Commitment with Purpose

Consolidated results
1st Quarter 2025

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CTT - Correios de Portugal, S.A.
1st Quarter 2025 Consolidated Results

In the first quarter of 2025 (1Q25), **revenues**[1] reached €288.5m (+€25.1m; +9.5% y.o.y[2]). This solid and continued growth was underpinned by the buoyant performance of Express & Parcels and by the recovery of Financial Services.

- **Logistics** totalled €242.4m in 1Q25 (+7.0% y.o.y) and accounted for 84% of CTT's total revenues.
  - **Express & Parcels** (E&P) amounted to €124.7m, an increase of €23.3m. E&P continues to be the business segment that contributes the most to CTT group's revenues, posting, yet again, double-digit growth in the quarter (+23.0% y.o.y).
- **Bank & Financial Services** totalled €46.1m (+25.4% y.o.y) boosted by the increase in public debt placement volumes, which have recovered when compared to the last few quarters. This led to a 122.9% y.o.y increase in Financial Services revenues in 1Q25.

Recurring EBIT stood at €20.2m in 1Q25 (+€3.3m; +19.5% y.o.y), with a margin of 7.0% (+0.6pp vs. 6.4% in 1Q24).

- **Logistics** posted €8.3m (-5.8% y.o.y) as the growth registered in Express & Parcels was penalised by the performance of Mail & Other, given the special contribution from the general elections that took place in 1Q24. The recurring EBIT of E&P totalled €7.0m (+24.5% y.o.y), driven by the conversion of retail to online in the Iberian Peninsula that is boosting volume growth (34.7m items, +15.0% y.o.y in the quarter).
- **Bank & Financial Services** posted €11.9m (+47.5% y.o.y). Financial Services amounted to €6.6m (+125.9% y.o.y) due to the solid increase in public debt placements (+474.2% y.o.y in 1Q25).

Fully consolidated **operating cash flow** stood at €7.1m in 1Q25 (compared to €8.5m in 1Q24), while operating cash flow with Banco CTT accounted under the equity method grew 20.5% y.o.y to €9.5m in the quarter.

Net profit[3] reached €5.5m in 1Q25 (-€1.9m compared to 1Q24).

€ million

	1Q24	1Q25	Δ	Δ%
Revenues[1]	**263.5**	**288.5**	**25.1**	**9.5%**
Logistics	226.7	242.4	15.8	7.0%
Express & Parcels	101.4	124.7	23.3	23.0%
Bank & Financial Services	36.8	46.1	9.3	25.4%
Operating costs	**229.4**	**248.7**	**19.2**	**8.4%**
EBITDA[1]	**34.0**	**39.9**	**5.8**	**17.2%**
Depreciation & amortisation	17.1	19.7	2.5	14.8%
Recurring EBIT	**16.9**	**20.2**	3.3	19.5%
Logistics	8.9	8.3	(0.5)	(5.8%)
Express & Parcels	5.6	7.0	1.4	24.5%
Bank & Financial Services	8.0	11.9	3.8	47.5%
EBIT	**14.9**	**11.2**	**(3.7)**	**(24.9%)**
Net profit for the period[3]	**7.4**	**5.5**	**(1.9)**	**(25.9%)**
	31.12.24	**31.03.25**	**Δ**	**Δ%**
Equity	308.3	306.5	(1.8)	(0.6%)
Net Debt	(68.1)	(48.3)	19.8	29.1%
Net debt with Banco CTT under equity method	205.8	223.4	17.7	8.6%
Net debt/EBITDA (LTM) with Banco CTT under equity method	1.6	1.7	0.1	4.3%

[1] Excluding specific items.
[2] y.o.y - year on year.
[3] Attributable to equity holders.

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Operational Performance

1. Operational performance

Logistics

Logistics revenues totalled €242.4m in 1Q25 (+€15.8m; +7.0% y.o.y). This performance was driven by growth in Express & Parcels (+23.0% y.o.y).

Mail & Other revenues totalled €117.7m in 1Q25 (-€7.5m; -6.0% y.o.y). This decrease was mainly due to the performance of addressed mail (-€8.0m; -7.9% y.o.y) in the wake of the general elections that took place in 1Q24.

€ million

Logistics	1Q24	1Q25	Δ	Δ%
Revenues	226.7	242.4	15.8	7.0%
Operating costs	202.6	216.7	14.2	7.0%
EBITDA	24.1	25.7	1.6	6.6%
Recurring EBIT	8.9	8.3	(0.5)	(5.8%)
EBIT	6.9	(0.5)	(7.4)	(107.6%)

Express & Parcels

Revenues of Express & Parcels totalled €124.7m in 1Q25, an increase of €23.3m (+23.0% y.o.y), boosted by the growth in volumes to 34.7 million items (+15.0% y.o.y). On average, around 560 thousand items were processed on each working day. This robust performance is driven by the continued adoption of e-commerce habits, the growing take-up of fast and efficient delivery solutions, the expansion and modernisation of the distribution network and the diversification of the services offered. The unification of the businesses in Portugal and Spain into a single Iberian offer has been a key factor in maximising efficiency and consolidating CTT's position in the Iberian market.

As part of its commitment to supporting the growth of e-commerce, CTT continues to expand its locker network, Locky, in both Portugal and Spain. At the end of 1Q25, CTT had a total of 1,077 lockers installed in Portugal and Spain, where expansion has recently begun with 40 lockers already installed and more than 20 lockers contracted.

CTT's customs clearance service has become increasingly important, especially for large international customers. By integrating effectively into CTT's e-commerce logistics chain, this service plays a key role in reducing delivery times for customers that source E&P flows from outside of the European Union.

Recurring EBIT generated by the E&P business totalled €7.0m (+24.5% y.o.y) in the quarter, driven by revenue growth.

The acquisition of Cacesa, already concluded and to be integrated as from April 2025, further strengthens CTT's leading position in customs clearance.

Cacesa is a company specialising in international e-commerce customs clearance, with a presence in 15 countries. It is renowned for its distribution and cargo transport services, with a strong presence in markets such as Spain, Italy, Belgium and Poland. This strategic move reinforces CTT's position as one of the main players in the logistics and e-commerce solutions market, consolidating its competitiveness.

Mail & Other

Mail & Other **revenues** totalled €117.7m in 1Q25 (-€7.5m; -6.0% y.o.y). The decline registered in 1Q25 vs. 1Q24 is entirely due to the additional revenue from the legislative elections held in 1Q24. Excluding this effect, revenues from Mail & Other would have grown slightly by 0.2% y.o.y (+€0.3m).

Addressed mail revenues reached €92.8m in 1Q25 (-€8.0m; -7.9% y.o.y). Adjusting for the effect mentioned above, addressed mail revenues would have been broadly stable (-€0.2m; -0.2% y.o.y).

Addressed mail revenues benefited from a slight increase in average revenue per item, as a result of the price increase and the evolution of the mix, which offset the decline in addressed mail volumes.

The new prices for postal services for 2025 came into force on 1 February. The average annual change in universal postal service[4] prices was 6.53%. The average variation in 1Q25 was +7.09%.

In 1Q25, business solutions achieved revenues of €13.0m (+€1.1m; +8.8% y.o.y). The business process outsourcing (BPO) and contact centre solutions businesses continued to grow as a result of new clients in different sectors. Also noteworthy was the focus on new B2B digital solutions.

Recurring EBIT for Mail & Other in 1Q25 reached €1.3m (-€1.9m; -59.0% y.o.y). Excluding the effect of the elections in 1Q24, recurring EBIT would have grown by 219.0%, primarily reflecting cost management measures undertaken in the business unit.

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Bank & Financial Services

Bank & Financial Services **revenues** totalled €46.1m in 1Q25 (+€9.3m; +25.4% y.o.y). This performance, when compared to the same period of the previous year, was strongly impacted by the growth of public debt certificates placements.

Recurring EBIT totalled €11.9m, corresponding to a growth of €3.8m (+47.5% y.o.y) when compared to the same period last year.

€ million

Bank & Financial Services	1Q24	1Q25	Δ	Δ%
Revenues	36.8	46.1	9.3	25.4%
Recurring EBIT	8.0	11.9	3.8	47.5%
Recurring EBIT margin (p.p.)	21.9%	25.7%		

Bank

Banco CTT **revenues** totalled €33.6m (+€2.4m; +7.7% y.o.y) in 1Q25, fuelled by the positive performance of net interest income (€25.2m; +4.6% y.o.y) and commissions received (€7.8m; +18.0% y.o.y).

At end of 1Q25, the number of current accounts totalled 688k (6k more than in December 2024).

Business volumes reached €7.08 billion, up by 14.4% y.o.y, driven by (i) the continued growth in deposits, which stood at €4,002.5m in 1Q25, up by 15.3% y.o.y, (ii) the acceleration of mortgage loans, which net of impairments, reached €851.5m (+15.6% y.o.y) and (iii) the 8.3% growth in auto loans that reached €949.5m in 1Q25.

Interest received on auto loans amounted to €16.2m in 1Q25 (+€1.5m; +10.6% y.o.y) and reached a loan portfolio net of impairments of €949.4m (+1.3% compared to December 2024). Auto loans production stood at €275.1m in 1Q25 (+2.9% y.o.y).

Interest received on mortgage loans totalled €7.3m in the quarter (-€0.5m; -6.7% y.o.y), reflecting primarily the evolution of Euribor rates since 1H23.

Due to the investment of greater amounts in sovereign debt securities, the Bank's investment portfolio recorded an increase of €5.0m in interest received in 1Q25. Other interest received declined by €6.0m in the quarter as a result of the decrease in remuneration on the amounts invested in the central bank, which were

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

impacted by the decline in the European Central Bank's (ECB) key interest rates.

Commissions received totalled €7.8m in 1Q25 (+€1.2m; +18.0% y.o.y). Particularly noteworthy were the positive contributions from commissions received from mortgage loans, insurance, consumer credit, and accounts and cards, which totalled €5.7m (+€1.0m; +19.9% y.o.y).

The loan-to-deposit ratio reached 45.3% at the end of the quarter.

The cost of risk stood at 1.0% (+0.5p.p. compared to December 2024), impacted by lower risk levels in consumer credit portfolios.

The loan-to-deposit ratio reached 45.3% at the end of the quarter.

Recurring EBIT amounted to €5.2m (+2.2% y.o.y) on the back of growth in customer loan production and a significant acceleration in off-balance production that was partially compensated by (i) the initial costs of the specialisation of the most important branches (Banco CTT hubs) and (ii) increasing D&A as a result of the past investments in technology and IT systems, which is expcted to be translated into further growth.

Financial Services

Financial Services **revenues** totalled €12.5m in 1Q25 (+€6.9m; +122.9% y.o.y). This growth is mainly due to the buoyant performance of public debt certificates.

The year 2024 was marked by a revision of the maximum placement limits per subscriber. Against a background of a sharp drop in term deposit rates, savings certificates lead the way in terms of the best interest rates among all guaranteed capital investments.

The extension to the digital channel is increasingly a successful move in addressing more digital target groups, which are attracted to this type of savings. This channel already accounts for 7% of the volume of the product's subscription operations and 2.5% of the total amount of subscriptions, corresponding the amount subscribed to more than 42 million euros.

Public debt certificates (Savings Certificates and Treasury Certificates Savings Growth) posted revenues of €8.5m in 1Q25 (+€6.4m; +308.2% y.o.y).

In 1Q25, subscriptions of these certificates amounted to €1,692.8m which compares to €294.8m in 1Q24 (+474.2% y.o.y).

In addition to the distribution of public debt, CTT has been repositioning its retail network for the distribution of services (retail as a service). This strategy includes the distribution of: (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, based on the distribution partnership with Generali, CTT extended it to the B2B segment with a new insurance offer for companies, covering Accidents at work, Motor / Fleet and Multi-risk insurance. It should be underlined, the commercial performance in terms of the distribution of healthcare plans, which have already reached 32.4 thousand.

Given the above-mentioned framework, **recurring EBIT** for 1Q25 totalled €6.6m (+€3.7m; +125.9% y.o.y).

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Financial Performance

2. Financial performance

Income statement

€ million

	1Q24	1Q25	Δ	Δ%
Revenues	**263.5**	**288.5**	**25.1**	**9.5%**
Logistics	226.7	242.4	15.8	7.0%
Express & Parcels	101.4	124.7	23.3	23.0%
Mail & Other	125.3	117.7	(7.5)	(6.0%)
Bank & Financial Services	36.8	46.1	9.3	25.4%
Financial Services	5.6	12.5	6.9	122.9%
Banco CTT	31.1	33.6	2.4	7.7%
Operating costs	**229.4**	**248.7**	**19.2**	**8.4%**
Staff costs	102.2	107.1	4.9	4.8%
ES&S	114.8	129.7	15.0	13.0%
Impairments and provisions	5.8	4.4	(1.4)	(23.9%)
Other costs	6.6	7.4	0.8	11.8%
EBITDA	**34.0**	**39.9**	**5.8**	**17.2%**
Depreciation and amortisation	17.1	19.7	2.5	14.8%
Recurring EBIT	**16.9**	**20.2**	**3.3**	**19.5%**
Logistics	8.9	8.3	(0.5)	(5.8%)
Express & Parcels	5.6	7.0	1.4	24.5%
Mail & Other	3.2	1.3	(1.9)	(59.0%)
Bank & Financial Services	8.0	11.9	3.8	47.5%
Financial Services	2.9	6.6	3.7	125.9%
Banco CTT	5.1	5.2	0.1	2.2%
Specific items	2.0	9.0	7.0	357.9%
Business restructuring and strategic projects	0.4	6.7	6.3	»
Other non-recurring income and expenses	1.6	2.3	0.8	48.3%
EBIT	**14.9**	**11.2**	**(3.7)**	**(24.9%)**
Financial results (+/-)	(4.1)	(4.0)	0.1	2.1%
Financial income, net	(4.1)	(4.0)	0.1	2.2%
Financial costs and losses	(4.1)	(4.2)	(0.1)	(3.5%)
Financial income	0.0	0.2	0.2	»
Gains/losses in subsidiaries, associated companies and joint ventures	0.0	0.0	0.0	(119.5%)
Income tax	3.4	1.2	(2.2)	(63.8%)
Non-controlling interest	0.0	0.5	0.5	»
Net profit for the period	**7.4**	**5.5**	**(1.9)**	**(25.9%)**

Revenues

Revenues totalled €288.5m in 1Q25 (+€25.1m; +9.5% y.o.y), driven by Logistics (+€15.8m; +7.0% y.o.y), with particular emphasis on Express & Parcels (+€23.3m; +23.0% y.o.y).

Bank & Financial Services (+€9.3m; +25.4% y.o.y) recorded a positive variation, due mostly to the recovery of public debt placements which has taken place since 4Q24.

Operating Costs

In 1Q25, **operating costs** (relative to EBITDA) totalled €248.7m (+€19.2m; +8.4% y.o.y), with the growth essentially explained by the increase in the Logistics activity, especially Express & Parcels.

Staff costs increased by €4.9m (+4.8% y.o.y) in the period, mostly due to the annual salary increase. Moreover, the increase in staff costs is also explained by (i) the activity growth registered in Express & Parcels, (ii) the investment in the specialisation in key branches by Banco CTT and (iii) the stronger activity in contact centre and document management in the corporate solutions business line, which is part of Mail & Other.

External supplies & services costs increased by €15.0m (+13.0% y.o.y), driven by business growth, namely in Express & Parcels (+€17.9m), essentially due to direct service costs.

Impairments and provisions decreased by €1.4m (-23.9% y.o.y) as a result of the reduction in impairments in the mail and E&P businesses (-€1.5m).

Other costs increased by €0.8m (+11.8% y.o.y), with a significant contribution from the retail business (+€0.5m) due to the resumption of lottery sales in the retail network.

Depreciation & amortisation increased by €2.5m (+14.8% y.o.y), essentially due to past investments in information systems (+€0.5m), buildings and facilities (+€0.9m) and fleet (+€0.9m).

Specific items amounted to €9.0m, mostly due to: (i) restructuring, including employment contracts suspension agreements (€4.4m); (ii) costs associated with M&A activities (€2.1m) and (iii) strategic projects (€1.1m).

Recurring EBIT

Recurring EBIT stood at €20.2m in 1Q25 (+€3.3m; +19.5% y.o.y), with a margin of 7.0% (6.4% in 1Q24), driven by the good performance of Express & Parcels (+€1.4m; +24.5% y.o.y) and Financial Services (+€3.7m; +125.9% y.o.y).

Net profit

The consolidated financial results amounted to -€4.0m (+€0.1m; +2.1% y.o.y) in 1Q25.

Financial costs and losses incurred amounted to €4.2m (+€0.1m; +3.5% y.o.y), primarily due to: (i) financial costs related to post-employment and long-term employee benefits of €1.5m; (ii) interest expense of €1.5m associated with finance leases liabilities linked to the implementation of IFRS 16; and (iii) interest expenses on bank loans for an amount of €1.0m.

In 1Q25, CTT obtained a **consolidated net profit** attributable to CTT Group equity holders of €5.5m, which is €1.9m below 1Q24. Income tax showed a positive evolution (-€2.2m; -63.8% y.o.y) partly explained by the recognition of deferred taxes related to the temporary difference generated in the sale & leaseback operation associated with phase II of the transfer of real estate to CTT IMO Yield.

Staff

On 31 March 2025, the number of CTT employees (permanent employees and fixed-term employees) was 13,366, (-101; -0.7% y.o.y), as shown in the table below.

	31.03.2024	31.03.2025	Δ	Δ%
Express & Parcels	1,760	2,075	315	17.9%
Mail & Other	11,156	10,622	(534)	(4.8%)
Financial Services	37	33	(4)	(10.8%)
Banco CTT	514	636	122	23.7%
Total, of which:	**13,467**	**13,366**	**(101)**	**(0.7%)**
Permanent	11,581	11,609	28	0.2%
Fixed-term contracts	1,886	1,757	(129)	(6.8%)
Portugal	12,386	11,932	(454)	(3.7%)
Other geographies	1,081	1,434	353	32.7%

Cash flow statement

€ million

	1Q24	1Q25	Δ	Δ%
EBITDA	34	39.9	5.8	17.2 %
IFRS16 with impact on EBITDA	-8.2	-10.5	-2.3	(27.7)%
Impairments & provisions	5.5	4.2	-1.3	(24.0)%
Specific items*	(2.0)	(9.0)	(7.0)	«
Capex	(8.6)	(7.6)	1.0	11.8 %
Δ Working capital	(12.3)	(9.9)	2.4	19.4 %
Operating cash flow	**8.5**	**7.1**	**(1.4)**	**(16.5%)**
Employee benefits	(4.6)	(4.8)	(0.3)	(6.2%)
Tax	(0.1)	0.0	0.1	98.8%
Free cash flow	**3.9**	**2.3**	**(1.6)**	**(41.0%)**
Debt (principal + interest)	(55.0)	(2.0)	53.0	96.3%
Dividends	0.0	0.0	0.0	0.0%
Acquisition of own shares	(7.0)	(10.3)	(3.3)	(46.9%)
Disposal of buildings	0.0	0.0	0.0	(100.0%)
Investments in associated companies and joint ventures	32.4	3.3	(29.2)	(89.8%)
Change in adjusted cash	**(25.7)**	**(6.8)**	**19.0**	**73.7%**
Δ Liabilities related to Financial Serv. & others and Banco CTT, net[5]	(71.7)	(0.5)	71.3	99.4%
Δ Other[6]	1.9	1.8	(0.2)	(9.7%)
Net change in cash	**(95.5)**	**(5.5)**	**90.1**	**94.3%**

*Specific items affecting EBITDA.

In 1Q25, the Company generated an operating cash flow of €7.1m (-€1.4m; -16.5% y.o.y). There was a positive performance in EBITDA (+€5.8m; +17.2% y.o.y) and working capital (+€2.4m) which was more than offset by the negative evolution of specific items (-€7.0m) and non-cash items (-€3.6m). Investment, although down somewhat compared to the same period in 2024 (-€1.0m), remained at very similar levels, reinforcing the company's commitment to developing the Express & Parcels and Banco CTT businesses.

In terms of working capital, there was a positive evolution in 1Q25 compared to the same period last year (+€2.4m), which is essentially the result of the behaviour of EBITDA-related items, with particular emphasis on the improvement in accounts receivable, a direct consequence of more efficient management of customer collections. On the other hand, the negative impact from investment-related items (-€6.9m) remained, which reflect the high level realised in 4Q24, and whose settlement has already had an impact on 1Q25.

Adjusted cash was essentially affected by the acquisition of own shares (-€10.3m) and, in the opposite direction, by the sale of CTT IMO Yield shares (second phase of the Real Estate transaction announced on 4 May 2023), following the capital increase in kind carried out by CTT, which resulted in a receipt of €3.2m.

[5] 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.

[6] 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

€ million

	31.12.2024	31.03.2025	∆	∆%
Non-current assets	2,519.9	2,637.4	117.5	4.7%
Current assets	3,188.9	2,988.6	(200.3)	(6.3%)
Assets	**5,708.8**	**5,626.0**	**(82.8)**	**(1.4%)**
Equity	**308.3**	**306.5**	**(1.8)**	**(0.6%)**
Liabilities	**5,400.5**	**5,319.5**	**(81.0)**	**(1.5%)**
Non-current liabilities	603.9	600.0	(3.9)	(0.6%)
Current liabilities	4,796.6	4,719.5	(77.1)	(1.6%)
Equity and consolidated liabilities	**5,708.8**	**5,626.0**	**(82.8)**	**(1.4%)**

The key aspects of the comparison between the **balance sheet** as at 31.03.2025 and that as at 31.12.2024 are as follows:

Assets decreased by €82.8m, mainly due to the decrease in other banking financial assets (-€162.8m) as a result of the reduction of Banco CTT's investments in central banks, partially offset by the increase in credit to banking clients (+€63.4m) and tangible fixed assets (+€12.3m) as a consequence of increased rights of use derived directly from new property and vehicle lease contracts.

Equity decreased by €1.8m vs. 31.12.2024. This decline is mainly explained by (i) the net profit attributable to shareholders of the CTT Group in 1Q25 in the amount of €5.5m and by (ii) the recognition of non-controlling interests amounting to €3.4m in the period, which were more than compensated by the acquisition of own shares during 1Q25 in the amount of €10.3m.

