ctt

UPDATE ON REAL ESTATE STRATEGY

4 May 2023

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CTT is pursuing a dual strategy for the optimisation of its real estate portfolio

Yield Portfolio

Portfolio optimisation

- ✓ c. 400 assets, representing €105m of book value[1] / €139m transaction value[2]
- ✓ Predictable yield play with upside from utilisation of c. 25% of vacant space
- ✓ Upside from yield generating properties with development potential
- ✓ Build-to-suit capabilities supporting CTT's retail and logistics needs

transaction being announced
CTT IMO YIELD

Development Assets

Out of scope of CTT IMO YIELD transaction

Asset by Asset optimisation[3]

- ✓ 10 assets, representing €26m of book value / €50-60m market value
  - ✓ Land plots owned by CTT
  - ✓ Logistic assets, that can be relocated, in city centres with strong development potential

future transactions to be evaluated on an asset-by-asset basis

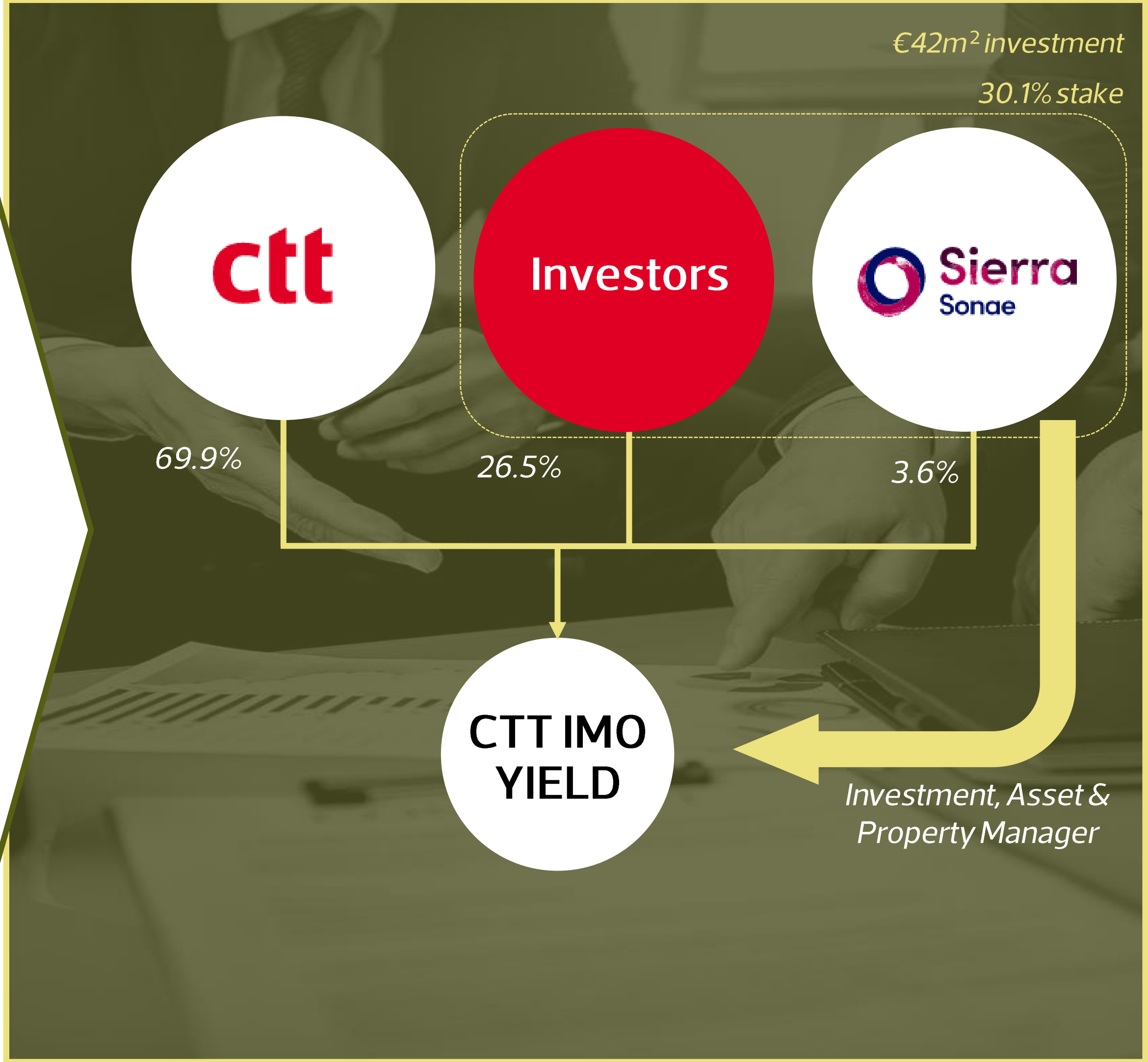
[1]As at 31 December 2022. [2]Equivalent to the expected carve-in value of the properties and corresponding selling price to the investors. [3]Opportunities being pursued by a dedicated internal team.

