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our path fully
committed
to deliver**

Consolidated Results
9 Months 2024

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CTT - Correios de Portugal, S.A.

9 Months 2024 Consolidated Results

In the first 9 months of 2024 (9M24), **revenues**¹ reached €792.3m (+€76.8m; +10.7% y.o.y²). This evolution reflects a record performance by Express & Parcels and sustained growth at Banco CTT.

- **Logistics** totalled €678.6m in 9M24 (+19.7% y.o.y), accounting for 86% of CTT's total revenues.
 - **Express & Parcels (E&P)** amounted to €330.5m, an increase of 44.0% y.o.y or €101.0m. 3Q24 was a record quarter in terms of volumes, revenue and margin, and a strong peak season performance is anticipated in 4Q24.
- **Bank & Financial Services** totalled €113.6m (-23.5% y.o.y). Public debt placement volumes have been recovering over the last few quarters and have increased significantly since the ceilings were raised at the beginning of October.

Recurring EBIT stood at €54.6m in 9M24 (-€13.4m; -19.7% y.o.y), with a margin of 6.9%.

- **Logistics** reached €26.9m, an increase of €6.3m or 30.5% y.o.y. This performance was driven by **Express & Parcels**, with €24.1m (+€12.0m; +99.3% y.o.y), underpinned by growth and margin increase.
- **Bank & Financial Services** posted €27.7m (-41.5% y.o.y). Banco CTT reached €18.5m with an expansion of 25.9% y.o.y, achieving a record RoTE as a result of increased activity and resources. Financial Services (-71.9% y.o.y) reflected the lower volume of public debt placements.

Operating cash flow stood at €29.1m in 9M24 (compared to €20.0m in 1H24).

Net profit³ reached €27.8m in 9M24 (-€7.8m compared to 9M23).

	9M23	9M24	Δ	Δ%	3Q23	3Q24	Δ	Δ%
	€ million							
Revenues¹	715.4	792.3	76.8	10.7%	235.0	267.9	32.9	14.0%
Logistics	566.8	678.6	111.8	19.7%	193.1	227.6	34.5	17.9%
Express & Parcels	229.5	330.5	101.0	44.0%	88.1	120.1	31.9	36.2%
Bank & Financial Services	148.6	113.6	(34.9)	(23.5%)	41.9	40.4	(1.6)	(3.7%)
Operating costs	599.8	681.7	81.9	13.6%	199.5	228.1	28.6	14.3%
EBITDA¹	115.6	110.6	(5.0)	(4.3%)	35.5	39.8	4.3	12.2%
Depreciation & amortisation	47.5	55.9	8.4	17.7%	15.8	20.2	4.4	27.8%
Recurring EBIT	68.1	54.6	(13.4)	(19.7%)	19.7	19.6	(0.1)	(0.4%)
Logistics	20.6	26.9	6.3	30.5%	7.5	8.2	0.7	9.4%
Express & Parcels	12.1	24.1	12.0	99.3%	6.2	10.4	4.2	67.5%
Bank & Financial Services	47.4	27.7	(19.7)	(41.5%)	12.2	11.5	(0.8)	(6.4%)
EBIT	57.1	48.0	(9.1)	(16.0%)	17.8	15.5	(2.3)	(12.8%)
Net profit for the period³	35.5	27.8	(7.8)	(21.9%)	9.5	7.9	(1.5)	(16.2%)
	31.12.23		30.09.24			Δ	Δ%	
Equity		253.3		276.2		22.9		9.1%
Net Debt		(39.0)		2.7		41.7		»
Net debt with Banco CTT under equity method		177.3		245.5		68.2		38.4%
Net debt/EBITDA (LTM) with Banco CTT under equity method		1.44		2.16		0.71		49.5%

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 €678.6m in 9M24 (+€111.8m; +19.7% y.o.y). This solid performance was driven by growth in Express & Parcels (+44.0% y.o.y).

Mail & Other revenues grew by 3.2% y.o.y, due to the good performance of addressed mail (+2.1% y.o.y), business solutions (+13.0% y.o.y) and payments (+9.1% y.o.y).

	€ million							
Logistics	9M23	9M24	Δ	Δ%	3Q23	3Q24	Δ	Δ%
Revenues	566.8	678.6	111.8	19.7%	193.1	227.6	34.5	17.9%
Operating costs	504.1	602.0	97.9	19.4%	171.7	201.5	29.9	17.4%
EBITDA	62.7	76.6	13.9	22.2%	21.4	26.1	4.6	21.5%
Recurring EBIT	20.6	26.9	6.3	30.5%	7.5	8.2	0.7	9.4%
EBIT	9.8	20.3	10.5	107.2%	5.8	4.2	(1.6)	(27.7%)

Express & Parcels

Express & Parcels **revenues** amounted to €330.5m in 9M24 (+€101.0m; +44.0% y.o.y). This growth was driven by the growth in volumes (+45.9% y.o.y), which exceeded 98 million items in the first nine months of the year, of which 35 million in 3Q24, thus surpassing the levels of the 4Q23 peak season.

3Q24 volumes above 2023 peak season levels.

The business in Spain and Portugal has been unified into a single Iberian offer. In particular, the product portfolio, commercial approach, customer segmentation and pricing methodology have been harmonised. Commercial coordination between Portugal and Spain has also been strengthened in the management of large international accounts. This harmonisation is crucial, given that a large number of clients operate throughout the Iberian Peninsula and therefore prefer an integrated service that covers the entire region.

The expansion of the Express & Parcels segment results from the growth in the e-commerce market and the gain in market share, which reflects the investments made in the expansion and capacity of the network, in the extension and differentiation of the portfolio of services offered and in the quality of delivery.

In terms of the strategic customer segment (international e-sellers, with daily volumes above 20,000 items), there continues to be strong growth, as a result of the incorporation of new customers, reflecting commercial proactivity, the wide range and quality of the services offered, and the increase in average volumes, as CTT is intensifying its relationship with these customers. It should also be noted that CTT's performance reflects as well the increased dominance of these customers in the Iberian e-commerce landscape. The other customer segments also registered strong growth, as a result of a commercial strategy that prioritises customer diversification and the expansion and granularity of the geographical presence in Spain.

CTT is prepared for a strong peak season in 2024.

Despite the high growth, the quality of service has improved (+2.6 p.p in Portugal and +2.1 p.p in Spain in 9M24). This growth demonstrates the trust placed by current and new customers in the quality of the service offered by CTT. This is a differentiating factor compared to the competition and underpins the continuous increase in volumes handed out to CTT.

The customs clearance service continues to gain traction with large international clients. Integrated in last-mile delivery, it contributes significantly to reducing

delivery times for extra-EU volumes and increasing CTT's differentiation from its competitors.

The fulfilment business recorded revenues of €3.8m in 9M24 (+29.3% y.o.y). This evolution was based on the growth of business from existing clients and the capture of a new business of significant size in a new segment.

At the end of 9M24, CTT's Locky network comprised 990 lockers installed in Portugal (1,182 contracted) and maintained an upward trend in the number of lockers installed. In Spain, where Locky recently began its expansion, there are already 8 lockers installed and 54 contracted. Locky lockers are part of the CTT delivery points network, whereby customers can pick up, send and return their parcels with maximum convenience, 24 hours a day in most lockers, every day of the week. The Locky locker network is an agnostic network and, since 4Q23, another carrier, in addition to CTT, has been using it. CTT continues to invest in expanding the Locky locker network both in Portugal and in Spain, where this offer is already present. In the context of the PUDO network, it should be noted that CTT in Spain already has a network of 21,200 convenience points, which, when added to approximately 3,700 of the network in Portugal, represent over 24,900 delivery points, ensuring extensive coverage of the Iberian Peninsula.

Record recurring EBIT margin of 8.7% in 3Q24.

Recurring EBIT generated by the E&P business increased from €12.1m in 9M23 to €24.1m in 9M24. As a result, the margin increased from 5.3% to 7.3% (+2.0pp y.o.y). Recurring EBIT performance benefited from increased business activity in Iberia. Strong volume growth is fuelling rapid margin expansion due to operational leverage of the business.

Mail & Other

Mail & Other **revenues** amounted to €348.2m in 9M24 (+€10.8m; +3.2% y.o.y). This growth was mainly due to the revenue performance of €272.3m in addressed mail (+2.1% y.o.y), €37.0m in business solutions (+13.0% y.o.y) and €15.6m in payments (+9.1% y.o.y).

In 9M24, the mail business benefited from the volumes generated by the legislative elections that took place in March. Excluding this effect, addressed mail business revenues would have declined by 0.9% y.o.y in 9M24, in a context where working days fell by 0.5% compared to 9M23. It should be noted that the 4Q24 will see a 6.8% increase in working days compared to the same period of the previous year.

Mail will benefit from 6.8% more working days in 4Q24.

The overall average price change of the universal postal service⁴ in 9M24 was +9.03% y.o.y. Mail revenues benefited from an increase in the average revenue per item, as a result of the price increase and the evolution of the mix, which almost entirely offset the drop in volumes.

In 9M24, business solutions continued to record growth in the Business Process Outsourcing (BPO) and Contact Centre areas as new businesses in different sectors were won and implemented.

Recurring EBIT declined to €2.8m (-66.9%) in 9M24, penalised by (i) cost inflation, which was not fully offset by the price increase, (ii) the decline in mail volumes, and (ii) the decrease in financial services activity as a result of lower subscriptions of savings certificates. It should be noted that in 4Q24, the recurring EBIT of Mail & Other should benefit from +6.8% working days and the increase in the ceilings of public debt subscriptions.

The cost efficiency programme is underway and contributed to savings of €8.9m in 9M24, partially offsetting the €11.4m impact of inflation mentioned above.

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

Bank & Financial Services

Bank & Financial Services revenues totalled €113.6m in 9M24 (-€34.9m; -23.5% y.o.y), penalised by the performance of public debt, while Banco CTT continued to grow in assets and customers.

Public debt placement volumes increased significantly since October, thanks to the change in the maximum investment limit for subscription of Savings Certificates per subscriber (from €50,000 to €100,000).

	€ million							
Bank & Financial Services	9M23	9M24	Δ	Δ%	3Q23	3Q24	Δ	Δ%
Revenues	148.6	113.6	(34.9)	(23.5%)	41.9	40.4	(1.6)	(3.7%)
Recurring EBIT	47.4	27.7	(19.7)	(41.5%)	12.2	11.5	(0.8)	(6.4%)
Recurring EBIT margin (p.p.)	31.9	24.4	(7.5)		29.2	28.4	(0.8)	

Financial Services

Financial Services revenues amounted to €17.4m in 9M24 (-€37.3m; -68.2% y.o.y). This performance is explained by the lower placement of public debt, and it should be noted that after the change in subscription ceilings at the beginning of October, the volumes placed have been increasing significantly.

In 9M24, subscriptions of these certificates amounted to €1,053.8m which compares to €12.3 billion in 9M23. However, it should be noted that the 9M24 performance has been strongly hampered by the limitations imposed on the sale of this product introduced in June 2023.

Subscriptions of public debt certificates increased significantly following the increase in ceilings.

At the beginning of October 2024, the Government announced a change in the marketing conditions for Savings Certificates, with the maximum subscription limit per subscriber rising from €50,000 to €100,000 for the F series and from €250,000 to €350,000 for the accumulated E and F series. This change in ceilings triggered a significant increase in subscriptions in October.

CTT carried out marketing campaigns over the last few months, highlighting the attractiveness of Savings Certificates when compared to other alternatives. In July, the company also launched an online platform for subscribing to public debt certificates via the CTT app, which has grown significantly in terms of the number of users, given its high level of convenience for savers.

Public debt certificates (Savings Certificates and Treasury Certificates Savings Growth) posted revenues of €7.2m in 9M24 (-€33.6m; -82.4% y.o.y).

The strategy defined for the retail network is to reposition it as a retail services platform.

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, CTT reinforced the commercial drive in the area of non-life insurance, including auto, health, personal accidents, multi-risk, among others, based on the distribution partnership with Generali, while also benefiting from other distribution agreements, namely in terms of healthcare plans.

Given the above-mentioned framework in terms of public debt placements, **recurring EBIT** in the 9M24 totalled €9.2m.

Bank

Banco CTT revenues amounted to €96.3m in 9M24 (+€2.3m; +2.5% y.o.y). Excluding the impact of the withdrawal from the Universo card partnership, revenue growth would have been 14.5%. The growth in revenues was driven by the positive performance of the net interest income, which totalled €73.1m in 9M24 (€1.0m; +1.4% y.o.y). Interest received increased by €39.3m compared to the same period last year, benefiting from higher interest rates and volume growth. Interest paid increased by €38.3m vis-à-vis the same period in 2023 due to higher rates of return on customer deposits and securitisations of auto loans.

Banco CTT revenues increased by 14.5% in 9M24, excluding the impact of the Universo credit card.

At end of 3Q24, the number of current accounts was 676k (29k more than in December 2023).

Retail customer deposits (Banco CTT consolidated) stood at €3,967.9m in 3Q24 (+28.4% vs. December 2023). There was a 60.0% increase in term deposits and a slight increase of 2.1% in sight deposits compared to December 2023.

Interest from auto loans amounted to €45.1m in 9M24 (+€6.1m; +15.8% y.o.y) and reached a loan portfolio net of impairments of €908.0m (+5.6% vs. December 2023). Auto loans production stood at €196.7m in 9M24 (-3.5% y.o.y).

Interest from mortgage loans stood at €21.9m in the period (+€6.2m; +39.5% y.o.y), which is in line with the positive evolution of Euribor rates since 1H23. The mortgage loan portfolio net of impairments totalled €766.0m in 3Q24 (+5.3% vs. December 2023). Mortgage loan production amounted to €124.1m in 9M24 (-€25.1m; -16.8% y.o.y).

Also worthy of note is other interest received, which increased by €11.6m in 9M24 compared to 9M23, to which contributed mainly the liquidity surplus at Banco de Portugal.

Record RoTE of 12.4%⁵ in 9M24, in line with CMD objectives.

Commissions received in this business unit reached €21.5m in 9M24, (+€1.5m; +7.5% y.o.y). Noteworthy are the following positive contributions in the period: (i) from commissions received from accounts and cards, which amounted to €9.8m (+€0.4m; +4.7% y.o.y); (ii) from mortgage loans, in the amount of €0.8m (+€0.6m; +208.2% y.o.y); and (iii) from consumer credit (mostly auto loans) for €2.2m (+€0.5m; +31.3% y.o.y).

The loan-to-deposit ratio reached 42.3% at the end of 3Q24.

The cost of risk (consolidated and accumulated) in the period stood at 0.8%, down by 0.5 p.p. compared to December 2023, influenced by lower levels of risk in the consumer credit portfolios.

Recurring EBIT amounted to €18.5m (+25.9% y.o.y) in 9M24, thanks to strong growth in business volumes, namely in deposits and mortgage and car loans, which also drove an increase in commissions. The quarter was marked by a positive impact of around €1 million from the sale of non-performing loans.

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

- Reach 700k to 750k accounts (compared to 676k in 9M24);
- Grow in customer resources and loans to customers to business volumes of over €7 billion (compared to €6.8 billion at the end of 3Q24);
- Deliver on profitability, with pre-tax profits between €25m and €30m (compared to €21.0m in 2023 and €18.4m in 9M24).

⁵ Accumulated recurring RoTE which excludes specific items, being normalised assuming tangible capital of 15% of RWAs, compatible with the target disclosed in CMD 2022. With the current capital structure, RoTE is 9.6% for 9M24.

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**Financial
performance**

2. Financial performance

Income statement

€ million

	9M23	9M24	Δ	Δ%	3Q23	3Q24	Δ	Δ%
Revenues	715.4	792.3	76.8	10.7%	235.0	267.9	32.9	14.0%
Logistics	566.8	678.6	111.8	19.7%	193.1	227.6	34.5	17.9%
Express & Parcels	229.5	330.5	101.0	44.0%	88.1	120.1	31.9	36.2%
Mail & Other	337.3	348.2	10.8	3.2%	105.0	107.5	2.6	2.4%
Bank & Financial Services	148.6	113.6	(34.9)	(23.5%)	41.9	40.4	(1.6)	(3.7%)
Financial Services	54.6	17.4	(37.3)	(68.2%)	8.5	6.2	(2.3)	(27.2%)
Banco CTT	94.0	96.3	2.3	2.5%	33.4	34.1	0.8	2.3%
Operating costs	599.8	681.7	81.9	13.6%	199.5	228.1	28.6	14.3%
Staff costs	282.8	299.0	16.1	5.7%	89.4	96.6	7.2	8.1%
ES&S	271.0	349.0	78.0	28.8%	98.0	122.5	24.5	25.0%
Impairments and provisions	20.6	13.1	(7.5)	(36.6%)	5.3	2.5	(2.8)	(53.4%)
Other costs	25.4	20.7	(4.7)	(18.6%)	6.9	6.5	(0.3)	(4.9%)
EBITDA	115.6	110.6	(5.0)	(4.3%)	35.5	39.8	4.3	12.2%
Depreciation and amortisation	47.5	55.9	8.4	17.7%	15.8	20.2	4.4	27.8%
Recurring EBIT	68.1	54.6	(13.4)	(19.7%)	19.7	19.6	(0.1)	(0.4%)
Logistics	20.6	26.9	6.3	30.5%	7.5	8.2	0.7	9.4%
Express & Parcels	12.1	24.1	12.0	99.3%	6.2	10.4	4.2	67.5%
Mail & Other	8.5	2.8	(5.7)	(66.9%)	1.3	(2.2)	(3.5)	«
Bank & Financial Services	47.4	27.7	(19.7)	(41.5%)	12.2	11.5	(0.8)	(6.4%)
Financial Services	32.7	9.2	(23.5)	(71.9%)	4.9	3.6	(1.3)	(26.6%)
Banco CTT	14.7	18.5	3.8	25.9%	7.3	7.9	0.5	7.2%
Specific items	11.0	6.7	(4.3)	(39.2%)	1.9	4.1	2.2	117.1%
Business restructuring and strategic projects	6.1	4.1	(2.1)	(33.6%)	1.6	3.1	1.5	91.9%
Other non-recurring income and expenses	4.8	2.6	(2.2)	(46.3%)	0.3	1.0	0.7	»
EBIT	57.1	48.0	(9.1)	(16.0%)	17.8	15.5	(2.3)	(12.8%)
Financial results (+/-)	(11.6)	(13.1)	(1.5)	(12.9%)	(4.5)	(4.9)	(0.4)	(9.6%)
Financial income, net	(11.6)	(13.1)	(1.5)	(12.9%)	(4.5)	(4.9)	(0.4)	(9.6%)
Financial costs and losses	(12.3)	(13.4)	(1.1)	(8.8%)	(4.6)	(5.0)	(0.4)	(9.8%)
Financial income	0.7	0.2	(0.4)	(64.5%)	0.0	0.1	0.0	37.5%
Gains/losses in subsidiaries, associated companies and joint ventures	0.0	0.0	0.0	«	0.0	0.0	0.0	10.9%
Income tax	10.0	6.4	(3.5)	(35.4%)	3.8	2.4	(1.5)	(37.9%)
Non-controlling interest	0.0	0.7	0.7	»	0.0	0.3	0.3	»
Net profit for the period	35.5	27.8	(7.8)	(21.9%)	9.5	7.9	(1.5)	(16.2%)

Revenues

Revenues totalled €792.3m in 9M24 (+€76.8m; +10.7% y.o.y), underpinned by Logistics (+€111.8m; +19.7% y.o.y), more specifically by Express & Parcels (+€101.0m; +44.0% y.o.y).

Bank & Financial Services (-€34.9m; -23.5% y.o.y) recorded a negative variation, given the extraordinarily high level of public debt placement in 1H23, partly offset by the performance of Banco CTT (+€2.3m; +2.5% y.o.y).

Operating Costs

In 9M24, **operating costs** (relative to EBITDA) totalled €681.7m (+€81.9m; +13.6% y.o.y), with the growth essentially explained by the increase in the Logistics activity, especially Express & Parcels.

Staff costs increased by €16.1m (+5.7% y.o.y) in the period, mostly due to the salary increase (+€10.2m), including the increase in the national minimum wage, which reflects an additional effort on the part of the company due to the current economic situation. The evolution of this caption also reflects the growth in the Express & Parcels business, as well as the contact centre and document management activity in the corporate solutions business line.

External supplies & services costs increased by €78.0m (+28.8% y.o.y), essentially due to the direct costs of services associated with growing businesses, such as Express & Parcels (+€77.9m).

Impairments and provisions decreased by €7.5m (-36.6% y.o.y) as a result of the reduction in impairments in the Banco CTT business (-€8.4m), mainly due to the end of the Universo credit card partnership.

Other costs decreased by €4.7m (-18.6% y.o.y), with a significant contribution from the retail business (-€4.8m) due to the repositioning of the network to a services platform, discontinuing some products.

Depreciation & amortisation increased by €8.4m (+17.7% y.o.y), essentially due to investments in information systems (+€2.4m), buildings and facilities (+€2.4m) and fleet (+€2.9m).

Specific items amounted to €6.7m (-39.2% y.o.y), mostly due to: (i) restructuring, including employment contracts suspension agreements (€2.6m); (ii) costs

associated with strategic projects (€1.4m); and (iii) transaction costs associated with the start-up of the Real Estate business (€1.2m).

Recurring EBIT

Recurring EBIT stood at €54.6m in 9M24 (-€13.4m; -19.7% y.o.y), with a margin of 6.9% (9.5% in 9M23), penalised by the lower level of public debt placements and the performance of Mail & Other, but benefiting from the growth in Express & Parcels (+€12.0m; +99.3% y.o.y) and Banco CTT (+€3.8m; +25.9% y.o.y).

