

ctt

ASSEMBLEIA GERAL DE ACIONISTAS
2023 | SHAREHOLDERS GENERAL MEETING



20 April 2023

Disclaimer

DISCLAIMER

This document has been prepared by CTT – Correios de Portugal, S.A. (the “Company” or “CTT”) exclusively for use during the AGM23 presentation. As a consequence thereof, this document may not be disclosed or published, nor used by any other person or entity, for any other reason or purpose without the express and prior written consent of CTT. This document (i) may contain summarised information and be subject to amendments and supplements, and (ii) the information contained herein has not been verified, reviewed nor audited by any of the Company's advisors or auditors.

Except as required by applicable law, CTT does not undertake any obligation to publicly update or revise any of the information contained in this document. Consequently, the Company does not assume liability for this document if it is used for a purpose other than the above. No express or implied representation, warranty or undertaking is made as to, and no reliance shall be placed on, the accuracy, completeness or correctness of the information or the opinions or statements expressed herein. Neither the Company nor its subsidiaries, affiliates, directors, employees or advisors assume liability of any kind, whether for negligence or any other reason, for any damage or loss arising from any use of this document or its contents. Neither this document nor any part of it constitutes a contract, nor may it be used for incorporation into or construction of any contract or agreement.

This document has an informative nature and does not constitute, nor must it be interpreted as, an offer to sell, issue, exchange or buy any financial instruments (namely any securities issued by CTT or by any of its subsidiaries or affiliates), nor a solicitation of any kind by CTT, its subsidiaries or affiliates. Distribution of this document in certain jurisdictions may be prohibited, and recipients into whose possession this document comes shall be solely responsible for informing themselves about, and observing any such restrictions. Moreover, the recipients of this document are invited and advised to consult the public information disclosed by CTT on its website (www.ctt.pt) as well as on the Portuguese Securities Market Commission's website (www.cmvm.pt). In particular, the contents of this presentation shall be read and understood in light of the financial information disclosed by CTT, through such means, which prevail in regard to any data presented in this document. By attending the meeting where this presentation is made and reading this document, you agree to be bound by the foregoing restrictions.

FORWARD-LOOKING STATEMENTS

This presentation 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 concerning 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 presentation. 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.

AGENDA



Brief review of the 2020-22 term



Strategy Review



B2B / Logistics



Mail & Business Solutions



Express & Parcels



B2C / Retail



Financial Services & Retail



Banco CTT



ESG



Financial Review



Outlook 2023-25



Brief review of the 2020-22 term

The 2020-22 term office has started with a number of very critical matters requiring resolution



End of the universal postal service concession contract



Adversity of the postal law and derived regulatory framework



Dire need to replace mail revenues by alternative new growth business



Necessity of stopping a deep erosion of results by the significantly negative results of the bank



Emergency of stopping long lasting recurrent losses in the E&P business in Spain

Significant external events directly or indirectly impacted CTT's businesses



COVID-19

Significant impact throughout the whole term:

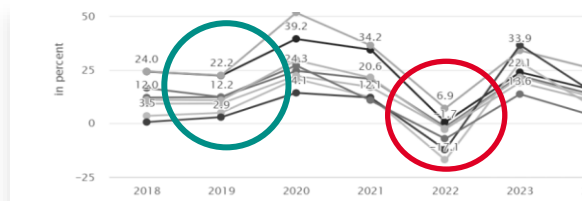
- January 2022 was the month with most Covid-19 cases in CTT's operations since the beginning of the pandemic



ECOMMERCE

Rise and slowdown of the global ecommerce markets¹

Change in ecommerce revenues (%; 2018-2023)



DE MINIMIS

Regulation implemented by the European Commission which was enforced as from 1 July 2021:

- Removal of the Value Added Tax (VAT) exemption on extra-EU purchases (*de minimis*).



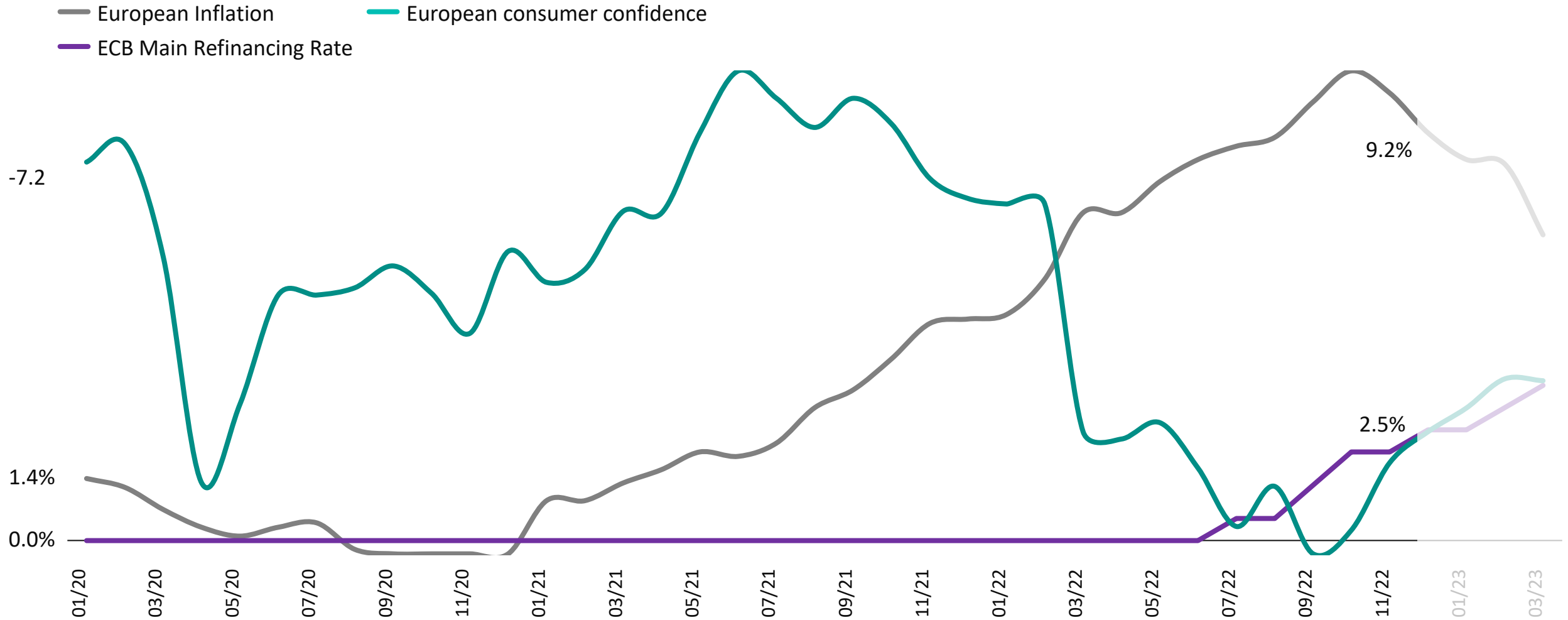
WAR IN UKRAINE

Strong impact in the European economy as a direct result of the war and as a result of increased uncertainty:

- Inflation & purchasing power
- Volatility of the markets
- Consumer confidence

¹Statista, Novembro 2022

Consumer confidence dented by C-19, war in Europe, inflation and successive rate hikes

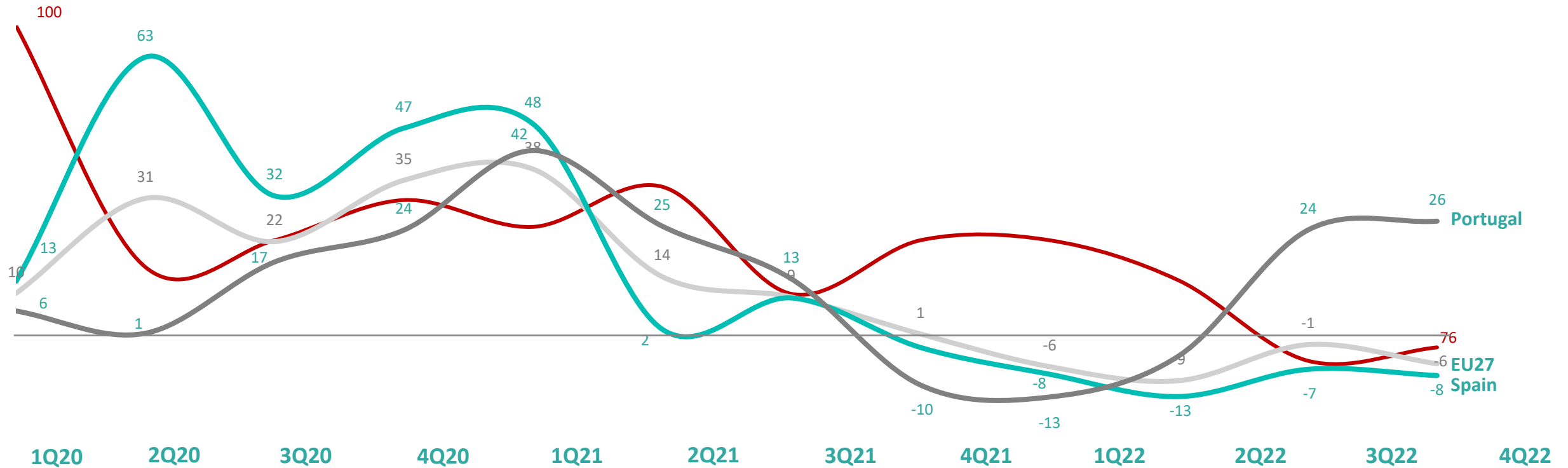


Demand trends throughout the term: Mail decline and irregular ecommerce evolution

Turnover and volume of sales in wholesale and retail trade (via mail order houses or via Internet)









weight percentual point change vs. prior year

Portugal postal traffic (index of volume 1Q20=100%)



Source: ANACOM
Source: Eurostat, ecommerce sales.

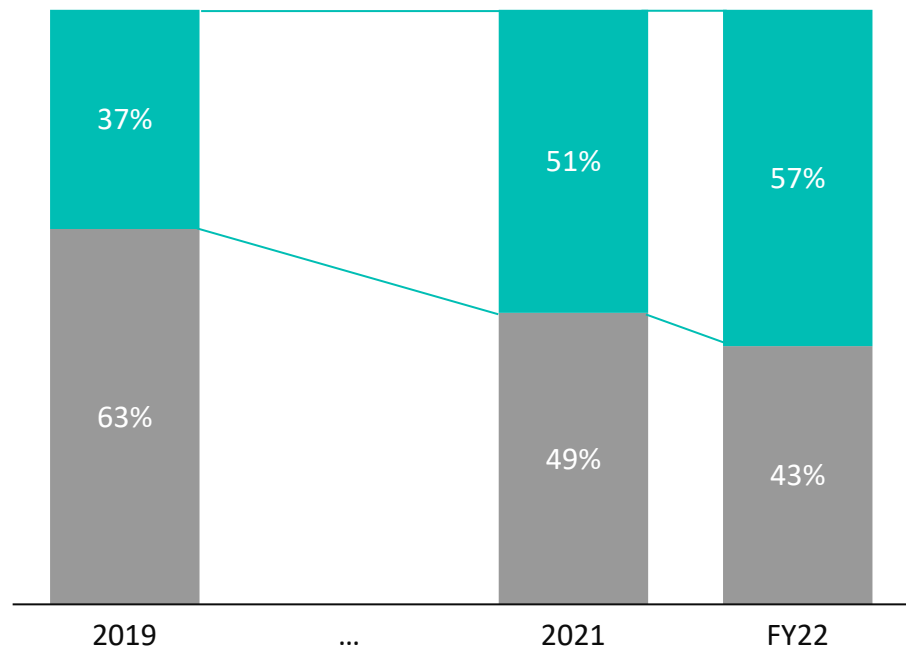
At the end of the 2020-22 term several key landmark achievements were accomplished

-  New postal law in 2021
-  New universal postal service concession agreement for 2022-28
-  Spanish express & parcels operation early turnaround (positive EBITDA since 2021)
-  Revenue growth and profitability in Banco CTT (positive net income since 2020)
-  Partnership with Generali/Tranquilidade for insurance distribution in CTT and Banco CTT networks
-  Implementation of first share buy-back programme (~4.1% capital bought back)
-  Progress on real estate optimization
-  Renovation of the public debt distribution contract with IGCP

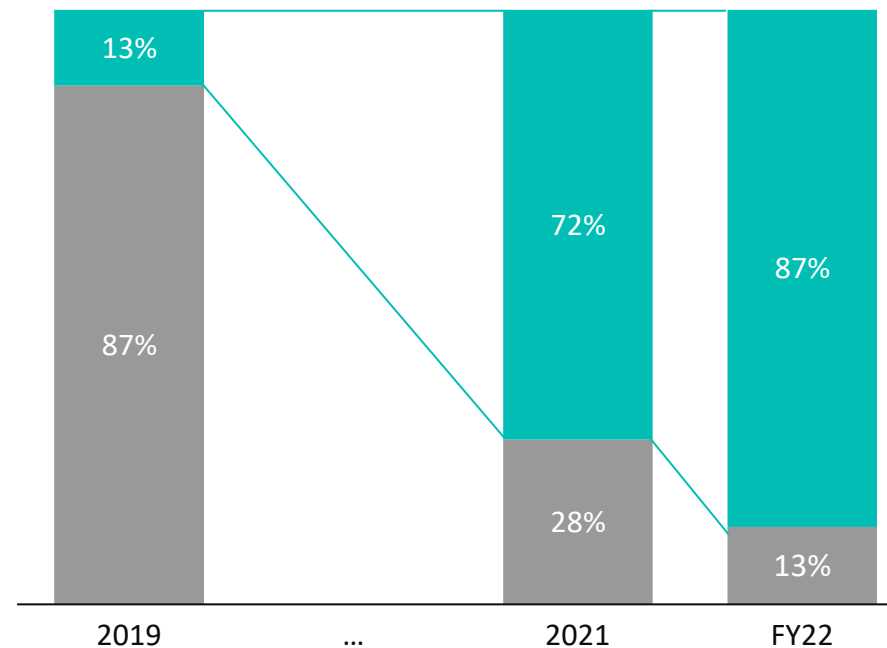
CTT has been in a transformation journey consubstantiated in a deep reshape of its business profile enduring very strong mail decline

CTT Group – Mail¹ vs. Transformation²

Group Revenues



Group Recurring EBIT

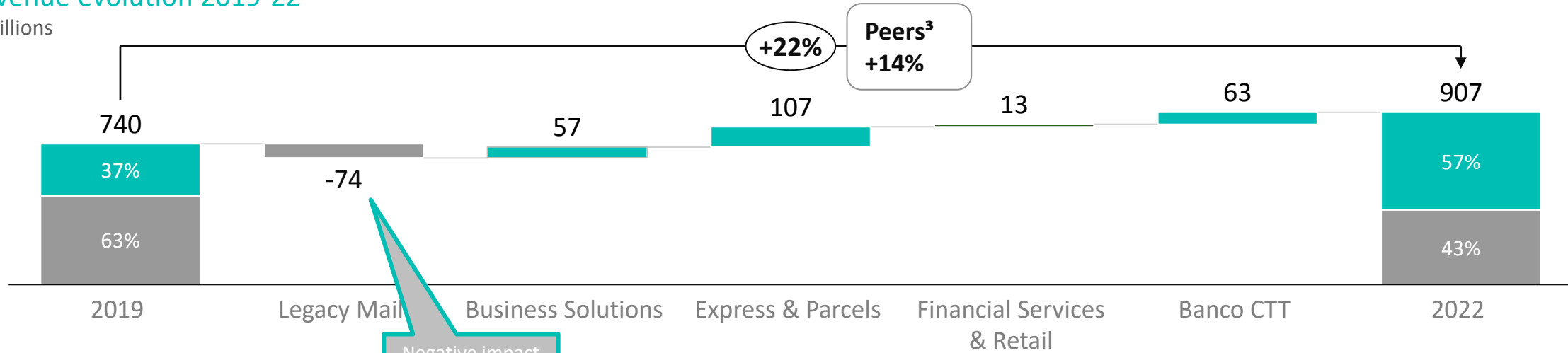


¹ Mail & Other excluding business solutions; ² Express & Parcels, Financial Services & Retail, Banco CTT and business solutions

Against a challenging external backdrop, we have delivered on transformational growth while protecting profitability

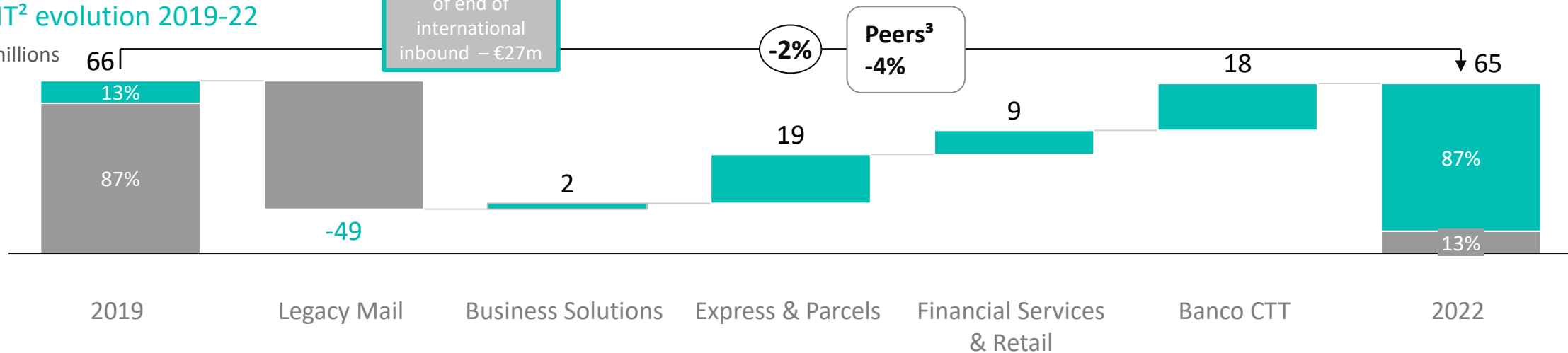
Revenue evolution 2019-22

€ millions



EBIT² evolution 2019-22

€ millions



Transformation



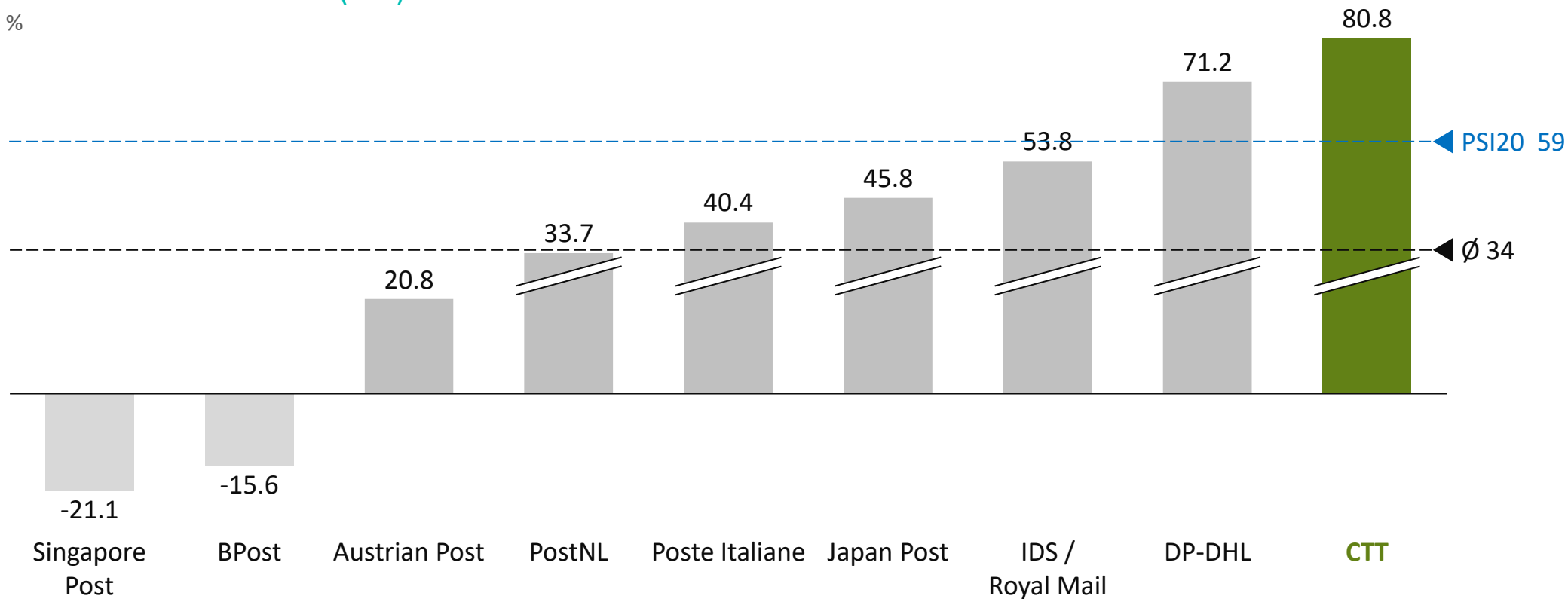
Mail

¹ Mail & other excluding business solutions; ² Recurring; ³ Peers: PostNL, Bpost, Austrian Post, Poste Italiane and DP-DHL Post & Parcel Germany. Simple average of change in revenues and adj. EBIT from 2019 to 2022