Yield Portfolio

- Incorporating a SPV
- Crystallising value through partial sale to investors
- Appointing a professional manager to enhance value

Vehicle aimed at improving asset utilisation and crystallising portfolio value

- ✓ CTT yield portfolio to be carved into a new entity (CTT IMO YIELD)
- ✓ CTT IMO YIELD will be a SPV with a 10-year duration in the form of a real estate fixed capital investment company (SICAFI) [1]
- ✓ Upon conversion to SICAFI, CTT IMO YIELD to be managed by an independent and experienced external manager (Sierra)
- ✓ External investors will buy from CTT a stake of 30.1%, equivalent to €42m [2]
  - ✓ Investors, institutional and family offices, to invest €37m [2] and take a stake of 26.5% [3]
  - ✓ Sierra will co-invest in the vehicle an amount of €5m [2], which will translate to a 3.6% stake
- ✓ CTT IMO YIELD to be fully consolidated into the CTT Group, notwithstanding maintaining flexibility to reduce its participation to a minimum level of 50.1%



[1]By conversion of CTT IMO YIELD S.A, subject to regulatory conditions precedent (including the CMVM and the competition authority clearances); [2] Assuming the carve-in of all properties of Yield Portfolio; [3] Subject to the respective adherence to the contractual documentation. Condition precedent of a minimum investment of €30m by new investors, excluding Sierra.

Sierra is an experienced investment, property and asset manager

Sierra Sonae

A global, fully vertically integrated real estate player

Mixed-Use
Food markets
Residential & Living
Retail
Workplaces
Logistics

Development	Investment Management	Management Services
Construction Phase	**Transaction Phase**	**Ownership Phase**
>65 Own assets track record	€ 6.3 bn OMV transacted since 2013[1]	~430 FTEs in Property Management
€1.0bn to deploy in the next 5 years *(focus on **mixed-use, residential, offices, light retail, logistics**)*	€ 2bn debt managed	**Property management** Property and Condominium management, Food Markets
~190 FTEs	€ 6.2 bn AuM[1]	~3.0m sqm managed
~300 new contracts a year	15 Investment vehicles[2] *(incl. 3 regulated fund management companies)*	~180 Assets managed

Reify. urban creators by Sonae Sierra

Sierra **has strong competences to improve the real estate portfolio** of CTT through **increase of occupancy rates** and **development opportunities**
Significative **experience in active asset management**, which helps maximizing the future value of the portfolio

[1]As of December 2022; [2]All assets excluding LatAm.

Key highlights of the transaction

Transaction highlights

- Transaction value if all assets are transferred[1]:
  - Fixed value: €136.4m
  - Earn-out: €2.6m [2]
  - Assets can be transferred in (i) phase one and (ii) up to 12 months after completion of phase one
- Agreed sale of stake if all assets are transferred:
  - Fixed price: €42m [3]
  - Base case investment cash-yield: 6.3%[4]
- Estimated one-off transaction costs if all assets are transferred:
  - For CTT: €12m [5], mainly tax (one-off[6])
  - For CTT IMO YIELD: €2m [7]

Transaction optionality

- Additional Liquidity Buffer for CTT
  - Potential additional sale subject to CTT keeping a 50.1% stake
  - Not subject to additional RE transaction costs
- Upside cash flow generation:
  - Sale of earn-out properties
  - Monetisation of unused assets
  - Gains on development projects

