

# We make our path fully committed to deliver

Consolidated Results  
1<sup>st</sup> Quarter 2024



**ctt**

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# CTT - Correios de Portugal, S.A.

## 1<sup>st</sup> Quarter 2024 Consolidated Results

**Revenues<sup>1</sup>** amounted to €263.5m in 1Q24 (+€21.7m; +9.0% y.o.y<sup>2</sup>), underpinned by Express & Parcels, Banco CTT and Mail & Other. Financial Services & Retail recorded a negative variation, given the extraordinarily high level of public debt placement in 1Q23.

- **Express & Parcels** achieved €101.4m in revenues in 1Q24 (+€36.7m; +56.8% y.o.y), reflecting strong volume growth both in Spain (+120.9% y.o.y) and in Portugal (+12.4% y.o.y). This segment continues to benefit from increased e-commerce adoption and market share gains.
- **Mail & Other** revenues reached €120.3m in 1Q24 (+€6.0m; +5.2% y.o.y), mainly due to the price increase, the mix evolution and the volumes from the legislative elections.
- **Financial Services & Retail** registered a decline in revenues (-€23.2m; -80.8% y.o.y) due to the exceptional placement of public debt in the same period of the previous year.
- **Banco CTT** revenues totalled €36.2m in 1Q24 (+€2.2m; +6.3% y.o.y), due to the expansion of the customer base, which hit 658k accounts (+11k compared to December 2023), and business resources (+€396m in 1Q24). Increase in net interest income anchored in the growth of its auto and mortgage loan portfolios.

**Recurring EBIT** stood at €16.9m in 1Q24 (-€8.8m; -34.2% y.o.y) with a margin of 6.4% (10.6% in 1Q23). To be noted is the growth registered in Express & Parcels (+€5.0m; +745.7% y.o.y) as well as in Banco CTT (+€2.1m; +48.6% y.o.y), in both cases thanks to operating leverage supported by the expansion of revenues and the investments made in previous years. Financial Services & Retail registered a decline of €15.2m (-83.9% y.o.y).

**Operating cash flow** stood at €8.5m in 1Q24 (-€35.6m; -80.7% y.o.y).

**Net profit<sup>3</sup>** reached €7.4m in 1Q24 (-€8.7m compared to 1Q23).

**Net Debt to EBITDA ratio**, with Banco CTT under equity method, is 1.34x, underlining the solid and prudent balance sheet which offers strategic flexibility.

### Highlights

	1Q23	1Q24	Δ	Δ%
	€ million			
<b>Revenues<sup>1</sup></b>	<b>241.8</b>	<b>263.5</b>	<b>21.7</b>	<b>9.0%</b>
Express & Parcels	64.7	101.4	36.7	56.8%
Mail & Other	114.4	120.3	6.0	5.2%
Financial Services & Retail	28.7	5.5	(23.2)	(80.8%)
Banco CTT	34.1	36.2	2.2	6.3%
<b>Operating costs</b>	<b>201.0</b>	<b>229.4</b>	<b>28.5</b>	<b>14.2%</b>
<b>EBITDA<sup>1</sup></b>	<b>40.8</b>	<b>34.0</b>	<b>(6.8)</b>	<b>(16.6%)</b>
Depreciation & amortisation	15.1	17.1	2.0	13.1%
<b>Recurring EBIT</b>	<b>25.7</b>	<b>16.9</b>	<b>(8.8)</b>	<b>(34.2%)</b>
<b>EBIT</b>	<b>25.0</b>	<b>14.9</b>	<b>(10.0)</b>	<b>(40.1%)</b>
<b>Net profit for the period<sup>3</sup></b>	<b>16.1</b>	<b>7.4</b>	<b>(8.7)</b>	<b>(53.9%)</b>
	<b>31.12.2023</b>	<b>31.03.2024</b>	<b>Δ</b>	<b>Δ%</b>
Equity	253.3	286.4	33.1	13.1%
Net Debt	(39.0)	(63.9)	(24.9)	(63.9%)
Net debt with Banco CTT under equity method	177.3	153.0	(24.4)	(13.7%)
Net debt/EBITDA (LTM) with Banco CTT under equity method	1.44	1.34	(0.1)	(7.0%)

<sup>1</sup> Excluding specific items.

<sup>2</sup> y.o.y - year on year.

<sup>3</sup> Attributable to equity holders.



# 1. Operational performance

## Performance analysis by Business Unit

### Express & Parcels

Express & Parcels **revenues** amounted to €101.4m in 1Q24 (+€36.7m; +56.8% y.o.y). The growth achieved was driven by increased volumes (+68.5% y.o.y) both in Portugal and Spain.

**Spain** already accounts for 61.7% of revenues in the Express & Parcels segment, as a result of the growth in the e-commerce market and the gain in market share, which reflects the investments made in the expansion and capacity of the network, in the extension and differentiation of the portfolio of services offered and in the quality of delivery. Growth in Spain has been boosted by all customer segments. In terms of the strategic customer segment (international e-sellers, with daily volumes above 20,000 items), there continues to be strong growth, as a result of the incorporation of new customers, reflecting commercial proactivity, the wide range and quality of the services offered, and the increase in average volumes, with CTT intensifying its relationship with these customers. The other customer segments also registered strong growth, as a result of a commercial strategy that prioritises customer diversification and the expansion and granularity of the geographical presence in Spain.

### The strong growth of E&P activity in Spain is boosted by a strong commercial proactivity, a distinctive service offer and high quality in delivery.

The new unit in San Fernando de Henares is already operating at full capacity, adding to the capacity of the sorting network and providing the customs clearance service integrated in last-mile delivery, thus making a significant contribution to reducing delivery times for extra-EU volumes and increasing CTT's differentiation from its competitors.

In addition, more than 14,000 convenience points in Spain have been incorporated into the network, which, when added to CTT's network in Portugal, constitutes

the largest convenience point network in the entire Iberian Peninsula.

In this context, **revenues in Spain** have benefited from the aforementioned growth trajectory, totalling €62.6m in 1Q24 (+110.5% y.o.y), with 20.5 million items (+120.9% y.o.y).

**Revenues in Portugal** recorded €37.4m in 1Q24 (+€3.5m; +10.4% y.o.y) and volumes totalled 9.7 million items (+12.4% y.o.y).

CEP revenues amounted to €34.6m in 1Q24 (+€3.9m; +12.8% y.o.y), with a 16.6% y.o.y increase in volumes per working day. This growth was underpinned essentially by e-commerce (B2C) customers, particularly large global marketplaces and international e-sellers. The risk of business concentration is significantly low, given the high sectoral diversification of CEP customers.

The growth registered in e-commerce activity is a reflection of the significant increase in e-commerce, driven by the ubiquitous access to the internet, convenience in transactions and the continuous development of payment systems, promoting a safer experience for consumers.

The logistics product line recorded revenues of €1.0m in 1Q24 (+13.0% y.o.y). This evolution was underpinned by business growth from current customers.

At the end of 1Q24, CTT's Locky network comprised 858 lockers installed in Portugal and maintained an upward trend in the number of lockers installed. Locky lockers are part of the CTT delivery points network, the largest and most capillary national network with more than 3,300 points where customers can pick up, send and return their parcels with maximum convenience, 24 hours a day in most lockers, every day of the week. The locker network, Locky, is an agnostic network and, since 4Q23, another carrier, in addition to CTT, has been using it. CTT continues to invest in expanding the Locky locker network both in Portugal and in Spain, where this offer is already present.

## The E&P operation in Portugal shows consistent growth, anchored in market expansion and high diversification.

This growth demonstrates the trust placed in CTT by existing and new customers, who rely on the quality of the service offered by CTT.

Revenues in **Mozambique** in 1Q24 amounted to €1.4m (+35.4% y.o.y). This growth was partly driven by additional services, such as the risk and safety fee for pick up and delivery in the province of Cabo Delgado.

**Recurring EBIT** generated by the E&P business increased from €0.7m in 1Q23 to €5.6m in 1Q24. As a result, the margin increased from 1.0% in the same quarter last year to 5.6%. Recurring EBIT performance benefited from increased business activity in Spain and Portugal. Strong volume growth in Spain is fuelling rapid margin expansion due to operational leverage. In Portugal synergies have been leveraged with the basic mail network to channel more and more parcels to be delivered by postmen.

## Mail & Other

Mail & Other **revenues** amounted to €120.3m in 1Q24 (+€6.0m; +5.2% y.o.y). This growth was essentially due to the performance of revenues from addressed mail (€100.7m; +€5.6m; +5.9% y.o.y) and business solutions (+€0.6m; +5.1% y.o.y). Excluding additional revenues from international outbound mail associated with the legislative elections of 10 March (+€7.8m), addressed mail revenues were slightly down compared to the same period of the previous year (-€2.2m; -2.3% y.o.y).

It should be noted, however, that the mail business was penalised by the fact that 1Q24 had two fewer working days (i.e. -3.1%) than 1Q23, because this year Easter fell in the first quarter.

## In 1Q24, the mail business benefited from the volumes generated by the legislative elections, but was penalised by the lower number of working days.

In 1Q24, revenues from addressed mail were leveraged by the positive performance of international outbound mail (+€7.7m; +73.5% y.o.y), as a result of the additional revenue generated by the volumes from the legislative elections, as mentioned above. On the other hand, there were decreases in ordinary mail (-€1.4m; -3.9% y.o.y), registered mail (-€0.3m; -0.7% y.o.y) and international inbound mail (-€0.3m; -5.3% y.o.y). These revenue lines were affected by the lower number of working days.

The overall average price change of the universal postal service<sup>4</sup> in 1Q24 was +9.92% y.o.y.

In 1Q24, business solutions recorded revenues of €11.9m (+€0.6m; +5.1% y.o.y). Growth continued in the Business Process Outsourcing (BPO) and Contact Centre areas as new businesses in different sectors were won and implemented. Noteworthy are also (i) the increase in revenues associated with the solution for managing administrative offences and administrative instructions, and (ii) the higher volume of hybrid mail produced by the new version of the "e-Carta" platform, a tool for customers to optimise their internal mailing processes.

**Recurring EBIT** declined by 24.7% to €2.0m, due in part to the lower number of working days. The cost efficiency programme is progressing and results are expected this year. Price increases will help stabilise margins.

<sup>4</sup> Includes letter mail, editorial mail and parcels of the universal postal service, excluding international inbound mail.

### Mail volumes

	Million items			
	1Q23	1Q24	Δ	Δ%
Transactional mail	100.9	91.3	(9.6)	(9.5%)
Advertising mail	6.0	4.3	(1.7)	(28.4%)
Editorial mail	6.7	6.1	(0.6)	(9.3%)
<b>Addressed mail</b>	<b>113.6</b>	<b>101.7</b>	<b>(11.9)</b>	<b>(10.5%)</b>
<b>Unaddressed advertising mail</b>	<b>76.4</b>	<b>69.5</b>	<b>(6.9)</b>	<b>(9.1%)</b>

## Financial Services & Retail

Financial Services & Retail **revenues** amounted to €5.5m in 1Q24 (-€23.2m; -80.8% y.o.y). This unfavourable performance, when compared to the same period last year, comes mostly from the performance of public debt certificates.

In the first quarter of 2023, placements of public debt certificates reached all-time highs, driven by the greater attractiveness of the product compared to bank deposits. The change in marketing conditions in June 2023 reduced the attractiveness of this product for savers due to the lower interest rates, and limited marketing capacity due to the drastic reduction in placement caps per subscriber. It is expected that a possible future change in marketing conditions will once again increase the attractiveness of this product.

Public debt certificates (Savings Certificates and Treasury Certificates Savings Growth) posted revenues of €2.1m in 1Q24 (-€21.2m; -91.1% y.o.y).

Subscriptions of these certificates amounted to €294.8m in 1Q24, which contrasts with €7.5bn in 1Q23. The performance of 1Q23 was driven by the extraordinarily positive context previously referred. However, it should be mentioned that the 1Q24 performance is being affected by the limitations imposed on the sale of this product introduced in June 2023. Between 2019 and 2021, before the change in interest rates environment that started in 2022, the average of placements per quarter was around €1bn.

In addition to debt placements, CTT has been repositioning its retail network for distribution of services (retail as a service). This strategy includes: (i) public debt; (ii) insurance products; (iii) mail and express & parcels services, mostly in self-service; and (iv) convenience services for citizens.

In this context, CTT reinforced the commercial drive in the area of non-life insurance, including auto, health, personal accidents, multi-risk, among others, by entering into a distribution agreement with Generali, but also benefiting from other distribution arrangements, namely on healthcare plans. It is worth mentioning the partnership with Prosegur for the sale of alarms, launched at the end of September 2023.

### The strategy defined for the retail network includes repositioning it as a service platform.

Given the abnormally weak quarter in terms of public debt placements, **recurring EBIT** totalled only €2.9m.

## Banco CTT

Banco CTT **revenues** reached €36.2m in 1Q24 (+€2.2m; +6.3% y.o.y). Revenue growth was due to the positive performance of net interest income, which totalled €24.1m in 1Q24 (+€2.1m; +9.3% y.o.y). Interest received increased by €14.8m compared to 1Q23, benefiting from higher interest rates and volume growth. Interest paid increased by €12.8m vis-à-vis the same period last year due to the increase in interest rates on customer deposits and securitisations of auto loans.

The number of accounts was 658k (11k more than in December 2023), at end of 1Q24.

Customer deposits (Banco CTT consolidation) stood at €3,470.4m in 1Q24 (+11.7% vs. December 2023). There was a 25.1% increase in term deposits and a 5.5% reduction in sight deposits compared to December 2023.

## **Banco CTT is focused on continuing to grow its client base while improving client engagement, in order to grow business volumes, specially savings and deposits.**

Interest from auto loans amounted to €14.6m in 1Q24 (+€4.0m; +38.1% y.o.y) and reached a loan portfolio net of impairments of €877.0m (+1.9% vs. December 2023). Auto loans production stood at €63.9m in 1Q24 (-4.4% y.o.y).

Interest from mortgage loans stood at €7.8m in 1Q24 (+€4.0m; +103.4% y.o.y), which is in line with the positive evolution of Euribor since 1H23. The mortgage loan portfolio net of impairments totalled €736.8m in 1Q24 (+1.3% vs. December 2023). Mortgage loan production amounted to €44.3m in 1Q24 (-€4.9m; -9.9% y.o.y).

Also worthy of note is other interest received, which increased by €8.1m in 1Q24 compared to 1Q23, to which contributed the liquidity surplus at Banco de Portugal.

Commissions received in this business unit reached €11.6m in 1Q24, (+€0.4m; +3.3% y.o.y). The following positive contributions in this quarter stand out: (i) from commissions received from accounts and cards, which amounted to €3.1m (+€0.1m; +3.4% y.o.y), (ii) from payments, which totalled €5.0m (+€0.4m; +8.9% y.o.y); and (iii) from mortgage loans amounting to €0.2m (+€0.1m; +255.3% y.o.y).

The loan-to-deposit ratio reached 46.8% in 1Q24.

The cost of risk (consolidated and accumulated) in the quarter stood at 1.0%, down by 0.3 p.p. compared to December 2023, influenced by lower levels of risk in the consumer credit portfolios.

**Recurring EBIT** rose to €6.3m (+48.6% y.o.y) due to operational leverage supported by the strong growth in business volumes, namely deposits, mortgages and auto loans.

Banco CTT is therefore well positioned to achieve the 2025 objectives announced in September 2023:

- Reach 700k to 750k accounts (compared to 658k in 1Q24);
- Grow in customer resources and loans to customers to business volumes of over €7bn (compared to €6.2bn at the end of 1Q24);
- Deliver on profitability, with pre-tax profits between €25m and €30m (compared to €21.0m in 2023 and €5.1m in 1Q24).



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**Financial  
performance**

## 2. Financial performance

### Income statement

	1Q23	1Q24	Δ	Δ%
				€ million
<b>Revenues</b>	<b>241.8</b>	<b>263.5</b>	<b>21.7</b>	<b>9.0%</b>
Express & Parcels	64.7	101.4	36.7	56.8%
Mail & Other	114.4	120.3	6.0	5.2%
Financial Services & Retail	28.7	5.5	(23.2)	(80.8%)
Banco CTT	34.1	36.2	2.2	6.3%
<b>Operating costs</b>	<b>201.0</b>	<b>229.4</b>	<b>28.5</b>	<b>14.2%</b>
Staff costs	97.7	102.2	4.5	4.6%
ES&S	84.8	114.8	29.9	35.3%
Impairments and provisions	8.0	5.8	(2.2)	(27.5%)
Other costs	10.4	6.6	(3.8)	(36.3%)
<b>EBITDA</b>	<b>40.8</b>	<b>34.0</b>	<b>(6.8)</b>	<b>(16.6%)</b>
Depreciation and amortisation	15.1	17.1	2.0	13.1%
<b>Recurring EBIT</b>	<b>25.7</b>	<b>16.9</b>	<b>(8.8)</b>	<b>(34.2%)</b>
Express & Parcels	0.7	5.6	5.0	»
Mail & Other	2.7	2.0	(0.7)	(24.7%)
Financial Services & Retail	18.1	2.9	(15.2)	(83.9%)
Banco CTT	4.3	6.3	2.1	48.6%
Specific items	0.7	2.0	1.2	»
Business restructuring and strategic projects	1.0	0.4	(0.6)	(61.1%)
Other non-recurring income and expenses	(0.3)	1.6	1.9	«
<b>EBIT</b>	<b>25.0</b>	<b>14.9</b>	<b>(10.0)</b>	<b>(40.1%)</b>
Financial results (+/-)	(3.1)	(4.1)	(0.9)	(30.3%)
Financial income, net	(3.1)	(4.1)	(1.0)	(30.6%)
Financial costs and losses	(3.5)	(4.1)	(0.6)	(16.8%)
Financial income	0.4	0.0	(0.4)	(97.7%)
Gains/losses in subsidiaries, associated companies and joint ventures	0.0	0.0	0.0	»
Income tax	5.7	3.4	(2.3)	(40.5%)
Non-controlling interest	0.0	0.0	0.1	«
<b>Net profit for the period</b>	<b>16.1</b>	<b>7.4</b>	<b>(8.7)</b>	<b>(53.9%)</b>

#### Revenues

**Revenues** totalled €263.5m in 1Q24 (+€21.7m; +9.0% y.o.y), underpinned by Express & Parcels (+€36.7m; +56.8% y.o.y), Banco CTT (+€2.2m; +6.3% y.o.y) and Mail & Other (+€6.0m; +5.2% y.o.y). Financial Services & Retail (-€23.2m; -80.8% y.o.y) recorded a negative variation, given the extraordinarily high level of public debt placement in 1Q23.

#### Operating Costs

In 1Q24, **operating costs** totalled €248.5m (+€31.7m; +14.6% y.o.y).

**Staff costs** increased by €4.5m (+4.6% y.o.y) in the period, mostly due to the salary increase (+€3.3m), including the increase in the national minimum wage. Additionally, the growth in the Express & Parcels activity also contributed to this evolution in costs, as did the contact centre and document management in the corporate solutions business line of Mail & Other.

**External supplies & services costs** increased by €29.9m (+35.3% y.o.y) mainly due to the growth in direct costs of the services associated with the expanding businesses, such as Express & Parcels (+€28.1m; +55.0% y.o.y), but also of Mail services which also increased (+€0.8m; +3.4% y.o.y) with the significant impact of the elections in 1Q24.

**Impairments and provisions** decreased by €2.2m in 1Q24 (-27.5% y.o.y), as a result of the decrease in impairments of the banking and payments business (-€2.1m; -32.6% y.o.y).

**Other costs** decreased by €3.8m (-36.3% y.o.y), with a significant contribution from the retail business (-€2.2m) due to the repositioning of the network to a services platform and discontinuing of some products.

**Depreciation & amortisation** increased by €2.0m (+13.1% y.o.y), essentially due to investments in information systems (+€0.8m), buildings and facilities (+€0.6m) and fleet (+€0.4m).

**Specific items** amounted to €2.0m, essentially due to: (i) transaction costs associated with the start-up of the Real Estate business (€1.2m); and (ii) costs associated with strategic projects (€0.4m).

### Recurring EBIT by business unit

**Recurring EBIT** stood at €16.9m in 1Q24 (-€8.8m; -34.2% y.o.y), with a margin of 6.4% (10.6% in 1Q23) and growth in Express & Parcels (+€5.0m; +745.7% y.o.y) and Banco CTT (+€2.1m; +48.6% y.o.y).

It is worth highlighting in 1Q24 the growth of recurring EBIT in Spain (+€4.4m, individual accounts) vis-à-vis 1Q23 based on the increase in volumes (+120.9%),

mostly in e-commerce. At the consolidated level, besides Express & Parcels, the contribution of Banco CTT should be emphasised, with both units being the growth levers.

### Financial Results

The **consolidated financial results** amounted to -€4.1m (-€0.9m; -30.3% y.o.y) in 1Q24.