CTT clearly outperformed its peer group during the 2020-22 term of office

Total Shareholder Return (TSR)^{1,2}

%



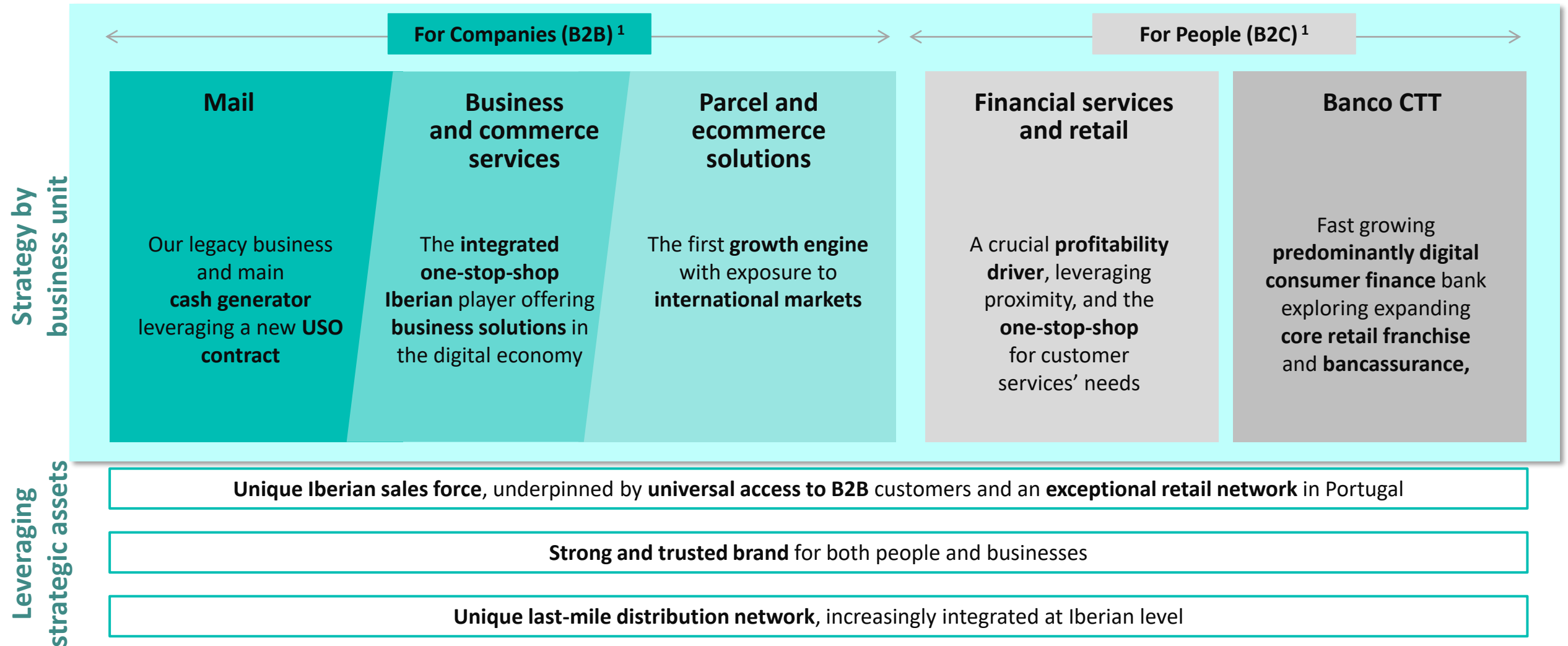
Source: Bloomberg; ¹ Total Shareholder Return using the methodology of dividend reinvested in the share in the ex-dvi date; ² Return calculated between 29 April 2020 and 14 April 2023



Strategy Review

Our positioning: a well diversified company, exposed to sustained growth

FASTER, BETTER and GREENER



¹Predominantly



B2B / Logistics

Mail & Business Solutions
Express & Parcels

CTT has clear strategic priorities in its logistics businesses



MAIL

1. Improve pricing leveraging on new concession contract
2. Rollout digital services
3. Integrate mail with business solutions



BUSINESS AND COMMERCE SOLUTIONS

1. Become the integrated one-stop-shop Iberian player offering business solutions



PARCEL AND ECOMMERCE SOLUTIONS

1. Leverage exposure to ecommerce growth in Iberia
2. Maintain leadership in Portugal
3. Grow market share in Spain
4. Integrate Iberian offer
5. Integrate mail and parcel operations

Improve pricing strategy and commercial proactivity and rollout more digital services and integrated solutions



MAIL



Price strategy

- > **Price increases**
improve the sustainability of the Mail business
- > **Increased price flexibility**
allow to manage the churn rate



Digital services

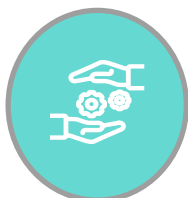
- > **Significant growth**
of digital services ensures that CTT creates more value and be a reference in digital transactions, as its customers undergo the digitalization journey
- > **1/4 of customers**
with both physical and digital CTT solutions, creating more stickiness



Business solutions

- > **Develop new products and solutions**
to provide clients with integrated solutions focused on enhancing efficiency

Complement the Mail and E&P offering by helping customers to improve efficiency and boost business, particularly in ecommerce



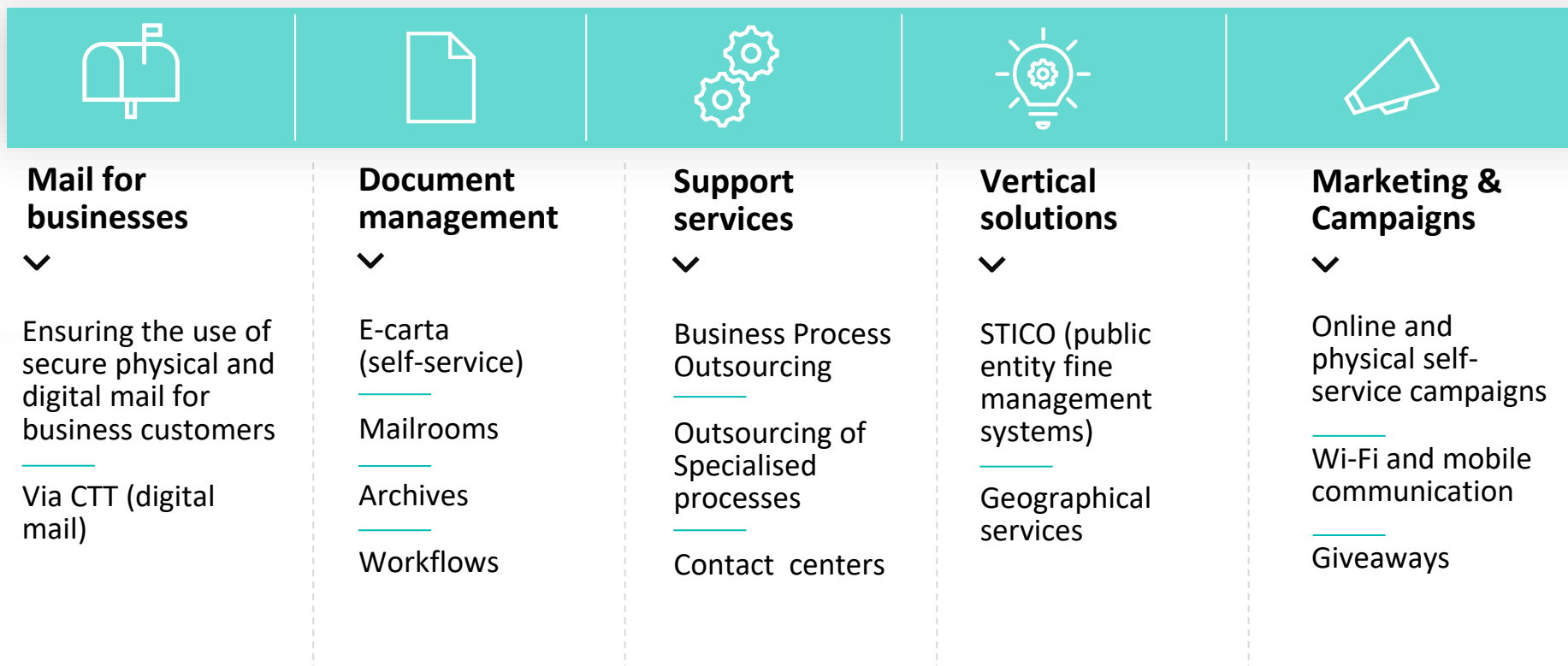
BUSINESS SOLUTIONS

SUPPORTING
the business

EMPOWERING
the business

For companies and public entities, we have tailor-made solutions based on their needs

For SMEs, a full solution factory offering total business support



We are the largest and most integrated express network of operations in the Iberian Peninsula



EXPRESS AND PARCELS



Integration in Iberia



Integration of mail and parcel operations in Portugal

17

Centres that serve both countries

109k

hourly order processing capacity

100%

D+1 geographical coverage in Iberia

44%

customers in Portugal, to send to Spain

~1/3

customers in Spain, to send to Portugal

29%

International market Portuguese Express (2019)

50%

Spanish customers, to choose a single operator in Iberia

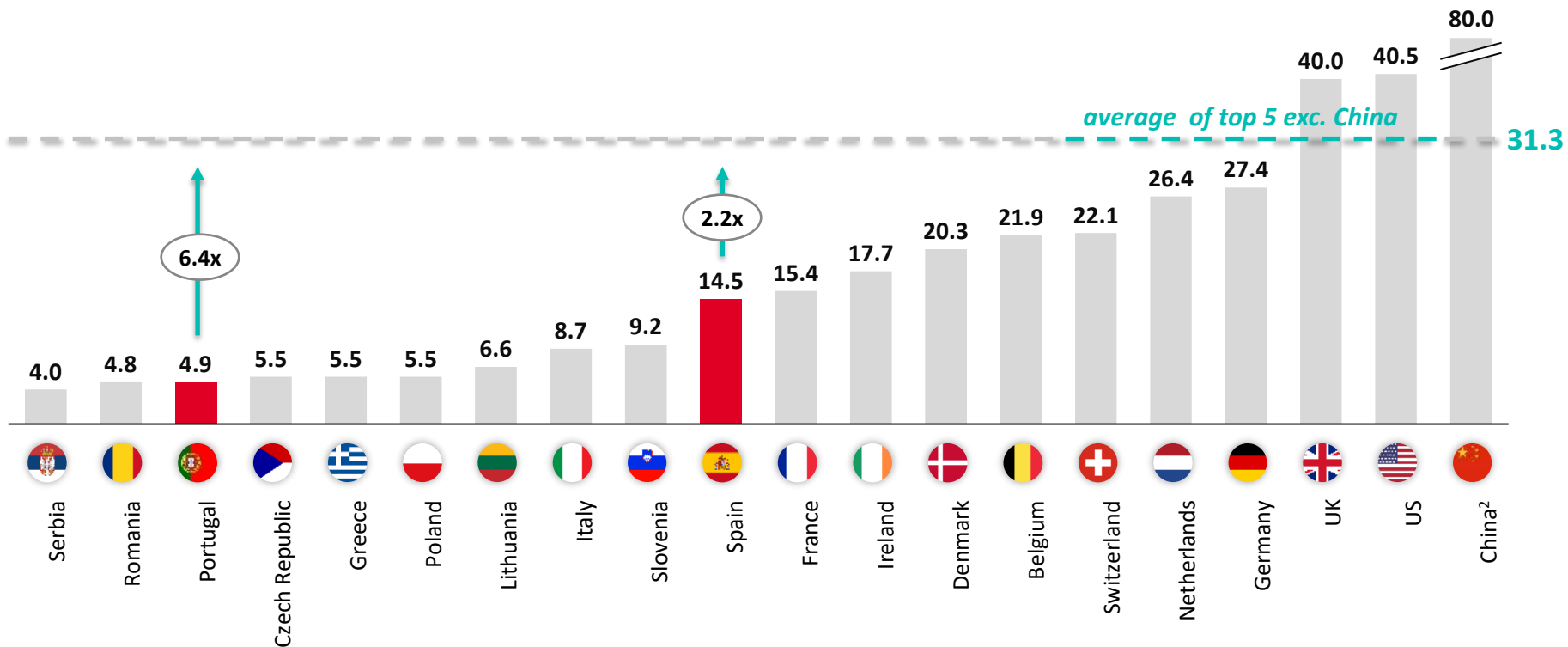


Iberian flows are relevant for most customers

Iberia: a large and growing market, with a unique potential to accelerate ecommerce penetration (1/1)

Ecommerce-relevant parcel¹ penetration, 2021

Number of parcels per capita per year



In Portugal, limited supply of e-commerce appears to be the main cause for *low demand*:











- Portugal is typically an early adopter of consumer technologies (cell phones, ATMs, electronic tolls)
- Portugal ranks 4th in Europe in the percentage of external ecommerce, confirming the limited local offer

¹IMR market study 2 Pordata
Source: IMR market study, Passport- Euromonitor

Iberia: a large and growing market, with a unique potential to accelerate ecommerce penetration (2/2)

European ecommerce market

€bn

	2018	2021	2023	Change. total	Change, %
	72.5	131.2	159.1	+86.6	+119%
	55.5	86.6	109.5	+54.0	+97%
	33.1	55.6	66.6	+33.5	+101%
	15.3	27.6	33.7	+18.4	+121%
	13.9	25.3	29.8	+15.9	+114%
	7.9	12.9	15.5	+7.6	+97%
	10.1	21.3	27.9	+17.8	+176%
	10.1	24.4	30.7	+20.6	+204%
	1.7	3.6	4.6	+2.9	+170%
	11.8	28.0	35.2	+23.5	+199%

Iberia is the 4th largest European market after the UK, Germany and France, and is predicted to be the fastest growing ecommerce market in the years to come



B2B / Logistics

Mail & Business Solutions

Clear steps were taken towards the sustainability of Mail, in line with the strategic view



New mail concession agreement

Detailed next



Optimization of mail creation through a web portal and the new e-Carta service was launched



Launch of **2 new offers to develop the advertising segment**: Media Digital and Creativity Packages.
Creation of user cases to aid sales of this segment



Continuous **improvement of Business Process Services** and Mail & Document Management



New offering for the water management sector

More initiatives are planned to be rolled out in 2023



Conserve the value of Mail services by **growing digitally with new functionalities** such as the revamp of viaCTT and enhanced information on deliveries to clients



Creation of **bundles** to optimize the offering of services to the specific needs of SMEs.