Liabilities decreased by €81.0m, mostly due to the decrease in banking clients' deposits and other loans (-€60.7m) and in accounts payable (-€18.8m) as a result of the decrease in general suppliers and in investment, the latter resulting from the high level of investment that took place in 4Q24 and which was settled in 1Q25.

Consolidated net debt

The key aspects of the comparison between the **consolidated net debt** as at 31.03.2025 and that as at 31.12.2024 are as follows:

On 31 March 2025, **adjusted cash** stood at €287.6m, a reduction of €6.8m compared to 31 December 2024. The performance in terms of adjusted cash is the result of the operating cash flow generated (€7.1m) and the receipt of €3.2m following the sale of CTT IMO Yield shares as mentioned above, which were more than offset by (i) employee benefit payments (-€4.8m), (ii) the acquisition of own shares (-€10.3m) and (iii) debt amortisation (-€2.0m).

Short-term & long-term debt increased by €13.1m (+5.8% y.o.y), essentially due to the effect of the increase in lease liabilities (+€14.3m; +9.2% y.o.y) as a result of new property rental contracts and vehicle leases.

€ million

	31.12.2024	31.03.2025	Δ	Δ%
Net debt	**(68.1)**	**(48.3)**	**19.8**	**29.1%**
ST & LT debt	**226.3**	**239.3**	**13.1**	**5.8%**
of which Finance leases (IFRS16)	156.4	170.7	14.3	9.2%
Adjusted cash (I+II)	**294.4**	**287.6**	**(6.8)**	**(2.3%)**
Cash & cash equivalents	**315.9**	**310.4**	**(5.5)**	**(1.7%)**
Cash & cash equivalents at the end of the period (I)	**270.2**	**263.0**	**(7.2)**	**(2.7%)**
Other cash items	45.7	47.5	1.8	3.8%
Other Financial Services liabilities, net (II)	**24.2**	**24.7**	**0.5**	**1.9%**

Consolidated balance sheet with Banco CTT under equity method

€ million

	31.12.2024	31.03.2025	Δ	Δ%
Non-current assets	783.1	800.6	17.5	2.2%
Current assets	514.1	500.7	(13.4)	(2.6%)
Assets	**1,297.2**	**1,301.2**	**4.1**	**0.3%**
Equity	**281.0**	**278.9**	**(2.1)**	**(0.8%)**
Liabilities	**1,016.2**	**1,022.4**	**6.2**	**0.6%**
Non-current liabilities	342.7	355.6	12.9	3.8%
Current liabilities	673.5	666.8	(6.7)	(1.0%)
Equity and consolidated liabilities	**1,297.2**	**1,301.2**	**4.1**	**0.3%**

Consolidated net debt with Banco CTT under equity method

€ million

	31.12.2024	31.03.2025	Δ	Δ%
Net debt with Banco CTT under equity method	**205.8**	**223.4**	**17.7**	**8.6%**
ST & LT debt	**221.9**	**235.2**	**13.3**	**6.0%**
of which Finance leases (IFRS16)	152.0	166.6	14.6	9.6%
Adjusted cash (I+II)	**16.1**	**11.8**	**(4.4)**	**(27.0%)**
Cash & cash equivalents	**236.9**	**237.9**	**1.0**	**0.4%**
Cash & cash equivalents at the end of the period (I)	**236.9**	**237.9**	**1.0**	**0.4%**
Other cash items	0,0	0,0	0,0	(126.5%)
Other Financial Services liabilities, net (II)	**(220.8)**	**(226.2)**	**(5.4)**	**(2.4%)**

Liabilities related to employee benefits

€ million

	31.12.2024	31.03.2025	Δ	Δ%
Total liabilities	**185.8**	**187.9**	**2.1**	**1.2%**
Healthcare	157.9	156.7	(1.1)	(0.7%)
Healthcare (321 Crédito)	1.2	1.2	0.0	2.7%
Suspension agreements	16.3	18.4	2.1	12.8%
Other long-term employee benefits	4.9	4.9	0.0	(0.9%)
Other long-term benefits (321 Crédito)	0.2	0.2	0.0	2.5%
Pension plan	0.2	0.2	(0.0)	(2.2%)
Other benefits	5.1	6.3	1.2	23.3%
Deferred tax assets	(50.6)	(51.2)	(0.6)	1.2%
Current amount of after-tax liabilities	**135.2**	**136.7**	**1.5**	**1.1%**

Liabilities related to employee benefits (post-employment and long-term benefits) stood at €187.9m in March 2025, up by €2.1m compared to December 2024. The increase essentially results from the liability with employment contracts agreements following the agreements made in the period under review.

These liabilities related to employee benefits are associated with deferred tax assets amounting to €51.2m, which brings the current amount of liabilities related to employee benefits net of deferred tax assets associated with them to €136.7m.

03

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 2025. The update corresponds to an average annual price variation of 6.90%. The overall average annual price variation, also reflecting the effect of the update of special prices for bulk mail, is 6.53%.

Main ESG milestones achieved

In 1Q25, CTT Group's CO2e emissions increased by 8.3% y.o.y, particularly the emissions resulting from the activity of the subcontracted road fleet, due to the 15% y.o.y increase in E&P volumes. However, there was a significant reduction in emissions from the company's own fleet (impact in scope 1), reflecting the electrification of the fleet, which increased significantly compared to the same period last year.

In the context of the carbon transition plan, CTT expanded the electrification of its own fleet, which now has 1,187 electric vehicles, 39.1% of which operating in the last mile. The company also installed 1,834 solar panels at the Palmela Sorting Centre for self-supply and to supply surplus energy to the grid.

In partnership with the Circular E-commerce EcoLab, CTT launched new reusable packaging for testing (particularly by SMEs, which receive free units when they join) with a view to reducing the environmental footprint of deliveries.

In terms of gender parity in top and middle management, the percentage of women in leadership positions is 38% (-2.5 p.p. y.o.y). Talent management initiatives included the 3rd edition of the Ambassadors programme. The first phase of applications for subsidised mortgage loans and auto loans for EFR[7] programme employees was also launched.

Donations to social institutions totalled €167,000 (0.84% of recurring EBIT) and 7,350 native trees were planted as part of the 11th ‘A Tree for the Forest’ campaign.

With regard to customer experience and satisfaction, we highlight the ongoing implementation of the Iberian platform, to automate the sales process and improve the customer experience, and GALAXY, to improve commercial campaigns and create a 360º virtual visualisation of CTT post offices.

CTT was honoured with top performances in the Carbon Disclosure Project rankings (Leadership A-level in Climate Change) and the IPC Sustainability Measurement and Management System (5th place amongst 23 postal operators). The company also won the Caixa ESG - Transparency & Performance Award and was voted a ‘Trusted Brand’ in its category.

Share buyback programme

In the context of the share buy-back programme announced to the market on 19 July 2024, as at 31 March 2025, CTT had already acquired 4,127,253 shares. As a consequence, on 31 March 2025, the Company held an aggregated total of 5,415,299 own shares, representing 3.91% of its share capital.

On 17 April 2025, CTT communicated to the market the conclusion of the aforementioned share buyback programme announced on 19 July 2024. Under this programme, 4.620 million own shares were acquired from 22 July 2024 to 17 April 2025 for a total amount of 25 million euros.

The Annual General Meeting held on 30 April 2025 approved a reduction of CTT's share capital by up to €4,250,000.00 corresponding to the cancellation of up to 8,500,000 own shares. Following this resolution, CTT will shortly proceed to reducing its share capital in the amount of €2,310,000.00 through the cancellation of 4,620,000 own shares representing 3,34% of CTT's share capital, prior to the cancellation, and which were acquired within the framework of the share buyback programme. Hence, CTT's share capital will become €66,910,000.00 represented by 133,820,000 shares with a nominal value of fifty cents per share.

[7] EFR - Family Responsible Company

Outlook for 2025

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

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

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

CTT remains committed to its principles of capital allocation and financial flexibility, as announced in June 2022 during the Capital Markets Day: (1) enabling CTT to continue to pursue its investment objectives in business growth and to be a leading Iberian player in logistics and e-commerce; (2) implementing an attractive shareholder remuneration policy, providing an adequate source of income for its shareholders; and (3) combining, within specific market conditions, a recurring dividend-based shareholder remuneration with a case-by-case shareholder remuneration, based on the repurchase and subsequent cancellation of shares.

Subsequent events

On 17 April 2025, CTT communicated to the market the conclusion of the share buyback programme announced to the market on 19 July 2024 (as mentioned above).

On 30 April 2025, the Annual General Meeting was held, approving, among other items, (i) the appropriation of results relative to the 2024 financial year as proposed by the Board of Directors, including the payment of a €0.17 gross dividend per share and (ii) the reduction of CTT's share capital by up to €4,250,000.00 corresponding to the cancellation of up to 8,500,000 own shares already acquired within the scope of the ordinary share buy-back programme, as described above.

On 30 April 2025, CTT announced that it concluded the acquisition of Cacesa for a total consideration of €106.8m, equivalent to an enterprise value of €89.1m and an EV/EBIT multiple (pre IFRS16) of 5.2x.

On 2 May 2025, CTT announced that it will be paying its dividend relative to the 2024 fiscal year of €0.17 (gross amount) per share on 15 May 2025.

Final Note

This press release is based on CTT – Correios de Portugal, S.A. interim condensed consolidated financial statements for the first quarter of 2025, which are attached hereto.

The analysts' conference call to present the 1Q25 results, hosted by João Bento, CEO, Guy Pacheco, CFO, and João Sousa, CMO, will be held on 9 May 2025 at 09:00 am Lisbon time (GMT) / 10:00 am CET. The coordinates for accessing the Zoom conference are available at 1Q25 Results.

Lisbon, 8 May 2025

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: [CTT Results Announcements]

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Disclaimer

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By reading this document, you agree to be bound by the foregoing restrictions.

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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Interim Condensed Consolidated Financial Statements

3 Months Report

2025

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 2024 AND 31 MARCH 2025 (Euros)

	NOTES	31.12.2024	Unaudited 31.03.2025
ASSETS			
Non-current assets			
Tangible fixed assets	4	338,723,263	351,009,423
Investment properties	6	5,173,925	5,109,908
Intangible assets	5	73,446,787	72,795,131
Goodwill		80,256,739	80,256,739
Investments in associated companies		481	481
Investments in joint ventures		18,995	18,460
Other investments		3,280,828	3,294,028
Prepayments	11	3,417,674	3,817,856
Financial assets at fair value through profit or loss		6,283,361	4,980,842
Debt securities at amortised cost	8	357,983,106	357,559,589
Other non-current assets		3,760,479	18,249,923
Credit to banking clients	10	1,573,398,545	1,665,102,091
Deferred tax assets	12	74,153,787	75,205,221
Total non-current assets		**2,519,897,970**	**2,637,399,690**
Current assets			
Inventories		6,518,678	6,401,421
Accounts receivable		188,399,079	169,265,632
Credit to banking clients	10	168,148,789	139,871,275
Prepayments	11	10,984,102	13,299,291
Debt securities at amortised cost	8	1,701,153,508	1,729,062,374
Other current assets		94,075,485	79,412,385
Other banking financial assets	9	703,709,006	540,867,638
Cash and cash equivalents	12	315,912,146	310,444,628
Total current assets		**3,188,900,792**	**2,988,624,644**
Total assets		**5,708,798,762**	**5,626,024,334**
EQUITY AND LIABILITIES			
Equity			
Share capital	14	69,220,000	69,220,000
Own shares	15	(15,831,386)	(26,126,013)
Reserves	15	31,993,036	32,288,508
Retained earnings	15	117,846,899	163,341,957
Other changes in equity	15	(1,182,098)	(1,855,325)
Net profit		45,536,317	5,508,945
Equity attributable to equity holders of the Parent Company		247,582,768	242,378,072
Non-controlling interests		60,680,510	64,115,342
Total equity		**308,263,277**	**306,493,414**
Liabilities			
Non-current liabilities			
Medium and long term debt	18	176,378,401	187,025,147
Employee benefits		159,255,264	161,848,088
Provisions	19	12,075,945	11,701,295
Financial liabilities at fair value through profit or loss		—	5,085,780
Debt securities issued at amortised cost	21	252,641,611	231,057,182
Prepayments	11	976,301	1,084,288
Deferred tax liabilities	26	2,571,698	2,222,858
Total non-current liabilities		**603,899,219**	**600,024,637**
Current liabilities			
Accounts payable	20	478,987,413	460,169,780
Banking clients' deposits and other loans	22	4,043,717,816	3,982,987,728
Employee benefits		23,593,264	22,852,354
Income taxes payable	23	6,527,689	9,135,779
Short term debt	18	49,874,003	52,289,665
Financial liabilities at fair value through profit or loss		6,408,818	—
Debt securities issued at amortised cost	21	251,012	182,448
Prepayments	11	8,294,793	7,110,790
Other current liabilities		147,104,317	149,923,693
Other banking financial liabilities	9	31,877,142	34,854,046
Total current liabilities		**4,796,636,266**	**4,719,506,284**
Total liabilities		**5,400,535,485**	**5,319,530,921**
Total equity and liabilities		**5,708,798,762**	**5,626,024,334**

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 2024 AND 31 MARCH 2025
Euros

	NOTES	Three-months periods ended Unaudited 31.03.2024	Unaudited 31.03.2025
Sales and services rendered	3	229,956,626	252,687,715
Financial margin		24,068,876	25,172,680
Other operating income		9,471,318	10,304,962
		263,496,821	288,165,357
Cost of sales		(1,893,141)	(2,234,314)
External supplies and services		(116,375,067)	(132,617,949)
Staff costs	24	(102,318,921)	(111,511,081)
Impairment of accounts receivable, net		(1,070,675)	(14,883)
Impairment of other financial banking assets		(4,329,146)	(4,435,762)
Provisions, net	19	(713,129)	53,680
Depreciation/amortisation and impairment of investments, net		(17,135,200)	(19,670,339)
Net gains/(losses) of assets and liabilities at fair value through profit or loss		24,879	10,892
Net gains/(losses) of other financial assets at fair value through other comprehensive income		—	5,874
Other operating costs		(4,755,467)	(6,556,208)
Gains/losses on disposal/ remeasurement of assets		10,620	31,616
		(248,555,247)	(276,938,474)
		14,941,574	**11,226,882**
Interest expenses	25	(4,073,028)	(4,214,254)
Interest income	25	8,618	240,348
Gains/losses in subsidiary, associated companies and joint ventures		2,747	(535)
		(4,061,663)	(3,974,441)
Earnings before taxes		**10,879,911**	**7,252,441**
Income tax for the period	26	(3,399,075)	(1,229,521)
Net profit for the period		**7,480,836**	**6,022,920**
Net profit for the period attributable to:			
Equity holders		7,432,609	5,508,945
Non-controlling interests		48,227	513,976
Earnings per share:	17	**0.05**	**0.04**

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 2024 AND 31 MARCH 2025
Euros

	NOTES	Three-months periods ended Unaudited 31.03.2024	Unaudited 31.03.2025
Net profit for the period		**7,480,836**	**6,022,920**
Adjustments from application of the equity method (non re-classifiable adjustment to profit and loss)	15	6,654	(41,259)
Other changes in equity	15	(505,194)	(693,073)
Other comprehensive income for the period after taxes		**(498,540)**	**(734,332)**
Comprehensive income for the period		**6,982,297**	**5,288,589**
Attributable to non-controlling interests		48,227	494,130
Attributable to shareholders of CTT		6,934,069	4,794,458

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 2024 AND 31 MARCH 2025
Euros

	NOTES	Share capital	Own Shares	Reserves	Other changes in equity	Retained earnings	Net profit for the year	Non-controlling interests	Total
Balance on 31 December 2023		**71,957,500**	**(15,624,632)**	**48,113,244**	**3,402,039**	**83,269,152**	**60,511,368**	**1,624,181**	**253,252,852**
Share capital decrease	14	(2,737,500)	20,111,920	(17,374,420)	—	—	—	—	—
Appropriation of net profit for the year of 2023		—	—	—	—	60,511,368	(60,511,368)	—	—
Dividends	16	—	—	—	—	(23,315,758)	—	(1,622,403)	(24,938,161)
Acquisition of own shares	15	—	(20,648,165)	—	—	—	—	—	(20,648,165)
Attribution of own shares	15	—	329,492	(841,648)	512,156	—	—	—	—
Share plan	15	—	—	2,095,860	—	—	—	—	2,095,860
Shareholdings sale	15	—	—	—	—	—	—	32,952,531	32,952,531
Shareholdings acquisition	15	—	—	—	—	(504,747)	—	(934,253)	(1,439,000)
Share capital increase subscription in subsidiaries by third parties	15	—	—	—	—	(2,153,204)	—	27,153,204	25,000,000
		(2,737,500)	**(206,753)**	**(16,120,208)**	**512,156**	**34,537,659**	**(60,511,368)**	**57,549,079**	**13,023,065**
Other movements	15	—	—	—	(505,194)	—	—	10,131	(495,063)
Actuarial gains/losses - Health Care, net from deferred taxes	15	—	—	—	(4,591,100)	—	—	—	(4,591,100)
Adjustments from the application of the equity method	15	—	—	—	—	40,087	—	—	40,087
Net profit for the period		—	—	—	—	—	45,536,317	1,497,118	47,033,435
Comprehensive income for the period		**—**	**—**	**—**	**(5,096,294)**	**40,087**	**45,536,317**	**1,507,249**	**41,987,360**
Balance on 31 December 2024		**69,220,000**	**(15,831,386)**	**31,993,036**	**(1,182,098)**	**117,846,899**	**45,536,317**	**60,680,510**	**308,263,277**
Appropriation of net profit for the year of 2024		—	—	—	—	45,536,317	(45,536,317)	—	—
Dividends		—	—	—	—	—	—	(466,728)	(466,728)
Acquisition of own shares	15	—	(10,294,628)	—	—	—	—	—	(10,294,628)
Share plan	15	—	—	295,472	—	—	—	—	295,472
Shareholdings sale	7	—	—	—	—	—	—	3,407,430	3,407,430
		—	**(10,294,628)**	**295,472**	**—**	**45,536,317**	**(45,536,317)**	**2,940,702**	**(7,058,454)**
Other movements	15	—	—	—	(673,227)	—	—	(19,846)	(693,073)
Adjustments from the application of the equity method	15	—	—	—	—	(41,259)	—	—	(41,259)
Net profit for the period		—	—	—	—	—	5,508,945	513,976	6,022,921
Comprehensive income for the period		**—**	**—**	**—**	**(673,227)**	**(41,259)**	**5,508,945**	**494,130**	**5,288,589**
Balance on 31 March 2025 (Unaudited)		**69,220,000**	**(26,126,013)**	**32,288,508**	**(1,855,325)**	**163,341,957**	**5,508,945**	**64,115,342**	**306,493,414**

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 2024 AND 31 MARCH 2025
Euros

	NOTES	Unaudited 31.03.2024	Unaudited 31.03.2025
Cash flow from operating activities			
Collections from customers		233,723,101	289,208,978
Payments to suppliers		(150,896,037)	(198,943,568)
Payments to employees		(86,509,374)	(88,375,209)
Banking customer deposits and other loans		361,430,666	(55,260,405)
Credit to banking clients		(29,441,534)	(67,275,231)
Cash flow generated by operations		**328,306,821**	**(120,645,434)**
Payments/receivables of income taxes		(111,002)	(1,288)
Other receivables/payments		(35,835,109)	18,798,466
Cash flow from operating activities (1)		**292,360,710**	**(101,848,256)**
Cash flow from investing activities			
Receivables resulting from:			
Tangible fixed assets		3,360	—
Financial investments	7	32,447,343	3,202,762
Investment subsidies		—	107,324
Investment in securities at amortised cost	8	5,000,000	925,226,550
Applications at the Central Bank	9	418,921,000	168,219,000
Other banking financial assets	9	610,000	50,000,000
Interest income		410,030	393,680
Payments resulting from:			
Tangible fixed assets		(2,342,903)	(7,875,681)
Intangible assets		(5,298,637)	(7,072,695)
Investment properties		—	(61,345)
Financial investments	7	—	(13,200)
Investment in securities at amortised cost	8	(739,532,164)	(940,894,850)
Demand deposits at Bank of Portugal	9	(4,017,400)	(73,600)
Other banking financial assets	9	—	(51,500,000)
Cash flow from investing activities (2)		**(293,799,372)**	**139,657,944**
Cash flow from financing activities			
Receivables resulting from:			
Loans obtained	18	6,022,364	75,000
Other credit institutions' deposits	9	56,900,427	118,231,847
Payments resulting from:			
Loans repaid	18	(60,439,840)	(2,117,069)
Other credit institutions' deposits		(56,900,427)	(118,231,847)
Interest expenses		(1,014,106)	(387,685)
Lease liabilities	18	(8,598,510)	(10,693,539)
Debt securities issued	21	(24,983,102)	(21,599,966)
Acquisition of own shares	15	(7,020,915)	(10,312,615)
Cash flow from financing activities (3)		**(96,034,109)**	**(45,035,874)**
Net change in cash and cash equivalents (1+2+3)		(97,472,770)	(7,226,185)
Cash and equivalents at the beginning of the period		315,229,314	270,183,224
Cash and cash equivalents at the end of the period	12	217,756,544	262,957,039
Cash and cash equivalents at the end of the period		**217,756,544**	**262,957,039**
Sight deposits at Bank of Portugal		32,642,900	40,520,900
Outstanding checks of Banco CTT / Checks clearing of Banco CTT		5,688,082	6,970,940
Impairment of slight and term deposits		(3,445)	(4,251)
Cash and cash equivalents (Statement of Financial Position)		**256,084,081**	**310,444,628**

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, 14th 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.

On 17 July 2024, a reduction of CTT’s share capital in the amount of 2,737,500 Euros was registered before the Commercial Registry Office through the cancellation of 5,475,000 shares held by the Company, representing 3.80% of its share capital and acquired under the share buyback programme carried out from 26 June 2023 to 9 May 2024. This share capital reduction was carried out following a resolution of the Annual General Meeting of CTT Shareholders held on 23 April 2024 which approved the share capital reduction in the amount of up to 3,825,000 Euros corresponding to the cancellation of up to 7,650,000 own shares already acquired or to be acquired by 25 June 2024 for the special purpose of implementing the share buyback programme and corresponding release of excess capital.

Thus, as at 31 March 2025, CTT's share capital now amounts to 69,220,000 Euros, represented by 138,440,000 shares with a nominal value of fifty cents per share, with the Company's Articles of Association being consequently amended.

