



CTT – Correios de Portugal, S.A.
Public Company
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, 17 May 2021

Material information – Start of trading in the context of the buy-back program of own shares

Announcement pursuant to Articles 5(1)(a) of Regulation (EU) No 596/2014 of 16 April and 2 of Delegated Regulation (EU) 2016/1052 of 8 March

Under the terms and for the purposes of article 5(1)(a) of the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 (“Regulation (EU) No 596/2014”) and article 2(1) of the Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 (“Delegated Regulation (EU) 2016/1052”), CTT – Correios de Portugal, S.A. (“CTT” or “Company”) hereby informs that at its meeting held today the Board of Directors of the Company has unanimously approved the implementation of a CTT share buy-back program (“Buy-back Program”), including its terms and conditions, particularly the start date of the trading under the said program.

The implementation of the Buy-back Program follows, namely, the approval of the Company’s Remuneration Committee’s proposal for the remuneration policy and the stock options plan on CTT shares to be awarded to CTT Executive Directors (“Plan for Directors”), by the General Shareholders’ Meeting of CTT held on 21 April 2021 (as per item 4 of the General Meeting’s Agenda), as well as the intention of the Board of Directors to put in place a stock options program addressed to the top management of the Company (“Plan for Top Managers”) (the Plan for Directors and the Plan for Top Managers are together referred to as “Plans”). The execution of the Buy-back Program will take into consideration not only the terms and conditions described below, but also the limits of the resolution adopted under item 5 of the Agenda of the General Meeting mentioned above, under which the granting of authorization to the Board of Directors for the acquisition and transfer of own shares by the Company and its subsidiaries was approved, as disclosed to the market in due time.

Further notice is hereby given that the Buy-back Program will be implemented in accordance with the provisions of Regulation (EU) No 596/2014 as supplemented by Delegated Regulation (EU) 2016/1052.

The sole objective of the Buy-back Program, pursuant to and for the purposes of article 5(2)(c) of Regulation (EU) No 596/2014, is the acquisition of own shares in order to comply with the obligation to award shares representing CTT’s share capital to the participants in the Plans, based on the estimated number of shares required to meet the settlement of the options currently granted under the Plan for Directors, as well as the options which the Board of Directors is planning to grant under the Plan for Top Managers, pursuant to paragraph a) below.



CTT – Correios de Portugal, S.A.
Public Company
Avenida D. João II, 13
1999-001 LISBON
Lisbon commercial registry and
fiscal no. 500 077 568
Share Capital EUR 75,000,000.00

Without prejudice, to the extent that the acquisitions made under the objective listed above exceed the number of shares effectively required to meet the settlement of the options granted under the Plans, namely in the event of a change in the assumptions for calculation of the estimated number of shares required, the own shares acquired for the aforementioned purpose which exceed the number of shares effectively required to meet CTT's obligations under the Plans may be cancelled through the reduction of CTT's share capital. The possible reduction of CTT's share capital shall be subject to the prior approval by CTT's General Meeting of Shareholders, considering the terms and conditions approved in such context, as well as to the prior authorization by the Portuguese Government in its capacity as grantor under the Universal Postal Service concession agreement entered into with CTT.

The Buy-back Program will be implemented in strict dependence on the aforementioned objective. In this context, it will be carried out in accordance with the following terms and conditions:

- a) Maximum number of shares to be acquired under the Buy-back Program: up to 1,500,000 (one million, five hundred thousand) ordinary shares of CTT, corresponding to the estimated number of shares required to settle the options currently granted under the Plan for Directors, as well as the options which the Board of Directors is planning to grant under the Plan for Top Managers, always subject to the limit corresponding to 10% (ten per cent) of the CTT share capital, currently corresponding to 15.000.000 (fifteen million) ordinary shares of the Company. Nonetheless, the aforementioned number may be adjusted in the future, particularly as a result of the award of new options under the Plans currently not foreseen or in case of a change in the assumptions for the calculation of the estimated number of shares required for the settlement of the options awarded under the Plans;
- b) Duration of the Buy-back Program: the Buy-back Program will last for six months, starting on 18 May 2021 and ending on 18 November 2021 (inclusive), without prejudice to ending on an earlier date if the maximum number of shares to be acquired or the maximum cash amount of the Buy-back Program is reached;
- c) Forms of acquisition under the Buy-back Program: acquisitions of shares or rights to acquire or award shares, for consideration, in sessions of the Euronext Lisbon regulated market, in compliance with the principle of equal treatment of shareholders under legal terms;
- d) Minimum and maximum consideration of the acquisitions to be carried out within the Buy-back Program: the effective purchase price (i) shall fall within an interval of 10% (ten percent) below and above the listed price of the Company's shares on the Euronext Lisbon regulated market at the close of the trading session immediately preceding the date of acquisition or the creation of the right to acquire or grant shares, and (ii) furthermore, under the terms and for the purposes of article 3(2) of Delegated Regulation (EU) 2016/1052, it shall also not be higher than the highest of the price of the last independent trade and the highest independent purchase bid at the time of the acquisition on the Euronext Lisbon regulated market;
- e) Maximum pecuniary amount of the Buy-back Program: up to €8,250,000.00 (eight million, two hundred and fifty thousand euros);