Analytics: improve the information on advertising campaigns to enable customers to calculate a precise ROI



Capture new businesses of Contact Center and BPO, leveraging Newspring's know-how



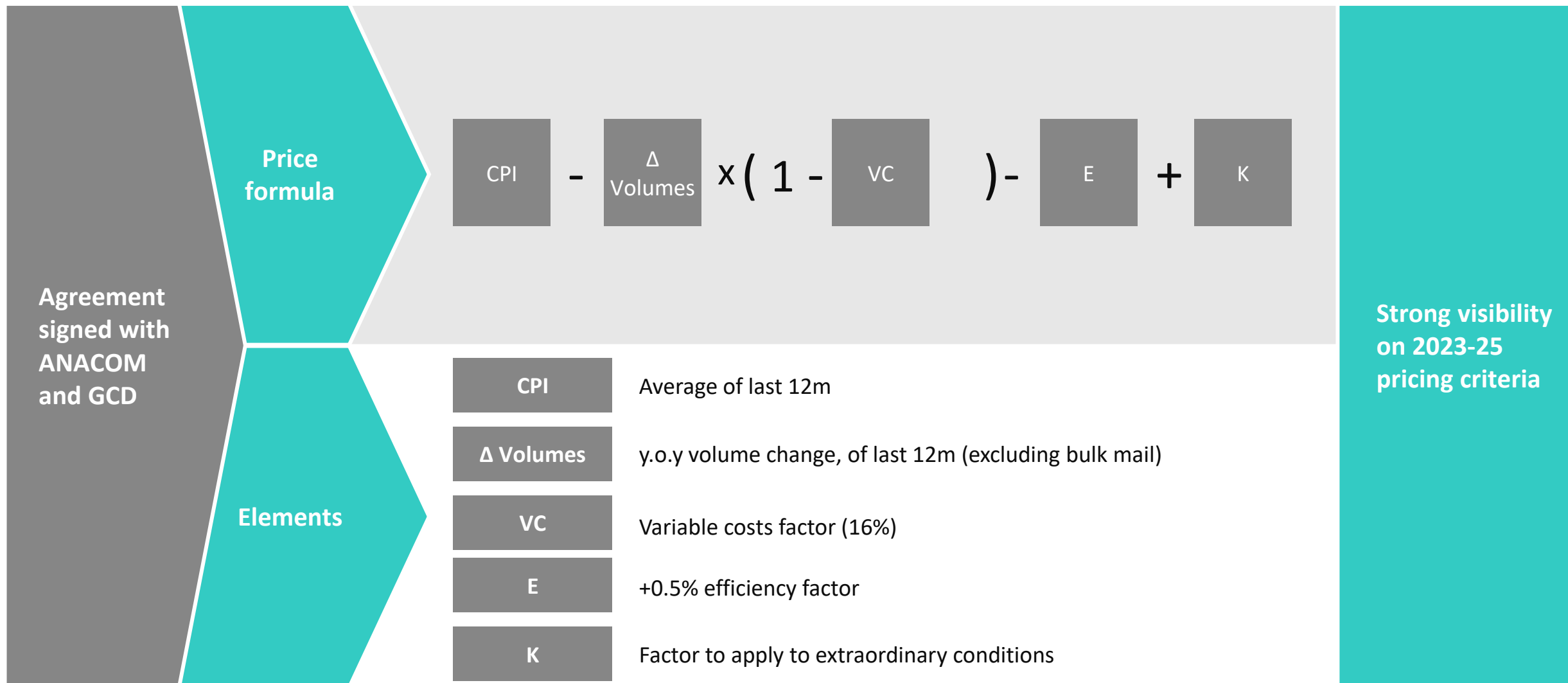
Optimize BPS solutions for SMEs

New mail concession agreement to provide visibility and stability

- 7-year contract: a transition period (2022) and two 3-year periods
- In accordance with the new the postal legislation, new checks and balances for pricing and quality of service parameters were defined
 - ✓ Price: Criteria to be defined by agreement between CTT, ANACOM and the Consumer Directorate-General for periods of 3 years; if no agreement is reached, the Government will set out the criteria
 - ✓ Quality: Criteria shall be approved by the Government upon ANACOM's proposal, complying with European average and best-practices, also for 3-year periods
- No major changes regarding density



Strong visibility on pricing

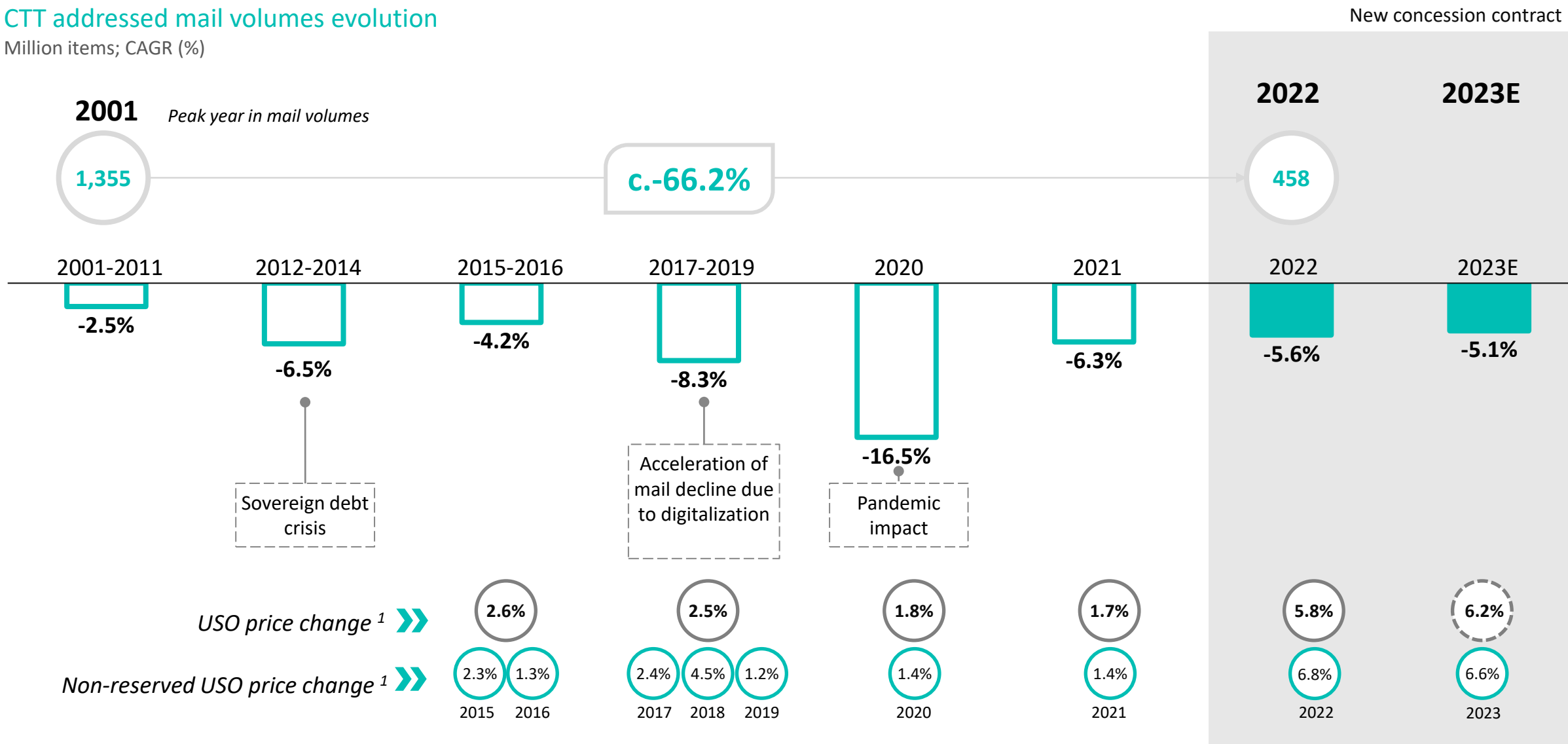


Notes: Additional conditions: i. Annual price change of domestic ordinary mail up to 20g cannot surpass €0.04; ii. Annual price increase cannot surpass 15%; iii. 3-year cumulative price increase cannot surpass 30%.

The mail volumes decline slowed down due to the post-pandemic opening-up. Moreover, there is a much better compensation by the price mechanism

CTT addressed mail volumes evolution

Million items; CAGR (%)

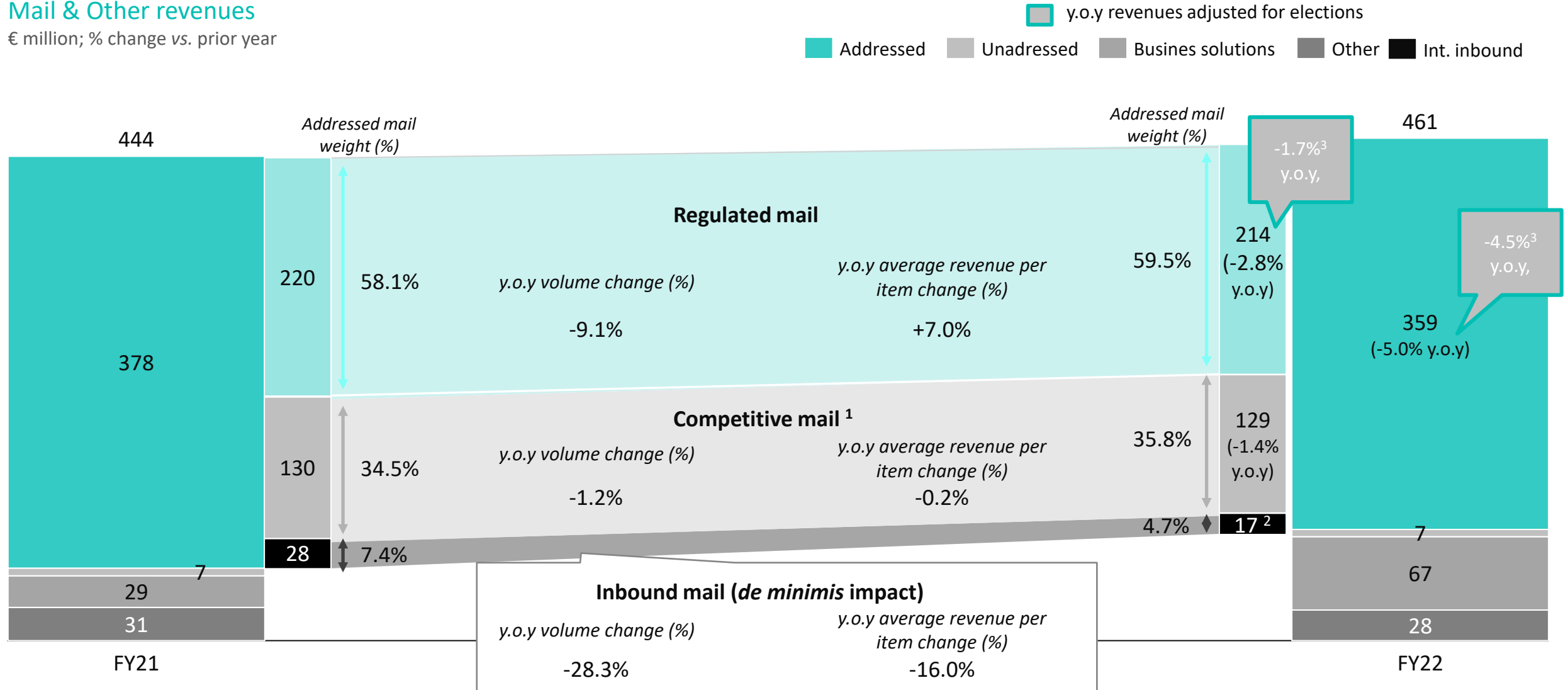


¹ Includes basket of Non-reserved and Reserved USO services, and Special Prices, penalties associated with quality standards are not considered (0.08% in 2019 and 1% in 2020, of which 0.5% reflected on prices and 0.5% compensated by an alternative measure).

Elections apart, Mail showed a mild decline in volumes and revenues

Mail & Other revenues

€ million; % change vs. prior year



¹Includes bulk and advertising mail;

²-39.8% y.o.y;

³Adjusted for elections impact

Mail profitability hindered by the decline in inbound mail volumes

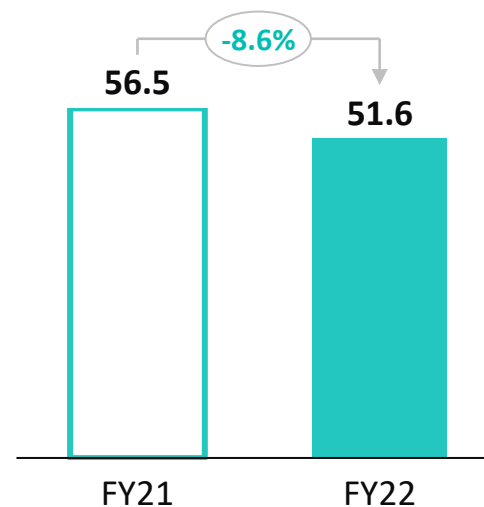
Mail & other - Revenues FY22

€ million; % change vs. prior year

Transactional	€341.7m (-5.4%)
Advertising	€17.5m (-8.1%)
Editorial	€12.3m (-4.8%)
Business solutions	€67.3m (+131.7%)
USO parcels	€7.7m (-2.7%)
Philately & other	€9.1m (-9.9%)
Mail	€455.6m (+3.5%)
Central Structure	€5.3m (+29.3%)
Mail & other	€460.9m (+3.7%)

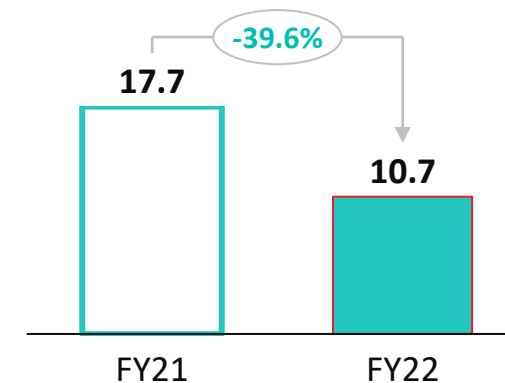
EBITDA ¹

€ million



Recurring EBIT

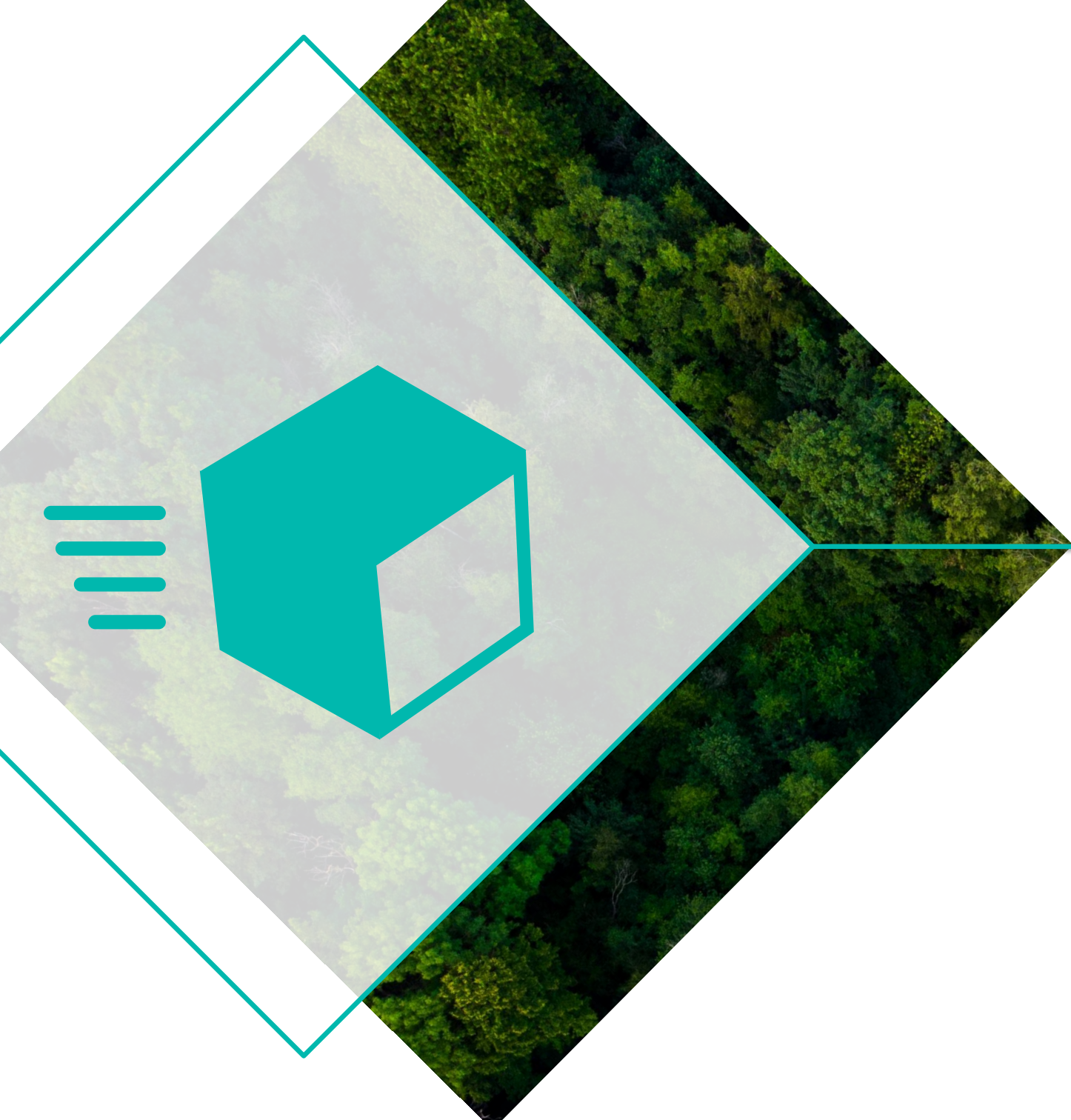
€ million



Volumes by type (m items)

Metric	Avg. mail prices	Addressed mail	Transactional	Advertising	Editorial	Unaddressed mail
FY22	N.A.	457.6	391.5	38.6	27.6	424.6
vs. FY21	+5.8%	-5.6%	-5.8%	-3.4%	-4.7%	-5.6%

¹ Excluding Specific items, depreciation & amortization



B2B / Logistics

Express & Parcels

In 2022 focus of E&P Portugal initiatives was on strengthening pricing movements and further differentiate offering




 Initiate adjustments to **pricing** to improve profitability, including fuel surcharges

 Review **Cargo pricing model** in order to align with the costs of the new partner Santos & Vale

 Adapt **Same Day offering** to address market needs

 Launch *Europa Light*, **new international outbound offer**, to test international eCommerce segment

 **Grow the network of delivery points** (lockers and PUDOs), and launch of a new app for partners

 Introduce **new digital functionalities** for B2C (e.g. delivery simulation and new app) and B2B (e.g. portal comprising digital onboarding of clients and solutions to send Express and Mail)

 Launch of **circular economy initiatives**, namely those with **fnac**

In 2023, focus stands on execution and pricing movements targeted at improving profitability



Continue to **improve profitability** by renegotiating meaningful deals (size and profitability)



New Express functionalities: Safeplace and delivery estimated time



Expand digital features: new APIs ecosystem to integrate into clients' systems



Simplify offering and assure **higher alignment in Iberia**



Generate new, and migrate existing clients to **Same Day offering**



Launch pre-paid option for SMEs



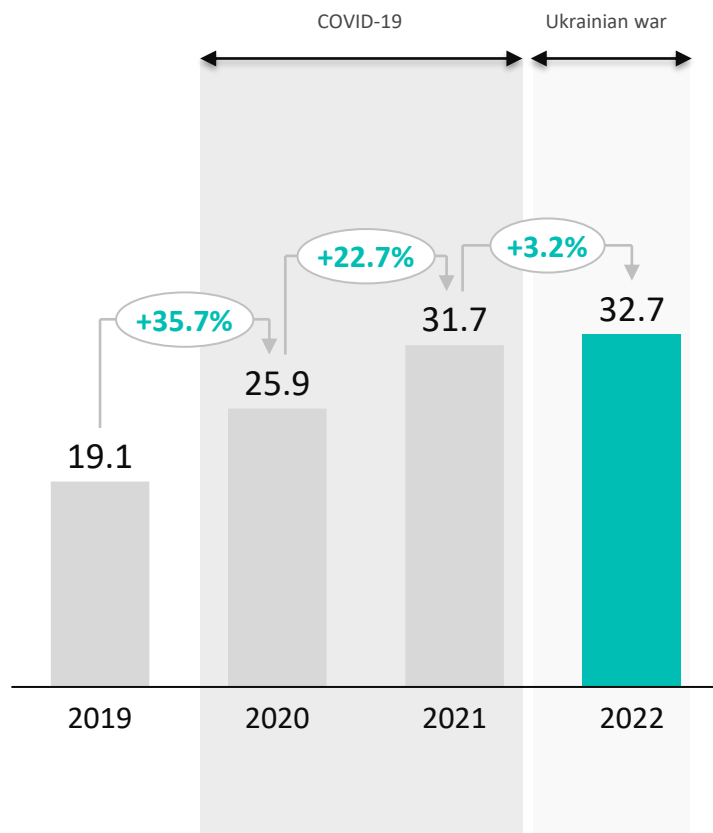
Enlarge the presence in the value chain: Same-Day, 2-Men and cement Reverse Logistics

As a result of external constraints, 2022 was a challenging year



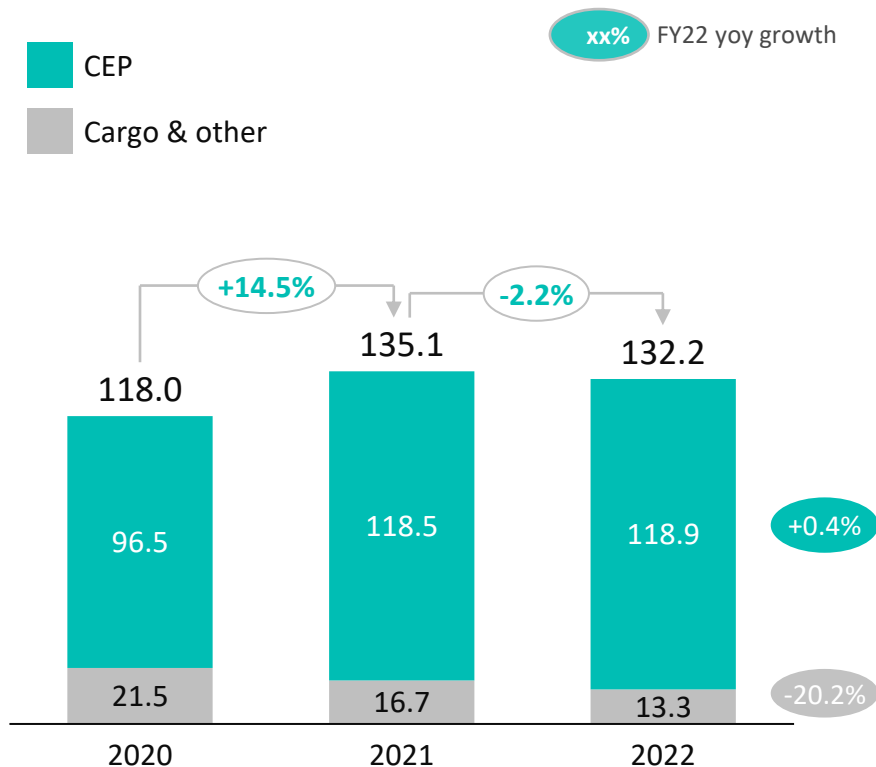
Express & Parcels Portugal CEP Volumes

% change vs. prior year



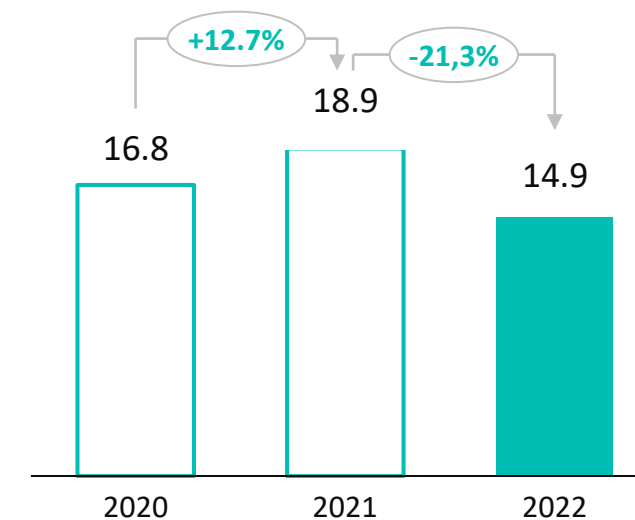
Express & Parcels Portugal Revenues

€ million; % change vs. prior year



Express & Parcels Portugal EBITDA ¹

€ million; % change vs. prior year



¹ Individual accounts.