Net profit

The consolidated financial results amounted to -€13.1m (-€1.5m; -12.9% y.o.y) in 9M24.

Financial costs and losses incurred amounted to €13.4m (-€1.1m; -8.8% y.o.y), mainly incorporating financial costs related to post-employment and long-term employee benefits of €4.4m, interest expense associated with finance leases liabilities linked to the implementation of IFRS 16 for an amount of €3.8m and interest expense on bank loans for an amount of €4.7m, the increase of which is largely due to the new loans contracted in 2023.

In 9M24, CTT obtained a **consolidated net profit** attributable to CTT Group equity holders of €27.8m, which is €7.8m below 9M23. Income tax showed a positive trend (-€3.5m; -35.4% y.o.y) .

Staff

On 30 September 2024, the number of CTT employees (permanent employees and fixed-term employees) was 13,815, up by 357 vs 30.09.23 (+2.7% y.o.y.), as shown in the table below.

	30.09.23	30.09.24	Δ	Δ%
Express & Parcels	1,621	1,971	350	21.6%
Mail & Other	11,316	11,237	(79)	(0.7%)
Financial Services	38	32	(6)	(15.8%)
Banco CTT	483	575	92	19.0%
Total, of which:	13,458	13,815	357	2.7%
Permanent	11,324	11,723	399	3.5%
Fixed-term contracts	2,134	2,092	(42)	(2.0%)
Portugal	12,499	12,571	72	0.6%
Other geographies	959	1,244	285	29.7%

Cash flow statement

€ million

	9M23	9M24	Δ	Δ%	3Q23	3Q24	Δ	Δ%
EBITDA	115.6	110.6	(5.0)	(4.3%)	35.5	39.8	4.3	12.2%
Non-cash items*	(3.2)	(16.9)	(13.7)	«	(2.3)	(9.0)	(6.7)	«
Specific items**	(11.0)	(6.7)	4.3	39.2%	(1.9)	(4.1)	(2.2)	(117.1%)
Capex	(16.6)	(26.2)	(9.6)	(57.5%)	(5.3)	(11.0)	(5.6)	(105.5%)
Δ Working capital	(8.6)	(31.8)	(23.2)	«	(5.4)	(6.7)	(1.2)	(22.6%)
Operating cash flow	76.2	29.1	(47.2)	(61.9%)	20.6	9.1	(11.5)	(55.8%)
Employee benefits	(12.7)	(13.6)	(0.9)	(7.0%)	(4.4)	(5.1)	(0.7)	(16.6%)
Tax	1.1	(6.9)	(8.0)	«	0.5	(6.0)	(6.5)	«
Free cash flow	64.5	8.5	(56.0)	(86.8%)	16.6	(2.1)	(18.7)	(112.4%)
Debt (principal + interest)	19.1	(75.1)	(94.2)	«	(8.1)	(2.7)	5.3	66.1%
Dividends	(17.9)	(23.3)	(5.5)	(30.5%)	0.0	0.0	0.0	0.0%
Acquisition of own shares	(4.5)	(14.1)	(9.5)	«	(4.4)	(4.2)	0.1	2.9%
Disposal of buildings	0.0	0.1	0.0	»	0.0	0.0	0.0	0.0%
Investments in associated companies and joint ventures	(0.3)	30.5	30.8	»	0.5	0.0	(0.5)	(99.9%)
Change in adjusted cash	61.0	(73.4)	(134.4)	«	4.6	(9.0)	(13.7)	«
Δ Liabilities related to Financial Serv. & others and Banco CTT, net ⁶	(234.2)	(75.7)	158.5	67.7%	(73.4)	(55.0)	18.4	25.0%
Δ Other ⁷	(12.2)	7.2	19.4	»	3.5	3.6	0.1	3.0%
Net change in cash	(185.4)	(141.9)	43.6	23.5%	(65.3)	(60.5)	4.8	7.4%

*Impairments, Provisions and IFRS 16 affecting EBITDA.

**Specific items affecting EBITDA.

In 9M24, the Company generated an operating cash flow of €29.1m (-€47.2m; -61.9% y.o.y). The decrease in operating cash flow is primarily explained by the unfavourable performance in terms of generated EBITDA (-€5.0m; -4.3% y.o.y), the negative evolution of working capital (-€23.2m) and the €9.6m increase in investment, which stood at €26.2m in 9M24 against €16.6m in 9M23. This evolution is explained above all by the investment made in the express & parcels business in Spain, particularly in sorters and mini-sorters in order to support the strong growth that has been taking place in the activity and is expected to continue in the future. The CTT Group maintains its focus on improving its IT systems, especially in Banco CTT, reinforcing its investment in business support computer systems.

In terms of working capital, in 9M24 investment stood at -€31.8m, mostly as a result of the phasing of collections from E&P customers (-€17.8m) following the significant increase in activity in this business segment, which have since been recovered in October, as well as the increase in VAT recoverables due to the development of intra-EU operations (-€7.3m) within the scope of the express business. In addition, the negative impact of investment-related items (-€4.1m) remains, reflecting the high level realised in 4Q23 as well as the investment made in the year itself.

Adjusted cash was significantly affected by: (i) the amortisation, at the beginning of January, of short-term financing and the ordinary payment of several bank loans (-€75.1m); (ii) the payment of dividends (-€23.3m); and (iii) the acquisition of own shares (-€14.1m). These movements were partially offset by the cash flow generated in 9M24 (€8.5m) and by the sale of a 26.3% shareholding position in CTT IMO Yield, which translated into a receipt of €32.4m.

⁶ 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.

⁷ 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			
	31.12.23	30.09.24	Δ	Δ%
Non-current assets	2,354.7	2,451.1	96.4	4.1%
Current assets	2,402.0	3,085.2	683.3	28.4%
Assets	4,756.6	5,536.3	779.7	16.4%
Equity	253.3	276.2	22.9	9.1%
Liabilities	4,503.4	5,260.2	756.8	16.8%
Non-current liabilities	689.6	626.2	(63.4)	(9.2%)
Current liabilities	3,813.8	4,633.9	820.2	21.5%
Equity and consolidated liabilities	4,756.6	5,536.3	779.7	16.4%

The key aspects of the comparison between the **balance sheet** as at 30.09.2024 and that as at 31.12.2023 are as follows:

Assets grew by €779.7m, mainly due to the increase in debt securities at amortised cost (+€1,354.1m) and credit to banking clients (+€85.3m), partially offset by the decrease in other banking financial assets (-€625.7m) as a result of the reduction of Banco CTT's investments in central banks.

Equity increased by €22.9m following the net profit attributable to shareholders of the CTT Group in 9M24 in the amount of €27.8m, the acquisition of own shares in the amount of €14.1m, the payment of dividends amounting to €23.3m, and the recognition of non-controlling interests amounting to €34.3m following the sale of 26.3% of CTT IMO Yield.

Liabilities increased by €756.8m, mostly due to the increase in Banking clients' deposits and other loans (€877.0m), the decrease in short and long-term debt (-€31.7m) largely as a result of the amortisation of short-term financing at the start of the year, and a decrease in debt securities issued at amortised cost (-€72.8m) following the withdrawals made.

Consolidated net debt

The key aspects of the comparison between the **consolidated net debt** as at 30.09.2024 and that as at 31.12.2023 are as follows:

On 30 September 2024, **adjusted cash** stood at €234.6m, a decrease of €73.4m compared to 31 December 2023). The performance in terms of adjusted cash is the result of the operating cash flow generated (€29.1m) and the receipt of €32.4m following the sale of 26.3% of CTT IMO Yield, which were more than offset by (i) payments of employee benefits (-€13.6m), (ii) tax payments (-€6.9m), (iii) the payment of dividends (-€23.3m), (iv) the acquisition of own shares (-€14.1m), and (v) the settlement of bank loans (-€75.1m).

Short-term & long-term debt decreased by €31.7m (-11.8% y.o.y), essentially due to the effect of the reduction in bank loans following the settlement of short-term financing and the payment of two tranches of long-term financing. On the other hand, there was an increase in financial lease liabilities (+€39.2m; +33.2% y.o.y).

	€ million			
	31.12.23	30.09.24	Δ	Δ%
Net debt	(39.0)	2.7	41.7	»
ST & LT debt	269.0	237.3	(31.7)	(11.8%)
of which Finance leases (IFRS16)	118.3	157.5	39.2	33.2%
Adjusted cash (I+II)	308.0	234.6	(73.4)	(23.8%)
Cash & cash equivalents	351.6	209.8	(141.9)	(40.3%)
Cash & cash equivalents at the end of the period (I)	315.2	166.2	(149.1)	(47.3%)
Other cash items	36.4	43.6	7.2	19.8%
Other Financial Services liabilities, net (II)	(7.2)	68.4	75.7	»

Consolidated balance sheet with Banco CTT under equity method

	€ million			
	31.12.23	30.09.24	Δ	Δ%
Non-current assets	713.0	758.0	45.0	6.3%
Current assets	506.7	455.3	(51.3)	(10.1%)
Assets	1,219.6	1,213.3	(6.3)	(0.5%)
Equity	253.4	276.3	22.9	9.0%
Liabilities	966.2	937.0	(29.2)	(3.0%)
Non-current liabilities	333.8	342.9	9.1	2.7%
Current liabilities	632.4	594.1	(38.3)	(6.1%)
Equity and consolidated liabilities	1,219.6	1,213.3	(6.3)	(0.5%)

Consolidated net debt with Banco CTT under equity method

	€ million			
	31.12.23	30.09.24	Δ	Δ%
Net debt with Banco CTT under equity method	177.3	245.5	68.2	38.4%
ST & LT debt	265.7	232.8	(32.9)	(12.4%)
of which Finance leases (IFRS16)	114.9	153.0	38.1	33.2%
Adjusted cash (I+II)	88.3	(12.7)	(101.0)	(114.4%)
Cash & cash equivalents	276.3	136.4	(139.9)	(50.6%)
Cash & cash equivalents at the end of the period (I)	276.3	136.4	(139.9)	(50.6%)
Other cash items	0,0	0,0	0,0	85.2%
Other Financial Services liabilities, net (II)	(188.0)	(149.1)	38.9	20.7%

Liabilities related to employee benefits

	€ million			
	31.12.23	30.09.24	Δ	Δ%
Total liabilities	173.5	180.4	6.9	4.0%
Healthcare	154.2	152.1	(2.1)	(1.4%)
Healthcare (321 Crédito)	1.1	1.1	0.1	8.4%
Suspension agreements	11.4	18.3	6.8	59.9%
Other long-term employee benefits	4.7	4.5	(0.2)	(3.7%)
Other long-term benefits (321 Crédito)	0.2	0.2	0.0	8.2%
Pension plan	0.2	0.2	-0,0	(6.6%)
Other benefits	1.7	3.9	2.3	134.3%
Deferred tax assets	(49.4)	(50.7)	(1.3)	(2.6%)
Current amount of after-tax liabilities	124.1	129.7	5.6	4.5%

Liabilities related to employee benefits (post-employment and long-term benefits) stood at €180.4m in September 2024, up by €6.9m compared to December 2023.

These liabilities related to employee benefits are associated with deferred tax assets amounting to €50.7m, which brings the current amount of liabilities related to employee benefits net of deferred tax assets associated with them to €129.7m.

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**Other
highlights**

3. Other highlights

Postal regulatory issues

On 23 September 2024, the Ordinance governing the quality of service indicators applicable to the provision of the Universal Postal Service to be complied with by CTT in the period from 1 January 2025 until the end of this Concession Contract was published in the Official Gazette. The Ordinance sets out the quality of service parameters (QSP), the respective quality of service indicators (QSI) and the performance targets associated with the provision of the universal postal service, which CTT, as the universal postal service provider, is obliged to fulfil. Although a high level of demand is maintained, this decision translates into the introduction of a very positive flexibility compared to the current framework.

The new QSPs, which are to be applied from 1 January 2025, are in line with best practices in the European Union, reducing the number of indicators from 24 to 7, simplifying their definition and implementation, and ensuring greater stability and predictability in the provision of the Universal Postal Service.

The current QSIs and performance targets shall remain in force until 31 December 2024, with the new QSIs being applied from 1 January 2025.

Within the regulatory framework in force since February 2022 and the Convention on the criteria to be met for the pricing of postal services that make up the basket of services within the universal service obligation (Universal Postal Service Price Convention) for the 2023-2025 period, of 27 July 2022, the prices of these services were updated on 1 February 2024. The update corresponds to an average annual price variation of 9.49%. The overall average annual price variation, also reflecting the effect of the update of special prices for bulk mail, is 8.91%.

Main ESG milestones achieved

CTT continued on its path towards achieving its ESG strategic goals, promoting decarbonisation, the diversity and well-being of the CTT people, proximity to the local community and a corporate governance of reference. Likewise, during this period CTT continued to implement the new corporate sustainability reporting directive (CSRD), which will be included in the next integrated report.

On the **environmental front**, to be noted is the completion of the installation of 581 chargers in various delivery offices throughout the country, which will enable the company's reinforced last-mile electric fleet to be supplied. This fleet now numbers 1,021 vehicles (31.5% of the total for this segment of the company's own fleet). With regard to CO₂e emissions, these increased by 15.5% compared to the same period last year, mainly due to the increase in express activity in Portugal (31.6%) and Spain (72.2%). Even so, there was an improvement in the carbon footprint per item delivered in terms of mail and express services in both countries.

With regard to promoting the circular economy, CTT reinforced the incorporation of recycled materials in its mail, express & parcels offer, reaching the 90.1% mark. Also noteworthy was the launch of the philatelic issue in honour of the Pinhal de Leiria (Leiria Pine Forest), which stands out for being the first issue in the world to use pine cone dust in the printing ink of a philatelic item.

In the **Social dimension**, there were various initiatives for the well-being of employees, including the invitation to CTT to take part in the efr Forum, organised by the Christian Association of Entrepreneurs and Managers (ACEGE), which represents Fundación MásFamilia in Portugal, where its good practices were shared. The Code of Ethics training and dissemination programme was completed, with the participation of efr, Ethics and DEI - Diversity, Equity and Inclusion Ambassadors. Also noteworthy was the opening of the 2nd phase of Mortgage Loan applications, promoting the continuity of conciliation measures aimed at CTT People.

Regarding gender parity, specifically in the Company's top and middle management, the percentage of women in leadership positions decreased to 37.5% (-2.4 p.p. compared to 3Q23) due to the increase in the representation of the male gender in 2nd level directors in office.

In terms of work-related accidents involving CTT workers, 636 incidents were recorded in the period (+4% y.o.y), with no associated fatalities.

With the aim of promoting a positive impact on communities, CTT donations to social institutions

totalled €676k, corresponding to 1.24% of recurring EBIT.

At the beginning of July, CTT celebrated the launch of the 11th edition of the "A Tree for the Forest" campaign by making available a new physical kit, which is now an ecological tote bag made from organic cotton, that is equivalent to a native tree to be planted in Portugal.

Also within this scope, a total of 29 corporate volunteering actions were organised, with 1,388 participations (+1,135 compared to the same period in 2023), as a result of the higher prevalence of one-off actions compared to ongoing ones. Also noteworthy was the participation, for the 2nd consecutive year, in the global initiative World Cleanup Day, which promotes clean-up actions around the world and mobilised 250 CTT volunteers and their families in various actions across the country. The reinforcement of these initiatives, in partnership with various NGOs and associations, signals a greater investment in actions that add value to the teams and promote their greater commitment to the Company's values, particularly proximity to the population.

In the field of **Ethics and the organisation's good governance principles**, the ESG Steering and Board Committees met twice each, with the topic of non-financial reporting taking centre stage. The respective implementation work and preparation of the response to the latest European directives on the subject were monitored.

The close relationship with the International Post Corporation (IPC) led to participation in the 6th edition of the Green Postal Day, an international sector event aimed at showcasing the commitment and leadership of postal operators in mitigating climate change.

At national level, CTT was honoured for the third time with the Empresa 2024 Logistics Excellence Award by the Portuguese Logistics Association (APLOG). This is a clear demonstration of CTT's consistent path of innovation and transformation in the logistics sector.

Share buyback programme

On 10 May 2024, CTT communicated to the market the conclusion of the Company's share buyback programme announced on 21 June 2023. Under this

programme, 5,475,000 shares were acquired from 26 June 2023 to 9 May 2024 for a total amount of €19,978,144.

From 2022 to that date, CTT carried out two share buyback programmes for an overall amount of €41.6m, having acquired 11.560⁸ million shares representing 7.71% of CTT's share capital prior to the two programmes⁹. Of these 11.560 million shares, 6.085¹⁰ were cancelled, corresponding to the first programme.

The Annual General Meeting held on 23 April 2024 (AGM 2024) approved the cancellation of the 5.475 million shares acquired under the 2023 buyback programme and the corresponding reduction of the company's share capital.

Following this resolution of the AGM 2024, on 17 July 2024, the Company reduced its share capital in the amount of €2,737,500.00 through the cancellation of 5.475 million own shares representing 3.80% of CTT's share capital and which were acquired within the framework of the share buyback programme carried out from 26 June 2023 to 9 May 2024. Hence, CTT's share capital currently stands at €69,220,000.00, represented by 138,440,000 shares with a nominal value of fifty cents per share.

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 pecuniary amount defined in that delegation, in the amount of 25 million Euros, and the resolution adopted at the Annual General Meeting of Shareholders held on 23 April 2024, approved a share buyback programme to be carried out from 22 July 2024, with the sole objective of reducing CTT's share capital through the cancellation of own shares acquired within its scope, as communicated to the market on 19 July 2024.

On 22 July 2024, transactions began under the share buyback programme announced on the 19th of the same month, so that on 24 October 2024, the date of the last transactions carried out and disclosed to the market, the Company held an accumulated total of 2,481,990 own shares, representing 1.79% of the share capital, including 1,288,483 own shares previously held.

⁸ 6,085 million shares acquired under the programme announced on 16 March 2022 and concluded on 8 September 2022 and 5.475 million shares acquired under the programme announced on 21 June 2023 and concluded on 9 May 2024.

⁹ The figure of 150.000 million shares is used as a reference and is equivalent to the shares issued prior to the implementation of the aforementioned programmes.

¹⁰ These 6.085 million shares were cancelled on 7 November 2022 (4.650 million shares) and 21 April 2023 (1.435 million shares).

Outlook for 2024

In the first nine months of 2024, CTT successfully continued on its path of transformation, achieving record volumes in the **Express & Parcels** segment. The increase in volumes, as well as the consequent gain in market share, was driven by the growth of the e-commerce market and the high capacity and quality of service derived from the investments made, which made it possible to incorporate new customers. The focus continues to be on expanding the presence in the Iberian express & parcels market in order to capitalise on the growing e-commerce trend in Portugal and Spain.

Banco CTT continues to increase the number of accounts, grow in business volume and profitability, achieving a record RoTE of 12.4%¹¹ in 9M24. Banco CTT will continue to invest in improving the customer experience (IT systems and new ways, including applications, of contact with the customer) with the aim of deepening and intensifying the relationship with the client and thus increasing engagement with current and future customers.

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

Finally, in **Mail**, a price increase was successfully implemented in 2024 in order to counter the natural downward trend in volumes due to increased digitalisation. The focus is still on controlling costs and selling business solutions to our customers.

The company remains attentive to inorganic growth opportunities that may arise, particularly in the logistics and fulfilment segments.

In this context, CTT's ambition for 2024 is to continue to grow, with consolidated revenues increasing by "mid-single digit". The strong growth of the Iberian Express & Parcels and Banco CTT business units will enable recurring EBIT, excluding Financial Services, to grow from €51m in 2023 to above €70m in 2024 (>36% y.o.y). The expectation of consolidated recurring EBIT between €80m and €90m is therefore reiterated.

CTT's balance sheet leverage offers growth optionality, including organic and inorganic. CTT will maintain the focus on costs and profitability while stepping up investments in E&P in Iberia to keep improving its competitive position.

The last quarter of 2024 should continue to be marked by high levels of uncertainty, both at (i) economic level, including a possible global slowdown, the evolution of inflation, and the consequent reaction of central banks with regard to interest rates, and (ii) geopolitical level, including conflicts in the Middle East and Europe, which should continue to pose risks to global supply chains.

In addition, and in response to growing pressure from customers for less polluting solutions, CTT will continue to decarbonise its offer and to focus on integrating solutions that create economic and environmental value.

¹¹ Accumulated recurring RoTE which excludes specific items, being normalised assuming tangible capital of 15% of RWAs, compatible with the target disclosed in CMD 2022. With the current capital structure, RoTE is 9.6% for 9M24.

Final Note

This press release is based on CTT – Correios de Portugal, S.A. interim condensed consolidated financial statements for the nine months of 2024.

Lisbon, 29 October 2024

The Board of Directors

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

https://www.ctt.pt/grupo-ctt/investidores/comunicados/index?language_id=1

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Forward-looking statements

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

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

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

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

A red line graphic that starts at the top left, goes diagonally down and to the right, then horizontally left, then diagonally up and to the right, then horizontally right, then vertically down, then horizontally right, then vertically down, and finally horizontally right again.