Financial costs and losses incurred amounted to €4.1m (-€0.6m; -16.8% y.o.y), mainly incorporating financial costs related to post-employment and long-term employee benefits of €1.5m, interest expense associated to finance leases liabilities linked to the implementation of IFRS 16 for an amount of €1.0m and interest expense on bank loans for an amount of €1.5m, the increase of which is largely due to the new loans contracted in 2023 and the increase in interest rates.

In 1Q24, CTT obtained a **consolidated net profit** attributable to equity holders of €7.4m, which is €8.7m below 1Q23. The evolution of the consolidated net income was significantly impacted by the decrease in recurring EBIT (-€8.8m; -34.2% y.o.y) resulting from the performance of the Mail and Financial Services & Retail segments. On the other hand, income tax showed a positive trend (-€2.3m; -40.5% y.o.y) which was almost entirely outweighed by the unfavourable performance of the financial result (-€0.9m; -30.3% y.o.y) and specific items (+€1.2m).

On 31 March 2024, the number of CTT **employees** (permanent employees and fixed-term employees) was 13,467, up by 549 compared to 31 March 2023 (+4.2% y.o.y).

### Headcount

	31.03.2023	31.03.2024	Δ	Δ%
Express & Parcels	1,583	1,760	177	11.2%
Mail & Other	10,792	11,089	297	2.8%
Financial Services & Retail	37	37	0	0.0%
Banco CTT	506	581	75	14.8%
<b>Total, of which:</b>	<b>12,918</b>	<b>13,467</b>	<b>549</b>	<b>4.2%</b>
Permanent	11,379	11,581	202	1.8%
Fixed-term contracts	1,539	1,886	347	22.5%
Portugal	11,982	12,386	404	3.4%
Other geographies	936	1,081	145	15.5%

## Cash flow statement

	€ million			
	1Q23	1Q24	Δ	Δ%
EBITDA	40.8	34.0	(6.8)	(16.6%)
Non-cash items*	0.4	(2.7)	(3.1)	«
Specific items**	(0.7)	(2.0)	(1.2)	«
Capex	(5.6)	(8.6)	(3.0)	(54.2%)
Δ Working capital	9.2	(12.3)	(21.5)	«
<b>Operating cash flow</b>	<b>44.2</b>	<b>8.5</b>	<b>(35.6)</b>	<b>(80.7%)</b>
Employee benefits	(4.4)	(4.6)	(0.1)	(3.3%)
Tax	(0.1)	(0.1)	0.0	(11.7%)
<b>Free cash flow</b>	<b>39.7</b>	<b>3.9</b>	<b>(35.8)</b>	<b>(90.3%)</b>
Debt (principal + interest)	34.7	(55.0)	(89.8)	«
Acquisition of own shares	0.0	(7.0)	(7.0)	«
Disposal of buildings	0.0	0.0	0,0	0.0%
Investments in associated companies and joint ventures	0.0	32.4	32.4	»
<b>Change in adjusted cash</b>	<b>74.4</b>	<b>(25.7)</b>	<b>(100.1)</b>	<b>(134.6%)</b>
Δ Liabilities related to Financial Serv. & others and Banco CTT, net <sup>5</sup>	59.2	(71.7)	(130.9)	«
Δ Other <sup>6</sup>	(1.0)	1.9	3.0	»
<b>Net change in cash</b>	<b>132.5</b>	<b>(95.5)</b>	<b>(228.1)</b>	<b>«</b>

\*Impairments, Provisions and IFRS 16 affecting EBITDA.

\*\*Specific items affecting EBITDA.

In 1Q24, the Company generated an operating cash flow of €8.5m (-€35.6m; -80.7% y.o.y). The decrease in operating cash flow is primarily explained by the negative performance in terms of generated EBITDA (€34.0m; -16.6% y.o.y) and the negative evolution of working capital (-€21.5m). There was also a €3.1m increase in the weight of non-cash items at EBITDA level, as well as a €3.0m increase in investment, which stood at €8.6m in 1Q24 against €5.6m in 1Q23.

Capex stood at €8.6m in 1Q24 (+€3.0m; +54.2% y.o.y). This evolution is justified above all by the investment made in the Express & Parcels business in Spain, particularly in sorters and mini-sorters. The CTT Group maintains its focus on improving IT systems, mainly in Banco CTT, reinforcing its investment in IT systems to support the business.

In terms of working capital, the evolution observed in 1Q24 (-€12.3m) was influenced by the increase in invoicing following the legislative elections in March 2024, which will liquidate on 2Q24. The positive effect seen in 1Q23 (+€9.2m) is associated with the recognition of revenue from the placement of Public Debt.

Adjusted cash was significantly affected by: (i) the settlement, at the beginning of January, of the short-term financing (-€55m) and (ii) the sale of a 26.3% shareholder position in CTT IMO Yield, which translated into a receipt of €32.4m.

<sup>5</sup> 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.

<sup>6</sup> 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.

## Consolidated statement of financial position

	31.12.2023	31.03.2024	Δ	Δ%
Non-current assets	2,354.7	2,378.3	23.7	1.0%
Current assets	2,402.0	2,706.5	304.5	12.7%
<b>Assets</b>	<b>4,756.6</b>	<b>5,084.8</b>	<b>328.2</b>	<b>6.9%</b>
<b>Equity</b>	<b>253.3</b>	<b>286.4</b>	<b>33.1</b>	<b>13.1%</b>
<b>Liabilities</b>	<b>4,503.4</b>	<b>4,798.4</b>	<b>295.0</b>	<b>6.6%</b>
Non-current liabilities	689.6	665.5	(24.2)	(3.5%)
Current liabilities	3,813.8	4,132.9	319.2	8.4%
<b>Equity and consolidated liabilities</b>	<b>4,756.6</b>	<b>5,084.8</b>	<b>328.2</b>	<b>6.9%</b>

The key aspects of the comparison between the **balance sheet** as at 31.03.2024 and that as at 31.12.2023 are as follows:

**Assets** grew by €328.2m, mainly due to the increase in debt securities at amortised cost (+€751.5m), partially offset by the decrease in other banking financial assets (-€419.3m) as a result of the reduction in Banco CTT's investments in central banks.

**Equity** increased by €33.1m following the net profit attributable to shareholders of the CTT Group in 1Q24 in the amount of €7.4m, the acquisition of own shares in the amount of €6.8m and the recognition of non-controlling interests amounting to €33.0m following the sale of 26.3% of CTT IMO Yield.

**Liabilities** increased by €295.0m, mostly due to: the increase in Banking clients' deposits and other loans (€368.5m), the decrease in medium and long-term debt (-€50.7m) as a result of the settlement of short-term financing at the start of the year, and a decrease in debt securities issued at amortised cost (-€24.9m) following the withdrawals made.

### Consolidated net debt

The key aspects of the comparison between the **consolidated net debt** as at 31.03.2024 and that as at 31.12.2023 are as follows:

**Adjusted cash** decreased by €25.7m (-8.4% y.o.y), as the positive performance of the operating cash flow (+€8.5m) offset the payment of employee benefits (-€4.6m; -3.3% y.o.y) and tax payments (-€0.1m; -11.7% y.o.y). The settlement of short-term financing at the beginning of the year, the acquisition of own shares (-€7.0m) and the receipt of €32.4m following the sale of 26.3% of CTT IMO Yield also contributed to this performance of adjusted cash flow.

**Short-term & long-term debt** decreased by €50.7m (-18.8% y.o.y), essentially due to the effect of the reduction in bank loans following the settlement of short-term financing and the increase in lease liabilities (+€3.0m; +2.6% y.o.y).

	31.12.2023	31.03.2024	Δ	Δ%
<b>Net debt</b>	<b>(39.0)</b>	<b>(63.9)</b>	<b>(24.9)</b>	<b>(63.9%)</b>
<b>ST &amp; LT debt</b>	<b>269.0</b>	<b>218.4</b>	<b>(50.7)</b>	<b>(18.8%)</b>
of which Finance leases (IFRS16)	118.3	121.3	3.0	2.6%
<b>Adjusted cash (I+II)</b>	<b>308.0</b>	<b>282.3</b>	<b>(25.7)</b>	<b>(8.4%)</b>
<b>Cash &amp; cash equivalents</b>	<b>351.6</b>	<b>256.1</b>	<b>(95.5)</b>	<b>(27.2%)</b>
<b>Cash &amp; cash equivalents at the end of the period (I)</b>	<b>315.2</b>	<b>217.8</b>	<b>(97.5)</b>	<b>(30.9%)</b>
Other cash items	36.4	38.3	1.9	5.4%
<b>Other Financial Services liabilities, net (II)</b>	<b>(7.2)</b>	<b>64.5</b>	<b>71.7</b>	<b>»</b>

## Consolidated balance sheet with Banco CTT under equity method

	€ million			
	31.12.2023	31.03.2024	Δ	Δ%
Non-current assets	713.0	717.7	4.7	0.7%
Current assets	506.7	472.0	(34.6)	(6.8%)
<b>Assets</b>	<b>1,219.6</b>	<b>1,189.7</b>	<b>(29.9)</b>	<b>(2.5%)</b>
<b>Equity</b>	<b>253.4</b>	<b>286.6</b>	<b>33.1</b>	<b>13.1%</b>
<b>Liabilities</b>	<b>966.2</b>	<b>903.2</b>	<b>(63.0)</b>	<b>(6.5%)</b>
Non-current liabilities	333.8	334.3	0.6	0.2%
Current liabilities	632.4	568.8	(63.6)	(10.1%)
<b>Equity and consolidated liabilities</b>	<b>1,219.6</b>	<b>1,189.7</b>	<b>(29.9)</b>	<b>(2.5%)</b>

## Consolidated net debt with Banco CTT under equity method

	€ million			
	31.12.2023	31.03.2024	Δ	Δ%
<b>Net debt with Banco CTT under equity method</b>	<b>177.3</b>	<b>153.0</b>	<b>(24.4)</b>	<b>(13.7%)</b>
<b>ST &amp; LT debt</b>	<b>265.7</b>	<b>214.9</b>	<b>(50.7)</b>	<b>(19.1%)</b>
of which Finance leases (IFRS16)	114.9	117.8	2.9	2.6%
<b>Adjusted cash (I+II)</b>	<b>88.3</b>	<b>62.0</b>	<b>(26.3)</b>	<b>(29.8%)</b>
<b>Cash &amp; cash equivalents</b>	<b>276.3</b>	<b>177.9</b>	<b>(98.4)</b>	<b>(35.6%)</b>
<b>Cash &amp; cash equivalents at the end of the period (I)</b>	<b>276.3</b>	<b>177.9</b>	<b>(98.4)</b>	<b>(35.6%)</b>
Other cash items	0,0	0,0	0,0	13.4%
<b>Other Financial Services liabilities, net (II)</b>	<b>(188.0)</b>	<b>(115.9)</b>	<b>72.1</b>	<b>38.3%</b>

## Liabilities related to employee benefits

	€ million			
	31.12.2023	31.03.2024	Δ	Δ%
<b>Total liabilities</b>	<b>173.5</b>	<b>171.1</b>	<b>(2.4)</b>	<b>(1.4%)</b>
Healthcare	154.2	153.2	(1.0)	(0.6%)
Healthcare (321 Crédito)	1.1	1.1	0.0	2.8%
Suspension agreements	11.4	10.0	(1.4)	(12.2%)
Other long-term employee benefits	4.7	4.6	0.0	(1.0%)
Other long-term benefits (321 Crédito)	0.2	0.2	0.0	2.7%
Pension plan	0.2	0.2	-0,0	(2.1%)
Other benefits	1.7	1.7	0.0	0.0%
Deferred tax assets	(49.4)	(48.9)	0.5	1.1%
<b>Current amount of after-tax liabilities</b>	<b>124.1</b>	<b>122.2</b>	<b>(1.9)</b>	<b>(1.5%)</b>

**Liabilities related to employee benefits** (post-employment and long-term benefits) stood at €171.1m in March 2024, down by €2.4m compared to December 2023.

These liabilities related to employee benefits are associated with deferred tax assets amounting to €48.9m, which brings the current amount of liabilities related to employee benefits net of deferred tax assets associated with them to €122.2m.

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**Other  
highlights**

## 3. Other highlights

### Postal regulatory issues

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%

### Main ESG milestones achieved

CTT continued on its path towards achieving its ESG strategic goals, promoting decarbonisation, the diversity and well-being of the CTT people, proximity to the local community and a corporate governance of reference.

On the **environmental front**, in the first quarter of this year there was an upward trend in carbon emissions due to the sharp increase in express activity, mainly in Spain (+41.6% in kilometres travelled). Even so, there was a 17.4% improvement in the efficiency of the carbon footprint per express item delivered in this geography.

In order to minimise the effects on its carbon footprint, CTT's main focus continues to be the constant investment in renewing the combustion fleet with an electric one and the reinforcement of the charging infrastructure, in order to operate exclusively with electric vehicles by 2030. Currently, CTT has 781 electric vehicles, of which 647 operate in the last mile, corresponding to 20.5% of the total in this segment of its own fleet. Also in the energy area, CTT has been expanding its own self-consumption energy units, with a 69.4% increase in energy consumed through them compared to the same period last year.

With regard to promoting the circular economy, CTT reinforced the incorporation of recycled materials in its mail, express & parcels offer, reaching the 87.1% mark. Also noteworthy was the launch of a philatelic issue commemorating the "50<sup>th</sup> anniversary of 25 April", produced with 100% recycled paper.

In the **social dimension**, the commitments made under the CTT Equality Plan 2024 were continued, namely by holding events (e.g. Women's Day) and establishing new partnerships, such as the protocol with the Professional Women's Network Lisbon (PWN Lisbon) that focuses on strengthening inclusion and organisational diversity. Also noteworthy is the massive online training course aimed at all employees of the Group companies covered by the EFR - Family-Responsible Company certification

Regarding gender parity, specifically in the Company's top management, the percentage of women in leadership positions increased to 43.2% (+3.7 p.p. compared to the 1<sup>st</sup> quarter of 2023).

In terms of work-related accidents in which CTT workers were involved, 198 incidents were recorded in 1Q24 (+10% y.o.y), with no associated fatalities.

With the aim of promoting a positive impact on communities, CTT donations to social institutions totalled 160,000 euros, corresponding to 0.61% of recurring EBIT in the first three months of the year.

The sale of 12,408 "A Tree for the Forest" kits in 2023 within its 10<sup>th</sup> campaign translated into the planting of as many native trees, which began with four actions already carried out in Portugal. In 1Q24, there were also 12 one-off volunteering initiatives and 3 ongoing initiatives with more than 400 participants. This signals CTT's strong investment in this kind of initiatives that strengthen ties within teams, lead to a greater commitment to the Company's culture and have an effective and immediate impact on organisations with a large presence in communities and on the planet.

In addition to volunteering, having a positive local impact also means promoting accessibility and inclusion in the services the Company provides. To this end, CTT has launched, in partnership with Serviin, a video interpretation service in Portuguese sign language for customer service.

In the field of **ethics and the organisation's good governance principles**, as planned, there was one meeting of the Sustainability Committee, where the new European guidelines on non-financial reporting were discussed.



The initiatives carried out and the results achieved enabled CTT to be honoured with top performances worldwide in the two sustainability rankings in which it participates: the Carbon Disclosure Project (CDP), with an A- score in the Climate Change area; and the Sustainability Measurement and Management System (SMMS) of IPC - International Post Corporation, with a score of 79%, maintaining 5<sup>th</sup> place in a group of 23 postal operators worldwide.

At a national level, CTT was honoured with the Caixa ESG - Transparency & Performance Award. In addition, CTT was also elected 'Recommended Brand' for the second year running in the Postal Mail category, achieving the best average Satisfaction Index and also reinforcing two of the pillars that characterise CTT so well: trust and the proximity maintained with its customers.

### Share Buy-back programme

In the context of the share buy-back programme announced to the market on 21 June 2023, as at 31 March 2024, CTT had already acquired 4,878,686 shares. As a consequence, on 31 March 2024, the Company held, as a result of the transactions carried out in the context of the share buyback programme to that date, an aggregated total of 6,256,818 own shares, representing 4.35% of its share capital, including 1,378,132 own shares previously held.

As at 25 April 2024, the date of the last transactions carried out under the buy-back programme communicated to the market, CTT had already acquired 5,236,686 shares. As a consequence, on that date the Company held, as a result of the transactions carried out in the context of the share buyback programme, an aggregated total of 6,614,818 own shares, representing 4.60% of its share capital, including 1,378,132 own shares previously held.

### Outlook for 2024

The recurring EBIT guidance for 2024 above €88m is reiterated, taking into account the strong performance of the Express & Parcels, Banco CTT and Mail segments. This guidance assumes that around €3.0bn in public debt will be placed during the year.

### Subsequent events

The Annual General Meeting held on 23 April 2024 approved the appropriation of results relative to the 2023 financial year as proposed by the Board of

Directors, including the payment of a €0.17 gross dividend per share.

Also approved was a reduction of CTT's share capital by up to €3,825,000.00 corresponding to the cancellation of up to 7,650,000 own shares already acquired or to be acquired by 25 June 2024 within the scope of the share buy-back programme that the Board of Directors announced on 21 June 2023 and which is currently underway.

### Final Note

This press release is based on CTT – Correios de Portugal, S.A. interim condensed consolidated financial statements for the 1<sup>st</sup> quarter of 2024, which are attached hereto.

Lisbon, 2 May 2024

The Board of Directors

This information to the market and the general public is made under the terms and for the purposes of article 29-Q of the Portuguese Securities Code. It is also available on CTT website at:

[https://www.ctt.pt/grupo-ctt/investidores/comunicados/index?language\\_id=1](https://www.ctt.pt/grupo-ctt/investidores/comunicados/index?language_id=1)

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### **Disclaimer**

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### **Forward-looking statements**

*This document contains forward-looking statements. All the statements herein which are not historical facts, including, but not limited to, statements expressing our current opinion or, as applicable, those of our directors regarding the financial performance, the business strategy, the management plans and objectives concerning future operations and investments are forward-looking statements. Statements that include the words “expects”, “estimates”, “foresees”, “predicts”, “intends”, “plans”, “believes”, “anticipates”, “will”, “targets”, “may”, “would”, “could”, “continues” and similar statements of a future or forward-looking nature identify forward-looking statements.*

*All forward-looking statements included herein involve known and unknown risks and uncertainties. Accordingly, there are or will be important factors that could cause our actual results, performance or achievements to differ materially from those indicated in these statements. Any forward-looking statements in this document reflect our current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the results of our operations, growth strategy and liquidity, and the wider environment (specifically, market developments, investment opportunities and regulatory conditions).*

*Although CTT believes that the assumptions beyond such forward-looking statements are reasonable when made, any third parties are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of CTT, what could cause the models, objectives, plans, estimates and / or projections to be materially reviewed and / or actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements.*

*Forward-looking statements (in particular, the objectives, estimates and projections as well as the corresponding assumptions) do neither represent a commitment regarding the models and plans to be implemented, nor are they guarantees of future performance, nor have they been reviewed by the auditors of CTT. You are cautioned not to place undue reliance on the forward-looking statements herein. All forward-looking statements included herein speak only as at the date of this document. Except as required by applicable law, CTT does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

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# Consolidated financial statements

# **3 Months Report 2024**

Interim condensed consolidated  
financial statements

# INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CTT-CORREIOS DE PORTUGAL, S.A.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 AND 31 MARCH 2024. (Euros)

	NOTES	31.12.2023	Unaudited 31.03.2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Tangible fixed assets	4	296,994,666	300,000,171
Investment properties	6	5,975,987	6,271,749
Intangible assets	5	70,639,785	69,579,971
Goodwill		80,256,739	80,256,739
Investments in associated companies		481	481
Investments in joint ventures		22,174	24,921
Other investments		3,200,797	3,200,795
Financial assets at fair value through profit or loss		13,532,000	14,221,910
Debt securities at amortised cost	8	364,706,177	364,284,370
Other non-current assets		3,533,009	3,525,571
Credit to banking clients	10	1,444,412,021	1,466,929,134
Deferred tax assets	26	71,395,868	70,032,306
<b>Total non-current assets</b>		<b>2,354,669,703</b>	<b>2,378,328,117</b>
<b>Current assets</b>			
Inventories		6,663,470	6,413,125
Accounts receivable		153,061,555	201,167,201
Credit to banking clients	10	148,801,874	152,377,698
Income taxes receivable	23	8,268	8,268
Prepayments	11	9,946,772	12,344,360
Debt securities at amortised cost	8	364,759,821	1,116,680,776
Other current assets		92,545,537	106,126,527
Other banking financial assets	9	1,274,575,121	855,294,819
Cash and cash equivalents	12	351,609,634	256,084,081
		2,401,972,052	2,706,496,856
Non-current assets held for sale		200	200
<b>Total current assets</b>		<b>2,401,972,251</b>	<b>2,706,497,056</b>
<b>Total assets</b>		<b>4,756,641,954</b>	<b>5,084,825,174</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	14	71,957,500	71,957,500
Own shares	15	(15,624,632)	(22,424,208)
Reserves	15	48,113,244	48,113,244
Retained earnings	15	83,269,152	143,787,175
Other changes in equity	15	3,402,039	2,896,845
Net profit		60,511,368	7,432,609
Equity attributable to equity holders of the Parent Company		251,628,671	251,763,165
Non-controlling interests		1,624,181	34,631,593
<b>Total equity</b>		<b>253,252,852</b>	<b>286,394,757</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Medium and long term debt	18	161,080,105	162,646,637
Employee benefits		149,740,115	148,029,220
Provisions	19	26,338,865	27,171,967
Debt securities issued at amortised cost	21	347,131,609	322,163,815
Prepayments	11	671,689	671,029
Deferred tax liabilities	26	4,670,707	4,797,915
<b>Total non-current liabilities</b>		<b>689,633,090</b>	<b>665,480,583</b>
<b>Current liabilities</b>			
Accounts payable	20	373,961,102	356,266,226
Banking clients' deposits and other loans	22	3,090,962,551	3,459,457,331
Employee benefits		22,049,283	21,345,067
Income taxes payable	23	6,666,412	8,410,350
Short term debt	18	107,934,852	55,713,519
Financial liabilities at fair value through profit or loss		13,744,154	14,396,496
Debt securities issued at amortised cost	21	243,468	314,658
Prepayments	11	5,110,098	5,487,528
Other current liabilities		145,324,271	143,354,958
Other banking financial liabilities	9	47,759,822	68,203,701
<b>Total current liabilities</b>		<b>3,813,756,012</b>	<b>4,132,949,834</b>
<b>Total liabilities</b>		<b>4,503,389,102</b>	<b>4,798,430,417</b>
<b>Total equity and liabilities</b>		<b>4,756,641,954</b>	<b>5,084,825,174</b>

The attached notes are an integral part of these financial statements.

