157,636
91-180 days	5,703,708	(27,300)	5,676,409	2,916,841	(828)	2,916,013
181-360 days	3,543,777	(483,323)	3,060,454	360,665	(17,863)	342,802
> 360 days	66,973,577	(44,183,242)	22,790,335	21,460,590	(3,645,565)	17,815,025
	198,337,211	**(45,275,655)**	**153,061,555**	**81,899,798**	**(3,704,208)**	**78,195,590**

(1) The amounts regarding the foreign operators, although being overdue over 360 days, are within the normal period for the presentation and regularisation of the accounts.

Accounts receivable	2024					
	Group			Company		
	Gross amount	Accumulated impairment losses	Net amount	Gross amount	Accumulated impairment losses	Net amount
Non-overdue	101,529,588	(6,177,599)	95,351,989	42,684,473	(34,950)	42,649,523
Overdue (1):						
0-30 days	5,180,999	(28,237)	5,152,762	6,951,037	(1,276)	6,949,761
31-90 days	24,514,162	(10,333)	24,503,829	6,223,385	(1,303)	6,222,082
91-180 days	14,688,935	(61,801)	14,627,134	11,351,469	(745)	11,350,724
181-360 days	14,143,591	(1,005,147)	13,138,444	11,276,019	(323,438)	10,952,582
> 360 days	70,333,873	(34,708,952)	35,624,920	35,354,847	(2,695,476)	32,659,371
	230,391,147	**(41,992,069)**	**188,399,078**	**113,841,231**	**(3,057,187)**	**110,784,044**

(1) The amounts regarding the foreign operators, although being overdue over 360 days, are within the normal period for the presentation and regularisation of the accounts.

The net amount of the Accounts receivable balances overdue over 360 days is broken down as follows:

	Group		Company	
	31.12.2023	**31.12.2024**	**31.12.2023**	**31.12.2024**
Other accounts receivable	5,547,464	3,250,385	1,353,783	1,419,752
Foreign operators	17,242,871	32,374,536	16,461,242	31,239,619
Total	**22,790,335**	**35,624,920**	**17,815,025**	**32,659,371**
Foreign operators - payable (Note 33)	**27,630,583**	**32,552,011**	**27,146,897**	**32,023,357**

The caption Foreign Operators relates to receivables associated with the distribution of postal items in Portugal with origin in other countries.

These operations fall within the scope of the regulations of the Universal Postal Union (UPU) that establishes the closing of the accounts on an annual basis which therefore is only made after the year end and originates the significant overdue balance with more than 360 days with these customers. It should also be mentioned that the referred regulation establishes a period of up to 22 months for the presentation of the accounts and, therefore, the foreign operators' balances reflect the expected trend of this specific business.

The **Group** does not have an unconditional right to settle the Foreign Operators amounts by net values, deducting unilaterally the receivable amounts from the payable amounts, for which the balances are presented in assets and liabilities. However, under the UPU regulations, the accounts between Foreign Operators are cleared by netting accounts, so the credit risk is mitigated by the accounts payable balances related to these entities and by the advance payments on the net receivables of the year (Note 33).

The accounts receivable and payable from foreign postal operators' detail by ageing (reference year) with reference of 31 December 2023 were as follows:

Group	2023	2022	2021 and previous	Total
Nature				
Customers	13,587,544	5,005,881	3,087,219	21,680,644
Suppliers	(16,650,509)	(18,136,634)	(11,816,709)	(46,603,852)

The accounts receivable and payable from foreign postal operators' detail by ageing (reference year) with reference of 31 December 2024 were as follows:

Group	2024	2023	2021 and previous	Total
Nature				
Customers	16,739,589	15,421,900	26,497,843	58,659,332
Suppliers	(27,539,374)	(18,955,341)	(26,875,620)	(73,370,335)

The revenue recognition impact of significant financing component effect associated to the contractual performance obligations with Foreign Operators is not significant. The **Group** and the **Company** did not recognise any amount.

The balance of national customers includes receivables of public entities and other clients that are also suppliers which will be netted with accounts payable balances and customers with debt payment plans.

In the universe of national customers, the level of coverage of customer debts by bank guarantees and prior customer deposits had a slight upward trend, standing at 31 December 2024 for the **Group** at 0.7% (31 December 2023: 0.6%), and 1.9% in the **Company** (31 December 2023: 1.7%). It should be noted that the current legislation does not allow the use of this type of customer risk protection mechanisms in essential public service contracts, which include mail credit sales contracts.

	Group		Company	
	31.12.2023	31.12.2024	31.12.2023	31.12.2024
Advance deposits	977,821	898,559	645,955	638,844
Bank guarantees	—	—	—	—
Total	**977,821**	**898,559**	**645,955**	**638,844**

Impairment losses

During the years ended 31 December 2023 and 31 December 2024, the movement in the **Group** Accumulated impairment losses caption (Note 24) was as follows:

Group	2023					
	Opening balance	Increases	Reversals	Utilisations	Other movements	Closing balance
Accounts receivable	41,409,047	6,063,033	(1,580,637)	(614,647)	(1,140)	45,275,655
	41,409,047	**6,063,033**	**(1,580,637)**	**(614,647)**	**(1,140)**	**45,275,655**

Group	2024					
	Opening balance	Increases	Reversals	Utilisations	Other movements	Closing balance
Accounts receivable	45,275,655	1,233,321	(619,664)	(3,898,374)	1,131	41,992,069
	45,275,655	**1,233,321**	**(619,664)**	**(3,898,374)**	**1,131**	**41,992,069**

For the years ended 31 December 2023 and 31 December 2024, impairment losses of accounts receivable were recorded in the **Group** (net of reversals) amounting to 4,482,396 Euros and 613,657 Euros, respectively, in the caption Impairment of accounts receivable, net (Note 45).

As at 31 December 2023 and 31 December 2024, companies in the Express segment continue to be the ones that most contribute to the evolution of accounts receivables impairments, this greater contribution being justified by the growth dynamics of this segment, combined with the strict application of internal rules for credit control, which translates into the end of the process, when there is no

collection of the amounts owed, in the transfer of clients to litigation. Reversals are essentially justified by debt recovery, either through credit management or through the courts.

During the years ended 31 December 2023 and 31 December 2024, the movement in Accumulated impairment losses caption (Note 25) of the **Company** was as follows:

Company	2023				
	Opening balance	Increases	Reversals	Utilisations	Closing balance
Accounts receivable	3,648,820	1,442,846	(1,048,000)	(339,458)	3,704,208
	3,648,820	**1,442,846**	**(1,048,000)**	**(339,458)**	**3,704,208**

Company	2024				
	Opening balance	Increases	Reversals	Utilisations	Closing balance
Accounts receivable	3,704,208	—	(419,589)	(227,432)	3,057,187
	3,704,208	**—**	**(419,589)**	**(227,432)**	**3,057,187**

For the years ended 31 December 2023 and 31 December 2024, impairment losses of accounts receivable were recorded in the **Company** (net of reversals) amounting to 394,846 Euros and (419,589) Euros, respectively, in the caption Impairment of accounts receivable, net (Note 45).

20. Credit to banking clients

As at 31 December 2023 and 31 December 2024, the **Group** caption Credit to banking clients was detailed as follows:

	31.12.2023	31.12.2024
Performing loans	**1,616,912,775**	**1,765,851,965**
Mortgage Loans	728,846,938	801,803,950
Auto Loans	882,757,623	960,408,687
Leasings	1,819,790	937,888
Overdrafts	3,488,425	2,701,440
Overdue loans	**24,117,118**	**22,264,515**
Overdue loans - less than 90 days	1,384,695	1,638,823
Overdue loans - more than 90 days	22,732,423	20,625,692
	1,641,029,894	**1,788,116,480**
Credit risk impairment	**(47,815,999)**	**(46,569,146)**
	1,593,213,895	**1,741,547,334**

The maturity analysis of the Credit to bank clients as at 31 December 2023 and 31 December 2024 is detailed as follows:

	31.12.2023								
	Current					Non-current			
	At sight	Due within 3 months	>3 months - < 1 year	Overdue Loans	Total	> 1 year - > 3 years	Over 3 years	Total	Total
Mortgage loans	—	4,850,143	8,998,954	41,489	13,890,586	25,126,922	689,870,918	714,997,840	728,888,426
Auto Loans	—	35,075,222	92,025,117	23,091,609	150,191,948	246,411,072	509,246,212	755,657,284	905,849,232
Leasings	—	194,548	647,891	98,810	941,249	520,532	456,819	977,351	1,918,600
Overdrafts	3,488,425	—	—	885,211	4,373,636	—	—	—	4,373,636
	3,488,425	**40,119,913**	**101,671,962**	**24,117,118**	**169,397,418**	**272,058,526**	**1,199,573,950**	**1,471,632,475**	**1,641,029,894**

	31.12.2024								
	Current					Non-current			Total
	At sight	Due within 3 months	>3 months - < 1 year	Overdue Loans	Total	> 1 year - > 3 years	Over 3 years	Total	
Mortgage loans	—	5,362,938	11,830,430	44,163	17,237,531	31,601,703	753,008,879	784,610,582	801,848,113
Auto Loans	—	37,963,578	103,994,570	20,233,970	162,192,118	268,751,243	549,699,296	818,450,539	980,642,657
Leasings	—	72,670	182,558	56,559	311,787	243,917	438,744	682,660	994,447
Overdrafts	2,701,440	—	—	1,929,822	4,631,263	—	—	—	4,631,263
	2,701,440	**43,399,185**	**116,007,557**	**22,264,515**	**184,372,698**	**300,596,862**	**1,303,146,919**	**1,603,743,782**	**1,788,116,480**

On 28 June 2024, the sale of a portfolio of Auto loans (Non-Performing Loans) with a book value (gross) of 20,405 thousand euros was agreed, the settlement of which took place during the month of September, at which time the derecognition criteria set out in IFRS 9 were met. This operation had the dual purpose of maximizing the value recovered from non-productive exposures and reducing the ratio of non-productive exposures, and also resulted in a positive impact on the Group's operating account resulting from the sale with capital gains.

The breakdown of this caption by type of rate is as follows:

	31.12.2023	31.12.2024
Fixed rate	1,039,230,174	1,153,190,349
Floating rate	601,799,720	634,926,130
	1,641,029,894	**1,788,116,480**
Credit risk impairment	(47,815,999)	(46,569,146)
	1,593,213,895	**1,741,547,334**

As at 31 December 2023 and 31 December 2024, the analysis of this caption by type of collateral, is presented as follows:

	2023				
	Performing Loans	Overdue Loans	Gross amount	Impairment	Net amount
Asset-backed Loans	730,695,033	134,536	730,829,570	(1,514,397)	729,315,173
Other guaranteed Loans	861,229,849	5,404,733	866,634,583	(31,046,824)	835,587,759
Unsecured Loans	24,987,892	18,577,849	43,565,741	(15,254,779)	28,310,963
	1,616,912,775	**24,117,118**	**1,641,029,894**	**(47,815,999)**	**1,593,213,895**

	2024				
	Performing Loans	Overdue Loans	Gross amount	Impairment	Net amount
Asset-backed Loans	802,573,609	47,937	802,621,546	(1,840,759)	800,780,787
Other guaranteed Loans	939,028,426	3,104,912	942,133,338	(32,682,736)	909,450,602
Unsecured Loans	24,249,930	19,111,666	43,361,596	(12,045,650)	31,315,945
	1,765,851,965	**22,264,515**	**1,788,116,480**	**(46,569,146)**	**1,741,547,334**

The credit type analysis of the caption, as at 31 December 2023 and 31 December 2024 is detailed as follows:

	2023				
	Performing Loans	Overdue Loans	Gross amount	Impairment	Net amount
Mortgage Loans	728,846,938	41,489	728,888,426	(1,419,456)	727,468,970
Auto Loans	882,757,623	23,091,609	905,849,232	(45,581,390)	860,267,842
Leasings	1,819,790	98,810	1,918,600	(23,634)	1,894,966
Overdrafts	3,488,425	885,211	4,373,636	(791,519)	3,582,117
	1,616,912,775	**24,117,118**	**1,641,029,894**	**(47,815,999)**	**1,593,213,895**

	2024				
	Performing Loans	Overdue Loans	Gross amount	Impairment	Net amount
Mortgage Loans	801,803,950	44,163	801,848,113	(1,775,473)	800,072,640
Auto Loans	960,408,687	20,233,970	980,642,657	(43,130,850)	937,511,807
Leasings	937,888	56,559	994,447	(191,959)	802,488
Overdrafts	2,701,440	1,929,822	4,631,263	(1,470,864)	3,160,399
	1,765,851,965	**22,264,515**	**1,788,116,480**	**(46,569,146)**	**1,741,547,334**

The analysis of credit to bank clients as at 31 December 2023 and 31 December 2024, by sector of activity, is as follows:

	2023				
	Performing Loans	Overdue Loans	Gross amount	Impairment	Net amount
Companies	**95,619,127**	**2,570,833**	**98,189,960**	**(4,480,668)**	**93,709,293**
Agriculture, forestry and fishing	13,093,378	278,240	13,371,618	(677,075)	12,694,544
Mining and quarrying	1,514,584	4,063	1,518,646	(46,335)	1,472,312
Manufacturing	7,293,078	210,506	7,503,584	(329,907)	7,173,677
Electricity, gas, steam and air conditioning supply	8,313	—	8,313	(37)	8,276
Water supply	110,309	—	110,309	(461)	109,848
Construction	17,289,012	598,350	17,887,362	(934,282)	16,953,081
Wholesale and retail trade	13,804,106	268,963	14,073,069	(456,131)	13,616,938
Transport and storage	11,255,827	358,412	11,614,239	(586,252)	11,027,987
Accommodation and food service activities	7,186,598	142,029	7,328,627	(349,892)	6,978,735
Information and communication	1,214,554	6,923	1,221,477	(29,124)	1,192,352
Financial and insurance activities	341,563	33,415	374,978	(25,942)	349,037
Real estate activities	2,007,274	42,301	2,049,575	(49,053)	2,000,522
Professional, scientific and technical activities	2,516,816	58,613	2,575,429	(111,079)	2,464,351
Administrative and support service activities	4,827,494	230,701	5,058,195	(311,788)	4,746,408
Public administration and defence, compulsory social security	84,877	206	85,084	(2,494)	82,589
Education	844,145	12,967	857,112	(15,932)	841,180
Human health services and social work activities	1,803,171	21,167	1,824,339	(39,544)	1,784,794
Arts, entertainment and recreation	1,851,294	147,756	1,999,049	(129,751)	1,869,298
Other services	8,572,733	156,221	8,728,954	(385,589)	8,343,365
Individuals	**1,521,293,648**	**21,546,285**	**1,542,839,933**	**(43,335,332)**	**1,499,504,602**
Mortgage Loans	728,930,142	41,498	728,971,639	(1,421,117)	727,550,522
Consumer Loans	792,363,506	21,504,787	813,868,294	(41,914,214)	771,954,079
	1,616,912,775	**24,117,118**	**1,641,029,894**	**(47,815,999)**	**1,593,213,895**

	2024				
	Performing Loans	Overdue Loans	Gross amount	Impairment	Net amount
Companies	**57,447,875**	**2,014,041**	**59,461,916**	**(2,904,438)**	**56,557,478**
Agriculture, forestry and fishing	8,606	31	8,637	(228)	8,409
Manufacturing	4,461,991	336,827	4,798,818	(486,669)	4,312,149
Electricity, gas, steam and air conditioning supply	7,285	—	7,285	(40)	7,245
Water supply	70,930	302	71,232	(362)	70,869
Construction	7,805,440	492,840	8,298,280	(617,617)	7,680,662
Wholesale and retail trade	5,588,566	274,035	5,862,601	(296,229)	5,566,372
Transport and storage	6,798,775	511,288	7,310,064	(619,210)	6,690,854
Accommodation and food service activities	1,843,325	6,372	1,849,697	(53,537)	1,796,160
Information and communication	639,406	24,429	663,835	(51,167)	612,667
Financial and insurance activities	177,668	512	178,180	(964)	177,216
Real estate activities	1,072,783	7,640	1,080,423	(39,235)	1,041,188
Professional, scientific and technical activities	1,312,324	62,772	1,375,096	(59,963)	1,315,133
Administrative and support service activities	1,933,158	90,338	2,023,496	(171,978)	1,851,518
Public administration and defence, compulsory social security	60,653	—	60,653	(334)	60,320
Education	415,558	1,638	417,197	(7,169)	410,028
Human health services and social work activities	874,122	42,826	916,948	(18,691)	898,257
Arts, entertainment and recreation	933,940	46,030	979,970	(60,082)	919,888
Other services	23,443,345	116,159	23,559,505	(420,963)	23,138,542
Individuals	**1,708,404,090**	**20,250,474**	**1,728,654,564**	**(43,664,707)**	**1,684,989,857**
Mortgage Loans	801,884,032	44,163	801,928,195	(1,777,065)	800,151,130
Consumer Loans	906,520,058	20,206,311	926,726,369	(41,887,643)	884,838,727
	1,765,851,965	**22,264,515**	**1,788,116,480**	**(46,569,146)**	**1,741,547,334**

The total credit portfolio, split by stage according to IFRS 9, is analysed as follows:

	2023	2024
Stage 1	**1,462,656,854**	**1,611,704,252**
Gross amount	1,466,355,203	1,616,699,954
Impairment	(3,698,349)	(4,995,703)
Stage 2	**91,015,446**	**77,610,864**
Gross amount	97,460,137	85,493,665
Impairment	(6,444,691)	(7,882,801)
Stage 3	**39,541,594**	**52,232,218**
Gross amount	77,214,554	85,922,860
Impairment	(37,672,959)	(33,690,642)
	1,593,213,895	**1,741,547,334**

The caption credit to bank clients includes the effect of traditional securitisation transactions, carried out through securitisation vehicles, consolidated pursuant to IFRS 10 in accordance with accounting policy 2.2.

The caption credit to bank clients includes the following amounts related to finance leases contracts:

	2023	2024
Amount of future minimum payments	2,244,282	1,208,405
Interest not yet due	(424,492)	(270,517)
Present value	**1,819,790**	**937,888**

The amount of future minimum payments of lease contracts, by maturity terms, is analysed as follows:

	2023	2024
Due within 1 year	1,272,469	248,345
Due between 1 to 5 years	686,206	489,202
Over 5 years	285,607	470,858
Amount of future minimum payments	**2,244,282**	**1,208,405**

The analysis of financial leases contracts, by type of client, is presented as follows:

	2023	2024
Individuals	**242,458**	**383,974**
Home	74,602	76,842
Others	167,857	307,132
Companies	**1,577,331**	**553,914**
Equipment	161,061	168,229
Real Estate	1,416,271	385,685
	1,819,790	**937,888**

Impairment losses

During the year ended 31 December 2023 and 31 December 2024, the movement in the **Group** under the Accumulated impairment losses caption (Note 24) was as follows:

	2023						
	Opening balance	Increases	Reversals	Utilisations	Transfers	Other movements	Closing balance
Non-current assets							
Credit to banking clients	22,074,965	29,865,366	(15,637,839)	(18,335,628)	9,084,969	168,623	27,220,455
	22,074,965	**29,865,366**	**(15,637,839)**	**(18,335,628)**	**9,084,969**	**168,623**	**27,220,455**
Current assets							
Credit to banking clients	32,661,202	22,596,738	(11,831,904)	(13,873,106)	(9,084,969)	127,583	20,595,544
	32,661,202	**22,596,738**	**(11,831,904)**	**(13,873,106)**	**(9,084,969)**	**127,583**	**20,595,544**
	54,736,167	**52,462,104**	**(27,469,743)**	**(32,208,734)**	**—**	**296,206**	**47,815,999**

	2024						
	Opening balance	Increases	Reversals	Utilisations	Transfers	Other movements	Closing balance
Non-current assets							
Credit to banking clients	27,220,455	32,565,722	(24,328,206)	(9,432,726)	3,937,253	382,739	30,345,237
	27,220,455	**32,565,722**	**(24,328,206)**	**(9,432,726)**	**3,937,253**	**382,739**	**30,345,237**
Current assets							
Credit to banking clients	20,595,544	17,411,078	(13,006,937)	(5,043,153)	(3,937,253)	204,629	16,223,909
	20,595,544	**17,411,078**	**(13,006,937)**	**(5,043,153)**	**(3,937,253)**	**204,629**	**16,223,909**
	47,815,999	**49,976,800**	**(37,335,143)**	**(14,475,879)**	**—**	**587,368**	**46,569,146**

For the years ended 31 December 2023 and 31 December 2024, impairment losses of Credit to banking clients were recorded in the **Group** (net of reversals) amounting to 24,992,361 Euros and 12,641,657 Euros, respectively in the caption Impairment of accounts receivable, net (Note 45).

Regarding the movements in impairment losses by stages, in the periods ended on 31 December 2023 and 31 December 2024, they are detailed as follows:

	2023			
	Stage 1	Stage 2	Stage 3	Total
Opening balance	**7,512,642**	**6,955,009**	**40,268,516**	**54,736,167**
Change in period:				
Increases due to origination and acquisition	1,331,542	1,416,045	961,291	3,708,878
Changes due to change in credit risk	(5,673,996)	2,324,258	26,532,908	23,183,170
Decrease due to derecognition repayments and disposals	(1,106,458)	(2,500,481)	(29,152,813)	(32,759,752)
Write-offs	—	—	(1,348,669)	(1,348,669)
Transfers to:				
Stage 1	2,606,546	(1,456,726)	(1,149,820)	—
Stage 2	(702,546)	2,620,554	(1,918,007)	—
Stage 3	(279,413)	(2,931,365)	3,210,779	—
Foreign exchange and other	10,032	17,398	268,777	296,206
Impairment	**3,698,349**	**6,444,691**	**37,672,959**	**47,815,999**
Of which: POCI	—	—	*578,523*	*578,523*

	2024			
	Stage 1	Stage 2	Stage 3	Total
Opening balance	**3,698,349**	**6,444,691**	**37,672,959**	**47,815,999**
Change in period:				
Increases due to origination and acquisition	1,707,289	1,110,650	1,086,290	3,904,230
Changes due to change in credit risk	(2,025,061)	2,767,435	12,312,440	13,054,814
Decrease due to derecognition repayments and disposals	(377,450)	(391,631)	(3,548,306)	(4,317,387)
Write-offs	—	—	(14,475,879)	(14,475,879)
Transfers to:				
Stage 1	2,256,345	(1,305,869)	(950,477)	—
Stage 2	(178,928)	1,763,209	(1,584,281)	—
Stage 3	(95,918)	(2,570,759)	2,666,677	—
Foreign exchange and other	11,076	65,075	511,218	587,369
Impairment	**4,995,703**	**7,882,801**	**33,690,642**	**46,569,146**
Of which: POCI	—	—	*244,913*	*244,913*

The reconciliation of accounting movements related to impairment losses is presented below:

	2023			
	Stage 1	Stage 2	Stage 3	Total
Opening balance	**7,512,642**	**6,955,009**	**40,268,516**	**54,736,167**
Change in period:				
ECL income statement change for the period	(5,127,980)	3,438,509	26,681,832	24,992,361
Stage transfers (net)	1,624,587	(1,767,538)	142,951	—
Disposals	(320,931)	(2,198,687)	(27,517,324)	(30,036,942)
Utilisations during the period	—	—	(823,123)	(823,123)
Write-offs	—	—	(1,348,669)	(1,348,669)
Foreign exchange and other	10,032	17,398	268,777	296,206
Impairment	**3,698,349**	**6,444,691**	**37,672,959**	**47,815,999**

	2024			
	Stage 1	Stage 2	Stage 3	Total
Opening balance	**3,698,349**	**6,444,691**	**37,672,959**	**47,815,999**
Change in period:				
ECL income statement change for the period	(695,221)	3,486,454	9,850,425	12,641,657
Stage transfers (net)	1,981,499	(2,113,419)	131,920	—
Disposals	—	—	(14,218,268)	(14,218,268)
Utilisations during the period	—	—	—	—
Write-offs	—	—	(257,612)	(257,612)
Foreign exchange and other	11,076	65,075	511,218	587,369
Impairment	**4,995,703**	**7,882,801**	**33,690,642**	**46,569,146**

Sensitivity Analysis

Given the high uncertainty of macroeconomic projections and considering that deviations from the presented scenarios may have an impact on the value of estimated expected losses, sensitivity analyses were carried out on the distribution of the portfolio by stage and the respective impact on impairment.

The **Group** considers that the most sensitive or susceptible parameters assumed, as they are based on benchmarks, dependent on methodological options or because they are more susceptible to changes in the economic cycle, are the Probability of Default (PD) for most portfolios and the Loss Given Default (LGD) for the credit card case.

In this context, the sensitivity analysis carried out to determine what would be the impairment of the global portfolio if those parameters suffered a relative deterioration of 10%, concluded that the increase in impairment would be 1,047 thousand euros, corresponding to about 2.2%.

21. Prepayments

As at 31 December 2023 and 31 December 2024, the Prepayments included in current assets and current and non-current liabilities of the **Group** and the **Company** showed the following composition:

	Group		Company	
	31.12.2023	31.12.2024	31.12.2023	31.12.2024
Deferred Assets				
Non-current				
Employee Mortgage Loan protocol	—	1,616,602	—	980,732
Other	—	1,801,072	—	—
	—	**3,417,674**	**—**	**980,732**
Current				
Rents payable	389,421	1,182,761	54,062	824,698
Meal allowances	1,315,703	1,315,703	1,315,703	1,315,703
Other	8,241,648	8,485,637	3,452,197	4,007,999
	9,946,772	**10,984,102**	**4,821,962**	**6,148,400**
	9,946,772	**14,401,776**	**4,821,962**	**7,129,132**
Deferred Liabilities				
Non-current				
Investment subsidy	671,689	662,967	656,216	647,494
Other	—	313,333	—	313,333
	671,689	**976,301**	**656,216**	**960,827**
Current				
Investment subsidy	11,201	11,201	11,201	11,201
Contractual liabilities	2,212,896	4,258,444	792,237	947,693
Other	2,886,001	4,025,148	1,572,659	1,316,340
	5,110,098	**8,294,793**	**2,376,096**	**2,275,233**
	5,781,787	**9,271,094**	**3,032,312**	**3,236,060**

The change in the caption “Other deferred assets” essentially results from the renewal of software license contracts and insurance contracts.

The caption “Contractual liabilities” results from the application of IFRS 15 - Revenue from Contracts with Customers and stands for the amount already invoiced, but not yet recognised as revenue because the performance obligations have not yet been met as recommended by the standard.

The “Contractual liabilities” recognised by the **Group** essentially refer to amounts related to stamps and prepaid postage of priority mail in the amount of 947,693 Euros (792,237 Euros on 31 December 2023), whose revenue is expected to be recognised in January 2025 (estimate of 80% of the item's value) and the remaining during 2025, and to objects invoiced and not delivered on 31 December 2024 in the express segment, in the amount of 3,310,751 Euros (1,420,660 Euros as of 31 December 2023), whose revenue is recognised upon delivery in the following month.

The revenue recognised by the **Group** and **Company** in the period, included in the balance of Contractual liabilities at the beginning of the period amounted to 2,212,896 Euros and 792,237 Euros, respectively.

No “Assets resulting from contracts” associated with the application of IFRS 15 - Revenue from contracts with customers were recognised.

22. Cash and cash equivalents

As at 31 December 2023 and 31 December 2024, cash and cash equivalents correspond to the value of cash, sight deposits, term deposits and cash investments on the monetary market, net of bank overdrafts and equivalent short-term bank financing, and is detailed as follows:

	Group		Company	
	31.12.2023	**31.12.2024**	**31.12.2023**	**31.12.2024**
Cash	86,139,678	61,304,517	60,695,516	37,296,241
Demand deposits	93,256,266	109,238,418	58,847,282	31,519,544
Deposits at Central Banks	29,095,592	40,859,143	—	—
Deposits at other credit institutions	36,068,548	30,917,611	—	—
Term deposits	107,049,550	73,592,459	102,446,674	71,396,898
Cash and cash equivalents (Statement of Financial Position)	**351,609,634**	**315,912,146**	**221,989,472**	**140,212,683**
Demand deposits at Banco de Portugal	(28,625,500)	(40,447,300)	—	—
Checks for collection / Checks clearing	(7,758,807)	(5,283,468)	—	—
Impairment of Demand and term deposits	3,988	1,846	3,768	485
Cash and cash equivalents (Cash Flow Statement)	**315,229,314**	**270,183,224**	**221,993,241**	**140,213,168**

The caption “Sight deposits at Bank of Portugal” includes mandatory deposits in order to meet the legal requirements to maintain a minimum cash reserve in accordance with the provisions of Regulation (EU) No. 1358/2011 of European Central Bank of 14 December 2011, which states that the minimum cash requirements kept as demand deposits at Bank of Portugal amounts to 1% of the average amount of deposits and other liabilities, over each reserve maintenance period. As at 31 December 2024,, the daily average of the minimum mandatory availability for the period in force was 40,447,300 Euros.

Therefore, the item Demand deposits at Bank of Portugal includes, as at 31 December 2024, a total amount of demand deposits of 40,859,143 Euros (31 December 2023: 29,095,592 Euros).

The Eurozone banks are required to hold a certain amount of funds in their current accounts with the national central bank. These funds are called “mandatory minimum reserves”. The amount of funds to be held as minimum reserves is calculated based on banks' balance sheets before the start of each maintenance period. Currently, banks are obliged to hold, at their respective national central bank, a minimum of 1% of specific liabilities, mainly customer deposits of up to 2 years.

From the reserve counting period starting on 30 October 2019, the ECB introduced the tiering regime, which exempted part of the excess reserves deposited by credit institutions with the central bank from the negative remuneration then associated with the deposit facility rate. This tiering regime ceased to apply on 27 July 2022, following the Governing Council's decision to increase the deposit facility rate to a non-negative amount. Until October 2022, the interest rate paid was linked to the interest rate on main refinancing operations. It was then reduced to reflect the deposit facility rate, and in July 2023 it was set at 0%.

The caption “Outstanding checks/ Checks clearing” represents checks drawn by third parties on other credit institutions, which are in collection.

In 2024, the **Group**’s Cash-flows decrease 45,046,090 Euros. The main changes in the **Group'**s cash flow statement captions that contribute to the global change, are explained as follows:

- The caption “Investments in debt securities at amortized cost”, from investment activities, amounted to 1,291,500,000 Euros (2023: 210,961,600 Euros), while payments amounted 2,577,928,966 Euros (2023: 405,659,071 Euros). The increase is mainly due to Banco CTT's

liquidity management, which in 2024 involved increasing investment in the securities portfolio, to the detriment of investments in Central Banks.

- Receipts from the item "Applications at the Central Banks", from investment activities, amounted to 615,350,000 Euros (2023: 0 Euros), while payments have no balance in the current year, showing an amount of (809,457,000 Euros) in 2023. As explained above, in the current year, Banco CTT adopted a different liquidity management strategy, reinforcing investments in the securities portfolio.

In 2024, the **Company'** Cash-flows decrease 81,780,072 Euros. The main changes in the **Company'**s cash flow statement captions that contribute to the global change, are explained as follows:

- The caption "Other receivables/payments", from the operational activity, mainly records the amounts paid in relation to ordering vouchers, vouchers issued in stores, subscription and amortization of savings/treasury certificates and respective payments to the IGCP, tax collections, payments and receivables from foreign postal operators, among others. This caption booked in 2024 the amount of 2,950,315 Euros (2023: (197,744,279) Euros), explained mainly by a decrease in the subscription of savings certificates by consumers in 2024, driven by the loss of profitability of this investment product compared to other offers on the market.

- "Payments relating to financing obtained" totalled (125,987,105) Euros, compared to (16,641,983 Euros) in 2023. The variation is mainly explained by the settlement of short-term loan in the amount of around 60 million Euros, as well as the amortization of the installments of the remaining loans.

- The item "receivables from financial investments" of the investment activity relates to the sale of 26.3% of the equity investment in CTT IMO Yield to a group of investors external to the CTT Group.

Impairment

In the period ended 31 December 2023 and 31 December 2024, the movement recorded under the caption "Impairment of sight and term deposits" (Note 24) related to the **Group** is detail as follows:

	2023				
Group	**Opening balance**	**Increases**	**Reversals**	**Utilisations**	**Closing balance**
Slight and term deposits	7,917	38	(3,967)	—	3,988
	7,917	**38**	**(3,967)**	**—**	**3,988**

	2024				
Group	**Opening balance**	**Increases**	**Reversals**	**Utilisations**	**Closing balance**
Slight and term deposits	3,988	1,144	(3,286)	—	1,845
	3,988	**1,144**	**(3,286)**	**—**	**1,845**

For the year ended 31 December 2023 and 31 December 2024 impairment losses (increases net of reversals) of sight and term deposits amounted to (3,929) Euros and (2,141) Euros, respectively, and were booked under the caption Impairment of accounts receivable, net (Note 45).

Regarding the **Company,** in the period ended 31 December 2023 and 31 December 2024, the movement recorded under the caption "Impairment of sight and term deposits" (Note 24) related to the **Company** is detail as follows:

	2023				
Company	**Opening balance**	**Increases**	**Reversals**	**Utilisations**	**Closing balance**
Slight and term deposits	7,699	—	(3,930)	—	3,768
	7,699	**—**	**(3,930)**	**—**	**3,768**

	2024				
Company	**Opening balance**	**Increases**	**Reversals**	**Utilisations**	**Closing balance**
Slight and term deposits	3,768	—	(3,283)	—	485
	3,768	**—**	**(3,283)**	**—**	**485**

For the year ended 31 December 2023 and 31 December 2024 impairment losses (increases net of reversals) of sight and term deposits amounted to (3,930) Euros and (3,283) Euros, respectively, and were booked under the heading Impairment of accounts receivable, net (Note 45).

23. Other non-current and current assets

As at 31 December 2023 and 31 December 2024, the captions "Other non-current assets" and "Other current assets" of the **Group** and the **Company** had the following composition:

	Group		Company	
	31.12.2023	**31.12.2024**	**31.12.2023**	**31.12.2024**
Non-current				
Other receivables from staff	2,210,093	2,478,080	2,210,093	2,478,080
Labour compensation fund	1,217,461	1,216,622	619,487	619,284
Other non-current assets	485,949	452,530	309,007	309,007
Impairment	(380,493)	(386,753)	(374,036)	(380,295)
	3,533,009	**3,760,479**	**2,764,552**	**3,026,075**
Current				
Advances to suppliers	257,860	19,140,223	257,860	18,991,469
Advances to staff	4,838,230	5,368,807	4,633,733	5,161,010
Postal financial services	4,836,892	1,888,567	4,836,891	1,888,567
State and other public entities	8,928,251	16,165,133	—	918,223
Debtors by accrued revenues	4,733,134	8,221,550	5,712,315	6,494,981
Amounts collected on CTT behalf	1,935,706	2,487,950	150,917	235,918
Guaranteed	1,116,247	1,581,954	—	—
Advances to lawyers	3,809	14,223	—	—
Debtors by asset disposals	16,094	4,894	16,094	4,894
Payshop agents	308,452	262,966	—	—
Mobility allowances for Autonomous Regions	11,224,439	8,952,759	11,224,439	8,952,759
Office for media	1,530,334	448,036	1,530,334	448,036
Sundry debtors	216,547	282,970	196,147	262,570
Collections	15,082,031	1,048,493	11,729,377	65,679
Deposits	27,043,588	16,724,885	235,830	262,830
Customs	4,724,859	2,334,643	4,724,859	2,334,643
Non-core billing	1,099,714	832,933	880,527	630,471
Billing to partners	2,178,264	2,762,786	—	—
Automatic payment terminals	3,221,868	2,712,824	—	—
Other current assets	10,898,628	14,459,707	10,356,256	13,689,081
Impairment	(11,649,410)	(11,620,817)	(10,377,497)	(10,432,712)
	92,545,537	**94,075,485**	**46,108,082**	**49,908,418**

The amounts recorded under the caption "Postal financial services" refer to amounts receivable relating to redemptions of savings products, insurance sales and settlement of postal orders, with an average age of less than 180 days.

Advances to suppliers

The caption advances to suppliers (and customers) saw a significant increase in the period, which resulted essentially from the segregation of amounts advanced by (and to) postal operators on account of annual terminal dues accounts.

These amounts are now booked in specific accounts for advances to suppliers (and customers), making the flows more transparent in the items, and allowing the accounting process to be aligned with other types of advances received.

A similar impact can be seen in the accounts receivable caption.

State and other public entities

The amount booked under this caption essentially refers to the amount of VAT reimbursement requests from CTT Expresso Portugal and CTT Expresso, branch in Spain, the increase in which is justified by the increase in activity.

Deposits

The amount in the caption ""Deposits" in the current year essentially concerns to a cash account with a Financial Institution, with a captive amount of 15,220 thousand euros (margin call) related to Banco CTT's derivative contracts. The reduction in this caption is directly related to the decrease in the fair value of derivatives.

Mobility allowances for Autonomous Regions

The Caption Mobility allowances for Autonomous Regions refers to the amounts paid to residents of the Autonomous Regions of Madeira and Azores on trips between the Mainland and the Autonomous Regions or between the Autonomous Regions, reimbursed by the Direção Geral do Tesouro e Finanças (Treasury and Finance General Department - "DGTF") within 2 months. The evolution seen in this balance is justified by the fact that the values of mobility subsidies relating to the Azores are experiencing a sharp decrease.

The caption "Other current assets" is mainly constituted by several long-standing debt balances, for which were created the related impairment losses in previous years.

Debtors by accrued revenues

As at 31 December 2023 and 31 December 2024, the debtors by accrued revenues refer to amounts not invoiced namely regarding postal financial services, philatelic products, philatelic agents and other amounts, which present an average ageing lower than one year.

Impairment

For the years ended 31 December 2023 and 31 December 2024, the movement in the **Group** Accumulated impairment losses (Note 24) was as follows:

Group	2023				
	Opening balance	Increases	Reversals	Utilisations	Closing balance
Other current and non-current assets	14,454,642	344,272	(2,650,885)	(118,126)	12,029,903
	14,454,642	**344,272**	**(2,650,885)**	**(118,126)**	**12,029,903**

Group	2024				
	Opening balance	Increases	Reversals	Utilisations	Closing balance
Other current and non-current assets	12,029,903	245,192	(215,896)	(51,630)	12,007,570
	12,029,903	**245,192**	**(215,896)**	**(51,630)**	**12,007,570**

For the years ended 31 December 2023 and 31 December 2024, impairment losses (increases net of reversals) of Other current and non-current assets amounted to (2,306,613) Euros and 29,296 Euros, respectively, were booked under the caption "Impairment of accounts receivable, net" (Note 45).

Regarding the **Company,** during the years ended 31 December 2023 and 31 December 2024 the movement in the Accumulated impairment losses caption (Note 24) was as follows:

Company	2023				
	Opening balance	Increases	Reversals	Utilisations	Closing balance
Other current and non-current assets	13,278,200	182,704	(2,602,213)	(107,157)	10,751,534
	13,278,200	**182,704**	**(2,602,213)**	**(107,157)**	**10,751,534**

Company	2024				
	Opening balance	Increases	Reversals	Utilisations	Closing balance
Other current and non-current assets	10,751,534	183,826	(121,737)	(615)	10,813,007
	10,751,534	**183,826**	**(121,737)**	**(615)**	**10,813,007**

For the years ended 31 December 2023 and 31 December 2024, impairment losses of Other current and non-current assets were recorded in the **Company** (net of reversals) amounting to (2,419,509) Euros and 62,089 Euros, respectively in the caption Impairment of accounts receivable, net (Note 45).

24. Accumulated impairment losses

During the years ended 31 December 2023 and 31 December 2024, the following movements occurred in the **Group**'s impairment losses:

Group	2023						
	Opening balance	Increases	Reversals	Utilisations	Transfers	Other movements	Closing balance
Non-current assets							
Tangible fixed assets	3,652,127	5,176,860	(8,815,181)	—	—	—	13,806
Investment properties	253,181	60,000	(60,788)	—	—	—	252,393
	3,905,309	**5,236,860**	**(8,875,970)**	**—**	**—**	**—**	**266,199**
Debt securities at amortised cost	121,927	20,146	(43,919)	—	(30,497)	—	67,657
Other non-current assets	2,906,847	6,458	(1,841,299)	—	(691,512)	—	380,493
Credit to banking clients	22,074,965	29,865,366	(15,637,839)	(18,335,628)	9,084,969	168,623	27,220,455
Other banking financial assets	274	—	—	—	(274)	—	—
	25,104,013	**29,891,969**	**(17,523,057)**	**(18,335,628)**	**8,362,686**	**168,623**	**27,668,606**
	29,009,322	**35,128,829**	**(26,399,026)**	**(18,335,628)**	**8,362,686**	**168,623**	**27,934,805**
Current assets							
Accounts receivable	41,409,047	6,063,033	(1,580,637)	(614,647)	—	(1,140)	45,275,655
Credit to banking clients	32,661,202	22,596,738	(11,831,904)	(13,873,106)	(9,084,969)	127,583	20,595,544
Debt securities at amortised cost	9,674	8,851	(19,296)	—	30,497	—	29,726
Other current assets	11,547,796	337,814	(809,586)	(118,126)	691,512	—	11,649,410
Other banking financial assets	1,807,339	39,061	(10,607)	(6,450)	274	—	1,829,618
Slight and term deposits	7,917	38	(3,967)	—	—	—	3,988
	87,442,978	**29,045,535**	**(14,255,998)**	**(14,612,329)**	**(8,362,686)**	**126,443**	**79,383,943**
Non-current assets held for sale	638	—	—	—	—	—	638
	638	**—**	**—**	**—**	**—**	**—**	**638**
Merchandise	2,747,401	—	(283,414)	(229,068)	—	—	2,234,919
Raw, subsidiary and consumable	922,313	92,783	—	(113,152)	—	—	901,944
	3,669,714	**92,783**	**(283,414)**	**(342,220)**	**—**	**—**	**3,136,863**
	91,113,329	**29,138,317**	**(14,539,412)**	**(14,954,549)**	**(8,362,686)**	**126,443**	**82,251,443**
	120,122,649	**64,267,146**	**(40,938,428)**	**(33,290,178)**	**—**	**295,066**	**110,456,246**

Group	2024						
	Opening balance	Increases	Reversals	Utilisations	Transfers	Other movements	Closing balance
Non-current assets							
Tangible fixed assets	13,806	—	(697)	—	—	—	13,109
Investment properties	252,393	—	(186,195)	—	—	—	66,199
	266,199	**—**	**(186,892)**	**—**	**—**	**—**	**79,307**
Debt securities at amortised cost	67,657	25,440	(22,380)	—	(17,622)	—	53,096
Other non-current assets	380,493	—	—	—	6,259	—	386,753
Credit to banking clients	27,220,455	32,565,722	(24,328,206)	(9,432,726)	3,937,253	382,739	30,345,237
	27,668,605	**32,591,162**	**(24,350,585)**	**(9,432,726)**	**3,925,890**	**382,739**	**30,785,085**
	27,934,804	**32,591,162**	**(24,537,477)**	**(9,432,726)**	**3,925,890**	**382,739**	**30,864,392**
Current assets							
Accounts receivable	45,275,655	1,233,321	(619,664)	(3,898,374)	—	1,131	41,992,069
Credit to banking clients	20,595,544	17,411,078	(13,006,937)	(5,043,153)	(3,937,253)	204,629	16,223,909
Debt securities at amortised cost	29,726	24,074	(21,178)	—	17,622	—	50,245
Other current assets	11,649,410	245,192	(215,896)	(51,630)	(6,259)	—	11,620,817
Other banking financial assets	1,829,618	24,087	(14,312)	(696)	—	—	1,838,696
Sight and term deposits	3,988	1,144	(3,286)	—	—	—	1,845
	79,383,940	**18,938,897**	**(13,881,273)**	**(8,993,854)**	**(3,925,890)**	**205,760**	**71,727,580**
Non-current assets held for sale	638	—	(638)	—	—	—	—
	638	**—**	**(638)**	**—**	**—**	**—**	**—**
Merchandise	2,234,919	—	(162,244)	(12,557)	—	—	2,060,117
Raw, subsidiary and consumable	901,944	144,334	—	(1,842)	—	—	1,044,436
	3,136,863	**144,334**	**(162,244)**	**(14,399)**	**—**	**—**	**3,104,554**
	82,521,441	**19,083,231**	**(14,044,156)**	**(9,008,253)**	**(3,925,890)**	**205,760**	**74,832,133**
	110,456,245	**51,674,393**	**(38,581,633)**	**(18,440,979)**	**—**	**588,499**	**105,696,526**

The amounts classified as “Other movements”, with reference to 31 December 2023 and 31 December 2024, refer to the movements resulting from adjustments to POCI credits (Purchase or Originated Credit Impaired) regarding the acquisition of 321 Crédito on 1 May 2019, according to IFRS 3 - Business Combinations.

Regarding the **Company,** during the years ended 31 December 2023 and 31 December 2024, the movement in the Accumulated impairment losses was as follows:

	2023					
Company	Opening balance	Increases	Reversals	Utilisations	Transfers	Closing balance
Non-current assets						
Tangible fixed assets	3,652,127	5,176,860	(8,815,181)	—	—	13,806
Investment properties	253,181	60,000	(60,788)	—	—	252,392
	3,905,308	**5,236,860**	**(8,875,969)**	**—**	**—**	**266,199**
Other non-current assets	2,906,847	—	(1,841,299)	—	(691,512)	374,036
	2,906,847	**—**	**(1,841,299)**	**—**	**(691,512)**	**374,036**
	6,812,155	**5,236,860**	**(10,717,268)**	**—**	**(691,512)**	**640,235**
Current assets						
Accounts receivable	3,648,820	1,442,846	(1,048,000)	(339,458)	—	3,704,208
Other current assets	10,371,352	182,704	(760,914)	(107,157)	691,512	10,377,498
Slight and term deposits	7,699	—	(3,930)	—	—	3,768
	14,027,871	**1,625,550**	**(1,812,844)**	**(446,615)**	**691,512**	**14,085,474**
Merchandise	2,747,401	—	(283,414)	(229,068)	—	2,234,919
Raw, subsidiary and consumable	922,314	92,783	—	(113,152)	—	901,944
	3,669,714	**92,783**	**(283,414)**	**(342,220)**	**—**	**3,136,863**
	17,697,585	**1,718,332**	**(2,096,258)**	**(788,835)**	**691,512**	**17,222,337**
	24,509,741	**6,955,192**	**(12,813,526)**	**(788,835)**	**—**	**17,862,572**

	2024					
Company	Opening balance	Increases	Reversals	Utilisations	Transfers	Closing balance
Non-current assets						
Tangible fixed assets	13,806	—	(697)	—	—	13,109
Investment properties	252,392	—	(186,195)	—	—	66,198
	266,199	**—**	**(186,892)**	**—**	**—**	**79,307**
Other non-current assets	374,036	—	—	—	6,259	380,295
	374,036	**—**	**—**	**—**	**6,259**	**380,295**
	640,235	**—**	**(186,892)**	**—**	**6,259**	**459,602**
Current assets						
Accounts receivable	3,704,208	—	(419,589)	(227,432)	—	3,057,187
Other current assets	10,377,498	183,826	(121,737)	(615)	(6,259)	10,432,712
Slight and term deposits	3,768	—	(3,283)	—	—	485
	14,085,474	**183,826**	**(544,609)**	**(228,047)**	**(6,259)**	**13,490,385**
Merchandise	2,234,919	—	(162,244)	(12,557)	—	2,060,117
Raw, subsidiary and consumable	901,944	144,334	—	(1,842)	—	1,044,436
	3,136,863	**144,334**	**(162,244)**	**(14,399)**	**—**	**3,104,553**
	17,222,337	**328,160**	**(706,854)**	**(242,446)**	**(6,259)**	**16,594,938**
	17,862,571	**328,160**	**(893,745)**	**(242,446)**	**—**	**17,054,539**

25. Equity

At the Annual General Meeting held on 20 April 2023 and also within the scope of the share buyback programme mentioned above, the share capital reduction of 717,500 Euros was approved. On 21 April 2023, the capital reduction of the aforementioned amount was registered in the Commercial Register, through the extinction of 1,435,000 shares representing 0.997% of the share capital of CTT acquired.