CTT – Correios de Portugal, S.A.

Public Company

Avenida D. João II, 13

1999-001 LISBON

Lisbon commercial registry and

fiscal no. 500 077 568

Share Capital EUR 75,000,000.00

- f) Financial intermediary in charge of the execution of the Buy-back Program: The mandate for the execution of the Buy-back Program has been granted to JB Capital Markets, S.V., S.A. which will independently carry out the acquisitions of CTT shares in the context of the Buy-back Program, under the terms and in accordance with the limits set out in this communication and in the resolution passed by the General Shareholders' Meeting of CTT held on 21 April 2021, as well as in accordance with the applicable law and, in particular, Regulation (EU) No 596/2014 and Delegated Regulation (EU) 2016/1052, being duly authorized for such purpose.

The Buy-back Program shall be executed as a "scheduled buy-back program" pursuant to and for the purposes of article 4(2) of Delegated Regulation (EU) 2016/1052, complying to this end with the terms and conditions set out above, as well as the requirements and conditions set out in Regulation (EU) No 596/2014 as supplemented by Delegated Regulation (EU) 2016/1052, namely those set out in the subparagraphs below, thus benefiting from the exemption provided for in article 5 of Regulation (EU) No 596/2014.

During the period of the Buy-back Program, the following additional requirements will be complied with:

- (i) Maintain a record of each transaction carried out within the Buy-back Program;
- (ii) Report to the Portuguese Securities Market Commission ("CMVM") all the transactions related to the Buy-back Program in a detailed form and in an aggregated form (indicating the aggregated volume and the weighted average price per day at Euronext Lisbon) no later than by the end of the seventh daily market session following the date of the execution of said transactions, as well as ensure adequate public disclosure of the information on the transactions relating to the Buy-back Program no later than by the end of the seventh daily market session following the date of the execution of those transactions, pursuant to article 2 of Delegated Regulation (EU) 2016/1052, and in compliance with the other information and disclosure duties provided for in applicable legislation, in particular the CMVM Regulation No. 5/2008;
- (iii) Publication of the transactions disclosed pursuant to the preceding paragraph on CTT's website and maintain such information available to the public for at least a 5-year period from the date of the public disclosure;
- (iv) The orders shall not be placed during an auction phase and the orders placed before the start of the auction phase shall not be modified during that phase;
- (v) Limitation of the volume of the shares to be purchased under the Buy-back Program, on any trading day, to 25% (twenty-five percent) of the average daily volume of the CTT shares traded on Euronext Lisbon regulated market in the 20 trading days preceding the date of the purchase, pursuant to article 3(3) of Delegated Regulation (EU) 2016/1052.

Any interruption or change to the Buy-back Program or to the information disclosed in connection thereof will be communicated to the market in accordance with Delegated Regulation (EU) 2016/1052.



CTT – Correios de Portugal, S.A.

Public Company

Avenida D. João II, 13

1999-001 LISBON

Lisbon commercial registry and

fiscal no. 500 077 568

Share Capital EUR 75,000,000.00

This information to the market and the general public is also available on CTT website at:
https://www.ctt.pt/grupo-ctt/investidores/comunicados/index?language_id=1.

CTT – Correios de Portugal, S.A.

Guy Pacheco

Market Relations Representative of CTT

Peter Tsvetkov

Head of Investor Relations of CTT

Contacts:

Email: investors@ctt.pt

Fax: + 351 210 471 996

Phone: + 351 210 471 087