Lease agreements highlights

- CTT will become the main tenant under long term leases representing c.75% of GLA
- Properties fully or partially leased to CTT will comprehend two main categories:
  - Minimum lease period of 20 years: ~32% of total assets transferred
  - Minimum lease period of 12 years: ~55% of total assets transferred
- The contract leases of CTT are triple net, with CTT being responsible for:
  - Insurance
  - Taxes (IMI/AIMI)
  - Maintenance and condominium
- CTT rents, inflation-linked, will amount to €9.5m[8] in year one

[1]At carve-in of the real estate assets or at later stage – pending properties, which may require additional regularisation; [2]To be paid by the SPV contingent to minimum sales proceeds of €2.6m; [3]Committed amount from investors, subject to the respective adherence to the contractual documentation, that will equate to a 30.1% stake; [4]In accordance to the base case business plan; 5Includes tax (mainly RETT and income tax), regularisation of documentation and advisory fees; [6]Future possible transactions involving CTT IMO YIELD capital will not be subject to RETT; [7]Mainly set-up fees; [8]Annualised, assuming all properties transferred.

Clear value creation drivers to be pursued

Utilisation of vacant portfolio

Improvement of portfolio's utilisation rate through leasing of vacant area (c. 25% of GLA)

Active portfolio management

Dedicated vehicle capable of providing **most competitive locations and formats to serve CTT's retail** (postal, banking, financial services) and **logistic needs**

Cost efficiency

Economies of scale derived from association to the Portugal's largest real estate manager; **Reduction of operational costs** through **standard solutions** and increased **bargaining power over suppliers**

Financial capacity

Strong operational cash flow generation; **Unlevered portfolio** with strong capacity to promptly react to market opportunities; Additional cash flow expected from **asset rotation strategy** for non-core assets.

Build-to-suit[1] initiatives

Permanent cooperation between the Manager (Sierra) and Main Tenant (CTT) to **understand specific needs on each location** and **offer best-in-class assets** from market and ESG point-of-view

Development[2] opportunities

Maximisation of valuation for **properties with development potential[3]**

[1]Possibility of acquiring and develop real estate properties (for construction, promotion and rehabilitation purposes) to be leased for logistic activities of the CTT Group; [2]Construction, expansion and/or rehabilitation projects, involving material improvements to the properties' main characteristics; [3]Opportunities already identified with an aggregated asset valuation of c. €10m;

Transaction envisaged to be concluded before year-end

Tentative transaction calendar

2Q23	Signing of SPA (4 May 2023)
2H23	**Sale of equity stake and completion of phase one of the transaction**
Up to 12 months after completion of phase one	Transfer of pending properties to CTT IMO YIELD and sale of remaining stake (phase two)

Key conditions precedent[1]

Transaction is subject to customary conditions precedent, including:

- Adherence by investors, excluding Sierra, with a minimum aggregate amount of €30m
- Regulatory clearances, including (i) from CMVM in relation to the conversion into a SICAFI, and (ii) from the competition authority
- Confirmation by the external auditor of CTT being able to fully consolidate the SPV based on the final contractual documentation
- Obtaining any required waivers from financial institutions
- Escrow deposit by the investors
- Carve in of phase one assets (minimum 75% of the agreed asset value)

Conditions precedent to be fulfilled or waived by no later than 30 November 2023

[1]Non exhaustive

The yield portfolio transaction brings clear benefits

Crystallisation of Real Estate value

- ✓ The market will get **full visibility on the market value of Yield Portfolio assets** based on regular appraisals produced by independent experts under supervision of CMVM
- ✓ Aggregated value of **CTTs positions in CTT IMO YIELD and Banco CTT** at prices agreed with partners, represent c. **68% of total market capitalisation**[1]