On 17 July 2024, a reduction of CTT's share capital in the amount of 2,737,500 Euros was registered before the Commercial Registry Office through the cancellation of 5,475,000 shares held by the Company, representing 3.80% of its share capital and acquired under the share buyback programme carried out from 26 June 2023 to 9 May 2024. This share capital reduction was carried out following a resolution of the Annual General Meeting of CTT Shareholders held on 23 April 2024 which approved the share capital reduction in the amount of up to 3,825,000 Euros corresponding to the cancellation of up to 7,650,000 own shares already acquired or to be acquired by 25 June 2024 for the special purpose of implementing the share buyback programme and corresponding release of excess capital.

On 31 December 2023, CTT's share capital was 71,957,500 Euros, represented by 143,915,000 shares with a nominal value of fifty cents per share, and the Company's Articles of Association were consequently amended. The capital was fully subscribed and paid up.

On 31 December 2024, CTT's share capital was 69,220,000 Euros, represented by 138,440,000 shares with a nominal value of fifty cents per share, and the Company's Articles of Association were consequently amended. The capital was fully subscribed and paid up.

The information related to the shareholders with shareholdings equal to or greater than 2% can be found in chapter 6.1.2. of the Integrated Report.

26. Own shares, Reserves, Other changes in equity and Retained earnings

Own shares

As of 31 December 2023, the following movements were made in the **Group** caption "Own Shares":

	Quantity	Amount	Average Price
Balance 31 December 2022	2,935,000	10,826,390	3.69
Acquisitions	3,031,168	10,541,092	3.48
Cancellation (due to share capital reduction)	(1,435,000)	(5,293,313)	3.69
Shares Delivery - Long-term variable remuneration ("LTVR")	(121,868)	(449,537)	3.69
Balance at 31 December 2023	**4,409,300**	**15,624,632**	**3.54**

As of 31 December 2024, the following movements were made in the **Group** caption "Own Shares":

	Quantity	Amount	Average Price
Balance 31 December 2023	4,409,300	15,624,632	3.54
Acquisitions	4,947,833	20,648,165	4.17
Cancellation (due to share capital reduction)	(5,475,000)	(20,111,920)	3.67
Shares Delivery - Long-term variable remuneration ("LTVR")	(90,086)	(329,492)	3.66
Balance at 31 December 2024	**3,792,047**	**15,831,386**	**4.17**

At the General Meeting held on 20 April 2023, the capital reduction was approved for the cancellation of 1,435,000 shares acquired under the buyback program approved and implemented in 2022. On 21 April 2023, it was registered in the register commercial the reduction of capital in the aforementioned amount, through the extinction of 1,435,000 shares representing 0.997% of CTT's share capital.

Also on 21 April 2023, 121,868 of own shares were delivered to the Board of Directors and Top Management of CTT, corresponding to the first tranche of the Long-Term variable remuneration, as explained in detail in note 44 - Staff Costs.

On 23 April 2024, 90,086 own shares were delivered to the Board of directors and Top Management of CTT, corresponding to the second tranche of Long-Term Variable Remuneration relating to the 2020-2023 term, as explained in detail in note 44 - Staff Costs.

At the Company's Board of Directors meeting held on 21 June 2023, and as communicated to the market on the same date, it was decided to approve the implementation of a new buy-back programme of the Company's own shares, in the global amount of up to 20,000,000 euros.

This programme, which began on 26 June 2023 and had the implementation period of the following 12 months, ending on 25 June 2024 at the latest, but may end on an earlier date if the maximum number of shares to be acquired or the amount pecuniary benefits were achieved, with the following objectives:

1. Repurchasing a maximum of up to 7,650,000 shares, representing a maximum nominal amount of 3,825,000 Euros, which corresponds to 5.3% of the share capital, and

2. Reducing the same amount of the share capital through cancellation of the acquired shares.

On 9 May 2024, with the company having acquired the announced 20 million euros, in accordance with the terms and conditions of the buy-back programme, it was concluded on this date, ending before the end of its maximum period duration (from 26 June 2023 to 25 June 2024).

At the Anual General Meeting held on 23 April 2024, it was decided to reduce CTT's share capital by up to 3,825,000 Euros corresponding to the extinction of up to 7,650,000 own shares already acquired or that would be acquired, within the scope of the aforementioned program, until 25 June 2024, and are extinguished, with the other terms and conditions for executing the share buy-back and corresponding reduction in share capital being established by the Board of Directors.

On 17 July 2024, a reduction of CTT's share capital in the amount of 2,737,500 Euros was registered before the Commercial Registry Office through the cancellation of 5,475,000 shares held by the Company, representing 3.80% of its share capital and acquired under the share buyback programme carried out from 26 June 2023 to 9 May 2024.

On 19 July 2024, the Executive Committee, based on the delegation of powers granted by the Board of Directors at the meeting of 20 June 2024 and within the maximum monetary amount defined in that delegation, in the amount of 25 million Euros, and in the deliberation adopted at the Annual General Meeting of Shareholders, held on 23 April 2024, approved a buyback program for the Company's own shares to be carried out from 22 July 2024, with the sole objective of reducing CTT's share capital through the extinction of own shares acquired within its scope, as communicated to the market on 19 July 2024.

As of 31 December 2023, the **Company** held, as a result of the acquisition and cancellation operations indicated herein, an accumulated amount of 4,409,300 own shares, representing 3.064% of the share capital, with par value of 0.50 Euros, with all inherent rights related to suspended shares, with the exception of those relating to the receipt of new shares in the case of capital increase by incorporation of reserves, as provided for in article 324(1)(a)) of the Commercial Companies Code.

As of 31 December 2024, the **Company** held an accumulated amount of 3,792,047 own shares, representing 2.739% of the share capital, with par value of 0.50 Euros, with all inherent rights related to suspended shares, with the exception of those relating to the receipt of new shares in the case of capital increase by incorporation of reserves, as provided for in article 324(1)(a)) of the Commercial Companies Code.

Own shares held by CTT are within the limits established by the Articles of Association of the Company and by the Portuguese Companies Code. These shares are recorded at acquisition cost.

Reserves

As at 31 December 2023 and 31 December 2024, the **Group**'s and **Company**'s caption Reserves showed the following composition:

Group and Company	2023			
	Legal reserves	Own shares reserves	Other reserves	Total
Opening balance	15,000,000	10,826,391	28,017,666	53,844,057
Share capital decrease	—	(5,293,313)	717,500	(4,575,813)
Own shares acquisitions	—	10,541,092	(10,541,092)	—
Own shares attribution	—	(449,537)	449,537	—
Share Plan (share delivery)	—	—	(1,155,000)	(1,155,000)
Closing balance	**15,000,000**	**15,624,633**	**17,488,611**	**48,113,244**

	2024			
	Legal reserves	Own shares reserves	Other reserves	Total
Opening balance	15,000,000	15,624,633	17,488,611	48,113,244
Share capital decrease	—	(20,111,920)	2,737,500	(17,374,420)
Own shares acquisitions	—	20,648,165	(20,648,165)	—
Own shares attribution	—	(329,492)	329,492	—
Share Plan (share delivery)	—	—	(841,648)	(841,648)
Share Plan	—	—	2,095,860	2,095,860
Closing balance	**15,000,000**	**15,831,386**	**1,161,651**	**31,993,036**

Legal reserves
The commercial legislation establishes that at least 5% of the annual net profit must be allocated to reinforce the legal reserve, until it represents at least 20% of the share capital. This reserve is not distributable except in the event of the liquidation of the **Company** but may be used to absorb losses after all the other reserves have been depleted or incorporated in the share capital.

Own shares reserve
The commercial legislation Code obliges, within the scope of the own shares regime provided in article 324, the existence of a reserve equal to the amount for which the shares are accounted for, which becomes unavailable as long as these shares remain in the company's possession. Additionally, applicable accounting standards determine that gains or losses on the sale of own shares are booked in reserves.

As at 31 December 2024, this caption includes the amount of 15,831,386 Euros related to the creation of an unavailable reserve for the same amount of the acquisition price of the own shares held.

Other reserves
This caption records the profits transferred to reserves that are not imposed by the law or articles of association, nor constituted pursuant to contracts signed by the **Company.**

On 31 December 2023, an amount of reserves of (1,155,000) Euros was derecognised, corresponding to the proportional amount of the options awarded during the period within the scope of the long-term variable remuneration, as described in note 44 - Staff Costs.

On 31 December 2024, an amount of reserves in the amount of (841,648) Euros was derecognised, corresponding to the proportional amount of the options granted during the period within the scope of the long-term variable remuneration, as described in note 44 - Staff Costs.

On 31 December 2024, a reserve in the amount of 2,095,860 Euros was created related to the new share plan, as described in note 44 - Staff Costs.

Retained earnings

During the years ended 31 December 2023 and 31 December 2024, the following movements were made in the **Group** and the **Company** caption Retained earnings:

	Group		Company	
	2023	**2024**	**2023**	**2024**
Opening balance	64,647,067	83,269,152	64,452,619	74,330,434
Application of the net profit of the prior year	36,406,519	60,511,368	37,307,258	70,805,389
Distribution of dividends (Note 28)	(17,817,109)	(23,315,758)	(17,817,109)	(23,315,758)
Adjustments from the application of the equity method	32,674	40,087	(14,081)	27,553
Shareholdings acquisition	—	(504,747)	—	(504,747)
Share capital increase subscription in subsidiaries by third parties	—	(2,153,204)	—	(2,153,204)
Other movements	—	—	(9,598,253)	—
Closing balance	**83,269,152**	**117,846,899**	**74,330,434**	**119,189,667**

On 31 December 2023, the amount of (9,598,253) Euros recognised under the caption "Other movements", in the **Company**, is related to the costs of the capital increase transaction by contribution in kind, which occurred in the subsidiary CTT IMO Yield, SA. and they essentially concern expenses with transaction taxes (Municipal Real Estate Transfer Tax ("IMT") and stamp duty), deeds and consultants directly related to the transaction. As costs incurred with the issuance of its own equity instruments, and in accordance with the provisions of IAS 32, they should be recognised as a deduction from equity as they are incremental costs directly attributable to the capital increase transaction.

Other changes in equity

The actuarial gains/losses associated to post-employment benefits, as well as the corresponding deferred taxes, are recognised in this caption (Note 31).

Thus, for the years ended 31 December 2023 and 31 December 2024, the movements occurred in this heading in the **Group** and in the **Company** were as follows:

	Group		Company	
	2023	**2024**	**2023**	**2024**
Opening balance	6,857,207	3,402,039	6,379,500	2,971,088
Actuarial gains/losses (Note 31)	(5,716,054)	(6,326,785)	(5,713,716)	(6,323,160)
Tax effect (Note 51)	1,555,423	1,735,685	1,599,841	1,728,906
Share Plan (share delivery) (Note 44)	705,463	512,156	705,463	512,156
Other movements	—	(505,194)	—	(346,071)
Closing balance	**3,402,039**	**(1,182,098)**	**2,971,088**	**(1,457,081)**

As at 31 December 2023, the amount of 705,463 Euros related to the Share Plan, corresponds to the difference between the amount of (1,155,000) Euros derecognised from the caption "Reserves", corresponding to the proportional value of the options attributed (note 26) and the amount of own shares delivered within the scope of this operation in the amount of 449,537 Euros. As of 31 December 2024, the amount relating to the Share Plan amounting to 512,156 Euros, corresponds, again, to the difference between the amount of 841,648 Euros, derecognized from the "Reserves" caption, relating to the proportional value of the options attributed in 2024 (note 26) and the value of own shares delivered within the scope of this operation in the amount of 329,492 Euros. The difference between the two amounts is recognized under the caption "other changes in equity", in accordance with the provisions of IFRS.

27. Dividends

According to the dividend distribution proposal included in the 2022 Annual Report, at the General Meeting of Shareholders, which was held on 20 April 2023, a dividend distribution of 17,817,109 Euros, corresponding to a dividend per share of 0.125 Euros (amount that excludes the dividend attributable to own shares in the portfolio at that date), regarding the financial year ended 31 December 2022 was proposed and approved. The dividend amount assigned to own shares was transferred to Retained earnings, amounting to 172,267 Euros.

According to the dividend distribution proposal included in the 2023 Annual Report, at the General Meeting of Shareholders, which was held on 23 April 2024, a dividend distribution of 24,465,550 Euros, corresponding to a dividend per share of 0.17 Euros, regarding the financial year ended 31 December 2023 was proposed and approved. The dividend amount attributable to own shares was transferred to retained earnings, amounting to 1,149,792, so the dividends distributed amounted to 23,315,758 Euros.

28. Earnings per share

During the years ended 31 December 2023 and 31 December 2024, the earnings per share for the **Group** and the **Company** were calculated as follows:

Group	2023	2024
Net income for the period	60,511,368	45,536,317
Average number of ordinary shares	141,773,213	136,973,837
Earnings per share		
Basic	0.43	0.33
Diluted	0.43	0.33

Company	2023	2024
Net income for the period	70,805,389	45,488,951
Average number of ordinary shares	141,773,213	136,973,837
Earnings per share		
Basic	0.50	0.33
Diluted	0.50	0.33

The average number of shares is detailed as follows:

	2023	2024
Shares issued at beginning of the period	145,350,000	143,915,000
Effect of extinction of shares during the period	(1,002,534)	(2,513,115)
Average number of shares taken	144,347,466	141,401,885
Own shares effect	2,574,252	4,428,048
Average number of shares during the period	141,773,213	136,973,837

The basic earnings per share are calculated dividing the net profit attributable to equity holders of the parent company by the average ordinary shares, excluding the average number of own shares held by the **Group**.

As at 31 December 2024, the number of own shares held is 3,792,047 and its average number for the year ended 31 December 2024 is 4,428,048, reflecting the fact that there were not only acquisitions, but also the extinction of own shares in the period, as mentioned in note 26.

There are no dilutive factors of earnings per share.

29. Non-controlling interests

During the years ended 31 December 2023 and 31 December 2024, the following movements occurred in non-controlling interests:

	2023	2024
Opening balance	1,326,016	1,624,181
Net profit for the year attributable to non-controlling interest	(68,929)	1,497,118
Distribution of dividends	(28,935)	(1,622,403)
Shareholdings acquisition to non-controlling interests	—	(934,253)
Shareholdings sale to non-controlling interests	—	32,952,531
Share capital increase subscription in subsidiaries by non.controlling interests	—	27,153,204
Share capital increase by non-controlling interests	408,000	—
Other movements	(11,971)	10,131
Closing balance	**1,624,181**	**60,680,510**

As at 31 December 2023, non-controlling interests are relates to Correio Expresso de Moçambique, S.A. (50%) and Open Lockers (33.34%).

As at 31 December 2024, non-controlling interests are relate to Correio Expresso de Moçambique, S.A. (50%), CTT IMO Yield (26.3%) and Banco CTT (8.71%).

The dividend distribution caption refers to the distribution of dividends by CTT IMO Yield in the component that relates to the amount distributed to minority shareholders. In 2024, the Group also acquired a minority equity interest in Open Lockers, meaning that non-controlling interests are no longer recognised. Additionally, the amount recognised as “shareholdings sales to non-controlling interests” are related to the sale of 26.3% of the equity interest in CTT IMO Yield and the amount recognised as “Share capital increase subscprition in subsidiaries by non-controlling interests” are related to Generali’s entry into the share capital of Banco CTT, which granted an equity interest of 8.71% to this shareholder. The transactions are explained in greater detail in Note 8.

30. Debt

As at 31 December 2023 and 31 December 2024, Debt of the **Group** and the **Company** showed the following composition:

	Group		Company	
	31.12.2023	31.12.2024	31.12.2023	31.12.2024
Non-current liabilities				
Bank loans	33,390,061	16,614,022	32,933,579	16,479,763
Commercial Paper	34,947,466	34,979,743	34,947,466	34,979,743
Lease liabilities	92,742,578	124,784,636	127,240,734	137,841,169
	161,080,105	**176,378,401**	**195,121,779**	**189,300,674**
Current liabilities				
Bank loans	82,395,558	16,971,313	74,218,997	16,569,091
Commercial Paper	22,067	1,331,778	22,067	1,331,778
Lease liabilities	25,517,227	31,570,913	18,313,565	21,936,363
	107,934,852	**49,874,003**	**92,554,629**	**39,837,232**
	269,014,957	**226,252,404**	**287,676,408**	**229,137,906**

As at 31 December 2024, the interest rates applied to bank loans were between 3.568% and 4.443% (31 December 2023: 4.861% and 5.736%).

Bank loans and Commercial Paper

As at 31 December 2023 and 31 December 2024, the details of the **Group** and **Company** bank loans were as follows:

Group	31.12.2023			31.12.2024		
	Limit	Amount used		Limit	Amount used	
		Current	Non-current		Current	Non-current
Bank loans						
Millennium BCP	12,028,704	8,176,561	456,482	456,481	322,222	134,259
BBVA / Bankinter	26,125,000	7,069,572	18,943,702	19,000,000	9,461,498	9,482,003
Novo Banco	21,000,000	7,196,811	13,989,877	14,000,000	7,107,593	6,997,759
Banco BIC	—	—	—	80,000	80,000	—
Commercial Paper						
BBVA / Bankinter	15,000,000	8,886	14,976,038	15,000,000	570,337	14,991,172
Novo Banco	20,000,000	13,181	19,971,429	20,000,000	761,441	19,988,571
Bank overdrafts						
Novo Banco	—	59,952,614	—	—	—	—
	94,153,704	**82,417,625**	**68,337,527**	**68,536,481**	**18,303,091**	**51,593,765**

Company	31.12.2023			31.12.2024		
	Limit	Amount used		Limit	Amount used	
		Current	Non-current		Current	Non-current
Bank loans						
Millennium BCP	50,000	—	—	—	—	—
BBVA / Bankinter	26,125,000	7,069,572	18,943,702	19,000,000	9,461,498	9,482,003
Novo Banco	21,000,000	7,196,811	13,989,877	14,000,000	7,107,593	6,997,759
Commercial Paper						
BBVA / Bankinter	15,000,000	8,886	14,976,038	15,000,000	570,337	14,991,172
Novo Banco	20,000,000	13,181	19,971,429	20,000,000	761,441	19,988,571
Bank overdrafts						
Novo Banco	—	59,952,614	—	—	—	—
	82,175,000	**74,241,064**	**67,881,045**	**68,000,000**	**17,900,869**	**51,459,506**

On 27 September 2017, a financing contract between CTT and BBVA and Bankinter was signed, for an initial period of 5 years and for a total amount of 90 million Euros, with the possibility of using the funds until September 2018. Subsequently, due to the non-use of all the funds, the limit was reduced throughout the contract period. As at 31 December 2024, the referred used amount, net of commissions and added by the amount of interests to be paid in the following period corresponded to corresponded to 18,943,501 Euros. By the Group decision, the remaining available amount will not be used.

On 22 April 2019, a simple credit agreement was signed between CTT and Novo Banco for a period of 60 months, with a grace period of two years, and may be extended for a period of 24 months, for a total amount of 35 million Euros. Subsequently, due to the non-use of all the funds, the limit was reduced throughout the contract period. As at 31 December 2024, the amount presented in the statement of financial position net of commissions and added by the amount of interests to be paid in the following period, in the total amount of 14,105,352 Euros.

As disclosed to the market on 7 March 2023, CTT contracted 35 million euros in bank loans in the form of commercial paper, indexed to sustainability goals, maturing in 2026, with two financial institutions - Novo Banco, S.A. and Banco Bilbao Vizcaya Argentaria S.A. - Portuguese Branch.

These bank loans are set within CTT's Sustainability Related Financing Reference Framework that was the subject of a Second Party Opinion disclosed by S&P Global Ratings. Therefore, the referred

financing lines are indexed to the goal of reducing carbon emissions of CTT's activity (scopes 1, 2 and 3 emissions) by at least 30% by 2025 in relation to 2013, which is validated by the Science Based Targets initiative and aligned with the best practices of the sector.

As at 31 December 2024, the amount used presented in the statement of financial position, net of commissions and plus the amount of interest to be paid in the following period, amounts to 15,561,509 Euros in the case of BBVA/Bankinter and 20,750,012 Euros in Novo Banco Bank. These commercial paper programmes are shown in non-current liabilities, since the Group's practice/expectation will be to use the contracts during their period of validity and having the right to roll-over these loans.

On 31 December 2023, the **Group** presented a bank overdraft with Novo Banco Bank, in the amount of 59,952,614 Euros, corresponding to short-term financing to meet specific treasury needs, regularised at the beginning of January 2024.

As at 31 December 2024, the available short-term and medium-long-term credit ceilings but not used amount to approximately EUR 88 million (31 December 2023: EUR 53 million), being sufficient to meet any immediate requirements.

Bank loans obtained are subject to compliance with financial covenants, namely clauses of Cross default, Negative Pledge and Assets Disposal's limits. Additionally, the loans obtained also require compliance with rations of Net Debt over EBITDA and financial autonomy. Compliance with financial covenants is regularly monitored by the **Group** and is measured by counterparties on an annual basis based on the Financial Statements as at 31 December. As at 31 December 2024, the **Group** is in compliance with financial covenants.

Lease Liabilities

The **Group** and the **Company** presents lease liabilities which future payments, undiscounted and discounted amounts presented in the financial position, are detailed as follows:

	Group		Company	
	31.12.2023	**31.12.2024**	**31.12.2023**	**31.12.2024**
Due within 1 year	29,181,190	36,465,596	26,181,414	30,056,778
Due between 1 to 5 years	66,930,170	95,130,672	71,961,686	84,616,125
Over 5 years	37,807,781	43,618,222	118,390,895	112,061,913
Total undiscounted lease liabilities	**133,919,141**	**175,214,490**	**216,533,995**	**226,734,816**
Current	25,517,227	31,570,913	18,313,565	21,936,363
Non-current	92,742,578	124,784,636	127,240,734	137,841,169
Lease liabilities included in the statement of financial position	**118,259,806**	**156,355,548**	**145,554,298**	**159,777,532**

The discount rates used in lease contracts range between 0.68% and 11.50%, depending on the characteristics of the contract, namely their duration.

The amounts recognised in the income statement are detailed as follows:

	Group		Company	
	2023	**2024**	**2023**	**2024**
Lease liabilities interests (note 50)	3,549,120	5,301,114	1,939,845	8,720,367
Variable payments not included in the measurement of the lease liability	1,872,866	2,149,007	1,463,497	1,853,041

The amounts recognised in the Cash flow statement are as follows:

	Group		Company	
	2023	2024	2023	2024
Total of lease payments	(37,045,659)	(40,271,961)	(25,266,623)	(33,382,085)

The movement in the rights of use underlying these lease liabilities can be analysed in note 5.

Reconciliation of Changes in the responsibilities of Financing activities

The reconciliation of changes in the responsibilities of financing activities as of 31 December 2023 and 31 December 2024, in the **Group** and the **Company**, are detailed as follows:

Group	**2023**	**2024**
Opening Balance	195,954,666	269,014,957
Movements without cash	32,312,979	82,109,066
Contract changes	25,679,408	73,219,328
IFRS 16 Interests	3,396,453	5,167,072
Others	3,237,118	3,722,665
Loans:		
Inflow	94,757,177	49,576,223
Outflow	(16,964,205)	(134,175,881)
Lease liabilities:		
Inflow	—	—
Outflow	(37,045,659)	(40,271,960)
Closing balance	**269,014,957**	**226,252,404**

Company	**2023**	**2024**
Opening Balance	128,207,458	287,676,408
Movements without cash	106,690,927	51,344,466
Contract changes	101,958,483	38,968,486
IFRS 16 Interests	1,888,597	8,664,676
Others	2,843,847	3,711,304
Loans:		
Inflow	94,686,630	49,486,223
Outflow	(16,641,983)	(125,987,105)
Lease liabilities:		
Inflow	—	—
Outflow	(25,266,623)	(33,382,085)
Closing balance	**287,676,408**	**229,137,906**

31. Employee benefits

Liabilities related to employee benefits refer to (i) post-employment benefits – healthcare and pension plan (ii) other long-term employee benefits and (iii) other long-term benefits for the Statutory Bodies.

During the years ended 31 December 2023 and 31 December 2024, the **Group** and the **Company** liabilities presented the following movement:

		2023		
		Opening balance	**Movement of the period**	**Closing balance**
Group	Healthcare	190,365,367	(36,131,000)	154,234,367
	Healthcare - SAMS	952,238	101,871	1,054,109
	Pension Plan	223,475	(13,747)	209,728
	Other long-term employee benefits	15,628,635	662,560	16,291,195
	Other long-term benefits	179,582	(179,582)	—
	Total	**207,349,296**	**(35,559,898)**	**171,789,399**
Company	Healthcare	190,365,367	(36,131,000)	154,234,367
	Other long-term employee benefits	15,455,859	606,836	16,062,695
	Other long-term benefits	179,582	(179,582)	—
	Total	**206,000,807**	**(35,703,746)**	**170,297,062**

		2024		
		Opening balance	**Movement of the period**	**Closing balance**
Group	Healthcare	154,234,367	3,619,825	157,854,192
	Healthcare - SAMS	1,054,109	112,854	1,166,963
	Pension Plan	209,728	(11,804)	197,924
	Other long-term employee benefits	16,291,195	5,134,368	21,425,563
	Subsidized mortgage loan	—	1,616,602	1,616,602
	Other long-term benefits	—	587,286	587,286
	Total	**171,789,399**	**11,059,130**	**182,848,529**
Company	Healthcare	154,234,367	3,619,825	157,854,192
	Other long-term employee benefits	16,062,695	5,128,034	21,190,729
	Subsidized mortgage loan	—	980,732	980,732
	Other long-term benefits	—	587,286	587,286
	Total	**170,297,062**	**10,315,877**	**180,612,939**

The caption Other long-term employee benefits essentially refers to the benefit Pensions for work accidents, to the on-going staff reduction programme and to the benefit End of Career Awards.

The caption "Other long-term benefits for the Statutory Bodies" refers to the long-term variable remuneration assigned to the executive members of the Board of Directors.

The details of the **Group** and the **Company** liabilities related to employee benefits, considering their classification, are as follows:

	Group		Company	
	2023	**2024**	**2023**	**2024**
Non-current liabilities	149,740,115	159,255,264	148,302,105	157,046,388
Current liabilities	22,049,283	23,593,264	21,994,957	23,566,551
	171,789,398	**182,848,528**	**170,297,062**	**180,612,939**

As at 31 December 2023 and 31 December 2024, the costs related to employee benefits recognised in the consolidated and individual income statement and the amount recognised directly in Other changes in equity were as follows:

	Group		Company	
	2023	2024	2023	2024
Costs for the period				
Healthcare	(29,448,534)	7,677,000	(29,448,534)	7,677,000
Healthcare - SAMS	106,709	118,682	—	—
Pension plan	7,692	7,174	—	—
Other long-term employee benefits	7,189,420	3,644,206	7,172,052	3,623,848
Other long-term benefits statutory bodies	—	587,286	—	587,286
	(22,144,714)	**12,034,347**	**(22,276,483)**	**11,888,133**
Other changes in equity				
Healthcare	5,713,716	6,323,160	5,713,716	6,323,160
Healthcare - SAMS	(3,728)	(4,679)	—	—
Pension Plan	6,066	8,304	—	—
	5,716,054	**6,326,785**	**5,713,716**	**6,323,160**

As at 31 December 2023 and 31 December 2024, the amounts recognised as actuarial gains or losses detailed by nature, in the **Group** and in the **Company**, were as follows:

Group	2023			2024		
	Changes Financial Assumptions	Experience	Total	Changes Financial Assumptions	Experience	Total
Healthcare	—	5,713,716	5,713,716	—	6,323,160	6,323,160
Healthcare - SAMS	—	(3,728)	(3,728)	—	(4,679)	(4,679)
Pension Plan	—	6,066	6,066	—	8,304	8,304
Other benefits	—	(1,377)	(1,377)	—	(316)	(316)
Other long-term employee benefits	—	327,191	327,191	—	868,087	868,087
	—	**6,041,868**	**6,041,868**	**—**	**7,194,557**	**7,194,557**

Company	2023			2024		
	Changes Financial Assumptions	Experience	Total	Changes Financial Assumptions	Experience	Total
Healthcare	—	5,713,716	5,713,716	—	6,323,160	6,323,160
Other long-term employee benefits	—	327,191	327,191	—	868,087	868,087
	—	**6,040,907**	**6,040,907**	**—**	**7,191,248**	**7,191,248**

Healthcare - Plan of Social Action ("PAS") and Insurance policy

As mentioned in Note 2.20, CTT is responsible for financing each healthcare plans applicable to certain employees – Plan of Social Action and Insurance policy.

In order to obtain the estimate of the liabilities and costs to be recognised for each period, an actuarial study is performed by an independent entity every year, based on the Projected Unit Credit method, and according to assumptions that are considered adequate and reasonable, an actuarial study has been performed as at 31 December 2024.

The main assumptions followed in the **Group** and the **Company** actuarial study of both plans were:

	2023	2024
Financial assumptions		
Discount rate	3.60%	3.60%
Salaries expected growth rate	2.25%	2.25%
Pensions growth rate	Law no. 53-B/2006 (with Δ GDP < 2%)	Law no. 53-B/2006 (with Δ GDP < 2%)
Inflation rate	1.50%	1.50%
Health costs growth rate	3.60%	3.50%
Stop-Loss	n/a	n.d
Duration	13.3	12.9
Demographic assumptions		
Mortality table	Men: TV 88/90 Women : TV 88/90 (-1)	Men: TV 88/90 Women : TV 88/90 (-1)
Disability table	Swiss RE	Swiss RE

The discount rate is estimated based on interest rates of private debt bonds with high credit rating ("AA" or equivalent) at the date of the balance sheet and with a duration equivalent to that of the liabilities with healthcare.

The discount rate is determined based on the analysis carried out by the **Group** and the **Company** of the evolution of the macroeconomic reality and the constant need to adapt actuarial and financial assumptions to this same reality, which is why the rate, in the year 2024, remained unchanged at 3.60%.

The salaries expected growth rate is determined according to the salary policy defined by the **Group** and the **Company**.

The pensions expected growth rate is determined considering the estimated evolution of inflation and GDP growth rate.

The healthcare costs growth rate reflects the best estimate for the future evolution of these costs, considering the history of the plan's data.

The demographic assumptions are based on the mortality and disability tables considered appropriate for the actuarial assessment of this plan.

The evolution of the present value of the **Group** and the **Company** liabilities related to the healthcare plans has been as follows:

Group and Company	2024	2023	2022	2021	2020
Liabilities at the end of the					
Plan of Social Action	152,886,636	149,430,070	183,727,343	254,937,950	261,776,888
Insurance policy	4,967,556	4,804,297	6,638,024	8,588,665	9,381,426
	157,854,192	**154,234,367**	**190,365,367**	**263,526,615**	**271,158,313**

For the years ended 31 December 2023 and 31 December 2024, the movement which occurred in the present value of the defined benefits liability regarding the healthcare plans was as follows:

Group and Company	Total		Plan of Social Action		Insurance Policy	
	2023	2024	2023	2024	2023	2024
Opening balance	190,365,367	154,234,367	183,727,343	149,430,070	6,638,024	4,804,297
Service cost of the year	2,577,000	2,286,000	2,577,000	2,286,000	—	—
Interest cost of the year	6,658,000	5,391,000	6,425,000	5,224,000	233,000	167,000
Plan amendment	(38,683,534)	—	(37,051,640)	—	(1,631,894)	—
Pensioners contributions	4,980,984	6,179,295	4,737,693	5,858,633	243,292	320,662
(Payment of benefits)	(16,912,471)	(15,980,003)	(16,198,800)	(15,361,494)	(713,671)	(618,509)
(Other costs)	(464,695)	(579,627)	(446,014)	(556,610)	(18,681)	(23,016)
Actuarial (gains)/losses	5,713,716	6,323,160	5,659,489	6,006,037	54,227	317,123
Closing balance	**154,234,367**	**157,854,192**	**149,430,070**	**152,886,636**	**4,804,297**	**4,967,556**

The total costs for the period were recognised as follows:

Group and Company	Total		IOS Plan		Insurance policy	
	2023	2024	2023	2024	2023	2024
Staff costs/employee benefits (Note 44)	(36,571,229)	1,706,373	(34,920,655)	1,729,390	(1,650,575)	(23,016)
Other costs	464,695	579,627	446,014	556,610	18,681	23,016
Interest expenses (Note 50)	6,658,000	5,391,000	6,425,000	5,224,000	233,000	167,000
	(29,448,534)	**7,677,000**	**(28,049,640)**	**7,510,000**	**(1,398,894)**	**167,000**

As disclosed in note 2.20, at the end of 2023, CTT made changes to the conditions set out in the Health Plan, in order to improve the sustainability of healthcare offered to employees, with effect from 1 January 2024.

The introduction of these changes resulted in a decrease in the present value of the defined benefit obligation relating to CTT's health care plan, recognised as a “Plan amendment”, with a gain of (38,683,534) Euros in the period ended 31 December 2023, recognised under the caption “Staff costs – Employee benefits” (Note 44).

As at 31 December 2023 and 31 December 2024, regarding the Plan of Social Action, the actuarial (gains)/losses in the amount of 5,659,489 Euros and 6,006,037 Euros, respectively, were recognised in equity under “Other changes in equity”, net of deferred taxes of (1 584 657) Euros and (1,621,630) Euros as at 31 December 2023 and 31 December 2023, respectively.

In what refers to the Insurance Policy, as at 31 December 2023 and 31 December 2024, the amounts of 54,227 Euros and 317,123 Euros, respectively, related to the actuarial (gains)/losses were recognised in equity under “Other changes in equity”.

The best estimate the **Group** and the **Company** have at this date for costs related to the healthcare plan, which they expect to recognise in the next annual period is 7,758 thousand Euros.

The sensitivity analysis performed for the Plan of Social Action and Insurance policy leads to the following conclusions:

(i) If there was an increase of 100 b.p. in the growth rate of medical costs and keeping all other variables constant, the liabilities of the healthcare plan would be 192,597 thousand Euros, increasing by approximately 22.0%.

(ii) If the discount rate was reduced 25 b.p. and keeping all the remaining variables constant, the liabilities would increase by approximately 3.1%, amounting to 162,748 thousand Euros.

(iii) The use of adjusted mortality tables, differentiated between men and women (Men TV 73/77 (-2) and Women TV 88/90 (-3)), holding everything else constant, could translate into an increase of the health care plan liability for past services of about 2.1% amounting to a total of 161,233 thousand Euros.

Healthcare - SAMS

As mentioned in Note 2.20, the **Group** is responsible for paying medical care charges to all 321 Crédito, S.A. employees in a situation of retirement, as well as for survival pensioners.

The provision of this medical care is ensured by the Social Medical Assistance Service (SAMS) whose post-retirement charges, for the member, are defined in clause 92 of the ACT of the banking sector published in BTE nº 38 of 2017 of 15 October.

In order to obtain the estimate of the liabilities and costs to be recognised for each period, an actuarial study is performed by an independent entity every year, based on the Projected Unit Credit method, and according to assumptions that are considered adequate and reasonable, an actuarial study has been performed as at 31 December 2024.

The main assumptions followed in the **Group** actuarial study were:

	2023	2024
Financial assumptions		
Discount rate	3.60%	3.60%
Salaries growth rate	1.25%	1.25%
Inflation rate	1.00%	1.00%
Demographic assumptions		
Mortality table	Men: TV 88/90 Women : TV 88/90 (-1)	Men: TV 88/90 Women : TV 88/90 (-1)
Disability table	Swiss RE	Swiss RE

For the year ended 31 December 2023 and 31 December 2024, the movement of **Group** liabilities with the Healthcare – SAMS was as follows:

Group	2023	2024
Opening balance	952,238	1,054,109
Service cost of the year	72,472	80,781
Interest cost of the year	34,237	37,901
(Payment of benefits)	(1,110)	(1,149)
Actuarial (gains)/losses	(3,728)	(4,679)
Closing balance	**1,054,109**	**1,166,963**

The total costs for the period were recognised as follows:

Group	2023	2024
Staff costs/employee benefits (Note 44)	72,472	80,781
Interest expenses (Note 50)	34,237	37,901
	106,709	**118,682**

The best estimate the **Group** has at this date for costs related to the Healthcare – SAMS, which it expects to recognise in the next annual period, is 126,348 Euros.

The sensitivity analysis performed in the year ended 31 December 2024 for the Healthcare – SAMS leads to the conclusion that if the discount rate were reduced by 25 b.p. and keeping all the remaining

variables constant, the liabilities for past services would increase by approximately by 5.0%, amounting to 1,225,311 Euros.

Pension Plan

As mentioned in Note 2.20, the **Group** is responsible for the payment of cash benefits in the form of supplementary retirement pension contributions over the amounts paid by Social Security to a closed group of employees of Transporta, which was merged into CTT Expresso during the year 2019.

In order to obtain the estimate of the liabilities and costs to be recognised for each period, an actuarial study is performed by an independent entity every year, based on the Projected Unit Credit method, and according to assumptions that are considered adequate and reasonable, an actuarial study has been performed as at 31 December 2024.

The main assumptions followed in the **Group** actuarial study were:

	2023	2024
Financial assumptions		
Discount rate	3.60%	3.60%
Salaries growth rate	2.25%	2.25%
Inflation rate	1.50%	1.50%
Demographic assumptions		
Mortality table	Men: TV 88/90 Women: TV 88/90 (-1)	Men: TV 88/90 Women: TV 88/90 (-1)
Disability rate	SWISS RE	SWISS RE

For the year ended 31 December 2023 and 31 December 2024, the movement of **Group** liabilities with the Pension Plan was as follows:

Group	2023	2024
Opening balance	223,475	209,728
Service cost of the year	142	107
Interest cost of the year	7,550	7,067
(Payment of benefits)	(27,505)	(27,282)
Actuarial (gains)/losses	6,066	8,304
Closing balance	**209,728**	**197,924**

The total costs for the period were recognised as follows:

Group	2023	2024
Staff costs/employee benefits (Note 44)	142	107
Interest expenses (Note 50)	7,550	7,067
	7,692	**7,174**

The best estimate the **Group** has at this date for costs related to the pension plan, which it expects to recognise in the next annual period, is 6,681 Euros.

As at 31 December 2023 and 31 December 2024, the amounts of 6,066 Euros and 8,304 Euros, respectively, related to the actuarial (gains)/losses were recognised in equity under Other changes in equity.

The sensitivity analysis performed in the year ended 31 December 2024 for the Pension Plan leads to the conclusion that if the discount rate were reduced by 25 b.p. and keeping all the remaining variables

constant, the liabilities for past services would increase by approximately by 1.4%, amounting to 200,695 Euros.

Other long-term employee benefits

Following the mentioned note 2.20, the **Group** assumed the commitment regarding the payment of a "End of Career award" on the date of retirement, due to disability or old age, in the amount of 1.5 times the effective monthly remuneration earned in that date as well as the payment of a capital called "Death Allowance resulting from Work Accidents" to 321 Crédito, S.A. employees. Both benefits are attributed under the banking sector ACT published in BTE nº 38 of 2017 of 15 October, clauses 69 and 72, respectively.

In order to obtain the estimate of the liabilities and costs to be recognised for each period, an actuarial study is performed by an independent entity every year, based on the Projected Unit Credit method, and according to assumptions that are considered adequate and reasonable, an actuarial study has been performed as at 31 December 2024.

The main assumptions followed in the **Group** actuarial study were:

	2023	2024
Financial assumptions		
Discount rate	3.60%	3.60%
Salaries growth rate	1.25%	1.25%
Demographic assumptions		
Mortality rate due to work accident	0.0035%	0.0035%
Mortality table	Men: TV 88/90 Women : TV 88/90 (-1)	Men: TV 88/90 Women: TV 88/90 (-1)

For the year ended 31 December 2023 and 31 December 2024, the movement of **Group** liabilities with the "Other post-employment benefits" related to "End Career Awards" and "Death Allowance resulting from work accidents", presented in the table below, was as follows:

Group	2023	2024
End of Career Awards		
Opening balance	166,561	183,586
Service cost of the year	11,834	13,029
Interest cost of the period	5,915	6,525
Actuarial (gains)/losses	(724)	299
Closing balance	**183,586**	**203,439**
Death Allowance resulting from Work Accidents		
Opening balance	6,215	6,558
Service cost of the year	787	900
Interest cost of the period	209	220
Actuarial (gains)/losses	(653)	(615)
Closing balance	**6,558**	**7,063**
Total	**190,144**	**210,502**

The total costs for the period were recognised as follows:

Group	2023	2024
Staff costs/employee benefits (Note 44)		
End of Career Awards	11,110	13,328
Death Allowance resulting from Work Accidents	134	285
	11,244	**13,613**
Interest expenses (Note 50)	6,124	6,745
	17,368	**20,358**

The best estimate the **Group** has at this date for costs related to the Other post-employment benefits, which it expects to recognise in the next annual period, is 21,300 Euros.

The sensitivity analysis performed in the year ended 31 December 2024, for the Other post-employment benefits leads to the conclusion that if the discount rate were reduced by 25 b.p. and keeping all the remaining variables constant, the liabilities for past services would increase by approximately by 5.0%, amounting to 221,027 Euros.

Additionally, and as mentioned in Note 2.20, in certain situations, the **Group** and the **Company** has liabilities related to the payment of salaries in situations of Suspension of contracts, redeployment and release of employment, the payment of the Telephone subscription fee, Pensions for work accidents, and Monthly life annuity. In order to obtain the estimate of the value of these liabilities and the costs to be recognised for each period, every year, an actuarial study is made by an independent entity, based on the Projected Unit Credit method, and according to assumptions that are considered adequate and reasonable. As at 31 December 2024, an actuarial study was requested to an independent entity to assess the liabilities at the reporting date.

The main assumptions followed in the assessment of the **Group** and the **Company** liabilities were:

	2023	2024
Financial assumptions		
Discount rate	3.60%	3.60%
Salaries growth rate (Suspension of contracts)	2.25%	2.25%
Pensions growth rate (Pension for work accidents, Monthly life annuity)	1.50%	1.50%
Inflation rate	1.50%	1.50%
Demographic assumptions		
Mortality table	Men: TV 88/90 Women: TV 88/90 (-1)	Men: TV 88/90 Women: TV 88/90 (-1)

For the years ended 31 December 2023 and 31 December 2024, the movement of **Group** and the **Company** liabilities with other long-term employee benefits, was as follows:

Group and Company	2023	2024
Suspension of contracts, redeployment and release of employment		
Opening balance	10,337,560	11,422,978
Interest cost of the period	327,973	306,084
Liabilities relative to new beneficiaries	6,341,245	2,284,312
Transfers of Provisions (Note 32)	—	10,263,283
(Payment of benefits)	(6,144,126)	(8,364,888)
Actuarial (gains)/losses	560,327	393,717
Closing balance	**11,422,978**	**16,305,487**
Telephone subscription fee		
Opening balance	285,252	270,328
Interest cost of the period	9,532	8,996
(Payment of benefits)	(16,037)	(11,459)
Actuarial (gains)/losses	(8,419)	(13,913)
Closing balance	**270,328**	**253,952**
Pension for work accidents		
Opening balance	4,820,286	4,407,745
Interest cost of the period	165,885	151,828
(Payment of benefits)	(356,279)	(392,234)
Actuarial (gains)/losses	(222,147)	488,283
Closing balance	**4,407,745**	**4,655,622**
Monthly life annuity		
Opening balance	12,762	—
Increase for the period		4,540
Interest cost of the period	226	—
(Payment of benefits)	(10,418)	(4,540)
Actuarial (gains)/losses	(2,570)	—
Closing balance	**—**	**—**
Total	**16,101,048**	**21,215,061**

During the years ended 31 December 2023 and 31 December 2024, the total costs for the year were recognised as follows:

Group and company	2023	2024
Staff costs/employee benefits (Note 44)		
Suspension of contracts, redeployment and release of employment	6,901,572	2,678,030
Telephone subscription fee	(8,419)	(13,913)
Pension for work accidents	(222,147)	488,283
Monthly life annuity	(2,570)	4,540
	6,668,436	**3,156,940**
Interest expenses (Note 50)	503,616	466,908
	7,172,052	**3,623,848**

The liabilities related to new beneficiaries on 31 December 2024, in the Suspension of contracts, redeployment and release of employment benefit occur under the referred human resources optimisation process, following agreements of suspension of employment contracts entered into or terminated in the meantime.

The best estimate that the **Company** has at this date for costs with other long-term benefits, which it expects to recognise in the next year is 628,991 Euros.

The sensitivity analysis performed on 31 December 2024 for the Other long-term benefits leads to the conclusion that, if the discount rate was reduced by 25 b.p., keeping everything else constant, this would give rise to an increase in liabilities for past services of approximately 0.7%, increasing to 21,364 thousand Euros.

Subsidized Mortgage loan

As mentioned in note 2.20, the CTT Group established a protocol with the aim of enabling its employees to access mortgage loans under more advantageous conditions. The nature of the protocol and the enforceability characteristics are detailed in note 2.20.

The calculation of the estimated liabilities and the expense to be recognized in each period is carried out based on the payment plans associated with each housing loan granted under this protocol. The liability corresponds to the spread differential granted to these employees compared to normal market conditions, estimated at the beginning of each credit granted and that each company undertakes to pay to Banco CTT, or in the case of the bank's own employees, the amount that it will not receive and which corresponds to the benefit granted.

In the periods ended 31 December 2023 and 31 December 2024, the movements in the period with the housing loan protocol were as follows:

	Group		Company	
	2023	2024	2023	2024
Subsidized mortgage loan				
Opening balance	—	—	—	—
New contracts	—	1,774,061	—	1,086,359
Fair value changes		52,873		28,857
(Payment of benefits)	—	(97,041)	—	(57,638)
(Early settlement)	—	(113,292)	0	(76,846)
Saldo final	**—**	**1,616,602**	**—**	**980,732**

The amount of “new contracts” corresponds to the recognition of the liability for new beneficiaries of the protocol. This amount corresponds to the estimated benefit to be received by the employee until the end of the contract, based on the assumptions described above. This amount is recorded initially against the deferrals caption (note 21).

The “payment of benefits” caption corresponds to the settlement of the benefits accrued. This settlement is made at the same time as the recognition in “staff expenses” of the amount deferred and recognized for the period of the mortgage loan agreement.

Other long-term benefits to corporate bodies

The long-term variable remuneration model for the 2023/2025 term is based on the participation of executive Directors in the Stock Option Plan, which is set out in the remuneration policy approved by the General Shareholders' Meeting on 23 April 2024, based on the proposal of the Remuneration Committee. Similarly, the Board of Directors has implemented a Stock Option Plan for CTT's management staff, along the same lines as the programme approved for members of the corporate bodies. This regulation, similar to the remuneration model established for the 2020-2022 term, establishes the assumptions for awarding the Annual Variable Remuneration (RVA) and the form of Long-Term Variable Remuneration (RVLP) with a “stock options” mechanism.

The main characteristics of the plan and the accounting impacts are explained in detail in note 44 - Staff Costs.

32. Provisions, Guarantees provided, Contingent liabilities and commitments

Provisions

For the years ended 31 December 2023 and 31 December 2024 in order to face legal proceedings and other liabilities arising from past events, the **Group** and the **Company** recognised provisions, which showed the following movement:

Group	2023					
	Opening balance	Increases	Reversals	Utilisations	Transfers	Closing balance
Litigations	3,145,696	988,027	(744,147)	(118,951)	(9,082)	3,261,544
Onerous contracts	160,148	—	(75,162)	(84,986)	—	—
Other provisions	6,019,982	1,000,439	(89,788)	(495,249)	9,082	6,444,466
Commitments provisions	124,457	103,423	(74,189)	—	—	153,691
Sub-total - caption "Provisions (increases)/reversals"	**9,450,283**	**2,091,889**	**(983,286)**	**(699,185)**	**—**	**9,859,701**
Investments in subsidiary and associated companies	168,972	6,480	—	(175,452)	—	—
Restructuring	199,386	13,441,228	—	—	—	13,640,614
Other provisions	2,813,626	25,924	—	(1,000)	—	2,838,550
	12,632,267	**15,565,521**	**(983,286)**	**(875,637)**	**—**	**26,338,865**

Group	2024					
	Opening balance	Increases	Reversals	Utilisations	Transfers	Closing balance
Litigations	3,261,544	1,442,089	(706,142)	(142,083)	(21,791)	3,833,617
Other provisions	6,444,466	1,544,166	(313,252)	(3,545,305)	229,586	4,359,661
Commitments provisions	153,691	159,804	(69,067)	—	—	244,429
Sub-total - caption "Provisions (increases)/reversals"	**9,859,701**	**3,146,059**	**(1,088,461)**	**(3,687,387)**	**207,795**	**8,437,706**
Investments in subsidiary and associated companies	—	—	—	—	—	—
Restructuring	13,640,614	—	(1,989,181)	(1,189,922)	(10,263,283)	198,228
Other provisions	2,838,550	1,034,826	—	(433,366)	—	3,440,010
	26,338,865	**4,180,885**	**(3,077,642)**	**(5,310,675)**	**(10,055,488)**	**12,075,944**

The net amount between increases and reversals of provisions was recorded in the consolidated income statement under the caption "Provisions, net" and amounted to 1,108,602 Euros as at 31 December 2023 and 2,057,598 Euros as at 31 December 2024.