## CTT-CORREIOS DE PORTUGAL, S.A.

## CONSOLIDATED INCOME STATEMENT FOR THE THREE-MONTHS PERIODS ENDED 31 MARCH 2023 AND 31 MARCH 2024

Euros

	NOTES	Three-months periods ended	
		Unaudited 31.03.2023	Unaudited 31.03.2024
Sales and services rendered	3	210,190,917	229,956,626
Financial margin		22,011,867	24,068,876
Other operating income		9,588,593	9,471,318
		241,791,377	263,496,821
Cost of sales		(4,905,904)	(1,893,141)
External supplies and services		(85,638,490)	(116,375,067)
Staff costs	24	(98,058,994)	(102,318,921)
Impairment of accounts receivable, net		(1,665,205)	(1,070,675)
Impairment of other financial banking assets		(6,283,772)	(4,329,146)
Provisions, net	19	(22,203)	(713,129)
Depreciation/amortisation and impairment of investments, net		(14,830,212)	(17,135,200)
Net gains/(losses) of assets and liabilities at fair value through profit or loss		147,633	24,879
Other operating costs		(5,599,817)	(4,755,467)
Gains/losses on disposal/ remeasurement of assets		24,992	10,620
		(216,831,972)	(248,555,247)
		<b>24,959,405</b>	<b>14,941,574</b>
Interest expenses	25	(3,486,309)	(4,073,028)
Interest income	25	375,321	8,618
Gains/losses in subsidiary, associated companies and joint ventures		(6,480)	2,747
		(3,117,468)	(4,061,663)
<b>Earnings before taxes</b>		<b>21,841,937</b>	<b>10,879,911</b>
Income tax for the period	26	(5,716,167)	(3,399,075)
<b>Net profit for the period</b>		<b>16,125,770</b>	<b>7,480,836</b>
<b>Net profit for the period attributable to:</b>			
Equity holders		16,135,055	7,432,609
Non-controlling interests		(9,285)	48,227
<b>Earnings per share:</b>	17	<b>0.11</b>	<b>0.05</b>

The attached notes are an integral part of these financial statements.

## CTT-CORREIOS DE PORTUGAL, S.A.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE-MONTHS PERIODS ENDED 31 MARCH 2023 AND 31 MARCH 2024

Euros

	NOTES	Three-months periods ended	
		Unaudited 31.03.2023	Unaudited 31.03.2024
<b>Net profit for the period</b>		<b>16,125,770</b>	<b>7,480,836</b>
Adjustments from application of the equity method (non re-classifiable adjustment to profit and loss)	15	(7,128)	6,654
Other changes in equity	15	(7,128)	(505,194)
<b>Other comprehensive income for the period after taxes</b>		<b>(14,256)</b>	<b>(498,540)</b>
<b>Comprehensive income for the period</b>		<b>16,111,513</b>	<b>6,982,297</b>
Attributable to non-controlling interests		(16,414)	48,227
Attributable to shareholders of CTT		16,127,927	6,934,069

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 MARCH 2024  
 Euros

	NOTES	Share capital	Own Shares	Reserves	Other changes in equity	Retained earnings	Net profit for the year	Non-controlling interests	Total
<b>Balance on 31 December 2022</b>		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	14	(717,500)	5,293,313	(4,575,813)	—	—	—	—	—
Appropriation of net profit for the year of 2022		—	—	—	—	36,406,519	(36,406,519)	—	—
Dividends	16	—	—	—	—	(17,817,109)	—	—	(17,817,109)
Acquisition of own shares	15	—	(10,541,092)	—	—	—	—	—	(10,541,092)
Attribution of own shares	15	—	449,537	(1,155,000)	705,463	—	—	—	—
Other movements		—	—	—	—	—	—	408,000	408,000
		<b>(717,500)</b>	<b>(4,798,242)</b>	<b>(5,730,813)</b>	<b>705,463</b>	<b>18,589,410</b>	<b>(36,406,519)</b>	<b>408,000</b>	<b>(27,950,201)</b>
Other movements		—	—	—	—	—	—	(40,907)	(40,907)
Actuarial gains/losses - Health Care, net from deferred taxes	15	—	—	—	(4,160,631)	—	—	—	(4,160,631)
Adjustments from the application of the equity method	15	—	—	—	—	32,674	—	—	32,674
Net profit for the period		—	—	—	—	—	60,511,368	(68,929)	60,442,439
<b>Comprehensive income for the period</b>		—	—	—	<b>(4,160,631)</b>	<b>32,674</b>	<b>60,511,368</b>	<b>(109,836)</b>	<b>56,273,576</b>
<b>Balance on 31 December 2023</b>		<b>71,957,500</b>	<b>(15,624,632)</b>	<b>48,113,244</b>	<b>3,402,039</b>	<b>83,269,152</b>	<b>60,511,368</b>	<b>1,624,181</b>	<b>253,252,852</b>
Appropriation of net profit for the year of 2023		—	—	—	—	60,511,368	(60,511,368)	—	—
Acquisition of own shares	15	—	(6,799,576)	—	—	—	—	—	(6,799,576)
Shareholdings sale	7	—	—	—	—	—	—	32,959,185	32,959,185
		—	<b>(6,799,576)</b>	—	—	<b>60,511,368</b>	<b>(60,511,368)</b>	<b>32,959,185</b>	<b>26,159,609</b>
Other movements	15	—	—	—	(505,194)	—	—	—	(505,194)
Adjustments from the application of the equity method	15	—	—	—	—	6,654	—	—	6,654
Net profit for the period		—	—	—	—	—	7,432,609	48,227	7,480,836
<b>Comprehensive income for the period</b>		—	—	—	<b>(505,194)</b>	<b>6,654</b>	<b>7,432,609</b>	<b>48,227</b>	<b>6,982,296</b>
<b>Balance on 31 March 2024 (Unaudited)</b>		<b>71,957,500</b>	<b>(22,424,208)</b>	<b>48,113,244</b>	<b>2,896,845</b>	<b>143,787,175</b>	<b>7,432,609</b>	<b>34,631,593</b>	<b>286,394,757</b>

The attached notes are an integral part of these financial statements.

CTT-CORREIOS DE PORTUGAL, S.A.  
 CONSOLIDATED CASH FLOW STATEMENT FOR THE THREE-MONTHS PERIODS ENDED 31 MARCH 2023 AND 31 MARCH 2024  
 Euros

	NOTES	Unaudited 31.03.2023	Unaudited 31.03.2024
<b>Cash flow from operating activities</b>			
Collections from customers		223,437,428	233,723,101
Payments to suppliers		(112,232,332)	(150,896,037)
Payments to employees		(75,517,392)	(86,509,374)
Banking customer deposits and other loans		(35,827,082)	361,430,666
Credit to banking clients		(10,122,242)	(29,441,534)
<b>Cash flow generated by operations</b>		<b>(10,261,620)</b>	<b>328,306,821</b>
Payments/receivables of income taxes		(99,345)	(111,002)
Other receivables/payments		101,011,986	(35,835,109)
<b>Cash flow from operating activities (1)</b>		<b>90,651,021</b>	<b>292,360,710</b>
<b>Cash flow from investing activities</b>			
Receivables resulting from:			
Tangible fixed assets		3,360	3,360
Financial investments	7	—	32,447,343
Investment in securities at amortised cost	8	—	5,000,000
Demand deposits at Bank of Portugal	9	23,185,900	—
Applications at the Central Bank	9	48,200,000	418,921,000
Other banking financial assets	9	5,320,000	610,000
Interest income		466,601	410,030
Payments resulting from:			
Tangible fixed assets		(2,826,513)	(2,342,903)
Intangible assets		(5,850,504)	(5,298,637)
Investment in securities at amortised cost	8	(4,933,000)	(739,532,164)
Demand deposits at Bank of Portugal	9	—	(4,017,400)
Other banking financial assets	9	(4,200,000)	—
<b>Cash flow from investing activities (2)</b>		<b>59,365,844</b>	<b>(293,799,372)</b>
<b>Cash flow from financing activities</b>			
Receivables resulting from:			
Loans obtained	18	34,803,305	6,022,364
Other credit institutions' deposits	9	—	56,900,427
Payments resulting from:			
Loans repaid	18	(294,143)	(60,439,840)
Other credit institutions' deposits		—	(56,900,427)
Interest expenses		(242,811)	(1,014,106)
Lease liabilities	18	(8,868,615)	(8,598,510)
Debt securities issued	21	(19,363,764)	(24,983,102)
Acquisition of own shares	15	—	(7,020,915)
<b>Cash flow from financing activities (3)</b>		<b>6,033,972</b>	<b>(96,034,109)</b>
Net change in cash and cash equivalents (1+2+3)		156,050,837	(97,472,770)
Cash and equivalents at the beginning of the period		410,798,975	315,229,314
Cash and cash equivalents at the end of the period	12	566,849,811	217,756,544
<b>Cash and cash equivalents at the end of the period</b>			
Sight deposits at Bank of Portugal		—	32,642,900
Outstanding checks of Banco CTT / Checks clearing of Banco CTT		22,185,121	5,688,082
Impairment of slight and term deposits		(26,151)	(3,445)
<b>Cash and cash equivalents (Statement of Financial Position)</b>		<b>589,008,781</b>	<b>256,084,081</b>

The attached notes are an integral part of these financial statements.



**CTT – CORREIOS DE PORTUGAL, S.A.**

Notes to the interim condensed consolidated financial statements  
(Amounts expressed in Euros)

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# 1. Introduction

CTT – Correios de Portugal, S.A. (“CTT” or “Company”), with head office at Avenida dos Combatentes, 43, 14<sup>th</sup> 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 onward, 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, a resolution was approved regarding the maximum number of shares to be acquired under the Share Buy-back Programme.

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, 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 shares representing 0.997% of the acquired CTT share capital.

Thus, CTT's share capital now amounts to 71,957,500 Euros, represented by 143,915,000 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 main currency of the Group's operations.

The shares of CTT are listed on Euronext Lisbon.

These financial statements were approved by the Board of Directors and authorised for issue on 2 May 2024.

## 2. Material accounting policies

The accounting policies adopted, including financial risk management policies, are consistent with those followed in the preparation of the consolidated financial statements for the year ended 31 December 2023, except for the new standards and amendments effective from 1 January 2024.

### 2.1 New standards or amendments adopted by the Group

The standards and amendments recently issued, already effective and adopted by the **Group** in the preparation of these financial statements, are as follows:

- **Amendments to IAS 1 – Presentation of financial statements – Classification of current and non-current liabilities** – This amendment aims to clarify the classification of liabilities as current or non-current balances depending on the rights that an entity has to defer their payment, at the end of each reporting period. The classification of liabilities is not affected by the entity's expectations (the assessment should determine whether a right exists, but should not consider whether or not the entity will exercise that right), or by events occurring after the reporting date, such as default of a "covenant". However, if the right to defer settlement for at least twelve months is subject to compliance with certain conditions after the balance sheet date, these criteria do not affect the right to defer settlement the purpose of which is to classify a liability as current or non-current. This change also includes a new definition of "settlement" of a liability and is applicable retrospectively.
- **Amendments to IFRS 16 - Lease liabilities in sale and leaseback transactions** - This amendment to IFRS 16 introduces guidance regarding the subsequent measurement of lease liabilities related to sale and leaseback transactions that qualify as "sale" in accordance with the principles of IFRS 15, with greater impact when some or all of the lease payments are variable lease payments that do not depend on an index or a rate. When subsequently measuring lease liabilities, seller-lessees must determine "lease payments" and "revised lease payments" in such a way that they will not recognise gains/(losses) in relation to the right of use they retain.

The Group did not register significant changes with the adoption of these standards and interpretations.

## 2.2 Basis of preparation

The interim condensed consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IAS / IFRS") as adopted by the European Union as at 1 January 2024, and in accordance with IAS 34 - Interim Financial Reporting.

The consolidated financial statements were prepared under the assumption of going concern and are prepared under the historical cost convention, except for the financial assets and liabilities accounted at fair value.

## 3. Segment reporting

In accordance with IFRS 8, the Group discloses the segment financial reporting.

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.

The business of CTT is organised in the following segments:

- **Mail** – 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 and CTT, S.A. excluding:
  - Business related to postal financial services and retail products - Financial Services & Retail;
  - The business of payments related with collection of invoices and fines, Western Union transfers, integrated solutions and tolls – Bank.
- **Express & Parcels** – includes CTT Expresso S.A., CORRE S.A., Fundo Inovação Techtree and Open Lockers, S.A.;
- **Financial Services & Retail** - Postal Financial Services and the sale of products and services in the retail network of CTT, S.A.;
- **Bank** – Banco CTT S.A., S.A., Payshop S.A., 321 Crédito S.A. and CTT's payment business (mentioned above).

The business segregation by segment is based on management information produced internally and presented to the "chief operating decision maker".

The segments cover the three CTT business areas, as follows:

- Postal Market, covered by the Mail segment;
- Express and Parcels Markets, covered by the Express & Parcels segment; and
- Financial Market, covered by the Financial Services 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 the three-months periods ended 31 March 2023 and 31 March 2024 are as follows:

Thousand Euros	31.03.2023				
	Mail	Express & Parcels	Financial Services & Retail	Bank	Total
<b>Revenues</b>	<b>114,352</b>	<b>64,660</b>	<b>28,724</b>	<b>34,057</b>	<b>241,791</b>
Sales and services rendered	113,006	64,448	28,283	4,453	210,191
<i>Services rendered</i>	110,647	64,448	25,844	4,453	205,392
<i>Sales</i>	2,360	—	2,440	—	4,799
Financial Margin	—	—	—	22,012	22,012
Other operating income	1,345	212	440	7,591	9,589
<b>Operating costs - EBITDA</b>	<b>102,171</b>	<b>60,450</b>	<b>10,611</b>	<b>27,730</b>	<b>200,962</b>
Staff costs	80,034	8,761	1,246	7,689	97,730
External supplies and services	22,725	51,100	393	10,632	84,850
Other costs	4,861	550	2,608	2,393	10,411
Impairment and provisions	930	593	7	6,441	7,971
Internal services rendered	(6,378)	(553)	6,357	575	—
<b>EBITDA</b>	<b>12,180</b>	<b>4,210</b>	<b>18,113</b>	<b>6,326</b>	<b>40,829</b>
Depreciation/amortisation and impairment of investments, net	9,496	3,543	33	2,068	15,139
<b>EBIT recurring</b>	<b>2,685</b>	<b>667</b>	<b>18,080</b>	<b>4,258</b>	<b>25,690</b>
Specific items	644	140	—	(53)	731
<i>Business restructurings</i>	180	150	—	—	329
<i>Strategic studies and projects costs</i>	691	—	—	—	691
<i>Other non-recurring income and expenses</i>	(227)	(10)	—	(53)	(290)
<b>EBIT</b>	<b>2,040</b>	<b>527</b>	<b>18,080</b>	<b>4,312</b>	<b>24,959</b>
Financial results					(3,117)
<i>Interest expenses</i>					(3,486)
<i>Interest income</i>					375
Gains/losses in subsidiary, associated companies and joint ventures					(6)
<b>Earnings before taxes (EBT)</b>					<b>21,842</b>
Income tax for the period					5,716
<b>Net profit for the period</b>					<b>16,126</b>
Non-controlling interests					(9)
<b>Equity holders of parent company</b>					<b>16,135</b>

Thousand Euros	31.03.2024				
	Mail	Express & Parcels	Financial Services & Retail	Bank	Total
<b>Revenues</b>	<b>120,345</b>	<b>101,396</b>	<b>5,503</b>	<b>36,207</b>	<b>263,451</b>
Sales and services rendered	118,922	101,128	5,053	4,855	229,957
<i>Services rendered</i>	117,521	101,124	4,797	4,855	228,297
<i>Sales</i>	1,400	4	256	—	1,660
Financial Margin	—	—	—	24,069	24,069
Other operating income	1,423	268	450	7,283	9,426
<b>Operating costs - EBITDA</b>	<b>107,717</b>	<b>91,417</b>	<b>2,556</b>	<b>27,730</b>	<b>229,420</b>
Staff costs	81,707	11,572	367	8,582	102,228
External supplies and services	23,495	79,204	490	11,591	114,780
Other costs	3,373	280	320	2,662	6,635
Impairment and provisions	986	447	—	4,343	5,776
Internal services rendered	(1,844)	(87)	1,378	553	—
<b>EBITDA</b>	<b>12,628</b>	<b>9,979</b>	<b>2,947</b>	<b>8,478</b>	<b>34,032</b>
Depreciation/amortisation and impairment of investments, net	10,605	4,335	38	2,152	17,129
<b>EBIT recurring</b>	<b>2,023</b>	<b>5,644</b>	<b>2,910</b>	<b>6,326</b>	<b>16,902</b>
Specific items	1,463	514	1	(18)	1,961
<i>Business restructurings</i>	(22)	44	—	—	22
<i>Strategic studies and projects costs</i>	222	132	—	20	374
<i>Other non-recurring income and expenses</i>	1,264	337	1	(38)	1,564
<b>EBIT</b>	<b>559</b>	<b>5,130</b>	<b>2,908</b>	<b>6,344</b>	<b>14,942</b>
Financial results					(4,062)
<i>Interest expenses</i>					(4,073)
<i>Interest income</i>					9
Gains/losses in subsidiary, associated companies and joint ventures					3
<b>Earnings before taxes and non-controlling interests (EBT)</b>					<b>10,880</b>
Income tax for the period					3,399
<b>Net profit for the period</b>					<b>7,481</b>
Non-controlling interests					48
<b>Equity holders of parent company</b>					<b>7,433</b>

As at 31 March 2024, amounted to 2.0 million euros, essentially due to: (i) transaction costs associated with the start-up of the Real Estate business (1.2 million euros); and (ii) costs associated with strategic projects (0.4 million euros).