The financial statements attached herewith are expressed in Euros, as this is the 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 8 May 2025.

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 2024, except for the new standards and amendments effective from 1 January 2025.

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 21 - The Effects of Changes in Exchange Rates:** Lack of Interchangeability – This amendment aims to clarify how to assess the interchangeability of a currency, and how the exchange rate should be determined when it is not exchangeable for an extended period. The amendment specifies that a currency should be considered interchangeable when an entity is able to obtain the other currency within a period that allows for normal administrative management, and through an exchange mechanism or market in which an exchange transaction creates enforceable rights and obligations. If a currency cannot be exchanged for another currency, an entity should estimate the exchange rate at the measurement date of the transaction. The objective will be to determine the exchange rate that would be applicable, at the measurement date, for a similar transaction between market participants. The amendments also state that an entity may use an observable exchange rate without making any adjustments.

The 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 2025, 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.

As of 30 June 2024, the Group began reporting on two new aggregating areas: “Logistics” and “Bank & Financial Services”, in order to align with the existing business lines and simplifying business reporting.

These two areas aggregate the business segments “Mail & Others” and “Express & Parcels” as “Logistics”, and “Bank” and “Financial Services & Retail” as “Bank and Financial Services”, maintaining the same level of disclosure of all relevant business drivers and captions.

“Payments” business was migrated to the “Mail & Others” in order to align all B2B commercial streams under the same ownership, ensuring only bank statutory entities in the “Banco” business segment.

Other small adjustments were also made as part of the reorganization of the company's commercial portfolio, namely the migration of the “Tax Payments” and “Money Transfers” from “Financial Services & Retail” segment to “Mail & Others”.

The comparative information, as of 31 March 2024, has been restated in accordance with the changes described.

Thus, **Logistics** is made up of the following entities:

- **Mail & Others** – CTT Contacto, S.A., CTT Soluções Empresariais, S.A., New Spring Services S.A., CTT IMO - Sociedade Imobiliária, S.A. MedSpring, S.A., CTT IMO Yield, S.A., CTT Services, S.A, Payshop, S.A. and CTT, S.A. excluding:
    - Business related to postal financial services and retail products - Financial Services & Retail;
    - The money transfer business of both CTT, S.A. and Payshop S.A.

- **Express & Parcels** – includes CTT Expresso S.A., CORRE S.A., 1520 Innovation Fund and Open Lockers, S.A.;

Bank & Financial Services includes:

- **Financial Services & Retail** - Postal Financial Services and the sale of products and services in the retail network of CTT, S.A. and the money transfer business of both CTT S.A. and Payshop S.A.

- **Bank** – Banco CTT S.A., S.A. and 321 Crédito S.A.

The business segregation by segment is based on management information produced internally and presented to the Extended Executive Committee ("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, aggregators and segment of the three-months periods ended 31 March 2024 and 31 March 2025 are as follows:

Thousand Euros	31.03.2024 "Restated"						
	Mail & Others	Express & Parcels	Logistics	Financial Services & Retail	Bank	Bank & Financial Services	Total
Revenues	**125,278**	**101,396**	**226,673**	**5,628**	**31,150**	**36,778**	**263,451**
Sales and services rendered	123,777	101,128	**224,905**	5,052	—	**5,052**	**229,957**
Services rendered	*122,377*	*101,124*	***223,501***	*4,796*	—	***4,796***	***228,297***
Sales	*1,400*	*4*	***1,404***	*256*	—	***256***	***1,660***
Financial Margin	—	—	**—**	—	24,069	***24,069***	***24,069***
Other operating income	1,500	268	**1,768**	576	7,081	**7,657**	**9,426**
Operating costs - EBITDA	**111,157**	**91,417**	**202,574**	**2,648**	**24,198**	**26,846**	**229,420**
Staff costs	82,504	11,572	**94,076**	392	7,760	**8,152**	**102,228**
External supplies and services	25,012	79,204	**104,216**	430	10,135	**10,564**	**114,780**
Other costs	4,115	280	**4,395**	320	1,920	**2,241**	**6,635**
Impairment and provisions	986	447	**1,433**	—	4,343	**4,343**	**5,776**
Internal services rendered	(1,460)	(87)	**(1,546)**	1,506	40	**1,546**	**—**
EBITDA	**14,121**	**9,979**	**24,100**	**2,980**	**6,952**	**9,932**	**34,032**
Depreciation/amortisation and impairment of investments, net	10,902	4,335	**15,237**	38	1,855	**1,892**	**17,129**
EBIT recurring	**3,219**	**5,644**	**8,862**	**2,942**	**5,098**	**8,040**	**16,902**
Specific items	1,463	514	**1,977**	1	(18)	**(17)**	**1,961**
Business restructurings	(22)	44	**22**	—	—	**—**	**22**
Strategic studies and projects costs	222	132	**354**	—	20	**20**	**374**
Other non-recurring income and expenses	1,264	337	**1,601**	1	(38)	**(37)**	**1,564**
EBIT	**1,755**	**5,130**	**6,885**	**2,941**	**5,116**	**8,056**	**14,942**
Financial results							**(4,062)**
Interest expenses							***(4,073)***
Interest income							***9***
Gains/losses in subsidiary, associated companies and joint ventures							**3**
Earnings before taxes (EBT)							**10,880**
Income tax for the period							**3,399**
Net profit for the period							**7,481**
Non-controlling interests							**48**
Equity holders of parent company							7,433

Thousand Euros	31.03.2025						
	Mail & Others	Express & Parcels	Logistics	Financial Services & Retail	Bank	Bank & Financial Services	Total
Revenues	**117,747**	**124,683**	**242,429**	**12,543**	**33,558**	**46,101**	**288,530**
Sales and services rendered	116,618	124,256	**240,874**	12,030	—	**12,030**	**252,904**
Services rendered	*115,370*	*124,239*	***239,609***	*11,278*	—	***11,278***	***250,887***
Sales	*1,248*	*17*	***1,265***	*752*	—	***752***	***2,017***
Financial Margin	—	—	**—**	—	25,173	**25,173**	**25,173**
Other operating income	1,128	427	**1,555**	513	8,386	**8,898**	**10,453**
Operating costs - EBITDA	**104,772**	**111,965**	**216,737**	**5,854**	**26,071**	**31,925**	**248,662**
Staff costs	82,979	14,273	**97,252**	832	9,029	**9,861**	**107,112**
External supplies and services	21,909	97,110	**119,019**	463	10,253	**10,716**	**129,736**
Other costs	3,748	718	**4,466**	802	2,148	**2,950**	**7,417**
Impairment and provisions	(50)	(32)	**(82)**	—	4,479	**4,479**	**4,397**
Internal services rendered	(3,815)	(104)	**(3,919)**	3,757	161	**3,919**	**—**
EBITDA	**12,975**	**12,718**	**25,692**	**6,688**	**7,488**	**14,176**	**39,868**
Depreciation/amortisation and impairment of investments, net	11,656	5,688	**17,344**	43	2,277	**2,321**	**19,664**
EBIT recurring	**1,319**	**7,029**	**8,348**	**6,645**	**5,211**	**11,856**	**20,204**
Specific items	6,964	1,910	**8,875**	30	73	**102**	**8,977**
Business restructurings	4,265	134	**4,399**	—	—	**—**	**4,399**
Strategic studies and projects costs	968	1,173	**2,142**	29	88	**117**	**2,259**
Other non-recurring income and expenses	1,731	603	**2,334**	1	(16)	**(15)**	**2,319**
EBIT	**(5,645)**	**5,119**	**(526)**	**6,615**	**5,138**	**11,753**	**11,227**
Financial results							**(3,974)**
Interest expenses							***(4,214)***
Interest income							***240***
Gains/losses in subsidiary, associated companies and joint ventures							***(1)***
Earnings before taxes and non-controlling interests (EBT)							**7,252**
Income tax for the period							**1,230**
Net profit for the period							**6,023**
Non-controlling interests							**514**
Equity holders of parent company							**5,509**

As at 31 March 2025, specific items amounted to 9.0 million euros, mainly due to: (i) restructuring, including agreements to suspend employment contracts (+4.4 million euros) (ii) costs associated with strategic projects (+2.3 million euros) and (iii) transaction costs associated with the second phase of the Real Estate business (+0.9 million euros).

The revenues are detailed as follows:

Thousand Euros	31.03.2024 “Restated”	31.03.2025
Logistics	**226,673**	**242,429**
Mail & others	**125,278**	**117,747**
Transactional mail	97,846	90,189
Editorial mail	2,987	2,798
Parcels (USO)	1,778	1,775
Advertising mail	2,923	2,568
Philately	820	747
Business Solutions	11,944	12,994
Payments	4,924	4,920
Other	2,055	1,755
Express & Parcels	**101,396**	**124,683**
Portugal	37,418	41,212
Parcels	34,585	38,428
Cargo	678	505
Banking network	1,095	1,088
Logistics	975	969
Other businesses	85	222
Spain	62,556	81,551
Mozambique	1,422	1,920
Bank & Financial Services	**36,778**	**46,101**
Financial Services & Retail	**5,628**	**12,543**
Savings & Insurance products	2,449	8,953
Money transfers	1,499	1,496
Credit products	24	16
Retail	1,231	1,946
Other	425	131
Bank	**31,150**	**33,558**
Net interest income	24,069	25,173
Interest income (+)	41,566	41,510
Interest expense (-)	(17,497)	(16,338)
Commissions income (+)	6,603	7,794
Credits	1,158	1,801
Savings & Insurance	2,012	2,449
Accounts and Cards	3,433	3,516
Other comissions received	—	28
Other	478	592
	263,451	**288,530**

The revenue detail, related to sales and services rendered and financial margin, for the three-months periods ended 31 March 2024 and 31 March 2025, by revenue sources, are detailed as follows:

Nature	31.03.2024 "restated"						
	Mail & others	Express & Parcels	Logistics	Financial Services & Retail	Bank	Bank & Financial Services	Total
Postal Services	114,438,385	—	**114,438,385**	—	—	—	**114,438,385**
Express services	—	101,127,529	**101,127,529**	—	—	—	**101,127,529**
Merchandising products sales	—	—	—	245,273	—	**245,273**	**245,273**
PO Boxes	—	—	—	350,426	—	**350,426**	**350,426**
International mail services (*)	4,415,104	—	**4,415,104**	—	—	—	**4,415,104**
Financial Services fees	4,924,005	—	**4,924,005**	4,455,903	24,068,876	**28,524,780**	**33,448,784**
"Sales and Services rendered" and "Financial Margin" total	**123,777,494**	**101,127,529**	**224,905,023**	**5,051,603**	**24,068,876**	**29,120,479**	**254,025,502**

(*) Inbound Mail

Nature	31.03.2025						
	Mail & others	Express & Parcels	Logistics	Financial Services & Retail	Bank	Bank & Financial Services	Total
Postal Services	107,419,887	—	**107,419,887**	—	—	—	107,419,887
Express services	—	124,255,912	**124,255,912**	—	—	—	124,255,912
Merchandising products sales	—	—	—	238,779	—	**238,779**	238,779
PO Boxes	—	—	—	335,441	—	**335,441**	335,441
International mail services (*)	4,278,313	—	**4,278,313**	—	—	—	4,278,313
Financial Services fees	4,920,182	—	**4,920,182**	11,455,867	25,172,680	**36,628,547**	41,548,729
"Sales and Services rendered" and "Financial Margin" total	**116,618,382**	**124,255,912**	**240,874,294**	**12,030,087**	**25,172,680**	**37,202,767**	**278,077,061**

(*) Inbound Mail

The assets by segment are detailed as follows:

Assets (Euros)	31.12.2024							
	Mail & others	Express & Parcels	Logistics	Financial Services & Retail	Bank	Bank & Financial Services	Non allocated assets	Total
Intangible assets	33,685,120	11,037,573	**44,722,693**	531,832	24,090,481	**24,622,312**	4,101,782	**73,446,787**
Tangible fixed assets	218,796,448	111,057,246	**329,853,695**	88,753	7,261,930	**7,350,683**	1,518,885	**338,723,263**
Investment properties	—	—	—	—	—	—	5,173,925	**5,173,925**
Goodwill	16,622,338	2,955,753	**19,578,091**	—	60,678,648	**60,678,648**	—	**80,256,739**
Deferred tax assets	251,510	12,493,141	**12,744,651**	—	1,695,177	**1,695,177**	59,713,958	**74,153,787**
Accounts receivable	6,454,086	88,450,671	**94,904,757**	—	—	—	93,494,322	**188,399,079**
Credit to bank clients	—	—	—	—	1,741,547,334	**1,741,547,334**	—	**1,741,547,334**
Financial assets at fair value through profit or loss	—	—	—	—	6,283,361	**6,283,361**	—	**6,283,361**
Debt securities at amortised cost	—	—	—	—	2,059,136,614	**2,059,136,614**	—	**2,059,136,614**
Other banking financial assets	—	—	—	—	703,709,006	**703,709,006**	—	**703,709,006**
Other assets	16,467,136	27,991,955	**44,459,091**	11,929,433	26,489,875	**38,419,308**	39,178,323	**122,056,722**
Cash and cash equivalents	—	62,751,227	**62,751,227**	—	95,743,500	**95,743,500**	157,417,418	**315,912,146**
	292,276,638	**316,737,567**	**609,014,205**	**12,550,018**	**4,726,635,926**	**4,739,185,944**	**360,598,614**	**5,708,798,762**

Assets (Euros)	31.03.2025							
	Mail & others	Express & Parcels	Logistics	Financial Services & Retai	Bank	Bank & Financial Services	Non allocated assets	Total
Intangible assets	32,977,664	11,494,245	**44,471,909**	363,658	23,311,303	**23,674,961**	4,648,261	**72,795,131**
Tangible fixed assets	222,259,635	120,280,404	**342,540,039**	80,608	6,857,246	**6,937,854**	1,531,529	**351,009,423**
Investment properties	—	—	**—**	—	—	**—**	5,109,908	**5,109,908**
Goodwill	16,622,338	2,955,753	**19,578,091**	—	60,678,648	**60,678,648**	—	**80,256,739**
Deferred tax assets	160,317	12,373,020	**12,533,337**	—	1,854,944	**1,854,944**	60,816,940	**75,205,221**
Accounts receivable	8,378,372	68,350,780	**76,729,152**	—	—	**—**	92,536,480	**169,265,632**
Credit to bank clients	—	—	**—**	—	1,804,973,366	**1,804,973,366**	—	**1,804,973,366**
Financial assets at fair value through profit or loss	—	—	**—**	—	4,980,842	**4,980,842**	—	**4,980,842**
Debt securities at amortised cost	—	—	**—**	—	2,086,621,962	**2,086,621,962**	—	**2,086,621,962**
Other banking financial assets	—	—	**—**	—	540,867,638	**540,867,638**	—	**540,867,638**
Other assets	14,428,984	35,647,576	**50,076,560**	10,192,498	25,391,544	**35,584,042**	38,833,243	**124,493,845**
Cash and cash equivalents	—	73,419,732	**73,419,732**	—	92,016,042	**92,016,042**	145,008,854	**310,444,628**
	294,827,310	**324,521,510**	**619,348,820**	**10,636,764**	**4,647,553,535**	**4,658,190,299**	**348,485,215**	**5,626,024,334**

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

	31.12.2024						
	Mail & others	Express & Parcels	Logistics	Financial Services & Retail	Bank	Bank & Financial Services	Total
Intangible assets	9,486,495	3,199,091	**12,685,586**	96,060	9,021,725	**9,117,785**	**21,803,371**
Tangible fixed assets	40,139,885	48,684,782	**88,824,668**	75,079	4,142,552	**4,217,630**	**93,042,298**
	49,626,380	**51,883,874**	**101,510,254**	**171,138**	**13,164,277**	**13,335,415**	**114,845,668**

	31.03.2025						
	Mail & others	Express & Parcels	Logistics	Financial Services & Retail	Bank	Bank & Financial Services	Total
Intangible assets	2,279,846	1,143,677	**3,423,523**	6,933	856,105	**863,038**	**4,286,562**
Tangible fixed assets	10,257,989	5,957,560	**16,215,549**	—	238,704	**238,704**	**16,454,253**
	12,537,836	**7,101,237**	**19,639,072**	**6,933**	**1,094,809**	**1,101,742**	**20,740,815**

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

- “Intangible assets” (4,648,261 Euros): the unallocated amount is related to part of the intangible assets in progress, which are allocated to the underlying segment in the moment they become firm assets;
- “Tangible fixed assets” (1,531,529 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” (5,109,908 Euros): These assets are not allocated to the operating activity, which is why they are not allocated to any segment;
- “Deferred tax assets” (60,816,940 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” (92,536,480 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” (38,833,243 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 (145,008,854 Euros): the unallocated amount is related, essentially, to the cash and cash equivalents of CTT S.A., as this company concentrates the business segments’ Mail, Financial Services & Retail and Bank, and it is not possible to split the amounts of cash and bank deposits by each CTT’s businesses.

Debt by segment is detailed as follows:

	31.12.2024						
Other information	**Mail & others**	**Express & Parcels**	**Logistics**	**Financial Services & Retail**	**Bank**	**Bank & Financial Services**	**Total**
Non-current debt	**108,182,003**	**65,329,789**	**173,511,792**	**66,742**	**2,799,867**	**2,866,609**	**176,378,401**
Bank loans	16,614,022	—	**16,614,022**	—	—	—	**16,614,022**
Commercial Paper	34,979,743	—	**34,979,743**	—	—	—	**34,979,743**
Lease liabilities	56,588,238	65,329,789	**121,918,027**	66,742	2,799,867	2,866,609	**124,784,636**
Current debt	**36,920,901**	**11,392,044**	**48,312,944**	**22,256**	**1,538,803**	**1,561,059**	**49,874,003**
Bank loans	16,971,313	—	**16,971,313**	—	—	—	**16,971,313**
Commercial Paper	1,331,778	—	**1,331,778**	—	—	—	**1,331,778**
Lease liabilities	18,617,810	11,392,044	**30,009,853**	22,256	1,538,803	1,561,059	**31,570,913**
	145,102,904	**76,721,832**	**221,824,736**	**88,998**	**4,338,670**	**4,427,668**	**226,252,404**

	31.03.2025						
Other information	**Mail & others**	**Express & Parcels**	**Logistics**	**Financial Services & Retail**	**Bank**	**Bank & Financial Services**	**Total**
Non-current debt	**111,865,571**	**72,509,248**	**184,374,819**	**61,127**	**2,589,200**	**2,650,327**	**187,025,147**
Bank loans	16,594,781	—	16,594,781	—	—	—	16,594,781
Commercial Paper	34,041,672	—	34,041,672	—	—	—	34,041,672
Lease liabilities	61,229,117	72,509,248	133,738,365	61,127	2,589,200	2,650,327	136,388,693
Current debt	**38,079,029**	**12,667,841**	**50,746,870**	**22,096**	**1,520,698**	**1,542,794**	**52,289,665**
Bank loans	17,040,204	—	17,040,204	—	—	—	17,040,204
Commercial Paper	950,466	—	950,466	—	—	—	950,466
Lease liabilities	20,088,359	12,667,841	32,756,200	22,096	1,520,698	1,542,794	34,298,994
	149,944,600	**85,177,089**	**235,121,690**	**83,223**	**4,109,898**	**4,193,121**	**239,314,811**

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

Thousand Euros	**31.03.2024**	**31.03.2025**
Revenue - Portugal	147,743	152,541
Revenue - other countries	82,213	100,364
	229,957	**252,904**

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 202,142 thousand Euros (31 March 2024: 114 471 thousands of euros).