In 2022, focus of E&P Spain initiatives was on price adjustments and business expansion



 Initiate adjustments to **pricing** to improve profitability, including fuel surcharges

 New **CRM tool** to improve commercial activity

 **New hub to boost and upgrade the operations of ecommerce from Asia** (incl. customs clearance)

 **Europa Light, new service of international outbound**, to test international eCommerce segment

In 2023, focus will be to broaden the relationship with clients



Continue to **improve profitability** by renegotiating meaningful deals (size and profitability)



New Express functionalities: Safeplace and delivery estimated time



Launch PUDOs network in Spain



Simplify offering and assure **higher alignment in Iberia**

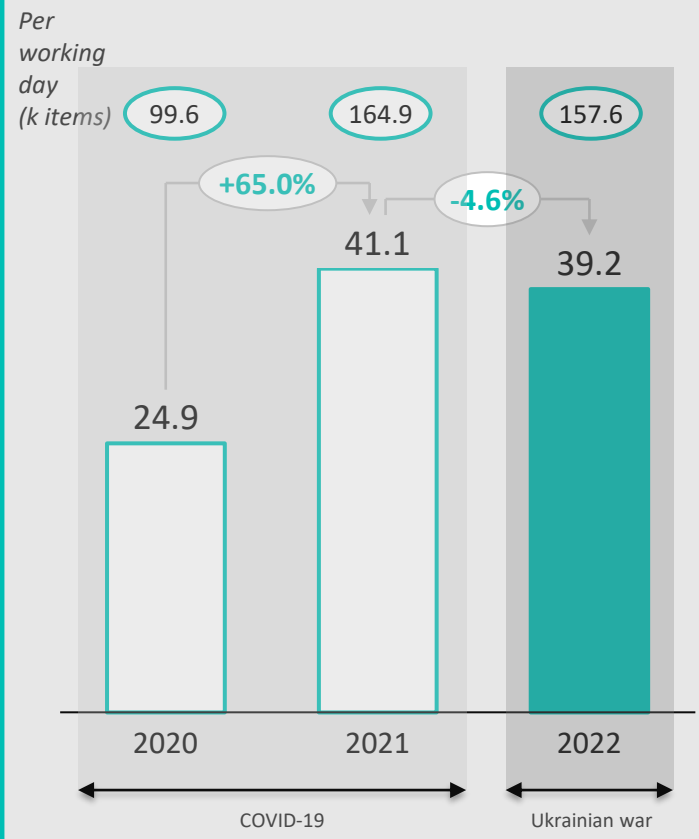


Develop **integrated customs' clearance** business with Asian clients

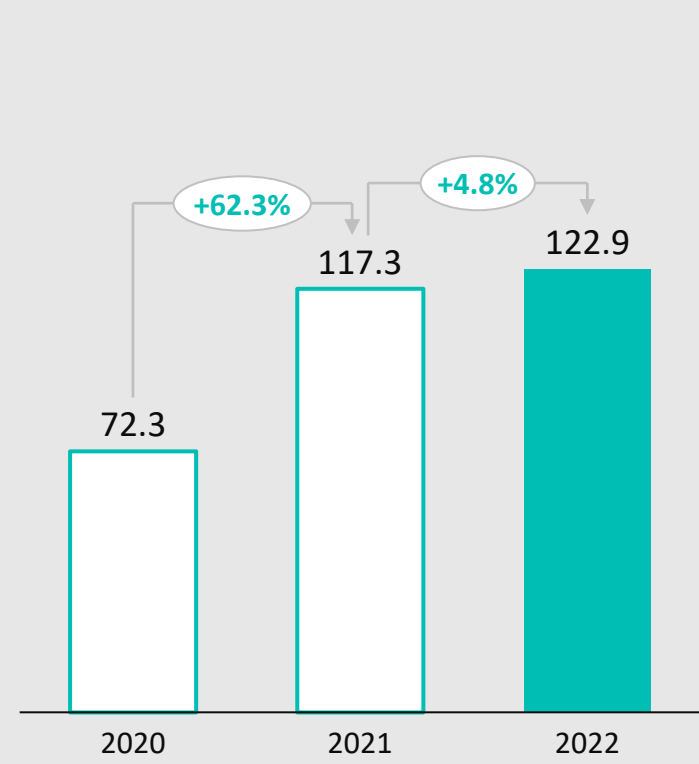
Investing to grow while focusing on quality of service and profitability



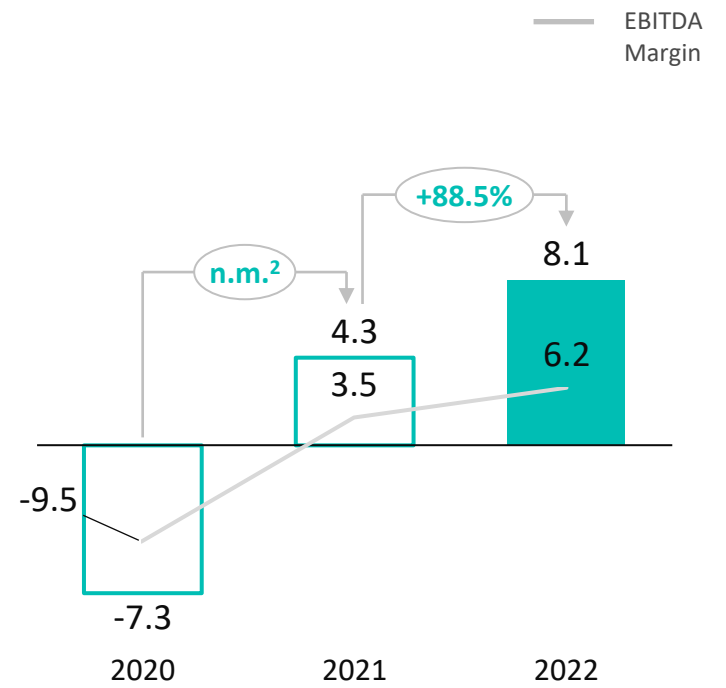
**Express & Parcels Spain
CEP Volumes**
million items; % change vs. prior year



**Express & Parcels Spain
Revenues**
€ million; % change vs. prior year



**Express & Parcels Spain
EBITDA¹ and EBITDA margin**
€ million; % change vs. prior year
%



¹ Individual accounts; ² Not meaningful.

2022 profitability impacted by ecommerce slowdown and expansion for further growth

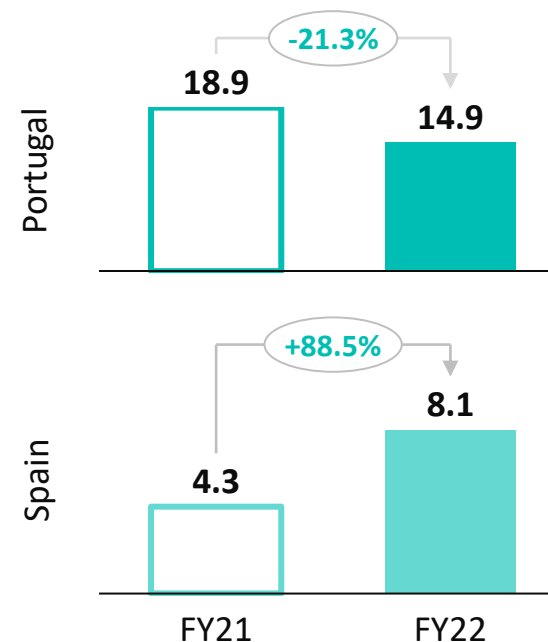
Express & Parcels - Revenues FY22

Consolidated view; € million; % change vs. prior year

Portugal	€132.2m (-2.2%)
Parcels	€118.9m (+0.4%)
Cargo	€4.9m (-40.2%)
Banking network	€4.3m (-3.4%)
Logistics	€3.4m (+8.9%)
Other	€0.7m (-23.3%)
Spain	€122.9m (+4.8%)
Mozambique	€3.9m (+20.5%)
Total	€259.0m (+1.3%)

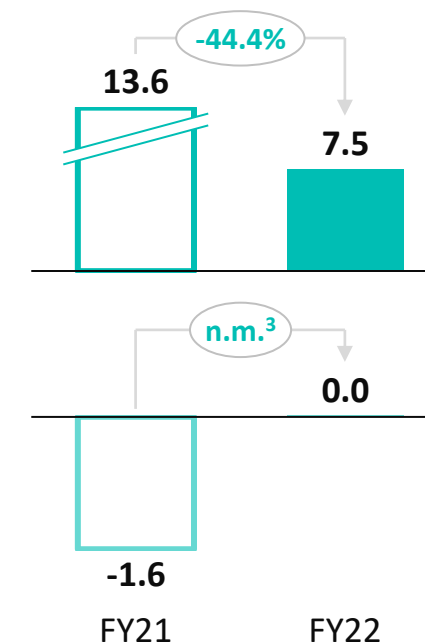
EBITDA ^{1, 2}

€ million



Recurring EBIT ²

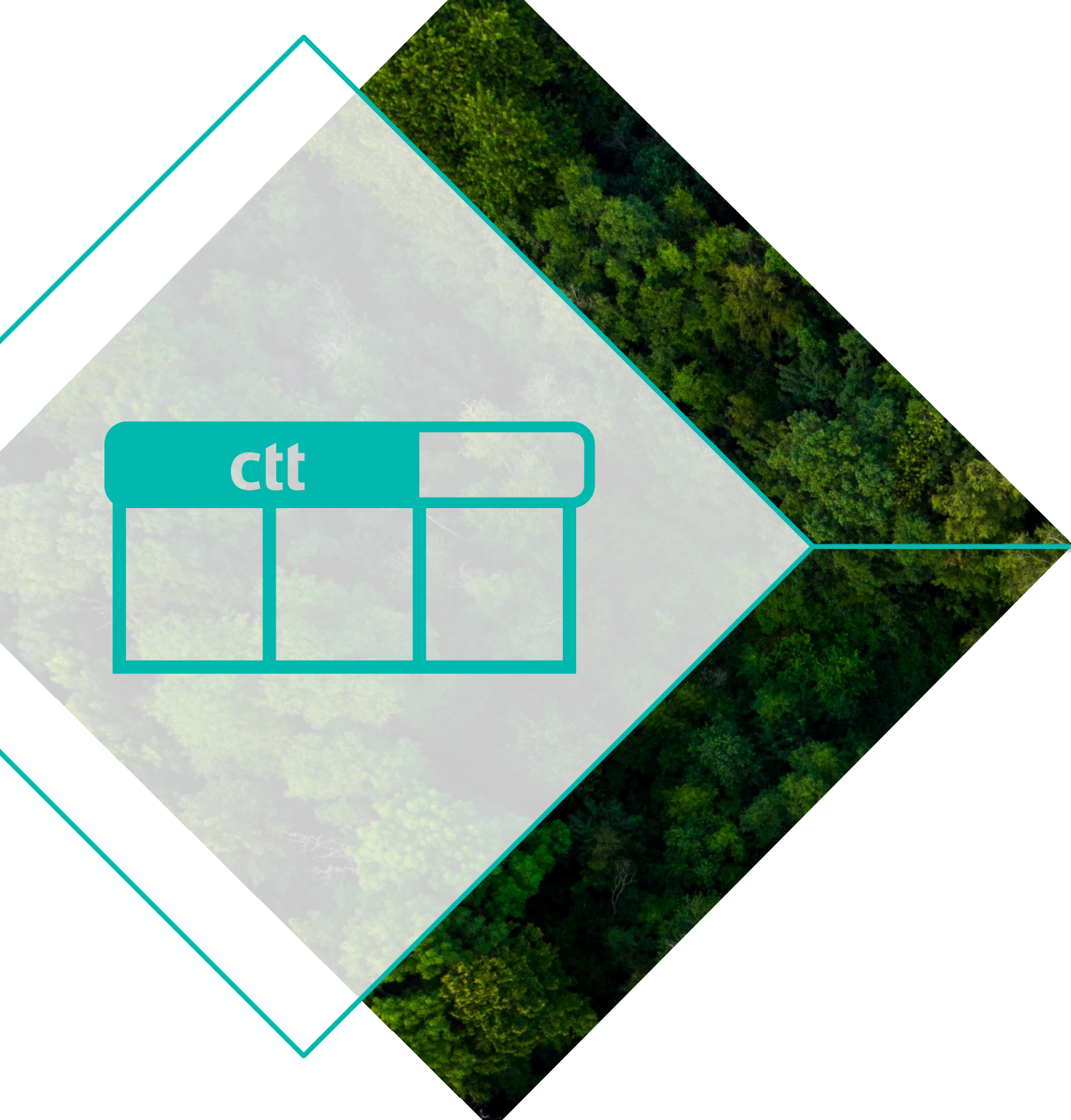
€ million



Volumes by region (m items)

Metric	Total	Portugal	Spain
FY22	72.3	33.1	39.2
vs. FY21	-2.1%	+1.1% <small>of which 32.7 (+3.2%) CEP</small>	-4.6%

¹ Excluding Specific items, depreciation & amortization; ² Individual company views (not consolidated); ³ Not meaningful.



B2C / Retail

Financial Services & Retail
Banco CTT



B2C / Retail

Financial Services & Retail

Banco CTT

We have a unique network capillarity across the country that we are refocusing on services

569

branches spread across the country

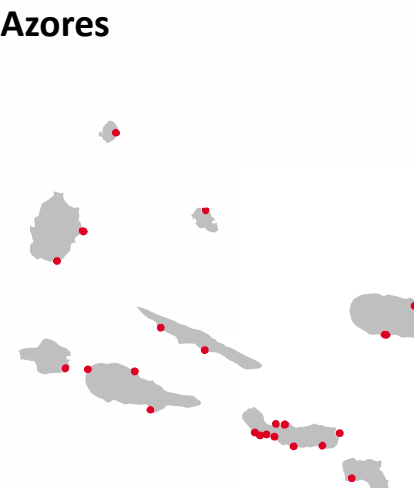
>1,800

agents that commercialize CTT products and services

All 308 municipalities

with a CTT store

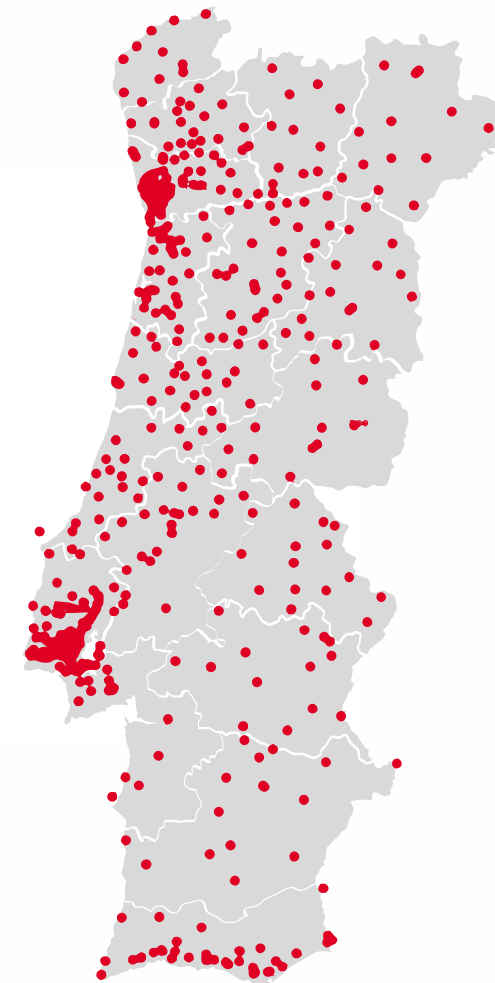
Azores



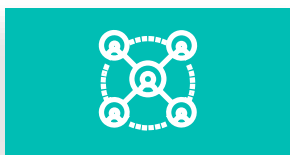
Madeira



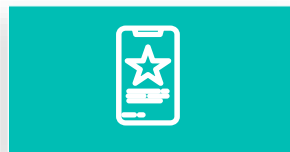
● CTT branches



Ambition to reinforce proximity and become a one-stop-shop for customer service needs



Capillary network, associated with customer proximity, present with own shops in all municipalities



Leveraging existing in-person traffic with 65k unique client visits / day, as well as **increasingly available digital / self-service functionalities**



Solving for **customers' convenience** and **daily service requirements** and **eliminating pain-points**

Refocus of retail segment on Services

Distribution of public debt

New public debt distribution agreement signed with IGCP – Portuguese Treasury and Debt Management Agency

- entered into force on 20 January 2023
- three-year duration.