The revenues are detailed as follows:

<b>Thousand Euros</b>	<b>31.03.2023</b>	<b>31.03.2024</b>
<b>Mail</b>	<b>114,352</b>	<b>120,345</b>
Transactional mail	92,029	97,846
Editorial mail	3,135	2,987
Parcels (USO)	1,966	1,778
Advertising mail	3,058	2,923
Philately	991	820
Business Solutions	11,365	11,944
Other	1,809	2,046
<b>Express &amp; Parcels</b>	<b>64,660</b>	<b>101,396</b>
Portugal	33,890	37,418
Parcels	30,649	34,585
Cargo	1,048	678
Banking network	1,075	1,095
Logistics	863	975
Other	254	85
Spain	29,720	62,556
Mozambique	1,050	1,422
<b>Financial Services &amp; Retail</b>	<b>28,724</b>	<b>5,503</b>
Savings & Insurance products	23,616	2,449
Money orders	1,121	1,196
Payments	239	166
Retail	3,422	1,239
Other	325	452
<b>Bank</b>	<b>34,057</b>	<b>36,207</b>
Net interest income	22,012	24,069
Interest income (+)	26,756	41,566
Interest expense (-)	(4,744)	(17,497)
Fees & commissions income (+)	11,211	11,582
Credits	1,210	1,158
Savings & Insurance	2,062	2,012
Accounts and Cards	3,339	3,433
Payments	4,571	4,979
Other commissions received	29	—
Other	834	556
	<b>241,791</b>	<b>263,451</b>

The revenue detail, related to sales and services rendered and financial margin, for the three-months periods ended 31 March 2023 and 31 March 2024, by revenue sources, are detailed as follows:

<b>Nature</b>	<b>31.03.2023</b>				
	<b>Mail</b>	<b>Express &amp; Parcels</b>	<b>Financial Services &amp; Retail</b>	<b>Bank</b>	<b>Total</b>
Postal Services	108,835,879	—	—	—	108,835,879
Express services	—	64,447,868	—	—	64,447,868
Merchandising products sales	—	—	316,575	—	316,575
PO Boxes	—	—	451,413	—	451,413
International mail services (*)	4,170,521	—	—	—	4,170,521
Financial Services fees	—	—	27,515,280	26,465,250	53,980,530
<b>"Sales and Services rendered" and "Financial Margin" total</b>	<b>113,006,400</b>	<b>64,447,868</b>	<b>28,283,268</b>	<b>26,465,250</b>	<b>232,202,786</b>

(\*) Inbound Mail

Nature	31.03.2024				
	Mail	Express & Parcels	Financial Services & Retail	Bank	Total
Postal Services	114,506,405	—	—	—	114,506,405
Express services	—	101,127,529	—	—	101,127,529
Merchandising products sales	—	—	245,273	—	245,273
PO Boxes	—	—	350,426	—	350,426
International mail services (*)	4,415,104	—	—	—	4,415,104
Financial Services fees	—	—	4,456,807	28,923,957	33,380,764
<b>"Sales and Services rendered" and "Financial Margin" total</b>	<b>118,921,510</b>	<b>101,127,529</b>	<b>5,052,507</b>	<b>28,923,957</b>	<b>254,025,502</b>

(\*) Inbound Mail

The assets by segment are detailed as follows:

Assets (Euros)	31.12.2023					
	Mail	Express & Parcels	Financial Services & Retail	Bank	Non allocated assets	Total
Intangible assets	33,064,911	9,372,295	370,257	25,116,537	2,715,785	70,639,785
Tangible fixed assets	211,328,362	78,938,956	2,440	5,589,055	1,135,853	296,994,666
Investment properties	—	—	—	—	5,975,987	5,975,987
Goodwill	16,216,237	2,955,753	—	61,084,749	—	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	—	1,593,213,895
Financial assets at fair value through profit or loss	—	—	—	13,532,000	—	13,532,000
Debt securities at amortised cost	—	—	—	729,465,998	—	729,465,998
Other banking financial assets	—	—	—	1,274,575,121	—	1,274,575,121
Other assets	14,782,642	33,497,865	14,756,030	36,747,820	16,136,151	115,920,508
Cash and cash equivalents	—	34,360,429	—	97,737,671	219,511,534	351,609,634
Non-current assets held for sale	—	—	—	200	—	200
	<b>275,392,152</b>	<b>159,125,299</b>	<b>15,128,727</b>	<b>3,837,063,045</b>	<b>469,932,733</b>	<b>4,756,641,954</b>



Assets (Euros)	31.03.2024					
	Mail	Express & Parcels	Financial Services & Retail	Bank	Non allocated assets	Total
Intangible assets	32,713,500	9,366,115	459,697	25,209,743	1,830,916	69,579,971
Tangible fixed assets	213,999,127	79,604,616	5,726	5,502,896	887,807	300,000,171
Investment properties	—	—	—	—	6,271,749	6,271,749
Goodwill	16,216,237	2,955,753	—	61,084,749	—	80,256,739
Deferred tax assets	—	—	—	—	70,032,306	70,032,306
Accounts receivable	—	—	—	—	201,167,201	201,167,201
Credit to bank clients	—	—	—	1,619,306,832	—	1,619,306,832
Financial assets at fair value through profit or loss	—	—	—	14,221,910	—	14,221,910
Debt securities at amortised cost	—	—	—	1,480,965,146	—	1,480,965,146
Other banking financial assets	—	—	—	855,294,819	—	855,294,819
Other assets	15,281,293	40,135,778	10,649,746	37,416,201	28,161,029	131,644,048
Cash and cash equivalents	—	32,278,025	—	97,762,165	126,043,892	256,084,081
Non-current assets held for sale	—	—	—	200	—	200
	<b>278,210,157</b>	<b>164,340,287</b>	<b>11,115,169</b>	<b>4,196,764,662</b>	<b>434,394,899</b>	<b>5,084,825,174</b>

The non-current assets acquisitions by segment, are detailed as follows:

	31.12.2023					
	Mail	Express & Parcels	Financial Services & Retail	Bank	Non allocated assets	Total
Intangible assets	8,694,521	3,417,750	173,119	6,114,698	—	18,400,088
Tangible fixed assets	13,644,454	15,872,734	26,888	1,778,632	—	31,322,707
	<b>22,338,975</b>	<b>19,290,484</b>	<b>200,006</b>	<b>7,893,330</b>	<b>—</b>	<b>49,722,794</b>

	31.03.2024					
	Mail	Express & Parcels	Financial Services & Retail	Bank	Non allocated assets	Total
Intangible assets	1,240,494	421,527	13,319	1,750,743	—	3,426,084
Tangible fixed assets	8,259,953	4,545,997	—	395,865	—	13,201,815
	<b>9,500,447</b>	<b>4,967,525</b>	<b>13,319</b>	<b>2,146,608</b>	<b>—</b>	<b>16,627,898</b>

The detail of the underlying reasons to the non-allocation of the following assets to any segment, is as follows:

- “Intangible assets” (1,830,916 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” (887,807 Euros): This amount corresponds to a part of the tangible fixed assets in progress and advances payments to suppliers, which are allocated to the related segment at the time of the transfer to firm assets;
- “Investment properties” (6,271,749 Euros): These assets are not allocated to the operating activity, which is why they are not allocated to any segment;
- “Deferred tax assets” (70,032,306 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 26 - Income tax for the period. 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” (201,167,201 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” (28,161,029 Euros): This amount is mainly related to 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 (126,043,892 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:

Other information (Euros)	31.12.2023				
	Mail	Express & Parcels	Financial Services & Retail	Bank	Total
<b>Non-current debt</b>	<b>112,604,706</b>	<b>46,244,965</b>	<b>18,990</b>	<b>2,211,445</b>	<b>161,080,105</b>
Bank loans	33,390,061	—	—	—	33,390,061
Commercial Paper	34,947,466	—	—	—	34,947,466
Lease liabilities	44,267,179	46,244,965	18,990	2,211,445	92,742,578
<b>Current debt</b>	<b>89,576,284</b>	<b>17,185,189</b>	<b>6,940</b>	<b>1,166,439</b>	<b>107,934,852</b>
Bank loans	74,541,219	7,854,338	—	—	82,395,558
Commercial Paper	22,067	—	—	—	22,067
Lease liabilities	15,012,997	9,330,851	6,940	1,166,439	25,517,227
	<b>202,180,990</b>	<b>63,430,153</b>	<b>25,930</b>	<b>3,377,884</b>	<b>269,014,958</b>

Other information (Euros)	31.03.2024				
	Mail	Express & Parcels	Financial Services & Retail	Bank	Total
<b>Non-current debt</b>	<b>116,285,280</b>	<b>44,161,285</b>	<b>—</b>	<b>2,200,072</b>	<b>162,646,637</b>
Bank loans	33,323,876	—	—	—	33,323,876
Commercial Paper	34,955,535	—	—	—	34,955,535
Lease liabilities	48,005,868	44,161,285	—	2,200,072	94,367,225
<b>Current debt</b>	<b>37,400,977</b>	<b>17,031,222</b>	<b>4,341</b>	<b>1,276,979</b>	<b>55,713,519</b>
Bank loans	20,918,785	7,874,113	—	—	28,792,897
Commercial Paper	6,629	—	—	—	6,629
Lease liabilities	16,475,563	9,157,110	4,341	1,276,979	26,913,993
	<b>153,686,256</b>	<b>61,192,507</b>	<b>4,341</b>	<b>3,477,052</b>	<b>218,360,156</b>

The Group is domiciled in Portugal. The result of its Sales and services rendered by geographical segment is disclosed below:

Thousand Euros	31.03.2023	31.03.2024
Revenue - Portugal	163,339	147,743
Revenue - other countries	46,852	82,213
	<b>210,191</b>	<b>229,957</b>

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 59,655 thousand Euros (31 March 2023: 28,413 thousands of euros).

## 4. Tangible fixed assets

During the year ended 31 December 2023 and the three-months period ended 31 March 2024, the movements occurred in Tangible fixed assets, as well as the respective accumulated depreciation, were as follows:

	31.12.2023									
	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
<b>Tangible fixed assets</b>										
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
<b>Accumulated depreciation</b>										
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
<b>Accumulated impairment</b>										
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
<b>Net Tangible fixed assets</b>	<b>32,047,098</b>	<b>99,481,976</b>	<b>39,061,863</b>	<b>116,266</b>	<b>8,792,340</b>	<b>5,422,117</b>	<b>1,859,244</b>	<b>70,252</b>	<b>110,143,510</b>	<b>296,994,666</b>

  

	31.03.2024									
	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
<b>Tangible fixed assets</b>										
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	—	—	293,757	—	66,795	176,055	4,596,691	—	—	5,133,298
New contracts	—	—	—	—	—	—	—	—	8,068,517	8,068,517
Disposals	—	—	(234,908)	—	—	—	(22,322)	—	—	(257,229)
Transfers and write-offs	—	635,755	116,185	—	71,024	(207)	(908,059)	—	(315,284)	(400,586)
Remeasurements	—	—	—	—	—	—	—	—	2,637,798	2,637,798
Adjustments	(90,151)	(269,801)	61,422	1,147	1,198	229,801	—	—	1,250	(65,135)
Closing balance	35,518,750	347,572,736	188,544,197	3,683,557	79,037,013	29,779,062	5,525,554	70,252	287,282,821	977,013,941
<b>Accumulated depreciation</b>										
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	—	2,530,643	1,387,994	14,196	606,980	321,677	—	—	7,642,413	12,503,904
Disposals	—	—	(165,908)	—	—	—	—	—	—	(165,908)
Transfers and write-offs	—	—	(949)	—	—	—	—	—	(237,956)	(238,905)
Adjustments	—	(11,867)	22,248	855	941	586	—	—	—	12,763
Closing balance	3,561,803	250,243,581	150,489,264	3,581,195	70,713,578	24,259,753	—	—	174,151,488	677,000,661
<b>Accumulated impairment</b>										
Opening balance	—	—	—	—	—	13,806	—	—	—	13,806
Reversals	—	—	—	—	—	(697)	—	—	—	(697)
Closing balance	—	—	—	—	—	13,109	—	—	—	13,109
<b>Net Tangible fixed assets</b>	<b>31,956,947</b>	<b>97,329,155</b>	<b>38,054,933</b>	<b>102,362</b>	<b>8,323,436</b>	<b>5,506,200</b>	<b>5,525,554</b>	<b>70,252</b>	<b>113,131,333</b>	<b>300,000,171</b>

The depreciation recorded in the Group amounting to 12,503,904 Euros (12,407,673 Euros on 31 March 2023), is booked under the caption Depreciation/amortisation and impairment of investments, net.

As at 31 December 2023, as part of the real estate asset transaction, described in detail in note 7, CTT 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 6). 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 three-months periods ended 31 March 2024, the most significant movements in the Tangible Fixed Assets caption 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.

**Tangible fixed assets in progress and advance payments to suppliers:**

Under the caption tangible fixed assets in progress acquisitions, essentially, concerns to capitalisation works in own and third-party buildings in several facilities, as well as sorters development by CTT Expresso, branch in Spain, which will be transferred to the captions of the respective nature after its completion.

### Rights of Use

The rights of use recognised are detailed as follows, by type of underlying asset:

	31.12.2023			
	Buildings	Vehicles	Other assets	Total
<b>Tangible fixed assets</b>				
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
<b>Accumulated depreciation</b>				
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
<b>Accumulated impairment</b>				
Opening balance	3,417,162	—	—	3,417,162
Increases	4,896,310	—	—	4,896,310
Decreases	(8,313,472)	—	—	(8,313,472)
Closing balance	—	—	—	—
<b>Net Tangible fixed assets</b>	<b>98,102,333</b>	<b>10,177,778</b>	<b>1,863,399</b>	<b>110,143,510</b>

	31.03.2024			
	Buildings	Vehicles	Other assets	Total
<b>Tangible fixed assets</b>				
Opening balance	229,708,181	42,448,596	4,733,764	276,890,540
New contracts	1,466,920	6,601,597	—	8,068,517
Transfers and write-offs	(236,909)	(78,375)	—	(315,284)
Remeasurements	1,672,477	965,321	—	2,637,798
Adjustments	1,250	—	—	1,250
Closing balance	232,611,919	49,937,138	4,733,764	287,282,821
<b>Accumulated depreciation</b>				
Opening balance	131,605,848	32,270,818	2,870,365	166,747,031
Depreciation for the period	5,108,435	2,291,199	242,780	7,642,413
Transfers and write-offs	(166,928)	(71,028)	—	(237,956)
Closing balance	136,547,355	34,490,988	3,113,145	174,151,488
<b>Net Tangible fixed assets</b>	<b>96,064,564</b>	<b>15,446,150</b>	<b>1,620,619</b>	<b>113,131,333</b>

The depreciation recorded, in the amount of 7,642,413 Euros (7,971,548 Euros on 31 March 2023), is booked under the caption "Depreciation/amortisation and impairment of investments, net."

As at 31 December 2023, the initial balance of "Accumulated Impairment" booked an amount relating to the right of use associated with the lease contract of the previous CTT Head Office building - "Edificio Báltico", corresponding to the period in which the expectation existed that the right of use did not generate economic benefits for the Group due to the fact that the building was unoccupied. In 2023, the

amount recorded in “Reversals” corresponded to the contract period that had already elapsed, with the impairment loss being reversed in proportion to the depreciation of the right of use. As the building was not occupied during the year, the impairment loss initially recognized on 31 December 2022 was, on 30 June 2023, increased by 5,177 thousand Euros. Still on 31 December 2023, an early termination of this lease agreement was agreed with the counterparty, which resulted in the derecognition of the existing lease and the reversal of the remaining amount of impairment loss recorded and which had been partially reversed during the year in proportion to the depreciation of the right of use.

The information on the liabilities associated with these leases as well as the interest expenses can be found disclosed on Debt (Note 18) and Interest expenses and income (Note 25), respectively.

For the three-months period ended 31 March 2024, no interest on loans was capitalised, 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.

According to the analysis of impairment triggers as at 31 March 2024, no events or circumstances were identified that indicate that the amount for which the Group’s tangible fixed assets are recorded may not be recovered.

There are no tangible fixed assets with restricted ownership or any carrying value relative to any tangible fixed assets which have been given as a guarantee of liabilities.

The contractual commitments related to Tangible fixed assets at 31 March 2024, amount to 3,876,982 Euros.

## 5. Intangible assets

During the year ended 31 December 2023 and the three-months period ended 31 March 2024, the movements which occurred in the main categories of the Intangible assets, as well as the respective accumulated amortisation, were as follows:

	31.12.2023					Total
	Development projects	Computer Software	Industrial property	Other intangible assets	Intangible assets in progress	
<b>Intangible assets</b>						
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
<b>Accumulated amortisation</b>						
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
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
<b>Net intangible assets</b>	—	<b>61,229,926</b>	<b>4,475,370</b>	<b>1,022,375</b>	<b>3,912,114</b>	<b>70,639,785</b>

	31.03.2024					
	Development projects	Computer Software	Industrial property	Other intangible assets	Intangible assets in progress	Total
<b>Intangible assets</b>						
Opening balance	4,380,552	193,000,538	19,836,097	2,309,070	3,912,114	223,438,371
Acquisitions	—	97,943	26,485	—	3,301,656	3,426,084
Transfers and write-offs	—	2,922,420	—	—	(2,831,879)	90,541
Adjustments	—	—	8,891	—	—	8,891
Closing balance	4,380,552	196,020,901	19,871,473	2,309,070	4,381,891	226,963,886
<b>Accumulated amortisation</b>						
Opening balance	4,380,552	131,770,613	15,360,727	1,286,695	—	152,798,587
Amortisation for the period	—	4,215,644	273,469	90,210	—	4,579,322
Adjustments	—	—	6,007	—	—	6,007
Closing balance	4,380,552	135,986,257	15,640,202	1,376,905	—	157,383,916
<b>Net intangible assets</b>	<b>—</b>	<b>60,034,644</b>	<b>4,231,271</b>	<b>932,165</b>	<b>4,381,891</b>	<b>69,579,971</b>

The amortisation for the period ended 31 March 2024, amounting to 4,579,322 Euros (3,928,716 Euros as at 31 March 2023) was recorded under Depreciation / amortisation and impairment of investments, net.

The caption Industrial property 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.

The transfers occurred in the period ended 31 March 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 277,417 Euros were capitalised in computer software and in Intangible assets in progress as at 31 December 2023 and 31 March 2024, respectively, and are related to staff costs incurred in the development of these projects.

The intangible assets in progress as at 31 March 2024 refer to IT projects that are being developed, the most significant being the following:

	31.03.2024
CBS Upgrade 2024	478,655
MB Cards at Agents	465,300
Super App CTT	457,191
Customer Information Solution B2B	376,253
Digital Channels 2024	351,302
Client Area B2B - Software	238,373
	<b>2,367,074</b>

The Group has not identified any relevant uncertainties regarding the conclusion of ongoing projects, nor about their recoverability.

Most of the projects are expected to be completed in 2024.

The amount of research and development expenses incurred by the Group in 2023, in the amount of 5,990,704 Euros, was disclosed in Note 26.

There are no Intangible assets with restricted ownership or any carrying value relative to any Intangible assets which have been given as a guarantee of liabilities.

In the three-months period ended 31 March 2024, no interest on loans was capitalised, 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 related intangible assets amounted to 10,794,798 Euros at 31 March 2024,

## 6. Investment properties

During the year ended 31 December 2023 and the three-months period ended 31 March 2024, the Group has the following assets classified as investment properties:

	31.12.2023		
	Land and natural resources	Buildings and other constructions	Total
<b>Investment properties</b>			
Opening balance	2,862,247	11,052,892	13,915,139
<b>Closing balance</b>	<b>2,862,247</b>	<b>11,052,892</b>	<b>13,915,139</b>
<b>Accumulated depreciation</b>			
Opening balance	155,569	7,322,410	7,477,979
Depreciation for the period	—	183,591	183,591
Other movements	—	25,189	25,189
<b>Closing balance</b>	<b>155,569</b>	<b>7,531,191</b>	<b>7,686,759</b>
<b>Accumulated impairment</b>			
Opening balance	—	253,181	253,181
Impairment for the period	—	(788)	(788)
Closing balance	—	252,393	252,393
<b>Net Investment properties</b>	<b>2,706,679</b>	<b>3,269,308</b>	<b>5,975,987</b>
	31.03.2024		
	Land and natural resources	Buildings and other constructions	Total
<b>Investment properties</b>			
Opening balance	2,862,247	11,052,892	13,915,139
Transfers and write-offs	90,151	270,453	360,604
<b>Closing balance</b>	<b>2,952,398</b>	<b>11,323,345</b>	<b>14,275,744</b>
<b>Accumulated depreciation</b>			
Opening balance	155,569	7,531,191	7,686,759
Depreciation for the period	—	52,670	52,670
Transfers and write-offs	—	12,172	12,172
<b>Closing balance</b>	<b>155,569</b>	<b>7,596,033</b>	<b>7,751,602</b>
<b>Accumulated impairment</b>			
Opening balance	—	252,393	252,393
Closing balance	—	252,393	252,393
<b>Net Investment properties</b>	<b>2,796,830</b>	<b>3,474,919</b>	<b>6,271,749</b>

These assets are not allocated to the Group operating activities, being in the market available for lease.



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 2023 which were conducted by independent entities, amounts to 10,437,353 Euros.

The depreciation for the three-months period ended 31 March 2024, of 52,670 Euros (52,110 Euros on 31 March 2023) was recorded in the caption Depreciation/amortisation and impairment of investments, net.

For the three-months period ended 31 March 2024, the rents amount charged by the Group for properties and equipment leases classified as investment properties was 1,492 Euros (31 March 2023: 8,184 Euros).