Company	2023					
	Opening balance	Increases	Reversals	Utilisations	Transfers	Closing balance
Litigations	2,386,923	959,317	(625,243)	(76,276)	—	2,644,721
Onerous contracts	160,148	—	(75,162)	(84,986)	—	—
Other provisions	822,996	108,322	(11,809)	(9,724)	—	909,785
Sub-total - caption "Provisions (increases)/reversals"	**3,370,067**	**1,067,639**	**(712,214)**	**(170,986)**	**—**	**3,554,506**
Restructuring	9,451	13,441,229	—	—	—	13,450,679
Other provisions	2,336,859	23,956	—	(1,000)	—	2,359,815
	5,716,377	**14,532,824**	**(712,214)**	**(171,986)**	**—**	**19,365,000**

Company	2024					
	Opening balance	Increases	Reversals	Utilisations	Transfers	Closing balance
Litigations	2,644,721	1,369,938	(432,234)	(111,173)	(21,791)	3,449,461
Other provisions	909,785	320,580	(17,240)	(231,785)	21,791	1,003,131
Sub-total - caption "Provisions (increases)/reversals"	**3,554,506**	**1,690,518**	**(449,474)**	**(342,958)**	**—**	**4,452,592**
Restructuring	13,450,679	—	(1,989,181)	(1,189,922)	(10,263,283)	8,294
Other provisions	2,359,815	964,626	—	(433,366)	—	2,891,075
	19,365,000	**2,655,144**	**(2,438,655)**	**(1,966,246)**	**(10,263,283)**	**7,351,961**

The net amount between increases and reversals of provisions was recorded in the individual income statement under the caption "Provisions, net" and amounted to 355,424 Euros as at 31 December 2023 and 1,241,044 as at 31 December 2024.

A provision should only be used for expenditures for which the provision was originally recognised, so the **Group** and the **Company** reverse the provision when it is no longer probable that an outflow of resources that incorporate future economic benefits will be necessary to settle the obligation.

Litigations

The provisions for litigations were set up to face the liabilities resulting from lawsuits brought against the **Group** and the **Company** and are estimated based on information from their lawyers as well as on the termination of the mentioned lawsuits. The final amount and the timing of the outflows regarding the provision for litigations depend on the outcome of the respective proceedings.

The reversal of the provision for litigations, in the amount of (744,147) Euros as at 31 December 2023 and (706,142) Euros as at 31 December 2024, essentially results from lawsuits whose decision, which was made known in the course of 2023 or 2024, respectively, proved to be favourable to the **Group**, or, not being favourable, resulted in the condemnation to pay amounts that proved to be lower than the estimated amounts (and reflected in this provision item).

Other provisions

In previous years, a provision was recognised in CTT Expresso branch in Spain to face the notification issued by the Spanish National Commission on Markets and Competition ("CNMC"). This process was originated during the year 2016, based on the alleged contrary action to article 1 of the Law 15/2017 ("Law on Competition Defense") and article 101º of the Treaty on the Functioning of the European Union ("TFUE"). This notification amounted to 3,148,845 Euros and, in previous years, has already been subject of an appeal to the Spanish Audiencia Nacional (National High Court). Regarding this

matter, CTT Expresso branch in Spain submitted a formal request to the coercive measure suspension, and the request was accepted under the condition of a guarantee presentation – a procedure that was duly and timely adopted. During 2022, the Spanish Audiencia Nacional dismissed the appeal and ratified the fine of 3,148,845 Euros plus final and unappealable costs. Regarding this subject, the provision booked in previous years, which amounted to 3,200,000 Euros, resulted from the evaluation carried out by the Group's legal advisors. On 7 July 2023, CTT Expresso, a branch in Spain, filed an appeal with the Federal Supreme Court in Spain against the decision of the National High Court and on 17 November 2023, a public hearing of the appeal was scheduled for 20 February 2024. On 8 May 2024, the Supreme Court issued an order in which the appeal filed was not granted. On 20 May 2024, the CNMC requested payment of the sanction in the amount of 3,148,845 Euros, which was settled, and justifies the use of the provision booked.

The amount provisioned in 321 Crédito, S.A. amounting to 977,732 Euros as at 31 December 2024 (879,205 Euros at 31 December 2023) mainly results from the management assessment regarding the possibility of materialising contingencies and other processes.

As at 31 December 2024, in addition to the previously mentioned situations, this caption, essentially, also includes, in the **Group** and the **Company**:

- the amount of 664,872 Euros in the **Group** and **Company**, which arise from the assessment made by the management regarding the possibility of materialising contingent amounts to be paid to third parties under the scope of contracts entered into;
- the amount of 2,726,366 Euros in the **Group** and 2,486,432 Euros in the **Company**, to cover costs of operational vehicles restoration.
- the amount of commitments for guarantees provided to third parties to cover promotional contests in the amount of 701,843 Euros.

Restructuring

It is essential for the **Group** to implement policies that promote rationalisation, adaptation and increased productivity of all available resources, with reflection in the organisational management model of its human resources. In this context, in the previous year, actions were taken leading to the reorganisation of services, which led to the approval of a Human Resources optimisation programme. This programme is based on the conclusion of Suspension Agreements, Pre-Retirements and Termination Agreements by Mutual Agreement, and on 31 December 2023, a provision in the amount of 13,441,229 Euros was created for the respective operationalisation. This provision was recognised under the caption Staff Costs. As of 31 December 2024, regarding the agreements performed during 2024, an amount of (10,263,283) Euros was transferred to the caption employee benefits (note 31) in the statement of financial position.

Guarantees provided

As at 31 December 2023 and 31 December 2024, the **Group** and the **Company** had provided bank guarantees to third parties as follows:

Description	Group		Company	
	31.12.2023	31.12.2024	31.12.2023	31.12.2024
Autoridade Tributária e Aduaneira (Portuguese Tax and Customs Authority)	2,974,242	2,868,632	912,952	807,342
LandSearch, Compra e Venda de Imóveis (Real estate company)	1,792,886	1,792,886	1,792,886	1,792,886
Fidelidade, Multicare, Cares - (Glintt BPO)	1,500,000	1,500,000	—	—
BVK Europa-Immobilien (Real estate company)	—	1,203,881	—	—
Absolute Miracle, Lda (Real estate company)	—	938,025	—	—
AMBIMOBILIÁRIA- INVESTIMENTOS E NEGÓCIOS, S.A. (Real estate company)	480,000	480,000	480,000	480,000
MARATHON (Closed investment fund)	432,000	432,000	—	—
O Feliz - Real State Company	378,435	378,435	—	—
Courts	339,230	339,230	333,230	333,230
EUROGOLD (Real estate company)	318,299	318,299	—	—
CIVILRIA (Real estate company)	224,305	224,305	—	—
TRANSPORTES BERNARDO MARQUES , S.A.	220,320	220,320	220,320	220,320
Repsol (Oil and Gas Company)	215,000	215,000	—	—
TIP - Transportes Intermodais do Porto, ACE (Oporto intermodal transport)	150,000	150,000	—	—
Via Direta	150,000	150,000	—	—
Municipalities	79,362	83,354	79,362	83,354
EPAL - Empresa Portuguesa de Águas Livres (Multi-municipal System of Water Supply and Sanitation of the Lisbon Area)	68,895	68,895	68,895	68,895
INCM - Imprensa Nacional da Casa da Moeda (Portuguese Mint and Official Printing Office)	68,386	68,386	—	—
ANA - Aeroportos de Portugal (Airports of Portugal)	34,000	34,000	34,000	34,000
Águas do Norte (Water Supply of the Northern Region)	23,804	23,804	23,804	23,804
EMEL, S.A. (Municipal company managing parking in Lisbon)	19,384	19,384	19,384	19,384
Serviços Intermunicipalizados Loures e Odivelas (Inter-municipal Services of Water Supply and Sanitation of the Loures and Odivelas Areas)	17,000	17,000	17,000	17,000
Direção Geral do Tesouro e Finanças (Directorate General of Treasury and Finance)	16,867	16,867	16,867	16,867
Alegro Alfragide	16,837	16,837	—	16,837
Portugal Telecom, S.A. (Telecommunication Company)	16,658	16,658	16,658	16,658
Refer (Public service for the management of the national railway network infrastructure)	16,460	16,460	—	—
Other entities	16,144	16,144	—	—
SMAS de Sintra (Services of Water Supply and Sanitation of the city of Sintra)	15,889	15,889	15,889	15,889
DOLCE VITA TEJO (Real State Company)	13,832	13,832	13,832	13,832
Águas do Porto, E.M (Services of Water Supply and Sanitation of the city of Porto)	10,720	10,720	—	—
ADRA - Águas da Região de Aveiro (Services of Water Supply and Sanitation of the city of Aveiro)	10,475	10,475	10,475	10,475
SMAS Torres Vedras (Services of Water Supply and Sanitation of the city of Torres Vedras)	9,910	9,910	9,910	9,910
ACT Autoridade Condições Trabalho (Authority for Working Conditions)	9,160	9,160	9,160	9,160
Instituto de Gestão Financeira Segurança Social (Social Security Financial Management Institute)	21,557	8,876	16,406	3,725
Consejeria Salud (Local Health Service/Spain)	4,116	4,116	—	—
Wiiv Portugal - SIC Imobiliária Fechada, S.A.	5,089,792	—	5,089,792	—
Contencioso Administrativo da Audiência Nacional (National Audience Administrative Litigation) and CNMC - Comission Nacional de los Mercados y la Competencia - Espanha (National Commission on Markets and Competition - Spain)	3,148,845	—	3,148,845	—
PLANINOVA - Soc. Imobiliária, S.A. (Real estate company)	2,033,582	—	2,033,582	—
Garantia KTP Packaging Solutions (Packaging Solutions Supplier)	211,740	—		
	20,148,131	**11,691,778**	**14,363,248**	**3,993,566**

Bank guarantees

As at 31 December 2024, the bank guarantees provided in favour of "Autoridade Tributária e Aduaneira" (Portuguese Tax and Customs Authority), in a global amount of 2,868,632 Euros, were essentially provided for the suspension of tax enforcement proceedings.

On 31 December 2023, a bank guarantee was provided to the entity Wiiv Portugal in the amount of 5,089,792 as part of the costs to be settled with the early termination of the lease contract with the former Head Office. Regarding the settlement of the amount during the year 2024, the bank guarantee was cancelled.

Guarantees for lease contracts

According to the terms of some lease contracts of the buildings occupied by the **Company**'s services, the Portuguese State ceased to hold the majority of the share capital of CTT, bank guarantees on first demand had to be provided. These guarantees amount to 1,792,886 Euros as at 31 December 2024, in the **Group** and the **Company** (3 826 468 Euros at 31 December 2023).

CTT provided a bank guaranty, on behalf of CTT Expresso branch in Spain, to the Sixth Section of the National Audience Administrative Litigation and to the Spanish National Commission on Markets and Competition ("Comisión Nacional de los Mercados y la Competencia") in the amount of 3,148,845 Euros, regarding the legal proceedings of CTT Expresso branch in Spain with the National Audience in Spain. Regarding the settlement of the amount during the year 2024, the bank guarantee was cancelled.

Commitments

The **Group** and the **Company** engaged guarantee insurances in the total amount of 8,226,436 Euros and 4,284,586 Euros, respectively (31 December 2023: 5,985,951 Euros and 3,154,698 Euros respectively), with the purpose of guaranteeing the fulfilment of contractual obligations assumed by third parties.

In addition, the **Group** and the **Company** also assumed commitments relating to real estate rents under lease contracts and rents for other leases.

The **Group** and the **Company** contractual commitments related to Tangible fixed assets and Intangible assets are detailed respectively in Notes 5 and 6.

Banco CTT Commitments

As at 31 December 2023 and 31 December 2024, the Banco CTT Group had provided guarantees and other commitments as detailed below:

	Grupo	
	31.12.2023	31.12.2024
Guarantees provided	44,036,091	64,913,391
Guarantees received	2,387,064,352	2,719,352,360
Commitments made to third parties		
Revocable commitments		
Credit Lines	2,714,426	3,292,714
Others	9,762,709	9,994,765
Irrevocable commitments		
Credit Lines	24,852,323	26,836,414
Commitments made to third parties		
Revocable commitments		
Credit Lines	23,492,423	27,916,003

The amount recorded as Guarantees provided includes, fundamentally, securities given as collateral to guarantee the settlement of interbank transactions.

The amount recorded as Guarantees received includes, fundamentally, guarantees and mortgages on real estate to collateralize mortgage credit transactions.

Revocable and irrevocable commitments present contractual agreements for the granting of credit to the Group's customers (for example, unused credit lines from credit cards and bank overdrafts) which, in general, are contracted for fixed terms or with other expiry requirements. Substantially all credit granting commitments in force require customers to maintain certain requirements verified at the time of contracting them.

Notwithstanding the particularities of these commitments, the assessment of these transactions follows the same basic principles as any other commercial transaction, namely the solvency of the customer, and the Group requires that these transactions be duly collateralized when necessary. Since some of these funds are expected to expire without having been used, the amounts indicated do not necessarily represent future cash requirements.

33. Accounts payable

As at 31 December 2023 and 31 December 2024, the **Group** and the **Company** caption "Accounts payable" showed the following composition:

	Group		Company	
	31.12.2023	**31.12.2024**	**31.12.2023**	**31.12.2024**
Non-current				
Other accounts payable	—	—	309,007	309,007
	—	—	**309,007**	**309,007**
Current				
Advances from customers	1,877,771	36,862,297	2,164,120	36,882,124
CNP money orders	106,269,099	61,652,913	106,269,099	61,652,913
Suppliers	114,269,770	165,601,535	73,180,845	98,871,381
Invoices pending confirmation	12,368,179	14,398,522	5,052,991	4,037,917
Fixed assets suppliers	5,334,120	10,828,977	2,825,917	3,228,350
Invoices pending confirmation (fixed assets)	8,165,808	4,942,135	7,632,578	4,163,594
Values collected on behalf of third parties	17,707,682	23,260,035	8,268,592	7,174,817
Postal financial services	80,227,690	148,038,987	80,212,416	148,042,025
Deposits	678,080	600,586	—	—
Charges	14,664,320	919,805	12,347,745	596,690
Compensations	669,708	483,216	57,573	74,217
Postal operators - amounts to be settled	538,979	—	538,979	—
Amounts to be settled to third parties	1,229,091	1,119,178	1,229,091	1,119,178
Amounts to be settled in stores	765,242	371,535	765,242	371,535
Other accounts payable	9,195,564	9,907,692	6,803,544	9,186,315
	373,961,102	**478,987,413**	**307,348,732**	**375,401,056**
	373,961,102	**478,987,413**	**307,657,739**	**375,710,063**

Advances from customers

The captions advances from customers (and suppliers) had a significant increase in the period, which essentially resulted from the segregation of amounts advanced by (and to) postal operators due to annual terminal dues accounts.

These amounts began to be recorded in specific customer (and supplier) advance accounts, making the flows more transparent within the captions, and allowing the accounting process to be aligned with other types of advances received.

A similar impact is observed in the caption suppliers.

Suppliers c/c

The variation in the suppliers item essentially relates to the impact of the segregation of advances from customers related to postal operators, explained above, as well as the increase in activity in the Express segment.

Fixed Assets Suppliers

The variation in the caption is essentially due to the acquisitions of tangible fixed assets made by CTT Expresso, a branch in Spain at the end of the period, namely the acquisition of PDAs and Sorters.

CNP money orders

The value of CNP money orders refers to the money orders received from the National Pensions Center (CNP), whose payment date to the corresponding pensioners will occur in the month after the closing of the financial year.

The variation in the balance compared to 31 December 2023, is mainly related to the time of receipt of the amounts from the National Pensions Center, which are related with the working days of the calendar compared to the end of the month.

Postal financial services

This caption records mainly the amounts collected related to taxes, insurance, savings certificates and other money orders, whose settlement date should occur in the month following the end of the period.

The change in this caption is mainly related to the limitation of the type of payment methods available in stores for the payment of taxes for corporate customers, as well as an increase in subscriptions to savings certificates, related to the fact that in October 2024, there was a new review of the maximum limits for placing these products per subscriber, combined with a situation of lower interest rates, which made the product attractive again, as well as the implementation of the Savings SuperApp, at the end of 2023, which allowed a greater number of subscriptions to a greater number of people.

Suppliers and fixed assets suppliers

As at 31 December 2023 and 31 December 2024, the **Group** and the **Company** caption Suppliers showed the following composition:

	Group		Company	
	31.12.2023	**31.12.2024**	**31.12.2023**	**31.12.2024**
Other suppliers	67,561,198	92,097,420	28,281,285	27,228,564
Postal operators	46,603,852	73,370,335	43,869,753	70,427,482
Group companies (1)	104,721	133,781	1,029,807	1,215,335
	114,269,770	**165,601,535**	**73,180,845**	**98,871,381**

(1) Includes subsidiary, associated and joint-ventures companies.

As at 31 December 2023 and 31 December 2024, the ageing of the **Group** and the **Company** balance of the captions Suppliers and Fixed assets suppliers is detailed as follows:

Suppliers	Group		Company	
	31.12.2023	**31.12.2024**	**31.12.2023**	**31.12.2024**
Non-overdue	58,944,706	73,517,707	23,293,726	18,858,564
Overdue (1):				
0-30 days	5,400,407	12,997,628	3,493,666	5,158,878
31-90 days	7,776,578	12,610,744	6,330,522	11,002,836
91-180 days	4,614,796	5,746,445	4,119,206	4,740,970
181-360 days	9,654,543	27,810,053	8,790,187	27,086,276
> 360 days	27,878,741	32,918,959	27,153,537	32,023,857
	114,269,770	**165,601,535**	**73,180,845**	**98,871,381**

(1) The amounts regarding the foreign operators, although being overdue over 360 days, are within the normal period for the presentation and regularisation of the accounts.

Fixed assets suppliers	Group		Company	
	31.12.2023	31.12.2024	31.12.2023	31.12.2024
Non-overdue	4,650,481	8,703,611	2,337,935	2,528,765
Overdue:				
0-30 days	482,404	1,872,931	324,177	577,821
31-90 days	116,653	175,921	84,433	77,263
91-180 days	10,897	27,035	10,897	1,292
181-360 days	13,250	—	8,040	—
> 360 days	60,435	49,479	60,435	43,210
	5,334,120	**10,828,977**	**2,825,917**	**3,228,350**

The current amount of accounts payable overdue over 360 days is as follows:

	Group		Company	
	31.12.2023	31.12.2024	31.12.2023	31.12.2024
Other suppliers	248,159	366,948	6,640	500
Foreign operators	27,630,583	32,552,011	27,146,897	32,023,357
Total	**27,878,741**	**32,918,959**	**27,153,537**	**32,023,857**
Foreign operators - receivable (Note 19)	**(17,242,871)**	**(32,374,536)**	**(16,461,242)**	**(31,239,619)**

The balances between Foreign Operators are cleared by netting accounts. These amounts refer to the accounts receivable balances related to these entities (Note 19), in which the Group does not have an unconditional right to settle the amounts of foreign Operators on a net basis, unilaterally deducting amounts receivable from amounts payable, whereby the balances of foreign Operators are shown in assets and liabilities.

The cost recognition impact of significant financing component effect associated to the contractual performance obligations with Foreign Operators is not significant. The **Group** and the **Company** did not recognise any amount.

There are no ongoing judicial or extrajudicial proceedings to regularise the balances of suppliers that were past due on 31 December 2024.

34. Debt securities issued at amortised cost

This caption showed the following composition:

	31.12.2023	31.12.2024
Non current liabilities		
Debt securities issued	347,131,609	252,641,611
	347,131,609	**252,641,611**
Current liabilities		
Debt securities issued	243,468	251,012
	243,468	**251,012**
	347,375,077	**252,892,623**

As at 31 December 2023 and 31 December 2024, the Debt securities issued are analysed as follows:

31.12.2023					
Issue	Issue date	Maturity date	Remuneration	Nominal value	Book value
Ulisses Finance No.2 – Class A	September 2021	September 2038	Euribor 1M + 70 bps	140,142,471	141,123,335
Ulisses Finance No.2 – Class B	September 2021	September 2038	Euribor 1M + 80 bps	6,879,846	6,878,045
Ulisses Finance No.2 – Class C	September 2021	September 2038	Euribor 1M + 135 bps	13,759,693	13,757,142
Ulisses Finance No.2 – Class D	September 2021	September 2038	Euribor 1M + 285 bps	7,774,226	7,774,405
Ulisses Finance No.2 – Class E	September 2021	September 2038	Euribor 1M + 368 bps	2,545,543	2,545,895
Ulisses Finance No.2 – Class F	September 2021	September 2038	Euribor 1M + 549 bps	894,380	894,729
Ulisses Finance No.3 - Class A	June 2022	June 2039	Euribor 1M + 90 bps	147,128,975	147,012,162
Ulisses Finance No.3 - Class B	June 2022	June 2039	Euribor 1M + 200 bps	7,006,142	6,902,717
Ulisses Finance No.3 - Class C	June 2022	June 2039	Euribor 1M + 370 bps	10,509,212	10,352,450
Ulisses Finance No.3 - Class D	June 2022	June 2039	Euribor 1M + 525 bps	5,254,606	5,052,713
Ulisses Finance No.3 - Class E	June 2022	June 2039	Euribor 1M + 650 bps	4,378,839	4,232,861
Ulisses Finance No.3 - Class F	June 2022	June 2039	Euribor 1M + 850 bps	875,768	848,624
				347,149,701	**347,375,077**

31.12.2024					
Issue	Issue date	Maturity date	Remuneration	Nominal value	Book value
Ulisses Finance No.2 – Class A	September 2021	September 2038	Euribor 1M + 70 bps	99,581,378	100,199,056
Ulisses Finance No.2 – Class B	September 2021	September 2038	Euribor 1M + 80 bps	4,888,629	4,889,317
Ulisses Finance No.2 – Class C	September 2021	September 2038	Euribor 1M + 135 bps	9,777,258	9,779,979
Ulisses Finance No.2 – Class D	September 2021	September 2038	Euribor 1M + 285 bps	5,524,151	5,527,760
Ulisses Finance No.2 – Class E	September 2021	September 2038	Euribor 1M + 368 bps	1,808,793	1,810,350
Ulisses Finance No.2 – Class F	September 2021	September 2038	Euribor 1M + 549 bps	635,522	636,356
Ulisses Finance No.3 - Class A	June 2022	June 2039	Euribor 1M + 90 bps	109,545,681	109,508,081
Ulisses Finance No.3 - Class B	June 2022	June 2039	Euribor 1M + 200 bps	5,216,461	5,166,871
Ulisses Finance No.3 - Class C	June 2022	June 2039	Euribor 1M + 370 bps	7,824,691	7,751,588
Ulisses Finance No.3 - Class D	June 2022	June 2039	Euribor 1M + 525 bps	3,912,346	3,815,281
Ulisses Finance No.3 - Class E	June 2022	June 2039	Euribor 1M + 650 bps	3,260,288	3,191,123
Ulisses Finance No.3 - Class F	June 2022	June 2039	Euribor 1M + 850 bps	652,058	639,451
Other commisions	December 2024	July 2027	Fixed Rate 4.543%	—	(22,588)
				252,627,256	**252,892,623**

During the period ended at 31 December 2023 and 31 December 2024, the movement of this item is as follows:

2023					
Denomination	Opening balance	Issues	Repayments	Other movements	Closing balance
Ulisses Finance No.1	11,350,744	—	(11,333,007)	(17,736)	—
Ulisses Finance No.2	234,868,353	—	(61,351,441)	(543,362)	172,973,550
Ulisses Finance No.3	199,358,764	—	(25,446,459)	489,222	174,401,527
	445,577,861	**—**	**(98,130,907)**	**(71,876)**	**347,375,077**

As at 31 December 2023, the credit securitisation operation Ulisses No1, originated by 321 Crédito in 2017, included a consumer credit portfolio amounting to 141.2 million euros. The operation included a clean-up call option clause that could be exercised by the originator when the securitised portfolio dropped by 10% of the initial amount, i.e., 14.1 million euros. This occurred after the IPD ("interest

payment date") of June 2023, with the clean-up call being exercised at the IPD of July 2023, with the Company reacquiring the entire securitised portfolio, closing the operation.

	2024					
	Denomination	Opening balance	Issues	Repayments	Other movements	Closing balance
	Ulisses Finance No.2	172,973,550	—	(49,780,429)	(350,304)	122,842,818
	Ulisses Finance No.3	174,401,527	—	(44,742,015)	412,882	130,072,394
	Other comissions	—	—	—	(22,588)	(22,588)
		347,375,077	**—**	**(94,522,444)**	**39,990**	**252,892,623**

The scheduling by maturity regarding this caption is as follows:

	31.12.2023						
	Current			Non-current			Total
	Due within 3 months	Over 3 months and less than 1 year	Total	Over 1 year and less than 3 years	Over 3 years	Total	
Securitisations	243,468	—	243,468	—	347,131,609	347,131,609	347,375,077
	243,468	**—**	**243,468**	**—**	**347,131,609**	**347,131,609**	**347,375,077**

	31.12.2024						
	Current			Non-current			Total
	Due within 3 months	Over 3 months and less than 1 year	Total	Over 1 year and less than 3 years	Over 3 years	Total	
Securitisations	251,012	—	251,012	—	252,641,611	252,641,611	252,892,623
	251,012	**—**	**251,012**	**—**	**252,641,611**	**252,641,611**	**252,892,623**

Asset securitisation

Chaves Funding No.8

This private securitisation operation was issued in November 2019 by Tagus, Sociedade de Titularização de Créditos, S.A., it included a Consumer Credit portfolio originated by 321 Crédito. The operation was set up with the collaboration of Sociedade de Advogados PLMJ. The operation's structure includes a Tranche A and a Tranche B in the notes issued, both of which are fully owned by the Group.

This operation includes an optional early amortisation clause that allows the Issuer to redeem the Notes of all Classes issued, when the residual value of the credits represents 10% or less of the value of the Credit Portfolio on the date of setting up the securitisation operation.

The underlying assets of Chaves Funding No.8 operation were not derecognised from the Statement of Financial Position, as the Group substantially maintained the risks and benefits associated with their holding.

Ulisses Finance No.2

This securitisation operation was created in September 2021 and issued by Tagus - Sociedade de Titularização de Créditos, S.A. and corresponds to a public credit securitisation programme (Ulysses) with the Ulisses Finance No.2 operation being placed on the market. The operation was set up with the collaboration of Sociedade de Advogados PLMJ and Banco Deutsche Bank, and included a consumer credit portfolio originated by 321 Crédito, whose initial total amount was 250,000 thousand euros, to be maintained over the 12 months of revolving period.

The structure of the transaction includes six collateralised Tranches from A to F and additionally tranches G and Z. All tranches are dispersed in the capital market, with the exception of class Z, whose initial value was 1.5 million euros and which presents the 31 December 2024 a value of 1,000 euros.

This operation obtained ratings from DBRS and Moody's for the tranches placed on the market, that is, Tranches A to G.

The Ulisses Finance No.2 operation has the characteristics of STS (simple, transparent and standardised) and SRT (significant risk transfer).

For the purposes of calculating the capital ratio, as the Ulisses Finance No.2 operation complies with article 244.1 (b) of European Regulation 575/2013 (full capital deduct approached), the company reduced its “Risk Weight Assets” with regard to the contracts securitised within the scope of this operation.

The operation has incorporated an interest rate cap, an interest rate risk mitigation mechanism for the operation and its investors, including the Group, but which was not contracted directly by the Group, but by the issuer. of the securitisation operation (Tagus – STC, S.A.).

The underlying assets of the Ulisses Finance No.2 operation were not derecognised from the Consolidated Statement of Financial Position, as the Group substantially maintained the risks and benefits associated with their holding.

Ulisses Finance No. 3

This securitisation operation was created in June 2022 and issued by Tagus - Sociedade de Titularização de Créditos, S.A. and corresponds to a public credit securitisation programme (Ulisses) with the Ulisses Finance No.3 operation being placed on the market. The operation was set up with the collaboration of “Sociedade de Advogados PLMJ” and “Banco Deutsche Bank”, and included a consumer credit portfolio originated by 321 Crédito, whose initial total amount was 200,000 thousand euros, to be maintained over the 12 months of revolving period.

The structure of the Transaction includes six collateralised Tranches from A to F and additionally tranches G and Z. All tranches are dispersed in the capital market, with the exception of class Z, whose initial value was 1.8 million euros and which presents the 31 December 2024 a value of 1,000 euros

This operation obtained ratings from DBRS and Moody's for the tranches placed on the market, that is, Tranches A to G.

The Ulisses Finance No.3 operation has the characteristics of STS (simple, transparent and standardised) and SRT (significant risk transfer).

For the purposes of calculating the capital ratio, as the Ulisses Finance No.3 operation complies with article 244.1 (b) of European Regulation 575/2013 (full capital deduct approached), the company

reduced its "Risk Weight Assets" regarding to the contracts securitised within the scope of this operation.

The operation incorporates an interest rate swap, an interest rate risk mitigation mechanism for the operation and its investors, including the Group, but which was not contracted directly by the Group, but by the issuer. of the securitisation operation (Tagus – STC, S.A.).

The underlying assets of the Ulisses Finance No.3 operation were not derecognised from the Consolidated Statement of Financial Position, as the Group substantially maintained the risks and rewards associated with their holding.

Additionally, the Group, through 321 Crédito, maintained, as at 31 December 2022, the Fénix operation as the only live unrecognised securitisation operation. The Group's involvement in this operation is limited to providing servicing services.

35. Banking clients' deposits and other loans

As at 31 December 2023 and 31 December 2024, the composition of the heading Banking clients' deposits and other loans in the **Group** is as follows:

	31.12.2023	31.12.2024
Sight deposits	1,343,297,943	1,475,792,212
Term deposits	1,409,082,838	2,204,178,114
Savings deposits	338,581,770	363,729,768
	3,090,962,551	**4,043,700,094**
Corrections to the liabilities value subject to hedging operations	—	17,722
	3,090,962,551	**4,043,717,816**

The above-mentioned amounts relate to Banco CTT clients' deposits. Savings deposits are deposits associated with current accounts and which allow the client to obtain a remuneration above the sight deposits, which can be mobilised at any time, with no subscription limit, and it is possible to schedule transfers from and for this account. These deposits are different from term deposits as they have a definite date of constitution and maturity, and the savings accounts are fully mobilizable without penalty on remuneration.

In 2024, the average rate of return on customer funds was 1.70% (2023: 0.86%).

As at 31 December 2023 and 31 December 2024, the residual maturity of banking client deposits and other loans, is detailed as follows

	31.12.2023					
	No defined maturity	Due within 3 months	Over 3 months and less than 1 year	Over 1 year and less than 3 years	Over 3 years	Total
Sight deposits and saving accounts	1,681,879,712	—	—	—	—	1,681,879,712
Term deposits	—	359,591,003	1,049,491,835	—	—	1,409,082,838
	1,681,879,712	**359,591,003**	**1,049,491,835**	**—**	**—**	**3,090,962,551**

	31.12.2024					
	No defined maturity	Due within 3 months	Over 3 months and less than 1 year	Over 1 year and less than 3 years	Over 3 years	Total
Sight deposits and saving accounts	1,839,521,980	—	—	—	—	1,839,521,980
Term deposits	—	1,001,502,97	1,202,692,86	—	—	2,204,195,836
	1,839,521,980	**1,001,502,97**	**1,202,692,86**	**—**	**—**	**4,043,717,816**

36. Other current liabilities

As at 31 December 2023 and 31 December 2024, the **Group** and the **Company** caption Other current liabilities showed the following composition:

	Group		Company	
	31.12.2023	**31.12.2024**	**31.12.2023**	**31.12.2024**
Current				
Estimated holiday pay, holiday subsidy and other remunerations	54,969,096	57,699,701	42,989,562	43,128,064
Estimated supplies and external services	74,218,189	72,943,988	34,822,673	26,857,948
State and other public entities				
Value Added Tax	4,083,608	3,411,546	2,602,558	2,112,458
Personal income tax withholdings	3,299,151	4,036,545	2,219,223	1,778,773
Social Security contributions	5,972,284	6,574,807	4,077,460	4,250,080
Caixa Geral de Aposentações	1,529,301	1,184,618	1,492,486	1,132,476
Local Authority taxes	180,685	144,304	445,185	358,594
Other taxes	787,485	956,593	4,797	5,901
Other	284,471	152,217	234,945	102,691
	145,324,271	**147,104,317**	**88,888,890**	**79,726,986**

37. Income taxes receivable /payable

As at 31 December 2023 and 31 December 2024 the **Group** and the **Company** heading Income taxes receivable and Income taxes payable showed the following composition:

	Group		Company	
	31.12.2023	**31.12.2024**	**31.12.2023**	**31.12.2024**
Current assets				
Corporate income tax	8,268	—	—	—
	8,268	**—**	**—**	**—**
Current liabilities				
Corporate income tax	6,666,412	6,527,689	5,047,516	4,183,856
	6,666,412	**6,527,689**	**5,047,516**	**4,183,856**

The **Company**'s current assets and current liabilities relative to corporate income tax were calculated as follows:

Company	31.12.2023	31.12.2024
Estimated income tax	(2,454,481)	(4,673,822)
Estimated Group companies' income tax	(8,669,087)	(9,296,399)
Payments on account	5,405,194	8,589,353
Withholding taxes	899,894	1,463,821
Others	(229,036)	(266,809)
	(5,047,516)	**(4,183,856)**

38. Financial assets and liabilities

As at 31 December 2023 and 31 December 2024, the categories of financial assets and liabilities regarding the **Group** were broken down as follows:

Group	31.12.2023				
	Amortised cost	Fair value through Profit and Loss	Other financial liabilities	Non-financial assets/ liabilities	Total
Assets					
Other investments (Note 13)	—	—	—	3,200,797	3,200,797
Non-current financial assets at fair value through profit or loss (Note 15)	—	13,532,000	—	—	13,532,000
Non-current debt securities at amortised cost (Note 14)	364,706,177	—	—	—	364,706,177
Other non-current assets (Note 23)	3,533,009	—	—	—	3,533,009
Non-current credit to bank clients (Note 20)	1,444,412,021	—	—	—	1,444,412,021
Current accounts receivable (Note 19)	153,061,555	—	—	—	153,061,555
Current credit to bank clients (Note 20)	148,801,874	—	—	—	148,801,874
Current debt securities at amortised cost (Note 14)	364,759,821	—	—	—	364,759,821
Other current assets (Note 23)	12,435,400	—	—	80,110,137	92,545,537
Other current banking financial assets (Note 16)	1,272,087,916	—	—	2,487,205	1,274,575,120
Cash and cash equivalents (Note 22)	351,609,634	—	—	—	351,609,634
Total Financial assets	**4,115,407,406**	**13,532,000**	**—**	**85,798,139**	**4,214,737,545**
Liabilities					
Non-current debt (Note 30)	—	—	161,080,105	—	161,080,105
Non- current debt Securities issued at amortised cost (Note 34)	347,131,609	—	—	—	347,131,609
Current accounts payable (Note 33)	—	—	344,342,348	29,618,755	373,961,102
Banking client deposits and other loans (Note 35)	3,090,962,551	—	—	—	3,090,962,551
Current debt (Note 30)	—	—	107,934,852	—	107,934,852
Financial liabilities at fair value through profit and losses (Note 15)	—	13,744,154	—	—	13,744,154
Current debt securities issued at amortised cost (Note 34)	243,468	—	—	—	243,468
Other current liabilities (Note 36)	—	—	74,502,660	70,821,610	145,324,271
Other current banking financial liabilities (Note 16)	—	—	—	47,759,822	47,759,822
Total Financial liabilities	**3,438,337,628**	**13,744,154**	**687,859,965**	**148,200,187**	**4,288,141,934**

Group	31.12.2024				
	Amortised cost	Fair value through Profit and Loss	Other financial liabilities	Non-financial assets/ liabilities	Total
Assets					
Other investments (Note 13)	—	—	—	3,280,828	3,280,828
Non-current financial assets at fair value through profit or loss (Note 15)	—	6,283,361	—	—	6,283,361
Non-current debt securities at amortised cost (Note 14)	357,983,106	—	—	—	357,983,106
Other non-current assets (Note 23)	3,760,479	—	—	—	3,760,479
Non-current credit to bank clients (Note 20)	1,573,398,545	—	—	—	1,573,398,545
Current accounts receivable (Note 19)	188,399,079	—	—	—	188,399,079
Current credit to bank clients (Note 20)	168,148,789	—	—	—	168,148,789
Current debt securities at amortised cost (Note 14)	1,701,153,508	—	—	—	1,701,153,508
Other current assets (Note 23)	13,435,443	—	—	80,640,042	94,075,485
Other current banking financial assets (Note 16)	701,313,062	5,912	—	2,390,032	703,709,006
Cash and cash equivalents (Note 22)	315,912,146	—	—	—	315,912,146
Total Financial assets	**5,023,504,157**	**6,289,273**	**—**	**86,310,902**	**5,116,104,332**
Liabilities					
Non-current debt (Note 30)	—	—	176,378,401	—	176,378,401
Non- current debt Securities issued at amortised cost (Note 34)	252,641,611	—	—	—	252,641,611
Current accounts payable (Note 33)	—	—	428,850,145	50,137,268	478,987,413
Banking client deposits and other loans (Note 35)	4,043,717,816	—	—	—	4,043,717,816
Current debt (Note 30)	—	—	49,874,003	—	49,874,003
Financial liabilities at fair value through profit and losses (Note 15)	—	6,408,818	—	—	6,408,818
Current debt securities issued at amortised cost (Note 34)	251,012	—	—	—	251,012
Other current liabilities (Note 36)	—	—	73,096,205	74,008,112	147,104,317
Other current banking financial liabilities (Note 16)	—	12,332	—	31,864,810	31,877,142
Total Financial liabilities	**4,296,610,439**	**6,421,150**	**728,198,754**	**156,010,190**	**5,187,240,533**

The assets and liabilities fair value, for the captions that differ from the book value, as at 31 December 2023 and 31 December 2024, is analysed as follows:

	31.12.2023		31.12.2024	
	Book value	Fair Value	Book value	Fair Value
Financial assets				
Credit to bank clients	1,593,213,895	1,599,416,283	1,741,547,334	1,725,795,317
Debt securities - Financial assets at amortised cost	729,465,998	700,064,668	2,059,136,614	2,036,925,113
Financial liabilities				
Banking client deposits and other loans	3,090,962,551	3,106,178,673	4,043,700,094	4,043,700,094
Debt Securities issued at amortised cost	347,375,077	346,971,442	252,892,623	262,733,120

The amounts booked as “Debt securities – Financial assets at amortised cost” are fully classified as stage 1.

Fair value is based on market prices, whenever these are available. If market prices are not available, fair value is estimated through internal models based on discounted cash flow methods. The generation

of cash flow of the different instruments is based on their financial characteristics, and the discount rates used incorporate both the market interest rate curve and the current risk levels of the respective issuer.

Therefore, the fair value obtained is influenced by the parameters used in the evaluation model, which necessarily incorporate some degree of subjectivity, and exclusively reflects the value attributed to the different financial instruments.

The **Group** uses the following fair value hierarchy, with three levels in the valuation of financial instruments (assets or liabilities), which reflect the level of judgement, the observability of the data, and the importance of the parameters applied in the determination of the assessment of the fair value of the financial instrument, pursuant to IFRS 13:

Level 1: Fair value is determined based on unadjusted listed prices, captured in transactions in active markets involving financial instruments similar to the instruments to be assessed. Where there is more than one active market for the same financial instrument, the relevant price is that prevailing in the main market of the instrument, or the most advantageous market to which there is access;

Level 2: Fair value is calculated through valuation techniques based on observable data in active markets, whether direct data (prices, rates, spreads, etc.) or indirect data (derivatives), and valuation assumptions similar to those that a non-related party would use to estimate the fair value of the same financial instrument. This also includes instruments whose valuation is obtained through listed prices disclosed by independent entities, but whose markets show less liquidity; and,

Level 3: Fair value is determined based on data not observable in active markets, using techniques and assumptions that the market participants would use to assess the same instruments, including hypotheses about the inherent risks, the assessment method and inputs used, entailing process of review of the accuracy of the values obtained in this manner.

The **Group** considers a market active for a particular financial instrument, on the measurement date, according to the turnover and liquidity of the operations carried out, the relative volatility of the listed prices, and the promptness and availability of the information, where the following minimum conditions must be met:

- Existence of frequent daily prices of trading in the last year;
- The prices mentioned above change regularly;
- Existence of enforceable prices of more than one entity.

A parameter used in the valuation method is considered to be observable market data if the following conditions are met:

- If its value is determined in an active market;
- If there is an OTC (over-the-counter) market and it is reasonable to assume that active market conditions are met, except for the condition of trading volumes; and,
- The value of the parameter can be obtained by the inverse calculation of the prices of the financial instruments and/or derivatives where all the other parameters required for the initial assessment are observable in a liquid market or OTC market that complies with the previous paragraphs.

The fair value of the financial assets and liabilities, as at 31 December 2023, is analysed as follows:

	31.12.2023			
	Valuation Method			Total
Caption	Level 1	Level 2	Level 3	
Other Investments	—	—	3,200,797	3,200,797
Financial Assets at fair value through profit or losses	—	—	13,532,000	13,532,000
Debt securities at amortised cost	700,064,668	—	—	700,064,668
Other non-current assets	—	—	3,533,009	3,533,009
Credit to bank clients	—	—	1,599,416,283	1,599,416,283
Other banking financial assets	—	—	1,274,575,121	1,274,575,121
Accounts receivables	—	—	153,061,555	153,061,555
Other current assets	—	—	92,545,537	92,545,537
Cash and cash equivalents	351,609,634	—	—	351,609,634
Total Financial Assets Fair Value	**1,051,674,302**	**—**	**3,139,864,302**	**4,191,538,604**
Debt	—	—	269,014,957	269,014,957
Debt Securities issued at amortised cost	—	346,971,442	—	346,971,442
Other banking financial liabilities	—	—	47,759,822	47,759,822
Accounts payable	—	—	373,961,102	373,961,102
Banking clients' deposits and other loans	—	—	3,090,962,551	3,090,962,551
Financial liabilities at fair value through profit or losses	—	—	13,744,154	13,744,154
Other current liabilities	—	—	145,324,270	145,324,270
Total Financial Liabilities Fair Value	**—**	**346,971,442**	**3,940,766,857**	**4,287,738,299**

The fair value of the financial assets and liabilities, as at 31 December 2024, is analysed as follows:

	31.12.2024			
	Valuation Method			Total
Caption	Level 1	Level 2	Level 3	
Other Investments	—	—	3,280,828	3,280,828
Financial Assets at fair value through profit or losses	—	—	6,283,361	6,283,361
Debt securities at amortised cost	2,036,925,113	—	—	2,036,925,113
Other non-current assets	—	—	3,760,479	3,760,479
Credit to bank clients	—	—	1,725,795,317	1,725,795,317
Other banking financial assets	—	—	703,709,006	703,709,006
Accounts receivables	—	—	188,399,079	188,399,079
Other current assets	—	—	94,075,485	94,075,485
Cash and cash equivalents	315,912,146	—	—	315,912,146
Total Financial Assets Fair Value	**2,352,837,259**	**—**	**2,725,303,555**	**5,078,140,814**
Debt	—	—	226,252,404	226,252,404
Debt Securities issued at amortised cost	—	262,733,120	—	262,733,120
Other banking financial liabilities	12,332	—	31,864,810	31,877,142
Accounts payable	—	—	478,987,413	478,987,413
Banking clients' deposits and other loans	—	—	4,043,717,816	4,043,717,816
Financial liabilities at fair value through profit or losses	—	—	6,408,818	6,408,818
Other current liabilities	—	—	147,104,317	147,104,317
Total Financial Liabilities Fair Value	**12,332**	**262,733,120**	**4,934,335,579**	**5,197,081,030**

Sensitivity analysis

The caption “Credit to bank clients” which, as at 31 December 2024, has a fair value of 1,725,795 thousand Euros has a sensitivity of - 27 894 thousand Euros and +27 960 thousand Euros for an interest rate change of - 10% and +10%, respectively.

The main methods and assumptions used to estimate the fair value of the financial assets and liabilities recorded in the balanced sheet are analysed as follows:

Cash and Cash Equivalents
These financial instruments are very short-term, so, their book value is a reasonable estimate of the fair value.

Financial Assets at Amortised Cost
The fair value is estimated based on the expected future principal and interest cash flows for these instruments.

Credit to banking clients
The fair value determination, by credit type, is detailed as follows:

Credits to clients with defined maturity

Fair value is calculated by discounting, at the average rates of December production, the expected cash flows over the life of the contracts, considering historical prepayment rates.

Credits to clients at defined maturity

Given the short term of this type of instrument, the conditions of this portfolio are similar to those practiced on the reporting date, so its balance sheet value is considered a reasonable estimate of its fair value.

Financial assets at fair value through profit or loss (except derivatives)

These financial assets are accounted at fair value. Fair value is based on market quotations, when available. If they do not exist, the fair value calculation is based on i) the use of numerical models, namely based on the update of the expected future cash flows of capital and interest for these instruments or ii) on the NAV (Net Asset Value) provided by companies fund managers.

Financial assets at fair value through profit or loss (Derivatives)

All derivatives are accounted for at fair value. In the case of those listed on organised markets, the respective market price is used. In the case of OTC (over-the-counter) derivatives, numerical models based on cash flow discounting techniques and option valuation models considering market and other variables are applied.

Other banking financial liabilities

These financial instruments are very short-term; hence, their book value is a reasonable estimate of their fair value.

Banking clients' deposits and other loans

The fair value of these financial instruments is estimated based on the discounted expected principal and interest cash flows. The discount rate used is that which reflects the rates applied for deposits with similar features on the reporting date. Considering that the applicable interest rates are renewed for periods less than one year, there are no materially relevant differences in their fair value.

Debt securities issued

The fair value of these instruments is estimated based on market quotations, when available. If they do not exist, the fair value is estimated based on the update of the expected future cash flows of principal and interest for these instruments.