4. Tangible fixed assets

During the year ended 31 December 2024 and the three-months period ended 31 March 2025, the movements occurred in Tangible fixed assets, as well as the respective accumulated depreciation, were as follows:

	31.12.2024									
	Land and natural resources	Buildings and other constructions	Basic equipment	Transport equipment	Office equipment	Other tangible fixed assets	Tangible fixed assets in progress	Advance payments to suppliers	Rights of use	Total
Tangible fixed assets										
Opening balance	35,608,901	347,206,781	188,307,741	3,682,410	78,897,996	29,373,413	1,859,244	70,252	276,890,540	961,897,279
Acquisitions	—	458,623	5,602,573	15,286	1,676,555	1,587,882	15,163,796	117,764	—	24,622,481
New contracts	—	—	—	—	—	—	—	—	68,419,817	68,419,817
Disposals	(303,401)	(741,448)	(853,314)	—	(85,696)	—	(22,322)	—	—	(2,006,181)
Transfers and write-offs	—	4,381,482	5,486,210	—	388,269	(16,671)	(10,937,314)	—	(1,496,977)	(2,195,001)
Terminated contracts	—	—	—	—	—	—	—	—	(194,492)	(194,492)
Remeasurements	—	—	—	—	—	—	—	—	5,044,231	5,044,231
Adjustments	(90,151)	(268,567)	73,260	4,010	3,679	1,036,574	—	—	(2,540)	756,264
Closing balance	35,215,349	351,036,872	198,616,470	3,701,707	80,880,803	31,981,198	6,063,404	188,016	348,660,580	1,056,344,399
Accumulated depreciation										
Opening balance	3,561,803	247,724,805	149,245,878	3,566,144	70,105,656	23,937,490	—	—	166,747,031	664,888,807
Depreciation for the period	—	10,169,141	5,743,391	56,518	2,429,241	1,370,287	—	—	36,176,959	55,945,538
Disposals	—	(398,034)	(784,314)	—	(80,862)	—	—	—	—	(1,263,210)
Transfers and write-offs	—	(134,215)	(34,894)	—	(19,049)	(48,444)	—	—	(1,530,015)	(1,766,617)
Terminated contracts	—	—	—	—	—	—	—	—	(275,983)	(275,983)
Adjustments	—	(11,172)	83,299	2,836	2,822	1,708	—	—	—	79,492
Closing balance	3,561,803	257,350,525	154,253,360	3,625,498	72,437,809	25,261,040	—	—	201,117,992	717,608,027
Accumulated impairment										
Opening balance	—	—	—	—	—	13,806	—	—	—	13,806
Reversals	—	—	—	—	—	(697)	—	—	—	(697)
Closing balance	—	—	—	—	—	13,109	—	—	—	13,109
Net Tangible fixed assets	**31,653,546**	**93,686,347**	**44,363,110**	**76,209**	**8,442,994**	**6,707,049**	**6,063,404**	**188,016**	**147,542,588**	**338,723,263**

	31.03.2025									
	Land and natural resources	Buildings and other constructions	Basic equipment	Transport equipment	Office equipment	Other tangible fixed assets	Tangible fixed assets in progress	Advance payments to suppliers	Rights of use	Total
Tangible fixed assets										
Opening balance	35,215,349	351,036,872	198,616,470	3,701,707	80,880,803	31,981,198	6,063,404	188,016	348,660,580	1,056,344,399
Acquisitions	—	353,418	683,331	4,676	800,100	44,802	1,380,226	—	—	3,266,553
New contracts	—	—	—	—	—	—	—	—	13,187,700	13,187,700
Disposals	—	—	(261,479)	—	—	—	—	—	—	(261,479)
Transfers and write-offs	—	307,502	2,952,550	—	(21,724)	—	(3,241,373)	—	(1,056,216)	(1,059,260)
Terminated contracts	—	—	—	—	—	—	—	—	(39,291)	(39,291)
Remeasurements	—	—	—	—	—	—	—	—	10,614,090	10,614,090
Adjustments	—	(2,280)	(109,917)	(2,838)	(2,720)	133,714	3,044	—	—	19,003
Closing balance	35,215,349	351,695,511	201,880,954	3,703,545	81,656,459	32,159,714	4,205,302	188,016	371,366,864	1,082,071,714
Accumulated depreciation										
Opening balance	3,561,803	257,350,525	154,253,360	3,625,498	72,437,809	25,261,040	—	—	201,117,992	717,608,027
Depreciation for the period	—	2,532,394	1,697,453	6,133	641,673	344,617	—	—	9,513,453	14,735,723
Disposals	—	—	(261,479)	—	—	—	—	—	—	(261,479)
Transfers and write-offs	—	1,196	—	—	(1,196)	—	—	—	(807,175)	(807,175)
Terminated contracts	—	—	—	—	—	—	—	—	(37,685)	(37,685)
Adjustments	—	(12,919)	(66,260)	(2,071)	(1,942)	(1,146)	—	—	(103,892)	(188,229)
Closing balance	3,561,803	259,871,197	155,623,074	3,629,559	73,076,344	25,604,512	—	—	209,682,694	731,049,182
Accumulated impairment										
Opening balance	—	—	—	—	—	13,109	—	—	—	13,109
Closing balance	—	—	—	—	—	13,109	—	—	—	13,109
Net Tangible fixed assets	**31,653,546**	**91,824,314**	**46,257,880**	**73,986**	**8,580,116**	**6,542,093**	**4,205,302**	**188,016**	**161,684,170**	**351,009,423**

The depreciation recorded in the Group amounting to 14,735,723 Euros (12,503,904 Euros on 31 March 2024), is booked under the caption Depreciation/amortisation and impairment of investments, net.

As at 31 March 2025, in keeping with its strategy of developing the real estate business, described in detail in note 7, CTT transferred 30 properties to CTT IMO Yield, resulting in the derecognition of tangible fixed assets at a net book value of 5,417 thousand Euros and investment properties with a net book value of 422 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 2,460 thousand euros, as well as the respective lease liability of 5,997 thousand euros. The capital gains generated in the operation total 2,605 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 2025, 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.

Basic equipment:

The amount relating to acquisitions mainly concerns to the acquisition of computer equipment amounting to 127 thousand Euros, the acquisition of containers amounting to 80 thousand Euros by CTT Expresso, the acquisition of distribution vehicles worth 121 thousand Euros by CORRE and the acquisition of lockers worth 203 thousand Euros by Open Lockers.

Office equipment:

The amount relating to acquisitions mainly relates to the acquisition of various computer equipment worth approximately 646 thousand Euros by CTT and the acquisition of various computer equipment worth 57 thousand Euros and the acquisition of furniture worth 64 thousand Euros by CTT Expresso.

Other tangible fixed assets:

The acquisitions caption essentially records prevention and safety equipment amounting to approximately 25 thousand Euros at CTT.

Rights of Use

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

	31.12.2024			
	Buildings	Vehicles	Other assets	Total
Tangible fixed assets				
Opening balance	229,708,181	42,448,596	4,733,764	276,890,540
New contracts	32,832,622	34,201,093	1,386,101	68,419,817
Transfers and write-offs	(1,227,994)	(268,983)	—	(1,496,977)
Terminated contracts	(91,141)	(103,351)	—	(194,492)
Remeasurements	2,595,541	2,448,690	—	5,044,231
Adjustments	(2,540)	—	—	(2,540)
Closing balance	263,814,669	78,726,045	6,119,866	348,660,580
Accumulated depreciation				
Opening balance	131,605,848	32,270,818	2,870,365	166,747,031
Depreciation for the period	22,853,446	12,191,171	1,132,342	36,176,959
Transfers and write-offs	(1,375,343)	(154,671)	—	(1,530,015)
Terminated contracts	(101,236)	(174,747)	—	(275,983)
Closing balance	152,982,714	44,132,570	4,002,708	201,117,992
Net Tangible fixed assets	**110,831,955**	**34,593,475**	**2,117,158**	**147,542,588**

	31.03.2025			
	Buildings	Vehicles	Other assets	Total
Tangible fixed assets				
Opening balance	263,814,669	78,726,045	6,119,866	348,660,580
New contracts	8,420,174	4,672,910	94,616	13,187,700
Transfers and write-offs	(1,056,216)	—	—	(1,056,216)
Terminated contracts	—	(39,291)	—	(39,291)
Remeasurements	10,614,090	—	—	10,614,090
Closing balance	281,792,717	83,359,665	6,214,482	371,366,864
Accumulated depreciation				
Opening balance	152,982,714	44,132,570	4,002,708	201,117,992
Depreciation for the period	6,075,838	3,157,257	280,358	9,513,453
Transfers and write-offs	(807,175)	—	—	(807,175)
Terminated contracts	—	(37,685)	—	(37,685)
Adjustments	(103,892)	—	—	(103,892)
Closing balance	158,147,485	47,252,143	4,283,065	209,682,694
Net Tangible fixed assets	**123,645,232**	**36,107,522**	**1,931,416**	**161,684,170**

The depreciation recorded, in the amount of 9,513,453 Euros (7,642,413 Euros on 31 March 2024), is booked under the caption “Depreciation/amortisation and impairment of investments, net.”

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

For the three-months period ended 31 March 2025, 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 2025, 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 2025, amount to 5,110,671 Euros.

5. Intangible assets

During the year ended 31 December 2024 and the three-months period ended 31 March 2025, the movements which occurred in the main categories of the Intangible assets, as well as the respective accumulated amortisation, were as follows:

	31.12.2024					
	Development projects	Computer Software	Industrial property	Other intangible assets	Intangible assets in progress	Total
Intangible assets						
Opening balance	4,380,552	193,000,538	19,836,097	2,309,070	3,912,114	223,438,371
Acquisitions	—	1,671,337	91,119	—	20,040,915	21,803,371
Disposals	—	(4,557,236)	—	—	—	(4,557,236)
Transfers and write-offs	—	15,714,171	—	—	(15,493,791)	220,380
Adjustments	—	—	25,700	—	—	25,700
Closing balance	4,380,552	205,828,811	19,952,916	2,309,070	8,459,237	240,930,586
Accumulated amortisation						
Opening balance	4,380,552	131,770,613	15,360,727	1,286,695	—	152,798,587
Amortisation for the period	—	17,808,048	1,055,378	360,838	—	19,224,263
Disposals	—	(4,557,236)	—	—	—	(4,557,236)
Adjustments	—	—	18,185	—	—	18,185
Closing balance	4,380,552	145,021,425	16,434,289	1,647,533	—	167,483,799
Net intangible assets	**—**	**60,807,387**	**3,518,627**	**661,537**	**8,459,237**	**73,446,787**

	31.03.2025					
	Development projects	Computer Software	Industrial property	Other intangible assets	Intangible assets in progress	Total
Intangible assets						
Opening balance	4,380,552	205,828,811	19,952,916	2,309,070	8,459,237	240,930,586
Acquisitions	—	444,149	470	—	3,841,943	4,286,562
Transfers and write-offs	—	3,809,291	—	—	(3,809,291)	—
Adjustments	—	—	(17,113)	—	—	(17,113)
Closing balance	4,380,552	210,082,251	19,936,272	2,309,070	8,491,890	245,200,034
Accumulated amortisation						
Opening balance	4,380,552	145,021,425	16,434,289	1,647,533	—	167,483,799
Amortisation for the period	—	4,691,237	152,201	90,210	—	4,933,648
Adjustments	—	—	(12,544)	—	—	(12,544)
Closing balance	4,380,552	149,712,662	16,573,947	1,737,743	—	172,404,903
Net intangible assets	**—**	**60,369,589**	**3,362,325**	**571,327**	**8,491,890**	**72,795,131**

The amortisation for the period ended 31 March 2025, amounting to 4,933,648 Euros (4,579,322 Euros as at 31 March 2024) was recorded under Depreciation / amortisation and impairment of investments, net.

During the first half of 2024, the Group changed the estimated remaining useful life of the core banking system (Banco CTT's main operating software) to approximately 2 years (7 years before), assigning it an estimated residual value of approximately 6,000 thousand euros. This change is the result of the signing of a service provision agreement with the current licensing provider, which provides for the migration and upgrade of the current license (on premises) to access to a software as a service license, which will incorporate a set of customizations and configurations that will be transferred from the current on premises system and to which a similar value to the aforementioned residual value is attributed, which is estimated to come into effect at the end of 2025. On 31 March 2025 this asset has a net book value of 7,129 thousand euros (31 December 2024: 7,493 thousand euros).

The transfers occurred in the period ended 31 March 2025 from Intangible assets in progress to Computer software refer to IT projects, which were completed during the year.

The amounts of 1,671,337 Euros and 788,163 Euros were capitalised in computer software and in Intangible assets in progress as at 31 December 2024 and 31 March 2025, respectively, and are related to staff costs incurred in the development of these projects.

The intangible assets in progress as at 31 March 2025 refer to IT projects that are being developed, the most significant being the following:

	31.03.2025
Galaxy Software	896,413
Projeto Cards - Software	767,880
Client Area B2B - Software	579,103
CBS Upgrade	552,373
Digital Channels	425,296
SAP - software	414,809
Platform - Investment Products	408,929
Mulesoft - Software	388,338
Immediate Transfers	323,374
Commvault - software	297,651
Marketing Automation	233,877
Fleet management - Software	223,185
VIA CTT - software	204,505
	5,715,732

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 2025.

Regarding the economic period of 2024, the **Group** is still identifying and quantifying the expenses incurred with R&D, as 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 2025, 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 11,494,590 Euros at 31 March 2025.

6. Investment properties

During the year ended 31 December 2024 and the three-months period ended 31 March 2025, the Group has the following assets classified as investment properties:

	31.12.2024		
	Land and natural resources	Buildings and other constructions	Total
Investment properties			
Opening balance	2,862,247	11,052,892	13,915,139
Disposals	(746,871)	(1,434,106)	(2,180,976)
Other movements	90,151	268,567	358,718
Closing balance	**2,205,528**	**9,887,353**	**12,092,881**
Accumulated depreciation			
Opening balance	155,569	7,531,191	7,686,759
Depreciation for the period	—	190,827	190,827
Disposals	(17,174)	(1,017,940)	(1,035,115)
Other movements	—	10,286	10,286
Closing balance	**138,394**	**6,714,363**	**6,852,758**
Accumulated impairment			
Opening balance	—	252,393	252,393
Reversals	—	(186,195)	(186,195)
Closing balance	—	66,199	66,199
Net Investment properties	**2,067,134**	**3,106,792**	**5,173,925**

	31.03.2025		
	Land and natural resources	Buildings and other constructions	Total
Investment properties			
Opening balance	2,205,528	9,887,353	12,092,881
Disposals	(12,470)	(109,640)	(122,110)
Closing balance	**2,193,058**	**9,777,714**	**11,970,772**
Accumulated depreciation			
Opening balance	138,394	6,714,363	6,852,758
Depreciation for the period	—	46,339	46,339
Disposals	(1,414)	(69,817)	(71,231)
Closing balance	**136,981**	**6,690,885**	**6,827,865**
Accumulated impairment			
Opening balance	—	66,199	66,199
Reversals	—	(33,200)	(33,200)
Closing balance	—	32,999	32,999
Net Investment properties	**2,056,077**	**3,053,830**	**5,109,908**

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 2024 which were conducted by independent entities, amounts to 6,843,465 Euros.

The depreciation for the three-months period ended 31 March 2025, of 46,339 Euros (52,670 Euros on 31 March 2024) was recorded in the caption Depreciation/amortisation and impairment of investments, net.

For the three-months period ended 31 March 2025, the rents amount charged by the Group for properties and equipment leases classified as investment properties was 1,016 Euros (31 March 2024: 1,492 Euros).

7. Companies included in the consolidation

Subsidiary companies

As at 31 December 2024 and 31 March 2025, 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	31.12.2024 Percentage of ownership			31.03.2025 Percentage of ownership		
			Direct	Indirect	Total	Direct	Indirect	Total
Parent company:								
CTT - Correios de Portugal, S.A.	Portugal	Avenida dos Combatentes 43, 14º Floor 1643-001 Lisbon	—	—	—	—	—	—
Subsidiaries:								
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	91.29	—	91.29	91.29	—	91.29
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 Bulding 4100-111 Oporto	—	91.29	91.29	—	91.29	91.29
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	—	100	100	—	100	100
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	73.70	—	73.70	73.70	—	73.70

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.

On 4 January 2024, CTT IMO Yield concluded a conversion process into an alternative real estate investment organization (OIA) in a corporate form with fixed capital and private subscription, managed by a management entity that includes the business universe of Sierra Investments, the company Sierra IG - SGOIC, S.A. On the same date, CTT completed the sale of a 26.3% shareholder position in CTT IMO Yield to Sonae Investment SGPS, S.A. and other investors, as planned in the Share Purchase and Sale Agreement, which translated into a gross receipt of 32,447,343 Euros. Following this operation, the amount of 32,959,531 Euros was recognized under the caption minority interests in equity.

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.

On 26 June 2024, Banco CTT subscribed an increase in the share capital in the subsidiary 321 Crédito, by making a cash contribution, in the amount of 5,000,000 Euros, resulting in the issuance of 5,000,000 new book-entry shares, ordinary, nominative shares with an issue value of 1 euro each. The amount of share capital of 321 Crédito in the amount of 30,000,000 Euros increased to 35,000,000 Euros.

On 6 November 2022, CTT Correios de Portugal, S.A. and its subsidiary Banco CTT, S.A. entered into a strategic partnership agreement with Generali Seguros, S.A. (Tranquilidade/Generali Seguros).

The transaction concluded between the parties included:

- Long-term distribution agreements, with an exclusivity period renewable every 5 years, for the distribution by CTT and Banco CTT of Tranquilidade/Generali Seguros' life and non-life insurance products;

- Subscription by Tranquilidade/Generali Seguros of a reserved share capital increase of 25 million Euros in Banco CTT in exchange for an 8.71% shareholding investment. A Shareholders' Agreement will grant Tranquilidade/Generali Seguros a set of non-controling interests in line with the size of the shareholding investment.

On 29 November 2024, following approval by the competent authorities, CTT formalised with Generali Tranquilidade the strategic partnership for Banco CTT, announced at the end of 2022, under the terms described above.

The subscription of an increase in Banco CTT's share capital of 25 million Euros by Tranquilidade/ Generali Seguros resulted in a minority equity interest of 8.71%, and a consequent reduction in CTT's stake, including Banco's subsidiary, 321 Crédito, to 91.29%, as at 29 November 2024. This transaction resulted in the recognition of non-controlling interests in the amount of 27,153,204 Euros.

On January 30, 2025, CTT IMO Yield was subject to a capital increase by cash contribution, in the amount of 976,007 Euros. This capital increase resulted in the issue of 1,015,510 new shares.

On February 5, 2025, continuing its strategy of developing the real estate business, CTT transferred 30 properties to CTT IMO Yield in the form of a capital contribution in kind, in the amount of 11,980,000 Euros. This operation led to the issue of 12,464,884 new shares.

The amount of the contribution in kind corresponded to the fair value of the properties as determined by an external valuation drawn up by two independent experts. For each property being transferred, the average value of the two valuations drawn up by each of the independent experts was taken into account to determine its fair value.

Following these capital increase operations in CTT IMO Yield, on February 25, CTT sold to the current shareholders the necessary shares to maintain the proportion of capital held by each of the shareholders, therefore, on March 31, 2025, CTT maintains its 73.7% stake in this entity. As it did not involve the loss of control, this operation was considered an equity transaction and the amount of 3,407,430 Euros was recognized under the caption “Non-controlling interests” in equity.

On March 7, 2025, Open Lockers underwent a capital increase in the form of a supplementary capital of 2,200,000 Euros.

Joint ventures

As at 31 December 2024 and 31 March 2025, the Group held the following interests in joint ventures, registered through the equity method:

Company name	Place of business	Head office	31.12.2024			31.03.2025		
			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 2024 and 31 March 2025, the Group held the following interests in associated companies accounted for by the equity method:

Company name	Place of business	Head office	31.12.2024			31.03.2025		
			Percentage of ownership			Percentage of ownership		
			Direct	Indirect	Total	Direct	Indirect	Total
Mafelosa, SL (a)	Spain	Castellon - Spain	—	25	25	—	25	25
Urpacksur, SL (a)	Spain	Málaga - Spain	—	30	30	—	30	30

(a) Company held by CTT Expresso - Serviços Postais e Logística, S.A., branch in Spain (until 2018 was held by Tourline Mensajeria, SLU), which currently has no activity.

Structured entities

Additionally, considering the requirements of IFRS 10, the Group's consolidation perimeter includes the following structured entities:

Name	Constitution Year	Place of issue	Consolidation Method
Ulisses Finance No.2 (*)	2021	Portugal	Full
Ulisses Finance No.3 (*)	2022	Portugal	Full
Chaves Funding No.8 (*)	2019	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.

The main impacts of the consolidation of these structured entities on the Group's accounts are the following:

	31.12.2024	31.03.2025
Cash and cash equivalents	17,527,712	18,308,750
Financial assets at fair value through profit and loss (Derivatives)	6,283,361	4,980,842

Changes in the consolidation perimeter

During the period ended 31 December 2024, the following changes in the consolidated perimeter occurred: 1) with the sale of 26.3% of the equity interest in CTT IMO Yield, the group now holds 73.7% of the entity; 2) with the acquisition of the minority equity interests in Open Lockers held by the remaining shareholders of the entity, the Group now holds 100% of this entity and; 3) with the subscription of a capital increase by a third party in Banco CTT, the group now holds 91.29% of this entity, and indirectly, of its subsidiary 321C.

In the three-months period ended 31 March 2025, there were no changes to the consolidation perimeter.

8. Debt securities

As at 31 December 2024 and 31 March 2025, the caption Debt securities, showed the following composition:

	31.12.2024	31.03.2025
Non-current		
Financial assets at amortised cost		
Government bonds	358,036,202	357,612,748
Impairment	(53,096)	(53,159)
	357,983,106	**357,559,589**
	357,983,106	**357,559,589**
Current		
Financial assets at amortised cost		
Government bonds	1,054,748,382	1,090,691,276
Supranational bonds	637,439,939	638,426,868
Bonds issued by other entities	9,015,432	—
Impairment	(50,245)	(55,771)
	1,701,153,508	**1,729,062,374**
	2,059,136,614	**2,086,621,962**

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 debt securities captions is essentially justified by the change in the positive exposure (nominal amount) of 70 million euros of French debt, 5 million euros of Portuguese public debt, 2 million euros of public supranational debt and by the negative change of 45 million euros of Spanish public debt and 9 million euros of private Spanish debt.

The analysis of the Financial assets at amortised cost, by remaining maturity, as at 31 December 2024 and 31 March 2025 is detailed as follows:

	31.12.2024						
	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	Total
Financial assets at amortised cost							
Government bonds							
National	13,184,741	4,935,974	18,120,715	37,554,006	124,259,693	161,813,699	179,934,414
Foreign	394,998,166	641,629,500	1,036,627,666	29,056,317	167,166,186	196,222,503	1,232,850,169
Supranational bonds	508,519,817	128,920,122	637,439,939	—	—	—	637,439,939
Bonds issued by other entities							
Foreign	9,015,432	—	9,015,432	—	—	—	9,015,432
	925,718,156	**775,485,597**	**1,701,203,752**	**66,610,323**	**291,425,879**	**358,036,202**	**2,059,239,954**

	31.03.2025						
	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	Total
Financial assets at amortised cost							
Government bonds							
National	7,554,401	16,239,348	23,793,749	37,495,043	124,214,808	161,709,850	185,503,600
Foreign	474,784,344	592,113,183	1,066,897,527	29,052,466	166,850,432	195,902,897	1,262,800,424
Supranational Bonds	130,453,573	507,973,295	638,426,868	—	—	—	638,426,868
Bonds issued by other entities							
Foreign	—	—	—	—	—	—	—
	612,792,318	**1,116,325,827**	**1,729,118,144**	**66,547,508**	**291,065,239**	**357,612,748**	**2,086,730,892**

Fair Value

The fair value of debt securities at amortised cost portfolio, on 31 December 2024, amounted to 2,036,925 thousand euros (a negative difference of 22,212 thousand euros in relation to its book value).

The fair value of debt securities at amortised cost, on 31 March 2025, amounted to 2,061,392 thousand euros (a negative difference of 25,230 thousand euros in relation to its book value).

