



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, 6 November 2022

Material information

CTT – Correios de Portugal, S.A. ("CTT") and its subsidiary Banco CTT, S.A. ("Banco CTT") hereby inform that on this date they have entered into a strategic partnership agreement (the "Transaction") with Generali Seguros, S.A. ("Tranquilidade/Generali Seguros").

The Transaction includes:

- Long-term distribution agreements, with 5-year renewable exclusivity periods, for the distribution by CTT and Banco CTT of life and non-life insurance products of Tranquilidade/Generali Seguros (the "Insurance Distribution Agreements"); and
- Subscription by Tranquilidade/Generali Seguros of a €25 million reserved share capital increase in Banco CTT in exchange for a stake of approximately 8.71% (the "Capital Increase"). A Shareholders' Agreement will provide Tranquilidade/Generali Seguros with minority protection rights consistent with the size of the stake.

The Transaction combines Tranquilidade/Generali Seguros' expertise in developing and managing insurance products with CTT and Banco CTT's extensive distribution capacity through their nationwide networks and digital channels.

The Insurance Distribution Agreements contemplate a fixed price by Tranquilidade/Generali Seguros of €1 million and €9 million 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 Capital Increase will reinforce Banco CTT's capital position, with a positive impact of approximately 240 basis points on the pro-forma fully loaded CET1 capital ratio reported as of 30 June 2022, and support the development of Banco CTT. The Capital Increase implies a 1.1x Price-to-Book Value multiple valuation based on Banco CTT's shareholders' equity as of 30 June 2022.

CTT also releases on this date a presentation with more detailed information on the key terms of the Transaction and its strategic and financial impact for CTT and Banco CTT, which should be read in conjunction with this announcement.



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CTT expects that the Transaction, which is subject to conditions precedent, including banking and insurance regulatory authorities' approvals, is closed before the end of 2023.

Rothschild & Co acted as financial advisor and Vieira de Almeida & Associados acted as legal advisor for CTT and Banco CTT in this Transaction.

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.

CTT – Correios de Portugal, S.A.

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