Regarding the **Company,** as at 31 December 2023 and 31 December 2024, the categories of financial assets and liabilities were broken down as follows:

Company	31.12.2023				
	Amortised cost	Fair value through Profit and Loss	Other financial liabilities	Non-financial assets/ liabilities	Total
Assets					
Other investments (Note 13)	—	—	—	6,394	6,394
Non-current Group Companies (Note 52)	11,980,000	—	—	—	11,980,000
Non-current accounts receivable (Note 19)	596,036	—	—	—	596,036
Other non-current assets (Note 23)	2,764,552	—	—	—	2,764,552
Current accounts receivable (Note 19)	77,599,554	—	—	—	77,599,554
Current Group Companies (Note 52)	4,207,339	—	—	—	4,207,339
Other current assets (Note 23)	13,518,535	—	—	32,589,547	46,108,082
Cash and cash equivalents (Note 22)	221,989,472	—	—	—	221,989,472
Total Financial assets	**332,655,488**	**—**		**32,595,941**	**365,251,429**
Liabilities					
Non-current accounts payable (Note 33)	—	—	309,007	—	309,007
Non-current debt (Note 30)	—	—	195,121,779	—	195,121,779
Current accounts payable (Note 33)	—	—	283,442,438	23,906,294	307,348,732
Group Companies (Note 52)	—	—	3,663,372	3,975,984	7,639,356
Current debt (Note 30)	—	—	92,554,629	—	92,554,629
Other current liabilities (Note 36)	—	—	35,057,618	53,831,271	88,888,890
Total Financial liabilities	**—**	**—**	**610,148,843**	**81,713,549**	**691,862,393**

Company	31.12.2024				
	Amortised cost	Fair value through Profit and Loss	Other financial liabilities	Non-financial assets/ liabilities	Total
Assets					
Other investments (Note 13)	—	—	—	6,394	6,394
Non-current Group Companies (Note 52)	19,280,000	—	—	—	19,280,000
Non-current accounts receivable (Note 19)	617,000	—	—	—	617,000
Other non-current assets (Note 23)	3,026,075	—	—	—	3,026,075
Current accounts receivable (Note 19)	110,167,044	—	—	—	110,167,044
Current Group Companies (Note 52)	17,001,281	—	—	—	17,001,281
Other current assets (Note 23)	11,764,043	—	—	38,144,376	49,908,418
Cash and cash equivalents (Note 22)	140,212,683	—	—	—	140,212,683
Total Financial assets	**302,068,126**	**—**		**38,150,770**	**340,218,895**
Liabilities					
Non-current accounts payable (Note 33)	—	—	309,007	—	309,007
Non-current debt (Note 30)	—	—	189,300,674	—	189,300,674
Current accounts payable (Note 33)	—	—	327,170,997	48,230,059	375,401,056
Group Companies (Note 52)	—	—	—	3,957,522	3,957,522
Current debt (Note 30)	—	—	39,837,232	—	39,837,232
Other current liabilities (Note 36)	—	—	26,960,639	52,766,346	79,726,986
Total Financial liabilities	**—**	**—**	**583,578,549**	**104,953,927**	**688,532,477**

The **Company** believes that, due to the nature of its financial assets and liabilities, the fair value of financial assets and liabilities is similar to its book value.

39. Subsidies obtained

As at 31 December 2023 and 31 December 2024, the information regarding subsidies or grants obtained (Note 2.24) to the **Group** and the **Company** was as follows:

	2023									
	Group					Company				
	Attributed value	Value received	Value to be received	Accumulated income	Value to be used	Attributed value	Value received	Value not received	Accumulated revenues	Value to be used
Investment subsidy	10,308,318	9,732,999	575,319	9,625,428	682,890	10,274,552	9,714,706	559,846	9,607,136	667,417
Operating subsidy	1,156,772	984,450	172,322	991,432	165,340	177,045	177,045	—	177,045	—
	11,465,090	**10,717,449**	**747,641**	**10,616,861**	**848,230**	**10,451,597**	**9,891,751**	**559,846**	**9,784,181**	**667,417**

	2024									
	Group					Company				
	Attributed value	Value received	Value to be received	Accumulated income	Value to be used	Attributed value	Value received	Value not received	Accumulated revenues	Value to be used
Investment subsidy	10,310,797	9,735,478	575,319	9,636,629	674,168	10,277,031	9,717,185	559,846	9,618,337	658,695
Operating subsidy	1,182,019	1,001,514	180,505	1,015,773	166,245	177,045	177,045	—	177,045	—
	11,492,816	**10,736,992**	**755,824**	**10,652,403**	**840,413**	**10,454,076**	**9,894,230**	**559,846**	**9,795,382**	**658,695**

The amounts received as investment subsidy – FEDER - are recognised in the income statement, under the heading Other operating income, as the corresponding assets are amortised.

The financial contribution of the Instituto do Emprego e da Formação Profissional, I.P. ("Institute of Employment and Professional Training") ("IEFP"), received under the Employment Internships Programme configures the typology of Grants related to income or operational expenses and is recognised as revenue in the same period of the related expense.

40. Sales and services rendered

For the years ended 31 December 2023 and 31 December 2024, the significant categories of the **Company** revenue were as follows:

Company	2023	2024
Sales	13,240,182	8,336,572
Mail services rendered	371,514,907	380,697,766
Postal financial services	57,507,150	28,244,691
Electronic vehicle identification devices	5,437,410	5,723,955
Other services	18,970,296	18,718,785
	466,669,945	**441,721,768**

The main changes in the caption "Sales and services rendered" compared to the previous year, are explained in note 4 – Segment Reporting. The details of the **Group**'s sales and services rendered are presented in note 4.

Other services fundamentally concern:

	2023	2024
Photocopies Certification	206,238	271,236
Reg. Aut. Madeira and Azores transport allowance	1,271,260	1,601,605
Others Philately	54,942	43,727
Costums presentation tax	1,574,104	1,468,477
Corfax	5,661	3,556
Non-adressed mail	131,384	106,431
Digital mailRoom	881,184	674,458
Printing & Finishing	6,928,183	6,852,235
BPO Services and other business solutions	5,396,096	2,788,963
Via CTT	1,342,605	1,347,136
Other miscellaneous services	1,178,639	3,560,961
	18,970,296	**18,718,785**

In the periods ended 31 December 2023 and 31 December 2024, there are no variable components associated with contracts with customers with associated uncertainty.

41. Financial margin

As at 31 December 2023 and 31 December 2024, the composition of the **Group** heading Financial margin was as follows:

Group	2023	2024
Interest and similar income calculated using the effective interest method	**132,653,133**	**176,995,215**
Interest on loans and advances to credit institutions repayable on demand	971,744	822,834
Interest on financial assets at amortised cost		
Loans and advances to credit institutions	24,341,917	31,375,914
Loans and advances to customers	98,350,285	92,530,061
Debt securities	7,924,558	51,377,139
Interest on financial assets at fair value through other comprehensive income		
Debt securities	—	—
Other interest	1,064,629	889,269
Interest expense and similar charges	**33,861,673**	**79,010,509**
Interest on financial liabilities at amortised cost		
Resources from credit institutions	729	406,440
Resources from customers	15,891,945	63,551,034
Debt securities issued	17,546,308	15,029,110
Interest on hedging derivatives	—	23,924
Other interest	422,691	—
Financial Margin	**98,791,459**	**97,984,706**

The caption Interest and similar income for the year ended 31 December 2024 includes the amount of 3,686 thousand Euros related to impaired financial assets - Stage 3 (2023: 2,887 thousand Euros).

The caption Interest on loans and advances to customers includes the amount of (19,630) thousand Euros (31 December 2023: (15 784) thousand Euros) related to commissions and other costs and income recorded in accordance with the effective interest rate method, as referred to in the accounting policy described in note 2.22.

42. Other operating income

For the years ended 31 December 2023 and 31 December 2024, the composition of the **Group** and the **Company** heading Other operating income was as follows:

	Group		Company	
	2023	2024	2023	2024
Supplementary revenues	3,004,687	2,218,221	51,921,611	59,806,575
Early settlement discounts received	61,156	91,971	3,745	6,610
Gains inventories	113,213	74,368	112,584	74,195
Favourable exchange rate differences of assets and liabilities other than financing	627,677	376,984	597,240	335,415
Income from financial investments	2,199,822	1,668,991	2,183,600	1,671,681
Income from non-financial investments	5,392	20,649	—	—
Income from fees and commissions	27,220,700	29,795,675	—	—
Interest income and expenses - financial services	1,099,280	460,260	1,099,280	460,260
VAT adjustments	1,847,047	3,393,991	1,847,047	3,393,991
Other	5,642,485	5,198,669	2,260,398	1,852,592
	41,821,459	**43,299,779**	**60,025,506**	**67,601,319**

In the **Group** the caption “Income from fees and commissions” is detailed as follows:

Group	2023	2024
Income from fees and commissions		
From banking services	16,655,202	18,665,430
From credit intermediation services	2,437,072	2,183,991
From insurance mediation services	8,124,242	8,943,253
From other commissions	4,184	3,001
	27,220,700	**29,795,675**

Regarding the **Company,** the caption Supplementary revenues fundamentally relates to:

Company	2023	2024
Services rendered to Group companies (1)	49,232,632	57,504,308
Rental of spaces in urban buildings	1,488,791	1,228,857
Other	1,200,188	1,073,410
	51,921,611	**59,806,575**

(1) Includes subsidiary, associated and joint-ventures companies.

43. External supplies and services

For the years ended 31 December 2023 and 31 December 2024, the composition of the **Group** and the **Company** heading External supplies and services was as follows:

	Group		Company	
	2023	2024	2023	2024
Subcontracts	16,658,189	16,892,577	3,860,858	3,115,367
Specialised services	97,381,182	125,716,123	32,021,770	32,730,662
Specialised services rendered by Group companies (1)	—	—	3,266,284	2,752,215
Materials	3,187,208	2,766,460	1,832,607	1,711,112
Energy and fuel	15,414,520	15,513,079	12,118,860	11,688,134
Staff transportation	102,607	112,107	100,216	103,658
Transportation of goods	178,815,203	252,864,248	14,483,364	16,323,525
Rents				
Vehicle operational lease	1,872,866	2,149,007	1,463,497	1,853,041
Other rental charge	11,417,991	14,382,269	8,697,557	11,629,215
Communication	1,558,371	1,819,161	241,421	203,447
Insurance	2,056,209	3,131,913	832,922	800,458
Litigation and notary	403,399	793,254	161,325	196,598
Cleaning, hygiene and confort	5,840,201	6,493,511	3,875,639	4,092,073
Postal Agencies	9,650,492	9,518,803	9,660,837	9,531,074
Postal operators	24,088,329	27,973,442	22,035,134	26,004,669
Delivery subcontracting	4,426,769	4,676,399	4,426,769	4,676,399
Other services	21,030,162	18,696,621	8,759,848	6,482,504
Other services rendered by Group companies (1)	117,324	158,098	4,695,085	3,894,608
	394,021,022	**503,657,073**	**132,533,993**	**137,788,759**

(1) Includes subsidiary, associated and joint-ventures companies.

(i) "Specialised services" refer to outsourcing contracts for the provision of IT services, maintenance of IT equipment, use of temporary work and external consultants. The change in this caption is, above all, explained by the increase in expenses at CTT Express Spain using temporary work, due to the increase in activity;

(ii) Energy and fuel refer mainly to diesel for vehicles used in the operating process;

(iii) Transportation of goods refers to costs with the transportation of mail and express in several ways (sea, air, surface). The increase in this item is mainly due to the notable growth of the “Express and Parcels” segment;

(iv) “Other Rental changes” essentially refer to the rental of software and other equipment whose contracts did not comply with the requirements of IFRS 16; and

(v) Postal operators refer to costs with peer postal operators.

44. Staff costs

During the years ended 31 December 2023 and 31 December 2024, the composition of the **Group** and the **Company** caption Staff Costs was as follows:

	Group		Company	
	2023	2024	2023	2024
Remuneration	303,000,227	322,538,427	231,429,688	233,848,369
Employee benefits	(29,680,916)	7,794,810	(29,759,229)	7,758,597
Indemnities	14,858,810	(472,805)	14,638,352	(768,534)
Social Security charges	64,743,406	68,517,361	49,504,661	49,086,179
Occupational accident and health insurance	3,819,193	3,581,800	3,340,395	3,077,635
Social welfare costs	8,110,313	6,357,190	7,144,032	5,012,749
Other staff costs	169,005	257,538	—	—
	365,020,038	**408,574,321**	**276,297,899**	**298,014,995**

The increase in staff costs in the period is mainly explained by salary increases, including the increase in the national minimum wage.

Employee benefits

In the period ended 31 December 2023, the amount recorded under the caption "Employee Benefits" essentially refers to the impacts of changes to the benefits provided for in the Health Care Plan (currently known as the Plan of Social Action - PAS), detailed in point 2.20 and note 31.

Indemnities

In the period ended 31 December 2023, the caption "Indemnities" includes the amount of 13,441,229 Euros in the **Group** and the **Company** within the scope of the Human Resources optimisation programme explained in greater detail in note 32 – Provisions, Guarantees provided, Contingent liabilities.

Remuneration of the statutory bodies of CTT, S.A.

As at 31 December 2023 and 31 December 2024, the fixed and variable remunerations attributed to the members of the statutory bodies of CTT, SA, were as follows:

Company	2023				
	Board of Directors	Audit Committee	Remuneration Board	General Meeting of Shareholders	Total
Short-term remuneration					
Fixed remuneration	2,270,217	159,692	44,800	14,000	2,488,709
Annual variable remuneration	980,387	—	—	—	980,387
	3,250,604	**159,692**	**44,800**	**14,000**	**3,469,096**
Long-term remuneration					
Defined contribution plan RSP	181,567	—	—	—	181,567
Long-term variable remuneration	—	—	—	—	—
	181,567	**—**	**—**	**—**	**181,567**
	3,432,171	**159,692**	**44,800**	**14,000**	**3,650,663**

Company	2024				
	Board of Directors	Audit Committee	Remuneration Board	General Meeting of Shareholders	Total
Short-term remuneration					
Fixed remuneration	1,915,000	250,000	55,800	14,000	2,234,800
Annual variable remuneration	738,831	—	—	—	738,831
	2,653,831	**250,000**	**55,800**	**14,000**	**2,973,631**
Long-term remuneration					
plan RSP	131,000	—	—	—	131,000
Long-term variable remuneration	1,550,665	—	—	—	1,550,665
	1,681,665	**—**	**—**	**—**	**1,681,665**
	4,335,496	**250,000**	**55,800**	**14,000**	**4,655,296**

Long-term variable remuneration ("LTVR")

2020/2022 Term

The long-term variable remuneration model for the 2020/2022 term was based on the participation of CTT's Board members and Top Management in the Options Plan.

The aforementioned Option Plan provided for the attribution of options to its participants that conferred the right to attribution of shares representing CTT's share capital. The Options Plan established five tranches of options that are distinguished only by their different exercise price or strike price. In the case of management, the Board Members approved the granting of a global number of 1,200,000 options, subject to the conditions defined for the corporate bodies.

The exercise date of all the options was 1 January 2023, given the end of the 3-year term of office 2020/2022.

The Executive Committee Options Plan provides for the financial settlement of 25% of the options (cash settlement) and the physical settlement of 75% of the options (equity settlement). The plan for CTT's Top Management provides for the physical settlement of 100% of the options.

The plan's settlement conditions were defined as follows: 50% of the LTVR was settled on the fifth trading day immediately following the date of the annual general meeting of the Company approving the accounts for the 2022 financial year that took place in 20 April 2023, half by way of financial settlement in cash, in the case of the Executive Committee, (i.e. 25% of the options) and the other half (i.e. 25% of the options) by way of physical settlement through the delivery of CTT shares. In the case of Top Management, the 50% of the LTVR settled on this date will be settled through the physical delivery of CTT shares; The remaining 50% of the LTVR (i.e. 50% of the options) are settled through the delivery of CTT shares (physical settlement), in 2 tranches of 1/2 of the shares retained, respectively: (i) on the fifth trading day immediately following the end of the month after the date of approval of the accounts relating to financial year 2023 at an annual general meeting of the Company that took place in 30 April 2024 and subject to the positive performance of the Company in each of the financial years 2021 to 2023; and (ii) on the fifth trading day immediately following the end of the month after the date of approval of the accounts for the financial year 2024 at an annual general meeting of the Company to be held in 2025, or on 31 May 2025 (whichever date occurs later) and subject to the positive performance of the Company in each of the financial years 2021 to 2024, respectively for each tranche.

Taking into account the end of the three-year term of office 2020/2022, the Remuneration Committee, in accordance with the Options Plan, has determined, on 1 January 2023, the number of shares to be attributed to each participant as LTVR (which attribution and settlement being subject to the rules set

out in the Options Plan, described above). This determination was made through a study carried out by an independent entity.

Considering the above, the allocation of the following number of shares to each participant by way of LTVR was determined:

Participant	CEO	CFO	Other executive directors (three members)	Total
Shares	81,629	46,645	104,949	233,226

In the case of Top Management, a total of 127,103 shares to be awarded were calculated.

As of 31 December 2023 the amount was paid and the liabilities were settled on 20 April 2023. In the case of the physical settlement component, considering that this was fully recognised in 2021 and 2022, with reference to 31 December 2023, an amount of 1,155,000 Euros was derecognised in the caption "Reserves" in equity, corresponding to the proportional amount of the physical liquidation that occurred (note 26). This amount was derecognised against to the amount of the own shares delivered within the scope of this operation. The difference in the amount of 705,463 Euros, was recognised under the caption “Other changes in equity” (Note 26), pursuant to the provisions of the IFRS. As of 31 de dezembro de 2024, considering the delivery of the second tranche, an amount of 841,648 Euros was derecognized under the caption “Reserves” in equity, corresponding to the proportional value of the physical settlement that occurred (note 26). This amount was derecognized in exchange for the value of own shares delivered within the scope of this operation. The difference between the two amounts, amounted to 512,156 Euros.

2023/2025 Term

The long-term variable remuneration model for the 2023/2025 term is based on the participation of executive Directors in the Option Plan, which is reflected in the remuneration policy approved by the General Shareholders' Meeting on 23 April 2024, based on in the Remuneration Committee's proposal.

Similarly, the Board of Directors implemented an Options Plan aimed at CTT Top management, along the same lines as the program approved for the board members.

The aforementioned Option Plan provides for the following main rules applicable to the attribution and exercise of options and the financial settlement and delivery and retention of shares under the LTVR:

a. The Options Plan regulates the attribution to its participants of options that confer the right to attribution of shares representing CTT's share capital, subject to certain conditions applicable to the exercise and settlement of the options;

b. The Option Plan establishes the number of options attributed to be exercised by the Plan's participants (differentiated between CEO, CFO, CCO and Top Management), as per the table below, with the date of attribution corresponding to the date of approval of said plan at the General Meeting;

c. Each Participant will be entitled to receive three distinct tranches of Options, each with a different Exercise Price:

Tranche	Number of options per participant			Strike Price
	CEO	CFO	CCO	
1	1,166,667	833,334	833,334	€ 4.00
2	1,166,667	833,333	833,333	€ 6.00
3	1,166,666	833,333	833,333	€ 8.00

In the case of the top management, the Board of Directors approved the allocation of a total number of 2,010,000 options, subject to the conditions defined for the board members.

d. The exercise date of all options corresponds to 1 January 2026, taking into account the end of the 3-year term 2023/2025;

e. The number of Shares to be settled for each tranche of Options will be calculated based on the application of the following formula:

No. of Shares = No. of Options exercised x [(Share Price – Strike Price) / Share Price]

Where:

Strike Price: corresponds to the Strike Price determined in the table above; It is,

Share Price: corresponds to the arithmetic average of the prices, weighted by the respective volumes, of the Company's share transactions occurring on the Euronext Lisbon regulatory market, in Stock Exchange sessions that take place in the 120 days prior to the Exercise Date.

f. The Options Plan provides for the financial settlement of 25% of the options (cash settlement) and the physical settlement of 75% of the options (equity settlement), without prejudice to, exceptionally and in a scenario where the number of own shares held by CTT it is not enough, to determine that the Remuneration Committee establishes a compensation mechanism through the allocation of a cash amount and financial settlement of options whose physical settlement is not possible. The CTT management options plan provides for the physical settlement of 100% of the options, with the exception of the options to be attributed to the members of the extended executive committee, whose plan also provides for the financial settlement of 25% of the options (cash settlement) and the physical settlement of 75% of the options (equity settlement);

g. If shares are allocated based on stock market performance and verification of the Company's positive performance under the terms defined in the plan, the options will be subject to settlement over a deferral/retention period;

h. 50% of the RVLP is settled on the fifth trading day immediately following the date of the Company's annual general meeting approving the accounts for the 2025 financial year to be held in 2026, subject to verification of positive performance in relation to each of the financial years. 2023, 2024 and 2025, half via financial settlement in cash (i.e., 25% of the options on a proportional basis with respect to each of its 3 tranches) and the other half (i.e., 25% of the options equally on a proportional in relation to each of its 3 tranches) via physical settlement through the delivery of CTT shares. In the case of the top management, with the exception of members of the extended executive committee, the 50% of the LTVR settled on this date is made through physical delivery of CTT shares.

i. The remaining 50% of the LTVR (i.e., 50% of the options equally on a proportional basis in relation to each tranches) are settled through the delivery of CTT shares (physical settlement), in 2 tranches of 1/2 of the shares retained, respectively: (i) on the fifth trading day immediately

following the end of the month after the date of approval of the accounts for the 2026 financial year at the Company's annual general meeting to be held in 2027, or on 31 May 2027 (depending on the later date) and subject to the positive performance of the Company in each of the financial years from 2023 to 2026; and (ii) on the fifth trading day immediately following the end of the month after the date of approval of the accounts for the 2027 financial year at the Company's annual general meeting to be held in 2028, or on 31 May 2028 (depending on the date occurring later) and subject to the positive performance of the Company in each of the financial years from 2023 to 2027, respectively for each tranche;

j. The exercise of options and their settlement are also subject to eligibility conditions, which are, as a rule, remaining in office during the term, the absence of situations of material non-compliance with the Options Plan and the failure to verify situations that give rise to application of adjustment mechanisms;

On the date of attribution, the determination of the fair value of the options attributed was carried out through a study carried out by an independent entity on the date of attribution of the benefit. The model used to value the action plan was the Monte Carlo simulation model.

The amount relating to the share plan relating to corporate bodies and top management, recognized on 31 December 2024, amounted to 2,683,146 Euros, with the financial settlement component, recognized under the caption “Employee Benefits”, in the amount of 587 286 Euros (note 31) and the settlement in instruments recognized under the caption “other reserves”, in the amount of 2 095 860 Euros (note 26).

For the financial settlement component, the liability amount is updated at the end of each reporting period, depending on the number of shares or options on shares attributed and their fair value at the reporting date, based on a study carried out by an independent entity.

Annual variable remuneration ("AVR"):

In the period ended 31 December 2023, the amount of 980,387 Euros was recognised as an estimated annual variable remuneration for members of the Governing Bodies. In 2024, the final amount to be settled was calculated, with 50% of the amount having already been settled, as stipulated in the Remuneration Regulations.

In the period ended 31 December 2024, the amount of 738,831 Euros was recognised as an estimated annual variable remuneration for members of the Governing Bodies.

As at 31 December 2023 and 31 December 2024, the **Group** and the **Company** caption Staff costs includes the amounts of 936,096 Euros and 902,564 Euros, respectively, related to expenses with workers' representative bodies.

For the year ended 31 December 2024, the average number of staff of the **Group** and the **Company** was 13,695 and 9,846 employees, respectively, (13,224 and 10,037 employees e in the year ended 31 December 2023).

As at 31 December 2023 and 31 December 2024, the **Company** incurred in staff costs in a global amount of 187,488 Euros and 214,006 Euros, respectively, related to employees assigned to Fundação Portuguesa de Comunicações (Portuguese Communications Foundation).

45. Impairment of accounts receivable and Impairment of other financial banking assets

For the years ended 31 December 2023 and 31 December 2024, the detail of Impairment of accounts receivable, net and Impairment of other financial banking assets, net of the **Group** and the **Company** was as follows:

	Group		Company	
	2023	2024	2023	2024
Impairment of accounts receivable				
Impairment losses				
Accounts receivable	6,063,033	1,233,321	1,442,846	—
Other current and non-current assets	344,272	245,192	182,704	183,826
Slight and term deposits	38	1,144	—	—
	6,407,342	**1,479,657**	**1,625,550**	**183,826**
Reversals of impairment losses				
Accounts receivable	1,580,637	619,664	1,048,000	419,589
Other current and non-current assets	2,650,885	215,896	2,602,213	121,737
Slight and term deposits	3,967	3,286	3,930	3,283
	4,235,489	**838,846**	**3,654,143**	**544,609**
Bad debts	1,454,582	534,475	1,183,586	178,632
Net movement of the period	**(3,626,435)**	**(1,175,286)**	**845,007**	**182,151**
Impairment of other financial banking assets				
Impairment losses				
Debt securities at amortised cost	28,997	49,514	—	—
Other banking financial assets	39,061	24,087	—	—
Credit to banking clients	52,462,104	49,976,800	—	—
	52,530,162	**50,050,402**	**—**	**—**
Reversals of impairment losses				
Debt securities at fair value through other comprehensive income	—	—	—	—
Debt securities at amortised cost	63,215	43,557		
Other banking financial assets	10,607	14,312	—	—
Credit to banking clients	27,469,743	37,335,143	—	—
	27,543,565	**37,393,012**	**—**	**—**
Net movement of the period	**(24,986,597)**	**(12,657,389)**	**—**	**—**
	(28,613,032)	**(13,832,675)**	**845,007**	**182,151**

46. Depreciation/amortisation (losses/ reversals)

For the years ended 31 December 2023 and 31 December 2024, the detail of Depreciation/ amortisation and impairment losses, net, regarding the **Group** and the **Company** was as follows:

	Group		Company	
	2023	2024	2023	2024
Tangible fixed assets				
Depreciation (Note 5)	52,156,843	55,945,538	34,138,202	35,351,873
Impairment losses (Note 5)	(3,638,321)	(697)	(3,638,321)	(697)
Intangible assets				
Amortisation (Note 6)	17,033,818	19,224,263	8,277,813	9,257,921
Investment properties				
Depreciation (Note 7)	183,591	190,827	53,322	20,074
Impairment losses (Note 7)	(788)	(186,195)	(788)	(186,195)
Non-current assets held for sale				
Impairment losses	—	(638)	—	—
	65,735,145	**75,173,099**	**38,830,229**	**44,442,976**

47. Net gains/ (losses) of financial banking assets and liabilities

In the periods ended 31 December 2023 and 31 December 2024, the detail of "Net gains/ (losses) of financial banking assets and liabilities related to the **Group** is detailed as follows:

	2023	2024
Net gains/(losses) of assets and liabilities at fair value through profit or loss	852,271	40,283
Gains / (losses) on derecognition of financial assets and liabilities at amortised cost	(44,730)	—
	807,541	**40,283**

48. Other operating costs

For the years ended 31 December 2023 and 31 December 2024, the breakdown of the **Group** and the **Company** caption "Other operating costs" was as follows:

	Group		Company	
	2023	2024	2023	2024
Taxes and other fees	3,440,016	4,003,276	2,142,609	2,318,187
Losses in inventories	191,904	60,777	191,590	60,554
Costs and losses from non-financial investments	659,908	32,761	659,894	—
Unfavourable exchange rate differences of assets	252,247	1,022,376	212,572	970,587
Donations	576,433	620,854	557,364	601,294
Banking services	4,748,282	5,359,225	4,182,225	4,560,465
Interest on arrears	30,707	34,075	27,174	28,186
Contractual penalties	58,951	36,513	58,951	124,326
Subscriptions	912,673	860,751	834,633	779,582
Expenses of fees and commissions	4,855,590	5,054,765	—	—
Deposits Guarantee Fund/Resolution unified Fund	369,837	132,105	—	—
Indemnities	644,231	296,323	265,504	308,929
Contractual penalty for contract termination	8,005,209	—	8,005,209	—
Transaction costs	10,940,513	—	—	—
Other costs	4,188,403	4,210,196	1,679,083	677,993
	39,874,904	**21,723,995**	**18,816,808**	**10,430,103**

The caption "Taxes and other fees" in the **Group** includes the amounts of 1,384,183 Euros and 1,679,138 Euros, for the years ended 31 December 2023 and 31 December 2024, respectively, relating to ANACOM fees.

The caption "Deposits Guarantee Fund/ Resolution unified Fund" essentially includes:

a) The amounts of 284,112 Euros and 4,077 Euros as at 31 December 2023 and 31 December 2024, respectively, related to the Contribution for the single resolution fund under the Unique Resolution Mechanism and in accordance with paragraph 2 of Article 70 of Regulation (EU) no. 806/2014 of the European Parliament and of the Council of 15 July 2014;

b) The amounts of 54,730 Euros and 110,153 Euros as at 31 December 2023 and 31 December 2024, respectively, of periodic contributions that must be paid to the Resolution Fund, as set forth in Decree-Law no. 24/2013.

The "Contribution on the Banking Sector" is calculated in accordance with the provisions of Law No. 55-A/2010, with the amount being determined based on: (i) the average annual liability recorded in the balance sheet minus basic own funds (Tier 1) and complementary own funds (Tier 2) and deposits covered by the Deposit Guarantee Fund; and (ii) the notional value of derivative financial instruments. The 'Solidarity Surcharge on the Banking Sector', introduced by Law No. 27-A/2020 of 24 July, was a measure implemented in response to the COVID-19 pandemic, and its calculation is similar to the 'Contribution on the Banking Sector'.

The heading "Contribution to the Single Resolution Fund" refers to the ex ante contribution to the Single Resolution Fund, within the scope of the Single Resolution Mechanism and under the terms of Article 70.2 of Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014.

The caption "Contribution to the Resolution Fund" corresponds to mandatory periodic contributions to the Fund, under the terms of Decree-Law No. 24/2013. The periodic contributions are calculated in accordance with a base rate to be applied each year, determined by the Banco de Portugal, by instruction, and may be adjusted according to the risk profile of the institution, on the objective basis of incidence of the said contributions. The periodic contributions are levied on the liabilities of the institutions participating in the Fund, defined under the terms of article 10 of the aforementioned Decree-Law, less the liability elements that comprise the basic and complementary own funds and the deposits covered by the Deposit Guarantee Fund.

The amount recognised under the caption "Transaction costs" corresponds to the costs of transferring real estate assets from CTT to CTT IMO Yield, namely Municipal Real Estate Transfer Tax ("IMT") and Stamp Tax, assumed by CTT IMO Yield (note 8).

As of 31 December 2023, the costs "Contractual penalty for contract termination" are related to the amount agreed with the counterparty for the early cancellation of the lease agreement for the previous CTT head office building - Edificio Báltico.

The caption "Expenses of fees and commissions" is detailed as follows:

Group	2023	2024
Expenses of fees and commissions		
From banking services	4,714,809	4,780,618
From securities operations	108,080	237,140
From other services	32,700	37,008
	4,855,590	**5,054,765**

49. Gains/losses on disposal/ remeasurement of assets

For the years ended 31 December 2023 and 31 December 2024, the heading Gains/losses on disposal/ remeasurement of assets of the **Group** and the **Company** had the following detail:

	Group		Company	
	2023	2024	2023	2024
Losses on disposal of assets	(44,829)	(373,907)	(41,570)	(294,415)
Gains on disposal of assets	232,035	886,003	181,346	70,262
	187,206	**512,095**	**139,776**	**(224,153)**

50. Interest expenses and Interest income

For the years ended 31 December 2023 and 31 December 2024, the caption "Interest Expenses" of the **Group** and the **Company** had the following detail:

	Group		Company	
	2023	2024	2023	2024
Interest expenses				
Bank loans	5,578,745	6,173,507	5,510,530	6,110,051
Lease liabilities	3,549,120	5,301,114	1,939,845	8,720,367
Other interest	32,934	90	139,235	19,230
Interest costs from employee benefits	7,209,527	5,909,621	7,161,616	5,857,908
Other interest costs	499,504	479,723	427,596	396,086
	16,869,829	**17,864,054**	**15,178,822**	**21,103,642**

During the years ended 31 December 2023 and 31 December 2024, the **Group** and the **Company** heading Interest income was detailed as follows:

	Group		Company	
	2023	2024	2023	2024
Interest income				
Deposits in credit institutions	630,502	422,109	1,109,380	167,948
Loans to Group companies (1)	—	—	2,666,838	604,078
Other supplementary income	80	2,586	80	2,586
	630,582	**424,695**	**3,776,298**	**774,612**

(1) Includes subsidiary, associated and joint-ventures companies.

51. Income tax for the period

Companies with head office in Portugal are subject to tax on their profit through Corporate Income Tax ("IRC") at the normal tax rate of 21%, whilst the municipal tax is established at a maximum rate of 1.5% of taxable profit, and State surcharge is 3% of taxable profit between 1,500,000 Euros and 7,500,00 Euros, 5% of taxable profit between 7,500,000 and to 35,000,000 Euros and 9% of the taxable profit above 35,000,000 Euros. CTT – Expresso, S.A., Spain branch is subject to income taxes in Spain, through income tax (Impuesto sobre Sociedades - "IS") at a rate of 25%, and the subsidiary CORRE is subject to corporate income tax in Mozambique ("IRPC") at a rate of 32%. When calculating the corporate tax and when complying with tax obligations, special corporate tax regimes are also considered, as is the case of CTT IMO Yield, S.A. - SIC (Real State Company) and 1520 Innovation Fund, Venture Capital Fund, entities based in Portugal. Corporate income tax is levied on CTT and its subsidiaries CTT – Expresso, S.A., Payshop Portugal, S.A, CTT Contacto, S.A. and Banco CTT, S.A., 321 Crédito – Instituição Financeira de Crédito, S.A., CTT Soluções Empresariais, S.A., CTT IMO – Sociedade Imobiliária, S.A., NewSpring Services, S.A., MedSpring, S.A., CTT IMO Yield, S.A. and CTT Services, S.A. as a result of the option for the Special Regime for the Taxation of Groups of Companies ("RETGS") application. The remaining companies are taxed individually. The entities NewSpring Services, S.A., MedSpring, S.A., CTT IMO Yield, S.A. and CTT Services, S.A. integrated the RETGS in 2023. In the 2024 financial year, taking into account that it no longer complies with all the requirements set out in that regime, CTT IMO Yield, meanwhile converted into a Closed Real Estate ("SIC"), left the RETGS.

Reconciliation of the income tax rate

For the years ended 31 December 2023 and 31 December 2024, the reconciliation between the nominal rate and the effective income tax rate of the **Group** and the **Company** was as follows:

	Group		Company	
	2023	**2024**	**2023**	**2024**
Earnings before taxes (a)	61,538,139	56,340,435	66,971,844	45,901,036
Nominal tax rate	21.0%	21.0%	21.0%	21.0%
	12,923,009	**11,831,491**	**14,064,087**	**9,639,218**
Tax Benefits	(453,817)	(682,490)	(115,637)	(110,782)
Accounting capital gains/(losses)	420,380	47,586	210,190	47,586
Tax capital gains/(losses)	(3,147,260)	(152,859)	(2,488,758)	(152,859)
Equity method	—	—	(6,226,671)	(11,726,328)
Provisions not considered in the calculation of deferred taxes	90,690	533,051	20,478	28,001
Impairment losses and reversals	(316,093)	40,699	(507,887)	(26,062)
Compensation for insurable events	229,538	184,804	55,105	64,261
Depreciation and car rental charges	92,932	309,521	81,759	175,172
Credits uncollectible	282,544	110,554	248,553	37,513
Difference between current and deferred tax rates	597,704	814,002	597,704	814,002
Fines, interest, compensatory interest and other charges	78,831	76,055	54,520	4,606
Difference between tax asset amount and contract amount	1,393,735	48,868	—	48,868
Tangible assets sale & leaseback transactions	(8,784,280)	—	—	—
Contract termination costs	—	2,241,459	—	2,241,459
Earnings of entities subject to special taxation regimes	—	(1,522,208)	—	—
Other situations, net	765,859	406,233	6,963	(381,667)
Adjustments related with - autonomous taxation	549,932	518,259	446,473	404,213
Adjustments related with - undistributed variable remuneration	—	123,445	—	123,445
Impact of the change in income tax rate (deferred tax)	—	2,145,275	—	2,145,275
Deferred tax on accumulated tax losses carried forward of branch in Spain	—	(5,819,132)	—	—
SIFIDE tax credit	(5,202,784)	(1,792,132)	(1,962,304)	
Insuficiency / (Excess) estimated income tax	(1,470,055)	(4,213,402)	(1,253,285)	(2,091,126)
Subtotal (b)	(1,949,136)	5,249,081	(4,159,256)	412,085
(b)/(a)	(3.17%)	9.32%	(6.21%)	0.90%
Adjustments related with - Municipal Surcharge	881,146	1,110,454	120,164	—
Adjustments related with - State Surcharge	2,163,689	2,947,465	205,547	—
Income taxes for the period	**1,095,699**	**9,307,000**	**(3,833,545)**	**412,085**
Effective tax rate	1.78%	16.52%	(5.72%)	0.90%
Income taxes for the period				
Current tax	14,897,328	18,434,711	2,454,481	(4,673,822)
Deferred tax	(7,128,790)	(3,122,178)	(3,072,437)	8,049,743
SIFIDE tax credit	(5,202,784)	(1,792,132)	(1,962,304)	(872,710)
Insuficiency / (Excess) estimated income tax	(1,470,055)	(4,213,402)	(1,253,285)	(2,091,126)
	1,095,699	**9,307,000**	**(3,833,545)**	**412,085**

As at 31 December 2023, the caption "Sale and leaseback transactions of tangible fixed assets" refers to the deferred tax assets related to the temporary difference generated in the sale & leaseback operation, described in note 5.

For the period ending on 31 December 2023, the caption "SIFIDE Tax Credit" refers, essentially, to the remaining amount of the SIFIDE tax credit relating to the years 2020 and 2021 (1,618,016 Euros), and to tax credits in the global amount of 2,475,000 Euros related to contributions to the 1520 Innovation Fund. These credits were recognised in line with the provisions of IFRIC 23, considering their specificities and estimates of the probability of their effective attribution.

Deferred taxes

As at 31 December 2023 and 31 December 2024, the balance of the **Group** and the **Company** deferred tax assets and liabilities was composed as follows:

	Group		Company	
	31.12.2023	**31.12.2024**	**31.12.2023**	**31.12.2024**
Deferred tax assets				
Employee benefits - healthcare	43,185,623	42,620,632	43,185,623	42,620,632
Employee benefits - pension plan	66,831	60,651	—	—
Employee benefits - other long-term benefits	5,338,079	6,619,989	4,497,554	5,721,496
Impairment losses and provisions	6,417,768	2,048,044	5,359,144	1,061,478
Tax losses carried forward	3,179,270	12,464,197	—	—
Impairment losses in tangible fixed assets	671,318	736,367	671,318	736,367
Long-term variable remuneration (Board of diretors)	816,443	1,304,162	816,443	1,304,162
Land and buildings	51,529	49,689	51,529	49,689
Tangible assets' tax revaluation regime	527,549	254,355	527,549	254,355
Sale & Leaseback transactions	8,784,280	7,965,779	8,784,280	7,965,779
Early termination of contracts	2,241,459	—	2,241,459	—
Other	115,718	29,921	—	—
	71,395,868	**74,153,787**	**66,134,899**	**59,713,958**
Deferred tax liabilities				
Revaluation of tangible fixed assets before IFRS	484,578	406,587	484,578	406,587
Suspended capital gains	284,397	262,284	284,397	262,284
PPA Movements - New Spring Services	286,265	185,230	—	—
Fair value adjustments	3,420,343	1,500,837		
Other	195,125	216,760	—	—
	4,670,707	**2,571,698**	**768,975**	**668,871**

As at 31 December 2024, the expected amount of deferred tax assets and liabilities to be settled within 12 months is 4.0 million Euros and 3.9 million Euros, respectively, regarding the **Group** and the **Company**.

During the years ended 31 December 2023 and 31 December 2024, the movements which occurred under the deferred tax headings of the **Group** and the **Company** were as follows:

	Group		Company	
	2023	2024	2023	2024
Deferred tax assets				
Opening balances	67,823,608	71,395,868	62,844,558	66,134,899
Effect on net profit				
Employee benefits - healthcare	(11,716,520)	(2,293,897)	(11,716,520)	(2,293,897)
Employee benefits - pension plan	14,012	(8,543)	—	—
Employee benefits - other long-term benefits	247,619	1,281,910	169,913	1,223,942
Impairment losses and provisions	4,017,349	(4,369,725)	4,086,355	(4,297,666)
Tax losses carried forward	136,866	9,284,928	—	—
Impairment losses in tangible fixed assets	(923,508)	65,049	(923,508)	65,049
Share plan	(233,286)	487,719	(233,286)	487,719
Land and buildings	(281,081)	(1,840)	(281,081)	(1,840)
Tangible assets' tax revaluation regime	(434,598)	(273,194)	(434,598)	(273,194)
Sale & Leaseback Transactions	8,784,280	(818,501)	8,784,280	(818,501)
Contract termination costs	2,241,459	(2,241,459)	2,241,459	(2,241,459)
Other	118,611	(85,797)	(2,514)	—
Effect on equity				
Employee benefits - healthcare	1,599,841	1,728,906	1,599,841	1,728,906
Employee benefits - pension plan	1,216	2,363	—	—
Closing balance	**71,395,868**	**74,153,787**	**66,134,899**	**59,713,958**

	Group		Company	
	2023	2024	2023	2024
Deferred tax liabilities				
Opening balances	9,847,476	4,670,707	2,150,912	768,975
Effect on net profit				
Revaluation of tangible fixed assets before IFRS adoption	(1,034,441)	(116,399)	(1,034,441)	(116,399)
Suspended capital gains	(347,496)	(22,113)	(347,496)	(22,113)
Non-current assets held for sale	—	—	—	—
PPA Movements - New Spring Services	(101,035)	(101,035)	—	—
Fair value adjustments	(3,296,270)	(1,919,506)	—	—
Other	(378,345)	25,117	—	—
Effect on equity				
Other	(19,182)	34,926	—	38,408
Other effects				
PPA Movements - New Spring Services	—	—	—	—
Closing balance	**4,670,707**	**2,571,698**	**768,975**	**668,871**

During the year ended 31 December 2023 and in the 31 December 2024, the tax losses carried forward are detailed as follows:

	31.12.2023		31.12.2024	
Group	Tax losses	Deferred tax assets	Tax losses	Deferred tax assets
CTT – Expresso, S.A., branch in Spain	76,206,218	—	67,972,890	9,567,078
CTT Expresso/Transporta	12,535,630	2,632,482	10,934,187	2,287,763
CTT Soluções Empresariais/HCCM	1,285,613	269,979	629,266	132,146
Open Lockers	1,318,136	276,809	2,272,430	477,210
Total	**91,345,597**	**3,179,270**	**81,808,773**	**12,464,197**

In the case of CTT Expresso, a branch in Spain, the losses relate to the year 2014, which can be carried forward in the following 18 years (available for reporting until 2032) and to the tax losses of 2017, 2018, 2019, 2020, 2021 and 2022, with no time limit for their reporting. As at 31 December 2024, the amount of 9,567,078 Euros of deferred tax assets on accumulated tax losses was recognised, taking into account, on the one hand, Spanish tax rules, as well as the fact that the current business plan foresees the generation of taxable profits in the coming years, in line with the relevant increase in the operational and financial performance of this entity.

Regarding to CTT Expresso/ Transporta, the tax losses presented refer to the losses of Transporta for the years 2014 and 2015 and 2017 and 2018, since in 2019 this company was incorporated into CTT Expresso, which may be reported in one or more subsequent tax periods, in accordance with the rules established in the income tax code. The recognition of deferred tax assets related to Transporta's tax losses is supported by the estimate of future taxable profits of CTT Expresso, based on the company's business plan. The main assumptions used in the preparation of the company's business plan are disclosed in note 9 - Goodwill (impairment tests with a timeliness of 5 years), and the growth for the 8-year plan was subsequently projected, based on the results background, experience and future growth prospects of this business unit.

The sensitivity analysis performed allows us to conclude that a 1% reduction in the underlying rate of deferred tax would imply an increase in the income tax for the period of about 2.65 million Euros in the **Group** and 2.15 million euros in the **Company**.

SIFIDE

The Group recognises an estimate of the tax credit that was submitted for certification by the competent authority (ANI – Agência Nacional de Inovação) in the period to which the investments relate.

Regarding the expenses incurred on R&D by the **Group** and the **Company** in the financial year 2021, with the submission of the application, these amounted to 6,474,190 Euros and 5,350,184 Euros respectively, with the **Group** and the **Company** having estimated a deduction from the IRC collection estimated at 3,816,703 Euros and 3,238,810 Euros. As of 31 December 2023, the tax credit for the year 2021 had already been fully deferred by the Certification Commission.

Regarding the expenses incurred with R&D by the **Group** and the **Company** in the 2022 financial year, with the submission of the application, these amounted to 4,169,551 Euros and 2,654,735 Euros respectively, with the **Group** and the **Company** estimating a deduction of income tax estimated at 1,648,061 Euros and 862,789 Euros. As of 31 December 2024, the tax credit granted by the Certifying Commission amounted to 1,540,277 Euros and 790,084 Euros, with the remainder awaiting approval.

Regarding the expenses incurred with R&D by the **Group** and the **Company** in the 2023 financial year, with the submission of the application, these amounted to 8,054,187 Euros and 3,186,392 Euros respectively, with the **Group** and the **Company** estimating a deduction of income tax estimated at 4,391,472 Euros and 1,034,788 Euros. As at 31 December 2024, the tax credit granted by the Certifying Commission totalled 1,034,788 Euros in the Group and in the Company. According to historical information, the CTT Group has a high success rate in granting the tax credit submitted to ANI, with no significant corrections having occurred in previous years to the amounts self-assessed in tax form, therefore, and in accordance with the provisions of IFRIC 23, a tax credit was considered through the self-assessment made in 2023 Tax form, in the amount of 3,816,530 Euros in the Group.

As for the 2024 financial year, the **Group** and the **Company** are still identifying and quantifying the expenses incurred with R&D that will be included in the applications that will be submitted during the course of 2025.

Pillar II

The transition of the world to a global village, the increasing speed of transactions, the streamlining of commercial relations, among other phenomena, challenge current tax rules, forcing an inevitable renewal and combination of efforts between jurisdictions, governments and national tax policies - in essence, there will be room for tax harmonization with regard to corporate income tax.

In this context, the OECD initiated the BEPS (Base Erosion and Profit Shifting) project, which resulted in the adoption of 15 actions/plans to be followed and which indicate tax standards to be adopted and implemented by national governments in order to abolish avoidance and evasion. tax, aiming at the effective taxation of economic activities in the jurisdiction(s) where the respective profits are generated and in which the added value is actually generated.

In 2021, an agreement was reached between the members of the G20 to implement what is commonly known as Pillar II, referring to the method and criteria for taxing profits obtained by multinational entities, as well as the way in which tax collection power is allocated between states of tax revenue.

According to Pillar II, companies included in multinational groups with an annual global turnover exceeding 750 million euros will be subject, regardless of the jurisdiction to which they belong, to a minimum corporate income tax rate of 15%.

The imposition of this minimum rate aims to prevent, based on abusive tax practices and policies, imbalances between tax rates and regimes in different jurisdictions or illicit exploitation due to lack of liability to or payment of tax.

EU Directive 2022/2523 required that the acceding Member States should transpose it by 31 December 2023, but this did not happen in some jurisdictions, including Portugal, which would comply with its obligation to transpose the Directive with the official publication of Law No. 41/2024 on 8 November 2024.

Since the **Group** falls within the scope of the Directive, it has carried out an assessment of the possible impact on each of the jurisdictions in which it operates in light of the rules of the Directive and the published national legislation, defining the internal and reporting tasks to be carried out in this context.

Compliance with tax and reporting obligations relating to Pillar II must be carried out in conjunction with the information reported in the CbCR (Country by Country Report) that has been submitted and prepared by the CTT Group, as well as in other reports that have been and will be carried out.

As an innovative regime, a transitional regime is foreseen, particularly in terms of the deadline, for the application of the rules and allowing for a gradual adaptation to this new regime.

In addition, certain jurisdictions may be excluded from the scope of application of such rules.

On the other hand, safe-harbour clauses are foreseen, which are characterised by dispensing, provided that certain requirements and/or limits are met, with the effective application of compliance with certain obligations and eliminating the aforementioned minimum rate.

The analysis carried out, which included verification, through tests of the Group's financial information and the effective verification of objective requirements, allowed us to conclude that in none of the relevant jurisdictions in this context will the tax referred to in Pillar II be due.

These conclusions result from the interpretation of the rules of the Directive and national legislation, as well as from international doctrine specialising in international taxation and are based on the aforementioned exceptional or special regimes.

Considering the relevance of Pillar II and its potential impact on the Group, changes in fact that may alter the conclusions of the analysis carried out will be monitored and assessed in the relevant jurisdictions, particularly those resulting from differences in reality compared to the business plan or the occurrence of any corporate and/or tax changes.