Key commercial conditions were maintained

New contract includes the distribution through CTT's online channels



Other financial and insurance services

- Insurance distribution agreement with Generali¹
 - Life (except financial) and Non-life insurance products, including auto, health, personal accidents, life protection, and multi-risk
 - 5-year renewable exclusivity period

CTT already started to trial the distribution of insurance products under this partnership

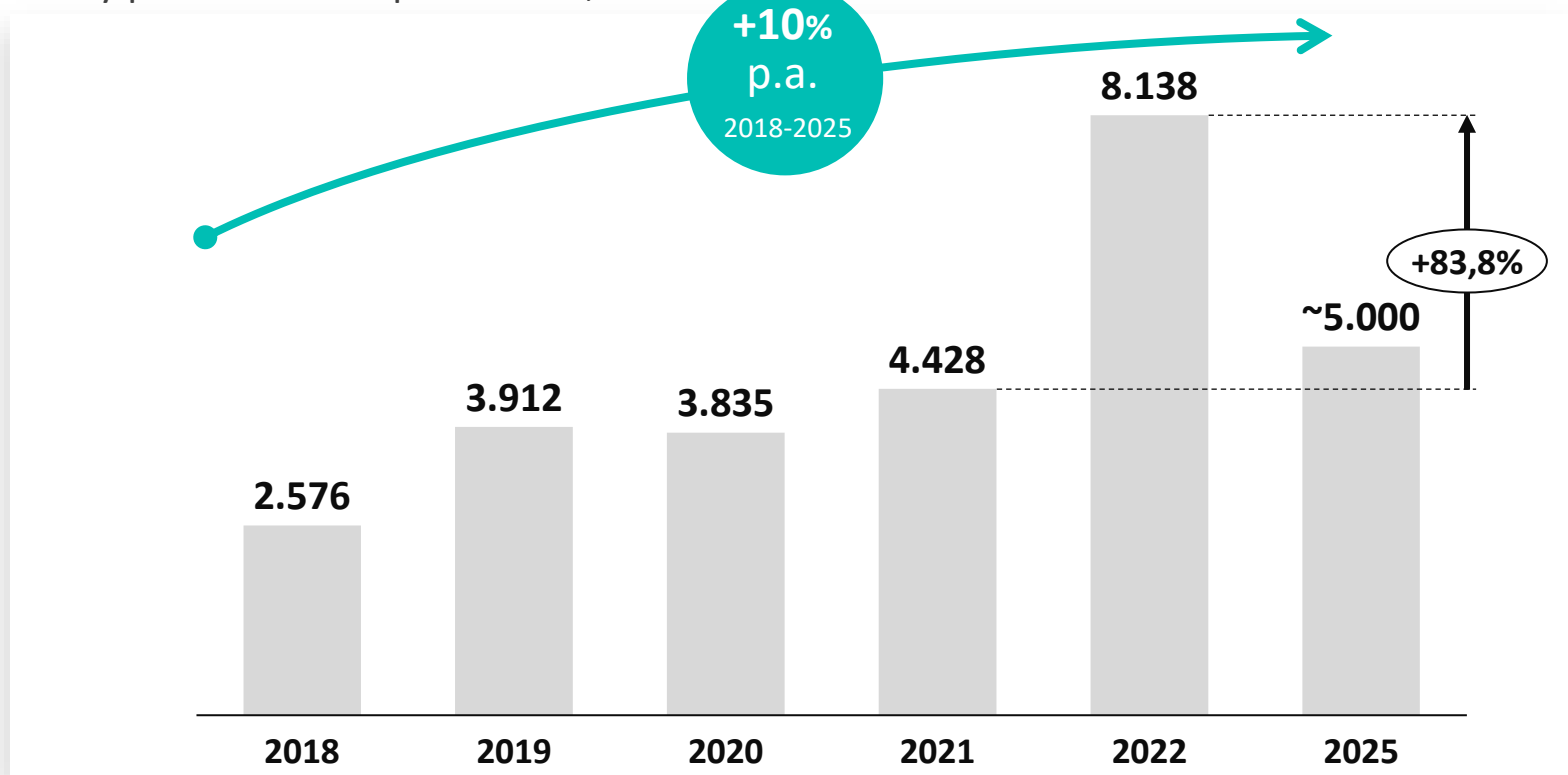
- Healthcare solutions for individuals and SMEs
 - Money transfer and payment services
 - Public administration / citizen services
- Evaluation of additional distribution agreements for other services
 - Currency exchange services

¹Tranquilidade/Generali Seguros

Public debt as an important revenue stream for CTT with potential to grow with self-service capabilities being developed

Public debt placed by CTT has been growing steadily

Yearly placements of public debt, €m



We remain committed as the main retail provider of public debt



individual clients go to a CTT branch to acquire public debt¹



frequent clients recognize they are aware of public debt offer but may not be using it yet

Savings' product strategy

ctt

Public debt

bancocctt

Life savings products

¹ Survey Dez 2021-March 2023 with 3,050 answers across 424 CTT branches

In 2022 we took steps on transforming our stores towards the provision of comprehensive savings and citizen services



Opening of another **store** with the 20|20 concept in Oeiras, focused on greater convenience through self-service spaces



Expansion of the **Lockers** (513 Lockers, of which 70 are in CTT shops) and promotion of the solutions provided in this network



Implementation of the **Locker + Reception Pilot** (through-the-wall) in Cabo Ruivo



Implementation of the **Digital queue ticket** to all shops that have a queue management system



Development of the **financial insurances** offer with Fidelidade and Real Vida (Jan-Jun. 2022)



Launch of the new **CTT Health Plan** offer, in partnership with Future Healthcare



Strategic negotiation with **Generali**, which included extending the sale of Tranquilidade insurance through the Retail Network starting in 2023

More initiatives are planned to be rolled out in 2023



Implement a **self-service solution for sending mail and parcels**



CTT stores' area segmented by type of service



Discontinuing of certain retail product sales, including scratch cards



Further development of **insurance products partnership with Generali**



Reinforce the **partnership with Western Union** with expansion to external channels



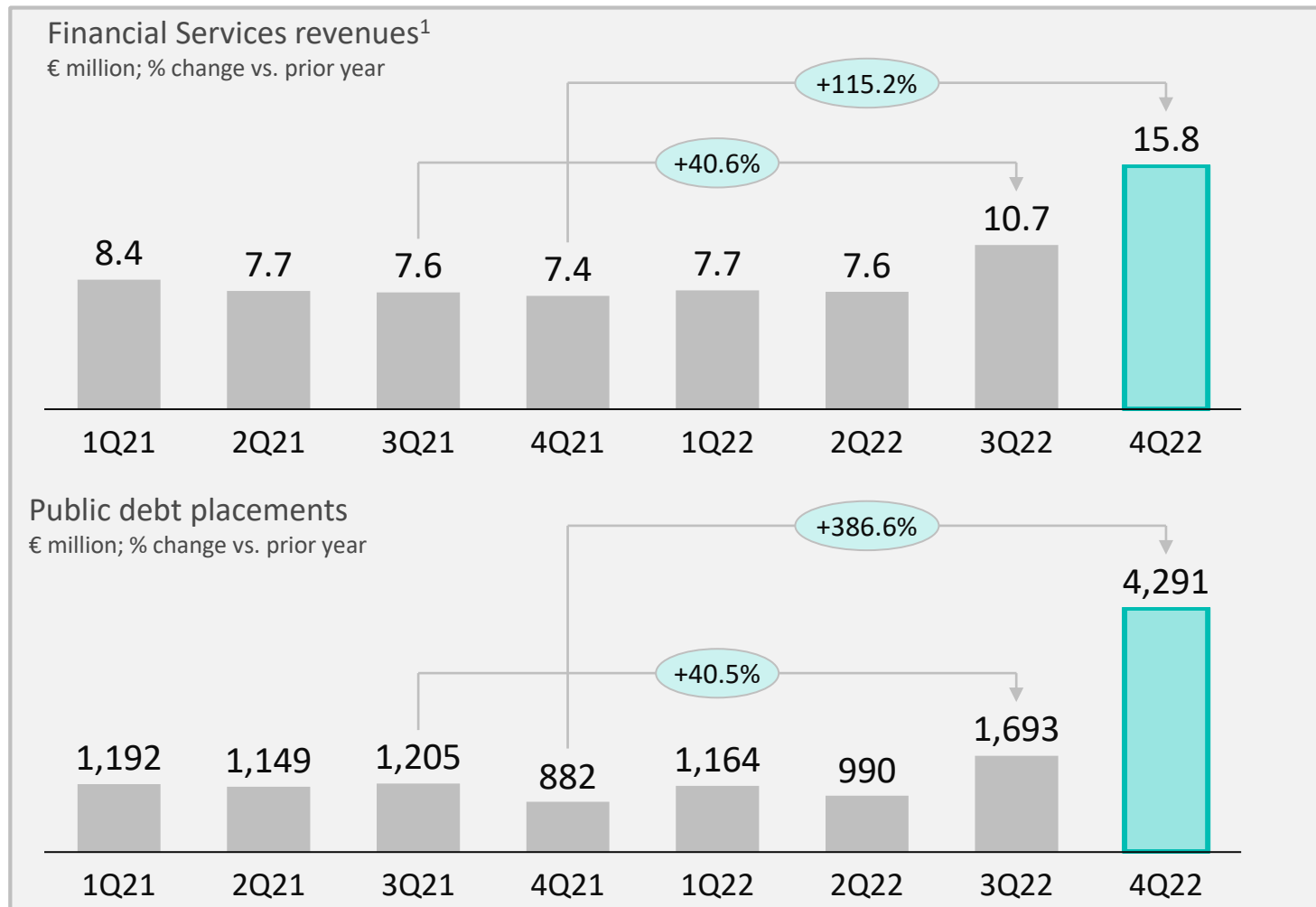
Identify **opportunities for new services offerings**



Increase the availability of **CTT Health Plan to B2B segment**

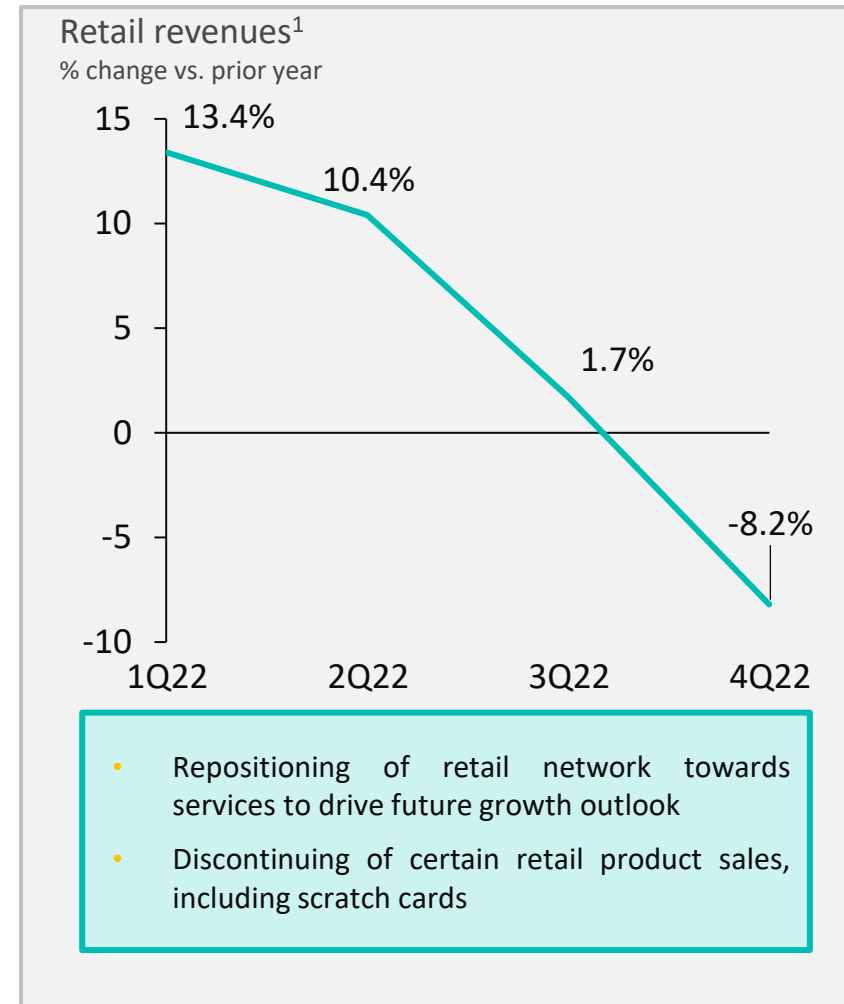
Public debt placements driving revenue performance and offering solid outlook

Financial Services



¹ Excludes other revenues that account for €0.03m in 4Q21 and €-0.10m in 4Q22

Retail products & services



Financial Services & Retail boosted by savings and by the renewed commercial dynamics in retail

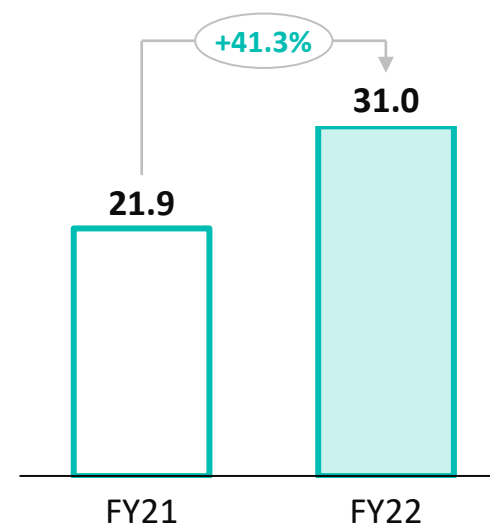
Financial Services & Retail - Revenues FY22

€ million; % change vs. prior year

Savings & insurance	€34.2m (+42.7%)
Money orders	€6.0m (+9.5%)
Payments	€1.5m (-2.5%)
Retail products & services	€18.0m (+2.7%)
Other	€1.0m (+188.6%)
Total	€60.7m (+24.2%)

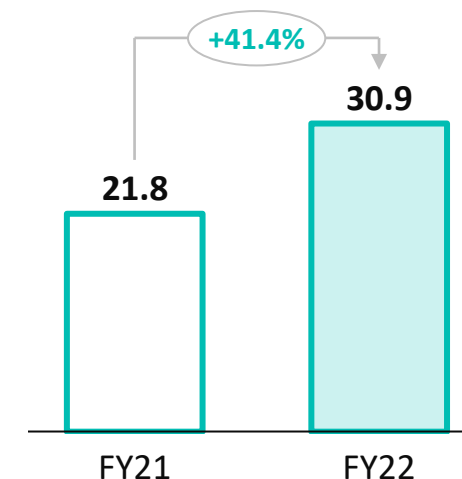
EBITDA ¹

€ million



Recurring EBIT

€ million



Financial Services volumes by type

Metric	Savings flows (€bn)	Placements	Redemptions	Money orders (m ops.)
FY22	9.6	8.1	1.4	14.3
vs. FY21	+72.3%	+83.8%	+29.0%	+6.1%

¹ Excluding Specific items, depreciation & amortization



banco**ctt**

B2C / Retail

Financial Services & Retail

Banco CTT

In 2022, Banco CTT continued its growth path and took clear steps towards differentiating its offering



Relationship with more than 800k individuals (700k in Banco CTT and 100k in 321Crédito)



Expand relationship with clients with **>30% growth in financial and card transactions**, and logins



Record year in origination of consumer and auto loans



Partnership with Generali/Tranquilidade

Detailed next



Distribution of insurance products, specially in Life segment



Growing contribution to CTT Group in terms of revenues and EBIT, achieving a ROTE of 5,5%

In 2023, Banco CTT will focus on strengthening the relationship with its clients and grow in bancassurance



Increase relationship and **proximity with clients** with our competitive offering



Continue to **grow auto loans and mortgage books**



Exit the Universo partnership with Sonae by year-end



Implement the partnership with **Generali/Tranquilidade**



Continue to **develop our technological capabilities**, namely in the digital area



Maintain a **disciplined approach to risk**

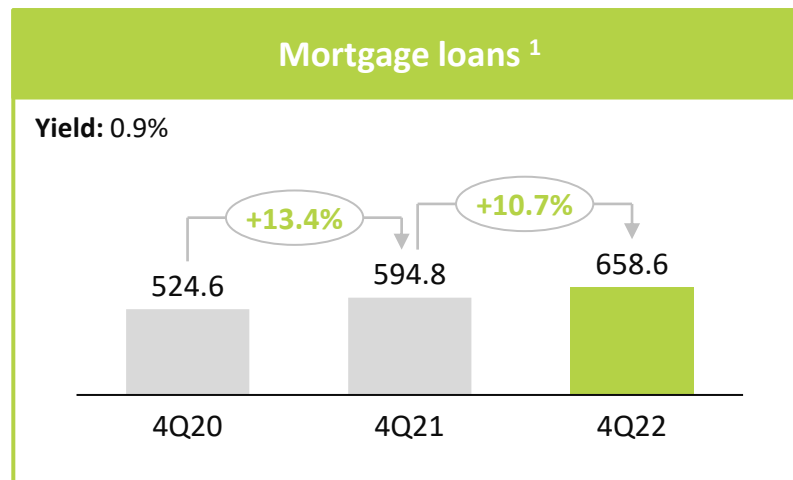
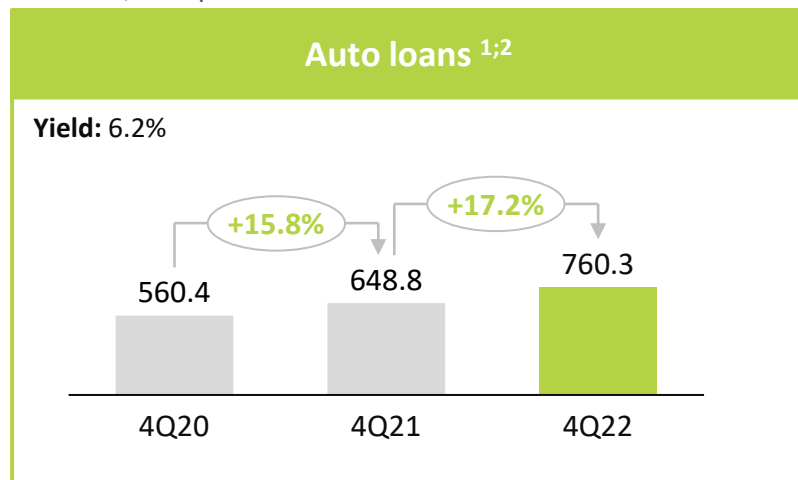