Efficient management of portfolio

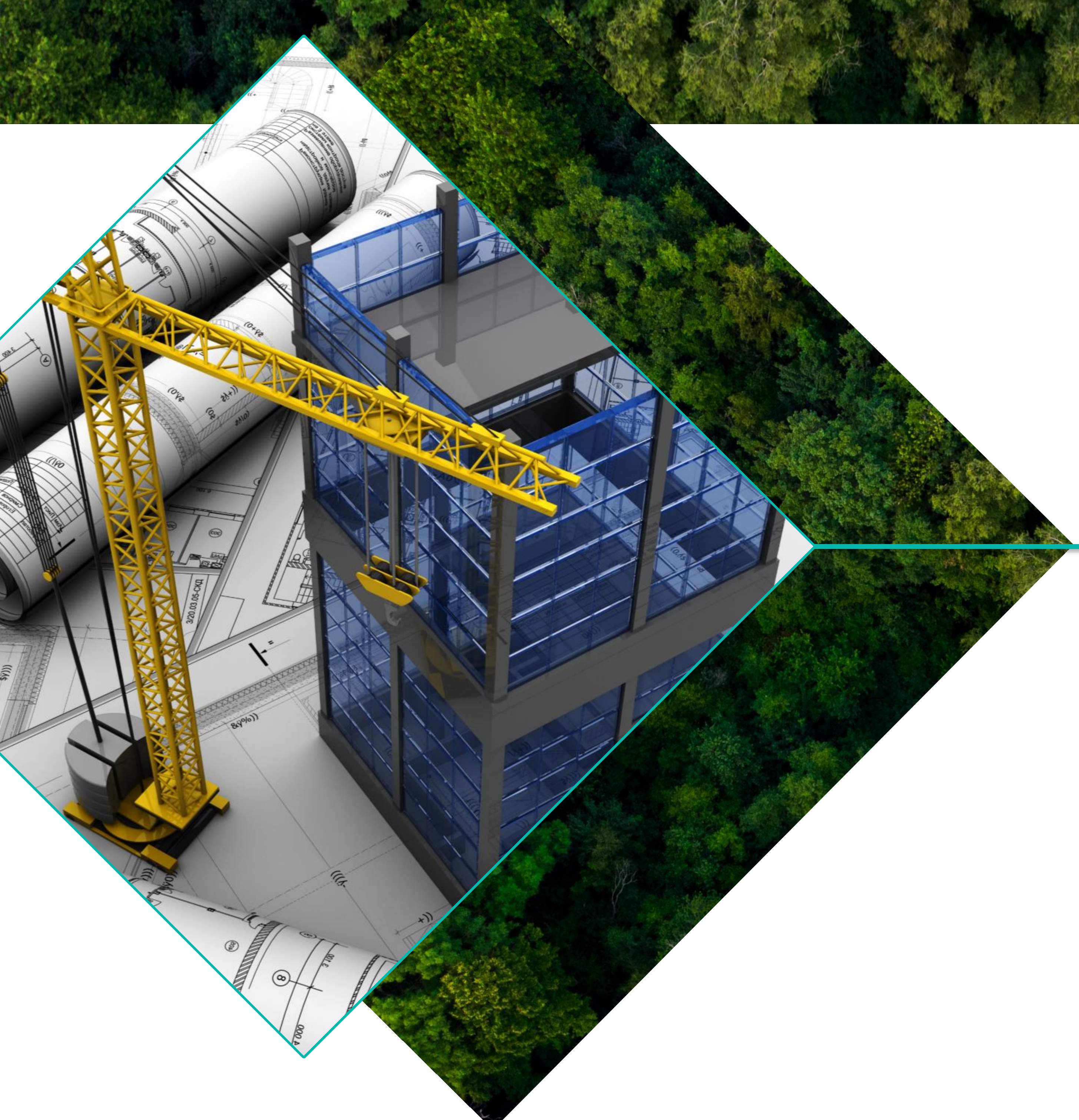
- ✓ The portfolio will have an **experienced manager**, with a strong track record in real estate
- ✓ **Upside expected from portfolio optimisation** through maximisation of rental income, reduction of costs and promotion of successful development initiatives
- ✓ Operation of CTT's retail and logistics will benefit from a more efficient operation and **flexibility to invest in network expansion** in Portugal and in Spain

Possible future liquidity

- ✓ **Unlevered portfolio** with extensive capabilities to **self-finance development initiatives**
- ✓ Strong potential for **asset rotation of vacant or unused properties**
- ✓ CTT to hold an **extra liquidity buffer for a 19.8% equity stake in CTT IMO YIELD**

The transaction will allow CTT to remain owner of its core real estate portfolio, while crystallising and enhancing its market value