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Interim condensed consolidated financial statements

9 Months Report 2024

Interim condensed consolidated
financial statements

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CTT-CORREIOS DE PORTUGAL, S.A.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 AND 30 SEPTEMBER 2024 (Euros)

	NOTES	31.12.2023	Unaudited 30.09.2024
ASSETS			
Non-current assets			
Tangible fixed assets	4	296,994,666	333,791,793
Investment properties	6	5,975,987	6,051,199
Intangible assets	5	70,639,785	70,293,576
Goodwill		80,256,739	80,256,739
Investments in associated companies		481	481
Investments in joint ventures		22,174	21,543
Other investments		3,200,797	3,142,501
Prepayments	11	—	2,280,929
Financial assets at fair value through profit or loss		13,532,000	7,554,411
Debt securities at amortised cost	8	364,706,177	361,425,453
Other non-current assets		3,533,009	3,747,067
Credit to banking clients	10	1,444,412,021	1,516,939,877
Deferred tax assets	26	71,395,868	65,608,716
Total non-current assets		2,354,669,703	2,451,114,284
Current assets			
Inventories		6,663,470	7,706,723
Accounts receivable		153,061,555	205,889,062
Credit to banking clients	10	148,801,874	161,597,161
Income taxes receivable	23	8,268	—
Prepayments	11	9,946,772	14,246,088
Debt securities at amortised cost	8	364,759,821	1,722,134,868
Other current assets		92,545,537	115,050,708
Other banking financial assets	9	1,274,575,121	648,849,232
Cash and cash equivalents	12	351,609,634	209,758,455
		2,401,972,052	3,085,232,297
Non-current assets held for sale		200	200
Total current assets		2,401,972,251	3,085,232,497
Total assets		4,756,641,954	5,536,346,781
EQUITY AND LIABILITIES			
Equity			
Share capital	14	71,957,500	69,220,000
Own shares	15	(15,624,632)	(8,947,643)
Reserves	15	48,113,244	30,510,494
Retained earnings	15	83,269,152	119,950,704
Other changes in equity	15	3,402,039	3,409,002
Net profit		60,511,368	27,751,600
Equity attributable to equity holders of the Parent Company		251,628,671	241,894,157
Non-controlling interests		1,624,181	34,286,301
Total equity		253,252,852	276,180,457
Liabilities			
Non-current liabilities			
Medium and long term debt	18	161,080,105	178,209,467
Employee benefits		149,740,115	158,929,987
Provisions	19	26,338,865	11,228,160
Debt securities issued at amortised cost	21	347,131,609	274,278,427
Prepayments	11	671,689	665,428
Deferred tax liabilities	26	4,670,707	2,930,985
Total non-current liabilities		689,633,090	626,242,454
Current liabilities			
Accounts payable	20	373,961,102	400,600,045
Banking clients' deposits and other loans	22	3,090,962,551	3,967,918,324
Employee benefits		22,049,283	19,991,652
Income taxes payable	23	6,666,412	2,107,375
Short term debt	18	107,934,852	59,075,406
Financial liabilities at fair value through profit or loss		13,744,154	7,772,932
Debt securities issued at amortised cost	21	243,468	278,699
Prepayments	11	5,110,098	5,267,801
Other current liabilities		145,324,271	141,634,449
Other banking financial liabilities	9	47,759,822	29,277,188
Total current liabilities		3,813,756,012	4,633,923,870
Total liabilities		4,503,389,102	5,260,166,324
Total equity and liabilities		4,756,641,954	5,536,346,781

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

CTT-CORREIOS DE PORTUGAL, S.A.
 CONSOLIDATED INCOME STATEMENT FOR THE NINE-MONTHS PERIODS ENDED 30 SEPTEMBER 2023 AND 30 SEPTEMBER 2024
 Euros

	NOTES	Nine-months periods ended		Three months ended	
		Unaudited	Unaudited	Unaudited	Unaudited
		30.09.2023	30.09.2024	30.09.2023	30.09.2024
Sales and services rendered	3	614,127,877	688,124,268	198,303,478	231,655,666
Financial margin		72,095,705	73,081,371	26,045,920	25,150,612
Other operating income		29,198,657	31,001,844	10,669,392	10,989,449
		715,422,239	792,207,482	235,018,790	267,795,727
Cost of sales		(10,881,537)	(5,290,876)	(2,233,501)	(1,708,238)
External supplies and services		(272,981,419)	(352,138,229)	(98,757,030)	(123,263,739)
Staff costs	24	(287,360,078)	(301,594,906)	(90,544,153)	(99,228,394)
Impairment of accounts receivable, net		(1,471,909)	(1,771,049)	1,221,509	723,530
Impairment of other financial banking assets		(18,083,406)	(10,418,981)	(5,732,805)	(2,984,373)
Provisions, net	19	(1,019,736)	(1,201,336)	(746,850)	(191,900)
Depreciation/amortisation and impairment of investments, net		(51,910,588)	(55,945,436)	(15,618,636)	(20,191,371)
Net gains/(losses) of assets and liabilities at fair value through profit or loss		493,584	(42,364)	15,681	(61,983)
Fair value, net			(550,000)	—	(550,000)
Net gains/(losses) of other financial assets at fair value through other comprehensive income		—	418	—	418
Other operating costs		(15,176,600)	(15,351,599)	(4,831,620)	(4,815,154)
Gains/losses on disposal/ remeasurement of assets		55,167	67,534	29,018	15,336
		(658,336,522)	(744,236,824)	(217,198,387)	(252,255,868)
		57,085,717	47,970,659	17,820,403	15,539,859
Interest expenses	25	(12,287,136)	(13,364,608)	(4,551,071)	(4,998,998)
Interest income	25	650,159	231,016	41,557	57,135
Gains/losses in subsidiary, associated companies and joint ventures		(6)	(631)	(1,674)	(1,491)
		(11,636,983)	(13,134,224)	(4,511,188)	(4,943,354)
Earnings before taxes		45,448,734	34,836,435	13,309,215	10,596,505
Income tax for the period	26	(9,950,101)	(6,431,681)	(3,832,551)	(2,380,701)
Net profit for the period		35,498,633	28,404,754	9,476,664	8,215,804
Net profit for the period attributable to:					
Equity holders		35,527,387	27,751,600	9,478,553	7,939,266
Non-controlling interests		(28,754)	653,154	(1,890)	276,538
Earnings per share:	17	0.25	0.20	0.07	0.06

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

CTT-CORREIOS DE PORTUGAL, S.A.
 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE-MONTHS PERIODS ENDED 30 SEPTEMBER 2023 AND 30 SEPTEMBER 2024
 Euros

	NOTES	Nine-months periods ended		Three months ended	
		Unaudited	Unaudited	Unaudited	Unaudited
		30.09.2023	30.09.2024	30.09.2023	30.09.2024
Net profit for the period		35,498,633	28,404,754	9,476,664	8,215,803
Adjustments from application of the equity method (non re-classifiable adjustment to profit and loss)	15	1,771	(9,312)	8,518	(20,104)
Other changes in equity	15	1,771	(514,506)	8,518	(20,104)
Other comprehensive income for the period after taxes		3,542	(523,818)	17,036	(40,208)
Comprehensive income for the period		35,502,175	27,880,936	9,493,700	8,175,595
Attributable to non-controlling interests		(26,983)	643,842	6,628	256,434
Attributable to shareholders of CTT		35,529,158	27,237,094	9,487,072	7,919,161

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

CTT-CORREIOS DE PORTUGAL, S.A.
 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2023 AND 30 SEPTEMBER 2024
 Euros

	NOTES	Share capital	Own Shares	Reserves	Other changes in equity	Retained earnings	Net profit for the year	Non-controlling interests	Total
Balance on 31 December 2022		72,675,000	(10,826,390)	53,844,057	6,857,207	64,647,067	36,406,519	1,326,016	224,929,476
Share capital decrease	14	(717,500)	5,293,313	(4,575,813)	—	—	—	—	—
Appropriation of net profit for the year of 2022		—	—	—	—	36,406,519	(36,406,519)	—	—
Dividends	16	—	—	—	—	(17,817,109)	—	—	(17,817,109)
Acquisition of own shares	15	—	(10,541,092)	—	—	—	—	—	(10,541,092)
Attribution of own shares	15	—	449,537	(1,155,000)	705,463	—	—	—	—
Other movements		—	—	—	—	—	—	408,000	408,000
		(717,500)	(4,798,242)	(5,730,813)	705,463	18,589,410	(36,406,519)	408,000	(27,950,201)
Other movements		—	—	—	—	—	—	(40,907)	(40,907)
Actuarial gains/losses - Health Care, net from deferred taxes	15	—	—	—	(4,160,631)	—	—	—	(4,160,631)
Adjustments from the application of the equity method	15	—	—	—	—	32,674	—	—	32,674
Net profit for the period		—	—	—	—	—	60,511,368	(68,929)	60,442,439
Comprehensive income for the period		—	—	—	(4,160,631)	32,674	60,511,368	(109,836)	56,273,576
Balance on 31 December 2023		71,957,500	(15,624,632)	48,113,244	3,402,039	83,269,152	60,511,368	1,624,181	253,252,852
Share capital decrease	15	(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		—	—	—	—	(23,315,758)	—	—	(23,315,758)
Acquisition of own shares	15	—	(13,762,774)	—	—	—	—	—	(13,762,774)
Attribution of own shares		—	327,844	(840,000)	512,156	—	—	—	—
Share plan		—	—	611,670	—	—	—	—	611,670
Shareholdings sale	7	—	—	—	—	—	—	32,952,531	32,952,531
Shareholdings acquisition		—	—	—	—	(504,747)	—	(934,253)	(1,439,000)
		(2,737,500)	6,676,990	(17,602,750)	512,156	36,690,864	(60,511,368)	32,018,278	(4,953,331)
Other movements	15	—	—	—	(505,194)	—	—	(9,312)	(514,506)
Adjustments from the application of the equity method	15	—	—	—	—	(9,312)	—	—	(9,312)
Net profit for the period		—	—	—	—	—	27,751,600	653,154	28,404,754
Comprehensive income for the period		—	—	—	(505,194)	(9,312)	27,751,600	643,842	27,880,936
Balance on 30 September 2024 (Unaudited)		69,220,000	(8,947,643)	30,510,494	3,409,002	119,950,704	27,751,600	34,286,301	276,180,457

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

CTT-CORREIOS DE PORTUGAL, S.A.
 CONSOLIDATED CASH FLOW STATEMENT FOR THE NINE-MONTHS PERIODS ENDED 30 SEPTEMBER 2023 AND 30 SEPTEMBER 2024
 Euros

	NOTES	Unaudited 30.09.2023	Unaudited 30.09.2024
Cash flow from operating activities			
Collections from customers		634,704,531	710,663,192
Payments to suppliers		(325,854,214)	(428,258,973)
Payments to employees		(259,310,779)	(282,895,712)
Banking customer deposits and other loans		466,236,843	862,968,525
Credit to banking clients		(68,781,433)	(74,611,546)
Cash flow generated by operations		446,994,947	787,865,486
Payments/receivables of income taxes		1,057,992	(6,930,143)
Other receivables/payments		(108,578,573)	(12,802,068)
Cash flow from operating activities (1)		339,474,366	768,133,275
Cash flow from investing activities			
Receivables resulting from:			
Tangible fixed assets		10,080	54,080
Financial investments	7	—	32,447,343
Investment subsidies		73,647	2,479
Investment in securities at amortised cost	8	126,300,000	671,500,000
Demand deposits at Bank of Portugal	9	—	—
Applications at the Central Bank	9	—	626,342,000
Other banking financial assets	9	7,420,000	960,000
Interest income		2,104,562	995,734
Payments resulting from:			
Tangible fixed assets		(10,748,803)	(14,647,130)
Intangible assets		(12,048,596)	(12,156,370)
Financial investments	8	(741,605)	(1,930,706)
Investment in securities at amortised cost	8	(49,877,352)	(1,996,497,323)
Demand deposits at Bank of Portugal	9	(2,465,800)	(10,524,700)
Applications at the Central Bank		(457,847,000)	—
Other banking financial assets	9	(10,600,000)	(1,050,000)
Cash flow from investing activities (2)		(408,420,866)	(704,504,594)
Cash flow from financing activities			
Receivables resulting from:			
Loans obtained	18	34,780,874	49,486,223
Capital realisations and other equity instruments		408,000	—
Other credit institutions' deposits	9	—	259,900,832
Payments resulting from:			
Loans repaid	18	(15,935,400)	(123,297,291)
Other credit institutions' deposits		—	(256,278,716)
Interest expenses		(1,872,175)	(2,270,938)
Lease liabilities	18	(27,684,142)	(29,937,006)
Debt securities issued	21	(71,586,282)	(72,894,684)
Acquisition of own shares	15	(4,510,815)	(14,050,820)
Dividends	16	(17,888,170)	(23,345,261)
Cash flow from financing activities (3)		(104,288,110)	(212,687,661)
Net change in cash and cash equivalents (1+2+3)		(173,234,610)	(149,058,980)
Cash and equivalents at the beginning of the period		410,798,975	315,229,314
Cash and cash equivalents at the end of the period	12	237,564,365	166,170,334
Cash and cash equivalents at the end of the period			
Sight deposits at Bank of Portugal		25,651,700	39,150,200
Outstanding checks of Banco CTT / Checks clearing of Banco CTT		7,817,209	4,438,464
Impairment of slight and term deposits		(11,490)	(544)
Cash and cash equivalents (Statement of Financial Position)		271,021,783	209,758,455

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 30 June 2024, 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 29 October 2024.

2. Material accounting policies

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

2.1 New standards or amendments adopted by the Group

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

- **Amendments to IAS 1 – Presentation of financial statements – Classification of current and non-current liabilities** – This amendment aims to clarify the classification of liabilities as current or non-current balances depending on the rights that an entity has to defer their payment, at the end of each reporting period. The classification of liabilities is not affected by the entity's expectations (the assessment should determine whether a right exists, but should not consider whether or not the entity will exercise that right), or by events occurring after the reporting date, such as default of a “covenant”. However, if the right to defer settlement for at least twelve months is subject to compliance with certain conditions after the balance sheet date, these criteria do not affect the right to defer settlement the purpose of which is to classify a liability as current or non-current. This change also includes a new definition of “settlement” of a liability and is applicable retrospectively.
- **Amendments to IFRS 16 - Lease liabilities in sale and leaseback transactions** - This amendment to IFRS 16 introduces guidance regarding the subsequent measurement of lease

liabilities related to sale and leaseback transactions that qualify as “sale ” in accordance with the principles of IFRS 15, with greater impact when some or all of the lease payments are variable lease payments that do not depend on an index or a rate. When subsequently measuring lease liabilities, seller-lessees must determine “lease payments” and “revised lease payments” in such a way that they will not recognise gains/(losses) in relation to the right of use they retain.

- **Amendments to IAS 7 and IFRS 7 - Disclosures: Supplier financing agreements** - These amendments to IAS 7 - Statement of Cash Flows and IFRS 7 - Financial Instruments: Disclosures, aim to clarify the characteristics of a supplier financing agreement and introduce additional disclosure requirements where such agreements exist. Disclosure requirements are intended to help users of financial statements understand the effects of supplier financing arrangements on the entity's liabilities, cash flows and liquidity risk exposure.

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

2.2 Basis of preparation

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

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

3. Segment reporting

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

The Board of Directors regularly reviews segmental reports, using them to assess and communicate each segment performance, as well as to decide on how to allocate resources.

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 30 September 2023, has been restated in accordance with the changes described.

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

- **Mail & Others** – CTT Contacto, S.A., CTT Soluções Empresariais, S.A., New Spring Services S.A., CTT IMO - Sociedade Imobiliária, S.A. MedSpring, S.A., CTT IMO Yield, S.A., CTT Services, S.A, Payshop, S.A. and CTT, S.A. excluding:
 - Business related to postal financial services and retail products - Financial Services & Retail;
 - The money transfer business of both CTT, S.A. and Payshop S.A.
- **Express & Parcels** – includes CTT Expresso S.A., CORRE S.A., 1520 Innovation Fund and Open Lockers, S.A.;

Bank & Financial Services includes:

- **Financial Services & Retail** - Postal Financial Services and the sale of products and services in the retail network of CTT, S.A. and the money transfer business of both CTT S.A. and Payshop S.A.
- **Bank** – Banco CTT S.A., S.A. and 321 Crédito S.A.

The business segregation by segment is based on management information produced internally and presented to the 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 nine-months periods ended 30 September 2023 and 30 September 2024 are as follows:

30.09.2023 "Restated"

Thousand Euros	Mail & Others	Express & Parcels	Logistics	Financial Services & Retail	Bank	Bank & Financial Services	Total
Revenues	337,340	229,488	566,828	54,629	93,966	148,594	715,422
Sales and services rendered	332,350	228,994	561,344	52,784	—	52,784	614,128
<i>Services rendered</i>	326,680	228,979	555,658	47,493	—	47,493	603,151
<i>Sales</i>	5,670	16	5,686	5,291	—	5,291	10,976
Financial Margin	—	—	—	—	72,096	72,096	72,096
Other operating income	4,990	494	5,484	1,845	21,870	23,715	29,199
Operating costs - EBITDA	298,400	205,725	504,126	21,806	73,914	95,720	599,846
Staff costs	230,825	28,578	259,403	2,739	20,700	23,438	282,841
External supplies and services	66,966	174,936	241,902	980	28,145	29,125	271,027
Other costs	12,675	1,483	14,159	5,436	5,808	11,244	25,402
Impairment and provisions	(382)	2,025	1,642	7	18,926	18,933	20,575
Internal services rendered	(11,684)	(1,296)	(12,980)	12,645	335	12,980	—
EBITDA	38,940	23,762	62,702	32,823	20,052	52,874	115,577
Depreciation/amortisation and impairment of investments, net	30,404	11,678	42,082	101	5,339	5,440	47,522
EBIT recurring	8,536	12,084	20,621	32,722	14,713	47,434	68,055
Specific items	10,191	613	10,804	—	165	165	10,969
<i>Business restructurings</i>	4,213	306	4,519	—	—	—	4,519
<i>Strategic studies and projects costs</i>	1,277	330	1,607	—	—	—	1,607
<i>Other non-recurring income and expenses</i>	4,701	(23)	4,678	—	165	165	4,843
EBIT	(1,655)	11,472	9,817	32,721	14,548	47,269	57,086
Financial results							(11,637)
<i>Interest expenses</i>							(12,287)
<i>Interest income</i>							650
Gains/losses in subsidiary, associated companies and joint ventures							—
Earnings before taxes (EBT)							45,449
Income tax for the period							9,950
Net profit for the period							35,499
Non-controlling interests							(29)
Equity holders of parent company							35,527

Thousand Euros	30.09.2024						Total
	Mail & Others	Express & Parcels	Logistics	Financial Services & Retail	Bank	Bank & Financial Services	
Revenues	348,157	330,465	678,622	17,361	96,283	113,645	792,267
Sales and services rendered	343,041	329,482	672,523	15,818	—	15,818	688,341
Services rendered	338,593	329,458	668,051	14,989	—	14,989	683,040
Sales	4,448	24	4,472	829	—	829	5,301
Financial Margin	—	—	—	—	73,081	73,081	73,081
Other operating income	5,116	983	6,099	1,544	23,202	24,746	30,845
Operating costs - EBITDA	310,082	291,895	601,978	8,034	71,688	79,722	681,700
Staff costs	236,938	36,533	273,471	985	24,496	25,481	298,952
External supplies and services	64,662	252,835	317,497	1,629	29,890	31,519	349,016
Other costs	11,174	1,758	12,933	974	6,770	7,745	20,677
Impairment and provisions	1,452	1,103	2,555	—	10,500	10,500	13,054
Internal services rendered	(4,143)	(334)	(4,478)	4,447	31	4,478	—
EBITDA	38,075	38,570	76,644	9,327	24,595	33,923	110,567
Depreciation/amortisation and impairment of investments, net	35,245	14,488	49,733	129	6,067	6,195	55,928
EBIT recurring	2,830	24,082	26,912	9,199	18,529	27,727	54,639
Specific items	5,144	1,427	6,571	4	93	98	6,669
Business restructurings	2,526	117	2,643	—	—	—	2,643
Strategic studies and projects costs	1,081	266	1,347	—	80	80	1,427
Other non-recurring income and expenses	1,538	1,043	2,581	4	13	18	2,599
EBIT	(2,314)	22,655	20,341	9,195	18,435	27,630	47,971
Financial results							(13,134)
Interest expenses							(13,365)
Interest income							231
Gains/losses in subsidiary, associated companies and joint ventures							(1)
Earnings before taxes and non-controlling interests (EBT)							34,836
Income tax for the period							6,432
Net profit for the period							28,405
Non-controlling interests							653
Equity holders of parent company							27,752

As at 30 September 2024, specific items amounted to 6.7 million euros, mainly due to: (i) restructuring, including agreements to suspend employment contracts (+2.6 million euros) (ii) costs associated with strategic projects (+1.4 million euros) and (iii) transaction costs associated with the start-up of the Real Estate business (+1.2 million euros).