## 7. Companies included in the consolidation

### Subsidiary companies

As at 31 December 2023 and 31 March 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	31.12.2023			31.03.2024		
			Percentage of ownership			Percentage of ownership		
			Direct	Indirect	Total	Direct	Indirect	Total
<u>Parent company:</u>								
CTT - Correios de Portugal, S.A.	Portugal	Avenida dos Combatentes 43, 14º Floor 1643-001 Lisbon	—	—	—	—	—	—
<u>Subsidiaries:</u>								
CTT Expresso - Serviços Postais e Logística, S.A. ("CTT Expresso")	Portugal	Avenida dos Combatentes 43, 14º Floor 1643-001 Lisbon	100	—	100	100	—	100
Payshop Portugal, S.A. ("Payshop")	Portugal	Avenida dos Combatentes 43, 14º Floor 1643-001 Lisbon	100	—	100	100	—	100
CTT Contacto, S.A. ("CTT Con")	Portugal	Avenida dos Combatentes 43, 14º Floor 1643-001 Lisbon	100	—	100	100	—	100
CTT Soluções Empresariais, S.A. ("CTT Sol")	Portugal	Avenida dos Combatentes 43, 14º Floor 1643-001 Lisbon	100	—	100	100	—	100
Correio Expresso de Moçambique, S.A. ("CORRE")	Mozambique	Av. 24 de Julho, Building 24, 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	100	—	100
1520 Innovation Fund ("TechTree")	Portugal	Av Conselheiro Fernando de Sousa, 19 13º Left 1070-072 Lisbon	37.5	62.5	100	37.5	62.5	100
321 Crédito - Instituição Financeira de Crédito, S.A. ("321 Crédito")	Portugal	Avenida da Boavista, 772, 1.º, Boavista Prime Building 4100-111 Oporto	—	100	100	—	100	100
NewSpring Services, S.A. ("NSS")	Portugal	Avenida dos Combatentes 43, 14º Floor 1643-001 Lisbon	—	100	100	—	100	100
CTT IMO - Sociedade Imobiliária, S.A. ("CTTI")	Portugal	Avenida dos Combatentes 43, 14º Floor 1643-001 Lisbon	100	—	100	100	—	100
Open Lockers, S.A. ("Lock")	Portugal	Avenida dos Combatentes 43, 14º Floor 1643-001 Lisbon	—	66	66	—	66	66
MedSpring, S.A. ("MEDS")	Portugal	Avenida dos Combatentes 43, 14º Floor 1643-001 Lisbon	—	100	100	—	100	100
CTT Services, S.A. ("Serv")	Portugal	Avenida dos Combatentes 43, 14º Floor 1643-001 Lisbon	—	100	100	—	100	100
CTT Imo Yield, S.A. ("IMOY")	Portugal	Lugar do Espido, Via Norte, 4470-177 Maia-Oporto	100	—	100	73.7	—	73.7

Regarding 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 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.

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 comprises:

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 32,959,185 Euros was recognized under the caption minority interests in equity.

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% stake in Open Lockers from that date onwards.

#### Joint ventures

As at 31 December 2023 and 31 March 2024, the Group held the following interests in joint ventures, registered through the equity method:

Company name	Place of business	Head office	31.12.2023			31.03.2024		
			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 March 2024, the Group held the following interests in associated companies accounted for by the equity method:

Company name	Place of business	Head office	31.12.2023			31.03.2024		
			Percentage of ownership			Percentage of ownership		
			Direct	Indirect	Total	Direct	Indirect	Total
Mafelosa, SL (a)	Spain	Castellon - Spain	—	25	25	—	25	25
Urpacsur, SL (a)	Spain	Málaga - Spain	—	30	30	—	30	30

<sup>(a)</sup> Company held by CTT Expresso - Serviços Postais e Logística, S.A., branch in Spain (until 2018 was held by Tourline Mensajería, 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:

<b>Name</b>	<b>Constitution Year</b>	<b>Place of issue</b>	<b>Consolidation Method</b>
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 Company reacquiring the entire securitised portfolio, closing the operation.

Following the termination of the partnership with Universo, in December 2023, Banco CTT sold the note Next Funding N°1 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:

	<b>31.12.2023</b>	<b>31.03.2024</b>
Cash and cash equivalents	14,947,776	16,619,198
Financial assets at fair value through profit and loss (Derivatives)	13,532,000	14,221,910

### Changes in the consolidation perimeter

In the period ended 31 December 2023, the structured entities Ulisses Finance N°1 and Next Funding N°. 1 left the consolidation perimeter. There were no other changes to the consolidation perimeter.

During three-months period ended 31 March 2024, there were no changes to the consolidation perimeter.

## 8. Debt securities

As at 31 December 2023 and 31 March 2024, the caption Debt securities, showed the following composition:

	31.12.2023	31.03.2024
<b>Non-current</b>		
<b>Financial assets at amortised cost</b>		
Government bonds	364,773,835	364,347,940
Impairment	(67,657)	(63,570)
	<b>364,706,177</b>	<b>364,284,370</b>
	<b>364,706,177</b>	<b>364,284,370</b>
<b>Current</b>		
<b>Financial assets at amortised cost</b>		
Government bonds	284,175,167	707,695,108
Supranational bonds	80,614,379	404,616,497
Bonds issued by other entities	—	4,431,621
Impairment	(29,726)	(62,450)
	<b>364,759,821</b>	<b>1,116,680,776</b>
	<b>729,465,998</b>	<b>1,480,965,147</b>

The financial assets at amortised cost are managed based on a business model whose objective is to receive its contractual cash flows.

The increase in the balance of investment items in securities is justified by the acquisition of 322 million euros of supranational debt, 188 million euros of French public debt, 107 million euros of Belgian public debt, 82 million euros of Spanish public debt, 20 million euros of Portuguese public debt and 19 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 March 2024 is detailed as follows:

	31.12.2023						Total
	Current			Non-current			
	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	
<b>Financial assets at amortised cost</b>							
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
	<b>8,574,977</b>	<b>356,214,570</b>	<b>364,789,547</b>	<b>28,543,843</b>	<b>336,229,992</b>	<b>364,773,835</b>	<b>729,563,381</b>

	31.03.2024						Total
	Current			Non-current			
	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	
<b>Financial assets at amortised cost</b>							
Government bonds							
National	2,577,856	25,958,311	28,536,167	18,569,036	143,571,544	162,140,580	190,676,747
Foreign	24,120,373	655,038,568	679,158,941	9,969,837	192,237,523	202,207,360	881,366,301
Supranational Bonds	42,933,326	361,683,171	404,616,497	—	—	—	404,616,497
Bonds issued by other entities							
National	—	—	—	—	—	—	—
Foreign	10,327	4,421,295	4,431,621	—	—	—	4,431,621
	<b>69,641,882</b>	<b>1,047,101,345</b>	<b>1,116,743,226</b>	<b>28,538,873</b>	<b>335,809,067</b>	<b>364,347,940</b>	<b>1,481,091,166</b>

### Fair Value

The fair value of debt securities at amortised cost portfolio, on 31 December 2023, amounted to 700,065 thousand euros (a negative difference of 29 401 thousand euros in relation to its book value).

The fair value of debt securities at amortised cost, on 31 March 2024, amounted to 1,448,154 thousand euros (a negative difference of 32,811 thousand euros in relation to its book value).

### Impairment losses

The impairment losses, for the year ended 31 December 2023 and the three-months period ended 31 March 2024, are detailed as follows:

	31.12.2023				
	Opening balance	Increases	Reversals	Transfers	Closing balance
<b>Non-current assets</b>					
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
<b>Current assets</b>					
Debt securities at amortised cost	9,674	8,851	(19,296)	30,497	29,726
	<b>9,674</b>	<b>8,851</b>	<b>(19,296)</b>	<b>30,497</b>	<b>29,726</b>
<i>Financial assets at fair value through other comprehensive income</i>	—	—	—	—	—
<b>Financial assets at amortised cost</b>	<b>131,601</b>	<b>28,997</b>	<b>(63,215)</b>	—	<b>97,383</b>
	<b>131,601</b>	<b>28,997</b>	<b>(63,215)</b>	—	<b>97,383</b>

	31.03.2024				Closing balance
	Opening balance	Increases	Reversals	Transfers	
<b>Non-current assets</b>					
Debt securities at amortised cost	67,657	21,089	(6,644)	(18,532)	63,570
	67,657	21,089	(6,644)	(18,532)	63,570
<b>Current assets</b>					
Debt securities at amortised cost	29,726	20,717	(6,527)	18,533	62,450
	29,726	20,717	(6,527)	18,533	62,450
<b>Financial assets at amortised cost</b>	<b>97,384</b>	<b>41,806</b>	<b>(13,171)</b>	<b>1</b>	<b>126,020</b>
	97,384	41,806	(13,171)	1	126,020

For the impairment losses of Financial assets at amortised cost, the movements by stages, in the year ended 31 December 2023 and the three-months period ended 31 March 2024, they are detailed as follows:

	31.12.2023	31.03.2024
	Stage 1	Stage 1
<b>Opening balance</b>	<b>131,602</b>	<b>97,384</b>
<b>Change in period:</b>		
Increases due to origination and acquisition	28,628	40,568
Changes due to change in credit risk	(41,239)	(11,932)
Derecognised financial assets excluding write-offs	(21,607)	—
<b>Impairment - Financial assets at amortised cost</b>	<b>97,384</b>	<b>126,020</b>

The reconciliation of accounting movements related to impairment losses is presented below:

	31.12.2023	31.03.2024
	Stage 1	Stage 1
<b>Opening balance</b>	<b>131,602</b>	<b>97,384</b>
<b>Change in period:</b>		
ECL income statement change for the period	(34,218)	28,636
<b>Impairment - Financial assets at amortised cost</b>	<b>97,384</b>	<b>126,020</b>

According to the accounting policy in force, the Group regularly assesses whether there is objective evidence of impairment in its financial asset portfolios at amortised cost.



## 9. Other banking financial assets and liabilities

As at 31 December 2023 and 31 March 2024, the caption “Other banking financial assets” and “Other banking financial liabilities” showed the following composition:

	31.12.2023	31.03.2024
<b>Current assets</b>		
Investments in central banks	1,260,076,886	841,109,660
Investments in credit institutions	11,049,500	11,550,635
Loans to credit institutions	961,721	350,603
Impairment	(8,143)	(6,044)
Other	4,575,096	4,110,559
Impairment	(1,821,475)	(1,820,594)
	<b>1,274,833,584</b>	<b>855,294,819</b>
	<b>1,274,833,584</b>	<b>855,294,819</b>
<b>Current liabilities</b>		
Other	47,759,822	68,203,701
	<b>47,759,822</b>	<b>68,203,701</b>

Investments in central banks, credit institutions and Loans to credit institutions

Regarding the above-mentioned captions, the scheduling by maturity is as follows:

	31.12.2023	31.03.2024
Up to 3 months	1,260,688,003	841,460,264
From 3 to 12 months	11,400,103	11,550,635
	<b>1,272,088,106</b>	<b>853,010,899</b>

The caption "Investments in credit institutions" showed an annual average return of 3.503% (31 December 2023: 2.435%).

The amount of 841,109,660 Euros recorded in investments in 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 the first quarter of 2024 increased investment in the securities portfolio.

Impairment

The impairment losses, in the year ended 31 December 2023 and the three-months period ended 31 March 2024, are detailed as follows:

	31.12.2023					Closing balance
	Opening balance	Increases	Reversals	Utilisations	Transfers	
<b>Non-current assets</b>						
Investments and loans in credit institutions	274	—	—	—	(274)	—
	<b>274</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(274)</b>	<b>—</b>
<b>Current assets</b>						
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
	<b>1,807,340</b>	<b>39,061</b>	<b>(10,607)</b>	<b>(6,450)</b>	<b>274</b>	<b>1,829,619</b>
	<b>1,807,615</b>	<b>39,061</b>	<b>(10,607)</b>	<b>(6,450)</b>	<b>—</b>	<b>1,829,619</b>

	31.03.2024					Closing balance
	Opening balance	Increases	Reversals	Utilisations	Transfers	
<b>Non-current assets</b>						
Investments and loans in credit institutions	—	—	—	—	—	—
	—	—	—	—	—	—
<b>Current assets</b>						
Investments and loans in credit institutions	8,143	377	(2,475)	—	—	6,044
Other	1,821,475	750	(1,631)	—	—	1,820,594
	<b>1,829,618</b>	<b>1,127</b>	<b>(4,107)</b>	—	—	<b>1,826,638</b>
	<b>1,829,618</b>	<b>1,127</b>	<b>(4,107)</b>	—	—	<b>1,826,638</b>

Regarding the movements in impairment losses on investments and loans to credit institutions by stages, in the periods ended on 31 December 2023 and the three-months period ended 31 March 2024, they are detailed as follows:

	31.12.2023	31.03.2024
	Stage 1	Stage 1
<b>Opening balance</b>	<b>1,669</b>	<b>8,143</b>
<b>Change in period:</b>		
Increases due to origination and acquisition	8,099	377
Changes due to change in credit risk	(230)	(2,203)
Decrease due to derecognition repayments and disposals	(1,394)	(272)
<b>Impairment</b>	<b>8,143</b>	<b>6,044</b>

The reconciliation of accounting movements related to impairment losses is presented below:

	31.12.2023	31.03.2024
	Stage 1	Stage 1
<b>Opening balance</b>	<b>1,669</b>	<b>8,143</b>
<b>Change in period:</b>		
ECL income statement change for the period	6,474	(2,099)
<b>Impairment</b>	<b>8,143</b>	<b>6,044</b>

The caption “Other current liabilities” essentially books the balance of banking operations pending of financial settlement.

## 10. Credit to banking clients

As at 31 December 2023 and 31 March 2024, the caption Credit to banking clients was detailed as follows:

	31.12.2023	31.03.2024
<b>Performing loans</b>	<b>1,616,912,775</b>	<b>1,644,348,624</b>
Mortgage Loans	728,846,938	738,302,976
Auto Loans	882,757,623	900,779,972
Leasings	1,819,790	1,573,640
Overdrafts	3,488,425	3,692,036
<b>Overdue loans</b>	<b>24,117,118</b>	<b>27,098,416</b>
Overdue loans - less than 90 days	1,384,695	1,575,202
Overdue loans - more than 90 days	22,732,423	25,523,214
	<b>1,641,029,894</b>	<b>1,671,447,040</b>
<b>Credit risk impairment</b>	<b>(47,815,999)</b>	<b>(52,140,209)</b>
	<b>1,593,213,895</b>	<b>1,619,306,832</b>

The maturity analysis of the Credit to banking clients as at 31 December 2023 and 31 March 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
	<b>3,488,425</b>	<b>40,119,913</b>	<b>101,671,962</b>	<b>24,117,118</b>	<b>169,397,418</b>	<b>272,058,526</b>	<b>1,199,573,950</b>	<b>1,471,632,475</b>	<b>1,641,029,894</b>

  

	31.03.2024								
	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	—	4,693,923	9,530,414	39,019	14,263,356	26,202,310	697,876,329	724,078,639	738,341,995
Auto Loans	—	35,791,317	93,903,899	25,978,808	155,674,024	251,441,792	519,642,965	771,084,757	926,758,780
Leasings	—	168,233	560,256	99,423	827,912	450,123	395,028	845,151	1,673,064
Overdrafts	3,692,036	—	—	981,165	4,673,202	—	—	—	4,673,202
	<b>3,692,036</b>	<b>40,653,472</b>	<b>103,994,569</b>	<b>27,098,416</b>	<b>175,438,493</b>	<b>278,094,225</b>	<b>1,217,914,322</b>	<b>1,496,008,547</b>	<b>1,671,447,040</b>

The breakdown of this heading by type of rate is as follows:

	31.12.2023	31.03.2024
Fixed rate	1,039,230,174	1,096,754,052
Floating rate	601,799,720	574,692,989
	<b>1,641,029,894</b>	<b>1,671,447,040</b>
Credit risk impairment	(47,815,999)	(52,140,209)
	<b>1,593,213,895</b>	<b>1,619,306,832</b>

As at 31 December 2023 and 31 March 2024, the analysis of this caption by type of collateral, is presented as follows:

<b>31.12.2023</b>					
	<b>Performing Loans</b>	<b>Overdue Loans</b>	<b>Gross amount</b>	<b>Impairment</b>	<b>Net amount</b>
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
	<b>1,616,912,775</b>	<b>24,117,118</b>	<b>1,641,029,894</b>	<b>(47,815,999)</b>	<b>1,593,213,895</b>

<b>31.03.2024</b>					
	<b>Performing Loans</b>	<b>Overdue Loans</b>	<b>Gross amount</b>	<b>Impairment</b>	<b>Net amount</b>
Asset-backed Loans	739,906,600	132,211	740,038,811	(1,652,055)	738,386,756
Other guaranteed Loans	878,739,237	5,734,975	884,474,212	(33,149,460)	851,324,752
Unsecured Loans	25,702,787	21,231,230	46,934,017	(17,338,693)	29,595,323
	<b>1,644,348,624</b>	<b>27,098,416</b>	<b>1,671,447,040</b>	<b>(52,140,209)</b>	<b>1,619,306,832</b>

The credit type analysis of the caption, as at 31 December 2023 and 31 March 2024 is detailed as follows:

<b>31.12.2023</b>					
	<b>Performing Loans</b>	<b>Overdue Loans</b>	<b>Gross amount</b>	<b>Impairment</b>	<b>Net amount</b>
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
	<b>1,616,912,775</b>	<b>24,117,118</b>	<b>1,641,029,894</b>	<b>(47,815,999)</b>	<b>1,593,213,895</b>

<b>31.03.2024</b>					
	<b>Performing Loans</b>	<b>Overdue Loans</b>	<b>Gross amount</b>	<b>Impairment</b>	<b>Net amount</b>
Mortgage Loans	738,302,976	39,019	738,341,995	(1,561,812)	736,780,182
Auto Loans	900,779,972	25,978,808	926,758,780	(49,752,852)	877,005,929
Leasings	1,573,640	99,423	1,673,064	(19,441)	1,653,623
Overdrafts	3,692,036	981,165	4,673,202	(806,104)	3,867,098
	<b>1,644,348,624</b>	<b>27,098,416</b>	<b>1,671,447,040</b>	<b>(52,140,209)</b>	<b>1,619,306,832</b>

The analysis of credit to bank clients as at 31 December 2023 and 31 March 2024, by sector of activity, is as follows:

	31.12.2023				
	Performing Loans	Overdue Loans	Gross amount	Impairment	Net amount
<b>Companies</b>	<b>95,619,127</b>	<b>2,570,833</b>	<b>98,189,960</b>	<b>(4,480,668)</b>	<b>93,709,293</b>
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
Supply of electricity, gas, steam and air conditioning	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 activities	11,255,827	358,412	11,614,239	(586,252)	11,027,987
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 activities	844,145	12,967	857,112	(15,932)	841,180
Arts, entertainment and recreation	1,803,171	21,167	1,824,339	(39,544)	1,784,794
Other services	1,851,294	147,756	1,999,049	(129,751)	1,869,298
	8,572,733	156,221	8,728,954	(385,589)	8,343,365
<b>Individuals</b>	<b>1,521,293,648</b>	<b>21,546,285</b>	<b>1,542,839,933</b>	<b>(43,335,332)</b>	<b>1,499,504,602</b>
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
	<b>1,616,912,775</b>	<b>24,117,118</b>	<b>1,641,029,894</b>	<b>(47,815,999)</b>	<b>1,593,213,895</b>

	31.03.2024				
	Performing Loans	Overdue Loans	Gross amount	Impairment	Net amount
<b>Companies</b>	<b>99,365,180</b>	<b>3,108,156</b>	<b>102,473,336</b>	<b>(5,131,909)</b>	<b>97,341,427</b>
Agriculture, forestry and fishing	13,572,251	342,384	13,914,635	(797,555)	13,117,080
Mining and quarrying	1,588,600	3,975	1,592,575	(51,056)	1,541,519
Manufacturing	7,125,159	272,652	7,397,811	(392,645)	7,005,166
Electricity, gas, steam and air conditioning supply	8,064	—	8,064	(35)	8,028
Water supply	128,111	—	128,111	(534)	127,577
Construction	18,343,206	745,394	19,088,600	(1,104,103)	17,984,496
Wholesale and retail trade	14,288,911	304,813	14,593,724	(542,649)	14,051,075
Transport and storage	12,175,182	457,756	12,632,938	(680,528)	11,952,410
Accommodation and food service activities	7,375,358	141,477	7,516,835	(371,836)	7,144,999
Information and communication	1,197,465	7,717	1,205,183	(39,854)	1,165,328
Financial and insurance activities	323,681	32,645	356,327	(26,665)	329,661
Real estate activities	2,144,079	44,850	2,188,929	(51,383)	2,137,545
Professional, scientific and technical activities	2,485,869	112,317	2,598,186	(118,554)	2,479,632
Administrative and support service activities	5,085,400	274,601	5,360,001	(333,949)	5,026,052
Public administration and defence, compulsory social security	82,127	—	82,127	(2,385)	79,742
Education	833,707	13,152	846,859	(17,822)	829,037
Human health services and social work activities	1,922,541	24,552	1,947,092	(52,082)	1,895,011
Arts, entertainment and recreation	1,922,498	149,761	2,072,259	(139,760)	1,932,499
Other services	8,762,971	180,108	8,943,079	(408,512)	8,534,567
<b>Individuals</b>	<b>1,544,983,444</b>	<b>23,990,260</b>	<b>1,568,973,705</b>	<b>(47,008,300)</b>	<b>1,521,965,405</b>
Mortgage Loans	738,384,638	39,024	738,423,662	(1,563,442)	736,860,219
Consumer Loans	806,598,807	23,951,236	830,550,043	(45,444,858)	785,105,185
	<b>1,644,348,624</b>	<b>27,098,416</b>	<b>1,671,447,040</b>	<b>(52,140,209)</b>	<b>1,619,306,832</b>

The total credit portfolio, split by stage according to IFRS 9, is analysed as follows:

	31.12.2023	31.03.2024
<b>Stage 1</b>	<b>1,462,656,854</b>	<b>1,486,729,931</b>
Gross amount	1,466,355,203	1,490,482,670
Impairment	(3,698,349)	(3,752,739)
<b>Stage 2</b>	<b>91,015,446</b>	<b>88,567,025</b>
Gross amount	97,460,137	95,290,740
Impairment	(6,444,691)	(6,723,716)
<b>Stage 3</b>	<b>39,541,594</b>	<b>44,009,876</b>
Gross amount	77,214,554	85,673,630
Impairment	(37,672,959)	(41,663,754)
	<b>1,593,213,895</b>	<b>1,619,306,832</b>

The caption credit to banking clients includes the effect of traditional securitisation transactions, carried out through securitisation vehicles, consolidated pursuant to IFRS 10.