On the other hand, we will monitor legislative changes and the development of interpretative positions of the standards in order to anticipate their respective impacts on the Group.

The amendment to IAS 12 introduced a mandatory temporary exception for the recognition of deferred taxes under Pillar II, which will be considered and followed by the Group in its reporting.

Other information

Pursuant to the legislation in force in Portugal, income tax returns are subject to review and correction by the tax authorities for a period of four years (five years for Social Security), except when there have been tax losses, tax benefits have been received, or when inspections, claims or challenges are in progress, in which cases, depending on the circumstances, these years are extended or suspended. Therefore, CTT's income tax returns from 2021 and onwards may still be reviewed and corrected.

The Board of Directors of the Company believes that any corrections arising from reviews/inspections by the tax authorities of these income tax returns will not have a significant effect on the consolidated financial statements as at 31 December 2024.

52. Related parties

The Regulation on Assessment and Control of transactions with CTT related parties defines related party as: qualified shareholder, manager, subsidiaries companies' managers or third party with any of these related through relevant commercial or personal interest (under the terms of IAS 24) and also subsidiaries, associates and joint ventures of CTT. It is considered that there is a "relevant commercial or personal interest" in relation to (i) close family members of the managers, subsidiaries companies' managers and qualified shareholders who, at each moment, have significant influence on CTT, as well as (ii) controlled entities (individually or jointly), either by management, subsidiaries companies' managers qualified shareholders or by the persons referred to in (i). For this purpose, "control" is considered to exist when an investor is exposed or holds rights in relation to variable results through its relationship with it and has the capacity to affect those results through the power it exercises over the investee. Additionally, "close family members" are: (i) the spouse or domestic partner and (ii) the children and dependents of the person and persons referred to in (i).

According to the Regulation, the significant transactions with related parties, as well as transactions that members of the Board of Directors of CTT and/or its subsidiaries conduct with CTT and/or its subsidiaries, must be previously approved by resolution of Board of Directors, preceded by a prior favourable opinion of Audit Committee , except when included in the normal company´s business and no special advantage is granted to the director directly or by an intermediary. Significant transaction is any transaction with a related party whose amount exceeds one million Euros, and / or carried out outside current activity scope of CTT and / or subsidiaries and / or outside market conditions.

The other related parties' transactions are approved by Executive Committee, to the extent of the related delegation of powers, and subject to subsequent examination by the Audit Committee.

During the years ended 31 December 2023 and 31 December 2024, the following transactions took place and the following balances existed with related parties, regarding the **Group:**

Group	2023					
	Accounts receivable	Accounts payable	Revenues	Costs	Dividends	Financial investments / Increase in share capital
Shareholders	—	—	—	—	17,817,109	—
Group companies						
Associated companies	—	—	—	—	—	—
Jointly controlled	411,070	104,721	789,316	314,430	—	—
Members of the (Note 44)						
Board of Directors	—	—	—	3,250,604	—	—
Audit Committee	—	—	—	159,692	—	—
Remuneration Committee	—	—	—	44,800	—	—
General Meeting	—	—	—	14,000	—	—
	411,070	**104,721**	**789,316**	**3,783,526**	**17,817,109**	**—**

Group	2024					
	Accounts receivable	Accounts payable	Revenues	Costs	Dividends	Financial investments / Increase in share capital
Shareholders	—	—	—	—	23,315,758	—
Group companies						
Associated companies	—	—	—	—	—	—
Jointly controlled	237,959	133,781	739,919	387,720	—	—
Other related parties	213,139	—	2,455,522	—	—	—
Members of the (Note 44)						
Board of Directors	—	—	—	2,653,831	—	—
Audit Committee	—	—	—	250,000	—	—
Remuneration Committee	—	—	—	55,800	—	—
General Meeting	—	—	—	14,000	—	—
	451,097	**133,781**	**3,195,441**	**3,361,351**	**23,315,758**	**—**

During the years ended 31 December 2023 and 31 December 2024, the following transactions took place and the following balances existed with related parties, regarding the **Company**:

Company	2023										
	Accounts receivable	Shareholders and Group companies (DB)	Rights-of-Use	Lease liabilities	Accounts payable	Shareholders and Group companies (CB)	Revenues	Costs	Interest income	Dividends	Financial investments / Increase in share capital
Shareholders	—	—	—	—	—	—	—	—	—	17,187,109	—
Group companies											
Subsidiaries	20,969,825	15,496,305	55,349,384	86,940,271	2,888,405	7,278,907	51,692,992	8,154,134	3,170,624	—	175,114,100
Joint Ventures	251,648	—	—	—	—	—	540,613	111,726	—	—	—
Other related parties	90,702	691,034	—	—	231,861	360,449	478,047	1,903,817	930	—	—
Members of the (Note 44)											
Board of Directors	—	—	—	—	—	—	—	3,250,604	—	—	—
Audit Committee	—	—	—	—	—	—	—	159,692	—	—	—
Remuneration Committee	—	—	—	—	—	—	—	44,800	—	—	—
General Meeting	—	—	—	—	—	—	—	14,000	—	—	—
	21,312,175	**16,187,339**	**55,349,384**	**86,940,271**	**3,120,266**	**7,639,356**	**52,711,652**	**13,638,774**	**3,171,554**	**17,187,109**	**175,114,100**

DB - Debit balance; CB - Credit balance

Company	2024										
	Accounts receivable	Shareholders and Group companies (DB)	Rights-of-Use	Lease liabilities	Accounts payable	Shareholders and Group companies (CB)	Revenues	Costs	Interest income	Dividends	Financial investments / Increase in share capital
Shareholders	—	—	—	—	—	—	—	—	—	23,315,758	—
Group companies											
Subsidiaries	16,805,562	35,929,068	55,023,591	87,196,427	3,306,095	3,917,002	59,901,307	15,145,398	646,209	—	—
Joint Ventures	124,299	—	—	—	29,060	—	408,392	144,240	—	—	—
Other related parties	555,770	283,647	—	—	194,256	109,086	1,145,865	2,315,829	22,743	—	—
Other related parties	162,885	—	—	—	—	—	1,488,312	—	—	—	—
Members of the (Note 44)											
Board of Directors	—	—	—	—	—	—	—	2,653,831	—	—	—
Audit Committee	—	—	—	—	—	—	—	250,000	—	—	—
Remuneration Committee	—	—	—	—	—	—	—	55,800	—	—	—
General Meeting	—	—	—	—	—	—	—	14,000	—	—	—
	17,648,516	**36,212,715**	**55,023,591**	**87,196,427**	**3,529,411**	**4,026,088**	**62,943,876**	**20,579,098**	**668,953**	**23,315,758**	**—**

DB - Debit balance; CB - Credit balance

Regarding the **Company,** as at 31 December 2023 and 31 December 2024, the nature and detail, by company of the Group**,** of the main debit and credit balances was as follows:

Company	2023					
	Accounts receivable	Shareholders and Group companies (DB)	Rights-of-Use	Lease liabilities	Accounts payable	Shareholders and Group companies (CB)
Subsidiaries						
Banco CTT, S.A.	590,090	—	—	—	10,751	3,663,372
CTT Expresso,S.A.	18,176,022	11,514,769	10,421	10,536	2,185,499	—
CTT Contacto, S.A.	242,434	1,269,175	—	—	164,064	1,691,591
Payshop Portugal, S.A.	243,594	—	—	—	503,737	80,808
CORRE - Correio Expresso Moçambique, S.A.	937,605	28,935	—	—	—	—
CTT Soluções Empresariais, S.A.	779,397	2,000,000	—	—	—	1,843,136
CTT IMO - Sociedade Imobiliária, S.A.	683	49,856	1,613,265	1,613,604	—	—
CTT IMOYIELD, S.A.	—	633,570	53,725,699	85,316,132	24,355	—
Joint Ventures						
NewPost, ACE	251,648	—	—	—	—	—
Other related parties						
321 Crédito – Instituição Financeira de Crédito, S.A.	89,596	—	—	—	—	—
CTT Services, S.A.						
NewSpring Services, S.A.	1,091	550,000	—	—	231,361	357,449
Medspring, S.A	—	141,034	—	—	—	—
Open Lockers, S.A.	15	—	—	—	500	—
	21,312,175	**16,187,339**	**55,349,384**	**86,940,271**	**3,120,266**	**7,639,356**

DB - Debit balance; CB - Credit balance

Company	2024					
	Accounts receivable	Shareholders and Group companies (DB)	Rights-of-Use	Lease liabilities	Accounts payable	Shareholders and Group companies (CB)
Subsidiaries						
Banco CTT, S.A.	918,109	14,420,563	—	—	53,659	—
CTT Expresso,S.A.	14,274,259	15,053,883	—	—	2,769,703	—
CTT Contacto, S.A.	150,650	300,000	—	—	52,168	107,380
Payshop Portugal, S.A.	149,030	1,554,621	—	—	430,565	—
CORRE - Correio Expresso Moçambique, S.A.	1,007,196	—	—	—	—	—
CTT Soluções Empresariais, S.A.	305,634	2,000,000	—	—	—	1,774,451
CTT IMO - Sociedade Imobiliária, S.A.	683	—	1,421,173	1,448,561	—	68,566
CTT IMOYIELD, S.A.	—	2,600,000	53,602,418	85,747,866	—	1,966,605
Joint Ventures						
NewPost, ACE	124,299	—	—	—	—	—
Wolfspring, ACE	—	—	—	—	29,060	—
Other related parties						
321 Crédito – Instituição Financeira de Crédito, S.A.	38,827	—	—	—	—	—
NewSpring Services, S.A.	516,930	167,852	—	—	193,756	103,145
CTT Services, S.A.	—	—	—	—	—	5,940
Medspring, S.A	—	115,795	—	—	—	—
Open Lockers, S.A.	12	—	—	—	500	—
Generali Seguros S.A.	162,885	—	—	—	—	—
	17,648,516	**36,212,715**	**55,023,591**	**87,196,427**	**3,529,411**	**4,026,088**

DB - Debit balance; CB - Credit balance

As far as the **Company** is concerned, during the years ended 31 December 2023 and 31 December 2024, the nature and detail, by company of the **Group**, of the main transactions was as follows:

Company	2023									
	Assets acquired	Services to be reinvoiced	Assets sold	Sales and services rendered	Other operating revenues	Supplies and external services	Other operating costs	Interest Income	Interest expenses	Financial investments / Increase in share capital
Subsidiaries										
Banco CTT, S.A.	—	—	—	1,416,808	4,050,160	—	70,128	504,715	106,334	—
CTT Expresso,S.A.	143,273	47,302	508,883	550,743	41,486,332	1,957,924	104	1,877,941	—	14,950,000
CTT Contacto, S.A.	—	33,714	—	61,574	1,968,978	720,769	—	706	—	—
CORRE - Correio Expresso Moçambique, S.A.	—	—	—	—	234,643	—	—	—	—	—
Payshop Portugal, S.A.	—	—	26,777	188,300	1,016,857	3,730,561	—	—	—	10,629,100
CTT Soluções Empresariais, S.A.	—	—	—	285,996	425,937	—	—	787,261	—	14,500,000
CTT IMO - Sociedade Imobiliária, S.A.	—	—	—	—	6,665	355,300	—	—	—	—
Fundo Techtree, FCR	—	—	—	—	—	—	—	—	—	—
CTT IMOYIELD, S.A.	—	—	—	—	—	798,470	288,485	—	—	135,035,000
Joint Ventures										
NewPost, ACE	—	—	—	—	540,613	—	—	—	—	—
Wolfspring, ACE	—	—	—	—	—	111,726	—	—	—	—
Other related parties									—	
321 Crédito – Instituição Financeira de Crédito, S.A.	—	—	—	471,230	—	—	—	—	—	—
NewSpring Services, S.A.	—	—	—	6,803	—	1,903,817	—	930	—	—
Open Lockers, S.A.	—	—	—	15	—	—	—	—	—	—
	143,273	**81,016**	**535,660**	**2,981,468**	**49,730,184**	**9,578,567**	**358,717**	**3,171,554**	**106,334**	**175,114,100**

Company	2024									
	Assets acquired	Services to be reinvoiced	Assets sold	Sales and services rendered	Other operating revenues	Supplies and external services	Other operating costs	Interest Income	Interest expenses	Financial investments / Increase in share capital
Subsidiaries										
Banco CTT, S.A.	—	—	—	1,583,594	4,183,291	—	16,133	83,804	10,060	—
CTT Expresso,S.A.	50,656	51,221	553,937	482,804	49,196,530	1,094,068	—	425,552	9,170	—
CTT Contacto, S.A.	—	10,731	—	59,527	2,115,665	92,803	—	38,193	—	—
CORRE - Correio Expresso Moçambique, S.A.	—	—	—	—	236,419	—	—	—	—	—
Payshop Portugal, S.A.	—	—	23,049	184,146	1,114,177	3,495,405	87,919	—	—	—
CTT Soluções Empresariais, S.A.	—	—	—	276,478	462,028	—	—	98,660	—	—
CTT IMO - Sociedade Imobiliária, S.A.	—	—	—	—	6,647	391,975	—	—	—	—
CTT IMOYIELD, S.A.	—	—	—	—	—	9,695,226	252,639	—	—	—
Joint Ventures										
NewPost, ACE	—	—	—	—	408,392	—	—	—	—	—
Wolfspring, ACE	—	—	—	—	—	144,240	—	—	—	—
Other related parties										
321 Crédito – Instituição Financeira de Crédito, S.A.	—	—	—	426,567	3,096	—	—	—	—	—
NewSpring Services, S.A.	—	—	—	7,765	708,382	2,315,829	—	22,743	—	—
Open Lockers, S.A.	—	—	—	54	—	—	—	—	—	—
63	—	—	—	1,484,144	4,167	—	—	—	—	—
	50,656	**61,952**	**576,986**	**3,020,936**	**58,434,628**	**17,229,546**	**356,691**	**668,953**	**19,230**	**—**

In the context of transactions with related parties, no commitments were made, nor were any guarantees given or received.

No provision was recognised for doubtful debts or expenses recognised during the period in respect of bad or doubtful debts owed by related parties.

The remunerations attributed to the members of the statutory bodies of CTT, S.A. are disclosed in note 44 – Staff Costs.

53. Fees and services of the external auditors

The audit and legal review fees recorded in 2024 related to all companies' annual accounts that integrate the **Group**, amounted to 743,147 Euros. In addition, other assurance services fees, which include the half-yearly review, and other non-review or audit services amounted to 238,513 Euros.

The information concerning the fees and services provided by the external auditors is detailed in chapter 6.2.5 section 47 of the Integrated Report.

54. Information on environmental matters

The environmental responsibility is one of the relevant topics identified in the course of CTT stakeholders' materiality exercise and mapping and integrates the Sustainability strategy of the **Group**, from a perspective of risk and opportunity management, as presented in more detail in chapters 5 and 6.1 of the Integrated Report.

To the extent of our knowledge, there are no current environmental liabilities or obligations, whether legal or constructive, related to environmental matters that should lead to the constitution of provisions.

55. Provision of insurance mediation service

In accordance with the Regulatory Standard of the Instituto de Seguros de Portugal (Portuguese Insurance Institute) no. 15/2009-R of 30 December 2009, the **Group** and the **Company** disclose the relevant information regarding the activity of insurance mediation according to article 4 of the above-mentioned Regulatory Standard.

a) Description of the accounting policies adopted for the recognition of revenue.

The accounting policies adopted for the recognition of revenue regarding the provision of insurance mediation services is detailed in Note 2.28.

b) Indication of total revenue received detailed by nature.

	Group		Company	
By nature	**2023**	**2024**	**2023**	**2024**
Cash	10,579,844	13,464,445	387,941	1,035,286
	10,579,844	**13,464,445**	**387,941**	**1,035,286**

	Group		Company	
By type	**2023**	**2024**	**2023**	**2024**
Commissions	10,579,844	13,464,445	387,941	1,035,286
	10,579,844	**13,464,445**	**387,941**	**1,035,286**

c) Indication of total revenues relating to insurance contracts intermediated by the **Company** detailed by Branch Life and Non-Life

	Group		Company	
	2023		2024	
By entity	Branch Life	Branch Non-Life	Branch Life	Branch Non-Life
Insurance Companies	8,350,080	1,628,459	369,650	665,636
Customers (other)	—	3,485,906	—	—
	8,350,080	**5,114,365**	**369,650**	**665,636**

d) Indication of the existence of concentration levels at the level of insurance companies, other mediators, which are equal or greater than 25% of the total remuneration earned by the portfolio

	Group		Company	
By entity	2023	2024	2023	2024
FIDELIDADE	—	—	34.20%	—
ZURICH	39.95%	31.02%	—%	—%
MAPFRE	—%	—%	38.98	—%
Unlimited Care	—%	—%	—%	41.19%

e) Values of customers' accounts, at the beginning at the end of the year, as well as the volume handled over the year applicable to insurance intermediaries that handle funds related to insurance contracts

	Group		Company	
Accounts 'Customers'	2023	2024	2023	2024
Open Balance	—	—	—	—
Closing Balance	—	—	—	—
Volume handled				
Debt	26,196,800	10,931,114	17,770,193	4,078,184
Credit	7,145,743	7,454,338	214	—

f) Accounts receivable and payable broken down by source

	Group			
By entity	Accounts receivable		Accounts payable	
	2023	2024	2023	2024
Insurance companies	2,816,513	1,941,402	851,859	587,664
	2,816,513	**1,941,402**	**851,859**	**587,664**

	Company			
By entity	Accounts receivable		Accounts payable	
	2023	2024	2023	2024
Insurance companies	620,658	346,956	162,918	71,286
	620,658	**346,956**	**162,918**	**71,286**

g) Indication of the aggregate amounts included in accounts receivable and payable

By entity	Group			
	Accounts receivable		Accounts payable	
	2023	2024	2023	2024
Funds received in order to be transferred to insurance companies for payment of insurance premiums	2,314,462	2,843,369	3,140,756	2,971,308
Funds entrusted to it by insurance companies in order to be transferred to policyholders, insureds or beneficiaries (or insurance companies in case the activity of reinsurance mediation)	17,916,768	4,501,929	17,770,193	4,078,184
Remuneration in respect of insurance premiums already collected and to be collected	8,242,579	10,598,754	—	—
Total	**28,473,809**	**17,944,052**	**20,910,950**	**7,049,492**

By entity	Company			
	Accounts receivable		Accounts payable	
	2023	2024	2023	2024
Funds received in order to be transferred to insurance companies for payment of insurance premiums	214	—	16,017	(9,531)
Funds entrusted to it by insurance companies in order to be transferred to policyholders, insureds or beneficiaries (or insurance companies in case the activity of reinsurance mediation)	17,916,768	4,501,929	17,770,193	4,078,184
Remuneration in respect of insurance premiums already collected and to be collected	387,941	1,035,286	—	—
Total	**18,304,923**	**5,537,215**	**17,786,211**	**4,068,653**

Note: The remaining paragraphs of the standard do not apply.

The amounts presented above are amounts moved during the year 2023 and 2024.

56. Other information

Within the regulatory framework in force since February 2022 and the Convention on the criteria to be met for the pricing of postal services that make up the basket of services within the universal service obligation (Universal Postal Service Price Convention) for the 2023-2025 period, of 27 July 2022, the prices of these services were updated on 1 February 2024. The update corresponds to an average annual price variation of 9.49%. The overall average annual price variation, also reflecting the effect of the update of special prices for bulk mail, is 8.91%.

In accordance with the decision of 25 June 2024, ANACOM approved the cost of capital rate of 9.3943%, of CTT, applicable to the analytical accounting system in the 2024 financial year.

With regard to the legal proceedings relating to ANACOM's Decision regarding the quality of service parameters and performance targets applicable to the universal postal service provision, of July 2018, the Government's appeal against the decision of the Arbitration Court continues, which acknowledges that ANACOM's decision constituted an abnormal and impressionable change in circumstances,

causing damages amounting to 1,869,482 euros. The administrative actions against ANACOM, the first concerning the same decision and the second concerning the deliberation of December 2018 regarding the new measurement procedures to be applied to the indicators, had no relevant developments. On 24 January 2024, CTT was notified of the court decision ordering the Government to pay CTT the sum of 2,410,413 Euros. The Government challenged the decision and the respective proceedings are ongoing.

In the administrative offence process whereby CTT was accused by ANACOM for allegedly violating the procedure for measuring quality of service indicators (QSI) in 2016 and 2017, the Competition, Regulation and Supervision Court ordered CTT to pay a single fine of 400,000 Euros, instead of 830,000 euros. On 24 February 2025, the Lisbon Court of Appeal decided to uphold the appeal in part, acquitting CTT of the administrative offence it had been charged with for failing to measure the levels of quality of service actually offered between 1 January 2016 and 30 September 2016 through the use of an external and independent entity, reducing the single fine to 275,000 Euros.

Following the proposal to apply contractual fines in the amount of 753 thousand euros, on 4 August 2022, CTT requested the constitution of an arbitration court, under the terms of the concession. On 1 July 2024, the arbitration court decided, with one dissenting vote, to reduce the overall amount of the fines by just 51 thousand Euros. CTT filed an appeal against the arbitration ruling with the Supreme Administrative Court. For the same facts relating to 2015 and 2016 (various situations concerning the distribution and publication of information in the post offices), on 19 April 2024, CTT was notified of ANACOM's accusation that it had committed administrative offences, and a fine of 398,750 Euros was imposed. As it disagrees with the grounds of the charge, CTT appealed against it and and the case is pending a decision.

On 23 February 2023, CTT was notified to comment on a new proposal for the application of contractual fines submitted by ANACOM to the Government, in relation to the alleged contractual breach of the quality of service obligation in the years 2016, 2017, 2018 and 2019. CTT submitted its statement on 6 April 2023, in which it defends there is no basis in fact or in law for establishing any contractual liability and requests additional evidence. The application of contractual fines and the respective amount depends on the further steps of the administrative procedure, which has not yet had further relevant developments.

In May 2024, CTT was notified of the decision of the Supreme Administrative Court (STA) to revoke the judgment of the Arbitration Court had unanimously ordered the State to pay CTT the amounts of (i) €6,785,781 as compensation for losses resulting from the effects of the COVID-19 pandemic and (ii) €16,769,864 for the unilateral extension of the Concession Agreement in 2021. This decision, approved by a panel of three judges, had one dissenting vote in relation to part (i), and was appealed to the Constitutional Court in the part relating to the decision on compensation for losses resulting from the effects of the COVID-19 pandemic. Admitted on 12 July 2024 by the STA, it awaits a decision by the Constitutional Court.

The lawsuit filed on 18 January 2022 by the companies Vasp Premium – Entrega Personalizada de Publicações, LDA. (Vasp) and Iberomail – Correio Internacional, S.A., (Iberomail) against CTT before the Competition, Regulation & Supervision Court, seeking the conviction of CTT for abuse of dominant position is ongoing, still awaiting the start of the evidence phase. CTT follows the best market practices and considers the request to be totally unfounded, as this lawsuit concern facts assessed by the Competition Authority (AdC) in the scope of a proceeding that was closed with the imposition of commitments, which CTT has implemented and reports annually to AdC.

Agreement for the acquisition of the share capital of CACESA

As of 18 December 2024, CTT, through its subsidiary CTT Expresso, entered into an agreement for the acquisition of the total share capital of Compañia Auxiliar al Cargo Expres, S.A.U. (“CACESA”,

"Company"), a Spanish company well-established in cross-border e-commerce customs, for a total consideration of 104 million euros.

The acquisition values the Company at an enterprise value of €91 million and is subject to customary closing conditions, including applicable regulatory approval. The transaction will only be implemented after obtaining clearance under the relevant merger control authority. The transaction is expected to close in March or April 2025.

CTT will finance the transaction with debt through commitments already agreed with a group of relationship banks.

This transaction represents an important milestone in CTT's transformation journey to become a leading e-commerce logistics player in the Iberian Peninsula.

CACESA operates an e-commerce cross-border customs clearance platform, being a top-level provider in Spain and established in other European markets, primarily focused on e-commerce players.

This transaction is part of CTT's ambition to further strengthen its leading presence in e-commerce in the Iberian Peninsula and broaden the portfolio of e-commerce services and solutions available to its clients thus strengthening the commercial relationships and pursuing growth in e-commerce logistics.

This acquisition is expected to generate operational synergies that will result in an incremental EBIT of more than €5 million. Main revenue synergies are expected to arise from expansion of last-mile delivery services and integration with CTT's customs processes. Cost synergies are expected to materialise from increased efficiencies in customs handling operations and elimination of overhead duplicities.

Strategic partnership between CTT and DHL

As of 19 December 2024, CTT and Deutsche Post International, B.V. ("DHL" or "DHL Group") established a joint venture partnership with a view to joining forces in Portugal and Spain and establish a high-performing parcel venture for e-commerce – in B2C and B2B segments – with an estimated daily capacity exceeding one million shipments and out-of-home services in Iberia.

This strategic partnership is poised to generate efficiencies and address the growth opportunities of the e-commerce and parcel delivery markets across Spain and Portugal. This collaboration is set to create a comprehensive pick-up and delivery network in Portugal and Spain.

To crystallise the partnership, (i) CTT Expresso will fully acquire DHL Parcel Portugal, Unipessoal Lda ("DHL Parcel Portugal"); (ii) CTT will further acquire an indirect 25% stake in DHL Parcel Iberia SL ("DHL Parcel Iberia"), through its holding company Danzas SL ("Danzas"), which is the sole shareholder of DHL Parcel Iberia and (iii) DHL will acquire a 25% stake in CTT Expresso. Both DHL Parcel Iberia and DHL Parcel Portugal are part to the e-commerce division of the DHL Group. Both Parties will grant each other an option to increase, in the future and upon the fulfilment of certain conditions, their mutual shareholdings up to a stake of 49% in the respective companies.

As part of this Agreement, the DHL e-commerce business in Portugal will fully be transferred to CTT Expresso. In Spain, the focus will be on enhancing both B2C and B2B services, with the aim to create a highly efficient network for parcel processing and last-mile delivery, enhancing customer experience across Iberia. CTT Expresso, including the CEP and lockers businesses in Portugal and in Spain and DHL Parcel Portugal, will continue to be fully consolidated by CTT, which will retain a 75% controlling stake, while DHL Parcel Iberia will be equity accounted by CTT with a 25% stake.

The Transaction values CTT Expresso at an Enterprise Value of 482 million euros, DHL Parcel Iberia at an Enterprise Value of €106 million and DHL Parcel Portugal at an Enterprise Value of 12 million euros.

In addition, the Parties have agreed on value levers for CTT and DHL, not included in the Enterprise Value, that result in a net amount of 15 million euros to be paid by CTT in favour of DHL. Upon closing of the initial phase of the Transaction and considering the Enterprise Values and the value levers, CTT is estimated to receive a net cash proceed from DHL amounting to 69 million euros, on a debt free / cash free basis. This amount will be confirmed, according to the accounts, at closing of the Transaction. This amount does not consider the acquisition of Cacesa, through CTT Expresso, as announced to the market and the general public on 18 December 2024.

The Joint Venture and corresponding transactions are subject to customary closing conditions, including applicable regulatory approvals. The Transaction will only be implemented after obtaining clearance under the relevant merger control legal requirements. The Transaction is expected to close in 2nd half 2025.

This Transaction represents a transformational milestone in CTT's journey to become a leading e-commerce logistics player in the Iberian Peninsula. The Transaction will further strengthen CTT's leadership position in Iberian e-commerce.

57. Subsequent events

After 31 December 2024 and up to the date that the financial statements were approved for issue, no relevant or material facts have occurred in the **Group**'s and **Company**'s activities that have not been disclosed in the notes to the financial statements.

09

Declaration of Conformity

9. DECLARATION OF CONFORMITY

For the purposes of article 29-G(1)(c) of the Portuguese Securities Code, the members of the Board of Directors and of the Audit Committee of CTT - Correios de Portugal, S.A. ("CTT") identified below hereby declare that, to the best of their knowledge, the management report, the annual individual and consolidated accounts, the statutory auditors' report and auditors' report, and other accounting documents (i) were prepared in compliance with the applicable accounting standards, providing a true and fair view of the assets and liabilities, the financial position and the results of CTT and the companies included in its consolidation perimeter, (ii) faithfully describe the business evolution, the performance and position of CTT and the companies included in the consolidation perimeter, and (iii) contain a description of the major risks faced by CTT in its activity.

Lisbon, 20 March 2025

The Board of Directors

The (non-executive) Chair of the Board of Directors

_____
Raúl Catarino Galamba de Oliveira

The Member of the Board of Directors and Chief Executive Officer (CEO)

_____
João Afonso Ramalho Sopas Pereira Bento

The Member of the Board of Directors and of the Executive Committee (CFO)

_____
Guy Patrick Guimarães de Goyri Pacheco

The Member of the Board of Directors and of the Executive Committee (CMO)

_____
João Carlos Ventura Sousa

The (non-executive) Member of the Board of Directors and Chair of the Audit Committee

_____
Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia

The (non-executive) Member of the Board of Directors

_____
Steven Duncan Wood

The (non-executive) Member of the Board of Directors

_____
Duarte Palma Leal Champalimaud

The (non-executive) Member of the Board of Directors and of the Audit Committee

_____
Jürgen Schröder

The (non-executive) Member of the Board of Directors

_____
Margarida Maria Correia de Barros Couto

The (non-executive) Member of the Board of Directors and of the Audit Committee

_____
María del Carmen Gil Marín

The (non-executive) Member of the Board of Directors

_____
Susanne Ruoff

(SIGNED ON THE ORIGINAL)

10

Audit Report, Report and Opinion of the Audit Committee, and Independent Limited Assurance Report

Shape the future
with confidence

Ernst & Young
Audit & Associados - SROC, S.A.
Avenida da Índia, 10 - Piso 1
1349-066 Lisboa
Portugal

Tel: +351 217 912 000
Fax: +351 217 957 586
www.ey.com

*(Translation from the original document in the Portuguese language.
In case of doubt, the Portuguese version prevails)*

Statutory and Auditor's Report

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of CTT - Correios de Portugal, S.A. (the Group), which comprise the Consolidated Statement of Financial Position as at 31 December 2024 (showing a total of 5,708,798,762 euros and a total equity of 308,263,277 euros, including a net profit for the year of 45,536,317 euros), and the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of CTT - Correios de Portugal, S.A. as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as endorsed by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and guidelines as issued by the Institute of Statutory Auditors. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section below. We are independent of the entities comprising the Group in accordance with the law and we have fulfilled other ethical requirements in accordance with the Institute of Statutory Auditors´ code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters in the current year audit are the following:

1. Revenue recognition

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
As at 31 December 2024, sales and services rendered in the consolidated financial statements of CTT - Correios de Portugal, S.A. amounts to 966 million euros related to the business areas Logistics and Bank & Financial Services (note 4).	Our approach included carrying out the following procedures: ▸ Understanding and evaluation of the design of the operational effectiveness of the relevant controls related with revenue recognition associated with the business areas Logistics and Bank & Financial Services; ▸ Evaluation of the effectiveness of the relevant controls; ▸ Understanding of information systems and controls associated with revenue recognition and testing of the integration process;

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
Revenue recognition associated with these business areas is based on several different contractual terms, different prices by type of sale or service rendered and different revenue recognition policies taking into account the timing of the performance obligation fulfilment, as referred to in note 2.22 of the consolidated financial statements. In addition, there is a complex set of information systems associated with revenue recognition, with the purpose of ensuring its completeness, accuracy and cut-off. Taking into account the materiality of the amounts involved, the degree of judgment associated with the criteria for revenue recognition, as well as the complexity of the information systems associated with it, determines that we consider this topic as a key audit matter.	▸ Tests of detail for a sample of transactions, obtaining contractual support documentation when applicable and evidence of performance obligation fulfilment, from the initial recognition of the transaction to its receipt; ▸ Analytical review procedures, namely through monthly analysis compared to the same period of last year, as well as benchmark with observable market data for the business areas Logistics and Bank & Financial Services; ▸ Analysis of the accounting counterparts related to the recognition of revenue and verification of its reasonableness; ▸ Obtaining support documentation of the most significant manual journal entries, in order to verify the accuracy of the amounts and its accurate cut-off; ▸ Cut-off tests of detail based on a sample of transactions carried out before and after 31 December 2024; and ▸ External confirmations for a representative sample of accounts receivable transactions. Our approach has also included checking the adequacy of the applicable disclosures included in notes 2.22 and 4 of the notes to the financial statements.

2. Employee benefits liabilities

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
As at 31 December 2024, employee benefits liabilities in the consolidated financial statements of CTT - Correios de Portugal, S.A. amounts to 183 million euros, mainly related to healthcare and other long-term employee benefits (note 31). CTT - Correios de Portugal, S.A., with the support of an independent actuarial, determine the current value of liabilities with post-employment benefits, however the calculation requires the use of estimates and assumptions by the actuarial and Management, which depend on demographic and financial forecasts, namely the discount rate, the pensions and salaries growth rates, mortality and disability tables and the growth rate of health costs, among others, as disclosed in note 2.20, 2.29 vi) and 31 of the consolidated financial statements.	Our approach included carrying out the following procedures: ▸ Understanding and evaluation of the design of the operational effectiveness of the relevant controls in the assessment of the employee benefits liabilities; ▸ Meetings with Management and the independent actuarial in order to understand the methodology, the main demographic and financial assumptions considered and the main changes that occurred in these assumptions compared to the previous period; ▸ Reading of the actuarial study prepared with reference to 31 December 2024 and evaluation of the reasonableness of the main assumptions, namely the discount rate, the pensions and salaries growth rates, mortality and disability tables and the growth rate of health costs, with the support of our actuarial specialists; ▸ Reconciliation of the information included in the actuarial study with the consolidated financial statements as at 31 December 2024; ▸ Review the accuracy of the beneficiaries' information used in the calculation of the employee benefit liability, for a selected sample; and

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
The relevance of this matter in our audit results from the complexity and high level of judgment of the liability assessment model as well as the fact that changes to demographic and financial assumptions may lead to a significant change in the value of employee benefit liabilities, determines that we consider this topic as a key audit matter.	▸ Confirmation of the professional credentials and independence statement of the actuary in relation to the actuarial study prepared as at 31 December 2024. Our approach has also included checking the adequacy of the applicable disclosures included in notes 2.20, 2.29 vi) and 31 of the notes to the financial statements.

3. 321 Crédito S.A. Goodwill recoverability

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
As at 31 December 2024, goodwill in the consolidated financial statements of CTT - Correios de Portugal, S.A. amounts to 80 million euros, of which 61 million euros related with the control acquisition of the subsidiary 321 Crédito, S.A. in May 2019 (note 9). Goodwill's recoverability analysis requires Management to define a set of estimates and assumptions based on economic and market forecasts, in particular those relating to the projection of future cash-flows, market shares, margin developments and discount rates. The materiality of the amounts and the degree of judgment associated with the assessment of Goodwill's recoverability require the definition of complex estimates and assumptions by Management, in an environment of constant volatility and increasing uncertainty arising from the macroeconomic impacts of the inflation and interest rates, determines that we consider this topic as a key audit matter.	Our approach included carrying out the following procedures: ▸ Understanding and evaluation of the Group's process for defining the cash generating units, through meetings with Management in order to identify methodologies and main assumptions; ▸ Understanding of the internal control procedures regarding the process of calculating the recoverable value of the cash generating unit; ▸ Tests to the arithmetic accuracy and completeness of the impairment test models prepared by Management; ▸ We evaluated, with the support of internal specialists, the reasonableness of the assumptions that present highest sensitivity and judgment in determining the recoverable value, namely, discount rate, growth rate in the perpetuity and dividends distribution; ▸ Reconciliation of future cash flows with approved budgets and forecast plans and financial indicators for 2024, as well as the reasonableness assessment of estimates through a retrospective analysis of the actual versus budgeted; and ▸ Sensitivity analyses evaluation on the assumptions of the impairment model. Our approach has also included checking the adequacy of the applicable disclosures included in notes 2.9, 2.29 ii) and 9 of the financial statements.

4. Impairment losses on loans to customers

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
As at 31 December 2024, Credit to banking clients, according to note 20 of the notes to the consolidated financial statements, amounts to 1,742 million euros	Our audit approach to impairment on credit to customers included (i) an overall response to the way the audit was conducted and (ii) a

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
corresponding to credit to bank customers net of impairment charges (note 24 and 45) amounting to 46,6 million euros. The detail of impairment on credit to banking clients and the accounting policies, methodologies, concepts and assumptions used are disclosed in the notes to the consolidated financial statements (Notes 2.11 and 2.17). The impairment on credit to clients represents Management best estimate of the expected credit loss of the credit portfolio to customers. To calculate this estimate, Management made critical judgments such as the evaluation of the business model, the assessment of the significant increase in credit risk, the classification of exposures in default, the definition of an asset group with similar credit risk characteristics and the use of models and parameters. These parameters are calculated based on historical indicators, when available or benchmarks, in the remaining cases. For relevant individual exposures, the impairment is calculated based on judgments of experts in the credit risk assessment. In addition to the complexity of the models for quantifying impairment losses of the credit portfolio ("models"), its use requires the processing of significant data, the availability and quality of which may not be adequate. In view of the degree of subjectivity and complexity involved, the use of alternative approaches, models or assumptions may have a material impact on the estimated impairment amount, which, together with its materiality, determines that we consider this topic as a key audit matter.	specific response that resulted in the design, and subsequent implementation, of audit procedures that included, namely: ▸ Obtaining the understanding, assessment of the design and testing of the operational effectiveness of internal control procedures existing in the process of quantifying impairment losses for credit to customers; ▸ Conducting analytical review tests on the evolution of the amount of impairment on credit to clients, comparing it with the same period and with the expectations, which highlight the understanding of the variations occurred in the credit portfolio and changes in the impairment assumptions and methodologies; ▸ Reading the minutes of the Equity, Risk and Sustainability Committee and correspondence with Banco de Portugal; ▸ Obtaining the understanding and evaluation of the design of the model of the expected loss calculation, test to the calculation, comparison of the information used in the model with source data, through the reconciliations prepared by the Group, analysis of the assumptions used to fill gaps in the data, comparison of the parameters used with the results of the estimation models and comparison of the results of the models with the values recorded in the financial statements; ▸ With the support of specialists we performed tests on the reasonableness of the parameters used in the calculation of the impairment, namely: i. understanding of the methodology formalized and approved by Management and comparison with the one actually used; ii. understanding of the changes to the models used by the Group to determine the parameters used in the calculation of expected loss and results in the parameters; iii. on a sampling basis, comparison of the data used in the clearance of risk parameters with source information; iv. inquiries to the Group's experts responsible for the models and inspection of internal audit reports and regulators; and v. inspection of the reports with the results of the operational evaluation of the model (back-testing). ▸ Test the reasonableness of adjustments made to the model and outside the model, in particular those to respond to additional areas of judgment resulting from the effects of the interest rate and inflation increases and understanding of the management process associated with those adjustments; and Our approach has also included checking the adequacy of the applicable disclosures included in notes 2.11, 2.17, 24 and 45 of the financial statements.

Responsibilities of management and the supervisory board for the consolidated financial statements

Management is responsible for:

- the preparation of consolidated financial statements that presents a true and fair view of the Group´s financial position, financial performance and cash flows in accordance with International Financial Reporting Standards as endorsed by the European Union;
- the preparation of the Management Report, the Corporate Governance Report, the Non-financial information statement and the Remunerations report, in accordance with the laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and
- assessing the Group's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern that may cast significant doubt on the Group´s ability to continue as a going concern.

The supervisory body is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group 's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion;

- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- from the matters communicated with those charged with governance, including the supervisory body, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter; and
- we also provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Our responsibility includes the verification of the consistency of the Management Report with the consolidated financial statements, and the verifications under nr. 4 and nr. 5 of article 451 of the Commercial Companies Code in matters of corporate governance, as well as the verification that the non-financial statement and the remunerations report have been presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the Consolidated Management Report

Pursuant to article 451, nr. 3, paragraph e) of the Commercial Companies Code, it is our opinion that the Consolidated Management Report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited consolidated financial statements and, having regard to our knowledge and assessment over the Group, we have not identified any material misstatement. As referred to in article 451, nr. 7 of the Commercial Companies Code this opinion is not applicable to the non-financial statement included in the Consolidated Management Report.

On the Corporate Governance Report

In compliance with paragraph 4 of article No. 451 of the Portuguese Company Law, in our opinion, the Corporate Governance Report includes the information required to the Group to provide as per article 29.º-H of the Securities Code, and we have not identified material misstatements on the information provided therein in compliance with paragraphs c), d), f), h), i) and l) of nr. 1 of the said article.

On non-financial statement

In compliance with paragraph 6 of article No. 451 of the Portuguese Company Law, we hereby inform that the Group has included in its Consolidated Management Report, caption "5. Sustainability Statements", the non-financial statement, as provided for in article 508-G of the Commercial Companies Code.

On the Remunerations Report

Pursuant to article 26.º-G, nr. º 6 of the Securities Code, we hereby inform that the Group has included in a separate chapter of its Corporate Governance Report the information provided for in paragraph 2 of the said article.

On additional items set out in article 10 of the Regulation (EU) nr. 537/2014

Pursuant to article 10 of the Regulation (EU) nr. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and in addition to the key audit matters mentioned above, we also report the following:

- We were appointed as auditors of CTT - Correios de Portugal, S.A. (Group´s Parent Entity) for the first time in the shareholders' general meeting held on 29 April 2020 for a mandate from 2021 to 2023. We were appointed as auditors in the shareholders' general meeting held on 23 April 2024 for a mandate from 2024 to 2026;

- Management has confirmed that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISAs we maintained professional skepticism and we designed audit procedures to respond to the possibility of material misstatement in the consolidated financial statements due to fraud. As a result of our work we have not identified any material misstatement to the consolidated financial statements due to fraud;
- We confirm that our audit opinion is consistent with the additional report that we have prepared and delivered to the supervisory body of the Group on 17 March 2025;
- We declare that we have not provided any prohibited services as described in article 5 of the Regulation (EU) nr. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and we have remained independent of the Group in conducting the audit; and
- We declare that, in addition to the audit, we provided the Group with the following services as permitted by law and regulations in force:
  - Limited review of the interim consolidated financial statements of CTT - Correios de Portugal, S.A., for the six-month period ended 30 June 2024;
  - Limited review of the interim consolidated financial statements of Banco CTT, S.A., for the six-month period ended 30 June 2024;
  - Independent limited assurance report on the non-financial statement of CTT - Correios de Portugal, S.A. for the year ended 31 December 2024;
  - Evaluation of the process of quantifying the impairment of the credit portfolio of Banco CTT, S.A. and 321 Crédito - Banco Financeira de Crédito, S.A.; and
  - Verification of the data, for the calculation of the contribution to the Single Resolution Fund ("SRF"), of Banco CTT, S.A. and 321 Crédito - Instituição Financeira de Crédito, S.A..

European Single Electronic Format (ESEF)

The accompanying consolidated financial statements of CTT - Correios de Portugal, S.A. for the year ended 31 December 2024 must comply with the applicable requirements set out in the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (ESEF Regulation).

Management is responsible for preparing and disclosing the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements, included in the annual report, are presented in accordance with the requirements set out in the ESEF Regulation.

Our procedures considered the OROC Technical Application Guide on report in ESEF and included, among others:

- obtaining an understanding of the financial reporting process, including the submission of the annual report in valid XHTML format; and
- the identification and evaluation of the risks of material distortion associated with the marking-up of the information of the consolidated financial statements, in XBRL format using iXBRL technology. This evaluation was based on the understanding of the process implemented by the Group to mark-up the information.

In our opinion, the accompanying consolidated financial statements included in the annual report are presented, in all material respects, in accordance with the requirements set out in the ESEF Regulation.

Lisbon, 20 March 2025

Ernst & Young Audit & Associados - SROC, S.A.
Sociedade de Revisores Oficiais de Contas
Represented by:

(Signed)

Luís Pedro Magalhães Varela Mendes - ROC n.º 1841
Registered with the Portuguese Securities Market Commission under license nr. 20170024

Shape the future
with confidence

Ernst & Young
Audit & Associados - SROC, S.A.
Avenida da Índia, 10 - Piso 1
1349-066 Lisboa
Portugal

Tel: +351 217 912 000
Fax: +351 217 957 586
www.ey.com

*(Translation from the original document in the Portuguese language.
In case of doubt, the Portuguese version prevails)*

Statutory and Auditor's Report

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of CTT - Correios de Portugal, S.A. (the Entity), which comprise the Statement of Financial Position as at 31 December 2024 (showing a total of 1,133,189,353 euros and a total equity of 248,603,188 euros, including a net profit for the year of 45,488,951 euros), and the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of CTT - Correios de Portugal, S.A. as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as endorsed by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and guidelines as issued by the Institute of Statutory Auditors. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section below. We are independent of the Entity in accordance with the law and we have fulfilled other ethical requirements in accordance with the Institute of Statutory Auditors´ code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters in the current year audit are the following:

1. Revenue recognition

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
As at 31 December 2024, sales and services rendered in the individual financial statements of CTT - Correios de Portugal, S.A. amounts to 442 million euros related to the business areas Logistics and Bank & Financial Services (note 40).	Our approach included carrying out the following procedures: ▸ Understanding and evaluation of the design of the operational effectiveness of the relevant controls related with revenue recognition associated with the business areas Logistics and Bank & Financial Services; ▸ Evaluation of the effectiveness of the relevant controls; ▸ Understanding of information systems and controls associated with revenue recognition and testing of the integration process;

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
Revenue recognition associated with these business areas is based on several different contractual terms, different prices by type of sale or service rendered and different revenue recognition policies taking into account the timing of the performance obligation fulfilment, as referred to in note 2.22 of the individual financial statements. In addition, there is a complex set of information systems associated with revenue recognition, with the purpose of ensuring its completeness, accuracy and cut-off. Taking into account the materiality of the amounts involved, the degree of judgment associated with the criteria for revenue recognition, as well as the complexity of the information systems associated with it, determines that we consider this topic as a key audit matter.	▸ Tests of detail for a sample of transactions, obtaining contractual support documentation when applicable and evidence of performance obligation fulfilment, from the initial recognition of the transaction to its receipt; ▸ Analytical review procedures, namely through monthly analysis compared to the same period of last year, as well as benchmark with observable market data for the business areas Logistics and Bank & Financial Services; ▸ Analysis of the accounting counterparts related to the recognition of revenue and verification of its reasonableness; ▸ Obtaining support documentation of the most significant manual journal entries, in order to verify the accuracy of the amounts and its accurate cut-off; ▸ Cut-off tests of detail based on a sample of transactions carried out before and after 31 December 2024; and ▸ External confirmations for a representative sample of accounts receivable transactions. Our approach has also included checking the adequacy of the applicable disclosures included in notes 2.22 and 40 of the notes to the financial statements.

2. Employee benefits liabilities

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
As at 31 December 2024, employee benefits liabilities in the individual financial statements of CTT – Correios de Portugal, S.A., amounts to 181 million euros, mainly related to healthcare and other long-term employee benefits (note 31). CTT – Correios de Portugal, S.A., with the support of an independent actuarial, determine the current value of liabilities with post-employment benefits, however the calculation requires the use of estimates and assumptions by the actuarial and Management, which depend on demographic and financial forecasts, namely the discount rate, the pensions and salaries growth rates, mortality and disability tables and the growth rate of health costs, among others, as disclosed in note 2.20, 2.29 vi) and 31 of the individual financial statements.	Our approach included carrying out the following procedures: ▸ Understanding and evaluation of the design and testing of the operational effectiveness of the relevant controls in the assessment of the employee benefits liabilities; ▸ Meetings with Management and the independent actuarial in order to understand the methodology, the main demographic and financial assumptions considered and the main changes that occurred in these assumptions compared to the previous period; ▸ Reading of the actuarial study prepared with reference to 31 December 2024 and evaluation of the reasonableness of the main assumptions, namely the discount rate, the pensions and salaries growth rates, mortality and disability tables and the growth rate of health costs, with the support of our actuarial specialists; ▸ Reconciliation of the information included in the actuarial study with the individual financial statements as at 31 December 2024; ▸ Review the accuracy of the beneficiaries' information used in the calculation of the employee benefit liability, for a selected sample; and

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
The relevance of this matter in our audit results from the complexity and high level of judgment of the liability assessment model as well as the fact that changes to demographic and financial assumptions may lead to a significant change in the value of employee benefit liabilities, determines that we consider this topic as a key audit matter.	▸ Confirmation of the professional credentials and independence statement of the actuary in relation to the actuarial study prepared as at 31 December 2024. Our approach has also included checking the adequacy of the applicable disclosures included in notes 2.20, 2.29 vi) and 31 of the notes to the financial statements.