The revenues are detailed as follows:

Thousand Euros	30.09.2023 "Restated"	30.09.2024
Logistics	566,828	678,622
Mail & others	337,340	348,157
Transactional mail	257,408	263,185
Editorial mail	8,657	8,417
Parcels (USO)	5,481	5,196
Advertising mail	9,290	9,178
Philately	3,145	2,944
Business Solutions	32,731	36,990
Payments	14,283	15,580
Other	6,345	6,667
Express & Parcels	229,488	330,465
Portugal	106,211	117,016
Parcels	96,361	107,473
Cargo	3,046	2,096
Banking network	3,218	3,388
Logistics	2,931	3,789
Other businesses	655	270
Spain	119,858	209,236
Mozambique	3,419	4,214
Bank & Financial Services	148,594	113,645
Financial Services & Retail	54,629	17,361
Savings & Insurance products	41,071	7,918
Money transfers	4,069	4,460
Credit products	171	93
Retail	8,150	4,049
Other	1,167	842
Bank	93,966	96,283
Net interest income	72,096	73,081
Interest income (+)	92,878	132,131
Interest expense (-)	(20,782)	(59,049)
Commissions income (+)	19,953	21,455
Credits	3,713	4,519
Savings & Insurance	5,843	6,231
Accounts and Cards	10,327	10,703
Other comissions received	70	2
Other	1,917	1,747
	715,422	792,267

The revenue detail, related to sales and services rendered and financial margin, for the nine-months periods ended 30 September 2023 and 30 September 2024, by revenue sources, are detailed as follows:

Nature	30.09.2023 "restated"						
	Mail & others	Express & Parcels	Logistics	Financial Services & Retail	Bank	Bank & Financial Services	Total
Postal Services	305,961,687	—	305,961,687	—	—	—	305,961,687
Express services	—	228,994,307	228,994,307	—	—	—	228,994,307
Merchandising products sales	—	—	—	944,916	—	944,916	944,916
PO Boxes	—	—	—	1,106,593	—	1,106,593	1,106,593
International mail services (*)	12,136,929	—	12,136,929	—	—	—	12,136,929
Financial Services fees	14,251,101	—	14,251,101	50,732,344	72,095,705	122,828,049	137,079,149
"Sales and Services rendered" and "Financial Margin" total	332,349,717	228,994,307	561,344,024	52,783,853	72,095,705	124,879,558	686,223,582

(*) Inbound Mail

Nature	30.09.2024						
	Mail & others	Express & Parcels	Logistics	Financial Services & Retail	Bank	Bank & Financial Services	Total
Postal Services	316,321,464	—	316,321,464	—	—	—	316,321,464
Express services	—	329,482,223	329,482,223	—	—	—	329,482,223
Merchandising products sales	—	—	—	807,689	—	807,689	807,689
PO Boxes	—	—	—	1,057,574	—	1,057,574	1,057,574
International mail services (*)	11,404,640	—	11,404,640	—	—	—	11,404,640
Financial Services fees	15,314,893	—	15,314,893	13,952,452	73,081,371	87,033,823	102,348,715
"Sales and Services rendered" and "Financial Margin" total	343,040,996	329,482,223	672,523,220	15,817,715	73,081,371	88,899,085	761,422,305

(*) Inbound Mail

The assets by segment are detailed as follows:

Assets (Euros)	31.12.2023 - restated							
	Mail & others	Express & Parcels	Logistics	Financial Services & Retail	Bank	Bank & Financial Services	Non allocated assets	Total
Intangible assets	36,911,202	9,372,295	46,283,497	370,257	21,270,246	21,640,503	2,715,785	70,639,785
Tangible fixed assets	211,579,132	78,938,956	290,518,089	2,440	5,338,284	5,340,724	1,135,853	296,994,666
Investment properties	—	—	—	—	—	—	5,975,987	5,975,987
Goodwill	16,622,338	2,955,753	19,578,091	—	60,678,648	60,678,648	—	80,256,739
Deferred tax assets	—	—	—	—	—	—	71,395,868	71,395,868
Accounts receivable	—	—	—	—	—	—	153,061,555	153,061,555
Credit to bank clients	—	—	—	—	1,593,213,895	1,593,213,895	—	1,593,213,895
Financial assets at fair value through profit or loss	—	—	—	—	13,532,000	13,532,000	—	13,532,000
Debt securities at amortised cost	—	—	—	—	729,465,998	729,465,998	—	729,465,998
Other banking financial assets	—	—	—	—	1,274,575,121	1,274,575,121	—	1,274,575,121
Other assets	21,167,800	33,497,865	54,665,666	14,756,030	32,571,217	47,327,248	16,136,151	118,129,065
Cash and cash equivalents	—	34,360,429	34,360,429	—	90,545,373	90,545,373	226,703,832	351,609,635
Non-current assets held for sale	—	—	—	—	200	200	—	200
	286,280,472	159,125,299	445,405,772	15,128,727	3,821,190,982	3,836,319,709	477,125,031	4,758,850,513

Assets (Euros)	30.09.2024							
	Mail & others	Express & Parcels	Logistics	Financial Services & Retail	Bank	Bank & Financial Services	Non allocated assets	Total
Intangible assets	32,977,221	10,519,031	43,496,251	554,816	21,309,831	21,864,647	4,932,677	70,293,576
Tangible fixed assets	219,816,402	105,969,062	325,785,465	22,405	6,483,063	6,505,468	1,500,860	333,791,793
Investment properties	—	—	—	—	—	—	6,051,199	6,051,199
Goodwill	16,622,338	2,955,753	19,578,091	—	60,678,648	60,678,648	—	80,256,739
Deferred tax assets	—	—	—	—	—	—	65,608,716	65,608,716
Accounts receivable	—	—	—	—	—	—	205,889,062	205,889,062
Credit to bank clients	—	—	—	—	1,678,537,038	1,678,537,038	—	1,678,537,038
Financial assets at fair value through profit or loss	—	—	—	—	7,554,411	7,554,411	—	7,554,411
Debt securities at amortised cost	—	—	—	—	2,083,560,321	2,083,560,321	—	2,083,560,321
Other banking financial assets	—	—	—	—	648,849,232	648,849,232	—	648,849,232
Other assets	20,970,365	42,137,460	63,107,824	19,418,999	27,119,345	46,538,344	36,549,871	146,196,040
Cash and cash equivalents	—	36,932,193	36,932,193	—	86,188,760	86,188,760	86,637,502	209,758,455
Non-current assets held for sale	—	—	—	—	200	200	—	200
	290,386,326	198,513,499	488,899,824	19,996,220	4,620,280,849	4,640,277,069	407,169,887	5,536,346,781

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

	31.12.2023 "restated"						
	Mail & others	Express & Parcels	Logistics	Financial Services & Retail	Bank	Bank & Financial Services	Total
Intangible assets	9,271,573	3,417,750	12,689,323	173,119	5,537,646	5,710,764	18,400,088
Tangible fixed assets	13,652,763	15,872,734	29,525,497	26,888	1,770,322	1,797,210	31,322,707
	22,924,337	19,290,484	42,214,821	200,006	7,307,968	7,507,974	49,722,794

	30.09.2024						
	Mail & others	Express & Parcels	Logistics	Financial Services & Retail	Bank	Bank & Financial Services	Total
Intangible assets	6,935,342	1,620,178	8,555,520	107,827	4,604,362	4,712,189	13,267,709
Tangible fixed assets	31,604,873	40,045,481	71,650,354	21,943	2,670,007	2,691,950	74,342,304
	38,540,215	41,665,659	80,205,874	129,770	7,274,369	7,404,139	87,610,013

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

- “Intangible assets” (4,932,677 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” (1,500,860 Euros): This amount corresponds to a part of the tangible fixed assets in progress and advances payments to suppliers, which are allocated to the related segment at the time of the transfer to firm assets;
- “Investment properties” (6,051,199 Euros): These assets are not allocated to the operating activity, which is why they are not allocated to any segment;
- “Deferred tax assets” (65,608,716 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” (205,889,062 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” (36,549,871 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 (86,637,502 Euros): the unallocated amount is related, essentially, to the cash and cash equivalents of CTT S.A., as this company concentrates the business segments’ Mail, Financial Services & Retail and Bank, and it is not possible to split the amounts of cash and bank deposits by each CTT’s businesses.

Debt by segment is detailed as follows:

Other information	31.12.2023 “restated”						
	Mail & others	Express & Parcels	Logistics	Financial Services & Retail	Bank	Bank & Financial Services	Total
Non-current debt	112,610,378	46,244,965	158,855,343	18,990	2,205,773	2,224,763	161,080,105
Bank loans	33,390,061	—	33,390,061	—	—	—	33,390,061
Commercial Paper	34,947,466	—	34,947,466	—	—	—	34,947,466
Lease liabilities	44,272,851	46,244,965	90,517,816	18,990	2,205,773	2,224,763	92,742,578
Current debt	89,590,406	17,185,189	106,775,595	6,940	1,152,317	1,159,257	107,934,852
Bank loans	74,541,219	7,854,338	82,395,558	—	—	—	82,395,558
Commercial Paper	22,067	—	22,067	—	—	—	22,067
Lease liabilities	15,027,119	9,330,851	24,357,970	6,940	1,152,317	1,159,257	25,517,227
	202,200,784	63,430,153	265,630,938	25,930	3,358,090	3,384,020	269,014,958

Other information	30.09.2024						Total
	Mail & others	Express & Parcels	Logistics	Financial Services & Retail	Bank	Bank & Financial Services	
Non-current debt	108,443,955	66,756,580	175,200,535	29,481	2,979,451	3,008,932	178,209,467
Bank loans	16,688,799	—	16,688,799	—	—	—	16,688,799
Commercial Paper	34,971,674	—	34,971,674	—	—	—	34,971,674
Lease liabilities	56,783,482	66,756,580	123,540,062	29,481	2,979,451	3,008,932	126,548,994
Current debt	46,264,183	11,276,161	57,540,344	14,871	1,520,191	1,535,062	59,075,406
Bank loans	27,261,122	—	27,261,122	—	—	—	27,261,122
Commercial Paper	870,449	—	870,449	—	—	—	870,449
Lease liabilities	18,132,612	11,276,161	29,408,773	14,871	1,520,191	1,535,062	30,943,835
	154,708,138	78,032,742	232,740,879	44,352	4,499,642	4,543,994	237,284,873

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

Thousand Euros	30.09.2023	30.09.2024
Revenue - Portugal	441,420	422,061
Revenue - other countries	172,708	266,063
	614,128	688,124

The revenue rendered in other countries, includes the revenue from the Express & Parcels rendered in Spain by CTT Espresso branch in this country, in the amount of 202,142 thousand Euros (30 September 2023: 114 471 thousands of euros).

4. Tangible fixed assets

During the year ended 31 December 2023 and the nine-months period ended 30 September 2024, the movements occurred in Tangible fixed assets, as well as the respective accumulated depreciation, were as follows:

31.12.2023										
	Land and natural resources	Buildings and other constructions	Basic equipment	Transport equipment	Office equipment	Other tangible fixed assets	Tangible fixed assets in progress	Advance payments to suppliers	Rights of use	Total
Tangible fixed assets										
Opening balance	35,608,901	343,254,451	181,158,903	3,649,503	74,307,835	28,567,252	4,018,810	152,577	257,604,568	928,322,799
Acquisitions	—	377,331	5,907,723	38,854	4,397,337	992,122	5,963,623	18,583	—	17,695,573
New contracts	—	—	—	—	—	—	—	—	13,627,135	13,627,135
Disposals	—	—	(988,366)	(4,053)	(502)	—	—	—	—	(992,921)
Transfers and write-offs	—	3,575,999	2,315,415	—	195,229	(208,079)	(8,175,333)	(100,908)	(14,766,030)	(17,163,708)
Terminated contracts	—	—	—	—	—	—	—	—	(1,667,586)	(1,667,586)
Remeasurements	—	—	—	—	—	—	—	—	21,942,433	21,942,433
Adjustments	—	(1,000)	(85,934)	(1,893)	(1,903)	22,119	52,144	—	150,020	133,554
Closing balance	35,608,901	347,206,781	188,307,741	3,682,410	78,897,996	29,373,413	1,859,244	70,252	276,890,540	961,897,279
Accumulated depreciation										
Opening balance	3,561,803	238,669,491	145,112,462	3,505,640	68,299,578	22,570,731	—	—	139,745,187	621,464,892
Depreciation for the period	—	10,259,034	4,874,132	65,497	1,820,743	1,469,622	—	—	33,667,816	52,156,843
Disposals	—	—	(685,376)	(3,725)	(309)	—	—	—	—	(689,410)
Transfers and write-offs	—	(1,203,258)	(24,940)	—	(12,843)	(101,548)	—	—	(5,151,501)	(6,494,090)
Terminated contracts	—	—	—	—	—	—	—	—	(1,574,152)	(1,574,152)
Adjustments	—	(461)	(30,400)	(1,268)	(1,514)	(1,315)	—	—	59,681	24,724
Closing balance	3,561,803	247,724,805	149,245,878	3,566,144	70,105,656	23,937,490	—	—	166,747,031	664,888,807
Accumulated impairment										
Opening balance	—	218,840	—	—	—	16,125	—	—	3,417,162	3,652,127
Increases	—	280,550	—	—	—	—	—	—	4,896,310	5,176,860
Reversals	—	(499,390)	—	—	—	(2,319)	—	—	(8,313,472)	(8,815,181)
Closing balance	—	—	—	—	—	13,806	—	—	—	13,806
Net Tangible fixed assets	32,047,098	99,481,976	39,061,863	116,266	8,792,340	5,422,117	1,859,244	70,252	110,143,510	296,994,666

30.09.2024										
	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	—	43,430	1,584,395	9,738	532,305	630,115	10,101,530	28,586	—	12,930,099
New contracts	—	—	—	—	—	—	—	—	61,412,205	61,412,205
Disposals	—	—	(683,947)	—	(85,696)	—	(22,322)	—	—	(791,964)
Transfers and write-offs	—	2,392,897	720,362	—	353,655	(3,896)	(4,275,333)	—	(1,459,932)	(2,272,247)
Terminated contracts	—	—	—	—	—	—	—	—	(194,492)	(194,492)
Remeasurements	—	—	—	—	—	—	—	—	4,297,123	4,297,123
Adjustments	(90,151)	(270,863)	(116,936)	(1,022)	(74,919)	785,326	(17,369)	—	113,995	328,061
Closing balance	35,518,750	349,372,245	189,811,615	3,691,126	79,823,340	30,784,958	7,645,751	98,838	341,059,441	1,037,606,064
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	—	7,604,012	4,181,932	42,304	1,817,313	1,001,909	—	—	26,904,217	41,551,687
Disposals	—	—	(614,947)	—	(80,862)	—	—	—	—	(695,809)
Transfers and write-offs	—	(133,372)	(30,852)	—	(9,397)	(35,669)	—	—	(1,185,494)	(1,394,784)
Terminated contracts	—	—	—	—	—	—	—	—	(273,127)	(273,127)
Adjustments	—	(12,424)	(24,335)	(723)	(643)	(377)	—	—	(237,111)	(275,613)
Closing balance	3,561,803	255,183,021	152,757,677	3,607,725	71,832,067	24,903,353	—	—	191,955,517	703,801,162
Accumulated impairment										
Opening balance	—	—	—	—	—	13,806	—	—	—	13,806
Reversals	—	—	—	—	—	(697)	—	—	—	(697)
Closing balance	—	—	—	—	—	13,109	—	—	—	13,109
Net Tangible fixed assets	31,956,947	94,189,224	37,053,939	83,401	7,791,273	5,868,496	7,645,751	98,838	149,103,924	333,791,793

The depreciation recorded in the Group amounting to 41,551,687 Euros (38,707,718 Euros on 30 September 2023), is booked under the caption Depreciation/amortisation and impairment of investments, net.

As at 31 December 2023, as part of the real estate asset transaction, described in detail in note 7, CTT transferred 360 properties to CTT IMO Yield, resulting in the derecognition of tangible fixed assets at a

net book value of 83,163 thousand Euros and investment properties with a net book value of 4,691 thousand Euros (note 6). The Company then carried out a leaseback operation for the properties used within the scope of its operational activity. This operation resulted in the recognition of a right of use of 54,050 thousand euros, as well as the respective lease liability of 85,578 thousand euros. The capital gains generated in the operation total 1,625 thousand euros for the Company. Considering that this is an operation between group companies, no impacts were recognised on the Company's results for the period. It should also be noted that this operation had no impact on the Group's consolidated accounts.

According to the concession contract in force (Note 1), at the end of the concession, the assets included in the public and private domain of the State revert automatically, at no cost, to the conceding entity. As the postal network belongs exclusively to CTT, not being a public domain asset, only the assets that belong to the State revert to it, and as such, at the end of the concession CTT will continue to own its assets. The Board of Directors, supported by CTT's accounting records and the statement of Directorate General of Treasury and Finance ("Direção Geral do Tesouro e Finanças"), the entity responsible for the Information System of Public Buildings ("Sistema de Informação de Imóveis do Estado" – SIIE) concludes that CTT's assets do not include any public or private domain assets of the Portuguese State.

As under the concession contract, the grantor does not control any significant residual interest in CTT's postal network and CTT being free to dispose of, replace or encumber the assets that integrate the postal network, IFRIC 12 - Service Concession Agreements is not applicable to the universal postal service concession contract.

During the nine-months periods ended 30 September 2024, the most significant movements in the Tangible Fixed Assets caption were the following:

Buildings and other constructions:

The movements associated with acquisitions and transfers concern to capitalisation works in own and third-party buildings in several CTT and CTT Expresso facilities.

Basic equipment:

The amount relating to acquisitions mainly concerns to the acquisition of computer equipment amounting to 24 thousand Euros, the acquisition of racks and containers amounting to 246 thousand Euros and the acquisition of pallet racks amounting to 11 thousand Euros by CTT Expresso, the acquisition of distribution vehicles worth 450 thousand Euros by CORRE and the acquisition of lockers worth 161 thousand Euros by Open Lockers.

Office equipment:

The amount relating to acquisitions mainly relates to the acquisition of various computer equipment worth 285 thousand Euros by CTT.

Other tangible fixed assets:

The acquisitions caption essentially records prevention and safety equipment amounting to approximately 227 thousand Euros at CTT and in the amount of 164 thousand Euros by CTT Expresso.

Tangible fixed assets in progress:

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

Rights of Use

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

	31.12.2023			
	Buildings	Vehicles	Other assets	Total
Tangible fixed assets				
Opening balance	214,083,554	38,787,250	4,733,764	257,604,568
New contracts	11,501,538	2,125,596	—	13,627,135
Transfers and write-offs	(14,678,516)	(87,514)	—	(14,766,030)
Terminated contracts	(1,398,631)	(268,955)	—	(1,667,586)
Remeasurements	20,056,802	1,885,631	—	21,942,433
Adjustments	143,433	6,588	—	150,020
Closing balance	229,708,181	42,448,596	4,733,764	276,890,540
Accumulated depreciation				
Opening balance	113,723,712	24,204,805	1,816,670	139,745,187
Depreciation for the period	24,192,899	8,421,222	1,053,695	33,667,816
Transfers and write-offs	(5,053,679)	(97,821)	—	(5,151,501)
Terminated contracts	(1,316,765)	(257,387)	—	(1,574,152)
Adjustments	59,681	—	—	59,681
Closing balance	131,605,848	32,270,818	2,870,365	166,747,031
Accumulated impairment				
Opening balance	3,417,162	—	—	3,417,162
Increases	4,896,310	—	—	4,896,310
Decreases	(8,313,472)	—	—	(8,313,472)
Closing balance	—	—	—	—
Net Tangible fixed assets	98,102,333	10,177,778	1,863,399	110,143,510

	30.09.2024			
	Buildings	Vehicles	Other assets	Total
Tangible fixed assets				
Opening balance	229,708,181	42,448,596	4,733,764	276,890,540
New contracts	32,142,085	28,041,294	1,228,826	61,412,205
Transfers and write-offs	(1,227,994)	(231,938)	—	(1,459,932)
Terminated contracts	(91,141)	(103,351)	—	(194,492)
Remeasurements	1,848,433	2,448,690	—	4,297,123
Adjustments	113,995	—	—	113,995
Closing balance	262,493,560	72,603,291	5,962,590	341,059,441
Accumulated depreciation				
Opening balance	131,605,848	32,270,818	2,870,365	166,747,031
Depreciation for the period	17,035,379	9,069,276	799,562	26,904,217
Transfers and write-offs	(1,055,735)	(129,759)	—	(1,185,494)
Terminated contracts	(101,236)	(171,891)	—	(273,127)
Adjustments	(237,111)	—	—	(237,111)
Closing balance	147,247,145	41,038,444	3,669,928	191,955,517
Net Tangible fixed assets	115,246,414	31,564,847	2,292,662	149,103,924

The depreciation recorded, in the amount of 26,904,217 Euros (25,138,411 Euros on 30 September 2023), is booked under the caption “Depreciation/amortisation and impairment of investments, net.”

As at 31 December 2023, the initial balance of “Accumulated Impairment” booked an amount relating to the right of use associated with the lease contract of the previous CTT Head Office building - “Edificio

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

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

For the nine-months period ended 30 September 2024, no interest on loans was capitalised, as no loans were directly identified attributable to the acquisition or construction of an asset that requires a substantial period of time (greater than one year) to reach its status of use.

According to the analysis of impairment triggers as at 30 September 2024, no events or circumstances were identified that indicate that the amount for which the Group's tangible fixed assets are recorded may not be recovered.

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

The contractual commitments related to Tangible fixed assets at 30 September 2024, amount to 5,899,507 Euros (31 December 2023: 6 136 083 Euros).

5. Intangible assets

During the year ended 31 December 2023 and the nine-months period ended 30 September 2024, the movements which occurred in the main categories of the Intangible assets, as well as the respective accumulated amortisation, were as follows:

	31.12.2023					Total
	Development projects	Computer Software	Industrial property	Other intangible assets	Intangible assets in progress	
Intangible assets						
Opening balance	4,380,552	169,466,935	19,591,397	2,309,070	9,434,984	205,182,938
Acquisitions	—	2,025,284	699,454	—	15,675,350	18,400,088
Transfers and write-offs	—	21,508,320	(440,115)	—	(21,198,220)	(130,015)
Adjustments	—	—	(14,639)	—	—	(14,639)
Closing balance	4,380,552	193,000,538	19,836,097	2,309,070	3,912,114	223,438,371
Accumulated amortisation						
Opening balance	4,380,552	115,896,437	14,571,483	925,857	—	135,774,330
Amortisation for the period	—	15,455,209	1,217,770	360,838	—	17,033,818
Transfers and write-offs	—	418,966	(418,966)	—	—	—
Adjustments	—	—	(9,561)	—	—	(9,561)
Closing balance	4,380,552	131,770,613	15,360,727	1,286,695	—	152,798,587
Net intangible assets	—	61,229,926	4,475,370	1,022,375	3,912,114	70,639,785

	30.09.2024					
	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	—	520,488	46,972	—	12,700,249	13,267,709
Transfers and write-offs	—	9,895,507	—	—	(9,269,502)	626,005
Adjustments	—	—	(5,587)	—	—	(5,587)
Closing balance	4,380,552	198,859,297	19,877,482	2,309,070	7,342,862	232,769,263
Accumulated amortisation						
Opening balance	4,380,552	131,770,613	15,360,727	1,286,695	—	152,798,587
Amortisation for the period	—	13,147,276	820,655	270,629	—	14,238,559
Adjustments	—	—	(4,223)	—	—	(4,223)
Closing balance	4,380,552	140,360,653	16,177,159	1,557,324	—	162,475,687
Net intangible assets	—	58,498,644	3,700,324	751,746	7,342,862	70,293,576

The amortisation for the period ended 30 September 2024, amounting to 14,238,559 Euros (12,414,010 Euros as at 30 September 2023) was recorded under Depreciation / amortisation and impairment of investments, net.