The caption credit to banking clients includes the following amounts related to finance leases contracts:

	31.12.2023	31.03.2024
Amount of future minimum payments	2,244,282	1,958,708
Interest not yet due	(424,492)	(385,067)
<b>Present value</b>	<b>1,819,790</b>	<b>1,573,640</b>

The amount of future minimum payments of lease contracts, by maturity terms, is analysed as follows:

	<b>31.12.2023</b>	<b>31.03.2024</b>
Due within 1 year	1,272,469	1,103,300
Due between 1 to 5 years	686,206	582,172
Over 5 years	285,607	273,236
<b>Amount of future minimum payments</b>	<b>2,244,282</b>	<b>1,958,708</b>

The analysis of financial leases contracts, by type of client, is presented as follows:

	<b>31.12.2023</b>	<b>31.03.2024</b>
<b>Individuals</b>	<b>242,458</b>	<b>221,262</b>
Home	74,602	72,123
Others	167,857	149,140
<b>Companies</b>	<b>1,577,331</b>	<b>1,352,378</b>
Equipment	161,061	156,054
Real Estate	1,416,271	1,196,324
	<b>1,819,790</b>	<b>1,573,640</b>

#### Fair Value

The “Credit to banking clients” fair value, on 31 December 2023, amounted to 1,559,416 thousand euros (a negative difference of 6,202 thousand euros in relation to its book value).

The “Credit to banking clients” fair value, on 31 March 2024, amounted to 1,597,142 thousand euros (a negative difference of 22,165 thousand euros in relation to its book value).

#### Impairment losses

During year ended on 31 December 2023 and the three-months period ended 31 March 2024, the movement under the Accumulated impairment losses caption (Note 13) was as follows:

	<b>31.12.2023</b>						
	Opening balance	Increases	Reversals	Utilisations	Transfers	Other movements	
<b>Non-current assets</b>							
Credit to banking clients	22,074,965	29,865,366	(15,637,839)	(18,335,628)	9,084,969	168,623	27,220,455
	<b>22,074,965</b>	<b>29,865,366</b>	<b>(15,637,839)</b>	<b>(18,335,628)</b>	<b>9,084,969</b>	<b>168,623</b>	<b>27,220,455</b>
<b>Current assets</b>							
Credit to banking clients	32,661,202	22,596,738	(11,831,904)	(13,873,106)	(9,084,969)	127,583	20,595,544
	<b>32,661,202</b>	<b>22,596,738</b>	<b>(11,831,904)</b>	<b>(13,873,106)</b>	<b>(9,084,969)</b>	<b>127,583</b>	<b>20,595,544</b>
	<b>54,736,167</b>	<b>52,462,104</b>	<b>(27,469,743)</b>	<b>(32,208,734)</b>	<b>—</b>	<b>296,206</b>	<b>47,815,999</b>
	<b>31.03.2024</b>						
	Opening balance	Increases	Reversals	Utilisations	Transfers	Other movements	Closing balance
<b>Non-current assets</b>							
Credit to banking clients	27,220,455	4,868,289	(2,468,165)	(17,110)	(552,721)	28,665	29,079,414
	<b>27,220,455</b>	<b>4,868,289</b>	<b>(2,468,165)</b>	<b>(17,110)</b>	<b>(552,721)</b>	<b>28,665</b>	<b>29,079,414</b>
<b>Current assets</b>							
Credit to banking clients	20,595,544	3,860,690	(1,957,324)	(13,568)	552,721	22,732	23,060,795
	<b>20,595,544</b>	<b>3,860,690</b>	<b>(1,957,324)</b>	<b>(13,568)</b>	<b>552,721</b>	<b>22,732</b>	<b>23,060,795</b>
	<b>47,815,999</b>	<b>8,728,979</b>	<b>(4,425,489)</b>	<b>(30,678)</b>	<b>—</b>	<b>51,397</b>	<b>52,140,209</b>

The impairment losses of Credit to banking clients (net of reversals) for the period ended 31 March 2024 amounted to 4,303,490 Euros (6,287,970 Euros as at 31 March 2023) was booked in the caption “Impairment of other financial banking assets.”

The movements in impairment losses by stages, in the year ended on 31 December 2023 and the three-months period ended 31 March 2024, they are detailed as follows:

	<b>31.12.2023</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Opening balance</b>	<b>7,512,642</b>	<b>6,955,009</b>	<b>40,268,516</b>	<b>54,736,167</b>
<b>Change in period:</b>				
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
<b>Impairment</b>	<b>3,698,349</b>	<b>6,444,691</b>	<b>37,672,959</b>	<b>47,815,999</b>
<i>Of which: POCI</i>	—	—	578,523	578,523

	<b>31.03.2024</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Opening balance</b>	<b>3,698,349</b>	<b>6,444,691</b>	<b>37,672,959</b>	<b>47,815,999</b>
<b>Change in period:</b>				
Increases due to origination and acquisition	339,187	63,505	5,133	407,824
Changes due to change in credit risk	(1,462,154)	2,158,229	3,551,861	4,247,936
Decrease due to derecognition repayments and disposals	(87,966)	(70,139)	(194,166)	(352,270)
Write-offs	—	—	(30,678)	(30,678)
Transfers to:				
Stage 1	1,451,409	(1,093,505)	(357,904)	—
Stage 2	(107,450)	599,749	(492,299)	—
Stage 3	(8,588)	(1,461,326)	1,469,914	—
Foreign exchange and other	(70,048)	82,513	38,933	51,397
<b>Impairment</b>	<b>3,752,739</b>	<b>6,723,716</b>	<b>41,663,754</b>	<b>52,140,209</b>
<i>Of which: POCI</i>	—	—	596,875	596,875

The reconciliation of accounting movements related to impairment losses is presented below:

	<b>31.12.2023</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Opening balance</b>	<b>7,512,642</b>	<b>6,955,009</b>	<b>40,268,516</b>	<b>54,736,167</b>
<b>Change in period:</b>				
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
<b>Impairment</b>	<b>3,698,349</b>	<b>6,444,691</b>	<b>37,672,959</b>	<b>47,815,999</b>



	31.03.2024			Total
	Stage 1	Stage 2	Stage 3	
<b>Opening balance</b>	<b>3,698,349</b>	<b>6,444,691</b>	<b>37,672,959</b>	<b>47,815,999</b>
<b>Change in period:</b>				
ECL income statement change for the period	(1,210,933)	2,151,594	3,362,829	4,303,490
Stage transfers (net)	1,335,371	(1,955,082)	619,711	—
Write-offs	—	—	(30,678)	(30,678)
Foreign exchange and other	(70,048)	82,513	38,933	51,397
<b>Impairment</b>	<b>3,752,739</b>	<b>6,723,716</b>	<b>41,663,754</b>	<b>52,140,209</b>

### 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 parameters assumed to be more sensitive or susceptible to changes in the economic cycle are the Probability of Default (PD – Probability of Default) for most portfolios and the Loss Given Default (LGD – Loss Given Default) for the case of the credit card.

In this context, a sensitivity analysis was carried out to determine what would be the impairment of the global portfolio if those parameters suffered a relative deterioration of 10%, conclude that the increase in impairment would be 3,549 thousand euros, corresponding to about 6,8%.

## 11. Prepayments

As at 31 December 2023 and 31 March 2024, the Prepayments included in current assets and current and non-current liabilities showed the following composition:

	31.12.2023	31.03.2024
<b>Deferred Assets</b>		
Current		
Rents payable	389,421	294,646
Meal allowances	1,315,703	1,315,703
Other	8,241,648	10,734,010
	<b>9,946,772</b>	<b>12,344,360</b>
<b>Deferred Liabilities</b>		
Non-current		
Investment subsidy	671,689	671,029
	<b>671,689</b>	<b>671,029</b>
Current		
Investment subsidy	11,201	11,201
Contractual liabilities	2,212,896	3,000,631
Other	2,886,001	2,475,696
	<b>5,110,098</b>	<b>5,487,528</b>
	<b>5,781,787</b>	<b>6,158,557</b>

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” essentially refer to amounts related to stamps and prepaid postage of priority mail in the amount of 999,307 Euros (792,237 Euros on 31 December 2023), whose revenue is expected to be recognised in April 2024 (estimate of 80% of the item's value) and the remaining during 2024, and to objects invoiced and not delivered on 31 March 2024 in the express segment, in the amount of 2,001,324 Euros (1,420,660 Euros as at 31 December 2023), whose revenue is recognised upon delivery in the following month.

The revenue recognised in the period, included in the balance of Contractual liabilities at the beginning of the period amounted to 2,046,863 Euros.

No “Assets resulting from contracts” associated with the application of IFRS 15 - Revenue from contracts with customers were recognised.

## 12. Cash and cash equivalents

As at 31 December 2023 and 31 March 2024, cash and cash equivalents correspond to the amount 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:

	31.12.2023	31.03.2024
Cash	86,139,678	66,417,351
Demand deposits	93,256,266	63,737,929
Deposits at Central Banks	29,095,592	33,106,464
Deposits at other credit institutions	36,068,548	29,422,128
Term deposits	107,049,550	63,400,210
<b>Cash and cash equivalents (Statement of Financial Position)</b>	<b>351,609,634</b>	<b>256,084,081</b>
Demand deposits at Banco de Portugal	(28,625,500)	(32,642,900)
Checks for collection / Checks clearing	(7,758,807)	(5,688,082)
Impairment of Demand and term deposits	3,988	3,445
<b>Cash and cash equivalents (Cash Flow Statement)</b>	<b>315,229,314</b>	<b>217,756,544</b>

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 March 2024, the daily average of the minimum mandatory availability for the period in force was 32,642,900 Euros.

Therefore, the caption Demand deposits at Bank of Portugal includes, as at 31 March 2024, a total amount of demand deposits of 33,106,464 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.

### Impairment

In the year ended on 31 December 2023 and the three-months period ended 31 March 2024, the movement recorded under the caption “Impairment of sight and term deposits” (Note 13) related to the Group is detail as follows:

<b>31.12.2023</b>					
<b>Group</b>	<b>Opening balance</b>	<b>Increases</b>	<b>Reversals</b>	<b>Utilisations</b>	<b>Closing balance</b>
Sight and term deposits	7,917	38	(3,967)	—	3,988
	<b>7,917</b>	<b>38</b>	<b>(3,967)</b>	<b>—</b>	<b>3,988</b>

<b>31.03.2024</b>					
<b>Group</b>	<b>Opening balance</b>	<b>Increases</b>	<b>Reversals</b>	<b>Utilisations</b>	<b>Closing balance</b>
Sight and term deposits	3,988	163	(706)	—	3,445
	<b>3,988</b>	<b>163</b>	<b>(706)</b>	<b>—</b>	<b>3,445</b>

The Impairment losses (increases net of reversals) for the period ended 31 March 2024 in the amount of (543) Euros (18,233 Euros as at 31 March 2023) were recorded under the caption “Impairment of accounts receivable (losses/reversals)”.

## 13. Accumulated impairment losses

During the year ended on 31 December 2023 and the three-months period ended 31 March 2024, the following movements occurred in the impairment losses:

31.12.2023							
Group	Opening balance	Increases	Reversals	Utilisations	Transfers	Other movements	Closing balance
<b>Non-current assets</b>							
Tangible fixed assets	3,652,127	5,176,860	(8,815,181)	—	—	—	13,806
Investment properties	253,181	60,000	(60,788)	—	—	—	252,393
	<b>3,905,309</b>	<b>5,236,860</b>	<b>(8,875,970)</b>	—	—	—	<b>266,199</b>
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)	—	—
	<b>25,104,013</b>	<b>29,891,969</b>	<b>(17,523,057)</b>	<b>(18,335,628)</b>	<b>8,362,686</b>	<b>168,623</b>	<b>27,668,606</b>
	<b>29,009,322</b>	<b>35,128,829</b>	<b>(26,399,026)</b>	<b>(18,335,628)</b>	<b>8,362,686</b>	<b>168,623</b>	<b>27,934,805</b>
<b>Current assets</b>							
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
	<b>87,442,978</b>	<b>29,045,535</b>	<b>(14,255,998)</b>	<b>(14,612,329)</b>	<b>(8,362,686)</b>	<b>126,443</b>	<b>79,383,940</b>
Non-current assets held for sale	638	—	—	—	—	—	638
	<b>638</b>	—	—	—	—	—	<b>638</b>
Merchandise	2,747,401	—	(283,414)	(229,068)	—	—	2,234,919
Raw, subsidiary and consumable	922,313	92,783	—	(113,152)	—	—	901,944
	<b>3,669,714</b>	<b>92,783</b>	<b>(283,414)</b>	<b>(342,220)</b>	—	—	<b>3,136,863</b>
	<b>91,113,329</b>	<b>29,138,317</b>	<b>(14,539,412)</b>	<b>(14,954,549)</b>	<b>(8,362,686)</b>	<b>126,443</b>	<b>82,521,443</b>
	<b>120,122,649</b>	<b>64,267,146</b>	<b>(40,938,438)</b>	<b>(33,290,178)</b>	—	<b>295,066</b>	<b>110,456,246</b>

Group	31.03.2024						Closing balance
	Opening balance	Increases	Reversals	Utilisations	Transfers	Other movements	
<b>Non-current assets</b>							
Tangible fixed assets	13,806	—	(697)	—	—	—	13,109
Investment properties	252,393	—	—	—	—	—	252,393
	<b>266,199</b>	<b>—</b>	<b>(697)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>265,502</b>
Debt securities at amortised cost	67,657	21,089	(6,644)	—	(18,532)	—	63,570
Other non-current assets	380,493	15,010	—	—	—	—	395,503
Credit to banking clients	27,220,455	4,868,289	(2,468,165)	(17,110)	(552,721)	28,665	29,079,414
	<b>27,668,606</b>	<b>4,904,388</b>	<b>(2,474,808)</b>	<b>(17,110)</b>	<b>(571,253)</b>	<b>28,665</b>	<b>29,538,488</b>
	<b>27,934,805</b>	<b>4,904,388</b>	<b>(2,475,505)</b>	<b>(17,110)</b>	<b>(571,253)</b>	<b>28,665</b>	<b>29,803,990</b>
<b>Current assets</b>							
Accounts receivable	45,275,655	1,139,036	(118,977)	(535,337)	—	469	45,760,847
Credit to banking clients	20,595,544	3,860,690	(1,957,324)	(13,568)	552,721	22,732	23,060,795
Debt securities at amortised cost	29,726	20,717	(6,527)	—	18,533	—	62,450
Other current assets	11,649,410	40,992	(86,965)	(19,958)	—	—	11,583,479
Other banking financial assets	1,829,618	1,127	(4,107)	—	—	—	1,826,638
Sight and term deposits	3,988	163	(706)	—	—	—	3,445
	<b>79,383,943</b>	<b>5,062,725</b>	<b>(2,174,605)</b>	<b>(568,863)</b>	<b>571,253</b>	<b>23,201</b>	<b>82,297,656</b>
Non-current assets held for sale	638	—	—	—	—	—	638
	<b>638</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>638</b>
Merchandise	2,234,919	17,609	—	—	—	—	2,252,528
Raw, subsidiary and consumable	901,944	38,016	—	—	—	—	939,960
	<b>3,136,863</b>	<b>55,626</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>3,192,488</b>
	<b>82,521,443</b>	<b>5,118,350</b>	<b>(2,174,605)</b>	<b>(568,863)</b>	<b>571,253</b>	<b>23,201</b>	<b>85,490,781</b>
	<b>110,456,246</b>	<b>10,022,738</b>	<b>(4,650,110)</b>	<b>(585,972)</b>	<b>—</b>	<b>51,866</b>	<b>115,294,769</b>

## 14. Equity

At the Annual General Meeting held on 20 April 2023, a share capital reduction of 717,500 Euros was approved, within the scope of the own share buyback programme implemented in 2022. 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.

Thus, on 31 December 2023 and 31 March 2024, 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.

As at 31 December 2023 and 31 March 2024 the Company's shareholders with qualifying holdings shareholdings, according to the information reported, are as follows:

31.12.2023				
Shareholders		No. of shares	% Share capital	Nominal Value
Global Portfolio Investments, S.L. (1)		21,580,000	14.995 %	10,790,000
<b>Indumenta Pueri, S.L. (1)</b>	<b>Total</b>	<b>21,580,000</b>	<b>14.995 %</b>	<b>10,790,000</b>
Manuel Champalimaud, SGPS, S.A.		19,246,815	13.374 %	9,623,408
Manuel Carlos de Melo Champalimaud		500,185	0.348 %	250,093
<b>Manuel Carlos de Melo Champalimaud</b>	<b>Total</b>	<b>19,747,000</b>	<b>13.721 %</b>	<b>9,873,500</b>
GreenWood Builders Fund I, LP (2)		9,762,000	6.783 %	4,881,000
<b>GreenWood Investors LLC(2)</b>	<b>Total</b>	<b>9,777,400</b>	<b>6.794 %</b>	<b>4,888,700</b>
<b>Green Frog Investments Inc</b>	<b>Total</b>	<b>7,730,000</b>	<b>5.371 %</b>	<b>3,865,000</b>
<b>CTT, S.A. (own shares)</b>	<b>Total</b>	<b>4,409,300</b>	<b>3.064 %</b>	<b>2,204,650</b>
<b>Other shareholders</b>	<b>Total</b>	<b>80,671,300</b>	<b>56.055 %</b>	<b>40,335,650</b>
<b>TOTAL</b>		<b>143,915,000</b>	<b>100.000 %</b>	<b>71,957,500</b>

(1) Global Portfolio Investments, S.L. is controlled by Indumenta Pueri, S.L..

(2) Greenwood Investors LLC, of which Steven Wood, Non-Executive member of the Board of Directors of CTT, is a Managing Member, exercises the voting rights not in its own name but on behalf of the fund 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 Wood.

Note: Pursuant to Article 16(1) of the Portuguese Securities Code as amended, which establishes a shareholding of 5% as the minimum threshold for the duty to communicate qualified holdings, CTT will now only disclose the qualified holdings above that threshold.

31.03.2024

Shareholders		No. of shares	% Share capital	Nominal Value
Global Portfolio Investments, S.L. (1)		21,580,000	14.995 %	10,790,000
<b>Indumenta Pueri, S.L. (1)</b>	<b>Total</b>	<b>21,580,000</b>	<b>14.995 %</b>	<b>10,790,000</b>
Manuel Champalimaud, SGPS, S.A.		19,246,815	13.374 %	9,623,408
Manuel Carlos de Melo Champalimaud		500,185	0.348 %	250,093
<b>Manuel Carlos de Melo Champalimaud</b>	<b>Total</b>	<b>19,747,000</b>	<b>13.721 %</b>	<b>9,873,500</b>
GreenWood Builders Fund I, LP (2)		9,762,000	6.783 %	4,881,000
<b>GreenWood Investors LLC(2)</b>	<b>Total</b>	<b>9,777,400</b>	<b>6.794 %</b>	<b>4,888,700</b>
<b>Green Frog Investments Inc</b>	<b>Total</b>	<b>7,730,000</b>	<b>5.371 %</b>	<b>3,865,000</b>
<b>CTT, S.A. (own shares)</b>	<b>Total</b>	<b>6,256,818</b>	<b>4.348 %</b>	<b>3,128,409</b>
<b>Other shareholders</b>	<b>Total</b>	<b>78,823,782</b>	<b>54.771 %</b>	<b>39,411,891</b>
<b>TOTAL</b>		<b>143,915,000</b>	<b>100.000 %</b>	<b>71,957,500</b>

(1) Global Portfolio Investments, S.L. is controlled by Indumenta Pueri, S.L..

(2) Greenwood Investors LLC, of which Steven Wood, Non-Executive member of the Board of Directors of CTT, is a Managing Member, exercises the voting rights not in its own name but on behalf of the fund 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 Wood.

Note: Pursuant to Article 16(1) of the Portuguese Securities Code as amended, which establishes a shareholding of 5% as the minimum threshold for the duty to communicate qualified holdings, CTT will now only disclose the qualified holdings above that threshold.