Impairment losses

The impairment losses, for the year ended 31 December 2024 and the three-months period ended 31 March 2025, are detailed as follows:

	31.12.2024				
	Opening balance	Increases	Reversals	Transfers	Closing balance
Non-current assets					
Debt securities at amortised cost	67,657	25,440	(22,380)	(17,622)	53,096
	67,657	25,440	(22,380)	(17,622)	53,096
Current assets					
Debt securities at amortised cost	29,726	24,074	(21,178)	17,622	50,245
	29,726	**24,074**	**(21,178)**	**17,622**	**50,245**
	97,383	**49,514**	**(43,557)**	**—**	**103,341**

	31.03.2025				
	Opening balance	Increases	Reversals	Transfers	Closing balance
Non-current assets					
Debt securities at amortised cost	53,096	17,127	(14,399)	(2,664)	53,159
	53,096	17,127	(14,399)	(2,664)	53,159
Current assets					
Debt securities at amortised cost	50,245	17,968	(15,107)	2,664	55,771
	50,245	**17,968**	**(15,107)**	**2,664**	**55,771**
	103,342	**35,095**	**(29,506)**	**—**	**108,930**

For the impairment losses of Financial assets at amortised cost, the movements by stages, in the year ended 31 December 2024 and the three-months period ended 31 March 2025, they are detailed as follows:

	31.12.2024	31.03.2025
	Stage 1	Stage 1
Opening balance	**97,384**	**103,341**
Change in period:		
Increases due to origination and acquisition	49,494	33,191
Changes due to change in credit risk	(13,811)	(17,199)
Derecognised financial assets excluding write-offs	(29,726)	(10,403)
Impairment - Financial assets at amortised cost	**103,341**	**108,930**

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

	31.12.2024	31.03.2025
	Stage 1	Stage 1
Opening balance	**97,384**	**103,341**
Change in period:		
ECL income statement change for the period	5,957	5,589
Impairment - Financial assets at amortised cost	**103,341**	**108,930**

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 2024 and 31 March 2025, the caption “Other banking financial assets” and “Other banking financial liabilities” showed the following composition:

	31.12.2024	31.03.2025
Current assets		
Investments in central banks	644,360,692	476,121,062
Investments in credit institutions	56,941,003	58,428,384
Impairment	(4,623)	(3,115)
Other	4,246,007	8,155,615
Impairment	(1,834,074)	(1,834,307)
	703,709,006	**540,867,638**
Current liabilities		
Other	31,877,142	34,854,046
	31,877,142	**34,854,046**

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

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

	31.12.2024	31.03.2025
Up to 3 months	694,432,914	526,141,895
From 3 to 12 months	6,868,780	8,407,551
	701,301,695	**534,549,446**

The caption "Investments in credit institutions" showed an annual average return of 1.510% (31 December 2024: 3.100%).

The amount of 476,121,062 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 2024 involved increasing investment in the securities portfolio.

Impairment

The impairment losses, in the year ended 31 December 2024 and the three-months period ended 31 March 2025, are detailed as follows:

	31.12.2024				
	Opening balance	Increases	Reversals	Utilisations	Closing balance
Current assets					
Investments and loans in credit institutions	8,143	4,623	(8,143)	—	4,623
Other	1,821,475	19,464	(6,169)	(696)	1,834,074
	1,829,618	**24,087**	**(14,312)**	**(696)**	**1,838,696**
	1,829,618	**24,087**	**(14,312)**	**(696)**	**1,838,696**

	31.03.2025				
	Opening balance	Increases	Reversals	Utilisations	Closing balance
Current assets					
Investments and loans in credit institutions	4,623	707	(2,214)	—	3,115
Other	1,834,074	1,882	(1,648)	—	1,834,307
	1,838,696	**2,589**	**(3,863)**	**—**	**1,837,423**
	1,838,696	**2,589**	**(3,863)**	**—**	**1,837,423**

Regarding the movements in impairment losses on investments and loans to credit institutions by stages, in the periods ended on 31 December 2024 and the three-months period ended 31 March 2025, they are detailed as follows:

	31.12.2024	31.03.2025
	Stage 1	Stage 1
Opening balance	**8,143**	**4,623**
Change in period:		
Increases due to origination and acquisition	4,623	707
Changes due to change in credit risk	—	(933)
Decrease due to derecognition repayments and disposals	(8,143)	(1,282)
Impairment	**4,623**	**3,115**

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

	31.12.2024	31.03.2025
	Stage 1	Stage 1
Opening balance	**8,143**	**4,623**
Change in period:		
ECL income statement change for the period	(3,520)	(1,507)
Impairment	**4,623**	**3,115**

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 2024 and 31 March 2025, the caption Credit to banking clients was detailed as follows:

	31.12.2024	31.03.2025
Performing loans	**1,765,851,965**	**1,829,699,698**
Mortgage Loans	801,803,950	852,647,939
Auto Loans	960,408,687	972,861,723
Leasings	937,888	858,544
Overdrafts	2,701,440	3,331,492
Overdue loans	**22,264,515**	**26,271,714**
Overdue loans - less than 90 days	1,638,823	1,668,492
Overdue loans - more than 90 days	20,625,692	24,603,222
	1,788,116,480	**1,855,971,412**
Credit risk impairment	**(46,569,146)**	**(50,998,045)**
	1,741,547,334	**1,804,973,366**

The maturity analysis of the Credit to banking clients as at 31 December 2024 and 31 March 2025 is detailed as follows:

31.12.2024

	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	—	5,362,938	11,830,430	44,163	17,237,531	31,601,703	753,008,879	784,610,582	801,848,113
Auto Loans	—	37,963,578	103,994,570	20,233,970	162,192,118	268,751,243	549,699,296	818,450,539	980,642,657
Leasings	—	72,670	182,558	56,559	311,787	243,917	438,744	682,660	994,447
Overdrafts	2,701,440	—	—	1,929,822	4,631,263	—	—	—	4,631,263
	2,701,440	**43,399,185**	**116,007,557**	**22,264,515**	**184,372,698**	**300,596,862**	**1,303,146,919**	**1,603,743,782**	**1,788,116,480**

31.03.2025

	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	—	5,772,805	13,273,675	36,584	19,083,064	37,508,610	796,092,849	833,601,459	852,684,523
Auto Loans	—	30,952,482	77,855,198	24,264,621	133,072,302	282,563,029	581,491,014	864,054,043	997,126,344
Leasings	—	14,426	19,251	59,709	93,387	297,082	527,784	824,866	918,253
Overdrafts	3,331,492	—	—	1,910,800	5,242,291	—	—	—	5,242,291
	3,331,492	**36,739,714**	**91,148,124**	**26,271,714**	**157,491,044**	**320,368,721**	**1,378,111,647**	**1,698,480,368**	**1,855,971,412**

On 28 June 2024, the sale of a portfolio of Auto loans (Non-Performing Loans) with a book value (gross) of 22,432 thousand euros was agreed, the settlement of which took place during the month of September, at which time the derecognition criteria set out in IFRS 9 were met. This operation had the dual purpose of maximizing the value recovered from non-productive exposures and reducing the ratio of non-productive exposures, and also resulted in a positive impact on the Group's operating account resulting from the sale with capital gains.

The credit type analysis of the caption, as at 31 December 2024 and 31 March 2025 is detailed as follows:

31.12.2024

	Performing Loans	Overdue Loans	Gross amount	Impairment	Net amount
Mortgage Loans	801,803,950	44,163	801,848,113	(1,775,473)	800,072,640
Auto Loans	960,408,687	20,233,970	980,642,657	(43,130,850)	937,511,807
Leasings	937,888	56,559	994,447	(191,959)	802,488
Overdrafts	2,701,440	1,929,822	4,631,263	(1,470,864)	3,160,399
	1,765,851,965	**22,264,515**	**1,788,116,480**	**(46,569,146)**	**1,741,547,334**

31.03.2025

	Performing Loans	Overdue Loans	Gross amount	Impairment	Net amount
Mortgage Loans	852,647,939	36,584	852,684,523	(1,642,901)	851,041,622
Auto Loans	972,861,723	24,264,621	997,126,344	(47,678,360)	949,447,984
Leasings	858,544	59,709	918,253	(189,977)	728,275
Overdrafts	3,331,492	1,910,800	5,242,291	(1,486,806)	3,755,485
	1,829,699,698	**26,271,714**	**1,855,971,412**	**(50,998,045)**	**1,804,973,366**

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

	31.12.2024	31.03.2025
Stage 1	**1,611,704,252**	**1,670,701,323**
Gross amount	1,616,699,954	1,675,661,990
Impairment	(4,995,703)	(4,960,668)
Stage 2	**77,610,864**	**78,937,432**
Gross amount	85,493,665	87,277,053
Impairment	(7,882,801)	(8,339,621)
Stage 3	**52,232,218**	**55,334,612**
Gross amount	85,922,860	93,032,369
Impairment	(33,690,642)	(37,697,757)
	1,741,547,334	**1,804,973,366**

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

Fair Value

The "Credit to banking clients" fair value, on 31 December 2024, amounted to 1,725,795 thousand euros (a negative difference of 16,237 thousand euros in relation to its book value).

The "Credit to banking clients" fair value, on 31 March 2025, amounted to 1,790,794 thousand euros (a negative difference of 14,657 thousand euros in relation to its book value).

Impairment losses

During year ended on 31 December 2024 and the three-months period ended 31 March 2025, the movement under the Accumulated impairment losses caption (Note 13) was as follows:

	31.12.2024						
	Opening balance	Increases	Reversals	Utilisations	Transfers	Other movements	Closing balance
Non-current assets							
Credit to banking clients	27,220,455	32,565,722	(24,328,206)	(9,432,726)	3,937,253	382,739	30,345,237
	27,220,455	**32,565,722**	**(24,328,206)**	**(9,432,726)**	**3,937,253**	**382,739**	**30,345,237**
Current assets							
Credit to banking clients	20,595,544	17,411,078	(13,006,937)	(5,043,153)	(3,937,253)	204,629	16,223,909
	20,595,544	**17,411,078**	**(13,006,937)**	**(5,043,153)**	**(3,937,253)**	**204,629**	**16,223,909**
	47,815,999	**49,976,800**	**(37,335,143)**	**(14,475,879)**	**—**	**587,368**	**46,569,146**

	31.03.2025						
	Opening balance	Increases	Reversals	Utilisations	Transfers	Other movements	Closing balance
Non-current assets							
Credit to banking clients	30,345,237	6,057,145	(3,156,758)	(1,667)	134,320	—	33,378,277
	30,345,237	**6,057,145**	**(3,156,758)**	**(1,667)**	**134,320**	**—**	**33,378,277**
Current assets							
Credit to banking clients	16,223,909	3,197,454	(1,666,394)	(880)	(134,320)	—	17,619,769
	16,223,909	**3,197,454**	**(1,666,394)**	**(880)**	**(134,320)**	**—**	**17,619,769**
	46,569,146	**9,254,599**	**(4,823,152)**	**(2,547)**	**—**	**—**	**50,998,045**

The impairment losses of Credit to banking clients (net of reversals) for the period ended 31 March 2025 amounted to 4,431,447 Euros (4,303,490 Euros as at 31 March 2024) was booked in the caption "Impairment of other financial banking assets."

The increase in impairment losses for the period is essentially explained by: i) Auto Credit: net allocation of 4,550 thousand euros in the first 3 months of 2025 (31 March 2024: 4,150 thousand euros) and ii) Mortgage loans: net reversal of 133 thousand euros (31 March 2024: allocation of 142 thousand euros), which justifies the increase of 136 thousand euros in the impairment loss of Credit to banking clients in the first quarter of 2025 compared to the same period last year.

The movements in impairment losses by stages, in the year ended on 31 December 2024 and the three-months period ended 31 March 2025, they are detailed as follows:

	31.12.2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Opening balance	**3,698,349**	**6,444,691**	**37,672,959**	**47,815,999**
Change in period:				
Increases due to origination and acquisition	1,707,289	1,110,650	1,086,290	3,904,230
Changes due to change in credit risk	(2,025,061)	2,767,435	12,312,440	13,054,814
Decrease due to derecognition repayments and disposals	(377,450)	(391,631)	(3,548,306)	(4,317,387)
Write-offs	—	—	(14,475,879)	(14,475,879)
Transfers to:				
Stage 1	2,256,345	(1,305,869)	(950,477)	—
Stage 2	(178,928)	1,763,209	(1,584,281)	—
Stage 3	(95,918)	(2,570,759)	2,666,677	—
Foreign exchange and other	11,076	65,075	511,218	587,369
Impairment	**4,995,703**	**7,882,801**	**33,690,642**	**46,569,146**
Of which: POCI	—	—	*244,913*	*244,913*

	31.03.2025			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Opening balance	**4,995,703**	**7,882,801**	**33,690,642**	**46,569,146**
Change in period:				
Increases due to origination and acquisition	462,288	86,650	2,416	551,354
Changes due to change in credit risk	(1,605,253)	2,709,536	3,230,424	4,334,707
Decrease due to derecognition repayments and disposals	(125,415)	(112,491)	(216,708)	(454,615)
Write-offs	—	—	(2,547)	(2,547)
Transfers to:				
Stage 1	1,386,626	(1,108,664)	(277,962)	—
Stage 2	(140,203)	621,713	(481,510)	—
Stage 3	(13,235)	(1,742,017)	1,755,252	—
Foreign exchange and other	158	2,093	(2,251)	—
Impairment	**4,960,668**	**8,339,621**	**37,697,757**	**50,998,045**
Of which: POCI	—	—	*239,953*	*239,953*

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

	31.12.2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Opening balance	**3,698,349**	**6,444,691**	**37,672,959**	**47,815,999**
Change in period:				
ECL income statement change for the period	(695,221)	3,486,454	9,850,425	12,641,657
Stage transfers (net)	1,981,499	(2,113,419)	131,920	—
Disposals	—	—	(14,218,268)	(14,218,268)
Write-offs	—	—	(257,612)	(257,612)
Foreign exchange and other	11,076	65,075	511,218	587,369
Impairment	**4,995,703**	**7,882,801**	**33,690,642**	**46,569,146**

	31.03.2025			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Opening balance	**4,995,703**	**7,882,801**	**33,690,642**	**46,569,146**
Change in period:				
ECL income statement change for the period	(1,268,381)	2,683,694	3,016,133	4,431,447
Stage transfers (net)	1,233,188	(2,228,967)	995,780	—
Write-offs	—	—	(2,547)	(2,547)
Foreign exchange and other	158	2,093	(2,251)	—
Impairment	**4,960,668**	**8,339,621**	**37,697,757**	**50,998,045**

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 Auto Loan portfolio.

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 1,061 thousand euros, corresponding to about 2%.

11. Prepayments

As at 31 December 2024 and 31 March 2025, the Prepayments included in current assets and current and non-current liabilities showed the following composition:

	31.12.2024	31.03.2025
Deferred Assets		
Non-current		
Employee Mortgage Loan protocol	1,616,602	2,009,322
Other	1,801,072	1,808,534
	3,417,674	**3,817,856**
Current		
Rents payable	1,182,761	1,216,448
Meal allowances	1,315,703	1,315,703
Other	8,485,637	10,767,139
	10,984,101	**13,299,291**
	14,401,775	**17,117,147**
Deferred Liabilities		
Non-current		
Investment subsidy	662,967	767,491
Other	313,333	316,798
	976,301	**1,084,288**
Current		
Investment subsidy	11,201	11,201
Contractual liabilities	4,258,444	2,870,485
Other	4,025,148	4,229,105
	8,294,793	**7,110,790**
	9,271,094	**8,195,078**

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 960,803 Euros (947,693 Euros on 31 December 2024), whose revenue is expected to be recognised in April 2025 (estimate of 80% of the item's value) and the remaining during 2025, and to objects invoiced and not delivered on 31 March 2025 in the express segment, in the amount of 1,909,682 Euros (3,310,751 Euros as at 31 December 2024), 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 4,258,444 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 2024 and 31 March 2025, 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:

	31.12.2024	31.03.2025
Cash	61,304,517	58,307,599
Demand deposits	109,238,418	142,317,285
Deposits at Central Banks	40,859,143	42,226,431
Deposits at other credit institutions	30,917,611	31,863,089
Term deposits	73,592,459	35,730,223
Cash and cash equivalents (Statement of Financial Position)	**315,912,146**	**310,444,628**
Demand deposits at Banco de Portugal	(40,447,300)	(40,520,900)
Checks for collection / Checks clearing	(5,283,468)	(6,970,940)
Impairment of Demand and term deposits	1,846	4,251
Cash and cash equivalents (Cash Flow Statement)	**270,183,224**	**262,957,039**

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 2025, the daily average of the minimum mandatory availability for the period in force was 40,520,900 Euros.

Therefore, the caption Demand deposits at Bank of Portugal includes, as at 31 March 2025, a total amount of demand deposits of 42,226,431 Euros (31 December 2024: 40,859,143 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 2024 and the three-months period ended 31 March 2025, the movement recorded under the caption “Impairment of sight and term deposits” (Note 13) related to the Group is detail as follows:

	31.12.2024				
Group	Opening balance	Increases	Reversals	Utilisations	Closing balance
Sight and term deposits	3,988	1,144	(3,286)	—	1,845
	3,988	**1,144**	**(3,286)**	**—**	**1,845**

	31.03.2025				
Group	Opening balance	Increases	Reversals	Utilisations	Closing balance
Sight and term deposits	1,845	3,321	(916)	—	4,251
	1,845	**3,321**	**(916)**	**—**	**4,251**

The Impairment losses (increases net of reversals) for the period ended 31 March 2025 in the amount of 2,405 Euros ((543) Euros as at 31 March 2024) were recorded under the caption “Impairment of accounts receivable (losses/reversals)”.

13. Accumulated impairment losses

During the year ended on 31 December 2024 and the three-months period ended 31 March 2025, the following movements occurred in the impairment losses:

	31.12.2024						
Group	Opening balance	Increases	Reversals	Utilisations	Transfers	Other movements	Closing balance
Non-current assets							
Tangible fixed assets	13,806	—	(697)	—	—	—	13,109
Investment properties	252,393	—	(186,195)	—	—	—	66,199
	266,199	**—**	**(186,892)**	**—**	**—**	**—**	**79,307**
Debt securities at amortised cost	67,657	25,440	(22,380)	—	(17,622)	—	53,096
Other non-current assets	380,493	—	—	—	6,259	—	386,752
Credit to banking clients	27,220,455	32,565,722	(24,328,206)	(9,432,726)	3,937,253	382,739	30,345,237
	27,668,605	**32,591,162**	**(24,350,585)**	**(9,432,726)**	**3,925,890**	**382,739**	**30,785,085**
	27,934,804	**32,591,162**	**(24,537,477)**	**(9,432,726)**	**3,925,890**	**382,739**	**30,864,392**
Current assets							
Accounts receivable	45,275,655	1,233,321	(619,664)	(3,898,374)	—	1,131	41,992,069
Credit to banking clients	20,595,544	17,411,078	(13,006,937)	(5,043,153)	(3,937,253)	204,629	16,223,909
Debt securities at amortised cost	29,726	24,074	(21,178)	—	17,622	—	50,245
Other current assets	11,649,410	245,192	(215,896)	(51,630)	(6,259)	—	11,620,817
Other banking financial assets	1,829,618	24,087	(14,312)	(696)	—	—	1,838,696
Slight and term deposits	3,988	1,144	(3,286)	—	—	—	1,845
	79,383,940	**18,938,897**	**(13,881,273)**	**(8,993,854)**	**(3,925,890)**	**205,760**	**71,727,580**
Non-current assets held for sale	638	—	(638)	—	—	—	—
	638	**—**	**(638)**	**—**	**—**	**—**	**—**
Merchandise	2,234,919	—	(162,244)	(12,557)	—	—	2,060,117
Raw, subsidiary and consumable	901,944	144,334	—	(1,842)	—	—	1,044,436
	3,136,863	**144,334**	**(162,244)**	**(14,399)**	**—**	**—**	**3,104,554**
	82,521,441	**19,083,231**	**(14,044,156)**	**(9,008,253)**	**(3,925,890)**	**205,760**	**74,832,133**
	110,456,245	**51,674,393**	**(38,581,633)**	**(18,440,979)**	**—**	**588,499**	**105,696,526**

Group	31.03.2025 Opening balance	Increases	Reversals	Utilisations	Transfers	Other movements	Closing balance
Non-current assets							
Tangible fixed assets	13,109	—	—	—	—	—	13,109
Investment properties	66,199	—	(33,200)	—	—	—	32,999
	79,307	**—**	**(33,200)**	**—**	**—**	**—**	**46,108**
Debt securities at amortised cost	53,096	17,127	(14,399)	—	(2,664)	—	53,159
Other non-current assets	386,753	—	—	—	(20,043)	—	366,710
Credit to banking clients	30,345,237	6,057,145	(3,156,758)	(1,667)	134,320	—	33,378,277
	30,785,085	**6,074,272**	**(3,171,158)**	**(1,667)**	**111,613**	**—**	**33,798,145**
	30,864,393	**6,074,272**	**(3,204,357)**	**(1,667)**	**111,613**	**—**	**33,844,253**
Current assets							
Accounts receivable	41,992,069	256,437	(542,873)	(356,371)	—	(2,552)	41,346,711
Credit to banking clients	16,223,909	3,197,454	(1,666,394)	(880)	(134,320)	—	17,619,769
Debt securities at amortised cost	50,245	17,968	(15,107)	—	2,664	—	55,771
Other current assets	11,620,817	71,100	(89,744)	(365,630)	20,043	—	11,256,586
Other banking financial assets	1,838,696	2,589	(3,863)	—	—	—	1,837,423
Sight and term deposits	1,845	3,321	(916)	—	—	—	4,251
	71,727,579	**3,548,869**	**(2,318,895)**	**(722,881)**	**(111,613)**	**(2,552)**	**72,120,507**
Non-current assets held for sale	—	—	—	—	—	—	—
	—	**—**	**—**	**—**	**—**	**—**	**—**
Merchandise	2,060,117	7,065	—	(39,036)	—	—	2,028,146
Raw, subsidiary and consumable	1,044,436	37,558	—	(224)	—	—	1,081,770
	3,104,554	**44,623**	**—**	**(39,260)**	**—**	**—**	**3,109,917**
	74,832,133	**3,593,491**	**(2,318,895)**	**(762,141)**	**(111,613)**	**(2,552)**	**75,230,423**
	105,696,526	**9,667,763**	**(5,523,253)**	**(763,808)**	**—**	**(2,552)**	**109,074,677**

14. Equity

On 17 July 2024, a reduction of CTT’s share capital in the amount of 2,737,500 Euros was registered before the Commercial Registry Office through the cancellation of 5,475,000 shares held by the Company, representing 3.80% of its share capital and acquired under the share buyback programme carried out from 26 June 2023 to 9 May 2024. This share capital reduction was carried out following a resolution of the Annual General Meeting of CTT Shareholders held on 23 April 2024 which approved the share capital reduction in the amount of up to 3,825,000 Euros corresponding to the cancellation of up to 7,650,000 own shares already acquired or to be acquired by 25 June 2024 for the special purpose of implementing the share buyback programme and corresponding release of excess capital.