As at 30 June 2024, the core banking system (Banco CTT's main operating software) had a net book value of 7,884 thousand euros (31 December 2023: 8,987 thousand euros). As at 31 December 2023, this asset had an estimated remaining useful life of 7 years. During the first half of 2024, the Group changed the estimated remaining useful life of this asset to approximately 2 years, assigning it an estimated residual value of approximately 6,000 thousand euros. This change is the result of the signing of a service provision agreement with the current licensing provider, which provides for the migration and upgrade of the current license (on premises) to access a software as a service license, which will incorporate a set of customizations and configurations that will be transferred from the current on premises system and to which a value similar to the aforementioned residual value is attributed, which is estimated to come into effect at the end of 2025.

The transfers occurred in the period ended 30 September 2024 from Intangible assets in progress to Computer software refer to IT projects, which were completed during the year.

The amounts of 1,550,479 Euros and 2,205,754 Euros were capitalised in computer software and in Intangible assets in progress as at 31 December 2023 and 30 September 2024, respectively, and are related to staff costs incurred in the development of these projects.

The intangible assets in progress as at 30 September 2024 refer to IT projects that are being developed, the most significant being the following:

	30.09.2024
New Ofert B2B - Software	1,303,540
Client Area B2B - Software	809,333
New FrontEnd - Software	713,054
MB Cards at Agents	564,808
VIA CTT - Software	327,790
	3,718,525

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

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

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

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

In the nine-months period ended 30 September 2024, no interest on loans was capitalised, as no loans were directly identified attributable to the acquisition or construction of an asset that requires a substantial period of time (greater than one year) to reach its status of use.

Contractual commitments related intangible assets amounted to 8,917,987 Euros at 30 September 2024 (31 December 2023: 6 892 706 Euros)

6. Investment properties

During the year ended 31 December 2023 and the nine-months period ended 30 September 2024, the Group has the following assets classified as investment properties:

	31.12.2023		
	Land and natural resources	Buildings and other constructions	Total
Investment properties			
Opening balance	2,862,247	11,052,892	13,915,139
Closing balance	2,862,247	11,052,892	13,915,139
Accumulated depreciation			
Opening balance	155,569	7,322,410	7,477,979
Depreciation for the period	—	183,591	183,591
Other movements	—	25,189	25,189
Closing balance	155,569	7,531,191	7,686,759
Accumulated impairment			
Opening balance	—	253,181	253,181
Impairment for the period	—	(788)	(788)
Closing balance	—	252,393	252,393
Net Investment properties	2,706,679	3,269,308	5,975,987

	30.09.2024		
	Land and natural resources	Buildings and other constructions	Total
Investment properties			
Opening balance	2,862,247	11,052,892	13,915,139
Disposals	(45,086)	(170,786)	(215,871)
Transfers and write-offs	90,151	270,453	360,604
Closing balance	2,907,313	11,152,560	14,059,872
Accumulated depreciation			
Opening balance	155,569	7,531,191	7,686,759
Depreciation for the period	—	155,887	155,887
Disposals	(628)	(97,910)	(98,538)
Transfers and write-offs	—	12,172	12,172
Closing balance	154,941	7,601,340	7,756,280
Accumulated impairment			
Opening balance	—	252,393	252,393
Closing balance	—	252,393	252,393
Net Investment properties	2,752,372	3,298,827	6,051,199

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

The market value of these assets, which are classified as investment property, in accordance with the valuations obtained at the end of the fiscal year 2023 which were conducted by independent entities, amounts to 10,437,353 Euros.

The depreciation for the nine-months period ended 30 September 2024, of 155,887 Euros (156,313 Euros on 30 September 2023) was recorded in the caption Depreciation/amortisation and impairment of investments, net.

For the nine-months period ended 30 September 2024, the rents amount charged by the Group for properties and equipment leases classified as investment properties was 4,475 Euros (30 September 2023: 26,652 Euros).

7. Companies included in the consolidation

Subsidiary companies

As at 31 December 2023 and 30 September 2024, the parent company, CTT - Correios de Portugal, S.A. and the following subsidiaries were included in the consolidation:

Company name	Place of business	Head office	31.12.2023			30.09.2024		
			Percentage of ownership			Percentage of ownership		
			Direct	Indirect	Total	Direct	Indirect	Total
<u>Parent company:</u>								
CTT - Correios de Portugal, S.A.	Portugal	Avenida dos Combatentes 43, 14º Floor 1643-001 Lisbon	—	—	—	—	—	—
<u>Subsidiaries:</u>								
CTT Expresso - Serviços Postais e Logística, S.A. ("CTT Expresso")	Portugal	Avenida dos Combatentes 43, 14º Floor 1643-001 Lisbon	100	—	100	100	—	100
Payshop Portugal, S.A. ("Payshop")	Portugal	Avenida dos Combatentes 43, 14º Floor 1643-001 Lisbon	100	—	100	100	—	100
CTT Contacto, S.A. ("CTT Con")	Portugal	Avenida dos Combatentes 43, 14º Floor 1643-001 Lisbon	100	—	100	100	—	100
CTT Soluções Empresariais, S.A. ("CTT Sol")	Portugal	Avenida dos Combatentes 43, 14º Floor 1643-001 Lisbon	100	—	100	100	—	100
Correio Expresso de Moçambique, S.A. ("CORRE")	Mozambique	Av. 24 de Julho, Building 24, 1097, 3rd floor, Bairro da Polana Maputo - Mozambique	50	—	50	50	—	50
Banco CTT, S.A. ("BancoCTT")	Portugal	Building Atrium Saldanha 1 Floor 3 1050 -094 Lisbon	100	—	100	100	—	100
1520 Innovation Fund ("TechTree")	Portugal	Av Conselheiro Fernando de Sousa, 19 13º Left 1070-072 Lisbon	37.5	62.5	100	37.5	62.5	100
321 Crédito - Instituição Financeira de Crédito, S.A. ("321 Crédito")	Portugal	Avenida da Boavista, 772, 1.º, Boavista Prime Building 4100-111 Oporto	—	100	100	—	100	100
NewSpring Services, S.A. ("NSS")	Portugal	Avenida dos Combatentes 43, 14º Floor 1643-001 Lisbon	—	100	100	—	100	100
CTT IMO - Sociedade Imobiliária, S.A. ("CTTI")	Portugal	Avenida dos Combatentes 43, 14º Floor 1643-001 Lisbon	100	—	100	100	—	100
Open Lockers, S.A. ("Lock")	Portugal	Avenida dos Combatentes 43, 14º Floor 1643-001 Lisbon	—	66	66	—	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	100	—	100	73.7	—	73.7

Regarding to the company CORRE, as the Group has the right to variable returns arising from its involvement and the ability to affect those returns, it is included in the consolidation.

As part of a corporate reorganisation in the Group, on 8 July 2022 the Board of Directors of Banco CTT approved the sale of its subsidiary Payshop Portugal, and its terms, to CTT. The completion of this

operation was dependent on the regulator's non-opposition, a fact that occurred on 7 July 2023. The transfer of shares occurred 11 on August 2023. The sale of the investment in Payshop to CTT will allow synergies to be captured with the remaining areas of CTT, namely product areas, commercial forces (B2B and store networks, outlets and agents), as well as full integration into the Group's strategy of a comprehensive value proposition for e-commerce and business solutions. The sale of Payshop investment by Banco CTT to CTT was carried out based on its equity book value and had no impact on the Group consolidated accounts.

On 29 March 2023 and 29 May 2023, Open Lockers was subject to capital increases in the form of a supplementary capital in the amount of 396,000 Euros in each of the periods.

CTT IMO Yield

Real Estate Assets

CTT's real estate assets are organised into two different portfolios, depending on their respective characteristics and functionality (Yield Portfolio and Development Portfolio).

Yield Portfolio

In 2022, CTT began exclusive negotiations, with a third party, to manage this portfolio, which essentially comprised:

1. properties associated with CTT's retail network; and
2. warehouses and logistics and distribution centres of CTT's operational network in Portugal.

As a result of this negotiation, the company CTT IMO Yield was created on 31 October 2022, with the purpose of holding and managing this yield portfolio.

On 4 May 2023, CTT entered into a Share Sale and Purchase Agreement with Sierra Investments, SGPS, S.A. ("Sierra"), under which Sierra and a group of institutional investors would acquire an investment of 30.1% of the share capital of CTT IMO Yield (assuming the carve-in of all properties in the yield portfolio), an operation that was concluded at the beginning of 2024.

On 10 October 2023, and applying the provisions of paragraph b) of number 3 of article 22 of the Asset Management Regime, CMVM issued the SIC (collective investment company) registration code for CTT IMO Yield.

On 17 October 2023, the AdC (Competition Authority) also adopted a decision according to which the Transaction is not covered by the merger control procedure.

On 27 November 2023, the **Company** transferred its yield real estate portfolio, corresponding to 332 properties, to CTT IMO Yield in the form of a capital contribution in kind, in the amount of 116,858,055 Euros. This operation resulted in the issuance of 116,858,055 new shares with a nominal value of 1 Euro each. The remaining 31 properties were transferred to CTT IMO Yield through a purchase and sale transaction.

The amount of the contribution in kind corresponded to the fair value of the properties determined through an external assessment carried out by two independent experts. For each property subject to transfer, the average amount of the two valuations prepared by each of the independent experts was considered to determine its fair value. Subsequently, this operation was subject to evaluation by an Official Auditor independent of the Company, as established in the Commercial Companies Code.

On 9 November 2023 and 27 December 2023, CTT IMO Yield was subject to a capital increase through a cash contribution, in the amount of 17,600,000 Euros and 576,945 Euros, respectively. The capital increases resulted in the issuance of new shares in the amount of 17,600,000 shares and 576,945 shares, respectively, with a nominal value of 1 Euro each.

On 27 December 2023, the conversion of shareholders loans into share capital at CTT Expresso and CTT Soluções Empresariais was decided, through the conversion of 14,950,000 Euros of shareholders loans into capital at CTT Expresso and 14,500,000 of shareholders loans into capital at CTT Soluções Empresariais. The capital increase in CTT Expresso was achieved through an increase in the nominal amount of the 1,150,000 shares, which increased from 5 Euros to 18 Euros each, with their global nominal amount being 20,700,000 Euros. The capital increase of CTT Soluções Empresariais took place through the issuance of 14,500,000 new shares with a nominal amount of 1 Euro each, with the global nominal value of the share capital as of 31 December 2023 being 14,750,000 Euros.

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

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.

Joint ventures

As at 31 December 2023 and 30 September 2024, the Group held the following interests in joint ventures, registered through the equity method:

Company name	Place of business	Head office	31.12.2023			30.09.2024		
			Percentage of ownership			Percentage of ownership		
			Direct	Indirect	Total	Direct	Indirect	Total
NewPost, ACE	Portugal	Av. Fontes Pereira de Melo, 40 Lisbon	49	—	49	49	—	49
PTP & F, ACE	Portugal	Estrada Casal do Canas Amadora	51	—	51	51	—	51
Wolfspring, ACE	Portugal	Urbanização do Passil, nr 100-A 2890-1852 Alcochete	—	50	50	—	50	50

Associated companies

As at 31 December 2023 and 30 September 2024, the Group held the following interests in associated companies accounted for by the equity method:

Company name	Place of business	Head office	31.12.2023			30.09.2024		
			Percentage of ownership			Percentage of ownership		
			Direct	Indirect	Total	Direct	Indirect	Total
Mafelosa, SL (a)	Spain	Castellon - Spain	—	25	25	—	25	25
Urpacsur, SL (a)	Spain	Málaga - Spain	—	30	30	—	30	30

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

Structured entities

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

Name	Constitution Year	Place of issue	Consolidation Method
Ulisses Finance No.1 (*) (**)	2017	Portugal	Full
Ulisses Finance No.2 (*)	2021	Portugal	Full
Ulisses Finance No.3 (*)	2022	Portugal	Full
Chaves Funding No.8 (*)	2019	Portugal	Full
Next Funding No.1 (*) (**)	2021	Portugal	Full

(*) Entities incorporated in the scope of securitisation operations, recorded in the consolidated financial statements in accordance with the Group's continued involvement, determined based on the percentage held in the residual interests (equity piece) of the respective vehicles and to the extent that the Group substantially owns the risks and rewards associated with the underlying assets and has the ability to affect these same risks and rewards.

(**) Entities left the consolidation perimeter during the period of 2023.

The credit securitisation operation Ulisses No1, originated by 321 Crédito in 2017, included a consumer credit portfolio amounting to 141.2 million euros. The operation included a clean-up call option clause that could be exercised by the originator when the securitised portfolio dropped below 10% of the initial amount, i.e., 14.1 million euros. This occurred after the IPD ("interest payment date") of June 2023, with the clean-up call being exercised at the IPD of July 2023, with the Company reacquiring the entire securitised portfolio, closing the operation.

Following the termination of the partnership with Universo, in December 2023, Banco CTT sold the note Next Funding N°1 to Universo, IME, S.A. leaving on that date no exposure to this portfolio. Additionally, the overdraft line (Liquidity Facility) was cancelled. As part of the sale agreement, Banco CTT no longer granted this line of credit to the aforementioned securitisation operation.

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

	31.12.2023	30.09.2024
Cash and cash equivalents	14,947,776	17,261,505
Financial assets at fair value through profit and loss (Derivatives)	13,532,000	7,554,411

Changes in the consolidation perimeter

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

During nine-months period ended 30 September 2024, with the sale of 26.3% of the investment in CTT IMO Yield, the group now holds 73.7% of the entity. At the same time, with the acquisition of the minority investment in Open Lockers held by the entity's remaining shareholders, the Group now holds 100% of this entity.

8. Debt securities

As at 31 December 2023 and 30 September 2024, the caption Debt securities, showed the following composition:

	31.12.2023	30.09.2024
Non-current		
Financial assets at amortised cost		
Government bonds	364,773,835	361,485,993
Impairment	(67,657)	(60,540)
	364,706,177	361,425,453
	364,706,177	361,425,453
Current		
Financial assets at amortised cost		
Government bonds	284,175,167	926,631,341
Supranational bonds	80,614,379	786,633,343
Bonds issued by other entities	—	8,930,600
Impairment	(29,726)	(60,415)
	364,759,821	1,722,134,868
	729,465,998	2,083,560,322

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 713 million euros of supranational debt, 225 million euros of Spanish public debt, 215 million euros of French public debt, 160 million euros of Belgian public debt, 35 million euros of Austrian public debt and 27 million euros of Portuguese public debt.

The analysis of the Financial assets at amortised cost, by remaining maturity, as at 31 December 2023 and 30 September 2024 is detailed as follows:

	31.12.2023						Total
	Current			Non-current			
	Due within 3 months	Over 3 months and less than 1 year	Total	Over 1 year and less than 3 years	Over 3 years	Total	
Financial assets at amortised cost							
Government bonds							
National	6,729,393	—	6,729,393	18,576,142	143,668,654	162,244,796	168,974,189
Foreign	1,437,251	276,008,524	277,445,775	9,967,700	192,561,338	202,529,039	479,974,813
Supranational bonds	408,333	80,206,046	80,614,379	—	—	—	80,614,379
	8,574,977	356,214,570	364,789,547	28,543,843	336,229,992	364,773,835	729,563,381

	30.09.2024						Total
	Current			Non-current			
	Due within 3 months	Over 3 months and less than 1 year	Total	Over 1 year and less than 3 years	Over 3 years	Total	
Financial assets at amortised cost							
Government bonds							
National	16,532,654	16,216,791	32,749,444	37,616,096	124,307,139	161,923,235	194,672,679
Foreign	326,133,723	567,748,174	893,881,896	20,996,304	178,566,455	199,562,758	1,093,444,655
Supranational Bonds	277,628,452	509,004,891	786,633,343	—	—	—	786,633,343
Bonds issued by other entities							
National	—	—	—	—	—	—	—
Foreign	161,896	8,768,705	8,930,600	—	—	—	8,930,600
	620,456,724	1,101,738,560	1,722,195,284	58,612,400	302,873,593	361,485,993	2,083,681,277

Fair Value

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

The fair value of debt securities at amortised cost, on 30 September 2024, amounted to 2,062,240 thousand euros (a negative difference of 21,321 thousand euros in relation to its book value).

Impairment losses

The impairment losses, for the year ended 31 December 2023 and the nine-months period ended 30 September 2024, are detailed as follows:

	31.12.2023				
	Opening balance	Increases	Reversals	Transfers	Closing balance
Non-current assets					
Debt securities at amortised cost	121,927	20,146	(43,919)	(30,497)	67,657
	121,927	20,146	(43,919)	(30,497)	67,657
Current assets					
Debt securities at amortised cost	9,674	8,851	(19,296)	30,497	29,726
	9,674	8,851	(19,296)	30,497	29,726
Financial assets at amortised cost	131,601	28,997	(63,215)	—	97,383
	131,601	28,997	(63,215)	—	97,383

	30.09.2024				Closing balance
	Opening balance	Increases	Reversals	Transfers	
Non-current assets					
Debt securities at amortised cost	67,657	28,323	(16,525)	(18,915)	60,540
	67,657	28,323	(16,525)	(18,915)	60,540
Current assets					
Debt securities at amortised cost	29,726	28,265	(16,491)	18,915	60,415
	29,726	28,265	(16,491)	18,915	60,415
Financial assets at amortised cost	97,384	56,588	(33,016)	—	120,955
	97,384	56,588	(33,016)	—	120,955

For the impairment losses of Financial assets at amortised cost, the movements by stages, in the year ended 31 December 2023 and the nine-months period ended 30 September 2024, they are detailed as follows:

	31.12.2023	30.09.2024
	Stage 1	Stage 1
Opening balance	131,602	97,384
Change in period:		
Increases due to origination and acquisition	28,628	56,453
Changes due to change in credit risk	(41,239)	(24,570)
Derecognised financial assets excluding write-offs	(21,607)	(8,311)
Impairment - Financial assets at amortised cost	97,384	120,955

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

	31.12.2023	30.09.2024
	Stage 1	Stage 1
Opening balance	131,602	97,384
Change in period:		
ECL income statement change for the period	(34,218)	23,571
Impairment - Financial assets at amortised cost	97,384	120,955

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

9. Other banking financial assets and liabilities

As at 31 December 2023 and 30 September 2024, the caption “Other banking financial assets” and “Other banking financial liabilities” showed the following composition:

	31.12.2023	30.09.2024
Current assets		
Investments in central banks	1,260,076,886	633,376,572
Investments in credit institutions	11,049,500	12,410,678
Loans to credit institutions	961,721	—
Impairment	(8,143)	(1,004)
Other	4,316,633	4,891,280
Impairment	(1,821,475)	(1,828,294)
	1,274,575,121	648,849,232
	1,274,575,121	648,849,232
Current liabilities		
Other	47,759,822	29,277,188
	47,759,822	29,277,188

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

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

	31.12.2023	30.09.2024
Up to 3 months	1,260,688,003	645,787,250
From 3 to 12 months	11,400,103	—
	1,272,088,106	645,787,250

The caption "Investments in credit institutions" showed an annual average return of 3.554% (31 December 2023: 2.435%).