Responsibilities of management and the supervisory board for the financial statements

Management is responsible for:

- the preparation of financial statements that presents a true and fair view of the Entity´s financial position, financial performance and cash flows in accordance with International Financial Reporting Standards as endorsed by the European Union;
- the preparation of the Management Report, the Corporate Governance Report, the non-financial information and remunerations report in accordance with the laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and
- assessing the Entity's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern that may cast significant doubt on the Entity´s ability to continue as a going concern.

The supervisory body is responsible for overseeing the Entity's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- from the matters communicated with those charged with governance, including the supervisory body, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter; and
- we also provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Our responsibility includes the verification of the consistency of the Management Report with the financial statements, and the verifications under nr. 4 and nr. 5 of article 451 of the Commercial Companies Code in matters of corporate governance, as well as the verification that the non-financial statement and the remunerations report have been presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the Management Report

Pursuant to article 451, nr. 3, paragraph e) of the Commercial Companies Code, it is our opinion that the Management Report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited financial statements and, having regard to our knowledge and assessment over the Entity, we have not identified any material misstatement. As referred to in article 451, nr. 7 of the Commercial Companies Code this opinion is not applicable to the non-financial statement included in the Management Report.

On the Corporate Governance Report

In compliance with paragraph 4 of article No. 451 of the Portuguese Company Law, in our opinion, the Corporate Governance Report includes the information required to the Entity to provide as per article 29-H of the Securities Code, and we have not identified material misstatements on the information provided therein in compliance with paragraphs c), d), f), h), i) and l) of nr. 1 of the said article.

On non-financial statement

In compliance with paragraph 6 of article No. 451 of the Portuguese Company Law, we hereby inform that the Entity has included in its Management Report, caption "5. Sustainability Statements", the non-financial statement, as provided for in article 66-B of the Commercial Companies Code.

On the Remunerations Report

Pursuant to article 26.º-G, nr. º 6 of the Securities Code, we hereby inform that the Group has included in a separate chapter of its Corporate Governance Report the information provided for in paragraph 2 of the said article.

On additional items set out in article 10 of the Regulation (EU) nr. 537/2014

Pursuant to article 10 of the Regulation (EU) nr. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and in addition to the key audit matters mentioned above, we also report the following:

- We were appointed as auditors of the Entity for the first time in the shareholders' general meeting held on 29 April 2020 for a mandate from 2021 to 2023. We were appointed as auditors in the shareholders' general meeting held on 23 April 2024 for a mandate from 2024 to 2026;
- Management has confirmed that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISAs we maintained professional skepticism and we designed audit procedures to respond to the possibility of material misstatement in the financial statements due to fraud. As a result of our work we have not identified any material misstatement to the financial statements due to fraud;
- We confirm that our audit opinion is consistent with the additional report that we have prepared and delivered to the supervisory body of the Entity on 17 March 2025;
- We declare that we have not provided any prohibited services as described in article 5 of the Regulation (EU) nr. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and we have remained independent of the Entity in conducting the audit; and
- We declare that, in addition to the audit, we provided the Entity with the following services as permitted by law and regulations in force:
    - Limited review of the interim consolidated financial statements of CTT - Correios de Portugal, S.A., for the six-month period ended 30 June 2024;
    - Limited review of the interim consolidated financial statements of Banco CTT, S.A., for the six-month period ended 30 June 2024;
    - Independent limited assurance report on the non-financial statement of CTT - Correios de Portugal, S.A. for the year ended 31 December 2024;
    - Evaluation of the process of quantifying the impairment of the credit portfolio of Banco CTT, S.A. and 321 Crédito - Banco Financeira de Crédito, S.A.; and
    - Verification of the data, for the calculation of the contribution to the Single Resolution Fund ("SRF"), of Banco CTT, S.A. and 321 Crédito - Instituição Financeira de Crédito, S.A..

European Single Electronic Format (ESEF)

The accompanying financial statements of CTT – Correios de Portugal, S.A. for the year ended 31 December 2024 must comply with the applicable requirements set out in the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (ESEF Regulation).

Management is responsible for preparing and disclosing the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the financial statements, included in the annual report, are presented in accordance with the requirements set out in the ESEF Regulation.

Our procedures considered the OROC Technical Application Guide on report in ESEF and included, among others obtaining an understanding of the financial reporting process, including the submission of the annual report in valid XHTML format.

In our opinion, the accompanying financial statements included in the annual report are presented, in all material respects, in accordance with the requirements set out in the ESEF Regulation.

Lisbon, 20 March 2025

Ernst & Young Audit & Associados - SROC, S.A.
Sociedade de Revisores Oficiais de Contas
Represented by:

(Signed)

Luís Pedro Magalhães Varela Mendes - ROC n.º 1841
Registered with the Portuguese Securities Market Commission under license nr. 20170024

Report and Opinion of the Audit Committee

- 2024 Financial Year -

In accordance with the provisions of article 423.-F(1)(g) of the Portuguese Companies Code ("PCC") and of article 7(5) of the Internal Regulation of the Audit Committee ("CAUD" or "Committee") of CTT – Correios de Portugal, S.A. ("CTT" or "Company"), CAUD hereby:

i. Submits its report on supervisory activities carried out during the 2024 financial year;
ii. Gives its opinion on the financial reporting documents for the 2024 financial year submitted by the Board of Directors ("BoD"), including the management report, the individual and consolidated accounts, the corporate governance report (which includes the remuneration report), the sustainability report, and other corporate information and supervisory and auditing documents that make up the Integrated Report; and
iii. Discloses the declaration of conformity on the Integrated Report in accordance with article 29-G(1)(c) of the Portuguese Securities Code ("PSC").

Annual Activity Report of the Audit Committee

1. Introduction

CTT adopts the anglo-saxon type of governance model, which includes the BoD, as the management body of the Company, and CAUD, committee that is part of the BoD, and the Statutory Auditor, as responsible for its supervision and oversight.

The CAUD elected at the Annual General Meeting of 20 April 2023, for the 2023/2025 term of office, includes the following non-executive Directors:

- Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia (Chair);
- María del Carmen Gil Marín (Member); and
- Jürgen Schröder (Member).

In accordance with the criteria defined in article 414(5) of the PCC, in point 18.1 of Annex I to CMVM Regulation no. 4/2013 on Corporate Governance, in recommendation IV.2.4 of the 2018 Corporate Governance Code of the Portuguese Institute of Corporate Governance

revised in 2023 and in the Institutional Shareholder Services Guidelines, all CAUD members elected by the Annual General Meeting held on 20 April 2023 are independent.

The three Directors who are members of CAUD meet the compatibility criteria for the exercise of their functions, measured in accordance with the definition provided for in article 414-A by reference to article 423-B(3) of the PCC, as well as the composition requirements required by article 3(2) of Law no. 148/2015, of 9 September ("Legal Framework for Audit Supervision"), amended by Law no. 35/2018 , of 20 July, and by Law No. 99-A/2021, of 31 December.

2. Activities Carried Out

During the 2024 financial year, CAUD held thirteen meetings wherein 97% of its members were present.

At the invitation of CAUD, the meetings were attended, when appropriate, by the Chef Financial Officer of CTT, the Statutory Auditor, the Heads of Accounting & Tax, Planning & Control, Audit, Compliance & Risk, Investor Relations, Company Secretary and Legal Services, Information Systems, Regulation & Competition, Sustainability, and Human Resources Management and the managers of Accounting, Internal Audit, Risk and Compliance Departments, as well as by members of the Board of directors of Banco CTT, S.A. and Payshop (Portugal), S.A..

With the aim of ensuring full compliance with the powers that are legally and statutorily attributed to it and which are set out in its Regulation, the Committee carried out various activities and initiatives, with emphasis on those listed below in each of its main areas of intervention:

- **Monitoring the functioning of the Company and ensuring compliance with the law, regulations and articles of association**

  The regular monitoring of the activity and the business evolution of the Company and its subsidiaries, in particular the decisions of fundamental importance for CTT, namely regarding strategic lines and associated risk factors, as well as the monitoring of the legal, statutory and regulatory framework applicable to it , was carried out by the Committee through: ***(i)*** the participation of its members in the BoD meetings; ***(ii)*** contacts with the Executive Committee or its members; ***(iii)*** contacts and meetings with the Company's heads of departments and managers; ***(iv)*** meetings with CTT' Statutory Auditor, Ernst & Young Audit & Associados – SROC, S.A. ("EY"); ***(v)*** analysis of the documentation

distributed to support its work, and information on and clarifications to the questions raised by this analysis; ***(vi)*** assessment of the adequacy of the Regulations on the Provision of Services by the Statutory Auditor, on the Procedures regarding the Report of Infringements[1] (Whistleblowing), on the Function for Monitoring Compliance in the prevention of money laundering and terrorist financing, and on Assessment and Monitoring of Transactions with Related Parties and Prevention of Situations of Conflict of Interest, and of the Code of Conduct on the Prevention of Corruption and Related Infringements, to the legislation in force and the purposes they are meant for; and ***(vii)*** appraisal of the revision of the Internal Regulation of the Audit Committee and of the Prevention of Money Laundering and Terrorist Financing Policy.

The Committee did not come across any constraints or limitations to its action when performing its duties.

- **Supervising the quality and integrity of the financial information contained in the financial reporting documents**

Within the scope of the powers set out in article 423-F(1)(c) to (f) of the PCC and article 3(3)(a) and (b) of the Legal Framework for Audit Supervision, in particular for the purposes of supervising compliance with accounting policies, criteria and practices and the reliability of financial information, the following activities were carried out: ***(i)*** regular monitoring of the process of preparation and disclosure of financial information and evaluation of accounting policies and standards and respective amendments, supervising their compliance, estimates and judgments, procedures and valuation criteria used, in order to ensure their consistent application between financial years; ***(ii)*** assessment of compliance with the annual budget; ***(iii)*** analysis of CTT's quarterly, semi-annual and annual financial statements, at an individual and consolidated level; ***(iv)*** analysis of annual Reports and Accounts of subsidiary companies; and ***(v)*** analysis of the semi-annual and annual Integrated Reports, with issuance of an opinion on the annual Integrated Report and the proposal for appropriation of results.

- **Supervising the internal control system, including internal audit, compliance and risk management of the activity**

[1] Formerly known as Procedures regarding the Report of Irregularities.

In the role of monitoring the effectiveness of the internal control system, in its risk management, compliance and internal audit components, as well as of evaluating its adequacy and functioning and respective procedures, it is worth highlighting the: ***(i)*** monitoring of the activity carried out by the Audit, Compliance and Risk Department and compliance with the respective Activity Plan; ***(ii)*** monitoring of the risk governance policy and model; ***(iii)*** appraisal of the effectiveness of the internal control systems for the prevention and combat of money laundering and terrorist financing and of the information systems used in the preparation and disclosure of financial information; ***(iv)*** monitoring of the preparation of the sustainability report included in the Integrated Report; ***(v)*** monitoring the evolution of the main existing litigation actions with workers, regulators and third parties; ***(vi)*** monitoring of information systems in terms of security, confidentiality, governance, organisation and technology; ***(vii)*** assessment of transactions with related parties that were submitted to it, under the terms defined in the respective regulation; and ***(viii)*** assessment of the complaints received, none of which was classified as irregularity or infringement covered by the Regulation on Procedures for Reporting Infringements (Whistleblowing).

- **Supervising the execution of the duties performed by the Statutory Auditor**

In terms of follow-up and monitoring CTT' Statutory Auditor and supervising compliance with the respective independence rules that the applicable law and regulations impose, as well as its audit work, the following activities carried out by this Committee stand out in its capacity as main interlocutor: ***(i)*** analysis of the Statutory and Auditor's Reports to the consolidated and individual Financial Statements and the annual Additional Report; ***(ii)*** analysis of the Limited Review Reports to the interim condensed consolidated Financial Statements; ***(iii)*** assessment of how the statutory audit contributed to the integrity of the process of preparing and disclosing financial information through analysis and discussion with the Statutory Auditor about its annual work plan and materiality levels used in the statutory audit, accounting policies and monitoring the conclusions of the interim work and semi-annual limited review, the main audit issues and assessment of the general internal control environment, as well as recommendations on aspects of an accounting and internal control nature; ***(iv)*** previous approval of non-audit services, in order to ensure these are not prohibited by European Union legislation; and ***(v)*** appraisal of the services provided by the Statutory Auditor and the additional information received from it under the

terms of article 78(2) of Law no. 140/2015, of 7 September (Bylaws of the Portuguese Institute of Statutory Auditors), amended by Law no. 99-A/2021, of 31 December, and by Law no. 79/2023, of 20 December, in order to assess that they do not harm its independence or condition its opinion.

Declaration of Conformity

Under the provisions of article 29-G(1)(c) of PSC, the members of CTT's Audit Committee identified below declare that, in the capacity and scope of their duties, and to the best of their knowledge, the information contained in the financial reporting documents for the 2024 financial year, including the management report, the individual and consolidated accounts, the corporate governance report (which includes the remuneration report), the sustainability report, and other corporate information and supervisory and auditing documents that make up the Integrated Report, required by law or regulation:

i. Was prepared in accordance with applicable accounting standards, giving a true and appropriate image of the assets and liabilities, the financial situation and results of CTT and the companies included in the respective consolidation perimeter; and

ii. In particular, the management report faithfully presents the evolution of the business, performance and position of CTT and the companies included in the respective consolidation perimeter, including a description of the main risks and uncertainties that these entities face.

Opinion on the Integrated Report

CAUD has reviewed, as parts of the Integrated Report, the management report and the consolidated and individual financial statements for the financial year ended on 31 December 2024, including the statement of financial position, the statement of results by nature, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows, as well as the respective attached notes.

The consolidated and individual financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union, in force on 31 December 2024.

As components of the Integrated Report, CAUD also analyzed the corporate governance report, taking into account what is established in article 420(5) of the PCC, by reference to the provisions of article 423-F(2), and in article 29-H, and the sustainability report, in accordance with articles 66-B and 508-G of the PCC, Regulation (EU) 2020/852 of the European Parliament and of the Council, of 18 June 2020, the Commission Delegated Regulation (EU) 2021/2178, of 6 July 2021, and the Directive (EU) 2022/2464 of the European Parliament and of the Council, of 14 December 2022.

CAUD verified that the presentation of the consolidated financial statements included in the Integrated Report for the financial year 2024 was carried out in accordance with the requirements established by Commission Delegated Regulation (EU) 2019/815, of 17 December 2018.

CAUD appraised with special attention the Statutory and Auditor's Reports issued by EY on 20 March 2025 on: ***(i)*** the audit of the consolidated and individual financial statements approved by the Board of Directors, having verified that they express a favorable opinion, with no limitations or qualifications, on these financial statements; and ***(ii)*** compliance with other legal and regulatory requirements applicable to the management report, the corporate governance report and the sustainability report, which express compliance with the requirements in force. CAUD also noted that the Statutory and Auditor's Reports also include the elements provided for in article 10 of Regulation (EU) no. 537/2014, of 16 April, namely regarding "Relevant Audit Matters", the description of most significant risks of material misstatement and a summary of the Statutory Auditor's response to those risks, as well as an explanation of the extent to which the statutory audit was considered effective in detecting irregularities, including fraud.

In view of the mentioned elements and the action it has taken, and to comply with the provisions of article 423-F(1)(g), and article 420(5) and (6), applicable by reference to the provisions of article 423-F(2), and article 452, all of the PCC, the Audit Committee certifies that, to the best of its knowledge, the information contained in the Integrated Report of CTT – Correios de Portugal, S.A. as of 31 December 2024 regarding:

- The management report, the corporate governance report and the sustainability report,
- The consolidated and individual financial statements,
- The Statutory and Auditor's Reports on the consolidated and individual Financial Statements, dated as of 20 March 2025, and

- The proposal for appropriation of results,

are in accordance with the applicable legal, statutory and accounting provisions, therefore this Committee expresses its agreement with them and recommends their approval to the Annual General Meeting of CTT.

Lisboa, 20 March 2025

The Audit Committee of CTT – Correios de Portugal, S.A.,

Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia (Chair)

María del Carmen Gil Marín (Member)

Jürgen Schröder (Member)

Shape the future
with confidence

Ernst & Young
Audit & Associados - SROC, S.A.
Avenida da Índia, 10 – Piso 1
1349-066 Lisboa
Portugal

Tel: +351 217 912 000
Fax: +351 217 957 586
www.ey.com

(Translation from the original Portuguese language. In case of doubt, the Portuguese version prevails)

Independent Limited Assurance Report on the Consolidated Sustainability Reporting

To the Management
CTT, S.A.

Limited assurance conclusion

We have conducted a limited Assurance engagement on the Consolidated Sustainability Reporting of CTT, S.A. (the "Group") included in section 5. Sustainability Statements of the Integrated Report (the "Consolidated Sustainability Reporting"), as at 31 December 2024 and for the period from 1 January to 31 December 2024.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Consolidated Sustainability Reporting is not prepared, in all material respects, in compliance with:

- The European Sustainability Reporting Standards (ESRS), including that the process carried out by the Group to identify the information reported on the Consolidated Sustainability Reporting (the "Process") is in accordance with the description set out in note Process and impacts, material risks and opportunities of 5.2 General disclosures; and
- The disclosures laid down in Article 8 of Regulation (EU) 2020/852 (the "Taxonomy Regulation") included in subsection 5.3.3 European Taxonomy within the section 5.3 Environment of the Consolidated Sustainability Reporting.

Basis for conclusion

Our limited assurance engagement was conducted in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants and other technical standards and recommendations issued by the Portuguese Institute of Statutory Auditors (Ordem dos Revisores Oficiais de Contas).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) standards are further described in section "Responsibilities of the Auditor".

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Quality and Independence

We apply the International Standard on Quality Management ISQM 1, which requires that we design, implement, and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We comply with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including international independence standards) issued by the International Ethics Standards Board for Accountants (IESBA) and of the Ordem dos Revisores Oficiais de Contas' Code of ethics

Responsibilities of the Management for the Consolidated Sustainability Reporting

Management of the Group is responsible for designing, implementing and maintaining a Process to identify the information reported in the Consolidated Sustainability Reporting in accordance with the ESRS and for disclosing this Process in note Process and impacts, material risks and opportunities of 5.2 General disclosures of the Consolidated Sustainability Reporting. This responsibility includes:

- Understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- The identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- The assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- The selection and adoption of methods and making assumptions that are reasonable in the circumstances.

Management of the Group is further responsible for:

- The preparation of the Consolidated Sustainability Reporting in compliance with the ESRS;
- The preparation of the disclosures in subsection 5.3.3 European Taxonomy within the section 5.3 Environment of the Consolidated Sustainability Reporting, in compliance with Article 8 of the Taxonomy Regulation;
- Designing, implementing and maintaining such internal controls that Management determines are necessary to enable the preparation of the Consolidated Sustainability Reporting that is free from material misstatement, whether due to fraud or error; and
- The selection and application of appropriate sustainability reporting methods and making assumptions and estimates about sustainability disclosures that are reasonable in the circumstances.

Inherent limitations in preparing the Consolidated Sustainability Reporting

In reporting forward-looking information in accordance with ESRS, Management of the Group is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. The actual outcome is likely to be different since anticipated events frequently do not occur as expected.

Responsibilities of the Auditor

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Consolidated Sustainability Reporting is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence economics decisions of users taken on the basis of the Consolidated Sustainability Reporting as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional skepticism throughout the engagement.

Our responsibilities in respect of the Consolidated Sustainability Reporting, in relation to the Process, include:

- Obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process, as disclosed in note Process and impacts, material risks and opportunities of 5.2 General disclosures.

Our other responsibilities in respect of the Consolidated Sustainability Reporting include:

- Obtaining an understanding of the entity's control environment, processes and information systems relevant to the preparation of the Consolidated Sustainability Reporting but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to disclosures in the Consolidated Sustainability Reporting where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Consolidated Sustainability Reporting.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Consolidated Sustainability Reporting.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
  - performing inquiries to understand the sources of the information used by Management; and
  - reviewing the Group's internal documentation of its Process.
- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Group was consistent with the description of the Process set out in note Process and impacts, material risks and opportunities of 5.2 General disclosures.

In conducting our limited assurance engagement, with respect to the Consolidated Sustainability Reporting, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Consolidated Sustainability Reporting by obtaining an understanding of the Group's control environment, processes and information systems relevant to the preparation of the Consolidated Sustainability Reporting, but not for the purpose of expressing a conclusion about the effectiveness of the Group's internal control;
- Evaluated whether material information identified by the Process is included in the Consolidated Sustainability Reporting;
- Evaluated whether the structure and the presentation of the Consolidated Sustainability Reporting is in accordance with the ESRS;
- Performed inquires of relevant personnel and analytical procedures on selected disclosures in the Consolidated Sustainability Reporting;
- Performed substantive assurance procedures based on a sample basis on selected disclosures in the Consolidated Sustainability Reporting;
- Obtained evidence on the methods, assumptions and data used on developing material estimates and forward-looking information and on how these methods were applied; and
- Obtained an understanding and evaluated the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in Consolidated Sustainability Reporting.

Other matters

The comparative information included in the Consolidated Sustainability Reporting of the Group has not been subjected to an assurance engagement.

Lisboa, 20 March 2025

Ernst & Young Audit & Associados – SROC, S.A.
Sociedade de Revisores Oficiais de Contas
Represented by:

(Signed)

Manuel Ladeiro de Carvalho Coelho da Mota - ROC nº 1410
Registered with the Portuguese Securities Market Commission under license nr. 20161020

11

Investor Support

11. INVESTOR SUPPORT

The mission of the **Investor Relations** department of CTT is to ensure a solid and long-term two-way relationship between, on the one hand, shareholders, investors and research analysts, the Portuguese Securities Market Commission (CMVM), Euronext Lisbon, and the capital markets in general and, on the other hand, the Company and its corporate bodies. For that purpose, (i) it provides timely, clear and transparent information on the current evolution of CTT in economic, financial and corporate governance terms, (ii) it acts as an entry point for analysts and investors' views, and (iii) it benchmarks the Company's performance against other players in the sector. Additionally, the Investor Relations department ensures that the Company's strategy is proactively articulated with investors and research analysts and that the Company has a complete understanding of the perception that the markets have of it.

The Investor Relations (IR) team consists of 5 people and is managed by Nuno Vieira. Its **contacts** are as follows:

Address: Avenida dos Combatentes, 43 - 14th floor
1643-001 Lisboa
Portugal
investors@ctt.pt
Telephone: +351 210 471 087
Website: www.ctt.pt

The **Market Relations Representative of CTT** is the Executive Director and CFO, Guy Patrick Guimarães de Goyri Pacheco.

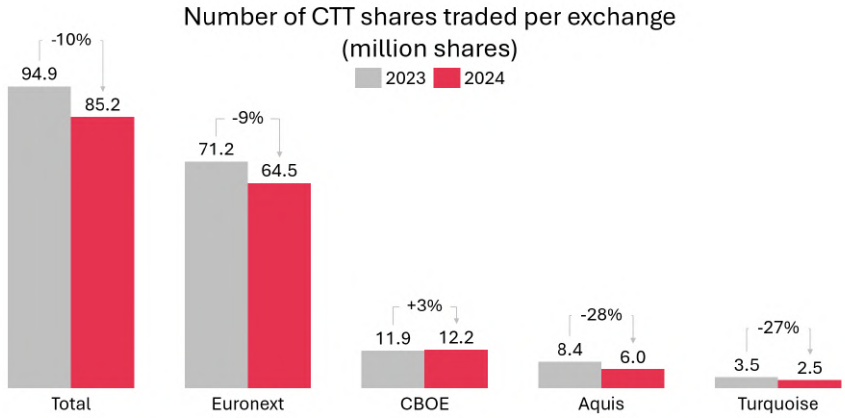
In 2024, within the above-mentioned mission, the IR team carried out the following initiatives:

- In addition to the regular publication of financial accounts (2023 Integrated Report and Interim Integrated Report of the 1st half of 2024), 78 communications were released to the market during the 2024 financial year. Of these, 45 referred to the CTT share buy-back programmes 2023-2024 and 2024-2025, the former concluded on 9 May and the latter started on 22 July 2024 and still in progress. Also, 24 press releases with material information were issued (including press releases and presentations of quarterly results), among which were those related to the strategic partnerships with Generali Tranquilidade regarding insurance and with DHL for e-commerce in Iberia, as well as the announcement on the agreement for the acquisition of the CACESA's share capital. There were also even announcements on management transactions, one regarding the payment of dividends and another concerning qualified holdings in CTT.

- Various e-mails were received and processed from institutional investors, research analysts and the general public in 2024. There were no emails pending from previous years. The team responded to the majority of the information requests received within 24 hours (one workday), on average. At the end of 2024, no email or other query was left unanswered.

- During the year, CTT met with 134 investors from Portugal and various other countries such as Spain, Germany, the United Kingdom, France, Italy, Luxembourg, Denmark, Finland, Norway and Switzerland, as well as from Dubai and the United States of America. CTT participated in six conferences, 14 roadshows and several other meetings held both online and in-person.

As at 31 December 2024, the coverage of CTT shares was provided by five research analysts. As at that date, the average target price of those analysts was €5.58. Four analysts issued a positive recommendation on the share and one a neutral recommendation.



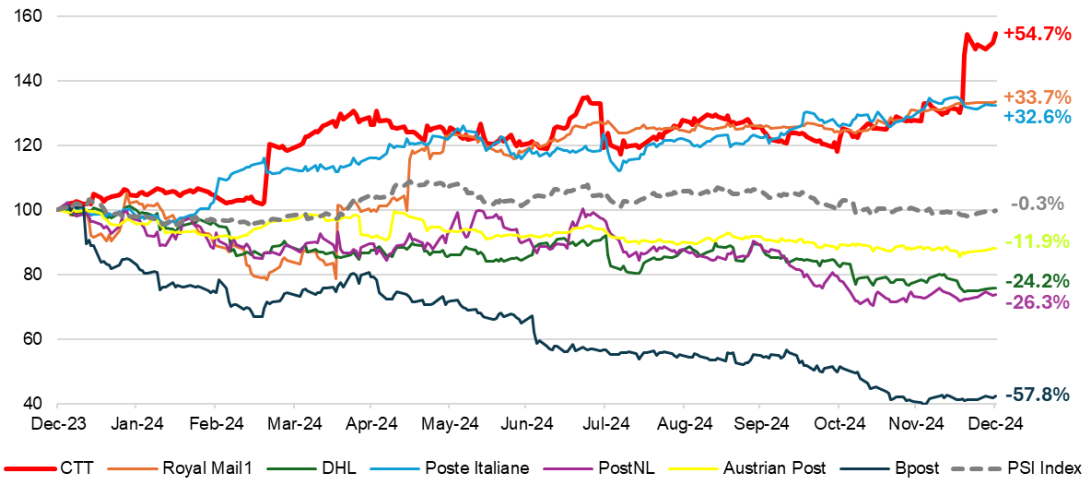
Source: Bloomberg as at 31 Dec 2024

Throughout the year 2024, circa 85.2 million CTT shares were traded (around 64.5 million in Euronext Lisbon, 12.2 million in CBOE Europe, 6.0 million in Aquis Exchange Europe and 2.5 million in Turquoise Europe), corresponding to a daily average of circa 330 thousand shares, which translates into an annualised turnover ratio of around 61.5% of the share capital. As at 31 December 2024, in the last trading session of the year, the closing price of the CTT share was €5.40.

In 2024, CTT distributed a dividend of €0.170 per share and the share price increased by 54.7%. Hence, the total shareholder return or TSR (capital gain + dividend (assuming reinvestment in the share), calculated on the basis of the share price as at 31 December 2024) was 60.8%. During this period, the PSI 20 decreased by -0.3% and recorded a total shareholder return of 4.0%.

Most companies in the European postal sector had a negative share price and total shareholder return performance in 2024. Bpost was the company that experienced the biggest drop in share price (-57.8%), with DHL and PostNL also recording negative performances (-24.2 % and -26.3 % respectively), as well as Austrian Post (-11.9 %). On the positive side, Royal Mail and Poste Italiane stood out (+33.7% and +32.6% respectively). The performances described, including that of CTT and the PSI 20, are shown graphically below.

CTT share performance vs. PSI Index & EU postal sector
(year 2024 - rebased at 100 as of 29 December 2023)



1. Royal Mail share price in GBP
Source: Bloomberg as at 31 Dec 2024.

12
Website

12. WEBSITE

Address
CTT's website address is as follows: www.ctt.pt.

Place where information on the firm, public company status, headquarters and other details of the Company are available
This information can be consulted on CTT's website (www.ctt.pt).

Place where the articles of association and the regulations on the functioning of the boards and/ or committees are available
This information can be consulted on CTT's website (www.ctt.pt).

Place where information is available on the names of the corporate boards' members, the Market Liaison Officer, the Investor Assistance Office, respective functions and contact details
This information can be consulted on CTT's website (www.ctt.pt).

Place where the documents are available that relate to financial accounts reporting, and the half-yearly calendar on company events
This information can be consulted on CTT's website (www.ctt.pt).

CTT's financial calendar for 2025 includes the following corporate events:

Event	Date
2024 Annual Results and Integrated Report	20 March 2025*
2025 Annual Shareholders' Meeting	30 April 2025
1st Quarter 2025 Results	8 May 2025*
Ex-dividend date	13 May 2025
Dividend payment	15 May 2025
1st Half 2025 Results and Interim Report	28 July 2025*
9 months 2025 Results	30 October 2025*

* After market close

Place where the notice convening the general meeting and all the preparatory and subsequent information related thereto is disclosed
This information may be found on CTT's website (www.ctt.pt).

Place where the historical archive on the resolutions passed at the company's General Meetings, share capital and voting results
This information can be consulted on CTT's website (www.ctt.pt).

Place where the sustainability report and the sustainability principles and initiatives of the Company are available
Te report can be consulted on CTT's website (www.ctt.pt). We are interested in receiving comments or suggestions, which can be sent to the following address: sustentabilidade@ctt.pt, or to the physical address, CTT - Correios de Portugal, c/o Gabinete de Sustentabilidade/ Sustainability Department.

Annex I

Curricula

ANNEX I – *CURRICULA*

CURRICULA OF THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES AND REMUNERATION COMMITTEE

I. Members of the management and supervisory bodies

Raul Catarino Galamba de Oliveira

Chairman of the Board of Directors of CTT - Correios de Portugal, S.A. (CTT) (Non-Executive and Independent)

Date of birth and nationality	21 November 1964, born in Portugal
Date of 1st appointment at CTT	29 April 2020
Term of office	2023-2025

Academic qualifications

- ✓ **1990:** MBA, Universidade Nova de Lisboa
- ✓ **1989:** MSc in Systems Engineering (Expert Systems), Instituto Superior Técnico (IST), Universidade de Lisboa
- ✓ **1987:** Degree in Mechanical Engineering, Instituto Superior Técnico (IST), Universidade de Lisboa

Management and supervisory positions held internally

- ✓ **2020-…:** Chairman (non-executive) of the Board of Directors of CTT

Other internal positions held

- ✓ **2020-…:** Chairman of the Selection and Remuneration Committee of Banco CTT, S.A.
- ✓ **2020-…:** Chairman of the Selection Committee of Payshop (Portugal), S.A.
- ✓ **2020-…:** Chairman of the Selection Committee of 321 Crédito - Instituição Financeira de Crédito, S.A.
- ✓ **2020-…:** Member of the Ethics Committee of CTT
- ✓ **2020-…:** Chairman of the Corporate Governance and Risk Committee of CTT (formerly Corporate Governance, Evaluation and Nominating Committee)

Professional experience

- ✓ Started his professional career as Assistant Professor and Researcher in Control Systems and Informatics at Instituto Superior Técnico and at Universidade Católica Portuguesa.
- ✓ Between 1990 and 2017, held positions at McKinsey & Company, namely as Senior Partner for the Financial Institutions area, Managing Partner for Spain and Portugal, Managing Partner for Global Risk Management, and Member of the Global Board of Directors, of the Global Remunerations Committee and of the Partner Election and Evaluation Committees. Since September 2017, has been Director *Emeritus* of McKinsey & Company.
- ✓ Currently, holds positions on the Boards of Directors of several companies in Portugal and Spain, including BBVA, José de Mello Capital and CUF (formerly José de Mello Saúde).

Management and supervisory positions held in other companies (last 5 years)

- ✓ **2020-…:** Non-executive Member of the Board of Directors of Banco Bilbao Vizcaya Argentaria, S.A.
- ✓ **2019-…:** Non-executive Member of the Board of Directors of José de Mello Capital, S.A.
- ✓ **2017-…:** Non-executive Member of the Board of Directors of CUF, S.A. (formerly José de Mello Saúde, S.A.)

Other external positions held (last 5 years)

- ✓ **2023-…:** Member of the Board of Trustees of Fundação Alfredo de Sousa
- ✓ **2004-…:** Chairman of the Board of Directors of Fundação Manuel Violante

João Afonso Ramalho Sopas Pereira Bento

Member of the Board of Directors and Chief Executive Officer (CEO) of CTT - Correios de Portugal, S.A. (CTT)

Date of birth and nationality	12 November 1960, born in Portugal
Date of 1st appointment at CTT	20 April 2017
Term of office	2023-2025

Academic qualifications

- ✓ **2018:** IDP-C, International Directors Programme - Certificate, INSEAD
- ✓ **1999:** Habilitation in Intelligent Systems at Instituto Superior Técnico (IST), Universidade de Lisboa
- ✓ **1992:** PhD in Civil Engineering, Imperial College, London and Doctoral equivalence awarded by Universidade de Lisboa
- ✓ **1987:** Master of Science in Structural Engineering, Instituto Superior Técnico (IST), Universidade de Lisboa
- ✓ **1983:** Degree in Civil Engineering, Instituto Superior Técnico (IST), Universidade de Lisboa

Management and supervisory positions held internally

- ✓ **2021-...:** Chairman of the Board of Directors of CTT IMO – Sociedade Imobiliária, S.A.
- ✓ **2020-…:** Chairman of the Board of Directors of CTT Soluções Empresariais, S.A.
- ✓ **2019-…:** Chairman of the Board of Directors of CTT Expresso – Serviços Postais e Logística, S.A. (appointed to the position of Chairman on June 27, 2019)
- ✓ **2017-…:** Member of the Board of Directors of CTT and Chief Executive Officer ("CEO") (appointed to the position of CEO on May 13, 2019 effective May 22, 2019. Until that date and since 2017 held the position of non-executive member of the Board of Directors of CTT)
- ✓ **2024-2024:** Chairman of the Board of Directors of CTT IMO YIELD - SIC Imobiliária Fechada, S.A.
- ✓ **2021-2022:** Chairman of the Board of Directors of HCCM Outsourcing Investment, S.A.

Other internal positions held

- ✓ **2019-…:** Member of the Selection and Remuneration Committee of Banco CTT, S.A.
- ✓ **2019-…:** Member of the Selection Committee of Payshop (Portugal), S.A.
- ✓ **2019-…:** Member of the Selection Committee of 321 Crédito - Instituição Financeira de Crédito, S.A.
- ✓ **2019-…:** Chairman of the Board of the General Meeting of Correio Expresso de Moçambique, S.A. (CORRE)
- ✓ **2019-2019:** Chairman of the Remuneration Committee of Banco CTT, S.A.
- ✓ **2019-2019:** Member of the Selection Committee of Banco CTT, S.A.
- ✓ **2017-2019:** Member of the Committee for the Monitoring of the Implementation of the Operational Transformation Plan of CTT
- ✓ **2017-2019:** Member of the Corporate Governance, Evaluation and Nominating Committee of CTT

Professional experience

- ✓ Vice-Chairman of the Board and CEO at Gestmin SGPS, S.A. (now Manuel Champalimaud SGPS, S.A.) between 2015 and 2019, having been appointed in 2017 as non-executive member of the Board of Directors of CTT. In 2019 was appointed CEO of CTT having ceased, from that date on, all his functions at the Manuel Champalimaud Group.
- ✓ At CTT, as Chairman of the Executive Committee, he is responsible for the general coordination and the leadership of the executive activity, which he cumulates with the positions of Chairman of the Board of

Directors of the subsidiaries CTT Expresso - Serviços Postais e Logística, S.A., CTT Soluções Empresariais, S.A. and CTT IMO - Sociedade Imobiliária, S.A..

- ✓ Has a vast professional experience in executive and non-executive positions in large, listed companies in Portugal and Brazil, particularly in the infrastructure and energy sectors. Between 2011 and 2015 was CEO of Efacec, an industrial company recognised for its innovation in equipment and automation in the power sector, at that time present in 22 countries, being responsible for areas such as risk management, human resources, communication, innovation and international business development.
- ✓ In the same period, became a member of the Board and of the Executive Committee of the José de Mello Group and was President of COTEC Portugal, the association of corporates for innovation.
- ✓ Was an executive member of the Board of Directors of Brisa for 11 years (at the time operating in 5 countries), being responsible, among others, for the areas of operations, innovation, business development and international development, chairing several infrastructure concessionaires and other Brisa participated companies.
- ✓ From 2000 to 2003, he was a non-executive member of the Board of Directors of EDP, then the largest listed company in Portugal.
- ✓ Started his professional career as an academic, being a tenured Full Professor at Instituto Superior Técnico (IST) since 2000. Started a long-term leave of absence in 2002 in order to carry out full-time functions in business management positions.

Management and supervisory positions held in other companies (last 5 years)

- ✓ **2022-…:** Manager of Método Motriz, Unipessoal, Lda.
- ✓ **2020-…:** Member of the Board of Directors of International Post Corporation (IPC)
- ✓ **2015-…:** Managing Partner of QPDM Consulting, Lda. (previously S.A.; between 2019 and 2020 held the position of Chairman of the Board of Directors and in 2020 became managing partner)
- ✓ **2019-2019:** Chairman of the Board of Directors of I-Charging, Mobilidade Eléctrica, S.A.

Other external positions held (last 5 years, *pro bono*)

- ✓ **2024-…:** Member of the Board of the Businness Roundtable Portugal Association
- ✓ **2019-…:** Member of the Board of Trustees of Fundação Alfredo de Sousa
- ✓ **2019-…:** Member of the Advisory Council of Reshape (formerly APAC Portugal – Associação de Apoio ao Preso)
- ✓ **2018-…:** Member of the Board of ICF – Inclusive Community Forum – Nova SBE
- ✓ **2017-…:** Member of the Strategic Innovation Council of VdA - Vieira de Almeida & Associados, Sociedade de Advogados, RL
- ✓ **2016-…:** Member of the General Council of IPCG (Portuguese Institute of Corporate Governance) in an individual capacity
- ✓ **2013-…:** Permanent member of the Advisory Council of AICEP (Agency for Investment and External Trade of Portugal)
- ✓ **2011-…:** Vice-President and Acting President of Academia de Engenharia
- ✓ **2015-2020:** President of Quinta do Perú Golf Club
- ✓ **2014-2020:** Member of the Advisory Council of ANI (National Innovation Agency)
- ✓ **2012-2018:** President of COTEC Portugal, the Business Association for Corporate Innovation (2012-15) and Member of the Board (2015-18)

Distinctions

- ✓ Honorary President of ASECAP (European Association of Operators of Toll Road Infrastructures), since 2007
- ✓ *Grã Cruz da Ordem do Infante D. Henrique* (Grand Cross of Order of Prince Henry, the Navigator), awarded by the President of the Portuguese Republic in 2016

Guy Patrick Guimarães de Goyri Pacheco

Member of the Board of Directors and Chief Financial Officer (CFO) of CTT - Correios de Portugal, S.A. (CTT)

Date of birth and nationality	25 May 1977, born in Portugal
Date of 1st appointment at CTT	19 December 2017
Term of office	2023-2025

Academic qualifications

- ✓ **2011:** Leaders who transform, Universidade Católica Portuguesa | Universidade Nova of Business and Economics
- ✓ **2010:** Leadership Executive Program, Universidade Católica Portuguesa
- ✓ **2000:** Degree in Economics, Faculdade de Economia, Universidade do Porto

Management and supervisory positions held internally

- ✓ **2024-…:** Chairman of the Board of Directors of CTT IMO YIELD, SIC Imobiliária Fechada, S.A.
- ✓ **2022-…:** Member of the Board of Directors of Medspring, S.A.
- ✓ **2021-…:** Member of the Board of Directors of CTT IMO – Sociedade Imobiliária, S.A.
- ✓ **2021-…:** Member of the Board of Directors of Newspring Services, S.A.
- ✓ **2020-…:** Member of the Board of Directors of CTT Soluções Empresariais, S.A.
- ✓ **2018-…:** Non-executive Member of the Board of Directors of Banco CTT, S.A.
- ✓ **2017-...:** Member of the Board of Directors and Chief Financial Officer (CFO) of CTT
- ✓ **2017-…:** Member of the Board of Directors of CTT Expresso - Serviços Postais e Logística, S.A.
- ✓ **2021-2022:** Member of the Board of Directors of HCCM Outsourcing Investment, S.A.
- ✓ **2018-2019:** Member of the Board of Directors of Tourline Express Mensajería, S.L.U.

Other internal positions held

- ✓ ---

Professional experience

- ✓ As member of the Executive Committee (CFO) of CTT, he is currently responsible for the Costs and Transformation and is also a member of the Boards of Directors of the subsidiaries CTT Expresso - Serviços Postais e Logística, S.A., Banco CTT, S.A., CTT Soluções Empresariais, S.A., Newspring Services, S.A., CTT IMO - Sociedade Imobiliária, S.A. and Medspring, S.A. and Chairman of the Board of Directors of CTT IMO YIELD, SIC Imobiliária Fechada, S.A..
- ✓ Between 2015 and 2017 he had as main occupation the functions of CFO of PT Portugal, SGPS, S.A. and between 2011 and 2015 the functions of Head of Planning and Control of Portugal Telecom, SGPS, S.A. (listed company).
- ✓ Financial, planning and control and financial and operational reporting are his core expertise areas, having performed top management functions in these domains over 17 years in PT Group.
- ✓ With an extensive experience and transformational profile in functions related to strategic transformation of the telecommunications and digital business sector both nationally and internationally (having worked between 2001 and 2017 in markets marked by a challenging regulatory, technological and competitive context, having been, between 2007 and 2011, specially involved in transformation and continuous improvement projects), he led, as CFO, plans for the optimisation and cost reduction in the same sector.

Management and supervisory positions held in other companies (last 5 years)

- ✓ **2024-…:** Non-executive Member of the Board of Directors of Finerge Renewables Spain ETVE S.A.U.
- ✓ **2017-…:** Member of the Board of Directors of Finerge, S.A.
- ✓ **2017-2019:** Member of the Board of Directors of Âncora Wind – Energia Eólica, S.A.

- ✓ **2017-2018:** Member of the Board of Directors of First State Wind Energy Investments, S.A.
- ✓ **2017-2017:** Non-executive Member of the Board of Directors of Sport TV Portugal, S.A.
- ✓ **2016-2017:** Chairman of the Board of Directors of Janela Digital – Informática e Telecomunicações, S.A.
- ✓ **2016-2017:** Non-executive Member of the Board of Directors of Capital Criativo, SCR, S.A.
- ✓ **2015–2017:** Member of the Executive Committee (Chief Financial Officer) of PT Portugal, SGPS, S.A.
- ✓ **2015-2017:** Chairman of the Fiscal Board of Hungaro Digitel Plc.
- ✓ **2015-2017:** Member of the Board of Directors of PT Pay, S.A.
- ✓ **2015-2016:** Chairman of the Fiscal Board of Fibroglobal – Comunicações Electrónicas, S.A.
- ✓ **2013-2015:** Member of the Board of Directors of PT Centro Corporativo, S.A.
- ✓ **2013-2015:** Member of the Fiscal Board of Fundação Portugal Telecom
- ✓ **2011-2014:** Non-executive Member of the Board of Directors of PT PRO – Serviços Administrativos e de Gestão Partilhados, S.A.

Other external positions held (last 5 years)

- ✓ **2018-...:** Member of the Board of AEM (Portuguese Issuers Association)

João Carlos Ventura Sousa

Member of the Board of Directors and of the Executive Committee (CMO) of CTT - Correios de Portugal, S.A. (CTT)

Date of birth and nationality	26 March 1975, born in Portugal
Date of 1st appointment at CTT	18 September 2019
Term of office	2023-2025

Academic qualifications

- ✓ **2023:** Qualification course for Insurance Agent, Insurance Broker or Reinsurance Mediator - Non-Life and Life Branches, APS – Associação Portuguesa de Seguradores
- ✓ **2011:** Leadership and Innovation Programme, Católica School of Business & Economics
- ✓ **1999:** Master of Business Administration, INDEG/ISCTE
- ✓ **1998:** Degree in Management and Marketing, Instituto Superior de Línguas e Administração

Management and supervisory positions held internally

- ✓ **2023-…:** Member of the Board of Directors of Payshop (Portugal), S.A.
- ✓ **2022-…:** Chairman of the Board of Directors of CTT Services, S.A.
- ✓ **2022-…:** Chairman of the Board of Directors of Medspring, S.A.
- ✓ **2021-…:** Member of the Board of Directors of CTT IMO – Sociedade Imobiliária, S.A.
- ✓ **2021-…:** Chairman of the Board of Directors of Newspring Services, S.A.
- ✓ **2020-…:** Member of the Board of Directors of CTT Soluções Empresariais, S.A.
- ✓ **2020-…:** Chairman of the Board of Directors of CTT Contacto, S.A.
- ✓ **2019-…:** Member of the Board of Directors of Correio Expresso de Moçambique, S.A. (CORRE)
- ✓ **2019-…:** Member of the Board of Directors and of the Executive Committee of CTT
- ✓ **2019-…:** Member of the Board of Directors of CTT Expresso - Serviços Postais e Logística, S.A.
- ✓ **2021-2022:** Member of the Board of Directors of HCCM Outsourcing Investment, S.A.
- ✓ **2019-2019:** Chairman of the Board of Directors of Tourline Express Mensajería, S.L.U.

Other internal positions held

- ✓ ---

Professional experience

- ✓ Since 2015, he has been performing management functions, in particular as executive member of the Board of Directors (Chief Sales and Marketing Officer) of Altice Portugal (formerly Portugal Telecom), member of the Board of Directors and Chief Executive Officer (CEO) of PT Cloud and Data Centers and Portugal Telecom Data Center, having been appointed, as from September 2019, executive member of the Board of Directors of CTT.
- ✓ As member of the Executive Committee of CTT(CMO), he is currently responsible for revenue areas which he combines with the positions of member of the Board of Directors of Group companies CTT Expresso - Serviços Postais e Logística, S.A., Correio Expresso de Moçambique, S.A. (CORRE), CTT Soluções Empresariais, S.A., CTT IMO - Sociedade Imobiliária, S.A. and Payshop (Portugal), S.A., and Chairman of the Board of Directors of subsidiaries CTT Contacto, S.A., Newspring Services, S.A., Medspring, S.A. and CTT Services, S.A.
- ✓ He started his professional career at Marconi as a Product and Market Manager responsible for the management of international products and tariffs and business development, having joined, two years

later, Teleweb as New Businesses and Tariffs Manager being one of the members of the original team that launched this operator.

- ✓ He joined Portugal Telecom Group (currently Altice Portugal) from 2001 on, as a SME manager at TMN, in charge of product development, sales channels and business development. During this period, he achieved market leadership in the B2B segment and launched the first convergent solution (Officebox). In 2004 he was the corporate market manager for TMN and in 2007 he was the director of the B2B segment of Portugal Telecom where he was responsible, among others, for the implementation of the sales strategy and for the management and operational development of several sales channels, namely for the management of the marketing plan and pricing strategy of the B2B offer (Wireline, Wireless and ICT) in all variables and for the Up & Cross Sell, having then played a fundamental role in the automation of the commercial processes.
- ✓ Throughout his professional career at the Portugal Telecom Group (currently Altice Portugal), he was also responsible for the development and implementation of several organic restructuring programmes and, in this context, for mergers and acquisitions initiatives, having actively participated in the launch of new technological services and in the outsourcing of business processes in which he was responsible for the definition, communication and implementation of a medium and long-term strategy for customers, partners and employees.