Improve **RoTE**

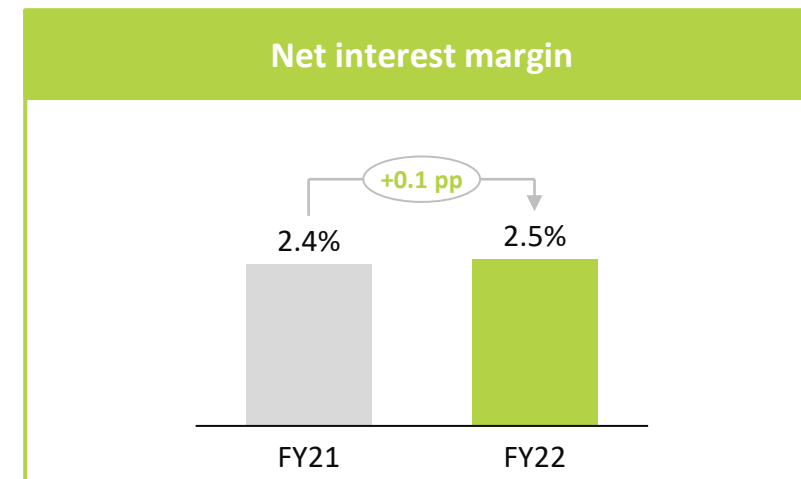
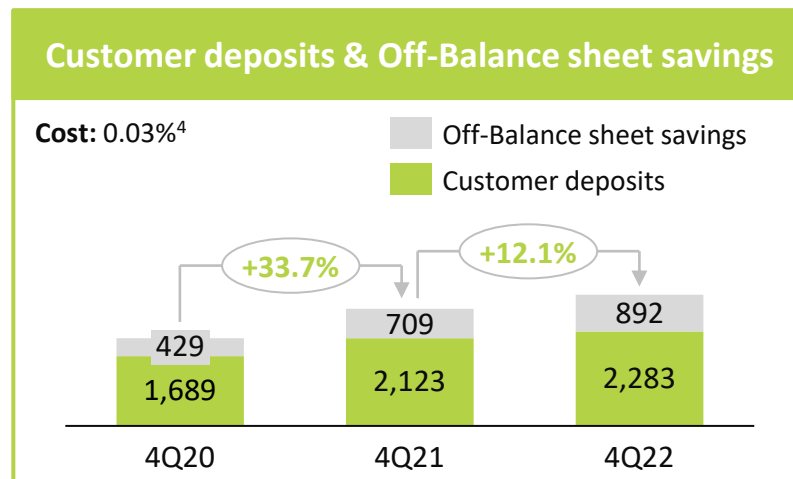
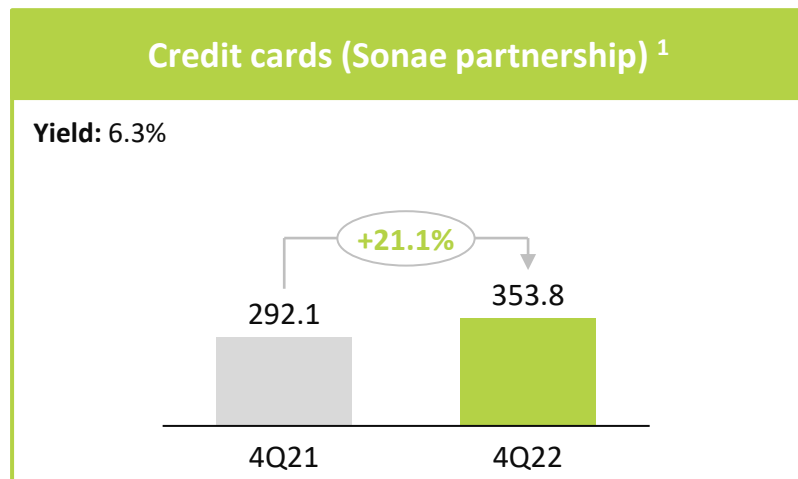
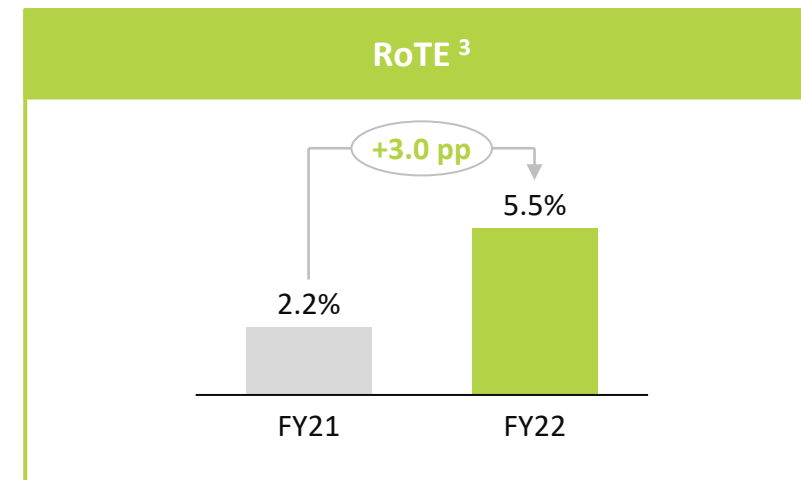
Banco CTT strong performance driven by higher volumes, while revenues and RoTE will benefit further from the interest rate outlook

Banco CTT – Book volumes evolution

€ million, except otherwise indicated



Banco CTT – Key ratios



¹ Net of impairments;

² Consolidated contribution;

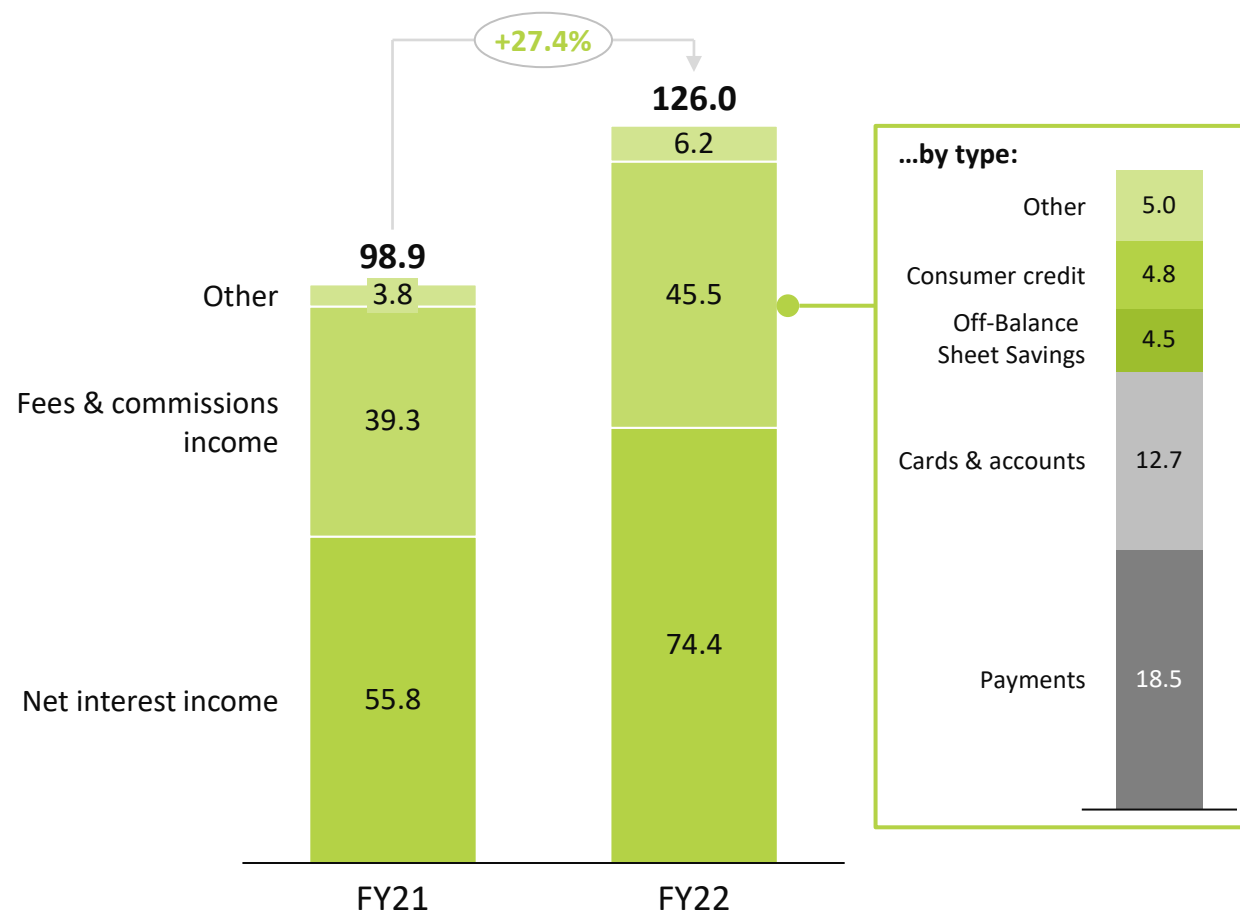
³ Excluding Specific items.

⁴ Average cost of customer deposits.

Banco CTT continues its path of profitable growth

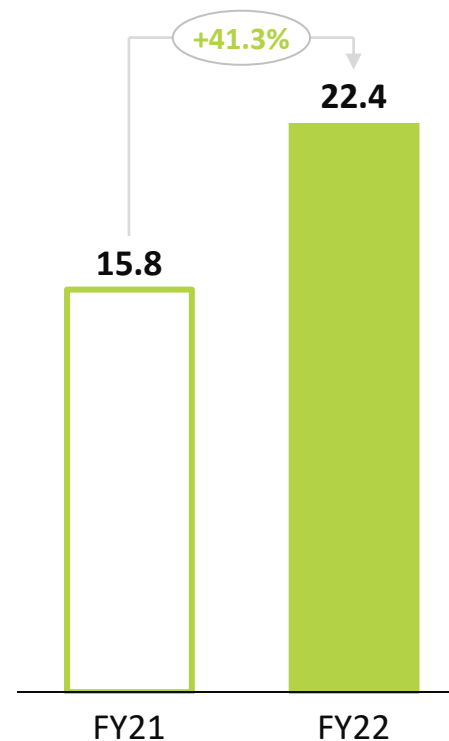
Banco CTT - Revenues FY22

€ million; % change vs. prior year



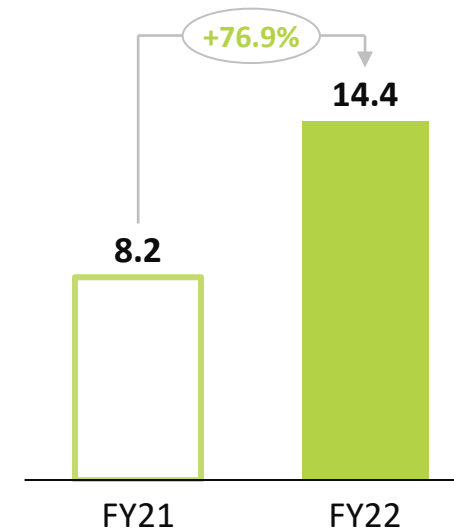
EBITDA¹

€ million; % change vs. prior year



Recurring EBIT

€ million; % change vs. prior year



¹ Excluding Specific items, depreciation & amortization

Strategic partnership between CTT, Banco CTT and Tranquilidade/Generali Seguros

Transaction description and rationale

1

Long-term distribution agreements for the distribution by CTT and Banco CTT of **Tranquilidade/General** insurance products through their respective distribution channels, with exclusivity renewable every 5 years

2

The partnership reinforces CTT Group's **value proposition** for its customers with a broad offering of **life and non-life insurance products**

3

Tranquilidade / Generali to subscribe a **€25m reserved capital increase** in exchange for a stake of **approximately 8.71%** in Banco CTT (**implied valuation of 1.1x P/BV 1H22**)

4

Proceeds from the capital increase will support the **development of Banco CTT** and **reinforce its capital position** (+240 bps impact on CET1 FL ratio¹)

Closing of the transaction expected to occur before the end of 2023



¹ CET1 FL ratio includes 1H22 results

Insurance distribution agreements overview

Key highlights



Long-term agreements, with exclusivity renewable every 5 years



Recurrent **commissions** in line with **market standards**

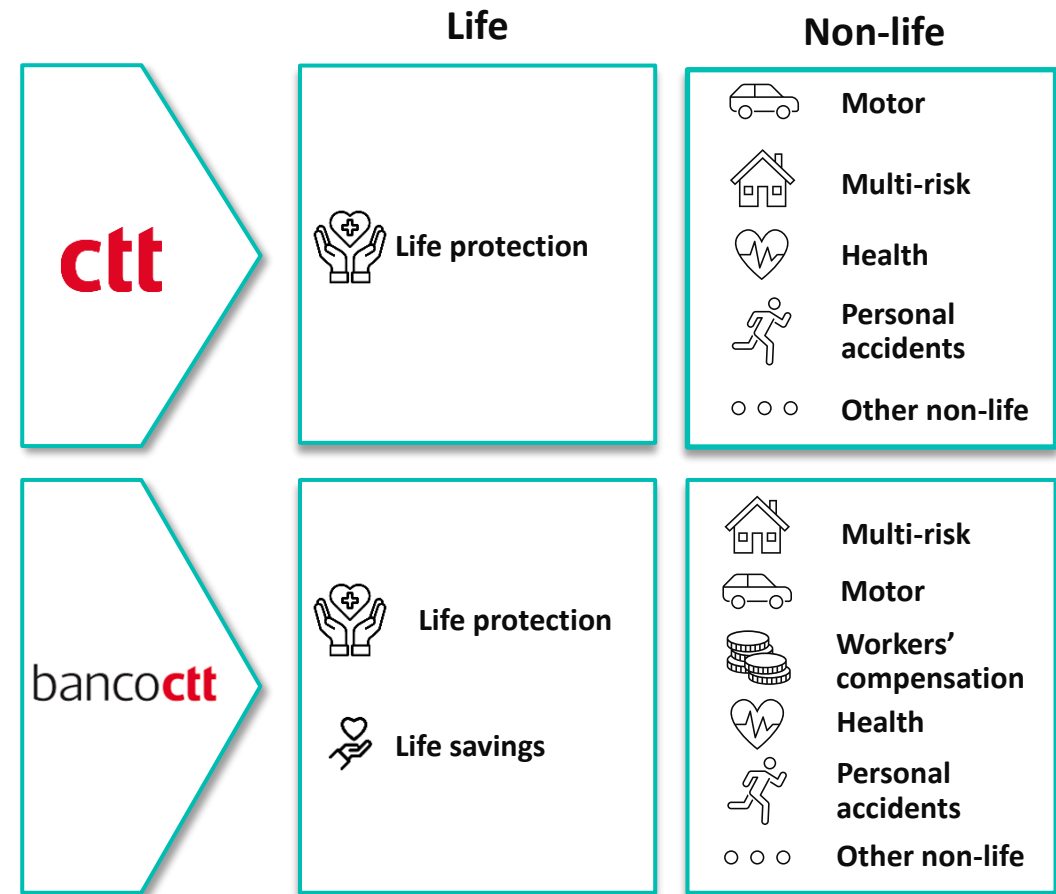


Additional fixed price of **€1m to CTT and €9m to Banco CTT**, irrespective of performance and to be settled in the initial 6 years



Additional **performance-based mechanisms** agreed between the parties

Lines of business

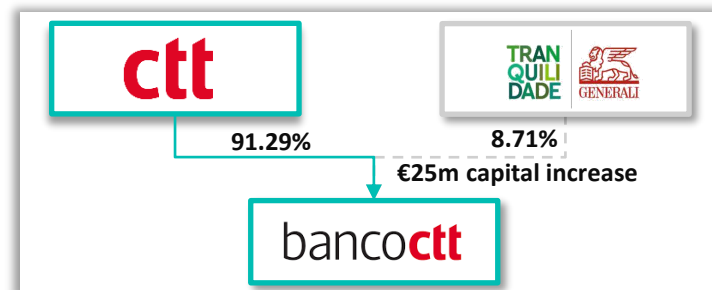


Capital increase in Banco CTT ensures full alignment of interests between the parties

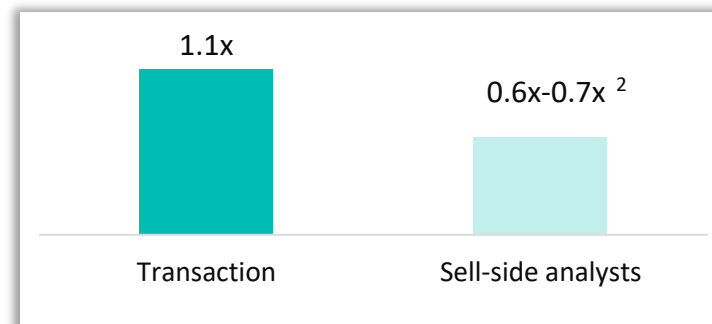
Capital increase

- 1 The subscription by Generali of a €25m reserved capital increase for a stake of approximately 8.71% in Banco CTT implies a **€262m pre-money valuation**
- 2 The transaction values Banco CTT at a **1.1x P/BV multiple**, representing a **significant premium** vis-à-vis current **sell-side analysts' valuation assigned to Banco CTT**
- 3 Proceeds from the capital increase will support the **development of Banco CTT and reinforce its capital position** (+240 bps impact on CET1 FL ratio¹)
- 4 An **adequate corporate governance structure** will grant minority protection rights to Generali consistent with its stake
- 5 An **utmost important step in Banco CTT's profitable growth strategy**, showcasing the bank's unique strengths:
 - ✓ Fastest-growing bank in Portugal
 - ✓ Nationwide network and agile digital platform
 - ✓ Attractive retail franchise: young, urban and digital customer base
 - ✓ Scalable platform with track-record on partner-based solutions
 - ✓ Relevant presence in consumer finance segment

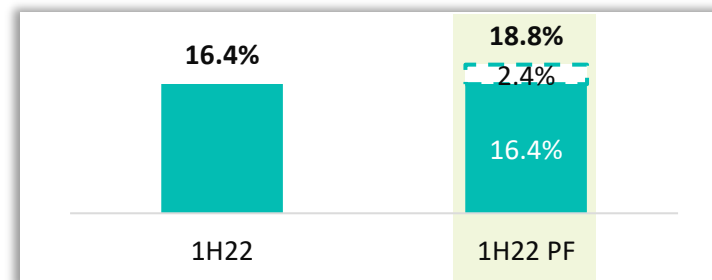
Shareholding structure



P/BV multiple



CET1 FL ratio¹ impact



¹ CET1 FL ratio includes 1H22 results

² CTT-compiled sell-side analysts' consensus valuation of Banco CTT

The termination of the Universo credit card partnership will reduce significantly the RWA

Terms of the Partnership Agreement - Termination

- Partnership to be closed by 31 December 2023
- Sonae will progressively assume responsibility for financing and credit risk activities
- Net exposure of Banco CTT to Universo credit cards will gradually decrease during 2023
- Upon termination, Universo will ensure the purchase of outstanding exposures



2022 Key Performance Indicators

- PBTI¹ partnership: 8.0M€
 - Revenues: 23.6M€²
 - Administrative Expenses: -2.3M€
 - Impairment & Provisions: -13.4M€
- Net Yield: 2.5%³
- Net Loans, EoP: €354m (average €322m)
- RWA, EoP: €371m

¹Direct contribution before funding costs; ² Banco CTT's revenues includes a €1.9M severance payment for termination of contract in December 2022; ³ PBTI/Average net loans; ⁴Tranquilidade/Generali Seguros, and ⁵Ongoing process to fulfil the conditions precedent, including banking and insurance regulatory authorities' approvals.

