



CTT – Correios de Portugal, S.A.

Avenida D. João II, 13

1999-001 LISBON

Lisbon commercial registry and

fiscal no. 500 077 568

Share Capital EUR 75,000,000.00

Announcement – Lisbon, 19 June 2022

Material information

CTT – Correios de Portugal, S.A. (“CTT” or “Company”) hereby informs that it has entered into exclusive negotiations with a third party (“Third Party”) aimed at creating a vehicle (“Vehicle”) to own and manage the retail and logistics portfolio of CTT (“Yield Portfolio”) that will be majority-owned by CTT. The Third Party to which exclusive negotiation has been granted will co-invest in the Vehicle alongside additional investors.

CTT’s Real Estate strategy

The real estate assets of CTT are comprised of two portfolios with different characteristics:

1. **Yield Portfolio**: This comprises all (1) CTT’s points of presence, particularly own retail stores that normally are located in the center of municipalities, throughout Portugal and (2) the warehouses and logistics / distribution centers that are core part of CTT’s logistics network in Portugal.

The Yield Portfolio is composed of assets that have the following multi-use profile: (i) retail; (ii) warehouse / operations; (iii) residential; and (iv) services / other.

The Yield Portfolio is comprised of c. 400 assets located in Portugal with a net book value of €110m¹ and a total gross lettable area (GLA) of c. 240 thousand sqm.

This Yield Portfolio also encompasses potential expansion opportunities, namely in the logistics network, in Portugal and Spain (build-to-suit expansion opportunities).

2. **Development Portfolio**: This comprises assets that are located in areas with potential for mix-used development projects and may become non-core to CTT’s logistic networks in the near future.

This Development Portfolio will be comprised of up to 10 assets located in Portugal with a net book value of €24m¹.

Each of the assets in the Development Portfolio will be considered on a standalone basis, based (1) on the timing to render those assets vacant, (2) on the potential development opportunities that may exist or arise, and (3) on the specific characteristics of each asset.

¹ As at 31 December 2021.



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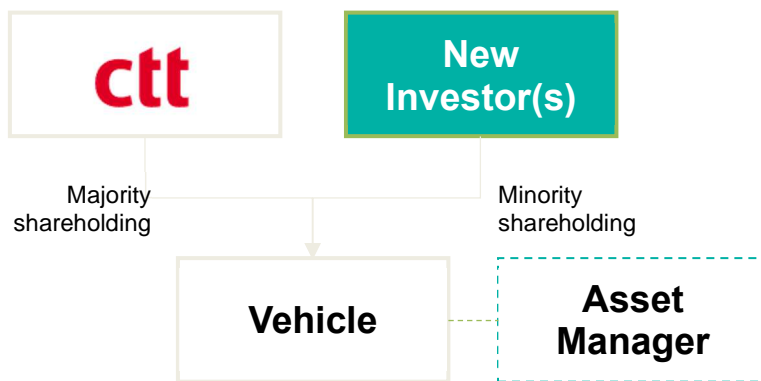
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Envisaged structure

At this stage, CTT intends to constitute a structure aimed at maximizing the value of the Yield Portfolio, through (1) optimizing its day-to-day management, (2) improving occupancy with attraction of new tenants, and (3) pursuing micro-development opportunities where these may be deemed to exist.

To create this new structure, the following steps will be taken (non-exhaustive):

1. CTT asset portfolio to be incorporated in a new entity, the Vehicle, on which CTT will keep a majority stake;
2. An external Asset Manager will be appointed to manage the Vehicle, and
3. Entry of new investor(s), targeting institutional investors and family offices, to take a minority position in the Vehicle.



(Illustrative)

Concluding remarks

This far, the process has attracted the interest of multiple parties, which presented non-binding offers. The award of an exclusivity period reflects CTT's evaluation of the most adequate offer. By entering into exclusive negotiations with the independent undisclosed third party, CTT aims to accelerate the process of creating the Vehicle to be invested by institutional partners and family offices and managed by a specialized and independent real estate manager, with the objectives of:

- (1) Detaching c. 400 assets, both retail and operations, crystalizing their value;
- (2) Optimizing management return of unused and vacant assets; and
- (3) Create a vehicle to fund the growth potential for future build-to-suit opportunities for CTT's logistics network.

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 and other legislation in force in Portugal. It is also available on CTT website at:

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



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