Management and supervisory positions held in other companies (last 5 years)

- ✓ **2017-2019:** Member of the Board of Directors and Chief Executive Officer (CEO) of PT Cloud and Data Centers, S.A.
- ✓ **2017-2019:** Member of the Board of Directors and Chief Executive Officer (CEO) of Portugal Telecom Data Center, S.A.
- ✓ **2015-2019:** Member of the Board of Directors and of the Executive Committee (CMO) of Altice Portugal, S.A.

Other external positions held (last 5 years)

- ✓ **2022-…:** Vice-Chairman of the Board of APOE - Associação Portuguesa de Operadores Expresso

Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia

Non-Executive Member of the Board of Directors and Chairwoman of the Audit Committee of CTT - Correios de Portugal, S.A. (CTT) (Independent)

Date of birth and nationality	14 December 1967, born in Portugal
Date of 1st appointment at CTT	20 April 2017
Term of office	2023-2025

Academic qualifications

- ✓ **2009:** PhD in Management, ISCTE-Instituto Universitário de Lisboa
- ✓ **2002:** Statutory Auditor, Ordem dos Revisores Oficiais de Contas (OROC)
- ✓ **1999:** Master in Economics, Universidade do Porto
- ✓ **1991:** Degree in Management, Universidade Católica Portuguesa (UCP)

Management and supervisory positions held internally

- ✓ **2017-…:** Non-executive Member of the Board of Directors of CTT
- ✓ **2017-…:** Chairwoman of the Audit Committee of CTT

Other internal positions held

- ✓ **2017-2019:** Member of the Committee for the Monitoring of the Implementation of the Operational Transformation Plan of CTT

Professional experience

- ✓ Her top-level academic activity and functions in supervisory bodies of large, listed companies are her main occupation. She was elected in April 2017 as Chair of the Audit Committee of CTT, having been re-elected for the 2020-2022 and for the 2023-2025 terms of office.
- ✓ She has over 25 years of academic experience, being a Professor at the UCP (since 1993) in the areas of Accounting and Tax. Between 2010 and 2017, she was Director of Msc in Audit and Tax of the Faculdade de Economia e Gestão of the UCP and Scientific Coordinator of the Católica Porto Business School of the UCP. She was also a Deputy Director of the Presidency of Centro Regional do Porto of the UCP for management and entrepreneurship.
- ✓ Being a Statutory Auditor for more than 15 years, she became Chairwoman of the Fiscal Board of Ordem dos Revisores Oficiais de Contas (Statutory Auditors Bar (OROC)) in 2012 and became a member of the Management Board in November 2017. She was the representative of OROC in the Comissão de Normalização Contabilística (Commission of Accounting Standards). Since 2008 she is a member of the management and supervisory bodies of large listed and non-listed companies in Portugal, having been Chairwoman of the Fiscal Board of Centro Hospitalar Universitário de São João, EPE from 2017 to 2021. In August 2021 she was elected as non-executive Member of the Board of Directors and as Member of the Audit Committee of Banco Português de Fomento, S.A.

Management and supervisory positions held in other companies (last 5 years)

- ✓ **2022-…:** Non-executive Member of the Board of Directors of Sierra IG – Gestão de Fundos, SGOIC, S.A.
- ✓ **2021-…:** Non-executive Member of the Board of Directors and Chairwoman (since June 2023) of the Audit Committee of Banco Português de Fomento, S.A.
- ✓ **2016-…:** Chairwoman of the Fiscal Board of Sogrape, SGPS, S.A.
- ✓ **2008-…:** Non-executive Member of the Board of Directors and Member of the Audit Committee of Impresa, SGPS, S.A.
- ✓ **2021-2023:** Member of the Board of Associação de Promoção e Defesa da Vida e Família - Vida Norte
- ✓ **2016-2023:** Non-Executive Member of the Board of Directors of SierraGest – Gestão de Fundos, SGOIC, S.A. (formerly SFS – Gestão de Fundos, SGOIC, S.A. and Sonaegest - Sociedade Gestora de Fundos de Investimento, S.A.)

- ✓ **2017-2021:** Chairwoman of the Fiscal Board of Centro Hospitalar Universitário de S. João, EPE
- ✓ **2012-2018:** Chairwoman of the Fiscal Board of Ordem dos Revisores Oficiais de Contas (Portuguese Statutory Auditors Bar) and its representative in the Fédération des Experts-Comptables Européens

Other external positions held (last 5 years)

- ✓ **2024-…:** Member of the Board of Trustees of Fundação do Gil
- ✓ **2023-…:** Member of the Board of Associação para a Escola de Gestão Empresarial
- ✓ **2021-…:** Invited member of the Executive Committee of Comissão de Normalização Contabilística (Commission of Accounting Standards)
- ✓ **2014-…:** Managing Partner of Novais, Anacoreta & Associado, SROC
- ✓ **2011-…:** Member of the Scientific Council of Associação Fiscal Portuguesa
- ✓ **2011-…:** Tax Arbitrator at CAAD (Portuguese Administrative Arbitration Centre)
- ✓ **2009-…:** Assistant Professor at Católica Porto Business School
- ✓ **2017-Feb.2021:** Member of the General Council and of the Executive Committee of Comissão de Normalização Contabilística (Commission of Accounting Standards), representing Ordem dos Revisores Oficiais de Contas (Portuguese Statutory Auditors Bar)
- ✓ **2018-2020:** Member of the Management Board of Ordem dos Revisores Oficiais de Contas (Portuguese Statutory Auditors Bar) and its representative in the Accountancy Europe

Steven Duncan Wood

Non-Executive Member of the Board of Directors of CTT - Correios de Portugal, S.A. (CTT)

Date of birth and nationality	17 December 1982, born in the USA
Date of 1st appointment at CTT	23 April 2019
Term of office	2023-2025

Academic qualifications

- ✓ **2005:** BA in Economics, Political Economy and International Relations, Tulane University, USA

Management and supervisory positions held internally

- ✓ **2019-…:** Non-executive Member of the Board of Directors of CTT
- ✓ **2020-2023:** Member of the Audit Committee of CTT

Other internal positions held

- ✓ **2019-2019:** Member of the Committee for the Monitoring of the Implementation of the Operational Transformation Plan of CTT

Professional experience

- ✓ He is a Chartered Financial Analyst ("CFA"), who focuses on distressed, deep value and special situations investment strategies, having founded GreenWood Investors in 2010.
- ✓ He began his career with the special situations team at Kellogg Capital Group, and later worked as an Investment Banking Analyst for RBC Capital Markets in the Syndicated and Leveraged Finance group, having deepened his knowledge of distressed, deep value, and special situations strategies as a Research Analyst at Carr Securities from 2009 to 2013. Walter Carucci from Carr Securities provided the inspiration for founding GreenWood Investors.
- ✓ Since 2016, he has also served on the Investment Advisory Board of Cortland Associates, a value-oriented St. Louis (in USA) based investment advisor.
- ✓ In 2017, he founded the Builders Institute Inc., an educational non-profit organisation that is dedicated to the field of long-term value creation, transparency of corporate strategy, and conscious capitalist principles.
- ✓ He is currently the Managing Member of the GreenWood Performance Investors, LLC and the General Partner of the GreenWood Global Micro Fund I, LP, a fund launched in February 2014, as well as of the GreenWood Builders Fund I, LP, GreenWood Offshore Builders Fund I, GreenWood Builders Fund II, LP, GreenWood Offshore Builders Fund II, GreenWood Builders Fund III, GreenWood Builders Fund IV, GreenWood Offshore Builders Fund IV, and of the GreenWood Builders Fund V.

Management and supervisory positions held in other companies (last 5 years)

- ✓ **2023-...:** Member of the Board of Directors of MEI Pharma, Inc.
- ✓ **2023-...:** Member of the Board of Directors of Leonardo, S.P.A
- ✓ **2017-…:** Founder and Managing Member of the Builders Institute, Inc.
- ✓ **2010-…:** Managing Member of GreenWood Performance Investors, LLC
- ✓ **2010-…:** Founder and Managing Member of Greenwood Investors, LLC

Other external positions held (last 5 years)

- ✓ **2016-…:** Advisory Board Member of Cortland Associates, Inc.

Duarte Palma Leal Champalimaud

Non-Executive Member of the Board of Directors of CTT - Correios de Portugal, S.A. (CTT)

Date of birth and nationality	5 December 1975, born in Brazil
Date of 1st appointment at CTT	19 June 2019
Term of office	2023-2025

Academic qualifications

- ✓ **2018:** OPM 51 Class, Harvard Business School, USA
- ✓ **2009:** Leading the Family Business Program, IMD, Switzerland
- ✓ **2008:** MBA International, Católica Porto Business School
- ✓ **2001:** Postgraduate studies in Business Management, Fundação Dom Cabral, Brazil
- ✓ **2000:** Degree in Mechanical Engineering, Kingston University, England

Management and supervisory positions held internally

- ✓ **2019-…:** Non-executive Member of the Board of Directors of CTT
- ✓ **2018-2019:** Member of the Board of Directors of Tourline Express Mensajería, S.L.U.

Other internal positions held

- ✓ **2020-…:** Member of the Corporate Governance and Risk Committee of CTT (formerly Corporate Governance, Evaluation and Nominating Committee)
- ✓ **2019-2019:** Member of the Committee for the Monitoring of the Implementation of the Operational Transformation Plan of CTT

Professional experience

- ✓ His position as a member of the Board of Directors of Gestmin SGPS, S.A., which changed its corporate name in 2019 to Manuel Champalimaud SGPS, S.A., has been his main occupation since 2005.
- ✓ He joined the CTT Group in 2018 having then been appointed as a member of the Board of Directors of the subsidiary Tourline Express Mensajería, S.L.U., a position he held till July 2019. As of June 2019, he became a non-executive member of the Board of Directors of CTT, a position that he holds in addition to those of Member of the Board of Directors of Manuel Champalimaud SGPS, S.A.
- ✓ He has a vast professional background in management and senior management positions, with a large experience in the industrial and technological areas within the Manuel Champalimaud Group, having led the acquisition of some of its main assets and played an important role in the internationalisation of the Group, namely through the expansion of GLN to Mexico, an industrial company known for its technological innovation work in the sector of plastic moulds. He held within this company, from 2013 to 2016, the functions of Chief Executive Officer (CEO) having, during this period, been responsible for the development of the company IT systems and for the acquisition of Famolde, a company specialised in the design and production of high technical content moulds, particularly in micro-moulds. Throughout his professional career, he was also responsible for several operational areas including human resources and technological innovation areas and was co-founder of a digital startup directed to the healthcare area, the consultaclick.com, from which the first European online appointment booking platform was developed.

Management and supervisory positions held in other companies (last 5 years)

- ✓ **2024-…:** Vice President of the Board of Directors of GLN Advance Solutions, S.A.
- ✓ **2022-…:** Chairman of the Board of Directors of Pentapack - Sistema de Embalagem, S.A.
- ✓ **2021-...:** Manager of Star Swan Unipessoal, Lda.
- ✓ **2005-…:** Member of the Board of Directors of Manuel Champalimaud SGPS, S.A.
- ✓ **2007-2021:** Manager of Sotaque – Assessoria de Comunicação e Traduções, Lda.
- ✓ **2016-2018:** Member of the Board of Directors of PIEP (Innovation in Polymer Engineering)

- ✓ **2014-2017:** Chairman of the Board of Directors of GLN, S.A., having also held the position of CEO between 2013 and 2016

Other external positions held (last 5 years)

- ✓ **2016-…:** Chairman of the Board of the General Meeting of APIP (Portuguese Plastics Industry Association)

Jürgen Schröder

Non-Executive Member of the Board of Directors and Member of the Audit Committee of CTT - Correios de Portugal, S.A. (CTT) (Independent)

Date of birth and nationality	2 October 1963, born in Germany
Date of 1st appointment at CTT	29 April 2020
Term of office	2023-2025

Academic qualifications

- ✓ **1993:** PhD in Economics, Ruhr-Universität Bochum, Germany
- ✓ **1988:** Degree in Economics, Ruhr-Universität Bochum, Germany

Management and supervisory positions held internally

- ✓ **2023-…:** Member of the Audit Committee of CTT
- ✓ **2020-…:** Non-executive Member of the Board of Directors of CTT

Other internal positions held

- ✓ ---

Professional experience

- ✓ He started his professional career at McKinsey & Company in 1994, and since 2007 he has been a Senior Partner at the Düsseldorf office. Throughout his career at McKinsey & Company, he has assumed management and supervisory functions as responsible for the Travel, Transport and Logistics practice in Germany, as well as Chairman of the Regional Pricing Committee Europe, of the German Finance and Infrastructure Committee and of the Orphoz Board in Germany and Member of the Boards of eFellows.net and Lumics GmbH & Co. KG. He was also a member of the German Client Committee and the German OpCo (Board).
- ✓ Until 2020, he was responsible for the Global Marketing and Sales practice at McKinsey & Company and the transport and logistics sector in Germany and was the founder of the Digital Marketing Factory, with extensive experience in the Postal and Logistics sectors, in the Marketing and Sales areas and Digital Marketing, as well as in transformational programs that contribute to improving the performance of companies through the use of agile methods and digital technologies to improve their commercial transformation.

Management and supervisory positions held in other companies (last 5 years)

- ✓ **2023-…:** Managing Director of LPS Hospitality & Investment GmbH (Germany)
- ✓ **2020-…:** Executive Partner of JS-Rat&Tat GmbH (Germany)

Other external positions held (last 5 years)

- ✓ **2023-…:** Board of “Rotary Club Düsseldorf” (Germany)
- ✓ **2014-…:** Member of the Board of Marketing Club Düsseldorf (Germany)
- ✓ **2015-2023:** Member of the Board of ISR (International School on the Rhine) (Germany)

Margarida Maria Correia de Barros Couto

Non-Executive Member of the Board of Directors of CTT - Correios de Portugal, S.A. (CTT)

Date of birth and nationality	16 September 1964, born in Portugal
Date of 1st appointment at CTT	29 April 2020
Term of office	2023-2025

Academic qualifications

- ✓ **1988:** Postgraduate studies in European Studies, Faculdade de Direito, Universidade Católica de Lisboa
- ✓ **1987:** Degree in Law, Faculdade de Direito, Universidade Católica de Lisboa

Management and supervisory positions held internally

- ✓ **2020-…:** Non-executive Member of the Board of Directors of CTT

Other internal positions held

- ✓ **2023-…:** Member of the Corporate Governance and Risk Committee of CTT (formerly Corporate Governance, Evaluation and Nominating Committee)
- ✓ **2020-…:** Chairwoman of the Ethics Committee of CTT

Professional experience

- ✓ Founding Partner at Vieira de Almeida & Associados (VdA), being part of this law firm since 1988, she has as main professional occupation the practice of law in regulated sectors and in social economy.
- ✓ She was a Senior Partner in the PI & Digital Group and a Partner in the ICT (Information, Communications and Technology) area, having been involved in the main transactions in the communications, media and privacy sectors as part of her professional activity, monitoring both economic and transactional regulatory matters. She has also worked extensively on infrastructure projects and monitoring public procurement procedures in regulated and non-regulated sectors.
- ✓ She is a Partner in the Social Economy practice, which provides legal and strategic advice to the most important Foundations and Associations active in Portugal and to various social impact projects. Between 2015 and 2023 she was President of the VdA Academia Association, the firm's corporate academy. At the present date, she continuous to be responsible for the Women on Boards Executive Program and the ESG Executive Program.
- ✓ As lecturer at the Universidade Católica, she has been teaching in matters related to her practice areas, namely Telecommunications Law, Economic Regulation and Social Economy and Sustainability.
- ✓ She is the author of several articles on economic regulation, telecommunications, social economy and sustainability published in both national and international specialized editions. She is a frequent guest speaker at conferences related to her areas of practice in Portugal and abroad, and has been distinguished throughout her career by the main international law directories as a leader in her areas of practice.

Management and supervisory positions held in other companies (last 5 years)

- ✓ **2023-2024:** Non-executive Member of the Board of Directors of Luz Saúde, S.A.

Other external positions held (last 5 years)

- ✓ **2024-…:** Member of the Board of Trustees of Fundação Universidade de Aveiro
- ✓ **2024-…:** Vice-President of Rede Capital Social - Associação de Filantropia Estratégica (Strategic Philanthropy Association)
- ✓ **2024-…:** Member of the National Council of Fundação Aga Khan (Aga Khan Foundation)
- ✓ **2017-…:** Member of the Board of Directors and Chief Executive Officer (CEO) of Fundação Vasco Vieira de Almeida

- ✓ **2016-…:** Secretary of the General Assembly of BCSD Portugal – *Business Council for Sustainable Development*
- ✓ **2018-2024:** Chairwoman of GRACE - Empresas Responsáveis - Associação (Association of Responsible Business)
- ✓ **2015-2023:** Chairwoman of the Board of Associação VdA Academia
- ✓ **2017-2021:** Secretary of the General Assembly of Fórum Oceano - Associação da Economia do Mar (Association of Maritime Economy)

María del Carmen Gil Marín

Non-Executive Member of the Board of Directors and Member of the Audit Committee of CTT - Correios de Portugal, S.A. (CTT) (Independent)

Date of birth and nationality	11 February 1973, born in Spain
Date of 1st appointment at CTT	29 April 2020
Term of office	2023-2025

Academic qualifications

- ✓ **2021-…:** Enrolled in International Directors Programme (IDP), INSEAD, France
- ✓ **2020:** Cyber Security and Executive Strategy, Stanford University, USA
- ✓ **2019:** Santander-UCLA W50, UCLA Anderson School of Management, USA
- ✓ **2019:** Corporate Governance: The leadership of the Boards, Nova School of Business & Economics Executive Education
- ✓ **2019:** The Women´s Leadership Forum, Harvard Business School, USA
- ✓ **1999:** MBA Programme, INSEAD, France (Dean´s List)
- ✓ **1999:** Academic cycle in Environment and Alternative Energies PhD, UNED, Spain
- ✓ **1996:** Degree in Electronic Engineering, Universidad Pontificia Comillas (ICAI), Spain (National Honours)

Management and supervisory positions held internally

- ✓ **2020-…:** Non-executive Member of the Board of Directors of CTT
- ✓ **2020-…:** Member of the Audit Committee of CTT

Other internal positions held

- ✓ ---

Professional experience

- ✓ She began her professional career in 1996 as a consultant at The Boston Consulting Group, office in Madrid, having participated in several strategic projects related to sectors such as electrical, telecommunications, oil & gas, and retail. Between 1999 and 2000 she was a Professor of Industrial Marketing at the Industrial Management Engineer degree at the Universidad Pontificia Comillas (ICAI) in Madrid. In 1999, she was an Associate at Lehman Brothers, Investment Banking in London and New York, where she performed functions related to acquisitions and IPO operations in different economic sectors.
- ✓ Leadership positions have been her main professional occupation since 2001, having initiated her professional career as from this date at Grupo Novabase as responsible for the launching of the Venture Capital area with a technological focus, within the scope of her functions as a Member of the Board of Directors of Novabase Capital, Sociedade de Capital de Risco, S.A., with a direct participation in the innovation and M&A processes of the Group. At the same time, she has been coordinating the processes of investment and valuation, financial supervision, risk assessment and operational monitoring of the participated entities. In 2018, she became a member of the Executive Committee of Novabase, SGPS, S.A. as COO, CIO and CISO.
- ✓ Currently, she carries out the duties of Member of the Board of Directors of Novabase, SGPS, S.A., independent and non-executive Member of the Board of Directors of Caixa Geral de Depósitos, S.A. where she is also a Member of the Audit Committee and the Appointments, Assessment and Remunerations Committee and independent and non-executive Member of the Board of Directors of Santalucía, S.A., Compañia de Seguros y Reaseguros in Spain.

Management and supervisory positions in other companies (last 5 years)

- ✓ **2024-…:** Non-executive Member of the Board of Directors and Member of CNR of Santalucía, S.A., Compañia de Seguros y Reaseguros (Spain)
- ✓ **2021-…:** Non-executive Member of the Board of Directors and Member of the Audit Committee and the Appointments, Assessment and Remunerations Committee of Caixa Geral de Depósitos, S.A.

- ✓ **2021-…:** Member of the Board of Directors of Novabase, SGPS, S.A. and former executive Member of the Board of Directors (2018-2020)
- ✓ **2021-…:** Member of the Board of Directors of Celfocus -Soluções Informáticas para Telecomunicações, S.A.
- ✓ **2021-2024:** Chairwoman of the Board of Directors of Novabase Capital, Sociedade de Capital de Risco, S.A., and former executive Member of the Board of Directors (2001-2021)
- ✓ **2018-2021:** Executive Member of the Board of Directors of Novabase IMS2, S.A.
- ✓ **2014-2020:** Manager of Radical Innovation, Lda.
- ✓ **2014-2020:** Manager of Tópico Sensível, Lda.
- ✓ **2012-2020:** Manager of Bright Innovation, Lda.
- ✓ **2018-2019:** Executive Member of the Board of Directors of Novabase Serviços – Serviços de Gestão e Consultoria, S.A.
- ✓ **2008-2019**: Executive Member of the Board of Directors of COLLAB – Soluções Informáticas de Comunicação e Colaboração, S.A.

Other external positions held (last 5 years)

- ✓ **2025-…:** Member of the International Advisory Board of Católica Lisbon School of Business and Economics
- ✓ **2021-…:** Member of the Innovation Strategic Board of VdA - Vieira de Almeida & Associados Sociedade de Advogados, RL (2021 - Present . 4 years 2 months)
- ✓ **2015-…:** Chairwoman of the Board of the General Meeting of GLOBALEDA - Telecomunicações e Sistemas de Informação, S.A.
- ✓ **2020-2024:** Member of the General Board of AEM (Portuguese Issuers Association)
- ✓ **2012-2023:** Member of the Advisory Committee of FCR ISTART I
- ✓ **2018-2021:** Chairwoman of the Board of the General Meeting of Novabase Enterprise Applications - Sistemas de Informação de Gestão Empresarial, S.A.
- ✓ **2018-2021:** Chairwoman of the Board of the General Meeting of Celfocus - Soluções Informáticas para Telecomunicações, S.A.
- ✓ **2014-2021:** Member of the Board of Fórum de Investor Relations (FIR) (Portuguese Association of Investor Relations Officers) and former Member of its Supervisory Board (2011-2013)
- ✓ **2014-2015:** Member of the Supervisory Board of AEM (Portuguese Issuers Association)

Susanne Ruoff

Non-Executive Member of the Board of Directors of CTT - Correios de Portugal, S.A. (CTT) (Independent)

Date of birth and nationality	29 September 1958, born in Switzerland
Date of 1st appointment at CTT	29 April 2020
Term of office	2023-2025

Academic qualifications

- ✓ **2022:** Certification ESG Competent Boards
- ✓ **2018:** Certification of the International Director Program, INSEAD, France/Singapore
- ✓ **2010:** Corporate Finance in Multinational Companies, ZfU, Switzerland
- ✓ **2007:** Corporate Governance in Executive Boards, Universität St. Gallen (HSG), Switzerland
- ✓ **2004:** MBA, Université de Fribourg, Switzerland
- ✓ **2003:** Study of Economics, Université de Fribourg, Switzerland

Management and supervisory positions held internally

- ✓ **2020-…:** Non-executive Member of the Board of Directors of CTT

Other internal positions held

- ✓ **2023-…:** Member of the Corporate Governance and Risk Committee of CTT (formerly Corporate Governance, Evaluation and Nominating Committee)

Professional experience

- ✓ She has a long career with more than 30 years of experience in management positions at international companies, standing out the more than 12 years in CEO positions as CEO of BT Switzerland, and IBM Global Technology Services and more recently as CEO of Swiss Post. She was also a member of the Boards of Directors of companies such as Postbank, Geberit International (Sanitary Leader in Europe), and BEDAG (Software Company) and a member of the Board of the International Post Corporation.
- ✓ Throughout her career, she acquired a vast knowledge of technologies in terms of change and transformation management, (IBM and BT) and solid experience in implementing digital transformation (Swiss Post), mainly in logistics, banking, services, telecommunications, as well as in the technology industry in general.
- ✓ Founded her own company Ruoff Advisory GmbH and as CEO of the company, she is dedicated to the activity of consultant and support international and national companies in the Digital Transformation and Digital Business Modeling in the Telecommunications, ICT and postal sectors, mainly (Board advisor for different companies).
- ✓ Most recently, she launched Folxglobal, a company leveraging virtual reality technology for experiential learning and leading transformation projects for multinational corporations.

Management and supervisory positions held in other companies (last 5 years)

- ✓ **2023-…:** Member of the Board of Createq, Software Company (Switzerland)
- ✓ **2020-…:** Member of the Board and Chairwoman of Organisation & Compensation Committee of Eldora AG (Gastronomy Companies in Switzerland)
- ✓ **2019-…:** Chief Executive Officer (CEO) of Ruoff Advisory GmbH (Switzerland)
- ✓ **2013-2018:** Member of the Board of Directors and Chairwoman of the Corebanking Transformation Committee of PostBank (Switzerland)
- ✓ **2012-2018:** Chief Executive Officer (CEO) of Swiss Post, LTD (Switzerland)

Other external positions held (last 5 years)

- ✓ **2022-...:** Member of the Explore-it Foundation

- ✓ **2017-…:** Member of the Strategic Advisory Board of EPFL - École Polytechnique Fédérale de Lausanne (Switzerland)
- ✓ **2021:** Board Advisor of Emirates Post, Dubai (UAE)
- ✓ **2017-2018:** Member of the Advisory Council for Swiss Federal Government for Digital Transformation (Switzerland)
- ✓ **2012-2016:** Member of the Board of the International Post Corporation (Belgium)
- ✓ Formerly, she was an independent member of the Board of Directors of Geberit International S.A. and Bedag S.A. (Switzerland)

II. Members of the Remuneration Committee

Fernando Paulo de Abreu Neves de Almeida

Chairman of the Remuneration Committee of CTT - Correios de Portugal, S.A. (CTT) (Independent)

Date of birth and nationality	13 July 1961, born in Portugal
Date of 1st appointment at CTT	29 April 2020
Term of office	2023-2025

Academic qualifications

- ✓ **1994:** MBA, Faculdade de Gestão, Universidade Católica Portuguesa
- ✓ **1989:** Degree in Human Resources Management and Work Psychology, Universidade Europeia

Management and supervisory positions held internally

- ✓ ---

Other internal positions held

- ✓ **2020-…:** Chairman of the Remuneration Committee of CTT

Professional experience

- ✓ With a vast experience in management consulting specialized in Human Resources, he founded in 1993 the Neves de Almeida Consultores. Since 1998 he has been an International Partner and Managing Partner of the office in Lisbon of Boyden Global Executive Search. He is a member of the advisors' network LIORENTE E CUENTA, Iberian leader in business communication, and he is a member of the University Council of Universidade Europeia and of the Editorial Boards of the Executive Digest and Human Resources magazines. Since 2014 he has also been a member of REN's Remuneration Committee.
- ✓ He is also a teacher at the University since 1990 and was, until 2014, Executive Coordinator of the PhD's, Masters' and Bachelor's programmes in Human Resources Management at Universidade Europeia. He has written more than one hundred articles for a variety of economic publications and he is the author of the books "Psicologia para Gestores" and "Avaliação de Desempenho para Gestores" both by McGraw Hill publisher and of the book "O Gestor - A Arte de Liderar" by Editorial Presença. He is the co-author of the book "A Sorte dá Muito Trabalho" by Almedina and author of the books "Comandos para Liderar" published by Multipublicações and "Retribuições, Prémios e Incentivos" published by Almedina.

Management and supervisory positions held in other companies (last 5 years)

- ✓ **1993-…:** Manager of Neves de Almeida Consultores, Unipessoal, Lda.

Other external positions held (last 5 years)

- ✓ **2014-…:** Member of the Remuneration Committee of REN - Redes Energéticas Nacionais, SGPS, S.A.
- ✓ **1998-…:** Partner of the Lisbon office of Boyden Global Executive Search

Manuel Carlos de Melo Champalimaud

Member of the Remuneration Committee of CTT - Correios de Portugal, S.A. (CTT)

Date of birth and nationality	14 April 1946, born in Portugal
Date of 1st appointment at CTT	28 April 2016
Term of office	2023-2025

Academic qualifications

- ✓ **2019:** Orchestrating Winning Performance, IMD, Lausanne, Switzerland
- ✓ **2010:** High Performance Boards, IMD, Lausanne, Switzerland
- ✓ **2009:** Orchestrating Winning Performance, IMD, Lausanne, Switzerland
- ✓ **1993:** General Management Programme, Escola de Gestão do Porto (currently Porto Business School), Universidade do Porto
- ✓ **1971-1973:** Attendance of the Economics degree at Instituto de Ciências Ultramarinas, Universidade Técnica de Lisboa (currently ISCSP)

Management and supervisory positions held internally

- ✓ **2016-2017:** Non-executive Member of the Board of Directors of CTT

Other internal positions held

- ✓ **2020-…:** Member of the Remuneration Committee of CTT

Professional experience

- ✓ An entrepreneur since 1972, he was a promoter, investor and director in various companies in Portugal, Spain and Brazil.
- ✓ Activities in the industrial area stand out – in particular in the cement industry, with Cimentos do Tejo – and, more recently, in the moulds and plastics industry. The latter investment was made through Gestmin, currently Manuel Champalimaud SGPS, S.A., and entailed creating the GLN Group. He also gained corporate and management experience in real estate promotion – through the companies Raso Empreendimentos Turísticos, DaPraia and Sogestão and, furthermore, in hunting and industrial agriculture with São Barão. He has also been involved in the commercial area, in particular for the construction sector, through Rolim Comercial.
- ✓ In representation of a relevant shareholding, he was a member of the Board of Directors of REN – SGPS, S.A. for 7 years until 2016 and of CTT, from 2016 to 2017.
- ✓ In 2005, he created Gestmin SGPS, S.A., a family holding company, currently Manuel Champalimaud SGPS, S.A., where he concentrated all his investments, which he has led and operated since then. The group is currently exposed to the areas of energy, port logistics and moulds and plastics, while also holding important listed assets, among which are the shareholdings in REN and CTT.

Management and supervisory positions held internally (last 5 years)

- ✓ **2022-…:** Vice - Chairman of the Brazilian law company Casa da Urca Limitada
- ✓ **2015-…:** Manager of Sealion Finance, Lda.
- ✓ **2007-…:** Deputy Manager of Cela - Agropecuária, Lda.
- ✓ **2005-…:** Chairman of the Board of Directors of Manuel Champalimaud SGPS, S.A. (formerly Gestmin SGPS, S.A.)
- ✓ **2005-…:** Deputy Manager of Agrícola São Barão – Unipessoal, Lda.
- ✓ **2021-2022:** Chairman of the Board of Directors of Digal - Distribuição e Comércio, S.A.
- ✓ **1998-2017:** Chairman of the Board of Directors of Sogestão – Administração e Gerência, S.A.
- ✓ **1997-2017:** Deputy Manager of Sogolfe – Empreendimentos Turísticos, Sociedade Unipessoal, Lda.

- ✓ **2007-2016:** Non-executive Member of the Board of Directors of REN – Redes Energéticas Nacionais, SGPS, S.A.

Other external positions held (last 5 years)

- ✓ **2005-…:** Chairman of the Nominating and Remunerations Committee of Manuel Champalimaud Group

Christopher James Torino

Member of the Remuneration Committee of CTT - Correios de Portugal, S.A. (CTT) (Independent)

Date of birth and nationality	10 March 1986, born in the USA
Date of 1st appointment at CTT	29 April 2020
Term of office	2023-2025

Academic qualifications

- ✓ **2009:** MSc in Accountancy, Wake Forest University School of Business, USA
- ✓ **2008:** BSc in Analytical Finance, Wake Forest University, USA

Management and supervisory positions held internally

- ✓ ---

Other internal positions held

- ✓ **2020-…:** Member of the Remuneration Committee of CTT

Professional experience

- ✓ He started his professional career as a financial analyst monitoring a universe of about 30-50 funds with different strategies, and as a Senior Analyst at Morgan Creek Capital Management, LLC, where he worked in conjunction with the Private Investment Team to conduct diligence on numerous co-investment opportunities in private market transactions. In 2012 he joined LRV Capital Management, LLC where he deepened his skills, especially in the area of investments. Since 2020 he has been a member of CTT's Remuneration Committee.
- ✓ He became Vice-President of Lazard Asset Management, LLC after the integration of the International Equity Value team of LRV Capital, a fundamental international-only long/short equity fund, by Lazard in 2018.
- ✓ In 2018, he joined GreenWood Investors and is currently a Partner at GreenWood Investors, LLC.

Management and supervisory positions held in other companies (last 5 years)

- ✓ **2018-2018:** Vice-President at Lazard Asset Management, LLC

Other external positions held (last 5 years)

- ✓ **2018-…:** Partner at GreenWood Investors, LLC
- ✓ **2012-2018:** Analyst at LRV Capital Management, LLC

Annex II

Transactions of CTT Shares

ANNEX II – TRANSACTIONS OF CTT SHARES

Details of the daily transactions on CTT shares carried out in 2024 in the framework of the Company's share buyback programmes 2023-2024 and 2024-2025 until 13 March 2025, the date of the most recent interim report issued 2024-2025 programme referred to in point 3 of subchapter 6.1.1 of this Integrated Report. Further details on all the daily transactions carried out under this programme are available on the CTT website at CTT Investors.

Date of the transaction	Aggregated Volume (shares)	Weighted average price (€)	% of session's total volume	% of share capital
02-01-2024	35,001	3.533	19.26%	0.02%
03-01-2024	23,100	3.548	15.08%	0.02%
04-01-2024	56,000	3.565	13.19%	0.04%
05-01-2024	49,000	3.562	13.98%	0.03%
08-01-2024	60,500	3.556	33.21%	0.04%
09-01-2024	48,500	3.542	25.39%	0.03%
10-01-2024	60,000	3.567	18.23%	0.04%
11-01-2024	61,000	3.563	29.14%	0.04%
12-01-2024	62,000	3.612	10.80%	0.04%
15-01-2024	47,186	3.661	14.40%	0.03%
16-01-2024	47,188	3.591	27.79%	0.03%
17-01-2024	57,000	3.563	15.64%	0.04%
18-01-2024	30,000	3.642	15.21%	0.02%
19-01-2024	32,760	3.640	17.12%	0.02%
22-01-2024	23,500	3.661	8.18%	0.02%
23-01-2024	23,686	3.683	5.93%	0.02%
24-01-2024	20,000	3.708	5.08%	0.01%
25-01-2024	14,700	3.702	5.79%	0.01%
26-01-2024	21,200	3.692	7.59%	0.01%
29-01-2024	16,500	3.652	9.16%	0.01%
30-01-2024	13,400	3.659	5.86%	0.01%
31-01-2024	15,800	3.684	7.96%	0.01%
01-02-2024	14,249	3.685	7.98%	0.01%
02-02-2024	7,600	3.668	6.14%	0.01%
05-02-2024	24,000	3.711	4.65%	0.02%
06-02-2024	23,000	3.709	6.51%	0.02%
07-02-2024	27,200	3.722	7.56%	0.02%
08-02-2024	16,000	3.732	4.87%	0.01%
09-02-2024	9,380	3.685	6.49%	0.01%
12-02-2024	22,001	3.698	12.04%	0.02%
13-02-2024	37,600	3.680	15.28%	0.03%
14-02-2024	17,828	3.669	15.52%	0.01%
15-02-2024	24,010	3.644	13.79%	0.02%
16-02-2024	16,104	3.645	9.84%	0.01%
19-02-2024	33,667	3.699	12.65%	0.02%
20-02-2024	25,000	3.703	26.17%	0.02%

Date of the transaction	Aggregated Volume (shares)	Weighted average price (€)	% of session's total volume	% of share capital
21-02-2024	25,000	3.701	19.18%	0.02%
22-02-2024	25,000	3.726	10.64%	0.02%
23-02-2024	25,000	3.709	23.27%	0.02%
26-02-2024	25,000	3.682	15.21%	0.02%
27-02-2024	25,000	3.667	14.43%	0.02%
28-02-2024	25,000	3.649	17.44%	0.02%
29-02-2024	25,000	3.647	10.37%	0.02%
01-03-2024	25,000	3.650	9.88%	0.02%
04-03-2024	25,000	3.576	11.08%	0.02%
05-03-2024	25,000	3.578	11.78%	0.02%
06-03-2024	25,000	3.576	11.85%	0.02%
07-03-2024	25,000	3.597	9.42%	0.02%
08-03-2024	25,000	3.605	13.76%	0.02%
11-03-2024	25,000	3.578	16.15%	0.02%
12-03-2024	25,000	3.609	9.18%	0.02%
13-03-2024	25,000	3.624	10.52%	0.02%
14-03-2024	25,000	3.660	10.84%	0.02%
15-03-2024	25,000	3.623	1.79%	0.02%
18-03-2024	25,000	3.571	8.25%	0.02%
19-03-2024	25,000	3.556	7.57%	0.02%
20-03-2024	68,000	3.867	2.78%	0.05%
21-03-2024	57,675	4.092	4.33%	0.04%
22-03-2024	26,183	4.209	4.71%	0.02%
25-03-2024	20,000	4.195	5.03%	0.01%
26-03-2024	20,000	4.180	7.29%	0.01%
27-03-2024	20,000	4.160	11.31%	0.01%
28-03-2024	20,000	4.151	9.52%	0.01%
02-04-2024	20,000	4.164	9.57%	0.01%
03-04-2024	20,000	4.187	7.00%	0.01%
04-04-2024	20,000	4.265	4.70%	0.01%
05-04-2024	20,000	4.259	6.65%	0.01%
08-04-2024	20,000	4.361	5.75%	0.01%
09-04-2024	20,000	4.366	7.40%	0.01%
10-04-2024	20,000	4.382	4.44%	0.01%
11-04-2024	20,000	4.377	5.70%	0.01%
12-04-2024	18,600	4.404	6.47%	0.01%
15-04-2024	20,000	4.424	4.87%	0.01%
16-04-2024	20,000	4.446	6.88%	0.01%
17-04-2024	19,400	4.445	8.85%	0.01%
18-04-2024	20,000	4.491	4.99%	0.01%
19-04-2024	20,000	4.461	5.95%	0.01%
22-04-2024	20,000	4.465	5.93%	0.01%
23-04-2024	20,000	4.539	11.13%	0.01%
24-04-2024	20,000	4.526	11.67%	0.01%
25-04-2024	20,000	4.508	10.62%	0.01%
26-04-2024	20,000	4.444	9.08%	0.01%

Date of the transaction	Aggregated Volume (shares)	Weighted average price (€)	% of session's total volume	% of share capital
29-04-2024	20,000	4.487	8.48%	0.01%
30-04-2024	20,000	4.471	6.35%	0.01%
02-05-2024	20,000	4.503	5.77%	0.01%
03-05-2024	60,000	4.472	11.51%	0.04%
06-05-2024	20,000	4.457	9.62%	0.01%
07-05-2024	50,314	4.482	22.36%	0.03%
08-05-2024	25,000	4.430	4.74%	0.02%
09-05-2024	3,000	4.377	0.76%	0.00%

Given that the transactions within the framework of the share buyback programme announced to the market on 19 July 2024, and still in progress, were carried out on the regulated market of Euronext Lisbon ('XLIS') and/or on the trading platforms CBOE Europe - DXE Lit Order Book (NL) ('CEUX'), Aquis Exchange Europe SAS ('AQEU') and/or Turquoise Europe ('TQEX'), the table below shows the details of the daily operations distributed by each of these platforms. More detailed information on all the transactions carried out is available on the CTT website, at CTT Investidores.

Date of the transaction	Aggregated Volume (shares)	Weighted Average Price (€)	% Session's Total Volume in XLIS	% Session's Total Volume in CEUX	% Session's Total Volume in AQEU	% Session's Total Volume in TQEX	% Share
22-07-2024	18,000	4.656	5.31%	0.00%	0.00%	0.00%	0.01%
23-07-2024	13,879	4.692	9.41%	0.00%	0.00%	0.00%	0.01%
24-07-2024	16,000	4.702	11.17%	0.00%	0.00%	0.00%	0.01%
25-07-2024	20,000	4.633	9.22%	0.00%	0.00%	0.00%	0.01%
26-07-2024	20,000	4.640	14.38%	0.00%	0.00%	0.00%	0.01%
29-07-2024	25,000	4.627	16.27%	0.00%	0.00%	0.00%	0.02%
30-07-2024	53,000	4.308	2.61%	2.27%	0.69%	2.43%	0.04%
31-07-2024	62,000	4.173	10.94%	15.28%	2.34%	16.43%	0.04%
01-08-2024	52,981	4.255	12.83%	7.30%	1.96%	10.55%	0.04%
02-08-2024	84,858	4.244	30.97%	8.83%	2.96%	6.38%	0.06%
05-08-2024	10,000	4.105	2.74%	0.00%	0.00%	0.00%	0.01%
06-08-2024	15,000	4.090	7.82%	0.00%	0.00%	0.00%	0.01%
07-08-2024	6,769	4.217	3.66%	0.00%	0.00%	0.00%	0.00%
08-08-2024	15,000	4.172	7.25%	0.00%	0.00%	0.00%	0.01%
09-08-2024	15,000	4.170	4.57%	0.00%	0.00%	0.00%	0.01%
12-08-2024	15,000	4.199	13.72%	0.00%	0.00%	0.00%	0.01%
13-08-2024	15,000	4.176	14.09%	0.00%	0.00%	0.00%	0.01%
14-08-2024	15,000	4.183	12.56%	0.00%	0.00%	0.00%	0.01%
15-08-2024	15,000	4.198	14.06%	0.00%	0.00%	0.00%	0.01%
16-08-2024	15,000	4.193	10.68%	0.00%	0.00%	0.00%	0.01%
19-08-2024	10,000	4.239	4.43%	0.00%	0.00%	0.00%	0.01%
20-08-2024	15,000	4.256	13.75%	0.00%	0.00%	0.00%	0.01%
21-08-2024	15,000	4.268	8.92%	0.00%	0.00%	0.00%	0.01%
22-08-2024	7,946	4.281	7.71%	0.00%	0.00%	0.00%	0.01%
23-08-2024	15,000	4.305	15.30%	0.00%	0.00%	0.00%	0.01%
26-08-2024	15,000	4.371	9.98%	0.00%	0.00%	0.00%	0.01%
27-08-2024	15,000	4.398	8.23%	0.00%	0.00%	0.00%	0.01%
28-08-2024	15,000	4.404	17.52%	0.00%	0.00%	0.00%	0.01%

Date of the transaction	Aggregated Volume (shares)	Weighted Average Price (€)	% Session's Total Volume in XLIS	% Session's Total Volume in CEUX	% Session's Total Volume in AQEU	% Session's Total Volume in TQEX	% Share
29-08-2024	15,000	4.402	12.26%	0.00%	0.00%	0.00%	0.01%
30-08-2024	15,000	4.426	4.44%	0.00%	0.00%	0.00%	0.01%
02-09-2024	15,000	4.444	14.55%	0.00%	0.00%	0.00%	0.01%
03-09-2024	15,000	4.440	13.83%	0.00%	0.00%	0.00%	0.01%
04-09-2024	12,500	4.420	9.55%	0.00%	0.00%	0.00%	0.01%
05-09-2024	15,000	4.455	16.72%	0.00%	0.00%	0.00%	0.01%
06-09-2024	15,000	4.433	8.97%	0.00%	0.00%	0.00%	0.01%
09-09-2024	15,000	4.525	8.38%	0.00%	0.00%	0.00%	0.01%
10-09-2024	15,000	4.542	10.91%	0.00%	0.00%	0.00%	0.01%
11-09-2024	15,000	4.490	17.72%	12.89%	0.00%	0.00%	0.01%
12-09-2024	16,780	4.514	14.31%	0.51%	0.00%	0.00%	0.01%
13-09-2024	20,000	4.524	11.55%	0.00%	0.00%	0.00%	0.01%
16-09-2024	20,000	4.487	16.34%	14.92%	0.00%	0.00%	0.01%
17-09-2024	15,000	4.481	10.85%	0.00%	0.00%	0.00%	0.01%
18-09-2024	25,000	4.476	14.18%	8.77%	0.00%	0.00%	0.02%
19-09-2024	30,000	4.442	17.31%	6.48%	0.00%	0.00%	0.02%
20-09-2024	25,000	4.431	4.20%	0.00%	0.00%	0.00%	0.02%
23-09-2024	15,000	4.444	17.86%	0.00%	0.00%	0.00%	0.01%
24-09-2024	11,354	4.450	16.92%	0.00%	0.00%	0.00%	0.01%
25-09-2024	15,000	4.475	15.74%	0.00%	0.00%	0.00%	0.01%
26-09-2024	15,000	4.416	13.05%	0.00%	0.00%	0.00%	0.01%
27-09-2024	15,000	4.403	17.48%	0.00%	0.00%	0.00%	0.01%
30-09-2024	7,650	4.360	7.25%	0.00%	0.00%	0.00%	0.01%
01-10-2024	17,500	4.367	12.30%	0.00%	0.00%	0.00%	0.01%
02-10-2024	15,000	4.322	16.59%	0.00%	0.00%	0.00%	0.01%
03-10-2024	15,000	4.287	15.62%	0.00%	0.00%	0.00%	0.01%
04-10-2024	15,000	4.246	13.93%	0.00%	0.00%	0.00%	0.01%
07-10-2024	15,000	4.240	13.08%	0.00%	0.00%	0.00%	0.01%
08-10-2024	12,504	4.252	22.32%	0.00%	0.00%	0.00%	0.01%
09-10-2024	10,000	4.238	11.57%	0.00%	0.00%	0.00%	0.01%
10-10-2024	10,000	4.233	10.57%	0.00%	0.00%	0.00%	0.01%
11-10-2024	6,817	4.293	5.93%	0.00%	0.00%	0.00%	0.00%
14-10-2024	10,000	4.301	12.90%	0.00%	0.00%	0.00%	0.01%
15-10-2024	10,000	4.321	4.48%	0.00%	0.00%	0.00%	0.01%
16-10-2024	10,000	4.321	7.65%	0.00%	0.00%	0.00%	0.01%
17-10-2024	7,969	4.326	10.16%	0.00%	0.00%	0.00%	0.01%
18-10-2024	10,000	4.298	9.61%	0.00%	0.00%	0.00%	0.01%
21-10-2024	10,000	4.263	16.92%	0.00%	0.00%	0.00%	0.01%
22-10-2024	10,000	4.235	13.52%	0.00%	0.00%	0.00%	0.01%
23-10-2024	10,000	4.229	8.69%	0.00%	0.00%	0.00%	0.01%
24-10-2024	10,000	4.206	5.84%	0.00%	0.00%	0.00%	0.01%
25-10-2024	10,000	4.211	17.52%	0.00%	0.00%	0.00%	0.01%
28-10-2024	10,000	4.206	9.42%	0.00%	0.00%	0.00%	0.01%
29-10-2024	7,738	4.206	3.67%	0.00%	0.00%	0.00%	0.01%
30-10-2024	31,000	4.223	5.91%	3.05%	1.46%	4.17%	0.02%

