

PRESS RELEASE

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CTT and Sonae Sierra create innovative investment vehicle in the Portuguese market to manage CTT's real estate portfolio

- The vehicle is an innovative solution to specialise the management of CTT's real estate assets, a portfolio with unique characteristics, which covers around 400 logistics, retail and mixed-use properties across the country
- CTT's strategy to maximise the value of its real estate assets begins with this partnership with a leading entity in the sector, creating economies of scale and allowing dynamic asset management in Portugal and Spain
- The operation initiates a long-term relationship between the two companies and a group of investors and attests to Sierra's ability to integrate its multiple strengths to build customised investment management solutions around the preferences of its partners, as well as its skills in raising capital, both among institutional investors and in family offices

CTT and Sierra, a global vertically integrated real estate player, multinational, have agreed to create an innovative, strategic and long-term investment vehicle, dedicated to the management of CTT's real estate assets, which include around 400 properties across logistics, retail and mixed use, situated throughout Portugal.

The real estate assets held by CTT will be integrated into this vehicle, with the intention that they will continue to be fully consolidated by CTT. The Yield Portfolio comprises 398 assets with over 240,000 square metres of total gross leasable area, with an agreed transaction valuation of €139 million. The portfolio includes real estate assets of different types, namely retail, logistics, offices and others, in prime and secondary locations in Portugal, with 55% of its value concentrated in the districts of Lisbon and Porto.

While CTT will hold the majority of the capital, financial and institutional investors plus family offices will participate in the vehicle through private subscription (in principle up to 30%, including Sierra's 3.6% stake). **This investment will encourage the crystallisation of the value of CTT's real estate assets and will increase the company's financial flexibility.**

João Bento, CEO of CTT, says: *"It is with great satisfaction that we announce the creation of this vehicle for the management of CTT's real estate assets. This marks the beginning of the strategy to maximise the value of these assets, through an innovative model which will allow the dynamic management of the portfolio, in line with the evolution of the company's and the market's requirements, in both Portugal and Spain. The choice of a highly experienced partner for the management of these assets allows us to attract investment, enhance the assets and have specialised support for the necessary relocation into more interesting areas, while maintaining the focus on our core activity."*

Luis Mota Duarte, CFO and Head of the Investment Management Area at Sierra, says: *"This operation is part of the growth strategy of Sierra's Investment Management business, focused on creating vehicles adapted to the profitability and sustainability objectives of different types of investors. CTT's confidence reinforces Sierra's position as a leading real estate investment manager in the Iberian Peninsula as a result of the proven skills we have across the various areas in which we operate in the market, from Investment to Development,*

Asset and Property Management, which together make up the entire development and management cycle of an asset and allow us to deliver strategic, commercial and operational value, in a customised way, to better guarantee sustainable profitability.”

Sierra's mission will be to maximise the value of managed assets, by optimising the occupation of spaces, attracting new tenants and types of use, and looking for expansion opportunities, namely in the logistics network in Portugal and Spain, thus reinforcing the attractiveness of a unique product in the country, for a diversified spectrum of investors. The launch of this new vehicle, with a stable income profile, will reinforce the company's commitment to its **Investment Management area, where it continues to expand its business, currently managing a set of 16 investment vehicles worth €6.3 billion.**

For CTT, this transaction aims to **improve the efficiency of the operation** of its retail and logistics real estate assets; **crystallise the value of the income portfolio; improve CTT's liquidity position**, increasing alternatives for future capital allocation opportunities. Furthermore, the creation of this vehicle will allow for a clearer assessment of the opportunity value of each property and an active search for alternative locations that best suit the company's logistical and commercial needs.

The transaction is subject to a set of conditions precedent, including, among others, obtaining the necessary authorisations from the CMVM and the non-opposition of the Competition Authority.

About CTT

CTT employs 11,788 people in Portugal. In 2022, the firm achieved an operating income of €906.6 million, a recurring EBIT of €65.4 million and a net profit of €36.4 million. That same year, CTT transported 457.6 million items of addressed mail. With a strong Iberian presence, CTT connects people and companies in a sustainable way.

About Sonae Sierra

Sierra operates in the real estate sector with an integrated business approach. We look for robust platforms from which we can create solid strategies for return on investment, in different parts of the world. From commercial spaces to public spaces or residential schemes, from project management to turnkey projects, we are at the forefront of knowledge in the sector and are therefore the ideal partner for the development of innovative concepts.

Currently, Sonae Sierra is present in 11 countries and manages on a global level more than €8 billion of real estate across different sectors and asset classes.

For more information, please visit www.sonaesierra.com.