The amount of 633,376,572 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 2023 and the nine-months period ended 30 September 2024, are detailed as follows:

	31.12.2023					Closing balance
	Opening balance	Increases	Reversals	Utilisations	Transfers	
Non-current assets						
Investments and loans in credit institutions	274	—	—	—	(274)	—
	274	—	—	—	(274)	—
Current assets						
Investments and loans in credit institutions	1,394	8,099	(1,625)	—	274	8,143
Other	1,805,945	30,962	(8,982)	(6,450)	—	1,821,475
	1,807,340	39,061	(10,607)	(6,450)	274	1,829,619
	1,807,615	39,061	(10,607)	(6,450)	—	1,829,619

	30.09.2024					Closing balance
	Opening balance	Increases	Reversals	Utilisations	Transfers	
Non-current assets						
Investments and loans in credit institutions	—	—	—	—	—	—
	—	—	—	—	—	—
Current assets						
Investments and loans in credit institutions	8,143	205	(7,344)	—	—	1,004
Other	1,821,475	11,558	(4,739)	—	—	1,828,294
	1,829,618	11,763	(12,083)	—	—	1,829,298
	1,829,618	11,763	(12,083)	—	—	1,829,298

Regarding the movements in impairment losses on investments and loans to credit institutions by stages, in the periods ended on 31 December 2023 and the nine-months period ended 30 September 2024, they are detailed as follows:

	31.12.2023	30.09.2024
	Stage 1	Stage 1
Opening balance	1,669	8,143
Change in period:		
Increases due to origination and acquisition	8,099	205
Changes due to change in credit risk	(230)	(7,041)
Decrease due to derecognition repayments and disposals	(1,394)	(303)
Impairment	8,143	1,004

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

	31.12.2023	30.09.2024
	Stage 1	Stage 1
Opening balance	1,669	8,143
Change in period:		
ECL income statement change for the period	6,474	(7,139)
Impairment	8,143	1,004

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

10. Credit to banking clients

As at 31 December 2023 and 30 September 2024, the caption Credit to banking clients was detailed as follows:

	31.12.2023	30.09.2024
Performing loans	1,616,912,775	1,703,626,836
Mortgage Loans	728,846,938	767,371,125
Auto Loans	882,757,623	932,334,535
Leasings	1,819,790	1,001,628
Overdrafts	3,488,425	2,919,549
Overdue loans	24,117,118	19,018,397
Overdue loans - less than 90 days	1,384,695	1,570,337
Overdue loans - more than 90 days	22,732,423	17,448,060
	1,641,029,894	1,722,645,233
Credit risk impairment	(47,815,999)	(44,108,195)
	1,593,213,895	1,678,537,038

The maturity analysis of the Credit to banking clients as at 31 December 2023 and 30 September 2024 is detailed as follows:

	31.12.2023								
	Current					Non-current			
	At sight	Due within 3 months	>3 months - < 1 year	Overdue Loans	Total	> 1 year - > 3 years	Over 3 years	Total	Total
Mortgage loans	—	4,850,143	8,998,954	41,489	13,890,586	25,126,922	689,870,918	714,997,840	728,888,426
Auto Loans	—	35,075,222	92,025,117	23,091,609	150,191,948	246,411,072	509,246,212	755,657,284	905,849,232
Leasings	—	194,548	647,891	98,810	941,249	520,532	456,819	977,351	1,918,600
Overdrafts	3,488,425	—	—	885,211	4,373,636	—	—	—	4,373,636
	3,488,425	40,119,913	101,671,962	24,117,118	169,397,418	272,058,526	1,199,573,950	1,471,632,475	1,641,029,894

	30.09.2024								
	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	—	5,021,197	10,806,569	34,707	15,862,473	28,929,841	722,613,519	751,543,359	767,405,832
Auto Loans	—	37,047,875	101,186,967	17,098,272	155,333,113	261,315,294	532,784,399	794,099,694	949,432,806
Leasings	—	246,903	164,288	52,862	464,052	219,140	371,297	590,438	1,054,489
Overdrafts	2,919,549	—	—	1,832,557	4,752,105	—	—	—	4,752,105
	2,919,549	42,315,974	112,157,823	19,018,397	176,411,743	290,464,275	1,255,769,215	1,546,233,491	1,722,645,233

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 transaction resulted in a positive impact on the Group's operating account arising from the sale with capital gains and a decrease in the NPL ratio of approximately 1.1% (on a pro-forma basis as at 30 September 2024).

The credit type analysis of the caption, as at 31 December 2023 and 30 September 2024 is detailed as follows:

31.12.2023					
	Performing Loans	Overdue Loans	Gross amount	Impairment	Net amount
Mortgage Loans	728,846,938	41,489	728,888,426	(1,419,456)	727,468,970
Auto Loans	882,757,623	23,091,609	905,849,232	(45,581,390)	860,267,842
Leasings	1,819,790	98,810	1,918,600	(23,634)	1,894,966
Overdrafts	3,488,425	885,211	4,373,636	(791,519)	3,582,117
	1,616,912,775	24,117,118	1,641,029,894	(47,815,999)	1,593,213,895

30.09.2024					
	Performing Loans	Overdue Loans	Gross amount	Impairment	Net amount
Mortgage Loans	767,371,125	34,707	767,405,832	(1,375,515)	766,030,317
Auto Loans	932,334,535	17,098,272	949,432,806	(41,406,873)	908,025,933
Leasings	1,001,628	52,862	1,054,489	(15,704)	1,038,785
Overdrafts	2,919,549	1,832,557	4,752,105	(1,310,103)	3,442,003
	1,703,626,836	19,018,397	1,722,645,233	(44,108,195)	1,678,537,038

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

	31.12.2023	30.09.2024
Stage 1	1,462,656,854	1,555,970,572
Gross amount	1,466,355,203	1,560,724,369
Impairment	(3,698,349)	(4,753,797)
Stage 2	91,015,446	75,785,539
Gross amount	97,460,137	83,386,612
Impairment	(6,444,691)	(7,601,073)
Stage 3	39,541,594	46,780,927
Gross amount	77,214,554	78,534,252
Impairment	(37,672,959)	(31,753,325)
	1,593,213,895	1,678,537,038

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 2023, amounted to 1,559,416 thousand euros (a negative difference of 6,202 thousand euros in relation to its book value).

The "Credit to banking clients" fair value, on 30 September 2024, amounted to 1,667,270 thousand euros (a negative difference of 11,267 thousand euros in relation to its book value).

Impairment losses

During year ended on 31 December 2023 and the nine-months period ended 30 September 2024, the movement under the Accumulated impairment losses caption (Note 13) was as follows:

31.12.2023							
	Opening balance	Increases	Reversals	Utilisations	Transfers	Other movements	Closing balance
Non-current assets							
Credit to banking clients	22,074,965	29,865,366	(15,637,839)	(18,335,628)	9,084,969	168,623	27,220,455
	22,074,965	29,865,366	(15,637,839)	(18,335,628)	9,084,969	168,623	27,220,455
Current assets							
Credit to banking clients	32,661,202	22,596,738	(11,831,904)	(13,873,106)	(9,084,969)	127,583	20,595,544
	32,661,202	22,596,738	(11,831,904)	(13,873,106)	(9,084,969)	127,583	20,595,544
	54,736,167	52,462,104	(27,469,743)	(32,208,734)	—	296,206	47,815,999

30.09.2024							
	Opening balance	Increases	Reversals	Utilisations	Transfers	Other movements	Closing balance
Non-current assets							
Credit to banking clients	27,220,455	27,683,142	(20,779,018)	(9,507,494)	4,535,626	140,902	29,293,614
	27,220,455	27,683,142	(20,779,018)	(9,507,494)	4,535,626	140,902	29,293,614
Current assets							
Credit to banking clients	20,595,544	14,000,122	(10,508,517)	(4,808,200)	(4,535,627)	71,258	14,814,581
	20,595,544	14,000,122	(10,508,517)	(4,808,200)	(4,535,627)	71,258	14,814,581
	47,815,999	41,683,264	(31,287,535)	(14,315,694)	(1)	212,160	44,108,195

The impairment losses of Credit to banking clients (net of reversals) for the period ended 30 September 2024 amounted to 10,395,729 Euros (18,119,571 Euros as at 30 September 2023) was booked in the caption "Impairment of other financial banking assets."

The decrease in impairment losses for the period is essentially explained by: i) Credit cards: net allocation of 10,094 thousand euros in the first 9 months of 2023, the portfolio of which was sold at the end of 2023; ii) Auto Credit: net allocation of 9,954 thousand euros in the first 9 months of 2024 (30 September 2023: 7,835 thousand euros), which represents an increase of 2,119 thousand euros.

The movements in impairment losses by stages, in the year ended on 31 December 2023 and the nine-months period ended 30 September 2024, they are detailed as follows:

31.12.2023				
	Stage 1	Stage 2	Stage 3	Total
Opening balance	7,512,642	6,955,009	40,268,516	54,736,167
Change in period:				
Increases due to origination and acquisition	1,331,542	1,416,045	961,291	3,708,878
Changes due to change in credit risk	(5,673,996)	2,324,258	26,532,908	23,183,170
Decrease due to derecognition repayments and disposals	(1,106,458)	(2,500,481)	(29,152,813)	(32,759,752)
Write-offs	—	—	(1,348,669)	(1,348,669)
Transfers to:				
Stage 1	2,606,546	(1,456,726)	(1,149,820)	—
Stage 2	(702,546)	2,620,554	(1,918,007)	—
Stage 3	(279,413)	(2,931,365)	3,210,779	—
Foreign exchange and other	10,032	17,398	268,777	296,206
Impairment	3,698,349	6,444,691	37,672,959	47,815,999
<i>Of which: POCI</i>	—	—	578,523	578,523

	30.09.2024			
	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	1,240,006	689,628	400,133	2,329,767
Changes due to change in credit risk	(1,803,748)	3,004,149	10,697,695	11,898,095
Decrease due to derecognition repayments and disposals	(277,176)	(280,560)	(3,274,396)	(3,832,133)
Write-offs	—	—	(14,315,694)	(14,315,694)
Transfers to:				
Stage 1	2,177,651	(1,329,972)	(847,679)	—
Stage 2	(164,767)	1,321,811	(1,157,045)	—
Stage 3	(67,552)	(2,334,987)	2,402,540	—
Foreign exchange and other	(48,965)	86,314	174,811	212,160
Impairment	4,753,797	7,601,073	31,753,325	44,108,195
<i>Of which: POCI</i>	—	—	33,080	33,080

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

	31.12.2023			
	Stage 1	Stage 2	Stage 3	Total
Opening balance	7,512,642	6,955,009	40,268,516	54,736,167
Change in period:				
ECL income statement change for the period	(5,127,980)	3,438,509	26,681,832	24,992,361
Stage transfers (net)	1,624,587	(1,767,538)	142,951	—
Disposals	(320,931)	(2,198,687)	(27,517,324)	(30,036,942)
Utilisations during the period	—	—	(823,123)	(823,123)
Write-offs	—	—	(1,348,669)	(1,348,669)
Foreign exchange and other	10,032	17,398	268,777	296,206
Impairment	3,698,349	6,444,691	37,672,959	47,815,999

	30.09.2024			
	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	(840,918)	3,413,216	7,823,432	10,395,730
Stage transfers (net)	1,945,332	(2,343,148)	397,817	—
Write-offs	—	—	(14,315,694)	(14,315,694)
Foreign exchange and other	(48,965)	86,314	174,811	212,160
Impairment	4,753,797	7,601,073	31,753,325	44,108,195

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 5,156 thousand euros, corresponding to about 12%.

11. Prepayments

As at 31 December 2023 and 30 September 2024, the Prepayments included in current assets and current and non-current liabilities showed the following composition:

	31.12.2023	30.09.2024
Deferred Assets		
Non-current		
Employee Mortgage Loan protocol	—	2,280,929
	—	2,280,929
Current		
Rents payable	389,421	112,583
Meal allowances	1,315,703	1,315,703
Other	8,241,648	12,817,802
	9,946,772	14,246,088
	9,946,772	16,527,017
Deferred Liabilities		
Non-current		
Investment subsidy	671,689	665,428
	671,689	665,428
Current		
Investment subsidy	11,201	11,201
Contractual liabilities	2,212,896	3,662,818
Other	2,886,001	1,593,782
	5,110,098	5,267,801
	5,781,787	5,933,229

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 677 396 Euros (792,237 Euros on 31 December 2023), whose revenue is expected to be recognised in October 2024 (estimate of 80% of the item's value) and the remaining during 2024, and to objects invoiced and not delivered on 30 September 2024 in the express segment, in the amount of 2,985,422 Euros (1,420,660 Euros as at 31 December 2023), whose revenue is recognised upon delivery in the following month.

The revenue recognised in the period, included in the balance of Contractual liabilities at the beginning of the period amounted to 2,212,896 Euros.

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

12. Cash and cash equivalents

As at 31 December 2023 and 30 September 2024, cash and cash equivalents correspond to the amount of cash, sight deposits, term deposits and cash investments on the monetary market, net of bank overdrafts and equivalent short-term bank financing, and is detailed as follows:

	31.12.2023	30.09.2024
Cash	86,139,678	53,312,695
Demand deposits	93,256,266	66,066,299
Deposits at Central Banks	29,095,592	39,577,340
Deposits at other credit institutions	36,068,548	26,235,186
Term deposits	107,049,550	24,566,935
Cash and cash equivalents (Statement of Financial Position)	351,609,634	209,758,455
Demand deposits at Banco de Portugal	(28,625,500)	(39,150,200)
Checks for collection / Checks clearing	(7,758,807)	(4,438,464)
Impairment of Demand and term deposits	3,988	544
Cash and cash equivalents (Cash Flow Statement)	315,229,314	166,170,334

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 30 September 2024, the daily average of the minimum mandatory availability for the period in force was 39,150,200 Euros.

Therefore, the caption Demand deposits at Bank of Portugal includes, as at 30 September 2024, a total amount of demand deposits of 39,577,340 Euros (31 December 2023: 29,095,592 Euros).

The Eurozone banks are required to hold a certain amount of funds in their current accounts with the national central bank. These funds are called "mandatory minimum reserves". The amount of funds to be held as minimum reserves is calculated based on banks' balance sheets before the start of each maintenance period. Currently, banks are obliged to hold, at their respective national central bank, a minimum of 1% of specific liabilities, mainly customer deposits of up to 2 years.

From the reserve counting period starting on 30 October 2019, the ECB introduced the tiering regime, which exempted part of the excess reserves deposited by credit institutions with the central bank from the negative remuneration then associated with the deposit facility rate. This tiering regime ceased to apply on 27 July 2022, following the Governing Council's decision to increase the deposit facility rate to a non-negative amount. Until October 2022, the interest rate paid was linked to the interest rate on main refinancing operations. It was then reduced to reflect the deposit facility rate, and in July 2023 it was set at 0%.

The caption "Outstanding checks/ Checks clearing" represents checks drawn by third parties on other credit institutions, which are in collection.

Impairment

In the year ended on 31 December 2023 and the nine-months period ended 30 September 2024, the movement recorded under the caption “Impairment of sight and term deposits” (Note 13) related to the Group is detail as follows:

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

30.09.2024					
Group	Opening balance	Increases	Reversals	Utilisations	Closing balance
Sight and term deposits	3,988	237	(3,680)	—	544
	3,988	237	(3,680)	—	544

The Impairment losses (increases net of reversals) for the period ended 30 September 2024 in the amount of (3,443) Euros (3,573 Euros as at 30 September 2023) were recorded under the caption “Impairment of accounts receivable (losses/reversals)”.

13. Accumulated impairment losses

During the year ended on 31 December 2023 and the nine-months period ended 30 September 2024, the following movements occurred in the impairment losses:

31.12.2023							
Group	Opening balance	Increases	Reversals	Utilisations	Transfers	Other movements	Closing balance
Non-current assets							
Tangible fixed assets	3,652,127	5,176,860	(8,815,181)	—	—	—	13,806
Investment properties	253,181	60,000	(60,788)	—	—	—	252,393
	3,905,309	5,236,860	(8,875,970)	—	—	—	266,199
Debt securities at amortised cost	121,927	20,146	(43,919)	—	(30,497)	—	67,657
Other non-current assets	2,906,847	6,458	(1,841,299)	—	(691,512)	—	380,493
Credit to banking clients	22,074,965	29,865,366	(15,637,839)	(18,335,628)	9,084,969	168,623	27,220,455
Other banking financial assets	274	—	—	—	(274)	—	—
	25,104,013	29,891,969	(17,523,057)	(18,335,628)	8,362,686	168,623	27,668,606
	29,009,322	35,128,829	(26,399,026)	(18,335,628)	8,362,686	168,623	27,934,805
Current assets							
Accounts receivable	41,409,047	6,063,033	(1,580,637)	(614,647)	—	(1,140)	45,275,655
Credit to banking clients	32,661,202	22,596,738	(11,831,904)	(13,873,106)	(9,084,969)	127,583	20,595,544
Debt securities at amortised cost	9,674	8,851	(19,296)	—	30,497	—	29,726
Other current assets	11,547,796	337,814	(809,586)	(118,126)	691,512	—	11,649,410
Other banking financial assets	1,807,339	39,061	(10,607)	(6,450)	274	—	1,829,618
Sight and term deposits	7,917	38	(3,967)	—	—	—	3,988
	87,442,978	29,045,535	(14,255,998)	(14,612,329)	(8,362,686)	126,443	79,383,940
Non-current assets held for sale	638	—	—	—	—	—	638
	638	—	—	—	—	—	638
Merchandise	2,747,401	—	(283,414)	(229,068)	—	—	2,234,919
Raw, subsidiary and consumable	922,313	92,783	—	(113,152)	—	—	901,944
	3,669,714	92,783	(283,414)	(342,220)	—	—	3,136,863
	91,113,329	29,138,317	(14,539,412)	(14,954,549)	(8,362,686)	126,443	82,521,443
	120,122,649	64,267,146	(40,938,438)	(33,290,178)	—	295,066	110,456,246

Group	30.09.2024						Closing balance
	Opening balance	Increases	Reversals	Utilisations	Transfers	Other movements	
Non-current assets							
Tangible fixed assets	13,806	—	(697)	—	—	—	13,109
Investment properties	252,393	—	—	—	—	—	252,393
	266,199	—	(697)	—	—	—	265,502
Debt securities at amortised cost	67,657	28,323	(16,525)	—	(18,915)	—	60,540
Other non-current assets	380,493	—	—	—	(14,082)	—	366,412
Credit to banking clients	27,220,455	27,683,142	(20,779,018)	(9,507,494)	4,535,626	140,902	29,293,614
	27,668,606	27,711,465	(20,795,543)	(9,507,494)	4,502,629	140,902	29,720,566
	27,934,805	27,711,465	(20,796,239)	(9,507,494)	4,502,629	140,902	29,986,068
Current assets							
Accounts receivable	45,275,655	1,514,133	(151,232)	(2,576,732)	—	(113)	44,061,713
Credit to banking clients	20,595,544	14,000,122	(10,508,517)	(4,808,200)	(4,535,627)	71,258	14,814,581
Debt securities at amortised cost	29,726	28,265	(16,491)	—	18,915	—	60,415
Other current assets	11,649,410	169,766	(149,757)	(35,662)	14,082	—	11,647,840
Other banking financial assets	1,829,618	11,763	(12,083)	—	—	—	1,829,298
Sight and term deposits	3,988	237	(3,680)	—	—	—	544
	79,383,943	15,724,285	(10,841,761)	(7,420,593)	(4,502,629)	71,145	72,414,391
Non-current assets held for sale	638	—	—	—	—	—	638
	638	—	—	—	—	—	638
Merchandise	2,234,919	—	(187,554)	(12,558)	—	—	2,034,807
Raw, subsidiary and consumable	901,944	85,501	—	(1,842)	—	—	985,603
	3,136,863	85,501	(187,554)	(14,400)	—	—	3,020,411
	82,521,443	15,809,787	(11,029,315)	(7,434,993)	(4,502,629)	71,145	75,435,439
	110,456,246	43,521,252	(31,825,554)	(16,942,487)	—	212,047	105,421,505

14. Equity

At the Annual General Meeting held on 20 April 2023, a share capital reduction of 717,500 Euros was approved, within the scope of the own share buyback programme implemented in 2022. On 21 April 2023, the capital reduction of the aforementioned amount was registered in the Commercial Register, through the extinction of 1,435,000 shares representing 0.997% of the share capital of CTT.

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 2023, CTT's share capital was 71,957,500 Euros, represented by 143,915,000 shares with a nominal value of fifty cents per share, and the Company's Articles of Association were consequently amended. The capital was fully subscribed and paid up.

Thus, on 30 September 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.

As at 31 December 2023 and 30 September 2024 the Company's shareholders with qualifying holdings shareholdings, according to the information reported, are as follows:

31.12.2023

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

(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.

30.09.2024

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. (own shares)	Total	2,277,200	1.645 %	1,138,600
Other shareholders	Total	71,529,348	51.668 %	35,764,674
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 2023, the following movements were made in the caption "Own Shares":

	Quantity	Amount	Average Price
Balance 31 December 2022	2,935,000	10,826,390	3.69
Acquisitions	3,031,168	10,541,092	3.48
Cancellation (due to share capital reduction)	(1,435,000)	(5,293,313)	3.69
Shares Delivery - Long-term variable remuneration ("LTVR")	(121,868)	(449,537)	3.69
Balance at 31 December 2023	4,409,300	15,624,632	3.54

During the nine-months period ended 30 September 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	3,432,549	13,762,774	4.01
Cancellation (due to share capital reduction)	(5,475,000)	(20,111,920)	3.67
Shares Delivery - Long-term variable remuneration ("LTVR")	(89,649)	(327,844)	3.66
Balance at 30 September 2024	2,277,200	8,947,643	3.93

At the General Meeting held on 20 April 2023, the capital reduction was approved for the cancellation of 1,435,000 shares acquired under the buyback program approved and implemented in 2022. On 21 April 2023, it was registered in the register commercial the reduction of capital in the aforementioned amount, through the extinction of 1,435,000 shares representing 0.997% of CTT's share capital.

Also on 21 April 2023, 121,868 of own shares were delivered to the Board of Directors and Top Management of CTT, corresponding to the first tranche of the Long-Term variable remuneration relating to the 2020-2023 term, as explained in detail in note 24 - Staff Costs.

On 23 April 2024, 89,649 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 Annual 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 2023, the Company held, as a result of the acquisition and cancellation operations indicated herein, an accumulated amount of 4,409,300 own shares, representing 3.064% of the share capital, with par value of 0.50 Euros, with all inherent rights related to suspended shares, with the exception of those relating to the receipt of new shares in the case of capital increase by incorporation of reserves, as provided for in article 324(1)(a)) of the Commercial Companies Code.

As at 30 September 2024, the Company held an accumulated amount of 2,277,200 own shares, representing 1.645% of the share capital, with par value of 0.50 Euros, with all inherent rights related to suspended shares, with the exception of those relating to the receipt of new shares in the case of capital increase by incorporation of reserves, as provided for in article 324(1)(a)) of the Commercial Companies Code.

Own shares held by CTT are within the limits established by the Articles of Association of the Company and by the Portuguese Companies Code. These shares are recorded at acquisition cost.