Thus, on 31 December 2024, CTT's share capital was 69,220,000 Euros, represented by 138,440,000 shares with a nominal value of fifty cents per share, and the Company's Articles of Association were consequently amended. The capital was fully subscribed and paid up. On 31 March 2025, CTT's share capital remains unchanged.

As at 31 December 2024 and 31 March 2025 the Company’s shareholders with qualifying holdings shareholdings, according to the information reported, are as follows:

31.12.2024

Shareholders		No. of shares	% Share capital	Nominal Value
Global Portfolio Investments, S.L. (1)		21,609,052	15.609 %	10,804,526
Indumenta Pueri, S.L. (1)	**Total**	**21,609,052**	**15.609 %**	**10,804,526**
Manuel Champalimaud, SGPS, S.A.		19,246,815	13.903 %	9,623,408
Manuel Carlos de Melo Champalimaud		500,185	0.361 %	250,093
Manuel Carlos de Melo Champalimaud	**Total**	**19,747,000**	**14.264 %**	**9,873,500**
Green Frog Investments Inc	**Total**	**13,500,000**	**9.752 %**	**6,750,000**
GreenWood Builders Fund I, LP (2)		9,762,000	7.051 %	4,881,000
GreenWood Investors LLC (2)	**Total**	**9,777,400**	**7.063 %**	**4,888,700**
CTT, S.A. (ações próprias)	**Total**	**3,792,047**	**2.739 %**	**1,896,024**
Restantes acionistas	**Total**	**70,014,501**	**50.574 %**	**35,007,251**
TOTAL		**138,440,000**	**100.000 %**	**69,220,000**

(1) Global Portfolio Investments, S.L. is controlled by Indumenta Pueri, S.L. On 11 February 2025, Indumenta Pueri, S.L. announced a reduction in its shareholding in CTT to 14.9975% of the Company's share capital (see the announcement of 14 February 2025 on the CTT website

(2) GreenWood Investors, LLC, of which Steven Wood, Non-Executive Director of CTT, is Managing Member, exercises the voting rights not in its own name but on behalf of GreenWood Builders Fund I, LP as its management company. The full chain of controlled undertakings through which the voting rights are held includes GreenWood Investors, LLC and GreenWood Performance Investors, LLC. GreenWood Investors LLC's shareholding includes 15,400 shares directly held by Steven Duncan Wood.

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.

31.03.2025

Shareholders		No. of shares	% Share capital	Nominal Value
Global Portfolio Investments, S.L. (1)		20,762,518	14.997 %	10,381,259
Indumenta Pueri, S.L. (1)	**Total**	**20,762,518**	**14.997 %**	**10,381,259**
Manuel Champalimaud, SGPS, S.A.		19,246,815	13.903 %	9,623,408
Manuel Carlos de Melo Champalimaud		500,185	0.361 %	250,093
Manuel Carlos de Melo Champalimaud	**Total**	**19,747,000**	**14.264 %**	**9,873,500**
Green Frog Investments Inc	**Total**	**13,500,000**	**9.752 %**	**6,750,000**
GreenWood Builders Fund I, LP (2)		9,762,000	7.051 %	4,881,000
GreenWood Investors LLC(2)	**Total**	**9,777,400**	**7.063 %**	**4,888,700**
CTT, S.A. (own shares)	**Total**	**5,415,299**	**3.912 %**	**2,707,650**
Other shareholders	**Total**	**69,237,783**	**50.013 %**	**34,618,892**
TOTAL		**138,440,000**	**100.000 %**	**69,220,000**

(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 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	4,947,833	20,648,165	4.17
Cancellation (due to share capital reduction)	(5,475,000)	(20,111,920)	3.67
Shares Delivery - Long-term variable remuneration (“LTVR”)	(90,086)	(329,492)	3.66
Balance at 31 December 2024	**3,792,047**	**15,831,386**	**4.17**

During the three-months period ended 31 March 2025, the following movements were made in the caption “Own Shares”:

	Quantity	Amount	Average Price
Balance 31 December 2024	3,792,047	15,831,386	4.17
Acquisitions	1,623,252	10,294,628	6.34
Balance at 31 March 2025	**5,415,299**	**26,126,013**	**4.82**

On 23 April 2024, 90,086 own shares were delivered to the Board of directors and Top Management of CTT, corresponding to the second tranche of Long-Term Variable Remuneration relating to the 2020-2023 term, as explained in detail in note 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, which began on 26 June 2023 and had the implementation period of the following 12 months, ending on 25 June 2024 at the latest, but may end on an earlier date if the maximum number of shares to be acquired or the amount pecuniary benefits were achieved, with the following objectives:

1. Repurchasing a maximum of up to 7,650,000 shares, representing a maximum nominal amount of 3,825,000 Euros, which corresponds to 5.3% of the share capital, and

2. Reducing the same amount of the share capital through cancellation of the acquired shares.

On 9 May 2024, with the company having acquired the announced 20 million euros, in accordance with the terms and conditions of the buy-back programme, it was concluded on this date, ending before the end of its maximum period duration (from 26 June 2023 to 25 June 2024).

At the Anual General Meeting held on 23 April 2024, it was decided to reduce CTT's share capital by up to 3,825,000 Euros corresponding to the extinction of up to 7,650,000 own shares already acquired or that would be acquired, within the scope of the aforementioned program, until 25 June 2024, and are extinguished, with the other terms and conditions for executing the share buy-back and corresponding reduction in share capital being established by the Board of Directors.

On 17 July 2024, a reduction of CTT's share capital in the amount of 2,737,500 Euros was registered before the Commercial Registry Office through the cancellation of 5,475,000 shares held by the Company, representing 3.80% of its share capital and acquired under the share buyback programme carried out from 26 June 2023 to 9 May 2024.

On 19 July 2024, the Executive Committee, based on the delegation of powers granted by the Board of Directors at the meeting of 20 June 2024 and within the maximum monetary amount defined in that delegation, in the amount of 25 million Euros, and in the deliberation adopted at the Annual General Meeting of Shareholders, held on 23 April 2024, approved a buyback program for the Company's own shares to be carried out from 22 July 2024, with the sole objective of reducing CTT's share capital through the extinction of own shares acquired within its scope, as communicated to the market on 19 July 2024.

As at 31 December 2024, the Company held, as a result of the acquisition and cancellation operations indicated herein, an accumulated amount of 3,792,047 own shares, representing 2.739% of the share capital, with par value of 0.50 Euros, with all inherent rights related to suspended shares, with the exception of those relating to the receipt of new shares in the case of capital increase by incorporation of reserves, as provided for in article 324(1)(a)) of the Commercial Companies Code.

As at 31 March 2025, the Company held an accumulated amount of 5,415,299 own shares, representing 3.955% 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.

<u>Reserves</u>

As at 31 December 2024 and 31 March 2025, the caption "Reserves" showed the following composition

	31.12.2024			
	Legal reserves	**Own shares reserves**	**Other reserves**	**Total**
Opening balance	15,000,000	15,624,633	17,488,611	48,113,244
Share capital decrease	—	(20,111,920)	2,737,500	(17,374,420)
Own shares acquisitions	—	20,648,165	(20,648,165)	—
Own shares attribution	—	(329,492)	329,492	—
Share Plan (share delivery)	—	—	(841,648)	(841,648)
Share Plan	—	—	2,095,860	2,095,860
Closing balance	**15,000,000**	**15,831,386**	**1,161,651**	**31,993,036**

	31.03.2025			
	Legal reserves	**Own shares reserves**	**Other reserves**	**Total**
Opening balance	15,000,000	15,831,386	1,161,651	31,993,036
Own shares acquisitions	—	10,294,628	(10,294,628)	—
Share Plan	—	—	295,472	295,472
Closing balance	**15,000,000**	**26,126,013**	**(8,837,505)**	**32,288,508**

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 2025, this caption includes the amount of 26,126,013 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 2024, an amount of reserves of (841,648) Euros was derecognised, corresponding to the proportional amount of the options awarded during the period, of the long-term variable remuneration, as described in note 24 - Staff Costs.

In the three-months period ended 31 March 2025, a reserve was booked in the amount of 295,472 Euros related to the share plan,regarding de 2023/2025 term, as described in note 24 - Staff Costs.

Retained earnings

During the year ended on 31 December 2024 and the three-months period ended 31 March 2025, the following movements were made in caption “Retained earnings”:

	31.12.2024	**31.03.2025**
Opening balance	83,269,152	117,846,899
Application of the net profit of the prior year	60,511,368	45,536,317
Distribution of dividends (Note 16)	(23,315,758)	—
Adjustments from the application of the equity method	40,087	(41,259)
Shareholdings acquisition	(504,747)	—
Share capital increase subscription in subsidiaries by third parties	(2,153,204)	—
Closing balance	**117,846,899**	**163,341,957**

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 2024 and the three-months period ended 31 March 2025, the movements occurred in this caption were as follows:

	31.12.2024	31.03.2025
Opening balance	3,402,039	(1,182,098)
Actuarial gains/losses	(6,326,785)	—
Tax effect (Note 26)	1,735,685	—
Share Plan (share delivery)	512,156	—
Other movements	(505,194)	(673,227)
Closing balance	**(1,182,098)**	**(1,855,325)**

As at 31 December 2024, the amount of 512,156 Euros related to the Share Plan, refers to the difference between the amount of 841,648 Euros derecognized under 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 amounting to 329,492 Euros. The difference between the two amounts is recognized under the caption “other changes in equity”, in accordance with the provisions of IFRS.

16. Dividends

According to the dividend distribution proposal included in the 2023 Annual Report, at the General Meeting of Shareholders, which was held on 23 April 2024, a dividend distribution of 24,465,550 Euros, corresponding to a dividend per share of 0.17 Euros, regarding the financial year ended 31 December 2023 was proposed and approved. The dividend amount attributable to own shares was transferred to retained earnings, amounting to 1,149,792, so the dividends distributed amounted to 23,315,758 Euros.

According to the dividend distribution proposal included in the 2024 Annual Report, at the General Meeting of Shareholders, which was held on 30 April 2025, a dividend distribution of 23,534,800 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 2024 and 31 March 2025, the earnings per share were calculated as follows:

Group	31.03.2024	31.03.2025
Net income for the period	7,432,609	5,508,945
Average number of ordinary shares	138,467,269	133,747,668
Earnings per share		
Basic	0.05	0.04
Diluted	0.05	0.04

The average number of shares is detailed as follows:

	31.03.2024	31.03.2025
Shares issued at beginning of the period	143,915,000	138,440,000
Average number of actions taken	**143,915,000**	**138,440,000**
Own shares effect	5,447,731	4,692,332
Average number of shares during the period	**138,467,269**	**133,747,668**

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 2025, the number of own shares held is 5,415,299 and its average number for the period ended 31 March 2025 is 4,692,332, reflecting the fact that there were acquisitions in that period, as mentioned in note 15.

There are no dilutive factors of earnings per share.

18. Debt

As at 31 December 2024 and 31 March 2025, the Debt caption showed the following composition:

	31.12.2024	31.03.2025
Non-current liabilities		
Bank loans	16,614,022	16,594,781
Commercial Paper	34,979,743	34,041,672
Lease liabilities	124,784,636	136,388,693
	176,378,401	**187,025,147**
Current liabilities		
Bank loans	16,971,313	17,040,204
Commercial Paper	1,331,778	950,466
Lease liabilities	31,570,913	34,298,994
	49,874,003	**52,289,665**
	226,252,404	**239,314,812**

As at 31 March 2025, the interest rates applied to bank loans were between 2.956% and 4.211% (31 December 2024: 3.568% and 4.443%).

<u>Bank loans and Commercial Paper</u>

As at 31 December 2024 and 31 March 2025, the details of the bank loans were as follows:

	31.12.2024			31.03.2025		
	Limit	Amount used		Limit	Amount used	
		Current	Non-current		Current	Non-current
Bank loans						
Millennium BCP	456,481	322,222	134,259	375,926	268,519	107,408
BBVA / Bankinter	19,000,000	9,461,498	9,482,003	19,000,000	9,467,138	9,487,934
Novo Banco	14,000,000	7,107,593	6,997,759	14,000,000	7,279,548	6,999,440
Banco BIC	80,000	80,000	—	25,000	25,000	—
Commercial Paper						
BBVA / Bankinter	15,000,000	570,337	14,991,172	15,000,000	(1,961)	14,994,955
Novo Banco	20,000,000	761,441	19,988,571	20,000,000	952,427	19,046,717
	68,536,481	**18,303,091**	**51,593,765**	**68,400,926**	**17,990,670**	**50,636,453**

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 2025, the referred used amount, net of commissions and added by the amount of interests to be paid in the following period corresponded to 18,955,072 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 2025, the amount presented in the statement of financial position net of commissions and added by the amount of interests to be paid in the following period, in the total amount of 14,278,988 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 2025, 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 14,992,994 Euros in the case of BBVA/Bankinter and 19,999,144 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.

Bank loans obtained are subject to compliance with financial covenants, namely clauses of Cross default, Negative Pledge and Assets Disposal's limits. Additionally, the loans obtained also require compliance with rations of Net Debt over EBITDA and financial autonomy. Compliance with financial covenants is regularly monitored by the Group and is measured by counterparties on an annual basis based on the Financial Statements as at 31 December. As at 31 December 2024, the Group is in compliance with financial covenants.

Lease Liabilities

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

	31.12.2024	31.03.2025
Due within 1 year	36,465,596	47,437,584
Due between 1 to 5 years	95,130,672	106,194,304
Over 5 years	43,618,222	45,640,948
Total undiscounted lease liabilities	**175,214,490**	**199,272,835**
Current	31,570,913	34,298,944
Non-current	124,784,636	136,388,693
Lease liabilities included in the statement of financial position	**156,355,548**	**170,687,637**

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:

	31.03.2024	31.03.2025
Lease liabilities interests (note 25)	1,002,843	1,518,695
Variable payments not included in the measurement of the lease liability	954,408	641,556

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

	31.03.2024	31.03.2025
Total of lease payments	(8,598,510)	(10,693,539)

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 2024 and 31 March 2025, is detailed as follows:

	31.12.2024	31.03.2025
Opening Balance	269,014,957	226,252,404
Movements without cash	82,109,066	25,798,014
Contract changes	73,219,328	23,534,684
IFRS 16 Interests	5,167,072	1,497,808
Others	3,722,666	765,522
Loans:		
Inflow	49,576,223	75,000
Outflow	(134,175,881)	(2,117,069)
Lease liabilities:		
Outflow	(40,271,961)	(10,693,539)
Closing balance	**226,252,404**	**239,314,812**

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 2024 and the three-months period ended 31 March 2025 the caption "Provisions", showed the following movement:

	31.12.2024					
	Opening balance	Increases	Reversals	Utilisations	Transfers	Closing balance
Litigations	3,261,544	1,442,089	(706,142)	(142,083)	(21,791)	3,833,617
Other provisions	6,444,466	1,544,166	(313,252)	(3,545,305)	229,586	4,359,661
Commitments provisions	153,691	159,804	(69,067)	—	—	244,429
Sub-total - caption "Provisions (increases)/reversals"	**9,859,701**	**3,146,059**	**(1,088,461)**	**(3,687,387)**	**207,795**	**8,437,706**
Restructuring	13,640,614	—	(1,989,181)	(1,189,922)	(10,263,283)	198,228
Other provisions	2,838,550	1,034,826	—	(433,366)	—	3,440,010
	26,338,865	**4,180,885**	**(3,077,642)**	**(5,310,675)**	**(10,055,488)**	**12,075,945**

	31.3.2025					
	Opening balance	Increases	Reversals	Utilisations	Regularisations	Closing balance
Litigations	3,833,617	298,268	(82,830)	(500)	—	4,048,554
Other provisions	4,359,661	163,195	(410,383)	(101,530)	(252)	4,010,691
Commitments provisions	244,429	—	(21,929)	—	—	222,499
Sub-total - caption "Provisions (increases)/reversals"	**8,437,706**	**461,462**	**(515,142)**	**(102,030)**	**(252)**	**8,281,744**
Restructuring	198,228	—	—	—	—	198,228
Other provisions	3,440,010	134,913	—	(353,600)	—	3,221,323
	12,075,945	**596,375**	**(515,142)**	**(455,630)**	**(252)**	**11,701,295**

The net amount between increases and reversals of provisions was recorded in the consolidated income statement under the caption Provisions, net and amounted to 713,129 Euros as at 31 March 2024 and (53,680) Euros as at 31 March 2025.

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 (706,142) Euros as at 31 December 2024 and (82,830) Euros as at 31 March 2025, essentially results from lawsuits whose decision, which was made known in the course of 2024 or 2025, 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

In previous years, a provision was recognised in CTT Expresso branch in Spain to face the notification issued by the Spanish National Commission on Markets and Competition ("CNMC"). This process was originated during the year 2016, based on the alleged contrary action to article 1 of the Law 15/2017 ("Law on Competition Defense") and article 101º of the Treaty on the Functioning of the European Union ("TFUE"). This notification amounted to 3,148,845 Euros and, in previous years, has already been subject of an appeal to the Spanish Audiencia Nacional (National High Court). Regarding this matter, CTT Expresso branch in Spain submitted a formal request to the coercive measure suspension, and the request was accepted under the condition of a guarantee presentation – a procedure that was duly and timely adopted. During 2022, the Spanish Audiencia Nacional dismissed the appeal and ratified the fine of 3,148,845 Euros plus final and unappealable costs. Regarding this subject, the provision booked in previous years, which amounted to 3,200,000 Euros, resulted from the evaluation carried out by the Group's legal advisors. On 7 July 2023, CTT Expresso, a branch in Spain, filed an appeal with the Federal Supreme Court in Spain against the decision of the National High Court and on 17 November 2023, a public hearing of the appeal was scheduled for 20 February 2024. On 8 May 2024, the Supreme Court issued an order in which the appeal filed was not granted. On 20 May 2024, the CNMC requested payment of the sanction in the amount of 3,148,845 Euros, which was settled, which justifies the use of the recorded provision.

The amount provisioned in 321 Crédito amounting to 994,376 Euros as at 31 March 2025 (977,732 Euros at 31 December 2024) mainly results from the management assessment regarding the possibility of materialising tax contingencies and other processes.

As at 31 March 2025, in addition to the previously mentioned situations, this caption also includes:

- the amount of 177,433 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 2,507,679 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 601,843 Euros.

Restructuring

It is essential for the **Group** to implement policies that promote rationalisation, adaptation and increased productivity of all available resources, with reflection in the organisational management model of its human resources. In this context, in the previous year, actions were taken leading to the reorganisation of services, which led to the approval of a Human Resources optimisation programme. This programme is based on the conclusion of Suspension Agreements, Pre-Retirements and Termination Agreements by Mutual Agreement, and on 31 December 2023, a provision in the amount of 13,441,229 Euros was created for the respective operationalisation. This provision was recognised under the caption Staff Costs. As of 31 December 2024, regarding the agreements performed during 2024, an amount of (10,263,283) Euros was transferred to the caption employee benefits in the statement of financial position.

Guarantees provided

As at 31 December 2024 and 31 March 2025, the Group has provided bank guarantees to third parties as follows:

	31.12.2024	31.03.2025
Autoridade Tributária e Aduaneira (Portuguese Tax and Customs Authority)	2,868,632	2,868,632
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
BVK Europa-Immobilien (Real estate company)	1,203,881	1,203,881
Absolute Miracle, Lda (Real estate company)	938,025	938,025
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
Via Direta	150,000	150,000
Municipalities	83,354	83,354
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
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
Refer (Public service for the management of the national railway network infrastructure)	16,460	16,460
Other entities	16,144	16,144
TIIM - Transportes Integrados e Intermodais da Madeira S.A.	—	16,101
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
Instituto de Gestão Financeira Segurança Social (Social Security Financial Management Institute)	8,876	5,151
Consejeria Salud (Local Health Service/Spain)	4,116	4,116
ACT Autoridade Condições Trabalho (Authority for Working Conditions)	9,160	—
Portugal Telecom, S.A. (Telecommunication Company)	16,658	—
	11,691,778	**11,678,337**

Bank guarantees

As at 31 March 2025, the bank guarantees provided in favour of “Autoridade Tributária e Aduaneira” (Portuguese Tax and Customs Authority), in a global amount of 2,868,632 Euros, were essentially provided for the suspension of tax enforcement proceedings.

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 2025 (31 December 2024: 1 792 886 Euros) .

CTT provided a bank guaranty, in previous years, 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. As previously mentioned, the CNMC requested payment of the sanction in the amount of 3,148,845 Euros, which was settled. Following the settlement of the amount during the year 2024, the bank guarantee was cancelled.

Commitments

The Group engaged guarantee insurances in the total amount of 7,166,892 Euros(31 December 2024: 8,226,436 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.

Banco CTT Commitments

As at 31 December 2024 and 31 March 2025, the Banco CTT Group had provided guarantees and other commitments as detailed below:

	Grupo	
	31.12.2024	**31.03.2025**
Guarantees provided	64,913,391	66,676,570
Guarantees received	2,719,352,360	2,736,755,408
Commitments made to third parties		
Revocable commitments		
Credit Lines	3,292,714	3,592,137
Others	9,994,765	9,525,412
Irrevocable commitments		
Credit Lines	26,836,414	31,371,201
Commitments made to third parties		
Revocable commitments		
Credit Lines	27,916,003	29,053,881

The amount recorded as Guarantees provided includes, fundamentally, securities given as collateral to guarantee the settlement of interbank transactions.

The amount recorded as Guarantees received includes, fundamentally, guarantees and mortgages on real estate to collateralize mortgage credit transactions.

Revocable and irrevocable commitments present contractual agreements for the granting of credit to the Group's customers (for example, bank overdrafts lines) which, in general, are contracted for fixed terms or with other expiry requirements. Substantially all credit granting commitments in force require customers to maintain certain requirements verified at the time of contracting them.

Notwithstanding the particularities of these commitments, the assessment of these transactions follows the same basic principles as any other commercial transaction, namely the solvency of the customer, and the Group requires that these transactions be duly collateralized when necessary. Since some of these funds are expected to expire without having been used, the amounts indicated do not necessarily represent future cash requirements.