These two corporate development steps – termination with Universo and launching with Generali – will further strengthen the capital position



€371m reduction in RWA



€25m capital increase

Banco CTT will gain strategic options in the management of its portfolio by releasing liquidity and capital that will strengthen its balance sheet and profitable growth





ESG

CTT has a clear vision and established targets across ESG dimensions





Consistently raising our ESG commitments and achievements

 Implementing new **code of ethics** as from 2022, and employee awareness and engagement

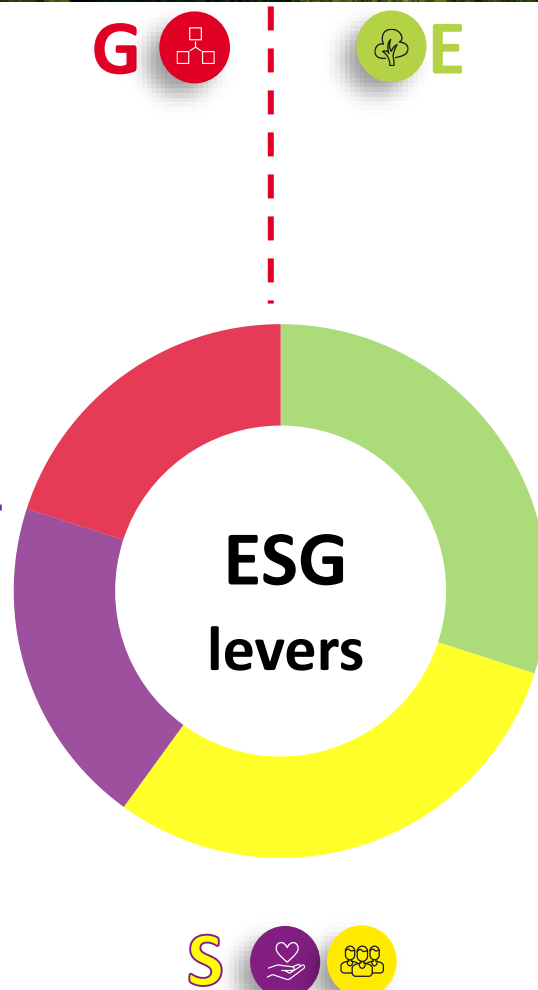
 **Introduce monetary ESG incentives** to top and mid-management positions to be set **by 2025**

 **Regular engagement with stakeholders**

 **Social and cultural integration:** actively enhance participation and investment in social impact projects to **1% of EBIT**, and promote **employee engagement** in volunteering programs


 **Promote a positive impact to local community:**


- Total capillarity across 100% municipalities and rural areas
- **Procure and buy 75% of purchases¹ from local players in Iberia by 2025**




 Accelerate the **decarbonization path to become Net-Zero by 2030:**


- **Reach 50% Last-Mile green vehicles by 2025**, and 100% by 2030
- **Engage** with our partners to ensure **the outsourced fleet** employs 45% green vehicles by 2030

 **Expand Green offer** (marketing, mail and E&P): reach 100% “green mail” and green deliveries (**carbon-free**) **by 2030**

 Promote a more circular economy: reach **80% of recycled and/or reusable packaging by 2025**, and 100% by 2030

 33.3% women in the Board of Directors and Supervisory bodies, and new training approach to **support gender parity and encourage women leadership**

 **Improve the employee experience** to increase retention

 **Outstanding performance in road safety**, and **employee's development and well-being** initiatives

¹Includes all purchase of material with the potential of being procured locally (e.g., machinery or specific vehicles)

In 2022, several ESG initiatives were developed regarding the established objectives



Alternative Fleet

~500 mainly electric vehicles



Recycling

Recycled materials in packaging of 55% of Mail and Express¹



“To be Green” partnership

Transformation of used face masks and other plastics in new materials



“Solar Boroughs”

Launch of a partnership with EDP Comercial in >40 locations



Volunteering

More than 200 participations in Volunteer Programs



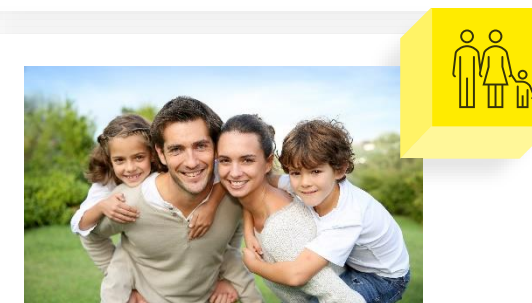
Reutilization

CTT trays reutilized in the production of 13k new units



CTT/EPIS program²

Edition 2022/23 launched

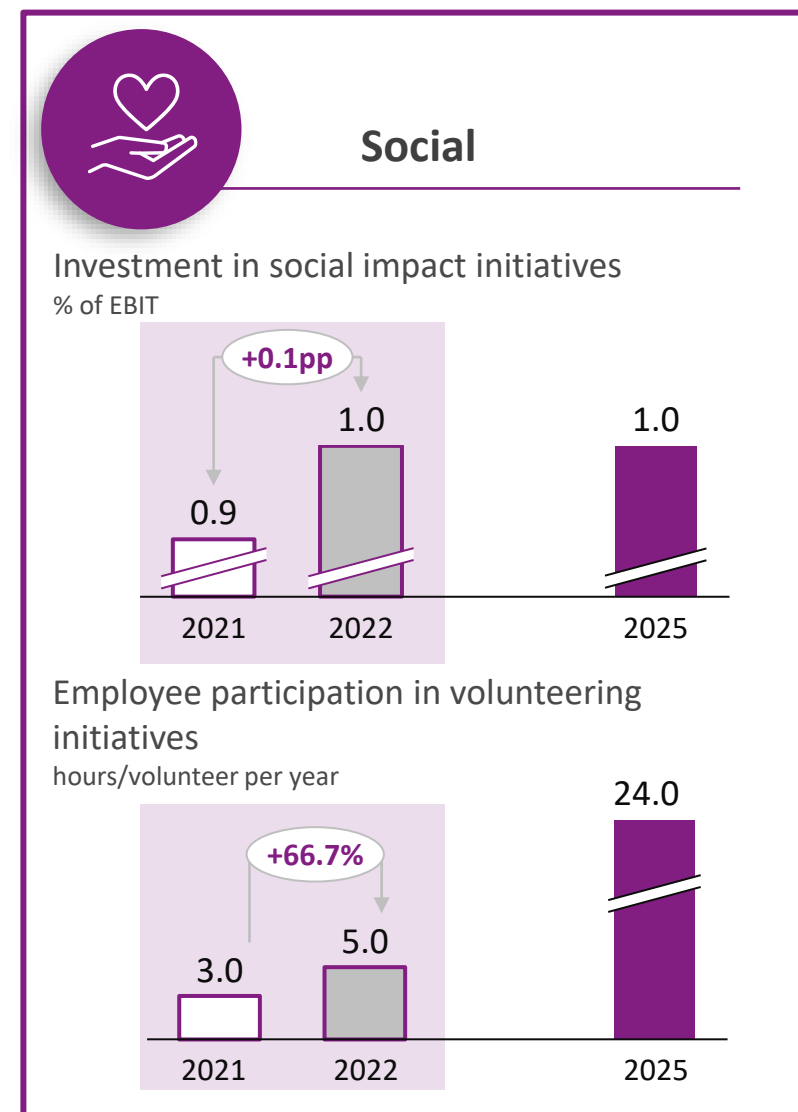
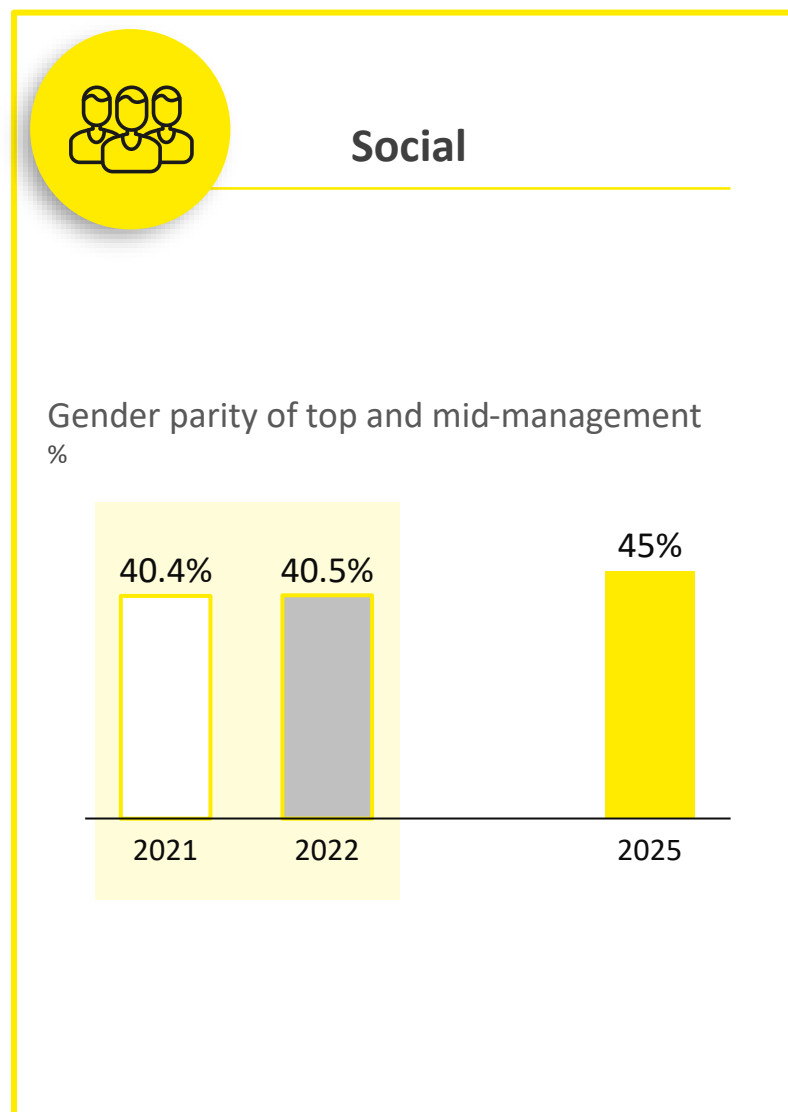
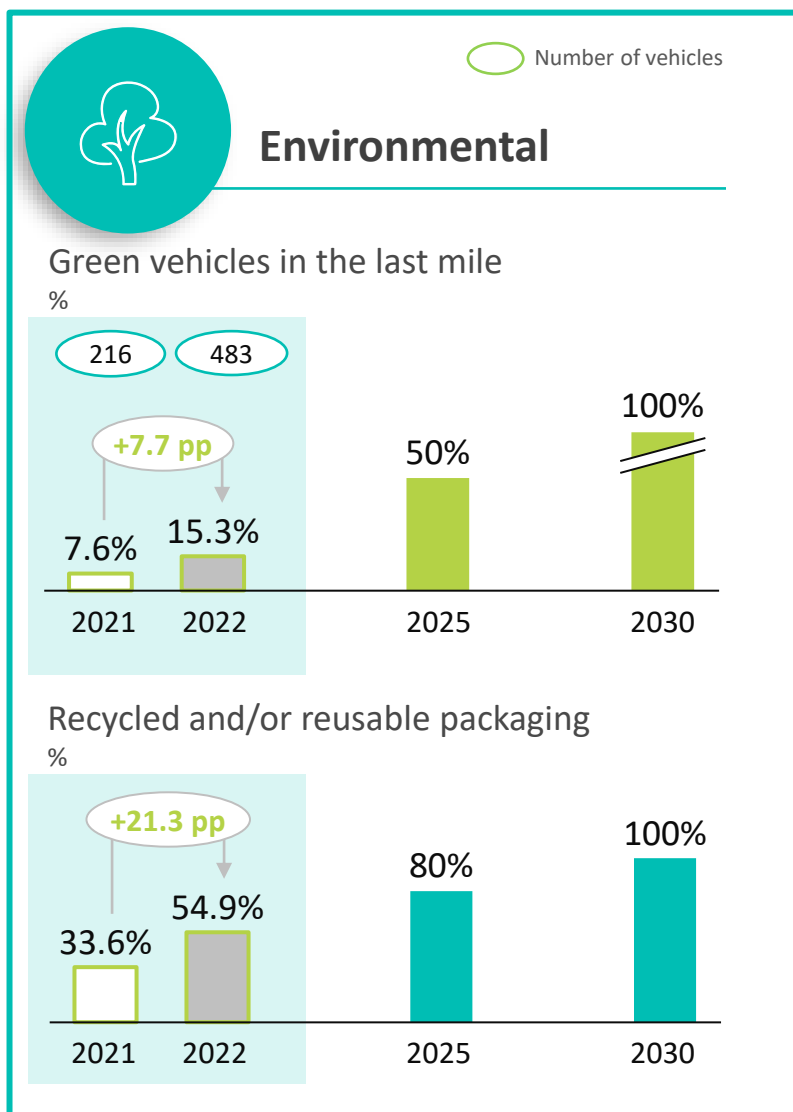


Work-life-family balance

Certified as Family-Responsible Company³.

¹In Portugal. ²Volunteering program aimed at promoting the social inclusion and education success of Portuguese youth. ³Certification awarded by the MásFamilia Foundation

Significant progress has been reached in 2022 regarding ESG goals





Financial Review

Growth of revenues and recurring EBIT coupled with strong FCF generation

Key financial indicators

€ million; % change vs. prior year

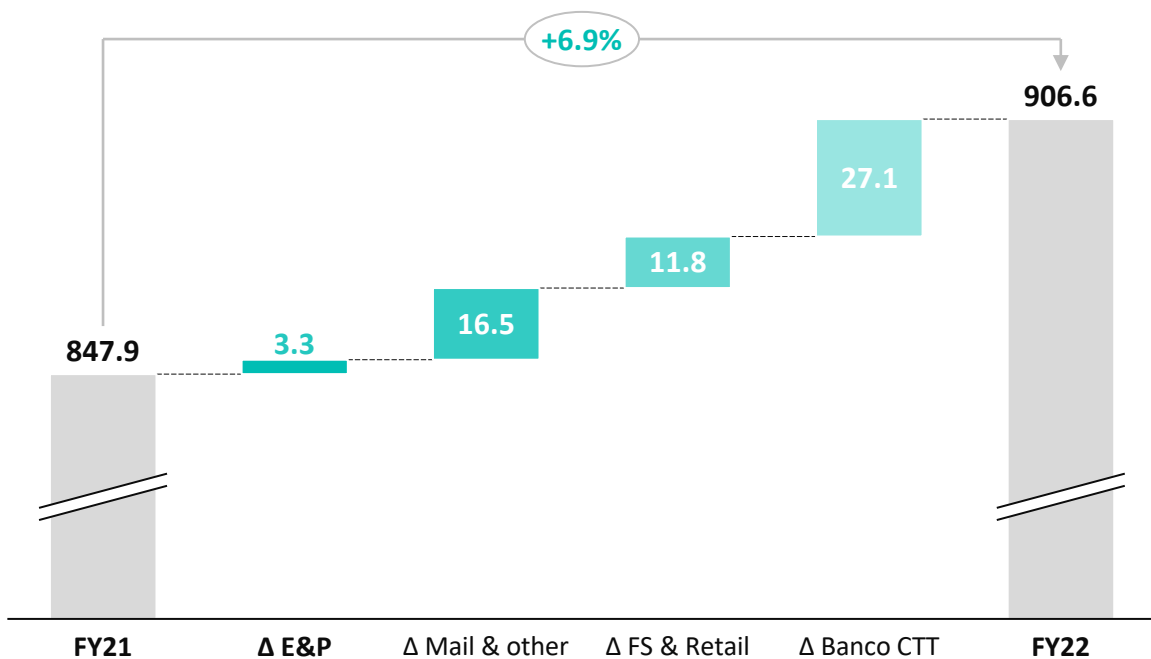
	Full Year		
	2021	2022	y.o.y
Revenues ¹	847.9	906.6	6.9%
Operating costs - EBITDA ²	729.8	777.3	6.5%
EBITDA ²	118.1	129.3	9.5%
Depreciation & amortization	58.0	64.8	11.7%
Recurring EBIT ¹	60.1	64.5	7.4%
Specific items	-1.8	8.4	571.2%
EBIT	61.9	56.1	-9.3%
Financial result	-11.1	-9.4	14.9%
Tax	12.2	10.4	-15.1%
Net profit attributable to equity holders	38.4	36.4	-5.2%
Free cash flow	45.3	67.4	48.7%

¹ Excluding Specific items; ² Excluding Specific items, depreciation & amortization