Reserves

As at 31 December 2023 and 30 September 2024, the caption "Reserves" showed the following composition

31.12.2023				
	Legal reserves	Own shares reserves	Other reserves	Total
Opening balance	15,000,000	10,826,391	28,017,666	53,844,057
Share capital decrease	—	(5,293,313)	717,500	(4,575,813)
Own shares acquisitions	—	10,541,092	(10,541,092)	—
Own shares attribution	—	(449,537)	449,537	—
Share Plan (share delivery)	—	—	(1,155,000)	(1,155,000)
Closing balance	15,000,000	15,624,633	17,488,611	48,113,244

30.09.2024				
	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	—	13,762,774	(13,762,774)	—
Own shares attribution	—	(327,844)	327,844	—
Share Plan (share delivery)	—	—	(840,000)	(840,000)
Share Plan	—	—	611,670	611,670
Closing balance	15,000,000	8,947,643	6,562,851	30,510,494

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 30 September 2024, this caption includes the amount of 8,947,643 Euros related to the creation of an unavailable reserve for the same amount of the acquisition price of the own shares held.

Other reserves

This caption records the profits transferred to reserves that are not imposed by the law or articles of association, nor constituted pursuant to contracts signed by the Company.

On 31 December 2023, an amount of reserves of (1,155,000) Euros was derecognised, corresponding to the proportional amount of the options awarded in 2023 within the scope of the long-term variable remuneration, as described in note 24 - Staff Costs.

On 30 September 2024, an amount of reserves of (840,000) Euros was derecognised, corresponding to the proportional amount of the options awarded during 2024 of the long-term variable remuneration, as described in note 24 - Staff Costs.

In the nine-months period ended 30 September 2024, a reserve was booked in the amount of 611,670 Euros related to the new share plan, as described in note 24 - Staff Costs.

Retained earnings

During the year ended on 31 December 2023 and the nine-months period ended 30 September 2024, the following movements were made in caption “Retained earnings”:

	31.12.2023	30.09.2024
Opening balance	64,647,067	83,269,152
Application of the net profit of the prior year	36,406,519	60,511,368
Distribution of dividends (Note 16)	(17,817,109)	(23,315,758)
Adjustments from the application of the equity method	32,674	(9,312)
Shareholdings acquisition	—	(504,747)
Closing balance	83,269,152	119,950,704

Other changes in equity

The actuarial gains/losses associated to post-employment benefits, as well as the corresponding deferred taxes, are recognised in this caption.

During the year ended on 31 December 2023 and the nine-months period ended 30 September 2024, the movements occurred in this caption were as follows:

	31.12.2023	30.09.2024
Opening balance	6,857,207	3,402,039
Actuarial gains/losses	(5,716,054)	—
Tax effect (Note 26)	1,555,423	—
Share Plan (share delivery)	705,463	512,156
Other movements	—	(505,194)
Closing balance	3,402,039	3,409,002

As at 31 December 2023, the amount of 705,463 Euros related to the Share Plan, refers to the difference between the amount of 1,155,000 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 449,537 Euros. As of 30 September 2024, the amount relating to the Share Plan amounting to 512,156 Euros, corresponds, again, to the difference between the amount of 840,000 Euros, derecognized from the “Reserves” caption, relating to the proportional value of the options attributed in 2024 (note 15) and the value of own shares delivered within the scope of this operation in the amount of 327,844 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 2022 Annual Report, at the General Meeting of Shareholders, which was held on 20 April 2023, a dividend distribution of 17,817,109 Euros, corresponding to a dividend per share of 0.125 Euros (amount that excludes the dividend attributable to own shares in the portfolio at that date), regarding the financial year ended 31 December 2022 was proposed and approved. The dividend amount assigned to own shares was transferred to Retained earnings, amounting to 172,267 Euros.

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

17. Earnings per share

During the nine-months periods ended 30 September 2023 and 30 September 2024, the earnings per share were calculated as follows:

Group	30.09.2023	30.09.2024
Net income for the period	35,527,387	27,751,600
Average number of ordinary shares	142,252,556	137,471,532
Earnings per share		
Basic	0.25	0.20
Diluted	0.25	0.20

The average number of shares is detailed as follows:

	30.09.2023	30.09.2024
Shares issued at beginning of the period	145,350,000	143,915,000
Effect of extinction of shares during the period	(856,795)	(1,518,613)
Average number of actions taken	144,493,205	142,396,387
Own shares effect	2,240,649	4,924,855
Average number of shares during the period	142,252,556	137,471,532

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 30 September 2024, the number of own shares held is 2,277,200 and its average number for the period ended 30 September 2024 is 4,924,855, reflecting the fact that there were not only acquisitions, but also the extinction of own shares in that period, as mentioned in note 15.

There are no dilutive factors of earnings per share.

18. Debt

As at 31 December 2023 and 30 September 2024, the Debt caption showed the following composition:

	31.12.2023	30.09.2024
Non-current liabilities		
Bank loans	33,390,061	16,688,799
Commercial Paper	34,947,466	34,971,674
Lease liabilities	92,742,578	126,548,994
	161,080,105	178,209,467
Current liabilities		
Bank loans	82,395,558	27,261,122
Commercial Paper	22,067	870,449
Lease liabilities	25,517,227	30,943,835
	107,934,852	59,075,406
	269,014,957	237,284,873

As at 30 September 2024, the interest rates applied to bank loans were between 4.105% and 4.980% (31 December 2023: 4.861% and 5.736%).

Bank loans and Commercial Paper

As at 31 December 2023 and 30 September 2024, the details of the bank loans were as follows:

	31.12.2023			30.09.2024		
	Limit	Amount used		Limit	Amount used	
		Current	Non-current		Current	Non-current
Bank loans						
Millennium BCP	12,028,704	8,176,561	456,482	537,037	322,222	214,815
BBVA / Bankinter	26,125,000	7,069,572	18,943,702	19,000,000	9,455,884	9,477,330
Novo Banco	21,000,000	7,196,811	13,989,877	14,000,000	7,328,929	6,996,655
Commercial Paper						
BBVA / Bankinter	15,000,000	8,886	14,976,038	15,000,000	369,777	14,987,388
Novo Banco	20,000,000	13,181	19,971,429	20,000,000	500,672	19,984,286
Bank overdrafts						
Novo Banco	—	59,952,614	—	—	10,154,087	—
	94,153,704	82,417,625	68,337,527	68,537,037	28,131,571	51,660,473

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 30 September 2024, the referred used amount, net of commissions and added by the amount of interests to be paid in the following period corresponded to 18,933,214 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 30 September 2024, the amount presented in the statement of financial position net of commissions and added by the amount of interests to be paid in the following period, in the total amount of 14,325,584 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 30 September 2024, the amount used presented in the statement of financial position, net of commissions and plus the amount of interest to be paid in the following period, amounts to 15,357,165 Euros in the case of BBVA/Bankinter and 20,484,958 Euros in Novo Banco. These commercial paper programmes are shown in non-current liabilities, since the Group's practice/expectation will be to use the contracts during their period of validity and having the right to roll-over these loans.

On 31 December 2023, the **Group** presented a bank overdraft with Novo Banco Bank, in the amount of 59,952,614 Euros, corresponding to short-term financing to meet specific treasury needs, regularised at the beginning of January 2024.

Bank loans obtained are subject to compliance with financial covenants, namely clauses of Cross default, Negative Pledge and Assets Disposal's limits. Additionally, the loans obtained also require compliance with ratios of Net Debt over EBITDA and financial autonomy. Compliance with financial covenants is regularly monitored by the Group and is measured by counterparties on an annual basis based on the Financial Statements as at 31 December. As at 31 December 2023, the Group is in compliance with financial covenants.

Lease Liabilities

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

	31.12.2023	30.09.2024
Due within 1 year	29,181,190	35,870,107
Due between 1 to 5 years	66,930,170	94,485,535
Over 5 years	37,807,781	46,550,013
Total undiscounted lease liabilities	133,919,141	176,905,656
Current	25,517,227	30,943,835
Non-current	92,742,578	126,548,994
Lease liabilities included in the statement of financial position	118,259,806	157,492,829

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:

	30.09.2023	30.09.2024
Lease liabilities interests (note 25)	2,638,493	3,835,821
Variable payments not included in the measurement of the lease liability	1,372,762	1,597,699

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

	30.09.2023	30.09.2024
Total of lease payments	(27,684,142)	(29,937,006)

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

Reconciliation of Changes in the responsibilities of Financing activities

The reconciliation of changes in the responsibilities of financing activities as at 31 December 2023 and 30 September 2024, is detailed as follows:

	31.12.2023	30.09.2024
Opening Balance	195,954,666	269,014,957
Movements without cash	32,312,979	72,017,990
<i>Contract changes</i>	25,679,408	65,479,836
<i>IFRS 16 Interests</i>	3,396,453	3,727,834
<i>Others</i>	3,237,118	2,810,320
Loans:		
Inflow	94,757,177	49,486,223
Outflow	(16,964,205)	(123,297,291)
Lease liabilities:		
Outflow	(37,045,659)	(29,937,006)
Closing balance	269,014,957	237,284,873

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

19. Provisions, Guarantees provided, Contingent liabilities and commitments

Provisions

For the year ended on 31 December 2023 and the nine-months period ended 30 September 2024 the caption "Provisions", showed the following movement:

	31.12.2023					
	Opening balance	Increases	Reversals	Utilisations	Transfers	Closing balance
Litigations	3,145,696	988,027	(744,147)	(118,951)	(9,082)	3,261,544
Onerous contracts	160,148	—	(75,162)	(84,986)	—	—
Other provisions	6,019,982	1,000,439	(89,788)	(495,249)	9,082	6,444,466
Commitments provisions	124,457	103,423	(74,189)	—	—	153,691
Sub-total - caption "Provisions (increases)/reversals"	9,450,283	2,091,889	(983,286)	(699,185)	—	9,859,701
Investments in subsidiary and associated companies	168,972	6,480	—	(175,452)	—	—
Restructuring	199,386	13,441,228	—	—	—	13,640,614
Other provisions	2,813,626	25,924	—	(1,000)	—	2,838,550
	12,632,267	15,565,521	(983,286)	(875,637)	—	26,338,865

	30.9.2024					
	Opening balance	Increases	Reversals	Utilisations	Transfers	Closing balance
Litigations	3,261,544	997,363	(610,723)	(102,177)	(21,791)	3,524,215
Other provisions	6,444,466	917,954	(42,240)	(3,503,716)	332,374	4,148,838
Commitments provisions	153,691	30,959	(91,977)	—	—	92,672
Sub-total - caption "Provisions (increases)/reversals"	9,859,701	1,946,276	(744,940)	(3,605,893)	310,583	7,765,726
Restructuring	13,640,614	—	(1,989,181)	(1,189,922)	(10,263,283)	198,228
Other provisions	2,838,550	785,706	—	(360,050)	—	3,264,206
	26,338,865	2,731,981	(2,734,121)	(5,155,865)	(9,952,700)	11,228,160

The net amount between increases and reversals of provisions was recorded in the consolidated income statement under the caption Provisions, net and amounted to 1,019,736 Euros as at 30 September 2023 and 1,201,336 Euros as at 30 September 2024.

A provision should only be used for expenditures for which the provision was originally recognised, so the Group reverse the provision when it is no longer probable that an outflow of resources that incorporate future economic benefits will be necessary to settle the obligation.

Litigations

The provisions for litigations were set up to face the liabilities resulting from lawsuits brought against the Group and are estimated based on information from their lawyers as well as on the termination of the mentioned lawsuits. The final amount and the timing of the outflows regarding the provision for litigations depend on the outcome of the respective proceedings.

The reversal of the provision for litigations, in the amount of (744,147) Euros as at 31 December 2023 and (610,723) Euros as at 30 September 2024, essentially results from lawsuits whose decision, which

was made known in the course of 2023 or 2024, respectively, proved to be favourable to the Group, or, not being favourable, resulted in the condemnation to pay amounts that proved to be lower than the estimated amounts (and reflected in this provision caption).

Other provisions

In previous years, a provision was recognised in CTT Espresso 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 101^o 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 Espresso 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 Espresso, 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 876,752 Euros as at 30 September 2024 (879,205 Euros at 31 December 2023) mainly results from the management assessment regarding the possibility of materialising tax contingencies and other processes.

As at 30 September 2024, in addition to the previously mentioned situations, this caption also includes:

- the amount of 200,749 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 Espresso, with a labour legal proceeding;
- the amount of 2,447,246 Euros to cover costs of operational vehicles restoration;
- the amount of commitments for guarantees provided to third parties to cover promotional contests in the amount of 900,643 Euros.

Restructuring

It is essential for the **Group** to implement policies that promote rationalisation, adaptation and increased productivity of all available resources, with reflection in the organisational management model of its human resources. In this context, in the previous year, actions were taken leading to the reorganisation of services, which led to the approval of a Human Resources optimisation programme. This programme is based on the conclusion of Suspension Agreements, Pre-Retirements and Termination Agreements by Mutual Agreement, and on 31 December 2023, a provision in the amount of 13,441,229 Euros was created for the respective operationalisation. This provision was recognised

under the caption Staff Costs. As of 30 September 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 2023 and 30 September 2024, the Group has provided bank guarantees to third parties as follows:

	31.12.2023	30.09.2024
Contencioso Administrativo da Audiência Nacional (National Audience Administrative Litigation) and CNMC - Comisión Nacional de los Mercados y la Competencia - Espanha (National Commission on Markets and Competition - Spain)	3,148,845	3,148,845
Autoridade Tributária e Aduaneira (Portuguese Tax and Customs Authority)	2,974,242	2,868,632
LandSearch, Compra e Venda de Imóveis (Real estate company)	1,792,886	1,792,886
Fidelidade, Multicare, Cares - (Glantt BPO)	1,500,000	1,500,000
BVK Europa-Immobilien (Real estate company)	—	1,203,881
Absolute Miracle, Lda (Real estate company)	—	938,025
AMBIMOBILIÁRIA- INVESTIMENTOS E NEGÓCIOS, S.A. (Real estate company)	480,000	480,000
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	79,362	78,991
EPAL - Empresa Portuguesa de Águas Livres (Multi-municipal System of Water Supply and Sanitation of the Lisbon Area)	68,895	68,895
INCM - Imprensa Nacional da Casa da Moeda (Portuguese Mint and Official Printing Office)	68,386	68,386
ANA - Aeroportos de Portugal (Airports of Portugal)	34,000	34,000
Águas do Norte (Water Supply of the Northern Region)	23,804	23,804
Instituto de Gestão Financeira Segurança Social (Social Security Financial Management Institute)	21,557	21,557
EMEL, S.A. (Municipal company managing parking in Lisbon)	19,384	19,384
Serviços Intermunicipalizados Loures e Odivelas (Inter-municipal Services of Water Supply and Sanitation of the Loures and Odivelas Areas)	17,000	17,000
Direção Geral do Tesouro e Finanças (Directorate General of Treasury and Finance)	16,867	16,867
Alegro Alfragide	16,837	16,837
Portugal Telecom, S.A. (Telecommunication Company)	16,658	16,658
Refer (Public service for the management of the national railway network infrastructure)	16,460	16,460
Other entities	16,144	16,144
SMAS de Sintra (Services of Water Supply and Sanitation of the city of Sintra)	15,889	15,889
DOLCE VITA TEJO (Real State Company)	13,832	13,832
Águas do Porto, E.M (Services of Water Supply and Sanitation of the city of Porto)	10,720	10,720
ADRA - Águas da Região de Aveiro (Services of Water Supply and Sanitation of the city of Aveiro)	10,475	10,475
SMAS Torres Vedras (Services of Water Supply and Sanitation of the city of Torres Vedras)	9,910	9,910
ACT Autoridade Condições Trabalho (Authority for Working Conditions)	9,160	9,160
Consejería Salud (Local Health Service/Spain)	4,116	4,116
Wiiv Portugal - SIC Imobiliária Fechada, S.A.	5,089,792	—
PLANINOVA - Soc. Imobiliária, S.A. (Real estate company)	2,033,582	—
Garantia KTP Packaging Solutions (Packaging Solutions Supplier)	211,740	—
	20,148,131	14,848,941

Bank guarantees

As at 30 September 2024, the bank guarantees provided in favour of “Autoridade Tributária e Aduaneira” (Portuguese Tax and Customs Authority), in a global amount of 2,868,632 Euros, were essentially provided for the suspension of tax enforcement proceedings.

On 31 December 2023, a bank guarantee was provided to the entity Wiiv Portugal in the amount of 5,089,792 as part of the costs to be settled with the early termination of the lease contract with the former Head Office. Regarding the settlement of the amount during the year 2024, the bank guarantee was cancelled.

Guarantees for lease Contracts

According to the terms of some lease contracts of the buildings occupied by the Company’s services, the Portuguese State ceased to hold the majority of the share capital of CTT, bank guarantees on first demand had to be provided. These guarantees amount to 1,792,886 Euros as at 30 September 2024 (31 December 2023: 3,826,468 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. Therefore, the cancellation of the bank guarantee is underway.

Commitments

The Group engaged guarantee insurances in the total amount of 7,779,282 Euros(31 December 2023: 5,985,951 Euros), with the purpose of guaranteeing the fulfilment of contractual obligations assumed by third parties.

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

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

20. Accounts payable

As at 31 December 2023 and 30 September 2024, the caption “Accounts payable” showed the following composition:

	31.12.2023	30.09.2024
Current		
Advances from customers	1,877,771	40,633,705
CNP money orders	106,269,099	79,075,083
Suppliers	114,269,770	151,685,796
Invoices pending confirmation	12,368,179	11,844,519
Fixed assets suppliers	5,334,120	5,364,834
Invoices pending confirmation (fixed assets)	8,165,808	4,002,120
Values collected on behalf of third parties	17,707,682	26,372,415
Postal financial services	80,227,690	57,929,853
Deposits	678,080	576,651
Charges	14,664,320	15,517,552
Compensations	669,708	543,644
Postal operators - amounts to be settled	538,979	30,000
Amounts to be settled to third parties	1,229,091	581,879
Amounts to be settled in stores	765,242	151,673
Other accounts payable	9,195,564	6,290,320
	373,961,102	400,600,045

Advances from customers

The captions advances from customers (and suppliers) had a significant increase in the period, which essentially resulted from the segregation of amounts advanced by (and to) postal operators due to annual terminal dues accounts.

These amounts began to be recorded in specific customer (and supplier) advance accounts, making the flows more transparent within the captions, and allowing the accounting process to be aligned with other types of advances received.

A similar impact is observed in the caption suppliers.

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 2023, is mainly related to the time of receipt of the amounts from the National Pensions Center, which are related with the working days of the calendar compared to the end of the month.

Postal financial services

This caption records mainly the amounts collected related to taxes, insurance, savings certificates and other money orders, whose settlement date should occur in the month following the end of the period. The variation in the item is related, above all, to the limitation of the type of payment methods available in stores, for the payment of taxes for corporate customers, as well as a decrease in subscriptions to savings certificates, related to the change in marketing conditions in June 2023, namely lower interest

rates, and the reduction in maximum limits per application per subscriber, which reduced the attractiveness of these savings products.

21. Debt Securities issued at amortised cost

This caption showed the following composition:

	31.12.2023	30.09.2024
Non current liabilities		
Debt securities issued	347,131,609	274,278,427
	347,131,609	274,278,427
Current liabilities		
Debt securities issued	243,468	278,699
	243,468	278,699
	347,375,077	274,557,126

As at 31 December 2023 and 30 September 2024, the Debt securities issued are analysed as follows:

31.12.2023					
Issue	Issue date	Maturity date	Remuneration	Nominal value	Book value
Ulisses Finance No.2 – Class A	September 2021	September 2038	Euribor 1M + 70 bps	140,142,471	141,123,335
Ulisses Finance No.2 – Class B	September 2021	September 2038	Euribor 1M + 80 bps	6,879,846	6,878,045
Ulisses Finance No.2 – Class C	September 2021	September 2038	Euribor 1M + 135 bps	13,759,693	13,757,142
Ulisses Finance No.2 – Class D	September 2021	September 2038	Euribor 1M + 285 bps	7,774,226	7,774,405
Ulisses Finance No.2 – Class E	September 2021	September 2038	Euribor 1M + 368 bps	2,545,543	2,545,895
Ulisses Finance No.2 – Class F	September 2021	September 2038	Euribor 1M + 549 bps	894,380	894,729
Ulisses Finance No.3 - Class A	June 2022	June 2039	Euribor 1M + 90 bps	147,128,975	147,012,162
Ulisses Finance No.3 - Class B	June 2022	June 2039	Euribor 1M + 200 bps	7,006,142	6,902,717
Ulisses Finance No.3 - Class C	June 2022	June 2039	Euribor 1M + 370 bps	10,509,212	10,352,450
Ulisses Finance No.3 - Class D	June 2022	June 2039	Euribor 1M + 525 bps	5,254,606	5,052,713
Ulisses Finance No.3 - Class E	June 2022	June 2039	Euribor 1M + 650 bps	4,378,839	4,232,861
Ulisses Finance No.3 - Class F	June 2022	June 2039	Euribor 1M + 850 bps	875,768	848,624
				347,149,701	347,375,077

30.09.2024					
Issue	Issue date	Maturity date	Remuneration	Nominal value	Book value
Ulisses Finance No.2 – Class A	September 2021	September 2038	Euribor 1M + 70 bps	108,785,787	109,494,967
Ulisses Finance No.2 – Class B	September 2021	September 2038	Euribor 1M + 80 bps	5,340,490	5,341,204
Ulisses Finance No.2 – Class C	September 2021	September 2038	Euribor 1M + 135 bps	10,680,981	10,683,714
Ulisses Finance No.2 – Class D	September 2021	September 2038	Euribor 1M + 285 bps	6,034,754	6,038,310
Ulisses Finance No.2 – Class E	September 2021	September 2038	Euribor 1M + 368 bps	1,975,981	1,977,510
Ulisses Finance No.2 – Class F	September 2021	September 2038	Euribor 1M + 549 bps	694,264	695,080
Ulisses Finance No.3 - Class A	June 2022	June 2039	Euribor 1M + 90 bps	118,223,919	118,181,088
Ulisses Finance No.3 - Class B	June 2022	June 2039	Euribor 1M + 200 bps	5,629,710	5,568,684
Ulisses Finance No.3 - Class C	June 2022	June 2039	Euribor 1M + 370 bps	8,444,566	8,353,712
Ulisses Finance No.3 - Class D	June 2022	June 2039	Euribor 1M + 525 bps	4,222,283	4,102,261
Ulisses Finance No.3 - Class E	June 2022	June 2039	Euribor 1M + 650 bps	3,518,569	3,432,650
Ulisses Finance No.3 - Class F	June 2022	June 2039	Euribor 1M + 850 bps	703,714	687,946
				274,255,017	274,557,126

During the year ended on 31 December 2023 and the nine-months period ended 30 September 2024, the movement of this item is as follows:

31.12.2023					
	Opening balance	Issues	Repayments	Other movements	Closing balance
Ulisses Finance No.1	11,350,744	—	(11,333,007)	(17,736)	—
Ulisses Finance No.2	234,868,353	—	(61,351,441)	(543,362)	172,973,550
Ulisses Finance No.3	199,358,764	—	(25,446,459)	489,222	174,401,527
	445,577,861	—	(98,130,907)	(71,876)	347,375,077

30.09.2024					
	Opening balance	Issues	Repayments	Other movements	Closing balance
Ulisses Finance No.2	172,973,550	—	(38,483,904)	(258,862)	134,230,785
Ulisses Finance No.3	174,401,527	—	(34,410,780)	335,594	140,326,341
	347,375,077	—	(72,894,683)	76,732	274,557,126

As at 31 December 2023, the credit securitisation operation Ulisses No1, originated by 321 Crédito in 2017, included a consumer credit portfolio amounting to 141.2 million euros. The operation included a clean-up call option clause that could be exercised by the originator when the securitised portfolio dropped by 10% of the initial amount, i.e., 14.1 million euros. This occurred after the IPD ("interest payment date") of June 2023, with the clean-up call being exercised at the IPD of July 2023, with the Company reacquiring the entire securitised portfolio, closing the operation.