[1]Assuming the share price as of 4 May 2023



Development Assets

- Asset-by-asset strategy
- Best partner for each asset to be considered
- Strategic value for CTT to determine development route

Further potential upside from development projects

Key development assets aggregated data

- Out of the 10 development assets, there are four relevant real estate properties identified, including a mix of land plots, logistic assets and warehouses and prime location buildings
- Aggregated data of the key development assets:
  - Book Value: €24m
  - Land plot area: c. 53.0k sqm
  - Implantation area: c. 33.5k sqm
  - GCA: c. 56.8k sqm

~€50-60m potential value in assets that will not be core to CTT's future logistics network and may be released within 2-5 years

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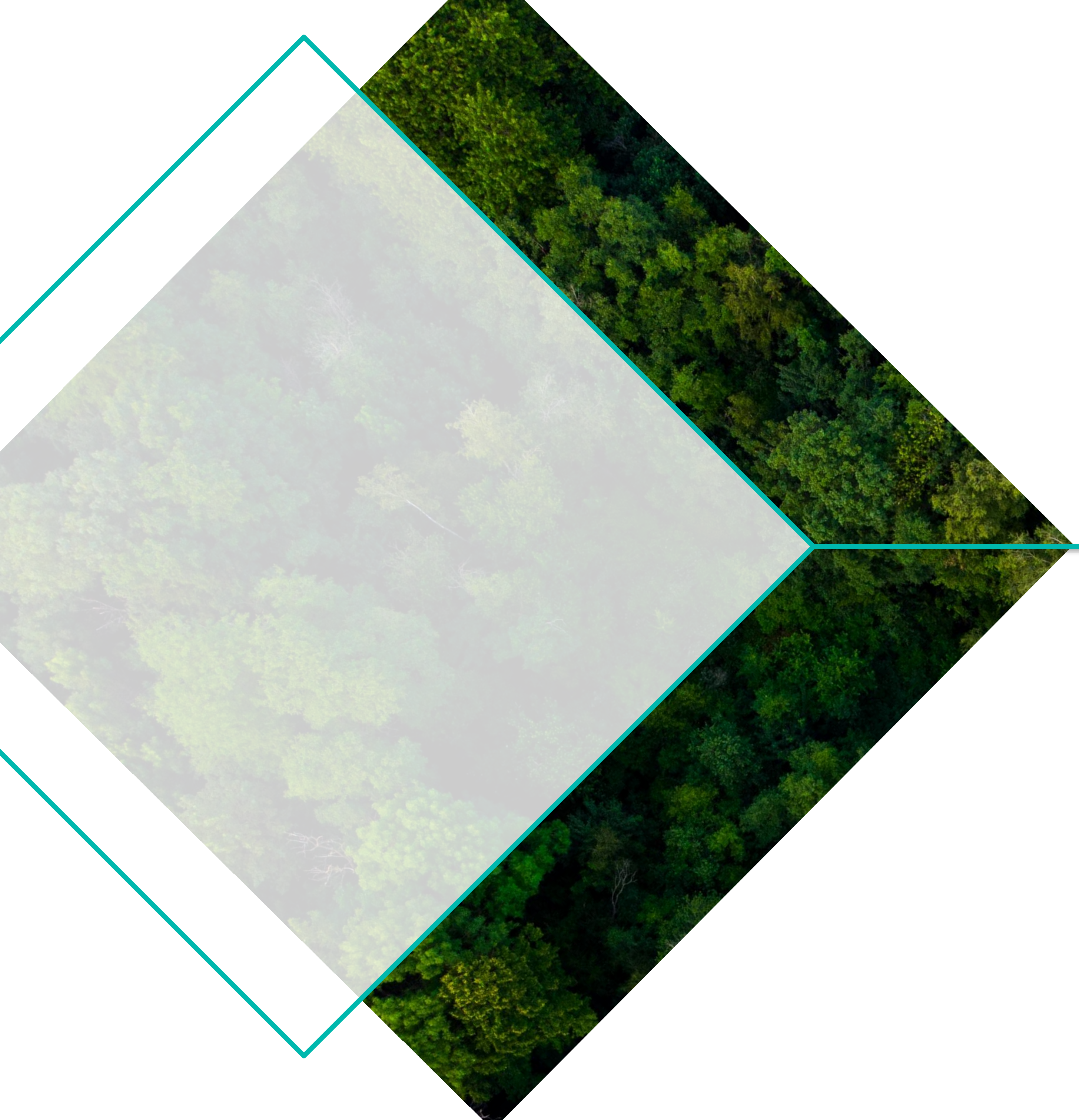