Mail performance offset by growth in all other business segments

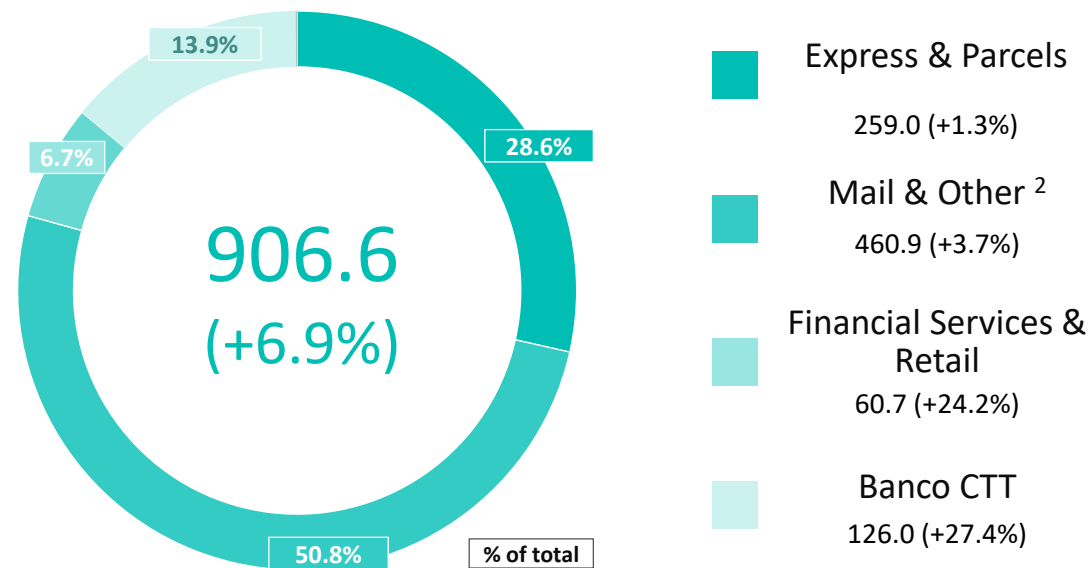
Revenues ¹

€ million; % change vs. prior year



Revenue ¹ breakdown

€ million; % change vs. prior year; % of total

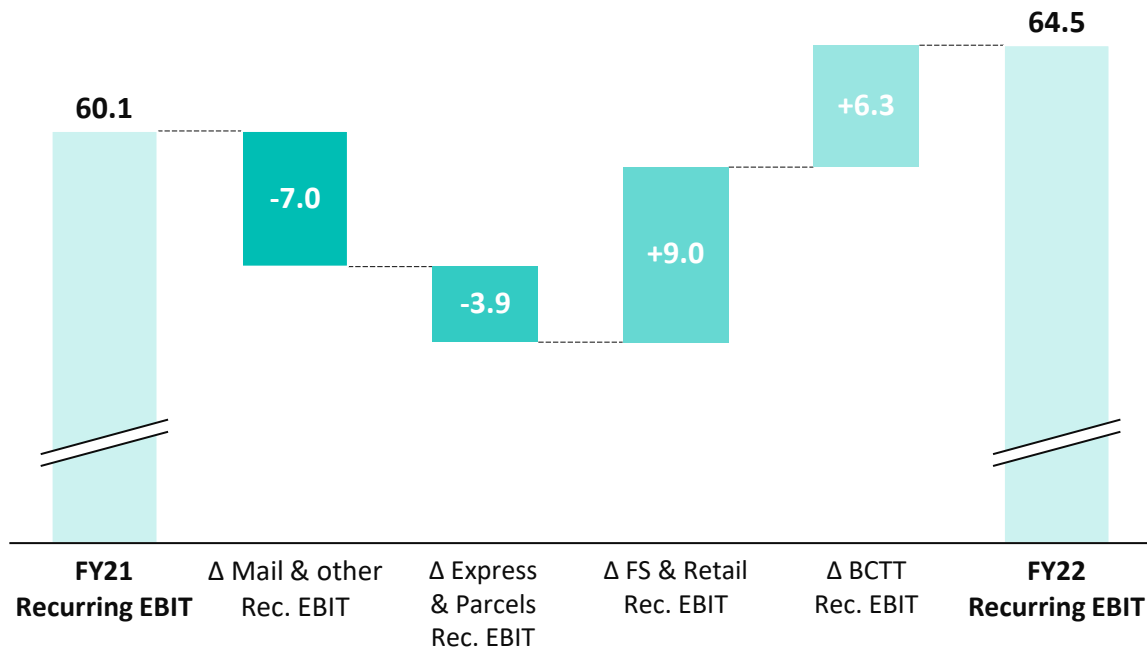


¹ Excluding Specific items; ² Including Central Structure

EBIT performance consistently improved throughout the year, as guided

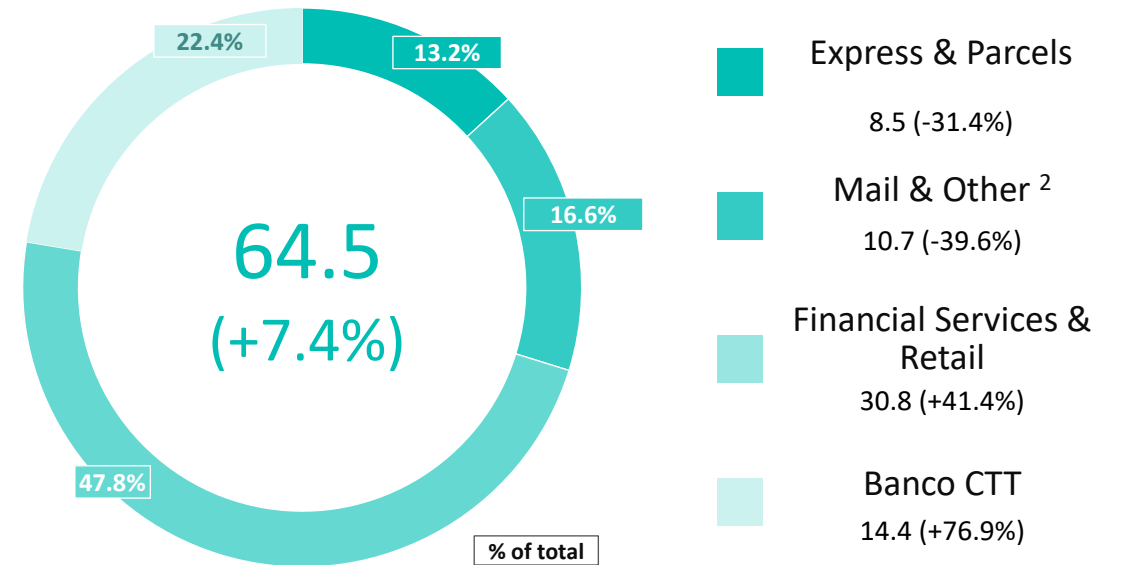
Recurring EBIT ¹

€ million; % change vs. prior year



Recurring EBIT ¹

€ million; % change vs. prior year; % of total

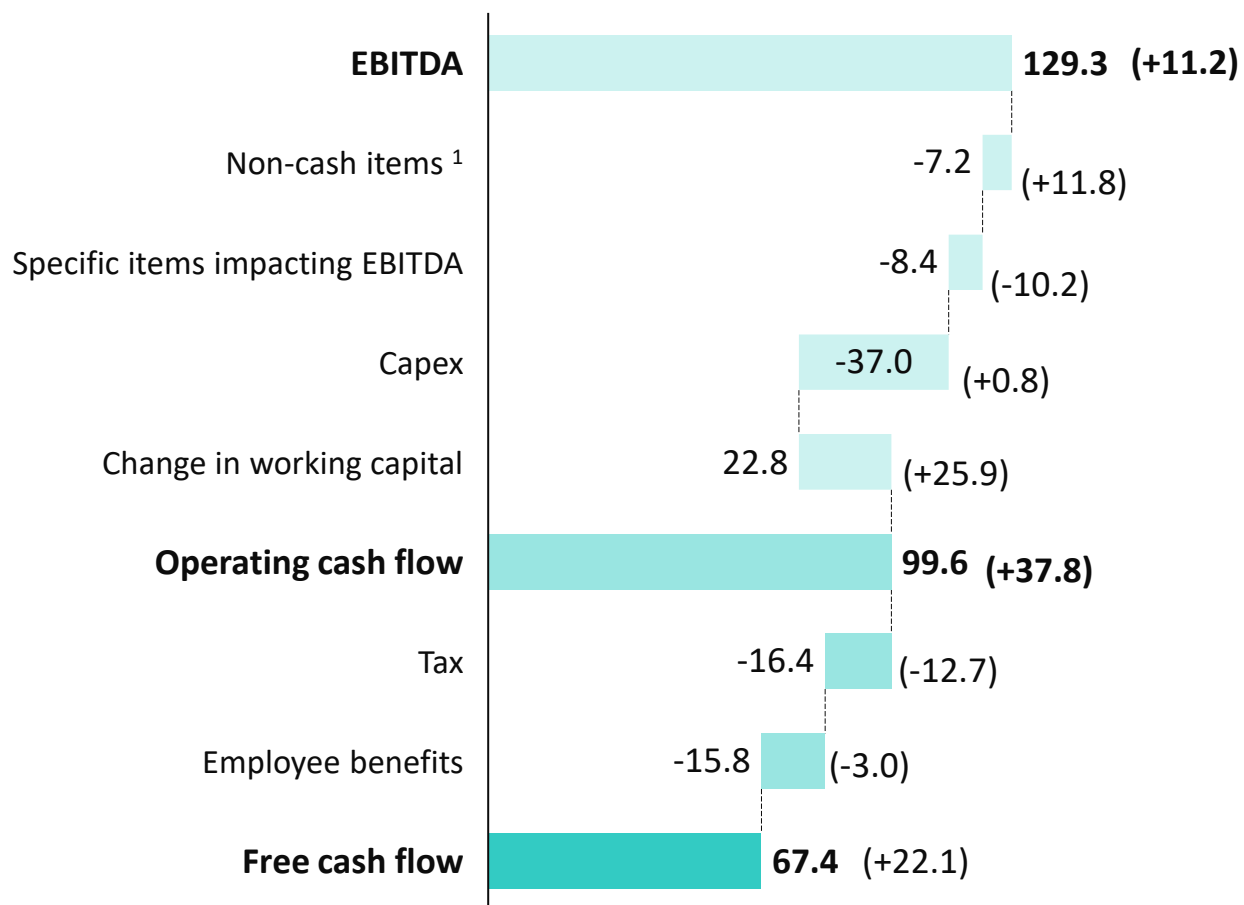


¹ Excluding Specific items; ² The recurring EBIT also benefited from the cost savings associated with the change of CTT's headquarters already envisaged in the quick wins shared with the market, namely those related with the optimization of facilities. The impact in 2022 is €3.4m and there will be an equivalent annual impact in 2023 and going forward; ³ Including Central Structure

Strong cash flow generation leading to a reduction in consolidated net debt

2022 Cash flow

€ million; impact on cash flow vs. prior year



31 December 2022 Net financial debt ²

€ million

	Consolidated
(+) Cash & cash equivalents	456.5
(-) Net Financial Services & Other payables ³	361.7
(-) Banco CTT liabilities, net ³	-117.1
(-) Other ⁴	45.7
(=) Adjusted cash	166.2
(-) Financial debt	70.1
(=) Net cash position	96.1
(-) Lease liabilities (IFRS 16)	125.9
Net financial debt ²	29.8

¹ Impairments, provisions and IFRS 16 affecting EBITDA; ² Only financial debt presented in the table; it does not include net employee benefits of €162.1m as at 31 December 2022; ³ 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 CTT financial services, Payshop, Banco CTT and 321 Crédito. ⁴ The change in other cash items reflects the evolution of Banco CTT's sight deposits at Bank of Portugal, outstanding cheques/clearing of Banco CTT cheques, and impairment of sight and term deposits and bank applications

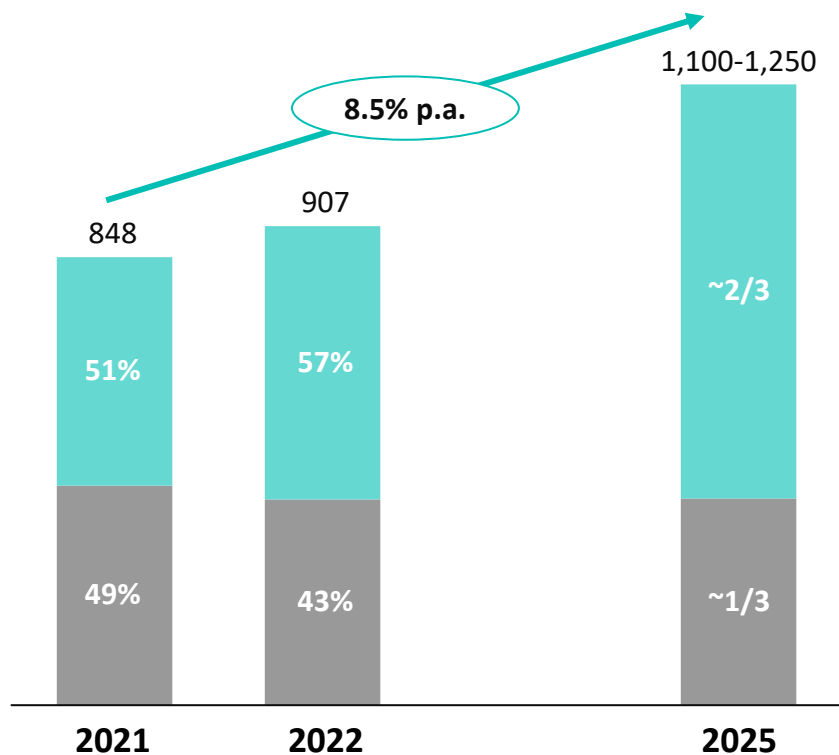


Outlook 2023-25

Recalling the CMD, we aim to achieve sustained and meaningful growth until 2025

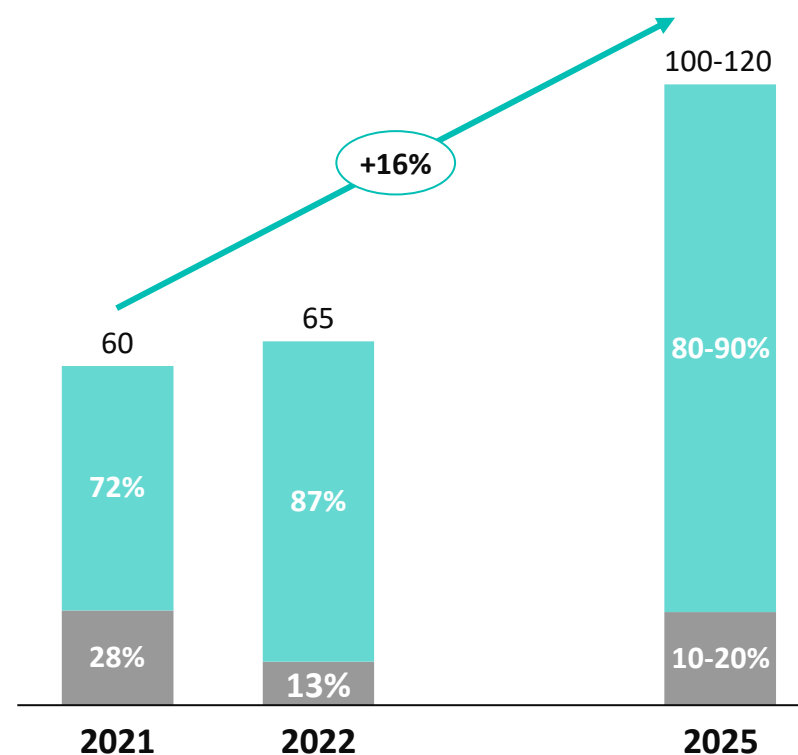
Group Revenues

€ million



Group Recurring EBIT

€ million



- Growth business (non-mail)¹
- Legacy mail²

¹. Express & Parcels, Financial Services & Retail, Banco CTT and business solutions

². Mail & other excluding business solutions

Increasing dividend to €12.5ct per share

Shareholder remuneration principles¹disclosed at the CMD2022

Committed to improve shareholder remuneration while maintaining financial flexibility, subject to the following key principles:

- i. enable objectives of **investing in business growth** and to being a reference Iberian player in logistics and ecommerce;
- ii. ambition to **implement an attractive shareholder remuneration** policy, constituting an adequate source of income for its shareholders, and
- iii. **combine recurrent, dividend-based, with opportunistic shareholder remuneration**, based on SBB and subsequent cancellation of shares, that is within the context of specific market conditions.

Targeting to **pay out between 35 and 50% of net profit** in recurring dividends.

The dividend proposal is subject⁵ to:

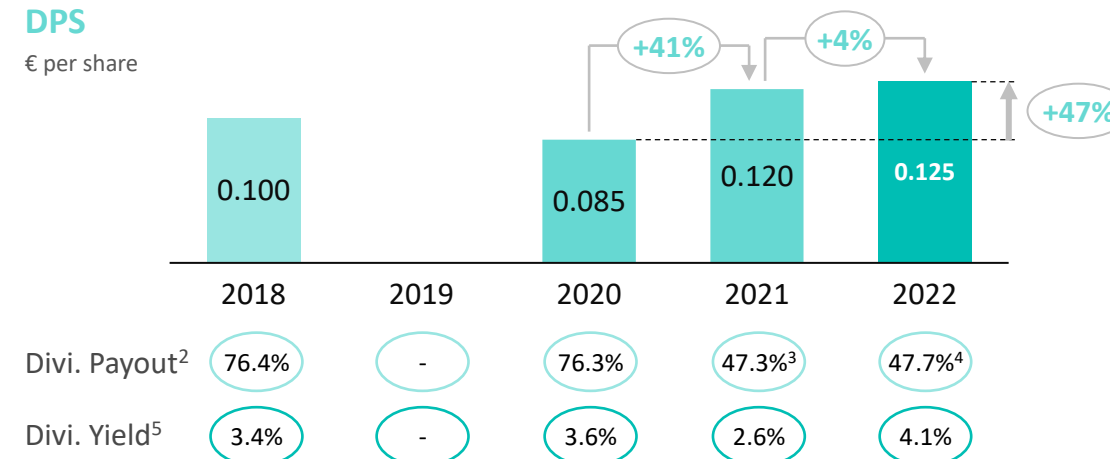
- market conditions
- a suitable financial and accounting context of CTT's balance sheet, and
- the applicable legal and regulatory terms and conditions

Dividends

- ✓ Dividend of **€0.125 per share** for the 2022 financial year to be proposed and subject to approval in the AGM, payable in May 2023

DPS

€ per share



	2018	2019	2020	2021	2022
Divi. Payout ²	76.4%	-	76.3%	47.3% ³	47.7% ⁴
Divi. Yield ⁵	3.4%	-	3.6%	2.6%	4.1%

Share buyback

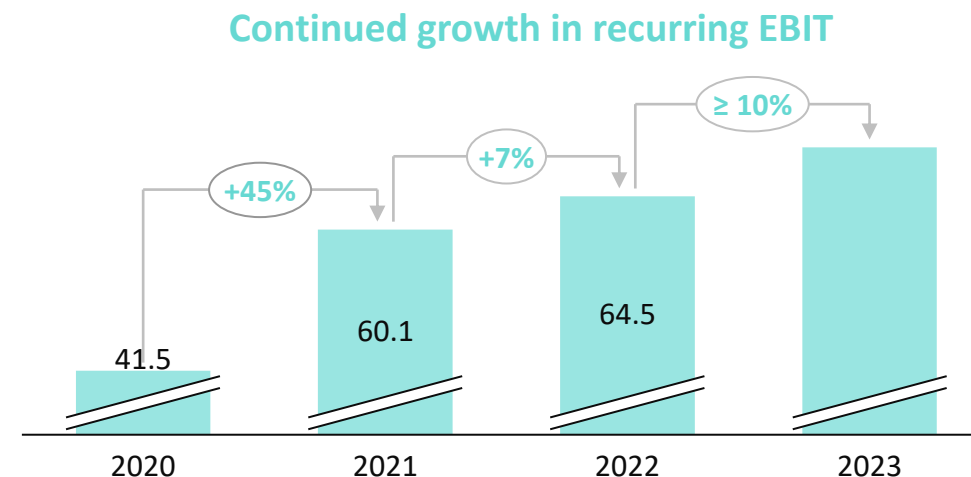
- ✓ **SBB of €21.6m carried out in 2022**, having acquired 6.08m shares
- ✓ 4.65m shares already have been cancelled
- ✓ 1.43m shares to be cancelled, subject to AGM approval

¹For detailed information on CTT's Financial Policy, including its shareholder's remuneration principles, please refer to CTT's investor relations website and to the announcement disclosed on 23 June 2022; ²Based on individual accounts; ³Excludes the dividend paid on the 1.5m own shares of the share buyback of 2021, share count excluding own shares equals 148.5m; ⁴Share count excluding own shares equals 142.4m, and ⁵Yield calculated taking as a reference the year end share price of each year

We have guided continued growth and transformation, notwithstanding a challenging environment

Guidance

- Mid single-digit decline in mail volumes
- Low-to-mid single-digit growth in Portugal CEP volumes with improved revenue per item
- Resume double-digit volume growth in Spain
- Robust growth envisaged in Financial Services
- Banco CTT RoTE to improve further
- Mid single digit revenue growth
- **Recurring EBIT in FY23 expected to grow at least 10%**



Risk outlook

- Still high geopolitical uncertainty
- Macro risks continue to be relevant and persistent: inflation, cost of energy and raw materials

Expecting a growth of recurring EBIT at least 10%



Grabbing the full potential of e-commerce convergence in Portugal and Spain to resume growth, while focusing on prices and costs to improve profitability



Improving structural mail profitability furthering operational efficiency measures



Transforming the retail network into a service platform, with special focus on savings and insurance distribution



Benefiting from a favourable interest rate outlook, Banco CTT will focus on (i) delivering on growth; (ii) strengthening its bancassurance offering and (iii) taking advantage of its strong capital position



Progressing in the implementation of transformation initiatives to drive revenue sustainability by reducing dependence on traditional mail services



Focusing on cost cutting to cope with inflation pressure and high fuel prices



Exploiting inorganic expansion opportunities in last mile, fulfilment and business solutions in Iberia

CTT - Correios de Portugal, S.A.

Investor Relations

Phone: +351 210 471 087

E-mail: investors@ctt.pt

ctt.pt

**Delivering the future by
connecting people and
businesses in a sustainable way**



ASSEMBLEIA GERAL DE ACIONISTAS
2023 | SHAREHOLDERS GENERAL MEETING