## 15. Own shares, Reserves, Other changes in equity and Retained earnings

### Own shares

As at 31 December 2023, the following movements were made in the 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
<b>Balance at 31 December 2023</b>	<b>4,409,300</b>	<b>15,624,632</b>	<b>3.54</b>

During the three-months period ended 31 March 2024, the following movements were made in the caption "Own Shares":

	Quantity	Amount	Average Price
Balance 31 December 2023	4,409,300	15,624,632	3.54
Acquisitions	1,847,518	6,799,576	3.68
<b>Balance at 31 March 2024</b>	<b>6,256,818</b>	<b>22,424,208</b>	<b>3.58</b>

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 24 - 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, to be implemented over the following 12 months (beginning on 26 June 2023 and ending on 25 June 2024, without prejudice to ending on an earlier date if the maximum number of shares to be acquired or the pecuniary amount is reached), has the following purposes:

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.

At the Annual General Meeting held on 23 April 2024, it was decided the reduction of CTT's share capital by 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 within the scope of the share buyback programme mentioned above, and limited to the amount corresponding to the own shares that until 25 June 2024 have been acquired and cancelled, all other terms and conditions for the implementation of the share buyback and of the corresponding share capital reduction being established by the Board of Directors.

As at 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 at 31 March 2024, the Company held an accumulated amount of 6,256,818 own shares, representing 4.348% 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 March 2024, the caption “Reserves” showed the following composition

<b>31.12.2023</b>				
	<b>Legal reserves</b>	<b>Own shares reserves</b>	<b>Other reserves</b>	<b>Total</b>
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)
<b>Closing balance</b>	<b>15,000,000</b>	<b>15,624,633</b>	<b>17,488,611</b>	<b>48,113,244</b>

<b>31.03.2024</b>				
	<b>Legal reserves</b>	<b>Own shares reserves</b>	<b>Other reserves</b>	<b>Total</b>
Opening balance	15,000,000	15,624,633	17,488,611	48,113,244
Own shares acquisitions	—	6,799,576	(6,799,576)	—
<b>Closing balance</b>	<b>15,000,000</b>	<b>22,424,209</b>	<b>10,689,035</b>	<b>48,113,244</b>

### *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 March 2024, this caption includes the amount of 22,424,209 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 24 - Staff Costs.



### Retained earnings

During the year ended on 31 December 2023 and the three-months period ended 31 March 2024, the following movements were made in caption “Retained earnings”:

	<b>31.12.2023</b>	<b>31.03.2024</b>
Opening balance	64,647,067	83,269,152
Application of the net profit of the prior year	36,406,519	60,511,368
Distribution of dividends (Note 16)	(17,817,109)	—
Adjustments from the application of the equity method	32,674	6,654
<b>Closing balance</b>	<b>83,269,152</b>	<b>143,787,175</b>

### 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.

During the year ended on 31 December 2023 and the three-months period ended 31 March 2024, the movements occurred in this caption were as follows:

	<b>31.12.2023</b>	<b>31.03.2024</b>
Opening balance	6,857,207	3,402,039
Actuarial gains/losses	(5,716,054)	—
Tax effect (Note 26)	1,555,423	—
Share Plan (share delivery)	705,463	—
Other movements	—	(505,194)
<b>Closing balance</b>	<b>3,402,039</b>	<b>2,896,845</b>

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 15) and the amount of own shares delivered within the scope of this operation in the amount of 449,537 Euros. The difference between the two amounts was recognised under the caption “Other changes in equity”, under the terms of the IFRS.

## 16. 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 will be transferred to retained earnings.

## 17. Earnings per share

During the three-months periods ended 31 March 2023 and 31 March 2024, the earnings per share were calculated as follows:

Group	31.03.2023	31.03.2024
Net income for the period	16,135,054	7,432,609
Average number of ordinary shares	142,415,000	138,467,269
Earnings per share		
Basic	0.11	0.05
Diluted	0.11	0.05

The average number of shares is detailed as follows:

	31.03.2023	31.03.2024
Shares issued at beginning of the period	145,350,000	143,915,000
<b>Average number of actions taken</b>	<b>145,350,000</b>	<b>143,915,000</b>
Own shares effect	2,935,000	5,447,731
<b>Average number of shares during the period</b>	<b>142,415,000</b>	<b>138,467,269</b>

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 March 2024, the number of own shares held is 6,256,818 and its average number for the period ended 31 March 2024 is 5,447,731, reflecting the fact that there were not only acquisitions, but also the extinction of own shares in that period, as mentioned in note 15.

There are no dilutive factors of earnings per share.

## 18. Debt

As at 31 December 2023 and 31 March 2024, the Debt caption showed the following composition:

	31.12.2023	31.03.2024
<b>Non-current liabilities</b>		
Bank loans	33,390,061	33,323,876
Commercial Paper	34,947,466	34,955,535
Lease liabilities	92,742,578	94,367,225
	<b>161,080,105</b>	<b>162,646,637</b>
<b>Current liabilities</b>		
Bank loans	82,395,558	28,792,897
Commercial Paper	22,067	6,629
Lease liabilities	25,517,227	26,913,993
	<b>107,934,852</b>	<b>55,713,519</b>
	<b>269,014,957</b>	<b>218,360,156</b>

As at 31 March 2024, the interest rates applied to bank loans were between 4.851% and 5.726% (31 December 2023: 4.861% and 5.736%).

### Bank loans and Commercial Paper

As at 31 December 2023 and 31 March 2024, the details of the bank loans were as follows:

	31.12.2023			31.03.2024		
	Limit	Amount used		Limit	Amount used	
		Current	Non-current		Current	Non-current
<b>Bank loans</b>						
Millennium BCP	12,028,704	8,176,561	456,482	11,948,148	8,196,335	375,926
BBVA / Bankinter	26,125,000	7,069,572	18,943,702	26,125,000	7,073,212	18,954,710
Novo Banco	21,000,000	7,196,811	13,989,877	21,000,000	7,520,760	13,993,240
<b>Commercial Paper</b>						
BBVA / Bankinter	15,000,000	8,886	14,976,038	15,000,000	(988)	14,979,821
Novo Banco	20,000,000	13,181	19,971,429	20,000,000	7,617	19,975,714
<b>Bank overdrafts</b>						
Novo Banco	—	59,952,614	—	—	6,002,590	—
	<b>94,153,704</b>	<b>82,417,625</b>	<b>68,337,527</b>	<b>94,073,148</b>	<b>28,799,526</b>	<b>68,279,411</b>

On 27 September 2017, a loan 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. As no amount was used until the mentioned date, the contract was renegotiated on 27 September 2018, having the total amount been altered to 75 million Euros, while maintaining the one-year term for the use of the funds. Subsequently, due to the non-use of all the funds, the limit was reduced throughout the contract period. As at 31 March 2024, the referred used amount, net of commissions and added by the amount of interests to be paid in the following period corresponded to 26,027,922 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. In subsequent periods, the limit was reduced due to non-use of all funds. As at 31 March 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 21,514,000 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 March 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 14,978,833 Euros in the case of BBVA/Bankinter and 19,983,331 Euros in Novo Banco. 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.

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 ratios 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 2023, the Group is in compliance with financial covenants.

#### Lease Liabilities

The Group presents lease liabilities which future payments, undiscounted and discounted amounts presented in the financial position, are detailed as follows:

	<b>31.12.2023</b>	<b>31.03.2024</b>
Due within 1 year	29,181,190	30,194,238
Due between 1 to 5 years	66,930,170	68,479,461
Over 5 years	37,807,781	36,372,944
<b>Total undiscounted lease liabilities</b>	<b>133,919,141</b>	<b>135,046,643</b>
Current	25,517,227	26,913,993
Non-current	92,742,578	94,367,225
<b>Lease liabilities included in the statement of financial position</b>	<b>118,259,806</b>	<b>121,281,219</b>

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:

	<b>31.03.2023</b>	<b>31.03.2024</b>
Lease liabilities interests (note 25)	805,700	1,002,843
Variable payments not included in the measurement of the lease liability	435,245	954,408

The amounts recognised in the Cash flow statement are as follows:

	<b>31.03.2023</b>	<b>31.03.2024</b>
Total of lease payments	(8,868,615)	(8,598,510)

The movement in the rights of use underlying these lease liabilities can be analysed in note 4.

#### Reconciliation of Changes in the responsibilities of Financing activities

The reconciliation of changes in the responsibilities of financing activities as at 31 December 2023 and 31 March 2024, is detailed as follows:

	<b>31.12.2023</b>	<b>31.03.2024</b>
Opening Balance	195,954,666	269,014,957
Movements without cash	32,312,979	12,361,184
<i>Contract changes</i>	25,679,408	10,636,543
<i>IFRS 16 Interests</i>	3,396,453	960,460
<i>Others</i>	3,237,118	764,181
<b>Loans:</b>		
Inflow	94,757,177	6,022,364
Outflow	(16,964,205)	(60,439,840)
<b>Lease liabilities:</b>		
Outflow	(37,045,659)	(8,598,510)
<b>Closing balance</b>	<b>269,014,957</b>	<b>218,360,156</b>

The amounts of payments and receivables from loans obtained in the period related to the commercial paper and cash-pooling programs are reported on a net basis, in accordance with paragraph 22 of IAS 7 - Statement of Cash Flows.

## 19. Provisions, Guarantees provided, Contingent liabilities and commitments

### Provisions

For the year ended on 31 December 2023 and the three-months period ended 31 March 2024 the caption "Provisions", showed the following movement:

Group	31.12.2023					
	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
<b>Sub-total - caption "Provisions (increases)/reversals"</b>	<b>9,450,283</b>	<b>2,091,889</b>	<b>(983,286)</b>	<b>(699,185)</b>	<b>—</b>	<b>9,859,701</b>
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
	<b>12,632,267</b>	<b>15,565,521</b>	<b>(983,286)</b>	<b>(875,637)</b>	<b>—</b>	<b>26,338,865</b>

Group	31.3.2024					
	Opening balance	Increases	Reversals	Utilisations	Transfers	Closing balance
Litigations	3,261,544	361,788	(104,725)	(6,947)	—	3,511,660
Onerous contracts	—	—	—	—	—	—
Other provisions	6,444,466	468,107	—	(16,244)	310,583	7,206,912
Commitments provisions	153,691	3,677	(15,718)	—	—	141,650
<b>Sub-total - caption "Provisions (increases)/reversals"</b>	<b>9,859,701</b>	<b>833,572</b>	<b>(120,443)</b>	<b>(23,190)</b>	<b>310,583</b>	<b>10,860,222</b>
Restructuring	13,640,614	—	—	(22,254)	(207,127)	13,411,233
Other provisions	2,838,550	229,196	—	(167,234)	—	2,900,512
	<b>26,338,865</b>	<b>1,062,768</b>	<b>(120,443)</b>	<b>(212,678)</b>	<b>103,456</b>	<b>27,171,967</b>

The net amount between increases and reversals of provisions was recorded in the consolidated income statement under the caption Provisions, net and amounted to 22,203 Euros as at 31 March 2023 and 713,129 Euros as at 31 March 2024.

A provision should only be used for expenditures for which the provision was originally recognised, so the Group 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 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 (104,725) Euros as at 31 March 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 caption).

#### Other provisions

As at 31 March 2024, a provision is recognised in CTT Expresso branch in Spain to face the notification issued by the Spanish National Commission on Markets and Competition. 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 101° 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 amounted to 3,200,000 Euros and results from the evaluation carried out by the Group's legal advisors. As at 31 March 2024, no relevant developments had occurred, with the provision remaining in the amount of 3,200,000 Euros.

The amount provisioned in 321 Crédito amounting to 896,142 Euros as at 31 March 2024 (879,205 Euros at 31 December 2023) mainly results from the management assessment regarding the possibility of materialising tax contingencies and other processes.

As at 31 March 2024, in addition to the previously mentioned situations, this caption also includes:

- the amount of 101,592 Euros to cover costs of dismantlement of tangible fixed assets and/or removal of facilities and restoration of the site;
- the amount of 664,872 Euros, which results from the assessment carried out by management regarding the possibility of materialising contingent amounts to be paid to third parties under the scope of contracts entered into;
- the amount of 309,007 Euros regarding the liability, recognised in the company CTT Expresso, with a labour legal proceeding;
- the amount of 2,280,786 Euros 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 900,643 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 March 2024, regarding the agreements performed during 2024,

an amount of 207,127 Euros was transferred to the caption employee benefits in the statement of financial position.

### Guarantees provided

As at 31 December 2023 and 31 March 2024, the Group has provided bank guarantees to third parties as follows:

	31.12.2023	31.03.2024
Wiiw Portugal - SIC Imobiliária Fechada, S.A.	5,089,792	5,089,792
Contencioso Administrativo da Audiência Nacional (National Audience Administrative Litigation) and CNMC - Comissão Nacional de los Mercados y la Competencia - Espanha (National Commission on Markets and Competition - Spain)	3,148,845	3,148,845
Autoridade Tributária e Aduaneira (Portuguese Tax and Customs Authority)	2,974,242	2,974,242
LandSearch, Compra e Venda de Imóveis (Real estate company)	1,792,886	1,792,886
Fidelidade, Multicare, Cares - (Glintt BPO)	1,500,000	1,500,000
AMBIMOBILIÁRIA- INVESTIMENTOS E NEGÓCIOS, S.A. (Real estate company)	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
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
Repsol (Oil and Gas Company)	215,000	215,000
TIP - Transportes Intermodais do Porto, ACE (Oporto intermodal transport)	150,000	150,000
Municipalities	79,362	79,362
EPAL - Empresa Portuguesa de Águas Livres (Multi-municipal System of Water Supply and Sanitation of the Lisbon Area)	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
Águas do Norte (Water Supply of the Northern Region)	23,804	23,804
Instituto de Gestão Financeira Segurança Social (Social Security Financial Management Institute)	21,557	21,557
EMEL, S.A. (Municipal company managing parking in Lisbon)	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
Direção Geral do Tesouro e Finanças (Directorate General of Treasury and Finance)	16,867	16,867
Alegro Alfragide	16,837	16,837
Portugal Telecom, S.A. (Telecommunication Company)	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
DOLCE VITA TEJO (Real State Company)	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
SMAS Torres Vedras (Services of Water Supply and Sanitation of the city of Torres Vedras)	9,910	9,910
ACT Autoridade Condições Trabalho (Authority for Working Conditions)	9,160	9,160
Consejería Salud ( Local Health Service/Spain)	4,116	4,116
PLANINOVA - Soc. Imobiliária, S.A. (Real estate company)	2,033,582	—
Garantia KTP Packaging Solutions (Packaging Solutions Supplier)	211,740	—
Via Direta	150,000	—
	<b>20,148,131</b>	<b>17,752,809</b>

### Bank guarantees

As at 31 March 2024, the bank guarantees provided in favour of “Autoridade Tributária e Aduaneira” (Portuguese Tax and Customs Authority), in a global amount of 2,974,242 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.

#### 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 March 2024 (31 December 2023: 3,826,468 Euros) .

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.

#### Commitments

The Group engaged guarantee insurances in the total amount of 7,757,252 Euros(31 December 2023: 5,985,951 Euros), with the purpose of guaranteeing the fulfilment of contractual obligations assumed by third parties.

In addition, the Group also assumed commitments relating to real estate rents under lease contracts and rents for other leases.

The Group contractual commitments related to Tangible fixed assets and Intangible assets are detailed respectively in Notes 4 and 5.

## 20. Accounts payable

As at 31 December 2023 and 31 March 2024, the caption "Accounts payable" showed the following composition:

	<b>31.12.2023</b>	<b>31.03.2024</b>
Current		
Advances from customers	1,877,771	39,361,655
CNP money orders	106,269,099	57,561,326
Suppliers	114,269,770	137,386,954
Invoices pending confirmation	12,368,179	11,701,587
Fixed assets suppliers	5,334,120	8,745,383
Invoices pending confirmation (fixed assets)	8,165,808	4,186,318
Values collected on behalf of third parties	17,707,682	24,085,786
Postal financial services	80,227,690	48,255,291
Deposits	678,080	628,136
Charges	14,664,320	14,877,225
Compensations	669,708	871,823
Postal operators - amounts to be settled	538,979	367,527
Amounts to be settled to third parties	1,229,091	519,079
Amounts to be settled in stores	765,242	457,653
Other accounts payable	9,195,564	7,260,484
	<b>373,961,102</b>	<b>356,266,226</b>



### CNP money orders

The amount 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 period. The change in the balance compared to 31 December 2023, is mainly related to the amounts' receivable moment from the National Pensions Center which derives from the calendar working days 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 variation in the item is related, above all, to the limitation of the type of payment methods available in stores, for the payment of taxes for corporate customers, as well as a decrease in subscriptions to savings certificates, related to the change in marketing conditions in June 2023, namely lower interest rates, and the reduction in maximum limits per application per subscriber, which reduced the attractiveness of these savings products.

## 21. Debt Securities issued at amortised cost

This caption showed the following composition:

	31.12.2023	31.03.2024
<b>Non current liabilities</b>		
Debt securities issued	347,131,609	322,163,815
	<b>347,131,609</b>	<b>322,163,815</b>
<b>Current liabilities</b>		
Debt securities issued	243,468	314,658
	<b>243,468</b>	<b>314,658</b>
	<b>347,375,077</b>	<b>322,478,473</b>

As at 31 December 2023 and 31 March 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 b.p.	140,142,471	141,123,335
Ulisses Finance No.2 – Class B		September 2021	September 2038	Euribor 1M + 80 b.p.	6,879,846	6,878,045
Ulisses Finance No.2 – Class C		September 2021	September 2038	Euribor 1M + 135 b.p.	13,759,693	13,757,142
Ulisses Finance No.2 – Class D		September 2021	September 2038	Euribor 1M + 285 b.p.	7,774,226	7,774,405
Ulisses Finance No.2 – Class E		September 2021	September 2038	Euribor 1M + 368 b.p.	2,545,543	2,545,895
Ulisses Finance No.2 – Class F		September 2021	September 2038	Euribor 1M + 549 b.p.	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
					<b>347,149,701</b>	<b>347,375,077</b>

31.03.2024					
Issue	Issue date	Maturity date	Remuneration	Nominal value	Book value
Ulisses Finance No.2 – Class A	September 2021	September 2038	Euribor 1M + 70 bps	129,331,100	130,237,194
Ulisses Finance No.2 – Class B	September 2021	September 2038	Euribor 1M + 80 bps	6,349,097	6,349,291
Ulisses Finance No.2 – Class C	September 2021	September 2038	Euribor 1M + 135 bps	12,698,193	12,699,941
Ulisses Finance No.2 – Class D	September 2021	September 2038	Euribor 1M + 285 bps	7,174,479	7,177,559
Ulisses Finance No.2 – Class E	September 2021	September 2038	Euribor 1M + 368 bps	2,349,166	2,350,553
Ulisses Finance No.2 – Class F	September 2021	September 2038	Euribor 1M + 549 bps	825,383	826,161
Ulisses Finance No.3 - Class A	June 2022	June 2039	Euribor 1M + 90 bps	137,288,913	137,222,239
Ulisses Finance No.3 - Class B	June 2022	June 2039	Euribor 1M + 200 bps	6,537,567	6,450,622
Ulisses Finance No.3 - Class C	June 2022	June 2039	Euribor 1M + 370 bps	9,806,351	9,675,639
Ulisses Finance No.3 - Class D	June 2022	June 2039	Euribor 1M + 525 bps	4,903,175	4,731,995
Ulisses Finance No.3 - Class E	June 2022	June 2039	Euribor 1M + 650 bps	4,085,980	3,962,837
Ulisses Finance No.3 - Class F	June 2022	June 2039	Euribor 1M + 850 bps	817,196	794,442
				<b>322,166,600</b>	<b>322,478,473</b>

During the year ended on 31 December 2023 and the three-months period ended 31 March 2024, the movement of this item is as follows:

31.12.2023					
	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
	<b>445,577,861</b>	<b>—</b>	<b>(98,130,907)</b>	<b>(71,876)</b>	<b>347,375,077</b>

31.03.2024					
	Opening balance	Issues	Repayments	Other movements	Closing balance
Ulisses Finance No.2	172,973,550	—	(13,268,742)	(64,109)	159,640,699
Ulisses Finance No.3	174,401,527	—	(11,714,359)	150,606	162,837,774
	<b>347,375,077</b>	<b>—</b>	<b>(24,983,102)</b>	<b>86,497</b>	<b>322,478,473</b>

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.