The scheduling by maturity regarding this caption is as follows:

31.12.2023							
	Current			Non-current			Total
	Due within 3 months	Over 3 months and less than 1 year	Total	Over 1 year and less than 3 years	Over 3 years	Total	
Securitisations	243,468	—	243,468	—	347,131,609	347,131,609	347,375,077
	243,468	—	243,468	—	347,131,609	347,131,609	347,375,077

30.09.2024							
	Current			Non-current			Total
	Due within 3 months	Over 3 months and less than 1 year	Total	Over 1 year and less than 3 years	Over 3 years	Total	
Securitisations	278,699	—	278,699	—	274,278,427	274,278,427	274,557,126
	278,699	—	278,699	—	274,278,427	274,278,427	274,557,126

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 30 September 2022 a value of 1,000 euros.

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

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

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

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

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

Ulisses Finance No. 3

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

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

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

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

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

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

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

Additionally, the Group, through 321 Crédito, maintained, as at 30 September 2024, the Fénix operation as the only live unrecognised securitisation operation. The Group's involvement in this operation is limited to providing servicing services.

22. Banking clients' deposits and other loans

As at 31 December 2023 and 30 September 2024, the composition of the caption Banking clients' deposits and other loans in the **Group** is as follows:

	31.12.2023	30.09.2024
Sight deposits	1,343,297,943	1,371,116,609
Term deposits	1,409,082,838	2,254,234,028
Savings deposits	338,581,770	342,558,760
	3,090,962,551	3,967,909,397
Corrections to the liabilities value subject to hedging operations	—	8,927
	3,090,962,551	3,967,918,324

The above-mentioned amounts relate to Banco CTT clients' deposits. Savings deposits are deposits associated with current accounts and which allow the client to obtain a remuneration above the slight deposits, which can be mobilised at any time, with no subscription limit, and it is possible to schedule transfers from and for this account. These deposits are different from term deposits as they have a definite date of constitution and maturity, and the savings accounts are fully mobilisable without penalty on remuneration.

For the nine-months period ended 30 September 2024 the average rate of return on customer funds was 1.72% (31 December 2023: 0.63%).

As at 31 December 2023 and 30 September 2024, the residual maturity of banking client deposits and other loans, is detailed as follows:

	31.12.2023					Total
	No defined maturity	Due within 3 months	Over 3 months and less than 1 year	Over 1 year and less than 3 years	Over 3 years	
Sight deposits and saving accounts	1,681,879,712	—	—	—	—	1,681,879,712
Term deposits	—	359,591,003	1,049,491,831	—	—	1,409,082,838
Banking clients' deposits	1,681,879,712	359,591,003	1,049,491,831	—	—	3,090,962,551

	30.09.2024					Total
	No defined maturity	Due within 3 months	Over 3 months and less than 1 year	Over 1 year and less than 3 years	Over 3 years	
Sight deposits and saving accounts	1,713,675,369	—	—	—	—	1,713,675,369
Term deposits	—	796,744,262	1,457,489,761	—	—	2,254,234,028
	1,713,675,369	796,744,262	1,457,489,761	—	—	3,967,909,397

23. Income taxes receivable /payable

As of 30 September 2024, this caption reflects the income tax estimate for the nine-months period ended 30 September 2024 and the amounts already paid regarding payments on account and additional payments on account

24. Staff costs

During nine-months period ended 30 September 2023 and 30 September 2024, the composition of the caption Staff Costs was as follows:

	30.09.2023	30.09.2024
Remuneration	223,877,378	239,099,919
Employee benefits	5,913,170	4,527,053
Indemnities	801,015	(863,470)
Social Security charges	47,945,123	51,233,658
Occupational accident and health insurance	2,852,955	2,733,113
Social welfare costs	5,848,580	4,733,963
Other staff costs	121,858	130,671
	287,360,078	301,594,906

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 nine-months period ended 30 September 2023 and 30 September 2024, the fixed and variable remunerations attributed to the members of the statutory bodies of CTT, S.A., were:

	30.09.2023				Total
	Board of Directors	Audit Committee	Remuneration Board	General Meeting of Shareholders	
Short-term remuneration					
Fixed remuneration	1,766,179	122,762	30,850	14,000	1,933,791
	1,766,179	122,762	30,850	14,000	1,933,791
Long-term remuneration					
Defined contribution plan RSP	138,192	—	—	—	138,192
	138,192	—	—	—	138,192
	1,904,371	122,762	30,850	14,000	2,071,983

	30.09.2024				Total
	Board of Directors	Audit Committee	Remuneration Board	General Meeting of Shareholders	
Short-term remuneration					
Fixed remuneration	1,413,735	187,500	48,825	14,000	1,664,060
	1,413,735	187,500	48,825	14,000	1,664,060
Long-term remuneration					
Defined contribution plan RSP	115,875	—	—	—	115,875
Long-term variable remuneration	815,560	—	—	—	815,560
	931,435	—	—	—	931,435
	2,345,170	187,500	48,825	14,000	2,595,495

Long-term variable remuneration ("LTVR")

2020/2022 Term

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

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

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

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

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

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

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

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

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

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

As of 31 December 2023 the amount was paid and the liabilities were settled on 20 April 2023. In the case of the physical settlement component, considering that this was fully recognised in 2021 and 2022, with reference to 31 December 2023, an amount of 1,155,000 Euros was derecognised in the caption "Reserves" in equity, corresponding to the proportional amount of the physical liquidation that occurred (note 15). This amount was derecognised against to the amount of the own shares delivered within the scope of this operation. The difference in the amount of 705,463 Euros, was recognised under the caption "Other changes in equity" (Note 15), pursuant to the provisions of the IFRS. As of 30 September 2024, considering the delivery of the second tranche, an amount of 840,000 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.

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 and CCO), 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

- 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:

$$\text{No. of Shares} = \text{No. of Options exercised} \times [(\text{Share Price} - \text{Strike Price}) / \text{Share Price}]$$

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;
- 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;
- 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, recognized on 30 September 2024, amounted to 815,560 Euros, with the financial settlement component, recognized under the caption "Employee Benefits", in the amount of 203,890 Euros and the settlement in instruments recognized under the caption "other reserves", in the amount of 611,670 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.

For the nine-months period ended 30 September 2024, the caption Staff costs includes the amount of 676,900 Euros related to expenses with workers' representative bodies (30 September 2023: 699,019)

For nine-months period ended 30 September 2024, the average number of staff of the Group was 13,725 (13,155 employees for the period ended 30 September 2023).

25. Interest expenses and Interest income

For the nine-months period ended 30 September 2023 and 30 September 2024, the caption Interest Expenses had the following detail:

	30.09.2023	30.09.2024
Interest expenses		
Bank loans	3,813,508	4,723,177
Lease liabilities	2,638,493	3,835,821
Other interest	71,851	20,985
Interest costs from employee benefits	5,372,575	4,429,602
Other interest costs	390,709	355,023
	12,287,136	13,364,608

During the nine-months period ended 30 September 2023 and 30 September 2024, the caption Interest income was detailed as follows:

	30.09.2023	30.09.2024
Interest income		
Deposits in credit institutions	650,079	214,200
Other supplementary income	80	16,816
	650,159	231,016

26. Income tax for the period

Companies with head office in Portugal are subject to tax on their profit through Corporate Income Tax (“IRC”) at the normal tax rate of 21%, whilst the municipal tax is established at a maximum rate of 1.5% of taxable profit, and State surcharge is 3% of taxable profit between 1,500,000 Euros and 7,500,000 Euros, 5% of taxable profit between 7,500,000 and to 35,000,000 Euros and 9% of the taxable profit above 35,000,000 Euros. CTT – Expresso, S.A., Spain branch is subject to income taxes in Spain, through income tax (Impuesto sobre Sociedades - “IS”) at a rate of 25%, and the subsidiary CORRE is subject to corporate income tax in Mozambique (“IRPC”) at a rate of 32%.

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

Reconciliation of the income tax rate

For the nine-months period ended 30 September 2023 and 30 September 2024, 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)	45,448,734	34,836,435
Nominal tax rate	21.0%	21.0%
	9,544,234	7,315,651
Tax Benefits	(141,124)	(471,601)
Accounting capital gains/(losses)	(3,821)	(11,828)
Tax capital gains/(losses)	1,910	5,914
Provisions not considered in the calculation of deferred taxes	41,148	98,267
Impairment losses and reversals	(389,200)	8,853
Compensation for insurable events	103,968	69,523
Depreciation and car rental charges	19,173	61,571
Credits uncollectible	201,489	71,982
Difference between current and deferred tax rates	51,040	227,448
Fines, interest, compensatory interest and other charges	60,668	9,877
Contract termination costs	—	2,241,459
Amounts not subject to taxation	—	(1,078,699)
Other situations, net	353,995	(549,464)
Adjustments related with - autonomous taxation	401,116	416,103
SIFIDE tax credit	(2,029,450)	(861,647)
Insufficiency / (Excess) estimated income tax	(272,571)	(3,908,581)
Subtotal (b)	7,942,574	3,644,829
(b)/(a)	17.48%	10.46%
Adjustments related with - Municipal Surcharge	688,248	781,080
Adjustments related with - State Surcharge	1,319,279	2,005,772
Income taxes for the period	9,950,101	6,431,681
Effective tax rate	21.89%	18.46%
Income taxes for the period		
Current tax	12,005,318	7,154,329
Deferred tax	246,804	4,047,579
SIFIDE tax credit	(2,029,450)	(861,647)
Insufficiency / (Excess) estimated income tax	(272,571)	(3,908,581)
	9,950,101	6,431,681

For the six-month period ending on 30 June 2023, the caption “SIFIDE Tax Credit” essentially refers to the remaining amount of the SIFIDE tax credit for the years 2020 and 2021 (1,618,016 Euros).

Deferred taxes

As at 31 December 2023 and 30 September 2024, the balance related to deferred tax assets and liabilities was composed as follows:

	31.12.2023	30.09.2024
Deferred tax assets		
Employee benefits - healthcare	43,185,623	42,594,405
Employee benefits - pension plan	66,831	60,731
Employee benefits - other long-term benefits	5,338,079	7,184,982
Impairment losses and provisions	6,417,768	2,299,385
Tax losses carried forward	3,179,270	3,036,991
Impairment losses in tangible fixed assets	671,318	735,757
Long-term variable remuneration (Board of directors)	816,443	829,539
Land and buildings	51,529	51,529
Tangible assets' tax revaluation regime	527,549	329,719
Sale & Leaseback transactions	8,784,280	8,391,575
Early termination of contracts	2,241,459	—
Other	115,718	94,103
	71,395,868	65,608,716
Deferred tax liabilities		
Revaluation of tangible fixed assets before IFRS	484,578	360,682
Suspended capital gains	284,397	275,572
PPA Movements - New Spring Services	286,265	210,489
Fair value adjustments	3,420,343	1,876,018
Other	195,125	208,224
	4,670,707	2,930,985

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

As at 30 September 2024, the expected amount of deferred tax assets and liabilities to be settled within 12 months is 6.3 million Euros and 6.2 million Euros, respectively.

During the years ended 31 December 2023 and 30 September 2024, the movements which occurred under the deferred tax captions were as follows:

	31.12.2023	30.09.2024
Deferred tax assets		
Opening balances	67,823,608	71,395,868
Effect on net profit		
Employee benefits - healthcare	(11,716,520)	(591,218)
Employee benefits - pension plan	14,012	(6,100)
Employee benefits - other long-term benefits	247,619	1,846,903
Impairment losses and provisions	4,017,349	(4,118,384)
Tax losses carried forward	136,866	(142,279)
Impairment losses in tangible fixed assets	(923,508)	64,439
Long-term variable remuneration (Board of directors)	—	13,096
Share plan	(233,286)	—
Land and buildings	(281,081)	—
Tangible assets' tax revaluation regime	(434,598)	(197,830)
Sale & Leaseback Transaction	8,784,280	(392,705)
Early termination of contracts	2,241,459	(2,241,459)
Other	118,611	(21,616)
Effect on equity		
Employee benefits - healthcare	1,599,841	—
Employee benefits - pension plan	1,216	—
Closing balance	71,395,868	65,608,716

	31.12.2023	30.09.2024
Deferred tax liabilities		
Opening balances	9,847,476	4,670,707
Effect on net profit		
Revaluation of tangible fixed assets before IFRS adoption	(1,034,441)	(123,896)
Suspended capital gains	(347,496)	(8,825)
PPA Movements - New Spring Services	(101,035)	(75,776)
Fair value adjustments	(3,296,270)	(1,544,325)
Other	(378,345)	13,250
Effect on equity		
Other	(19,182)	(150)
Closing balance	4,670,707	2,930,985

During the year ended 31 December 2023 and in the nine-months period ended 30 September 2024, the tax losses carried forward are detailed as follows:

Group	31.12.2023		30.09.2024	
	Tax losses	Deferred tax assets	Tax losses	Deferred tax assets
CTT – Espresso, S.A., branch in Spain	76,206,218	—	63,522,302	—
CTT Espresso/Transporta	12,535,630	2,632,482	11,455,912	2,397,325
CTT Soluções Empresariais/HCCM	1,285,613	269,979	1,013,999	212,939
Open Lockers	1,318,136	276,809	2,032,027	426,727
Total	91,345,597	3,179,270	78,024,240	3,036,991

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

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 2.26 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 30 of September 2024, the tax credit for the year 2022 had already been partially granted by the Certification Commission, for a total amount of 1,536,548 Euros.

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

Pillar II

The transition of the world to a global village, the increasing speed of transactions, the streamlining of commercial relations, among other phenomena, challenge current tax rules, forcing an inevitable renewal and combination of efforts between jurisdictions, governments and national tax policies - in 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.

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

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

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

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

The Draft Law transposing Council Directive (EU) 2022/2523 of 14 December 2022 was approved by the Council of Ministers in September 2024 after being submitted to public consultation, with the official publication of the law occurring on 18 October 2024.

The CTT Group, as it falls within the subjective scope of the Directive, is carrying out an analysis of the possible impact in each of the jurisdictions in which it operates (Portugal, Spain and Mozambique) in light of the Directive's rules, as well as 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.

The amendment to IAS 12 introduced a mandatory temporary exception to the recognition of deferred taxes within the scope of Pillar II.

Other information

Pursuant to the legislation in force in Portugal, income tax returns are subject to review and correction by the tax authorities for a period of four years (five years for Social Security), except when there have been tax losses, tax benefits have been received, or when inspections, claims or challenges are in progress, in which cases, depending on the circumstances, these years are extended or suspended. Therefore, CTT's income tax returns from 2020 and onwards may still be reviewed and corrected.

The Board of Directors believes that any corrections arising from reviews/inspections by the tax authorities of these income tax returns will not have a significant effect on the consolidated financial statements as at 30 September 2024.

27. Related parties

The Regulation on Assessment and Control of transactions with CTT related parties defines related party as: qualified shareholder, manager, subsidiaries companies' managers or third party with any of these related through relevant commercial or personal interest (under the terms of IAS 24) and also subsidiaries, associates and joint ventures of CTT. It is considered that there is a "relevant commercial or personal interest" in relation to (i) close family members of the managers, subsidiaries companies' managers and qualified shareholders who, at each moment, have significant influence on CTT, as well as (ii) controlled entities (individually or jointly), either by management, subsidiaries companies' managers qualified shareholders or by the persons referred to in (i). For this purpose, "control" is considered to exist when an investor is exposed or holds rights in relation to variable results through its relationship with it and has the capacity to affect those results through the power it exercises over the investee. Additionally, "close family members" are: (i) the spouse or domestic partner and (ii) the children and dependents of the person and persons referred to in (i).

According to the Regulation, the significant transactions with related parties, as well as transactions that members of the Board of Directors of CTT and/or its subsidiaries conduct with CTT and/or its subsidiaries, must be previously approved by resolution of Board of Directors, preceded by a prior favourable opinion of Audit Committee, except when included in the normal company's business and no

special advantage is granted to the director directly or by an intermediary. Significant transaction is any transaction with a related party whose amount exceeds one million Euros, and / or carried out outside current activity scope of CTT and / or subsidiaries and / or outside market conditions.

The other related parties' transactions are approved by Executive Committee, to the extent of the related delegation of powers, and subject to subsequent examination by the Audit Committee.

For the nine-months period ended 30 September 2024 and 30 September 2023, the following transactions took place and the following balances existed with related parties:

	30.09.2023				
	Accounts receivable	Accounts payable	Revenues	Costs	Dividends
Shareholders	—	—	—	—	17,817,109
Group companies					
Associated companies	—	—	—	—	—
Jointly controlled	459,777	25,719	462,229	156,212	—
Members of the (Note 24)					
Board of Directors	—	—	—	1,766,179	—
Audit Committee	—	—	—	122,762	—
Remuneration Committee	—	—	—	30,850	—
General Meeting	—	—	—	14,000	—
	459,777	25,719	462,229	2,090,003	17,817,109

	30.09.2024				
	Accounts receivable	Accounts payable	Revenues	Costs	Dividends
Shareholders	—	—	—	—	23,315,758
Group companies					
Associated companies	—	—	—	—	—
Jointly controlled	372,447	88,192	579,725	282,949	—
Members of the (Note 24)					
Board of Directors	—	—	—	1,413,735	—
Audit Committee	—	—	—	187,500	—
Remuneration Committee	—	—	—	48,825	—
General Meeting	—	—	—	14,000	—
	372,447	88,192	579,725	1,947,009	23,315,758

In the context of transactions with related parties, no commitments were made, nor were any guarantees given or received.

No provision was recognised for doubtful debts or expenses recognised during the period in respect of bad or doubtful debts owed by related parties.

The remunerations attributed to the members of the statutory bodies of CTT, S.A. are disclosed in note 24 – Staff Costs.

28. Other information

Within the regulatory framework in force since February 2022 and the Convention on the criteria to be met for the pricing of postal services that make up the basket of services within the universal service obligation (Universal Postal Service Price Convention) for the 2023-2025 period, of 27 July 2022, the prices of these services were updated on 1 February 2024. The update corresponds to an average

annual price variation of 9.49%. The overall average annual price variation, also reflecting the effect of the update of special prices for bulk mail, is 8.91%.

In accordance with the decision of 25 June 2024, ANACOM approved the cost of capital rate of 9.3943%, of CTT – Correios de Portugal (CTT), applicable to the analytical accounting system in the 2024 financial year.

Regarding to the legal proceedings relating to ANACOM's Decision regarding the quality of service parameters and performance targets applicable to the universal postal service provision, of July 2018, the Government's appeal against the decision of the Arbitration Court continues, 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.

The administrative offence process in which CTT was accused by ANACOM for allegedly violating the procedure for measuring quality of service indicators in 2016 and 2017 is ongoing.

Following the proposal to apply contractual fines in the amount of 753 thousand euros, on 4 August 2022, CTT requested the constitution of an arbitration court, under the terms of the concession. On 1 July 2024, the arbitration court decided, with one dissenting vote, to reduce the overall amount of the fines by just 51 thousand Euros. CTT filed an appeal against the arbitration ruling with the Supreme Administrative Court. For the same facts relating to 2015 and 2016 (various situations concerning the distribution and publication of information in the post offices), on 19 April (2024), CTT was notified of ANACOM's accusation that it had committed administrative offences, and a fine of 398,750 Euros was imposed. As it disagrees with the grounds of the charge, CTT appealed against it and the case is pending a decision.

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

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

The transaction concluded between the parties includes:

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

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

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

29. Subsequent events

After 30 September 2024 and up to the date that the financial statements were approved for issue, no relevant or material facts have occurred in the Group's activity that have not been disclosed in the notes to the financial statements.