Appendix

Geographically diversified portfolio

398 assets

211 fully occupied

143 partially occupied

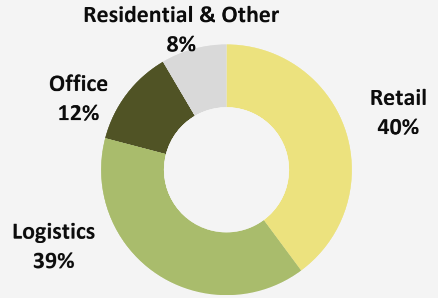
44 fully vacant

>1300 units

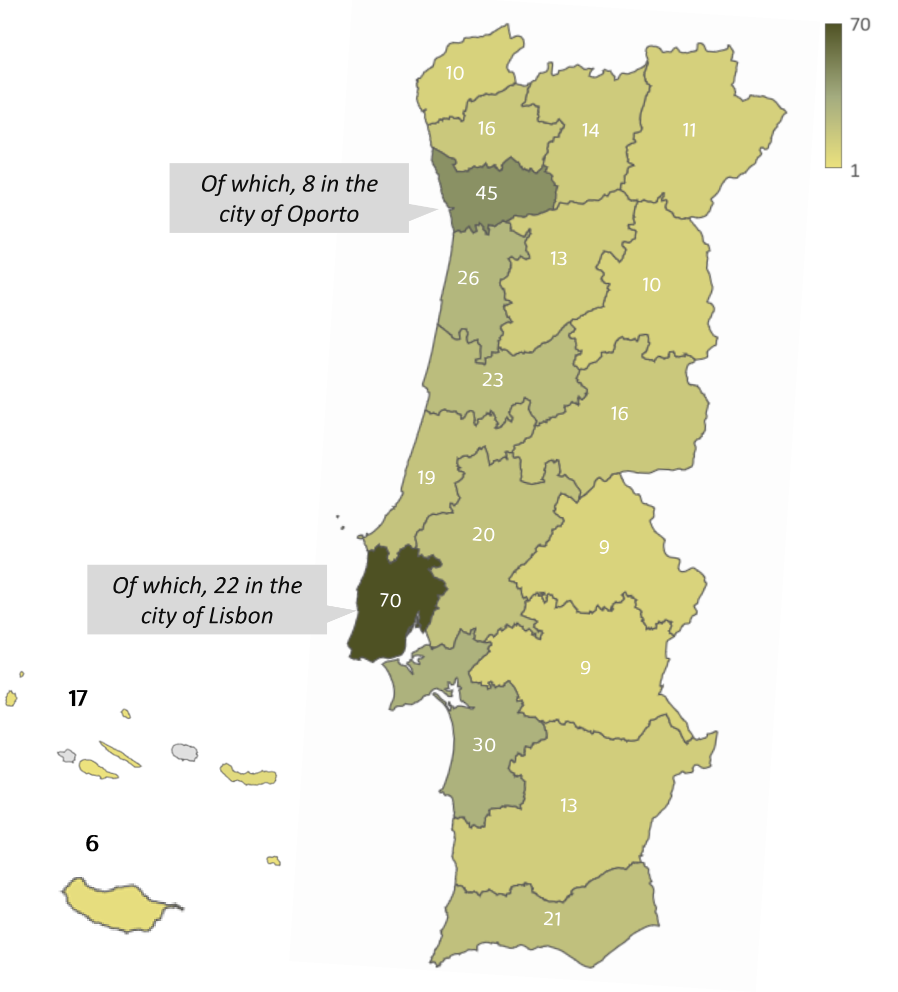
>240k sqm

	# of assets
Mixed-Use	217
Retail	150
Logistics	31
Total	**398**

Typology *(by unit)*



Geographic Distribution



Location

✓ Scattered asset portfolio throughout all **18 districts** of Continental Portugal and autonomous regions. >50% of transaction value concentrated in the districts of **Lisbon and Oporto**