The scheduling by maturity regarding this caption is as follows:

31.12.2023						
	Current			Non-current		
	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
	<b>243,468</b>	<b>—</b>	<b>243,468</b>	<b>—</b>	<b>347,131,609</b>	<b>347,375,077</b>

	31.03.2024						Total
	Current			Non-current			
	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	314,658	—	314,658	—	322,163,815	322,163,815	322,478,473
	<b>314,658</b>	<b>—</b>	<b>314,658</b>	<b>—</b>	<b>322,163,815</b>	<b>322,163,815</b>	<b>322,478,473</b>

### Asset securitisation

#### **Ulisses Finance No.1**

This securitisation operation was originated in July 2017 and issued by Sagres - Sociedade de Titularização de Créditos, S.A. and corresponds to a public Credit securitisation programme (Ulisses) with the Ulisses Finance No.1 operation being placed on the market. The operation was put together with the collaboration of Citibank and Deutsche Bank, and included a Consumer Credit portfolio originated by 321 Crédito. The structure of the Transaction includes five Tranches from A to E. Tranches A to C are dispersed in the market and Tranches D and E were retained. This operation obtained rating ratings from DBRS and Moody's for the tranches placed on the market, Tranches A, B and C.

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 (clean- up call).

This clean-up call was exercised in July 2023, with the Group reacquiring the entire securitised portfolio at that time, closing the operation.

The operation had incorporated an interest rate cap, a mechanism to mitigate interest rate risk for the operation and its investors, which includes the Group, but which was not contracted directly by the **Group**, but rather by the issuer of the securitisation operation (Sagres – STC, S.A.).

The **Group** guaranteed the debt service (servicer) of the operation, assuming the collection of assigned credits and channelling the amounts received, through the respective deposit to the credit securitisation company.

While the operation was alive, the underlying assets of the Ulisses Finance No.1 operations were not derecognised from the Statement of Financial Position as the Group substantially maintained the risks and benefits associated with their holding.

#### **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 30 September 2022 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.

### **Next Funding Nr.1**

The Next Funding No.1 operation, issued by Tagus – STC, S.A. in April 2021 and in which Banco CTT was, until December 2023, the sole investor, has as its underlying asset the balances of credit cards originated by the credit card Universo issued by Sonae Financial Services (now Universo, IME, S.A.). Additionally, Banco CTT granted the operation an overdraft line (Liquidity Facility) with the sole purpose of acquiring receivables (credit card balances) between interest payment dates. At each interest payment date (IPD), the Liquidity Facility balance was settled by conversion into the amount of the note.

Following the termination of the partnership with Universo, in December 2023 Banco CTT sold the note to Universo, IME, S.A. leaving on that date no exposure to this portfolio. Additionally, the overdraft line (Liquidity Facility) was cancelled.

In the consolidated accounts, taking into account the conditions set out in IFRS 10 (Consolidated Financial Statements), the securitisation operation was consolidated, to the extent that Banco CTT substantially holds the risks and benefits associated with the underlying assets and has the capacity to affect these same risks and benefits.

As of 31 March 2024, there was no on-balance sheet or off-balance sheet position in relation to this portfolio.

### 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.

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 March 2024, the Fénix operation as the only live unrecognised securitisation operation. The Group's involvement in this operation is limited to providing servicing services.

## 22. Banking clients' deposits and other loans

As at 31 December 2023 and 31 March 2024, the composition of the caption Banking clients' deposits and other loans in the **Group** is as follows:

	31.12.2023	31.03.2024
Sight deposits	1,343,297,943	1,273,071,722
Term deposits	1,409,082,838	1,870,467,712
Savings deposits	338,581,770	315,917,898
	<b>3,090,962,551</b>	<b>3,459,457,331</b>

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 slight 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 mobilisable without penalty on remuneration.

For the three-months period ended 31 March 2024 the average rate of return on customer funds was 3.09% (31 December 2023: 0.86%).

As at 31 December 2023 and 31 March 2024, the residual maturity of banking client deposits and other loans, is detailed as follows:

	31.12.2023					Total
	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	
Sight deposits and saving accounts	1,681,879,712	—	—	—	—	1,681,879,712
Term deposits	—	359,591,003	1,049,491,831	—	—	1,409,082,838
<b>Banking clients' deposits</b>	<b>1,681,879,712</b>	<b>359,591,003</b>	<b>1,049,491,831</b>	<b>—</b>	<b>—</b>	<b>3,090,962,551</b>

  

	31.03.2024					Total
	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	
Sight deposits and saving accounts	1,588,989,619	—	—	—	—	1,588,989,619
Term deposits	—	988,114,105	882,353,607	—	—	1,870,467,712
	<b>1,588,989,619</b>	<b>988,114,105</b>	<b>882,353,607</b>	<b>—</b>	<b>—</b>	<b>3,459,457,331</b>

## 23. Income taxes receivable /payable

As of 31 March 2024, this caption reflects the difference between the income tax estimate for the period 2023 and not yet paid, as well as the income tax estimate for the three-months period ended 31 March 2024.

## 24. Staff costs

During three-months period ended 31 March 2023 and 31 March 2024, the composition of the caption Staff Costs was as follows:

	31.03.2023	31.03.2024
Remuneration	77,597,755	81,218,168
Employee benefits	748,089	486,019
Indemnities	272,416	282,368
Social Security charges	16,308,547	17,645,267
Occupational accident and health insurance	944,140	908,766
Social welfare costs	2,148,843	1,736,847
Other staff costs	39,204	41,485
	<b>98,058,994</b>	<b>102,318,921</b>

Remuneration of the statutory bodies of CTT, S.A.

During the three-months period ended 31 March 2023 and 31 March 2024, the fixed and variable remunerations attributed to the members of the statutory bodies of CTT, S.A., were:

	31.03.2023				
	Board of Directors	Audit Committee	Remuneration Board	General Meeting of Shareholders	Total
Short-term remuneration					
Fixed remuneration	719,597	39,643	4,950	—	764,190
	<b>719,597</b>	<b>39,643</b>	<b>4,950</b>	<b>—</b>	<b>764,190</b>
Long-term remuneration					
Defined contribution plan RSP	49,425	—	—	—	49,425
	<b>49,425</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>49,425</b>
	<b>769,022</b>	<b>39,643</b>	<b>4,950</b>	<b>—</b>	<b>813,615</b>

  

	31.03.2024				
	Board of Directors	Audit Committee	Remuneration Board	General Meeting of Shareholders	Total
Short-term remuneration					
Fixed remuneration	484,681	62,500	16,275	—	563,456
	<b>484,681</b>	<b>62,500</b>	<b>16,275</b>	<b>—</b>	<b>563,456</b>
Long-term remuneration					
Defined contribution plan RSP	38,625	—	—	—	38,625
	<b>38,625</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>38,625</b>
	<b>523,306</b>	<b>62,500</b>	<b>16,275</b>	<b>—</b>	<b>602,081</b>

#### Long-term variable remuneration (“LTVR”)

The Long-term variable remuneration model for the 2020/2022 term of office was based on the participation of the executive Directors in the Options Plan.

Similarly, the Board of Directors put in place a Options Plan programme addressed to CTT’s top management, using the same terms of the programme approved for the governing bodies members.

The aforementioned Option Plan provided for the attribution to its participants of options that conferred the right to attribution of shares representing CTT’s share capital, subject to certain conditions applicable to the exercise and settlement of the options. The Options Plan established five tranches of options that differ only by their different exercise price or strike price. In the case of management, the Board of Directors 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 to be held 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 to be held 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.

On the grant date, the fair value of the options granted was determined through a study carried out by an independent entity on the grant date. The model used for the valuation of the stock plan was the Monte Carlo simulation model.

For the cash-settlement component, the the liability amount was updated at the end of each reporting period, depending on the number of shares or share options awarded and their fair value at the reporting date, based on a study carried out by an independent entity.

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:

<b>Participant</b>	<b>CEO</b>	<b>CFO</b>	<b>Other executive directors (three members)</b>	<b>Total</b>
<b>Shares</b>	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 15). 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 15), pursuant to the provisions of the IFRS.

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.

For the three-months period ended 31 March 2024, the caption Staff costs includes the amount of 225,675 Euros related to expenses with workers' representative bodies (31 March 2023: 210,172)

For three-months period ended 31 March 2024, the average number of staff of the Group was 13,574 (12,800 employees for the period ended 31 March 2023).



## 25. Interest expenses and Interest income

For the three-months period ended 31 March 2023 and 31 March 2024, the caption Interest Expenses had the following detail:

	31.03.2023	31.03.2024
Interest expenses		
Bank loans	709,002	1,462,107
Lease liabilities	805,700	1,002,843
Other interest	—	10,067
Interest costs from employee benefits	1,790,858	1,476,534
Other interest costs	180,749	121,477
	<b>3,486,309</b>	<b>4,073,028</b>

The increase in interest expenses on bank loans is mainly due to the increase in interest rates, as a result of the current macroeconomic context, as well as the loans in form of commercial paper, contracted in March 2023, with a reduced impact on interest expenses in the first quarter of 2023.

During the three-months period ended 31 March 2023 and 31 March 2024, the caption Interest income was detailed as follows:

	31.03.2023	31.03.2024
Interest income		
Deposits in credit institutions	326,422	8,618
Other supplementary income	48,899	—
	<b>375,321</b>	<b>8,618</b>

## 26. 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 7,500,000 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%.

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 - SIC IMOBILIÁRIA FECHADA, S.A., left the RETGS.

### Reconciliation of the income tax rate

For the three-months period ended 31 March 2023 and 31 March 2024, the reconciliation between the nominal rate and the effective income tax rate was as follows:

	<b>31.03.2023</b>	<b>31.03.2024</b>
Earnings before taxes (a)	21,841,937	10,879,911
Nominal tax rate	21.0%	21.0%
	<b>4,586,807</b>	<b>2,284,781</b>
Tax Benefits	(53,073)	(48,374)
Accounting capital gains/(losses)	(3,194)	(1,857)
Tax capital gains/(losses)	1,597	929
Provisions not considered in the calculation of deferred taxes	8,454	79,101
Impairment losses and reversals	109,201	4,123
Compensation for insurable events	23,051	3,160
Depreciation and car rental charges	6,391	30,232
Credits uncollectible	25,444	16,065
Difference between current and deferred tax rates	(58,716)	322,196
Fines, interest, compensatory interest and other charges	6,083	12,937
Tangible fixed assets sale & leaseback	—	130,902
Other situations, net	(19,236)	29,529
SIFIDE tax credit	—	(143,572)
Insufficiency / (Excess) estimated income tax	(73,651)	92,347
Subtotal (b)	4,732,730	2,950,991
(b)/(a)	21.67%	27.12%
Adjustments related with - Municipal Surcharge	312,253	161,780
Adjustments related with - State Surcharge	671,184	286,304
<b>Income taxes for the period</b>	<b>5,716,167</b>	<b>3,399,075</b>
Effective tax rate	26.17%	31.24%
Income taxes for the period		
Current tax	5,746,840	1,959,729
Deferred tax	42,978	1,490,571
SIFIDE tax credit	—	(143,572)
Insufficiency / (Excess) estimated income tax	(73,651)	92,347
	<b>5,716,167</b>	<b>3,399,075</b>

### Deferred taxes

As at 31 December 2023 and 31 March 2024, the balance related to deferred tax assets and liabilities was composed as follows:

	31.12.2023	31.03.2024
<b>Deferred tax assets</b>		
Employee benefits - healthcare	43,185,623	42,905,459
Employee benefits - pension plan	66,831	64,950
Employee benefits - other long-term benefits	5,338,079	5,075,639
Impairment losses and provisions	6,417,768	6,469,664
Tax losses carried forward	2,902,461	2,839,503
Impairment losses in tangible fixed assets	671,318	688,012
Long-term variable remuneration (Board of directors)	816,443	816,443
Land and buildings	51,529	51,529
Tangible assets' tax revaluation regime	527,549	461,606
Tangible fixed assets Sale & Leaseback transaction	8,784,280	8,653,378
Early termination of contracts	2,241,459	1,588,593
Other	392,527	417,529
	<b>71,395,868</b>	<b>70,032,306</b>
<b>Deferred tax liabilities</b>		
Revaluation of tangible fixed assets before IFRS	484,578	443,278
Suspended capital gains	284,397	281,455
PPA Movements - New Spring Services	286,265	261,006
Fair value adjustments	3,420,343	3,608,447
Other	195,125	203,728
	<b>4,670,707</b>	<b>4,797,915</b>

The deferred tax liability relating to “fair value adjustments” essentially refers to the deferred tax associated with the caption “Financial assets and liabilities at fair value through profit or loss”.

As at 31 March 2024, the expected amount of deferred tax assets and liabilities to be settled within 12 months is 6.3 million Euros and 6.2 million Euros, respectively.

During the years ended 31 December 2023 and 31 March 2024, the movements which occurred under the deferred tax captions were as follows:

	31.12.2023	31.03.2024
<b>Deferred tax assets</b>		
Opening balances	67,823,608	71,395,868
Effect on net profit		
Employee benefits - healthcare	(11,716,520)	(280,164)
Employee benefits - pension plan	14,012	(1,881)
Employee benefits - other long-term benefits	247,619	(262,440)
Impairment losses and provisions	4,017,349	51,896
Tax losses carried forward	136,866	(62,958)
Impairment losses in tangible fixed assets	(923,508)	16,694
Share plan	(233,286)	—
Land and buildings	(281,081)	—
Tangible assets' tax revaluation regime	(434,598)	(65,943)
Tangible fixed assets Sale & Leaseback transaction	8,784,280	(130,902)
Early termination of contracts	2,241,459	(652,866)
Other	118,611	25,002
Effect on equity		
Employee benefits - healthcare	1,599,841	—
Employee benefits - pension plan	1,216	—
<b>Closing balance</b>	<b>71,395,868</b>	<b>70,032,306</b>

	31.12.2023	31.03.2024
<b>Deferred tax liabilities</b>		
Opening balances	9,847,476	4,670,707
Effect on net profit		
Revaluation of tangible fixed assets before IFRS adoption	(1,034,441)	(41,300)
Suspended capital gains	(347,496)	(2,942)
PPA Movements - New Spring Services	(101,035)	(25,259)
Fair value adjustments	(3,296,270)	188,104
Other	(378,345)	8,407
Effect on equity		
Other	(19,182)	198
<b>Closing balance</b>	<b>4,670,707</b>	<b>4,797,915</b>

During the year ended 31 December 2023 and in the three-months period ended 31 March 2024, the tax losses carried forward are detailed as follows:

Group	31.12.2023		31.03.2024	
	Tax losses	Deferred tax assets	Tax losses	Deferred tax assets
CTT – Espresso, S.A., branch in Spain	76,206,218	—	75,206,218	—
CTT Espresso/Transporta	12,535,630	2,632,482	12,304,124	2,583,866
CTT Soluções Empresariais/HCCM	1,285,613	269,979	1,217,319	255,637
<b>Total</b>	<b>90,027,461</b>	<b>2,902,461</b>	<b>88,727,660</b>	<b>2,839,503</b>

Regarding CTT – Espresso, S.A., branch in Spain, the tax losses of the years 2012, 2013 and 2014 may be carried forward in the next 18 years and the tax losses of the years 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022 have no time limit for deduction. No deferred tax assets associated with CTT Espresso branch in Spain's tax losses were recognised, given its losses history.

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.

It should be noted that, following the acquisition of Transporta, a request was made to maintain the tax losses that had been determined with reference to the periods of 2014 and 2015 (in the amounts of 4,536,810 Euros and 3,068,088 Euros), for which a favourable response was obtained from the Tax Authority during 2021.

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 2.37 million Euros.

#### 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 R&D expenses incurred by the Group in the financial year of 2022, with the submission of the application, these amounted to 4,169,551 Euros, with the Group having the possibility of benefiting from a income tax deduction estimated at 1,648,062 euros.

As for the 2023 financial year, upon submission of the application, these amounts amounted to 5,990,704 Euros, with the Group being able to benefit from a deduction from IRC collection estimated at 3,155,385 Euros.

#### **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 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.

Setting up an innovative regime, a transitional regime is foreseen, particularly in terms of deadline, for the application of the standards and allowing progressive adaptation to this new regime.

Furthermore, certain jurisdictions will be excluded from the scope of application of such standards.

On the other hand, safe-harbour clauses are provided for, which are characterised by waiving, as long as certain requirements and/or limits are met, the effective application of compliance with certain obligations and removing the subjection to the aforementioned minimum rate.

EU Directive 2022/2523 provided for its transposition by the acceding Member States by 31 December 2023, which did not occur in some jurisdictions, including Portugal.

The CTT Group, as it falls within the subjective scope of the Directive, is carrying out an analysis of the possible impact in each of the jurisdictions in which it is present (Portugal, Spain and Mozambique). As national diplomas are published, their specificities will be analysed and the tasks to be carried out in this context will be defined.

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 mentioned in note 2.1.1, the amendment to IAS 12 introduces a mandatory temporary exception to the recognition of deferred taxes within the scope of Pillar II.

#### 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 2020 and onwards may still be reviewed and corrected.

The Board of Directors 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 March 2024.

## 27. 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.

For the three-months period ended 31 March 2024 and 31 March 2023, the following transactions took place and the following balances existed with related parties:

31.03.2023						
	Accounts receivable	Accounts payable	Revenues	Costs	Dividends	Financial investments / Increase in share capital
Shareholders	—	—	—	—	—	—
Group companies						
Associated companies	—	—	—	—	—	—
Jointly controlled	258,723	56	134,340	83	—	—
Members of the (Note 24)						
Board of Directors	—	—	—	719,597	—	—
Audit Committee	—	—	—	39,643	—	—
Remuneration Committee	—	—	—	4,950	—	—
General Meeting	—	—	—	—	—	—
	<b>258,723</b>	<b>56</b>	<b>134,340</b>	<b>764,273</b>	<b>—</b>	<b>—</b>

31.03.2024						
	Accounts receivable	Accounts payable	Revenues	Costs	Dividends	Financial investments / Increase in share capital
Shareholders	—	—	—	—	—	—
Group companies						
Associated companies	—	—	—	—	—	—
Jointly controlled	307,795	82,104	210,884	135,402	—	—
Members of the (Note 24)						
Board of Directors	—	—	—	484,681	—	—
Audit Committee	—	—	—	62,500	—	—
Remuneration Committee	—	—	—	16,275	—	—
General Meeting	—	—	—	—	—	—
	<b>307,795</b>	<b>82,104</b>	<b>210,884</b>	<b>698,859</b>	<b>—</b>	<b>—</b>

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 24 – Staff Costs.

## 28. 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%.

Regarding 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. It 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.

The administrative offence process in which CTT was accused by ANACOM for alleged violation of the procedure for measuring service quality indicators (IQS) in 2016 and 2017 is ongoing.

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 agreement and the process is underway, waiting for the decision. For the same facts relating to 2015 and 2016 (various situations concerning the distribution and publication of information in post offices), CTT had already been notified of the filing of an administrative offence proceeding on 30 August 2021, which is running its course, with no developments, following the presentation of the respective defences. On 19 April, CTT was notified of ANACOM's charge of administrative offences, and a fine of 398,750 Euros was imposed. As it disagrees with the grounds of the charge, CTT will appeal against it by 21 May.

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 developments.

On 11 June 2021, CTT initiated arbitration proceedings against the Portuguese State to protect its rights, specifically: (a) the impacts and contractual effects, namely compensatory, of the COVID-19 pandemic, as well as of the public measures adopted in that context; and (b) the legal compatibility, impacts and contractual effects of the unilateral extension of the Concession Agreement. The State was ordered to pay the total amount of 23,555,645 Euros, plus accrued civil interests, in the case of the amount relating to the first request and commercial, for the second, from the date of initiation of the process. The State filed a review appeal with the Supreme Administrative Court, which was admitted on 11 January 2024.

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.



### Strategic Partnership - Generali Seguros

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 includes:

- Long-term distribution agreements, with 5-years exclusivity renewable periods, for the distribution by CTT and Banco CTT of life and non-life insurance products of Tranquilidade/Generali Seguros;
- Subscription by Tranquilidade/Generali Seguros of a 25 million euros reserved share capital increase in Banco CTT, in exchange for a shareholding of approximately 8.71%. A Shareholders' Agreement will provide Tranquilidade/Generali Seguros with minority interests with the size of the shareholding.

The agreement aims to combine the experience of Tranquilidade/Generali Seguros in the development and management of insurance products with the distribution capacity of CTT and Banco CTT through their nationwide networks coverage and digital channels. The insurance distribution agreements contemplate a fixed price by Tranquilidade/Generali Seguros of 1 million euros and 9 million euros to CTT and Banco CTT, respectively, to be settled in the initial six years, and additional contingent payments depending on the performance achieved over the term of the agreements.

The CTT Group expects that the transaction, which is subject to suspensive conditions, including approval by the banking and insurance regulatory authorities, will be completed during 2024.

## **29. Subsequent events**

At the Annual General Meeting held on 23 April 2024, it was decided the reduction of CTT's share capital by 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 within the scope of the share buyback programme that the Board of Directors announced on 21 June 2023 and which is currently underway, the reduction being intended for the special purpose of implementing the share buyback programme and corresponding release of excess capital, and limited to the amount corresponding to the own shares that until 25 June 2024 have been acquired and cancelled, all other terms and conditions for the implementation of the share buyback and of the corresponding share capital reduction being established by the Board of Directors.

After 31 March 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 activity that have not been disclosed in the notes to the financial statements.