20. Accounts payable

As at 31 December 2024 and 31 March 2025, the caption "Accounts payable" showed the following composition:

	31.12.2024	31.03.2025
Current		
Advances from customers	36,862,297	33,834,262
CNP money orders	61,652,913	60,837,743
Suppliers	165,601,535	157,155,885
Invoices pending confirmation	14,398,522	11,881,926
Fixed assets suppliers	10,828,977	3,797,156
Invoices pending confirmation (fixed assets)	4,942,135	4,469,553
Values collected on behalf of third parties	23,260,035	26,168,175
Postal financial services	148,038,987	150,632,159
Deposits	600,586	603,454
Charges	919,805	1,934,540
Compensations	483,216	569,691
Postal operators - amounts to be settled	—	67,371
Amounts to be settled to third parties	1,119,178	745,305
Amounts to be settled in stores	371,535	193,946
Other accounts payable	9,907,692	7,278,616
	478,987,413	**460,169,780**

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 variation in the balance compared to 31 December 2024, is mainly related to the time of receipt of the amounts from the National Pensions Center, which are related with the working days of the calendar compared to the end of the month.

Postal financial services

This caption records mainly the amounts collected related to taxes, insurance, savings certificates and other money orders, whose settlement date should occur in the month following the end of the period.

21. Debt Securities issued at amortised cost

This caption showed the following composition:

	31.12.2024	31.03.2025
Non current liabilities		
Debt securities issued	252,641,611	231,057,182
	252,641,611	**231,057,182**
Current liabilities		
Debt securities issued	251,012	182,448
	251,012	**182,448**
	252,892,623	**231,239,630**

As at 31 December 2024 and 31 March 2025, the Debt securities issued are analysed as follows:

31.12.2024

Issue	Issue date	Maturity date	Remuneration	Nominal value	Book value
Ulisses Finance No.2 – Class A	September 2021	September 2038	Euribor 1M + 70 bps	99,581,378	100,199,056
Ulisses Finance No.2 – Class B	September 2021	September 2038	Euribor 1M + 80 bps	4,888,629	4,889,317
Ulisses Finance No.2 – Class C	September 2021	September 2038	Euribor 1M + 135 bps	9,777,258	9,779,979
Ulisses Finance No.2 – Class D	September 2021	September 2038	Euribor 1M + 285 bps	5,524,151	5,527,760
Ulisses Finance No.2 – Class E	September 2021	September 2038	Euribor 1M + 368 bps	1,808,793	1,810,350
Ulisses Finance No.2 – Class F	September 2021	September 2038	Euribor 1M + 549 bps	635,522	636,356
Ulisses Finance No.3 - Class A	June 2022	June 2039	Euribor 1M + 90 bps	109,545,681	109,508,081
Ulisses Finance No.3 - Class B	June 2022	June 2039	Euribor 1M + 200 bps	5,216,461	5,166,871
Ulisses Finance No.3 - Class C	June 2022	June 2039	Euribor 1M + 370 bps	7,824,691	7,751,588
Ulisses Finance No.3 - Class D	June 2022	June 2039	Euribor 1M + 525 bps	3,912,346	3,815,281
Ulisses Finance No.3 - Class E	June 2022	June 2039	Euribor 1M + 650 bps	3,260,288	3,191,123
Ulisses Finance No.3 - Class F	June 2022	June 2039	Euribor 1M + 850 bps	652,058	639,451
Other commisions	December 2024	July 2027	Fixed Rate 4.543%	—	(22,588)
				252,627,256	**252,892,623**

31.03.2025

Issue	Issue date	Maturity date	Remuneration	Nominal value	Book value
Ulisses Finance No.2 – Class A	September 2021	September 2038	Euribor 1M + 70 bps	90,563,930	91,084,024
Ulisses Finance No.2 – Class B	September 2021	September 2038	Euribor 1M + 80 bps	4,445,947	4,445,885
Ulisses Finance No.2 – Class C	September 2021	September 2038	Euribor 1M + 135 bps	8,891,893	8,892,857
Ulisses Finance No.2 – Class D	September 2021	September 2038	Euribor 1M + 285 bps	5,023,920	5,026,139
Ulisses Finance No.2 – Class E	September 2021	September 2038	Euribor 1M + 368 bps	1,645,000	1,646,030
Ulisses Finance No.2 – Class F	September 2021	September 2038	Euribor 1M + 549 bps	577,973	578,568
Ulisses Finance No.3 - Class A	June 2022	June 2039	Euribor 1M + 90 bps	100,698,046	100,648,082
Ulisses Finance No.3 - Class B	June 2022	June 2039	Euribor 1M + 200 bps	4,795,145	4,754,734
Ulisses Finance No.3 - Class C	June 2022	June 2039	Euribor 1M + 370 bps	7,192,718	7,133,190
Ulisses Finance No.3 - Class D	June 2022	June 2039	Euribor 1M + 525 bps	3,596,359	3,518,441
Ulisses Finance No.3 - Class E	June 2022	June 2039	Euribor 1M + 650 bps	2,996,966	2,941,389
Ulisses Finance No.3 - Class F	June 2022	June 2039	Euribor 1M + 850 bps	599,393	589,261
Other commisions	December 2024	July 2027	Fixed Rate 4.543%	—	(18,971)
				231,027,290	**231,239,630**

During the year ended on 31 December 2024 and the three-months period ended 31 March 2025, the movement of this item is as follows:

31.12.2024	Opening balance	Issues	Repayments	Other movements	Closing balance
Ulisses Finance No.1	—	—	—	—	—
Ulisses Finance No.2	172,973,550	—	(49,780,429)	(350,304)	122,842,818
Ulisses Finance No.3	174,401,527	—	(44,742,015)	412,882	130,072,394
Other comissions	—	—	—	(22,588)	(22,588)
	347,375,077	**—**	**(94,522,444)**	**39,990**	**252,892,623**

31.03.2025	Opening balance	Issues	Repayments	Other movements	Closing balance
Ulisses Finance No.2	122,842,818	—	(11,067,068)	(102,246)	111,673,504
Ulisses Finance No.3	130,072,394	—	(10,532,898)	45,602	119,585,097
Other comissions	(22,588)	—	—	3,617	(18,971)
	252,892,623	**—**	**(21,599,966)**	**(53,027)**	**231,239,630**

The scheduling by maturity regarding this caption is as follows:

31.12.2024	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	Total
Securitisations	251,012	—	251,012	—	252,641,611	252,641,611	252,892,623
	251,012	**—**	**251,012**	**—**	**252,641,611**	**252,641,611**	**252,892,623**

31.03.2025	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	Total
Securitisations	182,448	—	182,448	—	231,057,182	231,057,182	231,239,630
	182,448	**—**	**182,448**	**—**	**231,057,182**	**231,057,182**	**231,239,630**

Asset securitisation

Chaves Funding No.8

This private securitisation operation was issued in November 2019 by Tagus, Sociedade de Titularização de Créditos, S.A., it included a Consumer Credit portfolio originated by 321 Crédito. The operation was set up with the collaboration of Sociedade de Advogados PLMJ. The operation's structure includes a Tranche A and a Tranche B in the notes issued, both of which are fully owned by the Group.

This operation includes an optional early amortisation clause that allows the Issuer to redeem the Notes of all Classes issued, when the residual value of the credits represents 10% or less of the value of the Credit Portfolio on the date of setting up the securitisation operation.

The underlying assets of Chaves Funding No.8 operation were not derecognised from the Statement of Financial Position, as the Group substantially maintained the risks and benefits associated with their holding.

Ulisses Finance No.2

This securitisation operation was created in September 2021 and issued by Tagus - Sociedade de Titularização de Créditos, S.A. and corresponds to a public credit securitisation programme (Ulysses) with the Ulisses Finance No.2 operation being placed on the market. The operation was set up with the collaboration of Sociedade de Advogados PLMJ and Banco Deutsche Bank, and included a consumer credit portfolio originated by 321 Crédito, whose initial total amount was 250,000 thousand euros, to be maintained over the 12 months of revolving period.

The structure of the transaction includes six collateralised Tranches from A to F and additionally tranches G and Z. All tranches are dispersed in the capital market, with the exception of class Z, whose initial value was 1.5 million euros and which presents the 31 March 2025 a value of 1,000 euros.

This operation obtained ratings from DBRS and Moody's for the tranches placed on the market, that is, Tranches A to G.

The Ulisses Finance No.2 operation has the characteristics of STS (simple, transparent and standardised) and SRT (significant risk transfer).

For the purposes of calculating the capital ratio, as the Ulisses Finance No.2 operation complies with article 244.1 (b) of European Regulation 575/2013 (full capital deduct approached), the company reduced its “Risk Weight Assets” with regard to the contracts securitised within the scope of this operation.

The operation has incorporated an interest rate cap, an interest rate risk mitigation mechanism for the operation and its investors, including the Group, but which was not contracted directly by the Group, but by the issuer. of the securitisation operation (Tagus – STC, S.A.).

The underlying assets of the Ulisses Finance No.2 operation were not derecognised from the Consolidated Statement of Financial Position, as the Group substantially maintained the risks and benefits associated with their holding.

Ulisses Finance No. 3

This securitisation operation was created in June 2022 and issued by Tagus - Sociedade de Titularização de Créditos, S.A. and corresponds to a public credit securitisation programme (Ulisses) with the Ulisses Finance No.3 operation being placed on the market. The operation was set up with the collaboration of “Sociedade de Advogados PLMJ” and “Banco Deutsche Bank”, and included a consumer credit portfolio originated by 321 Crédito, whose initial total amount was 200,000 thousand euros, to be maintained over the 12 months of revolving period.

The structure of the Transaction includes six collateralised Tranches from A to F and additionally tranches G and Z. All tranches are dispersed in the capital market, with the exception of class Z, whose initial value was 1.8 million euros and presents as at 31 March 2025 a value of 1,000 euros.

This operation obtained ratings from DBRS and Moody's for the tranches placed on the market, that is, Tranches A to G.

The Ulisses Finance No.3 operation has the characteristics of STS (simple, transparent and standardised) and SRT (significant risk transfer).

For the purposes of calculating the capital ratio, as the Ulisses Finance No.3 operation complies with article 244.1 (b) of European Regulation 575/2013 (full capital deduct approached), the company reduced its “Risk Weight Assets” regarding to the contracts securitised within the scope of this operation.

The operation incorporates an interest rate swap, an interest rate risk mitigation mechanism for the operation and its investors, including the Group, but which was not contracted directly by the Group, but by the issuer. of the securitisation operation (Tagus – STC, S.A.).

The underlying assets of the Ulisses Finance No.3 operation were not derecognised from the Consolidated Statement of Financial Position, as the Group substantially maintained the risks and rewards associated with their holding.

Additionally, the Group, through 321 Crédito, maintained, as at 31 March 2025, 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 2024 and 31 March 2025, the composition of the caption Banking clients’ deposits and other loans in the **Group** is as follows:

	31.12.2024	31.03.2025
Sight deposits	1,475,792,212	1,518,909,854
Term deposits	2,204,178,114	2,083,029,490
Savings deposits	363,729,768	381,034,654
	4,043,700,094	**3,982,973,999**
Corrections to the liabilities value subject to hedging operations	17,722	13,729
	4,043,717,816	**3,982,987,728**

The above-mentioned amounts relate to Banco CTT clients’ deposits. Savings deposits are deposits associated with current accounts and which allow the client to obtain a remuneration above the sight deposits, which can be mobilised at any time, with no subscription limit, and it is possible to schedule transfers from and to 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 2025 the average rate of return on customer funds was 1.39% (31 December 2024: 1.70%).

As at 31 December 2024 and 31 March 2025, the residual maturity of banking client deposits and other loans, is detailed as follows:

	31.12.2024					
	No defined maturity	Due within 3 months	Over 3 months and less than 1 year	Over 1 year and less than 3 years	Over 3 years	Total
Sight deposits and saving accounts	1,839,521,980	—	—	—	—	1,839,521,980
Term deposits	—	1,001,502,97	1,202,692,86	—	—	2,204,195,836
Banking clients' deposits	**1,839,521,980**	**1,001,502,97**	**1,202,692,86**	**—**	**—**	**4,043,717,816**

	31.03.2025					
	No defined maturity	Due within 3 months	Over 3 months and less than 1 year	Over 1 year and less than 3 years	Over 3 years	Total
Sight deposits and saving accounts	1,899,944,509	—	—	—	—	1,899,944,509
Term deposits	—	780,388,700	1,302,654,51	—	—	2,083,043,219
	1,899,944,509	**780,388,700**	**1,302,654,51**	**—**	**—**	**3,982,987,728**

23. Income taxes receivable /payable

As of 31 March 2025, this caption reflects the income tax estimate for the period 2024 and not yet paid, as well as the income tax estimate for the three-months period ended 31 March 2025.

24. Staff costs

During three-months period ended 31 March 2024 and 31 March 2025, the composition of the caption Staff Costs was as follows:

	31.03.2024	31.03.2025
Remuneration	81,218,168	84,587,870
Employee benefits	486,019	5,095,770
Indemnities	282,368	769,988
Social Security charges	17,645,267	18,156,115
Occupational accident and health insurance	908,766	962,288
Social welfare costs	1,736,847	1,860,035
Other staff costs	41,485	79,015
	102,318,921	**111,511,081**

The increase in staff costs in the period is mainly explained by salary increases, including the increase in the national minimum wage.

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

During the three-months period ended 31 March 2024 and 31 March 2025, the fixed and variable remunerations attributed to the members of the statutory bodies of CTT, S.A., were:

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

	31.03.2025				
	Board of Directors	Audit Comittee	Remuneration Board	General Meeting of Shareholders	Total
Short-term remuneration					
Fixed remuneration	585,227	62,500	16,275	—	664,002
	585,227	**62,500**	**16,275**	**—**	**664,002**
Long-term remuneration					
Defined contribution plan RSP	38,625	—	—	—	38,625
Long-term variable remuneration	804,579	—	—	—	804,579
	843,204	**—**	**—**	**—**	**843,204**
	1,428,431	**62,500**	**16,275**	**—**	**1,507,206**

Long-term variable remuneration (“LTVR”)

2020/2022 Term

The long-term variable remuneration model for the 2020/2022 term was based on the participation of CTT's Board members and Top Management in the Options Plan.

The aforementioned Option Plan provided for the attribution of options to its participants that conferred the right to attribution of shares representing CTT's share capital. The Options Plan established five tranches of options that are distinguished only by their different exercise price or strike price. In the case of management, the Board Members approved the granting of a global number of 1,200,000 options, subject to the conditions defined for the corporate bodies.

The exercise date of all the options was 1 January 2023, given the end of the 3-year term of office 2020/2022.

The Executive Committee Options Plan provides for the financial settlement of 25% of the options (cash settlement) and the physical settlement of 75% of the options (equity settlement). The plan for CTT's Top Management provides for the physical settlement of 100% of the options.

The plan’s settlement conditions were defined as follows: 50% of the LTVR was settled on the fifth trading day immediately following the date of the annual general meeting of the Company approving the accounts for the 2022 financial year that took place in 20 April 2023, half by way of financial settlement in cash, in the case of the Executive Committee, (i.e. 25% of the options) and the other half (i.e. 25% of the options) by way of physical settlement through the delivery of CTT shares. In the case of Top Management, the 50% of the LTVR settled on this date will be settled through the physical delivery of CTT shares; The remaining 50% of the LTVR (i.e. 50% of the options) are settled through the delivery of CTT shares (physical settlement), in 2 tranches of 1/2 of the shares retained, respectively: (i) on the fifth trading day immediately following the end of the month after the date of approval of the accounts relating to financial year 2023 at an annual general meeting of the Company that took place in 30 April 2024 and subject to the positive performance of the Company in each of the financial years 2021 to

2023; and (ii) on the fifth trading day immediately following the end of the month after the date of approval of the accounts for the financial year 2024 at an annual general meeting of the Company to be held in 2025, or on 31 May 2025 (whichever date occurs later) and subject to the positive performance of the Company in each of the financial years 2021 to 2024, respectively for each tranche.

Taking into account the end of the three-year term of office 2020/2022, the Remuneration Committee, in accordance with the Options Plan, has determined, on 1 January 2023, the number of shares to be attributed to each participant as LTVR (which attribution and settlement being subject to the rules set out in the Options Plan, described above). This determination was made through a study carried out by an independent entity.

Considering the above, the allocation of the following number of shares to each participant by way of LTVR was determined:

Participant	CEO	CFO	Other executive directors (three members)	Total
Shares	81,629	46,645	104,949	233,226

In the case of Top Management, a total of 127,103 shares to be awarded were calculated.

As of 31 December 2024, considering the delivery of the second tranche, an amount of 841,648 Euros was derecognized under the caption “Reserves” in equity, corresponding to the proportional value of the physical settlement that occurred (note 15). This amount was derecognized in exchange for the value of own shares delivered within the scope of this operation. The difference between the two amounts, amounted to 512,156 Euros.

2023/2025 Term

The long-term variable remuneration model for the 2023/2025 term is based on the participation of executive Directors in the Option Plan, which is reflected in the remuneration policy approved by the General Shareholders' Meeting on 23 April 2024, based on in the Remuneration Committee's proposal.

Similarly, the Board of Directors implemented an Options Plan aimed at CTT Top management, along the same lines as the program approved for the board members.

The aforementioned Option Plan provides for the following main rules applicable to the attribution and exercise of options and the financial settlement and delivery and retention of shares under the LTVR:

a. The Options Plan regulates the attribution to its participants of options that confer the right to attribution of shares representing CTT's share capital, subject to certain conditions applicable to the exercise and settlement of the options;

b. The Option Plan establishes the number of options attributed to be exercised by the Plan's participants (differentiated between CEO, CFO, CCO and top management), as per the table below, with the date of attribution corresponding to the date of approval of said plan at the General Meeting;

c. Each Participant will be entitled to receive three distinct tranches of Options, each with a different Exercise Price:

Tranche	Number of options per participant			*Strike Price*
	CEO	CFO	CCO	
1	1,166,667	833,334	833,334	€ 4.00
2	1,166,667	833,333	833,333	€ 6.00
3	1,166,666	833,333	833,333	€ 8.00

In the case of the top management, the Board of Directors approved the allocation of a total number of 2,010,000 options, subject to the conditions defined for the board members.

d. The exercise date of all options corresponds to 1 January 2026, taking into account the end of the 3-year term 2023/2025;

e. The number of Shares to be settled for each tranche of Options will be calculated based on the application of the following formula:

No. of Shares = No. of Options exercised x [(Share Price – Strike Price) / Share Price]

Where:

Strike Price: corresponds to the Strike Price determined in the table above; It is,

Share Price: corresponds to the arithmetic average of the prices, weighted by the respective volumes, of the Company's share transactions occurring on the Euronext Lisbon regulatory market, in Stock Exchange sessions that take place in the 120 days prior to the Exercise Date.

f. The Options Plan provides for the financial settlement of 25% of the options (cash settlement) and the physical settlement of 75% of the options (equity settlement), without prejudice to, exceptionally and in a scenario where the number of own shares held by CTT it is not enough, to determine that the Remuneration Committee establishes a compensation mechanism through the allocation of a cash amount and financial settlement of options whose physical settlement is not possible. The CTT top management options plan provides for the physical settlement of 100% of the options, with the exception of the options to be attributed to the members of the extended executive committee, whose plan also provides for the financial settlement of 25% of the options (cash settlement) and the physical settlement of 75% of the options (equity settlement);

g. If shares are allocated based on stock market performance and verification of the Company's positive performance under the terms defined in the plan, the options will be subject to settlement over a deferral/retention period;

h. 50% of the RVLP is settled on the fifth trading day immediately following the date of the Company's annual general meeting approving the accounts for the 2025 financial year to be held in 2026, subject to verification of positive performance in relation to each of the financial years. 2023, 2024 and 2025, half via financial settlement in cash (i.e., 25% of the options on a proportional basis with respect to each of its 3 tranches) and the other half (i.e., 25% of the options equally on a proportional in relation to each of its 3 tranches) via physical settlement through the delivery of CTT shares. In the case of the top management, with the exception of members of the extended executive committee, the 50% of the LTVR settled on this date is made through physical delivery of CTT shares.;

i. The remaining 50% of the RVLP (i.e., 50% of the options equally on a proportional basis in relation to each tranches) are settled through the delivery of CTT shares (physical settlement), in 2 tranches of 1/2 of the shares retained, respectively: (i) on the fifth trading day immediately following the end of the month after the date of approval of the accounts for the 2026 financial year at the Company's annual general meeting to be held in 2027, or on 31 May 2027 (depending on the later date) and subject to the positive performance of the Company in each of the financial years from 2023 to 2026; and (ii) on the fifth trading day immediately following the end of the month after the date of approval of the accounts for the 2027 financial year at the Company's annual general meeting to be held in 2028, or on 31 May 2028 (depending on the date occurring later) and subject to the positive performance of the Company in each of the financial years from 2023 to 2027, respectively for each tranche;

j. The exercise of options and their settlement are also subject to eligibility conditions, which are, as a rule, remaining in office during the term, the absence of situations of material non-compliance with the Options Plan and the failure to verify situations that give rise to application of adjustment mechanisms;

On the date of attribution, the determination of the fair value of the options attributed was carried out through a study carried out by an independent entity on the date of attribution of the benefit. The model used to value the action plan was the Monte Carlo simulation model.

The amount relating to the share plan relating to corporate bodies and top management, recognized on 31 March 2025, amounted to 804,579 Euros, with the financial settlement component, recognized under the caption “Employee Benefits”, in the amount of 509,107 Euros and the settlement in instruments recognized under the caption “other reserves”, in the amount of 295,472 Euros (note 15).

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

Annual variable remuneration ("AVR"):

In the period ended 31 December 2023, the amount of 980,387 Euros was recognised as an estimated annual variable remuneration for members of the Governing Bodies. In 2024, the final amount to be settled was calculated, with 50% of the amount having already been settled, as stipulated in the Remuneration Regulations.

In the period ended 31 December 2024, the amount of 738,831 Euros was recognised as an estimate of the annual variable remuneration for members of the Governing Bodies.

Employee benefits

The variation registered under Employee benefits mainly reflects the agreements to suspend employment contracts entered into in the period ended 31 March 2025.

For the three-months period ended 31 March 2025, the caption Staff costs includes the amount of 471,405 Euros related to expenses with workers' representative bodies (31 March 2024: 225,675)

For three-months period ended 31 March 2025, the average number of staff of the Group was 13,390 (13,574 employees for the period ended 31 March 2024).