Date of the transaction	Aggregated Volume (shares)	Weighted Average Price (€)	% Session's Total Volume in XLIS	% Session's Total Volume in CEUX	% Session's Total Volume in AQEU	% Session's Total Volume in TQEX	% Share
31-10-2024	35,000	4.244	8.07%	4.11%	1.84%	6.74%	0.03%
01-11-2024	40,350	4.417	15.34%	4.35%	1.27%	4.78%	0.03%
04-11-2024	15,000	4.367	15.11%	0.00%	0.00%	0.00%	0.01%
05-11-2024	41,000	4.319	17.23%	3.99%	4.37%	1.36%	0.03%
06-11-2024	20,000	4.276	14.87%	0.00%	0.00%	0.00%	0.01%
07-11-2024	36,700	4.290	22.48%	32.88%	6.17%	45.99%	0.03%
08-11-2024	20,800	4.335	12.37%	34.48%	9.78%	0.00%	0.02%
11-11-2024	43,800	4.434	20.08%	7.14%	6.39%	0.00%	0.03%
12-11-2024	41,876	4.470	22.74%	6.26%	9.47%	34.19%	0.03%
13-11-2024	30,800	4.398	20.65%	36.07%	10.39%	0.00%	0.02%
14-11-2024	25,025	4.354	17.48%	0.00%	0.66%	15.41%	0.02%
15-11-2024	10,000	4.365	17.25%	0.00%	0.00%	0.00%	0.01%
18-11-2024	35,000	4.388	19.20%	8.83%	12.08%	20.44%	0.03%
19-11-2024	35,000	4.368	11.24%	13.24%	18.88%	0.00%	0.03%
20-11-2024	15,000	4.417	15.74%	0.00%	0.00%	0.00%	0.01%
21-11-2024	35,000	4.428	23.73%	21.59%	25.32%	22.31%	0.03%
22-11-2024	35,000	4.466	10.89%	18.65%	32.12%	99.13%	0.03%
25-11-2024	35,000	4.475	5.15%	8.81%	17.46%	24.71%	0.03%
26-11-2024	35,000	4.472	16.94%	36.41%	15.94%	22.12%	0.03%
27-11-2024	35,000	4.440	12.11%	6.96%	20.45%	2.37%	0.03%
28-11-2024	15,105	4.468	20.60%	52.88%	3.03%	0.00%	0.01%
29-11-2024	35,000	4.439	24.14%	26.17%	0.00%	0.00%	0.03%
02-12-2024	35,000	4.476	11.26%	6.03%	9.85%	0.00%	0.03%
03-12-2024	20,000	4.609	5.93%	0.00%	0.00%	0.00%	0.01%
04-12-2024	25,031	4.631	20.25%	0.00%	0.00%	0.00%	0.02%
05-12-2024	26,921	4.661	13.45%	27.08%	0.00%	0.00%	0.02%
06-12-2024	24,000	4.619	21.48%	7.21%	0.00%	0.00%	0.02%
09-12-2024	35,000	4.585	27.23%	16.55%	0.00%	0.00%	0.03%
10-12-2024	35,000	4.545	27.89%	14.45%	0.00%	0.00%	0.03%
11-12-2024	14,610	4.533	7.40%	36.04%	0.00%	0.00%	0.01%
12-12-2024	35,000	4.536	22.73%	10.02%	0.00%	0.00%	0.03%
13-12-2024	34,000	4.592	26.52%	19.30%	0.00%	0.00%	0.02%
16-12-2024	29,310	4.592	18.03%	16.84%	0.00%	0.00%	0.02%
17-12-2024	19,000	4.558	16.37%	22.73%	0.00%	0.00%	0.01%
18-12-2024	35,000	4.633	9.18%	6.57%	0.00%	0.00%	0.03%
19-12-2024	35,000	5.113	2.26%	1.66%	0.00%	0.00%	0.03%
20-12-2024	35,000	5.302	2.49%	5.86%	0.00%	0.00%	0.03%
23-12-2024	28,428	5.287	8.63%	1.47%	0.00%	0.00%	0.02%
24-12-2024	20,000	5.274	25.07%	0.00%	0.00%	0.00%	0.01%
27-12-2024	35,000	5.248	18.91%	0.00%	0.00%	0.00%	0.03%
30-12-2024	35,000	5.270	13.01%	30.15%	19.59%	0.00%	0.03%
31-12-2024	25,000	5.352	31.02%	0.00%	0.00%	0.00%	0.02%
02-01-2025	35,000	5.341	23.85%	28.86%	32.45%	0.00%	0.03%
03-01-2025	29,640	5.368	23.14%	29.68%	0.00%	0.00%	0.02%
06-01-2025	35,000	5.389	16.90%	0.00%	0.00%	0.00%	0.03%

Date of the transaction	Aggregated Volume (shares)	Weighted Average Price (€)	% Session's Total Volume in XLIS	% Session's Total Volume in CEUX	% Session's Total Volume in AQEU	% Session's Total Volume in TQEX	% Share
07-01-2025	35,000	5.376	23.65%	16.83%	15.79%	0.00%	0.03%
08-01-2025	35,000	5.341	25.79%	0.00%	0.00%	0.00%	0.03%
09-01-2025	35,000	5.340	31.08%	0.00%	0.00%	0.00%	0.03%
10-01-2025	35,000	5.326	23.64%	0.00%	0.00%	0.00%	0.03%
13-01-2025	35,000	5.263	8.95%	1.08%	12.35%	13.98%	0.03%
14-01-2025	25,000	5.254	23.16%	0.00%	0.00%	0.00%	0.02%
15-01-2025	35,000	5.288	23.07%	0.00%	24.45%	0.00%	0.03%
16-01-2025	15,000	5.360	13.49%	0.00%	0.00%	0.00%	0.01%
17-01-2025	35,000	5.411	15.90%	11.88%	0.00%	0.00%	0.03%
20-01-2025	35,000	5.577	6.87%	7.80%	6.79%	8.18%	0.03%
21-01-2025	35,000	5.679	11.65%	13.92%	0.00%	0.00%	0.03%
22-01-2025	33,454	5.739	9.07%	8.97%	3.99%	0.00%	0.02%
23-01-2025	26,144	5.780	7.74%	2.85%	0.00%	0.00%	0.02%
27-01-2025	25,000	5.813	13.27%	15.37%	0.00%	0.00%	0.02%
28-01-2025	20,000	5.800	16.24%	0.00%	0.00%	0.00%	0.01%
29-01-2025	20,000	5.884	14.38%	0.00%	0.00%	0.00%	0.01%
30-01-2025	20,000	5.868	14.58%	22.12%	0.00%	0.00%	0.01%
31-01-2025	20,000	5.863	9.26%	3.28%	0.00%	0.00%	0.01%
03-02-2025	20,000	5.928	7.84%	0.00%	0.00%	0.00%	0.01%
04-02-2025	20,000	6.105	2.95%	3.38%	0.00%	0.00%	0.01%
05-02-2025	20,000	6.141	6.47%	6.14%	0.00%	0.00%	0.01%
06-02-2025	20,000	6.145	3.35%	3.76%	0.00%	0.00%	0.01%
07-02-2025	20,000	6.160	8.63%	13.53%	0.00%	0.00%	0.01%
10-02-2025	20,000	6.289	3.38%	9.34%	0.00%	0.00%	0.01%
11-02-2025	20,000	6.278	6.25%	2.91%	0.00%	0.00%	0.01%
12-02-2025	20,000	6.245	12.06%	16.60%	0.00%	0.00%	0.01%
13-02-2025	20,000	6.448	2.79%	6.25%	0.00%	0.00%	0.01%
14-02-2025	20,000	6.640	4.85%	0.00%	0.00%	0.00%	0.01%
17-02-2025	20,000	6.640	5.98%	6.06%	0.00%	0.00%	0.01%
18-02-2025	20,000	6.693	6.23%	6.36%	0.00%	0.00%	0.01%
19-02-2025	20,000	6.713	4.15%	4.50%	0.00%	0.00%	0.01%
20-02-2025	20,000	6.803	5.36%	6.93%	0.00%	0.00%	0.01%
21-02-2025	15,823	6.918	3.36%	0.56%	0.00%	0.00%	0.01%
24-02-2025	20,000	7.050	4.84%	7.52%	0.00%	0.00%	0.01%
25-02-2025	20,000	6.973	6.81%	7.38%	0.00%	0.00%	0.01%
26-02-2025	20,000	6.958	7.16%	7.00%	0.00%	0.00%	0.01%
27-02-2025	10,613	6.957	3.98%	0.00%	0.00%	0.00%	0.01%
28-02-2025	20,000	6.957	4.74%	0.00%	16.83%	0.00%	0.01%
03-03-2025	20,000	6.995	9.81%	0.00%	0.00%	0.00%	0.01%
04-03-2025	25,000	6.918	6.20%	4.46%	0.00%	0.00%	0.02%
05-03-2025	20,000	6.970	11.41%	6.99%	0.00%	0.00%	0.01%
06-03-2025	24,901	6.890	11.64%	6.59%	1.96%	0.00%	0.02%
07-03-2025	20,000	6.967	9.77%	7.05%	0.00%	0.00%	0.01%
10-03-2025	86,000	6.887	35.55%	14.92%	29.05%	31.56%	0.06%
11-03-2025	46,158	6.888	16.45%	8.69%	16.97%	0.00%	0.03%
12-03-2025	36,896	6.898	17.28%	5.16%	16.27%	0.00%	0.03%
13-03-2025	17,976	6.913	10.76%	4.03%	0.00%	0.00%	0.01%

Annex III

ESG Indicators

ANNEX III – ESG INDICATORS

Table 1 - Employees

Human Resources	'23	'24	
Indicators	**CTT Group**	**CTT Group**	**△/year (%)**
Labour Indicators (number of people)			
Employees	**13,670**	**13,592**	**-0.6**
Female	5,326	5,429	**1.9**
Male	8,344	8,163	**-2.2**
Type of contract (number of people)			
Permanent	**11,386**	**11,634**	**2.2**
Female	4,252	4,408	**3.7**
Male	7,134	7,226	**1.3**
Temporary	**2,284**	**1,958**	**-14.3**
Female	1,074	1,021	**-4.9**
Male	1,210	937	**-22.6**
Full-time	**13,136**	**13,022**	**-0.9**
Female	**5,067**	**5,143**	**1.5**
Permanent	4,082	4,228	**3.6**
Temporary	985	915	**-7.1**
Male	**8,069**	**7,879**	**-2.4**
Permanent	7,014	7,050	**0.5**
Temporary	1,055	829	**-21.4**
Part-time	**534**	**570**	**6.7**
Female	**259**	**286**	**10.4**
Permanent	170	180	**5.9**
Temporary	89	106	**19.1**
Male	**275**	**284**	**3.3**
Permanent	120	176	**46.7**
Temporary	155	108	**-30.3**
Age group (number of people)			
<30	**1,602**	**1,611**	**0.6**
Female	671	709	**5.7**
Male	931	902	**-3.1**
30 to 50	**6,654**	**6,449**	**-3.1**
Female	2,953	2,936	**-0.6**
Male	3,701	3,513	**-5.1**
>50	**5,414**	**5,532**	**2.2**
Female	1,702	1,784	**4.8**
Male	3,712	3,748	**1.0**
Professional category (number of people)			
Senior personnel	**1,477**	**1,352**	**-8.5**
Female	**741**	**672**	**-9.3**
<30	72	65	**-9.7**
30 to 50	440	375	**-14.8**
>50	229	232	**1.3**
Male	**736**	**680**	**-7.6**
<30	56	48	**-14.3**
30 to 50	374	338	**-9.6**
>50	306	294	**-3.9**
Middle management	**585**	**786**	**34.4**
Female	**215**	**351**	**63.3**
<30	10	40	**300.0**
30 to 50	89	189	**112.4**
>50	116	122	**5.2**

Human Resources	'23	'24	
Indicators	CTT Group	CTT Group	△/year (%)
Male	**370**	**435**	**17.6**
<30	15	51	**240.0**
30 to 50	170	218	**28.2**
>50	185	166	**-10.3**
Counter service	**2,285**	**3,173**	**38.9**
Female	**1,621**	**2,334**	**44.0**
<30	121	318	**162.8**
30 to 50	728	1,194	**64.0**
>50	772	822	**6.5**
Male	**664**	**839**	**26.4**
<30	55	151	**174.5**
30 to 50	203	284	**39.9**
>50	406	404	**-0.5**
Delivery	**6,124**	**6,274**	**2.4**
Female	**1,108**	**1,255**	**13.3**
<30	178	219	**23.0**
30 to 50	694	759	**9.4**
>50	236	277	**17.4**
Male	**5,016**	**5,019**	**0.1**
<30	571	559	**-2.1**
30 to 50	2,279	2,185	**-4.1**
>50	2,166	2,275	**5.0**
Other groups	**3,199**	**2,007**	**-37.3**
Female	**1,641**	**817**	**-50.2**
<30	290	67	**-76.9**
30 to 50	1,002	419	**-58.2**
>50	349	331	**-5.2**
Male	**1,558**	**1,190**	**-23.6**
<30	234	93	**-60.3**
30 to 50	675	488	**-27.7**
>50	649	609	**-6.2**
Leadership by gender (number of people)	**253**	**263**	**4.0**
Board of Directors	**11**	**11**	**0.0**
Female	4	4	**0.0**
Male	7	7	**0.0**
Leadership - 1st level	**52**	**49**	**-5.8**
Female	11	13	**18.2**
Male	41	36	**-12.2**
Leadership - 2st level	**190**	**203**	**6.8**
Female	86	84	**-2.3**
Male	104	119	**14.4**
Workers with disabilities	**317**	**326**	**2.8**
Female	148	157	**6.1**
Male	169	169	**0.0**
Turnover rate	**18.7**	**20.9**	**2.2 p.p**
Health and safety			
Total number of accidents at work	**865**	**974**	**12.6**
Female	237	282	**19.0**
Male	628	692	**10.2**
Total number of occupational diseases	**34**	**25**	**-26.5**
Female	16	11	**-31.3**
Male	18	14	**-22.2**

Human Resources		'23	'24	
Indicators		**CTT Group**	**CTT Group**	**△/year (%)**
Number of days lost due to work accidents		**23,982**	**27,071**	**12.9**
Female		5,223	7,599	**45.5**
Male		18,759	19,472	**3.8**
Fatalities		**0**	**0**	**0.0**
Training				
Number of training hours	$*10^4$	**15.6**	**21.2**	**35.9**
Average training hours		**12.5**	**15.6**	**24.8**
Female		18.8	20.6	**9.6**
Male		8.9	12.3	**38.2**
Average hours by professional category				
Senior personnel		**20.7**	**25.4**	**22.7**
Female		20.9	24.9	**19.1**
Male		20.6	25.8	**25.1**
Middle management		**13.0**	**24.1**	**85.4**
Female		14.9	29.4	**97.1**
Male		11.9	19.9	**67.1**
Counter service		**31.3**	**31.5**	**0.6**
Female		31.7	29.6	**-6.7**
Male		30.5	37.0	**21.2**
Delivery		**4.6**	**7.2**	**56.5**
Female		4.7	6.2	**32.6**
Male		4.6	7.4	**61.2**
Other groups		**6.2**	**6.8**	**9.7**
Female		6.9	9.8	**41.4**
Male		5.8	4.8	**-17.4**

Table 2 – Environment

Environment	'23	'24	
Indicators	**CTT Group**	**CTT Group**	**△/year (%)**
Total energy consumption (Mwh)	**107,983.9**	**104,558.6**	**-3.2**
Total consumption of energy from fossil sources (Mwh)	**72,142.8**	**66,813.0**	**-7.4**
Fuel consumption from coal	—	—	0.0
Fuel consumption from oil	71,951.8	66,645.2	-7.4
Fuel consumption from natural gas	41.3	40.6	-1.7
Consumption of fuel from other fossil sources (propane gas)	149.6	127.2	-15.0
Consumption of purchased electricity, heat, steam, heating and cooling from fossil sources	—	—	0.0
Total consumption of energy from renewable sources(Mwh)	**35,841.1**	**37,745.6**	**5.3**
Consumption of fuel from renewable sources, including biomass (HVO)	—	101.4	100.0
Consumption of purchased electricity, heat, steam, heating and cooling from renewable sources[88]	34,273.2	36,148.2	5.5
Consumption of self-produced electricity from renewable sources	1,567.9	1,496.0	-4.6
Consumption from nuclear sources (Mwh)	—	—	
Energy intensity by net revenue[89]	109.6	94.4	-13.8
Total greenhouse gas emissions - location-based (Scope 1, 2, and 3) (tCO_2e)[90]	**136,095.2**	**153,087.9**	**12.5**
Total greenhouse gas emissions - market-based (Scope 1, 2, and 3) (tCO_2e)[91]	**133,062.8**	**149,933.2**	**12.7**
Total direct greenhouse gas emissions (Scope 1) (tCO_2e)	**20,148.9**	**18,068.7**	**-10.3**
Stationary Combustion	41.0	36.3	**-11.5**
Mobile Combustion	20,107.9	18,032.4	**-10.3**
Total indirect greenhouse gas emissions (scope 2 - location based (tCO_2e)	**3,032.4**	**3,154.7**	**4.0**
Total indirect greenhouse gas emissions (scope 2 - market based (tCO_2e)	—	—	**0.0**
Total indirect greenhouse gas emissions (scope 3) (tCO_2e)	**112,913.9**	**131,864.5**	**16.8**
Category 1 - Purchase of goods and services	15,550.2	15,065.2	**-3.1**
Category 2 - Capital goods	4,194.0	6,748.7	**60.9**
Category 3 - Fuel and energy-related activities (not included in scopes 1 and 2)	4,482.3	4,122.2	**-8.0**
Category 4 - Upstream transport and distribution[92]	74,928.2	91,853.6	**22.6**
Category 5 - Waste generated in operations	6.3	296.6	**4,607.9**
Category 6 - Business travel	183.0	279.9	**53.0**

[88] December with estimated electricity data from the Azores and Madeira (CTT SA).
[89] The energy intensity was multiplied by a factor of 1,000,000 to allow for better readability.
[90] Emissions do not include subsidiary CORRE emissions.
[91] Emissions do not include subsidiary CORRE emissions.
[92] TTW of category 4 for Spain only considers CO2, instead of CO2e, due to the unavailability of CH4 and N2O emission factors from the manufacturer.

Category 7 - Commuting	6,786.6	6,501.7	**-4.2**
Category 8 - Upstream leased assets	—	—	**0.0**
Category 9 - Downstream transport and distribution	—	—	**0.0**
Category 10 - Processing of products sold	—	—	**0.0**
Category 11 - Use of products sold	10.2	12.2	**19.6**
Category 12 - End-of-life treatment of products sold	255.4	84.7	**-66.8**
Category 13 - Downstream leased assets	—	—	**0.0**
Category 14 - Franchises	246.6	282.0	**14.4**
Category 15 - Investments	6,271.3	6,617.7	**5.5**
Carbon intensity by net revenue (location-based)[93]	138.1	138.3	**0.1**
Carbon intensity by net revenue (market-based)[94]	135.1	135.4	**0.2**
Emissions carbon credits (tCO_2e)	388.4	353.2	**-9.1**
Carbon incorporation per postal item (Scopes 1, 2, and 3) b) (gCO_2e/item)	164.1	188.8	**15.1**
Less polluting vehicles in the last mile (unit)	620.0	1,100.0	**77.4**
Less polluting vehicles in operation in the last mile (%)	20.1 %	35.0 %	4.3 p.p.

[93] The energy intensity was multiplied by a factor of 1,000,000 to allow for better readability.
[94] The energy intensity was multiplied by a factor of 1,000,000 to allow for better readability.

Annex IV

CSRD Index

ANNEX IV – CSRD INDEX

Index of Environmental, Social and Economic performance indicators

CTT omitted all disclosure requirements for the thematic ESRS Water and marine resources (E3), Biodiversity and ecosystems (E4), Resource use and circular economy (E5) and partially ESRS E2, referring to issues related to water and soil pollution as they were not considered material in the Company's double materiality exercise. IROs were identified for all these topics, which were assessed using the same methodology and process steps as the topics considered material.

Indicator	Description	Page/s	Additional information	Global Compact
ESRS 2 - GENERAL DISCLOSURES				
BP-1	General basis for preparation of the sustainability statements	93	All CTT Group subsidiaries are exempt from submitting individual sustainability reports, with the exception of Banco CTT. The authorisation to disclose imminent facts or matters under negotiation – under Article 19.º-A No. 3 and Article 29.º-A No. 3 of Directive 2013/34/EU – does not apply to the CTT Group.	
BP-2	Disclosures in relation to specific circumstances Governance	93		GC 10
GOV-1	The role of the administrative, management and supervisory bodies	95, 180, 197		GC 10
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	95, 180		GC 10
GOV-3	Integration of sustainability-related performance in incentive schemes	95, 180		GC 10
GOV-4	Statement on sustainability due diligence	100		
GOV-5	Risk management and internal controls over sustainability reporting	93, 95		
SBM-1	Market position, strategy, business model and value chain	63, 102		
SBM-2	Interests and views of stakeholders	102	There were no changes to CTT's Strategy during the reporting period.	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	46, 54, 96		GC 10
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	46, 54, 96		GC 10

Indicator	Description	Page/s	Additional information	Global Compact
IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statements	93		GC 10
MDR-P	Policies adopted to manage material sustainability matters	95, 108, 124, 138, 154, 155, 162, 165, 170, 173		GC1-2, GC 1-6, GC 7-9, GC 10
MDR-A	Actions and resources in relation to material sustainability matters	113, 114, 118, 125, 141, 144, 145, 147, 149, 151, 152, 154, 157, 163, 165, 170, 173		GC1-2, GC 1-6, GC 7-9, GC 10
MDR-M	Metrics in relation to material sustainability matters	113, 114, 118, 125, 141, 144, 145, 147, 149, 151, 152, 154, 157, 163, 165, 170, 173	The metrics identified are not validated by external entities.	GC1-2, GC 1-6, GC 7-9, GC 10
MDR-T	Tracking effectiveness of policies and actions through targets	83, 113, 114, 118, 125, 141, 144, 147, 149, 151, 152, 154, 157, 163, 165, 170, 173	The methodology for defining the identified targets was based on the selection of the most relevant indicators on this topic, associated with the impacts, risks and opportunities arising from the CTT's double materiality analysis.	GC1-2, GC 1-6, GC 7-9, GC 10
ESRS E1 - CLIMATE CHANGE				
ESRS 2, GOV-3	Integration of sustainability-related performance in incentive schemes	95, 180		GC 10
E1-1	Transition plan for climate change mitigation	109	CTT has no investment in coal, gas and fuel activities, nor is it excluded from the Benchmarks aligned with the Paris Agreement, and is not on the list of exclusions in EU regulation 2020/1818.	GC 7-9
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	46, 54, 96, 110		GC 7
ESRS 2, IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	46, 54, 96, 110		GC 7
E1-2	Policies related to climate change mitigation and adaptation	108		GC 7-9

Indicator	Description	Page/s	Additional information	Global Compact
E1-3	Actions and resources in relation to climate change policies	113, 114, 118		GC 7-9
E1-4	Targets related to climate change mitigation and adaptation	83, 113, 114, 118		GC 7-9
E1-5	Energy consumption and mix	114, 540	CTT is not a producer of non-renewable energy.	GC 7-9
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	94, 120, 540	CTT does not have operational control over joint ventures and non-consolidated associates, nor is it yet regulated in emissions trading schemes. ETS2 has already been created to regulate road transport, but it is not expected to be operational until 2027, so the percentage of these emissions is not presented.	GC 7-9
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	124, 540	CTT does not have carbon removal systems, nor does it have a net-zero target.	GC 8
E1-8	Internal carbon pricing		CTT normally uses the fixed internal carbon price scheme when purchasing combustion vehicles, through market consultation, a criterion that is part of the specifications, with the aim of promoting energy efficiency and low-carbon investments, as well as taking advantage of low-carbon opportunities. This measure makes it possible to reduce energy dependency, favouring vehicles with alternative automation and low carbon emissions, bringing an advantage in the process. In 2024, most of the vehicle purchases were electric vehicles, and the only combustion vehicle purchase was by direct award, so the carbon price criterion was not used.	GC 7

Indicator	Description	Page/s	Additional information	Global Compact
E1-9	Potential financial effects from material physical and transition risks and potential climate-related opportunities	110	The CTT Group omitted the following information, as provided for in Appendix C for the first year of preparation: - paragraphs 66: proportion (percentage) of assets at material physical risk and the breakdown of the book value of real estate assets by energy efficiency classes (paragraph a); - paragraphs 67: proportion (percentage) of assets at material transition risk (paragraph a), subparagraphs c and d; - paragraph 69. In the reporting year, no potentially irrecoverable assets were identified at CTT.	GC 7
ESRS E2 - POLLUTION				
ESRS 2, IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	46, 54, 96	In terms of pollution, the only material issue concerns air pollution resulting from the use of combustion-powered vehicles on their routes. Therefore, it is not possible to identify the locations where the pollution mostly occurs, since these are mobile assets. Furthermore, no consultations were conducted with the communities affected by this pollution.	GC 7-9
E2-1	Policies related to pollution	124		GC 7-9
E2-2	Actions and resources related to pollution	125	With regard to the actions mentioned above, no actions have yet been defined to prevent atmospheric pollution, or to restore, regenerate and transform ecosystems where pollution occurs.	GC 7-9
E2-3	Targets related to pollution	83, 125	Ecological limits were not taken into account when setting the target for air pollution mitigation.	GC 7-9
E2-4	Pollution of air	126	The measurement of atmospheric pollutants, using energy consumption instead of a more precise measurement method, is employed considering that the activity of CTT is not covered by Regulation (EC) No 166/2006, and therefore there is no need to report data to the competent authority.	

Indicator	Description	Page/s	Additional information	Global Compact
ESRS E3 - WATER AND MARINE RESOURCES				
ESRS 2, IRO-1	Description of the processes to identify and assess water and marine resources related material impacts, risks and opportunities	46, 54, 96	Based on the double materiality analysis, no significant impacts, risks, or opportunities were identified regarding the topic of water and marine resources.	GC 7-9
ESRS E4 - BIODIVERSITY AND ECOSYSTEMS				
ESRS 2, IRO-1	Description of the processes to identify and assess biodiversity and ecosystems related material impacts, risks and opportunities	46, 54, 96	Based on the double materiality analysis, no significant impacts, risks, or opportunities were identified regarding the topic of biodiversity and ecosystems.	GC 7-9
ESRS E5 - RESOURCE USE AND CIRCULAR ECONOMY				
ESRS 2, IRO-1	Description of the processes to identify and assess resource use and circular economy related material impacts, risks and opportunities	46, 54, 96	Based on the double materiality analysis, no significant impacts, risks, or opportunities were identified regarding the topic of resource use and circular economy.	GC 7-9
ESRS S1 - OWN WORKFORCE				
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	46, 54, 96, 138	The CTT Group operates in Portugal and Spain, regions where child labor and forced or compulsory labor are not prevalent or systemic. Portuguese and Spanish legislation, in line with European regulations, prohibit such practices, and the detection and punishment mechanisms are effective. In Mozambique, where this issue may be more present, CTT's operation is very limited, involving only 211 workers.	GC1,2,4,5
S1-1	Policies related to own workforce	138		GC1-6
S1-2	Processes for engaging with own workers and workers' representatives about impacts	138		GC 3
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	138		GC3, 6
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	141, 144, 145, 147, 149, 151, 152		GC 1-6
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	83, 141, 144, 145, 147, 149, 151, 152		GC 1-6

Indicator	Description	Page/s	Additional information	Global Compact
S1-6	Characteristics of the undertaking's employees	138	The methodology for consolidating salaried workers is based on the number of employees, as of the end of the reporting year (12/31/2024).	
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	138	The consolidation methodology for non-salaried workers is in full-time equivalent (FTE), as of the end of the reporting year (12/31/2024).	
S1-9	Diversity metrics	149, 151		GC 6
S1-11	Social protection		According to Portuguese law, all workers in Portugal have access to social protection, as also workers based in Spain. Regarding Mozambique, with the establishment of Law 4/2007, the government consolidated a legal framework for social protection, also covering local workers.	GC 6
S1-12	Persons with disabilities	151		GC 6
S1-13	Training and skills development metrics	147		GC 6
S1-14	Health and safety metrics	141		GC 6
S1-15	Work-life balance metrics	145		GC 6
S1-17	Incidents, complaints and severe human rights impacts	166		GC 1, 2, 6
ESRS S2 - WORKERS IN THE VALUE CHAIN				
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	46, 54, 96, 155		GC1,2,4,5
S2-1	Policies related to value chain workers	154		GC 1-6
S2-2	Processes for engaging with value chain workers about impacts	154		GC 3
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	154		GC 3,6
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	154, 166	During the reporting period, no serious human rights issues and incidents related to workers in the value chain were reported.	GC 1-6
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	83, 154	Workers in the value chain were not directly involved in defining the identified targets.	GC 1-6

Indicator	Description	Page/s	Additional information	Global Compact
ESRS S3 - AFFECTED COMMUNITIES				
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	46, 54, 96, 155		GC1-2
S3-1	Policies related to affected communities	155	The impacts of the CTT Group on the affected communities are not related to indigenous peoples.	GC1-2
S3-2	Processes for engaging with affected communities about impacts	155	The impacts of the CTT Group on the affected communities are not related to indigenous peoples. Engagement with the communities is carried out directly through the vast CTT network, and there is no specific operational function for this.	GC1-2
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	155	The impacts of the CTT Group on the affected communities are not related to indigenous peoples.	GC1-2
S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	157, 166	During the reporting period, no serious human rights issues and incidents related to affected communities were reported.	GC1-2
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	83, 157	The surrounding communities were not directly involved in defining the identified targets.	GC1-2
ESRS S4 - CONSUMERS AND END-USERS				
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	46, 54, 96, 162	It should be noted that CTT customers are not customers of products that are harmful and/or increase the risk of chronic diseases; of services that may adversely affect their rights to privacy, protection of their personal data, freedom of expression and non-discrimination; who depend on information to avoid potentially harmful use of a product or service, nor are they particularly vulnerable to health or privacy impacts or impacts of marketing and sales strategies, such as children or financially vulnerable people.	GC1-2
S4-1	Policies related to consumers and end-users	162		GC1-2
S4-2	Processes for engaging with consumers and end-users about impacts	162		GC1-2

Indicator	Description	Page/s	Additional information	Global Compact
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	162		GC1-2
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	163, 166	No serious human rights issues or incidents related to customers were reported during the reporting period.	GC1-2
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	83, 163	Customers were not directly involved in defining the identified targets.	GC1-2
ESRS G1 - BUSINESS CONDUCT				
ESRS 2, GOV-1	The role of the administrative, supervisory and management bodies	95		GC 10
ESRS 2, IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	46, 54, 96		GC 10
G1-1	Corporate culture and business conduct policies	165, 166		GC 10
G1-3	Prevention and detection of corruption and bribery	166		GC 10
G1-4	Confirmed incidents of corruption or bribery	166		GC 10

ESRS data points from other EU legislation[95]

The following tables include all data points that derive from other EU legislation, as listed in ESRS 2, Appendix B, indicating their location in the sustainability statements and which of these are assessed as 'not material', 'not stated' or 'not applicable'.

Disclosure requirement	Data point		Legislation	Page
ESRS 2, GOV-1	21 (d)	Board's gender diversity	SFDR/BRR	197
	21 (e)	Percentage of board members who are independent	BRR	198
ESRS 2, GOV-4	30	Statement on due diligence	SFDR	96
ESRS 2, SBM-1	40 (d) (i)	Involvement in activities related to fossil fuel activities	SFDR/P3/BRR	Not applicable
	40 (d) (ii)	Involvement in activities related to chemical production	SFDR/BRR	Not applicable
	40 (d) (iii)	Involvement in activities related to controversial weapons	SFDR/BRR	Not applicable
	40 (d) (iv)	Involvement in activities related to cultivation and production of tobacco	BRR	Not applicable
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050	EUCL	109
	16 (g)	Undertakings excluded from Paris-aligned benchmarks	P3/BRR	109
ESRS E1-4	34	GHG emission reduction targets	SFDR/P3/BRR	114
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	SFDR	114
	37	Energy consumption and mix	SFDR	114
	40-43	Energy intensity associated with activities in high climate impact sectors	SFDR	114
ESRS E1-6	44	Gross scope 1, 2, 3, and total GHG emissions	SFDR/P3/BRR	120
	53-55	Gross GHG emissions intensity	SFDR/P3/BRR	120
ESRS E1-7	56	GHG removals and carbon credits	EUCL	124
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks	BRR	110
	66 (a)	Disaggregation of monetary amounts by acute and chronic physical risk	P3	110
	66 (c)	Location of significant assets at material physical risk	P3	110
	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes	P3	Not stated (phase-in)
	69	Degree of exposure of the portfolio to climate-related opportunities	BRR	Not stated (phase-in)
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation emitted to air, water and soil	SFDR	124

[95] Other EU legislation considered: Sustainable Finance Disclosure Regulation (SFDR), EBA Pillar 3 disclosure requirements (P3), Climate Benchmark Standards Regulation (BRR) and EU Climate Law (EUCL).

Disclosure requirement	Data point		Legislation	Page
E3-1	9	Water and marine resources	SFDR	Not material
	13	Dedicated policy	SFDR	Not material
	14	Sustainable oceans and seas	SFDR	Not material
E3-4	28 (c)	Total water recycled and reused	SFDR	Not material
	29	Total water consumption in m3 per net revenue on own operations	SFDR	Not material
ESRS 2 SBM 3 - E4	16 (a) i	Biodiversity sensitive areas	SFDR	Not material
	16 (b)	Land impacts	SFDR	Not material
	16 (c)	Threatened species	SFDR	Not material
ESRS E4-2	24 (c)	Sustainable oceans/seas practices or policies	SFDR	Not material
	24 (d)	Policies to address deforestation	SFDR	Not material
ESRS E5-5	37 (d)	Non-recycled waste	SFDR	Not material
	39	Hazardous waste and radioactive waste	SFDR	Not material
ESRS 2 SBM3 - S1	14 (f)	Risk of incidents of forced labour	SFDR	547
	14 (g)	Risk of incidents of child labour	SFDR	547
ESRS S1-1	20	Human rights policy commitments	SFDR	138
	21	Sustainability due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	BRR	138
	22	Processes and measures for preventing trafficking in human beings	SFDR	138
	23	Workplace accident prevention policy or management system	SFDR	138
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	SFDR	138
ESRS S1-14	88 (b), (c)	Number of fatalities and number and rate of work-related accidents	SFDR/BRR	141
	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	SFDR	141

Disclosure requirement	Data point		Legislation	Page
ESRS S1-16	97 (a)	Unadjusted gender pay gap	SFDR/BRR	Not material
	97 (b)	Excessive CEO pay ratio	SFDR	Not material
S1-17	103 (a)	Incidents of discrimination	SFDR	166
	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	SFDR/BRR	166
ESRS 2 SBM3 – S2	11 (b)	Significant risk of child labour or forced labour in the value chain	SFDR	547
S2-1	17	Human rights policy commitments	SFDR	154
	18	Policies related to value chain workers	SFDR	154
	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	SFDR/BRR	154
	19	Sustainability due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	SFDR	154
S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	SFDR	548
S3-1	16	Human rights policy commitments	SFDR	155
	17	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	SFDR/BRR	155
S3-4	36	Human rights issues and incidents	SFDR	549
S4-1	16	Policies related to consumers and end-users	SFDR	162
	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	SFDR/BRR	162
S4-4	35	Human rights issues and incidents	SFDR	550
G1-1	10 (b)	United Nations Convention against Corruption	SFDR	165; 166
	10 (d)	Protection of whistleblowers	SFDR	165; 166
G1-4	24 (a)	Fines for violation of anti-corruption and anti-bribery laws	SFDR/BRR	166
	24 (b)	Standards of anti-corruption and anti-bribery	SFDR	166

Nuclear and fossil gas related activities under the EU Taxonomy

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Row	**Fossil gas related activities**	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Annex V

CTT's Impacts, Risks and Opportunities

ANNEX V – CTT's Impacts, Risks and Opportunities

Complete list of CTT's impacts, risks and opportunities

Climate Change ESRS E1		
IRO	**Description**	**Type**
Rehabilitation and adaptation of buildings to extreme weather events	CTT's buildings and real estate assets, used in its various business areas, are exposed to the effects of extreme weather events. The probability and frequency of occurrence of these types of events, as well as their severity, are expected to increase. The negative impacts of these events on assets and operations may be significant and cause significant damage to assets and/or increase the cost of of using them. They can be recurring or specific.	Risk
Interruption of operations due to extreme weather events	The increase in the frequency and severity of extreme weather events with the potential to have devastating effects amplifies the risk of economic losses for CTT's business. In fact, as a result of these events, there may be limitations on access to assets, either because they have been directly affected, or due to the impact on access infrastructures or even due to the impact on CTT's fleet or that of its partners. The occurrence of these events may lead to severe, unexpected and prolonged interruptions to activity, preventing the provision of services to customers and generating revenue losses.	Risk
Worsening global warming due to greenhouse gas emissions	CTT's activity, especially the activity of the Express & Parcels and Mail & Others business segments, due to their nature associated with the transport of goods on behalf of customers, generates greenhouse gas emissions. These gases contribute to the worsening of global warming, with negative impacts on the environmental balance and, therefore, to climate change, which translates into the increase in the occurrence and severity of extreme weather events. These changes have a negative impact on the environment and on our common home, people and society.	Impact (-)
Operational and reputational improvements and business resilience associated with decarbonization	Consumers, who are increasingly aware of climate change, its impact and the urgent need to mitigate it, will tend to value companies and services in their choices that promote an adequate migration to renewable energy sources and with low carbon emissions or even zero emissions. In this context, it becomes a competitive advantage for CTT to define and implement a differentiated offer through decarbonizing it, to the extend that they will be better able to attract and retain customers and talent with more interesting financial prospects, either through improved revenues (market share and price) or through greater operational efficiency. Decarbonization also has the potential to reduce operating costs by implementing more energy-efficient solutions and operational processes (e.g., adoption of LED's and route optimisation). Investors will also tend to value companies that have a profile more suited to this need.	Opportunity
Availability of market solutions to ensure the energy transition and electrification of the fleet	The availability of decarbonisation solutions on the market may not be sufficient to ensure the energy transition of CTT and its value chain at an appropriate pace and compatible with consumer demands and the global goals of the "2030 Agenda", especially in terms of fleet decarbonisation. Whether due to the unavailability of vehicles in quantity, the inadequacy of the available charging networks and/or maintenance, or technological gaps for certain fleet segments, among other aspects, this transition may entail increased and significant financial costs, as well as reputational costs associated with failure to meet the assumed targets.	Risk
Concentration of postal, express and parcel items and delivery efficiency	Postal and express operators, such as CTT, concentrate large volumes of items for delivery through routes optimized for efficiency, a centralized logistics network and an extensive and highly convenient customer contact network (stores, partner points and lockers), which promotes a lower carbon impact per delivery when compared to the individual transport by consumers to collect their products in the traditional retail model.	Impact (+)
Promotion of active reforestation	The provision and marketing in the retail network of offers targeted at market segments with an appetite for services with environmental characteristics, for example associated with carbon sinks/reforestation, makes a positive contribution to promote awareness of the need to care for our common home and to combat the global effect of climate change.	Impact (+)

Climate Change ESRS E1		
IRO	**Description**	**Type**
Rising prices and regulation on fossil energy use	The susceptibility of energy markets to volatility and fluctuations in the price of fossil fuels may represent additional costs for the CTT Group's operations, essentially due to the dependence on the combustion vehicle fleet to carry out transport and distribution activities.	Risk
Use of fossil fuels	The use of energy from non-renewable sources, such as fossil fuels (coal, petroleum derivatives and natural gas), has negative impacts on the planet, particularly due to the emission of greenhouse gases and the extraction and use of finite resources with limited reserves, contributing to their scarcity and to greater pressure on energy markets.	Impact (-)
Production of electricity from renewable sources in buildings	The use of electricity from exclusively renewable sources for all CTT activities contributes significantly to reducing the Group's carbon footprint, promoting a positive impact on the environment. Additionally, the production of electricity from renewable sources at CTT facilities (e.g. Bairros Solares) promotes the availability of more affordable energy to surrounding communities.	Impact (+)
Increased cost of renewable energy due to unavailability and/or storage difficulties	An excessively rapid and/or unexpected increase in the demand for renewable energy for consumption, due to the mass transition to cleaner energies, could put much pressure on the electricity system and lead to periods of unavailability. The potential lack of grid capacity is also compounded by the low energy storage capacity. These potential limitations could cause large fluctuations in electricity prices on the market and thus increase CTT's costs or delay its decarbonisation strategy with negative financial impacts through lower revenues.	Risk

Pollution ESRS E2		
IRO	**Description**	**Type**
Decreased air quality due to the emission of atmospheric pollutants	CTT's transport and distribution activity using fossil fuel vehicles emits atmospheric pollutants that have a negative impact on air quality and consequently on people's health (respiratory and cardiovascular).	Impact (-)

Own workforce ESRS S1		
IRO	**Description**	**Type**
Road accidents	CTT's transport and distribution activity, which is carried out using road vehicles, are naturally exposed to road accidents. Not only CTT employees are exposed to road accidents, but also its subcontracted transport providers. Road accidents have the potential to cause significant impacts on the health and lives of these agents and their families and society, through the impact of accidents on third parties.	Impact (-)
Occupational accidents	CTT's activity, especially the activity of the Express & Parcels and Mail & Others business segments due to their nature associated with the transportation of goods on behalf of customers, is exposed to work accidents and/or physical wear and tear that may negatively impact the health of CTT's employees and non-employees.	Impact (-)
Work accidents, occupational diseases and associated reputational damage, applicable to the workforce and workers in the value chain	The occurrence and/or recurrence of work accidents among employees and subcontracted transport suppliers impacts their health and productivity, represents financial risks associated with absences from work and medical expenses, as well as reputational risks.	Risk

Own workforce ESRS S1		
IRO	**Description**	**Type**
Temporary hiring of workers	Hiring fixed-term and temporary workers to meet the temporary needs of CTT's activities could represent financial and reputational risks for the company.	Risk
Job security and workforce stability associated with business diversification	The continued diversification of the business, in response to the decline of CTT's mail activity, makes it possible to secure current jobs and eventually expand the workforce in a sustainable manner, as well as promoting the placement of employees in higher value-added functions.	Impact (+)
Promoting balance between employees' personal, family and professional lives	Implementing measures and benefits for employees that allow for better reconcile and balance between professional, personal and family life has the potential impact of improving the well-being and satisfaction of employees, their families and communities.	Impact (+)
Employee empowerment through training and development of talent programs	Offering training opportunities to employees contributes to their professional and personal development, improves productivity and employee satisfaction and motivation, also has a positive impact on the qualification and training of the workforce to perform the necessary tasks and addresses the shortage of certain specific skills in the job market. At the same time, employee training is essential to minimize risks and promoting good practices in the workplace. Combined with talent and career development plans, it facilitates internal career progression, better remuneration conditions and, as a result, better talent retention.	Risk
Improvements in decision-making processes to promote gender equality in leadership positions	Promoting gender equality in leadership positions allows for greater diversity and enhances improvements in decision-making, enabling greater openness to innovative strategies and ideas, the generation of new business models and a better understanding of the needs and preferences of a wider audience.	Impact (+)
Promoting diversity and inclusive recruitment	Promoting inclusion allows us to create a more tolerant and inclusive culture within the Company and also in society in general, contributing to the construction of a more just and equitable society. In addition, inclusive recruitment allows us to attract talent from different backgrounds, skills and perspectives, resulting in a more diverse and skills-rich culture, better able to respond to the challenges of the organization and higher quality in decision-making processes.	Impact (+)
Exposure to physical and psychological violence	Performing duties that involve contact with the public may result in situations of violence against company employees, such as assaults on store and CTT point attendants and postmen, which, in addition to negatively impacting their physical and psychological well-being, result in additional medical expenses and increased hiring costs.	Risk
Promoting access to adequate housing conditions for workers	Facilitating access to adequate housing, namely through the provision of special housing credit conditions, is crucial to promoting the quality of life of workers, affecting health, safety and well-being and can contribute positively to retaining employee talent or be a differentiating and facilitating aspect in recruitment processes.	Impact (+)

Workers in the value chain ESRS S2		
IRO	**Description**	**Type**
Road accidents among workers in the value chain	CTT's transport and distribution activity, which is carried out using road vehicles, are naturally exposed to road accidents. Not only CTT employees are exposed to road accidents, but also its subcontracted transport providers. Road accidents have the potential to cause significant impacts on the health and lives of these agents and their families and society, through the impact of accidents on third parties.	Impact (-)

Community engagement ESRS S3 [voluntary]		
IRO	**Description**	**Type**
Capillarity, granularity and universality of logistics and retail networks	The capillarity, granularity and universality of CTT's logistics and retail networks allow the population, including in remote areas, to access postal and express and parcel services (for sending and receiving) and to financial and banking services, including savings and payments, and to receive subsidies and other social benefits.	Impact (+)
Non-compliance with the universal postal service contract	The concession of the universal postal service in Portugal entails compliance with the set of obligations provided for therein. Failure to comply result in regulatory fines, which may represent an additional cost and have a negative impact on CTT's reputation and image.	Risk
Improving accessibility to services for people with disabilities	Adapting CTT's offering to the needs of citizens with disabilities improves their quality of life through convenient accessibility to services.	Impact (+)
Value sharing and proximity to communities	The use of CTT's business and internal skills to benefit vulnerable communities located in the geographies where the company operates, for example through the provision of transport and distribution networks, the retail network, logistical support, the promotion of training and knowledge dissemination programs, access to media, the promotion of partnerships, etc., reinforces the company's positive social impact and proximity to communities and promotes the motivation and retention of talent.	Impact (+)

Customer satisfaction and experience ESRS S4 [voluntary]		
IRO	**Description**	**Type**
CTT's attractiveness to wider target audiences and customer satisfaction due to diversification and improvement of the offer and customer experience	The continuous commitment on improving the offer of products and services to customers, including the diversification and availability of new customer service and support channels, allows CTT to increase satisfaction and improve the experience of its customers, reach wider target audiences and, consequently, obtain positive financial impacts in terms of revenue and churn reduction.	Opportunity
Compensation and penalties for operational failures	Operational failures in the delivery of items, operational inefficiencies and breaches of service quality can not only cause reputational damage to the company, but also result in compensation processes for customers and/or loss of market share.	Risk

Business conduct ESRS G1		
IRO	**Description**	**Type**
Reputational damage due to unethical practices by corporate bodies, employees, suppliers and partners	Misconduct practices and ethical failures on the part of any CTT stakeholder, including members of the corporate bodies, employees and partners and/or suppliers that are part of the CTT Group's value chain, may impact the company's image and reputation in the market and its stakeholders, damaging the trust they have in the organisation.	Risk

Data Privacy and Information Security CTT specific topic		
IRO	**Description**	**Type**
Cybersecurity requirements and associated incidents	The emerging legal framework is complex and requires greater control and specialized resources to comply with cybersecurity compliance obligations, bringing risks to the company. Failure to comply with legal obligations and the occurrence of cybersecurity incidents can cause significant financial costs, including penalties, incident response and compensation for affected customers, as well as fines, legal expenses, significant penalties and damage to CTT's reputation.	Risk

Business Transformation CTT specific topic		
IRO	**Description**	**Type**
Investment in innovative projects that strengthen CTT's offering, improve customer experience and increase its operational efficiency	The development of innovative projects focused on the creation of new products and services and on the operational efficiency of the organisation can promote an optimisation in the use of resources and a lower impact on the environment and constitute an opportunity to generate savings, increase CTT's business volume and leverage the competitive advantage through its differentiation.	Opportunity
Increasing the speed of innovation and transformation cycles	Innovation cycles are becoming shorter and the impact is getting faster, and the emergence of innovative competitors with the potential to disrupt the business models in which CTT operates may result in a loss of competitiveness and revenue.	Risk
Increasing competitiveness and revenue by developing the offer and creating new business lines	The diversification and creation of new business lines with good geographic coverage, including new CEP product references, up & cross selling and partnerships with third parties, combined with attractive prices and good service quality indices, promote a greater and more competitive offer and a better customer experience and bring opportunities for CTT to improve its overall results and increase its business volume.	Opportunity
Dependence on services and customers for revenues protection	High dependence on a specific area of activity and/or customers may result in significant losses in CTT's turnover due to changes in consumption patterns.	Risk

Registered Office

Avenida dos Combatentes, 43 - 14th Floor
1643-001 Lisbon
PORTUGAL
Telephone: +351 210 471 826

Website

ctt.pt
CTT Contact Form

Social Media

LinkedIn I Facebook I Instagram

Market Relations Representative

Guy Pacheco

Investor Relations

Nuno Vieira
Email: investors@ctt.pt
Telephone: +351 210 471 087

Media

Communication & Brand Department
Media Advisory
Cátia Cruz Simões
Email: gabinete.imprensa@ctt.pt

Contacts