25. Interest expenses and Interest income

For the three-months period ended 31 March 2024 and 31 March 2025, the caption Interest Expenses had the following detail:

	31.03.2024	31.03.2025
Interest expenses		
Bank loans	1,462,107	1,038,010
Lease liabilities	1,002,843	1,518,695
Other interest	10,067	—
Interest costs from employee benefits	1,476,534	1,549,213
Other interest costs	121,477	108,335
	4,073,028	**4,214,254**

During the three-months period ended 31 March 2024 and 31 March 2025, the caption Interest income was detailed as follows:

	31.03.2024	31.03.2025
Interest income		
Deposits in credit institutions	8,618	196,759
Other supplementary income	—	43,589
	8,618	**240,348**

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 7,500,00 Euros, 5% of taxable profit between 7,500,000 and to 35,000,000 Euros and 9% of the taxable profit above 35,000,000 Euros. CTT – Expresso, S.A., Spain branch is subject to income taxes in Spain, through income tax (Impuesto sobre Sociedades - “IS”) at a rate of 25%, and the subsidiary CORRE is subject to corporate income tax in Mozambique (“IRPC”) at a rate of 32%. When calculating the corporate tax and when complying with tax obligations, special corporate tax regimes are also considered, as is the case of CTT IMO Yield, S.A. - SIC (Real State Company) and 1520 Innovation Fund, Venture Capital Fund, entities based in Portugal.

Corporate income tax is levied on CTT and its subsidiaries CTT – Expresso, S.A., Payshop Portugal, S.A, CTT Contacto, S.A. and Banco CTT, S.A., 321 Crédito – Instituição Financeira de Crédito, S.A., CTT Soluções Empresariais, S.A., CTT IMO – Sociedade Imobiliária, S.A., NewSpring Services, S.A., MedSpring, S.A., CTT IMO Yield, S.A. and CTT Services, S.A. as a result of the option for the Special Regime for the Taxation of Groups of Companies (“RETGS”) application. The remaining companies are taxed individually. The entities NewSpring Services, S.A., MedSpring, S.A., CTT IMO Yield, S.A. and CTT Services, S.A. integrated the RETGS in 2023. In the 2024 financial year, taking into account that it no longer complies with all the requirements set out in that regime, CTT IMO Yield, meanwhile converted into a Closed Real Estate (“SIC”), left the RETGS.

Reconciliation of the income tax rate

For the three-months period ended 31 March 2024 and 31 March 2025, the reconciliation between the nominal rate and the effective income tax rate was as follows:

	31.03.2023	31.03.2024
Earnings before taxes (a)	10,879,911	7,252,441
Nominal tax rate	21.0%	20.0%
	2,284,781	**1,450,488**
Tax Benefits	(48,374)	(126,686)
Accounting capital gains/(losses)	(1,857)	(4,521)
Tax capital gains/(losses)	929	2,261
Provisions not considered in the calculation of deferred taxes	79,101	(45,682)
Impairment losses and reversals	4,123	(57,647)
Compensation for insurable events	3,160	93,865
Depreciation and car rental charges	30,232	69,886
Credits uncollectible	16,065	63,579
Difference between current and deferred tax rates	322,196	(290,666)
Fines, interest, compensatory interest and other charges	12,937	40,924
Tangible fixed assets sale & leaseback	130,902	(811,292)
Results of entities subject to special taxation regimes	(214,700)	(446,538)
Other situations, net	(298,646)	171,028
Adjustments related with - autonomous taxation	138,492	112,881
Deferred tax on accumulated tax losses carried forward of branch in Spain	542,875	554,141
SIFIDE tax credit	(143,572)	(72,705)
Insuficiency / (Excess) estimated income tax	92,347	—
Subtotal (b)	2,950,991	703,317
(b)/(a)	27.12%	9.70%
Adjustments related with - Municipal Surcharge	161,780	201,851
Adjustments related with - State Surcharge	286,304	324,353
Income taxes for the period	**3,399,075**	**1,229,521**
Effective tax rate	31.24%	16.95%
Income taxes for the period		
Current tax	1,959,729	2,701,658
Deferred tax	1,490,571	(1,399,432)
SIFIDE tax credit	(143,572)	(72,705)
Insuficiency / (Excess) estimated income tax	92,347	—
	3,399,075	**1,229,521**

For the three-month period ending on 31 March 2024 and 31 March 2025, the caption “SIFIDE Tax Credit” essentially refers to amounts of the SIFIDE tax credit, for the year 2022 (143,572 Euros and 72,705 Euros, respectively).

Deferred taxes

As at 31 December 2024 and 31 March 2025, the balance related to deferred tax assets and liabilities was composed as follows:

	31.12.2024	31.03.2025
Deferred tax assets		
Employee benefits - healthcare	42,620,632	42,315,859
Employee benefits - pension plan	60,651	87,781
Employee benefits - other long-term benefits	6,619,989	7,289,997
Impairment losses and provisions	2,048,044	1,998,959
Tax losses carried forward	12,464,197	12,233,378
Impairment losses in tangible fixed assets	736,367	763,639
Long-term variable remuneration (Share plan)	1,304,162	1,521,398
Land and buildings	49,689	—
Tangible assets' tax revaluation regime	254,355	187,217
Sale & Leaseback transactions	7,965,779	8,777,071
Other	29,921	29,921
	74,153,787	**75,205,221**
Deferred tax liabilities		
Revaluation of tangible fixed assets before IFRS	406,587	391,416
Suspended capital gains	262,284	259,295
PPA Movements - New Spring Services	185,230	159,972
Fair value adjustments	1,500,837	1,189,430
Other	216,760	222,745
	2,571,698	**2,222,858**

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”.

During the years ended 31 December 2024 and 31 March 2025, the movements which occurred under the deferred tax captions were as follows:

	31.12.2024	31.03.2025
Deferred tax assets		
Opening balances	71,395,868	74,153,787
Effect on net profit		
Employee benefits - healthcare	(2,293,897)	(304,773)
Employee benefits - pension plan	(8,543)	27,130
Employee benefits - other long-term benefits	1,281,910	670,008
Impairment losses and provisions	(4,369,725)	(49,085)
Tax losses carried forward	9,284,928	(230,819)
Impairment losses in tangible fixed assets	65,049	27,272
Long-term variable remuneration (Share plan)	487,719	217,236
Land and buildings	(1,840)	(49,689)
Tangible assets' tax revaluation regime	(273,194)	(67,138)
Sale & Leaseback Transaction	(818,501)	811,292
Early termination of contracts	(2,241,459)	—
Other	(85,797)	—
Effect on equity		
Employee benefits - healthcare	1,728,906	—
Employee benefits - pension plan	2,363	—
Closing balance	**74,153,787**	**75,205,221**

	31.12.2024	31.03.2025
Deferred tax liabilities		
Opening balances	4,670,707	2,571,698
Effect on net profit		
Revaluation of tangible fixed assets before IFRS adoption	(116,399)	(15,171)
Suspended capital gains	(22,113)	(2,989)
PPA Movements - New Spring Services	(101,035)	(25,259)
Fair value adjustments	(1,919,506)	(311,407)
Other	25,117	6,828
Effect on equity		
Other	34,926	(843)
Closing balance	**2,571,698**	**2,222,858**

During the year ended 31 December 2024 and in the three-months period ended 31 March 2025, the tax losses carried forward are detailed as follows:

	31.12.2024		31.03.2025	
Group	**Tax losses**	**Deferred tax assets**	**Tax losses**	**Deferred tax assets**
CTT – Expresso, S.A., branch in Spain	67,972,890	9,567,078	67,407,161	9,425,645
CTT Expresso/Transporta	10,934,187	2,287,763	10,691,294	2,245,172
CTT Soluções Empresariais/HCCM	629,266	132,146	218,711	45,929
Open Lockers	2,272,430	477,210	2,460,151	516,632
Total	**81,808,773**	**12,464,197**	**80,777,316**	**12,233,378**

Regarding CTT – Expresso, S.A., branch in Spain, the tax losses of the year 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. As at 31 December 2024, the amount of 9,567,078 Euros of deferred tax assets on accumulated tax losses was recognised, taking into account, on the one hand, Spanish tax rules, as well as the fact that the current business plan foresees the generation of taxable profits in the coming years, in line with the relevant increase in the operational and financial performance of this entity. As of 31 March 2025 the deferred tax assets regarding tax losses amounts to 9,425,645 Euros.

Regarding to CTT Expresso/ Transporta, the tax losses presented refer to the losses of Transporta for the years 2014 and 2015 and 2017 and 2018, since in 2019 this company was incorporated into CTT Expresso, which may be reported in one or more subsequent tax periods, in accordance with the rules established in the income tax code. The recognition of deferred tax assets related to Transporta's tax losses is supported by the estimate of future taxable profits of CTT Expresso, based on the company's business plan.

The 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 2.73 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 of 31 March 2025, the tax credit granted by the Certifying Commission amounted to 1,612,981 Euros, with the remainder awaiting approval.

Regarding the expenses incurred with R&D by the Group in the 2023 financial year, with the submission of the application, these amounted to 8,054,187 Euros, with the Group estimating a deduction of income tax estimated at 4,391,472 Euros. As at 31 December 2024, the tax credit granted by the Certifying Commission totalled 1,034,788 Euros in the Group. According to historical information, the CTT Group has a high success rate in granting the tax credit submitted to ANI, with no significant corrections having occurred in previous years to the amounts self-assessed in tax form, therefore, and in accordance with the provisions of IFRIC 23, a tax credit was considered through the self-assessment made in 2023 Tax form, in the amount of 3,816,530 Euros in the Group.

As for the 2024 financial year, the **Group** and the **Company** are still identifying and quantifying the expenses incurred with R&D that will be included in the applications that will be submitted during the course of 2025..

Pillar II

The transition of the world to a global village, the increasing speed of transactions, the streamlining of commercial relations, among other phenomena, challenge current tax rules, forcing an inevitable renewal and combination of efforts between jurisdictions, governments and national tax policies - in essence, there will be room for tax harmonization with regard to corporate income tax.

In this context, the OECD initiated the BEPS (Base Erosion and Profit Shifting) project, which resulted in the adoption of 15 actions/plans to be followed and which indicate tax standards to be adopted and implemented by national governments in order to abolish avoidance and evasion. tax, aiming at the effective taxation of economic activities in the jurisdiction(s) where the respective profits are generated and in which the added value is actually generated.

In 2021, an agreement was reached between the members of the G20 to implement what is commonly known as Pillar II, referring to the method and criteria for taxing profits obtained by multinational entities, as well as the way in which tax collection power is allocated between states of tax revenue.

According to Pillar II, companies included in multinational groups with an annual global turnover exceeding 750 million euros will be subject, regardless of the jurisdiction to which they belong, to a minimum corporate income tax rate of 15%.

The imposition of this minimum rate aims to prevent, based on abusive tax practices and policies, imbalances between tax rates and regimes in different jurisdictions or illicit exploitation due to lack of liability to or payment of tax.

EU Directive 2022/2523 required that the acceding Member States should transpose it by 31 December 2023, but this did not happen in some jurisdictions, including Portugal, which would comply with its obligation to transpose the Directive with the official publication of Law No. 41/2024 on 8 November 2024.

Since the Group falls within the scope of the Directive, it has carried out an assessment of the possible impact on each of the jurisdictions in which it operates in light of the rules of the Directive and the published national legislation, defining the internal and reporting tasks to be carried out in this context.

Compliance with tax and reporting obligations relating to Pillar II must be carried out in conjunction with the information reported in the CbCR (Country by Country Report) that has been submitted and prepared by the CTT Group, as well as in other reports that have been and will be carried out.

As an innovative regime, a transitional regime is foreseen, particularly in terms of 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.

The analysis carried out, which included verification, through tests of the Group's financial information and the effective verification of objective requirements, allowed us to conclude that in none of the relevant jurisdictions in this context will the tax referred to in Pillar II be due.

These conclusions result from the interpretation of the rules of the Directive and national legislation, as well as from international doctrine specialising in international taxation and are based on the aforementioned exceptional or special regimes.

Considering the relevance of Pillar II and its potential impact on the Group, changes in fact that may alter the conclusions of the analysis carried out will be monitored and assessed in the relevant jurisdictions, particularly those resulting from differences in reality compared to the business plan or the occurrence of any corporate and/or tax changes.

On the other hand, we will monitor legislative changes and the development of interpretative positions of the standards in order to anticipate their respective impacts on the Group.

The amendment to IAS 12 introduced a mandatory temporary exception for the recognition of deferred taxes under Pillar II, which will be considered and followed by the Group in its reporting.

Other information

Pursuant to the legislation in force in Portugal, income tax returns are subject to review and correction by the tax authorities for a period of four years (five years for Social Security), except when there have been tax losses, tax benefits have been received, or when inspections, claims or challenges are in progress, in which cases, depending on the circumstances, these years are extended or suspended. Therefore, CTT's income tax returns from 2021 and onwards may still be reviewed and corrected.

The Board of Directors 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 2025.

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 2025 and 31 March 2024, the following transactions took place and the following balances existed with related parties:

	31.03.2024				
	Accounts receivable	Accounts payable	Revenues	Costs	Dividends
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	—	—	—	—	—
	307,795	**82,104**	**210,884**	**698,859**	**—**

	31.03.2025				
	Accounts receivable	Accounts payable	Revenues	Costs	Dividends
Shareholders	—	—	—	—	—
Group companies					
Associated companies	—	—	—	—	—
Jointly controlled	126,151	30,371	138,840	91,031	—
Members of the (Note 24)					
Board of Directors	—	—	—	585,227	—
Audit Committee	—	—	—	62,500	—
Remuneration Committee	—	—	—	16,275	—
General Meeting	—	—	—	—	—
	126,151	**30,371**	**138,840**	**755,032**	**—**

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 2025. The update corresponds to an average annual price variation of 6.90%. The overall average annual price variation, also reflecting the effect of the update of special prices for bulk mail, is 6.53%.

With regard to the legal proceedings relating to ANACOM's Decision regarding the quality of service parameters and performance targets applicable to the universal postal service provision, of July 2018, the Government's appeal against the decision of the Arbitration Court continues, which acknowledges that ANACOM's decision constituted an abnormal and impressionable change in circumstances, causing damages amounting to 1,869,482 euros. The administrative actions against ANACOM, the first concerning the same decision and the second concerning the deliberation of December 2018 regarding the new measurement procedures to be applied to the indicators, had no relevant developments. On 24 January 2024, CTT was notified of the court decision ordering the Government to pay CTT the sum of 2,410,413 Euros. The Government challenged the decision and the respective proceedings are ongoing.

In the administrative offence process whereby CTT was accused by ANACOM for allegedly violating the procedure for measuring quality of service indicators (QSI) in 2016 and 2017, the Competition, Regulation and Supervision Court ordered CTT to pay a single fine of 400,000 Euros, instead of 830,000 euros. On 24 February 2025, the Lisbon Court of Appeal decided to uphold the appeal in part, acquitting CTT of the administrative offence it had been charged with for failing to measure the levels of quality of service actually offered between 1 January 2016 and 30 September 2016 through the use of an external and independent entity, reducing the single fine to 275,000 Euros. An appeal regarding procedural issues was filed, and the process awaits its further terms.

Following the proposal to apply contractual fines in the amount of 753 thousand euros, on 4 August 2022, CTT requested the constitution of an arbitration court, under the terms of the concession. On 1 July 2024, the arbitration court decided, with one dissenting vote, to reduce the overall amount of the fines by just 51 thousand Euros. CTT filed an appeal against the arbitration ruling with the Supreme Administrative Court. For the same facts relating to 2015 and 2016 (various situations concerning the distribution and publication of information in the post offices), on 19 April 2024, CTT was notified of ANACOM's accusation that it had committed administrative offences, and a fine of 398,750 Euros was imposed. An appeal was filed with the Court of Appeal, which acquitted CTT of 4 administrative offenses and reduced the fine to 200,000 euros. However, the decision regarding procedural issues of producing evidence in the first instance, which was also the subject of the appeal, was upheld, and CTT appealed, awaiting the final decision.

On 23 February 2023, CTT was notified to comment on a new proposal for the application of contractual fines submitted by ANACOM to the Government, in relation to the alleged contractual breach of the quality of service obligation in the years 2016, 2017, 2018 and 2019. CTT submitted its statement on 6 April 2023, in which it defends there is no basis in fact or in law for establishing any contractual liability and requests additional evidence. The application of contractual fines and the respective amount depends on the further steps of the administrative procedure, which has not yet had further relevant developments.

In May 2024, CTT was notified of the decision of the Supreme Administrative Court (STA) to revoke the judgment of the Arbitration Court had unanimously ordered the State to pay CTT the amounts of (i) €6,785,781 as compensation for losses resulting from the effects of the COVID-19 pandemic and (ii) €16,769,864 for the unilateral extension of the Concession Agreement in 2021. This decision, approved by a panel of three judges, had one dissenting vote in relation to part (i), and was appealed to the Constitutional Court in the part relating to the decision on compensation for losses resulting from the effects of the COVID-19 pandemic. Admitted on 12 July 2024 by the STA, it awaits a decision by the Constitutional Court.

The lawsuit filed on 18 January 2022 by the companies Vasp Premium – Entrega Personalizada de Publicações, LDA. (Vasp) and Iberomail – Correio Internacional, S.A., (Iberomail) against CTT before the Competition, Regulation & Supervision Court, seeking the conviction of CTT for abuse of dominant position is ongoing, still awaiting the start of the evidence phase. CTT follows the best market practices and considers the request to be totally unfounded, as this lawsuit concern facts assessed by the Competition Authority (AdC) in the scope of a proceeding that was closed with the imposition of commitments, which CTT has implemented and reports annually to AdC.

Strategic partnership between CTT and DHL

As of 19 December 2024, CTT and Deutsche Post International, B.V. ("DHL" or "DHL Group") established a joint venture partnership with a view to joining forces in Portugal and Spain and establish a high-performing parcel venture for e-commerce – in B2C and B2B segments – with an estimated daily capacity exceeding one million shipments and out-of-home services in Iberia.

This strategic partnership is poised to generate efficiencies and address the growth opportunities of the e-commerce and parcel delivery markets across Spain and Portugal. This collaboration is set to create a comprehensive pick-up and delivery network in Portugal and Spain.

To crystallise the partnership, (i) CTT Expresso will fully acquire DHL Parcel Portugal, Unipessoal Lda ("DHL Parcel Portugal"); (ii) CTT will further acquire an indirect 25% stake in DHL Parcel Iberia SL ("DHL Parcel Iberia"), through its holding company Danzas SL ("Danzas"), which is the sole shareholder of DHL Parcel Iberia and (iii) DHL will acquire a 25% stake in CTT Expresso. Both DHL Parcel Iberia and DHL Parcel Portugal are part to the e-commerce division of the DHL Group. Both Parties will grant each other an option to increase, in the future and upon the fulfilment of certain conditions, their mutual shareholdings up to a stake of 49% in the respective companies.

As part of this Agreement, the DHL e-commerce business in Portugal will fully be transferred to CTT Expresso. In Spain, the focus will be on enhancing both B2C and B2B services, with the aim to create a highly efficient network for parcel processing and last-mile delivery, enhancing customer experience across Iberia. CTT Expresso, including the CEP and lockers businesses in Portugal and in Spain and DHL Parcel Portugal, will continue to be fully consolidated by CTT, which will retain a 75% controlling stake, while DHL Parcel Iberia will be equity accounted by CTT with a 25% stake.

The Transaction values CTT Expresso at an Enterprise Value of 482 million euros, DHL Parcel Iberia at an Enterprise Value of €106 million and DHL Parcel Portugal at an Enterprise Value of 12 million euros. In addition, the Parties have agreed on value levers for CTT and DHL, not included in the Enterprise Value, that result in a net amount of 15 million euros to be paid by CTT in favour of DHL. Upon closing of the initial phase of the Transaction and considering the Enterprise Values and the value levers, CTT is estimated to receive a net cash proceed from DHL amounting to 69 million euros, on a debt free / cash free basis. This amount will be confirmed, according to the accounts, at closing of the Transaction. This amount does not consider the acquisition of Cacesa, through CTT Expresso, as announced to the market and the general public on 18 December 2024.

The Joint Venture and corresponding transactions are subject to customary closing conditions, including applicable regulatory approvals. The Transaction will only be implemented after obtaining clearance under the relevant merger control legal requirements. The Transaction is expected to close in 2nd half 2025.

This Transaction represents a transformational milestone in CTT's journey to become a leading e-commerce logistics player in the Iberian Peninsula. The Transaction will further strengthen CTT's leadership position in Iberian e-commerce.

29. Subsequent events

On April 15, 2025, a financing agreement was signed with a syndicate of banks (BBVA, Novo Banco, Montepio and CGD) for the purpose of financing the acquisition of Cacesa, a Spanish company well positioned in the international e-commerce customs market, as announced to the market on December 18, 2024. This financing, in the amount of 110 million euros, contracted by CTT, is structured as a bond loan for a total term of 6 years with a grace period of 1.5 years.

On April 23, 2025, CTT Expresso carried out a capital increase in the amount of 110,000,800 euros, with the aim of providing this entity with the necessary funds to acquire Cacesa.

Following the unreserved authorization of the Comisión Nacional de los Mercados y la Competencia ("CNMC") to acquire exclusive control of Compañia Auxiliar al Cargo Expres, S.A.U. ("Cacesa"), on April 30, 2025 CTT completed, through its subsidiary CTT Expresso, the acquisition of the entire share capital of Cacesa, announced on December 18, 2024, for a total amount of 106.8 M€. The acquisition values Cacesa's assets ("Enterprise Value") at €89.1m, corresponding to an EBIT multiple of 5.2x.

On April 17, 2025, the share buyback program announced on July 19, 2024 was concluded, with 4,620,000 shares having been acquired under this program for a total amount of 25 million euros.

The General Meeting held on April 30, 2025 approved the cancellation of the 4,620,000 shares acquired under the 2024-25 buyback program and the corresponding reduction in the company's share capital. Following this resolution of the AGM 2025, CTT will soon reduce its share capital by €2,310,000 through the cancellation of 4,620,000 own shares representing 3.34% of CTT's share capital and which were acquired under the aforementioned 2024-25 share buyback program. CTT's share capital will then be €66,910,000, represented by 133,820,000 shares with a nominal value of fifty cents per share.

After 31 March 2025, in addition to the points mentioned above 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.